



March 21, 2024

The Honorable David Bennett
Chairman, House Committee on Environment & Natural Resources
Rhode Island State House
Providence, RI 02903

RE: H.7617, An Act Relating to Health and Safety – Building Decarbonization Act of 2024

Chairman Bennett and Committee Members:

The undersigned members of the Rhode Island Business Coalition would like to draw attention to H.7617 An Act Relating to Health and Safety – Building Decarbonization Act of 2024. In 2021, the General Assembly passed the Act on Climate, charging the Executive Climate Change Coordinating Council (EC4) with developing a plan for reaching the mandatory greenhouse gas emissions targets outlined in the Act. The Coalition does not know if the provisions of H.7617 come from the recommendations of the EC4 committee, or if this is meant to be additional direction to the EC4 from the General Assembly. It is critical that the Act on Climate be implemented in the most thoughtful, deliberate and systematic way in order to cause the least amount of disruption while meeting the goals.

H.7617 gives the Office of Energy Resources (OER) the authority to carry out this legislation. By September 1, 2024, OER must submit a budget request for the amount needed for three years to carry out the legislation.

The bill creates a reporting requirement for “covered properties,” buildings that have at least 25,000 sq ft and are a single building, one or more buildings held in the condominium form of ownership or two or more buildings that are served by the same electric or gas meter or are served by the same heating or cooling system. Buildings with 50,000+ sq ft begin reporting March 31, 2025 (calendar year 2024 data). Buildings with 25,000+ sq ft begin reporting March 31, 2026 (calendar year 2025 data). Information that must be reported to OER includes:

- address of the building and municipality;
- primary use, any additional use and gross floor area of the building;
- building’s total energy use in kBTU and total greenhouse gas emissions in pounds of carbon equivalent;
- building’s energy use by electricity, gas, steam, and other sources and any electricity generated on-site;
- energy performance rating;
- total potable water use in gallons

OER would then use this information to create benchmarks by August 3, 2027. OER would adopt and publish recommended measures, policies and programs to achieve building emission reductions aligned with Rhode Island's net zero goal. OER sets building performance metrics and standards for each property type and subcategory by June 30, 2028. Building owners would then be required to adapt their buildings to meet the new standards.

H.7617 also prohibits building permits for certain buildings. No city or town shall issue a permit submitted after December 31, 2024 for new construction or alteration of any residential, commercial, or mixed-use building that is not electric-ready. Electric ready means the building is designed with sufficient capacity for a future retrofit of a mixed-use full building to an all-electric building, including space, drainage, electrical conductors, etc. An exemption does exist if some component is physically or technically infeasible – financial consideration is not sufficient. No permit shall be issued (submitted after December 31, 2024) for new State of Rhode Island owned building construction or alteration projects that are not all-electric – again unless not physically or technically feasible. There is an apprenticeship program requirement of 15% total labor hours on the construction job.

Any municipality MAY adopt provisions to require new building construction or alteration projects to be all-electric unless physically or technically infeasible. This means municipalities could move faster and not allow all electric-ready construction.

No permits shall be issued for the construction of any new commercial, residential, or mixed-use building that is not an all-electric building if the initial application for the permit was submitted after December 31, 2026. The definition of “all-electric building” does allow for a back-up system that only operates when the electric grid goes down.

If this plan was not forwarded to the legislature by the EC4, we recommend the Committee wait to act on H.7617 until such time as the EC4 issues its comprehensive plan.

Sincerely,

East Greenwich Chamber of Commerce
National Federation of Independent Business
North Kingstown Chamber of Commerce
Rhode Island Association of REALTORS®
Rhode Island Bankers Association
Rhode Island Beverage Association
Rhode Island Business Group on Health
Rhode Island Manufacturers Association
Rhode Island Partnership for Home Care
Rhode Island Small Business Economic Summit Tax and Budget Committee
Rhode Island Society of Certified Public Accountants
Rhode Island Staffing Association
Sustainable Benefits Strategies, LLC

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.