



Representative Joseph Solomon, Chair
House Corporations Committee
Rhode Island House of Representatives

March 20th, 2025

RE: Green Energy Consumers Alliance Supports House Resolution 5834

Dear Chair Solomon and members of the Committee,

On behalf of Green Energy Consumers Alliance and our thousands of members across Rhode Island, **I write in strong support of House Resolution 5834**, which would require the Rhode Island Public Utilities Commission (PUC), Office of Energy Resources (OER), and Department of Environmental Management (DEM) to write a report detailing current issues with our existing electric rate structure and potential rate reform strategies.

Need to Align Electric Rate Structures with Climate Goals

Current electric rate structures in Rhode Island jeopardize the state's decarbonization goals, posing a risk to meeting our Act on Climate Mandates. As Rhode Island Energy will be pursuing their first distribution rate case since the utility was purchased from National Grid this fall, it is essential to start thinking about rate reform in advance of that rate case beginning.

Rhode Island's largest investor-owned utility, Rhode Island Energy obtains profit through investment in capital expenses. This model currently incentivizes, among other investments, continued expansion in our natural gas distribution system. Investments in fossil fuel infrastructure is in direct conflict with meeting our climate goals and reducing fossil fuel combustion and addressing this conflict will be critical in the next distribution rate case. By exploring rate reform, we will be able to reevaluate how our largest utility values investments and how we can move away from large capital investment in our gas distribution system.

Learnings from Other States

Massachusetts recently undertook an [Interagency Rates Working Group](#) (IRWG) launched last May and released their Near-Term Strategy Report and Recommendations in December of 2024 and Long-Term Strategy Report and Recommendations on March 7th of this year. The purpose of the IRWG was to advance near- and long-term electric rate designs that aligned with Massachusetts' decarbonization goals and ensure that the align the rate structure with goals in electrification. This process was done with stakeholder involvement and opportunities for public comment on the draft report to thoughtfully engage stakeholders with rate design. Looking to Massachusetts for best practices while completing this study in advance of the next Rhode Island Energy distribution rate case will help the parties involved evaluate rate reform strategies needed to meet Act on Climate mandates.

We particularly want to highlight the lead that [Maine](#) and [Massachusetts](#) have taken with respect to seasonal heat pump rates which reduce the volumetric charge for electricity in the months of

November through April for those who have heat pumps. This change is not a subsidy to those with heat pumps. It actually sets a more appropriate rate for high pump owners whose cost of service is lower per kilowatt hour than those without. Such a policy is fully aligned with the Public Utility Commission's work on the Future of Gas and the state's interest in increasing heat pump adoption in order to achieve the requirements of the Act on Climate.

Conclusion

To promote electrification and ensure that our electric rate structure does not continue to jeopardize our Act on Climate goals, utilizing the expertise at the PUC, OER, and DEM to examine our existing rate structure and look at potential reform strategies is critical.

Green Energy Consumers Alliance thanks Representative Handy for introducing this important resolution and urges the Committee and full General Assembly to vote in favor of its passage.

Sincerely,

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