

2026 Annual Plan First Draft

Consultant Team Presentation

Date: July 17, 2025

Outline



Process Update & Overview

Portfolio Perspectives

Narrative Review

Council Discussion



Process Update & Overview

2026 Plan First Draft – Review Process



Rhode Island Energy (RIE or the Company) shared the First Draft 2026 Annual Plan – including the narrative and Benefit Cost Model (BCR Model) on **June 20th** and the Technical Reference Manual (TRM) Database on **June 27th**

Consultant Team provided the following comments:

- **July 7th**: Inline comments on narrative and workbook detailing data related questions
- **July 11th**: Summary memo of narrative comments
- **July 11th**: Comparison tool flagging inconsistencies between the TRM Database and the BCR Model

Narrative comments primarily focused on identifying areas where Plan could be strengthened to better align with Council and Stakeholder priorities

Quantitative review focused on understanding key drivers of changes between from recent plan and actuals

Key Takeaways



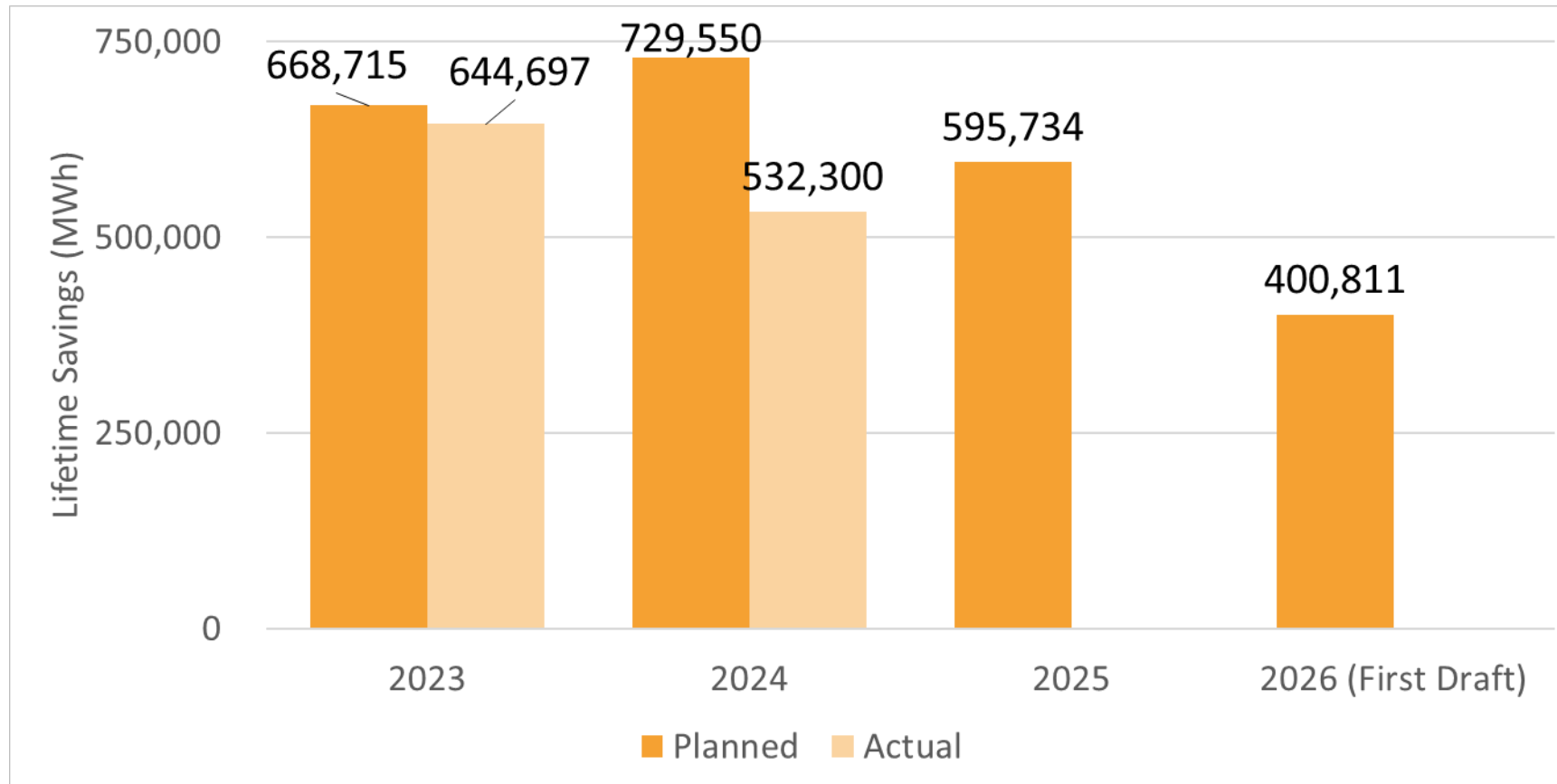
- 1 **Significant decreases in program activity proposed for 2026**, including savings goals that are lower than 2024 Actuals in the electric portfolio
- 2 **Reducing near term bills and “right-sizing” programs** frequently references as key reasons for reduced goals and budgets
- 3 More detail needed to better understand the **magnitude of long-term savings (and benefits) that are being sacrificed** for the purpose of managing near-term costs
- 4 **Planning assumptions (e.g. BC Models, Technical Reference Manual) have been reviewed** and a wide variety of investigatory feedback has been provided to the Company
- 5 There remains **plenty of room for improvement** of the proposed Plan narrative, including opportunities to improve effectiveness and clarity of program designs



Portfolio Perspectives

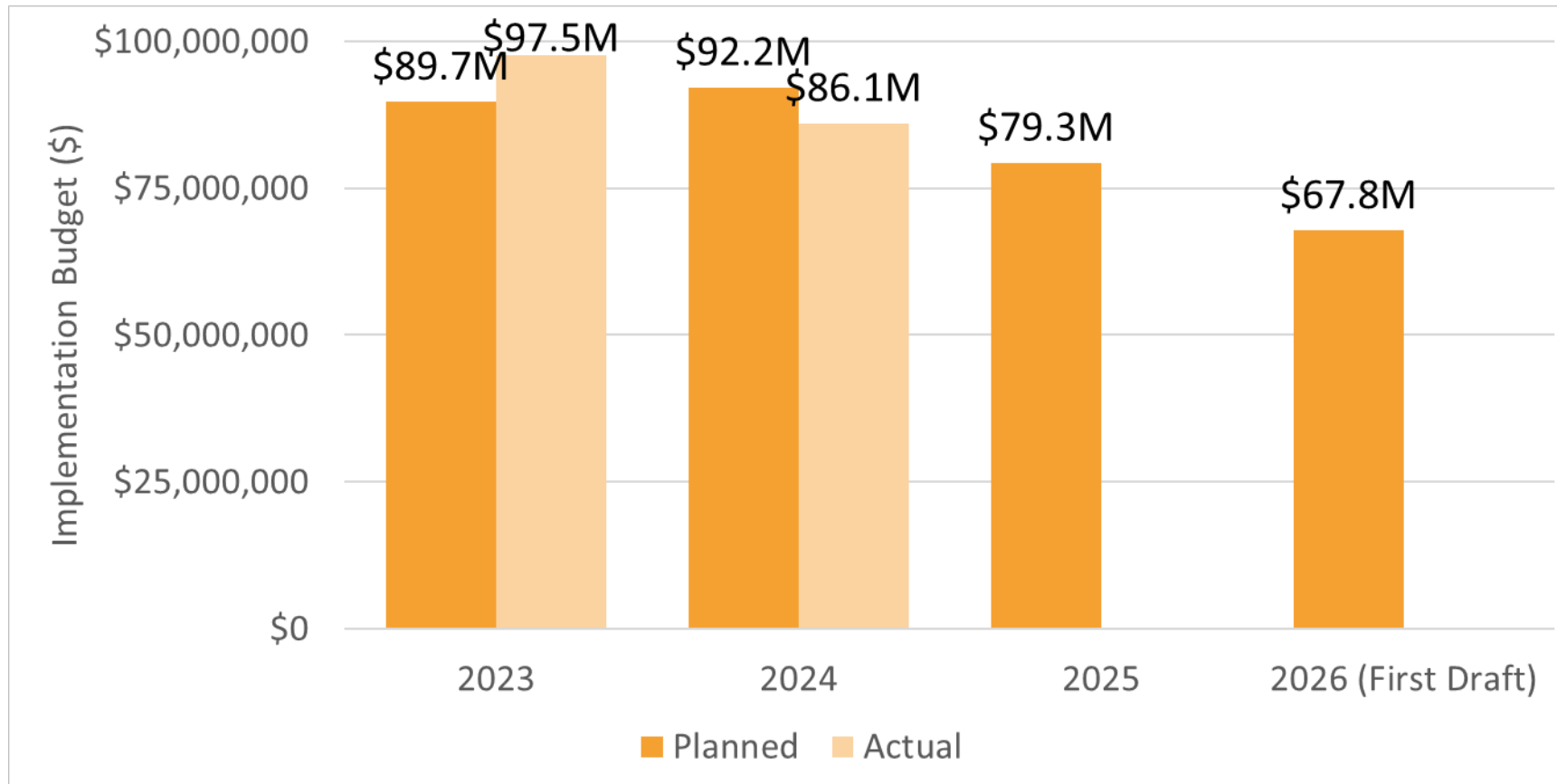
Electric Portfolio Lifetime Savings

Planned electric savings 33% below 2025 Plan and 25% below 2024 Actuals



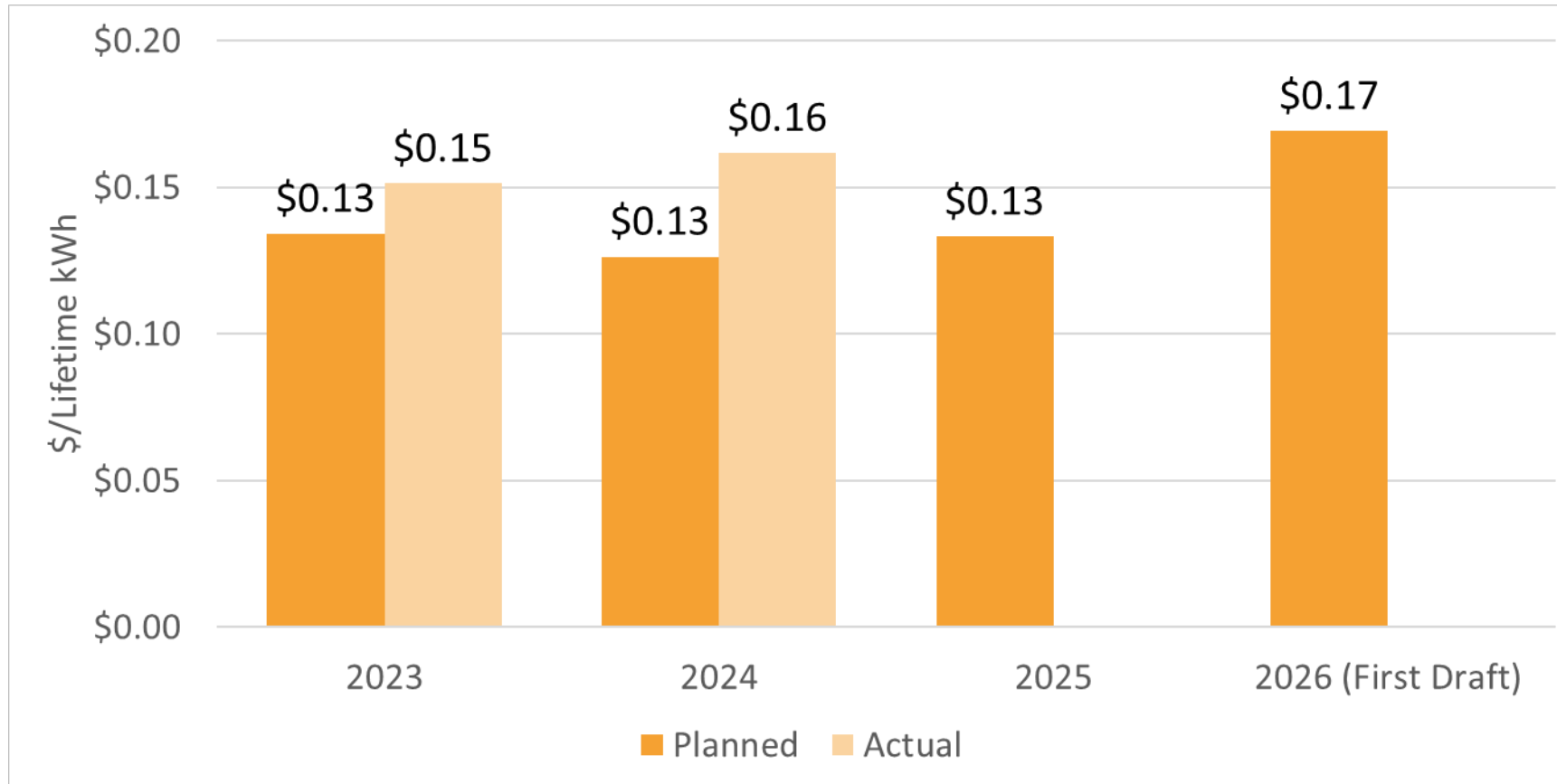
Electric Portfolio Implementation Budget

Planned electric implementation budget reduced by 15% compared to 2025 Plan and 21% compared to 2024 Actuals



Electric Portfolio Lifetime Cost-to-Achieve

Electric CTA higher than recent Plans; similar to recent actuals



Key Drivers of Change in Savings Goals*

*Compared to 2025 Plan



Key Areas with Reduced Goals

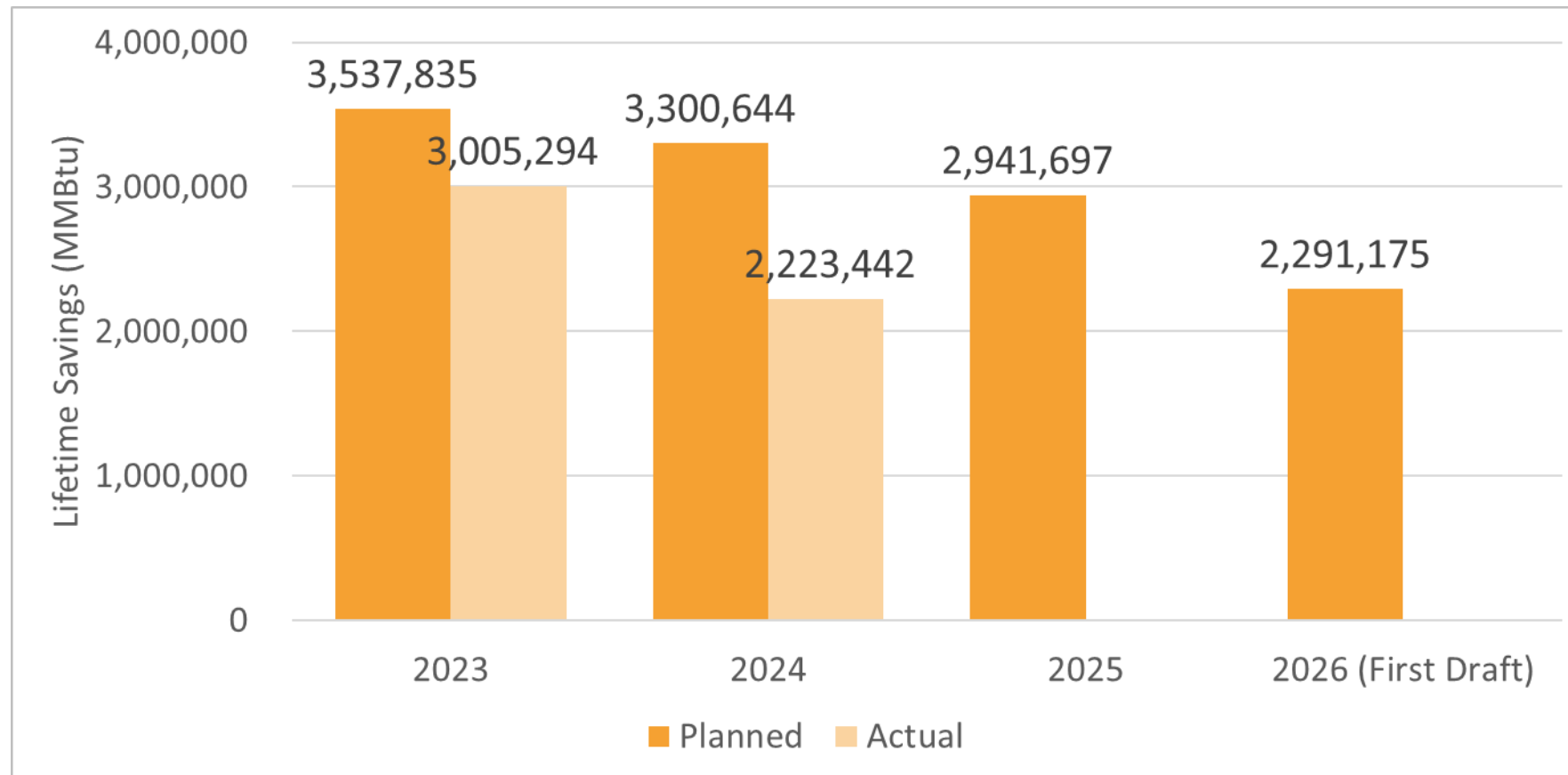
- **C&I Sector (↓35%):** Reduction in planned savings across the board, particularly for custom measures
- **HVAC (↓15%):** Heat Pumps
- **Income Eligible Single (↓54%) and Multifamily (↓35%):** Heat Pumps, Appliances, and Weatherizations
- **EnergyWise Multifamily (↓35%):** Heat Pumps and Thermostats

Key Areas with Increased Goals

- **EnergyWise Single Family (↑10%):** Electric Weatherization and Smart Powerstrips

