

2027-2029 Three-Year System Reliability Procurement Plan (SRP) & ConnectedSolutions Investment Proposal Draft

Consultant Team Presentation

Date: August 20, 2026

2027-2029 SRP Plan and CS - Background



- **System Reliability Procurement (SRP):** process in which RI Energy identifies opportunities to defer electric/gas-system investments through distributed energy resources, targeted demand-side management, and other mechanisms.
- **ConnectedSolutions (CS):** RI Energy's primary active demand management program, which focuses on reducing summer peak electric demand by calling curtailment events for both Residential and Commercial & Industrial customers.

2027-2029 SRP Plan and CS Investment Proposal – Process Update



- On **July 30th**, Rhode Island Energy shared the First Draft 2027-2029 System Reliability Procurement Plan, ConnectedSolutions Investment Proposal and Benefit Cost Model (BCR Model)
- C-Team review focuses on alignment w/ Council Priorities and key drivers of changes between recent program performance and planned trends over the three-year term
- RIE requests stakeholder comments by **August 28th** and will present revised final drafts at September Council meeting

SRP Plan - Key Takeaways



- 1** Rhode Island Energy is not proposing any changes to the current SRP process, which has not led to any successful projects, for 2027-2029 (*Council Priority: ensure robust consideration of non-wires and non-pipes alternatives*)
- 2** Process relies on Company identifying and bringing forward NWA/NPA opportunities (*Council Priority: Provide transparency into analytical methods and assumptions*)
- 3** External input earlier in process of identifying and screening NWA/NPA candidates can ensure sufficient market interest in opportunities put out to RFP (*Council Priority: address structural and process factors that influence investment decisions*)
- 4** Proposed Gas Segment Decommissioning research into benefit-cost screening and pilot framework for targeted electrification and gas segment decommissioning as alternative means of meeting customer energy needs

CS Investment Proposal - Key Takeaways



- 1** Increased savings and participation compared to 2024-2026 plan and current actuals across all pathways
- 2** Continued reduction of incentives for energy storage to align with avoided cost value* (*Council Priority: Balance incentives with cost-effectiveness and long-term sustainability*)
- 3** No specifics on how RIE plans to leverage AMI (*Council Priority: Leverage AMI and interval data for targeting and performance*)
- 4** Introduces Performance Factor for C&I Daily Dispatch to align incentives with real system value provided (*Council Priority: Define clear performance expectations and accountability mechanisms*)
- 5** New Background Energy Adjustments Offer captures smaller thermostat demand savings from temperature setpoint adjustments already agreed to by customers through OEM terms

*Proposal uses 2024 New England Avoided Energy Supply Cost (AESC) Study; 2027 study underway and will be published early next year
SRP: System Reliability Procurement, AMI: Advanced Metering Infrastructure; OEM: Original Equipment Manufacturer

Council Member Discussion





Appendix



2027-2029 Draft System Reliability Procurement Plan

SRP Refresher: What is it?



System Reliability Procurement (SRP) looks for alternatives to traditional utility infrastructure investments when a system need can potentially be met in another way.

Rhode Island Energy identifies system needs and evaluates whether Non-Wires Solutions (NWS) or Non-Pipes Solutions (NPS) could address those needs more cost-effectively than traditional infrastructure.

If a potential opportunity is identified, RIE solicits solutions from third-party providers through a competitive process.



For example, instead of upgrading a substation because it will be overloaded during certain peak hours, RIE could potentially use customer-side resources – such as demand response, energy efficiency, or battery storage – to reduce the load during those hours.

Current SRP Procurement Process

- System reliability need has already been identified, pre-screened and priced before third parties are involved
- Earlier involvement could focus efforts on candidates with “sufficient market interest”



Figure 3. Overview of System Reliability Procurement Process



**Identify
system needs**

Engineers use forecasts about energy demand and distributed energy resources alongside information like asset age to model the electric and gas systems. These models help engineers pinpoint system needs that should be resolved soon.



**Screen for
possible
solutions**

Engineers apply screening criteria to understand which types of solutions are potentially feasible. Possible solutions include infrastructure investment, utility-run programs, and system reliability procurement.



**Scope best
alternative
URP solution**

Engineers scope the best alternative utility reliability procurement (URP) solution for the system need or optimization. Possible solutions are utility owned and operated by definition.



**Solicit
proposals**

If system reliability procurement is a potential feasible solution, then engineers will work with the procurement team to develop a competitive bid process for third-party vendors to propose their solutions.



**Evaluate
proposals**

Representatives from throughout Rhode Island Energy will help evaluate proposals from third-party vendors using pre-defined evaluation criteria that assess technical and economic viability.



**Request
regulatory
approval**

If a proposal is successful, then Rhode Island Energy will formally submit the solution for regulatory approval through an “SRP Investment Proposal.”



**Implement
solution**

If the SRP Investment Proposal is approved, Rhode Island Energy will work with the third-party vendor to implement the solution in time to resolve the system need.

1 Non-Wires Solutions Project RFP issued under current process

- 2024 RFP for to reduce outage frequency for circuit w/ history of tree related outages and asset deterioration
- NWS Specifications
 - 3MWh dispatchable on stand-by all summer
 - 2.5MWh dispatchable non-summer
- Insufficient Market Interest
 - 1 interested bidder
 - 0 proposals received



Table 3: Minimum Technical and Operational Requirements

Item	Value	Unit
Distribution or Transmission need	Distribution	-
Operating District	Capital-53	-
ZIP Code(s)	02864, 02895	-
Municipality(ies)	Cumberland, Woonsocket	-
Substation(s)	Staples	-
Feeder(s) / Transmission Line(s)	112W43	-
Comms present? (SCADA, RTU, etc.)	Yes	-
Operating Voltage(s)	13.8	kV
Summer Normal Rating (Amps)	559	A
Summer Normal Rating (MVA)	13.4	MVA
Load Reduction Needed (MW)	3.00	MW
Maximum MWh Need per Event	3.0	MWh
In-Service Date	April 1, 2026	-
Contract End Date	March 31, 2036	-
Days of the Week Needed	All days	-
Time of Day	0:00 - 23:59:59 (all hours)	-
Call Response Time	< 5	minutes
Duration per Event	1	hours
Minimum Period between Events	24	hours
Number of Events per Year	5	-
Number of Consecutive Days Called	3	-
Load Profile	Resi: 44.4% C&I: 55.6%	%
Customer Profile	Resi: 789 C&I: 177	-

External input earlier in process to ensure sufficient market interest



- **Distribution Planning Advisory Group**

- Composition: DER market participants, nonmarket participants, IOUs, CPUC staff, and independent professional engineer technical consultant
- Advise utilities on the selection of distribution deferral opportunities
- Provide input on the development of competitive solicitation for distributed energy resources.



