ENERGY EFFICIENCY COUNCIL

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2027-2029 System Reliability Procurement (SRP) Plan & Connected Solutions Investment Proposal

Consultant Team Presentation

Date: October 15, 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 the Second Draft of these plan materials*
- On **September 24th** RIE and C-Team presented updates made between first and Second Draft SRP Plan and ConnectedSolutions Investment Proposal
- On **October 8th**, RIE shared the proposed final SRP Plan and ConnectedSolutions Investment Proposal

*Originally scheduled for September 9th

Regulatory Language – SRP Plans

Pursuant to the Least Cost Procurement Standards:

> ***The Council shall review Three-Year System Reliability Procurement Plans***. *The Council may review SRP Proposals.* ***The Council shall vote whether to endorse the Three-Year SRP Plan prior to the distribution company's filing***. *If the Council does not endorse the Three-Year SRP Plan, then the Council shall document the reasons and submit comments on the Three-Year SRP Plan to the PUC for their consideration in final review of the Three-Year SRP Plan.*

Overall Assessment of SRP Plan

Assessment Criteria	Assessment of Responsiveness
Least Cost Procurement (LCP) Standards: Cost-Effective, Reliable, Prudent, Environmentally Responsible, Less than the Cost of Additional Energy Supply	**Partially Responsive**: • SRP needs identified in Plan largely align with the LCP standards • **No way to assess SRP opportunities that RIE deemed more costly than traditional Utility Reliability Procurement (URP)**
Council Priorities for SRP (in Appendix)	**Not Responsive**: • **RIE makes SRP vs. URP decisions unilaterally** • **Less ambitious than 2024-2026 Plan, which proposed targeting demand management to avoid utility investments**

Vote Options – SRP Plan

- Vote to Endorse Plan
  - Council endorses the Plan as RIE intends to file
- Vote to Endorse Plan with conditions
  - Council endorses the Plan, provided that the final Plan meets certain conditions
- Vote to Not Endorse Plan
  - Council does not endorse the Plan and files rationale behind decision with the PUC

Regulatory Language – SRP Proposals

Pursuant to the Least Cost Procurement Standards:

> *The Council shall review Three-Year System Reliability Procurement Plans.* ***The Council may review SRP Proposals****. The distribution company shall submit any draft SRP Proposal to the Council and the Division of Public Utilities and Carriers for their review six weeks prior to filing the SRP Proposal with the PUC.* ***The Council may determine its endorsement or opposition, involvement or abstention****, or any other level of action related to the filing on a case-by-case basis.*

Overall Assessment of SRP Proposal (ConnectedSolutions)

Assessment Criteria	Assessment of Responsiveness
Least Cost Procurement (LCP) Standards: Cost-Effective, Reliable, Prudent, Environmentally Responsible, Less than the Cost of Additional Energy Supply	**Largely Responsive**: • ConnectedSolutions is lower than the cost of additional capacity (URP) to meet peak demand and meets all other Standards
Council Priorities for ConnectedSolutions (in Appendix)	**Partially Responsive**: • Increased savings compared to recent plans and actuals across all participation pathways • RIE balancing incentives with cost effectiveness and long-term sustainability, but with outdated avoided cost data • No targeted demand response for grid-constrained areas

Vote Options – SRP Investment Proposal (ConnectedSolutions)

- Vote to Endorse SRP Proposal
  - Council endorses the Investment Proposal as RIE intends to file
- Vote to Endorse SRP Proposal with conditions
  - Council endorses the Investment Proposal, provided that the final Proposal meets certain conditions
- Vote to Not Endorse SRP Proposal
  - Council does not endorse the Plan and files rationale behind decision with the PUC
- Abstain from SRP Proposal filing
  - Council abstains from the SRP Investment Proposal filing

Council Member Discussion



- What information does the Council feel like it still needs to better understand before considering its vote?
- Is there anything the Council would like to prioritize during regulatory review of the SRP Plan or Proposal?

