



2026 EE Plan Docket – Regulatory Update

Consultant Team Presentation

Date: January 15, 2026

Outline



Recapping Prior Update

PUC Hearings Summary

Open Meetings Summary

Next Steps & Council Discussion



Recapping Prior Update

Summary of November Update to EEC



Overview of pre-filed testimony/comments provided by intervenors

- Councilor Gill Case & EEC Consultant Team
- Division of Public Utilities and Carriers (DPUC)
- Office of Energy Resources comments

Summary of data requests

Next steps – preview of hearings/open meeting

Today: Update on hearings and outcomes of the 2026 Plan Docket



PUC Hearing Summary

Hearing Overview



Pre-Hearings: Extensive work conducted by Councilor Gill Case with support from Consultant Team and Council's Legal team in month leading up to hearings

Hearings took place over three days: December 10th-12th

- Table with links to recordings provided in Appendix

First two days of hearings were almost exclusively dedicated to cross-examination of Rhode Island Energy's witnesses

- DPUC's witness also covered on second day

Final day focused on cross-examination of the Council's witnesses

- Councilor Gill Case
- Craig Johnson and Adrian Caesar on behalf of Council's Consultant Team

Cross-Examination of RIE – Sector Topics



Commercial & Industrial (C&I)

- Details surrounding one specific large C&I heat recovery project in RIE's pipeline and implications for other large/CHP-type projects
- Recent performance and impact on planning potential and pipeline
- Revolving Loan Funds and On-Bill Repayment

Residential & Income Eligible

- Delayed conversion to heat pump assumptions for Weatherization measures
- Demand for weatherization
- Qualifying delivered fuel heating customers using space heaters as electric resistance customers
- Home Energy Reports

Cross-Examination of RIE – Other Topics



Rate and Bill Impacts

Performance Incentives

Cost-to-Achieve Savings/Benefits

Program update and Company staffing

Future of Gas, Act on Climate, and emissions valuation

Company treatment of budget/incentive offering flexibility

Cross-Examination of EEC



Council's alternative proposal

- Intent
- Savings versus likely budget impact

Ratepayer affordability

- EE programs in context of other charges customers are responsible for (e.g. Renewable Energy Growth, Long-Term Contracting, Net Metering, and Renewable Energy Standard)
- Number and dollar value of ratepayer delinquent accounts

Policy Alignment

- Future of Gas, Act on Climate, and continued support for new gas equipment

Dialogue with PUC Chair

- Council Budget Testimony
- Interest in shifting to three-year plans
- Council/Consultant Team engagement with RIE



Open Meeting Summary

Key Decisions and Budget Overview



Majority of discussion/decisions held on December 23rd

2026 Plan budget and savings largely approved as submitted, accounting for modifications made during discovery and hearings

- RIE has budget flexibility to overspend by 10% without extra approval steps if savings are available

Council requested budget allocation of \$891,900 approved

- Commission appreciative of supporting testimony

C&I Revolving Loan Fund

- RIE directed to transfer portion of its loan fund balances to reduce customer funding required to support 2026 Plan

Program Design & Policy Direction



Performance Incentive Mechanism

- Adjusted payout thresholds to require higher achievement before incentives are earned

Electric resistance to heat pump conversion

- Allow broader eligibility for income-eligible customers with guardrails for market-rate customers

Large C&I Incentives

- Projects with anticipated incentive of \$1M or greater require Division notification

CHP/Heat Recovery

- Future CHP filings require “with and without” analysis (incentive, energy use, emissions estimates, fuel consumption, etc.)
- Large Heat Recovery Project discussed in hearings okay to proceed, but should be excluded from any calculations tied to performance incentive earnings



Next Steps and Discussion

What's Next?



Docket is complete and 2026 programs are now set to be implemented by RIE as approved by the PUC

C-Team finalizing detailed summary memo that goes into much greater detail on topics, discussion, cross-examination, and decisions from the 2026 Plan Docket

Document lessons learned and key outcomes for future Plan development and Council engagement in Plan dockets

Council Discussion





APPENDIX

Hearing Day 1 Recordings



Recording Part	Recording Link	What's Covered
Part 1	https://video.ibm.com/recorded/134627763	<ul style="list-style-type: none">• Introductions and Public Comment• Opening Statements• RIE witness introduction and cross-examination of Mr. Feldman and Mr. Segel (Largely C&I focused)
Part 2	https://video.ibm.com/recorded/134628077	<ul style="list-style-type: none">• Continuation of cross-examination of Mr. Feldman and Mr. Segel
Part 3	https://video.ibm.com/recorded/134628380	<ul style="list-style-type: none">• Continuation/conclusion of cross-examination of Mr. Feldman and Mr. Segel

