



Rhode Island Energy™
a PPL company

System Reliability Procurement Investment Proposal

2024-2026 Electric Demand Response

TECHNICAL SUMMARY FOR EERMC 1-25-2024



Connected Solutions

Residential and Small Business

Commercial and Industrial

Smart
Thermostats

Battery Energy
Storage Dispatch

Electric Vehicle
Charging Response

Daily Dispatch

Targeted
Dispatch

Voluntary

Annual Collections



Rhode Island Energy™
a PPL company

	2024	2025	2026
Incentive	\$7,321,232	\$7,215,326	\$7,381,476
Admin	\$1,217,043	\$1,453,643	\$1,668,542
HEAT	\$24,475	\$24,475	\$24,475
Total	\$8,562,750	\$8,693,444	\$9,074,493
RegAlloc	\$256,883	\$260,803	\$272,235
Reinvest	\$1,851,398	\$1,849,438	\$1,843,722
Collect	\$10,671,031	\$10,803,685	\$11,190,450

Bill Impacts	2024	2025	2026
DRAFT/Subject to Edit			
Residential	-\$2.54 (-0.15%)	-\$5.74 (-0.35%)	-\$9.60 (-0.57%)
Commercial	-\$260.59 (-0.79%)	-\$312.52 (-0.99%)	-\$354.85 (-1.11%)

Notes:

Total budget is reflected in the bottom row; Rhode Island Energy will calculate the SRP Factor based on collections from June 1, 2024-December 31, 2024, for the 2024 program year, and then January 1 through December 31 for program years 2025 and 2026. The SRP Factor is proposed to be submitted through a compliance filing on an annual basis, which will reconcile from prior over/under-collections.

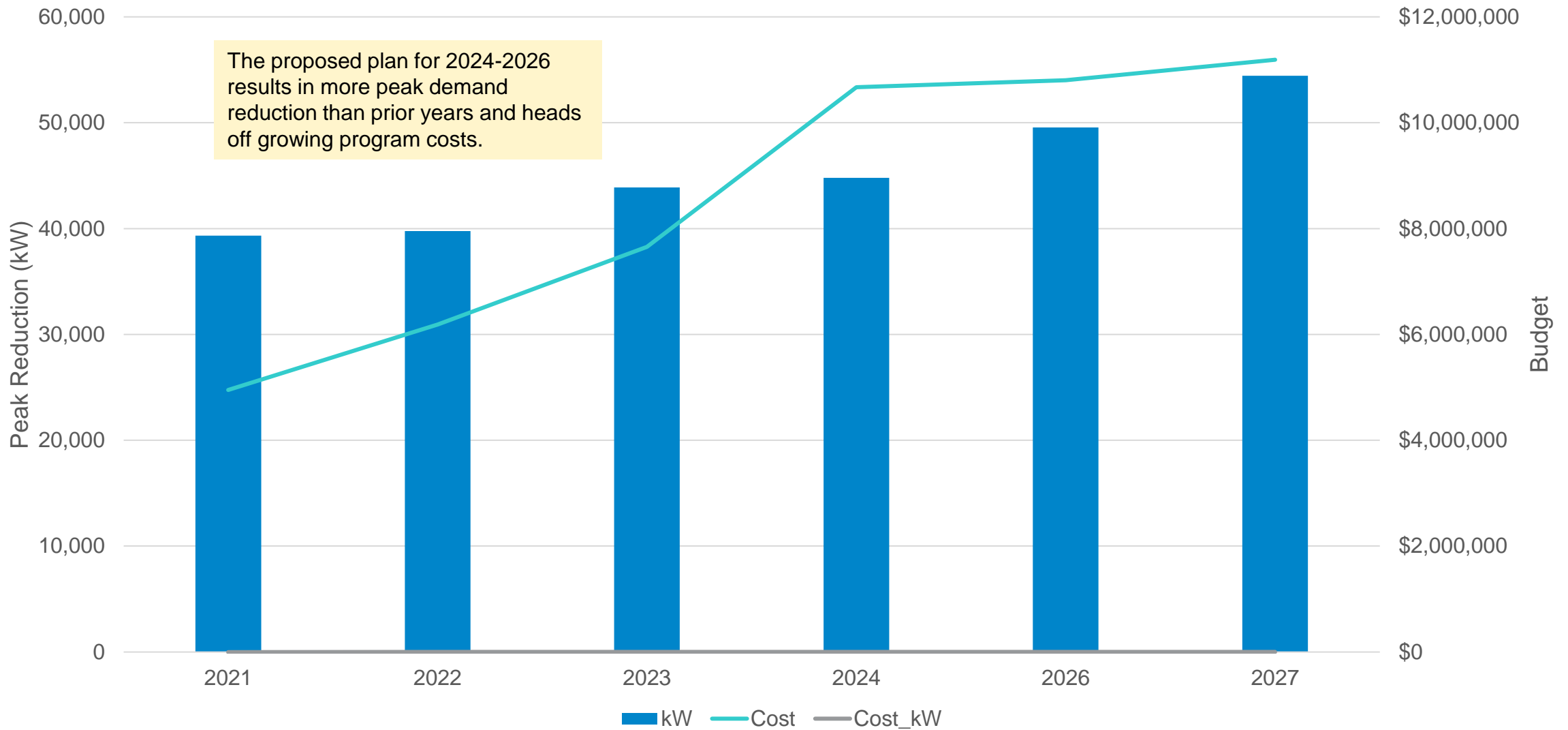
Bill impacts are REGARDLESS of participation (they ignore incentives accrued by customers).

