

MEMO

CONSULTANT TEAM



TO: Energy Efficiency Council
FROM: EEC Consultant Team
DATE: January 16, 2025
RE: Docket 24-39 EE – Summary of 2025 Plan Docket

INTRODUCTION

The Rhode Island Public Utilities Commission (PUC or “the Commission”) conducted hearings on Rhode Island Energy’s (“the Company”) 2025 Annual Energy Efficiency Plan (“the Plan”) on December 10th, 11th, and 12th of 2024. The Energy Efficiency Council (EEC or “the Council”)¹, the Division of Public Utilities and Carriers (DPUC or “the Division”) and the Office of Energy Resources (OER) were intervening parties in the Docket. Following the conclusion of the hearings, the Commission conducted an Open Meeting on December 19th of 2024 to review, discuss, and make rulings on the Plan. This memo summarizes the hearings and the rulings that the PUC made at its Open Meeting related to the Plan. The hearings and the Open Meeting are recorded and available to the public. The table below provides links to these recordings along with timestamps and a summary of the process of the meetings.

Date	Recording	Time Period	Summary
Hearing Day 1: December 10 th	Part 1 ²	00:00 - 19:25	Introductions & Opening Statements (Council’s opening statement begins at 17:15)
		19:25 - 1:55:00	Company witness introductions and beginning of Division cross-examination of the Company
		2:07:05 - 2:22:50	Continuation of Division cross-examination of the Company
	Part 2 ³	33:00 - 1:22:30	Continuation and conclusion of Division cross-examination of the Company
		1:25:00 - 2:55:10	Beginning of Commission cross-examination of the Company

¹ All materials associated with the Energy Efficiency Council are the work of the “Energy Efficiency and Resource Management Council” and any public meetings materials posted on the RI Secretary of State website should be searched using that title.

² <https://video.ibm.com/recorded/134128170>

³ <https://video.ibm.com/recorded/134128532>

Hearing Day 2: December 11th	<u>Part 1</u> ⁴	05:30 - 1:36:30	Continuation of Commission cross-examination of the Company
		1:52:15 - 2:59:50	Continuation of Commission cross-examination of the Company
	<u>Part 2</u> ⁵	00:00 -02:30	Continuation of Commission cross-examination of the Company
		59:35 - 2:20:15	Continuation of Commission cross-examination of the Company
		2:25:55 - 2:45:55	Continuation and conclusion of Commission cross-examination of the Company
Hearing Day 3: December 12th	<u>Part 1</u> ⁶	11:50 - 1:12:38	Introductions and Division cross-examination of the Council
		1:12:38 - 1:21:10	Commissioner Revens general statements about energy efficiency programs
		1:21:10 - 2:00:30	Commission cross-examination of the Council
		2:17:50 - 2:55:20	Continuation of Commission cross-examination of the Council
	<u>Part 2</u> ⁷	1:01:15 - 1:11:25	Conclusion of Commission cross-examination of the Council
		1:12:25 - 1:16:40	Division witness introduction (note that there was no cross-examination issued)
		1:17:30 - 1:19:20	Final statements (note the Council statement at 1:18:40) and conclusion of hearings

⁴ <https://video.ibm.com/recorded/134130318>

⁵ <https://video.ibm.com/recorded/134130623>

⁶ <https://video.ibm.com/recorded/134132282>

⁷ <https://video.ibm.com/recorded/134132609>

SUMMARY OF EVIDENTIARY HEARINGS

This section summarizes key themes of Commission and Division cross-examination of the Parities. Key themes include:

- **Cross Examination of Rhode Island Energy**
 - Timing and coordination of audits, weatherization, and heat pumps
 - Emissions accounting
 - Program marketing
 - Moving allocation of gas energy audits from electric to gas portfolio
 - Criteria for large (\$3M+ incentive) projects
 - Assumptions for subsidizing income eligible programs
 - Measure-specific questions
 - Cost of energy efficiency versus cost of supply
 - Non-Energy Impacts
 - Equity metrics
- **Cross Examination of the Council**
 - Equity Working Group (EWG) and roadmap for equity-based Performance Incentive Mechanism (PIM)
 - Ratepayer impacts
 - Energy Efficiency contribution to Act on Climate Mandates
 - Council website
 - Council budget presentation
 - Energy Efficiency and Climate Awareness Campaign

CROSS EXAMINATION OF RHODE ISLAND ENERGY

Timing and coordination of audits, weatherization, and heat pumps

The Division and Commission both inquired about coordination between Company programs and the [Clean Heat Rhode Island \(CHRI\)](#) program administered by OER, particularly as it related to audit recommendations, customer education, and the co-delivery of weatherization and heat pumps. The Commission's questioning focused on coordination between the Company and OER to ensure that customers who install heat pumps through the CHRI program also receive weatherization services. The Company indicated that the CHRI program requires that income-eligible customers receive weatherization upgrades in order to install heat pumps, but only recommends that non-income eligible customers weatherize their homes prior to installing heat pumps. In the latter case, the Company said that CHRI implementers provide information on weatherization offerings through the Company's programs.

