

2027-2029 Energy Efficiency Plan Draft

August 24, 2026

Dear Energy Efficiency Technical Working Group Members and Energy Efficiency and Resource Management Council members,

Rhode Island Energy is pleased to provide the August 24, 2026 draft of the 2027-2029 Energy Efficiency Plan and supporting attachments for review. This version reflects updates made in response to stakeholder feedback received through the Technical Working Group, Energy Efficiency and Resource Management Council, Equity Working Group, customer listening sessions, and ongoing coordination with the Rhode Island Office of Energy Resources as well as other stakeholder groups

All stakeholder comments were reviewed and considered as part of the development of this draft. Stakeholders will not see a direct response to every individual comment, but Rhode Island Energy wants to emphasize that all feedback informed the review process and was weighed alongside other stakeholder input, planning objectives, regulatory requirements, and implementation considerations.

In many cases, stakeholder feedback resulted in revisions to the Plan, additional narrative, clarifications, or expanded descriptions. Other comments would be better suited for discussion through existing stakeholder forums such as the Technical Working Group, sector meetings, or the Equity Working Group. In addition, several comments were observations that did not require a response, or recommendations related to document organization and structure rather than substantive Plan content. Rhode Island Energy appreciates the significant stakeholder engagement throughout the planning process and believes the resulting Plan is stronger because of the feedback received.

Rhode Island Energy has refined the Plan's strategic priorities, program descriptions, equity framework, customer experience initiatives, workforce development activities, and coordination with related state and utility initiatives. This draft further develops Rhode Island Energy's proposed approach to implementing the State's first binding three-year energy efficiency plan and includes additional detail regarding program implementation, performance monitoring, and evaluation.

When reviewing this Draft, please note the following:

- Subject to further discussions with stakeholders and analysis during the planning process, content included here may be modified.
- Pending changes to the Least Cost Procurement Standards may require further updates to the Plan materials as the planning process continues.

- Rhode Island Energy may refine and consolidate the text to make a more readable and accessible final document.
- The Plan has been reviewed, but spelling errors and formatting inconsistencies may still exist. These will be addressed prior to the final Plan submission.
- This, and prior cover letters, and the contents thereof, will not be included in the final Plan filing. The cover letter exists to provide context on the planning process, not as a Plan document.

Updates in this version include:

- Expanded discussion of customer listening session feedback and how that input informed program design, outreach strategies, equity considerations, and customer experience improvements.
- Additional detail regarding equity objectives, participation metrics, community-based partnerships, and strategies to improve access and outcomes for customers facing barriers to participation.
- Further development of Rhode Island Energy's Advanced Metering Functionality roadmap, including proposed applications supporting energy efficiency planning, customer engagement, program targeting, and evaluation activities.
- Updated descriptions of Residential, Income Eligible, and Commercial & Industrial program strategies, including planned program enhancements informed by recent opportunity studies, evaluation findings, and stakeholder input.
- Additional detail on workforce development, codes and standards, participation and outreach, financing, and community-based initiatives.
- Additional discussion regarding energy efficiency coordination with the Act on Climate, ConnectedSolutions, and Advanced Metering Functionality.
- This draft also includes the Equity Working Group Report and Customer Listening Session Report as Attachments 9 and 10, providing additional context regarding stakeholder engagement and equity-related planning activities.
- For the 2027-29 three-year-plan, Rhode Island Energy has expanded the Attachment 5 and 6 electric and gas tables to contain cumulative three-year plan tables as well as annual tables for all three years. For each type of table (e.g., E-5A on cost-effectiveness), the order of tables shown is the cumulative three-year plan table first, followed by annual tables for 2027, 2028, and 2029.
- Quantitative results from several recently completed evaluation studies are included in the modelling of planned savings. These studies are summarized in Attachment 3.
- All benefits and costs presented are in nominal dollars (2027 benefits and costs are in 2027\$, 2028 benefits and costs are in 2028\$, and 2029 benefits and costs are in 2029\$). Avoided costs and budget

items that do not have individually entered values for each year are inflated annually using a rate of 2.3% (please see Attachment 4 Section 4 for more details).

- Expanded discussion of midterm modification procedures to support the transition to a binding three-year planning framework. The updated language describes how Rhode Island Energy may address material changes during the Plan term while continuing to provide transparency, stakeholder engagement, and regulatory accountability.

Rhode Island Energy appreciates the time and expertise stakeholders contribute throughout the planning process and looks forward to continued discussion and collaboration as development of the 2027-2029 Plan progresses toward the October 1, 2026 filing date.

Please provide feedback ahead of the Energy Efficiency Council meeting on September 10, 2026.

Thank you for your review and thoughtful feedback.

Rhode Island Energy

2027-2029 Energy Efficiency Three-Year Plan

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Executive Summary

1 Introduction

1.1 Plan Summary

The 2027-2029 Energy Efficiency Plan represents Rhode Island Energy's first binding three-year energy efficiency plan and establishes a framework for delivering affordable, cost-effective, and equitable energy efficiency programs over the next three years. The Plan outlines Rhode Island Energy's proposed strategies, budgets, savings goals, and program offerings. The Plan continues Rhode Island's longstanding commitment to least-cost procurement while reflecting evolving market conditions, customer needs, technology deployment, and state policy priorities.

Development of the Plan has been informed by extensive stakeholder engagement, including monthly meetings of the Energy Efficiency Technical Working Group, ongoing collaboration with the Energy Efficiency and Resource Management Council, coordination with the Rhode Island Office of Energy Resources, input from the Equity Working Group, feedback from program contractors and trade allies, and customer listening sessions held during 2026. Throughout the planning process, Rhode Island Energy incorporated stakeholder feedback, evaluation findings, market assessments, opportunity studies, and customer perspectives to refine program strategies and priorities for the 2027-2029 term.

Several important themes emerged during the planning process and are reflected throughout this Plan. Stakeholders emphasized the importance of affordability, equitable participation, data-driven decision making, and customer experience improvements. Customer listening sessions reinforced the need for simpler participation pathways, clearer communications, stronger engagement through trusted organizations, and improved support for customers facing barriers to participation. These themes informed Rhode Island Energy's proposed priorities, program designs, and cross-cutting initiatives throughout the Plan.

In addition, this Plan introduces a structured roadmap for integrating Advanced Metering Functionality data and capabilities into energy efficiency planning, targeting, customer engagement, evaluation, and program administration. Rhode Island Energy anticipates taking a phased approach over the three-year period, beginning with focused testing and analysis and expanding successful applications over time as experience and evidence are developed.

The transition to a binding three-year planning framework provides Rhode Island Energy with an opportunity to shift greater focus toward implementation, continuous improvement, and longer-term program performance. The Plan establishes multi-year goals while maintaining flexibility through regular reporting, evaluation, and modification mechanisms that allow the portfolio to adapt to changing market conditions, emerging opportunities, new technologies, and future policy developments.

The 2027-2029 Plan is organized around four strategic priorities that emerged through stakeholder engagement and internal planning:

- Deliver cost-effective and valuable energy efficiency investments that maximize customer and system benefits while supporting affordability.
- Leverage data-driven targeting and insight to improve program design, customer engagement, and portfolio performance.
- Enhance equitable participation and measurable outcomes by reducing barriers and improving access to program benefits.
- Improve customer experience by simplifying program participation and strengthening customer support throughout the energy efficiency journey.

The Plan also reflects Rhode Island Energy's continued investment in cross-cutting initiatives including workforce development, codes and standards, community-based partnerships, customer outreach, and integration of Advanced Metering Functionality capabilities. These efforts are intended to strengthen program delivery, improve customer outcomes, and position the energy efficiency portfolio for long-term success in an increasingly complex energy landscape.

1.1.1 Savings

Please see the table below for electric portfolio annual and lifetime MWh savings, electric portfolio annual summer and winter kW savings, electric portfolio annual and lifetime oil MMBtu savings, electric portfolio annual and lifetime propane MMBtu savings, gas portfolio annual and lifetime MMBtu gas savings, and combined electric/gas annual and lifetime MMBtu savings (including electric MWh savings converted to MMBtu). Savings are measured and verified by third-party evaluation firms.

Table 1: Annual & Lifetime Savings for each year and total, for gas and electric

	(a)	(b)	(c)	(d)
	2027	2028	2029	Total
Electric				
Net Annual MWh	51,302	50,039	45,798	147,139
Net Lifetime MWh	609,656	586,182	526,444	1,722,283
Net Annual Winter kW	6,756	6,230	5,927	18,912
Net Annual Summer kW	8,903	9,230	9,057	27,190
Gas (MMBtu)				
Net Annual Gas Savings	165,217	154,574	144,242	464,032
Net Lifetime Gas Savings	2,234,421	2,041,695	1,867,407	6,143,523
Oil (MMBtu)				
Net Annual Gas Savings	15,552	14,428	12,848	42,828
Net Lifetime Gas Savings	289,488	271,078	243,634	804,200
Propane (MMBtu)				
Net Annual Gas Savings	3,437	3,403	2,809	9,649
Net Lifetime Gas Savings	67,505	67,589	54,125	189,219
Combined				
Net Annual MMBtu Savings	372,544	358,939	334,273	1,065,756
Net Lifetime MMBtu Savings	4,862,282	4,590,063	4,187,069	13,639,414

Note: Rows 16 and 17 include MWh converted to MMBtu.

1.1.2 Benefits

The 2027-29 Plan will create significant benefits for Rhode Island Energy's residential, commercial, industrial, and income eligible customers. Please see the table below for the total and RI only benefits¹ coming from the 2027-29 Plan.

Table 2: Lifetime Benefits, Interstate and intrastate, for each year and total, for gas and electric

		(a)	(b)	(c)	(d)
	<i>All values in (\$000)</i>	2027	2028	2029	Total
1	Electric				
2	Total Benefits	\$180,908.0	\$193,580.0	\$184,497.9	\$558,985.8
3	RI Only Benefits	\$141,829.3	\$143,309.3	\$133,553.5	\$418,692.1
4	Gas				
5	Total Benefits	\$63,775.7	\$61,774.3	\$58,105.2	\$183,655.2
6	RI Only Benefits	\$57,640.0	\$55,576.2	\$52,414.8	\$165,631.1
7	Combined				
8	Total Benefits	\$244,683.7	\$255,354.3	\$242,603.0	\$742,641.0
9	RI Only Benefits	\$199,469.3	\$198,885.5	\$185,968.4	\$584,323.2

¹ Rhode Island only benefits are all Rhode Island Test benefits without rest-of-pool DRIPE (electric energy and capacity, gas, and oil).

1The table below includes a high-level summary of the total and RI only benefits for each \$1 spent on the electric and natural gas portfolios. A detailed summary of the benefits and costs included in the Rhode Island Test (RI Test) is included in Attachment 4.

Table 3: BCR for each year and total, interstate and intrastate, for gas and electric

		(a)	(b)	(c)	(d)
		2027	2028	2029	2027-29
1	Electric				
2	Total Benefit-Cost Ratio	2.40	2.61	2.60	2.54
3	RI Only Benefit-Cost Ratio	1.89	1.93	1.88	1.90
4	Gas				
5	Total Benefit-Cost Ratio	1.64	1.70	1.70	1.68
6	RI Only Benefit-Cost Ratio	1.48	1.53	1.53	1.51

1.1.3 Economic Impacts

Please see the table below for the expected Gross State Product (GSP) and job-years added to Rhode Island due to the 2027-29 Plan's energy efficiency investments. Many jobs associated with the 2027-29 Annual Plan's energy efficiency investments are local and tied to the installation of equipment and materials. An analysis of Rhode Island Energy's 2025 Energy Efficiency portfolio found that 79 percent of vendors who deliver services on behalf of Rhode Island Energy's programs are either headquartered or have a presence in Rhode Island. Investments in energy efficiency contribute to Rhode Island's economy overall and benefit business owners and their employees who deliver these programs and services. As described in Attachment 4, the calculation of the RI Test benefits excludes any monetized value of economic impacts because of concerns over double counting of benefits with other categories.

Table 4: Economic Impacts for each year and total, for gas and electric

		(a)	(b)	(c)	(d)
		2027	2028	2029	Total
1	Economic Benefits (\$000)	\$160,981.9	\$156,556.1	\$152,057.1	\$469,595.0
2	Job Years	1,634	1,629	1,610	4,873

1.1.4 Environmental Benefits

Please see the table below for the annual base year and lifetime GHG reductions from the electric, gas, and delivered fuel energy efficiency measures proposed in this Plan. Additionally, in 2030, this 3-year plan reduces 48,691 short tons of GHGs which contributes to the Act on Climate's greenhouse gas

emission reduction requirement of 45 percent below 1990 levels by 2030.² Rhode Island Energy believes that robust, ambitious energy efficiency programs must be a foundational element of achieving greenhouse gas emission reduction targets. Rhode Island Energy also supports the various efforts that holistically evaluate the least cost pathways to realizing economy wide emissions.

Table 5: Annual in Base Year, and Lifetime for each year and total, for gas and electric

		(a)	(b)	(c)	(d)
	<i>All values in short tons</i>	2027	2028	2029	Total
1	Electric				
2	Annual in Base Year	12,293	10,662	8,514	31,468
3	Lifetime	69,661	59,320	47,941	176,922
4	Gas				
5	Annual in Base Year	9,761	9,118	8,492	27,371
6	Lifetime	131,158	119,766	109,470	360,394

1.1.5 Budgets and Funding

Please see the first table below for the investments in cost-effective electric and natural gas portfolios in 2027-29. Please see the second table below for the annual proposed energy efficiency charges and annual fully reconciling mechanism adjustments for the electric and gas portfolios. This is pursuant to R.I. Gen. Laws § 39-1-27.7(d)(5) to fully fund the cost-effective electric and natural gas portfolios in 2027-29.

Table 6: Budget for each year and total (consists of implementation, performance incentive, and customer contribution), for gas and electric

² The calculated 2030 annual GHG reductions contributed by the 2027-29 Plan equal 1% of the required 2030 emissions reductions under the Act on Climate. Of note, this 1% does not include the contributions by all energy efficiency measures that will be operational in 2030 that were part of previous energy efficiency plans.

	(a)	(b)	(c)	(d)
	<i>All values in (\$000)</i>			
	2027	2028	2029	Total
1 Electric				
2 Program Implementation	\$57,139.7	\$56,702.0	\$54,861.3	\$168,703.0
3 Performance Incentive	\$4,732.3	\$5,715.9	\$5,657.5	\$16,105.8
4 Subtotal (2+3)	\$61,872.0	\$62,417.9	\$60,518.9	\$184,808.8
5 Participant Cost	\$13,353.7	\$11,718.5	\$10,450.3	\$35,522.5
6 Grand Total (4+5)	\$75,225.7	\$74,136.4	\$70,969.2	\$220,331.3
7 Gas				
8 Program Implementation	\$33,043.0	\$31,550.0	\$29,774.5	\$94,367.6
9 Performance Incentive	\$251.8	\$298.9	\$315.3	\$866.0
10 Subtotal (8+9)	\$33,294.8	\$31,848.9	\$30,089.8	\$95,233.6
11 Participant Cost	\$13,353.7	\$11,718.5	\$10,450.3	\$35,522.5
12 Grand Total (10+11)	\$46,648.5	\$43,567.4	\$40,540.1	\$130,756.1

Table 7: Annual charge, for gas and electric

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	2026	2027	2027 (Fully Reconciling Mechanism)	2028	2028 (Fully Reconciling Mechanism)	2029	2029 (Fully Reconciling Mechanism)
1 Electric (\$ / kWh)	\$0.00754	\$0.00754	\$0.00000	\$0.00760	\$0.00006	\$0.00739	-\$0.00021
2 Gas Residential (\$ / MMBtu)	\$1.403	\$0.976	-\$0.427	\$0.899	-\$0.077	\$0.815	-\$0.084
3 Gas C&I (\$ / MMBtu)	\$0.064	\$0.787	\$0.723	\$0.781	-\$0.006	\$0.779	-\$0.002

1.2 The Planning Process

Rhode Island Energy developed the 2027–2029 Energy Efficiency Plan in collaboration with a broad range of stakeholders and entities that have historically provided valuable guidance and technical expertise. As in prior plan cycles, the Energy Efficiency and Resource Management Council (EERMC) continues to provide critical oversight of program design and implementation. Rhode Island Energy engages regularly with the EERMC throughout the planning process to coordinate priorities across customer sectors. In parallel, Rhode Island Energy convenes the Energy Efficiency Technical Working Group (EE TWG) monthly to facilitate in-depth discussion of technical topics and program design considerations, and to solicit feedback throughout plan development.

The Equity Working Group (EWG) continues to provide recommendations on how equity considerations can be meaningfully incorporated into planning. Input from the EWG informed the development of strategies for the Plan, including efforts to reduce participation barriers, improve access for customers, and advance more equitable program outcomes over the 2027–2029 term.

Throughout development of the 2027–2029 Plan, Rhode Island Energy staff worked closely with the EERMC and the Rhode Island Office of Energy Resources (OER) to identify priorities and coordinate on approaches. In developing this Plan, Rhode Island Energy considered EERMC, OER, and other stakeholder input alongside market assessments; evaluation, measurement, and verification findings; feedback from subcontractors, trade allies, and participating customers; and input from businesses, professional and trade associations. Rhode Island Energy also drew on national and regional energy efficiency experience, including lessons learned from peer program administrators.

1.2.1 Transition to Three-Year Plans

Rhode Island Energy appreciates the Public Utilities Commission’s support for a three-year planning framework, which creates important flexibility to respond to changing market conditions, incorporate lessons learned, and continue improving programs while maintaining clear accountability and oversight. The transition from an annual planning framework to a binding three-year plan for the 2027–2029 Energy Efficiency Plan will ideally allow Rhode Island Energy to shift capacity from planning to delivery. The three-year planning framework establishes binding multi-year budgets and savings targets, while reducing the need to repeatedly develop, vet, and seek approval for annual plans.

A key objective of this transition is to shift focus from annual plan development to program implementation and performance. As capturing energy efficiency savings becomes more complex and expensive, delivering effective programs requires the greater attention a shift from annual to three-year planning affords. The three-year framework also enables a more structured approach to continuous improvement. Rather than requiring that new approaches fit within annual timelines, Rhode Island Energy can sequence activities across the plan term, testing new approaches in early years, incorporating evaluation findings - including finding from embedded evaluation

studies - and scaling successful strategies in later years. This approach supports more deliberate program evolution and reduces the risk associated with program changes.

The three-year framework incorporates mechanisms to maintain strong regulatory oversight and flexibility. The Plan establishes binding three-year budgets and savings goals, complemented by annual energy efficiency surcharge filings, routine reporting, and defined pathways for midterm modifications (see Section 5.7) These midterm adjustment provisions allow Rhode Island Energy, in coordination with the Energy Efficiency and Resource Management Council (EERMC), the Public Utilities Commission (PUC), and the Division of Public Utilities and Carriers, to respond to material changes (e.g., significant budget shifts, the introduction of new programs, or changing market conditions) without requiring a full plan filing. This structure ensures continued accountability while providing the flexibility necessary to manage uncertainty.

1.2.2 Collaboration and Stakeholder Feedback

1.2.2.1 Customer Listening Sessions

Rhode Island Energy held three virtual customer listening sessions in 2026 to gather input from Commercial and Industrial, Income-Eligible, and Residential customers regarding their experiences with energy efficiency programs and opportunities to improve participation. Each session included an overview of relevant programs, followed by facilitated breakout discussions focused on customer experience, barriers to participation, opportunities to increase engagement, and feedback on the draft 2027–2029 Energy Efficiency Plan. The sessions were intended to supplement ongoing stakeholder engagement by elevating customer perspectives on program awareness, accessibility, communication, trust, and implementation.

Across the listening sessions, participants generally recognized the value of Rhode Island Energy’s energy efficiency programs, including the potential for lower bills, improved comfort, operational savings, and support for larger equipment or building upgrades. At the same time, participants identified several common barriers to participation. These included limited awareness of available programs, confusion about eligibility and program requirements, uncertainty about which organizations or contractors are involved in program delivery, and challenges navigating application steps, paperwork, or follow-up communications. Participants emphasized that customers are more likely to engage when program information is easy to find, written in plain language, and clearly connected to practical customer benefits.

The feedback also highlighted the importance of targeted outreach, trusted messengers, and tailored customer support. Income-Eligible participants emphasized the need to meet customers where they are through community-based organizations, senior centers, food banks, libraries, public agencies, and other trusted spaces, as well as through multilingual and non-digital communications. Residential participants expressed interest in clearer guidance, personalized recommendations, one-stop resources, and better coordination among audits, contractors, rebates, and follow-up actions. Commercial and Industrial participants emphasized the importance of aligning program support with business planning cycles, providing clearer information about incentives and eligible measures, and strengthening coordination with vendors, contractors, trade associations, and other business networks.

Input from the listening sessions informed the planning process by reinforcing the need for program designs and delivery strategies that are accessible, customer-centered, and responsive to different customer circumstances. The feedback supported continued emphasis on clearer communications, simplified participation pathways, stronger contractor and trade ally coordination, and outreach through trusted partners. It also underscored the importance of tailoring engagement strategies for renters, older adults, non-English-speaking customers, small businesses, customers without reliable internet access, and other groups that may face additional barriers to participation. These themes helped inform Rhode Island Energy's approach to customer engagement, equity, workforce and contractor coordination, and program implementation for the 2027–2029 Plan.

For further information regarding these listening sessions, please see the full report, Attachment 10.

1.2.2.2 Cross-Functional Coordination

Rhode Island Energy coordinates all its business activities, including its infrastructure investment planning, customer programs, and regulatory policy, all of which have the potential to impact energy efficiency planning and strategy. In 2022, Rhode Island Energy filed its Advanced Metering Functionality (AMF) Business Case and its Grid Modernization Plan. Since 2022, Rhode Island Energy has been engaged in the Commission's Future of Gas docket (Docket No. 22-01-NG) and its investigation into energy storage (Docket No. 5000). Throughout the planning process, Rhode Island Energy coordinated internal policy and system planning resources to ensure the Plan's energy efficiency programs support operational effectiveness and further statewide decarbonization goals.

