



July 29, 2022

Brett Feldman
Manager, Customer Energy Management
Rhode Island Energy
280 Melrose St.
Providence, RI 02907

Dear Mr. Feldman,

Acadia Center appreciates the opportunity to submit comments on the first draft of Rhode Island Energy's (The Company) draft FY 2023 Energy Efficiency (EE) Plan. These comments are not exhaustive but are intended to supplement topics discussed on Energy Efficiency Technical Working Group (EETWG) meetings and during public comment opportunities before the Energy Efficiency and Resource Management Council (EERMC).

Comments on FY 2023 Energy Efficiency Plan Draft

Increase Energy Savings Targets and Program Budgets

Acadia Center recommends the Company deploy all responsible efforts to utilize the full approved FY2022 Energy Efficiency budgets to provide critical health, safety, and energy benefits to Rhode Islanders, particularly weatherization and other energy, health, and safety improvements in the income-eligible customer segment. Unfortunately, the Company states it is anticipating an underspend of \$28.1 million in the electric programs and \$4.8 million in the gas programs. In developing the proposed budget for FY2023, the Company seems to rely upon the carryover of those balances into FY 2023 to claim an increase in next year's proposed budget. However, the true impact would be to administer successive years of underinvestment in energy efficiency which is lower than the cost of traditional supply—measures which “lower long-term base load and peak demand and can reduce the need for additional generation, distribution, and transmission infrastructure, benefiting all customers, regardless of direct participation in the Company's efficiency programs.”¹

The Company should pursue all-cost effective energy efficiency that is prudent, reliable, and environmentally responsible. Ideally, this would resemble proposed increased investments aligned with the energy saving targets reflected in the Maximum Achievable Scenario illustrated in the [Rhode Island Energy Efficiency Market Potential Study](#) which would contribute significantly to meeting the Act on Climate's mandatory emissions reduction mandates of 45% by 2030, 80% by 2040, and net-zero by 2050, relative to 1990 baselines. The Company recognizes energy efficiency is a foundational strategy² to achieve the state's climate mandates, yet it is leaving significant savings opportunities on the table.

At the very least, the Company should strive to propose a budget package aligned with the targets approved by the Public Utilities Commission (PUC) in Docket 5076, the FY2021-FY2023 Three-Year Plan (3YP)—FY 2023 levels of

¹ The Company's FY2023 Draft EE Plan, Page 7

² The Company's FY2023 Draft EE Plan, Page 7

\$128,755,600 for the electric programs and \$38,558,829 for the gas programs. Instead, the Company is proposing a more limited \$110,714,481 program in the electric programs—14 percent below the anticipated level included in the 3YP. The Company is also proposing a gas efficiency program of \$37,752,232 or 2.1 percent below the anticipated funding level approved in the 3YP.³ It should be noted the targets in the 3YP already represent a compromise well below the preferred positions of the EERMC and members of the EETWG to pursue maximum achievable savings potential.

Acadia Center repeats its concern expressed throughout the FY2022 and FY2023 planning processes that the Company is developing the FY 23 plan by first imposing a 5% budgetary limitation in response to PUC guidance from Docket 5076's [Order 24225](#) and Docket 5189's [Order 24440](#), which reads:

"The Parties could propose budgets higher than the 5% incremental increase. However, in the event that National Grid [now RI Energy] proposed a spending budget, or savings targets, that deviated from the spending boundaries, [RI Energy] must present evidence that facts or other information presented at the time when the PUC set the target have since changed justifying those deviations."

The Company's approach for FY 2022 and, thus far, for FY 2023 was contrary to the repeated pleas of EERMC members and EETWG members to develop a plan based on first identifying all cost-effective savings opportunities. Notably, the FY2022 Energy Efficiency plan was the first in the history of the program to proceed through the regulatory process without the EERMC and stakeholders as settling, supportive parties. Acadia Center urges RI Energy to propose robust potential savings and investment targets in excess of the above guidance based on the following significant changes since the Dockets 5076 and 5189:

