

American Rescue Plan State Fiscal Recovery Fund Recommendation Cover Sheet

Please submit this document with any recommendations for funding from Rhode Island’s allocation of federal fiscal recovery funds available through the American Rescue Plan Act. This information will be made available to the public along with any detailed documents submitted that describe the proposal. It is encouraged that such documents identify clear goals and objectives and quantifiable metrics.

This is not a formal request for funds, and submission of recommendations does not guarantee a response, public hearing, or appropriation from the General Assembly.

Name of Lead Agency: Environment Council of Rhode Island

Additional agencies making recommendation (if applicable): _____

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Brief Project Description (attachments should contain details) Revised Request for Federal Funding to Implement Climate and Environmental Priorities

Total request: \$ _____

One-time or Recurring Expense? _____

ARPA Eligibility Category (check all that apply) – See link for further information
<https://www.rilegislature.gov/commissions/arpa/commdocs/Treasury%20-%20Quick-Reference-Guide.pdf>

- Respond to the public health emergency and its economic impacts X
- Premium pay to eligible workers _____
- Government services/state revenue replacement _____
- Water/sewer/broadband infrastructure X

January 24, 2022

To: Speaker Joe Shekarchi, Senate President Dominick Ruggerio

Cc: Majority Leader Christopher Blazewski, Chairman David Bennett, Chairman Marvin Abney Senate, Majority Leader Michael McCaffrey, Chairwoman Dawn Euer, Chairman Ryan Pearson, and Governor Daniel McKee

From: Environment Council of Rhode Island

Re: Revised Request for Federal Funding to Implement Climate and Environmental Priorities

To meet our Act On Climate goals, Rhode Island needs to take action immediately. With bold vision, leadership, and strategic investment, Rhode Island will not only be more resilient but will benefit from an abundance of good jobs; safer and healthier communities; protected open space and parks; and a stronger 21st century economy.

Climate change should be a lens through which we consider all policy, planning, and economic development strategies in our state, including the use of the remaining ARPA funds. But many of the necessary first steps to address the climate crisis lack clear funding pathways. ARPA and other federal funding can help.

These three initiatives should be prioritized for initial funding through ARPA. They are part of a longer list of projects that we have submitted previously, which we have attached as an appendix and include transportation decarbonization and stormwater management we expect to be covered in part by federal Infrastructure funding.

1) Dedicate ARPA funds to ensure that all new and substantially renovated buildings (especially affordable housing and schools) that receive state or federal funding are net-zero energy or net-zero ready.

At his State of the State address on January 19, Governor McKee made a commitment to spend \$250 million on affordable housing. We applaud this, but we observe that Rhode Island can't afford to further lock in fossil fuels with new gas or oil-heated construction.

All new construction should be net-zero or net-zero ready. *What does this entail?* It includes investing in deep energy efficiency, electrified thermal and cooking systems, EV charging (or electric systems ready for the later addition of EV charging), stormwater management systems, and rooftop solar where possible. If full solar deployment is not possible, the roof should be ready for later installation of solar. With the increasing and wildly fluctuating price of fossil gas,

net-zero buildings are not only good for the climate, but affordable to operate for residents and owners.

While cost-effective in the long-run, net-zero buildings can sometimes incur additional upfront costs. Dedicated funding will ensure that these buildings and deep renovations are efficient and electrified right from the beginning.

We strongly support the Governor's allocation of \$37 million for a heat pump incentive program, and we suggest that this funding support our recommendation on net-zero construction as part of a larger funding stream. Clean energy and efficiency funding should prioritize affordable housing, rental housing, multifamily housing, and environmental justice communities.

2) Dedicate ARPA funds to conserve forests and open space through matching funds for conservation easements and conservation opportunity mapping.

Rural and urban forests and greenspace are vital to our ecosystems and health. Nearly 70% of our forests are privately owned. As property owners consider the future of their land, they often face the pressure of selling their land to developers who offer significant financial remuneration. In cities, street trees and urban forest are underfunded. ARPA funds should be dedicated to helping make forest conservation a viable choice for landowners and urban residents. ARPA funding should further the land protection work of state and conservation organizations by providing matching funds to increase the amount of valuable forestland conserved state-wide through the Rhode Island Infrastructure Bank (RIIB). RIIB is well versed in managing climate resiliency programs and can supplement with ARPA funding the limited funding proposed for land conservation and open space through DEM in the Governor's budget as a Green Bond for consideration on the ballot: Open Space State Land Acquisition (\$3 million), Open Space Local Land Acquisition Grants (\$2 million), and Forest Conservation projects (\$3 million).

