

# RI Climate Action Strategy and Comprehensive Climate Action Plan

Final Webinar

December 19, 2025

RIEC<sup>4</sup>



# Contents

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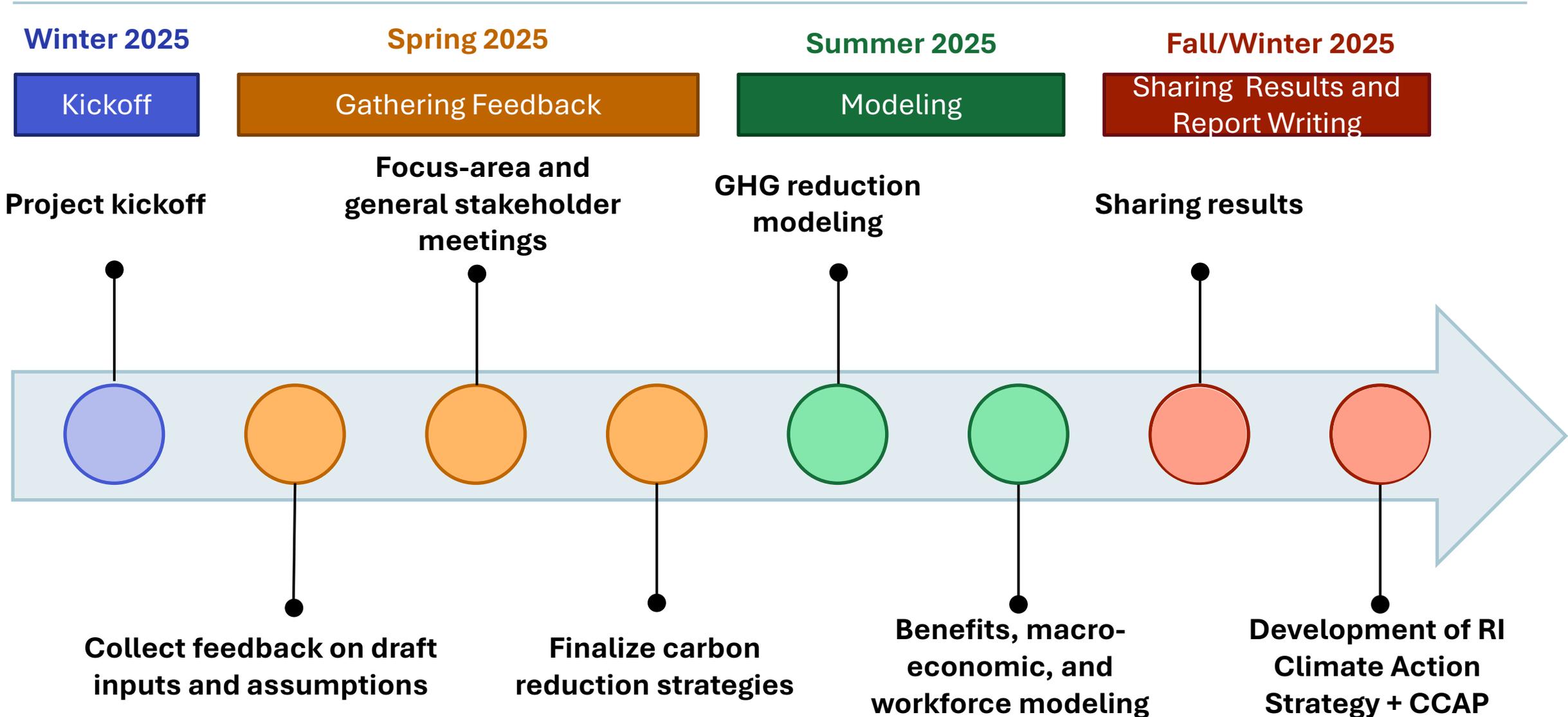
- + **Update on RI Climate Action Strategy**
- + **Study key findings**
- + **Overview of feedback on Executive Summary**
- + **EC4 options for implementation**
- + **Next steps**

# RI 2025 Climate Action Strategy / Approval Process

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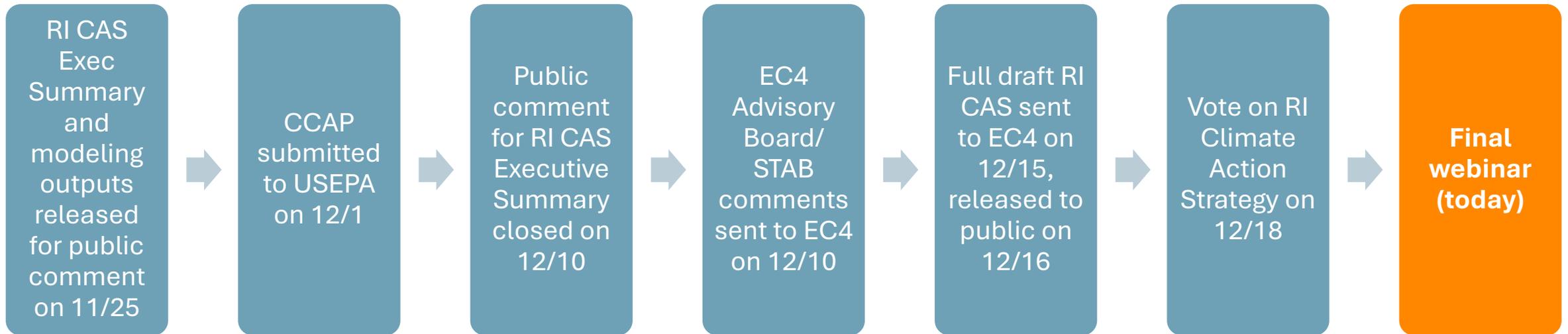
- + **Goal: Develop a Strategy that meets the requirements as outlined in the Act on Climate & submit it to the Governor/General Assembly no later than 12/31/25**
- + **Acknowledged the changing federal landscape + uncertainty that unfolded throughout 2025**
- + **Approved by the EC4 on 12/18**
- + **Submitted to the Governor & General Assembly leadership next week**
- + **Updated, graphically designed report coming in Q1 2026**
- + **Engagement with Governor & General Assembly on implementation options beginning in January**
- + **Anticipate discussion by key legislative committees/commissions also beginning in January**

