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House Committee on Environment & Natural Resources
Rhode Island State House
82 Smith Street
Providence, RI 02903

Acadia Center Testimony in Support of House Bill 7081, the Next Generation Public Buildings Act

Chair Bennett and Members of the House Environment & Natural Resources,

I am writing on behalf of **Acadia Center in strong support of House Bill 7081, the Next Generation Public Buildings Act**, to ensure that new public buildings align with Rhode Island's clean energy future.

Acadia Center is a non-profit organization with over 25 years of experience dedicated to advancing transformative clean energy solutions that promote a livable climate and a more equitable economy at the state, regional and community levels primarily in the northeastern U.S. and eastern Canada. Through rigorous data analysis and strategic partnerships, Acadia Center advocates for policies that significantly reduce carbon emissions and address systemic energy challenges. By collaborating with stakeholders, government, business, and communities, Acadia Center pursues ambitious but pragmatic strategies that help to ensure an inclusive and sustainable energy future for all.

House Bill 7081, the Next Generation Public Buildings Act, would prohibit the use of combustion-based air or water heating in any state or municipal building open to the public which is constructed, altered or renovated on or after January 1, 2028. While a small proportion of Rhode Island's building stock is new construction, **it is critical that this new generation of buildings take advantage of the most energy efficient technologies and lead the way for a fossil fuel free future.**

Acting on Climate Will Rely on Significant Energy Efficiency and Electrification

The Act on Climate requires statewide emissions reductions of 45% below 1990 levels by 2030, 80% by 2040, and net-zero emissions by 2050. Heating residential and commercial buildings accounts for nearly 30% of Rhode Island's greenhouse gas emissions.

Meeting the Act on Climate emissions reduction mandates will require significant energy efficiency improvements and electrification in the buildings sector. This fact is reflected in numerous state plans, including the 2022 Climate Update, the PUC's recent Future of Gas Technical Analysis Report, and the recently released 2025 Climate Action Strategy.

The 2025 Climate Strategy specifically states that "***Reaching Act on Climate targets will also require a transition of all building end uses away from fossil fuel-based equipment and toward decarbonized technologies***." The Act on Climate scenario modeled shows that by 2050, around 7% of the housing stock will be new construction built to the latest statewide building code.

The 2025 Climate Strategy also models the greenhouse gas (GHG) reduction impact of a range of buildings strategies. House Bill 7081, the Next Generation Public Buildings Act, is functionally a combination of two of these buildings strategies: (a) Government Building Decarbonization and (b) All Electric New Construction, with all-electric new construction limited in scope to state or municipal buildings open to the public. While the emission impacts of these strategies cannot apply to the Next Generation Public Buildings Act, due to its limited scope, the merits of both policies ring true.

> *"All-electric new construction policies are designed to* ***avoid long-term fossil fuel lock-in*** *by ensuring that new homes are built to operate without natural gas or other on-site combustion fuels. This approach can help reduce greenhouse gas emissions, improve indoor air quality, and simplify the path to a fully decarbonized building sector."*
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> *"Another potential strategy for reducing GHG emissions in the building sector in Rhode Island is the decarbonization of municipal buildings – including schools, libraries, town halls, and other public facilities. Upgrading municipal facilities can* ***reduce long-term operating costs****, improve comfort and reliability, and lower environmental impacts."*

In describing the above strategies to reduce building sector emissions, the 2025 Climate Strategy also notes the **value of leading by example**, demonstrating the state's climate leadership and building momentum toward broader clean energy adoption.

All-Electric New Construction Cost Effective with Lifetime Operational Savings

Although electrifying existing gas equipment in buildings presents barriers, including upfront and operational costs, studies show that **all-electric new construction has reached cost parity with fossil fuel infrastructure**.[1] Heat pumps outsold gas furnaces nationally beginning in 2022 – a trend that continues today.[2] For customers who are not already attached to the gas system, which includes much of western Rhode Island, as well as towns like Jamestown and Little Compton, all-electric construction becomes even more cost-effective. These communities depend largely on fuel oil and other delivered fuel for heating and have the most to gain in lifetime operational energy savings and costs. A study from the National Renewable Energy Lab shows that, even for existing homes, between 72% and 85% of fuel oil and propane-fueled homes would see a positive cash flow by switching to heat pumps.[3]

Despite the current reality of high electricity costs, **heat pumps are far more efficient than gas furnaces**. A gas furnace has to *generate* heat, losing some percentage of usable heat for an efficiency below 100%. In contrast, air

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[1] Walsh, Michael. Groundwork Data. "New Construction and the Future of Gas in Massachusetts". 2024. https://static1.squarespace.com/static/62e94d16a77e1e191eafe4ae/t/65c509b847ec46459341d78d/1707411896890/New+Construction+and+the+Future+of+Gas+in+MA+-+2.7.24.pdf.

[2] Takemura, Alison F. "Heat pumps outsold gas furnaces again last year — and the gap is growing". 13 February 2024. Canary Media. https://www.canarymedia.com/articles/heat-pumps/heat-pumps-outsold-gas-furnaces-again-last-year-and-the-gap-is-growing; Takemura, Alison F. "Heat pump sales dipped in 2025. They still beat gas furnaces." 13 February 2026. Canary Media. https://www.canarymedia.com/articles/heat-pumps/heating-cooling-sales-us-gas-furnaces.

[3] Eric J.H. Wilson, Prateek Munankarmi, Brennan D. Less, Janet L. Reyna, Stacey Rothgeb. "Heat pumps for all? Distributions of the costs and benefits of residential air-source heat pumps in the United States." U.S. Department of Energy's National Renewable Energy Laboratory (NREL). Joule, 2024.

source heat pumps are *moving* heat, often achieving efficiencies of 300% or more.[4] The efficiency of air source heat pumps has and will continue to improve over the coming years. **For institutional and public building owners**, as well as longtime tenants and homeowners, **this lifetime operational efficiency is likely to reduce operational expenses. All-electric buildings offer the added benefits of highly efficient cooling, improved indoor air quality, and significantly reduced emissions.** Further, emissions associated with all-electric buildings will continue to decline over time as the electric grid decarbonizes.

Efforts to adopt an all-electric new construction policy acknowledge that **we cannot allow new buildings to lock in inefficient fossil fuel systems for decades to come**. House Bill 7081, the Next Generation Public Buildings Act, adopts such a policy for new state and municipal buildings which are open to the public. It includes public school buildings as well as significant renovations and expansions of public buildings. It offers an **important opportunity for the state to lead by example and take a step to tackle emissions in the building sector.** Acadia Center urges you to support passage of House Bill 7081.

Thank you again for your consideration.

Sincerely,

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[4] Carrier. HVAC Education, Heat Pump Efficiency. https://www.carrier.com/residential/en/us/products/heat-pumps/heat-pump-efficiency/#:~:text=Are%20Heat%20Pumps%20More%20Efficient,on%20conditions%20and%20model%20type.