- **Energy Efficiency Faces Significant Inflationary Pressures and Also Reduces Those Pressures.** The Company notes increased inflationary pressures as a barrier to program implementation. Yet these same pressures provide the basis for increasing efficiency budgets, not only to continue delivering critical efficiency program benefits to customers, but also to combat inflation by helping lower fuel consumption broadly. Energy efficiency investments also help avoid long-term base load and peak demand and reduce the need for additional generation, distribution, and transmission infrastructure.
- **Enactment of Mandatory Emissions Reductions in the Act on Climate.** The FY 2023 EE plan is the first to be *fully*⁴ developed under the Act on Climate which requires greenhouse gas (GHG) emissions reductions of 45% by 2030, 80% by 2040, and net-zero by 2050 relative to 1990 baseline levels. Furthermore, RI General Laws Section 42-6.2-8 of the Act on Climate updates the powers and duties of all

³ The Company's FY2023 Draft EE Plan, Table 15, Page 48.

⁴ While the Act on Climate was signed in April 2021 and the majority of the FY 2022 Plan was developed in subsequent months, internal discussions and framing of the plan by the Company may have occurred in the preceding months. Clearly the full internal and external planning process for the FY 2023 plan have and will occur with full understanding of the Act on Climate.

state bodies and instrumentalities, including the Public Utilities Commission (PUC) which adjudicates this filing:

- *“Addressing the impacts on climate change shall be deemed to be within the powers, duties, and obligations of all state departments, agencies, commissions, councils, and instrumentalities, including quasi-public agencies, and each shall exercise among its purposes in the exercise of its existing authority, the purposes set forth in this chapter pertaining to climate change mitigation, adaptation, and resilience in so far as climate change affects its mission, duties, responsibilities, projects, or programs.”*
- **100% Renewable Energy Standard.** Governor McKee has signed legislation requiring 100% of electricity consumption be offset with renewable energy resources by 2023. Making robust early investments in the FY 2023 EE plan will deliver critical savings in the electric sector and will help offset long-term additional electrical load shift resulting from beneficial electrification of heating and transportation end uses.
- **Repeated ISO-NE Fuel Shortage Warnings.** Energy efficiency across all programs can help alleviate concerns around fuel shortages that have prompted repeated warnings from ISO-New England for both summer and winter periods. Energy efficiency investments can reduce demand for all fuels—natural gas, oil, propane, and electricity.
- **Enhanced Understanding of Energy and Environmental Justice.** Interested and affected parties in these proceedings continue to stress the need to address equity in the context of seeking energy and environmental justice—not just across broad customer segmentations. Each plan development phase must be executed with deeper community engagement informed by increasing awareness of these multi-faceted challenges. Acadia Center urges Rhode Island Energy to propose innovative solutions to address these historical inequities and injustices and not limit itself to only imagining measures that can be contained within a 5 percent illustrative budgetary cap. Earlier this year, RI Energy transmitted the findings of recent Participant, Non-Participant, and Multi-Family studies and surveys. This data should help inform robust investments to address long-standing challenges and improve delivery of energy efficiency benefits to overburdened and underserved customers. To date, the Company has omitted significant details pertaining to centering equity and environmental justice in the energy efficiency plans. To its credit, the Company has acknowledged these omissions in recent presentations. Acadia Center looks forward to reviewing the next draft of this plan which must contain a comprehensive list of specific actions proposed by the Company to drastically improve program performance in overburdened and underserved communities.

Taken together, these significant changes since Docket 5076 and Docket 5189 provide ample justification for Rhode Island Energy to propose savings and investments beyond the illustrative 5 percent cap guidance. As Acadia Center has recommended in the past, the Company could file a supplemental menu of additional proposed savings and investments in excess of the illustrative cap, citing stakeholder and council member advocacy for such an initiative.

