



Advancing the Clean Energy Future

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Comments on 2025 Annual Energy Efficiency Plan Second Draft

To Whom It May Concern:

Thank you for the opportunity to submit comments and feedback on Rhode Island Energy (“the Company”)’s 2025 Annual Energy Efficiency Plan Second Draft (“2025 EE plan”). Through participation in the development of the 2025 EE Plan, the Energy Efficiency Technical Working Group (TWG) and Energy Efficiency Equity Working Group (EWG) meetings, and during public comment opportunities before the Energy Efficiency Council (EEC), Acadia Center seeks to focus on energy savings as a core consumer and energy system resource, while also centering climate, environmental justice, and electrification goals.

Increase Spending and Savings Targets

Rhode Island must expand efficiency investment levels and energy savings goals to ensure deeper savings and benefits for all. The Company’s budgets prioritize reduced electric and gas bill pressure on customers. Acadia Center urges the Company to consider a more holistic view of energy bills and costs, such as the reduction of delivered fuel costs that may result from weatherization or increased electric/gas usage. Additional weight may also be placed on the health and climate benefits of increasing the uptake of energy efficiency programs throughout the state.

In Section 7.2’s comparison of the 2025 EE plan to the three-year plan, we see that the Company decreases the savings, benefits and costs for its electric and gas portfolios. A comparison of 2025 goals with the proposed EEC targets also demonstrates significantly lower planned values of lifetime MMBtu and lifetime MWh savings across sectors. Overall, the Company’s proposed energy efficiency portfolio budgets for 2025 are nine percent lower than the final approved budgets for 2024. Acadia Center has deep concerns with the level and lower budget numbers proposed by the Company, and asks for higher goals and more spending on these highly cost-effective energy efficiency programs.

While the overall gas portfolio budget has been lowered, the Company does propose a significant increase (60%) of energy savings goals for gas income eligible customers. We would like to see the proportion of gas expenditures which are for new gas equipment versus weatherization or control measures. While weatherization has value regardless of heating fuel type, particularly for income eligible customers, investments in new gas equipment are counter to Rhode Island’s climate goals.

In addition, IRA and other federal funding sources should not be expected to displace or supplant, but rather should supplement energy efficiency programs. Energy efficiency spending and savings targets should continue to expand while federal funding helps to fill in the gaps associated with existing programs, such as pre-weatherization barriers and fuel switching.

Focus on Lower Quality Housing and Health Impacts

Acadia Center also draws attention to and calls on the Company to ensure that efficiency programs target improvements to lower quality housing. The most underserved populations (including low- and moderate-income, renters, and non-English speaking) tend to live in poorer quality housing with pre-weatherization barriers (such as mold or asbestos) or absentee landlords, preventing them from being treated by efficiency programs. Poor insulation and emissions from heating and cooling systems negatively impact indoor air quality, exposing residents, especially in poorly ventilated buildings, to toxic pollutants. These communities are most affected by long-standing environmental justice issues, and the buildings they inhabit damage their health and waste money.

Acadia Center applauds the Company's emerging collaboration with Health Equity Zones (HEZs) across the state and would like to see these community-based nonprofits provided with sufficient compensation and capacity to hire energy advocates to promote energy efficiency as a key approach to healthy communities. We are interested in learning more about the specific partnership with a local healthcare network to refer patients to free energy audits. These efforts to train community health advocates will be critical to educating residents on the health benefits of energy efficiency. We also urge the Company to directly allocate marketing and outreach funds to the strategies recommended by various community-based workers, advocates and residents, including as a result of the EEC and URI's Community of Practice.

Further, Acadia Center urges the Company to develop the capacity to track not only the impact and effectiveness of these health-based outreach strategies on efficiency programs, but also on improving health outcomes. Quantitative and/or qualitative health data may reveal important information on the extent of the health and safety concerns facing customers and whether those concerns are being addressed (or not) by efficiency programs. Acadia Center recommends tracking those customers that have energy insecurity and shutoff concerns (which may be better supported by utility programs) and defining specific categories of health concerns associated with low-quality housing and poor indoor air quality. This data will have overlap with the prevalence and resolution of certain pre-weatherization barriers, which the Company is also beginning to track in quarterly reports.

Align Efficiency Programs with Act on Climate

Efficiency is a fundamental component of meeting the state's emissions targets. As the most recent statute, the Act on Climate should be a guiding principle for the Company's energy efficiency programs. Rhode Island's 2022 Climate Update frames the weatherization of buildings as key to the decarbonization of the thermal sector by decreasing energy demand – it emphasizes the need for the program administrator to not only continue energy efficiency programs but also to expand weatherization in order to capture additional energy savings. The 2016 Greenhouse Gas Reduction Plan specifically highlighted the need to expand access to energy efficiency for delivered fuel customers. In contrast, the 2025 EE Plan scales back weatherization for delivered fuel customers. As mentioned above, the increase in planned gas HVAC equipment in 2025 from 2024 is counter to the Act on Climate.

The Technical Analysis produced by E3 for Rhode Island's Investigation into the Future of Gas in April of 2024 identifies six economy-wide decarbonization scenarios to reduce emissions from the gas distribution system. "To achieve the Act [on Climate], all scenarios rely on significant energy efficiency measures, such as building shell

retrofits, that far exceed the state’s rate of adoption today.”¹ Aggressive assumptions around weatherization adoption are incorporated into both the reference scenario and all decarbonization pathways. As such, the Company must design its energy efficiency programs in alignment with the reduction in energy demand assumed and required by this critical technical analysis. “Across all pathways, final energy demand decreases between 40-50% compared to today by 2050 as a result of weatherization, appliance efficiency, and electrification.”²

Further, Acadia Center recommends that the Company approach customer bill affordability more expansively and creatively in order to simultaneously pursue economic and climate benefits. The electrification and decarbonization of our building stock must be pursued in tandem with affordability. Downward pressure on energy costs may include not only electric and gas rates, but also other sources of energy savings. The Company should proactively pursue a variety of solutions to stabilize the cost of electricity, particularly for low-income and gas customers, such as a percentage of income payment plan and heat pump discount rates. Without such controls, both low-income and gas customers are being left behind in the transition to clean heating.

Sincerely,



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¹ Energy+Environmental Economics (E3). “Rhode Island Investigation into the Future of the Regulated Gas Distribution Business.” Technical Analysis Report, Docket 22-01-NG. April 2024.

² Energy+Environmental Economics (E3). “Rhode Island Investigation into the Future of the Regulated Gas Distribution Business.” Technical Analysis Report, Docket 22-01-NG. April 2024.