2024 -- H 7617

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO HEALTH AND SAFETY -- BUILDING DECARBONIZATION ACT OF 2024

Introduced By: Representatives Kislak, Cortvriend, Fogarty, Carson, Speakman, McEntee, Spears, Morales, McGaw, and Felix

Date Introduced: February 15, 2024

Referred To: House Environment and Natural Resources

It is enacted by the General Assembly as follows:

SECTION 1. Findings and purpose.

The purpose of this chapter is to understand and reduce the greenhouse gas emissions of buildings in Rhode Island, consistent with an Act on Climate, chapter 6.2-9 of title 42. Of the building stock in 2050, approximately seventy percent (70%) has already been built, and addressing these existing buildings is critical to achieving net-zero emissions by 2050. This chapter thereby establishes a program for the energy and water benchmarking of large buildings in Rhode Island and a standard for their energy performance. Further, the intent of the legislature is to ensure that the Office of Energy Resources has dedicated resources sufficient to administer its responsibilities under this chapter to enable swift and steady progress towards Rhode Island’s net-zero mandate.

SECTION 2. Title 23 of the General Laws entitled “HEALTH AND SAFETY” is hereby amended by adding thereto the following chapter:

CHAPTER 27.5

BUILDING DECARBONIZATION ACT OF 2024

23-27.5-1. Definitions.

As used in this chapter:

(1) “BPS fund” means the building performance standard fund established in § 23-27.5-7(g).

(2) “Building improvement tool” means an online tool to help building owners and operators improve building energy and water efficiency and reduce greenhouse gas emissions.
through identifying, tracking, and verifying improvements and their performance, including the capability to integrate with ENERGY STAR Portfolio Manager.

(3) "Building performance standard" means an objectively verifiable numeric value of a defined building performance metric that covered properties are required to achieve by specified dates.

(4) "Commercial building" means a building or multiple buildings on a property of which not less than fifty percent (50%) of the gross floor area, including hallways or other common space, but excluding parking, is used for commercial, retail, office, professional, educational or other nonresidential purposes, or any grouping of commercial buildings designated by the office as an appropriate reporting unit for the purposes of this section; provided however, that "commercial building" shall not include a public facility or a building owned or leased by the federal government, and shall not include a facility in which the majority of energy is consumed for manufacturing, for the generation of electric power or district thermal energy to be consumed off site, for communications infrastructure, or for other process loads as determined by the office.

(5) "Compliance payment" means a payment established by the office that an owner pays to comply with this law in lieu of a covered property meeting benchmarking requirements or achieving required levels of performance.

(6) "Condominium" means a property that combines separate ownership of individual units with common ownership of other elements such as common areas.

(7) "Covered property" means any of the following with at least twenty-five thousand square feet (25,000 sq. ft.) of gross floor area:

(i) A single building;

(ii) One or more buildings held in the condominium form of ownership, and governed by a single board of managers; or

(iii) Two (2) or more buildings that are served by the same electric or gas meter or are served by the same heating or cooling system(s), which is not a district energy system. Provided that buildings, spaces, or groups of buildings and spaces, that are sub-metered or otherwise subject to easy determination of the resource consumption attributable to each individual building, space, or group of buildings or spaces, shall be treated as separate "covered properties" as determined by the office.

(8) "District energy system" means a system serving multiple covered properties and consisting of non-combusting thermal energy generation, transfer, and distribution equipment providing thermal energy in the form of heat and/or heat rejection.

(9) "Disadvantaged community" means census tracts that are highlighted as overburdened
and underserved in the geospatial Climate and Economic Justice Screening Tool (CEJST).

(10) "Energy and water benchmarking tool" means the ENERGY STAR Portfolio Manager web-based tool developed by the United States Environmental Protection Agency, and any alternative system or tool approved by the office, that rates the performance of a qualifying building in relation to similar buildings and accounts for the impacts of year-to-year weather variations, building size, location, and several operating characteristics.

(11) "Gross floor area" means the total area of a covered property, measured between the outside surface of the exterior walls of the covered property building(s). The office shall publish procedures governing the calculation of gross floor area, including areas that shall be excluded from the calculation.

