2024 - 2026 Energy Efficiency Plan Outline Memorandum April 6, 2023

Dear EERMC Councilmembers and Energy Efficiency Technical Working Group Members,

This Energy Efficiency Plan Outline Memorandum (Outline) provides stakeholders a preview of key themes and topics that will be addressed in the draft 2024-2026 Energy Efficiency Plan (Plan). The Outline includes the table of contents and major content areas that will be included in the Draft Plan. Together, the introduction of program and policy priorities and the outline of the full plan are offered to facilitate discussion with stakeholders in support of a plan development process that is transparent, focused on achieving the energy saving targets goals, and resulting in a plan that optimizes customer benefits and cost. The Company expects that the benefits of this plan will accrue to overall utility operations as well by reducing peak loads and complementing grid modernization efforts. The Company requests that reviewers provide any written input on the contents of this Outline by April 27, 2023, with an expectation that those comments will inform the first draft of the 2024-2026 plan.

The Company plans to focus on five primary strategies across the Income Eligible, Residential, and Commercial and Industrial sectors:

- **Reach more customers: Deliver optimized, tailored programs.**
- **Help customers find the right measures: Implement a comprehensive approach to the next generation of efficiency measures.**
- **Enable customers to invest in efficiency: Enhance financing options and customer awareness of complementary funding sources.**
- **Serve customers equitably: Design programs with a conscious effort to serve low- and moderate-income; gender, racially and ethnically diverse; and non-native English-speaking customers.**
- **Ensure Workforce Capacity to Serve Customers.**

These strategies are discussed in more detail in the Priorities and Programs section of this memo.

Some information is not available at this stage of the current planning cycle and therefore will be provided later. This Outline does not include 2024-2026 savings goals, benefits, or budgets. A first draft of those numbers will be available by June 30th, 2023.

Further, when reviewing this Outline, please note the following: This Outline should not be considered as a complete list of topics that will be addressed in the first draft of the Plan and is not binding. Subject to further discussions with stakeholders, analysis during the planning process, and the outcome of proposed changes to the Least Cost Procurement (LCP) Standards, content included here may be modified. In some instances, there are headers or sections in this outline with no content. Several sections of the Outline provide a qualitative description of what the section will contain in the first draft of the Plan. In both cases, relevant content for these sections will be provided in subsequent drafts of the Plan. The Company may refine and consolidate the text to make a more readable and accessible final document.

With these stated understandings, the Company hopes this document is helpful in highlighting the areas of focus for the Company. We look forward to working together to build and deliver on a three-year energy efficiency plan that will continue to keep Rhode Island at the forefront of energy efficiency and deliver Rhode Island consumers innovative, cost-effective energy services.

Table 1. Three-Year Plan (3YP) Timeline for Stakeholder Involvement

Date	Milestone
April 6	3YP outline memo shared with EERMC and TWG
April 20	Present 3 Year Plan to EERMC
April 27	3YP outline memo stakeholder comment period ends; Present 3YP outline memo to TWG
June 1	Draft 3YP narrative shared with stakeholders
June 30	Draft 3YP numbers (BC Model and Tables) shared with stakeholders
July 20	3YP numbers stakeholder comment period ends
September 7	Second/Final Draft of 3YP due to stakeholders

Contents

Pre-Filed Testimony

The Company will pre-file testimony with the Plan that addresses the Cost-Effectiveness of the Plan, prudency, reliability, environmental responsibility, and the cost of additional supply compared to the Plan.

Executive Summary

This subsection will provide a concise summary of the contents of the three-year plan, including major themes.

1. Introduction

1.1 Plan Summary

1.2 The Planning Process

This subsection will describe the coordination process undertaken each year with EERMC, OER, DPUC, and other stakeholders through the TWG to inform the plans in each year following from the Three-Year Plan.

1.3 How to Read This Plan

1.4 Timeline

This section will describe an anticipated timeline for filings over the three-year period. It may be combined with Section 1.2.

Readers of this memorandum should note that this planning calendar may change pending finalization of the LCP Standards by the RI PUC.

