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2024 - 2026 Energy Efficiency Plan Update

June 15, 2023

Planning Timeline for Stakeholder Involvement



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Date	Milestone
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
August 3	First Draft 2024 Annual Plan
August 24	First Draft 2024 Annual Plan Comment Period Ends
September 7	Second/Final Draft of 3YP due to stakeholders
October 1	3YP/Annual Plan Filed with PUC



Plan Elements in Progress

- Demonstrations, Pilots, Assessments
- Multiyear Strategies
- Performance Incentive Mechanism
 - Equity PIM
- Workforce
 - Needs assessment being finalized
- Coordination with other Programs & Dockets
- Stakeholder Feedback
- LCP, Act on Climate
- Equity Working Group



Gas Incentives: Current Approach

•Other Jurisdictions

- MA incentivizes gas-to-electric fuel switching (Legislative)
- CT is phasing out gas incentives where electric alternatives exist (Energy Efficiency Board)
- CO plans to order a gas incentive phaseout, more details to come (PUC)
- CA has a plan to phase out gas incentives over 10 years (PUC)

•Next Steps Being Explored

•New Construction:

- Consider timeline to phase out gas incentives (starting with Resi).

•Retrofit:

- Analyze our portfolio of measures and lower gas incentives/raise electric incentives for measures that serve the same end use to favor the electric option.
- Annually lower gas measure lives as 2050 approaches to raise the bar for cost-effectiveness.

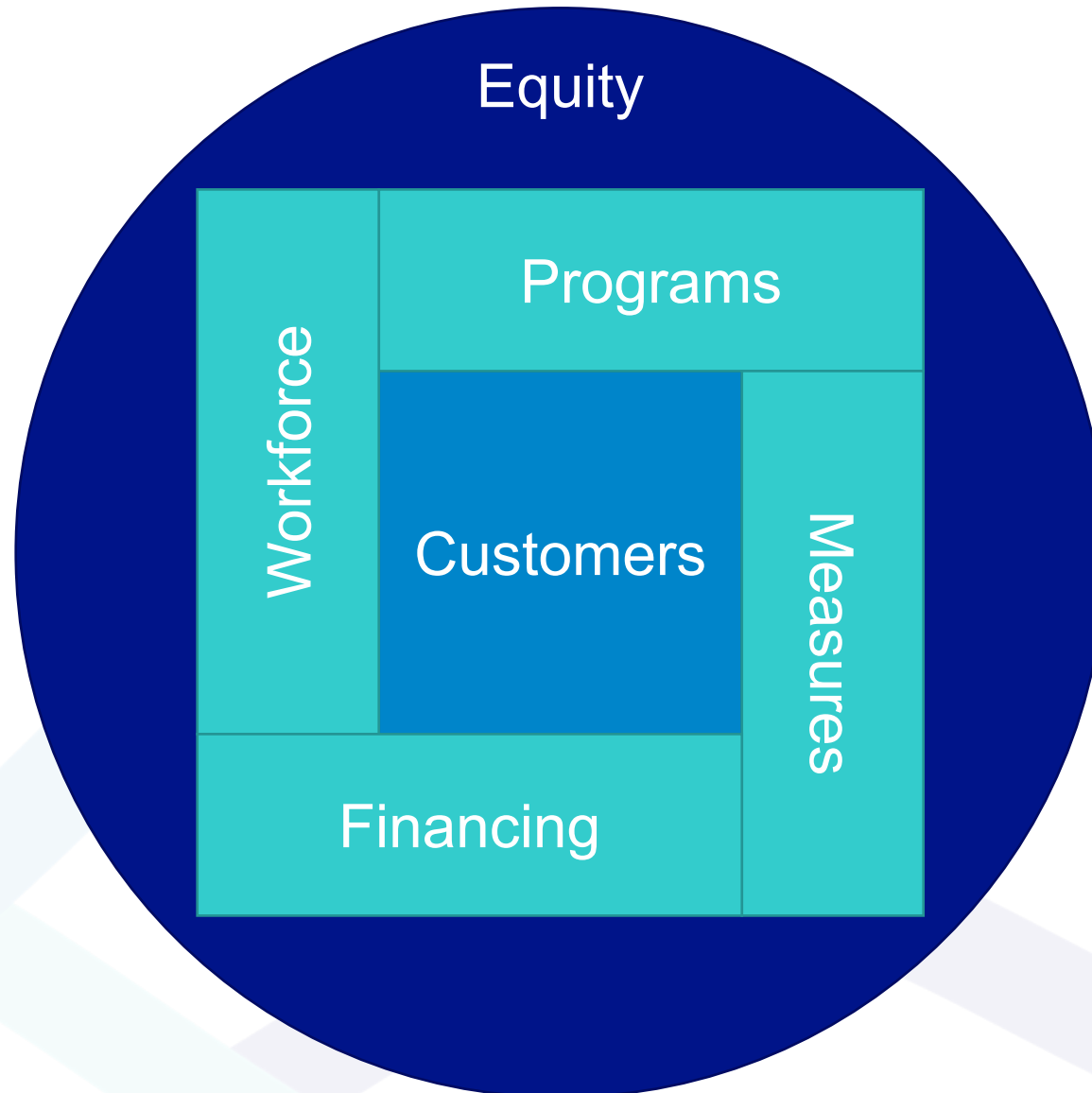
•Considerations and Limitations

- If a customer wants gas, we want to help them choose an efficient option.
- Without fuel switching, electric incentives are limited to the incremental electric cost/savings.

