

August 8, 2022

Chris Kearns
Interim Commissioner
Office of Energy Resources
One Capitol Hill
Providence, RI 02908

RE: 2022-A Plan for the Allocation and Distribution of RGGI Auction Proceeds

Dear Commissioner Kearns,

Acadia Center appreciates the opportunity to provide comments in support of the Office of Energy Resources' (OER) proposed 2022-A Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative (RGGI) Auction Proceeds. Acadia Center is a non-profit research and advocacy organization committed to advancing the clean energy future. Acadia Center's work is characterized by reliable information, comprehensive advocacy and collaborative, innovative problem-solving. Acadia Center is deeply involved in all facets of Rhode Island's energy policy and serves in several technical advisory roles, including on the state's Power Sector Transformation Advisory Group and Energy Efficiency Technical Working Group.

For more than a decade, RGGI has delivered significant benefits for the economy, environment and public health in its members states, including Rhode Island. The program is driving down CO₂ emissions, which have declined approximately 50 percent since its launch in 2009. The RGGI states have outperformed the rest of the country in emissions reductions and economic growth over this period, and the region has seen average electricity prices fall while prices have increased in the rest of the country. Further, the program has driven substantial reductions in harmful co-pollutants, making the region's air cleaner and its people healthier. The investments proposed in this plan will continue those trends to the benefit of Rhode Island's residents.

Prioritize Investments in Overburdened, Underserved Communities

Acadia Center urges OER to continue its work to identify and leverage additional funding sources for these important priorities and to ensure RGGI investments are distributed equitably throughout Rhode Island's communities—particularly those most impacted by the effects of air and climate pollution. Energy efficiency investments remain the most cost-effective strategy to meet the state's greenhouse gas (GHG) reduction targets. Yet, many of the benefits of these clean energy investments fail to fully reach the residents needing the most relief—from urban heat island effect, high household energy burdens, inadequate thermal conditioning, and other health and safety hazards such as dangerous fossil-based appliances, lead paint, and knob and tube wiring. Acadia Center urges OER and partner agencies to follow the federal Justice40 Initiative to direct at least 40 percent of overall RGGI investment benefits to disadvantaged communities that are marginalized, underserved, and overburdened by pollution.

Energy Efficiency is a Foundational Resource

The Office of Energy Resource's 2022-A Plan for allocating RGGI funds in Rhode Island spreads over \$8.5 million in auction proceeds across a number of important state priorities, including \$4 million for energy efficient lighting in public schools and \$300,000 to assist local farmer "green" their operations through energy efficiency and renewable energy investments. Acadia Center recommends utilizing a portion of these funds to specifically phase out inefficient compact fluorescent lightbulbs (CFL) containing mercury as those bulbs also present a significant public health hazard. The state should leverage funds from other sources to develop, translate, and/or enhance current communications around proper disposal of these CFL lightbulbs, including through retail locations, energy efficiency vendors, and hazardous disposal programs like Eco-Depot.

The plan also allocates \$125,000 to the Department of Environmental Management (DEM) Energy-Saving Trees Program. Acadia Center recommends OER and DEM continue to partner with local communities to prioritize plantings in areas where trees can help combat urban heat island effect and enhance precious green space. Acadia Center supports Rhode Island's efforts to advance these critical, multi-faceted components of a clean energy future.

Plan Supports Responsible Development in Support of 100 Percent Renewable Energy Standard

The proposed plan also allocates \$500,000 to the state's Renewable Energy Fund (REF) to support renewable development on brownfields and another \$2.1 million to support small-scale and/or commercial-scale program for solar adoption by homeowners and small business. These investments support incremental steps towards meeting the state's 100 percent Renewable Energy Standard (RES) and Acadia Center urges OER and RI Commerce to use the approximately \$2.6 million investment of RGGI funds for renewable energy development to help guide projects away from forested tracts of land and other areas of environmental concern.

Similarly, the \$300,000 allocated to the Agricultural Energy Grant Program can help accomplish multiple public policy goals by supporting clean energy resources, such as wind, solar, and energy storage in a manner that also provides a pathway for farmers to generate revenue, cut emissions, and continue to work the land for generations to come. Acadia Center partnered with the American Farmland Trust to develop a [Smart Solar Siting Partnership for New England](#) to accelerate the expansion of renewable energy facilities while maintaining New England's most productive, resilient farmland and forestland and strengthen regional food systems. The project aims to reduce conflicts over siting of clean energy facilities by reaching agreement among parties on principles, policies, and programs and building those shared objectives into state policies and local planning. Acadia Center urges Rhode Island to incorporate these values into state clean energy planning efforts.

Rhode Island should additionally seek to deploy distributed energy resources (DER) in a manner that can increase climate and energy resiliency while avoiding or delaying the construction of "traditional" utility infrastructure, particularly fossil fuel burning infrastructure. For instance, an energy storage system located on a brownfield site could provide critical back-up power to the community as well as critical peak-shaving capabilities to help avoid or reduce operation of the region's most polluting and expensive "peaker" plants. Locating solar on rooftops, particularly in densely developed areas, can help further enable electrification of polluting fossil fuel end uses, like heating and cooking. Reducing fossil fuel combustion for these ready-to-decarbonize end uses will provide critical health and safety benefits to the public by reducing cases of asthma, cardiovascular disease, carbon monoxide poisoning and lowering the risks of fires and explosions resulting from liquid and gaseous fuel sources.

Accelerating Clean Electric Heating

Acadia Center appreciates the allocation of \$1.5 million to support electric savings and other energy and environmental benefits associated with the installation and operation of high-efficiency air-source heat pumps (ASHPs). Together with electric heat pump incentives offered through the state's energy efficiency programs and the forthcoming FY 2023 High-efficiency Heat Pump Program (HHPP) investments, Rhode Island is well-poised to take on the long overdue work of accelerating heat pump adoption to decarbonize the heating sector.

Emissions from the thermal sector constitute over 25 percent of Rhode Island's total greenhouse gas emissions and heating electrification is the only readily available decarbonization pathway. Air-source heat pumps (ASHPs) are 300 percent more efficient than modern natural gas furnaces and immediately reduce on-site indoor and outdoor air pollution. ASHPs also provide an immediate reduction in upstream carbon pollution related to their electricity consumption, even with today's fossil-heavy electricity generation mix. As Rhode Island moves to offset 100 percent of its electricity production with renewable energy resources by 2033, electric heat pumps will continue to provide even greater carbon reduction benefits. Of course, a building or site that has or will incorporate solar or other renewable energy resources can also use that clean, renewable electricity to power heat pumps and other electric appliances, further reducing emissions and pollution. OER and its partner agencies should always seek to coordinate and leverage investments for the greatest environmental and economic benefit.

Identify Additional Sources of Long-Term Sustainable Funding

Acadia Center urges OER to continue to work to identify and leverage additional funding sources for these important priorities and to ensure RGGI investments are distributed equitably throughout Rhode Island's communities—particularly those most impacted by the effects of air and climate pollution. Energy efficiency investments remain the most cost-effective strategy to meet the state's greenhouse gas reduction targets while delivering significant community benefits. In addition to RGGI funds, federal American Rescue Plan Act programs, and forthcoming Inflation Reduction Act investments, the state should also incorporate robust, long-term sustainable investment streams into the state budget to support the clean energy transition.

Sincerely,



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