Opportunity for Improvement



- C-Team Recommendation: establish mechanisms for stakeholder input earlier in the SRP process to:
 - Identify system needs suitable for alternatives to traditional utility infrastructure investments
 - Screen potential Non-Wires Solutions opportunities
 - Inform the design of competitive solicitations

SRP Procurement Process: Identifying System Needs and Screening for Solutions

- DER providers and customers can help identify overlap of system needs with sources of system flexibility
- Area studies and RI System Data portal are all useful tools but do not replace a process for stakeholder engagement
- C-Team Recommendation:
 - Incorporate more structured opportunity for stakeholders to engagement in the process of identifying system needs and screening for solutions

Figure ES-3. Distribution Assets Overview and Load Map

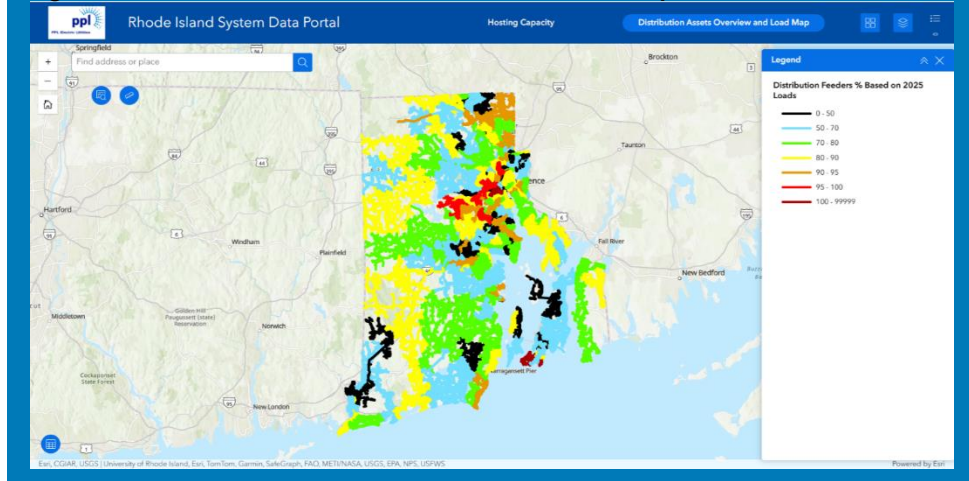


Figure 7. Screening Criteria for Non-Wires Solutions through System Reliability Procurement



Not an asset condition
issue

Electric assets that have reached the end of their lifetimes need to be replaced; a non-wires solution (whether system reliability or utility reliability procurement) cannot resolve an asset condition issue.



Eligible system need
or optimization

Eligible system needs and optimization include load relief, reliability, and supply cost mitigation. If the system need is load relief, the amount of load should not exceed 20% of total load in the area of the defined need.



Sufficient Market
Interest

The system need or optimization must be substantial enough to plausibly result in market interest. Rhode Island Energy uses a guideline of the wires solution costing at least \$1 million as a proxy for whether a system need is likely to gain sufficient market interest.



Adequate time to
implement

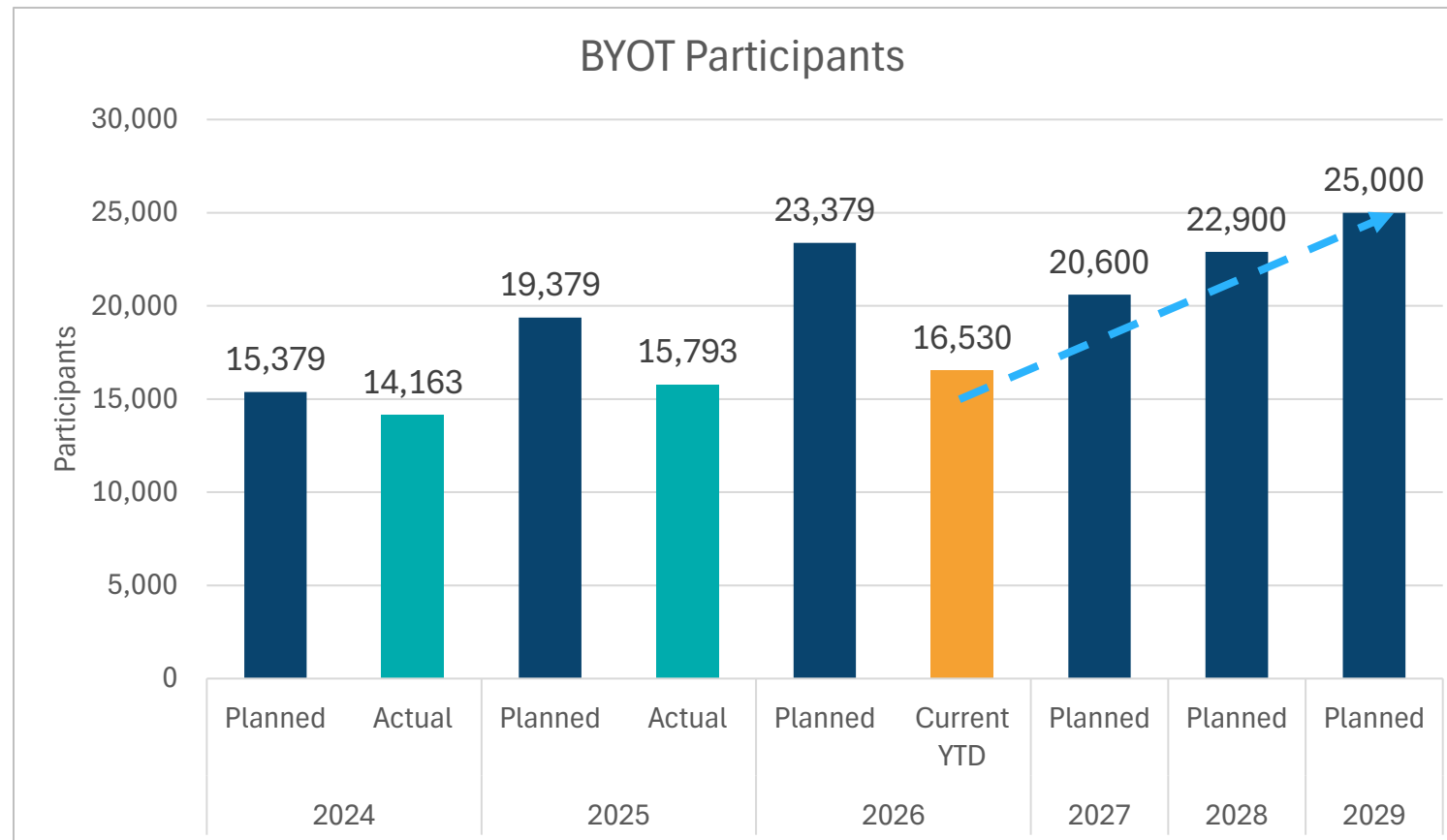
There must be at least 24 months before the start date of non-wires solution implementation to allow adequate time to go to market, evaluate proposals, gain necessary approvals, and construct or deploy the proposed non-wires solution.



