



STATE OF RHODE ISLAND

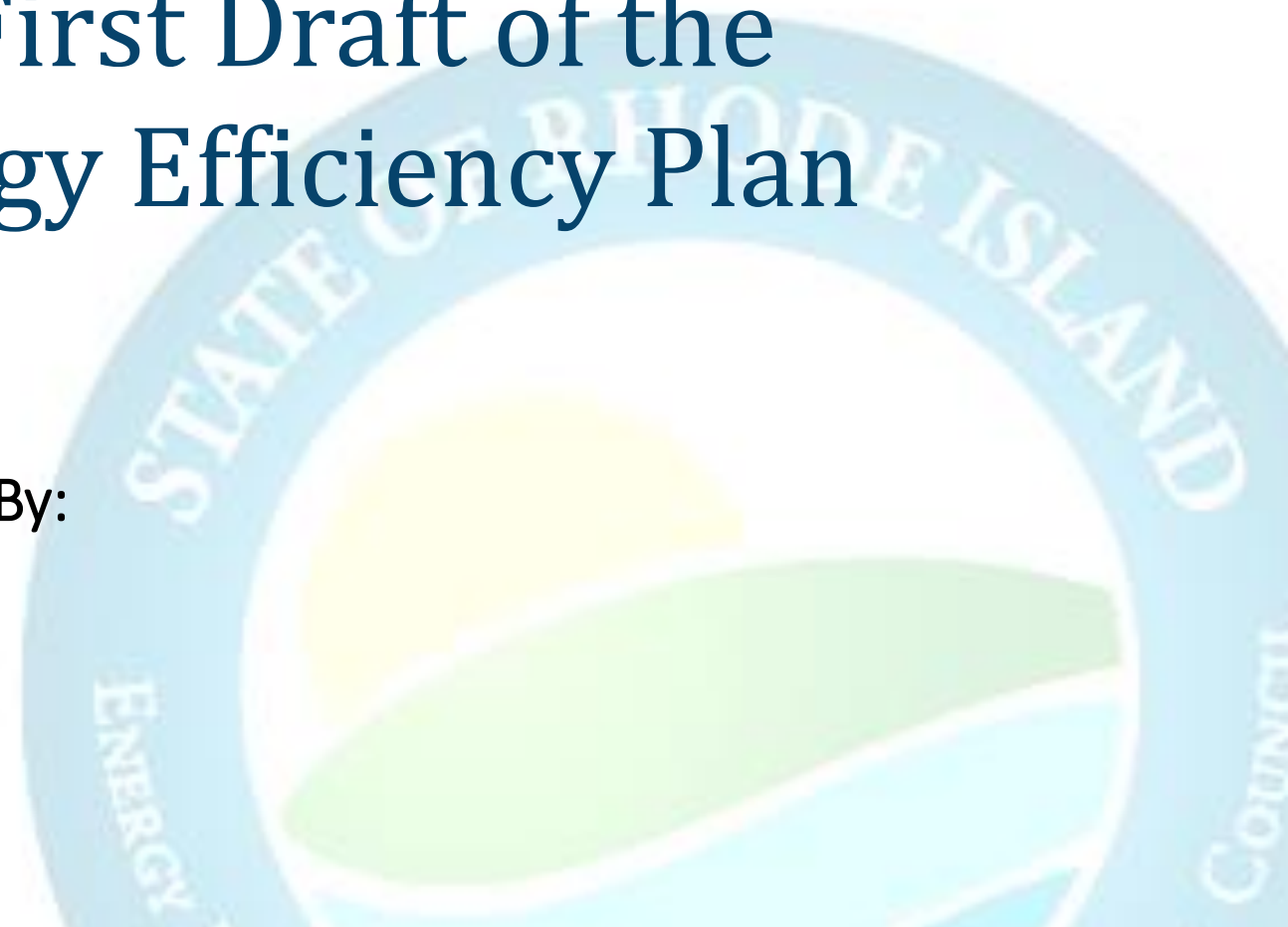
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