(12) "Office " means the office of energy resources.

(13) "Owner" means any of the following:

(i) An individual or entity possessing title to a covered property;

(ii) The board of the owners' association, in the case of a condominium;

(iii) The master association, in the case of a condominium, where the powers of an owners' association are exercised by or delegated to a master association;

(iv) The board of directors, in the case of a cooperative apartment corporation; or

(v) An agent authorized to act on behalf of any of the above.

(14) "Performance metrics" means each of the objectively verifiable numeric measures of building performance as established by § 23-27.5-6.

(15) "Procedures" means information, instructions, forms, and the like issued by the office to guide implementation of this act.

(16) "Property type(s)" means a category of covered properties subject to the same interim and final building performance standards, as defined by the office. Covered properties within each property type shall have shared characteristics that facilitate the implementation and enforcement of this law. The office may define one or more property types to be identical to ENERGY STAR property types.

(17) "Public facility" means any public institution, public facility, or any physical asset owned, including its public real-property site, leased or controlled in whole or in part by this state, a public agency, a municipality or a political subdivision, that is for public or government use and that consumes energy.

(18) "Residential building" means a building or multiple buildings on a property of which not less than fifty percent (50%) of the gross floor area, including hallways and other common space serving residents, but excluding parking, is used for dwelling purposes, or any grouping of
residential buildings designated by the office as an appropriate reporting unit for the purposes of
this chapter; provided, however, that “residential building” shall not include a public facility or a
building owned or leased by the federal government.

(19) “Tenant” means any tenant, tenant-stockholder of a cooperative apartment
corporation, or condominium unit owner.

23-27.5-2. Authority.

(1) The office shall administer this chapter and is granted any additional authority to do so
as may be necessary beyond its existing authorities including, but not limited to, issuing procedures,
promulgating regulations, consulting with stakeholders, conducting public engagement, providing
technical assistance to building owners, applying for and receiving federal funds, assessing and
receiving fees, and contracting as appropriate to support administration of responsibilities under
this chapter.

(2) By September 1, 2024, and annually thereafter, the office shall develop a projection of
budgetary and staff resources needed for each of the subsequent three (3) years to implement this
chapter effectively. Each such projection shall include adequate funds to provide technical
assistance to owners of covered properties and may consider the availability of other technical
assistance resources. The office shall provide each such projection to the governor, house
committee on environment and natural resources and the senate committee on commerce.

(3) No later than ninety (90) days after enactment of this chapter, the office shall identify
potential federal funding opportunities, including grants, loans, incentives, rebates, and other
financial assistance, relevant to this chapter. Relevant funding shall include programs with financial
assistance for use by the office such as to establish and provide technical assistance and for use by
building owners to make building improvements. The office shall post this information on its
website and shall update the information from time to time.

23-27.5-3. Advisory Boards.

(a) For purposes of this chapter, the green building advisory committee (GBAC)
established by § 37-24-5(g) shall act as an advisory board to the office concerning the
implementation of this chapter including, but not limited to, the establishment of the benchmarking
requirements, procedures, technical assistance, owner needs, outreach and education, opportunities
for funding related to the chapter, and recommendations for building performance standards.

(b) No later than six (6) months following the enactment of this chapter the executive
climate change coordinating council (EC4) shall establish the environmental justice advisory board
(EJAB) to advise the EC4 on climate change efforts with respect to potential impacts on, benefits
to, and special considerations for disadvantaged individuals and communities.
(1) The EJAB shall be comprised of no fewer than nine (9) and no more than fifteen (15) individuals who are representatives of disadvantaged communities, representatives of nonprofit and public agencies who work with disadvantaged individuals or communities, including providers of affordable housing in disadvantaged communities, small business owners or organizations from disadvantaged communities, and experts in areas related to racial and social equity. The EC4 shall select individuals following an opportunity for the public to apply in consultation with the EC4 advisory board.

(2) All appointments to the EJAB shall be for a term of three (3) years. Members whose appointed terms have expired shall be permitted to continue to serve for up to one year until reappointed or replaced by a new appointee.

