

September 30, 2022

VIA ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket No. 22-33-EE – The Narragansett Electric Company’s d/b/a
Rhode Island Energy’s Annual Energy Efficiency Plan for 2023**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), enclosed, please find the Company’s 2023 Annual Energy Efficiency and Conservation Procurement Program Plan (“Annual Plan” or “Plan”). The Annual Plan is being filed with the Public Utilities Commission (“Commission”) in accordance with R.I. Gen. Laws § 39-1-27.7(c) and the Least Cost Procurement Standards as approved and adopted by the Commission pursuant to Order No. 23890 in Docket No. 5015 (the “LCP Standards”). On September 29, 2022, the Energy Efficiency Resource Management Council (“EERMC”) voted to endorse the Annual Plan and directed EERMC counsel to join the EERMC as a settlement party to the Plan, which counsel effectuated. Accordingly, the Company is filing this Plan as a Settlement by and between the EERMC and the Company. The Company respectfully requests approval by the Commission of the Annual Plan as specified in Section V of the joint pre-filed direct testimony of David Moreira, Brett Feldman, Angela Li, Joshua Kessler, and Michael O’Brien Crayne (“Joint Pre-Filed Testimony”).

In addition to the Joint Pre-Filed Testimony, the Company is providing the electric and natural gas benefit cost analysis models for the Annual Plan in electronic, machine-readable formats (Excel), with formulae intact as well as rate and bill impact models. Under separate cover at a later date, the Company will be filing (i) a Technical Reference Manual for Estimating Savings from Energy Efficiency Measures for the 2023 Program Year on or around October 21, 2022; and (ii) an update to the surcharges by submitting revised Tables E-1 and G-1 prior to the evidentiary hearing.

If approved as filed, the Annual Plan is expected to create over \$447.6 million in benefits over the life of the installed electric, active demand response, and natural gas energy efficiency measures. Specifically, the electric-funded portion of the Annual Plan is anticipated to create electric energy savings of 685,209 net lifetime MWhs, 99,358 net annual MWhs, and 14,633 net annual kW from passive energy efficiency. The Annual Plan is anticipated to generate electric energy savings of 43,878 net annual kW from active demand reduction measures. The natural gas-funded portion of the Annual Plan is anticipated to create energy savings of 3,537,835 net

lifetime MMBtus and 324,879 net annual MMBtus. In addition, the Company anticipates that investments made in energy efficiency to achieve these energy savings will add \$273.9 million to Rhode Island's state gross state product ("GSP"), the equivalent of 2,557 job years.

The Annual Plan proposes total budgets of \$105.5 million for electric and \$36.9 million for gas. The proposed electric energy efficiency charge for 2023 is \$0.00862 per kWh. The proposed residential natural gas energy efficiency charge for 2023 is \$1.172 per Dth and the proposed commercial and industrial natural gas energy efficiency charge for 2023 is \$0.648 per Dth. In terms of bill impact, an A-16 residential customer who uses 500 kWh per month would see a monthly bill decrease of \$1.88 or -1.2%.

Thank you for your attention to this filing. If you have any questions, please contact me at 401-784-4263.

Sincerely,



Andrew S. Marcaccio

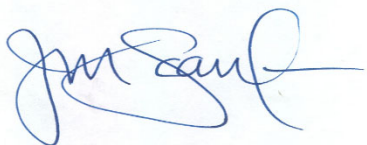
Enclosures

cc: Docket 5189 Service List
John Bell, Division

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Joanne M. Scanlon

September 30, 2022

Date

**Docket No. 5189 – The Narragansett Electric Company 2022 Annual Energy Efficiency Program
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**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
RIPUC DOCKET NO. 22-33-EE
RE: ANNUAL ENERGY EFFICIENCY PLAN FOR 2023
WITNESSES: DAVID MOREIRA, BRETT FELDMAN,
ANGELA LI, JOSHUA KESSLER, AND MICHAEL O'BRIEN CRAYNE**

JOINT PRE-FILED DIRECT TESTIMONY

OF

**DAVID MOREIRA, BRETT FELDMAN, ANGELA LI,
JOSHUA KESSLER AND MICHAEL O'BRIEN CRAYNE**

September 30, 2022

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
RIPUC DOCKET NO. 22-33-EE
RE: ANNUAL ENERGY EFFICIENCY PLAN FOR 2023
WITNESSES: DAVID MOREIRA, BRETT FELDMAN,
ANGELA LI, JOSHUA KESSLER, AND MICHAEL O'BRIEN CRAYNE**

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SCHEDULES

SCHEDULE A: Annual Energy Efficiency Plan for 2023 and Attachments

1 **I. INTRODUCTION**

2 **David Moreira**

3 **Q. Mr. Moreira, please state your name and business address.**

4 A. My name is David Moreira. My business address is 280 Melrose Street, Providence,
5 Rhode Island 02907.

6

7 **Q. By whom are you employed and in what position?**

8 A. I am employed by The Narragansett Electric Company d/b/a Rhode Island Energy (the
9 “Company” or “Rhode Island Energy” or “RI Energy”) which is a subsidiary of the PPL
10 Corporation (“PPL”). My title is Senior Manager – Customer Connections and
11 Programs. I report to the Senior Director of Customer Services who reports to the
12 President of the Company. In my role, I lead the teams responsible for the Company’s
13 electric and gas connections energy efficiency strategy, policy, and planning in Rhode
14 Island.

15

16 **Q. Please describe your education and your professional experience.**

17 A. I received a Bachelor of Science in Electrical and Computer Engineering from
18 Northeastern University. I started working at National Grid USA (“National Grid”) in
19 2002, from which point I have worked in several program areas; electric field
20 engineering, account management, and more recently energy efficiency program

1 implementation. Prior to joining National Grid, I worked at Affymetrix, Inc. as an
2 electrical consultant in research and development.

3
4 **Q. Have you previously testified before the Rhode Island Public Utilities Commission?**

5 A. Yes. I have testified before the Rhode Island Public Utilities Commission (“PUC” or
6 “Commission”) relating to the Company’s Gas Distribution Adjustment Charge in
7 Docket No. 4708.

8

9 **Brett Feldman**

10 **Q. Mr. Feldman, please state your name and business address.**

11 A. My name is Brett Feldman. My business address is 280 Melrose Street, Providence,
12 Rhode Island 02907.

13

14 **Q. By whom are you employed and in what position?**

15 A. I am employed by the Company, which is a subsidiary of PPL, as Manager, Customer
16 Energy Management, Rhode Island. In this role, I lead the teams responsible for the
17 Company’s energy efficiency strategy, policy, and planning in Rhode Island.

18

19 **Q. Please describe your education and your professional experience.**

20 A. I received a Bachelor of Arts in Economics from University of Michigan and a Masters in
21 Business Administration from Boston University. I started working at Rhode Island

1 Energy in March 2022 (formerly National Grid) in my current role. Prior to joining
2 Rhode Island Energy, I worked at Guidehouse (formerly Navigant), performing market
3 research and consulting on global energy efficiency and demand response program
4 strategy, evaluation, and policy engagements; Constellation Energy, managing demand
5 side resource portfolios in wholesale markets including ISO-NE, NYISO, and PJM;
6 Eversource Energy, managing commercial and industrial energy efficiency and demand
7 response program implementation; Nexant, consulting on utility energy efficiency and
8 demand response program design and evaluation; and ICF, providing economic and
9 marketing support to US EPA's EnergyStar program.

10
11 **Q. Have you previously testified before the PUC?**

12 A. No

13
14 **Angela Li**

15 **Q. Ms. Li, please state your name and business address.**

16 A. My name is Angela Li. My business address is 280 Melrose Street, Providence, Rhode
17 Island 02907.

18
19 **Q. By whom are you employed and in what position?**

20 A. I am employed by Company which is a subsidiary of PPL, as Supervisor of Low
21 Moderate Income and Residential Energy Efficiency Programs. In this role, I supervise

1 energy efficiency residential program managers and the customer advocates. I contribute
2 to many aspects of residential energy efficiency implementation and customer outreach
3 and have contributed to the development of the Company's 2023 Annual Energy
4 Efficiency and Conservation Procurement Program Plan ("2023 Annual Plan" or "Annual
5 Plan" or "Plan").
6

7 **Q. Please describe your education and your professional experience.**

8 A. I received a Bachelor of Arts in Biology and Economics from Wellesley College and a
9 Masters in Business Administration from Babson College. I have worked in various
10 energy efficiency program strategy, evaluation, implementation, and policy engagements
11 since 2002 and worked on regulated and non-regulated program design from 1994-2002
12 for National Grid. Prior to joining National Grid, I worked at Arthur D Little as a
13 consultant in telecommunications and energy and focused on business process redesign. I
14 joined National Grid in August of 1994 and have been in my current role since 2022.
15

16 **Q. Have you previously testified before the PUC?**

17 A. Yes. I have testified before the PUC on several occasions relating to the Company's
18 energy efficiency plans. Most recently I testified before the PUC in connection with the
19 Company's 2021-2023 Energy Efficiency and Conservation Procurement Program Plan
20 ("Three-Year Plan") and 2021 Annual Energy Efficiency and Conservation Procurement
21 Program Plan ("2021 Annual Plan") in Docket No. 5076.

1 **Joshua Kessler**

2 **Q. Mr. Kessler, please state your name and business address.**

3 A. My name is Joshua Kessler. My business address is 280 Melrose Street, Providence,
4 Rhode Island 02907.

5
6 **Q. By whom are you employed and in what position?**

7 A. I am employed by the Company which is a subsidiary of PPL, as a Specialist Energy
8 Efficiency (“EE”) Evaluation, Measurement, & Verification (“EM&V”). In this role, I
9 am responsible for planning the Company’s energy efficiency strategy, budget, and
10 savings targets for the commercial and industrial (“C&I”) sector in Rhode Island as well
11 as the pilots, demonstrations, and assessments.

12
13 **Q. Please describe your education and your professional experience.**

14 A. I received a Bachelor of Arts in Psychology from Bucknell University in 2003 and a
15 Masters in Business Administration from the W.P. Carey School of Business at Arizona
16 State University in 2011. I have worked in the energy and utility industries since 2003,
17 including as an energy analyst at KEMA Consulting, a financial and workforce planning
18 analyst at Arizona Public Service, and a revenue requirements analyst at Northeast
19 Utilities. Prior to joining National Grid, I was a program manager at the Massachusetts
20 Clean Energy Center, where I was responsible for developing and implementing
21 incentive programs for clean heating sources, such as heat pumps. I joined National Grid

1 in December 2018 as a commercial and industrial program manager. Functionally, I have
2 been in my current role since March 2021, and I assumed my current title in May 2021
3 when The Narragansett Electric Company was acquired by PPL.

4

5 **Q. Have you previously testified before the PUC?**

6 A. Yes. I testified in the evidentiary hearings related to the 2022 Annual Energy Efficiency
7 and Conservation Procurement Plan (“2022 Annual Plan”).

8

9 **Michael O’Brien Crayne**

10 **Q. Mr. O’Brien Crayne, please state your name and business address.**

11 A. My name is Michael O’Brien Crayne. My business address is 280 Melrose Street,
12 Providence, Rhode Island 02907.

13

14 **Q. By whom are you employed and in what position?**

15 A. I am employed by Company, which is a subsidiary of PPL, as a Program Strategy
16 Analyst. In this role, I am a member of the team responsible for the Company’s energy
17 efficiency strategy, policy, and planning in Rhode Island.

18

19 **Q. Please describe your education and your professional experience.**

20 A. I received a Bachelor of Science in Civil Engineering from Stanford University and a
21 Masters in Business Administration from Boston University’s Questrom School of

1 Business. I have worked in the utility energy efficiency industry since 2013. I joined
2 Rhode Island Energy (formerly National Grid) in 2019 as an energy engineer
3 implementing commercial and industrial energy efficiency programs, and I have been in
4 my current role since September 2022. Prior to joining Rhode Island Energy, I worked
5 for CLEAResult as an energy engineer implementing commercial new construction
6 programs, and EcoMetric Consulting as a consultant evaluating statewide program
7 portfolios.

8
9 **Q. Have you previously testified before the PUC?**

10 A. No.

11
12 **II. BACKGROUND**

13 **Q. What is the purpose of this joint testimony?**

14 A. The purpose of our joint testimony is threefold: First, we describe the context in which
15 the 2023 Annual Plan was developed (see Section III). Second, we demonstrate that the
16 Plan meets applicable statutory and regulatory requirements and highlight other
17 dimensions of the Plan (see Section IV). Third, we respectfully request approval by the
18 PUC of the Plan and other items related to execution of the Plan (see Section V).

1 **Q. How did the Company prepare the Plan?**

2 A. The Company prepared the Plan in a manner consistent with all regulatory and statutory
3 directives. Specifically, the Plan was informed by the targets set forth in Docket No.
4 5023; the illustrative budgets, system benefit charges, and savings goals set forth in
5 Docket No. 5076; the updated Least Cost Procurement (“LCP”) Standards adopted in
6 Docket No. 5015, and the guidance from the Commission in Docket No. 5189. The Plan
7 is also the result of a process which involves extensive stakeholder input and
8 engagement. These stakeholders include the Rhode Island Division of Public Utilities
9 and Carriers (“Division”), the Rhode Island Office of Energy Resources (“OER”), the
10 Rhode Island Energy Efficiency and Resource Management Council (“EERMC”),
11 Energy Efficiency Technical Working Group (“EE TWG”¹), and the Energy Efficiency
12 Equity Working Group (“EE EWG”).

13

14 **Q. Was the Plan endorsed by the EERMC?**

15 A. The Plan was endorsed by the EERMC in a unanimous vote at its meeting on
16 September 29, 2022.

17

¹ Presently, members of the EE TWG include: The Company, the Division and the Division’s consultant, Green Energy Consumers Alliance, the Office of Energy Resources, and Acadia Center. In addition, The City of Providence, The George Wiley Center, The Center for Justice, the Rhode Island Infrastructure Bank (RIIB), and several EERMC members and representatives from the EERMC’s Consulting Team have previously participated in the EE TWG. The EE TWG was previously referred to as the “Collaborative.”

1 **Q. Are you sponsoring any schedules through this testimony?**

2 A. Yes. We are sponsoring the Annual Plan which is attached hereto as Schedule A. The
3 Annual Plan includes a main text and the following attachments:

4 Attachment 1: 2023 Residential and Income Eligible EE Solutions and Programs

5 Attachment 2: 2023 C&I EE Solutions and Programs

6 Attachment 3: 2023 Evaluation, Measurement, and Verification Plan

7 Attachment 4: 2023 Rhode Island Test Description

8 Attachment 5: 2023 Electric Energy Efficiency Program Tables

9 Attachment 6: 2023 Gas Energy Efficiency Program Tables

10 Attachment 7: 2023 Bill and Rate Impacts

11 Attachment 8: 2023 Pilots, Demonstrations and Assessment

12 Attachment 9: 2023 Cross-Program Summary

13 Attachment 10: Definitions

14 Attachment 11: 2022 Rhode Island Energy Efficiency Equity Working Group
15 Report
16

17 **III. CONTEXT OF DEVELOPMENT**

18 **Q. Could you describe the acquisition of The Narragansett Electric Company that**
19 **occurred in May of 2022?**

20 A. On May 25, 2022, PPL Rhode Island Holdings, LLC, a wholly owned indirect subsidiary
21 of PPL, acquired 100% of the outstanding shares of common stock of the Company from
22 National Grid (the "Acquisition"). While the underlying entity is the same (i.e., The

1 Narragansett Electric Company), the Acquisition brings a new vision, mission, and value
2 statement to the Company.

3
4 **Q. How does energy efficiency fit into Rhode Island Energy's objectives?**

5 A. Energy efficiency is critical to the Company's objectives of improving reliability,
6 customer satisfaction, affordability, and sustainability. Both program participants and
7 customers benefit from energy efficiency programs. Customers who directly participate
8 in energy efficiency programs save energy and see direct cost savings in the form of
9 lower energy bills. Energy efficiency can also lower long-term base load and peak
10 demand, thereby reducing the need for additional generation, distribution, and
11 transmission infrastructure. These avoided costs benefit all customers regardless of direct
12 participation in the Company's energy efficiency programs.

13
14 **Q. How did the Acquisition impact (or not impact) program planning and
15 management?**

16 A. The Acquisition did not impact the mix of measures and programs proposed to be
17 offered, the proposed cost of administering these programs in 2023, or the ambition with
18 which the Company would pursue energy savings through these programs. However, the
19 Acquisition did result in two notable impacts on program planning and management.
20 First, the Acquisition brought in new leadership with a renewed focus on executing on
21 planned budgets. Forecasted underspending in 2022 prompted the Company to propose a

1 2023 budget it thought would be more realistic, with the objective of providing quality
2 programs and administration in the most efficient manner. Second, the Acquisition
3 resulted in lower short-term staffing levels in the area of energy efficiency
4 administration. The Company is working to restaff these positions while seeking to
5 identify opportunities for administrative efficiency that would reduce administrative costs
6 for customers without interfering with quality of service.

7
8 **Q. What other context shaped the development of the 2023 Plan?**

9 A. In addition to the Acquisition, recently enacted state energy and climate laws, the effects
10 of the COVID-19 pandemic, global macroeconomic dynamics, availability of federal
11 funding, and Rhode Island Energy's overall proposed investment portfolio in the near-
12 term shaped the development of the 2023 Plan.

13
14 The Rhode Island Energy team recognizes the interplay between its investment proposals,
15 their benefits, and the macroeconomic realities our customers are facing. Not only are
16 communities still grappling with the ongoing impacts of COVID-19, but economic
17 challenges are also exacerbated by global macroeconomic dynamics. Customers feel
18 these impacts when they open their utility bills, pay for gas at the pump, and buy
19 groceries at the market. In reaction, the Rhode Island Energy team has focused on
20 striking the best balance between delivering the necessary benefits of energy efficiency
21 and maintaining a budget that reduces bill pressure on our customers.

1 The signal the Company intends to send, even though the 2023 budget is less than the
2 2022 budget, is that we are planning for an increase in spending in 2023 relative to
3 forecast 2022 year-end spending. This demonstrates Rhode Island Energy's commitment
4 to reliability, affordability, and customer satisfaction while pursuing growing
5 opportunities for energy efficiency.

6
7 **Q. Please describe the rationale behind the 2023 Plan's budget.**

8 A. The proposed budget is sized with three underlying considerations in mind. First, the
9 Company must propose a budget it is confident it can execute, mitigating risk of over- or
10 under-spend. The proposed budget was developed based on realistic expectations in how
11 program uptake, costs, and incentive levels would change in 2023 relative to 2022.
12 Second, the Company recognizes the challenging macroeconomic conditions our
13 customers are facing. We think that proposing a higher budget may not be prudent for
14 customers in 2023. Third, the Company recognizes the whole of potential investments
15 and funding being made available for 2023. These investments (e.g., advanced metering)
16 and funding streams (e.g. Inflation Reduction Act) are complementary to the energy
17 efficiency program and may provide additional resources for customers to leverage. The
18 Rhode Island Energy team has focused on striking the best balance between delivering
19 the necessary benefits of energy efficiency and maintaining a budget that reduces bill
20 pressure on our customers, while recognizing the full portfolio of energy savings
21 opportunities at hand.

1 **IV. THE 2023 ANNUAL PLAN**

2 **Q. Please describe the Annual Plan.**

3 A. The Annual Plan is built as the third year of the Three-Year Plan. The Annual Plan
4 provides firm savings goals, budgets, funding plans, and a proposed performance
5 incentive mechanism (“PIM”) earning opportunity. Further, the Annual Plan provides
6 more detail on the strategies, market approaches, programs, and measures that will be
7 offered in the 2023 calendar year. The Annual Plan seeks to ensure that all Rhode Island
8 energy consumers, regardless of their geographic location, income, home ownership
9 status, primary language, business size, or other relevant attributes are empowered to be
10 active in their energy choices, control their energy use, and enjoy the economic,
11 environmental, and cost savings benefits of energy efficiency.

12

13 **Q. What is the Annual Plan expected to accomplish?**

14 A. The Annual Plan is expected to create \$447.6M in total benefits over the life of the
15 installed electric, demand response, and natural gas energy efficiency measures.
16 Investments made in energy efficiency to achieve these energy savings will add \$273.9M
17 to Rhode Island’s gross state product (“GSP”), the equivalent of 2,557 job years. The
18 projected energy savings from this Plan will avoid 75,426 short tons of carbon in 2023.
19 The electric portion of the Plan will save 685,209 lifetime MWh over the lifetime of the
20 installed energy efficiency measures, 99,358 net annual MWs, 14,633 net annual kW
21 from passive energy efficiency, and 43,878 net annual kW from active demand response.

1 The natural gas portion of the Plan will save 3,537,835 lifetime MMBtu over the lifetime
2 of installed natural gas measures and 324,879 annual MMBtu. For all fuels combined
3 (electric, gas, oil, propane), the Plan will save 6,778,177 net lifetime MMBtu and
4 697,959 net annual MMBtu. Of the total \$447.6M benefits, \$314.8M stems from the
5 electric portfolio and \$132.8M is derived from the natural gas portfolio.

6 **a. Satisfaction of Statutory Requirements**

7 **Q. How does the Annual Plan meet the statutory requirements for LCP?**

8 A. The Annual Plan satisfies the statutory requirements for LCP as set forth in R.I. Gen.
9 Laws § 39-1-27.7 and the standards approved in Docket No. 5015 because it is cost-
10 effective, prudent, reliable, environmentally responsible, and because the cost of energy
11 efficiency savings is less than the cost of additional supply.

12 **i. Cost-Effectiveness**

13 **Q. When assessing cost-effectiveness of the proposed investments in the Annual Plan as**
14 **required by the LCP Standards, does the Company evaluate at the measure,**
15 **program or portfolio level?**

16 A. Consistent with the LCP Standards, both the portfolios as well as the programs proposed
17 in the Annual Plan are cost-effective. Tables 17 and 18 in the Annual Plan provide the
18 electric and natural gas benefit cost (“BC”) ratio at both the program, sector and portfolio
19 level.
20

1 **Q. Are the programs and the portfolios proposed in the Annual Plan cost-effective?**

2 A. Yes. Attachment 5, Table E-5 - Primary shows that the proposed portfolio of electric
3 programs, including active demand response, is expected to have a benefit/cost ratio
4 (“BCR”) of 2.51 in the primary presentation of BCR results, which means that
5 approximately \$2.51 in monetized lifetime benefits is expected to be created for each \$1
6 spent on the portfolio. Attachment 6, Table G-5 - Primary shows that the proposed
7 portfolio of gas programs is expected to have a benefit/cost ratio of 2.97 in the primary
8 presentation of BCR results, which means that \$2.97 in lifetime benefits is expected to be
9 created for each \$1 spent on the portfolio. These tables provide the Rhode Island Test
10 (“RI Test”)² results without economic benefits. Economic benefits associated with each
11 program for both electric and gas portfolios may be found in Table E-5 - Economic
12 Benefits and Table G-5 – Economic Benefits, respectively. While the exclusion of
13 macroeconomic benefits from the calculation of the RI Test results in lower benefit-cost
14 ratios, all programs and portfolios still achieve benefit-cost ratios of at least 1.00.

15
16 Each program contained within the electric and gas portfolios is also cost-effective as
17 shown in Tables E-5 - Primary and G-5 - Primary, respectively. Figures 1 and 2 in the
18 main text of the Annual Plan detail the costs and benefits for the electric and gas
19 portfolios, respectively, calculated using the RI Test. A detailed summary of the benefits
20 and costs included in the RI Test is included in Attachment 4 of the Annual Plan,

² Please see Attachment 4 for details about the components of the RI Test.

1 including alignment of the electric portfolio investments to the Docket No. 4600 Benefit
2 Cost Framework.³

3
4 Attachment 5, Table E-6 and Attachment 6, Table G-6 show the energy savings goals
5 based on the proposed budgets. Attachment 5, Table E-7 and Attachment 6, Table G-7
6 show a comparison of the goals with the approved program goals from 2022. This
7 efficiency investment continues acquiring all energy efficiency resources that are cost-
8 effective and lower cost than supply.

9 ii. Prudency

10 **Q. What factors are considered in the Company's prudency analysis?**

11 A. As described in Section 7.3 of the 2023 Annual Plan, the Company considers the
12 following factors in its prudency analysis: (1) support for the purposes of Least Cost
13 Procurement; (2) what the potential for energy savings may be based on alternatives that
14 address multiple needs; (3) management of risks to ratepayers and the distribution
15 Company from the investments in energy efficiency and conservation procurements; (4)
16 effective use of funding sources; (5) equitable in the allocation of costs, benefits, and
17 services and (6) impacts to customer rates and bills that will be required to deliver the
18 efficiency goals. The Company describes how the 2023 Plan satisfies these factors for
19 prudency in Section 7.3.2 of the Plan.

³ See <https://ripuc.ri.gov/eventsactions/docket/4600page.html>

1 **Q. Please summarize these factors as they relate to the proposed Annual Plan.**

2 A. (1) **Investment supporting energy efficiency goals**: In aggregate, the portfolios
3 included in the Annual Plan submission are robustly cost-effective, as the benefits exceed
4 the costs to acquire the efficiency resources and implement the programs. The electric
5 portfolio achieves a BC Ratio of 2.51 and the gas portfolio achieves a BC Ratio of 2.97.

6
7 (2) **Synergy savings**: Program design seeks out synergies in customer participation,
8 through a comprehensive view of savings opportunities wherever possible and tiered
9 incentive offers, for example, in the intersection of energy efficiency and demand
10 response programs.

11
12 (3) **Management of risks**: Risks are managed through the estimation of savings based
13 on evaluation studies, and a focus on continuous improvement based on lessons learned
14 and customer education to promote savings persistence. Also, energy efficiency can offer
15 some protection and risk reduction associated with market and energy price volatility.

16
17 (4) **Effective use of funding sources**: As described in Section 9.2, the Company has
18 identified a number of funding sources to support the Plan budget. Furthermore, several
19 sources of financing are offered to customers to enable program budgets to go further to
20 achieve Plan targets. Finally, effective use of funding is represented in the mix of
21 measures and incentives planned in order to balance the portfolio to achieve the Plan's

1 objectives. In this regard, the Plan further diversifies the Company's offerings beyond
2 lighting. Likewise, the Plan reduces budgets in areas that have created limited value
3 including termination of the Telecommunications Initiative and a reduction in the budget
4 for Pilots, Demonstrations, and Assessments.

5
6 **(5) Equitable allocation of costs, benefits, and services:** The equitable allocation of
7 costs and benefits is depicted in Section 7.3.2. of the Plan. Regarding the equitable
8 allocation of services, discussions of equity with EE TWG stakeholders have helped
9 shape and elevate the Company's explicit equity commitments. Equity is a core strategic
10 priority of this Annual Plan that builds on the themes presented in the Three-Year Plan.
11 The Company is committed to ensuring all customers benefit from energy efficiency
12 programs, regardless of circumstances such as their geographic location, income, home
13 ownership status, primary language, or business size. As a result, the Company has
14 added multiple specific, measurable actions across the portfolio of efficiency programs.
15 The Company also believes program-related jobs and positive economic development
16 impacts should reach all Rhode Island communities, with particular emphasis on
17 environmental justice/disadvantaged communities. A full report on the EE EWG's
18 activities can be found in Attachment 11 of the Annual Plan.

19
20 **(6) Rate and Bill Impacts:** The 2023 Plan contains the rate and bill impact analysis that
21 has been included in Plans for the past several years. This analysis looks at the impact to

1 customer bills over the lifetime of energy efficiency measures proposed in the Annual
2 Plan. Details on results for the rate and bill impacts are included in Section 7.3.2 of the
3 Annual Plan, and additional detail is also available in Attachment 7 to the Annual Plan.

4
5 **Q. What are the two different approaches that the Company uses to analyze bill**
6 **impacts?**

7 A. The rate and bill impact mentioned in the prior question is one method of looking at rate
8 and bill impacts. The Company also performs a second “traditional” bill impact analysis
9 that is typically provided in other dockets. This analysis looks at an average residential
10 customers’ typical bill and isolates the impact of the proposed EE plan and associated
11 charges and its impact on a customers’ overall bill. This analysis does not include an
12 assessment of the long-term bill savings associated with proposed energy efficiency
13 measures for the 2023 Annual Plan.

14
15 **Q. If the Plan were to be approved as filed, what would be the resulting traditional bill**
16 **impacts for an average residential electric customer?⁴**

17 A. An average residential electric customer on the A-16 rate would see a monthly bill
18 decrease of \$1.88 or -1.2%. An average residential electric customer on the A-60 rate
19 with a 25% discount would see a monthly bill decrease of \$1.40 or -1.2%. An average

⁴ An average electric residential customer means a customer who consumes an average of 500 kwh per month.

1 residential electric customer on the A-60 rate with a 30% discount would see a monthly
2 bill decrease of \$1.31 or -1.2%.

3 Traditional Bill Impact Analysis (Electric)

Rate Class	Year	Starting Bill	Ending Bill	Dollar Decrease	Percent Decrease
A-16	2022	\$155.68	\$153.80	(\$1.88)	-1.2%
A-60 (25%)	2022	\$115.82	\$114.42	(\$1.40)	-1.2%
A-60 (30%)	2022	\$108.10	\$106.79	(\$1.31)	-1.2%

4
5 Table 14 in the Plan summarizes the changes in rates based on the funding plan included
6 in this proposed Plan.

7
8 **Q. If the Plan were to be approved as filed, what would be the resulting traditional bill
9 impacts for an average residential gas customer?⁵**

10 A. An average residential gas customer on the Residential Heating rate would see an annual
11 bill decrease of \$15.86 or -1.0%. An average residential gas customer on the Residential
12 Heating Low Income rate would see an annual bill decrease of \$11.89 or -1.1%.

13 Traditional Bill Impact Analysis (Gas)

Rate Class	Year	Starting Bill	Ending Bill	Dollar Decrease	Percent Decrease
Residential Heating	2022	\$1,514.68	\$1,498.83	(\$15.86)	-1.00%
Residential Heating Low Income	2022	\$1,123.54	\$1,111.65	(\$11.89)	-1.10%

14
⁵ An average gas residential customer means a customer who consumes an average of 845 therms per year.

1 **Q. What are the year over year decreases in the proposed energy efficiency rates from**
2 **2022 to 2023?**

3 A.

Rate Category	2022	2023	2022 - 2023 Decrease
Gas Residential SBC (\$/therm)	0.1354	0.1172	13%
Gas C&I SBC (\$/therm)	0.0886	0.0648	27%
Electric SBC (\$/kWh)	0.01222	0.00862	29%

4

5 **Q. The proposed electric budget equates to approximately a 2.9% decrease over last**
6 **year and the proposed gas budget equates to an approximately 0.1% decrease. Why**
7 **are the energy efficiency rate decreases for average electric and gas customers**
8 **greater than 1%?**

9 A. The largest factor contributing to decreases in the EE charge is the change in the fund
10 balance. The fund balance carryovers in the 2023 Annual Plan (projected to carry over
11 from calendar year 2022) served to substantially depress the 2023 EE charge from what it
12 would have been had there been no fund balance carryover. In the proposed Plan,
13 specifically for the electric charge, a significant portion of the 29% proposed decrease is
14 attributable to a projected large positive fund balance carry-over. Other factors
15 influencing the energy efficiency charge calculations are other sources of funding and
16 sales forecasts. Please note that updated electric and gas fund balance forecasts will be
17 provided by November 17, 2022 per section 10 of the Plan. The proposed EE system
18 benefits charge (“SBC”) will be adjusted accordingly.

1 **Q. Please explain how the budget changes from 2022 affect the rate and bill impacts.**

2 **A.** The model results included in the Plan calculate the long-term rate impact of the electric
3 and gas EE portfolios by comparing a “No EE” scenario to an “EE” scenario of customer
4 rates. In other words, the “No EE” scenario models rates in the absence of an EE
5 program, and, therefore, contains no EE charge while the “EE” scenario models rates in
6 the presence of an EE program, and, therefore, contains an EE charge. The calculated
7 impacts on long-term rates are not designed to reflect the net increase or decrease to the
8 EE charge from the prior/current EE plan. Therefore, the fund balances and changes in
9 budgets from 2022 are not factors in the analysis.

10

11 **Q. How is the proposed Plan prudent given the bill impacts for 2023?**

12 **A.** One of the biggest challenges the Company faced when developing the proposed Plan
13 was determining what is a prudent amount to invest in energy efficiency for 2023.
14 Foregoing available energy efficient investments is to the long-term detriment of
15 customers and Rhode Islanders. On the other hand, investing too much could contribute
16 to burdensome surcharge increases in 2023. The Company received input from the
17 Division, OER and EERMC. The Company considered the different perspectives offered
18 by these agencies. Ultimately, the Company determined that the current proposal – which
19 centers around budgets being slightly lower than the approved budgets for 2022 – strikes
20 the right balance.

21

1 **Q. Is the Annual Plan Prudent?**

2 A. Yes. For the reasons summarized in our discussion of the factors considered when
3 assessing prudence and provided in greater detail in Section 7.3 of the Annual Plan, and
4 the interplay among them, the Company believes that the proposed Annual Plan meets
5 the prudence requirement as defined in the current LCP Standards.

6 iii. Reliability

7 **Q. Is the proposed Annual Plan reliable?**

8 A. Yes. Supporting the Company's efforts to deploy energy efficiency to Rhode Island
9 customers is a robust and long-standing EM&V apparatus, as noted in Section 4 and
10 Attachment 3 of the Annual Plan. In building this Annual Plan, the Company's Customer
11 Energy Management team worked closely with program implementation professionals,
12 industry experts, and vendors to assess the current state of existing programs, the
13 potential for program scalability, the prevailing economic conditions, and the ability to
14 deliver reliable energy savings as a result.

15 iv. Environmental Responsibility

16 **Q. Is the proposed Annual Plan environmentally responsible?**

17 A. Yes. As detailed in Section 5.3 of the Plan, the 2021 Rhode Island Act on Climate, R.I.
18 Gen. Laws § 42-6.2-1 et seq., ("Act on Climate") stipulates aggressive, mandatory, and
19 time-bound emissions reductions for the State of Rhode Island ("State"). This Annual
20 Plan seeks to continue the progress that has been made in reducing emissions by

1 providing customers across all sectors with ways to reduce their energy consumption.

2 Energy efficiency can therefore contribute directly to meeting the Act on Climate's goals.

3 Consistent with this, for 2023, the Company has identified carbon reduction as a

4 secondary goal to energy savings. In addition to direct emissions reductions benefits,

5 energy efficiency investments reduce the potential environmental costs and footprint of

6 avoided infrastructure investments, support the ongoing growth and development of a

7 sustainable, green job ecosystem in Rhode Island, and contribute to the realization of

8 other state environmental policy goals and initiatives.

9
10 The electric and natural gas portfolios, considered together, will reduce emissions in 2023

11 by 75,426 short tons of carbon dioxide. The monetized values of non-embedded

12 emissions are included as benefit streams in the RI Test benefit-cost assessment and in

13 the assessment of cost of supply for the portfolio.

14
15 In addition, the Company's energy efficiency programs help to ensure that the local

16 workforce will exist to support the State's environmental policy goals and plays a key

17 role in raising customer awareness of environmental issues and the impacts of their

18 choices. Please refer to Section 7.4 of the Annual Plan for further discussion of

19 environmental responsibility.

20

1 **Q. Does the 2023 Plan impact the State's ability to achieve its climate impact goals?**

2 A. No. The 2023 Plan does not adversely impact the State's ability to meet its goals. Please
3 see the question and answer above and below for an assessment of how the Plan will
4 contribute to carbon dioxide emission reductions. When preparing the next three-year
5 plan, which will be filed next year, the Company intends to further examine the directives
6 set forth in the Climate Act and how those directives may influence future energy
7 efficiency plans.

8

9 **Q. What are the potential impacts of the proposed Annual Plan in relation to the Act**
10 **on Climate's requirements?**

11 A. The 2021 Act on Climate mandates a statewide, economy-wide 45% reduction in
12 greenhouse gas emissions by 2030 relative to 1990 emissions levels, among other
13 mandatory, enforceable targets. The 2016 Greenhouse Gas Emissions Reduction Plan
14 states that Rhode Island had a greenhouse gas inventory of 12.48 MMTCO_{2e} in 1990.
15 Assuming this baseline, the proposed 2023 Plan would reduce Rhode Island's greenhouse
16 gas inventory by 0.5%, thereby advancing the 2021 Act on Climate requirements. Energy
17 efficiency has long been recognized as often the most cost-effective way to meet
18 customers' energy needs and a foundational element of any approach for meeting our
19 climate mandates and renewable energy strategies cost-effectively. The cumulative
20 impact of the continued presence of energy efficient equipment installed through the

21

1 Company's programs since the inception of Least Cost Procurement also contributes to
2 meeting Act on Climate goals.

3
4 v. Cost of Additional Supply

5 **Q. When analyzing the cost of additional supply as required by the LCP Standards,**
6 **does the Company evaluate at the measure, program or portfolio level?**

7 A. When analyzing the cost of additional supply, the Company evaluates at the portfolio
8 level and not at the program or measure level. The portfolio level is appropriate to assess
9 the cost of energy efficiency compared to additional supply because of the aggregate
10 impact generated by the set of measures and programs included within the portfolios. A
11 single measure may not be cost-effective or less than the cost of additional supply when
12 viewed on its own, however, as part of a program and portfolio it may play a key role in
13 serving a particular market segment, driving savings and further opportunities for
14 customers to manage their energy use.

15
16 **Q. Please describe the cost of additional supply compared to the cost of energy**
17 **efficiency or conservation portfolios.**

18 A. Based on the Company's calculation, the total cost of energy efficiency for the electric
19 portfolio is \$125.6 million and the total cost of electric supply is \$284.6 million. This is a
20 total savings of \$159.0 million over the life of the installed energy efficiency measures
21 from investing in energy efficiency instead of electric supply. The total cost of energy

1 efficiency for the natural gas portfolio is \$44.7 million and the total cost of natural gas
2 supply is \$97.5 million. This is a total savings of \$52.8 million over the life of the
3 installed energy efficiency measures from investing in energy efficiency instead of
4 natural gas supply. The methodology for calculating Cost of Supply is detailed in Section
5 7.5 of the Annual Plan and is consistent with the methodology used in the Three-Year
6 Plan.

7 **b. Docket 4600 Goals**

8 **Q. Does the Annual Plan advance the Docket 4600 principles and goals?**

9 A. Yes. Along with the quantitative benefits detailed in the Annual Plan, as measured by the
10 RI Test, the energy efficiency investments and innovation planned for 2023 also advance
11 the Docket 4600 principles and goals. The Company describes how the Annual Plan
12 either advances, detracts, or remains neutral on achieving the Docket 4600 goals for the
13 electric system in Table 22 of the Annual Plan, with further details in Attachment 4.

14 **c. Other plan elements**

15 **i. Performance Incentive**

16 **Q. Please describe the Performance Incentive Mechanism that the Company is seeking
17 in the proposed Plan?**

18 A. The proposed Plan does not include any changes to the structure of the PIM that was
19 approved by the PUC in Docket No. 5076. The benefits and costs used as inputs to the
20 PIM have been updated consistent with the benefit-cost screening and proposed budget in
21 the 2023 Plan. As a minor addition, the Company proposes removing statutorily-

1 mandated OER and Rhode Island Infrastructure Bank (“RIIB”) transfer costs from PIM-
2 eligible costs because they do not necessarily influence Company energy efficiency
3 program investments.

4
5 **Q. Please describe the shareholder incentive that the Company is seeking in the**
6 **proposed Plan?**

7 A. Consistent with the approved PIM in Docket No. 5076, the Company is seeking electric
8 performance incentives of \$3.5 million (through non-income eligible and C&I) and
9 natural gas performance incentives of \$0.72 million (all through C&I).

10
11 **Q. How does the earning opportunity in 2023 compare to the earnings opportunity in**
12 **2022?**

13 A.

Portfolio	2022 Incentive	2023 Incentive	Difference	% Difference
Electric	\$3,390,165	\$3,501,153	\$110,988	3.3%
Gas	\$1,000,000	\$721,940	-\$278,060	-27.8%

14
15 The electric incentive is proposed to be earned through the C&I and non-income eligible
16 residential sectors; in 2022 the proposed shareholder incentive opportunity is in the C&I
17 sector only. The gas portfolio incentive is proposed to be earned through the C&I sector
18 only, the same as in 2022.

1 **Q. How were the proposed shareholder incentives determined? What influenced their**
2 **derivation?**

3 A. The proposed performance incentive values were calculated by multiplying the 2022
4 payout rates approved by the Commission by 2023 PIM-eligible net benefits. In this way,
5 the Company proposes to maintain the share of Plan benefits that accrue to customers and
6 it should serve to continue to align utility performance with the public interest. In 2023,
7 the Company proposes an electric portfolio payout rate of 10.1% of 2023 planned PIM-
8 eligible net benefits, which the same rate used to calculate the 2022 payout pool. In 2023,
9 the Company proposes a gas portfolio payout rate of 11.7% of 2023 planned PIM-eligible
10 net benefits, which the same rate used to calculate the 2022 payout pool.