Appendix

SRP Plan - Key Takeaways

1. **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 opportunities** for non-wire alternative and non-pipeline alternative

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, grid mod: grid modernization

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

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***"

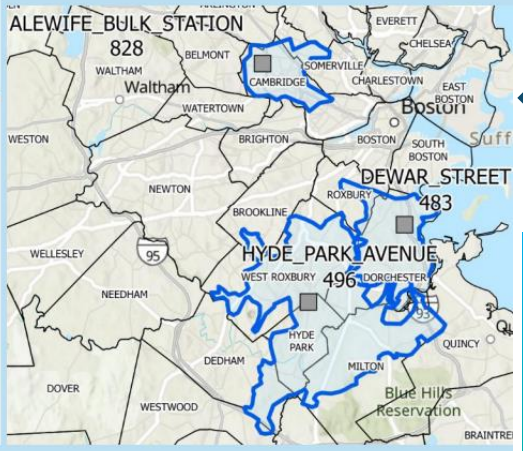
AMI: Advanced Meter Infrastructure

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

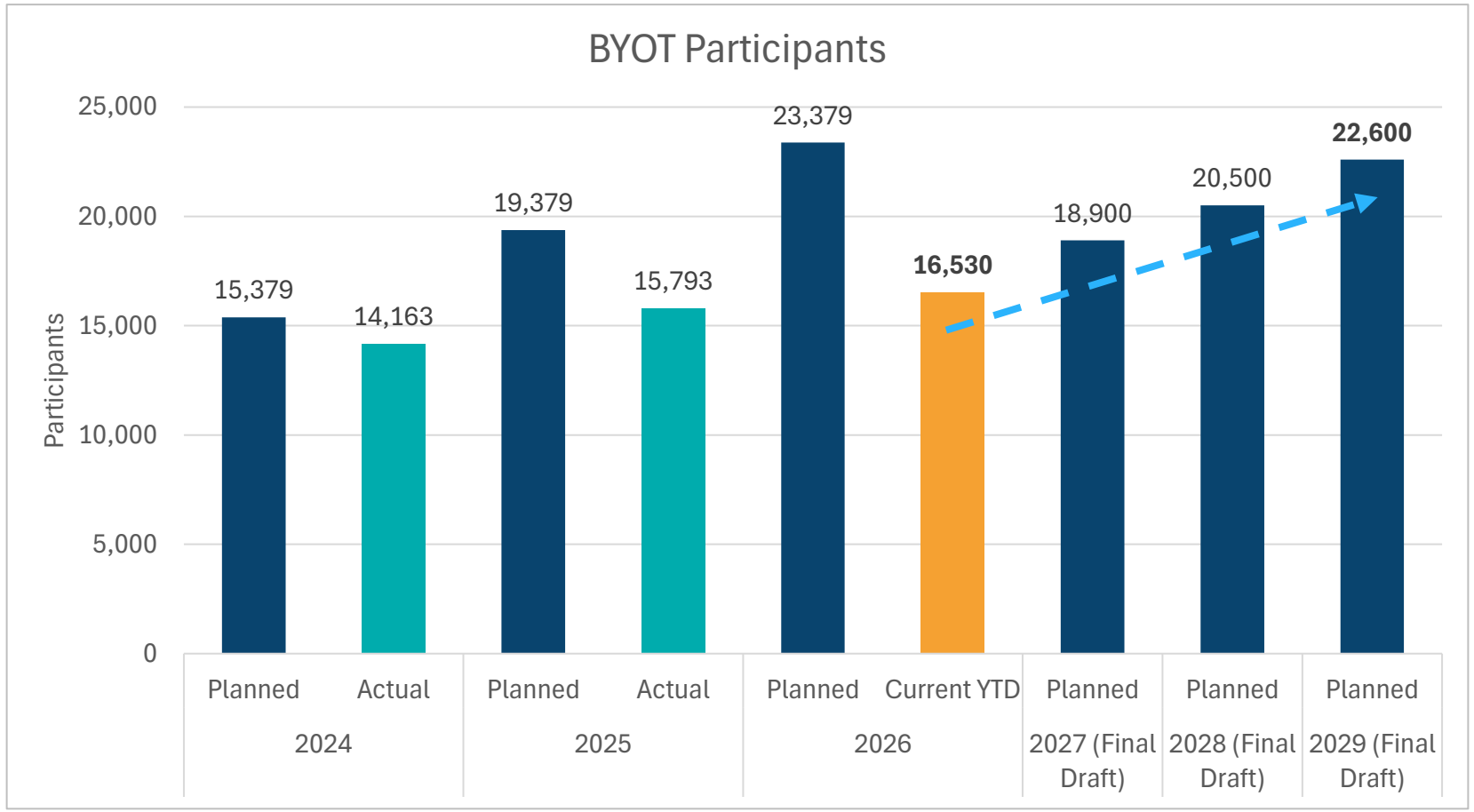
Avoided Cost Assumptions

- 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 (#)