# Project Status and Timeline



# Process for Final Deliverables

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## **Study Key Findings**

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# Overview of Key Findings

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- 1. If successfully implemented, current state laws and policies can help RI meet its 2030 GHG reduction target; but uncertainties remain**
- 2. Achieving the 2030 target will depend on continued compliance with the Rhode Island RES and ongoing decarbonization of the ISO-NE grid**
- 3. There are many near-term GHG reduction strategies RI can pursue to get a head start on deeper reductions for future climate goals and keep progress toward 2030**
- 4. Meeting climate goals will shift the way Rhode Islanders use technology and energy**
- 5. Rhode Island's energy system is expected to transition from direct fossil fuel use toward increased electricity demand**
- 6. Economy-wide decarbonization entails costs, but the estimated societal benefits of reducing GHG emissions are estimated to outweigh the costs**
- 7. Decarbonized technologies vary in cost – some, like EV charging, are often cheaper, while others may require support to be competitive**
- 8. Climate action is projected to deliver public health benefits for RI**
- 9. Rhode Island's clean energy economy will add thousands of new jobs by 2035**
- 10. The RI Climate Action Strategy can advance equity if the risks and barriers are considered and addressed**

# 1. If successfully implemented, current state laws and policies can help RI meet its 2030 GHG reduction target; but uncertainties remain

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## + Emissions reductions in the Current Policy scenario are driven by:

- The **Renewable Energy Standard (RES)**, which requires that 100% of retail electricity sales are met with renewable sources by 2033
- Existing **State Energy Efficiency Programs**, which encourage weatherization and appliance efficiency upgrades in buildings
- Existing state heat pump incentive programs like **Clean Heat RI**, which encourages heat pump adoption in buildings
- Existing state electric vehicle and bicycle incentives such as through the **DRIVE EV** program
- High levels of zero emission vehicle (ZEV) adoption in line with the **Advanced Clean Cars II (ACCII) and Advanced Clean Trucks (ACT) rules**, which are requirements for automakers to sell a growing percentage of new zero-emission vehicles over time
- Maintenance of the natural land sink to sustain continued carbon sequestration at 0.75 MMT CO<sub>2</sub>e per year

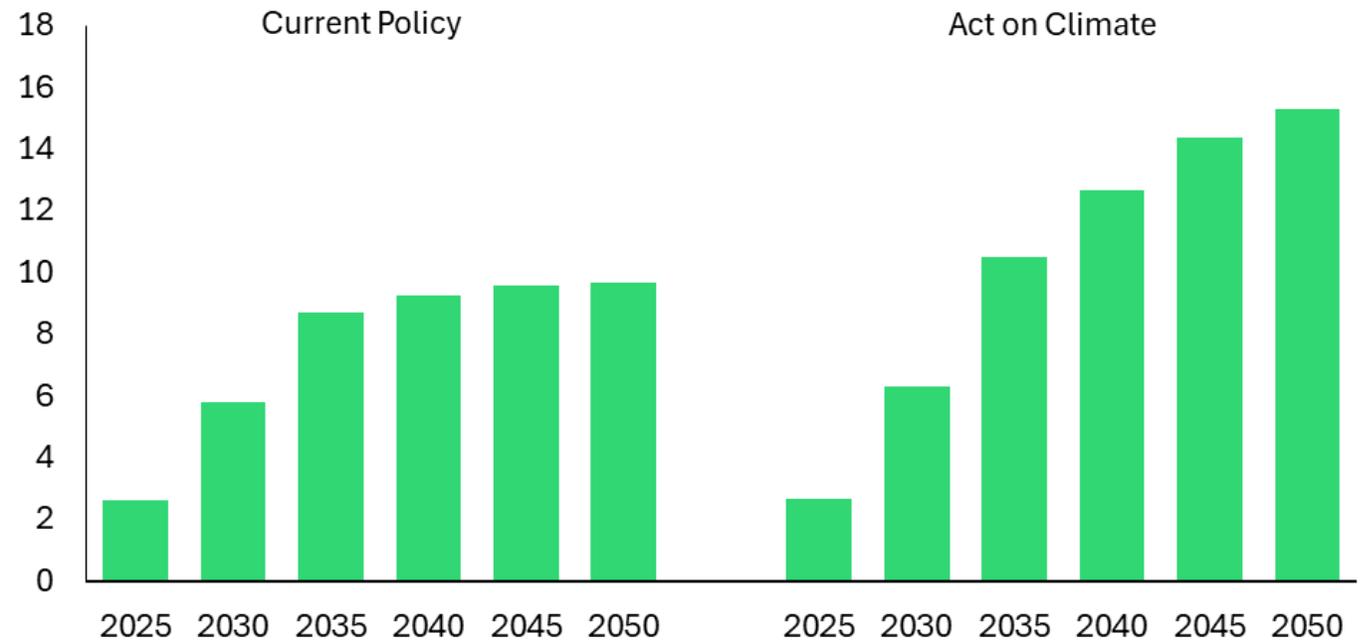


## 2. Achieving the 2030 target will depend on continued compliance with the Rhode Island RES and ongoing decarbonization of the ISO-NE grid

- + Rhode Island's RES requires that electricity sold to RI end-use customers come from a minimum percentage of renewable energy, increasing to 100% in 2033
- + When combined with rising electricity demand, increasing RES requirements lead to a significant increase in total renewable electricity that must be procured for RI – increasing from 2 TWh in 2025 to 9-11 TWh by 2035
- + The carbon emissions associated with electricity used in RI depends on the overall generation mix across New England – any electricity that is not covered by the RES policy is assumed to come from a mix of system power in New England

### Renewable Electricity Generation Needed to Meet RES by Scenario

Renewable Generation (TWh)



### 3. There are many near-term GHG reduction strategies RI can pursue to get a head start on deeper reductions for future climate goals and keep progress toward 2030



