

MEMO

CONSULTANT TEAM

TO: Rhode Island Public Utilities Commission
FROM: EEC Consultant Team
DATE: June 12, 2026
RE: DRAFT Comments on Proposed Modifications to LCP Standards



INTRODUCTION

The Energy Efficiency Council's¹ (EEC or "the Council") consultant team provides these comments

[This section to be drafted closer to filing]

Potential things to include here beyond setting rest of comments up:

- Reminder to include request for technical session
- Note about discussion at LEAD session

CHAPTER 1 – LEAST-COST PROCUREMENT

SCOPE AND APPLICATION OF COST DEFINITIONS IN LCP COMPARITIVE ANALYSES

We appreciate the Staff's efforts to clarify and standardize the treatment of costs in the Least Cost Procurement (LCP) Standards, particularly in Sections 1.2.J and 1.2.K (definitions of Cost of Supply and Cost of Energy Efficiency or Conservation), as well as Sections 1.3.G and 1.3.H (comparisons to additional supply and utility reliability procurement alternatives). We offer the following comments to better understand how these provisions are intended to operate together in practice.

Clarification on Scope of Costs Included

The proposed revisions to Sections 1.2.J and 1.2.K modify the definition of costs to include only those that are "internal" to the market cost of energy or efficiency, rather than including costs "whether internal or external" to market cost. We would appreciate clarification on the intent of this change. In particular:

- Whether "internal" is intended to limit cost accounting to those costs reflected in market prices, or whether it is intended to encompass a broader set of costs consistent with the Rhode Island Benefit Cost Framework; and
- How this revised definition interacts with the continued reference to "all rows" in the Rhode Island Benefit Cost Framework, which includes categories that may not be directly reflected in market prices.

¹ All materials associated with the Energy Efficiency Council are the work of the "Energy Efficiency and Resource Management Council" and any public meeting materials posted on the RI Secretary of State website should be searched using that title.

Interaction with Sections 1.3.G and 1.3.H

Sections 1.3.G and 1.3.H appear to further operationalize these definitions by establishing how costs are applied in comparisons between the Cost of Supply and the Cost of Energy Efficiency or Conservation and the cost of System Reliability Procurement and the best alternative Utility Reliability Procurement.

Both sections include several parallel features, including:

- a requirement to use costs enumerated in the RI Framework;
- presentation of results from the perspective of Rhode Island–allocated costs;
- explicit requirements to identify and justify included and excluded cost categories; and
- exclusions of certain cost savings, including those related to external energy market fuels (e.g., delivered fuels).

We appreciate the apparent intent to create a more consistent and transparent analytical framework across resource types. At the same time, we seek clarification on how these provisions are intended to be applied together with the definitions in Section 1.2. Specifically:

- Whether the requirement in Sections 1.3.G and 1.3.H to use RI Framework cost categories is intended to fully define the scope of costs used in these comparisons, or whether the “internal” limitation in Sections 1.2.J and 1.2.K further constrains which of those categories may be included;
- How RI Framework categories that are not directly reflected in market prices (e.g., environmental impacts or policy-driven compliance costs) are intended to be treated in these comparisons; and
- How the exclusion of delivered fuel savings is intended to be applied, particularly for programs or investments that deliver cross-fuel impacts or system-wide benefits.

Implications for Comparative Analyses

Because Sections 1.2 and 1.3.G–H collectively define the cost scope used to determine whether resources meet the “lower than supply” or “lower than alternative” standards, these provisions may influence:

- The relative valuation of supply-side, demand-side, and system reliability resources;
- The treatment of avoided costs, including those associated with emissions, public policy requirements, and other non-market impacts; and
- The evaluation of programs and investments that produce benefits across multiple fuels or across the electric and gas systems.

We would welcome clarification on whether these revisions are intended to change the set of costs included in such comparisons relative to current practice, or to clarify and standardize how such costs are applied.

Consistency with Other Cost-Effectiveness Provisions

We also note that other provisions in Section 1.3 continue to require consideration of all relevant and important impacts, including those that may be difficult to quantify and inclusion of certain costs and benefits, such as those associated with greenhouse gas emissions mitigation.

To the extent that the revised definitions in Sections 1.2.J and 1.2.K and the exclusions specified in Sections 1.3.G and 1.3.H affect the scope of costs included in these comparisons, we suggest that additional clarification could help ensure consistency across these provisions and avoid ambiguity in implementation.

