System Reliability Procurement Three-Year Plan – 2027 – 2029

Energy Efficiency Council Plan Update

August 20th, 2026

Agenda

Timeline & Workplan

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Key Touchpoints & Goals:

Feb – Mar: Kickoff & Engagement
- Internal kickoff, identify key staff, develop workplan, engage stakeholders (*i.e., Division, EEC, SRP TWG*).

Apr – Jun: Initiate, Coordinate, & Develop first draft
- RIE begin first draft development.
- Regular engagement & coordination with Division, EEC, SRP TWG, and other stakeholders.

Jul – Aug: Refining the plan
- Summer check-in w/ Division & SRP TWG.
- Preview late draft content before EEC vote.

Sep – Oct: Full Draft review & Submission
- Final draft for stakeholder review.
- Share final materials w/Division and EEC >1 week before vote (on or before Oct 8th)
- EEC vote.

Nov: File with PUC!
- Submit Three-Year Plan & testimony to PUC.

We are Here

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec

Feb 2026
Internal Kickoff & Initial Planning

Feb
Division Informal Discussion

Mar 19th
Present workplan to EEC

Late Mar/Early Apr
SRP TWG Meeting

May
SRP TWG Meeting #2

Apr – Jun
Draft SRP content

Jun 18
SRP TWG Meeting #3 & EEC Meeting

Jul
SRP TWG Meeting (**moved to AUG*)

Jul 28th
Division Informal Discussion

Aug 15th
SRP TWG Meeting #4

Aug 20th
EEC workplan update

Aug 28th
Stakeholder comments due

Sep 9th
Share final draft w/Division, EEC, & stakeholders

Oct 8
Final Materials to Division & EEC due

Oct 15
EEC vote

Nov 20, 2026
File

SRP 3YP Draft - Notes

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- No change to the SRP ***process***. Same process as proposed in our prior 3YP.
- The Company has updated opportunities for possible system reliability procurement. These include:
  - **Electric:** Continue the ConnectedSolutions program to reduce peak-related supply costs.
  - **Gas:** Gas Segment Decommissioning Pilot Research – conduct foundational research for gas segment decommissioning, including a BCA framework and pilot planning.
- The Company made iterative updates, streamlined sections where appropriate and updated relevant information (*i.e. LCP Standards, Performance Incentive Plan, System Data Portal*).
- We've created a group mailbox, *SRPInfo@rienergy.com*, to better capture correspondence related to all things SRP.
- It is our intent to build upon the structure and success of our prior 3YP while staying compliant with the LCP standards.
- **Next Steps:**
  - ❑ Collect stakeholder comments through 8/28.
  - ❑ Share final draft by 9/9.
  - ❑ EEC vote > File w/PUC!

ConnectedSolutions

2027-2029 Electric Demand Response

FOR SRP TWG and EEC 8-2026

ConnectedSolutions Program Structure

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ConnectedSolutions

Residential and Small Business

- Smart Thermostats (BYOT)
- Battery Energy Storage Dispatch (BES)
- Electric Vehicle Charging Response (EVDR)
- Background Energy Adjustments*

Commercial and Industrial

- Daily Dispatch
- Targeted Dispatch

Voluntary

Notes: **Connected**Solutions is a ‘program’ (shown in navy) with two ‘tracks,’ the Residential and Small Business track and the Commercial and Industrial track (shown in blue). Each track has a number of ‘pathways’ through which to participate (shown in teal).

*Background Energy Adjustments are automated load reductions enabled through participating technology providers and customer-enabled device settings. The resources support ConnectedSolutions objectives but do not require direct customer enrollment in a ConnectedSolutions pathway.

Proposed Program Design Changes

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Residential and Small Business (RSB)

BYOT + EVDR

Annual $20 payment requires participation in at least one peak event.

BES

New 2027-2029 participant incentive rate reduced from $225/kW to $200/kW-year.

Background Energy Adjustments

New portfolio resource from thermostats (~2MW of load shed reduction).
No RIE incentive payment required.

Commercial and Industrial (C&I)

C&I Daily Dispatch

New enrollments reduced from $275/kW to $200/kW. Enrollments in their 6th+ year of enrollment reduced to $200/kW.

