

2027-2029 Commercial & Industrial Energy Efficiency Solutions and Programs

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1. OVERVIEW

The primary objective of Rhode Island Energy’s Commercial and Industrial (C&I) programs is to drive the implementation of energy efficiency projects that minimize or reduce energy consumption and help Rhode Island businesses, industries, institutions, and government agencies save on their utility bills. Energy efficiency programs also help C&I customers reduce their operations and maintenance (O&M) costs, meet corporate and government sustainability goals, improve indoor air quality, and protect the environment and comply with state law by reducing greenhouse gas emissions and other air pollutants. Rhode Island Energy’s C&I programs offer incentives, rebates, financing, and technical assistance to customers across the state who want to save money and reduce their building’s overall energy usage footprint.

The state’s C&I sector is diverse and complex; therefore, Rhode Island Energy has designed its energy efficiency programs to offer tailored solutions addressing the different subsectors and varying efficiency needs of building types and uses. Over the last decade, Rhode Island Energy has focused on a market sector approach for C&I customers. A customer’s efficiency needs are shaped by the strategic and commercial pressures specific to their market sector, industry or communities served. Some C&I customers may need to improve the efficiency of their factory operations to maintain their competitive niche while others need to improve the comfort of customers through the installation of high efficiency heating, cooling, and ventilation (HVAC) systems. Rhode Island Energy offers a wide variety of customized solutions to empower customers to determine what energy efficiency measures or programs are the best fit for their needs.

Large C&I customers’ facilities provide the greatest opportunities for cost-effective savings. Rhode Island Energy operates its Large C&I programs primarily through an account management approach where each account manager focuses on one or more industry vertical or market sector (e.g., Hospital,

Educational Facilities, Municipalities, Industry). These sectors that are supported by implementation vendors or through agreements, such as Strategic Energy Management Partnerships, enables Rhode Island Energy to tailor offerings to meet the specific needs of customers, identify and apply project learnings to customers in similar market sectors and facilities, and engage customers in energy efficiency. This customer-focused approach drives program participation and establishes a trusted relationship between Rhode Island Energy and customers.

For small business customers using less than 1.5 million kWh per year, Rhode Island Energy offers a direct install program providing turnkey services consisting of audits; reports summarizing the energy efficiency measures, Rhode Island Energy rebates and customer costs; simple, one-page contract; installation services provided by the implementation vendor's electricians and other installers; and financing. These services are provided by Rhode Island Energy's implementation vendor because these small business customers (i.e. 80% of participants are micro-businesses, using less than 100,000 kWh per year) are often too busy to identify energy efficiency services in their buildings or operations. However, small business customers can choose to use their own vendor, but most vendors are not focused on delivering energy efficiency services to smaller businesses because of the relatively small project sizes. The installation of energy efficiency measures helps lower customers' energy bills while improving the ambiance, comfort and operations of the establishment.

Rhode Island Energy designed the Midstream channel to help all C&I customers, regardless of size, purchase qualifying high efficiency HVAC, hot water, lighting, and commercial kitchen and laboratory equipment. This channel subsidizes measures to encourage distributors to stock, promote and sell high efficiency equipment. The Program Administrator engages with distributors throughout the year, including providing updates on eligible equipment, discussing opportunities to increase contractor participation, as well as communicating through email communications. Webinars are conducted and the Program Administrator provides monthly updates on outreach and communications with distributors in the Upstream end uses (e.g. HVAC, Life Sciences, Food Service).

Rhode Island Energy also promotes the energy efficiency programs to the broader vendor community through a variety of outreach efforts including meetings, vendor webinars such as encouraging participation in the Small Business Customer Directed Option and Industrial Initiative, and email communications. Starting in 2027, Rhode Island Energy will also be meeting regularly with its Qualified Service Providers and collaborating on outreach campaigns to customers through these vendors.

This attachment provides detailed descriptions regarding Rhode Island Energy's C&I programs and how Rhode Island Energy plans to transform the 2027-2029 Plan's high-level goals and strategies into specific, concrete actions and activities for each C&I program. Rhode Island Energy provides these details for stakeholders, regulators and other interested parties so they can see the complex framework needed to integrate program implementation, incentive design, new standards and emerging technologies into flexible, innovative programs tailored to specific customer and building types.

1.1 What to Look for in 2027-2029

Proposed C&I program changes and enhancements are summarized below and also described further in Attachment 2. Rhode Island Energy will continue to align the programs to reflect the actual savings achieved in 2025, the most recent full year of available data while also planning to identify and implement additional changes and enhancements to the C&I programs during the next three years.

- **Lighting and Controls**

Starting in 2027, Rhode Island Energy will neither claim savings nor provide incentives for the installation of non-controlled LED fixtures in interior spaces. Rhode Island Energy will continue to provide incentives and claim savings for all lighting controls and controlled and non-controlled exterior fixtures. Additionally, Rhode Island Energy will evaluate the cost-effectiveness of replacing older LED fixtures with new LED fixtures with controls. If found cost-effective, then these savings will be claimed and incentives provided to customers.

- **C&I Opportunity Study Measures**

Rhode Island Energy initiated a study in late 2025 to identify energy efficiency measures that could be added or expanded. A total of 13 cost-effective measures were identified, added to the 2027 TRM, and projected savings for these measures are included in the Plan. Rhode Island Energy is in the process of executing on the measure-specific implementation plans.

Measure	Fuel (E=Electric, G=Gas D=Dual)	Program Type (New Construction, Retrofit or Both)?
Comprehensive Compressed Air System Optimization	E	Retrofit
Energy and Heat Recovery Ventilator	D	Retrofit
Air Source Heat Pump	E	Both
Advanced Rooftop Controls	D	Retrofit
Duct Sealing and Insulation	D	Retrofit
Efficient Desiccant Compressed Air Dryer	E	Both
High-Volume Low Speed Fan	D	Both
Room ACs	E	Retrofit
Heat Pump Water Heater	E	Both
Night Covers for Open Refrigerated Display Cases	D	Both
Notched and Synchronous Belt	E	Both
Permanent Magnet Synchronous Motor	E	Retrofit
Compressed Air Heat Recovery	G	Retrofit

- **Combined Heat and Power (“CHP”) Updates**

Rhode Island Energy will continue to support installation of CHP, consistent with Rhode Island’s Least-Cost Procurement (LCP) Standards¹, by continuing to fund 50% of the cost of the technical assistance studies for CHP projects. To better align with the Act on Climate, Rhode Island Energy will use Rhode Island’s most recent Avoided Energy Supply Component Study (AESC) 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, which use average emissions, as detailed in the 2026 Plan. Only projects where the lifetime emissions from the proposed CHP project are less than the emissions for the base case or existing equipment will be eligible for incentives. Other energy efficiency measures concurrently installed at the facility and related to the CHP system can be included in the emissions calculations. Projects greater than one megawatt or one million in incentives will continue to be subject to the requirements included in Attachment 2, Section 3.2.5.4 *Notification Process*.

Rhode Island Energy is aware of three possible CHP projects:

RI GROWS: The RI Grows CHP project is greater than one megawatt and the incentive budget and savings for this project are not included in the 2027-2029 EE Plan and would be filed separately, contingent on the outcome of the Notification Process as provided in Section 3.2.5.4 *Notification Process*.

TWO OTHER POTENTIAL CHP PROJECTS: Rhode Island Energy is aware of two other potential CHP projects, both of which are greater than one megawatt. If these projects should proceed then they would be required to meet the eligibility requirements as documented in the 2027-2029 EE Plan.

