ENERGY EFFICIENCY COUNCIL

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

Consultant Team Presentation

Date: September 24, 2026

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

Refresher

- **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 regional coincident peak 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)

- On **September 17th,** Rhode Island Energy shared its Second Drafts of these plan materials*

- RIE requests stakeholder comments by **today, September 24th**

*Originally scheduled for September 9th

SRP Plan - Key Takeaways

1. **Consistent with the first draft, RIE has not proposed any changes to the existing SRP process which has not led to any successful non-wires projects**

2. **Process relies on the Company self-identifying and bringing forward non-wire alternative (NWA) and non-pipeline alternative (NPA) opportunities**

3. **No additional opportunities for stakeholder input in identifying and screening for NWS opportunities**

4. **Less ambitious vision than 2024-2026 SRP plan for using AMI and grid mod investments to target grid constraints and avoid infrastructure investments through demand side resources**

SRP: System Reliability Procurement; AMI: Advanced Meter Infrastructure

CS Investment Proposal - Key Takeaways

1. **Increased savings and participation compared to 2024-2026 plan and current actuals across all pathways**, with slightly lower growth in BYOT participation compared to first draft

2. **Continued reduction of incentives for energy storage** to align with avoided energy supply costs, though relying on soon to be updated 2024 avoided cost values

3. **Company is not proposing any targeted demand response offerings in constrained areas of the grid** like those being implemented by ConnectedSolutions Program Administrators across Massachusetts

4. **New Background Energy Adjustments Offer** captures smaller thermostat savings than existing BYOT program and customers must choose between 2 competing programs

BYOT: Bring Your Own Thermostat

Appendix

SRP Plan discussion on AMI/grid mod investment role in infrastructure avoidance

2024-2026 System Reliability Procurement Plan	2027-2029 Plan System Reliability Procurement Plan
"circuit focused peak load management ***is*** an important functionality for achieving the State's climate and clean energy mandates safely, reliably, and affordably"	"circuit focused peak load management ***may become*** an important functionality for achieving the State's climate and clean energy mandates safely, reliably, and affordably"
"our demand response program ***can be improved*** to be tied to distribution system constraints ***for better infrastructure avoidance***"	"RIE ***may evaluate*** opportunities to support targeted customer outreach and enrollment strategies in areas where system needs and customer participation patterns indicate ***potential benefits***"
"Rhode Island Energy's proposed advanced metering functionality will improve the Company's ***ability to dispatch resources***"	"advanced metering infrastructure will improve the Company's ***visibility into system and customer usage patterns***"

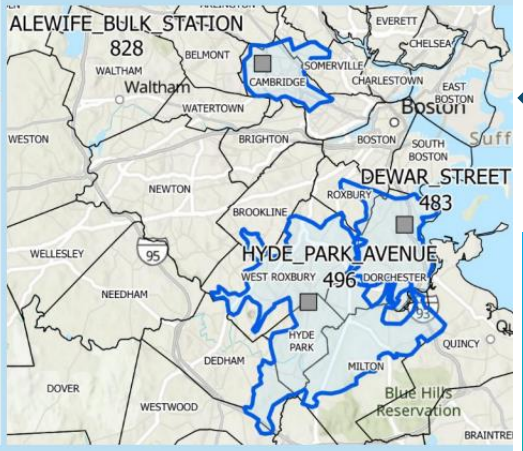
AMI: Advanced Meter Infrastructure

Targeted Demand Response Offerings in Constrained Areas of the Grid - Example

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"Bridge to Wire" Substations, Boston Area

Substations	Location	Local Need	Event Parameters
Alewife	Select customers in Alewife (Cambridge) area	Load Curtailment 2-10pm	June 1-Sept 30 Up to 3 hours Up to 15 Targeted events Event call is based upon local forecast
Hyde Park & Dewar	Neighborhoods of Boston (Hyde Park, Mattapan, West Roxbury, Dorchester) & Milton		



Load curtailment need will provide temporarily relief until local infrastructure upgrades are complete and near-term, will offset the use of diesel generators.