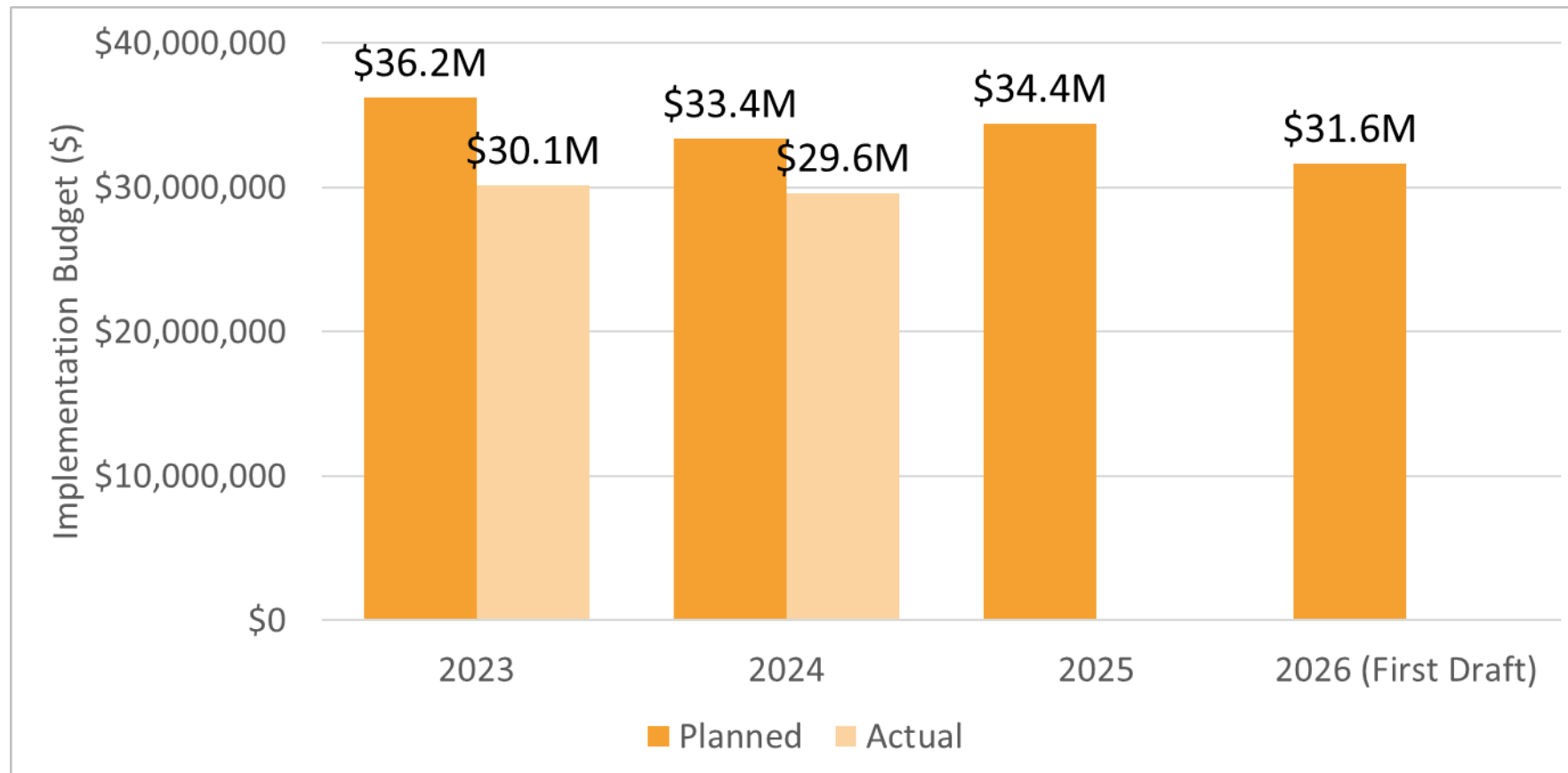
Gas Portfolio Lifetime Savings

Planned gas savings 22% below 2025 Plan and 3% above 2024 Actuals



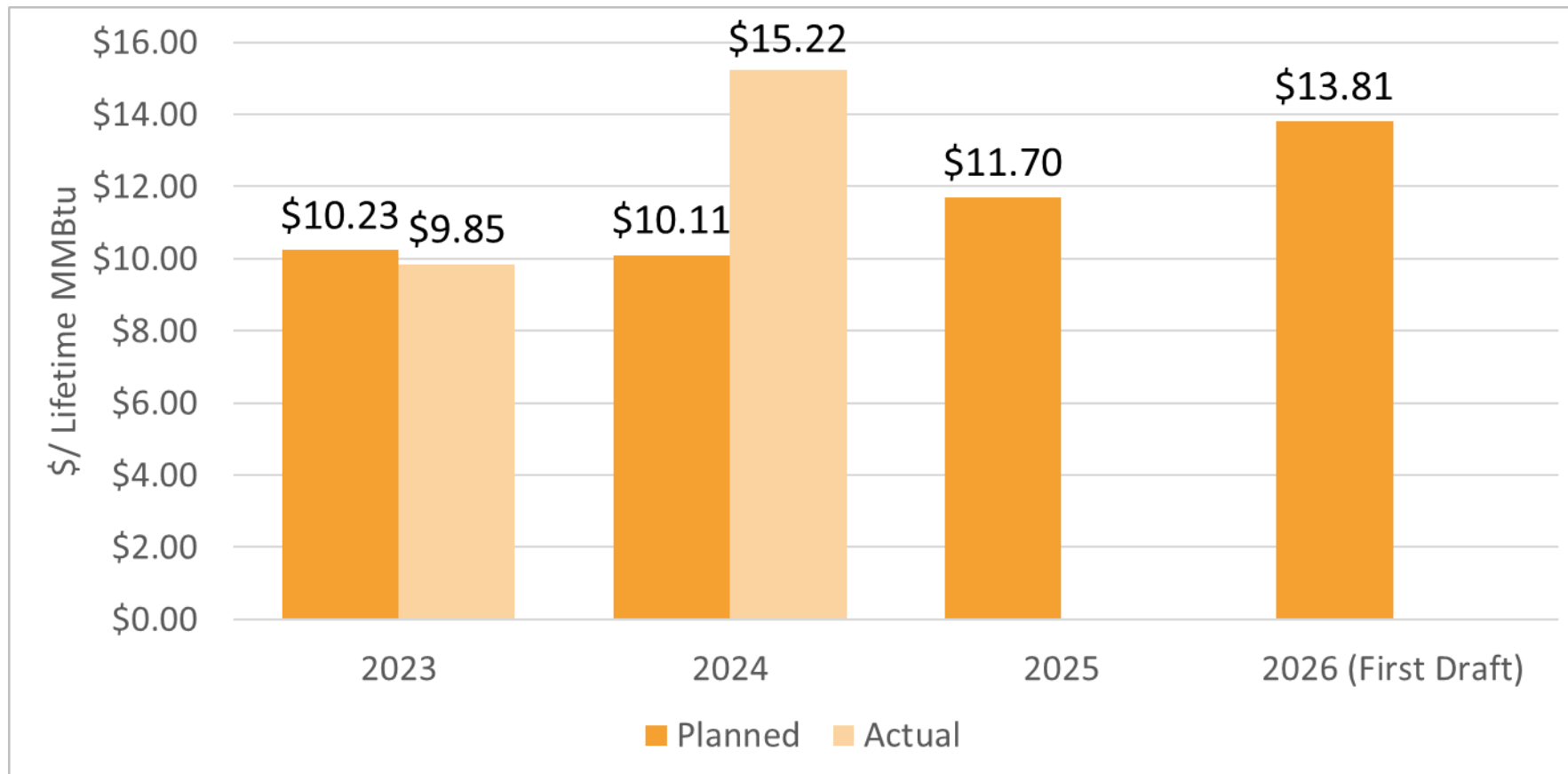
Gas Portfolio Implementation Budget

Planned gas implementation budget reduced by 8% compared to 2025 Plan and 6% compared to 2024 Actuals



Gas Portfolio Lifetime Cost-to-Achieve

Gas CTA higher than recent Plans; lower than 2024 Actuals



Key Drivers of Change in Savings Goals*

*Compared to 2025 Plan



Key Areas with Reduced Goals

- **C&I Sector (↓41%):** Reduction in planned savings across the board, particularly HVAC measures
- **HVAC (↓22%):** Gas space heating and hot water equipment and thermostats

Key Areas with Increased Goals

- **EnergyWise Single Family (↑11%):** Weatherization, showerheads, and hot water pipe wrap
- **C&I Small Business (↑20%):** Envelope and water heating measures

Performance Incentive



Design-level performance incentive significantly reduced from 2025 Plan

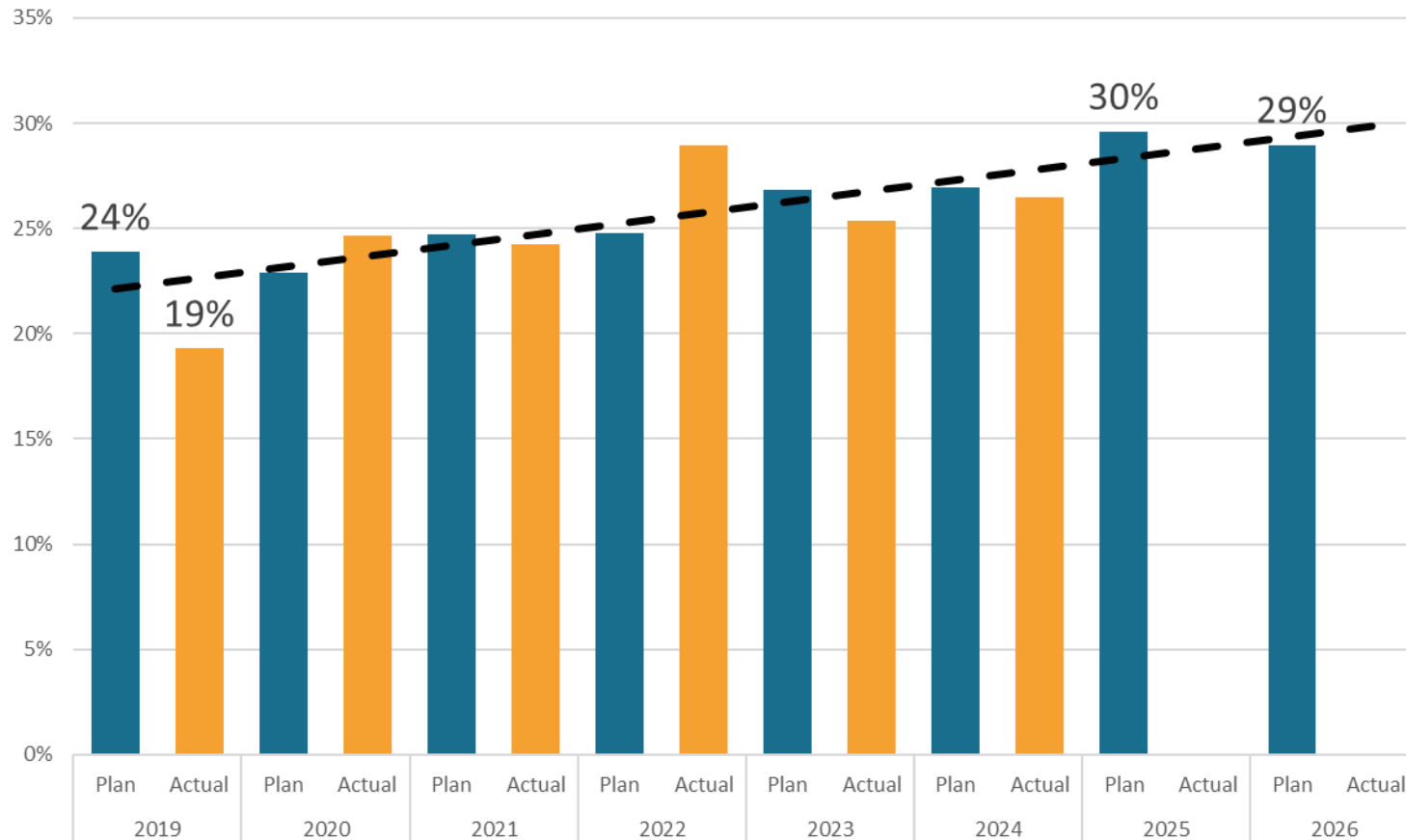
- In line with expectations around reduced budgets and savings goals
- \$3.3M in 2025 Plan vs. \$1.7M in 2026 First Draft Plan

~75% of potential earnings come from C&I programs, majority of which have goals set lower than 2024 achievement

Implication: Eligible Performance Incentive significantly lower, but also potentially easier to hit

Non-Incentive Spending

Non-Incentive Spending Share of Implementation Budget



Share of implementation budget allocated to non-incentive costs has steadily grown over past 5+ years

May present opportunity for significant cost savings

Example: 2026 planned at 2019-2024 actual average of 25% would result in \$4M less non-incentive spending

- Could be reallocated to incentives for programs that have reduced plan goals

Other Quantitative Feedback



Reviewed Benefit Cost Model (BCR) alongside plan and identified several questions/comments

- Changes in measure assumptions (e.g. per measure savings and costs, net-to-gross, measure lives, % cost covered by incentive)
- Flagged notable changes in planned quantities for select key measures (e.g. Central Heat Pumps)
- Measures in 2025 plan zeroed out for 2026
- Inconsistencies between narrative and BCR model
- Inconsistencies in measure mix between similar programs

Reviewed Technical Reference Manual (TRM) database and compared with BCR Model

- Provided comparison workbook to Company to help identify discrepancies



Narrative – Main Text

High-Level Observations



Plan Narrative is about what we expect for a First Draft

- Some sections and content that needs to be refreshed and updated based on another year worth of activity
- Some new ideas with varying degrees of detail
- Opportunities for strengthened language and added clarity

Key Areas Covered Today:

- Plan Summary and Content
- Equity
- Workforce Development
- Participation and Outreach
- Coordination with Other Policies
- Program-Level Feedback

Plan Summary and Content



Metrics & Visualization

- Improve comparability of program impacts by including all-fuel savings metrics
- Increase clarity through use of easy-to-digest graphics that show distribution of all-fuel savings and benefits

Economic Benefits

- Continue to recommend reassessing exclusion of economic development benefits from primary cost-effectiveness test

Ensure language matches realities of proposed Plan goals

- Draft plan says 2026 will accelerate EE in RI homes and businesses, but numbers tell a different story

Equity



Embed equity strategies directly in program descriptions

Track deeper metrics (e.g. savings per participant)

Continue to work towards better alignment of Equity Working Group report and EE Plan development

Include results of collected equity metrics in Plan

Add detail around evaluation of community partnership efforts

Expand content and add metrics related to equity in workforce diversity efforts

Workforce Development



Include Metrics and Lessons Learned

- Workforce development metrics alongside planned activities and descriptions of how success will be measured
- Include historical spending on continued efforts and detail on lessons learned

Training Content and Scope

- Include HPWHs in all relevant training programs
- Expand training to include plumbers alongside HVAC contractors

Support CAP agencies and youth pipeline development

- Add detail around current assessment of CAP agency staffing levels and consider new strategies if current efforts are falling short
- Highlight and further expand on efforts like CCRI Industrial Assessment Center and Career and Technical partnerships

Participation & Outreach



Website Usability and Accessibility

- Improve structure of website so that customers can more easily find what they are looking for

Public Facing Dashboard

- 2025 Plan committed to development and hosting of public facing dashboard, but no reference to this in 2026

Social Media/Influencer Strategy

- Include lessons learned to date from efforts launched in 2024 and clarify how strategies will evolve into 2026

Coordination & Other Policies



Advance Metering Functionality & Grid Modernization

- Provide more detail on meter deployment and commit to quarterly updates
- Expand on plans for supporting future integration into program offerings

Climate Policy Integration and Decarbonization Strategy

- Reintroduce language from 2025 Plan that was removed related to resiliency benefits of EE Programs
- Reassess framing around energy efficiency rates and deterring electrification
- Consider all energy bills (not just electric and gas) when discussing affordability impacts

Impacts of Codes and Standards Updates

- Include a table that summarizes measures impacted by updated building codes and resulting changes in claimable savings



Narrative – Residential

Section on marketing provides high-level pathways, but programs lack details

- Include dedicated marketing section to each program description

Pre-weatherization barrier strategies – level of detail varies by program

- Ensure consistency in all programs where this applies, or better yet, include a dedicated section on approach for each program

EnergyWise Single Family



Re-evaluate HEAT Loan Terms

Reduce Lead Vendor reinspection for trusted contractors

Expand KPIs for vendors beyond production metrics

Clarify HPWH offering details

Income Eligible Single Family



Expand KPIs for vendors beyond production metrics

Better define “high-cost” appliances and assess impact of proposed changes

Provide more detail and data on electric resistance to heat pump conversions

More detail on Green and Health Homes Initiative (GHH) partnership for pre-weatherization

Multifamily



Add detail on vendor management which is absent (unlike EnergyWise and Income Eligible Single Family programs)

Planned enhancements lack detail, and additional improvements needed

Planned improvements from prior Plans removed, with little detail on lessons learned

Reconsider support for new gas equipment

- Over \$1M in incentives for new equipment in 2026
- If maintaining, restrict to only customers replacing failed equipment that was non-condensing

Improve language around use of Online Marketplace

- Detail on effectiveness and cost/benefits
- Applies to Efficient Products Program

ENERGY STAR Considerations

- Federal decisions could lead to shut down of ENERGY STAR program, which may impact product offerings
- Improve language that acknowledges this, what impacts it may have on implementation, and contingency plans that may be needed to ensure minimal program interruption

Shift to All Electric New Construction

- Continued support for gas new construction projects problematic
- Opportunity to more effectively use program dollars while also addressing climate concerns

Address IECC Code Adoption

- No changes in program narrative or implementation plans surprising



Narrative – Commercial & Industrial

Language and Organization



Organization of programs, initiatives, pathways, and delivery mechanisms is somewhat convoluted

Eligibility for different offerings overlaps, conflicts, and is sometimes illogical

Terminology used inconsistently through text and structure often has contradictions

Custom Pathway



Recent evaluations suggest participants are satisfied with process and high conversion rates for those completing technical assistance studies

Recent results and planned activity for 2026 nonetheless suggests need for improved approaches

MA recent Custom Process Evaluation provides several recommendations aimed at increasing uptake, particularly for custom non-lighting measures

Increase savings goals for integrated controls

Incorporate findings from Multistate Lighting Plus Market Characterization

Differentiate incentives for lighting with controls

Remove or replace underperforming initiatives like Performance Lighting, which is complex, with more streamlined strategies

Report Year-over-Year changes in participation rates for small and micro-businesses

When reporting equity metrics tied to small business, include denominators to help determine and assess participation rates and how they change over time



Narrative – Evaluation, Measurement, and Verification

Key Areas for Improvement



Planned Evaluation Studies for 2026

- Better document process for prioritizing and selecting studies
- Focus on high-impact/high-need studies
- Identify any studies not being pursued due to budgetary constraints

Recent Evaluation Studies

- More detail around specific recommendations from each study completed in the past couple of years



Council Discussion

Council Member Discussion



- With significant reductions proposed for electric and gas budgets, what programs are changing the most in terms of savings impact? Which are changing the least?
- Can the Company elaborate on its approach to reducing planned program budgets?
- How can the Plan better document tradeoffs being made in the proposed Plan?



Appendix

Electric Lifetime MWhs



LIFETIME MWhs						
% of 2026 Portfolio	Program	2026 Annual Plan (First Draft)	2026 Annual Plan (First Draft) Compared to 2024 Actuals		2026 Annual Plan (First Draft) Compared to 2025 Plan	
8%	Small Business Direct Install	31,110	-14,124	-31%	-21,985	-41%
23%	Large C&I New Construction	92,756	11,441	14%	-52,097	-36%
28%	Large C&I Retrofit	111,393	-121,904	-52%	-53,425	-32%
59%	C&I Total	235,260	-124,586	-35%	-127,507	-35%
5%	Income Eligible Single Family	21,631	3,937	22%	-25,375	-54%
2%	Income Eligible Multifamily	7,098	842	13%	-3,773	-35%
7%	Income Eligible Total	28,729	4,779	20%	-29,147	-50%
3%	Residential New Construction	13,373	-1,713	-11%	0	0%
22%	Residential HVAC	86,212	12,448	17%	-15,254	-15%
5%	EnergyWise Single Family	18,298	-148	-1%	1,672	10%
1%	EnergyWise Multifamily	2,985	-202	-6%	-2,411	-45%
0%	Home Energy Reports	0	-26,150	-100%	-22,063	-100%
4%	Residential Consumer Products	15,954	4,083	34%	-213	-1%
34%	Residential Total	136,822	-11,682	-8%	-38,269	-22%
41%	Residential & Income Eligible Total	165,551	-6,903	-4%	-67,416	-29%
100%	Portfolio Total	400,811	-131,489	-25%	-194,923	-33%

