# 2025 EEC Annual Report

**FIRST DRAFT** 

April 2025

Helping Rhode Islanders save on energy costs.

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March

All materials associated with the Energy Efficiency Council are the work of the "Energy Efficiency and Resource Management Council" and any public meetings materials posted on the RI Secretary of State website should be searched using that title.

Rhode Island Energy Efficiency and Resource Management Council One Capitol Hill, Providence, RI 02908 **eec.ri.gov** 

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## **RI EEC 2024 Annual Report**

# **EXECUTIVE SUMMARY**

## ENERGY EFFICIENCY IS PAYING OFF FOR RHODE ISLANDERS



In 2023, energy efficiency programs in Rhode Island created... 749 jobs



companies delivered energy efficiency services in 2023



•]

Rhode Islanders

Over their lifetime, energy efficiency measures installed in 2023 will prevent more than... 609,000 metric tons of greenhouse gas emissions



## **POLICY RECOMMENDATIONS**

Promote Energy Efficiency as a Primary Tool to Meet Act on Climate Mandates

Development for Energy

Efficiency and Clean Energy

Prioritize Equitable Access

Support Workforce



Coordinate and Supplement Statewide Energy Efficiency Efforts with Federal Funding Opportunities



Maximize Opportunities for Weatherization and for Addressing **Pre-Weatherization Barriers** 



Ensure the State's Clean Energy Future through Coordinated Planning

The **Rhode Island Energy Efficiency Council (EEC)** is a group of Governor-appointed stakeholders that work to ensure all Rhode Islanders receive the maximum benefits of energy efficiency. Learn more at <u>eec.ri.gov</u>.

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# LETTER FROM THE CHAIR

# LETTER FROM THE EXECUTIVE DIRECTOR



# ABOUT THE EEC

# 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.

# ABOUT

The Energy Efficiency Council, formally the Energy and Efficiency Resource Management Council, was established by statute in 2006 to provide oversight of the state's ratepayer-funded energy efficiency programs. The Council includes fifteen appointed members that represent the interests of homeowners, renters, workers, businesses, municipalities, and the environment.

Rhode Island has been a leader in energy efficiency in North America. The Council is a key driver of that success, providing technical expertise and informed stakeholder input that shapes energy strategy, planning, and implementation.

Cost-effective energy efficiency is the foundation of a sustainable energy future. The Council is committed to helping Rhode Island achieve its climate mandates and work toward a clean, reliable, and affordable energy economy. This is achievable when all Rhode Islanders have access to the full benefits of energy efficiency.

# MEMBERS (as of May 2025)

The EEC consists of fifteen members that represent the interests of key stakeholder groups and interests including homeowners, renters, workers, businesses, municipalities, and the environment. Council members are appointed by the Governor with the advice and consent of the Senate and serve voluntarily. All members of the public are encouraged to attend the Council's publicly noticed monthly meetings held year-round. For more information, visit eec.ri.gov

# PURPOSE

Rhode Island is a leader in energy efficiency in North America. The Council is a key driver of that success, providing technical expertise and informed stakeholder input that shapes energy strategy, planning, and implementation in Rhode Island. Cost-effective energy efficiency is the foundation of a sustainable energy future. The Council is committed to helping Rhode Island achieve its climate mandates and work toward a clean, reliable, and affordable energy economy. This is

#### Voting Members

Harry Oakley, Chair, Small Commercial and Industrial Users Director of Energy, Sustainability, Procurement, & Corporate Facilities, Ocean State Job Lot

Peter Gill Case, Vice Chair, Energy Design and Code Principal, Truth Box, Inc.

Sue AnderBois, Environmental Issues Director of Climate and Government Relations, The Nature Conservancy

Dave Caldwell, Energy Efficiency Education and Employment Tracking Vice President, Caldwell & Johnson, Inc.

Priscilla De La Cruz, Residential Users Director of Sustainability, City of Providence

Joe Garlick, Small Non-Profit Institutions Executive Director, NeighborWorks Blackstone River Valley

Bob Izzo, Large Commercial & Industrial Users Director, Energy & Utility Management, CVS Health

Thomas Magliocchetti, Large Non-Profit Users Consultant, Joint Commission Resources, Inc.

Kurt Teichert, Energy Regulation and Law Senior Lecturer in Environmental Studies, Brown University

## Non-Voting, Ex-Officio Members

Brett Feldman, Utilities Customer Energy Management, Rhode Island Energy

Christopher Kearns, Executive Director, Energy Efficiency Council Interim Commissioner, RI Office of Energy Resources

John Santoro, Delivered Fuels CEO/Owner, Santoro Family of Companies

Appointments Pending Voting Member Low Income Users Ex-Officio Member Representing Utilities achievable when all Rhode Islanders have access to the full benefits of energy efficiency.

#### Maximizing Program Benefits for All Rhode Islanders

The Energy Efficiency Council (EEC) has been providing an integrated, comprehensive, public, stakeholderdriven organizational structure to secure for Rhode Island's energy consumers the economic and environmental benefits of energy efficiency since the Council's formation in 2006 under amendments to R.I.G.L. § 42-140.1. This law is known as Least Cost Procurement because it requires the state to procure all energy efficiency that is less than the cost of other energy supply.

In representing small and large businesses, non-profit organizations, homeowners and renters, and municipalities and government, the EEC oversees highly successful programs that allow Rhode Islanders to access energy efficiency instead of having to purchase more costly energy supply. A valuable additional outcome of these programs is to also support a growing industry of Rhode Island energy efficiency service and product suppliers, which support local job growth and in-state financial investments.

The effects of energy efficiency in the last decade now cumulatively account for approximately 20% of Rhode Island's electricity needs. The state's consistent investments in energy efficiency have resulted in Rhode Islanders paying half as much for its energy supply than they otherwise would have (see Figure 1).

Rhode Island consumers are the focus of Least Cost Procurement, so ensuring the consumer voice in energy efficiency procurement decisions is critically important. The EEC, assisted by its expert consultant team, provides meaningful input into Rhode Island Energy's efficiency procurement plans, and adds significant stability to investment decisions. The EEC's model for structured stakeholder participation has been successfully deployed annually in a nationally recognized process to set appropriate energy saving targets and then establish implementation plans that are equitable, cost-efficient, and cost-effective to maximize benefits for all Rhode Islanders.

## How Energy Efficiency is Funded

Energy efficiency is the most cost-effective way to reduce energy use and address climate change in Rhode Island. The funds that enable the implementation of the state's efficiency programs are collected from ratepayers via the System Benefits Charge (SBC) on electric and gas bills.<sup>1</sup> Thorough and careful evaluation, planning, and oversight ensure the funds support cost-effective energy efficiency that is less than the cost of supply, as required by the Least Cost Procurement law. Sustained and robust efficiency funding is important to ensuring Rhode Islanders continue to benefit from strong efficiency programs for years to come.

#### **Energy Savings Targets**

Every three years, the EEC is required to develop targets for annual electric and natural gas reductions as a result of energy efficiency programs administered by Rhode Island Energy. The targets support the development of Rhode Island Energy's triennial and annual energy efficiency program plans by providing guidance on potentially available cost-effective efficiency resources in the state. The EEC works with its consultant team to conduct in-depth analysis, research, and stakeholder engagement to establish achievable, cost-effective levels of energy efficiency, which are then used to inform proposed energy savings targets. Once approved by the Council, the targets are submitted to the PUC for final review and approval. Once established, the targets are used to guide the development of the ensuing triennial and annual energy efficiency program plans.

<sup>&</sup>lt;sup>1</sup> Delivered fuels customers do not pay into the Systems Benefit Charge.

# ENERGY EFFICIENCY ESSENTIALS

# WHAT IS ENERGY EFFICIENCY?

Energy efficiency is about using less energy to keep our spaces comfortable, healthy, and affordable. It's also a critical element in addressing climate change.

**Cost** – When we use less energy, we can lower our monthly energy bills. Adding insulation to walls and attics reduces heat loss and gain, so heating and cooling systems don't work as hard. Sealing gaps around windows and doors prevents energy waste. Air source heat pumps use less energy to keep your home a consistent temperature, minimizing waste and cutting costs.

**Comfort & Health** – Sealing gaps and adding insulation eliminate drafts, prevent uncomfortable temperature changes, and reduce strain on heating and cooling systems. Proper ventilation and air sealing reduce outdoor pollutants and allergens from entering the home. Air source heat pumps improve air circulation and keep air cleaner without sacrificing efficiency. Additionally, these upgrades control moisture, preventing dampness and mold growth, which improves indoor air quality and overall health.