Program Inertia Prolonging Fossil Fuel Consumption

Beyond concerns regarding the overall scale and ambition of the energy efficiency programs, Acadia Center recommends specific progress in key areas of the programs to eliminate incentives which encourage prolonged long-term fossil fuel consumption in lieu of investments which provide immediate energy saving benefits while simultaneously preparing customers for clean heating electrification in the future. Electrification is the most feasible, realistic, and cost-effective⁵ pathway to decarbonized heating in Rhode Island. The Company cannot continue relying on its own future promises that expansive quantities of so-called “renewable” natural gas (RNG) will magically appear as a justification for spending to prolong fossil fuel reliance today. As the American Gas Foundation found in its 2019 study, *Renewable Sources of Natural Gas*, RNG production potential is severely limited and only a small fraction of that is recoverable at \$20/MMBtu. Even if RNG production could somehow increase and become more cost competitive, RNG is only “decarbonized” from an accounting perspective, meaning that it is still methane and its distribution results in damaging and dangerous methane leakage on both sides of the meter, and its combustion still results in air pollution, both indoors and outdoors, and GHG emissions released into the atmosphere.

For instance, the Company should cease using ratepayer dollars to offer incentives for new gas appliances and instead dedicate those funds to weatherization of gas heated buildings and electrification of appliances where permitted by the PUC. In particular, the Company should look back to the robust performance of the 2021 EnergyWise Gas Programs to establish more ambitious weatherization savings goals. The success of the 2021 programs demonstrated gas customers are ready, willing, and able to install measures that reduce their energy consumption. Scaling back those programs from those historic achievements is imprudent. Further, weatherization of buildings is a key step to properly sizing electric heat pump systems whether those heat pumps are installed using state, federal, or future energy efficiency funds. As evidenced by the July 28th announcement of Rhode Island’s High-efficiency Heat Pump Program (HHPP), many more heat pump installations will occur over the coming years and the energy efficiency programs play a key role in optimizing deployment and operation of those systems.


Additionally, the Company should stop incentivizing the installation of cooling-only central air conditioners and instead direct all funds envisioned for that program measure to support the central heat pump installations instead. Heat pump installations require much of the same work and skills as cooling-only central air conditioners and the difference in equipment costs are negligible. By installing central heat pumps, either as a primary or secondary heating system, the Company can help customers save energy and money, improve health and safety, help insulate customers from volatile and unregulated fossil fuel prices, and reduce their carbon emissions. By preserving incentives for central air conditioning systems, the Company is helping maintain today’s status quo of separate appliances for heating and cooling which increases expenses such as fueling and maintenance costs. Acadia Center urges the Company to take heed of slide 24 of the [EERMC’s Consultant Team presentation](#) on July 28th included below as Figure 1. The Company is scaling down obvious opportunities to achieve significant energy savings and prepare for an increasingly decarbonized future all within PUC guidelines. Planning for a 30 percent reduction in heat pump water heater installations and a 21 percent decrease in electric resistance to mini split heat pumps, while

⁵ Most recently confirmed by the American Council for an Energy Efficient Economy.

<https://www.aceee.org/research-report/b2205>

simultaneously increasing incentive budgets for new gas appliances is wholly contrary to the goals of the energy efficiency programs and state climate policy.

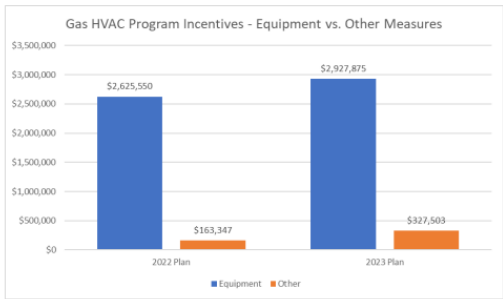
Figure 1: Consultant Team’s Presentation on Opportunities for Improvements to Residential HVAC Measures



Residential – HVAC

Would like to see stronger commitment to phase out gas equipment incentives

- This funding could support prioritized efficiency activities elsewhere



Equipment: Furnaces, Boilers, Water Heaters
Other: Showerheads, thermostats, controls

Would like to see stronger focus on heat pumps over central A/C

Measure	2023 Plan
Central AC	220
Central Heat Pump	35

Reduction in planned levels for key measures

Measure	2022 Plan	2023 Plan	Delta	% Change
Heat Pump Water Heater (<55 gal)	500	350	-150	-30%
Electric Resistance to Mini Split Heat Pump	425	337	-88	-21%

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Overview
Commercial & Industrial
Residential & Income Eligible
Council Discussion

Similarly, the Company should drastically increase its support for Zero Net Energy Buildings, including code support and trainings for builders and designers. Establishing a more ambitious building and energy code would be a low cost, high impact measure to help reduce carbon emissions from the building sector at a far more rapid pace than our state’s current trajectory.