Suggested Clarification

To support consistent application of the Standards, we would find it helpful if the Commission or Staff could clarify:

- Whether the change from “internal or external” to “internal” is intended to represent a substantive change in cost accounting or a clarification of terminology;
- How “internal” costs are defined in practice and how they relate to the categories in the RI Framework;
- How the analytical perspectives required in Sections 1.3.G and 1.3.H (e.g., Rhode Island–allocated views) are expected to be used in decision-making; and
- The rationale for excluding delivered fuel savings from these comparisons, and how such exclusions should be considered alongside broader cost-effectiveness results.

CLARIFICATION OF ECONOMIC DEVELOPMENT BENEFITS IN COST-EFFECTIVENESS SCREENING

We appreciate Staff’s proposed addition in Section 1.3.C regarding the treatment of economic development benefits within the RI Test. The distinction between economic development benefits that are demonstrably incremental and appropriate for inclusion in the RI Test and gross or non-incremental economic development benefits that should be reported separately appears to address concerns raised in prior proceedings regarding the potential for double-counting, while still allowing for inclusion of a non-zero portion of economic development benefits where appropriate.

This approach is broadly consistent with our prior recommendations that economic development benefits should neither be entirely excluded from cost-effectiveness screening nor included in a manner that risks duplication with other benefit categories. At the same time, we would welcome additional clarification regarding how this provision is intended to be implemented in practice. In particular:

- How “incremental” economic development benefits should be defined, including the baseline against which incrementality should be evaluated;
- What methods or level of evidence are expected to demonstrate that economic development benefits are not already captured in other RI Test categories; and
- How economic development impacts that are reported outside the RI Test are expected to be considered, if at all, in Commission decision-making.

Further clarification on these points would help ensure consistent and transparent application of this provision, and support the appropriate inclusion of economic development benefits in a manner that maintains the analytical integrity of the RI Test.

CHAPTER 2 – THREE-YEAR LCP REPORT AND TARGETS

SECTION 2.4 – TIMING OF THREE-YEAR TARGETS

The proposed revision in Section 2.4 appears to modify the timeline for submission of the Three-Year Least-Cost Procurement Report and Targets by specifying filings “on or before March 1, thereafter through March 1, 2028.”

We seek clarification on the intent of this revision. As written, the updated date could be interpreted to mean that OER and the Council would no longer be required to submit updated targets after March 1, 2028. Given that the Council most recently developed and submitted targets in 2026 in accordance with the triennial filing cycle, this could suggest that no subsequent targets would be developed under the current schedule.

We would appreciate confirmation as to whether this outcome is intended. Alternatively, it may be helpful to clarify whether the reference to 2028 is intended to correspond to the end of the current planning horizon, or if it was intended to align with the next full triennial cycle—potentially extending through March 1, 2029, which would precede the subsequent three-year planning period (2030–2032). Clarification on this point would help ensure a clear understanding of the ongoing role of the Report and Targets in guiding Least-Cost Procurement planning.

CHAPTER 3 – ENERGY EFFICIENCY AND CONSERVATION PROCUREMENT PLANS

COST OF SUPPLY REQUIREMENT TESTIMONY

The minimum requirements of testimony conveyed in Section 3.4.B for the Three-Year Plan include comparison of the cost of additional supply to “measures, programs, and portfolios.” We appreciate the intent to provide transparency regarding how energy efficiency resources compare to supply alternatives. At the same time, we would welcome clarification on how this requirement is intended to be applied across different levels of analysis.

In particular, we note that the comparison to the cost of additional supply has historically been most meaningful at the portfolio level, where the full range of system impacts, load shapes, and interactions among measures and programs can be appropriately captured. At more granular levels—particularly at the measure level—such comparisons may be more difficult to interpret, as avoided costs are typically defined at the system level and may not correspond directly to individual measures.

We therefore seek clarification on whether the comparison to the cost of additional supply is intended to be a determinative requirement at all levels (measure, program, and portfolio), or whether the primary application of this standard remains at the portfolio level, with measure- and program-level comparisons serving a more informational purpose.

Additional clarity on this point would help ensure that the requirement supports transparency and robust analysis while preserving flexibility to design portfolios that meet least-cost procurement objectives across a diverse set of programs and customers.

