2026 Commercial & Industrial Energy Efficiency Solutions and Programs

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1. Overview

The primary objective of Rhode Island Energy's Commercial and Industrial (C&I) programs is to 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 and government sustainability goals, improve indoor air quality, and protect the environment and comply with state law 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.

The state's C&I sector is diverse and complex; therefore, Rhode Island Energy has designed its energy efficiency programs to offer tailored solutions addressing the different subsectors and varying efficiency needs of building types and uses. Over the last decade, Rhode Island Energy has focused on a market sector approach for C&I customers. A customer's efficiency needs are shaped by the strategic and commercial pressures specific to their market sector, industry or communities served. Some C&I customers may need to improve the efficiency of their factory operations to maintain their competitive niche while others need to improve the comfort of customers through the installation of high efficiency heating, cooling, and ventilation (HVAC) systems. Rhode Island Energy offers a wide variety of customized solutions to empower customers to determine what energy efficiency measures or programs are the best fit for their needs. This process engages the C&I customer and often leads to more comprehensive projects with multiple energy efficiency measures.

Large C&I customers' facilities provide the greatest opportunities for cost-effective savings. Rhode Island Energy operates its Large C&I programs primarily through an account management approach where each account manager focuses on one or more industry vertical or market sector. By focusing on specific market sectors, Rhode Island Energy's account manager can identify the correct vertical initiatives (e.g., Grocery, Restaurant, Industry) that are supported by implementation vendors or through agreements, such as Strategic Energy Management Partnerships. These vertical initiatives enable Rhode Island Energy to tailor offerings to meet the specific needs of customers, identify and apply project learnings to customers in similar market sectors and facilities, and engage customers in energy efficiency. This customer-focused approach drives program participation and establishes a trusted relationship between Rhode Island Energy and customers.

For small business customers using less than 1.5 million kWh per year, Rhode Island Energy offers a direct install program providing turnkey services consisting of audits; reports summarizing the energy efficiency measures, Rhode Island Energy rebates and customer costs; simple, one-page contract; installation services provided by the implementation vendor's electricians; and financing. These services are provided by Rhode Island Energy's implementation vendor because these small business customers are often too busy to identify energy efficiency services in their buildings or operations. However, small business customers can choose to use their own vendor, but most vendors are not focused on delivering energy efficiency services to smaller businesses because of the relatively small project sizes. The installation of energy efficiency measures helps lower customers' energy bills while improving the ambiance, comfort and operations of the establishment.

Rhode Island Energy designed the Midstream channel to help all C&I customers, regardless of size, purchase qualifying high efficiency HVAC, hot water, lighting, and commercial kitchen equipment. This channel subsidizes measures to encourage distributors to stock, promote and sell high efficiency equipment.

This attachment provides detailed descriptions regarding Rhode Island Energy's C&I programs and how Rhode Island Energy plans to transform the 2026 Annual Plan's high-level goals and strategies into specific, concrete actions and activities for each C&I program. Rhode Island Energy provides these details for stakeholders, regulators and other interested parties so they can see the complex framework needed to integrate program implementation, incentive design, new standards and emerging technologies into flexible, innovative programs tailored to specific customer and building types.

1.1 What to Look for in 2026

In 2026, the last year of the current three-year plan, Rhode Island Energy intends to deliver the programs predominantly as delivered in 2025 while aligning the programs to reflect the actual savings achieved in 2024, the most recent full year of available data. However, Rhode Island Energy will continue to refine the current programs and services while also making several enhancements including:

- **LED Lighting**

  Rhode Island Energy will continue to offer incentives to accelerate the replacement of existing lighting fixtures with LEDs in 2026 while also planning for the discontinuation of incentives for non-controlled LEDs in 2027. In addition, Attachment 3 includes a study titled "C&I Opportunities Study" to identify the non-lighting custom and non-custom measures and end uses that Rhode Island Energy will be promoting to customers in 2027. While Rhode Island Energy expects to offer incentives for lighting controls, the removal of lighting incentives and their associated savings necessitates identifying how to increase the savings for other non-lighting end uses. This effort is expected to have consequences including, but not limited to, identifying new delivery channels and vendors, organizational changes, and reductions in program budgets and savings goals

- **Combined Heat and Power ("CHP") Updates**

  CHP Incentives: Rhode Island Energy is proposing reductions in CHP incentives, consistent with reductions to incentives in 2024 and 2025.

  Rebate Equity: In 2026, Rhode Island Energy is addressing an issue unique to rebates paid for CHP projects where a new facility with CHP receives a large rebate (e.g. greater than $1 million) but has not contributed into the Energy Efficiency Fund and future contributions to the Energy Efficiency Fund may be relatively small as compared to the initial CHP rebate. The proposal limits the customer's use of energy efficiency funds for a defined period.

  Projects in the Pipeline: Rhode Island Energy is aware of three potential CHP projects in the pipeline and has provided information below on these projects. Please note, the budgets and savings for these CHP projects are not included in the 2026 Plan.

- **Revised New Construction Energy Use Intensity Ranges**

  Rhode Island Energy will update its New Construction Energy Use Intensity ("EUI") ranges which determine the level of rebate offered to customers constructing new buildings. These "more efficient" ranges result in customers designing their buildings using more efficient electric and gas equipment in order to be eligible for the larger rebates available for Tier I buildings. In addition, Rhode Island Energy updated its New Construction Baseline document to reflect the revised Rhode Island building codes.

- **Building Energy Benchmarking**

  The implementation of these strategies -- which include the use of an energy benchmarking tool, identifying buildings with high energy use intensities, and then identifying energy efficiency

measures -- will support continued innovation and accelerate the efficiency of Rhode Island businesses, industries, institutions and government agencies. These strategies and planned activities reflect ideas and insights identified by Rhode Island Energy in collaboration with the Energy Efficiency Resource Management Council (EERMC) and its consulting team, the Office of Energy Resources (OER), and the Division of Public Utilities and Carriers (the Division), as well as customers, program vendors, and trade allies.

1.2 Commercial & Industrial Programs

In 2026, Rhode Island Energy will implement four C&I energy efficiency programs as shown in Table 1 below. These programs are designed to serve a number of different market sectors, customers, and building types. In addition, Table 1 includes a description of the Midstream Initiative which provides incentives through both the New Construction Program and Retrofit Program.

Table 1. Commercial and Industrial Programs

Commercial and Industrial New Construction
Commercial and Industrial Retrofit
Small Business Direct Install
C&I Multifamily Program

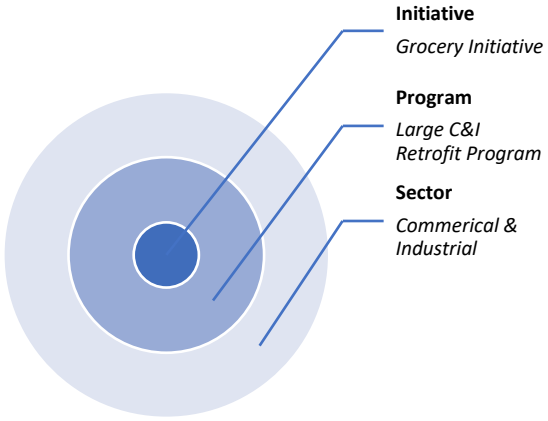
All C&I customers are eligible to participate in the Commercial and Industrial New Construction Program ("New Construction Program") and Large Commercial and Industrial Retrofit Program ("Retrofit Program"). However, eligibility for the Small Business Direct Install Program ("Small Business Program") is limited to customers using less than 1.5 million kilowatt-hours (kWh) per year. Table 2 provides a summary of the programs.

