Acadia Center

Advancing the Clean Energy Future

Rhode Island Energy Costs & Affordability

May 14, 2026

Rhode Island House



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Boston, MA • Hartford, CT • New York, NY • Providence, RI • Rockport, ME

WHO IS ACADIA CENTER?



MISSION

Acadia Center's mission is to advance bold, effective, and equitable clean energy solutions for a livable climate and a stronger, more equitable economy.

PROGRAMS

Acadia Center focuses on eight areas of climate and clean energy, within which we prioritize consumer benefits, public health, economic growth, and equitable distribution of benefits:

- **Energy Efficiency and Building Decarbonization**
- **Clean Energy and Grid Reform**
- **Utility Innovation and Accountability**
- **Transportation and Mobility**
- **Climate, Energy, and Equity (CLEAN-E) Analysis**
- **State and Regional Climate Policies**
- **Equity, Environmental Justice, and Outreach**
- **Public Engagement and Communications**

SUPPORT

Acadia Center is funded by foundation grants and individual donations. It does not accept corporate or government funding.

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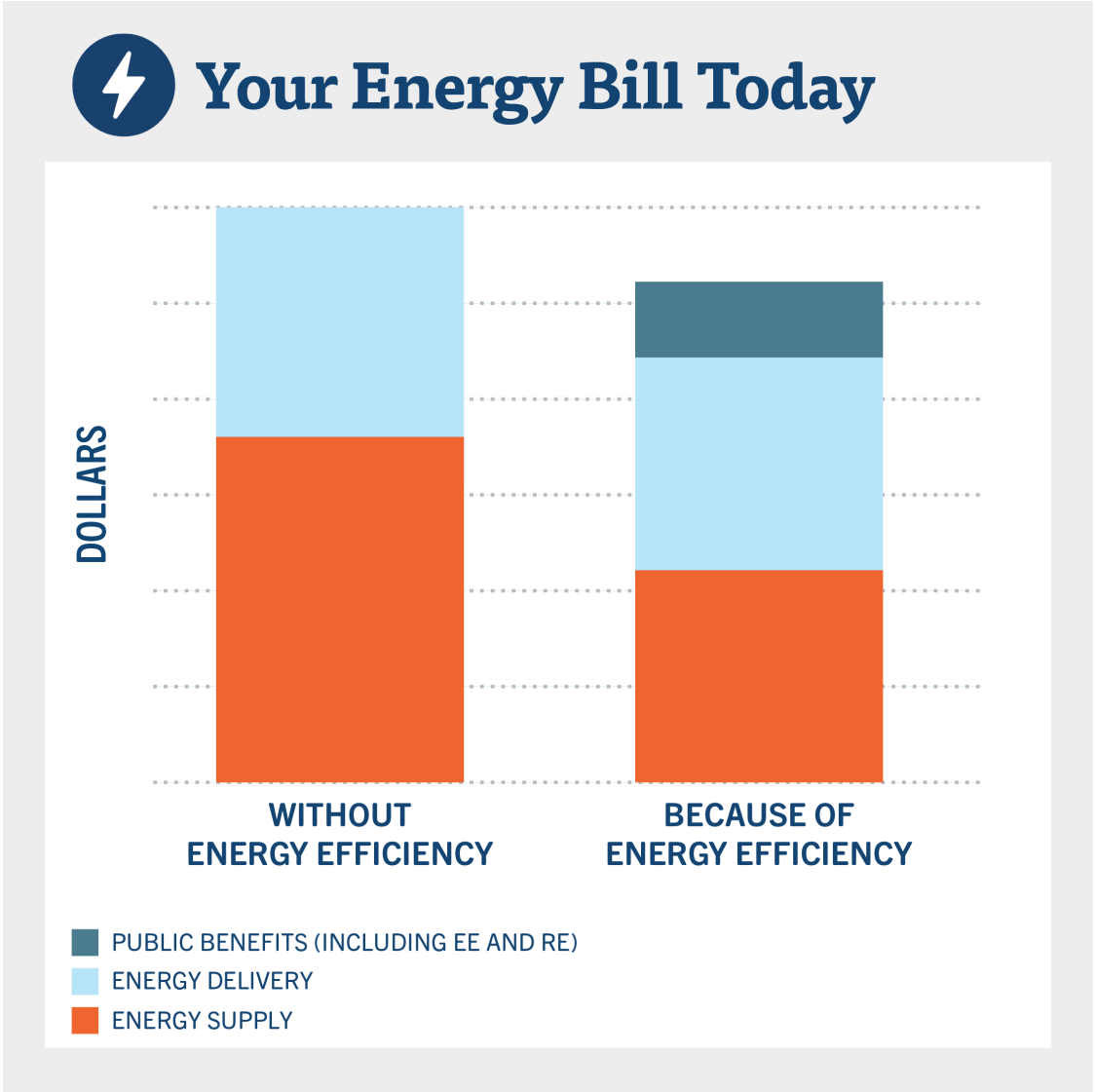
Key Takeaways:

1. **Energy efficiency and renewables lower energy costs**
2. **Proposed cuts would increase household costs**
3. **Real cost drivers:**
    - Overreliance on gas
    - Utility infrastructure spending

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Energy Efficiency Programs Lower Energy Costs

Every $0.61 invested in energy efficiency creates $1.00 in electric system savings.

