



Rhode Island Energy™  
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# 2024 - 2026 Energy Efficiency Plan Update

July 20, 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 21	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

# Summary of Comments Received



High Level Themes	Details
Concern for a lack of detail in the plan	<ul style="list-style-type: none"> <li>• Many commented on how high-level and aspirational the plan is and that it lacks necessary detail</li> <li>• Commenters would like to see more explicit callouts when referencing planned updates (i.e., if the plan mentions “next generation of efficiency measures” = what exact measures does this entail?)</li> </ul>
Request for program design specifics	<ul style="list-style-type: none"> <li>• Commenters were concerned with specifics regarding updates to program designs and strategies for the next 3 years</li> </ul>
Organization Suggestions	<ul style="list-style-type: none"> <li>• Many comments focused on re-phrasing for clarity or re-organizing text location</li> </ul>
Concern of Timelines	<ul style="list-style-type: none"> <li>• Many would like to see the Annual Plan tied with the 3YP</li> <li>• There is concern that without the annual plan, the stakeholders will not be able to evaluate whether they agree with the Company's interpretation of the Cost Effectiveness test or any of the other Standards.</li> </ul>
Partnerships	<ul style="list-style-type: none"> <li>• Focus on ensuring strong and defined relationships within partnerships between OER, CBOs, vendors, etc.</li> </ul>
Lack of alignment with the Act on Climate	<ul style="list-style-type: none"> <li>• Commenters are concerned with how the Act on Climate Plan will be applied to the annual plans given that the Act on Climate will only be finalized in time for the 2027 annual plan</li> </ul>
Electrification	<ul style="list-style-type: none"> <li>• Commenters would like to see what specific gas measures RIE will phase out and what strategies will be incorporated to guide the electrification movement</li> </ul>



# Recent 3YP Narrative Changes

- 1.2 The Planning Process
  - Adding detail from listening sessions
- 2. Least Cost Procurement Laws and Standards
  - Added detail, will augment in 2024 plan
- 3.2.5 Ensure Workforce Capacity to Serve Customers
  - Discussion of new building code implications
- 3.2.6 2024-2026 Efficiency Plan Program Updates
  - Listed program level enhancements
- 3.3 Multiyear Strategies
  - None currently planned
- 3.4 Coordination with Other Programs and Policies
  - SRP, AMF, AoC, FoG, OER
- 3.5 Evaluation Plans
  - Added themes for next three years
- 5.1 Proposed Performance Incentive
  - More detail

# First Draft 3YP Numbers At a Glance

## Budget Growth (YOY)

### •Electric

- 2024 = 1.4%
- 2025 = 1.6%
- 2026 = 1.7%

### •Gas

- 2024 = 1.9%
- 2025 = 1.7%
- 2026 = 1.8%

## Savings Growth (YOY, annual / lifetime)

### •Electric

- 2024 = -3.4% / 10.2%
- 2025 = 1.4% / 4.9%
- 2026 = 1.9% / 4.6%

### •Gas

- 2024 = -2.4% / -2.8%
- 2025 = 4.5% / 5.4%
- 2026 = 4.3% / 4.8%

## Cost of Savings Decline (YOY)

### •Electric

- 2024 = -9.0%
- 2025 = -4.6%
- 2026 = -3.9%

### •Gas

- 2024 = 4.2%
- 2025 = -2.5%
- 2026 = -3.1%

# First Draft 3YP Numbers At a Glance



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## Portfolio Cost Effectiveness

- Electric
  - 2024 = 1.71
  - 2025 = 1.88
  - 2026 = 1.94
- Gas
  - 2024 = 1.72
  - 2025 = 1.74
  - 2026 = 1.76

## Program Cost Effectiveness

- EnergyWise Single Family
  - Electric
    - 2024 = 0.98
  - Gas
    - 2024 = 0.96
    - 2025 = 0.95
    - 2026 = 0.94
- Residential HVAC
  - Gas
    - 2024 = 0.73
    - 2025 = 0.70
    - 2026 = 0.67

All other programs show BCR  $\geq 1$

# Notable Items Informing Numbers- Resi



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## •EnergyWise

- Discontinuation of LED lighting incentives
- Growth of heat pump adoption
- Emphasis on weatherization of electrically heated homes
- Implementation of strategies to address pre-weatherization barriers

## •Income Eligible Services

- Discontinuation of LED lighting incentives
- Increase in electric resistance to heat pump conversions

## •Residential New Construction

- Shifting market further towards all-electric new construction

## •Home Energy Reports

- Natural decline in year-over-year savings given age of program

## •Residential Consumer Products

- Anticipated economic rebound in 2025 and 2026

# Notable Items Informing Numbers- C&I



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## •C&I New Construction

- Adoption of stricter codes and standards
- Increased emphasis on HVAC and Custom projects
- Streamlined program design

## •C&I Retrofit

- Increased emphasis on HVAC (Building Analytics, EMS)
- Increased emphasis on motors and drives (Industrial Initiative)