Targeted marketing and enhanced incentives in <u>constrained areas where demand reductions are most valuable</u>

ConnectedSolutions+ Enhanced Offers, Boston Area

Offering*	ConnectedSolutions Incentive	ConnectedSolutions+ Incentive
C&I Targeted	$45/kW	**$80/kW**
C&I Daily Battery	$200/kW	**$250/kW**
Thermostats (Small Business)	$50 enrollment $200/season	**$150** enrollment $200/season
Thermostats (Residential)	$50 enrollment $20/season	**$150** enrollment $20/season
Residential Batteries	$275/kW	**$400/kW**

From: https://ma-eeac.org/wp-content/uploads/Connected-Solutions-Update-For-Posting-v25523139.pdf

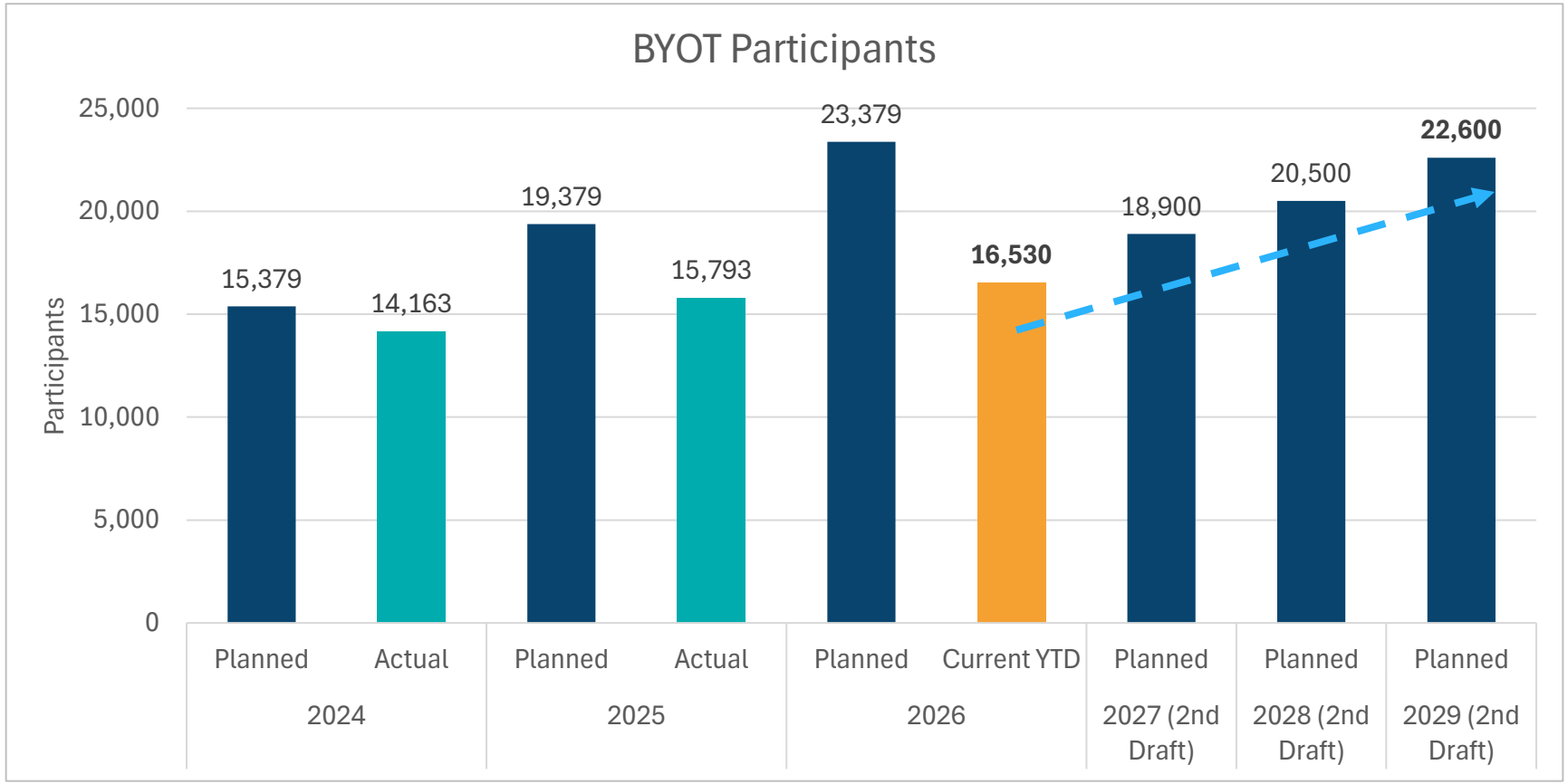
Avoided Cost Assumptions

- 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 2030 AESC
  - Use of old avoided costs creates uncertainty in expected benefit-cost screening and distorted Performance Incentive calculations
  - ConnectedSoltuions customer incentives, based on RIE's willingness-to-pay for peak demand savings, uses old AESC values