The three years of this proposed investment plan will create \$11M in value (as measured through avoided electric bill costs) to be shared with customers.

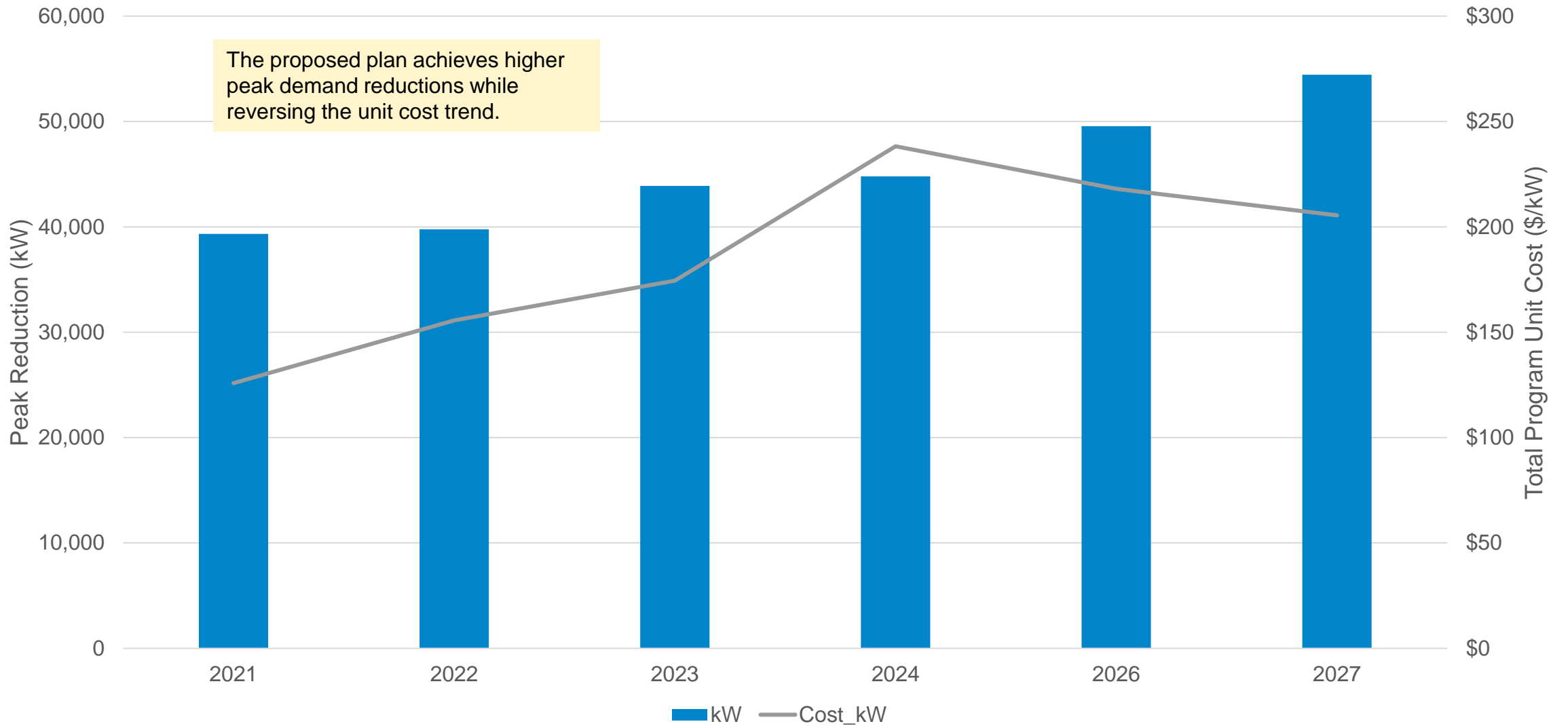
2021-2023 v 2024-2026



