

# MEMO

## CONSULTANT TEAM

**TO:** Energy Efficiency Council  
**FROM:** EEC Consultant Team  
**CC:** Office of Energy Resources  
**DATE:** May 16, 2024  
**RE:** Summary of C-Team Comments on 2025 Annual Plan Outline Memo



## INTRODUCTION

The Rhode Island Energy Efficiency (EEC or “the Council”) Consultant Team (“C-Team”) provides the following comments on Rhode Island Energy’s (RIE or “the Company”) 2025 Annual Plan Outline Memorandum (“the Plan Outline Memo”). Our review and comments here are primarily focused on the Company’s strategic philosophy and principles of program design, in addition to sector-specific and cross-cutting tactics for delivering program benefits to Rhode Island customers.

## SUMMARY OF EEC CONSULTANT TEAM COMMENTS ON 2025 PLAN OUTLINE MEMO

### OVERALL STRATEGIC PHILOSOPHY

The 2025 Annual Plan is the second year in the 2024–2026 Three-Year Plan, which identified the following five strategic priorities for achieving savings:

- Deliver optimized, tailored programs that serve all customers and increase program reach
- Understand customer needs, planning cycles, and goals to optimize incorporation of the next generation of efficiency measures
- Enhance financing options, simplify offerings, and raise customer awareness of complementary funding sources that can be leveraged to enable customers to invest in efficiency
- Serve customers equitably by designing programs with a conscious effort to serve small business and low- and moderate-income; gender, racially and ethnically diverse; and non-native English-speaking customers
- Increase workforce capacity to serve customers and implement energy efficiency

The C-Team agrees on the prioritization of these five strategies, but suggests that the Company also prioritize the engagement of customers in energy efficiency programs, as enhanced program designs must be coupled with effective communication and outreach.

### PRINCIPLES OF PROGRAM DESIGN

The Least-Cost Procurement (LCP) Standards, updated in RI PUC Docket 23-07-EE, provide a set of fourteen principles of program design which inform development of the 2025 Annual Plan. The Plan Outline Memo summarizes each principle and indicates which sections in the Annual Plan will address each principle. The C-Team provided comments on the following areas:

- Efficacy

- The Plan Outline Memo characterizes efficacy as it relates to cost-efficiency and minimizing adverse impacts on customer bills. However, the LCP Standards note that “all efforts to establish and maintain program capability shall be done in a manner that ensures quality delivery and is economical and efficient. The distribution company shall include wherever possible and practical partnerships with existing educational and job training entities.”<sup>1</sup> This relates to ‘program capability’ and not program cost-efficiency, which the Company should correct in the 2025 Annual Plan. This element of standards is solely related to efforts to ensure the labor market is robust and able to support the desired level of program activity.
- Parity Among Sectors
  - The 2025 Annual Plan will seek to address the relationship between system-benefit charge (SBC) funds collected from and benefits received by each sector to ensure that each sector receives benefits commensurate to its contribution to the SBC. In order to achieve parity among sectors, the 2025 Plan and all future plans should address the fact that underserved communities have paid into programs for years without receiving comparable benefits, effectively subsidizing all customer segments that have been able to leverage the programs.
- Suggested Additions to Principles of Program Design
  - Given the importance of the Act on Climate and cost of supply, the C-Team recommends that the Company integrate these components into its Principles of Program Design.

## RESIDENTIAL AND INCOME ELIGIBLE PROGRAMS

The Plan Outline Memo lists anticipated changes to the Residential and Income Eligible programs for 2025. The C-Team provided several comments and recommendations to the Company:

- The Company should develop enhanced incentives for moderate-income customers, as the Public Utilities Commission expressed openness to a moderate-income offering if justified in the Plan.
- Provide customer-support services, such as a program navigator, that guide customers through program participation in order to reduce attrition.
- Implement a demonstration which provides increased financial support for the remediation of technical barriers to program participation (e.g., mold, asbestos, knob-and-tube wiring).
- Create dedicated program pathways for different types of multifamily building types, similar to the approach used in the C&I sector which has dedicated pathways for different building types, such as restaurants and lodging facilities, that address their unique needs.
- The Company should move to an all-electric New Construction program and continue to reduce incentives for gas-equipment incentives. Each new piece of gas-fired equipment, particularly

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<sup>1</sup> LCP Standards, p. 12, Section 3.2.L - [https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2024-03/23-07-EE\\_LCP%20Standards\\_final%20w%20header.pdf](https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2024-03/23-07-EE_LCP%20Standards_final%20w%20header.pdf)

boilers and furnaces, will have an effective-useful life that approaches the deadline by which Rhode Island must achieve net-zero emissions.

