TABLE OF CONTENTS

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Pre-Filed Testimony

Consistent with the revised Least Cost Procurement Standards ("LCP Standards" or "Standards"), the Company will include pre-filed testimony with the Plan that the Plan is compliant with the Standards.

1. INTRODUCTION

Rhode Island Energy (the Company) envisions its energy efficiency programs as offering a cost-effective, reliable, environmentally friendly, and affordable solution that benefits every Rhode Island family, business, and community in its territory.

Aligned with Least-Cost Procurement ("LCP"), the Company's strategy focuses on meeting customers where they are. Leveraging our local presence and strong relationships with Rhode Island families, businesses, and communities, the Company has gained insights into their needs and preferences. The Company is equipped to address gaps as they arise, such as in financing, and contribute to transforming the local market, for instance, through workforce development initiatives.

Customer bill affordability is a key priority for the 2025 Energy Efficiency Plan. During the 2024 Energy Efficiency Plan hearings, the Public Utilities Commission (PUC) focused on the Cost of Supply and the benefits of efficiency programs to customers and the utility system in an affordable manner. This experience, along with the Company's overall focus on customer bill affordability~~,~~ informs the approach to the 2025 planning process in several key ways, as will be detailed in the plan. The Company is also implementing a revised approach to rate and bill impacts, another PUC and Company focus, to better reflect specific utility system benefits and customer costs. Additional detail on these efforts can be found throughout the Plan narrative and, in particular, Section 6.4.2.

~~Additional detail on these efforts can be found throughout the Plan narrative as well as in Attachments 1, 2, and 7.~~

1.1 Executive Summary

Pursuant to Rhode Island General Statue § 39-1-27.7, the *Comprehensive Energy Conservation, Efficiency and Affordability Act of 2006*[1], the Narragansett Electric Company d/b/a Rhode Island Energy (RI Energy or Company) hereby submits its 2025 Annual Energy Efficiency and Conservation Procurement Plan (Annual Plan or 2025 Plan). This is the second annual plan of three submitted within the sixth triennial

Commented [CJ1]: It is important that the Plan emphasize long-term bill affordability for the average customer, and not conflate that with rate impacts or near-term (e.g. within the current year) bill impacts. It is also important that the Plan emphasize the impact to the average customer, which may include large benefits to participants paired with small losses for nonparticipants.

Commented [RIE1R2]: Noted. Changes in the EE Charge can be found in tables E11 and G11.

Commented [SA2]: I deleted this because this feels like it doesn't belong in the EE plan. The company's marketing around focus on customer bill impacts is separate from all cost-effective energy efficiency measures and sends a message that they are more focused on keeping the line item for EE down as opposed to keeping the line item for supply down as a result of all cost-effective investments in EE.

Commented [RIE2R2]: Thanks Sue. We decided to leave this in because of the feedback we received from the PUC during the hearings last year. It's important to note that this focus on affordability takes into account the impact of energy efficiency spending.

Commented [CJ3]: More comments on this later, but wanted to state up front that we were disappointed that more about the revised approach was not shared in this draft of the Plan.

Commented [RIE3R2]: Noted. Details added to current draft.

Commented [CJ4]: Disappointed to not see an Executive Summary provided. We understand that some specifics of an Executive Summary are likely to change based on development of content for the rest of the Plan, but having one included in a first draft, even if it largely mirrored the final draft of the 2024 Plan, would have been helpful to see.

Commented [RIE4R2]: Executive summary included in current draft.

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[1] Rhode Island General Law, *Comprehensive Energy Conservation, Efficiency, and Affordability Act of 2006*, RIGL § 39-1-27.7.

plan, the 2024-2026 Three-Year Energy Efficiency and Conservation Procurement Plan[2] (2024-2026 Plan).

The Company's energy efficiency programs are a cost-effective method of contributing to mitigating climate change and contributing to state and federal mandates for greenhouse gas emission reductions. Efficiency programs reduce carbon dioxide and other greenhouse gas emissions, such as nitrous oxides, sulfur oxides and chlorofluorocarbons (from refrigerants). On April 14, 2021, Governor Dan McKee signed into law the 2021 Act on Climate[3], legislation which set forth enforceable statewide, economy-wide greenhouse gas emission reduction mandates. The legislation requires Rhode Island to reduce greenhouse gas emissions by 45 percent below 1990 levels by 2030, 80 percent by 2040, and achieve net-zero emissions by 2050.

To develop the 2025 Annual Plan and its binding savings goals and budgets, the Company worked with the Energy Efficiency Council (EEC), the Office of Energy Resources (OER), the Division of Public Utilities and Carriers (the Division), Energy Efficiency Technical Working Group (EE TWG) stakeholders, the Energy Efficiency Equity Working Group (EE EWG), and the Company's vendors. The EE EWG's report recommendations and ongoing work to increase outreach and participation equitably in the state influenced the design and implementation of the 2025 Plan.

The 2025 Plan is a $~~130.517.3~~ 116.6 million investment in helping Rhode Island customers save energy and money. This investment is expected to save 5,593,775 ~~607,790,464955,464790955~~ net lifetime MMBtu (one million British thermal units) and 577,510 ~~81,808634,251~~ net annual MMBtu across all fuels, while reducing annual carbon dioxide emissions by 61,237 ~~2,020 71,763~~ short tons. By calculating the combined energy and non-energy benefits (e.g., other system, societal, environmental, etc.), the state's efficiency investment is expected to generate $269.7~~731.6~~ million in total net benefits.

The Company recognizes that highly skilled professionals are the key to engaging more customers, driving participation in programs, and increasing energy savings across the Company's energy efficiency programs. In 2025 the Company's workforce development efforts span a range of capacity building efforts, including working with Community Action Programs (~~S~~CAPS), the organizations responsible for implementing income eligible weatherization programs, to support their staff and aid in the recruitment and training of additional energy auditors to enhance their ability to serve eligible customers. 2025 will also usher in a new statewide energy code, the 2024 International Energy Conservation Code (IECC) [4], and the Company has already begun, and will continue into 2025, trainings for contractors, town officials, program implementers, and other relevant stakeholders on the implications of the new energy code on the design and installation of energy efficiency measures in both existing buildings and new

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[2] 2024-2026 Plan (filed Oct. 2, 2023)

[3] Rhode Island General Law, *2021 Act on Climate*, RIGL §42-6.2

[4] IECC Legislation

Commented [CJ5]: Recommend on final pass the Company do a review of footnotes. This footnote 6 points to a Justice40 link, which doesn't appear to have anything to do with this sentence. I'm assuming something just got mixed up, but flagging it here in case there are other examples.

Commented [RIE5R2]: Removed footnote. Thanks!

Commented [CJ6]: At least this many benefits. I think it would be fair to note and add some language here that there are significant non-zero economic impact benefits that are not counted in this number.

Commented [RIE6R2]: Thanks for the suggestion. While we agree, we'd rather keep the focus on the economic benefits that are counted.

Commented [CJ7]: Footnote makes it seem as if this is the RI only calculation, but it is the RI Test Net Benefit. This maybe be tied to the footnote issue I raised earlier.

Commented [RIE7R2]: Yes, footnote issue. Deleted.

Commented [SA8]: But not limited to?

Commented [RIE8R2]: No, not limited to. Please see the section under Cross Cutting focused on workforce development.

Commented [CJ9]: Have noticed some spelling errors throughout. Will only flag here once, but please take the time to do a thorough read through prior to finalizing the Plan for filing.

Commented [RIE9R2]: Thanks. Updated.

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construction projects. The Company expects that the Inflation Reduction Act[5] (IRA) and other state and local programs to fund energy initiatives will increase the demand for energy efficiency. The Company, in order to meet this increased demand, will expand the current efficiency workforce development efforts and leverage the knowledge and training opportunities available through trade allies and other industry experts.

The Company, through the Equity Working Group, continues to develop and implement an equity-driven framework for its energy efficiency programs. In 2024 the Company will begin reporting to the EEC on equity metrics suggested by the EWG and refine those metrics over the course of 2025 to better quantify the impact of its efforts. RI Energy will~~wil~~ further align its programs with the Federal Justice40[6] Initiative to ensure underserved Rhode Island communities are able to access and benefit from both federal funding and the Company's energy efficiency programs. The Company will also continue efforts to leverage federal, state, and local funding to support and complement existing efficiency efforts. This additional funding could allow RI Energy to serve more customers across all sectors, address weatherization and other participation barriers, and help incentivize the decarbonization of building heating, cooling and hot water systems. Please see Section 2.6.3 for a further description of the Company's efforts to collaborate with other funding sources.

As outlined in RI PUC Order 25092[7] within Docket 23-35-EE, any program with a projected cost exceeding the cost of supply, excluding delivered fuels in the intrastate calculation, must justify its approval despite surpassing the calculated avoided cost of supply. In the 2025 Annual Plan, the cost of six proposed programs exceed the Commission's defined cost of supply, necessitating justifications rooted in the Least Cost Procurement (LCP) Standards. ~~Over the preceding decades of programming, energy efficiency has garnered support from policymakers, stakeholders, and consumers due to the multitude of benefits associated with it. The Company has curated a portfolio of programs that strike a balance between these benefits and the costs incurred to attain them. The benefits to ratepayers, exemplified in the cost of supply analysis requested by the PUC, represent a subset of the historically recognized benefits outlined in the Rhode Island Test.~~

In response, t~~T~~he Company has adjusted its approach in planning the 2025 programs, specifically by reducing funding for delivered fuels efficiency measures to try to minimize program costs exceeding the cost of supply. Throughout 2025 the Company will assess the impacts of these adjustments on program participation, contractor engagement, resource allocation, and customer satisfaction to determine if further changes are necessary. The Company views this as a multi-year process, and, as such, decisions on program scope should not solely rely on the 2025 plan but contemplate longer term impacts. There

Commented [CJ10]: Thank you for going beyond "access" to include "benefit" here.

Commented [RIE10R2]: You are welcome.

Commented [SA11]: Why are we reducing EE for delivered fuels customers? Is it because there's no line item for it because they aren't paying into the programs? How do we adjust this? Doing electric and thermal EE there is essential as we switch to electrification & the rural communities using delivered fuels can have economic challenges as well.

Commented [RIE11R2]: This is a direct response to the feedback from the PUC. Delivered fuels customers do pay a system benefit charge (SBC) on their electric bills, but the costs to deliver these programs to delivered fuels customers far exceeds the benefits using the criteria specified by the PUC. We are still going to serve these customers and have offered our rationale for the necessity of these programs in the Justification section of the plan, 6.6.3.

Commented [SA12]: Programs also need to meet environmental considerations nad cutting off the delivered fuels customers doesn't help with this?

Commented [RIE12R2]: Agreed but the PUC has asked us to evaluate these programs absent the environmental benefits associated with weatherizing delivered fuel customers.

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[5] Inflation Reduction Act text

[6] https://www.whitehouse.gov/environmentaljustice/justice40/

[7] Order 25092 specifies that "the calculation includes the forecasted interstate costs," however, the Open Meeting minutes from December 19, 2023, and a review of the Open Meeting recording from that date indicates that the Commission stated "forecasted intrastate costs."

may be market and program impacts that cannot be assessed in time for the 2025 planning cycle but could offer valuable insights for subsequent plans. Within this context, the Company expended considerable effort to provide justifications, both quantitative and qualitative, regarding the continued support for programs where the Cost of Efficiency surpasses the Cost of Supply, as defined by the PUC. These justifications can be found in Section 6.6.3.

1.2 Plan Summary

1.2.1 Savings

~~The primary goal of the 2025 Plan is to create energy and economic cost savings for Rhode Island consumers through energy efficiency.~~ The Electric Portfolio will save ~~XXX,XXX608,863~~ 586,220 lifetime megawatt-hours (MWh) over the lifetime of the installed energy efficiency measures ~~84,084~~ 82,400~~XX,XXX~~ net annual MWhs, and ~~XX,XXX15,687~~ 15,585 net annual summer kilowatts (kW) and ~~15,796~~16,124 ~~XX,XXX~~ net winter kW from passive energy efficiency. The Natural Gas Portfolio will save ~~2,873,413~~2,941,697~~X,XXX,XXX~~ lifetime MMBtu over the lifetime of installed natural gas measures and ~~271,883~~274,817 ~~XXX,XXX~~ annual MMBtu. For all fuels combined (electric, gas, oil, propane), the Annual Plan will save ~~X,XXX,XXX5,607,464~~ 5,593,775 net lifetime MMBtu and ~~581,808~~577,510~~XXX,XXX~~ net annual MMBtu. Energy savings are measured and verified by third-party evaluation firms.

1.2.2 Benefits

The 2025 Plan will create significant benefits for Rhode Island's residential, commercial, industrial, and income eligible customers. In total, the Annual Plan is expected to create $~~XXX271.6~~269.7 million in total benefits over the life of the installed electric and natural gas energy efficiency measures. Of these total benefits, $~~XXX 197~~193-M~~M ($XXX M197M~~ ($168~~71~~M Rhode Island only benefits[8]) come from electric efficiency and passive demand reductions, and $~~XX M~~76~~5~~M ($69~~8XX~~ M Rhode Island only benefits) derive from natural gas efficiency.

Table 1 includes a high-level summary of the electric-funded and natural gas-funded portions of the Annual Plan. Each $1 spent on the Electric Portfolio will create $1~~X~~.99~~XX~~ in benefits ~~($X~~(1.~~XX~~74~~3~~ in Rhode Island only benefits) over the lifetime of the investment, and every $1 spent on the Natural Gas Portfolio will create $1.82~~77X.XX~~ in benefits ($1.64~~59X.XX~~ in Rhode Island only benefits) over the lifetime of the investments. A detailed summary of the benefits and costs included in the Rhode Island Test (RI Test) are included in Attachment 4.

Commented [CJ13]: Noting that this subsection says nothing about economic cost savings.

Commented [RIE13R2]: Thanks for the note. Deleted.

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Commented [CJ14]: Something to consider when evaluating the full and net impacts of the Plan….It would be interesting to quantify the "locked in MMBtu" to see how that compares to gas savings. In other words, by installing efficient gas equipment, what is the estimated total MMBtu of consumption (compared to a counterfactual of those same equipment being electrified).

Commented [RIE14R2]: Thanks for mentioning. This is beyond the scope of our current planning effort but we would be happy to see a suggested methodology for this calculation from the C-Team.

Commented [CJ14R3]: This is still something we're interested in and may pull something together in the future either before or after the Plan filing. Leaving this comment open for now.

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Commented [SA15]: Can you provide comparisons for how much this is? Enough to power x homes or avoid Y investments?

Commented [RIE15R2]: We're hesitant to do this because we don't want to get into a lengthy debate on the validity of the various comparison tools that are out there. All of these tools have their pluses and minuses and adding comparisons would require additional resources that would divert from existing priorities.

Commented [CJ16]: This is a new term for the plans, and while those of us who were involved in the hearings last year understand what is meant by this, I might suggest we spend some time upfront explaining what this means.

Commented [CJ16R2]: It's probably also worth considering for inclusion in the definitions attachment. when the Company works on updating that.

Commented [RIE16R3]: Added definition as a footnote and added to definitions attachment.

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[8] Rhode Island only benefits are all Rhode Island Test benefits without rest-of-pool DRIPE (electric energy and capacity, gas, and oil).

1.2.3 Economic Impacts

The Company expects that investments made in energy efficiency under this Annual Plan will add $269.7~~271.6XXX~~ million to Rhode Island’s Gross State Product (GSP), the equivalent of 2,087~~2,100X,XXX~~ job-years. The vast majority of jobs associated with the Annual Plan’s energy efficiency investments are local because they are tied to the installation of equipment and materials. An analysis of RI Energy’s 2023 Energy Efficiency portfolio found that 68 percent of vendors who deliver services on behalf of the Company’s programs are either headquartered or have a presence in Rhode Island. Investments in energy efficiency contribute to Rhode Island’s economy overall and benefit business owners and their employees who deliver these programs and services. As described in Attachment 4, the calculation of the RI Test benefits excludes any monetized value of economic impacts because of concerns over double counting of benefits with other categories.

1.2.4 Environmental Benefits

The electric, gas, and delivered fuel energy efficiency measures proposed in this Annual Plan will avoid over ~~XX,XXX~~61,237~~35,18862,020~~ short tons of carbon in 2030~~25~~, which contributes toward the Act on Climate’s greenhouse gas emission reduction requirement of 45 percent below 1990 levels by 2030, and towards the legislation’s greenhouse gas emission requirement of net-zero by 2050. The Company believes that robust, ambitious energy efficiency programs ~~should~~ must be a foundational element of achieving greenhouse gas emission reduction targets. The Company also supports the various efforts that holistically evaluate the least cost pathways to realizing economy wide emissions.

1.2.5 Budgets and Funding

This Plan includes an investment of $~~XX.X~~81.5~~82.3~~ million in the cost-effective Electric Portfolio in 2025. If approved, this will be funded by $9.8~~3.9XX~~ million in proceeds from the ISO New England (ISO-NE) Forward Capacity Market (FCM), revenues from the existing energy efficiency program charge of $0.01139~~X.XXXX~~ per kWh, and accounting for a fully reconciling mechanism of -$0.00228~~0.00195X.XXXX~~ per kWh pursuant to R.I. Gen. Laws § 39-1-27.7(c)(5) to fully fund the cost-effective Electric Portfolio for the 2025 program year for a total charge of $0.00911~~44~~ ~~X.XXXX~~ per kWh.

This Plan also includes an investment of $~~XX.X~~ 35.0~~34.9~~ million in the cost-effective Natural Gas Portfolio in 2025. If approved, this investment will be funded by revenues from the existing energy efficiency program charge of $~~X.XXX~~0.998 per dekatherm for residential customers and $~~X.XXX~~0.680 per dekatherm for non-residential customers, and accounting for a fully reconciling mechanism adjustment of ~~($X.XX~~$0.133~~20X)~~ per dekatherm for residential customers and -$0.~~.~~225~~239X.XXX~~ per dekatherm for non-residential customers. This is pursuant to R.I. Gen. Laws § 39-1-27.7(c)(5) to fully fund the cost-effective Natural Gas Portfolio for 2025, for a total of $1.131~~18~~ ~~X.XXX~~ per dekatherm for residential customers and $0.455~~41X.XXX~~ per dekatherm for non-residential customers.

The cost of procuring ~~XXX,XXX~~586,220~~608,863~~ net lifetime MWh electric energy efficiency savings through the Annual Plan is $~~XX.X~~ 70.4~~72.8~~ million less than if that electric load was met by purchasing additional electric supply. The cost of procuring said MWh savings is $32.1~~34.3XX.X~~ million less than the

Commented [CJ17]: Last year we raised a point that it would be a better implementation in the spirit of the RI Test to agree on a sufficiently conservative value for economic development benefits that all parties would be comfortable adding that value to the other benefits in the test (i.e. establish a value that is low enough to eliminate concerns about double counting. This could potentially include something as aggressive as directly subtracting the total value of the possibly double-counted categories form the overall economic benefits). This could be done in addition to estimating the full non-additive economic benefits as currently done. The concern that exists with the current approach is that, when the RI Test results are viewed along, the economic development benefits, which are known to be sizeable, are in effect equal to zero. A conservative but positive value that can be directly included in the RI Test would be an improvement, though an imperfect one.

In response to this last year, the Company noted that Brattle had provided the Company with a proposed method of adding econ benefits without double counting, however Synapse still had concerns and for that reason and some others the Company decided not to pursue.

We are raising this again and strongly urge the Company to lead conversations with necessary parties (Brattle, Synapse, EE TWG, etc) to identify an approach that is widely agreed upon.

Commented [CJ17R2]: To add to that we believe there is likely an evidence-based and defensible approach for estimating a conservative low bound estimate that is “double counting proof”.

Hypothetical example:
Let’s say you have 100 units of economic benefits, split evenly among 5 categories of benefits. Lets say that the double counting concerns apply to 4 of the 5 categories. In this scenario, 1 category, representing 20 units of economic benefits, has no double counting concerns tied to it and therefore should be able to be included in all versions of cost tests that allow economic benefits.

Commented [RIE17R3]: Thanks for the comment but we will not be considering the addition of economic development benefits to this year’s plan.

Commented [CJ17R4]: Leaving this one open as its still something we would recommend exploring. Understanding that the Company is not considering it for the 2025 Plan, could the Company at least include language that commits to engaging in this dialogue to inform the 2026 Plan?

Commented [RIE17R5]: Let’s discuss.

Commented [SA18]: Can you put this in perspective. Like - how much of a dent/contribution is this in our climate mandates?

Commented [RIE18R2]: We’re in ongoing discussions with the C-Team around the calculation of emission benefits so don’t have an answer for this one at this time. We also participate in the EC4 and would defer to them on evaluating progress toward Act on Climate mandates.

Commented [CJ19]: …”**must** be a foundational element”.

Commented [RIE19R2]: Updated.

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cost of supply if only Rhode Island intrastate electric benefits are counted and delivered fuels and participant costs are removed. The cost of procuring 2,941,697~~858,592~~~~X,XXX,XXX~~ MMBtu lifetime natural gas energy efficiency savings through the Plan is $19.~~5~~6~~18.0~~ ~~XX.X~~ million less than if that natural gas load was met by purchasing additional natural gas supply. The cost of procuring said MMBtu savings is $~~XX.X~~19.5~~18.2~~ million less than the cost of supply if only Rhode Island intrastate natural gas benefits are ~~counted~~counted, and participant costs are removed~~.~~

Table 1. 2025 Energy Efficiency Program Plan Summary

Electric Programs by Sector	Implementation Budget ($000) (3)	Performance Incentive ($000)	Customer Contribution ($000)	Annual Savings (MWh)	Lifetime Savings (MWh)	$/ Lifetime kWh (4)	Summer Annual Demand Savings (kW) (5)	Total Benefits ($000) (6)	Alternative Benefits ($000) (6)	RI Test B/C Ratio (6)	Participants (7)
Non-Income Eligible Residential	$25,580	$554	$4,799	32,977	172,562	$0.18	4,687	$69,246	$62,559	2.24	329,358
Income Eligible Residential (1)	$14,241	$-	$-	3,698	57,868	$0.25	1,024	$26,561	$24,500	1.87	6,057
Commercial and Industrial	$33,747	$1,930	$10,535	45,725	355,790	$0.13	9,875	$97,214	$81,250	2.10	2,594
Regulatory (2)	$5,498										
Electric Subtotal	**$79,066**	**$2,484**	**$15,333**	**82,400**	**586,220**	**$0.17**	**15,585**	**$193,022**	**$168,309**	**1.99**	**338,009**
Gas Programs by Sector	**Implementation Budget ($000) (3)**	**Performance Incentive ($000)**	**Customer Contribution ($000)**	**Annual Savings (MMBtu)**	**Lifetime Savings (MMBtu)**	**$/ Lifetime MMBtu (4)**	**NA**	**Total Benefits ($000) (6)**	**Alternative Benefits ($000) (6)**	**RI Test B/C Ratio (6)**	**Participants (7)**
Non-Income Eligible Residential	$17,234	$-	$4,729	136,910	1,244,913	$17.64		$31,408	$27,763	1.43	142,893
Income Eligible Residential (1)	$8,077	$-	$-	19,086	323,382	$24.98		$13,838	$12,788	1.71	3,636
Commercial and Industrial	$6,949	$605	$2,440	118,822	1,373,402	$7.28		$31,414	$28,786	3.14	775
Regulatory (2)	$2,185										
Gas Subtotal	**$34,445**	**$605**	**$7,169**	**274,817**	**2,941,697**	**$14.35**	**NA**	**$76,661**	**$69,337**	**1.82**	**147,304**

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TOTAL Combined Plan	$113,510	$3,089	$22,502	NA	NA	NA	NA	$269,682	$237,646	1.90	NA

(1) In addition to Income Eligible Residential programs, Income Eligible customers can participate in all Non-Income Eligible Residential programs.

(2) Regulatory Includes contributions to the Office of Energy Resources, EERMC and the Rhode Island Infrastructure Bank.

(3) The Program Implementation Budgets come from Tables E-3 and G-3 of Attachment 5 and 6, respectively.

(4) Performance Incentive excluded from denominator, consistent with the Attachment 5 and 6.

(5) The Summer Annual Demand Response (kW) measures passive demand savings.

(6) "Total Benefits" and the "RI Test B/C Ratio" continue to exclude economic benefits from the RI Test as in the 2023 Plan.

(7) The unit measure for participation varies by program. See Attachment 5, Table E-7 and Attachment 6, G-7 for participation goals by program.

(8) Electric Programs are funded by the Electric Energy Efficiency Charge but also include Delivered Fuels energy savings.

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1.3 The Planning Process

This 2025 Plan benefited from the process undertaken in the 202~~3~~3~~4~~ calendar year that resulted in the 2024-2026 Plan and reflects a refinement of the planning that was undertaken for the first year of the 2024-2026 Plan, including incorporating the latest Evaluation, Measurement, and Verification (EM&V) and Avoided Cost studies (see Attachment 3 for the latest studies applied). The 2024-2026 Plan was informed by the areas of opportunity identified in the Rhode Island Energy Efficiency Market Potential Study Refresh (Market Potential Study Refresh) commissioned by the Energy Efficiency Resource Management Council (EERMC)[9] and completed by Dunsky Energy Consulting in early 2023. This Annual Plan has also been guided by the LCP Standards adopted in RI PUC Docket 23-07-EE. The Standards include an extensive set of "principles of program design" referenced in Section 2.2.

Throughout the planning process, the Company has actively involved the Energy Efficiency Technical Working Group (TWG), Equity Working Group (EWG), and the Energy Efficiency Council (EEC) along with its consulting team to tap into their expertise and gather feedback. The Company appreciates the valuable critiques and innovative ideas that have emerged from this ongoing engagement. In particular, discussions on equity have played a crucial role in refining and strengthening the Company's equity initiatives, positioning equity as a central strategic goal of the 2025 Plan. This has led to the incorporation of numerous specific, measurable actions across the Company's energy efficiency programs to enhance equity outcomes.

1.4 How to Read This Plan

This 2025 Plan has been organized to align with the most recently revised LCP Standards. There are three sections:

- **Strategies and Approaches to Planning.** This section provides discussion of the Company's approach to implementing the principles of program design outlined in the LCP Standards and provides summary program descriptions, along with the major enhancements and innovations planned for 2025. This section also includes a discussion of program participation, EM&V, coordination with other energy programs, and demonstrations, pilots and assessments.
- **Consistency with Standards.** This section explains how the Annual Plan complies with the requirements for cost-effectiveness, reliability, prudency (including a detailed discussion of equity and rate and bill impacts), environmentally responsible, and comparison to alternative cost of supply requirements, as set forth in the LCP Standards.

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[9] Now known as the Energy Efficiency Council (EEC)

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- **Goals, Budget, and Funding Plan.** This section details these elements and discusses the performance incentive plan and performance metrics.

The eleven Attachments to this Annual Plan provide additional detail on specific Plan elements. **Attachment 1 Residential & IES Programs** and **Attachment 2 C&I Programs** provide detail on program eligibility criteria, offerings, implementation and delivery, customer feedback, 2025 changes, and proposed evaluations for each program. **Attachment 3 Evaluation, Measurement, and Verification Plan** reviews evaluation studies completed in 2023 and 2024, details studies planned for 2025, and provides a recap of historical studies. **Attachment 4 RI Benefit Cost Test** presents the framework for assessing cost-effectiveness of this Annual Plan. **Attachments 5 and 6** contain funding, budgets, goals, and cost-effectiveness tables for the Electric and Natural Gas energy efficiency programs, respectively. **Attachment 8** details, for each sector, **2025 Demonstrations, Pilots and Assessments**. **Attachment 9 Cross-Program Summary** documents how the programs described in this Annual Plan relate to other specific RI Energy programs. **Attachment 10 Definitions** provides definitions of energy efficiency terms used throughout the Annual Plan. **Attachment 11 Equity Working Group Report** provides a summary of actions taken through the EWG. **Attachment 7,** formerly devoted to rate and bill impacts (now described in section 6.4.2), is now reserved for future use.

2. STRATEGIES AND APPROACHES TO PLANNING

2.1 Strategic Overview of Programs and Priorities

This Annual Plan is the second year of the 2024-2026 Plan. This 2025 Plan supports continued innovation and accelerates the energy efficiency of Rhode Island homes and businesses. This Annual Plan achieves savings by implementing the following key strategic priorities set out in the 2024-2026 Plan:

Commented [CJ20]: **From Jen C:** Suggest adding a priority of engaging customers in energy efficiency. What I see is about program design, but outreach and communication are foundational.

Commented [RIE20R2]: Thanks for the comments. These are the priorities outlined in the 2024-2026 plan. Please see the outreach section of the plan for additional detail.

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Five Key Priorities

- Deliver optimized, tailored programs that serve all customers and **increase program reach**
- Understand customer needs, planning cycles, and goals to optimize incorporation of the **next generation of efficiency measures**
- Enhance financing options, simplify offerings, and raise customer awareness of complementary funding sources that can be leveraged to **enable customers to invest in efficiency**
- **Serve customers equitably** by designing programs with a conscious effort to serve small business and low- and moderate-income; gender, racially and ethnically diverse; and non-native English-speaking customers
- **Increase workforce capacity** to serve customers and implement energy efficiency

2.2 Principles of Program Design

This 2025 Plan has been guided by the LCP Standards as updated in RI PUC Docket 23-07-EE, which provides a set of principles of program design. The bullets below summarize the principles and, if appropriate, in what sections of this Annual Plan they will be addressed.

- **Integration with other programs and policies.**
    - Section 5: Coordination with Other Energy Policies and Programs provides details on the Annual Plan's connection to specific state policies. Energy Efficiency Program descriptions in Attachments 1 and 2 describe the dissemination of information on energy programs beyond those run directly by the Company.
- **Innovation.**
    - Innovative strategies are outlined in Attachment 8: Demonstrations, Pilots and Assessments.
- **Comprehensiveness.**
    - Examples of strategies to achieve deep savings that emphasize whole building and whole system solutions are found in the Residential and Income Eligible whole building delivery program and C&I market sector descriptions ~~approach and the Residential and Income Eligible whole building delivery program descriptions~~ (Attachments 1 & 2)
- **Equity.**
    - Using an equity lens involves consideration of how to modify systemic and institutional structures that have made it easier for some customers to access the energy efficiency programs than others. Section 2.6.1~~-~~ describe the Company's approach to equity in 2025.
- **Build on prior plans.**

Commented [SC21]: What has been done or is planned to enhance financing options? I know this is a tough period for financing and interest rates, but I think it is important to be pursuing these options

Commented [RIE21R2]: We provide robust financing for business customers with ZERO ("0%") financing over a loan term that can extend beyond 2 years to better match the project payback, the repayment is "on bill" so the customer is not managing two separate payments, a contract for the financing is incorporated into the energy efficiency project, and no financial review of the company's assets and liabilities.

The Company will continue to support energy efficiency investments by offering financing that is appropriate and useful for customers. The Bloc Power pilot is one example of expandin ... [1]

Commented [SA22]: Really appreciate these priorities. I also appreciate that this it does not include one on improving ... [2]

Commented [RIE22R2]: Thanks for the suggestion. In section 2.6.5 we go into greater detail on community based initiatives.

Commented [SA23]: To brett's point at a recent EEC meeting, this is a long list of principles.

Commented [RIE23R2]: These principles were outlined by the PUC so we've structured sections of the plan to address them.

Commented [j24]: This is another area where communication and outreach strategies are important. How is the Company ... [4]

Commented [RIE24R2]: Thanks for the comment. Please see section 2.6.6 for greater detail on outreach plan.

Commented [CJ25]: Suggest commenting on whether this is an ordered list or not. We're guessing it isn't, but if there is any ... [3]

Commented [RIE25R2]: As noted, this list is from the PUC Docket 23-07-EE.

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Commented [SA26]: Maybe we should have some sort of program design of pilots/demos that lead to larger ... [5]

Commented [RIE26R2]: Thanks for the comments. Prior DPAs have been incorporated into standard program offerin ... [9]

Commented [CJ26R3]: We provided some comments in the DPA attachment with suggestion of how to better highlight ... [8]

Commented [CJ26R4]: Building on this (to extent this isn't the case), I wonder if it would be helpful to have a list of historic ... [6]

Commented [RIE26R5]: DPA progress is chronicled in the Quarterly and Annual Reports, which show progress and whe ... [7]

Commented [SA27]: I don't understand the distinction being made between C&I and resi. Why is Resi just descriptions? ... [10]

Commented [RIE27R2]: No specific distinction is being made. These are examples of the "comprehensiveness" principle.

Commented [CJ28]: Suggest reordering examples so that they fall in same order as attachments (i.e. Res is attachment 1, ... [11]

Commented [RIE28R2]: Updated.

Commented [SC29]: I appreciate this language addressing systemic and institutional structures and look forward to se ... [12]

Commented [RIE29R2]: Thanks for the comment.

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    - The experience and lessons of prior planning and regulatory approval processes informs the current program design.

- **Build on prior programs.**
    - Programs are continuously evolving, building from one plan year to the next. Each program description in Attachments 1 and 2 has a section addressing program design changes for 2025.
- **Planned based on potential assessments.**
    - This Annual Plan is informed by the 2023 Market Potential Study Refresh, and the areas of opportunity identified within it, as well as the cost implications and approach to barrier mitigation necessary to achieve higher levels of potential savings.
- **Unlock capital and effectively use~~uses~~ funding sources.**
    - This Annual Plan consistently looks beyond direct financial incentives and traditional financing strategies to design capital and program access strategies that respond to specific customer barriers, such as grants for overcoming pre-weatherization barriers, ~~a revised HEAT Loan~~ or third-party financing.
- **Integration of natural gas and electric energy efficiency programs.**
    - All programs are integrated across fuels where it is possible to optimize and benefit from synergies between the two energy systems.
- **Strategies to achieve targets.**
    - As noted above, the overarching strategies highlighted in the 2024-2026 Plan permeate this Annual Plan.
- **Investments on behalf of all customers.**
    - All customers contribute to energy efficiency program funding, and, in return, programs are designed so that all customers have the opportunity to participate. This element of equity is discussed further in section 2.6.1.
- **Efficacy**.
    - The Company has incorporated opportunities to balance the portfolio of energy savings measures and program approaches to drive higher cost efficiencies (i.e., the amount of energy savings per dollar invested) and minimize the impact on customer bills. Efficacy also incorporates workforce development, which is described further in section 2.6.2.
- **Parity among sectors.**
    - This Annual Plan examines the amount collected from the different sectors by the SBC, as compared to the program budgets by sectors, to ensure that sectors are generally receiving the benefits paid for. This is further described in section 6.4.3.

- **Cost effectiveness.**

    - Programs are cost effective as required and shown in Attachments 5 and 6. The application of cost effectiveness as a design principle at a program level involves a balancing of comprehensive, costly projects with long-term measures, with programming that requires less intensive customer support, such as upstream programming that moves the incentive from the end user to the point of sale and Strategic Energy Management Planning with very large customers.

Commented [SC30]: Glad to see this referenced and hope that the refresh is a useful planning material

Commented [RIE30R2]: Thank you!

Commented [SC31]: Curious to see the revised proposal

Commented [RIE31R2]: This is still evolving. Will share if changes are proposed.

Commented [CJ32]: We flagged this last year as maybe something that is a little nitpicky, but felt it was worth raising again at the onset of first draft plan review.

The strategies above are characterized as 'how the annual plan achieves savings.' If it doesn't achieve enough savings to meet the Council's proposed targets, are they really strategies to meet the proposed targets?

Commented [RIE32R2]: The use of "targets" here may mean RI Energy targets, not the EEC's proposed targets.

Commented [CJ32R3]: Okay, but that isn't what the LCP Standards say. In this area, the Standards are very clear that this is about the Council proposed/PUC approved targets. It says nothing about the Company's targets.

Commented [RIE32R4]: OK. What would you propose instead?

Commented [CJ33]: Would prefer strong commitment to all customers *participating equitably*, not just having the opportunity to participate.

Commented [RIE33R2]: The Company provides opportunities and remove barriers towards equitable participation, but we can't guarantee participation. Our efforts to quantify these efforts through the development of equity metrics demonstrate that we are trying to understand drivers of participation and increas ... [13]

Commented [CJ33R3]: Understood that the Company ... [15]

Commented [RIE33R4]: We've had this disagreemen ... [14]

Commented [SR34]: This is not what efficacy means in ... [16]

Commented [RIE34R2]: We read the second sentenc ... [17]

Commented [CJ34R3]: I think we may just have a diff ... [18]

Commented [RIE34R4]: Understood.

Commented [CJ34R5]: Leaving open to not lose site o ... [19]

Commented [CJ35]: **From Jen C:** There are issues of ... [21]

Commented [RIE35R2]: Thank you for the comment. ... [24]

Commented [SA36]: Do we mean customer classes he ... [22]

Commented [RIE36R2]: The Sectors are Residential, ... [20]

Commented [CJ36R3]: A possible interpretation that ... [25]

Commented [RIE36R4]: Thank you for this input. We ... [23]

Commented [CJ36R5]: How is this being evaluated?

Commented [RIE36R6]: Please see section 6.4.3.

Commented [SR37]: No mention of cost of supply in th ... [26]

Commented [RIE37R2]: The principles of program de ... [28]

Commented [CJ37R3]: Leaving open if only to keep o ... [27]

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Further details on the Company's application of the Standards are found in section 6. As with any plan, this 2025 Plan was developed using the best information available at the time. Should circumstances change as the year develops, the Company will act in its capacity as Program Administrator to adapt as needed and inform stakeholders of the need~~inability to executeneed~~ to update a proposed strategy or commitment or the need to revise them.

The Company ~~will~~ has evaluated programs in the Residential, Income Eligible, and Commercial & Industrial sectors using cost of supply calculations and the RI Test. In addition, the Company ~~will~~ considered the value of each program to the utility system through a mechanism that removes or discounts certain societal benefits and non-energy impacts, specifically interstate and delivered fuel benefits, as directed by the PUC. For each program with costs in excess of the cost of supply, the Company ~~will~~ considered the role of that program in supporting portfolio goals and other LCP standard principles, including reliability, prudency, and environmental responsibility and provide justification for continuing to offer the program as appropriate. These justifications ~~will be~~are rooted in an assessment of quantitative metrics and program design considerations.[10]

Additional detail on the Company's approach can be found in section 6.6.2.

2.3 Residential & Income Eligible Programs

2.3.1 Overview of Residential and Income Eligible Energy Efficiency Programs

In 2025, the Company will continue all Residential and Income Eligible energy efficiency programs offered in 2024. All Residential and Income Eligible programs are funded by electric and natural gas customers. The Company offers the programs detailed below to provide comprehensive services to two regulatorily defined sectors: market rate and income eligible.

Residential Consumer Products

The Residential Consumer Products Program promotes the purchase of high efficiency household appliances carrying the ENERGY STAR® label including advanced power strips, dehumidifiers, pool pumps, room air cleaners, room air conditioners and most efficient refrigerators, freezers, clothes washers, and dryers. Consumers can participate by purchasing these products at retail stores or through the Company's online marketplace. This program trains retail sales staff about the ENERGY STAR label and how to promote the certification's energy and environmental benefits to consumers. The most

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[10] The initial quantitative~~quantitave~~ analysis of measures, completed in March 2024, has been shared with stakeholders and the Company welcomes feedback. The Company continues to evaluate measures and programs and will continue to refine this methodology throughout the 2025 planning process. Additional detail will be provided in subsequent drafts.

Commented [CJ38]: This phrasing seems to assume that circumstances can only change for the worse (use of the word "inability" is what gives this feeling to me). Perhaps one could interpret "need to revise them" as ability to improve things, but that wasn't the tone that I picked up on.

It might be worth revisiting this language to leave open the possibility of both changes for the worse and the better.

Commented [RIE38R2]: Good note. Updated text.

Commented [SA39]: Are these the only benefits that are removed?

