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**STATEMENT FOR THE RECORD
Senate Committee on Finance
State of Rhode Island General Assembly
Testimony in Opposition to Retroactive Net Metering Changes
Hearing on Tuesday, February 10th, 2026**

Chairperson and Members of the Committee,

Thank you for the opportunity to submit a statement for the record today.

My name is Sid Shah, and I serve as the Policy Director at Nautilus Solar Energy. Nautilus is a long-term owner and operator of community solar projects in the Northeast. We own and manage over 40 megawatts of net-metered solar projects in Rhode Island and invest over \$1 million each year in local energy infrastructure that serves households, small businesses, municipalities, and community institutions.

We respectfully oppose the provisions of HB 7127 under consideration that would change the rules for net-metering and virtual net-metering projects that are already operating and serving customers. While we recognize and support the State's goal of addressing affordability and energy burden, altering compensation structures for projects that have already been financed, built, and placed into service would undermine confidence in Rhode Island as a reliable place to invest long-term capital.

We are not alone in this concern. Multiple long-term owners and operators with active investments in Rhode Island, including CleanCapital, Altus Power, and Nexamp, are submitting testimony this week raising similar objections to changing the rules for projects that are already operating and serving customers. While each company's portfolio differs, the common impact is on subscribers. Altering compensation for existing projects would reduce the value of energy credits that households, municipalities, public housing authorities, schools, and nonprofit organizations are currently receiving under long-term agreements. These customers enrolled in good faith with the expectation of stable, predictable savings, and changing the rules midstream would shift real costs onto participating ratepayers and community institutions in addition to the companies that own the projects.

Distributed solar projects are capital-intensive infrastructure assets. They are financed based on long-term, predictable revenue streams established under the laws and regulatory frameworks in place at the time of investment. Our projects, like those of many peers, rely on project-level debt and tax equity financing that are underwritten against the revenues forecasted based on the rules in place at the time of investment decision. When the state proposes to change compensation terms for projects already operating or to impose new fees on existing assets, that financial foundation is disrupted. This creates real risks for lenders and investors, including covenant breaches, refinancing challenges, and the potential for defaults.

In practical terms, this means that companies like ours must pause or cancel new investments, even when projects are fully permitted and ready to build. Capital simply moves to states where the rules are stable and predictable. That outcome does not help Rhode Island ratepayers or communities.

The impacts also extend well beyond project owners. As a result of these proposed changes, our customers would lose nearly \$25 million in forecasted energy savings, with the vast majority of those savings accrued to public housing authorities dedicated to providing safe and affordable housing for Rhode Island residents. Many community solar and virtual net-metering projects serve municipalities, schools, low-income housing providers, and nonprofit organizations that depend on predictable energy savings. Reducing compensation for projects already in operation would directly erode those savings and create budget uncertainty for the very institutions the state relies on to deliver essential services.

Community solar and net metering projects provide broader system benefits. Our projects fund interconnection upgrades and grid improvements, create local construction and operations jobs, provide lease payments to landowners, and diversify energy supply. These investments strengthen grid resilience and help moderate long-term system costs, and charging the projects that have already paid for grid upgrade costs an additional fee to access the infrastructure is redundant and unjust.

We believe there is a constructive path forward and are committed to working with the legislature to identifying more meaningful contributors to electricity cost increases and find solutions to protect ratepayers while maintaining the regulatory certainty needed to finance new infrastructure including battery energy storage. Upholding existing commitments to projects already operating and serving customers is essential to preserving Rhode Island's ability to attract private capital and encourage investment.

Thank you for your time and consideration. We stand ready to work with policymakers on forward-looking solutions that address affordability while preserving investment certainty and would be happy to answer any questions.

Sincerely,

Sid Shah
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