

Representative Abney, Chair

February 25th, 2025

House Committee on Finance Rhode Island House of Representatives

RE: Green Energy Consumers Alliance Supports House Bill 5076 Article 3 Section 15

Dear Chair Abney 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 5076 Article 3 Section 15, which would create a State Facilities Benchmarking and Performance Standards Program. We applied the Governor's proposal creating this program and allocating capacity to start this critical work.

Why is This Budget Proposal Critical?

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 Council's (EC4's) 2022 plan to meet the Act on Climate shows that the state would only achieve 40% emissions reductions by 2030, and that's if everything in the plan gets implemented. Notably, the *Building Benchmarking and Performance Standards* report required by Joint Resolution 7617 Substitute A depicts buildings as contributing 49% of Rhode Island's 2022 Gross Greenhouse Gas Emissions when including both Scope 1 and Scope 2 emissions, as shown in the image below. Rhode Island still lacks a policy to address emissions from our large existing buildings and cannot make progress towards driving down these emissions without a framework like Article 3 Section 15 would provide.

APPENDIX 1: SUPPLEMENTAL TABLES AND FIGURES

Gas Distribution - 2% 5% - Electricity (Other) Waste, Agriculture - 1% 6% - Industrial Processes and Product Use Residential Buildings - 20% (Scope 1) Electricity - 14% (Scope 2) Commercial Buildings - 9% (Scope 1) Industrial Buildings - 6% (Scope 1)

Rhode Island 2022 Gross Greenhouse Gas Emissions

Note: The emissions breakdown presented in this figure differs from the official accounting framework used by DEM to in the Rhode Island Greenhouse Gas Inventory.

Figure 4: Rhode Island Gross Greenhouse Gas Emissions Breakdown, 202237

Image from Executive Climate Change Coordinating Council report: Building Energy Benchmarking and Performance Standards, Appendix 1 Figure 4.

Contributing to the total percentage of building greenhouse gas emissions in the pie chart is 14% from building electricity usage, and we would like to point out that because of Rhode Island's 100% Renewable Energy Standard (RES), the electricity supplied to buildings will become cleaner over time, culminating in 100% renewable in 2033. This means that building emissions reductions are built in due to the RES without requiring building owners to take any action. This automatic reduction indicates it may be easier than anticipated for building owners to start reducing their emissions.

Since 2020, residential heating emissions have risen in Rhode Island, from 1.91 MMCO₂e in 2020 to 2.12 MMT CO₂e in 2022, further indicating that the state is not yet on the right path towards emissions reductions in the building sector. 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 State Facilities Benchmarking and Performance Standards Program as outlined in Article 3 Section 15 is the first step Rhode Island must take to begin tackling emissions from our building sector.

Rhode Island has Acknowledged the Importance of Benchmarking and Performance Standards.

Rhode Island joined the <u>U.S. Climate Alliance</u> on September 21st, 2023, and through this coalition the state committed to advance and accelerate building decarbonization measures. A key measure is exploring the adoption of building performance standards, yet Rhode Island has not made progress towards adoption of performance standards, other than the EC4 report passed through Joint Resolution 7617 discussed below.

In December 2024, the EC4 released their report prepared by the Office of Energy Resources (OER) "Joint Resolution 7617 Substitute A: Executive Climate Change Coordinating Council Report on Building Energy Benchmarking and Performance Standards" where it was recommended that the Office of Energy Resources should "lead a public sector program for a select range of large state-owned and state-occupied properties that could serve as the basis for expanded programming for municipal and private buildings in the future" (RI Executive Climate Change Coordinating Council, 2025, p. 27). This recommendation indicates OER approval of this budget article and that it would be beneficial for the General Assembly to approve this proposal.

In Article 3 Section 15, we are encouraged by the timeline and capacity outlined to implement this budget article. The inclusion of one full-time staff member to start working on this program will grant the Office of Energy Resources the capacity to start benchmarking state-owned and state-operated facilities energy usage right away, with the first reporting deadline of March 31, 2026, for calendar year 2025 energy usage. However, we feel that the state can and must have a wider scope of buildings included in a benchmarking and performance standards program to drive down emissions at the scale necessary to meet the Act on Climate goals.

Expansion of The State Facilities Benchmarking and Performance Standards Program to Include H5493: The Building Decarbonization Act of 2025.

Passage of Section 3 Article 15 of the Governor's proposed FY 2026 Budget is the first step Rhode Island must take to begin reducing emissions from select state facilities, however it only covers a small portion of the buildings in the state that must begin benchmarking their energy usage in preparation for performance standards to reduce emissions from our large buildings and will not reduce building emissions at the scale needed to meet our Act on Climate goals. The State can learn from the path the City of Providence blazed in their "Building Energy Reporting Ordinance" which requires owners of large buildings to report their energy usage to the City. The City's report from their first year of compliance was released in December 2024 and outlines the success they have had with the program, notably 100% compliance.

We urge that <u>H5493</u>: The <u>Building Decarbonization Act of 2025</u> be included in Article 3 Section 15 of the Governor's proposed FY 2026 budget to more comprehensively address emissions from our large buildings in Rhode Island. This bill has a much more inclusive scope for buildings that must collect and report their energy usage data and be compliant with building performance standards that will have a significant impact on reducing our state greenhouse gas emissions as required by law. H5493 would start by establishing a benchmarking program and first require public facilities greater than 25,000 square feet to report their energy use information. This allows the state to lead by example for private buildings greater than 50,000 square feet and then private buildings greater than 25,000 square feet to begin benchmarking and reporting their energy usage data before building performance standards are established and introduced.

If Not a Benchmarking and Performance Standards Program, Then What?

Though Rhode Island's building stock contributes a significant share of the state's greenhouse gas emissions, we have yet to implement any policies to address these emissions. Alongside our advocacy for H5167: The Rhode Island Clean Heat Standard, passage of Act 5 Section 15 of the Governor's proposed FY 2026 budget will start to address emissions from the building sector. The state cannot afford to wait until after the release of the 2025 Climate Action Strategy or the Public Utilities Commission Future of Gas report to take action on reducing greenhouse gas emissions from our large buildings.

Conclusion

In order to achieve the Act on Climate, we must implement larger policies that drive down emissions from the building sector. The State Facilities Benchmarking and Performance Standards Program is a first step in tracking energy use and reducing building emissions, and we must take larger steps by incorporating H5493: The Building Decarbonization Act of 2025 into Article 3 Section 15. We urge the Committee to further explore that possibility.

Green Energy Consumers Alliance thanks the Governor for proposing Article 3 Section 15 and urges the Committee and full General Assembly to vote in favor of its passage.

Sincerely,

Tina Munter, Rt Policy Advocate **Green Energy Consumers Alliance**<u>Tina@greenenergyconsumers.org</u>