

# Rhode Island Energy Efficiency Policy: Challenges & Recommendations

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January 2025

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# Key Take-Aways



Energy efficiency has many economic, environmental & social *benefits*



Energy efficiency is an essential foundation to *Act on Climate*



Outdated *policies need updates* to address urgent energy & climate needs

# What is the EEC?



[eec.ri.gov](http://eec.ri.gov)

## Mission:

The Energy Efficiency Council *monitors the state's energy efficiency programs* to maximize cost-effective energy savings for all Rhode Islanders through comprehensive stakeholder representation and expert technical evaluation.

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# Rhode Island Energy Efficiency Programs

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# What is energy efficiency?

Energy efficiency is using less energy to achieve the same result.



INSULATION



HEAT PUMPS



APPLIANCES

**Other examples:** lighting, air sealing, thermostats, water heating, windows, electronics

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# What is *NOT* energy efficiency?

## Energy Efficiency $\neq$ Conservation



It's *not* using less and getting less.

## Energy Efficiency $\neq$ Renewable Energy



It's *not* generating energy.

All of these are important for addressing climate.

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# Energy efficiency programs in RI



- Serve residential, commercial, industrial
  - Financial incentives & rebates
  - Financing, loans, grants
  - Technical assistance
- Have significant oversight & regulation
  - Programs must pass cost-effective test
- Administered by Rhode Island Energy
  - \$117 million annual spend
  - \$268 million benefits

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# Benefits of Energy Efficiency

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# Efficiency programs drive progress



## Market Transformation

Over time lighting technology has gotten significantly more efficient, less expensive, and longer lasting.

Energy efficiency policies and programs lowered costs for consumers and catalyzed the transition.