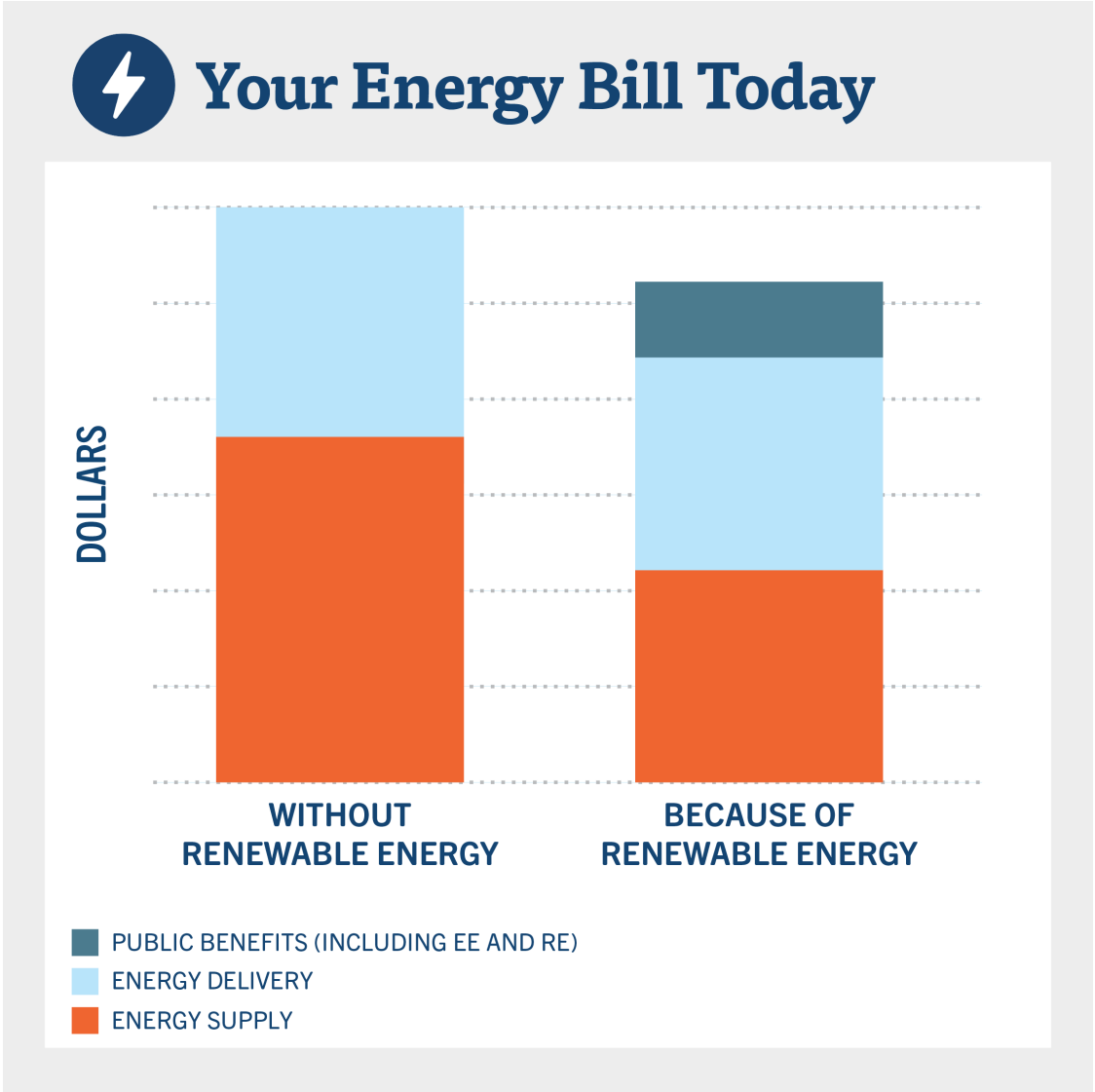


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Source: Rhode Island Public Utilities Commission, Docket No. 25-37-EE, Attachment Division 3-1 (2025). 2025 data not yet finalized.

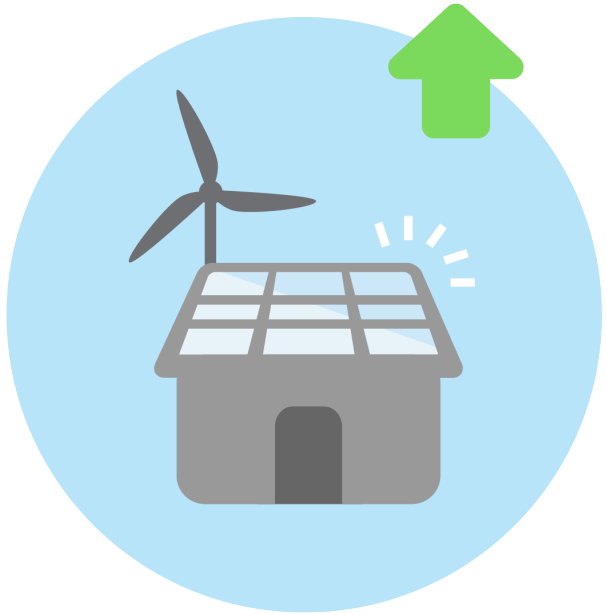
Renewable Energy Programs Stabilize Supply Costs

Renewables on the regional grid lower prices for everyone and reduce reliance on volatile gas.

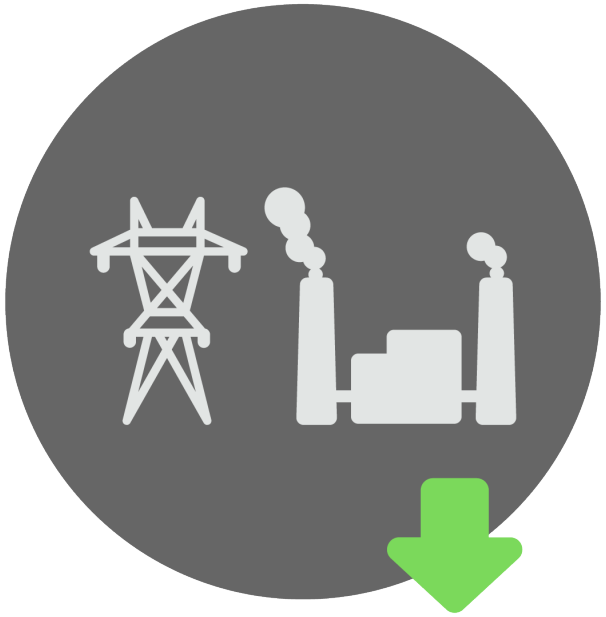


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How Clean Energy (Renewables + Efficiency) Lowers Energy Bills Today:



More efficient homes and more affordable clean energy



Reduces demand for generation and delivery



Reduces supply and infrastructure costs for ratepayers

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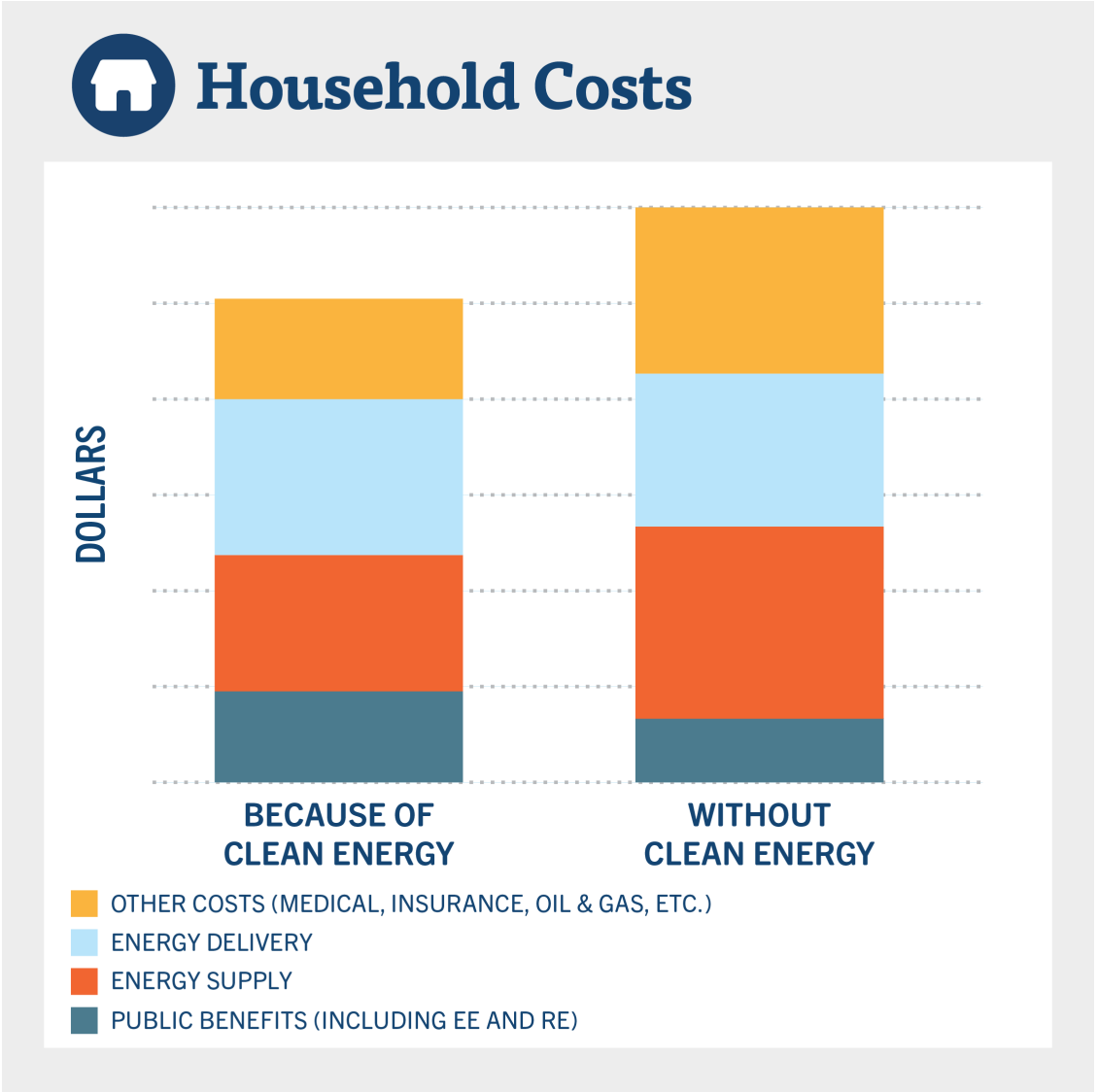
What You Aren't Being Told

The big picture cost impact to households.

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Proposed Cuts Would Increase Household Costs

- Cuts clean energy in the name of affordability
- Ignores the reality that household costs would increase without energy efficiency and renewable energy

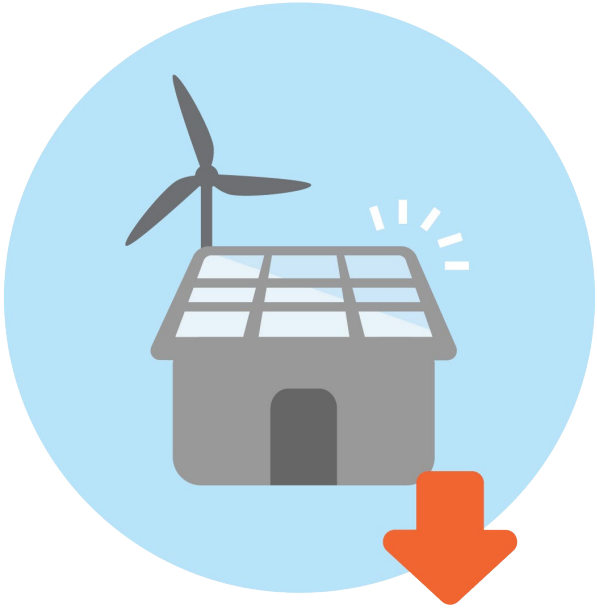


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Cuts to Energy Efficiency and Renewables



Less efficient homes
with more energy waste



Less clean energy

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Consequences: Less Efficient Homes



Higher utility bills



More regional energy demand

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Consequences: Increased Energy Demand and Less Clean Energy



Higher energy costs
because more fossil energy and
grid infrastructure will be needed



More pollution
because of increased demand
without clean energy investment

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Consequences: More Pollution



Negative public health impacts



Higher medical bills



More missed work

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Consequences: Additional Costs



Higher insurance premiums



Increased storm response costs

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Consequences: Slowing Rhode Island's Economy



Fewer local jobs

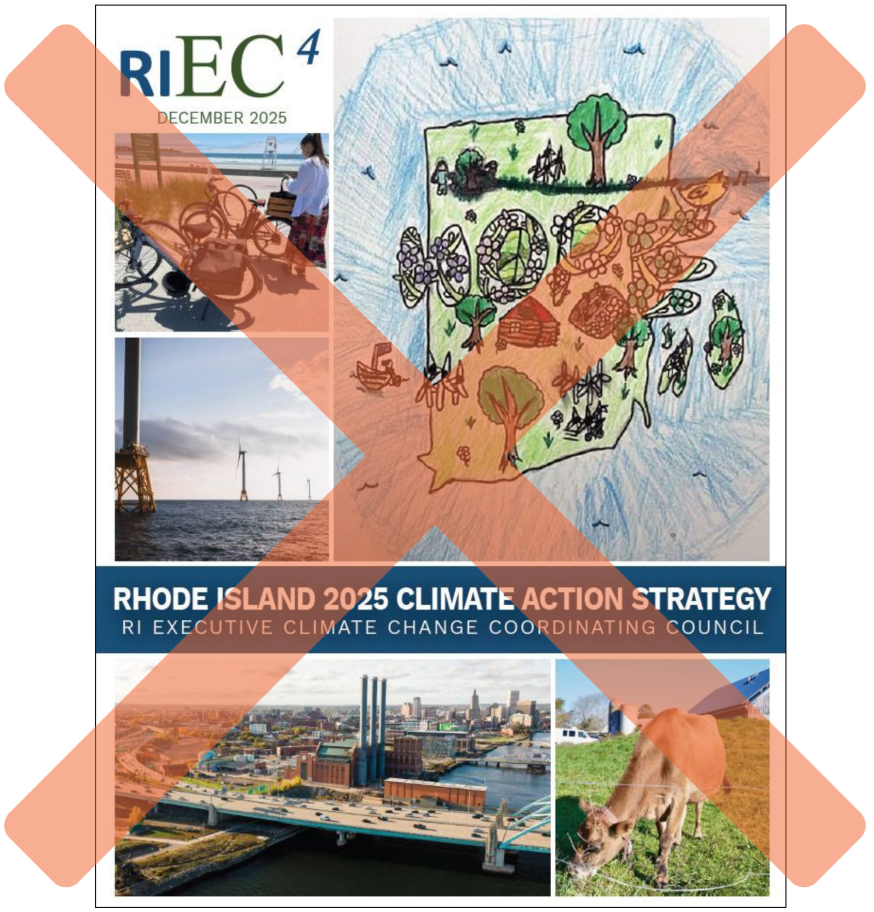


Increased out-of-state spending

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Consequences: Abandon Climate Strategy