Sector	#	Strategy	Description
Transportation	1	Public Fleet Electrification	RI's greatest opportunities to cut transportation emissions lie in <b>reducing overall driving and accelerating the transition to zero-emission vehicles</b> . The state can explore strategies such as ACCII/ACT, public transit improvements, maintained/adjusted EV incentives, and supportive EV charger infrastructure.
	2	Travel Pricing Mechanisms	
	3	NEVI Charger Funding	
	4	Transit & School Bus Electrification	
	5	Mode Shift and Transit	
	6	Maintain and Adjust State EV Incentives	
	7	Advanced Clean Trucks (ACT)	
	8	Advanced Clean Cars II (ACCII)	
Buildings	9	All Electric New Construction	Decarbonizing RI's building sector will require <b>accelerating electrification and efficiency</b> . The state can pursue strategies such as maintained/adjusted existing efficiency and heat pump incentive programs, continued involvement in the HP accelerator program, and potential new programs like a BPS or CHS.
	10	Maintaining/Adjusting Existing State EE Program Incentives	
	11	Increased Pre-Weatherization + Whole Home Electrification Program	
	12	Government Building Decarbonization	
	13	New England Heat Pump Accelerator	
	14	Building Performance Standard (BPS)	
	15	Clean Heat Standard (CHS)	
Industry	16	Large Facility Emissions Standards	Strategies such as facility standards and off-road renewable fuel blending can help decarbonize industry.
	17	Off Road Fleet Renewable Fuel Blending Requirements	
Waste	18	Organic Waste Diversion	A key strategy for waste emissions is organic waste diversion through anaerobic digestion or composting.

# 4. Meeting climate goals will shift the way Rhode Islanders use technology and energy

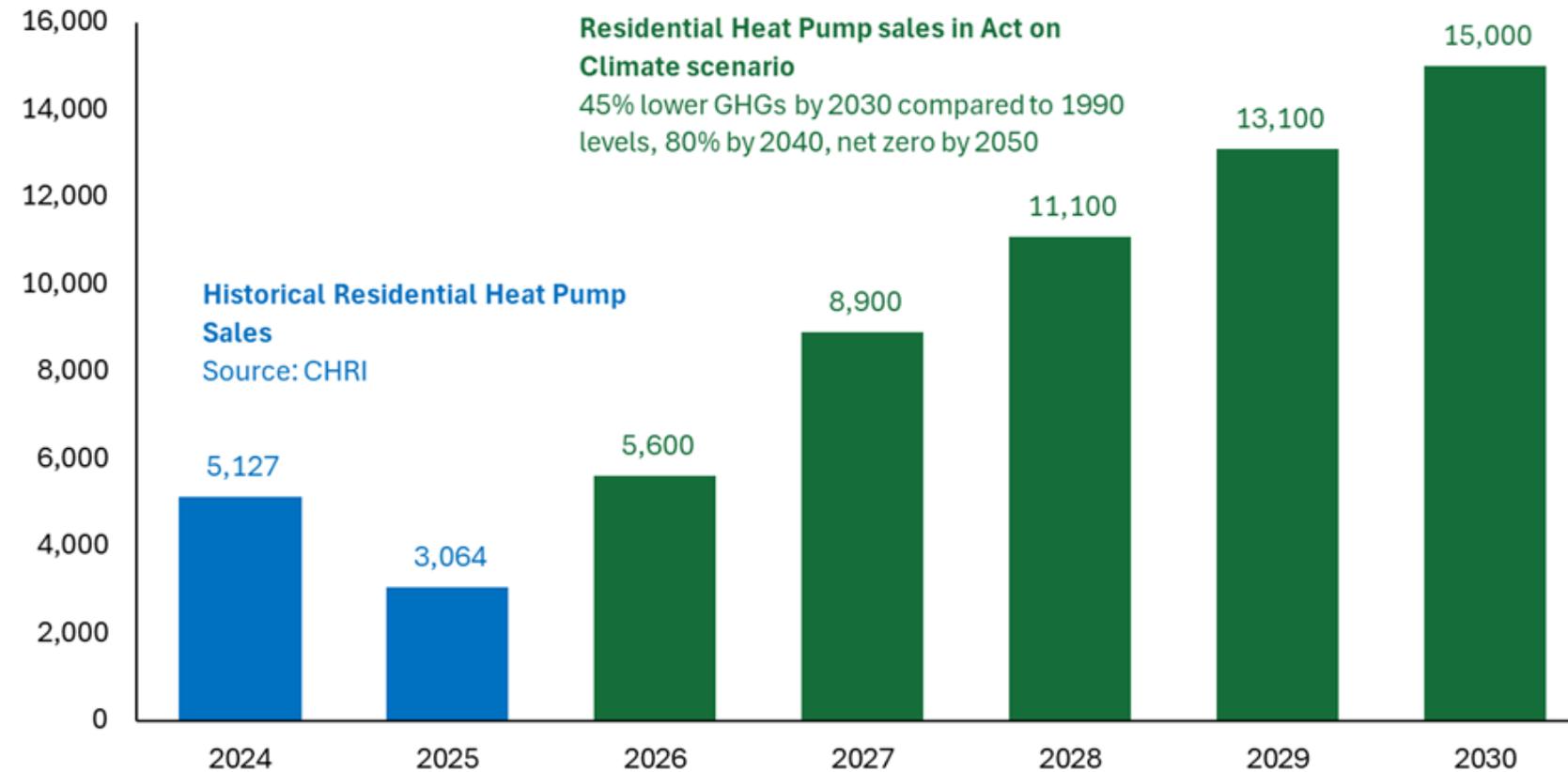


## Impact on space heating and heat pump adoption

### Annual Heat Pump Sales in Act on Climate Scenario

#### HP Sales in Act on Climate scenario

Annual Heat Pump Sales



An increase in annual heat pump sales between now and 2030 is required to reach GHG mandates as set out in the Act on Climate