RATE AND BILL IMPACTS TESTIMONY

We appreciate the continued inclusion of impacts to rates and ratepayers (rate and bill impacts) as part of the Three-Year Plan documentation requirements as conveyed in Section 3.4.B. Providing clear and accurate information on how investments affect customer bills is critical to understanding program value, affordability impacts, and overall portfolio performance. At the same time, we have ongoing concerns regarding the approach that has been used in recent plan cycles to evaluate rate and bill impacts and believes that additional clarification within the Standards would help ensure that these analyses meaningfully reflect customer experience and support sound decision-making.

Definition and Purpose of Bill Impact Analysis

The current framework for evaluating “rate and bill impacts” compares changes in customer rates (primarily through the energy efficiency charge) with avoided system costs (Cost of Supply). While this approach provides insight into system cost impacts, it does not reflect a true customer bill impact analysis as that term is commonly understood. Customer bill savings are driven by reductions in consumption at retail rates, rather than avoided system costs. As a result, the current framework may understate customer bill savings associated with energy efficiency investments and create a disconnect between modeled outcomes and actual customer experience.

We would welcome clarification within the Standards that rate and bill impact analyses are intended to reflect customer rates and bills, rather than serving as a proxy for system cost comparisons.

Consistency with Prior Practice and Methodological Changes

This current methodology represents a departure from approaches used in prior planning cycles. This revised framework was introduced during the 2025 EE plan development processes, and we have raised questions regarding its implications. Given the importance of these metrics in informing planning and regulatory decisions, we suggest that it would be helpful for the Standards to more clearly define the intended methodology and assumptions that should be used in rate and bill impact analyses such that the result of these analyses produces actual rate and bill impacts more similarly resembling those that were previously calculated in energy efficiency plans prior to this shift in methodology.

We offer the following observations regarding several elements of the current approach that may warrant further clarification or refinement.

- **Use of Avoided Costs:** The current framework relies on avoided system costs to estimate benefits associated with reduced consumption. However, because avoided costs are materially lower than retail rates, this approach inherently produces lower estimates of bill savings than customers actually experience. We suggest that the Standards clarify the appropriate use of avoided costs for system-level comparisons versus retail rate impacts for customer bill analyses.

- **Analytical Time Horizon:** The current approach evaluates bill impacts over a shortened timeframe based on average measure life by sector, rather than longer multi-decade time horizons used in prior analyses. Shorter timeframes may limit visibility into long-term customer benefits, truncate savings associated with long-lived measures (e.g., weatherization), and affect the perceived long-term value of the investment. We would welcome clarification on how the analytical timeframe for bill impacts should be determined and whether longer-term impacts should be more explicitly captured.
- **Treatment of Rate Impacts Over Time:** The current framework appears to focus on near-term changes in program-related charges without modeling how rates evolve over time. This approach may not fully capture the role of energy efficiency in moderating future rate increases, rate stabilization effects associated with reduced system costs, and longer-term system dynamics that influence customer bills. We suggest that the Standards consider whether bill impact analyses should incorporate multi-year rate trajectories to better reflect long-term outcomes.
- **Level of Granularity:** The current framework does not readily support program-level bill impact analysis, as impacts are evaluated at an aggregated level. This may obscure differences between programs with short- and long-lived impacts, limit transparency regarding how individual programs contribute to customer outcomes, and reduce the usefulness of bill impact metrics for decision-making. We would welcome clarification on whether more granular analysis may be appropriate.
- **Use of Static Assumptions:** The current methodology appears to rely on static assumptions regarding usage and rates over time. Given that customer bills are influenced by evolving factors such as electrification and load growth, infrastructure investments, fuel price fluctuations, and regulatory decisions, the use of static assumptions may limit the ability of bill impact analysis to reflect real-world conditions. We suggest that the Standards consider whether more dynamic assumptions should be incorporated into bill impact analyses.

Implications for Decision-Making

We have observed that bill impact metrics are increasingly used to evaluate program value, compare portfolio options, and inform decisions regarding program scope and investment levels. To the extent that current methodologies understate long-term customer benefits or do not fully reflect bill impacts as experienced by customers, there is a risk that these metrics may not provide a complete basis for decision-making. In light of the above, we suggest that the Standards clarify:

- That bill impact analyses are intended to reflect customer bills based on retail rates;
- The appropriate relationship between bill impact metrics and system cost comparisons;
- Expectations for analytical time horizons and treatment of long-term impacts;
- Incorporate dynamic assumptions regarding rates and usage should be incorporated; and
- The level of granularity at which bill impacts should be evaluated.

