

February 10, 2026

Via Electronic Mail

Senate Committee on Finance  
State of Rhode Island General Assembly  
February 10, 2026

**RE: ACT Opposition to certain provisions in HB 7127, *An Act Making Appropriations for the Support of the State for the Fiscal Year Ending June 30, 2027***

Dear Members of the Senate Committee on Finance,

The Alliance for Climate Transition ("ACT") appreciates the opportunity to submit written testimony regarding the energy provisions contained in the Governor's budget proposal, HB 7127, *An Act Making Appropriations for the Support of the State for the Fiscal Year Ending June 30, 2027*. ACT is a regional clean energy trade association whose members develop, finance, own, and operate distributed solar, energy storage, and other clean energy infrastructure in Rhode Island and across the Northeast.

ACT members have invested hundreds of millions of dollars in long-term energy infrastructure that serves municipalities, public colleges and universities, hospitals, housing authorities, businesses, and households throughout the region. These projects are built in reliance on clear statutory and regulatory commitments established by the State and approved by regulators at the time of investment.

We respectfully object to several provisions in this budget proposal that would increase long-term energy costs for ratepayers, destabilize private investment in critical infrastructure, and weaken Rhode Island's clean energy leadership.

***Retroactive Net Metering Changes Undermine Infrastructure Investment and Public Institutions***

We are deeply concerned by the budget provisions that would retroactively alter compensation frameworks for operating distributed generation projects through new grid access fees, frozen credit values, and accelerated transitions to wholesale rate structures.

Clean energy projects are financed as long-lived infrastructure assets, much like roads and water systems. Lenders and investors underwrite these projects based on stable, predictable revenue streams established under existing law. Changing those rules after projects are permitted, financed, and constructed fundamentally undermines the financial foundation of this infrastructure.

**Retroactive policy changes would increase financing costs, chill future investment, and signal to capital markets that Rhode Island is an unstable place to deploy long-term infrastructure capital.** Many of the largest clean energy investors are pension funds representing teachers, first responders, and public employees. Harming these long-term investments through policy reversals serves no public interest.

The proposed grid access fees are especially concerning because they are not grounded in cost-of-service analysis or tied to actual system impacts. Distributed generation projects already pay substantial interconnection costs, reduce peak demand, lower transmission and capacity expenses for ratepayers, and provide direct bill savings to their customers. None of the proposed new charges were contemplated in existing financing structures.

Similarly, freezing compensation at extremely low summer values ignores inflation, rising operating and maintenance costs, municipal lease payments, increased construction and financing expenses, and future changes in utility rate design. Decoupling compensation from actual system value makes both existing power contracts untenable and future projects unfinanceable, inviting defaults, bankruptcies, and litigation.

Accelerating the shift to wholesale rate structures years ahead of previously established timelines further devalues operating assets and moves the goalposts midstream for investors who relied on long-standing state policy commitments.

Other states that have pursued retroactive changes are already facing lawsuits from project owners whose investments were harmed after the fact. If these proposed provisions are passed into law, Rhode Island would invite similar legal risk while damaging its reputation as a place capable of supporting large-scale infrastructure investment.

These impacts extend well beyond project developers and investors. Municipalities, public institutions, housing authorities, hospitals, and community organizations that depend on virtual net-metering arrangements for predictable energy savings would see those benefits materially reduced, undermining local budgets and essential services.

### ***Rolling Back the Renewable Energy Standard Risks Higher Costs and Missed Economic Opportunity***

The budget proposal also delays and weakens Rhode Island's nationally-acclaimed Renewable Energy Standard (RES), prolonging the state's reliance on volatile and increasingly expensive fossil fuels.

Pushing the 100 percent RES target from 2033 to 2050 would significantly extend Rhode Island's exposure to natural gas price spikes, defer major clean energy job creation, and jeopardize the state's ability to meet its economy-wide emissions targets.

Importantly, Rhode Island already has viable, cost-effective pathways to meet the existing RES timeline, including participation in multi-state clean energy procurements that have delivered competitively priced renewable power. The state's absence from a recent regional procurement of more than 170 megawatts of new solar generation underscores the missed opportunities that will grow if the RES is weakened.

Delaying clean energy deployment does not reduce costs over time. It locks in fossil fuel dependence while other states secure long-term fixed-price clean power.

### ***Deep Cuts to Energy Efficiency Will Raise Bills and Eliminate Cost-Effective Savings***

The budget also proposes to cap Rhode Island's energy efficiency investments at \$75 million per year, a dramatic reduction compared to both planned funding levels and historical averages, even before accounting for inflation.

These cuts come despite decades of evidence showing that energy efficiency is one of the lowest-cost ways to reduce energy demand, stabilize rates, and lower total system costs for all customers.

Because of sustained investment in efficiency programs, Rhode Island's electric load today is approximately five percent lower than it was in 2005, when it otherwise would have grown substantially. That avoided demand has translated into lower infrastructure costs, reduced fuel purchases, and direct bill savings for consumers.

In addition to lowering household and business energy bills, efficiency investments support local jobs, reduce pollution, and decrease exposure to volatile wholesale energy markets.

Recent analysis has shown that reductions in efficiency funding compound over time, leading to fewer savings, higher system costs, and lost economic benefits. The significant drop in efficiency investment during recent high-inflation years has already contributed to rising energy bills, illustrating how disinvestment quickly translates into higher costs for ratepayers.

The budget's proposed reliance on a bond to backfill efficiency funding is neither a stable nor sufficient replacement for consistent program investment. Bond proceeds are uncertain, episodic, and far below the scale necessary to sustain the proven benefits these programs deliver.

## **Conclusion**

Rhode Island leaders are right to focus on affordability and system costs. However, those goals are best achieved through policies that lower long-term energy demand, stabilize clean energy investment, and reduce exposure to fossil fuel price volatility, not by retroactively rewriting the rules for operating infrastructure or rolling back successful programs.

ACT and its members are eager to engage in constructive, future-focused policy design, but strongly oppose retroactive changes that undermine existing investments and public institutions. We urge the Committee to remove the retroactive net metering provisions, maintain Rhode Island's clean energy standards, and preserve cost-effective energy efficiency funding that saves ratepayers money over time.

Thank you for the opportunity to provide testimony.

Respectfully submitted,

*/s/ Tim Snyder*

Tim Snyder

Vice President, Public Policy and Government Affairs

The Alliance for Climate Transition

tsnyder@joinact.org