**First Phase of the Legislative Session Almost Over**

The filing of bills occupies most of the energy in the first phase of the legislative session. That phase will end this Friday and will be followed by a vacation break lasting February 20th through the 24th. The General Assembly then enters phase two of the session with the number of hearings multiplying. Bills can still be filed during phase two of the session, but the number of daily introductions usually diminishes as the session continues.

**PUC Begins Natural Gas Use Study Under 2021 Act on Climate**

Last week the Rhode Island Public Utilities Commission held its first meeting to create a framework and a timeline for implementing the changes that will be necessary in order to meet the requirements of the 2021 Act on Climate – passed into law in 2021. The Act on Climate mandates a reduction in greenhouse gas emission of 45% by 2030, 80% by 2040 and net zero by 2050. The targets are mandates. If the state – which includes all businesses and residents in the state – fail to miss a deadline, anyone can sue the state to enforce the statute. The Rhode Island Office of Energy Resources (OER) commissioned a study in 2020 which found that in order to meet the 80% reduction requirement, nearly all heating systems must be decarbonized. The PUC is concerned about the maintanence and replacement of pipes in lieu of the 2021 Act on Climate requirements as well as the potential cost to customers given natural gas is one of the more economical heating systems available. As Chairman Gerwatowski stated in his opening address, “everything is on the table” including a natural gas moratorium and phase-down in use.

The Northern RI Chamber was asked to participate on a PUC panel discussion. Specifically, the Chamber was asked to share thoughts about what topics need to be addressed in the study. We provided five items to the Commission: 1. Specifics of what businesses are expected to do and in what timeframe – equipment, heating, business process change requirements; 2. Full transparency surrounding the costs associated with complying with the 2021 Act on Climate as natural gas use is phased down; 3. Full accounting of the technical resources that will be required in order to carry out mandated changes; 4. Disclosure of the alternative sources of energy the business community will be asked to use and the reliability of each alternative so that businesses can make appropriate choices; and 5. A plan for natural storm disruption under the alternative energy paradigms. The Chamber pointed out that, in 2020, it requested RI OER to include in its study, a cost estimate for a manufacturing facility, a commercial building and a restaurant; but money was not available to include the extra analysis. The Chamber asked the PUC to include it in their scope of work.

The PUC will be creating stakeholder groups as it continues to move forward in the study process. The study must be completed this year so that the PUC can submit its plan to the EC4 committee as required under the law. The EC4 must submit a full plan for complying with the statute by December 31, 2025.

**This Week At the State House**

**Tuesday, February 14th**

The House Finance Committee is meeting Tuesday at the Rise (approximately 4:30) in Room 35 at the State House. One topic on the agenda is the Governor’s proposal under Article 5. The third part of Article 5 makes changes to the demand-side management program. When originally passed into law, the surcharge on customers’ bills was set for a period of 21 years which means it would sunset in 2028. Article 5 extends the charge to 2030. Last year, $5 million was transferred to the RI Infrastructure bank to fund energy efficiency, renewable energy and demand-side management projects. Article 5 expands the scope of use for that money to include clean transportation, clean heating and energy storage projects. The Article transfers $4.5 million of the fees collected to the EC4 Committee (Executive Climate Change Coordinating Council). The 2021 Act on Climate charged the EC4 with developing a plan to reach the emission reduction targets set in statute. The $4.5 million can be used to develop the plan, invest directly in programs to reduce greenhouse gas emissions, publishing findings and emissions, and support the Climate Justice Workgroup – including “compensation to community participants.” Lastly, the Article eliminates RI Energy’s performance-based incentives that it received to administer the energy efficiency program.

The Senate Finance Committee is also meeting Tuesday at the Rise in the Senate Lounge to take testimony on Article 6, Section 2 of the Governor’s budget. The Section decreases the minimum corporate tax from $400 a year to $375. This is estimated to affect 65,000 business entities.

**Wednesday, February 15th**

The Governor’s proposals to lower the sales tax from 7% to 6.85% and to eliminate the litter tax is up for discussion Wednesday at 4:00 p.m. in Room 35. As a reminder, the .15% decrease is estimated to reduce state revenues by $35 million a year. The litter tax, officially known as the Taxation of Beverage Containers and Hard-To-Dispose Material fee, places a fee on beverage wholesalers (defined as those who engage in the “sale of beverage containers to beverage retailers in this state, including any brewer, manufacturer, or bottler who engages in those sales”). The fee starts at $25 and can go as high as $1000 per year. Article 4 eliminates the fee, saving Rhode Island wholesalers just under $1 million. The Committee will also take testimony on Governor McKee’s Article 6 proposal. Article 6 (1) clarifies that municipalities have the ability to license second-hand metal article sales, (2) exempts local licensing requirements for second-hand consignment good, resale goods, thrift goods and antiques, (3) lowers the minimum corporate tax from $400 to $375, (4) eliminates the trade-in value for trucks and motorcycles from sales tax, and (5) creates a food products donation tax credit.