**Climate** – Climate change is impacting Rhode Island communities now. We're already seeing sea level rise, shorter winters, hotter summers, and more extreme weather events like intense storms and rainfall. Reducing energy use is critical for addressing climate change and the serious impacts it's having on our daily lives, health, environment, and economy. By taking steps to make our homes more energy efficient, we can all help build a clean energy future for Rhode Island. Climate change is a complex challenge and it's going to take a wide variety of solutions. The foundation of climate change mitigation is reducing our overall energy consumption through energy efficiency.

"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". - <u>Technical</u> <u>Analysis in Future of Gas Docket</u>

# **ENERGY EFFICIENCY PROGRAMS IN RHODE ISLAND**

In Rhode Island, energy efficiency programs are offered by the state's regulated distribution utilities. The major investor-owned utility operating in the state, Rhode Island Energy, offers an array of energy saving programs that benefit all Rhode Islanders.

Rhode Island Energy's efficiency programs:

- Are available to residential, commercial & industrial customers
- Offer financial incentives & rebates, loans & grants, and technical assistance
- Must pass cost-effective tests
- Have significant oversight & regulation
- Are funded through a small surcharge on all gas & electric bill

See Programs section for more information and 2024 program performance.

Commented [RS2]: Proposed new section to help readers understand EE. Feedback welcome!

# **RESOURCES TO LEARN MORE**

#### **RI Energy Efficiency Council Website**

The Energy Efficiency Council's website features a resource library focused on Rhode Island's energy efficiency initiatives. It includes key materials such as relevant legislation, program plans, evaluation studies, market potential studies, educational resources, and information on events like the Energy Lecture Series and Energy Expo. Additionally, the site hosts a wealth of materials related to Council business on individual meeting pages. The frequently asked questions section addresses essential topics, such as "Why does my utility care about energy efficiency?" The site also provides regular updates on public meetings and features a public comment submission form, encouraging engagement and input from a diverse range of stakeholders.

#### https://eec.ri.gov/

#### **Energy Explained RI Videos**

The "Energy Explained RI" video series breaks down key energy issues affecting Rhode Islanders. From decoding your electric bill to making energy-efficient upgrades, using demand response for a cleaner grid, and transitioning to all-electric solutions, these videos will help you make informed choices for a more affordable and sustainable future. This series was produced via a collaboration between the Rhode Island Energy Efficiency Council and the Rhode Island Office of Energy Resources, and they cover the following topics:

- Lower Your Energy Bills with Energy Efficiency
- Understanding Your Electric Bill and How to Lower It
- Changing the Way We Use Energy
- Transitioning to All Electric Everything
- Using Demand Response for Clean, Affordable Power

https://eec.ri.gov/videos/

#### Energy Efficiency Council Handbook

The EEC Handbook is a user-friendly guide for anyone interested in understanding the policy, regulatory, and programmatic aspects of energy efficiency in Rhode Island. It offers clear, concise overviews of key topics—from how energy is produced and delivered, to how utilities are structured and regulated, to how efficiency programs are planned, implemented, and evaluated. With helpful links to additional resources, the handbook serves as both an entry point and a reference tool for deeper exploration.

#### https://eec.ri.gov/wp-content/uploads/2022/10/ri-eermc-member-handbook-v1.3-10-13-22final.pdf

#### **Rhode Island Energy Website**

Rhode Island Energy's website offers a variety of rebates and incentives to help residential customers enhance energy efficiency and reduce costs. Programs include discounts on appliances, high-efficiency heating and cooling systems, water heating equipment, and home energy assessments. Additionally, businesses can benefit from tailored energy-saving solutions and incentives to lower operational expenses.

https://www.rienergy.com/site/ways-to-save/save-money-with-rebates-and-incentives

#### **Rhode Island Energy Efficiency Plans**

Rhode Island Energy's Three-Year Energy Efficiency Plan outlines long-term strategies to meet energy savings targets, ensure cost-effectiveness, and support economic and environmental goals. It includes funding strategies, planning approaches, and a performance incentive plan, and is filed with the PUC every three years. Annual Efficiency Plans, developed collaboratively and approved by the EEC and PUC, detail yearly budgets, program descriptions, evaluation plans, and performance incentives. These plans are informed by evolving technologies, market trends, and state policy, and must demonstrate cost-effectiveness while aligning with established savings targets. Together, the Three-Year and Annual Plans are valuable resources for stakeholders looking to understand the structure, strategy, and implementation of Rhode Island's energy efficiency programs in greater detail.

#### https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2024-10/24-39-

EE%20Rhode%20Island%20Energy%27s%202025%20Annual%20Energy%20Efficiency%20Plan%20-%20PUC%2010-01-2024.pdf

#### **RI Office of Energy Resources Website**

The <u>Rhode Island Office of Energy Resources (OER)</u> website is a central hub for information on the state's energy policies, programs, and initiatives. It offers resources for residents, businesses, and public entities on topics like energy efficiency, clean energy, heating and cooling, and transportation electrification. The site also provides updates on state energy goals, funding opportunities, and efforts to support an affordable, reliable, and sustainable energy future for Rhode Island. The Rhode Island Office of Energy Resources' website serves as a central hub for connecting with the state's many energy related programs and incentives designed to promote sustainable energy practices throughout the state. Residents, businesses, farms, public entities, and income-eligible customers can find reduce energy consumption and costs. It provides resources such as energy audits, efficiency standards, and details on the state's efforts.

https://energy.ri.gov/energy-efficiency

# **RECENT HIGHLIGHTS**

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# ACEEE STATE ENERGY EFFICIENCY SCORECARD

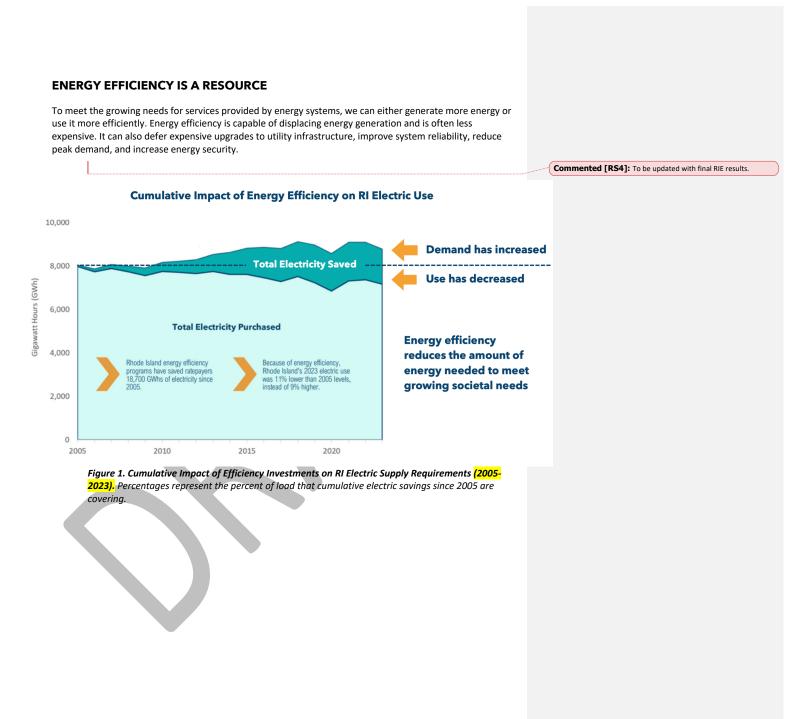
For over a decade, Rhode Island consistently ranked among the top 10 states according to the American Council for an Energy Efficient Economy's (ACEEE) State Energy Efficiency Scorecard. In 2025, Rhode Island's rank has dropped notably after recent methodological changes in scoring, including doubling total available points for finer scoring granularity and increasing the equity emphasis by 10%.

The state's comparatively modest progress in tracking detailed community-level data and delivering equitable benefits through utility programs has become more apparent, highlighting areas where other leading states have gained an advantage. This shift underscores a clear opportunity for Rhode Island to enhance its equity-driven initiatives, thereby aligning more closely with updated scoring priorities.

Specifically, Rhode Island lagged in the building policy performance category, scoring only 10% of total points in this category, compared to states in the top ten scoring 16% or more. This decline primarily stems from Rhode Island's missed scoring opportunities in "existing building performance standards" and "fuel-switching enabling policies", areas where leading states have demonstrated notably stronger performance.