Table 2. 2025 Commercial and Industrial Programs

Program Name	Program Description
Commercial and Industrial New Construction and Building Energy Code Support *Funded by Electric and Natural Gas*	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

Program Name	Program Description
	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. The program also offers operations verification or quality assurance services to ensure that installed equipment and systems operate as intended. The program supports the State's Zero Energy Building goals through engagement and in developing future offerings. The program promotes compliance with the building energy code and increasing the use of the Stretch Code to support the State's goals and objectives. Technical assistance is provided for advancing the development and adoption of minimum efficiency standards for appliances and equipment. In addition, Rhode Island Energy supports energy-efficient building practices by providing trainings on building codes such as IECC 2024.
Large Commercial and Industrial Retrofit *Funded by Electric and Natural Gas*	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 in defraying part of the material and labor costs associated with the installation of energy efficiency measures. In addition, Rhode Island Energy support the adoption of energy-efficient equipment and practices by providing Building Operator Certification training.
Small Business Direct Install *Funded by Electric and Natural Gas*	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 small businesses of all types, buildings and sizes. The program pays up to 70 percent of installation and equipment costs. Eligible customers can finance the remaining costs of the project for up to 60 months (typically 24 months) interest free on their electric bill using the Small Business Revolving Loan Fund.
Commercial and Industrial Multifamily *Funded by Natural Gas*	The C&I Multifamily Program provides comprehensive efficiency services for market-rate multifamily buildings with 5+ dwelling units. These coordinated services for both the residential units in the multifamily building as well as any non-residential equipment (e.g. common lighting such as in a hallway, central heating plant) include

Program Name	Program Description
	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 C&I program (Retrofit Program) and Residential programs (EnergyWise, Income Eligible, Residential New Construction and ENERGY STAR® HVAC).
Midstream Initiatives ***Funded by Electric and Natural Gas***	The Midstream Initiatives are not separate program offerings but rather are included here given their contribution to the savings of the Retrofit and New Construction Programs. Midstream Initiatives offer instant discounts to customers for the purchase of qualified, high efficiency products including luminaires, kitchen equipment, water heating equipment and high efficiency heating and cooling technologies at participating distributors. By offering discounts through distributors, Rhode Island Energy eliminates the need for customers to submit incentive applications which can be a barrier to participation while the discounts also reduce the cost for energy-efficient products. The Midstream Initiatives also encourages distributors to stock and promote high efficiency products. The savings and budgets from the Midstream Lighting Initiative are included in the Retrofit Program and the savings and budgets for the Midstream HVAC and Food Service Initiatives are included in the New Construction Program.



Described in the next three sections are the offerings, initiatives, implementation and delivery channels, and proposed changes for the New Construction Program, Retrofit Program, and Small Business Program.

2. New Construction Program

2.1 Offering Overview

The New Construction Program offers incentives and technical assistance to promote and support high performance building design, building operation and equipment selection. The incentives and technical services are designed to support customers' design teams, building owners, and developers to build beyond the current Rhode Island Energy New Construction Program baseline. Technical service can range from plan reviews and efficiency upgrade recommendations to comprehensive reviews of technical blueprints. Additionally, the New Construction Program provides incentives to building owners and design teams to support Zero Net Energy certification as well as the verification and post-occupancy verification of energy savings to ensure the energy savings projected in the blueprints and plans are being realized in "as built" environment.

The New Construction Program provides incentives for customers either building new buildings or major renovations of existing buildings. Customers have two pathways, which are described below, for these projects:

- Pathway 1: Energy Use Intensity / Zero Net Energy Ready
- Pathway 2: Streamlined / Systems

Pathway 1: Energy Use Intensity / Zero Net Energy Ready

This pathway focuses on high efficiency design as well as post-occupancy energy use intensity ("EUI"). EUI measures the total energy consumption (measured in kBtu) per square foot throughout a whole building. (e.g., a high-efficiency building will have a low EUI, whereas an inefficient building will have a high EUI). This pathway is being made available to buildings 20,000 square feet or greater whose design teams and building owners engage with Rhode Island Energy early in the schematic design and development process.

Rhode Island Energy has developed unique Tier 1 and Tier 2 EUI targets for 5 different building types (e.g. K-12 Schools, Offices, Hotels).[1] Building-specific EUI targets are developed for other types of buildings.

Buildings built to exceed Tier 2 EUI ranges exceed energy code and industry standard practices while buildings meeting or exceeding the Tier 1 EUI ranges are more efficient, are considered "Net Zero Energy Ready", and are eligible for higher incentives.

By offering the two efficiency Tiers and incentive levels, customers are better able to participate in Pathway 1 and achieve greater savings than Pathway 2, which is described below. Pathway 1 also provides customers and their design teams comprehensive technical assistance and financial incentives for eligible projects and an additional incentive when buildings achieve an operational EUI exceeding the design EUI, one year post occupancy.

Pathway 2: Streamlined/Systems

This pathway is designed for smaller and simpler building designs and offers a variety of incentives and technical assistance services. The offering is available to buildings 20,000 square feet or greater regardless of when the design teams and building owners engage Rhode Island Energy. The requirements for this pathway including the project application requirements, minimum requirements documentation, and post-installation inspections are streamlined, especially as compared to Pathway 1 where the customer's design teams collaborate closely with Rhode Island Energy's design professionals. This streamlined offering encourages increased participation for customers with simpler building designs or when a customer's timeline for completing the project are constrained. Pathway 2 provides incentives based on individual energy-saving measures implemented by the customer and Rhode Island Energy utilizes a spreadsheet analysis tool to estimate energy savings and incentives early in the project. This pathway is especially appropriate for major renovation projects, such as tenant fit outs, and for customers who lack the resources or time to pursue an EUI-based approach.

[1] New Construction Program EUI Ranges

Buildings smaller 20,000 square feet, because of their smaller size and less complex systems, use the New Construction Program prescriptive rebates and Midstream Initiative rebates for installing energy efficient equipment and measures, rather than Pathway 1 or Pathway 2.

A vendor administers the New Construction Program for Rhode Island Energy.

2.2 New Construction Program Initiatives

2.2.1 Midstream Initiative

The Midstream Initiative provides a predetermined incentive directly to a manufacturer or distributor of efficient equipment rather than offering an incentive to the customer through an application form. This allows manufacturers and distributors to incorporate the incentive amount into their sales approach, selling the product for a lower price, resulting in the efficient option being more appealing to a potential customer. For customers, the Midstream initiative offers them the ability to purchase high efficiency equipment without the burden of paperwork or waiting for reimbursement. All C&I customers are eligible to purchase the following discounted high-efficiency equipment through the Midstream Initiatives:

- **HVAC Equipment:** Incentives for premium efficiency HVAC equipment and controls at the point of sale at qualified distributors including air-cooled air conditioning and heat pumps systems, water-cooled air conditioning and heat pumps. Savings and budgets are tracked in the New Construction Program.
- **Natural Gas Equipment:** Incentives for premium efficiency water heating equipment such as indirect and direct water heaters and water heating boilers at the point of sale through qualified distributors. Savings and budgets are tracked in the New Construction Program.
- **Food Service/Kitchen Equipment:** Incentives for premium efficiency electric and natural gas kitchen equipment at the point of sale at qualified distributors. Savings and budgets are tracked in the New Construction Program.
- **Lighting** Equipment: Incentives for luminaires, luminaires with controls, lamps, and controls at the point of sale from qualified distributors. Savings and budgets are tracked in the Retrofit Program.

Regardless of the end use, the Midstream Initiatives' implementation, delivery and tracking processes are the same whereby:

- Distributors sell products directly to customers or relevant intermediaries and provide discounts at the point of sale
- Distributors submit data on the quantities sold to Rhode Island Energy
- Rhode Island Energy pays the incentive directly to the distributor and conducts quality control visits for a percentage of installations.

