

MEMO

CONSULTANT TEAM

TO: Rhode Island Energy
FROM: EEC Consultant Team
CC: Energy Efficiency Council and Office of Energy Resources
DATE: July 11, 2025
RE: Comments on the First Draft of the 2026 Annual Energy Efficiency Plan



I. INTRODUCTION

This memo provides a summary of comments provided by the Consultant Team (C-Team) on the first draft of the 2026 Annual Energy Efficiency Plan (the Plan) submitted by Rhode Island Energy (the Company). While we have reviewed quantitative elements of the Plan and provided feedback on those to the Company, the majority of this document reflects our review on the narrative components of the Plan. Our review identifies several areas where the draft plan could be strengthened to better align with the Council's and many stakeholders priorities, including but not limited to efficient use of program budgets, the State's climate mandates, and equity considerations.

This memo is organized to largely mirror the structure of the draft plan, with comments grouped by major sections:

- **Main Text:** Including plan summary, planning strategies, equity, workforce development, and outreach.
- **Residential Programs:** Covering cross-cutting issues, market rate and income eligible single- and multi-family programs, HVAC, efficiency products, and new construction.
- **Commercial & Industrial Programs:** Addresses program organization, custom pathways, lighting strategies, and sector-specific equity considerations.
- **Evaluation, Measurement and Verification (EM&V):** Focused on planned studies and integration of past evaluation findings.

For each section we highlight our concerns and include *specific recommendations* aimed at improving both clarity of the program design as well as strategies that may lead to more effective program implementation.

We look forward to continued collaboration with the Company and other stakeholders engaged in the Plan development process to ensure that it delivers meaningful benefits to all Rhode Islanders.

II. MAIN TEXT

PLAN SUMMARY

Metrics & Visualization

Improve clarity and comparability of data through consistent metrics and visual aids.

- ***Recommendation:*** Portfolio savings are presented in different units (e.g. MWh for electric, MMBtu for gas and delivered fuels), which makes assessing the overall impact of the portfolio

across fuel types challenging. This could be addressed by including a single sentence that provides readers with the all-fuel impact of the programs.

- **Recommendation:** Include easy-to-digest graphics such as a pie chart that shows the distribution of all-fuel savings and benefits by fuel type (i.e. electric, gas, oil, propane) and sector (i.e. residential market rate, income eligible, and commercial and industrial).

Economic Benefits & RI Test

Reevaluate how economic development benefits are treated in cost-effectiveness testing. For several years now, the economic development benefits from the program have been excluded from the primary view of the RI Test due to valid concerns about potential double-counting of benefits. The current method of presenting these benefits alongside but entirely separate from the RI Test was a result of there not being a better method available at the time. We continue to recommend that it would be in the better spirit of the RI Test to include a non-zero amount of economic development benefits in the primary cost-effectiveness test that is sufficiently conservative to avoid issues of double-counting.

- **Recommendation:** Reopen dialogue with relevant stakeholders previously involved in the decision to find a commonly accepted method of including some non-zero amount of economic development benefits in the RI Test. If unable to do for the 2026 Plan, commit to doing so in time to be addressed and utilized in the next Three-Year Plan for 2027-2029.
- **Recommendation:** If an agreement can be made during Plan development this year, include outcomes (i.e. some non-zero amount of economic benefits in the RI Test) in the 2026 Plan.

STRATEGIES AND APPROACHES TO PLANNING

This section includes language that builds on language originally included in the 2024-2026 Energy Efficiency Plan and suggests that the 2026 Plan accelerates energy efficiency of Rhode Island homes and businesses. This statement runs counter to the fact that the 2026 Plan proposes a significant scaling back of savings goals and budgets.

- **Recommendation:** Adjust language to better align with the reality of what the 2026 Plan is proposing from a savings and spending perspective.

EQUITY

We have organized our equity-related comments into six categories. For each category, we include a brief sentence of why it matters along with any recommendation(s) we are providing.

