

Office of Energy Resources

Governor's FY 2025 Revised, FY 2026 and
Capital Budget Recommendations

*Staff Presentation to the House Finance
Subcommittee on General Government
March 25, 2025*

Office of Energy Resources

- 2006 Assembly adopted comprehensive energy legislation
 - Created Office of Energy Resources
 - Successor to former State Energy Office
 - Assigned to an existing department for administrative purposes
 - Department of Administration
- Governor's budget reflects Office of Energy Resources as standalone agency

Office of Energy Resources

- Office of Energy Resources
 - Develops and administers energy policy and programs to promote
 - Energy efficiency
 - Renewable energy
 - Alternative fuels
 - Headed by a commissioner
 - Governor appointee - consent of Senate

Energy Boards and Councils

Boards & Councils	Responsibilities
Energy Efficiency Resource Management Council	Oversees development and implementation of energy efficiency investments – Demand Sides/Least-Cost Procurement
Distributed Generation Board	Oversees development and implementation of Renewable Energy Growth Program
Executive Climate Change Coordinating Council (EC4)	Develops and tracks plan to achieve net-zero emissions

Summary by Source

	FY 2025 Enacted*	FY 2025 Governor	FY 2026 Governor	Chg./ Enact.	Chg./ Req.
Gen. Revenues	\$0.5	\$0.5	\$-	\$(0.5)	\$-
Fed. Funds	15.0	35.4	31.8	16.8	(7.3)
Restr. Receipts	25.2	26.4	39.3	14.0	0.6
Other	5.1	6.0	5.7	0.6	0.0
Total	\$45.8	\$68.4	\$76.8	\$30.9	\$(6.7)
FTE	16.0	16.0	20.0	4.0	1.0

*\$ in millions; *in DOA*

- Governor recommends 4.0 new FTE
 - 2.0 FTE to administer federal programs
 - 1.0 FTE for state program & 1.0 legal counsel

Office of Energy Resources

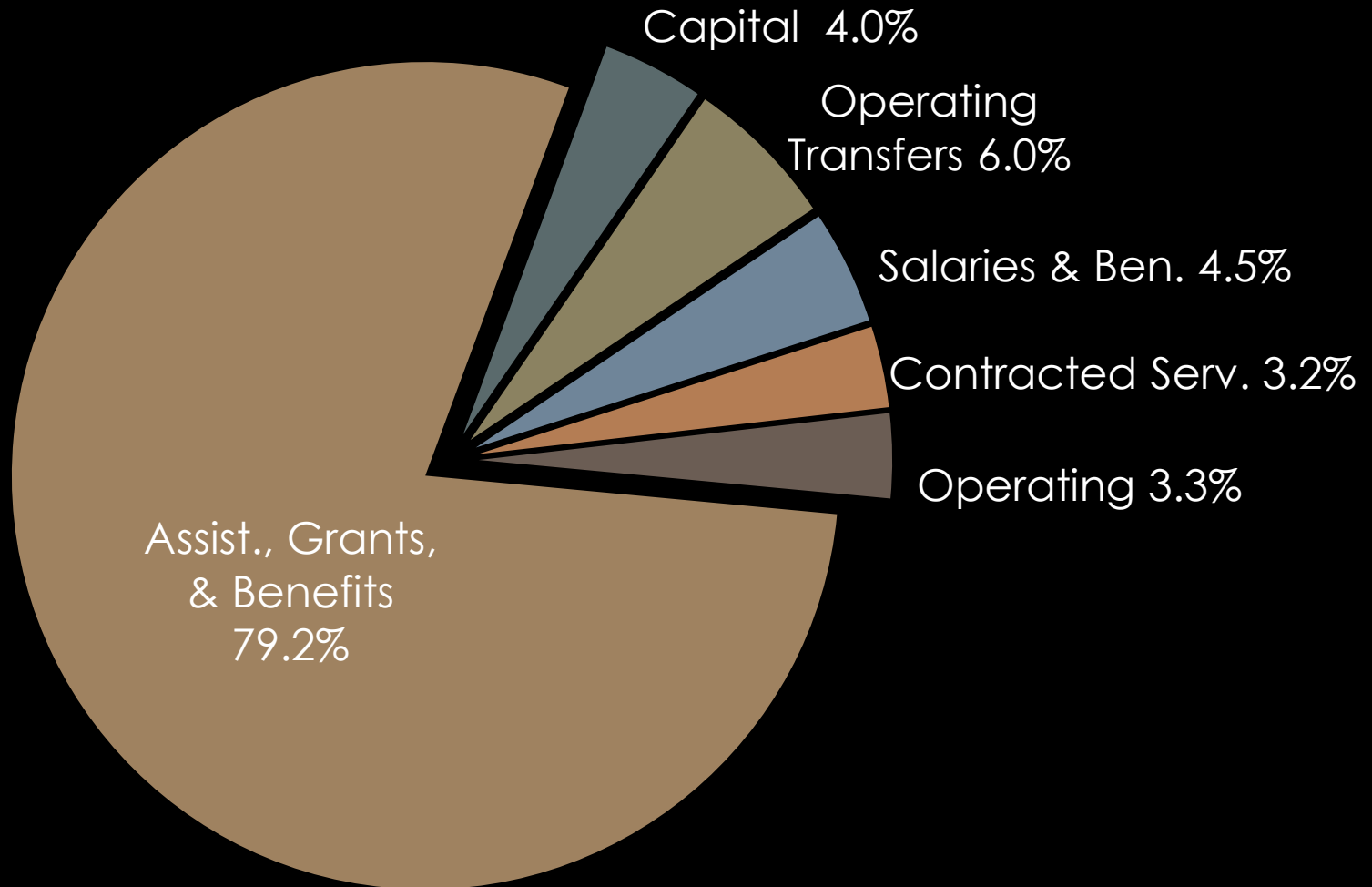
FEDERAL FUNDS

- \$10.1 million – Solar For All
- \$8.0 million – Home Efficiency Rebate
- \$5.2 million – Home Electrification & Appliance Rebate
- \$4.5 million – Energy improvements in public buildings and schools
- \$3.0 million – Infrastructure Act projects

