

2024 Year-End Results

Consultant Team and Rhode Island Energy Presentation

Date: June 26, 2025

Outline



Portfolio Performance

Select Consultant Team Sector Highlights

Rhode Island Energy Performance Overview

Council Discussion



Portfolio Performance

Electric & Gas Savings Performance

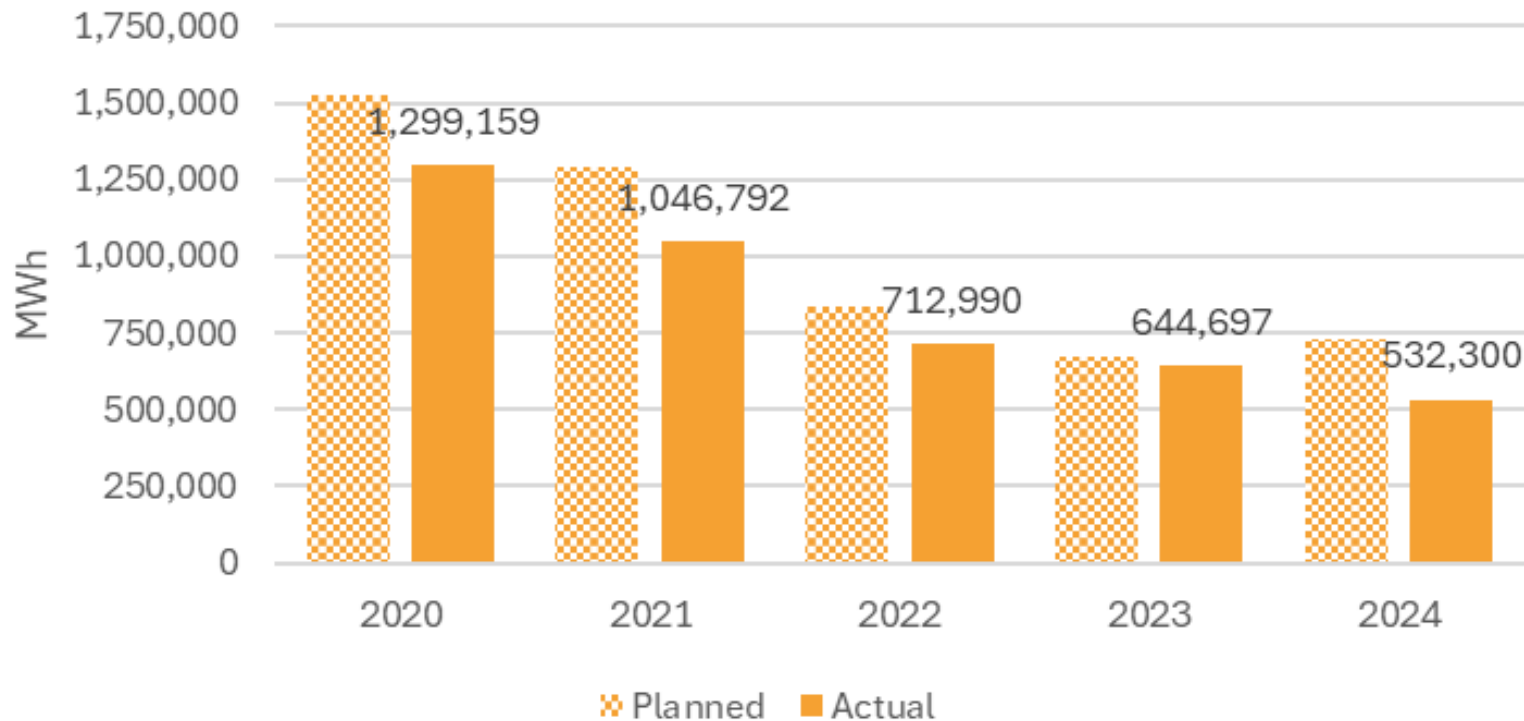
Key Takeaways



- 1 Both Electric and Gas Portfolios struggled in 2024, failing to reach 75% of Lifetime Savings Goal
- 2 Electric and Gas Portfolios combined utilized ~95% of planned implementation budget
- 3 Cost-to-Achieve savings were notably higher than planned and past actuals, particularly on the gas side
- 4 Expected performance incentive earnings neutralized due to poor performance
- 5 Program benefits down, but still generating \$1.60 for every \$1 invested, even when excluding economic development benefits
- 6 Programs activity yielded a reduction of ~46k metric tons of CO₂e

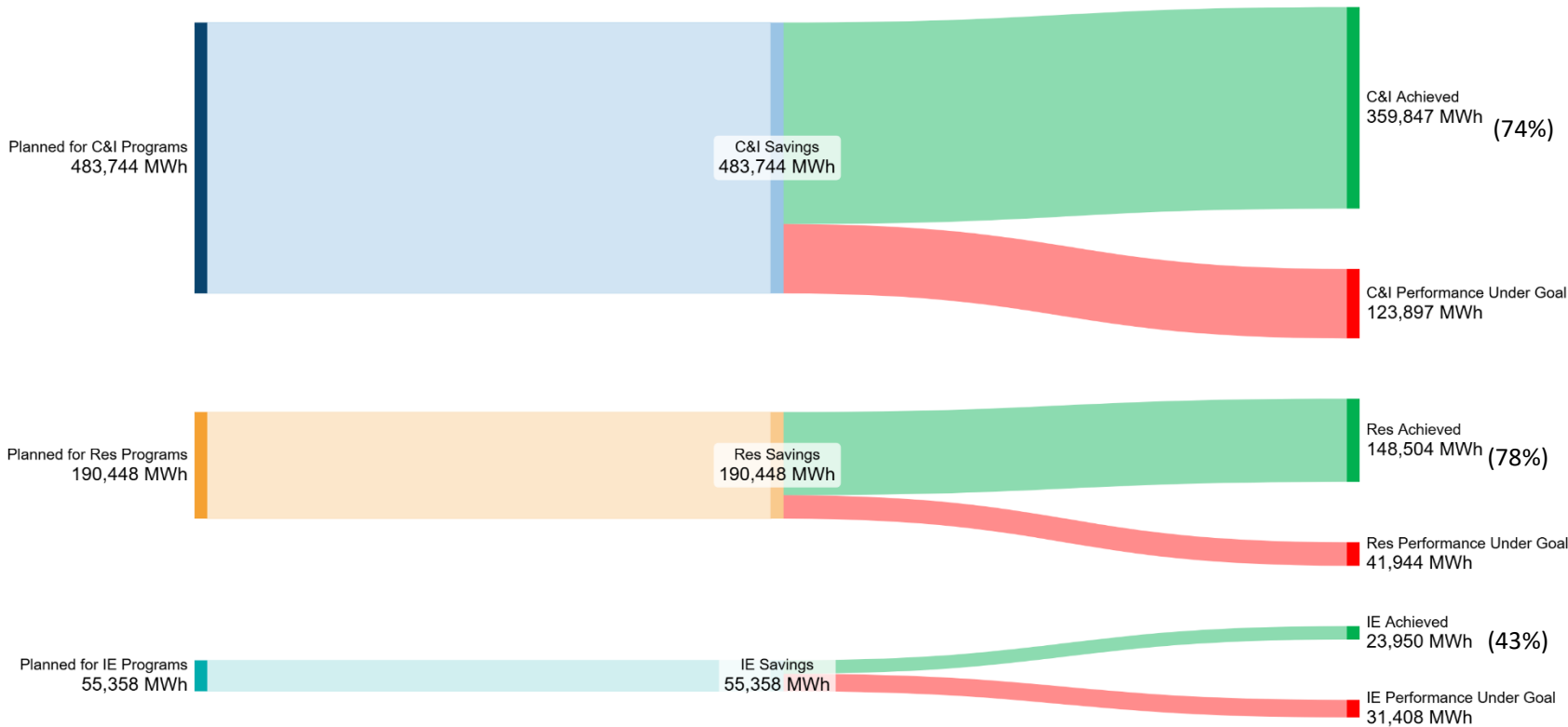
Electric Savings Performance

Electric Portfolio Lifetime Savings -
Planned vs. Actual



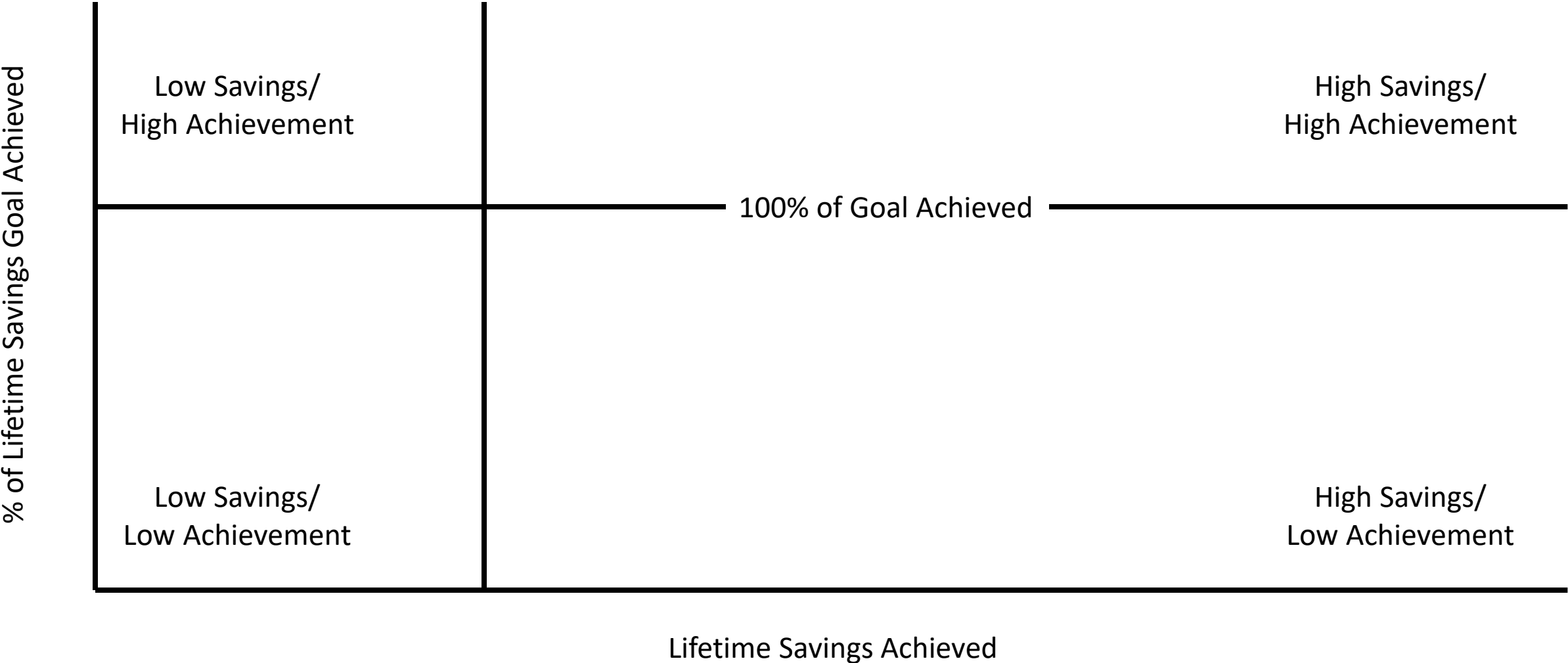
- 73% of Lifetime Savings goal achieved
- Lowest actual savings achieved **and** percent of goal achieved in over a decade

Electric Savings Performance by Sector

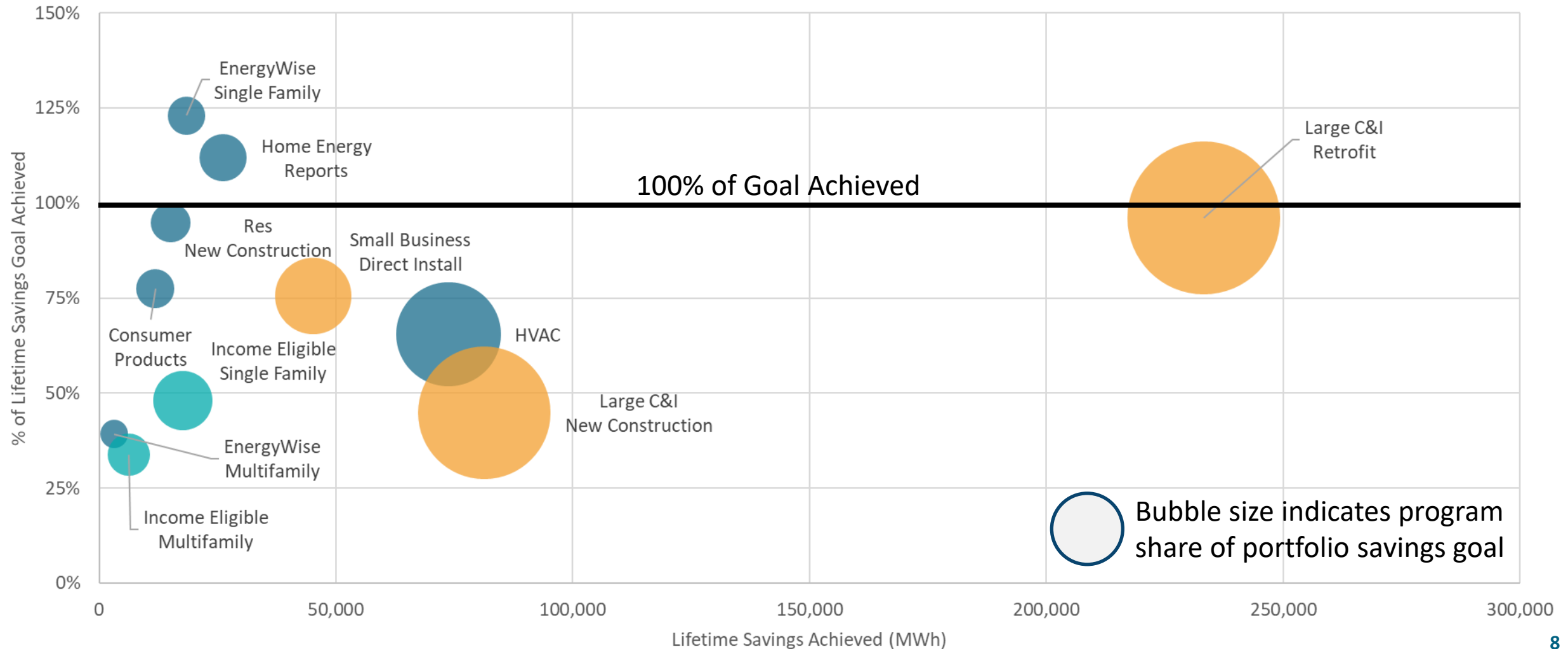


- All 3 sectors fell short of Lifetime Savings Goal by at least 20%
- Income Eligible sector achieved less than 50% of Lifetime Savings Goal

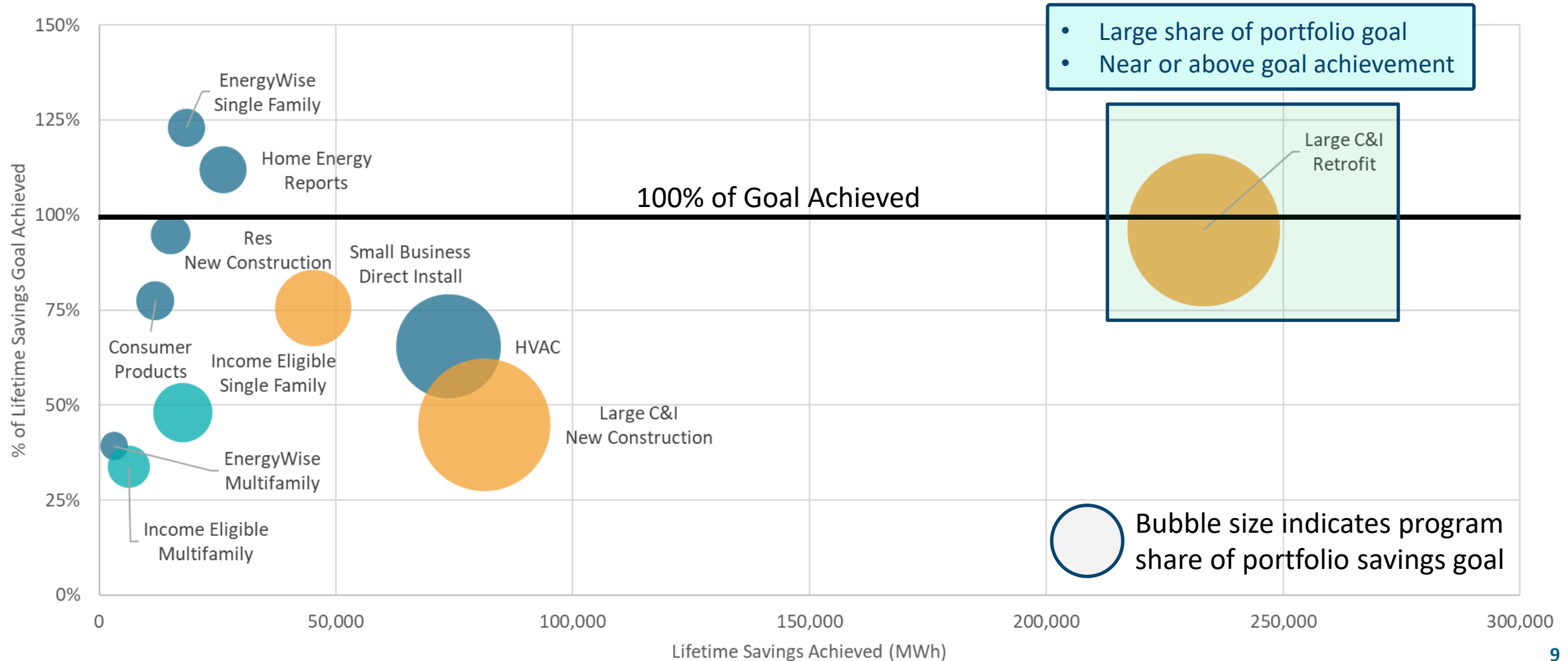
Electric Savings by Program



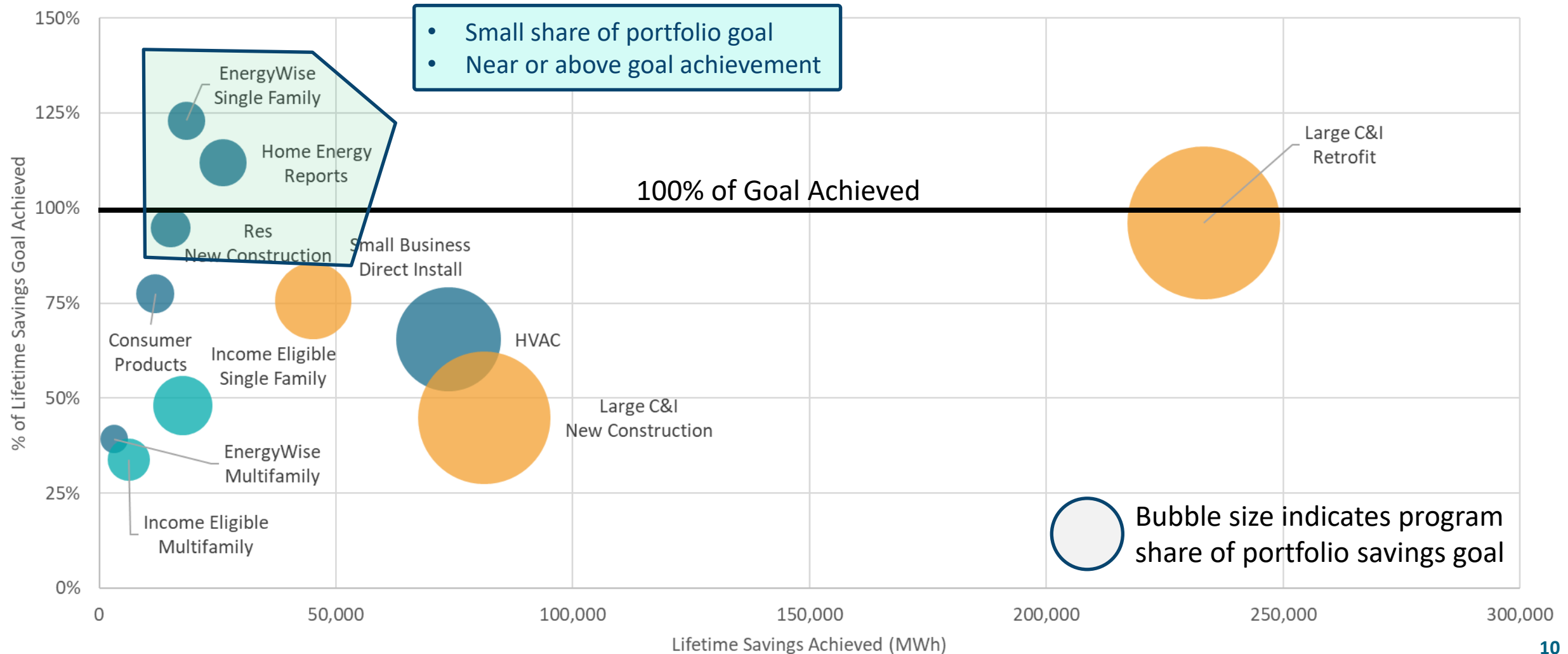
Electric Savings by Program



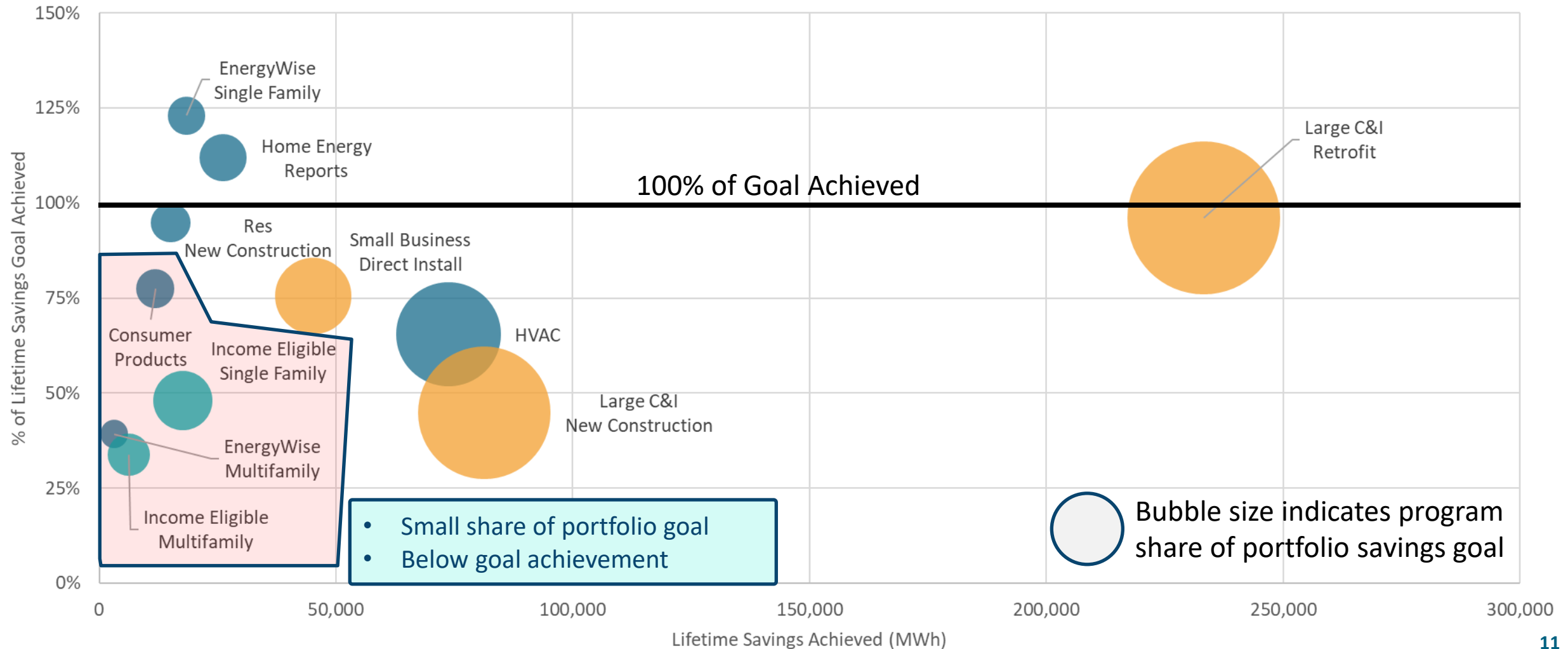
Electric Savings by Program



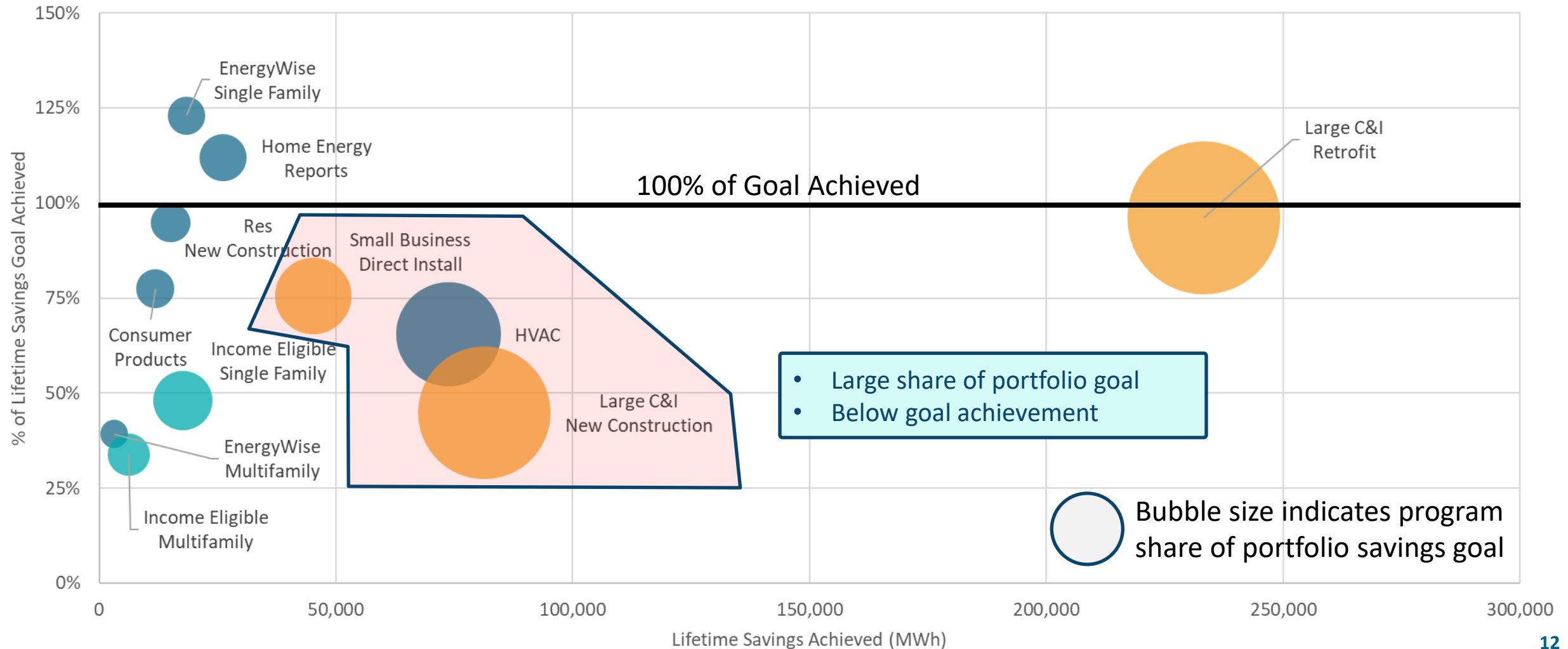
Electric Savings by Program



Electric Savings by Program

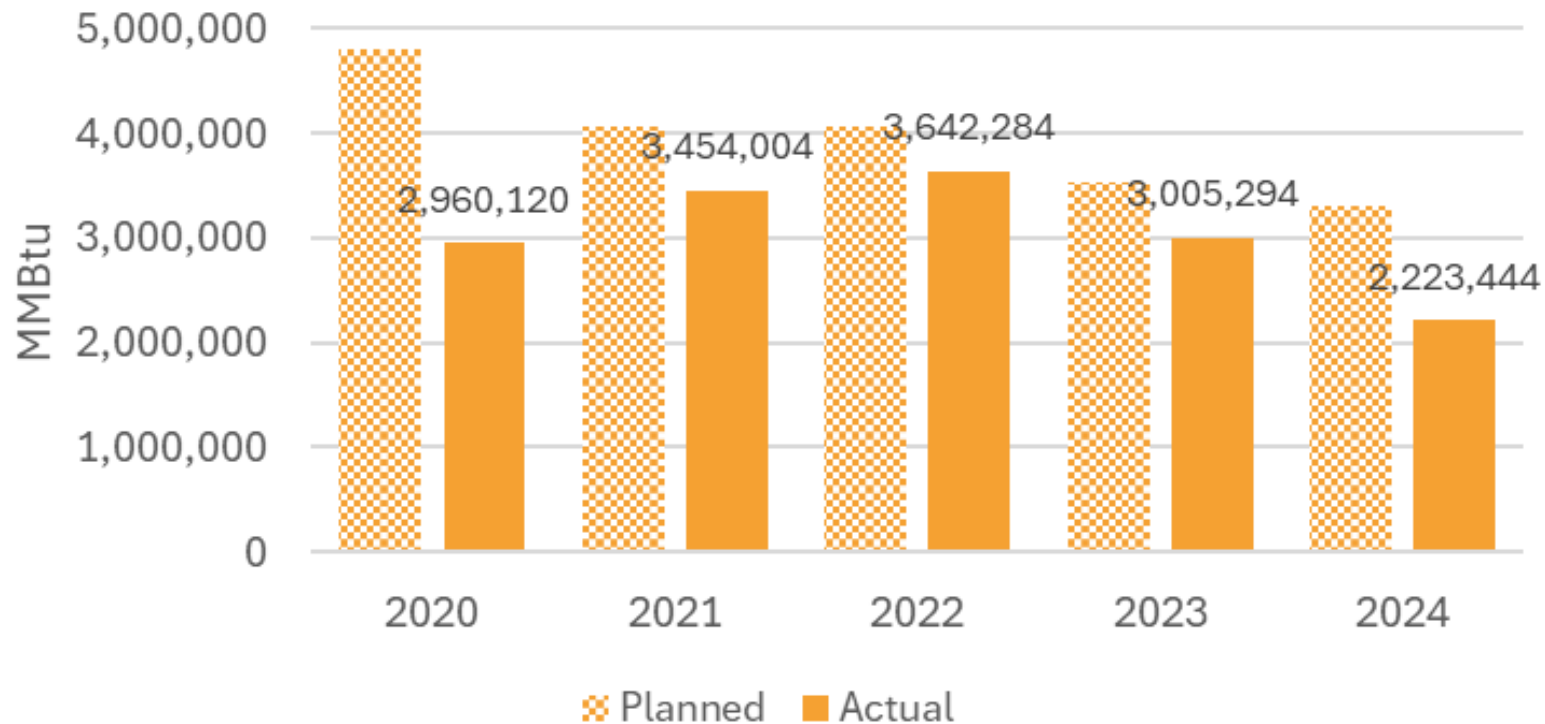


Electric Savings by Program



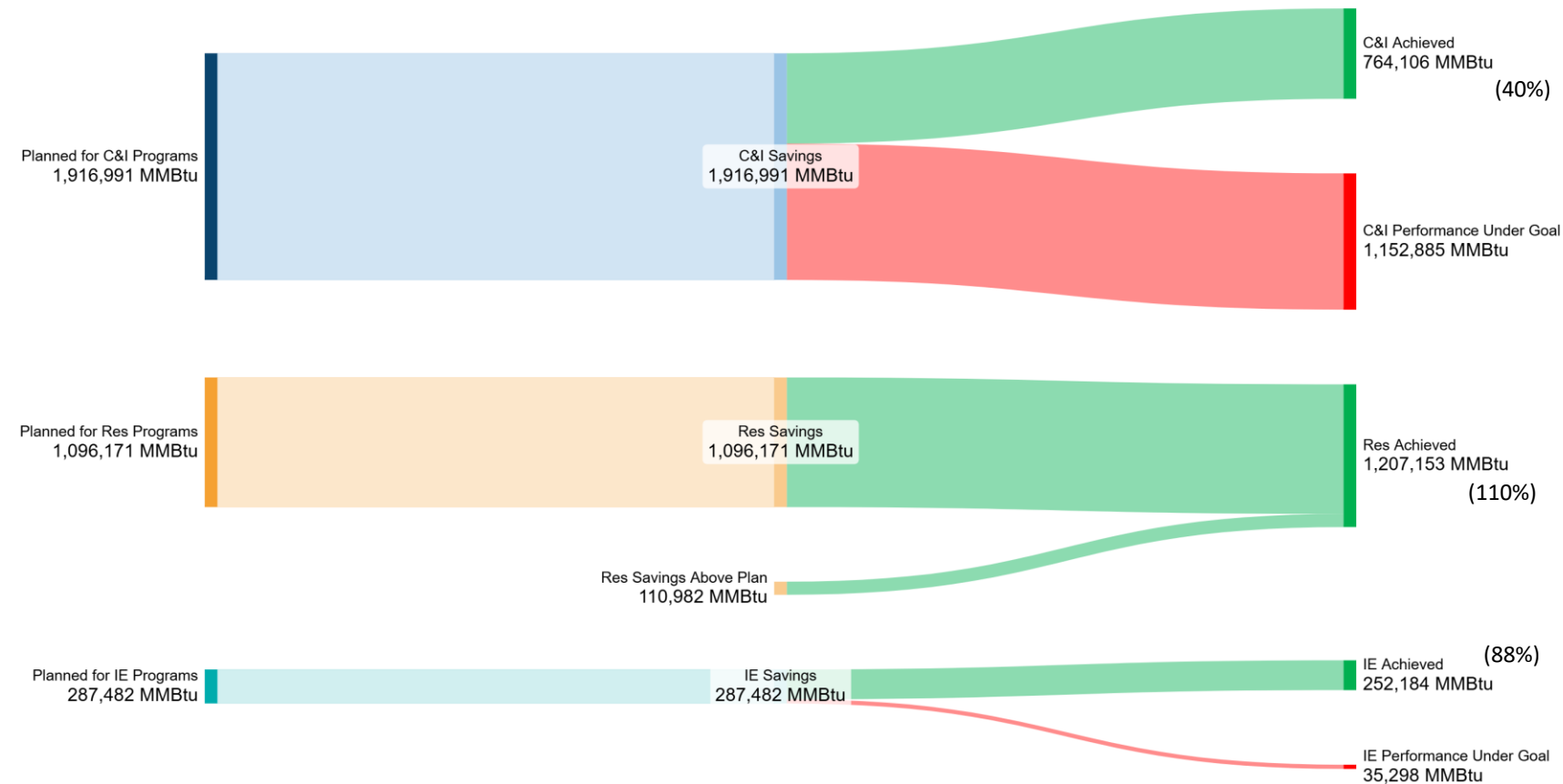
Gas Savings Performance

Gas Portfolio Lifetime Savings -
Planned vs. Actual



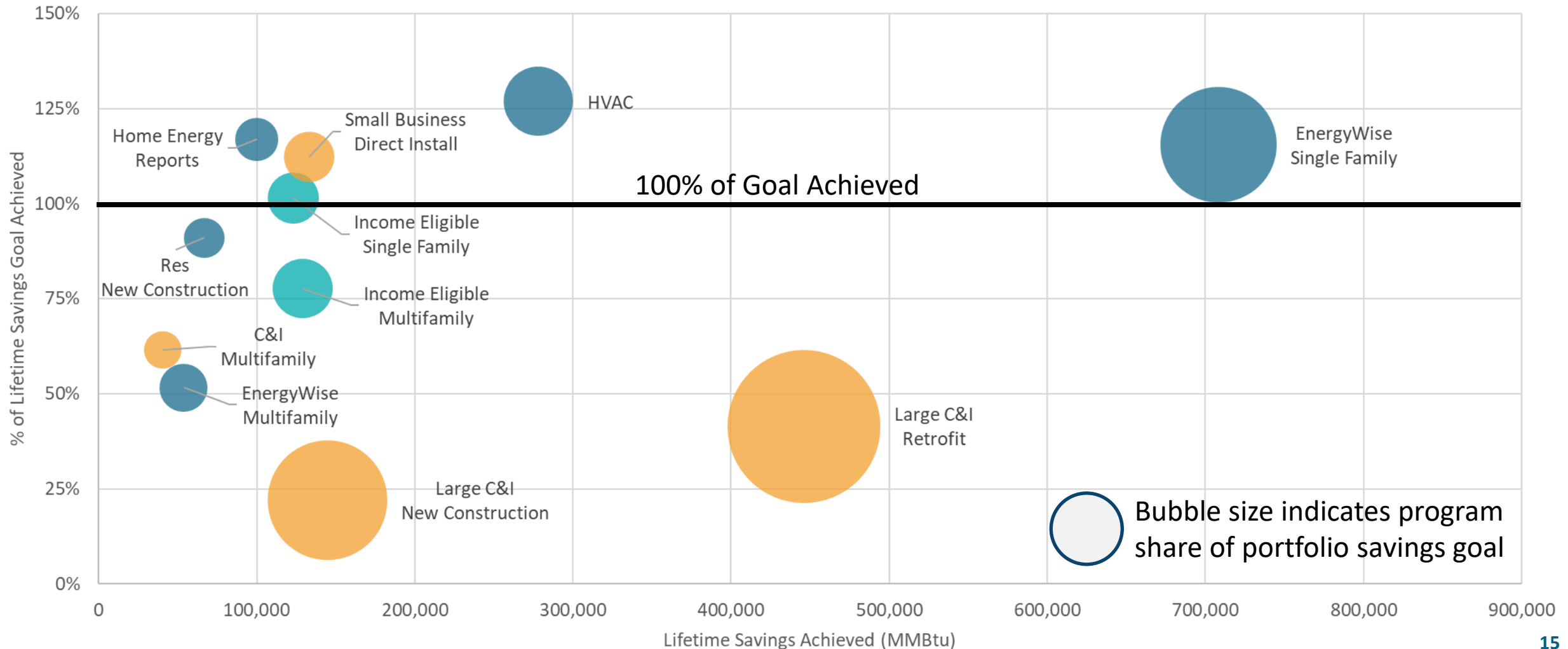
- 67% of Lifetime Savings goal achieved
- Lowest actual savings achieved in over a decade
- Lowest percent of goal achieved since 2020