The Division suggested that the Company should leverage home energy reports as an opportunity to promote weatherization as opposed to only including links to the CHRI program and other state programs. The Company responded that providing links will ensure that customers get the latest news and requirements for the programs which it does not deliver. The Division asked how the CHRI program

educates customers on the benefits of weatherization at the time of electrification and suggested that the Company should support weatherization as it relates to the CHRI program. The Company said that its programs require that customers verify adequate weatherization prior to implementing major heating, ventilation and air conditioning (HVAC) upgrades. In addition, Company programs use established protocols for sizing HVAC systems.

The Company stated that it is important to weatherize buildings prior to installing heat pumps to minimize thermal losses through the building envelope and right-size HVAC systems to reduce costs. However, the Company confirmed it is possible that customers may install heat pumps through the CHRI program without upgrading their building envelope since there is no weatherization requirement for non-income eligible customers. The Commission highlighted the need to reconcile the goals of converting customers from fossil fuels and reducing energy consumption.

Emissions accounting

Referencing Tim Woolf's testimony⁸, the Division asked if the Company had a perspective on which option for valuing greenhouse gas (GHG) emissions reductions would be best for the 2026 Plan. The Company stated that it would want to engage with Division and other stakeholders to determine preferred proposal for next year.

In response to a data request⁹, the Company indicated that in benefit-cost calculations, GHG benefits are associated with cumulative lifetime emissions reductions produced by the energy efficiency programs. The Commission asked whether the Avoided Energy Supply Component (AESC) Study, which informed avoided GHG emissions calculations, reflected the adoption of the 100% Renewable Energy Standard (RES) in 2033. The Company indicated that the AESC Study reflects adoption of the RES. The Commission asked the Company to explain whether the electric programs would produce non-zero avoided carbon emissions following the adoption of the 100% RES in 2033. The Company said that it would not expect non-zero carbon emissions reductions from the electric programs following adoption of the RES in 2033.

The Commission referred to Figure 3 of Tim Woolf's testimony, which presented the marginal abatement cost (MAC) for GHG emissions. The Company expressed openness to using the all-sector MAC that includes all fuel sectors instead of electric-sector MAC if appropriate for the 2026 Plan. The

⁸ Available online at: <https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2024-11/24-39-EE%20-%20RIE%202025%20EE%20Plan%20-%20Division%20Testimony%20%28Woolf%29.pdf>

⁹ See the Company's response to PUC 1-34, available online at: <https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2024-11/24-39-EE%20-%202025%20-%20RI%20Energy%20Responses%20to%20PUC%27s%20First%20Set%20of%20Data%20Requests%20-11-25-2024.pdf>

Commission said that the Company should have a firm understanding of whether the all-sector or electric-sector MAC is most appropriate.

Program marketing

The Company completed a website overhaul in 2024, which prompted the Division to ask what features were added to the website. The Company indicated that additional enhancements are pending for early 2025, which will include features such as improved language translation. The Division also asked about the details of a Social Media Influencer Pilot. The Company noted that an influencer with a large following in the state received a home energy audit and documented the process to foster program engagement and popularity.

Moving allocation of gas energy audits from electric to gas portfolio

It had been historical practice for expenses tied to gas audits to accrue to the electric portfolio as opposed to the gas portfolio, which the Company changed for the first time in the 2025 Plan. The Division asked why the Company decided to reallocate gas audit costs from the electric portfolio to gas portfolio for 2025. The Company replied that all audit costs were placed on the electric portfolio, and the increased focus on the cost of energy efficiency versus cost of supply led them to reallocate gas audit costs to the gas portfolio.