## •Small Business Direct Install

- Phaseout of lighting incentives
- Increased emphasis on HVAC, motors/drives, heat pump water heaters, and weatherization



# Benchmarking Our Numbers



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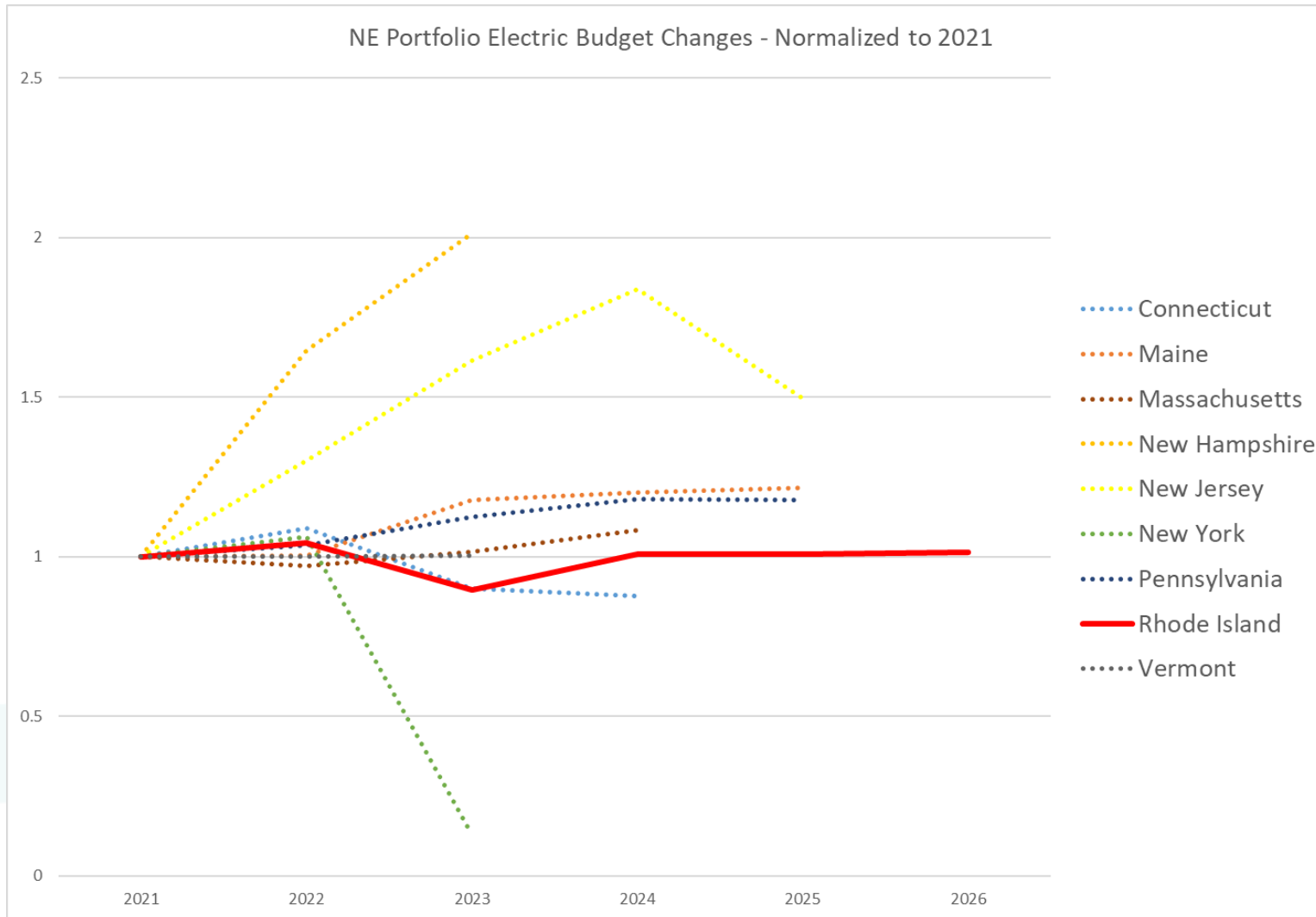


Chart shows electric budget trends for Northeast states.

Figures are normalized to 2021 (e.g., 1 = budget is 100% of 2021 budget, 1.5 = budget is 150% of 2021 budget)

- The region shows generally modest electric budget growth.
- RI shows relatively flat budget growth.
- RI budget declined alongside CT 2022-2023, but comes back up in 2024 then remains level.

Source: E Source.  
MA data excludes electrification programs.