Equity Integration Across Programs – Embedding equity into each individual program ensures that underserved populations are not just considered in broad strokes but are actively and effectively reached through tailored strategies. Without program-specific equity content and commitments, efforts risk being too generic to drive meaningful change.

- **Recommendation:** Clearly articulate how equity strategies will be implemented in the write-up of each program. This could be included in both program descriptions in Attachments 1 and 2 and as a table in the Main Text.

Equity Metrics and Data Tracking – Metrics are essential for accountability and continuous improvement. Tracking beyond participation is helpful to understand the depth of impact (e.g. energy savings per participant) being achieved.

- **Recommendation:** Track and report energy savings per participant, especially in Environmental Justice Communities.
- **Recommendation:** For metrics that are already being tracked and reported (or for those that might be stood up), include denominators (e.g. total eligible customers) to calculate and better understand participation rates.
- **Recommendation:** Add workforce development metrics, including diversity indicators.

Equity Working Group (EWG) Timing and Impact – The EWG plays a central role in shaping strategies that will ultimately be utilized in advancing equitable design and delivery of the energy efficiency programs. If its recommendations are delivered too late in the planning cycle, they cannot meaningfully influence program design. The process and timing for the EWG report has certainly improved in past years and is now typically available during plan development, however, that does not mean there isn't room for improvement.

- **Recommendation:** Align the EWG's reporting timeline with the planning cycle so that recommendations are available prior to the development of the first draft of future plans.

Transparency and Reporting – Readily available data builds trust and allows more stakeholders involved in the process to assess progress towards equitable outcomes of the energy efficiency programs. Transparency also supports collaborative problem-solving and accountability.

- **Recommendation:** Include the results from 2024 equity metrics directly into Plan materials and provide a summary of what the data says. This will become more important and relevant as additional years' worth of metrics data becomes available.

Community Partnerships and Outreach – Community-based organizations are trusted messengers and essential partners in reaching underserved populations. Evaluating the effectiveness of these partnerships ensures resources are being used efficiently and effectively.

- **Recommendation:** Evaluate the effectiveness of partnerships like the Health Equity Zones (HES) and Efficient Housing for All Community of Practice.
- **Recommendation:** Expand on what the Company is learning from these partnerships and how it complements its own internal efforts.

Workforce Diversity – A diverse workforce ensures that the benefits of energy efficiency are shared equitably and that services are culturally and linguistically accessible to all communities.

- **Recommendation:** Add content on workforce diversity efforts, including support and expansion of minority and women-owned businesses (MWBs), hiring contractors from diverse communities and those who speak multiple languages, and prioritizing diversity in procurement processes.
- **Recommendation:** Include metrics to track workforce diversity.

WORKFORCE DEVELOPMENT

Similar to our equity comments, we have organized our workforce development-related comments into five categories. For each category, we include a brief sentence of why it matters along with any recommendation(s) we are providing.

Metrics and Evaluation – Metrics help to assess the effectiveness of workforce development investments or identify areas for improvement.

- **Recommendation:** Include workforce development metrics alongside planned activities, and clarify what metrics are being used to measure success (e.g. growth in number of contractors, training participants, etc.).
- **Recommendation:** Report on how much of the workforce training budget was spent in prior plan years, and whether it was sufficient to accomplish the goals of the training activities planned.

Update Descriptions to Include Lessons Learned – Much of the content that describes workforce development activities remains largely (if not entirely) unchanged from what was included in past plans for the same activities. Reusing unchanged language from previous plans without updates may indicate a lack of progress or reflection on past efforts to inform those that are being proposed.

- **Recommendation:** Update language from the 2025 Plan to reflect progress, lessons learned, and any changes in strategy.
- **Recommendation:** Clarify whether initiatives like energy auditor recruitment and training have been successful or need new approaches.

Training Content and Scope – Proposed workforce training activities should be relevant, up-to-date, and aligned with evolving technologies and workforce needs.

