



2027-2029 Energy Efficiency Target Setting

Consultant Team Presentation

Date: October 16, 2025

Outline



Background

Targets Development

Report Components

Next Steps & Council Discussion



Background

Legislative Requirement



In accordance with [R.I. Gen. Laws § 39-1-27.7](#) associated with the 2006 Comprehensive Energy Conservation, Efficiency and Affordability Act (“Least-Cost Procurement Law”):

- *“The commissioner of the office of energy resources and the energy efficiency and resources management council, either jointly or separately, shall provide the commission findings and recommendations with regard to system reliability and energy efficiency and conservation procurement on or before March 1, 2008, and triennially on or before March 1, thereafter through March 1, 2028.”*

The Least-Cost Procurement Law (LCP) also requires the development and periodic review of LCP Standards (“the Standards”)

The Standards (among other things) defines the Council’s responsibilities with respect to providing the Commission with findings and recommendations

- This is what we are referring to when we discuss the recommended “Targets Report”

The next period for these Targets is 2027-2029

Purpose of Targets



Establishes what is “potentially available cost-effective efficiency”

Guides establishment of savings goals for the Three-Year Plans and associated Annual Plans

Important Reminders:

- Energy Efficiency Targets \neq Energy Efficiency Goals
- Historically, Goals are where the filters for prudence, reliability, and environmental responsibility from the Standards are factored in
- These factors typically result in a gap between Targets and Goals as defined, and that is okay



Targets Development

Historical Reference Points for Targets



2021-2023 Targets utilized results of the Council conducted 2021-2026 Market Potential Study (MPS)

2024-2026 Targets utilized a lighter touch/refresh to the 2021-2026 MPS for the period of 2024-2026

Prior iterations utilized a combination of results from the Council conducted 2011-2020 MPS (“KEMA Opportunity Report”) along with analyses to account for changes in market conditions

Potential Resources for 2027-2029 Targets



2021-2026 MPS & 2024-2026 MPS Refresh

- Foundational data source
- Extend trends while adjusting for known market conditions
- Apply scenario modeling to convey uncertainties

Leverage other state-specific research

- Future of Gas Docket Technical Report and any outcomes from Stakeholder Report (when available)
- State's Climate Action Strategy Plan

Supplemental Data Sources

- Regional benchmarks
- Technology forecasts for advancements in key end-uses (HVAC, building envelope, etc.)
- Economic and demographic trends (e.g., building stock change)

Recent plans and actuals



Report Components

EE & Conservation Targets



Required

Savings targets for electric and gas through energy efficiency over a three- to six-year period

Required

How savings targets are cost-effective and supported by one or more relevant market potential assessments

Required

Whether savings targets are intended to represent investments that are also reliable, prudent, environmentally responsible, and less than the cost of supply

Optional

Strategies for achieving savings targets over at least a three-year period

SRP Recommendations



Optional

Recommendation for processes, including screening criteria, for identifying SRP investments that potentially meet LCP Standards

Optional

Strategies/technologies that potentially contribute to SRP

Performance Incentive & Standards



Performance Incentive Plans

- Recommendations for performance incentives that the distribution company is eligible to earn through LCP

LCP Standards

- Recommendations for updates to LCP Standards

Rulings & Stakeholder Process



Recommended Rulings

- State findings that the Council and/or OER recommend the PUC adopt by Order

Required

Stakeholder Processes

- Minutes of public Council meetings at which the report was discussed
- Presentations related to the development of the report made at public Council meetings

Required

Required



Next Steps & Council Discussion

Next Steps



Not part of C-Team 2025 SOW, but recommend work start in 2025 given timeline and potential Council budget constraints in 2026

- Work within existing budget and only request budget adjustment if this work causes us to exceed it

C-Team will draft a proposed plan and timeline to share with the Council at November Council meeting

Council Member Discussion



- Of the report components that are optional, are there any that the Council would like to include as part of this work?
- How should the Council balance benefits of setting aggressive targets with risks of overestimating market readiness or budget capacity?
- How should other policy/priorities be considered (e.g., equity and access, integration with Act on Climate, etc.)?