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VIA ELECTRONIC MAIL

House Committee on Municipal Government & Housing Rhode Island General Assembly 82 Smith Street Providence, RI 02903

RE: House Bill 5450

Dear Chair Casey, First Vice Chair Fogarty, Second Vice Chair Speakman, and Committee Members:

Suburban Propane writes in regards to House Bill 5450, which requires new buildings to be all-electric after December 31, 2026. Suburban Propane has been serving customers for more than 95 years and is the nation's third-largest propane retailer with operations in 42 states. In Rhode Island, we have 15 employees serving more than 6,500 customers.

Suburban Propane supports the State's overall goal of reducing the carbon footprint of buildings. However, pushing all building construction towards electricity as the only energy source comes with significant costs and is not an effective way to achieve the State's goal. Combatting the impacts of climate change will require a technology-neutral approach that uses all available fuel sources, including: low carbon intensity (CI) traditional propane, lower-CI renewable propane, zero- or negative- CI blends of traditional propane, renewable propane, and/or renewable dimethyl ether (rDME); and renewable natural gas (RNG). Therefore, we ask that House Bill 5450 be amended to promote a technology-neutral approach encouraging the use of all low-CI energy sources to achieve Rhode Island's emissions reduction target.

House Bill 5450 clearly favors electricity over all other fuels under the inaccurate assumption that it is the cleanest energy source, which is counterproductive to the State's carbon reduction goals. In fact, according to the U.S. Energy Information Administration, nearly 90 percent of the electricity on Rhode Island's grid is generated from natural gas. Electricity can be a tool in reducing the carbon footprint of

¹ Demand for electricity is spiking across the nation, leading many states to build new gas-fired power plants. See https://www.reuters.com/business/energy/power-sector-drives-growth-us-natural-gas-demand-maguire-2024-07-30/.

² See https://www.eia.gov/state/?sid=RI#tabs-4.



buildings, but rapid electrification is detrimental to decarbonization. If buildings move to all-electric too quickly, it further taxes an already overburdened electrical grid. More power must be generated, which will most likely come from increased electric generation at existing power plants using fossil fuels, negating any benefit electrification may provide, and increasing electricity costs for residents.

Meanwhile, other low-, zero, and negative-CI fuels, including those previously mentioned, are already available to consumers and can be used in existing infrastructure, allowing for immediate reductions in carbon emissions and saving residents thousands of dollars in conversion costs. For example, our subsidiary, Suburban Renewable Energy (Suburban Renewables), owns and operates RNG production facilities in Arizona, New York, and Ohio. This RNG is a drop-in replacement for natural gas and can use the existing natural gas transmission and distribution system.

Instead of relying solely on electricity, we encourage the State to adopt a technology-neutral approach in reducing carbon emissions, similar to the clean fuel standards adopted in California, Oregon, and Washington for transportation emissions, and permit the use of other energy sources that are low-carbon, including traditional and renewable propane. Propane is a reliable and abundant energy source that millions of households and businesses use for heating, cooking, and other purposes. Many Rhode Island residents rely on propane for their home energy needs.

Suburban Propane is proud to be leading the propane industry in the energy transition to a low-carbon world. Through our Suburban Renewables platform, we are also committed to investing in the next generation of even cleaner, less carbon-intensive energy sources, such as rDME, biogas, renewable natural gas, and hydrogen. However, it will take time to bring these new products to widespread commercial scale and the use of propane will be important in reducing emissions in the short term.

We urge the Committee to amend House Bill 5450 by adopting a technology-neutral approach that incentivizes buildings to use low-carbon, carbon-neutral, or carbon-negative fuels. We would appreciate the opportunity to discuss with you how propane, renewable propane, and other low-carbon fuels can play a role in lowering the carbon footprint of buildings in Rhode Island. Thank you for your consideration.

Sincerely,

/s/ Paul M. Rozenberg

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