April 2023

April 6 – 2024-2026 Plan Outline Memo Due to EERMC

April 11 – Results of Market Potential Study Refresh due

April 20 – EERMC Meeting

April 27 – 2024-2026 Plan Outline Memo Stakeholder Comment Period Ends

April 27 – Technical Working Group Meeting

May 2023

May 18 – EERMC Meeting

May 25 – EE Technical Working Group Meeting

June 2023

June 1 – First Draft of 2024-2026 Plan Narrative Due to EERMC

June 15 – EERMC Meeting

June 29 – First Draft 2024-2026 Plan Narrative Stakeholder Comment Period Ends

June 30 – First Draft 2024-2026 Plan Numbers (BC Model & Tables)

July 2023

July 1 – Company declaration of intent to PUC regarding combination of 3-year plan with 2024 Plan. This could impact subsequent dates.

July 20 – First Draft 2024-2026 Plan Numbers Stakeholder Comment Period Ends

July 20 – EERMC Meeting

August 2023

August 3 – First Draft 2024 Annual Plan Due

August 17 – EERMC Meeting

August 24 – First Draft 2024 Annual Plan Stakeholder Comment Period Ends

September 2023

September 7 – Second/Final Draft 2024-2026 Plan and 2024 Annual Plan Due

September 14 – EERMC Meeting

September 28 – EERMC Meeting

October 2023

October 15 – Combined Filing of 2024-2026 3YP and 2024 Annual Plan

2. Least-Cost Procurement Law and Standards

This section will continue to describe the Company's assessment of the Plan's compliance with Least Cost Procurement Law and the LCP Standards as revised in Docket 5015. Given the current proposed LCP Standards revisions, this section could be subject to substantive changes. Each subsection will first describe how the principle has been interpreted by the Company followed by a description of how the 2024-2026 Plan meets that standard.

2.1 Cost Effectiveness

As in past years, the Company will continue to prioritize cost efficiencies and identify areas to reduce costs and increase energy savings and benefits.

2.1.1 Interpretation of Standard

No Change Anticipated

2.1.2 Compliance with Standard
No Change Anticipated

2.2 Reliability
2.2 Interpretation of Standard
No Change Anticipated

2.2.2 Compliance with Standard
No Change Anticipated

2.3 Prudency
2.3.1 Interpretation of Standard
No Change Anticipated

2.3.2 Compliance with Standard
No Change Anticipated

2.4 Environmentally Responsible
2.4.1 Interpretation of Standard
No Change Anticipated

2.4.2 Compliance with Standard
No Change Anticipated

2.5 Cost of Annual Plan Compared to the Cost of Energy Supply
2.5.1 Interpretation of Standard
No Change Anticipated

2.5.2 Compliance with Standard
No Change Anticipated

3 Priorities and Programs
3.1 Strategic Overview of Programs and Priorities
This section will detail the consideration of stakeholder priorities as well as thoughts on the plan structure and contents.

3.1.1 Principles of Program Design

The Company indicates five key objectives and themes in the 2024 – 2026 Three-Year Plan. These will be further explored and expanded through strategies and program adjustments identified for the residential, income eligible, and commercial and industrial sectors.

3.2 Priorities for Three Year Plan

The sections below indicate the priorities as identified by RIE strategy teams at this stage of planning. These priorities may be adjusted during the planning process.

As Rhode Island Energy embarks on a three-year energy efficiency planning journey the Company must confront and overcome several challenges, both known and emerging. Economic uncertainty, inflation, and higher interest rates impact our customers' financial calculus, and perhaps their willingness, to implement energy conservation initiatives. The decline in claimable savings associated with high efficiency lighting, while demonstrating how programs can transform a market, at the same time increases the cost of capturing energy savings. An influx of federal support for efficiency, while welcome, may increase the demands that must be met by the current workforce and supply chain. In the face of these obstacles and others, the Company recognizes that in each challenge exists inherent opportunity, and the Company seeks to innovate to enhance and expand energy efficiency support provided to customers. To do this, the Company plans to focus on five strategies aimed at increasing customer participation and enhancing the Company's ability to deliver valuable long-term energy savings:

- **Reach more customers: Deliver optimized, tailored programs.**
- **Help customers find the right measures: Implement a comprehensive approach to the next generation of efficiency measures.**
- **Enable customers to invest in efficiency: Enhance financing options and customer awareness of complementary funding sources.**
- **Serve customers equitably: Design programs with a conscious effort to serve low- and moderate-income; gender, racially and ethnically diverse; and non-native English-speaking customers.**
- **Ensure Workforce Capacity to Serve Customers.**

3.2.1 Reach more customers: Deliver optimized, tailored programs

Strategic Philosophy

Program constraints, supply chain issues, contractor availability, and other market forces often throw a kink in the progression from customer acquisition to project completion. While these forces impact all customers and programs, the extent of the force exerted by each factor can vary widely between customer segments. A "one-size-fits-all" approach results in "one-size-fits-some" programs. On the other hand, it is cost-prohibitive to tailor programs to each individual customer. Therefore, the Company's strategy will be to identify customer segments that represent significant, yet relatively untapped savings potential and design program support targeted to these segments.

