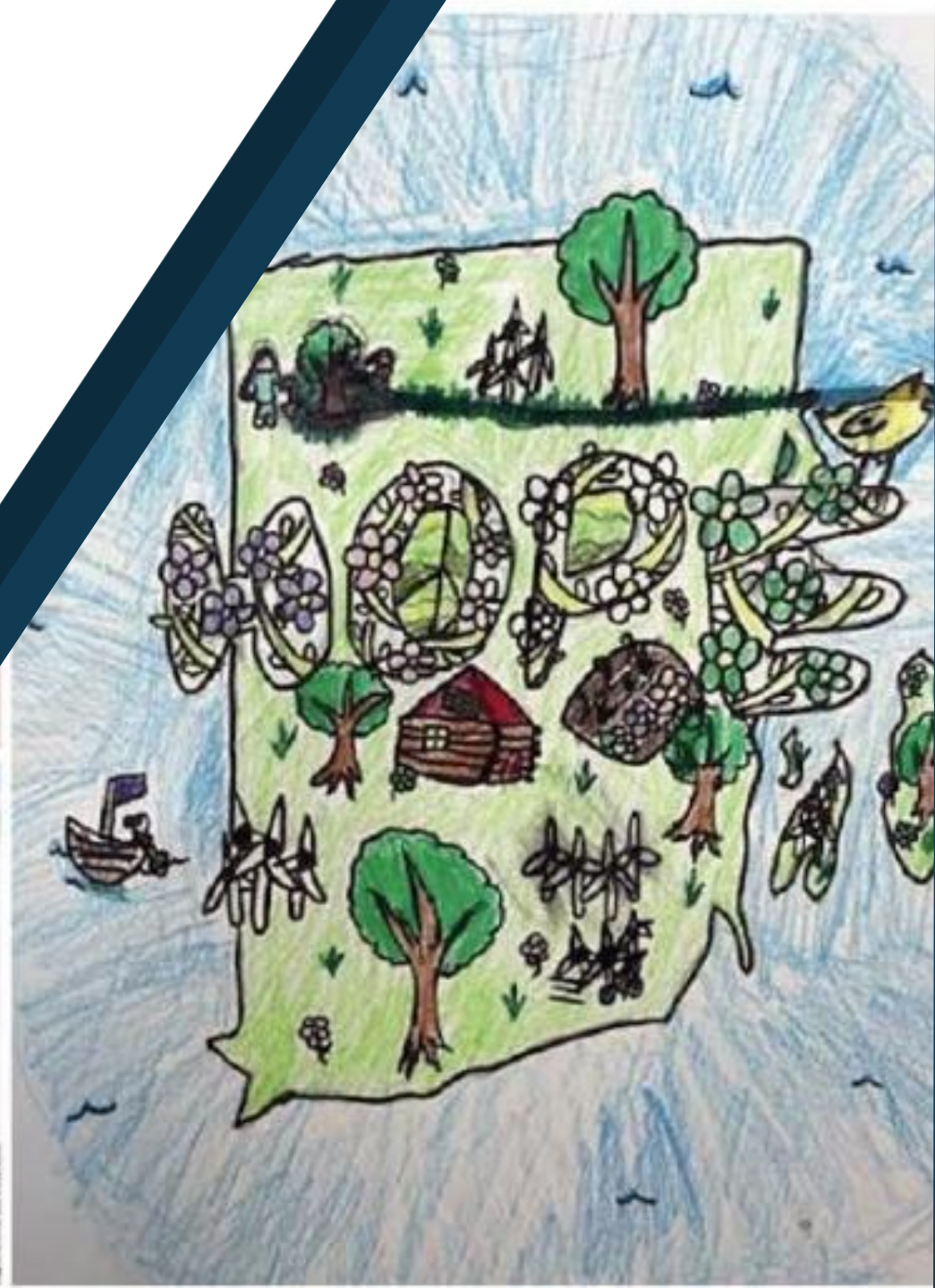
RI Climate Action Strategy and Comprehensive Climate Action Plan

Senate Briefing

January 28, 2026

RIEC4



Rhode Island's Climate Goals

- In 2021, Rhode Island enacted the Act on Climate, which set binding greenhouse gas (GHG) reduction targets:
  - 45% below 1990 levels by 2030
  - 80% below 1990 levels by 2040
  - Net zero by 2050
- The Act on Climate also required that Rhode Island's Executive Climate Change Coordinating Council (EC4) develop a Climate Action Strategy for submission by December 2025
- Work to develop the 2025 Strategy began in late 2024 under a significantly different federal landscape
- Rhode Island's 2025 Climate Action Strategy includes programs, actions, and strategies to meet the Act on Climate's mandated targets and will be updated every five years
- The 2025 Climate Action Strategy was approved by EC4 on December 18, 2025 and submitted to the Governor & General Assembly on December 23, 2025

