



February 10, 2026

VIA EMAIL (SenateFinance@rilegislature.gov)

Senator Louis P. DiPalma
Chair, Senate Finance Committee
Rhode Island State House
Providence, RI 02903
sen-dipalma@rilegislature.gov

Re: Opposition to H 7127; An Act Relating to Making Appropriations for the Support of the State for the Fiscal Year Ending June 30, 2027 – Article 11, Section 10

Dear Senator DiPalma:

I write to you in your capacity as the Chair of the Senate Finance Committee and with respect to H 7127, the budget bill pending before your Committee. I write in my capacity as Senior Legal Counsel for Revity Energy LLC and its affiliates (“Revity”) and to express **Revity’s opposition to Section 10 of H 7127**. Revity is a Rhode Island-based utility-scale solar developer which has developed twenty-seven photovoltaic solar energy system (“PSES”) facilities in Rhode Island with total nameplate capacity of 147 megawatts, direct current (MWDC) and currently has four projects under construction totaling 48 MWDC. In any given year, Revity employs between 50 and 100 IBEW-99 union electricians to construct its facilities. In 2025, Revity paid over \$700,000 in taxes, permitting and other fees to the 10 Rhode Island municipalities in which Revity operates. Last year, Revity’s net-metering projects saved five municipalities, five universities, five hospitals and seven local businesses \$6.7 million on their electricity bills.

Net-metering was created by the General Assembly in 2011 (H-5939-A) and virtual net-metering was created by the General Assembly in 2016 (S-2450-B). When the General Assembly established virtual net-metering in 2016, the value of the net-metering credit included the standard offer service kilowatt hour supply charge, the distribution charge, the transmission charge and the transition charge. Over the following 9 years, the State’s remote net-metering program created over 425 MW of renewable energy, enough to provide over 80,000 Rhode Island households with renewable energy.¹ The Rhode Island solar industry employs over 1,400 people and has brought

¹ https://www.rilegislature.gov/commissions/REPC/commdocs/05-29-2025---Presentation--RIE_Net%20Metering.pdf

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\$4.2 billion of investment into the State.² Rhode Island currently ranks 35th in the country for solar development which is a major accomplishment for this State given the fact that solar development is a land intensive use.³ These projects have been developed, financed and built in the State and currently save the State's municipalities, universities, hospitals, and companies tens of millions of dollars annually in their electricity costs. Over the last five years, calls to limit the ratepayer burden of the net-metering program have resulted in legislative reforms to reduce the value of the net-metering credits. In 2023, the General Assembly cut the primary net metering credit rate for new net-metering projects by 20% (H 5853) and, last session, the General Assembly cut the excess net-metering credit rate for all projects by 80% (H 5580).

H 7127, Section 10 goes far beyond these past reforms by drastically increasing the operational costs while simultaneously decreasing revenues for existing net-metered solar facilities across the State. Section 10 (R.I. Gen. Laws § 39-26.4-2(10)) imposes a "grid access fee" on every solar facility larger than 1 megawatt in size currently operating in the State. This grid access fee purportedly protects the ratepayers from the distribution costs associated with connecting net metering facilities and would require facilities larger than 5 megawatts to pay a monthly fee of \$4.49 per nameplate capacity in kilowatts. The legislation does not specify to whom the grid access fee would be paid (presumably Rhode Island Energy) or how the fee must be used. Renewable energy developers are already legally required to pay, up front, all the costs to interconnect a facility to the existing grid infrastructure. Revity owns and operates the largest solar facility in the State of Rhode Island. This 55 MWDC facility was constructed in 2023 by over 100 IBEW-99 electricians and Revity paid Rhode Island Energy \$14.8 million to interconnect the facility. Despite Revity's pre-payment funding all necessary grid infrastructure upgrades, the grid access fee would charge this facility an additional \$246,950 *per month* (\$2,963,400 annually) in perpetuity. The fees for the entire net metering industry would be over \$20 million per year.

In addition to imposing this crushing operational expense, Section 10 (R.I. Gen. Laws § 39-26.4-2(23)) also caps the value of the net-metering credit at the rates in effect as of July 1, 2026. Historically, July has the lowest electricity rates in the year and so this legislation would lock in net metering rates at their nadir. The legislation provides for no increases to account for inflation or the actual costs of electricity. Lastly, Section 10 reduces the value of the net metering credit from the July 1, 2026 rate to the wholesale rate beginning on January 1, 2045. Currently, the wholesale rate is between 3 and 4 cents which would cut the value of the credit by about 80% and further exacerbate the catastrophic impacts of Section 10 on the financial models of existing renewable energy facilities.

If Section 10 were to pass as proposed, not only would future developments be abandoned as financially nonviable but existing facilities may be forced to decommission. Revity's existing facilities save Rhode Island municipalities, universities, hospitals and businesses \$6.7 million annually. More specifically, Revity's existing facilities saved five municipalities \$1.5 million, five hospitals \$2.8 million and five universities \$1.8 million in 2025. If Section 10 were to pass as proposed, these Rhode Island institutions will lose some or all of these electricity savings.