Gas Savings Performance by Sector

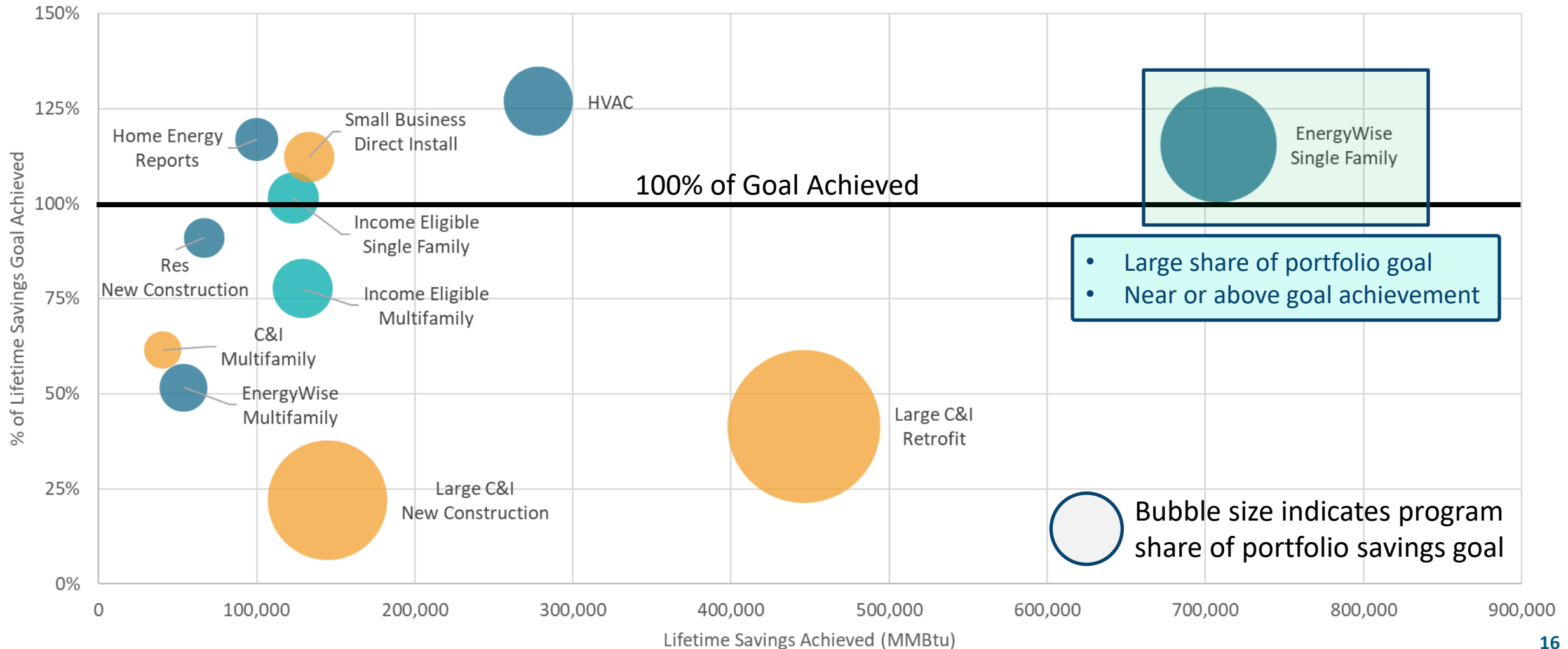


- Portfolio underperformance largely driven by C&I sector
- Residential sector above goal
- Income Eligible sector performed well, but below goal

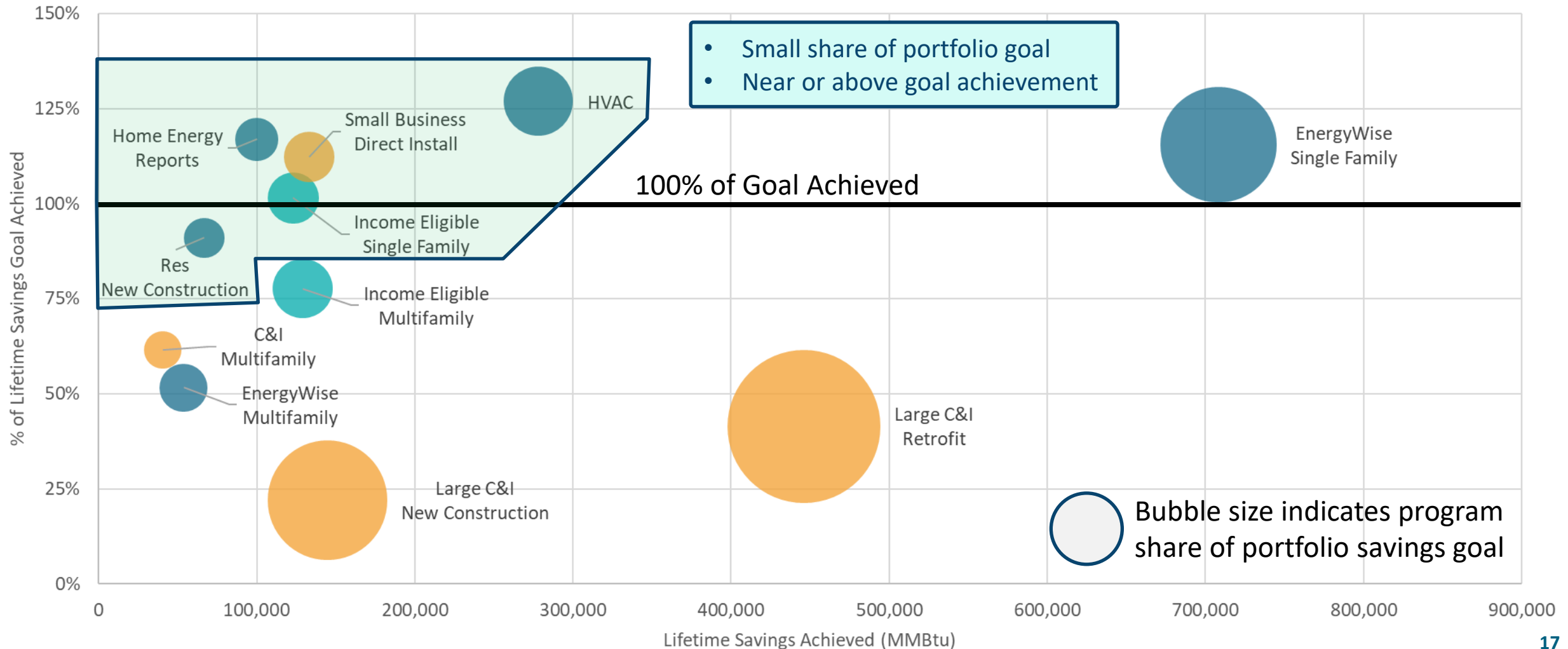
Gas Savings by Program



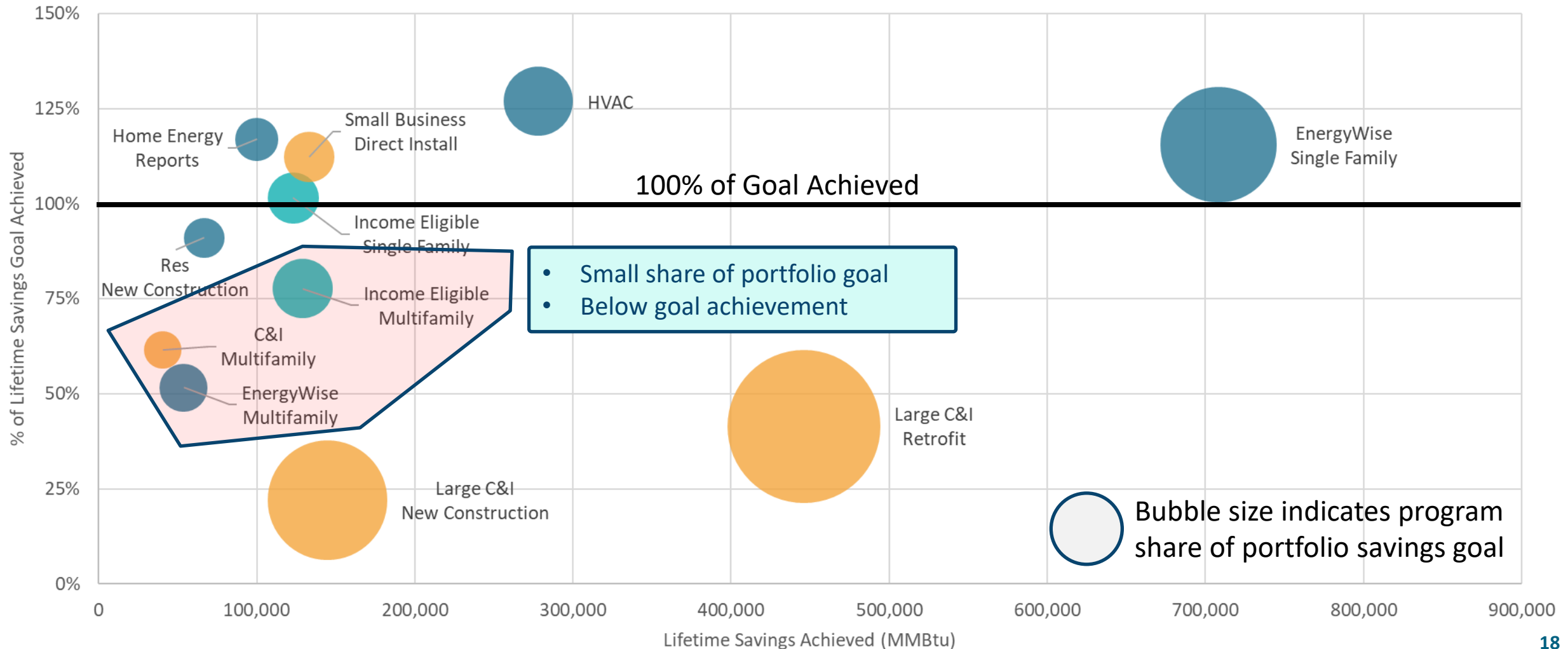
Gas Savings by Program



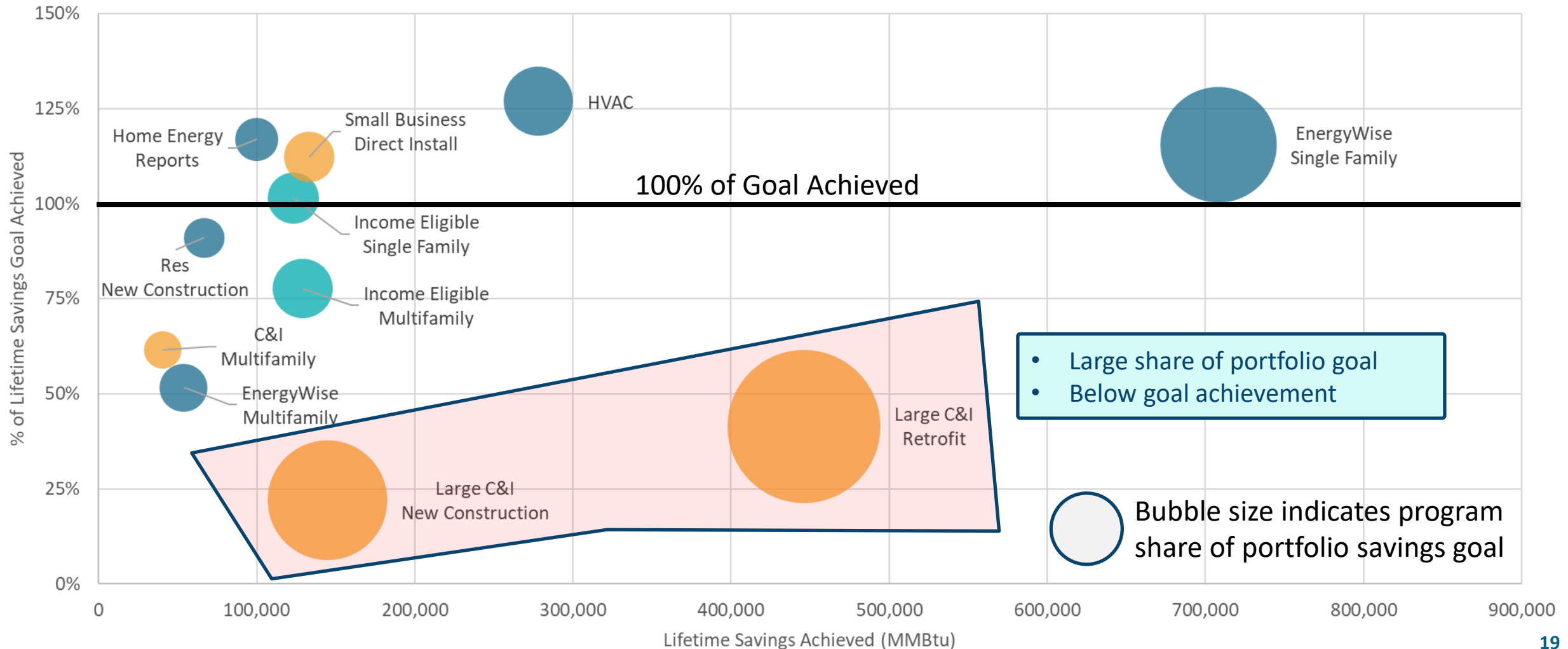
Gas Savings by Program



Gas Savings by Program



Gas Savings by Program



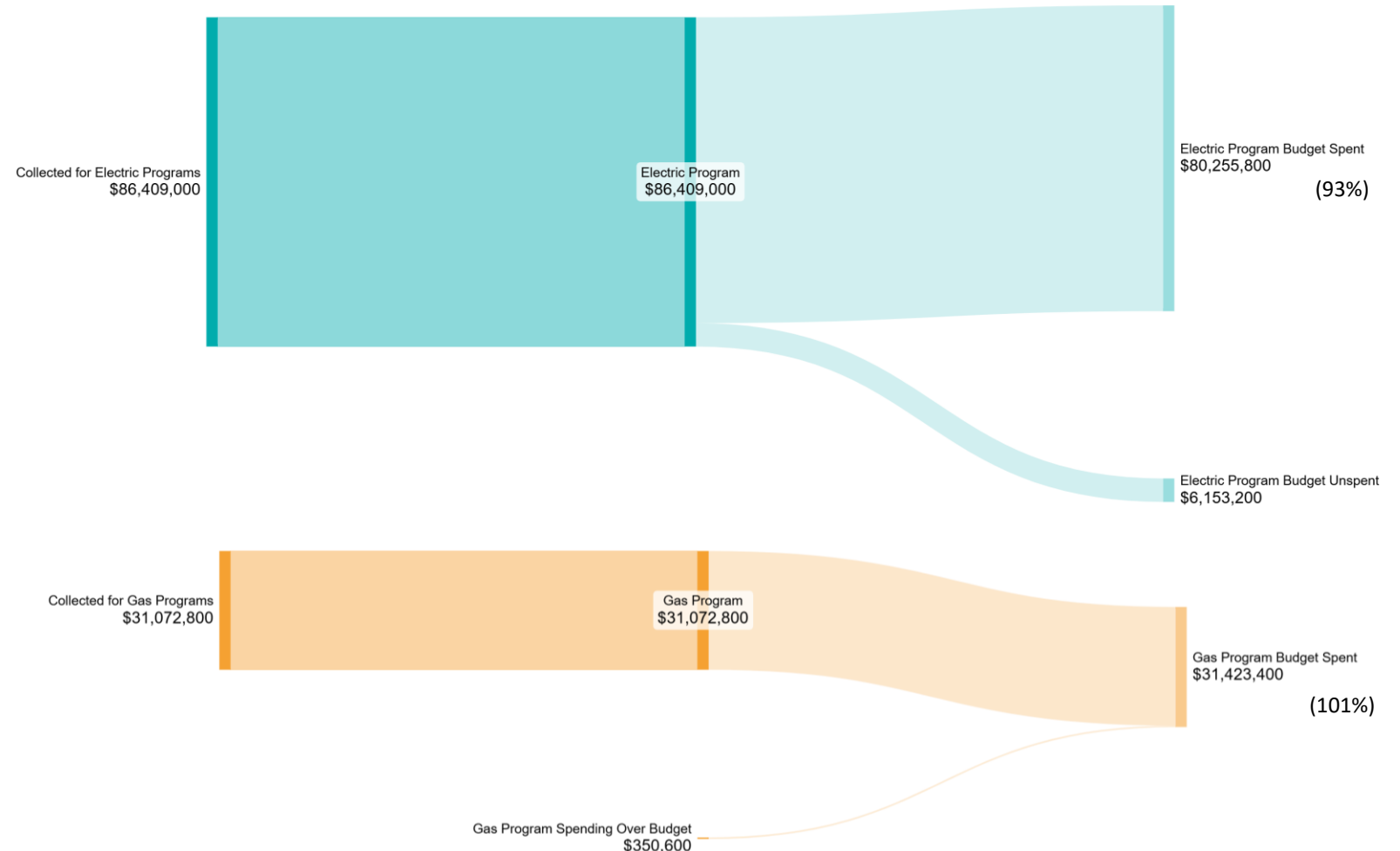


Portfolio Performance

Electric & Gas Spending

Portfolio Implementation Spending

- Electric & Gas sectors combined utilized ~95% of planned implementation budget
- **Electric:** 12% decrease compared to 2023
- **Gas:** 15% increase compared to 2023

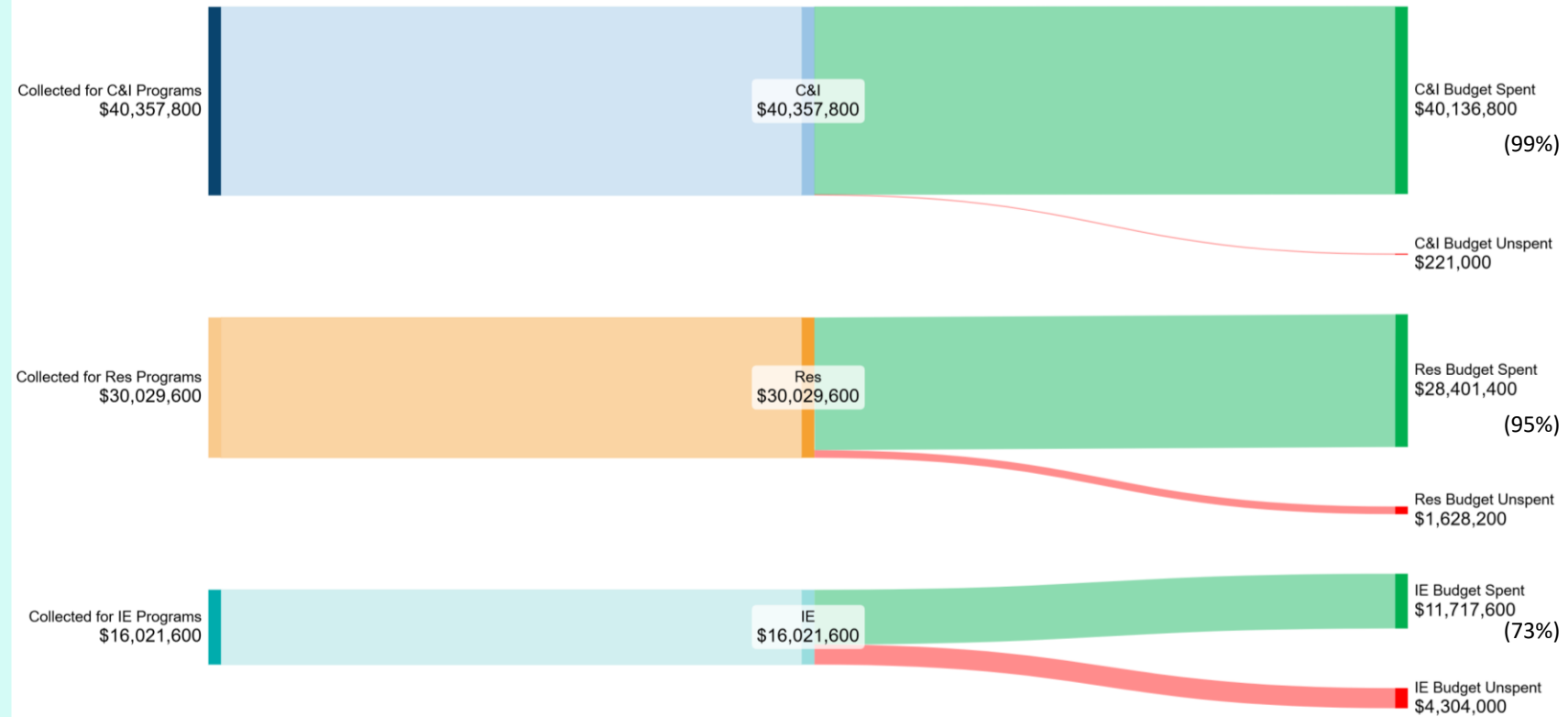


Implementation Spending only, does not include performance incentive or regulatory

Electric Implementation Spending by Sector



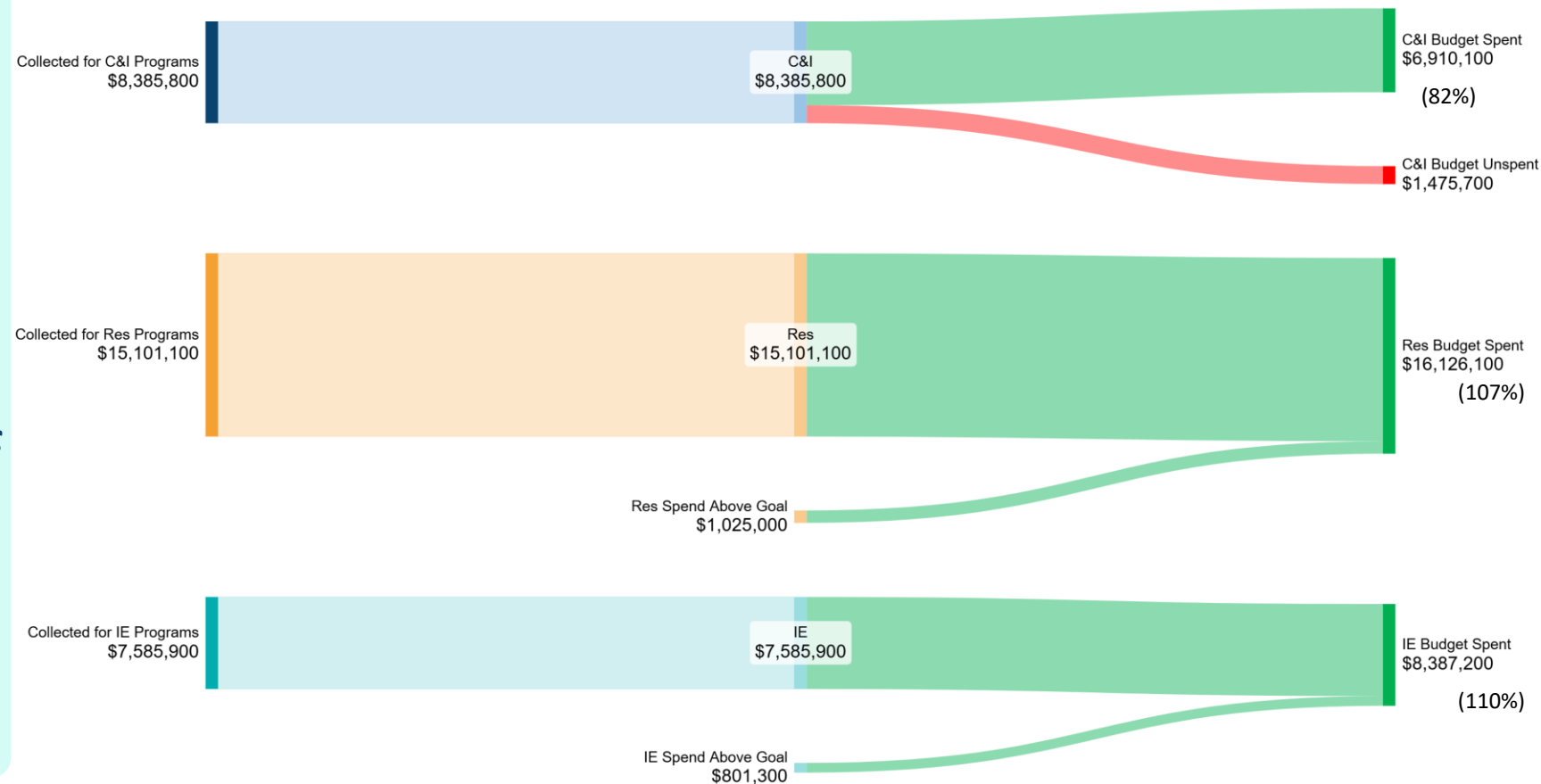
- C&I and Residential sectors utilized nearly all of planned implementation budget
- Income Eligible budget utilized ~75% of planned implementation budget



Gas Spending Performance by Sector



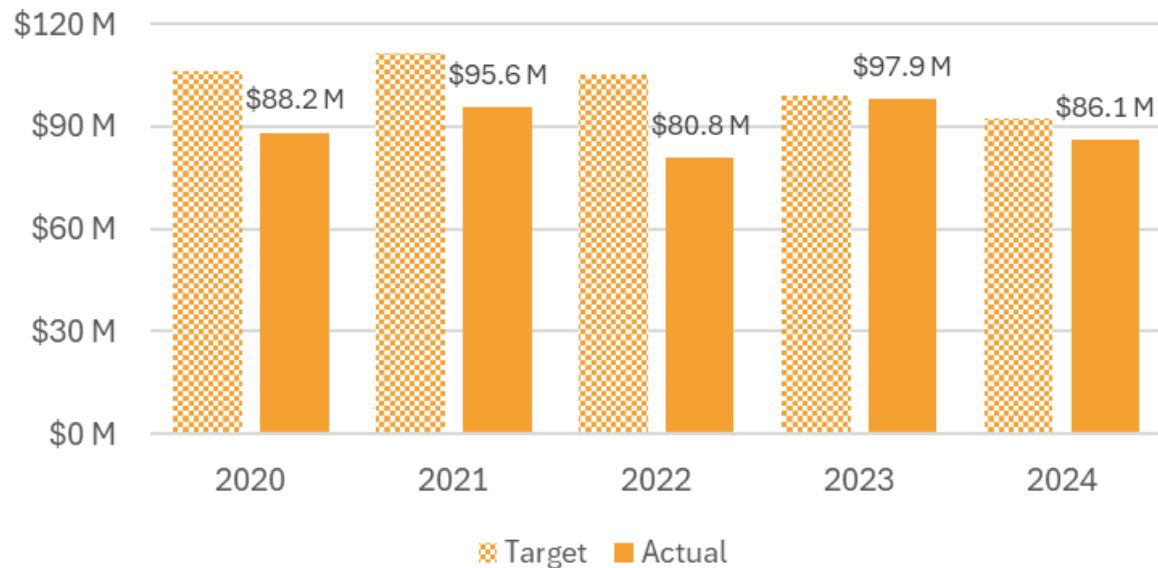
- Residential and Income Eligible came in over planned implementation budget
- C&I utilized ~80% of planned implementation budget



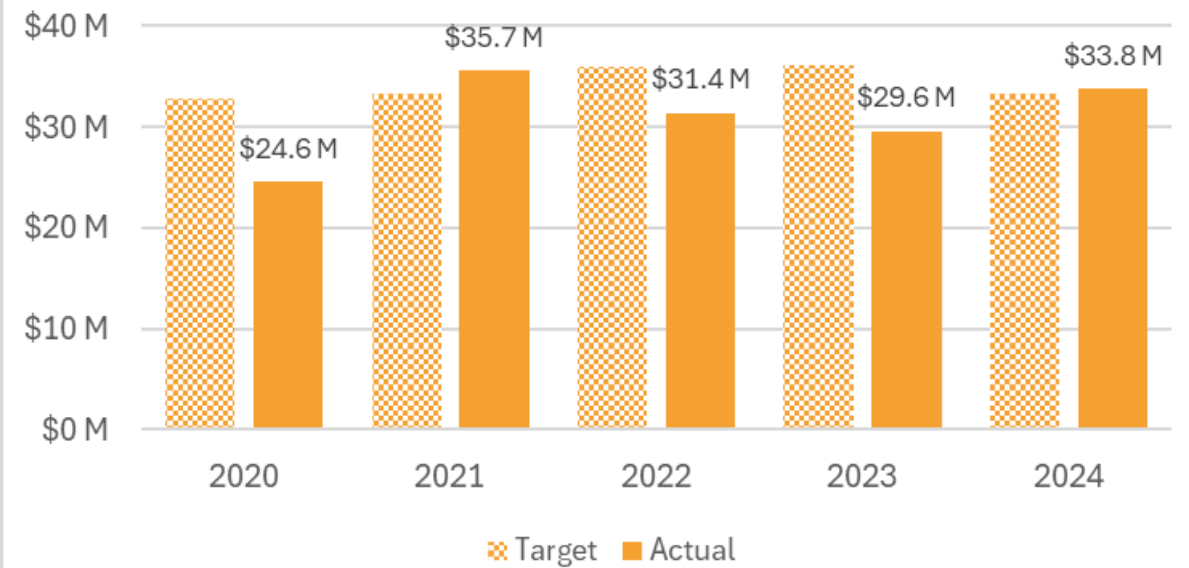
Historical Plan vs Actual Spending

Portfolio spending on par with historical averages

Electric Portfolio Annual Implementation Costs -
Planned vs. Actual



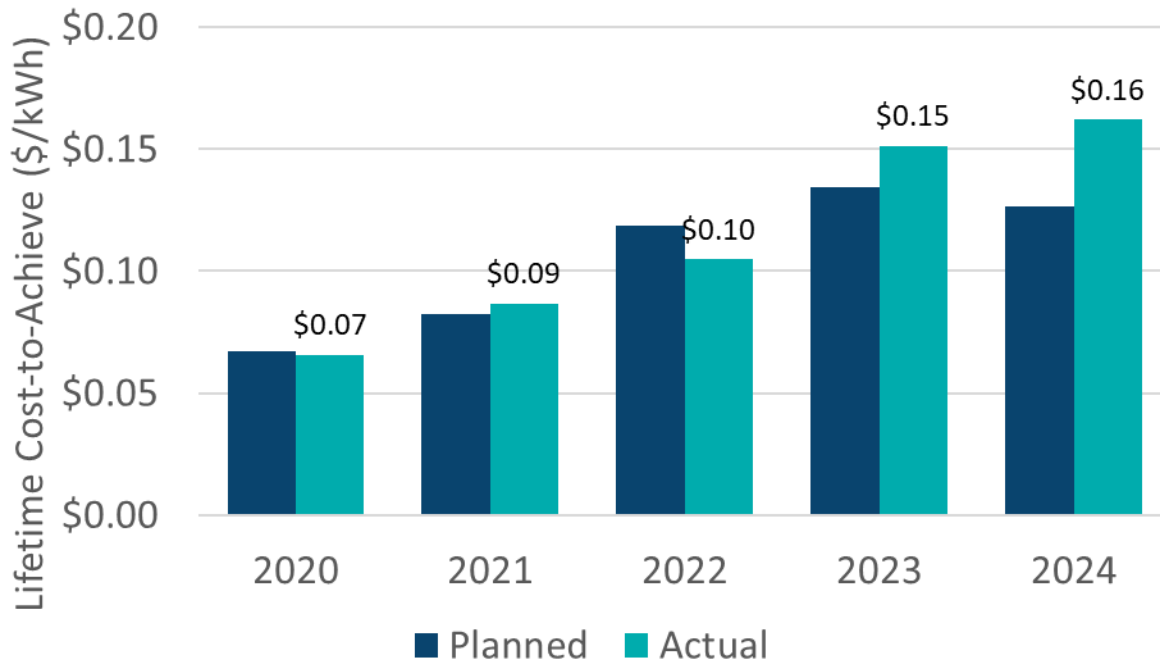
Gas Portfolio Annual Implementation Costs -
Planned vs. Actual



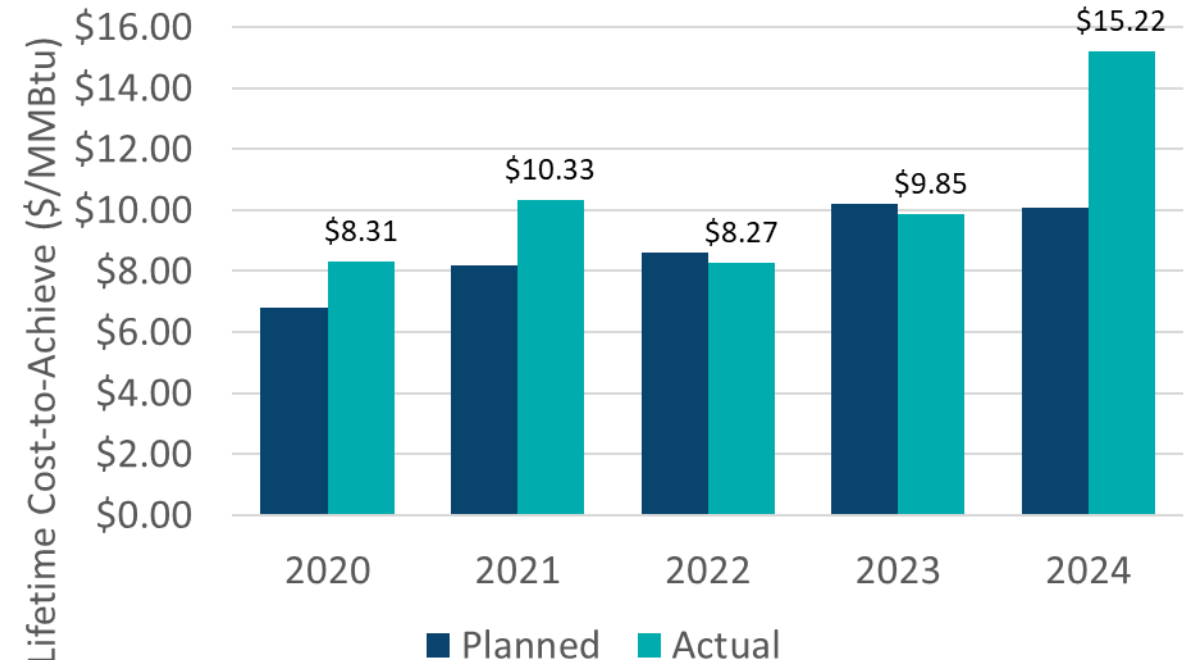
Historical Plan vs Actual Cost-to-Achieve