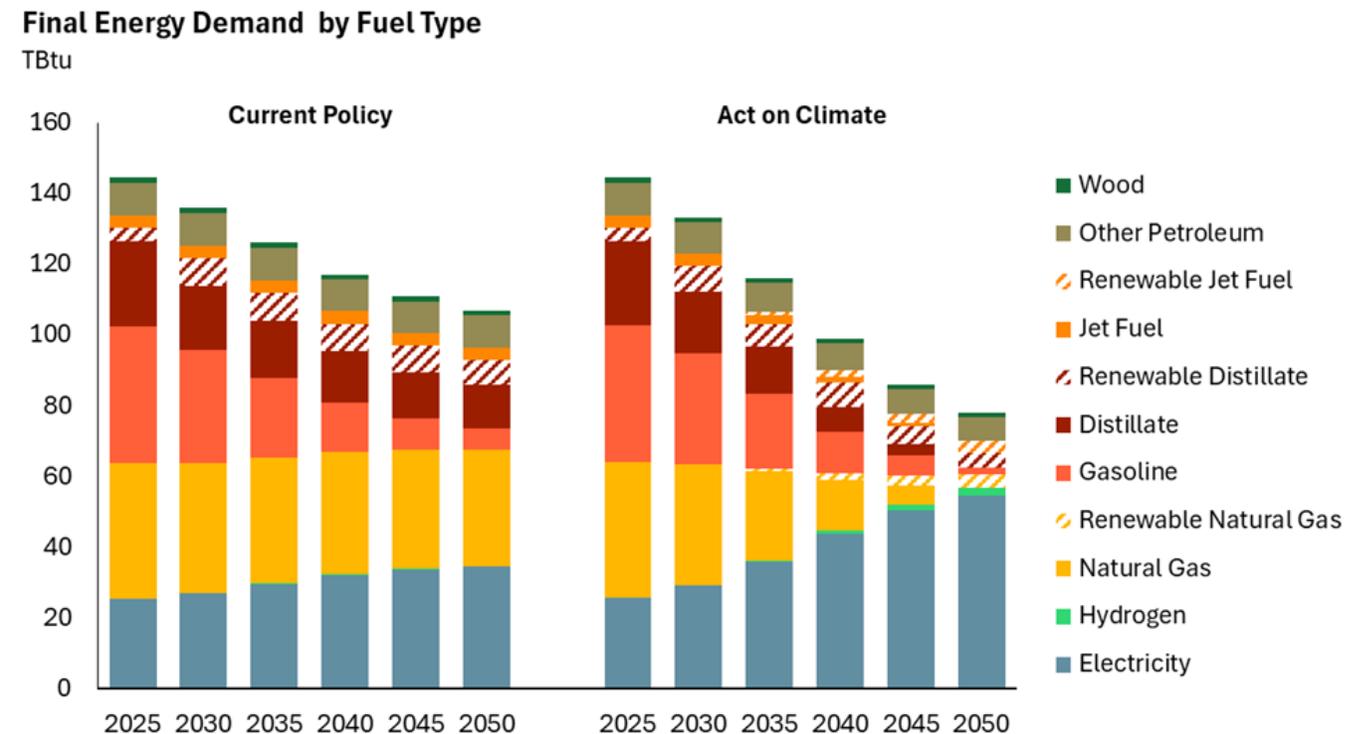
Heat pump sales over the next five years are expected to be bolstered by incentives from Clean Heat Rhode Island Program, Home Efficiency Rebate Program, and the New England Heat Pump Accelerator Program, but additional programs/regulations may be needed to achieve sales levels modeled in the Act on Climate scenario

Note: historical heat pump sales are based on Clean Heat RI program data and may not capture every heat pump adopted in the state.

## 5. Rhode Island's energy system is expected to transition from direct fossil fuel use toward increased electricity demand

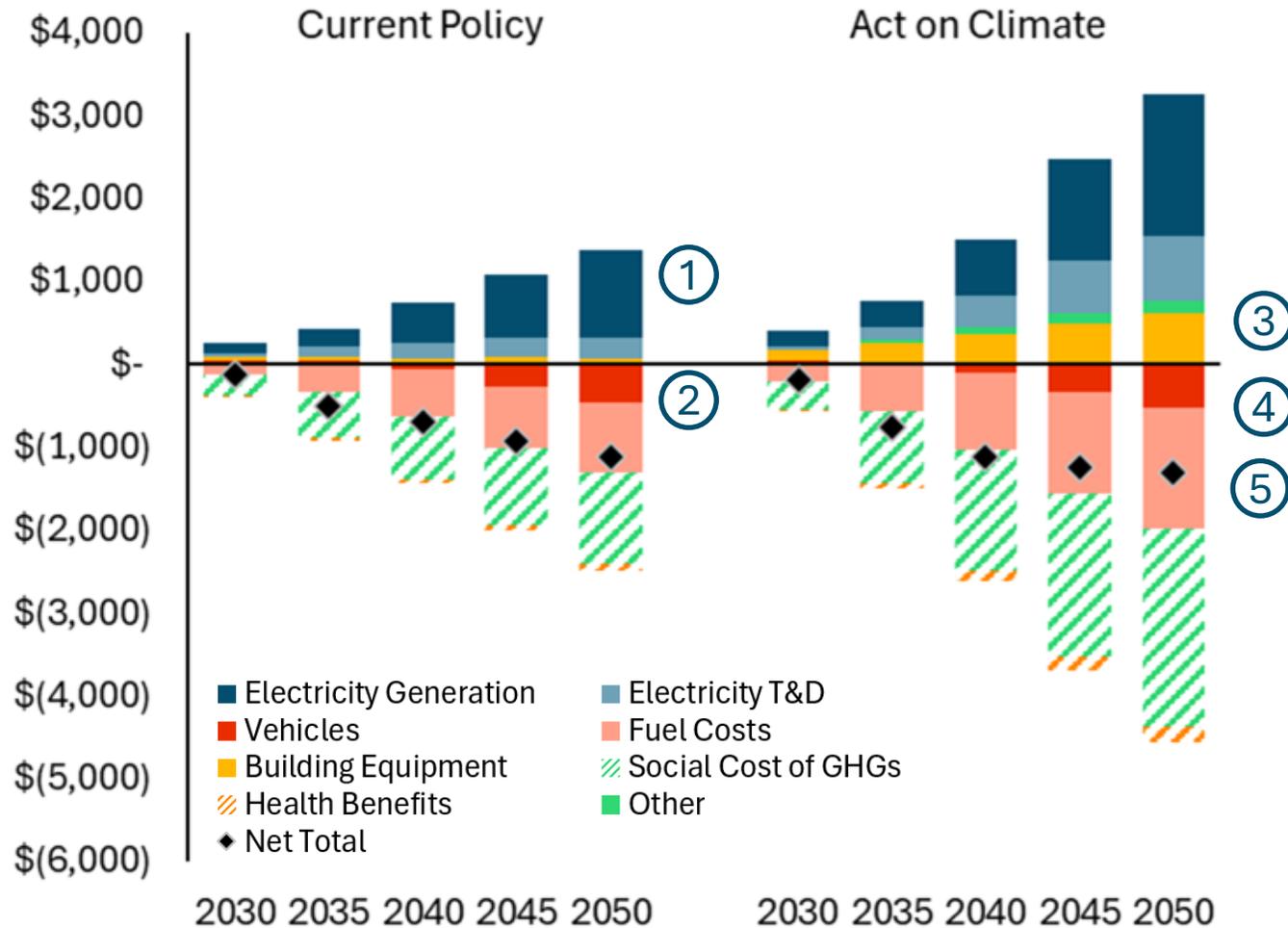
- + In the Current Policy scenario, the primary driver of changes in energy demand over time is the reduction in gasoline and increase in electricity demand due to the adoption of EVs in line with ACCII and ACT
- + In the Act on Climate scenario electricity demand rises, and there is a decline in all fossil fuels – such as natural gas and distillate from building decarbonization, and gasoline from transportation electrification
- + In both scenarios, there is a decrease in overall total energy demand due to energy efficiency programs and because heat pumps and EVs are much more efficient (3-4x) than traditional furnaces/boilers and gas-powered cars