- **Existing Building Commissioning (EBCx) Initiative**

Rhode Island Energy is in the process of streamlining the EBCx Initiative based on the recommendations from an EBCx evaluation study which was completed in July 2026. A roadmap is provided in Attachment 2, Section 3.2.4 *Existing Building Commissioning Initiative (“EBCx”)* which provides an overview of the redesign and expected next steps and tasks. The overall goals for the roadmap are to:

- consolidate the current system optimization offerings which include low-cost tuning measures, monitoring-based commissioning, building analytics, and targeted system tuning

¹ “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.”

- simplify the participation process for customers including supporting them on identifying the best pathway
- assign a Rhode Island Energy Program Manager to oversee delivery of the redesigned EBCx Initiative, including identifying further modifications, managing vendors, and tracking progress to goals.

- **Advanced Metering Functionality (AMF)**

Rhode Island Energy plans to develop and launch Advanced Metering Functionality for C&I customers starting in 2027. In summary the roadmap is intended to progress from AMF data collection and refining internal processes, to targeted testing and integration, and ultimately, to broader institutionalization of AMF-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

Please see Section 4.2 Advanced Metering Functionality in the Plan main text for more information.

- **Qualified Service Providers (QSPs)**

Similar to Project Expeditors who focus primarily on lighting project, Rhode Island Energy is launching a group of vendors – called QSPs – who have experience identifying and installing non-lighting energy efficiency measures (e.g. steam trap repair, motors and VSDs, refrigeration) in C&I customers' facilities. The QSPs, similar to Project Expeditors, will be responsible for developing project proposals, presenting proposals to customers, and managing the installations.

- **Streamlining and Consolidating Initiatives**

Rhode Island Energy is consolidating several Initiatives including Energy Smart Grocer, ServeUp Savings and Performance Lighting into the existing Retrofit and Small Business Direct Install Programs, which will reduce administrative costs over the three years of the Plan. In addition, the redesigned EBCx Initiative is expected to deliver Equipment & Systems Performance Optimization (ESPO) measures such as coiling cleaning to these customers.

1.2 Commercial & Industrial Programs

Rhode Island Energy will implement four C&I energy efficiency programs as shown in Table 1 below. These programs are designed to serve different market sectors, customers, and building types.

Table 1. Commercial and Industrial Programs

Commercial and Industrial New Construction
Commercial and Industrial Retrofit
Small Business Direct Install
C&I Multifamily Program

All C&I customers are eligible to participate in the Commercial and Industrial New Construction Program (“New Construction Program”) and Commercial and Industrial Retrofit Program (“Retrofit Program”). However, eligibility for the Small Business Direct Install Program (“Small Business Program”) is limited to customers using less than 1.5 million kilowatt-hours (kWh) per year. Table 2 provides a summary of the programs. In addition, Table 2 includes a description of the Midstream Initiative which provides incentives through both the New Construction Program and Retrofit Program.

Table 2. Commercial and Industrial Programs

Program Name	Program Description
Commercial and Industrial New Construction <i>Funded by Electric and Natural Gas</i>	The 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. Owner’s design teams are offered incentives for their time and effort to meet program requirements. 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 provides operations verification or quality assurance services to ensure that installed equipment and systems operate as intended.

Program Name	Program Description
	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. Technical assistance is provided for advancing the development and adoption of minimum efficiency standards for appliances and equipment. In addition, Rhode Island Energy supports energy-efficient building practices by providing trainings on building codes such as IECC 2024.
Commercial and Industrial Retrofit <i>Funded by Electric and Natural Gas</i>	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 such as lighting, 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 supports the adoption of energy-efficient equipment and practices by providing Building Operator Certification training.
Small Business Direct Install <i>Funded by Electric and Natural Gas</i>	The Small Business Program is a retrofit offering 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 Program serves small businesses of all types, buildings and sizes. The program pays up to 70 percent of installation and equipment costs. Eligible customers can finance the remaining costs of the project for up to 60 months (typically 24 months) interest free on their electric bill using the Small Business Revolving Loan Fund.
Commercial and Industrial Multifamily <i>Funded by Natural Gas</i>	The C&I Multifamily Program provides comprehensive efficiency services for market-rate multifamily buildings with 5+ dwelling units. These coordinated services for both the residential units in the multifamily building as well as any non-residential equipment (e.g. central heating plant) 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. To streamline the delivery of program services, Rhode Island Energy designates a primary point of contact for the multifamily property who will manage and coordinate the services offered. The measures and services are offered through Rhode Island

Program Name	Program Description
	Energy's existing C&I program (Retrofit Program) and Residential programs (EnergyWise, Income Eligible, Residential New Construction and ENERGY STAR® HVAC).
Midstream Initiatives <i>Funded by Electric and Natural Gas</i>	The Midstream Initiatives are not separate program offerings but rather are included here given their contribution to the savings of the Retrofit and New Construction Programs. Midstream Initiatives offer discounts through distributors to support the purchase of qualified, high efficiency products including lighting controls and exterior lighting fixtures, kitchen equipment, life science equipment, water heating equipment and high efficiency heating and cooling technologies at participating distributors. By offering discounts through the distributors and the contractors purchasing the high efficiency equipment, Rhode Island Energy eliminates the need for customers to submit incentive applications which can be a barrier to participation while the discounts also reduce the cost for energy-efficient products. The Midstream Initiatives also encourage distributors to stock and promote high efficiency products. The savings and budgets from the Midstream Lighting Initiative are included in the Retrofit Program and the savings and budgets for the Midstream HVAC, Food Services, and Life Sciences Initiatives are included in the New Construction Program.

Described in the next three sections are the offerings, initiatives, implementation and delivery channels, and proposed changes for the New Construction Program, Retrofit Program, and Small Business Program.

2. NEW CONSTRUCTION PROGRAM

2.1 Offering Overview

The New Construction Program offers incentives and technical assistance to promote and support high performance building design, building operation and equipment selection. The incentives and technical services are designed to support customers' design teams, building owners, and developers to build beyond the current Rhode Island Energy New Construction Program baseline. Technical service can range from plan reviews and efficiency upgrade recommendations to comprehensive reviews of technical blueprints. Additionally, the New Construction Program provides incentives to building owners

and design teams to support Zero Net Energy certification as well as the verification and post-occupancy verification of energy savings to ensure the energy savings projected in the blueprints and plans are being realized in “as built” environment.

The New Construction Program provides incentives for customers either building new buildings or major renovations of existing buildings. Customers have two pathways for these projects:

- Pathway 1: Energy Use Intensity / Zero Net Energy Ready
- Pathway 2: Streamlined / Systems

Pathway 1: Energy Use Intensity / Zero Net Energy Ready

This pathway focuses on high efficiency design as well as post-occupancy energy use intensity (“EUI”). EUI measures the total energy consumption (measured in kBtu) per square foot throughout a whole building (e.g., a high-efficiency building will have a low EUI, whereas an inefficient building will have a high EUI). This pathway is available to buildings 20,000 square feet or greater whose design teams and building owners engage with Rhode Island Energy early in the schematic design and development process.

Rhode Island Energy has developed unique Tier 1 and Tier 2 EUI targets for 5 different building types (e.g. K-12 Schools, Offices, Hotels).² Building-specific EUI targets can be developed on an as-needed basis for other types of buildings, if the building does not fall under one of the 5 common building types.