Rhode Island Energy also revitalized its System Reliability Procurement (SRP) Technical Working Group, an external stakeholder group that advises Rhode Island Energy on matters related to system reliability procurement.³ Rhode Island Energy's efficiency team regularly communicates with colleagues engaged in SRP efforts to understand potential interactions and plan accordingly.

1.3 How to Read This Plan

For ease of review, this Plan has been organized to align with the LCP Standards. There are four overarching sections:

- (1) The *Priorities and Programs* section provides insight into strategic considerations, high-level program descriptions and Rhode Island Energy's approach to implementing the principles of program design outlined in the LCP Standards. This section also includes a discussion of program coordination with other energy programs.

³ Additional details regarding the Company's activities in 2022 related to system reliability procurement, including assessment of non-wires solutions and advancements in non-pipes solution program development, can be found in Rhode Island Energy's *2022 System Reliability Procurement Year-End Report* (filed with the PUC on Jun. 1, 2023).

- (2) The *LCP Standards* section explains how the Plan complies with the requirements set forth in the LCP Standards: cost effectiveness, reliability, prudence, environmentally responsible, and comparison to alternative cost of supply requirements.
- (3) The *Goals, Budget, and Funding Plan* section details these elements and discusses the performance incentive plan and performance metrics.
- (4) The *Evaluation, Measurement, and Verification, Performance Incentive, and Requested Rulings* sections explain how progress will be evaluated, how performance incentives are structured, and what approvals Rhode Island Energy requests from the Public Utilities Commission.

There are attachments which provide additional detail regarding specific Plan elements:

- Attachment 1. Residential & Income-Eligible Energy Efficiency Solutions and Programs
 - Attachment 1-1. Detailed Residential Measure List
 - Attachment 1-2. Detailed Income-Eligible Measure List
- Attachment 2. Commercial & Industrial Energy Efficiency Solutions and Programs
 - Attachment 2-1. Detailed Commercial and Industrial Measure List
 - Attachment 2-2. Revolving Loan Fund Projections
- Attachment 3. Evaluation, Measurement & Verification Plan
- Attachment 4. Rhode Island Benefit Cost Test Description
 - Attachment 4-1. Electric Portfolio Cost Effectiveness Framework Tables (Docket 4600)
 - Attachment 4-2. Gas Portfolio Cost Effectiveness Framework Tables (Docket 4600)
- Attachment 5 and Attachment 6. Electric and Gas Energy Efficiency Program Tables
- Attachment 7. Pilots, Demonstrations & Assessments
- Attachment 8. Definitions
- Attachment 9. 2026 Equity Working Group Report
- Attachment 10. Customer Listening Session Report

1.4 Pre-Filed Testimony

To be updated ahead of Plan submission.

2 Themes and Priorities

2.1 Strategic Overview of Programs and Priorities

The design of Rhode Island Energy's energy efficiency programs for the 2027–2029 Plan is guided by a set of core themes that reflect customer needs, affordability considerations, and market conditions. These themes, introduced through early stakeholder engagement, inform how programs are designed, and delivered across sectors during the three-year term. Across all programs, the Plan emphasizes cost-effective investment, data driven targeting and insight, enhanced equitable participation, and improvements to the customer experience. Together, these themes are intended to ensure that energy efficiency investments deliver durable value to customers and the electric and gas systems, while remaining responsive to markets, technology adoption, and policy direction.

The transition to a binding three-year planning structure provides an opportunity to balance near-term performance with longer-term strategic investments. As traditional sources of savings mature, Rhode Island Energy will increasingly rely on improved targeting, streamlined delivery, and outcome-oriented program design to sustain participation and savings. Rather than pursuing a one size fits all approach, programs will address the differing needs, barriers, and opportunities across residential, income-eligible, and commercial and industrial customers.

Equity and affordability considerations are integral to this strategic framework. The Plan prioritizes reducing barriers to participation for customers who experience higher energy burdens or face structural challenges to accessing efficiency programs. At the same time, Rhode Island Energy recognizes that customer experience and equity are closely linked; simplifying entry points into programs and improving clarity and usability are essential to expanding participation and achieving equitable outcomes.

Finally, the Plan reflects an understanding that uncertainty will persist throughout the 2027–2029 term. Rhode Island Energy will continue to evaluate program performance, market signals, and customer feedback, using data and evaluation insights to refine strategies over time. The priorities described below provide the structure through which these themes will be advanced during the Plan period.

2.2 Priorities for the 2027-2029 Plan

2.2.1 Priority 1: Deliver Cost-Effective, Valuable Investment

Rhode Island Energy is focused on delivering energy efficiency investments that provide durable value while remaining affordable for customers. As programs mature and traditional sources of savings decline, the Plan emphasizes careful prioritization of investments that deliver long-term savings at the lowest cost. Cost-effectiveness remains the central lens for program design and portfolio management, while recognizing that certain early stage or foundational investments may be necessary to sustain future savings opportunities. The transition to a binding three-year plan enables Rhode Island Energy to balance near-term performance with

longer-term investments that may not yield immediate savings but are essential to maintaining and improving a strong pipeline of savings for rate payers over time.

2.2.1.1 Cross-Cutting Tactics

Across all sectors, Rhode Island Energy will continue to use established cost-effectiveness screening tools, prior program performance data, and evaluation findings to inform investment decisions. The Company will assess opportunities for early-term investments—such as data readiness, market assessments, demonstrations, or pilots—that support more cost-effective savings later in the Plan period or beyond. Program design will consider both bill impacts and longer-term system and customer value, with attention to savings persistence and lifecycle costs. As markets, technologies, and avoided cost assumptions evolve over the three-year term, Rhode Island Energy will monitor program performance and make adjustments as necessary to maintain portfolio value.

2.2.1.2 Residential & Income Eligible Tactics

For Residential and Income Eligible programs, Rhode Island Energy will prioritize measures and delivery approaches that have demonstrated strong performance across multiple metrics, including net benefits and cost to achieve. Foundational efficiency measures, such as weatherization, will continue to play a central role given their long-lasting savings and ability to enable future technology adoption. Where feasible, Rhode Island Energy will coordinate with external funding sources to reduce ratepayer costs while maintaining access to essential services for income eligible customers. Program costs will be actively managed through improved targeting, streamlined delivery, and coordination across offerings, while ensuring that high energy burden households continue to receive meaningful access to efficiency benefits.

2.2.1.3 Commercial & Industrial Tactics

For Commercial and Industrial programs, Rhode Island Energy will focus investment on measures and strategies identified through market and opportunities studies. As retrofit lighting savings continue to decline, Rhode Island Energy will continue to promote savings from the installation of controls, system optimization, whole-building and process-level improvements. Rhode Island Energy plans to streamline its Existing Building Commissioning Initiative (EBCx) for customers, starting in 2027 and ramping up through 2029.

2.2.2 Priority 2: Leverage Data-Driven Targeting and Insight

Data-driven insight is increasingly essential to identifying where energy efficiency investments can deliver the greatest value. Rhode Island Energy views data as a foundational tool for improving targeting, refining program design, strengthening evaluation, and reducing uncertainty in planning. While new data sources—such as Advanced Metering Functionality (AMF)—present significant potential, the Plan recognizes that these capabilities must be developed incrementally and deployed where they are demonstrably cost-effective. The objective is to use data strategically to inform decisions and improve outcomes, rather than to deploy new tools broadly without clear value.

2.2.2.1 Cross-Cutting Tactics

Across the portfolio, Rhode Island Energy will continue developing analytical capabilities that support improved targeting, forecasting, and performance monitoring. Rhode Island Energy will prioritize analytical and evaluation applications of AMF data before pursuing broad customer-facing tools. Participation, usage, and market data will be used to identify customer segments with high savings potential or historically lower participation. Insights from evaluations, pilots, and assessments will be incorporated into program refinement over time, supporting an adaptive, evidence-based approach to program delivery.

2.2.2.2 Residential & Income Eligible Tactics

For Residential and Income Eligible programs, Rhode Island Energy will use data to better identify renters, multifamily properties, and customers with high usage or participation barriers. Improved tracking of deferrals, pre-weatherization barriers, and participation patterns will inform refinements to outreach, program design, and delivery. Data will support more targeted engagement strategies based on geography, building type, and customer characteristics. Rhode Island Energy will continue building the data foundation needed to support year-over-year assessment of program reach and outcomes.

2.2.2.3 Commercial & Industrial Tactics

Over the Plan term, Rhode Island Energy will explore the use of AMF interval data to better identify C&I facilities with high, variable, or otherwise distinctive load profiles, enabling more targeted outreach, improved prioritization of technical assistance, and more effective identification of operational and equipment-based efficiency opportunities. Analytical tools using this data can support prioritization of efficiency investments. Please see Section 4.2 for the Advanced Metering Functionality roadmap.

2.2.3 Priority 3: Enhance Equitable Participation and Measurable Outcomes

Rhode Island Energy views equitable participation as essential to achieving both affordability and overall program effectiveness. The Plan emphasizes a shift from activity-based equity efforts toward strategies that are measurable, outcome-focused, and embedded across program design and delivery. Equity and customer experience are closely linked; reducing participation barriers, simplifying access pathways, and directing resources toward customers who stand to benefit most are central to achieving equitable outcomes. This priority reflects a commitment to accountability, transparency, and continuous improvement.

2.2.3.1 Cross-Cutting Tactics

Across the portfolio, Rhode Island Energy will continue refining equity metrics in collaboration with stakeholders to better capture program reach and outcomes. Participation will be tracked by customer group and geography to identify gaps and inform corrective actions. Partnerships with community-based organizations and other trusted intermediaries will remain a key component of outreach and engagement. Equity considerations will be integrated into program planning, evaluation, and reporting processes to ensure consistency and accountability over time.

2.2.3.2 Residential & Income Eligible Tactics

For Residential and Income Eligible programs, Rhode Island Energy will expand language access and customer support for customers with limited English proficiency and continue focused outreach to renters, multifamily households, Environmental Justice communities, and income-eligible customers. Efforts to address pre-weatherization barriers will continue through partnerships and pursuit of external funding where feasible. Improved data collection related to participation, deferrals, and outcomes will strengthen planning, reporting, and alignment between equity strategies and measurable results.

2.2.3.3 Commercial & Industrial Tactics

For Commercial and Industrial programs, Rhode Island Energy will continue targeted engagement with small businesses, particularly in underserved communities. Equity-focused targeting will remain central to initiatives such as Main Street campaigns and small business offerings, and participation patterns will be monitored to ensure equitable access across business types, sizes, and locations.

2.2.4 Priority 4: Improve the Customer Experience

Customer experience is a critical driver of participation, satisfaction, and sustained engagement with energy efficiency programs. Rhode Island Energy recognizes that complexity, fragmented offerings, and unclear pathways can deter participation even when programs are cost-effective. As discussed in Section 1.2.1.1, customer listening sessions helped clarify how customers experience energy efficiency programs and where barriers remain. Participants described challenges related to program awareness, eligibility, paperwork, contractor coordination, and understanding next steps. This feedback reinforced the need to simplify participation pathways, improve plain-language communications, strengthen trusted partner and contractor coordination, and make program benefits easier to identify and act on. These insights directly informed the customer experience strategies described below and will continue to guide program refinements during the 2027–2029 term. The Plan prioritizes simplifying the customer journey, reducing friction, and improving clarity across programs, while maintaining sufficient flexibility to meet diverse customer needs.

2.2.4.1 Cross-Cutting Tactics

Across all programs, Rhode Island Energy will work to streamline program pathways and entry points to reduce administrative burden and confusion. Coordination across programs will be improved so customers encounter clearer, more cohesive options. Internal and external staff training will be enhanced to support consistent, accurate customer guidance. Ongoing customer feedback and stakeholder input will be used to inform continuous improvements to program delivery and interaction points.

2.2.4.2 Residential & Income Eligible Tactics

For Residential and Income Eligible programs, Rhode Island Energy will continue to simplify enrollment and participation processes where feasible and clarify program options and next steps through improved communications. The website will be updated to offer new ways to explore savings opportunities. Entry-point

offerings will remain compelling while unnecessary complexity is reduced. Trusted messengers and community partners will continue to play an important role in helping customers navigate participation and understand available benefits.

2.2.4.3 Commercial & Industrial Tactics

For Commercial and Industrial programs, Rhode Island Energy will continue providing dedicated points of contact for customers with complex facilities or projects. Rhode Island Energy will continue to reduce administrative barriers where possible while maintaining rigorous technical review.

3 Energy Efficiency Program Portfolio

3.1 Residential & Income Eligible Programs

The Residential and Income Eligible programs provide Rhode Island households with accessible, practical solutions to manage energy use, reduce costs, and improve home comfort and safety. Rhode Island Energy will continue to deliver a coordinated set of offerings across single family, multifamily, and income eligible customers. Core offerings include weatherization, heating and water heating upgrades, and consumer products, alongside tailored approaches that address barriers to participation and help customers move from initial engagement to recognizing energy savings.

The Plan reflects a continued commitment to ensuring that program benefits reach customers who have historically faced the greatest barriers to participation. Efforts will focus on renters, multifamily properties, and households with health and safety challenges that limit access to core measures like weatherization. As part of this effort, the Plan emphasizes tracking participation relative to the eligible market and assessing how targeted strategies influence outcomes over time.

3.1.1 Residential Consumer Products

The Residential Consumer Products Program promotes the purchase of high efficiency household appliances and those carrying the ENERGY STAR® label including advanced power strips, dehumidifiers, pool pumps, room air cleaners, room air conditioners, Most Efficient refrigerators, freezers, clothes washers, and dryers. Consumers can participate by purchasing these products at retail stores or through Rhode Island Energy's online marketplace. This program trains retail sales staff about the ENERGY STAR® label and how to promote the certification's energy and environmental benefits to consumers. ENERGY STAR® Most Efficient appliances are incentivized at the retailer level to encourage their sales. Additionally, the program offers refrigerator, freezer, dehumidifier, and room air conditioning recycling.

3.1.2 Home Energy Reports

Behavioral energy efficiency approaches, including Home Energy Reports, have historically been used to increase customer awareness of energy use and encourage energy-saving actions. However, Rhode Island Energy is not including Home Energy Reports in the 2027–2029 energy efficiency portfolio. As AMF capabilities become available, customers will have access to more timely and granular information through the AMF Customer Portal and Sense platform. These tools have the potential to provide many of the near-term customer awareness and engagement functions historically served by Home Energy Reports.

In the near term, the AMF Customer Portal and Sense platform will provide customers with usage trends, alerts, benchmarking, and more actionable insights into household energy consumption. These tools can help customers better understand how and when they use energy, identify unusual or changing usage patterns, and make more informed decisions about energy-saving actions. Rhode Island Energy will use the rollout period to observe customer engagement, enrollment, and changes in usage absent a direct energy efficiency intervention.

Rhode Island Energy will use these observations to help inform whether future behavioral or data-enabled strategies should be incorporated into energy efficiency programs. Over the 2027–2029 Plan period, Rhode Island Energy will evaluate AMF data use cases, including customer targeting, personalized outreach, usage alerts, load disaggregation, and identification of customers with high or changing usage patterns. This phased approach allows Rhode Island Energy to avoid duplicating AMF-funded tools while preserving the opportunity to develop future energy efficiency offerings where AMF-enabled insights can be shown to support cost-effective savings, improved customer engagement, or increased participation in energy efficiency programs.

3.1.3 Residential High-Efficiency Heating, Cooling, and Hot Water (HVAC)

The Residential HVAC Program promotes the installation of eligible heat pumps for electric customers and new energy-efficient natural gas related equipment including boilers, furnaces, windows, water heating equipment, thermostats, and water-saving devices. The program offers enhanced incentives for high efficiency air source heat pumps to customers with electric resistance and electric appliance heating as well.

The program supports contractor training to increase accurate installation practices, testing of the high efficiency systems, tiered rebates for new high efficiency systems, and incentives for checking new and existing systems.

3.1.4 Residential New Construction

The Residential New Construction program offers financial incentives and no-cost education, training and technical support to builders and homeowners to promote the construction of high performing energy-efficient single family, multifamily and income eligible homes. The program helps residential new construction and major renovation projects meet high energy performance standards and provides education and training support to builders, designers, tradespeople, and code officials.

3.1.5 EnergyWise Single Family

The EnergyWise Program offers single-family customers (homes with 1-4 dwelling units) in-home energy assessments, weatherization services, and information regarding their energy usage and energy-saving opportunities. The program is designed as a direct-to-customer offering that educates residential customers on how they can make their home more energy efficient. Energy specialists address base load electric use, and heating, cooling and water heating loads in single-family residential buildings through immediate installations of advanced power strips and water-saving devices.

Once the assessment and energy saving installations are completed, participants receive energy efficiency recommendations and technical assistance, as well as financial incentives to upgrade to high efficiency heating, ventilation, and air conditioning (HVAC) equipment, water heating systems, building envelope improvements, and smart thermostats. Customers also receive an Energy Action Plan detailing the additional energy savings opportunities they have through participation in other energy efficiency programs. Qualified customers can receive zero percent financing to install these high efficiency upgrades through Rhode Island Energy's financing programs, including the HEAT Loan.

3.1.6 Market-Rate Multifamily

This program offers comprehensive energy services for market-rate multifamily customers (buildings with 5 or more dwelling units), including energy assessments, incentives for heating and domestic hot water systems, cooling equipment, and weatherization. All types of multifamily properties are eligible. A primary point of contact is designated to manage and coordinate services offered through Rhode Island Energy's existing portfolio. This program is offered in conjunction with the C&I Multifamily gas program where a site may have a commercial meter or office space but also has individual dwelling units. The delivery of the Market-Rate Multifamily Program's services is designed to be virtually indistinguishable to the customer as Rhode Island Energy's single point of contact will handle all program overlap (between Residential and C&I programs) and offer a seamless customer experience.

3.1.7 Income Eligible Programs

Rhode Island Energy wants customers who meet the income eligibility requirements and may have a high energy burden and/or difficulty paying their electric or gas bills to participate in, and benefit from, Rhode Island Energy's energy efficiency programs. Therefore, the income eligible sector is designated as a unique sector and funding for this sector is subsidized by both non-income-eligible residential customers and commercial and industrial customers to maximize how many income eligible customers can be served.

The Income Eligible Services (IES) Program offers home energy assessments, weatherization services, appliances, and heating system replacements with no customer cost to qualified single-family customers. Customers who qualify for the A-60 rate or for the Low-Income Home Energy Assistance Program (LIHEAP) are eligible to receive all services and equipment upgrades at no cost. The IES Program's services are delivered by local Community

Action Program (CAP) agencies who coordinate with outside contractors that perform heating system and appliance replacements and weatherization installations with oversight provided by a Lead Vendor.

The Income Eligible Multifamily Program offers comprehensive energy services for multifamily customers that also meet the criteria for “income eligible” as defined in Attachment 1 Residential and IES Programs, Section 4, Multifamily. These services include energy assessments, incentives for heating and domestic hot water systems, air source heat pumps, cooling equipment, water savings installations and thermostats. Typically, there are no costs to the customer for these services as most income eligible upgrades are covered at 100 percent of the cost.

3.1.8 Major Residential and Income Eligible Program Changes

Information about modifications and improvements for Residential and Income Eligible programs can be found in Attachment 1. Specifically, the X.4 subsection of each program provides an overview of all proposed enhancements and changes. Some of the notable changes are summarized below:

- **EnergyWise Single Family:** Exploring a moderate income offering and improving pre-weatherization barrier remediation process.
- **Income Eligible Single Family:** Implementing appliance replacement program improvements and targeting electric appliance heat customers for air source heat pumps.
- **Multifamily:** Include new offerings and pathways based on the ongoing multifamily opportunities study.
- **Home Energy Reports:** not included in the initial 2027–2029 Plan portfolio. Rhode Island Energy will consider future behavioral program opportunities as part of the AMF roadmap.
- **Residential HVAC:** Adjust heat pump offerings appropriately to the impact of the New England Heat Pump Accelerator on the market.
- **Residential New Construction:** a gradual phase out of gas offerings in alignment with market shifts and an update to residential stretch codes to promote higher efficiency homes.

3.2 Commercial and Industrial (C&I) Programs

The C&I Programs offer incentives, rebates, technical assistance, and financing to customers that reduce energy consumption. These programs are designed to deliver value to customers and the electric and gas systems, including bill savings, operational benefits and emissions reductions. To reach customers effectively, Rhode Island Energy will continue to target energy efficiency initiatives that are designed to meet the distinct needs of specific customer segments (e.g., Industrial, National Accounts, and Small Businesses) using a comprehensive suite of Prescriptive and Custom offerings. Prescriptive offerings provide streamlined access to incentives for a wide range of standardized energy-efficient measures, such as lighting controls, variable speed drives, and energy management systems, while Custom offerings support more complex or site-specific energy conservation measures not otherwise addressed through prescriptive pathways.

Within the C&I portfolio, Rhode Island Energy will continue to expand adoption of measures identified through the C&I Opportunities Study. Consistent with broader Plan priorities, Rhode Island Energy will continue to improve the customer experience by reducing complexity in program offerings. This includes simplifying program pathways and leveraging engagement strategies to reach customers who stand to benefit most from participation. For example, Rhode Island Energy plans to redesign its Existing Building Commissioning Initiative based on results from a recent evaluation study, which is close to being completed. In addition, as recommended in the evaluation study, Rhode Island Energy will assign staff to support the ramping up for this Initiative.

The 2027–2029 Plan includes additional exploration into the potential for market transformation within the C&I portfolio. Rhode Island Energy will explore potential market transformation initiatives, including regional collaboration, enhanced code training, and targeted interventions to test new technologies, with an emphasis on establishing clear pathways from research to broader market adoption. These efforts will be supported by structured processes for identifying, evaluating, and scaling initiatives over time, ensuring alignment with cost-effectiveness principles and long-term market impacts.