Commented [RIE39R2]: These are the most consequential for this consideration. The Company's IRA analysis submitted to the PUC in March has greater detail if you'd like to review.

Commented [CJ40]: Understanding that the PUC's Order provided direction to exclude a very specific set of benefits, we would suggest thinking about the underlying principles of this direction are, and to spend a bit more time explaining the methodology. We think its important to assess the degree to which this mechansim is or is not aligned with best practices for cost-benefit analysis and cost of supply calculations, particularly around symetry. The exclusion of certain benefits because they do ... [29]

Commented [RIE40R2]: Thank you. We have added more detail to this explanation, starting in Section 6.6.3.

Commented [CJ40R3]: While the new section is appreciated and very helpful, I'm not sure it fully covers this point that ... [30]

Commented [SC41]: Flagging the importance of *programs* being cost-effective, even if not all individual measures wit ... [31]

Commented [RIE41R2]: Noted and text updated.

Commented [CJ42]: Overall recommendation would be to have a brief program description for each program (as is al ... [33]

Commented [RIE42R2]: We did this deliberately to avoid duplicating the same text and discussion in multiple places. ... [32]

Commented [RIE43]: From Acadia: "Regarding residential consumer products, offering more details on the education ... [37]

Commented [SA44]: What is the opportunity for promoting energy efficient and/or electric outdoor products that are p ... [38]

Commented [RIE44R2]: The issue with things like weed whackers, leaf blowers, and lawn mowers is they are histor ... [36]

Commented [RIE45]: From Acadia: "Regarding residential consumer products, offering more details on the education ... [34]

Commented [RIE45R2]: Our implementer for this program educates the retail store associates on the benefits of ener ... [35]

Commented [SA46]: If we can do AC's, why can't we do heat pumps?

Commented [RIE46R2]: We do heat pumps. They are part of the HVAC program referenced two paragraphs below. ... [39]

Commented [SA47]: How does it train retail staff? Is the utility creating training mateials for specific stores/brands? Or wo ... [41]

Commented [RIE47R2]: **How does it train retail staff?** ... [40]

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efficient appliances are incentivized at the retailer level to encourage sales of these ENERGY STAR most efficient appliances. Additionally, the program offers refrigerator, freezer and dehumidifier recycling.

Home Energy Reports

The Home Energy Reports Program is a behavioral-based offering designed to make customers aware of their energy consumption through personalized print and email reports and a seamlessly integrated website. Each of the communication channels displays a customer's energy consumption patterns, sets an energy reduction goal for each customer, and contains a normative comparison to similarly sized and heated homes. The goal of the program is to inspire customers to take actions that reduce their energy consumption and increase their participation in other energy efficiency programs.

Residential High-Efficiency Heating, Cooling, and Hot Water (HVAC)

The Heating, Cooling and Ventilation HVAC Program promotes the installation of high efficiency central air conditioners and eligible heat pumps for electric customers and new energy-efficient natural gas related equipment including boilers, furnaces, windows, water heating equipment, thermostats, and water-saving devices. The program offers incentives for high efficiency air source heat pumps to customers with electric resistance heating as well as customers whose primary heating system is fuel by natural gas, oil or propane.

Incentives for energy efficient air source heat pumps for space and water heating equipment are available for customers with electric resistance heating/hot water. Incentives are also available for air source heat pumps used as accessory heating and cooling devices in homes with a primary heating system that is natural gas, oil, or propane. The program supports contractor training to increase accurate installation practices, testing of the high efficiency systems, tiered rebates for new high efficiency systems, and incentives for checking new and existing systems.

Residential New Construction

The Residential New Construction program offers financial incentives and no-cost education, training and technical support to builders and homeowners to promote the construction of high performing energy-efficient single family, multifamily and income eligible homes. The program helps residential new construction and major renovation projects meet high energy performance standards and provides education and training support to builders, designers, tradespeople, and code officials.

EnergyWise Single Family

The EnergyWise Program offers single-family customers (homes with 1-4 dwelling units) in-home energy assessments, weatherization services, and information regarding their energy usage and energy-saving opportunities. The program is designed as a direct-to-customer offering that educates residential customers on how they can make their home more energy efficient. Energy specialists address base load electric use, and heating, cooling and water heating loads in single-family residential buildings through immediate installations of advanced power strips and water-saving devices.

Commented [RIE48]: From Steve at OER:
Do the retailers point out these incentives for customers at all? It looks like these incentives are provided to the large retailers (Lowes and Home Depot) and I'm curious, is it possible to expand to additional retailers or is the admin/cost burden prohibitive?

Commented [RIE48R2]: RIE's field service team set-up A-Frame material displays across RIE footprint which directs customers to the Most Efficient appliances available with instant rebate.
The focus with large retailers is their ability to report and offer instant incentives. Small appliance stores generally do not have the IT system infrastructure to manage this effort.

Commented [SA49]: How is this goal communicated to the customer?

Have we begun updating the data to ensure that folks of like usage are connected? Like for example, now that I have an EV, I am in the middle of the pack for my monthly assessments. But that's beause I exclusively charge at home.

Commented [RIE49R2]: The goal is used as part of the analysis used to create the home energy report.

The data is continually refined to account for changes in residential usage patterns, such as EV charging.

Commented [SA50]: As the environment rep, I will continue to point out that it is inconsistent with the Act on climate mandates (and the science of climat echange) to continue to offer incentives for gas powered appliances. I understand that the utility has a conflict here with its business model, but this should not be included in the programs.

Commented [RIE50R2]: Yes, we've received this feedback on numerous occasions. Thanks.

This is not a conflict with our business model. The problem, in part, is about managing escalating rates and how to handle electrification in a manner balancing climate concerns with ratepayer / affordability concerns. And in the case of delivered fuels, who should pay for what measures. We have held customer listening sessions where some customers have expressed interest in continuing to use gas. We have also gotten feedback from low income advocates that switching to electric can be prohibitively expensive. What would you suggest in those cases?

Commented [SA51]: I thought the program couldn't be used for homes heated with fossil gas?

Commented [SA51R2]: (To be clear - I would love if it could be!

Commented [RIE51R3]: Customers with natural gas only receive the incentive for the cooling energy saved via heat pump—they can utilize Clean Heat RI for an incentive on the heating portion of the cost.

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Once the assessment and energy saving installations are completed, participants receive energy efficiency recommendations and technical assistance, as well as financial incentives to upgrade to high efficiency heating, ventilation, and air conditioning (HVAC) equipment, water heating systems, insulation, and smart thermostats. Customers also receive an Energy Action Plan detailing the additional energy savings opportunities they have through participation in other energy efficiency programs. Qualified customers can receive zero percent financing to install these high efficiency upgrades through the Company's financing programs, including the HEAT Loan.

Market-Rate Multifamily

This program offers comprehensive energy services for market-rate multifamily customers (buildings with 5+ dwelling units), including energy assessments, incentives for heating and domestic hot water systems, cooling equipment, and weatherization. All types of multifamily properties are eligible. A primary point of contact is designated to manage and coordinate services offered through the Company's existing portfolio. This program is offered in conjunction with the Commercial and Industrial (C&I) Multifamily gas program where a site may have a commercial meter or office space but also has individual dwelling units. The delivery of the Market-Rate Multifamily Program's services should be virtually indistinguishable to the customer as the Company's single point of contact will handle all program overlap (between Residential and C&I programs) and offer a seamless customer experience.

Income Eligible Programs

The Company wants customers who meet the income eligibility requirements and may have a high energy burden and/or difficulty paying their electric or gas bills to participate in, and benefit from, the Company's energy efficiency programs. Therefore, the income eligible sector is designated as a unique sector and funding for this sector is subsidized by both non-income-eligible residential customers and commercial and industrial customers so a larger proportion of income eligible customers can be served.

The Income Eligible Services (IES) Program offers home energy assessments, weatherization services, appliance, and heating system replacements with no customer cost to qualified single-family customers. Customers who qualify for the A-60 rate or for the Low-Income Home Energy Assistance Program (LIHEAP) are eligible to receive all services and equipment upgrades at no cost. The IES Program's services are delivered by local Community Action Program (CAP) agencies who coordinate with outside contractors that perform heating system and appliance replacements and weatherization installations with oversight provided by a Lead Vendor.

Commented [RIE52]: From Acadia:
"Tracking progress and reporting on discount rate enrollment as an important mechanism through which the Company does outreach and engagement on energy efficiency. Specifically, tracking and reporting the enrollment rate over time,% of eligible customers enrolled, and what% are also participating in energy efficiency programs."

Commented [RIE52R2]: We will bring this up with the EWG.

The Income Eligible Multifamily Program offers comprehensive energy services for multifamily customers that also meet the criteria for "income eligible" as defined in Attachment 1 Residential and IES Programs, Section 4. Multifamily. These services include energy assessments, incentives for heating and domestic hot water systems, air source heat pumps, cooling equipment, water savings installations and thermostats. Typically, there are no costs to the customer for these services as most income eligible upgrades are covered at 100 percent.

Commented [SA53]: Should the plan reference working with URI on their pilot community of practice here?

Commented [RIE53R2]: Might add to future drafts. As of now that initiative is too early stage to opine on our respective roles.

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2.3.2 Major Residential and Income Eligible Program Changes

Information about modifications and improvements for Residential and Income Eligible programs can be found in Attachment 1. Specifically, the X.4 subsection of each program provides an overview of all proposed enhancements and changes.

2.4 Commercial and Industrial Programs

The C&I Programs offer incentives, rebates, technical assistance, and financing to customers that reduce energy consumption, cut greenhouse gas emissions, and/or meet corporate sustainability goals. To reach customers, the Company uses a market sector approach, whereby specific energy efficiency initiatives are developed to meet the needs of different market segments (e.g., the Grocery program, Chain Restaurants, and the Industrial Initiative). In addition to the market sector approach, the Company also provides Prescriptive and Custom offerings. The Prescriptive offerings are available for a wide variety of standardized energy-efficient products with "deemed" savings values, such as lighting equipment, air compressors, variable speed drives, and stream traps. While the Custom offerings are available for any energy conservation measure that is not covered under alternative pathways.

In planning the Commercial and Industrial programs, the Company evaluates customer needs, market dynamics, and State policy objectives to determine how program offerings can be enhanced or adjusted to drive market transformation across multiple end-uses. Another central component to the planning process is the development of strategies that advance more equitable services, particularly within the Small Business and Multifamily Programs.

Large C&I New Construction and Building Energy Code Support

The Large C&I New Construction Program offers financial incentives and technical assistance to customers, design professionals, developers, and vendors to encourage energy efficiency in new construction, major renovation, planned replacement of aging equipment, and replacement of failed equipment projects. C&I customers with an annual electric consumption greater than 1.5 million kWh per year are eligible.

Through the program, design professionals are eligible to receive technical assistance to conduct energy modeling and analysis for new construction projects. Owner's design teams are offered incentives for their time and effort to meet program requirements. The program promotes and incentivizes the installation of high efficiency equipment in existing facilities during remodeling projects or for equipment failure and replacement. Since customers are more likely to install energy-efficient equipment at the time of construction or equipment replacement, the program offers incentives to ensure customers make the investment immediately rather than doing so at a greater cost later. The program also offers operations verification or quality assurance services to ensure that installed equipment and systems operate as intended.

Commented [CJ54]: Will these be brought up into the Main Text in later iterations? If this is all we are saying here, I don't really see the point.

My recommendation would be that for each program, the Main Text provide a brief summary of the program (as it does in section 2.3.1) followed by any notable proposed changes for that program.

To the extent there are changes that cut across res programs and/or changes that apply at a higher level than the individual programs, then those should be described here.

Commented [RIE54R2]: We disagree on this point and have provided detail on program changes in the relevant attachment.

Commented [CJ54R3]: I guess we'll agree to disagree here.

That said, I don't think it would be that much incremental effort to call out at least *some* of what is new about the programs in the Main Text, and that doing so would be helpful for those that only have the time to digest the Main Text.

Commented [RIE54R4]: For example, the highlights and changes to Resi/IE programs are ~1-2 pages each (8-10 pages total) in A1 (x.4 subsection). It's our hope that EEC members read those pages.

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Commented [CJ55]: See comment on Res/IE program section. Recommend that same format be applied here for consistency.

We're open to a different format, but whatever the format is, it should be consistent across the sectors.

Commented [RIE55R2]: Added some program descriptions.

Commented [AC56]: Appreciate alignment of this section with Residential section

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The program supports the state's Zero Energy Building goals through engagement and in developing future offerings. The program promotes compliance with the building energy code to support the State's goals and objectives. Technical assistance is provided for advancing the development and adoption of minimum efficiency standards for appliances and equipment.

Large Commercial and Industrial Retrofit

All commercial, industrial, and institutional customers are eligible to participate in the Retrofit Program. The program incentivizes the replacement of existing equipment and systems with high efficiency alternatives when the customer might otherwise not plan on making efficiency investments. Incentivized measures include lighting, HVAC systems, motors, thermal envelope measures and custom measures in existing buildings. Technical assistance is offered to customers to help them identify energy-saving opportunities.

The program's incentives help C&I customers in defraying part of the material and labor costs associated with the installation of energy efficiency measures. In addition, the Company offers education and training, such as the BOC training, to support the adoption of energy-efficient equipment and practices.

Small Business Direct Install

This program is a retrofit offering that provides turn-key efficiency solutions to customers who use less than 1.5 million kWh per year. Through the program, a free on-site energy assessment is performed, and customers receive a customized report detailing recommended energy-efficient improvements.

From local pizzerias to small convenience stores, the Small Business Direct Install Program serves small businesses of all customer types, buildings and sizes. The program pays up to 70 percent of installation and equipment costs. Provided funds are available, customers can finance the remaining costs of the project for up to 60 months (typically 24) interest free on their electric bill using the Small Business Revolving Loan Fund.

Commercial and Industrial Multifamily

The C&I Multifamily Program provides comprehensive efficiency services for market rate multifamily customers who reside in residential buildings with 5+ dwelling units. These coordinated services include energy assessments and incentives for weatherization and the replacement of heating and domestic hot water equipment and systems. The program's services are offered for all types of multifamily properties.

To streamline the delivery of program services, the Company designates a primary point of contact for the multifamily property who will manage and coordinate the services offered. The measures and services are offered through the Company's existing Energy Efficiency Portfolio of C&I Programs (C&I Retrofit) and Residential Programs (EnergyWise, Income Eligible, Residential New Construction and ENERGY STAR HVAC).

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2.4.21 Major Commercial and Industrial Program Changes

Anticipated changes to the C&I programs are provided in Attachment 2.

2.5 Multi-year Strategies

In the LCP Standards adopted by the PUC in Docket 23-07-EE, the PUC directs the Company to identify investment strategies for which implementation and budget requests (or revenue collection) are expected to span multiple years. In addition to the budgets and targets required for the rest of the portfolio, the PUC directs that the Company may separately provide budgets and goals for multi-year strategies. The requirement applies to both the Annual and Three-Year Energy Efficiency Plans. There is no such multi-year commitment envisioned for 2025.

2.6 Cross-Cutting Programs

2.6.1 Equity

Equity is a key priority for the 2025 Plan. The Company is committed to ensuring that all Rhode Islanders – regardless of race, income, gender, ability, homeownership status, or other aspects of social status – equally benefit from ~~from~~ energy efficiency. The Company planned and developed its 2025 Energy Efficiency Portfolio through an active process to identify and address the barriers that residents, businesses, and communities face in participating in program offerings.

Since 2021, Rhode Island Energy and OER have co-hosted a series of Equity Working Group (EWG) meetings facilitated by The Green & Healthy Homes Initiative (GHHI). The EWG is comprised of community representatives from a diverse array of community-based organizations, small businesses, non-profit organizations, CAPs, resident advocacy groups and alliances, municipal and state entities, and diversity equity and inclusion (DEI) industry experts. The purpose of these meetings is to discuss how the Rhode Island energy efficiency programs can more equitably serve residents and businesses. As a result of these discussions, the EWG provides the Company with written recommendations to advance equity in the planning, design, and delivery of its energy efficiency programs. These recommendations include specific, actionable equity strategies for the Company's programs as well as a list of metrics and targets to track performance. The The~~As these recommendations are developed throughout the Summer of 2024, the~~ Company is~~will~~is- engaged in an ongoing process with the EWG to adopt a prioritized list of equity focus areas, strategies, and actions for each energy efficiency plan~~in the 2025 plan~~. The full list of recommendations, strategies, and metrics for 2025 are included in an annual report- that is drafted by GHHI.GHHI~~for inclusion in this plan.~~ Please see Attachment 11 for the 2024 Rhode Island Energy Efficiency Equity Working Group Report.

The Company weighs its program priorities, customer knowledge, and the EWG's recommendations to identify specific equity efforts within each energy efficiency plan. In 2025~~202~~54, the Company will focus~~focused~~ on the following areas:

1. **~~Outreach~~ Community Outreach and Education ~~through non-profit~~Education**

Commented [CJ57]: I'm not sure where this comment should actually fit, so including it here. But I'd like to see the plan - somewhere -speak to planned improvements for the Company's EE landing pages. Many, if not most, of the energy savings program pages on the Company's website feel very similar to how they felt when it was National Grid's programs. They are not super intuitive and often overwhelming (e.g. there are over a dozen drop down options on the "rebate programs" page for resi).

Commented [RIE57R2]: The website is being revamped this year.

Commented [CJ57R3]: There is a passage later on that addresses some of my remaining concerns/desires for more detail here.

Commented [RIE57R4]: Changes to website are occu ... [42]

Commented [ML58]: Somewhere in this section or els ... [46]

Commented [CJ58R2]: See slides 17-18 at link below ... [48]

Commented [RIE58R3]: Thanks Craig. If we were to ... [47]

Commented [CJ58R4]: Understand that it would requ ... [45]

Commented [ML58R5]: It shouldn't be overly hard to ... [44]

Commented [RIE58R6]: Thanks for the feedback. Th ... [43]

Commented [ML59]: I suggest adding mention of own vs. rent

Commented [RIE59R2]: Updated. Good suggestion.

Commented [CJ60]: Delete redundant "from"

Commented [RIE60R2]: Updated.

Commented [CJ61]: Pleased to see that the tone here ... [49]

Commented [RIE61R2]: Thank you.

Commented [RIE62]: From Acadia: "To avoid the ong ... [51]

Commented [RIE62R2]: We have discussed this inter ... [50]

Commented [CJ63]: We would like to see the Plan go ... [56]

Commented [RIE63R2]: The Company will include ad ... [54]

Commented [CJ63R3]: Pleased to here this and am lo ... [53]

Commented [RIE63R4]: Thanks Craig.

Commented [CJ63R5]: Earlier comment indicates tha ... [55]

Commented [RIE63R6]: The metrics the Company is ... [52]

Commented [CJ64]: Noting that this has been Attachn ... [58]

Commented [RIE64R2]: This will likely be Attachmen ... [57]

Commented [ML65]: To Craig's point above, less impo ... [59]

Commented [RIE65R2]: Thank you.

Commented [ML66]: This content, though informative ... [60]

Commented [RIE66R2]: Re-worked this section to int ... [61]

Commented [ML66R3]: Much better!

Commented [SA67]: The EERMC education committee ... [62]

Commented [RIE67R2]: Yes the Company has been e ... [63]

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~~organizations.~~ Dedicated community outreach and education is a cornerstone of the Company's energy efficiency equity strategy. In 2025, the Company will continue to strengthen and expand partnerships with non-profit organizations, quasi-government agencies, municipalities and government agencies, and other community-based organizations. The goal of these partnerships is to build trust within communities, educate customers on how they can benefit from energy efficiency, and boost participation in Rhode Island's energy efficiency programs. The Company plans to take the following actions in 2025:

i. Engage its recently hired energy-efficiency consumer advocate to expand the network of community-based partners that work with the Company to conduct program outreach, marketing, and education. The energy efficiency advocate's primary role is to establish and nurture relationships with community partners to provide awareness of energy efficiency programs. Through collecting and analyzing data from these engagements, the consumer advocate also represents customers to help inform and influence the design of the Company's programs.

ii. Increase awareness of the Small Business program by engaging with organizations that support and have relationships with Minority and Women-owned Business Enterprises (MWBEs).

iii. Build out a partnership with a local healthcare network where the Company will train community health advocates (*navigantes de salud*) to refer patients to Rhode Island Energy's programs for a free energy audit of their homes. These community health advocates will specifically work with patients that have energy insecurity and shutoff concerns.

iv. Collaborate with Health Equity Zones (HEZs) and participate in HEZ events across the state to educate attendees and residents on the health benefits of energy efficiency. Please see more details on HEZs further below in this section.

v. Develop capabilities to track impact and effectiveness of targeted outreach strategies and events on program participation (e.g. audits).

2. Equitable Marketing Strategies

Rhode Island Energy is committed to meeting Rhode Islanders where they are on their customer journeys. That means developing marketing strategies to reach every customer, whether they are a resident/business that is unaware of energy efficiency or a repeat participant in the Company's programs. A thoughtful approach to marketing to historically underserved communities and small businesses is core to this strategy. As such, the Company will pursue the following equitable marketing strategies in 2025:

i. Continue to market to customers in English, Spanish, and Portuguese through e-mail and direct mail.

ii. Continue energy efficiency education and marketing through Spanish language radio.

Commented [RIE68]: From Acadia, they want more specifics around community based organizations and suggest "Building a network of community-based partners to help the company remove barriers to participation with sufficient compensation and capacity. Providing funding for community-based partners that is sufficient to support hiring energy advocates at wages that reduce turnover, as specifically recommended by the Massachusetts Energy Efficiency Advisory Council.

Commented [RIE68R2]: Thank you for this input. We will review the MA EEAC recommendations.

Commented [SA69]: Is it helpful to name some?

Commented [RIE69R2]: Several are mentioned throughout the plan.

Commented [SA70]: Can MWBEs be vendors in the program?

Commented [RIE70R2]: Yes.

Commented [SA71]: Love this idea

Commented [RIE71R2]: Thanks.

Commented [CJ72]: This probably applies to other focus areas, but reading through the first one on Community Outreach and Education spurred this thought. When the Company says it will develop capabilities to track impact and effectiveness of targeted outreach strategies and events on program participation, does that mean that that generally applies to each of the items it lists? We could see there being logical items to track for each of them that might help demonstrate effectiveness for each.

Commented [RIE72R2]: The intent here is to build out capabilities to track the effectiveness of outreach events th ... [64]

Commented [SA73]: Any other latina/latino radio stations or news outlets?

Commented [RIE73R2]: Discussing additional options for 2025 with Marketing.

Commented [CJ73R3]: Where appropriate, let's include this in marketing sections of the plan.

Commented [RIE73R4]: Will do.

Commented [RIE74]: From Acadia: "Establishing meaningful metrics to measure success and regularly report on languag ... [68]

Commented [RIE74R2]: The Company proposes keeping the existing set of equity metrics through 2025 before adding a ... [69]

Commented [CJ74R3]: This conversation needs to happen. The existing metrics were prioritized for 2024, but were a s ... [65]

Commented [ML74R4]: It will be important to have this conversation—the existing metrics were prioritized for 202 ... [66]

Commented [RIE74R5]: As we are still building out the list of current metrics for tracking and reporting, we think it's too ... [67]

Commented [SA75]: Any other latina/latino radio stations or news outlets?

Commented [RIE75R2]: Discussing additional options for 2025 with Marketing.

Commented [CJ75R3]: Where appropriate, let's include this in marketing sections of the plan.

Commented [RIE75R4]: Will do.

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iii. Market the Small Business program through organizations that have strong relationships with MWBEs.

iv. Explore accessible marketing strategies, including leveraging multilingual wireless texts to customers containing referral links to Company programs and/or marketing materials.

v. Continue other accessible, mass-market tactics such as radio, print newspaper and magazine, and social media.

vi. Continue direct marketing to landlords in underserved communities through the Residential Equity Outreach Assessment. Please see Attachment 8 for further details.

3. Removing Participation Barriers.

Beyond education, marketing, and community outreach, the Company is actively committed to breaking down the silos and barriers that Rhode Islanders may face when trying to access and benefit from energy efficiency. These barriers may include language accessibility, pre-weatherization challenges, split incentives, and other program participation factors. In 2025 Rhode Island Energy will focus on the following related actions:

i. Continue to develop a strategic plan with multifamily property owners & managers around serving and reaching multifamily customers. The Company will do this through its Residential Equity Outreach Assessment, which is detailed in Attachment 8. The Company also plans to further engage and coordinate with housing authorities.

ii. Continue to work with partners to strategically align, braid, and leverage healthy homes programs and new sources of external funding to address pre-weatherization barriers.

iii. Conduct Main Street campaigns in communities that have lower historical participation in the Small Business Direct Install program. More information on Main Street campaigns can be found in section 4.4.1.2 of Attachment 2.

iv. Continue language accessibility efforts such as program materials translation to Spanish and Portuguese, hiring multilingual field staff, and through multilingual marketing and outreach (please refer to details in Equitable Marketing Strategies section above).

4. Equitable Workforce Development

Commented [j76]: Hopefully energy aligned lease language dissemination is part of that effort.

Commented [RIE76R2]: That is not part of the current effort, but is something we're discussing for 2025.

Commented [CJ76R3]: Great. Any reason we're not doing more than discussing for 2025? What is holding us back from doing this?

Commented [RIE76R4]: More clarification would be helpful. What specific role do you see the Company playing here?

Commented [DM77]: Implementing ways to simplify program participation, such as expanding midstream measures, simplifying participation forms, promoting/expanding direct-to-contractor payments, etc.

Commented [RIE77R2]: The Company will discuss participation simplification ideas with the Equity Working Group (EWG). The EWG will be developing its recommendations for the 2025 plan over the summer.

Commented [CJ77R3]: We understand that the Company will discuss participation simplification ideas with the EWG. With that said and understood, we would suggest that the Company bring these ideas to the EWG for discuss: expanding midstream measures, simplifying participation forms, and ... [70]

Commented [RIE77R4]: Some simplifications that ha ... [71]

Commented [CJ78]: Would like to see a commitment ... [74]

Commented [RIE78R2]: The Company plans to repor ... [72]

Commented [CJ78R3]: FLAG - Come back to....is this ... [73]

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Commented [j79]: Meaning?

Commented [RIE79R2]: When resources are availabl ... [75]

Commented [AC80]: Good! Recent discussions have al ... [78]

Commented [j80R2]: Is there enhanced service and in ... [79]

Commented [RIE80R3]: Yes, there are enhanced incentives.

Commented [CJ80R4]: Can the Plan speak to this? Als ... [76]

Commented [RIE80R5]: More information on Main S ... [77]

Commented [AC81]: Have started some conversations ... [86]

Commented [RIE81R2]: Yes, there are a number of e ... [83]

Commented [CJ81R3]: These are all great things to h ... [81]

Commented [RIE81R4]: Please see Attachment 2 for ... [80]

Commented [ML82]: Another strategy to is ensure cus ... [82]

Commented [RIE82R2]: Thanks for this suggestion. W ... [85]

Commented [CJ83]: Pointing you to the MA contracto ... [84]

Commented [RIE83R2]: Thanks for this suggestion.

Commented [j84]: Are these effective? How is effecti ... [87]

Commented [RIE84R2]: These workshops have not y ... [89]

Commented [AC85]: This section includes great additi ... [88]

Commented [RIE85R2]: Thanks Adrian.

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The Company's equity strategies also focus on driving the energy efficiency workforce to have the same diversity that we see across our Rhode Island communities. In response to EWG's recommendations, the PPL Supplier Diversity team is engaging in efforts to hold a workshop for Minority and Women-Owned Businesses (MWBEs) across Rhode Island to connect them with state and national resources to become certified MWBEs. The Company will continue its efforts to connect with and engage MWBEs in 2025 and is working to establish metrics to track equitable workforce development. Section 2.6.2 details several of the other strategies the Company is pursuing around workforce development, which include equity strategies.

5. Energy Efficiency Equity Metrics

Rhode Island Energy recognizes that it's important to measure how its equity efforts are impacting outcomes in its programs. Leveraging input from the EWG and stakeholders, the Company has been developing specific metrics that will be included in the quarterly and annual energy efficiency reports. As part of this effort, the Company is developing the ability to track program participation by Justice40 community. Justice40 communities are defined by the federal government as communities that have been marginalized by underinvestment and overburdened by pollution. This reporting alignment will allow the Company to better understand the impact of its equity strategies and continuously improve to better serve all Rhode Islanders. The Company will begin reporting out on these metrics in 2024 and intends to refine, enhance, and continue reporting throughout 2025 and beyond. Please see the following groupings and metrics below.

~~1. The Company developed a~~ Residential ~~Equity Outreach Assessment that engaged the City of Central Falls and the non-profit organization Progreso Latino to conduct direct outreach and education to landlords to address barriers that they and renters experience when participating in the Company's energy efficiency programs.~~

~~2. **Justice40 Initiative**. The Company developed processes and capabilities to measure program participation in Justice40 communities to better align with federal reporting standards and initiatives. Leveraging input from the EWG and stakeholders, the Company also developed specific metrics that will be included in the quarterly and annual energy efficiency reports.~~

~~a. **Equitable marketing strategies**. The Company worked to expand energy efficiency education to a Latino radio station in Spanish. Engagement with the Latina community has made the Company aware that radio is a preferred resource for relaying community information as opposed to print and email formats.~~

~~3. **Removing barriers to participation**. In Q1 2024, the Company worked with the EWG to prioritize and pursue several strategies to foster equitable access and participation across its programs:~~

~~i. Building a network of community-based partners that conduct marketing and outreach and provide programs and services in the Equity Communities~~

Commented [AC86]: Any updates on these workshops? Curious how the Company will assess effectiveness and improve on the workshops/adjust strategy

Commented [RIE86R2]: No updates at this time.

Commented [RIE87]: From Acadia:
"In addition to listing the equity metrics agreed upon between the Company and the EWG as of Q2 2024, Acadia Center recommends that the Company make a specific commitment, in consultation with the EWG, to the timeframe and frequency for reporting on those metrics in late 2024 and throughout 2025, as part of the 2025 EE plan."

Commented [RIE87R2]: The Company is committed to reporting out on its equity metrics in its quarterly and annual reports. We are happy to discuss further with the EWG.

Commented [RIE88]: From Acadia:
"Including transparency on progress of equity metrics in the public-facing data dashboard to be launched at the beginning of 2025."

Commented [RIE88R2]: Yes, the plan is to include equity metrics in the public-facing data dashboard. These metrics will also be publicly visible in the quarterly and annual reports.

Commented [RIE89]: From Acadia:
Acadia Center urges the Company to develop the capacity to track not only the impact and effectiveness of these health-base ... [91]

Commented [RIE89R2]: We will bring to this suggesti ... [90]

Commented [AC90]: Have started some conversations ... [95]

Commented [RIE90R2]: Yes, there are a number of e ... [96]

Commented [CJ90R3]: These are all great things to he ... [93]

Commented [RIE90R4]: Please see Attachment 2 for ... [94]

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Commented [SA91]: Any other latina/latino radio sta ... [101]

Commented [RIE91R2]: Discussing additional optio ... [100]

Commented [CJ91R3]: Where appropriate, let's inclu ... [99]

Commented [RIE91R4]: Will do.

Commented [DM92]: Implementing ways to simplify ... [104]

Commented [RIE92R2]: The Company will discuss ... [103]

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Commented [CJ93]: Would like to see a commitment ... [106]

Commented [RIE93R2]: @Dagher, Brendan to what ... [105]

Commented [CJ94]: Would like to see a commitment ... [107]

Commented [RIE94R2]: Equity metrics will reflect ... [108]

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~~ii. Developing a strategic plan with multifamily property owners & managers around how Rhode Island Energy will serve and reach multifamily customers~~

~~iii. Coordinating with the Rhode Island Department of Health (RIDOH) on the development of its rental registry~~

~~iv. Working with partners to strategically align, braid, and leverage healthy homes programs to address pre-weatherization barriers~~

~~v. Working with partners to explore new sources of housing rehabilitation funding~~

~~vi. Continuing to fund workforce development partnerships~~

~~vii. Hosting workshops for contractor businesses to increase availability and support for vendors to become certified Minority/Women-owned Business Enterprises~~

~~viii. Increasing the number of Main Street or outreach efforts conducted in zip codes with lower historical participation in the Small Business Direct Install program~~

~~ix. Retaining financing offers for small-business customers to overcome upfront cost barriers~~

~~x. Efforts to serve small businesses in tandem with the Central Falls Residential Equity Outreach Assessment~~

~~**Equitable Workforce Development.** The Company also aligned on and pursued additional strategies to develop a workforce that reflects the communities that it serves. Please see section 2.6.2 for additional details.~~

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Commented [j95]: Meaning?

Commented [RIE95R2]: When resources are available from other programs or partners, they will be integrated with energy efficiency funding.

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Commented [j96]: Are these effective? How is effectiveness assessed and are approaches refined?

Commented [RIE96R2]: These workshops have not yet occurred. They are in development with the PPL Supplier Diversity team and are expected to take place later this year.

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Commented [AC97]: Good! Recent discussions have also focused on how to enhance these events (i.e. increase participation), and the partnerships/strategies described at a high level in this section would seem to support that outcome

Commented [j97R2]: Is there enhanced service and incentive design in these areas? Again, non-participants have been subsidizing participants for many years now.

Commented [RIE97R3]: Yes, there are enhanced incentives.

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~~4. **Energy efficiency equity metrics.** In Q1 2024, the Company engaged in an iterative process with the EWG to prioritize and establish several energy efficiency equity metrics to measure performance across its programs. The Company began reporting out on these metrics in 2024 and intends to refine, enhance, and continue reporting throughout 2025 and beyond. Please see the following groupings and metrics below.~~

Single Family Programs Participation (EnergyWise, Income Eligible Services):

1. # of Home Energy Audits Completed
    a. Broken down by Justice40 vs non-Justice40 communities[11]
    b. Broken down by renters vs non-renters

2. # of Weatherization Projects Completed
    a. Broken down by Justice40 vs non-Justice40 communities
    b. Broken down by renters vs non-renters

Multifamily Programs Participation (EnergyWise Multifamily, Income Eligible Services Multifamily):

3. # of Home Energy Audits Completed
    a. Broken down by Justice40 vs non-Justice40 communities

4. # of Weatherization Projects Completed
    a. Broken down by Justice40 vs non-Justice40 communities

Pre-Weatherization Barriers:

5. # of Audits with Pre-Weatherization Barriers Detected
    a. Broken down by pre-weatherization barrier type for EnergyWise Single Family program
    b. Broken down by Community Action Program service territory for Income Eligible Services Single Family program

Microbusiness & Small Business Participation:

6. # of Eligible Customers Participating in Small Business Direct Install
    a. Broken down by Justice40 vs non-Justice40 communities

7. % of Commercial & Industrial Participation
    a. Broken down by consumption category

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Commented [SC98]: Just clarifying, is the Company also using the federal CEJST tool to identify J40 communities? A link (or footnote, etc.) would be helpful for readers to directly find the mapping

Commented [RIE98R2]: Yes, the Company is using the federal CEJST tool to identify J40 communities. Added footnote with embedded link.

Commented [ML99]: The SF metrics are also breaking down the data by renters vs. non-renters. That's an even more important data point for MF, so please include that in tracking too.

Commented [RIE99R2]: The Company will internally investigate the feasibility of this further. The way multifamily participation is tracked presents some complications here.

Commented [RIE100]: From Acadia: "it is also important that the Company's pre-weatherization metrics expand to track not only the# of audits with pre-weatherization barriers detected, but also the *resolution* rates of pre- weatherization barriers."

Commented [RIE100R2]: The Company proposes keeping the existing set of equity metrics through 2025 before adding any new metrics. However, the Company is working on developing better tracking around PWBs, including information on resolution. As this continues, we are open to exploring future additions and enhancements to the metrics with the EWG.

Commented [AC101]: Glad there was reference to this above, but one strategy we'd like to see built into the Plan is targeting customers that use electric resistance and DF heating systems. ComStock data suggest that ER heating customers might comprise something like 15-20% of the C&I customer base which represents a real opportunity to replace these systems with Heat Pumps. Billing analysis could provide some insights on where these businesses might be - would avoid the need for a complex evaluation

Commented [RIE101R2]: The Company recommends further discussion around this idea at the EWG meetings occurrin ... [111]

Commented [CJ101R3]: Understand the Company w ... [113]

Commented [RIE101R4]: Thank you for the suggest ... [112]

Commented [AC102]: Need clarification on whether ... [114]

Commented [RIE102R2]: The intent is to report the ... [115]

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[11] Justice40 Communities are census tracts that are marginalized by underinvestment and overburdened by pollution as defined by the U.S. Federal Government. The Climate and Economic Justice Screening Tool (CEJST) is an interactive mapping tool that allows users to identify these communities.

The Company will work with the Equity Working Group throughout 2025 to review and discuss suggested changes to this list of metrics.

~~During the Summer of 2024, the Company will engage in a process with the Equity Working Group to discuss, intake, and prioritize equity strategies, actions, and metrics for inclusion in the 2025 plan. These working group meetings are slated to occur in June, July, and August and will feature sessions to spur discussion around current equity considerations and present opportunities for members to elevate their observations and recommendations for 2025. The final list of 2025 strategies, actions, and metrics may include items pursued in 2024 (listed above) as well as new or enhanced recommendations. The Company and The Green and Healthy Homes Initiative expect to be able to share a draft of the Equity Working Group's recommendations in August 2024 and the Equity Working Group will issue its final report in September 2024.~~

T~~In 2025, t~~he Company will continue to host Equity Working Group meetings to ensure a continued focus on equity throughout the year and in support of future planning~~ activities .activites~~activities~~.~~ The Company is committed to 6 EWG meetings in 2025~~.~~.

The Company's energy efficiency equity work is also focused on ensuring qualified customers are moved to the discount rate. Rhode Island Energy partners with~~withcommunity~~with community organizations across the state that not only educate customers about energy efficiency, but also ~~assist with~~assist with billing questions and payment plan opportunities. Not surprisingly, the immediate bill relief from the discount rate removes some financial pressure and concern from an energy burdened population. Direct face-to-face contact with customer advocates also builds customer trust. Once that trust is established, it is easier to move the attention of customers to energy efficiency.

Beginning in 2023, the Company began to engage with the Rhode Island Department of Health's Health Equity Zone (HEZ) Initiative through a connection facilitated by the Energy Efficiency Council. The Health Equity Zone Initiative supports place-based approaches to promote healthy communities and improve the socioeconomic and environmental conditions in neighborhoods across Rhode Island. There are 15 Health Equity Zone collaboratives across the state and each zone is overseen by a backbone agency, a local, community based non-profit that provides the management and infrastructure for each Health Equity Zone. The Company has previously engaged many of these agencies through the Weatherization Program and the Health Equity Zone Initiative provides an additional opportunity to work with agencies that serve residents who have not historically participated in the Company's energy efficiency programs. In 2025, the Company will continue to participate in Health Equity Zone events and collaborate with backbone agencies to increase awareness of efficiency offerings.

2.6.2 Workforce Development

Clean energy and energy efficiency programs are drivers of job creation in Rhode Island. The Company's energy efficiency programs support a large clean energy workforce of local and regional vendors, contractors, distributors, and suppliers. It is important that the jobs and economic benefits created from

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Commented [ML103]: To Craig's point above, less important is mention of EWG's report and more important is how report gets integrated into the Plan.

Commented [RIE103R2]: Thank you.

Commented [ML104]: Please insert specific mention of work on equity metrics here.

Commented [RIE104R2]: Work on metrics is detailed in EWG annual reports.

Commented [CJ105]: I'm not sure I agree that 6 meetings is sufficient and would recommend RIE and GHHI pole the EWG members to get a sense of what the group sees as necessary to ensure that the EWG has sufficient time to have a meaningful impact.

Commented [RIE105R2]: Thanks. Will discuss further with the EWG.

