

**2026 Energy Efficiency Plan
Memorandum and Outline
April 4, 2025**

Dear Energy Efficiency Technical Working Group Members and Energy Efficiency and Resource Management Council members,

Rhode Island Energy is providing stakeholders with this 2026 Energy Efficiency Plan Memorandum and Outline (“Memo”) to provide early insights regarding the high-level strategy and themes that Rhode Island Energy plans to address in the coming 2026 Annual Energy Efficiency Plan. This Memo highlights key elements of the forthcoming Annual Plan. This memo is a result of a series of internal conversations within the Customer Energy Management team as well as with other leadership across Rhode Island Energy and incorporates stakeholder feedback received to this point in the planning process.

This Memo is not binding and should not be considered as a complete list of topics that will be addressed in the first draft of the Plan. Subject to further discussions with stakeholders and analysis during the planning process, content included here may be modified. In particular, this memo contains no information on quantitative elements of savings, benefits, budgets, cost of supply or bill impacts because it is too early in the planning process to have any estimates of these for 2026 and, importantly, a key planning input, 2024 year-end performance data, is not yet final.

One note on the structure of the plan for 2026. Rhode Island Energy has deleted Attachment 8: Cross Program Summary. This attachment has essentially no content in recent years. Anything relevant to this topic will be found in Section 5 of the Main Plan Text, Coordination with Other Energy Policies and Programs.

Rhode Island Energy requests that reviewers provide any written input on the contents of this Memo by Friday, April 25, 2025.

Schedule of Key Planning Events

April	
04/04/25 (Fri)	2026 Annual Plan Outline Memo Due to EEC
04/17/25 (Thu)	Energy Efficiency Council Meeting
04/24/25 (Thu)	Technical Working Group Meeting
04/28/25 (Mon)	Equity Working Group Meeting
4/18/25 (Fri)	2026 Annual Plan Outline Memo Stakeholder Comment Period Ends
May	
05/15/25 (Thu)	Energy Efficiency Council Meeting
05/22/25 (Thu)	Technical Working Group Meeting
05/26/25 (Mon)	Equity Working Group Meeting
June	
06/20/25 (Fri)	1st Draft of 2025 Annual Plan Narrative and Numbers Due to EEC
06/23/25 (Mon)	Equity Working Group Meeting
6/26/25 (Thu)	Energy Efficiency Council Meeting
6/27/25 (Fri)	1st Draft of TRM to EEC
July	
07/07/25 (Mon)	First Draft Annual Plan Narrative/Numbers Stakeholder Comment Period Ends
7/14/25 (Mon)	Comments due on first draft of TRM
07/17/25 (Thu)	Energy Efficiency Council Meeting
07/25/25 (Thu)	Technical Working Group Meeting
07/28/25 (Mon)	Equity Working Group Meeting
August	
08/04/25 (Mon)	Second Draft of 2026 Annual EE Plan due to EEC (Narrative and Numbers)
08/04/25 (Mon)	First Draft of Equity Working Group Report to EEC C-Team
08/18/25 (Mon)	Second Draft 2026 Annual Plan Stakeholder Comment Period Ends
08/21/25 (Thu)	Energy Efficiency Council Meeting
08/28/25 (Thu)	Technical Working Group Meeting
08/25/28 (Fri)	Equity Working Group Meeting
September	
09/05/25 (Fri)	Final Draft 2026 annual plan sent to EEC (Narrative and Numbers)
09/05/25 (Fri)	Final Draft Equity Working Group Report sent to EEC
09/08/25 (Mon)	Final Draft BC Model for Annual Plan Sent to C-Team
09/11/25 (Thu)	Energy Efficiency Council Meeting
09/22/25 (Mon)	Equity Working Group Meeting
09/25/25 (Thu)	Energy Efficiency Council Meeting
09/26/25 (Fri)	Technical Working Group Meeting
October	
10/01/25 (Wed)	2025 Plan Filed with PUC
10/15/25 (Wed)	File TRM with PUC
10/15/25 (Wed)	Final TRM to C-Team