These recommendations are not meant to be exhaustive, but rather illustrative to demonstrate a sample of program reforms that would tangibly advance climate goals and heating market transformation efforts. Acadia Center urges the Company to reframe its approach to the energy efficiency programs from one that is merely seeking iterative and sometimes detrimental changes to the direction of the energy efficiency programs to one that seeks to identify areas for significant progress on shared cost-effective objectives, such as improving equitable outcomes for overburdened and underserved customers, avoiding the purchase of additional supply, delivering health and safety improvements, and enabling near- and long-term emissions reductions.

Recommendations for Continued Development of FY 2023 and Future Plans

Acadia Center respectfully restates its general recommendations from previous EE plan development processes, namely that the Company pursue a model of “Next Generation Energy Efficiency,” including efforts to:

- Design air- and ground-source heat pump incentives to reflect the electric energy and summer peak demand savings that cold-climate heat pumps can achieve compared to standard or single-stage heat pumps.
- End incentives for new gas space heating and water heating equipment in new construction.
- Include all the health, safety, comfort, and environmental benefits associated with energy efficiency and electrification investments in all Company marketing materials.
- Fully incorporate the value of health, safety, and environment benefits of energy efficiency in cost-effectiveness accounting.
- Devote resources to aggressively coordinating remediation of pre-weatherization barriers, especially in underserved and environmental justice neighborhoods.
- Embrace whole-home electrification and weatherization measures to increase savings from retrofits.
- Offer the same robust incentives for weatherization to every home, regardless of fuel.

Next Generation Energy Efficiency Can Maximize Benefits for Customers

Rhode Island is a national leader in energy efficiency. But far more must be done to improve the efficiency of our homes and businesses and to ensure that all communities reap the full benefits of energy efficiency. Despite the substantial progress made to date, there is still more that can be done to ensure that efficiency programs deliver benefits equitably across all communities and income levels. At the same time, Rhode Island has an opportunity to elevate energy efficiency programs as a key tool for reducing emissions, including through improved electrification efforts and more weatherization jobs.

Acadia Center’s Next Generation Energy Efficiency Initiative brings together these complex but overlapping issues. Next Generation Energy Efficiency addresses these challenges through a new approach—one that focuses on energy savings as a core energy system resource, but is also centered on meeting climate, environmental justice, and electrification goals. The four pillars of Next Generation Energy Efficiency are:

- **Strengthen the role of efficiency in improving housing quality.** Rhode Island’s efficiency programs have not delivered benefits equitably across all communities and income levels. Renters, low-and-moderate income households, and non-English speakers often face the worst impacts of climate change and poor housing quality, but many have been unable to access program incentives. Both poor insulation and indoor pollution from heating and cooling systems negatively impact health, leaving residents, especially in poorly ventilated buildings, vulnerable to toxic pollutants.
- **Reduce emissions and support environmental justice.** Energy efficiency programs are a crucial tool for reducing emissions in Rhode Island. However, because program investments are screened through outdated cost-effectiveness tests that only measure certain benefits and costs, efficiency programs are increasingly misaligned with other important state policies. It is time to update cost-effectiveness testing to fully account for emissions, equity, and public health benefits.

- **Align energy efficiency and electrification.** Efficiency programs must be better aligned with opportunities to electrify buildings—a key strategy for accelerating the deployment of clean energy resources and transitioning away from fossil fuels. Existing program designs and cost-effectiveness tests are not fully aligned with accelerating building electrification.
- **Sustain investments in energy efficiency as a leading energy resource.** Rhode Island is a leader in energy efficiency savings and going forward we must maintain and grow investments in energy efficiency as the least-cost energy resource.

The recommendations below bring together these four priority areas with specific recommendations for the draft FY 2023 Energy Efficiency Plan.