Cross-Cutting Tactics

The Company will continue to invest resources in collecting more detailed market information to improve outreach to customers. This market research will identify customer segments that represent significant opportunity for expanded program support and participation and will inform the Company's tactics for targeting these customers. To serve these customers, the Company will add more training for sales and technical staff to secure a better understanding of customer requirements, allowing staff and vendors to effectively provide solutions that drive value in the areas important to specific customer groups. By expanding the vendor pool and streamlining technical review, the Company can continue to improve on delivering timely service to customers.

The Company will also investigate what other barriers prevent energy efficiency investment beyond simply higher first costs. The Company knows that barriers such as lack of understanding/education, difficulty of participating in

complicated programs, and lack of access to capital must be addressed at some level, and the Company will seek to design programs which address specific market failures and barriers faced by different customer segments.

Residential & Income Eligible Tactics

The Residential Nonparticipant Market Barriers Study and the Participation and Multifamily Census Study provide key insights into how the Company identifies and approaches potential residential program participants. Both studies offer windows into customer segments that have historically participated less in residential programs and how to overcome barriers to their participation. Insights from these studies, for example, will help prioritize the highest electric heating users that can benefit from efficient heat pump technologies.

A major priority for RIE for the 2024-2026 term will be to explore restructuring the residential programs by consolidating individual sub-programs into 1) home services and 2) retail products. Home services will combine the existing multifamily, single-family, and income eligible EnergyWise programs. Retail products will include programs such as the HVAC program, Residential Consumer Products, and the RIE Marketplace. These changes would improve administrative efficiency for RIE and would be transparent to customers. In addition, the Company plans to explore how a simplified home services program could improve program design and address some areas of potential improvement. In addition, we hope to continue to improve practices around data, including its collection, management, and analysis.

Commercial & Industrial Tactics

The Company recognizes that new ways of reaching C&I customers, from those facing economic pressures to those with aggressive carbon reduction strategies, may be necessary. To that end, the Company has expanded its eligibility requirements for the Small Business program from customers that consume less than 1,000,000 kWh annually, to customers that consume less than 1,500,000 kWh annually. The Company will also look to deploy a data-driven approach to increasing customer participation in the commercial and industrial sector. This approach will include analyzing customer consumption data (kWh, peak load, and therms) and past energy efficiency participation to better target customers that have historically not participated at the same rate and pace as their commercial or industrial peers. This analysis is likely to provide valuable insights into energy efficiency opportunities, while potentially providing insight into barriers and rationales for non-participances. Lastly, the Company will look to expand the reach of its Strategic Energy Management Planning (SEMP) initiative to support the increasing number of customers with climate and sustainability goals.

3.2.2 Help customers find the right measures: Implement a comprehensive approach to the next generation of efficiency measures.

Strategic Philosophy

Energy efficiency has evolved far beyond the low-hanging fruit of high-efficiency lighting. To continue to reap the benefits of energy efficiency, customers must increasingly turn towards more complex, more customized, higher commitment measures such as HVAC systems and control systems. The higher complexity of these measures necessitates additional effort from the Company to ensure that programs are helping customers identify the measures that make sense for their specific situation, in addition to ensuring their successful installation and operation. Additionally, with Rhode Island's ambitious Act on Climate, the Company must evaluate measures and program design through the additional lens of our contribution to the broader economy-wide efforts towards decarbonization. Therefore, the Company's strategy will be to invest in research to identify the next generation of impactful efficiency measures, and to redesign programs to effectively support these measures.

