

February 10, 2026

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

RE: Budget Bill -Article 11

Chair DiPalma and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns (RILCT), we are writing to express our opposition to Article 11, Section 10 of the Governor's Budget, which proposes significant changes to Rhode Island's net-metering program that would materially harm municipalities and threaten the financial viability of existing renewable energy projects.

At least 35 municipalities currently receive net-metering credits from large-scale renewable energy facilities and rely on these credits to reduce local electricity costs by hundreds of thousands of dollars annually. These savings are built into municipal operating budgets and play a critical role in limiting pressure on local taxpayers.

First, the Budget Bill proposes capping the net-metering credit at the electricity rate effective July 1, 2026, and then reducing it to the wholesale rate starting January 1, 2045. This change could result in a long-term loss of value for municipal offtakers, as electricity costs are likely to rise while the credit remains artificially limited.

Second, the Budget bill makes two interrelated changes that would significantly undermine the stability and predictability municipalities rely upon for budgeting:

- The bill would set the net-metering credit at the electricity rate in effect on July 1, 2026, typically the lowest rate of the year, thereby locking the value of the credit at its lowest possible point and eroding the one-to-one offset that is fundamental to the net-metering program. Municipalities entered long-term contracts with the clear expectation that these credits would meaningfully offset electricity costs. Fixing the credit at this low rate would substantially diminish the savings those agreements were designed to deliver.
- Compounding this impact, the Budget bill accelerates the scheduled reduction in the value of the net-metering credit from January 1, 2060, to January 1, 2045, reversing a policy decision made by the General Assembly just last year. Under current law, the credit value would be reduced by approximately 30 percent through the removal of the distribution charge. The Budget proposal, however, would reduce the value by roughly 75 percent by limiting the credit to the wholesale electricity rate. Taken together, these changes would have severe financial ramifications for existing renewable energy projects and, more importantly, would strip municipalities of critical electricity savings upon which their operating budgets were built, shifting those costs directly back onto local taxpayers.

The added costs and reduced value of net-metering credits proposed in the Budget bill would not only discourage municipalities from pursuing future renewable energy opportunities, but more critically, would apply retroactively to systems that are already in operation and currently delivering savings to cities and towns. By diminishing the value of these credits after municipalities have already entered into long-term agreements and incorporated the savings into their budgets, the proposal would force local governments to absorb higher energy costs with little ability to adjust, placing immediate and unsustainable pressure on municipal finances.

For these reasons, we respectfully urge the Committee to reject Article 11, Section 10 as currently drafted and to avoid retroactive policy changes that destabilize existing projects and directly harm Rhode Island municipalities.

Thank you for your consideration and for your continued commitment to supporting cities and towns across Rhode Island.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. R. Rossi".

Randy R. Rossi  
Executive Director

Cc: Honorable Members of Senate Finance Committee