These clarifications would help ensure that bill impact analyses provide meaningful, transparent, and decision-relevant information within the Three-Year Plan framework.

CLARIFICATION OF PERFORMANCE METRICS AND ASSOCIATED INCENTIVES

We noted the inclusion of “projected performance measures and associated incentives” as part of the minimum documentation content for the Three-Year Plan in Section 3.4.B and would appreciate clarification on the intended meaning of this provision. In particular, the subsequent sections of the Standards require detailed measure-level tables, including information on incentives for each measure. As such, it appears that this item is unlikely to refer to customer-facing incentives associated with individual measures or programs.

Instead, we understand this provision may be intended to refer to performance metrics used to evaluate distribution company performance, along with associated shareholder incentives under a performance incentive mechanism. We would welcome confirmation of whether this is the intended interpretation.

To the extent that this provision is intended to address distribution company performance metrics and associated incentives, additional clarification or alignment with terminology used elsewhere in the Standards (e.g., “Performance Incentive Plan”) may help ensure consistent interpretation and avoid potential duplication with other filing requirements related to performance incentives and reporting.

Clarification on this point would help ensure that the documentation requirements are applied consistently and that the expected content of the Three-Year Plan is clear.

NOTIFICATION AND APPROVAL MECHANISMS

We note the inclusion of provisions requiring the distribution company to describe program mechanisms that will require pre-notification and/or preapproval prior to implementation of certain changes within the Three-Year Plan period in Section 3.4.B.

We appreciate the role that these mechanisms may play in supporting appropriate oversight and flexibility within a binding three-year planning framework. As the transition away from annual plan filings places greater reliance on upfront plan approval, the clarity of these notification and approval mechanisms may become increasingly important. In this context, we would welcome additional clarification on how these mechanisms are intended to function in practice. In particular:

- Whether there are expectations regarding the types of changes (e.g., budget, savings, or program design) that should trigger pre-notification versus preapproval;
- How these mechanisms are intended to support ongoing transparency and stakeholder awareness during the implementation period;
- How these mechanisms may ensure timely and appropriate collections from, or reimbursement of program dollars to, ratepayers; and
- How the Commission anticipates reviewing and applying these mechanisms as part of its plan approval and oversight processes.

Clarification on these points would help ensure a consistent and transparent approach to managing program changes over the course of the Three-Year Plan period.

EM&V PLAN MONITORING

Section 3.4.B of the proposed Standards include provisions related to Evaluation, Measurement, and Verification (EM&V) Plan monitoring, but do not appear to explicitly require the filing of an EM&V Plan. We would welcome clarification on whether it is the Commission’s intent that an EM&V Plan continue to be developed and filed as part of the Three-Year Plan, or through a separate process. Given the central role that EM&V plays in supporting cost-effectiveness, performance accountability, and data-driven decision-making, we believe it may be helpful to clearly articulate expectations regarding the development, content, and review of an EM&V Plan.

In addition, the current provisions appear to focus primarily on the topics to be addressed through EM&V and general monitoring activities. In the context of a binding three-year plan, we emphasize the importance of clearly defining how EM&V results are expected to be used to inform program management and decision-making over the plan period. In particular, we would welcome additional clarification regarding:

- How evaluation findings are expected to be incorporated into program design and implementation during the plan period;
- Whether there are expectations for tracking evaluation recommendations, including whether and how they are adopted;
- How EM&V activities are intended to support mid-course corrections, including any triggers or thresholds for program review or modification; and
- How EM&V timelines are expected to align with decision-making needs under a three-year planning framework.

Clarification on these points would help ensure that EM&V functions not only as a retrospective assessment tool, but as an integral component of ongoing program management and continuous improvement.

TIMING OF ENERGY EFFICIENCY PLAN FILINGS

We appreciate the Commission’s recognition that the transition to a binding Three-Year Plan framework may warrant additional time for both plan development and regulatory review. We generally agree with the objective of establishing a timeline that supports a thorough and transparent review process.