Vendors administer these Initiative for Rhode Island Energy, including promoting these initiatives to distributors throughout the year.

2.2.2 New Construction Project Types

The New Construction Program provides incentives and energy efficiency services to two different types of projects:

- **New Buildings, Additions, Major Renovations and Tenant Fit-Ups.** These customers are planning ground-up new construction or major renovation projects. These types of projects traditionally involve some level of design and are governed by building and energy codes. These customers are most likely to participate in the New Construction Program through Pathway 1 or Pathway 2.

- **New Equipment and End-of-Life Replacements**. These customers are purchasing new equipment or replacing equipment that has reached the end of its useful life. Customers are incentivized to purchase and install energy-efficient equipment. Typically, there is no design component to these projects. Baseline energy use is the energy code or industry standard practice, and energy savings are calculated using the baseline.[2] These customers are most likely to use Rhode Island Energy's New Construction prescriptive or custom applications or the Midstream Initiatives.

2.2.3 Implementation and Delivery

As described in Section 2.1, the New Construction Program offers two pathways for new construction or major renovation projects. Rhode Island Energy also offers additional enhancements, with the goal of improving customer experience and in turn driving repeat participation from customers and design teams.

2.2.3.1 Pathway 1: Energy Use Intensity / Zero Net Energy Ready

For Pathway 1, Rhode Island Energy's Energy Efficiency team reaches out to customers, owners and developers regarding new construction project opportunities. Over the years, several customers and design teams have become repeat participants. If the customer decides to participate in energy efficiency programs, Rhode Island Energy's team engages with the customer project design team and

[2] Rhode Island Energy's baseline document is available at https://www.rienergy.com/site/ways-to-save/save-money-with-rebates-and-incentives/savings-for-your-business/new-construction-and-major-renovations

facilitates a design charette to establish customer project goals. Based on the project goals, an EUI target range is established, and a Technical Assistance vendor is engaged to model the baseline project and proposed design project.

Please see above "**Pathway 1: Energy Use Intensity / Zero Net Energy Ready"** for a description of the two efficiency Tiers available to customers participating in Pathway 1 projects. Projects achieving a higher efficiency, identified as "Tier 1" are eligible for higher incentives.

Zero Net Energy Projects

Rhode Island Energy's Energy Efficiency team ("Team") must follow these steps for reviewing all potential Zero Net Energy projects:

- Vet the proposed project to confirm it meets basic New Construction Program requirements.
- Employ a Zero Net Energy consultant, with the fee shared between Rhode Island Energy and the customer, to assist in assessing the project and identifying services required to achieve the Zero Net Energy goal. The Zero Net Energy consultant is engaged from early in the project through the end of design development.
- Ensure the Zero Net Energy consultant provides several services including benchmarking EUI targets, conducting an energy charrette, performing load reduction analysis, and running HVAC selection analysis and model feedback.
- The Team creates a Memorandum of Understanding ("MOU") that outlines the EUI target, the post-occupancy EUI verification plan and other incentive details and which must be signed by the customer.
- Require the customer to sign an application that includes the energy efficiency measures and systems agreed upon. By signing the MOU and application, the customer commits to implementing the efficiency recommendations and accepts the associated incentives.
- Remain engaged during the design development and construction process to ensure energy efficiency measures and solutions are incorporated in the building project to achieve the EUI targets.
- Perform a visual inspection and review all construction design submittals after project completion. If any HVAC controls or variable-load energy efficiency measures have been incorporated in the project, Rhode Island Energy requires field measurements to verify operation standards, as described in the Minimum Requirements Document.
- Monitor the EUI measurements over a prescribed period and under the prescribed conditions (e.g. commissioning) before final incentive payment is made based on the savings achieved.

- Offer a verification incentive to assist customers in identifying and correcting issues that may arise in the first year of occupancy to help achieve the EUI. Verification documents must be submitted to obtain the verification incentive.

2.2.3.2 Pathway 2: Streamlined/Systems Approach

Pathway 2 follows Rhode Island Energy's more traditional approach for processing applications including:

- The Team identifies possible new construction leads through resources such as the Dodge Reports
- The Team meets with the customer and/or design team regarding the new construction project
- Customers may be unable to participate in Pathway 1 and propose the scope of their project, or the Team will review the building plans to identify possible energy efficiency improvements
- The Team may provide technical assistance to quantify savings and costs for the project and screen the measures to ensure they meet the New Construction Program screening requirements
- The Customer will proceed with the installation and notify the Team when the project is complete
- The Team will verify the equipment was installed as planned, oftentimes using a Minimum Requirements Document which documents the buildings' operating conditions and set points, as planned
- The Team will engage a commissioning agent for larger or more complex projects
- The incentive is processed after all the post-installation requirements have been satisfied

2.2.4 2026 Program Enhancements and Changes

In 2026, Rhode Island Energy will be introducing more efficient Energy Use Intensity ("EUI") ranges for the New Construction Program. The ranges are being reduced by approximately 10% (becoming "stricter" or "energy efficient") from the current ranges, which will also align them with neighboring states. Architects and engineers and other practitioners will be able to access these EUI ranges at the Rhode Island Energy website and Rhode Island Energy is planning on hosting webinars 2026 with these stakeholders to review the changes and potential impacts.

In 2026, Rhode Island Energy proposes to identify ground source heat pump ("GSHP") installers and notify them that it is seeking potential GSHP projects for both Residential and C&I installations. Rhode Island Energy will screen proposed projects as part of the Residential New Construction Program or as custom measures in the C&I New Construction Program to determine if they are cost-effective and the incentive provided by Rhode Island Energy.

Based on the findings from the C&I New Construction Program Process Evaluation Study summarized in Attachment 3, Rhode Island Energy is enhancing the program by increasing awareness, streamlining processes, and strengthening internal coordination and documentation.

3. RETROFIT PROGRAM

3.1 Offering Overview

Customers can participate in the Retrofit Program for energy efficiency in existing buildings through the following channels:

- **Downstream Application Process:** Customer works with a Rhode Island Energy Sales Representative, Project Expeditor ("PEX"), or other vendor to install energy efficiency equipment through a **Prescriptive application** for commonly installed measures (e.g. LED with controls) or a **Custom application** for any energy efficiency measures not available through a Prescriptive application; or
- **Midstream Lighting Initiative:** This offering is described in Section 2.2 above with the other Midstream Initiatives, however lighting savings and budget for this initiative are included within the Retrofit Program.

3.2 Retrofit Program Initiatives

Rhode Island Energy offers a variety of initiatives to support customers participation in the Retrofit Program. Some initiatives such as the Industrial Initiative and EnergySmart Grocer **target specific customer segments**, industrial customers and grocery stores/chains, respectively. Other initiatives such as Equipment and System Performance Optimization initiative **target specific technologies** and are applicable to all business customers. And initiatives such as Building Operator Certification training and Building Benchmarking **provide training and data to support customers' investments in energy efficient equipment and systems**.

Two other initiatives included below are:

- Combined Heat and Power ("CHP") projects: Eligibility, incentives and the enrollment process for CHP projects are provided below and is also applicable for projects submitted through Rhode Island Energy's New Construction Program
- Strategic Energy Management Partnerships ("SEMP"): The SEMP Initiative helps customers think long term about their energy use, needs and equipment. This allows a tailored approach to the facility's specific needs and can result in more comprehensive energy savings

3.2.1 Industrial Initiative

The Industrial Initiative is available to all manufacturing and industrial customers and provides incentives and technical assistance services including facility audits, project management, installer and customer education sessions, production systems and line efficiency coordination. In addition, Rhode Island Energy provides support in identifying and implementing process-related improvements that increase the efficiency of business processes and energy consumption.