2027-2029 Draft ConnectedSolutions Investment Proposal – Second Draft

BYOT participants (#)

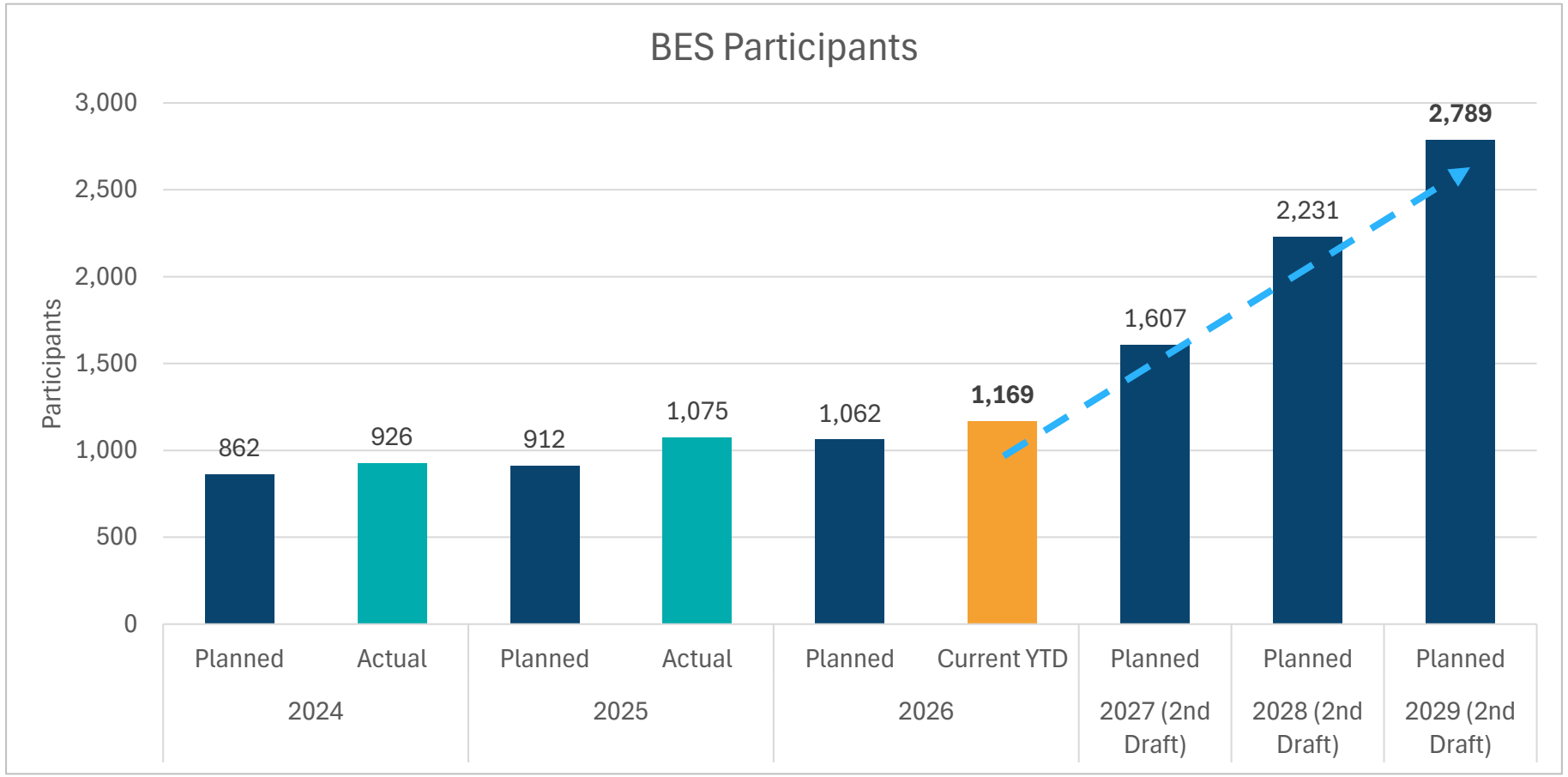
6,070 new BYOT participants to be enrolled over 2027-2029 Plan term (37% increase over current)



