

March 20, 2025

House Committee on Corporations
Rhode Island State House
82 Smith Street
Providence, RI 02903

Testimony in Support of House Bill 5834, Resolution related to electric rate reform

Dear Chairperson Solomon and Members of the House Corporations Committee:

I am writing on behalf of Acadia Center in support of House Bill 5834, which requests that the Public Utilities Commission (PUC), Office of Energy Resources (OER), and Department of Environmental Management (DEM) identify issues related to electric rates and potential rate reform strategies. Acadia Center is a non-profit research and advocacy organization committed to advancing an equitable clean energy future.

The Act on Climate requires statewide emissions reductions of 45% below 1990 levels by 2030, 80% by 2040, and net-zero emissions by 2050. The transportation sector, followed by residential and commercial heating (buildings), represents the largest proportion of greenhouse gas emissions in Rhode Island. We know that shifting our transportation and buildings away from fossil fuels will depend on the electrification of these sectors. Further, we must shift not just what types and how much energy we consume, but how we all collectively pay for that energy. Electric rate reform is key to making progress on both affordability and decarbonization and merits a robust investigation and stakeholder process in Rhode Island. While PUC proceedings, including Docket No. 4568 and 4600, addressed electric distribution rates, these investigations need to be updated and more holistically tied to the state's climate mandates.

Addressing inequitable energy burdens is critical to achieving a just energy transition and meeting Rhode Island's Act on Climate mandates. However, our current reality is that the cost of electricity is higher than gas. In the building sector, this disincentivizes gas-to-electric conversions. In Rhode Island, we see the continued exclusion of low-income gas customers from the transition due to concern and uncertainty of electric costs. State and utility programs are being rolled out *now* to transition Rhode Island away from fossil fuels, and low-income communities are being left behind. For example, the state's heat pump incentive program, Clean Heat RI, excludes the participation of income-eligible gas customers. If this continues as the state transitions off of natural gas, income-eligible customers will be the last on the system and will bear the exorbitant costs of propping the system up.

Our neighbors in Massachusetts (MA) recently released near-term and long-term rate strategy recommendations from their [Interagency Rates Working Group](#). The process in MA resulted in recommendations for a seasonal heat pump rate and seasonal time of use rates for residential customers. Similar to the objectives of this working group, Acadia Center recommends that Rhode Island's report prioritize the reduction of energy burden and incentivize transportation and building electrification. Further, we urge Rhode Island's agencies to model the robust outreach and engagement conducted by MA's Interagency Rates Working Group. The working group hosted presentations, stakeholder sessions, and workshops with different stakeholder groups. Given the expected prevalence of time varying rates in electric rate reform, Acadia Center would also flag the importance of a more rapid deployment of advanced metering functionalities (AMF), time varying rates for ratepayers, and robust customer communications regarding benefits.

Thank you for your consideration of this important bill to ensure that electric rates are not a consistent obstacle to Rhode Island's decarbonization goals.

Sincerely,

Emily Koo
Senior Policy Advocate and Rhode Island Program Director
Acadia Center
ekoo@acadiacenter.org