

MEMO

CONSULTANT TEAM

TO: Energy Efficiency Council
FROM: EEC Consultant Team
CC: Office of Energy Resources
DATE: February 20, 2025
RE: First Draft 2026 EE Plan and 2024-2026 SRP Priorities



I. INTRODUCTION

Established in 2006 under amendments to the Rhode Island Energy Resources Act (R.I.G.L. § 42-140.1), a primary function of the Energy Efficiency Council¹ (EEC or “the Council”) is to provide structured stakeholder participation and oversight of energy efficiency procurement. To help support this objective, the EEC has developed priorities that are in alignment with its legislated “powers and duties”². The goal of these priorities is to support and guide the planning activities of Rhode Island Energy (RIE or “the Company”) and all stakeholders engaged in the development of Energy Efficiency (EE) Plans and System Reliability Procurement (SRP) Plans and Investment Proposals. Specifically, the Council’s priorities will provide direct input to the Company’s EE and SRP Technical Working Groups (TWG) and the many associated stakeholders. The priorities also provide clear direction to the EEC’s Consultant Team to guide their activities in meetings and communications with stakeholders on behalf of the EEC, and guide their review and input during plan development processes.

Section II describes EEC priorities for EE Plans from previous years which the Council views as continued key priority areas for the ~~2025~~2026 Annual EE Plan. These maintain, update, or build upon the priority strategies that were developed for the 2024-2026 Three Year Plan and 2024 and 2025 Annual EE Plans. These priorities direct the Company to:

- Comply with Least Cost Procurement (LCP) Standards
- Support the Goals of ~~Comply with~~ the Act on Climate³
- Incorporate stakeholder input
- Ensure an effective and efficient Plan development and review process
- Set ambitious energy savings goals

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

² Available online at: webserver.rilegislature.gov/Statutes/TITLE42/42-140.1/42-140.1-5.htm
~~<http://webserver.rilin.state.ri.us/Statutes/TITLE42/42-140.1/42-140.1-5.HTM>~~

³ Available online at: webserver.rilegislature.gov/Statutes/TITLE42/42-6.2/INDEX.htm
~~<http://webserver.rilin.state.ri.us/Statutes/TITLE42/42-6.2/INDEX.htm>~~

- Increase participation in underserved communities
- Conduct targeted workforce development
- Utilize the framework for justifying programs that exceed cost of supply, but support other areas of LCP Standards
- Ensure robust coordination on Federal and State funding opportunities
- Update the carbon accounting methodology used in the EE Plans

Section III describes additional priorities that the Council has identified for inclusion in 2025 EE Plan development. These additional priorities are aimed at assessing opportunities to drive progress on priorities that are at the intersection of the Council's and the Public Utility Commission's (PUC or "the Commission") interests. These priorities direct the Company to:

- ~~Revisit the cost of supply methodology~~
- ~~Develop and utilize a framework for justifying programs that exceed cost of supply, but support other areas of LCP Standards~~
- ~~Ensure robust coordination on Federal funding opportunities~~
- ~~Update the carbon accounting methodology used in the EE Plans~~

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Section ~~III~~^{IV} describes the Council's updated priorities for the 2024-2026 SRP Plan period. The Council approved ~~its~~^{updated} priorities for the SRP Plan ~~in 2024 following a change prior~~^{in 2024 following a change prior} to the LCP Standards ~~update~~^{update} which moved Active Demand Response programs out of the EE Plans and into the SRP Plans. ~~Consequently, it is appropriate for the~~^{The} Council ~~to~~^{to} ~~update~~^{update} its priorities to guide implementation of the 2024-2026 SRP Plan and development of any associated SRP Investment Proposals, such as Active Demand Response Programs. This section has been updated in 2025 to account for updated priorities around gas demand response following a ruling from the Commission in Docket 24-37-EE that discontinued the Company's existing Gas Demand Response Pilot.