Furthermore, shifts in sector weighting highlighted Rhode Island's stagnation in key areas such as industrial and transportation policies. While the revised scorecard metrics reward proactive policies for industrial decarbonization targets and appliance standards, Rhode Island did not pursue these strategies as aggressively as its peer states, leading to its drop from previous rankings.

Additionally, the state's unchanged position in transportation policy since 2022, coupled with other states' adoption of more ambitious freight and electrification plans, contributed significantly to Rhode Island's fall out of the top ten. Rhode Island's reduction in ranking highlights key opportunities for innovative, equitable, and effective policies that re-establish its competitiveness among leading states. The full report can be accessed at <a href="https://www.aceee.org/state-policy/scorecard">https://www.aceee.org/state-policy/scorecard</a>.



# **ENERGY EFFICIENCY IS COST EFFECTIVE**

Energy efficiency can directly lower energy bills for consumers who participate in programs, but it also has much broader benefits. Energy efficiency is one of the easiest and most cost-effective ways to reduce energy costs for all consumers, support the local economy, and combat climate change.

When we use less energy, we actually lower energy costs for everyone. By reducing the state's demand for power, for example, we reduce the impact of increasing energy prices, and those savings are passed on to all electric customers. Additionally, using less energy results in less strain on energy generation and distribution infrastructure, which lowers the costs of maintaining and expanding it – costs that the utility passes on to ratepayers. This effect also increases the energy system's reliability and security.

#### Value of Energy Efficiency Program Benefits Compared to Costs



Over time, the cumulative benefits of energy efficiency programs far outweigh the costs of implementation. Since 2009, Rhode Island's ratepayer funded energy efficiency programs have realized about \$6 billion in societal benefits, compared to total program costs of about \$2 billion. These benefits include the need to generate and deliver less energy to customers, reduced emissions and associated environmental benefits, and improved reliability of our utility systems.

Due to the nature of the work, energy efficiency programs are implemented by local workforces, which means these programs support jobs and the economy. Just as importantly, efficiency is a critical tool for addressing climate change and the resulting economic, health, and environmental impacts.

Achievement of the energy savings goals set in the 2025 Energy Efficiency Program Plan will push the total realized benefits to over \$5.5 billion.

#### **Commented [RS5]:** To be updated with final RIE results.

# POLICY RECOMMENDATIONS

R.I.G.L. § 42-140.1-5 requires that the EEC "submit to the joint committee on energy an annual report... regarding the activities of the Council, its assessment of energy issues, the status of system reliability, energy efficiency and conservation procurement, and its recommendations regarding any improvements which might be necessary or desirable." The EEC submits the following recommendations that support energy and utility cost reductions for Ocean State residents and businesses, support industry and employment in the clean energy sector, and strengthen Rhode Island's position as a national leader in energy efficiency and resource conservation.

#### SUSTAIN ROBUST ENERGY EFFICIENCY INVESTMENT TO MEET ACT ON CLIMATE MANDATES

Energy efficiency is a cornerstone of Rhode Island's climate strategy and is essential to achieving net-zero emissions by 2050, as mandated by the Act on Climate. Efficiency reduces emissions across all sectors while lowering energy bills and strengthening resilience. It is the most cost-effective and immediate tool we have to reduce demand and drive decarbonization at scale.

Rhode Island's energy efficiency programs are funded through the System Benefits Charge (SBC) on electric and gas bills and are governed by the Least Cost Procurement statute, which ensures ratepayer funds are invested in savings that cost less than supply. Rigorous planning, evaluation, and oversight ensure these investments deliver high value to Rhode Islanders.

The Public Utilities Commission's Future of Gas docket affirms this path forward: "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." Without continued and robust EE investment, Rhode Island cannot meet its climate goals. Strong, sustained funding is non-negotiable if the state is to deliver an equitable, cost-effective, and comprehensive mitigation and resilience strategy.

# SUPPORT AMBITIOUS ENERGY SAVINGS TARGETS TO REDUCE CUSTOMER COSTS

Energy efficiency is one of the most effective and immediate ways to reduce household energy costs, especially for those most impacted by rising rates. While households and businesses that have participated in energy efficiency programs have realized measurable savings and comfort benefits, those that have not are feeling the full weight of recent price increases and remain more vulnerable to future price volatility. Ambitious savings goals help ensure that all Rhode Islanders can access these cost-saving benefits.

While the Energy Efficiency Council is responsible for setting energy savings targets through a rigorous planning process, strong support across state government is essential to maintain a policy and regulatory environment that prioritizes energy affordability through efficiency. Robust, sustained investment in energy efficiency keeps energy costs down, reduces strain on the energy system, and improves quality of life for all Rhode Islanders.

Given the long-term value of energy efficiency for both participants and non-participants, it is important to carefully consider the tradeoffs between any reductions in program budgets and missed opportunities for cost savings, emissions reductions, and economic resilience that come with underinvestment.

#### INCREASE INVESTMENT IN HISTORICALLY UNDERSERVED COMMUNITIES

Many Rhode Islanders, especially those in historically underserved communities, face disproportionately high energy burdens and barriers to participating in energy efficiency programs. These communities often lack access to resources, information, and support needed to engage fully in existing offerings.

Energy efficiency improvements can significantly reduce household energy costs and increase comfort and health. However, longstanding challenges, such as complex enrollment processes and pre-weatherization issues like asbestos, vermiculite insulation, and outdated wiring—continue to limit participation, particularly in Rhode Island's older housing stock.

The Council continues to work with Rhode Island Energy to enhance program accessibility and outreach. Yet many of the barriers faced by underserved populations fall outside the scope of what current ratepayer funding can address. Identifying complementary funding sources and policy solutions will be critical to expanding access to energy efficiency and delivering equitable benefits to all Rhode Islanders.

### LEVERAGE WORKFORCE DEVELOPMENT TO ADVANCE CLIMATE AND ENERGY AFFORDABILITY GOALS

A robust and well-trained energy efficiency workforce is essential to achieving Rhode Island's climate mandates and keeping energy costs down for residents and businesses. As demand grows for clean energy solutions, workforce shortages—particularly in HVAC, weatherization, and energy auditing—risk slowing progress and increasing costs. Strategic workforce development is a key lever to support program delivery, expand access, and improve affordability.

Investing in workforce training can reduce hiring gaps, build career pathways in underserved communities, and ensure programs are equipped to deliver cost-effective savings. Supporting small and minority-, and women-owned business enterprises (MWBEs), expanding training for existing workers, and lowering barriers to entry for new workers can help build a workforce that supports Rhode Island communities and meets evolving energy needs.

Aligning goals across state leadership and coordinating investments can strengthen Rhode Island's economy, create high-quality jobs, and ensure that all communities share in the benefits of a more affordable and sustainable energy future.

# EEC PRIORITIES FOR THE 2026 ENERGY EFFICIENCY AND SYSTEM RELIABILITY PROCUREMENT ANNUAL PLANS

As part of its fulfillment of the roles and responsibilities legislated in R.I.G.L. §42-140.1, the Energy Efficiency Council (EEC or Council) provides the following input and direction in the form of Priorities to support development of the 2026 Annual Energy Efficiency Program Plan (EE Plan) for submittal to the RI Public Utilities Commission (PUC) by October 1, 2025 by Rhode Island Energy. The EEC also has clearly defined responsibilities in the PUC-issued Least Cost Procurement Standards (LCP Standards) to both support the development of the EE Plan and to vote on whether to endorse the EE Plan to the PUC. Should the EEC vote not to endorse the EE Plan, the EEC is then directed to document reasons for that decision and submit them to the PUC for its consideration. Read the full Priorities Memo here (link).

## **COUNCIL PRIORITIES FOR THE 2026 EE PLAN**

The following priorities represent the core, Council-driven focus areas for the 2026 Plan. These maintain, update, or build upon the priorities and priority strategies developed for the 2024-2026 Three Year Plan and 2024 and 2025 Annual Plans. The Council's key priority areas for the 2026 Plan direct Rhode Island Energy to:

#### SUPPORT THE MANDATES OF THE ACT ON CLIMATE

Rhode Island Energy will...

- Set 2026 EE Plan savings goals consistent with greenhouse gas emissions reductions identified as necessary (or net-beneficial) to achieve from energy efficiency in order to meet the Act on Climate mandates.
- Reduce investment in fossil fuel heating equipment and increase investment in weatherization.
- Set specific goals for replacing electric resistance space heating and hot water equipment with heat pump technologies.
- Design and implement programs that take into full consideration the insights and outcomes from the Future of Gas Docket at the PUC.