Electric Budget



IMPLEMENTATION BUDGET						
% of 2026 Portfolio	Program	2026 Annual Plan (First Draft)	2026 Annual Plan (First Draft) Compared to 2024 Actuals		2026 Annual Plan (First Draft) Compared to 2025 Annual Plan	
8%	Small Business Direct Install	\$5,339,811	\$460,911	9%	-\$2,069,163	-28%
6%	Large C&I New Construction	\$4,219,995	-\$1,197,605	-22%	-\$2,444,882	-37%
24%	Large C&I Retrofit	\$15,957,781	-\$13,845,919	-46%	-\$3,818,461	-19%
0%	C&I Financing	\$0	\$0		\$0	
0%	C&I Community Based Initiatives	\$6,059	-\$30,541	-83%	-\$5,253	-46%
0%	C&I Pilots and Assessments	\$0	\$0		\$0	
0%	C&I ConnectedSolutions	\$0	\$0		\$0	
0%	Commercial Workforce Development	\$0	\$0		\$0	
2%	Commercial & Industrial Performance Ince	\$1,032,745	\$1,032,745		\$1,032,745	
39%	C&I Total	\$26,556,390	-\$13,580,410	-34%	-\$7,305,013	-22%
16%	Income Eligible Single Family	\$10,964,944	\$1,730,644	19%	-\$1,199,117	-10%
2%	Income Eligible Multifamily	\$1,678,249	-\$805,051	-32%	-\$578,033	-26%
0%	Income Eligible Workforce Development	\$0	\$0		\$0	
0%	Income Eligible Performance Incentive	\$0	\$0		\$0	
19%	Income Eligible Total	\$12,643,193	\$925,593	8%	-\$1,777,150	-12%
2%	Residential New Construction	\$1,524,683	\$486,983	47%	-\$24,081	-2%
9%	Residential HVAC	\$6,196,934	\$515,634	9%	-\$118,206	-2%
18%	EnergyWise Single Family	\$11,956,289	-\$5,048,511	-30%	\$107,104	1%
1%	EnergyWise Multifamily	\$744,372	\$233,972	46%	-\$195,111	-21%
0%	Home Energy Reports	\$0	-\$2,338,900	-100%	-\$2,307,749	-100%
3%	Residential Consumer Products	\$1,889,690	\$465,090	33%	-\$246,527	-12%
0%	Energy Efficiency Education	\$0	\$0		\$0	
1%	Residential Marketing	\$410,226	\$6,526	2%	\$75,776	23%
0%	Residential Community Based Initiatives	\$30,478	\$30,478		-\$113,107	-79%
0%	Residential ConnectedSolutions	\$0	\$0		\$0	
0%	Residential Pilots and Assessments	\$0	\$0		\$0	
0%	Residential Workforce Development	\$0	\$0		\$0	
1%	Residential Performance Incentive	\$391,283	\$391,283		\$391,283	
34%	Residential Total	\$23,143,954	-\$5,257,446	-19%	-\$2,430,618	-10%
53%	Residential & Income Eligible Total	\$35,787,147	-\$4,331,853	-11%	-\$4,207,768	-11%
1%	EERMC	\$638,065	\$74,765	13%	\$0	0%
2%	OER	\$1,151,160	-\$368,740	-24%	-\$17,539	-2%
0%	Electric Resistance to HP Conversions	\$0	\$0		\$0	
5%	Rhode Island Infrastructure Bank	\$3,682,408	-\$55,092	-1%	\$0	0%
8%	Regulatory Total	\$5,471,633	-\$349,067	-6%	-\$17,539	0%
100%	Portfolio Total	\$67,815,170	-\$18,261,330	-21%	-\$11,530,320	-15%

Electric Lifetime Cost to Achieve (\$/kWh)



\$/LIFETIME kWh

Program	2026 Annual Plan (First Draft)	2026 Annual Plan (First Draft) Compared to 2024 Actuals		2026 Annual Plan (First Draft) Compared to 2025 Annual Plan (Filed)	
Small Business Direct Install	\$0.17	\$0.06	59%	\$0.03	23%
Large C&I New Construction	\$0.05	-\$0.02	-32%	\$0.00	-1%
Large C&I Retrofit	\$0.14	\$0.02	12%	\$0.02	19%
C&I Total	\$0.11	\$0.00	1%	\$0.02	21%
Income Eligible Single Family	\$0.51	-\$0.01	-3%	\$0.25	96%
Income Eligible Multifamily	\$0.24	-\$0.16	-40%	\$0.03	14%
Income Eligible Total	\$0.44	-\$0.05	-10%	\$0.19	77%
Residential New Construction	\$0.11	\$0.05	66%	\$0.00	-2%
Residential HVAC	\$0.07	-\$0.01	-7%	\$0.01	15%
EnergyWise Single Family	\$0.65	-\$0.27	-29%	-\$0.06	-8%
EnergyWise Multifamily	\$0.25	\$0.09	56%	\$0.08	43%
Home Energy Reports			0%		0%
Residential Consumer Products	\$0.12	\$0.00	-1%	-\$0.01	-10%
Residential Total	\$0.17	-\$0.02	-12%	\$0.02	16%
Residential & Income Eligible Total	\$0.22	-\$0.02	-7%	\$0.04	26%
Portfolio Total	\$0.17	\$0.01	5%	\$0.04	27%

Gas Lifetime MMBtus



LIFETIME MMBtus							
% of 2026 Portfolio		Program	2026 Annual Plan (First Draft)	2026 Annual Plan (First Draft) Compared to 2024 Actuals		2026 Annual Plan (First Draft) Compared to 2025 Annual Plan	
11%		Large C&I New Construction	252,359	107,845	75%	-313,030	-55%
17%		Large C&I Retrofit	380,244	-65,804	-15%	-248,762	-40%
6%		Small Business Direct Install	139,852	6,695	5%	23,328	20%
2%		C&I Multifamily	40,506	119	0%	-21,978	-35%
35%		C&I Total	812,960	48,854	6%	-560,442	-41%
5%		Income Eligible Single Family	121,926	-1,190	-1%	600	0%
9%		Income Eligible Multifamily	199,952	70,885	55%	-2,104	-1%
14%		Income Eligible Total	321,878	69,695	28%	-1,504	0%
13%		Residential HVAC	298,650	20,483	7%	-82,533	-22%
31%		EnergyWise Single Family	710,621	2,279	0%	71,742	11%
3%		EnergyWise Multifamily	74,663	20,904	39%	-466	-1%
0%		Home Energy Reports	0	-100,145	-100%	-77,320	-100%
3%		Residential New Construction	72,402	5,662	8%	0	0%
50%		Residential Total	1,156,337	-50,816	-4%	-88,576	-7%
65%		Residential & Income Eligible Total	1,478,215	18,879	1%	-90,080	-6%
100%		Portfolio Total	2,291,175	67,733	3%	-650,522	-22%

Gas Budget



IMPLEMENTATION BUDGET

% of 2026 Portfolio	Program	2026 Annual Plan (First Draft)	2026 Annual Plan (First Draft) Compared to 2024 Actuals		2026 Annual Plan (First Draft) Compared to 2025 Annual Plan	
3%	Large C&I New Construction	\$855,488	-\$591,612	-41%	-\$609,292	-42%
8%	Large C&I Retrofit	\$2,555,768	-\$1,490,332	-37%	-\$1,438,818	-36%
2%	Small Business Direct Install	\$511,895	-\$253,805	-33%	-\$84,537	-14%
2%	C&I Multifamily	\$601,919	-\$39,881	-6%	-\$260,235	-30%
0%	Comprehensive Marketing - Commercial and Industrial	\$0	\$0		\$0	
0%	C&I Pilots and Assessments	\$0	\$0		\$0	
0%	C&I Financing	\$0	\$0		\$0	
0%	C&I Community Based Initiatives	\$12,195	\$2,795	30%	-\$7,447	-38%
4%	Rhode Island Infrastructure Bank	\$1,317,592	\$55,092	4%	\$0	0%
0%	Commercial Workforce Development	\$0	\$0		\$0	
1%	Commercial & Industrial Performance Incentive	\$318,118	\$318,118		\$318,118	
20%	C&I Total	\$6,172,976	-\$1,999,624	-24%	-\$2,082,212	-25%
16%	Income Eligible Single Family	\$4,950,847	\$255,747	5%	\$334,769	7%
11%	Income Eligible Multifamily	\$3,435,411	-\$256,689	-7%	-\$17,213	0%
0%	Income Eligible Workforce Development	\$0	\$0		\$0	
0%	Income Eligible Performance Incentive	\$0	\$0		\$0	
27%	Income Eligible Total	\$8,386,257	-\$943	0%	\$317,555	4%
6%	Residential HVAC	\$1,958,157	\$93,257	5%	-\$391,186	-17%
40%	EnergyWise Single Family	\$12,628,312	\$32,612	0%	-\$238,088	-2%
3%	EnergyWise Multifamily	\$859,421	\$289,621	51%	\$8,292	1%
0%	Home Energy Reports	\$0	-\$394,700	-100%	-\$389,340	-100%
2%	Residential New Construction	\$636,534	\$31,734	5%	-\$4,000	-1%
0%	Residential Marketing	\$100,671	\$4,471	5%	\$15,671	18%
0%	Residential Pilots and Assessments	\$0	\$0		\$0	
0%	Residential Community Based Initiatives	\$3,343	\$3,343		-\$44,519	-93%
0%	Residential Workforce Development	\$0	\$0		\$0	
0%	Residential Performance Incentive	\$0	\$0		\$0	
51%	Residential Total	\$16,186,437	\$60,337	0%	-\$1,043,170	-6%
78%	Residential & Income Eligible Total	\$24,572,695	\$59,395	0%	-\$725,615	-3%
1%	EERMC	\$342,110	\$40,010	13%	\$0	0%
2%	OER	\$556,453	-\$292,847	-34%	\$30,462	6%
3%	Regulatory Total	\$898,562	-\$252,838	-22%	\$30,462	4%
100%	Portfolio Total	\$31,644,233	-\$2,193,067	-6%	-\$2,777,365	-8%

Gas Lifetime Cost to Achieve (\$/MMBtu)



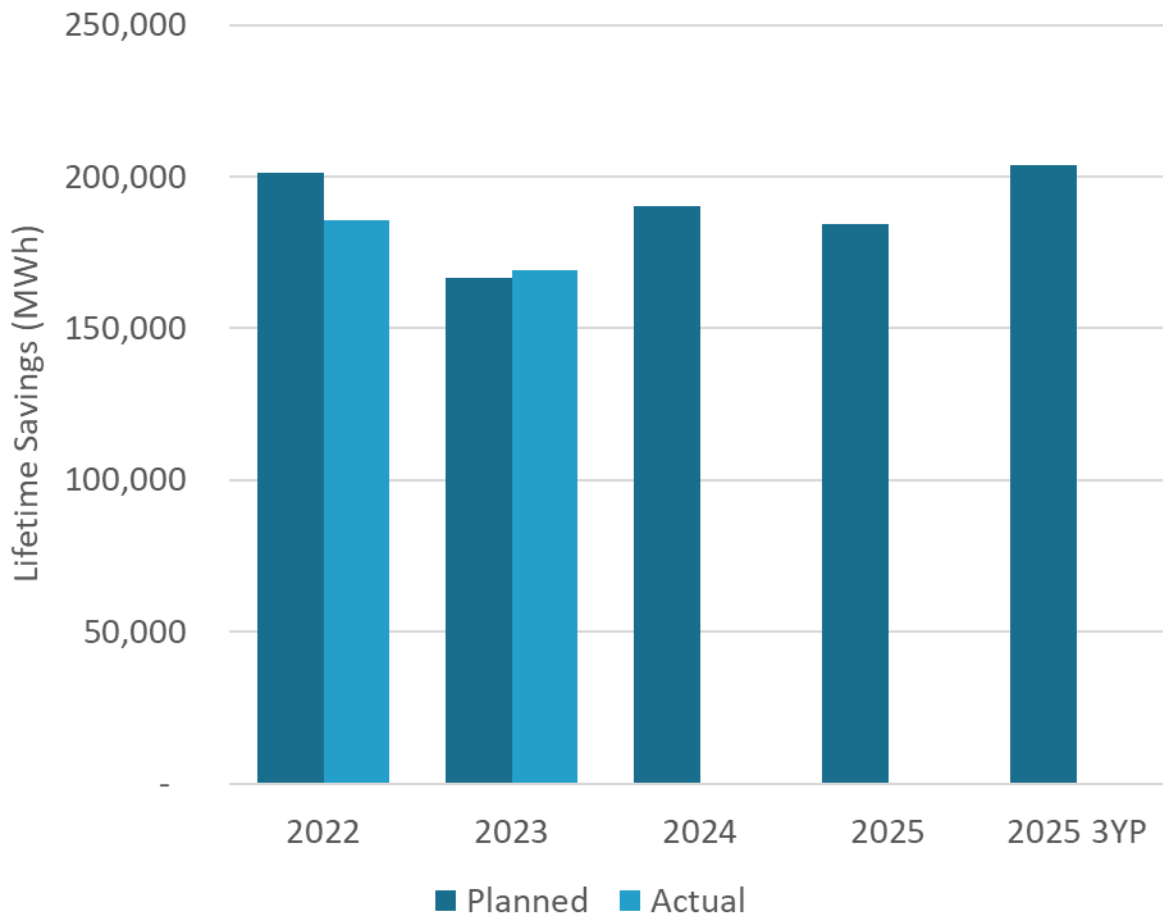
\$/LIFETIME MMBtu

Program	2026 Annual Plan (First Draft)	2026 Annual Plan (First Draft) Compared to 2024 Actuals		2026 Annual Plan (First Draft) Compared to 2025 Annual Plan	
Large C&I New Construction	\$3.39	-\$6.62	-66%	\$0.80	31%
Large C&I Retrofit	\$6.72	-\$2.35	-26%	\$0.37	6%
Small Business Direct Install	\$3.66	-\$2.09	-36%	-\$1.46	-28%
C&I Multifamily	\$14.86	-\$1.03	-6%	\$1.06	8%
C&I Total	\$7.59	-\$3.10	-29%	\$1.58	26%
Income Eligible Single Family	\$40.61	\$2.47	6%	\$2.56	7%
Income Eligible Multifamily	\$17.18	-\$11.42	-40%	\$0.09	1%
Income Eligible Total	\$26.05	-\$7.20	-22%	\$1.10	4%
Residential HVAC	\$6.56	-\$0.15	-2%	\$0.39	6%
EnergyWise Single Family	\$17.77	-\$0.01	0%	-\$2.37	-12%
EnergyWise Multifamily	\$11.51	\$0.91	9%	\$0.18	2%
Home Energy Reports			0%		0%
Residential New Construction	\$8.79	-\$0.27	-3%	-\$0.06	-1%
Residential Total	\$14.00	\$0.64	5%	\$0.16	1%
Residential & Income Eligible Total	\$16.62	-\$0.17	-1%	\$0.49	3%
Portfolio Total	\$13.81	-\$1.41	-9%	\$2.11	18%

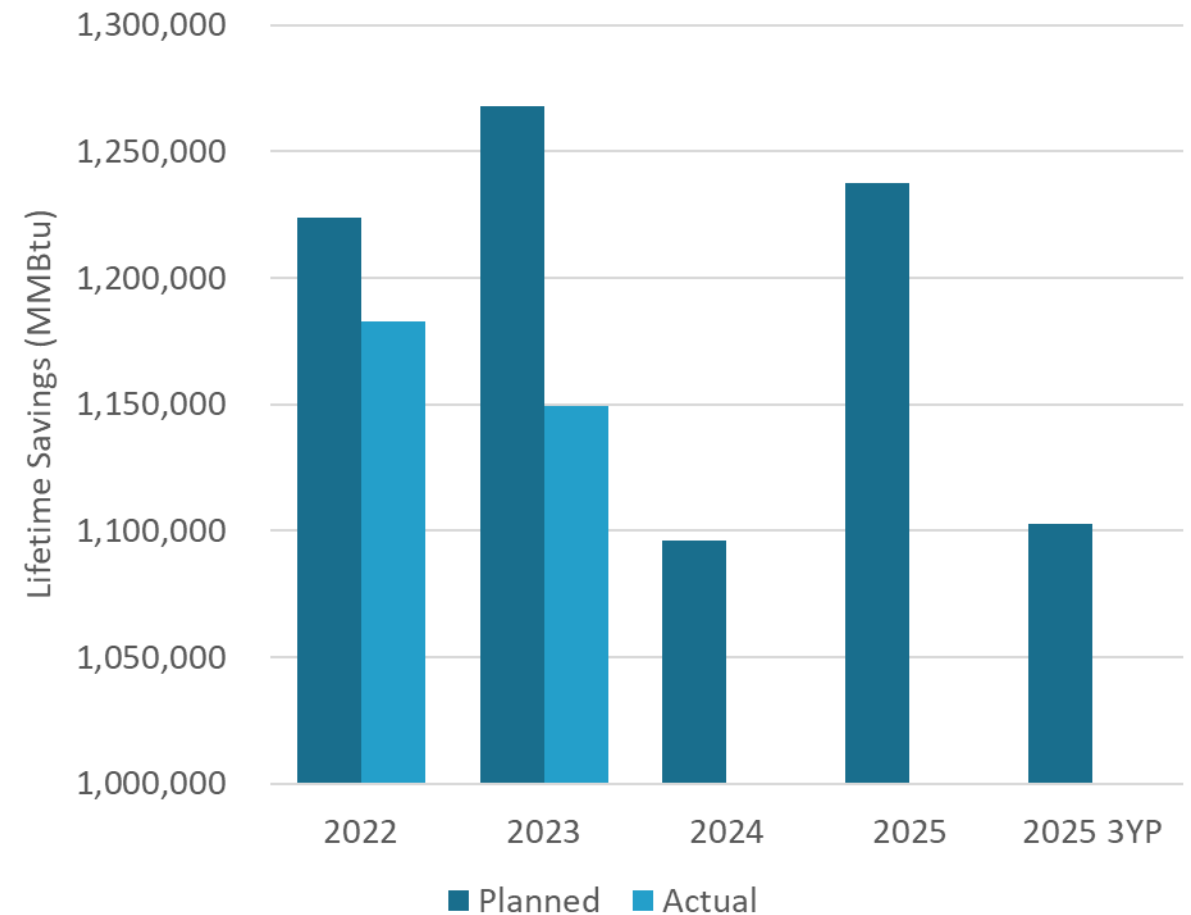
Residential Lifetime Savings



Electric Lifetime Savings (MWh) - Residential Total



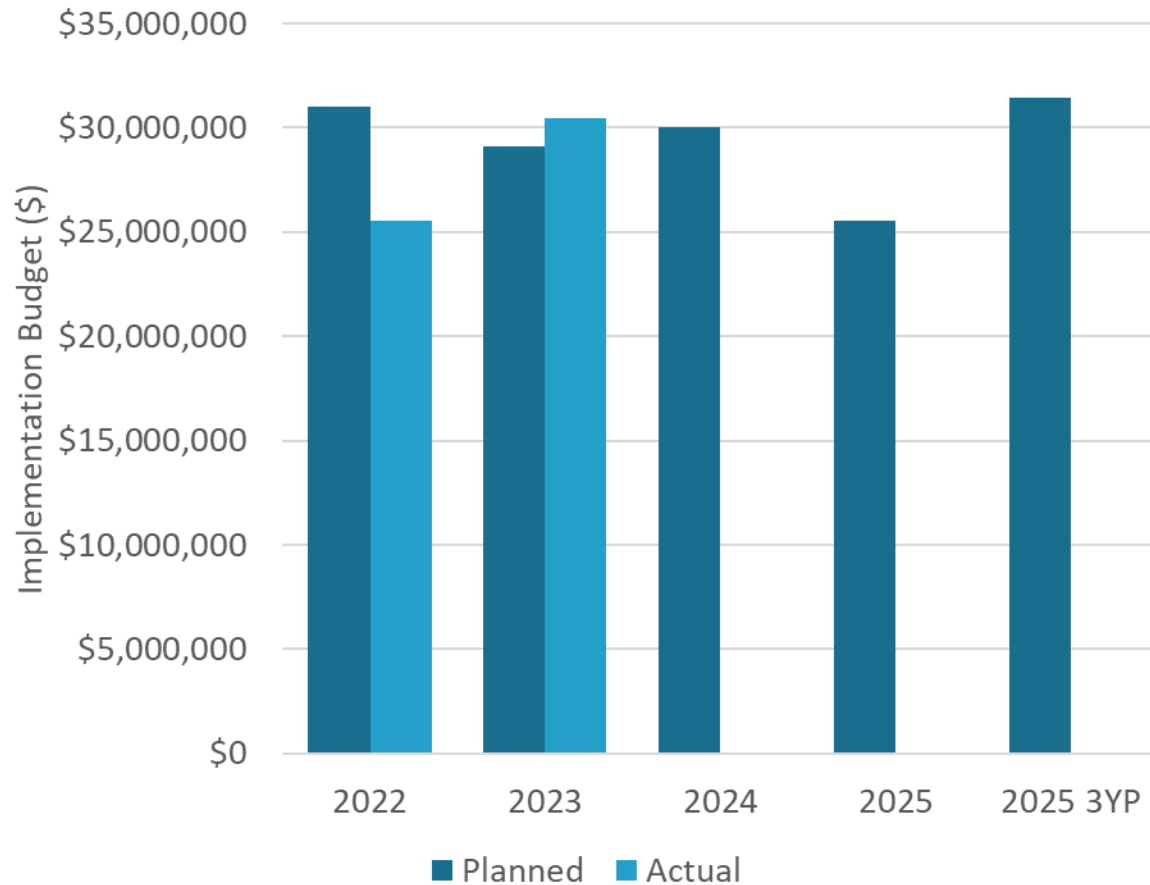
Gas Lifetime Savings (MMBtu) - Residential Total