In addition to defining the overarching priorities listed above, the Council has included a range of specific, detailed strategies to support each priority ('priority strategies'). These priority strategies have been developed in order to ensure that the Council is clear in what it expects to see during the development of the upcoming Plans. The priority strategies are not intended as a set of strict requirements which must be met for the Council to endorse a Plan; that decision will always remain at the discretion of the Council, and be informed by information and circumstances that will undoubtedly change between the time the priorities are set and the time that the Plans are ultimately subject to a final vote by the Council. The priorities and their associated strategies should be seen as guidance for how the Council believes the Plans can be made stronger in the interest of Rhode Islanders and in consideration of the legislated duties and obligations of the Council. The Council understands and expects that the Company will communicate clearly about whether and why they are (or are not) able to

fully address each priority and its associated strategies, and anticipates such information will be taken into consideration during their deliberations regarding each Plan.

II. CONTINUED COUNCIL PRIORITIES FOR THE ~~2026~~2025 EE PLAN

RELATING TO THE LCP STANDARDS, THE EEC EXPECTS:

- The ~~2026~~2025 EE Plan will comply with the LCP Standards⁴, including any updates to the LCP Standards as may be approved by the PUC, which lay out a clear structure and process for achieving the goals of least cost procurement and define the roles and responsibilities for the different program administration and oversight entities, including clear direction for strategy and planning of annual EE plans.
- Given the clear, outcome-oriented direction provided in the LCP Standards, the ~~2026~~2025 EE Plan should clearly indicate how each Standard is applied.

TO SUPPORT THE GOALS OF ~~COMPLIANCE WITH THE ACT ON CLIMATE~~, THE EEC EXPECTS:

- ~~2026~~2025 EE Plan savings goals will be set consistently with the Act on Climate to ensure EE programs contribute an appropriate share of carbon emissions reductions.
 - ~~The Company will continue to engage with the Executive Climate Change Coordinating Council (EC4) and their consultants developing the State's 2025 Climate Action Strategy⁵ to ensure that it provides sufficient detail on what share of GHG emissions reductions should come from energy efficiency programs in order for the State to meet its net-zero emissions by 2050 mandate. Establish a clear barometer for EE program contributions to Act on Climate goals that is more rigorous than recent claims related to producing any amount of GHG emissions reductions, by leading coordination with the Executive Climate Change Coordinating Council (EC4) to determine what will constitute EE program consistency with the Act on Climate and 2025 Climate Strategy.~~
 - Adjust ~~2026~~2025 Plan goals to align with legislative updates to statewide climate goals in the event that such updates are passed. This includes, but may not be limited to, the ~~EC4's 2025 Climate Action Strategy⁶ being developed by EC4 to achieve net-zero emissions by 2050.~~
- The Company will reduce investment in fossil fuel heating equipment and increase investment in weatherization.
 - The Company will design incentives and programs to encourage electric options over gas, to ensure the Act on Climate net-zero target is met on or before 2050.

⁴ <https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2024-03/2307-LCPStandard-Ord24942%203-11-24.pdf>

⁵ For more information on the EC4's activities related to the 2025 Climate Action Strategy, please visit: <https://climatechange.ri.gov/act-climate/2025-climate-update>

⁶ ~~<https://climatechange.ri.gov/act-climate/working-draft-workplan>: The 2025 Climate Strategy, required by the 2021 Act on Climate, will include a plan to incrementally reduce greenhouse gas emissions to net-zero by 2050. The 2025 Climate Strategy is described in the EC4 2022 Update to the 2016 Greenhouse Gas Emissions Reduction Plan~~