At the same time, we have significant concerns regarding the proposed modification to advance the filing deadline for the 2027-2029 plan to September 1, particularly as it is the first time a binding three-year plan is being considered.

Considerations for the 2027–2029 Planning Cycle

The 2027–2029 Plan represents the first implementation of a binding Three-Year Plan framework, marking a significant departure from the historical annual planning process. As a result:

- The development of this Plan is likely to require more time and iteration, not less, than prior annual plans;

- Additional engagement among Rhode Island Energy, stakeholders, and the Council will be necessary to ensure that program design, budgets, and assumptions are sufficiently developed and vetted; and
- The transition itself introduces uncertainty that will need to be addressed through a more iterative planning process.

Based on materials previously shared with the Council, Rhode Island Energy has indicated that future three-year plans may require approximately 12 months of development time, which we view as a reasonable baseline expectation under a mature three-year planning framework. As a point of comparison, the three-year plans in Massachusetts are developed over the course of approximately 16 months prior to filing with regulators. Under the currently proposed timeline, we understand that the Council would be required to consider and vote on the Plan in mid-August, despite:

- An expected first draft not being available until late June;
- A relatively limited review window—on the order of approximately 10 business days—for stakeholders to review and provide input; and
- Receipt of a near-final Plan shortly before the Council’s scheduled vote.

We are concerned that this compressed timeline will limit the ability to fully vet the Plan and will not be consistent with the level of rigor and stakeholder engagement contemplated under a binding three-year framework.

Interaction with Key Planning Inputs

We also want to note that a key input into the Plan—the regional Avoided Energy Supply Component (AESC) study—is developed on a timeline aligned with Massachusetts and Connecticut three-year planning cycles (currently 2028–2030). The current timeline for this study anticipates draft results to be available by September 8th, a draft report by October 16th, and final results and report by November 20th. As such, the AESC study will not be available in time to inform the development of the 2027–2029 Plan under the proposed schedule and it may not even be available in time to inform final Commission approval prior to the start of the 2027 program year if there are any deviations in the timeline as currently contemplated.

The absence of this input further underscores the challenges associated with advancing the filing timeline for this initial three-year plan.

Potential Alternative Approaches

In light of these considerations, we suggest that the Commission consider alternative approaches for the 2027–2029 planning cycle that would maintain continuity of program delivery while allowing additional time for plan development and review. Options the Commission may wish to consider include but certainly aren’t limited to:

Option 1: Later Filing with Approval Early in 2027

- Maintain a later filing date (e.g., October 1 or later);

- Allow for Commission review and approval of the Plan during early 2027 (e.g., by the end of the first quarter); and
- Permit continuation of 2026 programs into 2027 on an interim basis to ensure no disruption in service delivery.

Option 2: Transitional Year Approach

- Extend the current 2026 programs through 2027, with the potential for targeted updates that do not require a full plan filing; and
- Establish the first full binding Three-Year Plan cycle as 2028–2030.

This approach could provide several benefits, including:

- Alignment of Rhode Island’s planning cycle with Massachusetts and Connecticut, supporting consistency in regional inputs such as the AESC study;
- Additional time for Rhode Island Energy, stakeholders, and the Council to adapt to the requirements of a binding three-year framework; and
- A more deliberate and fully developed initial Three-Year Plan that reflects lessons learned and avoids the need for a compressed and potentially iterative first filing.

Summary

We support the Commission’s objective of establishing a timeline that enables robust regulatory review. However, for the 2027–2029 planning cycle, we respectfully suggest that advancing the filing deadline to September 1 will create practical challenges that will undermine the effectiveness of the planning process. We would welcome further discussion of alternative timelines or transitional approaches that preserve continuity of program delivery while allowing sufficient time to develop and review a comprehensive and well-supported Three-Year Plan.

IMPLEMENTATION REPORTING REQUIREMENTS

We appreciate the inclusion of implementation reporting requirements in Section 3.4.E as part of the Three-Year Plan framework and agree that clear and consistent tracking of performance will be critical under a binding three-year structure.

At the same time, we believe that, given the central role that implementation reporting will play in supporting oversight and mid-course adjustments under a binding three-year plan, it would be beneficial for key elements of this framework to be more clearly defined in the Standards themselves, rather than left to be developed as part of the plan itself.