- Consider enhancing the appliance recycling initiative within the Efficient Products Program to, if appropriate, include additional measures (e.g., Room Air Conditioners) and offer enhanced incentive to customers that recycle a primary piece of equipment eligible in the appliance recycling program and then purchases an efficient one, or vice versa.

## COMMERCIAL & INDUSTRIAL PROGRAM

- The Plan should explain how program offerings are marketed to customers and how the Company assesses the effectiveness of that outreach.
- Adjust programs in response to the January 1, 2025 ban on mercury-containing linear fluorescent lamps. Most LED measures have a fluorescent baseline that will be eliminated on January 1, 2025 which means these measures will not be viable for time of sale programs like midstream or prescriptive. It may be reasonable to maintain support for custom retrofit measures, with savings that either incorporate a mid-life baseline shift or an adjusted measure life to account for the mercury law.
- Create an online marketplace for small-business customers which includes a wide range of lighting, water fixtures, and power strip products.
- The Company will continue to promote Small Business Main Street campaigns, building on the enhancements and modifications made in 2024, including continued outreach to local and community organizations that can help drive participation by smaller businesses. The Main Street campaigns should be revamped to drive comprehensive projects.
  - Include HVAC controls optimization as part of efforts to serve small-business customers. This can help drive deeper savings.
- As soon as possible, use a billing analysis to inform targeting of small businesses that use electric-resistance heating.

## CROSS-CUTTING

- Improve the Company's energy efficiency landing pages. Many, if not most, of the program pages on the Company's website are not intuitive and often overwhelming (e.g. there are over a dozen drop down options on the "rebate programs" page for Residential).
- Language in the 2025 Plan should indicate the Company's intent to facilitate participation by underserved customers instead of merely enabling access.
- The Plan should incorporate recommendations from the Equity Working Group in the narrative and BCR models, as opposed to just including the EWG Final Report as an attachment to the Plan.
- Include small-business customers in equity outreach efforts. The Company developed a Residential Equity Outreach Assessment that engaged the City of Central Falls and the non-profit organization Progreso Latino to conduct direct outreach and education to landlords to address

barriers that they and renters experience when participating in the Company's energy efficiency programs. These types of efforts should also target small businesses.

- The EE Consumer Advocate should work to engage small businesses in addition to residential customers in underserved communities.
- Implement ways to simplify program participation, such as expanding midstream measures, simplifying participation forms, and promoting/expanding direct-to-contractor payments.
- Consider offering enhanced incentives in zip codes with lower historical.
- The Plan should be explicit about areas/skillsets that are currently lacking, to the point where they create barriers to delivering program benefits and savings.
  - The Company communicated its intent to leverage findings from the Workforce Needs Assessment.
  - There is an opportunity to increase familiarity with HVAC controls system optimization through ASHRAE Guideline 36 and overall principles of HVAC system controls. This is good for contractors, designers and operators, but goes beyond the Building Operator Certification.
- Centralize clean-energy/energy efficiency training resources in Rhode Island
  - The Company collaborates with the Rhode Island Builders Association (RIBA) and other organizations, but centralizing training resources on a website could help with marketing. Encouraging collaboration across the RI EE workforce development ecosystem was a finding from the 2023 Workforce Needs Assessment.
- Training and education efforts should focus on educating both contractors and customers on the benefits and appropriate use and maintenance of heat pumps.
- The 2025 Annual Plan should comment on anticipated timeline for, and related impacts of, IECC 2024 adoption in RI.
- Decarbonize schools in environmental-justice communities to support equity. This would require collaboration with state funding entities.<sup>3</sup>