11 ii. Income-eligible heat pump installation

12 **Q. What is the Company's proposal regarding incentivizing the installation of electric**
13 **heat pumps to replace oil-fired boilers in income-eligible dwellings?**

14 A. In 2023, the Company is proposing that upgrades from the oil/propane heating systems
15 that are identified as near end-of-life be replaced with efficient electric heat pump
16 systems, when feasible, in the income eligible multifamily area. The Energy Efficiency
17 funding will be used to support these heating system replacements and leveraged funding
18 will also be deployed if available. The Company will work with supporting stakeholders
19 (OER, Rhode Island Department of Human Services ("DHS"), United States Department
20 of Energy ("DOE"), and others) to identify funding that can be leveraged to replace
21 oil/propane heating systems with high efficiency heat pumps.

1 **Q. Why is the Company proposing fuel switching funding for certain income eligible**
2 **customers in 2023?**

3 A. In 2023, the Company is proposing that upgrades from the oil/propane heating systems
4 that are identified as near end-of-life be replaced with efficient electric heat pump
5 systems, when feasible, in the income eligible multifamily area. The EE funding will be
6 used to support these heating system replacements and leveraged funding will also be
7 deployed if available. The Company will work with supporting stakeholders (OER, DHS,
8 DOE, and others) to identify funding that can be leveraged to replace oil/propane heating
9 systems with high efficiency heat pumps. This need has been presented to the programs
10 as many RI housing authorities find original heating systems from the 1960's entering the
11 end of useful life. It would benefit the residents of the housing authorities with lower
12 heating costs while lowering climate emissions as supported by the Act on Climate.
13 While the Company was approached by one housing authority with a specific failed
14 heating system, other similar systems at the remaining housing authorities may also be
15 approaching end of useful life.

16 iii. Social Cost of Carbon

17 **Q. What is the change the Company proposes to make to assessing the value of**
18 **greenhouse gas reduction?**

19 A. For the 2023 Annual Plan, the Company proposes using a hybrid approach for
20 quantifying the non-embedded cost of carbon by leveraging both the New England
21 Marginal Abatement Cost ("MAC") of the electric sector and the Social Cost of Carbon

1 (“SCC”), the latter of which is adjusted to reflect an update recommended by a
2 Supplemental Study to AESC 2021 released by Synapse Energy Economics in October
3 2021. This hybrid approach employs the New England MAC method for energy
4 efficiency measures that involve new fossil fuel process heating, space heating, or water
5 heating equipment regardless of the customer’s prior heating source and employs the
6 SCC method for all other measures.

7
8 **Q. How has the Company shown greenhouse gas benefits in its BCA in prior years?**

9 A. In the 2022 Annual Plan, the Company applied the New England MAC derived from the
10 electric sector as the non-embedded cost of carbon for both electric and gas portfolios.

11
12 **Q. What is the reason for making this change in the 2023 Annual Plan?**

13 A. The SCC is the “monetary value of the net harm to society associated with adding a small
14 amount of [carbon] to the atmosphere in a given year” and is the “theoretically
15 appropriate” value to use “when conducting benefit-cost analyses of policies that affect
16 GHG emissions.”⁶ Unlike a market-based value such as the New England MAC (electric
17 sector), the SCC captures the cost of intergenerational externalities from the release of
18

⁶ Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide, Interim Estimates under Executive Order 13990, found at the following: https://www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf

1 greenhouse gases. The Company believes that using the SCC more closely aligns with
2 Rhode Island's Act on Climate ambitions for carbon reduction by 2050. The AESC 2021
3 Supplemental Study was completed in October 2021,⁷ after the 2022 Annual Plan was
4 filed; therefore, the 2023 Annual Plan is the first opportunity the Company has to use the
5 SCC values.

6
7 **Q. Does this change affect the calculation of net benefits in the PIM calculations?**

8 A. No. The Company does not propose to alter the PIM to include greenhouse gas reduction
9 benefits, however they are calculated, in the calculation of PIM-eligible benefits.

10
11 **Q. Please describe some of the information included in the Supplemental Study that
12 informs the updated value of the Social Cost of Carbon.**

13 A. Chief drivers among Synapse's detailed rationale for recommending a higher SCC are
14 recent climate science findings from the IPCC's August 2021 report, newer literature on
15 economic damages, consideration of the previously overlooked impacts of the cost of
16 adaptation, revisitation of climate scenario probability weighting, and evolving
17 conversation around the appropriate central discount rate for intergenerational
18

⁷ The Supplemental Study was conducted on behalf of the Massachusetts program administrators. Massachusetts' climate goals are similar to Rhode Island's.

1 discounting since the SCC's original release by the Federal Interagency Working Group
2 in 2016.

3
4 **Q. Did this change in methodology result in any difference in the proposed plan? In**
5 **other words, if the Company were using the cost of carbon from prior years, would**
6 **anything in this proposed plan change?**

7 A. The Company examined the cost-effectiveness of its proposed 2023 programs using an
8 MAC approach for all measures. It found that all programs would still be cost-effective.
9 The Company proposes adopting its proposal for 2023 because it more closely aligns
10 with state policy.

11 iv. Combined Heat and Power

12 **Q. What combined heat and power incentive is the Company proposing?**

13 A. Per R.I. Gen. Laws § 39-1-27.7(d)(6)(ii), the Company is “to support the installation and
14 investment in clean and efficient combined heat and power installations at commercial,
15 institutional, municipal, and industrial facilities.” At the time of this Plan’s filing, the
16 Company is aware of a 2 MW fuel cell combined heat and power (“CHP”) project in
17 preliminary stages of development; however, the Company does not believe this project
18 will progress to completion in 2023 and has therefore not planned for it in budget or

1 savings proposals for 2023. As this project progresses, the Company will follow the
2 appropriate CHP notification procedures outlined in the Authorized CHP Process.⁸

3
4 **Q. What is the status of the Rhode Island Grows CHP project?**

5 A. Rhode Island Grows (“RI Grows”) continues to pursue the installation of a 13.3 MW
6 CHP system, however this project is currently on hold. In August 2022, a Rhode Island
7 Superior Court Judge ruled that RI Grows is subject to town zoning.⁹ If/when RI Grows
8 demonstrates that all town zoning requirements have been satisfied, the Company will
9 consider next steps. Any next steps taken by the Company regarding this CHP system
10 would be pursued through a separate filing with the PUC distinct from the filing of this
11 Annual Plan. In advance of any potential filing with the PUC, the Company will
12 supplement the notice documentation and provide to the Division consistent with the
13 Authorized CHP Process.

⁸ The “Authorized CHP Process” is detailed within Bates Pages 393-395 of the Company’s Combined 2021-2023 Energy Efficiency and Conservation Procurement Plan (“Three-Year Plan”) and 2021 Annual Energy Efficiency and Conservation Procurement Program Plan (“Annual Plan”) that was approved by the Public Utilities Commission in Docket No. 5076 and the Settlement Agreement, entered into on June 18, 2020, by and between the Company and the Division of Public Utilities and Carriers, that was approved by the Commission in Docket No. 4755. See Open Meeting on December 22, 2020 for approval of Combined Three-Year Plan and Annual Plan. See Open Meeting on September 1, 2020 for approval of the Settlement Agreement. The language in the approved 2022 Annual Plan and proposed 2023 Annual Plan mirrors the language within Bates Pages 393-395 of the Company’s Three-Year Plan.

⁹ See Decision filed August 11, 2022, by Taft-Carter, J. in re: *Rhode Island Grows, LLC, et al. v. Richard Booth, et al.*, C.A. No. WC-2022-0057,

1 v. Complementary Funding

2 **Q. How did the Company account for increased availability of funding (e.g., through**
3 **the Inflation Reduction Act, via state incentive programs) in the proposed program**
4 **plan?**

5 A. The Company recognizes external funding availability as complementary and perhaps
6 supplemental to energy efficiency program incentives, providing additional support for
7 the budget proposed for the 2023 energy efficiency program. The OER is currently
8 developing a heat pump program using funds allocated under the state budget. The
9 Company intends to communicate and work with OER and its selected contractor to
10 optimize program delivery to our common customer markets. It is premature to speculate
11 how such cooperation may impact spending for the Company's programs. Similarly, the
12 Company intends to coordinate closely with state agencies regarding the designated uses
13 for federal funding and leverage that funding, if allowed and practical, as a driver of
14 additional participation in the 2023 energy efficiency program.

15
16 **V. REQUESTED APPROVALS**

17 **Q. What approvals are the Company seeking from the PUC in connection with the**
18 **Annual Plan?**

19 A. The Company respectfully requests that the PUC approve the Annual Plan as filed by the
20 Company. More specifically:

- 1 (1) To approve the proposed savings goals, budgets and associated customer collections
2 required to fund the energy efficiency programs in 2023.
3
4 (2) To approve the proposed electric energy efficiency charge for 2023 of
5 \$0.00862/kWh.
6
7 (3) To approve the proposed residential natural gas energy efficiency charge for 2023 of
8 \$1.172/Dth.
9
10 (4) To approve the proposed commercial and industrial natural gas energy efficiency for
11 2023 of \$0.648/Dth.
12
13 (5) To approve the proposed programs, portfolios and measures for 2023.
14
15 (6) To approve the proposed pilots, demonstrations, and assessments for 2023.

16 (7) To continue utilization of the Performance Incentive Mechanism (PIM) approved in
17 Order No. 24225 in Docket 5076 with the following modifications: (i) To approve a
18 design performance payout for the electric portfolio of \$3,501,153 and for the gas
19 portfolio of \$721,940 and (ii) approve the following maximum service quality
20 adjustments for gas and electric residential and income eligible - \$326,469 for income
21 eligible electric, \$344,262 for non-income eligible gas, and \$123,176 for income
22 eligible gas.
23

24 **VI. CONCLUSION**

25 **Q. Does this conclude this joint testimony?**

26 **A.** Yes, it does.

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

**In Re: The Narragansett Electric Company
d/b/a Rhode Island Energy
Annual Energy Efficiency Plan for 2023**

|
|
| **Docket No. 22-33-EE**
|
|

ANNUAL ENERGY EFFICIENCY PLAN FOR 2023

September 30, 2022

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INTRODUCTION

1 Introduction

1.1 Executive Summary

The Narragansett Electric Company d/b/a Rhode Island Energy (Rhode Island Energy or the Company) submits this 2023 Annual Energy Efficiency and Conservation Procurement Plan (referred to as the “2023 Plan” throughout) as the third annual plan submitted within the fifth triennial plan (2021-2023 Three Year Energy Efficiency and Conservation Procurement Plan¹) in fulfillment of The Comprehensive Energy Conservation, Efficiency and Affordability Act of 2006.²

On May 25, 2022, PPL Rhode Island Holdings, LLC, a wholly owned indirect subsidiary of PPL Corporation (PPL), acquired 100% of the outstanding shares of common stock of The Narragansett Electric Company from National Grid USA (National Grid) (the Acquisition) and simultaneously rebranded the Rhode Island-based utility as Rhode Island Energy. While the underlying Company is the same (i.e., Narragansett Electric Company), the Acquisition brings a new vision, mission, and value statement to the Company.

Energy efficiency is critical to the Company’s objectives of improving reliability, customer satisfaction, affordability, and sustainability. Both program participants and customers benefit from energy efficiency programs. Customers who directly participate in energy efficiency programs save energy and see direct cost savings in the form of lower energy bills. Energy efficiency can also lower long-term base load and peak demand, thereby reducing the need for additional generation, distribution, and transmission infrastructure. These avoided costs benefit all customers regardless of direct participation in the Company's energy efficiency programs.

The 2021 Act on Climate³ sets forth enforceable statewide, economy-wide greenhouse gas emissions reduction mandates, requiring Rhode Island to reduce greenhouse gas emissions by 45% below 1990 levels by 2030, 80% by 2040, and achieve net-zero emissions by 2050.⁴ In 2022, Rhode Island updated its Renewable Energy Standard to require 100% of Rhode Island’s electricity to be offset by renewable energy by 2033.⁵ Energy efficiency has long been recognized as often the most cost-effective way to

¹ <http://rieermc.ri.gov/wp-content/uploads/2020/10/2021-ap-only-2021-ap-and-2021-2023-3yp-combined-filing.pdf>

² See Least-Cost Procurement Statute, Rhode Island General Laws (RIGL) § 39-1-27.7: <http://webserver.rilin.state.ri.us/PublicLaws/law21/law21224.htm>

³ RIGL § 42-6.2: <http://webserver.rilin.state.ri.us/Statutes/TITLE42/42-6.2/INDEX.htm>

⁴ For more information about the 2021 Act on Climate, visit: www.climatechange.ri.gov/aoc

⁵ H-7277 A amending RIGL § 39-26-4 and RIGL § 39-26-6: <http://webserver.rilin.state.ri.us/BillText/BillText22/HouseText22/H7277A.pdf>

meet customers' energy needs and a foundational element of any approach for meeting our climate mandates and renewable energy strategies cost-effectively.⁶

In the 2023 Plan, Rhode Island Energy proposes a \$142.4M total investment in electric and gas efficiency programs.⁷ This investment is anticipated to save 6,778,177 net lifetime MMBtu and 697,959 net annual MMBtu across all fuels. Including other system and societal impacts, like the 75,426 short tons of carbon dioxide avoided in 2023 from the energy saved,⁸ we anticipate this investment to generate \$447.6M in total benefits. The majority of this investment is delivered to customers via a vast network of local and regional vendors, contractors, and suppliers, further driving local economic activity.⁹

The Rhode Island Energy team recognizes the interplay between its investment proposals, their benefits, and the macroeconomic realities our customers are facing. Not only are communities still grappling with the ongoing impacts of COVID-19, but economic challenges are also exacerbated by global macroeconomic dynamics. Customers feel these impacts when they open their utility bills, pay for gas at the pump, and buy groceries at the market. In reaction, the Rhode Island Energy team has focused on striking the best balance between delivering the necessary benefits of energy efficiency and maintaining a budget that reduces bill pressure on our customers.

This proposed investment is not a signal of waning support for energy efficiency – in contrast, Rhode Island Energy is intensifying its focus on responsibly delivering energy savings and associated benefits to our customers. First, Rhode Island Energy plans to submit its investment plans for advanced metering infrastructure and grid modernization by the end of this year. Second, Rhode Island Energy recognizes the incoming wave of federal funding to support energy efficiency and demand response. Details about AMI and federal funding are still in development, and the Company will be keen to look for opportunities to leverage and synchronize them with the energy efficiency programs to deliver the most benefits for the least on-bill costs for customers. Third, Rhode Island Energy recognizes that it is responsible to collect only what will be used from customers. In recovering from the pandemic, Rhode Island Energy has noticed consistent underspending relative to budget. Therefore, the team presents a 2023 budget that we are confident we can execute on. The signal the market should take away is that, even though the 2023 budget is less than the 2022 budget, we are planning for an increase in spending

⁶ Opportunities for future energy efficiency investments to further support 2021 Act on Climate mandates is expected to be described via work being conducted by the Executive Climate Change Coordinating Council as well as via work that will be conducted to address the Company's "Narragansett Act on Climate Report" commitment agreed to as part of the recent transfer of ownership of The Narragansett Electric Company.

⁷ This number includes performance incentives relevant to gas and electric programs.

⁸ The electric, gas, and delivered fuel energy efficiency measures proposed in this Plan will avoid over 75,426 short tons of carbon in 2023, which contributes 1.2% toward Rhode Island's Act on Climate greenhouse gas emission reduction requirements of (45% below 1990 levels by 2030).

⁹ The Company expects that investments made in energy efficiency under the 2023 Plan will add \$273.9M to Rhode Island's Gross State Product (GSP), the equivalent of 2,557 job years.

in 2023 relative to forecast year-end spending in 2022. These three factors together demonstrate Rhode Island Energy’s commitment to reliability, affordability, and customer satisfaction while pursuing growing opportunities for energy efficiency.

The remainder of this introductory section describes the program planning process and stakeholder engagement, and then provides an overview of our proposed programs, their associated energy savings and benefits, and program costs and funding plan. We review how the 2023 Plan is responsive to legal and regulatory requirements, and delineate the regulatory rulings requested.¹⁰ Further detail and documentation is provided in each Attachment.

1.2 Plan Summary

1.2.1 Savings

The primary goal of the Plan is to create energy and economic cost savings for Rhode Island consumers through energy efficiency. The electric portfolio will save 685,209 lifetime MWh over the lifetime of the installed energy efficiency measures, 99,358 net annual MWhs, 14,633 net annual kW from passive energy efficiency, and 43,878 net annual kW from active demand response. The natural gas portfolio will save 3,537,835 lifetime MMBtu over the lifetime of installed natural gas measures and 324,879 annual MMBtu. For all fuels combined (electric, gas, oil, propane), the Plan will save 6,778,177 net lifetime MMBtu and 697,959 net annual MMBtu. Energy savings are measured and verified by third-party evaluation firms.

1.2.2 Benefits

The Plan will create significant benefits for Rhode Island’s residential, commercial, industrial, and income eligible energy customers. In total, the Plan is expected to create \$447.6M in total benefits over the life of the installed electric, demand response, and natural gas energy efficiency measures.¹¹ Of these total benefits, \$314.8M come from electric efficiency, passive demand reductions, and active demand response. \$132.8M in benefits derive from natural gas efficiency.

Table 1 includes a high-level summary of the electric-funded and natural gas-funded portions of the Plan.

¹⁰ This Plan is submitted in accordance with the Least Cost Procurement Law, RIGL § 39-1-27.7, the basis for which is the Comprehensive Energy Conservation, Efficiency, and Affordability Act of 2006, RIGL § 39-2-1.2, and the Least Cost Procurement Standards, as approved and adopted pursuant to Order No. 23890 in Docket No. 5015 (referred to herein as the “LCP Standards”). The 2023 Plan satisfies the statutory requirements for Least Cost Procurement and the LCP Standards and is consistent with the approved Three-Year Energy Efficiency Procurement Plan (Three-Year Plan) for 2021-2023. The Annual Plan is cost-effective, with a cost that is lower than the cost of energy supply for both electricity and natural gas portfolios, satisfying the requirements prescribed in RIGL § 39-1-27.7 (a)(2) and the LCP Standards. The Plan also satisfies PUC Order No. 22851 by demonstrating how it advances the Docket 4600 principles and goals for the electric system, detailed in Section 13.

¹¹ Total benefits do not include quantified economic impacts.

Table 2 shows more detail on the programs included under the "Active Demand Response (kW)" column shown in Table 1.

Each \$1 spent on the electric energy efficiency portfolio will create \$2.51 in benefits over the lifetime of the investment, and every \$1 spent on the natural gas portfolio will create \$2.97 in benefits over the lifetime of the investments. A detailed summary of the benefits and costs included in the Rhode Island Test are included in Attachment 4 Rhode Island (RI) Benefit Cost Test.

1.2.3 Economic Impacts

The Company expects that investments made in energy efficiency under this Plan will add \$273.9M to Rhode Island's Gross State Product (GSP), the equivalent of 2,557 job years.¹² The vast majority of jobs associated with the Annual Plan's energy efficiency investments are local because they are tied to the installation of equipment and materials. An analysis of Rhode Island Energy's 2021 energy efficiency programs found that 59% of companies that deliver services on behalf of the Company's energy efficiency programs are either headquartered or have a presence in Rhode Island.¹³ Investments in energy efficiency contribute to Rhode Island's economy overall and benefit business owners and their employees who deliver these programs and services.

As described in Attachment 4, the calculation of RI Test benefits excludes any monetized value of economic impacts because of concerns over double counting of benefits with other categories.

1.2.4 Environmental Benefits

The electric, gas, and delivered fuel energy efficiency measures proposed in this Plan will avoid over 75,426 short tons of carbon in 2023,¹⁴ which contributes toward Rhode Island's Act on Climate greenhouse gas emission reduction requirement of 45% below 1990 levels by 2030, and toward Rhode Island's Act on Climate greenhouse gas emission requirement of net-zero by 2050.¹⁵ The Company believes that robust, ambitious energy efficiency programs should be a foundational element of achieving greenhouse gas emission reduction targets. The Company also supports the various efforts that holistically evaluate the least cost pathways to realizing economy wide emissions.

¹² Macroeconomic multipliers for the economic growth and job creation benefits of investing in cost-effective energy efficiency from "Economic Multipliers Update" filed in Docket 5189 on January 6, 2022. This is a correction to the multipliers in "Review of RI Test and Proposed Methodology" prepared for National Grid by the Brattle Group, January 31, 2019. These macroeconomic multipliers reflect the total impact to the Rhode Island economy and do not remove benefits counted elsewhere in the RI Test, so are shown as a separate economic impact analysis estimate.

¹³ Guidehouse, "Rhode Island 2021 Energy Efficiency Workforce Analysis Report," June 1, 2022 (filed as part of National Grid's 2021 Year-End Report).

¹⁴ While all energy savings seen in the plan are net, these emissions are calculated based on gross energy savings from EE measures. The marginal carbon emission rates are from "Avoided Energy Supply Components in New England: 2021 Report," Appendix G, based on U.S. Energy Information Agency data.

¹⁵ <http://webserver.rilin.state.ri.us/Statutes/TITLE42/42-6.2/42-6.2-2.HTM>

1.2.5 Funding

This Plan includes an investment of \$105.5M in the cost-effective electric energy efficiency portfolio in 2023.¹⁶ If approved, this will be funded by \$10.1M in proceeds from the ISO New England (ISO-NE) Forward Capacity Market (FCM), revenues from the existing energy efficiency program charge of \$0.01222 per kWh, and accounting for a fully reconciling mechanism of (\$0.00360) per kWh pursuant to R.I. Gen. Laws § 39-1-27.7(c)(5) to fully fund the cost-effective electric energy efficiency programs for 2023.^{17,18}

This Plan also includes an investment of \$36.9M in the cost-effective natural gas energy efficiency portfolio in 2023.¹⁹ If approved, this investment will be funded by revenues from the existing energy efficiency program charge of \$1.354 per dekatherm for residential customers and \$0.886 per dekatherm for non-residential customers, and accounting for a fully reconciling mechanism of (\$0.182) per dekatherm for residential customers and (\$0.238) per dekatherm for non-residential customers pursuant to R.I. Gen. Laws § 39-1-27.7(c)(5) to fully fund the cost-effective natural gas energy efficiency programs for 2023.²⁰

The cost of procuring 685,209 net lifetime MWh electric energy efficiency savings through the Plan is \$159.0M less than if that electric load was met by purchasing additional electric supply. The cost of procuring 3,537,835 MMBtu lifetime natural gas energy efficiency savings through the Plan is \$52.8M less than if that natural gas load was met by purchasing additional natural gas supply.²¹

¹⁶ This number includes performance incentives relevant to electric programs.

¹⁷ See Attachment 5 Electric EE Program Tables, Table E-1 for list of funding sources and calculation of the charge.

¹⁸ No new RGGI funds will be available in 2023. RIE will identify residual funds.

¹⁹ This number includes performance incentives relevant to gas programs.

²⁰ See Attachment 6 Gas EE Program Tables, Table G-1 for list of funding sources and calculation of the charge.

²¹ For more information on how this was calculated, see Section 7.5 of the Main Text, "Cost of Annual Plan Compared to the Cost of Energy Supply"

Table 1. 2023 Energy Efficiency Program Plan Summary

Electric Programs by Sector	Implementation Budget (\$000) ⁽³⁾	Performance Incentive (\$000)	Customer Contribution (\$000)	Annual Savings (MWh)	Lifetime Savings (MWh)	¢/ Lifetime kWh ⁽⁴⁾	Summer Annual Demand Savings (kW) ⁽⁵⁾	Active Demand Response (kW)	Total Benefits (\$000) ⁽⁶⁾	RI Test B/C Ratio ⁽⁶⁾	Participants ⁽⁷⁾
Non-Income Eligible Residential	\$31,371	\$698	\$6,663	37,603	168,898	¢22.5	5,466	7,878	\$94,176	2.43	327,554
Income Eligible Residential ⁽¹⁾	\$16,331	\$0	\$0	3,679	38,915	¢42.0	456	-	\$35,066	2.15	5,897
Commercial and Industrial	\$48,626	\$2,803	\$13,401	58,076	477,396	¢13.0	8,711	36,000	\$185,538	2.86	2,741
Regulatory ⁽²⁾	\$5,690										
Electric Subtotal	\$102,018	\$3,501	\$20,064	99,358	685,209	¢17.8	14,633	43,878	\$314,780	2.51	336,192
Gas Programs by Sector	Implementation Budget (\$000) ⁽³⁾	Performance Incentive (\$000)	Customer Contribution (\$000)	Annual Savings (MMBtu)	Lifetime Savings (MMBtu)	\$/ Lifetime MMBtu ⁽⁴⁾			Total Benefits (\$000) ⁽⁶⁾	RI Test B/C Ratio ⁽⁶⁾	Participants ⁽⁷⁾
Non-Income Eligible Residential	\$16,171	\$0	\$4,742	148,013	1,268,128	\$16.49			\$47,786	2.28	139,117
Income Eligible Residential ⁽¹⁾	\$8,659	\$0	\$0	19,305	341,644	\$25.34			\$23,027	2.66	3,539
Commercial and Industrial	\$9,161	\$722	\$3,074	157,561	1,928,063	\$6.35			\$62,012	4.79	755
Regulatory ⁽²⁾	\$2,162										
Gas Subtotal	\$36,153	\$722	\$7,816	324,879	3,537,835	\$12.43			\$132,825	2.97	143,411
TOTAL Plan	\$138,171	\$4,223	\$27,880						\$447,605	2.63	479,604
(1) In addition to Income Eligible Residential programs, Income Eligible customers can participate in all Non-Income Eligible Residential programs.											
(2) Regulatory Includes contributions to the Office of Energy Resources, EERMC and the Rhode Island Infrastructure Bank.											
(3) The Program Implementation Budgets come from Tables E-3 and G-3 of Attachment 5 and 6, respectively.											
(4) Performance Incentive excluded from denominator, consistent with the Attachment 5 and 6..											
(5) The Summer Annual Demand Response (kW) measures passive demand savings.											
(6) "Total Benefits" and the "RI Test B/C Ratio" continue to exclude economic benefits from the RI Test as in the 2022 Plan.											
(7) The unit measure for participation varies by program. See Attachment 5, Table E-7 and Attachment 6, G-7 for participation goals by program.											
(8) Electric Programs are funded by the Electric Energy Efficiency Charge but also include Delivered Fuels energy savings.											

Table 2. 2023 Active Demand Response Program Plan Summary

Programs	Implementation Spending (\$000)	Customer Contribution (\$000)	Active Demand Response (kW)	\$/kW ⁽²⁾	Total Benefits (\$000)	RI Test B/C Ratio	Participation
Residential ConnectedSolutions	\$1,971	\$0	7,878	\$250	\$3,062	1.6	6,900
Commercial ConnectedSolutions	\$5,683	\$0	36,000	\$158	\$12,320	2.2	216
Total	\$7,655	\$0	43,878	\$174	\$15,382	2.0	7,116
<p>(1) All Residential electric customers (including Income Eligible customers) are eligible to participate in the Residential ConnectedSolutions program if they have the necessary equipment – a smart thermostat and central air conditioning, or a behind the meter battery.</p> <p>(2) (Implementation Spending *1000) / Active Demand Response (kW).</p> <p>(3) Total Benefits” and the “RI Test B/C Ratio” no longer include economic benefits previously included in the RI Test in the 2020 and 2021 plans.</p>							

1.3 The Planning Process

This Plan benefited from the process undertaken in the 2020 calendar year that resulted in the 2021 – 2023 Three-Year Plan. This Annual Plan reflects a refinement of the planning that was undertaken for the third year of the Three-Year Plan, including incorporating the latest Evaluation, Measurement, and Verification (EM&V) studies and Avoided Cost study. The Three-Year Plan was informed by the areas of opportunity identified in the Rhode Island Energy Efficiency Market Potential Study (Market Potential Study) commissioned by the EERMC and completed by Dunsky Energy Consulting in May 2020. This Annual Plan has also been guided by the LCP Standards in RI PUC Docket 5015. The Standards include an extensive set of “principles of program design” referenced in Section 2.1.1.

The Company has engaged the TWG and the EERMC and its consulting team throughout the planning process to leverage their expertise and seek their feedback. The Company is grateful for the substantive critiques and innovative ideas that have come through this process of continued engagement. In particular, the discussions of equity have helped shape and elevate the Company’s explicit equity commitments, establishing equity as an overarching strategic objective of this Annual Plan and adding multiple specific, measurable actions across the portfolio of efficiency programs.

1.4 How to Read This Plan

For ease of review, this Plan has been organized to align with the revised LCP Standards. There are three overarching sections: Strategies and Approaches to Planning; Consistency with Standards; and Goals, Budget, and Funding Plan. The **Strategies and Approaches to Planning** section provides discussion of the Company’s approach to implementing the principles of program design outlined in the LCP Standards and provides summary program descriptions, along with the major enhancements and innovations planned for 2023. This section also includes a discussion of program participation, pilots and demonstrations and assessments, evaluation, measurement and verification, and coordination with other energy programs. The **Consistency with Standards** section explains how the Plan complies with the requirements for Cost-effectiveness, Reliability, Prudence (including a detailed discussion of equity and rate and bill impacts), Environmentally Responsible, and comparison to alternative cost of supply

requirements, as set forth in the LCP Standards. **The Goals, Budget, and Funding Plan** detail these elements and discusses the performance incentive plan and performance metrics.

The eleven Attachments to this Annual Plan provide additional detail on specific Plan elements.

Attachment 1 Residential & IES Programs and **Attachment 2 C&I Programs** provide detail on program eligibility criteria, offerings, implementation and delivery, customer feedback, 2023 changes with accompanying rationale, and proposed evaluations for each program. **Attachment 3 Evaluation, Measurement, and Verification Plan** reviews evaluation studies completed in 2022, details studies planned for 2023, and provides a recap of historical studies. **Attachment 4 RI Benefit Cost Test** presents the framework for assessing cost-effectiveness of this Annual Plan. **Attachments 5 and 6** contain funding, budgets, goals, and cost-effectiveness tables for the electric and gas energy efficiency programs, respectively. **Attachment 7 Rate and Bill Impacts** provides a detailed analysis of the bill impacts resulting from this Plan. **Attachment 8** details, for each sector, 2023 **Pilots, Demonstrations, and Assessments**. **Attachment 9 Cross-Program Summary** documents how the programs described in this Plan relate to other specific Rhode Island Energy programs. **Attachment 10 Definitions** provides definitions of energy efficiency terms used throughout the annual plan. **Attachment 11 Equity Working Group Report** provides a summary of actions taken through the working group.

STRATEGIES AND APPROACHES TO PLANNING

2 Programs and Priorities

2.1 Strategic Overview of Programs and Priorities

This Annual Plan is the third year of the 2021-2023 Three-Year Energy Efficiency Plan. The Three-Year Plan set the Company on a trajectory to ensure that Rhode Island has a robust and resilient energy efficiency infrastructure, particularly as the market for energy efficiency transforms with changes in the lighting market. This Annual Plan will help Rhode Island homes and businesses achieve greater efficiency while contributing to the COVID-19 pandemic recovery. The Annual Plan seeks to guarantee that all Rhode Island Energy customers, regardless of their geographic location, income, home ownership status, primary language, business size, or other relevant barriers are empowered to control their energy choices and energy usage while enjoying the economic, environmental, and financial benefits of energy efficiency.

This plan supports continued innovation and accelerates the increasing efficiency of Rhode Island homes and businesses. This plan balances the pursuit of energy and financial savings from current technologies and programs with the need to also identify new technologies, finance channels, workforce development enhancements, and programs to continue delivering savings to Rhode Island customers for years to come. This plan achieves savings by implementing the following key strategic priorities set out in the Three-Year Plan, modified for 2023:

- Achieve cost optimization and efficiency.
- Drive adoption of comprehensive measures.

- Plan and deliver programs equitably, with the input and guidance of the Rhode Island Equity Working Group (EWG).
- Expand and deepen customer relationships to expand program participation and encourage repeat participation.
- Expand and evolve Active Demand Response.
- Align energy efficiency programs with the mandate established by the Act on Climate

Section 2.1.1 explains how the principles of program design included in the LCP Standards have been applied to this Annual Plan, highlighting examples and providing direction on where deeper discussion may be found. Sections 2.2, 2.3, and 2.4 provide high-level summaries of program designs and changes to Residential, Income Eligible Services, and Commercial and Industrial Programs, respectively. Section 2.5 offers detail on the cross-cutting programs for 2023, including the Community-Based Initiative and codes and standards. Section 2.6 focuses on participation and outreach, planned participation, and the importance of enabling workforce development. Lastly, Section 2.7 describes the Company’s approach to equity in design and delivery of the 2023 programs.

2.1.1 Principles of Program Design

This Annual Plan has been guided by the LCP Standards as updated in RI PUC Docket 5015, which provide an extensive set of principles of program design. The bullets below summarize the principles and, if appropriate, in what Sections of this Plan they are addressed.

- Integration with other programs and policies - Section 5, Coordination with Other Energy Policies and Programs, provides details on the Plan’s connection to specific state policies. Program descriptions in Attachments 1 and 2 also describe the dissemination of information on energy programs beyond those run directly by the Company.
- Innovation – Innovative strategies are outlined in Attachment 8, Pilots, Demonstrations and Assessments.
- Comprehensiveness – Examples of strategies to achieve deep comprehensive savings packages that emphasize whole building and whole system solutions are found in the Commercial and Industrial market sector approach and the Residential and Income Eligible whole building delivery program descriptions, in Attachments 2 and 1, respectively.
- Equity - Using an equity lens involves consideration of how to modify systemic and institutional structures that have made it easier for some customers to access the energy efficiency programs than others. Section 2.7 describes the Company’s approach to equity in 2023.
- Build on Prior Plans – The experience and lessons of prior planning and regulatory approval processes informs the current program design, especially as 2023 is the third year of the 2021-23 Least Cost Procurement Plan.
- Build on Prior Programs – Programs are continuously evolving, building from one plan year to the next. Each program description in Attachments 1 and 2 has a section addressing program design changes for 2023.

- Planned Based on Potential Assessments - This Annual Plan is informed by the 2020 Market Potential Study, and the areas of opportunity identified within it – as well as the cost implications of achieving higher levels of potential – have been considered in the program planning process.
- Unlocks Capital and Effectively Uses Funding Sources - This Plan consistently looks beyond direct financial incentives and traditional financing strategies to design capital and program access strategies that respond to specific customer barriers, such as grants for overcoming pre-weatherization barriers, expanded HEAT loan, or third-party financing.
- Integration of Gas and Electric Energy Efficiency Programs – All programs are integrated across fuels where possible to optimize and benefit from synergies between the two energy systems
- Strategies to Achieve Targets – As noted above, the five overarching strategies highlighted in the Three Year Plan permeate this Annual Plan.
- Investments on Behalf of All Customers – All customers contribute to energy efficiency program funding and, in return, programs are designed so that all customers have the opportunity to participate. This element of equity is discussed further in Section 2.7.
- Efficacy - The Company has incorporated opportunities to balance the portfolio of energy savings measures and program approaches to drive higher cost efficiencies (i.e., the amount of energy savings per dollar invested) and minimize the impact on customer bills. Efficacy also incorporates Workforce Development, which is described further in Section 2.6.1.
- Parity Among Sectors – The Plan examines the amount collected from the different sectors by the SBC, as compared to the program budgets by sectors, to ensure that sectors are generally receiving the benefits paid for. This is further described in Section 7.3.2.
- Cost-Effectiveness – Programs are cost-effective as required and shown in Attachments 5 and 6. The application of cost-effectiveness as a design principle at a program level involves a balancing of comprehensive, costly projects with long-term measures, with programming that requires less intensive customer support, such as upstream programming and Strategic Energy Management Planning with very large customers.

Further details on the Company's application of the Standards are found in Section 7. At the same time, the Plan is shaped by recent PUC guidance in Dockets 5076 and 5189 related to the performance incentive mechanism (PIM). The PIM focuses program administrator attention on the creation of lifetime benefits, efficiency in spending, and maximization of benefits flowing to customers.

As with any Plan, this Plan was developed using the best information available at the time. Should circumstances change as the year develops, the Company will take action in its capacity as Program Administrator to adapt as needed and inform stakeholders of the inability to execute a proposed strategy or commitment or the need to revise them.

2.2 Residential Programs

In 2023, the Company will continue all residential programs offered in 2022.

Table 3. Overview of 2023 Residential Energy Efficiency Programs

Program Name	Program Description
<p>EnergyWise Single Family (Funded by Electric and Gas)</p>	<p>EnergyWise is a direct-to-customer in-home program that educates residents on how their home can become more energy efficient. The program offers single-family customers (buildings with 1-4 dwelling units) home energy assessments, weatherization services, and information regarding their energy usage. The program addresses base load electric use and heating, cooling, and water heating energy loads in all residential buildings. Participants receive energy efficiency recommendations and technical assistance, as well as financial incentives to upgrade inefficient items such as heating and water heating systems, thermostats, and insulation. Upgrades to efficient lighting, advanced power strips, and water saving devices are made during the initial visit if opportunities exist. At the completion of the assessment, the customer receives an Energy Action Plan that indicates additional energy savings opportunities delivered through Rhode Island Energy's various programs. The program will continue to deliver finance opportunities to customers, such as the Heat Loan.</p>
<p>Multifamily (Funded by Electric and Gas)</p>	<p>This program offers comprehensive energy services for market-rate multifamily customers (buildings with 5+ dwelling units), including energy assessments, incentives for heating and domestic hot water systems, cooling equipment, lighting, and appliances. All types of multifamily properties are eligible. A primary point-of-contact is designated to manage and coordinate services offered through the Company's existing portfolio. This program is offered in conjunction with the C&I Multifamily gas program where a site may have a commercial meter or office space but should be</p>

	<p>virtually indistinguishable to the customer as the Company’s single point of contact will handle all program overlap and offer a seamless customer experience.</p>
<p>Residential New Construction (Funded by Electric and Gas)</p>	<p>The Residential New Construction (RNC) program promotes the construction of high-performing energy efficient single family, multifamily, and income eligible homes, as well as the education of builders, tradespeople, designers, and code officials.</p>
<p>Home Energy Reports (Funded by Electric and Gas)</p>	<p>The Home Energy Reports (HER) program encourages energy efficiency behavior through personalized print and email reports and a seamlessly integrated website. Each of the communication channels displays energy consumption patterns and contains a normative comparison to similarly sized and similarly heated homes, as well as to an energy reduction goal for each customer.</p> <p>The Company will continue to deliver Home Energy Reports that offer feedback to inspire customers to take actions that reduce their energy consumption and increase their participation in other energy efficiency programs.</p>
<p>Residential Consumer Products (Funded by Electric Only)</p>	<p>This program promotes the purchase of high efficiency household appliances, including kitchen appliances and electronics carrying the ENERGY STAR® label. This program trains retail sales staff about products. The program also offers refrigerator, freezer, and dehumidifier recycling.</p>
<p>Residential High-Efficiency Heating, Cooling, and Hot Water (ENERGY STAR® HVAC) (Funded by Electric and Gas)</p>	<p>This program promotes the installation of high efficiency central air conditioners and eligible heat pumps for electric customers and new energy efficient natural gas related equipment including boilers, furnaces, windows, water heating equipment, thermostats, boiler reset controls, and water saving devices. Incentives for energy efficient air source heat pumps for space and water heating equipment are available for customers with electric resistance heating/hot water. Incentives are also available for air source heat pumps used as accessory heating and cooling</p>

	devices in homes with a primary heating system that is natural gas, oil, or propane. The program provides training of contractors to increase accurate installation practices, testing of the high efficiency systems, tiered rebates for new ENERGY STAR® systems, and incentives for checking new and existing systems.
Residential ConnectedSolutions (Active Demand Response) (Funded by Electric)	ConnectedSolutions is Rhode Island Energy’s active demand response program that sends control signals to customer owned electric devices to reduce peak energy use and improve power quality on the grid. Consumers with eligible controllable equipment (e.g., Smart thermostats, batteries, and pool pumps) can enroll to participate in Connected Solutions. All electric consumers are eligible to participate in ConnectedSolutions.

2.2.1 Major Residential Program Changes for 2023

In 2023, the Company will continue to offer the programs listed above and will additionally focus on changes that improve equity and access and that leverage findings from the non-participant and participant studies.

In the multifamily program, the Company will increase focus and outreach on landlords and non-participants that have high propensity scores. Propensity scores were based on how similar nonparticipant customers were to participants in terms of home ownership, age, income, and other factors. The study found that customers that were similar to customers who had participated in programs would be more likely to participate themselves, and therefore outreach to those customers would likely be the most effective.

In addition to focusing on customers with high propensity scores, the Company will also concentrate efforts on other historically underserved participant groups, such as renters through landlord outreach.

These changes are expected to improve and expand access to the Company’s programs and better serve communities in RI who historically have not participated in these programs.