(3) The EC4 shall fairly compensate EJAB members and provide stipends to cover the cost of childcare and information technology needs as determined by the EJAB and EC4.

(4) The EJAB shall advise the office on the implementation of this chapter with respect to potential impacts on, benefits to, and special considerations for disadvantaged individuals and communities, and disadvantaged small business owners.

(5) The EJAB may develop a plan to allocate funds available in the BPS fund, established under § 23-27.5-7(g), to improve the performance of covered buildings and ensure that those investments benefit disadvantaged communities.

(6) The EJAB may host, in partnership with the GBAC and the office, public meetings to gather input regarding the benchmarking program as well as the design and implementation of the building performance standards and complementary programs. Equitable engagement shall be a priority.

### 23-27.5-4. Building Benchmarking.

(a) There is established an energy and water use benchmarking program to collect and analyze such information in support of the statewide greenhouse gas emission reduction mandate provided in chapter 6.2 of title 42 ("act on climate").

(b) The program shall be conducted to enable determining whether each building subject to the program utilizes more or less energy, and emits more or less greenhouse gases, than buildings of comparable size, occupancies and uses, and to inform a statewide analysis of energy use trends and opportunities to increase energy efficiency and reduce greenhouse gas emissions.

(c) Information to be collected in the benchmarking program and generally referred to as "energy use information" shall include at a minimum:

(1) The address of the building and the municipality in which the building is located;

(2) The primary use, any additional uses, and gross floor area of the building:
(3) The building's total energy use in kBTU and total greenhouse gas emissions in pounds of carbon dioxide equivalent;

(4) The breakdown of the building's energy use by electricity, gas, steam, and other sources, and any electricity generated by on-site renewable sources;

(5) An energy performance rating or assessment score; and

(6) The building's total potable water use in gallons, and the measured or estimated breakdown of the building's potable water use by indoor and outdoor use.

(d) The office shall issue procedures, or regulations if needed, to implement this section including provisions related to compliance. The office shall issue provisional procedures for public facilities greater than twenty-five thousand square feet (25,000 sq. ft.) by December 1, 2024, which shall be effective upon issuance. The office shall propose procedures, and regulations if needed, for all covered properties by April 1, 2025, and shall make all efforts to issue final procedures, and regulations if needed, for all covered properties by July 1, 2025.

(1) The office may designate one or more alternative energy and water use benchmarking tools.

(2) The office shall define one or more energy performance ratings or scores to aid building owners, operators, the general public, and the office in understanding the energy or greenhouse gas emissions performance of the building relative to similar buildings.

(3) The office shall identify the required information which shall include at a minimum, the energy use information listed in subsection (c) of this section, and at least one of the energy performance ratings or scores defined by the office, as well as needed administrative information such as the owner and operator of the building, contact information, and similar items.

(4) The office shall publish procedures governing the calculation of gross floor area, including areas that shall be excluded from the calculation.

(5) The office shall publish procedures on the submission of required information and may provide multiple alternatives such as both a paper form and online portal and shall endeavor to streamline the submission processes as appropriate.

(6) The office shall publish procedures on data verification options for required information.

(7) The office may consider modeling property types, use details and other definitions provided in the ENERGY STAR Portfolio Manager glossary.

(e) The office shall provide technical support and assistance to owners and operators of buildings subject to this section.

(1) The office shall identify one or more building improvement tools as voluntary
complementary software or platforms that in the office's judgment can assist building owners and
operators in improving building performance and which may be public or private sector tools.

(2) The office shall provide technical support and assistance on the use of the energy use
benchmarking tool(s) and the building improvement tool(s), as well as building energy and water
assessment, improvement, and financial tools.

(3) Technical support and assistance may be provided directly and through contract(s) and
the office may consider a technical assistance hub.

(iv) The office may apply for relevant federal funding opportunities in support of this
chapter and may partner with nonprofit organizations and associations to make such an application
if beneficial.

(f) In administering this section, the office may:

(1) Designate subcategories of buildings based on common characteristics such as by
building use and may establish different reporting requirements for subcategories; and

(2) Consider whether tenant-occupied units or spaces are separately metered and may
include in guidelines or regulations provisions to address such conditions.

