2024-2026 EE Plan: Second Draft

Based on the limited information provided, the Division elects to ask the following questions rather than provide comments at this time:

1. Page 19, Section 3.2.2, Subsection *Strategic Philosophy*, of the narrative states: "Therefore, the Company's strategy will be to invest in research to identify the next generation of impactful efficiency measures, and to redesign programs to effectively support these measures."

    a. Are the costs associated with this research and redesign incorporated into this plan?
    b. If not, when does the Company anticipate conducting these activities?

2. Page 19, Section 3.2.2, Subsection *Cross-Cutting Tactics*, of the narrative states: "In this Three-Year Plan, the Company will explore the possibility of right-sizing incentives for fossil fuel equipment and options for optimizing electric versus gas to promote the state's decarbonization agenda and meet stakeholders' desires for aligning the energy efficiency programs with the Act on Climate." When does the Company anticipate incorporating any changes that result from this exploration?

3. Page 20, Section 3.2.2, Subsection *Commercial & Industrial Tactics*, of the narrative states: "Additionally, the Company will look to provide enhanced incentives to customers who commit to implementing comprehensive energy efficiency measures within a specified timeframe. To qualify for the enhanced incentives, the customer will need to commit to installing three or more energy efficiency measures with different end-uses within a program year. The objective is to accelerate deeper, more comprehensive measure adoption by reducing the payback period for customers."

    a. Are the costs associated with these enhanced incentives incorporated into this plan?
    b. If not, when will the Company incorporate these costs?

4. Page 21, Section 3.2.3, Subsection *Cross-Cutting Tactics*, of the narrative states: "In addition to financing, the Company will collaborate with OER to integrate program incentives with state and federal funding."

    a. Are there changes to incentive levels for individual measures, reflecting the availability of state and federal funding? If so, please describe the changes.
    b. If not, when does the Company anticipate this collaboration and integration will occur?

5. Regarding Page 31, Section 4.1, *Table 2. 2024-2026 Electric Portfolio Savings Summary*, of the narrative, why is the cost per lifetime kWh decreasing over time?

6. Page 32, Section 4.1, Subsection *EnergyWise Single Family*, of the narrative states: "Gas savings are estimated to grow modestly as of some of the inflationary economic pressures that have suppressed participation across the programs begin to ease and strategies to overcome pre-weatherization barriers are implemented, expanding the pool of potential participants."

    a. Please describe what is meant by "inflationary economic pressures."
    b. Why do both impacts affect the gas programs and not the electric programs?

7. Page 33, Section 4.1, Subsection *Income Eligible Service*, of the narrative states: "Gas savings are forecasted to decline as customers transition gas heated residences to electrically heated homes and there are fewer heating system replacements and potentially lower weatherization opportunities."

    a. Does the transition from gas to electrically heated homes also impact non-income eligible programs?
    b. Wouldn't savings from weatherization opportunities shift from the gas to electric portfolio instead of going away altogether?

8. In which program is the budget for supporting codes and standards adoption? How much budget is allocated to this effort by year?

9. How much budget is allocated to CHP projects by program and year?

10. Is the RI Grows project one of the CHP projects contemplated in the plan? If so, how much budget is allocated to the RI Grows CHP Project by program and year?

11. Page 33, Section 4.1, Subsection *Residential New Construction*, of the narrative states: "The RNC program is currently projecting an increase in electric savings and a decrease in gas savings as we anticipate the continuing trend of phasing out gas incentives". How many new gas homes and businesses are incentivized in 2023 and for the 2024-2026 plan by year?

12. Page 33, Section 4.1, Subsection *Residential High-Efficiency Heating, Cooling, and Hot Water*, of the narrative states: "We anticipate a large increase in 2024 due to ambitious heat pump targets. Additionally, we are raising our goal in general as the HVAC program has been outperforming its goals in recent years. We also anticipate additional savings as OER launches their own heat pump program. On the gas side, we anticipate decreased savings as we shift away from gas appliances towards electric units."

    a. How many heat pumps is the Company proposing for Residential, Income Eligible, and C&I customers in 2023 and for the 2024-2026 plan by year?

b. How many gas heating systems is the Company proposing for Residential, Income Eligible, and C&I customers in 2023 and for the 2024-2026 plan by year?
c. How many Residential, Income Eligible, and C&I customers will receive weatherization services in 2023 and for the 2024-2026 plan by year?

13. Page 1 of *Attachment 2-Gas* shows that the gas Residential HVAC is not cost effective in any year and the cost-effectiveness of the program declines over time.

    a. Why isn't this program cost-effective?
    b. Will there be any changes to the design of the program to improve its cost-effectiveness?
    c. Why is the cost-effectiveness of this program decreasing over time?

14. Does the plan factor in increased adoption of certain measures due to the availability of state and federal incentives? If so, please describe what measures are impacted.