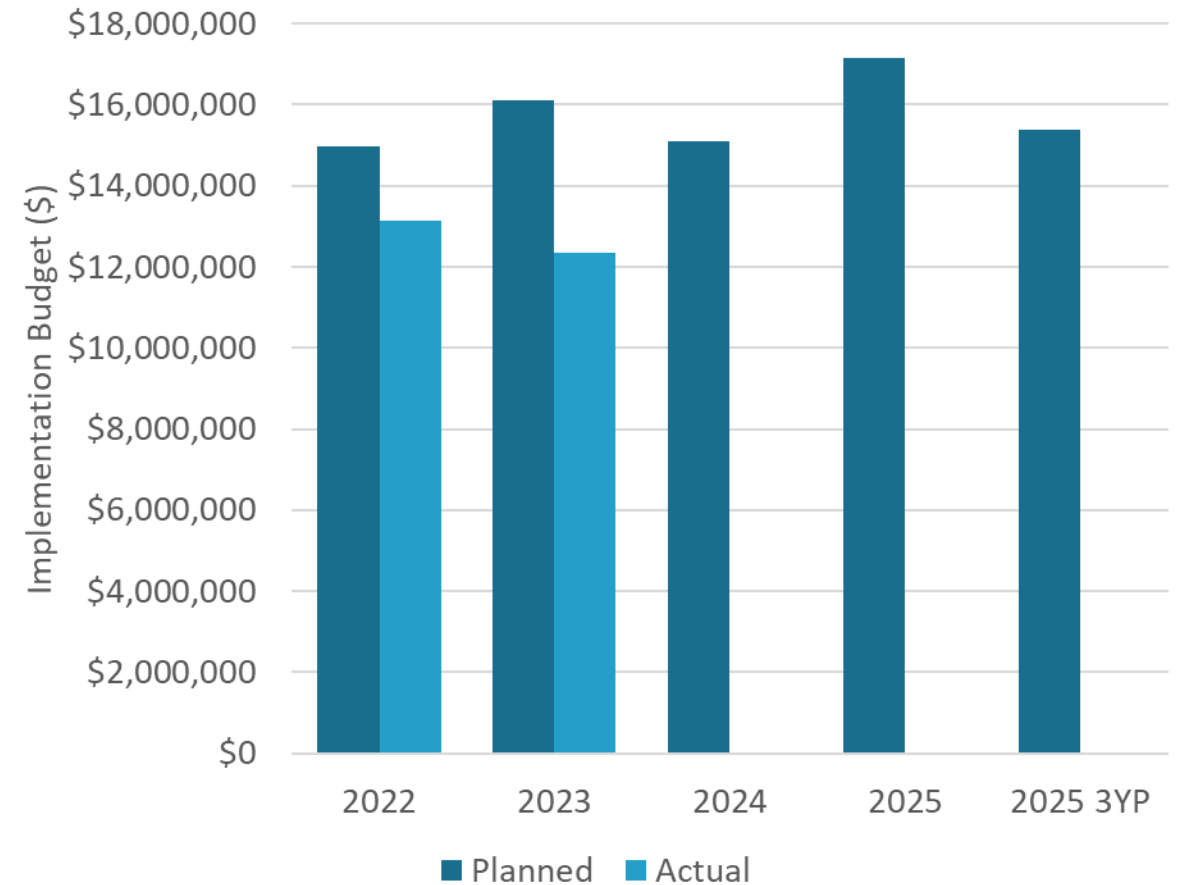
Residential Implementation Budget



Electric Implementation Budget (\$) - Residential Total



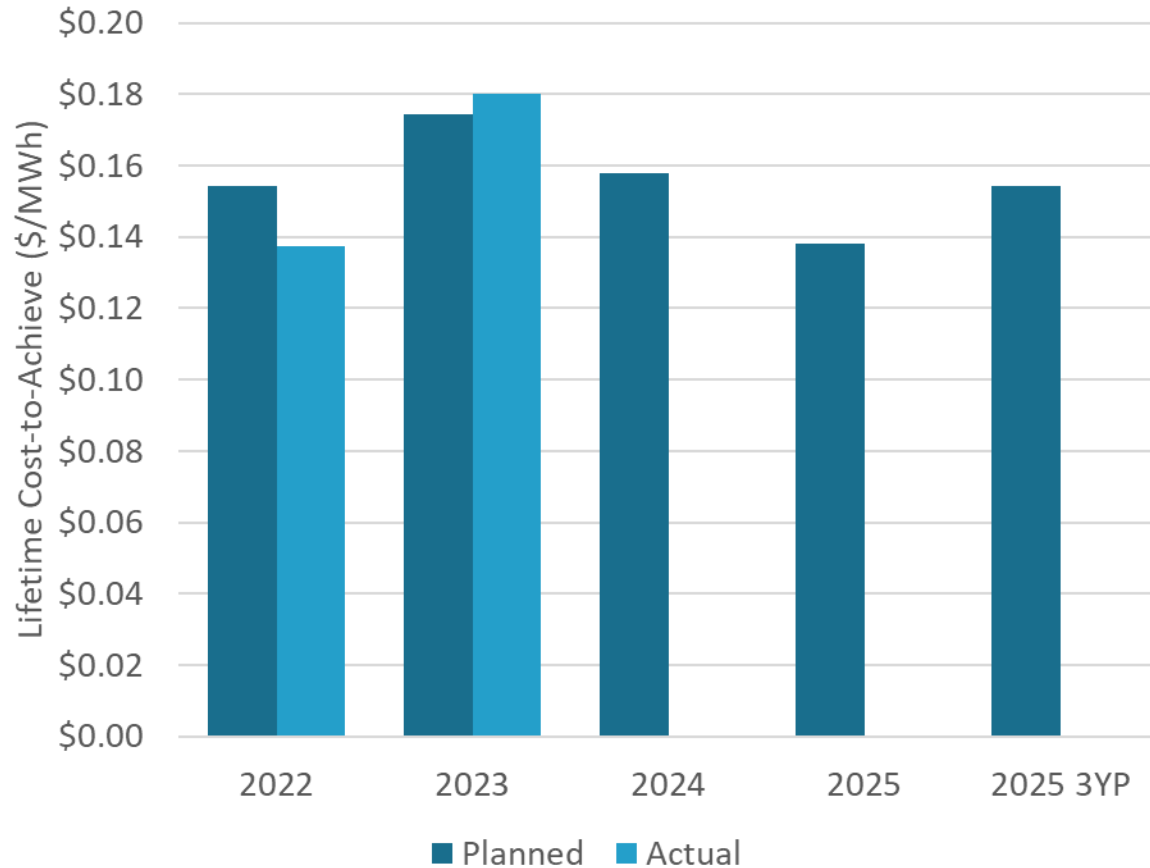
Gas Implementation Budget (\$) - Residential Total



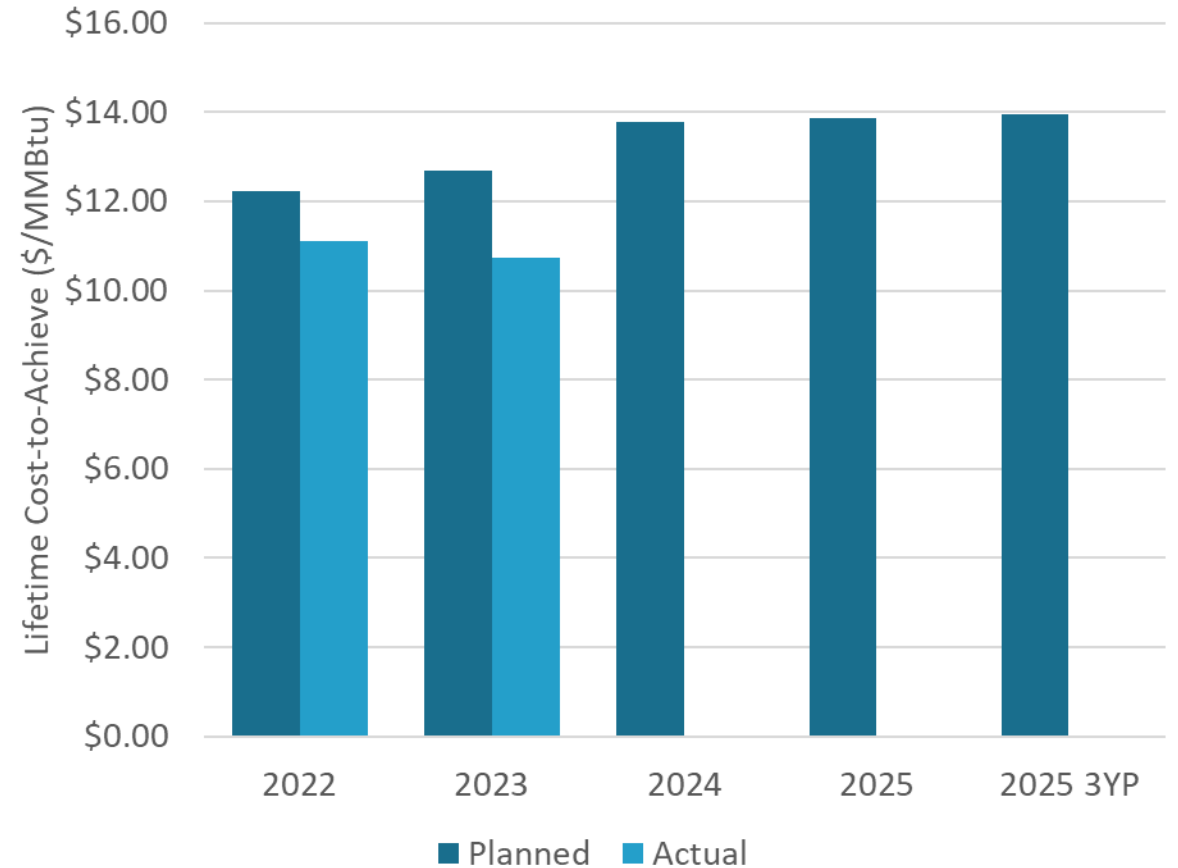
Residential Lifetime Cost-to-Achieve



Electric Cost to Achieve (\$/Lifetime kWh) - Residential Total



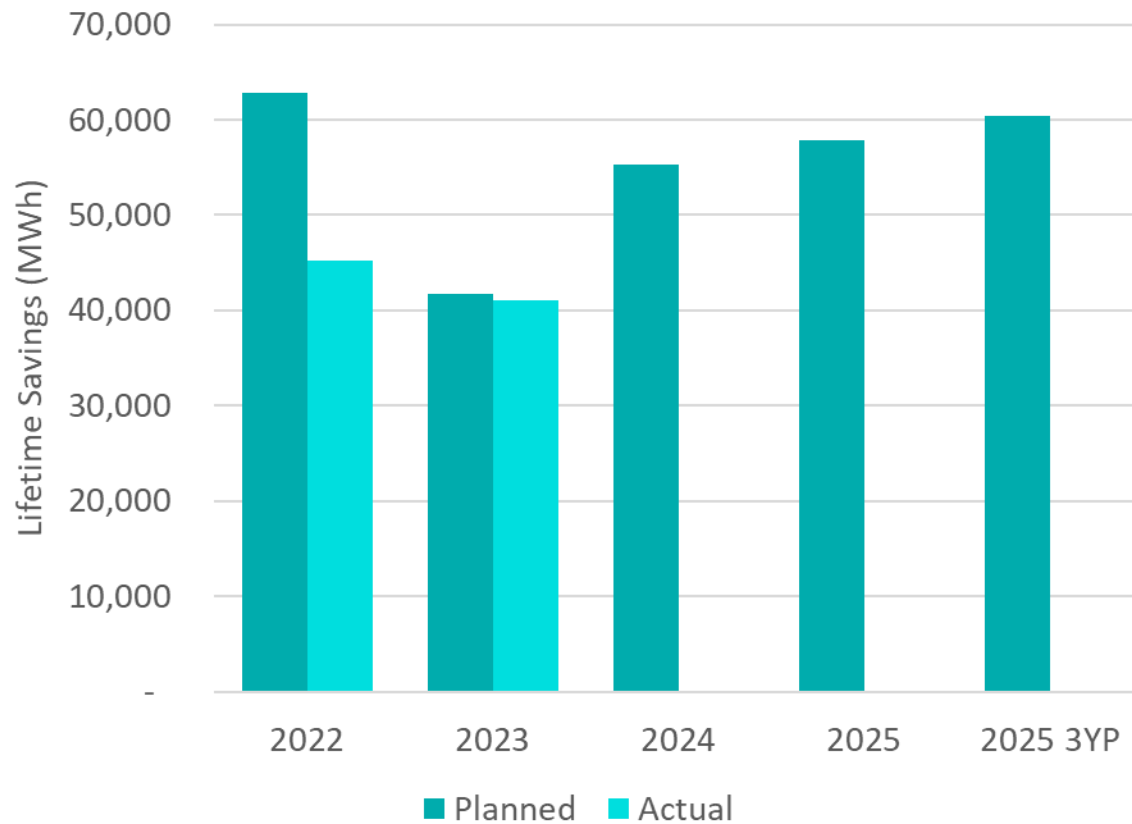
Gas Cost to Achieve (\$/Lifetime MMBtu) - Residential Total



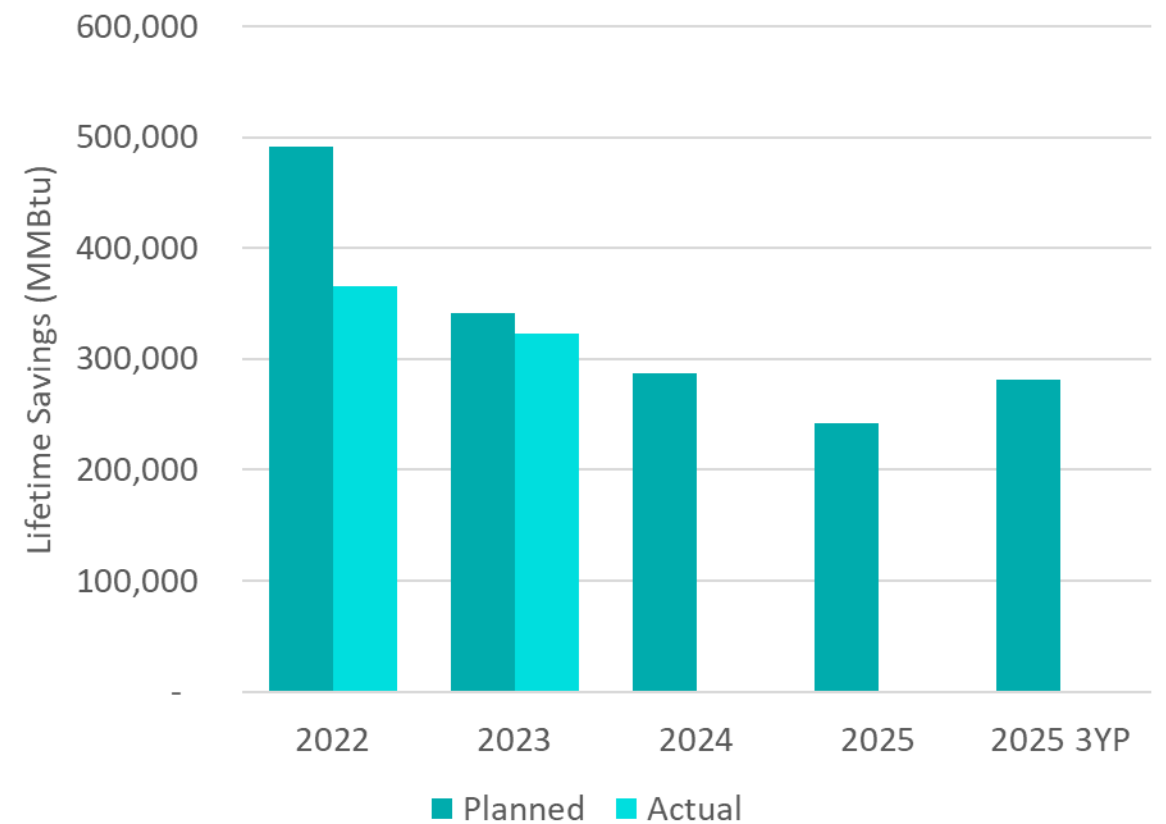
Income Eligible Lifetime Savings



Electric Lifetime Savings (MWh) - Income Eligible Total



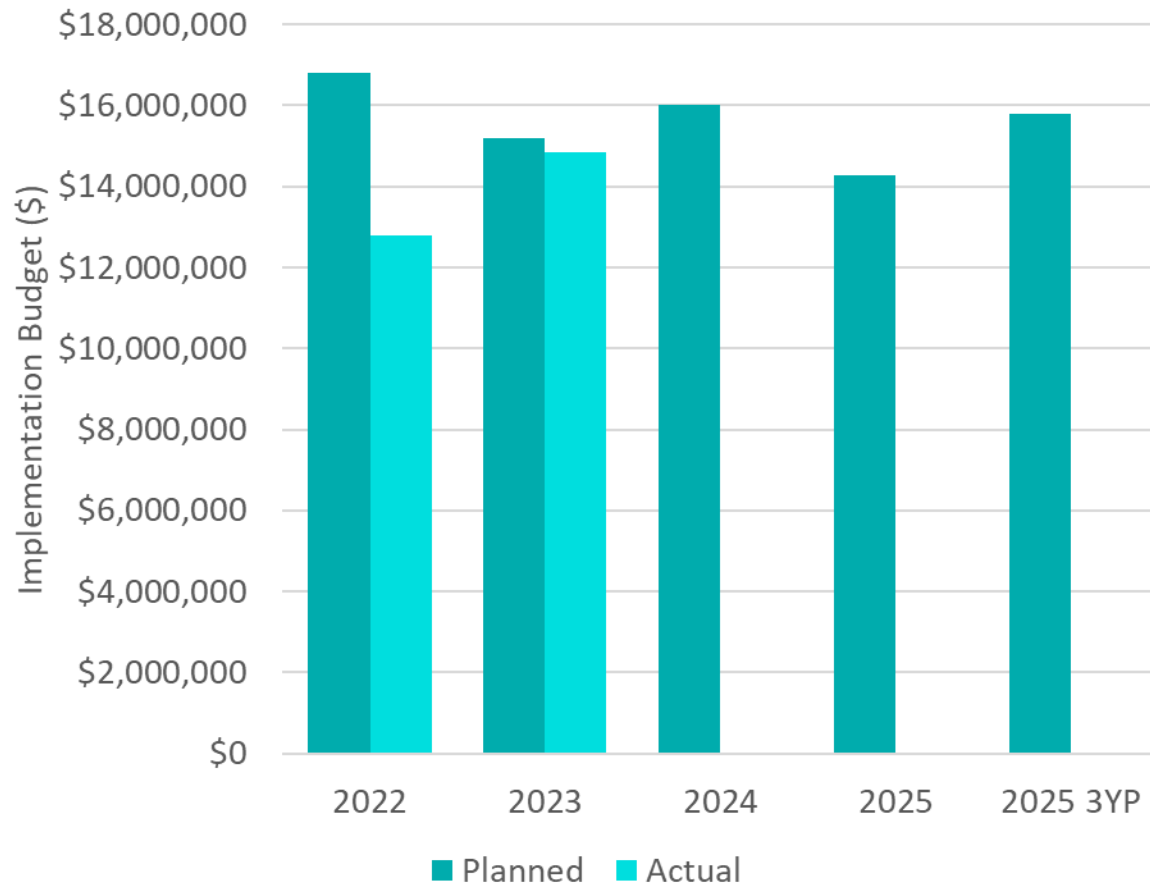
Gas Lifetime Savings (MMBtu) - Income Eligible Total