(g) The office shall publish and provide to owners procedures regarding tenant energy and
water consumption data, including best practices for lease provisions and for estimates where
obtaining metered data is not practicable. The office shall make efforts to facilitate the provision
of aggregated whole building data to owners by gas and electric utilities and other providers of
energy and fuel, and water utilities.

(h) Not later than the deadlines provided in Table 1 in this subsection, beginning in the year
indicated, the owner of each covered property shall submit to the office energy use information for
each covered property for the prior calendar year. Such submission shall include required
information, if any, identified by the office and shall be in the form and manner, if any, prescribed
by the office. The failure of the office to issue procedures shall not excuse owners of this obligation.

(1) When an owner submits required information accompanied by evidence of data
verification by a third party per procedures issued pursuant to this section, the owner shall have an
additional three (3) months to report.

Table 1

<table>
<thead>
<tr>
<th>Category of covered property</th>
<th>First compliance date for owners</th>
<th>Deadline for annual submissions</th>
<th>Deadline for annual verified data option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public facilities with gross floor</td>
<td>2025 (calendar year 2024)</td>
<td>March 31</td>
<td>June 30</td>
</tr>
</tbody>
</table>
area greater than 50,000 sq. ft.

<table>
<thead>
<tr>
<th>Covered properties</th>
<th>2026 (calendar year)</th>
<th>March 31</th>
<th>June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>with gross floor</td>
<td>year 2025</td>
<td></td>
<td></td>
</tr>
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</table>

area greater than 25,000 sq. ft.

<table>
<thead>
<tr>
<th>Covered properties</th>
<th>2027 (calendar year)</th>
<th>March 31</th>
<th>June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>with gross floor</td>
<td>year 2026</td>
<td></td>
<td></td>
</tr>
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</table>

(2) To the extent permitted by law, the gas or electric distribution company shall make available to owners of covered properties the option to request that building-specific data for the properties of the owner be directly reported to the office upon such authorization and in accordance with any instructions on such reporting that may be issued by the office; provided, however, that such authorization shall not relieve an owner from compliance with this section.

(3) To enable reporting in compliance with this section:

(i) An owner of a covered property with separately metered and tenant-occupied units or spaces shall request from each tenant of the building all information necessary to comply with the requirements of this section.

(ii) The owner of a covered property may bypass individual authorization and request the electric and gas distribution companies and the water utility to provide the aggregate energy consumption of all meters in the building, including tenant-occupied units and separately metered units.

(iii) Owners shall follow procedures from the office related to tenant data under subsection (g) of this section including best practices when tenant data is not available.

(A) Electric and gas distribution utilities shall make all reasonable efforts, as permitted by law, to provide owners of covered properties that have tenants annual or more frequent data on the aggregated energy use by tenants.

(B) Electric and gas distribution utilities shall collaborate with the office to identify best practices for collecting and managing aggregated whole building data.

(j) The office shall endeavor to ensure that electric and gas distribution companies or other energy efficiency program administrator provide owners of buildings subject to this section with up-to-date information about energy efficiency opportunities or actions available to increase energy efficiency, including incentives in utility-administered or other energy efficiency programs and
changes in energy assessment technology.

23-27.5-5. Municipal implementation of building energy benchmarking requirements.

(a) The office shall establish procedures, including a process and conditions, for a municipality to apply to the office for the right to implement, in place of the office, the building energy and water benchmarking requirements. Such conditions shall include, at a minimum, acceptance of responsibility to collect the information specified by the office from the covered property owners on the schedule specified by the office, and the provision of benchmarking data to the office annually.

(b) The office shall review any application from a municipality to implement the building energy and water benchmarking requirements and the office may deny a request if it is not satisfied that the conditions in subsection (a) of this section are met. A denial must include a finding of facts and final determination that the municipal plan does not meet the requirements of this section.

(c) A municipality that is approved to implement the building energy and water benchmarking requirements shall be authorized to assess any fines related to the program as provided in the approval by the office. Funds collected by a municipality shall be retained by the municipality.