² seia.org/state-solar-policy/rhode-island-solar/

³ *Id.*

Last year, Maine enacted legislation (LD 1777) very similar to Section 10 imposing a grid access fee on existing renewable energy facilities in that state and slashing the value of the credits. In November, 111 solar companies filed a 97-page lawsuit in federal court seeking a preliminary and permanent injunction against the Maine Public Utilities Commission challenging the legislation as an unconstitutional exaction and a taking in violation of the fifth and tenth amendments of the United States Constitution.⁴ In January, another federal court lawsuit was filed against the state alleging that “[i]n search of a political scapegoat, Maine’s legislative leaders increasingly blamed and voiced discriminatory resentment and animosity towards the ‘out-of-state’ owners and financiers” of the state’s solar facilities.⁵ Maine has thrown its renewable energy industry into complete disarray, destroyed investor confidence in the state and invited a raft of federal court lawsuits against the state which will take years to litigate.

Section 10 of Article 11 is aimed at reducing the ratepayer burden purportedly caused by the net-metering program and reducing the overall cost of electricity. This is an admirable end as Rhode Island had the fourth highest electricity rates in the country last year but the net metering program represents a mere fraction of an electricity bill. In 2015, there were 18.9 MW of net metering facilities. In May of 2025, there were 616.17 MW of net metering facilities. In 2015, Rhode Island had the fourth highest electricity rates in the country and, in 2025, Rhode Island still had the fourth highest electricity rates. If the net metering program never existed, Rhode Island would still have had the fourth highest electricity rates in the country last year. Rhode Island’s entire renewable energy program represents about 10% of a ratepayer’s monthly bill whereas the supply charge represents 39.5% and the transmission and distribution charges represent 39.1%. If Rhode Island is serious about addressing electricity costs in the State, we need to address the costs that make up nearly 80% of the electricity bill.

Supply charges reflect the price that the utility pays to third party generators for the electricity used by ratepayers. These charges are always more volatile in this State because Rhode Island generates a higher percentage of electricity from natural gas than any other state in the country. A hidden portion of supply charges are “retail premiums” which reflect third party generators’ profits, transaction costs and risk assessments. Rhode Island Energy contracts for electricity supply 6 months ahead and so these generators must predict the future costs of natural gas. These predictions are fraught because they rely on assumptions about inputs such as weather, elections and international diplomacy. Like an insurance company, the generators build the risks of incorrect predictions into the rate premium which is ultimately passed onto the ratepayer. Recent reporting on Massachusetts’ electricity procurement (which has the same procurement cycle as Rhode Island) found that, over the last decade, these retail premiums have accounted for 43% of supply costs.⁶ In 2023 and 2024, these premiums cost Massachusetts ratepayers \$47 per month. Other states have addressed rising retail premiums through spot market and block purchasing as well as increased reliance on long-term renewable energy contracting because solar and wind cannot charge retail premiums.

⁴ *Gray Yarmouth Road Solar LLC, et al. v. Maine Public Utilities Commission, et al.*, Case No. 1:25-cv-000592-SDN.

⁵ *Berwick Solar, LLC, et al. v. Maine Public Utilities Commission, et al.*, Case No. 1:26-cv-00012-SDN.

⁶ <https://www.synapse-energy.com/sites/default/files/Overcharged%20-%20Suppliers%27%20Retail%20Premiums%20are%20Inflating%20Massachusetts%20Electric%20Bills%2025-121.pdf>

Distribution charges reflect the utility's cost to maintain grid infrastructure. These costs continue to grow as consumption rises and the electric infrastructure becomes increasingly constrained. The State's grid currently has more than 30 distribution feeders at least 80% constrained including 2 feeders which are over 100% constrained.⁷ Without upgrades, these feeders will soon become, if they are not already, incapable of providing reliable service. There are various grid technologies (such as smart meters, batteries, and dynamic line ratings) that can be deployed to alleviate these constraints short of rebuilding the entire distribution system. In 2024, the General Assembly enacted the Energy Storage Act (S 2499-A) which required the utility company to study and propose tariffs to interconnect and compensate battery systems by May 1, 2025 to reduce distribution costs. As of the date of this testimony, no tariffs have been proposed.

The renewable energy programs in this State have driven investment, saved our valued institutions millions of dollars in electricity costs and advanced our climate goals. Barring legislative or regulatory reform, increasing supply, transmission and distribution charges will quickly swallow any savings achieved by gutting the State's renewable energy programs and abandoning the Act on Climate. For these reasons, **Revity opposes Section 10 of H7127**. If the Committee has any questions regarding Section 10 of H 7127 or the statements made in this testimony, please contact my office.

Regards.



Nicholas L. Nybo
Senior Legal Counsel
REVITY ENERGY LLC AND AFFILIATES

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⁷ <https://experience.arcgis.com/experience/b7f446f95c6b4d548d694737c9e66846>