Review of the First Draft of the 2024-2026 Energy Efficiency Plan

Presented to the EERMC By:
EERMC Consulting Team

Date: June 15, 2023





Outline

Three-Year Plan Refresher

Process Update

Initial High-Level Comments

Responsiveness to Council Priorities

Next Steps & Discussion



THREE-YEAR PLAN REFRESHER





The Three-Year Plan

Primary Purposes of the Three-Year Plan

- Propose budgets, savings goals, and program focus and strategies for the next three years of implementation
- Identify strategies and an approach to planning and implementation of programs that will secure all cost-effective energy efficiency and conservation resources that are consistent with the Least Cost Procurement Standards

Rhode Island Energy responsible for drafting and filing a Three-Year Plan that meets the requirements of the Least Cost Procurement Standards

- Plans are developed with input from EERMC, OER, and other stakeholders that make up the Company's Technical Working Group



Three-Year Plan Content

- Consistency with Least Cost Procurement Standards
- Strategies and Approaches to Planning
- Initial Funding Plan, Budget, and Goals
- Performance Incentive Plan Structure
- Multi-Year Strategies



PROCESS UPDATE





Process Update

June 1: First draft of the Three-Year Plan distributed

- Level of detail – particularly around program-specific strategies – did not meet expectations and did not allow C-Team ability to assess whether Standards are adequately met
- C-Team immediately raised this with the Company and schedule a coordination call

June 2: Coordination call with RI Energy, C-Team, and OER

- Company indicated a change in format from prior Three-Year plan
- C-Team expressed concern that Company's intent to significantly deviate from prior format was not effectively communicated in a way to set stakeholder expectations

June 5: Company committed to provide more program-level details by early in the week of June 12th

June 12: Company provided a brief summary of program-level details



INITIAL HIGH-LEVEL COMMENTS





Content Concerns

Program Design

- High-level description of planned program offerings
- Insufficient detail on program design changes and strategies

Pilots, Demonstrations, and Assessments (PDAs)

- No dedicated section on how Company will approach PDAs
- Appreciate intent to learn from others without needing to fund costs with conducting PDAs, but...
- ...Need to have a plan that details Company's approach to identifying, following, and applying results of studies elsewhere
- Previous 3YP contained information on process, ongoing PDAs, and planned PDAs during 3YP

Evaluation, Measurement and Verification (EM&V)

- No section or content detailing EM&V plans
- Previous 3YP contained information on process and outlook for upcoming three years



Content Concerns (Con't)

Coordination with Other Energy Policies, Programs, and Dockets

- Brief mentions of coordination throughout, though 3YP would benefit from a dedicated section that covers each topic in more detail
- Examples of topics covered in dedicated section from past 3YP include SRP, ISR, Future of Gas, AMF, Rate Cases, and Codes & Standards

Multiyear Strategies

- Section currently indicates no strategies planned
- Prior 3YP contained information on CHP and RIIB projects

Performance Incentive Plan

- Very little detail
- Prior 3YP contained background and process information, content on history of PIM, and any anticipated adjustments to the Plan



RESPONSIVENESS TO COUNCIL PRIORITIES





Compliance with LCP Standards

Plan Outline Memo Feedback	Assessment of Responsiveness
Section 2 of the 2024-2026 Plan include a description of any key changes in the LCP Standards and how said changes impacted the Company’s approach to development of the Plan	The Company did include language that discusses key changes in the LCP Standards and how said changes impact the Company’s approach to the development of the Plan

Additional Feedback

3YP references Annual Plan for interpretation of each Standard, and since Annual Plan is not developed, we cannot at this time assess agreement with interpretation

- A few exceptions for some language in revised Standards currently being contemplated

Company does not anticipate consistency to vary between 2024 and subsequent years of the 3YP for Standards associated with Prudency and Environmental Responsibility

- Outcomes of Future of Gas Docket and results of EC4’s 2025 Climate Strategy could impact the full meaning of compliance with these Standards



