

April 28, 2026

The Honorable Robert Britto
Chairman, Senate Commerce Committee
Rhode Island State House
Providence, Rhode Island 02908

RE: S-2645 – Relating to Public Utilities & Carriers – Public Utilities Commission – Utility Ownership of Electric Generating Facilities

Dear Chairman Britto:

On behalf of Rhode Island Energy, I write in **strong support** of S-2645, which would enable regulated electric distribution companies to own, operate, and construct electric generating facilities subject to state regulatory oversight. We applaud Majority Whip Tikoian and the bill's co-sponsors – including Majority Leader Ciccone, Chairman Burke, Chairman Felag, and Senators Patalano, Thompson, Raptakis, and Dimitri – for their leadership in proposing this legislation. **Advancement of S-2645 will establish an important new tool to improve local energy affordability, increase energy security, address emerging resource adequacy challenges, advance sustainability goals, and support local job growth and tax revenues in Rhode Island.**

Rhode Island Energy provides essential energy services to more than 770,000 customers across the state through the delivery of electricity and natural gas. Our team of 1,300+ union and non-union employees is dedicated to helping Rhode Island customers and communities thrive, while supporting the transition to a cleaner energy future in a safe, reliable, and affordable manner.

As Rhode Island continues to make meaningful progress in pursuit of its decarbonization and climate goals, significant challenges lie ahead for meeting state and regional energy needs. Continued system demand growth driven by transportation and heating sector electrification; an interconnection queue almost entirely composed of intermittent, non-dispatchable resources; and retirement of reliable, dispatchable generators all pose potential resource adequacy risks over the next several years. **Allowing utilities to own, operate, and build new generation resources subject to regulatory oversight – including renewables, zero-emission resources, and energy storage systems – can provide significant advantages in building a more affordable, reliable, and sustainable energy system for Rhode Island families and businesses.** For example:

- **Utilities have the expertise and access to lower-cost capital needed to build electric generation and storage at scale, including no-to-low carbon resources.** Utilities' lower risk profiles translate to lower capital costs, giving utilities the advantage of building needed generation more cost-efficiently. Additionally, Rhode Island Energy can leverage well over 100 years of combined experience of PPL's senior leaders, who have demonstrated expertise developing, constructing, and operating electric generation facilities on time and on budget. With PPL's 40 generating units in service and more in development, Rhode Island Energy can bring significant resources and experience to the table in creating a more secure and sustainable energy future for the Ocean State. **Importantly, PPL has invested in (or is actively exploring development of) solar, hydro, wind, and battery storage resources in its other jurisdictions.**

- **Utility-owned generation can help temper energy supply price volatility.** Supply costs represent one-third or more of the typical Rhode Island residential electric bill. Bill impacts from that portion of the bill alone have grown more than 35% over the last five years. Over the coldest days of January 2026, regional wholesale energy supply prices spiked to nearly five times the monthly average.¹ Adding additional dispatchable resources, including energy storage, to meet demand when intermittent resources are not available can help reduce consumer costs. Currently, the ISO-NE interconnection queue consists of few dispatchable resources to meet this need.
- **Utility-owned generation can help support the energy transition and bolster reliability.** During that same January 2026 cold spell, power was being supplied by petroleum-based fuel oil, one of the highest carbon-emitting resources. Adding dependable and lower-emitting resources to the mix could alleviate environmental impacts and bolster system reliability as winter peak demand is anticipated to grow by 300-500 MW in Rhode Island over the next 10 years.²
- **Utility-owned generation can help strengthen local and regional resource adequacy.** According to ISO-NE, the region's electric grid operator, "the growth of solar and wind resources means the functioning of the power grid is becoming more dependent on the weather. These resources can help mitigate risks in the winter months, but the region will need a sustainable solution to withstand wind and solar "droughts." Recent ISO economic studies of the potential 2040 power system have found that, in the future, the region will still need dispatchable suppliers of electricity – whether or not they are carbon-emitting – to maintain reliability during periods of high winter electricity use."³ If Rhode Island is to achieve its net-zero emissions future in a safe, reliable and affordable manner, we must begin to collaborate on new pathways for responsible and sustained investment that balances grid demands with consumer interests. Regulated utility investment can help strike that delicate balance.
- **Utility-owned generation would be subject to stringent regulation by the state Public Utilities Commission (PUC) and, where applicable, the state's Energy Facility Siting Board, ensuring transparent oversight to balance consumer cost and reliability impacts.** In contrast, regional Independent Power Producers (IPPs) build and operate generation facilities largely outside of the state's regulatory framework with profit margins and risk-premiums reflected in wholesale supply costs. **These entities have no obligation to improve energy affordability for Rhode Island ratepayers or to ensure energy reliability for local homes and businesses. Regulated public utilities, like Rhode Island Energy, do.** Allowing utilities to build and own generation – alongside the competitive marketplace – would give the state greater control over its own energy future and resource mix. Several other market regions with regulated utility-owned generation have experienced cheaper day-ahead and real-time wholesale electricity supply costs.⁴ Thirty-five (35) states allow