Cost-to-Achieve notably more expensive than plan and past actuals

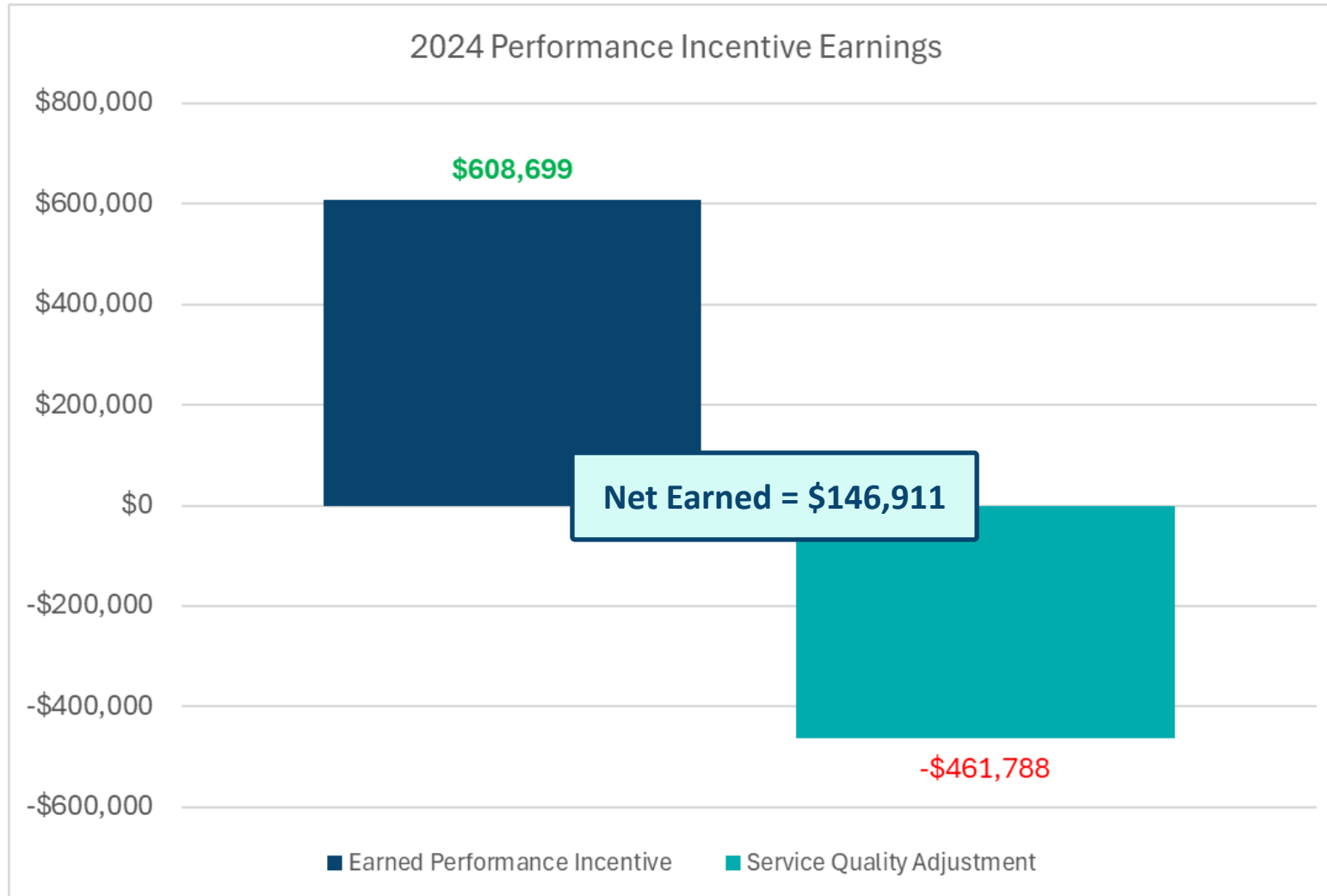
Electric Portfolio Cost to Achieve
(\$/Lifetime kWh)



Gas Portfolio Cost to Achieve
(\$/Lifetime MMBtu)



2024 Performance Incentive Overview



- PI only achieved for C&I Electric programs
- SQAs for Income Eligible underperformance
- Recent earnings have been ~\$3-5 Million

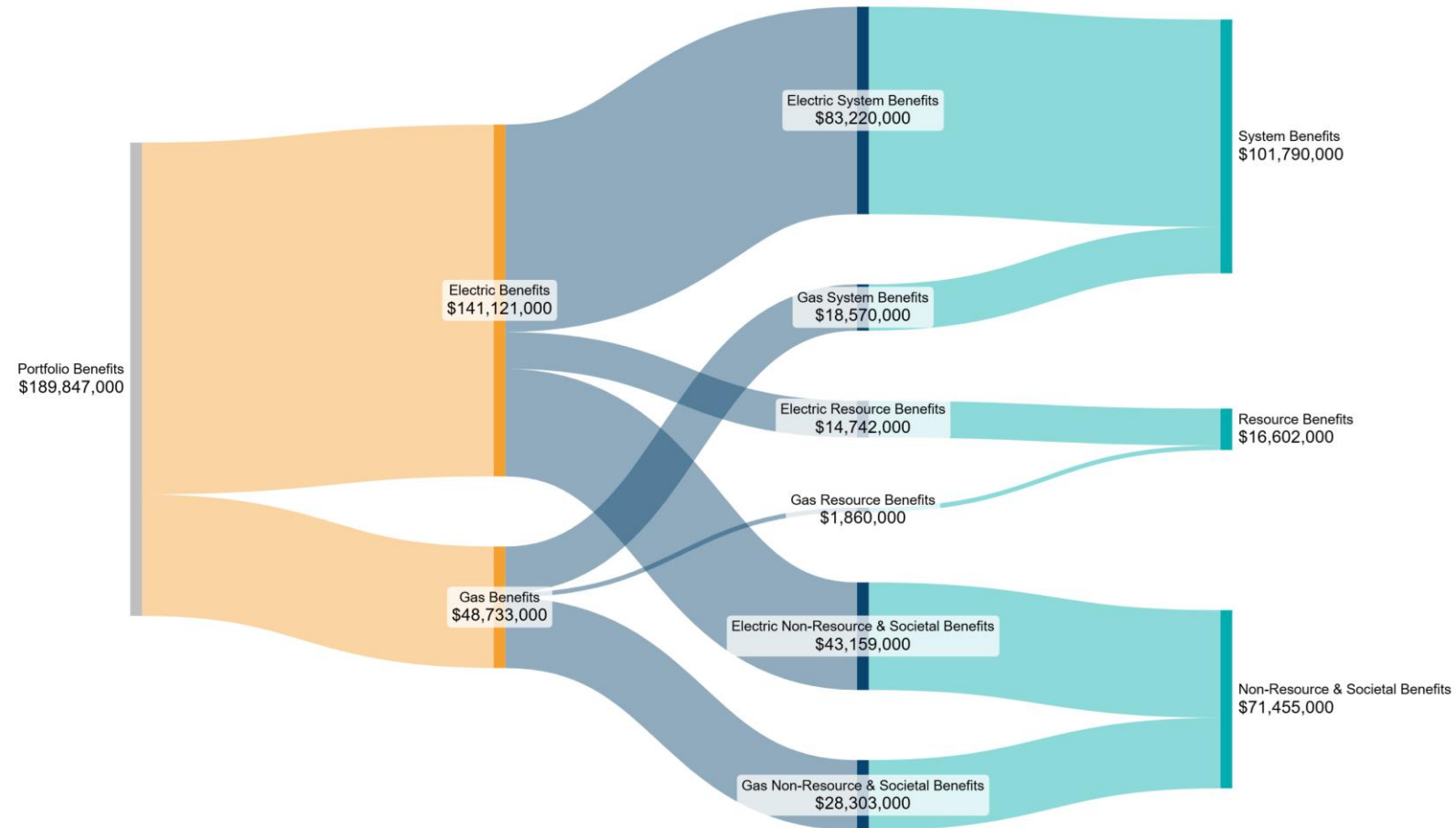


Portfolio Performance

Benefits

2024 Program Benefits

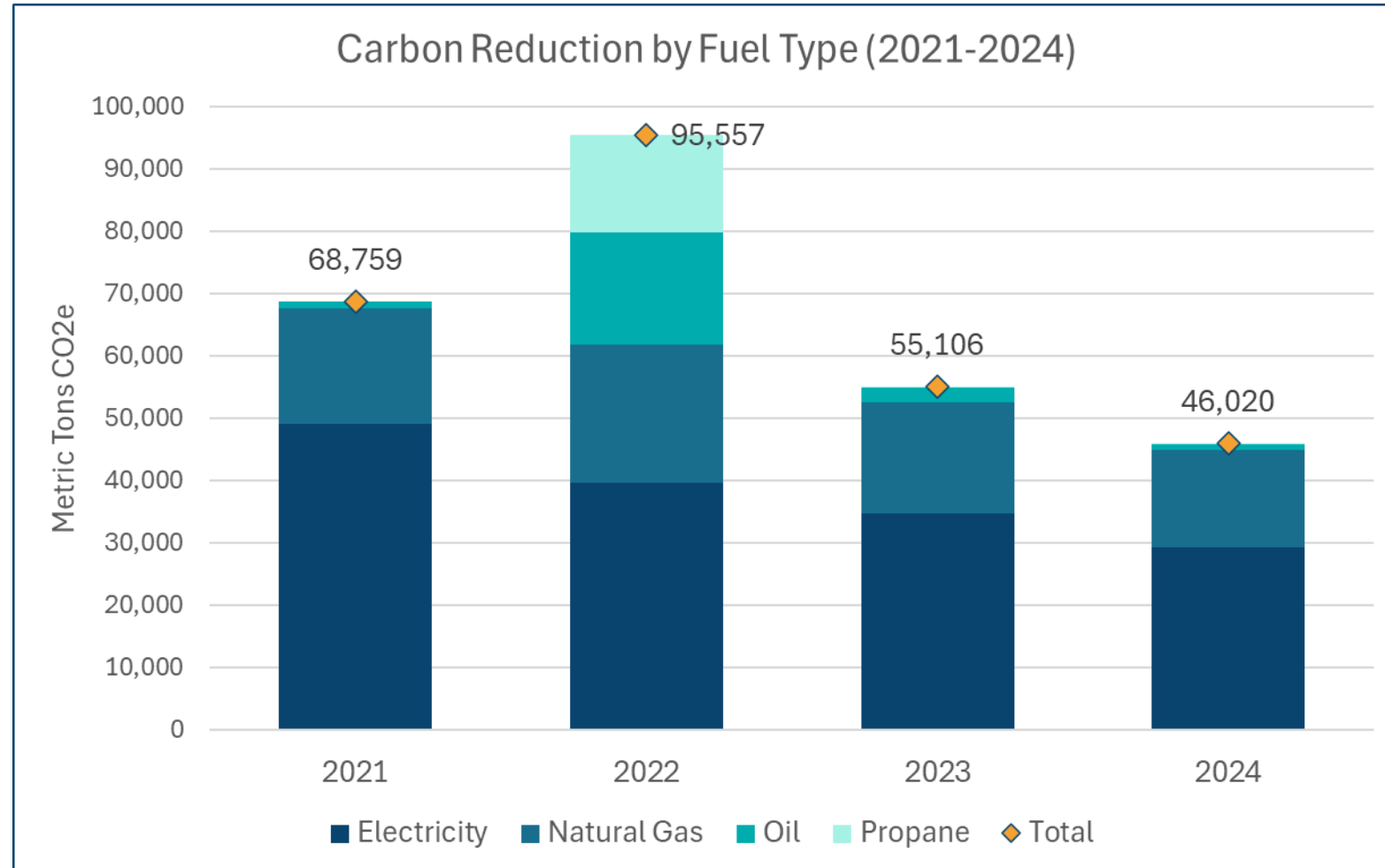
- Benefits exceed program costs by ~1.6x*
- ~54% of benefits come from electric and gas system
- Total benefits ~23% lower than 2023



When excluding economic development benefits. With these, benefits are ~3.7x program costs

Emissions Reductions

- 2024 program activity yielded a reduction of ~46k metric tons of CO₂e
- Emissions reduced by programs in 2024 equivalent to emissions offset by 13.7 wind turbines in a year*



*EPA Greenhouse Gas Equivalencies Calculator

2022 likely overstated due to annual savings error for air sealing measures in EnergyWise Multifamily program

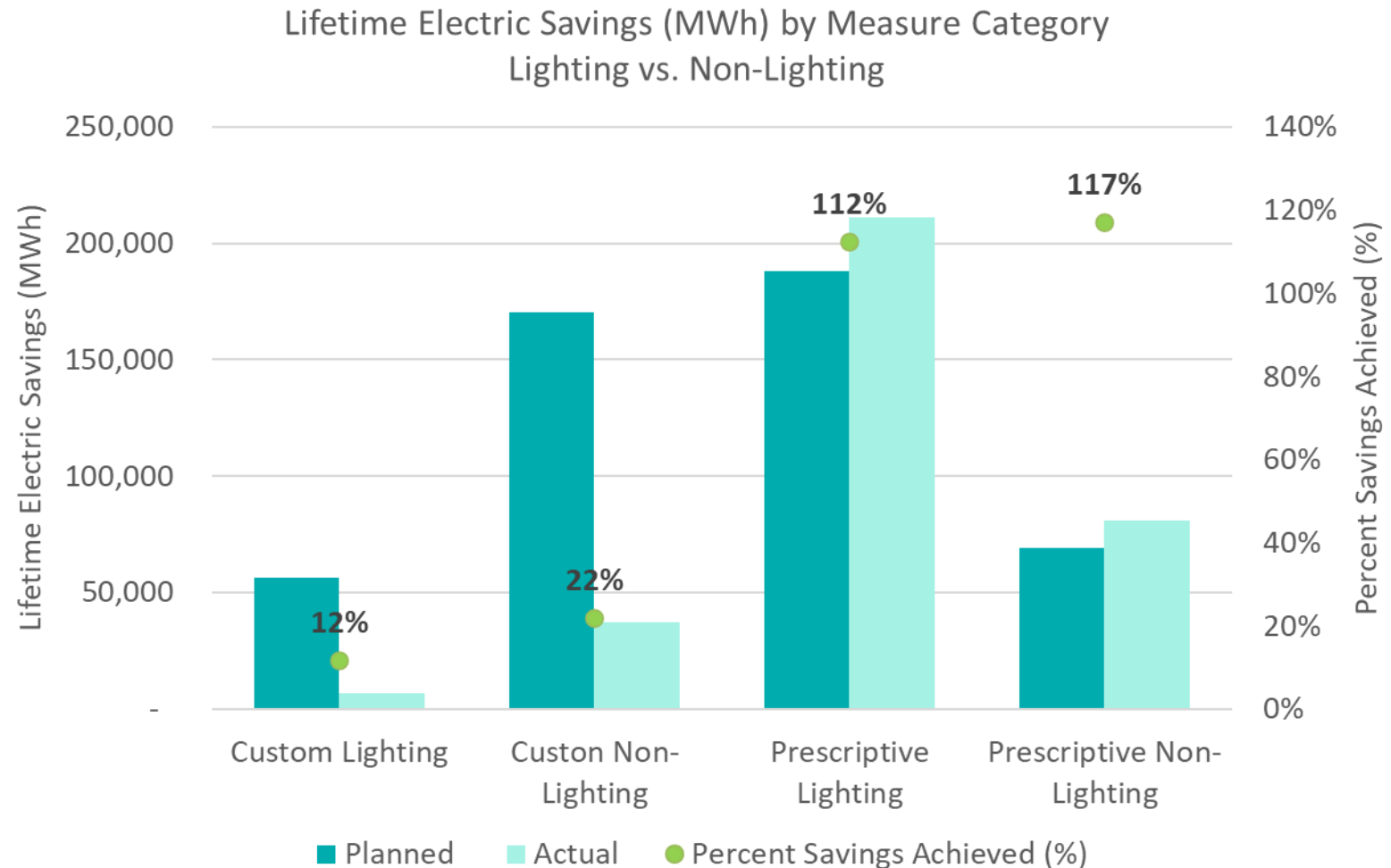


Commercial & Industrial Sector Highlights

C&I Electric Savings by Measure Type

Biggest driver of underperformance is lack of production from custom measures, both lighting and non-lighting.

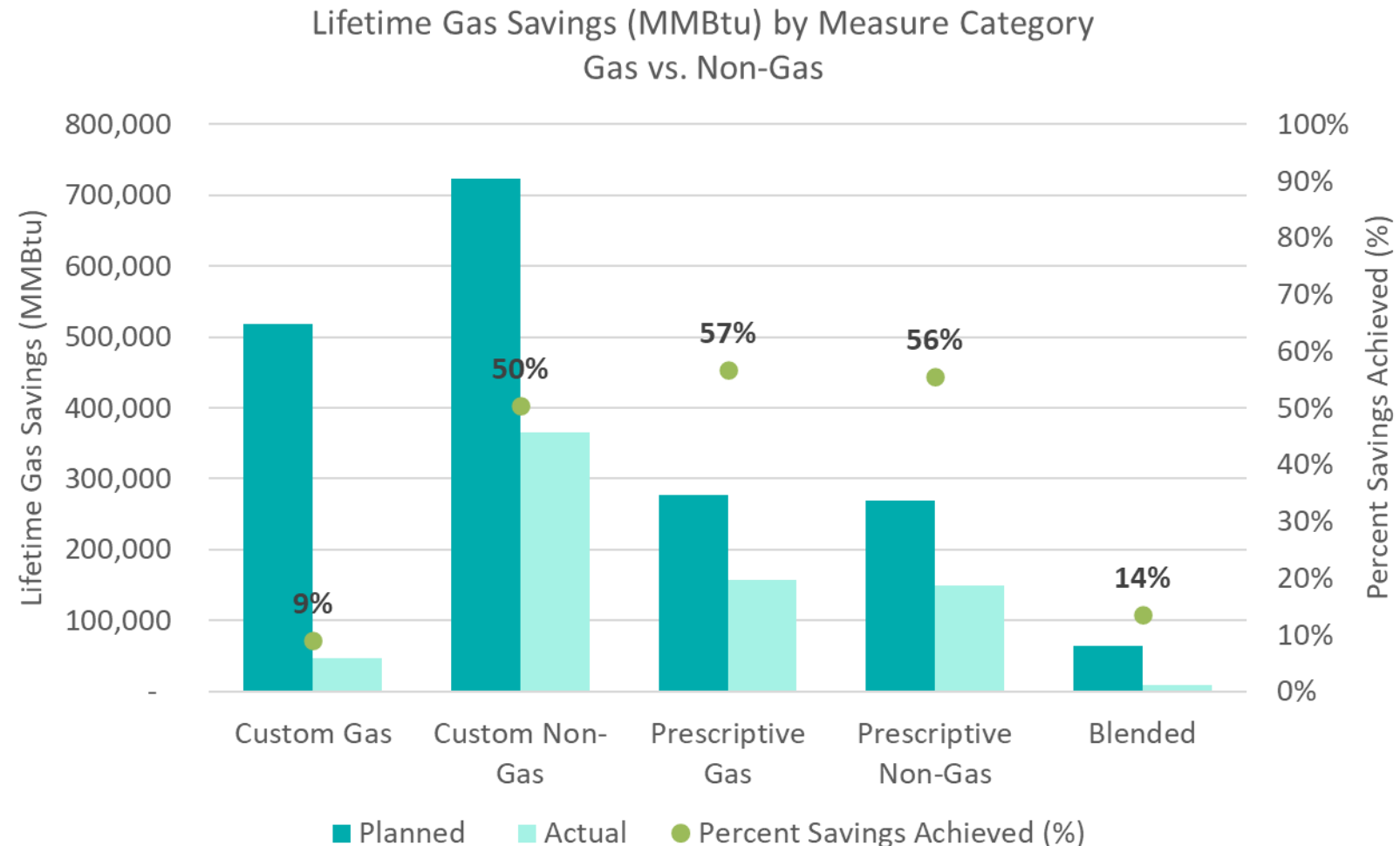
Custom Process Evaluation underway to investigate performance issues and mitigation strategies.



C&I Gas Savings by Measure Type

Non-gas-fired measures include things like insulation, HVAC controls, and Energy Recovery Ventilation. They reduce gas consumption without installing new equipment that directly uses gas (i.e., gas combustion).

These measures greatly outperformed gas-fired measures through the Custom pathway, but challenges with production are apparent.



Prescriptive: pathway that enables customers to receive prescribed incentives for efficiency measures without requiring assessments and engineering analysis

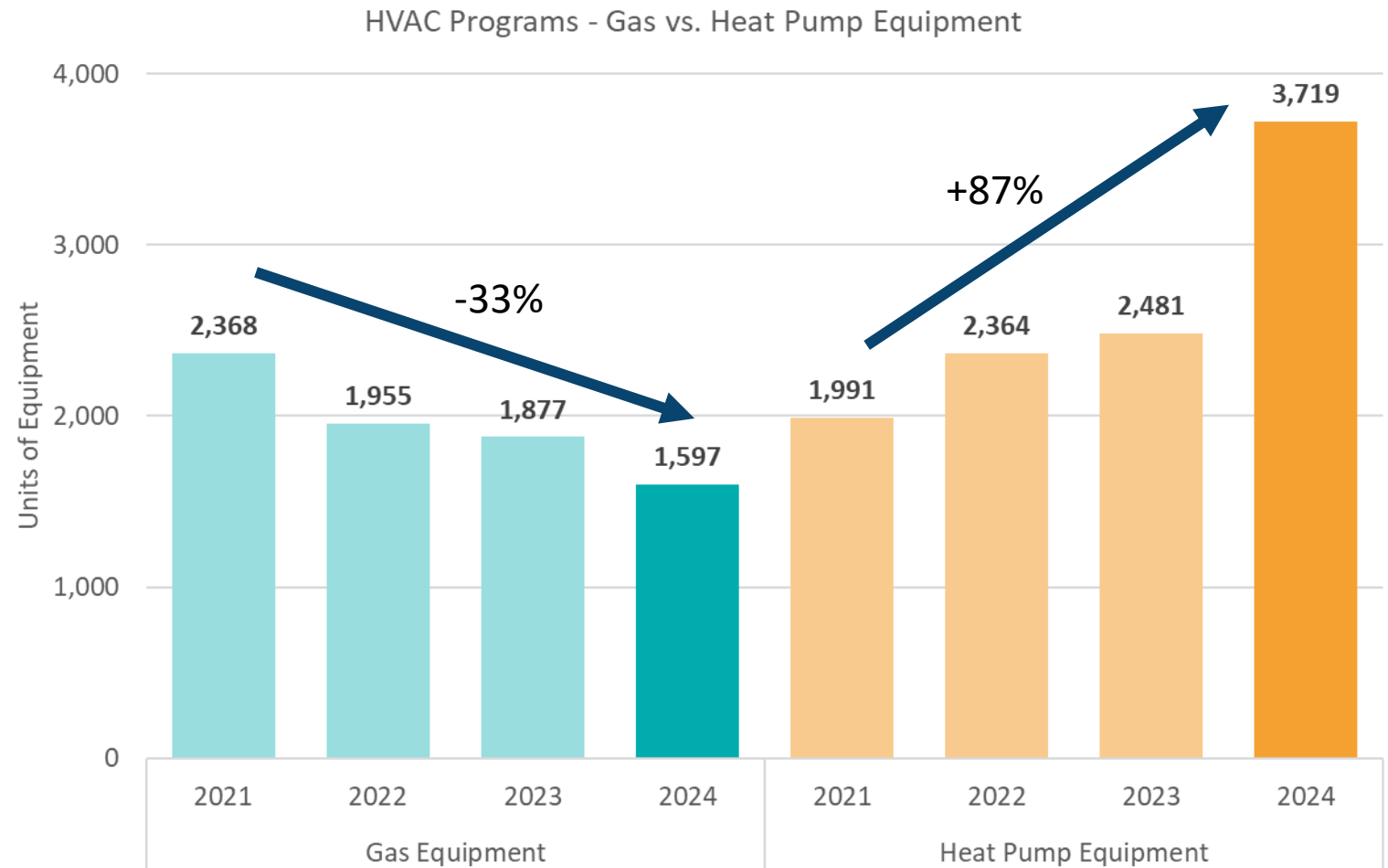
Custom: pathway requiring engineering analysis and review to estimate energy savings, which then inform custom project incentives



Residential & Income Eligible Sector Highlights

Heat Pump vs. Gas Equipment in HVAC Program

- Continued shift in heating and hot water equipment measure mix from gas to heat pumps
- Uptick for heat pump tech. largely result of increasing heat pump water heater adoption
- Over 10k units of heat pump equipment moved through HVAC program in past 5 years

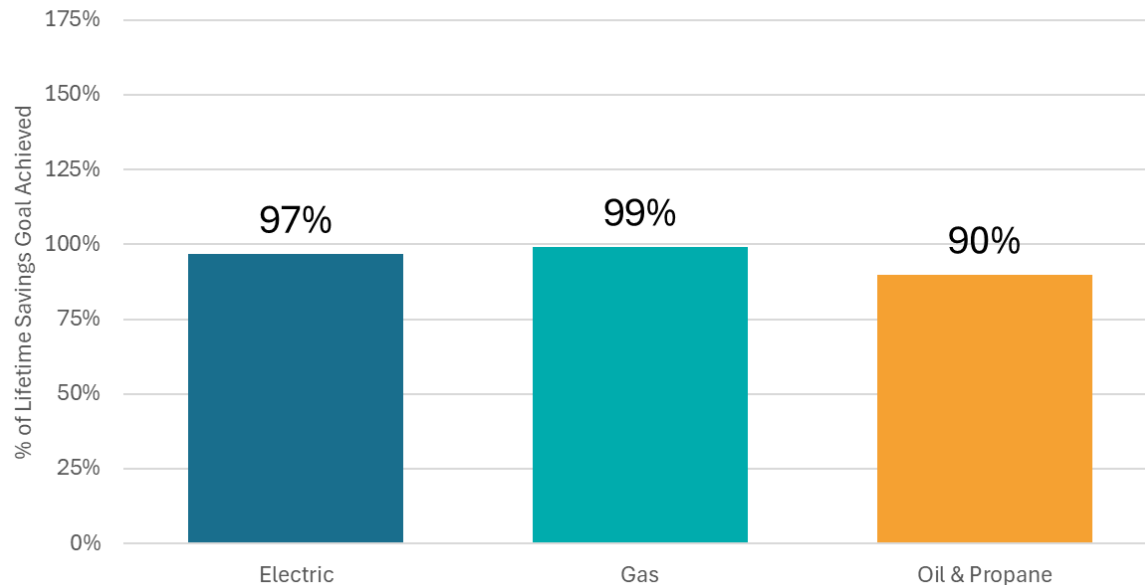


"Equipment" includes both heating and hot water equipment

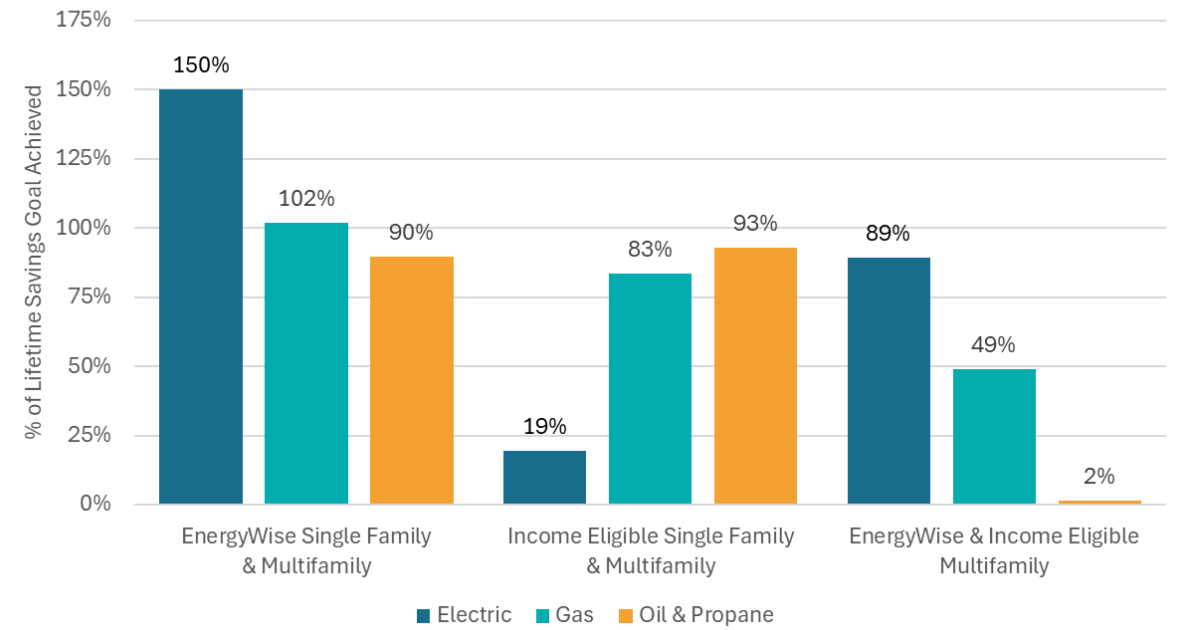
Weatherization Savings

Weatherization savings goals performed reasonably well, but large disparity between market rate and income eligible/multifamily segments

Residential & Income Eligible Weatherization Savings Compared to Goal



Weatherization Savings Compared to Goal - Segment Groupings





Rhode Island Energy™
a PPL company

RI Energy Sector Highlights

Key Performance Drivers & Program Context

Commercial & Industrial Overview



- Electric Portfolio:
 - Achieved **82%** of net annual savings goal, **74%** of net lifetime savings, and **100%** of budget
- Gas Portfolio:
 - Achieved **58%** of net annual savings goal, **40%** of net lifetime savings, and **82%** of budget

Commercial & Industrial

Large C&I New Construction

Key Performance Drivers

- **Electric:** projects consisted of offices, schools vs. large manufacturing facilities
 - Lower uptake of largest measures (HVAC, lighting, and compressed air installations)
- **Gas:** customers uncertain about future of gas
 - Lower uptake of HVAC and hot water end uses
- Increasing construction costs and construction baselines

Program Context

- Raising program awareness through webinars with architects, engineers, and customers
- Targeting new construction opportunities using database solutions
- Plan to right size program to align with market realities

LCI New Construction Results Summary	Net Lifetime Energy Savings (MWh/MMBtu)	Net Lifetime Energy Savings (% of annual goal)	Implementation Expenses (\$000)	Implementation Expenses (% of annual goal)
Electric	81,315	45%	\$5,418	59%
Gas	144,514	22%	\$1,447	65%

Commercial & Industrial

Large C&I Retrofit



Key Performance Drivers

- **Gas:** customers focusing on existing systems projects vs. new gas equipment
 - Lower uptake of HVAC, motors/drives
- **Electric:** strong performance from lighting measures and building envelope measures
 - Offered enhanced incentives
- Inflation placing upward pressure on incentive costs; administrative costs stayed low

Program Context

- Building Analytics Initiative saw success; process measures overperformed by 500%
 - Aimed at encouraging future program participation
- Effort to right-size program goals in 2026
 - Similar trend in MA and CT

<i>LCI Retrofit Results Summary</i>	Net Lifetime Energy Savings (MWh/MMBtu)	Net Lifetime Energy Savings (% of annual goal)	Implementation Expenses (\$000)	Implementation Expenses (% of annual goal)
Electric	233,297	96%	\$29,804	131%
Gas	446,048	42%	\$4,046	90%

Commercial & Industrial

C&I Multifamily Gas



Key Performance Drivers

- Inflationary and general economic pressures keeping building owners from capital improvements
- Customers not seeing business case to change out existing gas equipment

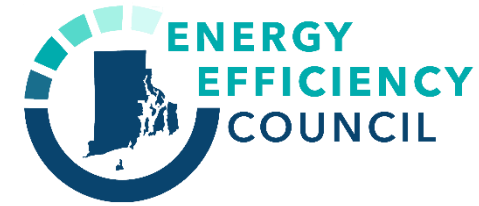
Program Context

- The program sought to increase program participation through targeted marketing, follow-up, and enhanced weatherization incentives
- Plan to right size program to align with market realities

<i>C&I Multifamily Results Summary</i>	Net Lifetime Energy Savings (MWh/MMBtu)	Net Lifetime Energy Savings (% of annual goal)	Implementation Expenses (\$000)	Implementation Expenses (% of annual goal)
Gas	40,387	62%	\$642	73%

Commercial & Industrial

Small Business Direct Install



Key Performance Drivers

- **Electric:** customers served today are typically smaller than in past
 - Lower overall uptake of lighting, HVAC, motors and drives
- **Gas:** high uptake of direct-install, hot-water energy efficiency measures
- Incentive costs per kWh ~14% lower than planned

Program Context

- 7 out of 10 customers served by the Small Business Program are considered “micro-businesses”
- Established new partnerships to engage Women & Minority Owned Businesses

<i>SBDI Results Summary</i>	Net Lifetime Energy Savings (MWh/MMBtu)	Net Lifetime Energy Savings (% of annual goal)	Implementation Expenses (\$000)	Implementation Expenses (% of annual goal)
Electric	45,234	76%	\$4,879	60%
Gas	133,157	112%	\$766	101%

Income Eligible *Overview*



- Electric Portfolio:
 - Achieved **51%** of net annual savings goal, **43%** of net lifetime savings, and **73%** of budget
- Gas Portfolio:
 - Achieved **91%** of net annual savings goal, **88%** of net lifetime savings, and **111%** of budget

Income Eligible Single Family

Key Performance Drivers

- **Electric:** ambitious heat pump goals with higher-than-anticipated costs
 - ambitious electric weatherization goal
- Overhaul of appliance replacement program
- **Gas:** exceeded weatherization goal

Program Context

- Heat pump installations doubled from 2023 despite falling short of 2024 goal; electric Wx also increased over 2023
- Establishing quarterly heat pump goal for CAPs
- New appliance replacement program process seeing early success

<i>IESF Results Summary</i>	Net Lifetime Energy Savings (MWh/MMBtu)	Net Lifetime Energy Savings (% of annual goal)	Implementation Expenses (\$000)	Implementation Expenses (% of annual goal)
Electric	17,694	48%	\$9,234	76%
Gas	123,116	102%	\$4,695	104%

Income Eligible Multifamily

Key Performance Drivers

- **Electric:** near-saturated market for available efficiency upgrades
- **Gas:** savings driven by a few large, mechanical housing authority projects

Program Context

- Performed better relative to savings goal than in 2023
- Lead vendor conducted outreach to housing authority contracts
- Continuing to right size program to align with RI market realities

<i>IEMF Results Summary</i>	Net Lifetime Energy Savings (MWh/MMBtu)	Net Lifetime Energy Savings (% of annual goal)	Implementation Expenses (\$000)	Implementation Expenses (% of annual goal)
Electric	6,256	34%	\$2,483	66%
Gas	8,720	84%	\$3,692	120%

Residential *Overview*



- Electric Portfolio:
 - Achieved **99%** of net annual savings goal, **78%** of net lifetime savings, and **95%** of budget
- Gas Portfolio:
 - Achieved **115%** of net annual savings goal, **110%** of net lifetime savings, and **107%** of budget

Residential

EnergyWise Multifamily



Key Performance Drivers

- Inflationary and general economic pressures on building owners
- Mature market for electrical efficiency upgrades
- Cost-effectiveness requirements

Program Context

- Increased marketing to landlords and building owners throughout 2024
- Continuing to right size program to align with RI market realities

<i>EWMF Results Summary</i>	Net Lifetime Energy Savings (MWh/MMBtu)	Net Lifetime Energy Savings (% of annual goal)	Implementation Expenses (\$000)	Implementation Expenses (% of annual goal)
Electric	3,187	39%	\$510	40%
Gas	53,759	52%	\$570	40%

Residential Consumer Products

Key Performance Drivers

- Recycling program offline for a good part of the year due to vendor transition
- Higher prices = customers not replacing larger appliances unless necessary

Program Context

- Dehumidifier recycling hit record numbers
- New vendor is up and running
- High benefit-cost ratio for this program

<i>RCP Results Summary</i>	Net Lifetime Energy Savings (MWh/MMBtu)	Net Lifetime Energy Savings (% of annual goal)	Implementation Expenses (\$000)	Implementation Expenses (% of annual goal)
Electric	11,871	78%	\$1,425	72%

Residential HVAC

Key Performance Drivers

- Significant and ambitious increase in goals relative to 2023
- Fewer electric resistance heat to heat pump conversions than 2023
- Customers choosing to upgrade gas systems instead of entering heat pump market

Program Context

- Promotion to market to electric resistance heating customers ongoing
- Heat pump water heaters performed well

<i>HVAC Results Summary</i>	Net Lifetime Energy Savings (MWh/MMBtu)	Net Lifetime Energy Savings (% of annual goal)	Implementation Expenses (\$000)	Implementation Expenses (% of annual goal)
Electric	73,764	65%	\$5,681	87%
Gas	278,167	127%	\$1,865	123%

Residential

Additional Highlights



- **Residential New Construction** had a strong year
 - Achieved **95%** of electric savings goal at **79%** of budget goal
 - Pipeline of homes seeking DOE Zero Energy Homes or Passive House Certification has grown to over 350 units
- **EnergyWise Single Family** program had a very strong year, achieving 123% of electric savings goal and 115% of gas savings goal
 - High uptake of weatherization in electrically heated homes
 - High uptake of instant savings measures



Council Discussion

Council Member Discussion



- What are some lessons learned from programs in 2024 that can be acted on in implementing 2025 programs and planning for 2026 and beyond?
- What measures and/or programs have opportunity for growth?
- Are there resources that the Company does not have (or does not have enough of) that would help improve portfolio and/or individual program performance?
- What type of Council input (feedback, perspectives, etc.) would be most helpful to the Company?