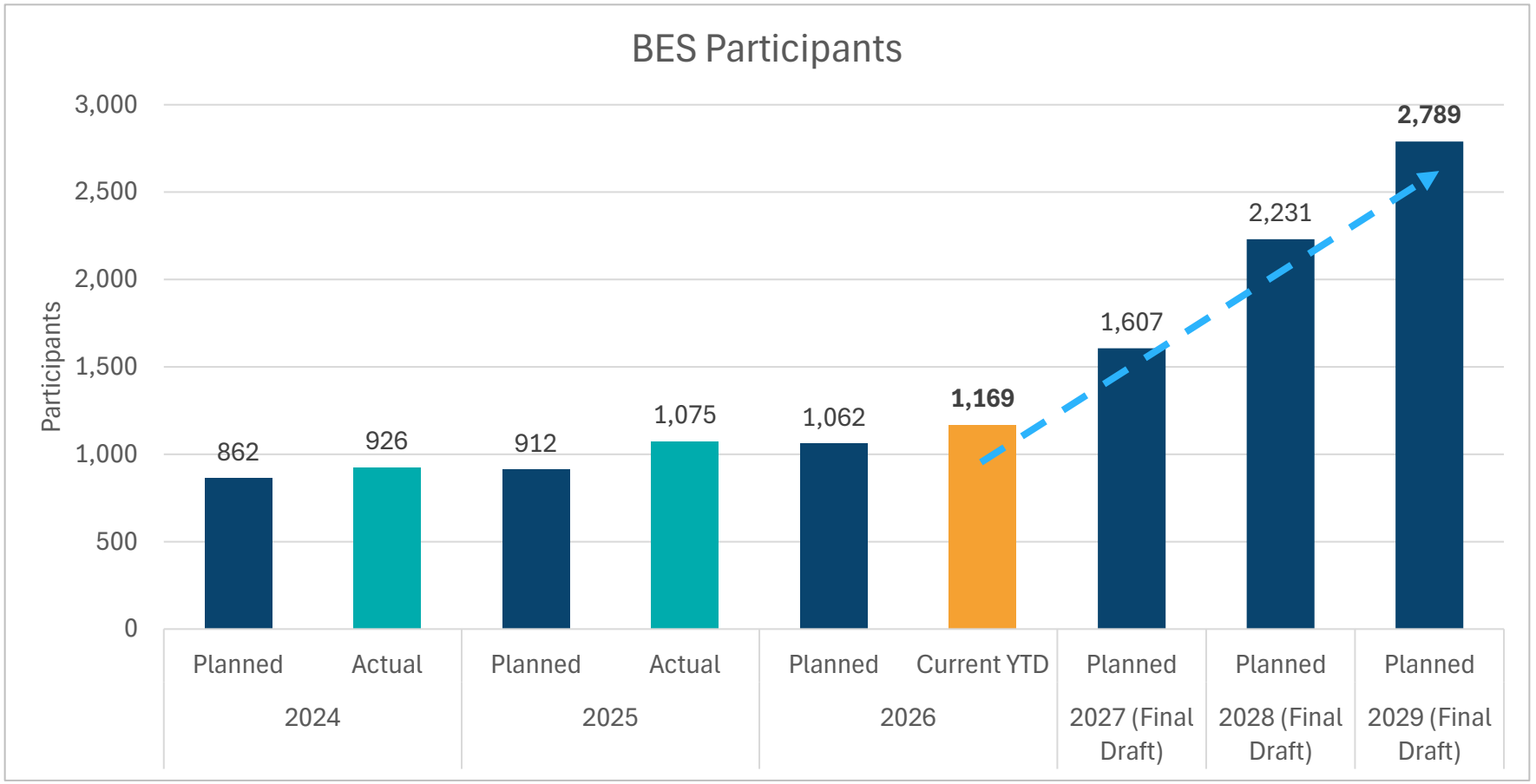
6,070 new BYOT participants to be enrolled over 2027-2029 Plan term (37% increase over current)