Cross-Cutting Tactics

The Company invests in demonstrations, pilots, and assessments for the purpose of testing and developing new measures, solutions, and offerings that could benefit Rhode Island customers. In the 2024-2026 Three-Year Plan, the Company will explore innovative strategies and technologies that are unique to the Rhode Island customer-base and market situation. To supplement these findings, the Company will look to learn from demonstrations, pilots, and assessments conducted both regionally and nationally, and to discern if those strategies could be successfully deployed in the Rhode Island market. This targeted approach, coupled with learnings from other jurisdictions, should permit Rhode Island to be an early adopter of successful energy efficiency strategies and technologies without having to fund the costs associated with launching and evaluating demonstrations, pilots, and assessments that are being conducted in other jurisdictions.

In this three-year plan, the Company will explore the possibility of right-sizing incentives for fossil fuel equipment and options for optimizing electric versus gas in order to promote the state's decarbonization agenda and meet stakeholders' desires for aligning the energy efficiency programs with the Act on Climate. The PUC has initiated a docket (Docket 22-01-NG) to explore the future of natural gas for the state. Rhode Island Energy plans to track the orders and other relevant findings from this docket to inform energy efficiency design for this three-year plan.

Rhode Island Energy has also proposed a business case for the expansion of Advanced Metering Functionality (AMF) across its electric service territory. As described in the Company's proposal, the expansion of AMF creates several opportunities for behavior programs through both the ConnectedSolutions and Home Energy Reports programs.

The ConnectedSolutions program will look to expand opportunities for both residential and C&I customer segments. For residential, water heater demand response will be explored as a new measure. For C&I, we will investigate ways to meet the demand for battery storage that is incoming from customers and program vendors. Electric school bus fleets are also emerging as a new grid resource that can be incorporated into the program.

Residential & Income Eligible Tactics

For residential and income eligible programs, electric resistance heat to air source heat pump conversions will be prioritized. The Company's goals for this conversion effort necessitate a comprehensive approach that includes weatherization agencies, HVAC installers, and the various stakeholders that own and rent housing throughout Rhode Island. The Company will coordinate and collaborate with the RI Office of Energy Resources (OER) on its heat pump program to support supplemental measures, such as the aforementioned weatherization services. The Company will provide further detail on that in future drafts as the OER works to finalize its program.

Another area for potential program redesign is residential new construction. The most recent evaluation indicates that energy savings between recent new construction participants and non-participants has narrowed. This provides the Company an opportunity to focus on higher savings building approaches. To do so, the Company plans to revisit which measures and/or market segments should be included in the program. In addition, the Company intends to explore options for promoting zero-energy ready homes within the residential new construction program.

Commercial & Industrial Tactics

As high efficiency lighting opportunities decline, the Company will expand its existing C&I programs to deliver an increasingly diverse portfolio of savings. High-performance heating, ventilation, and air conditioning (HVAC) offerings will be augmented by services supporting more advanced system controls, energy management systems, and building analytics. These energy efficiency technologies will be offered through multiple pathways, including

but not limited to retro-commissioning, monitoring-based commissioning, equipment right-sizing, and the upstream program. Additionally, the Company will look to provide enhanced incentives to customers that commit to implementing comprehensive energy efficiency measures within a specified timeframe. To qualify for the enhanced incentives, the customer will need to commit to installing three or more energy efficiency measures with different end-uses within a program year. The objective is to accelerate deeper, more comprehensive measure adoption by reducing the payback period for customers. Additionally, the Company will develop a host of prescriptive and custom offerings to promote commercial weatherization and greenhouse gas emissions reduction. These offerings include prescriptive weatherization and air sealing, energy recovery ventilators, gas and refrigeration leak reduction, and upstream heat pumps. The Company will also work with the Rhode Island Office of Energy Resources to better understand electrification efforts being funded through State and Federal programs, and to determine if synergistic measures could be deployed through the energy efficiency program to advance electrification efforts. At this current time, the Company anticipates these synergies would likely occur on projects relating to weatherization, ventilation, and controls.

3.2.3 Enable customers to invest in efficiency: Enhance financing options and customer awareness of complementary funding sources.

Strategic Philosophy

One of the fundamental pillars of energy efficiency investment is the idea that a greater upfront investment will yield greater lifetime savings, given the decrease in ongoing consumption and costs. However, the decision is often not as simple as comparing net present values or finding a favorable payback period. While one-time rebate incentives help mitigate the first cost of efficiency measures, access to capital can still inhibit customers' ability to invest in efficiency. Straightforward, readily available financing increases project implementation and extends program dollars to serve a greater number of customers. Therefore, the Company's strategy will be to explore ways to enhance and expand the suite of financing offerings available to customers to enable more customers to make impactful multi-year investments in efficiency.

