



STATE OF RHODE ISLAND

# ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

CONSULTANT TEAM

## Proposed Updates to Least Cost Procurement Standards

**Presented By:** EERMC Consultant Team

**Date:** March 19, 2020



# LCP Standards for EE & SRP

- The Least Cost Procurement (LCP) Standards guide utility planning for 3-year and related annual plans.
- EERMC last proposed modifications on December 8, 2016 to the PUC, along with proposed targets for 2018-2020
  - Additional modifications on “Cost of Supply” in 2018 were also undertaken



# Upcoming process for updating LCP Standards

- EE & SRP Technical Working Group meetings for stakeholder input in February and March
- Council discussions at EERMC January & February meetings and during 1-1 meetings with individual members, OER and the C-Team in March
- Vote on these recommendations to submit to PUC on March 20
  - Recommendations submitted with the Targets



# Review of Potential updates to EE Standards (*changes/additions* from previous list)

- Ensure that the definition of Energy Efficiency supports *active* demand response for at least gas and electric, *heating electrification*, and energy savings measures for all fuels
- Clearly allow the energy efficiency programs to deliver location-specific energy efficiency & *demand response*
- Require on-going review of the RI Test used by the Energy Efficiency Programs
- Provide more details on reporting requirements and accounting practices
- Ensure that the programs are comprehensive (both short and long-term savings measures), space (state-wide and location-specific offerings) and participation (equitable access for all types of customers)



# Additional Potential updates to EE Standards discussed at Technical Working Group meetings

- Expansion of definition of **reliable** to explicitly include references to workforce development, program scalability, system planning coordination, and Company program management capabilities
- Expansion of definition of **prudence** to include a reference to being mindful of bill impacts to all customer classes
- Include clear direction for “equity requirements” including more clarity on definition of equity
- Explicit requirement to conduct potential studies at least every 6 years to inform Targets setting process every 3 years
- Clearly define what to include in 3-Year & Annual Plan filings – e.g. explanations of variances from Targets; EM&V plans; coordination with pilots, demonstrations and assessments
- Coordination of performance incentive approaches with other Company earning mechanisms
- Desire for greater / explicit coordination between EE plans and other utility planning activities and processes



# Potential updates to SRP Standards to start discussion

- Clarify the Council's role in reviewing SRP Plans – the EE portion of the standards clearly lists all the EERMC's role
- Change the timing so that SRP Plans can be filed in December with Infrastructure, Safety and Reliability (ISR) Plans
- Explicitly include natural gas in SRP
- Ensure that SRP includes focus on creating a comprehensive map of systems planning and management

# SUGGESTIONS, EDITS, ADDITIONS?