Buildings built to exceed Tier 2 EUI ranges exceed energy code and industry standard practices while buildings meeting or exceeding the Tier 1 EUI ranges are even more efficient than Tier 2, are considered “Net Zero Energy Ready”, and are eligible for higher incentives.

By offering the two efficiency and incentive levels, customers are able to participate in Pathway 1 and achieve greater savings than Pathway 2, which is described below. Pathway 1 also provides customers and their design teams comprehensive technical assistance and financial incentives for eligible projects and an additional incentive when buildings achieve an operational EUI exceeding the design EUI, one year post occupancy.

Pathway 2: Streamlined/Systems

This pathway is designed for smaller and simpler building designs and offers a variety of incentives and technical assistance services. The offering is available to buildings 20,000 square feet or greater regardless of when the design teams and building owners engage Rhode Island Energy. The

² [New Construction Program EUI Ranges](#)

requirements for this pathway including the project application requirements, minimum requirements documentation, and post-installation inspections are streamlined, especially as compared to Pathway 1 where the customer's design teams collaborate closely with Rhode Island Energy's design team. This streamlined offering encourages increased participation for customers with simpler building designs or when a customer's timeline for completing the project is constrained. Pathway 2 provides incentives based on individual energy-saving measures implemented by the customer. This pathway is especially appropriate for major renovation projects, such as tenant fit outs, and for customers who lack the resources or time to pursue an EUI-based approach.

Buildings smaller than 20,000 square feet, because of their smaller size and less complex systems, use the New Construction Program prescriptive rebates and Midstream Initiative rebates for installing energy efficient equipment and measures, rather than Pathway 1 or Pathway 2.

A vendor administers the New Construction Program for Rhode Island Energy.

2.2 New Construction Program Initiatives

2.2.1 Midstream Initiative

The Midstream Initiative provides a predetermined incentive directly to a manufacturer or distributor of efficient equipment rather than offering an incentive to the customer through an application form. This allows manufacturers and distributors to incorporate the incentive amount into their sales approach, selling the product for a lower price, resulting in the efficient option being more appealing to a potential customer. For customers, the Midstream initiative offers them the ability to purchase high efficiency equipment without the burden of paperwork or waiting for reimbursement. All C&I customers are eligible to purchase the following discounted high-efficiency equipment through the Midstream Initiatives:

- **HVAC Equipment:** Incentives for premium efficiency HVAC equipment and controls at the point of sale at qualified distributors including air-cooled air conditioning and heat pumps systems, water-cooled air conditioning and heat pumps. Savings and budgets are tracked in the New Construction Program.
- **Natural Gas Equipment:** Incentives for premium efficiency water heating equipment such as indirect and direct water heaters and water heating boilers at the point of sale through qualified distributors. Savings and budgets are tracked in the New Construction Program.
- **Food Service/Kitchen Equipment:** Incentives for premium efficiency electric and natural gas kitchen equipment at the point of sale at qualified distributors. Savings and budgets are tracked in the New Construction Program.
- **Life Sciences Equipment:** Incentives for premium electric lab-grade cold storage equipment. Savings and budgets are in the New Construction Program.

- **Lighting Equipment:** Incentives for lighting controls and LEDs when replacing existing inefficient LEDs, and exterior high efficiency lighting fixtures at the point of sale from qualified distributors. Savings and budgets are tracked in the Retrofit Program.

Regardless of the end use, the Midstream Initiatives' implementation, delivery and tracking processes are the same whereby:

- Distributors sell products directly to customers or relevant intermediaries and provide discounts at the point of sale
- Distributors submit data on the quantities sold to Rhode Island Energy
- Rhode Island Energy pays the incentive directly to the distributor and conducts quality control visits for a percentage of installations.

Vendors administer these Initiatives for Rhode Island Energy, including promoting these initiatives to distributors throughout the year.

2.2.2 New Construction Project Types

The New Construction Program provides incentives and energy efficiency services for two different types of projects:

- **New Buildings, Additions, Major Renovations and Tenant Fit-Ups.** These customers are planning ground-up new construction or major renovation projects. These types of projects traditionally involve some level of design and are governed by building and energy codes. These customers are most likely to participate in the New Construction Program through Pathway 1 or Pathway 2.
- **New Equipment and End-of-Life Replacements.** These customers are purchasing new equipment or replacing equipment that has reached the end of its useful life. Customers are incentivized to purchase and install energy-efficient equipment. Typically, there is no design component to these projects. Baseline energy use is the energy code or industry standard practice, and energy savings are calculated using the baseline.³ These customers are most likely to use Rhode Island Energy's New Construction prescriptive or custom applications or the Midstream Initiatives.

³ Rhode Island Energy's baseline document is available at <https://www.rienergy.com/site/ways-to-save/save-money-with-rebates-and-incentives/savings-for-your-business/new-construction-and-major-renovations>

2.2.3 Implementation and Delivery

As described in Section 2.1, the New Construction Program offers two pathways for new construction or major renovation projects. Rhode Island Energy also offers additional enhancements, with the goal of improving customer experience and in turn driving repeat participation from customers and design teams.

2.2.3.1 Pathway 1: Energy Use Intensity / Zero Net Energy Ready

For Pathway 1, Rhode Island Energy's Energy Efficiency team reaches out to customers, owners and developers regarding new construction project opportunities. Over the years, several customers and design teams have become repeat participants. If the customer decides to participate in energy efficiency programs, Rhode Island Energy's team engages with the customer project design team and facilitates a design charrette to establish customer project goals. Based on the project goals, an EUI target range is established, and a Technical Assistance vendor is engaged to model the baseline project and proposed design project.

Please see above "**Pathway 1: Energy Use Intensity / Zero Net Energy Ready**" for a description of the two efficiency Tiers available to customers participating in Pathway 1 projects. Projects achieving a higher efficiency, identified as "Tier 1" are eligible for higher incentives.

Zero Net Energy Projects

Rhode Island Energy's Energy Efficiency team ("Team") must follow these steps for reviewing all potential Zero Net Energy projects:

- Vet the proposed project to confirm it meets basic New Construction Program requirements.
- Employ a Zero Net Energy consultant, with the fee shared between Rhode Island Energy and the customer, to assist in assessing the project and identifying services required to achieve the Zero Net Energy goal. The Zero Net Energy consultant is engaged from early in the project through the end of design development.
- Ensure the Zero Net Energy consultant provides several services including benchmarking EUI targets, conducting an energy charrette, performing load reduction analysis, and running HVAC selection analysis and model feedback.
- The Team creates a Memorandum of Understanding ("MOU") that outlines the EUI target, the post-occupancy EUI verification plan and other incentive details and which must be signed by the customer.

- The customer commits to implementing the efficiency recommendations and accepts the associated incentives by signing the application and MOU.
- Remain engaged during the design development and construction process to ensure energy efficiency measures and solutions are incorporated in the building project to achieve the EUI targets.
- Perform a visual inspection and review all construction design submittals after project completion. If any HVAC controls or variable-load energy efficiency measures have been incorporated in the project, Rhode Island Energy requires field measurements to verify operation standards, as described in the Minimum Requirements Document.
- Monitor the EUI measurements over a prescribed period and under the prescribed conditions (e.g. commissioning) before final incentive payment is made based on the savings achieved.
- Offer a verification incentive to assist customers in identifying and correcting issues that may arise in the first year of occupancy to help achieve the EUI. Verification documents must be submitted to obtain the verification incentive.