- The Company will design and implement efforts at scales that attract contractors to EE programs and serve entire neighborhoods simultaneously to mitigate additional natural gas infrastructure development.
- The Company will set specific goals for replacing electric resistance space heating and hot water equipment with heat pump technologies.
 - Goals set in the ~~2026~~2025 EE Plan should meet or exceed goals associated with [the Company's RI Energy's Electric Resistance Heating to Air Source Heat Pumps: Implementation Plan for the Income Eligible Sector](#) Plan ~~being~~ developed as required by the PUC.
 - The Plan should prioritize replacing electric resistance heating in low- and moderate-income households to reduce their energy burdens. The Company should also target the displacement of electric resistance heating in small businesses. Annual targets for replacements should be included and be reported on a quarterly basis.
 - The Company should market heat pumps to customers considering electric baseboard heating for additions and small renovations.
- The Company will design and implement programs that take into full consideration the insights and outcomes from the Future of Gas Docket at the PUC⁷, [including the following](#):-
 - [Relevant findings from the Technical Analysis Report⁸ including the statement that "To achieve the Act \[on Climate\], all scenarios rely on significant energy efficiency measures, such as building shell retrofits, that far exceed the State's rate of adoption today."](#)
 - [Findings from the yet-to-be-completed Stakeholder Report](#)
 - [Rulings and/or recommendations made in any future hearings, technical sessions, or stakeholder group meetings related to this Docket](#)

TO ENSURE STAKEHOLDER INPUT IS ADEQUATELY INCORPORATED, THE EEC EXPECTS:

- The Priorities indicated by the members of the EE TWG and ~~Equity Working Group~~ will be appropriately reflected throughout the ~~2026~~2025 EE Plan, and that the Company's documentation and response to the Priorities will be presented in a transparent and comprehensive format.
- The Company's proposed customer feedback activities will be sufficiently robust and capture actionable customer-driven input, and it will be appropriately reflected in the ~~2025~~2026 EE Plan, and that the Company's documentation of the activities and their responses to customer input will be presented in a transparent and comprehensive format ~~as a Plan Appendix~~.
 - ~~As one example of a customer feedback activity the Company should host at least two public comment listening sessions outside of EEC and EE TWG meetings. These listening sessions should be scheduled such that participation flexibility is provided (e.g., one 12PM listening session and one 6:30PM listening session). The listening sessions should enable remote access and translation services. The Company should document feedback provided during these listening sessions for inclusion in the 2025 EE Plan.~~

⁷ <https://ripuc.ri.gov/Docket-22-01-NG>

⁸ Available online at: <https://apexanalytics.egnyte.com/fl/04Tdzqfvl#folder-link/Future%20of%20Gas%20Documents/Reports>

TO SUPPORT AN EFFECTIVE AND EFFICIENT ~~2026~~2025 EE PLAN DEVELOPMENT AND REVIEW PROCESS, THE EEC EXPECTS:

- The ~~2025~~2026 *Plan Development Calendar*⁹ developed in collaboration by the EEC Consultant Team, Rhode Island Energy, and OER, and discussed by the EEC, will be followed by all relevant parties to assure necessary time is afforded to the EEC and stakeholders reviewing and reaching a clear understanding of the content of the ~~2025~~2026 EE Plan, sufficient to make informed decisions on whether to endorse the Plan.
- The ~~2025~~2026 Annual EE Plan should include key metrics that will be documented and reported to the EEC and stakeholders at minimum as part of the standard Quarterly Program Performance Reports. Metrics will be identified through a collaborative process between the EEC, RI Energy, and other stakeholders. Metrics identified through this process will be defined in the Plans and included in Quarterly Reports.