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2026 ANNUAL ENERGY EFFICIENCY PLAN OVERVIEW

INTRODUCTION

The 2026 Energy Efficiency Plan is for the third year of the 2024-2026 Three-Year Plan cycle. The 2025 planning cycle introduced several significant refinements to the planning process that will persist for 2026, including alternate cost of supply calculations and justifications of programs with net negative cost of supply. While we will continue to execute the core strategies laid out in that plan, this document highlights some of the areas where Rhode Island Energy will be approaching things differently in 2026. For elements of strategy or program design not addressed in this Memo, it can be assumed that, at this point, Rhode Island Energy anticipates no significant changes from what was planned in that area for 2025. Rhode Island Energy will continue to monitor the outcome of several key federal and state proceedings and adjust the 2026 Plan over the coming months to reflect any changes in the regulatory landscape.

THE PLANNING PROCESS

To develop the most comprehensive and relevant Plan for 2026, Rhode Island Energy intends to conduct a thorough and interactive planning process. Among the elements that will inform the 2026 Plan are:

- Electric and Gas Customer Bill Affordability is top of mind for customers, legislators, and regulators and will be a guiding principle in the planning process
- Feedback from customers and Rhode Island Energy program managers, account personnel, vendors, contractors, and other field implementation personnel
- Incorporation of the latest Evaluation, Measurement, and Verification (EM&V) Studies
- Analysis of recent program data
- Use of Avoided Costs from AESC 2024 for measure vintage 2026
- Active engagement with the Energy Efficiency Technical Working Group (TWG), Equity Working Group (EWG), and the Energy Efficiency Resource Management Council (EERMC) along with its consulting team to tap into their expertise and gather feedback
- New measures, if any, identified from Rhode Island Energy research or stakeholder input
- Changes to municipal, state, or federal policy, standards, or codes

Through incorporating this information, as well as its ongoing internal continuous improvement processes, Rhode Island Energy will refine its saving assumptions, measure lists, measure mix, and modelling approaches as appropriate. Specific to the measure mix for the coming year, using the information available, Rhode Island Energy will conduct a bottom-up planning exercise to determine how many of each measure to incentivize through the programs. In this exercise, Rhode Island Energy identifies measures that perform well on several metrics including, but not limited to, Rhode Island Test benefit-cost ratio, benefits (intrastate, without delivered fuels), and Cost to Achieve (total resource cost per net lifetime energy saved). Measures which perform well on all or most of these metrics will then be reviewed to determine where additional uptake is deemed feasible for 2026 relative to 2025. Similarly,

measures which do not perform well on these metrics are identified to determine if reductions are in order. Through this process, Rhode Island Energy seeks to lay out an achievable, affordable plan, while optimizing net benefits and Cost to Achieve.

While optimizing across several dimensions, as well as providing access to energy efficiency to a wide variety of market sectors and subsectors, Rhode Island Energy does not plan to concentrate all resources in promoting a few selected or the most cost-effective measures. At the same time, as part of this optimization exercise, not every eligible measure ends up included in the program year budget; however, if a project including that measure arises during the program year, it would receive an incentive, subject to program administrative decisions about available funding and progress towards goals.

Equity

Over the course of the 2024-2026 Three-Year Plan cycle, Rhode Island Energy has made strides in its equity programming. That is, ensuring that all Rhode Islanders – regardless of race, income, gender, ability, homeownership status, or other aspects of social status – can equally benefit from energy efficiency. A key north star in achieving this goal is engaging non-participants, including those in historically underserved communities, in our energy efficiency programs. To reach these non-participants, Rhode Island Energy has built relationships with community-based organizations, expanded multilingual and targeted marketing efforts, led education campaigns to reach renters and multifamily property-owners, offered enhanced incentives for micro-and-small businesses, and pursued several other efforts. In 2026, Rhode Island Energy plans to continue and scale these efforts with a heightened focus on measuring their effectiveness.