BYOT: Bring Your Own Thermostat

BES participants (#)

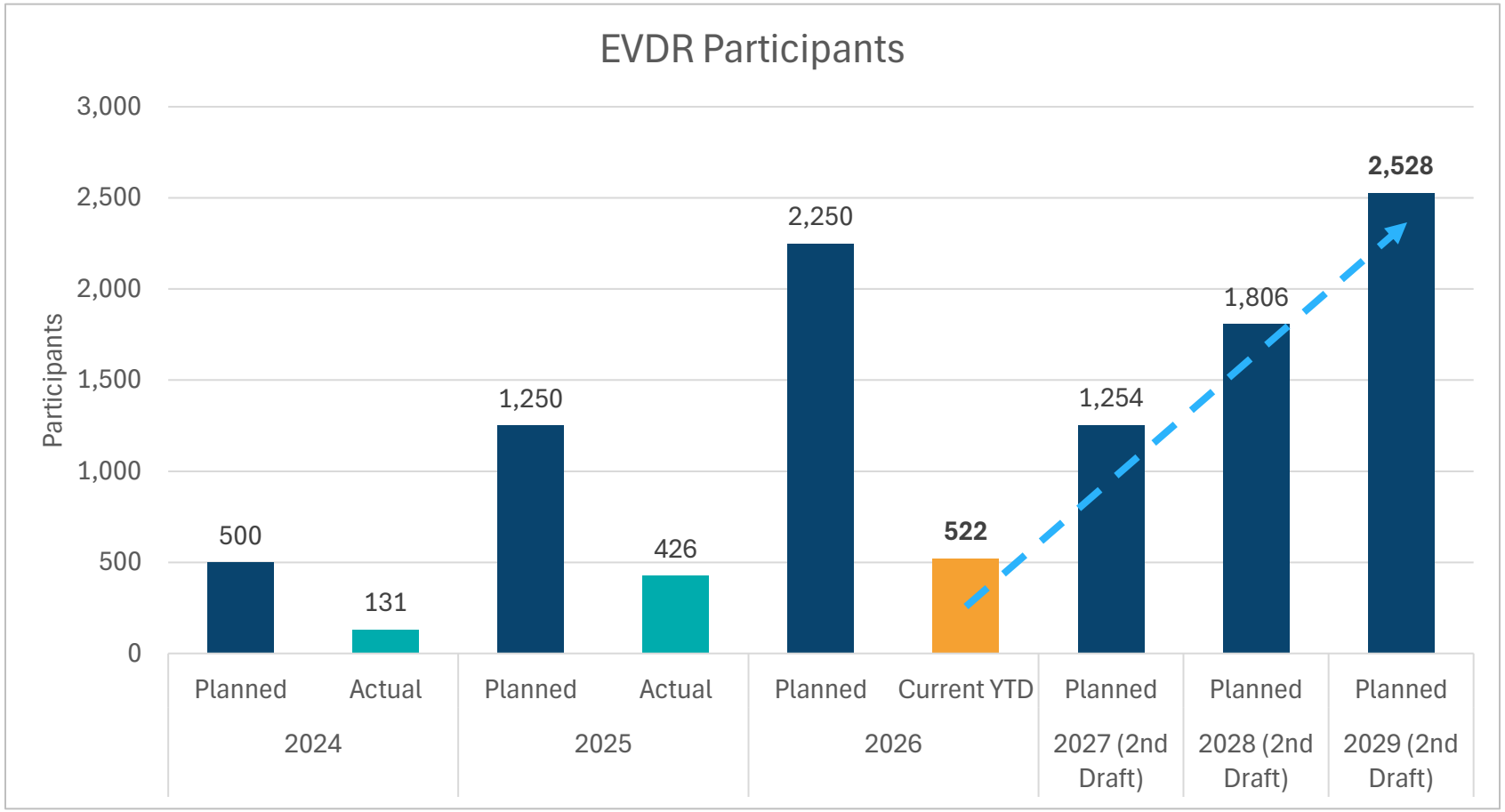
1,620 new BES participants to be enrolled over 2027-2029 Plan Term (138% increase over current)