In particular, greater clarity within the Standards regarding the metrics used, thresholds for action, and governance and approval mechanisms for adjustments would help ensure consistent application, transparency, and effective oversight across planning cycles.

Selection of Performance Metrics

The section identifies annual net energy savings and program-level budgets as the primary metrics for comparison against planned values. We would welcome additional clarification on the rationale for selecting these specific metrics, as opposed (or in addition) to other commonly used measures of program performance. For example:

- Annual versus lifetime savings;
- Energy-based savings (e.g. all fuels individually or together in MMBtu equivalent) versus savings focused on a primary energy source (e.g., electric for the electric portfolio and gas for the gas portfolios); and
- Energy savings metrics versus metrics reflecting monetized benefits or broader value.

We are not suggesting that the identified metrics are inappropriate, but we believe it would be helpful to clarify whether they are intended to be the primary indicators for evaluating performance, or a subset of a broader set of performance metrics. Additional clarity on this point would help ensure consistent interpretation and application of reporting requirements.

Structure of Reporting Requirements

Certain elements within this section—particularly items (2) and (3)—appear to be conceptually similar and may overlap in their intent. To the extent that these provisions are intended to address related aspects of performance tracking or reporting, we suggest that clarification or consolidation may improve clarity and reduce potential duplication.

Role of Reporting in Supporting Mid-Course Adjustments

This section may be intended, in part, to define the framework through which the distribution company identifies and responds to deviations from planned performance over the course of the Three-Year Plan period. If this is the intent, we believe it would be helpful to more clearly articulate the connection between implementation reporting and the ability to make mid-course adjustments, including rebalancing of programs, budgets, and/or savings expectations. In a binding three-year framework, such adjustments may be necessary in response to:

- Variations in program participation relative to expectations;
- Budget over- or under-spending, or forecasted budget over- or under-spending;
- Changes in economic conditions (e.g., inflation, interest rates, supply chain constraints);
- Market or technology developments affecting program viability; and
- Evolving policy or regulatory considerations.

Clarifying this connection would help ensure that implementation reporting serves not only as a record of performance, but as a mechanism to support adaptive management over the plan period.

Thresholds for Action

To the extent that this section is intended to inform or trigger mid-course adjustments, we believe that the treatment of performance thresholds is particularly important. We note that the application of a

uniform threshold across multiple levels of analysis may have different practical implications. For example:

- A threshold on the order of ± 5 percent may be reasonable when applied at a portfolio level, where variability, on a percentage-point basis, is mitigated by the larger magnitude of portfolios relative to individual sectors or programs;
- However, application of a similar threshold at the individual program level (and maybe even sector level) may result in a high frequency of triggered adjustments, as it is not uncommon for program-level performance to deviate by more than ± 5 percent over the course of a given year, and particularly over a three-year period.

If thresholds are intended to apply at multiple levels, we suggest that consideration be given to differentiating those thresholds. For example, maintaining a lower threshold (e.g., ± 5 percent) at the portfolio level and applying a higher threshold (e.g., ± 10 percent) at the sector and program levels to better reflect expected variability. Additional clarification on how thresholds are defined and applied would help ensure that reporting requirements appropriately balance the need for oversight with the practical realities of program implementation.

Governance and Approval of Mid-Course Adjustments

Finally, we believe it would be helpful to clarify how identified deviations and resulting adjustments are expected to be acted upon from a governance perspective. In particular, we suggest that the Standards clarify whether proposed mid-course adjustments are expected to be reviewed by the Council prior to implementation (this is something the Council expects to happen) and whether different levels of adjustments may warrant different levels of review and approval.

For example, the Commission may wish to consider a tiered approach in which smaller adjustments (e.g., within defined thresholds or limited to program-level rebalancing) are subject to Council review and approval while larger adjustments (e.g., those exceeding established thresholds, affecting sector-level allocations, or materially altering portfolio outcomes) are subject to both Council and Commission review and approval.

Clarification on these governance structures would help ensure that the Three-Year Plan framework maintains appropriate oversight and stakeholder engagement while still allowing for timely and practical adjustments during implementation.