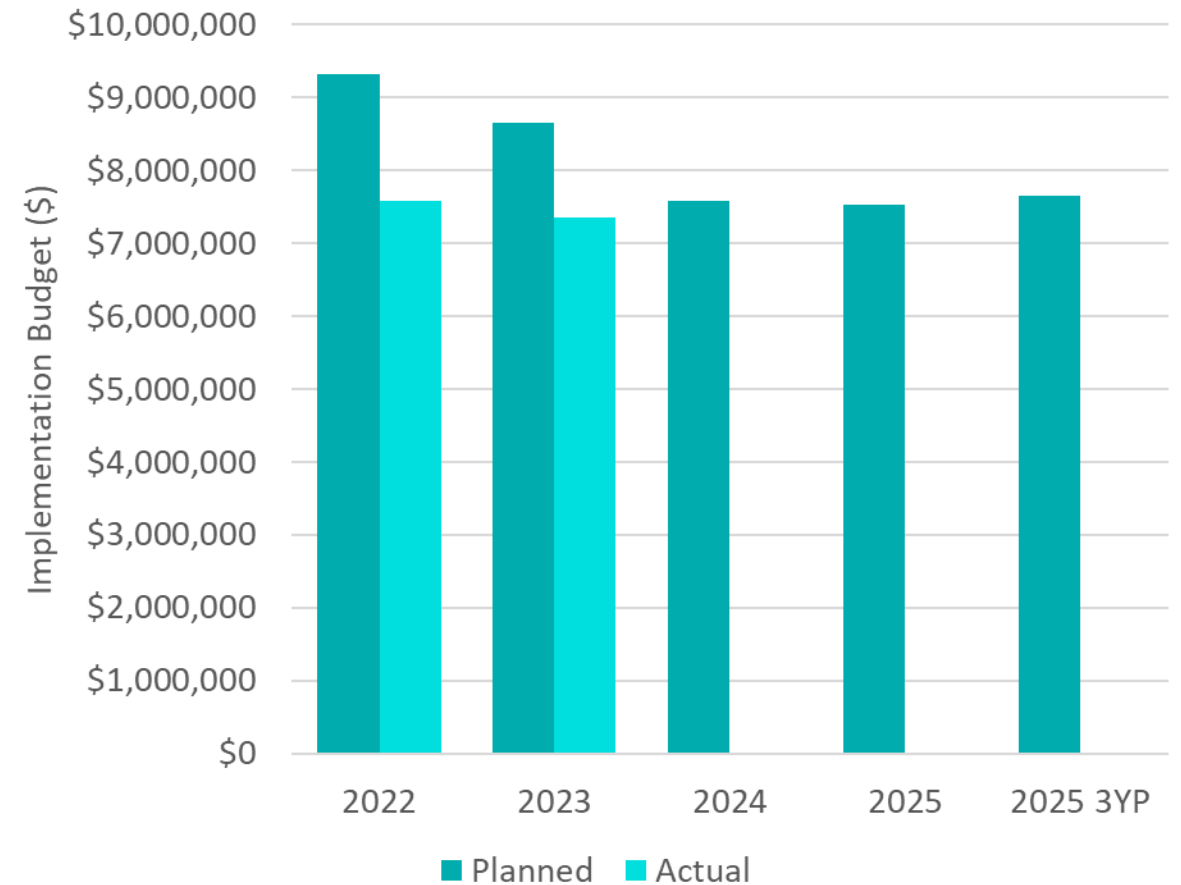
Income Eligible Implementation Budget



Electric Implementation Budget (\$) - Income Eligible Total



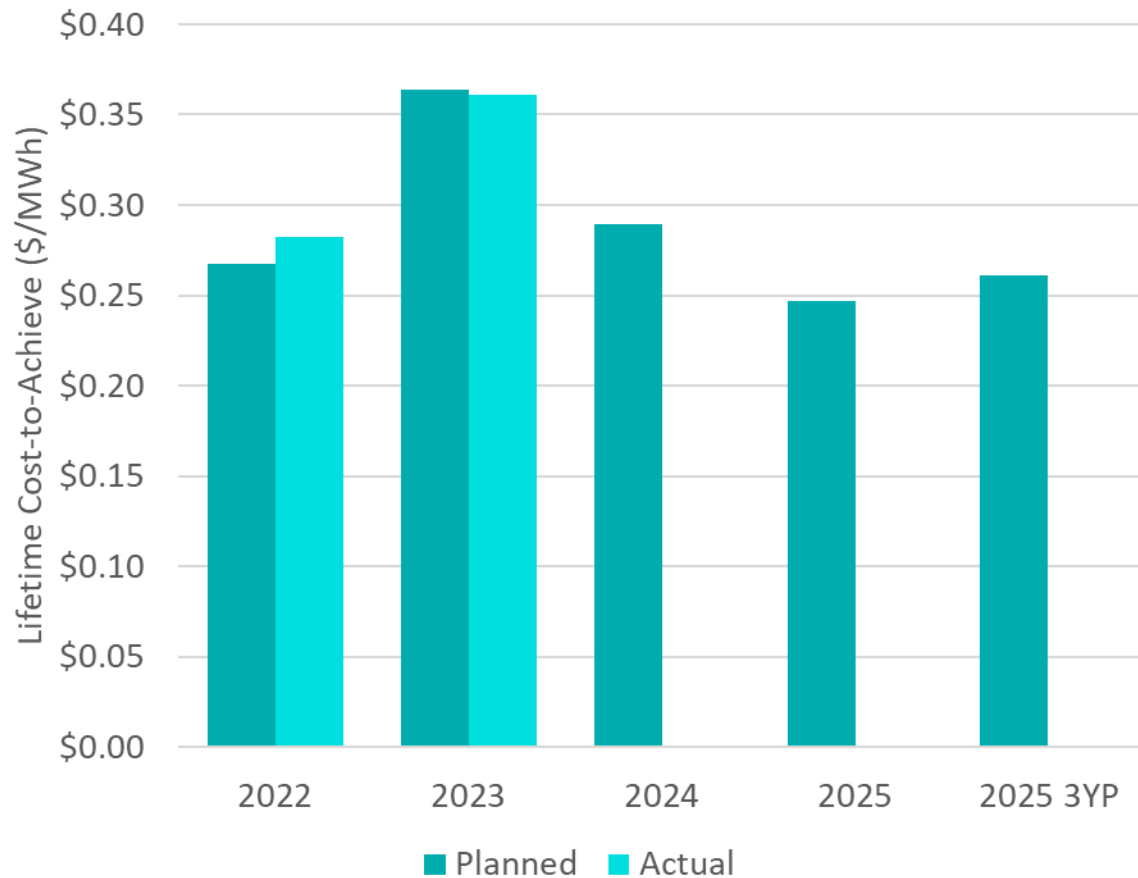
Gas Implementation Budget (\$) - Income Eligible Total



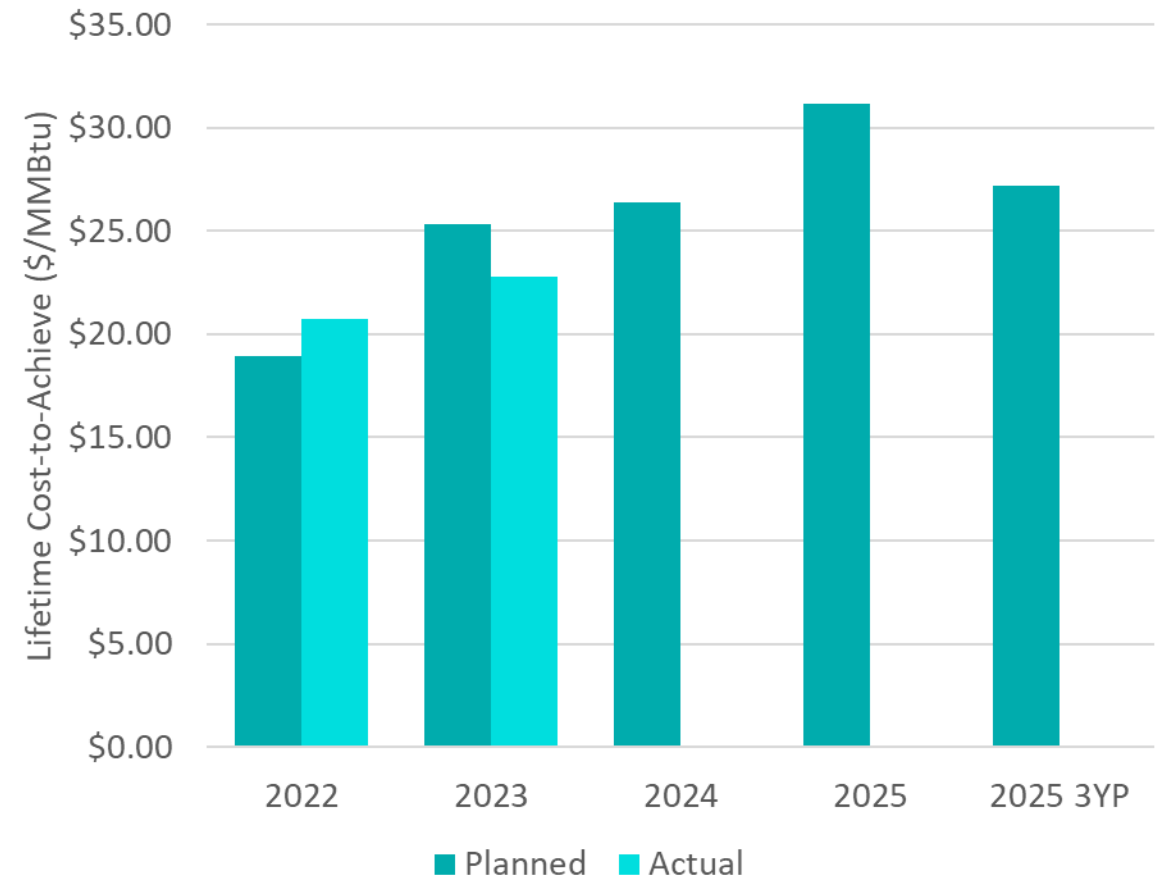
Income Eligible Lifetime Cost-to-Achieve



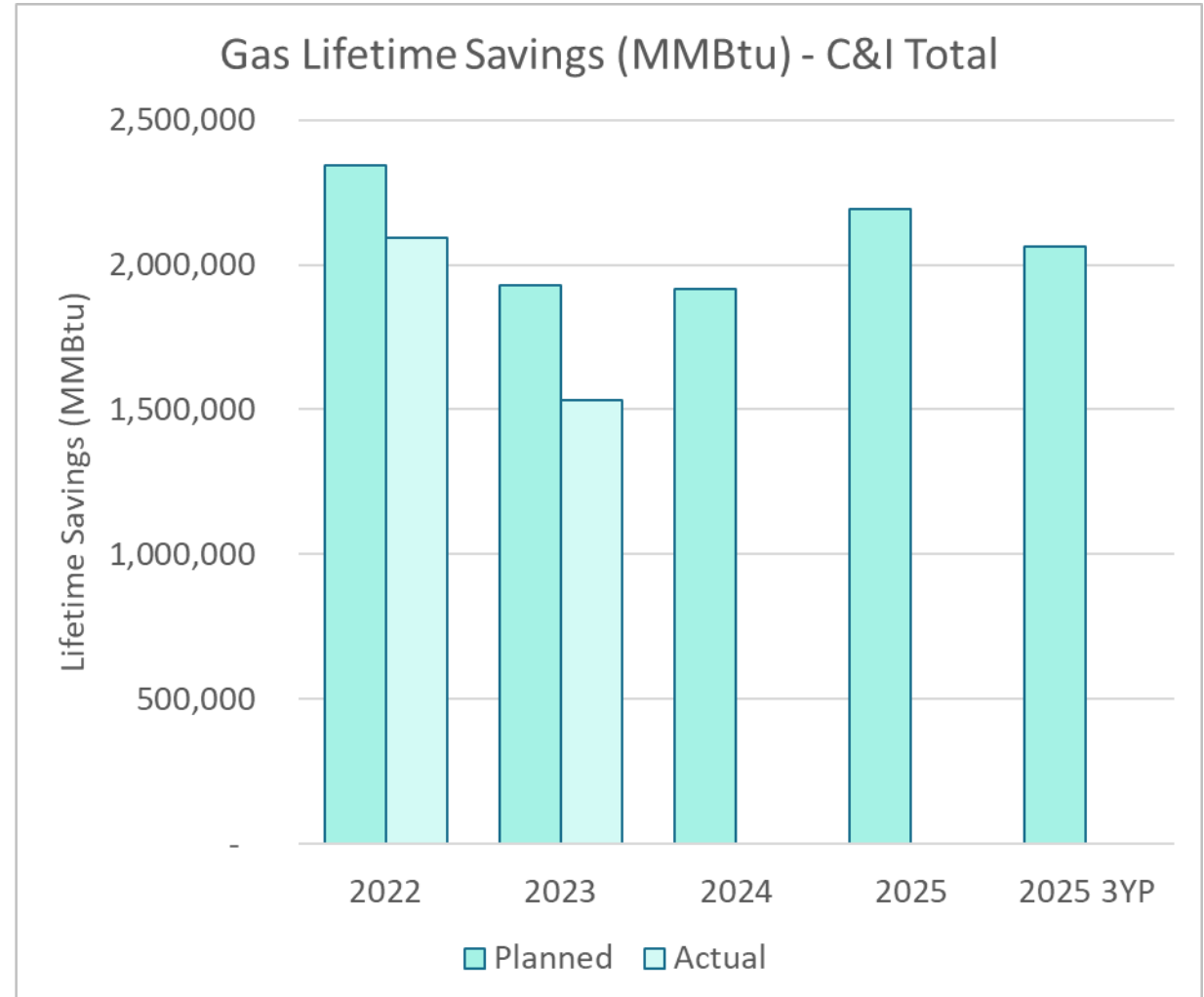
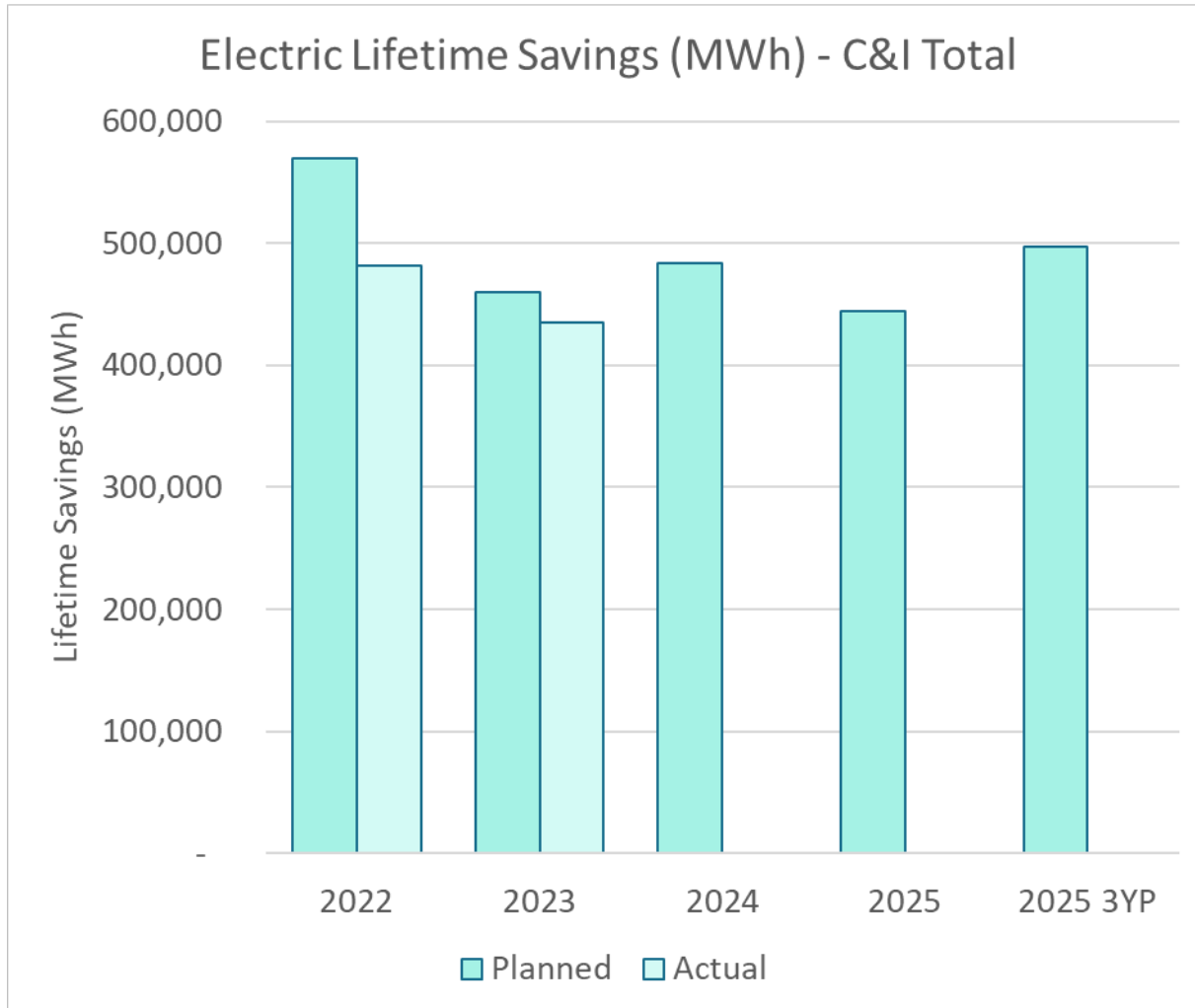
Electric Cost to Achieve (\$/Lifetime kWh) -
Income Eligible Total



