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Comments on 2027-2029 Energy Efficiency First Draft Plan

To the Energy Efficiency Team at Rhode Island Energy:

I write on behalf of my organization, Acadia Center, with comments on Rhode Island Energy's first draft of the 2027-2029 Energy Efficiency (EE) Plan, the first binding three-year EE plan. Acadia Center supports the plan's direction toward greater climate alignment, access and impact, while recommending key changes to the timeline and improvements to advanced metering integration.

Timing

Acadia Center urges a reconsideration of the existing timeframe for Rhode Island Energy (RI Energy)'s development and stakeholder review of the first binding three-year EE plan.

- Changes to the Least Cost Procurement (LCP) standards are currently under review by the Public Utilities Commission (PUC), with implications for the current plan.
- The regional Avoided Energy Supply Component (AESC) is updated every three years. The most recent study will not be completed until mid- to late- November (2026) and is a key input for benefit cost screening in the EE plan. Coordinating the development of the three-year plan around the release of the updated AESC study will ensure that the three-year EE plan uses the most current data on estimated avoided energy costs. This is an established practice in Massachusetts and Connecticut, where the release of three-year efficiency plans coincides with the AESC study release schedule.
- Several sections of the three-year EE plan are identified as currently unavailable, under development or slated for update in future versions, such as a multifamily opportunity study, and does not allow adequate stakeholder review of those elements.

Shifting the three-year plan to 2028-2030 will allow additional time to adapt to any changes to the LCP standards and requirements of the first binding three-year framework, include the most current data on estimated avoided energy costs, and ensure adequate timing for stakeholder feedback on all elements of the plan. It will also place Rhode Island on a schedule that is aligned with future updates to the AESC study moving forward.

Climate Alignment

Energy efficiency serves as the foundation of climate action, serving as a central pillar of emission reductions mandated by G.L. 42-6.2-2. (Act on Climate). The 2025 Climate Action Strategy is the most up-to-date guidance document for the state's implementation of the Act on Climate; throughout the three-year EE Plan, the 2025 Climate Action Strategy should be referenced in addition to or in lieu of the 2022 Climate Update.

Building energy efficiency is a longstanding pillar of decarbonization, as it can mitigate energy consumption, reduce utility bills, and manage peak electricity demand and system costs.
RI 2025 Climate Action Strategy, RI EC4

Acadia Center supports the three-year EE plan's reduction of incentives for new gas equipment and encourages Rhode Island Energy to consider elimination of such incentives[1]. This shift in the Residential HVAC and Hot Water program and Residential New Construction program, acknowledges both the decreasing demand for new gas equipment and misalignment with climate policy[2]. Increasing investments in the electric portfolio over the gas portfolio also reflects the significantly higher cost benefit ratio of electric programs over gas programs, including Residential New Construction and Residential HVAC. Acadia Center also supports RI Energy's shift to only offer incentives for large Combined Heat and Power (CHP) projects that result in a reduction in emissions, to align with the Act on Climate.

High levels of energy efficiency (EE) are a critical component of gas system decommissioning[3] and building decarbonization[4]. Substantial reductions to the EE portfolio budget threaten Rhode Island's ability to meet its emission reduction mandates. Thus, a substantial decrease in the portfolio budget should be a trigger for mid-term modification, requiring review by the Energy Efficiency Council and approval by the PUC. As outlined in Section 5.7 on Notification and Approval Mechanisms, Acadia Center requests that a mid-term modification also be triggered with any *decrease* to the three-year portfolio budget of 10% or more.

2027-2029 Benefit Cost Ratio

Acadia Center strongly opposed the scale of reductions to the energy efficiency program approved in the 2026 Energy Efficiency Plan[5], acknowledging that the decline of energy efficiency budgets generally results in leaving energy and cost savings on the table. While the proposed combined gas and electric EE budgets from 2027 to 2029 indicate a gradual decline from 2026 budget levels[6], Acadia Center is glad to see that the delivery of improved and

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[1] Mass Save discontinued rebates and incentives for natural gas, oil, and propane heating equipment over 2 years ago. https://www.masssave.com/about/news-and-events/news/discontinuation-of-rebates-and-incentives-natural-gas-oil-propane-heating-equipment

[2] In addition to the Act on Climate, the Future of Gas Technical Report shows a significant reduction in gas throughput in all scenarios.