Historically, this initiative has primarily focused on Rhode Island Energy's largest industrial customers to benefit from economies of scale. However, continuing from 2026, the Industrial initiative will expand its outreach and engagement with mid-size customers in the 200-to-400-kilowatt (kW) range to encourage greater participation by these mid-sized industrial facilities.

This Initiative provides technical assistance to identify energy efficiency opportunities throughout the customers' facilities including process equipment and controls, compressed air, HVAC, and motors and drives. A vendor administers this Initiative for Rhode Island Energy.

3.2.2 Grocery Initiative

The EnergySmart Grocer Initiative serves commercial customers who sell food at the retail or wholesale level. The initiative offers technical assistance, project management, targeted incentives, financing, and education sessions for installers and customers. This initiative primarily delivers electric savings through lighting, equipment and systems performance optimization measures, and refrigeration upgrades. A vendor administers this Initiative for Rhode Island Energy.

3.2.3 National and Regional Restaurant Initiative

The Serve Up Savings Initiative[3] serves regional and national restaurant chains.[4]. The Initiative offers incentives, project management, technical assistance, and collaboration to develop an integrated package of efficiency measures. A vendor administers this Initiative for Rhode Island Energy.

3.2.4 Strategic Energy Management Partnerships Initiative

The Strategic Energy Management Partnerships ("SEMP") Initiative is available to Rhode Island Energy's business customers and entities representing a consortium of customers (e.g. Quonset Development Corporation, City of Providence, Rhode Island Health Care Association). This Initiative targets customers who commit to achieving deeper energy efficiency savings, are motivated by corporate and institutional sustainability goals and who may have the in-house expertise to make organizational changes and make

[3] Click here for additional information on Serve Up Savings.
[4] Local, non-national, Rhode Island restaurants are served by the Small Business Direct Install Program

multi-year efficiency plans. Participating customers agree to specific savings targets that are memorialized in the form of a non-binding Memorandum of Understanding.

The Initiative provides customers with customized support and offers them flexibility to address their corporate or institutional business needs while helping them meet sustainability, carbon reduction and efficiency goals. Customers can strategize long term about their energy use, needs, and equipment purchases and upgrades. This Initiative allows a tailored approach to the site's or facility's specific needs and results in more comprehensive energy savings than traditional program offerings.

Rhode Island Energy has 13 existing SEMP agreements in place with customers that operate in a number of different market sectors including chain restaurants, colleges and universities, health care, industries and municipal and state government.

A SEMP Program Manager facilitates implementation across all energy efficiency and customer programs, helping to reduce SEMP participants' transaction time. The Program Manager tracks progress towards goals and facilitates regular meetings and facilitates delivery of program resources to support emerging technologies and priorities.

Rhode Island Energy and the SEMP participants typically re-negotiate the SEMP MOU every three years, which can also include employee outreach for residential programs, neighborhood outreach for small business programs, and electric transportation offerings and programs.

3.2.5 Building Operator Certification Training

Rhode Island Energy sponsors Building Operator Certification ("BOC") training for facility engineers and maintenance staff. BOC training courses help operators make their buildings and facilities more comfortable and efficient. BOC participants are made aware of Rhode Island Energy's energy efficiency programs and incentives and may actively seek out efficiency solutions for their facilities. Rhode Island Energy will support two BOC training courses in 2026 with each course targeting 22 participants.

Rhode Island Energy will pay up to 50% tuition reimbursement for one facility management professional per customer facility within a five-year period. The applicant must work in a facility management position (e.g., a facility manager, energy manager, or in a role to reduce building-wide energy consumption). The facility must have a minimum of 50,000 square feet of conditioned building space. Rhode Island Energy may, in its sole discretion, modify or terminate this offer for tuition reimbursement at any time without notice. Reimbursements are provided to companies or organizations and cannot be utilized by individuals not affiliated with an eligible business customer.

A vendor administers this Initiative for Rhode Island Energy.

3.2.6 Equipment & System Performance Optimization Initiative

The Equipment & Systems Performance Optimization ("ESPO") Initiative helps C&I customers optimize the efficiency of their HVAC, refrigeration, compressed air, and steam systems. Energy efficiency solutions include operations and maintenance ("O&M"), retro-commissioning and monitoring-based commissioning. The initiative is available to all C&I customers averaging greater than 2,000 building operating hours a year. This initiative helps customers capture energy savings and is oftentimes promoted to customers through Rhode Island Energy staff and vendors delivering other initiatives (e.g., SEMP Initiative, EnergySmart Grocer Initiative, Industrial Initiative).

The ESPO Initiative covers several technologies and end-uses including boilers (steam and hot water), energy management systems, refrigeration, rooftop units, scheduling and set point optimization, and waste energy recovery. The ESPO Initiative provides incentives for participation depending on a customer's energy-saving opportunities, building characteristics, and the sophistication of existing control systems. These measures are detailed below.

3.2.6.1 Low-Cost Tuning Measures

Prescriptive incentives are available for common tuning improvements to building equipment and systems. These improvements are often identified through facility audits or retro-commissioning efforts. Prior to a customer or outside party receiving an incentive for installation, pre-approval must be obtained from Rhode Island Energy. Rhode Island Energy has developed guidelines for documentation baseline conditions to enable program participants to implement some low-cost tune-up measures without pre-approval to streamline the process for customers and vendors.

Customers and vendors are able to use a document baseline and proposed building upgrades using a simple data input spreadsheet which calculates savings at the measure level. Only selected compressed air, HVAC, refrigeration, and steam measures are eligible for these prescriptive incentives.

3.2.6.2 Targeted Systems Measures

These measures are identified through an in-depth investigation of specific processes or end-uses, which may also be referred to as a custom retro-commissioning study. Funding is available for system tuning measures as well as incentives per unit of savings for implemented measures, with higher incentives available for meeting site-specific thresholds.

3.2.6.3 Whole Building & Process Tuning Measures

The Whole Building & Process Tuning Initiative delivers a comprehensive retro-commissioning study for customers with functional control systems in place and whose electric usage exceeds 5 million kWh annually. Funding is available for the identification of energy efficiency measures, for system tuning

measures, and whole building and process tuning measures and equipment. Incentives are offered per unit of savings for implemented measures, with higher incentives available for meeting site-specific thresholds.

3.2.7 Building Analytics Program Initiative

The Building Analytics Program ("BAP") Initiative was launched in late 2022 and was designed to address barriers to participation in Rhode Island Energy's monitoring-based commissioning services. This Initiative assists customers with identifying the specific sites or facilities that would benefit from continuous monitoring, fault detection and diagnostics. Based on the analysis of the building data, customers are able to identify and install energy efficiency equipment, optimize controls, and process upgrades. Rhode Island Energy provides incentives for the upfront installation of Building Analytic software and systems.

The BAP Initiative helps improve measure persistence through a focus on long-lasting measures (e.g., physical repairs and reprogramming of control systems), training for facilities staff, and multi-year service contracts.

A vendor administers this Initiative for Rhode Island Energy.

3.2.8 Performance Lighting Initiative

This initiative is open to all customers with a commercial account. All projects, for both existing and new construction projects, that qualify under the Performance Lighting Initiative must meet the following eligibility criteria:

- Average a minimum of 2,000 lighting operating hours per year,[5]
- Provide maintained light levels in accordance with the recommendations of the Illuminating Engineering Society of North America's 10th Edition Lighting Handbook or supporting Design Guides, and
- The customer must submit a copy of the manufacturer's technical specification sheets (cut sheets) for each type of eligible equipment to be purchased.