BES: Battery Energy Storage

EVDR participants (#)

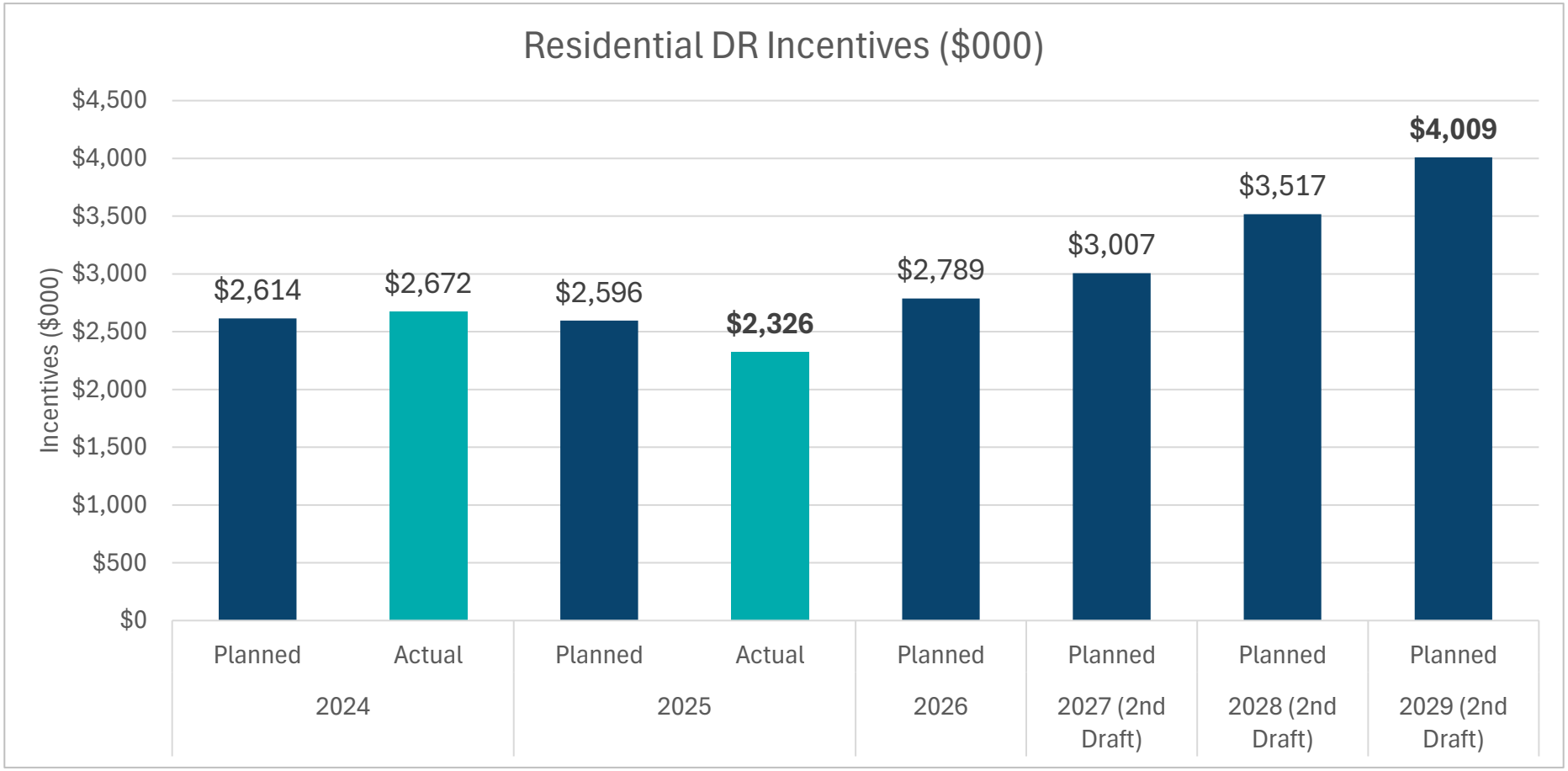
2,006 new EVDR participants to be enrolled over 2027-2029 Plan Term (384% increase over current)



