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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 2024

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A N A C T

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

Introduced By: Senators Kallman, Valverde, DiMario, LaMountain, Lawson, Sosnowski,
Miller, Euer, McKenney, and Britto
Date Introduced: April 05, 2024

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1 SECTION 1. Findings and purpose.

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

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

12 CHAPTER 27.5

13 BUILDING DECARBONIZATION ACT OF 2024

14 **23-27.5-1. Definitions.**

15 As used in this chapter:

16 (1) "BPS fund" means the building performance standard fund established in § 23-27.5-
17 7(g).

18 (2) "Building improvement tool" means an online tool to help building owners and
19 operators improve building energy and water efficiency and reduce greenhouse gas emissions

1 through identifying, tracking, and verifying improvements and their performance, including the
2 capability to integrate with ENERGY STAR Portfolio Manager.

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

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

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

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

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

22 (i) A single building;

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

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

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

34 (9) "Disadvantaged community" means census tracts that are highlighted as overburdened

1 and underserved in the geospatial Climate and Economic Justice Screening Tool (CEJST).

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (18) "Residential building" means a building or multiple buildings on a property of which
33 not less than fifty percent (50%) of the gross floor area, including hallways and other common
34 space serving residents, but excluding parking, is used for dwelling purposes, or any grouping of

1 residential buildings designated by the office as an appropriate reporting unit for the purposes of
2 this chapter; provided, however, that "residential building" shall not include a public facility or a
3 building owned or leased by the federal government.

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

6 **23-27.5-2. Authority.**

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

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

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

25 **23-27.5-3. Advisory Boards.**

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

31 (b) No later than six (6) months following the enactment of this chapter the executive
32 climate change coordinating council (EC4) shall establish the environmental justice advisory board
33 (EJAB) to advise the EC4 on climate change efforts with respect to potential impacts on, benefits
34 to, and special considerations for disadvantaged individuals and communities.

1 (1) The EJAB shall be comprised of no fewer than nine (9) and no more than fifteen (15)
2 individuals who are representatives of disadvantaged communities, representatives of nonprofit and
3 public agencies who work with disadvantaged individuals or communities, including providers of
4 affordable housing in disadvantaged communities, small business owners or organizations from
5 disadvantaged communities, and experts in areas related to racial and social equity. The EC4 shall
6 select individuals following an opportunity for the public to apply in consultation with the EC4
7 advisory board.

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

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

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

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

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

23 **23-27.5-4. Building Benchmarking.**

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

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

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

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

34 (2) The primary use, any additional uses, and gross floor area of the building;

1 (3) The building's total energy use in kBTU and total greenhouse gas emissions in pounds
2 of carbon dioxide equivalent;

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

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

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

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

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

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

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

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

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

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

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

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

34 (1) The office shall identify one or more building improvement tools as voluntary

1 complementary software or platforms that in the office's judgment can assist building owners and
2 operators in improving building performance and which may be public or private sector tools.

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

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

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

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

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

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

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

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

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

29 Table 1

<u>Category of</u>	<u>First compliance</u>	<u>Deadline for annual</u>	<u>Deadline for annual</u>
<u>covered property</u>	<u>date for owners</u>	<u>submissions</u>	<u>submissions for</u>
			<u>verified data option</u>
<u>Public facilities</u>	<u>2025 (calendar</u>	<u>March 31</u>	<u>June 30</u>
<u>with gross floor</u>	<u>year 2024)</u>		

1 area greater than
2 50,000 sq. ft
3 Covered properties 2026 (calendar March 31 June 30
4 with gross floor year 2025)

5 area greater than
6 25,000 sq. ft.
7 Covered properties 2027 (calendar March 31 June 30
8 with gross floor year 2026)

9 area greater than
10 25,000 sq. ft.

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

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

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

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

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

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

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

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

1 changes in energy assessment technology.

2 **23-27.5-5. Municipal implementation of building energy benchmarking**
3 **requirements.**

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

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

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

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

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

26 **23-27.5-6. Building performance improvement.**

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

32 (b) No later than August 30, 2027, the office shall publish a report including a summary of
33 its activities and progress under this chapter and detailing recommended measures, policies and
34 programs to achieve building emission reductions aligned with Rhode Island's net zero goal. The

1 office shall issue supplemental reports biennially for a period of twenty (20) years.

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

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

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

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

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

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

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

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

32 (k) The office shall coordinate with utility companies, energy efficiency program
33 administrators, the public utilities commission, state agencies, and local governments, as
34 appropriate, to support the implementation of its recommendations pursuant to this section.

1 (l) In the case of a municipality that has initiated a building energy performance
2 requirement prior to the enactment of this law, the municipality may continue such program in lieu
3 of the requirements to be established by the office under this section. In such case, the municipality
4 must notify the office of such intent within one hundred eighty (180) days of the enactment of this
5 law and must provide program and performance information to the office annually thereafter.