DEM historically funds conservation work through bi-annual bond allocations; private and municipal land trusts help fill in the gap of forest conservation statewide. Unfortunately, many of our most important forests remain under threat of development. In addition to a funding stream to conserve rural forests and help manage and nurture urban forests, we advocate for ARPA funding to be dedicated to mapping forests and open space throughout the state. Thus, supporting the planning process of DEM's Forest Conservation Commission charged with identifying criteria for core forestland and the necessary incentives to encourage forest landowners to maintain and manage their land and preserve forest values. This map should highlight areas that are most important to protect from development as well as areas of opportunity for development, especially for affordable housing and renewable energy.

3) Dedicate ARPA funds to workforce development and a just transition.

The clean energy transition requires extensive workforce development and dedicated funding to support a just transition for frontline fossil fuel workers and an expansion of workforce training in the public and private sectors. This workforce-wide change can be supported by funding. For example, Massachusetts created a dedicated fund within MassCEC to support just transition efforts and expansion of workforce development in the clean energy sector. We also recommend referring to the Climate Jobs Rhode Island coalition, who is working on just transition solutions, including strong labor standards and industry training standards.

Meeting our Act On Climate mandates will require strategic use of available funding sources, as well as rigorous plans to guide program development. We appreciate the opportunity to provide these recommendations for immediate needs and welcome the opportunity to discuss them more at length.

Sincerely,

Priscilla De La Cruz
President, Environment Council of Rhode Island

Appendix

December 1, 2021

To: Governor Daniel McKee

Cc: Kim Ahern, Chris Abhulime, Joseph Polisena Jr., Victoria Scott, Director Terry Gray, Commissioner Nick Ucci, Carrie Gill, Elizabeth Stone, Sheila Dormody (Chair, EC4 Advisory Board), Science and Technical Advisory Board

From: Environment Council of Rhode Island

Re: Accessing Federal Funding Opportunity to Implement Climate Priorities

To fully address the climate crisis, Rhode Island needs to take big, bold action. Meeting the goals of the Act on Climate will require significant investments into clean energy and transportation systems. However, with careful planning and strategic investment, Rhode Island will come out of its transition to clean energy with more good jobs, safer, healthier communities, and a stronger economy.

To make this transition in the best, most cost-effective way, climate change should be considered throughout all of the economic development strategies and planning processes in our state. This is an ideal time to be doing this work: Rhode Island is in the middle of several long-term planning processes; the state has many key programs, funding, and policies in place or nearing the finish line; and funding is becoming available from the federal government. These resources and processes can be braided together to be maximally cost-effective.

Multiple funding streams exist (or may exist in the future) to fund climate action. However, a few of the most pressing climate solutions lack any clear source of funding. We urge the General Assembly to direct ARPA funds towards the following extremely important climate and environmental project proposals. Additional cost details are contained in the descriptions below.

- 1) Transportation Decarbonization: investments to reduce carbon emissions and advance electrification and improve mobility
- 2) Green and Affordable Buildings: ensuring that all new construction is zero energy as well as funding deep energy retrofits of schools and affordable housing
- 3) Forest and Open Space Preservation: defining and mapping core forests

The several planning processes underway where climate action should be centered include:

- Statutorily required implementation plan for Act on Climate
- The Governor's 2030 Visioning working document and subsequent planning sessions

- Speaker Shekarchi's Land Use Planning Study Commission
- RI DEM's Forest Conservation Commission

Existing Programs & Funding Opportunities that can be leveraged and braided together with existing proposals from other organizations include:

- Federal ARPA funds
- Federal Infrastructure Bill Funds
- Bi-Annual State Bonding Authority
- Annual Energy Efficiency Program funding
- Programs at the RI Infrastructure Bank
- Regional Greenhouse Gas Initiative Funding
- Programs at Office of Energy Resources
- Programs at CommerceRI
- Programs at Dept of Environmental Management

While we need a bold, holistic, systems-based approach to weave together these multiple funding sources and really address the climate crisis, we also need climate to be a lens on all other investments, such as housing, school upgrades, economic development, and more. These investments also need to be made across the spectrum of climate, from mitigation to adaptation, with a focus on racial equity. To make the types of investments easier to visualize, below are some recommendations broken out into a few high-level categories.