Further detail on these and other changes may be found in Attachment 1.

2.3 Income Eligible Programs

The Company wants customers who meet the income eligibility requirements, have a high proportion of energy burden and/or difficulty paying their electric bills to participate in, and benefit from, the Company’s energy efficiency programs. Therefore, the income eligible sector of the customer base is

designated as a unique sector, and funding for this sector is subsidized by both non-income-eligible residential customers and commercial and industrial customers.

Table 4. Overview of 2021 Income Eligible Programs

Program Name	Program Description
Income Eligible Single Family (Funded by Electric and Gas)	Income Eligible Single (IES) Family Services are delivered by local Community Action Program (CAP) agencies with oversight provided by a Lead Vendor. Three levels of home energy assessments are offered: (1) lighting and appliance, (2) heating and weatherization, and (3) comprehensive assessment. Customers who qualify for the A-60 rate or for the Low-Income Home Energy Assistance Program (LIHEAP) are eligible to receive all services and equipment upgrades at no cost.
Income Eligible Multifamily* (Funded by Electric and Gas)	Comprehensive energy services for multifamily customers (buildings with 5+ dwelling units) that also meet the criteria for “income eligible” as defined in Attachment 1 Residential & IES Programs, Section 3. Multifamily. These services include energy assessments, incentives for heating and domestic hot water systems, Air Source Heat Pumps, cooling equipment, lighting, and appliances. In most cases, there are no costs to the customer for these services as most income eligible upgrades are covered at 100%.

*Income Eligible Multifamily is combined with Multifamily above.

2.3.1 Major Income Eligible Program Changes for 2023

In recent years, some CAP agencies have had difficulty meeting their budget goals due to insufficient staffing, while others have flourished and exceeded their goals. To improve the efficiency of this program, the Lead Vendor will facilitate the Interagency Referral program in 2023. This referral program will enable well-performing CAPs to take on more work in underperforming CAP territories to leverage those underutilized budgets. Doing so is expected to improve access to the program, increase participation, and improve equity by ensuring that underserved territories are better able to meet their goals and serve more customers.

2.4 Commercial and Industrial Programs

The Commercial and Industrial (C&I) programs consistently offer highly cost-efficient savings. In planning these programs, the Company continuously evaluates evolving customer needs and market dynamics to develop enhancements that secure deeper, more comprehensive savings while evolving program designs to drive market transformation across all customer classes and multiple end-uses.

The Company is observing a rapid reduction in claimable lighting savings due to a combination of market saturation and evaluation impacts that limit savings due to the rapid market transformation underway. Some initiatives focus on specific market segments, including industrial, grocery, chain restaurant, and telecommunications. Other enhancements make participation easier or more attractive (such as the Equipment and Systems Performance Optimization), provide attractive incentives for specific customer classes (especially Small Business), and other enhancements are designed to reduce barriers to comprehensive measure adoptions (e.g., the Whole Building Streamlined pathway in New Construction introduced in 2021). In addition to these focus areas, the plan describes the Company’s ongoing initiatives. Program changes are described in more detail in Attachment 2 C&I Programs.

Table 5. Overview of 2023 Commercial and Industrial Energy Efficiency Programs

Program Name	Program Description
<p>Large Commercial and Industrial New Construction and Building Energy Code Support</p> <p>(Funded by Electric and Gas)</p>	<p>This program encourages energy efficiency in new construction, major renovations, planned replacement of aging equipment, and replacement of failed equipment through financial incentives and technical assistance to developers, manufacturers, vendors, customers, and design professionals. C&I customers with annual electric consumption greater than 1,000,000 kWh per year are eligible.</p> <p>The program supports new construction projects with proactive technical assistance during design with energy modeling and analysis. Incentives are also offered to owner’s design teams for their time and effort to meet program requirements. The program promotes and incentivizes the installation of high efficiency equipment in existing facilities during remodeling or equipment failure and replacement. A customer who does not install</p>

Program Name	Program Description
	<p>energy efficient equipment at the time of construction or equipment replacement will likely never make the investment or will do so at a much greater cost later. Operations Verification or quality assurance is also offered to ensure that the equipment and systems operate as intended.</p> <p>The program also promotes compliance with the building energy code and increased use of the Stretch Code to support the State’s goals and objectives. In addition, it provides technical assistance in advancing the development and adoption of minimum efficiency standards for appliances and equipment. Finally, the program supports the State’s Zero Energy Building (ZEB) goals through engagement and development of ZEB programs in the future.</p>
<p>Large Commercial and Industrial Retrofit (Funded by Electric and Gas)</p>	<p>This program incentivizes the replacement of existing equipment and systems with energy-efficient alternatives when the customer might otherwise not plan on making efficiency investments. This may include energy efficient equipment such as lighting, motors, and heating, ventilation and air conditioning (HVAC) systems, thermal envelope measures, and custom measures in existing buildings. All commercial, industrial, and institutional customers are eligible to participate. The Company offers technical assistance to customers to help them identify cost-effective efficiency opportunities and pays incentives to assist in defraying part of the material and labor costs associated with the energy efficient measures.</p> <p>The Company also offers education and training, such as the building operator</p>

Program Name	Program Description
	certification (BOC) training, to support adoption of energy-efficient equipment and practices.
<p>Small Business Direct Install (Funded by Electric and Gas)</p>	<p>This is a retrofit program that provides turn-key solutions to customers that consume less than 1,000,000 kWh per year. As part of the program, customers receive a free on-site energy assessment and a customized report detailing recommended energy efficient improvements. Rhode Island Energy then completes retrofit installations at the customer's convenience. The program serves small businesses of all types from restaurants to non-profits, to small offices. Rhode Island Energy pays up to 70% of installation and equipment costs, and customers can finance the remaining share of the project over as many as 60 months (typically 24) on their electric bill, interest free, using the Small Business Revolving Loan Fund, provided funds are available.</p>
<p>Commercial Connected Solutions (Active Demand Response) (Funded by Electric)</p>	<p>The Commercial Connected Solutions or Active Demand Response program is focused on reducing peak electric demand and associated costs for large and small commercial customers. All customers, regardless of size can participate. The program is technology neutral and provides a customer incentive for verifiable shedding of load in response to a signal or communication from the Company.</p>
<p>Commercial and Industrial Multifamily (Funded by Gas)</p>	<p>Comprehensive energy services for market-rate multifamily customers (buildings with five plus dwelling units) include energy assessments and incentives for heating and domestic hot water systems and weatherization. Coordinated services will be offered for all types of multifamily properties. An approach tailored for multifamily properties designates a primary</p>

Program Name	Program Description
	point-of-contact to manage and coordinate services offered through the Company’s existing portfolio, including EnergyWise, C&I Retrofit, Residential New Construction, Income Eligible, and the ENERGY STAR® HVAC programs.

2.4.1 Major Commercial and Industrial Program Changes for 2023

In 2023, the Company will:

- Scale up the Building Analytics initiative to help customers optimize the performance of HVAC and other systems.
- Improve technical processes by streamlining savings calculators, revisiting burdensome data collection practices, and better leveraging engineer site visits to identify EE opportunities.
- Expand on Small Business equity efforts to target women and minority owned enterprises through bilingual auditors, targeted marketing, collaboration with community organizations, and by making marketing materials available in other languages.
- Conduct targeted training activities to upskill the program delivery workforce on specific focus areas (such as HVAC, building controls, and building envelope), in conjunction with vendor outreach efforts to encourage participation from a wider range of contractors.
- Monitor and help mitigate supply chain disruptions and inflation impacts.
- Sunset efforts that have failed to demonstrate the potential to generate significant cost-effective savings, including the Telecommunications Initiative and multiple demonstrations and assessments in order to reduce costs and focus resources on efforts that are successful or have greater future potential.

2.5 Cross-Cutting Programs

2.5.1 Community Solutions Initiative

Building upon the community-based approach, the Company will continue the **Community Solutions Initiative**²². This initiative targets geographic communities that encompass multiple customer types, industrial and technology parks, and other organized communities such as industry groupings with common end uses (e.g., indoor agriculture). Community Solutions provides a single point of contact for a

²² This was formerly called the Community-Based Initiative.

given community to access all available Company solutions, including energy efficiency, EVs, demand response, and emerging technologies.

To further develop Community Solutions, the Company is identifying a medium-sized city with which to model this approach in 2023. This partnership will leverage the relationships and communication channels of our city partners to reach across sectors and programs (municipal, LCI, SBS, residential, etc.), while providing coordinated tracking and program management. We will collaborate with our partners to set goals and priorities for both city buildings and other community stakeholders (e.g., small businesses) based on the city's preferences. In 2023 the Company will assess early best practices and lessons learned and identify one to two additional communities with which to partner in future years.

Under this initiative, in 2020, the quasi-public Quonset Development Corporation (QDC) signed a three-year memorandum of understanding with the Company to provide businesses at the Quonset industrial park in North Kingstown with access to enhanced incentives and technical services to identify and implement energy efficiency projects. Participating customers range from small industrial businesses to some of the largest energy users in the state. In 2022, QDC was awarded the Governor's Lead by Example Award (quasi-state agency category) for this effort. In 2023, the Company will continue to provide energy-related trainings in collaboration with QDC to expand program participation. The existing MOU (spanning 2020 to 2022) will be renewed and expanded to include new outreach collaboration, additional support, and new sites across the state working with QDC through the RI Ready Industrial Site Readiness Program (www.riready.org).

2.5.2 Codes and Standards Support

The Codes & Standards Technical Support Initiative (CSTS) develops and delivers technical guidance to a wide variety of stakeholders to support energy efficiency policies applicable to the state's building sector. CSTS is a highly cost-effective initiative that unlocks sources of typically long-lived energy savings and primarily benefits historical nonparticipants and customer segments considered "hard to reach" (HTR) by raising efficiency baselines market wide. CSTS saves energy by: (1) increasing overall market compliance with current minimum energy efficiency codes and standards, and (2) increasing the level of energy efficiency required by such policies. The Company has successfully demonstrated both approaches with respect to building energy codes.

In 2023, the Company will continue to support RI energy code compliance. CSTS compliance support activities include training (classroom, webinar, and in-field), a "hotline" for project-specific inquiries, and development and delivery of tools and resources that help fill market gaps. CSTS has a broad reach, but our primary audiences are building code inspectors, design professionals (architects, engineers), and builders/developers/contractors.

2.6 Participation and Outreach

In 2023, the Company will continue to drive participation through two main pathways – targeted programs and broad-based programs. Targeted programs include the Company's retrofit, new construction, product rebate, and small business initiatives. These programs serve to drive deeper

savings to targeted customer segments and offer a wide array of energy efficiency measures. The Company also reaches broad participation by promoting products upstream and through Home Energy Reports. These broader based programs provide value by reaching a wide and diverse set of customers, helping to provide more customers with access to energy savings, as well as acting as a gateway to drive participation in other Company energy efficiency programs. See the 2021 Year-end Report for further details on participation through 2021.

In 2023, the Company will continue its efforts to reach customers that have never participated in its energy efficiency programs. The residential non-participant study indicated lower awareness of the energy efficiency programs among non-participants. A Comprehensive marketing campaign will be deployed in English and Spanish that will educate customers on the availability of the programs. The Company will be specifically focused on five communities with lower participation rates (some towns have participation rates at fewer than 5% of accounts, while other communities have participation rates upward of 30%) and will conduct additional outreach and engagement in those communities. The Company will continue to deliver innovative strategies to increase customer participation and reach customer segments that are historically underrepresented. Also, the Company will continue to track participation trends and will again provide a detailed analysis in its 2023 Year-End Report showing additive and cumulative portfolio participation. The Year-End Report also captures energy efficiency spending by zip code where additional spending on programs can be tracked.

Each program described in this Plan seeks to drive customer participation to deliver the benefits of energy efficiency to customers throughout Rhode Island. The Plan is designed to provide equitable access to savings and programs across sectors and market segments. For 2023, the Company will continue to plan and report participation in 'net' terms, which takes into account free-ridership and spillover, which are commonly referred to as net-to-gross factors. This method of accounting for participants aligns participation numbers with energy savings numbers, which are already recorded in net terms. This approach provides a more accurate connection between energy savings and the number of customers who benefit from efficiency programs. Planned participation estimates are included in Attachment 5 Electric EE Program Tables, Table E-7 and Attachment 6 Gas EE Program Tables, Table G-7.

The following table describes the definitions for how Rhode Island Energy projects, tracks, and reports participation in the efficiency programs.

Table 6. Participation Definitions

Fuel	Sector	Program	Participation Unit	
Gas	Commercial & Industrial	Large Commercial New Construction	Unique Billing Account	
		Large Commercial Retrofit	Unique Billing Account	
		Small Business Direct Install	Unique Billing Account	
		C&I Multifamily	Housing Units	
	Income Eligible Residential	Single Family – Income Eligible Services	Unique Billing Account	
		Income Eligible Multifamily	Housing Units	
	Residential	ENERGY STAR® HVAC	Unique Billing Account	
		EnergyWise	Unique Billing Account	
		Multifamily	Housing Units	
		Home Energy Reports	Unique Billing Account	
		Residential New Construction	Housing Units	
	Electric	Commercial & Industrial	Large Commercial New Construction	Unique Billing Account
			Large Commercial Retrofit	Unique Billing Account + Unique Customer names from Upstream Lighting
Small Business Direct Install			Unique Billing Account	
Commercial ConnectedSolutions			Unique Billing Account	
Income Eligible Residential		Single Family – Income Eligible Services	Unique Billing Account	
		Income Eligible Multifamily	Housing Units	
Residential		ENERGY STAR® HVAC	Unique Billing Account	
		EnergyWise	Unique Billing Account	
		Multifamily	Housing Units	
		Home Energy Reports	Unique Billing Account	
		Residential New Construction	Housing Units	
		Residential ConnectedSolutions (Direct Load Control)	Unique Billing Account	
		ENERGY STAR® Products	Number of Rebates	

The Company will estimate the number of unique participants for each program. For some programs such as ENERGY STAR® HVAC, one measure does not necessarily equal one participant. This is because a customer can purchase more than one measure. Therefore, the Company also considers the previous year’s unique accounts to savings ratio in order to estimate the planned unique participants in 2023. This method allows for a better estimation of unique participants but can make it more difficult to compare planned numbers across years.

2.6.1 Workforce Development

In 2023, the Company plans to maintain its historical workforce development investments (see Table 7). In 2022, the Company began funding upskilling in specific areas where there is high confidence in delivering ratepayer benefits (see Table 8), and these efforts will continue in 2023. These investments drive customer benefits by improving installation quality and increasing the industry’s capacity to install non-lighting measures in the near term while also accelerating industry adoption of the advanced controls and high-efficiency HVAC systems identified in the Market Potential Study as areas for growth.

This Plan includes significant investments to ensure a sufficient supply of highly skilled worker capacity to support customer adoption of high efficiency technologies, including advanced control systems and air source heat pumps. The “efficacy” principle of program design specifically calls for “practical partnerships with existing educational and job training entities.” The Company will coordinate with the Department of Labor and Training’s Real Jobs Rhode Island program²³, the RI Department of Education’s PrepareRI initiative²⁴, and other entities to help promote existing solutions to reduce or eliminate duplication of effort and expenditures.

The table below shows continued workforce development activities, with 2023 budget levels providing a steady level of service compared to 2022. These efforts will be supplemented by sales and marketing focused training to program vendor/subcontractor sales and technical staff focused on promoting deeper savings measures to customers. The total for all workforce development activities (continued and new) is \$631,400.

Table 7. Continued Workforce Development Activities

Sector	WFD activity	Description	Target audience	2023 budget
Res	HVAC Check trainings	HVAC installation best practices training delivered as part of the HVAC program	HVAC technicians	\$39,400
Res + IE	Zero Net Energy training	High performance building best practices training delivered as part of the Residential New Construction program	Design professionals, builders / contractors	\$20,000
IE	Miscellaneous IE training	Training on topics such as WiFi thermostats and ASHPs delivered as part of the Income Eligible Single Family program	Weatherization contractors, auditors	\$50,000
Res	RI Builder’s Association and Residential	Weatherization focused training. Students recruited from community with anticipation of returning to their	Weatherization for both Income Eligible	\$40,000

²³ <https://dlt.ri.gov/realjobsri/>

²⁴ <https://www.prepare-ri.org/>

Sector	WFD activity	Description	Target audience	2023 budget
	Construction Workforce Partnership (RCWP) training	community and supporting local CAP agencies.	and Market Rate applications	
C&I	Zero Net Energy training	High performance building best practices training delivered as part of the C&I New Construction and Major Renovations program	Design professionals / developers / contractors	\$20,000
C&I	BOC training	Building O&M best practices training delivered as part of the C&I Retrofit program	Facility managers, building maintenance staff	\$37,000
All sectors	Codes & Standards – code compliance training	A suite of services which includes training sessions (classroom, webinar, and in-field), project-specific “hotline” support, and development and delivery of tools and resources to fill industry gaps.	Code officials, design professionals, builders / developers / contractors	\$200,000
Total				\$406,400

Residential workforce development will focus on continued collaboration between the Company and its vendors with entities such as the University of Rhode Island’s Energy Fellows program and the RI Builders Association and their affiliate Residential Construction Workforce Partnership. Several additional workforce development activities focusing on upskilling the C&I program workforce have been added for 2023 as shown in Table 8. The 2023 plan also includes funds for a vendor to coordinate C&I trainings. The new initiatives address workforce gaps in the following high-priority technology areas:

- Controls (Energy Management Systems (EMS), Building Automation Systems (BAS))
- Ventilation (Demand Controlled Ventilation (DCV), Energy Recovery Ventilators (ERV))
- Variable Frequency Drives (VFDs)
- HVAC
- Retro-commissioning (RCx)
- Lighting controls

Through this approach, the Company will upskill the local workforce to both improve installation quality of these measures and enable the transition to non-lighting measures highlighted by the Market Potential Study. The Company will also engage with other entities in recognition that these efforts fit within a larger workforce development ecosystem. As such, the Company will coordinate with the public and private entities comprising the RI energy efficiency workforce development network to help maximize impact and avoid duplication of efforts. For example, the Company will promote trainings

organized by the Residential Construction Workforce Partnership²⁵, such as the previously mentioned Residential Construction Pre-Apprentice Energy Weatherization Auditor, Installer & Performance Evaluator Training Program that launched in 2021.

The table below describes likely C&I trainings that the Company hopes to offer. These were included in the 2022 Plan; however, the Company has deferred these activities until 2023.

Table 8. New Workforce Development Activities for 2023

Sector	WFD activity	Description	Target audience	2023 budget
C&I	Controls Best Practices training (HVAC and Lighting Controls)	ASHRAE Guideline 36 training (Sequence of Operations)	Contractors / engineers	\$20,000
		Lighting Design Lab (lighting controls) training	Contractors / engineers, program technical and sales staff	\$30,000
C&I	Manufacturer-led trainings	Promote participation in existing manufacturer trainings in the following technology areas: <ul style="list-style-type: none"> • Building / HVAC Controls (e.g., Johnson Controls BAS and HVAC training courses) • DCV and ERV (e.g., Trane Engineers Newsletter Live Series) • VFDs (e.g., Danfoss Drives training) • HVAC (e.g., Mitsubishi heat pump training) • Lighting Controls (e.g., Acuity wired lighting systems course) 		\$50,000
C&I	Industry certifications	Sponsor certifications for local trade allies in the following technology areas (sub-bullets provide sample certifications): <ul style="list-style-type: none"> • Controls <ul style="list-style-type: none"> ○ ISA Building Automation Systems ○ BOMA Building Automation Systems Certificate • HVAC <ul style="list-style-type: none"> ○ NATE Level 4 ○ ASHRAE Certified HVAC Designer • RCx <ul style="list-style-type: none"> ○ ASHRAE Building Commissioning Professional 		\$100,000
C&I	Building envelope	Training to assist facility auditors and engineers identify opportunities in larger buildings and calculate savings. Specific		\$25,000

25 <https://rcwpjobs.com/>

Sector	WFD activity	Description	Target audience	2023 budget
		curriculum will align with findings of Weatherization assessment described in Attachment 8.		
Total				\$225,000

2.7 Equity

The Company is committed to using the rigor of the Participation and Multifamily Census, as well as the Nonparticipant Market Barriers Study, to understand how biases may have impacted program and customer outcomes. In 2023 the Company commits to the following:

- Increasing outreach to underserved communities to encourage participation
- Targeting outreach for landlords to increase participation among renters
- Tracking minority and women owned businesses that are providing services to the EnergyWise program
- Continuing to identify and encourage customers eligible for the discount rate to move to the discount rate²⁶
- Encouraging participation in Residential Income Eligible Services (IES) for new customers enrolled on the discount rate via a “welcome package”²⁷
- Targeting woman and minority-owned businesses through marketing efforts, partnerships with local community organizations, bilingual facility auditors, and making marketing materials available in other languages
- Utilizing the Company’s new codes and standards advancement support service to target nonparticipant markets across all sectors. While the program has yet to bear fruit, this approach overcomes traditional barriers of access by ensuring that efficiency levels are rising for all. See Section 2.5.2 Cross Cutting Programs, Codes and Standards Support for more information

As part of the Company’s 2021 Annual Energy Efficiency Program Plan (2021 Annual EE Plan) and 2021-2023 Energy Efficiency Program Plan (2021-2023 EE Plan), the Company committed to working with the RI Office of Energy Resources (OER) to co-host an Equity Working Group (EWG). The EWG compiled a total of fourteen recommendations (of which five were prioritized) in the areas of outreach and engagement and workforce development and training. Using these recommendations, the Company developed overarching equity-related enhancements for 2022.

²⁶ See Attachment 1 Residential & IES Programs, Section 4 Income Eligible Services.

²⁷ See Attachment 1 Residential & IES Programs, Section 4 Income Eligible Services.

New recommendations from the Equity Working Group this year continued the focus in the areas of outreach and engagement and workforce development and training. In total eight new recommendations were made (three for outreach and engagement and five for workforce development and training). Many of the new recommendations align and/or expand on ones listed in the 2021 Energy Efficiency Plan. Therefore, similar commitments are consolidated in the 2023 Equity Commitments. A full report on the Equity Working Group's activities can be found in Attachment 11.

2.7.1 Equitable Outreach and Engagement

There is a clear need and desire to ensure the benefits of energy efficiency are conferred equitably amongst all RI Energy customers and for that to occur the Company must ensure it is prioritizing historically under-resourced communities and underserved households. For customers to realize the benefits of the Company's programs, they must first participate in them but participation requires awareness and applicability. For this reason, EWG and the Company have focused recommendations and proposed actions in increasing awareness. The Company's outreach and engagement efforts will work to advance awareness, trust, and understanding, ultimately leading to increased participation. The plans detailed below are just the beginning- this will be a long term-iterative process that will eventually foster greater equitability in energy efficiency planning and program design as well.

In Table 9 below are the outstanding and new EWG recommendations and the equity commitments derived from them.

Table 9. EWG Outreach and Engagement Recommendations and 2023 Commitments

EWG Recommendation	RI Energy Equity Commitment
<p>Hire multilingual staff and partner with trusted leaders who have the same ethnic background and that frequent popular community gathering places such as community centers and faith-based organizations.</p>	<p>Promote energy efficiency programs at community gathering places and events</p>
<p><u>NEW:</u> Have X amount staff members attend/host X number of events in communities and host “office hours” or tabling events to answer any questions and make connections. This should be done at community gathering places such as food pantries, churches, back to school events, local parks, and community events.</p>	
<p><u>NEW:</u> Continue to meet communities where they are at through enhancing promotion and education, which includes the translation of resources and trainings into other languages such as Spanish, Portuguese, Hmong, Creole, etc.</p>	<p>Provide enhanced outreach, promotion, and education of all EE offerings in underserved communities. 2023 focus will be on English and Spanish with additional languages possible.</p>
<p>Partner with other home visiting programs to expand the reach and impact of Rhode Island Energy’s energy efficiency programs.</p>	<p>Partner with and cross train other home visiting programs and other community organizations/resource groups to expand the reach and impact of Rhode Island Energy’s energy efficiency programs.</p>
<p><u>NEW:</u> Increase cross-training of Customer Advocates, CAP agencies, and other home-visiting programs (WIC, lead, etc.) to better understand available programs and services for both energy efficiency and health/well-being</p>	

All the commitments listed above can be rolled up into a larger and more meaningful commitment to develop a comprehensive community-based outreach strategy. An all-encompassing strategy will allow the Company to drive the kind of change our customers, communities, and stakeholders want to see. To really do this justice, the Company will need to be able to invest in a multi-year plan for which the foundation is just being laid. The Company can and will make commitments to promote energy efficiency at community gathering places and events, but the Company recognizes that the customers we are trying to reach at these events do not always view the utility as a trusted source of information on how they can save money, reduce their energy burden, improve the overall health of themselves and their homes, and contribute to solving the climate change crisis. While out promoting energy efficiency programs at community gathering places and events hosted at or by trusted community organizations, the ultimate goal will be to build trust with those organizations, so they see they value in and want to assist the Company's outreach efforts in the future. The Company recognizes that delivering these programs will be most effective and most equitable when trusted community organizations are actively involved. The Company also recognizes the need for community involvement to evolve and grow. Once relationships with community-based organizations are established, the Company will need to deepen the level of those relationships from strategic partnerships to operational partnerships to finally collaborative partnerships.

1. Strategic partnerships – where community organizations are engaged only at a high-level to lend their brand to outreach campaigns, provide counsel on how best to reach their membership, and provide the platforms with which to communicate with their membership

2. Operational partners – where community organizations deliver outreach or other elements of programs, typically with volunteers

3. Collaborative partners – where community organizations are actively involved in designing services and interventions.

Relationship building takes time- the Company will need time, and eventually resources, to invest in these relationships as they will be the key to delivering meaningful results and achieving the end goal.

A high-level look at the Company's step by step plan is listed below:

Step 1. The Company will perform its own outreach and engagement activities in targeted communities- the consumer advocates will frequent the community gathering places and participate in events hosted by community organizations in those areas to spread awareness but more so to ultimately lay the foundation for future partnerships.

Step 2. As the foundations of relationships with community-based organizations are laid, the Company will be explicit in their desire for long term partnerships that eventually lead to the Company leaning on the organizations' experience and knowledge to create the solutions that address their community's needs. The early stages of these partnerships will include cross training of the organizations' staff and volunteers on the Company's EE programs so they can aid in outreach efforts. As this grows the Company will need to be prepared to bring resources to the table as these organizations will likely have limited resources.

Step 3. The final step will be to bring these organizations and their voices to the table when it comes time to re-design our program offerings.

Determinants of Success

- Number of events hosted and/or attended by all customer advocates
- Number of customers reached at these events
- Increased participation in EE programs within targeted communities (by zipcode)
- Number of community partnerships established/number of organizations reached
- Number of program referrals from community organizations

It is important to note that the Company does not expect to see a significant increase in program participation from these efforts in the near term. Relationship building takes time and as the non-participant study highlighted, many of the non-participants have a low propensity to participate in programs as they are currently designed- additional work will need to be done with the aid of community experts in the area of planning and program design before seeing real tangible results.

The Company will provide updates on the implementation of these enhancements in the Company's 2023 Annual Energy Efficiency Quarterly Reports to the Public Utilities Commission. The EWG will continue to meet quarterly during 2023.

2.7.2 Diversifying & Supporting the Energy Efficiency Workforce

It is also evident that there is a strong desire among the EWG and stakeholders for the Company to play a larger role in both supporting and diversifying the energy efficiency workforce. The U.S. Energy efficiency industry grew 20% from 2015 to 2019 which is more than three times the growth of the overall economy and energy efficiency jobs pay an average of \$2 per hour more than the national average.²⁸ However not everyone is reaping the benefits- the energy workforce has more men than women, and a smaller proportion of Hispanic and Black people compared to the national workforce. And while the industry is growing, many employers in the energy efficiency sector are reporting that they have difficulty hiring due to a lack of qualified and skilled candidates so there is also a yearning for the Company to assist in strengthening the pipeline of the energy efficiency workforce by preparing workers and students, particularly in underrepresented groups, for local clean energy jobs.

The EWG provided 5 recommendations in this area and while the Company wants to commit to acting on each of them, it is prudent that consideration be given to the Company's current resources. Therefore, the most important commitment the Company is prepared to address is to assess resource requirements needed to deliver on these recommendations. Table 10 presents the EWG-inspired workforce development recommendations and commitments.

²⁸ Utilities Can Diversify The Energy Efficiency Workforce. Here's How., October 29, 2020, ACEEE. <https://www.aceee.org/blog-post/2020/10/utilities-can-diversify-energy-efficiency-workforce-heres-how>

Table 10. EWG Workforce Development Recommendations and 2023 Commitments

EWG Recommendation	RI Energy Equity Commitment
Complete a Rhode Island Workforce Development Needs Assessment	Needs assessment will be completed by year end 2022. Assessment will be used to guide future investments in workforce development and will provide basis for a cohesive workforce development strategy
Continue to support, collaborate and/or fund workforce/training programs like RIBA’s Residential Construction Workforce Partnership, NEEP’s TEP, URI Energy Fellows, etc. In addition, perform better outreach to trade schools	Allocate a portion of the Company’s EE budget to assist in funding RIBA’s Residential Construction Workforce Partnership
Create an internship program or build upon existing efforts to focus on residents (both high school/vocational students and adults) of Environmental Justice (EJ) communities and other underrepresented groups to join the energy workforce	Allocate a portion of the Company’s EE budget to assist in funding RIBA’s Residential Construction Workforce Partnership. RCWP works to recruit applicants from CAP communities and have the trainees return to jobs within their community.
Develop inclusive marketing tools and strategies about career pathways that have information on trainings, wages, and market opportunities	Assess resource requirements needed to deliver on these recommendations
Continue to coordinate and partner with community-based organizations and minority business organizations	Included in the outreach commitments

3 Pilots, Demonstrations, and Assessments

In accordance with Docket 4600-A PUC Guidance Document,²⁹ this Plan includes a description of Commercial, Industrial, and Residential pilots, demonstrations and assessments. These items are all vehicles that may be used to identify, test, analyze, and deliver new innovative solutions and services that are technically feasible, desirable by customers, and viable for inclusion in the portfolio. The Company will continue to systematically review opportunities to add to the portfolio through a consistent and transparent process. Please refer to Attachment 8 for additional details on evaluations for pilots, demonstrations and assessments.

Consistent with PUC Guidance, the Company uses the following definitions for pilots, demonstrations, and assessments.

Pilots: a small-scale, targeted program that is limited in scope, time, and spending and is designed to analyze the feasibility of a future program or rate design. Pilots are designed to test technologies and approaches to energy management not included in the core energy efficiency programs that could potentially become a new, standalone program. Given the scope of adding a new core program to the Company portfolio, it is likely that pilots will require a long-term commitment and broader set of stakeholder input, Savings associated with Pilots will not contribute to shareholder incentives. Pilots may be evaluated with either an independent or a vendor evaluation.

Demonstrations: A demonstration will test the feasibility of a new product or offering for inclusion in existing programs. It is generally expected that demonstrations will be less time and resource intensive than pilots, since generally there is greater certainty around a narrow, incremental idea added to a program rather than a totally new set of offerings. Savings associated with demonstration projects may contribute to shareholder incentives. Demonstrations may be evaluated with either an independent or a vendor evaluation.

Assessments: An assessment will be deployed for solutions that address a particular gap or program need but have significant uncertainty around the effectiveness or potential of the solution to realize savings. Because of the uncertainty, assessments will not include field demonstrations or customer installations. Instead, assessments will focus on information gathering to equip Company staff to make a more informed decision of whether and how to proceed with the idea. It is possible that an assessment could recommend further demonstration of the idea or determine the solution should exit the review process. Savings associated with assessments may not contribute to shareholder incentives. Assessments may be evaluated with an independent evaluation, vendor evaluation, or internal review.

The Company will coordinate efforts with internal and external stakeholders, such as Evaluation, Measurement, and Verification (EM&V), Customer Energy Management (CEM), OER, and EERMC, at

²⁹ Docket 4600-A PUC Guidance Document, October 27, 2017. Section V. Pilots.

various points in the development process to ensure appropriately rigorous evaluation and attention is given to each pilot, demonstration, and assessment. Updates will be provided to OER and the EERMC consultant team on a quarterly basis and will solicit input during the Company's collaborative annual planning process.

4 Evaluation Measurement and Verification Plan

EM&V provides independent verification of impacts to ensure that savings and benefits claimed by the Company through its energy efficiency programs are accurate and credible. EM&V also provides insight into market characteristics and guidance on energy efficiency program design to improve the delivery of cost-effective programs.

To verify the impacts of programs on energy savings, the Company hires independent third-party consulting firms to regularly conduct evaluation studies as part of its evaluation, measurement, and verification process. These evaluations incorporate industry standard methods such as engineering analysis, metering analysis, billing analysis, site visits, surveys, and market studies to realize the actual energy savings of a measure. The EERMC and OER provide direct oversight of each evaluation study conducted. Every year, the results of the studies are used to update the benefit-cost calculations during planning. Attachment 3 EM&V Plan lists the evaluations that have occurred since 2010 that are still being used and their influence on program planning. All completed evaluations are submitted electronically to the PUC; final reports of evaluations completed in prior years are available in the dockets for previous years, on the EERMC website³⁰, or upon request.

Additionally, the EM&V Plan for 2023 is presented in Attachment 3 and includes brief descriptions of each of the proposed studies. The areas proposed for study in 2023 were chosen based on a number of factors: the relative amount of savings in that program or end use, the vintage of the most recent evaluation study, the relative precision of the recent evaluation study, recommendations from previously completed studies, and the available evaluation budget. This list may be added to as the year progresses and different evaluation priorities are identified. In particular, the Company will consider the value of using evaluations from other jurisdictions as well as adding Rhode Island-specific impact or process evaluations, as appropriate, that will help inform the Company's efforts towards achieving the goals of least cost procurement.

5 Coordination with Other Energy Policies and Programs

Continuing to provide the best value to Rhode Island customers necessitates that the Company coordinate with other parts of the energy system, rather than pursuing savings programs and strategies in isolation. In 2023 the Company will continue to seek ways to implement the energy efficiency portfolio of programs in coordination with other Company filings and activities, described below. Efforts have also been taken to ensure the 2023 Annual Plan is aligned with relevant state policies and objectives, with specific coordination opportunities detailed below.

³⁰ See <https://rieermc.ri.gov/resources/> under "EM&V Studies."

5.1 System Reliability Procurement

During the 2023 program year, the Company's energy efficiency programs will continue their longstanding coordination with SRP plans and filings, including the development of the Non-Pipelines Alternative (NPA) program within the SRP pathway. Energy efficiency, among other demand side management solutions, has potential to be a component to meet a variety of situations in which NWAs and NPAs are considered. SRP filings will continue to be made separately from the energy efficiency filings while any charge associated with SRP will be accounted for in the energy efficiency charge. One opportunity for 2023 will be to test location-targeted marketing in heavily loaded feeder areas.

5.2 Advanced Metering Functionality (AMF), Grid Modernization (Grid Mod), Rate Cases, Renewables

On January 21, 2021, the Company filed its proposed Grid Modernization Plan and Updated Advanced Metering Functionality Business Case in RI PUC Docket 5114³¹ and 5113³², respectively. The RI PUC stayed both dockets pending further consideration following the issuance of a final Order in Division Docket No. D-21-09, Petition for Authority to Transfer Ownership of the Narragansett Electric Company to PPL Rhode Island Holdings, LLC, Petition of PPL Corporation, PPL Rhode Island Holdings, LLC, National Grid USA, and the Narragansett Electric Company.³³ Following receipt of Federal, State of Rhode Island and State of Massachusetts regulatory approvals associated with the transaction, PPL Corporation acquired The Narragansett Electric Company on May 25th, 2022, and rebranded the utility as Rhode Island Energy. The Company will file to withdraw the previously filed AMF business case and Grid Mod Plan and is working toward filing an updated AMF business case this fall and Grid Mod plan by the end of the year.

5.3 Act on Climate

The Act on Climate Legislation was signed into law by Governor McKee in April 2021. This legislation accelerates the timeline of legislated GHG reductions in RI and mandates the specified reduction levels. Specifically, 10% below 1990 levels by 2020; 45% below 1990 levels by 2030 (previously 2035); 80% below 1990 levels by 2040 (previously 2050); and net-zero emissions by 2050 (new). Moving forward, the Company's energy efficiency programs will continue to set energy reduction goals these statewide GHG emissions reduction targets and will report GHG emissions reductions in quarterly and annual

³¹ In re: The Narragansett Electric Company d/b/a National Grid – Grid Modernization Plan. RI PUC Docket 5114: <http://www.ripuc.ri.gov/eventsactions/docket/5114page.html>

³² In re: The Narragansett Electric Company d/b/a National Grid – Updated Advanced Metering Functionality Business Case. RI PUC Docket 5113: <http://www.ripuc.ri.gov/eventsactions/docket/5113page.html>

³³ RI PUC Docket 5113, Order 24089: [http://www.ripuc.ri.gov/eventsactions/docket/5113-5114-NGrid-Ord24089%20\(7-14-2021\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/5113-5114-NGrid-Ord24089%20(7-14-2021).pdf):

reports. Tables E-6A and G-6A in Attachments 5 and 6 include the projected carbon reductions from the 2023 Plan.

5.3.1 *Electrification, Heat Pumps, and Delivered Fuel Policy and Objectives*

The Company plans to continue to offer enhanced incentives for customers installing heat pumps using allocated RGGI funds from OER, to the degree that those funds extend into 2023. At this time, the Company does not have visibility to a direct regulatory pathway to the promotion of electrification for delivered fuel customers by way of electric or gas system benefit charge collections for market rate customers. The Company has proposed serving a limited number of income eligible and income eligible multifamily customers that have oil or propane heating systems that are near end of useful life with full replacement costs for electric heating systems. These two programs would traditionally support full replacement costs of existing heating systems with a like-for-like replacement based on heating fuel. The 2023 proposal is to install efficient electric heat for systems identified as near end of life.

The Company also plans to coordinate with OER on the new \$25M heat pump program to facilitate the customer experience, ensure that all available incentives are communicated, and explore synergies in implementation. The draft proposed program design released by OER on July 25, 2022, indicates that the program will include funding for fuel switching and will complement RIE's efforts to promote efficient heat pump adoption for residential, low-income, and small commercial customers.

5.4 *Accounting for New Codes and Standards*

With an update to the state energy code (to the 2018 International Energy Conservation Code (IECC)) in early 2022, new construction savings opportunities have been reduced relative to prior years due to rising baselines. There is a possibility that the Rhode Island legislature will adopt the IECC 2021 model code in 2023. If that takes effect, this will increase baselines and further reduce program-influenced new construction opportunities.

6 *Multi-Year Strategies*

In the revised LCP Standards adopted by the PUC in Docket 5015, the PUC directed the Company to identify investment strategies for which implementation and budget requests (or revenue collection) are expected to span multiple years. In addition to the budgets and targets required for the rest of the portfolio, the PUC directed that the Company may separately provide budgets and goals for multi-year strategies. The requirement applies to both the Annual and Three-Year Energy Efficiency Plans.

There is no such multi-year commitment envisioned for 2023.

CONSISTENCY WITH STANDARDS

7 *Least Cost Procurement Law and Standards*

This Annual Plan is submitted in accordance with the Least Cost Procurement Law, R.I. Gen. Laws § 39-1-27.7, the basis for which is the Comprehensive Energy Conservation, Efficiency, and Affordability Act of

2006, R.I. Gen. Laws § 39-2-1.2, and the Least Cost Procurement Standards as approved and adopted pursuant to Order No. 23890 in Docket No. 5015. The Standards guide how energy efficiency services are delivered – in a manner that is optimally cost-effective, reliable, prudent, and environmentally responsible. Least-Cost Procurement that is Energy Efficiency and Conservation Procurement shall also be lower than the cost of additional energy supply.

The Company has assessed each of these requirements in developing this Plan. Details on the Company’s approach to considering each of these elements are included in this section. In addition, further detail on the cost-effectiveness screening of the proposed investments is in Attachment 4 RI Benefit Cost Test, with detail on rate and bill impacts in Attachment 7.

7.1 Cost-Effectiveness

7.1.1 Interpretation of Standard

The RI Test compares the present value of the total lifetime benefits derived from efficiency savings to the total costs of acquiring those savings (i.e., program and customers’ costs). According to the Standards, “any program with a quantified benefit-cost ratio greater than 1.0 (i.e., where quantified benefits are greater than quantified costs), should be considered cost-effective. Consistent with the PUC’s guidance issued in Docket No. 4600, qualitative benefits and costs may be considered in determining cost-effectiveness. The portfolio must be cost-effective and programs must be cost-effective.”³⁴

7.1.2 Compliance with Standard

The Company has analyzed the cost-effectiveness for the proposed 2023 portfolio and programs using the RI Test as required by Docket 4600³⁵ and the LCP Standards.³⁶ The portfolio and programs proposed for 2023 satisfy these criteria for cost-effectiveness.