Gas Cost to Achieve (\$/Lifetime MMBtu) -
Income Eligible Total



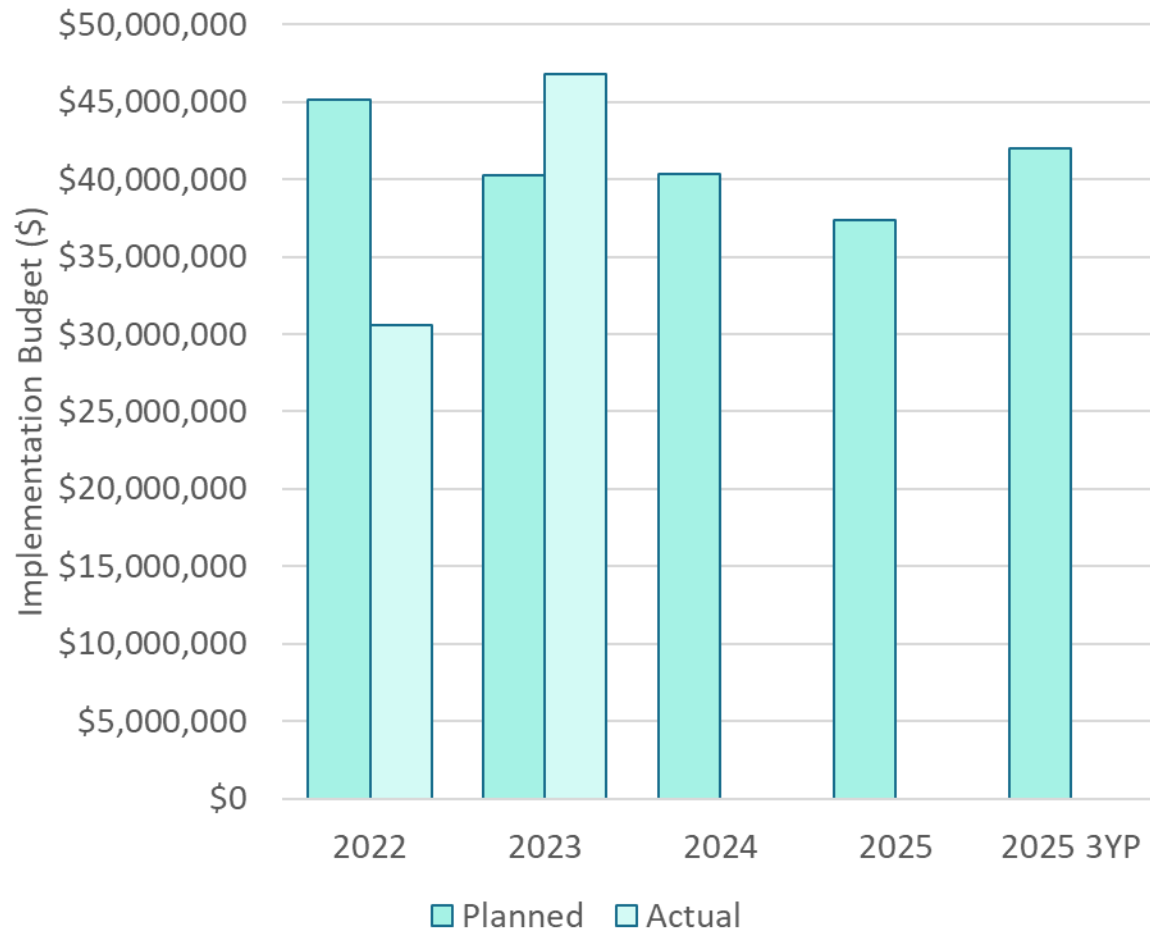
C&I Lifetime Savings



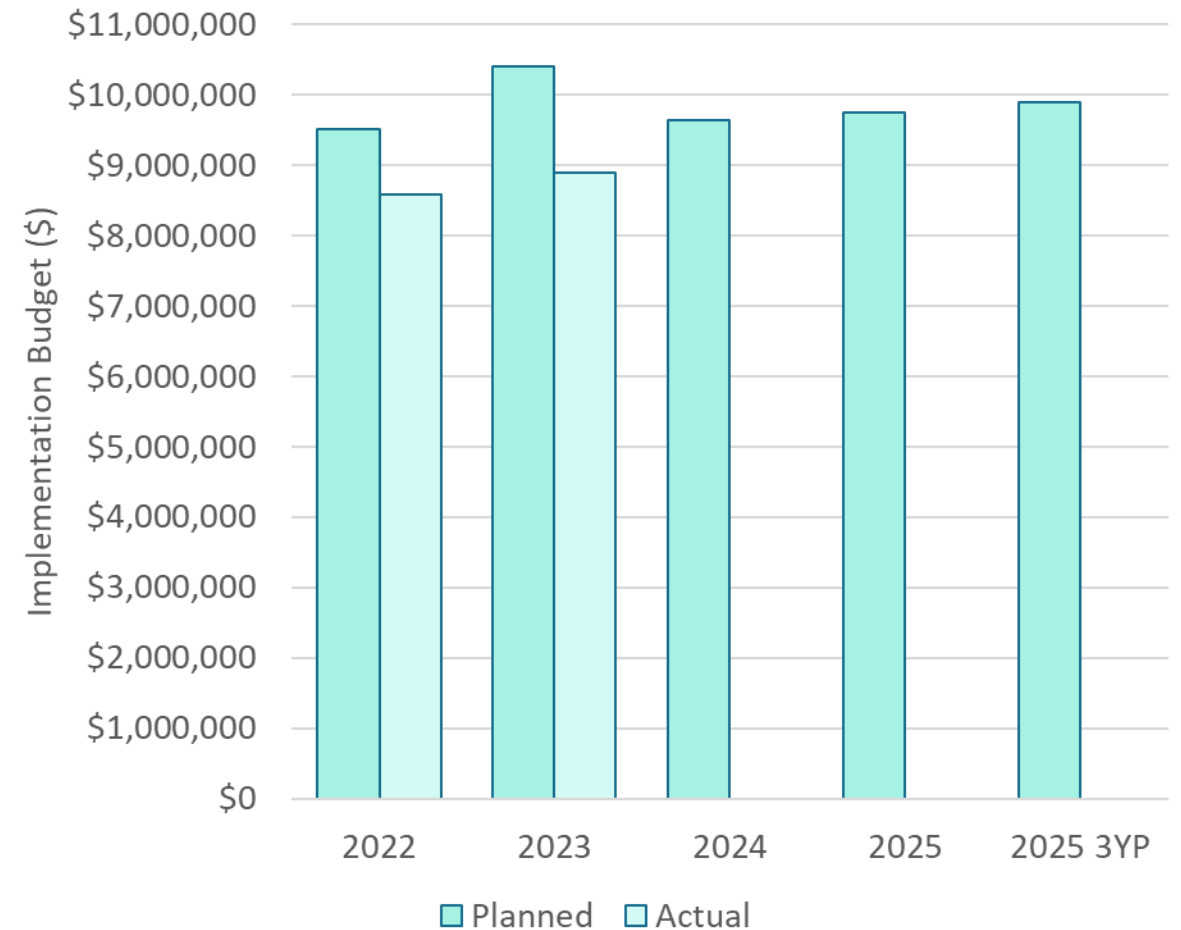
C&I Implementation Budget



Electric Implementation Budget (\$) - C&I Total



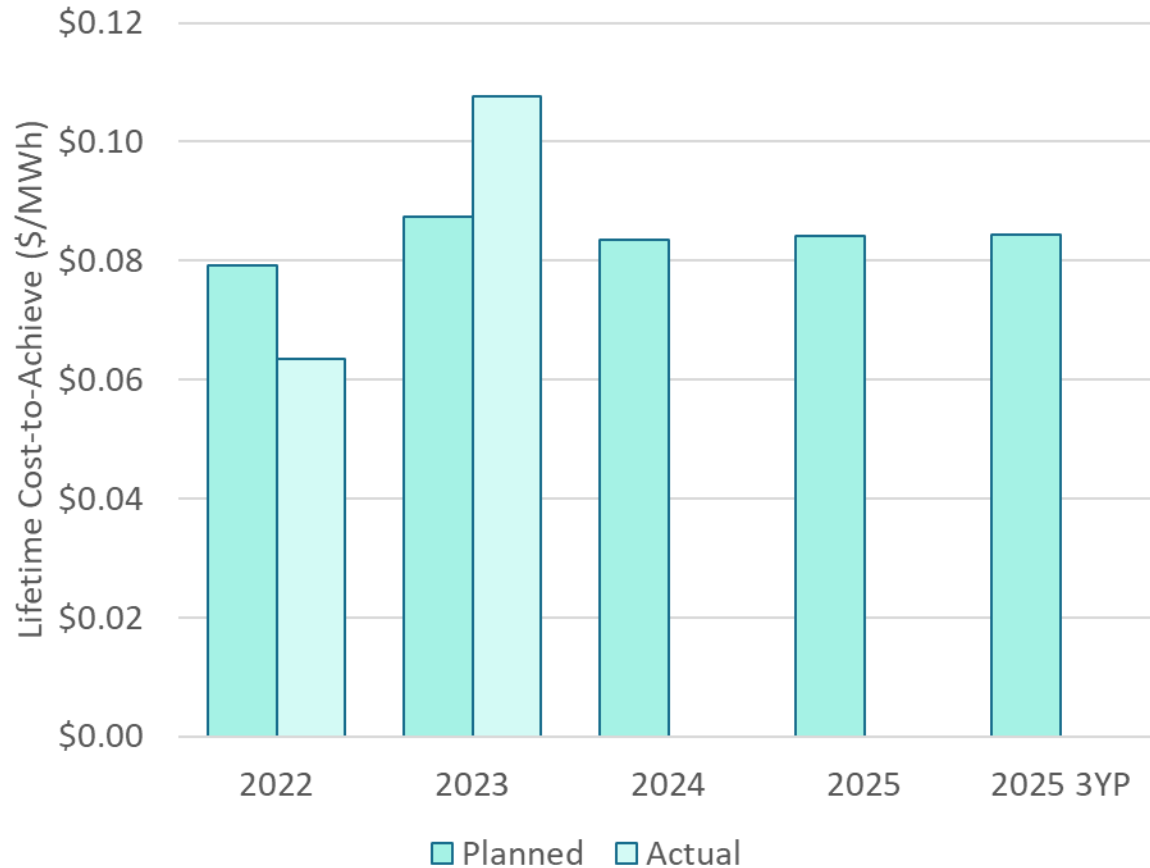
Gas Implementation Budget (\$) - C&I Total



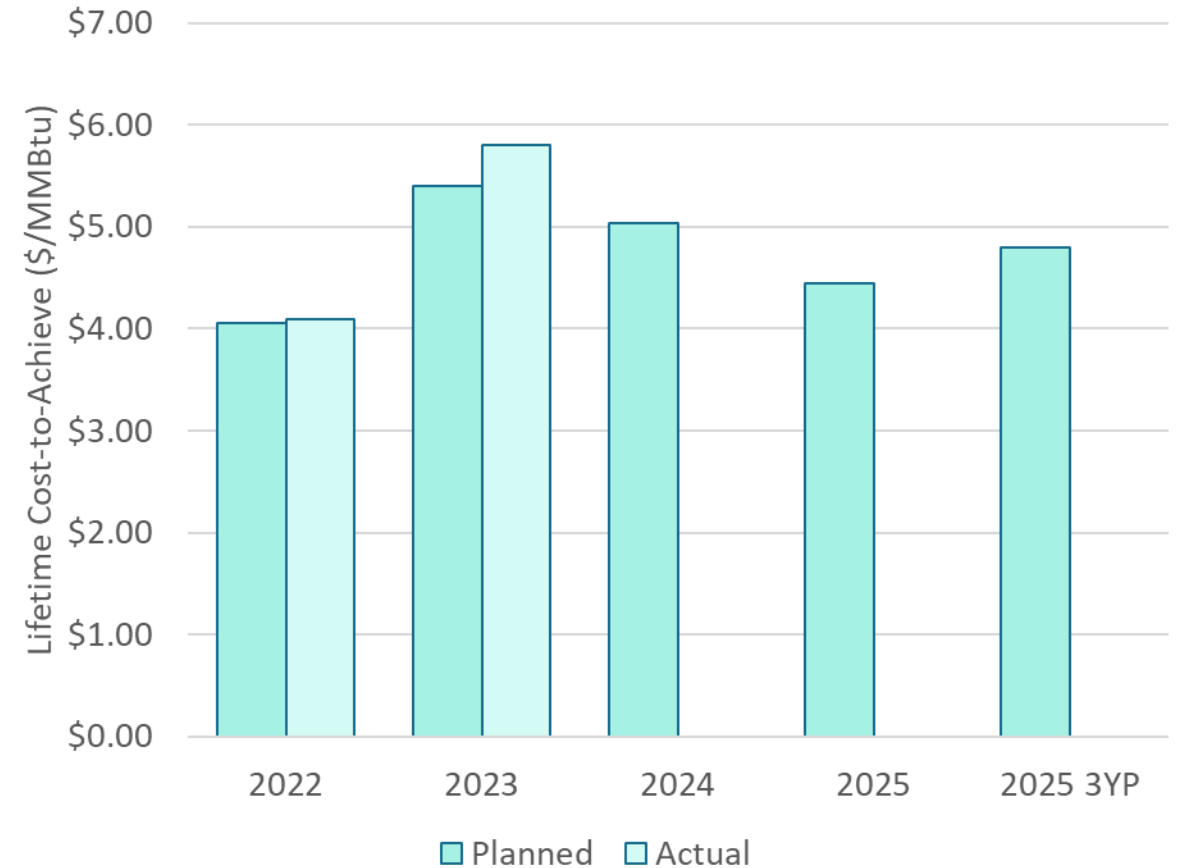
C&I Lifetime Cost-to-Achieve



Electric Cost to Achieve (\$/Lifetime kWh) - C&I
Total



Gas Cost to Achieve (\$/Lifetime MMBtu) - C&I
Total

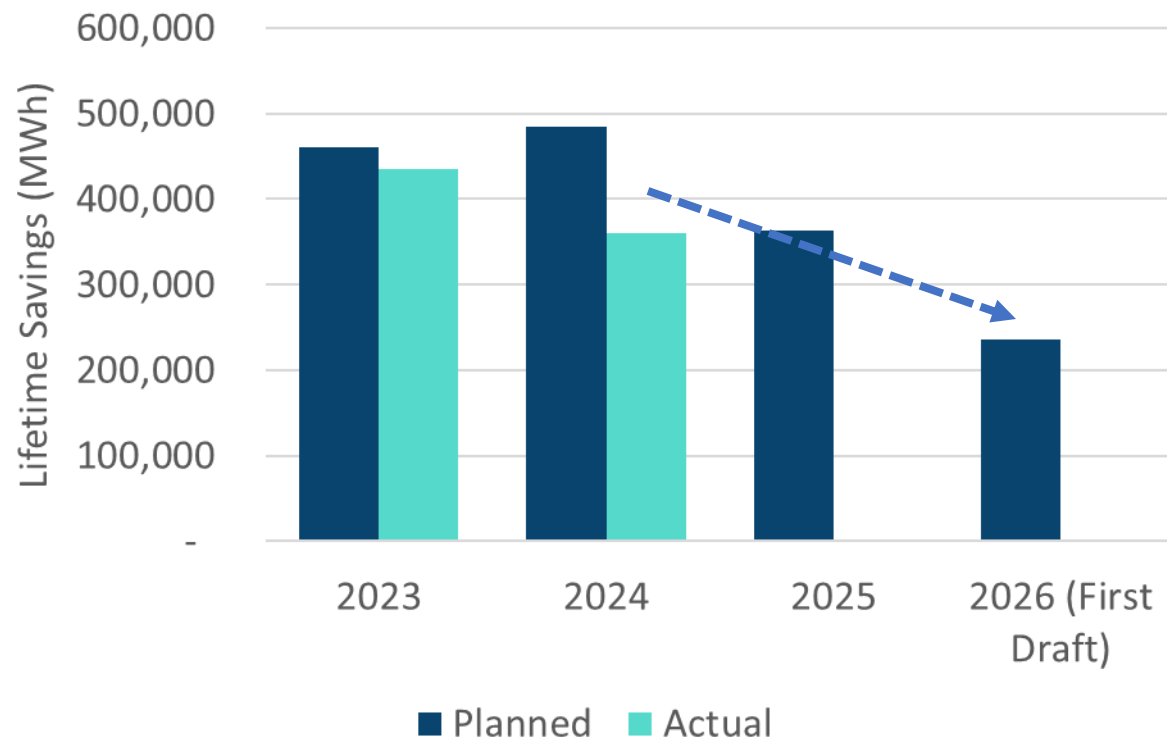


Commercial & Industrial *Savings Overview*

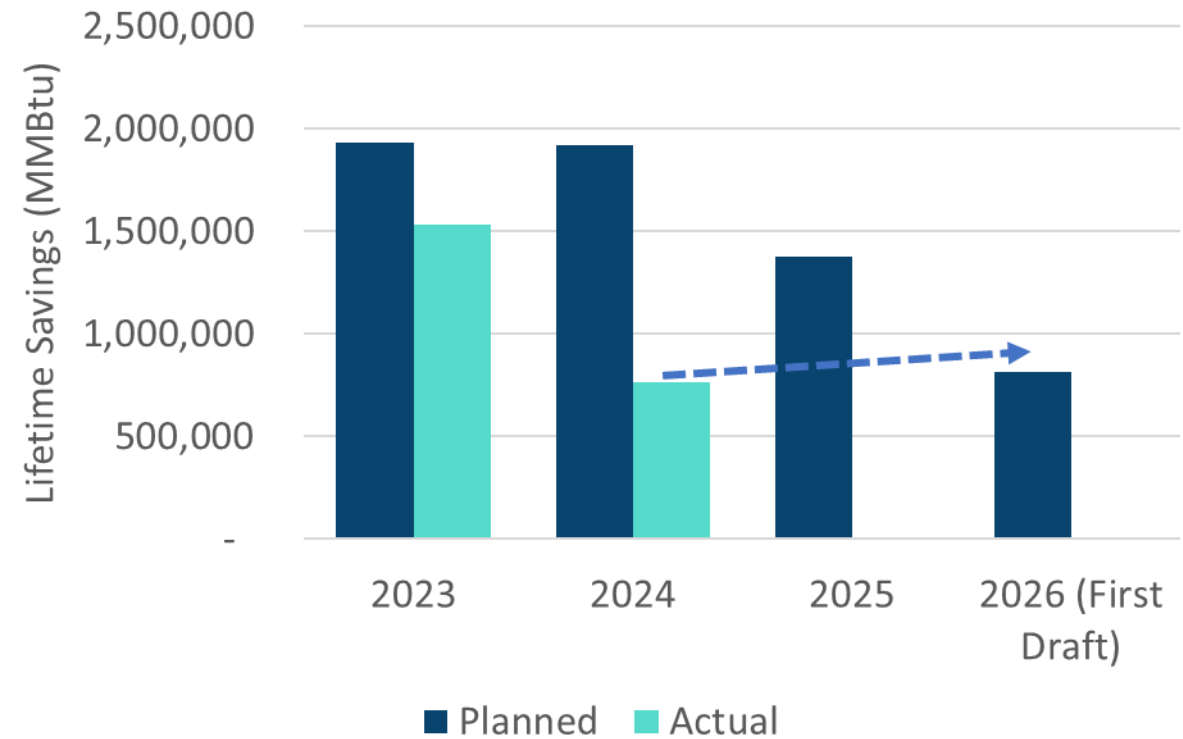


35% decrease in planned 2026 electric savings compared to 2024 actuals, despite 2024 underperformance; 6% increase in planned gas savings

Electric Lifetime Savings (MWh) - C&I Total



Gas Lifetime Savings (MMBtu) - C&I Total



Commercial & Industrial

Electric Key Drivers



43% and 26% reductions in planned Custom and Prescriptive lifetime electric savings, respectively, compared to 2025 Plan

Measure Category	2025 Plan Lifetime Electric Savings (MWh)	2026 Plan First Draft Lifetime Electric Savings (MWh)	2026 Plan First Draft Compared to 2025 Plan	2026 Plan First Draft Compared to 2025 Plan (%)
Custom HVAC	48,373	12,026	-36,347	-75%
Prescriptive Motors & Drives	32,423	13,955	-18,468	-57%
Custom Compressed Air	22,930	7,733	-15,197	-66%
Prescriptive Lighting	77,913	67,306	-10,607	-14%
Prescriptive Compressed Air	20,139	9,909	-10,230	-51%

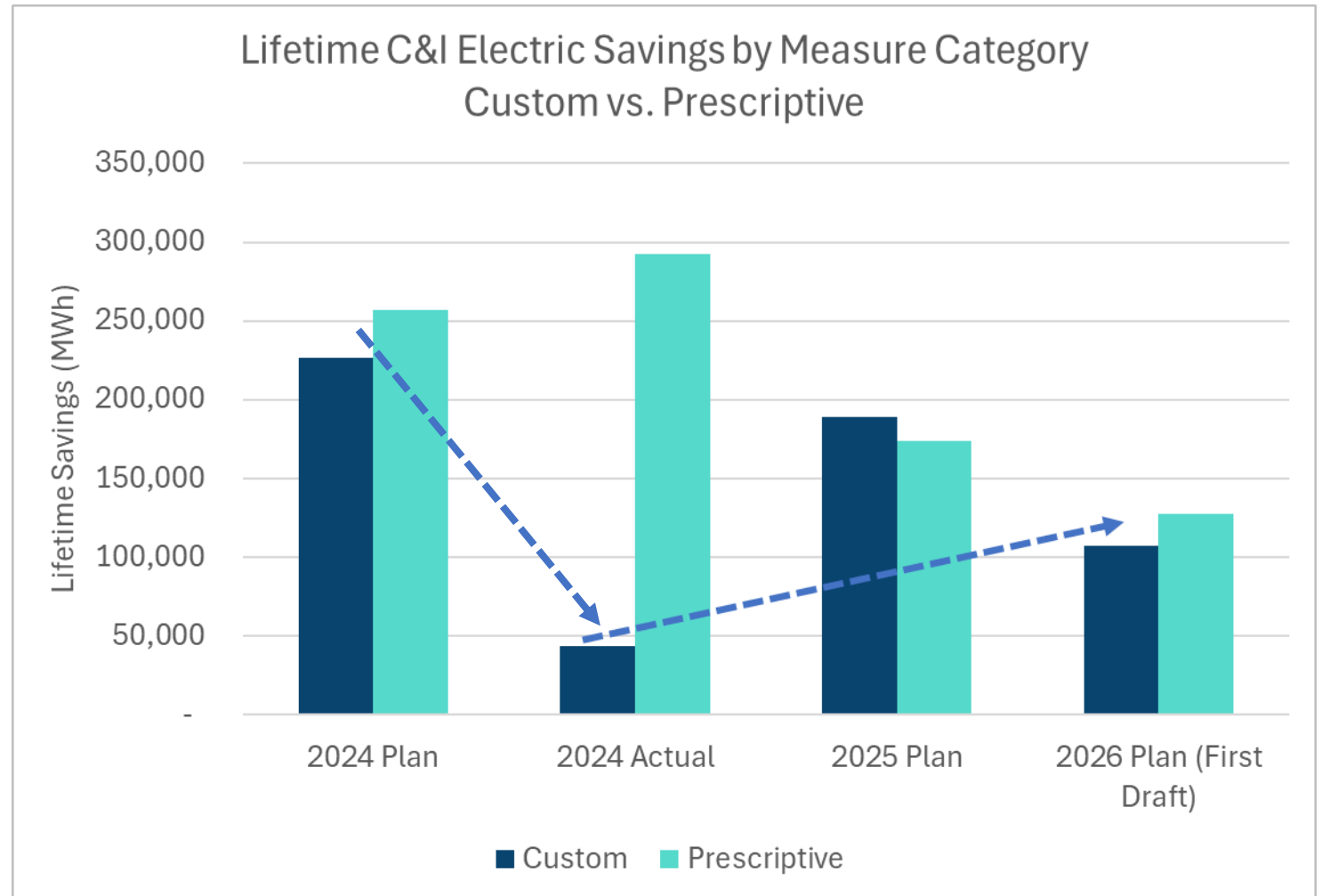
Commercial & Industrial

Electric Key Drivers



In 2024, C&I sector only achieved 19% of planned Custom savings vs. 114% of planned Prescriptive savings.