#### SET AMBITIOUS GOALS FOR CUSTOMERS TO SAVE MONEY

Rhode Island Energy will..

- Set ambitious goals that are demonstrative of program designs that both encourage non-participants to participate, and recent participants to continue participation, all in the spirit of savings customers money on their energy bills.
- Clearly document the incremental energy savings, including those that would lower customer energy bills, that are not being pursued in the 2026 Plan as a result of containing program budgets to reduce near-term ratepayer impacts.
- Increase emphasis on improving designs for programs with a pattern of recent underperformance.
- Demonstrate a clear growth trajectory for successful programs that are highly cost-effective, lower than the cost of supply, and provide net utility system benefits.
- Document measures and/or approaches that it considered during plan development but ultimately
  did not include in the Plan for reasons including, but not limited to, issues with a measure and/or
  approach being able to screen cost-effectiveness tests.

#### INCREASE PROGRAM PARTICIPATION BY HISTORICALLY UNDERSERVED COMMUNITIES

Rhode Island Energy will...

• Continue to gather and report on equity metrics that have been established through work with the Equity Working Group. Rhode Island Energy should also review the previously identified metrics that

are not currently being tracked and reported on with the Equity Working Group to determine whether or not they should be added to the equity metrics that are being reported on.

- Implement recommendations of the Equity Working Group.
- Identify clear and objective determinants of success, and regularly report progress in achieving EWG
  recommendations and other strategies to increase participation by historically underserved
  customers.
- Increase financial investments in serving historically underserved populations, including enhanced financial incentives to those customers across efficiency offerings.
- Identify and implement program improvements that will facilitate ease of participation, including through streamlining of participation steps, documentation requirements, and income verification processes.
- Enhance marketing and outreach to underserved populations.
- Develop and implement a targeted framework that focuses on all communities with high proportions
  of underserved and environmental justice populations and historical participation lower than
  average statewide participation levels.
- Enhance and increase municipal and other community-based partnerships, particularly to include partnerships with underserved communities.
- Use findings from the 2023 Small Business Process Evaluation to increase participation by small and microbusiness customers (less than 100,000 kWh in annual electric consumption) who account for about 90% of the entire commercial & industrial (C&I) customer demographic.
- Contract a qualified third-party vendor to develop a Language Access Plan (LAP) that sets forth how Rhode Island Energy will provide services to individuals who are non-English speaking or have limited English proficiency at each step of the customer journey.
- Target workforce development efforts to support contractors in underserved communities and actively coordinate with state entities to leverage available state/federal funds and workforce development offerings.

## CONDUCT TARGETED WORKFORCE DEVELOPMENT

Rhode Island Energy will...

- Implement recommendations of the Equity Working Group related to workforce development activities.
- Deliver targeted workforce development for small/minority- and women-owned business enterprise (MWBE) contractors.
- Deliver workforce development focused on important technologies for meeting statewide climate goals, maximizing ratepayer benefits, and controlling ratepayer costs.
- Demonstrate responsiveness to recommendations from its Workforce Needs Assessment, completed in 2023.
- Increase investment in workforce development to expand training for existing workers, mitigate barriers to entry for new workers, and advertise training/job opportunities for workers.

# **BASELINE EXPECTATIONS FOR THE 2026 EE PLAN**

The following are priorities that have been recategorized as baseline expectations that Council expects will be addressed by Rhode Island Energy. These baseline expectations include:

- Comply with Least Cost Procurement (LCP) Standards
- Ensure stakeholder input is encouraged and adequately incorporated
- Support an effective and efficient Plan development and review process
- Utilize the framework for justifying programs that exceed cost of supply, but support other areas of LCP Standards
- Ensure robust coordination on Federal and State funding opportunities

• Update the carbon accounting methodology used in the EE Plans

# SYSTEM RELIABILITY PROCUREMENT (SRP) PLAN PRIORITIES

Along with Energy Efficiency Plans, Rhode Island Energy submits System Reliability Procurement (SRP) Plans, which outline strategies for addressing the reliability of the state's electric and gas infrastructure (see page 44). The Council's key priority areas for the 2026 SRP Plan direct Rhode Island Energy to:

- Ensure responsiveness to Council input
- Support stakeholder engagement
- Achieve continued methodological development
- Ensure robust non-pipes program implementation
- Ensure robust ongoing active demand management programs in Rhode Island

# 2024 ENERGY EFFICIENCY PROGRAM RESULTS

This section summarizes the results of the 2024 energy efficiency programs – primarily those administered by Rhode Island Energy (RIE), but also programs offered by the Office of Energy Resources (OER). For more information, refer to RIE's 2024 Year End Report (link) and OER's Annual Report (link).

	Residential	Residential	Commercial &
	(Market Rate)	(Income Eligible)	Industrial
Annual MWh Saved			
Lifetime MWh Saved			
Annual MMBtu Saved			
Lifetime MMBtu Saved			
Metric Tons of Greenhouse Gas Emissions Avoided			
Program Participants			
Million in Lifetime Electric Bill Savings			
Million in Lifetime Gas Bill Savings			
Million in Total Economic Benefits			

**Commented [RS6]:** How does the Council want to introduce this section? Call out any key trends, considerations, etc?

 Table 3. Summary of 2024 Rhode Island Energy Efficiency Program Results

# MARKET RATE RESIDENTIAL ENERGY EFFICIENCY PROGRAMS

Rhode Island Energy offers comprehensive energy efficiency solutions for all Rhode Island residential customers. The goals of these offerings and services are to educate residents on saving energy and reducing energy bills while improving the comfort in their homes. The energy efficiency solutions concentrate on creating energy efficient homes through education and energy-efficient products; facilitating market transformation for efficient products and zero-energy homes and buildings; and educating Rhode Islanders on energy efficiency.

## EnergyWise Single Family

In 2024, the EnergyWise Single Family program achieved electric savings of 15,596 net lifetime MWh (92% of target) and gas savings of 524,666 net lifetime MMBtu (107% of target).

The EnergyWise Program provides in-home energy assessments and weatherization services for single-family homes (1–4 units), helping residents understand and reduce their energy use. During visits, energy specialists install devices like advanced power strips and water-saving fixtures, and offer tailored recommendations for improving efficiency. Participants receive an Energy Action Plan, access to financial incentives for upgrades

(such as insulation, HVAC systems, and smart thermostats), and may qualify for 0% financing through programs like the HEAT Loan.

#### Market Rate Multifamily

In 2024, the EnergyWise Multifamily program achieved 3,466 net lifetime MWh of electric savings (37% of target) and 27,929 net lifetime MMBtu of gas savings (25% of target).

The Multifamily program offers comprehensive energy services for multifamily customers (buildings with 5+ dwelling units) including: Energy assessments; Incentives for efficient electricity, natural gas, or delivered fuels equipment including heating, cooling and domestic hot water systems, cooling equipment, thermostats, smart strips, water saving measures, common-area lighting, and eligible air source heat pumps; Weatherization measures including air sealing and insulation where eligible and applicable; Coordination of all services for multifamily properties that participate in the market rate and income eligible multifamily programs.

#### **Residential High Efficiency Heating and Hot Water**

In 2024, the Residential High Efficiency Heating and Hot Water program achieved 15,024 net lifetime MWh of electric savings (47% of target).

The High-Efficiency Heating, Ventilation, and Air Conditioning (HVAC) and Hot Water program promotes and incentivizes the installation of high-efficiency electric and gas equipment through the following rebates and services:

- <u>Customer rebates on energy-efficient equipment:</u> Boilers, Combined condensing boilers, Furnaces, ENERGY STAR Most Efficient windows, Hot water heaters, Air source heat pumps (central and ductless), Air source heat pump water heaters, Smart thermostats, Water saving devices, Boiler ECM pumps.
- <u>Contractor services</u>: Quality installation verification, <u>contractor training</u>, <u>contractor incentives</u>, <u>upstream incentives</u> (discount taken at the distributor level)

The HVAC and Hot Water program is cross promoted through the following programs: EnergyWise, Multifamily, Residential New Construction, and Home Energy Reports. Training elements and best practices of the program are also provided to the IES Program to maintain consistency in contractor skills for accurate sizing, design, installation, and performance verification of high-efficiency HVAC systems.