Clean Energy Investments & Grid Modernization

- **Expansion of Solar Energy in Preferred Sites:** Currently, the least expensive place to build large-scale solar systems is in forested land. However, tracts of core forest will be increasingly important for climate resilience, adaptation, stormwater management, and animal habitat as the climate changes. Federal Infrastructure Funds could be used to make "preferred sites" - such as former industrial zones, parking lots, landfills, and more - "pad ready" for the development of solar. This could include site identification, remediation, and electric distribution system upgrades. This would build on existing programs, like the Renewable Energy Growth Program - but keep prices down for ratepayers by leveraging federal resources.
- **Grid Modernization & Energy Storage:** To maximize clean energy deployment at the times of day when it is needed most, we will need to make investments in energy storage - at both the commercial scale and in homes/small businesses. Rhode Island currently has almost no programs or policies to incentivize storage of clean energy. Under the leadership of former DPUC Administrator Macky McCleary, the state underwent a long-term planning process on "Power Sector Transformation" that would help move us toward a more modern, clean energy-powered electric grid. The recommendations of that study have gone unfunded and not implemented. Federal infrastructure funds could supplement annual investments by the utility, as required in their annual system reliability plan.
- **Forest Conservation as Climate Policy:** Forests, specifically the conservation of large tracts of core forests (>250 acres) will become even more important as a natural climate mitigation strategy - through their natural ability to sequester and store carbon. In addition to absorbing and storing large amounts of carbon in our forests, according to the 2019 *Value of RI's Forests*

report, our forestland sequesters 500,000 metric tons of carbon dioxide from the atmosphere each year, offsetting the annual emissions of more than 100,000 passenger vehicles yearly. The natural infrastructure of forests provide multiple additional values including water filtration, preventing stormwater runoff, increasing air filtration, lowering ambient air temperatures, providing important wildlife habitat, and improving mental health benefits for people, among other things. Federal infrastructure funds should be allocated to conserve Rhode Island's important forests and open spaces as a climate change policy.

Transportation Investments

The future of the regional Transportation & Climate Initiative program is uncertain now that Connecticut and Massachusetts have pulled back. Rhode Island can still achieve the goals of the program by dedicating ARPA funds to low-carbon transportation:

- **Public Transit Electrification (\$500,000):** Public transit is a low-cost and low-emissions mode to transport people to jobs, food, medical care, and recreation across the state. A key opportunity is to transition the fleet to electric buses to reduce climate-warming and health-harming diesel pollution. RIPTA has acquired eighteen electric buses through the VW dieselgate settlement, but we need to make bold investments to improve existing RIPTA facilities by preparing for larger electric procurements. The largest barrier to bus electrification is the planning, land acquisition, and capital costs needed to build out charging-ready bus depots - exactly the kind of capital expenditures ARPA funds can support.
- **State and Municipal Fleet Charging Infrastructure (\$2 million).** EVs are cost-effective on a lifetime basis for many vehicle types, but savings are out of reach if there's no charging at state facilities. To lead by example and help the state and municipalities access operational savings of EVs, we must invest in EV charging infrastructure for government fleets.
- **Public Electric Vehicle Charging Infrastructure (\$4 million):** 55% of drivers nationally say they are considering an electric vehicle. The lack of charging infrastructure across the state is a major barrier to EV adoption, particularly for those who rent, live in multifamily housing, park on the street, or travel long distances across the region. The State is developing a plan for EV infrastructure buildout by January 1, 2022, which can be implemented quickly with capital funds.
- **Active Mobility (\$500k to \$5 million per project, \$36 million for a transformative investment):** The state-approved Long Range Transportation Plan includes plans to expand active mobility (biking and walking.) While these projects occasionally are included in the Statewide Transportation Improvement Plan (STIP), they are rarely prioritized or funds are reallocated for roads and bridges. The Federal Infrastructure Funds explicitly look to fund transportation alternatives, not simply expansions of car infrastructure. Further, individual municipalities' Capital Improvement Plans (CIP) could also be leveraged here. The Paths To Progress Coalition has [a list of priority projects](#) overdue for funding. The fifteen priority projects are located across the state and vary in cost, but a transformative investment in all of them would cost just \$36 million - a comparative bargain.