Criteria for large (\$3M+ incentive) projects

In response to a large potential project mentioned by the Company, the Division asked when the Company would provide incentives for a project greater than \$3 million. The Company indicated that expected savings are a factor, but incentives vary so there is not a specific threshold for minimum savings. The Commission asked if the potential project is for combined heat and power (CHP). The Company stated that the project entails using heat recovery ventilation to generate electricity. The 1 megawatt (MW) size threshold which requires reporting CHP projects to the Division and PUC does not apply, but the project may warrant an incentive of \$3 million. The Company noted that the customer expressed its intent to leverage other third-party funds such as tax credits, which would also affect incentives. The Division encouraged the Company to report any large projects that are unusual for the programs and asked what other circumstances would warrant an incentive this large. The Company replied that incentives may depend on savings, project size, efficiency, and incremental costs of new equipment. The Company expressed willingness to disclose large projects with the Division even if they do not meet the \$3 million threshold.

Assumptions for subsidizing income eligible programs

In response to a data request¹⁰, the Division asked how the Company derived the ratio of 60% from the Commercial & Industrial (C&I) sector and 40% from the Residential sector for subsidizing the Income

¹⁰ See the Company's response to PUC 2-9, available online at:

<https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2024-12/24-39-EE%20-%202025%20->

Eligible sector fund balance. The subsidization exercise included in the response resulted in a negative year-end fund balance for the gas Residential sector and a positive year-end fund balance for the gas C&I sector for 2024. The Division also asked if the 60-40 split was an appropriate distribution. The Company indicated that the 60-40 split had been used for several years and the Company is unsure what would be a more appropriate allocation. The Company added that revising the split would result in different fund balances for the Residential and C&I sectors assuming the same calculation methodology. The year-end fund balance is calculated by examining the starting balance, all revenue, expenses, interest, and performance incentive. The sector-level fund balances are totaled to generate the fund balance that is included in the plan filing. The Commission asked the Company to look into and report back on how the subsidization split was originally derived, which would have occurred while the Company was owned by National Grid.

Measure-specific questions

To understand notable year-to-year shifts in Residential and C&I program budgets and savings, the Commission asked several questions about measure-level changes to which the shifts seemed attributable. The Company said that the shifts could be explained by changes to measure inputs, cost assumptions, and building codes. Furthermore, the Company revised planned quantities based on recent performance and anticipated project opportunities. Policy-level changes tied to the adoption of the 2024 International Energy Conservation Code (IECC) and 2025 statewide mercury ban also contributed to shifts in planned spending.

Cost of Energy Efficiency versus Cost of Supply

The Commission asked for clarification on how different components of GHG emissions were considered in the cost of supply and how the abatement costs factor into the Rhode Island Test. The Company said that the full avoided cost values would be multiplied by attributed savings. The Commission indicated that there are fixed prices in renewable power purchase agreements, but if demand decreases and prices for renewable power are fixed then avoided costs from reduced electric consumption are reduced.

The Commission reviewed the cost of energy efficiency versus cost of supply analysis included in the 2025 Plan¹¹ for the electric portfolio and explained that interstate benefits accrue to the regional grid while intrastate benefits accrue exclusively within Rhode Island. The Company believed that the analysis which includes interstate benefits but excludes delivered fuel benefits and participant costs should be the primary analysis for the Commission to consider. The Commission, however, indicated that it would

[%20RI%20Energy%20Responses%20to%20PUC%27s%20Second%20Set%20of%20Data%20Requests%20Full%20Set%20-12-4-24%20.pdf](#)

¹¹ See Table E-12 in the Company's filing: <https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2024-10/24-39-EE%20Rhode%20Island%20Energy%27s%202025%20Annual%20Energy%20Efficiency%20Plan%20-%20PUC%2010-01-2024.pdf>.

focus on the analysis which includes intrastate benefits and participant costs but excludes delivered fuel benefits.

Non-Energy Impacts (NEIs)

The Company defined NEIs as quantifiable impacts of energy efficiency implementation that are not reflected in avoided energy consumption and added that these impacts may be costs or benefits. All NEIs and other measure inputs are listed in the Technical Reference Manual. The Commission asked whether some NEIs, such as improved safety, health benefits, and safety-related emergency calls, overlap and therefore potentially double count impacts. The Company said that evaluation studies account for this consideration and expressed confidence that there is no double counting.