2026 planned Custom savings are more than double 2024 actuals.



Commercial & Industrial

Gas Key Drivers



43% and 37% reductions in planned Custom and Prescriptive lifetime gas savings, respectively, compared to 2025 Plan

Measure Category	2025 Plan Lifetime Electric Savings (MMBtu)	2026 Plan First Draft Lifetime Electric Savings (MMBtu)	2026 Plan First Draft Compared to 2025 Plan	2026 Plan First Draft Compared to 2025 Plan (%)
Custom HVAC	410,677	218,030	-192,646	-47%
Prescriptive HVAC	186,290	40,210	-146,081	-78%
Custom Other	147,889	37,073	-110,816	-75%
Motors & Drives	85,119	0	-85,119	-100%
Custom Process	60,797	29,310	-31,487	-52%

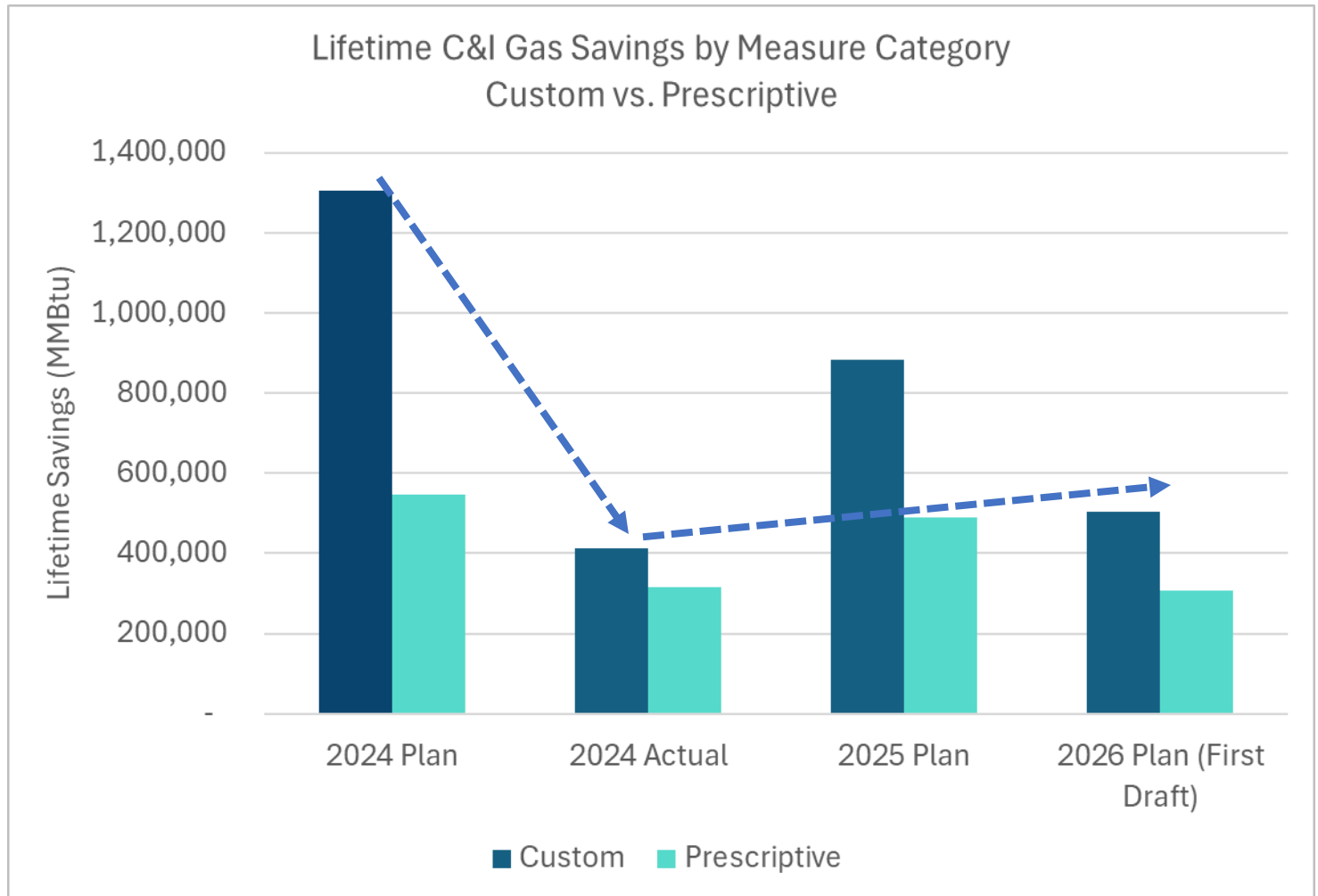
Commercial & Industrial

Gas Key Drivers



In 2024, C&I sector only achieved 32% of planned Custom savings vs. 58% of planned Prescriptive savings.

2026 planned Custom savings are 23% higher than 2024 actuals; Prescriptive savings are about the same.

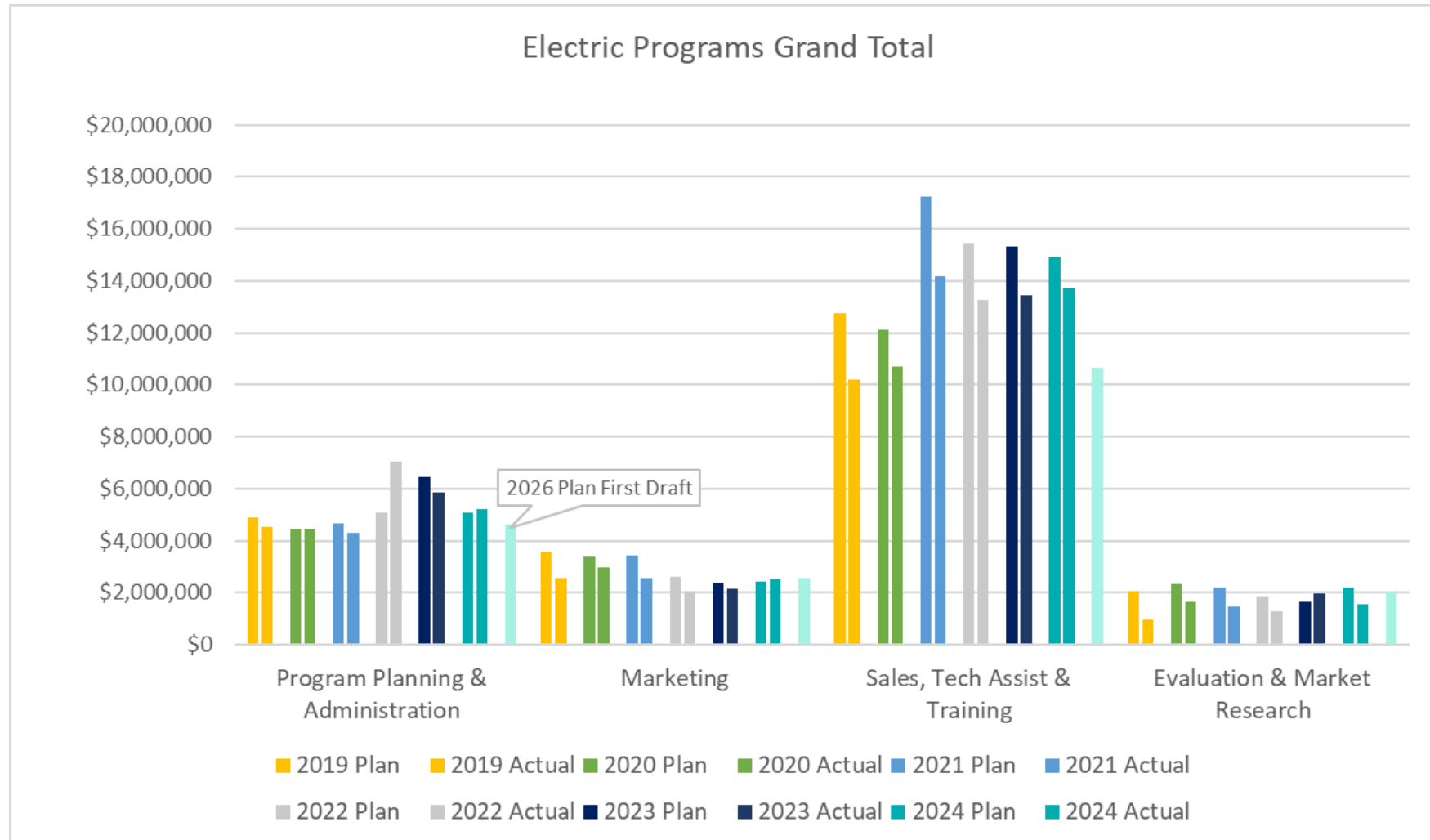


C&I Key Takeaways

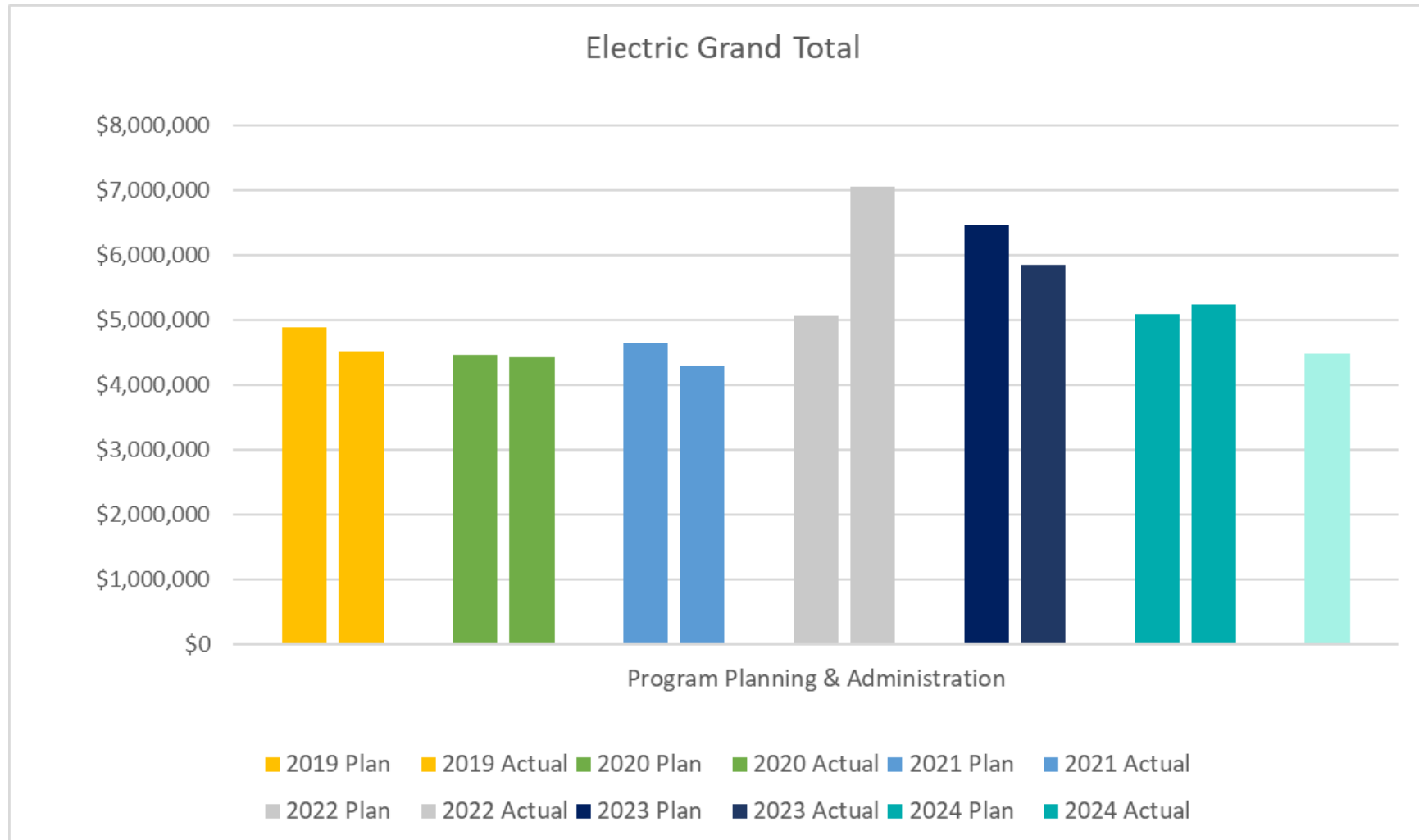


- 1 Increased need to **maximize savings within reduced program budgets**
- 2 Planned 2026 values and 2024 performance suggest strong **need to improve Custom pathway and other delivery channels for non-lighting measures (especially HVAC)**
- 3 The Company plans to **end LED incentives at the end of 2026, but notable opportunities for integrated controls**
- 4 Lighting is still the top end use in terms of planned electric savings. This suggests **continued reliance on lighting** despite reduced opportunity for LED efficiency
- 5 Plan Narrative on C&I programs would benefit from organizational improvements
- 6 **Equity Metrics for Small Business** require more “numerical context” to assess impacts