(d) The office shall evaluate any municipal programs established under this subsection at least once every five (5) years and may withdraw its approval if municipal programs fail to comply with those conditions.

(e) In the case of a municipality that has initiated a building energy benchmarking requirement prior to the enactment of this law, the municipality may continue such program in lieu of the benchmarking requirements to be established by the office. In such case, the municipality must notify the office of such intent within one hundred eighty (180) days of the enactment of this law and must provide benchmarking data to the office annually thereafter.


(a) On an ongoing basis, the office shall evaluate data relevant to understanding the energy use, as well as water use, and greenhouse gas emissions of buildings in Rhode Island, including, but not limited, to the benchmarking data collected under this chapter. The office shall publish reports summarizing the data and the status of building emissions in Rhode Island no less than biennially.

(b) No later than August 30, 2027, the office shall publish a report including a summary of its activities and progress under this chapter and detailing recommended measures, policies and programs to achieve building emission reductions aligned with Rhode Island's net zero goal.
office shall issue supplemental reports biennially for a period of twenty (20) years.

(c) Performance metrics shall include site energy use intensity and may also include greenhouse gas emissions or other metrics relevant to the purpose of this chapter.

(d) No later than June 30, 2028, the office shall select performance metrics and set a building performance standard for each property type or subcategory.

(e) The office shall set final building performance standards that shall collectively cause the aggregate greenhouse gas emissions attributable to all covered buildings to be reduced in line with reaching net zero by 2050.

(f) The office shall set interim building performance standards for covered properties that are applicable at the end of each five (5) year period between adoption and 2050. In doing so the office may use a straight-line trajectory, from the covered property's baseline performance for each performance metric to the final building performance standard for that performance metric such that each calculated performance metric shall improve in equal increments during each five (5) year period. The office may use other means to calculate interim building performance standards if it deems the straight-line trajectory approach ill-suited for a covered property type.

(g) As of June 30, 2033, and at the end of every five (5) year period thereafter, the owner of a covered property shall demonstrate progress toward each applicable final building performance standard by achieving the interim building performance standard(s) set by the office for the covered property.

(h) If the owner of a covered property believes it cannot reasonably meet one or more of the applicable interim or final building performance standards, then the owner may propose a building performance action plan to the office. If the office approves a building performance action plan for a covered property, it shall comply with this law so long as the approved plan's terms are fulfilled on a timely basis.

(i) The office shall issue such procedures and, if needed, regulations to implement this section including provisions related to compliance, and procedures and requirements for building performance action plans.

(j) In consultation with the EJAB, the office shall provide technical assistance for owners lacking the financial, operational, or technical capacity to meet interim or final building performance standards. To the extent possible, such assistance shall include information on potential loan, grant, and other financing options for owners.

(k) The office shall coordinate with utility companies, energy efficiency program administrators, the public utilities commission, state agencies, and local governments, as appropriate, to support the implementation of its recommendations pursuant to this section.
(l) In the case of a municipality that has initiated a building energy performance requirement prior to the enactment of this law, the municipality may continue such program in lieu of the requirements to be established by the office under this section. In such case, the municipality must notify the office of such intent within one hundred eighty (180) days of the enactment of this law and must provide program and performance information to the office annually thereafter.

23-27.5-7. Compliance assurance.

(a) The office shall establish a program to maximize owner compliance with this chapter.

(b) The office may grant an extension, adjustment or exemption to an interim or final building performance standards for a covered property whose owner submits a request, together with documentation, in a form and date prescribed by the office, if the covered property meets any of the following criteria:

(1) A demolition permit was issued, or demolition is planned, that will prevent achievement of the next interim building performance standard;

(2) The covered building did not have a certificate of occupancy or temporary certificate of occupancy for all twelve (12) months of the baseline year prior to the interim building performance standard compliance schedule;

(3) The covered property is in financial hardship, as defined by procedures issued by the office;

(4) The office determines that strict compliance with the provisions of this law would cause financial hardship or would not be in the public interest.

Any extension, adjustment or exemption shall apply only to the specific interim or final building performance standard and shall expire no later than the end of the relevant five (5) year period.