EVDR: Electric Vehicle Demand Response

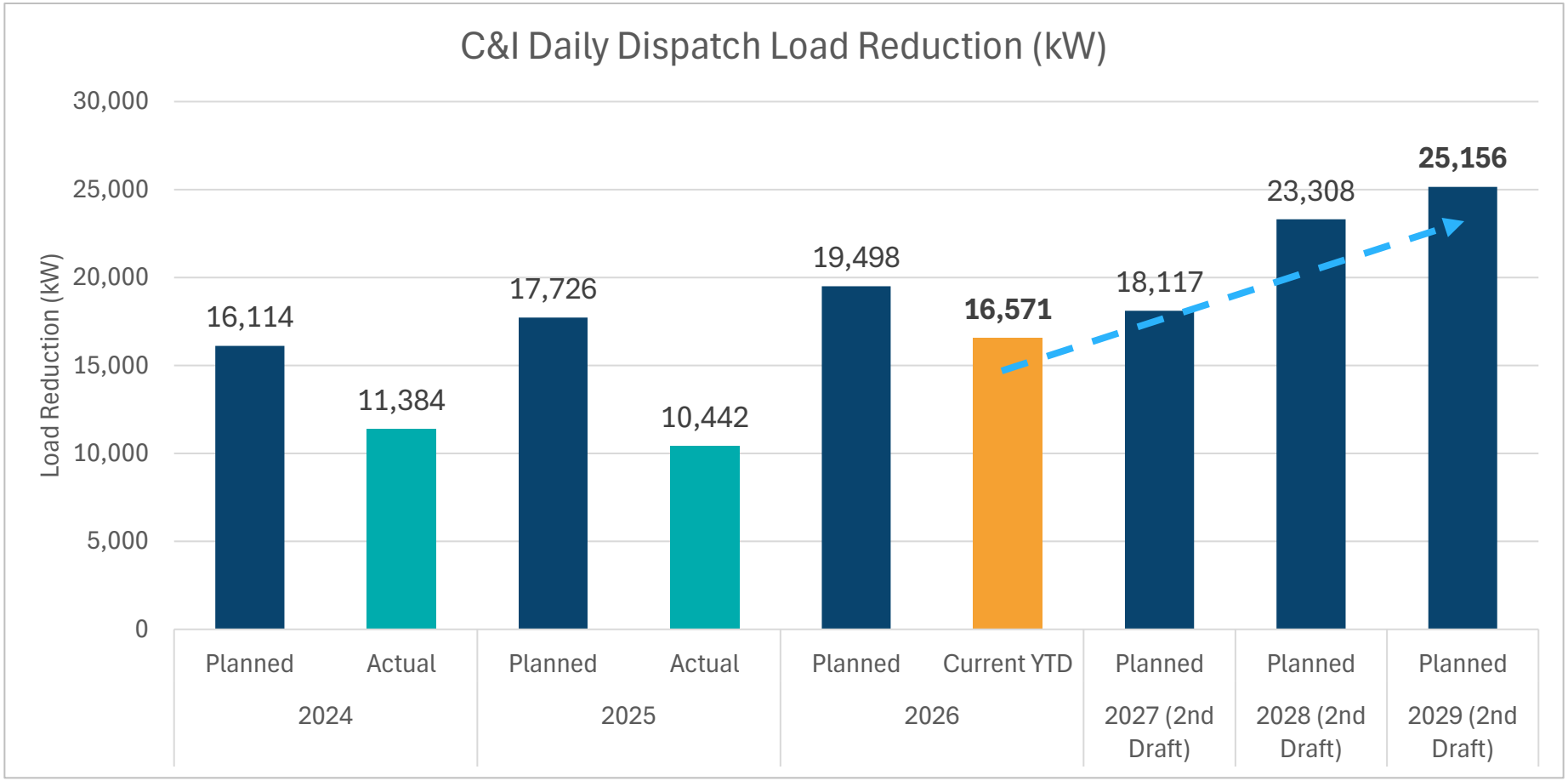
Residential Incentive ($000)