2027-2029 Draft Connected Solutions Investment Proposal

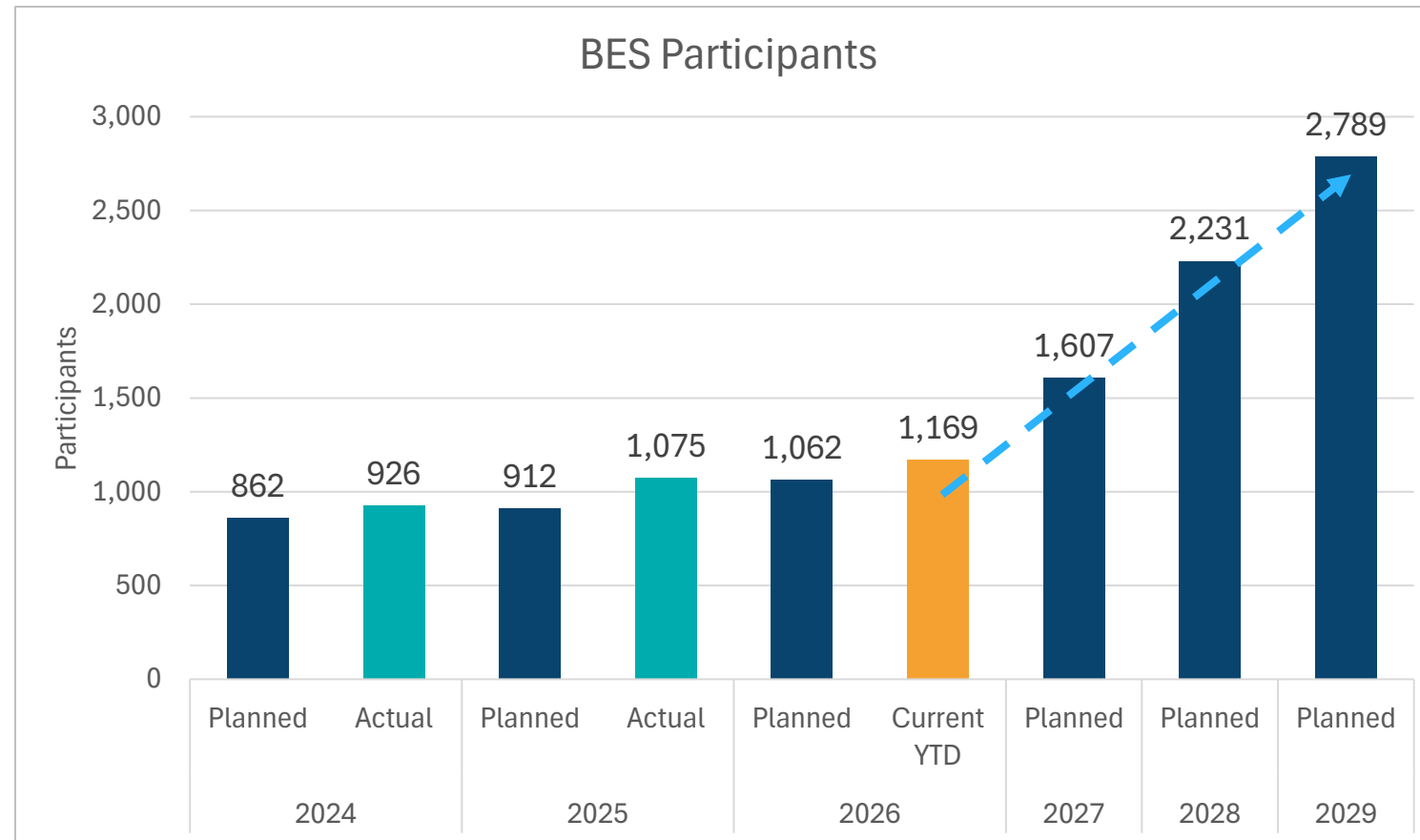
BYOT participants (#)

8,470 new BYOT participants to be enrolled over 2027-2029 Plan term (51% increase over current)



