

Senator DiPalma, Chair
Senate Finance Committee
Rhode Island Senate

February 10th, 2026

RE: Green Energy Consumers Alliance Opposes Budget Article 11, Sections 3, 7, and 10 in H7127 (Fiscal Year 2027 Budget)

Dear Chair DiPalma and members of the committee,

On behalf of Green Energy Consumers Alliance and our thousands of members across Rhode Island, **I write in strong opposition to Budget Article 11, Sections 3, 7, and 10 in House Bill 7127 (Fiscal Year 2027 Budget)** which seeks to cap energy efficiency program budgets, push out Rhode Island's Renewable Energy Standard, and make solar development more expensive.

Rhode Island Must Remain on Track to Achieve Act on Climate Goals

The Act on Climate mandates that Rhode Island reduce its total greenhouse gas (GHG) emissions by 45% by 2030 and net zero by 2050. According to the 2025 Climate Action Strategy (CAS), approved by the Executive Climate Change Coordinating Council (EC4) in December 2025, Rhode Island is approximately on track to meet the 2030 AOC target under current existing policies. We would like to note that our assessment is that the EC4 report is overly optimistic in the achievable emissions reductions and that new policies are needed to meet the mandate. Regardless, sections 3, 7, and 10 of H7127 will significantly reduce the likelihood of Rhode Island achieving those targets.

Figure 3: Economy-wide GHG Emissions Under the Current Policy Scenario

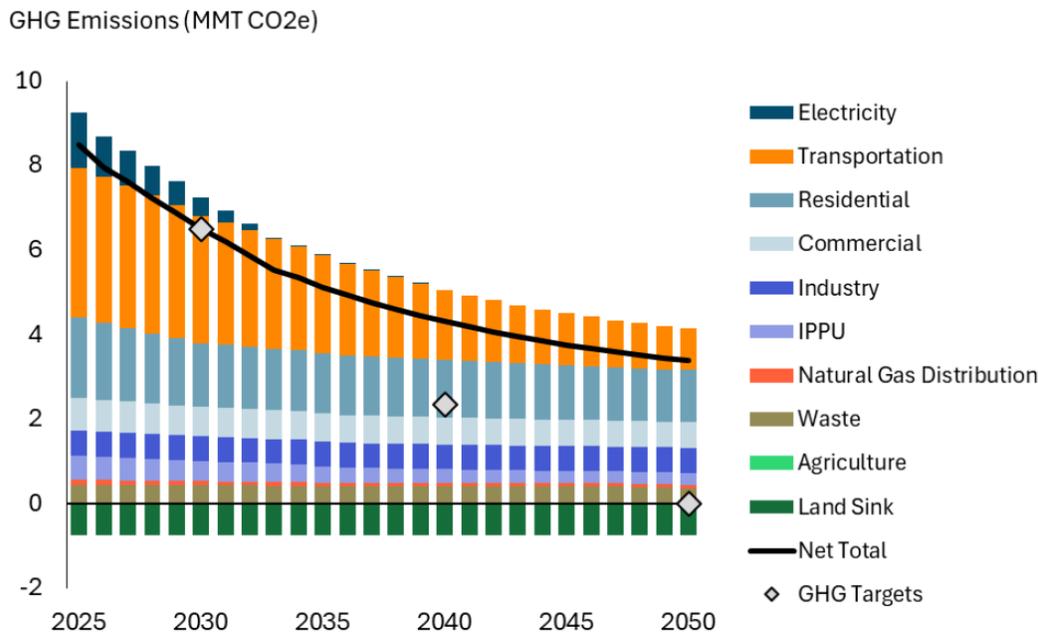


Image from 2025 Rhode Island Climate Action Strategy, pg. 12.

Section 3: System Reliability and Least Cost Procurement

This section proposes to cap the gas and electric energy efficiency budgets at \$75 million for the 2027-2029 three-year energy efficiency plan. If approved, this cap would be another significant reduction in energy efficiency program budgets, as the approved 2026 program budget is ~\$92M and the prior 2025 budget was ~\$114M. These continually declining budgets will reinforce how the state has slipped from a nationwide leader in energy efficiency to a state that struggles to keep up with current trends.

Energy efficiency is one of the most cost-effective methods of reducing ratepayer utility bills. According to the [2025 Energy Efficiency Council Annual Report](#), for every \$1 invested into energy efficiency, Rhode Islanders receive \$3 worth of benefits, which include directly lower bills, job creation, and greenhouse gas reductions. Artificially constraining program budget levels to \$75M will reduce the amount of cost-effective energy efficiency measures that can be accessed by Rhode Islanders and may result in consequences like paying more for energy than the cost of increased energy efficiency measures.

As shown in the image below, investments in energy efficiency have reduced the amount of electricity purchased by Rhode Islanders even as demand has grown. Reducing investment in energy efficiency programs will correspond with a loss in jobs and work hours for those employed by the efficiency industry and will eliminate a significant amount of financial benefits felt by Rhode Islanders as compared to prior budget amounts.