Federal Policy Uncertainty

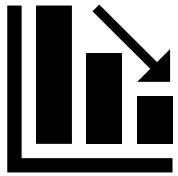
+ **The current administration has reduced funding and resources for climate planning through a series of actions taken over the past year, including:**
  - Reductions in federal funding by tens of millions of dollars
  - Termination of clean energy incentives and tax credits
  - Rollback of emissions standards
+ **These actions cause significant additional uncertainty/risk for climate progress in Rhode Island, such as:**
  - **Electricity**
    - The rollback and loss of federal support for renewable projects makes it more expensive for developers to bring new clean energy online
    - Increasing the cost of the Renewable Energy Standard (RES) leading to affordability challenges
  - **Buildings**
    - Phaseout of federal energy efficiency and heat pump incentives raise the cost of weatherization/electrification for households & businesses
  - **Transportation**
    - Rollback of clean vehicle tax credits and weaker federal fuel economy standards make EVs comparatively more expensive than internal combustion engine vehicles in the near-term
    - The revocation of the CA waiver could prevent Rhode Island from enforcing ACCII and ACT, which could lower EV availability and slow EV adoption in the state

Goals of the Climate Action Strategy:

- Identify what progress can be made under current policies, and where gaps remain
- Provide an analytical framework for assessing emissions, technologies, costs, and benefits, and guiding decision making
- Estimate the cost impacts of decarbonization
- Surface near-term strategies that can be acted on in the next 3–5 years
- Incorporate considerations of equity & environmental justice

The Climate Action Strategy included:

Stakeholder engagement



Pathways to net zero

CO2 reduction strategies

Economy-wide and household costs

Workforce analysis

Twenty stakeholder meetings brought over 1,200 participants together to discuss the Climate Action Strategy

Participants emphasized:

- **The importance of moving from planning to implementation**
- **Support for advancing climate policies and programs that achieve emissions reductions while promoting equity**
- **The necessity of stronger cross-sector and interagency coordination**
- **Strong support for clean energy and electrification of transportation and buildings**

Photo from the Newport in-person engagement session in May 2025

RIDEM provided grants to six community groups for direct engagement with community members/groups

+ Community Engagement Grant Projects

- African Alliance of Rhode Island
- Youth in Action/Movement Education Outdoors
- Green Energy Consumers Alliance
- Roots 2 Empower
- Building Futures
- East Bay Community Action

+ Youth Art Contest

+ Youth Climate Conference

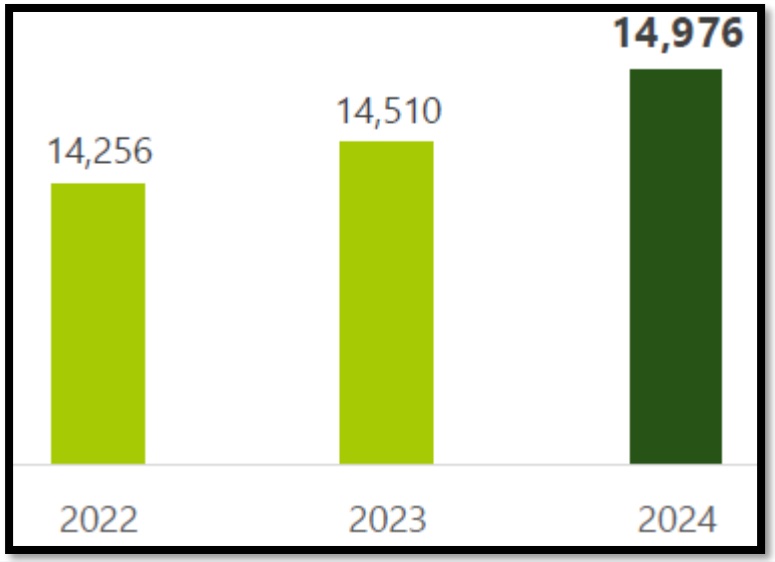
- Partnered with RIEEA and Roger Williams Park Zoo to host high school groups from across the state for a day of workshops

+ Community Engagement Specialist – Environmental Justice

- Community workshops on a variety of climate topics

Clean energy workforce a priority topic raised during engagement & targeted analysis undertaken

- **Steady growth across multiple clean energy industries** reflects Rhode Island's ongoing transition toward a more sustainable and electrified economy
  - Rhode Island employed nearly 15,000 clean energy workers in 2024—a 3% increase from the previous year
- **Rhode Island's clean energy workforce is notably younger** than the overall labor force, indicating greater presence of new talent in clean energy
- Workers in the state's clean energy workforce are **highly satisfied** with their employment
- Rhode Island's clean energy economy is **projected to add more than 6,600 new jobs by 2035**