Commented [SA106]: Same comment as above. Please fill this out asap. This isn't a hard number to commit to.

Commented [RIE106R2]: Updated in plan text.

Commented [SA107]: This sentence is confusing to me. Are we saying that even when working with community groups, their priority has been to help their clients manage bills and hasn't been to move them to the discounted rate? (the word customer is throwing me. Customer of who - the community group or the Utility or both)

Commented [RIE107R2]: One of the priorities has been, and will continue to be moving them to the discounted rate, when applicable. Customer refers to a customer of the Company.

Commented [SA108]: Big thumbs up

Commented [RIE108R2]: Thanks

Commented [CJ109]: Can we give an example of what a "backbone agency" is in this context?

Commented [RIE109R2]: Added.

Commented [CJ110]: Very pleased to see this included.

Commented [RIE110R2]: Thanks.

Commented [CJ111]: Generally pretty pleased with this section on workforce development. It's clear that the Company has spent some time here.

Commented [SA112]: Which aprtners are you working with on the workforce piece? Is Dave Caldwell a part of this conversation?

Commented [RIE112R2]: Partners mentioned in sections below. Yes.

Commented [CJ113]: Can we include a table of some sort like we have in past plans that provides an easy to digest summary of the Company's WFD efforts? Something like Table 3 from the Main Text in the 2024 Plan?

Commented [RIE113R2]: Added

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energy efficiency jobs reach all Rhode Island communities, especially Environmental Justice Focus Areas.

The objective for 2025 will be to continue to grow the energy efficiency workforce to close the gaps identified by the Workforce Development Needs Assessment.[12] This effort will be focuses on several key initiatives.

Commented [SC114]: I would recommend pulling details and stats from the EE workforce needs assessment for this section

Commented [RIE114R2]: We included that in the 2024-2026 3 Year Plan and the 2024 Annual Plan

Commented [AC115]: Can the Company be explicit about areas/skillsets that are currently lacking, to the point where they create barriers to delivering program benefits and savings?

Commented [RIE115R2]: The sectors outlined below list the areas/skillsets that need to be addressed.

Table 2 and Table 3 below shows the Company's continued workforce development activities.

Table 2. Continued Workforce Development Activities

Sector	Workforce Development Activity	Description	Target Audience	Budget
Res	HVAC Check trainings	HVAC installation best practices training delivered as part of the HVAC Program	HVAC technicians	$39,400
Res + IE	Zero Net Energy training	High performance building best practices training delivered as part of the Residential New Construction Program	Design professionals, builders and contractors	$20,000
IE	Miscellaneous income-eligible training	Training on topics such as smart thermostats and air source heat pumps delivered as part of the IES Single-Family Program	Weatherization contractors, auditors	$50,000
Res	RI Builder's Association and Residential Construction Workforce Partnership (RCWP) training	Weatherization focused training. Students recruited from community with anticipation of returning to their community and supporting local CAP agencies	Weatherization for both Income Eligible and Market-Rate applications	$40,000
Res	Reimburse CPHC/B credentials	Reimburse local professionals for Certified Passive House Consultant/Builder (CPHC/B) credentials	Design professionals, builders and contractors	$50,000

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[12] Rhode Island Energy Workforce Development Needs Assessment Study, BW Research, 2023

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C&I	Zero Net Energy training	High performance building best practices training delivered as part of the C&I New Construction and Major Renovations Program	Design professionals, developers and contractors	$20,000
C&I	BOC training	Building operations and maintenance (O&M) best practices training delivered as part of the C&I Retrofit Program	Facility managers, building maintenance staff	$37,000
C&I	Controls Best Practices training (HVAC and Lighting Controls)	ASHRAE Guideline 36 training (Sequence of Operations)	Contractors, engineers	$20,000
C&I	Controls Best Practices training (HVAC and Lighting Controls)	Lighting Design Lab (lighting controls) training	Contractors, engineers, program technical and sales staff	$30,000
All sectors	Codes & Standards – code compliance training	A suite of services which includes training sessions (classroom, webinar, and in-field), project-specific "hotline" support, and development and delivery of tools and resources to fill industry gaps	Code officials, design professionals, builders, developers and contractors	$255,600

To further address the training needs that will be required for the adoption of the 2024 IECC building code, the Company has planned for the Additional Workforce Development activities in 2025 (carried over from 2024).

Table 3. Additional Workforce Development Activities

Sector	Workforce Development Activity	Description	Target Audience	Budget
Res	Train the Trainer	A "train the trainer" program will multiply the number of qualified instructors and allow for an increased training capacity	Code trainers	$ 6,000

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Res	Reimburse Program Approved Trainers	After completing the trainer course, qualified instructors will be compensated to deliver code update trainings	Code trainers	$ 6,000
Res	Full Day Workshops	Full-day workshops allow for a deeper level of instruction for trainees looking for more detailed or specific code information such as design and plan review, HVAC implementation, etc.	Code officials, design professionals, builders, developers and contractors	$ 8,000
Res	LMS System Trainings	LMS style trainings can be pre-recorded and linked to various state and industry websites. This will allow trainees with time or transportation constraints to attend trainings on their own time	Code officials, design professionals	$ 20,000
Res	HERS Rater Training & Certification	Rhode Island will need to increase this workforce network dramatically to meet the needs of the industry once the new code takes full effect	HERS Raters	$ 15,600

~~Table X. Workforce Development Activities~~

~~Sector~~	~~Workforce Development Activity~~	~~Description~~	~~Target Audience~~
~~To be populated. In next draftIncome Eligible~~	~~Building Capacity for CAPS~~	~~The Company is working with CAPs recruit and train 8-10 more energy auditors for the 2025 program year.~~	~~Trade School Students, Contractors, Current Auditors~~
~~All~~	~~Upskill Electricians and Energy Workers~~	~~Trainings offered in collaboration with CLEAResult, the Rhode Island Builders Association, and other local partners~~	~~RIBA Members, Technical School Students~~

Commented [AC116]: Can the final table include planned spending? It is seemingly omitted from the Electric and Gas Plan Tables

Commented [RIE116R2]: Added

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~~All~~	~~Recruit and Upskill HVAC Contractors~~	~~Trainings for quality installations, weatherization, right-sized equipment, correctly functioning systems, and connectivity with building controls~~	~~HVAC Contractors & Distributors, HVAC Trade School Students~~
~~C&I~~	~~Train Business Facilities Staff~~	~~Building Operator Certification (BOC) trainings~~	~~Building Staff, HVAC Contractors~~
~~All~~	~~Training for Codes and Standards~~	~~Train workforce on implications of statewide adoption of IECC 2024~~	~~Building Officials, Contractors~~
~~All~~	~~Build a Pipeline of Energy Workers~~	~~Mentor and teach students in topics related to the energy sector and potential jobs in energy efficiency~~	~~Students at local universities and trade schools~~

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2.6.2.1 Building Capacity for CAPs

Support from CAPs is a critical factor in participation rates for income eligible customers. However, capability and capacity vary greatly among CAPs. The Company is working to recruit and train 8-10 more energy auditors to be up-to-speed for the 2025 program year. The Company is recruiting from the Rhode Island Builders Association (RIBA) as well as traditional job postings. This training leverages federal funding channeled through DHS and the Company's implementation vendor collaborates with DHS (the agency that oversees CAPs) to develop and implement the curriculum.

To mitigate potential staff shortages in the near term, Rhode Island Energy is working with DHS to modify energy auditor scheduling such that auditors may be scheduled outside of their home CAP region to meet demand (a circuit rider model). This scheduling change is anticipated to go into effect in 2025. In line with more inter-CAP interaction, Rhode Island Energy and DHS are also working to break down regional silos of energy audits created by the CAP workflow model by subcontracting the existing pipeline of income eligible customers waiting for an energy audit to the market rate assessment contractor. This change will result in less wait times and higher participation rates in our five equity communities. Further training will be made available by the Company and local partners, including offerings on smart thermostats, weatherization, and heat pumps.

Energy auditors and consultants play a key role in promoting energy efficiency in market rate and income eligible homes. Attracting new people to this field as a career path and providing support with training and certification is important to help grow this sector of the industry. The Company will also work with the CAP agencies in 2025 to understand any challenges with energy auditor retention and help identify best practices to maintain auditor capacity.

In addition the Company will support~~Ssupport~~ Residential Construction Workforce Partnership's (RCWP) pre-apprentice program.

Commented [CJ117]: Glad to see attention being given to this need. I would suggest we go a step beyond "building capacity" and also strive for strategies to "maintain capacity". We've heard that maintaining the workforce has been problematic for some of the CAPs, and that is something we need to address too.

Commented [RIE117R2]: This is part of the work done by the Company and DHS but added some language to specifically address retention. When a CAP agency is understaffed or underperforming they work directly with DHS on an official Corrective Action Plan.

Commented [CJ118]: Pleased to see an actual number here of what the Company is working to. Is this number based on the Workforce Development Needs Assessment, or some other internal staffing assessment? Just wondering where the number comes from and whether it sufficiently meets the need.

Commented [RIE118R2]: This is based upon discussions with the CAPs and DHS.

Commented [CJ119]: Again, great to see some level of proactivity to addressing near term staffing needs. The question I have is what happens if demand for services on the market rate side increases (as we would hope and want to be the case)? Does that hinder the ability for the market rate assessment contractor to help out with the IE program?

Commented [RIE119R2]: The market rate assessment contractor currently has capacity in addition to helping on the IE programs. They will fill in while the CAPs build adequate capacity to address the IE program demand. Hard to account for all the hypothetical scenarios in the course of planning but we pay close attention to CAP capacity, market rate capacity, and audit turnaround times.

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RCWP identifies candidates and provides training for people looking to enter the trades, including weatherization. RI Energy will provide training as part of the curriculum, as well as funding for a cohort.

The Company will continue to provide~~Pprovide~~ Building Performance Institute (BPI) training and certification.

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BPI training and certification is the foundation of knowledge and understanding of building science, which is essential for becoming an energy auditor.

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2.6.2.2 Upskill Electricians and Energy Workers

Quality installations of energy efficiency building upgrades are becoming more difficult as systems become more complex. These complexities are especially present for electric heat pumps, building automation systems, and building controls. The Company will continue to upskill electricians and other professionals in 2025 through a large set of available trainings developed and offered in collaboration with CLEAResult, the Rhode Island Builders Association, and other local partners at little or no cost. Training topics include but are not limited to net-zero energy design and building for residential and commercial new construction and design of lighting controls, technical support and training for builders, developers, designers, and contractors in Residential New Construction, onsite trainings for builders and contractors, energy modeling support, trainings on how to achieve various energy certifications, tours of zero-energy new homes and renovations, and trainings for technical schools and other local educational institutions (Warwick Area Career Tech, New England Institute of Technology, Chariho Career and Tech Center, Davies Career and Technical High School, CCRI, Woonsocket Career & Technical Center, Providence Career & Technical Academy, RISD).

Commented [CJ120]: Does the Company have any insight into how these types of activities have gone in the past? I'm curious if we know who and what percentage of participating contractors are taking advantage of these trainings, and perhaps more importantly, what type of contractors AREN'T participating that we think are important too. To the extent we have information on that, it could help in marketing/targeting these opportunities to those that might not be aware its available.

Commented [SA121]: Are there any partnerships with IBEW?

Commented [RIE121R2]: No formal partnership but have been speaking with them.

Commented [CJ122]: Does the Company have any insight into how these types of activities have gone in the past? I'm curious if we know who and what percentage of participating contractors are taking advantage of these trainings, and perhaps more importantly, what type of contractors AREN'T participating that we think are important too. To the extent we have information on that, it could help in marketing/targeting these opportunities to those that might not be aware its available.

Commented [RIE122R2]: CLEAResult presented on training results at the May TWG and June EWG. Results are also included in the quarterly and annual reports.

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2.6.2.3 Recruit and Upskill HVAC Contractors

Consumer demand requires both an increase in the number of contractors that can deliver HVAC products and training to promote quality installations through addressing weatherization, right-sized equipment, correctly functioning systems, and connectivity with building controls. Training topics offered include, at minimum, a weekly Contractor Newsletter – Participating Contractor list; training on HVAC installation best practices (includes sizing, refrigerant charge and airflow testing), via virtual live webinars and in-person at various locations including distributor locations such as Supply New England, The Granite Group, F.W. Webb, Department of Labor & Training); trainings for HVAC students at MTTI and Providence Career Technical Academy; and best practices for controls.

The Company will continue to coordinate workforce development efforts with the appropriate state and local authorities to maximize and leverage the impact of initiatives across the state. For example, the ~~Project Team~~Company will coordinate with OER on the forthcoming HVAC Heat Pump Apprentice Program and Clean Energy Internship Program, both of which leverage federal funding and will complement the Company's HVAC workforce development activities.

- Increase training on proper selling, sizing, design, and installation of heat pumps
- Engage local HVAC tech programs and provide training
- Support contractor efforts to teach customers how to properly use and maintain heat pump equipment

Commented [DM123]: Also: how to sell/promote heat pumps

Commented [RIE123R2]: Updated. Thank you.

Commented [SC124]: This is a training priority from OER's perspective

Commented [CJ125]: This is important and happy to see this included. Customers who are not properly educated on proper use and maintenance of heat pump technology may have bad experiences that hinder their ability to "sell" to their friends and neighbors. We know word of mouth is important.

Commented [RIE125R2]: Thanks Craig.

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2.6.2.4 Train Business Facilities Staff

As systems and controls evolve, it is incumbent to provide relevant training for facility managers, building operators, and other staff to enable them to operate these systems to their full, energy efficient potential. The Company will continue to offer these trainings in 2025, including Building Operator Certification (BOC). BOC training gives attendees the skills they need to make their buildings more efficient, healthy, comfortable, and environmentally friendly. The BOC program is aligned with the International Organization for Standardization (ISO) for organizations that certify personnel. The Company will offer 2 BOC Fundamentals of Energy Efficient Building Operations trainings in 2025. In addition, the Company will provide 12 technical webinars in coordination with BOC. The webinars offer one-~~-~~hour technical presentations on topics related to energy ~~efficienct~~efficient building operation practices.

2.6.2.5 Training for Codes and Standards

The Rhode Island General Assembly's ~~recent~~ legislation (H6101/S0855 Sub A) requires Rhode Island's adoption of the 2024 International Energy Conservation Code (2024 IECC) within three months of publication.[13] The law requires adoption with no weakening amendments and a plan for 90 percent compliance within six months for residential and commercial new construction and renovations. The Company's Codes & Standards experts are collaborating directly with the Rhode Island Code Commissioner to hold mandatory training for building officials. The Company also coordinates closely with the Rhode Island Builders' Association (RIBA) to promote code awareness and training to its members and partners. The National Association of Home Builders, RIBA's national affiliate, is developing code training curriculum, and Rhode Island will be the first state to use this curriculum when it adopts the 2024 IECC.

The Company, CLEAResult, local partners (Rhode~~RIBA~~Rhode Island Builders Association (RIBA), Rhode Island Building Officials Association (RIBOA), American Institute of ArchitectsAchitects (AIA), Rhode Island Association of Realtor (RIAR), Rhode Island Master Plumber and Mechanical AssociationAssocation (RIMPMA)), host organizations (lumberyards, Taco Comfort Solutions, Viessmann Manufacturing, ~~Schools,~~ Libraries, Cities/Town Halls, Supply Houses, RNC program participants), and schools (Tech Schools, New England Tech, YouthBuild) will conduct the following activities, at minimum, to train workforce on codes and standards. These activities include CEU accredited training for building inspectors, builders, developers, architects, engineers, contractors, students, building owners, and real estate agents.

There is a steep learning curve associated with the new code and Rhode Island Energy will increase training and technical support to help the industry understand and meet the new requirements.

- Increase program-approved trainers through "train the trainer"

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[13] IECC 2024 was published on August 14, 2024, accessed at https://codes.iccsafe.org/content/IECC2024P1

Commented [CJ126]: This might be easier to read/digest if the references to time included dates. For example, "within three months of publication (end of Date X)".

Commented [RIE126R2]: We checked with the ICC and it has not been published yet. We are tracking it.

Commented [CJ127]: I think RIBA is the only one of these that is defined in this document. Please make sure any use of acronyms and abbreviations here and throughout the Plan are spelt out the first time of use.

Commented [RIE127R2]: Done.

Commented [CJ128]: Schools, with examples, listed below. Suggest we delete here.

Commented [RIE128R2]: Done.

Commented [RIE129]: From Acadia, they suggest, "Offering workforce and contractor trainings on codes (and other topics) in Spanish leveraging the train the trainer model.

Commented [RIE129R2]: We are currently seeking qualified candidates to train. We are also translating our technical resources into Spanish (we have native speakers on staff). Once 2024 IECC launches we plan to offer all our supporting resources in both English and Spanish.

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    - Increase the number of code trainers by training a variety of industry peers such as architects, builders and building officials to provide training for others that is comprehensive and consistent
- Develop on demand online training
    - LMS style trainings can be pre-recorded and linked to various state and industry websites. This will allow trainees with time or transportation constraints to attend trainings on their own time
- Provide HERS rater training and certification
    - HERS Raters are uniquely qualified to provide technical support and verification of compliance with the energy code. The performance compliance pathway, which requires an energy rating, will become increasingly more popular and Rhode Island will need to increase this workforce network to meet the needs of the industry once the new code takes full effect.
- Full day workshops
    - Deep dives into Envelope, Mechanicals, Lighting, HVAC
- Site tours (Brown University - Engineering Research Center, Watson Institute, School of Engineering, Lindemann Preforming Art Center, South Street Landing, URI, RI College)
- Mandatory training for building officials on the 2024 International Energy Conservation Code (and subsequent updates) in collaboration with the Rhode Island Office of the Building Code Commissioner.

Where possible and appropriate, the Company's training courses leverage federal funding to reduce costs for customers. The Company will collaborate with OER to administer funding from the IRA to assist states in adopting the current energy code (or a zero-energy code) and implementing a compliance plan, including through development of Home Energy Rating System (HERS) Raters.

Rhode Island Energy represents the energy sector on the Rhode Island Green Buildings Advisory Committee (GBAC). Through participation on the GBAC, the Company is able to identify additional workforce needs related to codes and standards, make recommendations for workforce development in support of the State's climate and clean energy mandates, raise awareness of the Company's planned trainings and workforce development activities, and raise awareness of relevant incentives through the Rhode Island Energy Efficiency Programs. The Company will also work with the Green Energy Workforce Advisory Committee to coordinate around training for codes and standards.

Commented [SA130]: Has RI Energy been pulled into the GWAC? The Governor's Green Workforce Advisory Council? I am not on this, but I know Climate Jobs has participoated.

Commented [RIE130R2]: Yes. See mention at end of paragraph.

Commented [RIE131]: From Acadia: "In addition to participation on the Green Buildings Advisory Committee (GBAC), coordinate with the Green Energy Workforce Advisory Committee (DLT)."

Commented [RIE131R2]: Good suggestion. We will engage the workforce advisory committee.

Commented [RIE132]: From Acadia: "In addition to participation on the Green Buildings Advisory Committee (GBAC), coordinate with the Green Energy Workforce Advisory Committee (DLT)."

Commented [RIE132R2]: Yes, we will do that. Added to the plan.

2.6.2.6 Build a Pipeline of Energy Workers

In 2025 the Company will continue to actively mentor and teach students in broad topics related to the energy sector and potential jobs as well as specific technical topics related to energy efficiency. The Company will maintain ~~it's~~its ~~engagement~~ engagement with ~~with~~ ~~with~~ local schools and universities, including Warwick Area Career Tech, New England Institute of Technology, Chariho Career and Tech Center, Community College of Rhode Island (CCRI), Woonsocket Career & Technical Center, Providence Career & Technical Academy, and RISD. The Company is supporting CCRI with its effort to establish an Industrial Assessment Center (IAC) backed by federal funding. This program will provide training for students through new classroom curricula and hands-on field experience providing energy assessments to small and medium sized manufacturers in Rhode Island. The Company will connect CCRI with

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enterprises that would be good candidates for energy assessments and provide funding to support energy assessment activity. IACs adhere to Justice40 guidelines, and CCRI has a diverse student body that will benefit from expanded opportunities in the field of building science.

The Company will highlight student energy efficiency projects for display and education at the Rhode Island Home Show and Energy Expo, in collaboration with RIBA and Rhode Island's Career Technical Education (CTE) programs. The model for having students and schools participate in building features and educating consumers along with industry partners has been adopted by the Rhode Island Department of Education as an approved work-based learning and career exploration curriculum to satisfy internship/career exploration requirements for graduation.

2.6.3 Financing and Funding Options

The Company currently offers several financing vehicles to customers including ~~the O~~on-~~B~~bill financing for business customers which is administered by the Company~~Refinancing~~ ~~Loan~~, ~~,~~ ~~Third-Party C&I Financing Loan,~~ HEAT Loan, and financing through the Efficient Buildings Fund, a program jointly administered by OER and Rhode Island Infrastructure Bank (RIIB). In 2025, the Company will continue to rely primarily on on-bill financing to support business customers funding of their share of energy efficiency project costs , investigate ~~ways in which~~ both how these offerings can be expanded to serve more residential customers~~,~~ and increase ~~including increasing~~ loan limits for residential~~residiential~~ comprehensive projects ~~. To make financing more useful in moving projects across the finish line, the Company will provide additional training on available financing mechanisms and how to position them effectively to internal sales staff and trade allies.~~

~~Please see section 5.4 for a discussion of discussion of state and federal incentives.~~ Please see section 5.4 for a discussion of discussion of state and federal incentives. ~~In addition to financing, the Company will continue to collaborate with OER, DEM, CommerceRI, and Rhode Island Infrastructure Bank (RIIB) to integrate program incentives with state and federal funding to maximize the use of ratepayer funds. OER will administer $64 million in funding from the federal IRA in addition to $25 million from ARPA for its Clean Heat RI Program. The IRA also offers several enhanced tax credits to encourage homeowners to pursue efficiency and electrification measures. In 2024 the Company provided formal comments[14] in response to a Request for Information issued by OER soliciting feedback regarding the IRA Home Efficiency Rebates (HER) and Home Electrification and Appliance Rebates (HEAR) programs. OER submitted a HER plan to the US Department of Energy (DOE) that focused the HER funding on measures that are not a part of current Company efficiency programs. They anticipate beginning to distribute HER funds in 2024. The exact structure of the HEAR program is still under review at OER ahead of seeking formal approval from DOE but will likely focus on improving public and affordable multifamily housing.~~

~~Rhode Island Infrastructure Bank, in addition to their~~ its ~~$5 million annual allocation of program dollars, received an additional $5 million from a 2022 state bond issue to support a small business energy~~

Commented [SA133]: Is this a RIIB program?

Commented [RIE133R2]: EBF is jointly administered by OER and RIIB.

Commented [SA134]: Was something cut here? This sentence doesn't make sense to me.

Commented [RIE134R2]: Nothing cut. The availability of financing is often a key part of getting project approval.

Commented [CJ135]: This is the exact same text as 2024 plan. Would like this section to follow-up on what it did/is doing in 2024 and what it plans to do in 2025. I think the sections does a little bit of that, but having it written in a way that clearly differentiates past vs. ongoing vs. planned activities would make this section easier to read.

Commented [RIE135R2]: Please see additional information included in this section.

~~[14] https://energy.ri.gov/sites/g/files/xkgbur741/files/2024-04/HER-HEAR%20RFI%20Responses.pdf~~

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~~efficiency grant fund that should launch in late 2024 or early 2025. The Company has been working with RIIB to coordinate this grant funding with program dollars and intends to leverage these outside dollars to encourage greater program participation. The Company is also working with existing building owners that require funding (in addition to program incentives) to leverage this RIIB program.~~

~~In 2024 CommerceRI introduced their RI Rebounds Energy Efficiency Program[15] that provides up to $10,000 for energy efficiency measures to small businesses throughout the state. The Company worked with CommerceRI to publicize the program and worked with participants through the energy audit and implementation stages. The RI Rebounds program was fully subscribed in 2024 but the Company will continue to collaborate with CommerceRI to design and implement programs in 2025, provided additional funding becomes available.~~

Starting in 2024 and throughout 2025 the Company will work with BlocPower as part of the demonstration program (as further described in Attachment 8). BlocPower provides a financing vehicle for upgrading multifamily housing. This financing is designed to help building owners fund efficiency projects and can be accessed alongside program level incentives. Multifamily housing has been an especially difficult market due, in part, to the substantial costs associated with building efficiency upgrades and this demonstration with BlocPower is an attempt to help close the gap between overall project costs and what the programs can provide.

~~In addition to the loan and grant programs mentioned above, the Company has beenis continuously researching other potential funding sources that could complement Company programsratepayer funds. several Thesethat include a mix of federal, state, and local programs that offer grants or loans to implement energy conservation measures. The programs have been categorized into three groups:~~

- ~~1. Likely to be applicable to Company programs in the near termEPA~~
- ~~2. Useful only for specific cases or has barriers to approval~~
- ~~3. Unlikely to be relevant, but has been reviewed~~

~~The Company has submitted (unsuccessfully) an application for funding through one of the programs in Category 1 and continues to seek opportunities among those programs to support energy efficiency with funds from outside the systems benefit charge (SBC) collection.~~

~~When evaluating other sources of funding, the Company has considered the transaction and administrative costs associated with alternative funding. The Company offers funding for energy efficiency via long-established mechanisms, familiar to many homeowners and service providers (energy auditors, contractors, Community Action Agencies, etc.). Any new source of funding, such as the IRA, will require additional application processes, contractor and consumer education, program specific eligibility criteria, income verification procedures, and data requirements. Though additional or alternative~~

Commented [AC136]: This applies to all non-ratepayer funds, but how can the Company optimize the application of incentives? How can we ensure that ratepayer funds go the farthest in terms of achieving utility system benefits and reducing bills, while other funds cover areas that RIE programs cannot/do not cover robustly? Are there requirements for other programs that might prevent this (e.g., if Rebounds only covered energy-saving measures but nothing else like pre-Wx barriers)?

Commented [RIE136R2]: This is difficult question to answer out of context since each potential outside funding source comes with myriad restrictions and limited applications. For each funding source we do consider how incentives with interact with the source to make the most of the program funding.

Commented [CJ137]: Can the Company include a table of what these known ones are, and perhaps tie into that the categorization listed below?

Commented [RIE137R2]: Added a list of researched funding opportunities.

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~~[15] https://commerceri.com/ri-rebounds/energy-efficiency/~~

~~funding might be available for certain measures, securing funding from a different source necessitates that anyone seeking this funding participate in a separate process from the ones established by the Company to receive SBC funded incentives. It is also likely that the coordination with IRA funding would require additional costs for the administration of SBC funded programs.~~

2.6.4 HVAC Equipment

The Company will continue to coordinate with OER to leverage additional funding opportunities for energy efficiency measures and projects funded through ARPA and IRA, such as the Clean Heat RI Program. This program is administered by OER and received $25 million in ARPA funds to provide financial incentives to residential and C&I customers for the purchase and installation of high efficiency electric heat pumps.

The Company will target electric heat resistance heat pump upgrades as outlined in the Company's Electric Resistance Heating to Air Source Heat Pumps: Implementation Plan for the Income Eligible Sector. The Company was directed by the Public Utilities Commission to develop the Heat Pump Plan to achieve 750 conversions annually by 2025 with 25 percent of those customers served classified as income eligible. In 2023, forty heat pump units were installed. The Company has completed 74 to date in 2024 with an existing pipeline of over one hundred installations. In 2025, the Company will continue efforts to upgrade income-eligible customers.

2.6.5 Community-Based Initiatives

The Community Solutions Initiative allows the Company to~~Project Team t~~to collaborate holistically with a municipality to develop and execute a three-year workplan to reduce energy use in advancement of the municipality's sustainability goals. Community Solutions is an evolution of our successful Strategic Energy Management Program (SEMP) Initiative.~~Initiative. It expands the partnership model from a single customer to an entire community.~~ The Community Solutions model begins with a memorandum of understanding (MOU) that establishes a non-binding framework for working together, defines energy efficiency savings goals and incentives, and sets priorities for collaboratively engaging residents and businesses in energy efficiency programs. The municipality is linked with a technical assistant who prioritizes City-owned buildings, identifies opportunities and estimates costs and savings. In 2023, the Company signed our first MOU with a participating municipality and for 2025 will look to sign additional MOUs with additional cities and apply best practices from these partnerships to program delivery across municipalities regardless of size.

Best Practices~~practices~~

Regular communications are essential to engage in early discussions on potential projects and energy efficiency, as is moving away from transactional interactions to foster more collaborative relationships. Prioritization supportssupport aids cities in budget planning while sharing best practices from other municipalities on challenges like procurement processes. Having a dedicated technical assistance vendor offers valuable support for data analysis, scoping studies, and project analysis, providing expertise on facilities and opportunities. Leveraging municipal communication channels such as websites,

Commented [AC138]: Should implement the same strategy for small businesses - see comment above

Commented [RIE138R2]: Noted.

Commented [SC139]: How many are we hitting annually now or are forecasted to complete in 2024?

Commented [RIE139R2]: We did a bit more than 3000 heat pumps in 2023. For the IE Sector we've done 21 so far in 2024 plus another 22 currently in the pipeline.

Commented [RIE139R3]: From William at OER:
That's 3000 heat pump installations? Not 3000 electric resistance to heat pump conversions correct? Similarly, for the IE sector, are those 43 done and in the pipeline ER to HP conversions, or just HP installations?

If those were HP numbers generally, it would be great to get specific numbers and details on the ER to HP either via the update described in our previous comment, or included in the plan itself.

Commented [RIE139R4]: 3000 total, not 3000 ERH ... [116]

Commented [CJ140]: Can we demonstrate progress ... [119]

Commented [RIE140R2]: In 2023, 40 units were ins ... [117]

Commented [CJ140R3]: I guess what I was looking f ... [118]

Commented [RIE140R4]: Added.

Commented [RIE141]: From Acadia: ... [120]

Commented [RIE141R2]: Added some detail on the ... [122]

Commented [ML142]: Does the project with Central ... [121]

Commented [CJ142R2]: And not just expanding, but ... [124]

Commented [RIE142R3]: The Central Falls project ... [123]

Commented [CJ143]: Was this defined somewhere? ... [125]

Commented [RIE143R2]: This was an error. Was m ... [126]

Commented [CJ144]: Spell out first time use.

Commented [RIE144R2]: Done

Commented [ML145]: Yet the language in this parag ... [127]

Commented [RIE145R2]: Removed for clarity. The ... [128]

Commented [CJ146]: What about 2024? What has/w ... [129]

Commented [RIE146R2]: We signed one in 2023 an ... [130]

Commented [CJ147]: Does the Company have a targ ... [131]

Commented [RIE147R2]: There is no hard target fo ... [132]

Commented [CJ148]: **From Jen C:** Potential to addre ... [133]

Commented [RIE148R2]: Thanks for the note. The ... [134]

Commented [SA149]: Not sure where the right place ... [136]

Commented [RIE149R2]: RIE is working closely with ... [135]

Commented [CJ150]: Can we say anything about bes ... [137]

Commented [RIE150R2]: Updated.

Commented [AC151]: The Company mentioned in a ... [139]

Commented [RIE151R2]: Lower participation isn't s ... [138]

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newsletters, and social media expands outreach to a broader customer base.~~Regular communications to foster proactivity – Learn about potetial projects and discuss energy efficiency at earliest stages and instead of a more transactional project-by-project relationship. Prioritization support helps cities plan and develop budgets. Share best practices from other municipalities regarding common challenges such as procurement processes.~~

~~Dedicated technical assistance vendor to support data analysis, scoping studies, project analysis, etc. Provides a valuable team member with an i-depth understanding of the facilities and opportunities.~~

~~Leverage municipal communications channels – websites, newsletters, social media to reach more customers.~~

The Main Street Initiative takes a neighborhood approach to driving energy savings through its Main Street Initiative. Main Street campaigns will be planned in ~~a number of~~ five communities in 2025, including outreach and engagement with community-based organizations. In 2024, the Company expanded ~~epxanded~~expanded outreach to local community groups and will continue in 2025 ~~to focus~~ on this outreach. ~~to small businesses in the communities selected for the 2025 Main Street campaigns.~~ The Company anticipates that engagement with local community groups can increase participation in the Small Business Program throughout the year. For example, the 2024 Providence Main Street campaign resulted in more than 100 businesses signing up for an auditleads, reflecting the multiple channels of customer outreach conducted by the Company, RISE, and other stakeholders including OER, City of Providence, and local community groups. Similar to 2024, the Company and its vendor RISE will identify ~~the communities and~~ goals for each community in the first quarter of the year, before the launch of the first campaign in Spring 2025.

A new energy efficiency advocate will be fully engaged in 2025. This ~~bilingual~~ advocate will be embedded within community-based organizations to provide training to each organization's team about the intersection of energy with health and safety. The organizations can then support their communities in identifying ways in which energy efficiency can help and how to access opportunities.

The Company partners with OER to implement the State's Lead by Example Executive Order (EO 23-06).[16] This partnership uses Rhode Island Energy Efficiency Programs to drive energy savings at state and municipal buildings in various communities across Rhode Island.

The Company partners with OER on the Public School Energy Equity Program to develop the full suite of programmatic, technical and financial resources available to communities. Together with OER, we have developed processes to support schools during the entire project life cycle, including technical assistance to identify project scope, procurement process support, and post installation reviews.

Since the inception of the Efficient Buildings Fund (EBF), the Company has worked with the Rhode Island Infrastructure Bank (RIIB) and municipalities to facilitate project development and application. The

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[16] https://governor.ri.gov/executive-orders/executive-order-23-06

Commented [AC152]: Any way the EE Consumer Advocate can support these efforts? Also raised with the EWG: how does the Company monitor how vendors engage with underserved communities and community partners? Want to use the right tone and engagement strategies to improve customer experience and outcomes

Commented [RIE152R2]: Yes, the Consumer Advocate will be able to support outreach efforts through the Main Street Initiative. The Company monitors its vendors through regular status and performance meetings. Customers can, and do, call Rhode Island Energy's Customer Service team to report any unsatisfactory service, which the Company immediately addresses with any involved vendors.

Commented [AC153]: Typo

Commented [RIE153R2]: Corrected.

Commented [SA154]: How will you choose these? There are a few neighborhood business associations who may be good to connect with? (Wickford; Hope Street Merchants Association, etc.)

Commented [RIE154R2]: (1) We are engaging with organizations that serve minority-owned businesses across the state to raise awareness of the Small Business Program, including increasing advertising about the Small Business Program through these organizations to their constituents throughout the state and providing content for their emails and newsletters
(2) The five Main Street communities will be chosen in early 2025 based on a number of factors including: (a) communities with low historic participation levels, (b) disadvantaged communities, and (c) communities with greater percentages of minority and women owned businesses.

Commented [CJ155]: Can we say something here about how successful these efforts have/haven't been in the past. It'd be great to demonstrate the impact these have.

Commented [RIE155R2]: Added a sentence about PROVIDENCE Main Street results

Commented [SC156]: Nice!

Commented [RIE156R2]: Thanks Steve!

Commented [CJ157]: The Central Falls project does not currently fall within this model. Though it is being expanded in 2025, it is still technically an Assessment at this point.

Commented [RIE157R2]: The Company conducts training and outreach using many different resources and personnel. However, the energy efficiency advocate's role will be specifically focused in this area and will continue to build out this capability.

Commented [CJ158]: Can we provide a link to this as a footnote?

Commented [RIE158R2]: Done

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Company's technical team conducts energy assessments and provides reports that meet the needs of both EBF and incentive programs to simplify application processes and help municipalities take advantage of multiple funding sources. Since inception, the EBF has supported 22 municipal projects ~~projects to municipalities~~, loaning out over $69 million dollars to support a variety of energy efficiency projects. These will deliver $109 million in savings over the lifetime of the installed measures.

All municipalities~~, regardless of building size or usage,~~ can participate in large commercial and industrial programs. An account manager dedicated to this sector supports these customers in identifying projects, securing funding, and working with implementation vendors to achieve savings.

2.6.6 Participation and Outreach

In 2025, the Company will continue to drive participation through two main pathways – targeted programs and broad-based programs. ~~Further detail on outreach plans for 2025 will be provided as the efficacy of current outreach efforts is evaluated in 2024.~~

Rhode Island Energy's website ~~will be~~was overhauled in 2024, which ~~will~~ improved navigability, readability, and accessibility. Customers ~~will~~ have a single sign-on experience that allows them to seamlessly access information on all aspects of their energy use, including billing questions and energy efficiency. The website ~~will~~ offers language translation through Google Translate to improve accessibility for all customers. The improved website will be available in early 2025.

Rhode Island Energy ~~is going~~went live with a new flexible, user-friendly energy efficiency database and tracking system in 2024, which will facilitate data collection and reporting; provide participant and vendor self service capabilities to submit applications, confirm eligibility, and track status; and improve the customer and administrative experience. Using our new tracking system's ~~agile~~ reporting capabilities on the back end and our revamped website on the front end, we will host a public-facing data dashboard to summarize key program metrics updated monthly. This data dashboard will be developed with stakeholder input ~~in 2024~~ and launched ~~at the beginning of~~ in 2025, with continuous improvement planned through the 2025 program year.

The Company plans to hold twelve customer assistance expos annually, plus over a dozen pop-ups each month, located in communities throughout the state. These events focus on ways to help customers pay their bills. Energy efficiency is a key method to help customers lower their gas and electric bills, and Company staff help customers understand how to participate. These events serve as excellent opportunities ~~for~~ to engage with customers, offering informative materials, raising awareness, and addressing the relevance of energy efficiency. Customer Advocates will attend many outreach events at local organizations in addition to the customer assistance expos.

The Company plans to pilot a social influencer effort in 2024 and based on those learnings will expand in 2025. Social media influencers can develop content covering topics ~~from~~ like energy saving tips and~~,~~ the Home Energy Assessment experience~~, how heat pumps work, or making a product purchase at Lowe's or Home Depot and getting an instant rebate~~. Through authentic content from personalities that

Commented [CJ159]: More detail would be nice to see here. Would love to see some quantitative metrics demonstrating impact.

Commented [RIE159R2]: Added.

Commented [CJ159R3]: Thanks…what type of savings make up the $109M? Is it customer bill savings, or is it benefits, or something else?

Commented [RIE159R4]: It's understanding that it is bill savings but this program is jointly administered by OER & RIIB so they would be the best source for more detailed data.

Commented [CJ160]: Should this read "All municipalities can participate in the large C&I program, regardless of its buildings size or usage"?

Commented [RIE160R2]: Deleted for clarity.

Commented [CJ161]: Do we have a sense of how successful this process is? How many municipalities take advantage of this? Does the Company have a sense of what % of each municipalities building sq. ft. has been touched/addressed through this?

Just trying to think of ways to identify further targeting of muni's that maybe haven't participated fully.

Commented [RIE161R2]: As of today - every municipality in the RIE service territory has participated in EE our programs. Many have reached near full efficiency with lighting and more than 75% have some level of mechanical systems efficiency.

Schools are greater adopters across the board than their municipal counterparts. Town buildings tend to be smaller with very ... [140]

Commented [AC162]: When?

Commented [RIE162R2]: Apologies—this was a hol ... [141]

Commented [ML163]: I think it's great the website w ... [143]

Commented [RIE163R2]: The Company has, as note ... [142]

Commented [CJ164]: Great to see and can't wait to ... [144]

Commented [RIE164R2]: Great. Thank you.

Commented [SA165]: When does this go live

Commented [RIE165R2]: End of Q3 2024 (estimated)

Commented [AC166]: Excited about this. Community ... [145]

Commented [RIE166R2]: Thank you.

Commented [CJ167]: Bravo! Absolutely can't wait to ... [146]

Commented [RIE167R2]: Thank you.

Commented [CJ168]: Delete "for"

Commented [RIE168R2]: Done.