(c) The office shall establish reasonable procedures for violations of this chapter and any regulations issued pursuant to this chapter. In so doing, the office may differentiate between building uses and subcategories, as appropriate; and the office shall endeavor to minimize disproportionate impacts on disadvantaged communities.

(d) Pursuant to each of the benchmarking requirements and the building performance standards established under this chapter, the office shall establish procedures and criteria for a building owner to apply for, and for the office to grant or deny:

(1) A deadline extension; and/or

(2) A hardship waiver.

(e) The office shall issue procedures to establish compliance payments for covered properties for violation of benchmarking requirements and for violation of building performance
standards. Such payment amounts or formula shall reflect:

(1) The total number of annual benchmarking submissions which a covered property has failed to achieve;

(2) The total number of interim and final building performance standards which a covered property has failed to achieve;

(3) The assessed value of the covered property; and

(4) The magnitude of non-compliance under each performance metric.

(f) An owner whose covered property fails to comply with benchmarking requirements or meet an interim or final building performance standard by the applicable compliance date shall be required to make a compliance payment.

(g) The BPS fund shall be established as a permanent designated fund. The BPS fund shall be used to support the building benchmarking and performance improvement program established in this law.

(1) All funds collected from payment of compliance payments shall be deposited into the BPS fund.

(2) All funds deposited into the BPS fund, and any interest earned on the funds, shall not revert to the unrestricted fund balance of the general fund at the end of a fiscal year, or at any other time, but shall be continually available for the uses and purposes set forth in this chapter without regard to fiscal year limitation.

(3) Additional funds from other sources may also be deposited into the BPS fund.

SECTION 3. Chapter 23-27.3 of the General Laws entitled “State Building Code” is hereby amended by adding thereto the following sections:

23-27.3-130. All-electric new buildings.

The purpose of this section is to provide tiers by which new construction must become all-electric in order to meet the statewide greenhouse gas emissions targets set forth in chapter 6.2 of title 42, (“act on climate”). The tiers are as follows:

(1) Requirement for electric-ready construction of new buildings;

(2) Requirement for all-electric construction of public buildings, including schools;

(3) Local approval of all-electric new construction; and

(4) Requirement for all-electric construction of new buildings.

23-27.3-130.1. Definitions.

As used in this chapter:

(1) “All-electric building or project” means a building or project that uses a permanent supply of electricity as the sole source of energy to meet building energy needs. An all-electric
Building or project shall have no natural gas, propane, or oil heaters, boilers, piping systems, fixtures or infrastructure installed to meet building energy needs. This does not include back-up or reserve power systems that are used when the electric grid is nonfunctional.

(2) “Alteration” means any construction, retrofit or renovation to an existing structure other than repair or addition. Also, a change in a building, or a building’s electrical, gas, mechanical or plumbing system that involves an extension, addition or change to the arrangement, type or purpose of the original installation that requires a permit.

(i) “Repair” means the reconstruction or renewal of any part of an existing building for the purpose of its maintenance or to correct damage; and

(ii) “Addition” means an extension or increase in the conditioned space floor area, number of stories or height of a building or structure.

(3) “Building energy needs” means all space conditioning including heating and cooling, water heating including pools and spas, cooking appliances and clothes drying appliances.

(2) “Electric ready” means a building, project, or portion thereof that contains electrical systems and designs that provide sufficient capacity for a future retrofit of a mixed-fuel building to an all-electric building, including sufficient space, drainage, electrical conductors or raceways, bus bar capacity, and overcurrent protective devices for such retrofit.

(4) “Building energy needs” means all space conditioning including heating and cooling, water heating including pools and spas, cooking appliances and clothes drying appliances.

(5) “Family-sustaining jobs with good wages” means the Rhode Island standard of need benchmark as established annually by the Economic Progress Institute.

(6) “Initial application” means first site or building permit application with the building or project.

(7) “Local approval” means a provision has been incorporated by reference into the municipal code of ordinances by the legislative body of the municipality. Provision may be included as a general or zoning ordinance or bylaws.