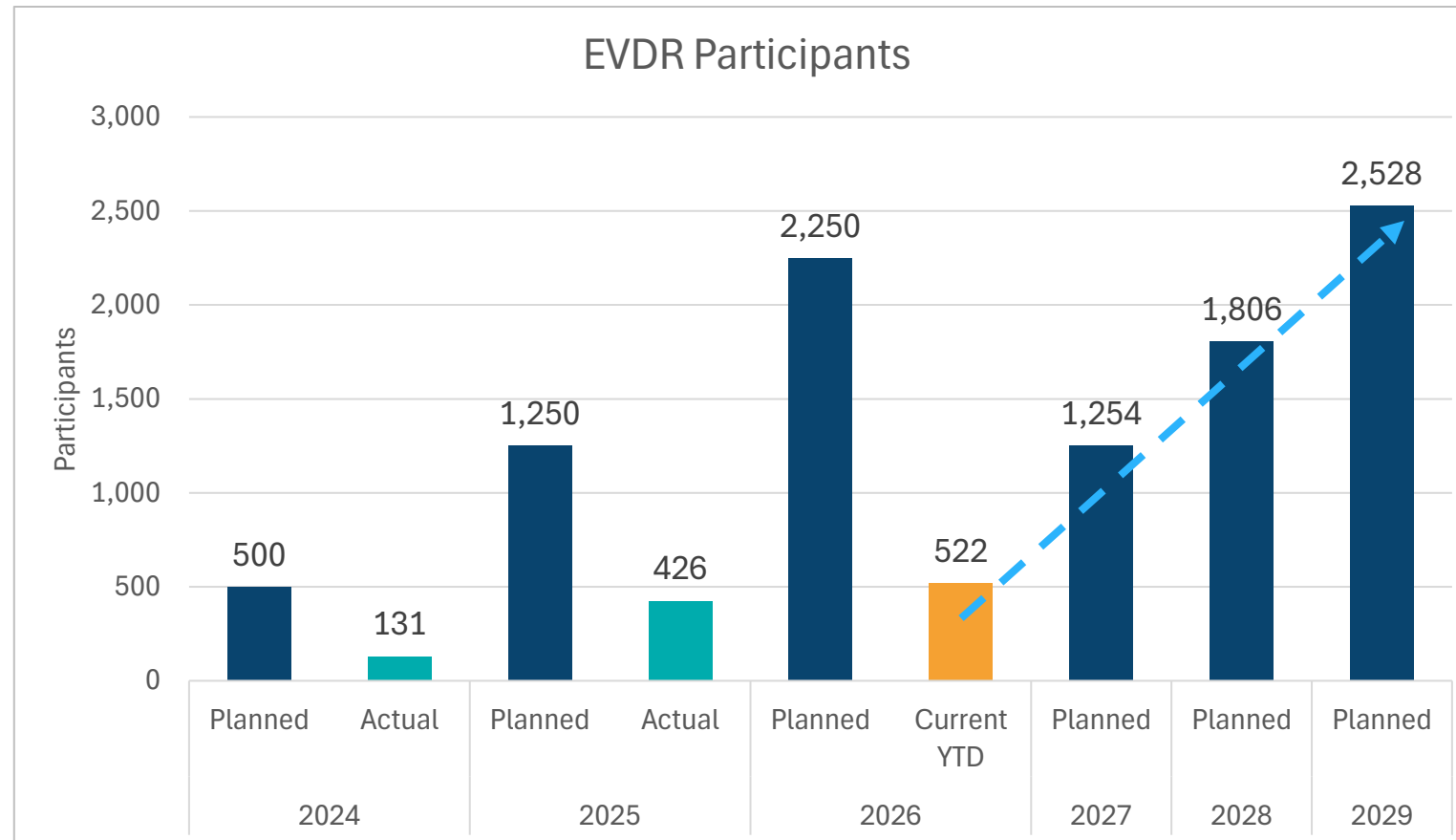
BES participants (#)

1,620 new BES participants to be enrolled over 2027-2029 Plan Term (138% increase over current)



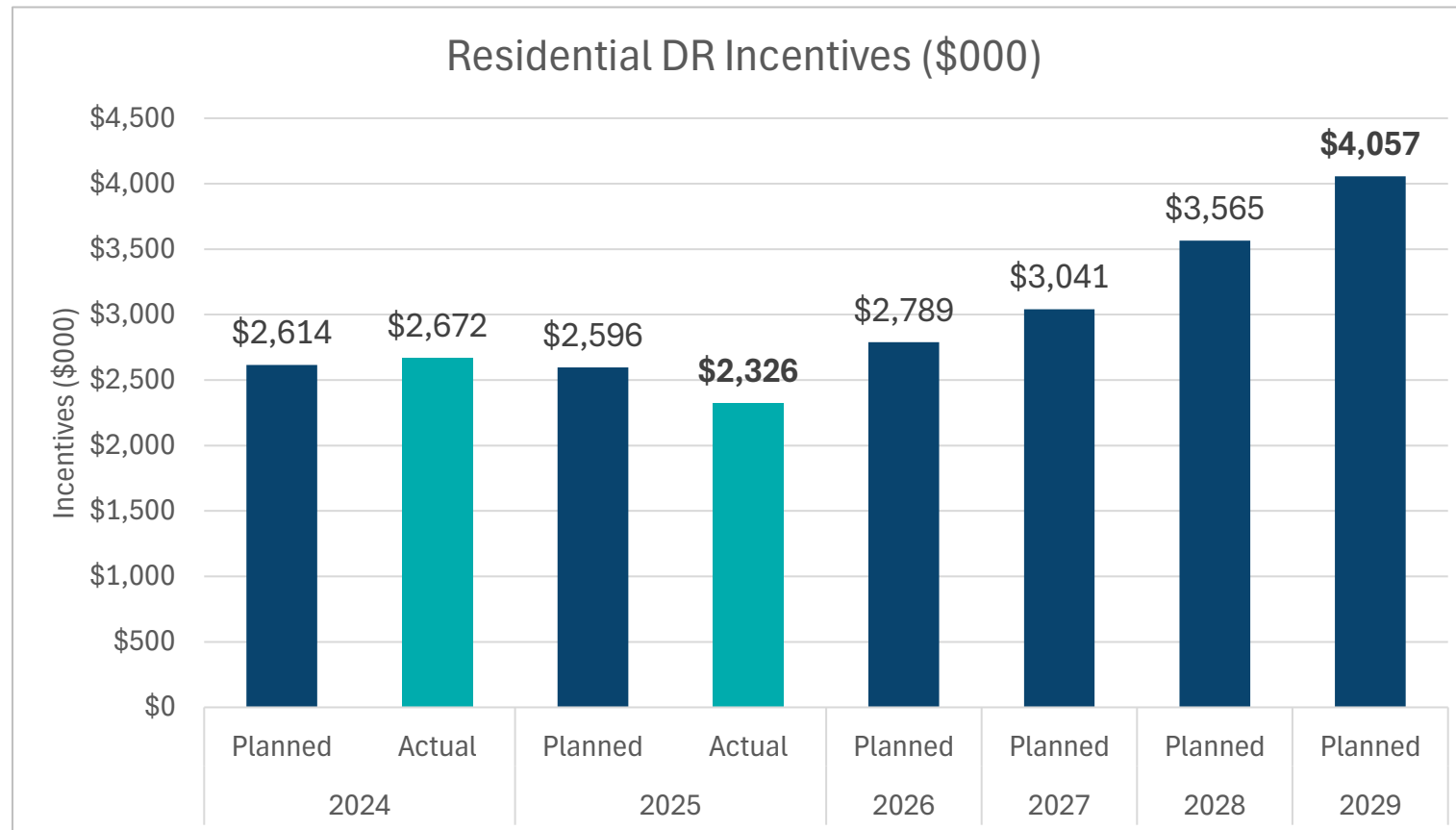
EVDR participants (#)