Support Compliance with Act on Climate

Plan Outline Memo Feedback	Assessment of Responsiveness
<p>The Plan should provide a detailed, timebound workplan for establishing a clear barometer for the appropriate level of emissions reductions produced by RIE's EE portfolio.</p>	<p>Takes an approach that any energy savings will directly support the State's emissions reduction mandate.</p> <p>While true, it does not account for whether the amount of energy savings is appropriate.</p>
<p>The Plan should provide a stronger commitment to phasing out incentives for gas equipment by not just exploring, but following through on program design that encourages electric options over gas.</p>	<p>Plan indicates willingness to have discussion with stakeholders to discuss how gas incentives could start to be adjusted during the three-year period.</p> <p>Would like to see a commitment with a plan and timeline from the Company for taking the initiatives on this matter, since it's a topic stakeholder have been clear on for several years now.</p>



Support Compliance with Act on Climate

Plan Outline Memo Feedback

The Plan speak to how the Company will coordinate with the Executive Climate Change Coordinating Council (EC4) to determine what constitutes EE program compliance with the Act on Climate and the upcoming 2025 Climate Strategy.

Assessment of Responsiveness

The Plan indicates that the Company will participate in EC4 meetings to understand policy priorities and actions so the Company can account for those to ensure plan agreement with the development of the anticipated 2025 Climate Strategy...

...But the Plan does not speak about how they will work with EC4 to determine what constitutes compliance. Critical to understand what constitutes compliance between now and when the 2025 Climate Strategy is completed.



Ensure Stakeholder Input is Adequately Incorporated

Plan Outline Memo Feedback	Assessment of Responsiveness
<p>The Plan should include a detailed section on the customer feedback activities that the Company undertook in plan development.</p>	<p>The draft Plan includes a placeholder for more detail on the listening sessions, but no indication of what level of detail will be provided. Expectation is that there will be a robust discussion on the listening sessions and how the outcomes informed planning.</p> <p>Also expect a final report will be produced by the facilitator and included in the Plan filing, similar to what was included in the 2019 plan filing.</p>
<p>The Plan should include a description of customer feedback activities that will be conducted over the course of the Three-Year Plan.</p>	<p>The draft plan does not contemplate future stakeholder feedback activities. Recommend that the Plan commit to conduct these activities on an ongoing basis.</p>



Support an Effective and Efficient Plan Development and Review Process

Plan Outline Memo Feedback

Expectation that the Company will continue to work in good faith to ensure that the Council and other stakeholders have adequate time to review and provide comment on relevant materials.

Assessment of Responsiveness

Concerned about the lack of detail provided in the first draft and that a major shift in overall plan design was not communicated with stakeholders earlier in the process.

Appreciate the Company's quick response to our concerns about the level of detail on programs, but concerned that this important part of the plan review is coming more than a week later than expected, cutting into stakeholder review time.



Intent to Grow Energy Efficiency Programs

Plan Outline Memo Feedback

That the section that describes how MPS was utilized to inform goals, and why and how they differ from Targets is as thorough as possible to ensure that stakeholders, including the regulators, have a clear understanding of any differences between the goals and the Targets.

Assessment of Responsiveness

Draft Plan does continue indication that Company will follow through on this. First draft numbers don't come until end of June, so reasonable that this draft did not include description of variations.

Maintain recommendation that this description be as thorough as possible.



Increase Participation of Historically Underserved Customers

Plan Outline Memo Feedback	Assessment of Responsiveness
<p>The Plan should include a commitment to work with stakeholders to discuss, vet, and if deemed appropriate, propose a performance incentive mechanism that includes discrete equity component.</p>	<p>Plan indicates that the Company is open to discussions with stakeholders on mechanism for including an equity component in the PIM</p> <p>Would like to see included in the PIM section a plan and timeline for how the Company will engage stakeholders in this matter</p>
<p>The Plan should document efforts to develop a Language Access Plan, or something similar, that clearly details how the Company will provide services to individuals who are non-English speaking or have limited English proficiency at each step of the customer journey.</p>	<p>The Plan gives examples of activities that could be part of a Language Access Plan, but falls short of committing to a timeline and process to developing such a plan.</p>



Increase Participation of Historically Underserved Customers

Plan Outline Memo Feedback

The Plan should include discussion of the Equity Working Group (EWG), its recommendations, and a commitment to develop clear determinants of success with regular reporting on progress.