Technical Findings

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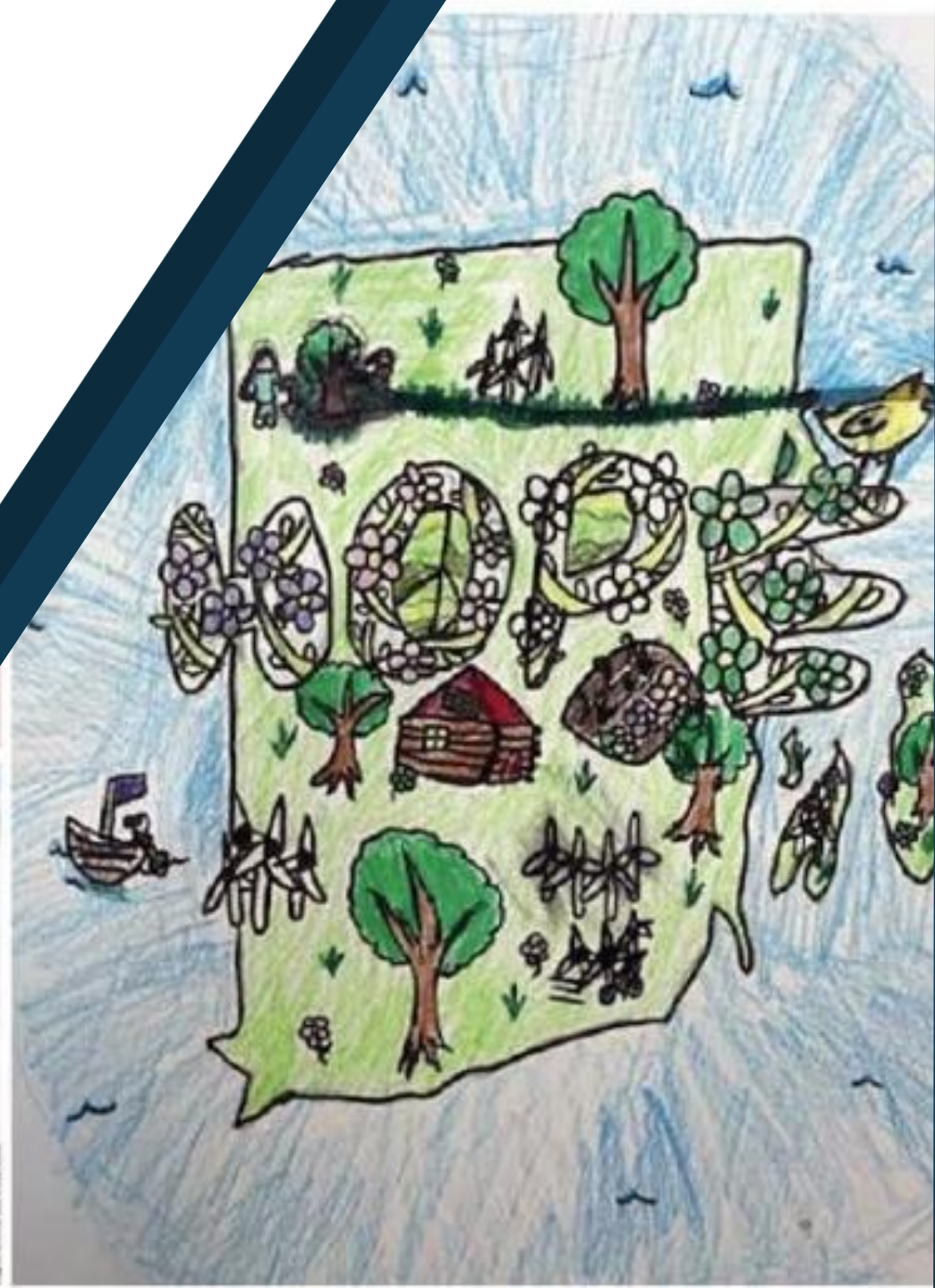