2,006 new EVDR participants to be enrolled over 2027-2029 Plan Term (384% increase over current)



Residential Incentive (\$000)

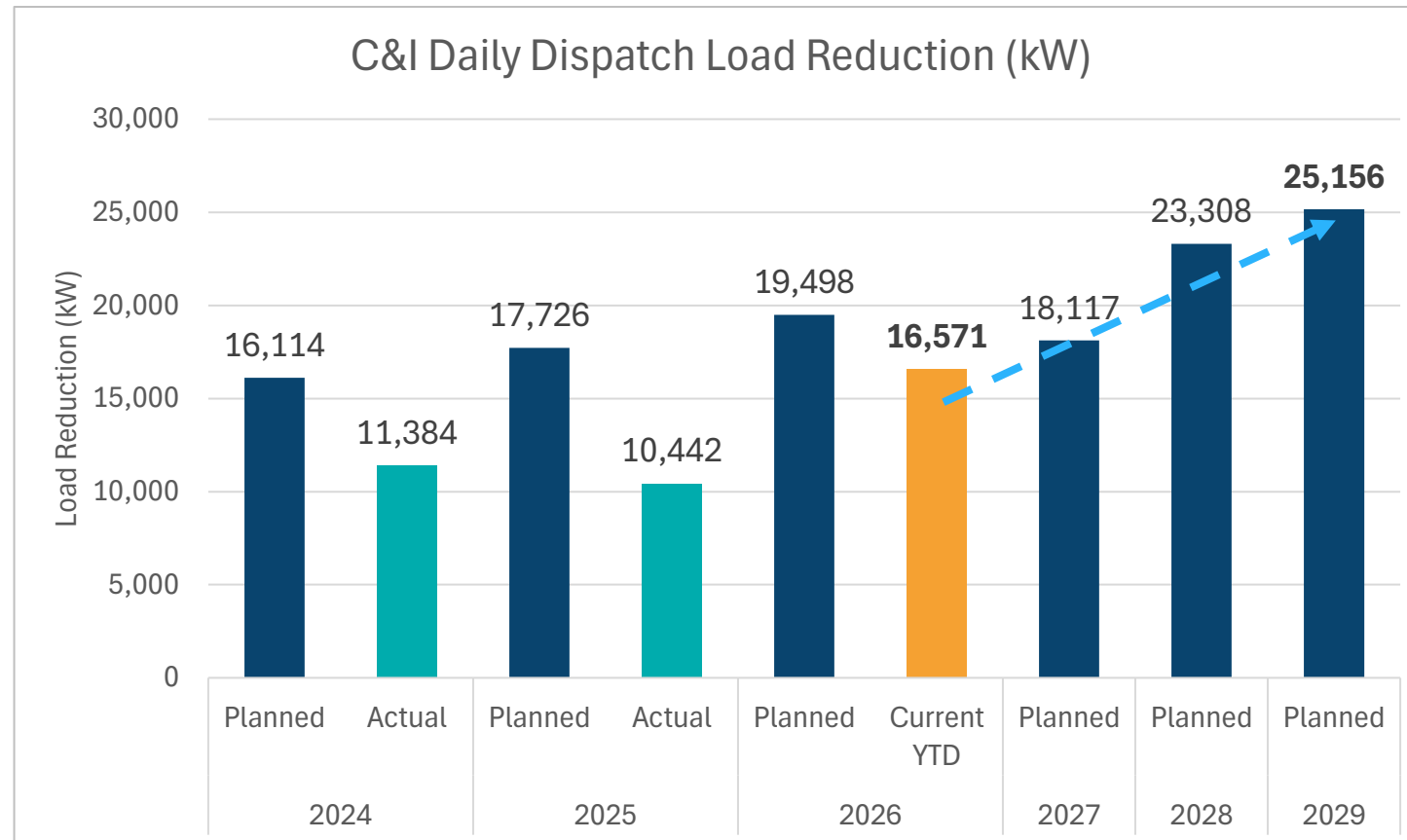
\$1.7M increase in incentive spend by 2029 (74% increase over 2025 actual)



C&I Daily Dispatch Load Reduction (kW)