Rhode Island Energy™
a PPL company



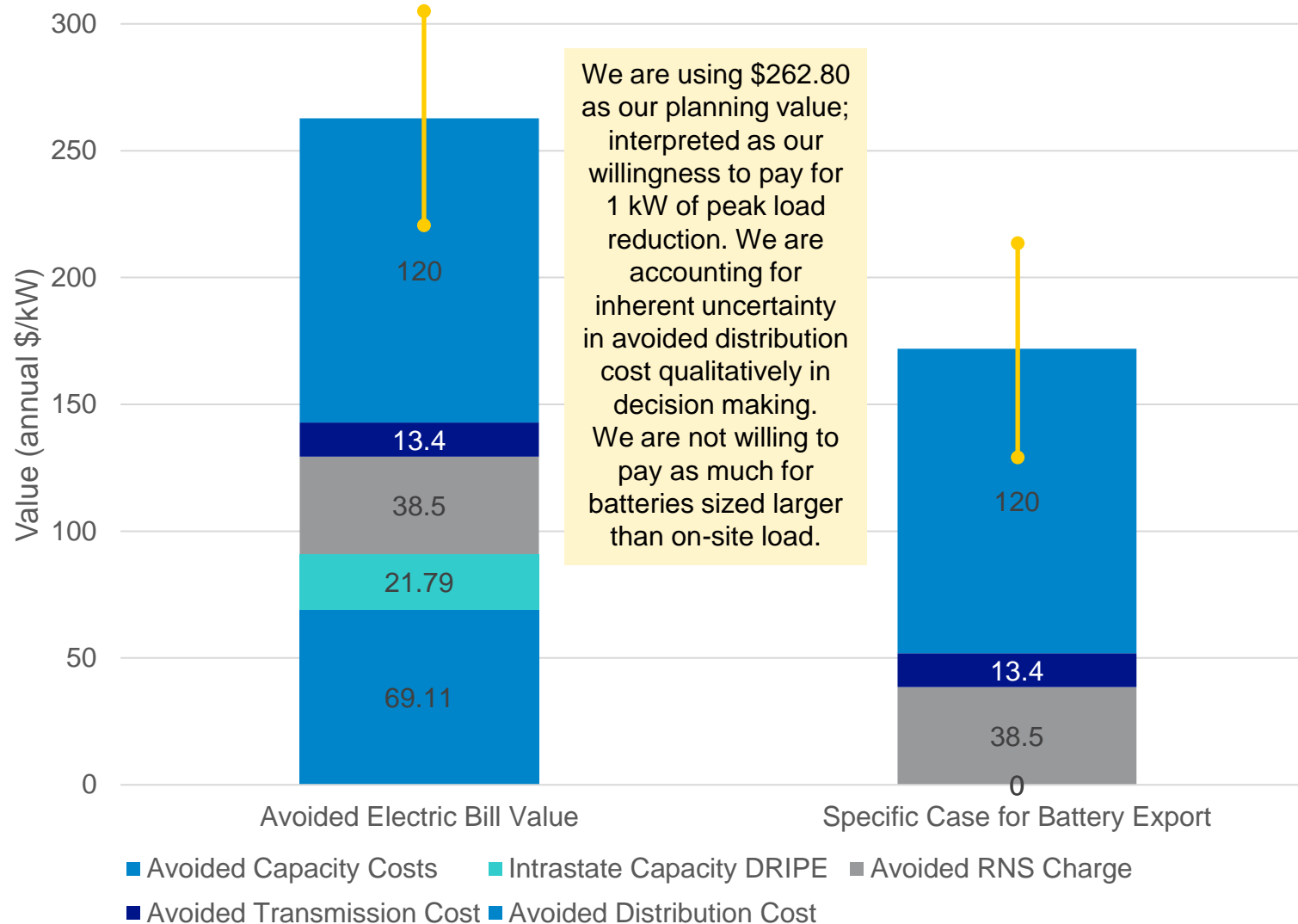
2021-2023 v 2024-2026





Value of 1 kW Peak Reduction

(How do we determine our willingness to pay for peak demand reduction?)