Equity metrics

The Commission highlighted that the Council was seeking to use equity metrics to inform a service-quality adjustment (SQA) to the performance incentive mechanism (PIM). The Commission asked how the metrics in the Plan compare to the metrics included in EWG Report. The Company noted that they collaborated with the EWG to determine the most appropriate metrics that serve as indicators of equitable outcomes. The Commission asked whether the EWG considered the share of investment in oil weatherization relative to where delivered fuel, gas, and electric heat customers live, and the Company noted that it was not a consideration.

Three-Year Planning

The Commission noted that it may have the authority to approve a three-year plan and asked the Company how difficult it would be for them to develop a three-year plan instead of an annual plan for the Commission to consider for 2026. The Commission clarified that it would want to understand the difficulty of adjusting the framework before requesting the Company do so. The Company stated that it supports the adoption of a framework for binding three-year plans as opposed to annual plans, but would want to discuss considerations with other stakeholders.

CROSS EXAMINATION OF THE COUNCIL

Equity Working Group and roadmap for equity-based PIM

The Division referenced that the Company's Plan included a detailed report from the EWG and that the Council's testimony only included brief characterizations of the EWG, but included a request that the Commission direct the Company to adopt a roadmap to creating an equity-based component of the PIM. The Division expressed concern that there was a disconnect between the Council and the EWG. Councilor Teichert replied that the Council has not had a representative for Income Eligible customers for several years and that that representative would likely participate in the EWG, but other Councilors have participated in the EWG. He also explained that he did not feel that there was a disconnect between the Council and EWG. The Council understands that the recommendations from the EWG Report and their adoption in the Plan had not always been a seamless process in prior years. Councilor Teichert went on to state that the EWG's work in 2024 had been the best in terms of timing, and while

the EWG process has improved, the Council, EWG, and the Company could better integrate the EWG Report with energy efficiency planning.

The Division asked why the Council's recommended roadmap for an equity-based component of the PIM is a better approach for achieving equitable outcomes than the EWG's process. The Council's Consultant Team (C-Team) clarified that the Council does support the EWG and the Council's requested ruling related to an equity-based component of the PIM is not intended to supplant the EWG or its process. The C-Team added that the Council had observed consistent underperformance in the Income Eligible and Multifamily programs, which overlap with goals of more equitably delivering programs benefits to Rhode Island ratepayers. The Division asked what evidence there was to suggest that an equity PIM would help achieve equitable outcomes. The Council responded that Connecticut and Massachusetts have adopted equity components in their PIMs and added that the 2025-2027 Plan in Massachusetts contemplated tying 50% of the total performance incentive pool to the achievement of equity metrics.

Prioritization of Weatherization

Commissioner Revens shared frustration about the inability to achieve certain goals of the energy efficiency programs, and indicated that no central entity was working to develop a unified plan which focuses investments on critical strategies needed to meet clean energy goals. Commissioner Revens commented that almost every home in Southern New England is not adequately insulated due to old and aging building stock and emphasized the importance of prioritizing investments in weatherization. He recommended pooling all state funds into a unified clean energy program that properly prioritizes investments. He also suggested that the State would find it difficult to achieve its climate goals without significant weatherization and that the public needs to be engaged in these efforts.

Ratepayer impacts

The Division noted that there is a volumetric charge on electric consumption to fund delivered fuel weatherization and asked if the Council had concerns about program impacts on ratepayers. The Division also asked if the Council discusses other programs that the Company administers, such as Infrastructure, Safety, and Reliability (ISR) Plans. Councilor Teichert replied that the Council occasionally receives information on things outside of the Plans that they are statutory responsible for. He added that the Council wants to see the delivery of energy efficiency services reduce consumption, the price of electricity, and overall customer bills.

EE contribution to Act on Climate Mandates

The Division asked why the Council thinks the Prudence standard does not align with the Act on Climate. Councilor Teichert responded that focusing on a given year's rate impact from programs may skew planning for energy efficiency away from things that will provide longer-term benefits and that that biases analyses toward near-term measures as opposed to longer term strategies that will be required to meet the Act on Climate. He also stated that a longer-term planning horizon and benefit-cost analysis would generally align more with the Act on Climate.

He also noted that Councilors would like to see a greater emphasis on weatherization, including delivered fuel weatherization. Delivered fuel customers are also electric customers, so meeting the Act on Climate will require preparing these customers for electric heating and cooling.

Council website

The Commission referenced the Council's new website and flagged a few items that they felt needed some updates. First, they noted that the "About" page did not make reference to the Council's statutorily given name – The Energy Efficiency and Resource Management Council – and recommended that that be updated so that the public could better understand that the Council is the EERMC and is doing its business as the Energy Efficiency Council. Second, the Commission noted that some of the information provided on the "Frequently Asked Questions" page had some outdated answers, included the one about cost of supply compared to the cost of energy efficiency. The C-Team noted that the Council does its best to keep its website content up-to-date, and acknowledged and committed to making some updated.