6 **23-27.5-7. Compliance assurance.**

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

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

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

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

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

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

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

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

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

31 (1) A deadline extension; and/or

32 (2) A hardship waiver.

33 (e) The office shall issue procedures to establish compliance payments for covered
34 properties for violation of benchmarking requirements and for violation of building performance

1 standards. Such payment amounts or formula shall reflect:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 **23-27.3-130.1. Definitions.**

32 As used in this chapter:

33 (1) "All-electric building or project" means a building or project that uses a permanent
34 supply of electricity as the sole source of energy to meet building energy needs. An all-electric

1 building or project shall have no natural gas, propane, or oil heaters, boilers, piping systems,
2 fixtures or infrastructure installed to meet building energy needs. This does not include back-up or
3 reserve power systems that are used when the electric grid is nonfunctional.

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

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

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

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

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

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

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

22 (6) "Initial application" means first site or building permit application with the building or
23 project.

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

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

32 (9) "Mixed-use building" means a building used for both residential and commercial
33 purposes

34 (10) "Public building" means a building that is owned by the state, a political subdivision

1 of the state, and/or a municipal government, including locally governed school districts and other
2 public or quasi-public elementary, secondary or higher education systems.

3 **23-27.3-130.2. Requirement for electric-ready construction of new buildings.**

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

8 **23-27.3-130.3. Requirement for all-electric construction of public buildings.**

9 (a) No permit shall be issued for new public building construction or alteration projects
10 that are not all-electric if the initial application for such permit was submitted after December 31,
11 2024, unless the circumstances set forth in § 23-27.5-130.7 apply.

12 (b) This subsection is applicable to the new construction or alteration of all buildings
13 owned by the State of Rhode Island, including buildings owned by the state and managed by other
14 entities.

15 (c) Any agreement between a developer and the state for new public construction through
16 the division of purchases within the department of administration shall support equitable access to
17 family-sustaining jobs with good wages. In meeting the requirements of this subsection:

18 (1) The developer on a project shall take all necessary actions to ensure that each contractor
19 and subcontractor involved in new public building construction projects or alteration projects over
20 five million dollars (\$5,000,000) completes a sworn certification that the contractor or
21 subcontractor participates in apprenticeship training through either:

22 (i) A non-provisionally approved apprenticeship program registered with the Rhode Island
23 department of labor and training, and shall employ registered apprentices to perform fifteen percent
24 (15%) of the total labor hours; or

25 (ii) A federally recognized state apprenticeship agency that complies with the requirements
26 under 29 CFR 29 and 29 CFR 30, as each may be amended from time to time.

27 (2) The developer on a project shall conduct an independent, objective, reasoned study,
28 using reviewable criteria, to determine whether adoption of a project labor agreement on the
29 proposed project or projects will help achieve the goals of the state purchases act, for all new public
30 building construction projects or alteration projects over twenty-five million dollars (\$25,000,000).

31 (3) For projects in excess of ten million dollars (\$10,000,000), all construction workers
32 shall be paid in accordance with the wages and benefits required pursuant to chapter 13 of title 37
33 with all contractors and subcontractors required to file certified payrolls, which shall be considered
34 public records, on a monthly basis for all work completed in the preceding month on a uniform

1 form prescribed by the department of labor and training. Failure to follow the requirements pursuant
2 to chapter 13 of title 37 shall constitute a material violation and a material breach of the agreement
3 with the state.

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

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

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

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

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

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

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

20 (B) Has not defaulted on any project;

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

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

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

29 **23-27.3-130.4. Local approval of all-electric new construction.**

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

1 **(b) A minimum of one public hearing is recommended prior to the local approval of all-**
2 **electric new construction.**

3 **23-27.3-130.5. Requirement for all-electric construction of new buildings.**

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

7 **23-27.3-130.6. Housing and electricity affordability.**

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

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

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

28 **23-27.3-130.7. Exemptions.**

29 **(a) Notwithstanding the provisions of this chapter, a permit for construction of a new**
30 **mixed-fuel building may be issued upon a finding by the permitting body that constructing an all-**
31 **electric building or project is physically or technically infeasible and that a modification is**
32 **warranted. Financial considerations shall not be a sufficient basis to determine physical or technical**
33 **infeasibility. Modifications shall only be issued under this exception where the permitting body**
34 **finds that:**

1 (1) Sufficient evidence was submitted to substantiate the infeasibility of an all-electric
2 building or project design. Such evidence shall show that the building either:

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

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

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

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

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

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

16 **23-27.3-130.8. Rules and regulations.**

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

20 SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO HEALTH AND SAFETY -- BUILDING DECARBONIZATION ACT OF 2024

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

6 This act would take effect upon passage.

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