# Benchmarking Our Numbers



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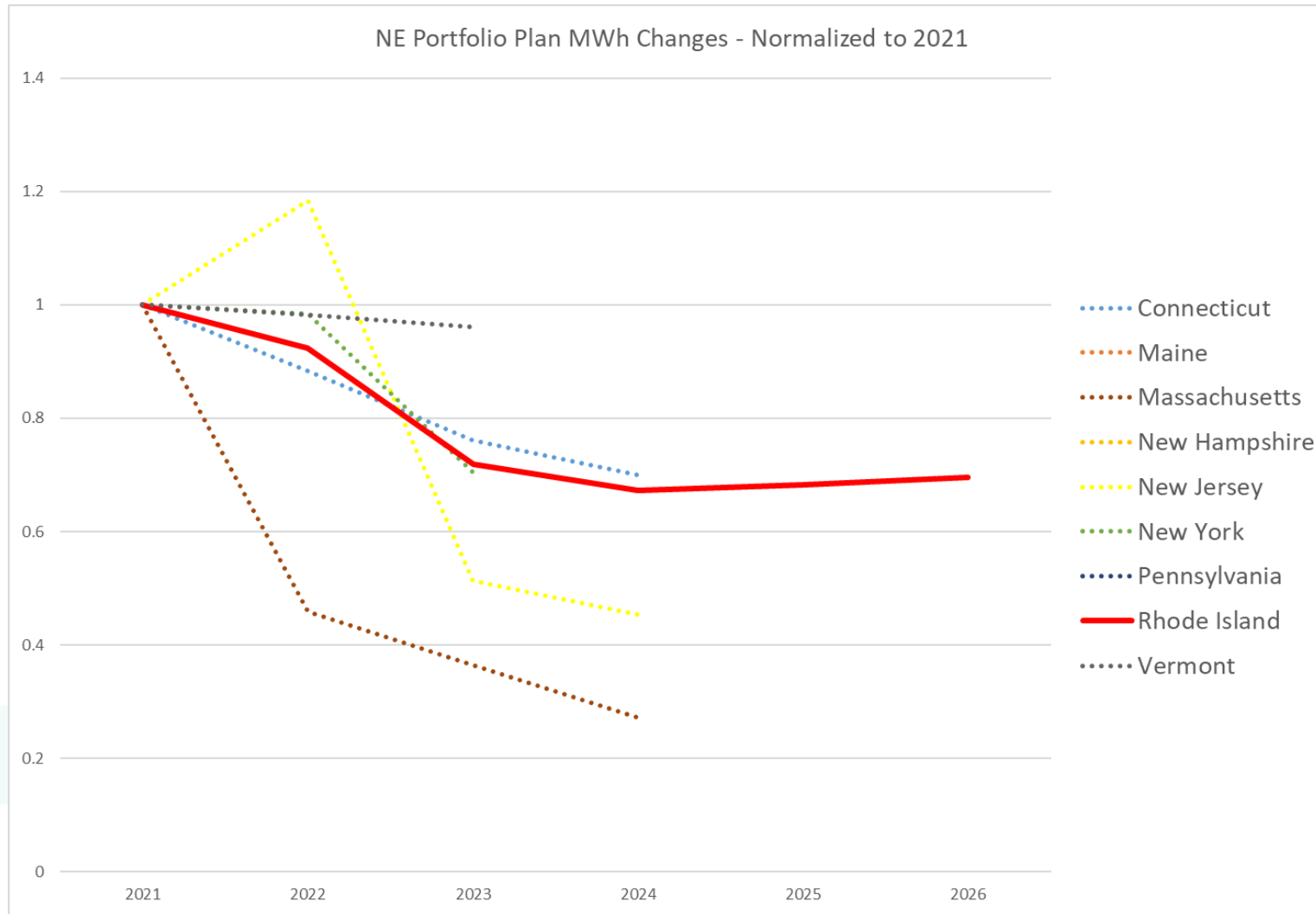


Chart shows planned electric savings trends for Northeast states.

Figures are normalized to 2021 (e.g., 1 = savings is 100% of 2021 savings, 1.5 = savings is 150% of 2021 savings)

- The region shows declining electric savings.
- RI decline in savings falls in the middle of the region, closely resembling CT.

Source: E Source.  
MA data excludes electrification programs.



