Via Electronic Mail



March 12, 2025

Representative David A. Bennett Chair of House Environment and Natural Resources Committee 82 Smith Street Providence, RI 02903

RE: ACT Support for Bill H5493- Building Decarbonization Act of 2025

Dear Chair Bennett and Members of the Committee,

The Alliance for Climate Transition ("ACT") appreciates the opportunity to submit comments to the House Environment and Natural Resources Committee in support of the Building Decarbonization Act of 2025. As we watch much of the economy electrify, the building sector poses a significant opportunity to not only decarbonize a major portion of the economy but also alleviate the pressure placed on the electrical grid by lowering this sector's overall energy consumption.

ACT leads the just, equitable, and rapid transition to a clean energy future and a diverse climate economy. It is the only organization in the Northeast that covers all of the clean energy market segments, representing the business perspectives of investors and clean energy companies across every stage of development. Our 300+ members include companies based in Rhode Island, doing business, and hoping to make future investments in the state.

The Building Decarbonization Act presents an opportunity to create an achievable pathway for the largest buildings in the state to materially lower the state's carbon emissions. It does so by first collecting data of building emissions, then asking the Executive Climate Change Coordinating Council to create building performance standards to bring collective building emissions down, in alignment with the Act on Climate.

The largest buildings in the state, those over 25,000 sq ft, are responsible for around 10% of the state's total emissions per recent estimates.¹ The reporting requirement will provide more accurate data to strengthen current estimates, and a more granular understanding of where the greatest emissions come from. By understanding where within the building sector we have the greatest opportunity to lower energy demand, the state can begin to take action towards reaching our net-zero goals.

¹ See "Executive Climate Change Coordinating Council Report on Building Energy Benchmarking and Performance Standards" prepared by the Office of Energy Resources. Feb. 10, 2025. <u>https://files.constantcontact.com/faed99e6801/eddb6a7c-0071-467c-b8ea-911aaba6107f.pdf</u>

Importantly, the Act introduces energy efficiency as a means to lower the carbon intensity of buildings. This undertaking would slow the growth of electricity demand and make it easier for utilities to adjust to growing demand. Electricity demand is expected to double by 2050, posing a major challenge to utility companies to keep up with demand in cost-effective ways.²

Increasing electricity demand leads to higher prices, which can impact consumers—particularly if we do not adequately manage to peak demand. For example, on the daily scale, energy is always procured from the most affordable sources first but, when demand peaks for a few hours, utilities will purchase energy from peaker plants, which are both expensive to run and incredibly polluting. A similar effect could take place at the annual scale if our electricity demand grows beyond our capacity to provide electricity. With multi-year delays in connecting new renewable energy sources to the grid, we may find that we depend on peaker plants much more frequently than ever before.

Furthermore, to deliver increased amounts of electricity, utility companies need to improve the capacity of their power lines. There are many technologies today that could minimize the cost of upgrades or even the need for them altogether, but utilities need time to become familiar with them and optimize their implementation. For example, advanced transmission technologies can improve the capacity of existing power line corridors. However, if the utility companies find themselves short on time to keep up with growing demand, they may opt for older technologies that they are more familiar with but that are much more expensive to implement.

While some grid upgrades are an unavoidable necessity that the energy industry is contending with already, they can be mitigated with the help of efficiency programs such as those introduced by this bill. The Building Decarbonization Act of 2025 presents the state with an opportunity to establish a clear and thoughtful plan for lowering greenhouse gas emissions from the building sector, a major contributor to the state's emissions.

We thank you for your consideration and commitment to supporting the state's climate goals and look forward to supporting future efforts to implement this Act.

Sincerely,

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² See "How Clean Energy is the Solution to Rising Electricity Demand" from the Pathways to Commercial Liftoff series by the Department of Energy. <u>https://liftoff.energy.gov/wp-content/uploads/2024/08/Liftoff-Topic-Brief_Demand-Growth_Aug-26_vF-1.pdf</u>