

STATE OF RHODE ISLAND
RHODE ISLAND OFFICE OF ENERGY RESOURCES



PROPOSED

2026-C PLAN FOR THE ALLOCATION AND DISTRIBUTION OF
REGIONAL GREENHOUSE GAS INITIATIVE AUCTION PROCEEDS

September 15, 2026

1.0 Authority

The 2026-C Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds (Plan) is authorized by Rhode Island General Laws (RIGL) §23-82-1 et seq.

2.0 Definitions

For the purposes of this Plan, the terms defined in RIGL §23-82-1 et seq. shall be given the same meaning as provided in the statute and regulations.

3.0 Auction Proceeds included in the 2026-C RGGI Allocation Plan

3.1 RGGI, Inc. conducted Auction 73 on behalf of the State of Rhode Island on September 9, 2026.

3.2 The auction resulted in \$14,845,922.10 Gross Auction Proceeds for the state.

4.0 Adoption of the Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds

4.1 The Rhode Island Regional Greenhouse Gas Initiative Act provides for the use of Auction Proceeds. RIGL §23-82-6 requires that the Auction Proceeds be used for the benefit of energy consumers through promotion of energy efficiency, renewables and direct rate relief.

4.2. The Rhode Island Office of Energy Resources (OER) is authorized to allocate the auction proceeds for the following purposes, in a proportion to be determined by OER with possible feedback from the Rhode Island Department of Environmental Management (DEM) and the Rhode Island Energy Efficiency Council (EEC):

- (1) Promotion of cost-effective energy efficiency and conservation in order to achieve the purposes of section 39-1-27.7;
- (2) Promotion of cost-effective renewable non-carbon emitting energy technologies in Rhode Island as defined in RIGL §39-26-5 and to achieve the purposes of chapter 39-26 entitled “Renewable Energy Standard”;
- (3) Cost-effective direct rate relief for consumers;
- (4) Direct rate relief for low-income consumers;
- (5) Reasonable compensation to RGGI, Inc.; and
- (6) Reasonable costs of the OER and the DEM in administering this program.
- (7) For fiscal year 2023 only, the office of energy resources shall transfer \$3,000,000 from unallocated auction proceeds to the executive climate change coordinating council restricted receipt 2 account to maintain funding for the existing electric vehicle and electric bicycle incentive programs and to support other projects; and
- (8) Provided however, effective for fiscal year 2024 and thereafter, sale of allowances yielding in excess of four million five hundred thousand dollars (\$4,500,000) per auction shall be transferred to the Rhode Island office of energy resources, on behalf of the executive climate change coordinating council, for climate change related initiatives. The executive climate change coordinating council shall have exclusive authority to direct the use of these funds pursuant to §42-6.2-3.1. The office of energy resources may act on behalf of the executive climate change coordinating council to disburse these funds. Provided further, that any transfer of

allowances in a single fiscal year, pursuant to this section shall not exceed one million five hundred thousand dollars (\$1,500,000).

4.3 OER reserves the right to reallocate RGGI programmatic funds from the 2021, 2022, 2023, 2024, 2025, and 2026 RGGI Allocation Plans to support energy programmatic or Act on Climate priorities, updates or changes with state and/or federal energy policy and program matters including, but not limited to, presidential executive order tariffs on energy subjects, utility rate impacts to provide direct rate relief to low-income consumers, state energy efficiency and renewable energy programs, geothermal, energy storage, heat pumps, and/or the federal Home Efficiency Appliance Rebate, Home Efficiency Rebates and the New England Heat Pump Accelerator programs. Any changes or redirecting of funds to support state and federal energy programmatic efforts shall be posted on OER RGGI website.

4.4 OER concludes that the Plan is consistent with applicable statutes. Public notice of the Proposed Plan was provided on September 15, 2026. A copy of the Notice is attached hereto. There was a public comment hearing held on **October 19, 2026, from 3:00 to 4:00pm in-person** at the Department of Administration in Conference Room C (2nd Floor). The public was allowed additional time to submit written comments until October 29, 2026. **[PENDING]**

4.5 OER has responded to all substantive comments received on the Plan and are provided in the attached document entitled Response to Comments. **[PENDING]**

4.6 The Plan is to be adopted in accordance with RIGL §23-82--8 and Chapter 42-35, the Administrative Procedures Act. **[PENDING]**

5.0 Allocation of Auction Proceeds

5.1 Compensation to RGGI, Inc.

5.1.1 RIGL §23-82-6(a)(5) authorizes the reasonable compensation of an entity to administer the auction on behalf of the State of Rhode Island. RGGI, Inc. is the entity that conducted the auctions listed in Section 3.-1.

5.1.2 No compensation was deducted from Auction 73 proceeds to fulfill Rhode Island's 2026 RGGI Inc. obligations.

5.2 Administrative expenses

5.2.1 RIGL §23-82-6(a)(6) authorizes the reasonable costs of OER and DEM in administering the RGGI program. The total reimbursement to both entities shall not in any year exceed \$300,000.00 or 10.0% of the proceeds, whichever is greater.

5.2.2 Ten percent (10.0%) of total auction proceeds from the auctions listed in Section 3.-1 is \$1,484,592.22. Therefore, as specified in RIGL §23-82-6(a)(6), OER and DEM shall each be reimbursed a total of \$742,296.11.

5.3 Interest Accrued on RGGI Proceeds

5.3.1 RGGI Proceeds earned \$699,858.28 in accrued interest through June 2026.

5.3.2 OER finds that \$699,858.28 shall be allocated to support OER electric vehicle adoption, electric vehicle infrastructure, electric bicycles, energy storage and/or building energy benchmarking and performance programs that advance carbon-reduction program efforts. All current and remaining interest accrued in 2026 shall be allocated to support these carbon reduction programs.