BYOT: Bring Your Own Thermostat

BES participants (#)

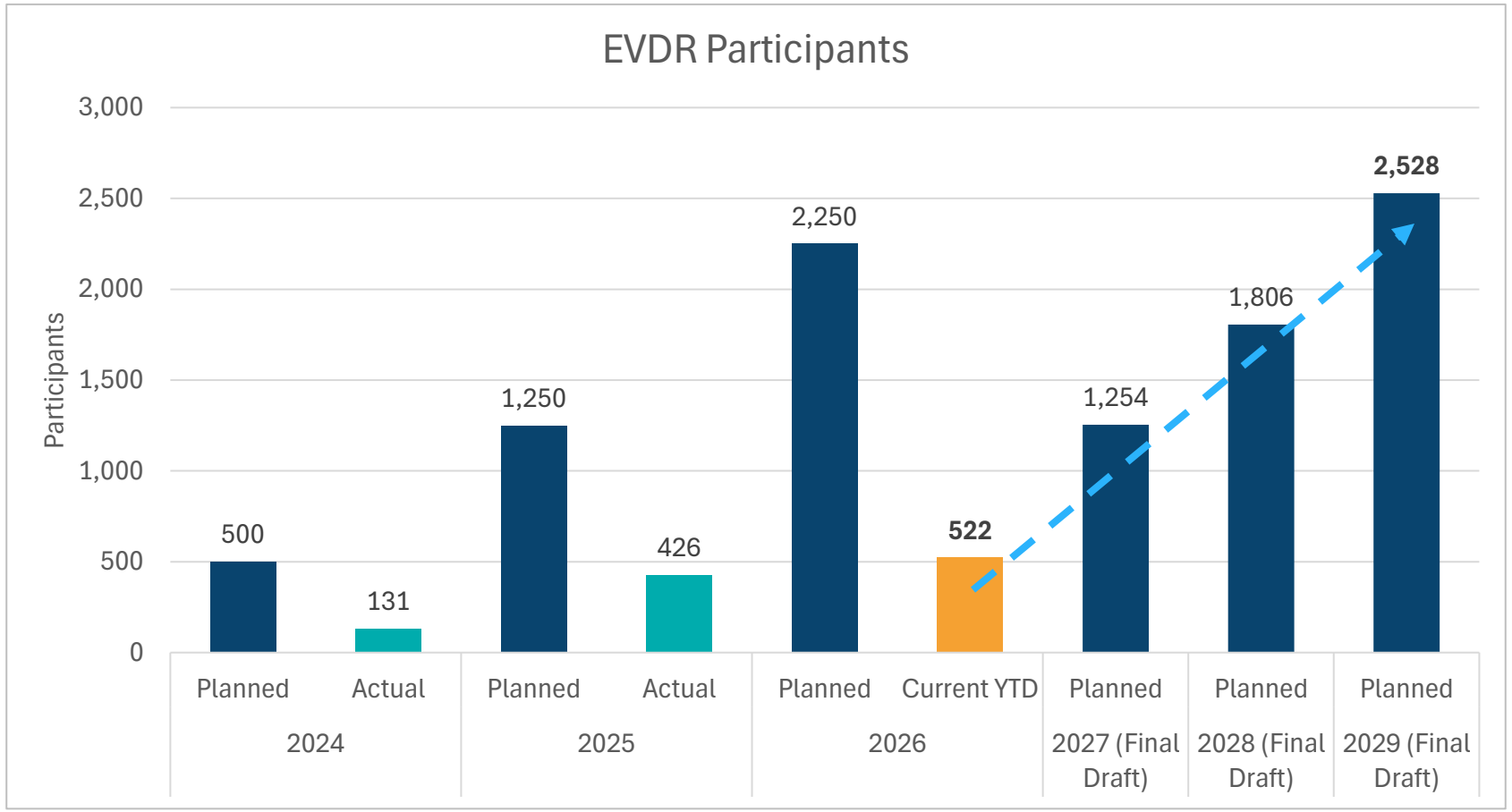
1,620 new BES participants to be enrolled over 2027-2029 Plan Term (138% increase over current)