Cross-Cutting Tactics

The Company has several financing vehicles currently on offer to customers (e.g., On-Bill Refinancing, 3rd Party C&I Financing, HEAT Loan, Efficient Buildings Fund), and will investigate ways in which these offerings can be expanded to serve more customers. To make financing more useful in moving projects across the finish line, the Company will provide additional training on available financing mechanisms and how to position them effectively to internal sales staff and trade allies. At the same time, the Company recognizes gaps in current finance offerings, such as a lack of options for landlords in the multifamily program, and we plan to work to find effective ways to address these gaps.

In addition to financing, the Company will collaborate with the Office of Energy Resources (OER) to integrate program incentives with state and federal funding. OER will administer $64 million in funding from the federal Inflation Reduction Act (IRA) in addition to $25 million from the American Rescue Plan Act (ARPA) for a high efficiency heat pump program. The IRA also offers several enhanced tax credits to encourage homeowners to pursue efficiency and electrification measures. Rhode Island Infrastructure Bank (RIIB), in addition to their $5 million annual allocation of program dollars, received an additional $5 million from a 2022 state bond issue to support a small business energy efficiency fund. The Company intends to capitalize on these outside dollars to encourage greater program participation.

Residential & Income Eligible Tactics

The Company intends to explore both financing strategies and leveraged funding for customers. As part of this effort, we plan to re-examine the structure of the current Heat Loan. One concern with the current Heat Loan model is that the 0% interest buy down may restrict the overall number of customers that the loan can reach, given its limited funds combined with the recent increase in interest rates nationwide. One potential alteration would be to offer tiered Heat Loan incentives based on income level and reserving the 0% heat loan for income eligible customers, as well as potentially increasing the Heat Loan cap. This potential redesign of the Heat Loan would require significant thought on how to provide income verification without overcomplicating the process.

Commercial & Industrial Tactics

The Company will continue to offer On Bill Repayment to all C&I gas accounts and to large C&I electric accounts that consume more than 1,000 MWh per year. The On Bill Repayment offers rapid approval, zero interest loans for qualified energy efficiency projects. The loan size available for gas customers range from $1,000 to ~$100,000 (the loan size may be larger for SEMP or special projects), with a maximum tenor of 3 years for commercial accounts, and 5 years for State facilities. For electric customers that consume over 1,000MWh annually, the loan size can range from $1,000 to ~$100,000 (the loan size may be larger for SEMP customers or special projects), with a maximum tenor of 5 years for commercial accounts, and 7-10 years for State facilities. Small Business accounts that consume less than 1,000MWh per year are eligible to receive loans that range from $500 to $50,000, with a maximum tenor of 5 years. Please note that On Bill Repayment cannot be used to support energy efficiency upgrades that have a benefit cost ratio less than 1.0.

3.2.4 Serve customers equitably: Design programs with a conscious effort to serve low- and moderate-income; gender, racially and ethnically diverse; and non-native English-speaking customers.

Strategic Philosophy

Over the years, the Company's energy efficiency programs have served thousands of customers. Even with this success, the Company continues to strive to reach all its customers, especially those that have not yet participated in our programs. In particular, the Company seeks to continue to expand its programs' reach to those who are historically underserved, and those who bear the heaviest energy burdens (and thus have the most to benefit from energy efficiency). As the energy and program provider for all customers in our territory, across all income levels, gender and race categories, and languages spoken, it is our responsibility to ensure that ample benefits are provided to the most vulnerable populations. Therefore, the Company's strategy will be to strive to create a portfolio of programs that are designed to deliver efficiency measures to the historically underserved, and equitably provide benefits to customers across all demographics.

Cross-Cutting Tactics

The Company will continue portfolio-wide efforts to ensure that programs are accessible to diverse populations (e.g., creating program forms and collateral in multiple languages). To continue to provide significant support for low- and moderate-income customers, the company will seek ways for the entire program portfolio to support increases in income eligible offerings. Program cross-subsidization will be pursued to the degree allowable under current standards and statutes, allowing highly cost-effective savings from market rate residential and C&I programs to "pay for" less cost-effective savings from income eligible programs.