RESTRICTED RECEIPTS

- \$34.4 million – Regional Greenhouse Gas Funds
 - \$1.5 million for EC4
- \$2.0 million – Clean Transportation
- \$1.5 million – Energy Efficiency Funds
- \$0.6 million – EV Charging Stations Maintenance & Operations

Recommendation by Category



Solar for All

- Inflation Reduction Act established Solar for All program
 - Reduce greenhouse gas emissions
 - Funds are to remain available - 9/30/2031
- RI awarded \$49.3 million in April 2024
 - Financial assistance to single & multi-family homes and community solar projects
 - Low-income & disadvantaged communities
- Governor recommends \$5.0 million for FY 2025 and \$10.1 million for FY 2026
 - \$150K for 1.0 new FTE to administer program

Home Energy Rebate Programs

- Inflation Reduction Act of 2022
 - Authorized funding for two home energy rebate programs
 - Funds are to remain available through September 30, 2031
 - RI awarded \$63.8 million
 - \$32.0M - home efficiency rebate program
 - \$31.8M - home electrification and appliance rebate program
 - Federal guidance issued in July 2023

Home Energy Rebate Programs

- Home Efficiency Rebate
 - Act established different caps on projects
 - Office had not received approval to launch
 - Planning and design phase
- Home Electrification & Appliance Rebate
 - \$14,000 maximum rebate
 - Office will re-launch program on 3/24/2025
 - Had paused new applications 1/27/2025
- Governor recommends \$7.5 million for FY 2025 and \$13.2 million for FY 2026
 - \$150K for 1.0 FTE to administer programs

Infrastructure Investment & Jobs Act

- Authorized a National Electric Vehicle Infrastructure Formula Program
 - Nationwide network of 500,000 EV chargers by 2030
 - Included \$5.0 billion for FFY 2022 to FFY 2026 formula funds
 - June 2022 - RI awarded \$23M
 - \$2.5 billion in discretionary funds
 - Awarded on a competitive basis
 - September 2024 – RI awarded \$15M from Charging & Fueling Infrastructure Grant

EV Charging Stations

- Criteria
 - 50 miles within one travel mile of Interstate
 - One station must have at least 4 chargers
 - Additional considerations deemed necessary by Secretary of Transportation
- 2022 Assembly - program in general law
 - DOT and Office of Energy Resources
 - In consultation with DEM
 - Required annual report by December 31
 - EV charging infrastructure investment program
 - 2023 and 2024 reports have been submitted

EV Charging Stations

- Phase I - launched in December 2023 & completed in July 2024
 - 4 level-three fast chargers installed
 - 2 each in Warwick and Hopkinton
- Phase II – launched in November 2024
 - Address public and private entities
- \$2.1 million spent through mid-Feb. 2025
- Federal Highway Administration
 - Rescinded guidance for program – Feb. 6

Electric Heat Pump Grant Program

- Governor recommends \$14.0 million total allocation from ARPA funds for FY 2025
 - \$0.6 million less from total \$25.0M allocation
 - Reflecting federal funds awarded
 - Purchase & install energy efficient electric heat pumps
 - Households, businesses and community organizations
 - Started taking applications in Sept. 2023
 - Through Jan. ~4,000 rebates totaling \$20M
 - Unspent funds reappropriated to FY 2026

Article 3 – Section 15 (HFC 2/25/25)

- Establishes State Facilities Benchmarking & Performance Standards Program
 - Measure and report energy usage of state-owned and state-occupied facilities
 - At least 25,000 sq. ft.
 - Primarily used as offices for state employees
 - Exempts facilities EC4 determines not suitable for achieving greenhouse gas reductions
 - Economic infeasibility, unique operation, or physical limitations

Article 3 – Section 15 (HFC 2/25/25)

Departments

- Measure and report monthly energy usage by source and building square footage
- Submit data to the Office of Energy Resources

Office of Energy Resources

- Annual reporting starting 3/31/2026
- Work with departments to develop performance standards
 - Annual emissions standard to be achieved
 - Cost-benefit analysis
 - Fiscal impacts
 - Will use 3/31/27 report
- Obtain approval from EC4 before publishing performance standards

State Buildings Report

- Departments must meet performance standards no later than 90 days after established date

Article 3 – Section 15 (HFC 2/25/25)

- Office of Energy Resources must include corrective action plans for buildings that fail to meet performance standards
 - EC4 may allocate funding to support implementation
- Governor recommends \$0.1 million from restricted receipts and 1.0 new FTE to administer the program

Office of Energy Resources

- Regional Greenhouse Gas Initiative (RGGI)
 - Cooperative effort by Northeastern & Mid-Atlantic states to reduce carbon dioxide emissions
 - Supported by receipts from sale of emission allowances
 - 67 auctions through March 2025
 - Used to invest in projects that reduce long-term energy demands and costs

	FY 2025 Enacted	FY 2025 Governor	FY 2026 Governor	Chg./ Enact	Chg./ Req.
Expenses	\$20.8	\$21.7	\$34.4	\$13.6	\$0.2

\$ in millions

Capital – Energy Efficiency

- Governor recommends \$10.0 million in 5-year period for Energy Efficiency Improvement projects
 - \$5.0M each from RI Capital Plan funds and RGGI funds
 - Improve state facility infrastructure
 - Reduce state facility operating and ongoing maintenance costs
 - Reduce greenhouse gas emissions

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