# Benchmarking Our Numbers

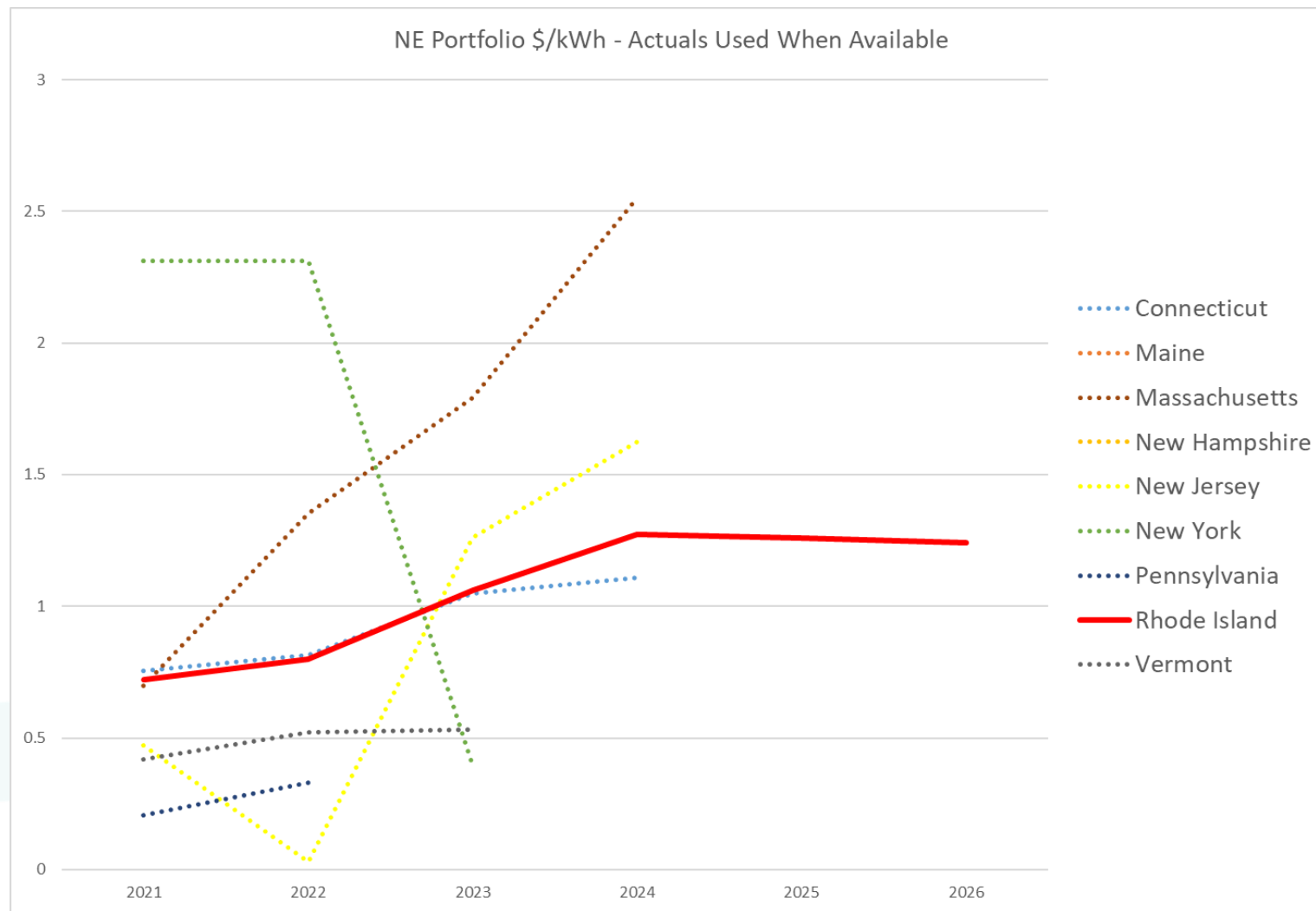


Chart shows planned cost of electric savings for Northeast states.

- The region shows rising cost of electric savings.
- RI cost of savings declines slightly over 2024-2026
- RI cost of savings falls in the middle of the region, closely resembling CT.

Source: E Source.  
MA data excludes electrification programs.

# Benchmarking Our Numbers



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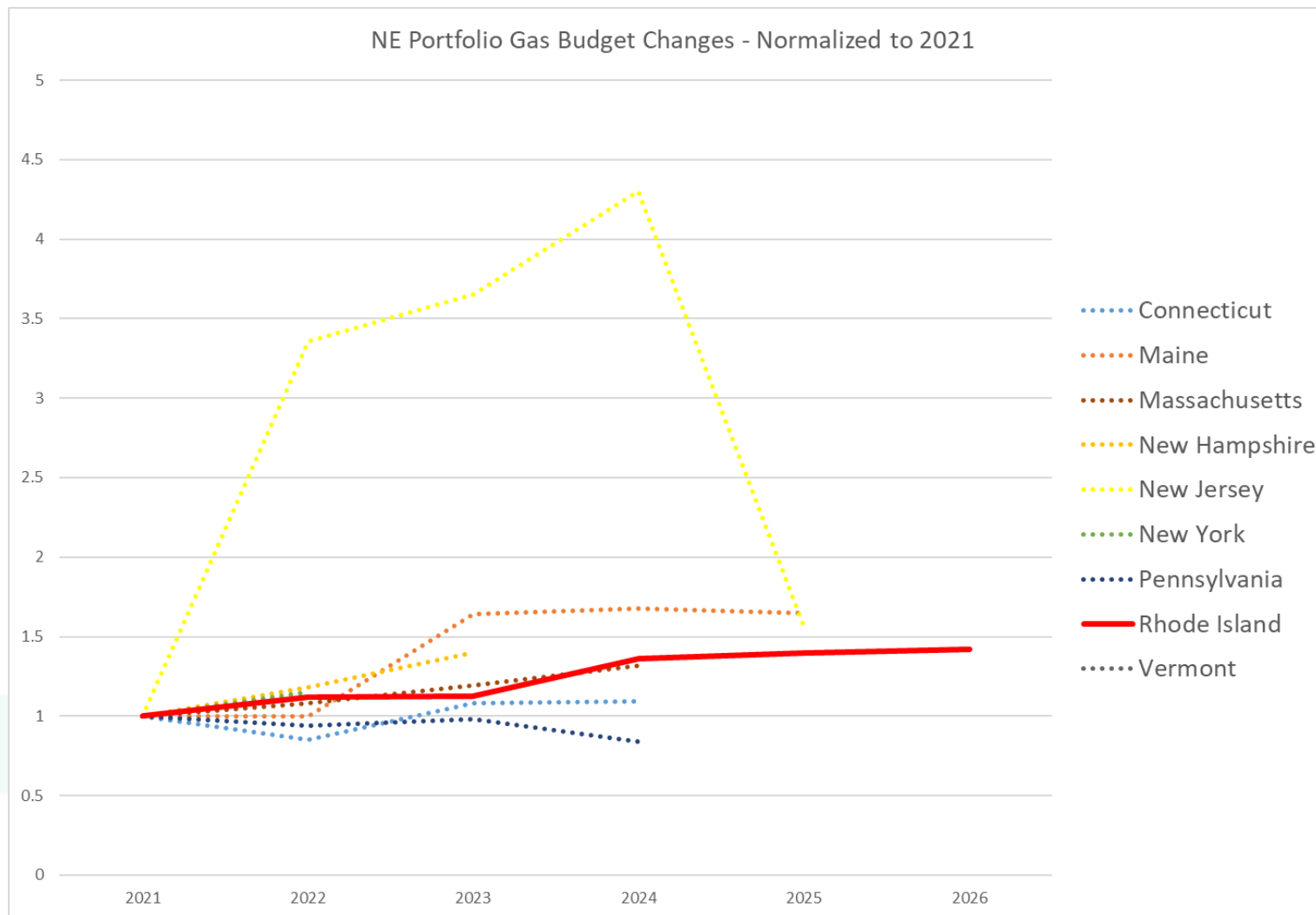