3.2.1 C&I New Construction

The C&I New Construction Program offers financial incentives and technical assistance to customers, design professionals, developers, and vendors to encourage energy efficiency in new construction, major renovation, planned replacement of aging equipment, and replacement of failed equipment projects.

Through the program, design professionals are eligible to receive technical assistance to conduct energy modeling and analysis for new construction projects. The program promotes and incentivizes the installation of high efficiency equipment in existing facilities during remodeling projects or for equipment failure and replacement. Since customers are more likely to install energy-efficient equipment at the time of construction or equipment replacement, the program offers incentives to ensure customers make the investment immediately rather than doing so at a greater cost later. The program also offers operations verification or quality assurance services to ensure that installed equipment and systems operate as intended.

The program supports the state's Zero Energy Building goals through engagement and in developing future offerings. The program promotes compliance with the building energy code to support the State's goals and objectives.

3.2.2 Commercial and Industrial Retrofit

All commercial, industrial, and institutional customers are eligible to participate in the Retrofit Program. The program incentivizes the replacement of existing equipment and systems with high efficiency alternatives when the customer might otherwise not plan on making efficiency investments. Incentivized measures include lighting controls, HVAC systems, motors, thermal envelope measures and custom measures in existing buildings. Technical assistance is offered to customers to help them identify energy-saving opportunities.

The program's incentives help C&I customers in defraying part of the material and labor costs associated with the installation of energy efficiency measures. In addition, Rhode Island Energy offers education and training, such as the BOC training, to support the adoption of energy-efficient equipment and practices.

3.2.3 Small Business Direct Install

This program is a retrofit offer that provides turn-key efficiency solutions to customers who use less than 1.5 million kWh per year. Through the program, a free on-site energy assessment is performed, and customers receive a customized report detailing recommended energy-efficient improvements.

From local pizzerias to small convenience stores, the Small Business Direct Install Program serves small businesses of all types, buildings and sizes. The program pays up to 70 percent of installation and equipment costs. Provided funds are available, customers can finance the remaining costs of the project for up to 60 months (typically 24) interest free on their electric bill using the Small Business Revolving Loan Fund. Projects with longer paybacks (e.g. 48 months) can choose a longer loan term for financing.

3.2.4 Commercial and Industrial Multifamily

The C&I Multifamily Program provides comprehensive efficiency services for market rate multifamily customers who reside in residential buildings with 5+ dwelling units. Please refer to the Residential Market-Rate Multifamily section for more information on services provided to residential customers residing in these buildings. The Commercial and Industrial Multifamily offerings serve those portions of the buildings served by a common gas meter. These coordinated services include energy assessments and incentives for weatherization and the replacement of heating and domestic hot water equipment and systems. The program's services are offered for all types of multifamily properties. The delivery of energy efficiency services to these Multifamily customers should be virtually indistinguishable to the customer as Rhode Island Energy's single point of contact will handle all program overlap (between Residential and C&I programs) and offer a seamless customer experience.

3.2.5 Major Commercial and Industrial Program Changes

Anticipated changes to the C&I programs are provided in Attachment 2 and include:

- **Combined Heat and Power (CHP) Initiative:** Rhode Island Energy will continue to support installation of CHP, consistent with Rhode Island's LCP Standards⁴, by funding 50% of the cost of the technical assistance studies for CHP projects. To better align with the Act on Climate, Rhode Island Energy will plan to offer incentives to customers for CHP projects greater than 1 MW where the lifetime emissions from the

⁴ "Beginning on November 1, 2012, or before, each electric distribution company shall support the installation and investment in clean and efficient combined heat and power installations at commercial, institutional, municipal, and industrial facilities."

proposed project result in a reduction in emissions and no longer fund CHP projects greater than 1 MW where the lifetime emissions from the proposed project result in an increase in emissions. The emissions calculations will use Rhode Island's most recently available avoided energy supply component (AESC) study factors which reflect the marginal emission factors over time, instead of the EPA Greenhouse Gas Equivalencies Calculator and the EPA CHP Energy and Emissions Savings Calculator as detailed in the 2026 Plan. Please see Section 5.3 Act on Climate for more information. Budgets and savings for CHP projects greater than 1 MW are not included in the 2027-2029 Plan. Rhode Island Energy intends to file these projects, if any, separately after the project analysis and regulatory Notification process has been completed.

- **Retrofit and New Construction Programs:** The Retrofit and New Construction programs will incorporate new measures and ramp up participation of existing measures based on a C&I Opportunity Study which was completed in 2026. Additionally, similar to its existing Project Expeditors who focus primarily on lighting, Rhode Island Energy is expanding its network of vendors to support the installation of energy efficiency measures in customers' facilities. These measures include, but are not limited to, building envelope, stream trap repair and replacement, refrigeration, motors and drives, and compressed air systems. Additionally, Rhode Island Energy is streamlining its Existing Building Commissioning Initiative for customers based on a recently completed evaluation study. The roadmap for this effort is outlined in Attachment 2.
- **Lighting:** Rhode Island Energy's Retrofit and Small Business programs will no longer claim savings for the installation of LEDs in retrofit projects. Rhode Island Energy will continue to claim savings for lighting controls, exterior lighting where LEDs are not the baseline, and LED-to-LED conversions.

3.3 Cross-Cutting Programs and Strategies

3.3.1 Equity

Advancing equity is a core component of Rhode Island Energy's approach to energy efficiency planning and program delivery for the 2027–2029 Plan period. Equity considerations are embedded across portfolio design to ensure that the benefits of energy efficiency investments are accessible to all customers, particularly those who face higher energy burdens or encounter structural barriers to participation. This section describes how Rhode Island Energy defines equity for purposes of this Plan, outlines the guiding framework informing equity strategies, and summarizes how those strategies are integrated across customer sectors.

Rhode Island Energy's equity framework builds on prior Plan commitments and reflects evolving stakeholder expectations, customer needs, and data availability. Through early stakeholder engagement and internal planning discussions, the Company identified a need to strengthen the connection between equity strategies and measurable outcomes. As a result, the 2027–2029 Plan emphasizes a shift from activity-based approaches toward more outcome-focused equity strategies that can be tracked, evaluated, and refined over time.

For this Plan, equity is understood as both access and impact. Ensuring equitable access requires addressing practical barriers that prevent customers from participating in efficiency programs, such as language limitations, housing characteristics, rental status, or up-front costs. Achieving equitable impact requires directing investments where energy efficiency can meaningfully reduce energy burden, improve comfort and health, and deliver long-term value for customers who are often underserved. These concepts inform how Rhode Island Energy prioritizes outreach, allocates resources, and evaluates program performance.

Customer experience plays a central role in advancing equity outcomes. Complexity in program design, unclear entry points, and administrative burden can disproportionately deter participation among customers with limited time or resources. Accordingly, equity strategies for the 2027–2029 term are closely aligned with broader efforts to simplify the customer journey, improve clarity, and ensure that programs are responsive to diverse customer needs. Enhancements to customer experience are expected to support both increased participation and improved equity outcomes.

Data and measurement are also foundational to the equity approach described in this Plan. Rhode Island Energy will continue to refine equity-related metrics, including participation by customer type and geography, to better understand who is being served and where gaps remain. These insights will be used to inform program design, guide targeted outreach, and support accountability through reporting and evaluation. As data capabilities improve over the Plan period, the Company will seek to strengthen the link between equity strategies and demonstrable results.

Finally, Rhode Island Energy recognizes that achieving equitable outcomes requires sustained collaboration. Partnerships with community-based organizations, coordination with external funding sources, and continued engagement with stakeholders will remain critical to addressing complex barriers and expanding reach. The equity strategies described in this section are intended to be adaptive, allowing lessons learned during the 2027–2029 term to inform future planning cycles.

The Equity Working Group

Since 2021, Rhode Island Energy and OER have co-hosted a series of Equity Working Group (EWG) meetings facilitated by The Green & Healthy Homes Initiative (GHHI). The EWG is comprised of community representatives from a diverse array of community-based organizations, small businesses, non-profit organizations, CAPs, resident advocacy groups and alliances, municipal and state entities, and other industry experts. The purpose of these meetings is to discuss how the Rhode Island energy efficiency programs can more equitably serve residents and businesses. As a result of these discussions, the EWG provides Rhode Island Energy with written recommendations to advance equity in the planning, design, and delivery of its energy efficiency programs. These recommendations include specific, actionable equity strategies for Rhode Island Energy's programs as well as a list of metrics to track. The full list of recommendations, strategies, and metrics for 2027-2029 are included in an annual report that is drafted by GHHI. Please see Attachment 9 for the 2026 Equity Working Group Report.

Rhode Island Energy will continue to host Equity Working Group meetings in 2027-2029 to ensure a continued focus on equity throughout the year and in support of future planning activities. Rhode Island Energy is working

with GHFI and the Equity Working Group to design a triennial equity planning cycle that informs future planning in an integrated, timely way. The Company will continue to meet regularly with the Equity Working Group over the triennium and will continue to receive annual equity working group reports, which will ultimately inform equity metrics and strategies for the next three-year planning process.

2027-2029 Equity Strategies and Actions

Rhode Island Energy's approach to equity in the 2027-2029 Plan focuses on reducing the barriers that prevent customers from participating in and benefiting from energy efficiency programs. Through discussions with the Equity Working Group, customer listening sessions, community partners, implementation vendors, and other stakeholders, several recurring themes emerged. Customers often face challenges related to language access, housing conditions, renter-landlord dynamics, awareness of available services, workforce constraints, and the complexity of navigating multiple programs and funding sources. These barriers disproportionately affect customers in Environmental Justice communities, income-eligible households, renters, small businesses, and other underserved populations.

In response, Rhode Island Energy will pursue a coordinated set of strategies intended to make energy efficiency programs more accessible, easier to navigate, and better aligned with customer needs. These strategies emphasize strengthening partnerships with trusted community organizations, improving language accessibility, addressing pre-weatherization barriers, expanding support for renters and multifamily households, increasing engagement with underserved small businesses, and supporting the development of a diverse and capable workforce. Rhode Island Energy will also continue improving data collection, measurement, and reporting capabilities to better understand participation patterns, identify gaps, and evaluate whether equity-focused interventions are producing meaningful outcomes.

Recognizing that many barriers to participation extend beyond the traditional scope of energy efficiency programs, Rhode Island Energy will continue collaborating with state agencies, community organizations, housing providers, contractors, and other partners to coordinate resources and align complementary programs where possible. Through these efforts, Rhode Island Energy seeks not only to expand participation, but also to improve the quality and distribution of program benefits, ensuring that customers across Rhode Island have opportunities to reduce energy costs, improve comfort, and participate in the state's clean energy transition.

Expand Language Access and Multilingual Customer Support

Language differences create barriers at multiple points in the customer journey, from initial awareness and enrollment to contractor interactions and project completion. Rhode Island Energy will continue working with implementation vendors, Community Action Program agencies, and community-based organizations to improve language accessibility and ensure customers can engage effectively with energy efficiency services regardless of their preferred language.

Over the 2027-2029 period, Rhode Island Energy will better standardize and coordinate language support across programs. Many of the strategies included in this plan were informed by the 2026 RI Energy Residential Income

Eligible Program Language Access Study Report. Strategies include the development of guidance and resources for frontline staff serving customers with Limited English Proficiency, creation of multilingual glossaries of common energy-efficiency terminology, expanded translation of customer-facing materials, and improvements in how customer language preferences are documented and communicated throughout program delivery. Rhode Island Energy will also develop culturally inclusive educational materials and visual resources that make program participation easier to understand and navigate.

These efforts will be complemented by continued partnerships with trusted community organizations that can provide local knowledge, language support, and culturally relevant outreach. Rhode Island Energy recognizes that improving language access requires more than translating documents; it requires building program delivery systems that enable customers to receive consistent support throughout their participation experience.

Reduce Housing-Related Barriers to Participation

Many of the customers who stand to benefit most from energy efficiency improvements face housing-related challenges that can prevent participation in core efficiency offerings. Health and safety concerns, structural deficiencies, and other pre-weatherization barriers continue to limit access to weatherization and electrification opportunities for some households. During the 2027-2029 period, Rhode Island Energy intends to continue collaborating with state agencies, community organizations, housing partners, and other stakeholders to identify and address barriers that prevent customers from accessing energy efficiency services. Building on existing efforts such as the Whole House + Electrification Pilot and partnerships focused on healthy housing, Rhode Island Energy will seek opportunities to better coordinate available funding sources and support services that help customers overcome obstacles to participation.

In addition, Rhode Island Energy will continue improving the collection and analysis of information related to deferred projects and pre-weatherization barriers. Better understanding of the nature, frequency, and geographic distribution of these barriers can help inform future program design, stakeholder discussions, and coordination with external funding sources. Rhode Island Energy will evaluate opportunities to incorporate this information into future equity reporting and performance tracking efforts.

Increase Participation Among Underserved Small Businesses

Small businesses often face unique constraints that make participation in energy efficiency programs more challenging, including limited staff capacity, competing operational priorities, limited awareness of available services, and difficulty accessing technical expertise. These challenges may be particularly acute for businesses located in Environmental Justice communities.

To improve access and participation, Rhode Island Energy will continue building relationships with trusted business organizations, chambers of commerce, trade associations, and community-based partners that maintain strong connections with local businesses. Outreach strategies will continue to emphasize meeting business owners where they are and delivering information through organizations and networks they already know and trust.

Rhode Island Energy will also strengthen participation among underserved small business segments through targeted outreach campaigns, expanded business engagement efforts, customer success stories, and improved performance tracking. Future efforts include evaluating participation rates relative to eligible market segments, expanding partnerships with organizations serving minority-owned and women-owned businesses, and identifying additional methods for increasing awareness of available energy efficiency opportunities among businesses that have not historically participated.

Strengthen Workforce Capacity and Expand Access to Energy Careers

A strong and capable workforce is essential to deliver energy efficiency programs effectively and equitably. Workforce limitations can affect customer access and program delivery timelines. Rhode Island Energy recognizes that workforce development and equity objectives are closely linked. During the 2027-2029 period, Rhode Island Energy will work with contractors, training organizations, educational institutions, state agencies, and implementation partners to expand workforce capacity and support long-term workforce development goals. Efforts will focus on increasing awareness of energy efficiency career pathways, supporting workforce training opportunities, and strengthening regional workforce pipelines that can meet future program needs.

Rhode Island Energy will also evaluate opportunities to increase accessibility of workforce training and contractor participation. Potential approaches may include multilingual training resources, targeted recruitment efforts, partnerships with community-based workforce organizations, and exploration of strategies that reduce barriers to participation for new and emerging contractors. Rhode Island Energy will also continue engaging internal and external stakeholders on the development of a workforce-related metric.

Advance Energy Efficiency Opportunities for Renters and Multifamily Households

Renters represent a significant portion of Rhode Island's housing market yet often face structural barriers that can make participation in energy efficiency programs more difficult. Split incentives between landlords and tenants, limited awareness of available programs, uncertainty regarding responsibilities, and competing investment priorities can all affect participation levels. Rhode Island Energy views renters and multifamily properties as important areas of continued focus during the 2027-2029 period.

Building on prior landlord outreach efforts and stakeholder discussions, Rhode Island Energy will continue strategies that better support both renters and property owners. Approaches include strengthening relationships with housing providers and public housing authorities, improving referral pathways between housing organizations and energy efficiency programs, and identifying opportunities to reach customers through housing-related assistance networks.

Rhode Island Energy will also continue evaluating approaches that better align energy efficiency benefits with landlord priorities, including property maintenance, tenant retention, building performance, and risk reduction. By strengthening collaboration with housing partners and improving understanding of renter-specific barriers, Rhode Island Energy hopes to expand participation opportunities for households that have historically been more difficult to reach through traditional program delivery models.

Improve Measurement, Accountability, and Equity Outcomes

Stakeholder discussions throughout the planning process emphasized the importance of moving beyond activity-based measures toward a greater focus on measurable outcomes. Rhode Island Energy agrees that developing meaningful metrics is an important component of understanding whether equity strategies are producing desired results and identifying where future adjustments may be needed.

During the 2027-2029 period, Rhode Island Energy will continue refining equity-related metrics and reporting approaches in consultation with stakeholders. Efforts will focus on improving understanding of who participates in programs, where participation occurs, which barriers continue to exist, and whether equity-focused interventions are improving access to energy efficiency services and benefits.

Potential areas of future measurement may include participation among Environmental Justice communities, renter participation, language-access indicators, pre-weatherization barrier outcomes, small business participation patterns, and other metrics identified through stakeholder engagement processes. Rhode Island Energy intends to use these data and insights to support continuous improvement and more informed decision-making throughout the Plan term.

2027-2029 Participation Metrics

The 2027-2029 Annual Plan results from a deepening understanding of how Rhode Island Energy's equity initiatives are impacting non-participants across Rhode Island communities. Rhode Island Energy, in collaboration with the Equity Working Group (EWG), developed metrics and began tracking and reporting out in the second half of 2024. A key feature of these metrics is the ability to track energy efficiency program participation in census tracts that are defined by the U.S. Census Bureau. By using census tract level participation data, Rhode Island Energy can better ascertain where to target efforts and the effectiveness of existing strategies in these communities. This will allow Rhode Island Energy to better serve communities with low participation rates, such as environmental justice (EJ) communities. The metrics that are currently tracked and reported are listed below.

Single Family Programs Participation (EnergyWise, Income Eligible Services):

1. Number of Home Energy Audits Completed
 - a. Broken down by EJ vs non-EJ communities⁵
 - b. Broken down by renters vs non-renters
2. Number of Weatherization Projects Completed
 - a. Broken down by EJ vs non-EJ communities
 - b. Broken down by renters vs non-renters

⁵ <https://dem.ri.gov/environmental-protection-bureau/initiatives/environmental-justice>

Multifamily Programs Participation (EnergyWise Multifamily, Income Eligible Services Multifamily):

3. Number of Home Energy Audits Completed
 - a. Broken down by EJ vs non-EJ communities
4. Number of Weatherization Projects Completed
 - a. Broken down by EJ vs non-EJ communities

Pre-Weatherization Barriers:

5. Number of Audits with Pre-Weatherization Barriers Detected
 - a. Broken down by pre-weatherization barrier type for EnergyWise Single Family program
 - b. Broken down by Community Action Program service territory for Income Eligible Services Single Family program

Microbusiness & Small Business Participation:

6. Number of Eligible Customers Participating in Small Business Direct Install
 - a. Broken down by EJ vs non-EJ communities
 - b. Broken down by consumption category

These metrics will continue to be tracked and reported on a quarterly basis and can be found in Rhode Island Energy's quarterly reports, which are filed with the Commission.⁶

Ongoing Partnerships

Rhode Island Energy's efforts throughout 2027-2029 will continue to focus on connecting income-eligible customers to all available resources that can reduce their energy costs. Rhode Island Energy partners with community-based organizations across the state that support customers in understanding energy efficiency opportunities, and assist with billing questions, payment plans, and navigating available assistance programs. Immediate bill relief through the discount rate can help alleviate financial pressure, while direct, in-person contact with Rhode Island Energy customer advocates helps increase customer engagement in available programs.

Rhode Island Energy continues to engage with the Rhode Island Department of Health's Health Equity Zone (HEZ) Initiative, building on initial coordination that began in 2023. The HEZ Initiative supports place-based approaches to improving health and socioeconomic outcomes across Rhode Island through partnerships with 15 community-based collaboratives. Rhode Island Energy works with HEZ organizations to expand outreach and better align

⁶ Quarterly reports for program year 2025 may be found in the Commission's docket page at ripuc.ri.gov/Docket-24-39-EE, under "Quarterly Reports."

energy efficiency services with broader community priorities. These partnerships provide an opportunity to reach customers who have not historically participated in energy efficiency programs and to integrate energy-related support into existing community-based service delivery channels.

Rhode Island Energy has also continued its collaboration with the University of Rhode Island (URI) Cooperative Extension through initiatives such as the Efficient Housing for All Community of Practice. Building on this work, Rhode Island Energy supported the development of a new community-based engagement model intended to help customers navigate energy efficiency programs. The Energy Navigator Training Pilot, in collaboration with URI and the American Council for An Energy Efficient Economy (ACEEE), who Rhode Island Energy introduced to URI, is designed to equip trusted community-based workers with the tools and knowledge needed to guide income-eligible renters through program participation. This approach complements existing program delivery by strengthening connections between customers and available services.

In parallel, Rhode Island Energy is working with partners to address persistent barriers that limit participation in energy efficiency programs. Through collaboration with the Green & Healthy Homes Initiative (GHHI), Rhode Island Energy is supporting an integrated service model that aligns energy efficiency with housing, health, and safety interventions. The Providence Whole House + Electrification Pilot, funded by a combination of federal and state resources, including Regional Greenhouse Gas Initiative funds that Rhode Island Energy helped GHHI obtain, focuses on addressing pre-weatherization barriers that would otherwise prevent customers from receiving weatherization services. By coordinating across programs and leveraging funding sources outside of Rhode Island Energy programs, this effort aims to return deferred units to energy efficiency programs while also testing approaches to electrification and energy cost reduction.

Across these partnerships, Rhode Island Energy continues to place an emphasis on coordination, data sharing, and continuous learning to improve program delivery over time. Insights gained through these collaborations will be used to refine outreach strategies, enhance program accessibility, and inform the expansion of integrated, community-based approaches over the 2027–2029 period.

3.3.2 Workforce Development

Clean energy and energy efficiency programs are drivers of job creation in Rhode Island. Rhode Island Energy's energy efficiency programs support a large clean energy workforce of local and regional vendors, contractors, distributors, and suppliers. It is important that the jobs and economic benefits created from energy efficiency jobs reach all Rhode Island communities, especially Environmental Justice Focus Areas.

3.3.2.1 Building Capacity for CAPs

Rhode Island Energy will continue its successful heat pump water heater trainings for the Income Eligible programs in 2027. Rhode Island Energy is also assisting CAP agencies in their efforts to fill vacancies in several auditor positions. Strategies to fill these positions include engaging with Equity Working Group partners to support recruitment and committing \$30,000 of workforce development funding for each year of the planning

cycle to reimburse Building Performance Institute Certifications for prospective auditors. Administrative staffing at the CAP agencies has remained strong and consistent.