Propose New Measures That Advance Heating Electrification

Divert Gas Connection Requests and Encourage Electrification

The FY2023 Plan serves as an opportunity to propose new measures designed to encourage more efficient energy consumption in the heating sector. In coordination with the SRP program, the EE programs should include a diversionary program to avoid new gas connections and instead encourage customers transition to electric heat pumps and other electric appliances as necessary. Heating electrification and weatherization are cost-effective strategies, and heat pumps are at least 300% more energy efficient than even the most efficient gas furnaces. This approach will help leverage energy efficiency investments to achieve the energy saving goals of Least Cost Procurement, the decarbonization requirements of the Act on Climate, and reduces ratepayer costs by avoiding the unnecessary and expensive buildout of energy infrastructure including gas connections to individual buildings already served by the electric distribution system.

Acadia Center [analysis](#) prepared in response to the Company's gas infrastructure proposals on Aquidneck Island demonstrate investments in energy efficiency, electrification of gas end uses, and demand response programs are proven, lower-cost strategies that meet consumer energy needs while reducing overall energy consumption. The Company should repurpose its marketing budgets that currently promote gas connections and system expansion to instead aid in the delivery of this diversionary effort.

Encourage Central Heat Pumps in Lieu of Central Air Conditioning

The Company should adapt and/or leverage existing high efficiency central air conditioner incentive offerings typically available in the Residential High-Efficiency, Cooling, and Hot Water Program. Diverting the installation of central air conditioning systems that only provide cooling and dehumidification capabilities to electric heat pump systems can provide customers with an additional, highly efficient heating technology. In the case of a gas customer, the installation of a central heat pump system (or any heat pump systems) also provides the gas distribution system with a peak-shaving and resilience opportunity that is not available with a cooling-only technology. Similarly, as the price of delivered fuels like oil and propane can and have fluctuated significantly from year to year and even month to month, the installation of electric heat pump systems in lieu of cooling-only systems provide consumers with more options to control their energy budgets. As these appliances can be long-lived, it is imperative to help customers avoid installations of less capable and less beneficial fossil-fuel burning technologies.

Further, central air conditioning systems and central heat pump systems share much of the same installation requirements and evidence suggests the incremental costs for heat pump technology are nominal in terms of overall project costs. The Company could offer incentives through the Energy Efficiency and System Reliability Procurement Programs where possible and supplement incentives with available funding from the Regional Greenhouse Gas Initiative or other sources.

EnergyWise and EnergyStar HVAC Program

As the Company realizes fewer savings from lighting measures, it has an opportunity to pivot to impactful new strategies in 2023, including:

- Accelerated conversion of electric space heating to heat pumps.
- Conversion of fossil fuel-fired and electric resistance water heaters and clothes dryers to electric heat pump water heaters and clothes dryers.
- Workforce development and other vendor support in the air-source and ground-source heat pump market segments.
- Development/review/refinement of approved contractor lists for heat pump water heaters and ground-source heat pumps.
- Continuing education for vendors on “Approved Contractor” lists.
- Pathways for contractors delivering measures as part of the “Bring-your-own-contractor” program to join the “Approved Contractor” lists.
- Education opportunities for sales staff at retail vendors to better inform customers on the energy-efficiency, health, safety, and climate benefits of products, particularly the higher efficiency offered by technologies like heat pump water heaters, heat pump clothes dryers, and induction stoves.
- Education opportunities for contractors that work to install appliances on behalf of or in partnership with retail locations, to ensure they understand how to properly install “newer” technologies like heat pump water heaters, heat pump clothes dryers, and induction stoves.

Residential New Construction Should be All-Electric

The Company should immediately end any incentives or code support for fossil fuel space heating, water heating, and cooking equipment in new residential construction. As noted above, air-source heat pumps are at least three times as energy efficient than gas furnaces, and ground source heat pumps are even more efficient. Allowing new construction to connect to the gas system commits that building and its occupants to decades of inefficient energy consumption in direct opposition to clear public policy mandates enshrined in the Act on Climate. Furthermore, all-electric construction is cost-competitive with new fossil-fuel construction across all housing types. There are many grounds on which the Company should work to disincentivize fossil-fuel construction, and specifically new gas connections, including:

- Achieving mandatory greenhouse gas emissions reductions under the Act on Climate law
- Industry forecasts of limited availability and higher prices for so-called “decarbonized” gas which still emit

- Risks of stranded infrastructure assets given state climate mandates
- Additional customer charges for connecting to the gas distribution system when the electric system could be more economically utilized to meet customer energy needs
- Considerations for health and public safety for customers and utility workers alike

Equity & Inclusion Must be Central Considerations

Energy efficiency can be a key tool in addressing housing quality burdens that are disproportionately borne by low-income populations and communities of color. These communities also face higher energy burdens, as well as more significant barriers to participation in efficiency programs.

