

BOARD OF DIRECTORS

Chair

Anyeley Hallová

Vice Chair

Ruth Thomas-Squance, PhD, MPH

Secretary-Treasurer

Daniel Hernandez

Salah Nezar Karen Weigert Marwa Zaatari, PhD

PRESIDENT AND CEO

Peter Templeton

FOUNDERS

David Gottfried Michael Italiano S. Richard Fedrizzi Chair David Bennett

March 21, 2024

House Environment & Natural Resources Committee State of Rhode Island General Assembly

RE: RI H7617 – Building Decarbonization Act of 2024

Dear Chair Bennett and members of the Committee.

On behalf of USGBC and our Rhode Island community, we are pleased to support H 7617 and urge the Committee to move forward towards passage this session.

H 7617 Section 2, the Building Decarbonization Act of 2024

The Building Decarbonization Act of 2024 will establish a statewide building energy benchmarking program and a process for building performance standards. The use of energy including fuels and electricity in buildings contributes nearly 47 percent of the state's greenhouse gas emissions. Helping RI businesses and residents save energy and reduce emissions makes sense and is essential to meet the state's ambitious climate targets as laid out in the 2021 Act on Climate.

The Building Decarbonization Act takes a smart, phased approach to improving buildings in the face of warming temperatures. This bill will position the state, its businesses and residents to be more competitive in the future clean economy, and to be more resilient. The types of building improvements spurred by benchmarking and building performance standards – such as improving insulation, replacing old windows and doors with efficient ones, upgrading heating and cooling systems – all create local jobs, and many of these are eligible for Federal tax incentives. As commercial buildings and homes become more efficient and begin using clean power and energy, they will reduce the demand pressure on the grid as well as having a greater potential for remaining habitable when the grid goes out. The result is a win-win for the state.

- 2101 L St. NW Suite 600 Washington, DC 20037
- 202-828-7422
- usgbc.org

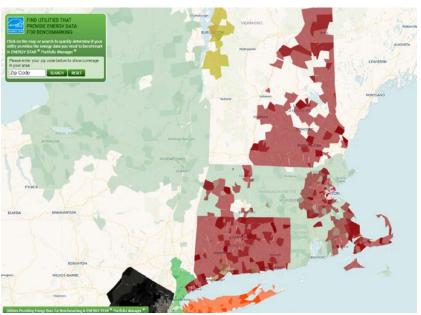
The Building Decarbonization Act phases in these programs with the state going first with its own buildings – walking the walk – followed by the largest buildings (estimated at about ##) and then the medium buildings. Individual homes will not be affected in any way by the benchmarking and building performance standards in this bill.

With the Building Decarbonization Act, Rhode Island will join ## other states and ## large cities in establishing benchmarking programs, and ## jurisidctions in working towards building performance standards. The Act will put Rhode Island on a path towards a brighter future.

Benchmarking is recognized as a proven strategy for owners and policymakers to improve buildings reflecting the adage "You can't manage what you don't measure." Simply requiring the collection and submittal and disclosure of benchmarking data has been associated with improved building energy efficiency of 2 to 4 percent as owners become more aware of their usage and how they compare with peers. Benchmarking is recommended by a wide range of expert organizations and agencies including the U.S. Environmental Protection Agency (EPA), the U.S. Department of Energy (DOE) Better Building Solution Center, the National Association of State Energy Officials (NASEO), and many others. There are an estimated 130,000 buildings covered by benchmarking policies nationwide.

In fact, EPA's ENERGY STAR program supports states and cities with their benchmarking program through its free data platform for use by building owners, with extensive training and support, as well as customized data transfers to the jurisdiction. Some utilities understand this critical need for benchmarking and have collaborated with EPA to simplify the data submission process for building owners. Rhode Island's neighboring states have a number of utilities providing this service to their customers, as the graphic below shows:





Utilities Providing Data for Benchmarking Programs

Source: EPA,

https://www.energystar.gov/buildings/benchmark/find_utilities_provide_d

ata_benchmarking

Building Performance Standards. The Building Decarbonization Act will also establish criteria and a process for establishing Building performance standards in Rhode Island, including stakeholder input and data shared with the public to inform these standards. Building performance standards are a policy that — over an extended timeframe — reduces energy use by buildings. These science-based standards provide a long-term goal and interim targets, which building owners can then choose how they will meet. As noted above, many efficiency measures are currently eligible for Federal incentives. This combination of incentives and choice makes this a compelling policy option for Rhode Island. Performance standards are a growing policy with 3 states and multiple local governments having adopted standards.



Section 3 – All-Electric New Construction

We also support Section 3 which establishes a phased-in approach to all electric buildings. The buildings industry is coalescing around electrification, in combination with efficiency and clean power, as an essential strategy for decarbonizing buildings. H 7617 phases in electrification, starting with a "no regrets" electric readiness for new buildings, so they won't have to upgrade power capacity in the future. Public buildings would be the first buildings to be all-electric, leading by example. Lastly, private buildings would be required to be all-electric. The bill give local governments with the authority to establish all-electric construction earlier than the state. The bill also provides for consideration of housing and affordability, and for exemptions.

While electrification may seem a new topic, beneficial electrification programs were begun in the early 1990s, when utilities began exploring the potential of residential and commercial heat pumps, followed by applications for industrial heating and transportation. The early value seen in its technical potential has been borne out by improved technology for heat pumps, electric vehicles and other technologies, and advances in battery and charging technologies.

Applying electrification to buildings means using electricity for core functions, such as heating, cooling and cooking, and potentially for industrial processes that have traditionally been provided by onsite combustion of gas, heating oil, propane or other fossil fuels. Building electrification is an attractive alternative today because fossil-powered appliances and equipment already have viable electric substitutes.

Specific building technologies that are driving electrification as a viable solution include air source heat pumps, geothermal heat pumps, induction cooktops/stoves, high efficiency electric or heat pump water heaters and other products. <u>Incentives</u> and funding programs to replace on-site fossil fuel equipment with electric equipment are growing rapidly. It's just a matter of making the switch.



About USGBC

USGBC is a nonprofit organization dedicated to transforming the way buildings and communities are designed, built and operated, enabling an environmentally and socially responsible, healthy, and prosperous world. Our flagship green building system, Leadership in Energy & Environmental Design (LEED), has been embraced around the world. There are over 100 LEED Certified projects in Rhode Island alone, spanning over 11 million square feet of real estate, and more than 350 Rhode Islanders hold LEED credentials. We would like to take this opportunity to congratulate Rhode Island for its longtime national leadership in advancing green building standards as public policy with the passage and updates to the Green Buildings Act in 2009, 2017, and 2022.

We look forward to working with the Committee and Sponsors to advance this legislation that would help Rhode Island make progress towards upgrading buildings to reduce harmful emissions, while improving the lives of residents. Please do not hesitate to contact us if you have any questions.

Sincerely,

Elizabeth Beardsley

Senior Policy Counsel

U.S. Green Building Council

ebeardsley@usgbc.org

(571) 970-7916

cc: Jennifer Gunby, Associate Director for State & Local Advocacy, USGBC

Ken Filarski, FAIA, LEED FELLOW, Principal and Founder, FILARSKI/ARCHITECTURE+PLANNING+RESEARCH

