STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN: REVIEW OF RHODE ISLAND ENERGY'S ANNUAL ENERGY EFFICIENCY PLAN FOR 2026	**)** **)** **)**	**DOCKET NO. 25-37-EE**

PRE-FILED DIRECT TESTIMONY
OF
ADRIAN CAESAR

SUBMITTED ON BEHALF OF
THE RHODE ISLAND
ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL

NOVEMBER 7, 2025

I. INTRODUCTION

Q. Please state your name and business address.

A. I am Adrian Caesar. My business address is: Optimal Energy, an NV5 Company, 225 Dyer St 2nd Floor, Providence, RI 02903.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of the Rhode Island Energy Efficiency and Resource Management Council ("the Council").

Q: Please summarize your work with the Council relevant to your role providing testimony in this docket.

A: I am a Consultant at Optimal Energy, an NV5 Company, the prime contractor for the Council's C-Team. I have been a member of the C-Team since 2019, and I have represented the Council in past dockets related to energy efficiency plans. I have worked in close collaboration with the Council throughout the 2026 Plan development process and oversaw the review of commercial and industrial (C&I) components of the Plan. I was also the co-author for the Council's *Cost-Effectiveness Report: Rhode Island Energy's 2026 Energy Efficiency Plan* which was filed with the Commission in this same Docket.

Q: What is the purpose of your Testimony in this proceeding?

A: The purpose of my testimony is to summarize the Council's process for engaging with Rhode Island Energy (RIE) in the development of the C&I components of the 2026 Plan. A key driver of recommendations for the C&I programs included in the 2026 Annual Plan was the significant decrease in planned savings compared to the 2025 Annual Plan and, in some cases, 2024 achievement, a year in which RIE only achieved 74% of lifetime C&I electric savings and 40% of lifetime C&I gas savings. While developments such as the 2025 Mercury Ban and adoption of the 2024 International Energy Conservation Code (IECC) put downward pressure on savings, the magnitude of decrease in planned savings did not seem commensurate with anticipated changes. At the request of RIE, the C-

Team detailed its recommendations in memos developed for the First and Second Draft 2026 Annual Plans. The C-Team memo on the First Draft plan listed all recommended improvements to the Annual Plan, while the second draft assessed the degree to which the Plan responded to each recommendation. Key improvements the C-Team identified in its review of Attachment 2 to the 2026 Annual Plan on C&I programs included the C&I attachment structure, custom process and savings, the decoupling of lighting- controls savings from LEDs, continued lighting opportunities such as LED-to-LED retrofits, reducing or removing incentives for uncontrolled lighting, refining the Performance Lighting initiative, and developing meaningful equity metrics for small businesses.

II. ADDITIONAL SAVINGS SUMMARY

Q: In the testimony of Councilor Peter Gill Case, he describes an additional level of savings that the Council is proposing and requesting the Commission approve. Are you familiar with this testimony?

A: Yes, I am familiar with Councilor Gill Case's testimony. In his testimony he notes that the Council proposes and requests that the Commission approve a savings goal of 557,735 lifetime MWh for the electric portfolio and 2,229,682 lifetime MMBtu for the gas portfolio. He further directs readers of his testimony to refer to the pre-filed testimony of myself and Adrian Caesar for detail on how these savings numbers were developed.

Q: Please describe your involvement in the development of the additional savings considered in Councilor Peter Gill Case's testimony?

A: I was responsible for the identification and development of additional savings and estimates of the additional budget that would likely be required to support these additional savings in the commercial and industrial (C&I) sector.

I compared 2024 activity, a year during which the C&I sector fell significantly short of planned electric and gas savings goals, to the filed 2026 Plan, and

identified potential opportunities to plan for higher savings. The analysis leveraged gross annual savings as a basis to mitigate changes in measure impact factors. There was also consideration given to updated codes and standards (i.e., IECC 2024) when identifying measures that could have higher planned savings. Planned measure-level savings were scaled up by using 2024 activity, both at the measure- and end-use level, to determine a range of proposed incremental savings, with the minimum and maximum of those two scaling values informing the range of savings. The analysis included measures where 2024 gross annual savings exceeded planned 2026 gross annual savings. The total incremental savings identified was 56,782 lifetime MWh for the electric C&I portfolio and 175,597 lifetime MMBtu for the gas C&I portfolio. These incremental savings represent the midpoint between a minimum and maximum of the range of additional lifetime electric and gas savings calculated using the method characterized above. Select measures, namely prescriptive LEDs, had the minimum value for proposed incremental savings set to zero due to ongoing discussions with RIE's evaluation and implementation teams on remaining opportunities and quantification of savings. Given the status of these discussions, I determined it would be more appropriate to propose more conservative values for additional savings.

To calculate incremental spending associated with the additional proposed savings, I applied the filed 2026 Plan cost per unit lifetime electric or gas savings (i.e., dollar per lifetime kWh or dollar per MMBtu) to the incremental savings. Furthermore, additional non-incentive costs were estimated by applying the ratio of non-incentive dollars to unit energy saved. The total incremental spending identified was $3,967,407 for the electric C&I portfolio and $1,536,698 for the gas C&I portfolio.

Please see pre-filed testimony of Craig Johnson for more discussion on our overall approach and a summary of the impacts these additional savings would have on the systems benefit charge.

III. FEEDBACK ON PLAN NARRATIVE (COMMERCIAL AND INDUSTRIAL PROGRAMS)

Q: Can you describe relevant findings and recommendations from your review of the C&I-focused components of the 2026 Annual Plan?