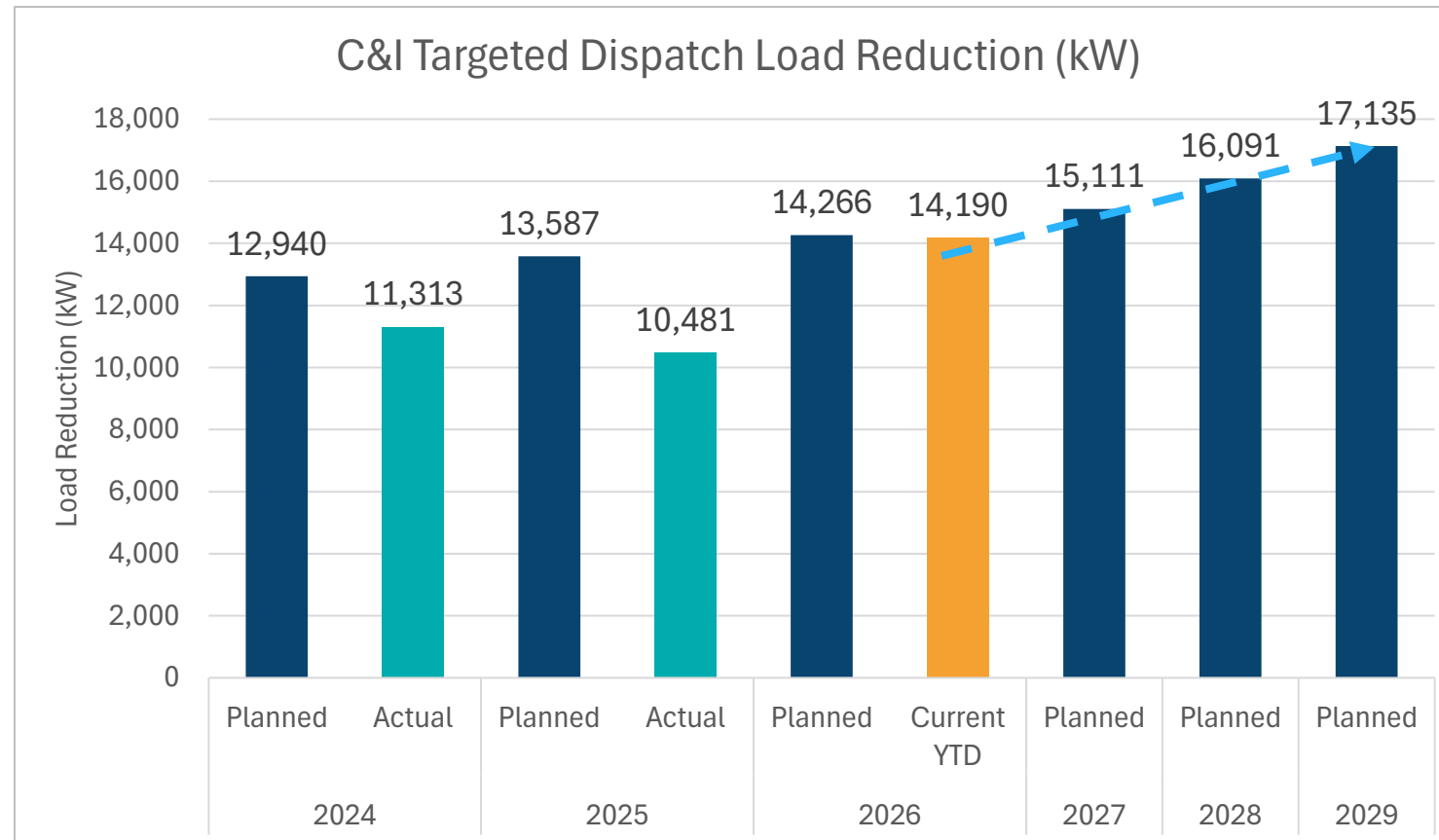


8,585kW of additional C&I Daily Dispatch Capacity over 2027-2029 Plan Term (52% increase over current)



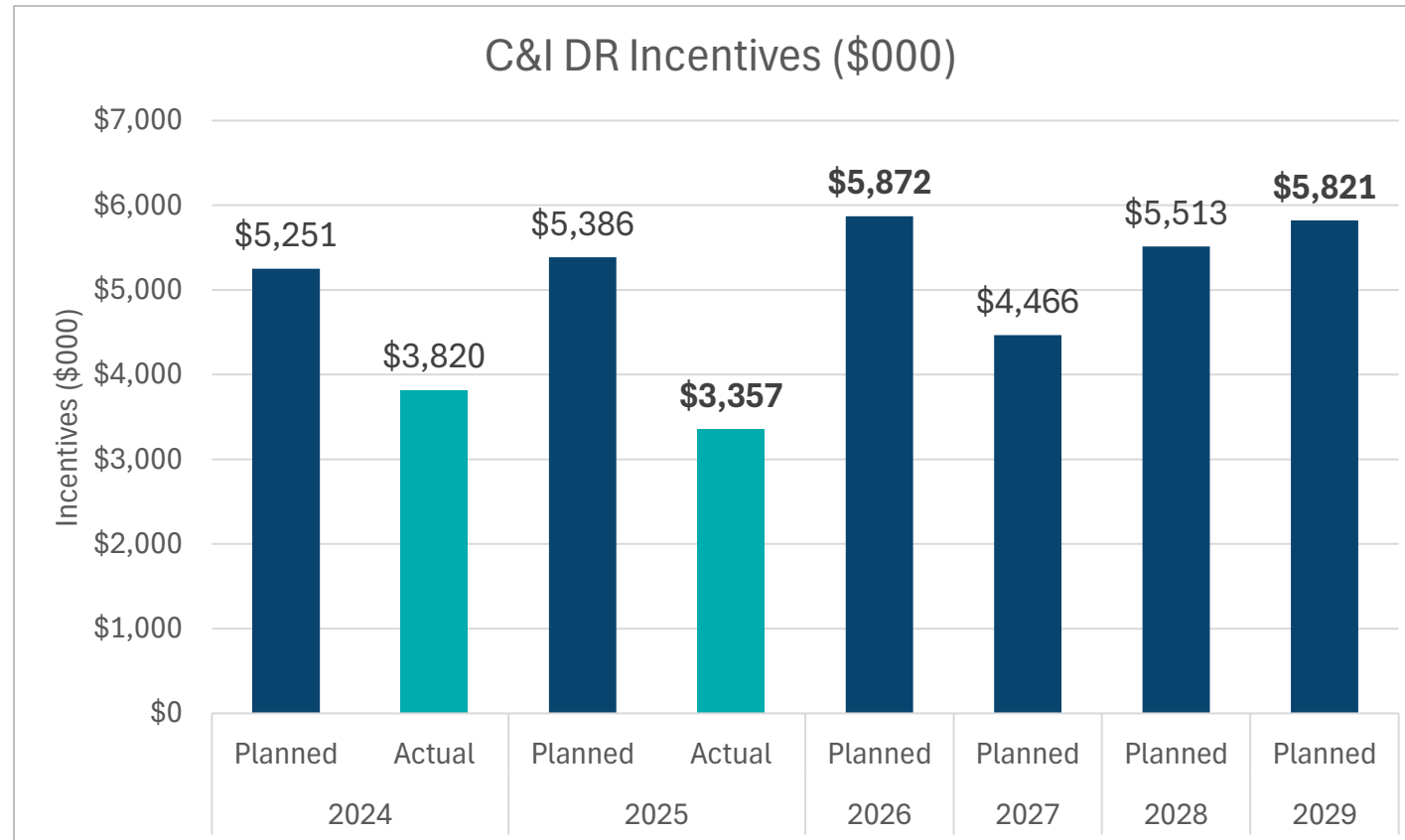
C&I Targeted Dispatch Load Reduction (kW)