Performance Lighting Initiative incentives are offered in two tiers:

- Tier 1: Performance lighting—LED lighting with luminaire level lighting controls or wirelessly accessible controls, and

[5] This criterion is before controls are implemented.

- Tier 2: Performance lighting—LED fixtures with networked lighting controls system.

A vendor administers this Initiative for Rhode Island Energy.

Based on the findings from the LightingPLUS study (summarized in Attachment 3), Rhode Island Energy intends to investigate the remaining opportunity for NextGen LED products through time limited rebate offerings and campaigns (e.g., target building owner/decision makers in underserved communities; target multistory parking garages for Luminaire Level Lighting Controls, or other historically low saturation opportunities with Rhode Island Energy).

3.2.8 Combined Heat and Power Initiative

Combined heat and power (CHP) is the simultaneous production of electricity and thermal energy from a single fuel source. The CHP initiative offers incentives and technical assistance to customers who install new construction and retrofit installations.

Eligibility:

To qualify for a Combined Heat and Power (CHP) energy efficiency incentive, a proposed project must meet the following conditions:

- Host customers must be in the franchise service area of Rhode Island Energy.
- Both new construction and retrofit installations are eligible[6]; in either case, the baseline system must be documented.
- The CHP system must meet the applicable efficiency requirements listed in **Error! Reference source not found.**. System efficiency is calculated as Annual Useful Energy/Annual Natural Gas Input where:

  *Annual useful energy = Net Annual kWh*3,413/100,000 + utilized thermal output (therms)*

  Annual natural gas input = CHP gas input in therms (HHV)

- The equipment to generate electricity may be a combustion-based system (internal combustion engine, gas turbine engine, steam turbine), or a fuel cell system, and the facility will capture waste heat for use in the facility.

[6] While CHP is described here as a Retrofit program initiative, CHP projects in New Construction instances are also eligible.

- CHP projects must reduce carbon emissions related to overall site energy use by a minimum of 45% relative to the agreed to baseline, which may be achieved through other simultaneous EE installations.
- Total combustion-based system efficiency must be greater than or equal to 60%
- Back pressure and extraction turbines are no longer eligible
- The project must pass cost-effectiveness screening.

To support Rhode Island's climate objectives while still promoting CHP, Rhode Island Energy proposes the following changes:

- Eligibility for incentives will be available to only those CHP projects that reduce carbon emissions related to overall site energy use (including source generation, even if out of state) by a minimum of 45%; the amount of carbon reductions may be achieved through other simultaneous energy efficiency installations to achieve the site carbon reduction goal.

Offerings:

If a project has been shown to be cost-effective, presents no capacity or reliability concerns, and has met the required eligibility criteria, it will be eligible for a non-variable incentive.

Table 3. Determination of Non-Variable Incentive Level for CHP Projects

System	Incentive
Fuel Cell	$300 per net kW
Combustion-Based CHP with total system efficiency ≥60%	$400 per net kW
CHP (fuel cell or combustion-based) that utilizes more than 25% opportunity fuels, renewable natural gas, or biogas as the fuel source	$550 per net kW

For the purpose of determining the non-variable incentive level, Rhode Island Energy has defined opportunity fuels, renewable natural gas and biogas as gaseous fuels derived from the biological breakdown of waste.

The CHP system costs must include: all system, auxiliary, and interconnection costs, and CHP maintenance. If the CHP system is receiving a tax credit or other financial arrangement that reduces the cost of the CHP project to the customer without distributing that cost reduction as an additional cost to other electric or gas ratepayers, it may be treated as a credit against the cost of the CHP project.

The CHP incentive package cap from Rhode Island Energy will be 70% of the total project cost inclusive of the installation incentive, incentives related to gas service, present value of any performance incentive, system reliability procurement incentive, and any other incentives related to the transaction. For new construction installations, the incentive cap will be 70% of the incremental cost difference between the cost of what would have been done absent the CHP project and the cost of the CHP project. In the event the incentive is greater than 70% of the total project cost, the incentive amount will be reduced to an amount equal to or less than 70%. A minimum of 20% of the energy efficiency incentive payment will be held until commissioning is completed.

An additional optimal operations and maintenance energy efficiency incentive capped at $20/kW-year ($1.66/kW-month) and $50/kW-year ($4.16/kW-month) for systems utilizing biogas will be offered as part of the incentive package for any project with a net output greater than one MW for a period of up to 10 years. No payments will be made until the unit is in operation and provides demonstrated load reduction. The optimal operations and maintenance energy efficiency incentive will be made semiannually based on actual metered load reduction. Load reduction performance will be based on the net daily metered kW output of the system during ISO-New England's on-peak periods averaged over each six-month period.

The optimal operations and maintenance energy efficiency incentive provides the customer with a post-commissioning incentive for maintaining or increasing the total system efficiency of the CHP system. This helps ensure the system operates efficiently and that the system capacity savings are in-line with those bid into the ISO-NE Forward Capacity Market.

The customer will repay a portion of the incentive to Rhode Island Energy if the project is abandoned, removed from the premises, sold, or otherwise no longer utilized as the primary source of heat and electricity by the customer, within 10 years from the date of final incentive payment authorization. The repayment will be the energy efficiency installation incentive times the number of years remaining until the required ten years of service divided by ten.

Identification and Recruitment of Qualified CHP Projects:

Rhode Island Energy currently works with vendors and customers to identify CHP opportunities at customer locations. Rhode Island Energy promotes CHP systems and outlines the process for qualification and implementation of CHP facilities through Rhode Island Energy's energy efficiency programs. Rhode Island Energy has sales and technical staff that are the primary points of contact for customers and vendors with potential CHP projects. Rhode Island Energy will continue to communicate

criteria for CHP assessment and will communicate to vendors so that their presentations to customers will be more consistent with Company technical assistance requirements.

Installation of Incremental or Additional Energy Efficiency Measures for Customers who have Previously Installed CHP:

Rhode Island Energy will individually review the installation of proposed incremental energy efficiency measures for customers who have previously installed CHP on site or who are adding additional energy efficiency equipment that might affect the performance of an existing CHP unit. Rhode Island Energy will carefully categorize and protect the benefits attributed to previously installed CHP projects, while at the same time fostering additional cost-effective energy efficiency measures that further reduce total energy use.

There are two types of project categories. The first category is "CHP Optimization" and involves measures which are installed with the purpose of increasing the output or operating efficiency of the existing CHP or other distributed generation (DG) unit; for example, the addition of combustion air precooling on a gas turbine CHP unit. In order to maintain compliance with ISO-NE's FCM rules, such projects will be tracked in the FCM, if applicable, as incremental output of the associated DG facilities. The second category is "Incremental EE", which includes "traditional" energy efficiency measures installed with the intent of reducing energy consumption in sites that have previously installed CHP. These measures may or may not affect CHP performance and output.

For locations where an existing CHP unit covers a large percentage of the total load at the facility, additional energy efficiency savings measures installed may result in lowering the output of the CHP system instead of a load reduction on Rhode Island Energy's electric grid. Therefore, to assess savings that can be claimed by the energy efficiency programs, hourly load mapping may be required to accurately assess the net savings on Rhode Island Energy's electric and gas distribution systems, which will be assessed at Rhode Island Energy's electric and/or gas revenue meters at the customer's site. In cases where a typical electric measure (like lighting) reduces the electric load enough to require reducing the CHP output, gas savings may result from a normally electrical energy efficiency measure and could be claimed in the Gas utility DSM programs.