- **Recommendation:** Include heat pump water heaters (HPWHs) in all relevant training programs.
- **Recommendation:** Expand training to include plumbers alongside HVAC contractors.
- **Recommendation:** Provide co-branded educational materials for contractors to share with customers.

Building Capacity for Community Action Partnership (CAP) Agencies – CAP Agencies are critical for serving income eligible customers, but many face staffing and capacity challenges.

- **Recommendation:** Consider new strategies for recruiting and retaining auditors if current efforts are falling short.

Youth and Pipeline Development – Engaging students and young professionals helps build a long-term, sustainable clean energy workforce.

- **Recommendation:** Highlight and expand efforts like the CCRI Industrial Assessment Center and Career & Technical Education (CTE) partnerships.
- **Recommendation:** Use inclusive language like “energy professionals” instead of “workers” to elevate the desirability of employment in this field.

PARTICIPATION AND OUTREACH

We have organized our participation and outreach-related comments into three categories. For each category, we include a brief sentence of why it matters along with any recommendation(s) we are providing.

Website Usability and Accessibility – The Company’s website is a primary access point for customers seeking information about energy efficiency programs. The Company overhauled its website in 2024 to improve navigability, readability, and accessibility. However, we still find that in some regards it can be difficult to navigate, which can discourage participation, especially among new or underserved customers. As an example, customers looking for information on low-income programs need to know to look in the “Assistance Programs” instead of the “Rebates and Savings Programs” section under the “Ways to Save” header.

- **Recommendation:** Improve the structure and navigation of program offering in a way that makes it easier for customers to find what they are looking for. One potential improvement would be to structure the design such that customers arriving at the site start with “residential” or “business” before being navigated to programs that are eligible to them. [MassSave.com](https://masssave.com) does a reasonably good job at this.
- **Recommendation:** Consider developing or adapting a mobile app to better serve younger mobile-first customers. This may apply more broadly to the Company at large where energy efficiency offerings are a part of the overall experience. We recognize that this is probably not something that would be directly funded by energy efficiency program dollars, but nonetheless energy efficiency programming could play a notable roll in driving the development of such a resource.

Public-Facing Data and Transparency – A public-facing dashboard would increase transparency, build trust, and allow stakeholders to track performance in near-real time. This feels particularly important during a recent period where the Company’s database transition efforts resulted in little-to-no availability of data that would otherwise be publicly accessible through its quarterly reports.

- **Recommendation:** The 2025 Plan included language around the development and hosting of a public facing data dashboard that would summarize key program metrics that would be updated monthly, and that would be developed with stakeholder input and launched in 2025. Since this has not yet happened, we recommend including language on this effort and plans to move forward and launch this previously promised dashboard in the future.

Social Media and Influencer Outreach – Social media influencers can help reach new audiences in a relatable and engaging way, especially amongst younger demographics. The text around this in the 2026 Plan has not been updated and still indicates plans to launch an effort that was originally contemplated for the 2024 Plan.

- **Recommendation:** Update the plan to reflect outcomes from efforts that were launched in 2024 and clarify how this strategy will be evolved for 2026 based on outcomes to-date.

COORDINATION WITH OTHER ENERGY POLICIES AND PROGRAMS

Advanced Metering Functionality (AMF) and Grid Modernization – AMF is foundational for future energy efficiency strategies and customer engagement and additional detail and commitments would benefit a better understanding of upcoming activities.

- **Recommendation:** Include breakdowns of meter installations by sector (e.g., residential vs. non-residential).
- **Recommendation:** Expand on what data analysis and customer segmentation will have occurred in 2025 and is expected to occur in 2026, and how they support future integration into energy efficiency programs.
- **Recommendation:** Commit to reporting research and rollout progress in Quarterly Reports.

Climate Policy Integration and Decarbonization Strategy – Integrating climate policy into the energy efficiency plan is essential for aligning utility actions with Rhode Island’s binding emissions reductions targets under the Act on Climate. As the State moves toward a decarbonized energy system, the Company’s role in supporting emissions reductions, affordability, and system reliability become increasingly important.