[3] All scenarios of the Future of Gas Technical Report rely on high levels of energy efficiency that far exceed the state's rate of adoption today.

[4] Under both the Current Policy and Act on Climate Scenarios of the 2025 Climate Strategy, building sector emission reductions rely on increased energy efficiency.

[5] Acadia Center Energy Efficiency Action Alert Regarding 2026 Rhode Island Programs, August 20, 2025.

[6] Sum of Gas and Electric Budget by Year (Tables G-2 and E-2, column (g))
2027 budget – $95,116,500
2028 budget – $92,965,600
2029 budget – $90,133,300

slightly increasing EE benefits[7]. Acadia Center further appreciates the more consistent decline in the gas budget with more level electric investments during the triennium.

In proposing edits to the LCP standards, the PUC suggests changes to the calculation of some benefits. Acadia Center seeks clarification on such adjustments, which have not yet been addressed.

- Acadia Center does not support the exclusion of delivered fuels savings and seeks clarification of the rationale for doing so. Fuel benefits are included in the RI Test, and it is unclear how the LCP standards could alter this component of benefits. When energy efficiency saves fuel, an avoided resource benefit is created.
- Acadia Center supports the inclusion of some economic development benefits in the RI Test tabulation. We also seek clarification on the definition of "incremental" economic development benefits and how such benefits will or may be captured within or outside of the RI Test. With clarification from the PUC, Acadia Center recommends that RI Energy include such incremental economic benefits in the RI Test for the upcoming three-year EE plan.

In addition, in the approximation of 2027-2029 bill impacts, Rhode Island Energy excludes non-embedded carbon benefits, rest-of-pool DRIPE benefits (capturing benefits only in RI), and delivered fuel benefits. With this range of exclusions as well as the dated assumptions of the avoided energy supply component (AESC) study, Acadia Center cautions against a particularly conservative collection of benefits which threatens to understate the value of EE for what will be the first binding three-year framework.

Continued Commitment to Equity, Access, and Impact

Acadia Center aligns with the equity vision outlined in the Plan, which centers on reducing barriers and the consistent measurement of equity-related outcomes. Similar to this vision and the aim of the three-year framework, Acadia Center recommends that the mission and aim of the Equity Working Group center not just on planning, but implementation, and that RI Energy report quarterly to the EWG on equity metric outcomes, with opportunity for discussion.

While the plan highlights continued collaboration with community partners, Acadia Center continues to call for the appropriate compensation of community-based organizations and would like to see this reflected in the program's budget, similar to that of Mass Save's Community First Partnership.

Of note in the 2027-2029 plan, Acadia Center appreciates the expansion of language access support and continued focus on renters, multifamily households, and environmental justice communities, as well as

[7] Sum of Gas and Electric Benefits by Year (Tables G-3A and E-3A)
2027 benefits – $240,748,100
2028 benefits – $250,289,700
2029 benefits – $260,630,000

continued efforts to address pre-weatherization barriers. New to Rhode Island's EE program, Acadia Center applauds the expansion of heat pump incentives to users such as renters that may not otherwise have access to EE. This includes enhanced heat pump incentives to homes using inefficient electric appliances like plug in space heaters and the inclusion of window heat pumps as an allowed EE measure.

Advanced Metering for Customers and the Grid

Advanced metering infrastructure (AMI) will be fully deployed during the three-year plan term, and Acadia Center urges the Company to consider a more prompt roll out of AMI functionalities and tools which, if paired with proper rate design and effective customer outreach, will offer customers a tangible financial benefit. This three-year plan discontinues home energy reports, and Acadia Center seeks more robust details on how customers will be encouraged to access and understand their energy usage under AMI. Rhode Island Energy's phased approach focuses on internal analytics and use, and further delays the return on AMI investment that customers should expect to yield. Acadia Center also seeks further integration of demand response functionality, which may target efficiency based on localized distributional peaks and deliver far more robust grid-level system benefits.

Thank you for your consideration. Acadia Center looks forward to continuing to work with RI Energy on the development and implementation of Rhode Island's energy efficiency programs.

Sincerely,

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