Scoping Study/Qualification:

Rhode Island Energy will offer technical assistance on CHP projects beginning with a preliminary scoping of a potential site. This scoping will be based on an evaluation of:

- Monthly (or hourly, where available) electric, gas, and other fuel usage
- All site-specific forms of thermal energy end-uses
- Coincidence of electric and thermal loads
- Proposed project cost

- A high-level analysis of the fuel resources needed for the project and any actual or anticipated fuel capacity constraints and/or actual or anticipated fuel reliability issues

This scoping will determine if further study of the site appears favorable, i.e., provides CHP operating hours and load factors that would be an appropriate application of CHP.

Technical Assistance Study:

Assuming a favorable screening during preliminary scoping, Rhode Island Energy will offer to co-fund a TA study of CHP with the customer. The TA study will be performed by an independent, qualified engineering firm. This study will assess thermal and electric loads, propose an appropriate CHP size and technology, compile a budget cost estimate, and identify potential barriers to the technology, etc. Rhode Island Energy typically funds 50% of the cost of any TA study conducted by a preferred vendor selected by Rhode Island Energy, and up to 50% of the TA for other qualifying independent engineering firms. Any TA study by a CHP vendor or its representative which fulfills the CHP TA requirements may be accepted, though no co-funding will be provided. The TA study must be completed, submitted, and approved by Rhode Island Energy prior to implementation. The TA study must include an assessment of the likely on-peak kW reduction from the CHP given the proposed nameplate rating, the net CHP output after subtracting parasitic loads associated with the CHP, projected availability based on anticipated site-specific operating characteristics, performance data on other similar units, and a greenhouse gas analysis that estimates the change in greenhouse gas emissions expected from the project and a statement that informs the customer of the state goal to reduce greenhouse gas emissions by 45% below the 1990 levels by 2030; 80% below 1990 levels by 2040; and net-zero by 2050. (On-peak kW reduction = Net Output x Availability x % Loaded.) This kW load reduction should be used in the benefit-cost screening.

As indicated in the offering section, incentives are only available for CHP projects that reduce the carbon footprint of the host facility by more than 45%. To determine the customer's carbon footprint, Rhode Island Energy will utilize the EPA Greenhouse Gas Equivalencies Calculator and the EPA CHP Energy and Emissions Savings Calculator. The TA study of the CHP proposal could include an assessment of energy efficiency measures that would help meet that objective. These opportunities themselves will be eligible for energy efficiency incentives and will help make sure that the CHP facility is correctly sized for the facility's needs and will avoid creating a disincentive for future load reduction at the site.

Cost-Effectiveness:

The screening for cost-effectiveness specific to CHP is included in the Rhode Island Test detailed in Attachment 4. The cost-effectiveness test for CHP includes economic benefits, as specified by the Least Cost Procurement statute. As requested by the Division, given concerns described in Attachment 4 over the inclusion of economic benefits, a sensitivity cost-effectiveness analysis will be

performed excluding economic benefits for CHP systems with a net output of one MW or greater. These analyses will be provided as part of the notification process described elsewhere in this section for projects of one MW or greater.

Other Contract Terms and Guidelines:

To ensure proper operation of the CHP facility and persistence of energy savings, the following terms and guidelines will be required:

- As part of the TA study, a minimum requirements document (MRD) will be developed. This MRD will contain engineering hardware and operational specifications that directly affect the savings estimates developed in the TA study. Compliance with the MRD will be necessary to receive rebate payments.
- All systems greater than one MW will require electric, thermal and gas metering for commissioning and monitoring of system efficiencies.
- The project must be commissioned. Commissioning is a process following installation whereby a third party verifies that the project is installed and operating as detailed in the TA study and MRD.
- The customer must sign and produce a contract for O&M services through the first planned major overhaul of the CHP unit after post installation commissioning. On-going O&M contracts for a minimum of 10 years from project commissioning are recommended.
- Customers applying for interconnection of a CHP systems must not operate the unit until they receive the authorization to interconnect from Rhode Island Energy.
- kW-demand savings achieved via the electric energy efficiency programs, including CHP, will continue to be reported by Rhode Island Energy to ISO-NE as Other Demand Resources (ODR) and the revenue generated will be used to fund future energy efficiency projects through Rhode Island Energy's programs.

Qualification:

The cost of the project will be provided by a design/build or general contractor experienced with CHP projects and revised as necessary.

Attribution of CHP Energy Savings to Rhode Island Energy:

For CHP projects one MW or greater in size that meet the eligibility criteria, 100% of the project savings shall be attributed to the energy efficiency programs. For CHP projects smaller than one MW, Rhode Island Energy shall use the latest net to gross adjustments determined by impact evaluations conducted on the RI CHP programs. These evaluations shall be conducted at least once every five years.

Notification Process:

Rhode Island Energy shall inform the DPUC, OER, and EERMC of any CHP project with a net output of one MW or greater (where net is the nameplate MW output minus CHP auxiliary kW). The notification shall occur after the cost benefit screening and before the offer letter is presented to the customer. For CHP projects with a net output of one MW or greater, Rhode Island Energy shall submit the following documents for review by the Division:

Documentation demonstrating that the project would not move forward without energy efficiency technical assistance and/or incentives. The documentation shall justify its finding with the following evidence:

1. A letter signed by a senior executive or site operations manager stating that the project would not move forward without the energy-efficiency technical assistance and incentive;
    a. Documentation from the customer on all relevant leases, agreements or commitments related to the CHP system or incentive offer;
    b. Estimated project budget
2. A complete benefit cost analysis for the CHP project using the Rhode Island Test, as well as application of this test applying sensitivities related to the removal of economic benefits
3. A report including a natural gas capacity analysis that addresses the impact of the proposed project on gas reliability; the potential cost of any necessary incremental gas capacity and distribution system reinforcements; and the possible acceleration of the date by which new pipeline capacity would be needed for the relevant area.

For any proposed CHP project greater than one MW:

1. Rhode Island Energy will submit a project description to the Division, providing all the pertinent details relating to the project.
2. The Division may submit information requests to Rhode Island Energy at any time after receipt of the project description. The Division may also submit follow-up data requests, as needed.
3. Rhode Island Energy shall respond to all information requests as soon as reasonably possible, but no later than fourteen days from receipt of information requests, unless the Division grants an extension.
4. The Division will make all reasonable efforts to communicate decisions around the provision of a notification of support within thirty days of the receipt of the last set of information request responses received from Rhode Island Energy.
5. To the extent that additional review time is required, the Division will provide notification to Rhode Island Energy.
6. If at the end of fifty days from the date Rhode Island Energy provided the project description to the Division, the Division has not provided to Rhode Island Energy its opinion of support or opposition to the project, Rhode Island Energy retains the right to make a filing with the Commission seeking approval of the CHP incentive. The Division retains its right to take any

position on the project it deems appropriate and shall not be prejudiced by the fact that it did not provide an opinion to Rhode Island Energy within the fifty-day period.

Even if the Division provides its opinion to the Commission that the Division supports the CHP project, Rhode Island Energy must file a notification with the Commission, setting forth the pertinent facts relating to the project. If (i) the Commission takes no action within thirty days and (ii) the Division or any other party has not objected to the proposed project, the project will be deemed approved. If the Division or any other party objects, the Commission will set the matter for hearing.

Customer and Vendor Feedback:

Stakeholders, including vendors and installers, provided feedback at the 2025 Rhode Island Annual CHP Public Meeting.

CHP Pipeline Notification:

Due to the high capital cost and technical requirements of installing CHP, there is a very long lead time for a successful installation and therefore Rhode Island Energy commits to providing an updated estimate of projects in the current-year pipeline in each annual Energy Efficiency Plan and reconciliation filing to the PUC going forward.[7] As detailed above in the "Direct Notification" section, Rhode Island Energy will notify the Division of Public Utilities & Carriers, the Office of Energy Resources, and the Energy Efficiency and Resource Management Council when a CHP project with a net output of one MW or greater is proposed or an existing CHP system size is modified.