- The Company must ensure that low- and moderate-income households and renters have a meaningful opportunity to participate in programs. Building relationships with community organizations, social service agencies, and municipal governments in multiple languages can help to make sure that the benefits of the Company's programs accrue more reliably to the people who need them most.
- The Company should fully incorporate the health and safety benefits^{6,7} of energy efficiency into program offerings and cost-effectiveness measurements. For example, asthma is one of the main reasons for missing school and work, imposing significant health and lost productivity costs on Rhode Islanders. By valuing the non-energy benefits that energy efficiency provides and the role it can play in alleviating health and safety burdens, Rhode Island Energy could help Rhode Island save money and improve the health and comfort of its most vulnerable citizens.
- Marketing efforts for the multifamily programs should specifically include the value of health, safety, comfort, and environmental benefits associated with energy efficiency and electrification investments for landlords, property managers, condominium owners, and renters.

Pre-weatherization Barriers

- Acadia Center encourages the Company to coordinate the delivery of measures to overcome pre-weatherization barriers, leveraging other available sources of funding where available. Customers, particularly in the income-eligible segment, may not have the time, knowledge, or authority to coordinate those services, nor the funds to pay for them.
- Low-income communities also face disproportionate impacts from indoor and outdoor air pollution, further emphasizing the need for housing repairs. In neighboring states, pre-weatherization barriers for low- and moderate-income customers are paid for through federal funding—such as from the Weatherization Assistance Program (WAP)—state grants, and Regional Greenhouse Gas Initiative proceeds, enabling the

⁶ Three³, Inc. and NMR Group. “Low-Income Single-Family Health- and Safety-Related Non-Energy Impacts (NEIs) Study.” August 5, 2016. [Accessible here.](#)