Appendix

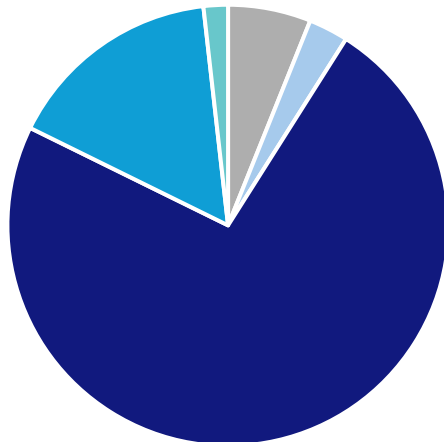
Rhode Island Energy Cost Trends

2024 Cost Overview

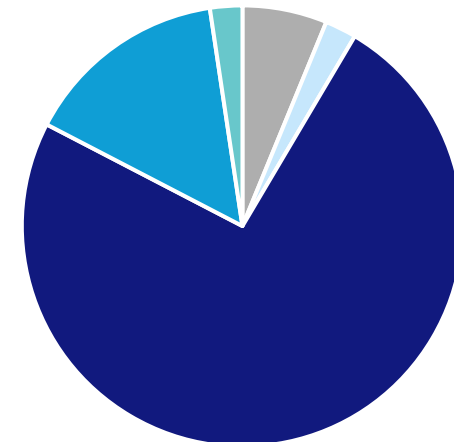
By Report Category

- Total Program Costs: **\$119,913,695**
- Largest share is Incentive Costs (**73%** for electric, **74%** for gas)
- PP&A represents **6%** of total costs
- Category breakdown is mostly consistent across sectors

2024 Total Program Costs by Category - Electric



2024 Total Program Costs by Category - Gas



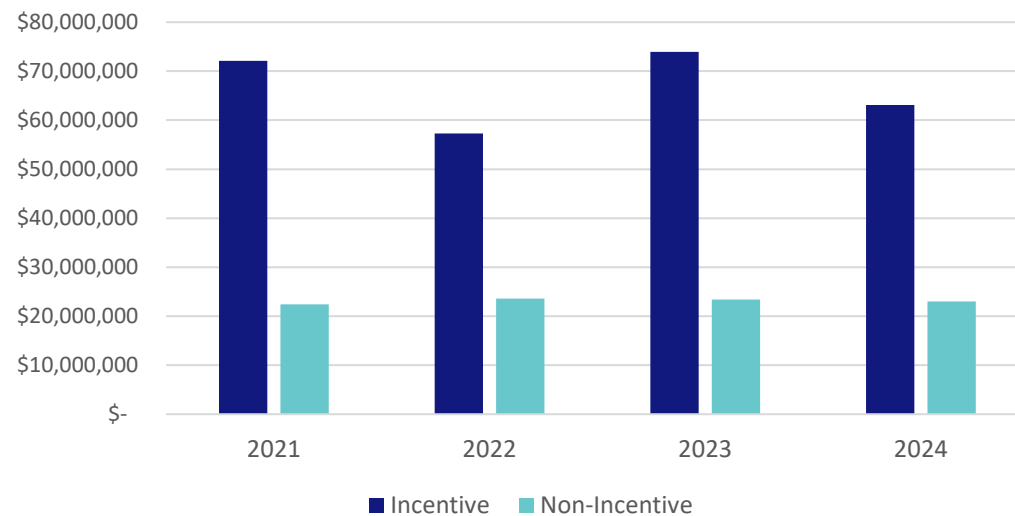
2024 Cost Overview

2021-2024 Trends

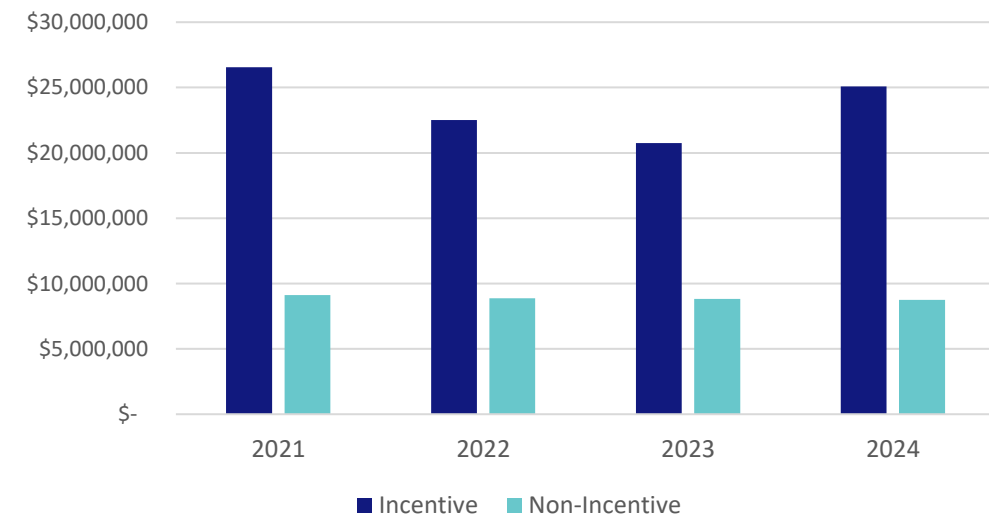


- Non-Incentive Costs remain consistent despite economic shifts
- Incentive Costs are dependent on market factors
- Gas Incentive Costs increased for 2024; Electric Incentive Costs decreased

Electric Incentive vs Non-Incentive Costs



Gas Incentive vs Non-Incentive Costs

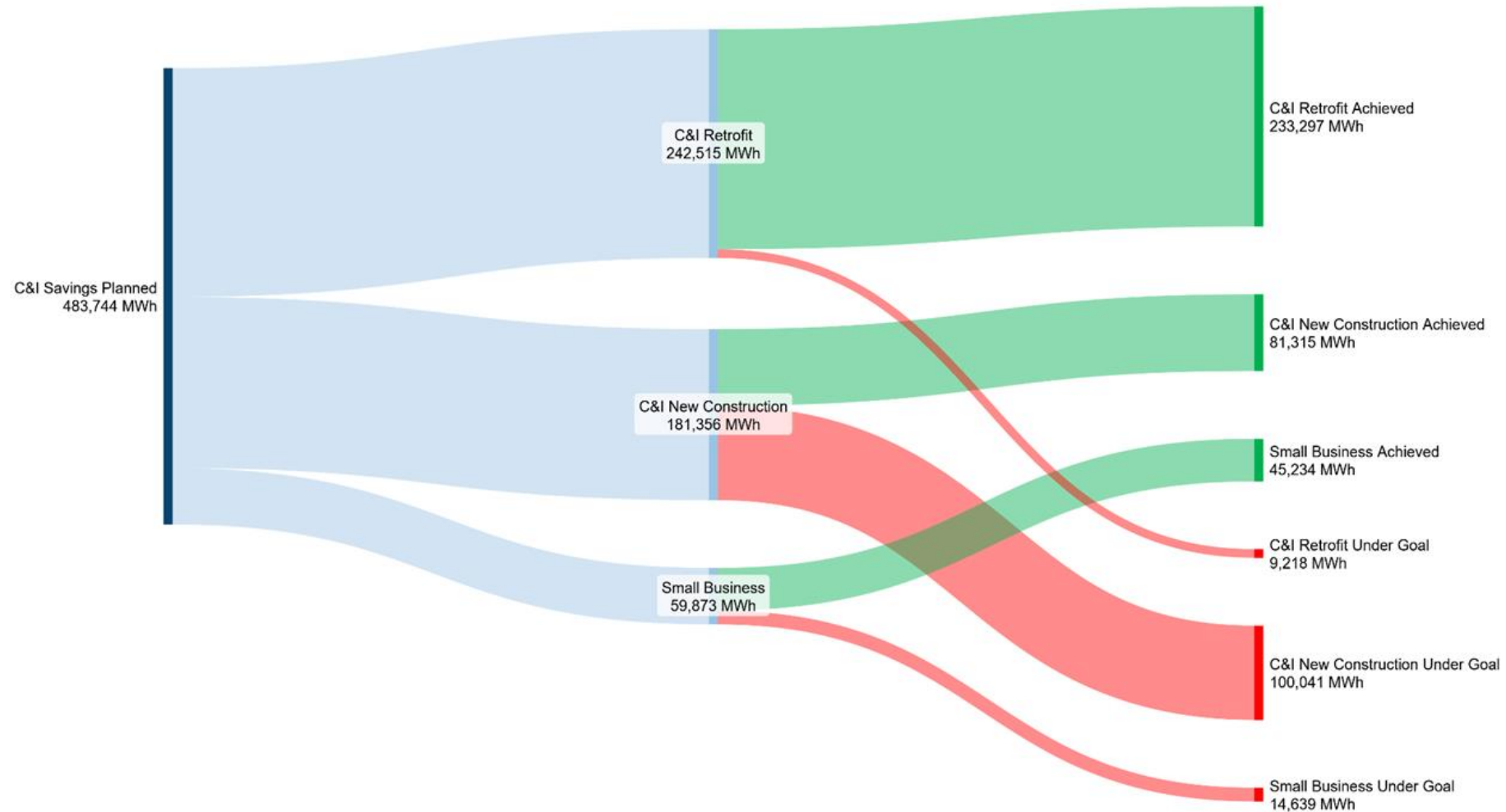




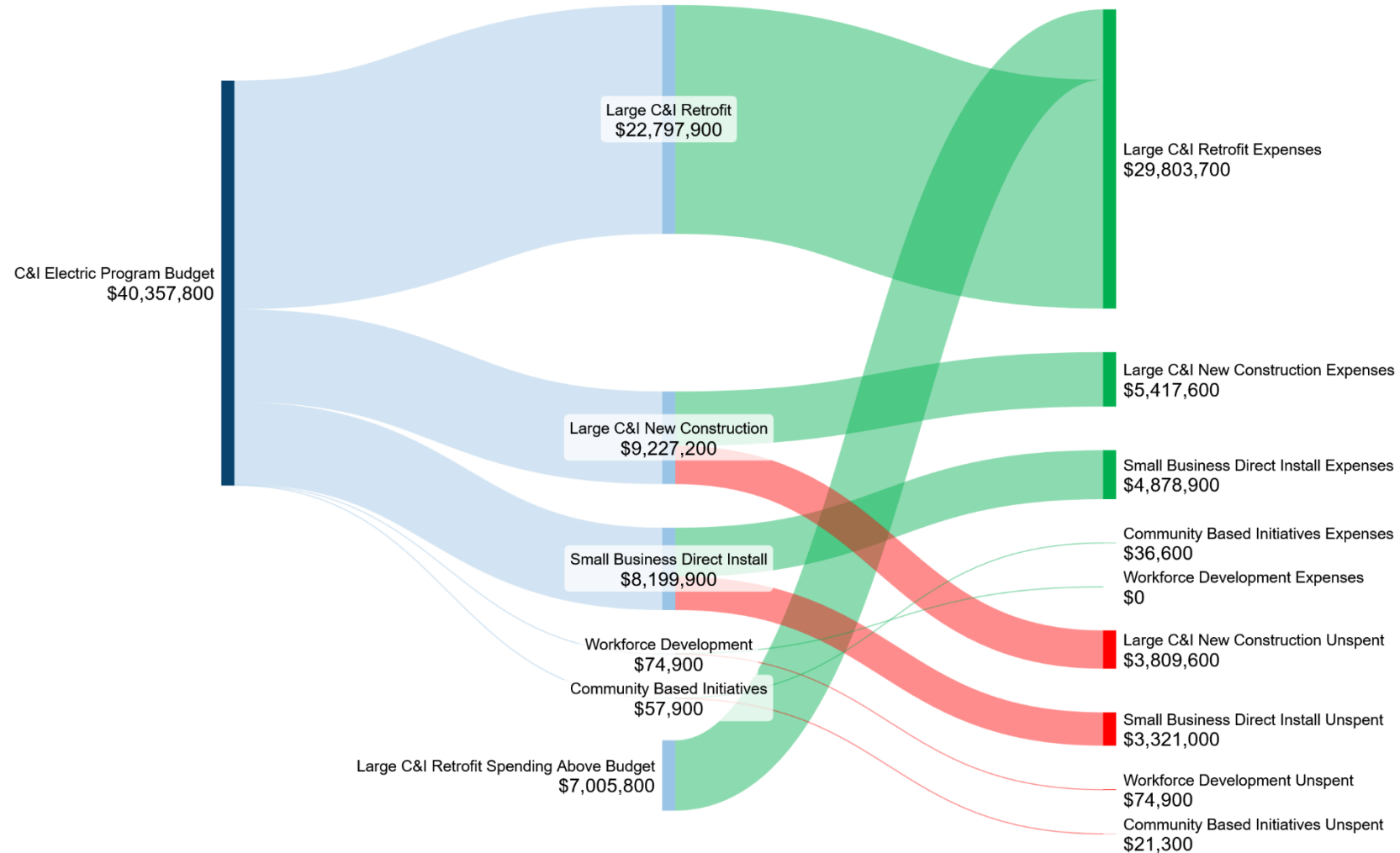
Appendix

COMMERCIAL & INDUSTRIAL - ELECTRIC

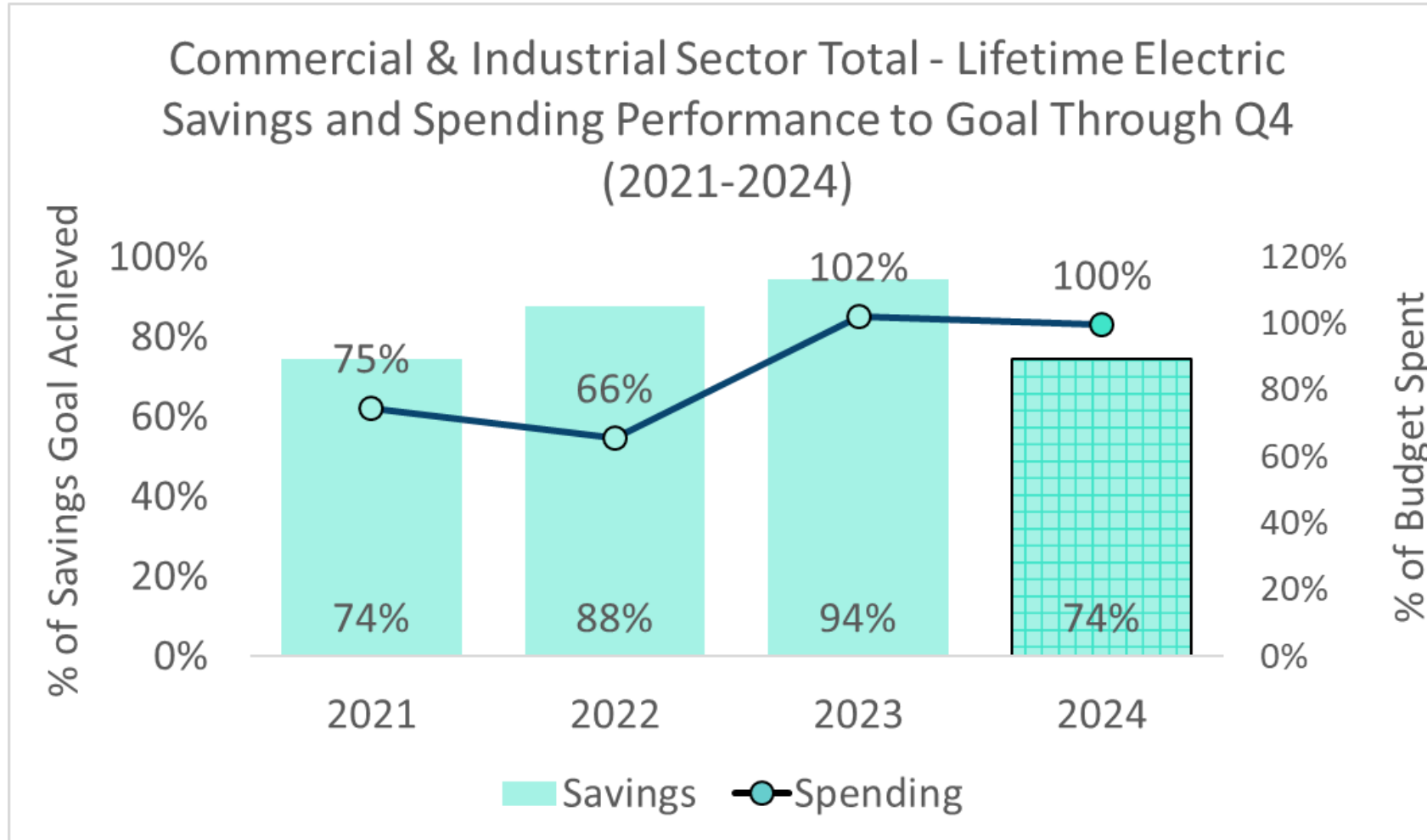
C&I Electric Lifetime Savings by Program



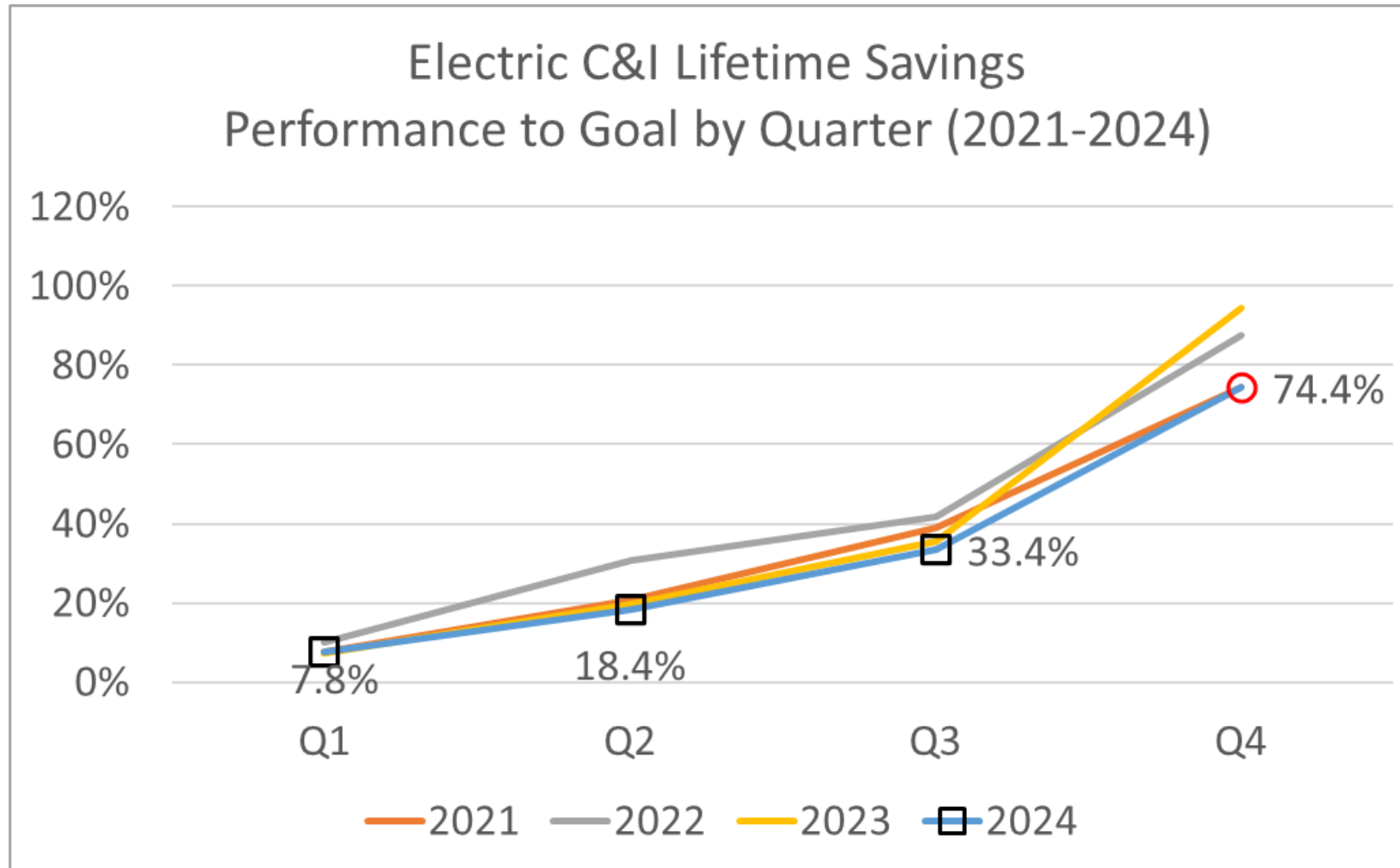
C&I Electric Spending by Program



2024 C&I Electric Performance

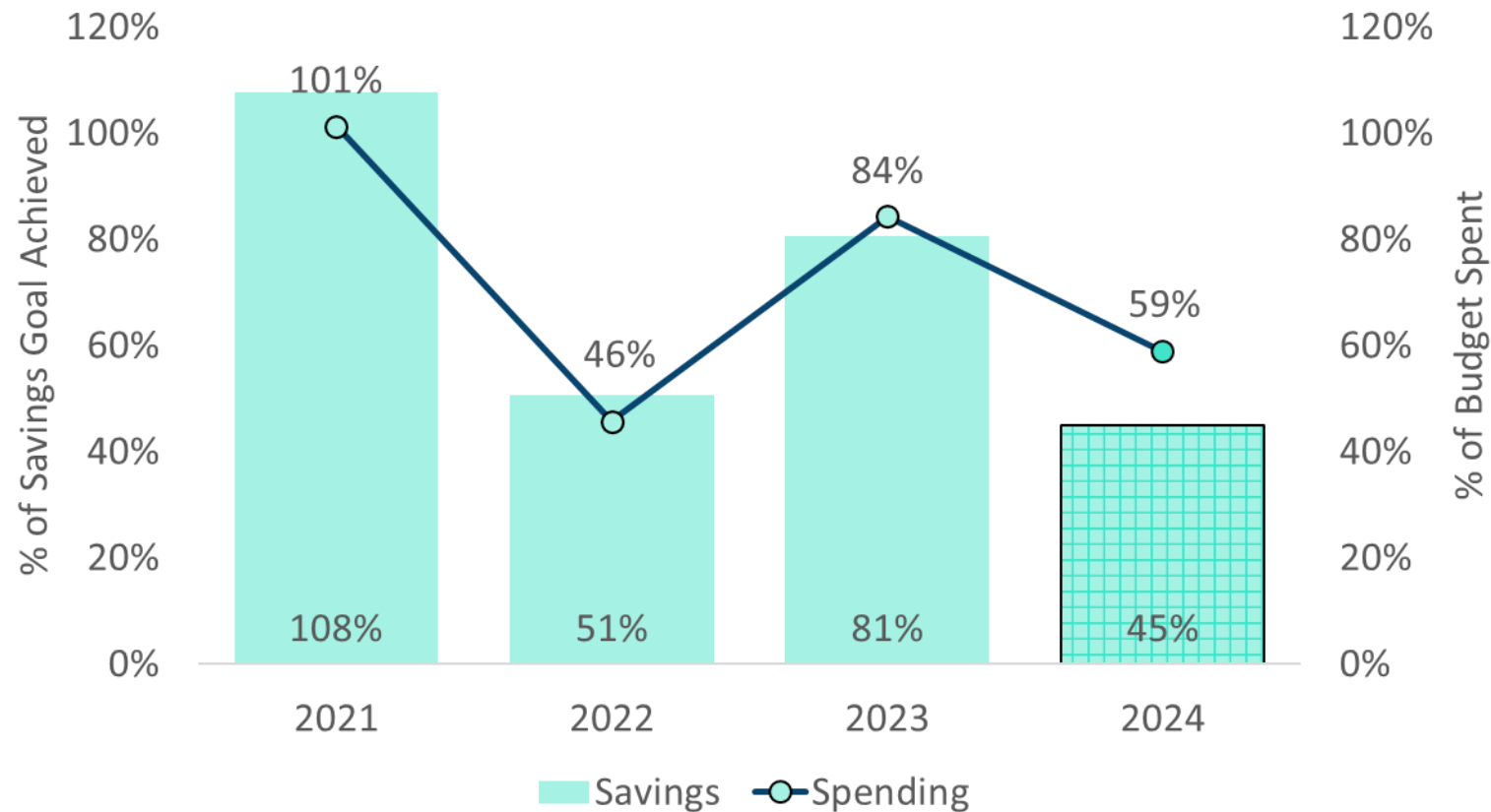


Electric C&I Performance



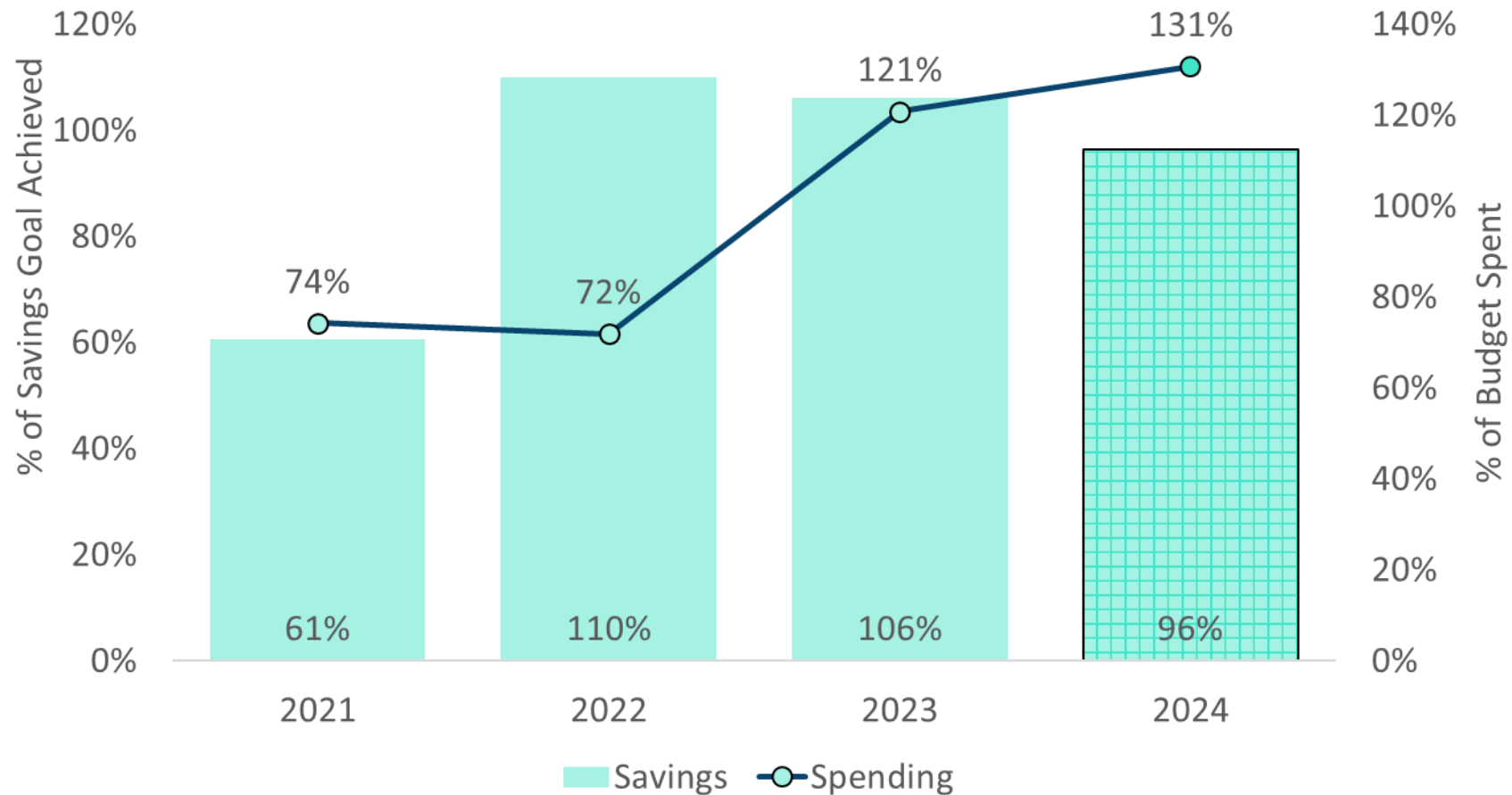
Electric C&I Programs

Large Commercial New Construction - Lifetime Electric Savings and Spending Performance to Goal Through Q4(2021-2024)

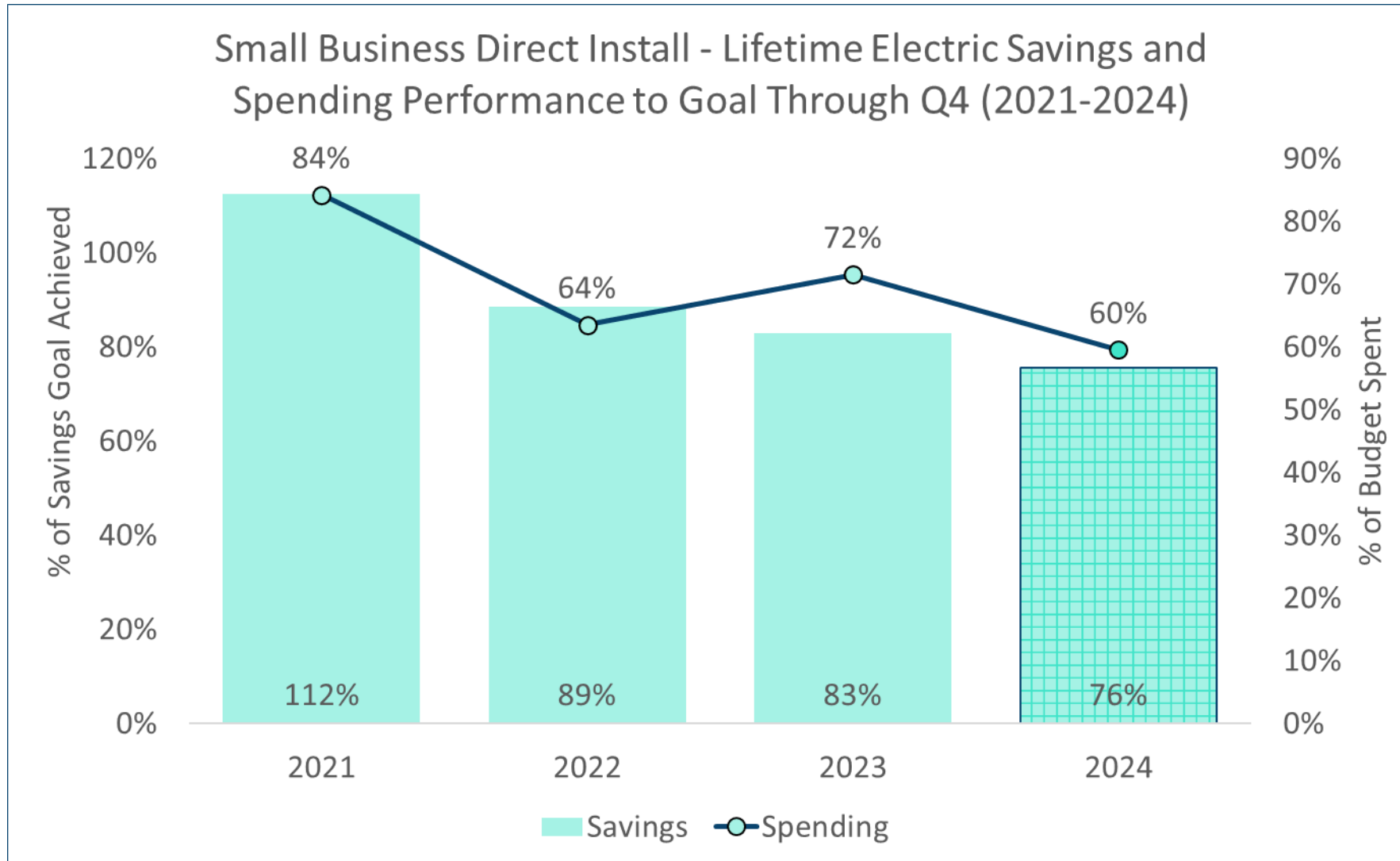


Electric C&I Programs

Large Commercial Retrofit - Lifetime Electric Savings and Spending Performance to Goal Through Q4 (2021-2024)



