



Francis Pullaro  
President  
[www.renewne.org](http://www.renewne.org)

**Testimony of RENEW Northeast before the  
Rhode Island General Assembly  
Senate Committee on Finance**

**in opposition to**

**House Bill No. 7127  
*AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE  
FOR THE FISCAL YEAR ENDING JUNE 30, 2027***

**February 10, 2026**

Chair DiPalma and members of the Senate Committee on Finance,

My name is Francis Pullaro. I am the President of RENEW Northeast (“RENEW”), an association uniting environmental advocates and developers and operators of the region’s largest clean energy projects, which include hydropower, offshore wind, land-based wind, solar, transmission and energy storage. RENEW’s mission involves coordinating the ideas and resources of its members with the goal of increasing environmentally sustainable energy generation in New England from the region’s abundant renewable energy resources.<sup>1</sup>

RENEW urges the Committee to recall the sound reasoning behind the prior decisions by all state legislatures in New England that established renewable energy requirements without eligibility for large hydropower and nuclear. RPS requirements are intended to facilitate deployment of new, sustainable technologies that need financial incentives to be deployed at utility scale and ensure existing resources remain viable for the duration of their life spans.

Over the long term, average Renewable Energy Certificate (“REC”) prices should reflect what is necessary to provide new resources with the revenue to cover their incremental capital costs. Flooding the market with legacy resources will decrease the amount of REC revenue that developers of new renewable projects will expect to receive during the operating life of their projects. It can also be harmful to the survival of some of the region’s non-contracted renewable resources especially ones like small hydropower. Depressing the REC price, which decreases the incentive to build renewable energy, makes it harder for the state to meet its policy goals.

Eligibility could also require the utility to procure not just energy but also RECs in any long-term contract making procuring power from existing nuclear or Canadian hydro power expensive.

RENEW also opposes the bill’s changes to the (1) Alternative Compliance Payment rates and tiering of rates by age of the resource; and (2) the schedule of rising demand under the Renewable Energy Standard. No support has been provided for these changes. RENEW recommends the General Assembly await the report from the Public Utilities Commission in Docket No. 25-25-EL that is on an Integrated Clean and Renewable Energy Procurement Study (ICREP Study) before considering any changes of this type.

---

<sup>1</sup> This testimony represents the views of RENEW and not necessarily those of any particular member of RENEW.

Renewable Energy Certificate (“REC”) markets tend to be short-term markets with a limited number of buyers and sellers. This creates a binary market for RECs in which prices fall to near zero during periods of abundance and rise to near the ACP during times of scarcity. Over the long term, average REC market prices should reflect what is necessary to provide new resources with the revenue to cover their incremental capital costs. Lowering the ACP will decrease the amount of REC revenue that resource owners will expect to receive during the operating life of their projects. This can be harmful to the survival of some of the region’s non-contracted renewable resources especially legacy ones like small hydropower.

When considering the purpose of the ACP, we should always recall that it is not a penalty on consumers that should be reduced but a source of protection from market volatility. The ACP level effectively sets a ceiling on REC prices, although in recent years, most states’ ACPs have significantly exceeded the price consumers paid for RECs. Revenues generated from ACPs are not a windfall for renewable energy resource owners; they are transferred to back to consumers through state-sponsored funds and used to support renewable energy development and other projects.

If the proponents of these changes wish to place downward pressure on REC prices for the benefit of consumers, they should continue to support the existing authority for the utility to issue RFPs for new resources to ensure an adequate supply of RECs. Rhode Island’s procurement policies enacted over the years were designed to ensure a steady pipeline of new renewable energy projects and their RECs. *Competitively* sourced long-term fixed-price power purchase agreements enable developers to offer a REC price less affected by short-term supply and demand and more reflective of their projects’ incremental costs.

RENEW appreciates the opportunity to offer this testimony. RENEW would be pleased to work with the Committee to continue to find ways to lower the cost of renewable energy, decrease the region’s dependence on fossil fuels, and ensure a significant role for renewable energy resources that will boost Rhode Island’s economy.