2.2.3.2 Pathway 2: Streamlined/Systems Approach

Pathway 2 follows Rhode Island Energy's more traditional approach for processing applications including:

- The Team identifies possible new construction leads through resources such as the Dodge Reports, Rhode Island Energy Work Order Reports, or communications between customers and the Rhode Island Energy account managers or energy efficiency staff
- The Team meets with the customer and/or design team regarding the new construction project
- Customers may be unable to participate in Pathway 1 and propose the scope of their project, or the Team will review the building plans to identify possible energy efficiency improvements
- The Team may provide technical assistance to quantify savings and costs for the project and screen the measures to ensure they meet the New Construction Program screening requirements
- The Customer will proceed with the installation and notify the Team when the project is complete

- The Team will verify the equipment was installed as planned, oftentimes using a Minimum Requirements Document which documents the buildings' operating conditions and set points
- The Team will engage a commissioning agent for larger or more complex projects
- The incentive is processed after all the post-installation requirements have been satisfied

3. RETROFIT PROGRAM

3.1 Offering Overview

Customers can participate in the Retrofit Program for energy efficiency in existing buildings through the following channels:

- **Downstream Application Process:** Customer works with a Rhode Island Energy Sales Representative, Project Expeditor ("PEX") or QSP, or other vendor to install energy efficiency equipment through a **Prescriptive application** for commonly installed measures (e.g. lighting controls, exterior lighting fixtures, variable speed drives) or a **Custom application** for any energy efficiency measures not available through a Prescriptive application; or
- **Midstream Lighting Initiative:** This offering is described above with the other Midstream Initiatives, and the lighting control savings and budget for this initiative are included within the Retrofit Program.

3.2 Retrofit Program Initiatives

Rhode Island Energy offers initiatives to support customers participation in the Retrofit Program including:

- Industrial Initiative targeting specific customer segments
- Existing Building Commissioning (EBCx) targeting specific technologies and applicable to all business customers
- Building Operator Certification training and Building Benchmarking provide training and data to support customers' investments in energy efficient equipment and systems
- CHP projects: Eligibility requirements, notification process, and emission requirements
- Strategic Energy Management Partnerships ("SEMP"): SEMP helps customers think long term about their energy use, needs and equipment. This allows a tailored approach to the facility's specific needs and can result in more comprehensive energy savings

3.2.1 Industrial Initiative

The Industrial Initiative is available to all manufacturing and industrial customers and provides incentives and technical assistance services including facility audits, project management, installer and customer education sessions, production systems and line efficiency coordination. In addition, Rhode Island Energy provides support in identifying and implementing process-related improvements that increase the efficiency of business processes and energy consumption.

This Initiative provides technical assistance to identify energy efficiency opportunities throughout the customers' facilities including process equipment and controls, compressed air, HVAC, and motors and drives. A vendor administers this Initiative for Rhode Island Energy.

3.2.2 Strategic Energy Management Partnerships Initiative

The Strategic Energy Management Partnerships ("SEMP") Initiative is available to Rhode Island Energy's business customers and entities representing a consortium of customers (e.g. Quonset Development Corporation, City of Providence, Rhode Island Health Care Association). This Initiative targets customers who commit to achieving deeper energy efficiency savings, are motivated by corporate and institutional sustainability goals and who may have the in-house expertise to make multi-year efficiency plans. Participating customers agree to specific savings targets that are memorialized in a non-binding Memorandum of Understanding.

The Initiative provides customers with customized support and offers them flexibility to address their corporate or institutional business needs while helping them meet sustainability, carbon reduction and efficiency goals. Customers can strategize long term about their energy use, needs, and equipment purchases and upgrades. This Initiative allows a tailored approach to the site's or facility's specific needs and results in more comprehensive energy savings than traditional program offerings.

Rhode Island Energy has nineteen (19) SEMP agreements in place with customers that operate in a number of different market sectors including chain restaurants, colleges and universities, health care, industries and municipal and state government.

A SEMP Program Manager facilitates implementation across all energy efficiency and customer programs, helping to reduce SEMP participants' transaction time. The Program Manager tracks progress towards goals and facilitates regular meetings and facilitates delivery of program resources to support emerging technologies and priorities.

Rhode Island Energy and the SEMP participants typically re-negotiate the SEMP MOU every three years, which can also include employee outreach for residential energy efficiency programs, neighborhood outreach for small business programs, and electric transportation offerings and programs.

3.2.3 Building Operator Certification Training

Rhode Island Energy sponsors Building Operator Certification (“BOC”) training for facility engineers and maintenance staff. BOC training courses help operators make their buildings and facilities more comfortable and efficient. During the BOC courses, participants are made aware of Rhode Island Energy’s energy efficiency programs and incentives and may actively seek out efficiency solutions for their facilities. Rhode Island Energy will seek to support two BOC training courses per year.

Rhode Island Energy pays up to 50% tuition reimbursement for one facility management professional per customer facility within a five-year period. The applicant must work in a facility management position (e.g., a facility manager, energy manager, or in a role to reduce building-wide energy consumption). The facility must have a minimum of 50,000 square feet of conditioned building space.

A vendor administers this Initiative for Rhode Island Energy.

3.2.4 Existing Building Commissioning Initiative (“EBCx”)

This Initiative helps C&I customers optimize the efficiency of their facilities’ systems including HVAC, refrigeration, compressed air, and steam systems. Energy efficiency solutions include operations and maintenance (“O&M”), retro-commissioning and monitoring-based commissioning. The initiative is available to all C&I customers.

Rhode Island Energy is currently in the process of streamlining this Initiative based on a recently completed evaluation study and is planning to consolidate and streamline the current offerings to simplify the participation process for customers. In addition, Rhode Island Energy intends to assign a Program Manager to manage the Initiative, the vendors responsible for delivering the EBCx services to customers, and track vendors’ performance>.

Provided below is a summary of the current offerings and the road map for transitioning these offerings into the EBCx Initiative, as recommended in the evaluation study.

3.2.4.1 Summary of Current Offerings

The Initiative covers several technologies and end-uses including boilers (steam and hot water), energy management systems, refrigeration, rooftop units, scheduling and set point optimization, and waste energy recovery. The Equipment & Systems Performance Optimization ESPO Initiative provides incentives for participation depending on a customer’s energy-saving opportunities, building characteristics, and the sophistication of existing control systems. These measures are detailed below.

Low-Cost Tuning Measures: Prescriptive incentives are available for common tuning improvements to building equipment and systems. These improvements are often identified through facility audits or

retro-commissioning efforts. Prior to a customer or outside party receiving an incentive for installation, pre-approval must be obtained from Rhode Island Energy. Rhode Island Energy has developed guidelines for documentation baseline conditions to enable program participants to implement some low-cost tune-up measures without pre-approval to streamline the process for customers and vendors.

Customers and vendors are able to use a document baseline and proposed building upgrades using a simple data input spreadsheet which calculates savings at the measure level. Only selected compressed air, HVAC, refrigeration, and steam measures are eligible for these prescriptive incentives.

Targeted Systems Measures: These measures are identified through an in-depth investigation of specific processes or end-uses, which may also be referred to as a custom retro-commissioning study. Funding is available for system tuning measures as well as incentives per unit of savings for implemented measures, with higher incentives available for meeting site-specific thresholds.