#### **Residential Consumer Products**

## In 2023, the Residential Consumer Products program achieved 15,024 net lifetime MWh of electric savings (47% of target).

The Residential Consumer Products (RCP) program incorporates the Environmental Protection Agency (EPA) ENERGY STAR categories of consumer appliances, select building products, and some energy-saving items not included by the EPA. The largest savings elements of the RCP program come from recycling older refrigerators, dehumidifiers, and freezers.

Consumers can purchase products at a local retailer, online at the RI Energy Marketplace, or through any online retailer (if the product meets product specifications, and there is a receipt). The RI Energy Marketplace is a streamlined portal through which customers can buy efficient products with the rebate already applied, eliminating the need for the customer to apply for the rebate post-sale. Most products on the Marketplace are ones that can be installed by the customer. In some instances, products on the Marketplace are not incentivized. However, Rhode Island Energy lists these products on the Marketplace to provide pre-vetted

products to narrow down the selection for consumers and help them avoid potentially unreliable or untested products available through other online retailers.

#### **Residential New Construction**

In 2024, the Residential New Construction program achieved 10,324net lifetime MWh of electric savings (79% of target) and 57,303 net lifetime MMBtu of gas savings (98% of target).

The Residential New Construction (RNC) program offers financial incentives and no-cost education, training and technical support to builders and homeowners to promote the construction of high performing energy-efficient single family, multifamily and income eligible homes. The program helps residential new construction and major renovation projects meet high energy performance standards and provides education and training support to builders, designers, tradespeople, and code officials.

#### Home Energy Reports (HER) Program

In 2024, The Home Energy Reports program achieved 25,932net lifetime MWh of electric savings (107% of target) and 106,308 net lifetime MMBtu of gas savings (116% of target).

The Home Energy Reports (HER) program is a statewide energy efficiency offering that provides benefits for Rhode Island residential customers through the mailing and emailing of customer-specific energy usage reports and insights. While over 300,000 customers receive home energy reports (i.e., the treatment group) by way of direct mail and/or e-mail, all account holders have access to insights into their energy consumption via the web tools located on Rhode Island Energy's website. The program has evolved since 2013 from offering only mailed insights to now being integrated into Rhode Island Energy's website with online assessment tools, sending Non-Advanced Metering Infrastructure (AMI) High Usage Alerts, and utilizing segmentation to target different populations with relevant messaging.

### **INCOME ELIGIBLE SERVICES**

## In 2024, the Income Eligible Services Program achieved 41,100 net lifetime MWh of electric savings (88.5% of target) and 322,751 net lifetime MMBtu of gas savings (94.5% of target).

#### Income Eligible Single Family

The Income Eligible Services (IES) Program offers home energy assessments, weatherization services, appliance, and heating system replacements with no customer cost to qualified single-family customers. Customers who qualify for the A-60 rate or for the Low-Income Home Energy Assistance Program (LIHEAP) are eligible to receive all services and equipment upgrades at no cost. The IES Program's services are delivered by local Community Action Program (CAP) agencies who coordinate with outside contractors that perform heating system and appliance replacements and weatherization installations with oversight provided by a lead vendor.

#### Income Eligible Multifamily

The Income Eligible Multifamily Program offers comprehensive energy services for multifamily customers that also meet the criteria for "income eligible" as defined in Attachment 1 Residential and IES Programs, Section 4. Multifamily. These services include energy assessments, incentives for heating and domestic hot water systems, air source heat pumps, cooling equipment, water savings installations and thermostats. Typically, there are no costs to the customer for these services as most income eligible upgrades are covered at 100 percent.

# **COMMERCIAL, INDUSTRIAL & PUBLIC PROGRAMS**

Commercial and Industrial (C&I) programs drive the implementation of energy efficiency projects that minimize or reduce energy consumption and help Rhode Island businesses, industries, institutions, and government agencies save on their utility bills. Energy efficiency programs also help C&I customers reduce their operations and maintenance (O&M) costs, meet corporate sustainability goals, improve indoor air quality, and protect the environment by reducing greenhouse gas emissions and other air pollutants. Rhode Island Energy's C&I programs offer incentives, rebates, financing, and technical assistance to customers across the state who want to save money and reduce their building's overall energy consumption footprint.

Rhode Island Energy offers four Commercial and Industrial (C&I) energy efficiency programs. Depending on a customer's energy consumption and demand, they could be eligible to participate in one or more of the following programs.

#### Large C&I New Construction Program

In 2024, the C&I New Construction program achieved 126,976 net lifetime MWh of electric savings (81% of target) and 689,302 net lifetime MMBtu of gas savings (96% of target).

The New Construction Program offers financial incentives and technical assistance to customers, design professionals, developers, and vendors to encourage energy efficiency in new construction, major renovation, planned replacement of aging equipment, and replacement of failed equipment projects.

Through the program, design professionals are eligible to receive technical assistance to conduct energy modeling and analysis for new construction projects. Owner's design teams are offered incentives for their time and effort to meet program requirements. The program promotes and incentivizes the installation of high efficiency equipment in existing facilities during remodeling projects or for equipment failure and replacement. Since customers are more likely to install energy-efficient equipment at the time of construction or equipment replacement, the program offers incentives to ensure customers make the investment immediately rather than doing so at a greater cost later.

#### Large C&I Retrofit Program

## In 2024, the Large C&I Retrofit program achieved 259,740 net lifetime MWh of electric savings (106% of target) and 691,972 net lifetime MMBtu of gas savings (68% of target).

All commercial, industrial, and institutional customers are eligible to participate in the Retrofit Program. The program incentivizes the replacement of existing equipment and systems with high efficiency alternatives such as lighting, HVAC systems, motors, thermal envelope measures and custom measures in existing buildings. Technical assistance is offered to customers to help them identify energy-saving opportunities.

The program's Incentives help C&I customers to defray part of the material and labor costs associated with the installation of energy efficiency measures. In addition, Rhode Island Energy offers education and training, such as the Builder Operator Certification training, to support the adoption of energy-efficient equipment and practices.

#### Small Business Direct Install Program

#### In 2024, the Small Business Direct Install program achieved 47,842 net lifetime MWh of electric savings (83% of target) and 82,957net lifetime MMBtu of gas savings (64% of target).

The Small Business Program is a retrofit offering that provides turn-key efficiency solutions to customers who use less than 1.5 million kWh per year. Through the program, a free on-site energy assessment is performed, and customers receive a customized report detailing recommended energy-efficient improvements.

From local pizzerias to small convenience stores, the Small Business Program serves mall businesses of all customer types, buildings, and sizes. The program pays up to 70 percent of installation and equipment costs. Provided funds are available, customers can finance the remaining costs of the project for up to 60 months (typically 24) interest free on their electric bill using the Small Business Revolving Loan Fund.

#### C&I Multifamily

#### In 2024, the C&I Multifamily program achieved 47,842 net lifetime MWh of electric savings (83% of target) and 82,957net lifetime MMBtu of gas savings (64% of target).

The C&I Multifamily Program provides comprehensive efficiency services for market-rate multifamily customers who reside in buildings with 5+ dwelling units. These coordinated services include energy assessments and incentives for weatherization and the replacement of heating and domestic hot water equipment and systems. The program's services are offered for all types of multifamily properties.

To streamline the delivery of program services, Rhode Island Energy designates a primary point of contact for the multifamily property who will manage and coordinate the services offered. The measures and services are offered through Rhode Island Energy's existing Energy Efficiency Portfolio of C&I programs (C&I Retrofit) and Residential programs (EnergyWise, Income Eligible, Residential New Construction and ENERGY STAR® HVAC).

#### **Midstream Initiative**

The Midstream Initiative, while not a standalone program, contributes to the savings of the Retrofit and New Construction Programs. These initiatives provide instant discounts to customers on qualified high-efficiency products—such as luminaires, kitchen equipment, water heaters, and HVAC systems—through participating distributors. By offering discounts directly through distributors, Rhode Island Energy removes the need for customers to submit incentive applications, removing a participation barrier. The initiatives also lower the cost of energy-efficient products and encourage distributors to stock and promote these items. Savings and budget for the Midstream Lighting Initiative are included in the Retrofit Program, while the Midstream HVAC and Food Service Initiatives are part of the New Construction Program.

