



2026 EEC Policy Recommendations & Annual Report

Consultant Team Presentation

March 10, 2026

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Outline



Policy Recommendations

Rhode Island Legislative Updates

Next Steps

Discussion

Policy Recommendations



In accordance with R.I. Gen. Laws § 42-140.1-5, Council’s policy recommendations intended to communicate *“any improvements that might be necessary or desirable”* with respect to *“activities of the council, its assessment of energy issues, the status of system reliability, energy efficiency and conversation procurement.”*

Primary audience is the Governor and the General Assembly

Delivered **via the Council’s Annual Report** to the Governor and General Assembly

Aim to **deliver policy recommendations sooner** to enable meaningful legislative consideration

2025 EEC Policy Recommendations



Council submitted four policy recommendations in 2025

- Sustain Robust Energy Efficiency Investment to Meet Act on Climate Mandates
- Support Ambitious Energy Savings Targets to Reduce Customer Costs
- Increase Investment in Historically Underserved Communities
- Leverage Workforce Development to Advance Climate and Energy Affordability Goals

**More detail in
Appendix**

What the Council can do with last year's recommendations:

- Keep as-is
- Update / refresh language
- Keep some, retire others
- Replace with all new recommendations

2026 Policy Recommendations – LCP Extension



Context: Current program and funding process expires end of 2027, Governor’s proposal would extend through 2038

Potential components of LCP Update Policy Recommendation

- Reinforce the principles of LCP
- Evaluate pros/cons of fixed program budgets
- Converting from annual to three-year plans
- Alignment with Act on Climate and recently published State Climate Action Plan

2026 Policy Recommendations – Other Possible Topics



Building Energy Disclosure / Audit Requirement

- Require owners to disclose their building's energy consumption to prospective buyers/renters
- Require energy audit and/or weatherization at time of tenant turnover/property sale

Pay-Over-Time Efficiency Investments

- Allow measures with long useful lives to be financed and recovered over their expected life, rather than expensed entirely in the year installed

Affordability Screening for EE Program Design

- Require broader bill impacts to be assessed (i.e. valuing total energy burden, not just utility system)

Codify Energy Efficiency as a Long-Term Infrastructure Investment

- Recognize EE as a core infrastructure strategy
- Update/modernize cost-effectiveness testing to reflect long term value of EE and to reflect state policy goals

Considerations for Selecting Policy Recommendations



How many items to “order off the menu”

- Just the entrée
- A balanced three-course meal
- The buffet

If more than one, how to prioritize?

- Establish a level of urgency tag (e.g. High, Medium, Low)
- Focus on one critical policy recommendation while sharing other items
- Impact versus feasibility
- Some other hybrid approach?

Specificity Considerations

- Specific actions or broad direction
- Should level of specificity depend on prioritization?

RI Legislative Updates



Purpose

- Summarize notable proposals in the Governor’s budget and recent legislation
- Provide context to inform the development of EEC policy recommendations
- Support potential Council actions, such as drafting informational letters to policymakers

Overview

- Governor’s Fiscal Year 2027 Budget
- Executive Order 26-01
- Proposed 2026 Legislation
- Activity from Passed 2025 Legislation

