



February 10, 2026

The Honorable Louis DiPalma, Chairman
Senate Committee on Finance
State of Rhode Island General Assembly
Room 212
State House
Providence, RI 02903

RE: HB 7127 Article 11 - Section 10 Opposition

Dear Chairman DiPalma and Members of the Senate Committee on Finance:

Thank you for the opportunity to submit testimony on the energy provisions included in the Governor's budget proposal, House Bill 7127 Article 11 section 10. On behalf of Ameresco, a leading clean energy developer and energy solutions provider headquartered in New England, we respectfully submit this testimony in strong opposition to the bill as currently drafted.

While we recognize and share the Governor's goal of addressing rising energy costs for Rhode Island residents and businesses, as reaffirmed in Executive Order 26-01 issued on February 9, 2026, Article 11 section 10 would do so by imposing retroactive policy changes that fundamentally alter the economic and regulatory assumptions under which existing, operating solar projects were financed and built. These changes would jeopardize long-standing contractual arrangements, undermine investor confidence, and impose unanticipated costs on public entities that rely on virtual net metering for stable, long-term energy savings.

At a minimum, Ameresco respectfully urges the General Assembly to clearly exempt projects that are operational and have received Permission to Operate (PTO); projects currently in construction for which a building permit has been issued; and projects in active development for which an Interconnection Service Agreement (ISA) has been executed and a deposit has been made. Such exemptions are fully consistent with Executive Order 26-01, which expressly directs the Office of Energy Resources to seek to avoid adverse impacts on existing solar projects when evaluating potential changes to the State's virtual net metering program.

Absent such exemptions, HB 7127 would reach backwards to projects where capital has already been deployed, and public-sector energy savings have already been incorporated into municipal and agency budgets. These projects represent capital that has already been committed, contracts that have already been executed, and public-sector energy savings that have already been budgeted.

Ameresco has operated in Rhode Island since our founding in 2000, and our founder and CEO, George Sakellaris, is a longtime Rhode Island resident. Today, Ameresco owns and operates three solar facilities in the state totaling more than 14 megawatts, with an additional 5

megawatts due to come online imminently. These projects are selling electricity to public entities, including the Town of Westerly, the Town of East Greenwich, East Greenwich School Department, the Rhode Island Office of Energy Resources, and the Rhode Island Airport Corporation. To date, Ameresco has invested more than \$40 million in the development, construction, and operation of these projects, including over \$6 million in grid upgrades that strengthen Rhode Island's electric infrastructure. These grid investments were made in reliance on Commission-approved interconnection terms and long-standing net-metering statutes.

Rhode Island's virtual net metering program was intentionally designed to enable public-serving entities such as municipalities, school districts, and public agencies, to access locally generated, clean energy while stabilizing electricity costs for taxpayers. These arrangements are built on long-term contracts that depend on statutory and regulatory frameworks in place at the time projects are financed and constructed. Ameresco and our public entities entered into these agreements in good faith, with the shared understanding that the rules governing compensation would remain stable over the life of the contracts. Budgets for entities like Westerly, East Greenwich, and the Airport Corporation are planned around the predictable savings generated by these net-metered projects. Retroactive changes undermine not only private investment, but also public-sector fiscal planning and taxpayer protections.

HB 7127 Article 11 section 10 would disrupt that reliance by retroactively imposing a new grid access fee and freezing net metering credit rates for existing projects. Together, these provisions materially compromise the economic viability of operating assets that were developed, financed, and built under existing law.

This outcome stands in direct tension with Executive Order 26-01, which expressly directs that any restructuring of the State's virtual net metering program occur only after a comprehensive review and seek to avoid adverse impacts on existing solar projects, rather than imposing permanent, retroactive changes through the budget.

For Ameresco alone, the proposed grid access fee would impose more than \$800,000 in new unanticipated annual operating costs. For our currently operating projects the cumulative estimated loss through 2036 from freezing the net metering credit is over \$27 Million with well over \$13 Million borne directly by our public sector offtakers under contractual terms. Those costs cannot be absorbed without materially affecting project economics and the value delivered to public entities.

These changes also distort the fundamental relationship between electricity costs and local generation. Energy supply charges make up the largest and most volatile portion of customer electric bills. Solar generation located within Rhode Island directly reduces exposure to imported fuel prices and regional market volatility. By freezing compensation for existing net-metered generation while leaving public entities fully exposed to rising supply costs, HB 7127 Article 11 section 10 effectively erodes the value of local clean energy at the very moment it is needed

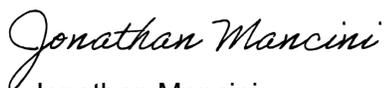
most. This mismatch shifts risk away from the broader system and onto municipalities, schools, and public agencies that lack the ability to hedge energy market volatility.

The consequences of retroactive policy changes extend beyond individual projects. Distributed solar facilities are long-lived infrastructure assets supported by project-level financing that depends on predictable revenue streams. Altering compensation after capital has been deployed introduces financial risk, weakens lender confidence, and raises the cost of future investment. In practice, this type of policy instability increases financing costs, narrows the pool of willing investors, and ultimately raises costs for ratepayers and taxpayers alike. At a time when federal policy uncertainty is already complicating clean energy finance and development timelines, Rhode Island should not compound that risk by signaling that existing statutes and regulatory approvals can be reopened after the fact.

Rhode Island is a leader in clean energy policy precisely because it has provided clear, durable rules that enable responsible investment while delivering tangible benefits to public institutions and ratepayers. Enacting the retroactive provisions in HB7127 Article 11 section 10 would undermine that reputation, placing current projects at risk and discouraging future development across the state.

We appreciate the Committee's leadership on energy policy and stand ready to work constructively on forward-looking solutions that address affordability concerns without destabilizing existing investments. We respectfully urge you to reject the retroactive changes to net metering contained in HB7127 Article 11 section 10, protect operating and in-construction solar projects, and align legislative action with the framework set forth in Executive Order 26-01 by addressing affordability concerns without destabilizing existing investments, and uphold Rhode Island's commitment to regulatory certainty.

Sincerely,



Jonathan Mancini
Senior Vice President
Ameresco, Inc.