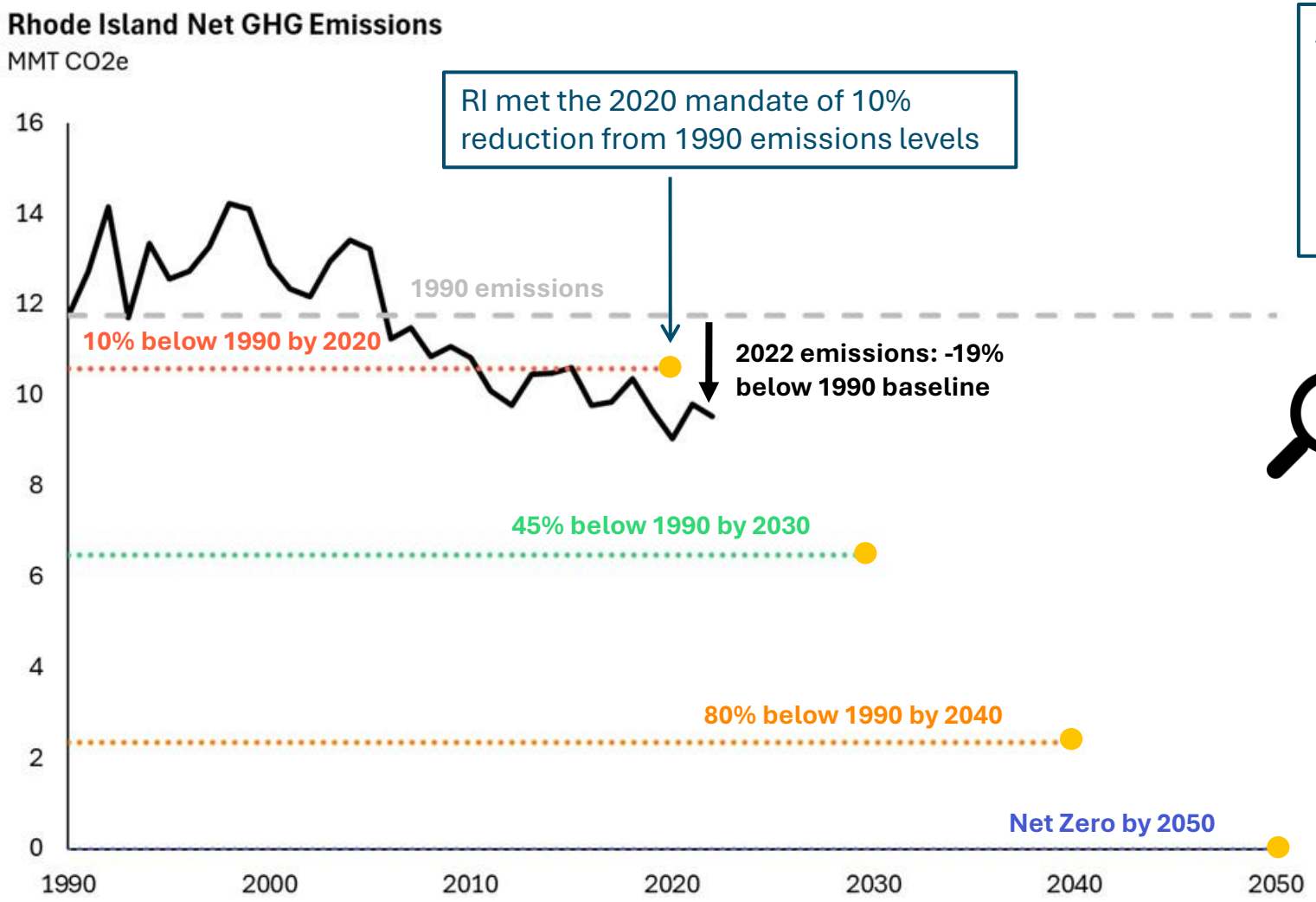
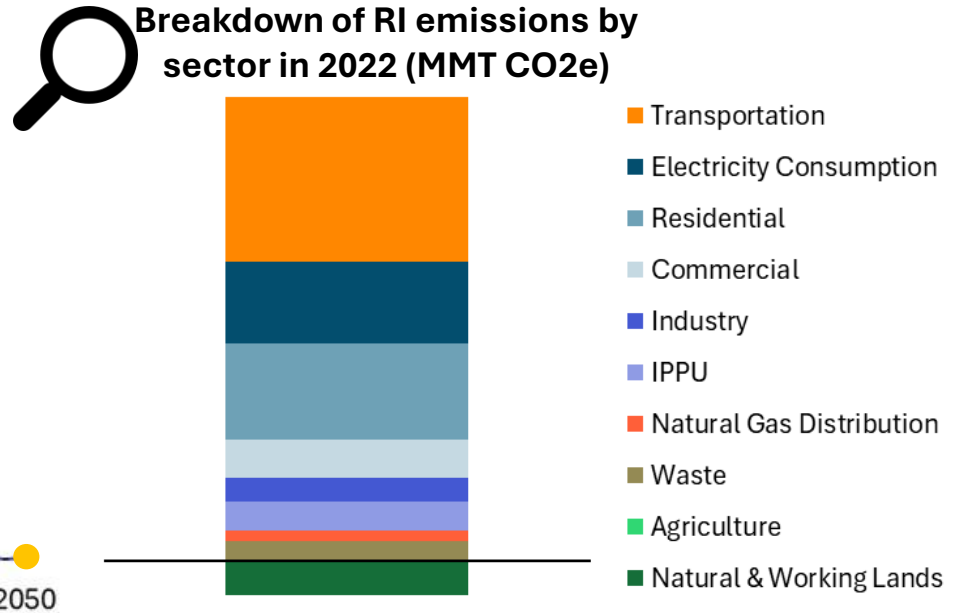


