
Rhode Island can embrace an energy future that offers lower costs, greater consumer control and achieves significant progress toward state and regional carbon/greenhouse gas (GHG) emissions reduction goals. Indeed, the state has made substantial progress toward an energy system that reduces emissions even while promoting economic growth. This trend must continue and even pick up the pace.

Here's why it is so important. In its [ClimateVision 2020](#), Acadia Center found that the six New England states had met 2010 emissions targets due largely to reductions achieved in the electric generating sector. These same states however are not yet on a clear trajectory to meet 2020 and later goals, including the 80% reduction by 2050. In response, Acadia Center released its [EnergyVision](#) report in February 2014, mapping a pathway to a deep emissions reduction target through interconnected solutions in four areas:

- 1) Substitution of no-/low-carbon electricity in place of fossil fuels in transportation and building heating and cooling;
- 2) Significant increase in renewable electric supply;
- 3) Reform of utility regulatory structures that shape state and regional power grids in order to support electrification, smart energy management, and consumer control;
- 4) Fully maximize investments in energy efficiency.

The transition to a broadly electrified energy system that is low-carbon, efficient, consumer-friendly is already underway. Yet, key policy decisions will determine how quickly and cost-effectively Rhode Island can establish a 21st system that meets our energy and climate mitigation needs. **Acadia Center calls on the new Legislature take action on three key clean energy proposals:**

I. Renew the Least Cost Procurement (LCP) Mandate: Rhode Island has an important commitment to investing energy efficiency as the “least cost” fuel. The Legislature must work now to extend the mandate supporting energy efficiency as a cornerstone of RI’s energy policy when it is up for renewal in 2017. Energy efficiency is significantly less expensive than purchasing electricity from power plants or natural gas from pipelines and offers major economic productivity and employment benefits. By investing in as much low-cost energy efficiency as possible, RI is reducing the cost of doing business in the state and leaving consumers with more money in their pockets. Such consumer savings are often spent right in RI while payments to fossil fuel providers head immediately out of state. Every dollar invested in cost-effective energy efficiency boosts the RI Gross State Product an estimated \$3.60. The state’s LCP mandate ensures that energy procurement decisions maximize the use of the lowest-risk, lowest-cost, and cleanest energy resource—energy efficiency.

II. Use Financing to Enhance---Not Replace---RI’s Nation Leading Energy Efficiency (EE) Programs: New “Green Bank” proposals focus on supporting EE programs only through loan-based financing. Acadia Center believes consumer responses and evaluations over time have shown that financing can be an important tool in overcoming barriers to capital, but in order to address other consumer needs, the “toolbox” must also include strategies like incentives, rebates and technical assistance if EE programs and their resulting cost and energy savings are to continue and flourish:

- **Energy efficiency is a complex energy and economic challenge** and can involve complications from installation of insulation and air sealing to human decision-making behavior and access to new

digital technology. Additional economic challenges involve significant market barriers, multiple fuels with different characteristics, commodity markets, and actions that have varying degrees of cost-effectiveness.

- **Surmounting these challenges requires multiple solutions.** For example, in Connecticut, every C-PACE efficiency financing project to date has also utilized rebates. Experience like this shows that combining energy efficiency financing with financial rebates, incentives, and technical assistance is the best way to ensure that we accomplish RI's energy policy objective: to help all Rhode Islanders---including low-income, residential, small and large business---capture real and measurable energy savings and minimize their (and the state's) overall energy costs.

Rhode Island's nation-leading energy efficiency programs and integrated financing are achieving unprecedented levels of cost-effective energy savings and reaching the vast majority of residents. Indeed, RI has become a model of best practices. Acadia Center recommends that--rather than unravel what is working--we should use additional loan-based financing to enhance our comprehensive energy efficiency programs to make them even easier and more accessible for RI residents and businesses.

III. Advance Electric Vehicles (EVs) to achieve state and regional GHG reduction goals and reduce transportation costs. Based on the current electric mix, an EV today produces less than half the GHG emissions of a comparable gasoline car. EVs provide cost savings for consumer---only 6 cents per mile to drive at current electricity prices---while boosting the regional economy, supporting energy independence, and improving public health. In the future, EVs can serve as a grid resource and improve the energy system. As a member of the Steering Committee and co-chair of a subcommittee for the Zero-Emission Vehicle Working Group run by the Office of Energy Resources, Acadia Center is promoting a comprehensive proposal to remove barriers to EV adoption, and establish consumer incentives for EV purchase including:

- **Provide financial and non-financial incentives** like a substantial consumer rebate for sales and leases;
- **Create a utility framework to increase adoption and maximize benefits** through electricity rate design, demand response and other vehicle-grid integration programs, grid planning and targeted infrastructure investments, and vehicle registry reporting with appropriate privacy protections;
- **Facilitate build-out of charging infrastructure** by eliminating barriers to ownership and operation, providing consumer-friendly rules for charging stations, and ensuring that new construction will have the ability to install charging stations in the future;
- **Educate consumers, businesses, workplaces, dealerships, and municipalities** by promoting the programs to incentivize EV purchases and creating EV events (e.g. ride-and-drives);
- **Lead by example** through the adoption of binding targets for state fleet acquisitions and commissioning a study of electrification opportunities.

Conclusion: These proposals are part of a path that will guide energy infrastructure investments and policies toward a decentralized energy system that is more consumer- and technology-friendly and will bring deep reductions in GHG emissions. The technology is available and will improve rapidly in the years to come. Acadia Center is committed to supporting these proposals through advocacy action, stakeholder collaboration and in-depth economic and emissions analysis. We look forward to working with the Legislature to ensure success of these proposals in order to adopt forward-looking policies, uproot outdated technologies and apply new ways of thinking about energy options.

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