



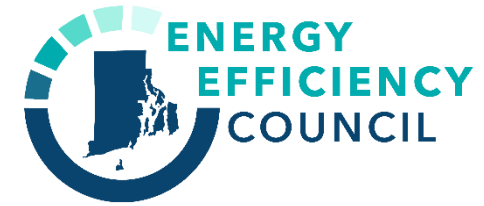
2026 EEC Policy Recommendations & Priorities

Consultant Team Presentation

March 19, 2026

All materials associated with the Energy Efficiency Council are the work of the "Energy Efficiency and Resource Management Council" and any public meeting materials posted on the RI Secretary of State website should be searched using that title.

Outline



Policy Recommendations

Energy Efficiency & System Reliability Procurement Priorities

Rhode Island Legislative Updates

Next Steps & Discussion

Priorities vs. Policy Recommendations



Priorities

- Council’s priorities for the development of upcoming energy efficiency (EE) and system reliability procurement (SRP) plans
- Conveys Council’s expectations for meeting specific outcomes of EE and SRP Plans
- **Primary audience** is Rhode Island Energy

Today’s Focus

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



Policy Recommendations

Considerations for Selecting Policy Recommendations



How many items to “order off the menu”

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

Draft text/menu of options included as supplemental material

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?

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

Weatherization and Building Rehabilitation Support

- Address common pre-weatherization barriers through coordinated support among efficiency, housing, and health & safety programs
- Expand funding access and streamline referral process

Higher Performance Buildings and Schools

- Promote high-performance and zero-energy-ready design in public buildings and schools to reduce long-term costs and improve comfort
- Enhance coordination across agencies and districts to support practical, well-aligned performance goals and integrate efficiency early in capital planning