- **Recommendation:** Restore paragraphs from 2025 Plan that addressed resiliency benefits, which were previously supported by stakeholders.
- **Recommendation:** Reassess language suggesting energy efficiency increases rates and deters electrification.
- **Recommendation:** Consider all energy bills (not just electric and gas) when discussing affordability impacts.

Codes and Standards Updates – Accurate savings estimates and compliance with updated codes are important for program credibility and effectiveness. Rhode Island Energy has updated savings estimates for some measures to reflect new code baselines or to eliminate measures that are now considered to be required under the new code without clearly defining those impacts on program savings and/or budgets.

- **Recommendation:** Provide a summary of which measures were affected by the updates and the resulting changes in savings.

III. RESIDENTIAL PROGRAMS

CROSS-CUTTING

Marketing

The Marketing section of the Residential attachment is helpful to provide the high level pathways and insights into how messaging is coordinated across the Company’s residential programs broadly, however it does not provide specific details consistently throughout about how each of the programs themselves are marketed.

- **Recommendation:** In addition to the offerings, eligibility criteria, and implementation and delivery sections of each program, add a section on how each program is marketed.

Approach to Addressing Pre-Weatherization Barriers

Pre-Weatherization barriers and the Company's approach to addressing these is covered in some of the relevant programs, but not all. Even where covered, the level of detail varies.

- **Recommendation:** Ensure consistency in level of detail provided around pre-weatherization barriers in each of the EnergWise Single Family, Income Eligible, and Multifamily program narratives. Alternatively, include a dedicated section for pre-weatherization barriers that describes the Company's approach for each of the three program areas, what solutions are provided, and note any differences that might exist between said approach between the programs.

ENERGYWISE SINGLE FAMILY

HEAT Loan Terms and Conditions¹

The current structure of the HEAT Loan program, while effective in supporting energy efficiency upgrades, may be contributing to rising program costs—particularly due to the full interest rate buy-downs and broad eligibility criteria. As budgets tighten, there is a need to explore ways to maintain access to financing while improving cost-efficiency.

- **Recommendation:** Revisiting the terms and conditions of the HEAT Loan could offer a strategic opportunity to reduce overall program costs while maintaining access to financing for energy upgrades. For example, adjusting the interest rate buy-down structure—such as offering partial rather than full 0% financing or scaling incentives based on income—could help stretch limited budgets further. Additionally, refining eligible measures or prioritizing high-impact upgrades may improve cost-effectiveness without compromising customer participation or satisfaction.

Lead Vendor Reinspection Rate

Under the current program design, the Lead Vendor verifies the completion of all contracted work done by Independent Insulation Contractors (IICs). During the reinspection, the Lead Vendor also completes project close out tasks with the customer. Given that the Company also utilizes a third-party to QA/QC 5% of all assessments and weatherization projects, it raises the question about the need for the Lead Vendor to verify the completion of all projects.

- **Recommendation:** Consider reducing the number of reinspections – especially of jobs conducted by IICs that are well established and successful. This could help streamline the project closeout process, reduce program costs, and stretch the budget further. Understanding

¹ Providing this comment here, but generally applies to anywhere the HEAT Loan may be used (e.g. HVAC programs, others).

the average cost per project for the reinspection/close-out visits that the Lead Vendor currently conducts could shed light on the potential cost savings opportunity that might come from such a program design change.

Lead Vendor and IIC Management

The current performance management approach for the Lead Vendor and Independent Insulation Contractors (IICs) primarily focuses on production metrics, which may not fully capture the quality or impact of their work. This narrow focus could limit opportunities to drive improvements in customer experience, contractor accountability, and overall program effectiveness.