CHAPTER 6 – ROLE OF THE COUNCIL IN PLAN DEVELOPMENT AND APPROVAL

We appreciate the continued clarification of the Council's role in reviewing and approving Plans under the Least Cost Procurement framework. Given the transition to a binding Three-Year Plan, the provisions in Chapter 6 play an increasingly important role in ensuring effective oversight, transparency, and alignment between planning processes and implementation.

TIMING OF COUNCIL REVIEW AND VOTE

We reiterate our concerns regarding the timeline contemplated for the Council’s review and vote on the 2027–2029 Plan, particularly as it relates to an anticipated Council vote by mid-August. As noted in earlier comments, the development of the first binding Three-Year Plan represents a significant shift from prior planning processes and is inherently iterative and complex. Adequate time is needed to support meaningful stakeholder engagement, thorough consultant review and analysis, and full Council deliberation prior to a final vote.

A compressed timeline—particularly one requiring a Council vote by August 15—will limit the ability to fully review and vet plan materials prior to approval. We respectfully recommend that the timing provisions be structured to better reflect the level of rigor required under a three-year planning framework.

TIMING OF DRAFT PLAN SUBMISSIONS

We note the requirement that the distribution company provide draft plans to the Council at least one week prior to the Council’s scheduled meeting preceding the filing date. We would welcome clarification on how this requirement is intended to function in practice. We see this language as really applying to “final” draft materials, not just “draft” materials. Under this assumption, we would recommend changing this to at least two weeks given that:

- One week is typically the minimum amount of time required for consultant review of final plan materials; and
- The Council generally expects briefing materials to be provided a week in advance of its meetings.

COUNCIL BUDGET – STRUCTURE AND PLACEMENT

The provisions governing the Council’s budget are currently located within Section 6.2 related to Energy Efficiency Plans. Given that the Council’s statutory role extends across Energy Efficiency (EE), System Reliability Procurement (SRP), and Demand-Side Management (DSM) plans and proposals, we suggest that consideration be given to establishing a separate section addressing the Council’s budget, rather than nesting these provisions within an EE-specific section.

Positioning the Council budget requirements in a standalone section could:

- More clearly reflect the full scope of the Council’s responsibilities across the Least Cost Procurement framework;
- Avoid potential ambiguity regarding the activities supported by the Council’s budget; and
- Improve the overall organization and clarity of the Standards.

This clarification is particularly important to ensure that the basis for the Council’s allowable budget—such as any statutory caps tied to customer collections—is understood to reflect the full scope of LCP-related programs (EE, SRP, and DSM), rather than being implicitly associated only with EE Plans.

COUNCIL BUDGET – MULTI-YEAR FRAMEWORK AND FLEXIBILITY

We generally support and understand the approach used in prior years for development of the Council's budget under an annual planning framework. However, the transition to a binding Three-Year Plan raises important considerations regarding how the Council's budget should be structured and managed over a multi-year period.

We believe it is reasonable for the Council to develop and submit a three-year budget aligned with the Three-Year Plan. At the same time, it is important to ensure that the Council retains the ability to adjust that budget over time in response to unforeseen circumstances, including:

- Changes in planning or analytical requirements;
- Unanticipated consulting or support needs; or
- Emerging policy or regulatory issues.

We think that Section 6.2.1 may provide a mechanism for such adjustments and would welcome confirmation that this provision is intended to support modifications to the Council's approved budget over the course of the plan period.

TREATMENT OF REMAINING EXPENSES

We noted the revision requiring the submission of remaining expenses not yet paid but expected to be invoiced in the final year of the Three-Year Plan. While this approach may be appropriate in a three-year framework, we observe that there may be a potential inconsistency with provisions applicable to the utility (e.g., Item ii.b), which appear to require similar information on an annual basis. We would welcome clarification on whether this difference in treatment is intentional or if these provisions should be aligned to ensure consistency in reporting expectations.

USE OF "ANNUAL" BUDGET LANGUAGE

Section 6.2.1 includes language stating that the Council should "manage its annual expenses within its approved three-year budget." We would welcome clarification on whether the use of the term "annual" is intended to imply that the Council's budget is divided into fixed annual allocations or simply reflect that expenses are incurred over time within an overall three-year budget.

If the intent is to provide flexibility for the Council to manage expenditures across the plan period (e.g., allocating resources unevenly across years as needed), we suggest that this could be clarified to reflect a total three-year budget framework, rather than implying fixed annual constraints.

CONCLUSION

[This section to be drafted]