TO CONVEY ~~SIGNAL~~ THE IMPORTANCE OF ~~INTENT TO GROW~~ EE PROGRAMS, THE EEC EXPECTS:

- The Company will set ambitious Annual Plan goals for ~~2026~~2025 that meet EEC-recommended targets¹⁰ or explain any gaps between the goals and targets, and signal to the industry the intent to grow energy efficiency programs and participation. Where gaps do exist, the Company should clearly document the incremental savings that could be obtained with a specified incremental budget allocation if such an allocation were allowed. This would help assess the tradeoffs between further energy efficiency budget allocation and the benefits that would accrue to Rhode Islanders from such an incremental allocation.
- For example, the substantial increase in program budgets and system benefit charges resulting ~~from~~ from covering 100% of the incremental cost of energy efficiency measures would reasonably justify not adopting such an approach under the prudence standard. Without an analysis as described above, it is difficult to see what potential savings and benefits are being "left on the table".
- The Company to increase emphasis on improving designs for programs with a pattern of recent underperformance.
- The Company to demonstrate a clear growth trajectory for successful programs that are highly cost-effective, lower than the cost of supply, and provide net utility system benefits.
- The Company will document measures and/or approaches that it considered during plan development but ultimately did not include in the Plan for reasons including, but not limited to, issues with a measure and/or approach being able to screen cost-effectiveness tests.

TO INCREASE PARTICIPATION BY HISTORICALLY UNDERSERVED CUSTOMERS, THE EEC EXPECTS:

- ~~The Company will work with relevant parties to discuss, vet, and if deemed appropriate, propose a roadmap for developing and instituting an equity-based component of the Company's~~

⁹ Footnote link with corresponding schedule will be included once timeline is finalized. <https://rieermc.ri.gov/wp-content/uploads/2024/01/2024-eeermc-calendar-2023-01-18-v3.pdf>, see slides 6 and 7

¹⁰ The Council's recommended Energy Efficiency Targets for program years 2024-2026 were submitted to the PUC for consideration on April 28, 2023, but to date have not been ruled on.

performance incentive mechanism (PIM) utilizing the existing service quality adjustment (SQA) mechanism which has precedent in the current PIM structure.

- The Company will continue to gather and report on equity metrics that have been established through work with the Equity Working Group. The Company should also review the previously identified metrics that are not currently being tracked and reported on with the Equity Working Group to determine whether or not they should be added to the equity metrics that are being reported on.
- The Company will implement recommendations of the Equity Working Group
- The Company will identify clear and objective determinations of success, and regularly report progress in achieving EWG recommendations and other strategies to increase participation by historically underserved customers.
- The Company will increase financial investments in serving historically underserved populations, including enhanced financial incentives to those customers across efficiency offerings
- The Company will identify and implement program improvements that will facilitate ease of participation, including through streamlining of participation steps, documentation requirements, and income verification processes.
- The Company will enhance marketing and outreach to underserved populations
 - ~~Contract a third-party vendor to develop targeted and culturally sensitive messages and methods to communicate program offerings~~
 - ~~Develop a clearinghouse for all local, state, and federal clean energy program offerings. This will allow customers to access all incentives in a central location, which will be critically important to integrate Inflation Reduction Act funds and existing statewide EE/clean energy program funds. This effort should be a statewide initiative in which RE Energy actively coordinates with other involved parties on behalf of EE stakeholders.~~
- The Company will develop and implement a targeting framework that focuses on all communities with high proportions of underserved and environmental justice populations and historical participation lower than average statewide participation levels.
 - Assess the feasibility of, and if viable, implement granular geo-targeting for enhanced incentives, such as census tract or neighborhood rather than municipality or zip code to deliver services more directly to high energy burden customers, potentially including assessment of climate vulnerability.
 - Establish baselines for achieved benefits by underserved and environmental justice populations and track progress in achieving increases.
- The Company will enhance and increase municipal and other community-based partnerships, particularly to include partnerships with underserved communities.
 - Increase investment in partnerships with underserved communities. Investment should cover technical support and funding for community/municipal staff to facilitate partnerships. Investment should also cover identification efforts to find organizations that engage with underserved communities.
 - Partnership goals should be developed and tied to increased participation by renters, moderate-income customers, and language-isolated customers. Goals and metrics should be set in collaboration with partners and corroborated by data.
 - Partners should be provided flexibility in their approaches used to engage with their respective community members. This includes allowing partners to provide regular feedback on partnership efforts and customize marketing materials such that they resonate with community members.