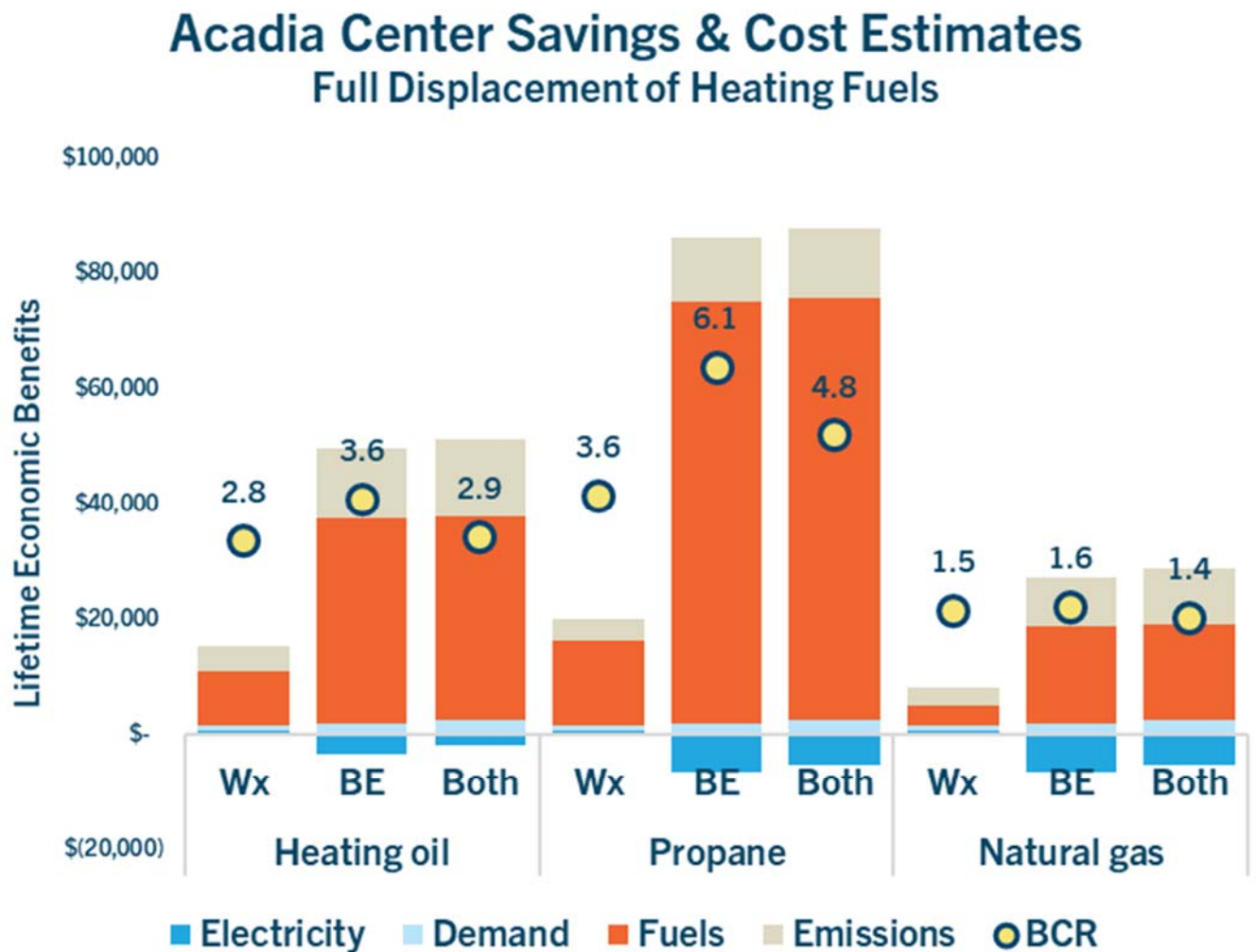
⁷ Three³, Inc. and NMR Group. “Low-Income Multifamily Health- and Safety-Related NEIs Study: Preliminary Findings Report. October 15, 2018. [Accessible here.](#)

delivery of much-needed weatherization services to these vulnerable populations. The Company should coordinate and leverage similar types of funding to help remediate pre-weatherization barriers.

Whole-Building Residential Measures

Acadia Center analysis of the 2021 AESC avoided costs shows that whole-home electrification and weatherization projects would generate more net benefits than current measure categories while remaining cost-effective for every fuel type, as demonstrated by Figure 2 below. Meeting Rhode Island’s climate targets will require displacing not just fossil fuels used for heat, but fossil fuels used for any purpose in a building. A whole-home electrification and weatherization offering from National Grid would demonstrate the value of this type of retrofit.

Figure 2: Savings From Full Displacement of Heating Fuels



Previous Recommendations in Response to Outline Memorandum

For consistency and to consolidate feedback, Acadia Center respectfully includes specific recommendations as offered in its June response to the Outline Memorandum. We appreciate the Company's attention to these and other recommendations throughout the process and we remain committed to working alongside the Company's program team and our colleagues on the EETWG and EERMC to further refine the plan filing.