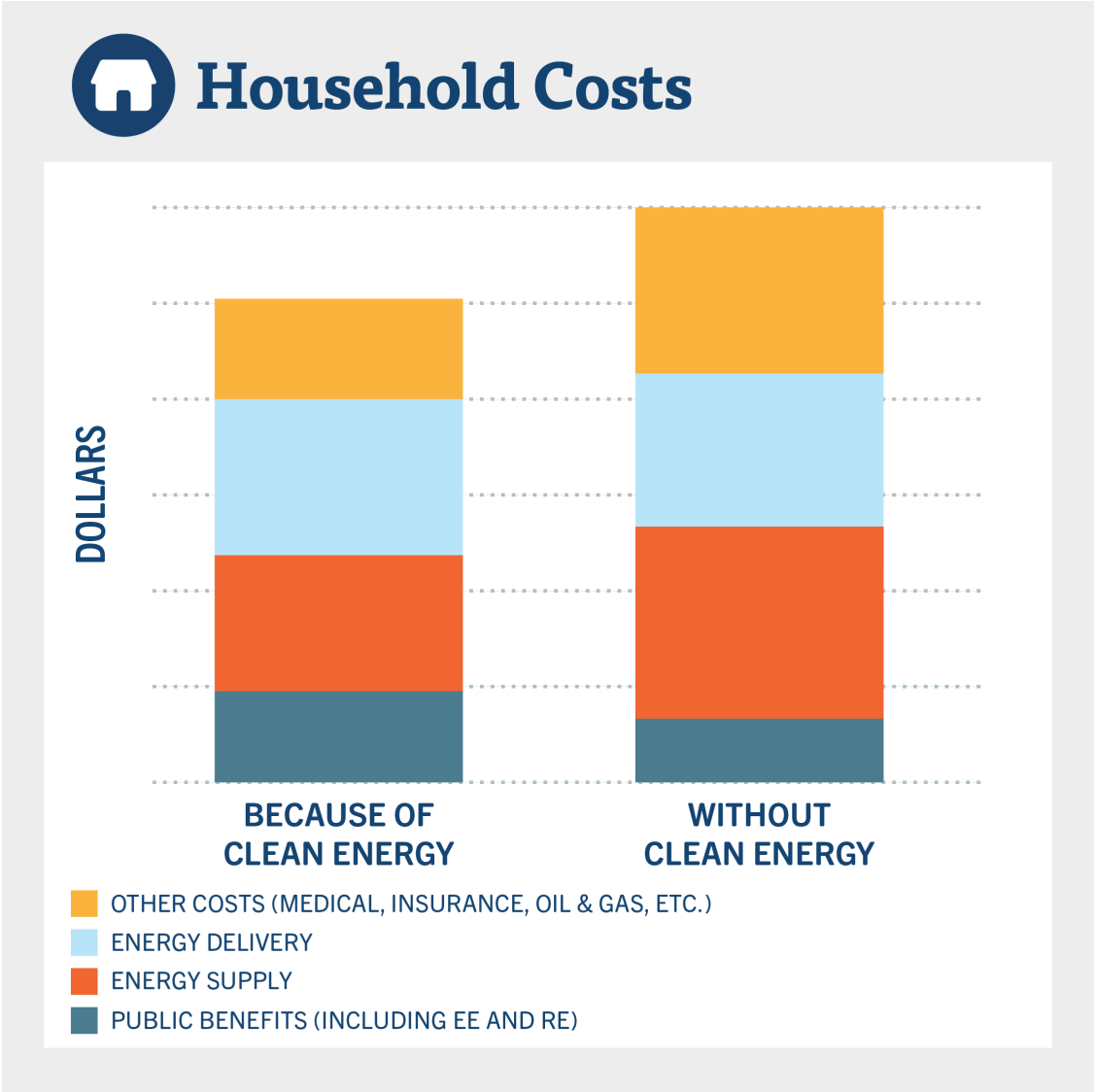
- **Existing Renewable Energy Standard (RES) and energy efficiency programs as baseline**
- **Two-pronged climate strategy:**
  - Make electricity clean, and
  - Electrify buildings and transportation
- **Achieving climate goals will require more difficult and expensive actions**



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The Full Picture of Cuts

Cuts to energy efficiency and renewable energy may look like small bill savings, but they actually increase household costs



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Source: Rhode Island Energy Efficiency Council, Annual Report Executive Summary (2025).

So, What are the Real Cost Drivers?



