

BUDGET BILL

The Rhode Island General Assembly passed the 2024 budget bill on June 9th, which included an amended Article V: An Act Relating to Energy and the Environment. Read more on page 4.

FUTURE OF GAS

The Stakeholder Committee met on May 30th & June 20th. E3 Modelling discussed gas consumption models, and stakeholders engaged in discussions on potential barriers to meeting the Act on Climate, different technological scenarios, guiding principles, and more. Read more on page 3.

EQUITY WORKING GROUP

The RI Energy Efficiency Equity Working Group kicked off its third year of activities. Read more on page 5.

EC4 UPDATE



The EC4 Science & Technical Advisory Board (STAB) met on May 16th to discuss the upcoming RFI and RFP for the 2025 Climate Strategy. They will also be creating a priority climate action plan by March of 2024 that focuses on cost estimates for clean energy projects eligible for EPA funding. The plan will center around equity, workforce planning and analysis, and open stakeholder engagement. The plan will also include comprehensive GHG scenario modelling, actionable strategy, and establish clear definitions and models for use through 2030. The RFI closed on June 15th, and the RFP will be developed through August and finalized by September.

The EC4 Advisory Board met on May 31st to discuss an additional RFP for equity and environmental justice training for the EC4 and its sub-panels. As far as the 2025 Climate Strategy, the board established that the RFP will cover public engagement, GHG emissions reductions modelling, benefits analyses, low-income community outreach, workforce planning, health benefits and policy, and preparation of the final report. The board discussed workforce development opportunities, including the Building Futures climate jobs apprenticeship, a high school level climate education and job exposure, and heat pump training for HVAC and electrical contractors provided by CLEAResult. The DEM announced the Governor's Executive Order to recreate the position of Chief Resilience Officer (CRO). The CRO will work with advisory boards to create resiliency plans in tandem with the Climate Strategy, with the first resilience plan due December 31st. The DEM also announced that Rhode Island will be adopting California's Advanced Clean Car and Truck standards into its Low-Emission and Zero-Emission Vehicle Programs.

The full EC4 met on June 21st. Connor McManus of the DEM Office of Fisheries presented on the impacts of warming ocean temperatures on fisheries. Fish distribution is changing, but New England fisheries still operate under

UPCOMING EVENTS

Environmental Business Council: Energy Resources Committee Program Planning - July 18

GECA: Electric Vehicles 101 w/ QARI - July 20

RIRRC: Eco-Depot (Providence) - July 22

Environmental Business Council: Summer Garden Party - August 3

American Institute of Architects RI: RI Commercial Energy Code Changes - August 23

DIRECTORY

EC4 Update - pg. 1

Green Energy Consumers Alliance - pg. 2

Future of Gas Stakeholder Committee Meeting - pg. 3

Governor's Budget Bill - pg. 4

Green & Healthy Homes Initiative Equity Working Group - pg. 5

www.rieermc.ri.gov

historic quotas in most cases. McManus emphasized that science-forward management of fisheries is best for both economics and the health of the ecosystem, and dynamic quotas that reflect fish distribution among states will be necessary with the changing climate.

Sara Canabarro of OER gave a presentation on OER's Drive EV and E-bike rebate programs. Both programs are performing well and on pace to spend their planned funding. The EC4 decided to grant \$400,000 of its allocated RGGI funds to OER for the continuation of these programs starting August 1st through September 30th. When the EC4 meets again in September, they will develop a more permanent spending strategy for these programs, as they believe they are important for RI's clean transportation goals.

RIDOT presented on the 2023 Carbon Reduction Plan. The main goals of this plan are to support RI's clean energy targets and secure federal funding through the Infrastructure Investment and Jobs Act. So far, RIDOT has conducted a baseline inventory analysis and has begun to identify projects. Projects will be primarily focused on encouraging alternative travel modes, managing congestion, and improving traffic flow.

DEM reported that the 2025 Climate Action Strategy and the Climate Justice Policy are both moving along as expected.

There were several state agency updates. An RFP is in development for energy efficiency and decarbonization upgrades in municipalities, and leveraging the Infrastructure Grant Program's \$5.5 million. The legislature passed expanding clean energy funds' eligible projects to include clean transportation, energy storage, and more. There is a [funding opportunity from NOAA](#) totaling \$575 million for climate resiliency initiatives in coastal communities. 15 projects will be selected, each receiving \$15-75 million, and letters of intent are due August 21st. Lastly, there was discussion to increase EV charger installations, with a \$1.5 million concept paper for workforce development in EV charger infrastructure.