To complement the heat pump water heater training, auditors will continue placing informational magnets on existing hot water heaters in homes where energy audits are conducted. These magnets include IESF program contact information and encourage property owners to reach out for support in the event of equipment failure enabling timely replacement with a more efficient heat pump water heater. All training courses will be thoughtfully designed to maximize energy savings and optimize service delivery.

3.3.2.2 Upskill Electricians and Energy Professionals

Quality installations of energy efficient building upgrades are becoming more difficult as systems become more complex. These complexities are especially present for electric heat pumps, building automation systems, and building controls. Rhode Island Energy will continue to upskill electricians and other professionals through a large set of available trainings developed and offered in collaboration with local partners at little or no cost. Training topics include but are not limited to net-zero energy design and building for residential and commercial new construction and design of lighting controls, technical support and training for builders, developers, designers, and contractors in Residential New Construction, onsite trainings for builders and contractors, energy modeling support, trainings on how to achieve various energy certifications, tours of zero-energy new homes and renovations, and trainings for technical schools and other local educational institutions (Warwick Area Career Tech, New England Institute of Technology, Chariho Career and Tech Center, Davies Career and Technical High School, CCRI, Woonsocket Career & Technical Center, Providence Career & Technical Academy, RISD).

3.3.2.3 Recruit and Upskill HVAC Contractors

Consumer demand requires both an increase in the number of contractors that can deliver HVAC products and training to promote quality installations through addressing weatherization, right-sized equipment, correctly functioning systems, and connectivity with building controls. Training topics offered include, at minimum, a weekly Contractor Newsletter – Participating Contractor list; training on HVAC installation best practices (includes sizing, refrigerant charge and airflow testing), via virtual live webinars and in-person at various locations including distributor locations such as Supply New England, The Granite Group, F.W. Webb, Department of Labor & Training); trainings for HVAC students at MTTI and Providence Career Technical Academy; and best practices for controls.

Rhode Island Energy will continue to coordinate workforce development efforts with the appropriate state and local authorities to maximize and leverage the impact of initiatives across the state. For example, Rhode Island Energy will coordinate with OER on the forthcoming HVAC Heat Pump Apprentice Program and Clean Energy Internship Program, both of which leverage federal funding and will complement Rhode Island Energy's HVAC workforce development activities.

- Increase training on proper selling, sizing, design, and installation of heat pumps
- Engage local HVAC tech programs and provide training
- Support contractor efforts to teach customers how to properly use and maintain heat pump equipment

3.3.2.4 Train Business Facilities Staff

As systems and controls evolve, it is incumbent to provide relevant training for facility managers, building operators, and other staff to enable them to operate these systems to their full, energy efficient potential. Rhode Island Energy will continue to offer these training courses in 2027-2029, including Building Operator Certification (BOC). BOC training gives attendees the skills they need to make their buildings more efficient, healthy, comfortable, and environmentally friendly. The BOC program is aligned with the International Organization for Standardization (ISO) for organizations that certify personnel. Rhode Island Energy will offer 2 BOC Fundamentals of Energy Efficient Building Operations trainings. In addition, Rhode Island Energy will provide 12 technical webinars in coordination with BOC. The webinars offer one-hour technical presentations on topics related to energy efficient building operation practices.

3.3.2.5 Build a Pipeline of Energy Professionals

In 2027-2029 Rhode Island Energy will continue to actively mentor and teach students broad topics related to the energy sector and potential jobs as well as specific technical topics related to energy efficiency. Rhode Island Energy will maintain its engagement with local schools and universities, including Warwick Area Career Tech, New England Institute of Technology, Chariho Career and Tech Center, Community College of Rhode Island (CCRI), Woonsocket Career & Technical Center, Providence Career & Technical Academy, and RISD.

The Community College of Rhode Island (CCRI) has launched a new Industrial Assessment Center (IAC), made possible by a federal grant from the Department of Energy. This center provides CCRI students with comprehensive training in building science and energy efficiency, combining classroom learning with hands-on experience conducting energy assessments for small and medium-sized manufacturers in Rhode Island. Rhode Island Energy is actively involved, connecting CCRI with suitable businesses for assessments. The program complies with Justice40 guidelines, ensuring that CCRI's diverse student body has expanded opportunities in this growing field. This collaboration will create a skilled workforce for Rhode Island's energy sector while simultaneously improving the energy efficiency of local manufacturers.

The model for having students and schools participate in building features and educating consumers along with industry partners has been adopted by the Rhode Island Department of Education as an approved work-based learning and career exploration curriculum to satisfy internship/career exploration requirements for graduation.

3.3.3 Training for Codes and Standards

Per state law (H6101/S0855 Sub A), Rhode Island adopted the 2024 International Energy Conservation Code (2024 IECC) within three months of its publication in 2024.⁷ The law requires adoption with no weakening amendments and a plan for 90 percent compliance within six months for residential and commercial new construction and

⁷ IECC 2024 was published on August 14, 2024, accessed at <https://codes.iccsafe.org/content/IECC2024P1>

renovations. Through its Code and Standards Technical Support (CSTS) initiative, Rhode Island Energy's Codes & Standards experts are collaborating directly with the Rhode Island Code Commissioner to hold mandatory training for building officials. Rhode Island Energy also coordinates closely with the Rhode Island Builders' Association (RIBA) to promote code awareness and training to its members and partners. Rhode Island Energy, CLEAResult, local partners (Rhode Island Builders Association (RIBA), Rhode Island Building Officials Association (RIBOA), American Institute of Architects (AIA), Rhode Island Association of Realtor (RIAR), Rhode Island Master Plumber and Mechanical Association (RIMPMA)), host organizations (lumberyards, Taco Comfort Solutions, Viessmann Manufacturing, Libraries, Cities/Town Halls, Supply Houses, RNC program participants), and schools (Tech Schools, New England Tech, YouthBuild) will conduct the following activities, at minimum, to train workforce on codes and standards. These activities include CEU accredited training for building inspectors, builders, developers, architects, engineers, contractors, students, building owners, and real estate agents.

Rhode Island Energy will continue training and providing technical support to help the industry understand and meet the Code requirements. As the Code matures, trainings shift from general familiarization to deeper dives and more targeted sessions to address areas of weakest compliance.

- Increase program-approved trainers through “train the trainer”
 - Increase the number of code trainers by training a variety of industry peers such as architects, builders and building officials to provide training for others that is comprehensive and consistent
- Develop on demand online training
 - Learning Management System (LMS) style trainings can be pre-recorded and linked to various state and industry websites. This will allow trainees with time or transportation constraints to attend trainings on their own time
- Provide HERS rater training and certification
 - HERS Raters are uniquely qualified to provide technical support and verification of compliance with the energy code. The performance compliance pathway, which requires an energy rating, will become increasingly more popular and Rhode Island will need to increase this workforce network to meet the needs of the industry once the new code takes full effect.
- Full day workshops
 - Deep dives into Envelope, Mechanicals, Lighting, HVAC
- Mandatory training for building officials on the 2024 International Energy Conservation Code (and subsequent updates) in collaboration with the Rhode Island Office of the Building Code Commissioner.

Rhode Island Energy represents the energy sector on the Rhode Island Green Buildings Advisory Committee (GBAC). Through participation in the GBAC, Rhode Island Energy is able to identify additional workforce needs related to codes and standards, make recommendations for workforce development in support of the State's climate and clean energy mandates, raise awareness of Rhode Island Energy's planned trainings and workforce development activities, and raise awareness of relevant incentives through the Rhode Island Energy Efficiency Programs. Rhode Island Energy will also work with the Green Energy Workforce Advisory Committee to coordinate around training for codes and standards.

3.3.4 Financing and Funding Options

Rhode Island Energy claims savings for the CSTS Initiative in the Residential New Construction and Large Commercial New Construction programs based on evaluation results. For the 2027-2029 Plan, Rhode Island Energy adjusted the evaluation results from the 2017 study due to energy code improvements. Rhode Island Energy currently offers several financing vehicles to customers including on-bill financing for business customers which is administered by Rhode Island Energy, HEAT Loan, and financing through the Efficient Buildings Fund, a program jointly administered by OER and Rhode Island Infrastructure Bank (RIIB). Rhode Island Energy will continue to rely primarily on on-bill financing to support business customers to fund their share of energy efficiency project costs, investigate how these offerings can be expanded to serve more residential customers and increase loan limits for comprehensive residential projects. Business customers will have the option to extend the loan financing term for projects with longer paybacks (e.g. a customer can finance a [project for three years if the project has a 3 year payback). The financing loan term will not exceed the project payback.

Please see Section 4.6 for a discussion of state and federal incentives.

3.3.5 HVAC Equipment

Rhode Island Energy will continue to coordinate with OER to leverage non-ratepayer funding opportunities for energy efficiency measures, such as the Clean Heat RI Program.⁸ The Company also plans to continue close coordination with the New England Heat Pump Accelerator, which is providing incentives, contractor trainings, and pilot programs to accelerate the uptake of heat pumps in the state and region. Please see section 4.6 for a discussion of state and federal incentives.

3.3.6 Community-Based Initiatives

3.3.6.1 Community-Based Efforts and Language Access

Rhode Island Energy has developed a landlord outreach approach, paired with Spanish language access, which was implemented at the end of 2024 and continues through 2026. Learnings so far indicate that the approach works better with engaged communities with strong leaders; building local community partnerships are key to successful in outreach in communities without natural local advocates. In 2027-2029, the Company will continue to meet landlords and renters where they live, while identifying and reaching other underserved populations. Over the triennium, the Company intends to track the effectiveness of these sessions in producing program participation.

The 2025 year-end report included metrics on home energy assessments and weatherization in Environmental Justice Communities (EJ Communities), another underserved population. In 2027-2029, the Company strives to meet or exceed the existing high levels of service. For Income Eligible Single-Family customers, 49% of Home

⁸ For more details on the Clean Heat RI Program, see the website [here](#).

Energy Assessments participants and 48% of weatherization participants lived in EJ Communities. The EnergyWise comparable statistics are 27% for home energy assessments and 26% for weatherization. With 38% of the Rhode Island population living in Environmental Justice Communities, the market rate program will also strive to increase its service in EJ communities.

Rhode Island Energy partners with OER to implement the State's Lead by Example Executive Order (EO 23-06).⁹ This partnership uses Rhode Island Energy Efficiency Programs to drive energy savings at state and municipal buildings in various communities across Rhode Island.

Rhode Island Energy partners with OER on the Public School Energy Equity Program to develop the full suite of programmatic, technical and financial resources available to communities. Together with OER, we have developed processes to support schools during the entire project life cycle, including technical assistance to identify project scope, procurement process support, and post installation reviews.

Since the inception of the Efficient Buildings Fund (EBF)¹⁰, Rhode Island Energy has worked with the Rhode Island Infrastructure Bank (RIIB) and municipalities to facilitate project development and application. Rhode Island Energy's technical team conducts energy assessments and provides reports that meet the needs of both EBF and incentive programs to simplify application processes and help municipalities take advantage of multiple funding sources. Since inception, EBF has supported 22 municipal projects, loaning out over \$69 million dollars to support a variety of energy efficiency projects. These will deliver \$109 million in savings over the lifetime of the installed measures.

All municipalities can participate in large commercial and industrial programs. An account manager dedicated to this sector supports these customers in identifying projects, securing funding, and working with implementation vendors to achieve savings.

3.3.7 Participation and Outreach

Rhode Island Energy provides essential energy services to over 770,000 customers across Rhode Island through the delivery of electricity and natural gas.

Outreach efforts increase public awareness of Rhode Island Energy as a local company committed to helping customers save energy and money. Awareness level marketing presents all energy efficiency programs, allowing customers to pursue the program(s) that is/are right for them. Feedback from the 2026 customer listening sessions helped Rhode Island Energy better understand common barriers to participation, including limited program awareness, language access needs, uncertainty about eligibility, and challenges navigating program

⁹ <https://governor.ri.gov/executive-orders/executive-order-23-06>

¹⁰ For more information on the Efficient Building Fund, please visit the EBF websites hosted by [OER](#) or [RIIB](#).

steps. These insights informed the 2027–2029 Plan’s emphasis on more targeted outreach, clearer communications, trusted community partners, and practical support that meets customers where they are.

In 2027 through 2029, Rhode Island Energy will continue to drive participation through two main pathways – targeted programs and broad-based programs. Targeted programs include Rhode Island Energy’s retrofit, new construction, and heating and cooling rebate programs. These programs serve to drive deeper savings to targeted customer segments and offer a wide array of energy efficiency measures. Rhode Island Energy also reaches broad participation by promoting products through downstream, midstream and upstream channels. These broader based programs provide value by reaching a wide and diverse set of customers, helping to provide more customers with access to energy savings, as well as acting as a gateway to drive participation in other energy efficiency programs.

Rhode Island Energy will continue to add new content to the site to support customers and stakeholders including: a calendar listing Codes and Standards trainings for code officials and building professionals, links to third-party grant and funding programs, and the Appliance Recycling Program for residential and small business customers. Customers have a single sign-on experience that allows them to seamlessly access information on all aspects of their energy use, including billing questions and energy efficiency. The website offers language translation through Google Translate to improve accessibility for all customers. Rhode Island Energy plans to continue to develop educational content on the website such as best practices for using heat pumps, educational articles, and customer case studies.

Rhode Island Energy plans to hold ten customer assistance expos annually, plus over a dozen pop-ups each month, located in communities throughout the state. These events focus on ways to help customers pay their bills. Energy efficiency is a key method to help customers lower their gas and electric bills, and Company staff help customers understand how to participate. These events serve as excellent opportunities to engage with customers, offering informative materials, raising awareness, and addressing the relevance of energy efficiency. Customer Advocates will attend many outreach events at local organizations in addition to the customer assistance expos. Rhode Island Energy will continue its landlord engagement sessions by hosting events in accessible public venues, such as local libraries throughout the state. These sessions provide opportunities to connect with landlords, educate them on energy- and cost-saving programs, and identify barriers they may be facing so they can better serve their tenants.

Rhode Island Energy will continue expanding its social influencer effort. Social media influencers develop content covering topics like energy saving tips, the fridge recycling process, and the Home Energy Assessment experience. In years past, the influencer videos were viewed nearly 75,000 times on Instagram and Facebook. Through authentic content from personalities that customers already trust, Rhode Islanders can organically learn about making more energy efficient choices and finding ways to save money. The Company will continue this effort with a focus on HEA, refrigerator recycling, heating system upgrades, and marketplace

Rhode Island Energy coordinates State agencies to refer customers and share leads across Rhode Island Energy Efficiency Programs and other state and federal energy efficiency opportunities, such as CHRI. Cross-marketing occurs via strategically timed collateral, leave-behind information and marketing materials that cross-promote programs and offer energy saving tips, and by processes to serve customers and buildings holistically across multiple program pathways. Rhode Island Energy will continue a follow-up marketing campaign triggering communications to customers after they participate, identifying the next best step in their energy efficiency journey. Any customers who recycle a refrigerator, freezer, or dehumidifier are encouraged to take the next step by purchasing a product on our Marketplace. Rhode Island Energy holds routine meetings and has channels of communication open with other program administrators, including OER and CommerceRI.

4 Coordination with Other Programs and Policies

Continuing to provide the best value to Rhode Island customers necessitates that Rhode Island Energy coordinate with other parts of the energy system. For the 2027-2029 Plan, RI Energy will continue to implement the energy efficiency portfolio of programs in coordination with other Company filings and activities, as described below. Efforts have also been made to ensure the Plan is aligned with relevant state policies and objectives and specific coordination opportunities are identified below.

4.1 System Reliability Procurement

Rhode Island Energy will coordinate its ConnectedSolutions offerings with energy efficiency programs where appropriate. The Company considers demand response and energy efficiency to be complementary elements within a unified portfolio, each contributing to customer engagement, improved system performance, and cost-effective alternatives to traditional infrastructure. Coordination efforts will focus on aligning customer outreach, utilizing common delivery channels, and promoting energy efficiency measures that support participation in demand response programs, such as the installation of connected and compatible devices.

Examples of ongoing coordination efforts include joint marketing initiatives promoting energy efficiency thermostat rebates alongside ConnectedSolutions enrollment opportunities; targeted communication to small business customers who have participated in energy assessments, audits or other energy efficiency offerings, encouraging enrollment in ConnectedSolutions where eligible; collaborating with energy efficiency project expeditors to identify opportunities to educate customers about ConnectedSolutions participation during project development and implementation; and coordination of customer education materials and webinars to present energy efficiency and demand response as complementary offerings.

4.2 Advanced Metering Infrastructure

4.2.1 Purpose and Approach

Rhode Island Energy began installing advanced meters in the spring of 2025 and will complete exchanges in the summer of 2026. Customers will have access to Rhode Island Energy’s AMF Customer Portal, which allows them to view their electricity usage down to the 15-minute interval and set tags and alerts to track trends. These capabilities are expected to improve customer awareness and provide additional tools for managing energy use and monthly bills.

Rhode Island Energy recognizes that Advanced Metering Functionality (AMF) creates opportunities beyond traditional energy efficiency program delivery. As described in the AMF Business Case¹¹, AMF supports enhanced customer insights, improved system visibility, more granular energy usage analysis, and future applications that may provide benefits to customers, distribution planning, and grid operations. These broader capabilities may facilitate future opportunities to better understand localized usage patterns, support distribution system planning, inform targeted customer engagement strategies, and enable additional customer and grid value streams.

The primary purpose of the 2027–2029 Energy Efficiency Plan, however, is to describe how AMF capabilities will be applied to improve energy efficiency program design, targeting, delivery, and customer engagement. Consistent with that objective, Rhode Island Energy anticipates using AMF data to enhance customer segmentation, improve identification of energy efficiency opportunities, support more personalized customer outreach, and evaluate innovative program concepts that may improve participation and savings outcomes.

While AMF may also support future exploration of geographically targeted approaches, localized load reduction strategies, and other grid-facing applications, those potential benefits are generally addressed through the broader AMF investment framework and related distribution system planning activities rather than through the Plan. Rhode Island Energy will continue to evaluate opportunities to leverage AMF data across the enterprise and coordinate with relevant planning functions as AMF capabilities mature.

The availability of more detailed usage data creates opportunities to inform energy efficiency planning, program administration, and evaluation. Over the next three years, Rhode Island Energy will take a phased approach to AMF integration into energy efficiency programs. Successful deployment requires deliberate planning and ongoing evaluation to ensure program dollars are utilized cost-effectively. The AMF approach during the 2027–2029 Plan period begins with guided testing, recognizing that learning through real world applications will be essential to integrating AMI into efficiency offerings and administration. Rather than treating AMI as a standalone energy efficiency initiative, Rhode Island Energy intends to incorporate AMI capabilities incrementally across

¹¹ [2249-RIE-AMFPlan-Book2 11-18-22.pdf](#)

program design and administration, using initial lessons learned to inform subsequent refinement and scale. This roadmap emphasizes developing the capacity to leverage AMI insights over the three-year planning period.

4.2.2 The Immediate Future

All customers with advanced meters have access to their 15-minute interval data via the Advanced Metering Functionality (AMF) Customer Portal. The portal allows customers to view interval energy consumption data, monitor billing information, and track energy use trends through easy-to-read dashboards that update throughout the day. Customers can establish customized usage thresholds and receive alerts or weekly summaries to identify unexpected changes in consumption and better manage energy costs. The portal also enables customers to use energy markers to track the effects of efficiency improvements, such as installing new equipment or weatherizing their homes. In addition, customers can download their energy data. Rhode Island Energy provides support for accessing and guidance for utilizing this portal on the Rhode Island Energy website.¹² As part of the Advanced Metering Functionality (AMF) initiative, Rhode Island Energy is leveraging the Sense home energy monitoring platform to provide customers with enhanced insights into their energy consumption. Sense transforms energy usage data into customer-friendly information through interactive dashboards and visualizations that help customers understand how, when, and where energy is being used in their homes. Customers can track overall household energy consumption, view usage trends over time, compare current consumption with prior periods, and identify the devices and end uses driving energy use. The platform also allows customers to analyze energy consumption by day, week, month, or year and compare their usage with similar homes. By providing more actionable and personalized energy information, Sense can help customers identify energy-saving opportunities, make more informed decisions about efficiency investments, and better understand the impacts of behavioral and equipment-related changes on their energy consumption.

Together, the AMF Customer Portal and Sense platforms provide customers with greater visibility into their energy use by delivering detailed consumption data, usage trends, personalized energy insights, and benchmarking tools. These capabilities support Rhode Island Energy's objective of empowering customers with actionable information that can encourage energy-saving behaviors, improve program engagement, and help customers realize the benefits of energy efficiency investments. The AMF Customer Portal and Sense platforms are being deployed as part of Rhode Island Energy's Advanced Metering Functionality initiative addressed in PUC Docket No. 22-49-EL and are not funded through the energy efficiency programs. While these tools are outside the energy efficiency budget, the Sense rollout creates an important opportunity for Rhode Island Energy to observe customer engagement with more granular usage information, including enrollment, usage of the platform, and any associated changes in energy consumption absent a direct energy efficiency program intervention. Rhode Island Energy will use these observations to inform the future consideration of behavioral or data-enabled energy efficiency strategies and to better understand whether AMI-enabled customer insights can

¹² [Rhode Island Energy](#) Advanced Metering

support cost-effective savings, improved engagement, or increased participation in energy efficiency offerings over time. The roadmap for utilizing AMI data in energy efficiency is outlined below.

4.2.3 Roadmap Overview

Over the 2027–2029 Plan period, Rhode Island Energy will progress from AMI data collection and refining internal processes, to targeted testing and integration, and ultimately, to broader institutionalization of AMI-enabled practices, where supported by evidence of the opportunity for cost effective applications.

