

March 20, 2024

VIA EMAIL (HouseCorporations@rilegislature.gov)

Representative Joseph J. Solomon, Jr. Chair, House Corporations Committee Rhode Island State House Providence, RI 02903 Rep-solomon@rilegislature.gov

Re: Opposition to H 7816; An Act Relating to State Affairs and Government -- 2021 Act on Climate

Dear Representative Solomon:

I write to you in your capacity as the Chair of the House Corporations Committee and with regards to H 7816, a bill pending before your Committee to, among other things, establish a council to study the labor conditions and supply chains in foreign countries related to manufacturing of "carbon-free technologies" and "carbon-free technology products." I write in my capacity as Senior Legal Counsel for Revity Energy LLC and its affiliates ("Revity") and to express **Revity's opposition to H 7816**. Revity is a Rhode Island-based utility scale solar developer which has successfully developed over 158 megawatts, direct current (MWDC) of solar capacity in Rhode Island and Massachusetts and Revity has another 37.6 MWDC in various stages of construction and development in Rhode Island. These developments are projected to generate approximately 265,429,200 kilowatt hours of renewable electricity per year and produce enough renewable electricity to power approximately 38,125 homes.

H 7816 is a reintroduction of H 6178 from last year's legislative session during which this Committee recommended H 6178 be held for further study on April 25, 2023. Section 42-6.2-7.1 of H 7816 would create a council to study and report (annually) on human rights issues and environmental implications of "carbon-free energy technologies" or "carbon-free technology products." H 7816 does not define "carbon-free technologies" or "carbon-free technology products" and those terms are not elsewhere defined in the Rhode Island General Laws. The definition of these terms is obviously important because they are the only products that the council is being directed to study. Presumably, the intent is to impact renewable energy technologies such as solar facilities, wind energy facilities, batteries and electric vehicles; but the statutory term needs to be defined.

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Revity has no objection to the creation of a council to study and report on human rights abuses and environmental implications of consumables sold in the State of Rhode Island provided that the council is staffed with qualified personnel with an adequate budget to thoroughly investigate international supply chains. It is, however, entirely unclear why the General Assembly would distinguish between renewable energy technologies (assuming that is, in fact, what H 7816 is meant to address) and every other consumable sold in the State regarding concerns of human rights abuses and environmental implications. There are over 200 products listed on the U.S. Department of Labor's 2022 List of Goods Produced by Child Labor or Forced Labor ranging from bricks from 21 countries to coffee from 17 countries to gold from 26 countries to rice from 12 countries.¹ While the Department of Labor has reported a suspicion that polysilicon (a component of solar panels) has been manufactured in China using forced labor, the Department has also reported that there are 15 other product classes manufactured in China for which the Department suspects human rights abuses including hair products, toys, garments, and footwear.

Historically, solar developers have had to rely heavily on foreign manufacturing because of a shortage of reliable domestic manufacturing of renewable energy components. However, since the enactment of the Inflation Reduction Act (IRA) (Pub. L. 117-169) in 2022, 51 domestic solar manufacturing facilities have been announced or expanded which facilities are projected to add approximately 155 gigawatts of new domestic production capacity across the solar supply chain.² Furthermore, the IRA established an additional federal tax credit for renewable energy facilities which use "domestic content" in the manufacturing of new facilities.³ Accordingly, the proliferation domestic renewable energy manufacturing should mitigate concerns about international labor practices in this particular supply chain.

Again, Revity does not oppose a council to study human rights and/or environmental issues involved in the supply chains for consumables sold in the State of Rhode Island provided that the council is properly staffed and adequately funded. Certainly, the budget for a council to methodically study the multi-national supply chains of each of the aforementioned product categories would be astronomical; however, if the General Assembly believes that it is important for Rhode Islanders to understand the human rights and environmental implications of goods consumed within the State, that is an admirable goal and the cost of such council may be an appropriate investment of the taxpayer dollar.

That being said, Revity does strongly object to Section 39-26.4-6 of H 7816 which would restrict the issuance of renewable energy credits generated from facilities "[c]omposed of materials excavated, processed, or manufactured outside the United States that uses slave labor, or child labor, as determined by the United Nations International Labor Organization" or "[f]or which silicon tetrachloride, cadmium, lead, or a chemical listed by the United States Environmental Property Agency as a known or suspected carcinogen or genotoxin was used in its manufacturing process." First, there is no grandfather clause in this legislation and so if H 7816 was to become law the continuing issuance of renewable energy credits for facilities constructed years ago would be halted because those facilities were not constructed to conform with the new standards

¹ https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2021/2022-TVPRA-List-of-Goods-v3.pdf

² https://www.seia.org/research-resources/impact-inflation-reduction-act

³ Internal Revenue Code at §§ 45, 45Y, 48 and 48E.

established by H 7816. Second, the majority of panels manufactured both domestically and abroad contain either cadmium, lead or both. Therefore, because the issuance of renewable energy credits is a critical revenue source for solar facilities, prohibiting the issuance of those credits based on the presence of common components in these facilities would place an anvil around the neck of an industry that is vital to the State's renewable energy standards.

For these reasons, **Revity opposes H 7816**. If the Committee has any additional questions regarding the positions taken in this correspondence, please feel free to contact my office.

Regards

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

Copy:

Representative William W. O'Brien, First Vice Chair, House Corporations Committee (via email at rep-obrien@rilegislature.gov) Representative Justine A. Caldwell, Second Vice Chair, House Corporations Committee (via email at rep-caldwell@rilegislature.gov) All Members of the House Corporations Committee Lou Mansolillo, Clerk, House Corporations Committee Stephen Alves, Capitol Strategies Group (via email at stephenalves12@yahoo.com)