Buildings

- **Schools:** refer to the soon-to-be-released proposal from [Climate Jobs Rhode Island](#)
- **Zero Energy New Construction (\$2 million):** All new buildings or retrofits funded through ARPA should be zero energy; new fossil fuel construction gets us further and further from our mandatory climate goals. ARPA funding should be reserved to ensure that any new construction meets passive house or other zero energy building standards. Of note, new zero energy and

passive house construction is not necessarily more expensive than fossil fuel-based construction, especially over the long-run. ARPA funds can help bring down the upfront costs of highly efficient equipment or electric heating systems.

- **Deep Retrofits of Existing Buildings, especially multifamily and low-income housing (\$30 million):** Rhode Island’s homes and buildings are responsible for over 30% of our carbon emissions; decarbonizing the heating and other energy needs of our buildings will be crucial to meeting mandatory state climate goals. Historically, the utility-run state energy efficiency programs have been fundamental to reducing emissions and utility bills; however, we will need significantly more investment in zero energy and energy efficient buildings if we are to speed up the decarbonization of the building sector. Further, the utility-run energy efficiency programs have frequently failed to serve low-income customers and renters. There is currently no source of funding for deep energy retrofits that go above and beyond what is considered cost-effective by the utility-run programs. ARPA funding should go to fund deep energy retrofits of at least 1,000 buildings, with a focus on low-income multifamily housing. Additional retrofits could leverage funding from ARPA, the Federal Infrastructure Funds, the Green and Healthy Homes Initiative, the state’s Energy Efficiency programs, programs at the RI Infrastructure Bank, among others.
- **Other Heating Sector Decarbonization Initiatives:** Rhode Island’s Heating Sector Transformation Report lays out a number of investment options for decarbonizing heating systems. Additional funding for decarbonizing the building sector could go towards incentives for high efficiency electric heat; deep energy retrofits of public buildings; low income energy efficiency programs; or to support the budgets of the highly cost-effective utility-run energy efficiency programs.

Climate Resilience and Adaptation

- **Natural Climate Solutions:** Natural Climate Solutions (NCS) utilize nature to help mitigate and adapt to a changing climate. The Rhode Island Infrastructure Bank’s Municipal Resilience Program (MRP), for example, has already worked with 20 municipalities to help them develop lists of projects and priorities for climate resilience and nature-based-solutions *if funding were available*. While RIIB is able to leverage \$7 million from the 2021 bond to fund initial projects, much more funding will be necessary to ensure our municipalities are resilient in the face of climate change. This is another opportunity to leverage federal infrastructure funds, as well as funding already available at OER (for example, their microgrids program) and DEM. We also recommend referring to the [RI Green Infrastructure Coalition \(GIC\)](#), working on nature-based stormwater practices across the state to improve water quality and associated wildlife habitat. There is a critical need for stormwater management--poorly managed stormwater goes beyond street flooding. And there is a correlation between intensifying climate change and the closure of our beaches, resulting in polluted stormwater and unsafe bacteria levels.
- **OSCAR:** The Ocean State Climate Adaptation and Resilience Fund (OSCAR), S0035/ H5360, although successfully passed by the general assembly in 2021, lacks the originally proposed funding mechanism. The Fund would have been funded by a \$0.05 per barrel fee on petroleum products imported by ship into Rhode Island. (There are 42 gallons in a barrel.) This fee would have equated to 1/10th of a cent per gallon of fuel, approximately **\$1,900,000 per year** for important climate adaptation projects throughout the state with no impact on the state budget.
- **Forest and Open Space Preservation (\$4 Million):** The 2018 Statewide Climate Resilience Action Strategy identifies forests as a natural system that provides crucial services to communities and recommends that Rhode Island protect remaining forest cover, especially large, unbroken tracts

of core forested land, and support the development of Forest Management Plans to guide landowners in healthy forest management practices. Direct sustained funding towards these goals, and direct efforts towards mapping and defining core forests as crucial when considering resilience.

Water & Toxics

- **Lead Abatement (\$60 million):** Rhode Island still has an estimated over 100,000 remaining lead service lines statewide that contribute to childhood lead poisoning, a serious environmental justice and children's health issue in our state. While RI will receive funds from the Infrastructure Bill to replace lead pipes, it will not be enough to cover full replacement for all Rhode Islanders, risking leaving some parts of the state behind. ARPA funds can be used to supplement and jumpstart a plan for statewide replacement, with a focus on the census tracts with the highest need. \$20 million per year over three years would be sufficient to replace 12,000 service lines. If these were offered to a subset of properties with an average of at least 2 units, 24,000 households or more could be protected from lead-contaminated drinking water.