(8) “Mixed-fuel building” means a building that uses a combination of electricity and fossil fuels (natural gas, propane, or oil) to meet building energy needs. For the purposes of this section, "mixed-fuel building" shall not include buildings that use geothermal or solar energy to meet heating and/or cooling building energy needs; provided, however, that they are otherwise all-electric buildings.

(9) “Mixed-use building” means a building used for both residential and commercial purposes.

(10) “Public building” means a building that is owned by the state, a political subdivision...
of the state, and/or a municipal government, including locally governed school districts and other
public or quasi-public elementary, secondary or higher education systems.

23-27.3-130.2. Requirement for electric-ready construction of new buildings.

No city or town shall issue a permit for the new construction or alteration of any residential,
commercial, or mixed-use building that is not electric-ready if the initial application for such permit
was submitted after December 31, 2024, unless the circumstances set forth in § 23-27.5-130.7
apply.

23-27.3-130.3. Requirement for all-electric construction of public buildings.

(a) No permit shall be issued for new public building construction or alteration projects
that are not all-electric if the initial application for such permit was submitted after December 31,
2024, unless the circumstances set forth in § 23-27.5-130.7 apply.
(b) This subsection is applicable to the new construction or alteration of all buildings
owned by the State of Rhode Island, including buildings owned by the state and managed by other
entities.
(c) Any agreement between a developer and the state for new public construction through
the division of purchases within the department of administration shall support equitable access to
family-sustaining jobs with good wages. In meeting the requirements of this subsection:
(1) The developer on a project shall take all necessary actions to ensure that each contractor
and subcontractor involved in new public building construction projects or alteration projects over
five million dollars ($5,000,000) completes a sworn certification that the contractor or
subcontractor participates in apprenticeship training through either:
(i) A non-provisionally approved apprenticeship program registered with the Rhode Island
department of labor and training, and shall employ registered apprentices to perform fifteen percent
(15%) of the total labor hours; or
(ii) A federally recognized state apprenticeship agency that complies with the requirements
under 29 CFR 29 and 29 CFR 30, as each may be amended from time to time.
(2) The developer on a project shall conduct an independent, objective, reasoned study,
using reviewable criteria, to determine whether adoption of a project labor agreement on the
proposed project or projects will help achieve the goals of the state purchases act, for all new public
building construction projects or alteration projects over twenty-five million dollars ($25,000,000).
(3) For projects in excess of ten million dollars ($10,000,000), all construction workers
shall be paid in accordance with the wages and benefits required pursuant to chapter 13 of title 37
with all contractors and subcontractors required to file certified payrolls, which shall be considered
public records, on a monthly basis for all work completed in the preceding month on a uniform
form prescribed by the department of labor and training. Failure to follow the requirements pursuant
to chapter 13 of title 37 shall constitute a material violation and a material breach of the agreement
with the state.

(4) The developer on a project shall take all necessary actions to ensure that each contractor
and subcontractor involved in the construction of the project completes a sworn certification that
the prime contractor, general contractor, or subcontractor:

(i) Has the necessary resources to perform the portion of the covered project to which the
contractor or subcontractor is assigned, including the necessary technical, financial, and personnel
resources;

(ii) Has all required contractor, specialty contractor or trade licenses, certifications or
certificates required of any business entity or individual by applicable state or local law;

(iii) Shall participate in apprenticeship programs pursuant to 29 C.F.R. Part 29 and Part 30
for the occupations the contractor will employ for its awarded scope of work on the covered project;

(iv) Pursuant to § 23-27.5-130.3(c)(1), ensure that no less than fifteen percent (15%) of the
labor hours worked on the project shall be performed by registered apprentices for all crafts or
trades with non-provisionally registered apprenticeship programs that will be employed on the
project;

(v) During the previous three (3) years:

(A) Has not been debarred by any government agency;

(B) Has not defaulted on any project;

(C) Has not had any license, certification, or other credential relating to the business
revoked or suspended; and

(D) Has not been found in violation of any law applicable to the contractor's or
subcontractor's business that resulted in the payment of a fine, back pay damages, or any other type
of penalty in the amount of five thousand dollars ($5,000) or more.

(5) The Rhode Island department of labor and training shall promulgate such rules and
regulations as are necessary to implement the enforcement of the labor requirements under this
subsection.