Reliance on gas



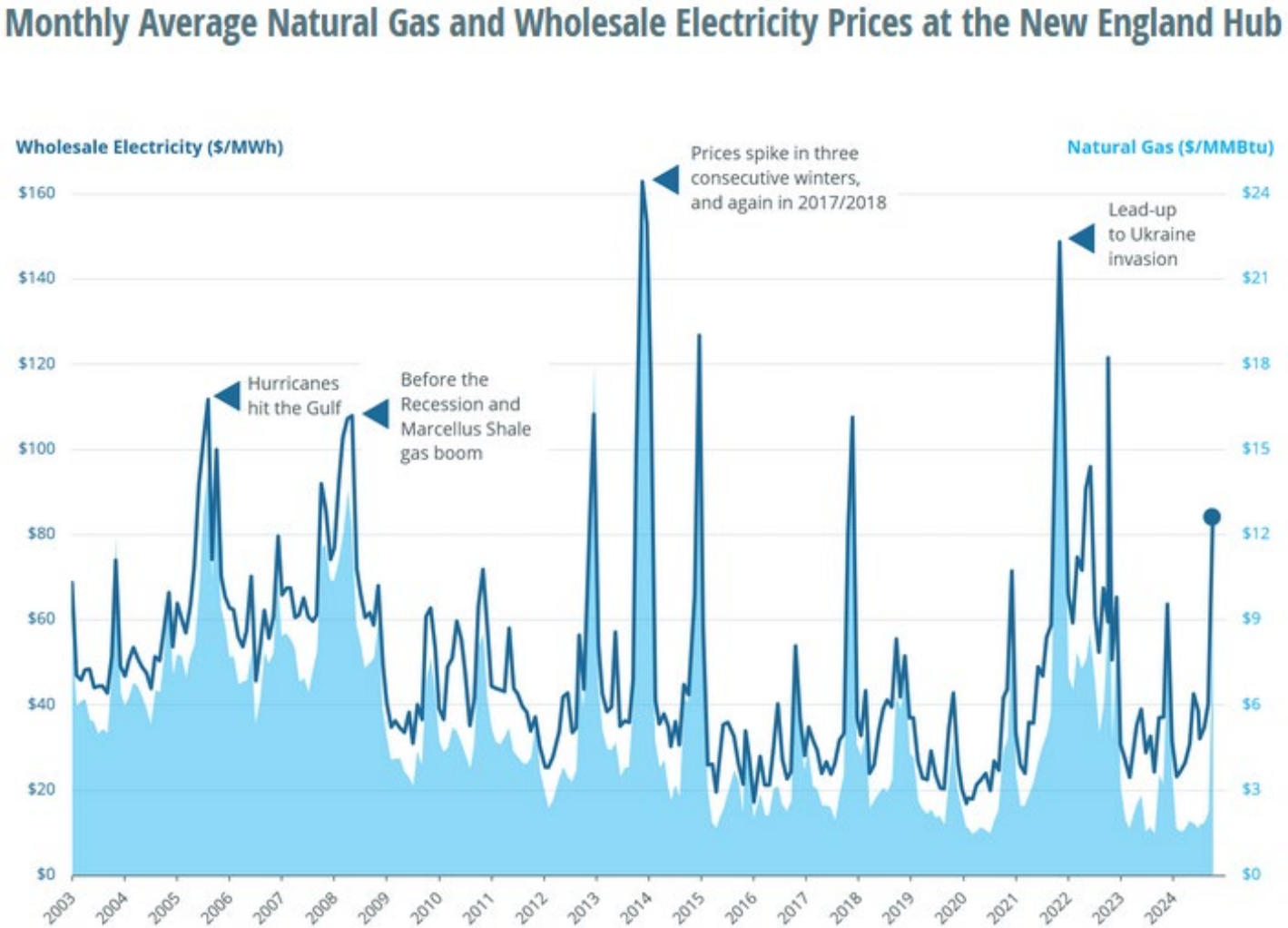
Utility business models



Aging grid and more frequent extreme weather

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Real Cost Drivers: Reliance on Gas

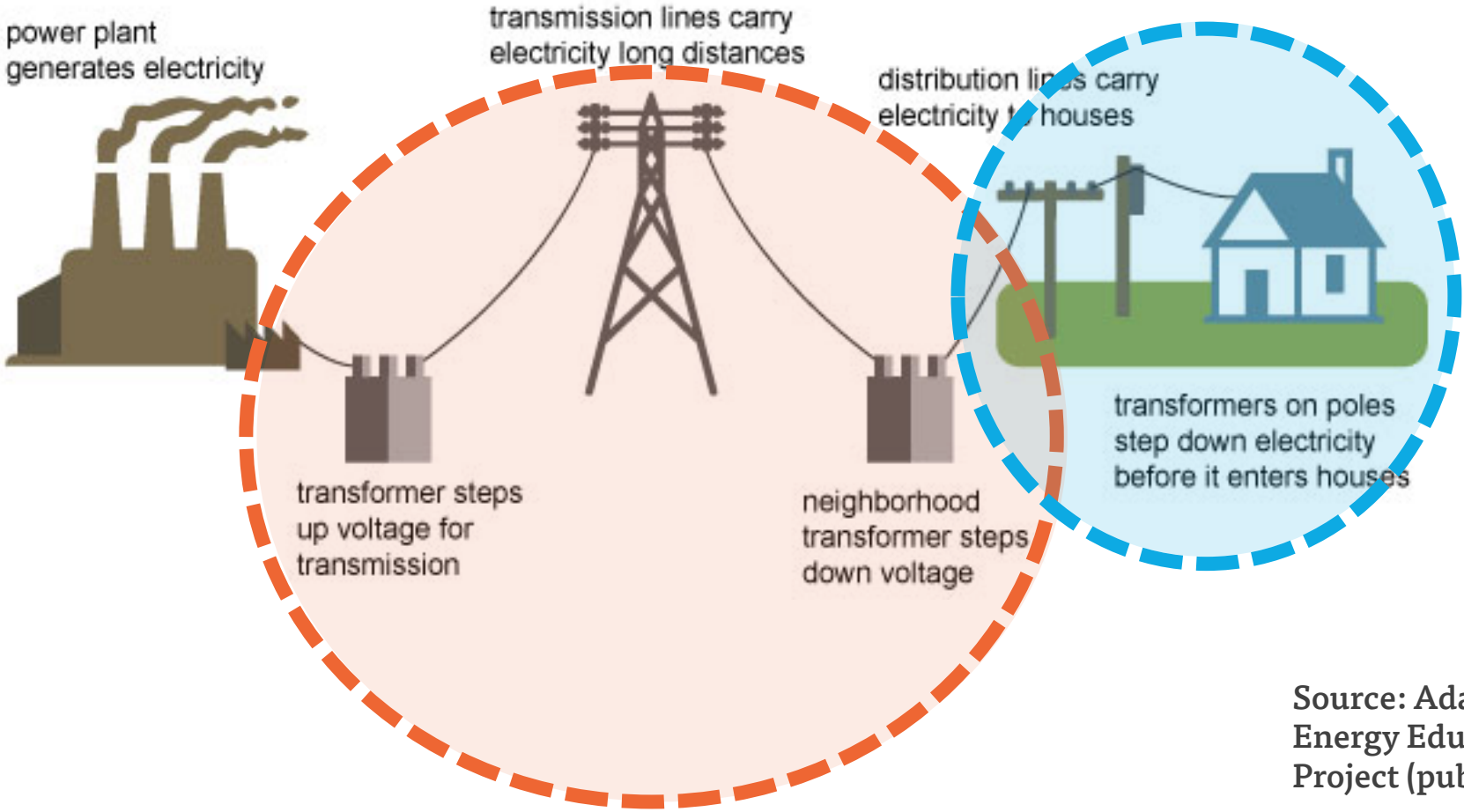


Source: ISO New England, Key Grid and Market Stats (accessed May 5, 2025).

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Real Cost Drivers: Utility Business Models

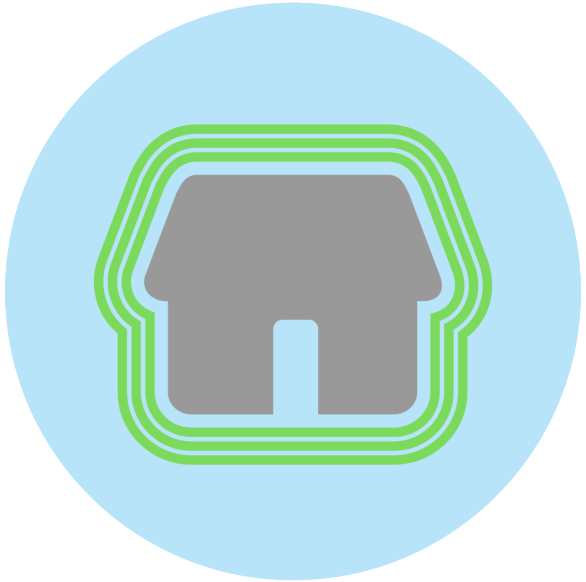
Transmission and distribution spending is growing.



