ENERGY EFFICIENCY COUNCIL

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2027-2029 Three-Year Plan First Draft

Consultant Team Presentation

Date: July 16, 2026

Outline

Process Update & Key Takeaways

Portfolio Results

Plan Highlights

Council Discussion

Intended Outcomes

- Discuss key highlights and issues for the First Draft Plan
- Provide input to better align the Plan with Council priorities
- Understand the Plan development timeline and associated Council responsibilities
- Identify any additional Plan review needs and preliminary considerations for regulatory review
- Prepare for a Council vote on the Plan in August

Process Update & Key Takeaways

2026 Plan First Draft – Review Process

- Rhode Island Energy (RIE or the Company) shared the First Draft 2027-2029 Three-Year Plan – including the narrative and Benefit Cost Model (BCR Model) on **June 26th**

- Narrative comments primarily focused on identifying areas where Plan could be strengthened to better align with Council and Stakeholder priorities

- Quantitative review focused on key drivers of changes between recent plans and actual results, in addition to trends over the three-year term

2026 Plan First Draft – Review Process

- Consultant Team provided comments on the Plan including:
  - Inline comments on each Plan Attachment
  - Memo summarizing all comments on the Plan
  - Data-specific questions and feedback

- RIE treating the next Plan Draft as final and file with the Public Utilities Commission (PUC) for regulatory review

- As scheduled, Council vote to endorse or not endorse the Plan during August 20th EEC Meeting

Key Takeaways

1. **Significant savings increase compared to 2025 actuals and 2026 Plan**, largely driven by Large C&I measures. Cost trends may indicate more favorable outcomes related to affordability

2. Narrative **needs more details on "roadmap" from planning and design to implementation** and continuous improvement (Council Priority)

3. **More coordination and alignment needed between EE/SRP investments** for seamless customer participation and to maximize complementary portfolio objectives

4. Significant changes slated for next draft of Plan (additional Multifamily measures, SRP integration, details on AMI enhancements, etc.), **limits ability to vet plan prior to filing**

5. **Timing of Regional Avoided Cost Study presents uncertainty and risk in planned vs. actual benefits over a <u>binding</u> three-year plan**

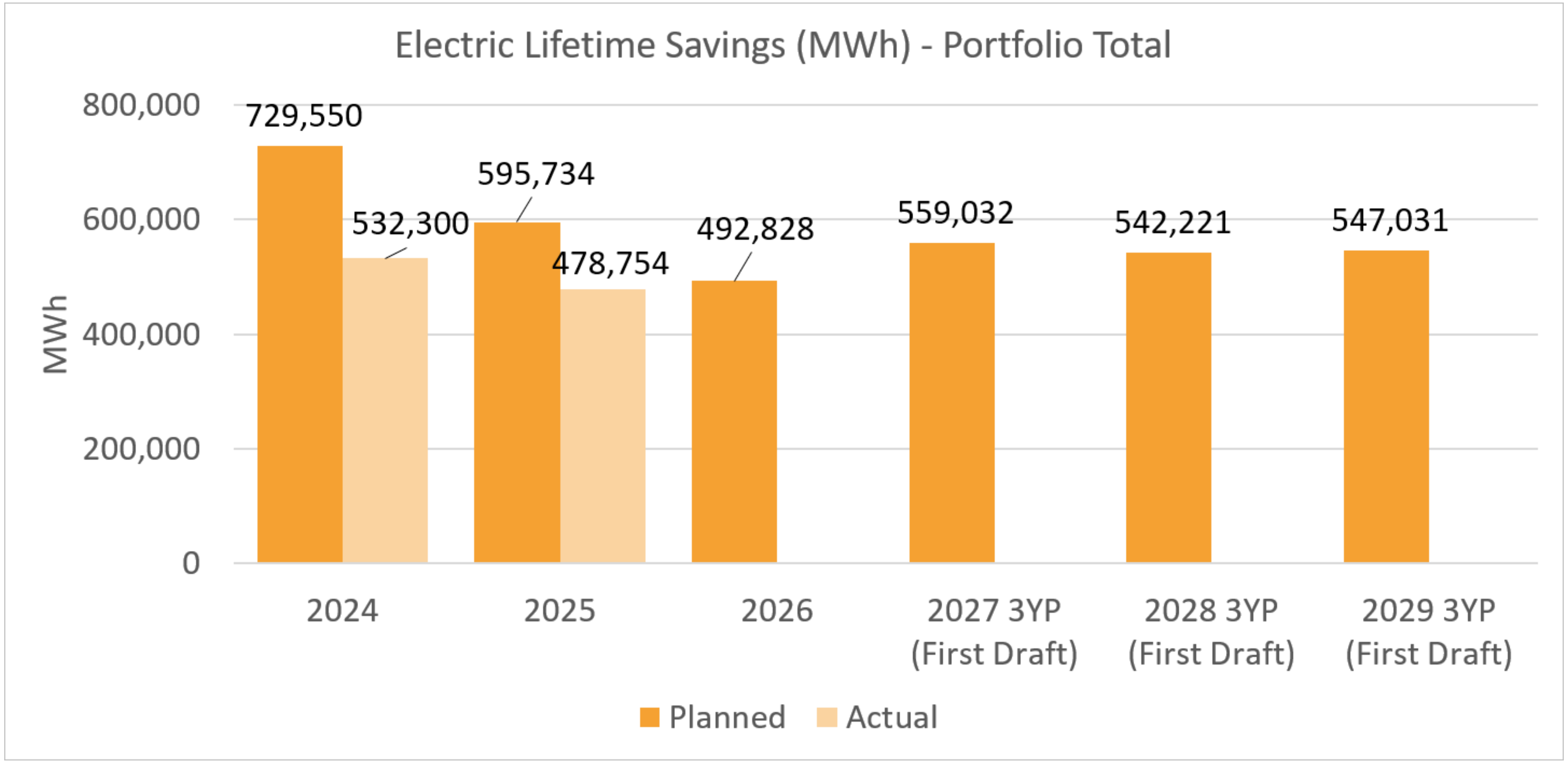
6. Proposed **RIE Performance Incentive increases, 3YP budget decreases over time.** Mid-Term Modification **(MTM) process also limits Council review window to 30 days.**

SRP: System Reliability Procurement, AMI: Advanced Metering Infrastructure, AESC: Avoided Energy Supply Cost

Portfolio Results

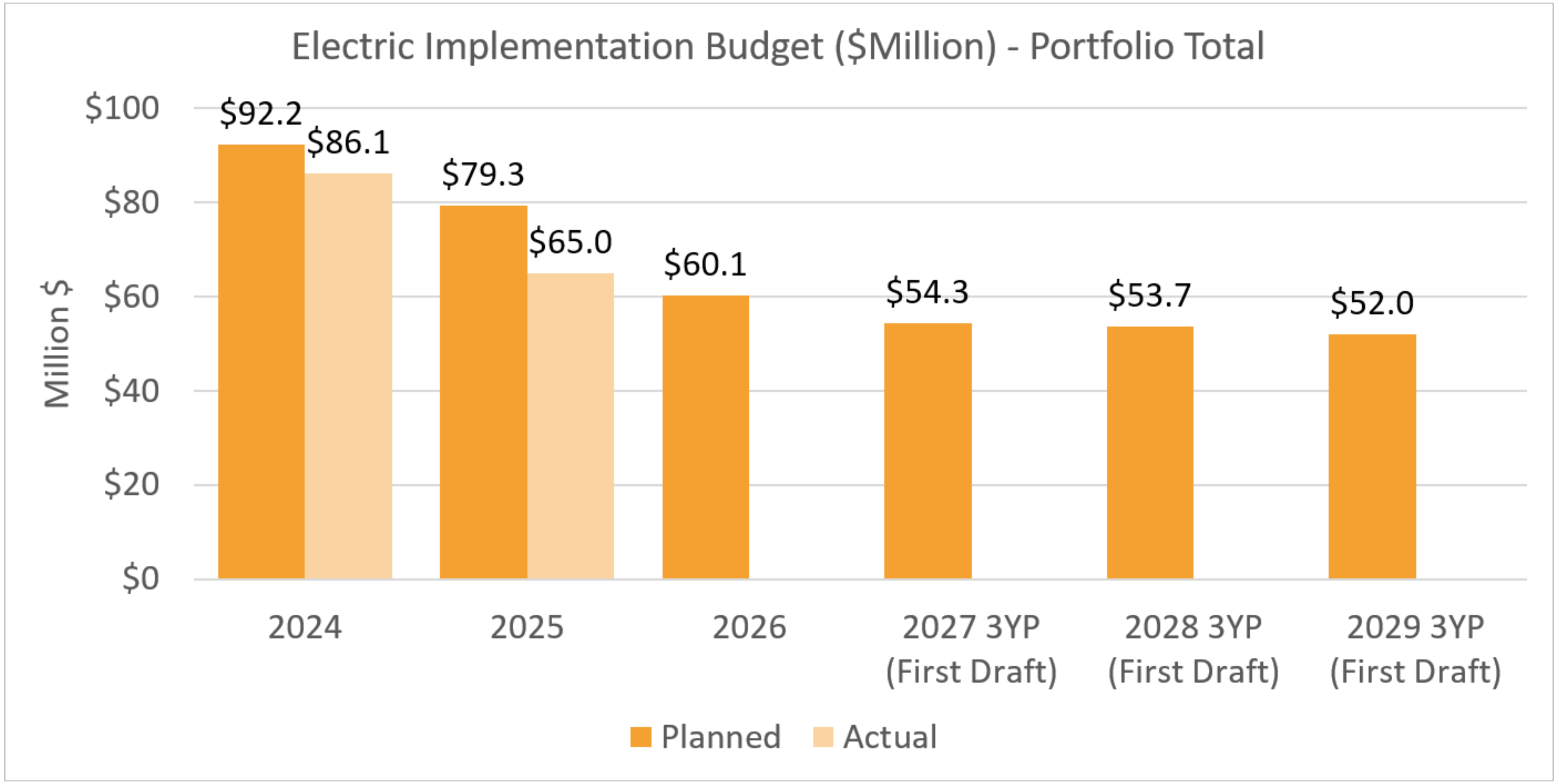
Electric Portfolio Lifetime Savings

Planned 2027 electric savings 13% above 2026 Plan and 17% above 2025 Actuals



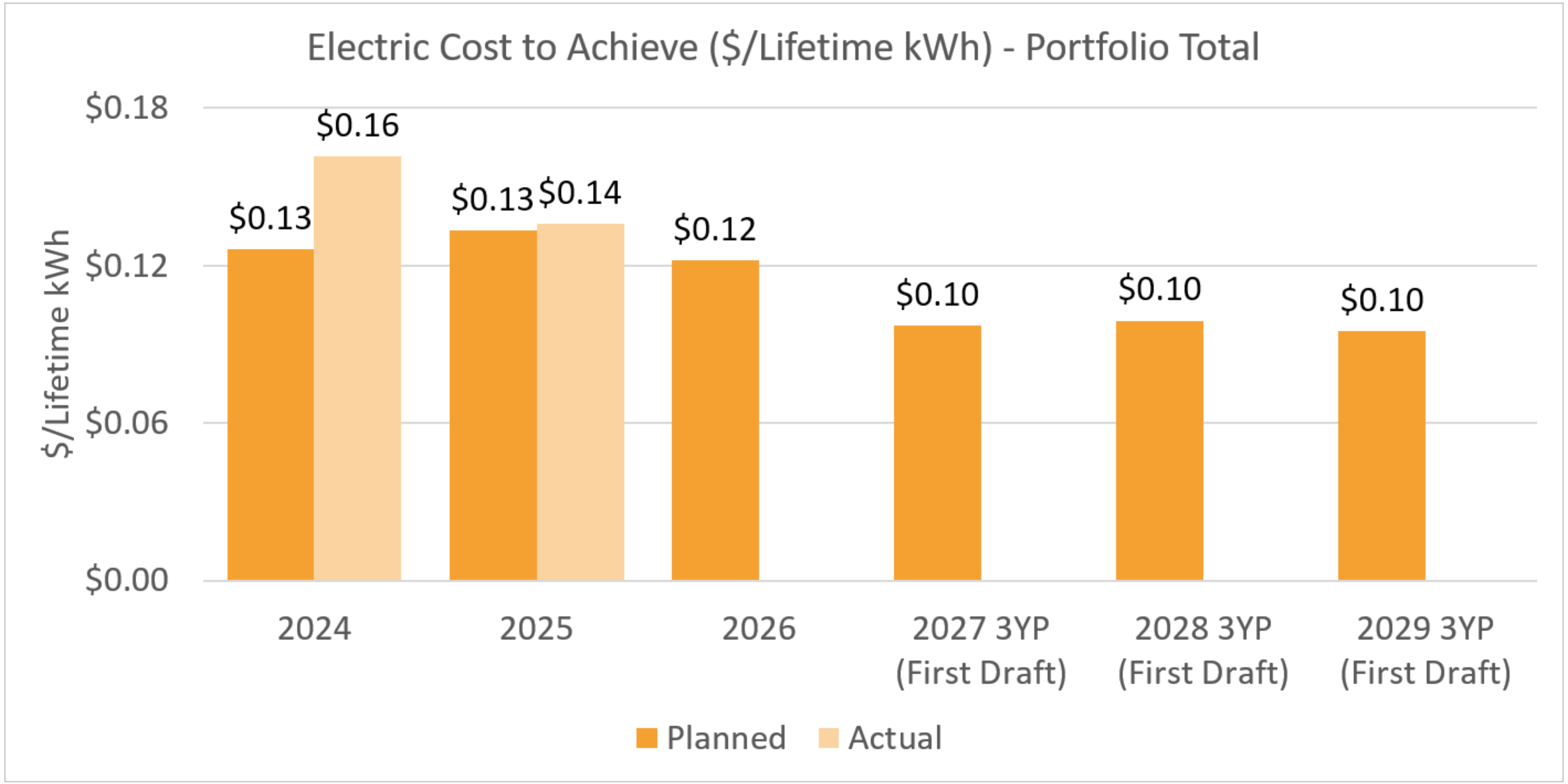
Electric Portfolio Implementation Budget

Planned 2027 electric implementation budget reduced by 10% compared to 2026 Plan and 16% compared to 2025 Actuals



Electric Portfolio Lifetime Cost-to-Achieve

2027 Electric CTA lower than both recent Plans and actuals



Key Drivers of Change in Electric Savings*

*2027 3YP program year compared to 2026 Plan

Key Areas with Increased Goals

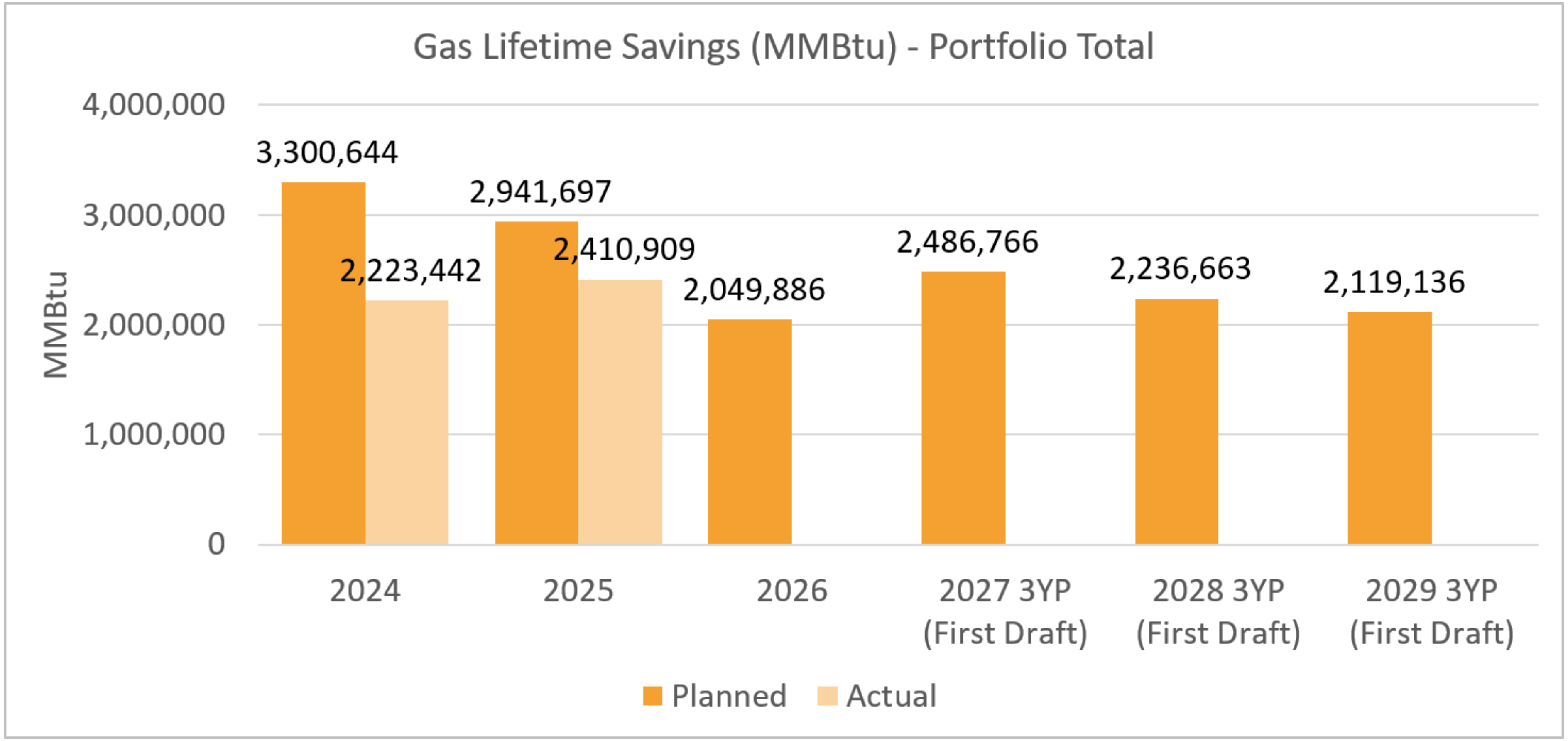
- **C&I Sector (↑30%):** Large C&I Retrofit (↑52%) and Large C&I New Construction (↑18%)

Key Areas with Reduced Goals

- **Home Energy Reports (↓100%):** Eliminated from the Plan
- **Income Eligible Single Family (↓47%):** Minisplit Heat Pumps - Electric Resistance
- **C&I Small Business (↓26%):** Custom Interior Lighting, Custom HVAC