### OTHER PROGRAMS

#### Lead by Example: State and Municipal

The Lead by Example (LBE) program supports Rhode Island's entire public sector in reducing energy use, cutting fossil fuel consumption, and transitioning to clean, low-carbon energy solutions. Managed by the Office of Energy Resources, the program provides technical assistance, procurement and project management support, and funding to improve building performance, electrify systems, install renewable energy, and expand electric vehicle infrastructure. Lead by Example efforts are meant to serve as a model for businesses, organizations, and communities across the state to work toward a clean, affordable, reliable, and equitable energy future.

In May 2023, Governor Daniel McKee issued an updated <u>Executive Order</u><sup>2</sup> directing State agencies to 'Lead by Example and Act on Climate' and expanded the scope of the program to include explicit support for municipalities and public schools. The updated Executive Order provides new targets for State agencies to reach that are aligned with the Act on Climate. The Lead by Example initiative is also promoting interdepartmental cooperation, unlocking opportunities to invest in comprehensive energy efficiency and renewable measures that can reduce and stabilize public sector energy costs, shrink the government's carbon footprint, and support Rhode Island's burgeoning clean energy economy.

Commented [RS7]: OER to add 2024 highlights.

<sup>&</sup>lt;sup>2</sup> Available online at https://governor.ri.gov/executive-orders/executive-order-23-06

#### RI Agricultural Energy Program

Recognizing the vital role that farmers play in Rhode Island's economic and environmental framework, OER, in consultation with the Department of Environmental Management (DEM) aims to improve the accessibility of resources for farmers that will offset agricultural electric load through cost-saving energy efficiency measures and on-site renewable energy projects. Historically, farmers make use of older and traditional infrastructure, and often rely heavily on delivered fuels. These challenges have traditionally made agribusiness a hard-to-reach sector for standard energy efficiency and renewable energy programs.

The RI Agricultural Energy Program offers Rhode Island agribusinesses incentives for prescriptive energy efficiency measures. Program participants receive a free on-site energy assessment and a report detailing recommended energy-efficient improvements. Farmers or agribusiness owners can then choose to install any number of recommended electric or delivered fuels measures.

# COMMERCIAL, INDUSTRIAL & PUBLIC FINANCE

#### Large C&I Revolving Loan Fund

Through the electric large C&I revolving loan fund, Rhode Island Energy offered \$4.65 million through 532 loans in on-bill financing to 379 large commercial customers. At the end of 2023, the fund had a balance of \$12.86 million (including committed 2023 dollars). Through the gas large C&I revolving loan fund, Rhode Island Energy offered \$0.12 million through 18 loans to 13 large commercial customers. At the end of 2023, the fund had a balance of \$1.17 million (including committed 2023 dollars).

#### Small Business Revolving Loan Fund

All Small Business Direct Install program participants receive financing to cover 30% of project costs, either over 24 months at 0% interest or a lump sum payment with a 15% discount. Through the small business revolving loan fund, Rhode Island Energy offered \$0.69 million in loans to 427 small business customers. At the end of 2023, the fund had a balance of \$4.12 million.

## Efficient Buildings Fund (EBF)

Since 2015, Rhode Island Energy, the Rhode Island Office of Energy Resources (OER), and the Rhode Island Infrastructure Bank (RIIB) have been working together to leverage system benefit charge (SBC) funds and drive energy improvements in facilities in cities and towns across Rhode Island.

In 2024, the EBF partners approved projects in Providence, Narragansett, and Middletown to support efficiency improvements and solar installations. These projects will help these communities reduce both their energy costs and their emissions.

Since its inception, the EBF has supported 24 projects to municipalities, loaning out over \$75 million dollars to support a variety of energy efficiency and renewable energy projects. These will deliver approximately \$110 million in savings over the lifetime of the installed measures.

# Commercial Property Assessed Clean Energy (C-PACE)

Since the program was adopted in Rhode Island in 2015, 34 projects have been completed, totaling over \$115 million in energy efficiency and renewable energy for businesses. Outreach by the Rhode Island Infrastructure Bank and Rhode Island Energy will continue in 2025.

Commented [RS9]: To be updated by RIE.

Commented [RS8]: OER to add 2024 highlights.

# **INCENTIVES BY TOWN**

**Table 2.** Gas and Electric Energy Efficiency Incentives Provided to Residential, Income Eligible, and

 Commercial & Industrial Customers in 2024 through Rhode Island Energy Programs.

Rhode Island Energy Gas and Electric Energy Efficiency Incentives, Rebates, and Services Provided to Residential, Commercial and Industrial Customers in 2023 Barrington \$1,497,734 New Shoreham \$41,857 Bristol \$2,331,538 \$3,816,902 Newport \$803,592 \$4,939,950 Burrillville North Kingstown Central Falls \$1,707,487 North Providence \$1,767,844 North Smithfield Charlestown \$685*,*893 \$1,361,306 \$5,928,036 \$3,086,324 Coventry Pawtucket \$8,920,572 \$3,201,052 Cranston Portsmouth Cumberland \$2,855,952 Providence \$27,197,029 \$1,810,299 \$611,691 East Greenwich Richmond East Providence \$7,236,487 \$1,436,607 Scituate Exeter \$666,944 Smithfield \$2,285,022 South Kingstown Foster \$458,045 \$1,989,042 \$760,890 \$1,324,843 Glocester Tiverton \$417,583 \$883,010 Hopkinton Warren \$816,145 Warwick Jamestown \$9,238,526 \$5,295,013 \$906,603 Johnston West Greenwich \$4,709,009 \$2,690,775 Lincoln West Warwick Little Compton \$332,374 Westerly \$2,231,039 \$1,502,259 Middletown \$5,340,107 Woonsocket Narragansett \$4,246,795 Grand Total \$127,332,180

**Commented [RS10]:** To be updated by RIE. Include per capital number for easier comparison?

# **COUNCIL PUBLIC EDUCATION EFFORTS**

An important role of the Energy Efficiency Council (EEC) is to promote public awareness of energy efficiency programs and their benefits. The Council hosts and sponsors a variety of public events and initiatives that help Rhode Islanders understand and benefit from energy efficiency as the state works to achieve its energy and climate goals.

#### Energy Efficiency and Climate Public Awareness Campaign

In October 2024, the Council contracted with marketing firm PivotPath to launch a strategic, multi-channel digital campaign designed to broaden audience awareness and engagement of energy-saving programs for low-income households in Rhode Island.

This targeted initiative includes programmatic digital display ads and audio streaming content, supported by an integrated social media campaign that began on November 1. By implementing the campaign programmatically, we were able to serve ads to the exact audience we are trying to reach. That audience with the following characteristics: English and Spanish speaking Rhode Island residents A29-55, low to middle household income (HHI) less than \$69k, homeowners and renters, age of home over 20 years old.

Through this comprehensive approach, PivotPath aimed to extend the reach and impact of the RI EEC's efforts to educate residents on the benefits of energy efficiency, boost participation in energy efficiency programs, encourage behavior change to reduce energy consumption, direct traffic to a dedicated landing page that consolidates all program information in a single, easy-to-navigate format. The goal was to encourage visitors to take the next step by signing up for a home assessment and determining their eligibility for program participation.

For more information, see PivotPath's December 2024 Campaign Presentation

#### 2024 Plugged Into Energy Research Lecture Series at the University of Rhode Island

In 2024, the EEC once again sponsored the University of Rhode Island's Plugged Into Energy Research (PIER) Lecture Series. Since 2015, the PIER Lecture Series has highlighted cutting-edge research and outreach projects and engages industry experts to explore how a variety of energy-related topics may affect our daily lives in the future. The goal of the PIER lecture series is to increase literacy around energy topics of concern in Rhode Island. The Energy Efficiency Council invites all members of the public to join us this fall at the URI Kingston Campus or on livestream for this year's series.

The 2024 series included two lectures, held in-person and virtually, themed around *Comfortable, Healthy, and Cost-Effective: The Power of Home Energy Upgrades,* and emphasized the importance of energy efficiency in the transition to a low-carbon economy.

The first lecture was held on October 29, 2024 and was titled *Comfortable, Healthy, and Cost-Effective: The Power of Home Energy Upgrades.* This lecture provided a comprehensive overview of weatherization, from auditing and building science to improving indoor air quality and reducing your home energy costs. With a special focus on income-eligible programs, a panel of experts from CLEAResult, the Comprehensive Community Action Program (CCAP) and RI Energy explained what to expect during the weatherization process, and how to access low- to no-cost home energy efficiency programs available to all Rhode Islanders.