Where Rhode Island Stands Today



As of 2022, **transportation** was the largest source of Rhode Island's GHG emissions (nearly 40%) with the majority caused by passenger vehicles.

Other major contributors include residential buildings (22%) and electricity consumption (20%)



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

+ The following policies put the state on a path to reach the 2030 target:

- The **Renewable Energy Standard (RES)**, which requires that 100% of retail electricity sales are met with renewable sources by 2033
- Continuation of **state energy efficiency programs**, heat pump incentive programs such as **Clean Heat RI**, and EV and e-bike incentives through **DRIVE EV**
- 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 CO2e per year

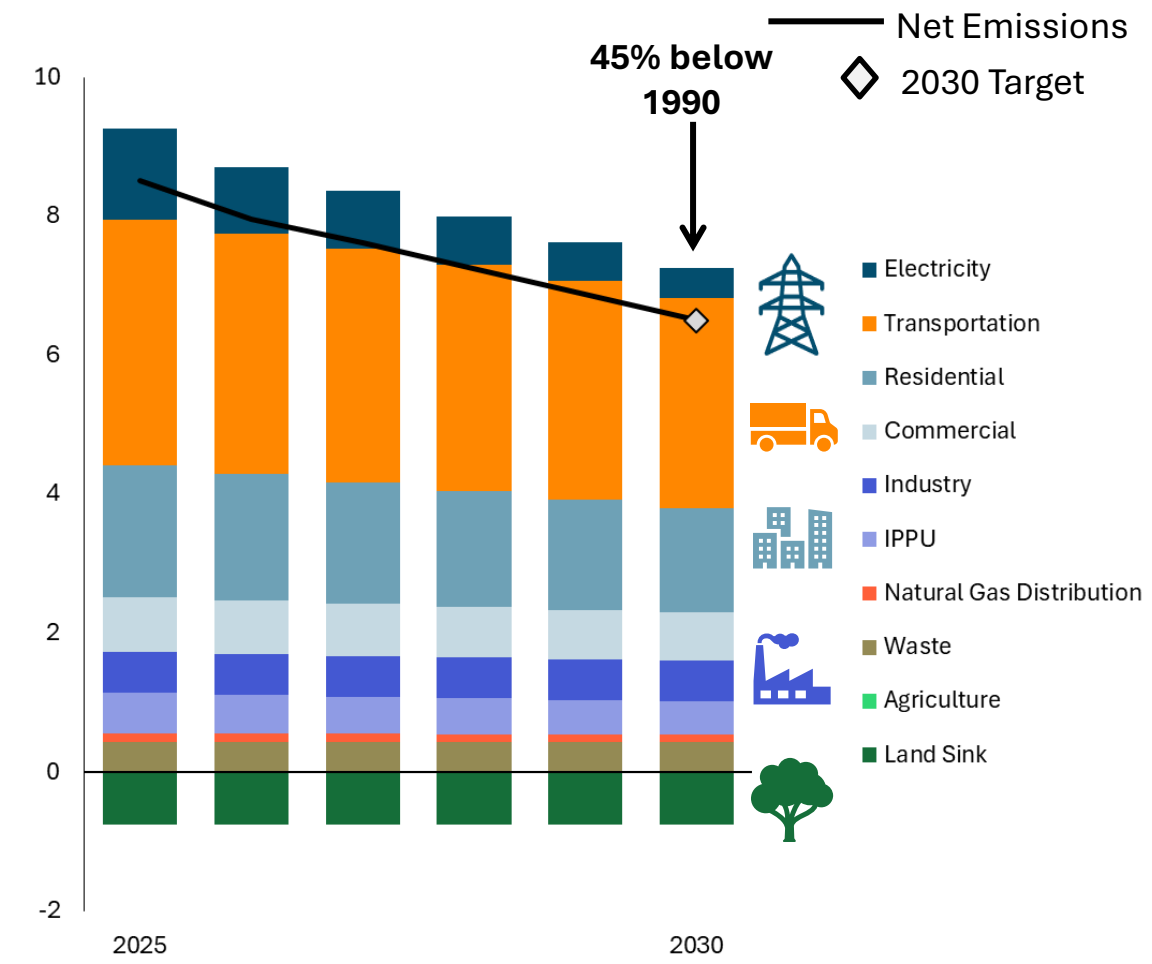
Risks exist due to affordability challenges, shifts in federal policy, and pull back of federal investments

Note: Based upon laws, policies and regulations in place in 2025.

Modeling shows that achieving 2030 target depends on electric sector emissions reductions, with the RES playing a key role

- GHG reductions through 2030 depend heavily on the electric sector
- Compliance with the existing Rhode Island Renewable Energy Standard (RES) and continued decarbonization of the broader ISO-NE grid put Rhode Island on the path to meet 2030 GHG reduction targets
- Rhode Island's RES requires electricity sold to end-use customers to be 100% renewable by 2033

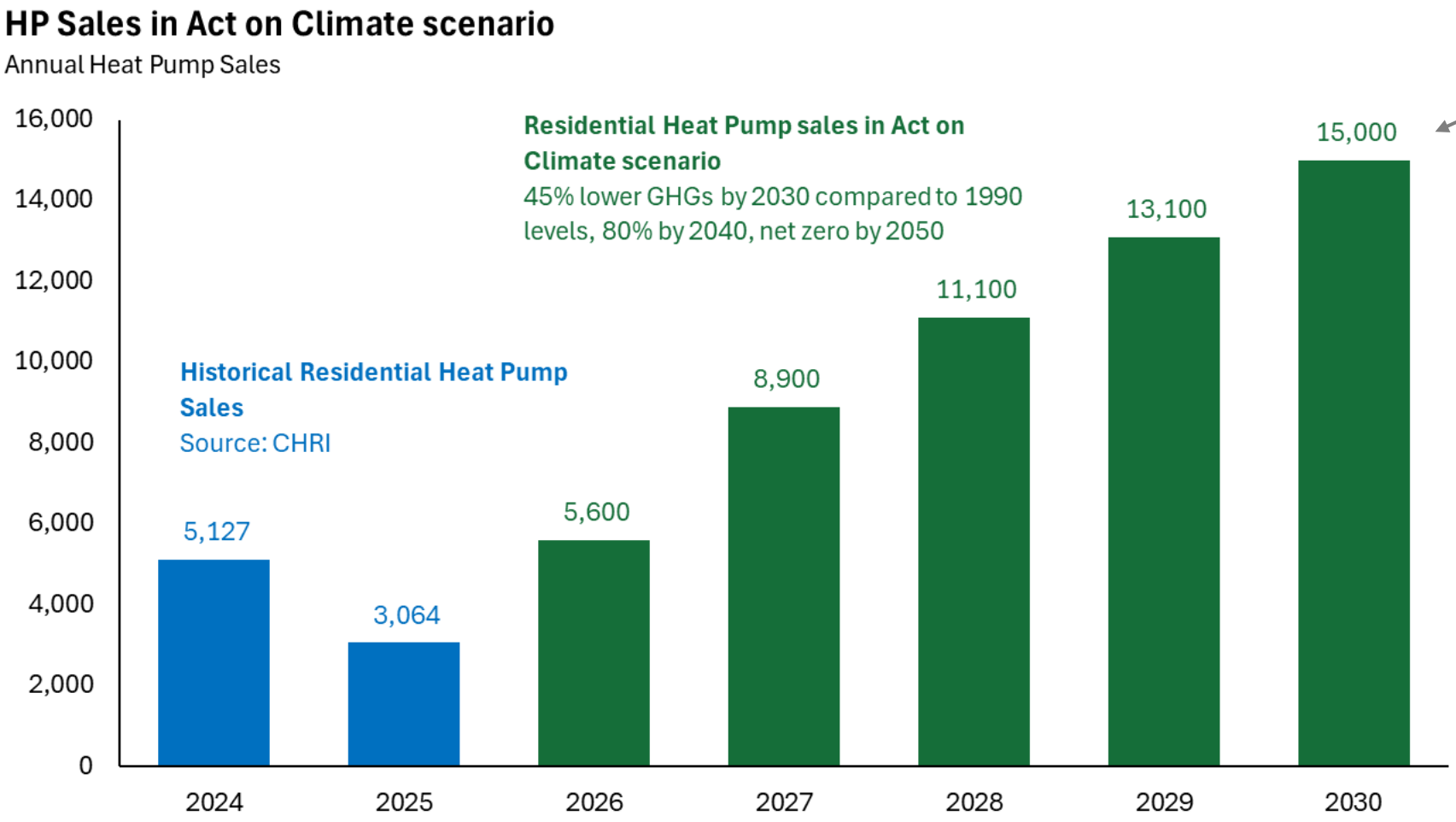
GHG Emissions in Current Policy Scenario (MMT CO2e)