As provided for in the Docket 4600 RI Test Framework, benefits include primary fuel energy savings (electricity and natural gas), the value of other resource (fuel and water) benefits, price effects, non-embedded greenhouse gas reduction benefits, non-embedded NO_x reduction benefits, the value of improved reliability, and non-energy impacts (NEIs). Costs include all projects costs, program planning and administration, sales, technical assistance and training, evaluation, and the performance incentive. To illustrate the detailed components of the RI Test as well as the sources of the values, the Company has provided Attachment 4 RI Benefit Cost Test. The RI Test as applied to the 2023 Annual Plan utilizes the regional avoided cost study, referred to as AESC 2021, completed by Synapse Energy Economics in May 2021 that provided the monetization of most benefit categories in the 2019 – 2021 Annual Plans

³⁴ RI PUC Docket 5015, LCP Standards, Section 3.2N

³⁵ RI PUC Docket 4600, <http://www.ripuc.ri.gov/eventsactions/docket/4600page.html>

³⁶ RI PUC Docket 5015, LCP Standards

http://www.ripuc.ri.gov/eventsactions/docket/5015_LCP_Standards_05_28_2020_8.21.2020%20Clean%20Copy%20FINAL.pdf

and the 2021 – 2023 Three-Year Plan. The monetization of benefits also incorporates the latest EM&V results that affect claimable savings in the programs. Attachment 4 provides additional detail on changes in the avoided costs.

Attachment 5, Table E-5 shows that the proposed portfolio of electric programs, including active demand response, is expected to have a benefit/cost ratio of 2.51 in the presentation of BCR results, which means that approximately \$2.51 in monetized lifetime benefits is expected to be created for each \$1 spent on the portfolio. Attachment 6, Table G-5 shows that the proposed portfolio of gas programs is expected to have a benefit/cost ratio of 2.97 in the presentation of BCR results, which means that \$2.97 in lifetime benefits is expected to be created for each \$1 spent on the portfolio. The tables in Attachments 5 and 6 also demonstrate cost-effectiveness at a program level.

7.1.3 Other Economic Impacts

Cost-effectiveness results do not include economic impacts such as employment and gross state product impacts from energy efficiency investments. Per agreement with stakeholders, economic impacts are shown separately from the benefit-cost analysis in Attachment 5, Table E-5 (Economic Benefits) and Attachment 6, Table E-6 (Economic Benefits). With the isolation of economic impacts, all programs and portfolios still achieve benefit-cost ratios of at least 1.0. In addition, the RI Test and the Docket 4600 Framework guidance also indicate that categories of the Framework can be considered qualitatively in the assessment of cost-effectiveness. When considering the significant economic activity generated directly by the programs, including supporting 1,011 FTEs associated with the programs and more than 1,000 companies involved, as well as non-quantified benefits such as resiliency, a reasonable assumption is that the macroeconomic benefits of the programs are positive and potentially significant and, were those benefits included in the RI Test screening as quantified benefits, the programs would achieve more favorable benefit-cost ratios.

7.2 Reliability

7.2.1 Interpretation of Standard

The Standards for reliability create an expectation that the Company will be able to deliver the programs described herein and that the savings realized from program delivery are accurately estimated and measured. In addition, as applicable, programs should be scalable and be tailored to meet specific system needs.

7.2.2 Compliance with Standard

The programs developed under this Annual Plan will continue the Company's extensive history of offering best-in-class energy efficiency programs to customers. The Company continues to collaborate with a diverse set of stakeholders including the EERMC, OER, Division, and community and advocacy organizations to continually analyze the programs and identify opportunities for improvement.

In building this Annual Plan, the Company's Customer Energy Management team worked closely with industry experts, vendors, and program implementation professionals to assess the current state of

existing programs, the potential for program scalability, the economic environment, and the ability to deliver reliable energy savings as a result.

Supporting the Company's efforts to deploy energy efficiency to Rhode Island customers is a robust and long-standing evaluation, measurement, and verification (EM&V) apparatus. As noted in Section 4, the Company hires independent third-party consulting firms to regularly conduct evaluation studies as part of its EM&V process. A distinct group of personnel within Rhode Island Energy that includes analysts with specialized skills in engineering, statistics, and economics are tasked with the EM&V function and coordinate all elements of the EM&V process internally and externally. Evaluations incorporate industry standard methods to assess the actual energy and demand savings of measures incented by the programs. All elements of the EM&V process are closely monitored by the EERMC, their Consultants, and OER. The EM&V process is continual, and every year results from EM&V studies are used to update the savings in the benefit cost calculation of the measure, programs, and portfolios. In addition, process evaluations and market studies conducted in the EM&V process provide an independent perspective on the performance of the programs and provide insight into the state of the market and ways that the Company can address new opportunities with its programs.

In total, these EM&V processes provide a transparent, externally vetted approach to ensuring that claimed savings provide an accurate picture as possible of the impact of the Company's energy efficiency programs, accounting for spillover, free ridership, and other industry standard adjustment factors

The EM&V process also supports the Company's participation in the ISO-NE Forward Capacity Market (FCM). Passive demand savings achieved via electric energy efficiency and Combined Heat and Power projects, and verified by the EM&V process, continue to participate in the FCM as Passive On-Peak Demand Resources. As detailed further in Section 9.2.3, the Company bids the passive demand savings attributed to energy efficiency measures and Combined Heat and Power facilities in the FCM and manages the associated capacity resources to maximize the resulting FCM revenue. The EM&V process provides the necessary verification of claimed savings in order to meet the high standards for participation in the ISO-NE FCM.

7.3 Prudency

7.3.1 *Interpretation of Standard*

The Company has considered, and continues to consider, several key components in the analysis of prudency. These components can be summarized as considerations about the proposed investments on the following:

- Support for the purposes of Least Cost Procurement
- Synergy savings through alternatives that meet multiple needs
- Management of risks to ratepayers and the distribution Company
- Effective use of funding sources
- Equitable in the allocation of costs, benefits, and services
- Rate and bill impacts

- Continuity of implementation efforts

7.3.2 *Compliance with Standard*

For the proposed investments detailed in this Plan, the Company has assessed each of these elements and how they can be balanced to provide a comprehensive set of programs that will be achievable within known and anticipated constraints.

Purposes of Least Cost Procurement. This plan secures cost-effective energy efficiency resources to support the electric and gas system through the creation of customer benefits in various components enumerated in both the RI Test, comparison with the Cost of Supply, as well as the Performance Incentive Mechanism.

Synergy savings. Program design seeks out synergies in customer participation, through a comprehensive view of savings opportunities wherever possible and tiered incentive offers. As an example of the way that the proposed investments in this plan address multiple needs, the electric demand response program continues to grow in magnitude of savings and offerings while utilizing channels and technologies that drive not only energy savings but also reduced cost and deferred infrastructure benefits that flow from reducing peak demand.

Management of risks. Energy efficiency investments are generally low risk investments. Savings have been well researched and documented through evaluation studies and the Company has confidence, based on those studies, that predicted savings will be realized. Continued research through new evaluation studies contribute to continuous program improvement and increasing levels of confidence. Furthermore, many programs include customer education, post-installation inspection, or commissioning to provide a foundation for assumptions about savings persistence. This further reduces risk to ratepayers. Additionally, when the savings are reliably estimated, it serves to increase confidence and reduce risk related to the energy efficiency resource in distribution planning. Finally, by reducing costs and reliance on fuel supply by reducing demand, energy efficiency can offer some protection and risk reduction associated with market and energy price volatility.

Effective use of funding. As described in Section 9.2, the Company has identified a number of funding sources to support the Plan budget. Furthermore, several sources of financing are offered to customers to enable program budgets to go further to achieve Plan targets. Finally, effective use of funding is represented in the mix of measures and incentives planned in order to balance the portfolio to achieve the Plan's objectives.

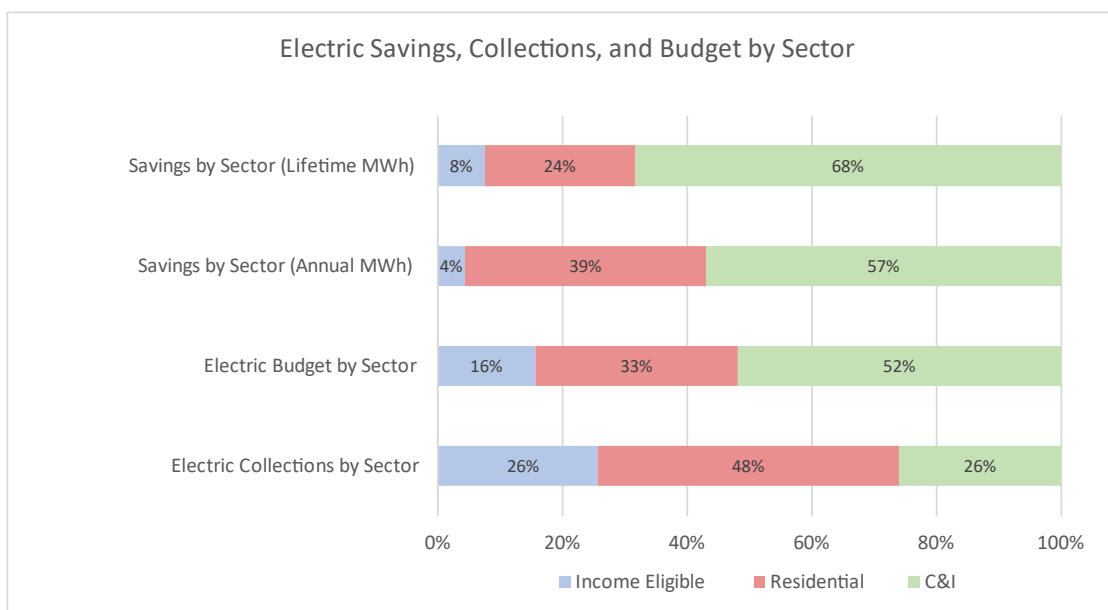
Equitable Allocation of Cost and Benefits. An equitable allocation of costs and benefits serves to minimize the cost of the power system to all customers.³⁷ The Company has assessed equitable

³⁷ The equitable allocation of services promotes equity of access or opportunity and is addressed in Section 2.7 and other areas of the Plan.

allocation among sectors along dimensions of collections, budgets, and savings. As shown in Figure 1, there is approximate parity between the collections by a customer class and its resulting budget and savings in the electric portfolio. The only exception is the income-eligible sector where part of the collections from the residential and C&I customer classes are used to help cover the income-eligible sector funding needs.

The income-eligible budget is higher compared to its savings due to several factors: incentives are 100% of the cost, the programs are more expensive because they are delivered in-home (compared to at retail sites or via rebates) which requires more labor and management, and the programs have fewer economies of scale (compared to C&I). \$25.0 million is budgeted for the delivery of the gas and electric income eligible sector programs, 23.5% and 15.5% of the total funding for each fuel portfolio respectively in 2023. Taken together, these investments represent 17.5% of the overall electric and gas portfolio budgets.

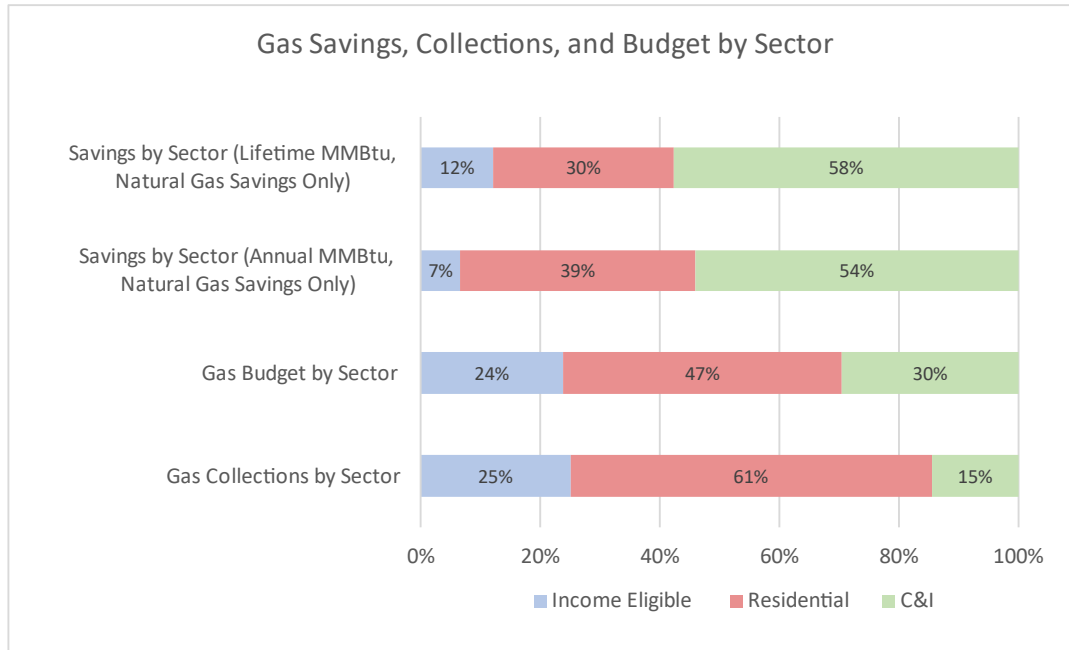
Figure 1. 2023 Graphical representation of Attachment 5 Table E-1, E-7, and total Electric Savings by Sector, Cumulative



For the gas portfolio, there is also parity between the collections by a customer class and the resulting savings. There is less equitable allocation between budgets and savings. This is due to several factors. First, the energy efficiency program charge varies by customer segment, which changes collections. Second, C&I projects tend to create more savings per dollar. This is due to larger economies of scale, larger projects, different delivery channels that require less labor or management and are more cost-effective, evaluation factors such as free-ridership and spillover, and different customer opportunities.

Given these considerations, as well as the continued interest in supporting income eligible programs, the allocation of costs and benefits is prudently equitable.

Figure 2. 2023 Graphical representation of Attachment 6 Table G-1, G-7, and total Gas Savings by Sector, Cumulative



Rate and Bill Impacts. The Company has assessed rate and bill impacts of the proposed electric and gas portfolios. Summary results are included in the tables below, while additional details are available in Attachment 7, Rate & Bill Impacts. Electric programs are projected to usually generate slight upward movement on long term rates, but sometimes generate a reduction in long term rates. The range of long term rate impacts is between -0.07% and 0.21%. For both residential and C&I participants, modeling shows a reduction in bills between 0.06% and 20.28%. Natural gas programs are projected to generate slight upward movement on long term rates between 0.01% and 0.54%. For income eligible customer participants, small C&I participants, and large C&I participants, modeling shows a reduction in bills between 3.33% and 23.54%.³⁸

Table 11 and Table 12 summarize the results of the electric and natural gas rate and bill analyses for the 2023 proposed programs, respectively. All electric sectors, except standard residential, see slight increases in long-term rates.³⁹ For all sectors, average electric customers see small decreases in overall bills. Furthermore, average electric participants see decreases in their long-term bills. All gas sectors see a slight increase in long term rates due to the 2023 programs.⁴⁰ With the exception of the large C&I customers, the average gas customer sees a small increase in long term bills. On the other hand, the average gas participant experiences a reduction in long term bills across all sectors.

Table 11: Rate and Bill Impact Results for the Electric Portfolio

Sector	Long-Term Rate Impacts (% of Total Rate)	Typical Bill Savings (% of Total Bill)		
		Non-Participants	Average Customer	Average Participant
Residential (Model 1: HERs only)	0.01%	0.01%	-0.03%	-0.06%
Residential (Model 2: All Programs Except HERs)	-0.03% ⁴¹	-0.03%	-0.22%	-4.81%
Residential (Model 3: All Programs)	-0.07% ⁴¹	-0.07%	-0.30%	-4.72%
Income Eligible (Model 1: HERs only)	0.00%	0.00%	-0.04%	-0.07%

³⁸ The calculated impacts on long-term rates are not designed to reflect the net increase or decrease to the EE charge from the prior/current EE plan. Instead, the models calculate the long-term rate impact of the electric and gas EE portfolios by comparing a “No EE” scenario to an “EE” scenario of customer rates. In other words, the “No EE” scenario models rates in the absence of an EE program, and, therefore, contains no EE charge while the “EE” scenario models rates in the presence of an EE program, and, therefore, contains an EE charge. Additionally, long-term rate impacts are captured as a levelized average over the study period rather than a single year.

³⁹ “Long-term” means over the 20-year study period.

⁴⁰ “Long-term” means over the 25-year study period.

⁴¹ Note that for electric models 2 and 3, long term rates decrease despite the presence of an EE charge. These decreases are caused by avoided transmission and distribution charges. In other words, the cumulative avoided transmission and distribution charges are larger than the EE charge.

Income Eligible (Model 2: All Programs Except HERs)	0.21%	0.21%	-0.58%	-5.65%
Income Eligible (Model 3: All Programs)	0.10%	0.10%	-0.81%	-6.09%
Small C&I	0.10%	0.10%	-0.48%	-20.28%
Medium C&I	0.01%	0.01%	-0.49%	-7.00%
Large C&I	0.03%	0.03%	-0.46%	-5.16%

Table 12: Rate and Bill Impact Results for the Natural Gas Portfolio

Sector	Levelized net change in rates due to 2023 Programs	Long Term Average Change in Bills		
		Non-Participants	Average Customer	Average Participant
Residential (Model 1: HERs only)	0.01%	0.01%	-0.01%	-0.02%
Residential (Model 2: All Programs Except HERs)	0.36%	0.35%	0.12%	-5.96%
Residential (Model 3: All Programs)	0.37%	0.37%	0.11%	-0.05%
Income Eligible	0.54%	0.55%	0.11%	-3.69%
Small C&I	0.26%	0.25%	0.08%	-23.54%
Large C&I	0.31%	0.30%	-0.07%	-3.33%

When the HER program is considered in isolation (Model 1), average participants see a reduction in bills of 0.06% for residential electric, 0.07% for income eligible electric, and 0.02% for gas. These results can largely be attributed to the relatively short duration of savings from this program. When all other residential programs except HERs are considered together (Model 2), average participants see 4.81%, 5.65%, and 5.96% reductions in average bills for electric residential, electric income eligible, and gas customers, respectively. Lastly, when all residential programs are considered together including the HER program (Model 3), long-term average reductions in bills are 4.72% for electric residential, 6.09% for electric income eligible, and 0.05% for gas. The Company asserts that this rate and bill impacts analysis demonstrate a prudent investment of ratepayer funds in the pursuit of the objectives of Least Cost Procurement.

For 2023, at the request of stakeholders, the Company has developed an estimate of the delivered fuel bill impacts experienced by electric energy efficiency program participants who heat with delivered fuels. While delivered fuels are unregulated, integrating delivered fuel and electric bill analysis provides a sense of the overall impact electric energy efficiency programs have on total bills. See Table 13 below and Attachment 7 for details.

Table 13: Delivered Fuels and Combined Bill Impacts

Sector	Long Term Average Change in Bills	
	From Delivered Fuels	Total (Electric and Delivered Fuels)
Residential (Participants)	\$240.39	\$311.57
Income Eligible (Participants)	\$276.06	\$375.22

The Company also has assessed the annual change in rates from 2022 to 2023 driven by the funding plan and budgets discussed later in this Plan as another dimension of prudence. Table 14 summarizes the changes in rates based on the E-1 and G-1 tables. While the Company’s proposed budget for 2023 is approximately equal to the budget levels approved in the 2022 Annual Plan, several factors contribute to the change in the energy efficiency charges being negative. These factors (which were projected in the 11-month indicative energy efficiency charges set forth in the Company’s compliance filing dated January 27, 2022, which took effect February 1, 2022) include the budget levels, other sources of funding, fund balances, and anticipated electric loads and natural gas sales. The changes to annual rates caused by these factors may be considered to be prudent. These elements are discussed further in Section 9 of this Plan.

Table 14. Summary of Changes in Rates between 2022 and 2023

Rate Category	2022	2023	2022 – 2023 Growth
Gas Residential SBC (\$/therm)	0.1354	0.1172	-13%
Gas C&I SBC (\$/therm)	0.0886	0.0648	-27%
Electric SBC (\$/kWh)	0.01222	0.00862	-29%

Continuity of implementation efforts. While not explicitly spelled out in the Standards, the Company has historically considered the continuity of implementation efforts as an element of prudence. Continuity of implementation efforts means changing the scope or scale of programs in a way that is sensitive to maintaining and developing a skilled workforce and receptive to the prevailing economic conditions in the marketplace. The Company generally informs vendors of planned program changes to enable them to prepare their workforce as necessary (for example to ramp up or provide training). The Company also pays attention to this aspect of continuity because, absent continuity, skilled workers may move to other jobs which could result in disruptions of energy efficiency services to customers.

7.4 Environmentally Responsible

7.4.1 Interpretation of Standard

Environmental responsibility includes compliance of the energy efficiency plan with state policies, particularly pollution reduction. It further requires proper valuation of environmental costs and benefits in the plan.

7.4.2 Compliance with Standard

The energy efficiency programs and portfolios described in the Annual Plan are environmentally responsible. As detailed in Section 5.3, the recently passed Act on Climate stipulates mandatory and time-bound emissions reductions for the state. This Annual Plan seeks to continue the progress that has been made in reducing emissions by providing customers across all sectors with ways to reduce their energy consumption. Energy efficiency therefore contributes directly to meeting the Act on Climate's goals. In addition to direct emissions reductions benefits, energy efficiency investments reduce the potential environmental costs and footprint of avoided infrastructure investments and support the ongoing growth and development of a sustainable, green job ecosystem in Rhode Island.

Both electric and natural gas efficiency portfolios will make a meaningful contribution to reduction in emissions by driving reductions in customer energy usage in both the short and long term. As shown in Attachments 5 and 6, the electric and natural gas portfolios, considered together, will reduce emissions by 75,426 short tons of carbon in 2023⁴². The values of non-embedded avoided carbon are calculated using avoided cost values determined in AESC 2021 and the AESC Supplemental Study: the non-embedded values of CO₂ and NO_x benefits generated by the 2023 annual plan over the lifetime of the measures are \$200.8M and \$4.0M respectively. These monetized values of emissions are included as benefit streams in the RI Test benefit-cost assessment and in the assessment of cost of supply for the portfolio; however, they are excluded from the calculation of net benefits in the Performance Incentive Mechanism.

As noted in Section 2.6.1, this Annual Plan includes several activities designed to support upskilling of the green workforce. In providing for these jobs and demonstrating the availability and attractiveness of local, green jobs to Rhode Island's existing and emerging workforce, the Company's energy efficiency programs help to ensure that the local workforce will exist to support the state's environmental policy goals.

Educating and engaging residential and business customers on the potential environmental impacts and benefits of the implementation of energy efficiency measures is a foundational element of the Company's energy efficiency go-to-market strategy and also contributes to the environmental responsibility of the Plan. Whether in the form of conveying potential environmental benefits of customer recommendations through Home Energy Reports, EnergyWise home energy assessments, or retail marketing initiatives, or by connecting SMB audits or large C&I customer sales efforts to business customer sustainability initiatives, the Company's energy efficiency program presence continue to help to support the prominence of environmental issues in customers' minds. Additionally, through the Community-Based Initiative, the Company partners with municipalities and works through local energy and environmental sustainability committees to connect individual customers' energy efficiency

⁴² While all energy savings seen in the plan are net, these emissions are calculated based on gross energy savings from EE measures because meeting the state's targets does not depend on who is getting credit for the GHG reductions. The marginal carbon emission rates are from "Avoided Energy Supply Components in New England: 2021 Report" Appendix G.

decisions and actions to broader municipal sustainability goals and messages. In doing so, the Company's programs continue to link energy savings and efficiency to real and visible benefits for the communities in which their residents and small business reside.

7.5 Cost of Annual Plan Compared to the Cost of Energy Supply

7.5.1 Interpretation of Standard

In accordance with the LCP Standards, the Company assessed the cost of incremental energy supply and the cost of energy efficiency using all applicable costs enumerated in the Rhode Island Benefit Cost Framework (Framework) approved by the PUC in Docket 4600-A and the Rhode Island Test as described in Attachment 4 RI Benefit Cost Test. This method is substantially the same as that used in the 2022 Plan.

The Company is proposing an adjustment to the methodology regarding utility non-energy impacts to align with how utility non-energy impacts are treated in the performance incentive mechanism. Called "Utility NEIs," they include non-energy impacts of decreased costs to the utility⁴³ from installing energy efficiency measures. The cost of supply methodology has been updated to include these costs, which is reflected in Table 15.

7.5.2 Compliance with Standard

Based on the Company's calculation, the total cost of energy efficiency for the electric portfolio is \$125.6M and the total cost of electric supply to meet the same need would be \$284.6M. This is a total savings of \$159.0M over the life of the installed energy efficiency measures from investing in energy efficiency instead of electric supply. The total cost of energy efficiency for the natural gas portfolio is \$44.7M and the total cost of natural gas supply to meet the same need would be \$97.5M. This is a total savings of \$52.8M over the life of the installed energy efficiency measures from investing in energy efficiency instead of natural gas supply. The methodology for calculating Cost of Supply is detailed below.

The RI Test is an appropriate mechanism to determine which costs to include in this assessment. The RI Test, as detailed in Attachment 4, captures the aspects of the Framework that pertain to energy efficiency programs. For the purposes of this assessment, the avoided cost values in the RI Test can also be applied as the costs of procuring additional energy supply. The RI Test also details what is considered a cost of energy efficiency. These are costs incurred by the utility to implement the Plan and the expense borne by the customer for its share of the energy efficiency measure cost.

The Company proposes to use the costs described in Table 15 to compare the cost of energy efficiency to the cost of energy supply. The categories listed in this table are all used in the RI Test, as defined in Attachment 4 of the Plan. As directed by the LCP Standards, the Company provides an explanation for

⁴³ This includes the NEIs of bad-debt write-off, terminations & reconnections, customer calls and collections, notices, and safety related emergencies.

why cost categories are either appropriate or not appropriate for inclusion in the assessment of the cost of energy supply compared to the cost of energy efficiency.

Table 15. List of the Costs of Energy Efficiency and Costs of Energy Supply

Costs of Energy Efficiency		
Cost	Included (Y/N)	Explanation
Utility Costs	Yes	These costs are incurred to achieve implementation of energy efficiency measures and programs. Includes all costs in Tables E-2 and G-2.
Participant Costs	Yes	Customer contribution to the installation cost of the efficient measure. Customer costs included in Tables E-5 and G-5.

Costs of Energy Supply		
Cost	Included (Y/N)	Explanation
Electric Energy Costs	Yes	Represents the cost of purchasing electric energy supply.
Electric Generation Costs	Yes	Represents cost of generation capacity in ISO-NE.
Electric Transmission Capacity Costs	Yes	Represents Pool Transmission Facilities (PTF) cost.
Electric Distribution Capacity Costs	Yes	Represents the cost of distribution capacity related to increased load.
Natural Gas Costs	Yes	Represents the cost of purchasing natural gas supply.
Fuel Costs	Yes	Non-regulated delivered fuels are an energy supply cost to customers that utilize these fuels for heating. The fuel costs in this category are separate from those embedded in the cost of the electric market. While not a direct cost of electric energy supply, Rhode Island Energy includes incentives for delivered fuel energy efficiency measures in its electric portfolio. Therefore, to achieve symmetry with costs associated with electric energy efficiency, delivered fuels costs should be included in this comparison.
Water and Sewer Costs	No	While avoided water and sewer costs are a benefit of installing certain energy efficiency measures, they are not a direct cost of energy supply.
Non-Energy Impact Costs	No	With the exception of the three NEIs listed below, while non-energy impacts are a benefit of installing certain energy efficiency measures, they are not a direct cost of energy supply.
<ul style="list-style-type: none"> • Income Eligible Rate Discount • Arrearages • Utility 	Yes	Costs associated with energy being sold at the income eligible rate
	Yes	Costs associated with arrearage carrying costs as a result of customers not being able to pay their energy bills
	Yes	Costs associated with utility carrying costs as a result of customers encountering issues with utility services or paying their bills.

Price Effects	Yes	Represents costs associated with the impact of demand reduction on ISO-NE energy and capacity markets.
Non-embedded Greenhouse Gas Reduction Costs	Yes	Represents the social cost of carbon. The social cost of carbon is the cost associated with meeting the goals of the Act on Climate. Carbon emissions come from the production of energy and should be considered a cost of supplying that energy.
Economic Development	No	While economic development is a benefit of investment in energy efficiency measures it is not a direct cost of energy supply.
Non-embedded Nitrous Oxide (NOx) Costs	Yes	NOx emissions come from the production of energy and therefore the health impacts of NOx emissions should be considered part of the cost of supplying that energy.
Reliability Costs	Yes	Increased energy demand can lead to declining reserve margins and decrease reliability so should be associated with the cost of energy.

For the assessment, the Company applies the above costs of supply to the lifetime electricity, lifetime MMBtu of delivered fuels, demand, and natural gas savings for each measure included in the Plan in present value terms. The costs of the 2023 Plan occur only in 2023 and are therefore not discounted. The results of the Cost of Supply analysis are presented in Table 16.

Table 16. Costs of Energy Efficiency and Costs of Energy Supply

Benefits	Electric	Gas
Electric Energy	\$45,759,087	\$576,068
Electric Generation	\$5,670,286	\$347,315
Electric Transmission Capacity	\$15,452,705	\$476,515
Electric Distribution Capacity	\$17,542,340	\$586,276
Natural Gas	-\$698,454	\$29,750,037
Delivered Fuel	\$26,168,359	\$0
Price Effects	\$31,951,174	\$1,259,443
Non-Embedded Greenhouse Gas Reduction	\$139,315,819	\$61,446,066
Non-Embedded NOx	\$1,521,491	\$2,514,371
Reliability	\$1,667,870	\$40,633
Income Eligible Rate Discount	\$42,911	\$64,512
Arrearages	\$50,394	\$143,281
Utility	\$116,266	\$326,953
Cost of Supply	\$284,560,248	\$97,531,469
Costs	Electric	Gas
Program Implementation Expenses	\$102,018,013	\$36,152,924
Customer Contribution	\$20,064,183	\$7,815,712
Shareholder Incentive	\$3,501,153	\$721,940
Cost of EE	\$125,583,349	\$44,690,576
Difference	\$158,976,899	\$52,840,893

GOALS, BUDGET, AND FUNDING PLAN

Funding, budgets, goals, and cost-effectiveness information is provided in Attachment 5 Electric EE Program Tables for the proposed electric energy efficiency programs and in Attachment 6 Gas EE Program Tables for the proposed natural gas energy efficiency programs.

8 Savings Goals

In 2023, the Company will primarily measure performance through lifetime energy savings. These savings align with the energy savings Targets as set by the EERMC (and approved by the PUC in Docket 5023).⁴⁴ The Company recognizes the long-term value of developing and achieving lifetime energy savings goals because of the focus on longer term customer savings and benefits. The electric portfolio will measure energy savings in units of lifetime MWh and the gas portfolio will measure energy savings in units of lifetime MMBtu. For comparability with past plans, the Company will continue to track and report on annual energy savings as has been done for the duration of the programs. Electric demand savings, from passive energy efficiency savings and active demand response, will continue to be measured and reported in annual units of kW.

The Company will also track net annual and lifetime all-fuel MMBtu (electric, gas, oil, and propane) savings for both the electric and gas portfolios.⁴⁵ Tracking net annual and lifetime all-fuel savings (MMBtu) more fully captures the net effect of all-fuel savings efforts (electric, gas, oil, and propane). The tracking effort will provide useful information and benchmarking for state efforts to support decarbonization of the thermal energy sector and better support State and Company greenhouse gas reduction goals now and in the future.

Carbon reductions will be calculated and reported as a secondary goal in 2023 consistent with the Standards and the Act on Climate.⁴⁶

Savings goals for the electric portfolio are presented in Attachment 5 and for the natural gas portfolio in Attachment 6.

8.1 Annual Plan Compared to the Three-Year Plan

The energy and cost savings for the 2023 program year are consistent with the objectives and requirements of Least Cost Procurement. However, as seen in Table 17 and Table 18, there are some

⁴⁴ RI PUC Docket 5023, <http://www.ripuc.ri.gov/eventsactions/docket/5023page.html>

⁴⁵ See Tables E6-A and G6-A for calculation of annual and lifetime MMBtu of all fuels

⁴⁶ See Tables E6-A and G6-A for calculation of annual short tons of CO₂.

notable differences between the goals proposed in the 2023 Annual Plan and the Three-Year Plan Compliance Filing.

Table 17. Comparison of 2023 Electric Portfolio in Three-Year Plan Compliance Filing and 2023 Annual Plan

Electric Portfolio	2023 in 3YP Compliance Filing	2023 Annual Plan	% Change
Net Annual Savings (MWh)	131,873	99,358	-24.66%
Net Lifetime Savings (MWh)	1,333,218	685,209	-48.60%
Total Benefits (RI Test)	\$ 646,450,249	\$314,779,559	-51.31%
Total Budget	\$ 128,755,600	\$105,519,166	-18.05%
Benefit Cost Ratio (RI Test)	4.29	2.51	-41.57%
Cost/Lifetime kWh	\$ 0.109	\$0.178	63.46%
EE Program Charge per kWh	\$ 0.01726	\$0.0086	-50.06%

Table 18. Comparison of 2023 Gas Portfolio in Three-Year Plan Compliance Filing and 2023 Annual Plan

Gas Portfolio	2023 in 3YP Compliance Filing	2023 Annual Plan	% Change
Net Annual Savings (MMBtu)	440,421	324,879	-26%
Net Lifetime Savings (MMBtu)	4,447,108	3,537,835	-20%
Total Benefits (RI Test)	\$151,000,725	\$132,825,373	-12%
Total Budget	\$38,558,829	\$36,874,864	-4%
Benefit Cost Ratio (RI Test)	3.08	2.97	-4%
Cost/Lifetime MMBtu	\$10.63	\$12.43	17%
C&I EE Program Charge per Dth	\$0.787	\$0.648	-18%
Residential EE Program Charge per Dth	\$1.131	\$1.172	4%

There are a few key drivers contributing to these differences. As described below, some of these drivers interact with each other.

- Budgets for 2023 are lower than anticipated in the Three-Year Plan. As noted previously, the Company has balanced concern about the rising cost of energy during a period of economic uncertainty with its energy efficiency objectives.
- Costs to acquire energy efficiency per lifetime MMBtu and lifetime kWh are higher. Supply chain disruptions and inflation are increasing the cost per unit savings for 2023. This results in fewer savings being achieved for every dollar spent. The amount of inflation that has occurred in recent months was not factored into the 2021 – 2023 Three-Year Plan but has been considered in 2023 planning. Based on some focused research and information from the field, the average energy efficiency dollar acquires at least 10% fewer savings than projected in the Three-Year Plan.
- Claimable savings in the electric portfolio have been influenced by measure mix and evaluation results. This is most prominently observed with Commercial and Industrial (C&I) lighting measures where evaluation results significantly reduced the claimable measure lives by

approximately 40% compared to assumptions used in the Three-Year Plan.⁴⁷ Since lighting was such a large part of the C&I portfolio, this change has had a significant impact on lifetime MWh. Furthermore, because lighting savings were relatively inexpensive, the decrease in lighting savings increases the cost per unit of savings, decreases total electric benefits and impacts the B/C Ratio (RI Test) results compared to the Three-Year Plan.

- Differences in benefits are also attributable to the application of avoided costs from the 2021 Avoided Energy Supply Component Study (AESC 2021), completed by Synapse Energy Economics (Synapse) as an update and replacement of the AESC 2018 Study that provided the monetization of most benefit categories in the Three-Year Plan. The 2023 Plan benefits also include an updated value for the Social Cost of Carbon based on a supplemental study to AESC 2021 released by Synapse in October 2021.
- Three-Year Plan total benefits includes monetized economic impacts, such as RI GDP impacts, while 2023 Annual Plan total benefits exclude monetized economic impacts. In the Three-Year Plan, monetized economic impacts accounted for over 30% of the gas portfolio total benefits and over 40% of the electric portfolio total benefits. The exclusion of monetized economic benefits also applies to the calculation of Benefit Cost Ratios.

9 Funding Plan and Budgets

In developing the budgets and funding plans for this 2023 Annual Plan, the Company took into account the traditional factors (anticipated 2022 year-end fund balances and anticipated 2023 sales volumes⁴⁸) that always impact the relationship between requested implementation budgets and the required customer surcharges necessary to fund the proposed plan.

9.1 Budgets

The Company is proposing energy efficiency portfolio budgets for 2023 that are slightly lower than the final approved budgets for 2022. In developing the 2023 Annual Plan, the Rhode Island Energy team has focused on striking the best balance between delivering the necessary benefits of energy efficiency and maintaining a budget that reduces bill pressure on our customers given present economic realities affecting Rhode Island. The Company submits that its approach in developing the budget for 2023 is consistent with the prudence requirements of the Standards.

The portfolio of energy efficiency programs and services for 2023 will have an overall budget of approximately \$105.5M for electric programs and \$36.9M for natural gas programs. The budget is

⁴⁷ Based on the Rhode Island C&I Lighting Market Characterization Study that produced results in August 2022.

⁴⁸ The 2023 Annual Plan will be submitted to the RI PUC on October 1, 2022, consistent with the revised LCP Standards issued by the RI PUC in 2020. Given this updated timeline compared to prior years, the Company may not be able to include its updated annual electric load forecast for the October 1st filing. When the electric forecast is available, the Company will provide an updated filing to the RI PUC, consistent with past practice when incremental information on in-year spend is available following filing.

segmented into three sectors: residential income eligible, residential non-income eligible, and commercial and industrial. Proposed sector and program budgets are provided in Attachment 5 Electric EE Program Tables, Table E-2 and Attachment 6 Gas EE Program Tables, Table G-2. A comparison of these proposed budgets to the 2022 budget is provided in Attachment 5, Table E-4 and Attachment 6, Table G-4.

The Company will continue the practice of funding commitments established in the 2014 Plan, Docket 4451. Specifically, the Company will continue to make funding commitments for projects with a projected one time incentive in excess of \$3 million. For all other projects, except those with incentives greater than \$3 million, there would be no commitment budget.

9.2 Funding Plan

The 2023 budgets for cost-effective electric and natural gas efficiency investments are dependent on a number of projections that inform the amount of funding, including projections of electricity and natural gas sales, year-end 2022 large C&I program commitments, capacity payments received from ISO-NE (electric only), and forecast year-end 2022 spending. The sources of funding and the amounts of the funding proposed for the 2023 energy efficiency programs are shown in Table E-1 for electric programs and Table G-1 for natural gas programs. Annual Plan funding sources are described in the sections that follow.

9.2.1 Energy Efficiency Charges

The sources of funding for the 2023 electric programs are shown in Attachment 5 Electric EE Program Tables, Table E-1. To collect these funding sources for the 2023 cost-effective programs, the Company proposes: (1) one line on the customers' bill labeled "Energy Efficiency Charge" at \$0.00862 per kWh, as calculated in Attachment 5, Table E-1 (composed of the existing energy efficiency program charge of \$0.01222 per kWh plus a fully reconciling funding mechanism charge of (\$0.0036) per kWh in accordance with the requirements of R.I. Gen. Laws § 39-1-27.7); (2) projected Large C&I commitments from 2022, if any; (3) projected carryover of the year-end 2022 fund balance, as applicable, including interest at the rate in effect for customer deposits; (4) forecast revenue generated by ISO-NE's Forward Capacity Market (FCM); and (5) other potential outside revenue sources, including but not limited to those generated through RGGI permit auctions. Funding sources do not include revolving loan funds.

The sources of funding for the 2023 natural gas programs are shown in Attachment 6 Gas EE Program Tables, Table G-1. The Company proposes that the 2023 budget should be funded from the following sources: (1) one line on the customers' bill labeled "Energy Efficiency Charge" at \$1.172 per dekatherm for residential customers and \$0.648 per dekatherm for non-residential customers as calculated in Attachment 6, Table G-1 (composed of the existing energy efficiency program charge of \$1.354 per dekatherm plus a fully reconciling funding mechanism of (\$0.182) per dekatherm for residential customers and the existing energy efficiency program charge of \$0.886 per dekatherm plus a fully reconciling funding mechanism of (\$0.238) for non-residential customers in accordance with the requirements of R.I. Gen. Laws § 39-1-27.7); (2) projected carryovers or under-recoveries of the year-

end 2022 fund balance, including interest at the rate in effect for customer deposits. Funding sources do not include revolving loan funds.

The decrease in the proposed EE Program Charge per kWh is driven by a positive 2022 year end fund balance forecast of \$32.3M. The decrease in the C&I and Residential Program Charge per Dth is driven by the positive 2022 Year End Gas Fund Balance forecast of \$1.7M.

The Company forecasts electric energy deliveries and gas loads for a variety of filings. In the context of the Annual Energy Efficiency Plan, the forecasts primarily factor into the calculation of the per-unit energy charges that fund the gas and electric energy efficiency portfolios. At the time of the preparation of this plan, the Company used a gas forecast based on the June 2022 release and an electric forecast based on the September 2021 release⁴⁹. These forecasts have been provided by National Grid under the Transition Service Agreement between PPL and National Grid. The sections below provide an overview of the forecasting processes for the electric energy delivery and gas load forecasts.

