



**Senator V. Susan Sosnowski, Chair**

**May 20<sup>th</sup>, 2026**

Senate Committee on Environment and Agriculture  
Rhode Island Senate

**RE: Green Energy Consumers Alliance Supports Senate Resolution 2354**

Dear Chair Sosnowski and members of the Committee,

On behalf of Green Energy Consumers Alliance and our thousands of members across Rhode Island, **I write in strong support of Senate Resolution 2354**, which requests that the Public Utilities Commission terminate the existing line extension allowance policy that Rhode Island Energy has in effect via the open distribution rate case, Docket No: 25-45-GE.

**Gas system expansion slows Act on Climate progress**

The Act on Climate mandates that Rhode Island reduce its total greenhouse gas (GHG) emissions 45% below 1990 levels by 2030 and reach net zero emissions by 2050. When evaluating emissions by sector, the building sector accounts for over 30% of all greenhouse gas emissions in the state, and Rhode Island does not currently have a clear path to reduce these emissions. Additionally, the Executive Climate Change Coordinating Councils (EC4's) 2025 Rhode Island Climate Action Strategy shows that the state is not on track to meet the Act on Climate under current state policies. To achieve the Act on Climate, action is needed to reduce emissions from the building sector. One step towards reducing emissions is ensuring that those constructing new buildings within the state carefully consider whether their development needs a new gas connection, as expansion of our gas system directly conflicts with the mandate to reduce greenhouse gas emissions.

**Current Line Extension Allowance Policy**

Under the current tariff, the cost to build a new gas line extension is free to the prospective customer if the expected net revenue from constructing the allowance exceeds the cost to build it ([RIPUC RIE-Gas-No. 101B](#), p. 136). If the cost to build the extension exceeds expected revenues, the customer will be obligated to pay a Contribution in Aid of Construction (CIAC) payment to cover the deficit. Given the free or low-cost nature of line extensions, the policy encourages the construction of new gas infrastructure, resulting in increased greenhouse gas emissions and costs to ratepayers for the infrastructure and maintenance over the lifetime of a new pipe. Additionally, the current inputs and assumptions that Rhode Island Energy ('RIE' or 'the Company') uses for calculating the net

present value of a LEA have not been updated to reflect current market conditions, something that the Company has said: “certain gas consumption, cost, and financial inputs and assumptions established through the 2017 Rate Case do not reflect current conditions” ([David Moreira Rebuttal Testimony](#), Docket No. 25-45-GE, p. 11 lines 13-14). The use of outdated inputs and assumptions has likely led to inaccurate net present value calculations that overestimate the value of a line extension, with the ultimate true cost being subsidized by other ratepayers. Thus, shifting the cost burden for financing LEAs from existing ratepayers to the individual seeking the line extension can encourage electrification, supporting the mandates in the Act on Climate, and ensure ratepayers are being charged more equitably for the actual services they are procuring and maintaining.

### **Eliminating Line Extension Allowances Through Docket No. 25-45-GE is Appropriate**

To determine the future of the gas distribution business in Rhode Island, the Public Utilities Commission (PUC) has an open docket to investigate this topic (Docket No. 22-01-NG), and stakeholders are awaiting a final policy report to be released. At the same time, Rhode Island Energy has opened a distribution rate case, Docket No. 25-45-GE, through which the Company’s existing tariffs can be adjusted and modified. Evaluating and eliminating the current line extension allowance (LEA) policy through Docket No. 25-45-GE is the right docket because the Future of Gas Docket is stalled, and stakeholders have been anticipating a final report to be released for over a year. There is currently no opportunity to pursue LEA elimination through Docket No. 22-01-NG, and no timeline for when the docket hearings will restart. Thus, if Rhode Island Energy is truly “committed to being a strong partner in achieving the Act on Climate mandates” ([David Moreira Rebuttal Testimony](#), Docket No. 25-45-GE p. 13 line 15), they should not seek issue with eliminating the existing LEA policy through the rate case.

### **Line-extension allowances create stranded-asset risk and increases ratepayer cost**

The lifetime of gas lines can often exceed 30 years, and Rhode Island is actively developing strategies to transition away from the fossil fuel distribution system through dockets and state climate plans. Continuing to expand the gas system now will lock ratepayers into paying for a system that will be minimally or no longer used in 24 years, when Rhode Island must reach net-zero emissions. This creates significant risk for the creation of stranded assets as the lifetime of this infrastructure outlives the timeline it can be utilized for.

Allowing continued investment in a system that will see declining use through policy changes and customer behavior also risks increasing rates for customers who remain on the gas system. Increased electrification is critical to meeting the Act on Climate and

ensuring that Rhode Islanders are using clean, efficient technology for needs like space heating and cooking and that transition is already here, with [heat pumps outselling furnaces for the fourth year in a row](#) nationwide. The transition towards electrification is growing, and terminating the current line-extension allowance policy in RIPUC RIE Gas Tariff No. 101B can protect ratepayers from rising gas costs and increased investment in new gas distribution infrastructure that could become stranded assets.

### **Conclusion**

To achieve the Act on Climate, we must ensure that the Public Utilities Commission is requiring that the utility update their policies to better align with the Act on Climate. Requesting that the PUC eliminate the current line extension allowance policy through Docket No. 25-45-GE will do so. Green Energy Consumers Alliance thanks Senator DiMario for introducing this resolution and urges the Committee and full General Assembly to vote in favor of its passage.

Sincerely,

Tina Munter, RI Policy Advocate

**Green Energy Consumers Alliance**

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