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Karen Bradbury  
Administrator, Energy Legislation & Programs  
Rhode Island Office of Energy Resources  
Comments emailed to [Karen.Bradbury@energy.ri.gov](mailto:Karen.Bradbury@energy.ri.gov)

## Comments on HER program proposal, August 2024

To Whom It May Concern:

Thank you for the opportunity to comment on the ongoing development of Rhode Island's Home Energy Rebate Programs. On July 31<sup>st</sup>, we appreciated hearing directly from the Office of Energy Resources regarding Rhode Island's program design proposal for the Home Efficiency Rebates (HER) program.

We recognize the administrative ease of providing an additional Clean Heat Rhode Island (CHRI) program pathway which narrowly targets low-income multifamily customers for heat pump conversions. We applaud the effort to go above and beyond the funding requirements (40% of benefits towards low-income homes) to leverage 100% of funds to address tenant-occupied, potentially lower quality low-income housing throughout the state. This aligns with a targeted universalism approach by first assisting portions of Rhode Islanders and the housing stock that will be particularly challenging to transition to heat pumps. With the focus on low-income multifamily units, attention should be given to ensuring that energy savings accrue to tenants and that protections are in place to avoid rent increases and displacement following improvements, particularly among private landlords. Given the current affordability concerns regarding electricity compared to gas, we also understand the prioritization of delivered fuel customers at this time.

However, to achieve the Act on Climate, we must upgrade everyone to efficient clean heating, including low-income gas customers. Therefore, the state must evaluate how utility rates can support electrification while protecting low-income households. Solutions such as a percentage of income payment plan (PIPP), heat pump discount rates, and solar to reduce energy costs, must be considered to ensure a just transition to electrification. This HER CHRI program pathway could be an ideal opportunity to pilot a PIPP for program participants, which limits future energy burdens to 6% for a period of time following the heat pump retrofit.<sup>1</sup> We are interested in knowing how much existing, low-income, multifamily housing stock is in fact heated with delivered fuels rather than gas and advise that the office determine that number before finalizing the program. In particular, it may be a challenge to meet the 40% threshold for disadvantaged communities as defined in the Climate and Economic Justice Screening Tool, due to the prominence of the gas system in these areas.

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<sup>1</sup> Can HER funds be expended for a time-limited PIPP pilot for program participants, particularly low-income customers transitioning from gas heating?

Additionally, we agree that weatherization is a first step and should be a requirement for accessing the program. However, the inadequacy of funding for pre-weatherization barriers presents a significant obstacle. We encourage the office to continue to pursue a variety of funding sources to resolve pre-weatherization barriers in addition to funding the actual heat pump and installation. To the greatest extent possible, any such supplemental funding sources should be directly embedded within the application/eligibility process for HER/CHRI - to reduce duplicative applications, increase customer awareness, and encourage paid program enrollment where feasible.

Further, we urge that the Office of Energy Resources set a state-specific target for heat pump adoption by 2030 for both the residential and commercial building stock. It is critical to place this HER proposal and the Clean Heat RI program into the context of the larger shift of the market and the greenhouse gas emission reductions necessary to achieve the Act on Climate. We recognize and applaud Rhode Island's participation in various multi-state agreements and programs, such as the Heat Pump Accelerator Program and the nine-state goal, coordinated by NESCAUM, to achieve 65% market penetration for heat pumps by 2030 and 90% by 2040. However, the multi-state nature of these initiatives does not hold Rhode Island accountable to specific market shifts within the state or goals that align with the Act on Climate.

Thank you for your consideration of this feedback on Rhode Island's Home Efficiency Rebates (HER) program.

Sincerely,

Emily Koo  
Senior Policy Advocate and Rhode Island Program Director  
Acadia Center  
[ekoo@acadiacenter.org](mailto:ekoo@acadiacenter.org)

Amanda Barker  
RI Policy Advocate  
Green Energy Consumers Alliance  
[Amanda@greenenergyconsumers.org](mailto:Amanda@greenenergyconsumers.org)