BES: Battery Energy Storage

EVDR participants (#)

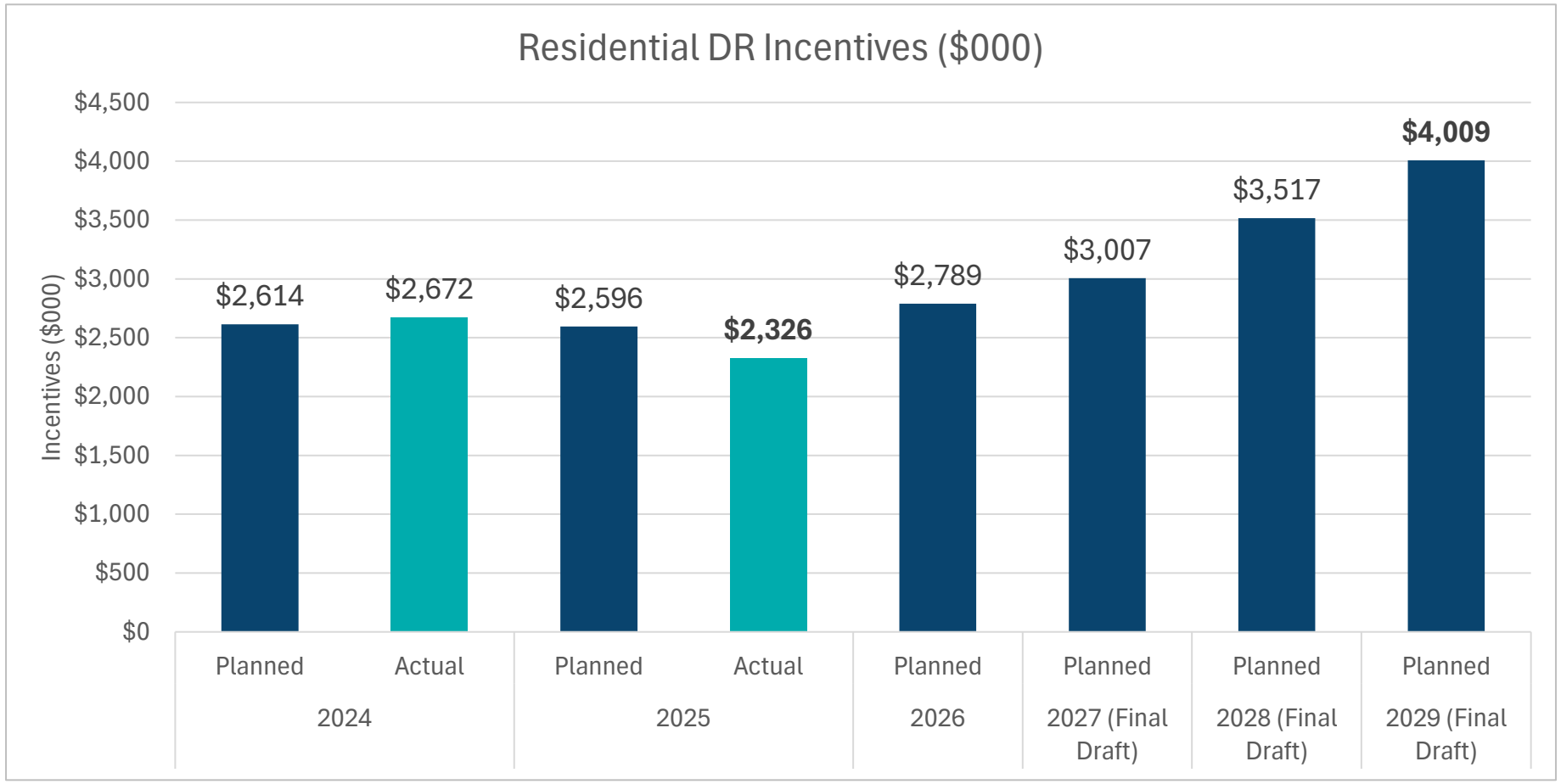
2,006 new EVDR participants to be enrolled over 2027-2029 Plan Term (384% increase over current)