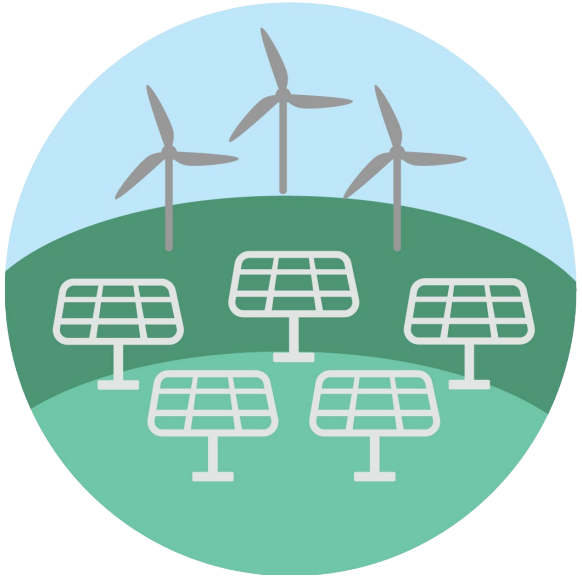
Source: Adapted from National Energy Education Development Project (public domain)

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Solutions: Reduce Reliance on Natural Gas



Protect
energy efficiency

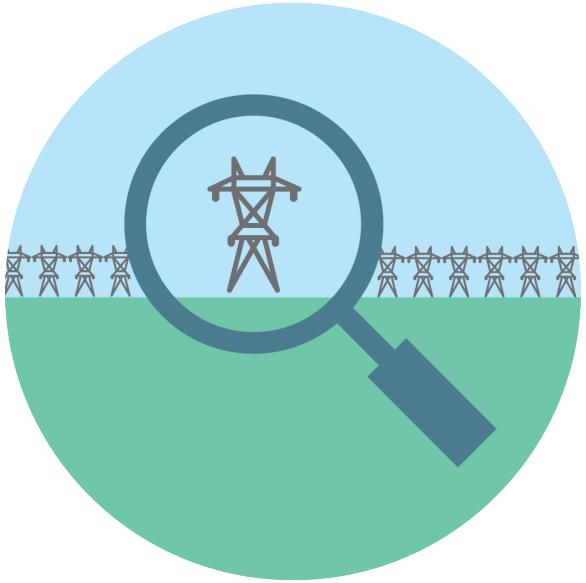


Deploy more
clean energy

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Solutions: Reform Utility Business Models



Oversight of distribution
and transmission spending

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Key Takeaways:

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Advancing the Clean Energy Future

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Fact Sheet Collection: Energy Cost Drivers

https://acadiacenter.org/resource/fact-sheet-collection-energy-cost-drivers/

Appendix I: Legislative Examples

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REDUCE GAS DEPENDENCE WITH MORE EFFICIENCY & RENEWABLES

- Defend against rollbacks to energy efficiency and Renewable Energy Standard (oppose H7127)
- Spur more renewables – Solar Cost Reduction Act (H7726, S2801), balcony solar (H7269, S2359), OSW commission (H7727, S2661), Thermal energy pilot (H7727, S2661),
- Benchmarking (H7183, S2260) and performance standards (H7184, S2218)
- All-electric new (public) buildings (H7081, S2529)
- Other tools: state/utility clean energy procurements (multi-state collaboration), municipal aggregation, demand response & VPPs, heat pump rate, gas line extension moratoriums

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SCRUTINIZE T&D SPENDING

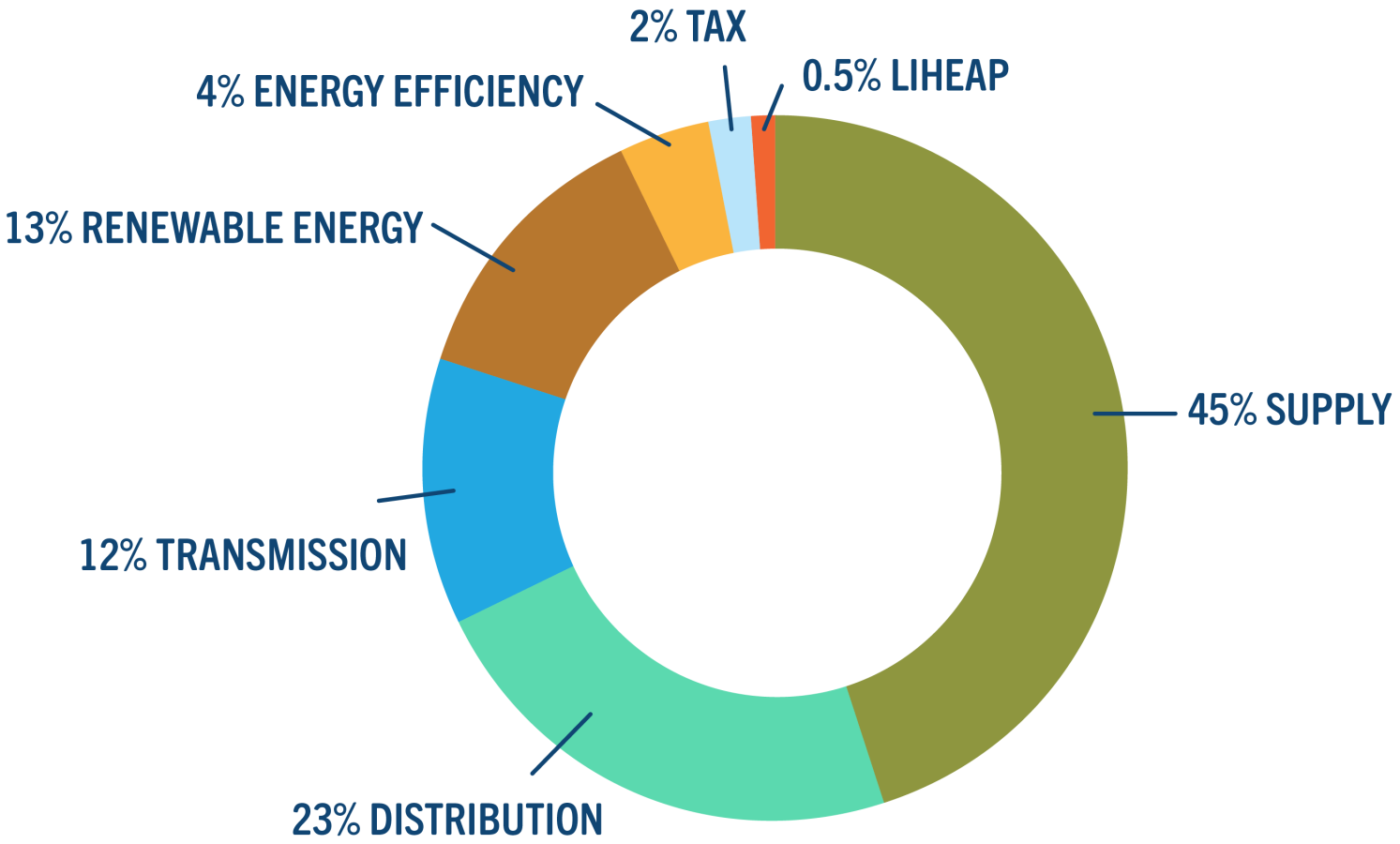
- **Enable state siting boards to add scrutiny and suggest cost-saving measures of transmission upgrades and construction (H7068, S2655A)**
  - Expand oversight to existing transmission projects sited in RI
  - Require consideration of modern, efficient grid-enhancing technologies and advanced conductors
- **Expand stakeholder participation in regulatory proceedings**
  - Provide intervenor compensation so organizations can hire experts and challenge RIE's assumptions (H7890, S2655)
- **Prohibitions on certain utility spending, ISR growth limit (H7881, S2779), Heat pump rates (S2535), Guardrails on data centers (H7270, S2427)**

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Appendix II: Supplemental Charts

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COMPONENTS OF THE AVERAGE RI ELECTRIC BILL



On an average electric bill, supply makes up 45% and delivery makes up 35%.