The 2026 Plan will focus on deepening understanding of how equity programming is impacting non-participants across Rhode Island communities. Rhode Island Energy, in collaboration with the Equity Working Group, developed metrics that it began tracking and reporting out in the second half of 2024. A key feature of these metrics is the ability to track energy efficiency program participation in census tracts that are defined by the U.S. Census Bureau. By using census tract level participation data, Rhode Island Energy can better ascertain where to target efforts and the effectiveness of existing strategies in these communities. This will allow Rhode Island Energy to better serve communities with low participation rates, such as environmental justice communities. Rhode Island Energy will work with the Equity Working Group to continue to review and refine metrics for adoption in the 2026 Plan.

The Equity Working Group (EWG) will also play a vital role, as it has in prior planning cycles, in establishing Rhode Island Energy's 2026 equity agenda. There are monthly EWG meetings scheduled throughout the planning cycle to generate recommendations on equity focus areas, strategies, and actions that Rhode Island Energy will consider in its 2026 Plan. These topic areas include:

- Community Outreach and Education
- Equitable Marketing Strategies
- Removing Participation Barriers

- Property owner and renter participation
- Pre-weatherization barriers
- Small business participation
- Language accessibility
- Financial barriers
- Equitable Workforce Development
- Energy Efficiency Metrics

Notably, these topic areas overlap with several of the Energy Efficiency and Resource Management Council's priority expectations. Rhode Island Energy will leverage discussions with the EWG, Council input, and Rhode Island Energy's program priorities and stakeholder interests to produce detailed strategies within each topic area.

A key activity Rhode Island Energy will pursue in 2026 is the scaling of its Residential Equity Outreach Assessment into an embedded program offering. This effort, approved as an Assessment in the 2025 plan, leverages community-based organizations to conduct targeted outreach and education to property owners and renters across the state. Given the early successes of this program in late 2024 and so far in 2025, Rhode Island Energy will evaluate options to expand and formalize this community outreach model in 2026.

Finally, in 2026 Rhode Island Energy will continue to strive for increased transparency on its equity strategies and outcomes. This includes continued reporting of metrics, challenges and successes in equity focus areas, and progress updates on adopted strategies.

Outside Funding

As described in the 2025 Annual Plan, Rhode Island Energy has been investigating potential sources of outside funding, specifically to help remediate barriers to weatherization. Despite current uncertainty regarding the availability of funding, Rhode Island Energy will continue to focus these efforts in 2025 and identify resources for 2026 programs, as available. Rhode Island Energy recently collaborated with the Green and Healthy Homes Initiative (GHHI) on its application to the Office of Energy Resources (OER) for Regional Greenhouse Gas Initiative (RGGI) funding to remediate pre-weatherization barriers. Its application is based upon a program RGGI is launching in New Jersey with funding from the New Jersey Board of Public Utilities. The GHHI application did not receive funding in this round.

Coordination with State and Federal Incentive Programs

Rhode Island Energy coordinated with OER over the course of its application and planning process for Inflation Reduction Act (IRA) funding. Despite uncertainty around the future of these programs, Rhode Island Energy will continue its ongoing engagement with OER in 2026 in search of ways to increase adoption of energy efficiency in Rhode Island.

Rhode Island Energy is also engaged with OER on its Clean Heat Rhode Island (CHRI) program. OER is currently planning to reopen the program in a limited fashion using RGGI funds. Rhode Island Energy has

an upcoming meeting with OER and the implementation vendor for the EnergyWise Single Family program to discuss data sharing. Rhode Island Energy will work to refer its program participants to OER for participation in CHRI.

Advanced Meter Functionality

The comprehensive data and interconnectedness facilitated by Advanced Meter Functionality (AMF) will enable targeted customer engagement and precise program management. That said, adequate AMF data to design and implement programs does not yet exist. Rhode Island Energy has begun installing AMF meters, with continual deployment expected to last throughout 2026. Though Rhode Island Energy will not present any specific applications of AMF in the 2026 Plan, 2025 and 2026 will focus on researching and considering how the efficiency program offerings can enhance the impact of AMF for program year 2027. Rhode Island Energy encourages stakeholders to provide input and experience around applications for AMF in the energy efficiency landscape.