C&I Daily Dispatch

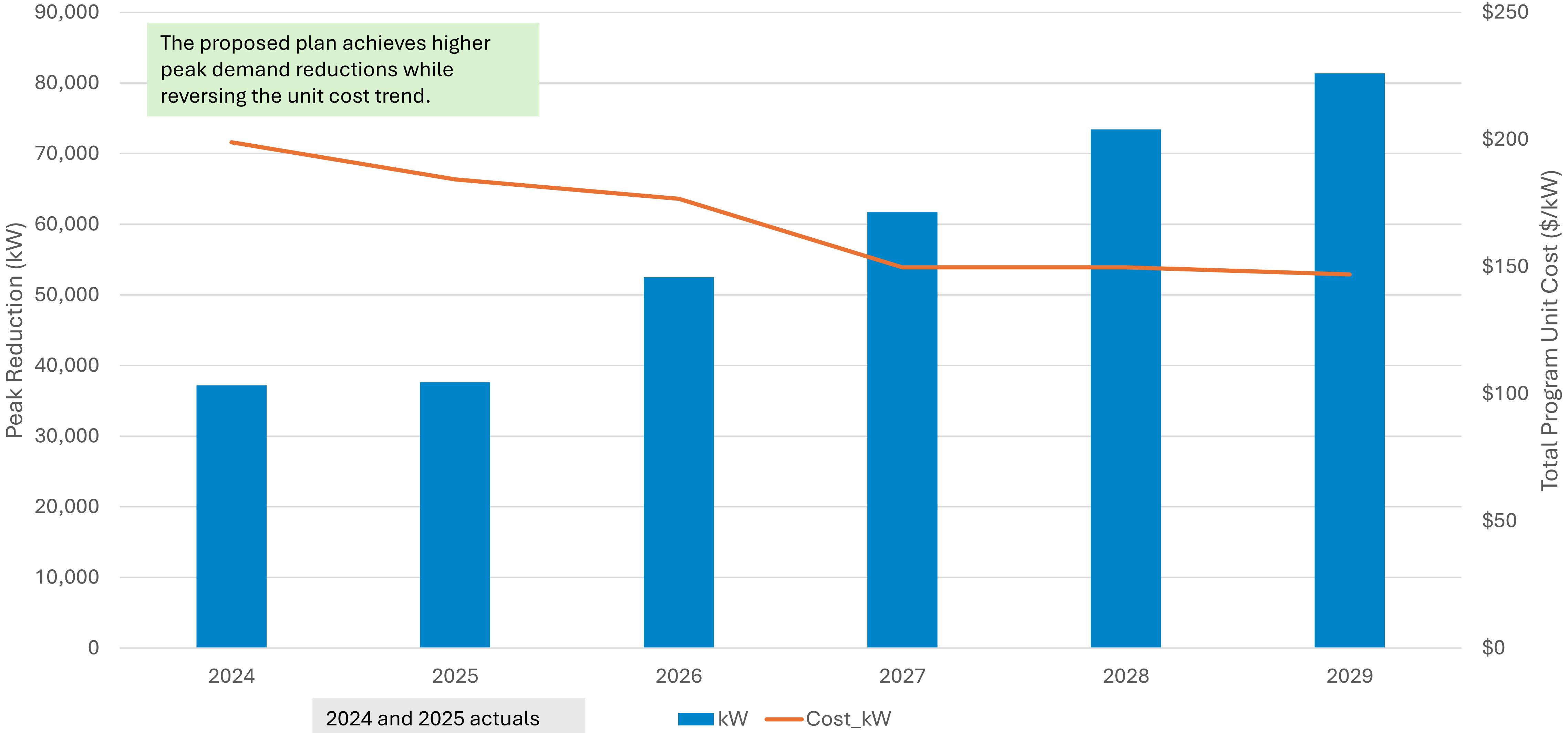
Implement Performance Factor following a tiered incentive structure.

C&I All

Disallow new Fossil Fuel-based generation from enrolling into the program.

EEC Alignment:
- ✓ Adopt a targeted, segment-specific program design
- ✓ Leverage AMI and interval data for targeting and performance
- ✓ Define clear performance expectations and accountability mechanisms
- ✓ Integrate demand response with EE programs
- ✓ Balance incentives with cost-effective and long-term sustainability
- ✓ Expand the portfolio of demand response offerings

2024-2026 v 2027-2029 Peak Reductions



The proposed plan achieves higher peak demand reductions while reversing the unit cost trend.