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



The modeled pathway in the Act on Climate scenario assumes an increase in annual heat pump sales between now and 2030

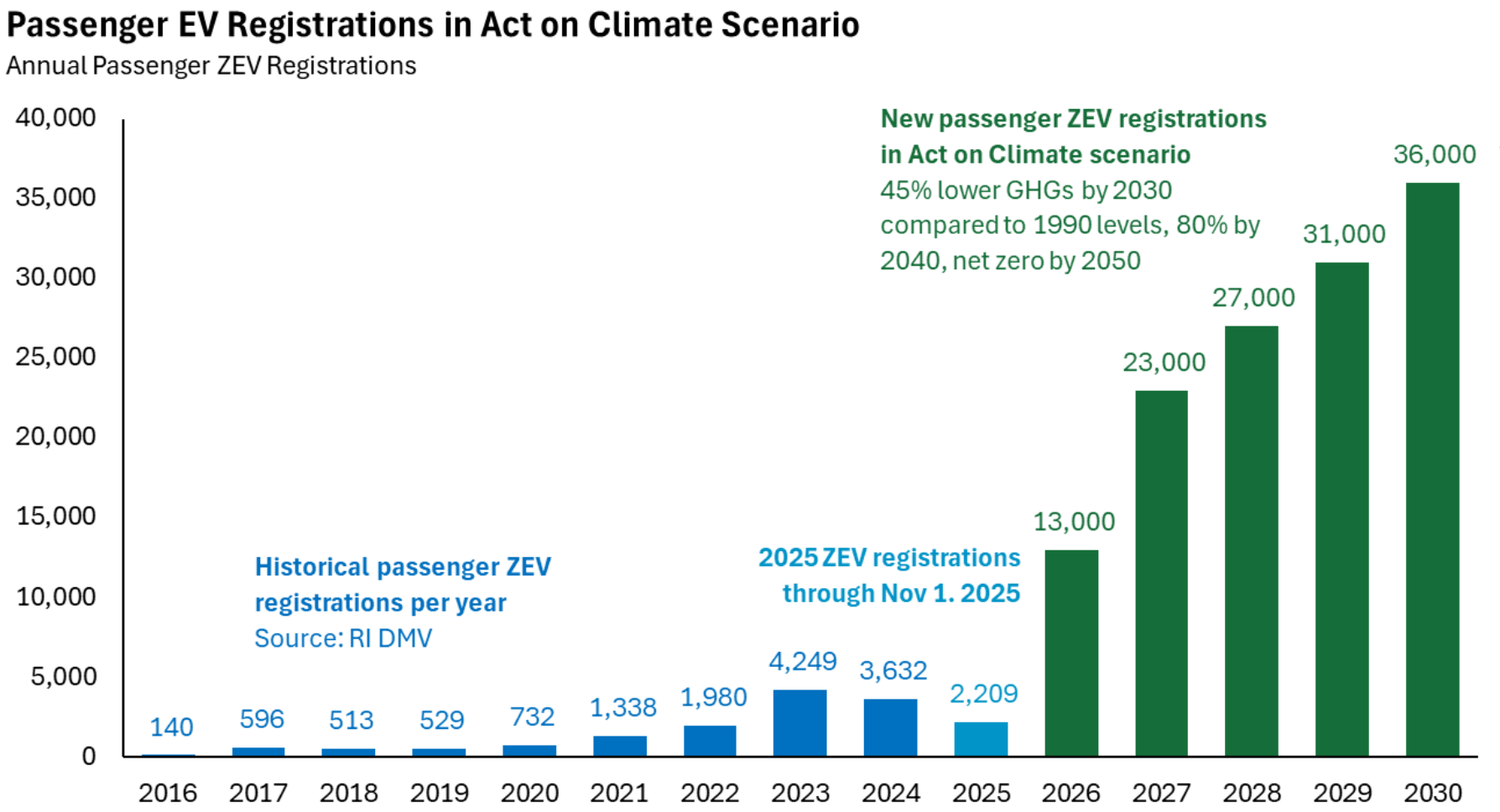
Heat pump sales over the next five years are expected to be bolstered by incentives from Clean Heat Rhode Island Program, Home Efficiency Rebate Program, and the New England Heat Pump Accelerator Program, but additional programs/regulations may be needed to achieve sales levels modeled in the Act on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

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

Impact on transportation and EV adoption

Annual EV Registrations in Act on Climate Scenario



The modeled pathway in the Act on Climate scenario includes an increase in annual EV registrations between now and 2030

The OBBBA terminates the $7,500 EV tax credit at the end of September 2025.

