

Division of Public Utilities & Carriers
Questions and Comments on the Draft 2023 EE Plan

1. Page 9 states, “Each \$1 spent on the electric energy efficiency portfolio will create \$1.96 in monetized benefits over the lifetime of the investment, and every \$1 spent on the natural gas portfolio will create \$2.23 in monetized benefits over the lifetime of the investments.” The natural gas figure does not match the data in Table 1. Is the natural gas portfolio more or less cost-effective than the electric portfolio?
2. Page 9 states, “The electric, gas, and delivered fuel energy efficiency measures proposed in this Plan will avoid over 78,217 short tons of carbon in 2023, which contributes 1.2% toward Rhode Island’s Act on Climate greenhouse gas emission reduction requirements of 45% below 1990 levels by 2030 and 0.56% of progress toward Rhode Island’s Act on Climate greenhouse gas emission requirements of net-zero by 2050.” Please explain how this figure is calculated.
3. Page 17 states, “In the multifamily program, the Company will increase focus and outreach on landlords and nonparticipants that have high propensity scores.” Please provide detail on how high propensity to participate is assessed and what will be done to encourage these customers to participate. In general, more detail about the non-participant study results and how they will be applied is needed in the plan.
4. Page 18 states, “This referral program will enable well-performing CAPs to take on more work in underperforming CAP territories to leverage those underutilized budgets.” Will this eliminate or augment the need for RISE to take on additional work from CAPs?
5. Page 21 states, “Sunset efforts that have failed to demonstrate the potential to generate significant cost-effective savings, including the Telecommunications Initiative and multiple demonstrations and assessments in order to reduce costs and focus resources on efforts that are successful or have greater future potential.” Please include the demonstration and assessment efforts that will be sunset and why.
6. Page 22 states, “The Company will be specifically focused on five communities with lower participation and will conduct additional outreach and engagement in those communities.” Please identify the five communities. Please show how the participation rate in these communities compares to the participation rates of other communities.
7. Page 26 shows funding for existing and new workforce development activities. Please add subtotals to each table and a grand total for all workforce development activities.
8. Page 27 states the 2023 equity commitments include “Increasing outreach to underserved communities to encourage participation”. By how much does the Company estimate it can improve the participation rate of underserved communities in 2023? Can the Company establish any metrics to track and report its progress and goals to work to attain? In general, more detail

is needed in the plan to document specific equity goals, describe how equity goals will be achieved, and identify the metrics that will be used to assess success.

9. Page 35 states, "Attachment 5, Table E-5 shows that the proposed portfolio of electric programs, including active demand response, is expected to have a benefit/cost ratio of 1.47 in the presentation of BCR results, which means that approximately \$1.47 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 in the presentation of BCR results, which means that \$1.82 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." The BCRs in this section do not match the data in Table 1. Please identify which numbers are correct or explain the differences.
10. Page 49 states, "The amount of inflation that has occurred in recent months was not factored into the 2021 – 2023 Three-Year Plan, but has been considered in 2023 planning." How was inflation factored into the 2023 EE Plan?
11. Page 49 states, "Based on guidance from the RI PUC at the December 22, 2020 and January 25, 2022 open meetings, the Company is adhering to the 5% target budget increase communicated by the PUC in its approval of the 2021- 2023 Three Year Plan and 2022 Annual Plan. The Company has considered areas for potential growth but must balance this with the prudence requirements of the Standards." How did the Company determine that a 5% increase in budget was appropriate? Why is a 5% budget increase appropriate when there is a projected significant positive fund balance for both the electric and natural gas portfolios from 2022?
12. Page 7 of Attachment 1 states, "During home visits, energy specialists capture the age and condition of heating systems, the heating fuel type, and verify the number of stories in the home. This data is used to identify if homes are good candidates for high efficiency heating, cooling, and hot water systems such as air source heat pumps and heat pump water heaters. Homes meeting optimal building design with current electric heating and/or water heating systems are provided information about enhanced incentives for air source heat pump systems and automatically referred to the HVAC program for follow up." How is 'optimal building design' assessed? Do energy specialists also capture the type, age, and condition of cooling systems during home visits? Is the presence of ductwork in the home also captured?
13. Page 17 of Attachment 1 states, "A working group, convened to address this topic, provided recommendations to reduce the number of oil/propane heating system replacements and to identify funding sources for paying for the fuel switching." What are these recommendations and will they be adopted by the Company? If so, should this be added to this section?
14. Page 18 of Attachment 1 states, "Lighting is no longer an eligible component in Residential New Construction program. RNC is being evaluated in 2023. Recommendations from that evaluation will inform in program year enhancements." When will this study be complete? When will the program year enhancements be implemented?