Please see the table below for potential CHP projects currently in Rhode Island Energy's pipeline. Please note, the budgets and savings for these CHP projects are not included in the 2026 Plan.

Customer Name	Approximate CHP Size: MW	Location Information			Current Status	Estimated Year(s) for Claiming Energy Savings
		Feeder	Substation	Gas Line ID		
RI Grows	6.4 MW	49-56-88F1	Tower Hill Substation	Rhode Island 99#	Technical Assistance Study in progress	2026-2027
University of Rhode Island: Agricultural	15 MW	Not identified	Not identified	Not identified	Initial Scoping (Pre-Technical Assistance Study)	2027-2028
Roger Williams University	>1 MW	Not identified	Not identified	Not identified	Initial Scoping (Pre-Technical Assistance Study)	Not determined

[7] Other project information such as Name, Approximate Size of CHP (kW and Net Lifetime MWh), Location, and Current Status (Scoping, Study, Notification Process, Under Construction, Post-Inspection or Commissioning), may be provided depending on the state of advancement of CHP projects.

CHP Rebate Equity

A customer receiving a rebate for a new facility with a CHP system has not contributed into the Energy Efficiency Fund for that building and the ongoing future contributions into the Energy Efficiency Fund for this building may be relatively small compared to the size of the rebate received for the CHP system. This differs from customers either (1) receiving a rebate for a new building where the building's energy usage will fund the Energy Efficiency Fund on an ongoing basis, typically for decades or (2) a CHP system being installed on a campus with multiple buildings and accounts that have contributed and will continue to contribute into the Energy Efficiency Fund for decades, which raises "rebate equity" concerns.

The Company seeks to address this with the following policy:

1. The Customer is required to contribute to the Energy Efficiency Fund like all other ratepayers for consumption at their facility on a per kWh and per therm basis
2. The Customer will not receive rebates for energy efficiency projects until 10 years after the CHP system is operating, which represents half of the 20-year expected measure life for CHP systems.
3. During the period in which the Customer is not eligible to receive additional rebates, the Customer may choose to do additional energy efficiency projects at the facility and the Company will fund Technical Assistance Studies that support the Customer's efforts to reduce the facility's energy use
4. The Company will claim the savings for energy efficiency projects motivated by those studies

3.2.9 Building Energy Benchmarking Initiative

Rhode Island Energy implemented a building benchmarking system to provide Rhode Island building owners throughout its territory the ability to upload their Rhode Island Energy electric and gas billing data into ENERGY STAR™ Portfolio Manager® and calculate their buildings' energy use intensities ("EUIs"). Based on the results and reports from Portfolio Manager and the software's EUI scores and rankings, customers can use Rhode Island Energy's Project Expeditors to identify and implement specific energy efficiency opportunities in the buildings. Rhode Island Energy intends to generate leads primarily for the Retrofit Program using its existing Project Expeditors to engage with these building owners, conduct audits of the existing buildings, provide energy efficiency proposals to customers, and support the installation of energy efficiency measures in these buildings.

The building benchmarking system supports buildings owners located in Providence who are required to comply with the City of Providence Ordinance ORD-2023-35, as well as all other building owners throughout the territory.

Overall, this Initiative will help Rhode Island Energy and its customers to identify energy efficiency opportunities and contribute to achieving Retrofit Program goals. An additional benefit is that it will streamline compliance reporting for customers located in areas with benchmarking ordinances, such as Providence.

3.3 Eligibility

The program serves the needs of existing buildings in their pursuit of lower energy consumption. All C&I customers are eligible for the Retrofit Program, although as noted above, some initiatives are targeted to specific customer segments. For example, the Industrial Initiative provides subject matter experts in industrial processes and facilities to support these customers' investment in energy efficiency equipment and systems. However, applications submitted through the Industrial Initiative are tracked and reported out as part of the Retrofit Program, including savings and costs for these applications.

3.4 Implementation and Delivery

Customers are provided a number of different channels or paths for participating in the Retrofit Program. Typically, a Rhode Island Energy sales representative is assigned to any large C&I account, defined as a customer with at least 1.5 million kWh or 100,000 therms of annual energy usage, schools, municipalities, and national accounts. The general customer journey through the Retrofit Program is:

- A facility audit or walk-through by Rhode Island Energy, customer or a third-party vendor where one or more energy efficiency opportunities are identified.

- Rhode Island Energy provides an offer letter committing to a specific incentive, including detailing the project's requirements for custom projects in the Minimum Requirements Document. The customer signs and returns the offer letter agreeing to the terms documented in the application and Minimum Requirements Documents.

- After the energy efficiency measure(s) is implemented and operating, the customer notifies Rhode Island Energy. Rhode Island Energy's staff, vendors or engineers for complex or technical energy efficiency measures verify the measure(s) has been implemented in accordance with project requirements as detailed in the Minimum Requirements Document.

- Rhode Island Energy staff work with the customer and vendors to complete the required documentation (e.g. invoices) and then process the incentive payment.

Prescriptive Application

Customers can complete prescriptive applications by printing or submitting them online. Prescriptive incentives are available for a wide variety of standardized energy efficiency measures with "deemed" savings values, such as lighting equipment, air compressors, variable speed drives and steam traps.

Midstream Process

Midstream Initiatives offer instant discounts (i.e., incentives) to customers for the purchase of qualified, high efficiency products including luminaires, kitchen equipment, water heating equipment and high efficiency heating and cooling technologies at participating distributors. By offering discounts through distributors, Rhode Island Energy obviates the need for individual customers to submit incentive applications, a significant barrier for non-managed and smaller customer accounts. Customers no longer need to submit applications for incentives, which increases participation. The Midstream Initiatives impact the market by reducing the cost of energy-efficient products compared to less efficient alternatives and by encouraging distributors to stock and promote high efficiency products.

The Midstream Lighting initiative's savings and budget are captured within the Retrofit Program and the Midstream HVAC and Food Service initiatives are captured within the New Construction Program.

Custom Application

A Company sales representative or Project Expeditor assists customers with the completion of the Retrofit Program's custom applications. These are applications for the installation of energy efficiency measure not incentivized through the Prescriptive or Midstream Initiatives. A custom measure typically requires a Minimum Requirements Document that provides details regarding project guidelines and engineering specifications. Custom measures also require detailed savings calculations completed by a combination of customer, vendor and Company staff. For some projects, additional post-installation monitoring must be completed prior to incentive payment to ensure projects perform in accordance with the Minimum Requirements Document.

Project Expeditors

Rhode Island Energy utilizes Project Expeditors to provide turnkey services for Retrofit and New Construction program projects. A Project Expeditor is an authorized vendor who serves as a customer's main point of contact to support the installation of energy efficient equipment. Project Expeditors work closely with Rhode Island Energy's account management team to evaluate energy efficiency opportunities and determine incentives. Project Expeditor can introduce C&I customers to the latest energy technology solutions and savings on equipment including:

- Lighting and lighting controls,

- HVAC efficiency improvements,
- Energy management systems,
- Variable speed drive upgrades for fans, motors, and pumps in HVAC, refrigeration, and other systems, and
- Gas heating and hot water system upgrades,
- Compressed air solutions, including air compressors, dryers, drains and engineered air nozzles.

Based on the findings from the Large C&I Retrofit Program (Custom Pathway) Process Evaluation Study summarized in Attachment 3, Rhode Island Energy is enhancing the program by improving categorization of building types, making non-residential webpages easier to find on the RI Energy website, and consider utilizing alternatives to on-site post-installation verification methods.