Whole Building and Process Tuning Measures: The Whole Building and Process Tuning Initiative delivers a comprehensive retro-commissioning study for customers with functional control systems in place and whose electric usage exceeds 5 million kWh annually. Funding is available for the identification of energy efficiency measures, for system tuning measures, and whole building and process tuning measures and equipment. Incentives are offered per unit of savings for implemented measures, with higher incentives available for meeting site-specific thresholds.

Building Analytics Program Initiative: The Building Analytics Program (“BAP”) Initiative was launched in late 2022 and was designed to address barriers to participation in Rhode Island Energy’s monitoring-based commissioning services. This Initiative assists customers with identifying specific sites or facilities that would benefit from continuous monitoring, fault detection and diagnostics. Based on the analysis of the building data, customers are able to identify and install energy efficiency equipment, optimize controls, and process upgrades. Rhode Island Energy provides incentives for the upfront installation of Building Analytic software and systems.

A vendor currently administers this Initiative for Rhode Island Energy.

3.2.4.2 Existing Building Commissioning Initiative Roadmap

Based on the recommendations from the evaluation study, Rhode Island Energy intends to streamline the current offerings, assign a Program Manager to manage the Initiative, and assist customers with identifying the pathway or measures that best support their building, campus or facility.

Roadmap Overview

Over the 2027–2029 Plan period, Rhode Island Energy will progress from reviewing the existing offerings, consolidating them into distinct offerings for customers, selecting vendors to support delivery of these offerings, and ongoing Initiative oversight and administration.

The roadmap is organized into three main workstreams:

1. Review Existing Offerings and Consolidate into “Customer-Friendly” Offerings
2. Vendors Engagement
3. Program Administration, Evaluation, and Operations

Rhode Island Energy anticipates that the first two workstreams will be completed in 2027. Workstream 3 will be ongoing.

Key activities in 2027 will include:

- Review adoption of existing offerings.
- Review program design and offerings from neighboring states who recently redesigned their Initiative, including possibly using a vendor to audit customers’ facilities to identify the proper pathway for customer participation (e.g. a “concierge” service).
- Identify delivery channels for the offerings, including possibly using a vendor to provide direct install services for “simple” measures (e.g. coil cleaning).
- Assign a Program Manager to manage the Initiative, vendors and performance. Rhode Island Energy will assess staffing needs for this role (e.g. 25%, 50%, 100%).
- Select vendors through a Request for Proposal procurement event for the desired delivery services.

Key activities in 2028 and 2029:

- Ongoing Initiative management including soliciting customer and vendor feedback and tracking progress to goals
- Identifying and implementing ongoing refinement and modifications

3.2.5 Combined Heat and Power Initiative

Combined heat and power (CHP) is the simultaneous production of electricity and thermal energy from a single fuel source. The CHP Initiative offers incentives and technical assistance to customers who install new construction and retrofit installations.

3.2.5.1 Eligibility

To qualify for a Combined Heat and Power (CHP) energy efficiency incentive, a proposed project must meet the following conditions:

- Host customers must be in the franchise service area of Rhode Island Energy.
- Both new construction and retrofit installations are eligible⁴; in either case, the baseline system must be documented.
- A combustion-based CHP system must have a total system efficiency level of 60% or greater. System efficiency is calculated as Annual Useful Energy/Annual Natural Gas Input where:

$$\text{Annual useful energy} = \text{Net Annual kWh} * 3,413 / 100,000 + \text{utilized thermal output (therms)}$$

$$\text{Annual natural gas input} = \text{CHP gas input in therms (higher heating value or HHV)}$$

- The equipment to generate electricity may be a combustion-based system (internal combustion engine, gas turbine engine, steam turbine), or a fuel cell system, and the facility will capture waste heat for use in the facility; back pressure and extraction turbines are not eligible.
- CHP projects must reduce carbon emissions at the host site relative to the agreed-to baseline system over the lifetime of the proposed CHP system, this reduction may be achieved through other EE installations at the host site which may be installed concurrently with the CHP installation.⁵
- The project must pass cost-effectiveness screening
- CHP projects greater than 1 MW or with incentives greater than one million dollars are required to comply with the Notification Process, detailed below.

3.2.5.2 Identification and Recruitment of Qualified CHP Projects

Rhode Island Energy currently works with vendors and customers to identify CHP opportunities at customer locations. Rhode Island Energy promotes CHP systems and outlines the process for qualification and implementation of CHP facilities through Rhode Island Energy's energy efficiency programs. Rhode Island Energy has sales and technical staff that are the primary points of contact for customers and vendors with potential CHP projects.

Scoping Study/Qualification:

Rhode Island Energy will offer technical assistance on CHP projects beginning with a preliminary scoping of a potential site. This scoping will be based on an evaluation of:

⁴ CHP is listed as a Retrofit Program Initiative but CHP projects through the New Construction Program are also eligible.

⁵ Only efficiency measures related to, or affected by, the CHP system are eligible to be included in the CHP emissions calculation. Efficiency measures concurrently installed at the facility but not related to the CHP system may be eligible for Rhode Island Energy incentives but will be excluded from the CHP emissions calculation.

- Monthly (or hourly, where available) electric, gas, and other fuel usage
- All site-specific forms of thermal energy end-uses
- Coincidence of electric and thermal loads
- Proposed project cost
- A high-level analysis of the fuel resources needed for the project and any actual or anticipated fuel capacity constraints and/or actual or anticipated fuel reliability issues

This scoping will determine if further study of the site appears favorable, i.e., provides CHP operating hours and load factors that would be an appropriate application of CHP.

Technical Assistance Study (TA Study):

Assuming a favorable screening during preliminary scoping, Rhode Island Energy will offer to co-fund a TA Study of CHP with the customer. The TA study will be performed by an independent, qualified engineering firm. This study will assess thermal and electric loads, propose an appropriate CHP size and technology, compile a budget cost estimate, and identify potential barriers to the technology, and calculate the emissions for the baseline and CHP system. The emission calculations may be completed as part of the Scoping Study. Rhode Island Energy typically funds 50% of the cost of any TA Study conducted by a preferred vendor selected by Rhode Island Energy, and up to 50% of the TA for other qualifying independent engineering firms.

Any TA Study by a CHP vendor or its representative not facilitated by Rhode Island Energy which fulfills the CHP TA requirements may be accepted, though no co-funding will be provided. The TA Study must be completed, submitted, and approved by Rhode Island Energy prior to implementation. The TA Study must include an assessment of the likely on-peak kW reduction⁶ from the CHP given the proposed nameplate rating, the net CHP output after subtracting parasitic loads associated with the CHP, projected availability based on anticipated site-specific operating characteristics, performance data on other similar units, and a greenhouse gas analysis that estimates the change in greenhouse gas emissions expected from the project relative to baseline conditions. Rhode Island Energy reserves the right to modify the TA Study based on its review, including data relating to the facility, baseline equipment, assumed operating conditions, and all other factors and assumptions provided in the vendor's TA Study.

As detailed in the Eligibility section above, incentives are only available for CHP projects that reduce the carbon emissions of the host facility over the lifetime of the proposed CHP facility. The TA study

⁶ On-peak kW reduction = (Net Output x Availability x % Loaded). This kW load reduction should be used in the benefit-cost screening

of the CHP proposal could include an assessment of non-CHP energy efficiency measures that would help meet that objective. These opportunities themselves will be eligible for energy efficiency incentives and will help make sure that the CHP facility is correctly sized for the facility's needs and will avoid creating a disincentive for future load reduction at the site. To determine the site carbon emissions, Rhode Island Energy will utilize marginal emissions values from the most recent Avoided Energy Supply Component (AESC) study.