Chart shows gas budget trends for Northeast states.

Figures are normalized to 2021 (e.g., 1 = budget is 100% of 2021 budget, 1.5 = budget is 150% of 2021 budget)

- The region generally shows a mix of modest budget growth and budget decline.
- RI shows relatively flat budget growth.
- RI budget closely resembles MA.

Source: E Source.  
MA data excludes electrification programs.

# Benchmarking Our Numbers



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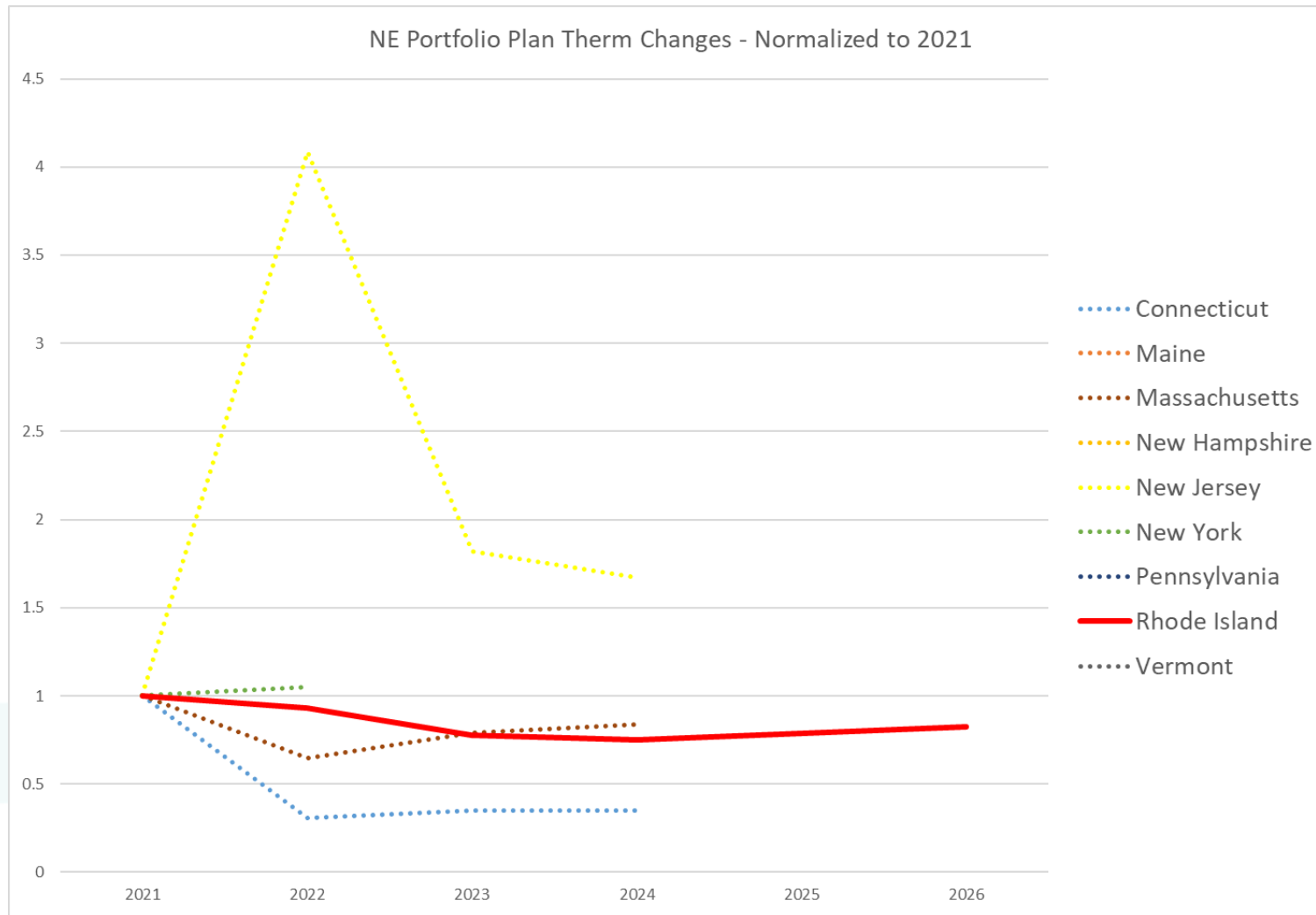