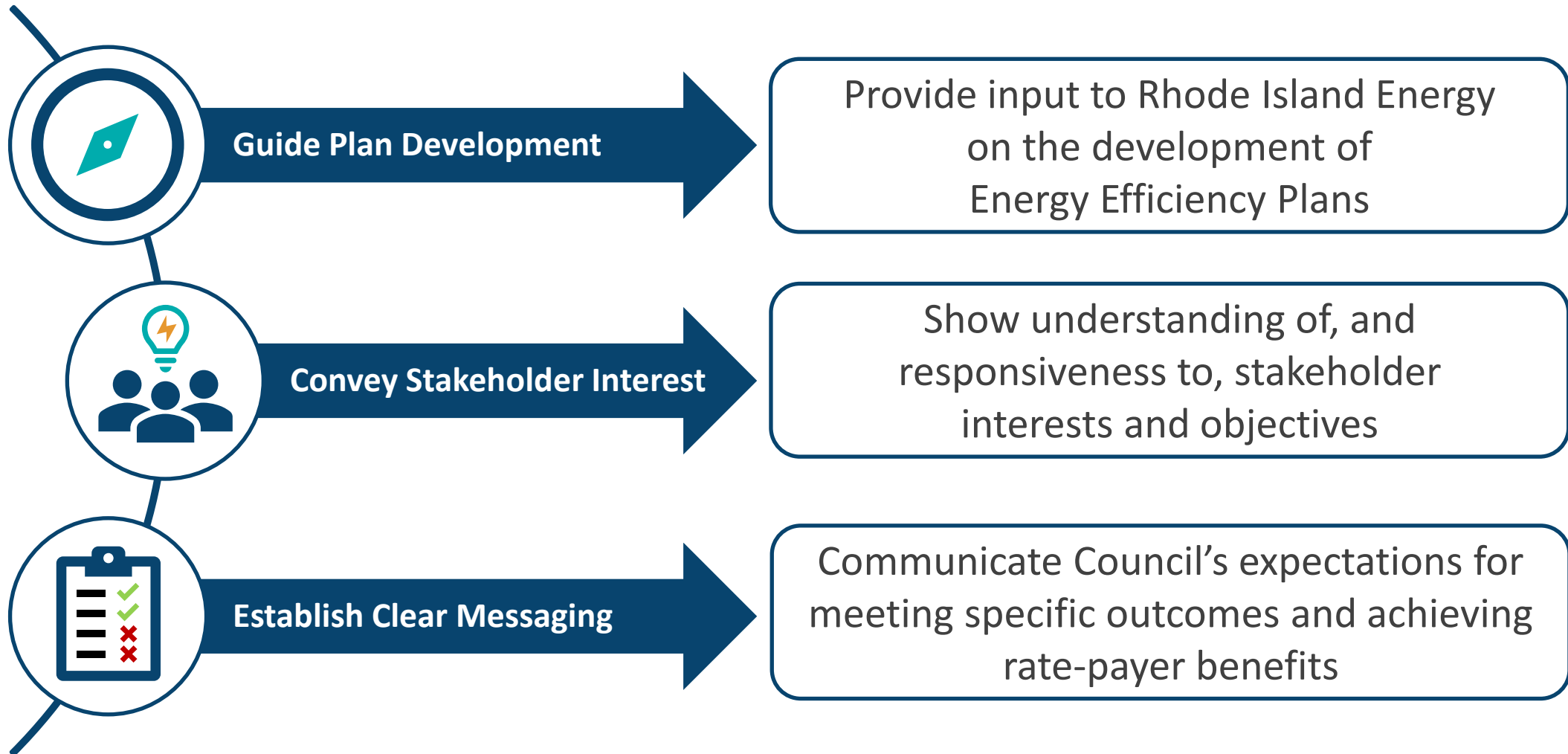
Energy Benchmarking

- Expand user-friendly benchmarking tools to help building owners use and identify cost-savings opportunities
- Strengthen data transparency and analytics to support informed decision-making



EE & SRP Priorities

Why Set Plan Priorities?



How Are Priorities Used?



Stakeholder Communication

- Presented to Rhode Island Energy’s stakeholder engagement groups, known as Technical Working Groups

Plan Review

- Consistently referenced during C-Team review of Plan drafts and final versions

Regulatory Proceedings

- Often cited in regulatory proceedings in testimony and written comments

2026 EE Plan Priorities



In 2025, the Council narrowed its focus to four priority areas...

- Support the Mandates of Act on Climate
- Set Ambitious Goals for Customers to Save Money
- Increase Participation in Underserved Communities
- Conduct Targeted Workforce Development

More detail in
Appendix

...and moved several other priority areas to “baseline expectations”

2024-2026 SRP Plan Priorities



Ensure responsiveness to Council input

Support stakeholder engagement

Methodological development improvements

Robust non-pipes program implementation

Robust Demand Management programming

More detail in
Appendix



Rhode Island Legislative Updates

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

Legislative Bills We're Tracking



Bill Number	Bill Topic	Status
House Bill 7183 / Senate Bill 2260	Building Benchmarking and Reporting	House Bill held for further study / Senate bill in committee
House Bill 7184 / Senate Bill 2218	Building Performance Standards	House Bill held for further study / Senate bill in committee
House Bill 7739 / Senate Bill 2765	Green Buildings Commission Establishment	Held for further study
House Bill 7738	Moratorium on Changes to State Building Code	Held for further study
House Bill 7067 / Senate Bill 2122	Air Leakage Disclosure for Residential Real Estate Sales	House Bill held for further study / Senate bill in committee

These bills have been discussed in at least one of the appropriate committees

“**Held for further study**” does not mean the bill is dead, but that it may need further discussion or edits before committee would bring it to the House/Senate floor

“**In Committee**” means that the appropriate committee has not yet had discussion of the bill (i.e. no new news)

Legislative Bills We're Tracking



Bill Number	Bill Topic	Status
House Bill 7081 / Senate Bill 2529	Next Generation Public Buildings	In committee
Senate Bill 2229	Zero-Energy Capable Schools	In committee
House Bill 7655	Tenant Energy Conservation Measures	In committee
House Bill 7774	Residential Code Adoption and Moratorium	In committee
House Bill 7530	Local Control of Energy Code for Small Homes	In committee
House Bill 7174 / Senate Bill 2516	Energy Efficiency Charge Repeal	In committee
Senate Bill 2520	RIIB Energy Efficiency Funding Repeal	In committee
Senate Bill 2797	Moratorium on Net Metering, Long-Term Contracts and Subsidies for Heat Pumps	In committee



Next Steps & Discussion

Next Steps



Policy Recommendations

- Potential Council vote on policy recommendations to submit to General Assembly
- C-Team works with Council leadership to submit recommendation to General Assembly
- Policy recommendations memorialized in Council's Annual Report

EE & SRP Plan Priorities

- C-Team to prepare draft for Council's April meeting

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

2026 EE Plan Priorities

Support the Mandates of Act on Climate



Why is this a Priority?

- EE is a key pillar of decarbonizing RI's economy and achieving net zero by 2050
- EE Plans should be developed to support achievement of Act on Climate mandates

Priority Details

- Goals set consistent with GHG reductions identified as necessary to meet the Act on Climate
- Reduce investment in fossil fuel heating equipment and increase investment in weatherization
- Goals for replacing electric resistance space heating and hot water equipment with heat pump technologies
- Considerations for outcomes of the Future of Gas Docket

Set Ambitious Goals For Customers to Save Money



Why is this a Priority?