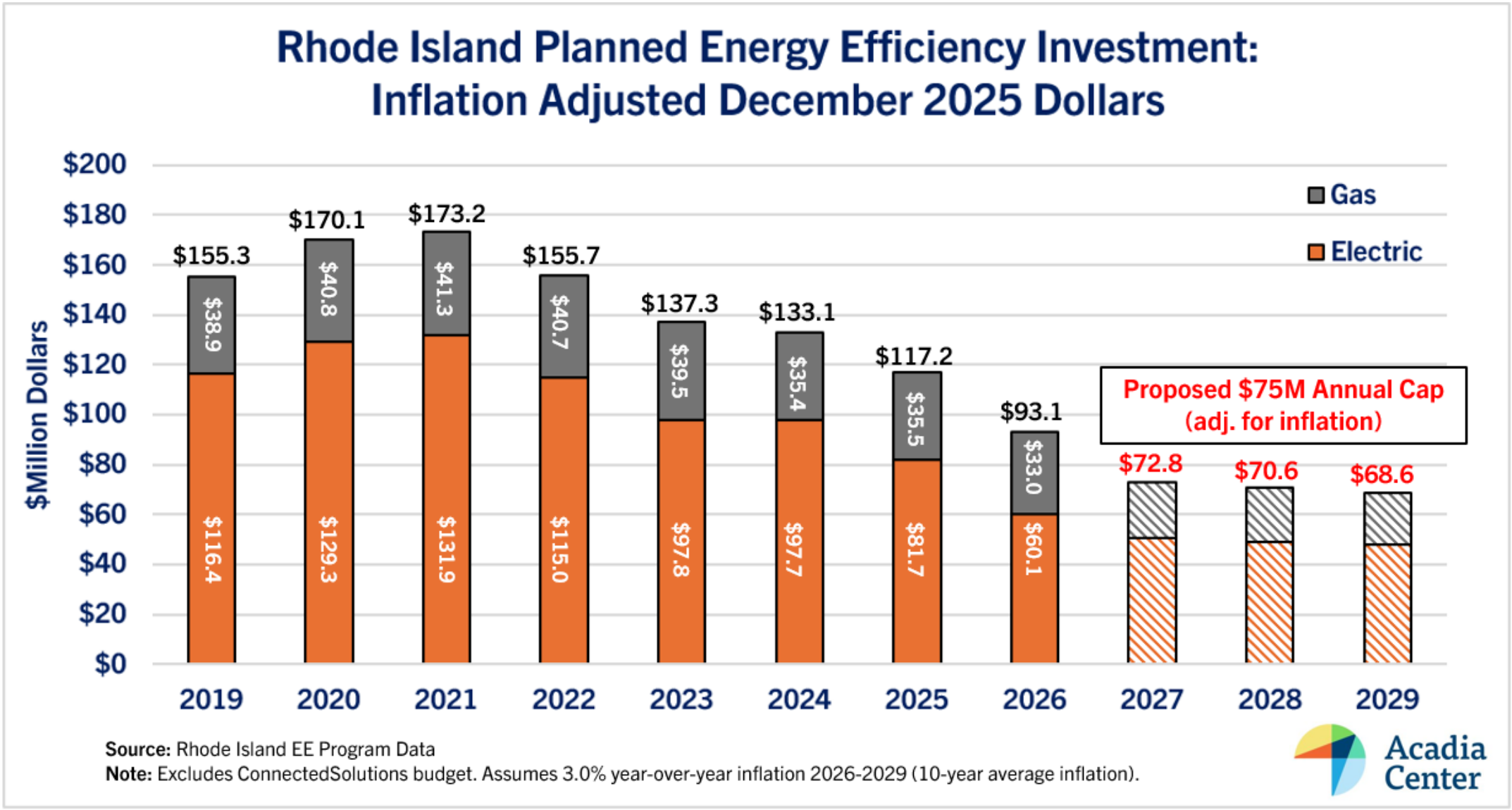
Efficiency and renewable charges are not a major contributor to energy costs.

Source: Rhode Island Energy Presentation to the House, February 17, 2025, Sample Winter Electric Bill, 2024-2025

Assumptions include: Winter Last Resort Service, 500 kWh residential customer, **RES removed from supply and added to state mandates and taxes**

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PROPOSED CAP ON ENERGY EFFICIENCY