Chart shows planned gas savings trends for Northeast states.

Figures are normalized to 2021 (e.g., 1 = savings is 100% of 2021 savings, 1.5 = savings is 150% of 2021 savings)

- The region shows generally flat gas savings.
- RI savings fall in the middle of the region, closely resembling MA.

Source: E Source.  
MA data excludes electrification programs.



# Benchmarking Our Numbers

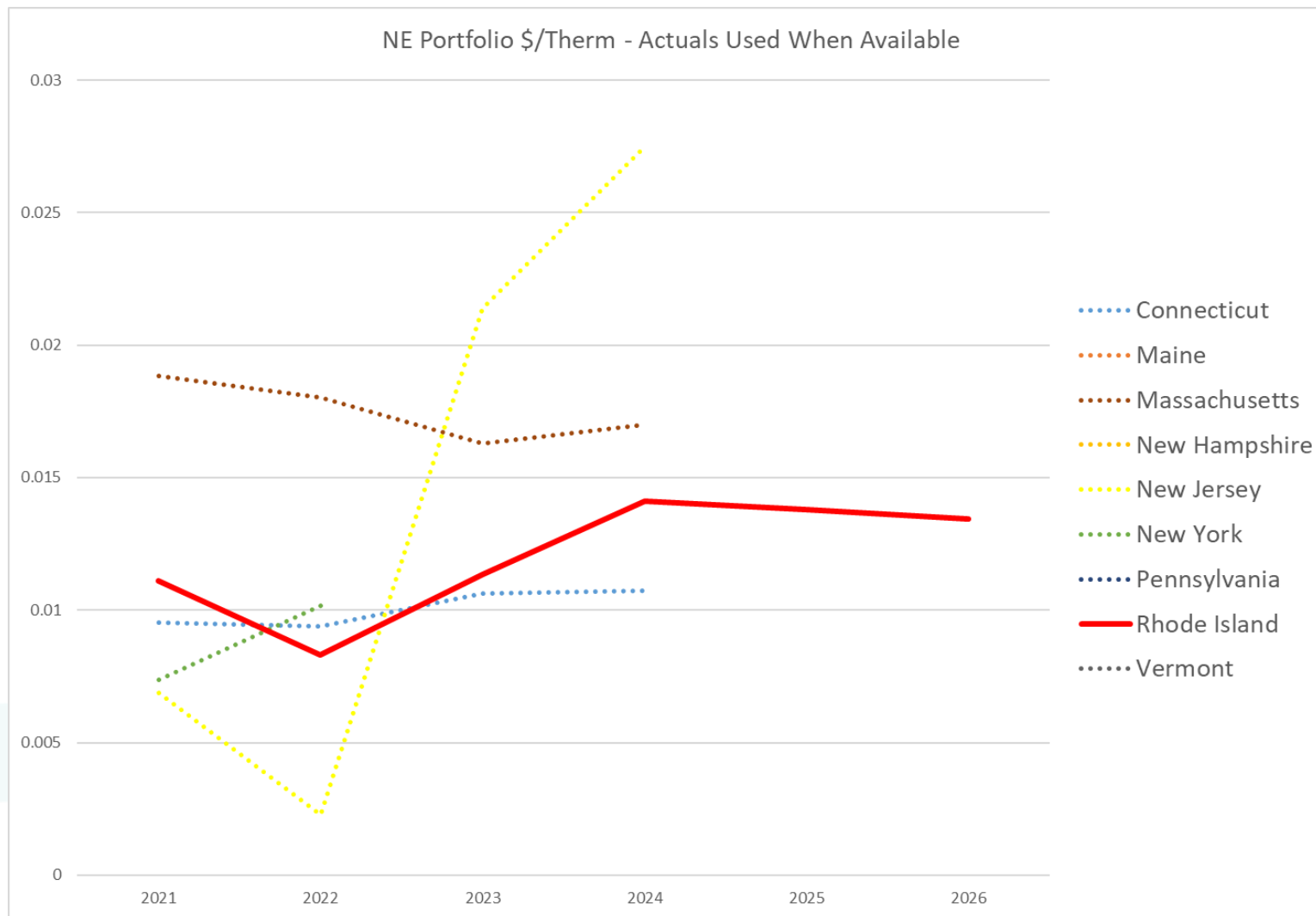


Chart shows planned cost of gas savings for Northeast states.

