

MEMO

CONSULTANT TEAM

TO: Energy Efficiency Council
FROM: EEC Consultant Team
CC: Office of Energy Resources
DATE: October 17, 2024
RE: October 17th EEC Meeting Briefing Memo



PURPOSE OF BRIEFING MEMO

The purpose of this briefing memo is to assist Councilors with digesting the many materials and decisions they may need to make at each meeting. It follows a similar format to the official meeting agenda so Councilors can follow along throughout the meeting. For each agenda item, this memo will highlight key considerations for the Council and clearly indicate what actions (if any) the Council needs to take. The Consultant Team (C-Team) has worked with the Office of Energy Resources (OER) to also incorporate the content that Councilors are used to seeing in the “Recommended Vote Language” document. This ensures the Council has a single point of reference during meetings. This memo will also note any supplemental materials that are provided, but not associated with, specific agenda items. The C-Team and OER welcome any feedback on the format and content.

6. PROGRAM OVERSIGHT

6A. RHODE ISLAND ENERGY PRESENTATION ON THE 2024 EQUITY WORKING GROUP (EWG) REPORT

Key Considerations

- This presentation will provide an overview of the 2024 Equity Working Group’s (EWG) final report, which is included in the Company’s 2025 Annual Plan.
- Over the course of the year, the EWG has worked with the Company on finalizing Equity Metrics and developing recommendations for the 2025 Annual Plan. There has been marked progress in aligning the recommendations development process with the annual planning cycle.
- A key focus in 2024 has been recruitment of diverse stakeholders to participate in the EWG to provide unique perspectives and solutions; the Company has indicated it prefers that focus on oversight matters shift to the Sector Teams.

Discussion Questions

- What is the status of planned Q3 reporting of the Equity Metrics?
- When does the Company anticipate it will be able to report additional Equity Metrics?
- How will the Company report on equity-focused metrics on a regular basis in 2025 and beyond?

Council Actions

Required Vote

Potential Vote

No Vote

6B. RHODE ISLAND ENERGY PRESENTATION ON OLD MILL LANE LIQUIFIED NATURAL GAS (LNG) FACILITY

Key Considerations

- Forecasted gas capacity constraints on Aquidneck Island present winter reliability concerns.
- “Hybrid” approach to alleviating supply constraint includes non-infrastructure solutions like demand management and electrification, temporary enhancements to Old Mill Lane, and a new LNG facility to replace Old Mill Lane.
 - LNG facility would be significantly cheaper than non-infrastructure solutions.
- The Company must file a plan with the Public Utilities Commission (PUC) for Aquidneck Island by June 1, 2025, that addresses the capacity constraint but also addresses the Act on Climate and Least-Cost Procurement Standards.

Discussion Questions

- How would development of a new LNG facility impact compliance with Act on Climate mandates?
- Is there opportunity for non-infrastructure solutions to defer investment in traditional infrastructure (i.e., a new LNG facility)?
- What roles does the Company see the Council having in the development of this Plan?

Council Actions

Required Vote

Potential Vote

No Vote

6C. CONSULTANT TEAM PRESENTATION ON THE COST-EFFECTIVENESS REPORT FOR THE 2025 ANNUAL ENERGY EFFICIENCY PLAN

Key Considerations

- Least Cost Procurement Standards require that the Council submit a report on its assessment of the cost-effectiveness of the 2025 Annual Plan.
- The report must be filed within three weeks of the Plan filing.
- The C-Team has prepared this report for consideration by the Council at the October meeting, which falls within the three-week deadline.

Discussion Questions

- Are there any changes to the report that the C-Team has implemented relative to prior iterations?
- How should the report address new lenses of cost-effectiveness, such as intrastate vs. interstate and delivered fuel impacts?
- Do the new lenses of cost-effectiveness affect the Council’s findings?