5.4 **Transfer to Executive Climate Change Coordinating Council**

5.4.1 RIGL §23-82-6(a)(8) authorizes sale of allowances yielding in excess of four million five hundred thousand dollars (\$4,500,000) per auction shall be transferred to the Rhode Island office of energy resources, on behalf of the executive climate change coordinating council, for climate change related initiatives. The executive climate change coordinating council shall have exclusive authority to direct the use of these funds pursuant to § 42-6.2-3.1. The office of energy resources may act on behalf of the executive climate change coordinating council to disburse these funds. Provided further, that any transfer of allowances in a single fiscal year, pursuant to this section shall not exceed one million five hundred thousand dollars (\$1,500,000).

5.4.2 State fiscal year 2027 includes auctions 73-76. The maximum obligation has been met with this allocation plan, 2026-C for FY2027, therefore no additional funds shall be allocated for this obligation in FY2027.

5.4.3 \$1,500,000.00 shall be transferred to the Rhode Island Office of Energy Resources, on behalf of the Executive Climate Change Coordinating Council.

5.5 **Allocation of Net RGGI Proceeds**

5.5.1 After accounting for administrative expense reimbursement to OER and DEM, and the transfer of \$1.5 million to the EC4, the net balance available for programmatic allocation is \$11,861,329.88.

5.5.2 OER finds that allocating the balance of the Auction Proceeds for the promotion of cost-effective energy efficiency and conservation, promotion of cost-effective renewable non-carbon emitting energy technologies shall be best accomplished by disbursements as follows:

5.5.2.a. **\$4,221,000.00** shall be allocated to be used for energy efficiency reduction measures through heat pumps and heat pump water heater installations for Clean Heat Rhode Island programs.

5.5.2.b. **\$2,000,000.00** shall be allocated to support and implement energy efficiency and/or renewable energy projects at Rhode Island Public Schools, consistent with the goals of the State of Rhode Island's "Lead by Example" Initiative.

5.5.2.c. **\$1,700,000.00** support energy efficiency and/or renewable energy projects in RI municipalities, consistent with the goals of the State of Rhode Island's "Lead by Example" Initiative.

5.5.2.d. **\$1,250,000.00** shall be allocated to support energy efficiency and/or renewable energy projects at State facilities consistent with the State of Rhode Island's "Lead by Example" Initiative.

5.5.2.e. **\$1,140,329.88** shall be allocated to Green and Healthy Homes Initiative for the state's Whole House and Electrification Program to low-income residential electrification and decarbonization efforts to reduce greenhouse gas emissions.

5.5.2.f. **\$550,000.00** shall be allocated to support a Microgrid Program, including microgrid feasibility studies and construction grants for microgrid projects. This program will be administered by the Office of Energy Resources and Commerce RI.

5.5.2.g. **\$500,000.00** shall be allocated to the Renewable Energy Fund (REF) to support solar development on brownfields and/or the residential and commercial solar programs.

5.5.2.h. **\$300,000.00** shall be allocated to the REF to support the solar paired energy storage program.

5.5.2.i. **\$200,000.00** shall be allocated for Tree Equity RI, a grant program run by DEM available to municipalities and nonprofit organizations to fund tree planting projects with the goal of restoring and improving urban forests by building community resilience, with a focus on equity, environmental justice, climate change, and public health initiatives.

6.0 Tracking and Reporting

6.1 Consistent with OER's reporting requirement under RIGL §23-82-6(d), all recipients of RGGI funding are required to comply with OER data and reporting requests, including, but not limited to, those reporting requirements specified in procurement documents and/or any memoranda of understanding.

Table 1: Total auction proceeds programmatic allocation (after accounting for administrative expenses and fiscal year EC4 funding): \$11,861,329.88.

Amount	%	Program	Party	Program Classification	Investment Category
\$4,221,000.00	36%	To be used for heat pumps incentives for Clean Heat RI.	OER	Residential and Commercial Efficiency & Clean Energy	Renewable Energy and/or Energy Efficiency
\$2,000,000.00	17%	To support and implement energy efficiency projects and/or renewable energy projects with Rhode Island public schools, consistent with the goals of RI's "Lead by Example" Initiative	OER	Municipal, State, & Community.	Renewable Energy and/or Energy Efficiency
\$1,700,000.00	14%	To support and implement energy efficiency projects and/or renewable energy projects with Rhode Island municipalities, consistent with the goals of RI's "Lead by Example" Initiative.	OER	Municipal, State, & Community	Renewable Energy and/or Energy Efficiency
\$1,250,000.00	11%	To support and implement energy efficiency projects and/or renewable energy projects with Rhode Island state agencies, consistent with the goals of RI's "Lead by Example" Initiative	OER	Municipal, State, & Community.	Renewable Energy and/or Energy Efficiency
\$1,140,329.88	10%	To support the whole-home low-income residential electrification and decarbonization program.	OER	Residential Efficiency & Renewable Energy	Beneficial Electrification & Energy Efficiency
\$550,000.00	5%	To support microgrids feasibility and construction projects	OER	Municipal, State, & Community.	Renewable Energy and/or Energy Efficiency
\$500,000.00	4%	To support brownfield solar and/or residential and commercial solar program	OER, Commerce	Commercial Renewable Energy	Renewable Energy
\$300,000.00	3%	To support solar paired energy storage program	OER, Commerce	Residential Renewable Energy	Renewable Energy
\$200,000.00	2%	To be used for Tree Equity RI, to fund tree planting projects.	DEM	Residential Efficiency & Clean Energy	GHG Abatement & CCA