Residential & Income Eligible Tactics

The Residential Nonparticipant Market Barriers Study provides several key insights that help shape our approach to serving low- and moderate-income customers in the single family and multifamily residential markets.

The Company's plan to convert remaining electric resistance customers to air-source heat pumps specifies that at least 25% of the target 750 annual conversions take place at low-income customers' residences. The Company will rely on input from the participant/nonparticipant data (and from follow on research to those 2022 studies) as well as other internal systems to inform an implementation plan.

More generally, the Company will continue to improve its outreach and engagement with community-based organizations. One potential component of our outreach strategy would involve using data on deed-restricted housing, to ensure that efficiency work for income-eligible customers remains with income-eligible customers (as required in the property deed) as opposed to inadvertently playing a role in converting the property to market-rate housing through efficiency-related capital upgrades.

In another effort to equitably deliver program dollars, this three-year plan will look to address the deferrals and pre-weatherization barriers (PWBs) that stand in the way of many LMI customers receiving weatherization services. We intend to expand on and refine recent initiatives regarding data tracking of deferrals and PWBs across all home services programs. We plan to collaborate with stakeholders and other groups to assess best practices and new strategies when it comes to addressing PWBs so that the crucial work of weatherizing homes may continue. We also intend to identify and compile resources for leveraging funding to address PWBs.

Commercial & Industrial Tactics

For the 2023-2026 Three-Year Plan, the Company will look to deploy additional bilingual auditors who speak Spanish or Portuguese (the two most widely spoken languages besides English in Rhode Island). The Company will also continue to translate marketing material into Spanish and Portuguese to improve outreach and provide more equitable services.

Additionally, the Company will look to continue its Main Streets Initiative. This initiative aims to accelerate the adoption of direct-install efficiency measures for small businesses within a targeted community. Outreach for this initiative includes direct mail and/or social media engagement, followed by a door-to-door effort that lasts between 3 to 7 days, depending on the number of small/microbusiness and the size of the target community. In selecting the Main Street locations, the Company will prioritize Environmental Justice areas.

3.2.5 Ensure Workforce Capacity to Serve Customers

Strategic Philosophy

The ability of customers to invest in energy efficiency relies on the existence of an ample, well-trained workforce that can deliver high-quality service. The Company's programs have helped nurture the energy efficiency workforce in Rhode Island for years. Even still, the state of the current program delivery workforce (trade allies, vendors, and project expeditors) is sometimes strained in its ability to deliver services in a manner that meets program goals and satisfies customer expectations. We know, for example, that the undersupply of qualified energy auditors, which is seen throughout construction-based fields, results in long wait times for customers, eroding program participation. Boosting capacity alleviates the bottleneck of available labor, and affords us the opportunity to address equity issues by expanding the number of MBE/WBE enterprises that work as prime and subcontractors in program delivery. While development of Rhode Island's workforce is a multi-faceted, statewide

effort that extends beyond the borders of the Company, we know that we play an important role as a key partner in this effort. Therefore, the Company's strategy will be to take an active role to help our partners develop the skills and capacity necessary to maximize the impact of program dollars.

Cross-Cutting Tactics

The Company's specific role in developing Rhode Island's workforce includes:

- Defining how large a workforce is needed to successfully deliver programs.
- Expressing gaps in the current workforce (e.g., MBE contractors who serve customers in their preferred language).
- Supporting programs that are an effective pipeline for our workforce (e.g., the Residential Construction Workforce Partnership).

Workforce development efforts will be enhanced based on the recommendations from the Rhode Island Workforce Needs Assessment Study, which is expected to be released in the first half of 2023. The Company is currently working on improving training for vendors and project expeditors, and the Company has the capacity to increase its focus on code compliance. Known areas of focus will be zero net energy projects, building operator certification, codes and standards compliance training, weatherization, and general energy efficiency skills, such as auditing and the Association of Energy Engineers' Certified Energy Manager (CEM) certification.

The Company anticipates making investments in workforce development in this three-year plan including:

- Providing training to the residential efficiency workforce and technical students.
- Enhancing continuing education for building managers and facilities operators.
- Educating current vocational students about opportunities in the energy efficiency field.

