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# RIE Gas 2024 / 25 DR Pilot SRP Investment Proposal

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# Gas Demand Response Pilot Motivation & Objectives



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## Motivation for Continuing the Gas DR Pilot for 2024 / 25 Winter Season

- During the coldest days of the year, upstream or on-system constraints may result in gas demand exceeding pipeline capacity
- The Pilot demonstrates that DR can be an effective measure for reducing peak demand and potentially mitigate capacity constraints on the system
  - Enrolled customers fully responded when called upon, suggesting incentive levels are sufficient to motivate participation
  - Low program enrollment, however, makes it challenge to comprehensively and meaningfully evaluate customer and gas system benefits, including avoided commodity costs and infrastructure investments
- The potential for Gas DR to deliver least-cost customer and system benefits supports keeping the momentum going through continuation of the low-cost Pilot so that the Company can continue to collect and evaluate information
  - Modification to and expansion of the Pilot is not warranted due to ongoing uncertainty re: program efficacy
  - The extent to which Gas DR is leveraged as a long-term resource will be informed by ongoing pilot learnings as well as outcomes related to Old Mill Lane, the Future of Gas Docket, and EC4's 2025 Climate Strategy

## Objectives for the 2024 / 25 Winter Season

- Improve the Company's understanding of Gas DR's impact on gas system needs and optimization along with customer benefits
- Evaluate the Pilot performance using formal Benefit Cost Analysis to establish a 2023 / 24 benchmark and capture robust analytical insights into program efficacy going forward
- Endeavor to increase program enrollment and participation within large commercial and industrial customers

# Program Design – 1 Year Continuation

## System Area Focus

- Continue to target Aquidneck Island for 2024 / 25 winter season

## Participants

- Large commercial and industrial customers with firm service

## Demand Response Offerings

- *Extended Demand Response (EDR)* – 24-hour demand reduction (10AM on day 1 until 10AM on day 2, Nov. 1st through March 31st), primarily via non-gas backup heating
- *Peak Period Demand Response (PPDR)* – Peak period demand reduction (6AM-9AM, Nov. 1st to March 31st) via non-gas backup heating or thermostat setback

## Hourly Peak Reduction & Incentive

- ~40-50 Dth of hourly peak reduction during the winter months
- Customer compensation determined by peak hour reduction (Dth) provided

	PPDR	EDR
<b>Event Duration (hours) (Maximum 6/winter)</b>	3 6AM-9AM	24 10AM-10AM
<b>Capacity Payment (per month)</b>	\$250/peak-hour Dth	\$700/peak-hour Dth
<b>Energy Payment</b>	\$50/Dth	\$7/Dth

# Annual Peak Reduction, Budget, and Funding

## Annual Peak Reduction Target

- Will continue to be ~27,520 therms for the 2024 / 25 winter period for large C&I customers
- Any expected incremental peak reductions associated with increased participation by C&I customers during this period will be reflected in the SRP investment proposal

## Annual Budget

- The annual budget will continue to be ~\$268,042 for the 2024 / 25 winter period for large C&I Customers
- Any expected incremental spend associated with increased participation by C&I customers during this period will be reflected in the SRP investment proposal

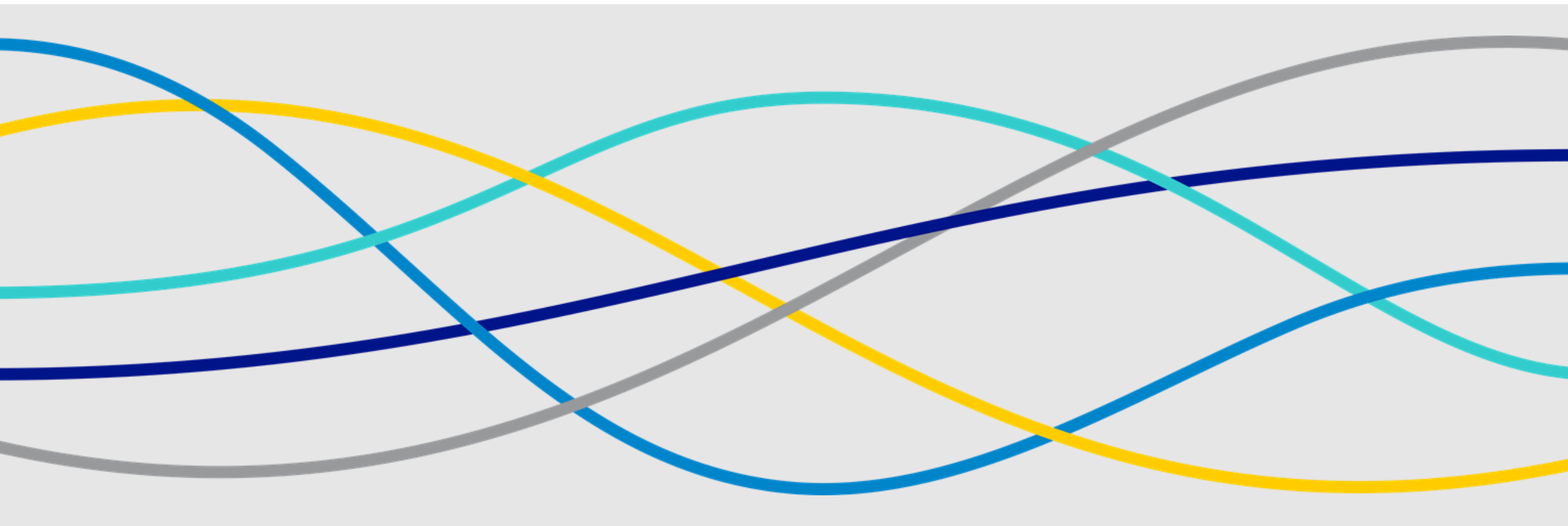
## Funding

- Cost recovery of the budget via the System Reliability Procurement Factor added to the Energy Efficiency System Benefit Charge



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Thank You