[Summary memo](#) included in meeting materials

Governor's Fiscal Year 2027 Budget



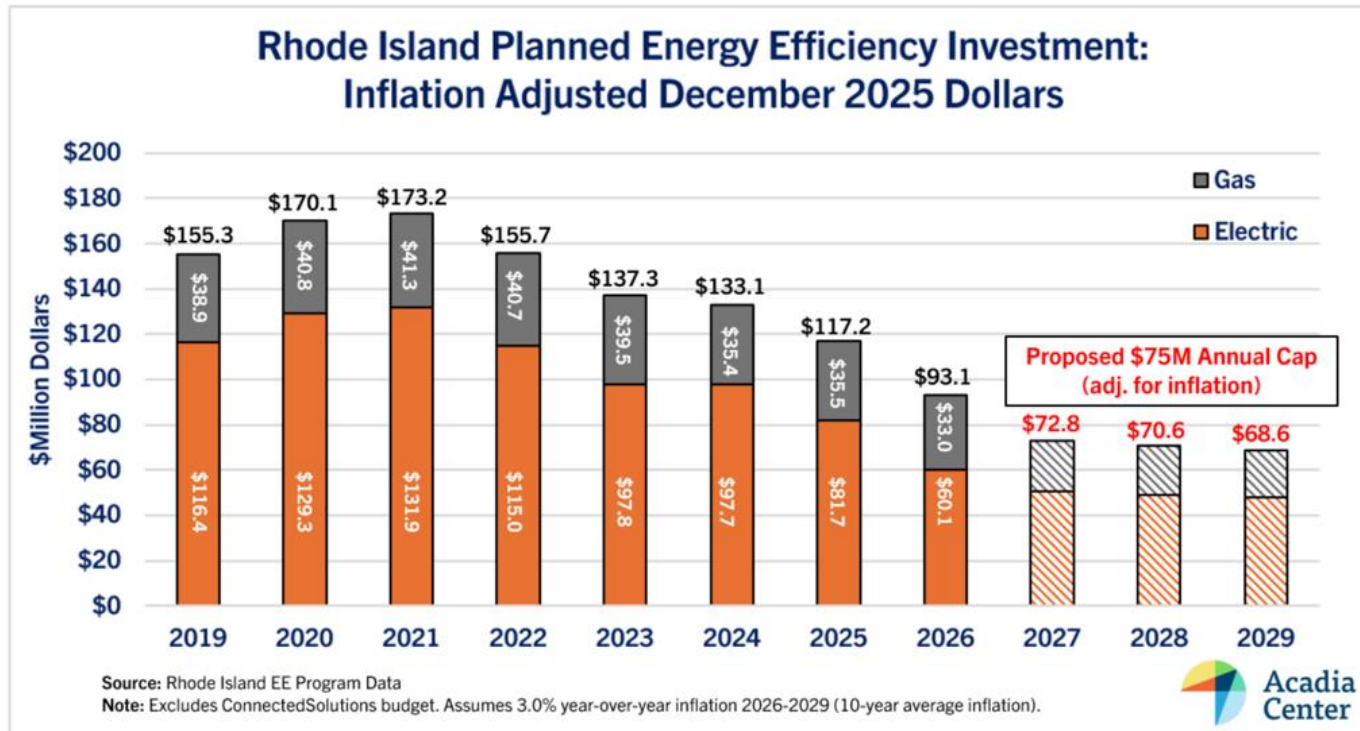
Energy package affects energy efficiency, renewable energy standards, net metering, and other ratepayer-funded programs

Upfront savings:

- \$151M in 2027 savings and \$1B over five years (all energy initiatives)
- Of that, \$21M in 2027 and \$105M over five years from energy efficiency changes
- Primarily through a proposed \$75M annual cap on EE charges
- Plus reduction in RIIB funding from \$5M to \$2.5M

Savings estimates reflect difference between 2026 EE Plan budget and \$75M cap being proposed, but ***do not account for medium- and long-term benefits foregone*** in pursuit of near-term savings

Cap on EE Program Charges



Caps EE charges at \$75M annually for 2027-2029 triennial plan

24% below planned 2026 levels;
48% below the five-year average

Future adjustments allowed

- Subject to PUC approval
- Limits increases to changes in consumer price index (CPI) for energy

\$21M in 2027 savings and \$105M over five years, but that **does not account for foregone customer savings and broader benefits**

LCP Extension & Triennial Plans



Extends Least Cost Procurement (LCP) and Systems Benefit Charges through 2038

Shifts energy efficiency planning from annual to triennial cycles

- Utility would continue filing an annual funding mechanism, subject to PUC approval

Adds the DPUC as a consulting entity in plan development

Reduces EEC public review of the Combined Heat and Power (CHP) program from annual to triennial

Energy Benchmarking & Performance Standards Program



Establishes a benchmarking and performance standards program for large state-owned/occupied buildings (25,000+ sq. ft.)

Requires ongoing energy tracking and annual public reporting of energy use and emissions beginning in 2029

Directs OER to set facility-specific emissions standards by 2030, with compliance through 2050

Includes compliance reporting, corrective action plans, and limited exemptions for infeasible facilities

Creates a voluntary benchmarking program for large municipal and school buildings

Other Relevant Budget Proposals



RIIB Funding – Reduces funding allocated from the Energy Efficiency Fund to the Rhode Island Infrastructure Bank (RIIB) for clean energy programs from \$5 million to \$2.5 million.