Cost-Effectiveness:

The screening for cost-effectiveness specific to CHP is included in the Rhode Island Test detailed in Attachment 4. The cost-effectiveness test for CHP includes economic benefits, as specified by the Least Cost Procurement statute. As requested by the Division, a sensitivity cost-effectiveness analysis will be performed excluding economic benefits for CHP systems with a net output of one MW or greater. The cost-effectiveness analyses will be provided as part of the notification process described elsewhere in this section for projects of one MW or greater.

3.2.5.3 Terms and Conditions

If a project has been shown to be cost-effective, presents no capacity or reliability concerns, and has met the required eligibility criteria, it will be eligible for an incentive.

The following considerations will be included in the determination of the incentive:

1. The CHP system costs as determined in the TA study must include: all system, auxiliary, and interconnection costs.
2. If the CHP system is receiving a tax credit or other financial arrangement that reduces the cost of the CHP project to the customer without distributing that cost reduction as an additional cost to other electric or gas ratepayers, it may be treated as a credit against the cost of the CHP project.
3. The CHP incentive from Rhode Island Energy will be negotiated.
4. If the CHP project receives an energy efficiency incentive, the CHP unit will not be eligible to receive any other incentive from Rhode Island Energy, not including RIE's contribution to the cost of the Technical Assistance Study
5. The incentive payment terms will be documented in the Rhode Island Energy Commitment Letter and Minimum Requirements Document (MRD). Payments will be contingent on the successful completion of project milestones, as documented in the MRD (e.g., 30% withheld until commissioning is completed).

The customer will repay a portion of the incentive to Rhode Island Energy if the project is abandoned, removed from the premises, sold, or otherwise no longer utilized as the primary source of heat and electricity by the customer, within 10 years from the date of final incentive payment authorization. The

repayment will be the energy efficiency incentive times the number of years remaining until the required ten years of service divided by ten.

CHP Rebate Equity

A customer receiving a rebate for a new facility with a CHP system has not contributed into the Energy Efficiency Fund for that building and the ongoing future contributions into the Energy Efficiency Fund for this building may be relatively small compared to the size of the rebate received for the CHP system, which raises “rebate equity” concerns. This differs from customers either (1) receiving a rebate for a new building where the building’s energy usage will fund the Energy Efficiency Fund on an ongoing basis, typically for decades or (2) a CHP system being installed on a campus with multiple buildings and accounts that have contributed and will continue to contribute into the Energy Efficiency Fund for decades.

The Company seeks to address this with the following policy:

1. The Customer is required to contribute to the Energy Efficiency Fund like all other ratepayers for consumption at their facility on a per kWh and per therm basis.
2. The Customer will not receive rebates for energy efficiency projects until 10 years after the CHP system is operating, which represents half of the 20-year expected measure life for CHP systems.
3. During the period in which the Customer is not eligible to receive additional rebates, the Customer may choose to do additional energy efficiency projects at the facility and the Company will fund Technical Assistance Studies that support the Customer’s efforts to reduce the facility’s energy use.
4. The Company will claim the savings for energy efficiency projects motivated by those studies.

Other Contract Terms and Guidelines:

To ensure proper operation of the CHP facility and persistence of energy savings, the following terms and guidelines will be required:

- As part of the TA study, a minimum requirements document (MRD) will be developed. This MRD will contain engineering hardware and operational specifications that directly affect the savings estimates developed in the TA study. Compliance with the MRD will be necessary to receive rebate payments.
- All systems greater than one MW will require electric, thermal and gas metering for commissioning and monitoring of system efficiencies.

- The project must be commissioned. Commissioning is a process following installation whereby a third party verifies that the project is installed and operating as detailed in the TA study and MRD.
- The customer must sign and produce a contract for O&M services through the first planned major overhaul of the CHP unit after post-installation commissioning. On-going O&M contracts for a minimum of 10 years from project commissioning are recommended.
- Customers applying for interconnection of a CHP system must not operate the unit until they receive the authorization to interconnect from Rhode Island Energy.
- kW-demand savings achieved via the electric energy efficiency programs, including CHP, will continue to be reported by Rhode Island Energy to ISO-NE as Other Demand Resources (ODR) and the revenue generated will be used to fund future energy efficiency projects through Rhode Island Energy's programs.

Attribution of CHP Energy Savings to Rhode Island Energy:

For CHP projects one MW or greater in size that meet the eligibility criteria and are implemented with Rhode Island Energy's assistance, 100% of the project savings shall be attributed to the energy efficiency programs. For CHP projects smaller than one MW, Rhode Island Energy shall use the latest net to gross adjustments determined by impact evaluations conducted on the RI CHP programs. These evaluations shall be conducted at least once every five years.

3.2.5.4 Notification Process

To prevent customer delays and to facilitate Rhode Island Energy's ability to meet customer expectations, Rhode Island Energy proposes the following process to facilitate incentivizing CHP projects greater than 1 MW net output.

Rhode Island Energy shall inform the DPUC, OER, and EERMC of any CHP project with a net output of one MW or greater (where net is the nameplate MW output minus CHP auxiliary kW). The notification shall occur after the cost benefit screening and before the offer letter is presented to the customer. The notification process for these CHP projects will be as follows:

1. **Notification Submission:** Rhode Island Energy will submit project documentation to the Division; project documentation will include the following to allow for a thorough review and support the Company's conclusion that the project would not move forward without energy efficiency technical assistance and/or incentives:
 1. A project description, providing all the pertinent details relating to the project.
 2. A letter signed by a senior executive including, if available, what the customer would do otherwise with no incentive; company history of similar projects completed elsewhere; financial decision criteria used by the company to determine the project feasibility; how the project aligns with the customer's financial decision criteria without the incentive

3. A complete benefit cost analysis for the CHP project using the Rhode Island Test, as well as application of this test applying sensitivities related to the removal of economic benefits
 4. A report including a natural gas capacity analysis that addresses the impact of the proposed project on gas reliability; the potential cost of any necessary incremental gas capacity and distribution system reinforcements; and the possible acceleration of the date by which new pipeline capacity would be needed for the relevant area
 5. A completed pre-approval free-ridership assessment
- 2. Review Process:**
1. The Division may submit information requests to Rhode Island Energy at any time after receipt of the project description. The Division may also submit follow-up data requests, as needed.
 2. Rhode Island Energy shall respond to all information requests as soon as reasonably possible, but no later than fourteen days from receipt of information requests, unless the Division grants an extension.
 3. To the extent that additional review time is required, the Division will provide notification to Rhode Island Energy.
- 3. Conclusion of Division Review Process:**
1. The Division will make all reasonable efforts to provide its opinion on the suitability of an incentive for the CHP project greater than 1 MW net output by the end of the 60-day period following the notification submission.
 2. If at the end of sixty days from the date Rhode Island Energy provided the project description to the Division (including the period of information requests and responses), the Division has not provided to Rhode Island Energy its opinion of support or opposition to the project, Rhode Island Energy retains the right to make a filing with the Commission seeking approval of the CHP incentive.
 3. The Division will have the right to take any position on the project it deems appropriate in a proceeding before the Commission about the project and shall not be prejudiced by the fact that it did not provide an opinion to Rhode Island Energy within the sixty-day period.