2024 and 2025 actuals
2026 enrollments

Value of 1 kW Peak Reduction

(How do we determine our willingness to pay for peak demand reduction?)

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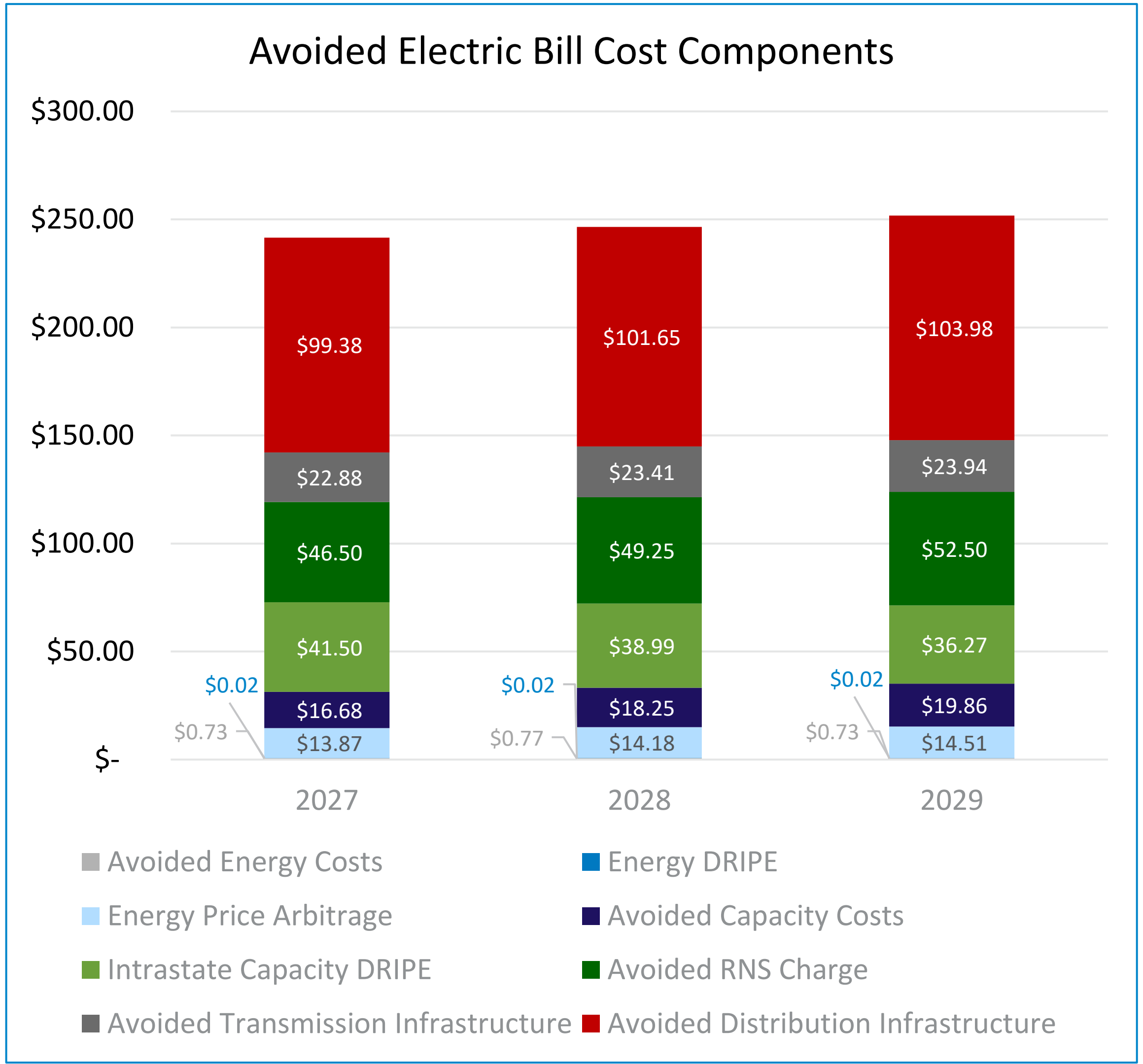