**INCANDESCENT**

Efficiency



Cost



Lifespan



**CFL**

Efficiency



Cost



Lifespan



**LED**

Efficiency



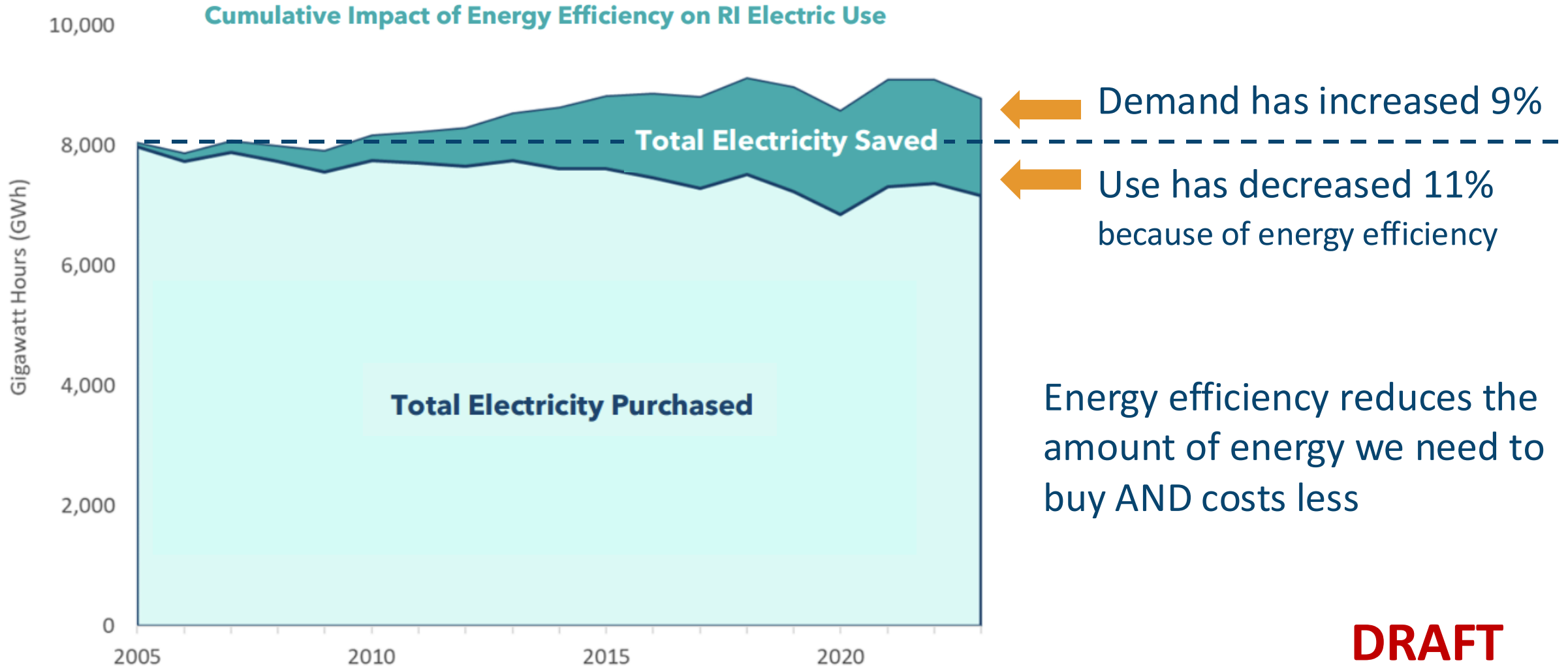
Cost



Lifespan



# Energy efficiency is a resource



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# Energy efficiency = jobs & economy



In 2023, energy efficiency programs resulted in...

**\$495 million**

in total benefits to Rhode Islanders



In 2023, energy efficiency programs in Rhode Island created...

**749 jobs**

(full-time equivalent)



**626**

**companies**

delivered energy efficiency services in 2023

**ENERGY EFFICIENCY IS PAYING OFF FOR RHODE ISLANDERS**

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# Energy efficiency = jobs & economy



## ENERGY EFFICIENCY IS PAYING OFF FOR RHODE ISLANDERS



In 2023, energy efficiency programs in Rhode Island created...

**749 jobs**  
(full-time equivalent)



In 2023, energy efficiency programs resulted in...

**\$495 million**  
in total benefits to Rhode Islanders



Over their lifetime, energy efficiency measures installed in 2023 will prevent more than...

**609,000 metric tons of greenhouse gas emissions**



**626 companies**  
delivered energy efficiency services in 2023



Equivalent to taking over...  
**145,000 cars**  
off the road for one year

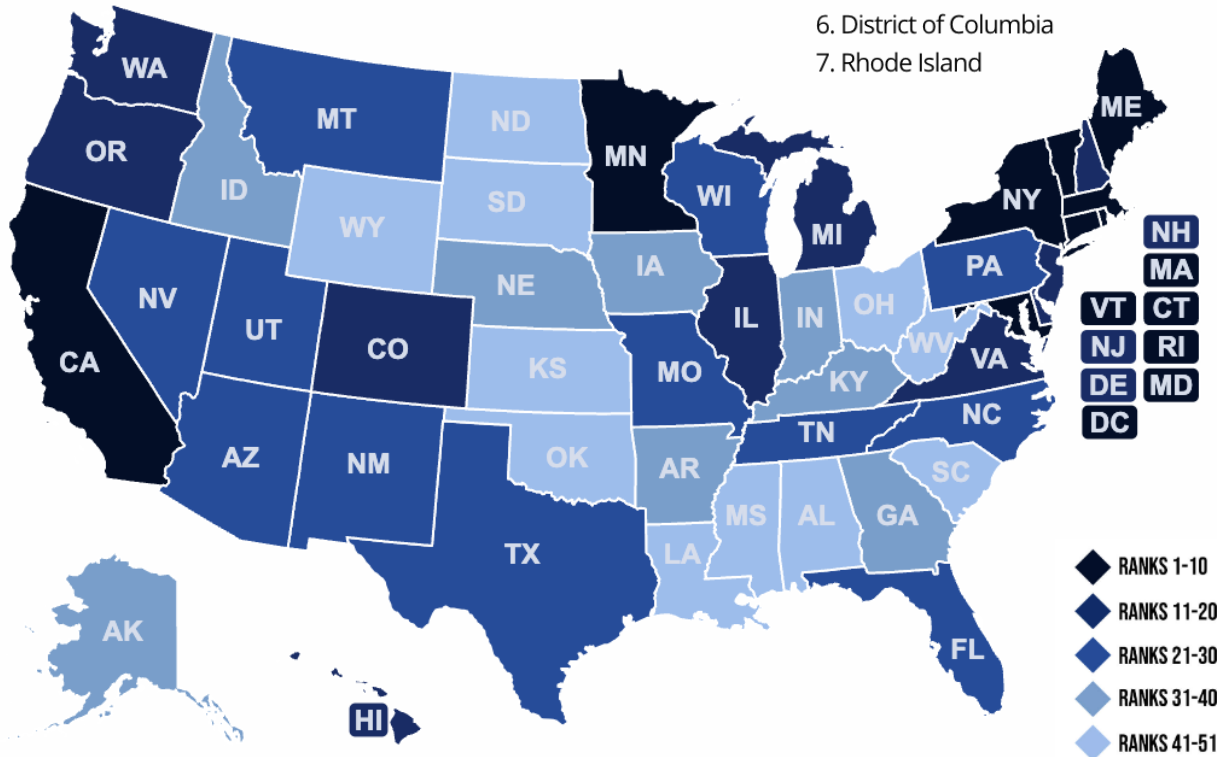
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# Rhode Island is a national leader