Electric C&I Programs

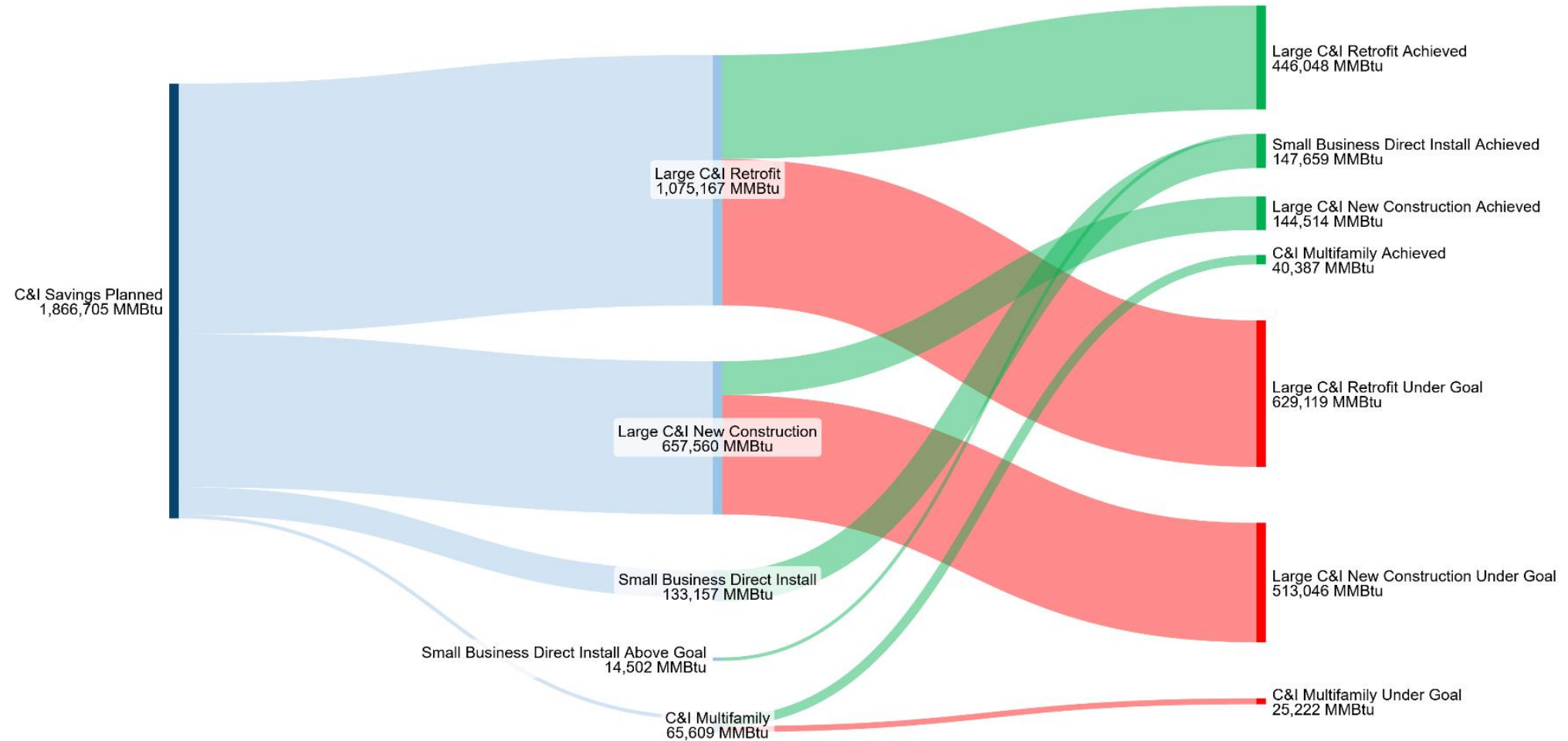




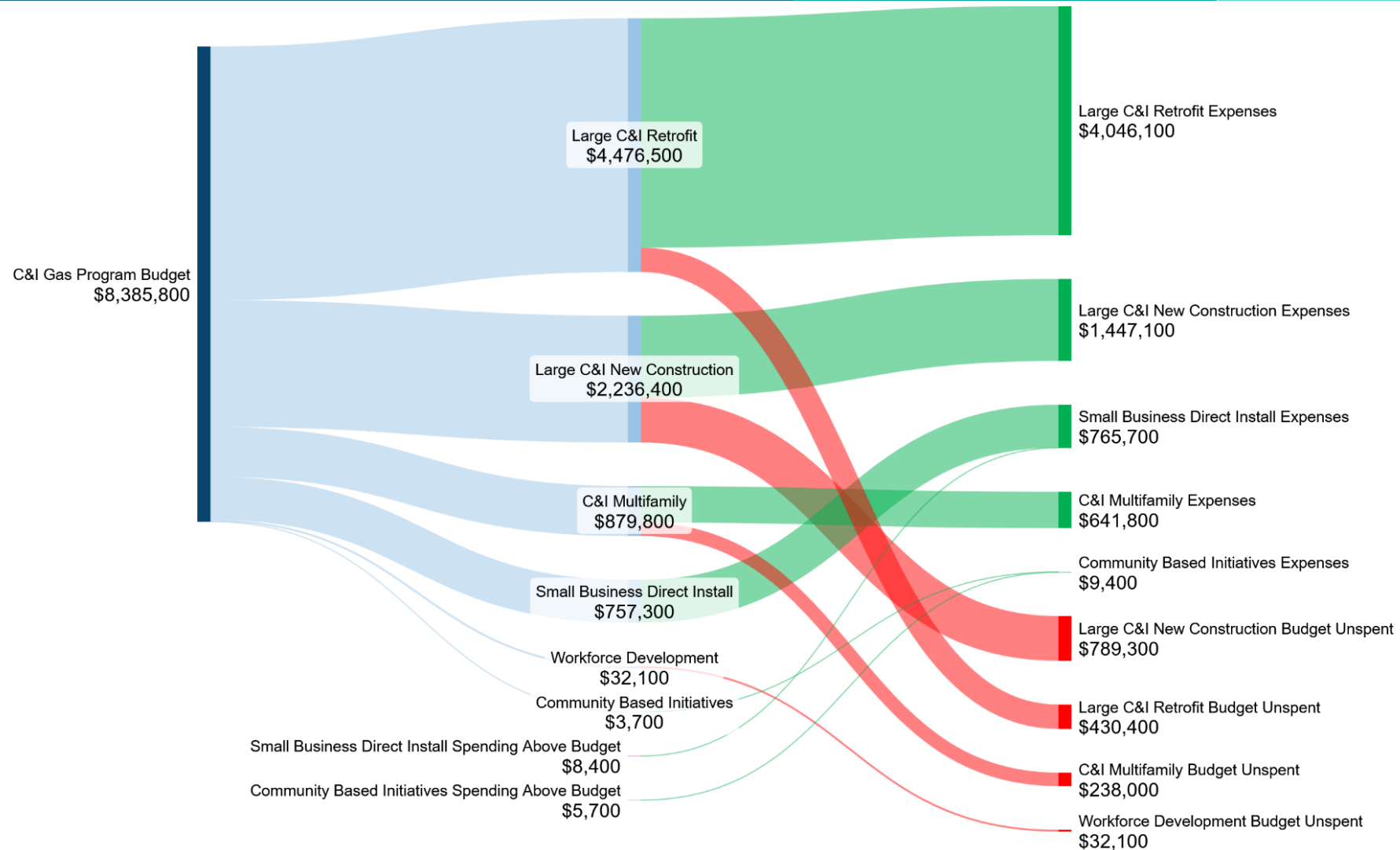
Appendix

COMMERCIAL & INDUSTRIAL - GAS

C&I Gas Savings by Program



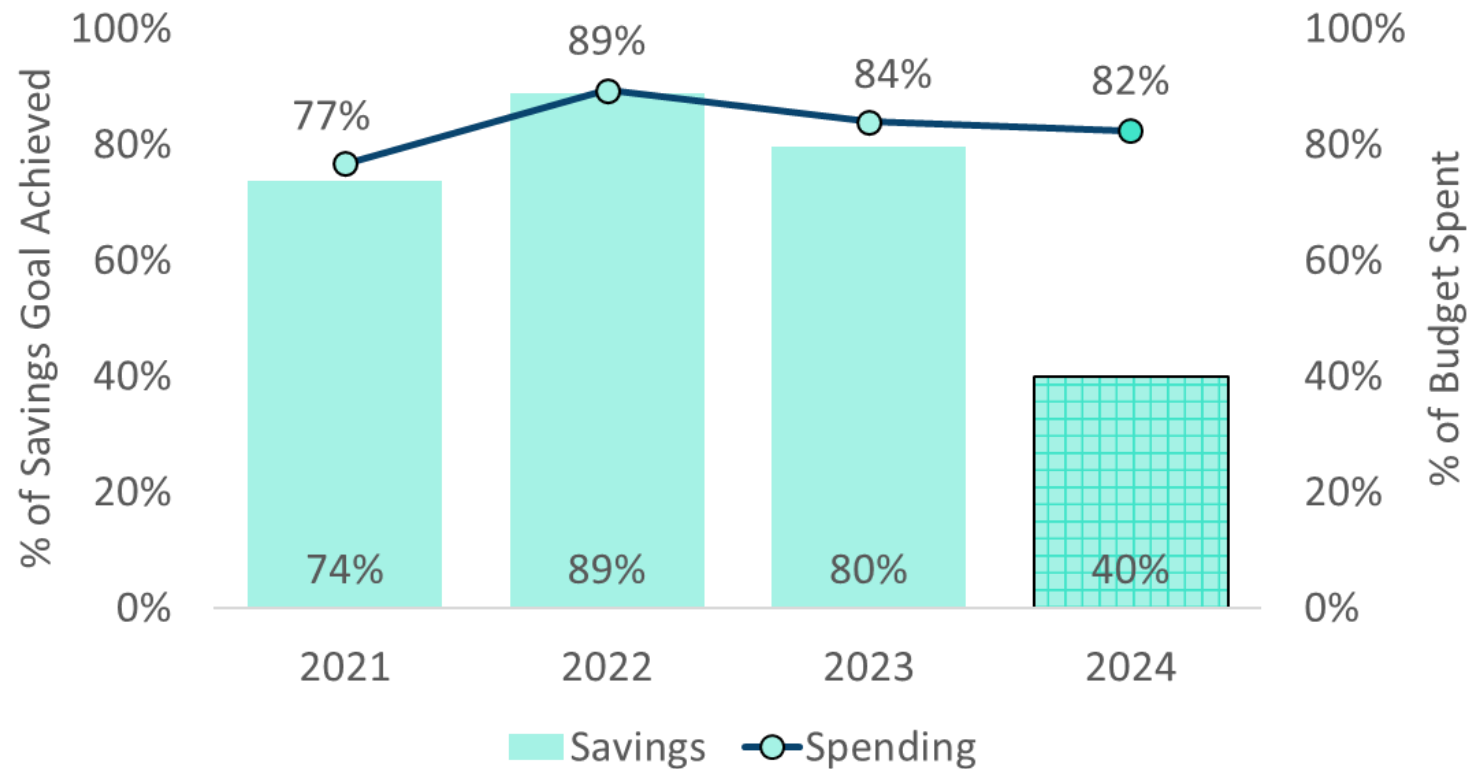
C&I Gas Spending by Program



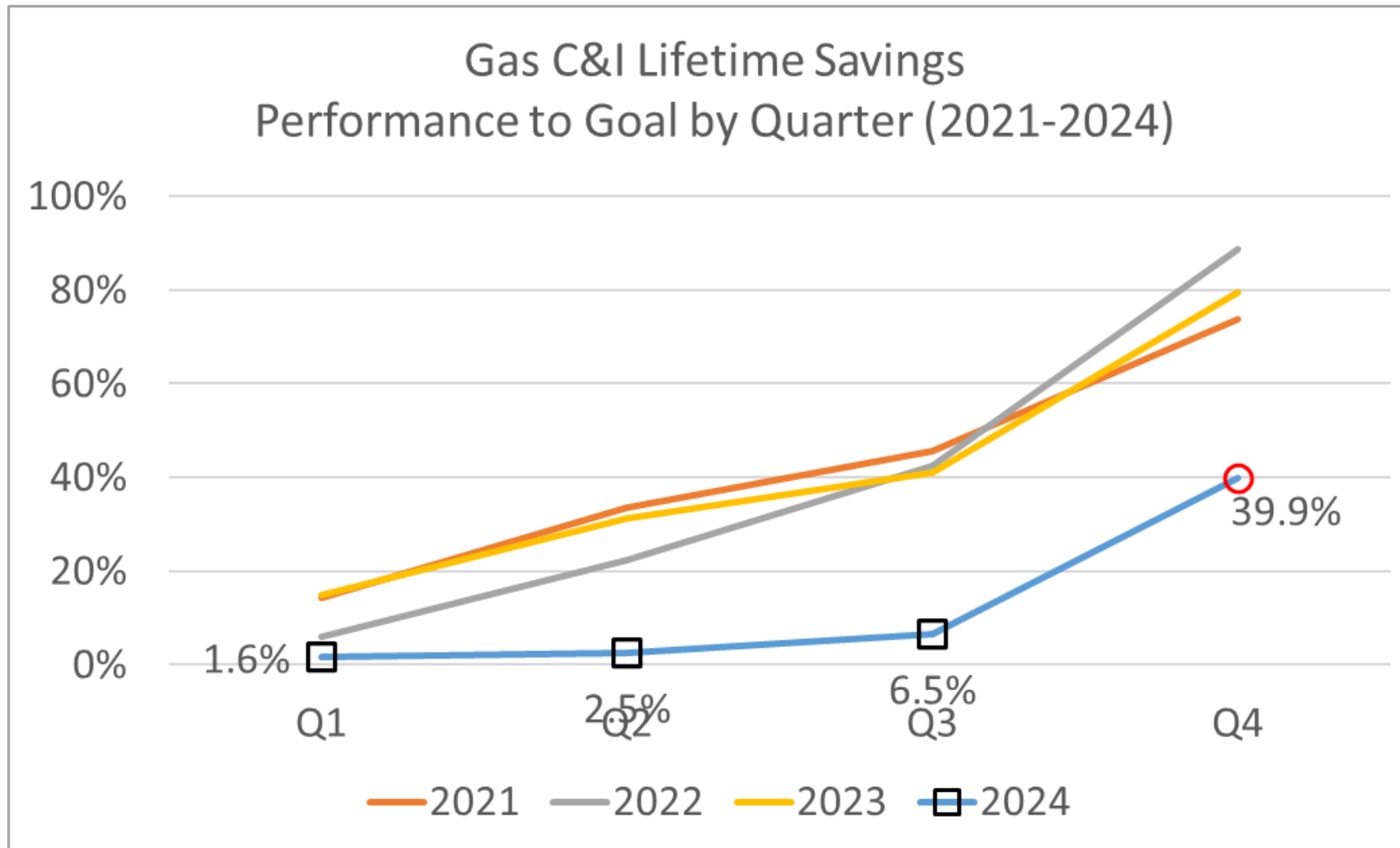
2024 C&I Gas Performance



Commercial & Industrial Sector Total - Lifetime Gas Savings and Spending Performance to Goal Through Q4 (2021-2024)



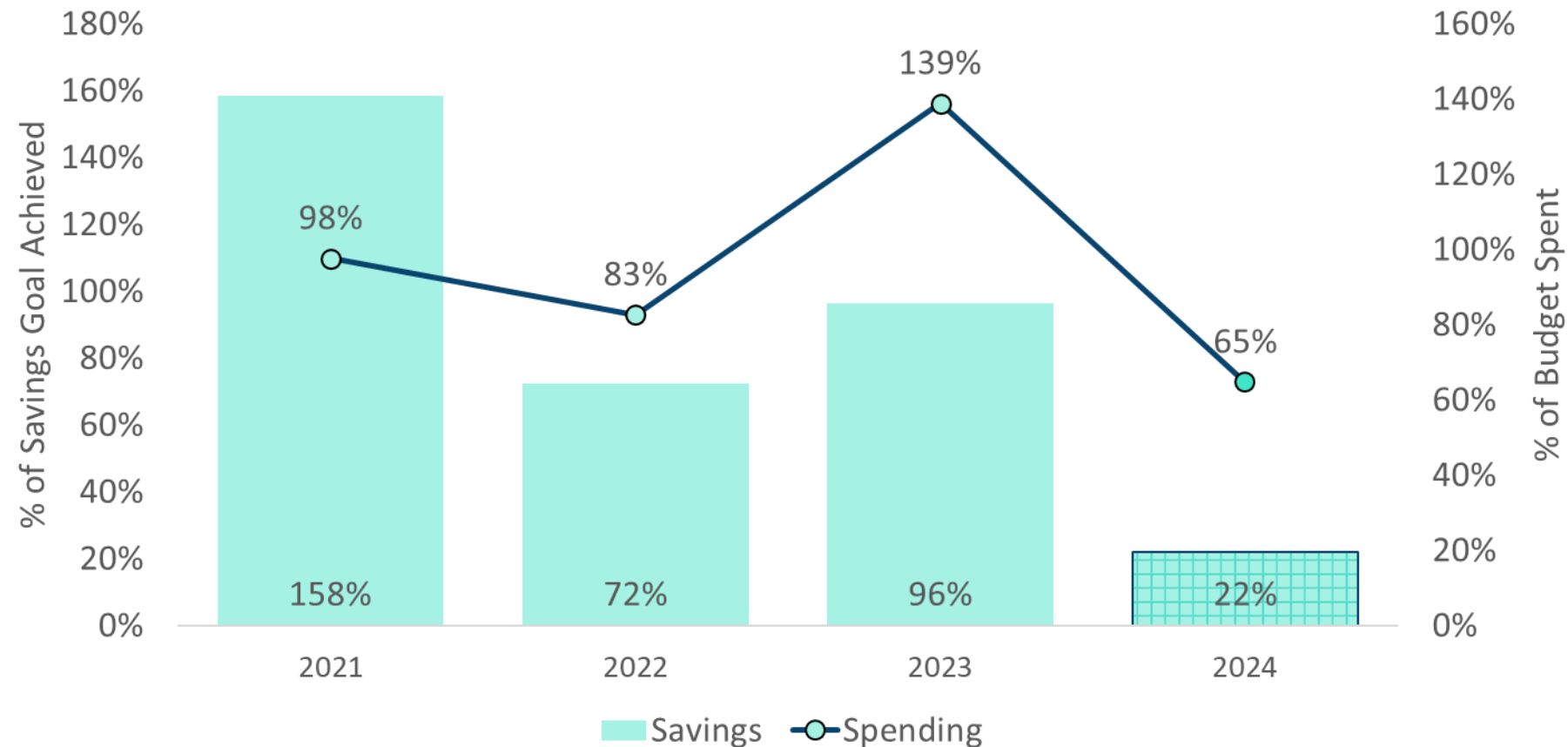
Gas C&I Performance



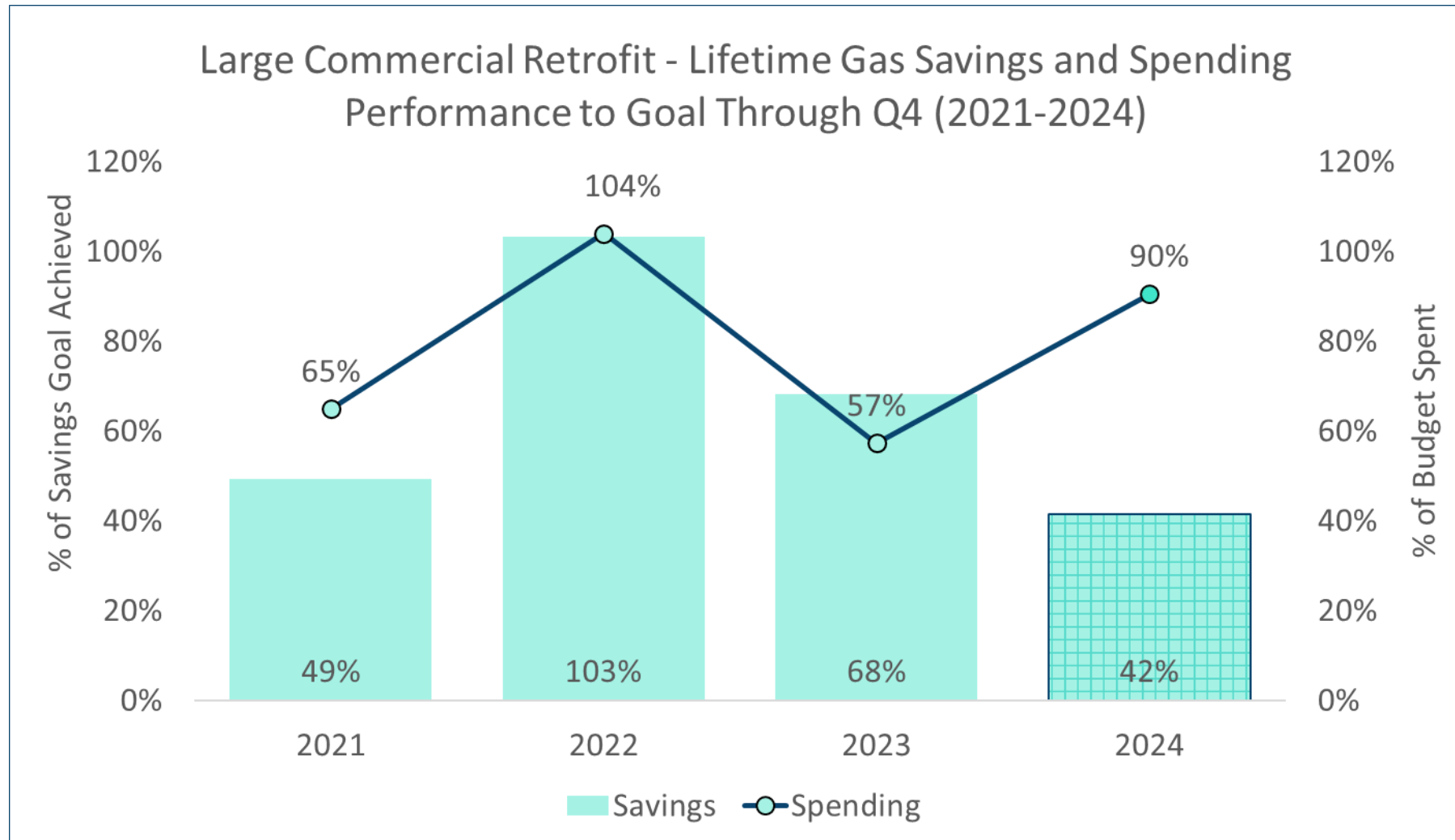
Gas C&I Programs



Large Commercial New Construction - Lifetime Gas Savings and Spending Performance to Goal Through Q4 (2021-2024)

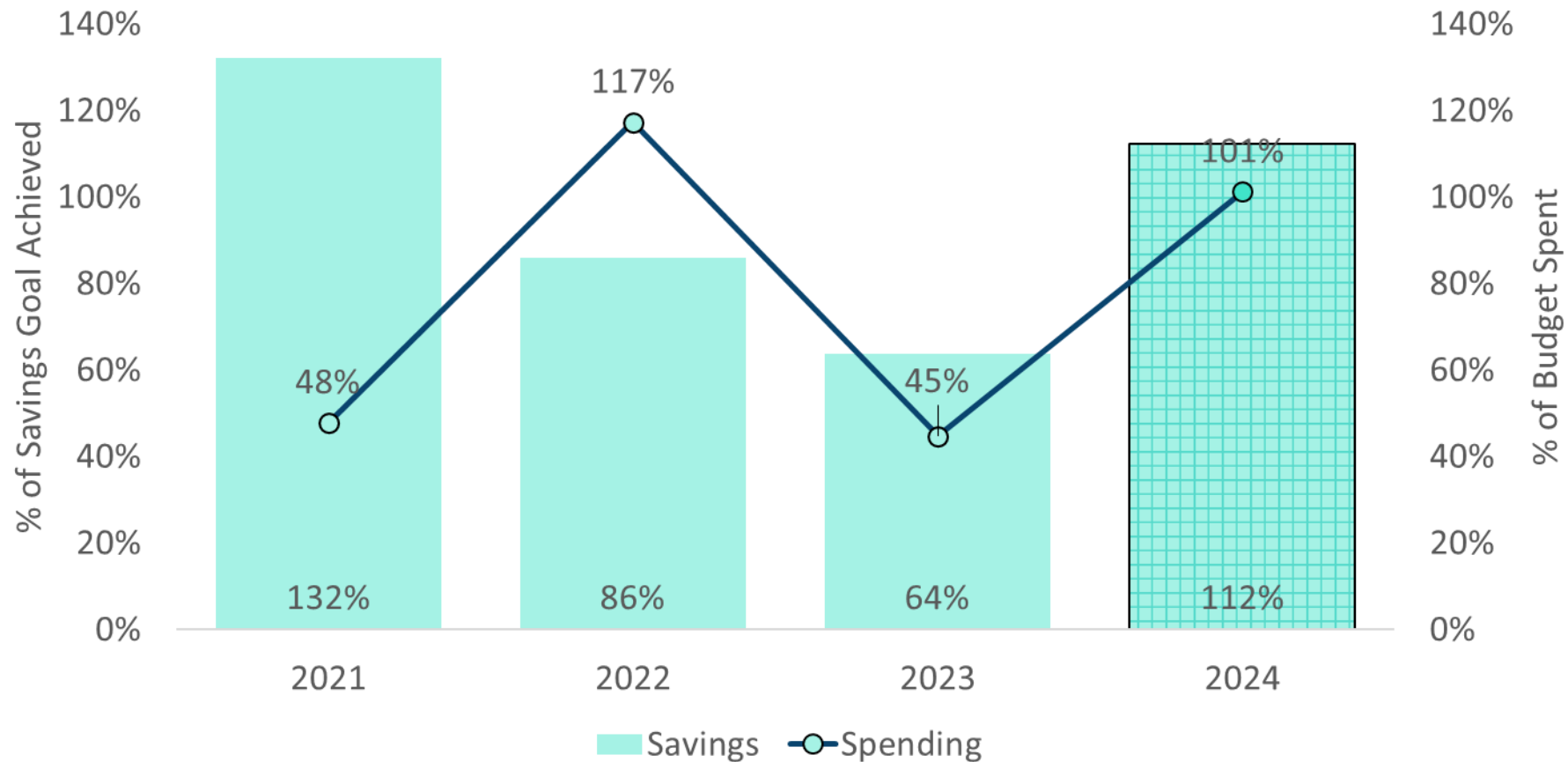


Gas C&I Programs

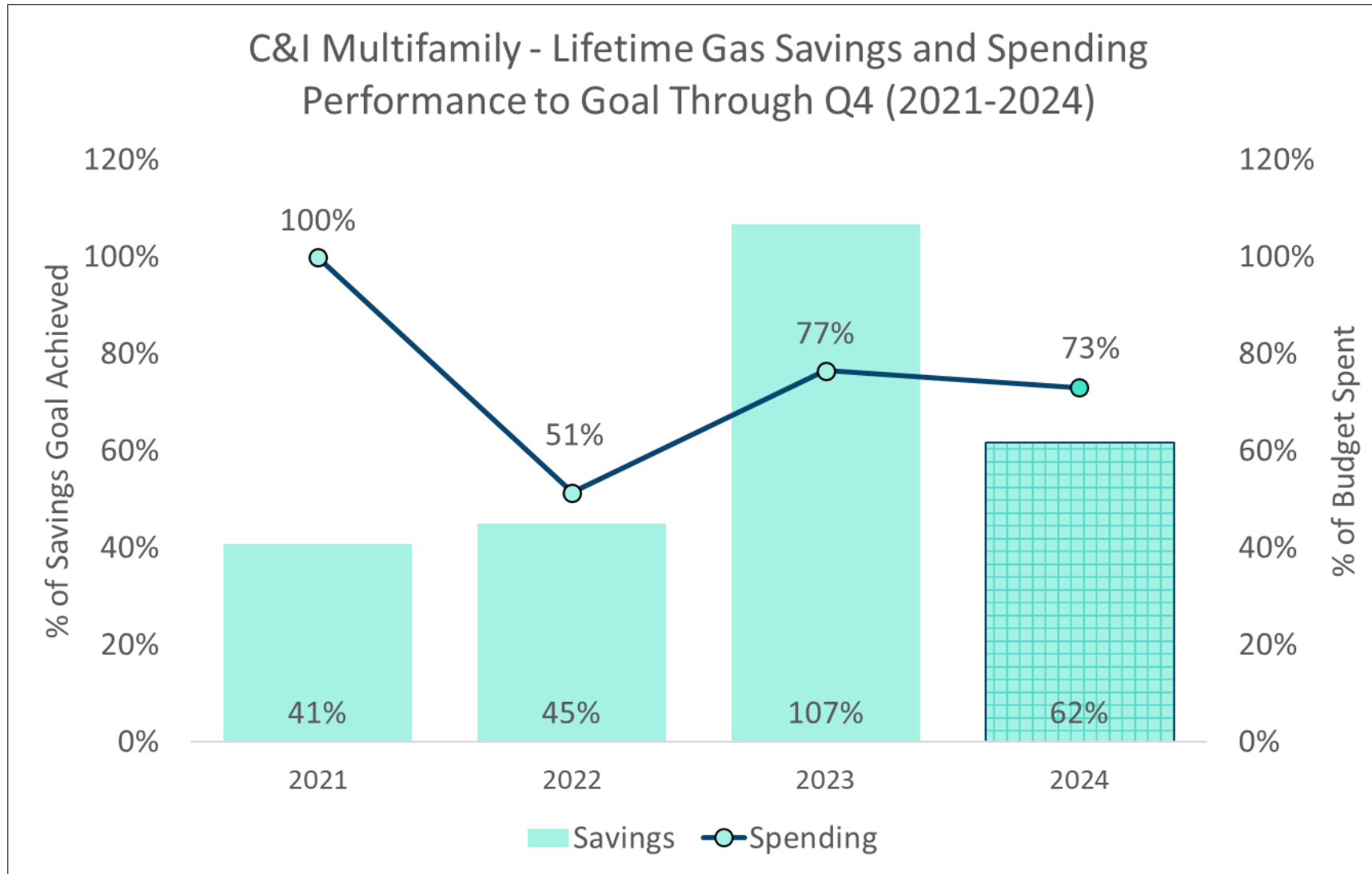


Gas C&I Programs

Small Business Direct Install - Lifetime Gas Savings and Spending Performance to Goal Through Q4 (2021-2024)