- **Recommendation:** Key Performance Indicators (KPIs) used by the Company to manage performance of the Lead Vendor and the IICs could be expanded to go beyond production metrics. Including measures such as customer satisfaction, QA/QC performance, call-backs, energy savings or other indications of performance may drive greater contractor performance. Taking this a step further, having some type of scorecard for the Lead Vendor and IICs that is tied to compensation, referrals, or future leads could be helpful in increasing program efficiency and performance, and thus potentially help address budget concerns.

Detail on Heat Pump Water Heater Inclusion

The 2026 Plan provides minimal detail regarding the inclusion of heat pump water heaters (HPWHs) in the EnergyWise Single Family program, leaving key aspects of the offering unclear. This lack of specificity may hinder customer understanding and uptake of the measure, as well as limit stakeholder confidence in the program's implementation strategy.

- **Recommendation:** Provide more detail in future drafts of the Plan to include, at minimum, how the offering will be presented and delivered to customers, and what types of customers will be eligible.

INCOME ELIGIBLE SINGLE FAMILY

Lead Vendor and CAP Management

Like EnergyWise Single Family, the current performance management approach for the Lead Vendor and the CAP Agencies primarily focuses on production metrics, which may not fully capture the quality or impact of their work. This narrow focus could limit opportunities to drive improvements in customer experience, contractor accountability, and overall program effectiveness.

- **Recommendation:** KPIs used by the Company to manage performance of the Lead Vendor and the CAP Agencies could be expanded to go beyond production metrics. Including measures such as customer satisfaction, QA/QC performance, call-backs, energy savings or other indications of performance may drive greater contractor performance. Taking this a step further, having some type of scorecard for the Lead Vendor and IICs that is tied to compensation, referrals, or future leads could be helpful in increasing program efficiency and performance, and thus potentially help address budget concerns.

Cost Management for Appliance Replacement

The Company is proposing to conduct a comprehensive review of appliances offered to income-eligible customers through its appliance replacement program with the goal of removing high-cost appliances from the list of items that are 100% subsidized. We support this effort, but would like to better understand the details and potential impact.

- **Recommendation:** Estimate the impact of these potential changes by evaluating data on frequency of customers selecting high-cost appliances that are expected to be removed and how much less expensive the options that will remain fully subsidized are.
- **Recommendation:** Define how the Company is defining “high cost”.

Electric Resistance to Heat Pump Conversions

The plan outlines some details around its efforts to target electric resistance heat to heat pump conversions, but does not include any detail on recent performance in this area and lacks detail on how these opportunities will be identified and marketed.

- **Recommendation:** Include a table that shows annual goals and actual conversions achieved to date for recent program years when this offering has existed.
- **Recommendation:** Provide more detail on how the Company identifies opportunities and how marketing efforts support customer enrollment.

Pre-Weatherization Barriers

The Company indicates that it is partnering with Green and Health Homes Initiative (GHH) on a proposal to leverage Regional Greenhouse Gas Initiative (RGGI) funds to address repairs in homes that have been deferred from weatherization, but provides little detail into this partnership or proposal.

- **Recommendation:** Provide significantly more detail in the next draft on this proposal, including but not limited to level of funding, expected impact, program details, and plans for evaluating offering performance.

MULTIFAMILY (ENERGYWISE AND INCOME ELIGIBLE)

Lead Vendor Management

Unlike EnergyWise and Income Eligible Programs, the Multifamily program narrative includes no detail on the Company’s performance management approach for the Lead Vendor delivering these programs.

- **Recommendation:** Include narrative similar to what is used in the EnergyWise and Income Eligible Single Family programs to convey to readers what the Company’s approach is to managing performance of its Lead Vendor.
- **Recommendation:** Consider KPIs that expand beyond production metrics. Including measures such as customer satisfaction, QA/QC performance, call-backs, energy savings or other indications of performance may drive greater contractor performance. Taking this a step further, having some type of scorecard for the Lead Vendor and IICs that is tied to

compensation, referrals, or future leads could be helpful in increasing program efficiency and performance, and thus potentially help address budget concerns.

