

Director's Office

One Capitol Hill | Providence, RI 02908 | (401) 222-2280 Jonathan Womer, Director

March 12, 2025

The Honorable Representative David A. Bennett Chairperson, House Committee on Environment & Natural Resources Rhode Island Senate 82 Smith Street Providence, RI 02903

RE: House Bill No. 5493 – An Act Relating To Health And Safety -- Building Decarbonization Act Of 2025

Dear Chairperson Bennett,

Thank you and the Committee for providing the Department of Administration (Department) the opportunity to submit this letter of opposition to House Bill No. 5493. This bill contains several areas of concern for the Department, each of which will be addressed within the following sections.

Benchmarking

The Department continues to work with its partner agencies to implement appropriate compliance standards and measures for the Act on Climate, the Green Buildings Act, and the Governor's Executive Order 23-06. In particular, the Executive Climate Change Coordinating Council (EC4) has been essential to developing a plan for both the public and private sector to achieve net-zero carbon emissions by 2050. In furtherance of these emission reduction goals, the Department supports Article 3 in the Governor's Recommended FY 2026 budget requiring state agencies to report energy use data for state-owned, state-occupied facilities. This data is foundational to establishing appropriate carbon reduction benchmarks, where feasible, to advance the state's climate goals. The program established by the article aligns with the timing of the EC4 report expected later this year that will recommend appropriate reductions in emissions to achieve the state's 2050 goals.

However, this legislation levies additional reporting requirements on energy usage and sets benchmarks for meeting the 2050 net zero goal. The Department has several concerns with the bill's provisions.

• The introductory language in 23-27.5-4(b) states the benchmarking program is designed to compare energy usage of buildings comparable in size, occupancies, and uses; however, the bill staggers the reporting schedule for public and private entities such that state data will always lag eligible private properties. If the benchmarking metrics are



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formulated without taking state facilities into consideration or factoring in this delay, the state may be unable to meet the standards.

- The legislation contemplates the ability to create "property types" that subject a group of buildings to the same final and interim building performance standards. However, depending on how "property types" are determined, buildings within a type are likely to have different abilities to meet the interim standard. While the legislation enables the EC4 to vary the methodology (i.e., straight-line trajectory versus other means) used to set interim building performance standards, any methodology is likely to result in some buildings being penalized for noncompliance. "Property types" are not currently required to be regulated, and thus, the winners and losers resulting from different "property type" constructs would not be publicly debated.
- The definition of "public facility" includes buildings that are "leased or controlled ... in part by this state." The state does not control decisions about the installation, maintenance, or renovation of energy infrastructure in buildings it does not own and cannot be held accountable for the energy performance of the buildings.

All-electric construction of public buildings

The second section of the bill requiring all-electric permits for all new public construction, renovation, or alteration after January 30, 2026 is impractical. The state must evaluate the financial and project timeline implications, as well as its utility infrastructure, safety, and security needs, before it can transition to all-electric buildings, renovations, and alterations.

- There has been **no fiscal analysis or cost-benefit analysis** on an all-electric permitting requirement for state buildings. Consultation from industry experts indicates that the initial capital costs of transitioning to all-electric can be seven times the operating costs, with operating savings realized after a decade and only for those buildings where the envelope and other building infrastructure is energy efficient. This statistic does not include the cost of updating the building envelope to be energy-efficient or the cost associated with relocating the displaced workforce and services while the project is underway.
- The state's real estate assets are primarily mixed-fuel and **many buildings do not have energy-efficient envelopes** a critical factor in reducing energy consumption and realizing cost-savings. For example, the real estate assets at the Pastore Campus are over 100 years old, have significant deferred maintenance, and are not yet practical to operate as all-electric.
- While the bill includes an exemption for "ongoing" projects, many capital projects, including alterations and renovations, are already planned and budgeted for in the outyears but not yet active. An overall increase in the cost of outyear projects due to



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all-electric infrastructure will result in a funding gap for some planned projects, leading to delays in completion. Additionally, many outyear projects are intended to prevent further deterioration of state buildings or address deferred maintenance – projects that the state already struggles to complete due to lack of funding and competing priorities. Delays due to funding gaps will only exacerbate these issues.

• Lastly, the state cannot confirm that its utility companies are able to supply the requisite amount of power to operate state buildings successfully. Industry experts note that when large buildings transition to all-electric, owners must work with the utility company years in advance to assess the infrastructure capabilities and effectuate any required changes to meet the building's energy demands.

The Department appreciates the opportunity to share these strong concerns with the Committee. If there are any questions, please feel free to contact my office at your convenience.

Sincerely,

Jonathan' Womer

Director of Administration

cc:

The Honorable Members of the House Committee on House Environment and Natural Resources

The Honorable Representative Rebecca Kislak Nicole McCarty, Chief Legal Counsel to the Speaker of the House Louis Mansolillo, Committee Clerk Lynn Urbani, Director of House Policy