Assessment of Responsiveness

Limited discussion on the EWG aside from noting that the Company will continue to actively participate in EWG and will continue to focus on recommendations from EWG and refine metrics to measure progress.

Plan does not include content on recommendations received to date and how they will continue to work to address them.

Further concern about significant delay in getting the EWG back up and running for 2023. Would like to see a commitment for the EWG to be an ongoing process, not one that starts and stops for each planning cycle.



Deliver Targeted Workforce Development

Plan Outline Memo Feedback

Encouraged by the level of content related to workforce development, and Section 3.2.5 hits on many of the detailed strategies noted in the Council's priorities. Expect to see additional detail on the Company's planned efforts.

Assessment of Responsiveness

Section in Plan is largely the same as what was included in the Plan Outline Memo.

Would have hoped to see more detail relating to the Workforce Needs Assessment, which is nearing completion.

The Plan outlines what the Company thinks its role is in developing RI's workforce in a few bullets, but falls short of detailing those roles.



DISCUSSION & NEXT STEPS



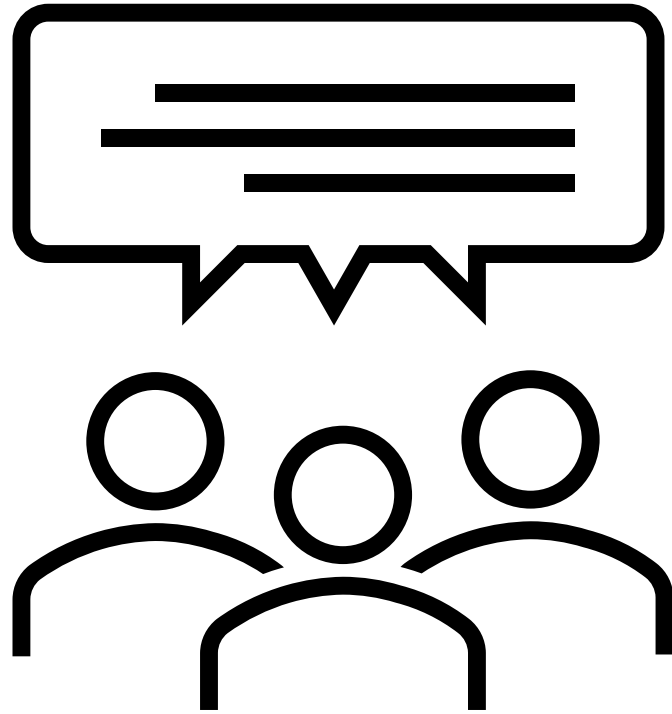


What's Next?

Date	Milestone
June 29 th	Comments on First Draft of Three-Year Plan Narrative Due
June 30 th	First Draft Three Year Plan Numbers Distributed
July 21 st	Comment on First Draft Three Year Plan Numbers Due
August 3 rd	First Draft 2024 Annual Plan Narrative and Numbers Distributed
August 24 th	Comments on First Draft 2024 Annual Plan Due
September 7 th	Second/Near-Final Draft of Three Year and Annual Plans Distributed



Council Member Discussion



- ? Given the delay in distributing program details, should stakeholders be afforded the opportunity to provide comments past the June 30th deadline?
- ? Does the overall timeline contemplated still allow the stakeholders to provide timely input and allow the Company to file its Plans with the PUC?
- ? Is it important that the Three-Year Plan include content that goes beyond the specific requirements of the LCP Standards?
- ? What are the most important pieces of feedback the Council would like to see the Company address in the next draft of the Three-Year Plan?