



Submitted via email

April 9, 2026

The Honorable Jacob Bissaillon
Chair, Senate Committee on Housing and Municipal Government

State House
82 Smith Street
Providence, RI 02903

RE: S-2905 DECARBONIZATION DEMONSTRATION INITIATIVE ACT OF 2026

Dear Chair Bissaillon and Members of the Committee:

The Rhode Island Office of Energy Resources (OER) appreciates the opportunity to provide comment on S-2905. OER appreciates the General Assembly's interest in expanding access to geothermal technologies and improving the efficiency of Rhode Island's building stock. OER has been active in the implementation and deployment of geothermal heat pump technologies. Geothermal technology is an integral part of the broader heat pump technology landscape, which has advanced significantly over the last decade through the development of both air and ground-sourced (geothermal) systems.

The legislation contemplates an annual appropriation of up to \$500,000 from the state treasury to capitalize a revolving loan fund used to provide these feasibility study loans. While the intent of the program is clear, implementation would require meaningful upfront state investment and sustained annual funding to maintain a revolving fund and support program administration. Without dedicated annual funding beyond OER's existing resources, the agency would face difficult choices in allocating limited energy program funds with our existing obligations supporting renewables, energy efficiency, EV charging infrastructure, energy storage, heat pumps, and electric bikes programmatic and incentive efforts.

OER's current funding is finite and supports a number of existing programs that provide direct energy cost savings, energy efficiency improvements, and clean energy investments for Rhode Island residents and businesses. If the General Assembly were to fund this new program through existing OER resources, the Office may be required to reduce, limit, or terminate other programs currently administered by OER in order to accommodate the additional responsibilities contemplated by this legislation.

In addition, the program structure outlined in S-2905 would require significant new administrative capacity. Establishing and administering a statewide loan program—including application review, coordination with the Infrastructure Bank, oversight of feasibility study requirements, and management of the revolving fund—would require considerable additional



staffing beyond OER's current capacity. Without additional personnel and administrative resources, OER would face substantial operational challenges in implementing the program as proposed.

OER respectfully opposes this legislation and the need to establish a new revolving loan fund program for geothermal heat pump efforts and having an energy program that would be contingent on annual general revenue obligations. OER is actively pursuing heat pump and geothermal technology efforts across the state, including the following ongoing efforts:

- Funding the installation of heat pumps water heaters in the following school districts: Central Falls, West Warwick, and Woonsocket, supporting their transition to efficient energy solutions in educational facilities. Additionally, we are supporting air source heat pump installations in municipal town buildings across 9 municipalities, including Burrillville, East Greenwich, Hopkinton, Johnston, North Kingstown, Scituate, Smithfield, Warren, and Westerly.
- Supporting the installation of geothermal heating at the new state Department of Children, Youth and Families property in Exeter and the installation of central air source heat pumps at the new State Police Southern Barracks in West Greenwich, improving the facility's energy efficiency and long-term energy savings. Converting the Rhode Island State Police Training Academy in Foster from its oil-fired HVAC system to variable refrigerant flow heat pumps system.
- Completed all requested tasks from the U.S. Department of Energy and is awaiting approval to launch a \$30 million program that will support heat pump installations with multi-family household properties.
- Recently launched a \$35 million-dollar Heat Pump Accelerator (HPA) program supporting air source heat pumps and heat pump water heaters to help contractors and distributors sell more heat pumps by delivering instant incentives at the point of sale reducing the net cost of heat pump systems installed at residential and multi-family home properties. The HPA program is scheduled to incentivize ground source heat pump equipment later this year.
- Clean Heat Rhode Island (CHRI) heat pump program provides incentives to low- and moderate-income houses to support heat pump installations. Nearing completion of a high-efficiency window heat pumps project in a 194-unit affordable housing Carroll Tower complex in Providence.
- Completing a ground source geothermal heat pump installation with the City of Newport at the historic Brick Market Museum building. This system is scheduled to go online prior to the summer.



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- Launching additional geothermal heat pump incentives this year through CHRI (over 4,900 heat pump installations to date) and the OER Lead by Example (LBE) program to support additional heat pump and geothermal project efforts for residential, commercial, school, municipal and state properties. OER tracks the progress of the CHRI and LBE programmatic efforts at the following links:

[Clean Heat Rhode Island Statistics | Rhode Island Office of Energy Resources](#)

[Program Dashboards | Rhode Island Office of Energy Resources](#)

For these reasons, OER respectfully asks the Committee not to pass this legislation.

Thank you for your consideration.

Sincerely,

Chris Kearns
Acting Commissioner
Rhode Island Office of Energy Resources

CC:

Senator Dawn Euer
Members of the Senate Committee on Housing and Municipal Government
Kristen Silvia, Director of Legislation and Deputy Chief of Staff