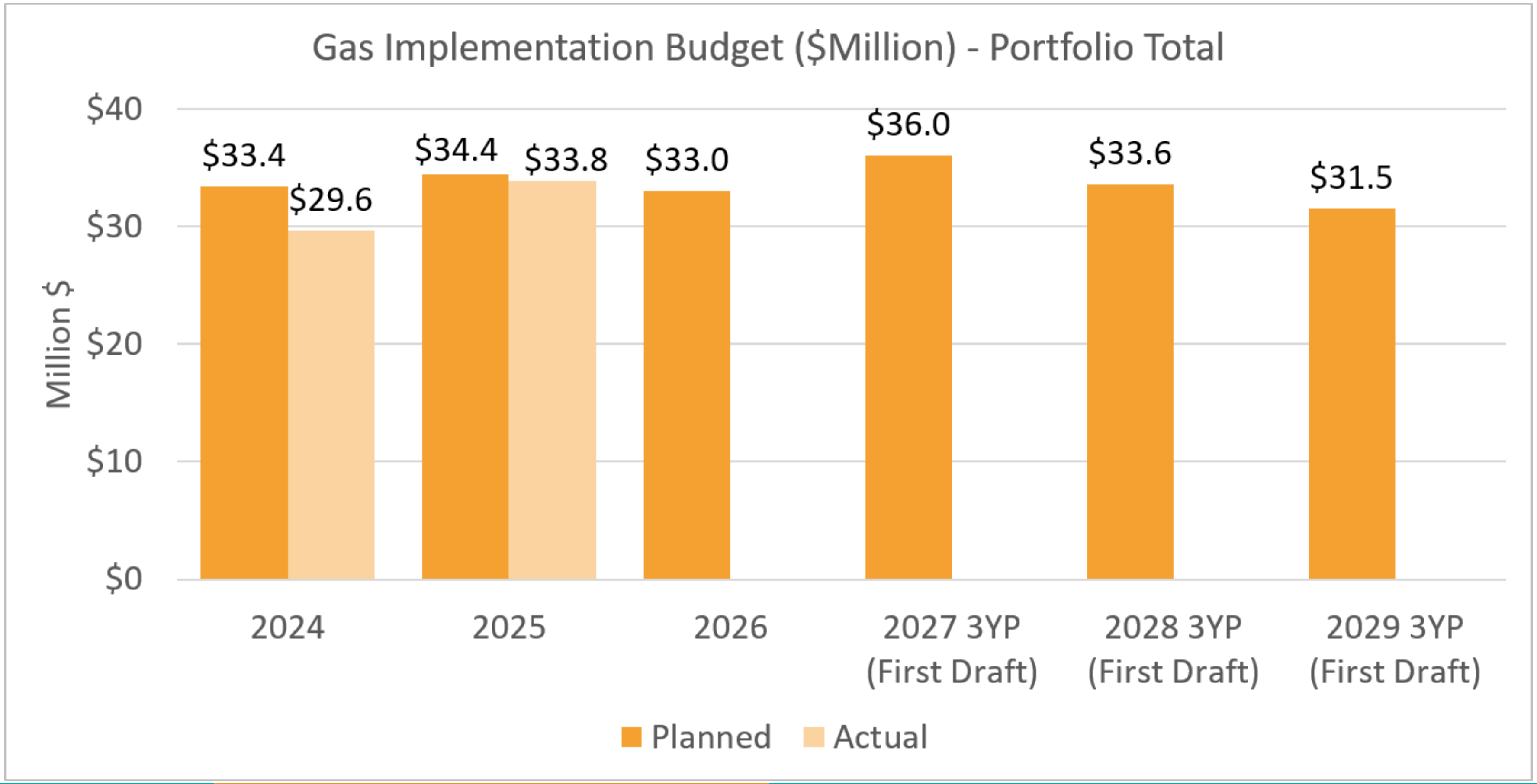
Gas Portfolio Lifetime Savings

Planned 2027 gas savings 21% above 2026 Plan and 3% above 2025 Actuals



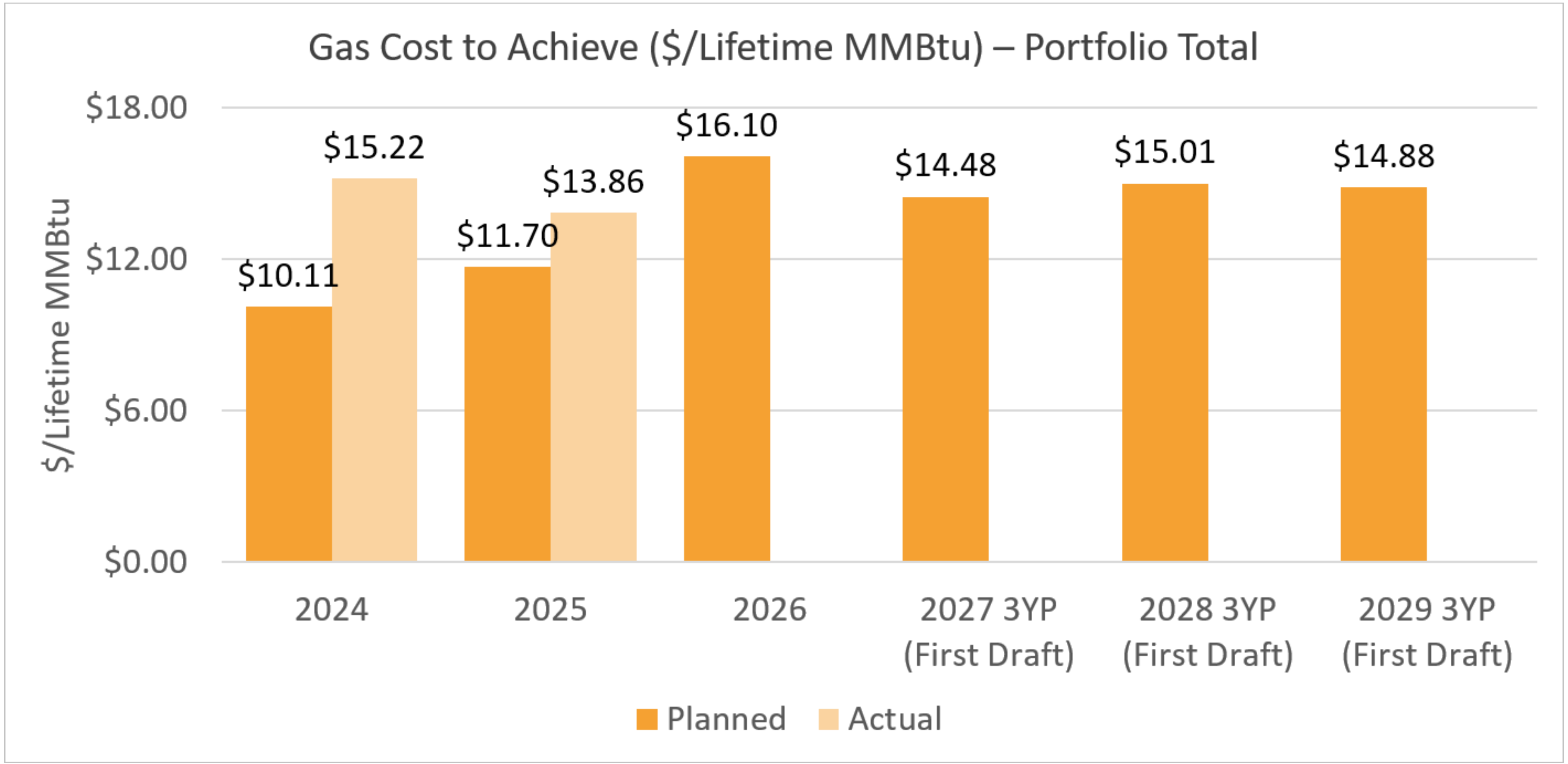
Gas Portfolio Implementation Budget

Planned gas implementation budget increased by 9% compared to 2026 Plan and 8% compared to 2025 Actuals



Gas Portfolio Lifetime Cost-to-Achieve

Gas cost-to-achieve ranges between 2025 actuals and 2026 Plan



Key Drivers of Change in Gas Savings*

*2027 3YP program year compared to 2026 Plan

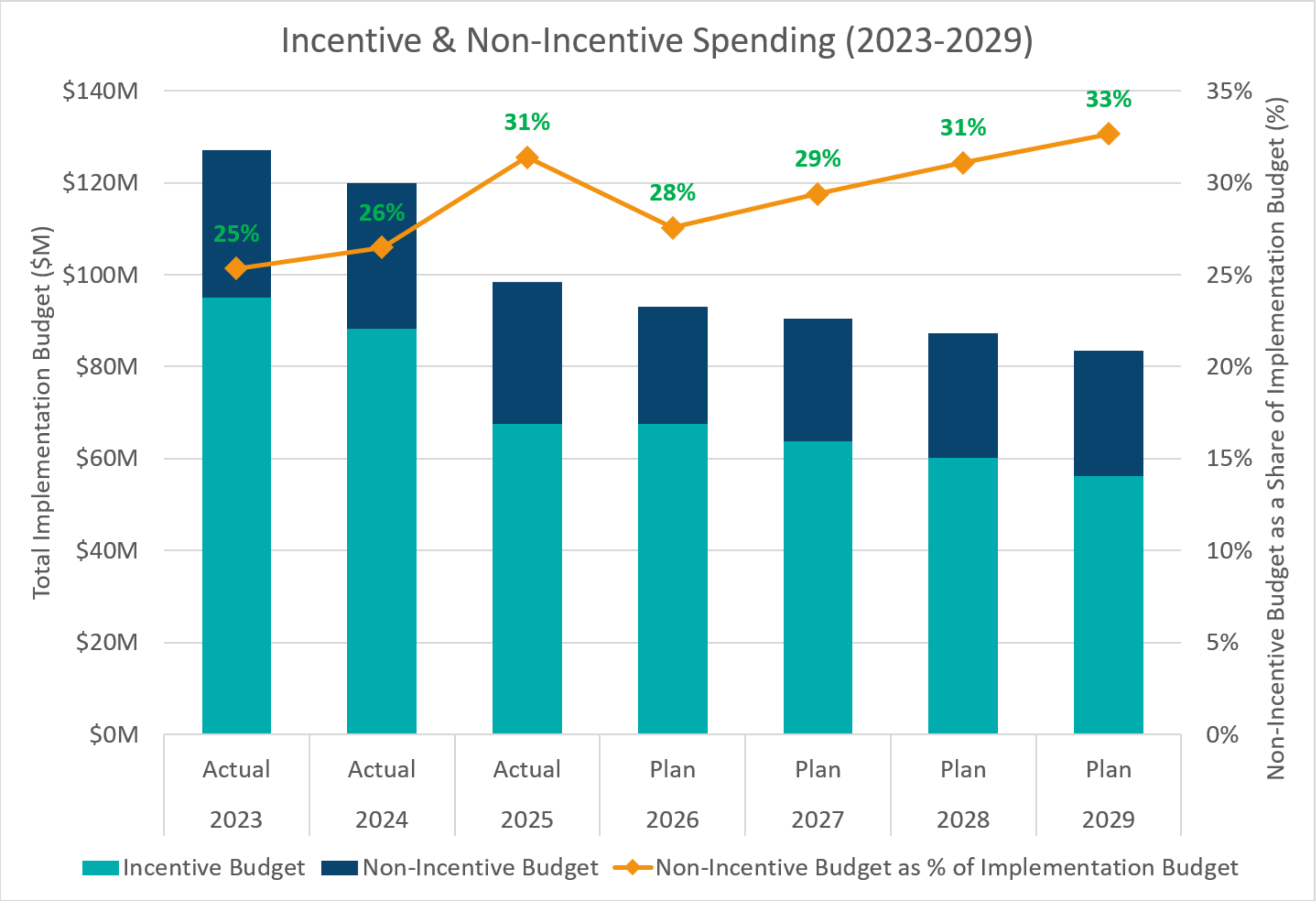
Key Areas with Increased Goals

- **C&I Sector (↑118%):** Large C&I Retrofit (↑248%) and Large C&I New Construction (↑119%)
- Planned 2026 gas savings "right-sized" against 2024 underperformance, but 2025 actuals were much higher

Key Areas with Reduced Goals

- **Residential Sector (↓13%):** Reduction in planned savings across the board, except Market Rate Multifamily
- **Home Energy Reports (↓100%):** Eliminated from the Plan

Non-Incentive Spending



Share of implementation budget allocated to non-incentive costs has recently trended upward

3YP non-incentive costs comparable to 2025 actuals as share of implementation budget

Plan Highlights – General

Plan Development Timeline

- Given proposed Plan development timeline, concerns about level of detail
  - Binding three-year plan requires thoughtful consideration of how design translates into delivery (Council priority)
  - Without detailed understanding of roadmap to delivery, higher chance of deviation from Plan, causing MTMs
  - Limited opportunity to iterate and provide meaningful comments on Plan Drafts, unlike prior years
- Issues with avoided energy/GHG cost assumptions

Avoided Cost Assumptions

- Proposed LCP Standards: "*When comparing planned performance to actual performance, the distribution company shall use the most up-to-date avoided cost estimates*"
  - 3YP would have binding goals set in 2026 using 2024 AESC, but performance measured using 2027 AESC
  - Use of stale avoided costs creates uncertainty in expected benefit-cost screening and distorted Performance Incentive calculations
- Continued use of Marginal Abatement Cost (MAC) to value carbon benefits, inconsistent with RI Climate Action Strategy
  - 2025 RI Climate Action Strategy uses Social Cost of Carbon (SCC) which is $258/ton vs. $128/ton MAC
  - <u>If using MAC, recommend using updated costs for offshore wind procurement</u>

Mid-Term Modifications (MTMs)

- Proposed MTM triggers include the removal or addition of a program, or any modification to the Plan increasing portfolio budget by 10% or more
  - Recommend budget decrease as a similar trigger
- MTMs may be filed any time during 3YP until one month before next 3YP filing date
  - Proposed LCP Standards: 3YP filing dates will be June 1 of preceding implementation year
  - MA Dept. of Public Utilities: MTMs must be filed four months prior to desired ruling date

Proposed MTM Process

- 60 days prior to regulatory filing: Notice to Council, PUC, Division, Technical Working Group
- 30-day stakeholder comment period
  - MA EE Council has 60-day comment period
- 30-day MTM finalization period
- MTM filed with PUC
- 45-day regulatory review period
  - MA DPU: MTMs must be filed four months prior to desired regulatory ruling date
- Total MTM Timeline: ~105 days (3.5 Months)

Linkage to SRP/ConnectedSolutions

- Council Priority:
  - *EE and DR are expected to function as core system resources, rather than separate program categories. The Plans should demonstrate:*
    - *Coordination between EE, DR, and SRP activities*
    - *Alignment of program design with system constraints and reliability needs*
    - *Development of targeted, data-driven demand-side solutions*
- SRP Plan and Connected Solutions Investment Proposal for 2027-2029 expected 7/30
- Very limited discussion of links between EE and DR programs in draft plan
  - Brief paragraph on SRP in Main Text
  - One reference in Attachment 1 (Residential Sector) to option for instantaneous enrollment in ConnectedSolutions program for customers who purchase a qualifying smart thermostat through the Company's Marketplace
  - No clear strategy for co-delivery of wholistic energy services to customers

Economic Development Benefits

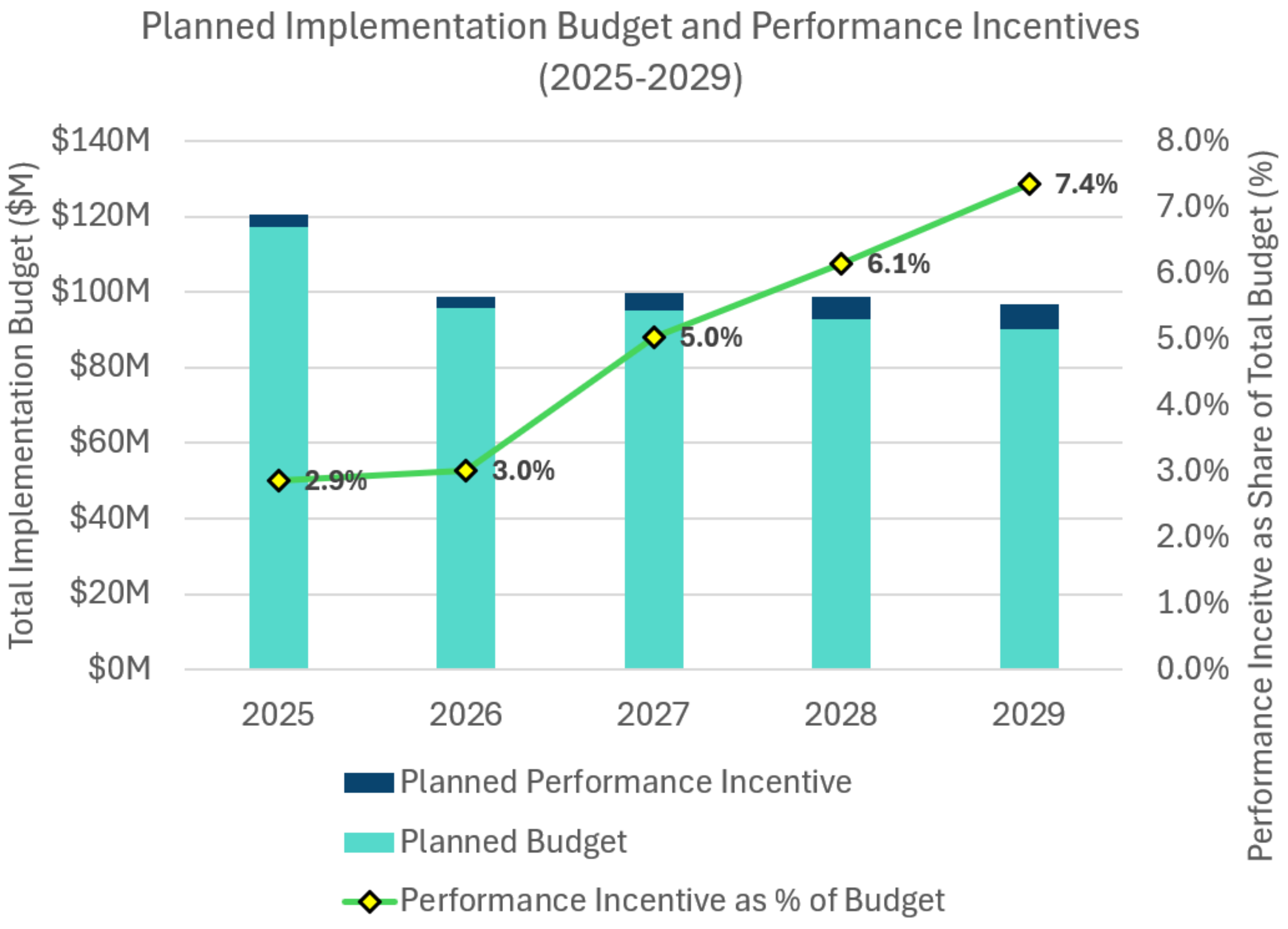
- Proposed LCP Standards allow for quantification of incremental economic development benefits in RI Test; RIE declined to do so for the upcoming Term
  - Previously omitted from benefit-cost analysis due to reasonable concern about double counting
  - Several options exist to quantify incremental benefits, but <u>difficult to isolate quantitatively</u>
  - Council priority to demonstrate all quantifiable program outcomes

Opportunities Study

- Existing C&I measures included in Opportunities Study
  - Electric: ~30k lifetime MWh in 2025 vs. ~80k MWh 3YP average
  - Gas: ~300k lifetime MMBtu in 2025 vs. ~160k MMBtu 3YP average
- Savings impacts of Opportunities Study
  - Significant electric savings from Energy/Heat Recovery Ventilation newly claimed by programs, but limited number of these projects historically
  - Packaged Terminal Heat Pumps and HVAC Insulation scaling up significantly
  - <u>Multifamily Opportunities pending inclusion in Plan</u>

Performance Incentive Mechanism (PIM)

- In 2027 and 2028, the PIM will be based on annual achievement. In 2029, the PIM will then be calculated using cumulative performance for the Term.
- Cumulative 2027-2029 performance will be assessed using goals set with dated avoided costs (2024 AESC)



Plan Highlights – Residential and Income Eligible

Residential Key Takeaways

1. **Electric Lifetime Savings goals** only slightly below 2026 goal and decrease slightly each year, but considerably higher than 2024 and 2025 actuals
2. **Gas Lifetime Savings goals** down from 2026 goal, 2025 actuals, and decrease each year; largely due to reduced number of available incentives for new gas equipment
3. **Budgets** largely track with savings goals; planned electric spending relatively stable over the three-year term and aligned with 2026 budget; planned gas spending steadily declines
4. EnergyWise Multifamily "expected to change significantly in the final version of this plan" as a result of the **Multifamily Opportunity Study**
5. **Home Energy Reports** are eliminated from the three-year plan while the Company works to understand future opportunities presented by AMI
6. Plan incorporates increased targets for **HPWH**s, but limited information is provided on how this will be accomplished

Income Eligible Key Takeaways

1. **Electric Lifetime Savings goals** down considerably below 2026 goal and decrease each year of three-year term; 2027 goal aligned with 2025 actuals
2. **Gas Lifetime Savings goals** decrease each year of the three-year term with 2027 aligned with 2026 goal and up from 2025 actuals
3. **Budgets** largely track with savings goals; planned electric spending down from 2026 budget and declines slightly YOY; planned gas steadily declines but 2027 budget up from 2026
4. Income Eligible Multifamily “expected to change significantly in the final version of this plan” as a result of the **Multifamily Opportunity Study**
5. Primary driver of reduced electric savings goal for 2027 (as compared to 2026 plan) is a significant **reduction in IE SF savings goals**
6. Significant focus on remediation of **pre-weatherization barriers** (PWBs) and partnerships to help increase funding available

Plan Highlights – Commercial & Industrial

C&I Key Takeaways

1. **C&I represents majority of Plan lifetime electric savings (65%)** and almost half lifetime gas (45%) savings
2. **Lower planned cost to achieve ($/lifetime savings) for 2027-2029** for both electric and gas, partially aided by shift to savings from longer-lasting measures
3. **Nearly half of planned C&I lifetime electric savings from HVAC (48%)**, a notable shift away from historic reliance lighting
4. **Plan calls for ambitious scaling of newer measures/offerings** such as existing building commissioning (EBCx) and heat/energy recovery ventilation (HRV/ERV)
5. **2027 Planned C&I gas savings more than 2x 2026 Annual Planned** but in-line with 2025 Actual performance
6. **Equity Metrics for Small Business** require more “numerical context” to assess impacts

Council Discussion

Council Member Discussion

Appendix

Electric Lifetime MWhs

ENERGY EFFICIENCY COUNCIL

LIFETIME MWhs

	PLAN VALUES			COMPARISONS							
Program	2027 Three-Year Plan (First Draft)	2028 Three-Year Plan (First Draft)	2029 Three-Year Plan (First Draft)	2027 Three-Year Plan (First Draft) Compared to 2026 Plan		2027 Three-Year Plan (First Draft) Compared to 2025 Actuals		2028 Three-Year Plan (First Draft) Compared to 2027 Three-Year Plan (First Draft)		2029 Three-Year Plan (First Draft) Compared to 2028 Three-Year Plan (First Draft)	
Small Business Direct Install	33,255	31,579	32,575	-11,677	-26%	5,086	18%	-1,677	-5%	996	3%
Large C&I New Construction	94,822	88,306	91,691	14,410	18%	15,607	20%	-6,516	-7%	3,385	4%
Large C&I Retrofit	235,017	234,111	238,928	80,508	52%	10,024	4%	-905	0%	4,817	2%
C&I Total	**363,095**	**353,996**	**363,194**	**83,242**	**30%**	**30,718**	**9%**	**-9,098**	**-3%**	**9,198**	**3%**
Income Eligible Single Family	13,688	12,675	11,068	-12,244	-47%	647	5%	-1,014	-7%	-1,607	-13%
Income Eligible Multifamily	6,379	6,076	5,175	-20	0%	134	2%	-303	-5%	-901	-15%
Income Eligible Total	**20,067**	**18,750**	**16,243**	**-12,263**	**-38%**	**781**	**4%**	**-1,317**	**-7%**	**-2,508**	**-13%**
Residential New Construction	16,737	21,322	20,166	1,422	9%	-2,546	-13%	4,584	27%	-1,155	-5%
Residential HVAC	115,782	107,031	107,774	8,740	8%	66,399	134%	-8,751	-8%	743	1%
EnergyWise Single Family	23,819	22,329	20,650	-613	-3%	5,481	30%	-1,490	-6%	-1,679	-8%
EnergyWise Multifamily	3,244	2,961	2,862	222	7%	97	3%	-283	-9%	-99	-3%
Home Energy Reports	0	0	0	-18,048	-100%	-22,026	-100%	0		0	
Residential Consumer Products	16,288	15,831	16,142	3,502	27%	1,374	9%	-456	-3%	310	2%
Residential Total	**175,870**	**169,474**	**167,594**	**-4,774**	**-3%**	**48,779**	**38%**	**-6,396**	**-4%**	**-1,880**	**-1%**
Residential & Income Eligible Total	**195,937**	**188,225**	**183,836**	**-17,038**	**-8%**	**49,560**	**34%**	**-7,713**	**-4%**	**-4,388**	**-2%**
Portfolio Total	***559,032***	***542,221***	***547,031***	**66,204**	**13%**	**80,278**	**17%**	**-16,811**	**-3%**	**4,810**	**1%**