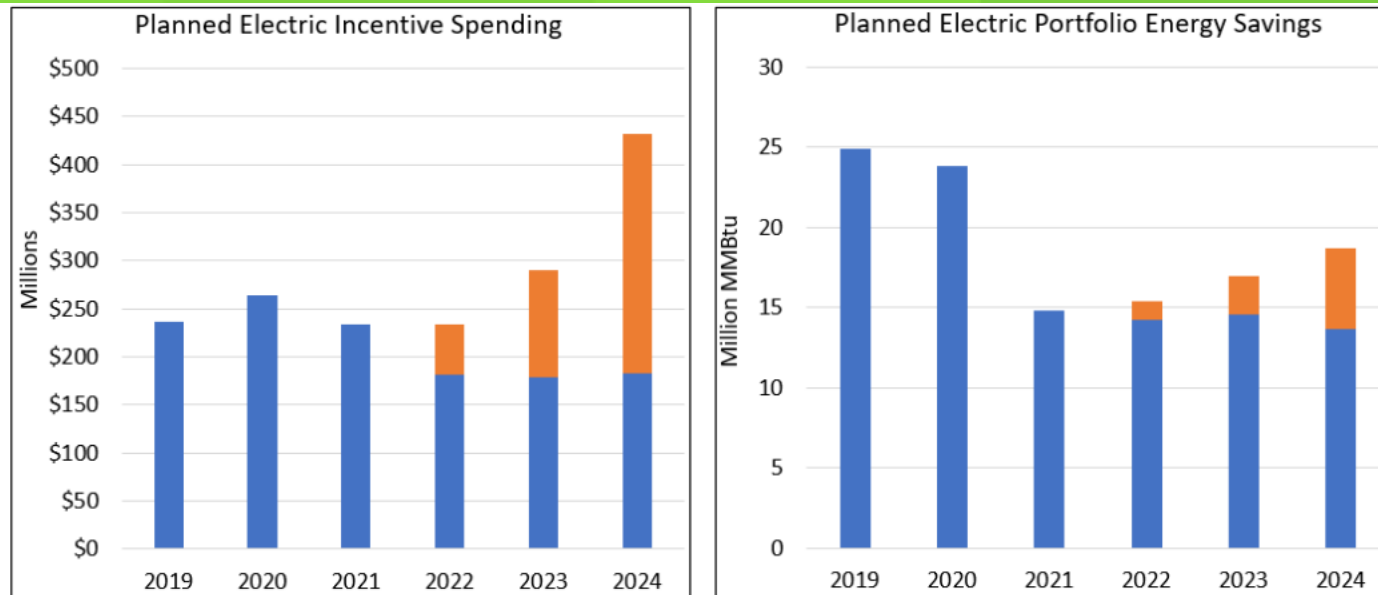
- The region shows generally flat cost of gas savings.
- RI cost of savings declines slightly over 2024-2026
- RI cost of savings falls in the middle of the region.

Source: E Source.  
MA data excludes electrification programs.

# Around the Region: Massachusetts 2022-2024 EE Plan

- C&I Electric “traditional EE” spending decreases from the 2019-2021 period and levels off
- Electrification represents the large growth in program spending
- Savings have decreased from the 2019-2021 plan and continue to decrease for “traditional EE”

