



**Representative Bennett, Chair**

House Environment and Natural Resources Committee  
Rhode Island House of Representatives

**March 21st, 2024**

**RE: Green Energy Consumers Alliance Supports House Bill 7782**

Dear Chair Bennett 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 Bill 7782**, which would require the Executive Climate Change Coordinating Council (EC4) to create and implement a Clean Heat Standard for Rhode Island.

**We Are Not on Track to Achieve Our Climate Goals**

The building sector accounts for nearly 30% of all Greenhouse Gas emissions in the state, and we do not currently have a clear path on how to reduce these emissions. The Act on Climate mandates that Rhode Island reduce its total greenhouse gas (GHG) emissions 45% by 2030 and net zero by 2050. However, the Executive Climate Change Coordinating Councils (EC4's) 2022 plan to meet the Act on Climate shows that the state is not on track to meet this mandate. Modeling of their plan only projects Rhode Island will achieve 40% emissions reductions by 2030, and that's if everything in the plan gets implemented. To achieve the Act on Climate, essentially all buildings by 2050 must be carbon-free, and retrofitting existing buildings will be key as 70% of our building stock in 2050 is already in place today. A Clean Heat Standard provides a policy framework that will help electrify both existing buildings and new construction.

**Rhode Island Has Acknowledged the Value of a Clean Heat Standard**

On September 21<sup>st</sup>, 2023, as part of the [U.S. Climate Alliance](#), Rhode Island committed to exploring the development of a Clean Heat Standard. Additionally, in the Executive Climate Change Coordinating Council's 2022 Climate Update, "Begin Developing a Renewable Thermal Standard" is listed as a priority action for the Thermal Sector. These commitments acknowledge the importance of a Clean Heat Standard in achieving our climate goals, but we have yet to see any action towards implementation.

**What is a Clean Heat Standard?**

A Clean Heat Standard (CHS) is a performance standard that requires heating suppliers such as gas utilities and oil and propane dealers to provide customers with gradually increasing percentages of clean heat services, phasing out the sale of fossil fuels. These providers would be required to obtain a certain amount of "Clean Heat Credits", which would be generated by deploying "clean heat measures" such as heat pumps, clean district energy, weatherization, and other verified low-carbon options. Over time, the number of credits each heating provider would be required to obtain would increase in line with the Act on Climate's greenhouse gas reduction mandate.

### **What Should Count as a Clean Heat Measure?**

Ultimately, the bill leaves it up to the Executive Climate Change Coordinating Council (EC4) to determine what should count as a clean heat measure. Examples of what we believe should count as clean heat measures include weatherization, energy efficiency, heat pumps, heat pump hot water heaters, and geothermal. However, the bill explicitly states that Renewable Natural Gas (RNG) and Hydrogen **may not** count as clean heat measures. You can read more about why RNG and Hydrogen are **not** the answer to home heating in our [blog](#).

### **If Not a Clean Heat Standard, Then What?**

In order to achieve the amount of GHG emissions necessary in the building sector, we need a policy driver that enables us to install the amount of heat pumps necessary to achieve the Act on Climate.

- Incentives alone ➡ not strong enough
- Public funds and taxes ➡ not reliable enough
- Building codes and bans ➡ not fast enough as they only affect new construction

### **Benefits of a Clean Heat Standard**

- **Creates a sustainable funding mechanism for electrification.** Presently, the state energy efficiency program is funded by surcharges on electricity and natural gas. However, it is insufficiently funded to finance the gradual transition to building electrification, which is necessary to achieve the requirements of the Act on Climate. Furthermore, consumers who heat with oil or propane contribute less to the efficiency program than gas customers because oil and propane customers only pay the electricity surcharge. This funding approach for energy efficiency programs is unsustainable as we transition towards electrification, and it does not make sense to further increase the electricity surcharge to finance electrification.
- **Does not require consumers to make any particular clean heat choices.** The mandate is solely on the fossil-fuel heating suppliers.
- **Performance Standards Work.** We've learned from both energy efficiency standards and renewable energy standards that this can be a viable policy driver for emissions savings in the thermal sector.

### **Equity Can and Must Be Built In**

Disadvantaged communities are more likely to reside in aging and less energy-efficient homes, leading to increased energy burdens. Additionally, these communities bear a disproportionate share of the adverse health effects linked to society's heavy reliance on fossil fuels. H7782 ensures that equity is built into the CHS by requiring that 40% of clean heat services be delivered to low-and-moderate-income consumers.

### **Rhode Island Would Follow Learnings from Larger Markets**

At a national level, both Colorado and Vermont have adopted a CHS. The Affordable Heat Act in Vermont that passed in 2023 directs Vermont's Public Utility Commission to create a CHS, although specific policy details are currently under development. Massachusetts is currently creating a CHS

through regulation. Rhode Island will benefit from the learnings of other states who are further along in the process.

**Conclusion**

In order to achieve the Act on Climate, we must implement macro-policy's that drive the transition toward electrification. The Clean Heat Standard does just that. Green Energy Consumers Alliance thanks Representative Cortvriend for introducing this important legislation and urges the Committee and full General Assembly to vote in favor of its passage.

Sincerely,

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