**Thursday, February 16th**

On Thursday at the Rise, both the House and Senate Finance Committees will be discussion Minority Business Enterprise Requirements in contracting (House in Room 35, Senate in the Senate Lounge). Section 7 of the Article 3 changes the Minority Business Enterprise participation requirement for procurements and construction projects. Under current law procurement and construction projects must award at least 10% of the dollar value of the entire project to MBE companies. The Article increases the percentage to 15% and further requires that of the 15%, half must go to a woman owned business (7.5%).

The following new bills have been filed:

House Bill No. [5425](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5425.pdf) Kislak, Edwards, Carson, Donovan, Speakman, McGaw, Tanzi, Boylan, Potter, Cortvriend**,**AN ACT RELATING TO PUBLIC PROPERTY AND WORKS -- THE GREEN BUILDINGS ACT (Creates building energy performance standards based on the size of buildings, to achieve, by way of benchmarking and reporting, a statewide analysis of energy use and strategies to increase energy efficiency.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5425.pdf>

House Bill No. [5439](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5439.pdf) Shanley, Dawson**,**AN ACT RELATING TO COURTS AND CIVIL PROCEDURE--PROCEDURE GENERALLY -- CAUSES OF ACTION (Provides for punitive damages in civil actions where there is willful or wanton conduct or a reckless disregard for health, safety and welfare.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5439.pdf>

House Bill No. [5440](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5440.pdf) Solomon, Craven, Dawson**,**AN ACT RELATING TO COURTS AND CIVIL PROCEDURE--PROCEDURE GENERALLY -- DECISIONS, SPECIAL FINDINGS AND ASSESSMENT OF DAMAGES (Adds the doctrine of assumption of risk to the current comparative negligence statute.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5440.pdf>

House Bill No. [5445](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5445.pdf) Tanzi, Cortvriend, Kazarian, Hull, J. Lombardi**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- FAIR EMPLOYMENT PRACTICES (Prohibits an employer, employment agency, labor organization, or employee from directly or indirectly committing any act declared to be an unlawful employment practice or the employee or employer may be held personally liable.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5445.pdf>

House Bill No. [5447](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5447.pdf) Diaz, Ajello, Edwards, Tanzi, Kennedy, Ackerman, Slater, Shallcross Smith, Morales, Caldwell**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- TEMPORARY DISABILITY INSURANCE -- GENERAL PROVISIONS (Increases the taxable wage base upon which employees make contributions to the TDI and TCI funds, increases individual benefit rates for lower wage individuals, and creates an opt- in option for self-employed workers.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5447.pdf>

House Bill No. [5492](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5492.pdf) Place, Newberry, Nardone**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- RIGHT TO EARN A LIVING ACT (Establishes procedures to challenge agency regulations or public service restrictions that prevent persons from entering into businesses, professions or public services unless they serve legitimate public health, safety and welfare objectives.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5492.pdf>

House Bill No. [5502](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5502.pdf) McEntee, Bennett, Cortvriend, Knight, Caldwell, McGaw, Fogarty, Potter, Cruz, Kislak**,**AN ACT RELATING TO HEALTH AND SAFETY -- BEVERAGE CONTAINER DEPOSIT RECYCLING ACT OF 2023 (Establishes a system for the recycling of beverage containers working with the department of environmental management.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5502.pdf>

House Bill No. [5508](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5508.pdf) Potter, Baginski, Dawson**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- WORKERS' COMPENSATION--PROCEDURE (For purposes of liability of third persons for damages relating to claims for workers compensation, provides that reimbursement not be provided for certain damages, and reduces any award by any percentage of the employees comparative negligence.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5508.pdf>

House Bill No. [5516](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5516.pdf) Solomon, Edwards, Sanchez**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- LABOR RELATIONS ACT (Protects free speech/religious freedom/freedom of assembly rights in the workplace with a civil action to recover compensatory/punitive damages for employer discipline or discharge.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5516.pdf>

House Resolution No. [5527](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5527.pdf) Morales**,**HOUSE RESOLUTION RESPECTFULLY REQUESTING THE DEPARTMENT OF ADMINISTRATION TO CONDUCT A STUDY ON THE TECHNICAL AND ECONOMIC OUTCOMES OF DECARBONIZING RHODE ISLAND BY 2030

<http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H5527.pdf>