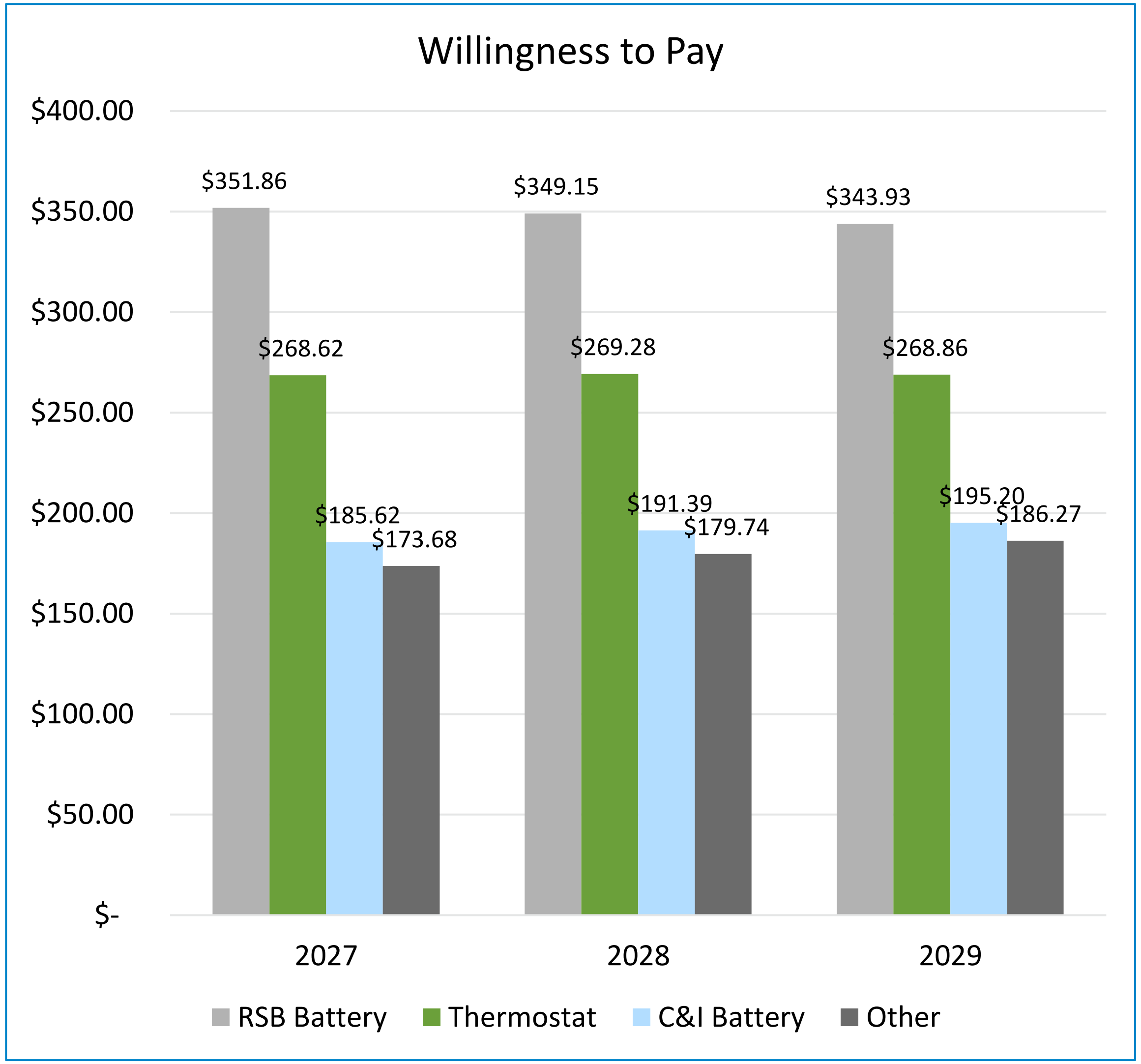

2027-2029 Benefits Summary

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2027-2029 Forecasted Net Benefits ($000)				
	2027	2028	2029	**Total**
RSB	$3,961	$5,042	$5,925	**$14,928**
C&I	$1,018	$1,299	$1,762	**$4,079**
Total	**$4,979**	**$6,341**	**$7,687**	**$19,007**