Council budget presentation

The Commission requested that in future filings, the Commission present its budget proposal in comparison to the authorized budget. This came about because the Commission approved a 2024 budget level that was less than what the Council had requested, and then filed comparisons of its 2025 budget request to the 2024 proposal (not what was approved). The Council will consider this when preparing its 2026 budget.

EE & Climate Awareness Campaign

The Commission highlighted that the Council's budget proposal included \$75,000 for advertising and asked if the Council had issues with the Company's advertising. The C-Team said that the Council initiated an energy efficiency and climate awareness campaign to provide ratepayers with additional knowledge and resources to make energy- and environmental-related decisions. He indicated that the Council did not take issue with the Company's advertising, but that some people do not trust the utility so program information may be better received if coming from another party such as a Council made up of volunteers. Councilor Teichert added that the Council wanted to focus on underserved populations by using alternative language and imagery to gain trust. He noted that the Council would be interested in understanding how this campaign might complement the Company's marketing efforts.

SUMMARY OF THE OPEN MEETING

At the Commission's December 19th, 2024 Open Meeting¹², the Commission discussed and ruled on multiple topics relating to the Company's 2025 Annual Energy Efficiency Plan. This section summarizes discussion and rulings for key topics, including the following items:

- Program budgets and savings opportunities (1:06:07)
- The Council's requested ruling for the development of an Equity PIM Roadmap (1:15:26)
- Directives of the Company identified in the Division's testimony (1:24:36)
- Cost of Supply versus Cost of Energy Efficiency (1:30:04)
- Gas rebates for delivered fuels customers (1:36:25)
- Plan Approval Motions (1:44:10)

PROGRAM BUDGET AND SAVINGS OPPORTUNITIES

Key Notes:

- The Commission felt that the decrease in 2025 program budget compared to 2024 was justified.
- The Commission said the changes represent program planning and design decisions that make the electric programs a better deal for customers. The Commission provided the following examples:
 1. Residential EnergyWise Single Family
 - Access to audits and services remains the same, but the budget decrease reduces upward pressure on electric rates, making electrification more appealing.
 - Reduction in spending for oil weatherization larger than reduction in planned number of weatherizations, indicating more efficient use of ratepayer funds.
 2. Income-Eligible Single Family
 - Lifetime electric savings increase despite a slight budget decrease.
 3. Income-Eligible Multifamily
 - The budget decrease can be attributed to the lack of a couple of large projects.
 - The Commission is not concerned about this because the decrease doesn't reflect programmatic changes.
 4. Commercial & Industrial
 - Budget decreases are largely attributable to right-sizing and reconciling program offerings based on actual experience, changes in energy code, and reduction in opportunities as a result of the mercury ban.
- The Commission was surprised with the Council's priority of expecting year-over-year increases in electric energy savings in the Plan, stating that it seemed to ignore the economics of resource extraction.

¹² A recording of the PUC's Open Meeting is available online at: <https://video.ibm.com/channel/WqQyXw296dg>. This Open Meeting included several other Dockets, and discussion associated with the 2025 Plan begins at 1:05:30 of the recording. Additional time stamps are provided in the bulleted list for when discussion on each topic began.

- The Commission reasoned that the easiest and cheapest energy efficiency was secured first, so decreasing energy savings is logical as energy efficiency becomes less available and more expensive.
- The Commission stated that annual procurement of lifetime MWh savings peaked in 2014 and has steadily fallen each year, while cost per lifetime kWh increases each year.
- The Commission maintained that this does not represent failed programs but is consistent with their expectation absent new major technological changes.
- The Commission noted that asking electric customers to pay for oil energy efficiency is challenging when oil customers largely do not live in urban areas.
 - Concern cited about a transfer of wealth from urban customers who have the highest burden of electric heating load to oil customers who live in suburbs and rural areas.
 - Inconsistent with other equity concerns of the Council related to underserved populations.

EQUITY PIM ROADMAP

Ruling: The Commission declined to order the Company to establish a roadmap towards an equity-component of the PIM, as requested by the Council.