Electric Forecast Summary. The electric energy deliveries forecast is developed in several steps. The first step was to “reconstitute,” that is add-back or subtract, as applicable, the impacts of energy efficiency (“EE”), solar-photovoltaics (“PV”), electric vehicles (“EV”), and electric heat pumps (“EH”) to the historical monthly energy dataset. This set of programs and technologies is termed Distributed Energy Resources (“DERs”), and the reconstituted data is termed “gross” to reflect the fact that it represents data prior to the impacts of DERs.

The second step is to develop an econometric forecast of gross energy deliveries based on Rhode Island economic conditions, normal weather, and days billed, as appropriate, using this reconstituted dataset. The economic conditions are from Moody’s economy outlook. The weather variables considered are cooling degree days (“CDDs”) and heating degree days (“HDDs”). Normal weather is defined by the average CDDs and HDDs of the most recent ten years. Due to the unavailability and / or great uncertainties of long-term weather forecasts, it is a common practice to use normal weather for long-term load forecasting.

The third step is to create the “net” forecast by adjusting the gross forecast by the projections for future DERs. Impacts for EE and PV (reflecting decreased electric load on the system) are subtracted from the gross forecast, impacts of EV (reflecting increased electric load on the system) are added to the gross forecast, and impacts of EH are added to or subtracted from the gross forecast depending on the season to create the net forecasts. These forecasts were first developed in terms of revenue classes – residential, commercial, and industrial. They were then allocated to the various rate classes using the current revenue to rate class percentages from the Company’s billing system.

Gas Forecast Summary. The Company’s gas load forecast is based on a comprehensive methodology for forecasting retail customer load requirements using a series of econometric models to determine the

⁴⁹ If a September 2022 release is available before the 2023 Plan is filed, it will be used.

changes expected for Residential Heating, Residential Non-Heating, Commercial, and Industrial markets. To determine the projected growth over the forecast period, the econometric models used historical economic, demographic, and energy price data, and weather data to determine total energy demand.

The product of the Company's retail demand forecast is a forecast of meter counts, use-per-customer, and volume by month by internal rate code under normal weather conditions. The Company's retail demand forecast is then converted to wholesale supply requirements at the Company's city gates based on the relationship between city gate volumes (including supplementals) and weather on the daily level. The product of the Company's wholesale customer requirements forecast is a forecast of volume by day under normal and design weather conditions."

9.2.2 Fund Balances

The Company estimates that the electric projected fund balance at year-end 2022 will be \$32.3M, as shown in Line 3, Attachment 5, Table E-1; the gas fund balance at year-end 2022 is estimated to be \$1.7M, as shown in Line 2 Attachment 6, Table G-1. For the first draft, the Company has included 2022 year end fund balance forecasts (electric and gas) on line 2 of the E-1 and G-1 tables in Attachment 5 and Attachment 6, respectively. The fund balance forecasts include estimated implementation expenses and estimated earned performance incentives.

Adjustments for 2022 Year-End Fund Balance. The 2022 year-end fund balance will be a function of actual implementation expenses and Company earned performance incentive through year-end 2022. Consistent with recent practice, on November 17, 2022⁵⁰ the Company will provide updated year-end fund balance forecasts, reflecting updated sales, collection, and program expenditure forecasts through year-end and revised tables E-1 and G-1 to provide the PUC with time to review the Company's proposed charges in advance of the Annual Plan hearing. This would allow the charges, if approved, to have an effective date of January 1, 2023. This will allow the Company to begin collecting the most accurate charge possible at the start of the program year and avoid any market confusion surrounding the status and implementation of the 2023 energy efficiency programs. If the actual year-end 2022 fund balance as filed in the Year-End Report is higher or lower than that amount projected in the November 17, 2022 revised Tables E-1 and G-1, any deviation will be fully reconciled in the next program year in accordance with the requirements of R.I. Gen. Laws § 39-1-27.7.

The fund balance includes a \$2,489,697 credit from shareholder funds, with interest, to the fund balance which the Company made in May and June 2022 based on the Company's involvement in Docket 22-05-EE. That amount has been allocated to the electric and gas fund balances appropriately.

⁵⁰ This date is being moved up two weeks due to the Annual Plan Filing date being moved up two weeks from October 15th to October 1st.

9.2.3 ISO-NE Capacity Market Revenue

Consistent with the LCP Standards, Annual Plan, and PUC decisions regarding annual plans since 2008, the kW-demand savings achieved via the electric energy efficiency and Combined Heat and Power programs continue to participate in the FCM as Passive On-Peak Demand Resources. The Company will manage and direct the revenues by bidding the demand savings attributed to energy efficiency measures and Combined Heat and Power facilities in the FCM and managing the associated capacity resources to maximize the resulting FCM revenue. The revenues from measures installed through this Plan, as well as all previous Plans, will continue to be reinvested in energy savings for the life of the measure.

The Company is to recover all prudently incurred FCM expenses from ISO-NE capacity-payment revenue generated by the demand savings from efficiency programs represented by the Company. The Company expects that capacity payments received from the ISO-NE will exceed its administrative and Evaluation, Measurement and Verification (EM&V) compliance costs of participation in the FCM and will result in additional funds being made available to fund efficiency programs for customers. If these participation costs exceed the capacity payments, the Company may recover its prudently incurred costs from the energy efficiency program fund. Only prudently incurred expenses are deducted from ISO-NE capacity payments or the energy efficiency program fund.

In addition, as part of the FCM, all qualified auction participants are required to post Financial Assurance to provide security that the promised resource will deliver the promised MW at the promised time. If, as a result of circumstances beyond the Company's control,⁵¹ the Company is unable to provide all or a portion of the megawatts of capacity proposed in its qualification packages and capacity auction bids, some or all the financial assurance monies would be forfeited.

9.2.4 RGGI Funding

RGGI funding is allocated to the State of Rhode Island based on quarterly auctions for emissions allowances. The OER develops a plan for the allocation of auction proceeds. In 2022, a portion of RGGI proceeds has been allocated to the Company in three specific work area:

- Enhanced incentives for deliverable fuel to electric efficient heating equipment
- Weatherization of Small Businesses
- Enhanced incentive for moderate income residential customers

Funds that are not spent in 2022 may be rolled over to 2023.

⁵¹ Such circumstances may include legislative action to alter the EE Program Charge or discontinue the Company's authority to implement the energy efficiency programs underlying the Qualifications Package or a PUC decision limiting the Company's role in bidding the demand savings acquired through program efforts into the FCM.

9.2.5 Exceptions to the Natural Gas Energy Efficiency Program Charge

All natural gas used for distributed generation projects approved since 2014 will be subject to the natural gas energy efficiency surcharge.⁵²

The 2006 Act allows the PUC to exempt natural gas used for manufacturing processes from the energy efficiency surcharge where the customer has established a self-directed program to invest in and achieve best effective energy efficiency in accordance with a plan approved by the PUC and subject to periodic review and approval by the PUC. Consistent with prior PUC decisions, the Company has developed recommendations for a process under which a manufacturer may submit its self-directed program and the required annual reports for approval. The Company recognizes that this process may need to be reviewed and modified after the PUC has accumulated sufficient experience with these programs. Any customer that receives this exemption from the natural gas energy efficiency program charge will not be eligible to receive natural gas energy efficiency program services.

9.2.6 Budget Management

Deviations from the planned budget for 2023 are possible during the program year. The Company contemplates three potential overspending scenarios, and will address them as follows:

- Anticipated overspending up to 10%. The Company's expenditures for 2023 may exceed the total portfolio budget by up to 10% so long as written notification is provided to the EERMC, OER, PUC, and DPUC for any deviation. The Company will track expected expenditures relative to planned budgets and will report to stakeholders through inclusion in the quarterly reports, or earlier, if the Company believes such overage is likely to occur. Any such notification will occur as soon as possible, and no later than the distribution of the Company's Third Quarter Report in mid-November 2023 and must explain the need for a higher budget and must justify how the expenditures are reasonably consistent with the original annual plan and in accordance with Least Cost Procurement.
- Anticipated overspending in excess of 10%. During 2023, if the Company anticipates that continued operation of its programs is likely to result in actual expenditures exceeding the total portfolio budget by more than 10%, the Company will seek a vote of approval from the EERMC. OER commits to making all reasonable efforts to schedule such vote as soon as feasible following notification, but no later than thirty days from receipt of notification. The PUC will not provide advance approval of expenditures exceeding the total budget by more than 10%. The

⁵² Natural gas used for distributed generation (excluding natural gas used by emergency generators) for distributed generation projects approved under the energy efficiency programs in 2013 and prior years - independent of the date those facilities become commercially operable – are not subject to the energy efficiency surcharge when natural gas used for that purpose can be clearly identified through uniquely metered use and when so requested in writing by the customer.

Company will be required to demonstrate to the PUC that the overspend was prudent. Support from the Division, OER, and EERMC will be considered in the PUC's review of prudence.

- Unanticipated overspending in excess of 10%. If the Company did not anticipate and notify stakeholders identified above that its actual expenditures would exceed the total portfolio budget by more than 10%, but actual expenditures do exceed such threshold, such expenditures above 110% of approved budget will be at the Company's risk and, in order to secure cost recovery, the Company will bear the burden of demonstrating the reasonableness of its actions to the PUC, including an explanation of why the overspending occurred and how the expenditures are reasonably consistent with the original plan and in accordance with Least Cost Procurement. Such demonstration would be required to be part of the 2023 Year-End Report.

In all instances, the PUC retains its traditional ratemaking authority to review the prudence and reasonableness of the Company's actions.

9.2.7 Notification of Large Customer Incentives

The Company shall inform the PUC, DPUC, OER, and EERMC in writing of any energy efficiency incentive annual offer in excess of \$3 million per a measure. The Company shall inform the DPUC, OER, and EERMC in writing of any CHP project with a net output of 1 MW or greater (where net is the nameplate MW output minus CHP auxiliary kW). The process for notification of CHP projects is described in Attachment 2 C&I Programs.

To prevent customer delays and to facilitate the Company's ability to meet customer expectation and annual energy savings goals, the OER, EERMC and Division agree to ask questions and provide comments on any non-CHP energy efficiency incentive annual offer in excess of \$3 million within thirty days. The Company, through its own discretion, may proceed with an incentive offer. The incentive, and any other related proposals will be authorized to proceed after thirty days from the date on which the Company notified the PUC, OER, Division, and EERMC of the incentive unless the PUC suspends the filing and/or issues an order within such 30-day period to extend the time for purposes of further review.

10 Performance Incentive Plan

The RI PUC approved a performance incentive mechanism (PIM) for 2021 – 2023 in Docket 5076 that changed the way that the Company measures and earns a performance incentive.⁵³ The PIM, as approved in Docket 5076, established the measurement of performance as a net benefits framework based on a set of prioritized benefit categories. This prioritizes utility system impacts over resource benefits generated by the programs and omits the societal benefits. The "netting" calculation incents

⁵³ Refer to Appendix A of PUC Report and Order No. 24225; written order issued on September 21, 2021 for final guidance on the PIM as approved in PUC Docket 5076. [http://www.ripuc.ri.gov/eventsactions/docket/5076-NGrid-Ord24225%20\(9-21-2021\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/5076-NGrid-Ord24225%20(9-21-2021).pdf).

budget controls so that the benefits are achieved in line with the portfolio budgets as proposed in the Plan.

Equation 1. Illustrative Calculation of Net Benefits for Performance Incentive Mechanism

$$\text{Total Benefits} = (100\% \text{ of Utility System Benefits} + 50\% \text{ of Resource Benefits})$$

$$\text{Net Benefits} = (100\% \text{ of Utility System Benefits} + 50\% \text{ of Resource Benefits}) \\ - (\text{Programmatic Costs} + \text{Regulatory Costs})$$

The PIM measures performance at the sector and fuel level:

- Non-Income Eligible Residential Electric
- Income Eligible Residential Electric
- Commercial and Industrial Electric
- Non-Income Eligible Residential Gas
- Income Eligible Residential Gas
- Commercial and Industrial Gas

For the gas non-income eligible residential and income eligible residential sectors, the above calculations for the 2023 Annual Plan result in negative planned net benefits. Therefore, the entire earning opportunity for the gas portfolio is allocated to the C&I sector. In the electric portfolio, only the income eligible sector only has planned negative net benefits. Therefore, the electric earning opportunity is split between the non-income eligible and C&I sectors. The PIM also includes Service Quality Adjustments (SQAs) in the non-income eligible residential gas and electric and income eligible residential sectors which require the Company to achieve defined levels of performance equal to the sum of prioritized total benefits. If the defined levels of service (total benefits) are not achieved in the identified residential and income eligible sectors, the SQAs apply reductions to any realized earnings in the commercial and industrial sector. The SQAs also include a cost component that adjusts the realized performance, and consequently any reduction of C&I earnings, based on how the realized expenditures in the residential and income eligible sectors compare to planned budgets. The SQAs therefore provide a similar incentive signal as the “netting” calculation in the core of the PIM and provide the Company with signals that savings and benefits should be pursued and prioritized in each sector, rather than exclusively the Commercial and Industrial sector where the earning opportunity resides.

In addition, the PIM calculations include a set of potential adjustments that are intended to further incent the company to maintain budget controls in the delivery of savings, and therefore prioritized benefits, by adjusting earnings under this mechanism based on cost relative to budget. The Company is not proposing structural changes to the PIM for 2023.

Attachment 5, Table E-8A and Attachment 6, G-8A show the categories of benefits that are included in the PIM calculations, categories omitted from the PIM, and the weighting assigned to those benefits in the calculation. The categories of benefits are also summarized in Table 20 below. The monetized

benefits included in the PIM are calculated from a subset of benefit categories included in the RI Test, calculated using the same methods and inputs as the RI Test.

Table 19. Electric Energy Efficiency Portfolio Benefits Alignment for PIM Calculations

Benefit	PIM Categorization	Percent Allocation in PIM Calculation
Summer Generation	Electric Utility System Benefits	100%
Capacity DRIPE		
Transmission		
Distribution		
Reliability		
Winter Peak Electric Energy		
Winter Off Peak Electric Energy		
Summer Peak Electric Energy		
Summer Off Peak Electric Energy		
Electric Energy DRIPE		
Utility Non-Energy Impacts (NEIs)		
Non-Embedded Carbon		
Natural Gas and Natural Gas DRIPE	Resource Benefits	50%
Oil and Oil DRIPE		
Propane		
Water		
Non Resource (NEIs)	Other Not Included Benefits	0%
Non-Embedded NOx		
Economic		

Table 20. Gas Energy Efficiency Portfolio Benefits Alignment for PIM Calculations

Benefit	PIM Categorization	Percent Allocation in PIM Calculation
Natural Gas	Gas Utility System Benefits	100%
Natural Gas DRIPE		
Utility Non Energy Impacts (NEIs)		
Summer Generation	Resource Benefits	50%
Capacity DRIPE		
Transmission		
Distribution		
Reliability		
Winter Peak Electric Energy		
Winter Off Peak Electric Energy		
Summer Peak Electric Energy		
Summer Off Peak Electric Energy		
Electric Energy DRIPE		
Oil and Oil DRIPE		
Propane		
Water		
Non Resource (NEIs)	Other Not Included Benefits	0%
Non-Embedded Carbon		
Non-Embedded NOx		
Economic		

Tables E-8B and G-8B show the costs that are used in the “netting” calculations in the PIM, and that are incorporated in the SQAs in the sectors to which they apply. The core of the costs included in the PIM is the “Eligible PIM Budget”⁵⁴ derived from Attachment 5, Table E-3 and Attachment 6, Table G-3. The Eligible PIM budget is calculated based on the total budget from Tables E-2 and G-2 with regulatory costs equally distributed and commitments, EERMC costs, pilot costs, assessment costs, and performance incentive value removed.

The Company has one recommended change for 2023 regarding the current definition of PIM inputs. The Company proposes removing legislatively-mandated transfers to the Rhode Island Infrastructure Bank (RIIB) and the Office of Energy Resources (OER) from PIM-eligible costs. Rhode Island General Laws Title 39, Chapter 2, Section 39-2-1.2, Article (n) states that the RIIB transfer, “shall be eligible to be used in any energy efficiency, renewable energy, or demand-side management project financing program administered by the Rhode Island Infrastructure Bank notwithstanding any other restrictions on the use of such collections set forth.” (emphasis added).⁵⁵ Article (j) of the same section states that the OER transfer can be used, “for activities associated with planning, management, and evaluation of energy-efficiency programs, renewable energy programs, system reliability, least-cost procurement, and with regulatory proceedings, contested cases, and other actions pertaining to the purposes, powers, and duties of the office of energy resources.” (emphasis added).⁵⁶ Both quotes show that the RIIB and OER legislative transfers can be used for projects and initiatives other than energy efficiency programs administered by the Company. Therefore, neither transfer should be included in a PIM which is focused specifically on guiding Company’s investments of energy efficiency funds to create net benefits to customers. The Company is not proposing the same exclusion for the funds transferred to the EERMC under section (j) from PIM-eligible costs, because the primary focus of the EERMC is oversight of the Company’s programs.

The 2021 and 2022 Plan review process has indicated that the incentive pool is reset every year. For 2022, the Division proposed the application of three metrics to determine the incentive pool:⁵⁷ percentage of planned PIM-eligible net benefits (primary), basis points, and return on avoided capital costs. For 2023, the Company is seeking electric performance incentives of \$3,501,153 (through non-income eligible and C&I sectors) and gas performance incentives of \$721,940 (all through the C&I

⁵⁴ In Plans prior to 2023, Tables E-3 and G-3 showed the derivation of what was called the Spending Budget. This was a vestige of the prior performance incentive mechanism and the Tables have been re-formulated for 2023 to show the determination of the Eligible PIM Budget.

⁵⁵ Rhode Island General Laws, Title 39 Public Utilities and Carriers, Chapter 2 Duties of Utilities and Carriers, Section 39-2-1.2. <http://webservice.rilegislature.gov/Statutes/TITLE39/39-2/39-2-1.2.htm>

⁵⁶ Ibid

⁵⁷ Corrected Attachment to Division Responses to National Grid Data Requests Set 1, submitted by the Division in Docket 5189 on January 6th 2022. <http://www.ripuc.ri.gov/eventsactions/docket/5189-DIV%20Corrected%20Attachment%20to%20Division%20Reponses%20to%20National%20Grid%20Data%20Request%20Set%201.pdf>

sector). The Company believes that these amounts are consistent with PIM guidance and the Division's framework as follows:

Electric: In 2023, two electric sectors (non-income eligible Residential and C&I) are eligible to receive performance incentives. The combined eligible net benefits of these sectors have increased from 2022 to 2023. In 2023, the Company proposes a payout rate of 10.1% of 2023 planned PIM-eligible net benefits, which the same rate used to calculate the 2022 payout pool. Because of the greater amount of PIM-eligible benefits, this payout rate yields a target incentive pool of \$3,501,153, which is \$110,988 more in electric performance incentives than in 2022.

In 2023, the Company has proposed lowering the maximum income eligible electric SQA from \$443,300 to \$326,469. This adjustment is directly scaled to the decrease in total income eligible benefits between 2022 and 2023. The non-income eligible and C&I sectors are not eligible for SQAs in 2023.

Gas: As in 2022, in 2023, the gas performance incentive is entirely allocated to the C&I sector (the only sector with positive eligible net benefits). Therefore (consistent with the calculation of the electric performance incentive), the specific decrease in the Company's proposed 2023 gas incentive was calculated by keeping the 2022 gas C&I payout rate of 11.7% constant for 2023. In 2023, the Company is seeking a payout pool of \$721,940 which is \$278,060 less in gas performance incentives than in 2022. This decrease aligns with the decrease in natural gas eligible net benefits.

In 2023, the Company has proposed raising the maximum non-income eligible gas SQA from \$290,063 to \$344,262 and lowering the maximum income eligible gas SQA from \$171,275 to \$123,176. The adjustments are directly scaled to the changes in total sector-specific eligible benefits between 2022 and 2023. The C&I sector is not eligible for an SQA in 2023.

Tables E-8C and G-8C show the final summarizations of the calculations for the PIM and SQAs, including target earning opportunities and maximum earning opportunities.

11 Future Performance Metrics

The Company does not propose any additional performance metrics for the 2023 Program Year. As noted in Section 8, in 2023, consistent with the Standards and Act on Climate, the Company plans to report on carbon and NOx reductions as secondary goals.

12 Advancing Docket 4600 Principles and Goals

Along with the quantitative benefits detailed in the Plan, as measured by the RI Test, the energy efficiency investments and innovation planned for 2023 also advance the Docket 4600 principles and goals.⁵⁸

⁵⁸ PUC Report and Order No. 22851 accepting the Stakeholder Report. Written Order issued July 31, 2017.

The Docket 4600-A Guidance Document directed that “the proposing party must provide accompanying evidence that addresses how the proposal advances, detracts from, or is neutral to each of the stated goals of the electric system.”⁵⁹

To meet this directive, the Company describes how the Plan either advances, detracts, or remains neutral on achieving the Docket 4600 goals for the electric system in Table 21.

Table 21. Docket 4600 Goals for the Electric System

4600 Goals for Electric System	Advances/Detracts/Neutral
Provide reliable, safe, clean, and affordable energy to Rhode Island customers over the long term.	Advances: The Plan gives customers tools to reduce their energy consumption. The safest, most reliable, most affordable energy is energy that is never used. Lowering energy consumption avoids investments in the installation, upgrade, or replacement of transmission and distribution infrastructure, and reduces strain on the system.
Strengthen the Rhode Island economy, support economic competitiveness, retain, and create jobs by optimizing the benefits of a modern grid and attaining appropriate rate design structures.	Advances: The Plan will create significant economic benefits in Rhode Island. The Company expects that investments made in energy efficiency under this Plan will add \$283.0304.2M to Rhode Island’s Gross State Product (GSP), equivalent to 2,648826 job-years.
Address the challenge of climate change and other forms of pollution.	Advances: The Plan will avoid 72,7058,217 short tons of carbon in 2023 from the installed measures as well as reduce other pollutants associated with the generation and combustion of electricity, natural gas, and delivered fuels.
Prioritize and facilitate increasing customer investment in their facilities (efficiency, distributed generation, storage, responsive demand, and the electrification of vehicles and heating) where that investment provides recognizable net benefits.	Advances: The Plan provides incentives for customers to invest in cost-effective energy efficiency measures in their facilities and participate in demand response programs and provides handoffs to other programs including EV charging programs.
Appropriately compensate distributed energy resources for the value they provide to the electricity system, customers, and society.	Neutral
Appropriately charge customers for the cost they impose on the grid.	Neutral

⁵⁹ Approved final clean version of Guidance Document 10/27/17.

4600 Goals for Electric System	Advances/Detracts/Neutral
Appropriately compensate the distribution utility for the services it provides.	Advances: The performance incentive contained in this Plan compensates the Company for achieving the energy savings goals through delivering cost-effective energy efficiency programs to customers while aligning with the PUC’s PIM principles.
Align distribution utility, customer, and policy objectives and interests through the regulatory framework, including rate design, cost recovery, and incentive.	Advances: The Plan aligns Company, customer, and policy objectives and interests by incentivizing energy savings measures that enable customers to manage and reduce their energy consumption, which in turn contributes to the greenhouse gas reduction goals of the 2021 Act on Climate, Power Sector Transformation goals, Heating Sector Transformation goals, and the 100% Renewable Electricity goal while allowing the Company to earn a performance incentive.

CONCLUSION

13 Miscellaneous Provisions

- Other than as expressly stated herein, this Plan establishes no principles and shall not be deemed to foreclose any party from making any contention in any future proceeding or investigation before the PUC.
- Other than as expressly stated herein, the approval of this Plan by the PUC shall not in any way constitute a determination as to the merits of any issue in any other PUC proceeding.
- Rhode Island Energy may convene the Energy Efficiency Technical Working Group no less than six times in 2023 to review the status and performance of the Company’s 2023 energy efficiency programs and advise the Company on potential energy efficiency programs for 2024.

14 Reporting Requirements

In 2023, the Company will provide quarterly reports to the EERMC, the Division, OER, the EE TWG, and the PUC on the most currently available program performance for both natural gas and electric efficiency programs. These reports will include a comparison of budgets and goals by program to actual expenses and savings on a year-to-date basis, and a status report on revolving loan funds. Consistent with PUC Order 24225 and R.I. Gen. Laws § 39-1-27.7, the Company will work with the Rhode Island Infrastructure Bank on appropriate loan fund reporting for 2021. Starting with the 2022 payment, RIIB must report directly to the PUC. The Company reports will also include a summary of program progress and will highlight issues by sector for EERMC, Division, OER, and Technical Working Group attention.

Within the C&I sector, there will be separate highlighting of large and small customer program progress and issues. Beginning in the second quarter, the quarterly reports also include a forecast of expected results.

- Beginning with the 2019 Year End Report, the Company provided detailed costs schedules that were developed in collaboration with the Rhode Island Division of Public Utilities and Carriers. The Company proposes to submit detailed cost schedules in the 2023 Year End Report. In addition, the Company also proposes to submit confidential vendor schedules to the PUC, with a motion for protective treatment. These confidential vendor schedules detail costs to individual vendors and other external entities.
- The Company will provide to the EE TWG, and file with the PUC its 2023 Year-End Report no later than June 1, 2024. This report will include achieved natural gas and electric energy savings in 2023 and earned incentives for 2023.
- The Company will provide the EE TWG with a summary of evaluation results that have been incorporated into the Annual Plan within the annual plan, including a description of the impact of those results in planning the Company's 2023 programs, in the Plan to be filed by October 1, 2022.

15 Requested Rulings

The Company respectfully requests that the PUC approve the 2023 Annual Energy Efficiency Plan as presented in this document and the supporting attachments in its entirety. The plan has been developed with careful consideration of the linkages between all parts. The specific components of this plan for which the Company requests approval include:

- The savings goals, programs, measures, budgets, and associated customer collections required to fund the energy efficiency programs in 2023.
- The pilots, demonstrations, and assessments the Company proposes for program year 2023 and the associated budgets and customer collections required to fund those efforts.
- The performance incentive mechanism and associated earning opportunity provided in this Annual Plan.

ATTACHMENTS

Annual Plan Attachment 1. Residential and Income Eligible Energy Efficiency Solutions and Programs

Annual Plan Attachment 2. Commercial and Industrial Energy Efficiency Solutions and Programs

Annual Plan Attachment 3. Evaluation, Measurement & Verification Plan

Annual Plan Attachment 4. Rhode Island Benefit Cost Test Description

Annual Plan Attachment 5. Electric Energy Efficiency Program Tables

Annual Plan Attachment 6. Gas Energy Efficiency Program Tables

Annual Plan Attachment 7. Rate and Bill Impacts

Annual Plan Attachment 8. Pilots, Demonstrations & Assessments

Annual Plan Attachment 9. Cross-Program Summary

Annual Plan Attachment 10. Definitions

Annual Plan Attachment 11. Energy Efficiency Equity Working Group

Final Report

2023 Residential and Income Eligible Energy Efficiency Solutions and Programs

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1 Overview

The goal of the 2023 Plan is to support an equitable transition from inefficient homes to energy efficient homes by maximizing the potential of weatherization, heating/cooling/hot water systems, efficient appliances, and Wi-Fi controls, with a particular focus on customer segments that have been previously underserved. Attainment of the energy efficiency savings goal is supported through high-efficiency equipment and well-trained energy experts and service providers. This vision is for all homes to be well weatherized, have safe and efficient heating, cooling and hot water systems, for customers to see their home as a comprehensive system, and transform the residential new construction industry to a Zero Net Energy market. 2023 therefore builds on the transition away from lighting by concentrating on longer energy savings benefits in the residential portfolio and equitable access to the programs for all Rhode Island customers.

To achieve this vision, the Company will rely heavily on the findings of the participant, multifamily census, and non-participant studies that relied on survey data and interviews to identify opportunities to remove barriers to participation in the residential programs, improve program outreach, and reach customer segments who have previously been underserved to increase the equity of the programs. These findings have been integrated into the 2023 plan with the intention of increasing outreach and participation equitably in the state.

The detailed program descriptions provided in Attachment 1 offers a snapshot of how programs are continuously evolving, building from one Plan year to the next. It shows how high-level strategies are translated into specific actions and activities that secure savings for customers; help to contextualize specific program innovations and enhancements described only briefly in the main text of the Annual Plan; and demonstrate how key strategies cross multiple program designs and end use targets while cross promoting other programs.

What to look for in 2023

The Company has focused heavily on weatherization, efficient heating, and equity across all residential programs. The elevation of these three critical areas reflects stakeholder priorities and opportunities identified during the planning process. The innovations and enhancements also reflect many ideas and insights that have evolved from the close collaboration with the Energy Efficiency & Resource Management Council (EERMC) and its consulting team, the Office of Energy Resources (OER), the Division of Public Utilities and Carriers (the Division), Energy Efficiency Technical Working Group Stakeholders, our vendors, and customer feedback. There are electric heat opportunities introduced in more programs and enhancements that make participation in multiple programs easier or more attractive, and reduced barriers to adoption of comprehensive measures.

Equity opportunities have been applied across all residential programs to ensure all Rhode Islanders have access to program opportunities. A Comprehensive Energy Efficiency Campaign will focus on increasing awareness in the state and will be conducted in English and Spanish. Five communities identified from the non-participant study, will be the focus of additional direct marketing and engagement to increase program activity. These five towns are Central Falls, East Providence, Pawtucket, Providence, and Woonsocket. The Company is committed to continuing efforts to enhance equity in our energy efficiency programs. The non-participant market barriers study shows that the groups less likely to participate in the energy efficiency programs include those who are low income, renters or landlords, non-English speakers, non-white persons, and immigrants. While the Company will be working to increase participation statewide, the plan includes enhanced outreach and focus in communities where the greatest number of non-participating customers live.

Using both the non-participant study and census data, a rate of participation and non-participation was identified for the state as well as for each municipality. Overall, there is a 15% rate of participation (for the five-years studied) in the state. Of the 37 municipalities served, there are 17 municipalities with a rate less than the average rate of participation. To determine which of the 17 towns would warrant additional targeting in 2023, towns with fewer than 5,000 total non-participants were removed to optimize the number of customers reached leaving ten remaining towns. These towns were then ranked from highest to lowest based on a priority score- the priority score gave a higher weight (60%) to towns with more income eligible non-participating customers. The top five towns that resulted from this screening were Providence, Pawtucket, East Providence, Woonsocket and Westerly. Finally, the Company decided to focus on Central Falls rather than Westerly in 2023 for the follow reasons. Central Falls ranked towards the bottom of the list because they have a relatively small population, however, they have the highest percentage of renters, non-English speakers, and non-white customers in the state which the data showed had lower participation levels. Central Falls is the municipality with the lowest participation rate in the state at 4% and had the highest poverty rate.

Providence, Pawtucket, East Providence, Woonsocket, and Central Falls are all included in RI Department of Environmental Management's (RI DEM) list of Environmental Justice Focus Areas. This allows the Company to coordinate efforts with other outreach in these municipalities. The Company is also proposing that in order to reduce friction in participation, non-participants in census tracts that have one or more of the RI DEM criteria be allowed to participate in low and moderate income offerings without any income requirements. Mapping the RI DEM census tracts to specific addresses within RI will take time to develop. Looking at efforts in neighboring states, this can sometimes be a multi-year effort to define specific areas. The Company will look to adopt best practices used in other states where applicable. The RI DEM Environment Justice criteria include:

- Annual median household income is not more than sixty-five percent (65%) of the statewide annual median household income;
- Minority population is equal to or greater than forty percent (40%) of the population;

- Twenty-five percent (25%) or more of the households lack English language proficiency, or
- Minorities comprise twenty-five percent (25%) or more of the population and the annual median household income of the municipality in which the proposed area does not exceed one hundred fifty percent (150%) of the statewide annual median household income.

Low and no-cost opportunities will be communicated for customers including income eligible, moderate income, and landlord/renter opportunities. The Income Eligible Services (IES) program is working closely with the Company's discount rate program to introduce newly enrolled customers on the discount rates to the income eligible efficiency program where 100% of energy upgrade costs are covered.

The residential programs support workforce development of high growth, long-term, energy jobs through trainings and education. This effort supports the shift to high performance homes and technologies, air source heat pump (ASHP) design and installation, and Zero Net Energy New Construction buildings. Trainings are planned to help expand the workforce and to support the emphasis on deeper home energy upgrades.

The Residential Energy Efficiency Programs have benefitted from the Rhode Island Builder's Association (RIBA) and Residential Construction Workforce Partnership (RCWP) first cohort of weatherization focused training (completed in Spring 2022) with Energy Efficiency vendor partners hiring or in the process of hiring eight of the eighteen graduates. The Energy Efficiency Programs support the RIBA and RCWP with curriculum development, weatherization and new construction specific trainings, and mentorship. Support of this workforce development effort aligns with Least Cost Procurement's (LCP) standard, which states, "The distribution company shall include wherever possible and practical partnerships with existing educational and job training entities." Additional training cohorts have been slower to deploy for the RIBA and RCWP due to funding gaps. Since this training program has resulted in a direct increase in the energy efficiency workforce, the 2023 energy efficiency budget has included a modest budget to assist in funding these trainings.

Inflation and equipment shortages are external factors that apply pressure to program cost-effectiveness and affordability of the offerings to customers. The programs are adjusting to cost increases and working to adapt to equipment shortages, but the Company is impacted by global supply chain issues as are others nationally and worldwide.

Residential and Income Eligible Programs

The Company offers the below overarching programs to provide comprehensive services to two regulatorily defined sectors, market rate and income eligible:

Table 1. Residential and Income Eligible Programs

Market Rate Residential Sector	Income Eligible Sector
EnergyWise Single Family	Income Eligible Single Family
Multifamily	Income Eligible Multifamily
Residential New Construction	
Home Energy Reports	
Residential Consumer Products	
Residential High Efficiency Heating and Hot Water	
Residential Connected Solutions	

This attachment provides detailed descriptions of the residential energy efficiency and active demand programs, including detail on the market (customer/building types) targeted, eligibility requirements, offers, the implementation and delivery design, and new items for 2023. There are several market rate residential programs where market rate and income eligible customers can participate, although the program is listed under market rate residential. These programs include Residential New Construction, Residential Consumer Products, Residential High Efficiency Heating and Hot Water, Home Energy Reports, and Residential Connected Solutions.

Program Description Structure

In order to streamline review of program information in the 2023 Annual Plan, the Company has adopted the following structure for each of the programs:

- a. Description of offering
- b. Eligibility criteria
- c. Delivery
- d. Changes for 2023
- e. Other considerations/research

2 EnergyWise Single Family (Electric and Gas)

2.1 Offerings

EnergyWise offers comprehensive energy efficiency services using a whole-house approach to identify energy saving opportunities in all major energy systems and uses, including heating, cooling, water heating systems, lighting, water saving measures, plug loads, and building envelope leaks. 12,500 home energy assessments are planned for 2023. EnergyWise provides in-home services in two phases: home energy assessment and weatherization.

Home Energy Assessment

Continuing in 2023, customers will be able to choose whether to have an in-person assessment or a virtual home energy assessment (VHEA). In 2022, less than one percent of customers have selected a VHEA over the in-person assessment. Although this is a small percentage, the VHEA is an excellent option for customers who are hesitant to commit to an in-person appointment.

During the in-home assessment, an energy specialist(s), a Building Performance Institute certified building analyst will look for immediate energy saving opportunities that can quickly be addressed during the visit as well as identify deeper, energy saving opportunities. Applying a comprehensive, whole-house approach, the energy specialist will evaluate all major energy systems including the heating and water heating systems, appliances, lighting, water saving measures, plug loads, and tightness of the building envelope which is separating between the interior and exterior of the home.

Virtual assessments were introduced in 2020. The virtual assessment provides multiple options to communicate energy savings information depending on customer familiarity with smart phone and video calling technologies. A video call can be used to guide the customer around their home so an energy specialist can assess the home's energy use. If the customer is not able to use video, the specialist will have the customer send in pictures (before or after the VHEA) of important areas such as the attic, heating and water heating system, and basement crawl spaces while walking through the assessment by phone. An Energy Action Plan is presented to the customer at the end of the assessment. The Energy Action Plan gives the customer a clear roadmap for upgrading their home, including a recommended path to weatherization (air-sealing, insulation, and duct sealing) and associated costs, including available incentives and customer costs. The Energy Action Plan also provides the customer a streamlined path to engage a qualified independent insulation contractor to perform the weatherization work. The Energy Action Plan details additional potential energy upgrades and incentives the customer may be eligible for, including heating and hot water systems. Opportunities for financing the customer share of the weatherization (as well as other upgrades) are also provided at this time. If a customer accepts the Energy Action Plan recommendations and wants to move forward with weatherization, the customer signs a contract with the Lead Vendor. The work will then be assigned to a weatherization contractor who will contact the customer directly to schedule a date for weatherization work.

Weatherization

The energy specialist's primary focus during an in-home assessment is to examine the opportunity to increase the home's building envelope through air sealing (decreasing air leaks), duct sealing, and increasing insulation, collectively referred to as "weatherization." Weatherization is a cost-effective way to improve a building's performance. It also offers customers a healthier and more comfortable home that will passively remain cooler in the summer and warmer in the winter, helping reduce energy bills for customers. Many health and safety considerations are addressed when weatherizing, such as adding attic ventilation or using mechanical fans to ensure a healthy air exchange rate. The basic EnergyWise incentive currently covers 50% or more of the project cost depending on the customer's primary heating fuel. EnergyWise will continue to offer the 100% landlord weatherization incentive which encourages landlords to weatherize homes by removing any direct costs for the landlord. Renters then benefit with lower energy bills and a more comfortable home. The program will also continue offering 100% moderate income incentives for customers with a household income up to 80% of State Median Income.

One of the largest impediments to customers proceeding with weatherization are pre-existing health and safety issues or physical barriers, which prevent the continuation of weatherization until remediated; collectively these issues are referred to as pre-weatherization barriers. At this time, EnergyWise does not substantially pay for remediation of the pre-weatherization barriers, nor are they included in the weatherization scope of work to be implemented by program contractors. The Company recognizes, however, that if a customer learns that additional work not included in the weatherization scope is required before weatherization can proceed, customers may become confused or disheartened. Therefore, the program provides a \$250 incentive to customers that certify that pre-weatherization barriers have been remediated by appropriate licensed professionals. Some of the lower cost barriers can be addressed with the \$250 incentive such as cleaning and tuning of the heating system. Pre-weatherization costs for knob and tube wiring, vermiculite, and asbestos can be included in the HEAT Loan. Additionally, in 2022, the lead vendor began including more information on addressing pre-weatherization barriers for customers who face these constraints. This includes information on types of contractors to call (with a list of contractors for some barriers) and information on available grants and loans. The information packet also emphasizes the importance of addressing pre-weatherization barriers for reasons other than continuing with the weatherization process to further persuade customers to move forward with the process.

2.2 Eligibility Criteria

EnergyWise is the flagship in-home comprehensive energy efficiency offering for all Rhode Islanders in single family residences (defined as one to four units) that are not candidates for Income Eligible Services. All market rate customers with either an electric or gas Rhode Island Energy account can participate. Homeowners, renters, and landlords are all encouraged to participate. Customers with any heating fuel type, including delivered fuels, are served as long as they have a Rhode Island Energy account.

2.3 Implementation and Delivery

EnergyWise is delivered through a Lead Vendor model where the Lead Vendor provides assessments and schedules weatherization projects with the Independent Insulation Contractors that provide weatherization services. The Lead Vendor provides program oversight of all weatherization work. Before the insulation contractor closes the job, the Lead Vendor verifies the completion of all contracted work. This process minimizes return visits and complaints from customers. Spanish and Portuguese speaking energy specialists are available by request and a translation service is available for other languages.

The Lead Vendor model facilitates consistent assessments for customers and allows the program to incorporate testing of new concepts as well as generating leads for other programs. The RI program design has consistently been recognized as best in class with seven years of ENERGY STAR® Partner of the Year awards for program implementation.

The customer can apply for 0% financing through the Heat Loan to finance the customer costs associated with the upgrade(s). Financing the energy upgrades requires selecting an approved lender and applying for the loan. For customers with lower credit scores, there is a lender that specializes in financial coaching and approves Heat Loans for energy upgrades.

An independent third-party company provides quality control and quality assurance to at least 5% of all assessments and weatherization projects.

2.4 Changes for 2023

Leveraging the Participant/Nonparticipant Studies

In 2023, the Company plans to leverage the results of the non-participant and participant study research to identify previously underserved geographic areas in the state to target program outreach.

Underrepresented areas are more likely to be non-English speaking households, lower to moderate income brackets (some of which fall under the income eligible program), and renters. Targeting these geographic areas will increase access to the programs and improve equity. The program will also take advantage of statewide promotion of the energy efficiency programs, targeted landlord outreach, promotion of the landlord/renter and moderate income offerings, and direct community engagement through the contractor network. Contractors will be able to directly market to customers within the underserved areas and tag these customers for the contractor's weatherization services when the customer is ready to proceed with these services. This enables these contractors to directly build their customer base and business.