The roadmap is organized across four main workstreams:

1. Analytics and Data Enablement
2. Integration into Program Design
3. Customer Engagement and Offerings
4. Program Administration, Evaluation, and Operations

4.2.4 AMF Roadmap by Workstream

Workstream	2027 Establish, Test, & Learn	2028 Integrate & Expand	2029 Scale & Institutionalize
Analytics & Data Enablement	Establish AMI data access and quality assurance processes; develop internal analytics to support exploratory pilots	Refine analytics based on findings and integrate into selected program workflows	Institutionalize AMI analytics as a routine input to portfolio planning and oversight
Program Targeting & Design	Conduct small-scale tests using AMI data for screening, diagnostics, and opportunity identification	Integrate AMI-informed targeting into select programs to supplement existing approaches	Scale AMI-enabled targeting across the portfolio where evidence supports broader adoption
Customer Engagement & Offerings	Limited, controlled tests focused primarily on internal use and targeted outreach; no broad deployment	Introduce targeted, opt-in customer-facing AMI applications informed by pilot results	Expand customer-facing AMI offerings as appropriate and supported by outcomes
Program Administration & EM&V	Establish evaluation frameworks; engage EM&V early to support learning	Apply AMI to support quality assurance, reporting, and	Integrate AMI into program administration, evaluation, and management processes

		evaluation of DPAs and integrated programs	
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4.2.5 Three-Year AMF Roadmap

4.2.5.1 Year 1 (2027): Establish, Test, and Learn

In the first year of the Plan, Rhode Island Energy will focus on foundational capabilities and initiating limited, well-defined tests of potential use cases under controlled conditions.

Key activities will include:

- Finalizing internal AMF data access pathways, quality assurance processes, and governance protocols to support EE use cases.
- Developing analytics to better understand customer load patterns, usage variability, and other potential indicators of energy efficiency opportunities.
- Launching select, small-scale tests rather than broad customer-facing initiatives.
- Engaging Evaluation, Measurement, and Verification (EM&V) to help define DPA objectives, success metrics, and learning priorities.

4.2.5.1.1 AMF Use Cases Under Consideration for Testing

Research into AMF reveals numerous potentially relevant use cases. AMI insights may be used to better identify customers with higher potential savings opportunities, including those with high or variable usage patterns and customers with load profiles consistent with electric resistance heating. These AMI data applications are intended to supplement existing data sources, allowing efficiency offerings to be more precisely targeted.

AMI may also support the analysis of baseload energy through load disaggregation to inform appliance, plug-load, or behavioral efficiency strategies, such as alerts for certain customer segments or usage profiles. In addition, AMI insights may be used to identify customers demonstrating consistently high usage, enabling Rhode Island Energy to connect customers to appropriate energy efficiency services as part of a broader bill-management approach. These use cases emphasize targeted outreach rather than broad or automated customer-facing interventions, particularly in the early years of implementation.

Finally, AMI data has the potential to enhance program administration and evaluation by supporting more granular pre- and post-installation analysis and improved monitoring of program performance. By integrating AMI into evaluation processes, Rhode Island Energy aims to strengthen portfolio oversight and continuously refine program design.

The use cases below represent potential applications of AMI data to support energy efficiency planning, delivery, and administration.

Use Case Category	Potential AMI Application	Customer-Facing or Internal Use	Energy Efficiency Value
Targeting & Customer Identification	Identification of customers with high overall usage or significant usage variability	Internal	Improves targeting and prioritization of customers with higher potential savings
	Identification of load patterns consistent with electric resistance heating	Internal	Improves targeting for heating system upgrades, including heat pump offerings
	Baseload analysis to identify persistently high non-seasonal usage	Internal	Supports identification of appliance, plug-load, or behavioral efficiency opportunities
	Identification of usage patterns that may indicate potential equipment end-of-life, degraded performance, or maintenance needs	Internal with customer follow-up, as appropriate	Supports timely outreach to customers whose equipment may benefit from maintenance, repair, or efficient replacement before failure
Program Design & Delivery	Use of load shape insights to inform measure and offering selection	Internal	Helps align EE offerings with customer usage characteristics
	Assessment of usage timing relative to system peaks	Internal	Supports alignment of EE investments with grid objectives
Customer Engagement & Outreach	Data-informed, targeted program marketing and outreach	Customer-facing	Improves relevance of outreach and customer experience
	Identification of customers experiencing high or volatile bills	Internal with customer follow-up	Enables proactive connection to EE services as a bill-management strategy

	Optional, opt-in customer usage insights and alerts informed by AMI data	Customer-facing (opt-in)	Supports customer awareness and informed participation in EE offerings
Program Administration & Quality Assurance	Pre- and post-installation consumption analysis using interval data	Internal	Enhances confidence in impacts and supports EM&V activities
	Identification of unexpected post-installation usage patterns	Internal	Supports quality assurance and early identification of performance issues
Portfolio Planning, EM&V, and Reporting	Tracking aggregate usage trends across customer segments	Internal	Improves portfolio planning and program refinement
	Integration of AMI insights into EM&V and reporting processes	Internal	Supports timelier, data-driven evaluation and oversight
Equity & Access (Cross-Cutting)	Analysis of usage patterns across geographies and customer segments	Internal	Complement existing data sources to help identify participation gaps and support equitable access

4.2.5.2 Year 2 (2028): Integrate and Expand

Building on Year 1, Rhode Island Energy will refine and integrate AMI-enabled approaches within selected areas of the EE portfolio in Year 2.

Key activities will include:

- Expanding successful Year-1 data applications or transitioning them into programs where evidence supports doing so.
- Embedding AMI-informed targeting into program pathways to refine existing screening and outreach methods.
- Using EM&V findings to inform decisions about scaling, modification, or discontinuation of AMI use cases.

Year 2 efforts emphasize integration and validation while preserving flexibility to adjust based on outcomes.

4.2.5.3 Year 3 (2029): Scale and Institutionalize

In the final year of the Plan, the focus will shift to scaling and institutionalizing AMI-enabled practices that have demonstrated value.

Key activities will include:

- Broadening AMI-informed targeting and design approaches across additional programs or customer segments, where supported by results.
- Incorporating AMI insights into program planning, quality assurance, and portfolio oversight.
- Formalizing feedback loops so that AMI analytics, program implementation, and EM&V findings drive continuous improvement.
- Treating AMI as a standard input to EE decision-making.

By the end of the Plan period, the intention is to integrate AMI into core EE operations and leverage its utility in the next three-year planning cycle.

4.3 Act on Climate

Rhode Island Energy will continue to align the 2027–2029 Energy Efficiency Plan with the requirements and objectives of Rhode Island’s Act on Climate and with state climate planning led by the Executive Climate Change Coordinating Council (EC4). Enacted in 2021, the Act on Climate established binding, economy-wide greenhouse gas (GHG) reduction targets of 45 percent below 1990 levels by 2030, 80 percent by 2040, and net-zero emissions by 2050, and directed EC4 to develop and periodically update a statewide Climate Action Strategy to guide implementation.

In December 2025, EC4 approved and transmitted to the Governor and General Assembly Rhode Island’s Climate Action Strategy, which identifies a portfolio of programs, policies, and actions intended to place the State on a path to meet its statutory emissions targets. The Strategy reaffirms energy efficiency as a core, cost-effective emissions reduction strategy across sectors, particularly in buildings, and emphasizes the importance of continued investment in utility-administered energy efficiency programs to manage customer costs and reduce energy demand. The Strategy also highlights the need to shift from planning to implementation, strengthen interagency coordination, and address equity and affordability as climate policies are deployed.

Rhode Island Energy has engaged, and will continue to engage, with EC4 and its member agencies, including the Rhode Island Office of Energy Resources (OER) through formal stakeholder processes, technical review, and ongoing coordination related to climate strategy implementation. This engagement includes providing input on the role of energy efficiency within economy-wide decarbonization scenarios, identifying opportunities to leverage complementary state and federal funding where available, and assessing how program design and incentive structures can support emissions reductions while mitigating customer bill impacts.

By incorporating Act on Climate requirements and EC4 policy priorities into program planning and delivery, Rhode Island Energy seeks to avoid duplication of effort, maximize program effectiveness, and maintain alignment with Rhode Island’s evolving climate policy framework. During the 2027–2029 period, Rhode Island Energy will continue to monitor state and federal policy developments and coordinate with OER and other stakeholders to ensure that energy efficiency programs remain a foundational component of Rhode Island’s climate strategy while continuing to deliver measurable customer and system benefits.

4.4 Future of Gas Docket

The Public Utilities Commission’s Docket 22-01-NG, *Investigation into the Future of the Regulated Gas Distribution Business in Rhode Island as it pertains to the Act on Climate*, remains ongoing and may result in policy direction relevant to the 2027–2029 Plan. Rhode Island Energy will monitor developments and incorporate applicable guidance into program design and implementation over the Plan term. Broader policy questions regarding the role of the gas system are being addressed through the docket, and the Company will align future program offerings with the Commission’s findings as they are established.

4.5 Office of Energy Resources

Coordination among Rhode Island Energy, the Rhode Island Office of Energy Resources (OER), and key Clean Heat Rhode Island (CHRI) program partners focused on aligning program processes and establishing data-sharing mechanisms to support implementation. Early efforts emphasized better integration of CHRI incentives with Rhode Island Energy’s energy efficiency programs, including aligning rebate pathways and encouraging customers to pair heat pump installations with weatherization and other efficiency measures. A central component of this coordination has been the development of data-sharing approaches to verify completion of home energy assessments and weatherization, which are prerequisites for participation. These efforts evolved into a formal Memorandum of Understanding (MOU) establishing roles, responsibilities, and timelines for verification through the CHRI portal. Looking ahead to the 2027–2029 plan period, Rhode Island Energy will continue coordination with OER and CHRI program partners, contingent on continued program funding.

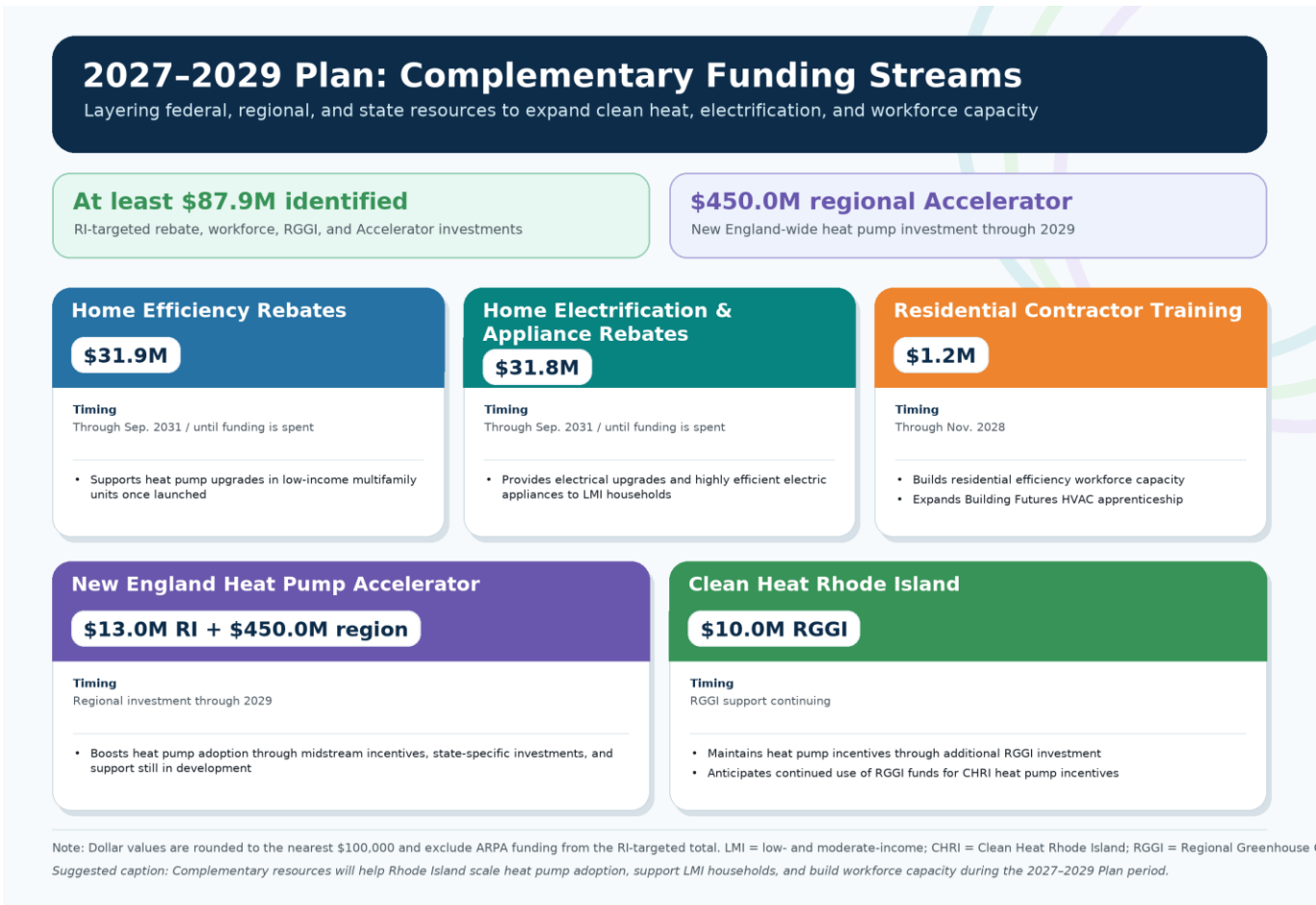
4.6 Outside Funding

During the 2027–2029 Plan period, Rhode Island Energy will monitor the availability, timing, and eligibility requirements of Home Electrification and Appliance Rebates (HEAR), Home Efficiency Rebates (HER), federal tax credits, and other federal funding sources. Rhode Island Energy uses this information to assess opportunities to complement, rather than duplicate, external funding; manage ratepayer-funded incentives prudently; and support the customer experience. Federal program requirements and funding availability may change over the Plan term, Rhode Island Energy will maintain flexibility to adjust coordination approaches as OER’s programs are implemented and as additional federal guidance becomes available.

Rhode Island Energy will also continue to coordinate with OER and other partners on tools and resources that help customers identify applicable incentives. This includes supporting clear pathways for customers considering weatherization, electrification, appliance upgrades, electrical upgrades, and related measures. Rhode Island

Energy will continue to use industry resources, regional coordination, and direct engagement with state agencies to track best practices and lessons learned from other jurisdictions implementing federal rebate programs.

In addition to Inflation Reduction Act funding, Rhode Island Energy will continue to monitor and coordinate around other federal funding opportunities that may support workforce development, technical assistance, industrial energy assessments, and program delivery. This includes continued coordination, where appropriate, with educational institutions and other partners involved in Industrial Assessment Center activities or similar initiatives that expand workforce capacity and support energy assessments for small and medium-sized businesses in Rhode Island.



5 Least-Cost Procurement Law and Standards

5.1 Least Cost Procurement Law and Standards

As noted, this Plan is submitted in accordance with the Least Cost Procurement Law, R.I. Gen. Laws § 39-1-27.7, the basis for which is the *Comprehensive Energy Conservation, Efficiency, and Affordability Act of 2006*, R.I. Gen.

Laws § 39-2-1.2, and the LCP Standards as approved and adopted in Docket No. 23-07-EE in July 2023.¹³ The LCP Standards guide how energy efficiency services are delivered in a manner that is optimally cost-effective, reliable, prudent, and environmentally responsible. Rhode Island Energy has assessed each of these requirements in developing this Plan. Details on Rhode Island Energy’s approach to considering each of these elements are included in this section. In addition, further detail on the cost-effectiveness screening of the proposed investments is in Attachment 4: RI Benefit Cost Test, with detail on rate and bill impacts is presented in Section 6.4.2 below.

5.2 Cost Effectiveness

5.2.1 Interpretation of Standard

The RI Test compares the present value of the total lifetime benefits derived from efficiency savings to the total costs of acquiring those savings (i.e., program and customers’ costs). According to the Standards, “any program with a quantified benefit-cost ratio greater than 1.0 (i.e., where quantified benefits are greater than quantified costs), should be considered cost-effective. Consistent with the PUC’s guidance issued in Docket No. 4600, qualitative benefits and costs may be considered in determining cost effectiveness. The portfolio must be cost effective, and programs must be cost effective.”¹⁴

Proposed revision to the Standards in Docket 26-15-EE state that economic benefits that can be shown to be incremental to the cost and benefits included in other categories shall be included in the RI Test.” This provides a clear test for the inclusion of economic benefits.

5.2.2 Compliance with Standard

Rhode Island Energy has analyzed the cost effectiveness for the proposed 2027-2029 Portfolio and programs using the RI Test as required by Docket 4600 and the LCP Standards. The Energy Efficiency Portfolio and programs proposed for 2027-2029 satisfy these criteria for cost effectiveness.

As provided for in the Docket 4600 RI Test Framework, benefits include primary fuel energy savings (electricity and natural gas), the value of other resource (fuel and water) benefits, price effects, non-embedded greenhouse gas reduction benefits, the value of improved reliability, and non-energy impacts (NEIs) expected over the lifetime

¹³ Revisions to the Standards have been proposed in R.I.P.U.C. Docket 26-15-EE. Revisions have not been finalized at the time of submission of the first draft of this Plan; however, this Plan addresses the proposed revisions as they currently stand.

¹⁴ [LCP Standards](#), section 3.2N.

of the measures planned for installation. Costs include all projects costs, program planning and administration, sales, technical assistance and training, evaluation, and the performance incentive. To illustrate the detailed components of the RI Test as well as the sources of the values, Rhode Island Energy has provided Attachment 4: RI Benefit Cost Test. The RI Test as applied to the Plan utilizes the regional avoided cost study, referred to as AESC 2024, completed by Synapse Energy Economics in February 2024 (and updated in May 2024), that provided the monetization of most benefit categories. The monetization of benefits also incorporates the latest EM&V results that affect claimable savings in the programs. Per the LCP Standards, RI Test results also include the costs of carbon dioxide mitigation as they are imposed and are projected to be imposed by the Regional Greenhouse Gas Initiative, Rhode Island Renewable Energy Standard and Rhode Island Act on Climate. Attachment 4 provides additional detail on changes in the avoided costs.

Attachment 5, Table E-5A shows that the proposed portfolio of electric programs is expected to have a benefit-cost ratio greater than 1.0 in each year of the plan term, and for the three-year plan as a whole, counting all benefits and costs regardless of the jurisdiction to which they accrue. Attachment 6, Table G-5A shows that the proposed portfolio of gas programs is also expected to have a benefit-cost ratio greater than 1.0 in each year of the plan term, and for the three-year plan as a whole, counting all benefits and costs regardless of the jurisdiction to which they accrue. The tables in Attachments 5 and 6 also demonstrate cost-effectiveness at a program level.

Attachment 5, Table E-5B shows that the proposed portfolio of electric programs is expected to have a benefit-cost ratio greater than 1.0 in each year of the plan term, and for the three-year plan as a whole, counting all benefits and costs which accrue only to Rhode Island Energy. Attachment 6, Table G-5B shows that the proposed portfolio of gas programs is also expected to have a benefit-cost ratio greater than 1.0 in each year of the plan term, and for the three-year plan as a whole, counting all benefits and costs which accrue only to Rhode Island Energy. The tables in Attachments 5 and 6 also demonstrate cost-effectiveness at a program level.

As noted, proposed revisions to the Standards in Docket 26-15-EE, Section 1.3C, note that “Economic development benefits that can be shown to be incremental to the cost and benefits included in other categories shall be included in the RI Test.” Rhode Island Energy has opted, for this Plan, to not attempt to show the incrementality of economic benefits and instead to show economic impacts separately from the benefit-cost analysis in Attachment 5, in Table E-4 (Economic Benefits) and Attachment 6, Table E-4 (Economic Benefits). Rhode Island Energy notes that the RI Test and the Docket 4600 Framework guidance also indicate that categories of the Framework can be considered qualitatively in the assessment of cost effectiveness. When considering the significant economic activity generated directly by the programs, including supporting close to 598 FTEs associated with the programs and more than 620 companies,¹⁵ as well as non-quantified benefits such as resiliency, a reasonable assumption is that the macroeconomic benefits of the programs are positive and

¹⁵ Estimates based on information presented in the [Rhode Island Energy, “2025 Energy Efficiency Year-End Report”](#)

potentially significant and, were those benefits included in the RI Test screening as quantified benefits, the programs would achieve even more favorable benefit-cost ratios.

5.3 Reliability

5.3.1 Interpretation of Standard

The Standards for reliability create an expectation that Rhode Island Energy will be able to deliver the programs described herein and that the savings realized from program delivery are accurately estimated and measured, which ensures that the energy savings described herein can meet reliability standards. In addition, as applicable, programs should be scalable and tailored to meet specific system needs.

5.3.2 Compliance with Standard

The energy efficiency programs developed under this Plan will continue Rhode Island Energy's extensive history of offering best-in-class offerings to customers. Rhode Island Energy continues to collaborate with a diverse set of stakeholders including the EERMC, OER, Division, and community and advocacy organizations to continually analyze the programs and identify opportunities for improvement.

In building this Plan, Rhode Island Energy's Customer Energy Management team worked closely with industry experts, vendors, and program implementation professionals to assess the current state of existing programs, the potential for program scalability, the economic environment, and the ability to deliver reliable energy savings as a result.

Supporting Rhode Island Energy's efforts to deploy energy efficiency to Rhode Island customers is a robust and long-standing EM&V apparatus, and the resulting robust, verifiable savings ensure this Plan's fulfillment of the requirements of the Reliability Standard. As noted in Section 8, Rhode Island Energy hires independent third-party consulting firms to regularly conduct evaluation studies as part of its EM&V process. A distinct group of personnel within Rhode Island Energy that includes analysts with specialized skills in engineering, statistics, and/or economics are tasked with the EM&V function and coordinate all elements of the EM&V process internally and externally. Evaluations incorporate industry standard methods to assess the actual energy and demand savings of measures incentivized by the programs.