Electric Budget

IMPLEMENTATION BUDGET

		PLAN VALUES			COMPARISONS							
% of 2027 Portfolio	Program	2027 Three-Year Plan (First Draft)	2028 Three-Year Plan (First Draft)	2029 Three-Year Plan (First Draft)	2027 Three-Year Plan (First Draft) Compared to 2026 Annual Plan		2027 Three-Year Plan (First Draft) Compared to 2025 Actuals		2028 Three-Year Plan (First Draft) Compared to 2027 Three-Year Plan (First Draft)		2029 Three-Year Plan (First Draft) Compared to 2028 Three-Year Plan (First Draft)	
4%	Small Business Direct Install	$2,369,456	$2,265,973	$2,280,803	-$1,742,063	-42%	-$2,298,644	-49%	-$103,483	-4%	$14,830	1%
9%	Large C&I New Construction	$5,063,223	$4,882,919	$4,992,121	$1,327,555	36%	-$123,177	-2%	-$180,304	-4%	$109,203	2%
23%	Large C&I Retrofit	$12,377,103	$12,092,792	$11,634,143	-$2,520,862	-17%	-$8,287,897	-40%	-$284,311	-2%	-$458,649	-4%
0%	C&I Financing	$0	$0	$0	$0		$0		$0		$0	
0%	C&I Community Based Initiatives	$0	$0	$0	-$6,045	-100%	-$800	-100%	$0		$0	
0%	C&I Pilots and Assessments	$0	$0	$0	$0		$0		$0		$0	
0%	C&I ConnectedSolutions	$0	$0	$0	$0		$0		$0		$0	
0%	Commercial Workforce Development	$0	$0	$0	$0		$0		$0		$0	
0%	C&I Demonstrations	$50,000	$129,231	$0	$0	0%	$50,000		$79,231	158%	-$129,231	-100%
0%	Commercial & Industrial Performance Ince	$0	$0	$0	$0		$0		$0		$0	
37%	**C&I Total**	**$19,859,781**	**$19,370,914**	**$18,907,068**	**-$2,941,415**	**-13%**	**-$10,660,519**	**-35%**	**-$488,867**	**-2%**	**-$463,847**	**-2%**
13%	Income Eligible Single Family	$6,856,298	$6,599,691	$6,080,747	-$2,363,982	-26%	$836,698	14%	-$256,607	-4%	-$518,944	-8%
3%	Income Eligible Multifamily	$1,455,259	$1,424,355	$1,285,390	-$26,972	-2%	-$367,441	-20%	-$30,904	-2%	-$138,965	-10%
0%	Income Eligible Workforce Development	$0	$0	$0	$0		$0		$0		$0	
0%	Income Eligible Performance Incentive	$0	$0	$0	$0		$0		$0		$0	
15%	**Income Eligible Total**	**$8,311,557**	**$8,024,046**	**$7,366,137**	**-$2,390,954**	**-22%**	**$469,257**	**6%**	**-$287,511**	**-3%**	**-$657,909**	**-8%**
3%	Residential New Construction	$1,873,745	$2,260,312	$2,090,210	$361,434	24%	$439,345	31%	$386,567	21%	-$170,101	-8%
11%	Residential HVAC	$6,058,173	$5,809,374	$5,772,471	-$74,401	-1%	$1,505,773	33%	-$248,799	-4%	-$36,903	-1%
19%	EnergyWise Single Family	$10,071,502	$10,068,691	$9,701,935	-$343,704	-3%	-$221,398	-2%	-$2,812	0%	-$366,756	-4%
1%	EnergyWise Multifamily	$688,901	$678,943	$665,754	$120,504	21%	$333,701	94%	-$9,958	-1%	-$13,189	-2%
0%	Home Energy Reports	$0	$0	$0	-$633,258	-100%	-$2,171,900	-100%	$0		$0	
3%	Residential Consumer Products	$1,837,934	$1,848,247	$1,866,227	$104,548	6%	-$224,866	-11%	$10,313	1%	$17,980	1%
0%	Energy Efficiency Education	$0	$0	$0	$0		$0		$0		$0	
1%	Residential Marketing	$388,433	$388,433	$388,433	$65,747	20%	$77,233	25%	$0	0%	$0	0%
0%	Residential Community Based Initiatives	$16,800	$16,800	$16,800	-$6,431	-28%	-$77,700	-82%	$0	0%	$0	0%
0%	Residential ConnectedSolutions	$0	$0	$0	$0		$0		$0		$0	
0%	Residential Pilots and Assessments	$0	$0	$0	$0		$0		$0		$0	
0%	Residential Workforce Development	$0	$0	$0	$0		$0		$0		$0	
0%	Residential Performance Incentive	$0	$0	$0	$0		$0		$0		$0	
39%	**Residential Total**	**$20,935,489**	**$21,070,800**	**$20,501,831**	**-$405,561**	**-2%**	**-$339,811**	**-2%**	**$135,311**	**1%**	**-$568,969**	**-3%**
54%	**Residential & Income Eligible Total**	**$29,247,046**	**$29,094,846**	**$27,867,969**	-$2,796,515	-9%	$129,446	0%	-$152,200	-1%	-$1,226,878	-4%
1%	EERMC	$611,049	$613,384	$607,541	$26,176	4%	$60,449	11%	$2,335	0%	-$5,843	-1%
2%	OER	$916,574	$920,077	$911,312	-$82,999	-8%	-$234,626	-20%	$3,503	0%	-$8,765	-1%
0%	Electric Resistance to HP Conversions	$0	$0	$0	$0		$0		$0		$0	
7%	Rhode Island Infrastructure Bank	$3,682,408	$3,682,408	$3,682,408	$0	0%	-$92	0%	$0	0%	$0	0%
10%	**Regulatory Total**	**$5,210,031**	**$5,215,869**	**$5,201,261**	**-$56,822**	**-1%**	**-$174,269**	**-3%**	**$5,838**	**0%**	**-$14,608**	**0%**
100%	***Portfolio Total***	***$54,316,859***	***$53,681,630***	***$51,976,298***	**-$5,794,752**	**-10%**	**-$10,705,341**	**-16%**	**-$635,229**	**-1%**	**-$1,705,332**	**-3%**

Electric Lifetime Cost to Achieve ($/kWh)

$/LIFETIME kWh

Program	PLAN VALUES: 2027 Three-Year Plan (First Draft)	PLAN VALUES: 2028 Three-Year Plan (First Draft)	PLAN VALUES: 2029 Three-Year Plan (First Draft)	COMPARISONS: 2027 Three-Year Plan (First Draft) Compared to 2026 Annual Plan		COMPARISONS: 2027 Three-Year Plan (First Draft) Compared to 2025 Actuals		COMPARISONS: 2028 Three-Year Plan (First Draft) Compared to 2027 Three-Year Plan (First Draft)		COMPARISONS: 2029 Three-Year Plan (First Draft) Compared to 2028 Three-Year Plan (First Draft)	
Small Business Direct Install	$0.07	$0.07	$0.07	-$0.02	-22%	-$0.09	-57%	$0.00	1%	$0.00	-2%
Large C&I New Construction	$0.05	$0.06	$0.05	$0.01	15%	-$0.01	-18%	$0.00	4%	$0.00	-2%
Large C&I Retrofit	$0.05	$0.05	$0.05	-$0.04	-45%	-$0.04	-43%	$0.00	-2%	$0.00	-6%
C&I Total	**$0.05**	**$0.05**	**$0.05**	**-$0.03**	**-33%**	**-$0.04**	**-40%**	**$0.00**	**0%**	**$0.00**	**-5%**
Income Eligible Single Family	$0.50	$0.52	$0.55	$0.15	41%	$0.04	9%	$0.02	4%	$0.03	6%
Income Eligible Multifamily	$0.23	$0.23	$0.25	$0.00	-2%	-$0.06	-22%	$0.01	3%	$0.01	6%
Income Eligible Total	**$0.41**	**$0.43**	**$0.45**	**$0.08**	**25%**	**$0.01**	**2%**	**$0.01**	**3%**	**$0.03**	**6%**
Residential New Construction	$0.11	$0.11	$0.10	$0.01	13%	$0.04	50%	-$0.01	-5%	$0.00	-2%
Residential HVAC	$0.05	$0.05	$0.05	$0.00	-9%	-$0.04	-43%	$0.00	4%	$0.00	-1%
EnergyWise Single Family	$0.42	$0.45	$0.47	$0.00	-1%	-$0.14	-25%	$0.03	7%	$0.02	4%
EnergyWise Multifamily	$0.21	$0.23	$0.23	$0.02	13%	$0.10	88%	$0.02	8%	$0.00	1%
Home Energy Reports				-$0.04	-100%	-$0.10	-100%	$0.00		$0.00	
Residential Consumer Products	$0.11	$0.12	$0.12	-$0.02	-17%	-$0.03	-18%	$0.00	3%	$0.00	-1%
Residential Total	**$0.12**	**$0.12**	**$0.12**	**$0.00**	**1%**	**-$0.05**	**-29%**	**$0.01**	**4%**	**$0.00**	**-2%**
Residential & Income Eligible Total	**$0.15**	**$0.15**	**$0.15**	**$0.00**	**-1%**	**-$0.05**	**-25%**	**$0.01**	**4%**	**$0.00**	**-2%**
Portfolio Total	***$0.10***	***$0.10***	***$0.10***	**-$0.02**	**-20%**	**-$0.04**	**-28%**	**$0.00**	**2%**	**$0.00**	**-4%**

Gas Lifetime MMBtus

		PLAN VALUES			COMPARISONS							
	LIFETIME MMBtus											
% of 2027 Portfolio	Program	2027 Three-Year Plan (First Draft)	2028 Three-Year Plan (First Draft)	2029 Three-Year Plan (First Draft)	2027 Three-Year Plan (First Draft) Compared to 2026 Annual Plan		2027 Three-Year Plan (First Draft) Compared to 2025 Actuals		2028 Three-Year Plan (First Draft) Compared to 2027 Three-Year Plan (First Draft)		2029 Three-Year Plan (First Draft) Compared to 2028 Three-Year Plan (First Draft)	
13%	Large C&I New Construction	323,995	298,314	304,156	175,797	119%	2,582	1%	-25,680	-8%	5,842	2%
23%	Large C&I Retrofit	580,176	536,041	550,676	413,676	248%	45,956	9%	-44,134	-8%	14,635	3%
4%	Small Business Direct Install	99,940	90,974	83,906	2,208	2%	14,350	17%	-8,966	-9%	-7,068	-8%
5%	C&I Multifamily	112,486	103,199	95,919	11,847	12%	16,103	17%	-9,287	-8%	-7,280	-7%
45%	**C&I Total**	**1,116,596**	**1,028,529**	**1,034,658**	**603,528**	**118%**	**78,990**	**8%**	**-88,068**	**-8%**	**6,129**	**1%**
5%	Income Eligible Single Family	114,005	86,135	82,180	-1,725	-1%	-18,182	-14%	-27,869	-24%	-3,955	-5%
7%	Income Eligible Multifamily	177,996	176,354	144,362	-1,712	-1%	51,244	40%	-1,642	-1%	-31,991	-18%
12%	**Income Eligible Total**	**292,000**	**262,489**	**226,543**	**-3,437**	**-1%**	**33,062**	**13%**	**-29,511**	**-10%**	**-35,947**	**-14%**
11%	Residential HVAC	269,967	210,026	181,628	-27,695	-9%	2,905	1%	-59,941	-22%	-28,398	-14%
27%	EnergyWise Single Family	681,850	625,033	571,169	-57,209	-8%	-15,419	-2%	-56,817	-8%	-53,864	-9%
3%	EnergyWise Multifamily	79,886	73,069	72,035	6,570	9%	48,883	158%	-6,817	-9%	-1,034	-1%
0%	Home Energy Reports	0	0	0	-49,542	-100%	-78,988	-100%	0		0	
2%	Residential New Construction	46,467	37,518	33,104	-35,335	-43%	6,424	16%	-8,950	-19%	-4,414	-12%
43%	**Residential Total**	**1,078,170**	**945,645**	**857,936**	**-163,211**	**-13%**	**-36,195**	**-3%**	**-132,525**	**-12%**	**-87,709**	**-9%**
55%	**Residential & Income Eligible Total**	**1,370,170**	**1,208,134**	**1,084,478**	**-166,648**	**-11%**	**-3,133**	**0%**	**-162,036**	**-12%**	**-123,656**	**-10%**
100%	***Portfolio Total***	***2,486,766***	***2,236,663***	***2,119,136***	436,880	21%	75,857	3%	-250,104	-10%	-117,527	-5%

Gas Budget

ENERGY EFFICIENCY COUNCIL

IMPLEMENTATION BUDGET

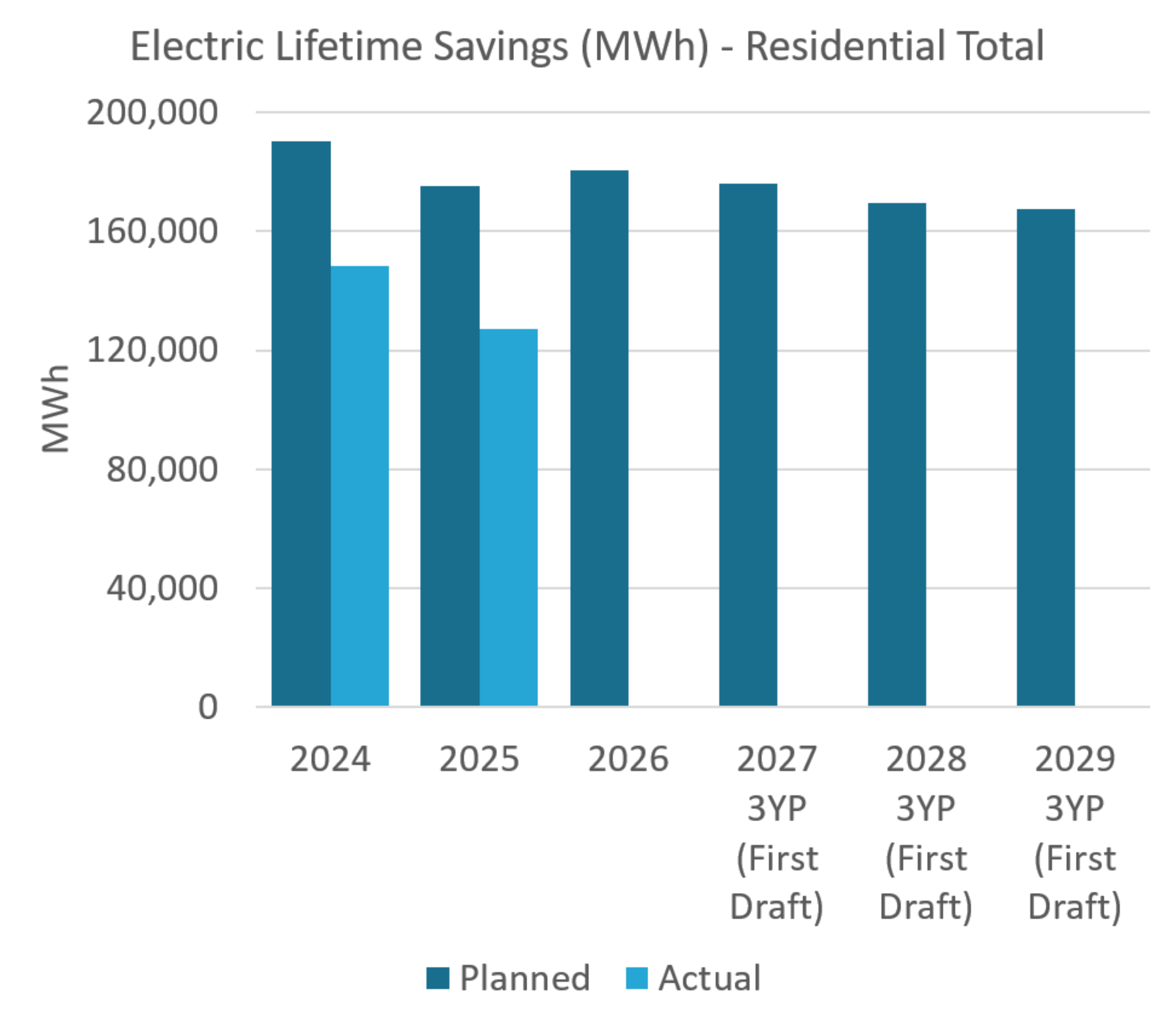
		PLAN VALUES			COMPARISON							
% of 2027 Portfolio	Program	2027 Three-Year Plan (First Draft)	2028 Three-Year Plan (First Draft)	2029 Three-Year Plan (First Draft)	2027 Three-Year Plan (First Draft) Compared to 2026 Annual Plan		2027 Three-Year Plan (First Draft) Compared to 2025 Actuals		2028 Three-Year Plan (First Draft) Compared to 2027 Three-Year Plan (First Draft)		2029 Three-Year Plan (First Draft) Compared to 2028 Three-Year Plan (First Draft)	
4%	Large C&I New Construction	$1,345,336	$1,314,702	$1,327,917	563,456	72%	-247,964	-16%	-30,634	-2%	13,215	1%
11%	Large C&I Retrofit	$3,807,252	$3,651,592	$3,730,482	$1,622,666	74%	-$265,748	-7%	-$155,660	-4%	$78,890	2%
2%	Small Business Direct Install	$767,129	$709,370	$614,604	$93,500	14%	$103,629	16%	-$57,759	-8%	-$94,766	-13%
4%	C&I Multifamily	$1,264,444	$1,184,378	$1,088,978	$172,672	16%	$77,744	7%	-$80,066	-6%	-$95,400	-8%
0%	Comprehensive Marketing - Commercial and Industrial	$0	$0	$0	$0		$0		$0		$0	
0%	C&I Pilots and Assessments	$0	$0	$0	$0		$0		$0		$0	
0%	C&I Financing	$0	$0	$0	$0		-$800	-100%	$0		$0	
0%	C&I Community Based Initiatives	$0	$0	$0	$0		$0		$0		$0	
4%	Rhode Island Infrastructure Bank	$1,317,592	$1,317,592	$1,317,592	$0	0%	$92	0%	$0	0%	$0	0%
0%	Commercial Workforce Development	$0	$0	$0	$0		$0		$0		$0	
0%	Commercial & Industrial Performance Incentive	$0	$0	$0	$0		$0		$0		$0	
24%	**C&I Total**	**$8,501,753**	**$8,177,635**	**$8,079,574**	**$2,452,294**	**41%**	**-$333,047**	**-4%**	**-$324,118**	**-4%**	**-$98,061**	**-1%**
17%	Income Eligible Single Family	$5,996,184	$4,887,567	$4,696,721	$650,489	12%	$1,652,284	38%	-$1,108,617	-18%	-$190,846	-4%
11%	Income Eligible Multifamily	$4,034,031	$4,051,038	$3,397,991	$924,669	30%	$1,056,731	35%	$17,008	0%	-$653,047	-16%
0%	Income Eligible Workforce Development	$0	$0	$0	$0		$0		$0		$0	
0%	Income Eligible Performance Incentive	$0	$0	$0	$0		$0		$0		$0	
28%	**Income Eligible Total**	**$10,030,215**	**$8,938,605**	**$8,094,712**	**$1,575,158**	**19%**	**$2,709,015**	**37%**	**-$1,091,610**	**-11%**	**-$843,893**	**-9%**
5%	Residential HVAC	$1,693,920	$1,432,149	$1,303,271	-$174,966	-9%	-$484,380	-22%	-$261,772	-15%	-$128,877	-9%
37%	EnergyWise Single Family	$13,258,371	$12,615,025	$11,723,166	-$760,549	-5%	$331,671	3%	-$643,346	-5%	-$891,859	-7%
3%	EnergyWise Multifamily	$910,296	$876,482	$863,404	$104,035	13%	$408,196	81%	-$33,814	-4%	-$13,079	-1%
0%	Home Energy Reports	$0	$0	$0	-$236,661	-100%	-$428,300	-100%	$0		$0	
1%	Residential New Construction	$462,223	$439,735	$427,641	-$170,996	-27%	$194,823	73%	-$22,489	-5%	-$12,094	-3%
0%	Residential Marketing	$93,475	$93,475	$93,475	$9,444	11%	$18,475	25%	$0	0%	$0	0%
0%	Residential Pilots and Assessments	$0	$0	$0	$0		$0		$0		$0	
0%	Residential Community Based Initiatives	$7,200	$7,200	$7,200	-$3,343	-32%	-$24,300	-77%	$0	0%	$0	0%
0%	Residential Workforce Development	$0	$0	$0	$0		$0		$0		$0	
0%	Residential Performance Incentive	$0	$0	$0	$0		$0		$0		$0	
46%	**Residential Total**	**$16,425,485**	**$15,464,065**	**$14,418,157**	**-$1,233,036**	**-7%**	**$16,185**	**0%**	**-$961,420**	**-6%**	**-$1,045,908**	**-7%**
73%	**Residential & Income Eligible Total**	**$26,455,700**	**$24,402,670**	**$22,512,869**	**$342,123**	**1%**	**$2,725,200**	**11%**	**-$2,053,030**	**-8%**	**-$1,889,802**	**-8%**
1%	EERMC	$424,406	$395,940	$372,650	$117,379	38%	$129,206	44%	-$28,465	-7%	-$23,290	-6%
2%	OER	$636,608	$593,910	$558,975	$111,887	21%	$80,108	14%	-$42,698	-7%	-$34,936	-6%
3%	**Regulatory Total**	**$1,061,014**	**$989,850**	**$931,624**	**$229,266**	**28%**	**$209,314**	**25%**	**-$71,164**	**-7%**	**-$58,226**	**-6%**
100%	***Portfolio Total***	***$36,018,467***	***$33,570,155***	***$31,524,066***	**$3,023,683**	**9%**	**$2,601,467**	**8%**	**-$2,448,312**	**-7%**	**-$2,046,089**	**-6%**