Demonstrations, Pilots, & Assessments

Rhode Island Energy is conducting ongoing research into new opportunities for Demonstrations, Pilots, and Assessments (DPAs). The new DPA research and selection process, developed for the 2025 Annual Plan, will continue for 2026. Rhode Island Energy is currently reviewing studies from membership organizations, including ESource; the Electric Power Research Institute (EPRI); and the Consortium for Energy Efficiency (CEE). Among areas that Rhode Island Energy is preliminarily considering are:

- Refrigerant swap out demonstration
- Air-to-water heat pumps

Cost of Supply Justification

As required by RI PUC Order 25092 in Docket 23-35-EE, Rhode Island Energy developed rationale to support continued inclusion of programs in the portfolio that show a negative cost of supply compared to the cost of efficiency. The rationale was largely validated during the 2025 Plan Hearings (Docket 24-39-EE). Rhode Island Energy will approach this analysis as it did in the 2025 Plan with one change. Regulatory guidance received during hearings requested the inclusion of participant costs in the cost of supply calculation, and Rhode Island Energy will make this adjustment for the 2026 Plan. The analysis will be updated accordingly, and preliminary cost of supply calculations will be available for all programs in the first draft of the 2026 Plan. Program-specific justifications will be provided as needed.

Responding to EERMC Priorities

Rhode Island Energy has been engaged with the EERMC's Priorities development process. While the priorities have not yet been approved by the EERMC, Rhode Island Energy can address some of the Priorities that have clear support at this time.

Supporting the Goals of the Act on Climate

Rhode Island Energy is contributing to the development of the 2025 Climate Strategy and committed to discussions with the Executive Climate Change Coordinating Council (EC4) throughout the development of the 2026 EE Plan. The final EC4 approved 2025 Climate Strategy will not be available until December. Therefore, Rhode Island Energy will strive, to the degree possible, to incorporate its key elements into the 2026 EE Plan by the filing deadline.

Reducing Investment in Fossil Fuel Equipment and the Future of Gas Docket

The PUC Docket 22-01-NG Investigation into the Future of the Regulated Gas Distribution Business in Rhode Island is ongoing. It is expected the PUC will provide guidance in 2025 that may impact incentives for fossil fuel equipment. Rhode Island Energy will work internally and with stakeholders to incorporate, as appropriate, any outcomes from this docket that impact program design and delivery for 2026 in a timely manner.

Increase Participation in Underserved Communities

Please see the Equity Section above.

RESIDENTIAL PROGRAM FOCUS AREAS

For the 2026 Annual Plan, Rhode Island Energy will seek to further refine the Residential and Income Eligible programs to provide a streamlined, affordable ecosystem of measures and offerings for customers. The team will continue analysis to identify measures that perform well on several metrics, including net benefits and cost to achieve, to continue to optimize programs and measures. The intended outcome will be to close out 2026 with overall higher than average achieved savings and net benefits at a level (inflation-adjusted), and possibly even lower than average, cost to achieve.

Some notable areas of focus and continued emphasis for the 2026 Plan will be the following:

- **Weatherization**: Weatherization (insulation and air-sealing) is fundamental and foundational to energy efficiency. It should be noted that due to the long measure life of weatherization, limited housing stock in RI, and our many years in the market providing these measures, there is a dwindling pool of available opportunity, which does make it more challenging to hit the same levels of savings at a level cost. Despite these challenges, Rhode Island Energy will continue to focus on weatherization, with a preliminary goal of delivering more weatherization savings than the recent average (e.g., relative to 2022-2024).
- **Heat Pumps**: Rhode Island Energy will continue to promote heat pump technology, measures, and offerings to our customers, with a focus on the replacement of electric resistance heat (ERH) with heat pumps (HP) for both space and water heating. Rhode Island Energy intends to increase the planned quantities of heat pump water heaters in the programs. The 2026 planning for heat pumps also includes consideration of the potential impacts of a new lower Global Warming Potential (GWP) refrigerant replacing R-410A, and the multi-state New England Heat

Pump Accelerator.¹ As noted in the Demonstrations, Pilots, and Assessments section above, Rhode Island Energy also intends to explore air-to-water heat pump technology in 2026.