Proposed Enhancements Lack Detail

Despite recent underperformance, the proposed plan offers little in the way of innovation to improve performance and better serve this customer segment. Some strategies such as offering energy benchmarking services to housing authorities and leveraging Rhode Island's landlord rental registry database are mentioned, but with little detail provided.

- **Recommendation:** Provide significantly more detail on planned enhancements and outreach strategies. Some other efforts to consider for recruitment include:
 - Landlord roundtables
 - Partnerships with contractors that service Multifamily properties, potentially including a finders' fee incentive
 - Determining when renovations or other project upgrades are planned and piggybacking energy upgrade services at that time
 - Partnerships with engineering and architectural firms that serve Multifamily properties to educate them on program benefits of participating

Prior Enhancements Removed from Plan

The 2025 Plan included a number of details about what the Company was intending to do to try to improve participation in this segment, most of which have been removed from the 2026 Plan.

- **Recommendation:** Reintroduce those items with information on what the Company did/didn't do and/or what is/isn't working so readers can better understand what the Company has already tested and what lessons it has learned.

RESIDENTIAL HIGH-EFFICIENCY HVAC AND HOT WATER

Support for New Natural Gas Equipment

The Plan proposes continuation of support for new gas equipment, including over \$1,000,000 in incentives for gas heating and hot water equipment. Given broad stakeholder interest in phasing out incentives for new gas combusting equipment along with added pressures on budgets this year, minimizing if not eliminating support for new gas equipment seems like a strategy that should be considered.

- **Recommendation:** Eliminate incentives for new gas combusting equipment and consider reallocating funds to other measures that save on existing gas usage.
- **Recommendation:** If incentives for new gas equipment is maintained the Company should restrict this to gas space and water heating incentives to homes where replaced/failed equipment was non-condensing (if this isn't already the case). There is very little reason to support replacement of failed/failing condensing equipment as customers are very unlikely to backslide to less efficient non-condensing equipment.

Online Marketplace²

The Plan proposes to continue the use of Rhode Island Energy's Online Marketplace to offer customers the ability to purchase instant discount rebates on energy efficient thermostats and water fixtures, among other available products. While we generally support the use of online marketplaces as an avenue to reach customers, we would like to better understand their cost and effectiveness. Since planning tools do not differentiate between products that go through traditional channels and those that go through the Online Marketplace, we don't have great insight into how effective Rhode Island Energy's Online Marketplace is.

- **Recommendation:** Provide detail in the Plan about the effectiveness of the Online Marketplace to both push energy savings products and to engage customers more broadly in the Company's other program offerings.
- **Recommendation:** Provide detail on the costs and benefits of the Online Marketplace so that readers can better understand the value proposition of the offering.

RESIDENTIAL EFFICIENT PRODUCTS

Potential Changes to ENERGY STAR

There is the very real potential that the ENERGY STAR program may be shut down as part of policy decisions being made at the Federal level which would likely have some impact on the product offerings included in this program. The Plan should acknowledge this possibility and outline any potential impacts it may have on plan implementation.

- **Recommendation:** Include language that acknowledges the possibility of ENERGY STAR shutting down, what impacts it may have on plan implementation, and contingency plans that may be needed

RESIDENTIAL NEW CONSTRUCTION

Shifting Programs to All-Electric

The Plan continues to include incentives and support for gas new construction projects. This is problematic given widespread stakeholder interest in shifting away from investments that maintain or indeed expand the natural gas system. Shifting to an all-electric new construction program would both help address stakeholder priorities related to the Act on Climate and could also potentially be a targeted method of reducing budgets.

- **Recommendation:** Include language in the plan that provides a roadmap for shifting to an all-electric New Construction program, including a clear and defined path that starts in 2026.

² Providing this comment here, but generally applies to anywhere the Online Marketplace is used (e.g. Residential Consumer Products program).

- **Recommendation:** Phase out or reduce incentives for homes using fossil fuels for space and water heating.

IECC Code Adoption

With the recent adoption of IECC 2024 in Rhode Island, it is surprising to see no changes in program narrative or implementation plans.