The Green Energy Consumers Alliance (GECA) is a nonprofit based in Providence, serving Massachusetts and Rhode Island. Their mission is to harness the power of consumers to speed up the transition to a zero-carbon future. They offer programs to help individuals switch to energy efficient or low-carbon alternatives, and they lobby for improved climate policies at the state level. During a Rhode Island policy round-up webinar on June 7th, GECA policy advocate Amanda Barker presented GHG emissions by sector and the associated policies to reduce emissions in response to the 2021 Act on Climate, as well as the shortcomings of both the Act and current legislature.

The transportation sector is responsible for 40% of GHG



EERMC NEWSLETTER

**RHODE
ISLAND**
JULY 2023

emissions in Rhode Island. Governor McKee's adoption of California ACCII and ACT standards into Rhode Island's low-emission vehicle program will address both this problem and the EV shortage in the state. However, the uptick in EVs on the road in the next decade will create a need for many more charging stations than are currently available in the state. Additionally, Rhode Island has two policies that would decrease the total number of vehicles on the road and the number of miles driven per vehicle: the RI Transit Master Plan and the Bike Master Plan. Both plans currently do not have funding, so GECA will be advocating for them to receive funds.

Rhode Island's electric sector is responsible for 19% of state GHG emissions, but recent progress in the renewable industry is promising. Rhode Island was the first state to set a 100% [Renewable Energy Standard \(RES\)](#), which is largely possible due to its capacity for offshore wind. 400 MW will be coming online in 2025 with Revolution Wind. An additional 884 MW via Revolution Wind II are currently under review by RI Energy and OER. If the project is confirmed, it will most likely be negotiated through September and subject to final approval by the PUC in November.

Roughly 30% of GHG emissions can be attributed to the building sector. Rhode Island has EE programs to reduce energy consumption and GHG emissions in both new construction and existing buildings. GECA is advocating for the Benchmarking & Performance Improvement Act, which would require large buildings to report their energy usage to Energy Star Portfolio Manager - an online resource that allows users to benchmark energy usage, water consumption, and GHG emissions for any type of building - or another similar platform. Beginning in 2025, this reporting will be required of public buildings and increases to include private buildings over a certain square footage for the next few years. OER would evaluate reported data, consult with stakeholders, and recommend appropriate policies for GHG emissions reductions. GECA is also advocating for the state to adopt the latest International Energy Conservation Code (IECC) by September, as they have not upgraded since 2018. GECA estimates that updating to 2021 standards would result in 18.5% savings statewide. Furthermore, the 2024 IECC code will continue to improve energy efficiency, reduce emissions, and includes a new requirement for electric readiness provisions in residential buildings - preparing for the incoming wave of electric vehicle usage statewide. [Legislature has passed mandating the state adopt the 2024 IECC codes.](#)

**For more information, check out
the Green Energy Consumer's
Alliance Blog:**

[BLOG.GREENENERGYCONSUMERS.ORG/BLOG](https://blog.greenenergyconsumers.org/blog)





FUTURE OF GAS Stakeholder Committee

The Stakeholder Committee for the Public Utilities Commission's Future of Gas Docket met on May 30th. E3, the energy consulting agency for the committee, described the four models it will be using for the Future of Gas: an economy wide pathways model, an electric sector model, a revenue requirement model, and a cost model. The outputs of the four models will help produce the total resource costs to Rhode Island and estimate what a future energy bill might look like for the average RI customer under each gas phase-out scenario.

In the roundtable discussion that followed, the stakeholder committee **discussed weatherization as the primary strategy in achieving 2030 goals**. Additionally, stakeholders recommended that the E3 models consider the jobs, trades, and skillsets that will be needed to deploy different technological solutions, as well as the workforce reduction throughout the gas industry. During the discussion of renewable natural gas (RNG), they noted that that RNG will likely be the solution to achieve the last 3-5% of climate goals, and recommended prioritizing more impactful solutions. For example, **demand-side management (DSM) has great potential** when used complementarily with weatherization and other efficiency measures.