Commented [CJ169]: Hopefully these touch points h ... [147]

Commented [RIE169R2]: They do. Focus includes c ... [148]

Commented [SA170]: RI Energy is doing outreach do ... [150]

Commented [RIE170R2]: We can check with marke ... [149]

Commented [SA171]: What social media influencers ... [152]

Commented [RIE171R2]: Still evaluating a pilot effo ... [151]

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customers already trust, Rhode Islanders can organically learn about making more energy efficient choices and finding ways to save money.

Commented [CJ172]: Happy to see this, and might prove to be a great way to get at the younger demographic.

Commented [RIE172R2]: Thank you.

The Company coordinates State agencies to refer customers and share leads across Rhode Island Energy Efficiency Programs and other state and federal energy efficiency opportunities, such as CHRI. Cross-marketing occurs via strategically timed collateral, leave-behind information and marketing materials that cross-promote programs, and by processes to serve customers and buildings holistically across multiple program pathways. In 2025, the Company will introduce a follow-up marketing campaign triggering communications to customers after they participate, identifying the next best step in their energy efficiency journey. The Company holds routine meetings and has ad hoc channels of communication open with other program administrators, including OER and CommerceRI.

3. ~~Pilots, Demonstrations and Assessments~~Demonstrations, Pilots, and Assessments

Commented [CJ173]: Would recommend aligning the order of the sections in the main text with the order of associated attachments. For example, in the main text, PDAs appears here in section 3, which is followed by section 4 on the RI Test. However, the PDA attachment (#8) comes after the RI Test Attachment (#4).

Commented [RIE173R2]: Thanks. We prefer to maintain a structure similar to prior years.

Commented [CJ174]: Flagging that this is still written as PDA instead of DPA.

Commented [RIE174R2]: Updated.

Commercial, industrial, and residential demonstrations, pilots and assessments are all vehicles that may be used to identify, test, analyze, and deliver new innovative solutions and services that are technically feasible, desirable by customers, and viable for inclusion in the portfolio. The Company will continue to systematically review opportunities to add to the portfolio through a consistent and transparent process. Please refer to Attachment 8 for additional details on evaluations for demonstrations, pilot, and assessments. Consistent with PUC Guidance, the Company uses the following definitions for demonstrations, pilots and assessments.

3.1 Demonstrations

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A demonstration will test the feasibility of a new product or offering for inclusion in existing programs. It is generally expected that demonstrations will be less time and resource intensive than pilots, since generally there is greater certainty around a narrow, incremental idea added to a program rather than a totally new set of offerings. Savings associated with demonstration projects may contribute to shareholder incentives. Demonstrations may be evaluated with either an independent or a vendor evaluation.

3.2 Pilots

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A small-scale, targeted program that is limited in scope, time, and spending and is designed to analyze the feasibility of a future program or rate design. Pilots are designed to test technologies and approaches to energy management not included in the core energy efficiency programs that could potentially become a new, standalone program. Given the scope of adding a new core program to the Company Energy Efficiency Portfolio, it is likely that pilots will require a long-term commitment and broader set of stakeholder input. Savings associated with pilots will not contribute to shareholder incentives. Pilots may be evaluated with either an independent or a vendor evaluation.

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3.3 Assessments

An assessment will be deployed for solutions that address a particular gap or program need but have significant uncertainty around the effectiveness or potential of the solution to realize savings. Because of the uncertainty, assessments will not include field demonstrations or customer installations. Instead, assessments will focus on information gathering to equip Company staff to make a more informed decision of whether and how to proceed with the idea. It is possible that an assessment could recommend further demonstration of the idea or determine the solution should exit the review process. Savings associated with assessments may not contribute to shareholder incentives. Assessments may be evaluated with an independent evaluation, vendor evaluation, or internal review.

The Company will coordinate efforts with internal and external stakeholders, such as EM&V, Customer Energy Management, the OER, and the EEC, at various points in the development process to ensure appropriately rigorous evaluation and attention is given to each demonstration, pilot and assessment. Updates will be provided to OER and the EEC consultant team on a quarterly basis and the Company will solicit input during its collaborative annual planning process.

3.4 2025 Demonstrations, Pilots and Assessments

~~The Company will evaluate opportunities for demonstrations, pilots, and assessments for 2025.~~ The Company will not pursue any new Demonstrations, Pilots or Assessments in 2025, but will continue two from 2024.

4. EVALUATION, MEASUREMENT AND VERIFICATION PLAN

EM&V provides independent verification of impacts to ensure that savings and benefits claimed by the Company through its energy efficiency programs are accurate and credible. EM&V also provides insight into market characteristics and guidance on program design to improve the delivery of cost-effective programs.

To verify the impacts of programs on energy savings, the Company hires independent third-party consulting firms to regularly conduct evaluation studies as part of its EM&V process. These evaluations incorporate industry standard methods such as engineering analysis, metering analysis, billing analysis, site visits, surveys, and market studies to realize the actual energy savings of a measure. The EEC and OER provide direct oversight of each evaluation study conducted. Every year, the results of the studies are used to update the benefit-cost calculations during planning. Attachment 3: EM&V Plan lists the evaluations that have occurred since 2010 that are still being used and their influence on program planning. All completed evaluations are submitted electronically to the PUC; final reports of evaluations completed in prior years are available in the dockets for previous years, on the EEC website, or upon request.

The areas proposed for study in 2025 will be chosen based on several factors: the relative amount of savings in that program or end use, the vintage of the most recent relevant evaluation study (or studies,

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Commented [CJ175]: Assuming this will be filled out in future iterations of the Plan.

After taking a look at Attachment 8, DPAs planned for 2025 are all TBD. Has the Company not done any thinking about potential DPAs for 2025?

Commented [RIE175R2]: Please see updated text and attachment.

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Commented [AC176]: how the company will lay the groundwork for 2026 AMF without any prior DPAs? I recall a prior presentation detailing the timeline and approaches to AMF, as well as potential offerings for customers. The notion of "laying the groundwork" just seemed to imply that the Company would want to launch full AMF-based offerings in 2026

Commented [RIE176R2]: The Company determined that we are still too early in the AMF deployment process to produce any meaningful results for the 2025 plan year. We will be focusing on this for the 2026 plan.

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if there are more than one for that market/measure category),~~),~~ the relative precision of the recent evaluation study, recommendations from previously completed studies, and the available evaluation budget. This list may be added to as the year progresses, and different evaluation priorities are identified. In particular, the Company will consider the value of using evaluations from other jurisdictions as well as adding Rhode Island-specific impact or process evaluations, as appropriate, that will help inform the Company's efforts towards achieving the goals of Least Cost Procurement. Several EM&V areas of interest were highlighted in the three-year plan, and these will be incorporated into 2025 evaluation planning, if appropriate.

Commented [AC177]: This should consider not just the latest iteration of the same study, but also the last time a given market/measure category was studied. Do not want to be duplicative if certain areas of interest were evaluated under a study of a different name (assuming the outputs of both studies would be the same)

Commented [RIE177R2]: Updated.

5. COORDINATION WITH OTHER ENERGY POLICIES AND PROGRAMS

This section will continue to describe the ways that the energy efficiency programs coordinate with, influence, and are influenced by other dockets before the RI PUC and by state and Company policies. At this time the Company anticipates several areas of continued focus and coordination will inform the plan.

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5.1 System Reliability Procurement

There are two points of integration between energy efficiency and system reliability procurement. First, demand response is integrated into system reliability procurement, which prompts coordination between energy efficiency program staff and system planning team members. This coordination includes, but is not limited to, supporting market engagement efforts for non-wires and non-pipes solutions, conducting locational outreach for energy efficiency measures that may preemptively alleviate grid needs to some extent, and supporting internal evaluation of energy efficiency as a non-wires or non-pipes solution. The Company will coordinate internally through overlapping staffing assignments and anticipates support for coordination through external stakeholder engagement. Second, energy efficiency may be a potentially viable solution to system needs. The system reliability procurement process evaluates the ability of energy efficiency to resolve system needs either partially or fully in a manner that less than the cost of the best alternative utility reliability procurement solution. In this manner, energy efficiency coordinates with system reliability procurement to potentially mitigate specific system needs as they arise.

5.2 Advanced Metering Functionality and Grid Modernization

The increased availability of more near real-time customer energy usage data, ~~if~~ when enabled by AMF deployment, will allow for enhancements to energy-efficiency program design and implementation. Currently, the Company plans to begin installing AMF meters in early 2025, with continual deployment expected to go through 2026. Therefore, this Annual Plan does not include activities that rely on territory-wide deployment of AMF. However, throughout 2025, the Company will identify activities which may help lay the groundwork for implementing program enhancements which AMF will enable in future years. The Company will explore the possibility of engaging customers who receive AMF meters in 2025 in pilot/demonstration/assessment activities, but this is dependent on the progress of the meter/backend network deployment, and the efficiency team will coordinate with the AMF team to

Commented [CJ178]: Is this really an "if"? I understand this to be more of a "when".

Commented [RIE178R2]: Updated.

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determine what is possible. The Company will also explore the capabilities of current and potential future vendors to develop and implement AMF-enabled program designs. The intent of any AMF-related activities undertaken in 2025 would be to increase participants', stakeholders', and the Company's comfort and familiarity with AMF-enabled capabilities (e.g., near-real-time energy monitoring, load disaggregation) and their potential to be utilized for targeted programs and pay-for-performance (P4P) programs. As these are foundational program enhancements enabled by AMF, laying the groundwork for these concepts in 2025 should help facilitate a smooth implementation of AMF-enabled enhancements once they are available.

5.3 2021 Act on Climate

Through the 2021 Act on Climate, the State of Rhode Island set mandatory, enforceable, statewide, economy-wide greenhouse gas emissions reduction targets of 45 percent below 1990 levels by 2030, 80 percent below 1990 levels by 2040, and net-zero emissions by 2050. Although the Act identifies the State Administration as the obligated entity that takes on responsibility of achieving these mandates and consequences for not achieving them, we recognize that we – the predominant electric and gas distribution utility that administers energy efficiency and renewable energy programs – have a critical role to play in supporting and driving decarbonization.

In alignment with the State's 2022 Update to the 2016 Greenhouse Gas Emissions Reduction Plan, we can consider Rhode Island Energy's role, specifically regarding energy efficiency, in how we meet our approaching 2030 mandate across electric, thermal, and transportation sectors. We know that one pathway to economy-wide decarbonization is through electrifying thermal end uses and transportation, while decarbonizing our electricity sources.

Rhode Island's 100% Renewable Energy Standard requires an increasing percentage of electricity come from renewable energy resources, until meeting 100% in 2033 and beyond. In 2025, there are both decarbonization benefits and affordability benefits from reducing energy use through energy efficiency. Through the end of the decade, the 100% Renewable Energy Standard will erode the decarbonization benefits from energy efficiency (because electricity will be increasingly decarbonized) but will likely increase the affordability benefits of reducing energy consumption (because the cost to decarbonize will be internalized into electricity prices~~).)).~~. We also have to consider the interaction between customer-funded energy efficiency programs and price signals of electricity rates: increasing customer-sourced collections will increase electricity prices, which will deter electrification and therefore slow decarbonization. Therefore, our 2025 Annual Plan will start to focus on driving affordability benefits – lower electricity and gas bills – while coordinating the~~building coordination structure to~~coordinating the shift ~~shift~~ from using customer funding to non-customer funding to drive decarbonization benefits through layered incentives and rebates.

We must also recognize the value of energy efficiency in building community climate resilience. A family can shelter in place more safely and for longer in a well-weatherized home during a power outage that interrupts heating or cooling systems. Rhode Islanders who are prone to heat-related illness have lower health risks if they have a cooling system and can afford to run it during heat waves. We see our energy

Commented [j179]: Another area for exploration is whether your CI TA vendors have disaggregation tools that can disag bills using AMI data? If not, then I suggest you get one built or procure one and distribute it to your vendors to build familiarity. This is an incredibly powerful and useful tool in C&I.

Commented [RIE179R2]: Customer load disaggregation is scheduled to be deployed in our AMF network in January 2026. We are also exploring vendor capabilities to disaggregate/analyze AMI data and potential program designs based on these capabilities.

Commented [RIE180]: From Acadia:
Efficiency is a fundamental component of meeting the state's emissions targets. As the most recent statute, the Act on Climate should be a guiding principle for the Company's energy efficiency programs. Rhode Island's 2022 Climate Update frames the weatherization of buildings as key to the decarbonization of the thermal sector by decreasing energy demand - it emphasizes the need for the program administrator to not only continue energy efficiency programs but also to expand weatherization in order to capture additional energy savings. The 2016 Greenhouse Gas Reduction Plan specifically highlighted the need to expand access to energy efficiency for delivered fuel customers. In contrast, the 2025 EE Plan scales back weatherization for delivered fue ... [154]

Commented [RIE180R2]: We hear you and we unde ... [153]

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Commented [SA181]: Thank you for including this sentence.

Commented [SA181R2]: Also, will this lead to a shift ... [157]

Commented [RIE181R3]: We continue to engage w ... [159]

Commented [CJ181R4]: I'm not sure this response a ... [155]

Commented [RIE181R5]: Thanks for the feedback.

Commented [CJ181R6]: Leaving this open, as its not ... [156]

Commented [RIE181R7]: Not clear what you are lo ... [158]

Commented [SA182]: I disagree with this. While it w ... [161]

Commented [RIE182R2]: We mean it will reduce th ... [162]

Commented [CJ183]: This statement is something w ... [160]

Commented [RIE183R2]: OK thanks for flagging.

Commented [CJ184]: This is misleading at best and f ... [164]

Commented [RIE184R2]: It sounds like there are a f ... [165]

Commented [CJ184R3]: Leaving this one open as its ... [163]

Commented [CJ185]: Electric and gas bills are not th ... [167]

Commented [RIE185R2]: Thanks for the comment.

Commented [CJ185R3]: I'm assuming the reply here ... [166]

Commented [RIE185R4]: Correct.

Commented [CJ186]: This reads a little odd to me. M ... [168]

Commented [RIE186R2]: Updated.

Commented [SA187]: What do you mean by shifting ... [170]

Commented [RIE187R2]: Yes, leveraging outside fu ... [169]

Commented [SA188]: YES.

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efficiency program as helping families, communities, and businesses become more resilient. Therefore, our 2025 Annual Plan will double down on efforts to support communities – especially equity communities – in participating in Rhode Island Energy Efficiency Programs.

These strategies are fully aligned with the State's priority measures in its most recent Priority Climate Action Plan, available at www.climatechange.ri.gov. These priority measures include a number of measures aimed to encourage thermal and transportation electrification, energy efficiency in buildings, and climate resilience. Rhode Island Energy will continue to be a productive partner in support of the State developing its Comprehensive Climate Action Plan ("2025 Strategy") over the next year and half. We will push for increasing coordination between Rhode Island Energy Efficiency Programs and state and federal programs, so we maximize incentives for our customers and impacts from energy efficiency. We will lend our expertise on customer bill impacts to support a deliberate pacing strategy that puts downward pressure on energy bills. We will work with State partners and stakeholders on program delivery strategies to reach more Rhode Islanders and embody diversity, equity, inclusion, and belonging into all aspects of Rhode Island Energy Efficiency Programs.

Specifically, in building the 2025 Annual Plan, we will work with OER, the Energy Efficiency Council, regulators, and stakeholders to understand various lenses through which we compare costs of energy efficiency with costs of supply; develop a framework for prioritizing funding sources, layering funding streams, and fully addressing the purposes of Least-Cost Procurement; ensuring robust coordination on federal funding opportunities and opportunities to access and layer funding sources; and updating our greenhouse gas emissions accounting and valuation methodology to reflect the impacts of the 2021 Act on Climate and 100% Renewable Energy Standard on decarbonization.

5.4 Coordination with State and Federal Incentive Programs

The Company has numerous recent and active initiatives to explore non-ratepayer funding for its programs. ~~In 2025, the Company will continue to coordinate with OER on the Clean Heat RI (CHRI) Program to facilitate the customer experience, ensure that all available incentives are communicated, and explore synergies in implementation. CHRI includes funding for fuel switching and will complement RI Energy's efforts to promote efficient heat pump adoption for residential, low-income and small commercial customers.~~

5.4.1 Inflation Reduction Act

The Company submitted an analysis of Residential measures eligible for the US Department of Energy (DOE) Inflation Reduction Act (IRA) to the PUC in March 2024. This analysis was shared with OER, the EEC, and the TWG.

The Company has~~will continue to coordinate~~ ongoing one-on-one dialog with OER with regards to ~~their~~ its plans for distributing $64 million in ~~Inflation Reduction Act (~~IRA~~)~~ funding. ~~OER will administer $64 million in funding from the federal IRA in addition to $25 million from ARPA for its Clean Heat RI Program.~~ In addition, ??The~~The Company has had discussions with OER about their preliminary plans for the IRA funding and expects to have more information to inform 2025 planning by the early Q~~?? ~~In~~

Commented [CS(189]: Very supportive of the climate resilience benefits of EE and highlighting these benefits

Commented [RIE189R2]: Thanks for the comment.

Commented [CJ189R3]: I think that we collectively agree on this, and wonder if it might be something we should seek to quantify in same way. Whether OER, RIE, or Council (or some combination thereof), it would be great to have a monetizable estimate or resilience benefits in RI for inclusion in cost-effectiveness assessments.

Commented [RIE189R4]: We are open to Council and OER thoughts on methodologies for quantifying this.

Commented [CJ189R5]: There was at least one paper that I came across at ACEEE Summer Study that spoke to monetizing resilience benefits. It's almost certainly too late in the game to have a coordinated effort that works to include this for the 2025 Plan, so I'm leaving this open so that we can come back to it to consider for future plans.

Commented [RIE189R6]: Thanks.

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Commented [CJ190]: Based on the plain language above and the text of the priorities (e.g. "Increase Residential and Commercial Heat Pump Adoption" and "provide funds for pre -weatherization work on eligible properties as part of the state energy efficiency program" p.12), it reads on the surface as if the EE Plan is actually specifically moving away from funding important elements of the priority climate action plan under the assumption other funding will be available (e.g. the $10M from DEM assumed in technical appendix 2.M, PDF page 94).

IN one sense it is accurate to describe these strategies as 'aligned' with that plan, but in another sense it seems a bit more like 'the plan is for RIE not to fund these'.

A big question here: Does the PCAP set of priority measures actually achieve AoC goals? Are the assumed dollars from the technical appendices actually going to be made available? Or is it possible that one result of this process is that RIE assumes DEM will get the $ (e.g. for preweatherization) and DEM assumes it will be funded through customer funds (or just fails to secure adequate funding) resulting in a reduction in funding for enabling investments at a critical juncture?

Commented [RIE190R2]: It sounds like several of these questions should be directed to DEM, OER, and the EC4. Going back to how Jamie Rhodes described it in our TWG discussion, ... [171]

Commented [CJ190R3]: Leaving open to not lose site of this.

Commented [CJ191]: Do you mean layering?

Commented [RIE191R2]: Yes. Updated. Thank you.

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Commented [RIE192]: From Acadia: ... [172]

Commented [RIE192R2]: That is our expectation as well.

Commented [CS(193]: Great! Again, please reach out to OER staff anytime you need more information for coordination ... [173]

Commented [RIE193R2]: Thanks Steve!

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~~2024 t~~the Company provided formal comments[17] in response to a Request for Information issued by OER soliciting feedback regarding the ~~IRA Home Efficiency Rebates (HER) and~~ $32 million IRA Home Electrification and Appliance Rebates (HEAR) program~~programs~~. OER's ~~submitted a~~ final HEAR plan, which has been approved by the ~~to the US Department of Energy (~~DOE,~~)~~ ~~that~~ specifically focuses~~d~~ ~~the HER funding~~ on measures that are not a part of the Company's~~current Company~~ ~~efficiency~~ programs. ~~They~~ It anticipates beginning to distribute HEAR funds in late 2024. ~~The exact structure of the HEAR program is still under review at OER ahead of seeking formal approval from DOE but will likely focus on improving public and affordable multifamily housing.~~

In late July, OER posted its draft plan for its $32 million IRA Home Efficiency Rebates (HER) program. The intent was to focus on delivered fuels fuel switching to heat pumps for low-income multi-family buildings. The Company attended a public meeting on July 31 where it raised the consideration for HER funds to be used for delivered fuels weatherization projects. The Company also presented at the EEC and TWG during the 2025 planning process and raised this consideration in those venues as well. OER submitted its final HER proposal to DOE in August without any weatherization funding requested. The Company continues to coordinate with OER and in August of this year provided OER with a list of income eligible multifamily buildings that utilize delivered fuels and that have, in the past, received weatherization upgrades through the Company's programs.

~~The Company submitted an analysis of Residential measures eligible for IRA to the Public Utilities Commission (PUC) in March 2024. This analysis was shared with OER, the EEC, and the TWG. In addition, the Company responded to the OER Request for Information (RFI) regarding the structure and implementation of the IRA programs in Rhode Island. OER has submitted its Home Electrification and Appliance Rebates (HEAR) plan to the Department of Energy (DOE) for approval and is working on its Home Efficiency Rebates (HER) program plan for submittal to DOE later this year.~~

The Company had initially planned to provide a plan for IRA implementation by the end of June 2024. Given OER's timeline and its expressed intent to focus IRA incentives on measures not covered by the Company's programs, ~~an updated timeline for the Company's plan will be provided in subsequent drafts~~no formal implementation plan is necessary. The Company will continue to coordinate with OER to assure that our programs are offered to customers in a cohesive manner.

5.4.2 Other State and Federal Programs

In 2025, the Company will continue to coordinate with OER on the Clean Heat RI (CHRI) Program to facilitate the customer experience, ensure that all available incentives are communicated, and explore synergies in implementation. CHRI includes funding for fuel switching and will complement the Company's efforts to promote efficient heat pump adoption for residential, low-income and small commercial customers through existing weatherization programs.

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Commented [AC194]: See comment above on non-ratepayer funds. Would be helpful to understand how these funds can fill gaps/overcome limitations for RI EE programs

Commented [RIE194R2]: Again, hard to answer since each funding source has its own strings attached.

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[17] https://energy.ri.gov/sites/g/files/xkgbur741/files/2024-04/HER-HEAR%20RFI%20Responses.pdf

The Company participated in the RI Department of Environmental Management's (DEM) proposal process for the US Environmental Protection Agency's (EPA) Climate Pollution Reduction Grant. Based on our input, DEM's proposal included $3 million for pre-weatherization barriers and weatherization support. However, DEM's proposal was not selected by EPA for funding.

~~As mentioned in section 2.6.4 of this Plan, t~~The Company will continue to collaborate with CommerceRI and Rhode Island Infrastructure Bank (RIIB) to integrate program incentives with state and federal funding. In 2024 CommerceRI introduced its RI Rebounds Energy Efficiency Program[18] that provides up to $10,000 for energy efficiency measures to small businesses throughout the state. The Company worked with CommerceRI to publicize the program and worked with participants through the energy audit and implementation stages. The RI Rebounds program was fully subscribed in 2024 but the Company will continue to collaborate with CommerceRI to design and implement programs in 2025, provided additional funding becomes available.

Rhode Island Infrastructure Bank received an additional $5 million from a 2022 state bond issue to support a small business energy efficiency grant fund that ~~should~~ launched in late 2024 .~~or early 2025.~~ The Company has been working with RIIB to coordinate this grant funding with program dollars ~~and intends~~ to leverage these outside dollars to encourage greater program participation.

~~In 2024 CommerceRI introduced their RI Rebounds Energy Efficiency Program that provides up to $10,000 for energy efficiency measures to small businesses throughout the state. The Company worked with CommerceRI to publicize the program and worked with participants through the energy audit and implementation stages. The RI Rebounds program was fully subscribed in 2024 but the Company will continue to collaborate with CommerceRI to design and implement programs in 2025, provided additional funding becomes available.~~

5.4.3 Additional Funding Sources

In addition to the loan and grant programs mentioned above, the Company continuously researches other potential funding sources that could complement ratepayer funds. The Company has identified several different potential sources that include a mix of federal, state, and local programs that offer grants or loans to implement energy conservation measures. The programs have been categorized into three groups:

1. Potentially applicable to Company programs in the near term

- EPA Climate Pollution Reduction Grant
- Energy Efficiency and Conservation Block Grant

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Commented [CJ195]: Can the Company include a table of what these known ones are, and perhaps tie into that the categorization listed below?

Commented [RIE195R2]: Added a list of researched funding opportunities.

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[18] https://commerceri.com/ri-rebounds/energy-efficiency/

- IRA Community Change Grants
- IRA Home Energy Rebates
- Clean Heat RI
- RI Rebounds Energy Efficiency
- Rhode Island Infrastructure Bank Clean Energy Grants (small businesses)
- Providence Home Repair Program

2. Useful only for specific cases or has barriers to approval

- USDA Energy Efficiency and Conservation Loan Program
- IRA Assistance for the Adoption of the Latest and Zero Building Energy Codes
- Rhode Island Fund Strategic Initiative Grants
- DOE Title 17 Clean Energy Financing Program
- Rewiring America Power Forward Communities

3. Unlikely to be relevant, but has been reviewed

- DOE Solutions for Lasting, Viable, Energy Infrastructure Technologies
- DOE Advanced Research Project Agency- Energy

The Company continues to seek opportunities among those programs to support energy efficiency with funds from outside the systems benefit charge (SBC) collection. Many of these programs have limited funding and timelines so applications for funding will not always result in awards.

When evaluating other sources of funding, the Company has considered the transaction and administrative costs associated with alternative funding. The Company offers funding for energy efficiency via long-established mechanisms, familiar to many homeowners and service providers (energy auditors, contractors, Community Action Agencies, etc.). Any new source of funding, such as the IRA, will require additional application processes, contractor and consumer education, program specific eligibility criteria, income verification procedures, and data requirements. Though additional or alternative funding might be available for certain measures, securing funding from a different source necessitates that anyone seeking this funding participate in a separate process from the ones established by the Company to receive SBC funded incentives. It is also likely that the coordination with IRA funding would require additional costs for the administration of SBC funded programs.

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5.5 New Codes and Standards

In January 2023, the Rhode Island House of Representatives passed legislation, H6101/S0855 Sub A, requiring the state to adopt the 2024 International Energy Conservation Code (2024 IECC) within three months of publication. Publication ~~, which~~ ~~is currently expected in mid-2024.~~took place on August 14th, 2024. The law requires adoption of the 2024 IECC with no weakening amendments as well as the creation of a plan for 90 percent compliance within six months for residential and commercial new construction and renovation projects.

The Company reviewed IECC 2024 upon its publication. The Company adjusted the savings estimates for some measures to reflect new code baselines or to eliminate measures that are now considered to be required equipment. For other code specifications, particularly those involving building performance and which are not measure-specific, the Company has begun outreach to its vendors and implementation staff to discuss how to incorporate new performance provisions in project modeling for 2025. The Company also intends to update application material as necessary to reflect new baselines or eligibility requirements consistent with the new code.

Additionally, r~~These r~~esidential code changes will most likely shift the new construction and renovation industry away from prescriptive pathways toward a performance-based pathway for compliance (i.e., energy ratings) and as a result, more Home Energy Rating System (HERS) Raters will be needed. The Company increased trainings in 2024 to begin preparing the market for the new code, and this training will continue in 2025 to support code compliance. To support this increase, the Company and OER will leverage IRA funding that assists states in adopting the 2024 IECC and/or a zero-energy code, as well as implementing a code compliance plan. OER will be responsible for administering this funding and the Company will work closely with the agency to support code training efforts.

Effective ~~On and after~~ January 1, 2025, the State of Rhode Island has banned the ~~it shall be a violation of this section to offer for final~~ sale or distribution ~~, 28 sell at final sale or distribute in this state as a new manufactured product a~~ of pin-base type compact ~~29~~ fluorescent lamp or a linear fluorescent lamp. The Company has incorporated the impact of this legislation into the 2025 commercial and industrial business retrofit energy efficiency programs. More information is provided in Attachment 2.

5.6 Future of Gas

The PUC Docket 22-01-NG Investigation into the Future of the Regulated Gas Distribution Business in Rhode Island is ongoing. It is expected the PUC will provide guidance ~~during the during the~~ ~~summer of 2024~~by Q1 2025 on decarbonization strategies that are actionable in the near-term; affordable and practical for Rhode Island's households, businesses, and essential institutions; account for customer choice considerations; ensure reliable, safe, and cost-effective energy delivery; and support economic development and growth in Rhode Island. This guidance will help inform the 2025 annual planning process. The Company will incorporate, as appropriate, any outcomes from this docket that impact program design and delivery in a timely manner.

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Commented [AC196]: The Plan should discuss on the RI Mercury Ban that will prohibit the sale of pin-base CFLs and Fluorescent lighting starting in 2025.

Commented [RIE196R2]: Mentioned below and in Attachment 2

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Commented [AC197]: Thanks for including

Commented [RIE198]: From Acadia:
The Technical Analysis produced by E3 for Rhode Island's Investigation into the Future of Gas in April of 2024 identifies six economy-wide decarbonization scenarios to reduce emissions from the gas distribution system. "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." Aggressive assumptions around weatherization adoption are incorporated into both the reference scenario and all decarbonization pathways. As such, the Company must design its energy efficiency programs in alignment with the reduction in energy demand assumed and required by this critical technical analysis. "Across all pathways, final energy demand decreases between 40-50% compared to today by 2050 as a result of weatherization, appliance efficiency, and electrification."

Commented [RIE198R2]: The Technical Analysis is but one input into any reccomendations the PUC may make in the ... [174]

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Commented [CJ199]: Redundant text

Commented [RIE199R2]: Updated. Thanks.

Commented [CS(200]: OER sees this as a priority and that the 2025 EE program may be one of the first places to start ta ... [175]

Commented [RIE200R2]: We will update approach as greater detail emerges.

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Commented [SA201]: Just a note that this suddenly changes font

Commented [RIE201R2]: Thanks.

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Commented [SA202]: I think it's worth pointing out that RI Energy has been part of this docket and advocating for va ... [178]

Commented [RIE202R2]: Is there an assumption that RIE would not be a participant in this docket?

Commented [CJ203]: If the result of this process happens too late in the year to actually inform the final drafts of the 20 ... [176]

Commented [RIE203R2]: Added some language to this effect. It is worth noting that the PUC guidance isn't typically vol ... [177]

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6. CONSISTENCY WITH STANDARDS

6.1 Least Cost Procurement Law and Standards

This Annual Plan is submitted in accordance with the Least Cost Procurement Law, R.I. Gen. Laws § 39-1-27.7, the basis for which is the *Comprehensive Energy Conservation, Efficiency, and Affordability Act of 2006*, R.I. Gen. Laws § 39-2-1.2, and the LCP Standards as approved and adopted in Docket No. 23-07-EE in July 2023. The Standards guide how energy efficiency services are delivered in a manner that is optimally cost-effective, reliable, prudent, and environmentally responsible. The Company has assessed each of these requirements in developing this Annual Plan. Details on the Company's approach to considering each of these elements are included in this section. In addition, further detail on the cost-effectiveness screening of the proposed investments is in Attachment 4: RI Benefit Cost Test, with detail on rate and bill impacts is presented in ~~Attachment 7.~~Section 6.4.2 below.

Regarding~~Relative to~~~~Regarding~~ the assessment of compliance with the Standards presented in the 2024 Annual Plan, the Company anticipates that the following new information may contribute to the assessment of compliance in the 2025 Plan.

- Commission guidance provided during the 2024 Annual Plan hearings has been incorporated into the analysis of the cost of energy efficiency relative to the Cost of Supply in Section 6.6.

- An updated avoided cost study, AESC 2024 was completed in February 2024. This will be used in the benefit-cost model for 2025 and will influence the finding of Cost Effectiveness.

- The company is ~~contemplating~~ proposing a revision to the rate and bill impact analysis, which are a factor in the standard of prudency, consistent with insights about bill impacts shared by the PUC during the 2024 Plan proceedings. Rate and Bill impacts are currently described in Section 6.4.2 and Tables E-11 and G-11. ~~Further updatesUupdates to this analysis will influence the assessment of Prudency.~~

6.2 Cost Effectiveness

6.2.1 Interpretation of Standard

The RI Test compares the present value of the total lifetime benefits derived from efficiency savings to the total costs of acquiring those savings (i.e., program and customers' costs). According to the Standards, "any program with a quantified benefit-cost ratio greater than 1.0 (i.e., where quantified benefits are greater than quantified costs), should be considered cost-effective. Consistent with the PUC's guidance issued in Docket No. 4600, qualitative benefits and costs may be considered in determining cost effectiveness. The portfolio must be cost effective, and programs must be cost effective."19

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Commented [RIE204]: Presentation of rate and bill impacts is undergoing a comprehensive review. Therefore, Attachment 7 is not being included in the first draft

Commented [CJ204R2]: We had a conversation about this back in February and we expressed some concerns at that time about what the Company was thinking about doing. Not sure we've heard or seen anything on this since. We need something to react to sooner rather than later.

We'd like to avoid a scenario where a revised approach isn't revealed until the second draft (or later) and as a result there isn't sufficient time to alter the approach in time for filing.

Commented [RIE204R3]: Proposed bill impacts analysis have been discussed with EEC and Division.

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Commented [CJ205]: Influence how?

Commented [RIE205R2]: Bill impacts are factored into assessment of prudency, see below

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[19] LCP Standards, section 3.2N.

6.2.2 Compliance with Standard

The Company has analyzed the cost effectiveness for the proposed 2025 Portfolio and programs using the RI Test as required by Docket 4600 and the LCP Standards. The Energy Efficiency Portfolio and programs proposed for 2025 satisfy these criteria for cost effectiveness.

As provided for in the Docket 4600 RI Test Framework, benefits include primary fuel energy savings (electricity and natural gas), the value of other resource (fuel and water) benefits, price effects, non-embedded greenhouse gas reduction benefits, non-embedded NOx reduction benefits, the value of improved reliability, and non-energy impacts (NEIs). Costs include all projects costs, program planning and administration, sales, technical assistance and training, evaluation, and the performance incentive. To illustrate the detailed components of the RI Test as well as the sources of the values, the Company has provided Attachment 4: RI Benefit Cost Test. The RI Test as applied to the 2025 Plan utilizes the regional avoided cost study, referred to as AESC 2024, completed by Synapse Energy Economics in February 2024~~,~~ (and updated in May 2024), that provided the monetization of most benefit categories. The monetization of benefits also incorporates the latest EM&V results that affect claimable savings in the programs. Per the LCP Standards, RI Test results also include the costs of carbon dioxide mitigation as they are imposed and are projected to be imposed by the Regional Greenhouse Gas Initiative, Rhode Island Renewable Energy Standard and Rhode Island Act on Climate. Attachment 4 provides additional detail on changes in the avoided costs.

Attachment 5, Table E-5 shows that the proposed portfolio of electric programs is expected to have a benefit-cost ratio of 1.99~~XX~~, counting all benefits regardless of the jurisdiction to which they accrue, which means that approximately $1.99~~XX~~ in monetized lifetime benefits is expected to be created for each $1 spent on the portfolio. Attachment 6, Table G-5 shows that the proposed portfolio of gas programs is expected to have a benefit/cost ratio of 1.82~~77XX~~ in the presentation of BCR results, which means that $1.82~~77XX~~ in lifetime benefits is expected to be created for each $1 spent on the portfolio. The tables in Attachments 5 and 6 also demonstrate cost-effectiveness at a program level.

Attachment 5, Table E-5A shows that the proposed Electric Portfolio is expected to have a benefit-cost ratio of 1.74~~3XX~~, counting all benefits and costs which accrue only to RI Energy, which means that approximately $1.74~~3XX~~ in monetized lifetime benefits is expected to be created for each $1 spent on the portfolio. Attachment 6, Table G-5A shows that the proposed Natural Gas Portfolio is expected to have a benefit/cost ratio of 1.64~~59XX~~ in the presentation of BCR results, which means that $1.64~~59XX~~ in lifetime benefits is expected to be created for each $1 spent on the portfolio.

Cost-effectiveness results do not include economic impacts such as employment and gross state product impacts from energy efficiency investments. Economic impacts are shown separately from the benefit-cost analysis in Attachment 5, Table E-5B (Economic Benefits) and Attachment 6, Table E-6B (Economic Benefits). In addition, the RI Test and the Docket 4600 Framework guidance also indicate that categories of the Framework can be considered qualitatively in the assessment of cost effectiveness. When considering the significant economic activity generated directly by the programs, including supporting

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Commented [CJ206]: See earlier note in section 1.2.3 about this. We recommend convening a group to revisit this.

Commented [RIE206R2]: This is not something the Company is prioritizing in the 2025 planning process.

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close to ~~XX~~749 FTEs associated with the programs and more than ~~XX~~626 companies involved,[20] as well as non-quantified benefits such as resiliency, a reasonable assumption is that the macroeconomic benefits of the programs are positive and potentially significant and, were those benefits included in the RI Test screening as quantified benefits, the programs would achieve more favorable benefit-cost ratios.

6.3 Reliability

6.3.1 Interpretation of Standard

The Standards for reliability create an expectation that the Company will be able to deliver the programs described herein and that the savings realized from program delivery are accurately estimated and measured, which ensures that the energy savings described herein can meet reliability standards. In addition, as applicable, programs should be scalable and be tailored to meet specific system needs.

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6.3.2 Compliance with Standard

The energy efficiency programs developed under this Annual Plan will continue the Company's extensive history of offering best-in-class offerings to customers. The Company continues to collaborate with a diverse set of stakeholders including the EEC, OER, Division, and community and advocacy organizations to continually analyze the programs and identify opportunities for improvement.

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In building this Annual Plan, the Company's Customer Energy Management team worked closely with industry experts, vendors, and program implementation professionals to assess the current state of existing programs, the potential for program scalability, the economic environment, and the ability to deliver reliable energy savings as a result.

Supporting the Company's efforts to deploy energy efficiency to Rhode Island customers is a robust and long-standing EM&V apparatus, and the resulting robust, verifiable savings ensure this Annual Plan's fulfillment of the requirements of the Reliability Standard. As noted in Section 5, the Company hires independent third-party consulting firms to regularly conduct evaluation studies as part of its EM&V process. A distinct group of personnel within RI Energy that includes analysts with specialized skills in engineering, statistics, and economics are tasked with the EM&V function and coordinate all elements of the EM&V process internally and externally. Evaluations incorporate industry standard methods to assess the actual energy and demand savings of measures incentivized by the programs.

All elements of the EM&V process are closely monitored by the EEC, their consultants, and OER. The EM&V process is continual, and every year results from EM&V studies are used to update the savings in the benefit cost calculation of the measure, programs, and portfolios. In addition, process evaluations and market studies conducted in the EM&V process provide an independent perspective on the

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[20] Rhode Island Energy "2023 Energy Efficiency Year-End Report," https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2024-05/2233-RIE-2023-YearEnd-Rept_5-1-24.pdf

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performance of the programs and provide insight into the state of the market and ways that the Company can address new opportunities with its programs.

In total, these EM&V processes provide a transparent, externally vetted approach to ensuring that claimed savings provide as accurate of a picture as possible of the impact of the Company's energy efficiency programs, accounting for spillover, free ridership, and other industry standard adjustment factors. Taken together, this approach complies with the Standard of Reliability.

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The EM&V process also supports the Company's participation in the ISO-NE FCM. Passive demand savings achieved via electric energy efficiency and Combined Heat and Power projects, and verified by the EM&V process, continue to participate in the FCM as Passive On-Peak Demand Resources. As detailed further in section 8.2.3, the Company bids the passive demand savings attributed to energy efficiency measures and Combined Heat and Power facilities in the FCM and manages the associated capacity resources to maximize the resulting FCM revenue. The EM&V process provides the necessary verification of claimed savings in order to meet the high standards for participation in the FCM.