Even if the Division provides its opinion to the Commission that the Division supports the CHP project, Rhode Island Energy must file a notification with the Commission, setting forth the pertinent facts relating to the project. If (i) the Commission takes no action within thirty days and (ii) the Division or any other party has not objected to the proposed project, the project will be deemed approved. If the Division or any other party objects, the Commission will set the matter for hearing.

CHP Pipeline Notification:

Due to the high capital cost and technical requirements of installing CHP, there is a very long lead time for a successful installation and therefore Rhode Island Energy commits to providing an updated estimate of projects in the current-year pipeline in each annual Energy Efficiency Plan and reconciliation filing to the PUC going forward.⁷

Please see the table below for potential CHP projects currently in Rhode Island Energy’s pipeline. Please note, the budgets and savings for these CHP projects are not included in the 2027-2029 Plan.

Customer Name	Approximate CHP Size: MW	Location Information			Current Status	Estimated Year(s) for Claiming Energy Savings
		Feeder	Substation	Gas Line ID		
RI Grows	6.4 MW	49-56-88F1	Tower Hill Substation	Rhode Island 99#	Technical Assistance Study in progress	2027 or 2028
University of Rhode Island: Agricultural	>1 MW	Not identified	Not identified	Not identified	Initial Scoping (Pre-Technical Assistance Study)	Not determined
Roger Williams University	>1 MW	Not identified	Not identified	Not identified	Initial Scoping (Pre-Technical Assistance Study)	Not determined

3.2.6 Building Energy Benchmarking Initiative

Rhode Island Energy implemented a building benchmarking system to provide Rhode Island building owners throughout its territory the ability to upload their Rhode Island Energy electric and gas billing data into ENERGY STAR™ Portfolio Manager® and calculate their buildings’ energy use intensities (“EUIs”). Based on the results and reports from Portfolio Manager and the software’s EUI scores and rankings, customers can use Rhode Island Energy’s Project Expeditors to identify and implement specific energy efficiency opportunities in the buildings. Rhode Island Energy intends to generate leads primarily for the Retrofit Program using its existing Project Expeditors to engage with these building owners, conduct audits of the existing buildings, provide energy efficiency proposals to customers, and support the installation of energy efficiency measures in these buildings.

The building benchmarking system supports buildings owners located in Providence who are required to comply with the City of Providence Ordinance ORD-2023-35, as well as all other building owners throughout the territory.

⁷ Other project information such as Name, Approximate Size of CHP (kW and Net Lifetime MWh), Location, and Current Status (Scoping, Study, Notification Process, Under Construction, Post-Inspection or Commissioning), may be provided depending on the state of advancement of CHP projects.

Overall, this Initiative will help Rhode Island Energy and its customers to identify energy efficiency opportunities and contribute to achieving Retrofit Program goals. An additional benefit is that it will streamline compliance reporting for customers located in areas with benchmarking ordinances, such as Providence.

3.3 Eligibility

The program serves the needs of existing buildings in their pursuit of lower energy consumption. All C&I customers are eligible for the Retrofit Program, although as noted above, some initiatives are targeted to specific customer segments. For example, the Industrial Initiative provides subject matter experts in industrial processes and facilities to support these customers' investment in energy efficiency equipment and systems. However, applications submitted through the Industrial Initiative are tracked and reported out as part of the Retrofit Program, including savings and costs for these applications.

3.4 Implementation and Delivery

Customers are provided a number of different channels or paths for participating in the Retrofit Program. Typically, a Rhode Island Energy sales representative is assigned to any large C&I account, defined as a customer with at least 1.5 million kWh or 100,000 therms of annual energy usage, schools, municipalities, and national accounts. The general customer journey through the Retrofit Program is:

- A facility audit or walk-through by Rhode Island Energy, customer or a third-party vendor where one or more energy efficiency opportunities are identified.
- Rhode Island Energy provides an offer letter committing to a specific incentive, including detailing the project's requirements for custom projects in the Minimum Requirements Document. The customer signs and returns the offer letter agreeing to the terms documented in the application and Minimum Requirements Documents.
- After the energy efficiency measure(s) is implemented and operating, the customer notifies Rhode Island Energy. Rhode Island Energy's staff, vendors or engineers for complex or technical energy efficiency measures verify the measure(s) has been implemented in accordance with project requirements as detailed in the Minimum Requirements Document.
- Rhode Island Energy staff work with the customer and vendors to complete the required documentation (e.g. invoices) and then process the incentive payment.

Prescriptive Application

Customers can complete prescriptive applications by printing or submitting them [online](#). Prescriptive incentives are available for a wide variety of standardized energy efficiency measures with “deemed” savings values, such as lighting equipment, air compressors, variable speed drives and steam traps.

Midstream Process

Midstream Initiatives offer instant discounts (i.e., incentives) to customers for the purchase of qualified, high efficiency products including luminaires, kitchen equipment, life sciences equipment, water heating equipment and high efficiency heating and cooling technologies at participating distributors. By offering discounts through distributors, Rhode Island Energy obviates the need for individual customers to submit incentive applications, a significant barrier for non-managed and smaller customer accounts. Customers no longer need to submit applications for incentives, which increases participation. The Midstream Initiatives impact the market by reducing the cost of energy-efficient products compared to less efficient alternatives and by encouraging distributors to stock and promote high efficiency products.

The Midstream Lighting initiative’s savings and budget are captured in the Retrofit Program and the Midstream HVAC and Food Service/Life Sciences initiatives are captured in the New Construction Program.

Custom Application

A Company sales representative, Project Expeditor, or QSP assists customers with the completion of the Retrofit Program’s custom applications. These are applications for the installation of energy efficiency measure not incentivized through the Prescriptive or Midstream Initiatives. A custom measure typically requires detailed savings calculations completed by a combination of customer, vendor and Company staff and the Minimum Requirements Document that provides details regarding project guidelines and engineering specifications.. For some projects, additional post-installation monitoring must be completed prior to incentive payment to ensure projects perform in accordance with the Minimum Requirements Document.

Project Expeditors and Qualified Service Providers

Rhode Island Energy utilizes Project Expeditors to provide turnkey services for Retrofit and New Construction program projects. A Project Expeditor is an authorized vendor who serves as a customer’s main point of contact to support the installation of energy efficient equipment, historically with the greatest focus on lighting measures. Project Expeditors work closely with Rhode Island Energy’s account management team to evaluate energy efficiency opportunities and determine incentives.

Rhode Island Energy will be incorporating vendors to provide turnkey services for Retrofit and New Construction program projects, similar to Project Expeditors described above. These Qualified Service Providers (QSPs) were selected based on their expertise with identifying non-lighting energy efficiency

measures such as steam trap repairs, refrigeration measures, and building envelope measures. QSPs will help support the installation of measures added through the C&I Opportunities Study as well as support Account Managers when visiting customer facilities and identifying energy efficiency opportunities. Similar to Project Expeditors, Rhode Island Energy does not pay the QSPs but rather they negotiate the energy efficiency project cost with the customer, which can be eligible for a Rhode Island Energy incentive.

Project Expeditors and QSPs can introduce C&I customers to the latest energy technology solutions and savings on equipment including:

- Lighting and lighting controls,
- HVAC efficiency improvements,
- Building Envelope and Insulation measures
- Refrigeration measures
- Energy management systems,
- Variable speed drive upgrades for fans, motors, and pumps in HVAC, refrigeration, and other systems, and
- Gas heating and hot water system upgrades,
- Compressed air solutions, including air compressors, dryers, drains and engineered air nozzles.

