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2025 Energy Efficiency Plan Update

July 18, 2024

Agenda



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- Timeline
- Sector Budgets, BCR, & Savings Comparison
- Program Level Budgets
- Programs where EE Costs Exceed Cost of Supply
- Justification Framework
- Alternate Funding Sources
- Stakeholder Feedback Themes
- Connecticut 2025 EE Draft Budgets

Timeline Update



July	
07/11/2024	July Equity Working Group Meeting
07/03/24 (Wed)	First Draft 2024 Annual Numbers due to EEC, including 1 st draft of TRM
07/18/24 (Thu)	EEC Meeting
07/21/24 (Sun)	Comments due from EEC/Stakeholders on Draft Plan Numbers and BC Model
07/25/24 (Thu)	Technical Working Group Meeting
August	
TBD	August Equity Working Group Meeting
08/05/24 (Mon)	Second Draft of 2025 Annual EE Plan due to EEC (Narrative and Numbers)
08/15/24 (Thu)	EEC Meeting
08/22/24 (Thu)	Technical Working Group Meeting
08/23/24 (Fri)	Second Draft 2025 Annual Plan Stakeholder Comment Period Ends
September	
09/06/24 (Fri)	Final Draft 2025 annual plan sent to EEC (Narrative and Numbers)
09/06/24 (Fri)	Final Draft BC Model for Annual Plan Sent to EEC
09/12/24 (Thu)	EEC Meeting
09/26/24 (Thu)	EEC Meeting
09/27/24 (Fri)	Technical Working Group Meeting
October	
10/01/24 (Tue)	2025 Plan Filed with PUC
10/17/24 (Thu)	EEC Meeting
10/18/24 (Fri)	File TRM with PUC
10/18/24 (Fri)	Final TRM to EEC

July 3rd Draft Numbers: Electric 2025 v. 2024 Compliance



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	Electric 2025 (Updated)	Electric 2025 (July 3 rd)	Electric 2024	% Change	2025 BCR Updated	2025 BCR (July 3 rd)	2024 BCR	2025 Savings (Lifetime MWh Updated)	2025 Savings (July 3 rd) (Lifetime MWh)	2024 Savings (Lifetime MWh)
Residential	\$26,197.2	\$26,197.2	\$30,396.5	-13.82%	2.22	2.22	1.73	184,626	184,626	190,447
Income Eligible	\$14,266.9	\$14,266.9	\$16,021.6	-10.95%	1.82	1.82	1.60	57,803	57,803	55,358
C&I	\$36,676.5	\$40,010.3	\$43,065.9	-14.84%	2.14	2.26	2.12	372,512	444,100	483,744
TOTAL	\$77,140.6	\$80,474.4	\$89,484.0	-13.79%	2.00	2.07	1.81	614,941	686,529	729,550

July 3rd Draft Numbers: Gas 2025 v. 2024 Compliance



	Gas 2025 (Updated)	Gas 2025 (July 3rd)	Gas 2024	% Change	2025 BCR (Updated)	2025 BCR (July 3rd)	2024 BCR	2025 Savings (Lifetime MMBTU – Updated)	2025 Savings (Lifetime MMBtu) (July 3rd)	2024 Savings (Lifetime MMBtu)
Residential	\$17,137.9	\$17,137.9	\$15,101.0	13.49%	1.40	1.40	1.40	1,237,473	1,237,473	1,096,171
Income Eligible	\$7,118.9	\$7,118.9	\$7,585.9	-6.16%	1.59	1.59	2.37	241,716	241,716	287,482
C&I	\$7,533.7	\$9,655.6	\$9,144.5	-17.6%	3.04	3.76	3.18	1,322,429	2,191,625	1,916,991
TOTAL	\$31,790.5	\$33,912.4	\$31,831.4	-0.01%	1.75	2.05	2.05	2,801,618	3,670,814	3,300,644