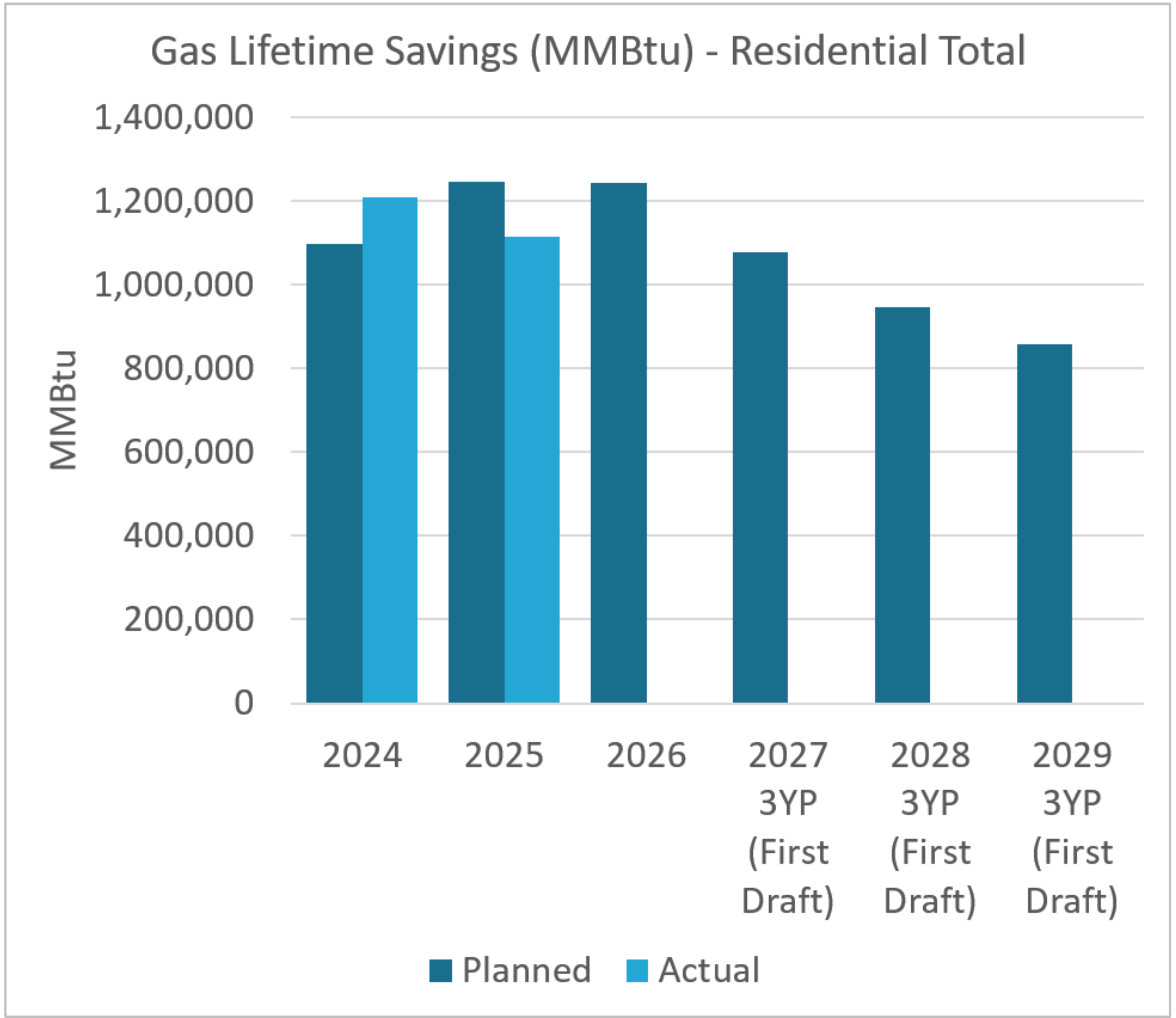
Gas Lifetime Cost to Achieve ($/MMBtu)

$/LIFETIME MMBtu

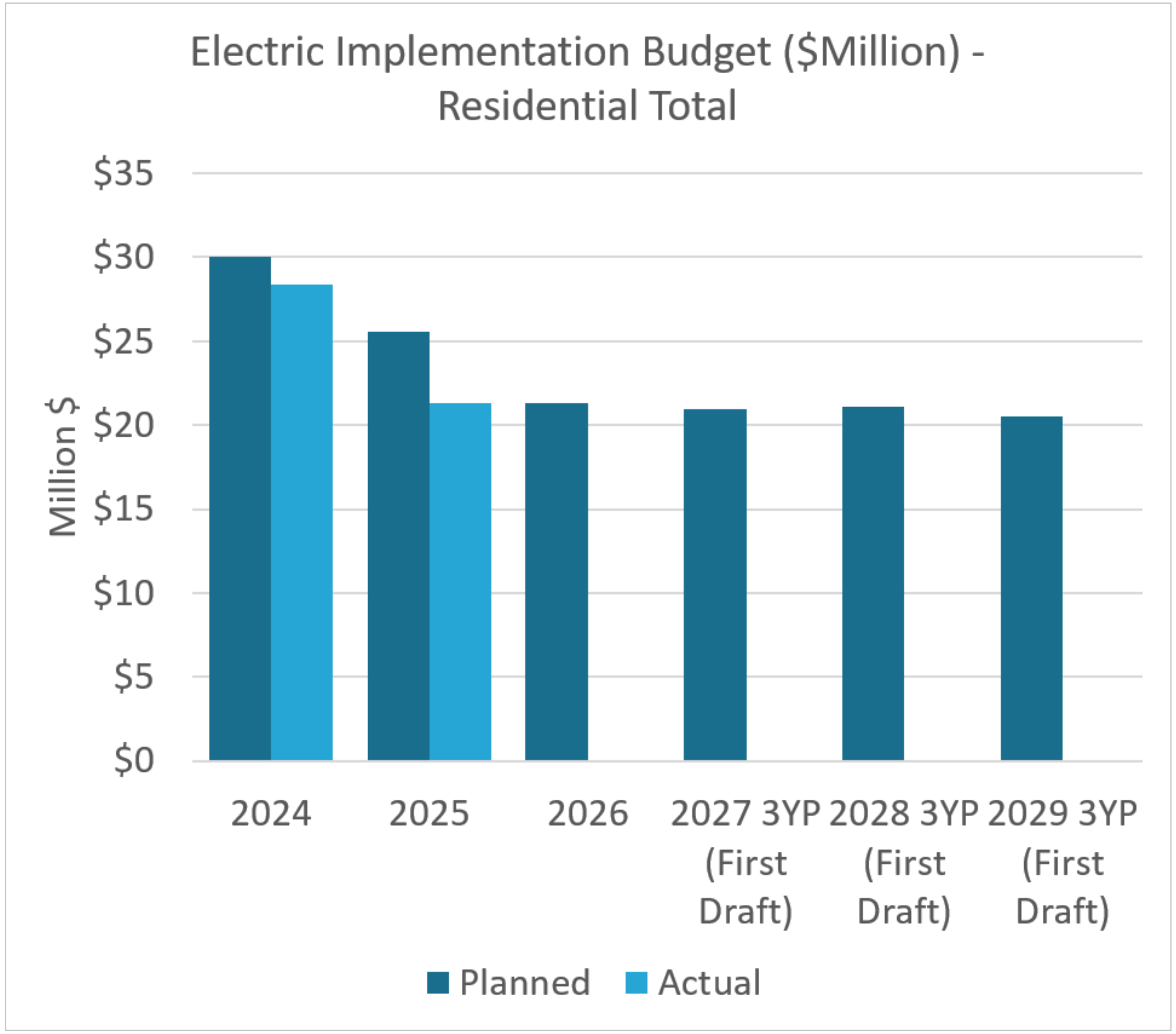
	PLAN VALUES			COMPARISON							
Program	**2027 Three-Year Plan (First Draft)**	**2028 Three-Year Plan (First Draft)**	**2029 Three-Year Plan (First Draft)**	**2027 Three-Year Plan (First Draft) Compared to 2026 Annual Plan**		**2027 Three-Year Plan (First Draft) Compared to 2025 Actuals**		**2028 Three-Year Plan (First Draft) Compared to 2027 Three-Year Plan (First Draft)**		**2029 Three-Year Plan (First Draft) Compared to 2028 Three-Year Plan (First Draft)**	
Large C&I New Construction	$4.15	$4.41	$4.37	-$1.12	-21%	-$0.80	-16%	$0.25	6%	-$0.04	-1%
Large C&I Retrofit	$6.56	$6.81	$6.77	-$6.56	-50%	-$1.06	-14%	$0.25	4%	-$0.04	-1%
Small Business Direct Install	$7.68	$7.80	$7.32	$0.78	11%	-$0.08	-1%	$0.12	2%	-$0.47	-6%
C&I Multifamily	$11.24	$11.48	$11.35	$0.39	4%	-$1.07	-9%	$0.24	2%	-$0.12	-1%
C&I Total	**$7.61**	**$7.95**	**$7.81**	**-$4.18**	**-35%**	**-$0.90**	**-11%**	**$0.34**	**4%**	**-$0.14**	**-2%**
Income Eligible Single Family	$52.60	$56.74	$57.15	$6.40	14%	$19.73	60%	$4.15	8%	$0.41	1%
Income Eligible Multifamily	$22.66	$22.97	$23.54	$5.36	31%	-$0.83	-4%	$0.31	1%	$0.57	2%
Income Eligible Total	**$34.35**	**$34.05**	**$35.73**	**$5.73**	**20%**	**$6.08**	**21%**	**-$0.30**	**-1%**	**$1.68**	**5%**
Residential HVAC	$6.27	$6.82	$7.18	$0.00	0%	-$1.88	-23%	$0.54	9%	$0.36	5%
EnergyWise Single Family	$19.44	$20.18	$20.52	$0.48	3%	$0.91	5%	$0.74	4%	$0.34	2%
EnergyWise Multifamily	$11.39	$12.00	$11.99	$0.40	4%	-$4.80	-30%	$0.60	5%	-$0.01	0%
Home Energy Reports				-$4.78	-100%	-$5.42	-100%	$0.00		$0.00	
Residential New Construction	$9.95	$11.72	$12.92	$2.21	29%	$3.27	49%	$1.77	18%	$1.20	10%
Residential Total	**$15.23**	**$16.35**	**$16.81**	**$1.01**	**7%**	**$0.51**	**3%**	**$1.12**	**7%**	**$0.45**	**3%**
Residential & Income Eligible Total	**$19.31**	**$20.20**	**$20.76**	**$2.32**	**14%**	**$2.03**	**12%**	**$0.89**	**5%**	**$0.56**	**3%**
Portfolio Total	***$14.48***	***$15.01***	***$14.88***	***-$1.61***	***-10%***	***$0.62***	***4%***	***$0.52***	***4%***	***-$0.13***	***-1%***