All elements of the EM&V process are closely monitored by the EERMC, their consultants, and OER. The EM&V process is continual and, every year, results from EM&V studies are used to update the savings in the benefit cost calculation of the measure, programs, and portfolios. In addition, process evaluations and market studies conducted in the EM&V process provide an independent perspective on the performance of the programs and provide insight into the state of the market and ways that Rhode Island Energy can address new opportunities with its programs.

In total, these EM&V processes provide a transparent, externally vetted approach to ensuring that claimed savings provide as accurate of a picture as possible of the impact of Rhode Island Energy's energy efficiency programs,

accounting for spillover, free ridership, and other industry standard adjustment factors. Taken together, this approach complies with the Standard of Reliability.

The EM&V process also supports Rhode Island Energy's participation in the ISO-NE FCM. Passive demand savings achieved via electric energy efficiency and CHP projects, and verified by the EM&V process, continue to participate in the FCM as Passive On-Peak Demand Resources. As detailed further in Section 7.3, Rhode Island Energy bids the passive demand savings attributed to energy efficiency measures and CHP facilities in the FCM and manages the associated capacity resources to maximize the resulting FCM revenue. The EM&V process provides the necessary verification of claimed savings in order to meet the high standards for participation in the FCM.

5.4 Prudency

5.4.1 Interpretation of Standard

Rhode Island Energy considers several key components in the analysis of prudency. These components can be summarized as considerations about the proposed investments in the following:

- Support for the purposes of Least Cost Procurement.
- Synergy savings through alternatives that meet multiple needs.
- Management of risks to ratepayers and the distribution Company.
- Effective use of funding sources.
- Equitable in the allocation of costs, benefits, access to services, and participation.
- Rate and bill impacts.
- Continuity of implementation efforts.

5.4.2 Compliance with Standards

For the proposed investments detailed in this Plan, Rhode Island Energy has assessed each of these elements and how they can be balanced to provide a comprehensive set of programs that will be achievable within known and anticipated constraints.

5.4.2.1 Purposes of Least Cost Procurement

This Plan secures cost-effective energy efficiency resources, as detailed in Section 5.2.2, to support the electric and gas system through the creation of customer benefits in various components enumerated in both the RI Test, comparison with the Cost of Supply, as well as the Performance Incentive Mechanism.

5.4.2.2 Synergy Savings

Program design seeks out synergies in customer participation, through a comprehensive view of savings opportunities wherever possible and tiered incentive offers. As an example of the way that the proposed investments in this Plan address multiple needs, Rhode Island Energy continues to coordinate with the OER regarding engaging customers to weatherize at the same time they are converting to heat pumps.

5.4.2.3 Management of Risks

Energy efficiency investments are generally low risk investments. Savings have been well researched and documented through evaluation studies, and Rhode Island Energy has confidence, based on those studies, that predicted savings will be realized. Continued research through new evaluation studies contributes to continuous program improvement and increasing levels of confidence. Furthermore, many programs include customer education, post-installation inspection, or commissioning to provide a foundation for assumptions about savings persistence. This further reduces risk to ratepayers. Additionally, when the savings are reliably estimated, it serves to increase confidence and reduce risk related to the energy efficiency resource in distribution planning. Finally, by reducing costs and reliance on fuel supply by reducing demand, energy efficiency can offer some protection and risk reduction associated with market and energy price volatility.

5.4.2.4 Effective Use of Funding

As described in Section 7.2, Rhode Island Energy has identified several funding sources to support the 2027-29 Plan budget. Furthermore, several sources of financing are offered to customers to enable program budgets to go further to achieve 2027-29 Plan targets. Finally, effective use of funding is represented in the mix of measures and incentives planned to balance the Portfolio to achieve the 2027-29 Plan's objectives.

5.4.2.5 Equitable Allocation of Savings and Collections

Figure 1. 2027-29 Cumulative Electric Portfolio Distribution of Savings and Collections

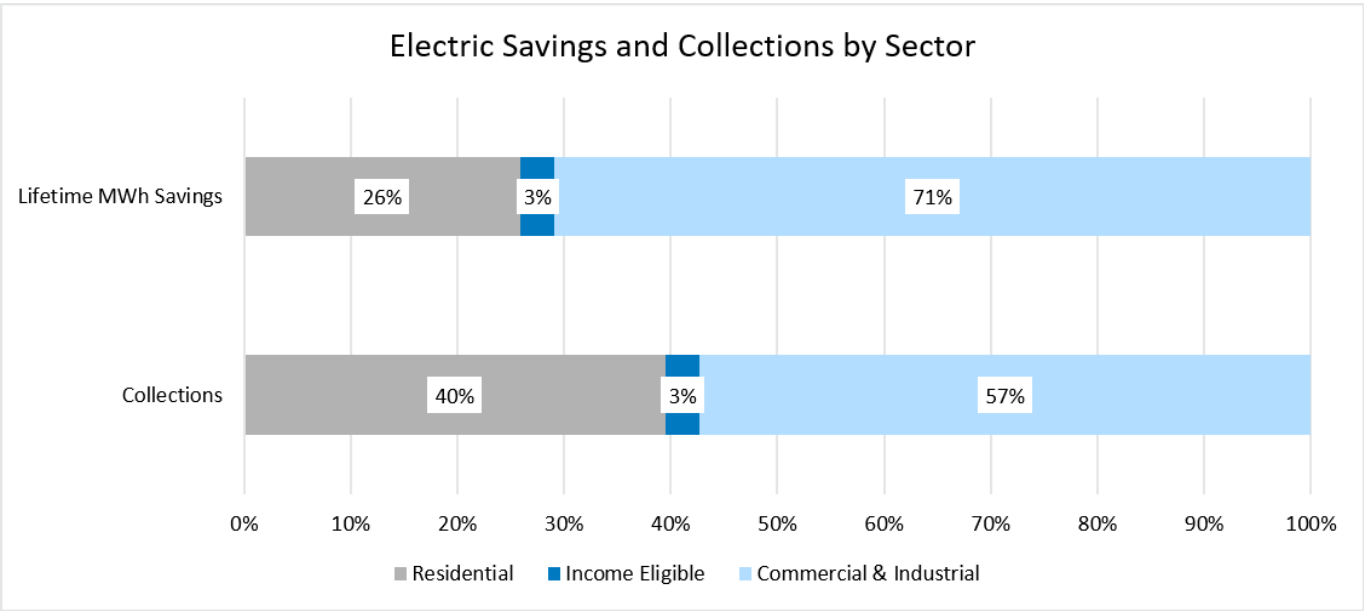
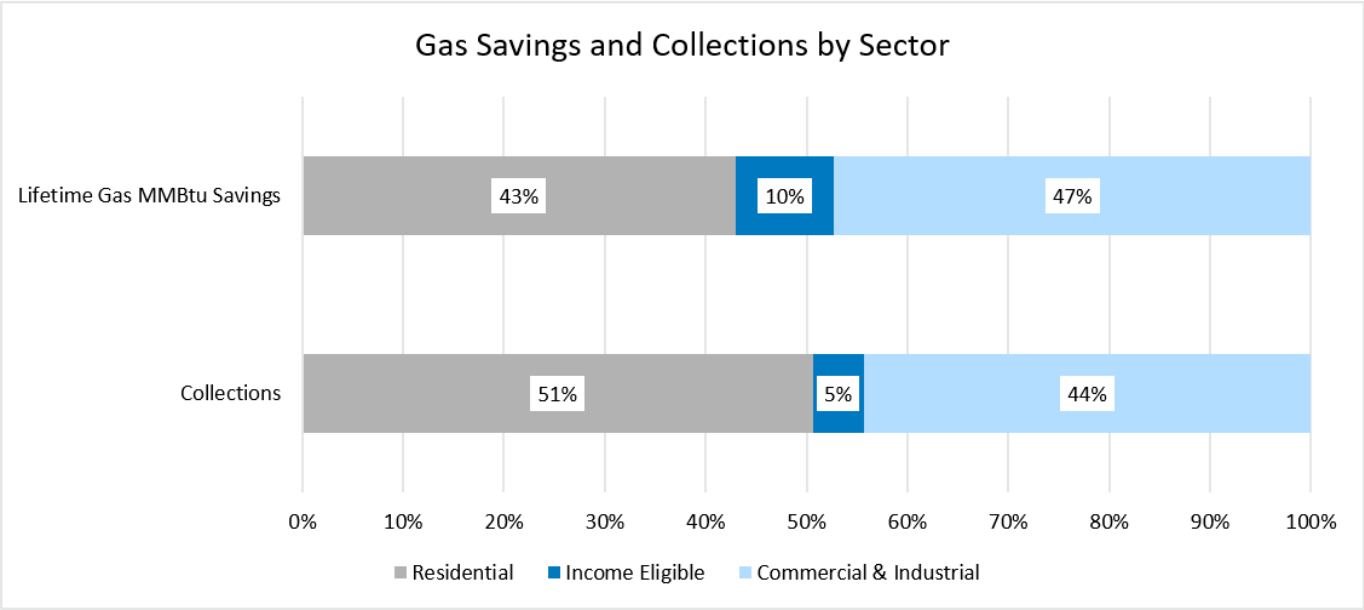


Figure 2. 2027-29 Cumulative Gas Portfolio Distribution of Savings and Collections



5.4.2.6 Bill Impacts

Rhode Island Energy has assessed bill impacts of the proposed electric and natural gas portfolios. 2027-2029 bill impacts are approximated using utility system Cost-of-Supply benefits, excluding non-embedded carbon benefits (which do not impact customers through utility bills), rest-of-pool DRIPE benefits, and delivered fuels benefits. Bill impacts are estimated using the calculated energy efficiency charge on Tables E-1 and G-1 in Attachments 5 and 6, respectively. This approach was developed following the 2023 PUC hearings in which the Commission referred to

the utility system Cost of Supply minus the cost of energy efficiency as an approximation of bill savings, because this difference represents whether customers are spending more or less to install energy efficiency measures.

A year-by-year bill impact schedule is created in which approximated bill savings are spread over the lifetime of the energy efficiency portfolio. The calculated energy efficiency charge is factored into the first year of the schedule (2027) to account for the cost of delivering energy efficiency. Ultimately, the calculated bill savings and the net present value of long-term bills are compared to produce long-term bill impacts by sector. Electric long-term bills are calculated using rates sourced from the total delivery charges on RIPUC Tariff No. 2095 and total commodity charges on RIPUC Tariff No. 2096. Gas long-term bills are calculated using delivery and gas charges sourced from “Rhode Island Energy Gas Rates – Rhode Island” as available at rienergy.com.

For the 2027-2029 Plan, long-term electric and natural gas bill impacts are presented as Tables E-9 and G-9 in Attachments 5 and 6, respectively. They are displayed with three views:

1. All Customers - Includes the full value of approximated bill savings compared to the full value of estimated long-term bills.
2. Participants - Includes the full value of approximated participant bill savings compared to the participant share of estimated long-term bills. Participants are assigned the full value of bill savings because they are responsible for benefits accruing from their energy efficient actions and equipment.
 - a. Includes the full value of approximated bill savings compared to the participant share of estimated long-term bills. Participants are assigned the full value of bill savings because they are responsible for benefits accruing from their energy efficient actions and equipment.
3. Shared with All Customers - Includes the full value of approximated participant bill savings compared to the participant share of estimated long-term bills. Participants are assigned the full value of bill savings because they are responsible for benefits accruing from their energy efficient actions and equipment.
 - a. Includes only the value of approximated bill savings that accrue to all customers regardless of participation in energy efficiency compared to the full value of estimated long-term bills. Avoided T&D capacity benefits are an example of a benefit / bill savings category that accrues to customers regardless of participation in energy efficiency. Avoided electric energy benefits are an example of a benefit / bill savings category that accrues to energy efficiency participants only. Therefore, electric energy benefits are not included in the "Shared with All Customers" view.

This modified bill impacts calculation is in close alignment with the benefit-cost model as well as the analysis of the comparison of the cost of energy efficiency to supply.¹⁶

Additionally, a short-term rate impact has been calculated that examines the change in rates due to the change in the energy efficiency charge between 2026 and the following years of the Plan. Specific details can be found at the sector level for electric and natural gas rates in Tables E-9 and G-9 in Attachments 5 and 6, respectively.

¹⁶ With this new bill impacts methodology, the long-term rate impact analysis has been replaced with a short term rate analysis that examines the difference in the energy efficiency rates between years.

5.4.2.7 Continuity of Implementation Efforts

While not explicitly spelled out in the Standards, Rhode Island Energy has historically considered the continuity of implementation efforts as an element of prudence. Continuity of implementation efforts means changing the scope or scale of programs in a way that is sensitive to maintaining and developing a skilled workforce and receptive to the prevailing economic conditions in the marketplace. Rhode Island Energy generally informs vendors of planned program changes to enable them to prepare their workforce as necessary (for example to ramp up or provide training). Rhode Island Energy also pays attention to this aspect of continuity because, absent continuity, skilled professionals may move to other jobs or markets which could result in disruptions of energy efficiency services to customers.

5.5 Environmentally Responsible

Rhode Island Energy plans to work with stakeholders throughout the 2026 planning process to update how avoided emissions are tracked within the programs.

5.5.1 Interpretation of the Standard

Environmental responsibility includes compliance of the 2027-2029 Plan with state policies, particularly those related to emissions reduction. This standard further requires proper valuation of environmental costs and benefits in this Plan. The Standards specify that demonstration of environmental responsibility includes an assessment of compliance with state climate policies, and proper valuation of climate costs and benefits, in addition to assessing environmental costs and benefits. Rhode Island Energy's interpretation of this addition is that, by distinguishing between environmental policies and values and climate policy and values, the Commission intends for Rhode Island Energy to assess the climate impacts of its programs, specifically as they relate to the Act on Climate targets.

5.5.2 Compliance with Standard

The energy efficiency programs and portfolios described in this Plan are environmentally responsible. As detailed in Section 4.3, the Act on Climate stipulates mandatory and time-bound emissions reductions for the state. This Plan seeks to continue the progress that has been made in reducing emissions by providing customers across all sectors with ways to reduce their energy consumption. Energy efficiency therefore contributes directly to meeting the Act on Climate's goals as well as other environmental policies and priorities in the state. In addition to direct emissions reductions benefits, energy efficiency investments reduce the potential environmental costs and footprint of avoided infrastructure investments and support the ongoing growth and development of a sustainable, green job ecosystem in Rhode Island.

Both the electric and natural gas portfolios will make a meaningful contribution to the reduction in emissions by driving reductions in customer energy usage in both the short and long term. Table 5 in Section 1.1.4 shows the reduction of emissions from the Electric and Natural Gas Portfolios. The value of non-embedded avoided GHGs over the lifetime of the measures is calculated using avoided cost values determined in AESC 2024. Please see

Attachment 4 for more details on the calculation of non-embedded greenhouse gas savings and benefits and Attachments 5 and 6 for further details on the calculated values. These monetized values of emissions are included as benefit streams in the RI Test benefit-cost assessment and in the assessment of Cost of Supply for the portfolio; however, they are excluded from the calculation of net benefits in the Performance Incentive Mechanism.

Rhode Island Energy's 2027-2029 Plan complies with, or otherwise advances, the 2021 Act on Climate, which sets statewide, economy-wide greenhouse gas emissions reduction mandates. The proposed investments reduce both electric and gas consumption. On the electric side, prior to meeting the 100 percent Renewable Energy Standard in 2033, any electric savings will directly support the State in meeting its 2030 greenhouse gas emissions reduction mandate through reduced peak demand, which reduces emissions associated with on-peak plants, and by ramping up efficiency investments that will help enable the use of more renewables in the future. On the gas side, all gas savings will directly support the State in meeting its 2030 greenhouse gas emissions reduction mandate by reducing emissions associated with customer purchases of gas appliances. Indeed, the State's *2022 Update to the 2016 Greenhouse Gas Emissions Reduction Plan* calls out both electric and gas energy efficiency as a priority short-term action to get Rhode Island on the path to meet the 2021 Act on Climate's 2030 mandate. To properly value the environmental and climate costs and benefits associated with the proposed investment in energy efficiency, Rhode Island Energy used the marginal abatement cost to monetize both the embedded and non-embedded values of greenhouse gas emissions reduction.

As noted in Section 3.2.2, this Plan includes several activities designed to support the upskilling of the green workforce. In providing for these jobs and demonstrating the availability and attractiveness of local, green jobs to Rhode Island's existing and emerging workforce, Rhode Island Energy's energy efficiency programs help to ensure that the local workforce will exist to support the state's environmental policy goals.

Educating and engaging residential and business customers on the potential environmental impacts and benefits of the implementation of energy efficiency measures is a foundational element of Rhode Island Energy's energy efficiency go-to-market strategy and contributes to the environmental responsibility of the Plan. Whether in the form of conveying potential environmental benefits of customer recommendations through EnergyWise home energy assessments, or retail marketing initiatives, or by connecting Small Business audits or Large C&I customer sales efforts to business customer sustainability initiatives, Rhode Island Energy's energy efficiency program presence continues to support the prominence of environmental issues in customers' minds. In doing so, Rhode Island Energy's programs continue to link energy savings and efficiency to real and visible benefits for the communities in which their residents and small business reside.

A final component of the environmental responsibility of Rhode Island Energy's 2027-2029 Plan is its ongoing efforts in electrification. Rhode Island Energy will continue its efforts to transition electric resistance heating customers to more efficient (and environmentally cleaner) heat pumps, including income eligible and small business customers. Rhode Island Energy will also continue to cooperate and coordinate with the OER and others as the state implements its electrification and decarbonization strategies to reach customers that require fuel switching and are ineligible for Rhode Island Energy's programs.

5.6 Cost of Annual Plan Compared to the Cost of Energy Supply

5.6.1 Interpretation of the Standard

Proposed revisions to the LCP Standards define the Cost of Supply as “the cost of electric or natural gas energy supply that includes all rows in the Rhode Island Benefit Cost Framework that are costs caused by or associated with the procurement of energy supply internal to the market cost of energy.” The Standards further specify that “The distribution company shall compare the Cost of Supply and the Cost of Energy Efficiency or Conservation measures, programs, and portfolios using all costs enumerated in the RI Framework. The distribution company shall provide specific costs included in the Cost of Energy Supply and the Cost of Energy Efficiency or Conservation.”

In accordance with the proposed LCP Standards, Rhode Island Energy assessed the cost of incremental energy supply and the cost of energy efficiency using all applicable costs enumerated in the Rhode Island Benefit Cost Framework (Framework) approved by the PUC in Docket 4600-A and the Rhode Island Test as described in Attachment 4: RI Benefit Cost Test.

The Standards specify that the Cost of Supply comparison, “for categories with value or cost that is shared between Rhode Island Energy and other jurisdictions (both within the state and region), presents only those benefits and costs that will be allocated to Rhode Island Energy customers. The analysis will also exclude costs savings related to external energy market fuels (e.g., delivered fuels).¹⁷ In considering the nature of “other jurisdictions,” Rhode Island Energy interpreted this to refer to states other than Rhode Island, and that “Rhode Island Energy” therefore refers, in this case, to Rhode Island. Using this interpretation, Rhode Island Energy identified certain categories of benefits that flow outside of Rhode Island. These include a portion of DRIPE values. To the best of Rhode Island Energy’s knowledge, no costs accrue outside of the state.

Further guidance from the Commission in the 2024 Annual Plan proceedings and Order No. 25092 directed that, for any program that has a forecasted cost that is greater than the Cost of Supply in the intrastate calculation which excludes the avoided cost of delivered fuels, the Plan filing provide a justification for why the specific program should nevertheless be approved even though the program costs exceed the calculated avoided Cost of Supply. The justifications for specific programs that meet that condition are provided below in Section 5.6.3.

¹⁷ Consistent with proposed revisions to the Standards in Docket 26-15-EE, this is now the only perspective required in the Cost of Supply analysis.

5.6.2 Compliance with Standard

The results of the Cost of Supply analysis that includes benefits and costs that accrue only in the Rhode Island Energy jurisdiction and excludes delivered fuels benefits, based on Rhode Island Energy's calculation are shown in the table below.

The RI Test is an appropriate mechanism to determine which costs to include in this assessment. The RI Test, as detailed in Attachment 4, captures the aspects of the Framework that pertain to energy efficiency programs. For the purposes of this assessment, the avoided cost values in the RI Test can also be applied as the costs of procuring additional energy supply. The RI Test also details what is considered a cost of energy efficiency. These are costs incurred by the utility to implement the Plan and the expense borne by the customer for its share of the energy efficiency measure cost.

Consistent with Commission Order 25092 in Docket 23-35-EE, Rhode Island Energy proposes to use the costs described in

Table 2. to compare the cost of energy efficiency to the cost of energy supply. This view includes the forecasted intrastate costs of supply without the Cost of Supply of delivered ¹⁸ and, per guidance provided by the Commission at the 2025 Plan hearings, with participant costs. Alternative views (total benefits, as well as forecasted intrastate costs of supply with and without the Cost of Supply of delivered fuels, and without participant costs) are found in Attachments 5 and 6, Tables E-7 and G-7. The categories listed in Table 5 are all used in the RI Test. As directed by the LCP Standards, Rhode Island Energy provides an explanation for why cost categories are either appropriate or not appropriate for inclusion in the assessment of the Cost of Supply compared to the cost of energy efficiency.

Table 2. List of the Costs of Energy Efficiency and Costs of Energy Supply

Costs of Energy Efficiency		
Cost	Included (Yes/No)	Explanation
Utility Costs	Yes	These costs are incurred to achieve implementation of energy efficiency measures and programs. Includes all costs in Tables E-2A and

¹⁸ PUC Order 25092 states "the calculation includes the forecasted interstate costs." Rhode Island Energy has elected to show here the more conservative value, including only the forecasted intrastate costs. The alternative views with interstate costs of supply may be found in Attachments 5 and 6, Tables E-7 and G-7, respectively.