The second lecture was held on November 19, 2024 and was titled *Developing a Climate Strategy for Rhode Island: The Role of Energy Efficiency.* This lecture explored how Rhode Island can address the root causes of climate change while adapting to violent storms, hotter summers, and rising seas. A panel of Rhode Island experts working to reduce carbon emissions through energy-efficiency measures and improve infrastructure resilience in the face of climate change.

Commented [RS11]: Add summary of results.

Between the two events, there were a total of 160 in-person attendees and 203 livestream attendees, with an additional 416 YouTube views to date. Participants included members of the public, industry professionals, students, and university faculty and staff.

Lecture recordings can be found at: <u>https://web.uri.edu/coopext/plugged-into-energy-research-lecture-series/</u>.

#### Energy Efficiency Council Annual Public Forum

For the second year in a row, the University of Rhode Island (URI) Cooperative Extension partnered with the Energy Efficiency Council (EEC) to integrate the Council's annual public forum into the Rhode Island Department of Health's Health Equity Zone (HEZ) Learning Community event—taking a more targeted approach to engaging historically underserved communities. The HEZ Initiative aims to build a healthier, more resilient Rhode Island by investing in community capacity, honoring lived experience, and challenging systems that perpetuate inequities.

On July 29, 2024, URI Cooperative Extension, on behalf of the EEC, hosted a workshop during the full-day HEZ Learning Community event at Rhode Island College. The gathering brought together a diverse network of community-based organizations for shared learning, training, and technical assistance. This setting offered a valuable opportunity to engage with trusted messengers working directly in underrepresented communities and to raise awareness about how energy efficiency programs can support broader goals around housing affordability, health, and environmental justice.

At the event, URI introduced a new initiative: the *Efficient Housing for All* Community of Practice. The goal of this initiative is to build a roadmap to equitable energy efficiency, helping ensure that all Rhode Islanders can access programs that improve indoor air quality, reduce energy costs, and support healthier homes. The concept received enthusiastic support from community-based workers and local leaders alike. The Council looks forward to building on this momentum and continuing to support community-driven solutions that address equity gaps and reduce energy burden across Rhode Island.

#### Energy Expo at the Rhode Island Home Show

Since 2014, the EEC has sponsored the Energy Expo at the Rhode Island Home Show in partnership with the Rhode Island Builders Association, Rhode Island Energy, and the Rhode Island Office of Energy Resources. The Energy Expo connects Rhode Islanders with resources that can help them reduce energy usage, save money, and increase the comfort of their homes. At the Energy Expo, residents can interact with dozens of energy related companies, sign-up for a no-cost home energy assessment, attend energy seminars, and learn about clean energy programs available in Rhode Island. In 2024, the Home Show had over 16,000 attendees, 85% from Rhode Island and 15% from Massachusetts. 220 people signed up to received home energy assessments. Learn more at <a href="https://ribahomeshow.com/learn/">https://ribahomeshow.com/learn/</a>.

This year, the Home Show engaged over 850 students from 26 local Career and Technical Education schools to design and construct various elements of the show floor, including an energy efficient residential technologies demonstration. The Rhode Island Department of Education has approved this work-based learning and career exploration opportunity to satisfy internship requirements for graduation. This year's student-built demonstration included an insulation comparison, an air source heat pump, a hybrid hot water tank, electrical panel upgrades, smart technologies, electric vehicle charging, solar panels, and efficient lighting.

#### Farm Energy Outreach

Due to the volatile nature and seasonality of many farm businesses, keeping costs low is vital to their success. However, participation in the half-dozen available farm energy programs has remained relatively low in Commented [RS12]: To be updated.

Commented [RS13]: OER to update.

comparison with other small-scale programs. Conversations with stakeholders, energy program administrators, and Rhode Island Energy suggest low participation is due, in part, to a lack of knowledge of available programs.

In 2024, the EEC and the Office of Energy Resources co-funded a University of Rhode Island Energy Fellow from February through December to assist with outreach to the farm community regarding energy management. The Energy Fellow conducted outreach virtually through, email, attendance at farmer's markets, and one-on-one phone calls. The 2024 Energy Fellow focused on increasing awareness about thermal decarbonization options available to farmers, such as air source heat pumps and heat pump water heaters. She developed flyers to promote heat pump technologies through RI AgEP, and visited nearly every farmers market open in Rhode Island during the busy season.

These efforts were successful in engaging farmers for the Fall 2023 round, which saw the first heat pump applications come through the program. A video profile for Sweet and Salty Farm in Little Compton was written, filmed, and produced describing the benefits of several clean energy projects on the farm's operations and the programs utilized to implement that work. This video will be published to the OER website in 2023, along with the other Energy Profile Videos. These video profiles help supplement written energy projects to share the success stories of agribusinesses tackling clean energy projects. Social Media outreach was conducted through the program's growing online presence: Facebook and Instagram (@RIFarmEnergyResources).

#### Combined Heat and Power Public Meeting

On Thursday, June 6, 2024, the EEC hosted the Annual Rhode Island Combined Heat and Power (CHP) Stakeholder Meeting virtually. As a legislative mandate, this meeting gives stakeholders the opportunity to provide feedback on the state's CHP programs and policies. The meeting also serves to inform CHP developers and potential customers about program details and updates for the upcoming year. The meetings are timed to allow for any recommendations to be incorporated, as appropriate, into the Three-Year and Annual Energy Efficiency Program Plans.

Invitations were distributed to Rhode Island Energy's database of CHP vendors as well as past and potential program participants. The Rhode Island Office of Energy Resources also sent the invitation to a variety of contacts, including potential Efficient Buildings Fund borrowers as well as legislative, municipal, quasi, and school contacts. There were about 25 participants, the majority of which were CHP developers or vendors that provide related technical assistance or financing.

# **ENERGY JUSTICE & EQUITY EFFORTS**

The EEC remains committed to identifying and addressing systemic inequities within Rhode Island's energy efficiency programs. The Council works closely with Rhode Island Energy to drive structural change, shaping programs to better serve historically marginalized communities, dismantling barriers to participation, and ensuring that the benefits of energy efficiency are accessible by all Rhode Islanders.

#### EEC Efforts to Advance Equity in RI Energy Efficiency Programs

Energy justice and equity continue to be central themes in the Council's work. In 2024, the Council highlighted opportunities for making strides in this area by incorporating equity imperatives into its 2024 Policy Recommendations (p. 16) and its priorities for the 2025 Annual Energy Efficiency Program Plan (p. 18). Embedding equity into the design and delivery of all state energy programs is essential to ensuring that all Rhode Islanders—especially underserved communities—receive meaningful benefits. The Council's 2024 public awareness campaign focused on reaching income-eligible customers and Spanish-speaking communities.

Throughout the year, numerous Council public meetings included equity-focused agenda items, particularly as the Council provided ongoing input and oversight on Rhode Island Energy's development of an equity metrics tracking system. Additionally, through a strategic partnership with the University of Rhode Island Cooperative Extension, the Council has connected with a network of community-based workers through the Department of Health's Health Equity Zone initiative, further described below.

#### Efficient Housing for All Community of Practice

After two successful public forums integrated into the Department of Health's Health Equity Zone Community Learning Events, a new initiative has emerged. In 2024, EEC allocated funding to launch a new initiative in 2025: the Efficient Housing for All Community of Practice (EHACOP), led by the University of Rhode Island Cooperative Extension. This multi-stakeholder initiative will bring together experts in energy efficiency, public health, and community engagement to identify barriers and co-develop solutions that improve access to income-eligible home energy efficiency programs. Modeled on the Wenger-Trayner framework, the EHACoP will function as a collaborative learning network that shares knowledge, applies best practices, and drives action through regular, cross-sector interaction.

The initiative aims to increase participation among income-eligible households, enhance collaboration between community organizations and program administrators, and improve program design through evidence-based, community-driven strategies. It will also develop a centralized repository of resources and use evaluation tools to measure and communicate impact. Through strategic convening, knowledge-sharing, and the application of best practices, the EHACOP will work to reduce barriers and serve as a model for advancing energy equity in Rhode Island and beyond. The Council looks forward to sharing outcomes in next year's Annual Report.

#### Energy Efficiency Equity Working Group

Since 2021, Rhode Island Energy and the Office of Energy Resources (OER) have co-hosted a series of Equity Working Group (EWG) meetings, facilitated by the Green & Healthy Homes Initiative (GHHI). The EWG brings together a diverse group of stakeholders, including community-based organizations, advocacy groups, municipal and state entities, and DEI experts, to ensure Rhode Island's energy efficiency programs equitably serve residents and businesses. Through these ongoing conversations, the EWG provides the Company with specific recommendations, strategies, and performance metrics to guide the design and delivery of more inclusive and accessible energy efficiency programs.