- Enable partnerships to include community-based organizations, cultural organizations, and statewide/regional organizations representing underserved communities.
- The Company will use findings from the 2023 Small Business Process Evaluation in order to increase participation by small and microbusiness customers (less than 100,000 kWh in annual electric consumption) who account for about 90% of the entire commercial & industrial (C&I) customer demographic.
 - [Expand the Customer Directed Option \(CDO\)¹¹ through active recruitment and outreach to contractors who are not participating in the Small Business program. This will both expand the pool of participating vendors and diversify measures implemented through the program.](#)
 - [Provide support and training for community-based organizations and other non-utility organizations seeking to communicate small business offerings to their respective communities and organizations.](#)
- The Company will contract a qualified third-party vendor to develop a Language Access Plan (LAP) that sets forth how the Company will provide services to individuals who are non-English speaking or have limited English proficiency at each step of the customer journey
 - Implement LAP, including ensuring all program materials, enrollment forms, contractor support, and field staff communications are available in several of the most common primary languages for English-isolated communities
 - Work with vendor and stakeholders to determine which languages to include
- The Company will target workforce development efforts to serving contractors in underserved communities (detailed recommendations on workforce development covered in separate priority). RI Energy should actively coordinate with state entities to leverage available state/federal funds and workforce development offerings.

TO DELIVER TARGETED WORKFORCE DEVELOPMENT, THE EEC EXPECTS:

- The Company will implement recommendations of the Equity Working Group [related to workforce development activities.](#)
- The Company will deliver targeted workforce development for small/minority- and women-owned business enterprise (MWBE) contractors.
 - Develop detailed workforce development plans that target small/MWBE contractors. The Plans should detail the subject matter, locations, languages, and quantity of planned training/upskilling events and workshops, as well as ambitious and increasing target attendance levels.
 - Provide technical support for small/MWBE contractors seeking to participate as energy efficiency program vendors. This should include clear descriptions of program requirements, program operations, and support in completing applications and any other paperwork needed to register or participate in the programs. Technical support should remain available after contractors register and seek to ensure sustained success and program engagement for small/MWBE contractors.
 - Deliver small/MWBE contractor trainings that target underserved communities in Rhode Island. The trainings and other supporting program materials should be available in any

¹¹ [Small Business program pathway through which customers can use their own, preferred contractor to install discrete energy efficiency measures and receive program incentives, as opposed to using an RIE program vendor.](#)

non-English languages prevalent in target communities and be supported by program staff fluent in those languages. Technical support should remain available after contractors register and seek to ensure sustained success and program engagement for small/MWBE contractors.

- The Company will deliver workforce development focused on important technologies for meeting statewide climate goals, maximizing ratepayer benefits, and controlling ratepayer costs.
 - Expand investment in training for heat pumps, building automation systems, energy auditing, and equipment commissioning for all sectors.
 - Expand training for building operators and commissioning specialists to improve realization rates in commercial, industrial, and large multifamily buildings, thereby increasing claimable energy savings. This will ensure newly installed equipment is appropriately operated and maintained to maximize savings potential.
- The Company will [continue to](#) demonstrate responsiveness to recommendations from the Workforce Needs Assessment, which it completed in 2023¹².
- The Company will increase investment in workforce development to expand training for existing workers, mitigate barriers to entry for new workers, and advertise training/job opportunities for workers.
 - The workforce development plan should include funding for internships and apprenticeships, as well as outreach strategies to attract diverse people into the workforce. This funding for ~~2025~~[2026](#) should incrementally increase compared to ~~2024~~[2025](#) to ensure training and outreach efforts expand to all Rhode Island communities and demographic groups.
 - The workforce development budget should [continue to](#) be built from the bottom-up, which will guarantee that all planned expenditures are tied to specific trainings. The budget should cover continuing education for existing workers, certification programs such as the Building Operator Certification, investment in trade school and community college programs, subsidies to cover the salaries of interns and apprentices placed in full-time positions at contractor companies, targeted outreach for workforce diversification, diversity, equity, and inclusion (DEI) policy development and training, and reporting of workforce demographics.
 - Quarterly reporting should include workforce development expenditures by category, delivered trainings by language and type, certifications earned, average audit lead times, and qualitative assessments of workforce needs.
 - Develop a clearinghouse for all statewide [public and private](#) energy efficiency/clean energy jobs to effectively communicate work opportunities to the public. This effort should be a statewide initiative in which RI Energy actively coordinates with other involved parties on behalf of EE stakeholders.
 - Identify and leverage all state and federal funds available for workforce development initiatives to mitigate financial cost to ratepayers.