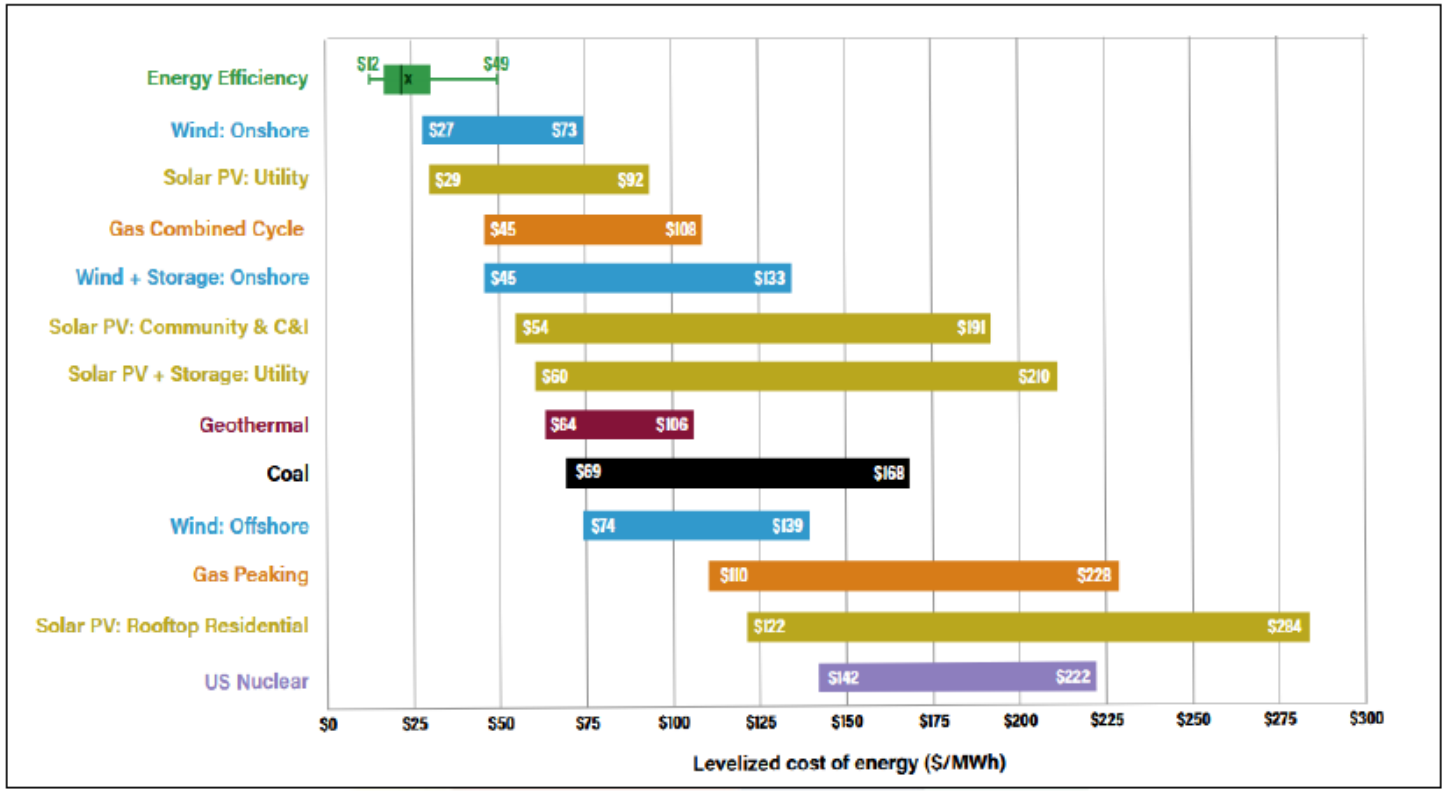


THE "NEGAWATT"

THE CHEAPEST MEGAWATT IS THE ONE YOU DON'T USE

- Energy efficiency reduces the amount of energy needed to meet growing societal needs and has generated deep energy savings for RI.
- The existing planning and regulatory process thoroughly weighs customer costs and requires that benefits outweigh costs.

Figure 3. Energy Efficiency is Lower Than the Cost of All Other Supply-Side Resources



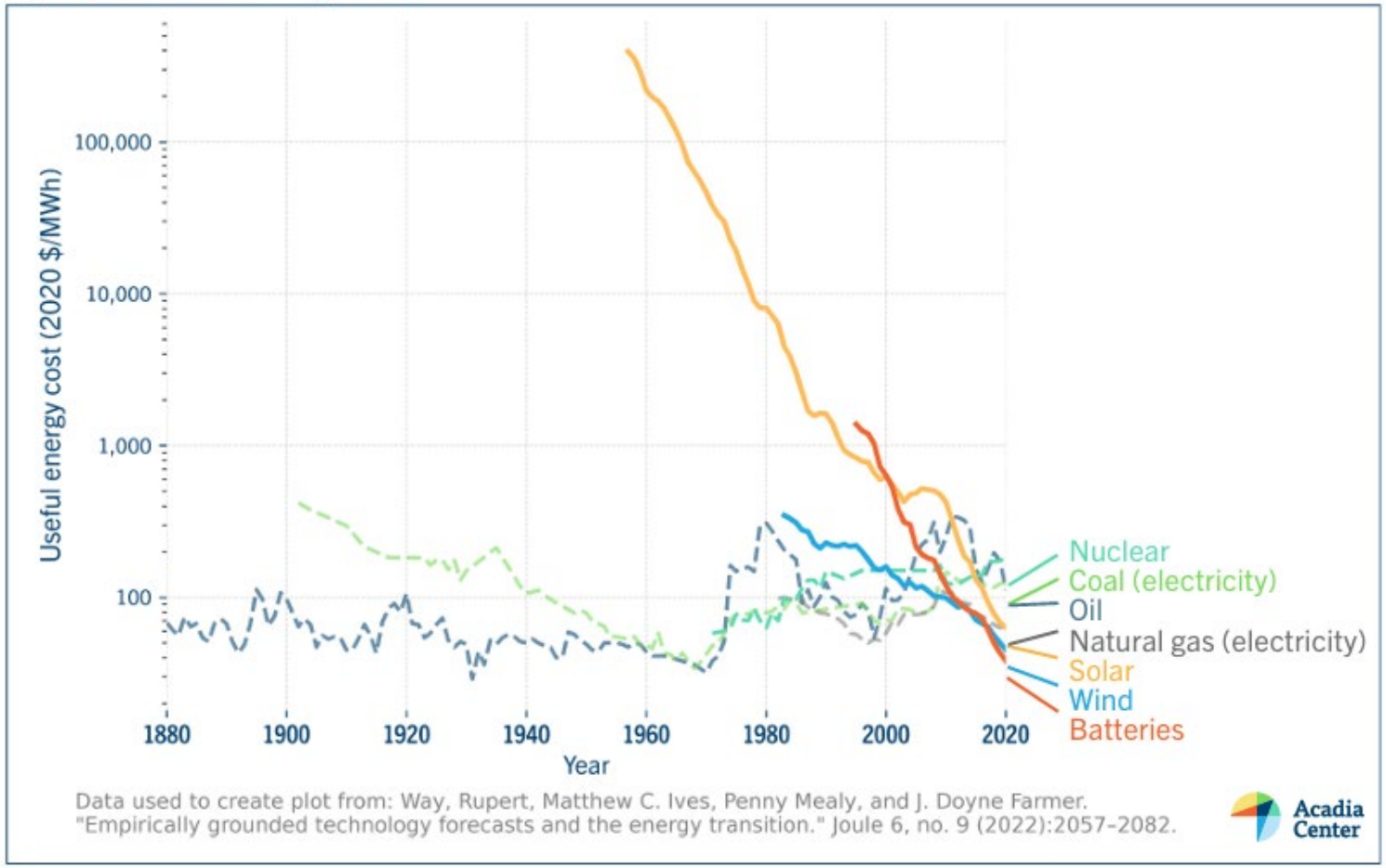
Source: ACEEE Faster and Cheaper: Demand-Side Solutions for Rapid Load Growth

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CLEAN ENERGY IS STABLE, AFFORDABLE ENERGY

- Renewables have no fuel costs, and lower wholesale electricity prices for everyone
- Solar and storage among fastest, most affordable ways to add new power
- Efficiency, solar, batteries reduce how much power we need during expensive peak hours
- States with more renewables have seen smaller electricity price increases

Figure 3. Historical Costs of Energy Sources



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Utility Earnings by Year



Source: Eversource 2024 Annual Report

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