Facilitating connections to contractors and grant/loan funding for pre-weatherization barriers

Upwards of 45% of all home energy assessments have some type of pre-weatherization barrier that prevents the customer from moving forward with the weatherization project. If the customer does not have a contractor with whom they are comfortable working, it can take additional time to obtain

multiple quotes for a remediation project. To help customers remediate these barriers, the program will provide customers with more information about the pre-weatherization barriers they are facing, the type of contractor they need to contact, a list of pre-approved RI contractors (where applicable), and detailed information on local and state loans or grants available for financing this work. The Program will also encourage customers to use the HEAT loan to finance these upgrades. Lastly, while the Program does not provide substantial funding for pre-weatherization barriers, it will continue to offer a \$250 pre-weatherization incentive for addressing any issues identified.

2.5 Other Considerations

Connecting Customers with Additional Opportunities

The EnergyWise assessment process also identifies opportunities to engage the customer in additional energy saving programs including HVAC, Consumer Products, and Connected Solutions. During home visit or virtual visit, energy specialists capture or gather information on the age and condition of heating systems, the heating fuel type, and verify the number of stories in the home. This data is used to identify if homes are good candidates for high efficiency heating, cooling, and hot water systems such as air source heat pumps and heat pump water heaters. Homes with current electric heating and/or water heating systems are provided information about enhanced incentives for air source heat pump systems and automatically referred to the HVAC program for follow up.

The EnergyWise assessment can identify if a home has central air conditioning and a smart thermostat, which allows the Company to offer these customers the opportunity to participate in the Connected Solutions program.

3 Multifamily (Electric and Gas)

3.1 Offerings

The Multifamily program offers comprehensive energy services for multifamily customers including:

- Energy assessments.
- Incentives for efficient electricity, natural gas, or delivered fuels equipment including heating and domestic hot water systems, cooling equipment, lighting, thermostats, smart strips, water saving measures, and eligible air source heat pumps.
- Coordination for all services will be offered for multifamily properties that participate in the Market-Rate and Income Eligible Multifamily Programs.

3.2 Eligibility Criteria

Eligible multifamily program participants are defined as the following:

- Buildings with five or more dwelling units
- Properties consisting of four or more one- to-four-unit buildings that meet both of the following requirements:
 - Are within a reasonable geographical distance¹ from each other, or to a five plus unit building, and
 - Are owned by the same individual or firm.

Both market-rate and income eligible multifamily properties are subject to the above multifamily eligibility requirements for coordinated services. Customers with any heating fuel type, including delivered fuels, are served as long as they have a Rhode Island Energy account.

For income-eligible properties, co-payments for energy efficiency services and measures will be waived. The income-eligible multifamily sector is defined by properties that meet one of the following criteria:

- Owned by public housing authorities or community development corporations;
- Receive affordable housing tax credits or other types of low-income funds/subsides from the state or federal government; or
- Consist of building units where 50% or more of occupants receive utility service on the A-60 Low-Income rate.)

¹ “Reasonable geographic distance” is determined at the discretion of the vendor. The prior program guidelines required buildings to be neighboring each other. This revised guideline will allow the vendor to treat more units for a single owner where those units may be located down the street from each other.

Moderate income customers (customers that are at 80% or below the state median income) may receive services through the Income Eligible Multifamily Program as they are represented in other units of an income eligible multifamily property that may not meet the eligibility criteria for low-income customers. For example, if a multifamily property has a total of 20 units, and 12 of which qualify as income eligible, the moderate income customers could make up the remaining 8 units of the property and therefore be eligible to participate in the Income Eligible Multifamily Program offerings.

A multifamily property may be eligible for services and incentives under both residential and commercial programs. As an example, a building with 20 dwellings that is electrically sub-metered (20 residential accounts) with a commercial electric account for common areas and one commercial gas account serving a central heating/hot water system will likely qualify for incentives through both Multifamily and the Commercial & Industrial Multifamily programs (see section 6 of Attachment 2). While this adds a layer of complexity for the Company, it is critical that the Company maintain accounting via these various program budgets to ensure equity for all customers, funding energy efficiency through the energy efficiency program charge. In contrast, customers do not experience this added layer of complexity and receive a consolidated incentive for all efficiency work completed at the site. The Programs' Lead Vendor is well versed in managing projects with multiple types of multifamily designations and can help the customer navigate the process of participating in both programs.

3.3 Implementation and Delivery

The Rhode Island Multifamily Program has a single Lead Vendor that utilizes a network of Rhode Island sub-contractors to serve all customers, including income eligible customers. A customer can learn about the Company's Multifamily Program offerings in a myriad of ways ranging from communicating directly with the Lead Vendor, the Rhode Island Energy website, direct mail and print marketing, and digital marketing campaigns. The lead vendor also conducts direct outreach to help enroll customers in the programs and increase participation.

If the customer is interested in starting the process, the Lead Vendor would do an eligibility assessment and then schedule a home energy assessment. The Lead Vendor then conducts post site screening to identify which measures pass a benefit/cost (B/C) screening on a project level basis. If a measure does not pass, customers can still include it in the project without an incentive. Projects may participate in the Multifamily Program as long as the overall program remains cost-effective.

A final proposal is then presented to the customer that includes the scope of work, costs, available incentives, and an estimated time frame. The customer is made aware of financing options available to them as well. If the customer decides to proceed with the project, installation work is then scheduled.

Once installation work is completed, a final walk through with the customer is done. A completion report is then created and presented to the site's authorized representative and signed off on. A customer survey is also conducted once work is complete.

Individual condo owners within the multifamily program are eligible for financing under the Heat loan. An on-bill financing offer to multifamily C&I gas customers is being initiated in 2022 and will be offered during the 2023 program year.

An independent third-party company provides quality control and quality assurance to at least 5% of all assessments and weatherization projects.

3.4 Changes for 2023

Leverage data from the Residential Non-participant Study and multifamily census to identify and reach new customers, particularly non-participants who have been previously underserved. In 2023, the Company plans to leverage the results of the non-participant and participant/multifamily census studies to expand program participation through targeted outreach.

The Company plans to leverage the information from the studies in a few ways. The first is to use information from the studies to better understand and increase outreach to certain nonparticipant groups.

First, the Company will identify the customers that have the greatest savings potential and highest propensity to participate, since additional outreach to these customers is the most likely to increase program participation and yield higher savings. This outreach will be done through direct mail and email campaigns and the program's Lead Vendor will utilize this data to perform direct outreach to the customers with the greatest savings potential.

The Company also plans to target historically underserved customers, many of whom have low propensity scores. To do so, the Company will use focus additional outreach to the five equity target communities for 2023. There will also be additional campaigns specifically to landlords.

Lastly, like for EWSF, the Company plans to target outreach to electric heat customers to encourage the deployment of heat pumps.

Research moderate income solutions

In 2023, the Company will develop moderate income incentives for the Multifamily program and research the best solution for determining eligibility for multifamily customers. With this complete, a moderate income offer can be implemented in 2024.

Performing income verification for all residents of a multifamily property would present logistical challenges, so the multifamily program will need to create eligibility criteria for multifamily properties that will best target customers who meet the definition of moderate income.

Finally, as part of the equity recommendations, specific census tracts within the target focus communities of Providence, Pawtucket, East Providence, Woonsocket, and Central Falls could be served

as income eligible without the standard income eligibility requirements. The census tracts are all included in RI Department of Environmental Management's (RI DEM) list of Environmental Justice Focus Areas. This allows the Company to coordinate efforts with other outreach in these municipalities. Mapping the RI DEM census tracts to specific addresses within RI will take time to develop. Looking at efforts in neighboring states, this can sometimes be a multi-year effort to define specific areas. The Company will look to adopt best practices used in other states where applicable. The RI DEM Environment Justice criteria include:

- Annual median household income is not more than sixty-five percent (65%) of the statewide annual median household income;
- Minority population is equal to or greater than forty percent (40%) of the population;
- Twenty-five percent (25%) or more of the households lack English language proficiency, or
- Minorities comprise twenty-five percent (25%) or more of the population and the annual median household income of the municipality in which the proposed area does not exceed one hundred fifty percent (150%) of the statewide annual median household income.

Low and no-cost opportunities will be communicated for customers including income eligible, moderate income, and landlord/renter opportunities. The Income Eligible Services (IES) program is working closely with the Company's discount rate program to introduce newly enrolled customers on the discount rates to the income eligible efficiency program where 100% of energy upgrade costs are covered.

Income Eligible Heating system replacements

In 2023, the Company is proposing that upgrades from the oil/propane heating systems that are identified as near end-of-life be replaced with efficient electric heat pump systems, when feasible, in the income eligible multifamily area. The Energy Efficiency funding will be used to support these heating system replacements and leveraged funding will also be deployed if available. The Company will work with supporting stakeholders (RI OER, DHS, DOE, and others) to identify funding that can be leveraged to replace oil/propane heating systems with high efficiency heat pumps. This need has been presented to the programs as many RI housing authorities find original heating systems from the 1960's entering the end of useful life. It would benefit the residents of the housing authorities with lower heating costs while lowering climate emissions as supported by the Rhode Island Act on Climate. While the Company was approached by one housing authority with a specific failed heating system, other similar systems at the remaining housing authorities may also be approaching end of useful life. Full heating system costs are applied with income eligible heating system replacements and full displaced heating system benefits and corresponding electric usage will be matched with the costs.

4 Income Eligible Services (Electric and Gas)

4.1 Offerings

Income Eligible Services (IES) consists of two, no-cost², in-home or virtual services to increase comfort in the home and decrease a customer's energy costs.

Appliance Management Program (AMP) Assessment

- The energy specialist educates the homeowner or tenant about their energy bill and monthly usage; assesses the home and learns about the day-to-day activities that consume energy in the home; discusses ways the customer can save energy and money, educates the customer to properly operate energy efficient equipment and how to identify signs that indicate if weatherization or heating system replacement is needed.
- Upgrades of instant energy savings measures such as energy efficient LED bulbs, advanced power strips, water saving measures (faucet aerators and low-flow showerheads) and thermostats.
- Evaluation of existing appliances: refrigerator, freezer, window air conditioning unit(s), clothes washer, and dehumidifier to determine energy efficiency and eligibility for a no-cost replacement with an energy efficient appliance model (including delivery and installation).³

Weatherization and Heating System Assessment

- An industry-certified energy specialist conducts a comprehensive assessment of the building envelope and heating and cooling systems including visual and equipment-required inspections, infrared camera thermal imaging, and combustion safety testing of heating and water heating systems.
- Air sealing, duct sealing, and insulation upgrades in attics, walls, and basements.
- No-cost replacement of eligible heating or cooling systems if they are determined to be inefficient or unsafe. Applicable to all existing heating/cooling systems: electric, gas, oil, and propane.

² 100% incentive via the systems benefit charge (SBC) that funds all Rhode Island Energy's energy efficiency programs. Customer incurs no cost for audit, weatherization, or equipment replacement.

³ All appliances are purchased/supplied through a central organization, SMOC, a nonprofit agency, to ensure that all delivery personnel meet Rhode Island Energy's security and liability criteria, and all appliances meet IES Program requirements, warranty calls are handled expeditiously and properly documented and non-efficient appliances are removed and recycled safely and properly.

- If home has existing electric resistance heat, the customer will be offered a replacement to no cost energy efficient air source heat pumps (ASHP) that provide both heating and cooling.

4.2 Eligibility Criteria

The Income Eligible Services (IES) Program serves Rhode Island homeowners, renters, and landlords, who have a Rhode Island Energy account and meet any of the following criteria:

- Household income equal to, or less than, 60% of Rhode Island's State Median Income Levels which are set each program year⁴ **or** enrolled in Rhode Island Energy's fuel discount rate plans, Electric A-60 rate and/or Gas 11, 13 rates.⁵
- Customers enrolled in the Low-Income Home Energy Assistance Program (LIHEAP)⁶, also known as "fuel assistance".
- Homeowners and renters who live in a one to four unit building with either an electric or gas RI Energy Discount Rate account can participate, including customers with delivered fuel heat (oil, propane, wood, or coal) if they have an electric account.

Additional eligibility criteria, including the 50% rule,⁷ shelter and group home eligibility, renter eligibility and repair or replacement eligibility are available in the RI Weatherization Assistance Program (WAP/IES) Operations Manual. All criteria adhere to 10 CFR 440 requirements.

4.3 Implementation and Delivery

Program Delivery

IES Program is administered through a Lead Vendor (LV) that is responsible for managing the implementation of IES work through the six Rhode Island geographically-based Community Action Program (CAP) Agencies. In addition, the LV is engaged with all customers as they conduct post-inspections when jobs are complete for 100% of the customers. The CAP Agencies serve as a trusted entity where income eligible customers can obtain essential resources within their respective community.

⁴ <http://www.dhs.ri.gov/Programs/LowIncomeGuidelines.php>.

⁵ <https://www.nationalgridus.com/RI-Home/Bill-Help/Payment-Assistance-Programs>

⁶ <https://www.benefits.gov/benefit/1572>

⁷ Customers that are not on the income eligible rate but live in a two- to four-unit building where more than 50% of the units are income eligible are also eligible to receive weatherization and health and safety services. This exception is referred to as the "50% rule".

The IES Program is marketed through the Program’s marketing specialist as well as cross marketed at Community Expos, via the Consumer Advocates dedicated to the RI IES consumers, and the Company’s call center. The primary point for customers to enroll in the IES Program is through the CAP Agencies as they provide income verification and comprehensive resources for income eligible customers.

The LV monitors the work of the CAP agencies. If the CAP Agency determines they cannot complete their pipeline of weatherization jobs, the CAP will refer the job to another CAP agency who can or to a third-party entity to do the weatherization. The LV works closely with the CAPs to regularly review weatherization pipeline and timeliness of job completion. The referred jobs will get accounted for in the referring CAP Agencies participation and job completion goals.

Key Performance Metrics (KPIs) are tracked to measure/improve consistency of Program delivery as well as drive performance of the CAPs. KPIs include: timeliness of administrative reporting, monthly/year to date spending compared to goals, participation numbers for AMP, electric & gas weatherization and heating system installations and cost.

Quarterly IES Best Practices meetings are held with the Company, the Lead Vendor, the CAPs, DHS, program vendors (i.e., lighting vendor, appliance delivery vendor), or speakers to address a pertinent topic.

Monthly engagement of the Company, the Lead Vendor, Executive Directors of the CAPs, and DHS to review the overall performance of the IES Program and coordination of best practices across the CAPs.

The LV also coordinates home performance/HVAC contractors and appliance vendors that install weatherization, heating (space and hot water), window air conditioners, and appliance measures.

Customer Journey:

- A customer begins the process for a no-cost home energy assessment by contacting (call/in-person) their local CAP Agency to submit their information to determine if they meet the income eligibility requirements for participation in IES. Customers learn about the program through outreach from their local CAP agency or from Rhode Island Energy.
- After the CAP Agency verifies income eligibility, the CAP will schedule a no-cost AMP or virtual AMP and/or Weatherization/Heating System assessment. In some cases, the AMP and Weatherization/Heating System assessments are separate due to the customer’s past assessments, renting vs. owning, time availability, or the CAP Agency’s availability of two-person assessment teams.
- CAPs provide the full suite of energy efficiency services including:
 - Income-eligibility verification

- Customer education regarding energy and cost savings opportunities
 - Energy assessments
 - Installation of instant energy savings measures
 - Recommendations for energy savings measures
- Energy education is provided to the customer regarding the pre- and post-energy assessment process, opportunities to save energy, processes for receiving appliance or heating/cooling system upgrades and/or weatherization.
 - If needed, health and safety services will be provided including replacing smoke and carbon monoxide detectors if non-functioning or expired, clean and tune heating systems, and address conditions such as mold before the EE work is able to be completed. The program leverages funding sources from LIHEAP and others to help reduce pre-weatherization expenses that customers face.
 - The CAP Agency will schedule all necessary follow-up services for insulation, air sealing, appliance and heating/cooling system replacements. All services and appliance and heating/cooling system replacement are provided at no cost to the customer.
 - Customer receives a “comment card” to provide their feedback on all aspects of their journey through the IES Program.

An independent third-party company provides quality control and quality assurance to at least 5% of all assessments and weatherization projects.

4.4 Changes for 2023

Reaching new income eligible customers is of high priority in 2023 given global rising energy costs and inflation. With these concerns in mind, the Company is working to improve outreach to these customers.

Increasing Participation in the Income Eligible Program through Referrals

The primary impediment to income eligible participation during prior program years was an insufficient number of qualified staff at the Community Action Agencies (CAPs) to perform assessments. However, there have been numerous hires in 2022 which will increase the CAP workforce and number of customers served in 2023.

During the past several years, CAP agency budgets were tied to their assigned communities and could not be moved to other CAP communities. The purpose of this restriction was to ensure that each community receives an equitable amount of funding that is tied to its population size. While ensuring equity in the communities served, this rule prevents over-performing CAP agencies from taking on additional work in their territories by leveraging unused funds from other territories. Ultimately, by not

reallocating funds, income eligible customers are not served that could be. In 2022, the program realigned the budgets to serve more customers with two additional options. First, CAPs that are overperforming will be allowed to overspend their budget allocation while there are still customers awaiting services in their territories. Second, an Inter-Agency Referral program is being established to assist CAPs that do not have staffing capacity to meet their goals. CAPs that can assist in the other under-resourced areas will receive referral services to serve customers in an under-resourced service area. The Company will continue both of these pathways in 2023.

The inter-agency referral process enables entire communities assigned to a particular CAP to be reassigned to a different CAP that is able to complete the work while preserving the equity of the program by keeping the budget tied to the community.

The inter-agency referral program is expected to increase budget utilization, enable the CAP agencies to reach more customers, achieve greater energy savings, improve the health and wellness of many income-eligible households, and create a more equitable program.

Focused communication and engagement with landlords on behalf of interested tenants

The Company will continue efforts to increase renter participation, via landlord outreach, to effectively improve the focused communication and engagement with landlords. Landlord participation in the IES Program is important for the success of reaching potentially older homes that often have deferred maintenance. Without landlord commitment to the IES Program, renters cannot gain the benefits of energy efficiency which causes an issue with equity of program resources.

Landlords can use the Heat loan to support tenant upgrades. Income Eligible qualified customers receive all program services at no-cost to the customer.

Using the nonparticipant study results and landlord specific contact lists, the Company plans to run landlord outreach campaigns with additional outreach in the five equity target communities. Additionally, the Energy Efficiency Customer Advocate will also be engaging with organizations within the equity communities to expand outreach with a local, trusted resource.

4.5 Other Considerations

Leveraged Funding and Coordination with Other State Programs

The IES Program collaborates with the State of Rhode Island Department of Human Services (DHS) Weatherization Assistance Program (WAP)⁸ and the Low-Income Home Energy Assistance Program (LIHEAP)⁹ to create synergy between the programs, which improves outcomes of all the programs.

The IES Program benefits from leveraging LIHEAP funds, resulting in more customers being served. The amount of funds leveraged is approximately 25% of total customer incentive benefits for weatherization and heating system replacements. The LIHEAP funds also help pay for the remediation of non-energy related health and safety improvements (aka pre-weatherization barriers or deferred projects), that if not remediated, would prevent a customer from receiving weatherization and/or heating system upgrades, i.e., roof repair and/or replacement, knob and tube wiring removal, glass repair/replacement, and carpentry. Conversations with DHS indicate an additional \$3 million of federal funds available for weatherization in 2023. This will allow the Company to coordinate resources and serve more customers. The challenge will still exist with finding commensurate funding to overcome pre-weatherization barriers that allow weatherization work to proceed.

Other elements of coordination are

- Starting in 2021, WAP (DOE) funding became available for leveraging IES funding for IES energy efficiency measures. DHS provides training and equipment to weatherization auditors.
- DHS provides the IES Program with important operational data including demographics, participation, amount of DHS funding leveraged with IES Program funds, and customer data for those on fuel assistance (LIHEAP), but not the RI Energy discount rate.

Emergency heating system replacements

The Company wants to 1) reduce the number of emergency oil/propane heating system replacements in Income Eligible dwellings (replacing oil/propane heat systems with high efficiency oil/heat systems), and 2) identify funding that can offset the cost of fuel switching from oil/propane to high efficiency heat pumps heating systems. In order to achieve this, the IES Program has developed a list of oil/propane systems that are identified during on-site and virtual energy assessments that are ideal candidates for replacement to electric heat pumps.

In 2023, the Company is proposing that upgrades from the oil/propane heating systems that are identified as near end-of-life be replaced with efficient electric heat pump systems. Energy Efficiency funding will be used to support these heating system replacements and leveraged funding will also be

⁸ Overseen by the U.S. Department of Energy. <http://www.dhs.ri.gov/Programs/WAPProgramInfo.php>

⁹ Overseen by the U.S. Department of Health and Human Services. <https://www.benefits.gov/benefit/1572>

deployed when available. Full heating system costs are applied with income eligible heating system replacements and full displaced heating system benefits and corresponding electric usage will be matched with the costs.

The Company will work with supporting stakeholders (RI OER, DHS, DOE, and others) to identify funding that can be leveraged to replace oil/propane heating systems with high efficiency heat pumps.

Currently, if an income eligible customer heats their home with oil or propane and they have a heating system failure or the system is deemed unsafe, the original oil or propane heating system is replaced with a more efficient oil or propane heating system. This 1:1 replacement is the quickest solution to satisfy the emergency nature of a customer's heating needs. Ideally the Program would prefer to upgrade the oil/propane heat systems with more energy efficiency heat pumps, but the time to design and install a completely different system takes many weeks, and a customer cannot be without heat for many weeks in the winter. This wait time is compounded by current equipment supply shortages. It is important to note other barriers for heat pumps as not all homes are well-suited for ASHPs; the IES Program pays for 100% of equipment, labor and inspection costs, which can become very expensive for changing heating system design from a boiler or furnace system to a heat pump system. PUC staff recommended that the Company look into possible solutions to stop the installation of new oil/propane heating systems for emergency heating system replacements as they perpetuate the burning of carbon-intensive fuels. The first step in moving customers towards more efficient and cost-effective heating is the proposal to upgrade near end-of-life deliverable fuel heating systems with efficient electric heating systems. Rhode Island Energy also plans to work with OER to leverage funding from the newly approved heat pump program when that funding becomes available.

5 Residential New Construction (Electric and Gas)

5.1 Offerings

Design and Construction Assistance

- Energy modeling and design assistance to verify compliance with the Residential New Construction (RNC) requirements and determination of respective incentives.
- In-field training and inspections to verify compliance with the RNC requirements and promote efficiency in subsequent projects.

Market Development

- Technical training on high efficiency and Zero Energy building practices, as well as energy code compliance, to build necessary market capacities.
- Training and certifying Home Energy Rating System (HERS) raters to increase the number of qualified raters based in RI.
- Rating and certification services, including HERS, DOE Zero Energy Ready Home, Passive House, and ENERGY STAR, to promote visibility of energy efficiency in the marketplace and support increased use of the RI Residential Stretch Code.

Incentives

- Whole-home efficiency incentives for buildings based on achieved level of efficiency and number of units.
 - Path to Energy Efficiency incentives ranging from \$200 to \$4,000 per home.
 - Three efficiency tiers, with an entry threshold of 15% more efficient than baseline and progressive maximum air leakage requirements.
 - Additional incentive options of \$250-\$1,000 per home for all-electric home and \$100-\$200 per home for ENERGY STAR® certification.
 - Path to Zero Energy Ready incentives ranging from \$500-\$1,500 per home in addition to Path to Energy Efficiency.
 - Projects must meet a minimum base efficiency level, be all-electric, and achieve DOE Zero Energy Ready Home, Passive House, or equivalent certification.
 - Projects with >75 units are eligible for custom incentives.
 - Adaptive Reuse projects are incentivized based on a separate set of prescriptive measures tailored to mill conversion projects.
- Certification incentives provided to support third-party verification of energy efficiency measures.
- Equipment rebates for qualifying high efficiency heating, cooling, and hot water equipment.
- Complimentary WaterSense showerheads.

5.2 Eligibility

The Residential New Construction (RNC) program is designed to advance the Rhode Island housing market toward Zero Energy homes. The program provides technical services, inspection services, and project incentives for new construction, additions, and major renovations to both one to four unit and five plus unit buildings. The program also supports major renovation of adaptive reuse projects (e.g. mill building conversions). The RNC program supports both market rate and income eligible housing units.

5.3 Implementation and Delivery

Design and Construction Assistance, Incentives: The RNC project pipeline is developed primarily through coordination with RI permitting departments, engagement of the building industry, and referrals from EnergyWise and Rhode Island Housing. A participating customer/project team begins the process by calling or emailing the RNC program. The project team meets with the RNC program team (led by a Lead Vendor) to discuss the project design, learn how to modify design or mechanical systems to improve energy efficiency, and initiate energy modeling of the project to determine the potential for incentives. Once construction has begun, RNC staff provides on-site training as needed and conducts inspections of the completed project to determine energy efficiency and respective incentives. When the project is complete and has met program requirements, the performance and equipment incentives are issued.

Market Development: RNC identifies opportunities to build necessary market capacities to advance toward Zero Energy Homes and delivers education and outreach programming designed to achieve this goal.

5.4 Changes for 2023

Lighting is no longer an eligible component in Residential New Construction program. RNC is being evaluated in 2023. Recommendations from that evaluation will inform in program year enhancements.

5.5 Other Considerations

Rhode Island Energy is currently conducting research on new all-electric construction called Closing the Gas Gap for All Electric Homes that was detailed in the 2022 plan. The goal of this assessment is to examine how the programs can promote new construction of all-electric buildings (without a gas connection) in part through incentivizing the electric alternative of these appliances. The assessment will examine high-efficiency options for electric appliances as alternatives to less-efficient electric equipment or gas equipment.

The Company plans to use the results of this assessment, together with the results of the Residential New Construction and Code Compliance study also underway, to consider a transition to electric-only new construction.

6 Home Energy Reports (Electric and Gas)

6.1 Offerings

The HER program is a state-wide energy efficiency program that provides benefits for Rhode Island residential customers through the mailing and emailing of customer-specific energy usage reports and insights. While over 300,000 customers receive HERs (i.e., the treatment group) by way of direct mail and/or e-mail, all account holders have access to insights of their energy consumption via the web tools located on the RI Energy website. The program has evolved since 2013 from offering only mailed insights to now being integrated into the Company's website with online assessment tools, sending Non-Advanced Metering Infrastructure (AMI) High Usage Alerts, and utilizing segmentation to target different populations with relevant messaging.

6.2 Eligibility

The majority of Rhode Island residential Electric and Gas customers are eligible for the Home Energy Reports (HER) program. Customers with an email address on record will also receive an electronic version of the report (eHER). All customers have access to the online home energy assessment and related insights. Randomly compiled control and treatment groups are necessary for accurate savings reporting. Thus, some customers will not receive print or electronic reports (control group), while others receive both print and electronic HERs (treatment group).

6.3 Implementation and Delivery

The program is administered by a Lead Vendor, a company with subject matter expertise selected by the Company to deliver the program. The Lead Vendor is responsible for maintaining HER distribution groups, tracking data, managing the Web Portal, and documenting energy savings. The Lead Vendor works with the Company to craft the messaging and delivery of the HERs, and also works with the Company to introduce additional program enhancements, aligning with the Company's state-wide comprehensive marketing efforts.

All eligible customers will receive a up to 6 print versions of the report a year and up to 4 gas specific reports in the winter season. All customers with email on record will receive up to 12 reports a year. The reports include marketing messages informing customers of other program opportunities so that they may be made aware of the most current and relevant energy efficiency offerings. For customers interested in learning more about energy saving tips and their home's energy consumption, they may log into the online portal and use the available tools.

7 Residential Consumer Products (Electric)

7.1 Offerings

Residential Consumer Products incorporates both the federal Environmental Protection Agency (EPA) ENERGY STAR and Department of Energy (DOE) ENERGY STAR® categories of consumer appliances, select building products, and some energy saving items not included by the federal agencies. The largest savings elements of the Consumer Products program come from recycling older refrigerators and freezers. In 2023 the program will also support dehumidifiers, dehumidifier recycling, clothes dryers, ENERGY STAR most efficient clothes washers and refrigerators, refrigerator and freezer recycling, room air cleaners, room air conditioners, efficient shower heads, pool pumps, advanced power strips, and low-emissivity storm windows. Consumers can purchase products at a local retailer, online through any online retailer as long as the product meets product specifications and there is a receipt, or at the marketplace (<https://rienergymarketplace.com/>). The RI Energy Marketplace is a streamlined portal on which customers can buy efficient products with the rebate already applied, eliminating the need for the customer or contractor to apply for the rebate post-sale. Only products that can be installed by the customer (e.g., room air cleaners, water fixtures, advanced power strips) are available on the marketplace.

In 2022, the Company began offering midstream incentives with the introduction of ENERGY STAR® most efficient clothes washers and refrigerators, two products that previously did not receive incentives. This midstream incentive is being tested with one big box store, to understand the ability of incentives to influence retailer stocking practices.

7.2 Eligibility

Residential Consumer Products serves all residential customers by offering incentives on electronics, ENERGY STAR® consumer appliances, dehumidifier, refrigerator, freezer recycling and other high use energy saving devices.

7.3 Implementation and Delivery

There is a Lead Vendor for this program that works with retailers, so they are knowledgeable about the products and ensure proper signage within the retail stores. The Lead Vendor also jointly staffs customer outreach events and customer information tables at retailer locations. The program supports a combination of upstream and midstream incentives as well as post-purchase consumer incentives. The upstream, negotiated with manufacturers and distributors, and midstream, working with retailers, incentives encourage retailers and manufacturers to support ENERGY STAR with increased production and availability of products. In 2023, measures offered upstream and midstream are advanced power strips, pool pumps, and most efficient clothes washers and dryers. Consumer incentives are designed to bring efficient product costs in line with less efficient equipment, thereby encouraging the adoption of the more efficient items.

A rebate processing vendor verifies and processes post-consumer incentives which can be submitted electronically or by traditional mail. This vendor also processes upstream, midstream, and recycling incentives.

The recycling vendor collects refrigerator, freezer, and dehumidifier from customer residences or central recycling location and transports them to the recycling facility in compliance with the EPA's Responsible Appliance Disposal Program (RAD).

7.4 Changes for 2023

Midstream Delivery

The Company will continue to assess the success of midstream incentives with the two measures at one big box store as mentioned above. Takeaways will influence decisions on whether to continue these midstream incentives, expand the program to more stores, expand the program to more products, or adopt the ENERGY STAR Retail Products Platform (ESRPP). ESRPP aims to transform markets by streamlining and harmonizing energy efficiency programs with retailers, making them less complex and more cost effective. While this platform could allow the program to reduce incentive and administration costs and increase savings via higher adoption, assessment of the success of the currently limited midstream incentive program will facilitate a better understanding of the ESRPP's cost-effectiveness.

8 Residential High-Efficiency Heating, Cooling, and Hot Water (Electric and Gas)

8.1 Offerings

The High-Efficiency Heating, Cooling, Ventilation and Hot Water Programs (HVAC Programs) promote and incentivize the installation of high efficiency electric and gas equipment through:

Customer rebates on energy efficient equipment

- Boilers
- Combined condensing boilers and furnaces
- Furnaces
- Triple-paned windows
- Hot water heaters
- Heat recovery ventilators
- Air source heat pumps (space and water heating)
- Central Air Conditioners
- Smart thermostats
- Water saving devices

Contractor Services

- Quality Installation Verification
- Contractor training
- Contractor incentives
- Upstream incentives (discount taken at the distributor level)

The HVAC Electric and Gas Program is cross-promoted through the EnergyWise Home Energy Assessment, Multifamily, Residential New Construction, Community-Based Initiative and Home Energy Reports Programs. Training elements and best practices of the Program are also provided to the Income Eligible Services Program to maintain consistency in contractor skills for accurate sizing, design, installation and performance verification of the high efficiency HVAC systems.

8.2 Eligibility

Residential High-Efficiency Heating, Cooling, Ventilation and Hot Water (ENERGY STAR® HVAC) serves all residential customers by offering incentives on high-efficiency building space conditioning and water heating equipment and equipment maintenance. Energy efficient equipment must be installed by a licensed heating or cooling contractor or plumber.

8.3 Implementation and Delivery

The program is administered by a Lead Vendor that is responsible for contractor training, maintaining distributor relationships, tracking data, providing content for marketing, and documenting monthly, quarterly, and annual energy savings. The Lead Vendor works closely with the Company to deliver the HVAC Program and provide strategic insight for program improvements.

Contractor training and education is a primary component of the program to ensure accurate sizing, design, installation and performance verification of heating, cooling, and hot water equipment and results in energy savings and customer satisfaction.

The Lead Vendor provides regular communication and in-store visits with distributors to provide training and information on the equipment and solicit feedback on customer interactions. The Lead Vendor also ensures distributors have proper promotions and marketing signage within the distribution stores.

The Company and Lead Vendor work with manufacturers to develop special offers, or “flash sales”, to further incentivize customers to participate in the Program to gain the benefit of the energy savings.

Product channels for ease of customer use and for product adoption:

- HVAC contractors during routine maintenance service, emergency service, or contractors’ marketing communications
- Residential New Construction/Major Renovation energy advisors during project design consultation.
- Upstream and midstream incentives
- Comprehensive RI Energy marketing channels including emails, Home Energy Reports, bill inserts, and radio and media advertisements.
- RI Online Marketplace <https://rienergymarketplace.com/> offers customers the ability to purchase instant discount rebates on energy efficient thermostats and water fixtures.
- The program supports a combination of upstream and midstream incentives as well as post-purchase consumer incentives. The upstream and midstream incentives encourage retailers, distributors, and manufacturers to support ENERGY STAR products with increased production and availability of products. Consumer incentives are designed to bring efficient product costs in line with less efficient equipment, thereby encouraging the adoption of the more efficient item.
- Home Energy Reports sends communications to electric customers promoting air source heat pumps as an energy efficiency solution.
- The Company markets to all residential customers to make them aware of incentives available for heat pump water heaters and updates HVAC contractors on the offering.

A rebate processing vendor verifies and processes post-consumer incentives which can be submitted electronically or by traditional mail. This vendor also processes upstream and midstream incentives.

Customers who complete a Home Energy Assessment through the EnergyWise Program can apply for 0% Heat Loan financing for qualified high-efficiency space heating and hot water equipment upgrades.

8.4 Changes for 2023

Triple-Paned Windows

Triple-paned windows are a new offering for customers in 2023. Customers that have single paned windows and upgrade to triple paned windows will be eligible for the incentive. Windows will need to be installed by a contractor.

Heat Pumps

The Rhode Island legislature recently approved the use of approximately \$25 million in federal funding for residential and small commercial heat pump deployment. The state program will provide incentives for fuel switching, which will complement RIE's incentives for customers with existing electric resistance heaters. RI Energy plans to work to align with the state's program and take advantage of synergies where possible. This coordination may include outreach to HVAC contractors, synchronization of incentives, and coordination on how this program can be leveraged and marketed given interactions with other RI Energy program elements, such as weatherization improvements and home energy assessments.

Cross-Promotion

The HVAC Electric and Gas Program is cross-promoted through the EnergyWise, Residential New Construction, Community-Based Initiative, and Home Energy Reports Programs.

The Electric HVAC Program and the Residential New Construction and the Major Renovations component of Residential New Construction will work closely together to develop and implement an HVAC contractor training for the design and installation of heating/cooling/ventilation/hot water systems in projects striving to meet Zero Net Energy and Passive House.

Communications

The HVAC Program will coordinate on strategic communication and technical support to assist HVAC contractors engage with Zero Net Energy and Passive House projects to ensure the mechanical system is ideally designed and installed to meet the very low energy requirements of the homes. Consideration of requirements for contractors to participate in Zero Net Energy and Passive House training or successful completion of a project to be listed as a Zero Net Energy and Passive House participating HVAC contractor.

HVAC Contractors will be listed on the Program's webpage as having completed the training and/or for the completing Zero Net Energy and Passive House projects.

HVAC Contractors are still the primary pathway to the HVAC program. Feedback from the contractor community is that consistency of incentives is valuable throughout the year. Contractors are busy with installations and changing incentives creates additional work to very busy schedules.

Customer Feedback

The Company's HVAC Lead Vendor has quality assurance (QA)/quality control (QC) staff who perform onsite inspections and engage with customers to obtain feedback and respond to questions. Staff often have extended discussions with customers about their new system and how to best operate and maintain it for optimal performance. The QA/QC staff also frequently meet with HVAC service technicians and installation crews on project sites. LV also provides Air Source Heat Pump (ASHP) Installation and Operation Best Practices for contractors and customers. The purposes of these visits are to perform QA/QC inspections, test the equipment and installation, capture customer feedback, and provide additional 1:1 training. The QA/QC staff frequently meet with HVAC distributors at their distribution centers to share new program information and provide feedback from contractors, customers, and the Company. Finally, the LV leads larger HVAC contractor trainings and annual contractor meetings where the lessons learned from field visits are shared. The program's central focus is on these frequent direct interactions with customers, contractors, and distributors to obtain feedback and share lessons learned from the field, while mentoring and training HVAC service providers.

9 Residential ConnectedSolutions

9.1 Offerings

Thermostats

The Company has offered an ENERGY STAR certified Smart thermostat-based demand response program since the summer of 2016. There are nine different smart thermostat manufacturers supported in the program.

This program precools the customers' home before the grid peak and then sets back the thermostat setting during peak periods. This lowers the chance of customers' central air conditioning units running during grid peaks. A customer may opt out of the program or events at any time. Customers receive an initial enrollment incentive and an annual incentive for staying in the program.

Batteries

The Company has offered a battery-enabled demand response program since 2019. There are six different smart inverter manufacturers supported in the program. The Company added two more inverter manufacturers since the summer of 2020. The inverters control the battery systems.

This program sets batteries to discharge during grid peaks. Often, this means that power is being exported to the grid during peak times, which reduces the load on the grid. This export is supported in both the Net Metering and RE-Growth programs.

Customers may apply for a seven-year, 0% interest HEAT Loan for the cost of the battery system. Customers receive no other upfront incentives from the program. Customers are incentivized based on the average performance (kW) of their battery system over the 30 to 60 summer events each year.

Pool Pumps

The Company is working with its vendor to integrate internet enabled pool pumps into its Connected Solutions program. This work is projected to be completed in late 2022 and should be ready for the 2023 summer season. This program will control internet connected pool pumps to automatically stop pumps when the electric grid is at or near its annual peak. These peak events will be called on the same dates and times as the battery-based demand response program.

This program will control internet connected pool pumps. Customers will earn an enrollment incentive and an annual incentive for staying in the program.

Solar Inverters

The Company completed the Solar Inverter Demonstration in 2022. Based on the results of the study, the Company will offer this as a ConnectedSolutions measure in 2023 with kW savings only.

The ConnectedSolutions program will enroll customers who already have a supported solar inverter or who are installing a new solar photovoltaic system with an inverter from a supported inverter manufacturer. Customers will earn an enrollment incentive and annual incentive for staying in the program.

9.2 Eligibility

ConnectedSolutions is an active demand reduction program that focuses on electric demand reduction during peak demand periods during the year. Consumers with eligible controllable equipment can enroll to participate in active demand reduction.

9.3 Implementation and Delivery

Thermostats

In this BYOD (Bring-Your-Own-Device) program, customers are free to purchase a thermostat from any of the nine supported manufacturers and can participate if they have central air conditioning. After purchase, thermostat manufacturers send emails and in-app notifications to customers inviting them to enroll in the ConnectedSolutions program. Enrollments in smart thermostat-based demand response options have historically exceeded expectations. In 2023, approximately 7,200 enrollments are planned.

The enrollment incentive for thermostats is \$25 per device. Once enrolled, there is an additional annual incentive of \$20 per thermostat. There is no performance incentive per demand response event. Thermostat participants are not eligible for a HEAT Loan.

Batteries

In this BYOD program, customers are free to purchase an inverter from any of the supported inverter manufacturers and have it installed by the customer's preferred installer. Inverters control the battery systems. In 2022 there were over 400 batteries enrolled in the program. 2023 is looking for over 520 batteries to be enrolled.

There are no enrollment or annual incentives for batteries. There is a performance incentive of \$400/kW-year of demand reduction provided. Battery participants are eligible for a HEAT Loan.

Pool Pumps

The pool pump demand response program will also be new in 2023. In 2021, Guidehouse completed a report showing that pool pumps could cost-effectively be added to the Company's demand response programs.¹⁰

¹⁰ https://ma-eeac.org/wp-content/uploads/2021-Cost-Effectiveness-of-ADR-for-Residential-End-Uses-Final-Report-2021-07-19_CLEAN-1.pdf

In this BYOD program, customers earn an incentive for signing up for the program and for each year they stay in the program. In 2022 only one pool pump manufacturer may be supported by the Company's distributed energy resource management system (DERMs). However, the Company expects this number to grow in 2023.