6.4 Prudency

6.4.1 Interpretation of Standard

The Company has considered, and continues to consider, several key components in the analysis of prudency. These components can be summarized as considerations about the proposed investments on the following:

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- Support for the purposes of Least Cost Procurement.
- Synergy savings through alternatives that meet multiple needs.
- Management of risks to ratepayers and the distribution Company.
- Effective use of funding sources.
- Equitable in the allocation of costs, benefits, access to services, and participation.
- Rate and bill impacts.
- Continuity of implementation efforts.

Commented [SA207]: What is included in risks?

Insurance companies and others are increasingly including the climate crisis as a big risk that we need to mitigate and want to make sure that's not being ignored here.

Commented [RIE207R2]: The climate impacts of the proposed investments related to mitigating climate change are addressed in the Environmental Responsibility section

6.4.2 Compliance with Standards

For the proposed investments detailed in this Annual Plan, the Company has assessed each of these elements and how they can be balanced to provide a comprehensive set of programs that will be achievable within known and anticipated constraints.

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Purposes of Least Cost Procurement

This 2025 Plan secures cost-effective energy efficiency resources, as detailed in Section 6.~~1~~2.2, to support the electric and gas system through the creation of customer benefits in various components

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enumerated in both the RI Test, comparison with the Cost of Supply, as well as the Performance Incentive Mechanism.

Synergy Savings

Program design seeks out synergies in customer participation, through a comprehensive view of savings opportunities wherever possible and tiered incentive offers. As an example of the way that the proposed investments in this Annual Plan address multiple needs, the Company has coordinated with the OER regarding engaging customers to weatherize at the same time they are converting to heat pumps.

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Management of Risks

Energy efficiency investments are generally low risk investments. Savings have been well researched and documented through evaluation studies and the Company has confidence, based on those studies, that predicted savings will be realized. Continued research through new evaluation studies contributes to continuous program improvement and increasing levels of confidence. Furthermore, many programs include customer education, post-installation inspection, or commissioning to provide a foundation for assumptions about savings persistence. This further reduces risk to ratepayers. Additionally, when the savings are reliably estimated, it serves to increase confidence and reduce risk related to the energy efficiency resource in distribution planning. Finally, by reducing costs and reliance on fuel supply by reducing demand, energy efficiency can offer some protection and risk reduction associated with market and energy price volatility.

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Effective Use of Funding

As described in Section 8.2, the Company has identified a number of funding sources to support the Annual Plan budget. Furthermore, several sources of financing are offered to customers to enable program budgets to go further to achieve 2024 Plan targets. Finally, effective use of funding is represented in the mix of measures and incentives planned in order to balance the Portfolio to achieve the Annual Plan's objectives.

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Equitable Allocation of Costs, Benefits, Services and Participation

As shown in Figure 1, there is approximate parity between the collections by a customer class and its resulting budget and savings in the Electric Portfolio. The only exception is the income-eligible sector where part of the collections from the residential and C&I customer classes are used to help cover the income-eligible sector funding needs.

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The Income-Eligible budget is higher compared to its savings due to several factors: incentives are 100 percent of the cost, the programs are more expensive because they are delivered in-home (compared to at retail sites or via rebates) which requires more labor and management, and the programs have fewer economies of scale (compared to C&I). $22.3~~XX million3million~~ million is budgeted for the delivery of the gas and electric income-eligible sector programs, 17.5~~3XX~~ percent and 23.0~~1XX~~ percent of the total

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funding for each fuel portfolio respectively in 2025. Taken together, these investments represent 19.1~~XX~~ percent of the overall Electric and Natural Gas portfolio budgets.

~~PLACEHOLDER:~~ Figure 1. 2024 Graphical representation of Attachment 5 Table E-1, E-7, and total Electric Savings by Sector, Cumulative

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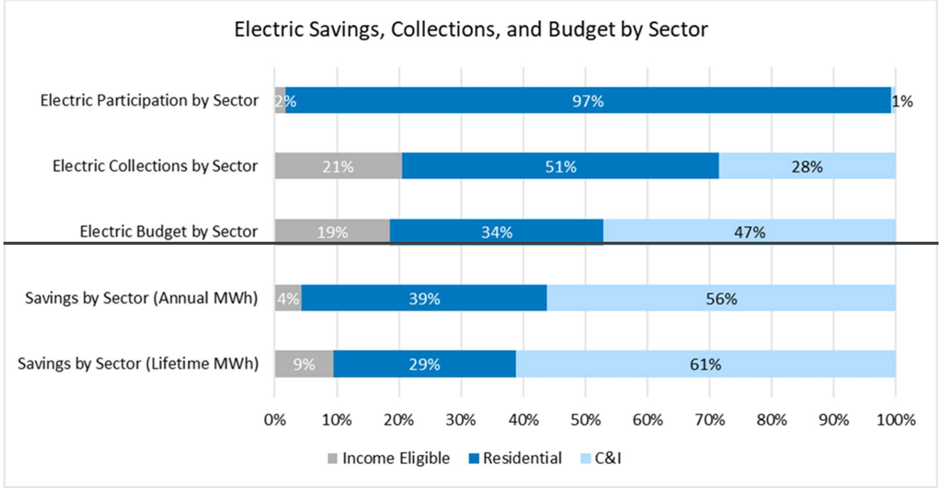

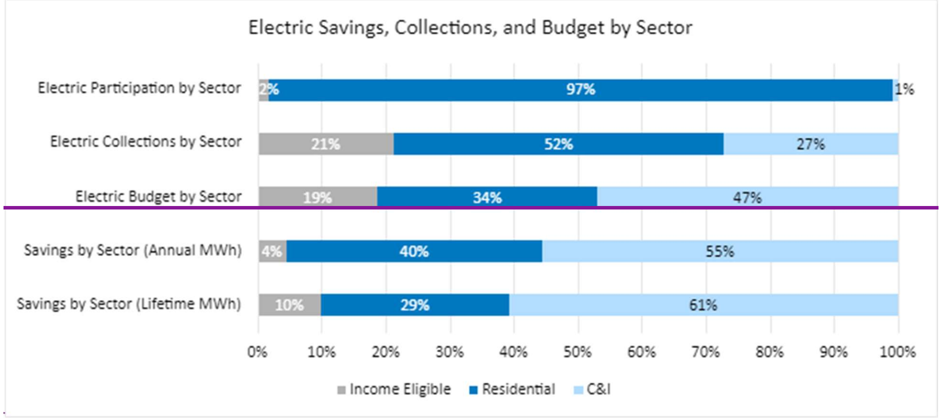

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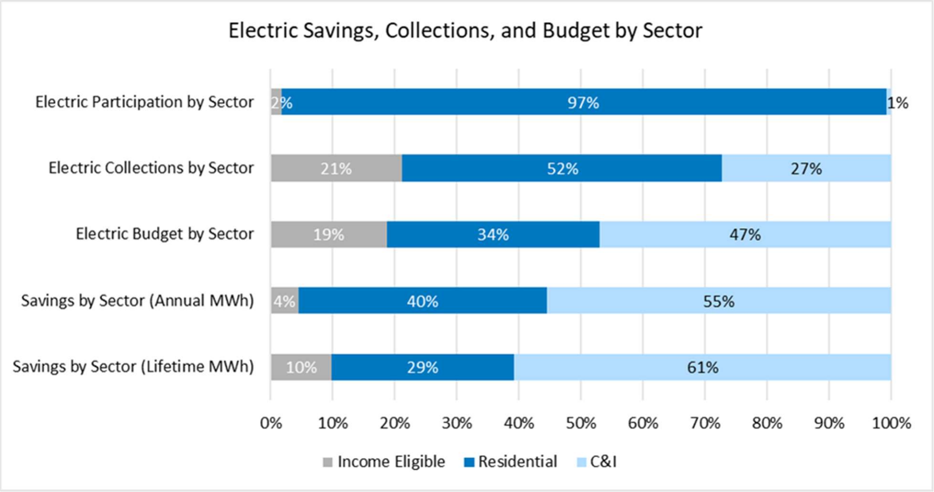

For the Natural Gas Portfolio, there is also parity between the collections by ~~a~~ customer class and the resulting savings. There is less equitable allocation between budgets and savings. This is due to several factors. First, the energy efficiency program charge varies by customer segment, which changes collections. Second, C&I projects tend to create more savings per dollar. This is due to larger economies of scale, larger projects, different delivery channels that require less labor or management and are more cost-effective, evaluation factors such as free-ridership and spillover, and different customer opportunities. Figure 2 shows the distribution of savings, collections, and budget in the gas portfolio.

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~~PLACEHOLDER:~~ Figure 2. 2024 Graphical representation of Attachment 6 Table G-1, G-7, and total Gas Savings by Sector, Cumulative

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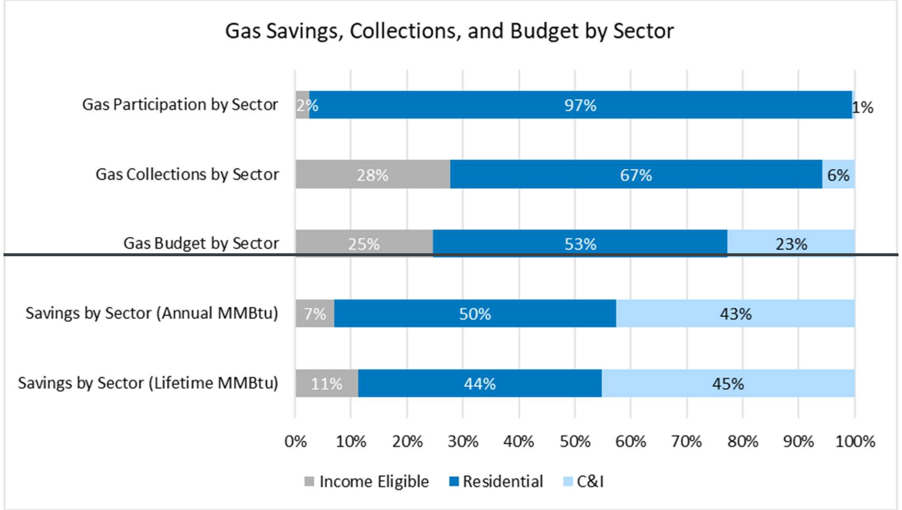

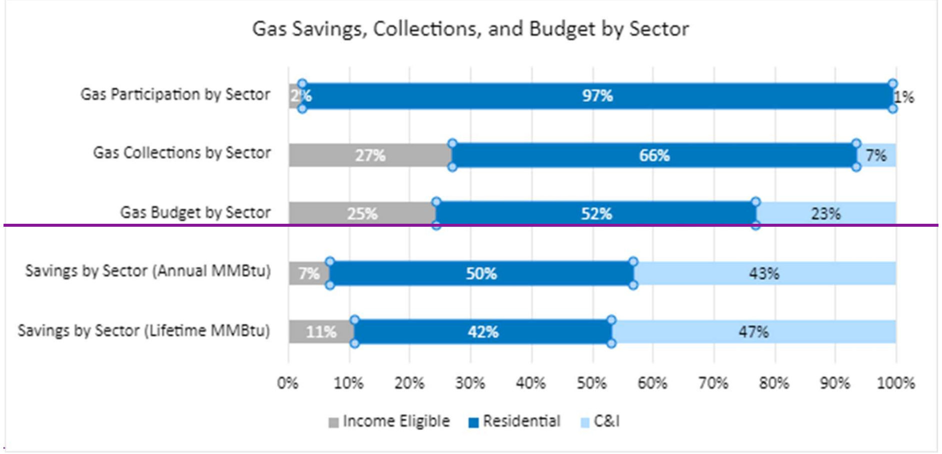

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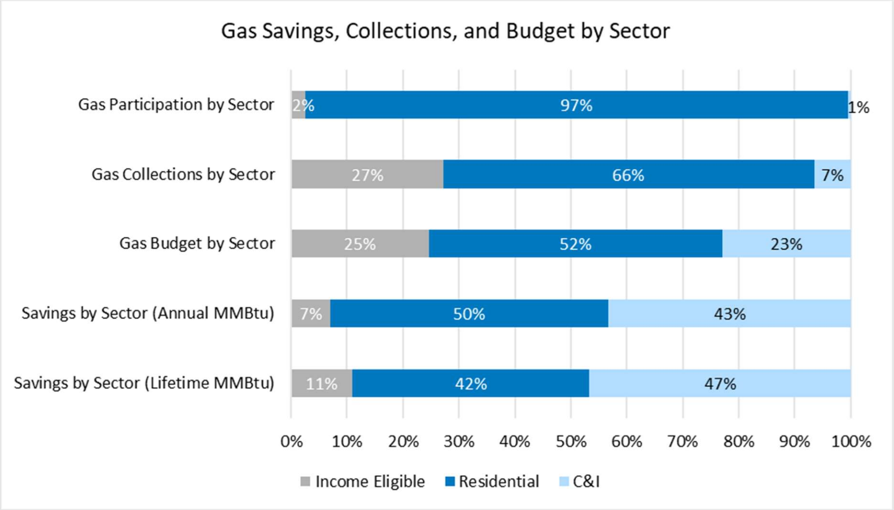

Given these considerations, as well as the continued interest in supporting income eligible programs, the allocation of costs and benefits is prudently equitable.

~~Rate and~~ Bill Impacts

~~The Company has assessed rate and bill impacts of the proposed Electric and Natural Gas Portfolios. Summary results are included in the tables below, while additional details are available in Attachment 7: Rate & Bill Impacts.~~

The Company has assessed ~~rate and~~ bill impacts of the proposed Electric and Natural Gas Portfolios. ~~Summary results are included in the tables below, while additional details are available in Attachment 7: Rate & Bill Impacts.~~ The bill impact analysis has been updated for the 2025 ~~Annual Plan.~~aAnnual P~~p~~lan. Previously, bill impacts were calculated by building a bottom-up calculation using yearly sales projections by customer segment as well as rate data and projections broken down by constituent charges and the EE Charge. This calculation was done for the EE case and for the base case to generate a value for the bill change each year, and then averaged over the lifetime of the portfolio. Now, utility system cost-of-supply benefits, excluding non-embedded carbon benefits (which do not impact customers through utility bills), rest-of-pool DRIPE benefits, and delivered fuels benefits are used as an approximation of bill savings. This approach was developed following the 2023 PUC hearings in which the Commission referred to the utility system cost of supply minus the cost of energy efficiency as an approximation of bill savings, because this difference represents whether customers are spending more or less to install energy efficiency measures.

Similar to the previous bill impact models, a year-by-year bill impact schedule is created in which approximated bill savings ~~(~~(~~/~~cost-of-supply benefits) are spread over the lifetime of the energy

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Commented [CJ208]: Will need to revisit this section if/when approach to calculating rate and bill impacts changes.

Commented [AC209]: This analysis as described does not reflect a "bill impact analysis" as widely understood in the industry. It compares increased customer costs from higher rates with the utility's (not the customer's) avoided costs. The result will show fewer cost savings from reduced energy usage than the customer will see in practice, since retail rates are higher than utility avoided costs. We recommend continuing with the previous approach that looked at both the costs and benefits from the customer's perspective (instead of mixing perspectives). If it is decided to continue using this approach, we would recommend changing the name so it's clear that this is a different analysis than what is typically referred to as a rate analysis. We also recommend a discussion of what this test is supposed to represent, how it is recommended to be interpreted an used, and what the benefits are over a traditional bill impact analysis that provides a like-for-like comparison (both benefits and costs from the ratepayers' perspective)

Commented [RIE209R2]: 1. We still intend to call this analysis bill impacts (based on the commission referring to this analysis as bill impacts).
2. We added discussion of what this analysis represents: why cost of supply is an approximation of bill impacts.
3. The PUC has shown that they don't put much weight into "traditional bill impacts" i.e. attachment 7.

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Commented [AC210]: This does not represent bill savings - retail rates are higher than cost-of-supply benefits, so actual bill savings will be higher

Commented [RIE210R2]: Updated text.

Commented [AC211]: Use different terminology - this is misleading

Commented [RIE211R2]: Updated text.

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efficiency portfolio. The energy efficiency rate is factored into year one of the schedule to account for the cost of delivering energy efficiency. Ultimately, the calculated bill savings ~~/ cost of supply benefits~~ and the net present value of long-term bills are compared to produce~~participant and~~ ~~and participant~~ long-term bill impacts by sector. These steps are carried out for all customers and separately the subset of all customers that are energy efficiency participants. These long-term bill impacts have been included as ~~Tables~~T~~t~~ables E-11 and G-11 in Attachments 5 and 6, respectively. is modified bill impacts calculation is the close alignment with the benefit-cost model as well as the analysis of the comparison of the cost of energy efficiency to supply~~. Now, bill impact results can be produced in real-time as the plan is being constructed.~~[21]

Additionally, a short-term rate impact has been calculated that examines evaluated the change in rates due to the change in the energy efficiency charge between 2024 and 2025. Specific details can be found at the sector-level on Tables E-11 and G-11 in Attachments 5 and 6, respectively.

Continuity of Implementation Efforts

While not explicitly spelled out in the Standards, the Company has historically considered the continuity of implementation efforts as an element of prudency. Continuity of implementation efforts means changing the scope or scale of programs in a way that is sensitive to maintaining and developing a skilled workforce and receptive to the prevailing economic conditions in the marketplace. The Company generally informs vendors of planned program changes to enable them to prepare their workforce as necessary (for example to ramp up or provide training). The Company also pays attention to this aspect of continuity because, absent continuity, skilled workers may move to other jobs or markets which could result in disruptions of energy efficiency services to customers.

6.5 Environmentally Responsible

The Company plans to work with Stakeholders throughout the 2025 planning process to update how avoided emissions are tracked within the programs.

6.5.1 Interpretation of the Standard

Environmental responsibility includes compliance of the Annual Plan with state policies, particularly ~~pollution~~ emissions reduction. This Standard further requires proper valuation of environmental costs and benefits in this 2025 Plan. Modifications to the Standards in Docket 23-07-EE specify that demonstration of environmental responsibility include an assessment of compliance with state climate policies, and proper valuation of climate costs and benefits, in addition to environmental costs and

Commented [AC212]: What's the difference between a customer bill and an energy efficiency participant bill, is it differentiating between participants and nonparticipants? Is this taking the NPV of a full customer bill?

Commented [RIE212R2]: Updated.

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Commented [CJ213]: Recommend the Company also clearly articulate in the Plan what is being lost as a result of this changed approach. At minimum, we note the following based on earlier conversations with the Company:
+Avg measure life method much shorter than 20+year horizon in previous method
+No yearly rate impacts, just first year
+Loss of granularity

Commented [RIE213R2]: Added footnote.

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Commented [AC214]: From Craig: I'm not sure I'd classify this as a "rate impact". Sure, it shows the impact of the rate over what it would be without the SBC….but I don't think it says anything about how the utilization of SBC rates impacts rates themselves (i.e. EE benefits lead to less energy needing to be procured as would otherwise be needed, which leads to lower costs to be passed to customers in rates).

Commented [AC214R2]: There's not enough information to know the specifics of this analysis, especially given the non-standard terminology described above. However, it's surprising that EE causes lower short term rates in electric and C&I gas. Suggest more information on what went into this analysis, and a discussion on why the results are counterintuitive.

Commented [RIE214R3]: This analysis is not the traditional rate analysis done previously that looks at avoided costs / EE benefits that can lead to "avoided" rates.

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Commented [CJ215]: In addition to other jobs, you could also say to other markets.

Commented [RIE215R2]: Edit made

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Commented [CJ216]: Pollution or emissions? Feels like we might be using those words interchangeably. I'd suggest ensuring consistency throughout with this terminology.

Commented [RIE216R2]: Done.

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[21] With this new bill impacts methodology, home energy reports is no longer separated out. Additionally, the ~~long term~~long-term rate impact analysis has been replaced with a short term rate analysis that examines the difference in the energy efficiency rates between years.

benefits. The Company's interpretation of this addition is that, by distinguishing between environmental policies and values and climate policy and values, the Commission intends for the Company to assess the climate impacts of its programs, specifically as they relate to the Act on Climate targets.

6.5.2 Compliance with Standard

The energy efficiency programs and Portfolios described in this Annual Plan are environmentally responsible. As detailed in Section 5.3, the Act on Climate stipulates mandatory and time-bound emissions reductions for the state. This Annual Plan seeks to continue the progress that has been made in reducing emissions by providing customers across all sectors with ways to reduce their energy consumption. Energy efficiency therefore contributes directly to meeting the Act on Climate's goals as well as other environmental policies and priorities in the state. In addition to direct emissions reductions benefits, energy efficiency investments reduce the potential environmental costs and footprint of avoided infrastructure investments and support the ongoing growth and development of a sustainable, green job ecosystem in Rhode Island.

Both the Electric and Natural Gas Portfolios will make a meaningful contribution to reduction in emissions by driving reductions in customer energy usage in both the short and long term. As shown in Attachments 5 and 6, the Electric and natural Gas Portfolios, considered together, will reduce annual emissions by ~~XX~~61,237~~62,020~~ short tons of carbon in 2025.[22] The values of non-embedded avoided carbon are calculated using avoided cost values determined in AESC 2024: the non-embedded values~~s~~ of greenhouse gas ~~carbon dioxide and nitrous oxide~~ benefits generated by the 2025 Plan over the lifetime of the measures ~~are~~ is~~$XX~~ $78~~79~~ million~~ and $XX million respectively.~~. These monetized values of emissions are included as benefit streams in the RI Test benefit-cost assessment and in the assessment of cost of supply for the portfolio; however, they are excluded from the calculation of net benefits in the Performance Incentive Mechanism.

The Company's 2025 Plan complies with, or otherwise advances, the 2021 Act on Climate, which sets statewide, economy-wide greenhouse gas emissions reduction mandates. The proposed investments reduce both electric and gas consumption. On the electric side, prior to meeting the 100 percent Renewable Energy Standard in 2033, any electric savings will directly support the State in meeting its 2030 greenhouse gas emissions reduction mandate through reduced peak demand, which reduces emissions associated with peaker plants, and by ramping up efficiency investments that will help enable the use of more renewables in the future. On the gas side, all gas savings will directly support the State in meeting its 2030 greenhouse gas emissions reduction mandate by reducing emissions associated with customer purchases of gas appliances. Indeed, the State's *2022 Update* to the *2016 Greenhouse Gas Emissions Reduction Plan* calls out both electric and gas energy efficiency as a priority short-term action to get Rhode Island on the path to meet the 2021 Act on Climate's 2030 mandate. To properly value the

Commented [SA217]: I would argue that they are not, given the continued use of gas appliances and infrastructure to meet the goals.

Commented [RIE217R2]: Understood. Thanks for the feedback.

Commented [SA218]: Energy efficiency overall is environmentally friendly. Investing in furthering the gas system is not.

Commented [RIE218R2]: Thanks.

Commented [SA219]: Thank you for continuously not referring to them as aggressive mandates. I have a particular issue with that! 😊 LOL

Commented [CJ220]: Worth noting that we believe that electric efficiency will help the state even after the 100% Renewable Electricity Standard is in effect, because efficiency will avoid the need to purchase Certificates, which cost money, and because due to the regional nature of the grid, efficiency will still produce real reductions in emissions. The first is how we can put a dollar value on electric EE after 2033, the second would be the way to estimate the actual emissions reductions.

Commented [RIE220R2]: Per Craig on 7/17, this was Sam's comment. Rest of team "aren't sure we have specific recommendations beyond maybe just reinforcing the idea that there are still benefits to pursuing EE even after 2033 (i.e. lower electric consumption generally meaning lower RECS requirements). So, I think unless there is anything more on your end on that piece, we can hold off on taking that one any further"

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[22] While all energy savings seen in the Annual Plan are net, these emissions are calculated based on gross energy savings from EE measures because meeting the state's targets does not depend on who is getting credit for the GHG reductions. The marginal carbon emission rates are from "Avoided Energy Supply Components in New England: 2024 Report" Appendix G.

environmental and climate costs and benefits associated with the proposed investment in energy efficiency, the Company used the marginal abatement cost to monetize both embedded and non-embedded value of greenhouse gas emissions reduction.

As noted in Section 2.5.2, this Annual Plan includes several activities designed to support the upskilling of the green workforce. In providing for these jobs and demonstrating the availability and attractiveness of local, green jobs to Rhode Island's existing and emerging workforce, the Company's energy efficiency programs help to ensure that the local workforce will exist to support the state's environmental policy goals.

Educating and engaging residential and business customers on the potential environmental impacts and benefits of the implementation of energy efficiency measures is a foundational element of the Company's energy efficiency go-to-market strategy and contributes to the environmental responsibility of the Annual Plan. Whether in the form of conveying potential environmental benefits of customer recommendations through Home Energy Reports, EnergyWise home energy assessments, or retail marketing initiatives, or by connecting Small Business audits or large C&I customer sales efforts to business customer sustainability initiatives, the Company's energy efficiency program presence continue to help to support the prominence of environmental issues in customers' minds. In doing so, the Company's programs continue to link energy savings and efficiency to real and visible benefits for the communities in which their residents and small business reside.

A final component of the environmental responsibility of the Company's 2024 Plan is its ongoing efforts in electrification. The Company will be continuing its efforts to transition electric resistance heating customers to more efficient heat pumps, including income eligible~~elgible~~eligible and small business customers. The Company will also continue to cooperate and coordinate with the OER and others as the state implements its electrification and decarbonization strategies to reach customers that require fuel switching and are ineligible for RI Energy's programs.

Commented [AC221]: This should note that the Company is looking to expand the IES electric resistance efforts to include small businesses.

Commented [RIE221R2]: Done

6.6 Cost of Annual Plan Compared to the Cost of Energy Supply

6.6.1 Interpretation of the Standard

The LCP Standards define the cost of supply as "the cost of electric or natural gas energy supply that includes all rows in the Rhode Island Benefit Cost Framework that are costs caused by or associated with the procurement of energy supply, whether internal or external to the market cost of energy." The Standards further specify that "The distribution company shall compare the Cost of Supply and the Cost of Energy Efficiency or Conservation measures, programs, and portfolios using all costs enumerated in the RI Framework. The distribution company shall provide specific costs included in the Cost of Energy Supply and the Cost of Energy Efficiency or Conservation."

In accordance with the LCP Standards, the Company assessed the cost of incremental energy supply and the cost of energy efficiency using all applicable costs enumerated in the Rhode Island Benefit Cost

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Framework (Framework) approved by the PUC in Docket 4600-A and the Rhode Island Test as described in Attachment 4: RI Benefit Cost Test.

Like the Standard for cost effectiveness, in Docket 23-07-EE, changes to the Standards required an additional analysis of the Cost of Supply comparison that, "for categories with value or cost that is shared between RI Energy and other jurisdictions (both within the state and region), presents only those benefits and costs that will be allocated to Rhode Island Energy." In considering the nature of "other jurisdictions," the Company interpreted this to refer to states other than Rhode Island, and that "Rhode Island Energy" therefore refers, in this case, to Rhode Island. Using this interpretation, the Company identified certain categories of benefits that flow outside of Rhode Island. These include a portion of DRIPE and PTF capacity values. To the best of the Company's knowledge, no costs accrue outside of the state.

Further guidance from the Commission in the 2024 Plan proceedings and Order 25092 directed that, for any program that has a forecasted cost that is greater than the Cost of Supply in the intrastate calculation which excludes the avoided cost of delivered fuels, the Annual Plan filing provide a justification for why the specific program should nevertheless be approved even though the program costs exceed the calculated avoided cost of supply. The justifications for specific programs that meet that condition ~~arewill be provided in Attachments 1 and 2~~are provided below in Section 6.6.3~~.~~.

6.6.2 Compliance with Standard

For the analysis that includes benefits and costs that accrue only in the Rhode Island Energy jurisdiction, based on the Company's calculation, the total cost of energy efficiency for the electric portfolio ~~in the~~ is $96.9~~88.9XX~~ million and the total cost of electric supply to meet the same need would be $142.6~~146.2XX~~ million. This is a total savings of $~~XX~~45.7~~7.2~~ million over the life of the installed measures from investing in energy efficiency instead of electric supply. The total cost of energy efficiency for the Natural Gas Portfolio is $42.2~~XX~~ million and the total cost of natural gas supply to meet the same need would be $~~XX~~ 54.5 million. This is a total savings of $12.3~~XX~~ million over the life of the installed measures from investing in energy efficiency instead of natural gas supply. The methodology for calculating Cost of Supply is detailed below.

The RI Test is an appropriate mechanism to determine which costs to include in this assessment. The RI Test, as detailed in Attachment 4, captures the aspects of the Framework that pertain to energy efficiency programs. For the purposes of this assessment, the avoided cost values in the RI Test can also be applied as the costs of procuring additional energy supply. The RI Test also details what is considered a cost of energy efficiency. These are costs incurred by the utility to implement the Annual Plan and the expense borne by the customer for its share of the energy efficiency measure cost.

Consistent with Commission Order 25092 in Docket 23-35-EE, t~~T~~he Company proposes to use the costs described in Table 1~~Table 9~~ ~~to compare the cost of energy efficiency to the cost of energy supply. The categories listed in this table are all used in the RI Test, as defined in Attachment 4. As directed by the LCP Standards, the Company provides an explanation for why cost categories are either a~~ to compare the cost of energy efficiency to the cost of energy supply. The primary view includes the forecasted

Commented [CJ222]: I'm okay with them being provided there, but I suspect a comprehensive table that serves as an easy to point to reference would be extremely valuable to the Commission and other Stakeholders. I would recommend that that table be included somewhere in this Plan.

Commented [CJ222R2]: Furthermore, we have talked about needing a process that involves stakeholders (e.g. TWG) in how these justifications should be made and represented in the Plan. I expect to see some description in the Plan about this process once its conducted so that it is clearly laid out for the Commission that the Company discussed and vetted the approach for this with other parties in the development of the Plan.

EDIT: I see some more discussion on this further below. Still, would suggest commenting in the Plan about any stakeholder discussions that are had following this first draft with respect to this item.

Commented [RIE222R3]: Thanks.

Commented [CJ223]: I think this section would read better and be more approachable to the Commission and stakeholders if it was broken up into two parts. One part that assess this compliance in the way it has always been done in the past (i.e. societal level, including out of state system and DF benefits), followed by another part that assess compliance with the PUC's ordered secondary lens that removes the out of state/DF benefits.

Commented [RIE223R2]: We've added a section 6.6.3 to address this.

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intrastate costs of supply without the cost of supply of delivered fuels.[23] Alternative views (total benefits, as well as forecasted intrastate costs of supply with and without the cost of supply of delivered fuels) are found in Attachments 5 and 6, Tables E-12 and G-12, as indicated. The categories listed in this table are all used in the RI Test, as defined in Attachment 4. As directed by the LCP Standards, the Company provides an explanation for why cost categories are either appropriate or not appropriate for inclusion in the assessment of the cost of energy supply compared to the cost of energy efficiency.

Table 1~~9~~. List of the Costs of Energy Efficiency and Costs of Energy Supply

Costs of Energy Efficiency

Cost	Included (Y/N)	Explanation
Utility Costs	Yes	These costs are incurred to achieve implementation of energy efficiency measures and programs. Includes all costs in Tables E-2 and G-2.
Participant Costs	No~~Yes~~	Customer contribution to the installation cost of the efficient measure. Customer costs are included in Tables E-5 and G-5.

Costs of Energy Supply

Cost	Included (Y/N)	Explanation
Electric Energy Costs	Yes	Represents the cost of purchasing electric energy supply.
Electric Generation Costs	Yes	Represents cost of generation capacity in ISO-NE.
Electric Transmission Capacity Costs	Yes	Represents Pool and non-pool Transmission Facilities ~~(PTF)~~ cost.
Electric Distribution Capacity Costs	Yes	Represents the cost of distribution capacity related to increased load.
Natural Gas Costs	Yes	Represents the cost of purchasing natural gas supply.
Fuel Costs	~~NoYes~~No (Yes, in alternative view in Attachments 5 and 6, Tables E-12 and G-12, columns A and B)	Where included, n~~N~~on-regulated delivered fuels are an energy supply cost to customers that utilize these fuels for heating. The fuel costs in this category are separate from those embedded in the cost of the electric market.

Commented [CJ224]: The Commissions ruling, as I heard it, required two versions, with and without avoided costs of DF. Shouldn't this be Y for one version and N for another?

Commented [JN224R2]: Updated text to refer to commission order and alternative views in Att. 5 and 6

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[23] PUC Order 25092 states "the calculation includes the forecasted interstate costs." The Company has elected to show here the more conservative value, including only the forecasted intrastate costs. The alternative views with interstate costs of supply may be found in Attachments 5 and 6, Tables E-12 and G-12, respectively.

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		While not a direct cost of electric energy supply, RI Energy includes incentives for delivered fuel energy efficiency measures in its Electric Portfolio. Therefore, to achieve symmetry with costs associated with electric energy efficiency, delivered fuels costs should be included in this comparison.
Water and Sewer Costs	No	While avoided water and sewer costs are a benefit of installing certain energy efficiency measures, they are not a direct cost of energy supply.
Non-Energy Impact Costs - ~~Income Eligible Rate Discount~~ - Arrearages - Utility	No, except arrearages and utility ~~No~~ ~~Yes~~ Yes Yes	With the exception of the ~~three~~ two NEIs listed below, while non-energy impacts are a benefit of installing certain energy efficiency measures, they are not a direct cost of energy supply. ~~- Costs associated with energy being sold at the income eligible rate.~~ - Costs associated with arrearage carrying costs as a result of customers not being able to pay their energy bills. - Costs associated with utility carrying costs as a result of customers encountering issues with utility services or paying their bills.
Price Effects	Yes, intrastate only (Includes interstate DRIPE in alternative view in Attachments 5 and 6, Tables E-12 and G-12, column A)	Represents costs associated with the impact of demand reduction on ISO-NE energy and capacity markets.
Non-embedded Greenhouse Gas Reduction Costs	Yes, from electric and gas only (GHG Reduction Costs from oil and propane included in alternative view in Attachments 5 and 6, Tables E-12 and G-12, columns A and B)	Represents the social cost of carbon. The social cost of carbon is the cost associated with meeting the goals of the Act on Climate. Carbon emissions come from the production of energy and should be considered a cost of supplying that energy.
Economic Development	No	While economic development is a benefit of investment in energy efficiency measures it is not a direct cost of energy supply.
Non-embedded Nitrous Oxide (NOx) Costs	Yes	NOx emissions come from the production of energy and therefore the health impacts of NOx emissions should be considered

Commented [MS225]: This text should be updated if fuel costs are no longer included as suggested by column 2.

Commented [JN225R2]: Updated

Commented [MS226]: This is listed as "No" so maybe add "unless explicitly addressed below."

Commented [JN226R2]: Updated

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Commented [CJ227]: Similar comment to one above. Wouldn't those from all fuels be included in the version with DF and then E and G only for the version without?

Seems like maybe this table needs to be updated to included two columns that shows difference between two versions of calculation.

Commented [JN227R2]: Updated

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		part of the cost of supplying that energy.
Reliability Costs	Yes	Increased energy demand can lead to declining reserve margins and decrease reliability so should be associated with the cost of energy.

Assessing the Cost of Supply, the Company applies the above costs of supply to the lifetime electricity, lifetime MMBtu of delivered fuels, demand, and natural gas savings for each measure included in the Annual Plan in present value terms. The costs of the 2025 Plan occur only in the 2025 program year and are therefore not discounted. The results of the Cost of Supply analysis are presented in Table 2~~Table 10~~, including the additional intrastate assessment required by the LCP Standards.

Table 2~~10~~. Costs of Energy Efficiency and Costs of Energy Supply, Electric ~~as,~~ Program~~and G and Gas, Portfolio~~ Level $000

Sector / Program	**Intrastate w/o Delivered Fuels and w/o Participant Costs**
Residential	**$3,101.9**
Residential New Construction	$165.2
Residential HVAC	$9,124.4
EnergyWise Single Family	-$8,826.3
EnergyWise Multifamily	-$165.0
Home Energy Reports	$1,394.9
Residential Consumer Products	$1,408.7
Income Eligible Residential	**-$2,139.7**
Income Eligible Single Family	-$1,898.1
Income Eligible Multifamily	-$241.6
Commercial & Industrial	**$31,135.5**
Large C&I New Construction	$16,163.4
Large C&I Retrofit	$13,598.4
Small Business Direct Install	$1,373.7
Grand Total	**$32,097.7**

Table 311. Costs of Energy Efficiency and Costs of Energy Supply, Gas, Program Level $000

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Commented [CJ228]: This table and the next would need to be updated to provide two additional tables that present these values with delivered fuels.

Commented [JN228R2]: Tables in Attachments 5 and 6

Commented [CJ229]: We've got plenty of space in this table to just present the full dollar amount (without decimals of course).

Commented [JN229R2]: This presentation is consistent with presentation in Attachments 5 and 6, where there is no room to present all digits

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Sector / Program	**Intrastate w/o Delivered Fuels and w/o Participant Costs**
Residential	**$4,894.8**
Residential New Construction	$601.8
Residential HVAC	$4,355.8
EnergyWise Single Family	-$1,563.9
EnergyWise Multifamily	$429.2
Home Energy Reports	$1,071.9
Income Eligible Residential	**-$2,469.4**
Income Eligible Single Family	-$2,556.0
Income Eligible Multifamily	$86.6
Commercial & Industrial	**$17,053.6**
Large C&I New Construction	$8,172.1
Large C&I Retrofit	$7,340.5
Small Business Direct Install	$1,418.4
C&I Multifamily	$122.6
Grand Total	**$19,479.1**

Based on this analysis, the 2025~~2024~~ Plan at both the electric and gas portfolio levels is compliant with the Standard of Lower Than the Cost of supply.

~~The tables below present the Cost of Supply comparison at the program level.~~

~~*Placeholder. Costs of Energy Efficiency and Costs of Energy Supply, Electric Program Level*~~

~~*Placeholder: Costs of Energy Efficiency and Costs of Energy Supply, Gas Program Level*~~

As seen in the tables, the cost of some energy efficiency programs exceed the Cost of Supply. Per the PUC's guidance, the Company has developed a methodology to support continued inclusion of the programs in the portfolio, where appropriate. The justification framework includes holistic consideration of the following elements alongside the RI Test BCR ratio and the Cost of Supply Comparison:

- Compliance with and importance of meeting other elements of the Standards: prudency, reliability, environmental responsibility, equitable distribution of efficiency funding
- Adherence to the Principles of Program Design as articulated in the Standards, including:

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Commented [CJ230]: Appreciate this as a starting place for a framework, but am not sure it is sufficiently clear, rigorous, or systematic enough to stand up to scrutiny or effectively make the case for supporting a program despite it not passing one or mor lens' of CE or cost-of-supply.

We'd encourage the Company adopt a rubric of sorts that explain qualitatively (and quantitatively if applicable), how each program supports each element of the LCP Standards. This could then serve as a reference point for the Commission when determining whether a program should be supported.

We'd welcome the opportunity to have a deep dive on what this might look like in the time between now and when the Company puts forth its 2nd draft of the Plan.

Commented [RIE230R2]: Thanks for the feedback.

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- Measure part of a complementary bundled package of measures within a program, program continuity, market potential for measures

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- The merits of comparing the resource costs of energy efficiency with the cost of supply at the portfolio level as opposed to the program level

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- Uncertainty around the estimates of the Cost of Supply (exclusions, sensitivity to changes in avoided costs and savings estimates)
- Magnitude of or availability of non-SBC funding sources to support programs where the cost of efficiency exceeds the cost of supply and the lost opportunity that would exist if those programs were not funded by any source

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~~The justifications for specific programs are provided in Attachments 1 and 2.~~

6.6.3. Justification for Support of Programs where the Cost of Efficiency is Greater than the Cost of Supply

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As required by RI PUC Order 25092 in Docket 23-35-EE, 'for any program that has a forecasted cost that is greater than the cost of supply in the intrastate calculation which excludes delivered fuels, the filing should provide a justification for why the specific program should nevertheless be approved, even though the program costs exceed the calculated avoided cost of supply." In the 2025 Annual Plan, there are six proposed programs where the cost of the program is greater than the cost of supply as defined by the Commission. This section provides the requested justification for those programs.

