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March 20, 2025

The Honorable Joseph J. Solomon, Jr. Chairman, House Corporations Committee Rhode Island State House Providence, Rhode Island 02908

## RE: H-5969 - House Resolution Requesting DPUC Take Action & Report

Dear Chairman Solomon:

On behalf of Rhode Island Energy, I write regarding H-5969, which directs the Rhode Island Division of Public Utilities & Carrier (DPUC) to address utility costs and report to the Speaker of the House on or before April 22, 2025.

Rhode Island Energy provides essential energy services to more than 770,000 customers across the state through the delivery of electricity and natural gas. Our team of 1,400 union and non-union employees is dedicated to helping Rhode Island customers and communities thrive, while supporting the transition to a cleaner energy future in a safe, reliable, and affordable manner.

This winter, Rhode Island (and New England) energy customers have undoubtably experienced increases in their utility bills, primarily driven by colder-than-normal temperatures,<sup>1</sup> constraints on the region's supply of natural gas (which is utilized for both heating and electric generation demands), and other wholesale market forces.

The onset of warmer weather and the anticipated reduction of electric supply prices will soon bring utility bill relief to Ocean State homes and businesses. Rhode Island Energy is also urging its customers to access existing assistance programs, such as our discount rate program (25 to 30% for qualified customers), budget billing, and competitive electric supply opportunities. These and other assistance opportunities can be accessed via our customer assistance toolkit at: <a href="https://www.rienergy.com/site/toolkit">www.rienergy.com/site/toolkit</a>.

Respectfully, Rhode Island Energy notes the following:

- Electric supply prices are anticipated to decrease effective April 1st, pending review and approval by the Public Utilities Commission (PUC). If approved, a typical residential electric customer (500 kWh/mo.) receiving last resort supply service (LRS) from Rhode Island Energy can expect to see a 17% reduction in their bill. Please note that Rhode Island Energy does not mark-up or profit from electricity supply costs.
- The bill cites neighboring Massachusetts as a model for the DPUC to follow. We note that the near-term relief for electric customers recently announced by Governor Healey's administration (\$125M or a \$50 bill credit per customer) is sourced from a "fund

<sup>&</sup>lt;sup>1</sup> According to data provided by the National Oceanic and Atmospheric Administration (NOAA), between December 2024 and February 2025, Rhode Island experienced its highest level of heating degree days in a decade. This is a key indicator of increased heating demand statewide relative to past winters.

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established to support clean energy development."<sup>2</sup> There may be similar opportunities available in Rhode Island.

- Rhode Island Energy is required by law to collect funds through utility bills that support a variety of clean energy programs and initiatives. Some of these laws were passed many years ago and opportunities exist to thoughtfully revisit those policies today to account for evolving market conditions and technologies; support new investments vital to energy system safety, reliability, resilience, and future decarbonization; and foster positive energy, economic, and environmental outcomes for the state at lower costs to customers. Several pieces of legislation introduced this session begin to establish that very important dialogue. These proposals should be thoroughly vetted by policymakers, state regulators, and other stakeholders with a goal of optimizing cost savings and efficiencies for utility customers, while still advancing Rhode Island's important climate goals. Rhode Island Energy stands ready to support those discussions.
- It is also important that state policy continues to support vibrant public utilities that can attract low-cost capital from financial markets and invest those funds back into our state's energy infrastructure and the Rhode Island economy.
- Other aspects of the Healey Administration's proposal may be longer term in nature, including minimizing various policy charges on the bill, changes to discount rates, and new regulations to address third-party competitive energy suppliers. It is our understanding that additional details on these proposals are forthcoming. Rhode Island Energy welcomes the opportunity to explore similar opportunities here. In doing so, it will be important to consider and thoughtfully balance the full suite of implications, ensuring that any new policy proposals are thoroughly vetted; grounded by economic analyses; avoid cost deferrals; and temper the shifting of utility costs from one group of customers to another.
- The Healey Administration also announced that it will "pursue fixed price contracts for clean energy that can mitigate future price volatility and costs to customers." We note that legislation proposed by Chairman Solomon (H-5575) this session has the same goals in mind by authorizing Rhode Island Energy to issue competitive procurements for existing nuclear electricity supply. We look forward to engaging with policymakers and other stakeholders as that bill proceeds through the Committee hearing process.

Rhode Island Energy appreciates and empathizes with the financial challenges that so many of our family, friends, and neighbors – your constituents and our customers – are facing each day, especially at a time when the price of basic goods and services are increasing across the economy. We applaud your willingness to work collaboratively to identify meaningful opportunities that can reduce energy cost burdens for Rhode Island families and businesses, while ensuring the continued safe and reliable delivery of energy so critical to the wellbeing of

<sup>&</sup>lt;sup>2</sup> "Governor Healey's Energy Affordability Agenda," accessed on March 13, 2025.

<sup>&</sup>lt;sup>3</sup> "Healey-Driscoll Administration Announces Energy Affordability Agenda to Deliver \$220 Million in Immediate Relief, Save \$5.8 Billion over 5 Years," March 3, 2025.

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our citizens and economy. Rhode Island Energy looks forward to being a productive partner in those efforts – today and into the future.

Thank you for your continued leadership and consideration of these comments.

Respectfully,

Nicholas S. Ucci

**Director of Government Affairs** 

CC: The Honorable Members of the House Corporations Committee
The Honorable June Speakman, Rhode Island House of Representatives