¹ ISO-New England. "Real-Time Energy Market Hourly LMP Report. 1/1/2026-1/31/2026.

² ISO-NE. 2025. "2025 CELT Report." <https://www.iso-ne.com/system-planning/system-plans-studies/celt>

³ ISO-New England. "2024 Regional Electricity Outlook."

<https://www.iso-ne.com/about/where-we-are-going/regional-electricity-outlook/>

⁴ EIA. 2025. "2025 Wholesale Electricity Market Data Report." <https://www.eia.gov/electricity/wholesale/>

utilities to own generation and customers in these states typically pay lower prices for electricity than in deregulated states.⁵

- **Utility-owned generation can support good-paying, local jobs (including occupations represented by organized labor), drive new sources of state and local tax revenue, and serve as a catalyst for innovation and future investment.** Today, the majority of Rhode Island Energy's workforce is union labor and we value the strong outcomes that can be driven by working together with trade organizations. And, as a significant taxpayer, we know that our investments can support critical revenue streams for local communities we serve every day. Furthermore, with the capability to invest at scale, Rhode Island Energy can work with state agencies, institutes of higher learning, local vendors, and other entities to drive innovation, attract research and development dollars, and help grow a skilled workforce that can power future public and private sector investment opportunities.

Rhode Island Energy strongly believes that utility generation ownership can be an effective tool for meeting the state's rapidly evolving energy demands, improving long-term energy affordability, enhancing energy resource adequacy, and advancing important economic and environmental policy goals. And, Rhode Island's strong regulatory model affords the appropriate level of state oversight, consumer protection, and transparent processes to mitigate risks. **In sum – utility-owned generation that is subject to regulation and operating alongside competitive markets can drive a more affordable, reliable, secure, and sustainable energy future for Rhode Islanders.** That is why we respectfully ask the Committee to advance S-2645 this session.

Thank you for the opportunity to comment on this proposed legislation.

Respectfully,



Nicholas S. Ucci
Director of Government Affairs

CC: The Honorable Members of the Senate Commerce Committee
The Honorable David P. Tikoian, Majority Whip, Rhode Island Senate
The Honorable Frank A. Ciccone, Majority Leader, Rhode Island Senate
The Honorable John P. Burke, Rhode Island Senate
The Honorable Walter S. Felag, Jr., Rhode Island Senate
The Honorable Leonidas P. Raptakis, Rhode Island Senate
The Honorable Todd M. Patalano, Rhode Island Senate
The Honorable Brian J. Thompson, Rhode Island Senate
The Honorable Andrew R. Dimitri, Rhode Island Senate

⁵ EIA. 2025. "T5.a Residential average monthly bill by Census Division, and State"