### Final Energy Demand by Fuel Type and Scenario (TBtu)



## 6. Economy-wide decarbonization entails costs, but the estimated societal benefits of reducing GHG emissions are estimated to outweigh the costs

Million 2024\$



### Key Takeaways:

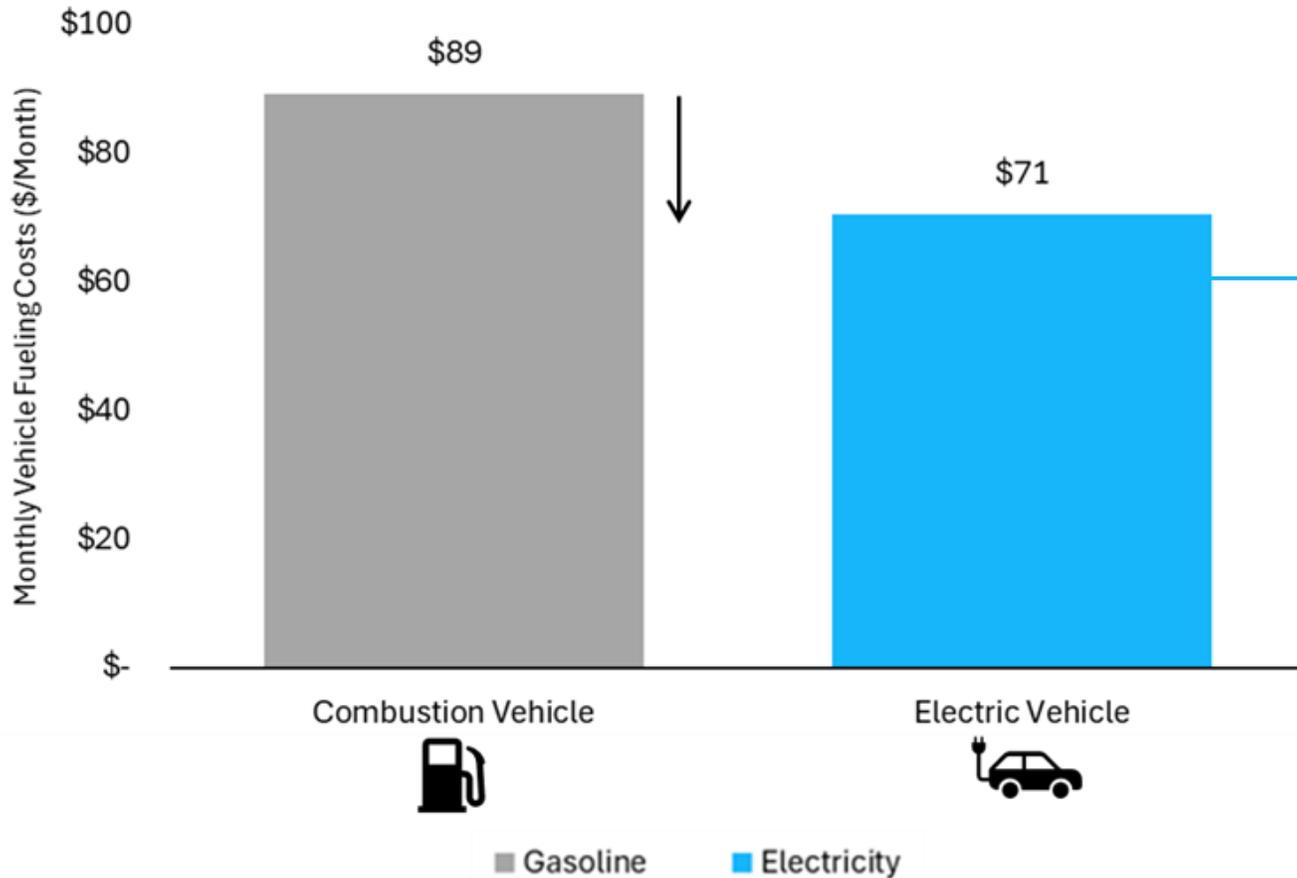
- Both scenarios see **increased spending on electricity** generation and transmission and distribution (T&D) compared to business-as-usual
- EVs are predicted to become cheaper than combustion vehicles by the late 2030s**, and this combined with lower maintenance costs leads to net savings on vehicle spending
- The increased cost of heat pumps vs fossil equipment means **scenarios with high building electrification require higher spending on building equipment**
- All scenarios have **lower spending on conventional fuels due to electrification**
- Decarbonizing RI's economy shows net benefits when the societal cost of GHGs and reduced air pollution is included**

Notes: • The "Vehicles" category includes the cost of EVs, chargers, and the avoided costs of not buying/maintaining combustion vehicles  
 • Social cost of carbon discount rate used is: 2%

# 7. Decarbonized technologies vary in cost – some, like EV charging, are often cheaper, while others may require support to be competitive

## Fuel costs for EV vs. combustion vehicle

### Monthly Vehicle Energy Costs in 2025 (2024\$/Month)



The *fueling costs* for an electric vehicle are lower than a combustion vehicle in 2025 and 2030 due to the higher costs of gasoline.

There are also ~\$360/year additional savings from avoided operations & maintenance.