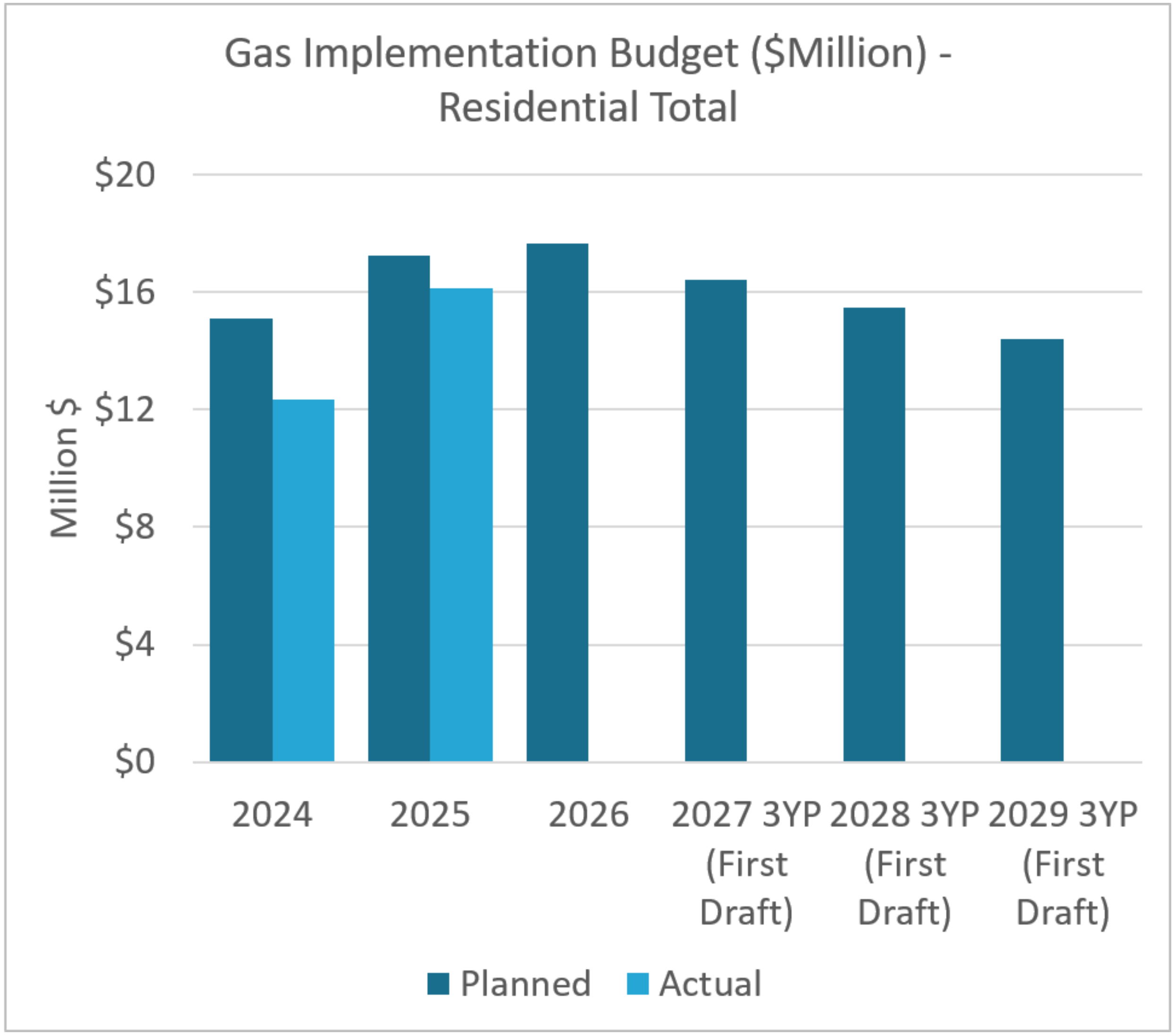
Residential Lifetime Savings



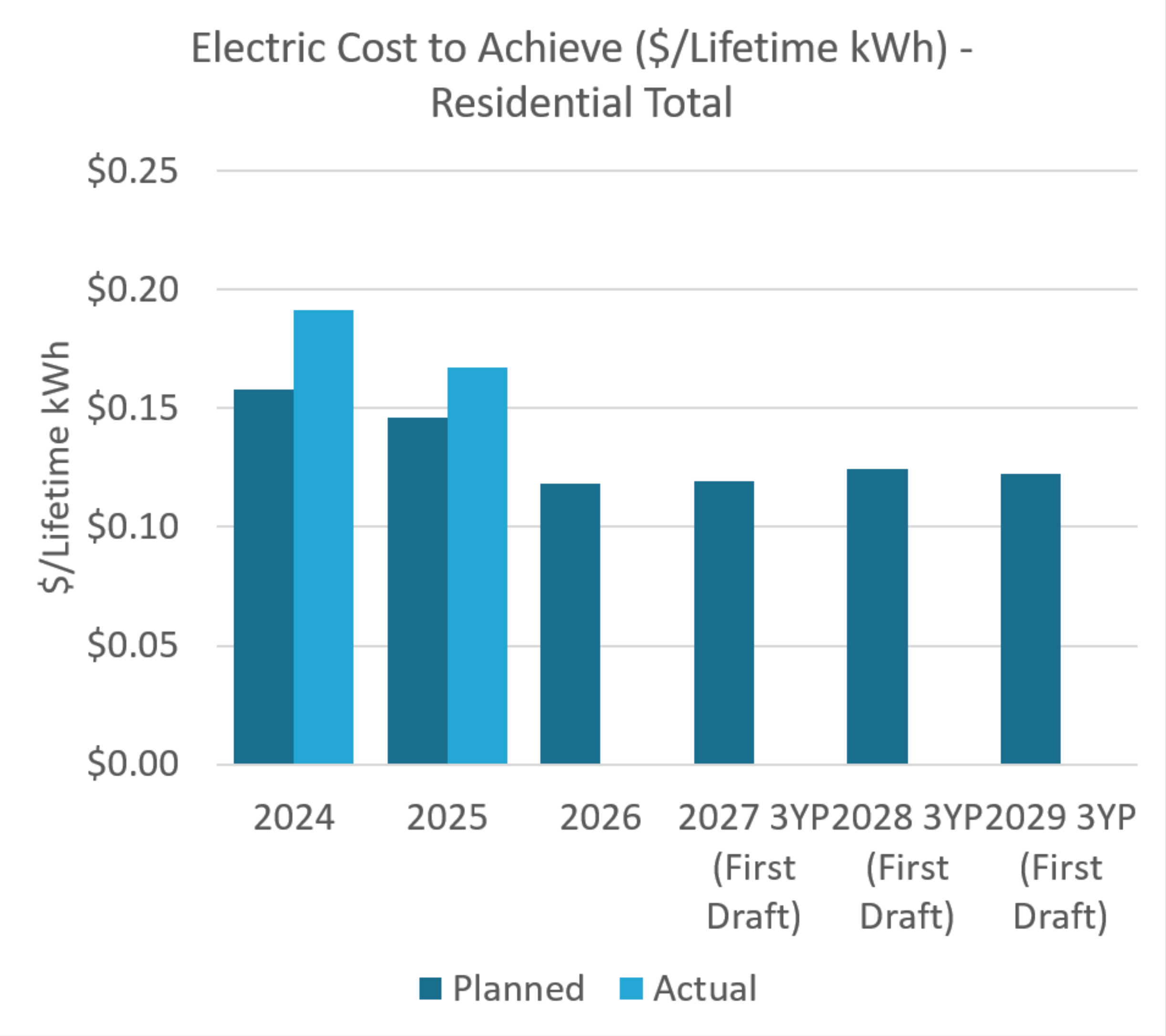


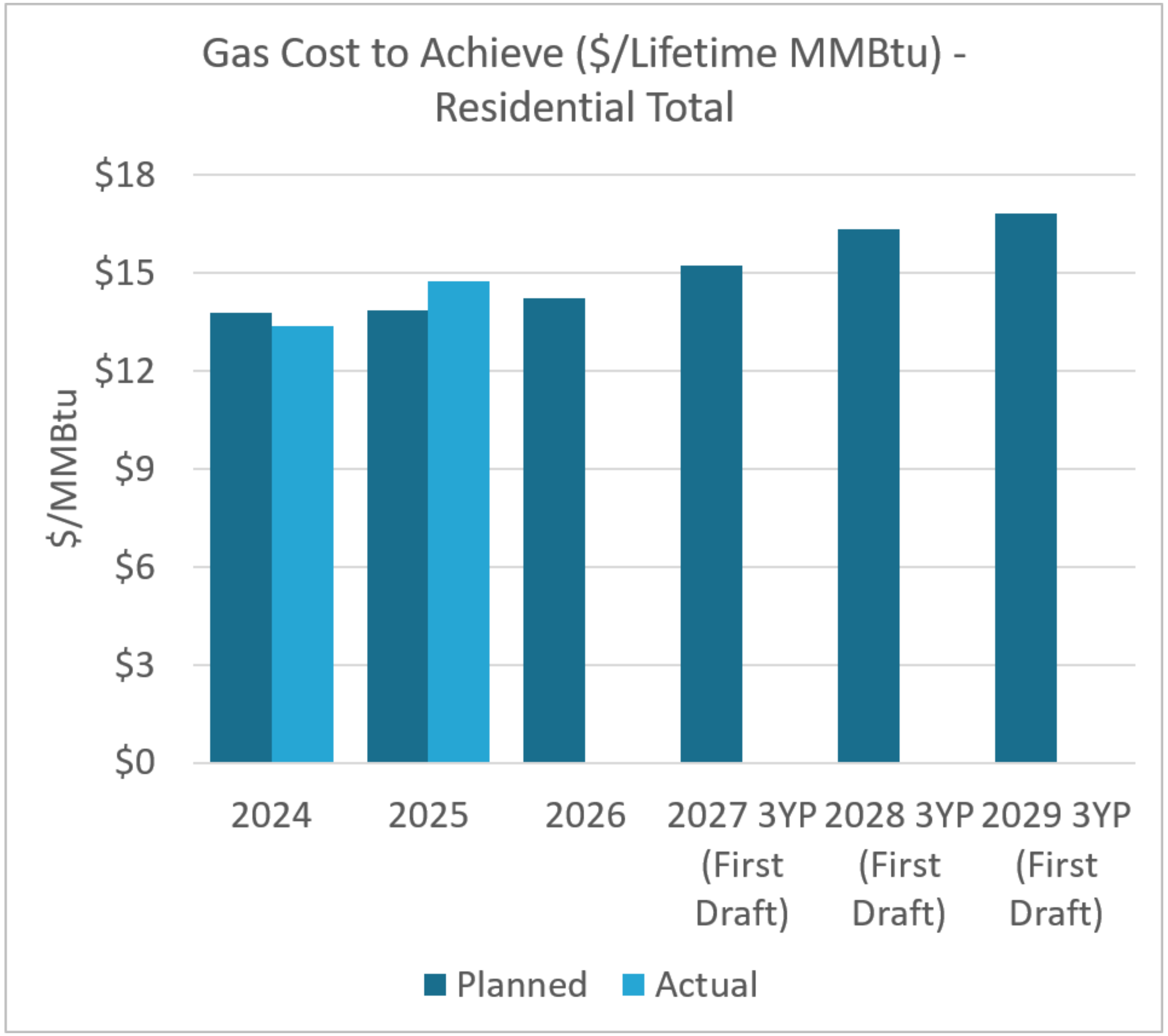
Residential Implementation Budget



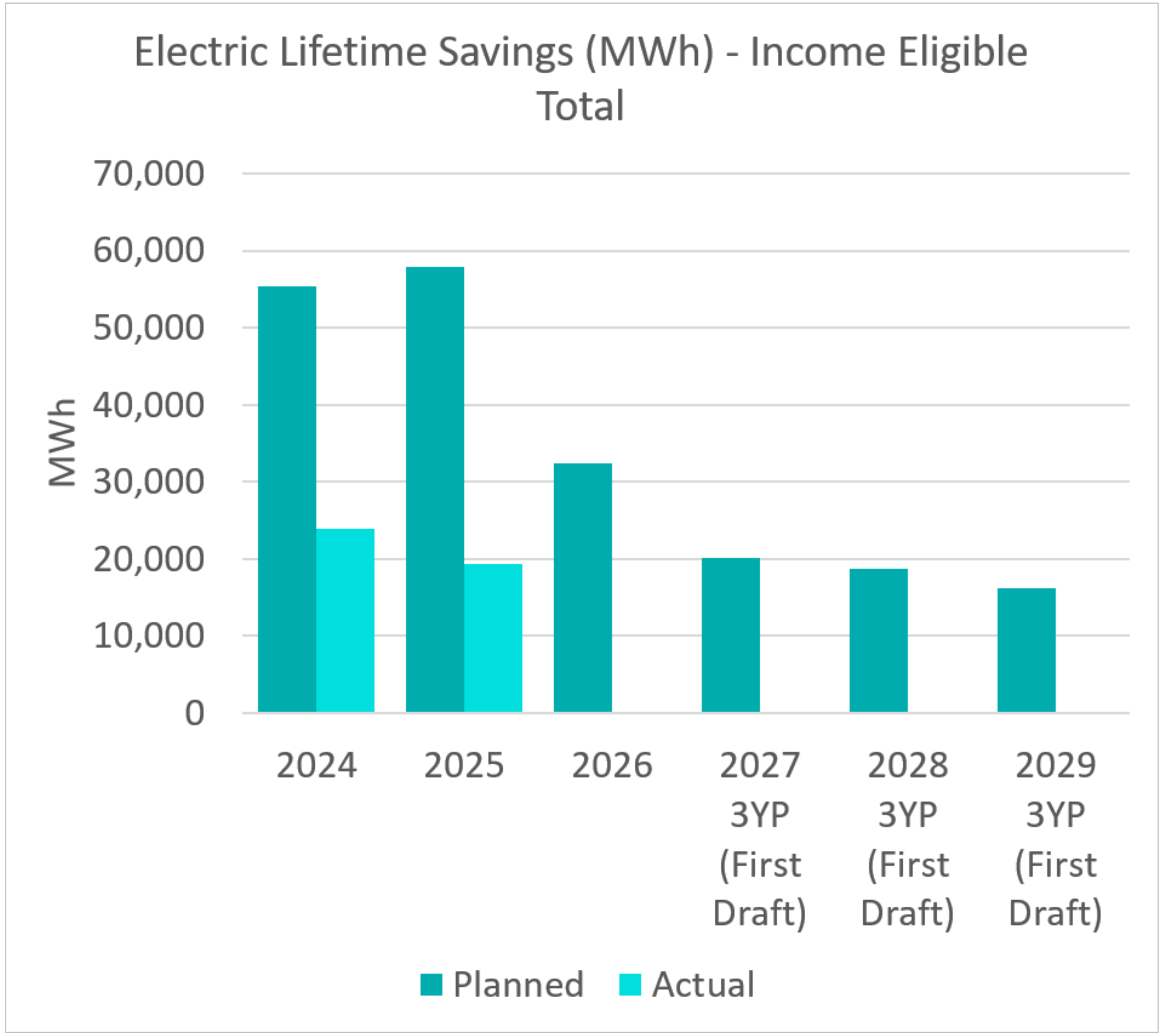


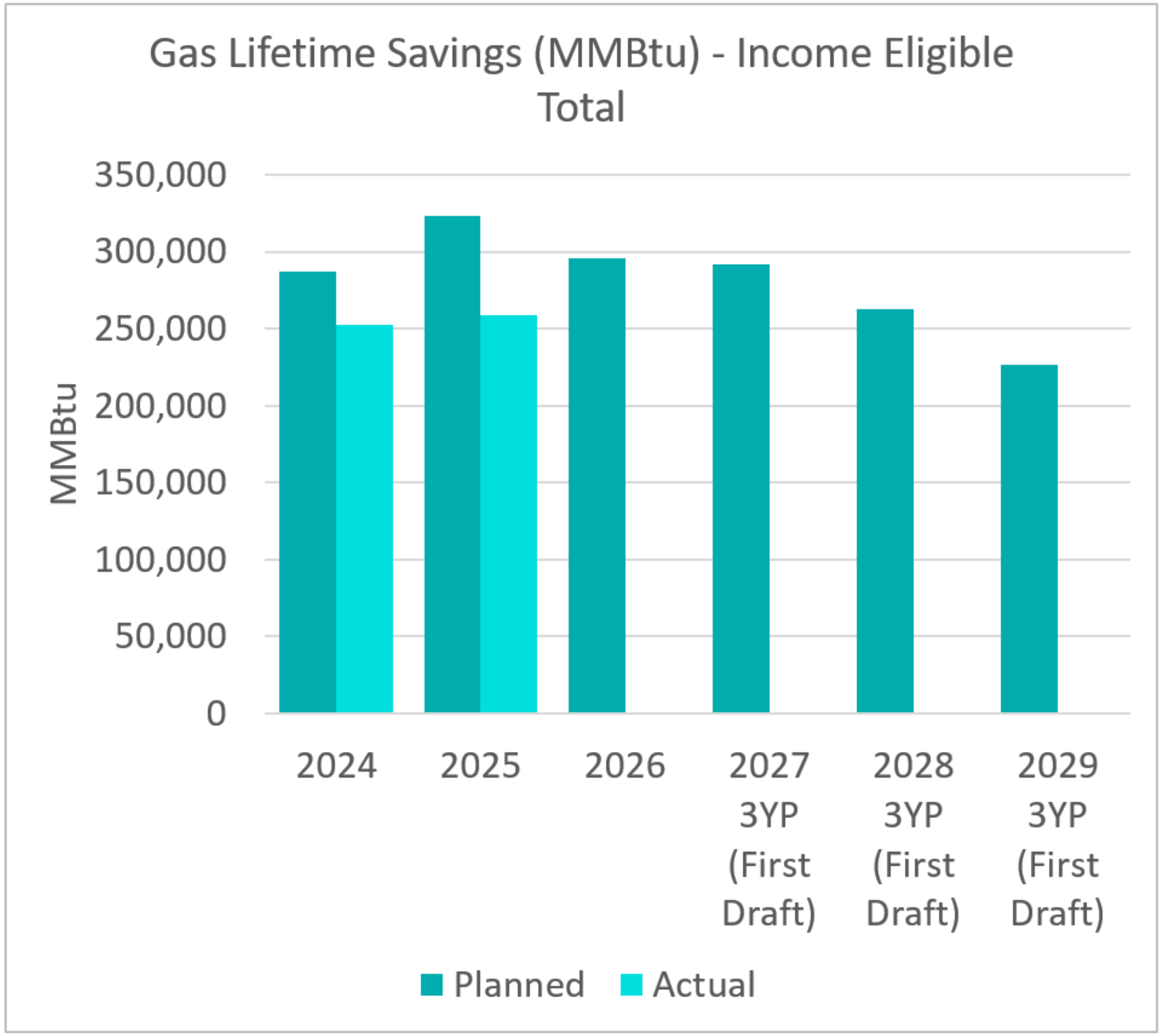
Residential Lifetime Cost-to-Achieve



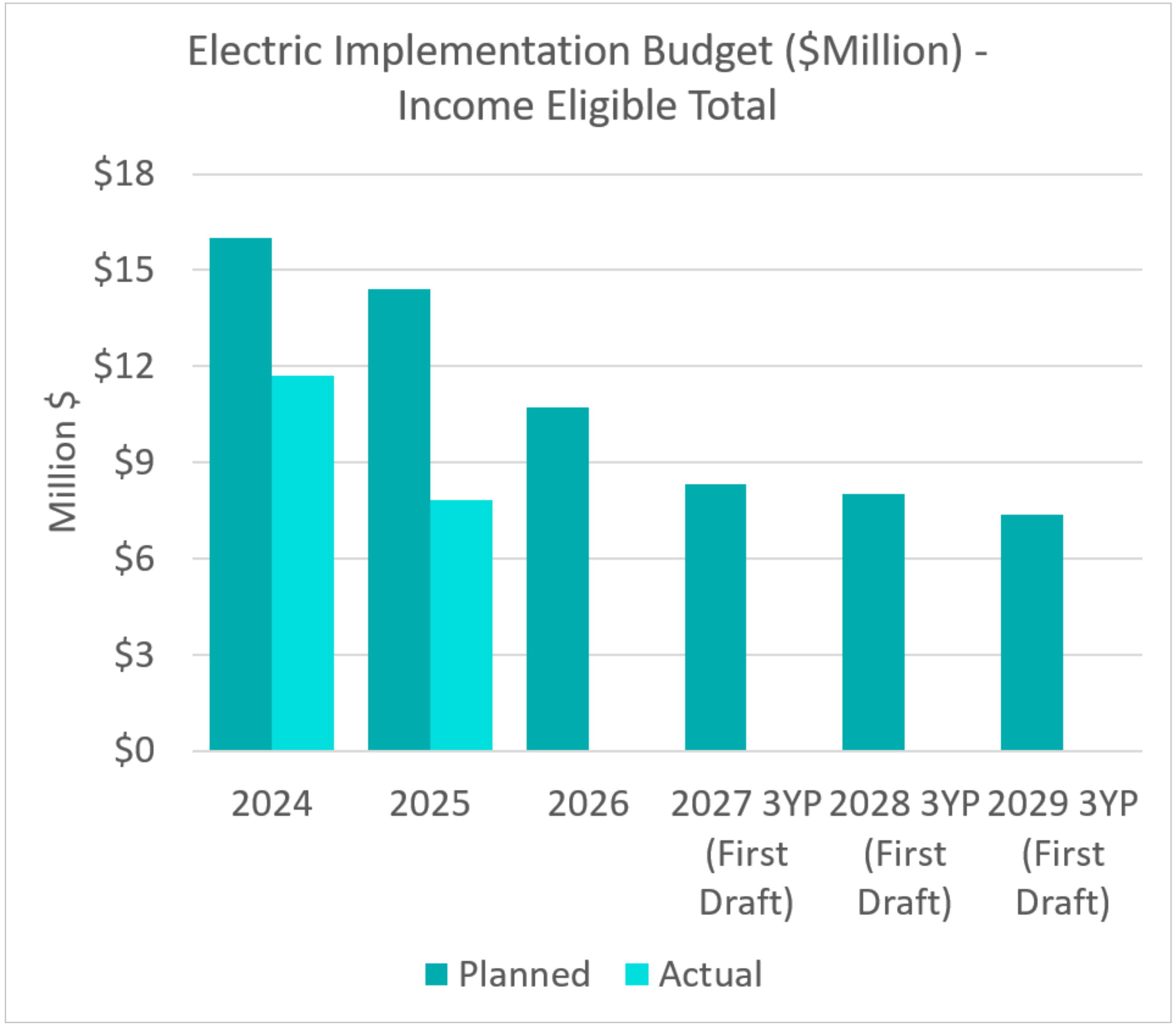