- Section 2.1: Please include priorities identified during the referenced survey and engagement with stakeholders and the EERMC. The Company's priorities are reflected in 2.1.1. but not those of stakeholders and the EERMC. It is important to see areas of alignment and disagreement both in these early stages and throughout development of the plan.
- Deepening customer relationships should not be an expressed *goal* of the plan but rather one of a series of strategies to achieve deeper and more cost-effective energy efficiency savings, as well as other policy objectives.
- Regarding the fifth bullet on equity, one strategy should be to analyze and actually remedy inequitable program delivery of the past relying upon the recently shared Participant, Non-Participant and MultiFamily studies and survey.
- Section 2.2 Residential Programs: related to the above bullet, this opening paragraph and some anticipated changes seem to focus on *awareness* of programs. But true transformation will require changing the focus to nurture participation in the programs and the culture of program delivery so customers are proactively reminded of eligibility for updated Home Energy Audits and other opportunities.
 - For example, the 2nd bullet under **EnergyWise** proposes providing contractor lists and information on additional funding/financing for remediation. The Company should better serve this energy efficiency customer segment by using its considerable resources and expertise in project management to coordinate remediation.
 - Acadia Center urges the Company to eliminate any proposed incentives for new fossil fuel appliances to avoid locking in long-term fossil fuel use.
- Section 2.3 Income Eligible Programs
 - Stakeholders have often heard some CAP agencies have capacity constraints of their own so Acadia Center would like to understand the Company's intention here and specifically how it anticipates improving performance through this strategy. Acadia Center would fully support Company efforts to assist CAP agencies build capacity but are concerned increasing referrals without providing additional resources may limit success.
- Section 2.4 Commercial and Industrial Programs
 - **Supply Chain & Inflation:** Could expanded active demand response programs during peak periods provide an attractive opportunity for the C&I customers that have reported widespread budget constraints? Particularly interested to hear about the Company's plans to encourage more large gas customers to participate in active demand response throughout the winter to help reduce gas demand during peak events.
 - **Small Business Direct Install:** in this customer segment as well as all other applicable segments, please elaborate on potential interaction with ARPA funds for heat pumps

envisioned by OER. What role can the Company play in identifying and coordinating weatherization and heat pump installations for eligible candidates, particularly those entities, such as residential and small business customers that do not currently utilize gas for industrial purposes?

- **Small Business Direct Install:** can the Company provide baseline information about historic outreach to Woman and Minority Owned Businesses? Can this plan develop key performance indicators to measure improvement through FY 23 plan?
- Section 2.5.1 Community-Based Initiative
 - Please provide more specificity regarding the renewed emphasis and strategies the Company will utilize to encourage communities to participate.
 - This outline was provided in June but includes the conclusion that no municipalities chose to participate in 2022. Has the Company ceased recruitment efforts for 2022? Might the 2023 efforts benefit from further outreach through the remainder of 2022?
- Section 2.5.2 Codes and Standards Support
 - Acadia Center urges RI Energy to aggressively pursue an all-electric building code to help meet the requirements of the Act on Climate. There is simply no way Rhode Island can meet its 2030, 2040, and 2050 decarbonization requirements if it continues making new long-lived fossil fuel connections to buildings.
- Sections 2.6 & 2.7 Outreach & Participation and Equity
 - Acadia Center was surprised to see the Company anticipates no major revisions in these areas. Does this mean the Company is satisfied with the performance of those efforts and that there are no additional lessons or strategies to pursue based upon the findings of the recent Participant, Non-Participant and Multifamily Surveys?
- Section 5.2 Advanced Metering Functionality, Grid Modernization, Rate Cases, Renewables
 - Acadia Center encourages the utility to reframe this in terms of assessing how the EE programs can best aid development of RI Energy's updated AMF and GMP proposals that will be filed in accordance with the transaction's settlement agreement.
- Section 5.3.1 Electrification, Heat Pumps, and Delivered Fuel Policy and Objectives
 - Please include additional detail describing the interaction of weatherization incentives, which the Company proposes reducing for non-electric and non-gas customers in Section 2.2, and these enhanced incentives discussed here. Are enhanced incentives here designed to offset the potentially diminished incentives explored in Section 2.2?
- Section 7.3.2 Equity
 - Please clarify if the Company is going to reconvene the Equity Working Group. This language is non-substantial and without specificity regarding the proposed follow-through on last year's recommendations, this plan reinforces skepticism about the efforts.
- Section 7.4.3. Raised Customer Awareness of Environmental Issues and the Impacts of their Choices
 - The Company's outreach to customers announcing the transition to RI Energy serves as an opportunity to help customers understand investments in energy efficiency results in not only economic but environmental benefits, particularly aimed at meeting the goals of the Act on Climate.

Conclusion

Acadia Center appreciates the opportunity to provide feedback on the First Draft of the FY 2023 Energy Efficiency Plan and looks forward to working with Rhode Island Energy and all interested and affected parties to improve the filing over the coming months.

Sincerely,



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