The Company has set the goal of enrolling 25 customers into the pool pump program in 2023. Marketing for this program will be mostly through the pool pump manufacturer to customers who already have a supported internet connected pool pump, and to new customers considering the purchase of a new pool pump. The incentives will help to offset the incremental cost of customers installing an internet connected pool pump instead of a standard pool pump.

The enrollment incentive for pool pumps is \$100 per account with an additional annual incentive of \$20 per account. There is no performance incentive per demand response event. Pool pump participants are not eligible for a HEAT Loan.

Solar Inverters

The Company will work with some of the inverter manufacturers already in the ConnectedSolutions battery measure to email customers to opt-in to updating their inverter settings. Customers will receive an enrollment incentive and an annual incentive for staying in the program. Customers may leave the program at any time. The Company will receive data from every inverter to quantify how often and how much power factor was corrected. If the customer's solar generation (kWh) is decreased by more than the annual incentive, the customer will be given an additional incentive to guarantee they are not penalized for their participation in this demonstration.

The Company's Electric Business Unit (EBU) has provided the preferred setpoints for power factor correction. The EBU will use sensors on the grid to monitor this demonstration for any negative effects or unintended consequences. The EBU may periodically change the preferred inverter setpoints, which will be pushed out to all participating inverters by our inverter manufacturer partners.

9.4 Changes for 2023

Pool pump and Solar Inverter enrollment

In 2023 the company will launch a pool pump-based and solar inverter demand response program. Additional detail about these new offerings is described in Offerings above. These devices can act as actively controlled distributed energy resources to shape the use of electricity to reduce the cost of running the grid for all customers.

9.5 Other Considerations

Program Expansion

The program is planning to achieve demand reductions above the set Targets for Active demand response (i.e. the maximum scenario in the Market Potential Study). The Company is identifying and pursuing opportunities beyond what was identified by the Market Potential Study.

The solar inverter demonstration study was started in 2021 and will continue into 2022 with an expected completion in the summer of 2022. This study looks to verify the energy savings in kWh and determine customer acceptance of the offering if converted to a full program offering in the future.

Feedback

Feedback from customers and vendors is used to continuously improve all the Company's programs. This is especially important for new measures such as the batteries and pool pump demand response measures.

10 Marketing, Outreach & Education

10.1 Overview

The goals of the Company's marketing efforts are to build awareness of and drive participation in the Company's efficiency offerings and services among residential customers, while providing a positive customer experience. The Company uses an integrated, multichannel approach featuring consistent messaging and visual design elements (as appropriate) across communications. General awareness tactics (i.e., print ads and radio) as well as digital and direct one-to-one tactics (such as e-mail, online banner ads, social media, and direct mail) generate customer interest and program participation. All ratepayers receive bill inserts and quarterly 'We Connect' printed newsletters and can access www.rienergy.com at any time (provided they have internet access).

10.2 Delivery, and New for 2023

Rhode Island Energy uses a multichannel marketing approach to generate interest and drive adoption of solutions across the portfolio, as well the use of residential segmentation to enable personalization and optimize a channel strategy based on customers' preferred communication channels. The Company aligns marketing efforts with residential customer research, customer segmentation, propensity modeling, media habits research, and behavior data. The Company's ecommerce Marketplace at www.rienergymarketplace.com serves as the online destination for customers to purchase top branded energy-efficient products at instantly discounted prices. Rhode Island Energy's website remains an important resource for information on products and services as well as rebates available to customers. The Company's social media advertisements and messages on Facebook, Instagram, Twitter, Snapchat, and NextDoor ensure customers are learning about energy efficiency opportunities while they are online with their family, friends, and neighbors.

Across marketing campaigns, messaging focuses on the benefits of energy efficiency products and programs while aligning with overall Company communications and demonstrating an understanding of current customer sentiment and needs based on internal research. Core to our messaging is helping customers save energy and money and lower their environmental footprint. Where appropriate, messaging around safety is incorporated into marketing materials given health and safety concerns. Overall messaging tone is helpful, empathetic, and informative to ensure the information reflects the Company's role as a trusted advisor who truly cares about customers' needs.

Rhode Island Energy's newest energy efficiency education/awareness campaign complements all programmatic marketing efforts. The omni-channel outreach plan includes a mix of owned and paid tactics and channels. Ads are intended to be informational while providing tangible ways to take action. Core to the campaign is an interactive landing page that captures the essence of the whole-home approach and serves as the destination for customers to comprehensively understand the value of the energy efficiency programs. This webpage allows customers to learn more about the various programs,

potential savings and energy efficiency measures they can take, as well as link to more program details. Customers can also access a library of seasonal and year-long energy saving tips and information about energy efficiency offers and rebates.

New for 2023

The participant and non-participant studies, which concluded in 2022, provided the company with valuable insights on participation trends and barriers. These studies analyzed residential program participation between 2016 and 2020, identified and compared nonparticipants to participants to model propensity scores, and conducted interviews with nonparticipants to better understand programmatic barriers and ways to address them.

The research identified key barriers to participation as low awareness of energy efficiency and its value, a lack of trust and understanding of why an energy company would engage in promoting less use of energy, and limited access to program information that meets their needs (such as availability in their language). A statewide comprehensive campaign will be deployed in 2023 to provide a consistent message of both the purpose of energy efficiency and the availability for customers.

Using lessons learned from a 2021 Spanish-language campaign that was created for fridge recycling, the Company will scale its multi-cultural educational efforts through the creation of a new in-language and in-culture campaign in 2023. The goal will be to increase awareness and participation of the energy efficiency programs among multicultural customers. Initially the campaign will begin with Hispanic customers and expand to other multicultural groups. Aside from this campaign, the Company will also be more consistently sending its direct mail and emails in both English and Spanish.

The Company participated as a major sponsor at the annual Rhode Island Home Show in April 2022. Participation will be evaluated for 2023 as well. Participation in these events enables the Company to market directly to residential customers.

11 Residential Measures and Incentives

Table 2 below lists the planned measures for the electric Residential programs, by program, along with the planned units, incentives per unit and total incentives. The Residential ConnectedSolutions program is planned at the net kW level. All other electric Residential programs are planned at the per unit level. Table 3 shows planned costs in non-incentive cost categories for each program that are not allocated at the measure level. Table 4 and Table 5 show the same information for the planned Gas programs, respectively.

Table 2. Planned Measures for Electric Residential Programs

Electric Residential Programs				
Program	Measure	Units	Incentive /Unit	Total Incentives
ENERGY STAR® HVAC	Central AC	220	\$50.00	\$11,000
ENERGY STAR® HVAC	Wi-Fi Tstat-cool and heat oil/propane	4,200	\$75.00	\$315,000
ENERGY STAR® HVAC	ACQIVES	20	\$175.00	\$3,500
ENERGY STAR® HVAC	DOWNSIZE	59	\$250.00	\$14,750
ENERGY STAR® HVAC	HP Mini-split QIV	646	\$175.00	\$113,050
ENERGY STAR® HVAC	HPQIVES	35	\$175.00	\$6,125
ENERGY STAR® HVAC	Mini-Split Heat Pump	1,625	\$350.00	\$568,750
ENERGY STAR® HVAC	Elec Res to MSHP	337	\$4,000.00	\$1,348,000
ENERGY STAR® HVAC	Central Heat Pump	35	\$350.00	\$12,250
ENERGY STAR® HVAC	ECM Pumps	4,300	\$100.00	\$430,000
ENERGY STAR® HVAC	Window - Electric Resistance	135	\$75.00	\$10,125
ENERGY STAR® HVAC	Window - Oil	627	\$75.00	\$47,025
ENERGY STAR® HVAC	Window - Propane	90	\$75.00	\$6,750
ENERGY STAR® HVAC	HPWH <= 55 gallon	350	\$600.00	\$210,000
ENERGY STAR® HVAC	HPWH > 55 gallon	15	\$150.00	\$2,250
ENERGY STAR® HVAC	Window - Heat Pump	45	\$75.00	\$3,375
ENERGY STAR® HVAC	HPTUNE	15	\$175.00	\$2,625
EnergyWise	Wx - OIL	1,800	\$2,945.00	\$5,301,000
EnergyWise	Wx Other	167	\$2,945.00	\$491,815
EnergyWise	Wx Elec	200	\$3,080.00	\$616,000
EnergyWise	THERMOSTATOIL	2,600	\$100.00	\$260,000
EnergyWise	THERMOSTATOTHER	65	\$100.00	\$6,500
EnergyWise	THERMOSTATELEC	380	\$100.00	\$38,000
EnergyWise	Minisplit Heat Pumps - Electric Resistance	18	\$4,200.00	\$75,600
EnergyWise	ShowerheadsOil	1,300	\$30.00	\$39,000
EnergyWise	ShowerheadsOther	50	\$30.00	\$1,500
EnergyWise	ShowerheadsElec	900	\$30.00	\$27,000
EnergyWise	WI-FI THERMOSTAT, OIL	200	\$200.00	\$40,000
EnergyWise	WI-FI THERMOSTAT, OTHER	10	\$200.00	\$2,000
EnergyWise	WIFI T-Stat - Electric	400	\$200.00	\$80,000
EnergyWise	Participants	12,500	\$375.00	\$4,687,500
EnergyWise	AeratorsOil	650	\$7.00	\$4,550
EnergyWise	AeratorsOther	10	\$7.00	\$70
EnergyWise	Pipe Insulation - Oil	4,250	\$7.00	\$29,750
EnergyWise	Pipe Insulation - Others	50	\$7.00	\$350
EnergyWise	AeratorsElec	200	\$7.00	\$1,400
EnergyWise	Pipe Insulation - Electric	500	\$7.00	\$3,500

Electric Residential Programs				
Program	Measure	Units	Incentive /Unit	Total Incentives
EnergyWise	Smart Strip	12,500	\$22.00	\$275,000
EnergyWise	Refrigerator Brush	7,000	\$5.00	\$35,000
EnergyWise	Pre-Wx	620	\$250.00	\$155,000
EnergyWise	LED Bulbs	95,000	\$3.00	\$285,000
EnergyWise Multifamily	INSULATION, Oil	60	\$52.50	\$3,150
EnergyWise Multifamily	INSULATION, Other	10	\$52.50	\$525
EnergyWise Multifamily	INSULATION	1,200	\$52.50	\$63,000
EnergyWise Multifamily	AIRSEAL, Oil	20	\$178.00	\$3,560
EnergyWise Multifamily	AIRSEAL, Other	5	\$178.00	\$890
EnergyWise Multifamily	AIR SEALING ELEC WITH AC	850	\$178.00	\$151,300
EnergyWise Multifamily	Heat Pumps	20	\$19,500.00	\$390,000
EnergyWise Multifamily	CUSTOM CIRCULATOR	2	\$4,800.00	\$9,600
EnergyWise Multifamily	CUST NON-LGT	2	\$9,000.00	\$18,000
EnergyWise Multifamily	Pipe Wrap DHW Other	2	\$3.00	\$6
EnergyWise Multifamily	SHOWERHEAD Oil	40	\$25.00	\$1,000
EnergyWise Multifamily	SHOWERHEAD Other	5	\$25.00	\$125
EnergyWise Multifamily	VFD	10	\$12,000.00	\$120,000
EnergyWise Multifamily	Pipe Wrap DHW Oil	20	\$3.00	\$60
EnergyWise Multifamily	TSV Showerhead Oil	10	\$40.00	\$400
EnergyWise Multifamily	Pipe Wrap DHW Elec	225	\$3.00	\$675
EnergyWise Multifamily	SHOWERHEAD	120	\$25.00	\$3,000
EnergyWise Multifamily	TSV Showerhead	30	\$40.00	\$1,200
EnergyWise Multifamily	TSV Showerhead Other	2	\$40.00	\$80
EnergyWise Multifamily	Thermostats	800	\$125.00	\$100,000
EnergyWise Multifamily	THERMOSTAT, Oil	20	\$125.00	\$2,500
EnergyWise Multifamily	AERATOR Oil	50	\$5.00	\$250
EnergyWise Multifamily	AERATOR	300	\$5.00	\$1,500
EnergyWise Multifamily	Smart Strip	1,200	\$23.00	\$27,600
EnergyWise Multifamily	LED Bulbs	2,000	\$3.00	\$6,000
Home Energy Reports	ElecOnly	162,785	\$0.00	\$0
Home Energy Reports	DualFuel	98,515	\$0.00	\$0
Home Energy Reports	New Mover electric	17,245	\$0.00	\$0
Home Energy Reports	New movers dual fuel	9,735	\$0.00	\$0
Income Eligible Multifamily	INSULATION	100	\$230.00	\$23,000
Income Eligible Multifamily	INSULATION, Oil	50	\$230.00	\$11,500
Income Eligible Multifamily	INSULATION, Other	10	\$230.00	\$2,300
Income Eligible Multifamily	CUSTOM CHP	1	\$275,000.00	\$275,000
Income Eligible Multifamily	AIRSEAL, Oil	10	\$70.00	\$700
Income Eligible Multifamily	AIRSEAL, Other	5	\$70.00	\$350
Income Eligible Multifamily	AIR SEALING ELEC WITH AC	30	\$70.00	\$2,100
Income Eligible Multifamily	Thermostats	75	\$125.00	\$9,375
Income Eligible Multifamily	Heat Pumps	5	\$300,000.00	\$1,500,000
Income Eligible Multifamily	Heat Pumps - Oil	1	\$900,000.00	\$900,000
Income Eligible Multifamily	CUST NON-LGT	1	\$300,000.00	\$300,000
Income Eligible Multifamily	CUSTOM CIRCULATOR	2	\$8,000.00	\$16,000
Income Eligible Multifamily	SHOWERHEAD	100	\$25.00	\$2,500
Income Eligible Multifamily	TSV Showerhead	10	\$40.00	\$400
Income Eligible Multifamily	VFD	12	\$28,000.00	\$336,000
Income Eligible Multifamily	SHOWERHEAD Oil	100	\$25.00	\$2,500
Income Eligible Multifamily	Refrig rebate	50	\$3.00	\$150
Income Eligible Multifamily	AERATOR	100	\$4.50	\$450

Electric Residential Programs				
Program	Measure	Units	Incentive /Unit	Total Incentives
Income Eligible Multifamily	AERATOR Oil	20	\$4.50	\$90
Income Eligible Multifamily	Smart Strip	200	\$23.00	\$4,600
Income Eligible Multifamily	Common Ext LED Fixture	80	\$330.00	\$26,400
Income Eligible Multifamily	Common Int LED Fixture	370	\$95.00	\$35,150
Income Eligible Multifamily	Common Int Linear LED Fixture	500	\$95.00	\$47,500
Income Eligible Multifamily	LED Bulbs	2,000	\$3.00	\$6,000
Residential ConnectedSolutions	Solar Inverters, New	200	\$45.00	\$9,000
Residential ConnectedSolutions	Solar Inverters, Existing	1,000	\$20.00	\$20,000
Residential ConnectedSolutions	Thermostats Existing	6,773	\$20.00	\$135,460
Residential ConnectedSolutions	Thermostats New	427	\$45.00	\$19,215
Residential ConnectedSolutions	Battery Daily (savings)	500	\$2,640.00	\$1,320,000
Residential Consumer Products	Low-E Storm Windows Electric	122	\$25.00	\$3,050
Residential Consumer Products	Low-E Storm Windows Others	101	\$35.00	\$3,535
Residential Consumer Products	Dehumidifier Rebate	1,700	\$30.00	\$51,000
Residential Consumer Products	Energy Star Dryer	675	\$50.00	\$33,750
Residential Consumer Products	Low-Flow Showerhead with TSV, Oil	75	\$15.00	\$1,125
Residential Consumer Products	Other	55	\$15.00	\$825
Residential Consumer Products	Low-Flow Showerhead with TSV, Electric	152	\$15.00	\$2,280
Residential Consumer Products	Refrigerator Most Efficient	1,190	\$25.00	\$29,750
Residential Consumer Products	Room Air Conditioner 10.8	862	\$40.00	\$34,480
Residential Consumer Products	Clothes Washer Most Efficient	1,000	\$25.00	\$25,000
Residential Consumer Products	Room Air Cleaners	561	\$40.00	\$22,440
Residential Consumer Products	REFRIG RECYCLING	3,893	\$95.00	\$369,835
Residential Consumer Products	Freezer Recycling	325	\$95.00	\$30,875
Residential Consumer Products	Thermostatic Shut-off Valve Oil	23	\$11.50	\$265
Residential Consumer Products	Thermostatic Shut-off Valve Other	23	\$11.50	\$265
Residential Consumer Products	Thermostatic Shutoff Valve, Elec	23	\$11.50	\$265
Residential Consumer Products	Pool Pump - variable	584	\$500.00	\$292,000
Residential Consumer Products	Smart Strip	7,500	\$10.00	\$75,000
Residential Consumer Products	Tier 2 APS	6,500	\$35.00	\$227,500
Residential Consumer Products	Tier 2 APS OS	310	\$35.00	\$10,850
Residential Consumer Products	Dehumidifier Recycling	600	\$30.00	\$18,000
Residential New Construction	MFHR_COOLING	135	\$700.00	\$94,500
Residential New Construction	MFHR_HEATING	135	\$700.00	\$94,500
Residential New Construction	HEATINGCPC	15	\$345.00	\$5,175
Residential New Construction	HEATINGTIER1	110	\$885.00	\$97,350
Residential New Construction	HEATINGTIER2	159	\$1,525.00	\$242,475
Residential New Construction	HEATINGTIER3	15	\$3,718.00	\$55,770
Residential New Construction	RR_COOLINGTIER1_ELEC	26	\$0.00	\$0
Residential New Construction	RR_COOLINGTIER2_ELEC	12	\$0.00	\$0
Residential New Construction	RR_COOLINGTIER3_ELEC	2	\$0.00	\$0
Residential New Construction	RR_DHW TIER1_ELEC	26	\$0.00	\$0
Residential New Construction	RR_DHW TIER2_ELEC	12	\$0.00	\$0
Residential New Construction	RR_DHW TIER3_ELEC	2	\$0.00	\$0
Residential New Construction	RR_HEATINGTIER1_ELEC	25	\$900.00	\$22,500
Residential New Construction	RR_HEATINGTIER2_ELEC	12	\$1,520.00	\$18,240
Residential New Construction	RR_HEATINGTIER3_ELEC	2	\$2,643.00	\$5,286
Residential New Construction	RR_COOLINGCPC_ELEC	15	\$0.00	\$0
Residential New Construction	RR_DHWCP_ELEC	15	\$0.00	\$0

Electric Residential Programs				
Program	Measure	Units	Incentive /Unit	Total Incentives
Residential New Construction	RR_HEATINGCP_ELEC	15	\$345.00	\$5,175
Residential New Construction	COOLINGCP	15	\$0.00	\$0
Residential New Construction	COOLINGTIER1	110	\$0.00	\$0
Residential New Construction	COOLINGTIER2	159	\$0.00	\$0
Residential New Construction	COOLINGTIER3	15	\$0.00	\$0
Residential New Construction	DHWCP	15	\$0.00	\$0
Residential New Construction	DHWTIER1	110	\$0.00	\$0
Residential New Construction	DHWTIER2	159	\$0.00	\$0
Residential New Construction	DHWTIER3	15	\$0.00	\$0
Residential New Construction	MFHR-DHW	135	\$700.00	\$94,500
Residential New Construction	SHOWERHEAD	35	\$0.00	\$0
Residential New Construction	CODES AND STANDARDS	1	\$0.00	\$0
Residential New Construction	Refrig rebate	606	\$0.00	\$0
Residential New Construction	CWASHER	121	\$0.00	\$0
Residential New Construction	DISHWASH	526	\$0.00	\$0
Single Family - Income Eligible Services	Wx Elec	35	\$5,500.00	\$192,500
Single Family - Income Eligible Services	Wx DelFuel	650	\$5,500.00	\$3,575,000
Single Family - Income Eligible Services	Heating System Retrofit, Furnace, Other	8	\$5,500.00	\$44,000
Single Family - Income Eligible Services	Refrig rebate	1,400	\$1,100.00	\$1,540,000
Single Family - Income Eligible Services	THERMOSTATOIL	25	\$150.00	\$3,750
Single Family - Income Eligible Services	THERMOSTATOTHER	25	\$150.00	\$3,750
Single Family - Income Eligible Services	FREEZER	100	\$600.00	\$60,000
Single Family - Income Eligible Services	THERMOSTATELEC	25	\$150.00	\$3,750
Single Family - Income Eligible Services	WI-FI THERMOSTAT, OTHER	5	\$275.00	\$1,375
Single Family - Income Eligible Services	Minisplit Heat Pumps - Oil Fuel			
Single Family - Income Eligible Services	Switching	12	\$16,000.00	\$192,000
Single Family - Income Eligible Services	HEATSYSTEM	230	\$0.00	\$0
Single Family - Income Eligible Services	Minisplit Heat Pumps - Electric			
Single Family - Income Eligible Services	Resistance	20	\$16,000.00	\$320,000
Single Family - Income Eligible Services	Dehumidifier Rebate	150	\$275.00	\$41,250
Single Family - Income Eligible Services	WI-FI THERMOSTAT, AC ONLY	5	\$275.00	\$1,375
Single Family - Income Eligible Services	WI-FI THERMOSTAT, OIL	5	\$275.00	\$1,375
Single Family - Income Eligible Services	ACREPLACE	1,100	\$385.00	\$423,500
Single Family - Income Eligible Services	ERCW, Elec DHW & Elec			
Single Family - Income Eligible Services	Dryer_RETIRE	75	\$770.00	\$57,750
Single Family - Income Eligible Services	ERCW, Gas DHW & Elec			
Single Family - Income Eligible Services	Dryer_RETIRE	150	\$770.00	\$115,500
Single Family - Income Eligible Services	ERCW, Oil DHW & Elec Dryer_RETIRE	70	\$770.00	\$53,900
Single Family - Income Eligible Services	ERCW, Gas DHW & Gas Dryer_RETIRE	50	\$770.00	\$38,500
Single Family - Income Eligible Services	ERCW, Propane DHW & Elec			
Single Family - Income Eligible Services	Dryer_RETIRE	2	\$770.00	\$1,540
Single Family - Income Eligible Services	HP Water Heaters	2	\$1,800.00	\$3,600
Single Family - Income Eligible Services	Heating System Retrofit, Boiler, Oil	200	\$5,500.00	\$1,100,000
Single Family - Income Eligible Services	Heating System Retrofit, Boiler, Other	3	\$5,500.00	\$16,500
Single Family - Income Eligible Services	Heating System Retrofit, Furnace, Oil	25	\$5,500.00	\$137,500
Single Family - Income Eligible Services	Wx Other	50	\$5,500.00	\$275,000
Single Family - Income Eligible Services	DHWOIL	20	\$20.00	\$400
Single Family - Income Eligible Services	EDUC - TLC	3,200	\$180.00	\$576,000

Electric Residential Programs				
Program	Measure	Units	Incentive /Unit	Total Incentives
Single Family - Income Eligible Services	Smart Strip	4,000	\$20.00	\$80,000
Single Family - Income Eligible Services	LED Bulbs	53,000	\$8.50	\$450,500

Table 3. Shared and Other Costs for Electric Residential Programs

Program	Shared Costs				Non-Measure-Specific Incentives
	Program Planning & Administration	Marketing	Sales, Tech Assist & Training	Evaluation & Market Research	Heat Loans, HVAC Financing, Major Repairs & ZNE Project Certification
Income Eligible Multifamily	\$172,166	\$14,289	\$531,814	\$38,483	
Single Family - Income Eligible Services	\$472,009	\$132,093	\$1,890,611	\$81,211	\$186,206
Home Energy Reports	\$48,967	\$13,223	\$2,062,418	\$22,574	
EnergyWise Multifamily	\$128,556	\$67,821	\$139,871	\$26,373	\$80,000
EnergyWise	\$520,094	\$355,468	\$1,480,399	\$262,786	\$600,000
ENERGY STAR® HVAC	\$266,087	\$278,322	\$831,128	\$242,585	\$813,900
Residential New Construction	\$126,255	\$23,885	\$525,158	\$98,401	\$100,000
Residential Consumer Products	\$122,263	\$427,579	\$688,228	\$24,354	
Residential ConnectedSolutions	\$85,779	\$11,480	\$347,744	\$22,715	

Table 4. Planned Measures for Gas Residential Programs

Gas Residential Programs				
Program	Measure	Units	Incentive /Unit	Total Incentives
ENERGY STAR® HVAC	95% AFUE or greater forced-water boiler	375	\$1,000.00	\$375,000
ENERGY STAR® HVAC	BOILER RESET	32	\$225.00	\$7,200
ENERGY STAR® HVAC	COMBO CONDENSING 95	1,300	\$1,400.00	\$1,820,000
ENERGY STAR® HVAC	Cond Water Heater UEF 0.80	5	\$250.00	\$1,250
ENERGY STAR® HVAC	ENERGY STAR STORAGE WATER HEATER	45	\$125.00	\$5,625
ENERGY STAR® HVAC	ENERGY STAR ON DEMAND WATER HEATER 0.87 UEF	25	\$600.00	\$15,000
ENERGY STAR® HVAC	Furnace (forced hot air) w/ ECM >=95%AFUE	375	\$350.00	\$131,250
ENERGY STAR® HVAC	Furnace 97% AFUE with ECM	80	\$600.00	\$48,000
ENERGY STAR® HVAC	Furnace CombiAFUE97	10	\$700.00	\$7,000
ENERGY STAR® HVAC	HEAT RECOVERY VENT	45	\$500.00	\$22,500
ENERGY STAR® HVAC	LFShowerhead	125	\$7.00	\$875
ENERGY STAR® HVAC	Room Response Control - Gas	45	\$75.00	\$3,375
ENERGY STAR® HVAC	Thermostats	65	\$25.00	\$1,625
ENERGY STAR® HVAC	TSV Showerhead	65	\$15.00	\$975
ENERGY STAR® HVAC	TSVs	65	\$11.50	\$748
ENERGY STAR® HVAC	WATER HEATER - INDIRECT	170	\$425.00	\$72,250

Gas Residential Programs				
Program	Measure	Units	Incentive /Unit	Total Incentives
ENERGY STAR® HVAC	Wi-Fi Thermostat - Gas Cooling and Htg	3,200	\$75.00	\$240,000
ENERGY STAR® HVAC	Triple Pane Windows	325	\$75.00	\$24,375
EnergyWise	Thermostats	1,700	\$100.00	\$170,000
EnergyWise	Participants	2,200	\$0.00	\$0
EnergyWise	Pipe Insulation - Gas	1,500	\$7.00	\$10,500
EnergyWise	WEATHERIZATION	2,000	\$3,800.00	\$7,600,000
EnergyWise	WiFi Thermostat	100	\$200.00	\$20,000
EnergyWise	ShowerheadsGas	700	\$30.00	\$21,000
EnergyWise	AeratorsGas	600	\$7.00	\$4,200
EnergyWise Multifamily	Aerator_MF	500	\$5.00	\$2,500
EnergyWise Multifamily	Air Sealing_MF	1,400	\$355.00	\$497,000
EnergyWise Multifamily	CUSTOM CIRCULATOR	1	\$1,800.00	\$1,800
EnergyWise Multifamily	Duct Insulation_MF	100	\$3.00	\$300
EnergyWise Multifamily	Duct Sealing_MF	200	\$0.25	\$50
EnergyWise Multifamily	HEATING_Custom	3	\$28,200.00	\$84,600
EnergyWise Multifamily	INSULATION_MF	3,600	\$138.00	\$496,800
EnergyWise Multifamily	Pipe Wrap DHW_MF	100	\$3.00	\$300
EnergyWise Multifamily	Showerhead_MF	200	\$25.00	\$5,000
EnergyWise Multifamily	THERMOSTAT_MF	500	\$125.00	\$62,500
EnergyWise Multifamily	TSTAT_WIFI_HEATING	50	\$300.00	\$15,000
EnergyWise Multifamily	TSV Showerhead_MF	35	\$40.00	\$1,400
Home Energy Reports	DualFuel	120,421	\$0.00	\$0
Home Energy Reports	gas only	18,470	\$0.00	\$0
Home Energy Reports	New movers dual fuel	10,342	\$0.00	\$0
Income Eligible Multifamily	Aerator_LI	400	\$5.00	\$2,000
Income Eligible Multifamily	Air Sealing_LI	50	\$785.00	\$39,250
Income Eligible Multifamily	CUST NON-LGT_LI	45	\$15,900.00	\$715,500
Income Eligible Multifamily	HEATING_Custom_LI	12	\$135,000.00	\$1,620,000
Income Eligible Multifamily	INSULATION_LI	650	\$325.00	\$211,250
Income Eligible Multifamily	Pipe Wrap DHW_LI	100	\$3.00	\$300
Income Eligible Multifamily	Showerhead_LI	115	\$25.00	\$2,875
Income Eligible Multifamily	THERMOSTAT_LI	500	\$125.00	\$62,500
Residential New Construction	Codes and Standards	1	\$0.00	\$0
Residential New Construction	Heating (CP)	10	\$310.00	\$3,100
Residential New Construction	Heating Tier 1	20	\$1,050.00	\$21,000
Residential New Construction	Heating Tier 2	95	\$1,975.00	\$187,625
Residential New Construction	Heating Tier 3	2	\$2,300.00	\$4,600
Residential New Construction	MFHR_HEATING	50	\$700.00	\$35,000
Residential New Construction	MFHR_WATER_HEATING	50	\$700.00	\$35,000
Residential New Construction	RR_DHWCP_GAS	5	\$50.00	\$250
Residential New Construction	RR_DHWTIER1_GAS	10	\$50.00	\$500
Residential New Construction	RR_DHWTIER2_GAS	25	\$150.00	\$3,750
Residential New Construction	RR_DHWTIER3_GAS	5	\$150.00	\$750
Residential New Construction	RR_HEATINGCP_GAS	5	\$310.00	\$1,550
Residential New Construction	RR_HEATINGTIER1_GAS	10	\$1,050.00	\$10,500
Residential New Construction	RR_HEATINGTIER2_GAS	25	\$1,450.00	\$36,250
Residential New Construction	RR_HEATINGTIER3_GAS	1	\$2,535.00	\$2,535
Residential New Construction	SHOWERHEAD	20	\$0.00	\$0
Residential New Construction	Water Heating (CP)	10	\$50.00	\$500
Residential New Construction	Water Heating Tier 1	20	\$50.00	\$1,000
Residential New Construction	Water Heating Tier 2	95	\$150.00	\$14,250

Gas Residential Programs				
Program	Measure	Units	Incentive /Unit	Total Incentives
Residential New Construction	Water Heating Tier 3	2	\$150.00	\$300
Single Family - Income Eligible Services	Boiler	225	\$5,500.00	\$1,237,500
Single Family - Income Eligible Services	FURNACE	32	\$5,500.00	\$176,000
Single Family - Income Eligible Services	Weatherization	500	\$5,500.00	\$2,750,000

Table 5. Shared Costs for Gas Residential Programs

Program	Shared Costs				Non-Measure-Specific Incentives
	Program Planning & Administration	Marketing	Rebates and Other Customer Incentives	Sales, Tech Assist & Training	Heat Loans & Major Repairs
ENERGY STAR® HVAC	\$130,812	\$206,962	\$254,194	\$29,070	\$195,000
EnergyWise	\$297,322	\$62,396	\$1,388,031	\$175,773	\$195,910
Income Eligible Multifamily	\$120,001	\$8,642	\$410,693	\$27,957	
EnergyWise Multifamily	\$73,667	\$50,811	\$180,581	\$15,532	
Home Energy Reports	\$8,835	\$3	\$349,302	\$2,361	
Residential New Construction	\$55,974	\$2,144	\$166,513	\$39,178	
Single Family - Income Eligible Services	\$201,845	\$22,009	\$1,015,417	\$34,077	\$833

2023 Commercial and Industrial Energy Efficiency Solutions and Programs

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1 Overview

The Commercial and Industrial (C&I) programs are designed first and foremost to help RI Energy's business, institutional, and government customers to save on their utility bills by reducing their energy consumption. The programs support other customer objectives as well, including sustainability goals, reducing operations and maintenance expenses, and improving air quality.

The Company continuously evaluates customer needs and market dynamics to develop program enhancements and adjust offerings to secure more comprehensive savings, improve program operating efficiency, and evolve program designs to drive market transformation across multiple end-uses. The C&I sector encompasses a diverse range of customers.

For large customers where the Company sees the greatest opportunities for cost-effective savings, RI Energy operates primarily through an account management approach. Each account manager focuses on one or more industry verticals, often supported by an implementation vendor (through the Industrial, Grocer, or Restaurant Initiative) or through a large-scale agreement (a Strategic Energy Management Plan). This enables the Company to tailor offerings to meet the needs of specific customers, apply learnings from customers operating in similar industries or facilities, and encourage repeat program participation through this relationship-based approach.

Smaller customers are served primarily through the Small Business Direct Install (SBDI) initiative. SBDI offers audits, enhanced incentives, financing, and installation services through either the Company's turnkey vendor or an alternate vendor of the customer's choice.

The Upstream program subsidizes high-efficiency equipment to encourage distributors to stock and promote this equipment. Any C&I customer, regardless of size, can benefit from the Upstream pathway simply by purchasing qualifying high-efficiency lighting, HVAC, hot water, or kitchen equipment.

The C&I sector encompasses a diverse and complex set of customers. RI Energy is focused on a Market Sector Approach for commercial and industrial programs. This approach allows the Company to address customer needs that are shaped directly by the industry and geographies in which the customers operate, and on strategic and commercial pressures specific to the industry or sector, resulting in customized solutions that fit customers' needs and increase participation in energy efficiency.

The detailed program descriptions provided in the Annual Plan explain how programs are continuously evolving, building from one plan year to the next. They translate high-level strategies into specific actions and activities that secure savings for customers and meet other goals set forth by stakeholders. The detail in this attachment is designed to allow stakeholders, the Public Utilities Commissioners and staff, and other interested parties to delve deeply into the complex interplay between specific customer and building types, program implementation and delivery, incentive design, and high-efficiency technologies.

What to look for in 2023

In 2023, the Company is focused on building a program ecosystem that supports a more diversified mix of electric measures, while harvesting remaining lighting savings, controlling program costs, and promoting equity among small business owners and within the workforce. Although the Company anticipates that lighting will continue to constitute the largest single source of electric savings in the C&I programs, its efforts are focused on driving non-lighting program enhancements that encourage deeper, more comprehensive measure adoption and build for long-term program success. There is a particular focus on high-efficiency heating, cooling, ventilation, and air conditioning (HVAC) measures, as well as controls to improve the performance of HVAC equipment.

In 2023, some highlights of the Company's efforts will be to:

1. Scale up the Building Analytics initiative to help customers optimize the performance of HVAC and other systems.
2. Improve technical processes by streamlining savings calculators, revisiting burdensome data collection practices, and better leveraging site visits to identify EE opportunities.
3. Expand on equity efforts begun in recent years.
 - Conduct targeted training activities to upskill the program delivery workforce on specific focus areas, such as HVAC, building controls and automation, and building envelope.
 - Monitor and help mitigate supply chain disruptions and inflation impacts.
 - Streamline the Large Commercial and Industrial New Construction pathways, required documentation, and savings calculations.
 - Sunset efforts that have failed to demonstrate the potential to generate significant cost-effective savings, including the Telecommunications Initiative and various demonstrations to reduce costs and focus on efforts with greater savings potential.
 - Investigate promising new measure offerings, including gas leak detection and repair.

In some cases, these are long-term investments where it may take years to realize the full benefits. For example, a more highly trained workforce can complete better system installations for years. Likewise, Building Analytics systems can drive significant savings over time but often

requires a year or more to yield results. Similarly, the Whole Building New Construction approach seeks to influence the design of buildings that take several years to complete.

The focus areas in the 2023 Plan reflect ideas and insights that have evolved in part through collaboration with the Energy Efficiency & Resource Management Council (EERMC) and its consulting team, the Office of Energy Resources (OER), and the Division of Public Utilities and Carriers (the Division), as well as program vendors, customers, and trade allies.

Although equity has historically been less of a focus for the C&I sector than Residential, it is a significant focus in this Plan, in alignment with the objective set forth in the Least Cost Procurement (LCP) standard. To that end, the Company will continue to offer robust opportunities to small businesses customers, with a specific focus on woman and minority-owned enterprises, hiring multilingual small business auditors, conducting participant surveys in multiple languages, and promoting equitable hiring practices through vendor agreements. The Company is continuing to monitor the Equity Working Group's progress and will implement new recommendations as appropriate and prudent within the C&I portfolio.

The Company has also collaborated with stakeholders to address workforce development issues in alignment with the LCP standard, which states, "The distribution company shall include wherever possible and practical partnerships with existing educational and job training entities." To meet these objectives, the Company plans to ensure contractors and engineers participating in the programs receive proper training on identification, design, and installation from manufacturers or others and encourage achievement of advanced certifications to further enhance expertise. To complement this effort, the Company will sponsor targeted training sessions to upskill the workforce in supporting high-performance buildings, including trainings on advanced controls for HVAC and lighting. These efforts are described under Cross-Cutting Programs.

Finally, this plan will be implemented in an environment of rapidly rising inflation, potentially driven by government stimulus, workforce shortages, and supply chain disruptions. According to the U.S. Bureau of Labor Statistics' most recent Producer Price Index (PPI) report (April 2022), nationwide producer prices have risen 11.0% over the past year and 16.2% since February 2020 at the outset of COVID-19.¹ Lighting, HVAC, and other distributors have reported significant price increases since the start of COVID lockdowns in February 2020. Inflation is a headwind that

¹ U.S. Bureau of Labor Statistics. (2022, May). PRODUCER PRICE INDEXES – April 2022. U.S. Department of Labor. <https://www.bls.gov/news.release/pdf/ppi.pdf>

will reduce the portion of customer project costs covered by program incentives and lengthen project payback periods. Furthermore, growing equipment delivery timelines, compounded by workforce shortages, are causing extensive project delays – with many projects that would have been completed in 2022 pushed into 2023. This phenomenon is likely to continue for the foreseeable future. Several customers that have historically been active in the program have scaled back spending on energy efficiency and capital measures.

Commercial & Industrial Programs

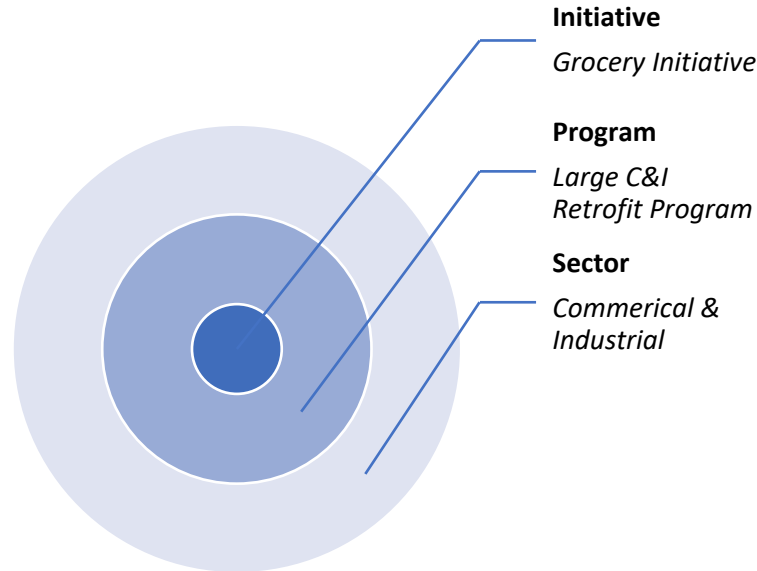
There are five C&I energy efficiency programs.

Table 1. Commercial and Industrial Programs

Large Commercial and Industrial New Construction
Large Commercial Retrofit
Small Business Direct Install
Connected Solutions (Active Demand Response)
C&I Multifamily Program

All C&I customers are eligible to participate in the Large Commercial and Industrial New Construction Program and the Large Commercial Retrofit Program. The Small Business Direct Install (SMB/DI) Program, however, is restricted to customers that consume less than 1,000,000 kWh per year. Larger and more complicated measures not offered by the SMB/DI vendor can be accessed by small business customers through the New Construction or Retrofit Programs. Within a given program, there may be one or more initiatives that offer a targeted approach or tailored delivery design to more effectively and efficiently attract and secure savings from target customers. An initiative is defined as a go-to-market strategy within a Program that promotes a subset of measures or services within that program and/or targets a certain segment of customers. Examples include the Grocery Initiative and Industrial Initiatives, primarily within the Large Commercial and Industrial Retrofit Program (though some savings and incentive spend within these programs are captured in the New Construction Program). Anticipated savings, budgets, and participants for each initiative are included in the program-level totals. All initiatives support both electric and gas measures, unless otherwise noted or self-evident (e.g., lighting initiatives only cover electric measures).

Figure 1. Relationship between Programs and Initiatives



This attachment provides detailed descriptions of C&I energy efficiency and active demand response programs and initiatives, including detail on the target market (customer/building types), eligibility requirements, offers, implementation and delivery, and changes for 2023, along with the rationale for changes, in a standardized table format.