		G-2A. Please note, in this case, Energy Efficiency Resource Management Council costs are categorized as utility costs.
Regulatory Costs	Yes	Includes Office of Energy Resources and Rhode Island Infrastructure Bank costs, which are part of the program budget.
Participant Costs	Yes (No, in alternative view in Attachments 5 and 6, Tables E-7 and G-7, column D)	Customer contribution to the installation cost of the efficient measure. Customer costs are included in Tables E-5 and G-5.

Costs of Energy Supply		
Cost	Included (Yes/No)	Explanation
Electric Energy Costs	Yes	Represents the cost of purchasing electric energy supply.
Electric Generation Costs	Yes	Represents cost of generation capacity in ISO-NE.
Electric Transmission Capacity Costs	Yes	Represents Pool and non-pool Transmission Facilities cost.
Electric Distribution Capacity Costs	Yes	Represents the cost of distribution capacity related to increased load.
Natural Gas Costs	Yes	Represents the cost of purchasing natural gas supply.
Fuel Costs	No (Yes, in alternative view in Attachments 5 and 6, Tables E-7 and G-7, columns A and B)	Where included, non-regulated delivered fuels are an energy supply cost to customers that utilize these fuels for heating. The fuel costs in this category are separate from those embedded in the cost of the electric market. While not a direct cost of electric energy supply, Rhode Island Energy includes incentives for delivered fuel energy efficiency measures in its Electric Portfolio.

Costs of Energy Supply		
Cost	Included (Yes/No)	Explanation
Water Costs	No	While avoided water costs are a benefit of installing certain energy efficiency measures, they are not a direct cost of energy supply.
Non-Energy Impact Costs • Arrearages • Utility	No, except arrearages and utility	With the exception of the two NEIs listed below, while non-energy impacts are a benefit of installing certain energy efficiency measures, they are not a direct cost of energy supply. - Costs associated with arrearage carrying costs as a result of customers not being able to pay their energy bills. - Costs associated with utility carrying costs as a result of customers encountering issues with utility services or paying their bills.
Price Effects	Yes, intrastate only (Includes interstate DRIPE in alternative view in Attachments 5 and 6, Tables E-7 and G-7, column A)	Represents costs associated with the impact of demand reduction on ISO-NE energy and capacity markets.
Non-embedded Greenhouse Gas Reduction Costs	Yes, from electric and gas only (GHG Reduction Costs from oil and propane included In alternative view in Attachments 5 and 6, Tables E-7 and G-7, columns A and B)	Represents the cost of carbon reduction not already included in avoided costs. Carbon emissions come from the production of energy and should be considered a Cost of Supplying that energy.
Economic Development	No	While economic development is a benefit of investment in energy efficiency measures, it is not a direct cost of energy supply.
Reliability Costs	Yes	Increased energy demand can lead to declining reserve margins and decrease reliability, so should be associated with the cost of energy.

Rhode Island Energy applies the above definitions of “cost of supply” to the lifetime electricity, lifetime MMBtu of delivered fuels, demand, and natural gas savings for each measure included in the 2027-2029 Plan in present value terms. The costs of the 2027-2029 Plan occur only in the individual program years and are therefore not discounted. The results of the Cost of Supply analysis are presented in the table below.

Intrastate w/o Delivered Fuels and w/ Participant Costs

	(a)	(b)	(c)	(d)
<i>All values in (\$000)</i>	2027	2028	2029	Total
Electric				
Residential	\$2.6	-\$265.0	-\$5,762.5	-\$6,025.0
Income Eligible	-\$4,152.6	-\$4,165.0	-\$4,426.8	-\$12,744.4
Commercial & Industrial	\$30,726.3	\$34,283.0	\$37,721.0	\$102,730.3
Total	\$26,576.3	\$29,853.0	\$27,531.7	\$83,961.0
Gas				
Residential	\$5.3	-\$194.3	-\$1,048.2	-\$1,237.3
Income Eligible	-\$3,682.4	-\$3,512.6	-\$3,378.6	-\$10,573.7
Commercial & Industrial	\$8,102.7	\$8,757.1	\$9,188.1	\$26,047.9
Total	\$4,425.5	\$5,050.1	\$4,761.3	\$14,236.9

Based on the table above, at the portfolio level, both Electric and Natural Gas Portfolios in the 2027-2029 Plan are compliant with the Standard of Lower Than the Cost of Supply in each year and, in aggregate, over the three-year term. Also, please reference Attachments 5 and 6, Tables E-7 and G-7 for additional views, all of which are also compliant with the Standard of Lower Than the Cost of Supply at the portfolio level. Of note, the view presented in the tables above contains the most conservative collection of benefits and the broadest collection of costs. Therefore, these tables show the lowest cost of supply compared to the cost of energy efficiency of all presented views in Attachments 5 and 6, Tables E-7 and G-7. Given the myriad assumptions that go into the estimation and compilation of costs and benefits, for planning purposes findings regarding compliance at the portfolio level are important.

As seen in the tables, the cost of some energy efficiency sectors exceeds the Cost of Supply, indicating that the cost of some programs within those sectors exceeds the Cost of Supply. Per the PUC’s guidance, Rhode Island Energy has developed a rationale to support the continued inclusion of the programs in the portfolio, where appropriate. The justification rationale includes consideration of the following main elements alongside the numeric results of the Cost of Supply Comparison:

- Compliance with and importance of meeting other elements of the Standards: cost-effectiveness, prudence, reliability, environmental responsibility, and equitable distribution of efficiency funding.
- Adherence to the Principles of Program Design as articulated in the Standards, including being part of a complementary bundled package of measures within a program, program continuity, and market potential for measures.
- Lack of availability of or relatively small magnitude of non-SBC funding sources to support programs where the cost of efficiency exceeds the Cost of Supply and the lost opportunity that would exist if those programs were not funded by any source.

Further details related to justification are provided in the next section.

5.6.3 Justification for Support of Programs where the Cost of Efficiency is Greater than the Cost of Supply

As required by RI PUC Order 25092 in Docket 23-35-EE, ‘for any program that has a forecasted cost that is greater than the Cost of Supply in the intrastate calculation which excludes delivered fuels, the filing should provide a justification for why the specific program should nevertheless be approved, even though the program costs exceed the calculated avoided Cost of Supply.’ In the 2027-2029 Plan, in each year of the Plan, there are 8 proposed programs where the cost of the program is greater than the Cost of Supply as defined by the Commission.

- Electric EnergyWise Single Family
- Electric EnergyWise Multifamily
- Electric Income Eligible Single Family
- Electric Income Eligible Multifamily
- Electric Residential New Construction
- Gas EnergyWise Single Family
- Gas Income Eligible Single Family
- Gas Income Eligible Multifamily

This section provides the requested justification for those programs.

5.6.3.1 Overall Approach

Ratepayer benefits such as those created in the Cost of Supply analysis described above are a subset of the broader set of benefits included in the Rhode Island Test. Rhode Island Energy acknowledges the importance of creating ratepayer benefits in return for ratepayer contributions, particularly as a response to the magnitude of overall rates and current economic conditions. The exclusion of certain categories of benefits leads to programs that have RI Test BCRs greater than 1.0 to have a Cost of Efficiency greater than the Cost of Supply.

In this context, Rhode Island Energy offers in this section justifications regarding continued support for programs where the Cost of Efficiency is greater than the Cost of Supply, as defined by the Commission. These justifications indicate that the ongoing support for these programs at the levels proposed is consistent with other Least Cost Procurement Standards defined and adopted by the Commission in Dockets 23-07-EE and 26-15-EE.

In general, many of these programs are direct install programs that feature a high in-person component to educate residential consumers about their energy consumption and the benefits of energy efficiency, use site visits to identify dwelling-specific opportunities for energy savings, and provide information about how to maintain efficient equipment that is installed. This kind of engagement is more expensive but lays the foundation for long-term energy savings and customer benefits. Several programs also contain a significant number of delivered fuel savings measures and non-energy impacts. These benefits are important values to customers and are an integral part of the energy efficiency offering, even though they are not utility system benefits.

Rhode Island Energy also notes that the cost of one of the programs, electric Residential New Construction, would not exceed the cost of supply if statutorily mandated regulatory allocations to the Rhode Island Infrastructure Bank and the Office of Energy Resources were excluded from the Cost of Efficiency calculation. While these costs are included in the budget, they are unrelated to Rhode Island Energy's cost of delivering energy efficiency programs and services to its customers. For this reason, these costs are excluded from the calculation of PIM-eligible net benefits, and it may be worth considering excluding them from the Cost of Efficiency calculation in the future as well.

5.6.3.2 Rationale consistent with LCP Standards

5.6.3.2.1 Cost Effectiveness

It is important to note that all of the programs for which justification is being presented are cost-effective based on the Rhode Island Test and capture a wide range of benefits that accrue to ratepayers and citizens in other forms beyond electric and gas bills (societal benefits, non-energy impacts, bills for other types of energy¹⁹). Customers value these benefits, which are excluded by the Cost of Supply view, even though they are not reflected in their electric and gas bill savings or may only be reflected in future bills. These are important non-utility benefits and are a rationale for continuing to support these programs.

Some of these benefits included in the cost-effectiveness analysis accrue to ratepayers out of state. This is the nature of the interconnected New England energy grid and markets for energy and carbon reduction. Similarly, Rhode Island ratepayers benefit from efficiency actions taken outside of the state's boundaries. Just as Rhode Island creates rest-of-pool DRIPE benefits and contributes to market price reductions in other states, other New England states contribute to market price reductions in Rhode Island; DRIPE benefits from other states flow into Rhode Island and reduce Rhode Island Energy customer bills. These benefits are not included in the benefit-cost analysis, nor are they included in the Cost of Supply analysis, but it is worth noting that the intrastate Cost of Supply analysis does not capture all of the bill impacts from energy efficiency that come from Rhode Island being part of a region that supports energy efficiency.

Furthermore, some of the individual measures that cause the cost of energy efficiency to be greater than the Cost of Supply have high RI Test benefit cost ratios because of these benefits. The more cost-effective a measure, the more it increases overall program cost-effectiveness and enables funding of other measures that are marginally cost-effective. For example, in the electric EnergyWise Single Family program, the robust Rhode Island Test cost effectiveness of delivered fuels weatherization measures enables the program as a whole to be cost-effective. Reducing these benefits further or eliminating them altogether will affect the ability to deliver some other measures and overall delivery of energy efficiency.

¹⁹ Examples are mitigating the impacts of climate change, sustainable employment trends, health improvement, resiliency, and property value appreciation.

5.6.3.2.2 Prudence

Maintaining support for these programs is justified on several points that are consistent with the Standard of Prudence:

- Continuity of program delivery infrastructure is important for achieving long term efficiency and greenhouse gas mitigation objectives. Program implementation vendors anticipate potential adverse economic and employment impacts of cutting programs quickly. Removing certain measures and categories entirely creates confusion in the marketplace and challenges to ramping those services back up, depending on changing conditions. The condition where the cost of efficiency is greater than the Cost of Supply may be temporary and may change due to changes in avoided costs or updates to savings assumptions from evaluation or research. It cannot be assumed that programs can ramp back up immediately if funding which has been removed is then restored. Therefore, any decision to make major changes in program composition should be made prudently and cautiously.
- Prudence also encompasses the riskiness of the investment to ratepayers. Weatherization is a low-risk investment because it is a passive measure and does not rely on operation of equipment, it has measured savings, and – as mentioned above – savings and benefits from weatherization installed in 2027-2029 will exist for many years regardless of the customer’s current or future heating fuel type. If a customer electrifies in the future, the benefits of that upgrade would likely become electric system benefits within the life of the measure and research has shown that residential customers who heat with delivered fuels are more likely to electrify their heat than the average customer.²⁰ This same rationale applies to measures such as hot water-saving measures or heating system thermostats in buildings that currently use delivered fuels for heating. Rhode Island Energy has a long track record of delivering these programs successfully.
- With OER’s Clean Heat Rhode Island’s focus on electrification, it is valuable to weatherize as many customers as possible to prepare them for the adoption of heat pumps and other efficient HVAC options. Weatherization prior to heat pump installation allows for HVAC systems to be right-sized (i.e., sized smaller because heating loads are reduced by weatherization) thereby reducing future system costs to programs and customers downstream from the weatherization. This, in turn, allows heat pump program costs to be used more efficiently and reach more customers. By weatherizing delivered fuels homes that may switch to heat pumps in the future, the heat pumps can be right-sized (not oversized), which can help optimize future company grid investments and not spend more on grid upgrades than necessary. Finally, given this connection between weatherization and electrification of heat, funding for delivered fuel

²⁰ Research by E Source (2024 Residential Electrification Survey, available upon request) indicates a higher propensity to electrify heating among customers who have delivered fuel heat than the average customer.

weatherization at the levels proposed for 2027-2029 will enable Rhode Island Energy to respond to demand for services from customers who plan to install heat pumps.

- These programs contribute to the equitable delivery of services and benefits. Income eligible programs are among the programs with the largest negative difference between the cost of efficiency and the Cost of Supply. Historically, a larger portion of the benefits for electric residential and income-eligible programs (compared to C&I) have come from non-energy impacts and delivered fuels.²¹ This is consistent with findings from evaluation studies which have identified value perceived and realized by customers in those segments. Eliminating those benefits and/or scaling back those programs would be inequitable due to a disproportional reduction in benefits overall for the residential and income-eligible programs that this would cause. Residential and income eligible customers will receive less value for their contributions. Even reallocation of programmatic funds to other measures in the sector would not resolve this inequity.
- Furthermore, it would be difficult to attain or come close to attaining an equitable distribution of resources with the elimination of a number of measures from these programs to reduce the cost of efficiency relative to the Cost of Supply. Rhode Island Energy suspects that there would be disproportionate impacts to elderly, underserved populations, housing authorities, and in health equity zones. Rhode Island Energy cannot ascertain that quantitatively at this point in time, but prudence suggests moving cautiously in this area to minimize impact on these vulnerable populations.
- Funding delivered fuels measures enables more effective program delivery, as it enables weatherization to be bundled with additional measures, minimizing the number of customer touchpoints and therefore, minimizing implementation costs and enhancing customer experience.
- Bill Impacts: The long-term bill impacts in Tables E-9 and G-9 for the sectors in which these programs reside show reductions for all participants and all electric customers. Any bill increases for customers are minimal (less than half a percentage point, even for customers not participating in energy efficiency).

5.6.3.2.3 Environmental Responsibility

Programs that provide greenhouse gas reductions align with state policy as represented by the Act on Climate, the Executive Climate Change Coordinating Council (EC4) Act on Climate 2022 Update²², the Rhode Island State Energy Plan²³. Emissions reductions are reduced if programs are scaled back; this affects the portfolio's contribution to meeting Act on Climate targets and there will be lost carbon reduction and savings opportunities with further cuts. Efficiency measures for delivered fuels provide some of the highest levels of GHG mitigation per dollar spent across all measures and programs.

It cannot be assumed that weatherization would occur for delivered fuel heat customers without the incentive from Rhode Island Energy. In Rhode Island's climate, more weatherization benefits occur during the heating

²¹ Based on 2026 Annual Plan data, the C&I sector will receive a much smaller percentage (~35%) of benefits from non-electric factors compared to close to 60% for residential and 75% for income eligible programs.

²² [EC4 Act on Climate 2022 Update](#)

²³ [State Energy Plan](#)

season than the cooling season; relatively fewer electric cooling benefits from weatherization of homes that heat with delivered fuels by themselves are not enough to enable weatherization to be justified in the Cost of Supply view. Furthermore, given the requirement for weatherization in the CHRI program, a lost opportunity is created today if some level of delivered fuel weatherization is not supported, even as customers switch to electric heating from heat pumps. Ultimately, this will hamper the state's abilities to meet GHG reduction targets. Finally, it is important to note that weatherization provides GHG reduction benefits regardless of what the heating (and cooling) fuel is, and savings are long-lasting so that if the customer ultimately converts to electric heat, the weatherization benefits would be counted in a Cost of Supply view.

5.6.3.2.4 Reliability

Continued support for these programs is justified because they meet the standard of reliability. Energy efficiency savings are reliable because they are based on independent third-party evaluations; the most recent evaluation of the EnergyWise Single Family program was completed in 2023 and showed an increase in savings over the prior study. Additionally, weatherization, hot water management, and thermostat savings are reliable and will accrue to bill payers no matter what fuels are used for heating and cooling or whether the fuel is switched over the life of the measure. Finally, reliable and dependable savings contribute to overall customer satisfaction.

5.6.3.3 Other non-LCP Standard justifications

There are several other reasons, not within the framework of the Standards, that support justification of continuation of these programs at the levels proposed.

Funding source hedge. Rhode Island Energy seeks out non-ratepayer funding sources, when available, to supplement existing funding. If other funding sources come to fruition, ratepayer funds will be adjusted as appropriate which could have a favorable impact on the cost of efficiency relative to the Cost of Supply. However, if other funds do not get allocated to these programs in a timely manner for 2027-2029 planning and implementation, additional time will be required to address the longer-term budget implications.

Customer satisfaction. Not being able to provide the level of energy efficiency or offer measures that have been offered in the past may have an adverse effect on customer satisfaction, as energy efficiency is an input to JD Power scores.

Research has indicated that high bills are the biggest driver of customer dissatisfaction.²⁴ While customer satisfaction is not explicitly tied to the presence or absence of energy efficiency programs, when weatherization or other bill-reducing programs are reduced, it could affect customer satisfaction.

- Furthermore, when customers are not able to receive efficiency services that have been available in the past, it creates a sense of reduced value from energy efficiency, even while other measures are still being offered.
- Customer satisfaction is a qualitative factor in how investors view a utility's performance/leadership. A negative change in customer satisfaction could impact the perception of the financial markets toward Rhode Island Energy.
- Lower customer satisfaction may also lead to more customer complaints and calls to the call center and regulators/legislators, which may increase Rhode Island Energy's customer service costs and hinder regulatory or legislative processes.
- Customer engagement through energy audits advances understanding and interest in energy efficiency, and if weatherization is not an option, then there's less value to the audit, and less overall interest in energy efficiency measures and practices.

Arrearage reduction. The Income Eligible Single-Family and Multifamily programs create a non-energy benefit from reduction of participant arrearages that is captured in the benefit-cost analysis. This benefit has positive downstream impacts on Rhode Island Energy's customer service and billing operations. These programs are also an integral part of Rhode Island Energy's broader portfolio of bill assistance for customers, including discount rates, payment plans, forgiveness programs, and the Home Energy Assistance Program. Reducing the size of these programs will lose the opportunity to create these positive impacts.

Workforce impacts. For the EnergyWise Single Family program, delivered fuels measures contribute the greatest amount of GHG reduction of any category in electric portfolio. From a workforce perspective, 40% of weatherization work done by the vendor is in delivered fuels, 10% is electric, and 50% is gas. Therefore, eliminating audits / weatherization for delivered fuels customers would reduce the vendor's workforce and its weatherization contractor workforce by nearly half. Beyond that, it would cause confusion in the marketplace because neither customers nor vendors would know what they could expect from Rhode Island Energy's programs. The vendor and customers are accustomed to undertaking measures comprehensively, and stripping out offerings would change the business model and may cause exits from the contractor community.

²⁷ [J.D. Power's 2023 Electric Utility Residential Customer Satisfaction Study](#)

5.7 Notification and Approval Mechanisms: Mid-Term Modifications

Referencing Section 3.4.B.iv.e of the Commission’s proposed standards in Docket 26-15-EE, “To the extent necessary, the distribution company will provide a description of program mechanisms that will require the distribution company to pre-notify and/or seek preapproval before implementing, and that are consistent with the testimony requesting approval for these implementation mechanisms.” The Company therefore proposes the following provisions for mid-term modifications during the three-year plan term.

A mid-term modification is defined as a significant change to an approved Three-Year Plan that should be reviewed by the Council and approved by the PUC. Mid-term modifications enable Rhode Island Energy to adjust budget, benefits, and programs during a mid-term year; they are intended to be much more focused or limited than a full portfolio plan. Mid-term modifications are only required if the programs meet certain triggers, and they would be presented in filings separate from any other proceedings related to energy efficiency.

Triggers

The following events would trigger a mid-term modification, which would require Council review and PUC approval:

- a. Any modification to the three-year plan that results in an increase or decrease of 15% or more to the three-year sector budget within a fuel portfolio
- b. The addition of an Energy Efficiency program
- c. The termination of an existing Energy Efficiency Program

Changes such as the addition of a new measure or smaller budgetary adjustments are part of normal program administration. These would be identified in quarterly reports and discussed in regular program oversight discussions with the Council and would not trigger a mid-term modification.

Contents

The Mid-term modification filing should include: (1) a description of the change requested; (2) the reason for the change; (3) quantitative dimensions of the change (e.g., savings, budgets, funding, goals, PIM, as applicable); (4) impact on other programs, if any; and (5) for new programs, any supporting documents with detailed descriptions.

Process

Because mid-term modifications are intended to be limited in scope (as opposed to a full Plan), the process for submission and approval is designed to be expedited to enable Rhode Island Energy to implement identified needed adjustments. Before proceeding with a mid-term modification filing, the Company will submit a notice to the PUC, Division of Public Utilities and Carriers, Technical Working Group and the Council 60 days before

submitting the filing.²⁵ Parties would be invited to provide comments to Rhode Island Energy on the proposed modification within 30 days of the notice and the Company would have the opportunity to modify the proposal in response to the comments prior to filing. Once filed, the Company proposes that the Commission conduct an expedited process to review and approve the proposal within 45 days of submission.

Timing

Mid-term modifications can be filed at any time throughout the three-year term until July 1 of the third year of the three-year term. The Company is required to file and get approval for a mid-term modification before the changes take place.

6 Demonstrations, Pilots, and Assessments

Commercial, industrial, and residential demonstrations, pilots and assessments are all vehicles that may be used to identify, test, analyze, and deliver new innovative solutions and services that are technically feasible, desirable by customers, and viable for inclusion in the portfolio. Rhode Island Energy will continue to systematically review opportunities to add to the portfolio through a consistent and transparent process. Please refer to Attachment 7 for additional details on evaluations for demonstrations, pilot, and assessments. Consistent with PUC Guidance, Rhode Island Energy uses the following definitions for demonstrations, pilots and assessments.