These efforts will be coordinated across both the C&I and residential teams, along with the appropriate state and local authorities, to reduce or eliminate duplication of effort and expenditures.

3.3 Multiyear Strategies

None planned at this time.

4. Savings Goals and Potential

This section will provide the numerical energy and demand savings goals for the three years addressed by the plan. Goals will be presented in units of lifetime savings (MWh for electric and MMBtu for gas), annual savings, and all-fuels MMBtu savings. Carbon and NOx Reductions will be calculated and reported as secondary goals consistent with the Standards and the Act on Climate. Savings estimates will be determined, in part, based on results of most recent results from evaluation studies.

4.1 Three-Year Goals

This subsection will detail how the three-year goals for energy efficiency (electric and gas) and demand response were developed and what those goals are. This subsection will additionally describe how the recently completed market potential study was used to inform the goal setting process, and why and

how the goals differ from the Targets from PUC Docket 5023, should they deviate from the PUC's approved Targets.

Table 2. 2024 – 2026 Electric Portfolio Savings Summary

Electric Programs	2024	2025	2026
Savings and Benefits			
Annual Electric Savings (MWh)			
Annual Electric Savings (MMBtu)			
Annual Delivered Fuel Savings (MMBtu)			
Annual Total Savings (MMBtu)			
Lifetime Electric Savings (MWh)			
Lifetime Electric Savings (MMBtu)			
Lifetime Delivered Fuel Savings (MMBtu)			
Lifetime Total Savings (MMBtu)			
Annual Passive Peak Demand Savings (kW)			
Winter Passive Peak Demand Savings (kW)			
Total Benefits (RI Test)			
Costs			
Total Funding Required			
Cost per lifetime kWh			
EE Program Charge per kWh			
Benefit Cost Ratio (RI Test)			

Table 3. 2021 – 2023 Natural Gas Portfolio Savings Summary

Gas Programs	2024	2025	2026
Savings and Benefits			
Annual Natural Gas Savings (MMBtu)			
Lifetime Natural Gas Savings (MMBtu)			
Total Benefits (RI Test)			
Costs			
Total Funding Required			
Cost per lifetime MMBtu			
Residential EE Program Charge per Dth			
C&I EE Program Charge per Dth			
Benefit Cost Ratio (RI Test)			
Participation			

4.2 Historic Savings

As in prior three-year plans, there will be summary tables of historic electric and gas energy efficiency achievements and spending since 2009.

Table 4. Summary of 2009-2019 Electric Energy Efficiency Year End Reports

Year	Annual MWh Savings	Lifetime MWh Savings	Total Benefits ($000)	Total Spending ($000)	TRC BC Ratio	RI Test BC Ratio	EE Program Charge/kWh	$ /lifetime kwh	Participants
2009	81,543	899,331	$123,045	$29,536	3.02		$0.00320	$0.027	106,525
2010	81,275	929,242	$128,864	$29,712	3.73		$0.00320	$0.027	153,611
2011	96,009	1,076,778	$151,542	$39,308	3.35		$0.00526	$0.031	254,747
2012	119,666	1,288,325	$140,104	$50,719	2.24		$0.00589	$0.036	201,351
2013	159,035	1,612,371	$192,418	$72,875	2.24		$0.00862	$0.039	470,245
2014	268,468	3,278,088	$314,673	$80,321	2.69		$0.00911	$0.041	551,882
2015	222,822	2,287,785	$312,000	$82,897	2.38		$0.00942	$0.036	622,822
2016	214,329	2,034,220	$234,234	$74,274	2.16		$0.01077	$0.034	758,284
2017	232,023	2,327,916	$249,986	$90,012	1.91		$0.01124	$0.039	687,141
2018	206,209	1,848,845	$369,835	$88,123	1.88	2.99	$0.00972	$0.048	688,471
2019	190,159	1,624,417	$489,299	$104,620	2.49	3.43	$0.01121	$0.064	668,420
2020	157,346	1,299,159	$533,494	$88,224		4.76	$0.01323	$0.068	637,349
2021	131,365	1,046,790	$477,423	$94,564		3.88	$0.01113	$0.090	418,432