15. Page 26 of Attachment 1 states, “Enrollments in the residential battery-enabled demand response program have been lower than expected even though generous incentives are offered in RI for batteries through other programs.” Please clarify if demand response program enrollments are lower despite strong battery sales. If so, please discuss what the Company proposes to do to alter this trend.
16. Pages 41 and 42 of Attachment 2 shows one of the Electric and Gas OBR Limitations as “Maximum tenor too short for many comprehensive upgrades”. Can the maximum tenor be extended? If not, which financing program has a long enough tenor to support comprehensive upgrades for these customers?
17. Page 43 of Attachment 2 states, “The Public Sector Revolving Loan fund was a predecessor of the Efficient Buildings Fund. It was funded by Regional Greenhouse Gas Initiative (RGGI) funds controlled by the RI OER. This fund no longer makes loans. As funds are repaid from previous disbursements, they are periodically transferred back to RI OER to be used at their discretion. More detail on this fund can be found in Attachment 5, Table E-9.” How much remains in this fund? Can these funds be redirected to support heat pump installations for oil and propane heated homes, especially for lower-income customers?
18. Page 43 of Attachment 2 states that specific terms of the Ascentium Rental Agreement may not work for all customer types. Please discuss which customer types are not well served by this type of financing and why.
19. Page 9 of Attachment 3 states, “The Nonparticipant Market Barriers Study completed in 2022 included a survey with over 1,000 respondents. In this study, RI Energy will use survey responses and other demographic data to: (1) explore the characteristics of nonparticipants (both survey respondents and overall population) further; (2) analyze differences in preferences and barriers of survey respondents by demographics (age, income, home type); and (3) use cluster analysis to uncover structure and patterns in nonparticipant responses to identify natural, common groupings of customers; develop personas; and make recommendations for communication and outreach.” Can this study help enable the identification of non-participants who are also critical/vulnerable customers?
20. Page 2 of Attachment 8 states, “The pilots, demonstrations, and assessments discussed here have already been identified as ideas that should be further explored and tested, but ideas included in the Innovation Pipeline may emerge for additional, immediate analysis over the course of 2023. To ensure those emerging ideas can be quickly and efficiently vetted, the Company has set aside budget to fund approximately three ideas in each sector. Promising ideas may progress to a demonstration or as a program measure. Historically, the Company typically waited for approval of the Annual Plan before proceeding with new pilots and demonstrations. In 2023, although the Company is proposing a smaller overall budget for pilots, demonstrations, and assessments, a larger Innovation Pipeline budget has been proposed. Furthermore, the Company intends to leverage the Innovation Pipeline not only for assessments but for in-year

pilots and demonstrations. This will allow the Company to act with greater urgency and in a more agile manner moving forward. Stakeholders will be notified prior and allowed to vet projects and provide input before the Company proceeds with pilots, demonstrations, or assessments that the Company considers including in the Innovation Pipeline.” Please add subtotals to the tables in this section to show spending for Pilots/Demonstrations/Assessments without the Innovation Pipeline. Also, please provide the same data on spending for 2021 (actuals) and 2022 (planned).

21. The draft 2023 EE Plan shows that electric EE charges will continue to be the same across sectors while the gas EE charges will continue to be sector-specific. Would the Company consider breaking out the electric EE charges by sector, as it is done on the gas side? Why or why not?

22. Pages 57-58 state the Company's two recommendations regarding the current definition of PIM inputs. The first "proposes removing legislatively-mandated transfers to the Rhode Island Infrastructure Bank (RIIB) from PIM-eligible costs as the RIIB transfer, "shall be eligible to be used in any energy efficiency, renewable energy, or demand side management project financing program administered by the Rhode Island Infrastructure Bank notwithstanding any other restrictions on the use of such collections set forth".
 - Please identify the amount and proportions of total RIIB transfers in each year that have been used for energy efficiency projects, renewable energy projects, or other projects.
 - Please describe in detail how the RIIB funds spent on energy efficiency projects have been used to support the Company's energy efficiency programs.
 - Please describe in detail how the Company works with RIIB to determine how the funds are spent.