MEMO

CONSULTANT TEAM

TO: Energy Efficiency Council
FROM: EEC Consultant Team
CC: RI Office of Energy Resources
DATE: August 28, 2026
RE: Summary of Energy Incentive and Financing Offers in Rhode Island

INTRODUCTION

The up-front cost of efficiency upgrades represents a meaningful barrier to participation in Energy Efficiency programs for many households and businesses. Low-income, moderate-income, and small business customers typically lack access to capital necessary to complete projects, while large commercial customers are often constrained by cash flow requirements. While incentives within efficiency programs help to mitigate this issue, especially in the low-income space where 100% of costs are typically covered, the costs that remain when incentive levels are below 100% can still represent a challenge. Well-designed incentive and financing programs can mitigate such participation barriers for many customer segments.

An array of incentive and financing programs currently exist in Rhode Island to address these financial barriers. This document begins with a summary of Rhode Island's core incentive programs[1], followed by a summary of Rhode Island's core financing programs (links to program websites and descriptions are included for all programs). Incentive programs provide rebates to discount the cost of efficient equipment, whereas financing reduces the first cost of efficient equipment for customers by allowing them to repay costs over time.

SECTION 1. RHODE ISLAND INCENTIVE PROGRAM OVERVIEW

TABLE 1. RHODE ISLAND INCENTIVE PROGRAMS

Program	Administrator	Funding Source	Customers
Statewide Energy Efficiency Programs	RIE	RI Ratepayers	Residential, Income Eligible, C&I
RI Agricultural Energy Grant Program (RI AgEP)	OER	Regional Greenhouse Gas Initiative (RGGI)	Rhode Island Farms
Clean Heat Rhode Island (CHRI)	OER	Originally funded through a $25 million allocation from the State Fiscal Recovery Fund (SFRF), funding now comes from RGGI	Residential, Small Business, Nonprofit

[1] Note that this list is not exhaustive, as customers may access third-party financing independent of any utility or state-sponsored programs. In addition, Block Island and Pascoag Utility District are not included among "statewide" programs.

Home Electrification and Appliance Rebate (HEAR)	OER	Inflation Reduction Act (IRA)	Residential, Income Eligible
Home Efficiency Rebates (HER)	OER	Inflation Reduction Act (IRA)	Income Eligible (Multifamily)
Low-Income Home Energy Assistance (LIHEAP)	DHS	Federal Grants	Income Eligible
Weatherization Assistance Program (WAP)	OER	Federal Grants	Income Eligible
New England Heat Pump Accelerator	OER	Environmental Protection Agency's Climate Pollution Reduction Grants	Residential
Lead by Example Program	OER	Federal Grants, RGGI	Municipal/Public
Small Business Energy Efficiency Grant Program	Rhode Island Commerce	Rhode Island Commerce	Small Businesses

STATEWIDE ENERGY EFFICIENCY PROGRAMS:

RI Energy Incentive Programs

- **EnergyWise Single Family**: provides in-home energy assessments and weatherization services for single family homes (1-4 units), helping residents understand and reduce their energy use. During visits, energy specialists install devices like advanced power strips and water-saving fixtures and offer tailored recommendations for improving efficiency. Participants receive an Energy Action Plan, access to financial incentives for upgrades (such as insulation, HVAC systems, and smart thermostats), and may qualify for 0% financing through programs like the HEAT Loan.
- **EnergyWise Multifamily**: program offers comprehensive energy services for multifamily customers (buildings with 5+ dwelling units) including: Energy assessments; Incentives for efficient electricity, natural gas, or delivered fuels equipment including heating, cooling and domestic hot water systems, cooling equipment, thermostats, smart strips, water saving measures, common-area lighting, and eligible air source heat pumps; Weatherization measures including air sealing and insulation where eligible and applicable; Coordination of all services for multifamily properties that participate in the market rate and income eligible multifamily programs.
- **Residential High-Efficiency Heating & Hot Water (Residential HVAC)**: offers rebates and contractor services to support the installation of energy-efficient electric and gas equipment, including heat pumps, smart thermostats, efficient water heaters, and more. In addition to customer incentives, the program provides contractor training, quality installation verification, and distributor-level discounts. It is cross promoted through other residential energy programs and helps maintain high standards across the market by sharing best practices and training resources with related initiatives.