Despite lack of Federal funding, RI offers EV incentives like DRIVE EV – extending these incentives can help support EV adoption

The plan prioritized and tested nearly 20 strategies for meeting 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 **reducing overall driving and accelerating the transition to zero-emission vehicles**. 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 **accelerating electrification and efficiency**. 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 anerobic digestion or composting.

Under a net zero by 2050 scenario, the Climate Action Strategy showed potential for...

Net-Zero

GHG emissions by 2050 as modeled in Act on Climate scenario

6,600

net jobs created by 2035 as modeled in Act on Climate scenario

5,000

avoided asthma cases per year from reduced air pollution as modeled in Act on Climate scenario

$3.3B[1] annual incremental costs[2] by 2050 in Act on Climate scenario

$2B annual cost savings on fuels and vehicles[3] by 2050 in Act on Climate scenario

$2.6B annual quantified health (improved air quality) and climate benefits (social cost of GHGs) by 2050 in Act on Climate scenario

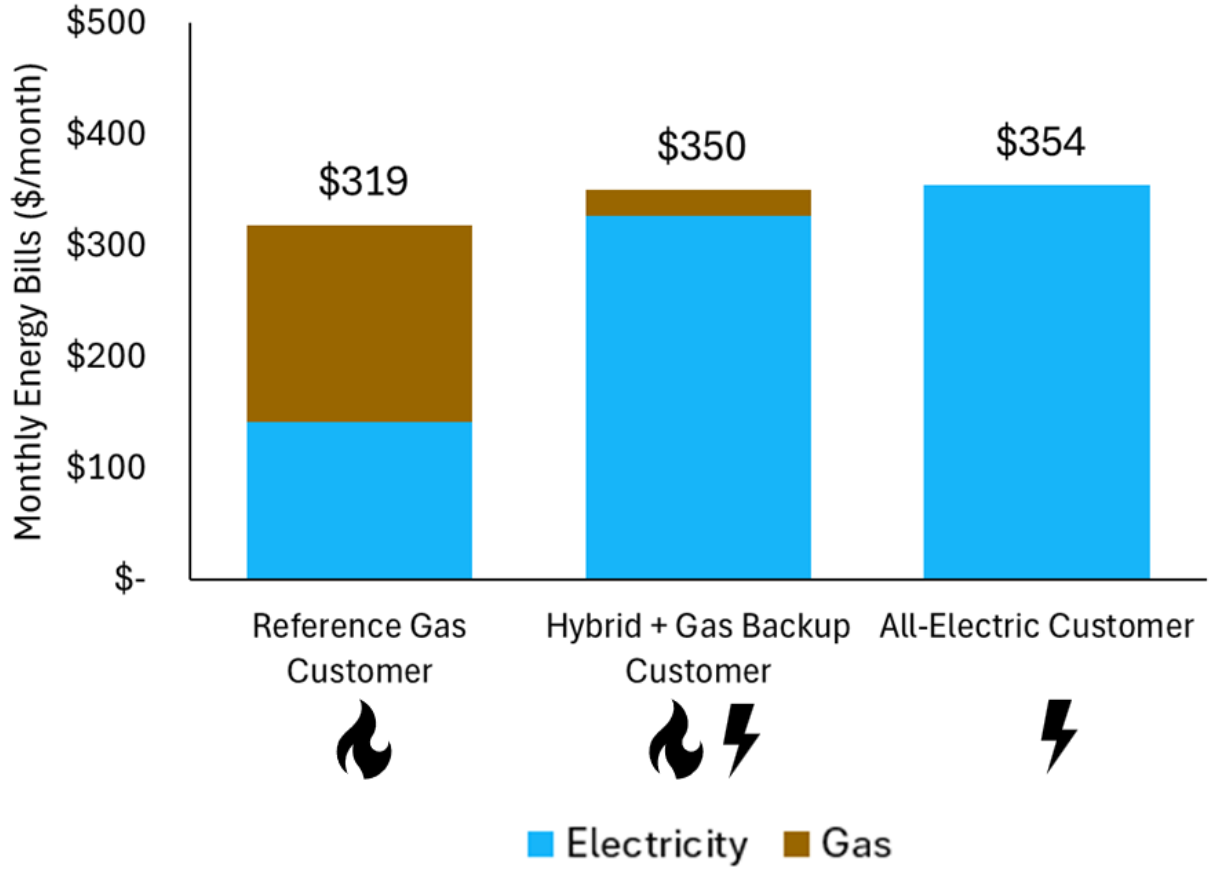
Notes:
1 Compared to business-as-usual scenario (or "do nothing" scenario – represents population growth alone)
2 Represents direct costs, such as supply-side spending on electricity and fuels, and demand-side costs for building equipment, energy efficiency, EVs, and charging infrastructure
3 Represents reduced spending on conventional fuels like natural gas and gasoline, and avoided spending on internal combustion engine vehicles