Commented [RS14]: Add something about EEC participation / role?

In 2024, 47 stakeholders convened over a series of meetings to assess progress and shape the 2025 Annual Energy Efficiency Plan. Two key themes emerged from this year's discussions: the need for greater transparency and accountability, and the importance of increasing representation from community-based organizations and residents. Members emphasized improved metrics tracking, stronger community engagement, and focused workforce development strategies. Recommendations include removing participation barriers for underserved populations—such as LMI residents, multifamily households, small businesses, and those facing pre-weatherization issues—and investing in more equitable outreach, workforce development, and program delivery.

Rhode Island Energy has incorporated these priorities into its 2025 Plan, committing to focus on equitable marketing, community outreach and education, workforce development, and transparent equity metrics. By applying an equity lens, the Company seeks to identify and address systemic and institutional barriers that have historically limited access to its programs, ensuring all Rhode Islanders can benefit from energy efficiency opportunities.

Read the 2024 Rhode Island Energy Efficiency Equity Working Group Report here (link).

# PLANNING INITIATIVES

Comprehensive and coordinated planning is critical for Rhode Island as it faces urgent climate imperatives and evolving energy challenges. Because the least expensive energy is the energy not used, efficiency is the bedrock of a sustainable and resilient energy economy. Against the backdrop of the state's legislated mandates like Act on Climate, the Energy Efficiency Council offers strategic foresight and planning guidance to maximize energy savings through efficiency programs.

#### Three-Year Energy Efficiency Program Plan

As part of the legislated triennial process to develop Three-Year Energy Efficiency and System Reliability Plans, the EEC worked with Rhode Island Energy, the Office of Energy Resources, the Division of Public Utilities and Carriers, and other key stakeholders to develop the 2024-2026 Energy Efficiency Program Plan for Rhode Island. Rhode Island Energy filed the Three-Year Plan with the Public Utilities Commission on October 2, 2023. The purpose of this Three-Year Plan was to establish an overarching strategy for the next three years that will enable Rhode Island Energy to successfully meet the goals of Least Cost Procurement and meet the Energy Savings Targets developed by the EEC and approved by the Public Utilities Commission. The Three-Year Plan met the objectives of being cost-effective and less than the cost of supply, and is grounded in economics, flexible to changing market conditions, and designed to maximize consumer benefit. The Public Utilities Commission deferred its ruling on the Three-Year plan until a later date in 2024.

While the 2021-2023 Energy Efficiency Plan has guided the work of the annual plans for the past three years, work is already underway in 2023 to set the stage for the next three-year period of 2024-2026. An initial outline of the 2024-2026 plan was delivered to stakeholders on April 6<sup>th</sup> and the first draft is slated to be delivered in June. It is anticipated that the final draft of the 2024-2026 Plan will be considered by the Council in September with Rhode Island Energy filing the Plan in October.

### Annual Energy Efficiency Program Plan

In addition to the Three-Year plan, Annual Energy Efficiency Program Plans (Annual Plans) are developed by Rhode Island Energy with significant stakeholder input, including thorough review by the Energy Efficiency Council. These Annual Plans clearly define how the energy efficiency programs will be implemented and specify how the programs will be cost-effective. The Annual Plans are considered by the Council and are ultimately reviewed and ruled on by the PUC. Work on the 2025 Annual Plan is already underway and the Council expects to vote on it at its September 26, 2024 meeting prior to Rhode Island Energy filing it with the PUC by October 1, 2024.

#### System Reliability Procurement

As an electric and gas distribution company, Rhode Island Energy (RIE) owns and operates the electric and gas distribution systems. The electric distribution system is composed of the entirety of poles, wires, transformers, substations, and other infrastructure that supports delivering electricity to customers across Rhode Island. The gas distribution system is composed of the pipelines, gate stations, pumps, and other infrastructure required to move gas through the pipelines to the equipment that uses it. As customer needs change, generation evolves, and technology matures, RIE continually examines its electric and gas distribution systems to prioritize necessary investments for maintaining safe, affordable, reliable electricity and gas service.

System Reliability Procurement (SRP) is one process for investing in electric and gas distribution systems.<sup>3</sup> SRP encompasses the activities conducted by Rhode Island Energy to meet or mitigate a gas or

Commented [RS15]: To be updated.

<sup>&</sup>lt;sup>3</sup> System Reliability Procurement (SRP) is a statutory obligation of public utilities and carriers under RIGL 39-1-27.7 (commonly referred to as "Least-Cost Procurement"). The purpose of SRP within the overarching umbrella of least-

electric system need or optimization that provides the need or optimization by employing diverse energy resources, distributed generation, or demand response. Unlike RIE's direct ownership of, say, the poles and wires that make up our electric grid (called Utility Reliability Procurement), through SRP, RIE identifies targeted alternative solutions to certain distribution system needs that are instead owned by third-party vendors. These solutions are referred to as non-wires solutions and non-pipes solutions, which include both customer-side and network-side solutions and which must be cost-effective, reliable, prudent, environmentally responsible, and provide the path to lower supply and delivery costs to customers in Rhode Island.

In 2023, RIE aimed to complete its commitments described in the 2021-2023 System Reliability Procurement Three-Year Plan (SRP Plan). Importantly, RIE made substantial progress in institutionalizing a process for identifying opportunities for non-pipes solutions and carrying through with screening, scoping, soliciting, evaluating, proposing, and implementing. This full process is described in detail in the RIE's proposed 2024-2026 SRP Three-Year Plan, on file with the Rhode Island Public Utilities Commission in Docket No. 23-47-EE. Additional detail about RIE's activities in 2023 related to system reliability procurement, including assessment of non-wires solutions and advancements in non-pipes solution program development, can be found in RIE's 2024 System Reliability Procurement Year-End Report.

#### Act on Climate

The Act on Climate required that the RI Executive Climate Change Coordinating Council (EC4) provide an update on the state's greenhouse gas emissions reduction plan<sup>4</sup>, which was published December 15<sup>th</sup>, 2022. This report showed that as of 2019, the state's economy-wide emissions are estimated to be 10.82 MMTCo2e, 1.8 percent below 2016 emissions. Electric power consumption emissions decreased by 28 percent and industrial emissions decreased by 9.2 percent, but residential heating emissions increased by 13.5 percent and commercial heating emissions increased by 8.8 percent. This report identified energy efficiency as a priority action for reducing emissions from the electric sector and the next comprehensive emissions reduction plan will be published by the EC4 in 2025.

The next step in the implementation of the Act on Climate is the 2025 Climate Action Strategy, which is currently being developed in tandem with the <u>EPA's Climate Pollution Reduction Grant (CPRG) process</u>. The EEC is monitoring the process and intends to provide input on energy efficiency aspects of the plan.

#### State Energy Plan

Energy 2035: The Rhode Island State Energy Plan, formally adopted in October 2015, lays out a long-term, comprehensive energy strategy for Rhode Island. The vision of the Plan is to provide energy services across all sectors—electricity, thermal, and transportation—using a secure, cost- effective, and sustainable energy system. The Plan identifies energy efficiency as the state's "first fuel" and a centerpiece strategy for achieving the Rhode Island Energy 2035 Vision. The State Energy Plan identifies energy efficiency as the lowest-risk, lowest-cost, and arguably, the most sustainable energy resource available for Rhode Island. The Plan also lists Least-Cost Procurement as one of Rhode Island's cornerstone energy policies, and the primary vehicle for delivering the benefits of energy efficiency to Rhode Island consumers and businesses.

<sup>&</sup>quot;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" [RIGL 39-1-27.7(a)].

<sup>&</sup>lt;sup>4</sup> <u>https://climatechange.ri.gov/media/1261/download?language=en</u>

RI 2030<sup>5</sup> was released in 2021 as a working document of the State's priorities for the next decade. This plan identifies climate objectives including examining opportunities for a renewable thermal standard, replacing fossil fuel electricity generation with renewable resources, and continuing investment in energy efficiency as a foundational climate strategy.

To achieve the objectives of these plans and the Act on Climate, the Energy Efficiency and Resource Management Council is working closely with the Office of Energy Resources and the EC4 to ensure that Rhode Island's energy efficiency programs continue to provide a strong foundation for the necessary energy demand reduction.

<sup>5</sup> https://ri2030.com/\_files/public/RI 2030\_final.pdf