Notes:

Value categories are avoided costs that would otherwise materialize on electric utility bills.

Right bar represents only the value of battery energy storage that exports to the electric grid during peak events (i.e., avoided capacity cost and associated DRIPE = 0).

Left bar represents value for all other eligible technologies.

Avoided energy costs and associated intrastate demand reduction induced price effect (DRIPE) are negligible or zero for both bars (not shown).

Error bars (yellow) are derived from a plausible range of realistic avoided distribution costs (\$120/kW-y +/- \$40/kW-y).

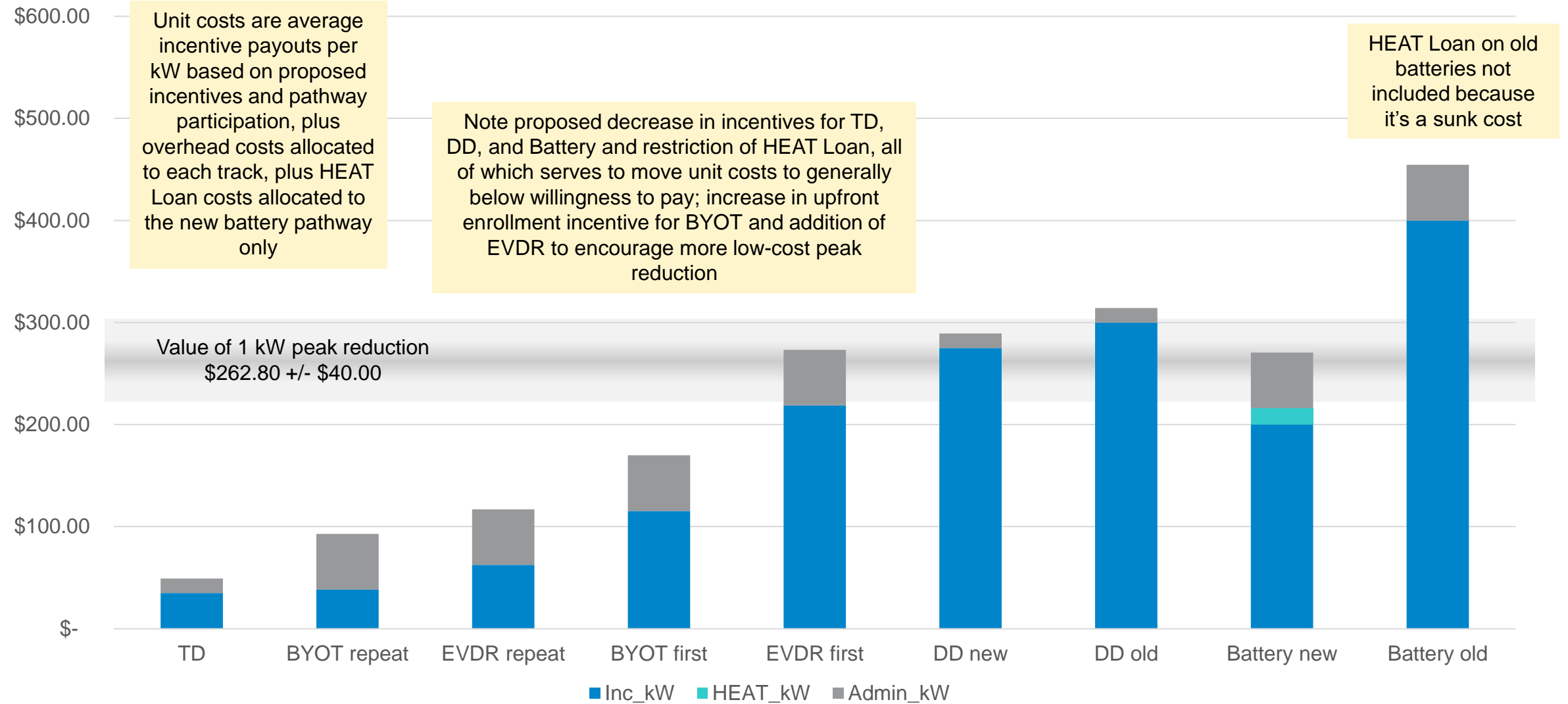
Total value of the left bar (on-site load) is \$262.80 +/- \$40.00; value of left bar ranges from \$222.80 to \$302.80.

