



STATE OF RHODE ISLAND  
**ENERGY EFFICIENCY &  
RESOURCE MANAGEMENT COUNCIL**

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# Cost-Effectiveness Report 2019 EEPP & SRP

**EERMC Council Meeting October 4, 2018  
Presentation by EERMC Consultant Team**





# Covered in this Presentation

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- Consultant Team review process
- EE Plan findings
- SRP Plan findings



# Consultant Team Review Process - EE

- Regular oversight and review of programs
- Detailed review of BC models



- Reflect program design?
- Use relevant TRM inputs?
- Incorporate evaluation results?
- Calculate benefits correctly?

- Assessment of compliance with relevant regulatory guidance

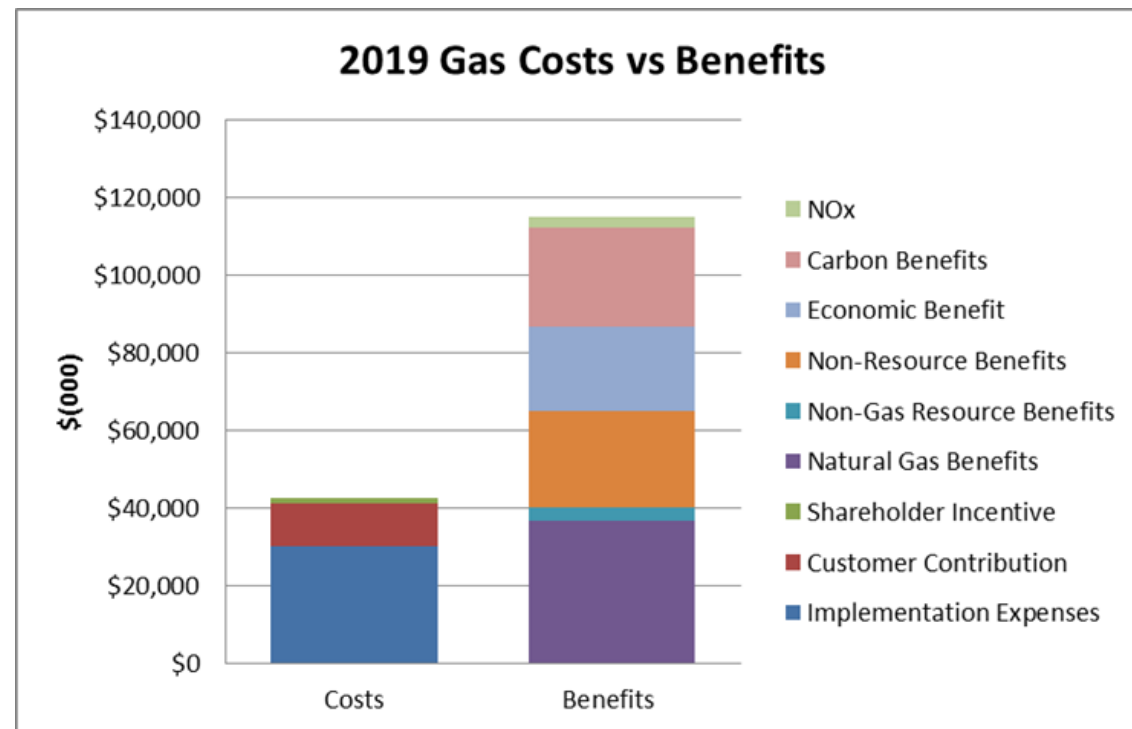
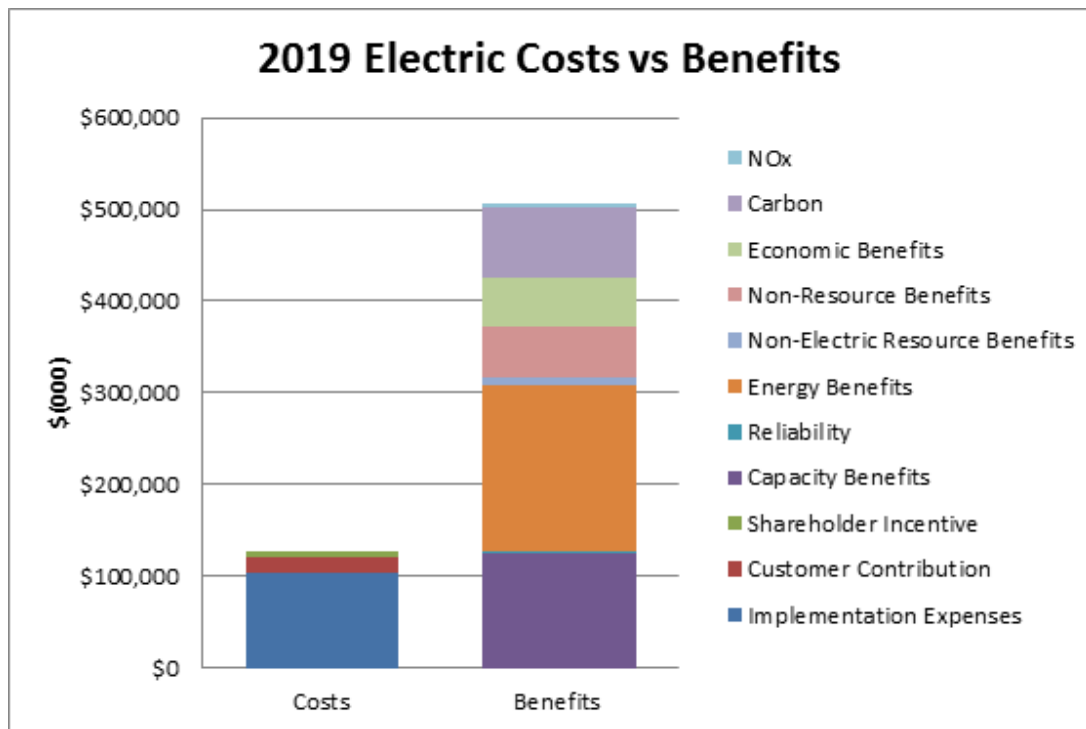


# BC Model Review

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- Energy and capacity benefits
  - Non-energy benefits
  - Economic development
  - Non-embedded carbon and NOx avoidance



# Summary of Benefit-Cost Results - EE





# Cost of Efficiency vs. Cost of Supply

- New calculation of cost of efficiency and cost of supply
  - Included in approved 2018 Plan
  - Changes proposed to LCP Standards for consistency
  - End-result: cost comparison should comport with Docket 4600A guidance and framework
- Second draft of EE Plan includes a newer comparison
  - RI Test costs and benefits assigned to either efficiency or supply
  - Some categories excluded: econ. development, non-energy resources, some non-energy impacts



# Cost Comparison Results

- Electric portfolio
  - \$126 million cost of efficiency
  - \$415 million cost of supply
- Gas portfolio
  - \$43 million cost of efficiency
  - \$68 million cost of supply
- $\$Efficiency < \$Supply$



# Consultant Team Review Process – SRP

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- Smaller plan, smaller effort
- Cost-effectiveness relevant only to Little Compton Battery NWA project
  - 4 year pilot to defer substation upgrade
  - 25% of proposed SRP spending in 2019





# Summary of Benefit-Cost Results – SRP

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- 90% of project benefits from deferred construction value
- Benefits have increased from previous Plans
  - \$484,000 in 2012
  - \$647,000 in 2018
  - \$905,000 in 2019
- Project cost = \$438,000 (slight increase)
- BCR 2.3