#### Notes:

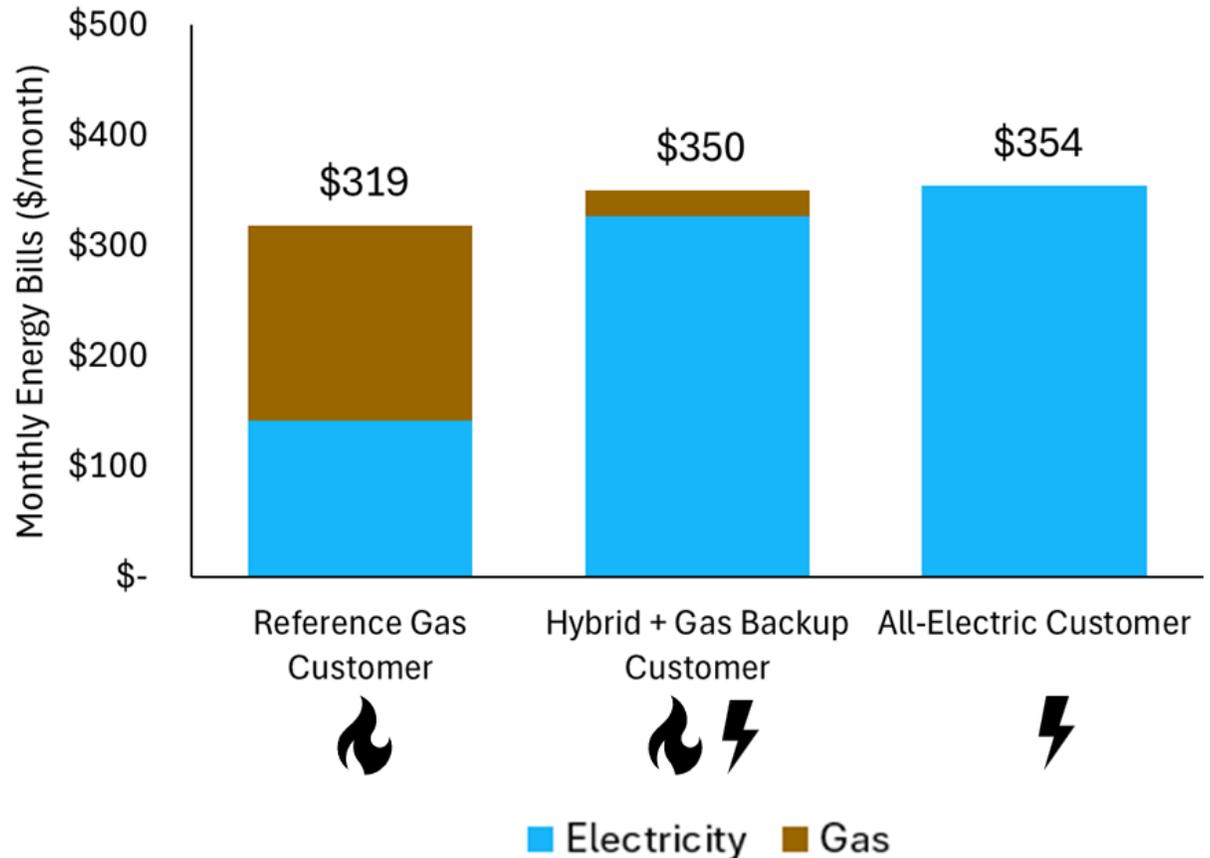
- EV charging can offer savings compared to gasoline vehicles, but actual benefits will depend on factors like vehicle efficiency, driving patterns, and charging behavior.
- This analysis assumes gasoline prices of \$2.88/gallon in 2025 and \$3.36/gallon in 2030 (real 2024\$) and internal combustion engine efficiency of 27.10 miles per gallon
- Results shown assume rates in the Act on Climate scenario

## 7. Decarbonized technologies vary in cost – some, like EV charging, are often cheaper, while others may require support to be competitive

### Monthly home energy bills for gas vs. electric customer

- + Current rates may lead to bill increases for gas customers adopting a heat pump; actual impacts will vary by building age, efficiency, and other site factors
- + The forthcoming PUC RI Future of Gas Policy Report and existing Technical Analysis take a deeper dive into bill impacts
- + Strategies such as alternative electric rate structures, energy efficiency retrofits, advanced meters, and smart thermostats can help mitigate the bill increases after electrification
- + Several states are already exploring heat pump-friendly rates to reduce operating costs for electrifying customers
  - Maine and Massachusetts have established seasonal heating rates
  - California has shifted some costs into a monthly fixed charge and reducing variable rates

### Monthly Home Energy Costs in 2025 (\$/Month)

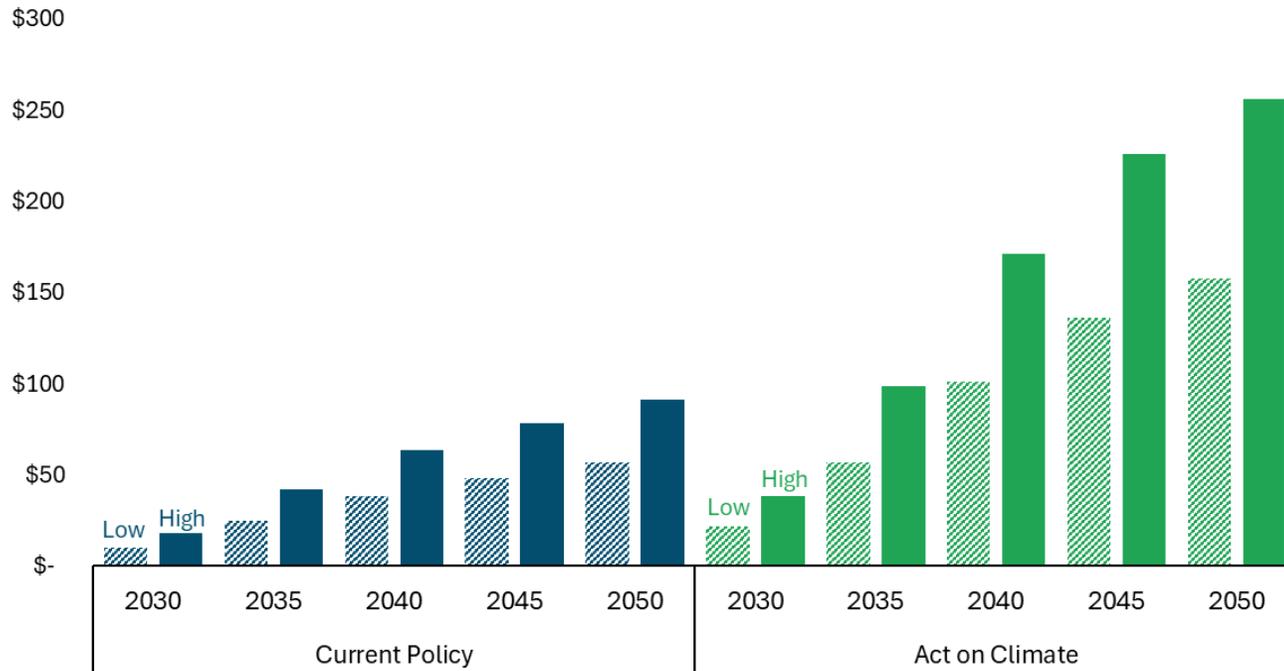


Notes:

- These results are not representative of all customers in RI. Results for individual customers will depend on site specifics
- Results shown for single family home with gas/electric rates under the Act on Climate scenario

# 8. Climate action is projected to deliver public health benefits for RI

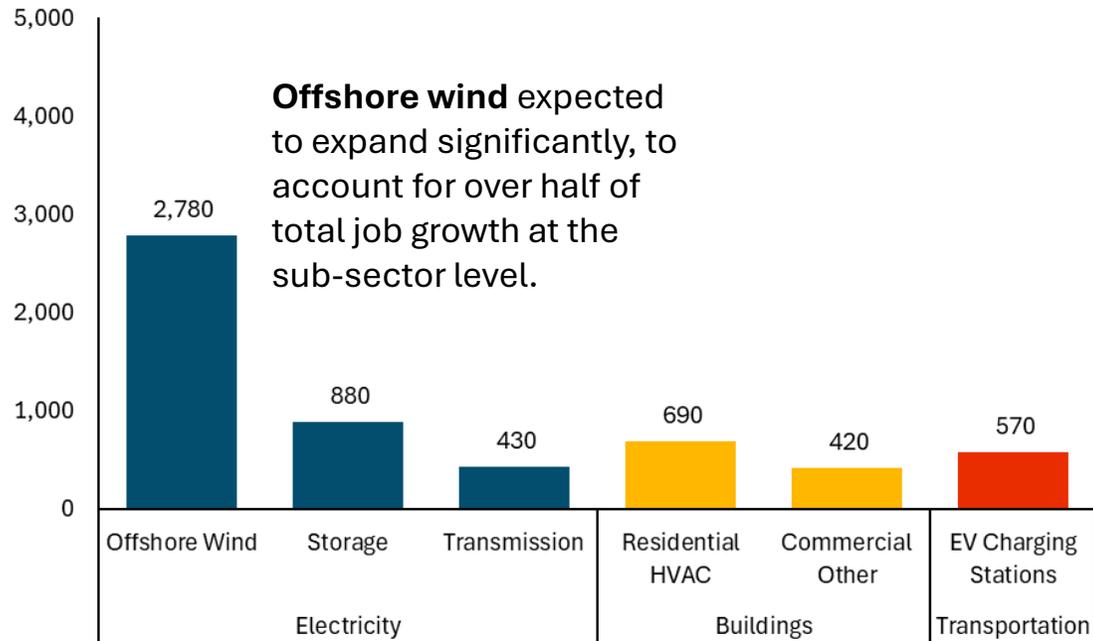
Annual Health Benefits by Year and Scenario (2024 \$M)



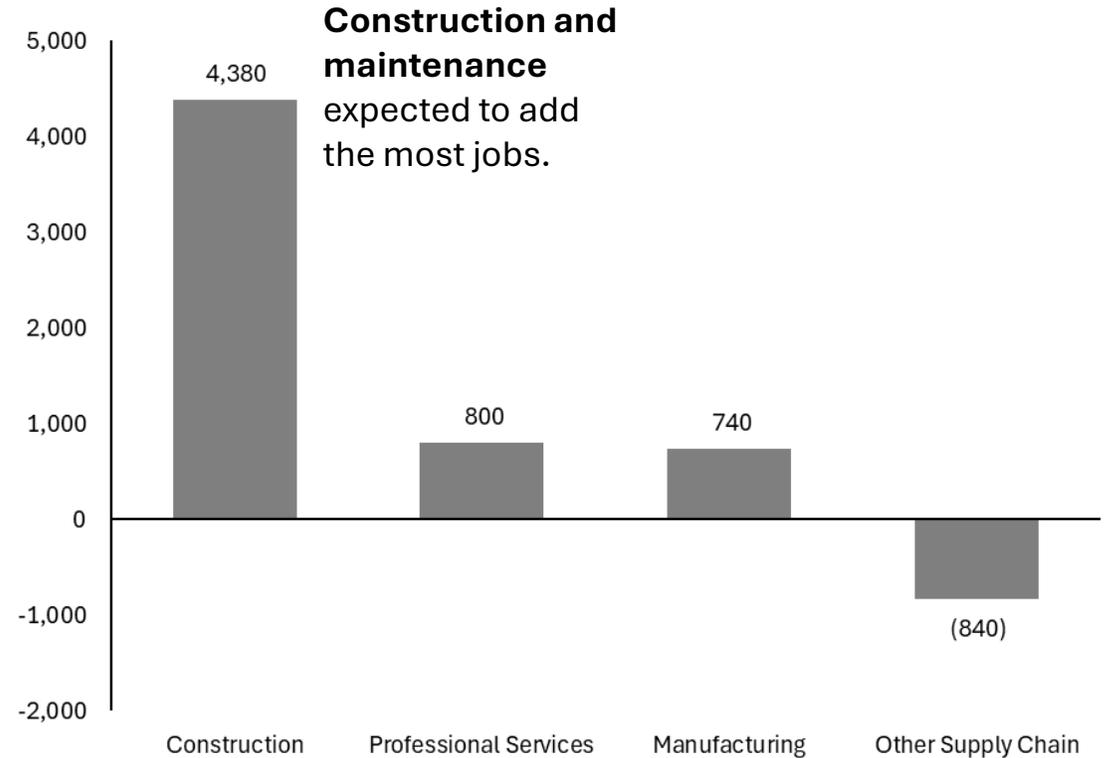
- + Climate action in Rhode Island can improve public health in RI by lowering exposure to fine particulate matter (PM2.5) and ozone (O3)
- + Most avoided health impacts include instances of acute respiratory symptoms, asthma symptoms, and asthma exacerbation
- + High estimates of the economic value of improved health in each scenario is substantial: nearly \$100M per year in 2050 in the Current Policy scenario and \$250M per year under the Act on Climate scenario

# 9. Rhode Island's clean energy economy will add thousands of new jobs by 2035

Growth by Subsector, 2023-2035



Energy Employment Projections by Value Chain, 2023-2035



Note: Offshore wind capacity projections reflect modeling assumptions that the current federal leasing and permitting restrictions would be resolved within the next several years. Under this assumption, new OSW project timelines were shifted approximately five years later than initially planned, rather than eliminated entirely. This approach assumes continued progress toward lifting the federal ban, as well as recent developments such as Ørsted's successful legal challenge allowing work on the Revolution Wind project to proceed.