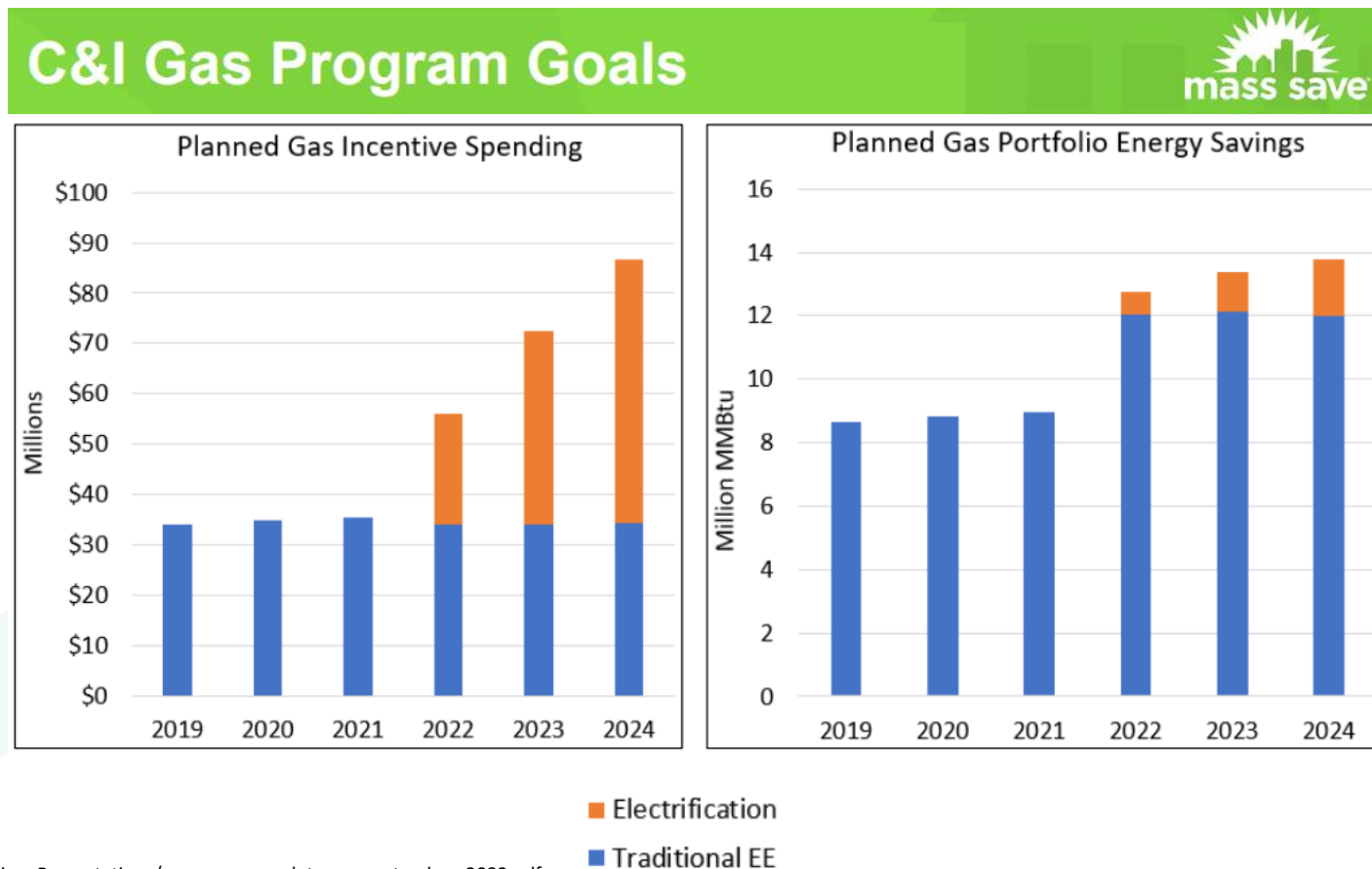
## C&I Electric Program Goals



■ Electrification  
■ Traditional EE

# Around the Region: Massachusetts 2022-2024 EE Plan

- C&I Gas “traditional EE” spending decreases from the 2019-2021 period and levels off
- Electrification represents the large growth in program spending
- Savings have increased from the 2019-2021 plan due to longer-life weatherization measures





# Around the Region: Connecticut 2022-2024 EE Plan

- In the 3-year plan in CT, electric spending decreases each year while gas spending increases each year, leading to a total decrease each year

Year	Budgets (\$000)			Annual Savings							Lifetime Savings	
	Electric	Natural Gas	Total	Electric (GWh) *	Peak (MW) **	Natural Gas (MMcf)	Oil (gallons)	Propane (gallons)	Annual Savings (MMBtus) ***	CO <sub>2</sub> Emissions (tons)	Lifetime Benefit (\$000)	Lifetime Savings (MMBtus) ***
<b>2022</b>	\$199,845	\$44,878	\$244,723	197	135	382	1,548,671	294,364	1.3	126,510	\$598,196	16.8
<b>2023</b>	\$178,385	\$55,179	\$233,564	170	133	521	1,363,908	258,488	1.3	123,802	\$563,900	17.2
<b>2024</b>	\$173,895	\$55,836	\$229,731	157	141	521	1,351,073	254,667	1.3	118,502	\$544,206	16.8
<b>Total</b>	<b>\$552,124</b>	<b>\$155,893</b>	<b>\$708,017</b>	<b>524</b>	<b>409</b>	<b>1,424</b>	<b>4,263,652</b>	<b>807,519</b>	<b>3.9</b>	<b>368,814</b>	<b>\$1,706,301</b>	<b>50.8</b>

\*Abbreviation for Gigawatt hours.

\*\*Savings include demand response programs.

\*\*\*In millions of MMBtu (one million British Thermal Units). Figures listed are site MMBtus and address only the energy saved at the meter level.

# Items to be Refined



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- Continued iteration/optimization/rebalancing of planned values
- Consideration of stakeholder feedback
- General expenses

# 2024 Annual Plan Status



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- First Draft, with numbers, due to EERMC 8/3
  - Will include draft attachments
- Focus on providing detailed program design and implementation approaches
- Similar in structure to 2023 Annual Plan
- Will not include any Demand Response content
  - Demand Response will be under SRP based on PUC guidance



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