Clean Energy Bond – Proposes a \$50 million Green Economy and Clean Energy bond – with approximately \$10 million to support the energy efficiency program efforts led by OER.

Performance Incentive Mechanism – Language update from “mitigating cost and price variability through procurement portfolios” to “sharing net benefits across prioritized categories to maximize ratepayer savings.” Impacts will depend on how the PUC defines net benefits and structures the incentive framework.

Renewable Energy Standard – Pushes back the deadline for the state’s Renewable Energy Standard (RES), which commits to procuring 100% of its electricity from renewable and zero-emission resources, from 2033 to 2050.

Net Metering Program – Establishes new monthly “grid access fee” and reduces compensation rates for large projects over 1MW (applies to existing and future systems)

Weatherization Assistance Program (WAP) – Transfers administration of WAP from DHS to OER

Executive Order 26-01 (Feb 9, 2026)



Directs state agencies to review ***Net Metering and Renewable Energy Growth Program*** to control ratepayer costs while maintaining emissions goals

Directs OER, in consultation with DPUC, PUC, utilities & stakeholders, to:

- Evaluate ratepayer, fiscal, and system impacts
- Propose potential program modifications
- Submit virtual net metering amendment options by April 2026
- Complete broader review by October 1, 2026

Requires DPUC to develop and issue Ratepayer Impact Notes for significant energy legislation to improve transparency around effects on rates, bills, and affordability

Proposed 2026 Legislation



H-7081 / S-2529 – Next Generation Public Buildings Act

H-7174 / S-2516 – Energy Efficiency Charge Repeal

H-7183 / S-2260 – Building Benchmarking and Reporting Act of 2026

H-7184 / S-2218 – Building Performance Standards Act of 2026

Other Bills Related to Energy Efficiency

Next Generation Public Buildings Act



[House Bill 7081](#) / [Senate Bill 2529](#) – An Act Relating to Health and Safety

- House Sponsors – Boylan, Kislak, McGaw, Handy, Fogarty, Spears, Speakman, Cortvriend, Carson
- House History – 01/14/2026 Introduced, referred to House Municipal Government & Housing
- Senate Sponsors – Urso, Britto, Gu, DiMario, Vargas, Kallman, Acosta, Ujifusa, Bell
- Senate History – 2/13/2026 Introduced, referred to Senate Environment and Agriculture

Requires new and substantially renovated state and municipal buildings that are open to the public to be all-electric.

- Applies to new construction, major renovations (>50% of value), and building expansions commencing on or after January 1, 2028.
- Prohibits combustion-based heating for air and water heating.
- Requires alignment with Act on Climate and updated state building and energy codes.
- Includes exemptions for emergency backup power and certain specialized facilities.
- Allows municipalities to seek hardship waivers.

Energy Efficiency Charge Repeal



[House Bill 7174](#) / [Senate Bill 2516](#) – An Act Relating to Public Utilities and Carriers

- House Sponsors – Paplauskas, Fascia, Hopkins, Santucci, Place, Roberts, Newberry, Brien, Quattrocchi, Nardone
- House History – 01/21/2026 Introduced, referred to House Corporations
- Senate Sponsors – de la Cruz, Rogers, Morgan, Paolino, Patalano, Raptakis, Tikoian, Ciccone, Appollonio
- Senate History – 2/13/2026 Introduced, referred to Senate Commerce

Repeals the statutory energy efficiency charge that funds Rhode Island’s energy efficiency programs.

- Eliminates electric and gas energy efficiency charges and terminates efficiency funding accounts.
- Removes statutory funding for program administration and oversight (EEC, OER).
- Eliminates required transfers to RIIB for efficiency-related financing.
- Does not establish a replacement funding or governance framework.
- Takes effect immediately upon passage.

Building Benchmarking & Reporting



[House Bill 7183](#) / [Senate Bill 2260](#) – An Act Relating to Health and Safety

- House Sponsors – Kislak, Fogarty, Carson, McGaw, Boylan, Speakman, Cortvriend, Handy, Bennett, Donovan
- House History
 - 01/21/2026 Introduced, referred to House Environment and Natural Resources
 - **Hearing scheduled for 03/11/2026**
- Senate Sponsors – Kallman, Britto, DiMario, Gu, Valverde, Lauria, Euer, Vargas, Urso, Mack
- Senate History – 01/23/2026 Introduced, referred to Senate Housing and Municipal Government

Establishes a statewide building energy benchmarking and reporting program for large buildings.