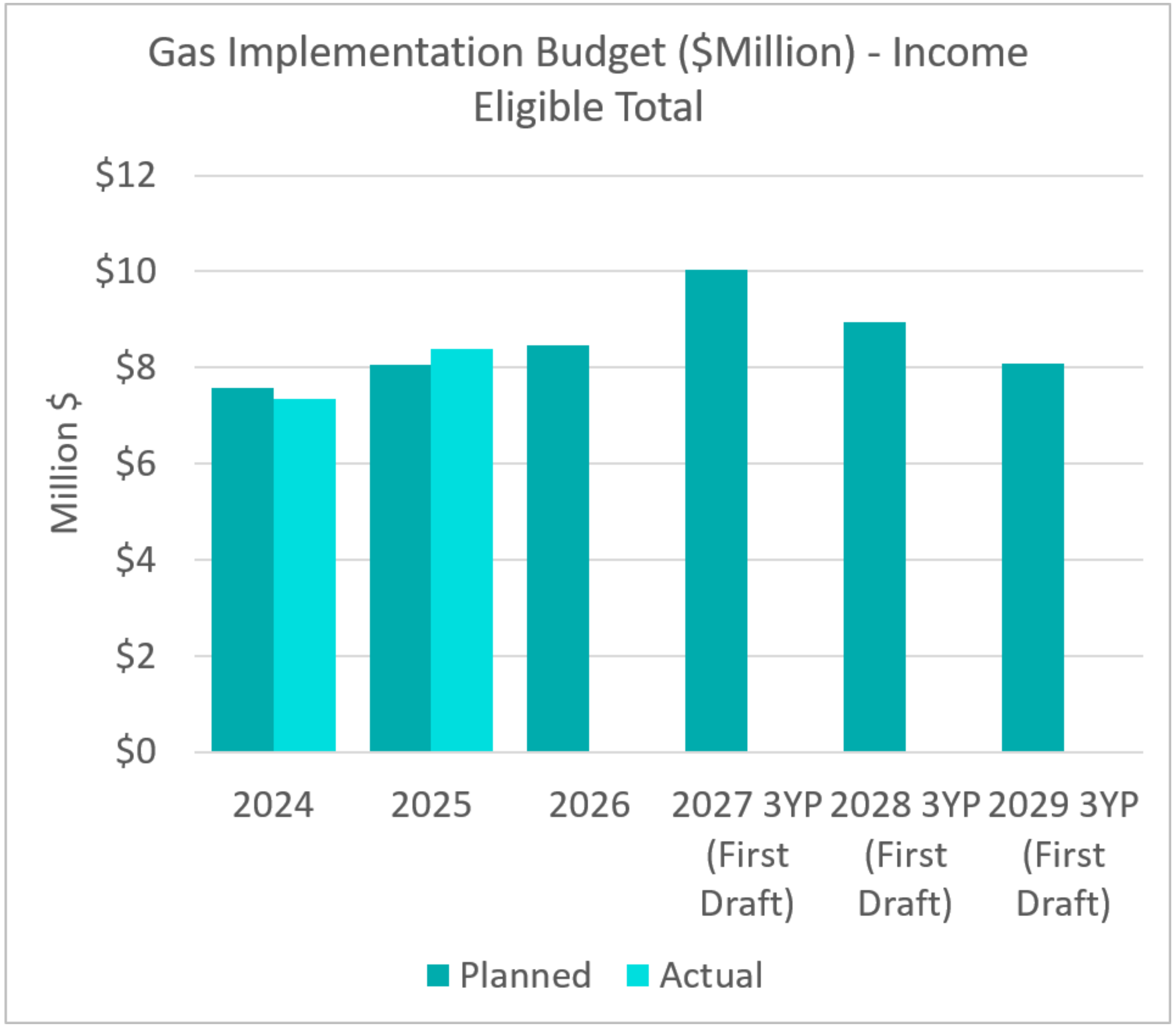
Income Eligible Lifetime Savings



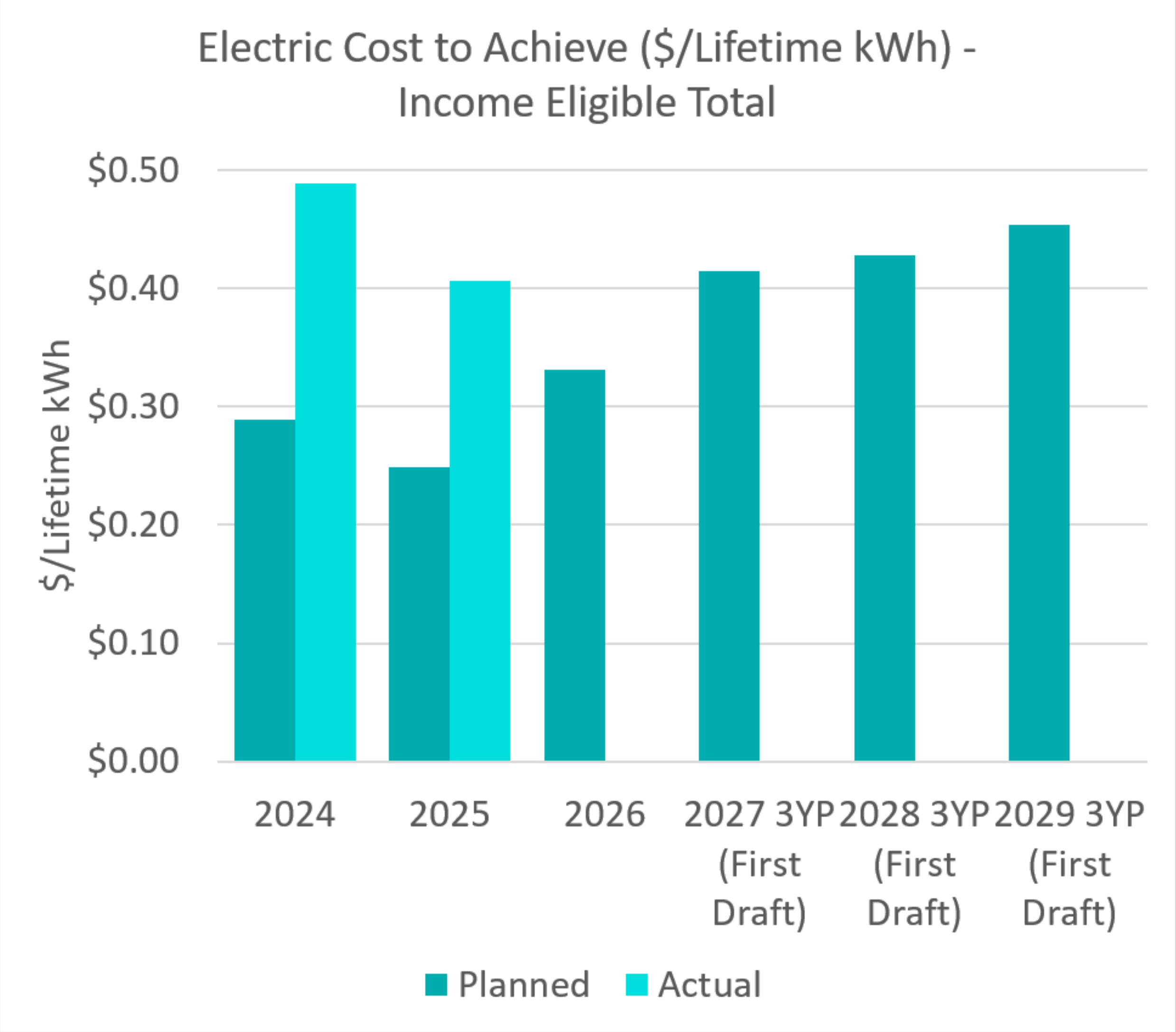


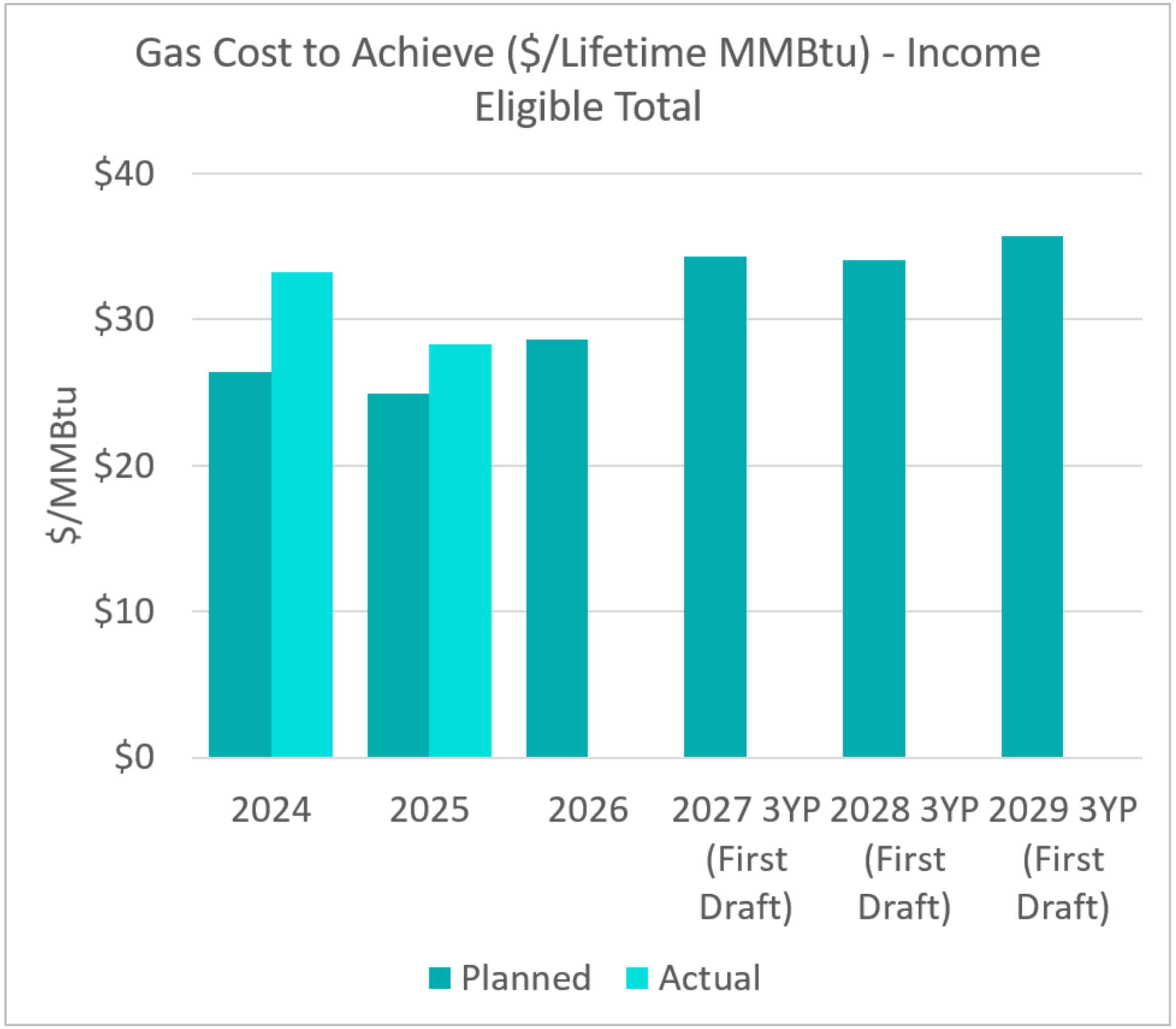
Income Eligible Implementation Budget



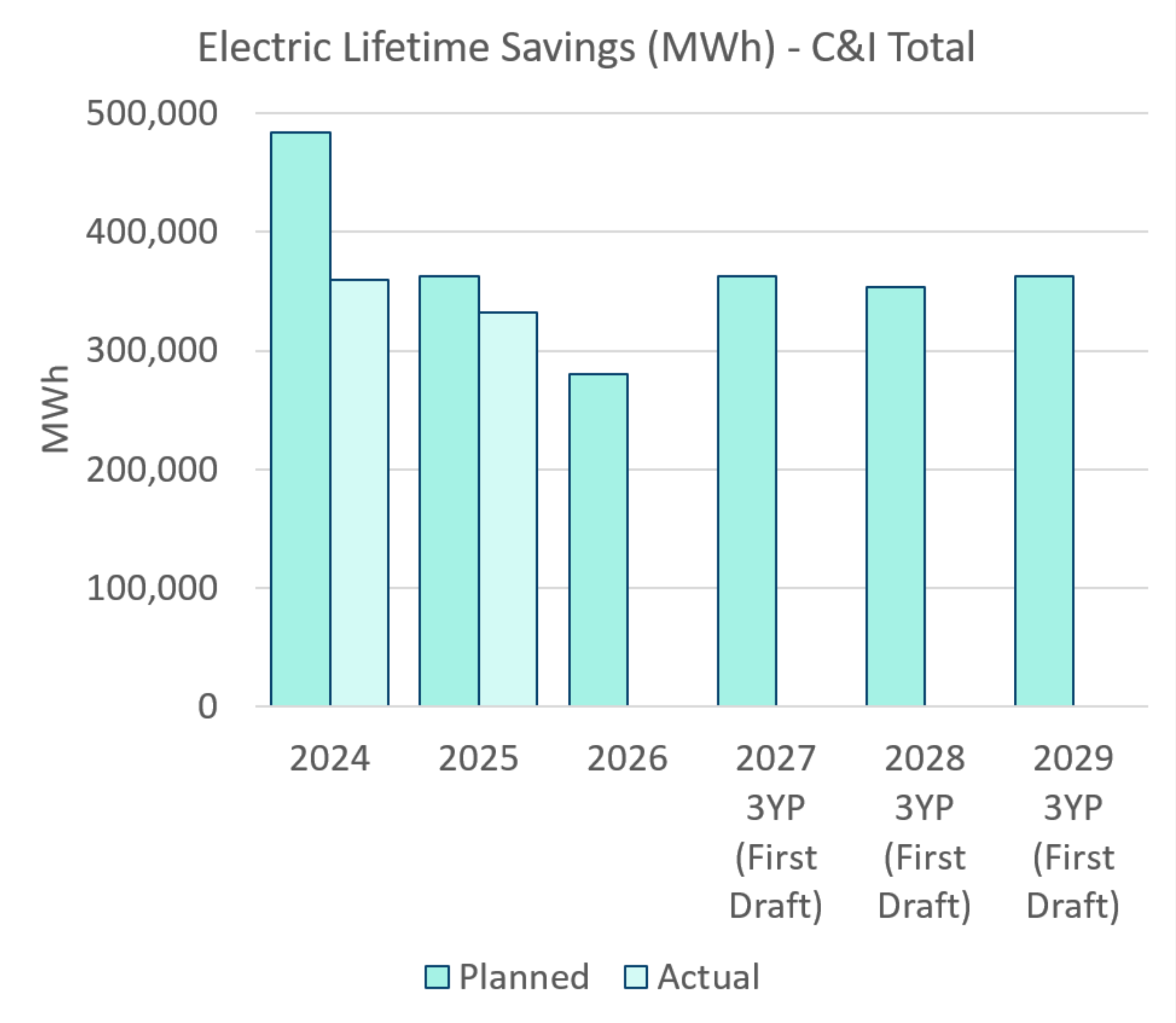


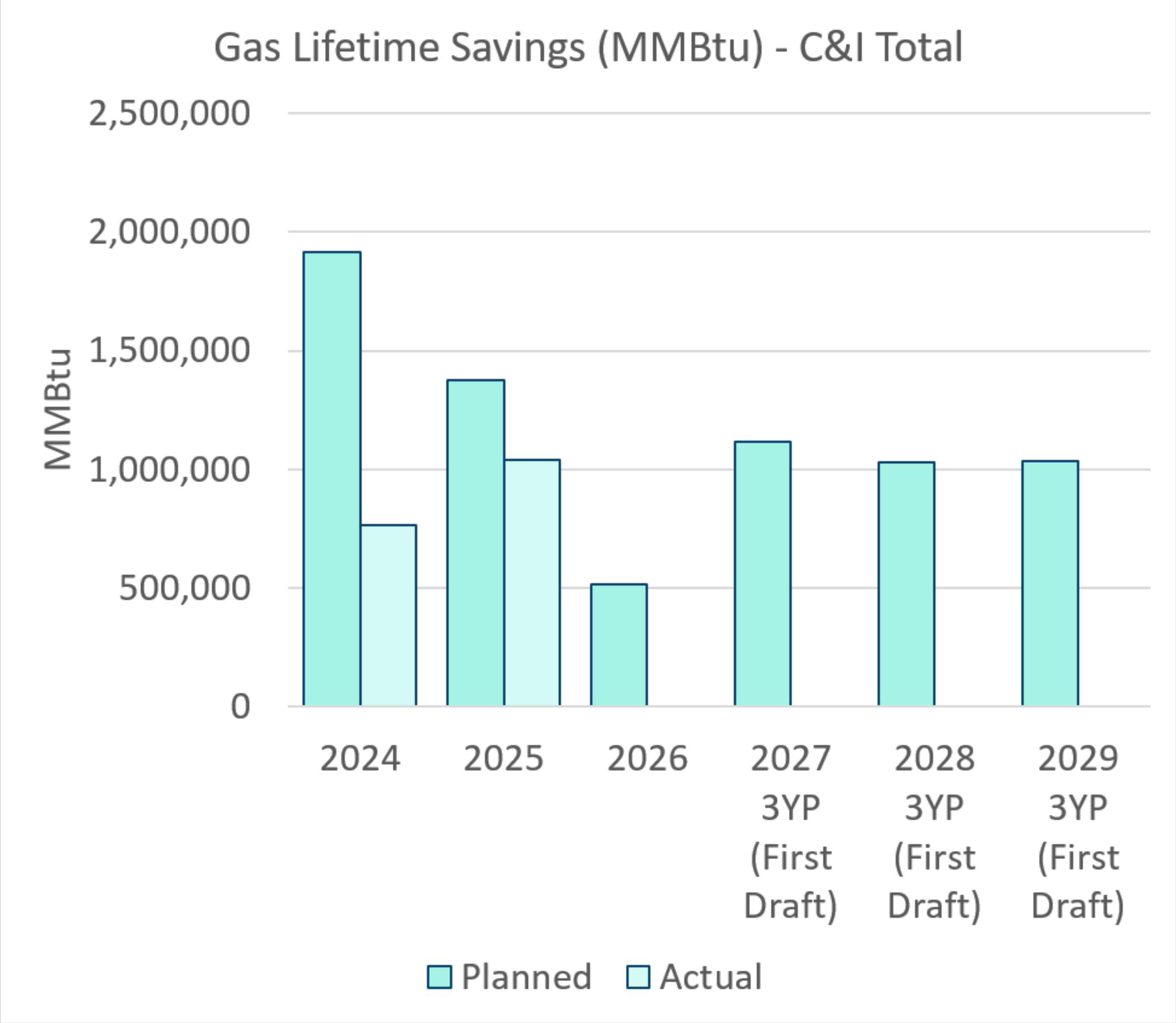
Income Eligible Lifetime Cost-to-Achieve