EVDR: Electric Vehicle Demand Response

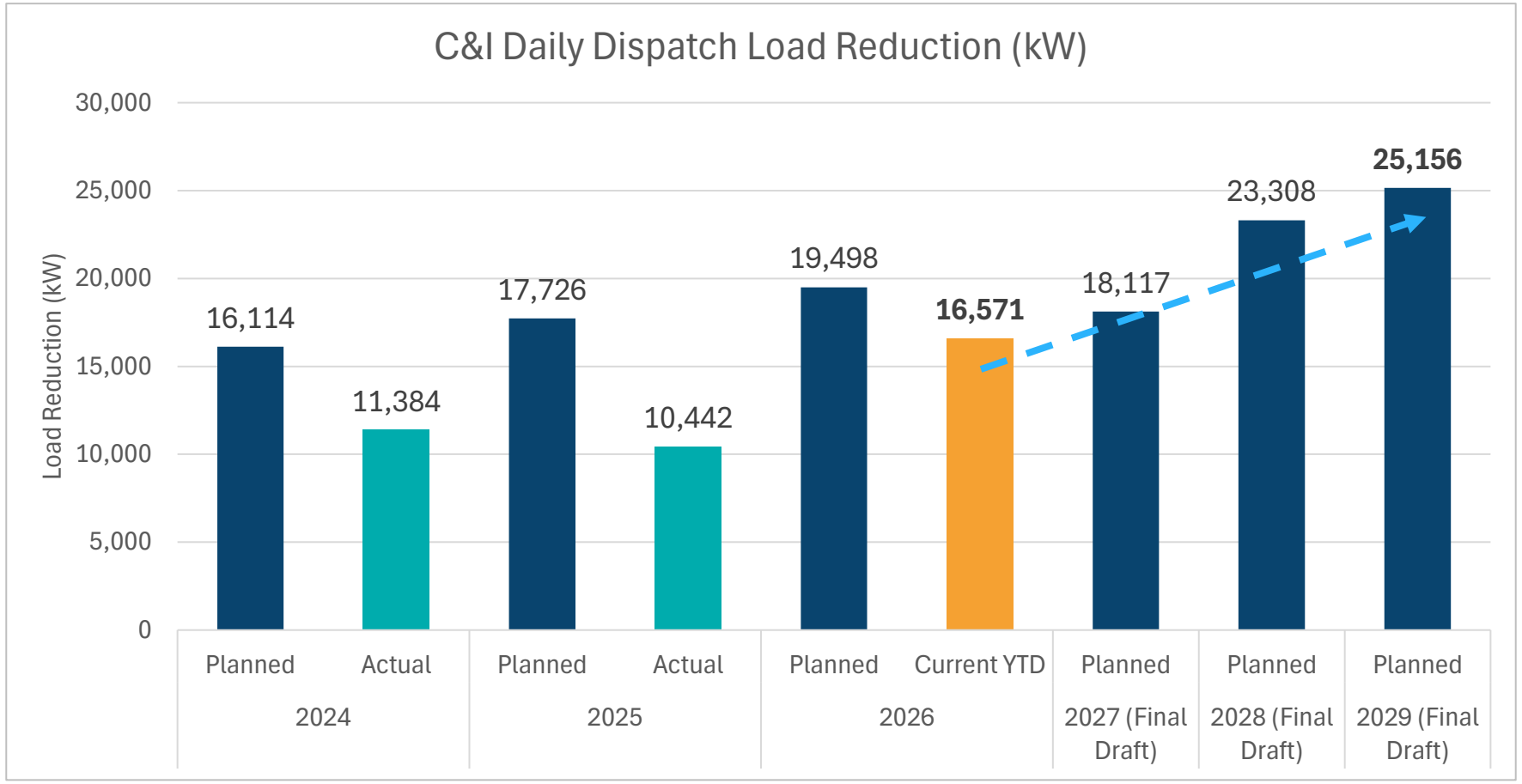
Residential Incentive ($000)