Council Actions

Required Vote

Potential Vote

No Vote

Recommended Vote Language

- **Vote to approve without amendments:** *A motion to approve the cost-effectiveness report as currently written and to direct its Consultant Team and Legal Representatives to submit the report to the PUC by the October 22, 2024 deadline.*
- **Vote to approve with amendments:** *A motion to approve the cost-effectiveness report as currently written with the following amendments (state amendments), and to direct its Consultant Team and Legal Representatives to submit the report to the PUC by the October 22, 2024 deadline.*

6D. APPROACH FOR COUNCIL ENGAGEMENT IN THE 2025 ENERGY EFFICIENCY PLAN DOCKET PROCEEDINGS (COMMISSION DOCKET NO. 24-39-EE)

Key Considerations

- The Council has three core mechanisms by which to engage in the Docket: data requests, pre-filed testimony, and requested approvals in hearings.
- The Council identified five core topics to raise during the docket proceedings:
 - Quantifying economic impacts in the RI Test benefit-cost ratio (BCR)
 - Improvements to the Rate and Bill Impacts methodology
 - Delivered-fuel weatherization as it relates to compliance with the Act on Climate
 - Equity-based component of the Company's performance incentive
 - Funding for emergency heating system replacements

Discussion Questions

- Do the Consultant Team recommendations for engagement strategy align with the Council's preferred strategies for each topic?
- Are there additional topics that the Council wants to explore in the Docket?
- What are the pros and cons of each engagement strategy?

Council Actions

Required Vote

Potential Vote

No Vote

7. COUNCIL BUSINESS

7A. REVIEW OF COUNCIL'S 2024 BUDGET AND POTENTIAL VOTE TO RECONCILE ALLOCATIONS

Key Considerations

- The Commission approved a 2024 Council budget of \$991,000 which is \$87,800 less than what the Council had initially proposed (\$1,078,800).
- Earlier in 2024, the Council elected to not alter any of its budget items, but rather, closely monitor throughout the year to ensure it was managing within the approved amount.
- With only a quarter of the year remaining, there is a clearer picture of what budget items could be adjusted to reconcile the Council's budget allocations to ensure it stays within the Commission approved budget.

Discussion Questions

- Are there categories from the Council's proposed 2024 budget that were not used or are not planned on being used?
- Are there categories from the Council's proposed 2024 budget that are expected to be significantly underspent or overspent in 2024?

Council Actions

Required Vote

Potential Vote

No Vote

7B. PLANNING DISCUSSION FOR THE COUNCIL'S LEARNING, EDUCATION, AND ADVANCEMENT DISCUSSION MEETING

Key Considerations

- Twice per year, the Council holds a Learning, Education, and Advancement Discussion (LEAD) meeting to focus on topics it may not have time to during regularly scheduled meetings.
- While structured, LEAD meetings are typically less formal than normal Council meetings and present an opportunity for more open discussion amongst Council members.
- The C-Team, with input from the Council's Education Committee, has developed a draft agenda to review with the full Council for its Fall LEAD meeting.

Discussion Questions

- Is the proposed agenda detailed enough to give Councilors a clear sense of what to expect for the LEAD session?
- Are the time allocations for the proposed agenda items sufficient?
- Are there other agenda items the Council would like to cover during the LEAD session?

Council Actions

Required Vote

Potential Vote

No Vote

SUPPLEMENTAL MATERIALS

MONTHLY DATA SNAPSHOT

The Company's process for transitioning from its legacy data-reporting systems to its new one is continuing to take longer than initially expected. The C-Team will begin distributing Monthly Data Snapshots to the Councilors again as soon as possible once the Company's data reporting system transition is complete.

COUNCIL CALENDAR OF EVENTS

The Consultant Team has provided an update to the Council's Calendar of Events which includes meeting dates, topics, and milestones for planning activities related to the 2025 EE Plan.

INITIAL DRAFT OF NOVEMBER 21ST COUNCIL MEETING AGENDA

An initial draft of the November 21st Council meeting agenda is included. Councilors are welcome to share any feedback.

CONSULTANT TEAM BUDGET UPDATE

This memo provides the Council with an update on the Consultant Team's budget after the close of the third quarter. The update provides a summary of year-to-date spending and hours compared to planned budgets and hours.