- Applies to residential and non-residential buildings $\geq 25,000$ sq. ft.
- Requires annual reporting using EPA's ENERGY STAR Portfolio Manager.
- Phased implementation beginning in 2028 based on building size.
- OER responsible for standards setting, program administration, outreach and reporting.
- Emphasizes incentives-first enforcement, with fines no earlier than 2031.
- Allows existing municipal benchmarking programs to continue.

Building Performance Standards



[House Bill 7184](#) / [Senate Bill 2218](#) – An Act Relating to Health and Safety

- House Sponsors – Kislak, Handy, Fogarty, Cortvriend, McGaw, Potter
- House History
 - 01/21/2026 Introduced, referred to House Environment and Natural Resources
 - **Hearing scheduled for 03/11/2026**
- Senate Sponsors – Kallman, Valverde, Lauria, DiMario, Euer, Vargas, Gu, Mack, Britto
- Senate History – 01/23/2026 Introduced, referred to Senate Environment and Agriculture

Directs the development of mandatory building performance standards for large buildings to reduce greenhouse gas emissions.

- Applies to large existing buildings ($\geq 25,000$ sq. ft.).
- Establishes interim and final performance standards aligned with net-zero by 2050.
- Administered by OER with emissions-based enforcement by DEM.
- Includes flexibility mechanisms (alternative compliance plans, waivers).
- Creates a dedicated Building Performance Standards Fund.

Other Relevant Legislation



[Senate Bill 2122](#) / [House Bill 7067](#) – *Real Estate Sales Disclosures – An Act Relating to Businesses and Professions*

- Modifies the real estate sales disclosure form to include the disclosure of “blower door diagnostic air leakage testing” and advises that air leakage testing is recommended prior to purchasing a residential unit.
- **1/27/2026 Held for further study**

[Senate Bill 2229](#) – *An Act Relating to Education – School Funds and Property*

- Directs the department of education to develop and adopt regulations for energy capable school buildings.

[House Bill 7530](#) – *State Building Code – An Act Relating to Health and Safety*

- Exempts homes under two thousand (2,000) square feet from automatic statewide IECC energy mandates, allowing municipalities to decide whether to adopt climate-focused building code requirements for small and modest homes.

Other Relevant Legislation



[Senate Bill 2765](#) / [House Bill 7739](#) – *Green Buildings Act – An Act Relating to Public Property and Works*

- Creates the green buildings act commission to consist of 17 members, responsible for the implementation of the green buildings act.
- **Hearing scheduled for 03/11/2026 – Senate Commerce**

[House Bill 7738](#) – *State Building Code – An Act Relating to Health and Safety*

- Establishes a moratorium on changes to the state energy conservation code from the 2024 International Energy Conservation Code until January 1, 2031, unless approved by the legislature and made effective by the governor.
- **Hearing scheduled for 03/11/2026 – House Environment and Natural Resources**

Next Steps



Consultant Team to draft “menu” of options for Council to consider at March 19th meeting

Potential Council vote on policy recommendations to submit to General Assembly

Council submits recommendation to General Assembly

Policy recommendations memorialized in Council’s Annual Report

Council Member Discussion



Which topics feel most urgent and relevant right now?

Which recommendations should be carried forward, changed or let go?

What's missing?



Appendix

2025 Annual Report – Policy Recommendations Detail

Sustain Robust Energy Efficiency Investment to Meet Act on Climate Mandates



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

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

The Public Utilities Commission’s Future of Gas docket affirms this path forward: “To achieve the Act [on Climate], all scenarios rely on significant energy efficiency measures, such as building shell retrofits, that far exceed the state’s rate of adoption today.” Without continued and robust EE investment, Rhode Island cannot meet its climate goals. Strong, sustained funding is non-negotiable if the state is to deliver an equitable, cost-effective, and comprehensive mitigation and resilience strategy.

Support Ambitious Energy Savings Targets to Reduce Customer Costs



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

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

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

Increase Investment in Historically Underserved Communities



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

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

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

Leverage Workforce Development to Advance Climate And Energy Affordability Goals



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

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

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