- Additional Items: For the 2026 plan, as in years past, the team will conduct general program review and refinement. This includes reviewing the total resource cost (TRC) of measures, comparing similar measures among programs for alignment and consistency, and updating end-use measure categories (facilitating reporting and analysis in rolled-up formats more conducive to stakeholder engagement). In addition, the team is considering updates to Attachment 1 of the plan (“Annual Plan Attachment 1: Residential and Income Eligible Energy Efficiency Solutions and Programs”), such as including a program’s measures in the program.

COMMERCIAL & INDUSTRIAL FOCUS AREAS

Rhode Island Energy does not anticipate significant changes to Commercial & Industrial (C&I) Programs in 2026. Rhode Island Energy will align program budgets and measure mixes based on 2024 actual results. As was the case with the 2025 Plan, where budgets were reduced in support of the Act on Climate goals and to reflect the adoption of the 2024 International Energy Conservation Code (IECC2024), Rhode Island Energy expects additional reductions to natural gas program budgets in 2026.

Rhode Island Energy is aware of two CHP projects, each greater than 1 MW, that may be installed and operating in 2026 and which are discussed below. Rhode Island Energy is considering how to address the budget and savings for these two projects for the Plan given uncertainty about the timelines for these projects.

The C&I Team continues its focus on streamlining processes, updating tools, and leveraging engagement channels for 2026. Other areas of focus in 2026 include:

- New Construction Programs updates to reflect the impacts of IECC2024.
- Outreach and engagement with micro-business customers which includes, but is not limited to, promoting the Small Business Program:
 - To organizations that engage with women and minority-owned businesses through emails and newsletters and providing these organizations with content to promote the program directly to their constituents
 - Through monthly emails to small business customers promoting Main Street campaigns as well as promoting heritages such as Hispanic Heritage Month (February), Women (March), and others throughout the year.
 - Sponsoring organizations including the Rhode Island Hispanic Chamber of Commerce and other organizations where the Small Business Program can be promoted to organization members.

¹ [New England Heat Pump Accelerator](#)

- “Raise the volume” by promoting the above messaging through social media postings (e.g. LinkedIn)
- Continue to drive energy savings from Building Analytics Program participants by attending meetings with the customers and the Building Analytic Programs vendors to identify new energy measures in the buildings while also promoting the Program to new participants.
- Expand the Customer Directed Option (CDO) through active recruitment and outreach to contractors who are not participating in the Small Business program. This will both expand the pool of participating vendors and diversify measures implemented through the program.
- Provide support and training for community-based organizations and other non-utility organizations seeking to communicate small business offerings to their respective communities and organizations.
- Continue marketing to Rhode Island Energy business customers, including webinars on topics such as energy management systems, building analytics, and promoting the New Construction Program.

Combined Heat and Power (CHP) Projects

By their very nature, CHP projects require long sales cycles, have an unusual degree of implementation and other project uncertainties, and are frequently individually large enough that specific project risk cannot be managed through a portfolio approach. As such, Rhode Island Energy will include best estimates of two anticipated CHP projects within the 2026 annual savings goals and budgets. Both projects are expected to trigger the Notification Process² and Rhode Island Energy intends to discuss these projects with the Division and EERMC prior to the 2026 Plan filing.