6.6.3.1 Overall Approach

Ratepayer benefits such as those created in the cost of supply analysis described above are a subset of the broader set of benefits included in the Rhode Island Test. The Company acknowledges the importance of creating ratepayer benefits in return for ratepayer contributions, particularly as a response to the magnitude of overall rates and current economic conditions.

In response to PUC guidance during the 2024 Plan hearings, the Company has ~~adjusted~~ made adjustments in planning its 2025 proposed programs~~.~~. In the 2024 Compliance Filing, 11 programs had a cost of efficiency greater than the cost of supply, and the Company has reduced this to ~~seven~~six. At the portfolio level, using the PUC's definition of the cost of supply, the net difference between the cost of efficiency and cost of supply has changed from approximately $36,000,000 in the 2024 compliance filing to approximately $53 million ~~XX i~~in the proposed 2025 Annual Plan.

The Company plans to monitor impacts on customer uptake, contractor engagement and resource allocation, and customer awareness and satisfaction as inputs to whether further adjustments are warranted and feasible. This type of exercise may also necessitate a multi-year process, so decisions about program scope should not be based solely on what is proposed in this 2025 plan. There may also be market research that cannot be conducted in time for the 2025 planning process and could provide valuable insights later in the process.

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With this general background, the Company offers the following justifications regarding continued support for programs where the Cost of Efficiency is greater than the Cost of Supply, as defined by the PUC. These justifications indicate that the ongoing support for these programs at the levels proposed is consistent with other Least Cost Procurement Standards defined and adopted by the Commission in Docket 23-07-EE.

6.6.3.2 Rationale consistent with LCP Standards

Commented [AC231]: Good writeup here

Cost Effectiveness

It is important to note that all of the programs for which justification is being presented are cost-effective based on the Rhode Island Test and capture a wide range of benefits that accrue to ratepayers and citizens in other forms beyond electric and gas bills (societal benefits, non-energy impacts, bills for other types of energy[24]). Customers value these ~~benefits~~benefits, which are excluded by the cost of supply view, even though they are not reflected in their electric and gas bill savings or may only be reflected in future bills. These are important non-utility benefits and are a rationale for continuing to support these programs.

Some of these benefits included in the cost-effectiveness analysis accrue to ratepayers out of state. This is the nature of the interconnected New England energy grid and markets for energy and carbon reduction. Similarly, RI ratepayers benefit from efficiency actions taken outside of the state's boundaries. Just as Rhode Island creates rest-of-pool DRIPE benefits and contributes to market price reductions in other states, other New England states contribute to market price reductions in Rhode Island; DRIPE benefits from other states flow into Rhode Island and reduce RIE customer bills. These benefits are not included in the benefit-cost analysis, nor are they included in the cost of supply analysis, but it is worth noting that the ~~narrow~~intrastate ~~focus~~ cost of supply analysis does not capture all of the bill impacts from energy efficiency that comes from Rhode Island being part of a region that supports energy efficiency.

Furthermore, some of the individual measures that cause the cost of energy efficiency to be greater than the cost of supply have high RI Test benefit cost ratios~~,~~ because of these benefits. The more cost-effective a measure, the more it increases overall program cost-effectiveness and enables funding of other measures that are marginally cost-effective. ~~For~~~~Lo~~For example, in the electric EnergyWise Single Family program, the robust Rhode Island Test cost effectiveness of the delivered fuels weatherization measures enables the program as a whole to be cost-effective. Reducing or losing these benefits further will affect the ability to deliver some other measures and overall delivery of energy efficiency. A similar influence on overall program cost-effectiveness is observed in the Income Eligible Single Family program among selected measures with high costs of efficiency relative to the cost of supply.

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Prudency

Maintaining support for these programs is justified on several points that are consistent with the Standard of Prudency:

- Continuity of program delivery infrastructure is important for achieving long term efficiency objectives. Program implementation vendors anticipate potential adverse economic and

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[24] Examples are mitigating the impacts of climate change, sustainable employment trends, health improvement, resiliency, and property value appreciation.

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employment impacts of cutting programs quickly. Removing certain measures and categories entirely creates confusion in the marketplace and ~~creates~~ challenges to ramping those services back up, depending on changing conditions. It cannot be assumed that programs can ramp back up immediately if funding is removed and then restored.

- Prudency also encompasses the riskiness of the investment to ratepayers. Weatherization is a low-risk investment because it is a passive measure and does not rely on operation of equipment, it has measured savings, and – as mentioned above – savings and benefits from weatherization installed in 2025 will exist for many years regardless of the customer's current or future heating fuel type. ~~The~~If a customer electrifies in the future, the benefits of that upgrade would likely become electricity system benefits within the life of the measure and research has shown that residential customers who heat with delivered fuels are more likely to electrify their heat than the average customer.[25] Th~~e~~is same rationale applies to measures such as hot water-saving measures or heating system thermostats in buildings that currently use delivered fuels for heating. The Company has a long track record of delivering these programs successfully.
- Given that state programs such as OER's Clean Heat Rhode Island do not require weatherization for market-rate customers, it is valuable to weatherize as many customers as possible to prepare them for the adoption of heat pumps and other efficient HVAC options. Weatherization prior to heat pump installation allows for HVAC systems to be right-sized (i.e., sized smaller because heating loads are reduced by weatherization)~~,~~ thereby reducing future system costs to programs and customers downstream from the weatherization. This, in turn, allows heat pump program costs to be used more efficiently and reach more customers. By weatherizing delivered fuels homes that may switch to heat pumps in the future, the heat pumps can be right-sized (not oversized), which can help optimize future company grid investments and not spend more on grid upgrades than necessary.
- These programs contribute to the equitable delivery of services and benefits. Income eligible programs are among the programs with the largest negative difference between the cost of efficiency and the cost of supply. Historically, a larger portion of the benefits for residential and income-eligible programs (compared to C&I) have come from non-energy impacts and delivered fuels.[26] This is consistent with findings from evaluation studies which have identified value perceived and realized by customers in those segments. Eliminating ~~e~~Ethose benefits and/or scaling back those programs would be inequitable due to a disproportional reduction in benefits overall for the residential and income-eligible programs that this would cause. Residential and income eligible customers will receive less value for their contributions. Even reallocation of programmatic funds to other measures in the sector would not resolve this inequity.
- Funding delivered fuels measures enables more effective program delivery, as it enables weatherization to be bundled with additional measures, minimizing the number of customer touchpoints and therefore, minimizing implementation costs and enhancing the customer experience.
- Bill Impacts: The long-term bill impacts in Tables E-11 and G-11 for the sectors in which these programs reside show reductions for ~~customers~~ all participants ~~(whether participant or not)~~ and that any bill increases for any customers -are minimal (less than half a percentage point)

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[25] Research by E Source (2024 Residential Electrification Survey, available upon request) indicates a higher propensity to electrify heating among customers who have delivered fuel heat than the average customer.

[26] Based on 2024 Plan data, the C&I sector receives a much smaller percentage (~20%) of benefits from non-electric factors compared to close to 60% for residential and income eligible programs.

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Environmental Responsibility

Programs that provide greenhouse gas reductions align with the Act on Climate, the Executive Climate Change Coordinating Council (EC4) Act on Climate 2022 Update[27], the RI State Energy Plan[28] and other state policies to reduce emissions. Emissions reductions are reduced if programs are scaled back; this affects the portfolio's contribution to meeting Act on Climate targets and there will be lost carbon reduction and savings opportunities with further cuts. Efficiency measures for delivered fuels provide some of the highest levels of GHG mitigation per dollar spent across all measures and programs.

It cannot be assumed that weatherization would occur without the incentive from the Company to delivered fuel heated customers. In Rhode Island's climate, more weatherization benefits occur during the heating season than the cooling season; relatively fewer electric cooling benefits from weatherization of homes that with delivered fuels by themselves are not enough to enable weatherization to be justified in the Cost of Supply view. Furthermore, given the OER's lack of current funding for non-income eligible home weatherization, a lost opportunity is created today if some level of delivered fuel weatherization is not supported, even as customers switch to electric heating from heat pumps. Ultimately, this will hamper state's abilities to meet GHG reduction targets. Finally, it is important to note that weatherization provides GHG reduction benefits regardless of what the heating (and cooling) fuel is, and savings are long-lasting so that if the customer ultimately converts to electric heat, the weatherization benefits would be counted in a Cost of Supply view.

Reliability

Continued support for these programs is justified because they meet the standard of reliability. ~~Delivered fuels weatherization ultimately helps with electrification right sizing. Support for these efforts is particularly needed given that OER's CHRI does not require weatherization for market rate customers.~~ Energy efficiency savings are reliable because they are based on independent third-party evaluations; the most recent evaluation of the EnergyWise Single Family program was completed in 2023 and showed an increase in savings over the prior study. Additionally, weatherization, hot water, and thermostat savings are reliable and will accrue to bill payers no matter what fuels are used for heating and cooling or whether the fuel is switched over the life of the measure. Finally, reliable and dependable savings contribute to overall customer satisfaction.

6.6.3.3 Other non-LCP Standard justifications

There are several other reasons, not within the framework of the Standards, that support justification of continuation of these programs at the levels proposed.

- The Company is actively pursuing non-ratepayer funding sources to supplement existing funding. These efforts are detailed in Section ~~xx~~ 5.4 of this plan. If other funding sources come to fruition, ratepayer funds will be adjusted as appropriate which could have a favorable impact on the cost of efficiency relative to the cost of supply. However, if federal and/or state funds do

Commented [CJ232]: Could bolster some of this discussion by also referencing some of the following:

The Technical Analysis Report that E3 recently completed as part of the Future of Gas Docket (https://apexanalytics.egnyte.com/fl/04TdzqfvbL#folder-link/Future%20of%20Gas%20Documents/Reports?p=46286d24-f7f2-4d79-a551-6be19cf4bfb5) has some notable areas of commentary:
+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 (page 12)
+Energy efficiency and building electrification are a critical component of gas system decarbonization. Across scenarios, between 50-100% of buildings are assumed to electrify to comply with the Act on Climate mandates. In the industrial sector, all scenarios include significant levels of efficiency and varying levels of electrification (page 6)
+Entire section starting on page 56: "aggressive assumptions around Wx adoption are incorporated into the reference scenario in addition to all decarb pathways" - (i.e. we can't be scaling back Wx for any customer segment).

EC4 Act on Climate 2022 Update - https://planning.ri.gov/sites/g/files/xkgbur826/files/documents/LU/energy/energy15.pdf
+Continue EE and Weatherization as a priority action for the thermal sector
+"While the utilities' efficiency programs support a number of weatherization programs and appliance efficiency standards, these should continue to be **expanded**"

State Energy Plan - https://energy.ri.gov/resources/major-initiatives/state-energy-plan#:~:text=The%20Plan%20demonstrates%20that%20Rhode,strategies%20to%20achieve%20those%20goals.
+Maximize energy efficiency in all sectors

Commented [RIE232R2]: Thanks Craig. Added reference to EC4 and State Energy Plan. As for the E3 report, the Technical Analysis is but one input into any recommendations the PUC may make in their final FoG report, which won't be issued until Q1 2025. We prefer to wait for the PUC report.

Commented [CJ233]: This feels in contradiction to what is actually being proposed. There is a clear scale back (its cited in several places) of DF weatherization and similar measures. I see this justification as a way to maintain (at minimum) levels of incentives and activity planned for these types of measures.

Commented [JN233R2]: You are correct, it is a justification for the amount of planned investment for 2025

Commented [RIE234]: RIE following up with vendor about survey of customers to connect heat pump and Wx installation

Commented [CJ235]: Appreciate not limiting the justification framework to just LCP standards

Commented [JN235R2]: Thank you

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[27] EC4 Act on Climate 2022 Update

[28] State Energy Plan

not get allocated to these programs in a timely manner for the 2025 planning process, additional time will be required to address the longer-term budget implications.

- Not being able to provide the level of energy efficiency or offer measures that have been offered in the past may have an adverse effect on customer satisfaction, as energy efficiency is an input to JD Power scores.
    - Research has indicated that high bills are the biggest driver of customer satisfaction.[29] While customer satisfaction is not explicitly tied to the presence or absence of energy efficiency programs, when weatherization or other bill-reducing programs are reduced, it could affect customer satisfaction.
    - Furthermore, when customers are not able to receive eff~~c~~iciency services that have been available in the past, it creates a sense of reduced value from energy efficiency, even while other measures are still being offered.
    - Customer satisfaction is a qualitative factor in how investors view a utility's performance/leadership. A negative change in customer satisfaction ~~with RIE~~ could impact the perception of the financial markets toward the Company.
    - Lower customer satisfaction may also lead to more customer complaints and calls to the call center and regulators/legislators, which may increase the Company's customer service costs and hinder regulatory or legislative processes.
- Customer engagement through energy audits advances understanding and interest in energy efficiency, and if weatherization is not an option, then there's less value to the audit, and less overall interest in energy efficiency measures and practices.

6.6.3.4 Program-specific Justifications

In addition to the justification rationale presented in the prior sections, there are additional program-specific reasoning:

Direct install programs
All programs requiring justification here are direct install programs, where the Company's implementation teams perform the measure installation in customers' homes and businesses, rather than the customer needing to arrange installation and maintain quality. Direct install programs are by their nature expensive, because of the site-specific conditions of audits and weatherization work. Because it is foundational to an efficient building, weatherization is the most important measure and costs more on a per Btu basis than other measures. Furthermore, direct install programs provide education and engagement to customers to adopt other energy-efficiency measures more than any other type of program. Finally, it is often the case that customers do not know what type of heating equipment they have in place. Direct install programs enable Company implementation staff to identify the heating equipment the customer has in their dwelling and tailor efficiency offerings accordingly.

J.D. Power's 2023 Electric Utility Residential Customer Satisfaction Study (https://www.jdpower.com/business/press-releases/2023-electric-utility-residential-customersatisfaction-

study)

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Commented [RIE236]: RIE collecting data + anecdotes on health & safety from vendor

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EnergyWise Single Family

For this program, delivered fuels measures contribute the greatest amount of GHG reduction of any category in electric portfolio. From a workforce perspective, 40% of weatherization work done by the vendor is delivered fuels, 10% is electric, and 50% is gas. Therefore, eliminating audits / weatherization for delivered fuels customers would reduce the vendor's workforce and its weatherization contractor workforce by nearly half. Beyond that, it would cause confusion in the marketplace because neither customers nor vendors would know what they could expect from Rhode Island Energy's programs. The vendor and customers are accustomed to undertaking measures comprehensively, and stripping out offerings would change the business model and may cause exits from the contractor community.

Income Eligible Single Family and Multifamily

The Income Eligible Single Family program ~~has~~ creates a ~~$3.21~~ non-energy benefit ~~in the Benefit-Cost Model for~~ from reduction in participant arrearages ~~per participant~~ that is captured in the benefit-cost analysis. This benefit ~~result~~ has positive downstream impacts on the Company's customer service and billing operations. These programs are also an integral part of the Company's broader portfolio of bill assistance for customers, including discount rates, payment plans, forgiveness programs, and the Home Energy Assistance Program. Reducing the size of this program will lose the opportunity to create these positive impacts.

Furthermore, it would be difficult to attain or come close to attaining an equitable distribution of resources with the elimination of a number of measures from these programs to reduce the cost of efficiency relative to the cost of supply. The Company suspects that there would be disproportionate impacts to elderly, underserved populations, housing authorities, and in health equity zones. The Company cannot ascertain that quantitatively at this point in time, but prudency suggests to move cautiously in this area to minimize impact on these vulnerable populations.

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7. SAVINGS GOALS

7.1 Savings Goals

Savings goals will change from those included in the 2025 year of the 2024 – 2026 Three-Year Plan Compliance Filings.

7.2 Annual Plan Compared to the Three-Year Plan

The table below shows the ~~Company anticipates there will be~~ changes to program year 2025 planned values from the illustrative savings, benefits, and costs as shown for 2025 in the Company's 2024~~compliance filings for the~~2024-26 Three-Year Plan (3YP). ~~Changes from the Three-Year Plan compliance filings will be explained in the text of the Annual Plan.~~ ~~Top-line values from the Three-Year Plan compliance filings will be shown in the table below for reference.~~ Program areas of focus are described in Section 2 and in Attachments 1 and 2, and describe modifications proposed for the 2025 Annual Plan.

Table 4~~1~~. Comparison of 2025 Electric Portfolio in Three-Year Plan Compliance Filing and 2025 Annual Plan

Electric Portfolio	2025 in 3YP ~~Compliance Filing~~	2025 Annual Plan	% Change
Annual Savings (MWh)	94,561	-82,400	--13%
Lifetime Savings (MWh)	761,575	-586,220	--23%
Total Benefits (RI Test)	$212,232	-$193,022	--9%
Total Spending	$98,331	-$79,066	--20%
Benefit Cost Ratio (RI Test)	1.84	-1.99	-8%
Cost/Lifetime kWh	¢14.74	¢16.5-	-12%
EE Program Charge per kWh	$0.0120	-$0.0090	--25%

Table 5~~2~~. Comparison of 2025 Gas Portfolio in Three-Year Plan Compliance Filing and 2025 Annual Plan

Gas Portfolio	2025 in 3YP ~~Compliance Filing~~	2025 Annual Plan	% Change
Annual Savings (MMBtu)	312,846	-274,817	--12%
Lifetime Savings (MMBtu)	3,300,644	-2,941,697	--11%
Cost/Lifetime MMBtu	$12.14	-$14.35	-18%
Total Benefits (RI Test)	$83,856	-$76,661	--9%
Total Spending	$34,083	-$34,445	-1%
Benefit Cost Ratio (RI Test)	2.05	-1.82	--11%
C&I EE Program Charge per Dth	$0.91	-$0.45	--51%
Residential EE Program Charge per Dth	$0.90	-$1.11	-23%

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Commented [RIE237]: From Acadia:
In Section 7.2's comparison of the 2025 EE plan to the three-year plan, we see that the Company decreases the savings, benefits and costs for its electric and gas portfolios. A comparison of 2025 goals with the proposed EEC targets also demonstrates significantly lower planned values of lifetime MMBtu and lifetime MWh savings across sectors. Overall, the Company's proposed energy efficiency portfolio budgets for 2025 are nine percent lower than the final approved budgets for 2024. Acadia Center has deep concerns with the level and lower budget numbers proposed by the Company, and asks for higher goals and more spending on these highly cost-effective energy efficiency programs.

Commented [RIE237R2]: The main budget adjustments down are based on the negative cost of supply as calculated based on the PUC's direction. If Acadia has specific ideas on what budget levels should be for those cases, please let us know.

Commented [CJ238]: Where will these changes be described in the Annual Plan? I would assume in this section, but its not clear at this time.

Commented [RIE238R2]: Sorry, this was an error.

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7.3 Comparison of 2025 Goals with Proposed EEC Targets

This section compares the Company's proposed goals for 2025 with the targets proposed by the EEC. These targets, which were informed by the EEC-commissioned Market Potential Study Refresh, are still under PUC review. Table 11 shows a summary comparison by sector of lifetime savings.

Table 11. Comparison of Goals with EERMC Proposed Targets

	Planned Values		EEC~~EERMC~~ Proposed Targets	
	Lifetime MMBtu (Gas Programs)	**Lifetime MWh** (Electric Programs)	**Lifetime MMBtu** (Gas Programs)	**Lifetime MWh** (Electric Programs)
Residential				
2025	1,244,913	172,562	3,238,316	535,582
Income Eligible Residential				
2025	323,382	57,868	292,957	61,685
C&I				
2025	1,373,402	355,790	3,559,417	804,343
Total Savings				
2025	2,941,697	586,220	7,090,690	1,401,610

EEC explicitly -provides Lifetime MMBtu (gas programs) and Lifetime MWh (electric program) portfolio-level targets in the "Recommended Targets for Energy Efficiency and Active Peak Demand Reduction Savings for 2024-2026" report. To perform the sector-level comparison, because measure names in the two sources do not match, assumptions were made to match MPS measures with BCR measures. This matching process could have potentially created some disparities in the comparison. With this caveat in mind, the primary differences between the MPS Refresh and BCR include:

- **Planned quantities of measures.** The difference in quantities between the MPS Refresh and the Company's goals is largely driven by unconstrained budget increases allowed in the MPS Refresh. The significantly higher quantities in the MPS Refresh caused savings to be significantly higher for many measures.
- **Sourcing and values of impact factors.** The BCR sources were mostly Rhode Island specific studies, recent Massachusetts studies, or sourced from recent technical reference manuals (TRMs). These updated sources in several cases reflected decreased savings compared to the sources used in the MPS Refresh which included IL 2019 TRM, Iowa 2018 TRM, MA 2019 TRM, Dunsky Professional Judgement, and ENERGY STAR sources.
- **Lifetime savings.** Differences in lifetime savings were driven by differences in impact factors and planned quantities, as well as some measure life differences.
- **Measures included in the MPS Refresh.** There were a handful of measures providing savings in the MPS Refresh that the Company does not currently plan for in its energy efficiency programs. Some of these measures failed the RI Test when the Company had previously screened them and some of them are new.

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This comparison provides valuable insight into the differences between the EERMC's filed targets and the goals proposed by the Company over the coming three years and this analysis was shared with the EEC. Further understanding of these differences could reduce the gap between the savings estimates. It could also provide insight into potential recommendations for updates in subsequent Plans. These updates may include updating impact factors by using assumption references from the MPS Refresh, updating planned quantities through considering different marketing approaches or adjusting incentive levels, adding in new measures called out within the MPS Refresh, or using the analysis to support net savings goals.

7.4 Analysis of Total Rhode Island Energy Efficiency

~~<< This section to include an update of Section Six of the 2024-26 Three Year Plan, aka, "the Pie analysis">>.~~

The LCP Standards adopted in Docket 23-07-EE specify that the Annual Plan contain an update of the analysis provided in the Three-Year Plan[30] "of total energy likely to be saved in Rhode Island through energy efficiency over the three years, and the portion of those total energy savings that are likely to be delivered by the distribution company's energy efficiency programs."

The Standards further specify that, in the Annual Plan update, the Company use "the best-available information and shall adjust its proposed annual savings goals and budgets to be consistent with the update. Where adjustments are made, the distribution company shall identify and justify the specific adjustments For purpose of this analysis,"

The Company has updated the analysis using the most recent information available and consistent with other information used in creating the 2025 Annual Plan: instead of using 2024-26 planning assumptions, the Company used updated 2025 planning assumptions. Table 6 shows the results of the savings analysis and Table 7 shows the results of the emissions analysis.

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[30] This analysis was presented in Section 6 of the 2024-26 Three-Year Plan.

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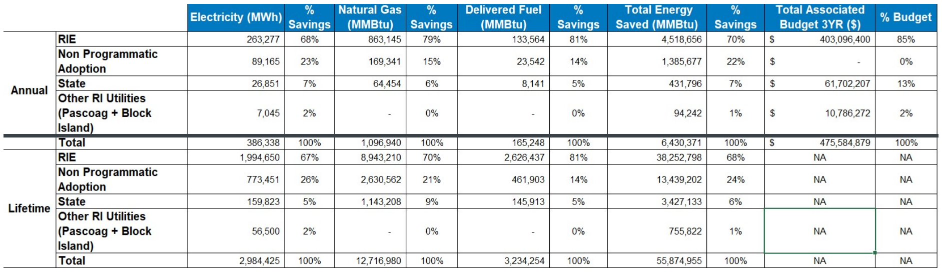
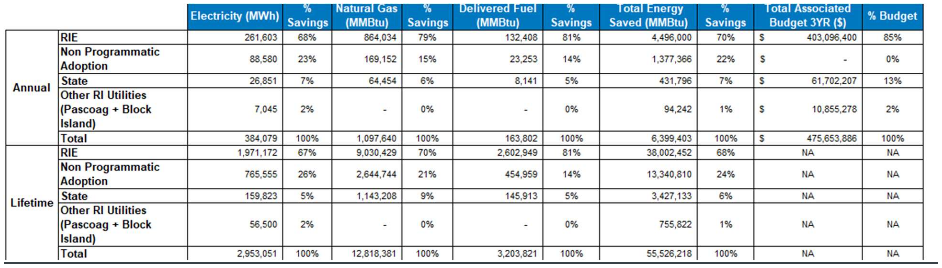
Table 6. State of Rhode Island, Energy Savings



		Electricity (MWh)	% Savings	Natural Gas (MMBtu)	% Savings	Delivered Fuel (MMBtu)	% Savings	Total Energy Saved (MMBtu)	% Savings	Total Associated Budget 3YR ($)	% Budget
Annual	**RIE**	263,277	68%	863,145	79%	133,564	81%	4,518,656	70%	$ 403,096,400	85%
	Non Programmatic Adoption	89,165	23%	169,341	15%	23,542	14%	1,385,677	22%	$ -	0%
	State	26,851	7%	64,454	6%	8,141	5%	431,796	7%	$ 61,702,207	13%
	Other RI Utilities (Pascoag + Block Island)	7,045	2%	-	0%	-	0%	94,242	1%	$ 10,786,272	2%
	Total	386,338	100%	1,096,940	100%	165,248	100%	6,430,371	100%	$ 475,584,879	100%
Lifetime	**RIE**	1,994,650	67%	8,943,210	70%	2,626,437	81%	38,252,798	68%	NA	NA
	Non Programmatic Adoption	773,451	26%	2,630,562	21%	461,903	14%	13,439,202	24%	NA	NA
	State	159,823	5%	1,143,208	9%	145,913	5%	3,427,133	6%	NA	NA
	Other RI Utilities (Pascoag + Block Island)	56,500	2%	-	0%	-	0%	755,822	1%	NA	NA
	Total	2,984,425	100%	12,716,980	100%	3,234,254	100%	55,874,955	100%	NA	NA



		Electricity (MWh)	% Savings	Natural Gas (MMBtu)	% Savings	Delivered Fuel (MMBtu)	% Savings	Total Energy Saved (MMBtu)	% Savings	Total Associated Budget 3YR ($)	% Budget
Annual	**RIE**	261,603	68%	864,034	79%	132,408	81%	4,496,000	70%	$ 403,096,400	85%
	Non Programmatic Adoption	88,580	23%	169,152	15%	23,253	14%	1,377,366	22%	$ -	0%
	State	26,851	7%	64,454	6%	8,141	5%	431,796	7%	$ 61,702,207	13%
	Other RI Utilities (Pascoag + Block Island)	7,045	2%	-	0%	-	0%	94,242	1%	$ 10,855,278	2%
	Total	384,079	100%	1,097,640	100%	163,802	100%	6,399,403	100%	$ 475,653,886	100%
Lifetime	**RIE**	1,971,172	67%	9,030,429	70%	2,602,949	81%	38,002,452	68%	NA	NA
	Non Programmatic Adoption	765,555	26%	2,644,744	21%	454,959	14%	13,340,810	24%	NA	NA
	State	159,823	5%	1,143,208	9%	145,913	5%	3,427,133	6%	NA	NA
	Other RI Utilities (Pascoag + Block Island)	56,500	2%	-	0%	-	0%	755,822	1%	NA	NA
	Total	2,953,051	100%	12,818,381	100%	3,203,821	100%	55,526,218	100%	NA	NA

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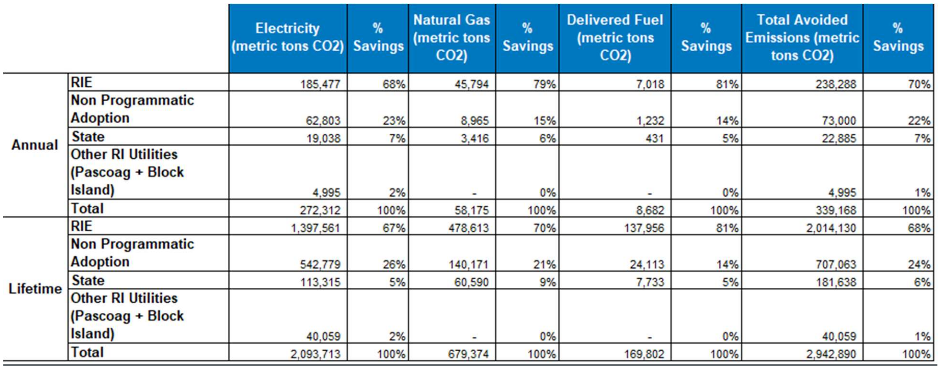
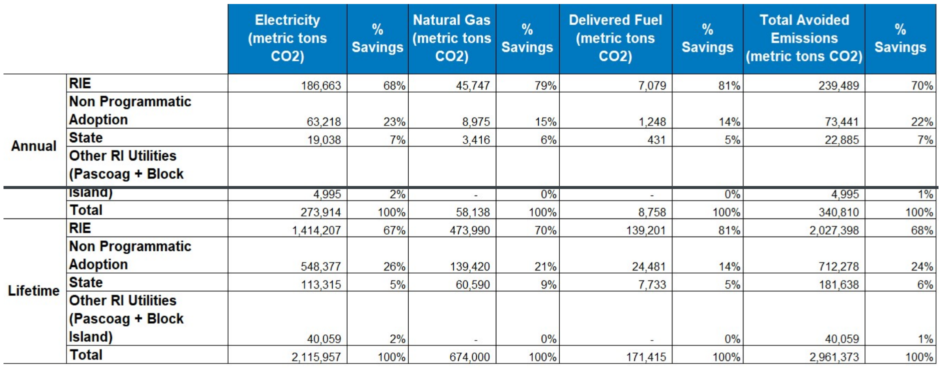
Table 7. State of Rhode Island, Emission Savings



		Electricity (metric tons CO2)	% Savings	Natural Gas (metric tons CO2)	% Savings	Delivered Fuel (metric tons CO2)	% Savings	Total Avoided Emissions (metric tons CO2)	% Savings
Annual	RIE	185,477	68%	45,794	79%	7,018	81%	238,288	70%
	Non Programmatic Adoption	62,803	23%	8,965	15%	1,232	14%	73,000	22%
	State	19,038	7%	3,416	6%	431	5%	22,885	7%
	Other RI Utilities (Pascoag + Block Island)	4,995	2%	-	0%	-	0%	4,995	1%
	Total	272,312	100%	58,175	100%	8,682	100%	339,168	100%
Lifetime	RIE	1,397,561	67%	478,613	70%	137,956	81%	2,014,130	68%
	Non Programmatic Adoption	542,779	26%	140,171	21%	24,113	14%	707,063	24%
	State	113,315	5%	60,590	9%	7,733	5%	181,638	6%
	Other RI Utilities (Pascoag + Block Island)	40,059	2%	-	0%	-	0%	40,059	1%
	Total	2,093,713	100%	679,374	100%	169,802	100%	2,942,890	100%



		Electricity (metric tons CO2)	% Savings	Natural Gas (metric tons CO2)	% Savings	Delivered Fuel (metric tons CO2)	% Savings	Total Avoided Emissions (metric tons CO2)	% Savings
Annual	RIE	186,663	68%	45,747	79%	7,079	81%	239,489	70%
	Non Programmatic Adoption	63,218	23%	8,975	15%	1,248	14%	73,441	22%
	State	19,038	7%	3,416	6%	431	5%	22,885	7%
	Other RI Utilities (Pascoag + Block Island)	4,995	2%	-	0%	-	0%	4,995	1%
	Total	273,914	100%	58,138	100%	8,758	100%	340,810	100%
Lifetime	RIE	1,414,207	67%	473,990	70%	139,201	81%	2,027,398	68%
	Non Programmatic Adoption	548,377	26%	139,420	21%	24,481	14%	712,278	24%
	State	113,315	5%	60,590	9%	7,733	5%	181,638	6%
	Other RI Utilities (Pascoag + Block Island)	40,059	2%	-	0%	-	0%	40,059	1%
	Total	2,115,957	100%	674,000	100%	171,415	100%	2,961,373	100%

To perform the analysis, the Company made several assumptions:

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- 2024 estimates are based on the 2024 Compliance Filing; 2025 values are from this plan, and 2026 values are unchanged from the 2024-2026 Three –Year Plan.
- Non-Programmatic Adoption estimates used ~~the Company’s 2024-2026~~ respective plan~~Pplan~~ free-ridership rates.
- Unless state savings were called out, the Company utilized savings per dollar values from its 2024-2026 benefit-cost model to convert dollar spend from state programs to state savings.
    - Programs that were integrated in this analysis included the Clean Heat RI Program, HOMES, HEEHRA, RIIB, RGGI, and WAP funding.

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- Other RI Energy estimates utilized savings data from the ACEEE 2022 Annual Score Card[27] and converted the savings to budget spend by calculating the ratio of MWh per dollar spent from the Company's 2024-2026 benefit-cost model and applying that ratio to energy saved from other utilities.

8. FUNDING PLAN AND BUDGETS

Commented [RIE239]: This section to be updated as the Plan numbers are developed.

Commented [JN239R2]: updated

8.1 Budgets

The Company is proposing Energy Efficiency Portfolio budgets for 2025 that are~~ TK ~~ ten percent lower~~[TK, higher/lower]~~ than the final approved budgets for 2024. In developing the Annual Plan, the RI Energy team has focused on striking the best balance between delivering the necessary benefits of energy efficiency and maintaining a budget that reduces bill pressure on our customers given present economic realities affecting Rhode Island. The Company submits that its approach in developing the budget for 2025 is consistent with the prudency requirements of the Standards.

The Energy Efficiency Portfolio for 2025 will have an overall budget of approximately $81.5~~TK~~ million for electric programs and $35.0~~TK~~ million for natural gas programs. The budget is segmented into three sectors: residential income eligible, residential non-income eligible, and C&I. Proposed sector and program budgets are provided in Attachment 5: Electric EE Program Tables, Table E-2 and Attachment 6: Gas EE Program Tables, Table G-2. A comparison of these proposed budgets to the 2023 budget is provided in Attachment 5, Table E-4 and Attachment 6, Table G-4.

The Company will continue the practice of funding commitments established in the 2014 Plan, Docket 4451. Specifically, the Company will continue to make funding commitments for projects with a projected one-time incentive in excess of $3.0 million. For all other projects, except those with incentives greater than $3.0 million, there would be no commitment budget.

8.2 Funding Plan

Commented [CJ240]: Several subparts of this section indicate there are no major revisions anticipated, which seems to just be a carryover from the Plan Outline Memo. If that is the case, why has the Company not just included the 2024 Plan language here with placeholders for certain text/numbers that haven't been developed yet?

Commented [RIE240R2]: Appreciate the input. We decided to hold off on updating these sections until numbers were available. Unsure of the value of adding 2024 plan language in this instance.

The 2025 budgets for cost-effective electric and natural gas efficiency investments are dependent on a number of projections that inform the amount of funding, including projections of electricity and natural gas sales, year-end 2024 large C&I program commitments, capacity payments received from ISO-NE (electric only), and forecast year-end 2024 spending. The sources of funding and the amounts of the funding proposed for the 2025 Energy Efficiency Portfolio are shown in Table E-1 for Electric Programs and Table G-1 for Natural Gas Programs. Annual Plan funding sources are described in the sections that follow.

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8.2.1 Energy Efficiency Charges.

The sources of funding for the 2025 electric programs are shown in Attachment 5: Electric EE Program Tables, Table E-1. To collect these funding sources for the 2025 cost-effective programs, the Company proposes: (1) one line on the customers' bill labeled "Energy Efficiency Charge" at $0.00911~~944~~ per~~09441052 per~~ kWh, as calculated in Attachment 5, Table E-1 (composed of the existing energy efficiency program charge of $0.01139~~009601139~~ per kWh plus a fully reconciling funding mechanism charge of -$0.00228~~195 per195092~~ per kWh in accordance with the requirements of R.I. Gen. Laws § 39-1-27.7); (2) projected Large C&I commitments from 2024, if any; (3) projected carryover of the year-end 2024 fund balance, as applicable, including interest at the rate in effect for customer deposits; (4) forecast revenue generated by ISO-NE's Forward Capacity Market (FCM); and (5) other potential outside revenue sources, including but not limited to those generated through RGGI permit auctions. Funding sources do not include revolving loan funds.

The sources of funding for the 2025 natural gas programs are shown in Attachment 6 Gas EE Program Tables, Table G-1. The Company proposes that the 2025 budget should be funded from the following sources: (1) one line on the customers' bill labeled "Energy Efficiency Charge" at $1.131~~18094118~~ per dekatherm for residential customers and $0.455~~41782441~~ per dekatherm for non-residential customers as calculated in Attachment 6, Table G-1 (composed of the existing energy efficiency program charge of $0~~1.136~~0.998 per dekatherm plus a fully reconciling funding mechanism of $~~(~~$0.133~~20042120)~~ per dekatherm for residential customers and the existing energy efficiency program charge of $0.6~~6~~8~~082~~0 per dekatherm plus a fully reconciling funding mechanism of -$0.225~~39239162~~ per dekatherm for non-residential customers in accordance with the requirements of R.I. Gen. Laws § 39-1-27.7); (2) projected carryovers or under-recoveries of the year-end 2024 fund balance, including interest at the rate in effect for customer deposits. Funding sources do not include revolving loan funds.

The ~~increase~~ decrease in the proposed EE Program Charge per kWh is driven primarily by budget reductions in the portfolio for 2025. ~~by a smaller positive projected 2023 year-end electric fund balance forecast relative to the 2022 year-end electric fund balance.~~ The ~~in~~decrease in the C&I Program Charge per Dth is driven by the same factor; the increase in the ~~and~~ Residential Program Charge per Dth is driven by the decrease in the 202~~3~~2~~024~~4 year-end gas fund balance forecast~~-~~ compared to the ~~2022~~2023~~3~~ year-end gas fund balance~~.~~ and increased budget.

The Company forecasts electric energy deliveries and gas loads for a variety of filings. In the context of the Annual Plan, the forecasts primarily factor into the calculation of the per-unit energy charges that fund the Natural Gas and Electric Energy Efficiency Portfolios. At the time of the preparation of this Annual Plan, the Company used a gas forecast based on the June 2024~~3~~4 release and an electric forecast based on the September 2023~~2~~3 release. The sections below provide an overview of the forecasting processes for the electric energy delivery and gas load forecasts.

Electric Forecast Summary

The electric energy deliveries forecast is developed in several steps. The first step was to "reconstitute," that is add-back or subtract, as applicable, the impacts of energy efficiency (EE), solar-photovoltaics (PV),

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electric vehicles (EV), and electric heat pumps (EH) to the historical monthly energy dataset. This set of programs and technologies is termed Distributed Energy Resources (DERs), and the reconstituted data is termed “gross” to reflect the fact that it represents data prior to the impacts of DERs.

The second step is to develop an econometric forecast of gross energy deliveries based on Rhode Island economic conditions, normal weather, and days billed, as appropriate, using this reconstituted dataset. The economic conditions are from Moody’s economy outlook. The weather variables considered are cooling degree days (CDDs) and heating degree days (HDDs). Normal weather is defined by the average CDDs and HDDs of the most recent ten years. Due to the unavailability and / or great uncertainties of long-term weather forecasts, it is a common practice to use normal weather for long-term load forecasting.

The third step is to create the “net” forecast by adjusting the gross forecast by the projections for future DERs. Impacts for EE and PV (reflecting decreased electric load on the system) are subtracted from the gross forecast, impacts of EV (reflecting increased electric load on the system) are added to the gross forecast, and impacts of EH are added to or subtracted from the gross forecast depending on the season to create the net forecasts. These forecasts were first developed in terms of revenue classes – residential, commercial, and industrial. They were then allocated to the various rate classes using the current revenue to rate class percentages from the Company’s billing system.

Natural Gas Forecast Summary

The Company’s gas load forecast is based on a comprehensive methodology for forecasting retail customer load requirements using a series of econometric models to determine the changes expected for Residential Heating, Residential Non-Heating, Commercial, and Industrial classes. To determine total gas demand and projected growth over the forecast period, the econometric models use historical economic, demographic, and energy price data, and weather data.