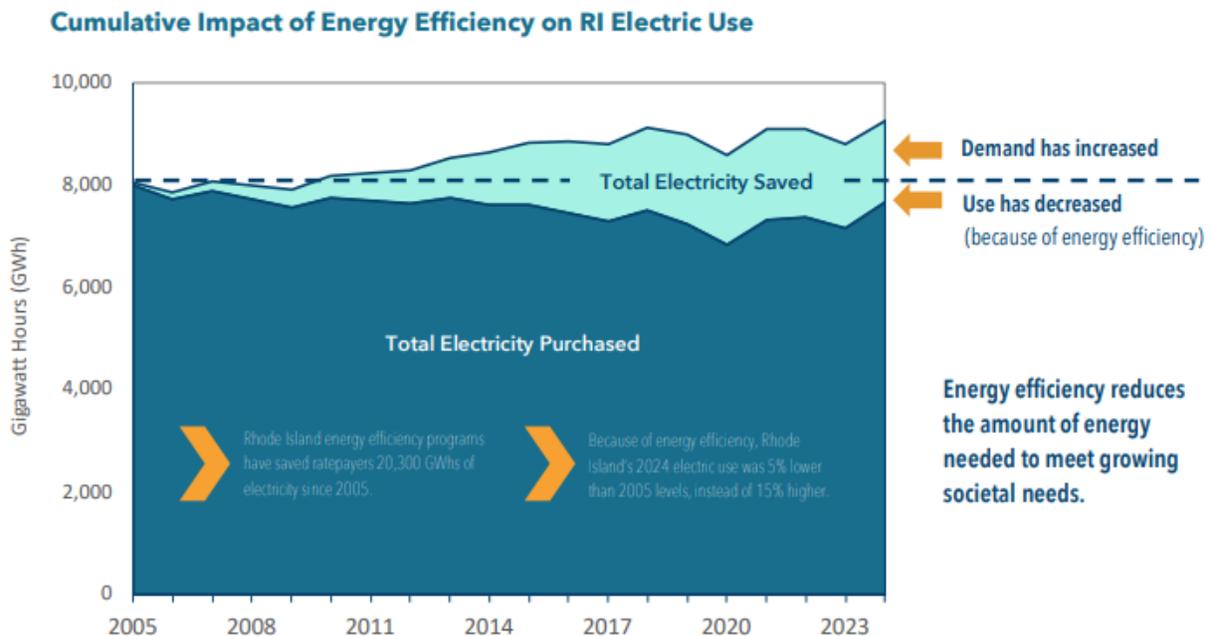


Figure 1. Cumulative Impact of Efficiency Investments on RI Electric Supply Requirements (2005-2024).

Image from 2025 Energy Efficiency Council Annual Report pg. 17.

Section 7: Renewable Energy Standard

This section proposes to make several changes to the existing 100% by 2033 Renewable Energy Standard (RES), a legacy policy spearheaded by former Senate President Ruggerio. The most notable change proposed in H7172 is pushing out compliance with the RES by 17 years, so the state only reaches 100% clean electricity by 2050. As outlined above, the RES is a foundational policy to ensure the state complies with the 2030 AOC target and pushing it out would introduce significant uncertainty that the state is not prepared to address through other policies.

Delaying the transition to clean electricity will prolong Rhode Island's dependence on imported fossil fuels, hitching ratepayers to a volatile fuel source with costs projected to rise over time ([Future of Gas Technical Report](#), pg. 64). The state's Public Utilities Commission (PUC) opened a docket nearly four years ago to investigate the future of the regulated gas distribution business ([Docket No. 22-01-NG](#)) and while final recommendations from the PUC remain absent, many scenarios outlined in the technical report rely on high levels of electrification needed to meet the Act on Climate, supporting the finding from the 2025 CAS that current policies are essential to meeting the 2030 AOC target.

Without the 100% by 2033 RES, the state cannot meet the 2030 AOC target. While other sectors (e.g. transportation, building) could theoretically reduce emissions on a faster timeline to make up for the loss left by pushing out the RES, there are no policies in place for those sectors to speed up emissions reductions. Plainly, this proposal deliberately makes it harder to achieve the AOC while also reducing future clean energy development and clean energy job growth in the state.

Section 10: Net Metering

This section proposes several changes to the existing net metering program in Rhode Island, but one of the most significant proposals is one to add a monthly "Grid Access Fee" for current and future solar projects greater than 1 megawatt. Solar developers are already required to pay for infrastructure upgrades necessary for their project to connect to the grid and this fee will make it far more costly to operate projects that are already built and potentially reduce any future investment in the large-scale solar industry within the state.

This section also proposes changes to the net metering compensation rate for large renewable energy projects, and virtual net metering customers (municipalities, hospitals, educational institutions, etc.) could lose value in their pre-negotiated discounted electricity contracts that are predicated in part on the net metering compensation rates. At a time when state leaders are promoting economic growth and development, the grid access fee and changes to project compensation will do the opposite: send a market signal that Rhode Island is not a state with predictable business policy. Sound changes to program structure should be made through a stakeholder-informed process that weighs the input of developers with the goals of policy rather than arbitrarily adjusting compensation values for projects after they are constructed.

Conclusion

To achieve the requirements of an Act on Climate, Rhode Island must remain committed to the policies already in place intended to reduce utility bills, incentivize deployment of in-state renewable

resources, and procure clean electricity. The proposals included in Article 11, Sections 3, 7, and 10 of House Bill 7127 will make it more difficult to meet the legally binding mandates within the Act on Climate and can increase utility bills for ratepayers.

Green Energy Consumers Alliance urges the committee to reject these proposed amendments to existing state policy.

Sincerely,

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