The table below presents preliminary savings and incentive information for the two CHP projects. The projects are currently in different design stages and therefore have different levels of risk and uncertainty. The 7 MW project has a completed technical assistance study from several years ago that is now being updated to reflect changes to energy modeling inputs and outputs and project cost information. The other project is in the very earliest stages of scoping and is subject to design modifications that are expected to impact the size of the CHP unit(s), savings estimates, and potential incentive payments. Additionally, both projects may encounter interconnection, engineering, or implementation challenges that could prevent or delay the installation of the CHP projects. Incentives are preliminary and estimated based on the current \$600/kW; the timing and distribution of incentive payments in 2026 or 2027 will depend on project development and commissioning timelines as well as factors, such as those listed above, that could delay projects of this size and complexity.

² RIPUC Docket No. 24-39-EE 2025 Annual Energy Efficiency Plan, Attachment 2, Pages 30 of 61, BATES 235.

Estimated Size	Savings Estimate (gross MWh)	Estimated Incentive
7MW	17,000 MWh	\$4.2M
6MW	Not Available	\$3.6M

OUTLINE STRUCTURE OF 2026 PLAN

When reviewing this Outline, please note that the structure of the outline below is based on the 2025 Annual Plan. In general, Rhode Island Energy does not expect any major changes to Plan outline or organization,³ though it may be refined and consolidated for a more readable and accessible final document.

1. Introduction
 - 1.1. Executive Summary
 - 1.2. Plan Summary
 - 1.3. The Planning Process
 - 1.4. How to Read This Plan
2. Strategies and Approaches to Planning
 - 2.1. Strategic Overview of Programs and Priorities
 - 2.2. Principles of Program Design
 - 2.3. Residential Programs and Income Eligible Programs
 - 2.4. Commercial and Industrial Programs
 - 2.5. Multi-year Strategies
 - 2.6. Cross-Cutting Programs
3. Pilots, Demonstrations and Assessments
 - 3.1. Demonstrations
 - 3.2. Pilots
 - 3.3. Assessments
 - 3.4. 2025 Demonstrations, Pilots and Assessments
4. Evaluation, Measurement and Verification Plan
5. Coordination with Other Energy Policies and Programs
 - 5.1. System Reliability Procurement
 - 5.2. Advanced Metering Functionality and Grid Modernization
 - 5.3. 2021 Act on Climate
 - 5.4. Coordination with State and Federal Incentive Programs
 - 5.5. New Codes and Standards
 - 5.6. Future of Gas
6. Consistency with Standards
 - 6.1. Least Cost Procurement Law and Standards
 - 6.2. Cost Effectiveness
 - 6.3. Reliability
 - 6.4. Prudence
 - 6.5. Environmentally Responsible
 - 6.6. Cost of Annual Plan Compared to the Cost of Energy Supply
7. Savings Goals
 - 7.1. Savings Goals

³ Rhode Island Energy is proposing discontinuation of Attachment 8, “Cross-Program Summary,” from the 2025 Plan as it has become redundant with Section 5 of the Plan, “Coordination with Other Energy Policies and Programs.”

- 7.2. Annual Plan Compared to the Three-Year Plan
- 7.3. Comparison of 2025 Goals with Proposed EEC Targets
- 7.4. Analysis of Total Rhode Island Energy Efficiency
- 8. Funding Plan and Budgets
 - 8.1. Budgets
 - 8.2. Funding Plan
- 9. Performance Incentive Plan
 - 9.1. Future Performance Metrics
- 10. Advancing Docket 4600 Principles and Goals
- 11. Conclusion
- 12. Miscellaneous Provisions
- 13. Reporting Requirements
- 14. Requested Rulings

ATTACHMENTS

- Annual Plan Attachment 1. Residential and Income Eligible Energy Efficiency Solutions and Programs
- Annual Plan Attachment 2. Commercial and Industrial Energy Efficiency Solutions and Programs
- Annual Plan Attachment 3. Evaluation, Measurement & Verification Plan
- Annual Plan Attachment 4. Rhode Island Benefit Cost Test Description
- Annual Plan Attachment 5 and Attachment 6. Electric and Gas Energy Efficiency Program Tables
- Annual Plan Attachment 7. Pilots, Demonstrations & Assessments
- Annual Plan Attachment 8. Definitions
- Annual Plan Attachment 9. Equity Working Group Report