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



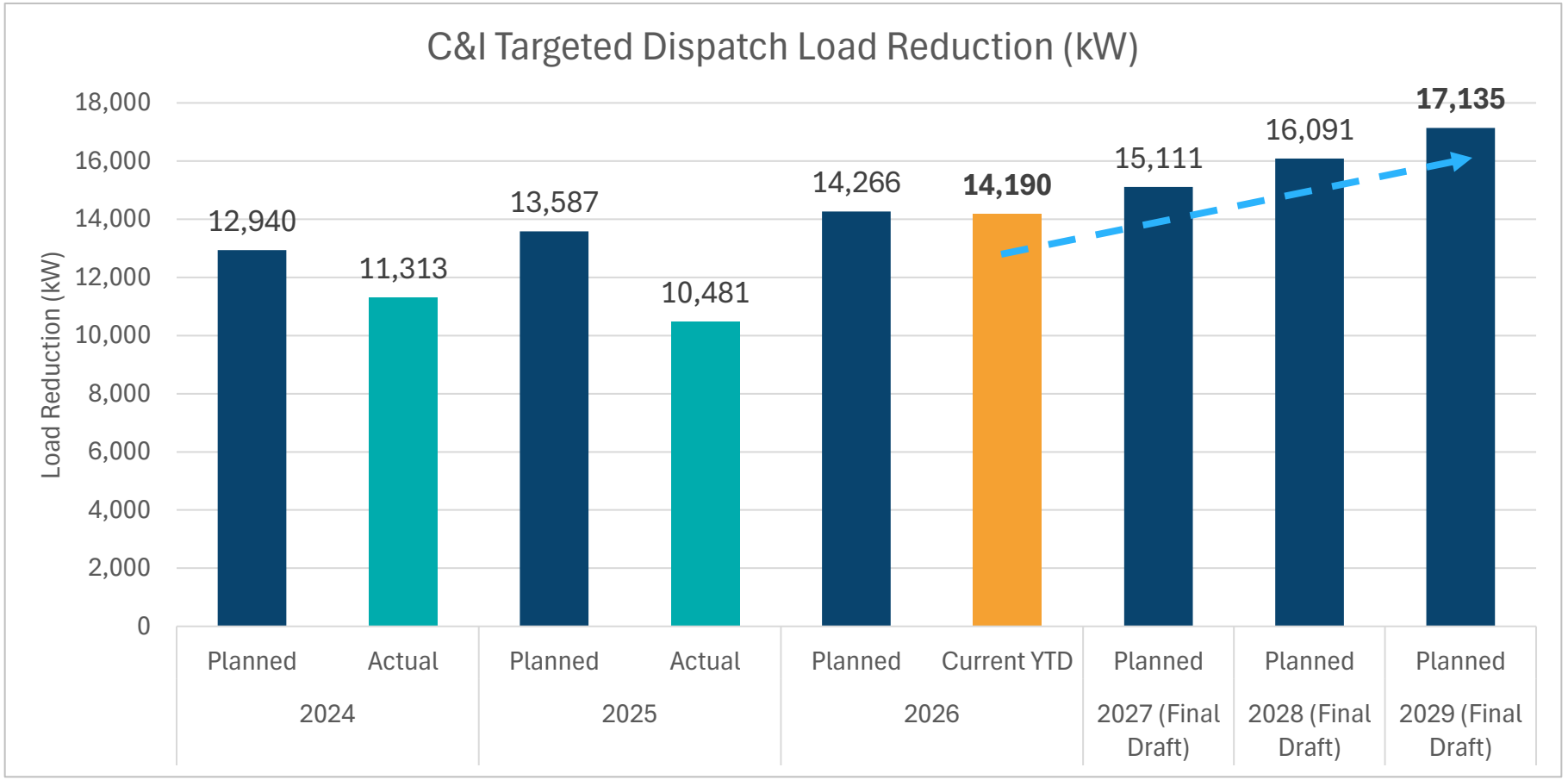
C&I Daily Dispatch Load Reduction (kW)