$1.7M increase in incentive spend by 2029 (72% increase over 2025 actual)



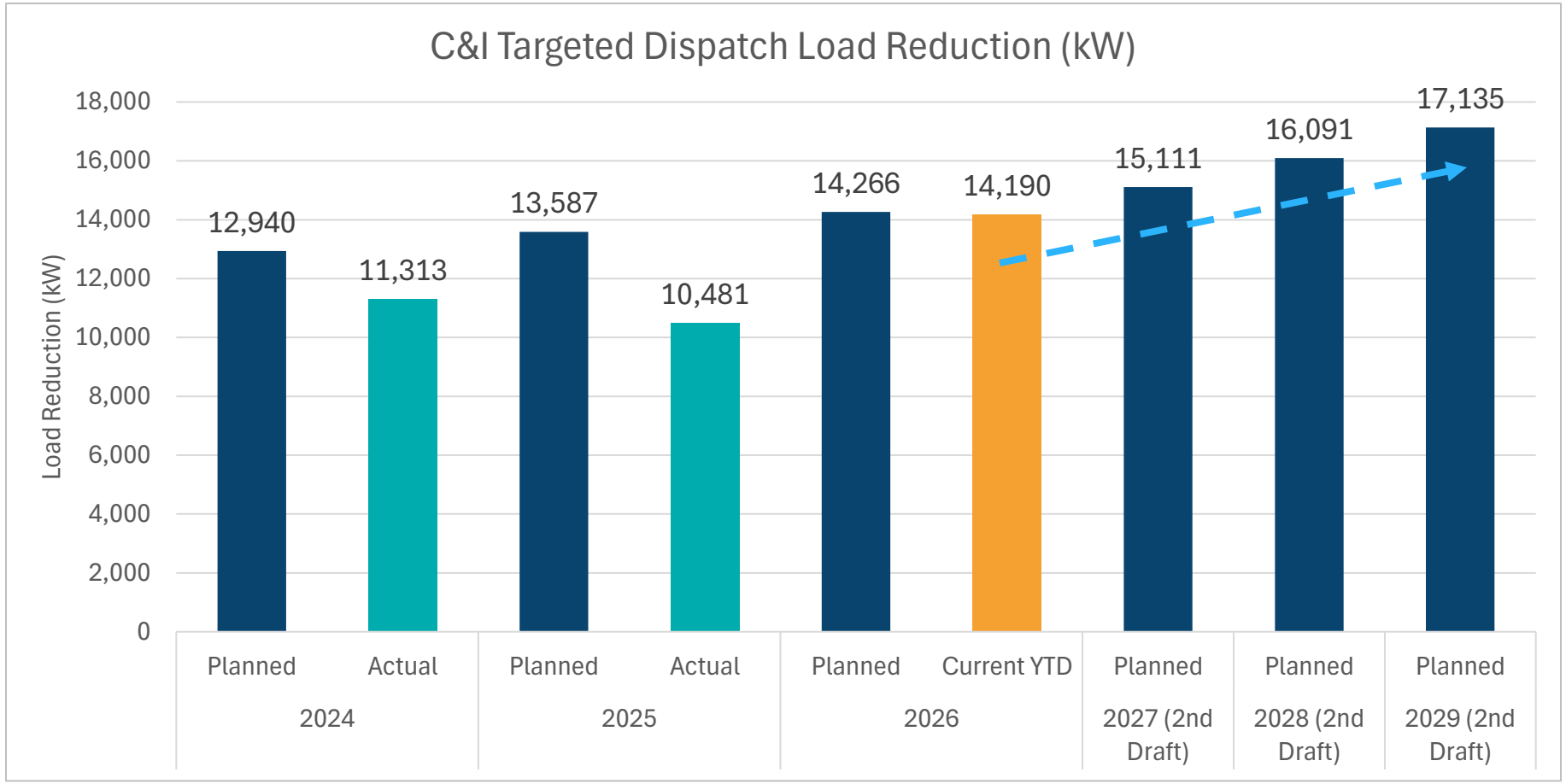
C&I Daily Dispatch Load Reduction (kW)