2,945kW of additional C&I Targeted Dispatch Capacity over 2027-2029 Plan Term
(21% increase over current)



C&I Incentive (\$000)

\$2.4M increase in incentive spend by 2029 compared to 2025; slight decrease relative to 2026 plan



Continued reduction of incentives for energy storage to align with avoided cost value



Table 1. Battery energy storage dispatch incentive schedule

Enrollment Cohort	2027-2029 Incentive Rate*	How Long the Rate is Available
Enrolled on or before May 31, 2024	\$400/kW	Up to 5 years from enrollment
Enrolled on or after June 1, 2024	\$225/kW	Multi-Year Rate**
Enrolled on or after June 1, 2027 or Exceeds 5-years enrolled in the program	\$200/kW	Multi-Year Rate**

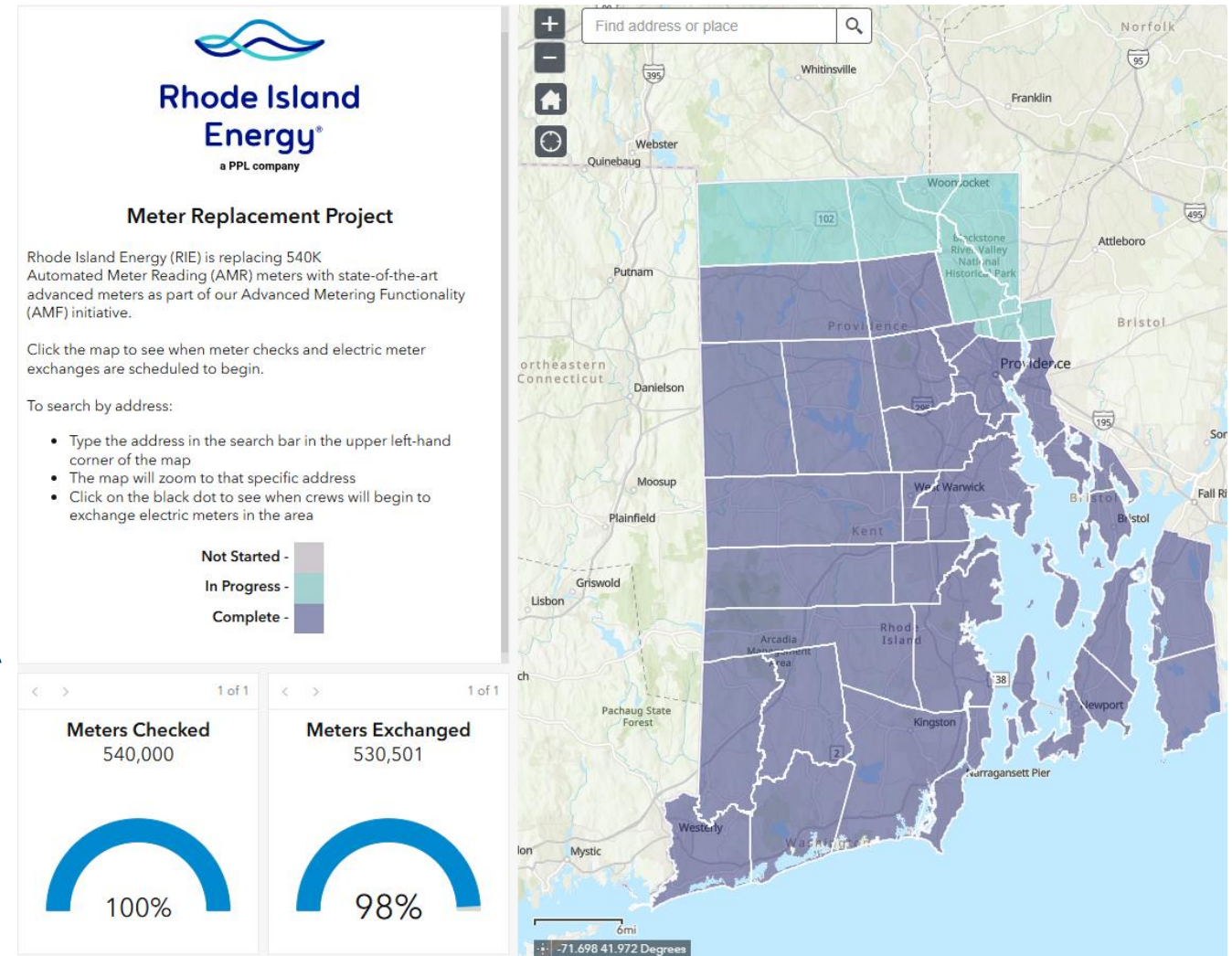
Table 2. Daily Dispatch incentive schedule