## 2022 State Energy Efficiency Scorecard

1. California
2. Massachusetts
3. New York
4. Vermont
5. Maine
6. District of Columbia
7. Rhode Island



Year	Rank
2015	4
2016	4
2017	3
2018	3
2019	3
2020	4
2022	7

Since 2009, Rhode Island has consistently ranked **among the top 10 states** according to the American Council for an Energy Efficient Economy’s (ACEEE) State Energy Efficiency Scorecard.

But we still have more work to do!

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# Rhode Island Energy Efficiency Policy

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# Policy drives the programs



## Title 39 Public Utilities and Carriers

### Chapter 1 Public Utilities Commission

#### R.I. Gen. Laws § 39-1-27.7

##### § 39-1-27.7. System reliability and least-cost procurement.

(a) Least-cost procurement shall comprise system reliability and energy efficiency and conservation procurement, as provided for in this section, and supply procurement, as provided for in § 39-1-27.8, as complementary but distinct activities that have as common purpose meeting electrical and natural gas energy needs in Rhode Island, in a manner that is optimally cost-effective, reliable, prudent, and environmentally responsible.

(b) The commission shall establish not later than June 1, 2008, standards for system reliability and energy efficiency and conservation procurement that shall include standards and guidelines for:

(1) System reliability procurement, including but not limited to:

(i) Procurement of energy supply from diverse sources, including, but not limited to, renewable energy resources as defined in chapter 26 of this title;

(ii) Distributed generation, including leading combined heat and power and cogeneration system benefits;

(iii) Demand response, including on-demand usage reduction, the regional demand response program of New England ("ISO-NE"), a load control or using on-site generation;

(iv) To effectuate the purposes of (A) For qualifying distributed generation; (B) For net metering; (C) For back-up power for distributed generation; and (D) For such other matters as the commission may find necessary or appropriate.

**(2) Least-cost procurement, which shall include procurement of energy efficiency and energy conservation measures that are prudent and reliable and when such measures are lower cost than acquisition of additional supply, including supply for periods of high demand.**

(2) Least-cost procurement, which shall include procurement of energy efficiency and energy conservation measures that are prudent and reliable and when such measures are lower cost than acquisition of additional supply, including supply for periods of high demand.

**Least Cost Procurement Law:  
(2006) (RIGL 39-1-27.7)**

*Rhode Island must invest in all energy efficiency that is less expensive than buying energy.*

TRANSLATION

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# Policy limitations

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Least Cost Procurement is critical...

- One of the nation's first utility-scale energy efficiency programs
- Has served an important role for almost 20 years

But it's now out of date...

- Written in different context, different priorities – energy crisis
- PUC interprets narrowly
- There is a lot more to do!

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# Efficiency is funded through energy bills



RIE Customer Service: 1-855-743-1101  
 Monday-Friday: 8:00 AM - 7:00 PM  
 Electric Emergencies: 1-855-743-1101 (24 x 7)  
 Website: RIEnergy.com