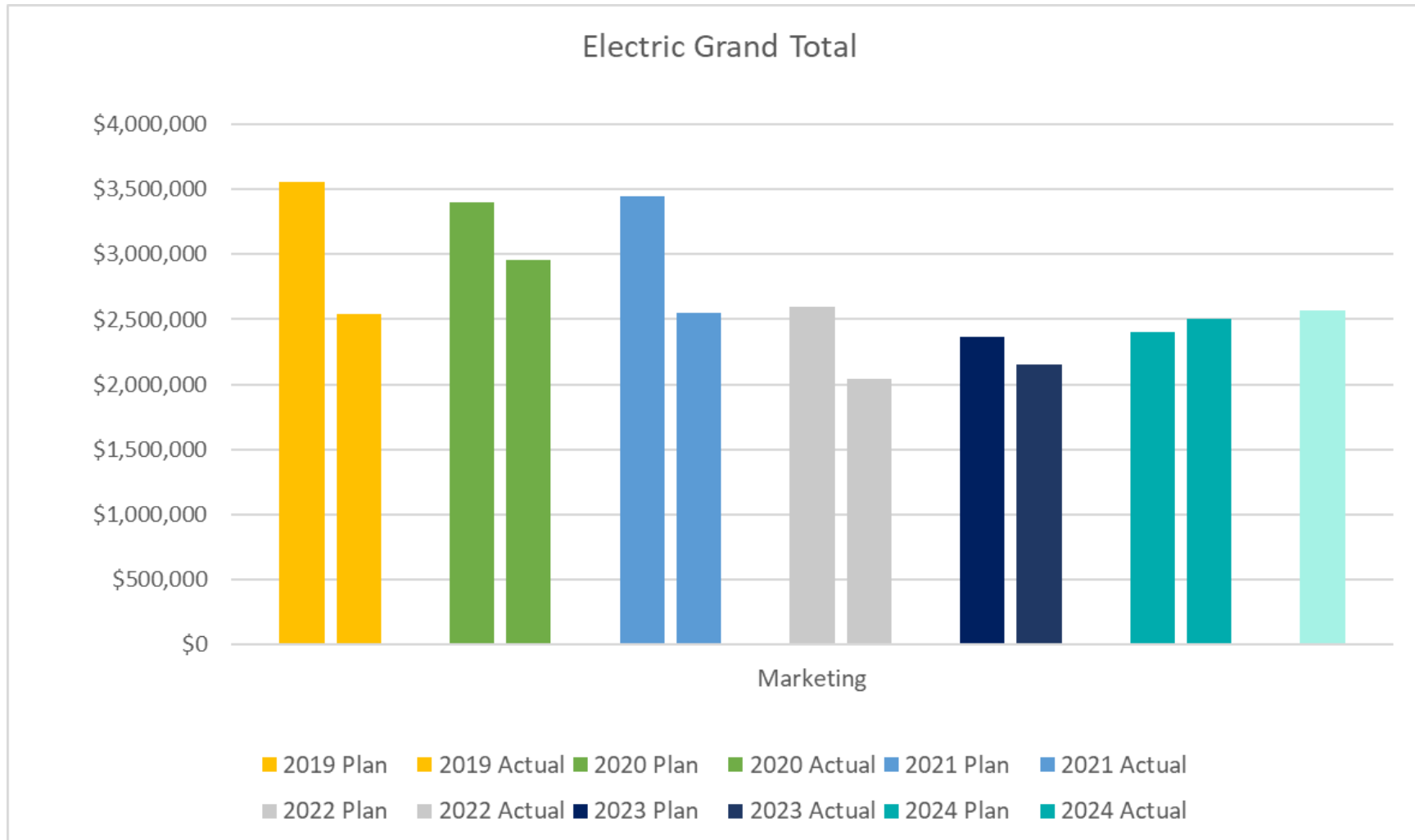
Electric Plan Budget Overview



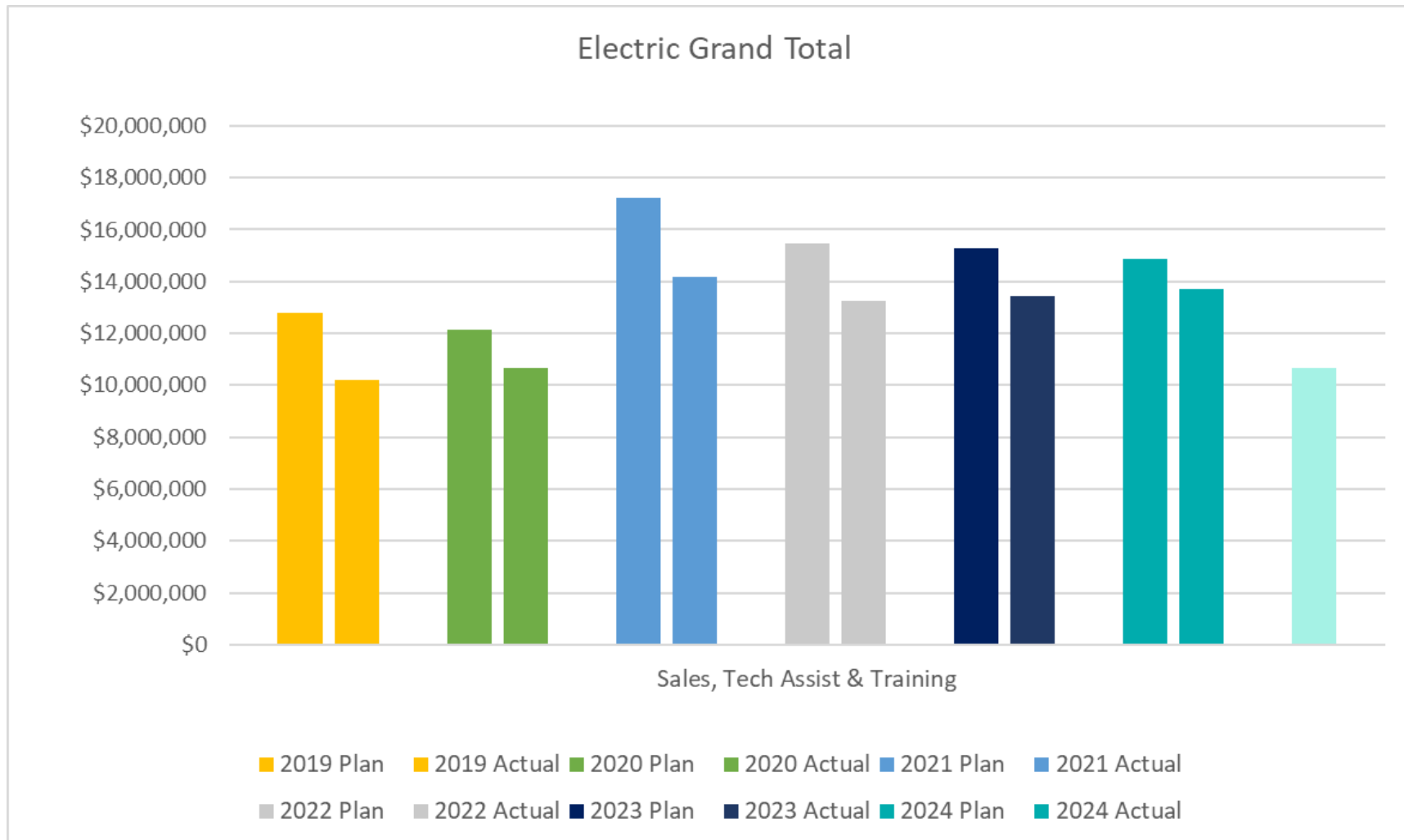
Electric Program Planning and Admin



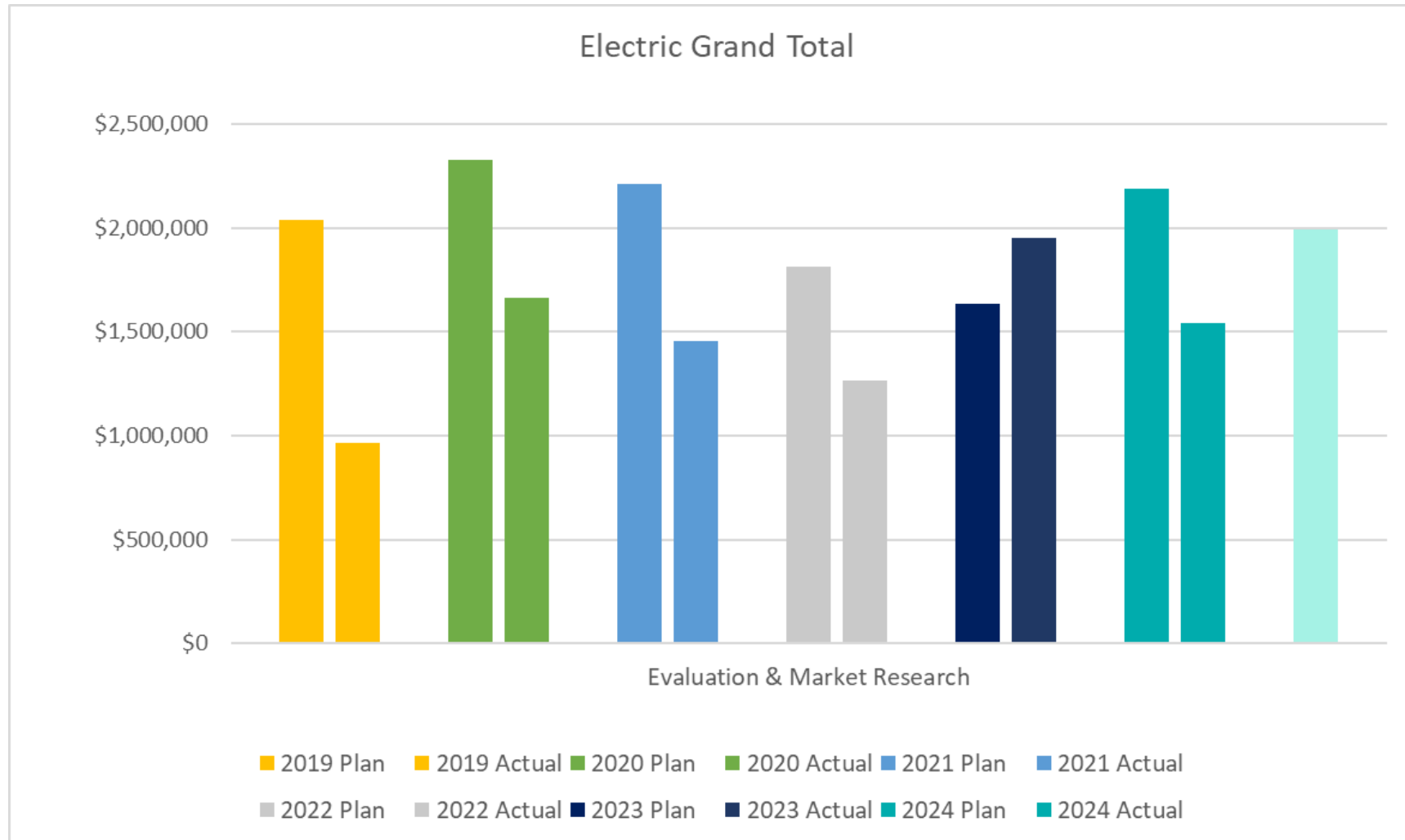
Electric Marketing



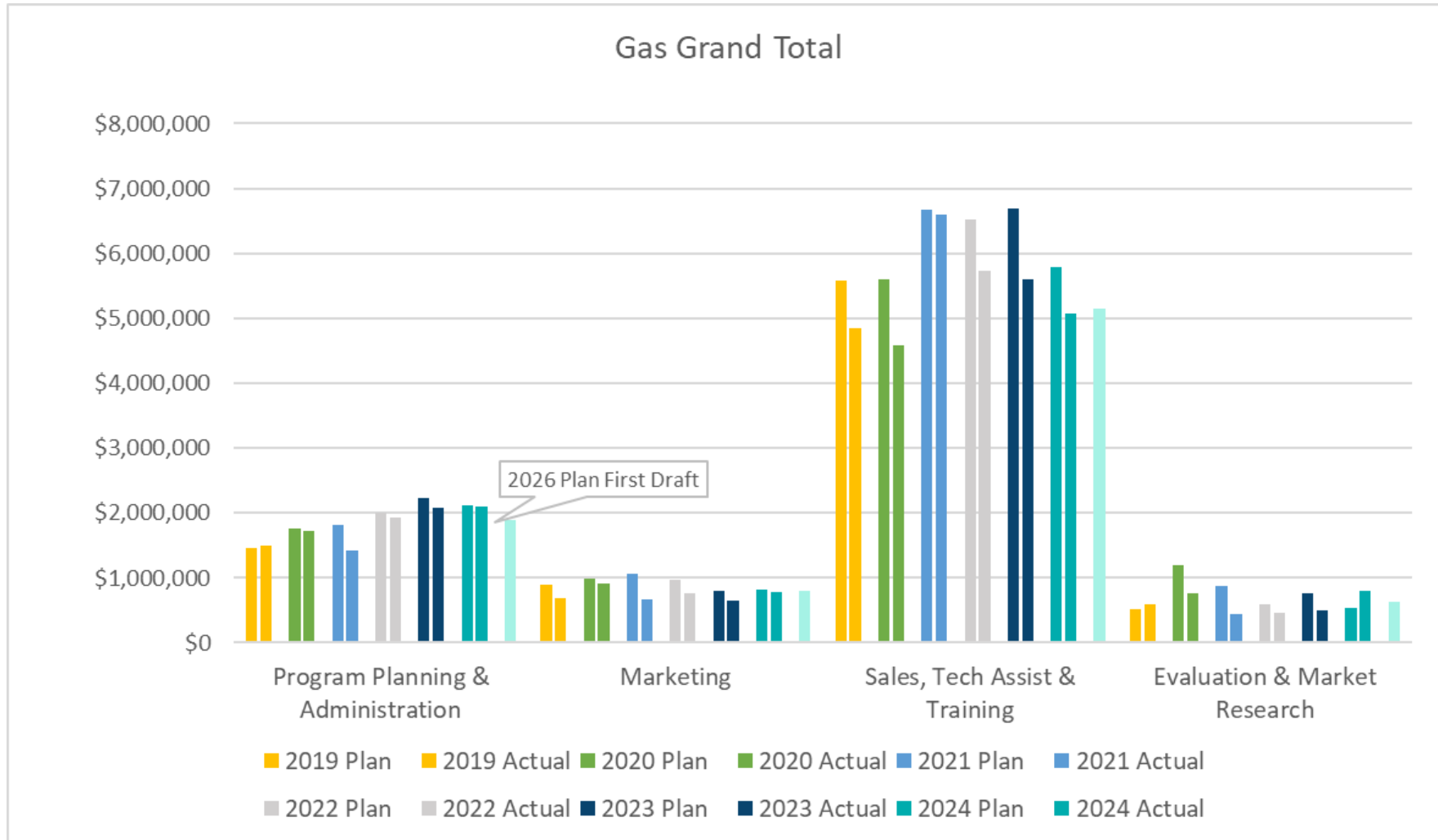
Electric Sales, Tech Assist and Training



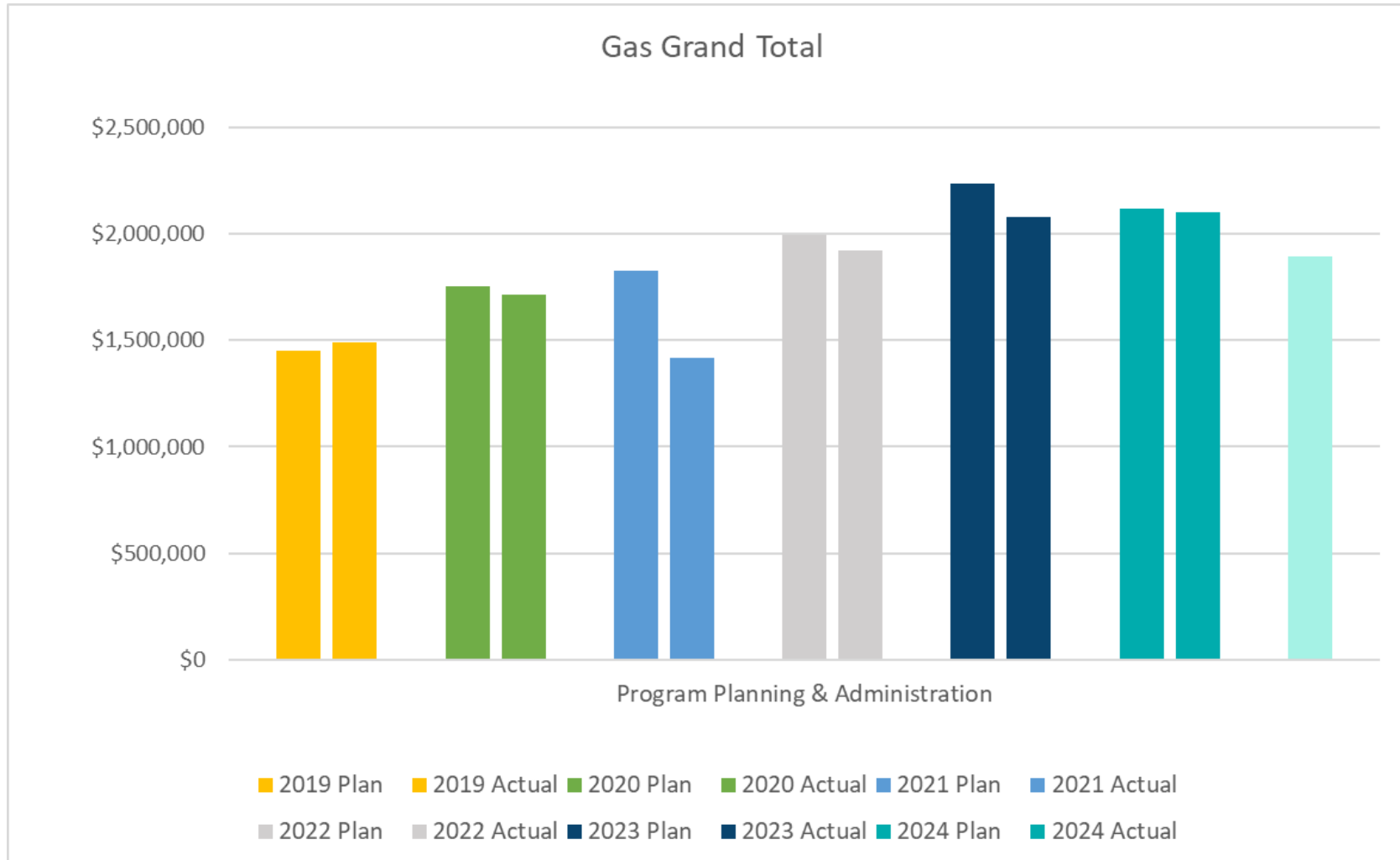
Electric Evaluation and Market Research



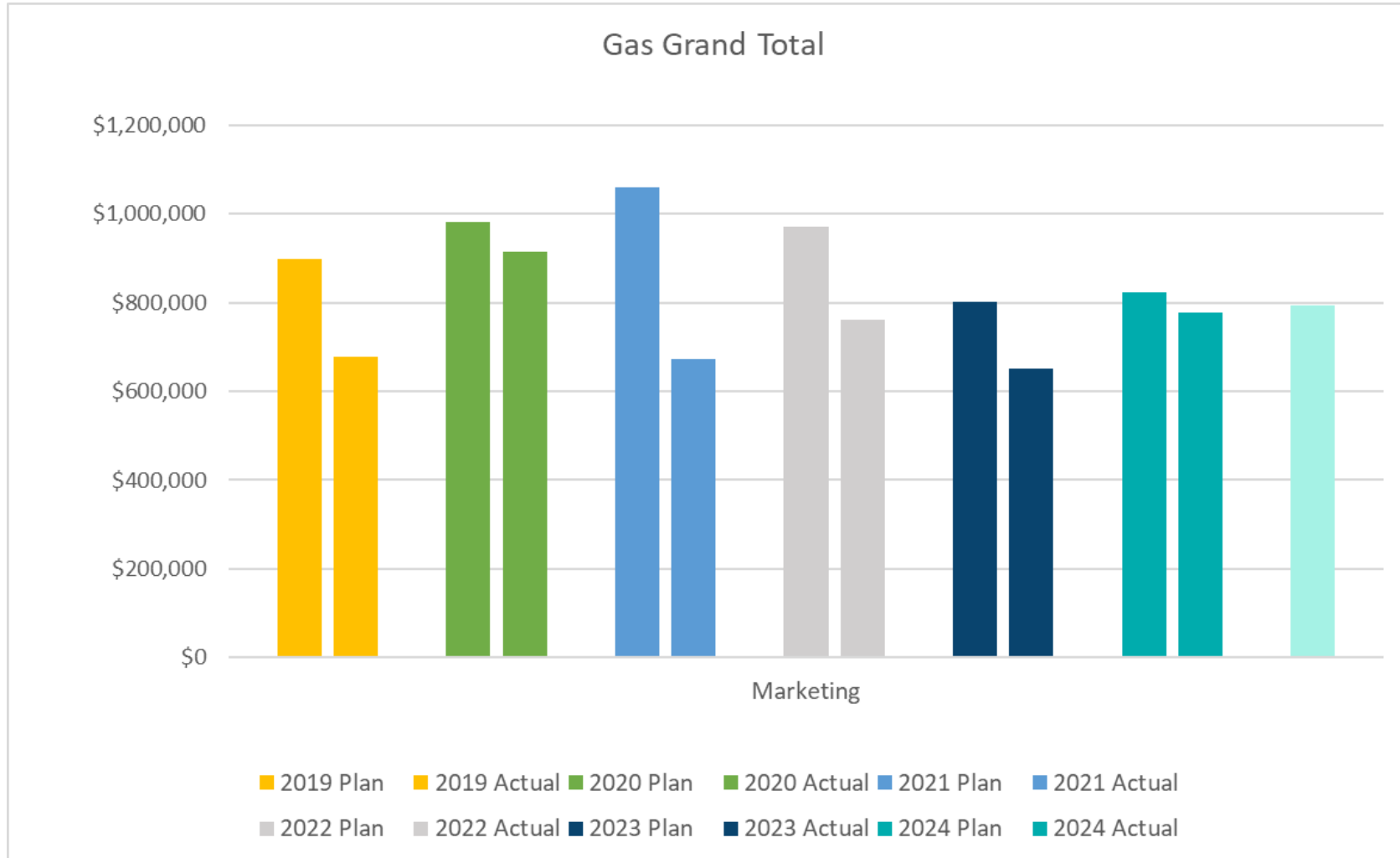
Gas Planned Budgets Overview



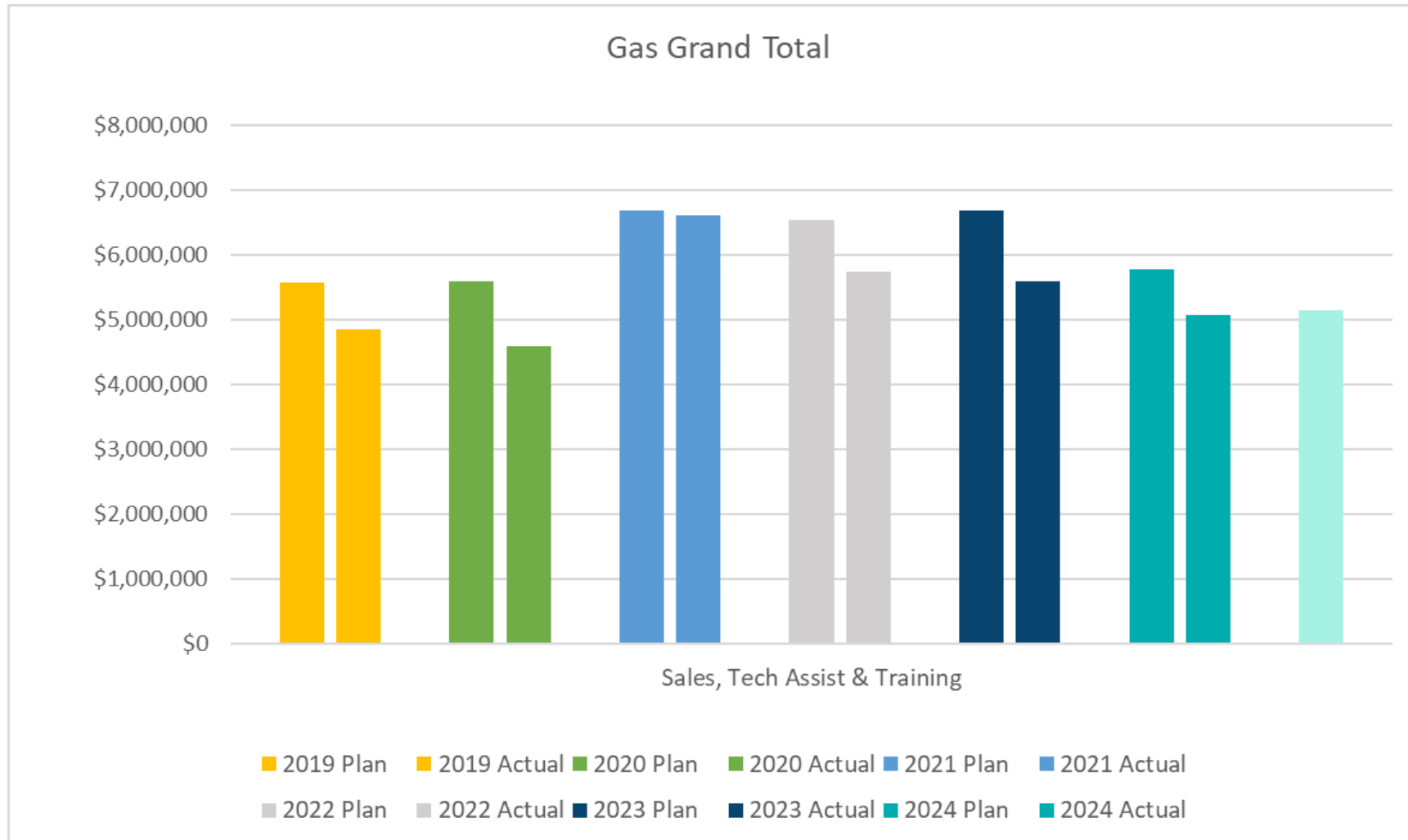
Gas Program Planning and Administration



Gas Marketing



Gas Sales, Tech Assist and Training



Gas Evaluation and Market Research