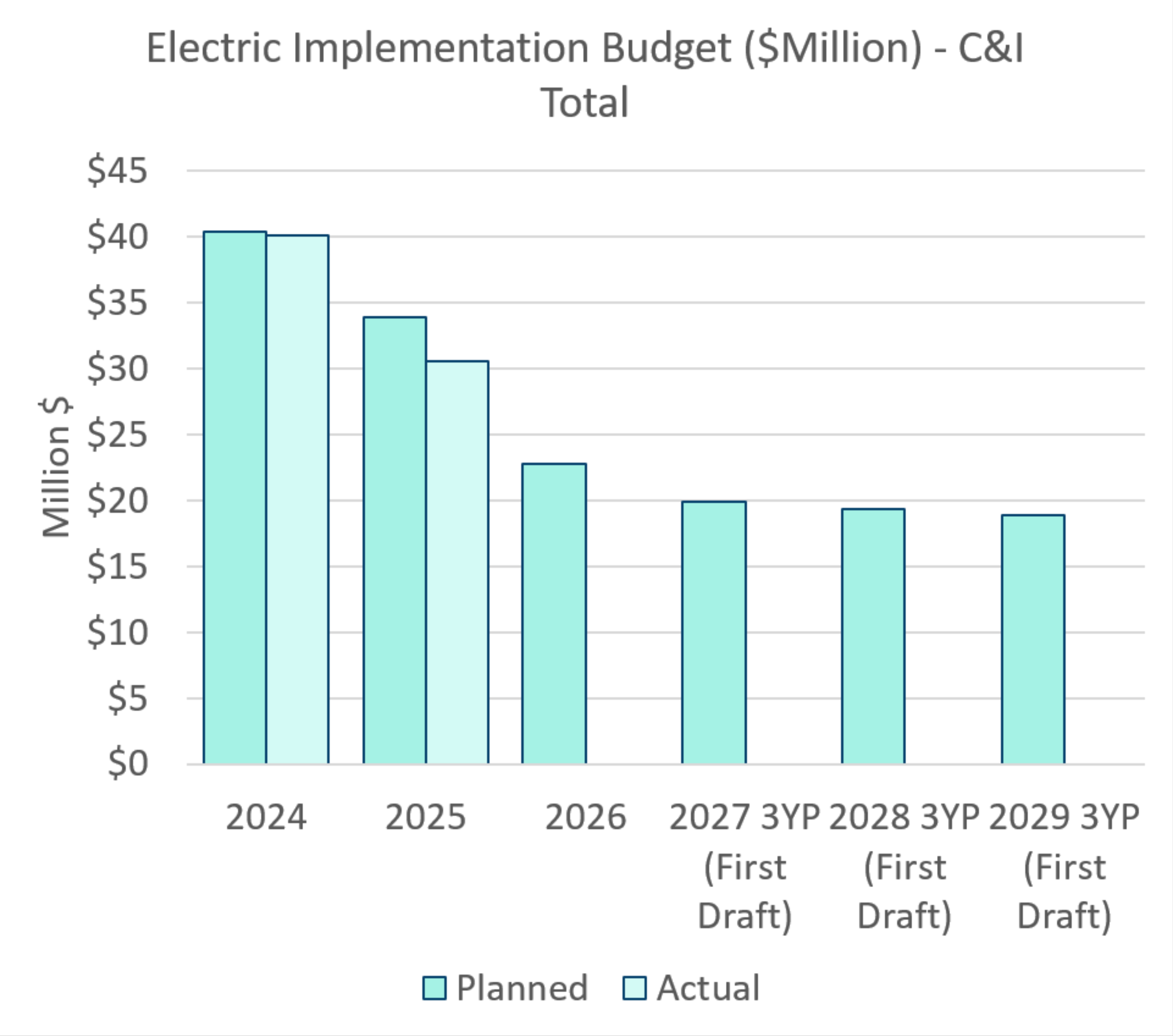


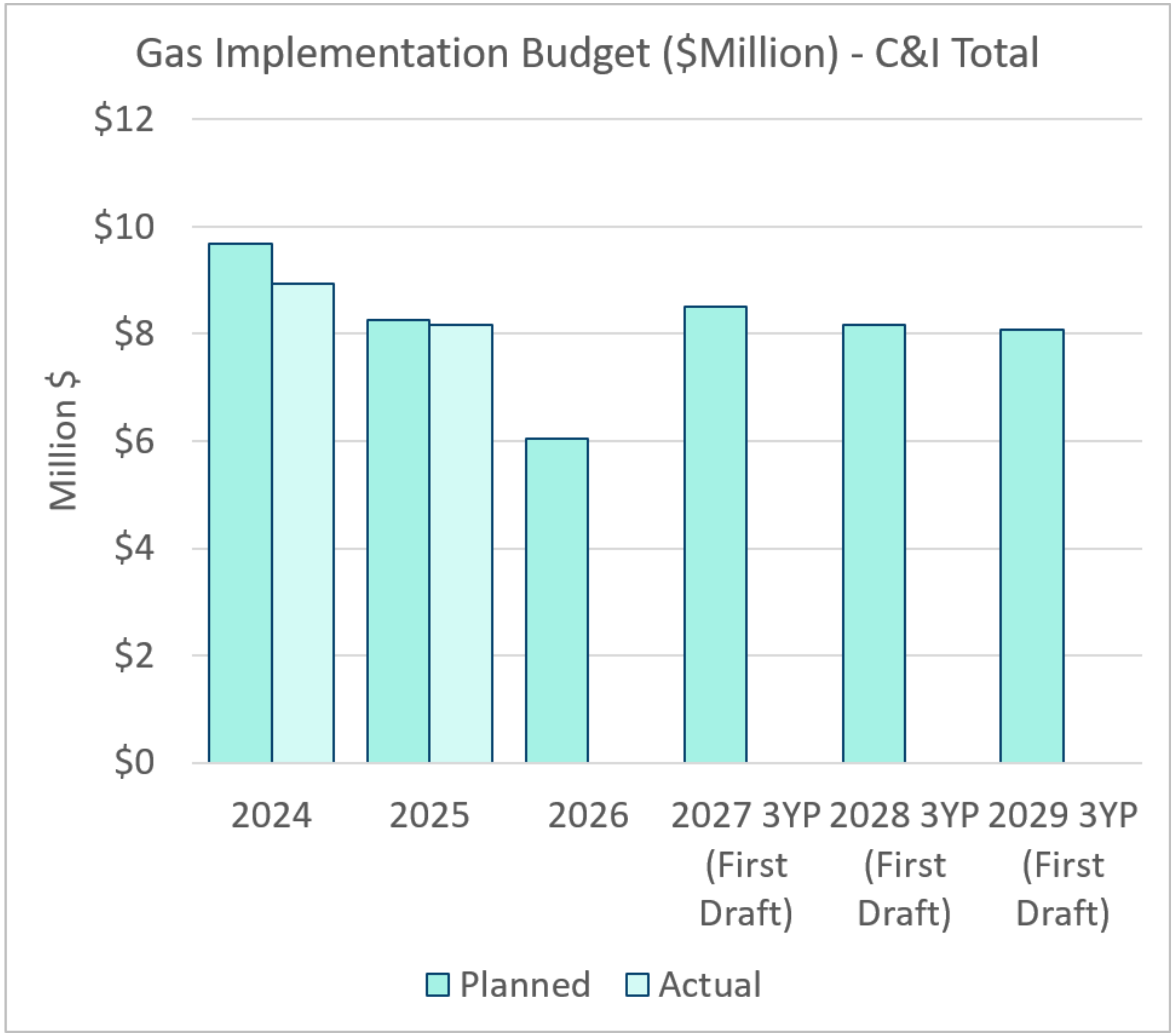
C&I Lifetime Savings



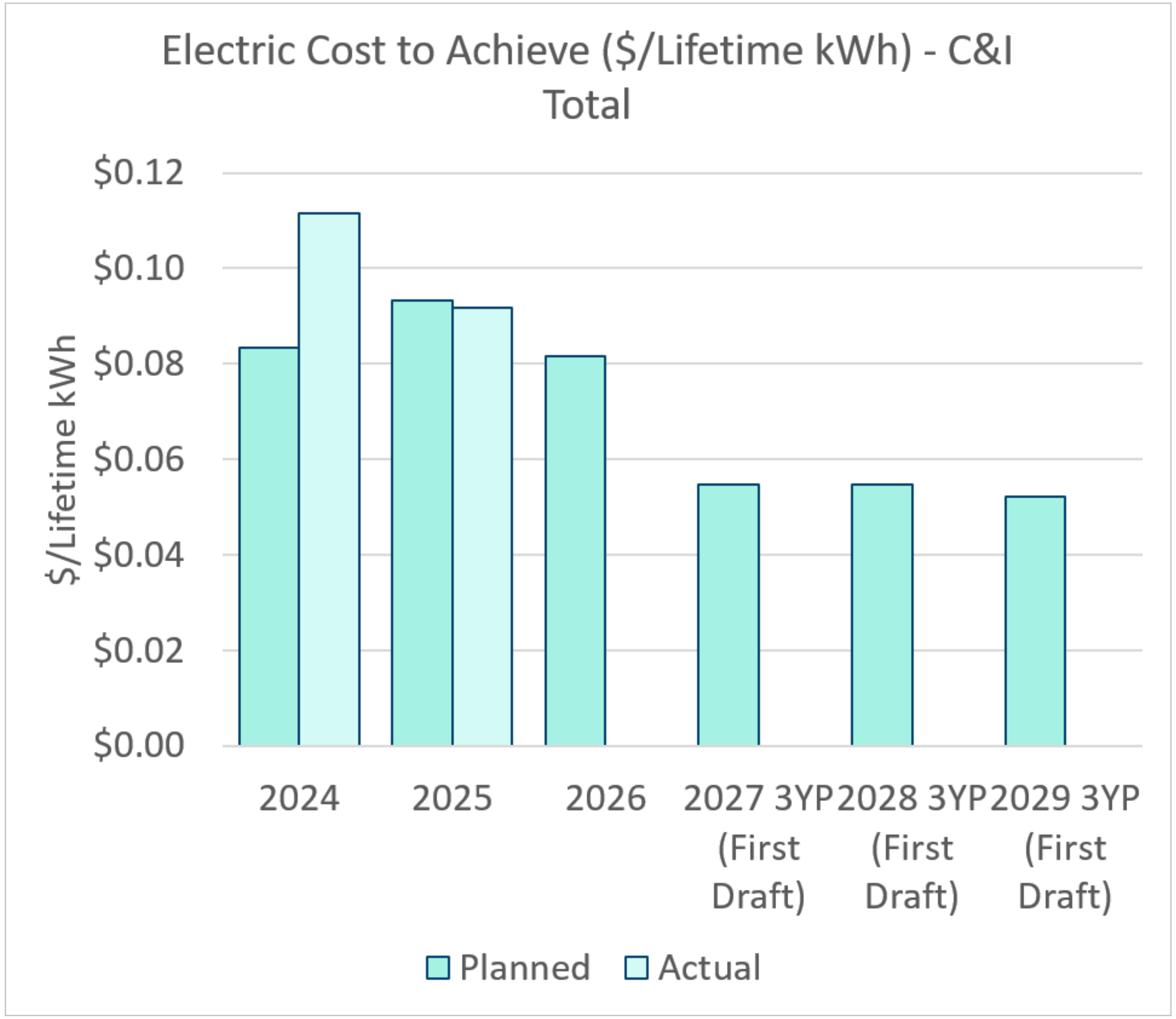


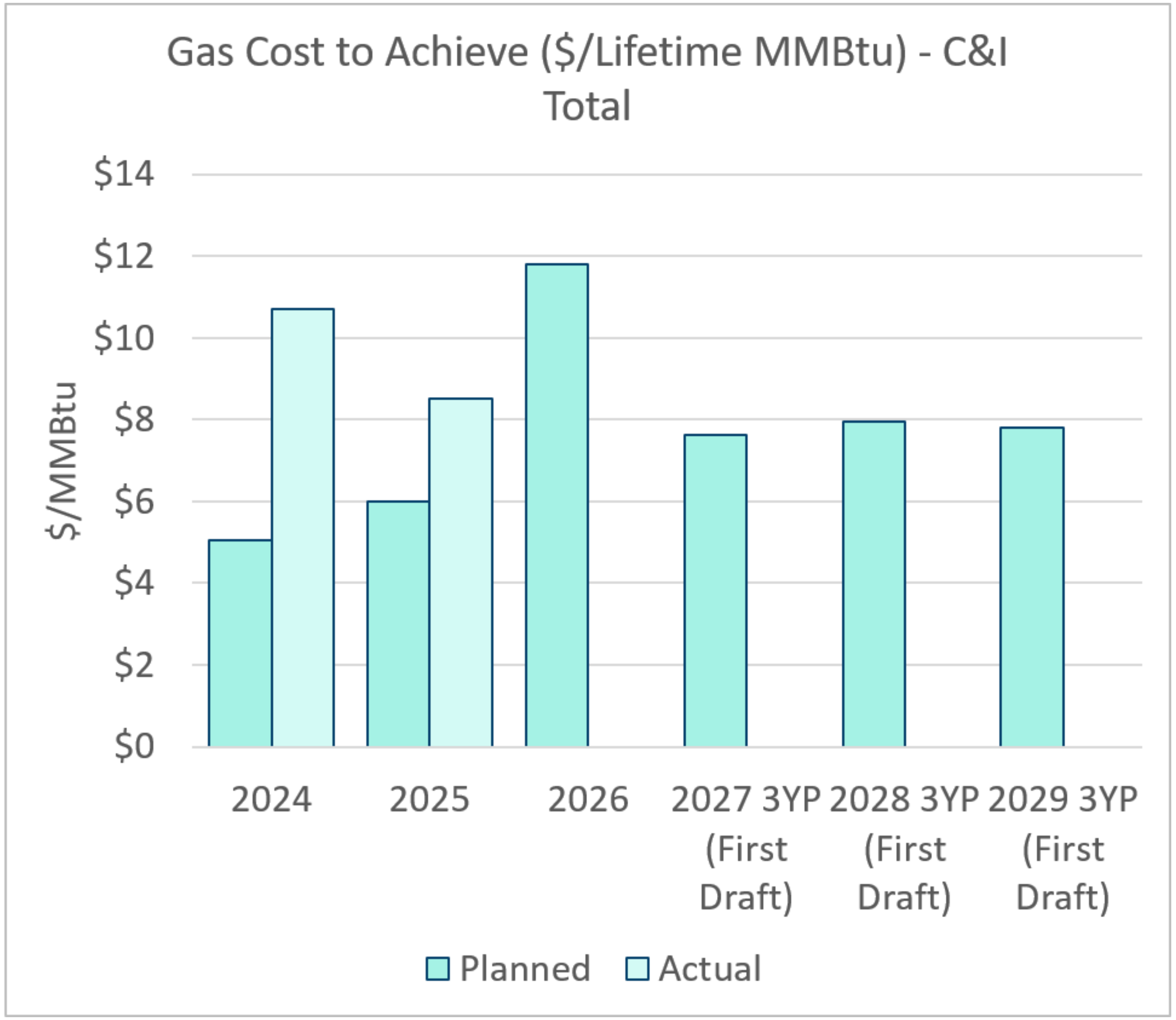
C&I Implementation Budget



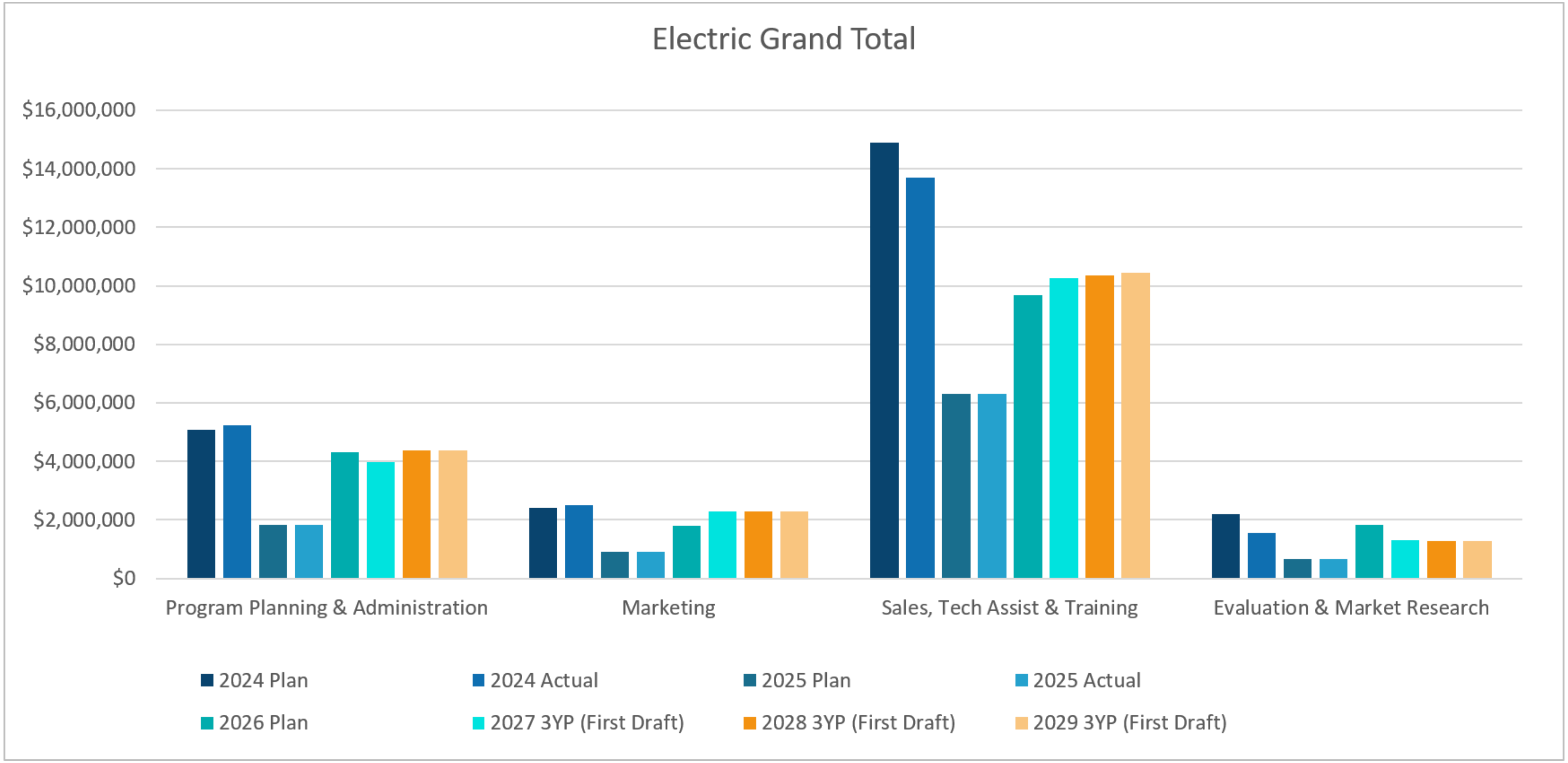


C&I Lifetime Cost-to-Achieve

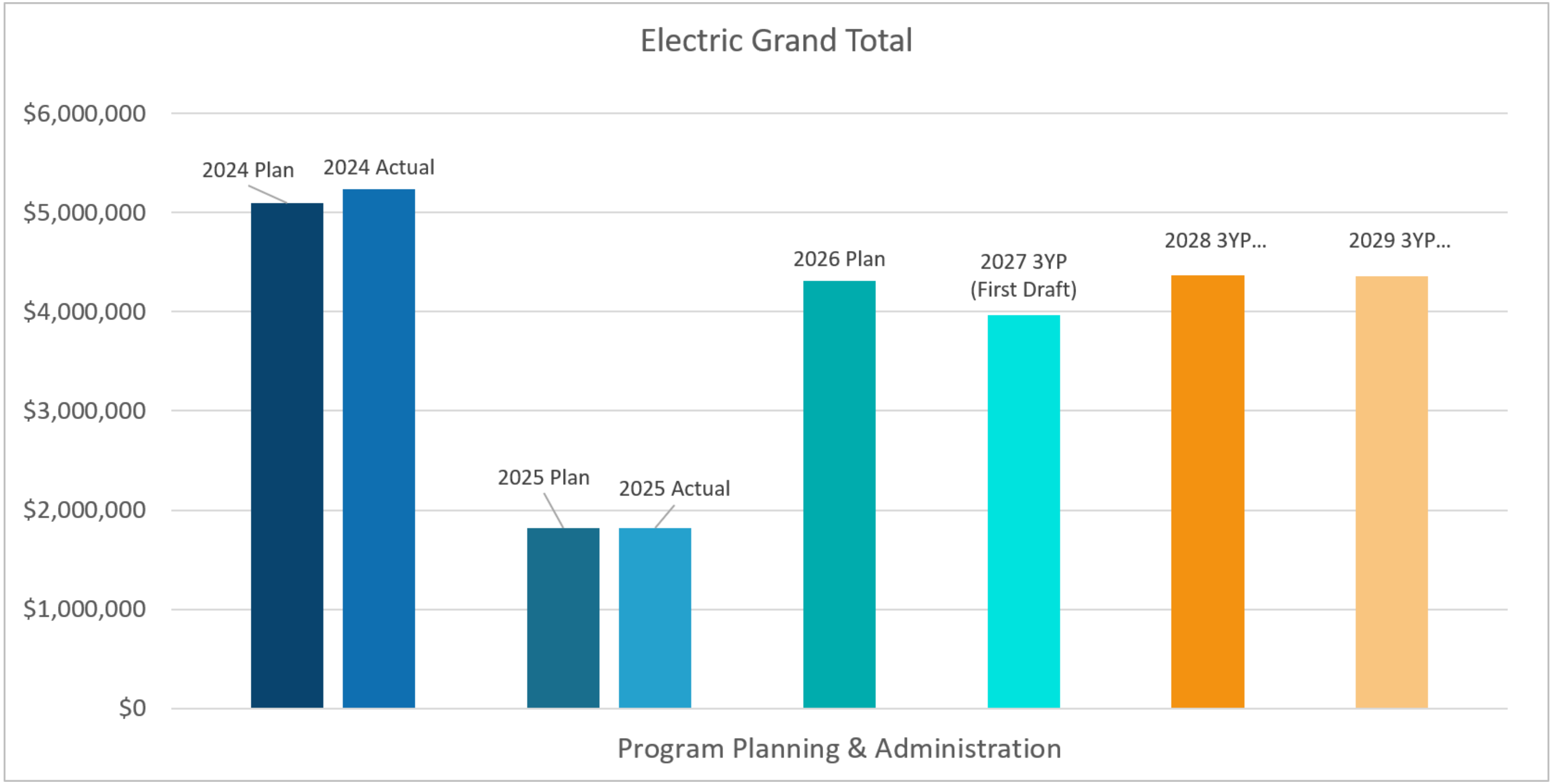




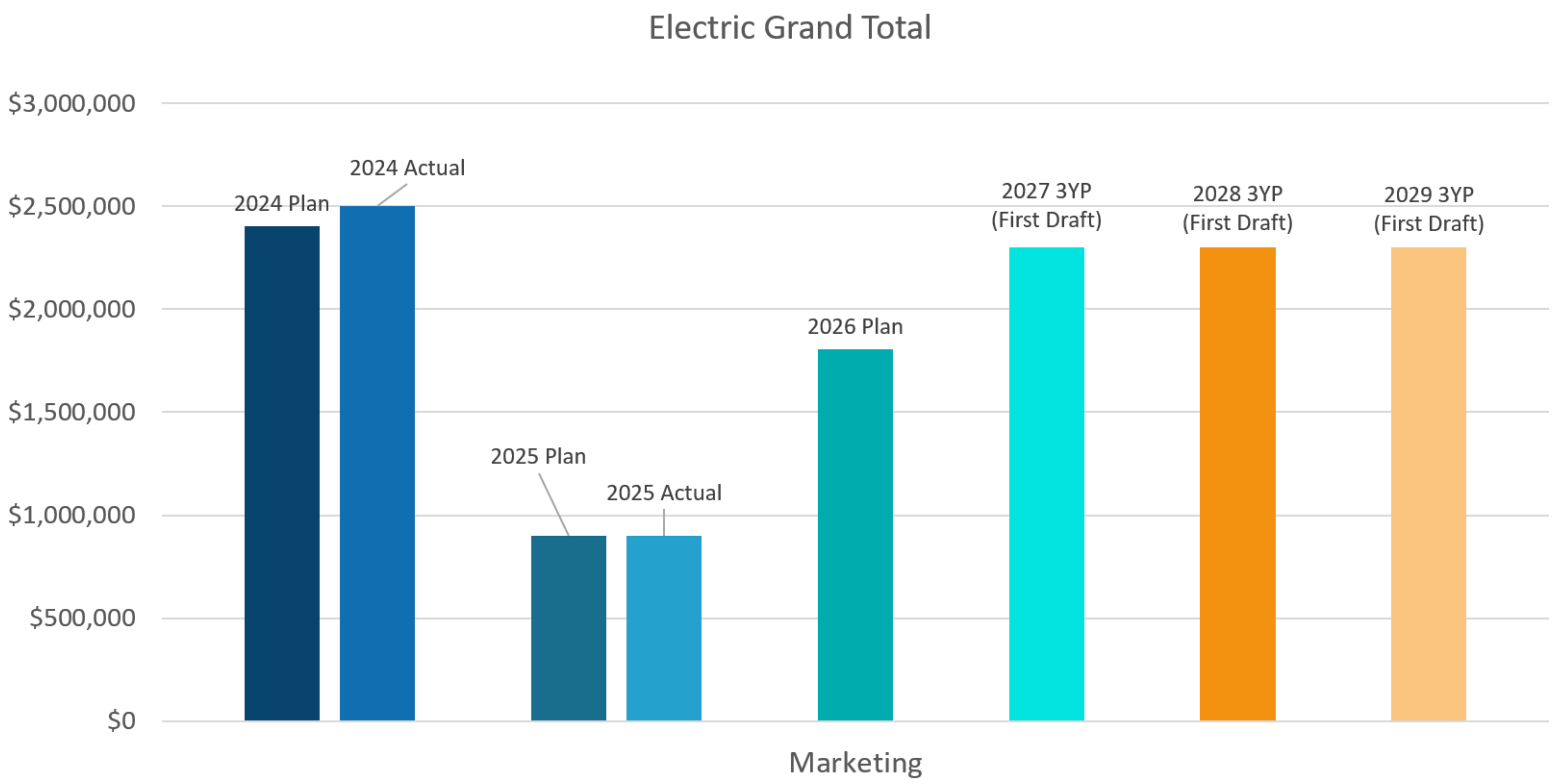
Electric Plan Budget Overview



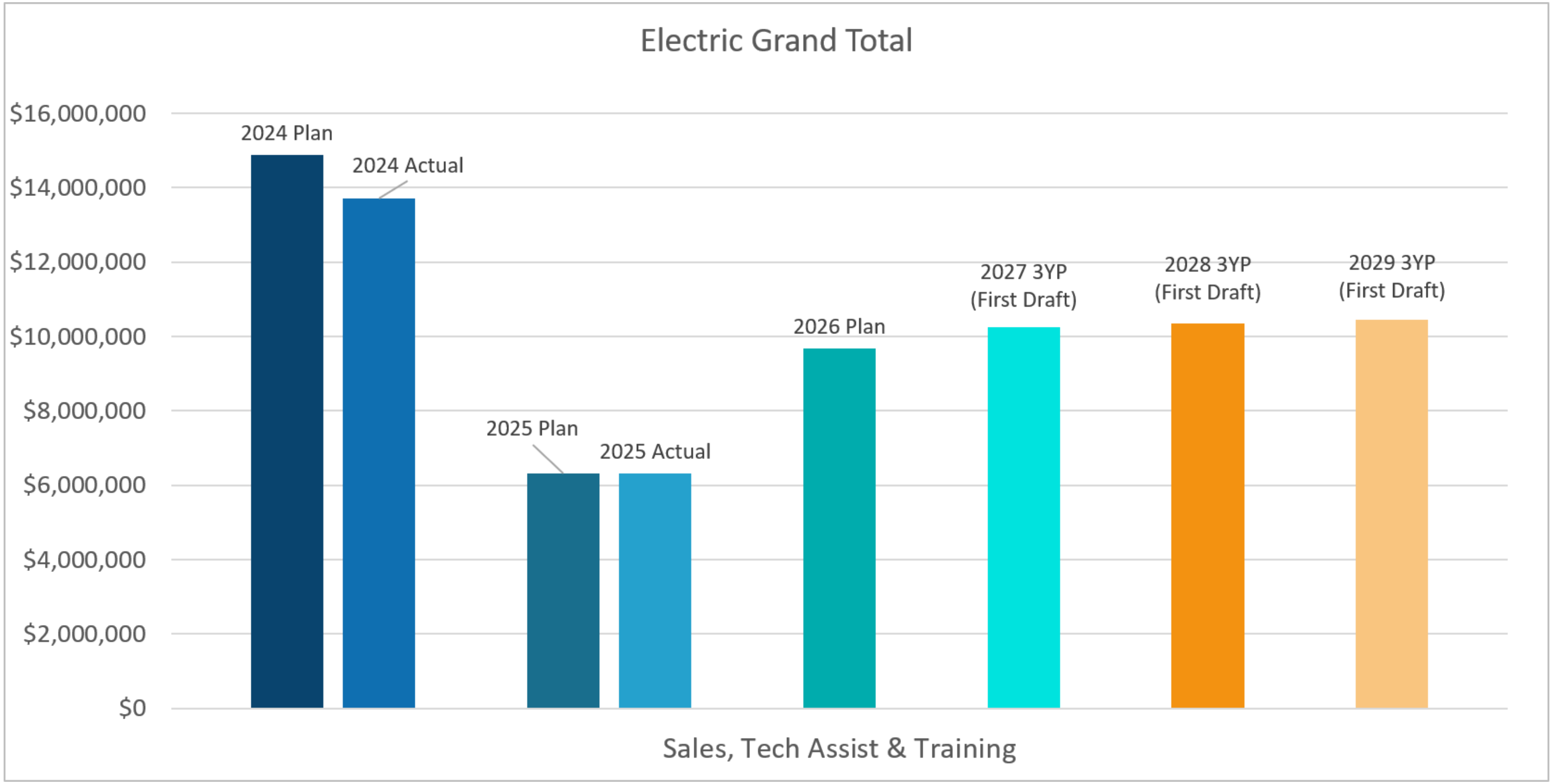
Electric Program Planning and Admin



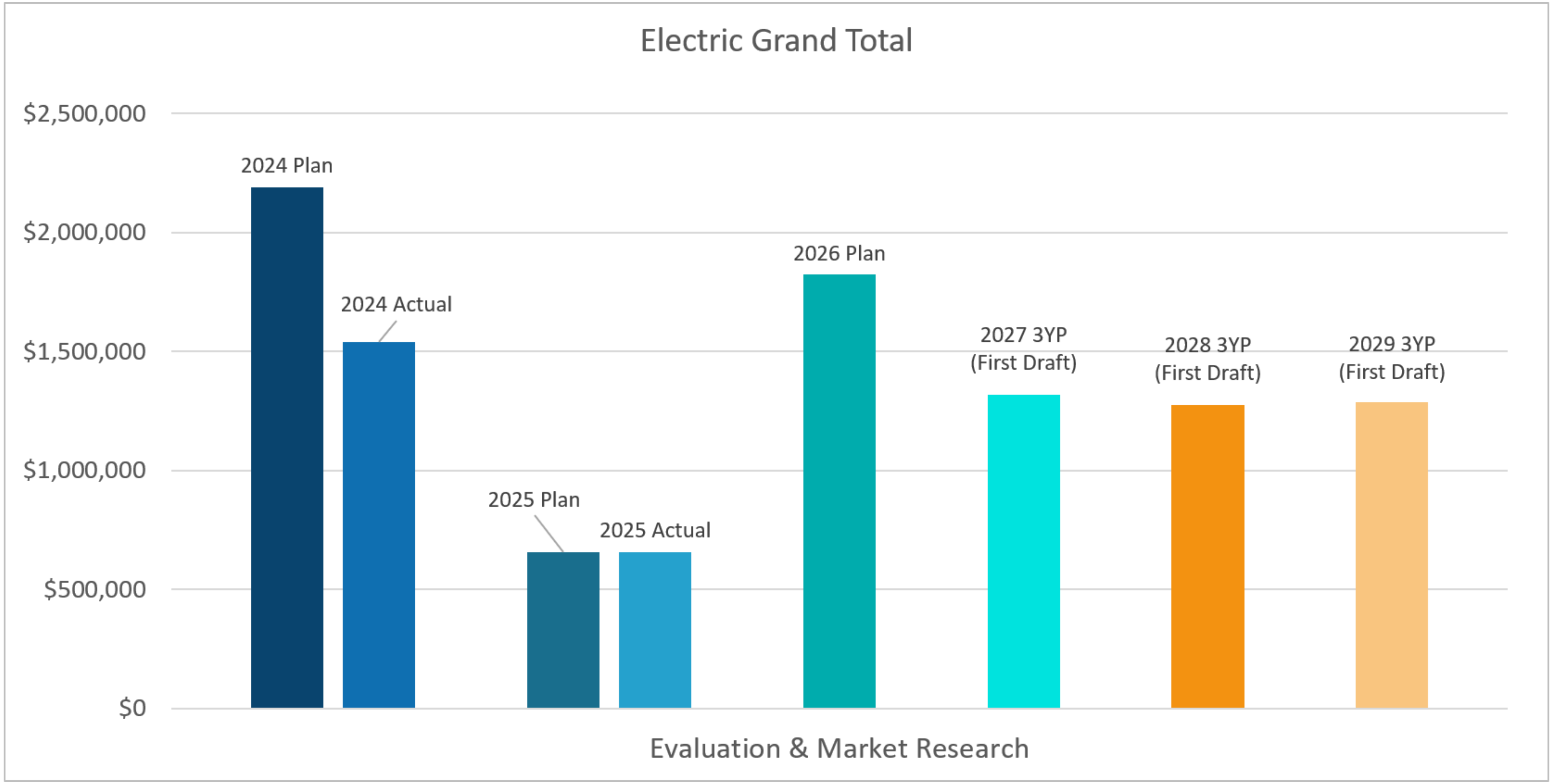
Electric Marketing



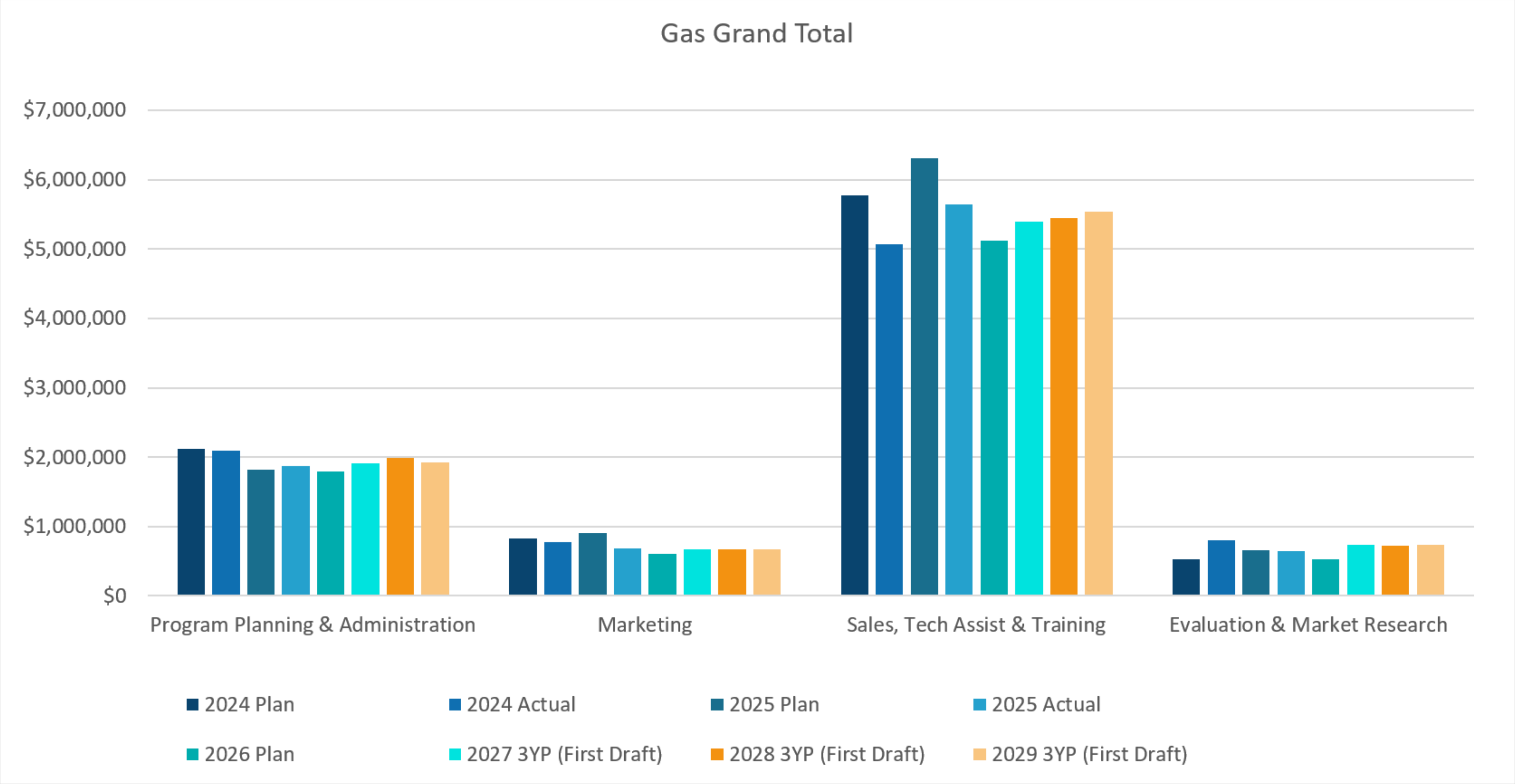
Electric Sales, Tech Assist and Training



