

STATE OF RHODE ISLAND

Public Utilities Commission

89 Jefferson Boulevard Warwick, Rhode Island 02888 (401) 941-4500 Chairman Ronald T. Gerwatowski Commissioner Abigail Anthony

March 20, 2025

The Honorable Stephen M. Casey Chair, Municipal Government & Housing State House Providence, RI 02903

Re: House Bill 5450 – All Electric Building Act

Dear Chair Casey:

I am submitting the following comments on behalf of the Public Utilities Commission (PUC) on House Bill 5450 - All Electric Building Act. While this bill appears to be primarily a building codes and local permitting issue, it assigns duties to the PUC on which we are commenting.

The bill proposes significant changes to new building construction in the state, and we look forward to discussing its objectives with the sponsors. While we believe the bill aims to reduce air pollution from buildings, we do not assume this is its sole objective for these comments.

The Act requires a joint report from the Office of Housing and Community Development, the State Building Code Commission, and the PUC. While the PUC lacks expertise in affordable housing, we do have expertise in analyzing rate design and the rate impacts of electrification. Rate design analysis would be best conducted in Rhode Island Energy's upcoming distribution rate case commencing this Fall. The impacts of load growth on capital investment, revenue requirements, and rate design will be front and center, and a comprehensive analysis can ensure that rates fairly reflect each customer's use of the system without creating unjustified cross-subsidies tied to the types of equipment used in homes and businesses.

Furthermore, the premise that some low-income customers should be granted percentage of income payment options while others are not, *simply because of the type of heating system they have access to*, seems inherently unfair. The PUC reviews the design of the low-income rates in every distribution rate case, and such consideration could include a percentage of income payment plan design if proposed by Rhode Island Energy.

Additionally, the bill directs the PUC to collaborate with these agencies on guidelines for electric-ready buildings. We believe an alternative agency may be better suited to participate in the promulgation of such guidelines.

The PUC looks forward to further discussions about the tools that the commission does and does not have to ensure that utilities minimize the cost of serving new electric load so that building electrification is affordable and equitable for all ratepayers.

Please feel free to contact me with any questions at 401-780-2147 or cynthia.wilsonfrias@puc.ri.gov.

Sincerely,

Cynthia Wilson-Frias Chief of Legal Services

cc: Representative Handy