

May 12, 2026

The Honorable Senator Louis P. DiPalma, Chair  
Rhode Island State Senate  
Senate Finance Committee  
82 Smith Street  
Providence, RI 02903

RE: HOUSE BILL 7127 BUDGET AMENDMENT – ARTICLE 11, SECTION 10 - VIRTUAL NET METERING

Chair DiPalma and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, we thank you for the opportunity to provide testimony regarding Governor's Budget Amendment #7 to Article 11 of the FY 2027 Appropriations Act (26-H-7127), specifically the amended provisions relating to net metering.

The League's engagement in energy policy discussions is guided by a consistent principle: ensuring municipalities are positioned to effectively serve and protect local residents and taxpayers. Cities and towns are responsible for balancing local budgets, maintaining essential public services, and advancing sustainability goals, all while managing the cost impacts that ultimately affect Rhode Island ratepayers.

While the amendment contains several technical modifications, our comments today are focused primarily on the practical municipal and fiscal implications of the proposal.

We appreciate that the amended language reflects a notable shift from the original budget proposal. In particular, the establishment of a voluntary, one-time election allowing eligible net-metering systems to opt into a fixed credit rate of \$0.19 per kilowatt-hour, together with a defined annual escalator and a 25-year term, introduces a greater level of certainty and transparency for participating projects.

From a municipal perspective, predictability is critically important. Many cities and towns either participate in or host renewable energy projects, and the ability to reasonably forecast long-term revenue streams and financial obligations is an important component of local planning and budgeting decisions. The proposed framework, including the fixed rate structure, annual escalation factor, 25-year term, and irrevocable election provision, provides greater clarity than the original proposal and may assist municipalities in evaluating long-term project viability.

With respect to remote net-metering capacity, the amendment reduces the maximum aggregate capacity for ground-mounted eligible systems from 275 MWAC to 125 MWAC. The League notes that approximately 92.2 MWAC of this capacity has already been utilized, leaving limited remaining capacity available for future development under the proposed cap.

While we understand the intent to recalibrate and manage overall program exposure, the League respectfully suggests consideration of a revised threshold of 200 MWAC. Such an adjustment could provide additional flexibility for future projects while still maintaining appropriate program controls and allowing for a more stable transition for projects currently in development. A modest increase may also help preserve continued investment certainty within the project pipeline while broader long-term energy policy discussions continue.

At the same time, the League believes it is important that any policy establishing long-term financial commitments within the energy sector be carefully evaluated for its broader ratepayer implications. Municipalities are not only participants in these programs; they also represent a substantial portion of the ratepayer base responsible for absorbing system-wide costs. Ensuring that programs remain balanced, sustainable, and fiscally responsible is essential to protecting both municipal and residential taxpayers.

More broadly, the League's position is not rooted in advancing any particular industry interest, but rather in ensuring that public policy decisions appropriately prioritize the needs of Rhode Island communities. Renewable energy development remains an important statewide objective, and private-sector partners play a meaningful role in advancing those goals. However, municipalities must also retain the ability to responsibly manage local fiscal impacts and protect the long-term interests of the residents they serve.

Thank you for your consideration of these comments. The League appreciates the opportunity to provide its perspective and looks forward to continued collaboration with the General Assembly and stakeholders as discussions surrounding Rhode Island's energy and net-metering policies continue.

Sincerely,



Randy R. Rossi  
Executive Director

Cc: Honorable Members of Senate Finance Committee