23-27.3-130.4. Local approval of all-electric new construction.

(a) Through local approval, cities and towns may adopt and amend provisions into
municipal ordinance which require new building construction or alteration projects to be all-electric
and enforce restrictions and prohibitions on new building construction and alteration projects that
are not all-electric, including through the withholding or conditioning of building permits; unless
the circumstances set forth in § 23-27.5-130.7 apply.
(b) A minimum of one public hearing is recommended prior to the local approval of all-electric new construction.

23-27.3-130.5. Requirement for all-electric construction of new buildings.
No permit shall be issued for the construction of any new commercial, residential, or mixed-use building that is not an all-electric building if the initial application for such permit was submitted after December 31, 2026.

23-27.3-130.6. Housing and electricity affordability.
(a) On or before January 1, 2025, the housing resources commission established under chapter 128 of title 42, in partnership with the department of housing, and in consultation with the environmental justice advisory board as defined in § 23-27.5-4(b), shall report to the administration, general assembly, and the public utilities commission regarding what changes to new or existing subsidy programs, policies, laws, or electric rate design are necessary to ensure this section does not diminish the production of affordable housing.

(b) On or before April 1, 2025, the public utilities commission shall open a proceeding to address concerns regarding the provision of affordable electricity for low- and moderate-income customers in all-electric buildings. The proceeding shall examine innovative solutions to address energy burden and energy affordability, such as capping energy bills by percentage of income or offering varying levels of low-income discounts. Subsequent rate cases shall address such concerns in electric rate design. For the purposes of this subsection, "affordable electricity " means that electricity does not cost more than six percent (6%) of a residential customer's income.

(c) Notwithstanding the results of the proceeding required in subsection (b) of this section, the public utilities commission shall establish a percentage of income cap on the cost of electricity for low- and moderate-income customers living in all-electric buildings subject to this chapter with input from the electric distribution company, the division of public utilities and carriers, and community stakeholders. The percentage of income cap on the cost of electricity shall be set initially no later than December 31, 2026, and thereafter, shall be adjusted no less frequently than in each of the electric distribution company's respective base distribution rate cases.

23-27.3-130.7. Exemptions.
(a) Notwithstanding the provisions of this chapter, a permit for construction of a new mixed-fuel building may be issued upon a finding by the permitting body that constructing an all-electric building or project is physically or technically infeasible and that a modification is warranted. Financial considerations shall not be a sufficient basis to determine physical or technical infeasibility. Modifications shall only be issued under this exception where the permitting body finds that:
(1) Sufficient evidence was submitted to substantiate the infeasibility of an all-electric building or project design. Such evidence shall show that the building either:

   (i) Cannot satisfy necessary building code requirements without the usage of gas or oil piping systems, fixtures and/or infrastructure; or

   (ii) If the building is specifically designated for occupancy by commercial or industrial uses which cannot feasibly operate using commercially available all-electric appliances; or

   (iii) If mixed fuel is used to meet building energy needs and said building or group of buildings are for the sole use as a hospital, medical facility, or laboratory for biological research.

(2) The installation of natural gas or oil piping systems, fixtures and/or infrastructure is strictly limited to the system and area of the building for which an all-electric building or project design is infeasible.

(3) The area or service within the project where gas or oil piping systems, fixtures and/or infrastructure are installed is all-electric ready.

(4) The project's modified design provides equivalent health, safety, and fire protection to an all-electric building or project design.

23-27.3-130.8, Rules and regulations.

The state building code commission shall propose guidelines for electric-ready and all-electric buildings by September 1, 2024, and shall make all efforts to issue final guidelines by December 1, 2024.

SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
AN ACT
RELATING TO HEALTH AND SAFETY – BUILDING DECARBONIZATION ACT OF 2024

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1 This act would establish a program for the energy and water benchmarking of large buildings in Rhode Island and a standard for their energy performance. Further, the intent of the legislature is to ensure that the office of energy resources has dedicated resources sufficient to administer its responsibilities under this chapter to enable swift and steady progress towards Rhode Island's net-zero mandate.

6 This act would take effect upon passage.

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