Meter 00000000 Account 00000-00000

Due Date	Amount Due
5/29/24	\$238.71

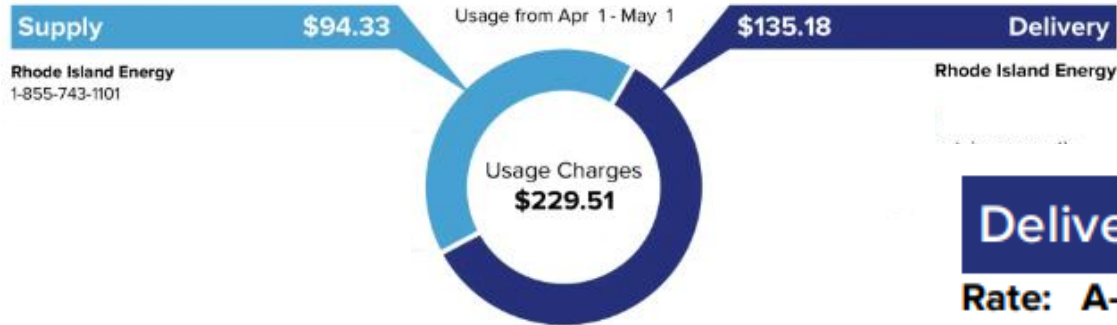
[Billing Details on Back](#)

Electric Service to:  
 Customer Name  
 0000 Main Street  
 Anytown, USA



## Rhode Island Energy™

a PPL company



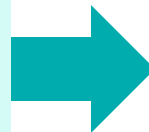
### Delivery Details

Rate: **A-16 Residential-Std Ofr**

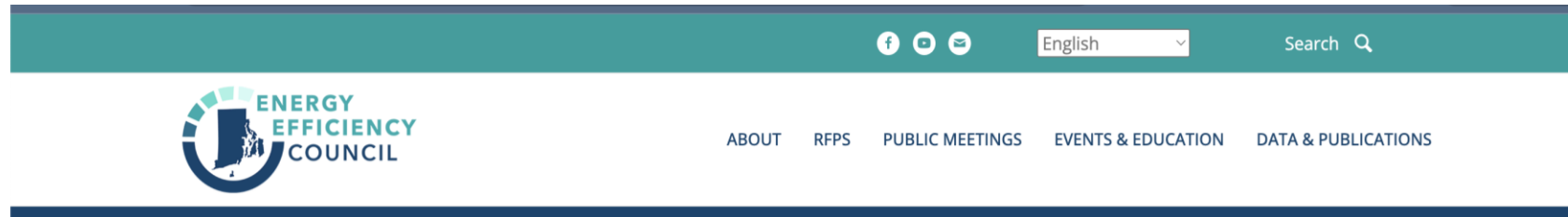
Customer Charge		6.00
RE Growth Program Chg		4.02
LIHEAP Enhancement Chg		0.79
Distribution Energy Chg	600 kWh at 0.06304	37.83
Renewable Energy Dist Chg	600 kWh at 0.02444	14.67
Energy Efficiency Programs	600 kWh at 0.01334	8.01
Transmission Charge	600 kWh at 0.04161	24.97

**Total Delivery Charges \$96.29**

Energy efficiency programs are funded through a small surcharge on all gas & electric bills



# Learn more on our website



## Energy Videos

Watch the “**Energy Explained RI**” series, created by the Rhode Island Energy Efficiency Council and the Rhode Island Office of Energy Resources, to learn more about energy efficiency topics relevant to Rhode Islanders.



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# Policy Recommendations

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# Efficiency is essential to Act on Climate



*“While the utilities’ **efficiency programs** support a number of weatherization programs and appliance efficiency standards, these **should continue to be expanded**”*

– EC4 Act on Climate 2022 Update

*“To achieve the Act [on Climate], **all scenarios rely on significant energy efficiency measures**, such as building shell retrofits, that far exceed the state’s rate of adoption today”*

– Technical Analysis in Future of Gas Docket

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# While we've been a real leader, times are changing

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- Act on Climate
  - EE is increasingly important as we electrify
  - We lack a cohesive, current energy plan
- Gas & Electric Programs are silo'd
  - Outcomes like continued incentives for NEW gas-powered equipment
- Time Spent Planning v. Doing is onerous
- The current Benefit/Cost Ratio is limited and RI-specific
- Persistent Equity Issues

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# Policy Recommendations



- Update EE Statute in line with MA & CT:
  - 3-year plans are binding
  - Climate is at center of the conversation – not just “prudence” of expenses
- Energy Efficiency Needs to be Central to Climate Planning
  - No more incentives for gas appliances or infrastructure
  - Fully integrate electrification and decarbonization to 2025 Climate Plan

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# Additional Resources

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- [EEC Handbook](#)
- [EEC 2024 Annual Report](#)
- EEC Website
- What else?