Gas C&I Programs

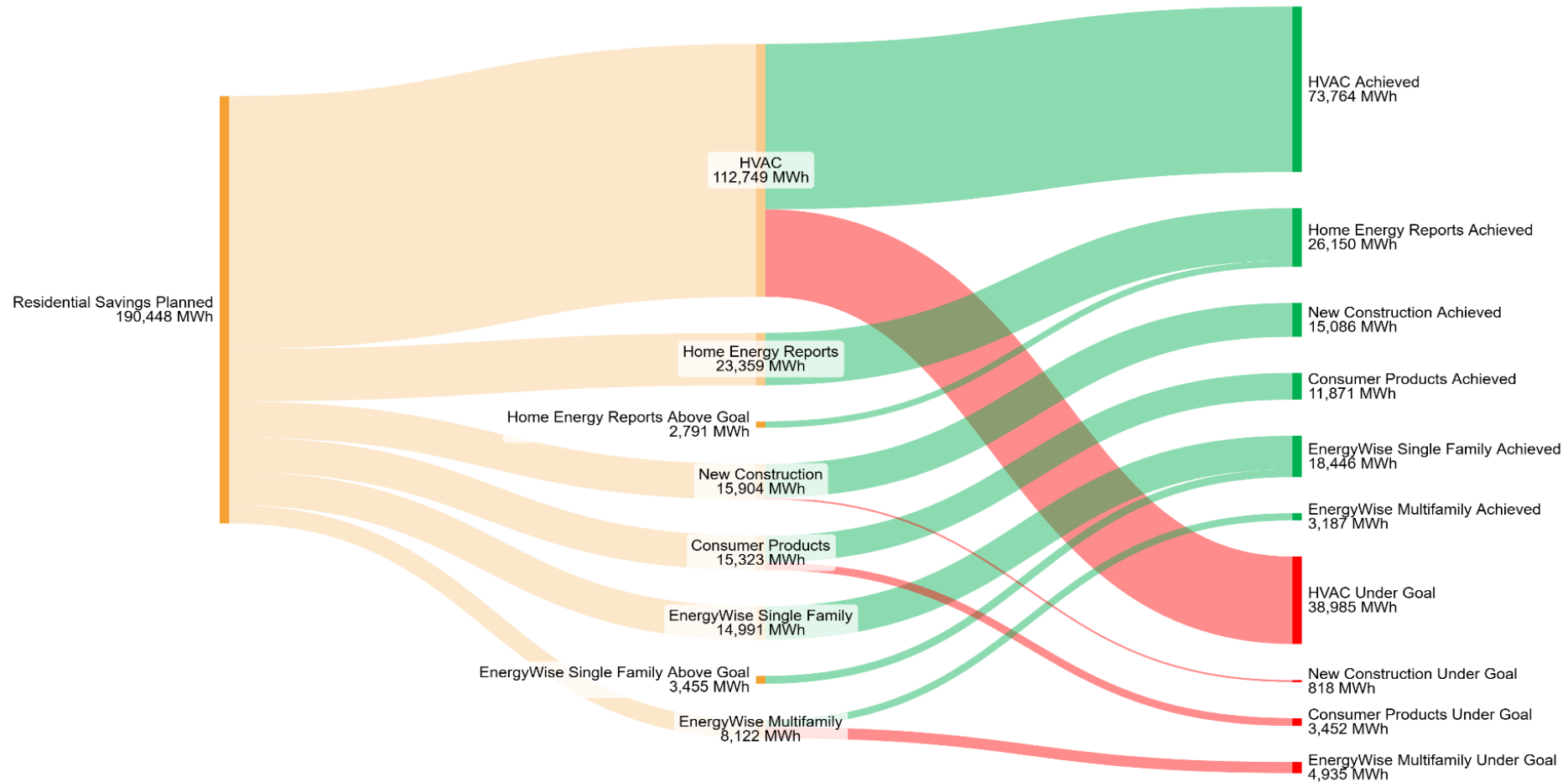




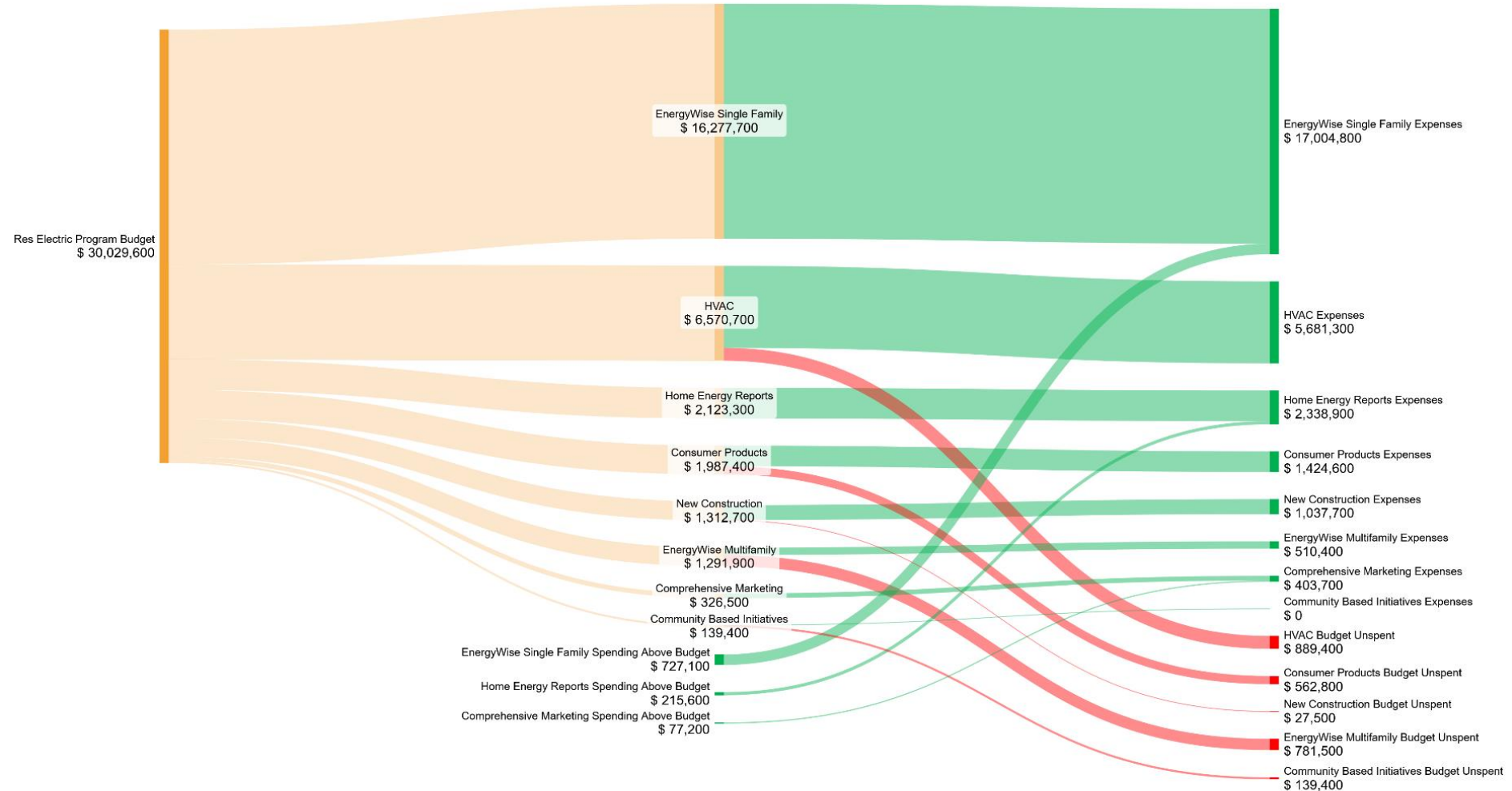
Appendix

RESIDENTIAL - ELECTRIC

Residential Lifetime Electric Savings by Program

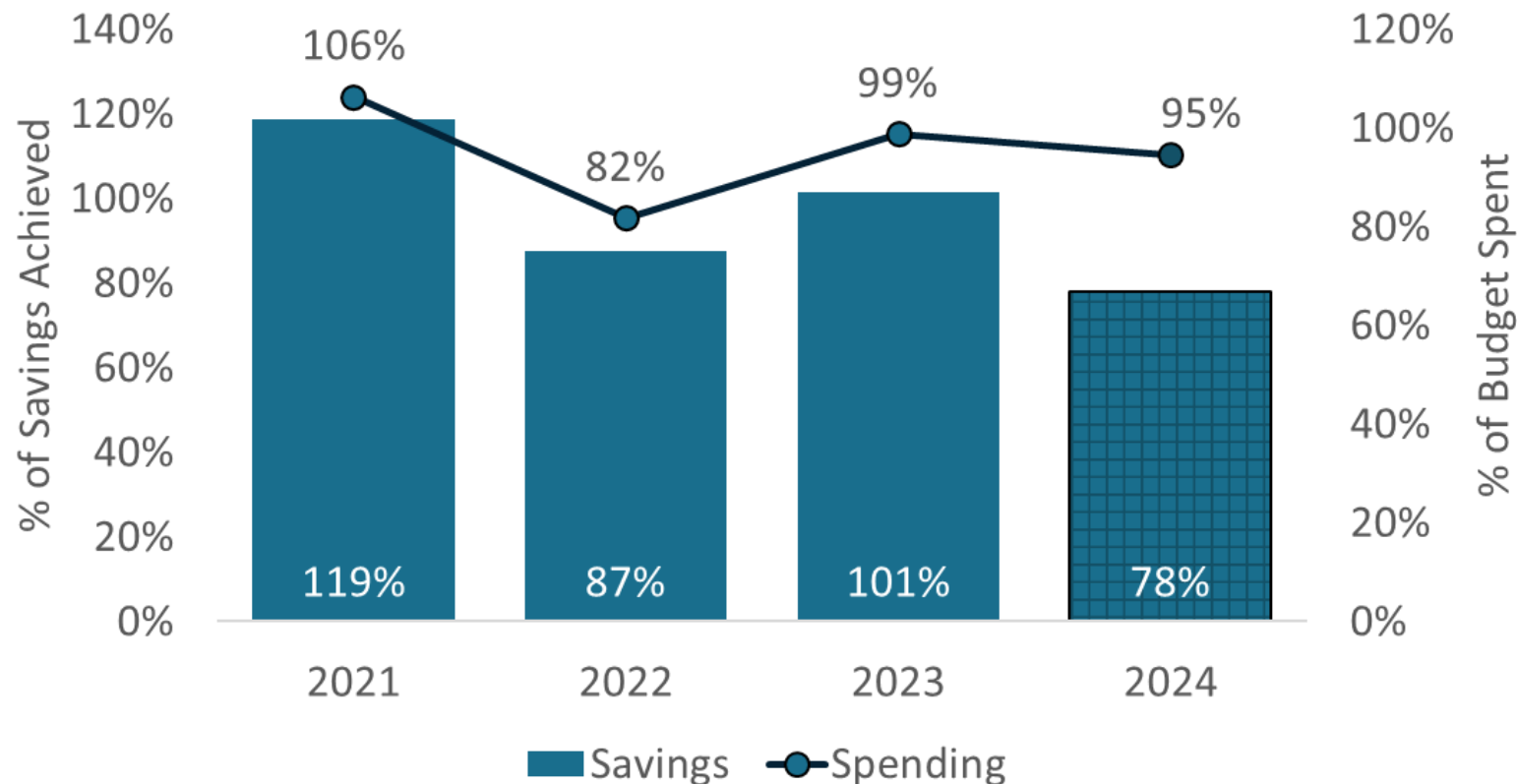


Residential Electric Spending by Program

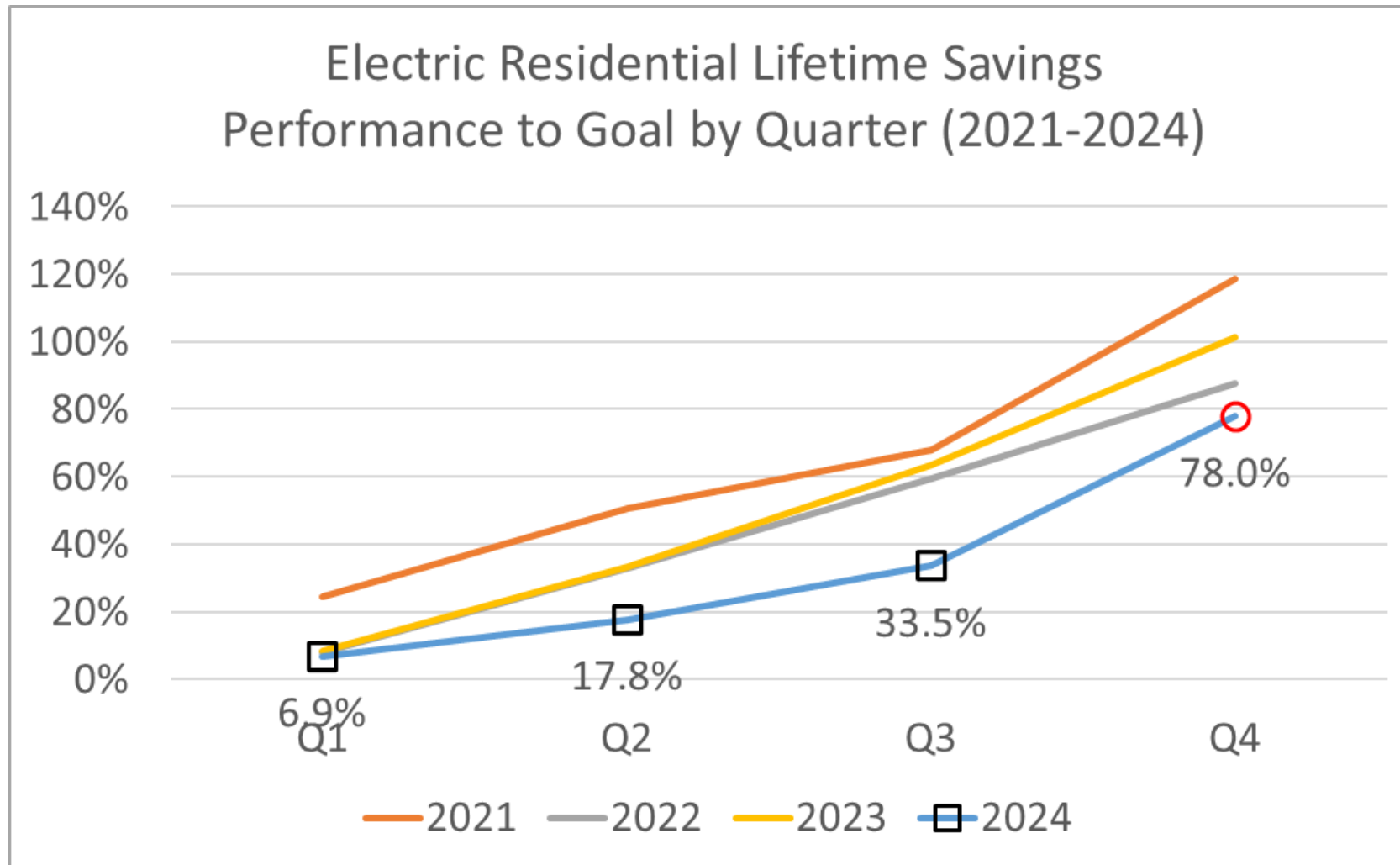


2024 Residential Electric Performance

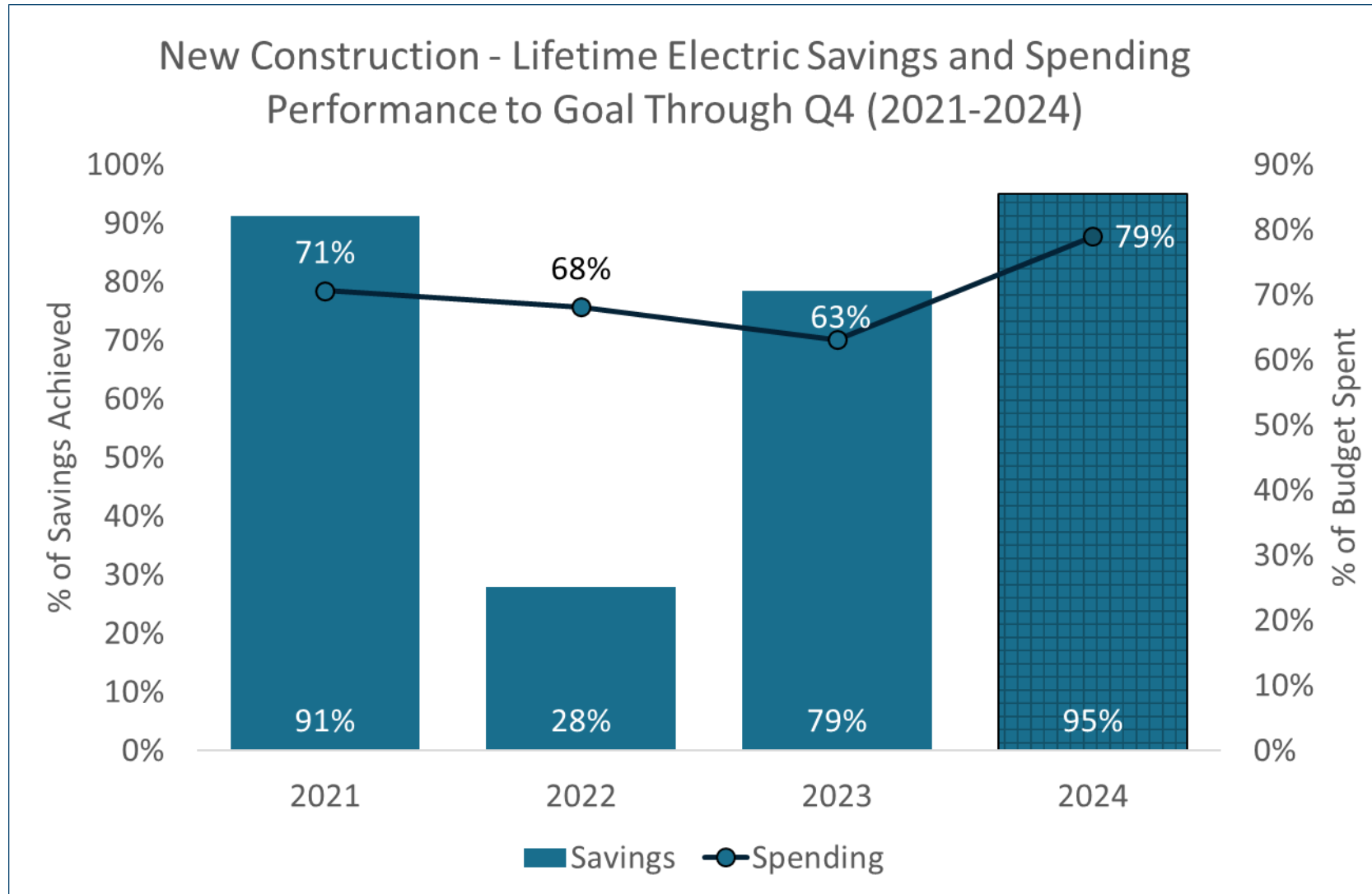
Residential Sector Total - Lifetime Electric Savings
and Spending Performance to Goal Through Q4
(2021-2024)



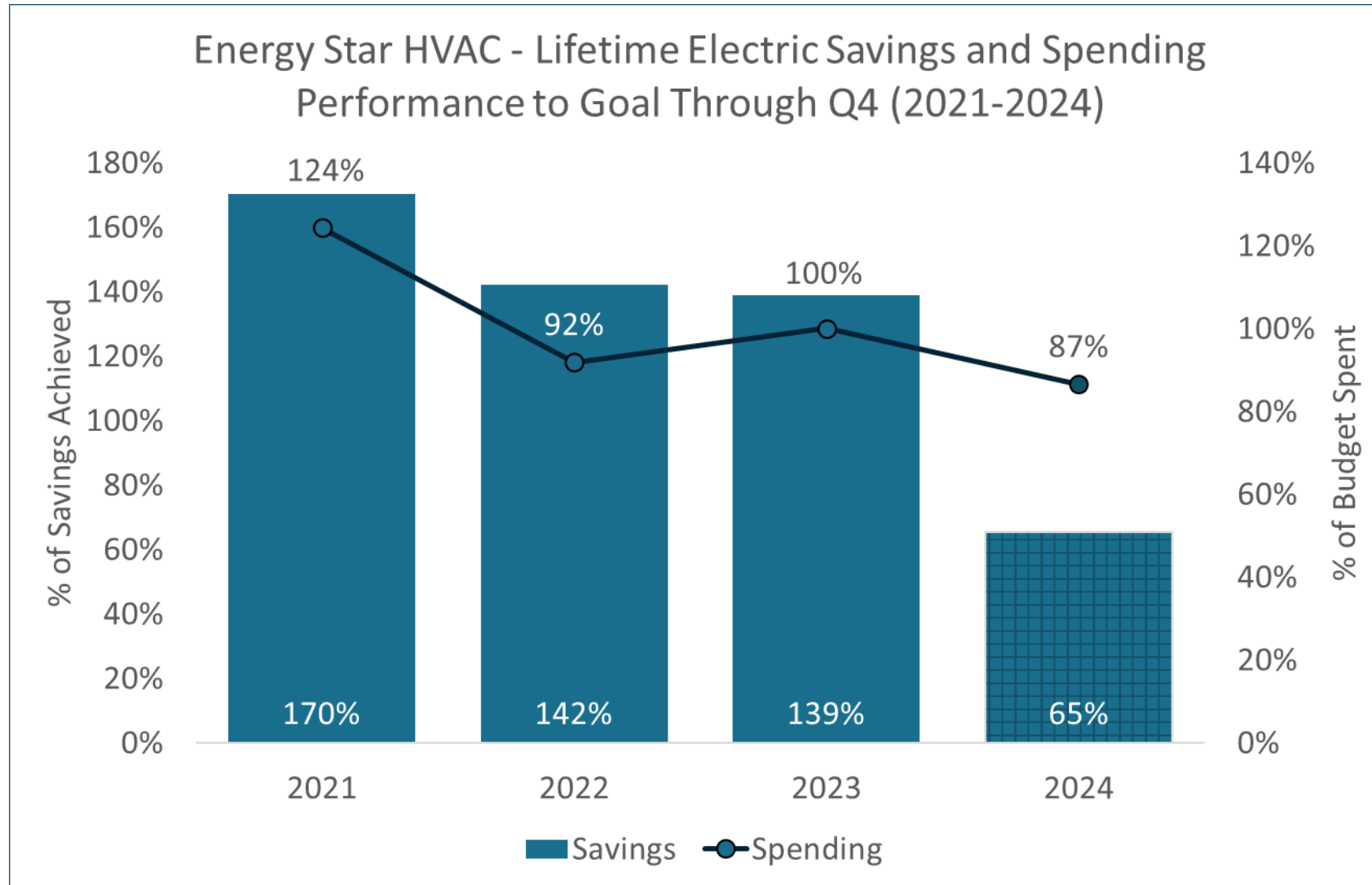
Electric Res Performance



Electric Res Programs



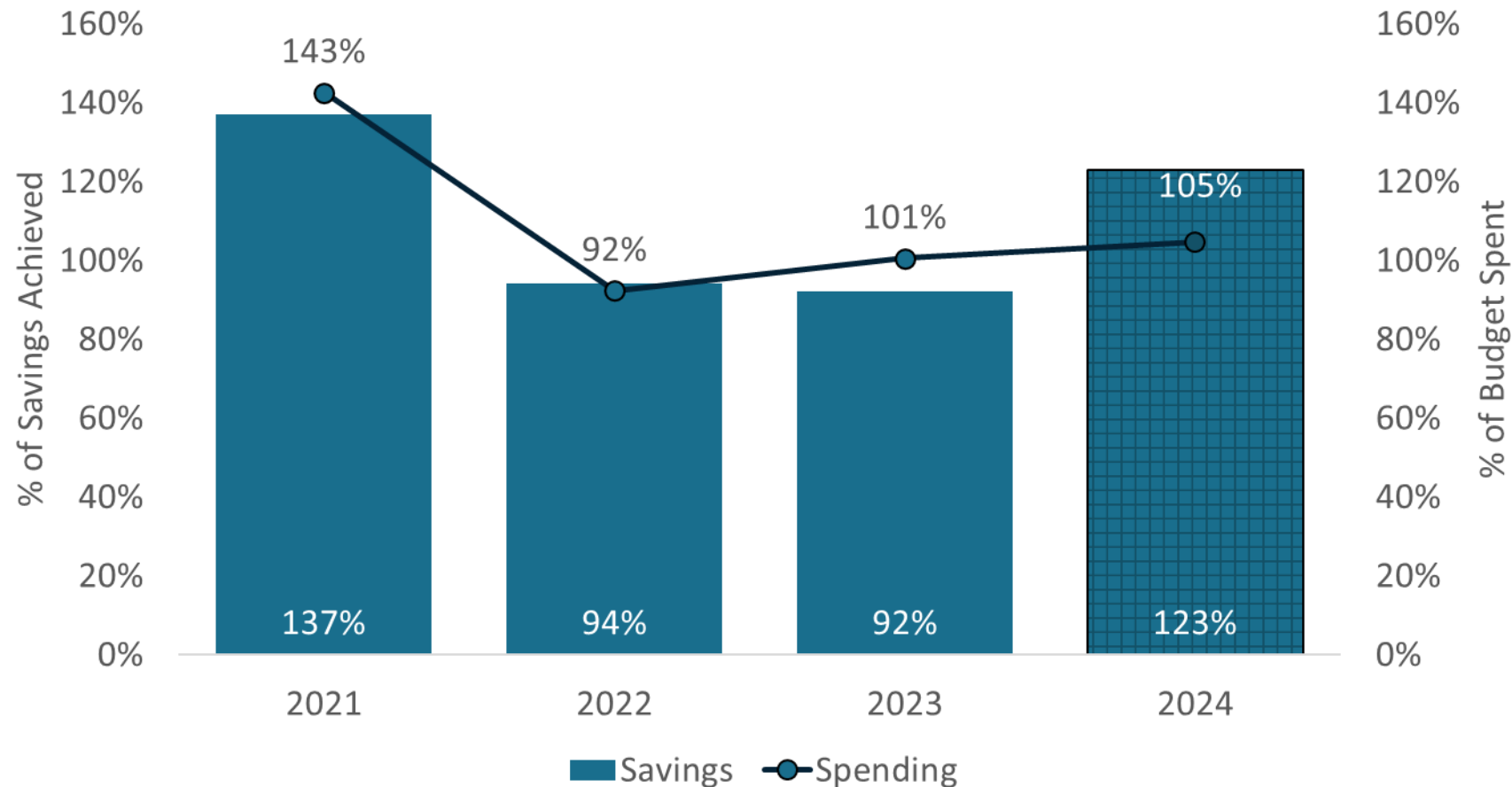
Electric Res Programs



Electric Res Programs



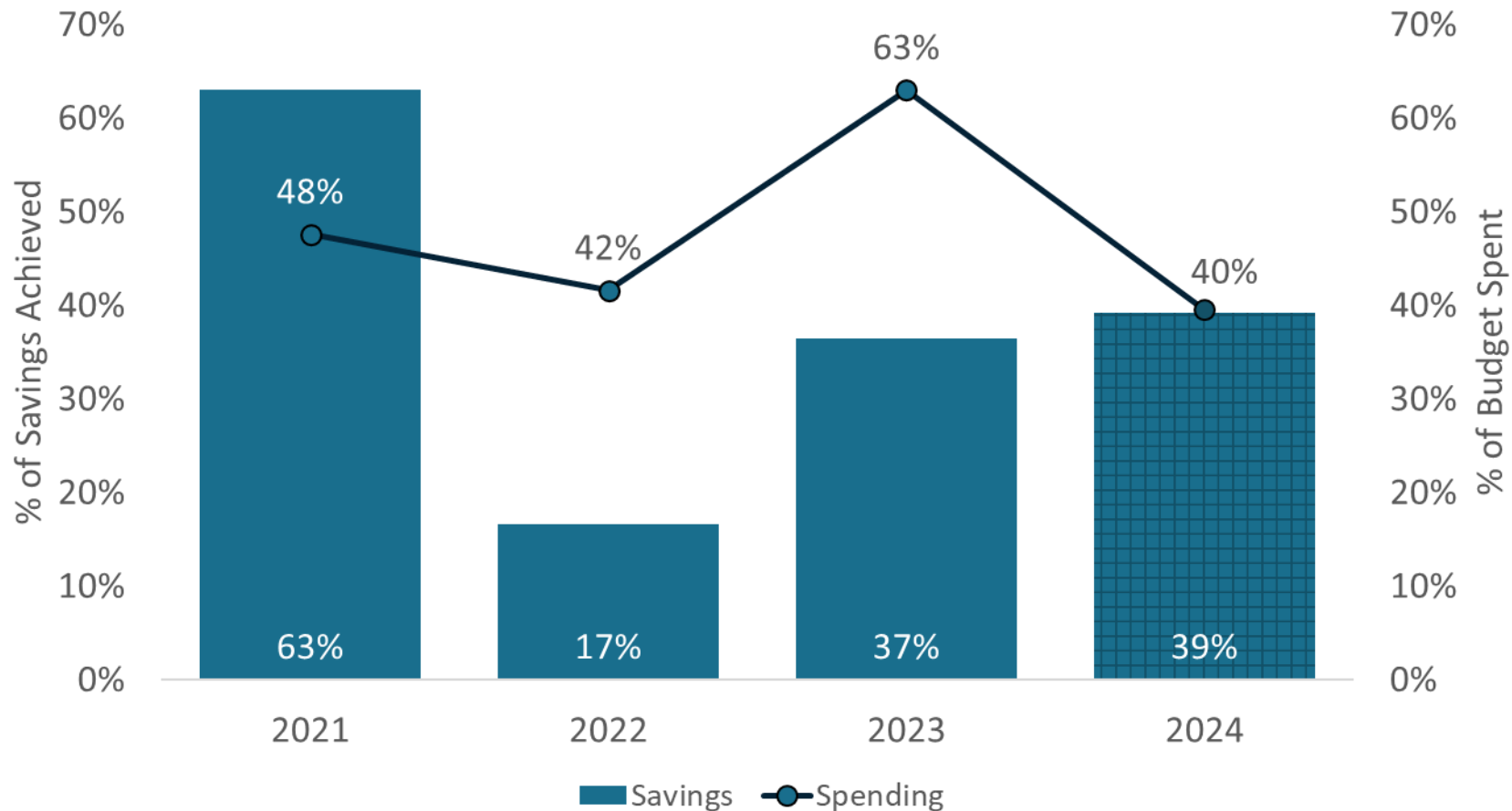
EnergyWise Single Family (1-4 Units) - Lifetime Electric Savings and Spending Performance to Goal Through Q4 (2021-2024)



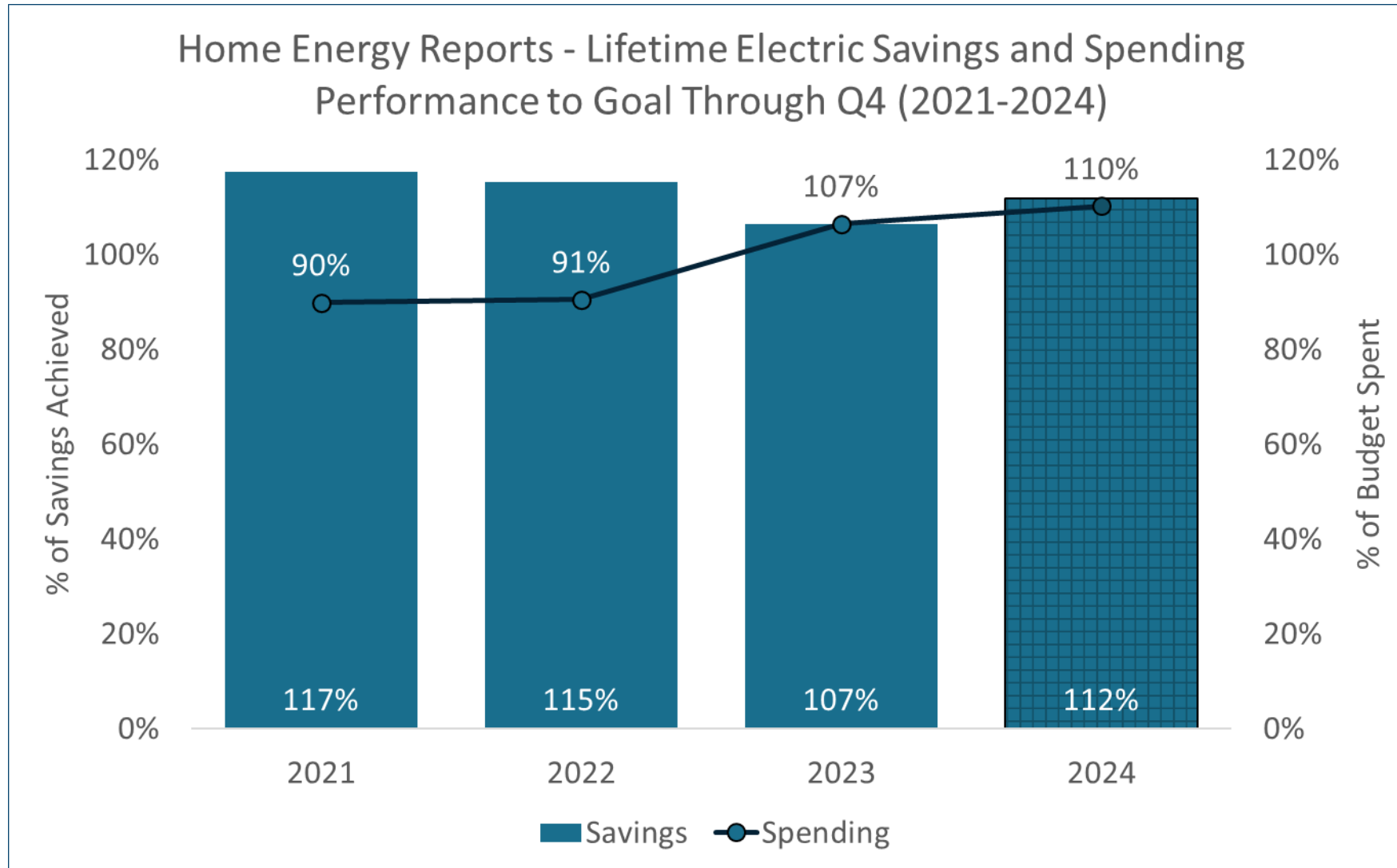
Electric Res Programs



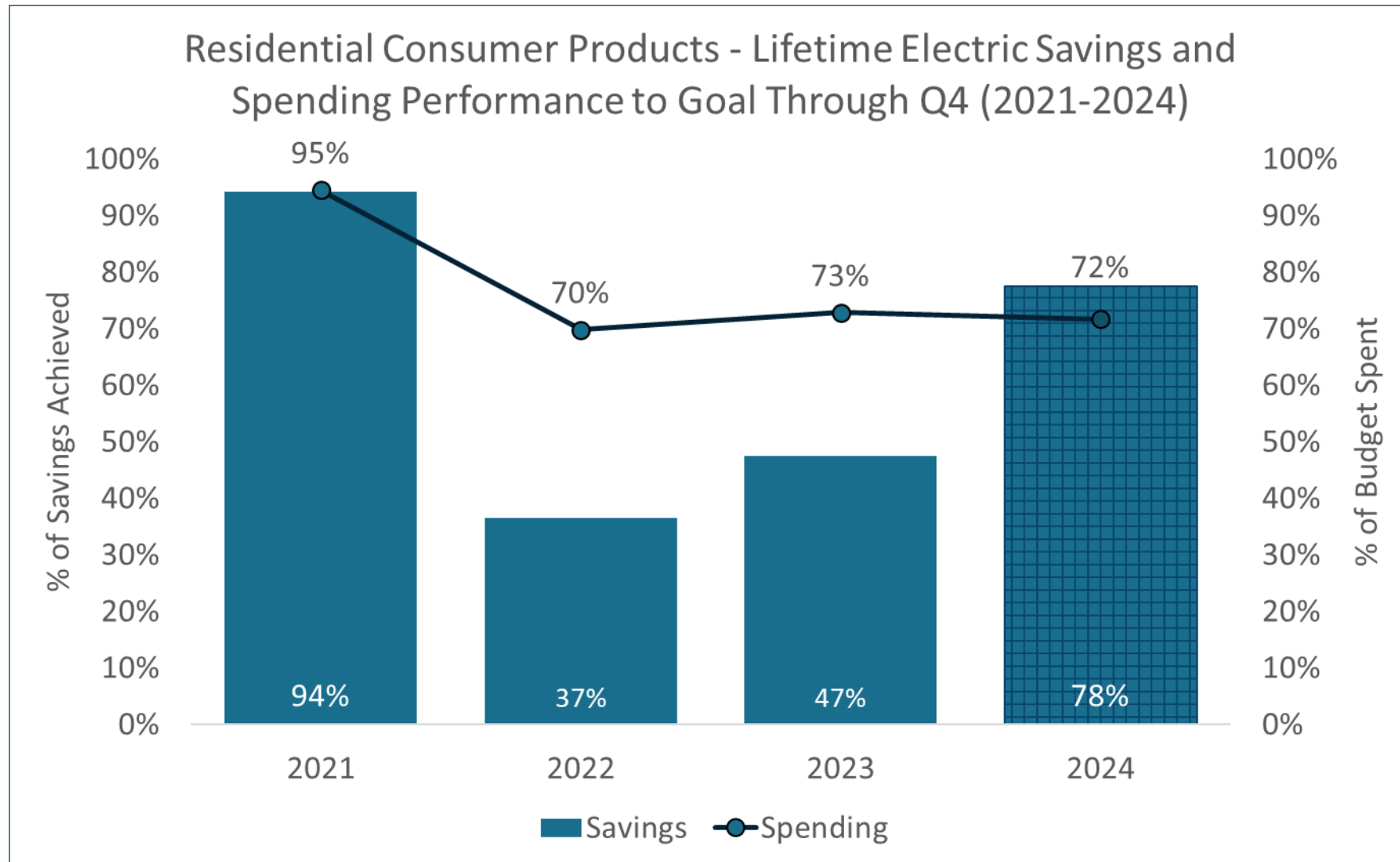
EnergyWise Multifamily (5+ Units) - Lifetime Electric Savings and Spending Performance to Goal Through Q4 (2021-2024)