- **Residential Consumer Products**: offers rebates on ENERGY STAR® appliances and other energy-saving items, with the greatest savings coming from recycling old refrigerators, dehumidifiers, and freezers. Customers can purchase qualifying products in stores, from any online retailer, or through the RI Energy Marketplace—a one-stop shop where rebates are automatically applied at checkout. Most products are DIY-friendly, and while not all are incentivized, all listed items are vetted to help consumers avoid unreliable options.
- **Residential New Construction**: 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.
- **Home Energy Reports**: statewide energy efficiency offering that provides benefits for Rhode Island residential customers through the mailing and emailing of customer-specific energy usage reports and insights. While over 300,000 customers receive home energy reports (i.e., the treatment group) by way of direct mail and/or e-mail, all account holders have access to insights into their energy consumption via the web tools located on Rhode Island Energy's website. The program has evolved since 2013 from offering only mailed insights to now being integrated into Rhode Island Energy's website with online assessment tools, sending Non-Advanced Metering Infrastructure (AMI) High Usage Alerts, and utilizing segmentation to target different populations with relevant messaging.
- **Income Eligible Single Family**: offers home energy assessments, weatherization services, appliance, 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.
- **Income Eligible Multifamily**: offers comprehensive energy services for multifamily customers that also meet the criteria for "income eligible", which is defined in Rhode Island Energy's Annual Energy Efficiency Program Plan. 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.
- **Large C&I New Construction**: 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.

- **Large Commercial & 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 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 to defray 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 Builder Operator Certification training, to support the adoption of energy-efficient equipment and practices.
- **Small Business Direct Install**: 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 mall businesses of all customer 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.
- **C&I Multifamily**: provides comprehensive efficiency services for market-rate multifamily customers who reside in buildings with 5+ dwelling units. 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. 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 Energy's existing Energy Efficiency Portfolio of C&I programs (C&I Retrofit) and Residential programs (EnergyWise, Income Eligible, Residential New Construction and ENERGY STAR® HVAC).

Other EE Incentive Programs

- **RI Agricultural Energy Program (RI AgEP)**: offers Rhode Island agribusinesses incentives for prescriptive energy efficiency measures. Program participants receive a free on-site energy assessment and a report detailing recommended energy-efficient improvements. Farmers or agribusiness owners can then choose to install any number of recommended electric or delivered fuels measures. The RI Agricultural Energy Program offers financial incentives to farms in Rhode Island of up to $20,000 for energy efficiency and renewable energy projects. The program has continuously held two funding rounds each year, in spring and fall. In 2025, RI AgEP provided grants to 25 farms for solar and energy efficiency projects.

- **Clean Heat Rhode Island (CHRI)**: state-sponsored program helping Rhode Islanders transition from fossil fuels to clean and efficient electric heating and cooling systems, serves residents who currently heat with oil, propane, or natural gas and want to transition to heat pumps after completing weatherization work on their home. This program was created through legislation by the Rhode Island General Assembly and Governor McKee as an investment of $25 million as a part of the State Fiscal Recovery Fund (SFRF) from the American Rescue Plan Act. Through this program, over 4,000 heat pump rebates were provided to residents, small businesses, and nonprofits, spurring the deployment of heat pumps throughout the state. Through these heat pump investments, the Office of Energy Resources estimates that the lifetime Co2e saved from completed projects totals 245,952 tons. All SFRF program funds have been obligated as of January 2025. OER is continuing the program offerings with Regional Greenhouse Gas Initiative funds (RGGI) while exploring federal funding opportunities for additional program expansions.
- **Home Electrification and Appliance Rebate (HEAR)**: the goal of this rebate program is to increase energy efficiency in homes and thereby decrease residential energy bills and carbon emissions. This program offers two participation pathways – an Income-eligible pathway and a retail pathway. The Income-eligible pathway serves households currently enrolled in LIHEAP and the retail pathway is available to eligible low- and moderate-income Rhode Island residents. Since Q1-2026, 143 rebates have been awarded, $342,249 have been spent, and a total of 84 customers have been served.
- **Home Efficiency Rebates (HER)**: the goal of this rebate program is to increase energy efficiency in homes and thereby decrease residential energy bills and carbon emissions. The program application was accepted and is pending U.S. Department of Energy approval to launch. The program will provide funding for multifamily properties to upgrade their heating systems to energy efficiency heat pumps.
- **Low-Income Home Energy Assistance (LIHEAP)**: Through federal grants to the household, the Low-Income Home Energy Assistance Program (LIHEAP) helps eligible low-income households pay their heating bills. Heating and crisis assistance are the two components of the program. A grant assists a household in meeting heating costs by being paid to either a heating fuel vendor, utility company, or in a few cases directly to the applicant. A grant can also help to resolve home heating crises caused by a heat shut off due to failure to pay a regulated energy bill, the inability to pay for deliverable fuel, or the failure of a heating system that is not repairable.
- **Weatherization Assistance Program (WAP)**: helps income-eligible households that qualify for LIHEAP reduce heating bills by providing whole house energy efficiency services. Available services include installing insulation and providing health and safety measures such as installing smoke and monoxide detectors, reducing drafts, and providing proper ventilation. Local Community Action Program (CAP) agencies support participants through the application process. OER is in the process of expanding this program to Moderate-Income households and they are currently working with a CAP agency to pilot the program. Rhode Island will likely be the first state to launch a Moderate-Income WAP.
- **New England Heat Pump Accelerator**: With federal funding provided by the Environmental Protection Agency's Climate Pollution Reduction Grants, the New England Heat Pump

Accelerator works with distributors, contractors, policymakers, and community organizations to bring efficient and affordable heating and cooling to New England. The program will expand heat pump adoption through market growth, local innovation, and educational resources in homes across Connecticut, Maine, Massachusetts, New Hampshire, and Rhode Island through December 2029.