Several potential barriers and constraints in meeting the requirements of the Act were discussed. One barrier of note was lack of workforce capacity. The stakeholder committee focused on the potential to changeover and rehabilitate the gas system, as well as efforts required to prevent unemployment in the gas industry. This included retraining the existing workforce in heat pump, HVAC, and decommissioning trades where possible. The conversion of thermal systems to geothermal systems as well as the implementation of offshore wind was brought up as both a challenge and an investment opportunity for the state.

Regarding the technical analysis, which covers emissions reductions across all sectors compared to the 1990 baseline, E3 presented the advantages and disadvantages of three technological scenarios: electrification and hybrid electrification (a heat pump

paired with a gas furnace for colder days), renewable natural gas, and innovative technologies such as network geothermal and onsite carbon capture. Stakeholders made multiple comments here, highlighting that there will be massive economic impacts for any gas phaseout scenario, and anticipating those impacts is vital. They noted that Rhode Island's economy is not large enough to incur change with its demand alone, so instead they must piggyback and expand on changes in the gas industry that are already occurring. The committee briefly questioned the methodology for the current emissions accounting system. Currently, the high warming potential of methane compared to carbon dioxide could allow entities to claim carbon neutrality with minimal methane capture. Later in the meeting, a stakeholder recommended tracking certificates as well as total physical emissions to ensure emissions are decreasing while meeting the Act requirements.

During further discussion of the three technological scenarios, the stakeholders focused on possible synergies between heating needs and other state issues. One example of this was incineration as a means of heating and food waste disposal. The group concluded that full electrification is highly costly in non-ideal conditions, specifically winter, and **hybrid electrification with either gas, wood-pellet, or propane furnaces makes the most sense at this time**. The stakeholders discussed the importance of considering non-technical challenges to the transition away from gas, such as preferences for gas cooking equipment.



The stakeholder committee convened again on June 20th to discuss the technical working group (TWG), alternative fuels, and baselines. The purpose of the TWG is to advise E3 on how to best model scenarios put forth by the stakeholder committee and ensure the modelling's robustness. The TWG will have a balance of expertise and perspectives across sectors. Nominations for the group will be open through the end of July, and the PUC will select 5-7 members. E3 wants to begin its technical analysis while stakeholder meetings are still running so that the TWG and entire committee can provide early feedback.

Mike Walsh of Groundwork Data gave a [presentation on alternative fuels](#). He discussed the combination of decreasing GHG emissions and improving sequestration abilities by biological or engineered means. Electrification will likely cause a short-term increase in emissions due to increased demand, so ramping up sequestration beforehand will be crucial to reaching and maintaining net zero. Decarbonization via RNG and hydrogen were both found to have significant challenges and risks. It was recommended that they are used supplementally to DSM, hybrid electrification, weatherization, etc. but not relied upon as the primary strategy.

Walsh moved onto gas system impacts, stating that the revenue requirement for the gas system will increase with aging technology, and there will be less gas customers over time as a result of climate policy. Thus, the gas rate will increase, encouraging more customers to shift away from gas usage. **Stakeholders suggested hybrid scenarios** where buildings are all-electric 99% of the time and non-pipeline gas or other fuel options are available for especially cold days.

The committee engaged in a discussion on alternative fuels. First, they found there is a need for combinations of strategies. RI can observe the decline of gas, identify problems that arise, and assess which mix of solutions will best resolve them. Emissions, costs, and other factors must be compared for each technological solution to determine if they make sense. The committee also recommended modelling strategic changeover of natural gas to hybrid electrification via non-pipeline fuels. They suggested modelling for a more aggressive timeline because there are many externalities that could delay net-zero across the world. The committee emphasized flexibility in modelling electricity demand to capture other spaces such as network thermal, geothermal, air-source heat pumps, etc. They recommended that managed changeover – having existing, more beneficial systems in place before eliminating gas – should have more value in modelling than unmanaged changeover. Finally, they recommended seeking out specific opportunities to take older buildings off the gas system and avoid their reinvestment.

The committee and Groundwork debated the appropriate baseline for any gas phase-out scenario. The proposed predicament was that if natural gas is outright banned, it may mute any incentives for non-gas technology. For example, if natural gas furnaces are banned, it is no longer cost-effective to incentivize heat pumps because they would be the only available option. They recommended a blended baseline, which includes a dynamic baseline for natural gas phase-out steps and a reference case, which would be business as usual. Interim goals are needed to ensure entities are on track, but a reference case shows clear progress for the general public.