Hearing Day 2 Recordings



Recording Part	Recording Link	What's Covered
Part 1	https://video.ibm.com/recorded/134629447	<ul style="list-style-type: none">• RIE witness introduction and cross-examination of Ms. Li and Mr. Dagher (largely residential focused)• RIE witness introduction and cross-examination of Mr. Newberger and Mr. Zhu (modeling assumptions)
Part 2	https://video.ibm.com/recorded/134629746	<ul style="list-style-type: none">• Continuation of cross-examination of Mr. Newberger and Mr. Zhu• RIE witness cross-examination of Mr. Newberger and Mr. Feldman (PIM, Future of Gas, Budgets and Planning)
Part 3	https://video.ibm.com/recorded/134630027	<ul style="list-style-type: none">• RIE witness introduction and cross-examination of Mr. Pelletier and Mr. Feldman (C&I Revolving Loan Fund)• DPUC witness introduction and cross-examination of Ms. Kallay

Hearing Day 3 Recordings



Recording Part	Recording Link	What's Covered
Part 1	https://video.ibm.com/recorded/134630922	<ul style="list-style-type: none">• EEC witness introduction and cross-examination of Mr. Johnson and Mr. Gill Case
Part 2	https://video.ibm.com/recorded/134631102	<ul style="list-style-type: none">• Continuation of cross-examination of Mr. Johnson and Mr. Gill Case• EEC witness introduction and cross-examination of Adrian Caeser• Closing statements and conclusion of hearings

Open Meeting Recordings



Recording Part	Recording Link	What's Covered
December 23 rd	https://video.ibm.com/recorded/134643765	<ul style="list-style-type: none">Starting at 17:30 of recording, Commissioner statements and rulings
December 31 st	https://video.ibm.com/recorded/134649914	<ul style="list-style-type: none">Starting at 1:30 of recording, Commissioner ruling

Commission Open Meeting Decisions



1. The Company is directed to transfer \$1.5 million from the C&I Electric Revolving Loan Fund identified in response to Record Request 12 to the 2026 electric portfolio fund balance in Table E-1C from the Company's December 5, 2025 filed corrections and updates.
2. Regarding the \$1.375 million from the C&I Gas Revolving Loan Fund identified in response to Record Request 12, the Company is authorized to transfer \$1.375 million from the C&I Gas Revolving Loan Fund to the 2026 gas portfolio C&I fund balance.
3. The EERMC's budget request of \$891,900 is approved.

Commission Open Meeting Decisions



4. The Company's proposed budgets and savings targets for the electric and natural gas portfolios as they appear in the Company's December 5, 2025 filed corrections and updates are approved.

5. The Company is directed to make a compliance filing consistent with Item III from the Company's compliance filing in Docket No. 25-28-GE for rates to be collected from electric ratepayers for the months of April through December 2026.

Commission Open Meeting Decisions



6. The Company is directed to implement the market and income-eligible residential gas rates as updated on December 5, but to file a compliant updated rate for C&I.

7. The Company is directed to exclude any PIM-eligible costs and benefits achieved from the Organic Rankine Cycle (ORC) Engine project referenced in the Company's response to Record Request 1 when calculating the achieved 2026 program year achievement. This means that if the Company does provide incentives for this project in 2026, those incentives and savings associated with the project are excluded from the PIM calculation.

Commission Open Meeting Decisions



8. The Company is directed that “Notification of Large Customer Incentive” requirements in Section 8.2.7 of the Plan shall be required of all incentive offers of \$1 million or greater per measure.

9. The Performance Incentive Mechanism design is adjusted such that Threshold 1 for low achievement is from 0% to 35% of planned net benefits and the adjustment rate is 0. The Company receives no cash incentive for performance in that band.

Payout rate threshold 2 is equal to or greater than 35% to less than 60% and the payout rate is the actual percentage achieved. For example, for 50% achievement of planned net benefits, the Company gets 50% of 7%, or 3.5 cents for every dollar, not 7 cents. (con’t on next slide)

Commission Open Meeting Decisions



9. (con't) ...Threshold 3 is equal to or greater than 60% and less than 85%, and it will be the actual achievement plus 10%. So, 65% achievement gets the Company 75% of 7%, which is 5.25 cents for every dollar, not 7 cents.

Then, the final threshold for high achievement is equal to or greater than 85%. At that point, the Company gets the full 7%, or 7 cents for every dollar in net benefits achieved.

10. The Company is authorized to implement the programs described in the 2026 Plan, subject to the revisions made through other Motions.