A: **C&I Plan Narrative Structure**: First, the C-Team noted that the organization of 2026 Annual Plan Attachment 2 did not characterize the C&I programs, participation pathways, and offerings in an intuitive manner. The Plan narrative used overlapping definitions and inconsistent terminology to describe eligibility for different program offerings. The Second Draft Plan, and subsequent drafts, addressed the C-Team's recommendations by reorganizing Attachment 2 to include a more intuitive narrative flow, redefining or changing terms to avoid overlap and contradictions, and categorizing specific offerings within the appropriate program type under which they fall (e.g., New Construction, Retrofit, Midstream, Small Business).

Custom Measures: The First Draft 2026 Annual Plan included a 35% decrease in planned electric savings compared to the 2025 Annual Plan and 2024 actuals, despite underperformance observed in 2024. 64% of this decrease in planned savings were attributed to Custom measures. These measures commonly address complex systems in large commercial spaces and require engineering analysis to quantify savings, which are then used as the basis for calculating project incentives. While the nature of Custom measures necessitates more robust technical assistance, which comes at a cost, the savings generated from these projects can provide notable benefits to customers. RIE communicated its intent to "right-size" programs based on recent performance and budget constraints; however, the Plan does not explore significant opportunities to improve program processes to produce more benefits, which is a goal of Plan development. By failing to address shortcomings in the Custom process, such as lengthy project timelines and stringent reporting requirements, the programs will continue to see a decline in planned and actual savings while still incurring any fixed, non-

incentive costs, thus reducing net benefits to ratepayers. Both Rhode Island and Massachusetts have completed Custom Process Evaluations within the last two years, both of which should be used to inform changes to the Custom process. The C-Team suggested that the Plan should incorporate recommendations from these studies, but no such recommendations were addressed in the Plan narrative.

Lighting Opportunities: Next, the First Draft Plan included a 68% reduction in savings from lighting measures compared to 2024 actuals largely due to the ban on mercury-based products in the state, effectively raising the counterfactual baseline for lighting projects to LEDs. In response, RIE proposed ending incentives for all standard LEDs by the end of 2026. The C-Team recommended that the Plan adopt findings from the multistate Lighting Plus Market Characterization Study. The study's three primary recommendations were to support LED-to-LED retrofits using higher-efficacy products, support advanced lighting controls, and offer incentives for LED redesign projects. While the Mercury Ban has resulted in an LED baseline, LED efficacy (rated in lumens or units of light output per Watt) has improved drastically since their advent, with efficacy for early LEDs as low as 60 lumens per Watt and newer LEDs reaching 150 lumens per Watt. This means that the programs can still claim savings for LED-to-LED retrofits if RIE can establish an appropriate baseline. One suggestion for setting a baseline provided by the C-Team was to use a weighted average of LEDs installed over a prior time period that coincides with their effective useful lives. Another suggestion was to require that new LEDs are Design Lights Consortium (DLC)-qualified and exceed a certain efficacy if offered through the Midstream pathway. The Plan did not address these recommendations. Furthermore, the C-Team recommended that the Plan differentiate incentives for lighting products with and without controls (i.e., offer higher incentives for lighting measures with controls), decouple lighting control savings from luminaires, and expand on measures that are not impacted by the Mercury Ban. Driving adoption of controllable lighting and decoupling controls savings from luminaires are both mechanisms to increase savings using existing pathways. The Plan partially addressed the recommendation to provide higher

incentives for controllable lighting, but the change was not applied to all core lighting measures. The Plan also partially addressed the recommendation to expand on measures not impacted by the Mercury Ban as it increased planned savings from lighting controls. The Plan did not address the recommendation to decouple lighting control savings from luminaires. By comingling lighting controls and LEDs, RIE is subjecting controls to more stringent baselines and impact factors that may be resulting in the undercounting of savings. As it relates to advanced lighting controls, the C-Team recommended removing the Performance Lighting initiative and replacing it with a streamlined approach focused on high-priority measures, namely luminaire-level lighting controls and networked lighting controls. Despite relatively low participation in this pathway and adoption of networked lighting controls, the Plan did not consider the C-Team recommendation. The Plan did address the C-Team recommendation to increase planned savings from integrated controls, though significant opportunities remain to drive adoption of advanced lighting controls and traditional lighting measures.

Small Business Equity Metrics: The C-Team's last core recommendation for the 2026 Annual Plan pertains to the equity metrics for small businesses. Currently, RIE reports the number of small business participants disaggregated by Justice40-community status and annual electric consumption. While these data can be used to track overall trends over time, there is no clear way to determine the achievement of equitable outcomes as currently posed. Instead, the C-Team recommended tracking and reporting participation rates over time for priority populations, specifically small businesses in Justice40 communities and customers with less than 100,000 kWh in annual electric consumption ("microbusinesses"). These customers face the highest barriers to participation, and it is difficult to gauge the effectiveness of equity-focused efforts without more thoughtful tracking of participation trends over time. The Plan and Equity Working Group Report should include the total number of eligible small

businesses within each community type and energy-consumption bin to enable effective tracking and refinement of strategies to target underserved populations.

IV. SUMMARY

Q: Please summarize the testimony you have provided.

A: The purpose of this testimony was to describe my involvement in developing additional savings that the Council is recommending for the 2026 Plan, as well as my engagement in the development of the C&I components of RIE's 2026 Plan, including review of the recommendations and feedback provided during the plan development process.

Q: Does this conclude your testimony?

A: It does.