

Introduction

The Energy Efficiency Council offers the following policy recommendations to support Rhode Island’s climate, affordability, and energy system objectives. For 2026, the Council is presenting a primary, emphasized recommendation—focused on sustaining robust energy efficiency investment and strengthening the Least Cost Procurement framework—reflecting the heightened importance of these issues in the current policy and budget environment. This primary recommendation includes several sub-components that together outline the key legislative and regulatory actions needed to maintain energy affordability, advance Act on Climate mandates, and preserve long-term system benefits.

In addition, the Council is providing a secondary set of policy recommendations that remain important to achieving the state’s goals but are de-emphasized this year to allow clearer focus on the urgent challenges facing Rhode Island’s energy efficiency programs. These supplemental recommendations reflect the Council’s broader priorities and are intended to complement, rather than compete with, the emphasized recommendation.

Core Policy Recommendation: Sustain Robust Energy Efficiency Investments

Rhode Island’s Least Cost Procurement (LCP) statute has been one of the state’s most successful and durable energy policies, ensuring that energy efficiency investments are pursued whenever they cost less than supply alternatives. At a time when many Rhode Islanders are facing significant energy affordability pressures, the Council’s recommendations are developed with a focus on both near-term customer costs and long-term bill stability. LCP remains a foundational strategy for meeting Rhode Island’s obligations under the Act on Climate, and for implementing priority actions identified in the 2025 Climate Action Plan, including building decarbonization, demand reduction, and deep energy retrofits.

The Council supports extending LCP and recommends doing so with a thoughtful, comprehensive review to ensure its purpose and design remain aligned with today’s policy landscape—examining, for example, whether the original statutory intent continues to meet current needs and whether updates are warranted to fully support Act on Climate mandates.

Maintaining the integrity and effectiveness of LCP is therefore essential to delivering an affordable, reliable, and decarbonized energy future.

Reinforcing Core LCP Principles

The Council emphasizes the importance of preserving the **core principles** that define LCP's success:

- **Cost-effectiveness:** Invest in all energy efficiency resources whose cost is lower than the cost of supplying equivalent energy.
- **Comprehensive system benefit:** Prioritize (but don't restrict) investments that reduce long-term costs for all customers, not only program participants.
- **Rigorous planning and oversight:** Maintain transparent, data-driven processes for resource planning, evaluation, and verification.
- **Continuous improvement:** Ensure programs evolve as technologies, markets, and state climate policy goals evolve.

These principles have produced hundreds of millions in net customer benefits over the past decade—and remain fully aligned with the Climate Action Plan's emphasis on demand reduction, home energy performance, and cost-effective decarbonization.

Ensuring Balanced Consideration of Fixed Budget Caps

Recent proposals for fixed program budgets or caps—including alternatives put forward in the Governor's FY27 budget—present only the **perceived benefits** of tighter annual limits, without fully addressing the broader system-level **costs and risks** of capping efficiency investment.

The Council urges policymakers to carefully weigh any potential risks or drawbacks alongside the near-term benefits that are outlined in the Governor's proposal. These may include, but not be limited to, the following:

- **Higher long-term energy costs** from under-investment in cost-effective energy efficiency savings
- **Reduced progress on Climate Action Plan priorities**, including building shell improvements, electrification-enabling upgrades, and thermal decarbonization
- **Missed opportunities** for deep retrofits and demand management, which require multi-year certainty
- **Loss of clean energy jobs and economic activity**, resulting from lower investment levels could reduce local employment for HVAC, weatherization, and energy efficiency contractors

- **Weaken long-term system planning** may result from prioritization of short-term impacts over long-term cost-control, thus reducing our ability to mitigate infrastructure costs, peak demand, and system strain

A fixed cap—even if it helps with customer affordability in the near-term—can increase costs for customers over time if it restricts investments whose benefits significantly exceed their costs. The Council urges policymakers to evaluate these tradeoffs holistically and in alignment with the Climate Action Plan’s guidance.

Support Transition from Annual to Multi-Year (Three-Year) Plans

To increase planning certainty, align with best practices used in other leading states, and improve the effectiveness of long-term efficiency investments, the Council supports transitioning Rhode Island from **annual** to **three-year** planning cycles for energy efficiency and demand-side management.