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



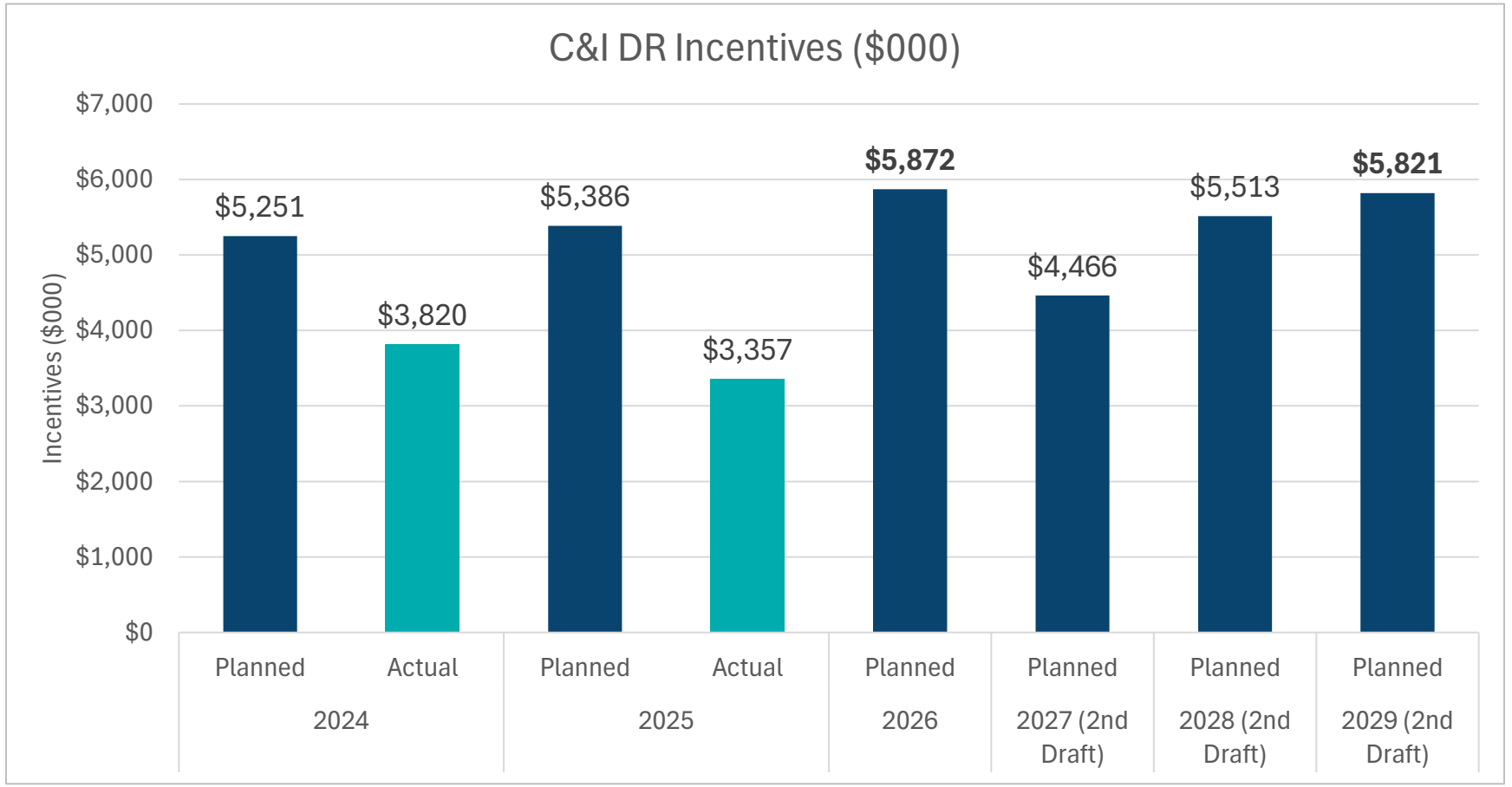
C&I Targeted Dispatch Load Reduction (kW)

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



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