2024-2026 3-Year Plan Strategy



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3YP Primary Strategies

- **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.**

EnergyWise Single Family



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- ❑ Coordinate with OER's High-Efficiency Heat Pump Pilot Program.
- ❑ Coordinate with OER to leverage additional federal funding opportunities (e.g., ARRA, IRA).
- ❑ Leverage the high-cost effectiveness of weatherization measures and heat pump installations by offering additional funding to remediate pre-weatherization barriers (up to the point of cost effectiveness for both measures).
- ❑ Improve data collection efforts around pre-weatherization barriers, to better understand their impact on energy efficiency progress.
- ❑ Collaborate with stakeholders and other groups to assess best practices and new strategies to address pre-weatherization barriers (also applicable to Income Eligible Services program).

Multifamily



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- Use the Heat Pump Market research study results, including landlord interviews, to target landlords for heat pump upgrades and other applicable energy efficiency measures (also applicable to C&I Multifamily Program)
- Work to establish a pilot program around one or more new financing options for multi-family (also applicable to C&I Multifamily Program).

Income Eligible Services



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- ❑ Ensure the IES program is delivered equitably, with the input and guidance of the Rhode Island EWG.
- ❑ Address the deferrals and pre-weatherization barriers that stand in the way of many low-and-moderate income customers receiving IES program services.
- ❑ Expand on and refine recent initiatives regarding data tracking of deferrals and pre-weatherization barriers across all Residential Home Services programs.
- ❑ Collaborate with stakeholders and other groups to assess best practices and new strategies to address pre-weatherization barriers.
- ❑ Identify and compile resources for leveraging funding to address pre-weatherization barriers.

Residential New Construction



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- Revise the RNC program guidelines to reflect changing baseline assumptions.
- Increase the number of projects achieving advanced building standards and certifications such as Zero Net Energy and Passive House.
- Determine needed implementation changes based on an ongoing User Defined Reference Home (UDRH) study.

Home Energy Reports



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- Explore tailoring HER program to target specific audiences (e.g., high users).
- Explore increasing messaging to Automated Metering Frequency (AMF) customers.

Residential Consumer Products



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- No major changes planned



Residential High-Efficiency Heating, Cooling, and Hot Water



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- ❑ Target electric heat resistance customers for heat pump upgrades as outlined in the Company's *Electric Resistance Heating to Air Source Heat Pumps: Implementation Plan for the Income Eligible Sector* (also applicable to Income Eligible Services program).
- ❑ Coordinate with OER's High-Efficiency Heat Pump Pilot Program.
- ❑ Research opportunity to implement right-sizing incentives for fossil fuel equipment and options for optimizing electric versus gas.
- ❑ Coordinate with OER to leverage additional federal funding opportunities (e.g., ARRA, IRA).
- ❑ Coordinate with OER on HVAC workforce development in 2024.

C&I New Construction



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- The Commercial and Industrial New Construction program underwent a program redesign to simplify the pathways for participation; the Company is anticipating those changes will result in additional program activity during Program Years 2024-2026
- Revise the Large Commercial New Construction program guidelines to reflect changing baseline assumptions, IECC 2018
- Changes to Upstream New Construction baseline assumptions for Food Services and HVAC

Retrofit



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- ❑ The Company will look to deploy a data-driven approach to increasing customer participation in the commercial and industrial sector.
 - ❑ Analyze customer consumption data (kWh, peak load, and therms) and past energy efficiency participation to better target customers, especially non-participants.
- ❑ Expand the reach of its Strategic Energy Management Planning (SEMP) initiative to support the increasing number of customers with climate and sustainability goals
- ❑ Expand services supporting more advanced system controls, energy management systems, and building analytics
- ❑ Enhanced incentives to customers that commit to implementing comprehensive energy efficiency measures.
- ❑ Enhance continuing education for building managers and facilities operators
- ❑ Work with OER to better understand electrification efforts being funded through State and Federal programs.
- ❑ Promote prescriptive and custom offerings to promote commercial weatherization and greenhouse gas emissions reduction.

Small Business Direct Install



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- Promote prescriptive and custom offerings to promote commercial weatherization and greenhouse gas emissions reduction including the development of prescriptive weatherization and air sealing offerings.
- Further promote Main Streets initiative in Environmental Justice Areas
- Deploy multilingual marketing materials and program materials
- Work with OER to better understand electrification efforts being funded through State and Federal programs.



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