July 3rd Draft Numbers: Residential Program Budgets



	Electric Budget	Electric BCR (2025)	Gas Budget	Gas BCR (2025)
Residential New Construction	\$1,631.4	3.18	\$629.0	1.97
Residential HVAC	\$6,386.1	2.57	\$2,290.6	1.42
EnergyWise Single Family	\$11,832.2	2.08	\$12,837.0	1.24
EnergyWise Multifamily	\$931.8	1.26	\$855.3	1.76
Home Energy Reports	\$2,337.4	2.27	\$393.2	4.84
Residential Consumer Products	\$1,914.7	2.20	N/A	N/A

July 3rd Draft Numbers: Income Eligible Program Budgets

	Electric Budget	Electric BCR (2025)	Gas Budget	Gas BCR (2025)
Income Eligible Single Family	\$11,971.9	1.97	\$4,627.7	1.67
Income Eligible Multifamily	\$2,295.0	1.09	\$2,491.2	1.46

July 3rd Draft Numbers: Program Level Budgets

	Electric Budget	Electric BCR (2025)	Gas Budget	Gas BCR (2025)
C&I				
Large C&I New Construction	\$7,809.5	4.57	\$2,165.7	8.32
Large C&I Retrofit	\$21,801.2	2.05	\$4,759.2	2.97
Small Business Direct Install	\$7,726.7	1.33	\$619.0	3.42
C&I Multifamily	N/A	N/A	\$861.4	1.08

July 3rd Draft Numbers: EE Costs Exceed Cost of Supply



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	Benefits Minus Costs (Electric)	Cost of Supply/Cost of Energy Efficiency	Benefits Minus Costs (Gas)	Cost of Supply/Cost of Energy Efficiency
EnergyWise Single Family	-\$9,215,653	0.31	-\$2,509,325	0.89
EnergyWise Multifamily	-\$210,231	0.80	N/A	N/A
Income Eligible Single Family	-\$2,943,460	0.77	-\$2,573,172	0.48
Income Eligible Multifamily	-\$952,084	0.62	-\$850,860	0.73

Justification Framework



Cost-Effective	Reliable	Prudent	Environmentally Responsible		Lower Than the Cost of Supply	
Rhode Island Test <i>(Excluding Non-CHP Economic)</i>	Reliability <i>(Share of Rhode Island Test Benefits)</i>	Program Impacts <i>(Effects on other measures and program implementation)</i>	Lifetime Carbon Reductions <i>(Short Tons)</i>	Share of Lifetime Carbon Reductions <i>(By Portfolio)</i>	Cost of Supply Minus Cost of Energy Efficiency	Cost of Supply Over Cost of Energy Efficiency

Potential Alternate Sources of Funding



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- OER
 - RGGI, IRA, CHRI
- EPA Priority Climate Action Plan (through DEM)
- EPA Greenhouse Gas Reduction Fund
- CommerceRI
- RIIB
- Providence Home Repair Program
- Industrial Assessment Center @ CCRI