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*

Uncertainties and Next Steps

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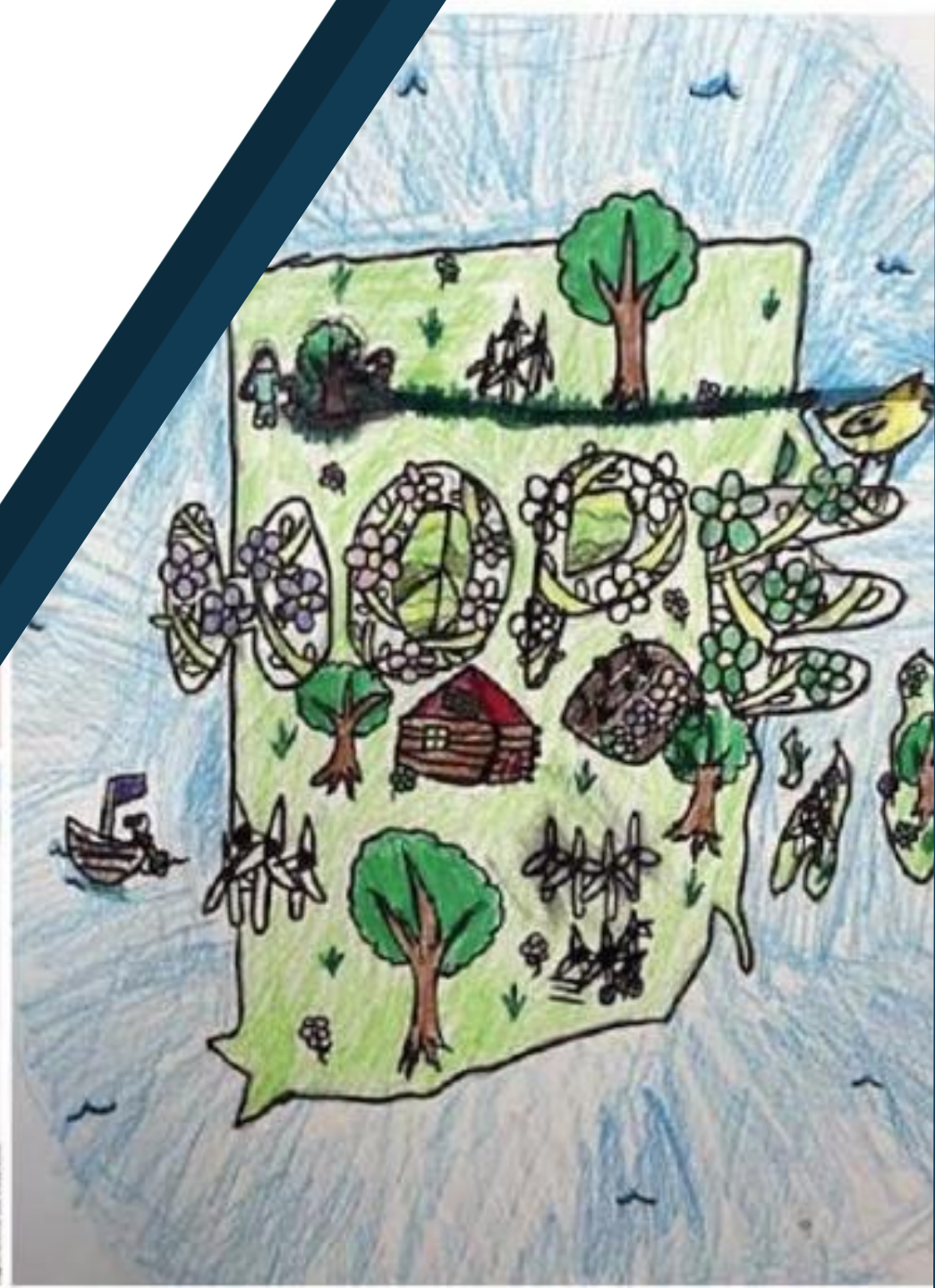

Federal Impacts

+ **The current administration has reduced funding and resources for climate related programs through a series of actions taken over the past year - examples include:**

- Elimination of the $7,500 EV Tax Credit on September 30, 2025.
- Eliminating the 30% Direct Ownership Residential and Commercial Solar Tax Credit on December 31, 2025
- Eliminating of Federal Energy Efficiency Tax Credits on December 31, 2025
- Cancelation of the Charging and Fueling Infrastructure Program for EV Charging Stations in municipal parking lots
- Attempting to remand issued federal offshore wind permits and indefinite delay in issuing new federal permits for new offshore wind project development over the next 3+years
- Revocation of Clean Act Waiver provision authorizing ACCII & ACT
- Cancellation of the RI Solar for All federal grant program
- EPA rescinds GHG reporting rules and discontinues support for national GHG inventory models

Next Steps

- EC4 reconvenes February 26th to review Resilient Rhody 2025 and continue moving ahead with implementation of policies/programs/actions outlined in the 2025 Climate Action Strategy
- Monitor all federal developments that may impact RI's trajectory towards 2030/2040/2050; continued collaboration with RI Attorney General's Office
- RI's new climate dashboard will continue to help showcase progress
- EC4 FY 2027 Budget will prioritize policies/programs/actions that support implementation of the 2025 Climate Action Strategy
- Will continue to partner with businesses/non-profits/municipalities to make progress – climate change cannot be championed by state partners alone

Thank You

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Options for Implementation Identified in 2025 Climate Strategy

- 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 2025 Climate Strategy

- 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 2025 Climate Strategy

- 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