III. ADDITIONAL COUNCIL PRIORITIES FOR THE 2025 EE PLAN

¹² Available online at: <https://rieermc.ri.gov/wp-content/uploads/2023/08/rie-workforce-needs-assessment-final.pdf>

TO REVISIT THE COST-OF-SUPPLY METHODOLOGY, THE EEC EXPECTS:

- The Company will work with stakeholders to revisit its methodology for assessing and comparing costs of the EE programs and portfolio with the cost of procuring incremental energy supply
- The Company will develop and report, as appropriate, multiple sets of calculations that relate various subsets of costs of supply to costs of efficiency
- The Company will remove the low-income discounts from the cost of supply and benefit cost calculations given that they represent a double-counting since those costs and benefits are already captured in the Company's cost of supply calculation.
- The Company will investigate and identify, with input from Stakeholders, appropriate reference scenarios for EE benefit cost analysis under the Act on Climate's decarbonization assumptions.
- The Company will utilize updated Avoided Energy Supply Components in New England (AESC)¹³ data sets in all relevant analysis, including implementing updates to recently completed forward-looking analyses where the results could reasonably be expected to materially change as a result of the application of updated avoided cost values.

TO DEVELOP A TO UTILIZE THE FRAMEWORK FOR JUSTIFYING PROGRAMS THAT EXCEED COST OF SUPPLY BUT SUPPORT OTHER AREAS OF LCP STANDARDS, THE EEC EXPECTS:

- The Company will continue use of the framework for ~~work with stakeholders to develop a framework for how it can justifying supporting of~~ programs that exceed cost of supply when out of state and delivered fuels costs and benefits are excluded, but support other areas of LCP Standards that was developed as part of the 2025 EE Plan.
- ~~The Company will work with stakeholders to clarify the basis for support and/or revisit design approaches for programs that do not meet cost effectiveness and/or cost of supply thresholds under the scenarios stated in the PUC's ruling on December 19, 2023.~~

TO ENSURE ROBUST COORDINATION ON FEDERAL AND STATE FUNDING OPPORTUNITIES, THE EEC EXPECTS:

- The Company will demonstrate in EE Plan materials its coordination efforts with OER on Federal and State funding opportunities
- The Company will demonstrate responsiveness to recommendations made by the Division¹⁴ related to coordination with OER on weatherization and electrification programs and offerings. While the Commission did not make a formal ruling on this matter, it was raised at the December 19, 2024 Open Meeting as something that the PUC expected the Company to make progress on.
- ~~The Company will include in its 2025 Plan any outcomes of its forthcoming filing on March 18, 2024 related to how it allocates funding from System Benefit Charges to EE programs and measures where federal funded EE offerings are made available~~

¹³ The Avoided Energy Supply Components in New England: 2024 Report is available online at: <https://www.synapse-energy.com/sites/default/files/inline-images/AESC%202024.pdf>

¹⁴ Division recommendations available in testimony provided in Docket 24-39-EE, 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%28Kallay%29.pdf>

TO UPDATE THE CARBON ACCOUNTING METHODOLOGY USED IN EE PLANS, THE EEC EXPECTS:

- The Company will lead a Stakeholder process to revisit and refine how avoided emissions are determined and tracked within the programs. [This process should, at minimum, take into consideration recommendations made by the Division¹⁵](#). While the Commission did not make a formal ruling on this matter, it was raised at the December 19, ~~2023~~2024 Open Meeting as something that the PUC [expected the Company to make progress on](#)~~would like to see better clarity on, particularly in light of the Act on Climate mandates.~~

~~III~~IV. UPDATED EEC PRIORITIES FOR THE 2024-2026 SRP PLAN

TO ENSURE RESPONSIVENESS TO COUNCIL INPUT, THE EEC EXPECTS:

- The Company will demonstrate continued responsiveness to Council and other stakeholder input, including during the implementation of the 2024-2026 SRP Three Year Plan.
- The Company will submit any draft SRP Investment Proposals to the Council at least six weeks prior to the Company's intended filing date for any such proposals.

TO SUPPORT STAKEHOLDER ENGAGEMENT, THE EEC EXPECTS:

- The Company will ensure sufficient opportunities for stakeholder engagement and substantive contributions during SRP implementation, including but not limited to SRP Technical Working Group meetings and Council and other stakeholder review of draft and final SRP Investment Proposal materials.

TO ACHIEVE CONTINUED METHODOLOGICAL DEVELOPMENT, THE EEC EXPECTS:

- The Company will actively pursue further development of benefit cost analysis and assessment of internal EE and DER solutions to grid needs, which will include sharing internal analyses of NWA and NPA opportunities and providing stakeholder opportunity to comment on both the results and methodology of those analyses.

TO ENSURE ROBUST NON-PIPES PROGRAM IMPLEMENTATION, THE EEC EXPECTS:

- The Company will ensure Non-Pipes Alternative (NPA) program implementation is robust, regular updates are provided to the SRP TWG, and system need forecasting is conducted in a transparent manner with adequate lead time to enable identification and screening for multiple NPA opportunities in this three-year plan cycle.

TO ENSURE ROBUST ONGOING ACTIVE DEMAND MANAGEMENT PROGRAMS IN RHODE ISLAND, THE EEC EXPECTS:

¹⁵ Division recommendations available in testimony provided in Docket 24-39-EE, 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>

- The Company will develop and implement a cost-effective electric demand response program design which specifically prioritizes a balance between adequate incentives to drive sustained and growing program participation with maximization of net utility system benefits for all customers, regardless of program participation.
- The Company will actively seek EEC input on any proposed changes to demand response (DR) program design, and will provide regular updates on DR program performance in written form at least quarterly with at least one presentation per year, with additional presentations to the EEC and the SRP TWG as appropriate should program performance deviate from expected levels or in the event the Company proposes changes to program design, cost effectiveness analyses, distribution of net program benefits, or incentive levels.
- In Docket 24-37-EE, the Commission motioned to discontinue the Company's Gas Demand Response Pilot given that it had run its course and that there was not much more left to learn. Nonetheless, the Commission noted that the ruling was not meant to signal that gas demand response is not important. In light of this, the Company should ~~The Company will investigate and if deemed appropriate, propose new gas demand response programs and/or pilots.~~ provide regular updates on the Gas Demand Response Pilot, and provide similar updates, feedback opportunities, and adequate time periods for review for all renewals or modifications to the Gas Demand Response Pilot, including in the event the Company elects to develop a full Gas Demand Response program.
- In the event the Company elects to develop new gas demand response programs and/or pilots, ~~a full Gas Demand Response program,~~ the Company will engage with EEC, OER, and other stakeholders on appropriate cost-effectiveness, incentive-setting, and other appropriate supporting analyses with adequate lead time to ensure final proposals are presented to all interested Stakeholders to enable a considered and comprehensive assessment of any proposed ~~Gas Demand Response~~ program or pilot.