Electric Res Programs



Electric Res Programs

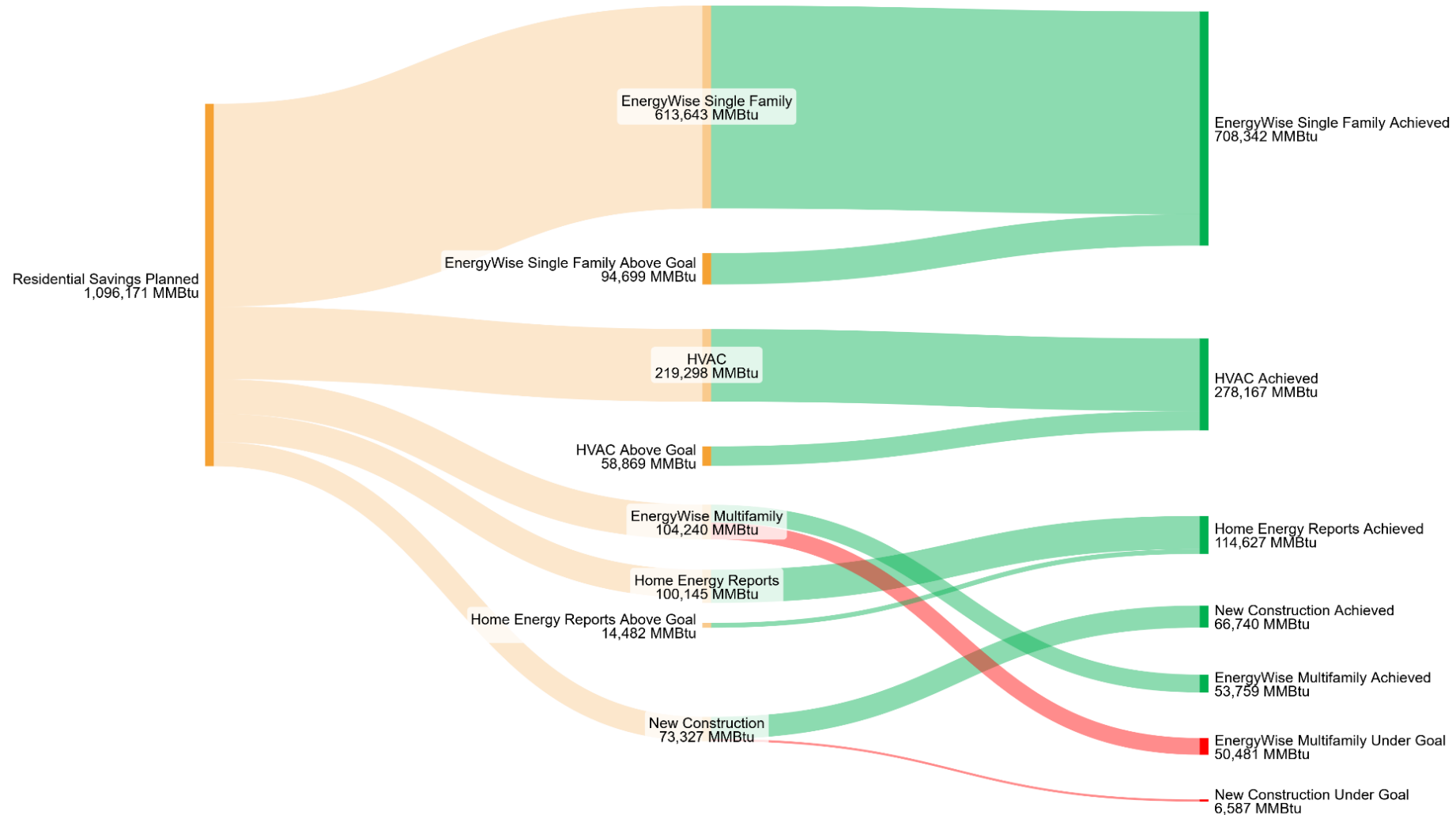




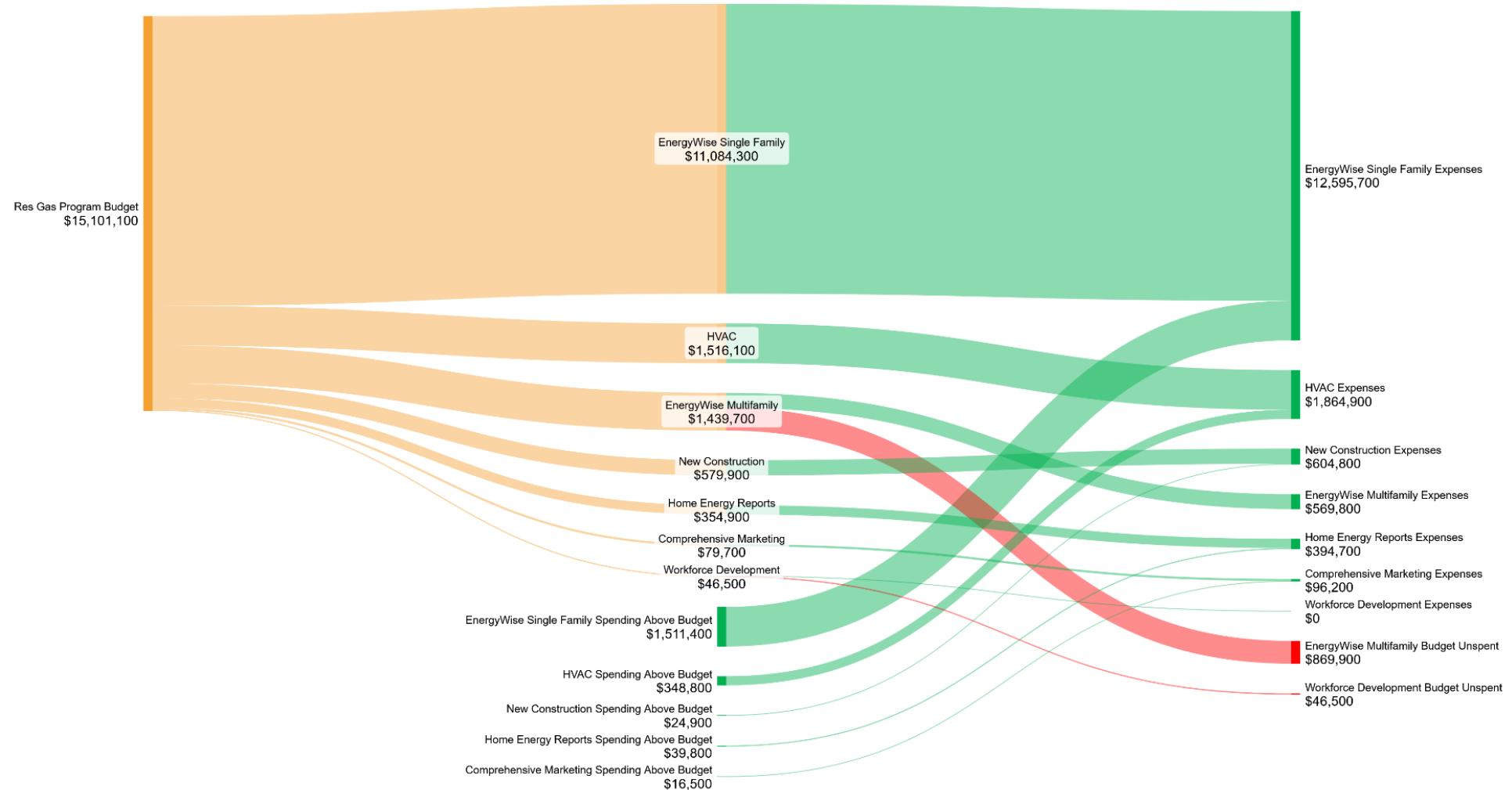
Appendix

RESIDENTIAL - GAS

Residential Gas Savings by Program

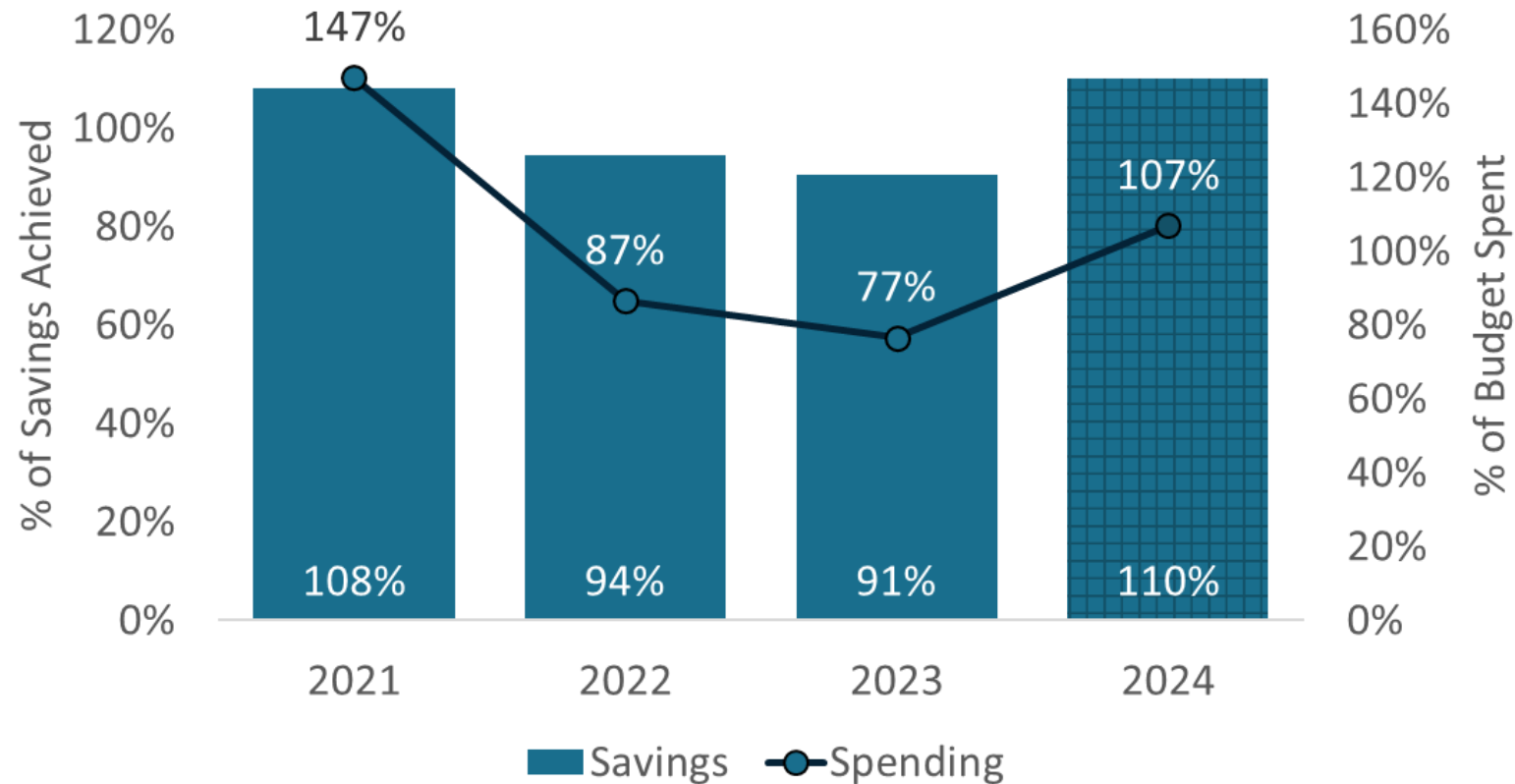


Residential Gas Spending by Program

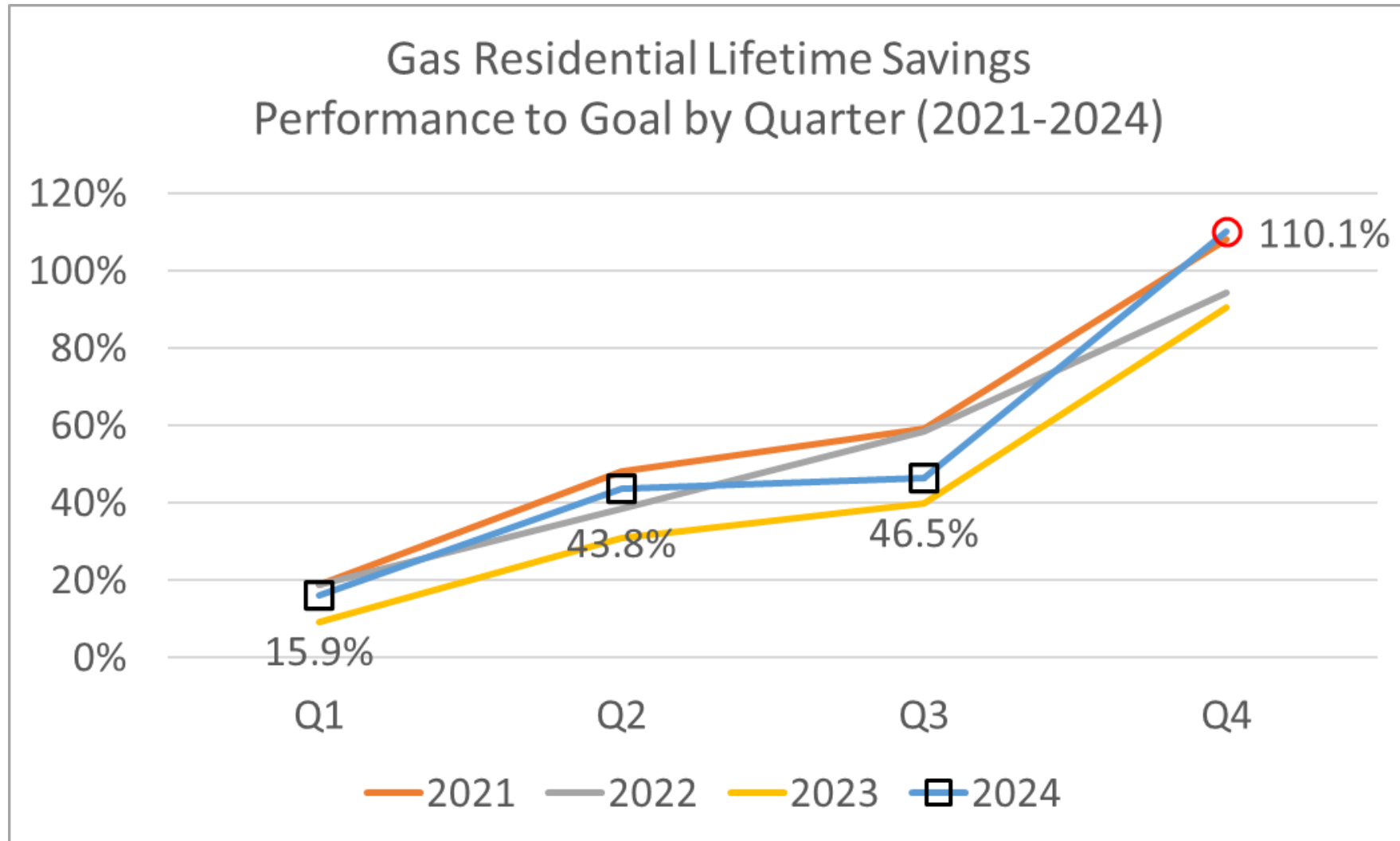


2024 Residential Gas Performance

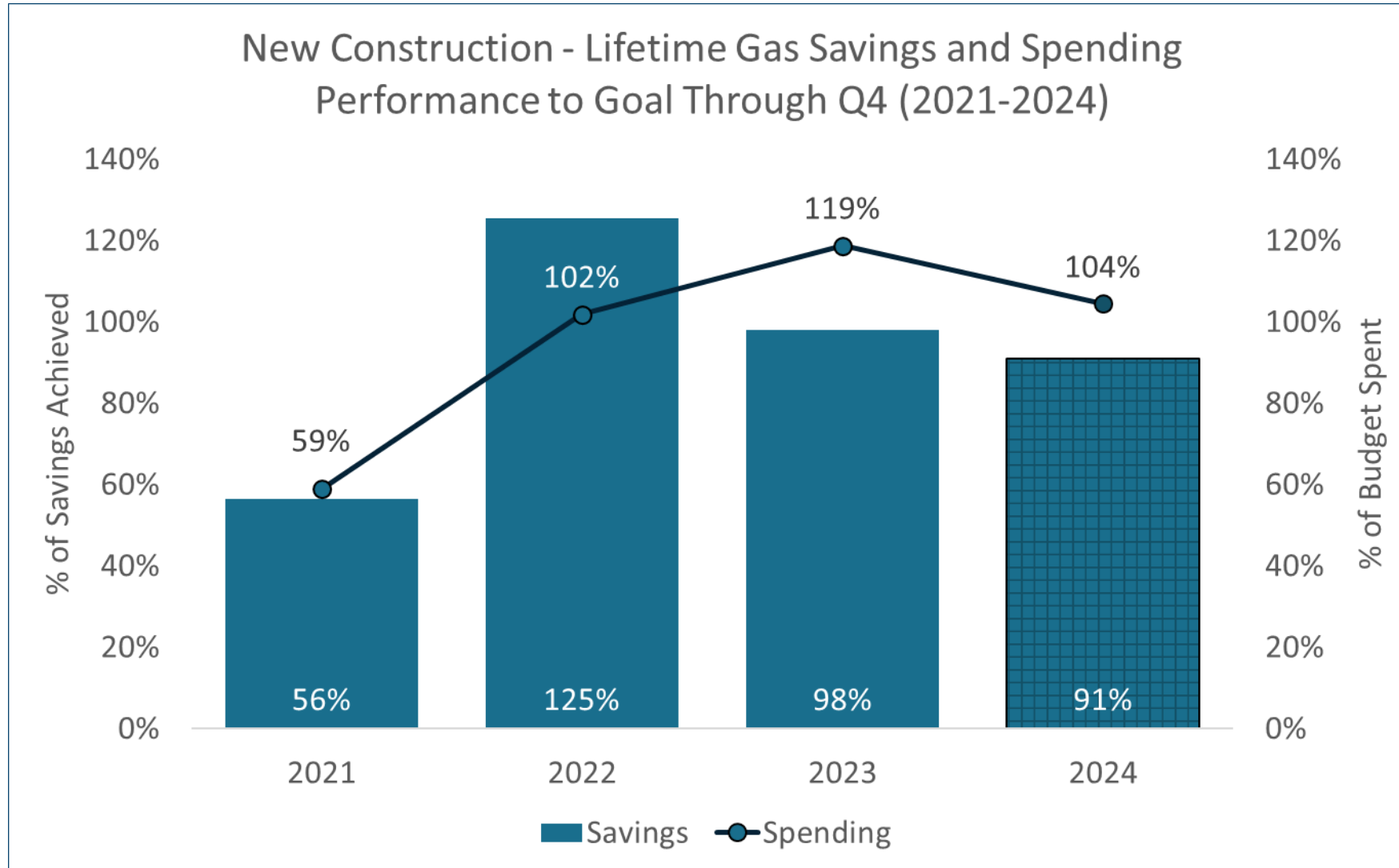
Residential Sector Total - Lifetime Gas Savings and Spending Performance to Goal Through Q4 (2021-2024)



Gas Res Performance



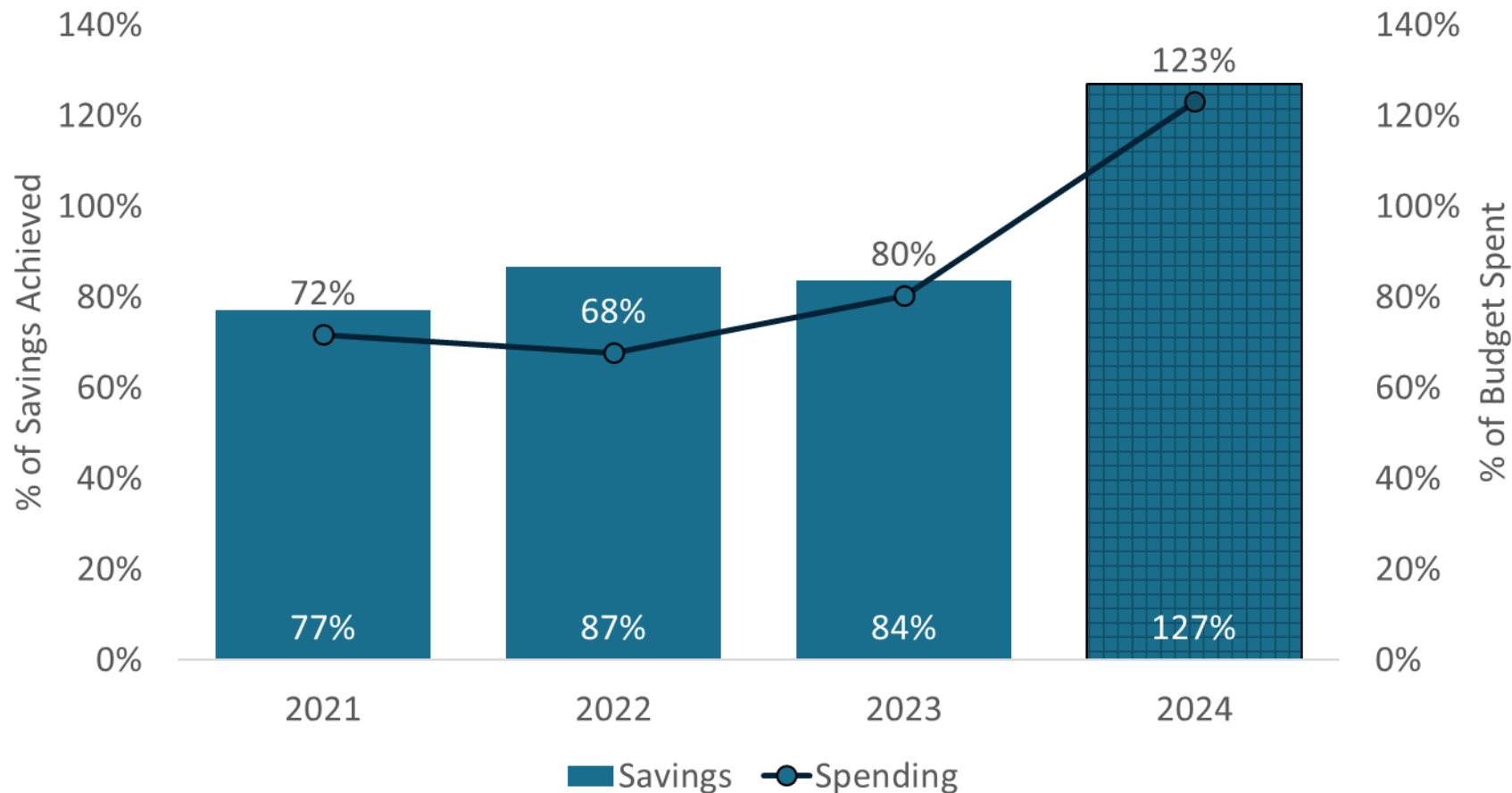
Gas Res Programs



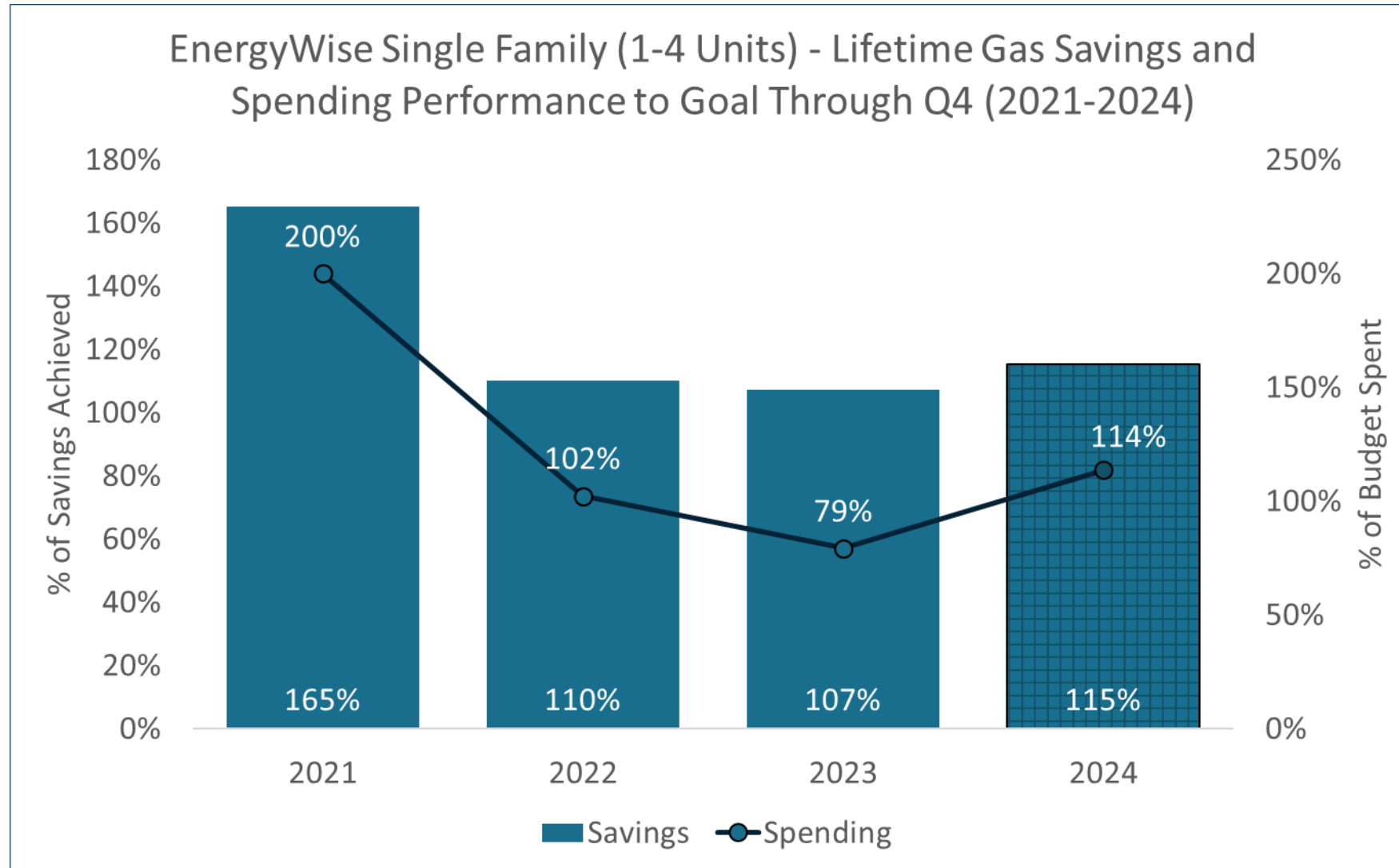
Gas Res Programs



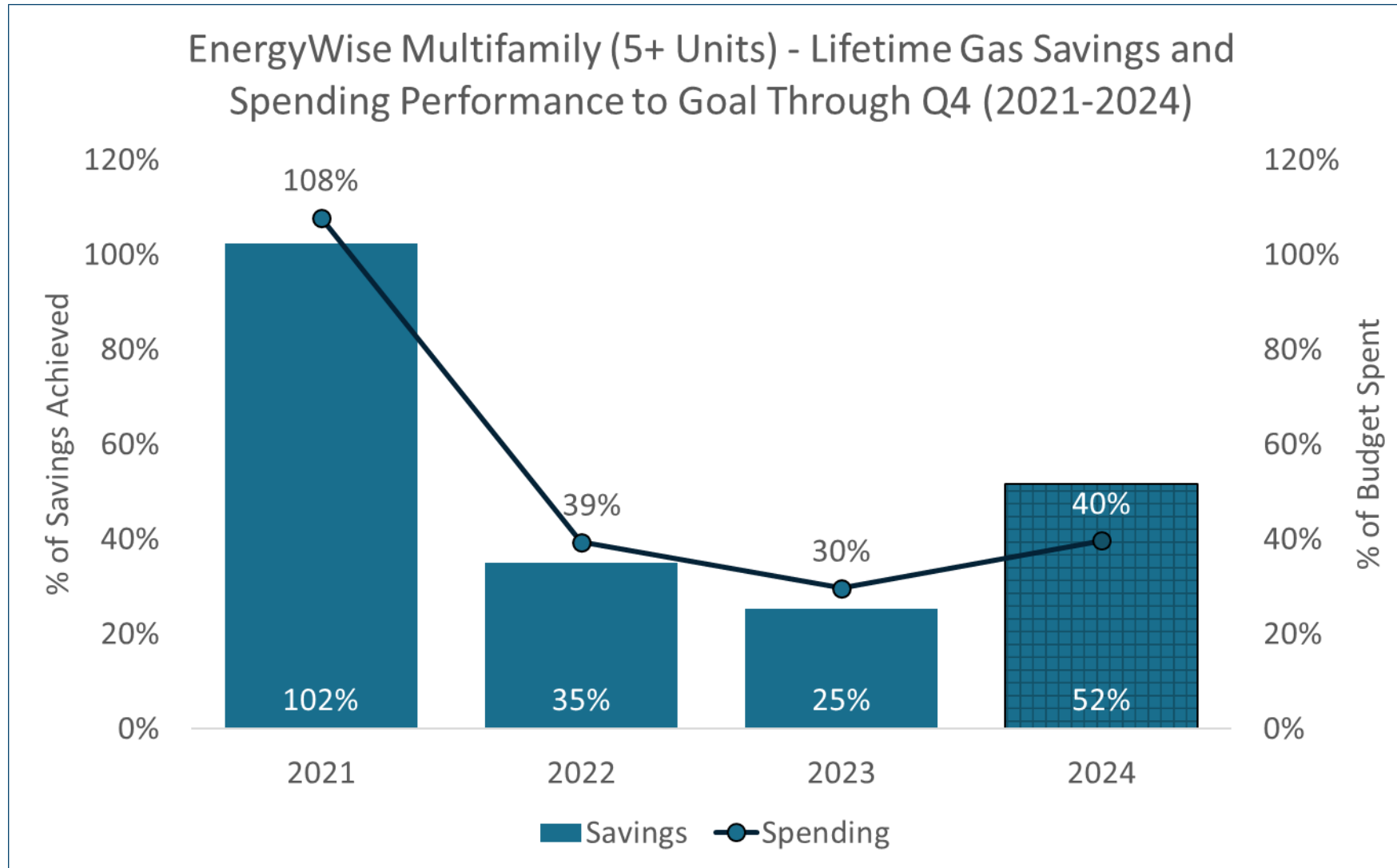
Energy Star HVAC - Lifetime Gas Savings and Spending
Performance to Goal Through Q4 (2021-2024)



Gas Res Programs



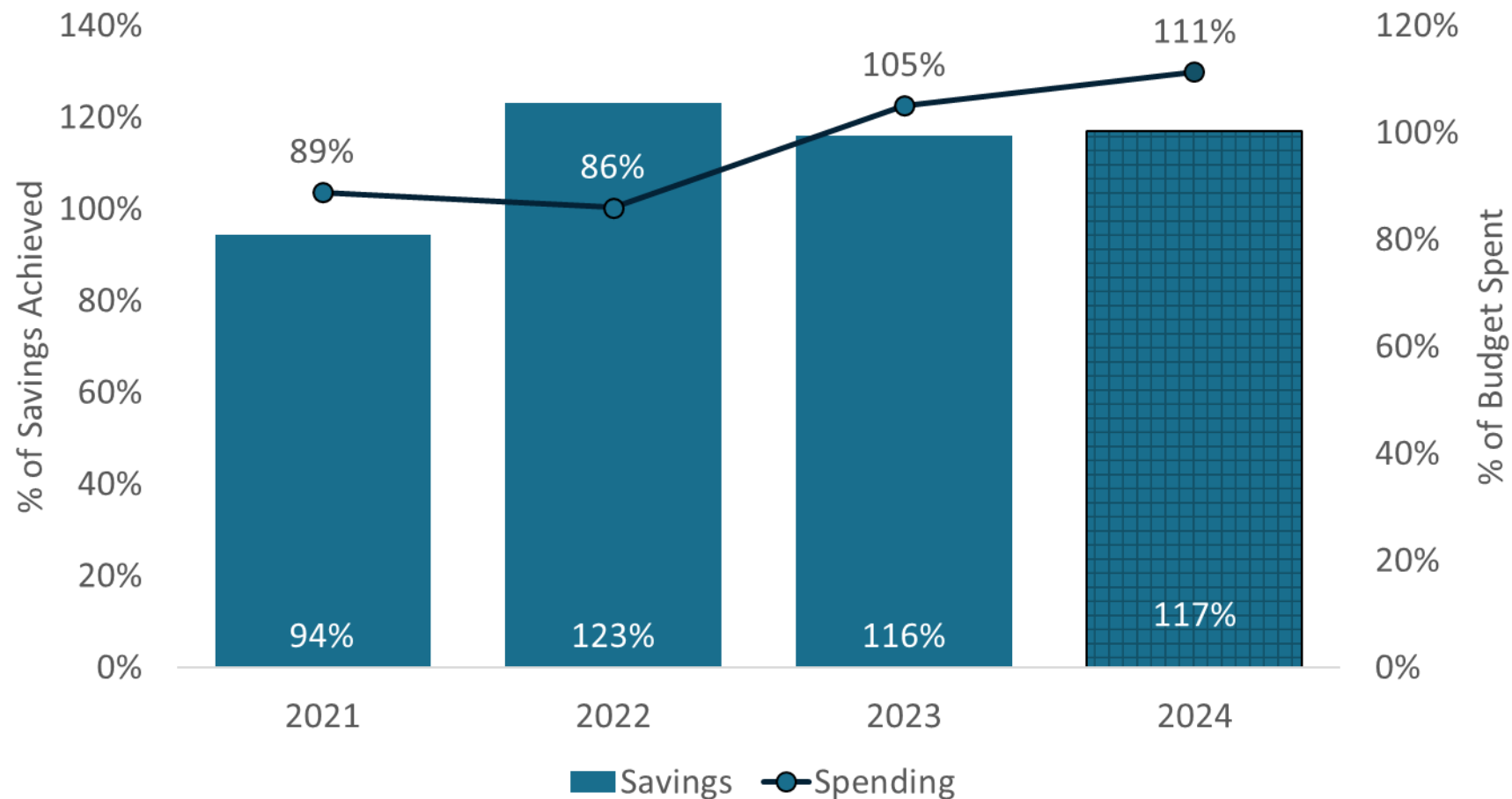
Gas Res Programs



Gas Res Programs



Home Energy Reports - Lifetime Gas Savings and Spending
Performance to Goal Through Q4 (2021-2024)