- Council acknowledgement of upward pressure on customer costs, including on energy
- Participating in programs lowers impact on increasing costs relative to those that do not participate

Priority Details

- Set ambitious goals in the spirit of savings customers money on their energy bills
- Demonstrate growth trajectory for programs that save customers money, regardless of participation
- Emphasize improvement on program designs with recent underperformance
- Document incremental energy savings that are not being pursued as a result of containing program budgets to reduce near-term ratepayer impacts
- Document measures/approaches that were considered in Plan development, but not pursued

Increase Participation in Historically Underserved Communities



Why is this a Priority?

- Engaging historically underserved communities critical for future success of EE programs
- Historically underserved communities face disproportionately higher energy burdens and stand to benefit the most from participation

Priority Details

- Continue progress with Equity Working Group (metrics, recommendations, regular report outs)
- Increase investments, identify and implement program improvements, and improve marketing and outreach in underserved communities
- Language and workforce development access
- Increase participating by small and microbusiness customers

Conduct Targeted Workforce Development



Why is this a Priority?

- Workforce needs to be robust and stable to ensure success of EE programs now and into the future
- Focusing on workforce challenges will help ensure demand can be met
 - Examples: hiring and retainment of HVAC technicians/auditors/weatherization contractors, skill and career awareness gaps, geographical needs

Priority Details

- Deliver targeted workforce development for small/minority- and women-owned business enterprise contractors
- Focus on opportunities tied to meeting Act on Climate, maximizing ratepayer benefits, and controlling ratepayer costs
- Implement recommendations from Workforce Needs Assessment
- Expand training for existing workers and mitigate barriers to entry for new workers

Baseline Expectations



The Council shifted many of its “priorities” to baseline expectations in 2025, these included:

- Comply with Least Cost Procurement Standards
- Encourage and incorporate stakeholder input
- Ensure effective and efficient development and review process
- Utilize framework for justifying programs that exceed cost of supply
- Ensure robust coordination on Federal and State funding opportunities
- Update the carbon accounting methodology used in the EE Plans



Appendix

2024-2026 SRP Plan Priorities

Ensure Responsiveness to Council Input



The Company will demonstrate continued responsiveness to Council and other stakeholder input, including during the implementation of the 2024-2026 SRP Three Year Plan.

The Company will submit any draft SRP Investment Proposals to the Council at least six weeks prior to the Company's intended filing date for any such proposals.

Support Stakeholder Engagement



The Company will ensure sufficient opportunities for stakeholder engagement and substantive contributions during SRP implementation, including but not limited to SRP Technical Working Group meetings and Council and other stakeholder review of draft and final SRP Investment Proposal materials.

Methodological Development



The Company will actively pursue further development of benefit cost analysis and assessment of internal EE and DER solutions to grid needs, which will include sharing internal analyses of NWA and NPA opportunities and providing stakeholder opportunity to comment on both the results and methodology of those analyses.

Non-Pipes Program Implementation



The Company will ensure Non-Pipes Alternative (NPA) program implementation is robust, regular updates are provided to the SRP TWG, and system need forecasting is conducted in a transparent manner with adequate lead time to enable identification and screening for multiple NPA opportunities in this three-year plan cycle.

Demand Management Programming



The Company will develop and implement a cost-effective electric demand response program design which specifically prioritizes a balance between adequate incentives to drive sustained and growing program participation with maximization of net utility system benefits for all customers, regardless of program participation.

The Company will actively seek EEC input on any proposed changes to demand response (DR) program design, and will provide regular updates on DR programs with at least one presentation per year, with additional presentations to the EEC and the SRP TWG as appropriate should program performance deviate from expected levels or in the event the Company proposes changes to program design, cost effectiveness analyses, distribution of net program benefits, or incentive levels.

Demand Management Programming (con't)



In Docket 24-37-EE, the Commission motioned to discontinue the Company's Gas Demand Response Pilot given that it had run its course and that there was not much more left to learn. Nonetheless, the Commission noted that the ruling was not meant to signal that gas demand response is not important. In light of this, the Company should investigate and if deemed appropriate, propose new gas demand response programs and/or pilots.

In the event the Company elects to develop new gas demand response programs and/or pilots, the Company will engage with EEC, OER, and other stakeholders on appropriate cost-effectiveness, incentive-setting, and other appropriate supporting analyses with adequate lead time to ensure final proposals are presented to all interested Stakeholders to enable a considered and comprehensive assessment of any proposed program or pilot.



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.