- **Recommendation:** Include language that discusses the impact of IECC 2024 code adoption on the new construction program, including at minimum considerations around measures and claimable savings that are impacted.
- **Recommendation:** Reintroduce and update, as necessary, language that as in 2025 Plan around monitoring and preparing for IECC code adoption and preparing the market to move to net zero energy as the construction standard in Rhode Island.

IV. COMMERCIAL & INDUSTRIAL PROGRAMS

ORGANIZATION OF C&I PROGRAM ATTACHMENT (ANNUAL PLAN ATTACHMENT 2)

C&I Plan Narrative Language and Organization

The organization of programs, initiatives, pathways, and delivery mechanisms in the Narrative is somewhat convoluted. Eligibility for different offerings overlaps, conflicts, and is sometimes illogical. Terminology is also used inconsistently throughout the text and the structure is full of contradictions. For example:

- Large C&I New Construction includes non-new construction projects
- Large C&I New Construction is open to all customers, not just large customers
- Midstream is listed as a program, initiative, offering, or process in various locations
- Midstream is housed within Large C&I New Construction, except for midstream lighting which is under Large Commercial Retrofit
- Large Commercial Retrofit Program is open to all customers, not just large customers
- Large Commercial Retrofit Program includes Industrial, even though the program name seems to exclude them
- Small Business Direct Install includes a non-DI pathway
- The Industrial Initiative also includes medium-sized commercial businesses
- Initiatives can be a wide array of things including a customer vertical market (restaurants), technology (street lighting), education (BOC training), or offering (SEMP).
- CHP is very unique, with huge costs, savings, and very specific rules and requirements. It does not seem appropriate to categorize it as an initiative.
- **Recommendation:** revise language throughout C&I Attachment to better clarify eligibility requirements and differentiate separate pathways/delivery mechanisms.

- **Recommendation:** Initiatives are cross cutting and are used to support existing programs and offerings, so they generate savings indirectly. Examples include Industrial, Grocery, Restaurants, BOC, Main Streets. A more efficient and logical way to organize the programs is tabulated below:

| Sector | Program | Offering |
|-------------------------|--------------------------|--|
| Commercial & Industrial | C&I New Construction | Energy Use Intensity / Zero Net Energy Ready |
| | | Streamlined/Systems |
| | C&I Retrofit | Prescriptive |
| | | Custom |
| | | ESPO |
| | | SEMP |
| | C&I Midstream | Lighting |
| | | HVAC |
| | | Food Service |
| | | Gas Water Heating |
| | Combined Heat & Power | CHP |
| | Small Business Solutions | Direct Install |
| | | Customer Directed |

CUSTOM C&I PATHWAY

Custom C&I Process Improvements

Findings from the recently completed Custom Pathway Process Evaluation suggest that participants are mostly satisfied with the custom process. The study found that most customers who receive technical assistance studies complete projects. In addition, study participants largely attributed participation in the Custom pathway to direct engagement and interaction with RIE staff. Despite fairly high participant satisfaction with the Custom process and conversion rates for customers who complete technical assistance studies, recent program underperformance and planned 2026 values indicate a need for significant performance improvements for the custom pathway.

- **Recommendation:** the Mass Save PAs completed a Custom Process Evaluation in 2024, integrated several recommendations into the 2025-2027 Plan, and began implementation of the 2025-2027 Plan. The C-Team recommends leveraging Massachusetts' Custom Process Evaluation and improvements to the Custom Process that were included in the 2025-2027 Plan, particularly as they relate to increasing savings from custom non-lighting measures.

C&I LIGHTING

Integrated Lighting Controls

Lighting controls are still very important in the transition away from traditional lighting. In terms of lifetime savings, Integrated Lighting Controls are the #2 measure in the Large C&I Retrofit program in the First Draft 2026 Annual Plan (10,437 Lifetime MWh or 2.6% of electric portfolio). The savings impact from integrated controls is actually larger since savings from upstream controls are embedded in/with luminaire savings.