The product of the Company's retail demand forecast is a forecast of meter counts, use-per-customer, and volume by month by internal rate code under normal weather conditions. The Company’s retail demand forecast is then converted to wholesale supply requirements at the Company’s city gates based on the daily relationship between city gate volumes (including supplementals) and weather. The product of the Company's wholesale customer requirements forecast is a forecast of daily volumes under normal and design weather conditions.”

~~No major revisions anticipated.~~

8.2.2 Fund Balances

The Company estimates that the electric projected fund balance at year-end 2024 will be $5.45~~3.998.6~~ million, as shown in Line 3, Attachment 5, Table E-1; the gas fund balance at year-end 2024 is estimated to be ~~($1.5~~ 5.4 million,~~),~~ as shown in Line 2 Attachment 6, Table G-1. The Company has included 2024 year-end fund balance forecasts (electric and gas) on line 3 of the E-1 and on line 2 of the G-1 tables in Attachment 5 and Attachment 6, respectively. The fund balance forecasts include estimated implementation expenses and estimated earned-performance incentives.

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Adjustments for 2023 Year-End Fund Balance

The 2024 year-end fund balance will be a function of actual implementation expenses and Company earned performance incentive through year-end 2024. Consistent with recent practice, by November 1~~7~~5, 2024, the Company will provide updated year-end fund balance forecasts, reflecting updated sales, collection, and program expenditure forecasts through year-end and revised Tables E-1 and G-1 to provide the PUC with time to review the Company's proposed charges in advance of the Annual Plan hearing. This would allow the charges, if approved, to have an effective date of January 1, 2025. This will allow the Company to begin collecting the most accurate charge possible at the start of the program year and avoid any market confusion surrounding the status and implementation of the 2025 energy efficiency programs. If the actual year-end 2024 fund balance as filed in the Year-End Report is higher or lower than that amount projected in the November 115~~7~~5, 2024, revised Tables E-1 and G-1, any deviation will be fully reconciled in the next program year in accordance with the requirements of R.I. Gen. Laws § 39-1-27.7.

The fund balance does not currently include credits from shareholder funds, with interest, to the fund balance based on the Company's involvement in Docket 22-05-EE. All credits identified thus far in that process were accounted for in the 2024 Annual Plan.

~~No major revisions anticipated.~~

8.2.3 ISO-NE Capacity Market Revenue

Consistent with the LCP Standards, Annual Plan, and PUC decisions regarding annual plans since 2008, the kW-demand savings achieved via the electric energy efficiency and Combined Heat and Power programs continue to participate in the FCM as Passive On-Peak Demand Resources. The Company will manage and direct the revenues by bidding the demand savings attributed to energy efficiency measures and Combined Heat and Power facilities in the FCM and managing the associated capacity resources to maximize the resulting FCM revenue. The revenues from measures installed through this Annual Plan, as well as all previous plans, will continue to be reinvested in energy savings for the life of the measure.

The Company is to recover all prudently incurred FCM expenses from ISO-NE capacity-payment revenue generated by the demand savings from efficiency programs represented by the Company. The Company expects that capacity payments received from the ISO-NE will exceed its administrative and EM&V compliance costs of participation in the FCM and will result in additional funds being made available to fund efficiency programs for customers. If these participation costs exceed the capacity payments, the Company may recover its prudently incurred costs from the energy efficiency program fund. Only prudently incurred expenses are deducted from ISO-NE capacity payments or the energy efficiency program fund.

In addition, as part of the FCM, all qualified auction participants are required to post Financial Assurance to provide security that the promised resource will deliver the promised MW at the promised time. If, as

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a result of circumstances beyond the Company's control[31], the Company is unable to provide all or a portion of the MW of capacity proposed in its qualification packages and capacity auction bids, some or all the financial assurance monies would be forfeited.

Similar to the past several years, the Company expects that FCM revenues will decline for the 2025 plan year. The current estimate for capacity market revenue in 2025 is $9,795,081.

8.2.4 Regional Greenhouse Gas Initiative (RGGI) Funding

RGGI funding is allocated to the State of Rhode Island based on quarterly auctions for emissions allowances. The OER develops a plan for the allocation of auction proceeds. The Company does not expect any revenue from RGGI for the 2025 plan year.

8.2.5 Exceptions to the Natural Gas Energy Efficiency Program Charge

All gas used for distributed generation projects approved since 2014 will be subject to the natural gas energy efficiency surcharge.[32]

The 2006 Act allows the PUC to exempt natural gas used for manufacturing processes from the energy efficiency surcharge where the customer has established a self-directed program to invest in and achieve best effective energy efficiency in accordance with a PUC-approved plan and subject to periodic review and approval by the PUC. Consistent with prior PUC decisions, the Company has developed recommendations for a process under which a manufacturer may submit its self-directed program and the required annual reports for approval. The Company recognizes that this process may need to be reviewed and modified after the PUC has accumulated sufficient experience with these programs. Any customer that receives this exemption from the natural gas energy efficiency program charge will not be eligible to receive natural gas energy efficiency program services.

~~No major revisions anticipated.~~

8.2.6 Budget Management

~~-~~Deviations from the planned budget for 2025 are possible during the program year. The Company contemplates three potential overspending scenarios, and will address them as follows:

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[31] Such circumstances may include legislative action to alter the EE Program Charge or discontinue the Company's authority to implement the energy efficiency programs underlying the Qualifications Package or a PUC decision limiting the Company's role in bidding the demand savings acquired through program efforts into the FCM.

[32] Natural gas used for distributed generation (excluding natural gas used by emergency generators) for distributed generation projects approved under the energy efficiency programs in 2013 and prior years - independent of the date those facilities become commercially operable – are not subject to the energy efficiency surcharge when natural gas used for that purpose can be clearly identified through uniquely metered use and when so requested in writing by the customer.

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Anticipated overspending up to 10 percent. The Company's expenditures for 2025 may exceed the total portfolio budget by up to 10 percent as long as written notification is provided to the EEC, OER, PUC, and DPUC for any deviation. The Company will track expected expenditures relative to planned budgets and will report to stakeholders through inclusion in the quarterly reports, or earlier, if the Company believes such overage is likely to occur. Any such notification will occur as soon as possible, and no later than the distribution of the Company's Third Quarter Report in mid-November 2025 and must explain the need for a higher budget and must justify how the expenditures are reasonably consistent with the original Annual Plan and in accordance with Least Cost Procurement.

Anticipated overspending in excess of 10 percent. During 2025, if the Company anticipates that continued operation of its programs is likely to result in actual expenditures exceeding the total portfolio budget by more than 10 percent, the Company will seek a vote of approval from the EEC. OER commits to making all reasonable efforts to schedule such vote as soon as feasible following notification, but no later than thirty days from receipt of notification. The PUC will not provide advance approval of expenditures exceeding the total budget by more than 10 percent. The Company will be required to demonstrate to the PUC that the overspend was prudent. Support from the Division, OER, and EEC will be considered in the PUC's review of prudency.

Unanticipated overspending in excess of 10 percent. If the Company did not anticipate and notify stakeholders identified above that its actual expenditures would exceed the total portfolio budget by more than 10 percent, but actual expenditures do exceed such threshold, such expenditures above 110 percent of approved budget will be at the Company's risk. In order to secure cost recovery, the Company will bear the burden of demonstrating the reasonableness of its actions to the PUC, including an explanation of why the overspending occurred and how the expenditures are reasonably consistent with the original Annual Plan and in accordance with Least Cost Procurement. Such a demonstration would be required to be part of the 2025 Year-End Report.

In all instances, the PUC retains its ratemaking authority to review the prudency and reasonableness of the Company's actions.

8.2.7 Notification of Large Customer Incentives

The Company shall inform the PUC, DPUC, OER, and EERMC in writing of any energy efficiency incentive annual offer in excess of $3 million per measure. The Company shall inform the DPUC, OER, and EERMC in writing of any Combined Heat and Power project with a net output of 1 MW or greater (where net is the nameplate MW output minus Combined Heat and Power auxiliary kW). The process for notification of Combined Heat and Power projects is described in Attachment 2: C&I Programs. ~~t~~To prevent customer delays and to facilitate the Company's ability to meet customer expectation and annual energy savings goals, the OER, EERMC and Division agree to ask questions and provide comments on any non-Combined Heat and Power energy efficiency incentive annual offer in excess of $3 million within 30 days. The Company, through its own discretion, may proceed with an incentive offer. The incentive, and any other related proposals will be authorized to proceed after 30 days from the date on which the Company notified the PUC, OER, Division, and EERMC of the incentive unless the PUC suspends the filing

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and/or issues an order within such 30-day period to extend the time for purposes of further review.~~No major revisions anticipated.t9~~t

9. PERFORMANCE INCENTIVE PLAN~~TTHE~~

The Performance Incentive Mechanism (PIM), as approved in Docket 5076, established the measurement of performance as a net benefits framework based on a set of prioritized benefit categories. This prioritizes utility system impacts over resource benefits generated by the programs and omits the societal benefits. The "netting" calculation incents budget controls so that the benefits are achieved in line with the portfolio budgets as proposed in the Annual Plan.~~tEquation 1.~~t

Equation 1. Illustrative Calculation of Net Benefits for Performance Incentive Mechanism

Total Benefits = (100% of Utility System Benefits+35~~3550~~% of Resource Benefits)

Net Benefits = (100% of Utility System Benefits+35~~3550~~% of Resource Benefits) – (Programmatic Costs+ Regulatory Costs)

The PIM measures performance at the sector and fuel level:

- Non-Income Eligible Residential Electric~~t~~
- Income Eligible Residential Electric
- ~~t~~Commercial~~t~~ and Industrial Electric
- ~~t~~Non-Income Eligible Residential Gas~~t~~
- Income Eligible Residential Gas~~t~~
- Commercial and Industrial GastGas~~The~~

~~The~~ PIM calculations include a set of potential adjustments that are intended to further incent the company to maintain budget controls in the delivery of savings, and therefore prioritized benefits, by adjusting earnings under this mechanism based on cost relative to budget. The Company is not proposing structural changes to the PIM for 2025.t Attachment 5, Table E-8A and Attachment 6, G-8A show the categories of benefits that are included in the PIM calculations, categories omitted from the PIM, and the weighting assigned to those benefits in the calculation. The categories of benefits are also summarized in Table 6~~Table 12~~ for electric and Table 7~~Table 13~~ for gas below. The monetized benefits included in the PIM are calculated from a subset of benefit categories included in the RI Test, calculated using the same methods and inputs as the RI Test.

Commented [AC241]: Have any other stakeholders proposed alternative PIMs that align the PIM with statewide/program objectives in areas like climate and equity? What benefits or challenges does the Company see with doing so?

Commented [RIE241R2]: Nothing concrete has been proposed for the Company's consideration.

Commented [RIE242]: From Acadia:
"In addition to establishing equity metrics, establishing a three-year roadmap for how those metrics will eventually be tied to a performance incentive mechanism (PIM). Establishing a PIM is a critical priority of both Acadia Center as well as the Energy Efficiency Council and would utilize the existing service quality adjustment (SQA) mechanism which has precedent in the current PIM structure."

Commented [RIE242R2]: A roadmap is an interesting idea. Let's discuss more. In our opinion, this roadmap doesn't necessarily need to be fleshed out for the 2025 EE Plan; perhaps we could set up discussions for early 2025 so we can place more focus and pull in more resources?

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Table 6~~12~~. Electric Energy Efficiency Portfolio Benefits Alignment for PIM Calculations

Benefit	**PIM Categorization**	**Percent Allocation in PIM Calculation**
Summer Generation	Electric Utility System Benefits	100%
Capacity DRIPE		
Transmission		
Distribution		
Reliability		
Winter Peak Electric Energy		
Winter Off Peak Electric Energy		
Summer Peak Electric Energy		
Summer Off Peak Electric Energy		
Electric Energy DRIPE		
Utility Non-Energy Impacts (NEIs)		
Non-Embedded Carbon		
Natural Gas and Natural Gas DRIPE	Resource Benefits	35~~3550~~%
Oil and Oil DRIPE		
Propane		
Water		
Non-Resource (NEIs)	Other Not Included Benefits	0%
Non-Embedded NOx		
Economic		

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Table 7~~13~~. Gas Energy Efficiency Portfolio Benefits Alignment for PIM Calculations

Benefit	PIM Categorization	Percent Allocation in PIM Calculation
Natural Gas	Gas Utility System Benefits	100%
Natural Gas DRIPE		
Utility Non-Energy Impacts (NEIs)		
Summer Generation	Resource Benefits	~~50%~~35%
Capacity DRIPE		
Transmission		
Distribution		
Reliability		
Winter Peak Electric Energy		
Winter Off Peak Electric Energy		
Summer Peak Electric Energy		
Summer Off Peak Electric Energy		
Electric Energy DRIPE		
Oil and Oil DRIPE		
Propane		
Water		
Non-Resource (NEIs)	Other Not Included Benefits	0%
Non-Embedded Carbon		
Non-Embedded NOx		
Economic		

Tables E-8B and G-8B show the costs that are used in the “netting” calculations in the PIM, and that are incorporated in the SQAs in the sectors to which they apply. The core of the costs included in the PIM is the “Eligible PIM Budget” derived from Attachment 5, Table E-3 and Attachment 6, Table G-3. The Eligible PIM budget is calculated based on the total budget from Tables E-2 and G-2 with regulatory costs equally distributed and commitments, OER costs, RIIB transfers, pilot costs, assessment costs, and performance incentive value removed.

Electric

In 2025~~5~~4, two electric sectors (non-income eligible Residential and C&I) are eligible to receive performance incentives. The combined eligible net benefits of these sectors have de~~in~~creased from 2024~~3~~ to 2025~~5~~4. In 2025~~5~~4, the Company proposes a payout rate of 7~~10.1~~% of 2025 ~~4~~ planned PIM-eligible net benefits, which the same rate used to calculate the 20244~~3~~ compliance filing payout pool. Because of the smaller amount of PIM-eligible benefits, this payout rate yields a target incentive pool of $2,483,751, which is $591~~719~~,317 less~~less928 more~~ in electric performance incentives than in 20244~~3~~.

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For 2025~~5~~4, the Company has proposed raising the maximum income eligible electric SQA from $352,674 to $483,062. This adjustment is directly scaled to the increase in total income eligible benefits between 20244~~3~~ and 2025~~5~~4. The non-income eligible Residential and C&I sectors are not eligible for SQAs in 2025~~5~~3.

Natural Gas

As in 2024, in 2025, the gas performance incentive is entirely allocated to the C&I sector (the only sector with positive eligible net benefits). ~~Therefore (consistent with the calculation of the electric performance incentive), the specific decrease in t~~The Company's proposed 2025 gas incentive was calculated by keeping the 2024~~3~~ compliance filing gas C&I payout rate of 100~~1.7~~% constant for 20254. In 20254, the Company is seeking a payout pool of $605,171 which is $153,481 less~~$112,970~~ in gas performance incentives than in 2024~~3~~. This decrease aligns with the decrease in natural gas eligible net benefits.

In 2022025~~5~~4, the Company has proposed raising ~~lowering~~ the maximum non-income eligible gas SQA from $302~~333~~,823~~302333823102~~ to $359,687 and raising~~raisinglowering~~ the maximum income eligible gas SQA from $109,114~~11423,176~~ to $144,369~~53009,637~~. The adjustments are directly scaled to the changes in total sector-specific eligible benefits between 2024~~3~~ and 20254. The C&I sector is not eligible for an SQA in 2025~~5~~4. ~~Tables E-8C and G-8C show the final summarizations of the calculations for the PIM and SQAs, including target earning opportunities and maximum earning opportunities.~~

9.1 FUTURE PERFORMANCE METRICS

The Company does not propose any additional performance metrics for the 2025 Program Year.

~~Throughout the planning process, the Company will engage with stakeholders if updates are needed to this section of the plan regarding future performance metrics. As of this Draft, the Company is not proposing any changes to the Performance Incentive Plan from the one adopted by the Commission for the 2024 Annual Energy EfficencyEfficiency Plan~~

10. ADVANCING DOCKET 4600 PRINCIPLES AND GOALS

Along with the quantitative benefits detailed in this Annual Plan, as measured by the RI Test, the energy efficiency investments and innovation planned for 2025 also advance the Docket 4600 principles and goals.[33] The Docket 4600-A Guidance Document directed that "the proposing party must provide accompanying evidence that addresses how the proposal advances, detracts from, or is neutral to each of the stated goals of the electric system."[34] To meet this directive, the Company describes how the

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[33] PUC Report and Order No. 22851 accepting the Stakeholder Report. Written Order issued Jul. 31, 2017.

[34] Approved final clean version of Guidance Document (Oct. 27, 2017).

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Commented [CJ243]: What is the plan for this? I'm specifically interested in if/how we can finally begin setting a framework for an equity component in the PIM.

Commented [RIE243R2]: The Company is open to discussing stakeholder proposals to update the PIM but feels that an equity component should be looked at as part of our rate case of overall service quality plan, since it impacts many areas of our operations.

Commented [CJ243R3]: Okay, so let's have the discussion. Consider this a formal request for the Company to elevate this for discussion at an upcoming TWG.

We included some language around this in our pre-file testimony for the 2024 Plan as well as in our comments on the 2nd/near final draft of the 2024 Plan itself last year that could be used as a starting point. The response was that it was a topic for future discussion.

Commented [RIE243R4]: Please see the response to the comment from Acadia above.

Commented [CJ243R5]: It's an interesting idea that we've raised for several years now, so disappointed that the conversation or even the commitment in a plan to have the conversation hasn't occurred.

The roadmap itself doesn't need to be fleshed out in the plan, but we'd at least like to see the commitment to work on one in 2025. When we raised this last year we got more or less the same response...a willingness to engage in the conversation with no commitment in the Plan to do so. We're asking for something to be included in the Plan so that there is a clear commitment as part of the plan implementation.

Commented [RIE243R6]: Give us a concrete proposal for how this would work and we will work with you to review it. How can we commit to engaging with something that doesn't exist?

Commented [CJ244]: Does that mean that we aren't including the content from what was approved in the 2024 Plan? I still think its important that this plan include that.

Commented [RIE244R2]: Updated

Commented [CJ245]: Disappointed to not see at least the 2024 text here given that it doesn't sound like there are any major revisions.

I do know that we had some comments in this section on the 2024 Plan that were not fully addressed in the Plan (though may have been addressed in part in comment responses). Having the 2024 text here would have given us a good opportunity to get those back on your radar. Since that text is not here and since no major revisions are anticipated, I will recommend that the Company revisit comments we provided in this section on the 2024 Plan when working on this section for the 2nd draft.

Commented [RIE245R2]: Updated

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Annual Plan either advances, detracts, or remains neutral on achieving the Docket 4600 goals for the electric system in Table 8~~Table 14~~.

Table 8~~14~~. Docket 4600 Goals for the Electric System

4600 Goals for Electric System	**Advances/Detracts/Neutral**
Provide reliable, safe, clean, and affordable energy to Rhode Island customers over the long term.	**Advances:** The Annual Plan gives customers tools to reduce their energy consumption. The safest, most reliable, most affordable energy is energy that is never used. Lowering energy consumption avoids investments in the installation, upgrade, or replacement of transmission and distribution infrastructure, and reduces strain on the system.
Strengthen the Rhode Island economy, support economic competitiveness, retain, and create jobs by optimizing the benefits of a modern grid and attaining appropriate rate design structures.	**Advances:** The Annual Plan will create significant economic benefits in Rhode Island. The Company expects that investments made in energy efficiency under this Annual Plan will add $269.7~~01.401714632.9~~ million to Rhode Island's Gross State Product (GSP), equivalent to 2,087~~100367100~~ job-years.
Address the challenge of climate change and other forms of pollution.	**Advances:** The Annual Plan will help reduce 61~~.~~237~~.02002071,763~~ short tons of carbon emissions in 20254 from the installed measures as well as reduce other pollutants associated with the generation and combustion of electricity, natural gas, and delivered fuels.
Prioritize and facilitate increasing customer investment in their facilities (efficiency, distributed generation, storage, responsive demand, and the electrification of vehicles and heating) where that investment provides recognizable net benefits.	**Advances:** The Annual Plan provides incentives for customers to invest in cost-effective energy efficiency measures in their facilities and participate in demand response programs and provides handoffs to other programs including EV charging programs.
Appropriately compensate distributed energy resources for the value they provide to the electricity system, customers, and society.	**Neutral:** This is not applicable; distributed energy resources, such as generators, are not participants in the energy efficiency programs.
Appropriately charge customers for the cost they impose on the grid.	**Neutral:** This is not applicable; energy efficiency projects do not impose a cost on the grid.
Appropriately compensate the distribution utility for the services it provides.	**Advances:** The performance incentive contained in this Annual Plan compensates the Company for achieving the energy savings goals through delivering cost-effective energy efficiency programs to customers while aligning with the PUC's PIM principles.
Align distribution utility, customer, and policy objectives and interests through the regulatory framework, including rate design, cost recovery, and incentive.	**Advances:** The Annual Plan aligns Company, customer, and policy objectives and interests by incentivizing energy savings measures that enable customers to manage and reduce their energy consumption, which in turn contributes to the greenhouse gas reduction goals of the Act on Climate, Power Sector Transformation goals, Heating Sector Transformation goals, and the 100 percent Renewable Electricity goal while allowing the Company to earn a performance incentive.

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Commented [CJ246]: Please explain as you did for the other items.

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Commented [CJ247]: Ditto.

Commented [RIE247R2]: Updated.

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~~No major revisions anticipated. This section will detail how the 2025 Plan advances the principles and goals from Docket 4600.~~

11. CONCLUSION

In preparing this 2025 Annual Plan, the collaboration between the Company and various entities, including the Energy Efficiency Council (EEC), the Office of Energy Resources (OER), the Division of Public Utilities and Carriers, stakeholders from the Energy Efficiency Technical Working Group (EE TWG), the Energy Efficiency Equity Working Group (EE EWG) resulted in a more thoughtful and complete plan. 2025 brings with it several changes. 2025 will bring a new statewide energy code, the 2024 International Energy Conservation Code (IECC). The Company anticipates that the Inflation Reduction Act (IRA) and other state and local programs aimed at funding energy initiatives will heighten the demand for energy efficiency, and consequentially, the demand for the skilled professionals responsible for implementing the Company's programs. Additionally, the Rhode Island Public ~~u~~Utilities Commission (PUC), in RI PUC Order 25092 within Docket 23-35-EE, set forth that any program with a projected cost that exceeds the cost of supply—excluding delivered fuels in the intrastate calculation—must provide a justification for its approval. In the 2025 Annual Plan, the costs of six proposed programs surpass the Commission's established cost of supply, requiring justifications based on the Least Cost Procurement (LCP) Standards.

In response to these changes, ~~n 2025,~~ the Company's workforce development initiatives will encompass a variety of capacity-building activities, including collaboration with Community Action Programs ~~(SCAPs)~~, which are responsible for implementing weatherization programs for income-eligible individuals. This partnership aims to support their staff and assist in recruiting and training additional energy auditors to improve their capacity to serve eligible customers. With regards to the implementation of IECC 2024, the Company has already initiated training for contractors, town officials, program implementers, and other relevant stakeholders regarding the new energy code's implications for designing and installing energy efficiency measures in both existing buildings and new construction projects. To meet this growing demand anticipated with the influx of IRA funding, the Company plans to expand its current workforce development efforts and utilize the knowledge and training resources available through trade allies and industry experts.

The Company has made significant efforts to present justifications—both quantitative and qualitative—for the continued support of programs where the Cost of Efficiency exceeds the Cost of Supply as defined by the PUC. The Company has revised its strategy for planning the 2025 programs, specifically by reducing funding for delivered fuels efficiency measures in an effort to minimize program costs that exceed the cost of supply. Throughout 2025, the Company will evaluate the effects of these adjustments on program participation, contractor engagement, resource allocation, and customer satisfaction to determine if further modifications are needed. The Company considers this a multi-year process, and therefore, decisions regarding program continuation should not be based solely on the 2025 plan but should also take into account long-term impacts. There may be market and program effects that cannot be evaluated in time for the 2025 planning cycle but could provide valuable insights for future plans.

Commented [CJ248]: Section is blank with no indication of what will be included here.

Commented [RIE248R2]: Updated

Commented [CJ248R3]: Leaving open because this is still "To be added to next draft".

Commented [RIE248R4]: Updated

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12. MISCELLANEOUS PROVISIONS

- Other than as expressly stated herein, this Annual Plan establishes no principles and shall not be deemed to foreclose any party from making any contention in any future proceeding or investigation before the PUC.
- Other than as expressly stated herein, the approval of this Annual Plan by the PUC shall not in any way constitute a determination as to the merits of any issue in any other PUC proceeding.
- RI Energy will convene the EE TWG no less than six times in 2025 to review the status and performance of the Company's 2025 energy efficiency programs and advise the Company on potential programs for the 2026 program year.

~~No major revisions anticipated. This section will indicate specific caveats and stipulations of the Plan.~~

13. REPORTING REQUIREMENTS

In 2025, the Company will provide reports, including a report for the first three quarters of 2025 and an annual 2025 report. These reports will be sent to the EEC, the Division, OER, the EE TWG, and the PUC and will include the most currently available program performance for both natural gas and electric efficiency programs. These reports will include a comparison of budgets and goals by program to actual expenses and savings on a year-to-date basis, and a status report on revolving loan funds. The Company reports will also include a summary of program and equity progress and will highlight issues by sector for EEC, Division, OER, and EE TWG attention. Within the C&I sector, there will be separate highlighting of large and small customer program progress and issues. Beginning in the second quarter, the quarterly reports also include a forecast of expected results.

- Beginning with the 2019 Year End Report, the Company provided detailed costs schedules that were developed in collaboration with the PUC. The Company proposes to submit detailed cost schedules in the 2025 Year End Report. In addition, the Company also proposes to submit confidential vendor schedules to the PUC, with a motion for protective treatment. These confidential vendor schedules detail costs to individual vendors and other external entities.
- Per the Standards adopted in Docket 23-07-EE, the Company will provide to the EE TWG, and file with the PUC its 2024 Year-End Report no later than May 1, 2025. This report will include achieved natural gas and electric energy savings in 2024 and earned incentives for 2024. The report will also include a discussion of deviations from planned quantities as specified in the Standards.

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- The Company will provide the EE TWG with a summary of evaluation results that have been incorporated into this 2025 Plan, including a description of the impact of those results in planning the Company's 2026 programs, in the 2026 Plan to be filed by October 1, 2025.

~~No major revisions to this section are anticipated. This section will provide information on the quarterly and annual reporting on the implementation of the 2025 Annual Plan.~~

14. REQUESTED RULINGS

The Company respectfully requests that the PUC approve the 2025 Plan as presented in this document and the supporting attachments in its entirety. The Annual Plan has been developed with careful consideration of the linkages between all parts. The specific components of this 2025 Plan for which the Company requests approval include:

- The savings goals, programs, measures, budgets, and associated customer collections required to fund the 2025 energy efficiency programs.
- The PIM and associated earning opportunity provided by the Company in this Annual Plan.

~~Consistent with the latest revised LCP Standards, this section will indicate the specific rulings the Company requests of the RI PUC through this filing.~~

Commented [CJ249]: These all appear to be holdovers from the Plan Outline memo. If no major revisions envisioned, I don't understand why the 2024 text couldn't be included at minimum to make the first draft a bit more complete.

Commented [RIE249R2]: Updated

ATTACHMENTS

Annual Plan Attachment 1. Residential and Income Eligible Energy Efficiency Solutions and Programs

Annual Plan Attachment 2. Commercial and Industrial Energy Efficiency Solutions and Programs

~~Anticipated revisions to program strategy highlighted in Section 2.4 above. This attachment will continue to provide detail about all elements of the Commercial and Industrial programs.~~

Commented [CJ250]: What is this about? Seems out of place?

Commented [RIE250R2]: Deleted

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Annual Plan Attachment 3. Evaluation, Measurement & Verification Plan

Annual Plan Attachment 4. Rhode Island Benefit Cost Test Description

Annual Plan Attachment 5 and Attachment 6. Electric and Gas Energy Efficiency Program Tables

Annual Plan Attachment 7. ~~Rate and Bill Impacts~~(Reserved for future use)

Annual Plan Attachment 8. Pilots, Demonstrations & Assessments

Annual Plan Attachment 9. Cross-Program Summary

Annual Plan Attachment 10. Definitions

Annual Plan Attachment 11: 2024 Equity Working Group Report

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Page 14: [1] Commented [RIE21R2] RI Energy 5/23/2024 3:06:00 PM

We provide robust financing for business customers with ZERO ("0%") financing over a loan term that can extend beyond 2 years to better match the project payback, the repayment is "on bill" so the customer is not managing two separate payments, a contract for the financing is incorporated into the energy efficiency project, and no financial review of the company's assets and liabilities.

The Company will continue to support energy efficiency investments by offering financing that is appropriate and useful for customers. The Bloc Power pilot is one example of expanding financing options, as is our work with RIIB and CommerceRI to offer grants in addition to program funding.

Page 14: [2] Commented [SA22] Susan AnderBois 4/11/2024 1:52:00 PM

Really appreciate these priorities. I also appreciate that this it does not include one on improving Company/Customer ratings --- that it's truly about program outcomes, not just about the company.

I wonder if there's something in either priority 1 or 4 where there's some partnerships with trusted community groups built in? Optimized and tailored programs may include the company partnering with trusted local contracts, etc.

Page 14: [3] Commented [CJ25] Craig Johnson 4/26/2024 2:22:00 PM

Suggest commenting on whether this is an ordered list or not. We're guessing it isn't, but if there is any ordering or grouping, it should be made clear.

Page 14: [4] Commented [j24] jen 4/24/2024 2:02:00 PM

This is another area where communication and outreach strategies are important. How is the Company engaging customers? How is the company assessing and working to improve those strategies? This is a cross sector issue as well as an equity issue.

Page 14: [5] Commented [SA26] Susan AnderBois 7/29/2024 12:04:00 PM

Maybe we should have some sort of program design of pilots/demos that lead to larger implementation?

It feels like good demos/pilots are done that then die?

Page 14: [6] Commented [CJ26R4] Craig Johnson 7/29/2024 12:06:00 PM

Building on this (to extent this isn't the case), I wonder if it would be helpful to have a list of historical DPAs that documents whether they've been successful and adopted into standard program offerings, and if not, why not. Ideally this demonstrates that value of doing DPAs.

Page 14: [7] Commented [RIE26R5] RI Energy 7/29/2024 12:07:00 PM

DPA progress is chronicled in the Quarterly and Annual Reports, which show progress and whether they have been incorporated.

Page 14: [8] Commented [CJ26R3] Craig Johnson 7/29/2024 12:06:00 PM

We provided some comments in the DPA attachment with suggestion of how to better highlight historical DPAs and if/how they have been incorporated into standard program offering.

Page 14: [9] Commented [RIE26R2] RI Energy 7/29/2024 12:05:00 PM

Thanks for the comments. Prior DPAs have been incorporated into standard program offerings and we are researching a number of options for the 2025 program year.

Page 14: [10] Commented [SA27] Susan AnderBois 4/11/2024 2:06:00 PM

I don't understand the distinction being made between C&I and resi. Why is Resi just descriptions? Or am I totally reading this wrong?

Page 14: [11] Commented [CJ28] Craig Johnson 6/11/2024 4:12:00 PM

Suggest reordering examples so that they fall in same order as attachments (i.e. Res is attachment 1, so should be first example).

Page 14: [12] Commented [SC29] Steven Chybowski 4/22/2024 8:19:00 PM

I appreciate this language addressing systemic and institutional structures and look forward to seeing the continued efforts to address these issues

Page 15: [13] Commented [RIE33R2] RI Energy 7/29/2024 12:15:00 PM

The Company provides opportunities and remove barriers towards equitable participation, but we can't guarantee participation. Our efforts to quantify these efforts through the development of equity metrics demonstrate that we are trying to understand drivers of participation and increase the likelihood that more customers will avail themselves of program offerings.

Page 15: [14] Commented [RIE33R4] RI Energy 8/28/2024 12:30:00 PM

We've had this disagreement for a number of years now. We can continue to discuss the semantics and the "harm", but we'd rather focus on activities to increase participation.

Page 15: [15] Commented [CJ33R3] Craig Johnson 8/21/2024 3:49:00 PM

Understood that the Company can't guarantee participation, but program design should strive to equitable participation. That's not to say that the Company isn't already doing that, I just think if programs are being designed in a way that strives for equitable participation, what is the harm in saying that?

Page 15: [16] Commented [SR34] **Samuel Ross** **4/15/2024 10:41:00 AM**

This is not what efficacy means in the standards. The full text from the updated and approved standards is here:

L. Efficacy. All efforts to establish and maintain program capability shall be done in a manner that ensures quality delivery and is economical and efficient. The distribution company shall include wherever possible and practical partnerships with existing educational and job training entities.

This relates to 'program **capability**' NOT to program costs and savings. It is not a requirement for cost efficiency (i.e. cream skimming) or limiting bill impacts. This needs to be corrected. This element of standards is solely related to efforts to ensure the labor market is robust and able to support the desired level of program activity.

Page 15: [17] Commented [RIE34R2] **RI Energy** **5/23/2024 3:13:00 PM**

We read the second sentence in the standard text as complementary to the first, not as an element that rules out all other interpretations as the commenter suggests. In other words, labor initiatives such as those describe contribute to quality, economic and efficient delivery, but they are not the only way to do so.

Page 15: [18] Commented [CJ34R3] **Craig Johnson** **6/11/2024 4:25:00 PM**

I think we may just have a difference of opinion here.

Page 15: [19] Commented [CJ34R5] **Craig Johnson** **8/21/2024 3:56:00 PM**

Leaving open to not lose site of this from our team's perspective.

Page 15: [20] Commented [RIE36R2] **RI Energy** **5/23/2024 3:20:00 PM**

The Sectors are Residential, Income Eligible, and Commercial & Industrial, the 3 program umbrellas.

Page 15: [21] Commented [CJ35] **Craig Johnson** **4/26/2024 2:25:00 PM**

From Jen C: There are issues of underserved communities subsidizing the more sophisticated customers. Addressing this holistically would move us towards parity.

Page 15: [22] Commented [SA36] **Susan AnderBois** **4/11/2024 2:18:00 PM**

Do we mean customer classes here? I am just not sure what sectors are. I'm also not sure that this is parity. I think this is something more like, "customer classes pay for their programs without subsidizing others". (While I both very much support the efficiency of getting as much savings as possible; I also worry this gets in the way of our equity goals, where some energy savings will cost a little more than what those sectors put in? Or some sectors have historically underspent?)

Page 15: [23] Commented [RIE36R4] RI Energy 7/3/2024 1:09:00 PM

Thank you for this input. We will consider when evaluating parity.

Page 15: [24] Commented [RIE35R2] RI Energy 5/23/2024 3:16:00 PM

Thank you for the comment. Please note that income-eligible SBC revenue covers 20% of income-eligible sector spending. The remaining 80% is provided by C&I and market rate residential SBC revenue. Please see section 6.4.3 for additional detail on parity.

Page 15: [25] Commented [CJ36R3] Craig Johnson 6/28/2024 8:52:00 AM

A possible interpretation that might balance these considerations would be that “parity” ensures that each sector receives a quantity of gross benefits at least equal to its SBC collections. For example, it is not that sectoral *spending* needs to at least match collections, but that *gross benefits* should at least match collections. In this way, any cross-sector spending subsidizing IE customers can be viewed as sharing only a portion of the ‘surplus’ SBC from the other sectors.

Page 15: [26] Commented [SR37] Samuel Ross 4/15/2024 10:50:00 AM

No mention of cost of supply in the principles, and no mention of Act on Climate. Seems like these would be good to add or integrate

Page 15: [27] Commented [CJ37R3] Craig Johnson 8/21/2024 3:55:00 PM

Leaving open if only to keep on our radar as something we may raise in the future, whether that be during PUC proceedings or in future revisions to standards.

Page 15: [28] Commented [RIE37R2] RI Energy 5/23/2024 3:21:00 PM

The principles of program design are adopted from section 3.2 of the Standards. There are 14 sections there, each highlighting a principle. Those 14 sections match these 14 bullets here.

Also, first principle is Integration with other programs and policies. Readers are directed to Section 5, where in Section 5.2 Act on Climate is explicitly discussed.

When the PUC adds what the commenter suggests to its principles, we will add them here.

Page 16: [29] Commented [CJ40] Craig Johnson 6/28/2024 9:54:00 AM

Understanding that the PUC’s Order provided direction to exclude a very specific set of benefits, we would suggest thinking about the underlying principles of this direction are, and to spend a bit more time explaining the methodology. We think its important to assess the degree to which this mechansim is or is not aligned with best practices for cost-benefit analysis and cost of supply calculations, particularly around symetry. The exclusion of certain benefits because they do not flow to ratepayers through their utility bills suggests that we should also exclude costs that fall into the same category - specifically customer contribution.

Page 16: [30] Commented [CJ40R3] Craig Johnson 8/21/2024 4:07:00 PM

While the new section is appreciated and very helpful, I'm not sure it fully covers this point that we're making. Leaving this open for now as it might be something we want to come back to in the future.

Page 16: [31] Commented [SC41] Steven Chybowski 4/23/2024 9:11:00 AM

Flagging the importance of *programs* being cost-effective, even if not all individual measures within a program are

Page 16: [32] Commented [RIE42R2] RI Energy 7/29/2024 12:22:00 PM

We did this deliberately to avoid duplicating the same text and discussion in multiple places. Duplicating text complicates the process of authoring text as well as the comment process. In the near term our priority is providing the necessary detail around any program changes in the relevant attachment.

Page 16: [33] Commented [CJ42] Craig Johnson 7/29/2024 12:20:00 PM

Overall recommendation would be to have a brief program description for each program (as is already the case in 2.3.1) and then as part of that have any notable changes to the program referenced (as opposed to just referring reader to Res attachment. Changes don't need to go into full detail here, but they should be at least referenced so that anyone only reading the Main Text gets an understanding of what is changing.

Page 16: [34] Commented [RIE45] RI Energy 7/29/2024 12:24:00 PM

From Acadia: "Regarding residential consumer products, offering more details on the education and training of retail staff on the promotion of high efficiency household appliances. Reporting on the relative availability and sale of products carrying the energy star label at retailers across Rhode Island."

Page 16: [35] Commented [RIE45R2] RI Energy 7/29/2024 12:25:00 PM

Our implementer for this program educates the retail store associates on the benefits of energy efficient products to help customers understand the connection to lowering their utility bills. Store associates also ensure customers are aware of incentives offered by RIE. While tabling events at retail stores, our implementer provides comprehensive education to consumers on all the RIE programs starting with Home Energy Assessments.

Page 16: [36] Commented [RIE44R2] RI Energy 8/29/2024 12:20:00 PM

The issue with things like weed whackers, leaf blowers, and lawn mowers is they are historically gas powered. Pool pumps have always been electric, and the tech has advanced. In the future if electric outdoor equipment becomes 'baseline' there is in theory a chance if there are radical improvements in efficiency levels, but it would presumably be aways away for battery or other tech to advance such that those measures screen under current rules and regulations.

Page 16: [37] Commented [RIE43] **RI Energy** **7/29/2024 12:24:00 PM**

From Acadia: “Regarding residential consumer products, offering more details on the education and training of retail staff on the promotion of high efficiency household appliances. Reporting on the relative availability and sale of products carrying the energy star label at retailers across Rhode Island.”

Page 16: [38] Commented [SA44] **Susan AnderBois** **8/9/2024 2:02:00 PM**

What is the opportunity for promoting energy efficient and/or electric outdoor products that are plugged into the home? Are there weed whackers or lawn mowers that are more efficient htan others? As folks move to electrify their lawn equipment, does this move into the category of residentila consumer products? And if not, why not? (Particularly if pool pumps count – what about leaf blowers?).