4. SMALL BUSINESS DIRECT INSTALL PROGRAM

4.1 Offerings

The Small Business Program offers a no-cost site assessment conducted by Rhode Island Energy's Small Business Program vendor ("Small Business Program Vendor"). This site assessment identifies energy efficiency measures including lighting controls, cooler/refrigeration controls, water saving measures, HVAC controls, motor controls, weatherization/insulation and custom measures. The Small Business Program Vendor offers turnkey installation of the measures and eligible customers can use on-bill refinancing to support the adoption of the recommended energy efficiency measures. Rhode Island Energy expects the QSPs discussed above to help identify measures in Small Business customers' facilities.

In addition to the turnkey channel described above, the Small Business Program also offers a Customer Directed Option channel for customers wanting to use their own electrician and installers ("Customer's Installation Vendor"). The customer and the Customer's Installation Vendor submit the project documentation to the Small Business Program Vendor who reviews and approves eligible projects. The Customer's Installation Vendor then installs the energy efficiency measures and submits the paperwork

to the Small Business Program Vendor who inspects the project, pays the incentive to the customer, and closes the project in the Rhode Island Energy tracking system, similar to a project completed through the turnkey channel.

4.2 Eligibility

Commercial customers who have less than 1.5 million kWh in annual usage may participate in the Small Business program. K-12 schools and national account customers, who are managed by Rhode Island Energy Account Managers, are excluded from this program.

4.3 Implementation and Delivery

Customers have a number of ways to participate in the Small Business Program, whether through outreach (e.g. placed advertisements, emails, direct mail campaigns, social media, events and conferences) by Rhode Island Energy and/or the implementation vendor or a customer signing up for an energy assessment by either calling, emailing or using an [online](#) form. After this initial contact, the customer is connected to a dedicated Small Business Program Vendor representative to learn details about the program's processes and next steps. The Small Business Program Vendor representative schedules an assessment with the customer and the Small Business Program Vendor Energy Specialist will meet the customer at the scheduled time. The Small Business Program Vendor Energy Specialist performs an energy assessment, identifies strategies to pursue opportunities, reviews design considerations with the customer, and incorporates the energy efficiency measures identified into a proposal. The proposal reflects the installed costs, the expected energy savings and the applicable program incentives.

4.4 Outreach and Customer Engagement

4.4.1 Outreach to Women and Minority-Owned Businesses

Rhode Island Energy will continue to target businesses owned and operated by Women and Minority Owned Enterprises ("WMEs") by sending emails newsletters, and videos to organizations supporting WMEs who can then include this information in communications to their members and clientele. In addition, Rhode Island Energy will continue to collaborate with these organizations and provide bilingual resources to help remove language and informational barriers that can often limit participation, with the goal of raising awareness of the Small Business Program through their communications and outreach efforts.

4.4.2 Main Streets Initiative and Microbusinesses

Rhode Island Energy continues to integrate its program outreach efforts with the Main Streets Initiative to increase adoption of direct install energy efficiency measures among microbusinesses in Rhode Island. For each targeted community, the vendor will conduct targeted direct mail and/or social media followed by door-to-door outreach for 3-5 working days. For door-to-door canvassing, the vendor may seek to secure cooperation and support of local government leaders, community organizations, and neighborhood groups (e.g., Chamber of Commerce). Rhode Island Energy will also continue to report on participation in the Small Business Program by customer size (e.g. annual kWh usage).

5. C&I MULTIFAMILY PROGRAM

5.1 Offerings

See Attachment 1, Section 4 for the Multifamily Program offerings, eligibility criteria, implementation and 2027-2029 enhancements.

5.2 Eligibility

In addition to the criteria listed in Attachment 1, the C&I Multifamily Program provides joint residential and commercial energy services to condominiums and apartment complexes for energy efficiency upgrades with no cost audits. The Program also serves customers like non-profits, group homes and houses of worship that traditionally do not fit within the predefined program structure.

A vendor administers this Program for Rhode Island Energy.

6. FINANCE AS AN ENABLING STRATEGY

Many customers face challenges in bringing energy efficiency projects to fruition. These may include structural limitations within a business, information overload, cultural resistance within companies, and access to capital. Rhode Island Energy's plan deals with the first three barriers in various ways, but this section of the plan focuses on mechanisms that can help customers afford to carry out energy efficiency upgrades and/or perceive costs differently.

6.1 Mechanisms Offered

Rhode Island Energy and its partners have developed three primary finance mechanisms to help customers afford energy-efficiency upgrades, each with unique attributes. Some may only be available or apply to certain customers, building, or ownership types.

6.1.1 On Bill Repayment – Electric Customers (greater than 1.5 million kWh per year)

On-Bill Repayment – Electric, for customers who consume more than 1.5 million kWh per year	
Typical Loan Size	\$1,000 to ~\$100,000
Maximum Term	5 years and 7-10 years for State facilities
Loan Volume	Variable, between \$5.0M to \$10M per year
Benefits to Customer	No formal credit check/ rapid approval, on bill repayment, zero interest
More Information	Rhode Island Energy’s most recent loan fund projections are provided in Attachment 2-2

6.1.2 On Bill Repayment – Electric Customers (less than 1.5 million kWh per year)

On-Bill Repayment – Electric Small Business, for commercial customers who consume less than 1.5 million kWh per year	
Typical Loan Size	\$500 to \$50,000
Maximum Term	5 years
Loan Volume	Variable, between \$1.8M and \$3.0M per year
Benefits to Customer	No formal credit check / rapid approval, on-bill repayment, zero percent interest
More Information	Rhode Island Energy’s most recent loan fund projections are provided in Attachment 2-2

6.1.3 On Bill Repayment – Natural Gas

On-Bill Repayment – Natural Gas, all commercial gas customers	
Typical Loan Size	\$1,000 to ~\$100,000
Maximum Term	3 years and 5 years for State facilities
Loan Volume	Variable, between \$1.0M and \$1.5M per year
Benefits to Customer	No formal credit check / rapid approval, on-bill repayment, zero percent interest

On-Bill Repayment – Natural Gas, all commercial gas customers

More Information

**Rhode Island Energy's most recent loan fund
projections are provided in Attachment 2-2**

7. MARKETING TO C&I CUSTOMERS

Rhode Island Energy will leverage digital marketing, paid Google search, social media marketing with LinkedIn, print advertising, direct mail, videos and email campaigns. Rhode Island Energy will continue to partner with organizations and community members (e.g. Rhode Island Hispanic Chamber of Commerce, City of Woonsocket, Rhode Island DOA - Division of Equity, Diversity and Inclusion, City of Central Falls) to raise awareness of the energy efficiency programs and initiatives.

Rhode Island Energy's paid media seeks to target direct decision-makers, executives, facility managers, property owners and small business owners. A portion of advertising and communications are also dedicated to targeting other key influencers such as distributors, engineers, and architects who have existing relationships with customers. Rhode Island Energy fine tunes the tone and messaging of the marketing messages throughout the year to best meet customers' needs and updates its website with additional content as needed.

8. COMMERCIAL AND INDUSTRIAL MEASURE TABLES

Please see Attachment 2-1 for a list of all Commercial and Industrial measures with details on quantities, incentives and savings. Quantities are rounded to whole numbers. Separate tables are provided for each year.

To facilitate review, Rhode Island Energy has highlighted those measures where there is a change in the incentive per quantity between years. Since most measure quantities are planned to change between years, no highlighting of quantity or values that are a function of quantity is provided, as that would cause most of the table to be highlighted.