- **Recommendation:** increased planned savings from integrated controls by at least double.

Multistate Lighting Plus Market Characterization Study Findings

The Company co-sponsored a multi-state study of lighting strategies for future programs. The report was published by DNV 5 months ago, called Lighting Plus Market Characterization. It aimed to, “assess the viability and potential savings of next-generation (NextGen) opportunities for LED products beyond legacy fluorescent to LED conversions.”

- **Recommendation:** include findings and recommendations from this study in the 2026 Plan: https://assets.focusonenergy.com/production/02-pdf/future-focus/LightingPLUS_Report_December-2024.pdf

Midstream Lighting Controls and Eligible Lighting Upgrades

It is critical that midstream lighting continues to push customers toward solutions with controls in 2026. In addition, RIE should seek to incentivize lighting upgrades that are not affected by the Mercury Ban.

- **Recommendation:** further differentiate incentive levels between lighting with and without controls in 2026.
- **Recommendation:** decouple lighting control savings from luminaires in preparation for 2027, as the programs will no longer incentivize traditional LED conversions
- **Recommendation:** add and expand lighting measures that are not impacted by the Mercury Ban, including LED-to-LED retrofits for early generation LED projects and LED-HVAC integration

Performance Lighting Initiative

This initiative has not produced anticipated results largely due to its complexity.

- **Recommendation:** consider removing this initiative and replacing it with a more streamlined approach. Instead, RIE should focus on priority measures (luminaire-level lighting controls, networked lighting controls), create easy-to-follow criteria (such as Design Lights Consortium-qualified and deploying at least three control strategies), establish easy to understand and quantify incentives, and offer it through Custom or Prescriptive pathways. Streamlining the initiative will then enable RIE to focus on marketing the offering itself.
 - See CT program as an example, page 2 on the following link: <https://energizect.com/media/16651/download?inline=1>

SMALL BUSINESS EQUITY METRICS

Small Business Equity Metrics

These metrics consist of the number of participants in the Small Business Direct Install program, disaggregated by Environmental Justice Community designation and annual energy consumption class. The Company reported in the June 2025 RI EE Equity Working Group Meeting that participation by microbusinesses (<100,000 annual kWh of electric consumption) “remains strong” because they comprised 76% of year-end 2024 small-business participants; however, this does not address the fact that microbusinesses represent nearly 92% of unique accounts eligible for the Small Business Direct Install program.

- **Recommendation:** report year-over-year changes in participation rate over time to better determine the effectiveness of equity-focused strategies for small businesses. The current metrics are less useful for making such determinations without assessing trends.
- **Recommendation:** include denominators for each equity metric (i.e., the number of total eligible customers within each community type/consumption category) to determine participation rates and assess how they change over time.

V. EVALUATION, MEASUREMENT AND VERIFICATION

Planned Evaluation Studies in 2026

Given potential concerns around program budgets, it is critical to ensure that evaluation studies planned for 2026 are of the highest and best use of funds. We understand that the list of planned studies is still preliminary at this stage, but more detail should be provided in future iterations around the decisions the Company is making about what evaluations it is or isn't pursuing.

- **Recommendation:** Document in the EM&V plan the process the Company took for selecting the studies it is planning on conducting in 2026, including a list of studies it would like to conduct but has left out of the plan for budgetary reasons.

Recent Evaluation Study Findings

The Plan does highlight recent evaluation study findings, but could benefit from more detail around specific recommendations from each study completed in the past calendar year or two, how recommendations are (or are not) being adopted by the Company and why. This is done to some extent, but could be improved to better connect recommendations – particularly those that are more process oriented (i.e. not savings impacts) – to program design.

- **Recommendation:** For each study completed in 2024 and 2025, include a table or summary that documents all recommendations made by each study completed, include a detailed description of how the Company is addressing the recommendations, where not addressing a recommendation include a description of why, and where adopting a recommendation, include a specific description of how it is being addressed.