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



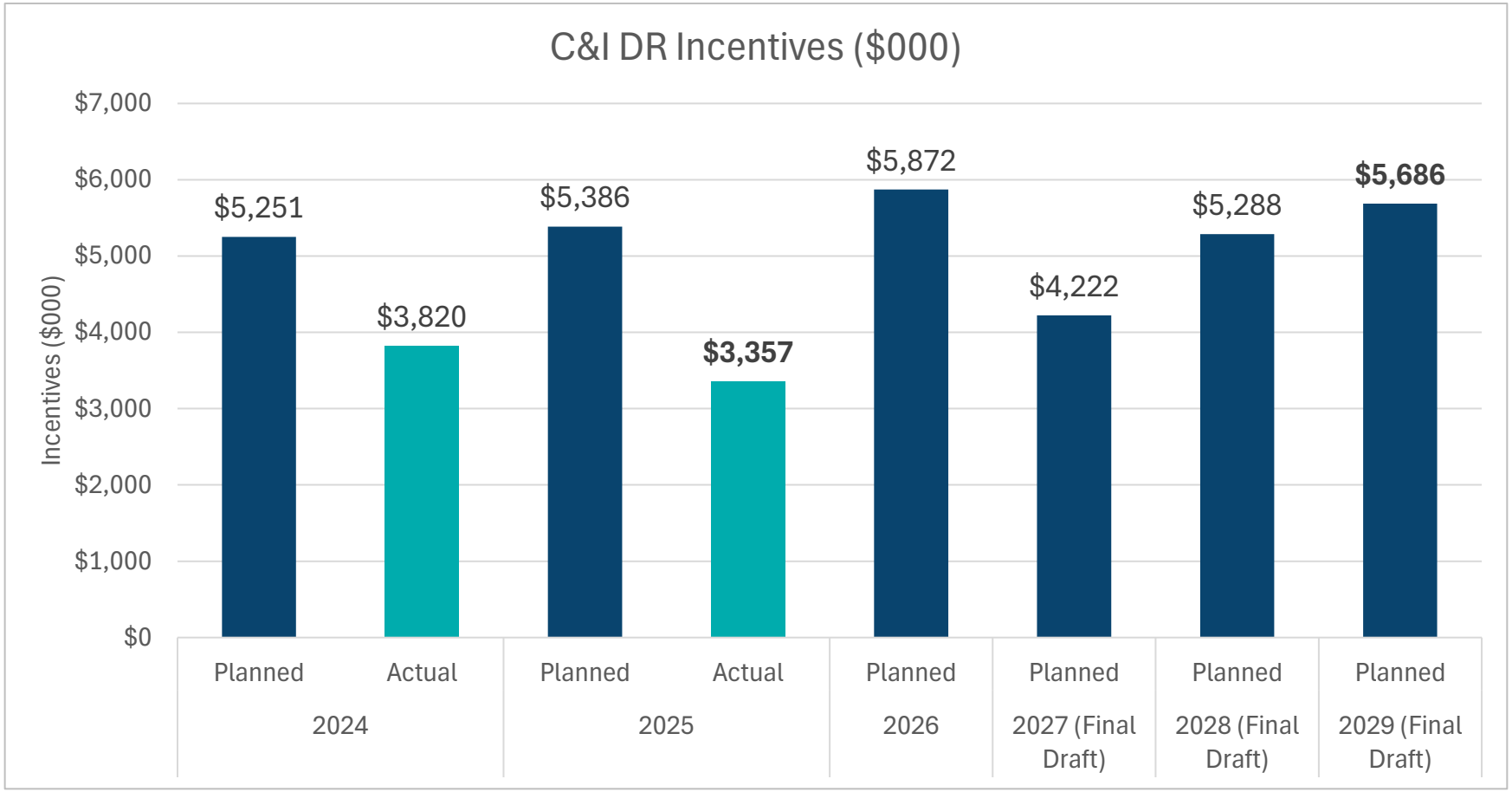
C&I Targeted Dispatch Load Reduction (kW)

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



C&I Incentive ($000)

$2.3M increase in incentive spend by 2029 compared to 2025; slight decrease relative to 2026 plan



SRP Council Priorities

- Ensure a clear linkage between SRP analysis and actionable investment pathways
- Ensure robust consideration of non-wires and non-pipes alternatives
- Address structural and process factors that influence investment decisions
- Advance demand-side resources as system solutions
- Support development of virtual power plants and aggregated resources
- Provide transparency into analytical methods and assumptions
- 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

- Adopt a targeted, segment-specific program design
- Leverage AMI and interval data for targeting and performance
- Integrate demand response with energy efficiency programs
- Define clear performance expectations and accountability mechanisms
- Balance incentives with cost-effectiveness and long-term sustainability
- 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