Total value of the right bar (export) is \$171.90 +/- \$40.00; value of right bar ranges from \$131.90 to \$211.90.



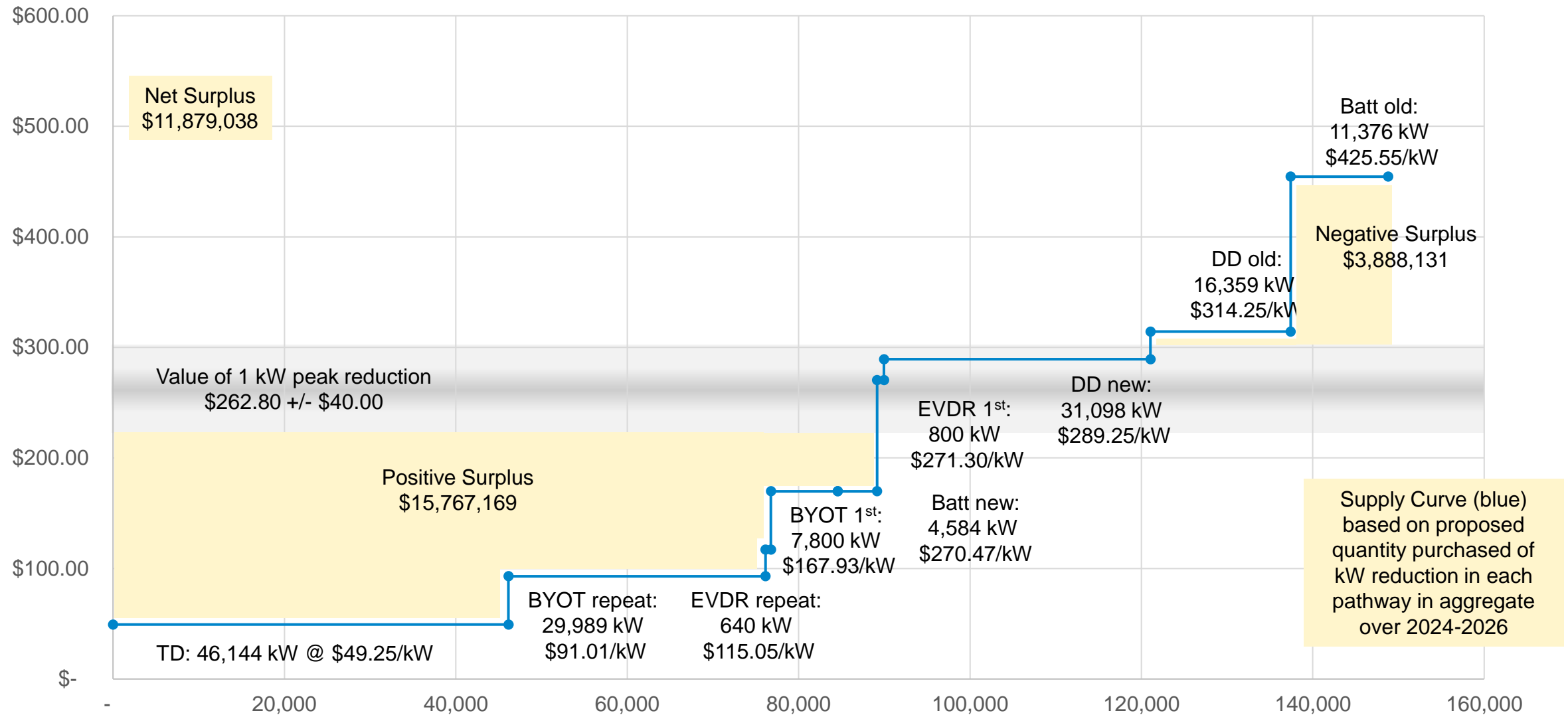
Unit Costs by Pathway

(How we make sure we are creating value through this program)