Enrollment Cohort	2027-2029 Incentive Rate*	How Long the Rate is Available
Enrolled on or before May 31, 2024	\$300/kW	Up to 5 years from enrollment
Enrolled between June 1, 2024 and on or before September 30, 2026	\$275/kW	Multiyear Rate**
Enrolled on or after April 1, 2027	\$200/kW	Multiyear Rate**
Exceeds 5-years enrolled in the program	\$200/kW	Multiyear Rate**

No specifics on how RIE plans to leverage Advanced Metering Infrastructure (AMI)



- “Company anticipates deployment of AMI will(...) enhance ability to forecast system needs and employ system reliability procurement solutions”
- C-Team Recommendation:
 - Pilot locational DR program in constrained area(s), similar to MA ConnectedSolutions+
 - Use AMI for measurement and verification of grid benefits



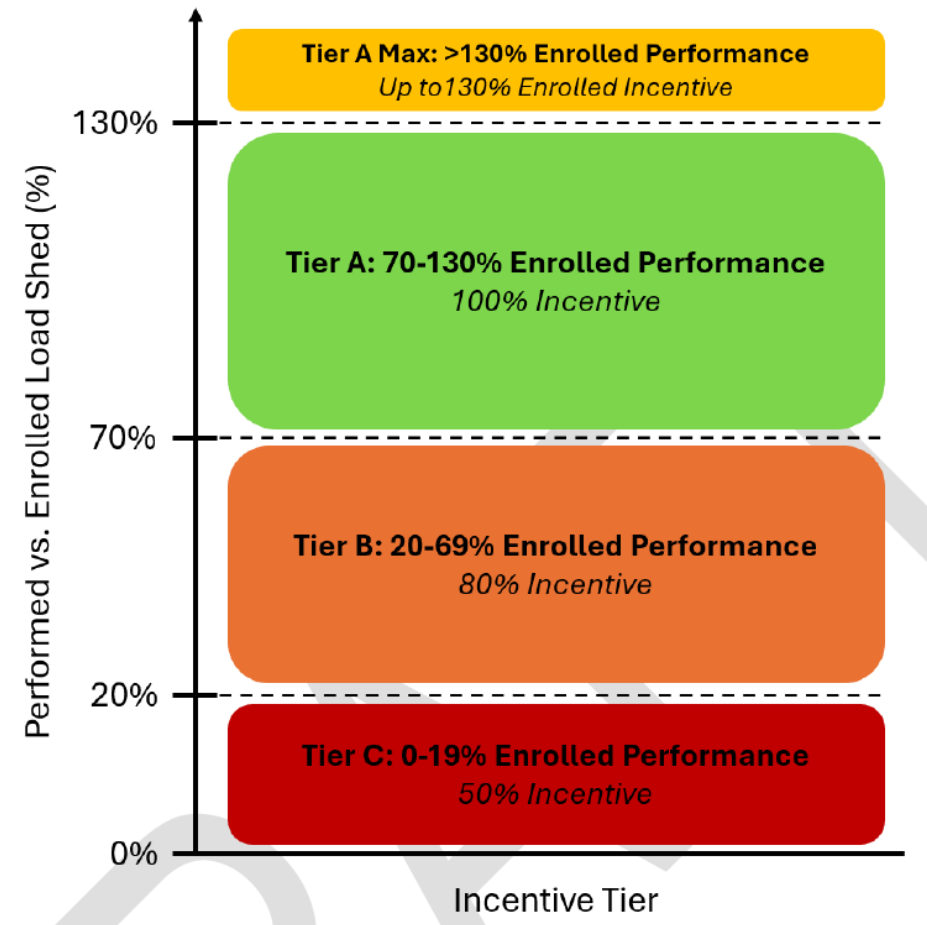
Performance Factor for C&I Daily Dispatch

- Proposed Performance Factor:

$$\frac{\text{Realized Load Shed (kW)}}{\text{Enrolled Load Shed (kW)}}$$

- 2027 program year as a grace period, showing estimate of what customer would receive for their performance under new structure beginning 2028

Figure 2: Daily Dispatch Performance Factor



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 old avoided costs creates uncertainty in expected benefit-cost screening and distorted Performance Incentive calculations
 - Connected Solutions customer incentives, based on RIE’s willingness-to-pay for peak demand savings, uses old AESC values

SRP Council Priorities



1. Ensure a clear linkage between SRP analysis and actionable investment pathways
2. Ensure robust consideration of non-wires and non-pipes alternatives
3. Address structural and process factors that influence investment decisions
4. Advance demand-side resources as system solutions
5. Support development of virtual power plants and aggregated resources
6. Provide transparency into analytical methods and assumptions
7. Track outcomes and refine approaches over time

From: https://eec.ri.gov/wp-content/uploads/2026/05/2027-2029-EE-SRP-Plan-Priorities_DRAFT_2026.05.26.pdf

CS Investment Proposal Council Priorities



1. Adopt a targeted, segment-specific program design
2. Leverage AMI and interval data for targeting and performance
3. Integrate demand response with energy efficiency programs
4. Define clear performance expectations and accountability mechanisms
5. Balance incentives with cost-effectiveness and long-term sustainability
6. Expand the portfolio of demand response offerings

From: https://eec.ri.gov/wp-content/uploads/2026/05/2027-2029-EE-SRP-Plan-Priorities_DRAFT_2026.05.26.pdf