# 10. The RI Climate Action Strategy can advance equity if the risks and barriers are considered and addressed

## Potential Risks & Equity Considerations

- **High upfront equipment costs** can be a barrier for low-income households, even with rebates.
- **Tenants have limited control** over property upgrades and associated health, comfort, and monetary benefits.
- **Gaps in EV charging infrastructure** can limit adoption and benefits from transportation electrification.
- **Targeted training programs** and wraparound services are needed to ensure equitable job access.
- **Trusted and comprehensive information** about available programs and career pathways is needed for residents to make career decisions.
- **Home upgrades increase property values**, increasing risk of gentrification and displacement.

## Potential Benefits & Equity Opportunities

- **Maintaining and expanding incentive programs** can reduce upfront costs for EE and electrification.
- **Pre-weatherization and whole home upgrades** could address health and safety barriers that prevent participation in existing programs.
- **Improved public transportation** (enhanced routes, frequency, and affordability) improves mobility and reduces GHGs.
- **Creation of high-quality, local jobs** in clean energy, electrification, and infrastructure, especially with workforce pipelines in EJ areas.
- **Air quality improvements** from reduced fossil fuel use benefits communities with higher asthma and health risks.
- **Expanded climate education** can build understanding of societal benefits and encourage residents to participate.

# **Overview of Feedback on Executive Summary**

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# Feedback received

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**+ 60 responses captured in SmartComment ranging between two sentences to detailed memos**

**+ Top four concerns were the following:**

1. Call for Clear Implementation Plan:
  - Commenters called for specific actions, timelines, agency roles.
2. Call for sector-specific GHG reduction targets:
  - The strategy provides information to support such targets, which would need to be set in coordination with other RI agencies and regulatory bodies
3. The plan is optimistic given headwinds:
  - EV adoption: ACCII/ACT uncertainty
  - Heat pump adoption: Need more programming to achieve projected adoption
  - Renewable Energy Standard: Clean energy market shifts present new risks
4. Greater Transparency Requested in Modeling Inputs & Assumptions
  - All input, model output data, and methodologies are posted for the public

## **Options for Implementation**

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# Options for Implementation Identified in Draft Strategy

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- + Renewable Energy Standard (RES): Recent federal policy changes and market disruptions are increasing the cost of RES compliance for Rhode Island ratepayers and warrant a reassessment of the program's structure to ensure an affordable path to decarbonization. The State should consider updates
- + Energy Efficiency and Renewable Energy Programs: The State should continue its energy-efficiency and renewable-energy programs, while applying more sustainable investment levels to better align with regional peers.
- + Codify in state law Governor McKee's Lead by Example Executive Order
- + Maximize and deploy all remaining federal energy funds to accelerate installation of EV charging infrastructure, municipal energy efficiency projects and expand access to heat pumps and electric stoves statewide.
- + Continue investing in the Clean Heat RI program
- + Targeted focus on the integration of pre-weatherization energy and energy efficiency funds
- + Pursue a Clean Energy, Green Economy, Resilience Bond on the 2026 ballot
- + Continue investing in the state's EV rebate program, household EV-charging incentives, and electric-bicycle rebates

# Options for Implementation Identified in Draft Strategy

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- + A commercial scale energy storage program is developed and launched by the Office of Energy Resources
- + Ensure the Revolution Wind project comes online in 2026
- + OER initiates a communication campaign promoting RI leadership and progress in availability of EV charging infrastructure
- + Governor McKee appoints Secretary of the Executive Office of Housing to EC4
- + Governor McKee extends voluntary Climate Leadership Challenge to RI businesses
- + DEM and the OER engage with RI auto dealers and large fleet operators on increasing availability of EVs and GHG reductions.
- + DEM works with other states to develop alternatives to EPA models and data sources for GHG inventory calculations
- + RI Department of Education continues implementing school readiness programs
- + RI Department of Transportation continues to calculate and consider GHG impacts in STIP.
- + Capitalize the Rhode Island Infrastructure Bank's Resilient Rhody Fund

# Options for Implementation Identified in Draft Strategy

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- + RI Department of Labor & Training continues to support the Green Energy Workforce Advisory Committee
- + EC4 agencies continue to support community conversations with environmental justice communities
- + The Department of Environmental Management and Commerce work together to explore opportunities to expand organic waste diversion, anaerobic digestion, and the generation of renewable natural gas in Rhode Island
- + DEM works with the University of Rhode Island, farmers, and advocates to expand regenerative agricultural techniques across the state.
- + The RI Public Transit Authority continues flex service, van pool, & “transit for visitors” initiatives
- + As funding allows, the Department of Environmental Management and the RI Public Transit Authority continue transition of public transit and school bus fleets to hybrid and EV buses.
- + DEM pilots and extends battery powered landscaping programs.
- + DEM, with the assistance of other EC4 agencies, publishes an annual report highlighting progress on the policies and programs that are detailed in the strategy along with new policies/programs that are enacted

**Next steps**

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# Next Steps for the Climate Action Strategy + EC4

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- + Deeper review of feedback offered; will inform follow-up discussions & the agenda of the EC4 in 2026
- + Non-technical summary of the Climate Action Strategy
  - Easy-to-read overview for the general public
  - Translation into Spanish
- + Public comment portal (SmartComment) remains open
  - Ongoing opportunity for Rhode Islanders to share feedback
- + All data and technical appendices are posted online
  - Enables transparent review of assumptions and modeling
- + Updated, graphically designed report coming in Q1 2026
  - More user-friendly layout and improved visuals
- + More broadly for the EC4 ➡ complete the 2025 Resilience Plan early next year

**Thank You**

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