There was a brief discussion on the equity of baselines among sectors. Groundwork posed the question of whether to focus first on high use sectors or sectors that need the most assistance. The stakeholders concluded



that they must have the plans laid out for all sectors and determine how to allocate funds accordingly. An **offset market** was proposed: If C&I cannot transition away from gas right away, they can offset their emissions by contributing to a fund to provide low-income customers with assistance in switching over from gas. The State Legislature may be necessary to determine what entity has authority over the offset market if it is a chosen scenario.



CHECK OUT THE VOLTS PODCAST

by David Roberts

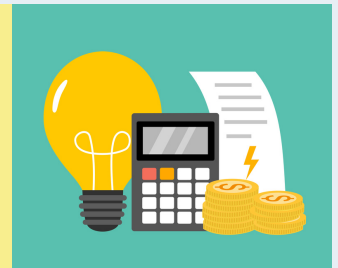
Available on Apple
Music, Spotify,
Audible, and more!

A newsletter & podcast about the
technology, politics, and policy of
decarbonization.

Twice a week, give or take.

[HTTPS://WWW.VOLTS.WTF/PODCAST](https://www.volts.wtf/podcast)

2024 BUDGET Article V. Progress



The Rhode Island State General Assembly recently approved the 2024 State Budget Bill, including an amended Article V: Energy and the Environment. Article V serves three purposes. The first is to provide a dedicated source of funding to the EC4 through the auction of carbon emissions credits, up to \$1.5 million annually. The original bill included a subsection stating that the EC4 was to receive funds from electric and gas demand-side management funds. This subsection was omitted from the amended version and replaced with a subsection laying out the new funding source was included in its place. The EC4 will also be required to provide an annual report on how the funds were allocated to achieve the objectives of the 2021 Act on Climate.

Second, **Article V requires the Office of Energy Resources and the Energy Efficiency and Resource Management Council to develop an RFP for the administration of EE programs by September 30th, 2023.**

Article V also lists the procedures for the transferring of the programs and funds if the use of a third-party administrator is found to be in the best interest of Rhode Island customers. If a third-party administrator is not chosen, the utility will continue to administer the programs.

Third, Article V expands RI Infrastructure Bank's allowable uses of its \$5 million for its Efficient Building Fund to include clean transportation, clean heating, and energy storage.

Representative Marszalkowski moved amendment LC00-754/2, which described a one-time transfer of \$3 million from RGGI funds to the EC4 for 2023 only, which would give the EC4 funds to spend on existing projects before auction proceeds arrive in 2024.

The article with the new amendment was passed by both the House of Representatives and the Senate, and Governor McKee has signed the full 2024 budget into law as of June 16th.

Council Member Highlights



**YOUR WORK
HERE!**

We'd love to highlight your work and provide easy access for your fellow council members!

If you're interested in recommending anything for this section in future issues, feel free to email:

craig.johnson@nv5.com
jordan.galluzzo@nv5.com



**EERMC
NEWSLETTER**

**RHODE
ISLAND
JULY 2023**



Green & Healthy Homes Initiative®

Equity Working Group

The RI Energy Efficiency Equity Working Group (EWG) kicked off its third year on June 21st, facilitated by the Green and Healthy Homes Initiative (GHHI). GHHI is a nonprofit seeking to advance racial and health equity and opportunity through healthy housing, working with RI Energy and OER. The EWG features stakeholders from a variety of organizations, industries, and backgrounds. Its purpose is to provide RI Energy with strategies for incorporating equity into program design and ensure equitable delivery of EE programs. The key outcome of the EWG is a list of priority recommendations for the 2024 Annual Plan.

Priority recommendations from previous years include onboarding multilingual staff, developing multilingual marketing tactics, providing enhanced outreach in underserved communities, revitalizing neighborhoods through education opportunities, and supporting workforce development.

This year, **the group will be focusing more on multifamily home energy efficiency programs.** This group has typically been underserved due to the split of incentives between landlords and tenants. There is a lot of overlap between the low-income community and multi-family residences, so the group feels it is important that this problem is addressed.

A few members gave updates on their respective agencies. RI Energy reported that comments on the first draft Narrative of its Three-Year Plan were due on June 30th. OER announced that there will be a new air-source heat pump program launching in July, called Clean Heat RI. The next meeting of the EWG will be at the end of the summer – the exact date is TBD.

