

## Standardized Definitions for the 2025 Annual Efficiency Plan

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### Assessment

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.

### Customer Contribution/Customer Cost

The financial cost of a measure and/or service that is not covered by the customer incentive.

### Customer Incentive

Financial support and/or services (e.g., rebates, on-bill repayment) provided to participants in attempt to motivate the installation of measures and/or changes in behavior to achieve energy savings.

### On-Bill Repayment (OBR)

A financial mechanism that allows customers to pay back the customer contribution/customer cost of a measure and/or service on their energy bill.

### Demonstration

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.

### Evaluation

*Independent Evaluation:* An independent evaluation uses a third-party evaluation vendor selected via a competitive Request for Proposals process for the specified evaluation or selected in the recent past for

evaluation services of efficiency programs. An independent evaluation can be both a process and an impact evaluation.

*Vendor Evaluation:* A vendor evaluation is conducted by a vendor installing a technology, measure, strategy, or solution. A vendor evaluation can also be conducted by a Technical Assistance vendor who conducts a savings analysis for the installed technology, measure, or an energy saving strategy. A vendor evaluation can only be an impact evaluation.

### **Goals**

Goals refer to Rhode Island Energy's annual plan energy efficiency savings goals.

### **Interstate Benefits**

Interstate benefits include rest-of-pool electric energy, electric capacity, gas, and oil DRIPE benefits

### **Intrastate Benefits**

Intrastate benefits refer to benefits when rest-of-pool electric energy, electric capacity, gas, and oil DRIPE benefits are removed

### **Non-Energy Impacts**

Non-energy impacts (NEIs) are those other than the energy and demand savings generated by efficiency programs. Non-energy impacts accrue to program participants (e.g. increased comfort and health, improved property values), society at large (e.g. greenhouse gas reductions, improved air quality), and the utility system (e.g. Reduced arrearages).

### **Non-Participant**

A customer that does not directly participate in an efficiency program.

### **Participant**

A customer that reduces or otherwise modifies their energy end use patterns due to involvement in an efficiency program. Participation is measured differently in different programs. For several programs, a participant is defined as a customer account (electric or gas). In contrast, the Residential Consumer Products program measures participation by the number of rebates processed.

### **Pilots**

A pilot is a small scale, targeted program that is limited in scope, time, and spending and is designed to test the feasibility of a future program or rate design. It is incumbent upon the proponent of a pilot to define these limits in a proposal for PUC review. Ideally, a pilot can provide net benefits and achieve

goals, but the primary design and value of a pilot is to test rather than to achieve. Pilots are designed to explore technologies and approaches to energy management not included in the core energy efficiency programs (Residential, Commercial and Industrial, and Multifamily) and that could potentially become a new, standalone program.

Pilots enable the Company to test technologies, new energy management strategies, customer adoption, workforce adoption, and cost effectiveness of emerging and new technologies. While pilots are designed to test standalone programs, pilot results may conclude that a standalone program is not recommended or that certain aspects of the pilot should be offered within existing programs. It is likely that pilots will require a long-term commitment and broader set of stakeholder input, given the scope of adding a new core program to the Company portfolio. Savings associated with Pilots will not contribute to shareholder incentives. Pilots may be evaluated with either an independent or a vendor evaluation.

### **Portfolio**

A collection of programs. The electric portfolio contains programs that primarily focus on delivering electricity savings and the natural gas portfolio contains programs that primarily focus on delivering natural gas savings. Per the Least Cost Procurement Standards, as updated in RI PUC Docket 5015, a portfolio is required to be cost-effective.

### **Program**

A collection of defined services and/or measures carried out by Rhode Island Energy and/or its vendors and subcontractors that: target a specific market segment, customer class, or defined end use; are designed to influence customer behavior to achieve changes in energy usage, equipment preferences, investment, and maintenance practices; and are guided by a specific savings goal and have a benefit-cost ratio. Programs are typically made up of the following categories that contribute to the overall program savings goals and benefit-cost ratios. Per the Least Cost Procurement Standards, as updated in RI PUC Docket 5015, a program is required to be cost-effective.

#### **Sub-Program**

Within the Commercial and Industrial Sector, a sub-program is a further grouping of measures within a program. An example is the upstream lighting sub-program within the Commercial and Industrial Sector.

#### **Measure Group or Category**

A group of measures with similar characteristics within a program. For example, the measure group LED in the Residential lighting program includes several types of LED light bulbs and the Compressed Air measure group within the Large Commercial New Construction program contains all the compressed air measures within that program.

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### **Measure**

A piece of equipment or customer action that reduces or otherwise modifies energy end use patterns. This is the most granular level of categorization. For example, an LED light bulb.

*Comprehensive Measures:* When a customer employs multiple pieces of equipment or actions that reduce or otherwise modify energy use at the same time, more fully taking advantage of energy savings opportunities at one time rather than completing piecemeal projects.

### **Services**

A range of activities to support customer awareness, education, and adoption of energy saving and energy modification opportunities including free technical assistance, training, analysis, and reports.

### **Initiative**

A “go to market” strategy within a program that promotes a subset of measures or services within that program and/or targets a certain segment of customers. For example, the Grocery Initiative within the Large Commercial and Industrial Retrofit Program.

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### **Assessment**

Refer to the definition above. Included in this section again to indicate that assessments can be a component of programs.

### **Demonstration**

Refer to the definition above. Included in this section again to indicate that assessments can be a component of programs.

### **Performance Incentive**

A financial incentive that the Company has an opportunity to earn based on performance in fulfilling the savings goals of the approved Annual Plan. The Performance Incentive is authorized and established through Annual Energy Efficiency Plans by R.I. Gen. Laws § 39-1-27.7(e) and § 39-1-27.7.1.

## **Rebate**

A financial incentive paid to a participant in order to obtain a specific action, typically the installation of equipment. A rebate can also be paid to manufacturers and suppliers of measures to lower the price at the point of sale to the customer.

## **Rhode Island Only Benefits**

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

## **Savings**

*Annual Savings:* Energy savings accrued annually from the installed measure(s).

*Lifetime Savings:* Energy savings accrued over the functional lifetime of the installed measure(s).

## **Sector**

A grouping of participants by customer rate class. Programs are organized by these groupings. There are three sectors: Residential, Income-Eligible, and Commercial and Industrial.

## **Technical Assistance (TA) Study**

A technical assistance study assesses a measure or group of measures for savings and costs and is performed by a third-party technical assistance vendor. A TA study quantifies electric and gas savings, along with delivered fuel and non-energy impacts. TA studies include some or all of the following activities: facility benchmarking and/or walkthrough, equipment metering or analysis of building energy management system data, determination of measure baseline, engineering analysis of the operation of the baseline, and proposed measures and building energy simulations. The TA vendor performs a benefit-cost screening to assess the estimated payback for the customer along with the impact of costs and savings. A TA study report is presented to the customer which outlines the methodology followed to determine estimated project savings, cost, and project payback, along with the results of the study.

## **Technical Assessment**

A technical assessment is engineering research conducted to determine the savings of a new technology or measure that may not be widely adopted in the market.