6.1 Demonstrations

A demonstration will test the feasibility of a new product or offering for inclusion in existing programs. It is generally expected that demonstrations will be less time and resource intensive than pilots, since generally there is greater certainty around a narrow, incremental idea added to a program rather than a totally new set of offerings. Savings associated with demonstration projects may contribute to shareholder incentives. Demonstrations may be evaluated with either an independent or a vendor evaluation.

6.2 Pilots

A small-scale, targeted program that is limited in scope, time, and spending and is designed to analyze the feasibility of a future program or rate design. Pilots are designed to test technologies and approaches to energy management not included in the core energy efficiency programs that could potentially become a new, standalone program. Given the scope of adding a new core program, it is likely that pilots will require a long-term commitment and broader set of stakeholder input. Savings associated with pilots will not contribute to shareholder incentives. Pilots may be evaluated with either an independent or a vendor evaluation.

²⁵ Notice will contain at minimum a description of the expected change and the reason for it.

6.3 Assessments

An assessment will be deployed for solutions that address a particular gap or program need but have significant uncertainty around the effectiveness or potential of the solution to realize savings. Because of the uncertainty, assessments will not include field demonstrations or customer installations. Instead, assessments will focus on information gathering to equip Company staff to make a more informed decision of whether and how to proceed with the idea. It is possible that an assessment could recommend further demonstration of the idea or determine the solution should exit the review process. Savings associated with assessments may not contribute to shareholder incentives. Assessments may be evaluated with an independent evaluation, vendor evaluation, or internal review.

Rhode Island Energy will coordinate efforts with internal and external stakeholders, such as EM&V, Customer Energy Management, the OER, and the EERMC, at various points in the development process to ensure appropriately rigorous evaluation and attention is given to each demonstration, pilot and assessment. Updates will be provided to OER and the EERMC consultant team on a quarterly basis and Rhode Island Energy will solicit input during its collaborative annual planning process.

6.4 2026 Demonstrations, Pilots and Assessments

Rhode Island Energy plans to pursue one new Demonstration in 2026. The new Demonstration in 2026 will measure the impact on energy use when high Global Warming Potential refrigerants are replaced with lower Global Warming Potential refrigerants. Please see Attachment 7 for a description of this Demonstration.

In addition, Rhode Island Energy is aware of and will review the results of an ongoing Massachusetts Industry Standard Practice (ISP) study, “C&I Refrigerant Leak Repair and Refrigerant Swap ISP 2025” for its applicability to Rhode Island.

7 Funding Plan and Budgets

7.1 Budgets

In developing the 2027-2029 Three-Year Plan, Rhode Island Energy team has focused on striking the best balance between delivering the necessary benefits of energy efficiency and maintaining a budget that reduces bill pressure on customers. Rhode Island Energy submits that this approach in developing the 2027-2029 budget is consistent with the prudence requirements of the Standards. The budget is segmented into three sectors: residential income eligible, residential non-income eligible, and C&I. Proposed sector and program budgets are provided in Attachment 5: Electric EE Program Tables, Table E-2 and Attachment 6: Gas EE Program Tables, Table G-2. Also, please see the table below for portfolio-level budgets by year and the 3YP total:

	(a)	(b)	(c)	(d)
	2027	2028	2029	Total
Electric				
Program Implementation	\$54,316.9	\$53,681.6	\$51,976.3	\$159,974.8
Performance Incentive	\$4,385.7	\$5,312.3	\$6,183.7	\$15,881.6
Subtotal (2+3)	\$58,702.5	\$58,993.9	\$58,160.0	\$175,856.4
Participant Cost	\$12,030.7	\$11,395.7	\$11,940.9	\$35,367.2
Grand Total (4+5)	\$70,733.2	\$70,389.6	\$70,100.9	\$211,223.7
Gas				
Program Implementation	\$36,018.5	\$33,570.2	\$31,524.1	\$101,112.7
Performance Incentive	\$395.5	\$401.5	\$449.3	\$1,246.3
Subtotal (8+9)	\$36,414.0	\$33,971.7	\$31,973.3	\$102,359.0
Participant Cost	\$12,030.7	\$11,395.7	\$11,940.9	\$35,367.2
Grand Total (10+11)	\$48,444.7	\$45,367.3	\$43,914.2	\$137,726.2

Rhode Island Energy will continue the practice of funding commitments established in the 2014 Plan, Docket 4451. Specifically, Rhode Island Energy will continue to make funding commitments for projects with a projected one-time incentive in excess of \$3.0 million. For all other projects, except those with incentives greater than \$3.0 million, there would be no commitment budget.

7.2 Funding Plan

The 2027-2029 budgets for cost-effective electric and natural gas efficiency investments are dependent on several projections that inform the amount of funding, including projections of electricity and natural gas sales, previous-year-end large C&I program commitments (if any), capacity payments received from ISO-NE (electric only), and previous-year-end spending. The sources of funding and the amounts of the funding proposed for the 2027-2029 Energy Efficiency Portfolio are shown in Table E-1 for Electric Programs and Table G-1 for Natural Gas Programs. 2027-2029 Annual Plan funding sources are described in the sections that follow.

7.2.1 Energy Efficiency Charges

The sources of funding for the 2027-2029 electric programs are shown in Attachment 5: Electric EE Program Tables, Table E-1. To collect these funding sources for the cost-effective programs, Rhode Island Energy proposes: (1) one line on the customers' bill labeled "Energy Efficiency Charge", as calculated in Attachment 5, Table E-1 (composed of the existing energy efficiency program charge per kWh plus a fully reconciling funding mechanism charge in accordance with the requirements of R.I. Gen. Laws § 39-1-27.7); (2) projected Large C&I commitments, if any; (3) projected carryover of the previous-year-end fund balance, as applicable, including interest at the rate in effect for customer deposits; (4) forecast revenue generated by ISO-NE's Forward Capacity Market (FCM); and (5) other potential outside revenue sources, including but not limited to those generated through RGGI permit auctions. Funding sources do not include revolving loan funds.

The sources of funding for the natural gas programs are shown in Attachment 6 Gas EE Program Tables, Table G-1. Rhode Island Energy proposes that the budget should be funded from the following sources: (1) one line on the customers' bill labeled "Energy Efficiency Charge," separated for residential customers and non-residential customers, as calculated in Attachment 6, Table G-1 (composed of the existing energy efficiency program charge plus a fully reconciling funding mechanism in accordance with the requirements of R.I. Gen. Laws § 39-1-27.7(d)(5); (2) projected carryovers or under-recoveries of the previous-year-end fund balance, including interest at the rate in effect for customer deposits. Funding sources do not include revolving loan funds.

Please see the table below for the energy efficiency charges and fully reconciling funding mechanisms over the 2027-29 term:

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	2026	2027	2027 (Fully Reconciling Mechanism)	2028	2028 (Fully Reconciling Mechanism)	2029	2029 (Fully Reconciling Mechanism)
1 Electric (\$ / kWh)	\$0.00754	\$0.00711	-\$0.00043	\$0.00714	\$0.00003	\$0.00707	-\$0.00007
2 Gas Residential (\$ / MMBtu)	\$1.403	\$1.022	-\$0.381	\$0.951	-\$0.071	\$0.887	-\$0.064
3 Gas C&I (\$ / MMBtu)	\$0.064	\$0.855	\$0.791	\$0.791	-\$0.064	\$0.756	-\$0.035

Rhode Island Energy forecasts electric energy deliveries and gas loads for a variety of filings. In the context of the 2027-2029 Plan, the forecasts primarily factor into the calculation of the per-unit energy charges that fund the electric and natural gas portfolios. Fund Balances

7.2.2 Fund Balances

Rhode Island Energy's estimated electric projected fund balance at year-end 2026 is shown in Line 3, Attachment 5, Table E-1 for 2027; the estimated gas fund balance at year-end 2026 is shown in Line 2, Attachment 6, Table G-1. The fund balance forecasts incorporate estimated implementation expenses and estimated earned-performance incentives for the current year. The assumed electric and gas projected fund balances at year-end 2027 and 2028 are assumed to be \$0. Please note that for the first draft, projected 2026 year-end fund balances are not yet available.

Updates to 2026 Projected Year-End Fund Balance

The 2026 year-end fund balance will be a function of actual implementation expenses and Rhode Island Energy earned performance incentive through year-end 2026. Subject to the final procedural schedule in this docket, consistent with recent practice, by November 16, 2026, Rhode Island Energy will provide updated year-end fund balance forecasts, reflecting updated sales, collection, and program expenditure forecasts through year-end and revised Tables E-1 and G-1 to provide the PUC with time to review Rhode Island Energy's proposed charges in advance of the 2027-2029 Plan hearing. This would allow the charges, if approved, to have an effective date of January 1, 2027. This will allow Rhode Island Energy to begin collecting the most accurate charge possible at the start of the program year and avoid any market confusion surrounding the status and implementation of the 2027 energy efficiency programs. If the actual year-end 2026 fund balance as filed in the Year-End Report is higher or

lower than that amount projected in the November 2026 revised Tables E-1 and G-1, any deviation will be fully reconciled in the next program year in accordance with the requirements of R.I. Gen. Laws § 39-1-27.7.

7.3 ISO-NE Capacity Market Revenue

Consistent with the LCP Standards, 2027-2029 Plan, and PUC decisions regarding annual plans since 2008, the kW-demand savings achieved via electric energy efficiency and CHP programs continue to participate in the FCM as Passive On-Peak Demand Resources. Rhode Island Energy will manage and direct the revenues by bidding the demand savings attributed to energy efficiency measures and CHP facilities in the FCM and managing the associated capacity resources to maximize the resulting FCM revenue. The revenues from measures installed through this Plan, as well as all previous plans, will continue to be reinvested in energy savings for the life of the measure.

Rhode Island Energy is to recover all prudently incurred FCM expenses from ISO-NE capacity-payment revenue generated by the demand savings from efficiency programs represented by Rhode Island Energy. Rhode Island Energy expects that capacity payments received from the ISO-NE will exceed its administrative and EM&V compliance costs of participation in the FCM and will result in additional funds being made available to fund efficiency programs for customers. If these participation costs exceed the capacity payments, Rhode Island Energy may recover its prudently incurred costs from the energy efficiency program fund. Only prudently incurred expenses are deducted from ISO-NE capacity payments or the energy efficiency program fund. In addition, as part of the FCM, all qualified auction participants are required to post Financial Assurance to provide security that the promised resource will deliver the promised MW at the promised time. If, as a result of circumstances beyond Rhode Island Energy's control²⁶, Rhode Island Energy is unable to provide all or a portion of the MW of capacity proposed in its qualification packages and capacity auction bids, some or all the financial assurance monies would be forfeited. The current estimates for capacity market revenues in 2027-2029 can be found in Line 4, Attachment 5, Table E-1 for 2027 through 2029 respectively.

7.4 Regional Greenhouse Gas Initiative (RGGI) Funding

RGGI funding is allocated to the State of Rhode Island based on quarterly auctions for emissions allowances. The OER develops a plan for the allocation of auction proceeds. Rhode Island Energy does not currently expect any revenue from RGGI for the 2027-2029 term.

²⁶ Such circumstances may include legislative or other State action to alter the EE Program Charge or discontinue Rhode Island Energy's authority to implement the energy efficiency programs underlying the Qualifications Package or a PUC decision limiting Rhode Island Energy's role in bidding the demand savings acquired through program efforts into the FCM.

7.5 Exceptions to the Natural Gas Energy Efficiency Program Charge

All gas used for distributed generation projects approved since 2014 will be subject to the natural gas energy efficiency surcharge.²⁷

The 2006 Act allows the PUC to exempt natural gas used for manufacturing processes from the energy efficiency surcharge where the customer has established a self-directed program to invest in and achieve cost effective energy efficiency in accordance with a PUC-approved plan and subject to periodic review and approval by the PUC. Consistent with prior PUC decisions, Rhode Island Energy has developed recommendations for a process under which a manufacturer may submit its self-directed program and the required annual reports for approval. Rhode Island Energy recognizes that this process may need to be reviewed and modified after the PUC has accumulated sufficient experience with these programs. Any customer that receives this exemption from the natural gas energy efficiency program charge will not be eligible to receive natural gas energy efficiency program services.

7.6 Budget Management

Deviations from the planned budget for 2027-2029 are possible. Rhode Island Energy contemplates three potential overspending scenarios, and will address them as follows:

Anticipated overspending up to 15 percent. Rhode Island Energy's expenditures may exceed the total three-year sector budget for a fuel by up to 15 percent as long as written notification is provided to the EERMC, OER, PUC, and Division. Rhode Island Energy will track expected expenditures relative to planned budgets and will notify stakeholders through inclusion in the quarterly reports, or earlier, if Rhode Island Energy believes such overage is likely to occur. Any such notification must explain the need for a higher budget and must explain how the expenditures are reasonably consistent with the original 2027-2029 Plan and in accordance with Least Cost Procurement.

Anticipated overspending in excess of 15 percent. During the three-year term, if Rhode Island Energy anticipates that continued operation of its programs is likely to result in actual expenditures exceeding the total three-year sector budget for a fuel by more than 15 percent, Rhode Island Energy will prepare a midterm modification request, as described in Section 5.7, and follow the procedures outlined there. The PUC will not provide advance approval of expenditures exceeding the total three-year sector budget for a fuel by more than 15 percent. Rhode

²⁷ Natural gas used for distributed generation (excluding natural gas used by emergency generators) for distributed generation projects approved under the energy efficiency programs in 2013 and prior years - independent of the date those facilities become commercially operable – are not subject to the energy efficiency surcharge when natural gas used for that purpose can be clearly identified through uniquely metered use and when so requested in writing by the customer.

Island Energy will be required to demonstrate to the PUC that the overspend is prudent and necessary. Support from the Division, OER, and EERMC will be considered in the PUC's review.

Unanticipated overspending in excess of 15 percent. If Rhode Island Energy did not anticipate and notify stakeholders identified above that its actual expenditures would exceed the total three-year sector budget for a fuel by more than 15 percent, or file a midterm modification, but actual expenditures do exceed such threshold, such expenditures above 15 percent of approved budget will be at Rhode Island Energy's risk. In order to secure cost recovery, Rhode Island Energy will bear the burden of demonstrating the reasonableness of its actions to the PUC, including an explanation of why the overspending occurred, why a midterm modification was not submitted, and how the expenditures are reasonably consistent with the 2027-2029 Plan and in accordance with Least Cost Procurement Standards. Such a demonstration would be required to be provided by May 1 of the year following when the overspending was reported as part of annual plan year or term reporting.

In all instances, the PUC retains its ratemaking authority to review the prudence and reasonableness of Rhode Island Energy's actions.

7.7 Notification of Large Customer Incentives

Rhode Island Energy shall inform the PUC, Division, OER, and EERMC in writing of any energy efficiency incentive annual offer in excess of \$1 million per measure. To prevent customer delays and to facilitate Rhode Island Energy's ability to meet customer expectation and annual energy savings goals, the OER, EERMC and Division agree to ask questions and provide comments on any non-CHP energy efficiency incentive annual offer in excess of \$1 million within 30 days of receiving the notification. The incentive, and any other related proposals will be authorized to proceed after 30 days from the date on which Rhode Island Energy notified the PUC, OER, Division, and EERMC of the incentive unless any party objects or the PUC issues an order within such 30-day period to extend the time for purposes of further review. Rhode Island Energy, through its own discretion, and at its own risk, may proceed with an incentive offer independent of any party's comment or action.

The separate notification process for CHP projects with a net output of 1 MW or greater, regardless of incentive amount, is described in Attachment 2: C&I Programs, Section 3.2.5.4.

8 Evaluation, Measurement, and Verification Plan

EM&V provides independent verification of impacts to ensure that savings and benefits claimed by Rhode Island Energy through its energy efficiency programs are accurate and credible. EM&V also provides insight into market characteristics and guidance on program design to improve the delivery of cost-effective programs.

To verify the impacts of programs on energy savings, Rhode Island Energy hires independent third-party consulting firms to regularly conduct evaluation studies as part of its EM&V process. These evaluations incorporate industry standard methods such as engineering analysis, metering analysis, billing analysis, site visits, surveys, and market studies to realize the actual energy savings of a measure. The EERMC and OER provide direct

oversight of each evaluation study conducted. Every year, the results of the studies are used to update the benefit-cost calculations during planning. All complete evaluations are submitted electronically to the PUC. Final reports of evaluations completed in prior years are available in the dockets for previous years, on the EERMC website, or upon request.

Attachment 3: EM&V Framework provides the strategic plan for evaluation studies over the three-year term. It describes themes and priorities for studies to be conducted in 2027-2029, and identifies specific studies anticipated to start in 2027. It lists the evaluations that have occurred since 2010 that are still being used and their influence on program planning. The areas proposed for study in 2027-2029 will be chosen based on several factors: the relative amount of savings in that program or end use, the vintage of the most recent relevant evaluation study (or studies, if there are more than one for that market/measure category), the relative precision of the recent evaluation study, recommendations from previously completed studies, and the available evaluation budget. This list may be revised as the term progresses, and different evaluation priorities are identified. In particular, Rhode Island Energy will consider the value of using evaluations from other jurisdictions as well as adding Rhode Island-specific impact or process evaluations, as appropriate, that will help inform Rhode Island Energy's efforts towards achieving the goals of Least Cost Procurement.

9 Performance Incentive Plan

9.1 Proposed Performance Incentive

The PUC approved a PIM for the 2021-2023 Plan in Docket 5076 that changed the way that Rhode Island Energy measures and earns a performance incentive.²⁸ The PIM, as approved in Docket 5076, established the measurement of performance as a net benefits framework based on a set of prioritized benefit categories. This prioritizes utility system impacts over resource benefits generated by the programs and omits the societal benefits. The “netting” calculation incents budget controls so that the benefits are achieved in line with the portfolio budgets as proposed in the Plan.

Equation 1. Illustrative Calculation of Net Benefits for Performance Incentive Mechanism

$$\text{Total Benefits} = (100\% \text{ of Utility System Benefits} + 35\% \text{ of Resource Benefits})$$

$$\text{Net Benefits} = (100\% \text{ of Utility System Benefits} + 35\% \text{ of Resource Benefits}) -$$

²⁸ Refer to [Appendix A of PUC Report and Order No. 24225](#); written order issued on September 21, 2021 for final guidance on the PIM as approved in PUC Docket 5076.

(Pro grammatic Costs + Regulatory Costs)

The PIM measures performance at the sector and fuel level:

- Non-Income Eligible Residential Electric
- Income Eligible Residential Electric
- Commercial and Industrial Electric
- Non-Income Eligible Residential Gas
- Income Eligible Residential Gas
- Commercial and Industrial Gas

The earning opportunity for each portfolio is allocated to the sectors with positive net benefits. The PIM also includes Service Quality Adjustments (SQAs) for those sectors with planned negative net benefits, as calculated above, which require Rhode Island Energy to achieve defined levels of performance equal to the sum of prioritized total benefits. If the defined levels of service (total benefits) are not achieved in the identified sectors, the SQAs apply reductions to any realized earnings in the sectors with earnings opportunities. The SQAs also include a cost component that adjusts the realized performance, and consequently any reduction of earnings, based on how the realized expenditures in the non-earning sectors compare to planned budgets. The SQAs therefore provide a similar incentive signal as the “netting” calculation in the core of the PIM and provide Rhode Island Energy with signals that savings and benefits should be pursued and prioritized in each sector, rather than exclusively the sector(s) where the earning opportunity resides.

In addition, the PIM calculations include a set of potential adjustments that are intended to further incent Rhode Island Energy to maintain budget controls in the delivery of savings, and therefore prioritized benefits, by adjusting earnings under this mechanism based on cost relative to budget.

Rhode Island Energy is proposing to retain the structure of the PIM adopted by the PUC in Order 24225 in Docket 5076. The structure is aligned with the PUC’s PIM principles and was used by Rhode Island Energy in its 2026 Annual Plan. Rhode Island Energy is proposing the following procedure for adapting said structure into the 3-year plan format for the 2027-2029 term. In 2027 and 2028, the design performance payout and maximum SQA will be based off annual targets (the same as was done for the 2026 Plan). There will be no isolated 2029 design performance payout and maximum SQA. Instead, a 2027-2029 3YP cumulative design performance payout and maximum SQA will be calculated that ensures true alignment with overall 3-year benefits and costs.

10 Section Eleven: Conclusion and Requested Rulings

In accordance with the LCP Standards adopted by the PUC in Docket 26-15-EE Rhode Island Energy requests that the PUC approve the following:

- Three-year energy savings goals and strategies for Energy Efficiency and Conservation Procurement programs and portfolio, provided that such goals may be updated through the provisions described in the Least Cost Procurement Standards and herein.
- Three-year budget plan for Energy Efficiency and Conservation Procurement programs and portfolio; provided that such budgets may be updated through the provisions described in the Least Cost Procurement Standards and herein.
- The structure of the performance incentive mechanism proposed herein, with specific goals, earning rates.

Attachment 1. Residential & Income Eligible Energy Efficiency Solutions and Programs

Attachment 1-1. Detailed Residential Measure List

Attachment 1-2. Detailed Income Eligible Measure List

Attachment 2. Commercial & Industrial Energy Efficiency Solutions and Programs

Attachment 2-1. Detailed Commercial and Industrial Measure List

Attachment 2-2. Revolving Loan Fund Projections

Attachment 3. Evaluation, Measurement & Verification Plan

Attachment 4. Rhode Island Benefit Cost Test Description

Attachment 4-1. Electric Portfolio Cost Effectiveness Framework Tables (Docket 4600)

Attachment 4-2. Gas Portfolio Cost Effectiveness Framework Tables (Docket 4600)

Attachment 5 and Attachment 6. Electric and Gas Energy Efficiency Program Tables

Attachment 7. Pilots, Demonstrations & Assessments

Attachment 8. Definitions

Attachment 9. 2025 Equity Working Group Report

Attachment 10. Customer Listening Session Report