Table 5. Summary of 2009-2019 Natural Gas Energy Efficiency Year End Reports

Year	Annual MMBtu Savings	Lifetime MMBtu Savings	Total Benefits ($000)	Total Spending ($000)	TRC BC Ratio	RI Test BC Ratio	EE Program Charge/Dth	$ per lifetime MMBtu	Participants
2009	195,200	2,553,828	$26,071	$6,552	2.83		$0.150	$2.44	8,339
2010	140,097	2,155,112	$26,309	$5,496	2.31		$0.150	$2.33	5,670
2011	119,613	1,623,922	$18,196	$4,868	2.21		$0.150	$2.73	3,080
2012	229,811	3,300,583	$36,237	$13,310	1.68		$0.384	$3.72	11,681
2013	311,585	4,377,672	$44,747	$19,501	1.78		$0.414	$4.21	135,646
2014	409,029	5,958,381	$50,417	$20,034	2.41		$0.600 (Resi) $0.492 (C&I)	$3.84	143,655
2015	419,778	5,249,170	$54,762	$20,129	2.60		$0.781 (Resi) $0.637 (C&I)	$3.47	146,098
2016	417,820	5,282,221	$51,103	$23,135	1.93		$0.748 (Resi) $0.487 (C&I)	$4.78	150,160
2017	468,211	4,615,034	$70,972	$27,513	1.86		$0.888 (Resi) $0.726 (C&I)	$5.96	112,202
2018	497,119	5,513,499	$113,117	$27,231	2.62	3.11	$0.869 (Resi) $0.671 (C&I)	$4.94	101,423
2019	451,466	4,527,147	$115,736	$30,142	2.17	2.66	$0.715 (Resi) $0.420 (C&I)	$6.66	151,655
2020	318,845	2,960,120	$96,717	$24,598		3.08	$1.011 (Resi) $0.777 (C&I)	$8.31	164,410
2021	316,424	3,454,006	$120,325	$35,680		2.79	$0.871(Resi) $0.596 (C&I)	$10.33	165,233

5. Funding Plan and Budgets

This section will describe funding that will support three-year plan budget requirements and fulfill the statutory mandate of Least-Cost Procurement. It will also contemplate coordination with non-program related funding sources that may complement program incentives.

5.1 Budgets

5.2 Funding Plan

5.2.1 Energy Efficiency Charges

No major revisions anticipated.

5.2.2 Fund Balances

No major revisions anticipated.

5.2.3 ISO-NE Capacity Market Revenue

No major revisions anticipated.

5.2.4 RGGI Funding
No major revisions anticipated.

5.2.5 Exceptions to the Natural Gas Energy Efficiency Program Charge
No major revisions anticipated.

5.2.6 Budget Management
No major revisions anticipated.

5.2.7 Transferring Funds
No major revisions anticipated.

5.2.8 Notification of Large Customer Incentives
No major revisions anticipated.

6. Performance Incentive Plan
[Intentionally Blank]

6.1 Proposed Performance Incentive
No major revisions anticipated.

7. Timeline
7.1 Annual Plan Development Schedule
This subsection will provide a high-level summary of the deadlines for annual plan development in each year, including the expected filing dates for annual plans. At the time of this outline's development, the Company assumes that timelines and filings are unchanged based on the LCP Standards revision process. This section will be updated as needed based on the revised LCP Standards.

Table 6. Schedule for Subsequent Annual Plan Filings

Annual Plan	Expected Filing Date
2024 Annual Plan	October 15, 2023
2025 Annual Plan	October 15, 2024
2026 Annual Plan	October 15, 2025

7.2 Annual Plan Development Process
This subsection will describe the coordination process undertaken each year with EERMC, OER, DPUC, and other stakeholders through the TWG to inform the plans in each year following from the Three-Year Plan. The influx of federal funding allocated to RI by the Inflation Reduction Act (IRA) necessitates that the Company work closely with other stakeholders, especially OER, to right size incentive levels and design programs that complement other available incentives.

8. Conclusion and Requested Rulings
Consistent with the latest revised LCP Standards, this section will indicate the specific rulings the Company requests of the RI PUC through this filing.

Appendix A. Program List by Sector

This appendix provides a reference for readers indicating which programs are contained in each sector: Residential, Income Eligible, and Commercial and Industrial. To be updated for three-year plan.

Table TBD. Electric and Natural Gas Programs

Appendix B. Definitions

This appendix provides a reference to commonly used terms in the efficiency plans. To be updated for three-year plan.