- **Lead by Example Program:** established in 2015 to reduce greenhouse gas emissions and energy costs for public buildings including state or municipal facilities and schools. Participants may receive incentives for energy efficiency, renewable energy, and fleet electrification. Since its inception, the LBE Program has supported 185 projects and reduced emissions for participants by over 30%.
- **Small Business Energy Efficiency Grant Program**: statewide offer provided by RI Commerce to assist small businesses in reducing their energy costs by implementing measures that improve energy efficiency. The program reimburses small businesses up to $20,000 for energy efficiency measures implemented as the result of an energy efficiency audit. Up to 80% of project costs are covered for businesses with less than $2 million in annual gross revenue and up to 70% of project costs are covered for businesses with $2 million to $5 million in annual gross revenue. Maximum grant awards are $10,000 when combined with RIE or RISE incentives and $20,000 for independently completed projects.

SECTION 2. RHODE ISLAND FINANCING PROGRAM OVERVIEW

TABLE 2. RHODE ISLAND FINANCING PROGRAMS

Program	Administrator	Interest Rates	Loan Term	Capital Source	Customers	Eligible Projects
On-Bill Repayment (>1.5 million kWh)	RIE	0%	Up to 5 years and 7-10 years for State facilities	Ratepayers	C&I	Energy Efficiency
On-Bill Repayment (<1.5 million kWh)	RIE	0%	Up to 5 years	Ratepayers	C&I	Energy Efficiency
On-Bill Repayment (Natural Gas)	RIE	0%	Up to 3 years and 5 years for State facilities	Ratepayers	C&I	Energy Efficiency
HEAT Loan	RIE	0%		Third-party/Ratepayers	Residential	Energy Efficiency, Pre-Weatherization Barriers
Efficient Buildings Fund (EBF)	RIIB	Subsidized, below-market interest rate	Up to 20 years	Ratepayers/Third-party	Municipal/Quasi-public	Energy Efficiency, Renewables

Commercial Property Assessed Clean Energy (C-PACE)	RIIB	Property assessed, typically 6.5%-8.5%	Up to 25 years	Third-party	C&I, C&I Multifamily, Nonprofit	Energy Efficiency, Renewables, EV Chargers, Health & Resiliency

RI Energy Financing Offers

- **On-Bill Repayment (>1.5 million kWh per year)**: repayment of efficiency upgrades through utility bill for up to 5 years and 7-10 years for State facilities. A typical loan size ranges from $1,000 to ~$100,000, and the loan volume varies between $5.0M to $10M per year. Benefits to the customer include no formal credit check/rapid approval, on bill repayment, and zero interest.
- **On-Bill Repayment (<1.5 million kWh per year)**: repayment of efficiency upgrades through utility bill for up to 5 years. A typical loan size ranges from $500 to $50,000, and the loan volume is variable between $1.8M and $3.0M per year. Benefits to the customer include no formal credit check/rapid approval, on-bill repayment, and zero percent interest.
- **On-Bill Repayment (Natural Gas)**: repayment of efficiency upgrades through utility bill for up to 3 years and 5 years for State facilities. A typical loan size ranges from $1,000 to $100,000, and the loan volume is variable between $1.0M and $1.5M per year. Benefits to the customer include no formal credit check/rapid approval, on-bill repayment, and zero percent interest.
- **HEAT Loan**: RI Energy buys down interest to 0% for qualified residential customers to cover upfront costs associated with energy efficiency upgrades, allowing customers to spread upfront costs over multiple years. The EnergyWise Single Family, Multifamily, and HVAC programs pay the negotiated interest for the customer cost portion of the loan. The Capital Good Fund (the lender of last resort) provides financing to customers with lower credit scores. There were 471 loans processed in 2025 totaling approximately $5.1 million in financing towards project costs.

Other EE Financing Offers

- **Efficient Buildings Fund (EBF)**: since 2015, RIE, OER, and RIIB have been working together to leverage system benefit charge (SBC) funds and drive energy improvements in facilities in cities and towns across Rhode Island. Eligible projects include any measures that will conserve energy or produce clean energy. Projects are awarded financing based on their ranking on the OER's Project Priority List, readiness to proceed, and subject to credit approval and the availability of funds. The EBF has supported 26 projects to municipalities, loaning out over $75 million to support a variety of energy efficiency and renewable energy projects, these will deliver approximately $110 million in savings over the lifetime of the installed measures.
- **C-PACE (Commercial Property Assessed Clean Energy)**: provides long-term, fixed-rated financing for building upgrades in C&I properties. Customers repay the financing through an assessment on the property. Energy cost savings typically outweigh the payment enabling a cash-flow-positive project. Since the program was adopted in Rhode Island in 2015, 44 projects

have been completed totaling over $250 million in energy efficiency and renewable energy for businesses.