

May 11, 2026

Jamie Plume, Committee Clerk
Senate Finance Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903
SenateFinance@rilegislature.gov

RE H7127: AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2027

Dear Members of the Senate Finance Committee:

Our firm comments on the proposed energy reforms in article 11 of H7127 (sections 7-11), purported to address “affordability.” This testimony is volunteered from our firm alone and is not submitted for any of our clients.

The Governor presents an improved proposal on net metering, but it’s still driven by the economic interests of our utility rather than public interest in affordability or sound energy policy. There is no support in RI’s energy or climate law or policy for the proposition that RI will better produce affordability by scaling back energy efficiency or any locally sourced clean energy solutions to our energy affordability crisis. It’s continued business as usual that further threatens energy affordability by overreliance on natural gas and more utility investment in our already overbuilt energy systems.

The Governor’s purported study commissioned through OER since his first budget proposal was neither transparent nor accurate and was another sham study. The time-line for such a study made clear that it would be an inadequate effort and was, therefore, clearly not proposed in good faith. The Governor’s office picked the stakeholders and never made their process open to public inspection or comment. By our understanding (we were not invited to be a stakeholder, so could only observe from the outside), the consultant (their standard hired gun, Sustainable Energy Advantage) was repeatedly informed of major flaws in its study methodology but steadfastly refused to address them. Most glaringly, as usual, the study accentuated the costs of distributed energy resources (DERs) while persistently refusing to properly account for their long-term benefits. Please do not rely on the Governor’s study as any valid or “peer reviewed” indication of policy to produce energy affordability. It was made up to serve the Governor’s political purposes by misleading the public on deeply mistaken claims regarding affordability.

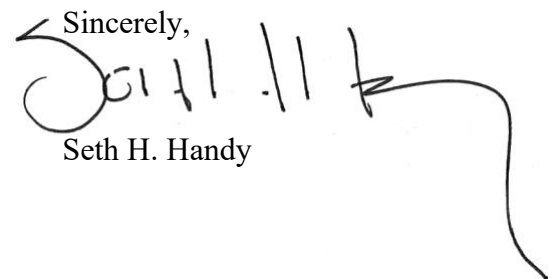
The PUC and RI Energy hired two consultants to oversee its *Future of Gas* docket. They reported that Rhode Island has one of the highest electricity rates in the country and explained why - we have a system peak that is twice as high as the average demand on the system, which means that the full capacity of our system is only utilized during periods of high demand. That finding echoed the conclusion reached by the Division, the PUC and our Office of Energy Resources in their joint report on *Transforming our Power Sector*. It’s also clearly stated in RI’s Energy Plan, *Energy 2035* – “Rhode Island cannot afford a business-as-usual course of action that increases energy security risks to the state, costs more than viable alternative paths, and fails to meet our obligation to mitigate the worst consequences of global climate change.” It is plain malfeasance for this Administration to propose

scaling back renewable energy programs and incentives and energy efficiency budgets in the name of affordability.

This budget article would cut back on the program cap for remote net metering and put a new term limit on net metering for such customers. It promises to reduce the rate for those net metering customers by driving them into a fixed rate option under the threat (repeated from more than one administrative agency) that customers that do not select the fixed rate will otherwise be subject to rate sabotage either by taking them off the C-6 rate or by imposing a disproportionate impact on their delivery of electricity to the market through inequitable implementation of time of use rates. This all despite that the net metering law prohibits regulatory discrimination against net metering. As the agencies know, Rhode Island Gen. Laws §39-26.4-3 (a)(5) reads “[t]he rates applicable to any net-metered account shall be the same as those that apply to the rate classification that would be applicable to such account in the absence of net metering, including customer and demand charges, and no other charges may be imposed to offset net-metering credits.” In addition to undermining cost-effective energy competition and performance on our Act on Climate, such changes chill the renewable energy markets because the markets are unable to rely on consistency in RI’s energy programs. In direct contravention of the 2025 Climate Action Strategy, which relies on the renewable energy standard as its basis for compliance with the Act, the Governor’s 2026 budget proposes to relax Rhode Island’s renewable energy standard by delaying our achievement of one hundred percent clean electricity from 2033 to 2050.

This Governor, acting through OER and with the support of the Division, is even proposing budget cuts for energy efficiency, purportedly to enhance affordability. Nothing in our state energy plan (*Energy 2035*) or the recommendations in *Transforming the Power Sector* or the E3 Report in *the Future of Gas* support any claim that reduced investment in energy efficiency is a path to rate reduction. In fact, every single consultant and stakeholder supported energy policy planning process that has ever addressed the subject has been 100% plain and clear that our energy systems are already overbuilt and that the best way to reduce energy costs is to ensure load reduction and load flexibility so that we can respond to peak load in ways other than the system investments that only benefit RI Energy’s shareholders.

Thank you for your consideration of these comments on sections 7-11 of article 11 of H7127.

Sincerely,

Seth H. Handy