A three-year plan would:

- Enable **longer-term program design**, contractor investments, and workforce development
- Support **deep energy upgrades and whole-home retrofits**, which require multi-year sequencing
- Allow for better alignment with the state's **Climate Action Plan implementation timeline**
- Reduce annual administrative overhead
- Improve integration across efficiency, electrification, grid planning, and affordability strategies

This transition strengthens—not replaces—annual reporting and oversight. The Council recommends maintaining robust annual updates on performance and spending within a multi-year planning framework.

Aligning Decisions With the State’s Climate Action Plan

The 2025 Climate Action Plan identifies energy efficiency, weatherization, and deep building retrofits as **essential near-term climate actions**, and underscores the need to significantly scale demand-side resources. Any changes to the LCP statute, program funding mechanisms, or the design of efficiency programs should therefore be evaluated for consistency with key Climate Action Plan directives, including:

- Reducing statewide energy demand across all sectors

- Expanding access to efficiency in underserved communities
- Preparing buildings for electrification
- Reducing long-term system costs and improving resilience
- Ensuring equitable distribution of costs and benefits

The Council recommends establishing a formal review step to ensure any legislative or regulatory proposals involving efficiency or LCP are evaluated for consistency with one or more of these Climate Action Plan priorities.

Secondary Policy Recommendations

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 (MWBES), 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.

Building Energy Disclosure and Home Improvement Requirements

To help the state accelerate residential weatherization and strengthen long-term energy affordability, policymakers may wish to consider several complementary options that could be packaged together into a broader energy-transparency and efficiency policy. One option is to require property owners to disclose recent building energy consumption to prospective buyers and renters. This would provide households with clearer expectations about energy costs and overall building performance at the point when they are deciding whether to purchase or lease a home. Another option is to require disclosure of any past

energy audits, blower-door test results, and completed efficiency improvements during property sales or tenant turnover.

Policymakers might also evaluate whether to require a basic energy audit—or, where appropriate, targeted weatherization—whenever a property is sold or transitions to a new tenant. Such a measure would ensure that high-value efficiency upgrades are identified at natural transaction points and could help move the state’s older housing stock toward better performance over time. Considering these options together would allow policymakers to structure a balanced, flexible package that increases transparency, informs consumer decisions, and drives steady progress in home weatherization and energy efficiency.

Advance Integrated Weatherization and Building Rehabilitation Support

Many Rhode Island homes—particularly older housing stock—face pre-weatherization barriers such as outdated wiring, knob-and-tube electrical systems, asbestos, and structural issues that fall outside the scope of ratepayer-funded programs. These conditions often prevent households from accessing energy efficiency upgrades even when they are otherwise eligible. The Council recommends strengthening partnerships between energy efficiency programs, housing agencies, and health and safety programs to support integrated pathways that address these barriers more holistically.

Coordinated initiatives could include expanded access to flexible funding sources, streamlined referrals between agencies, and targeted support for low-income and underserved communities. These approaches would enable more Rhode Islanders to fully participate in energy efficiency programs, reduce energy burdens, and improve health and safety outcomes while maximizing the reach of public investment.

Strengthen Support for High Performance Buildings and Schools

Public buildings—including state facilities, municipal buildings, and schools—represent critical long-lived assets where strategic investments in energy efficiency can deliver significant long-term cost savings, improved comfort, and reduced emissions. The Council supports advancing high-performance and zero-energy-ready design principles across public-sector construction and renovation projects, ensuring that energy-efficient building envelopes, right-sized mechanical systems, and modern controls are incorporated into capital planning from the outset. These improvements can reduce energy burdens for municipalities and state agencies, free up resources for public services, and support healthier indoor environments for workers, students, and community members.

The Council also encourages enhanced coordination among state agencies, school districts, municipalities, and program administrators to ensure public-building

performance goals are practical, well-supported, and aligned with Rhode Island’s climate and affordability objectives. By integrating energy efficiency early in design and construction decisions—while providing technical assistance and clear performance expectations—the state can lead by example, accelerate market transformation, and create long-term savings that benefit all Rhode Islanders.

Expand Capacity for Energy Benchmarking and Data-Driven Building Management

Energy benchmarking programs help building owners understand their energy use, identify cost-saving opportunities, and prioritize investments in efficiency upgrades. The Council recommends supporting the development of robust, user-friendly benchmarking tools and guidance for building owners—particularly for larger commercial, institutional, and public buildings.

Improved benchmarking capacity enhances transparency, supports data-driven decision-making, and strengthens the state’s ability to track progress toward climate and energy goals. Over time, expanded benchmarking participation can also help unlock deeper retrofits and market transformation across the commercial building sector.