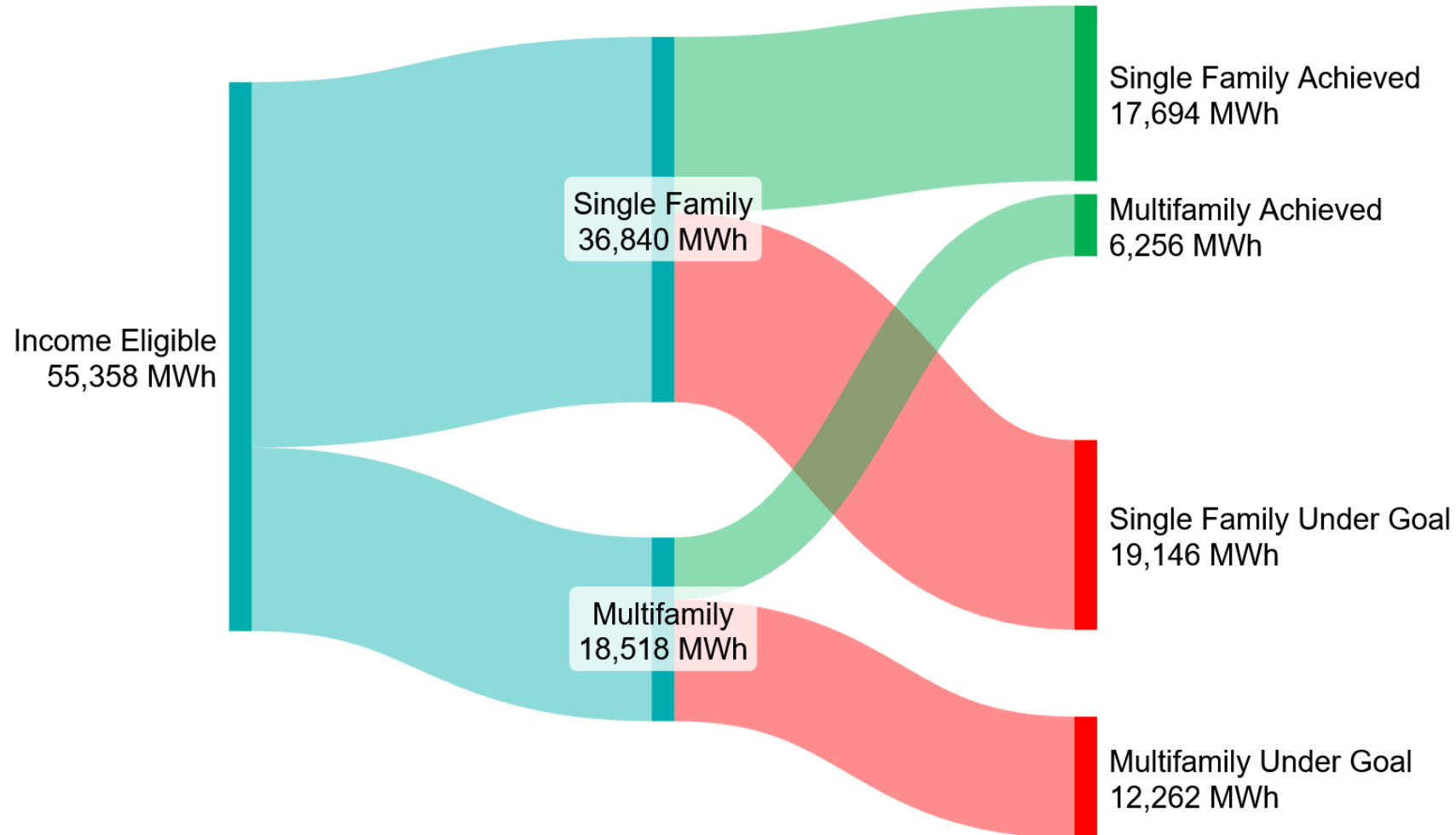




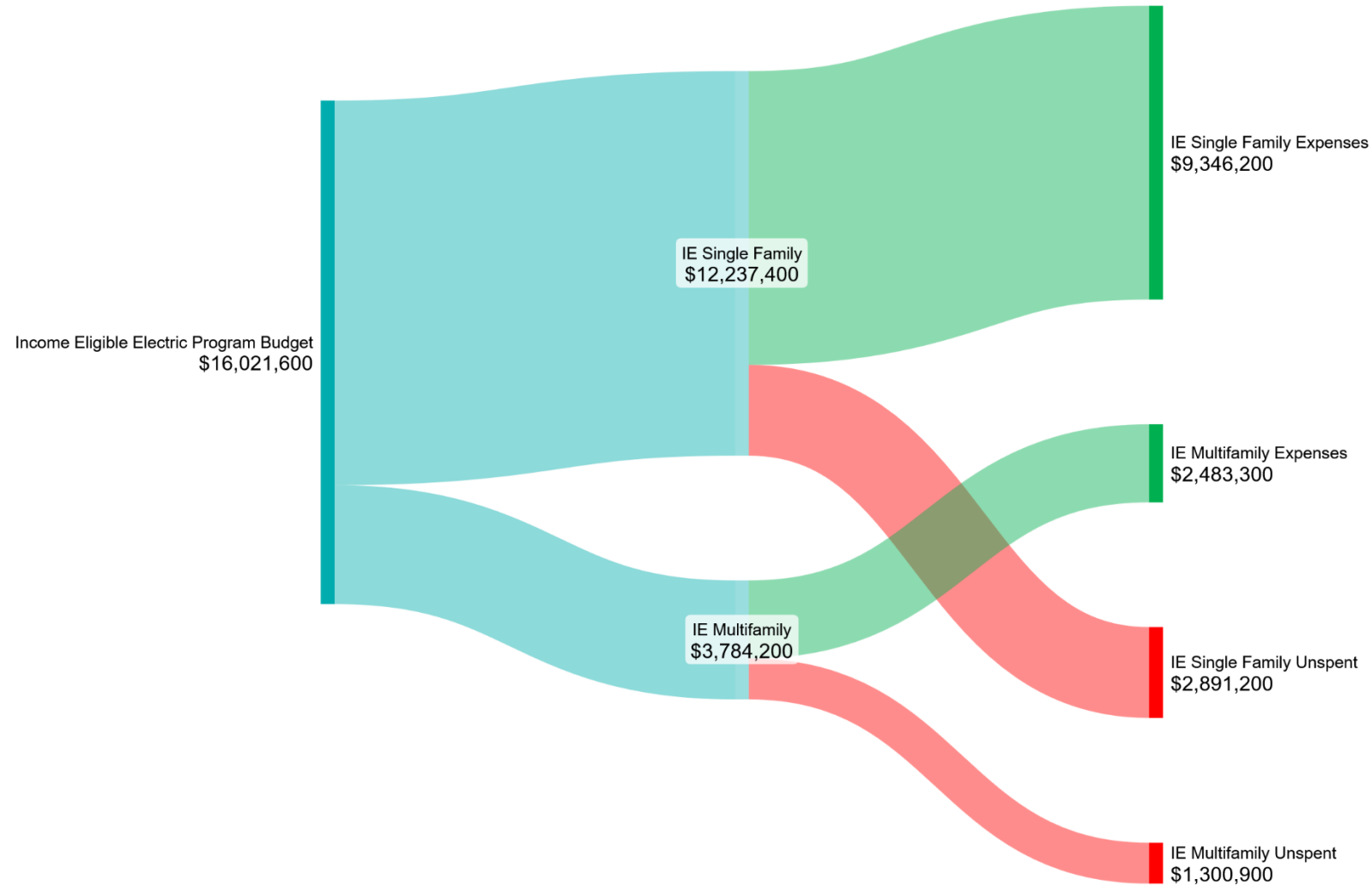
Appendix

RESIDENTIAL – ELECTRIC

Income Eligible Lifetime Electric Savings by Program



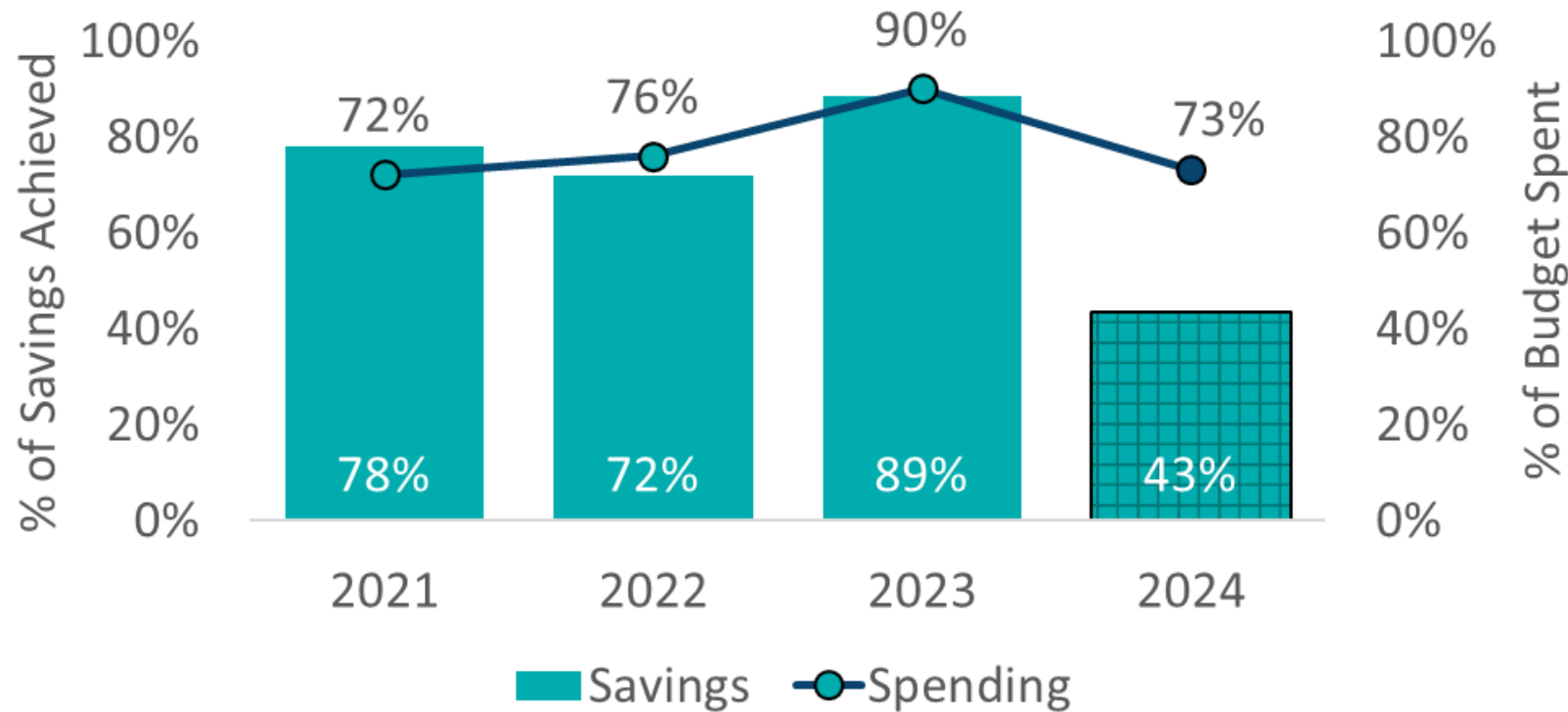
Income Eligible Spending by Program



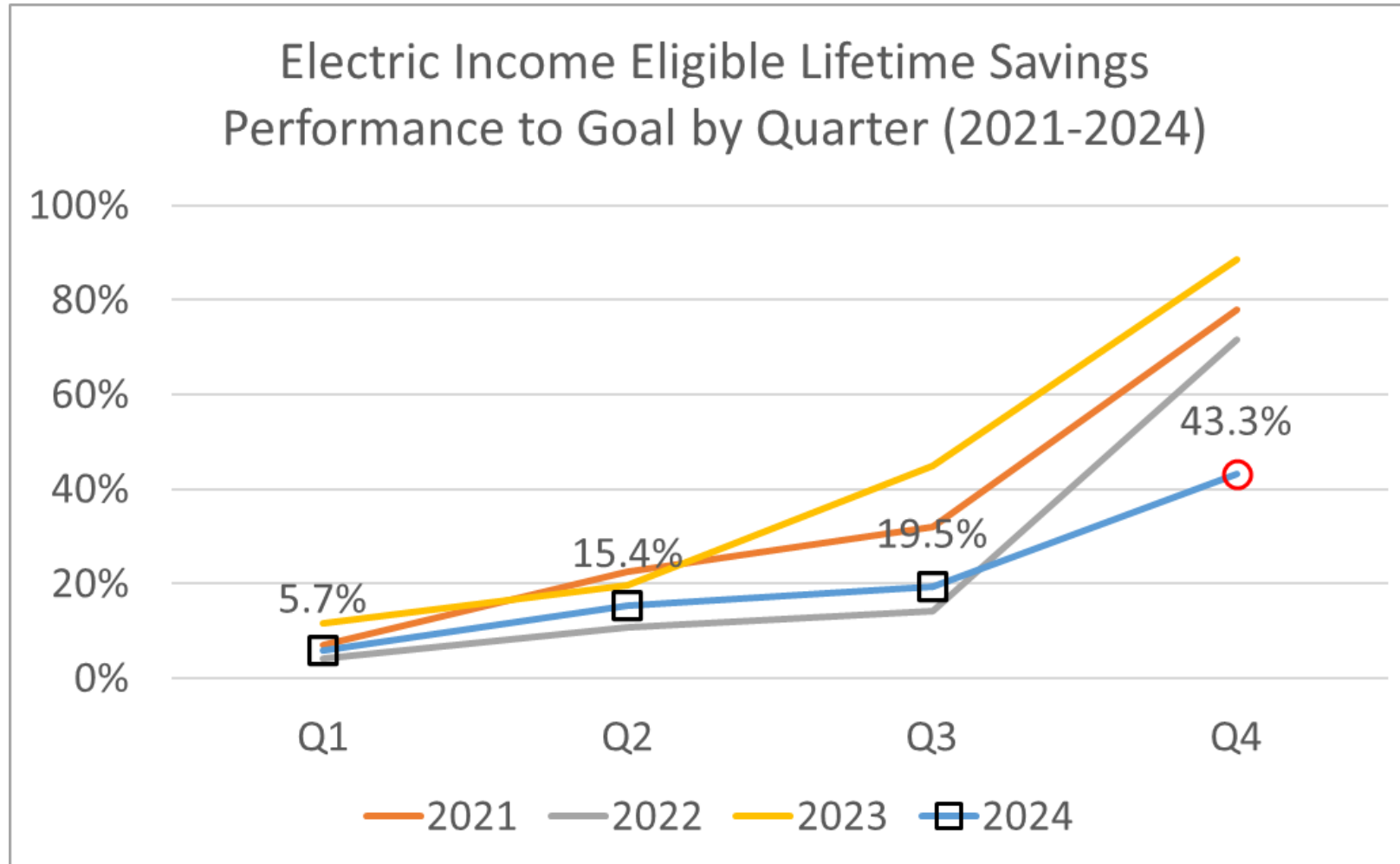
2024 IE Electric Performance



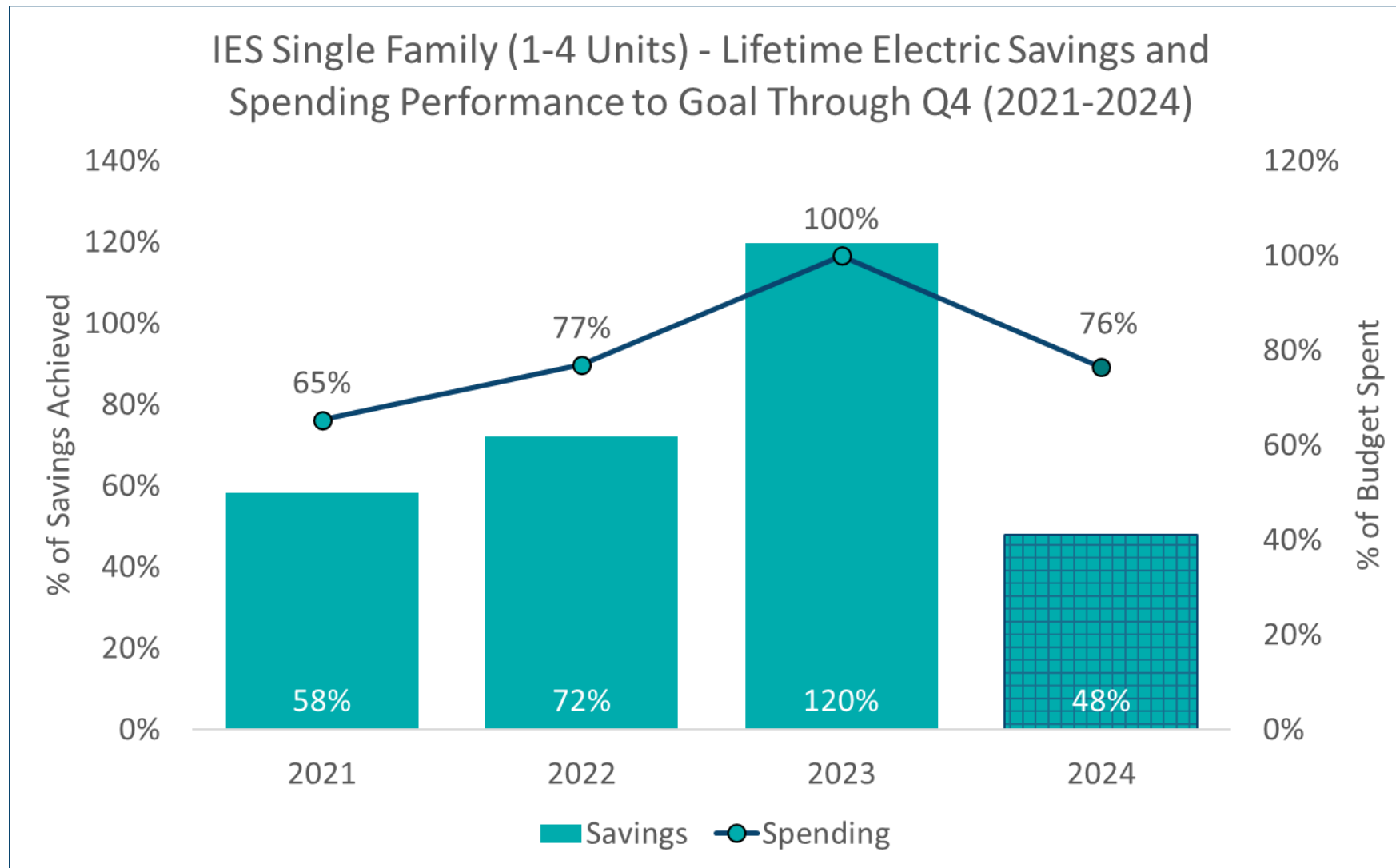
Income Eligible Sector Total - Lifetime Electric Savings and Spending Performance to Goal Through Q4 (2021-2024)



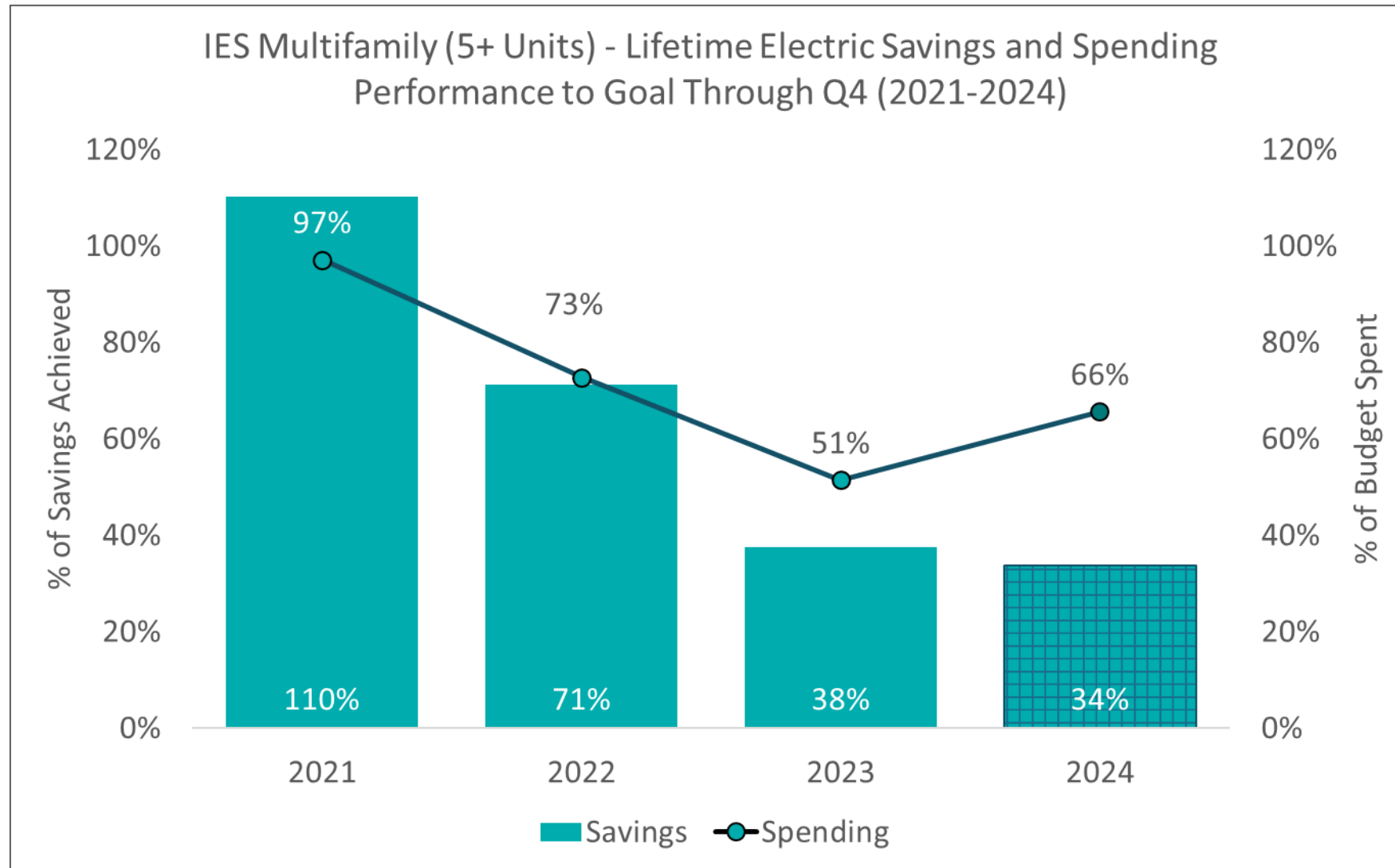
Electric IE Performance



Electric IE Programs



Electric IE Programs

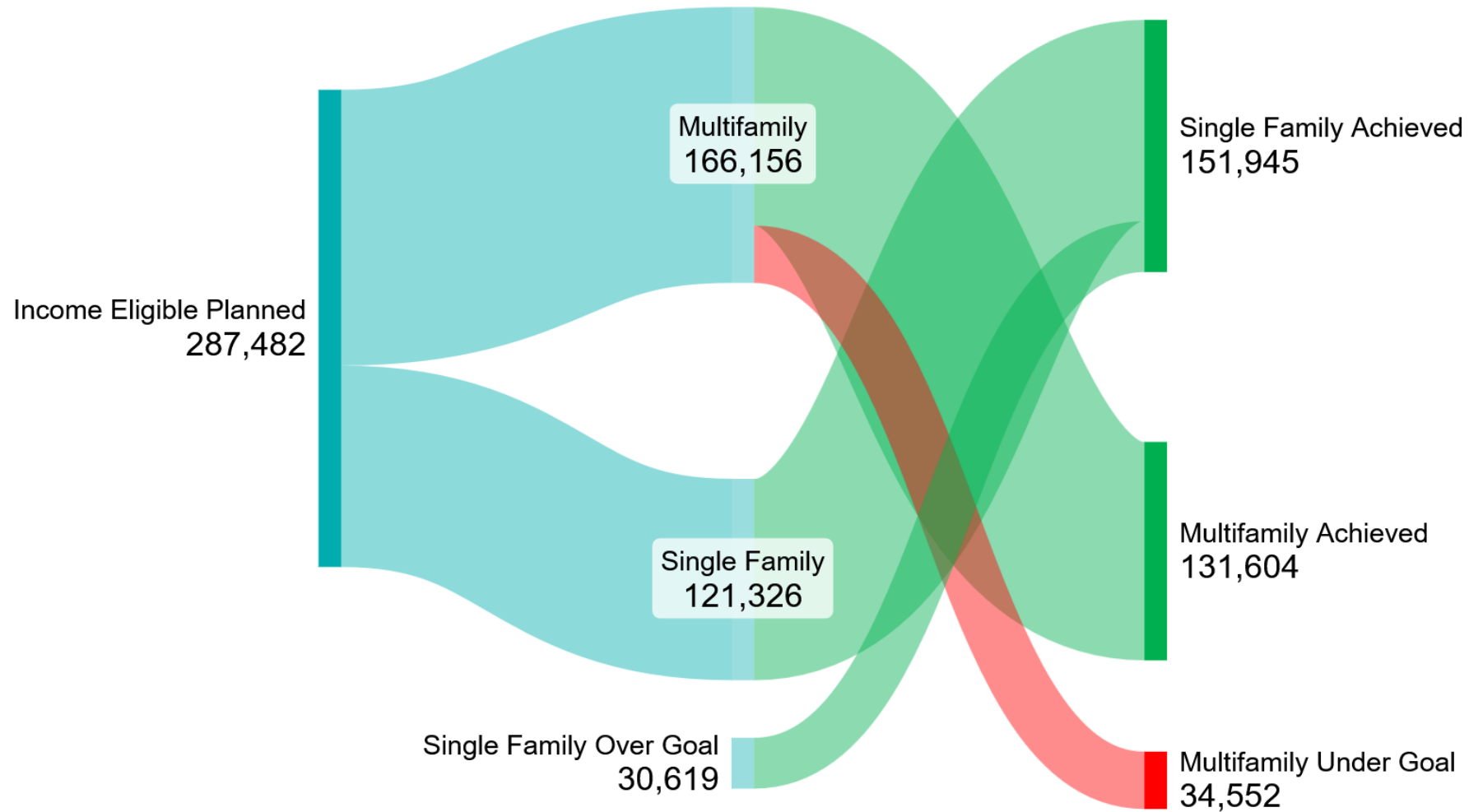




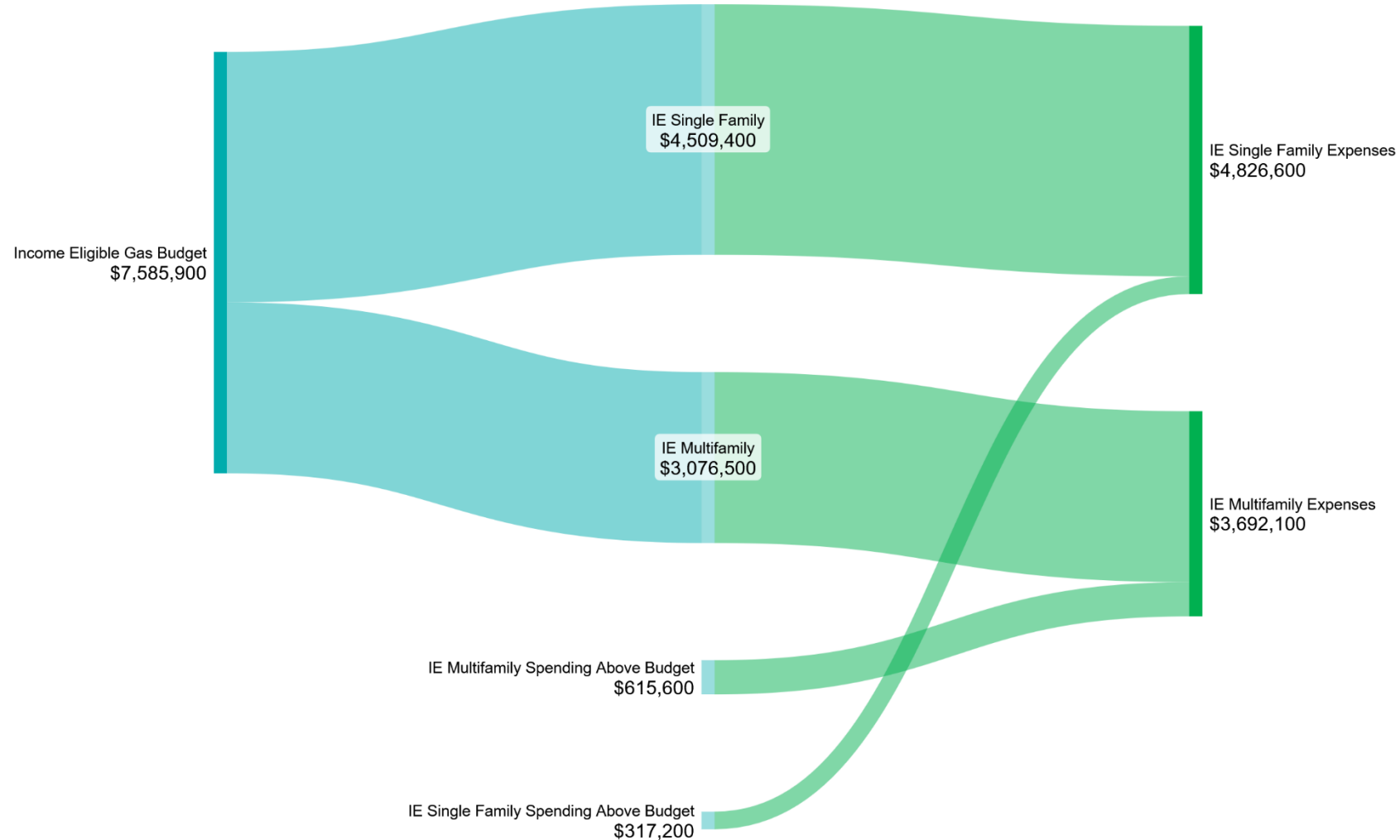
Appendix

RESIDENTIAL – GAS

Income Eligible Gas Savings by Program



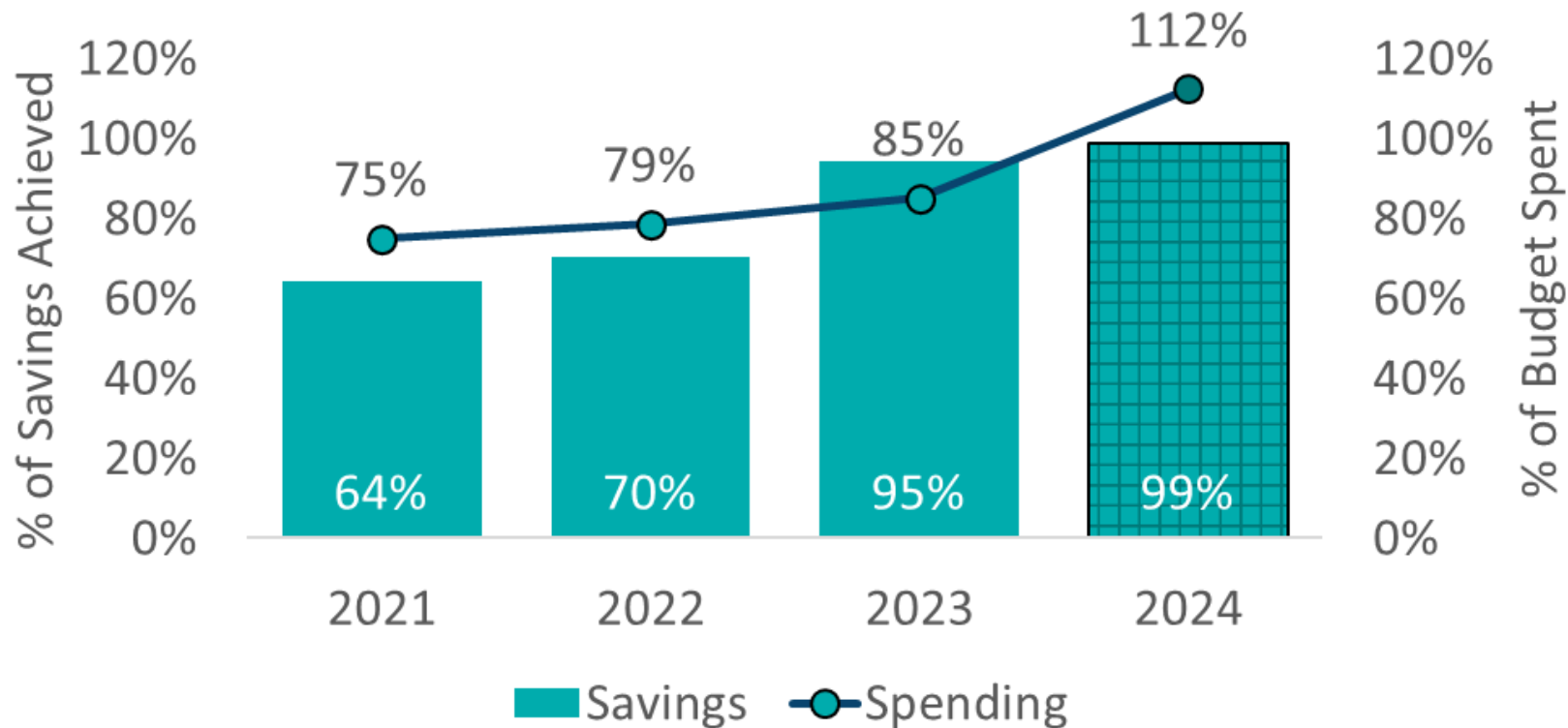
Income Eligible Gas Spending by Program



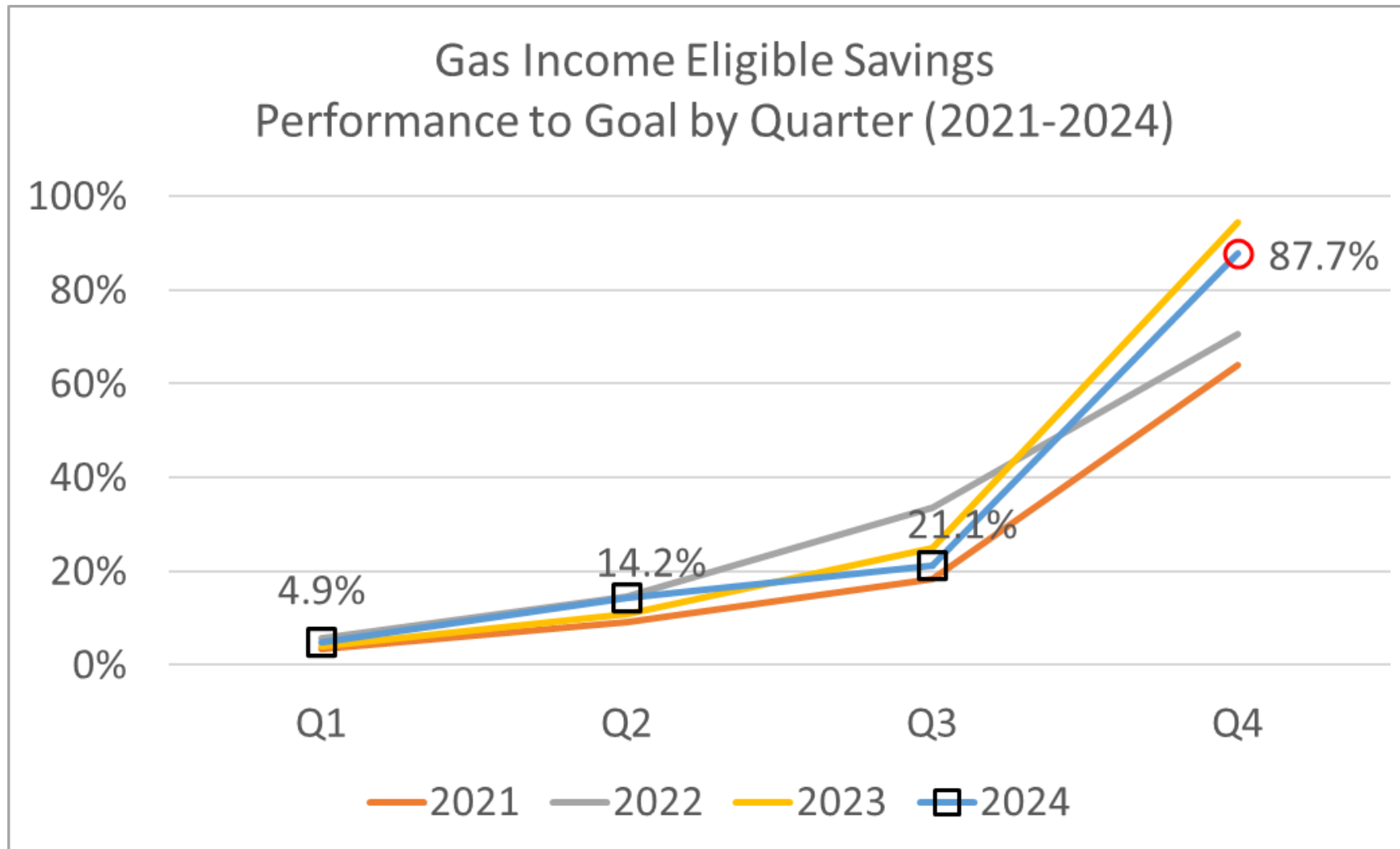
2024 IE Gas Performance



Income Eligible Sector Total - Lifetime Gas Savings
and Spending Performance to Goal Through Q4
(2021-2024)



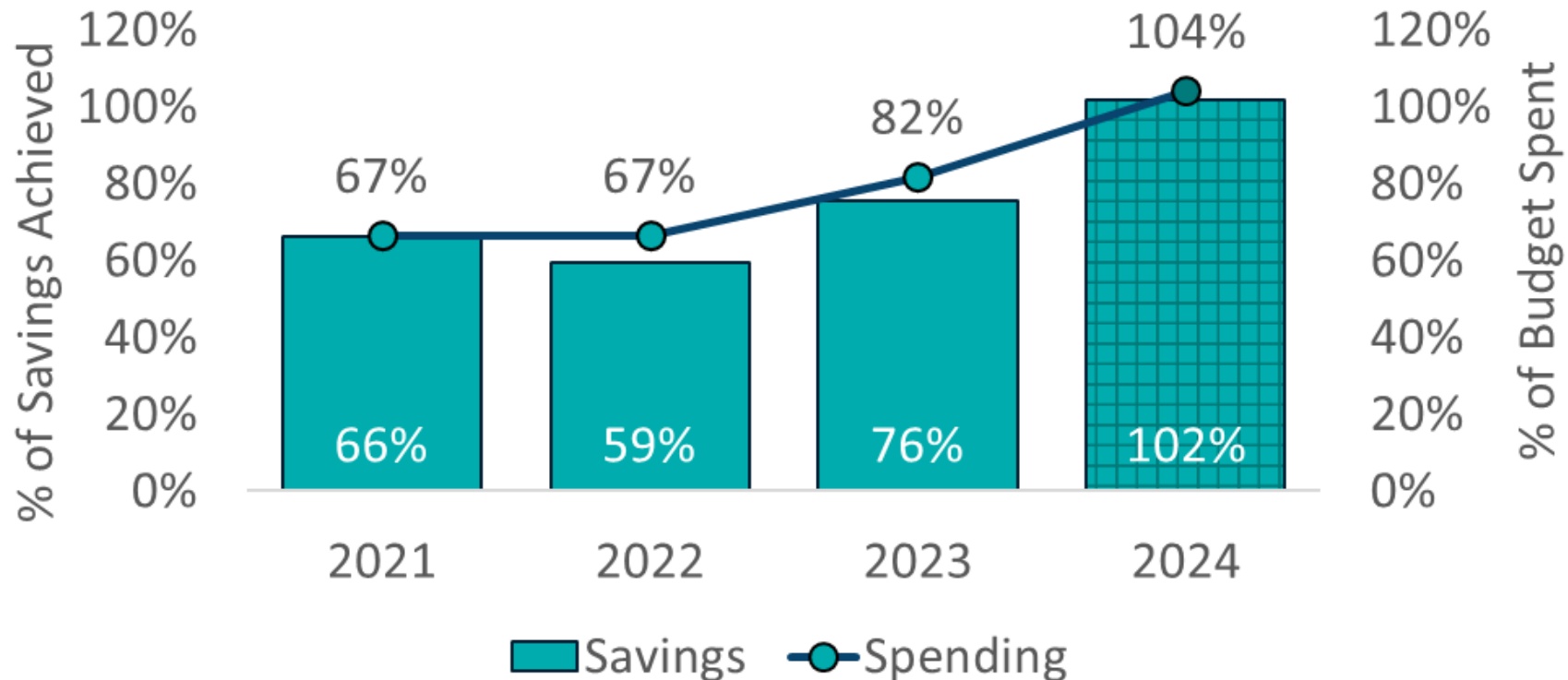
Gas IE Performance



Gas IE Programs



IES Single Family (1-4 Units) - Lifetime Gas Savings
and Spending Performance to Goal Through Q4
(2021-2024)



Gas IE Programs

IES Multifamily (5+ Units) - Lifetime Gas Savings and Spending Performance to Goal Through Q4 (2021-2024)