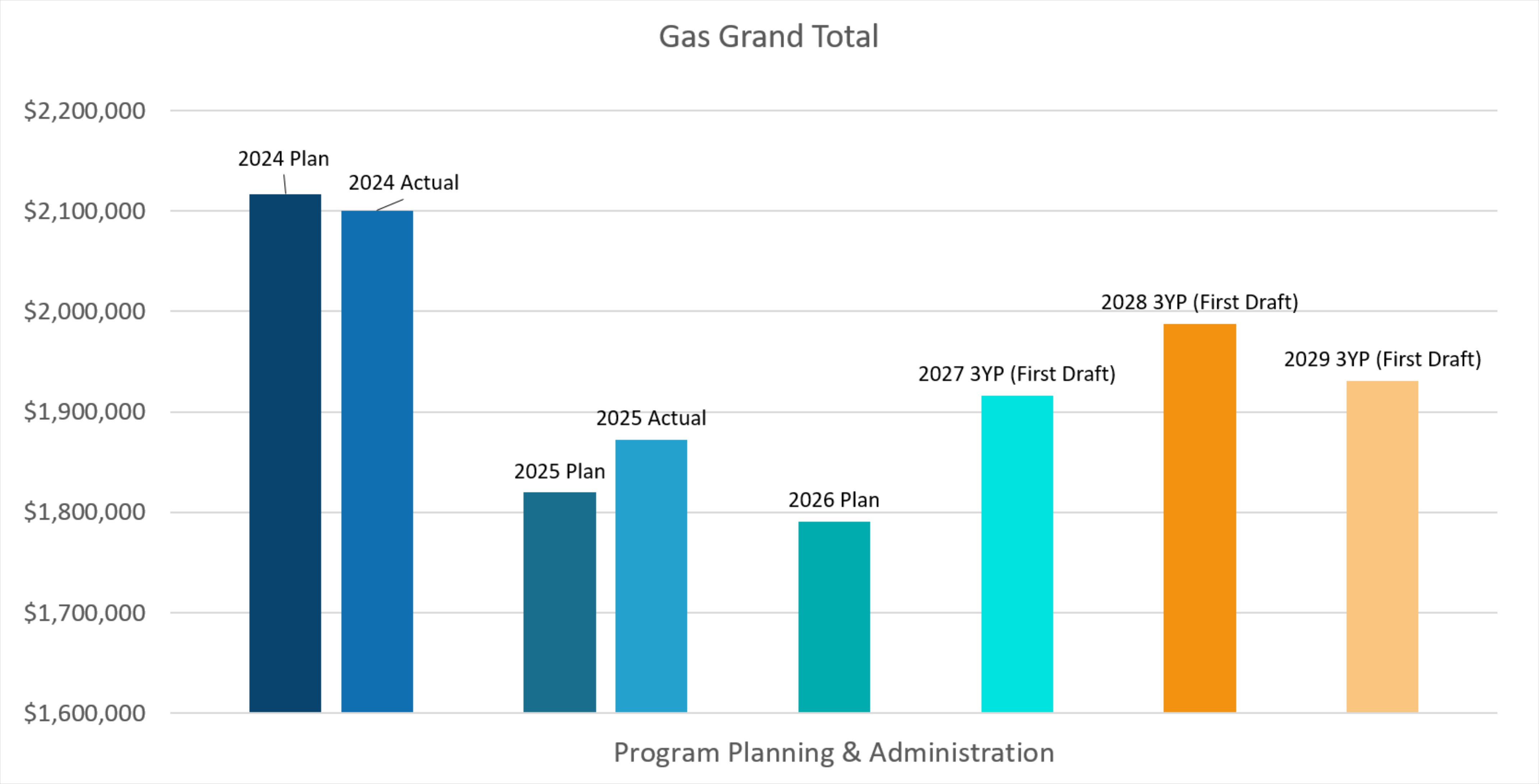
Electric Evaluation and Market Research



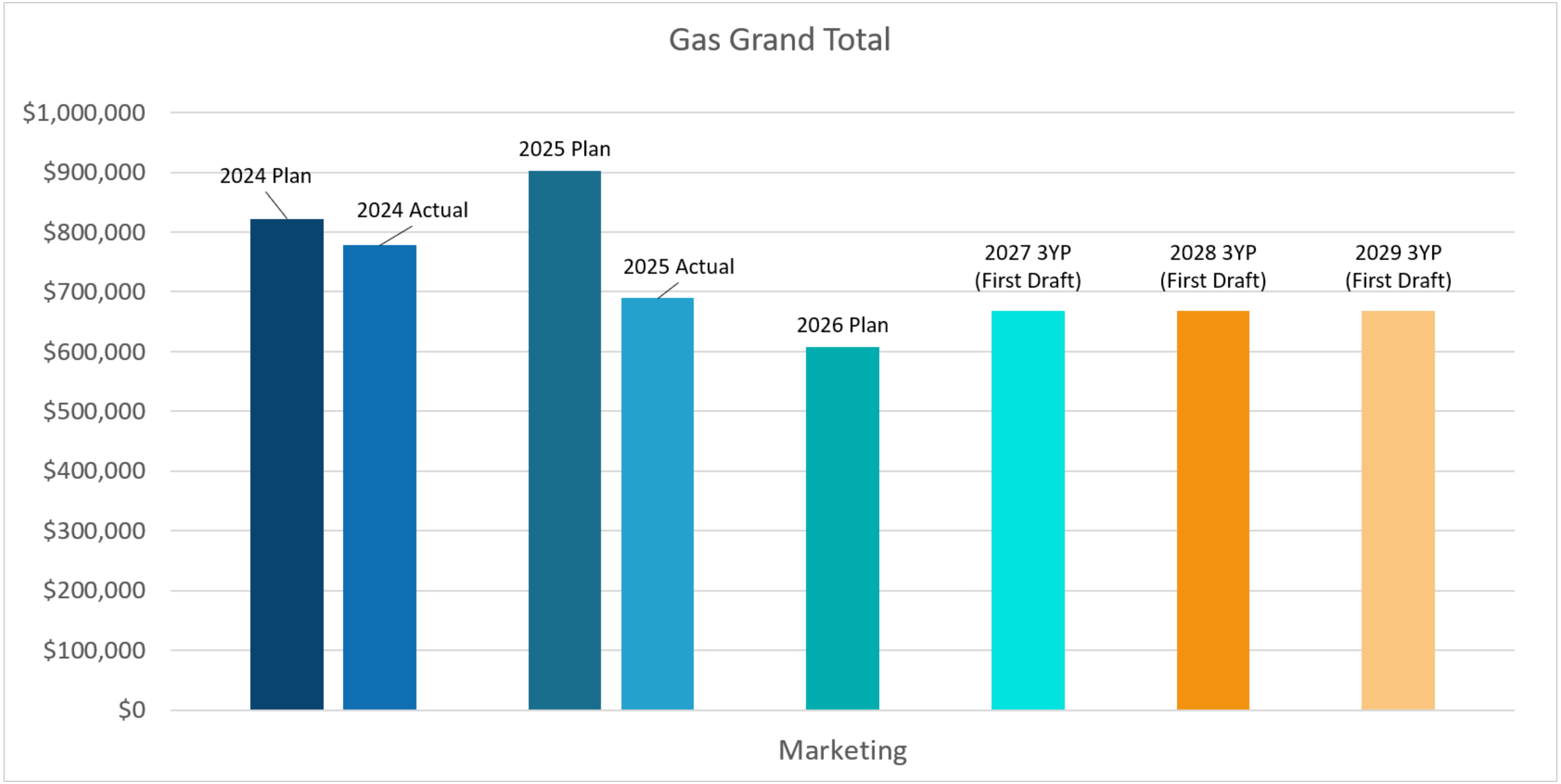
Gas Planned Budgets Overview



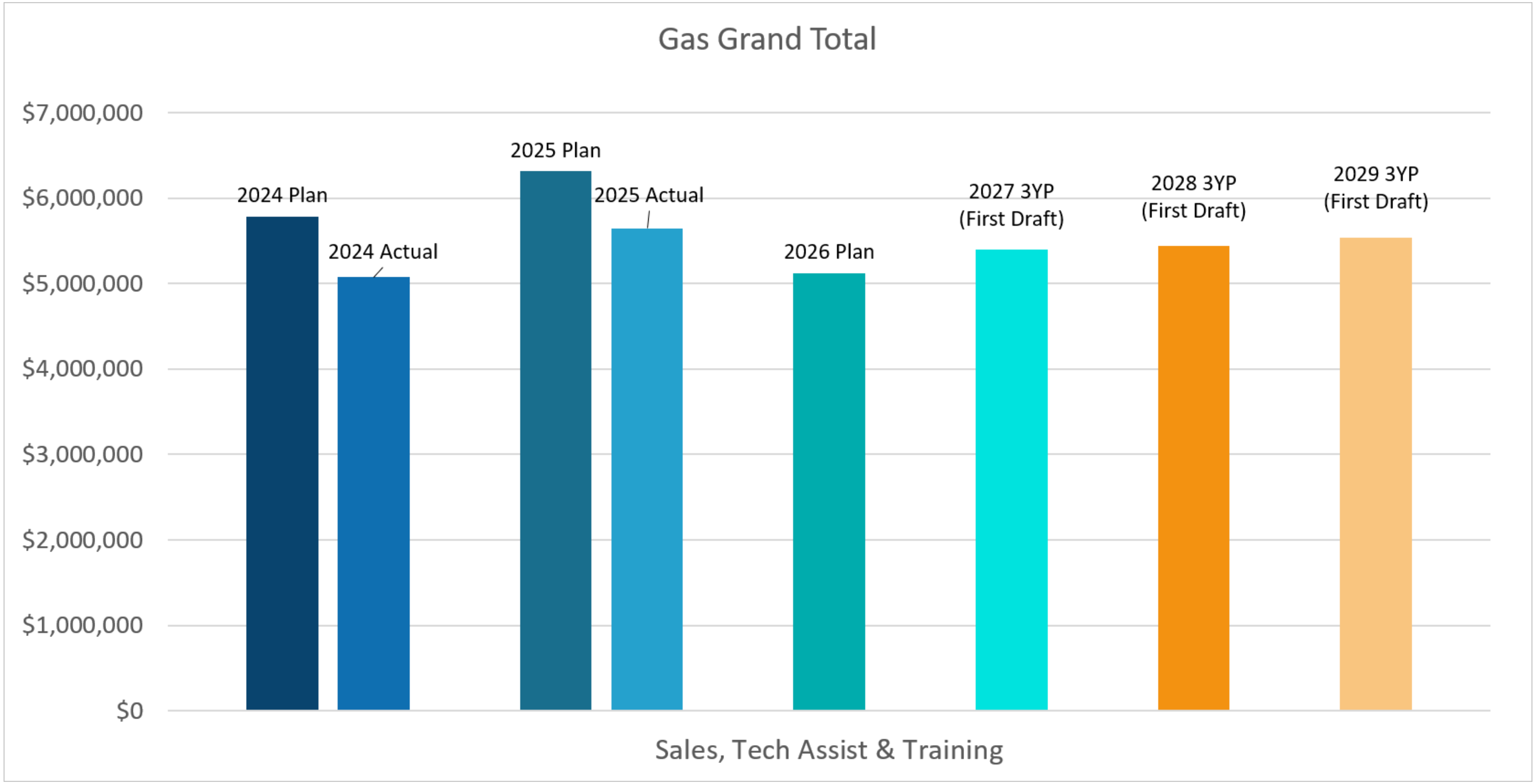
Gas Program Planning and Administration



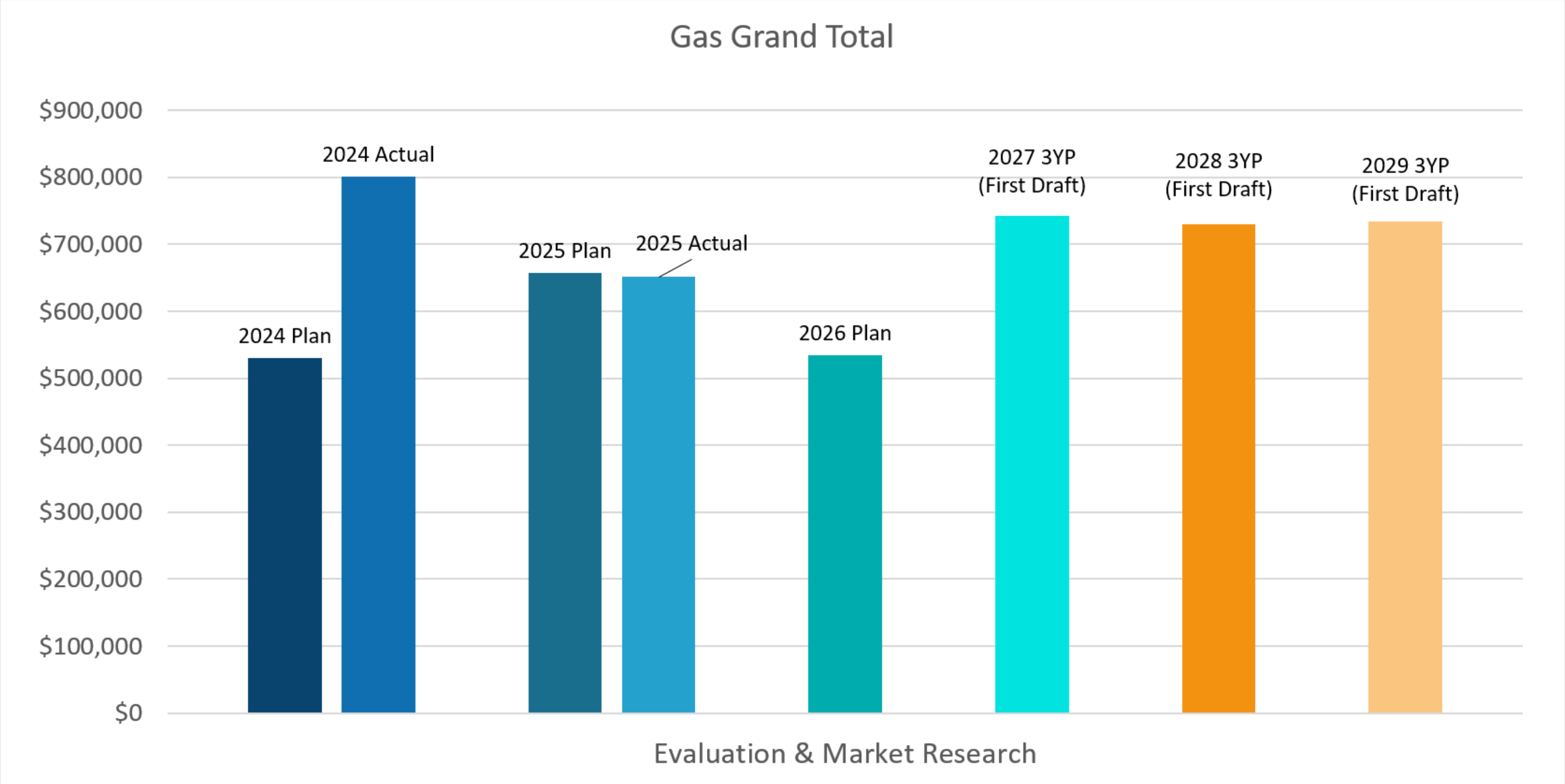
Gas Marketing



Gas Sales, Tech Assist and Training

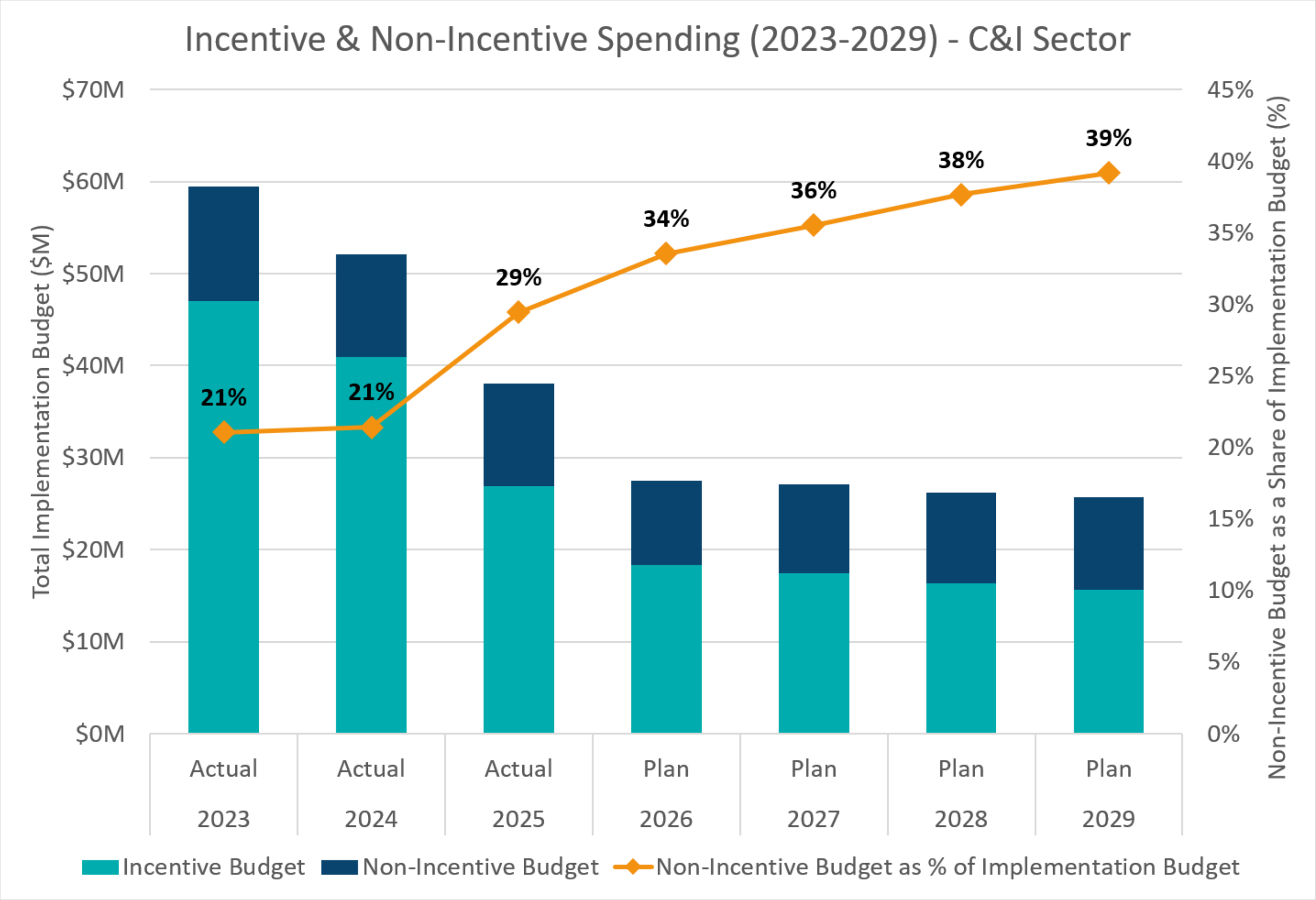


Gas Evaluation and Market Research



C&I Incentive vs. Non-Incentive Spend

- Plan does not speak to significant shift toward non-incentive spending for the C&I sector

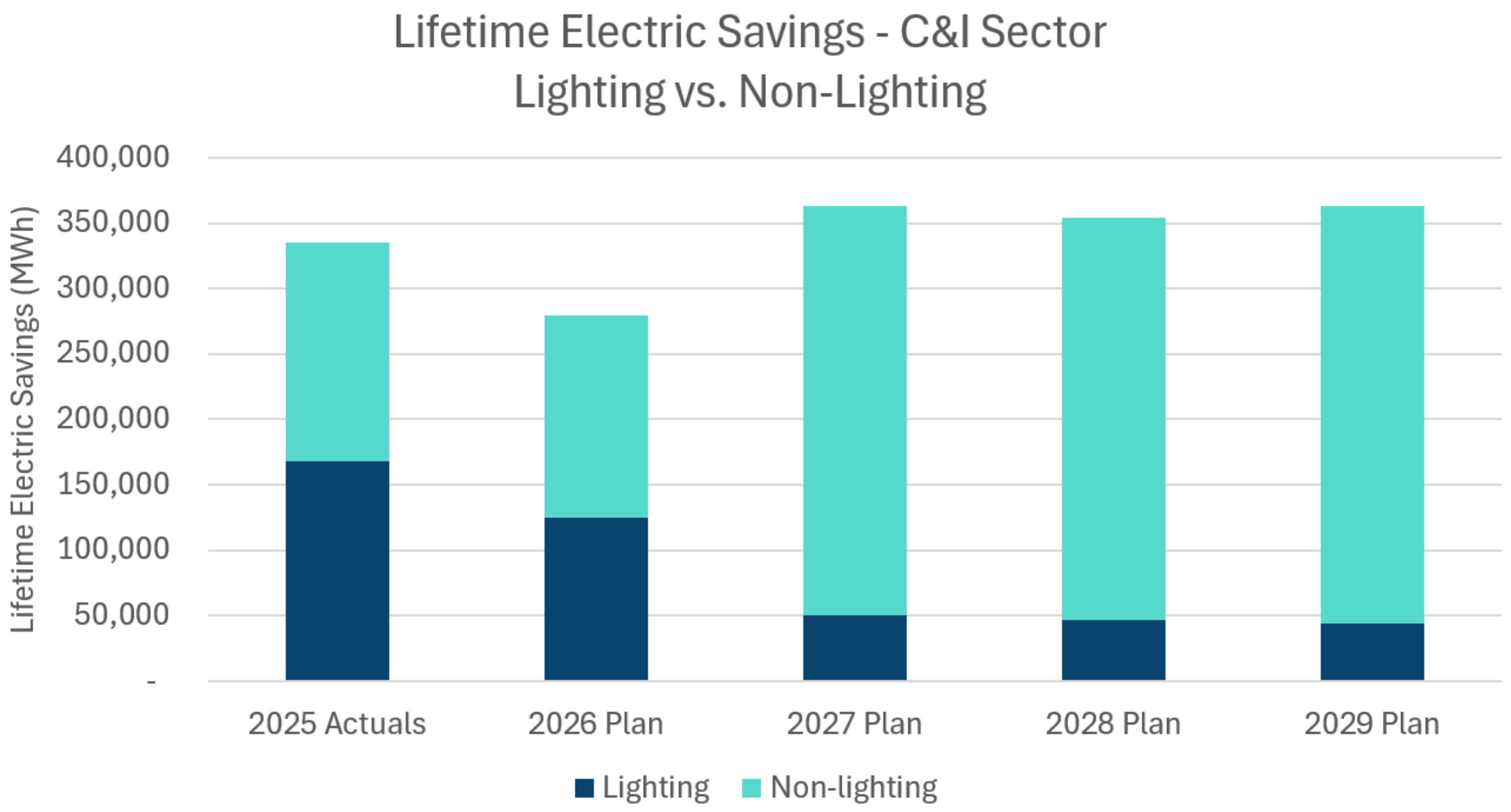


Performance Incentive Mechanism

- Established in Docket 5076 (2021-2023 EE Plan)
- ***The Company may earn a share of the eligible net benefits created in the EE Plans. The shareholder incentive for each sector is the product of eligible net benefits achieved in the sector, the payout rate, any applicable payout rate adjustments.***
- PUC intent behind PIM was maximize net benefits to ratepayers and limit the Company's PI to resource benefits

C&I Lifetime Electric Savings

Lighting no longer dominant end use for C&I Sector; average 13% of savings in 3YP



Income Eligible Single Family – MSHPs Replacing Electric Resistance

- Lifetime savings decreased 6,878 MWh (↓57%) in the 2027 program year compared to the 2026 Plan
- Planned quantity decreased from 280 to 120 (↓57%) in the 2027 program year compared to the 2026 Plan