4. Small Business Direct Install Program

4.1 Offerings

The Small Business Program offers a no-cost site assessment conducted by Rhode Island Energy's Small Business Program vendor ("Small Business Program Vendor"). This site assessment identifies energy efficiency measures including lighting systems and controls, cooler/refrigeration controls, water saving measures, HVAC controls, motor controls, weatherization/insulation and custom measures. The Small Business Program Vendor offers turnkey installation of the measures and eligible customers can use on-bill refinancing to support the adoption of the recommended energy efficiency measures.

In addition to the turnkey channel described above, the Small Business Program also offers a Customer Directed Option channel for customers wanting to use their own electrician and installers. The customer and their vendor submit the project documentation to the Small Business Program Vendor who reviews and approves eligible projects. The customer and vendor then install the energy efficiency measures and submit the paperwork to the Small Business Program Vendor who inspects the project, pays the incentive to the customer, and closes the project in the Rhode Island Energy tracking system, similar to a project completed through the turnkey channel.

4.2 Eligibility

Commercial customers who have less than 1.5 million kWh in annual usage may participate in the Small Business program. K-12 schools, national and regional chain restaurants, and small grocery stores who consume less than 1.5 million kWh per year are excluded from this program as they are served through other Initiatives (e.g. EnergySmart Grocer, ServeUp Savings).

4.3 Implementation and Delivery

Customers have a number of ways to participate in the Small Business Program, whether through outreach (e.g. placed advertisements, emails, direct mail campaigns, social media, events and conferences) by Rhode Island Energy and/or the implementation vendor or a customer signing up for an energy assessment by either calling, emailing or using an online form. After this initial contact, the customer is connected to a dedicated Small Business Program Vendor representative to learn details about the program's processes and next steps. The Small Business Program Vendor representative schedules an assessment with the customer and the Small Business Program Vendor Energy Specialist will meet the customer at the scheduled time. The Small Business Program Vendor Energy Specialist performs an energy assessment, identifies strategies to pursue opportunities, reviews design considerations with the customer, and incorporates the energy efficiency measures identified into a proposal. The proposal reflects the installed costs, the expected energy savings and the applicable program incentives.

4.4 2026 Outreach and Customer Engagement

4.4.1 Outreach to Women and Minority-Owned Businesses

In 2026, Rhode Island Energy will continue to target businesses owned and operated by Women and Minority Owned Enterprises ("WME's") by sending emails and newsletters to organizations supporting WME's who can then include this information in communications to their members and clientele. In addition, Rhode Island Energy will continue to collaborate with these organizations with the goal of raising awareness of the Small Business Program through their communications and outreach efforts to their members.

4.4. 2 Main Streets Initiative and Microbusinesses

Rhode Island Energy continues to integrate its program outreach efforts with the Main Streets Initiative to increase adoption of direct install energy efficiency measures among microbusinesses in Rhode Island. In 2026, through its turnkey vendor, Rhode Island Energy will continue to target microbusinesses concentrated around the main streets of three communities. For each targeted community, the vendor will conduct targeted direct mail and/or social media followed by door-to-door outreach for 3-5 working days. For door-to-door canvassing, the vendor may seek to secure cooperation and support of local government leaders, community organizations, and neighborhood groups (e.g., chamber of commerce). The 3 communities targeted for 2026 will be identified early in the year and Rhode Island Energy will look to focus on economic development communities as well as towns with historic low participation rates. Rhode Island Energy will also continue to report on participation in the Small Business Program by customer size (e.g. annual kWh usage).

5. C&I Multifamily Program

5.1 Offerings

See Attachment 1: Multifamily Program.

5.2 Eligibility

See Attachment 1, Section 3 for eligibility information. In addition to the criteria listed in Attachment 1, Section 3, the C&I Multifamily program provides joint residential and commercial energy services to condominiums and apartment complexes for energy efficiency upgrades with no cost audits. The program also serves customers like non-profits, group homes and houses of worship that traditionally do not fit within the predefined program structure.

A vendor administers this Initiative for Rhode Island Energy.

5.3 2026 Program Enhancements and Changes

See Attachment 1, Section 3 for 2026 program enhancements and changes.

6. Finance as an Enabling Strategy

Many customers face challenges in bringing energy efficiency projects to fruition. These may include structural limitations within a business, information overload, cultural resistance within companies, and access to capital. Rhode Island Energy's plan deals with the first three barriers in various ways, but this section of the plan focuses on mechanisms that can help customers afford to carry out energy efficiency upgrades and/or perceive costs differently.

6.1 Mechanisms Offered

Rhode Island Energy and its partners have developed three primary finance mechanisms to help customers afford energy-efficiency upgrades, each with unique attributes. Some may only be available or apply to certain customers, building, or ownership types.

6.1.1 On Bill Repayment – Electric Customers (greater than 1.5 million kWh per year)

On-Bill Repayment – Electric, for customers who consume more than 1.5 million kWh per year	
Typical Loan Size	$1,000 to ~$100,000
Maximum Term	5 years and 7-10 years for State facilities

On-Bill Repayment – Electric, for customers who consume more than 1.5 million kWh per year	
Loan Volume	Variable, between $5.0M to $10M per year
Benefits to Customer	No formal credit check/ rapid approval, on bill repayment, zero interest
Limitations	Maximum term may be too short for comprehensive upgrades
More Information	**Rhode Island Energy's most recent loan fund projections are** provided **in Attachment** 2-2

6.1.2 On Bill Repayment – Electric Customers (less than 1.5 million kWh per year)

On-Bill Repayment – Electric Small Business, for commercial customers who consume less than 1.5 million kWh per year	
Typical Loan Size	$500 to $50,000
Maximum Term	5 years
Loan Volume	Variable, between $1.8M and $3.0M per year
Benefits to Customer	No formal credit check / rapid approval, on-bill repayment, zero percent interest
Limitations	Maximum term too short for many comprehensive upgrades, cannot be used to support upgrades customers may want, such as windows and roofs as they have a benefit-cost ratio less than 1.0
More Information	**Rhode Island Energy's most recent loan fund projections are provided in Attachment 2-2**

6.1.3 On Bill Repayment – Natural Gas

On-Bill Repayment – Natural Gas, all commercial gas customers	
Typical Loan Size	$1.000 to ~$100,000
Maximum Term	3 years and 5 years for State facilities
Loan Volume	Variable, between $1.0M and $1.5M per year
Benefits to Customer	No formal credit check / rapid approval, on-bill repayment, zero percent interest
Limitations	Maximum term too short for many comprehensive upgrades, cannot be used to support upgrades customers may want, such as windows and roofs as they have a benefit-cost ratio less than 1.0
More Information	**Rhode Island Energy's most recent loan fund projections are provided in Attachment 2-2**

7. Marketing to C&I Customers

Rhode Island Energy will leverage digital marketing, paid Google search, social media marketing with LinkedIn, print advertising, direct mail, and email campaigns. Rhode Island Energy will continue in 2026 to partner with organizations such as Rhode Island Hispanic Chamber of Commerce, City of Woonsocket, Rhode Island DOA - Division of Equity, Diversity and Inclusion, and City of Central Falls to raise awareness of the energy efficiency programs and initiatives.

Rhode Island Energy's paid media seeks to target direct decision-makers, executives, facility managers, property owners and small business owners. A portion of advertising and communications are also dedicated to targeting other key influencers such as distributors, engineers, and architects who have existing relationships with customers. Rhode Island Energy fine tunes the tone and messaging of the marketing messages throughout the year to best meet customers' needs and updates its website with additional content as needed.

8. Commercial and Industrial Measure Tables

Please see Attachment 2-1 for a list of all Commercial and Industrial measures with details.