PIM

$51.2M

Forecasted 2027-2029 Eligible Benefits

$24.9M Increase

$19.0M

Forecasted 2027-2029 Eligible Net Benefits

$16.2M Increase

59%

Forecasted 2027-2029 Spending Efficiency

47% Increase

Takeaway:
Even though the proposed budget is larger, the 2027-2029 proposed values show additional spend is expected to produce substantially higher net benefits for Rhode Island Energy customers

2027-2029 Budget Summary

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BUDGET

$32.2M

Proposed
2027-2029 Program Budget

+$3.4M

2027-2029 Increase
vs
2024-2026 Filed

+11.9% Increase

+$8.6M

2027-2029 Increase
vs
2024-2026 Actuals+Forecast

+36.7% Increase

2027-2029 Proposed Budget ($000)				
	2027	2028	2029	**Total**
RSB	$4,489	$5,191	$5,845	**$15,524**
C&I	$4,750	$5,800	$6,111	**$16,661**
Total	**$9,239**	**$10,991**	**$11,955**	**$32,186**

Rhode Island Energy is still refining the 2027-2029 program forecasts, including costs. The current year-over-year costs are likely to decrease with the next iteration of the Investment Proposal.

Key Drivers of Cost Increases:

RSB

- *New resource – Background Energy Adjustments (+2MW and ~$1M)*
- *Portfolio growth (+5MW and ~10k devices) - associated fees and incentives*
  - *Customer incentive increased: ~$2.5M*
  - *Associated fees increased: ~$1M*
- *Customer incentives ~68% of all program costs*

C&I

- *Portfolio growth (5 MW battery customer) – associated incentives*
- *Customer incentives ~95% of all C&I program costs*

Annual Collections

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	2027 ($000)	2028 ($000)	2029 ($000)
Incentive	$7,484	$9,056	$9,855
Admin	$1,733	$1,912	$2,078
HEAT	$23	$23	$23
Total	**$9,239**	**$10,991**	**$11,955**
OERAlloc	$166	$198	$215
Collect	**$9,406**	**$11,189**	**$12,171**

Bill Impacts	**2027 ($)**	**2028 ($)**	**2029 ($)**
	DRAFT/Subject to Edit		
Residential	-$10.80 (-0.56%)	-$12.93 (-0.66%)	-$14.79 (-0.72%)
Commercial	-$7.77 (-0.06%)	-$12.18 (-0.09%)	-$10.07 (-0.07%)

Notes:

Total budget is reflected in the bottom row; Rhode Island Energy will calculate the SRP Factor based on collections from January 1 through December 31 for program years 2027, 2028, and 2029. The SRP Factor is proposed to be submitted through a compliance filing on an annual basis, which will reconcile from prior over/under-collections.

Bill impacts are REGARDLESS of participation (they ignore incentives accrued by customers).

The three years of this proposed investment plan will create $19M in value (as measured through avoided electric bill costs) to be shared with customers.

Feedback Requested

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Where stakeholder input will be most helpful

Program design changes

Are the proposed pathway changes clear, reasonable, and aligned with ConnectedSolutions objectives?

Forecast assumptions

Are participant/device forecasts and estimated load reduction assumptions reasonable for 2027-2029?

Background Energy Adjustments

Does this portfolio enhancement add value and balance customer choice?

Incentive Structures

Do proposed updates appropriately balance participation, program costs, and delivered system value?

C&I Daily Dispatch Performance Factor

Does the tiered structure balance accountability and participation? Is the 2027 informational year sufficient?

Customer Experience & Future Planning

What implementation, customer experience, or collaboration efforts should be strengthened?

Written comments requested by August 28, 2026

Feedback, Open Discussion, Next Steps

We'd welcome feedback on any of the following questions, or your own!

- **SRP Process:** Does the continued use of the SRP process provide a clear and workable framework for 2027 – 2029?
- **Gas Segment Decommissioning:** Does the proposed foundational research sufficiently address the right next steps for future opportunities? If no, what concerns can we help address?
- **Overall, what additional information, context, or clarifications can we provide to improve understanding of the process?**