Key Notes:

- The Commission was satisfied with the Company's progress and trajectory toward gathering additional equity data and developing equity metrics and did not think an order for them to develop an equity PIM roadmap was necessary.
- The Commission stated that the Company should continue to work with the EWG to collect relevant data and develop equity metrics.
- The Commission noted that data may take time to present useable or actionable information
- The Commission is satisfied with the Company's existing Service Quality Adjustment (SQA) to the PIM.
- The Commission explained that the Service Quality Adjustment (SQA) sufficiently holds the Company accountable for delivering planned Income-Eligible and Multifamily program benefits at the planned budget level by deducting from earnings if the Company underperforms.
- The Commission encouraged the Council to show how future PIM proposals are consistent with the PUC's guidance document, in particular how the proposal is designed to solve a proven problem and provide incremental net benefits to customers.
- The Commission shares the Council's concerns regarding underserved customer populations but feels that the existing SQA adequately addresses the issue.

DIVISION DIRECTIVES

Ruling: The Commission declined to rule on the directives provided by the DPUC.

Key Notes:

- The Division submitted several directives to be considered by the Commission. The Commission supported these directives but found that formal motions were not necessary at this time.
- The Commission appreciated the perspectives of the Division's witnesses and encouraged the Company to continue to make progress on the Division's recommendations.
- Last year, the Commission directed the Company to file an analysis of how their program design would complement OER's programs. The Commission said it appears the Company used this as a guidepost during the development of the Plan, and the directive to coordinate with the OER stands.

COST OF SUPPLY VERSUS COST OF ENERGY EFFICIENCY

Key Notes:

- The Commission referenced their discussion of the inclusion of MAC in the Cost of Supply during the Plan Hearings and noted that it was not convinced that the full MAC should be included in the Cost of Supply because distribution customers hold fixed price contracts which can't be avoided.
- The Commission reaffirmed their order for an Integrated Clean Energy Procurement Docket that was made during the Renewable Energy Growth Program Docket earlier in 2024.
- The Commission reminded the Company that historically, participant costs have always been included in the Cost of Supply. The Commission referenced their decision in 2018 which determined that participant costs must be included in a symmetrical comparison of the Cost of Supply and the Cost of Energy Efficiency because all Rhode Island Energy customers must pay the socialized costs of energy efficiency programs.

GAS REBATES

Key Notes:

- The Commission asked a question during the hearings regarding the availability of rebates to delivered fuels customers who wish to switch to efficient gas equipment.
- The Company replied that customers with existing gas accounts would be eligible for incentives to switch from delivered fuels equipment to gas equipment.
- The Commission said it was unclear whether a new customer without a preexisting gas account can apply for gas service to qualify for the incentive or if they must have established gas service and that they would follow up with the Company on this matter.

PLAN APPROVAL MOTIONS

Rulings:

1. The Commission adopted the Performance Incentive for Electric and Gas Energy Efficiency shown in Tables E-8c and G-8c in the December 18th Corrections to Attachment 5 and Attachment 6.
2. The Commission approved the Council's proposed budget of \$980,175.

3. The Commission approved the Gas and Electric Budgets and Savings Targets as proposed by the Company in its 2025 Annual Energy Efficiency Plan as modified during the proceedings in Docket 24-39 EE and as reflected in the December 18th Corrections to Attachment 5 and Attachment 6.
4. The Commission authorized the Company to implement the programs as described in the 2025 Annual Energy Efficiency Plan.
5. The Commission approved the electric energy efficiency rate of \$0.00903 per kWh effective for usage on and after January 1st, 2025.
6. The Commission approved the gas energy efficiency rates of \$1.150 per dekatherm for the Residential class and \$0.0530 per dekatherm for the Commercial & Industrial class effective for usage on and after January 1st, 2025.

Key Notes:

- In a prior docket, the Commission directed the Company to repurpose their remaining funds for a Demand Response program to the Gas Energy Efficiency Program. The Company mistakenly failed to reflect this in their budget. The Commission elected to move forward with the current rates and schedules but instructed the Company to use the funds as ordered and apply them to the program cost reconciliation in the future.
- The Commission modified the PIM last year to emphasize the elimination of electric resistance heating and focus the Company on delivering electric energy efficiency measures that reduce the cost of the power system for all ratepayers. The Commission noted that this effect was realized last year via increased utility system benefits to Income-Eligible and Residential customers. The Commission stated that the Company must continue to find cost saving lifetime kilowatt hour electric savings so there is headroom available for oil savings measures that do not reduce the cost of electricity for all customers.