Page 16: [39] Commented [RIE46R2] **RI Energy** **8/12/2024 3:44:00 PM**

We do heat pumps. They are part of the HVAC program referenced two paragraphs below.

RCP offers things a customer can install themselves (window AC) - a heat pump requires a contractor and is thus in the HVAC category.

Page 16: [40] Commented [RIE47R2] **RI Energy** **8/28/2024 3:59:00 PM**

How does it train retail staff?

TRC staffs educational tables which provides product training not only to the consumer but to the assistants as well. TRC staff visit big box retailers bimonthly. This cadence ensures we meet as many store assistants and managers as possible to provide program and product education. Some store managers have periodic vendor outreach events where several vendors are invited to train store assistants. On occasion, TRC will meet with appliance field reps (such as Samsung or Rheem) to jointly staff an event.

Is the utility creating training materials for specific stores/brands? Or working with specific installers?

Regarding retailers, we do not have store specific marketing materials due to smaller retailers notice retailer specific materials, they would expect the same. TRC works with pool installation contractors to provide information on variable speed (frequency) pool pumps.

Is this information also available on the web portals for the products? Like if I am buying a new washing machine on Loews.com or through Wickford Appliance online, is there information on the website about the

applicable incentives?

Large retailers will often have some information about federal tax credits, however generally not about state or utility incentives because there are too many different ones (so it becomes logistically challenging)

Page 16: [41] Commented [SA47] Susan AnderBois 8/9/2024 1:59:00 PM

How does it train retail staff? Is the utility creating training mateials for specific stores/brands? Or working with specific installers?

Is this information also available on the web portals for the products? Like if I am buying a new washing machine on Loews.com or through Wickford Appliance online, is there information on the website about the applicable incentives?

Page 21: [42] Commented [RIE57R4] RI Energy 7/3/2024 1:20:00 PM

Changes to website are occurring in 2024 so not included in 2025 plan.

Page 21: [43] Commented [RIE58R6] RI Energy 8/28/2024 2:21:00 PM

Thanks for the feedback. This would entail a rigorous effort given how our budgets are currently set up and the recent transition from National Grid accounting. We will explore how we might be able to do this, but it's not an enhancement we're currently prepared to offer in 2025.

Page 21: [44] Commented [ML58R5] Margie Lynch 8/19/2024 11:45:00 AM

It shouldn't be overly hard to roll up equity investments. I suggest you ID and add up and $ spent on these efforts: low income, renters, language access, workforce diversity, moderate income, small business, and any dedicated equity community efforts.

Page 21: [45] Commented [CJ58R4] Craig Johnson 8/21/2024 4:18:00 PM

Understand that it would require some level of effort to tag each budget item as equity related or not and would definitely appreciate revisiting this in subsequent plans. That said, would it be possible to make a potentially less rigorous attempt at this by identifying and adding up $ spent on the following efforts: low income, renters, language access, workforce diversity, moderate income, small business, and any dedicated equity/community efforts? Or some version of that depending on what can relatively easily be separated out?

Page 21: [46] Commented [ML58] Margie Lynch 6/12/2024 12:30:00 PM

Somewhere in this section or elsewhere in this Plan I'd like to see a figure on how much $ the Company is budgeting for its equity-related efforts.

Page 21: [47] Commented [RIE58R3] RI Energy 7/3/2024 1:21:00 PM

Thanks Craig. If we were to do something like this, we would need to tag each budget item as equity-related or not-equity-related, which we don't currently do. Our near term focus is on the equity metrics. This could be something to revisit in subsequent plans but is not currently viable.

Page 21: [48] Commented [CJ58R2] Craig Johnson 6/28/2024 11:26:00 AM

See slides 17-18 at link below as an example of what might be useful.

https://ma-eeac.org/wp-content/uploads/25-27-Plan_Equity_EWG-Presentation-4.5.24.pdf

Page 21: [49] Commented [CJ61] Craig Johnson 6/11/2024 4:48:00 PM

Pleased to see that the tone here at least is moving past "equitable access" as was the case in past plans and on to "equitable benefits".

Page 21: [50] Commented [RIE62R2] RI Energy 8/1/2024 3:45:00 PM

We have discussed this internally and are open to the idea. We are supportive of greater alignment between the EWG recommendation process and the planning process. We plan to discuss the details further with the EWG.

Page 21: [51] Commented [RIE62] RI Energy 8/1/2024 1:06:00 PM

From Acadia: "To avoid the ongoing misalignment of equity recommendations with the development of EE plans, the Company and stakeholders may also consider shifting the timeline for producing EWG reports, such that equity recommendations are finalized prior to the Company's development of this first draft narrative. For example, an annual EWG report may be finalized in Q1 of 2025, covering CY 2024, in order for the Company to embed those recommendations into its first draft narrative of the 2026 annual EE plan released in June of 2025."

Page 21: [52] Commented [RIE63R6] RI Energy 8/28/2024 2:24:00 PM

The metrics the Company is adopting are listed out in the plan.

Page 21: [53] Commented [CJ63R3] Craig Johnson 6/11/2024 4:51:00 PM

Pleased to here this and am looking forward to seeing how this is incorporated in future iterations of this Plan.

Page 21: [54] Commented [RIE63R2] RI Energy 5/23/2024 3:50:00 PM

The Company will include adopted 2025 equity strategies and metrics directly in the Plan text. Those adopted metrics and strategies will derive from the Equity Working Group's final report, which will be included as an attachment.

Page 21: [55] Commented [CJ63R5] Craig Johnson 8/21/2024 4:26:00 PM

Earlier comment indicates that the adopted strategies and metrics will be included in Plan text. I think the section below hits on some of the strategies, but doesn't have the metrics themselves. I will continue to suggest that the Company bring the metrics forward from the EWG report into the Plan itself. EWG report is an attachment to the Plan, and is not authored by the Company. Including the metrics in the Plan itself would demonstrate a stronger message from the Company that it is adopting the metrics the EWG is putting forward.

Page 21: [56] Commented [CJ63] Craig Johnson 4/26/2024 3:02:00 PM

We would like to see the Plan go a step beyond including these in a report as an attachment to the plan. The EWG final report has in the past been finalized at the same time the Plan is finalized, leaving no room to directly incorporate the recommendations of the EWG into the Plan itself.

Page 21: [57] Commented [RIE64R2] RI Energy 5/23/2024 3:50:00 PM

This will likely be Attachment 11 again, but the Company included the placeholder to allow for potential changes in attachment numbering. The intent is to distribute the draft EWG report in August.

Page 21: [58] Commented [CJ64] Craig Johnson 4/26/2024 2:16:00 PM

Noting that this has been Attachment 11 in the past, so curious why its not included in the default table of contents in this memo. Putting that aside, taking the opportunity here to reiterate the importance of providing stakeholders with a version of the EWG Report early enough in the planning process to allow for review, comment, and iteration.

Page 21: [59] Commented [ML65] Margie Lynch 6/12/2024 12:25:00 PM

To Craig's point above, less important is mention of EWG's report and more important is how report gets integrated into the Plan.

Page 21: [60] Commented [ML66] Margie Lynch 8/1/2024 1:08:00 PM

This content, though informative, is largely backwards looking. I think it's important to provide a more explicit linkage to how these 2024 activities may be continued, expanded (see esp. #1 and opportunity to use same model for other communities), or changed in 2025.

I do see an explanation of this a couple of pages down, but it might need to be moved closer to here so people have the proper context right up front.

Page 21: [61] Commented [RIE66R2] RI Energy 8/1/2024 1:09:00 PM

Re-worked this section to integrate 2025 equity metrics and strategies. This section now contains a mix of strategies expanded upon from 2024, new recommendations from the EWG, and new ideas from the Company.

Page 21: [62] Commented [SA67] Susan AnderBois 4/11/2024 2:45:00 PM

The EERMC education committee also worked with the HEZ through URI outreach center. Has the company tapped into any of those resources?

Page 21: [63] Commented [RIE67R2] RI Energy 5/23/2024 12:34:00 PM

Yes the Company has been engaged in the HEZ effort. Please see page 20 for more detail.

Page 22: [64] Commented [RIE72R2] RI Energy 8/28/2024 2:26:00 PM

The intent here is to build out capabilities to track the effectiveness of outreach events that the Company either hosts or attends as a participant each year.

Page 22: [65] Commented [CJ74R3] Craig Johnson 8/21/2024 4:20:00 PM

This conversation needs to happen. The existing metrics were prioritized for 2024, but were a subset of a much larger list the EWG had originally proposed for 2024. It was our understanding that more would be added for 2025. At minimum, we'd like to see a commitment in the Plan that speaks to this and commits to identifying and prioritizing additional metrics in 2025 as recommended by the EWG once that conversation does happen.

Page 22: [66] Commented [ML74R4] Margie Lynch 8/19/2024 12:20:00 PM

It will be important to have this conversation—the existing metrics were prioritized for 2024 and it had been our understanding more would be added for 2025.

Page 22: [67] Commented [RIE74R5] RI Energy 8/28/2024 2:23:00 PM

As we are still building out the list of current metrics for tracking and reporting, we think it's too soon to start adding new metrics. Once we have the report and can identify trends, we can review with the EWG in 2025 and have conversations about what's missing in the data or what could be enhanced. Added some language in the plan text to that effect.

Page 22: [68] Commented [RIE74] RI Energy 8/2/2024 11:02:00 AM

From Acadia: "Establishing meaningful metrics to measure success and regularly report on language access"

Page 22: [69] Commented [RIE74R2] RI Energy 8/2/2024 11:03:00 AM

The Company proposes keeping the existing set of equity metrics through 2025 before adding any new metrics. However, we are open to exploring future additions and enhancements to the metrics with the EWG.

Page 23: [70] Commented [CJ77R3] Craig Johnson 8/21/2024 4:30:00 PM

We understand that the Company will discuss participation simplification ideas with the EWG. With that said and understood, we would suggest that the Company bring these ideas to the EWG for discuss: expanding midstream measures, simplifying participation forms, and promoting/expanding direct-to-contractor payments. If these have already been considered internally, then we'd suggest the results be discussed with the EWG to determine next steps and consider additional strategies as needed.

Page 23: [71] Commented [RIE77R4] RI Energy 8/28/2024 12:10:00 PM

Some simplifications that happened in 2024:

—Midstream measures were expanded

—Added VFD direct to contractor payment

--Contracts/Forms translated into Spanish

—Ongoing process evaluation of custom project process

Page 23: [72] Commented [RIE78R2] RI Energy 8/2/2024 11:11:00 AM

The Company plans to report out equity metrics and strategies in its quarterly reports. For latest progress on 2024 equity metrics and strategies, please refer to the materials from EWG Meeting #5 that occurred on July 17th.

Page 23: [73] Commented [CJ78R3] Craig Johnson 8/15/2024 11:33:00 AM

FLAG - Come back to….is this committed to anywhere in the Plan? Committed to later on in this section.

Page 23: [74] Commented [CJ78] Craig Johnson 8/2/2024 11:11:00 AM

Would like to see a commitment to report out on all of these items now and in the future.

Page 23: [75] Commented [RIE79R2] RI Energy 5/23/2024 12:35:00 PM

When resources are available from other programs or partners, they will be integrated with energy efficiency funding.

Page 23: [76] Commented [CJ80R4] Craig Johnson 8/15/2024 11:41:00 AM

Can the Plan speak to this? Also, can the Plan provide more detail on the number of campaigns planned, where they are, etc?

Page 23: [77] Commented [RIE80R5] RI Energy 8/28/2024 2:30:00 PM

More information on Main Street campaigns can be found in section 4.4.1.2 in Attachment 2. Added this reference in the text. The location of these campaigns will be identified in early 2025.

Page 23: [78] Commented [AC80] **Adrian Caesar** **4/17/2024 3:24:00 PM**

Good! Recent discussions have also focused on how to enhance these events (i.e. increase participation), and the partnerships/strategies described at a high level in this section would seem to support that outcome

Page 23: [79] Commented [j80R2] **jen** **4/24/2024 2:17:00 PM**

Is there enhanced service and incentive design in these areas? Again, non-participants have been subsidizing participants for many years now.

Page 23: [80] Commented [RIE81R4] **RI Energy** **8/1/2024 3:04:00 PM**

Please see Attachment 2 for more on small business efforts.

Page 23: [81] Commented [CJ81R3] **Craig Johnson** **8/1/2024 3:03:00 PM**

These are all great things to hear and would love to see some aspects of this spoken to - where appropriate - in the Plan itself.

Page 23: [82] Commented [ML82] **Margie Lynch** **8/19/2024 12:10:00 PM**

Another strategy to is ensure customers know how to find a contractor who speaks their language. See what MA does with their contractor search tool: https://www.masssave.com/en/residential/find-a-contractor/find-a-heat-pump-installer

Page 23: [83] Commented [RIE81R2] **RI Energy** **8/1/2024 3:03:00 PM**

Yes, there are a number of efforts currently underway in 2024 which we want to continue to build on in 2025:

- coordination through Greg Ohadoma (Manager, Equity Justice) @ OER with several organizations including the RI Black Business Association, Center for Southeast Asians and other organizations

- RISE is hiring a person to manage outreach to non-profit organizations

- RIE is hiring a contractor to support C&I marketing efforts which would include outreach to non-profit organizations

- RIE seeking to purchase ad space in non-profit organizations newsletters and other communications to raise awareness of the Small Business Program

Page 23: [84] Commented [CJ83] **Craig Johnson** **8/21/2024 4:32:00 PM**

Pointing you to the MA contractor search tool, which allows customers can find contractors that speak their language. We suggest that this might be a strategy that could be added to the fourth action in this area.

https://www.masssave.com/en/residential/find-a-contractor/find-a-heat-pump-installer

Page 23: [85] Commented [RIE82R2] RI Energy 8/28/2024 2:32:00 PM

Thanks for this suggestion. We will look into it.

Page 23: [86] Commented [AC81] Adrian Caesar 8/1/2024 3:01:00 PM

Have started some conversations here, but really want to expand these efforts to include non-residential customers (mainly small businesses)

Page 23: [87] Commented [j84] jen 4/24/2024 2:16:00 PM

Are these effective? How is effectiveness assessed and are approaches refined?

Page 23: [88] Commented [AC85] Adrian Caesar 8/23/2024 11:20:00 AM

This section includes great additions - thank you for the responsiveness!

Page 23: [89] Commented [RIE84R2] RI Energy 5/28/2024 12:15:00 PM

These workshops have not yet occurred. They are in development with the PPL Supplier Diversity team and are expected to take place later this year.

Page 24: [90] Commented [RIE89R2] RI Energy 8/30/2024 12:14:00 PM

We will bring to this suggestion to the EWG. Any initial input on methodologies for calculating these metrics would be welcome.

Page 24: [91] Commented [RIE89] RI Energy 8/30/2024 12:13:00 PM

From Acadia:

> Acadia Center urges the Company to develop the capacity to track not only the impact and effectiveness of these health-based outreach strategies on efficiency programs, but also on improving health outcomes. Quantitative and/or qualitative health data may reveal important information on the extent of the health and safety concerns facing customers and whether those concerns are being addressed (or not) by efficiency programs. Acadia Center recommends tracking those customers that have energy insecurity and shutoff concerns (which may be better supported by utility programs) and defining specific categories of health concerns associated with low-quality housing and poor indoor air quality. This data will have overlap with the prevalence and resolution of certain pre-weatherization barriers, which the Company is also beginning to track in quarterly reports.

Page 24: [92] Formatted Dagher, Brendan 8/5/2024 8:24:00 AM

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Page 24: [93] Commented [CJ90R3] Craig Johnson 8/1/2024 3:03:00 PM

These are all great things to hear and would love to see some aspects of this spoken to - where appropriate - in the Plan itself.

Page 24: [94] Commented [RIE90R4] RI Energy 8/1/2024 3:04:00 PM

Please see Attachment 2 for more on small business efforts.

Page 24: [95] Commented [AC90] Adrian Caesar 8/1/2024 3:01:00 PM

Have started some conversations here, but really want to expand these efforts to include non-residential customers (mainly small businesses)

Page 24: [96] Commented [RIE90R2] RI Energy 8/1/2024 3:03:00 PM

Yes, there are a number of efforts currently underway in 2024 which we want to continue to build on in 2025:

- coordination through Greg Ohadoma (Manager, Equity Justice) @ OER with several organizations including the RI Black Business Association, Center for Southeast Asians and other organizations

- RISE is hiring a person to manage outreach to non-profit organizations

- RIE is hiring a contractor to support C&I marketing efforts which would include outreach to non-profit organizations

- RIE seeking to purchase ad space in non-profit organizations newsletters and other communications to raise awareness of the Small Business Program

Page 24: [97] Formatted Dagher, Brendan 8/5/2024 8:24:00 AM

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Page 24: [98] Formatted Dagher, Brendan 8/5/2024 8:22:00 AM

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Page 24: [99] Commented [CJ91R3] Craig Johnson 6/11/2024 4:54:00 PM

Where appropriate, let’s include this in marketing sections of the plan.

Page 24: [100] Commented [RIE91R2] RI Energy 5/28/2024 12:14:00 PM

Discussing additional options for 2025 with Marketing.

Page 24: [101] Commented [SA91] Susan AnderBois 4/11/2024 2:45:00 PM

Any other latina/latino radio stations or news outlets?

Page 24: [102] Formatted Dagher, Brendan 8/5/2024 8:22:00 AM

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Page 24: [103] Commented [RIE92R2] RI Energy 5/28/2024 12:15:00 PM

The Company will discuss participation simplification ideas with the Equity Working Group (EWG). The EWG will be developing its recommendations for the 2025 plan over the summer.

Page 24: [104] Commented [DM92] Dan Mellinger 4/26/2024 1:46:00 PM

Implementing ways to simplify program participation, such as expanding midstream measures, simplifying participation forms, promoting/expanding direct-to-contractor payments, etc.

Page 24: [105] Commented [RIE93R2] RI Energy 7/8/2024 11:59:00 AM

@Dagher, Brendan to what extent is reporting on these included in the EWG's annual report?

Page 24: [106] Commented [CJ93] Craig Johnson 6/11/2024 4:57:00 PM

Would like to see a commitment to report out on all of these items now and in the future.

Page 24: [107] Commented [CJ94] Craig Johnson 8/5/2024 3:07:00 PM

Would like to see a commitment to report out on all of these items now and in the future.

Page 24: [108] Commented [RIE94R2] RI Energy 8/5/2024 3:08:00 PM

Equity metrics will reflect quantitative outcomes and detail on efforts are available in quarterly reports and annual EWG report.

Page 24: [109] Formatted Dagher, Brendan 8/5/2024 8:22:00 AM

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Page 24: [110] Formatted Dagher, Brendan 8/5/2024 8:22:00 AM

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Page 26: [111] Commented [RIE101R2] RI Energy 5/28/2024 12:17:00 PM

The Company recommends further discussion around this idea at the EWG meetings occurring this summer (June, July, and August). These meetings will feature sessions to discuss and intake equity recommendations for inclusion in the 2025 plan.

Page 26: [112] Commented [RIE101R4] RI Energy 8/28/2024 12:17:00 PM

Thank you for the suggestion. The Company is addressing the conversion from electric resistance heating to heat pumps through the Small Business Program, not as a component of the work being conducted by the Equity Working Group. To that end, in 2024, the Small Business vendor RISE is seeking to convert 25 small businesses to heat pumps. The project information from these projects will help to inform future heat pump campaigns. In addition, RIE funded a study by CADEO that used billing data to identify approximately 2,800 small business customers that may be likely to use electric resistance heat. RISE reviewed the CADEO analysis, removing customers currently ineligible (e.g. national accounts, municipal accounts, restaurants) for the Small Business Program, and are estimating less than 1,000 eligible customers. Regardless, the next steps for RISE and RIE is to engage with the population of small businesses that are more likely to heat with electric resistance heat, which will help clarify the “true” population of eligible business customers while also providing information on heat pump project costs and customer barriers.

Page 26: [113] Commented [CJ101R3] Craig Johnson 8/21/2024 4:34:00 PM

Understand the Company wants to continue the conversation with the EWG and would suggest that the Company discuss inclusion of an estimate of the number of small businesses that heat with electric resistance in the Plan Narrative. We’d also suggest, along these lines, that the BC Models reflect the intent to target a specific number of small biz ER heating customers by including a discrete measure for displacing ER heat with heat pumps as is the case for the Res/IE programs.

Page 26: [114] Commented [AC102] Adrian Caesar 4/17/2024 3:27:00 PM

Need clarification on whether this will report eligible customers in each community or merely indicate the number of eligible customers in Justive40 and non-Justice40 communities

Page 26: [115] Commented [RIE102R2] RI Energy 5/28/2024 12:17:00 PM

The intent is to report the number of eligible customers participating in each community.

Page 37: [116] Commented [RIE139R4] RI Energy 8/1/2024 3:17:00 PM

3000 total, not 3000 ERH > HP. For ERH > HP market rate we are averaging about 680 per year (2021-2023). 2024 planned is 858. For IE SF, ERH > HP at this point in time we have 74 YTD in 2024 and we did 40 in 2023.

Page 37: [117] Commented [RIE140R2] RI Energy 7/29/2024 3:45:00 PM

In 2023, 40 units were installed. We have completed 74 to date in 2024. Interest in the program has grown it took time to build through marketing.

Page 37: [118] Commented [CJ140R3] Craig Johnson 8/15/2024 12:02:00 PM

I guess what I was looking for was for that type of update to be included directly into this section. I imagine PUC staff might ask some data requests to get updates on this, so it would be useful to have that info baked right into the Plan.

Page 37: [119] Commented [CJ140] Craig Johnson 7/29/2024 3:43:00 PM

Can we demonstrate progress to date on this here along with forward looking planned numbers?

Page 37: [120] Commented [RIE141] RI Energy 8/1/2024 3:17:00 PM

From Acadia:

“Offering additional details on the *number of* communities that have leveraged the Community Solutions Initiative and Main Street Initiative, and committing to a target for number of communities the Company aims to engage in these programs in 2025. Providing details on how the Company envisions growing and scaling the impact of these programs in the long-term.”

Page 37: [121] Commented [ML142] Margie Lynch 8/5/2024 2:23:00 PM

Does the project with Central Falls fall within this? If so, please mention. I’d like to see a commitment to expanding that type of model.

Page 37: [122] Commented [RIE141R2] RI Energy 8/1/2024 3:18:00 PM

Added some detail on these efforts to the text.

Page 37: [123] Commented [RIE142R3] RI Energy 8/5/2024 2:24:00 PM

The Central Falls project does not currently fall within this model. Though it is being expanded in 2025, it is still technically an Assessment at this point.

Page 37: [124] Commented [CJ142R2] Craig Johnson 8/5/2024 2:23:00 PM

And not just expanding, but a planned timeline with goals for such expansion.

Page 37: [125] Commented [CJ143] Craig Johnson 6/11/2024 5:43:00 PM

Was this defined somewhere? If not, it should be.

Page 37: [126] Commented [RIE143R2] RI Energy 7/29/2024 4:04:00 PM

This was an error. Was meant to be The Company.

Page 37: [127] Commented [ML145] Margie Lynch 6/12/2024 12:33:00 PM

Yet the language in this paragraph seems to emphasize the municipality as customer. If residents and businesses are indeed included, please expand content relevant to them.

Page 37: [128] Commented [RIE145R2] RI Energy 7/8/2024 12:12:00 PM

Removed for clarity. The municipality is the customer in this program.

Page 37: [129] Commented [CJ146] Craig Johnson 6/11/2024 5:45:00 PM

What about 2024? What has/will happen this year? Or was the MOU signed in 2023 basically for a pilot year of 2024 before moving on to others in 2025? If that is the case, would be helpful to be more clear about that.

Page 37: [130] Commented [RIE146R2] RI Energy 7/29/2024 4:01:00 PM

We signed one in 2023 and one in 2024. In 2025 we will focus on implementation and evaluating potential expansion. There are a limited number of cities in RI with the mix of C&I customers and large municipal footprints that meet our current criteria.

Page 37: [131] Commented [CJ147] Craig Johnson 6/11/2024 5:47:00 PM

Does the Company have a target for how many they would like to sign in 2025? Is there a goal to get to all communities over time? What is the timeline for that? These are important things to understand where the Company is on the trajectory of this process.

Page 37: [132] Commented [RIE147R2] RI Energy 7/29/2024 4:07:00 PM

There is no hard target for 2025. As mentioned in the prior comment response, not many municipalities in RI have the scale necessary to justify participation.

Page 37: [133] Commented [CJ148] Craig Johnson 4/26/2024 3:10:00 PM

From Jen C: Potential to address some equity goals through work to decarbonize schools in EJ communities, providing an environment with high IEQ and zero annual spend on energy. This would require collaboration with state funding entities.

Page 37: [134] Commented [RIE148R2] RI Energy 5/24/2024 3:28:00 PM

Thanks for the note. The Company is actively engaged in a number of school improvement projects.

Page 37: [135] Commented [RIE149R2] RI Energy 5/23/2024 4:03:00 PM

RIE is working closely with David R @ Providence through a SEMP with the city.

Page 37: [136] Commented [SA149] Susan AnderBois 4/11/2024 3:02:00 PM

Not sure where the right place to flag this is, but Providence is now required to fully decarbonize all municipal buildings by 2040. David Ruggiero and Priscilla De La Cruz (EEC member) would be good to partner with on doing a lot of great municipal demonstrations and maximizing EE in school construction and municipal govt building retrofit. Could be great models for other cities with a mix of old an dnew buildings.

Page 37: [137] Commented [CJ150] Craig Johnson 6/11/2024 5:47:00 PM

Can we say anything about best practices that are known to date?

Page 37: [138] Commented [RIE151R2] RI Energy 9/3/2024 2:59:00 PM

Lower participation isn't so much a reflection of engagement efforts as it is a consequence of the limited opportunities for upgrades in many of the smaller municipalities (small number of municipal buildings).

Page 37: [139] Commented [AC151] Adrian Caesar 8/23/2024 11:22:00 AM

The Company mentioned in a response to one of Craig's comments that most municipalities in the State have participated in EE programs and generally taken advantage of low-hanging fruit. Are there any that have participated to a lesser extent that the Company should target?

Page 39: [140] Commented [RIE161R2] RI Energy 7/31/2024 5:33:00 PM

As of today - every municipality in the RIE service territory has participated in EE our programs. Many have reached near full efficiency with lighting and more than 75% have some level of mechanical systems efficiency.

Schools are greater adopters across the board than their municipal counterparts. Town buildings tend to be smaller with very low usage so in some cases, they lag behind the schools in their municipality, who may be fully complete.

Towns have a lower adoption rate for EMS than schools for the same reasons and because the fixed costs are the same and therefore the town side is more expensive to invest in EMS.

Page 39: [141] Commented [RIE162R2] RI Energy 9/3/2024 3:01:00 PM

Apologies—this was a holdover from prior drafts. Outreach sections have been updated.

Page 39: [142] Commented [RIE163R2] RI Energy 7/23/2024 4:57:00 PM

The Company has, as noted, made several enhancements to improve program accessibility for non-native speakers. The Company is discussing the feasibility of a Language Access Plan but as of now has no plan to move forward on creating one.

Page 39: [143] Commented [ML163] Margie Lynch 6/12/2024 12:42:00 PM

I think it's great the website will be accessible to customers in multiple languages as a result of this feature. And I noted mention of the bilingual advocate. I'd like to see a lot more content on language accessibility enhances throughout a customer's journey in this Plan. In MA, the PAs are finalizing a comprehensive Language Access Plan with details on service through each major initiative. A key step is ensuring vital program documents (e.g., weatherization contracts) are available in the customer's preferred language.

Page 39: [144] Commented [CJ164] Craig Johnson 6/11/2024 5:56:00 PM

Great to see and can't wait to see it! You can 100% expect some feedback from me when it goes live!

Page 39: [145] Commented [AC166] Adrian Caesar 6/6/2024 4:17:00 PM

Excited about this. Community First Partners and other organizations that support EE in Massachusetts have reported that this type of data might help them better target customers and market programs within their respective communities. Interested to see how both the dashboard and community-based pilot evolve in RI

Page 39: [146] Commented [CJ167] Craig Johnson 6/11/2024 5:59:00 PM

Bravo! Absolutely can't wait to see a dashboard and very excited to be part of the process to provide input on it.

Page 39: [147] Commented [CJ169] Craig Johnson 6/11/2024 6:01:00 PM

Hopefully these touch points hit on more than just relevance of EE for addressing their bills, but also emphasize the health, safety and home comfort aspects that EE offers as those may be a more important driver for some.

Page 39: [148] Commented [RIE169R2] RI Energy 7/8/2024 12:18:00 PM

They do. Focus includes other benefits in addition to bill reduction.

Page 39: [149] Commented [RIE170R2] RI Energy 8/12/2024 4:06:00 PM

We can check with marketing on the viability of this.

Page 39: [150] Commented [SA170] Susan AnderBois 8/9/2024 2:38:00 PM

RI Energy is doing outreach door to door (theoretically) when ti is replacing gas main pipes across the state. What ways can the utility leverage this touch point to advertise energy efficiency or electrification?

Page 39: [151] Commented [RIE171R2] RI Energy 8/12/2024 4:07:00 PM

Still evaluating a pilot effort for 2024. Can provide more details in 2025.

Page 39: [152] Commented [SA171] Susan AnderBois 8/9/2024 2:38:00 PM

What social media influencers are partnering with RI Energy? Are these national influencers or RI specific?

Page 43: [153] Commented [RIE180R2] RI Energy 9/3/2024 3:05:00 PM

We hear you and we understand your perspective. We view our plan as being consistent with both LCP and AOC for reasons stated here. We acknowledge you arrive at a different conclusion, and that's okay. Looking forward to debating this within the proceeding.

Page 43: [154] Commented [RIE180] RI Energy 8/30/2024 12:16:00 PM

From Acadia:

> Efficiency is a fundamental component of meeting the state's emissions targets. As the most recent statute, the Act on Climate should be a guiding principle for the Company's energy efficiency programs. Rhode Island's 2022 Climate Update frames the weatherization of buildings as key to the decarbonization of the thermal sector by decreasing energy demand - it emphasizes the need for the program administrator to not only continue energy efficiency programs but also to expand weatherization in order to capture additional energy savings. The 2016 Greenhouse Gas Reduction Plan specifically highlighted the need to expand access to energy efficiency for delivered fuel customers. In contrast, the 2025 EE Plan scales back weatherization for delivered fuel customers. As mentioned above, the increase in planned gas HVAC equipment in 2025 from 2024 is counter to the Act on Climate.

Page 43: [155] Commented [CJ181R4] Craig Johnson 6/28/2024 10:04:00 AM

I'm not sure this response answers the question. The market is not structured in a way that ensures adherence to the Act on Climate mandates. If it were, we wouldn't need the Act or EE programs to move our economy toward decarbonization.

Page 43: [156] Commented [CJ181R6] Craig Johnson 8/21/2024 4:51:00 PM

Leaving this open, as its not immediately clear that this responds to the original question.

Page 43: [157] Commented [SA181R2] Susan AnderBois 4/11/2024 3:00:00 PM

Also, will this lead to a shift in EE funds away from gas appliances/etc to using gas funding for no regrets strategies (like weatherization).

Page 43: [158] Commented [RIE181R7] RI Energy 9/3/2024 3:07:00 PM

Not clear what you are looking for here. We have already, as detailed in the 2024-2026 plan, shifted resources from gas appliances to other measures.

Page 43: [159] Commented [RIE181R3] RI Energy 5/28/2024 12:22:00 PM

We continue to engage with the market to see where and when shifting funds is appropriate for specific measures

Page 43: [160] Commented [CJ183] **Craig Johnson** **6/12/2024 1:02:00 PM**

This statement is something we may want to revisit pending the outcomes of our earlier conversations on accounting for carbon impacts in the Plan. Don't have a specific action now, but flagging it for future consideration so it doesn't drop off our radar.

Page 43: [161] Commented [SA182] **Susan AnderBois** **8/9/2024 2:42:00 PM**

I disagree with this. While it will be great hwen we are at 100% RE, there are still carbonization benefits because of land use transitions for clean energy development and resilience benefits.

Also the RES is overall over the course of a year (not minute to minute) – this increases the value of demand response programs to reduce system peaks and programs aimed at reducing the dirtiest energy usage.

The 100% RES is important, but it doesn't negate the importance for EE and DR for achieving climate goals.

Page 43: [162] Commented [RIE182R2] **RI Energy** **8/12/2024 4:10:00 PM**

We mean it will reduce the benefits that can be counted toward the cost/benefit analysis we are required to perform for each program. We are not saying there are no benefits and not implying EE is not important when pursuing climate goals.

Page 43: [163] Commented [CJ184R3] **Craig Johnson** **8/21/2024 4:57:00 PM**

Leaving this one open as its clear (unsurprisingly) that we come to different conclusions here. Don't want to lose site of this.

Page 43: [164] Commented [CJ184] **Craig Johnson** **8/2/2024 2:53:00 PM**

This is misleading at best and false at worst. At minimum, the assertions here presuppose the following, all of which we think could be reasonably challenged, and some of which are pretty doubtful:

1) That EE has the impact of increasing long-term electric and gas rates, which is not necessarily true and should be answered through a robust long-term rate and bill impact analysis, not just assumed to be true

2) That changes to rates resulting from EE, if they are in fact increases, are economically significant enough to impact customer decision making

3) That customers make investment decisions based on rates rather than bills (which seems unlikely and is certainly not economically rational)

4) That customers care specifically about their electric and gas bills, not the overall pocketbook impacts of EE programs (such as savings from delivered fuels resulting from increases building efficiency or electrification), and

5) That customers electrify primarily as an economic strategy, rather than in pursuit of environmental benefits, comfort benefits, social signaling, or other reasons that humans make decisions.

There is also an assumption here that non-ratepayer funding will somehow magically appear and be available to offset any reductions in customer funding. On this point, it seems like a much better strategy to focus on identifying and securing access to large streams of alternative funding. Even if that happens, it would probably be preferable to ADD to, rather than offset, customer funding.

Finally, if this is a reference to displacing EE dollars with IRA dollars, this is counter to the guidance regarding IRA dollars to 'supplement, not supplant' and might put RI IRA dollars at risk.

Page 43: [165] Commented [RIE184R2] RI Energy 8/2/2024 2:55:00 PM

It sounds like there are a few points of disagreement that may be helpful to discuss further, even if the outcome of that discussion is understanding why that disagreement exists without arriving at a consensus.

First, there is the high-level balance the objectives of (i) reducing rates/bills for the whole customer base, (ii) maximizing benefits for program participants, and (iii) delivering net societal benefits. All objectives are important. Thinking about just LCP and Act on Climate, we have an obligation to do everything. As Jamie Rhodes put it in our TWG discussion, there is the minimum threshold required to comply with LCP and AOC (i.e., does the plan reduce emissions instead of increase emissions) and then the judgement call of to what extent (i.e., does the plan reduce emissions *enough*). We are likely reaching different places on the judgment call of how we are proposing to balance the three objectives above.

Second, I think we're interested in different customer perspectives. The c-team advocates for assessing the program's impact on affordability by estimating long-term bill impacts for the average customer, which is a blend between participating customers and non-participating customers. From our perspective, the average customer does not exist; it is a theoretical construct that obscures actual bill impacts for participating customers and actual customers who don't participate, as well as every iteration of customer that participates one year and not the subsequent year(s). We're not opposed to providing the average customer bill impact metric, but this metric fails to give us the insight we need to understand impacts (costs and benefits) to each and every one of our customers.

Third, we absolutely agree that the Commission's guidance on lenses through which we assess the value of our proposed program design is insightful, and that we should apply strong and defensible analytical methods. Program design is a complicated problem that does not have one right solution; there are many solutions and the various lenses through which we assess those solutions are valuable. Let's work together to make sure our benefit-cost assessment methods are robust, even if we disagree on certain aspects of the inputs or conclusion from the outputs.

Finally, there seems to be a point of disagreement about the degree to which energy rates (and energy bills) influence customer decisions. All of our experience and expertise indicates that customers are sensitive to electricity rates when making decisions. If you have evidence to the contrary, we invite you to share it with us. Furthermore, it is a logical fact that the energy efficiency programs increase electricity bills for customers who never participate; the Company is not at liberty to ignore the experiences of these perpetually non-participating customers because we value each customer equally.

All of the above considerations get to the judgement call of how much we weigh affordability among other objectives. We invite continued discussion but we have to be open to the fact that two equally concerned parties may arrive at two different, but equally valid, destinations.

Page 43: [166] Commented [CJ185R3] Craig Johnson 8/21/2024 4:59:00 PM

I'm assuming the reply here means the Company has no intent of altering its approach here?

Page 43: [167] Commented [CJ185] Craig Johnson 8/2/2024 3:00:00 PM

Electric and gas bills are not the only elements of affordability. Energy bills (what is coming out of a customers pocket) are what customers ultimately care about, so if we're talking about affordability benefits, we need to consider all of a customers energy bills.

Page 43: [168] Commented [CJ186] Craig Johnson 6/12/2024 1:13:00 PM

This reads a little odd to me. Maybe something like "while coordinating the shift…"

Page 43: [169] Commented [RIE187R2] RI Energy 5/23/2024 4:07:00 PM

Yes, leveraging outside funding sources like IRA and CHRI.

Page 43: [170] Commented [SA187] Susan AnderBois 4/11/2024 3:00:00 PM

What do you mean by shifting customer-funding to non-customer funding? Do you mean leveraging federal $? Or do you mean something else?

Page 44: [171] Commented [RIE190R2] RI Energy 8/2/2024 2:59:00 PM

It sounds like several of these questions should be directed to DEM, OER, and the EC4. Going back to how Jamie Rhodes described it in our TWG discussion, the 'how much' is a judgement call. That the 'how much' of some of these measure is evolving does not contradict the fact that we are still including these measures, prioritized in the PCAP, within our program plan. We welcome further discussion about how we can get to a closer judgement on the 'how much'

Page 44: [172] Commented [RIE192] RI Energy 8/30/2024 12:04:00 PM

From Acadia:

IRA and other federal funding sources should not be expected to displace or supplant, but rather should supplement energy efficiency programs. Energy efficiency spending and savings targets should continue to expand while federal funding helps to fill in the gaps associated with existing programs, such as pre-weatherization barriers and fuel switching.

Page 44: [173] Commented [CS(193] Chybowski, Steven (OER) 4/25/2024 10:31:00 AM

Great! Again, please reach out to OER staff anytime you need more information for coordination and we will keep sharing information as programs develop

Page 48: [174] Commented [RIE198R2] RI Energy 9/3/2024 3:25:00 PM

The Technical Analysis is but one input into any reccomendations the PUC may make in their final FoG report, which won't be issued until Q1 2025. We prefer to wait for the PUC report.

Page 48: [175] Commented [CS(200] Chybowski, Steven (OER) 4/25/2024 10:37:00 AM

OER sees this as a priority and that the 2025 EE program may be one of the first places to start taking action on these pending recommendations

Page 48: [176] Commented [CJ203] Craig Johnson 7/29/2024 4:40:00 PM

If the result of this process happens too late in the year to actually inform the final drafts of the 2025 Plan, we would like to see a commitment from the Company to work to be responsive to the outcomes in a timely manner. In other words, a commitment to not wait until the 2026 planning process.

Page 48: [177] Commented [RIE203R2] RI Energy 7/31/2024 5:34:00 PM

Added some language to this effect. It is worth noting that the PUC guidance isn't typically voluntary and the Company's compliance with any directives will proceed independent of efficiency planning cycles.

Page 48: [178] Commented [SA202] Susan AnderBois 8/9/2024 2:43:00 PM

I think it's worth pointing out that RI Energy has been part of this docket and advocating for various outcomes. This makes it seem like RI Energy is a neutral party just watching this proceeding, which is not accurate.