Supply and Demand

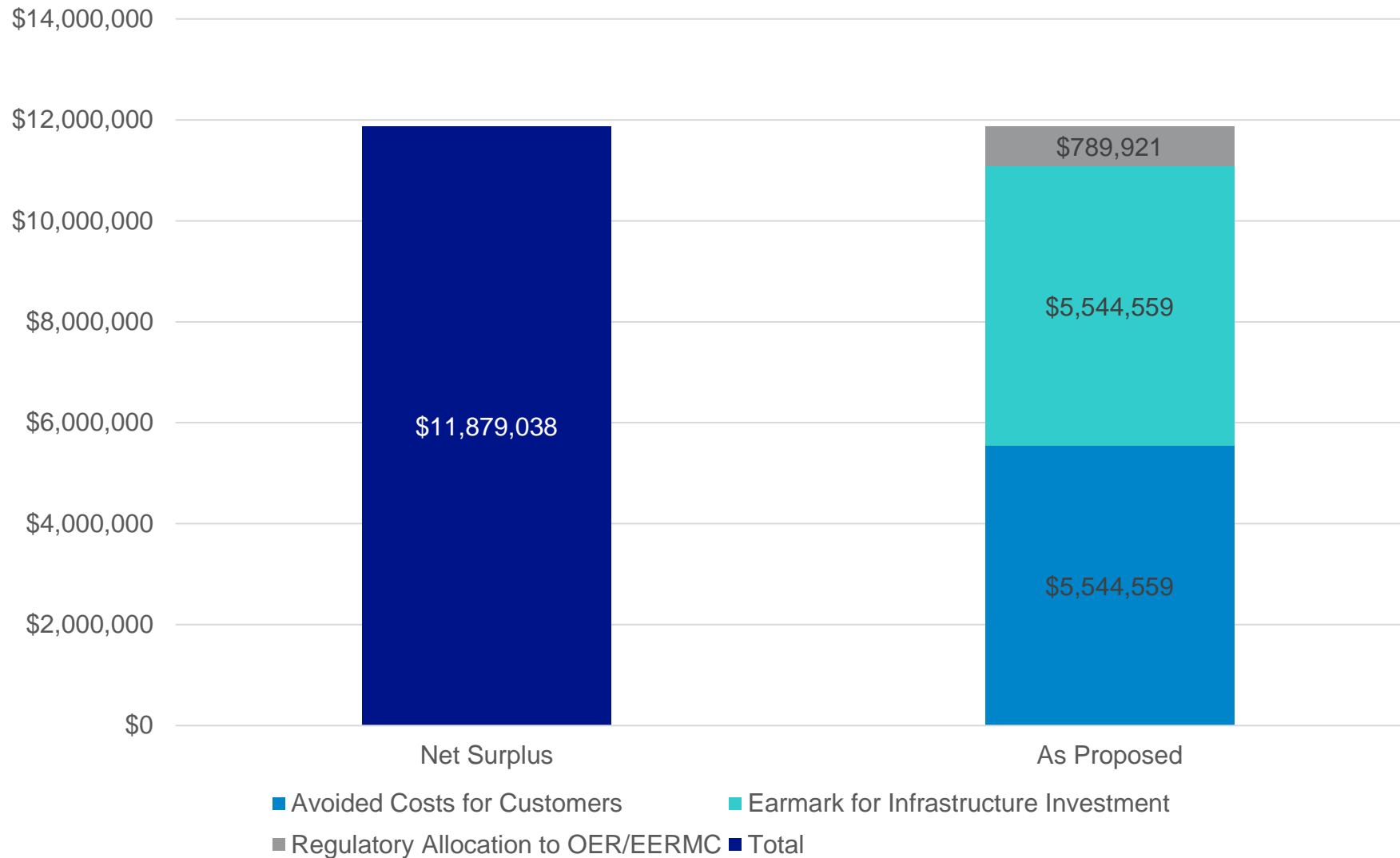
(What are we proposing to purchase and what value are we creating?)



Value Shared



Rhode Island Energy™
a PPL company



Notes:

Net surplus represents avoided electricity bill value accrued over three years (2024-2026).

Value created is derived from an annual avoided cost from peak reduction of \$262.80/kW; this value uses \$120.00/kW as the annual avoided distribution cost.

Value earmarked for infrastructure investment is in lieu of a traditional performance incentive mechanism whereby the PIM allocates proceeds to shareholders.

Value shared by customers does NOT include value external to avoided electric bill costs (i.e., societal value of reduced greenhouse gas emissions, non-electric benefits).

Timeline and Discussion

Target January 31, 2024, to file with Public Utilities Commission

SRP Invest Proposal included in meeting materials will become RIE Schedule 1 of our filing. The version of the SRP Investment Proposal included as meeting materials is near final but not final final – we are continuing to make sure our language is clear and the document is complete. However, we do not intend to deviate from the proposed budget, peak reduction target, or program design.

Our forthcoming filing will include a technical appendix explaining these slides in narrative form within Schedule 1. We will also include our benefit-cost assessment workbook and a compilation of the written comments we've received and our responses to those comments.