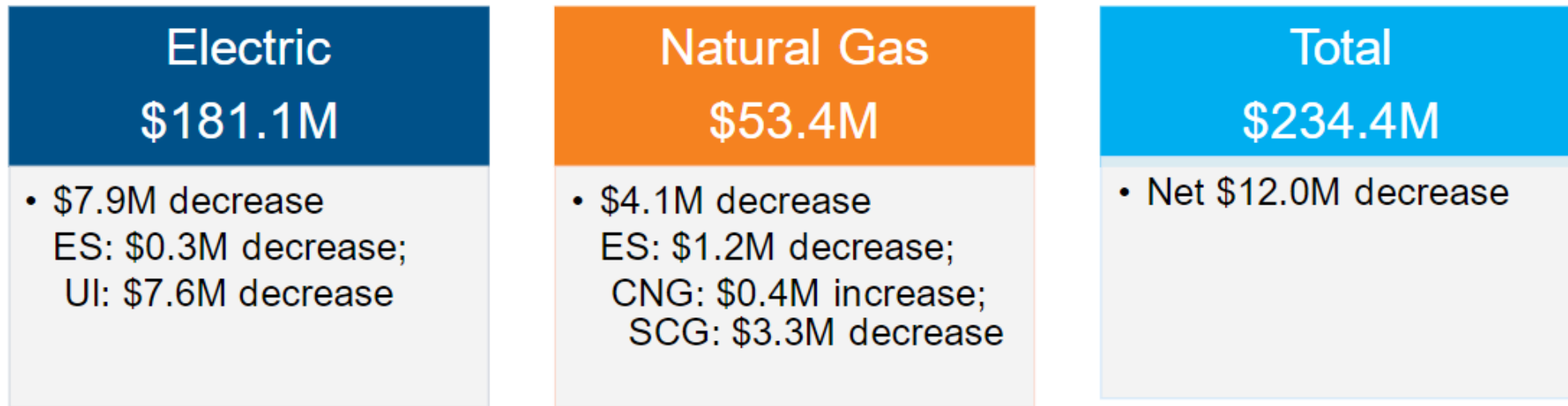


Themes from Stakeholder Comments

- EEC, OER, and Acadia provided comments
- Equity
 - Report timing, metrics, outreach, PIM
- Justification
 - Provide framework, greater detail at program level
- Revised Bill Impacts Approach
 - Want more detail
- Pre-Weatherization Barriers
 - More data, outside funding



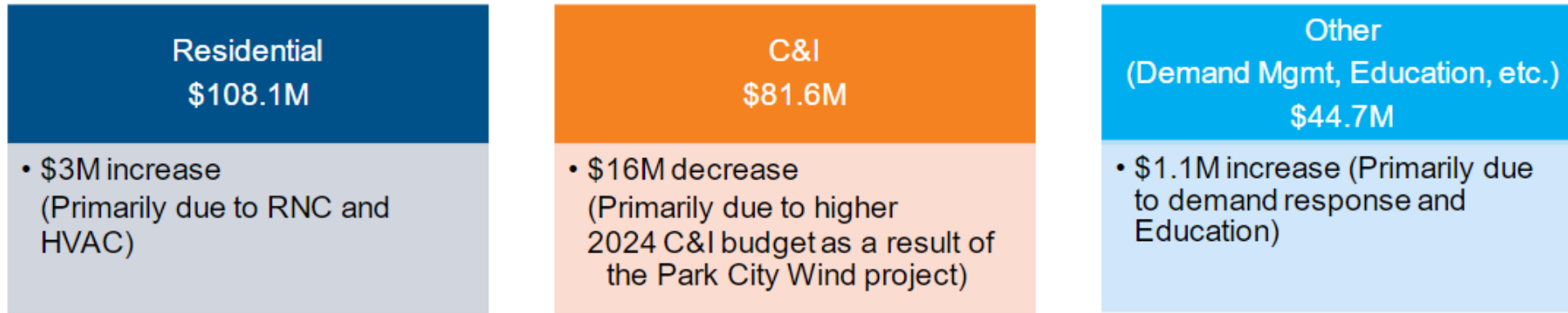
2025 Revenues/Budget (& Changes from 2024)



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2025 Budget – Electric & Gas Combined (Notes vs. 2024)



<https://app.box.com/s/fkj1tkggoww899xb1jqj68jhjyiu7eem/file/1570299969136>

DEVELOPMENT OF A NEW CONNECTICUT COST TEST

DEEP's Final Determination made several recommendations to align Connecticut's energy efficiency cost-effectiveness tests with the state's energy policy goals and priorities.

- Recommendation 1.
 - Create a new Connecticut Efficiency Test ("CTET") that applies the principles of the Modified Utility Cost Test ("MUCT") to all programs and continues the supplemental use of the Total Resource Cost ("TRC") test for income-eligible programs. The current MUCT will be replaced by the CTET.
- Recommendation 2.
 - Modify the primary CTET to capture avoided greenhouse gas emissions.
- Recommendation 3.
 - Modify the CTET to capture the utility system benefit of reduced arrearages, collection costs, debt write-offs, and/or administrative costs.

The new CTET will help increase the programs' benefits and therefore the B/C ratio for energy efficiency programs.

In Connecticut, the CTET is the primary test. The TRC is used as a secondary test to provide a broader perspective of program performance, including the incorporation of NEIs, particularly for low-income programs.



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