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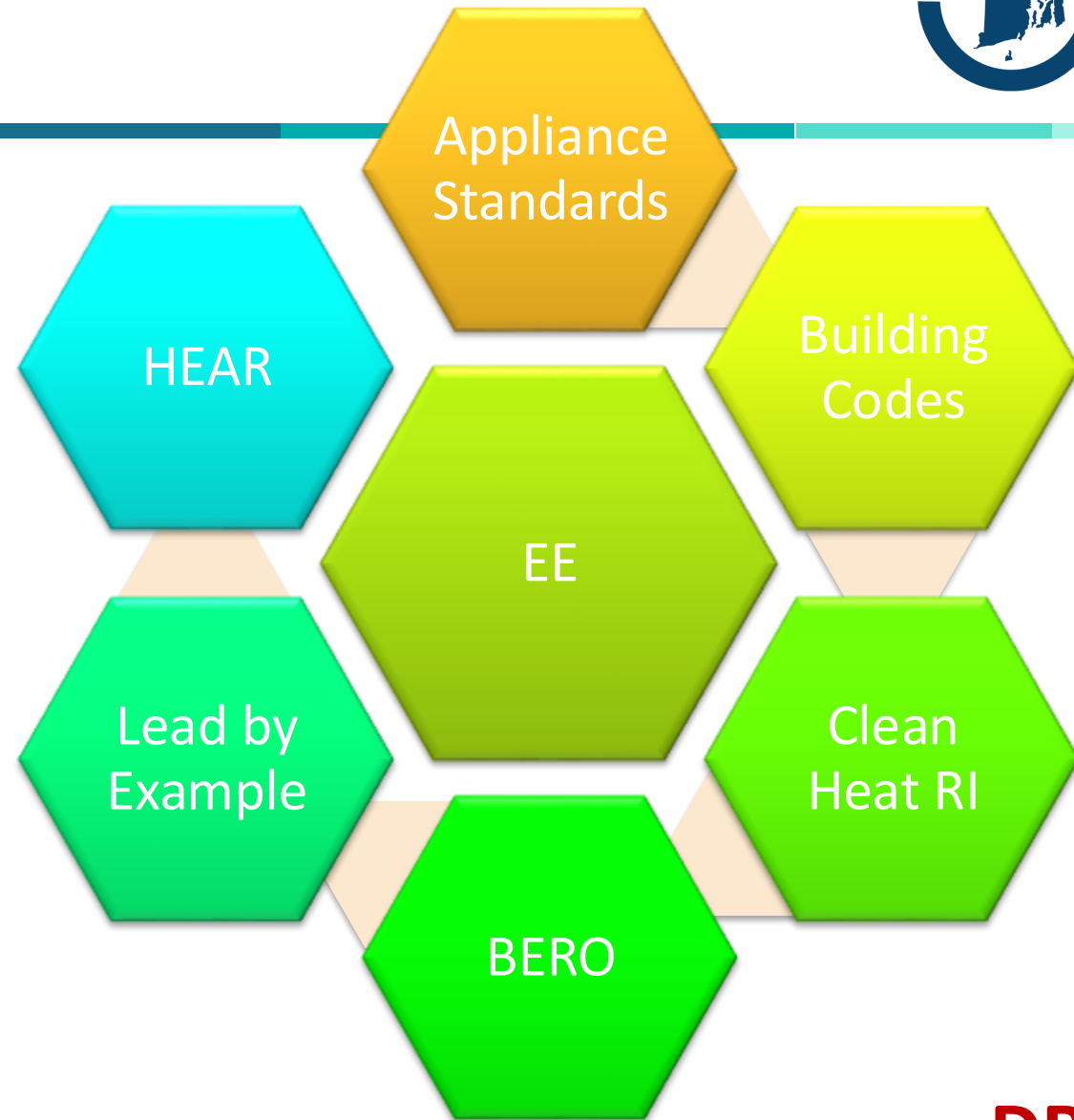
**Questions?**

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**Programs don't  
exist in a  
vacuum, though**



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*“Weatherization is a low-risk investment because it is a passive measure and does not rely on operation of equipment, it has measured savings, and savings and benefits from weatherization installed in 2025 will exist for many years regardless of the customers’ current or future heating fuel type”*

**– 2025 EE Plan Justification Framework**

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