Enabling strategies for efficient delivery, better customer experience, and participation in energy efficiency programs are covered in the Finance and Marketing sections. Workforce development is addressed in the main text and covers initiatives for training, education, and awareness. A list of measures and incentives can be found at the end of this Attachment. The Company will continue to engage in pilots, demonstrations, and assessments; please refer to Attachment 8 for a detailed scope and list for each pilot, demonstration, and assessment proposed for the 2023 Energy Efficiency Plan.

Financial mechanisms structures are described in Section 7. Table 2 below presents the format of the descriptions of the financial mechanisms structure.

Table 2. Financial Mechanisms Structure

Mechanism	Description
Customer type	This section highlights the customer consumption in kWh or customer type for which the mechanism is best suited
Loan size	Shows maximum loan size
Maximum Tenor	Shows the maximum length of time for which a customer can borrow funds
Loan Volume	Shows the dollar volume of loans outstanding or the range of funds borrowed in the past years or both
Benefits to customer	Describes the benefits of a mechanism to a customer
Limitations	Describes the limitations of a mechanism to a customer
2023 Actions	This area is included for EBF and C-PACE as the Company is working with RIIB and others on these mechanisms
More information	This area describes where more information can be found on the mechanism such as numeric tables. This area may also include additional information such as justifications for OBR fund injections (gas) or OBR rightsizing (electric)
Relevant notes	This area contains notes and will vary from mechanism

2 Large Commercial and Industrial New Construction Program

2.1 Offerings

The services and incentives offered are designed to promote and support high performance building design, equipment selection, and building operation. This program offers both technical assistance and financial incentives based on projected energy savings performance to incentivize building beyond the current RI program energy baseline. Technical assistance ranges from simple plan review and efficiency upgrade recommendations to complete technical reviews. Incentives are available for building owners, design teams, post occupancy verification, and Zero Net Energy certification and verification.

The Large Commercial and Industrial New Construction Program incentives both new equipment at existing sites and new construction/major renovation projects. Baselines and eligibility guidelines for new equipment are described under New Equipment/End-of-Life Replacements in Section 2.3.2.3. The C&I Retrofit initiatives apply to new equipment as well, though the savings and budget are part of the New Construction program.

Since early 2021, the Company has offered four pathways for ground-up new construction or major renovation projects. In 2023, the Company will consolidate and simplify the structure described below, as described below.

Pathway 1: Energy Use Intensity/Zero Net Energy Ready

This pathway 1 will incentivize buildings to achieve very high-efficiency designs based on energy use intensity (EUI), which measures total annual energy consumption per square foot throughout a whole building. Specific EUI targets have been developed for several sectors, including elementary schools, high schools, offices, libraries, and public safety facilities. Any new building over 20,000 square feet will be eligible. For other building types, a site-specific EUI category will be available to ensure that any building type can participate in this pathway.

Ranges have been established for both Tier 1 and Tier 2 buildings. Tier 2 buildings are high-efficiency buildings designed to achieve savings relative to energy code and ISP. Tier 1 buildings are designed to achieve even higher efficiency and are considered net zero energy ready. This encourages a wider range of building types to participate by offering ranges of EUI rather than one specific target. Furthermore, the program is designed to drive additional savings by offering higher incentives for buildings that drive further below the Tier 1 EUI targets. (For example, a building with a Tier 1 EUI target of 30 would receive additional incentives for additional incentives for an EUI of 25.)

For customers seeking to develop Zero Net Energy (ZNE) buildings, the program offers enhanced technical assistance from industry experts as well as funds for ZNE certification.

Pathway 2: Streamlined/Systems

This pathway will be offered to any building type in any stage of design 20,000 square feet or above. There will be a variety of technical assistance services for each project depending on the stage of design. The program process requirements will be streamlined from the required documents to the technical assistance procedures to encourage more participation for the simpler building designs through this pathway.

Incentives are provided based on individual energy saving measures implemented. A spreadsheet analysis tool is used to estimate energy savings and incentives early in the project. This pathway is especially appropriate for major renovations that do not include the entire building (e.g., tenant fit-outs), or for customers that lack the resources or appetite to pursue the EUI-based approach.

2.2 Initiatives Primarily Targeting Large C&I New Construction

Performance Lighting Plus

Any customer with a commercial meter is eligible to participate in this initiative. All projects that qualify under this incentive must:

- Be a new construction or renovation project that includes the installation of new LED light fixtures and qualifying lighting controls for commercial, industrial, educational, or municipal building(s).
- Be a code-dependent project or extensive/substantial renovation.
- Average a minimum of 2,000 lighting operating hours per year (before controls).
- Provide maintained light levels in accordance with the recommendations of the Illuminating Engineering Society of North America's 10th Edition Lighting Handbook or supporting Design Guides.

Objectives of this initiative are to:

- Move the market forward for luminaires and systems with additional savings and capabilities.
- Increase the deployment of demand responsive lighting.
- Performance Lighting may also be utilized in Retrofit applications as well. Please see the Retrofit portion of this attachment for more details.

Performance Lighting Plus incentives are offered in two tiers.

Tier 1 – LED lighting with Luminaire Level Lighting Controls or Wirelessly Accessible Controls:

This pathway offers an incentive of \$0.55 per gross kWh saved greater than 40% below code for the building or space type and must meet the following requirements: 80% of lighting project load must be controlled LED fixtures (listed in the Design Lights Consortium (DLC) Qualified Product List or RI Energy approved by the Company), with all controlled LED fixtures wirelessly accessible to initialize, configure, and commission. Individual fixture addressability and luminaire level lighting control (LLLC) as outlined by DLC is optional. The project must include high-end trim (task tuning) of luminaires with the goal of achieving IES recommended light levels per the tasks and space requirements. High-end trim is defined as: The capability to set the maximum light output to a less-than maximum state of an individual or group of luminaires at the time of installation or commissioning. The project must demonstrate a minimum of one additional control strategy per fixture and two different control strategies at the project level (e.g., occupancy, daylighting, or task tuning/high-end trim). If luminaires are not LLLC, RI Energy will consider “room based” controls on a case-by-case basis.

Tier 2 – LED Fixtures with Networked Lighting Controls System or Qualifying LLLC systems:

This pathway offers an incentive of \$0.85 per gross kWh saved greater than 40% below code for the building or space type and must meet the following requirements: 80% of project load must utilize a networked lighting control system (or qualifying LLLC system), as defined by DLC. The system must be capable of energy monitoring and demand response, as defined by DLC. The project must include high-end trim (task tuning) of luminaires with the goal of achieving IES-recommended light levels depending on task and space requirements. High-end trim is defined as the capability to set the maximum light output to a less-than maximum state of an individual or group of luminaires at the time of installation or commissioning. The customer must provide a control narrative for the system with a minimum of two different control strategies at the project level (e.g., occupancy, daylighting, task tuning/high-end trim, and it must be fully commissioned with reporting. RI Energy recommends that these systems demonstrate demand response capability.

RI Energy has worked with the EERMC’s consultants to modify incentives and requirements to encourage the adoption of luminaires and systems that offer greater savings and control flexibility. In addition, the incentives have been restructured to increase transparency to vendors, allowing for increased participation. The incentives and requirements are modeled on a successful offering in Connecticut.

Products Offered Through “Upstream”

When the Company refers to an “Upstream” initiative it is referring to the practice of offering an incentive directly to a manufacturer or distributor (mainly distributors in Company initiatives) of efficient equipment instead of offering an incentive to the customer through an application

form after the sales transaction has been made. This allows them to sell the product for less and make it more appealing to a potential customer. It also allows the customer to acquire this more efficient equipment without the burden of paperwork and waiting for reimbursement.

Upstream HVAC initiative is available to all C&I customers. Discounted premium efficiency HVAC equipment and controls at the point of sale at qualified distributors including air-cooled air conditioning and heat pumps systems, water-cooled air conditioning and heat pump

Upstream Gas initiative is available to all commercial customers. Discounted premium efficiency water heating equipment at the point-of-sale through qualified distributors. The 2023 initiative will include water heaters (indirect and on-demand), water heating boilers, and condominium water heaters.

Upstream Kitchen Equipment initiative is available to all commercial customers. Discounted premium efficiency electric and gas kitchen equipment at the point of sale at qualified distributors. RI Energy currently offers more than 9 different types of energy efficient cooking equipment across both fuels.

Upstream Lighting initiative is available to all commercial customers, primarily focused on Retrofit. Discounted luminaires, luminaires with controls, lamps, and controls at the point of sale at qualified distributors.

All Upstream products follow a similar implementation and delivery process. RI Energy targets marketing to relevant customers and works in collaboration with qualified distributors, who also conduct marketing. Distributors sell products directly to consumers or relevant intermediaries (e.g., electricians) and provide discounts at the point of sale. The distributor then submits data on the purchase and the Company pays the incentive to the distributor and conducts quality control visits.

2.3 Eligibility

The New Construction Program is divided into two main categories to address the two primary new construction target markets: those pursuing ground-up new construction and major renovations, and those investing in new equipment and major systems upgrades.

New Buildings, Additions, Major Renovations and Tenant Fit-Ups

This is specifically for projects that are ground up new construction or major renovations, all of which traditionally involve some level of design and are governed by code.

New Equipment and End-of-Life Replacements

Typically, there is no design component to these projects. Customers purchasing new energy-consuming equipment or replacing equipment that has reached the end of its useful life are incentivized to purchase and install energy efficient equipment. Customers are encouraged to make efficient choices with every category of equipment purchase. Baseline energy use is considered to be the energy code or industry standard practice where applicable. Savings are calculated using the baseline. Where equipment has reached the end of its life, savings from new measures are calculated not from the old equipment, but assuming all new equipment against the current codes and standards baselines. This works the same way as the “systems approach” described below, whether through prescriptive or custom pathways.

2.4 Implementation and Delivery

Pathway 1: Energy Use Intensity/Zero Net Energy Ready

The RI Energy EE implementation team reaches out to customers, owners, and developers regarding new construction project opportunities. (Several customers and design teams have become repeat participants as well.) If the customer decides to participate in energy efficiency programs, the Company’s team engages with the customer project design team and facilitates a design charette to establish customer project goals. Based on the project goals, an EUI target range is established, and a technical assistance (TA) vendor is engaged to model the baseline project and proposed design project.

Potential ZNE projects include the following additional steps: After vetting the project to ensure it meets basic program requirements, a ZNE expert is brought in to assist the customer in assessing the project and identifying services that may be needed to achieve the ZNE goal. The ZNE consultant will be engaged by the customer, with the fee cost-shared between RI Energy and the customer. The ZNE consultant is engaged from early in the project through the end of design development. The consultant provides services such as EUI benchmarking to help set EUI targets, conducting an energy charrette, load reduction analysis, and HVAC selection analysis and model feedback.

The customer then signs a MOU that outlines the EUI target that is included in the project documents and the post occupancy EUI verification plan and the other incentive details. An application including the energy conservation measures and systems agreed upon is signed by the owner. By signing the MOU and application, the owner commits to implementing the efficiency recommendations and accepts the associated incentives. A Minimum Requirements Document (MRD) created by the RI Energy engineer is created as part of the application process. The RI Energy sales team remains engaged during the design development and construction process to ensure energy efficiency measures and solutions are incorporated in the building projects to achieve the EUI targets.

After completion, the project undergoes an inspection that includes both a visual inspection and review of construction design submittals. If any HVAC controls or variable-load ECM have been incorporated in the project, field measurements are required to verify operation standards, as described in the MRD. The EUI measurements are then monitored over a prescribed period, under the prescribed conditions, before final incentive payment is made based on the savings achieved. An optional verification incentive is offered to assist customers in identifying and correcting issues that may arise in the first year of occupancy to help achieve the EUI. Verification documents must be submitted to obtain the optional verification incentive.

Pathway 2: Streamlined/Systems Approach

The RI Energy implementation team approaches customers, building owners, and owner representatives regarding new construction or major renovation projects. When a customer decides to move forward with a project, the customer has a choice to use their vendor of choice to install measures or to develop the project with technical assistance from the RI Energy team. Once the project is installed, the project undergoes inspection of installed measures and review of design submittals. Incentives are paid out to the owner on documented savings from the project.

2.5 Changes for 2023

New Buildings Pathways

RI Energy revised its approach to new buildings in 2021, launching a four-pathway structure. In 2023, the Company will consolidate these into two pathways and offer additional enhancements, with the goal of improving the customer experience and in turn driving repeat participation from customers and design teams.

Originally, the pathways were designed to serve both the Massachusetts and Rhode Island markets. Having delivered the program using this structure, RI Energy has developed a streamlined structure better tailored to the Rhode Island market. Rhode Island has few buildings greater than 100,000 square feet under development, and thus little need for a separate program to serve this size class.

Specifically, the Path 1 will be combined with Path 2 to create a single EUI-based pathway; Path 3 will be combined with Path 4 to create a pathway where incentives directly relate to measure-based savings (as opposed to a holistic approach). Both pathways will contain multiple tracks. The tracks in the EUI-based path would be based on building type, while the tracks in the savings-based path would be based on project design phase.

Combine Path 1 and Path 2 – EUI/ZNE Pathway 1

- Tracks within the pathway depending on the building type
- Adopt a tiered EUI target range and incentive structure.

- Building size for participation in all paths 20,000 square feet and greater.
- Streamline the Memorandum of Understanding (MOU) agreement
- Streamline the technical assistance study process

Combine Path 3 and Path 4 – Systems Streamline Pathway 2

- Same set of incentives for all projects in pathway
- Building Size 20,000 square feet and greater
- Streamline the MOU
- Streamline the technical assistance study process

The Company also intends to revise the memoranda of understanding (MOU's), reduce the number of forms requiring signature, and streamline the technical assistance (TA) study process to reduce the time and cost required to participate.

New Equipment and End-of-Life Replacements

Qualifying measure types are updated frequently, especially for the Upstream program. Changes in 2022 (and incorporated into the 2023 Plan) include:

1. **Upstream HVAC** includes several new measures. Most notably, heat pumps were moved Upstream in the second half of 2022. Energy recovery ventilators were also added in 2022.
2. **Upstream Food Service** is adding conveyer toasters and vending misers.
3. Air curtains are being added as a downstream measure. This measure is the result of a successful 2022 demonstration.

2.6 Other Considerations

Pricing Study

In 2023, the Company plans to complete a study of pricing key products. In order to optimize incentive levels for key high-efficiency products, the Company needs a better understanding of pricing for these products compared to baseline equipment. While the Company's Upstream vendors monitor prices for equipment supported through the Upstream initiatives, this data is not readily available for downstream equipment.

With this information in hand, the Company will be better informed to revisit incentive levels for new equipment. A secondary objective of this study will be to inform a future update of total resource costs for these Large Commercial New Construction measures.

Customer Feedback

Customer feedback is gained through implementation team interactions with customers and design teams, who regularly provide insights on what types of technical assistance and design support moves builders, architects, and customers to adopt the high-efficiency measures and design practices.

Market Characterization

The Company leverages municipal electronic permitting information (subject to this data being easily and broadly accessible) to identify new facilities under design in Rhode Island. The team contacts candidate facilities identified about assistance available through the New Construction program.

3 Large Commercial Retrofit Program

3.1 Offerings

The Company has several pathways by which customers can participate in the Large Commercial Retrofit program for energy efficiency in existing buildings. Customers can participate via the:

- **Prescriptive application** process;
- By working with a RI Energy Sales Representative or a Project Expeditor (PEX) to complete a **Custom application** for any energy improvement that is not covered by the Prescriptive pathway; or
- Via the **Upstream program** for Lighting (described with other Upstream products under New Construction).

The Retrofit program also offers initiatives targeting specific market segments, such as the grocery and industrial initiatives that focus on specific needs of that customer type. The Company also serves some of its largest customers through Strategic Energy Management Plans (SEMPs). These are described in more detail below.

The Company has found that although sector-specific initiatives (Industrial, Energy Smart Grocer, etc.) and SEMP are helpful in achieving greater savings and completing measures beyond lighting, they do not cover the entire C&I customer base. Regardless of whether customers qualify for these pathways, a sales representative is typically assigned to cover each large C&I account, enabling the company to target energy efficiency offerings to each customer. This typically includes customers with at least 1 million kWh or 100,000 therms of annual energy usage.

The following areas are specific to a technology or practice but do not address a specific market sector are also included as part of the Large Commercial Retrofit program and are included in this section of the plan:

1. Building Operator Certification
2. Equipment & System Performance Optimization
3. Performance Lighting
4. Customer Owned Streetlights
5. Company Owned Streetlights
6. Combined Heat and Power (CHP) and Fuel Cells

3.2 Initiatives Primarily Targeting Large Commercial Retrofit

Industrial Initiative

The Industrial Initiative offerings are available to all manufacturing and industrial customers. The following assistance is provided under the Industrial Initiative: incentives, free facility audits, technical assistance, project management, installer and customer education sessions, production systems and line efficiency coordination, and support in identifying and implementing process-related energy efficiency improvements that increase the efficiency of both energy use and business processes.

The initiative will continue to expand outreach to customers in the 200 to 400 kW range to encourage greater participation by medium-sized industrial customers. Historically, the Industrial Initiative has primarily targeted large C&I customers to ensure economies of scale. By expanding outreach to mid-sized customers, the Company intends to improve parity among customer sizes and capture projects with rapid paybacks such as remaining opportunities for LED retrofits, variable frequency drive installation, and enhanced controls.

The Industrial Initiative has helped diversify the Electric portfolio, with 66% of electric savings from January 2016 through July 2022 deriving from non-lighting measures including process equipment and controls (30%), compressed air (16%), HVAC 7%, and motors & drives (5%) – as well as contributing significant Gas savings from process improvements.

Grocery Initiative

EnergySmart Grocer (ESG) is an initiative that serves commercial customers who sell food at the retail or wholesale level. ESG offers technical assistance, project management, targeted incentives, financing, and education sessions for installers and customers. This initiative primarily delivers electric savings through lighting and refrigeration upgrades. In 2022, the vendor's compensation structure was altered to encourage greater emphasis on non-lighting measures.

The initiative has been in place for roughly a decade. While low-hanging opportunities related to refrigeration and lighting have been largely saturated, some additional opportunities remain – especially among late adopters, although these customers are often more difficult to engage. The initiative is also now focusing on operations and maintenance (O&M) measures submitted through the ESPO initiative, as well as advanced controls measures.

In 2022, the Company collaborated with its vendor to conduct an assessment investigating the energy and carbon reduction benefits of integrating leak detection and repair as a standard offering. At the time of this writing, the Company anticipates the assessment will be completed in late 2022, at which point a determination will be made whether to include this as a standard

offering. Typically, refrigerant leak surveys are only performed when leaking refrigerant is visible to the naked eye or identified as a problem by the customer.

National and Regional Restaurant Initiative

The Serve Up Savings (SUS) initiative serves regional and national restaurant chains. Restaurants with multiple locations within Rhode Island only are served by the Small Business Program. The initiative offers technical assistance, project management, incentives, and collaboration with franchisors to develop a package of efficiency measures that will work for their franchisees.

Telecommunications Initiative

This initiative was designed to serve mobile, fiber optic, and cable data companies and their associated infrastructure. It offers technical assistance, project management, and incentives to these customers. The initiative began delivering audits and reports to customers in Q1 2021, with a focus on identifying HVAC measures in particular. Given the limited success of the program in building a pipeline or securing savings thus far, the Company plans to terminate this initiative and eliminate the associated costs. Telecommunications customers would still be served through other pathways, potentially including the Industrial Initiative.

Strategic Energy Management Plans (SEMP)

The Strategic Energy Management Plan (SEMP) Initiative is available to the Company's largest C&I customers. These partnerships offer an integrated package of technical, financial and program management support to drive broader and deeper energy savings. This initiative targets customers that commit to achieving deeper energy efficiency savings, have sufficient in-house sophistication to make organizational changes to incorporate multi-year energy planning, and are motivated by corporate and institutional sustainability goals. Each participating customer agrees to specific savings targets.

The SEMP Initiative provides customers with customized support and flexibility to address the energy efficiency and sustainability opportunities of the organization and its facilities in the context of the Company's self-identified business needs. Working with a SEMP provides the customer the opportunity to think long-term about their energy needs and equipment, resulting in more comprehensive savings compared to traditional energy efficiency programs. Where appropriate and valued by the customer, automated benchmarking is available to help demonstrate the impact of energy efficiency at these facilities.

The Company has existing SEMP agreements in place with customers that operate in the following sectors: Colleges and Universities, Chain Restaurants, Health Care, Industrial, Municipal and State Government.

In 2023, the Company will continue to partner with these large customers to meet shared energy efficiency and sustainability goals, while expanding the scopes of these agreements to include other customer programs, such as demand response and clean transportation. The Company will continue to partner with OER's Lead by Example program to achieve energy savings goals with public entities, including state agencies, state colleges and universities, and municipal buildings.

Building Operator Certification

RI Energy sponsors Building Operator Certification (BOC) classes for facility engineers and maintenance staff. This training helps these operators to make their buildings more comfortable and efficient. Many participants follow up BOC training by actively seeking out energy efficiency solutions at their facilities, which drives savings through the program.

Equipment & System Performance Optimization

The Equipment & Systems Performance Optimization (ESPO) Initiative is available to all C&I customers averaging greater than 2,000 building operating hours a year. ESPO helps customers optimize the efficiency of their HVAC, refrigeration, compressed air, and steam systems. This may include retro-commissioning (RCx), operations & maintenance (O&M), and monitoring-based commissioning (MBCx). The new Building Analytics Program provides a refined MBCx offering. ESPO is a means of capturing savings and may be delivered through other initiatives (such as the State SEMP or Industrial Initiative). This initiative covers several technologies and end-uses identified in the Market Potential Study, including boilers (steam and hot water), waste energy recovery, refrigeration, scheduling and set point optimization, energy management systems, and rooftop units.

ESPO provides multiple pathways for participation depending on the customer's energy efficiency opportunity, building characteristics, and the sophistication of existing control systems:

Low-Cost Tuning offers prescriptive incentives to customers for systems in need of common tuning measures. These measures are often identified through facility audits or retro-commissioning efforts, which can also serve as vehicles to identify additional efficiency measures. Pre-approval for implementation had been required before the customer or outside party can receive an incentive on the installation. The Company is developing guidelines for documenting baseline conditions to enable program participants to implement some Low-Cost Tune-Up measures without pre-approval. Incentives are provided to sites where the baseline condition and proposed upgrade are documented through a simple data input, which is used to determine savings at the measure level. Only selected HVAC, steam, refrigeration, and compressed air measures are eligible for prescriptive incentives. Customers participating in the

two other ESPO pathways described below may opt to apply for Low-Cost Tuning incentives, eliminating the need to submit custom savings calculations.

Targeted Systems and Whole Building & Process Tuning offer a custom RCx approach. Targeted Systems Tuning offers an in-depth investigation of specific process or end-use. The Whole Building and Process Tuning pathway offers a comprehensive approach to RCx for customers with a functional control system in place and electric usage greater than 5,000,000 kWh annually. Investigation funds are available for System Tuning and Whole Building & Process Tuning. Incentives are offered per unit of savings for measures implemented through this pathway, with higher incentives available for meeting certain site-specific thresholds.

MBCx is a process intended to maintain and continuously improve building performance over time achieved through monitoring and analysis of large amounts of data. Also known as real-time energy management, this approach requires the installation of a software platform and monitoring equipment that captures and analyzes operational data from a facility's building automation system. Larger systems may continuously monitor hundreds of control points within a building. MBCx systems can provide fault detection and diagnostics capabilities, meaning building operators can find equipment that is not operating as intended due to faulty programming, current settings (e.g., scheduling or setpoints), damaged equipment, or simply systems in need of maintenance. The MBCx pathway is similar to the Whole Building and Process Tuning approach in that most savings calculations are custom; however, this pathway assumes that identified measures will persist for at least three years.

Building Analytics is a new initiative that at the time of this writing the Company anticipates will launch in the second half of 2022, with customer recruitment and savings ramping up in 2023. This initiative will fund system set-up costs for MBCx systems from a closed qualified service provider (QSP) list. This structure will address the historical barriers to MBCx adoption, including:

- Up-front support for installation of systems that produces unknown savings.
- Identifying sites that would benefit from MBCx.
- Vetting best-in-class providers and recommending them to the specific customer base each provider is best able to serve.
- Minimizing program transaction costs to customers and providers through an implementation vendor with expertise in this niche field, working with a limited pool of QSPs, and providing up-front guidance on savings calculations and required documentation.
- Selection of QSP's that, in most cases, provide ongoing service analysis to help customer facilities staff interpret MBCx system output and improve system functionality.

- Improving measure persistence through long-term service contracts, training for facilities staff, and a focus on long-lasting measures like physical repairs and reprogramming of control systems.

The Company is working to standardize the process of completing and documenting RCx savings calculations and classifying different measure types by developing a guidebook. This should assist customers and trade allies participating in the MBCx and System and Whole Building pathways. Calculating savings and classifying RCx and controls measures has posed a significant challenge for ESPO participants and created an administrative burden for program implementation staff. The guidebook will answer common questions and eliminate points of confusion.

Program staff have suggested that unit ventilators and other gas measures located in school classrooms and other occupied zones (as opposed to heating and cooling equipment located in mechanical rooms) frequently need significant tuning or repairs. This may be an excellent opportunity in schools.

Energy Management Systems (EMS) show the second-highest savings among Electric non-lighting measures in the Market Potential Study. Although ESPO is designed to improve the performance of existing systems, MBCx and Tuning investigations very often lead to the installation of new EMS equipment or reprogramming of controls, which are treated as EMS for program purposes (New Construction or Retrofit, depending on the situation).

Performance Lighting

Any customer with a commercial meter is eligible to participate in this initiative. All projects that qualify under this incentive must:

- Average a minimum of 2,000 lighting operating hours per year (before controls).
- Provide maintained light levels in accordance with the recommendations of the Illuminating Engineering Society of North America's 10th Edition Lighting Handbook or supporting Design Guides
- The Customer must submit a copy of the Manufacturer's technical specification sheets ("cut sheets") for each type of eligible equipment to be purchased.

Incentives will be offered in two tiers: Tier 1 – Performance Lighting – LED lighting with Luminaire Level Lighting Controls or Wirelessly Accessible Controls and Tier 2 -Performance Lighting – LED Fixtures with Networked Lighting Controls System.

Lighting Designer Incentives (LDI) are offered to lighting design teams for qualifying Performance Lighting projects at both new and existing buildings. RI Energy maintains a list of qualified Lighting Designers, as well as Engineers and Architects who have demonstrated at least

5 years of lighting design experience. RI Energy markets the program to the construction and design community. Lighting designers cannot sell products for the project that they are receiving LDI.

The Lighting Designer must have at least one of the following qualifications:

- Lighting Certified (LC) – granted to those who successfully complete the NCQLP (National Council on Qualifications for the Lighting Professions) Lighting Certification Examination
- CLEP – certification from the Association of Energy Engineers (AEE);
- IALD – International Association of Lighting Designers Professional Membership status
- CLD – the IALD sponsored Certified Lighting Designer, certification.

Guidelines related to the LDI incentive:

- This incentive goes directly to the lighting design team to fund their efforts to achieve lighting energy savings while maintaining quality lighting design.
- LDI equals 20% of the customer lighting incentive for Performance Lighting Tier 2 projects, 15% of the incentive for Performance Lighting Tier 1 projects, and 10% of the incentive for all other projects.
- There is a \$15,000 maximum per project.

These incentives have been recalibrated to encourage projects to achieve higher tiers in Performance Lighting.

Customer-owned Streetlight Equipment

The customer-owned LED streetlighting initiative is available to any city or town in Rhode Island serviced by Rhode Island Energy for electric service on the Customer Owned Equipment S-05 tariff (Rate S-05), as well as fire districts, municipal water utility boards, Kent County Water Authority, Rhode Island Commerce Corporation, Narragansett Bay Commission and the State of Rhode Island. Incentives are available for qualifying LEDs and/or controls associated with either the dimming or part-night run hours as set forth in the streetlighting tariff.

The majority of Rhode Island’s municipal and state streetlights have been converted to LED’s already, although opportunities remain to implement advanced controls. This is a success story, due in large part to efforts by the Company and actors within state government.

Company-owned Streetlight Equipment

Eligibility for the incentive for company owned LED streetlighting is dependent on service on the 3 unmetered streetlight tariffs, S-06, S-10 and S-14 with exchange of an existing roadway or post-top style, Incandescent, Mercury Vapor or High-Pressure Sodium Vapor sourced luminaire to one of the Company’s LED offerings. The tariffs allow LED street or post-top fixtures to be

available to all customer groups. All company owned street and area lights are operating at a dusk-to-dawn schedule.

The majority of Rhode Island's municipal and state streetlights have been converted to LED's already, although opportunities remain to implement advanced controls. This is a success story, due in large part to efforts by the Company and actors within state government.

Combined Heat and Power

Eligibility

To qualify for a Combined Heat and Power (CHP) energy efficiency incentive, a proposed project must meet the following conditions:

- Host customers must be in the franchise service area of the Company.
- Both new construction and retrofit installations are eligible; in either case, the baseline system must be documented.
- The CHP system must meet the applicable efficiency requirements listed in Table 2. requirement. System efficiency is calculated as Annual Useful Energy/Annual Natural Gas Input where:

$$\text{Annual useful energy} = \text{Net Annual kWh} * 3,413 / 100,000 + \text{utilized thermal output (therms)}$$

$$\text{Annual natural gas input} = \text{CHP gas input in therms (HHV)}$$

- The equipment to generate electricity may be a combustion-based system (internal combustion engine, gas turbine engine, steam turbine), or a fuel cell system, and the facility will capture waste heat for use in the facility.
- For combustion-based systems greater than 250 net kW, projects must reduce carbon emissions related to overall site energy use by a minimum of 25%, which may be achieved through other simultaneous EE installations.
- The project must pass cost-effectiveness screening.

In order to support Rhode Island’s climate objectives while still promoting CHP, for 2023 the Company proposes the following changes which are reflected in this plan.

- Total combustion-based system efficiency must be greater than or equal to 60%
- Back pressure and extraction turbines are no longer eligible
- For systems greater than 250 net kW, eligibility for incentives will be available to only those CHP projects that reduce carbon emissions related to overall site energy use (including source generation, even if out of state) by a minimum of 25%; the amount of carbon reductions may be achieved through other simultaneous EE installations to achieve the site carbon reduction goal. In this way, long term investment in larger fossil fuel generation facilities would be offset by deep reductions in consumption.

Offerings

If a project has been shown to be cost-effective, presents no capacity or reliability concerns, and has met the required eligibility criteria, it will be eligible for a non-variable incentive. ²

Table 3. Determination of Non-Variable Incentive Level for CHP Projects

System	Incentive ≤ 250 Kw	Incentive > 250 Kw and Reducing Carbon Footprint of Site by 25% or More
Fuel cell	\$900 per net kW	\$900 per net kW
Combustion-Based CHP with total system efficiency ≥60%	\$1,000 per net kW	\$1,000 per net kW
CHP (fuel cell or combustion-based) that utilizes more than 25% opportunity fuels, renewable natural gas, or biogas as the fuel source	\$1,250 per net kW	\$1,250 per net kW

For the purpose of determining the non-variable incentive level, the Company has defined opportunity fuels, renewable natural gas and biogas as gaseous fuels derived from the biological breakdown of waste.

The CHP system costs must include: all system, auxiliary, and interconnection costs, and CHP maintenance. If the CHP system is receiving a tax credit or other financial arrangement that

reduces the cost of the CHP project to the customer without distributing that cost reduction as an additional cost to other electric or gas ratepayers, it may be treated as a credit against the cost of the CHP project.

The CHP incentive package cap from the Company will be 70% of the total project cost inclusive of the installation incentive, incentives related to gas service, present value of any performance incentive, system reliability procurement incentive, and any other incentives related to the transaction. For new construction installations, the incentive cap will be 70% of the incremental cost difference between the cost of what would have been done absent the CHP project and the cost of the CHP project. In the event the incentive is greater than 70% of the total project cost, the incentive amount will be reduced to an amount equal to or less than 70%. A minimum of 20% of the energy efficiency incentive payment will be held until commissioning is completed.

An additional optimal operations and maintenance energy efficiency incentive capped at \$20/kW-year (\$1.66/kW-month) and \$50/kW-year (\$4.16/kW-month) for systems utilizing biogas will be offered as part of the incentive package for any project with a net output greater than one MW for a period of up to 10 years. No payments will be made until the unit is in operation and provides demonstrated load reduction. The optimal operations and maintenance energy efficiency incentive will be made semiannually based on actual metered load reduction. Load reduction performance will be based on the net daily metered kW output of the system during ISO-New England's on-peak periods averaged over each six-month period.

The optimal operations and maintenance energy efficiency incentive provides the customer with a post-commissioning incentive for maintaining or increasing the total system efficiency of the CHP system. This helps ensure the system is operating efficiently and that the system capacity savings are in-line with those bid into the ISO-NE Forward Capacity Market.

The customer will repay a portion of the incentive to the Company if the project is abandoned, removed from the premises, sold, or otherwise no longer utilized as the primary source of heat and electricity by the customer, within 10 years from the date of final incentive payment authorization. The repayment will be the energy efficiency installation incentive times the number of years remaining until the required ten years of service divided by ten.

Identification and Recruitment of Qualified CHP Projects

The Company currently works with vendors and customers to identify CHP opportunities at customer locations. The Company promotes CHP systems and outlines the process for qualification and implementation of CHP facilities through the Company's energy efficiency programs. The Company has sales and technical staff that are the primary points of contact for customers and vendors with potential CHP projects. The Company will continue to communicate criteria for CHP assessment and will communicate to vendors so that their presentations to customers will be more consistent with Company technical assistance requirements.

Targeted Outreach and Support for Potential CHP Customers

The CHP offering is available for small, medium and large customers. The Company also works with TA vendors that provide assistance in identifying and executing CHP projects. In addition, the Company works with CHP vendors to offer RI customers smaller CHP units where installation and operations are turn-key. Other strategies that will enhance CHP acceptance will also be considered, such as: preparing and distributing case studies, providing customer plant operator training depending on the size and complexity of the system and whether the management of the system will be outsourced, and providing easier customer access to CHP unit performance data.

Installation of Incremental or Additional Energy Efficiency Measures for Customers who have Previously Installed CHP

The Company will individually review the installation of proposed incremental energy efficiency measures for customers who have previously installed CHP on site or who are adding additional energy efficiency equipment that might affect the performance of an existing CHP unit. The Company will carefully categorize and protect the benefits attributed to previously installed CHP projects, while at the same time foster any additional cost-effective energy efficiency measures that further reduce total energy use.

There are two types of project categories. The first category is “CHP Optimization” and involves measures which are installed with the purpose of increasing the output or operating efficiency of the existing CHP or other distributed generation (DG) unit; for example, the addition of combustion air precooling on a gas turbine CHP unit. In order to maintain compliance with ISO-NE’s FCM rules, such projects will be tracked in the FCM, if applicable, as incremental output of the associated DG facilities. The second category is “Incremental EE”, which includes “traditional” energy efficiency measures installed with the intent of reducing energy consumption in sites that have previously installed CHP. These measures may or may not affect CHP performance and output.

For locations where an existing CHP unit covers a large percentage of the total load at the facility, additional energy efficiency savings measures installed may result in lowering the output of the CHP system instead of a load reduction on the Company’s electric grid. Therefore, to assess savings that can be claimed by the energy efficiency programs, hourly load mapping may be required to accurately assess the net savings on the Company’s electric and gas distribution systems, which will be assessed at the Company’s electric and/or gas revenue meters at the customer’s site. In cases where a typically electric measure (like lighting) reduces the electric load enough to require reducing the CHP output, gas savings may result from a normally electrical energy efficiency measure and could be claimed in the Gas utility DSM programs.

Scoping Study/Qualification

The Company will offer technical assistance on CHP projects beginning with a preliminary scoping of a potential site. This scoping will be based on an evaluation of:

- Monthly (or hourly, where available) electric, gas, and other fuel usage
- All site-specific forms of thermal energy end-uses
- Coincidence of electric and thermal loads
- Proposed project cost
- A high-level analysis of the fuel resources needed for the project and any actual or anticipated fuel capacity constraints and/or actual or anticipated fuel reliability issues

This scoping will determine if further study of the site appears favorable, i.e., provides CHP operating hours and load factors that would be an appropriate application of CHP.

Technical Assistance Study

Assuming a favorable screening during preliminary scoping, Rhode Island Energy will offer to co-fund a TA study of CHP with the customer. The TA study will be performed by an independent, qualified engineering firm. This study will assess thermal and electric loads, propose an appropriate CHP size and technology, compile a budget cost estimate, and identify potential barriers to the technology, etc. Rhode Island Energy typically funds 50% of the cost of any TA study conducted by a preferred vendor selected by the Company, and up to 50% of the TA for other qualifying independent engineering firms. Any TA study by a CHP vendor or its representative which fulfills the CHP TA requirements may be accepted, though no co-funding will be provided. The TA study must be completed, submitted, and approved by the Company prior to implementation. The TA study must include an assessment of the likely on-peak kW reduction from the CHP given the proposed nameplate rating, the net CHP output after subtracting parasitic loads associated with the CHP, projected availability based on anticipated site-specific operating characteristics, performance data on other similar units, and a greenhouse gas analysis that estimates the change in greenhouse gas emissions expected from the project and a statement that informs the customer of the state goal to reduce greenhouse gas emissions by 45% below the 1990 levels by 2030; 80% below 1990 levels by 2040; and net-zero by 2050. (On-peak kW reduction = Net Output x Availability x % Loaded.) This kW load reduction should be used in the benefit-cost screening.

As indicated in the offering section, for CHP facilities greater than 250 net kW, incentives are only available for CHP projects that reduce the carbon footprint of the host facility by more than 25%. The TA study of the CHP proposal could include an assessment of energy efficiency measures that would help meet that objective. These opportunities themselves will be eligible for energy efficiency incentives and will help make sure that the CHP facility is correctly sized for the facility's needs and will avoid creating a disincentive for future load reduction at the site.

Cost-Effectiveness

The screening for cost-effectiveness specific to CHP is included in the Rhode Island Test included as Attachment 4. However, given the Division's concerns over the applicability in all circumstances of what the Division characterizes as generic economic benefit assumptions identified in the CHP economic development benefit study underpinning these adders, the Company will provide two scenarios of the benefit cost screening for CHP systems with a net output of one MW or greater: one test that includes the economic benefits adder within the Rhode Island Test, and one test that excludes the economic benefits adder. If the scenario of the screening test for the project would not pass without the economic benefits included, the Company will provide a written and well-supported justification explaining why the economic benefits are reasonably likely to be obtained. During the project notification process described elsewhere in this section for projects of one MW or greater, if any party who has intervened in the notification dockets disagrees with the Company's justification, the matter will be set for hearing at the Commission for resolution.

Other Contract Terms and Guidelines

In order to ensure proper operation of the CHP facility and persistence of energy savings, the following terms and guidelines will be required:

- As part of the TA study, a minimum requirements document (MRD) will be developed. This MRD will contain engineering hardware and operational specifications that directly affect the savings estimates developed in the TA study. Compliance with the MRD will be necessary to receive rebate payments.
- All systems greater than one MW will require electric, thermal and gas metering for commissioning and monitoring of system efficiencies.
- The project must be commissioned. Commissioning is a process following installation whereby a third party verifies that the project is installed and operating as detailed in the TA study and MRD.
- The customer must sign and produce a contract for O&M services through the first planned major overhaul of the CHP unit after post installation commissioning. On-going O&M contracts for a minimum of 10 years from project commissioning are recommended.
- Customers applying for interconnection of a CHP systems must not operate the unit until they receive the authorization to interconnect from the Company.
- kW-demand savings achieved via the electric energy efficiency programs, including CHP, will continue to be reported by the Company to ISO-NE as Other Demand Resources (ODR) and the revenue generated will be used to fund future energy efficiency projects through the Company's programs.

Qualification

The cost of the project will be provided by a design/build or general contractor experienced with CHP projects and revised as necessary.

Options for a CHP proposal that fails cost-effectiveness testing

If a CHP project does not pass the benefit-cost test, the Company will work with the customer to develop other solutions that may still support the CHP facility. Such other solutions may include one or all of the following:

- Re-analyzing the optimal size of the CHP unit, or the number of generators. A different sized CHP unit might provide better efficiencies and pass the benefit cost test.
- Identifying other load reduction opportunities at the facility. Benefits can be garnered from load reduction in lieu of achieving that load reduction through CHP.

Attribution of CHP Energy Savings to the Company

For CHP projects one MW or greater in size that meet the eligibility criteria, 100% of the project savings shall be attributed to the energy efficiency programs. For CHP projects smaller than one MW, the Company shall use the latest net to gross adjustments determined by impact evaluations conducted on the RI CHP programs. These evaluations shall be conducted at least once every five years.

Notification Process

The Company shall inform the DPUC, OER, and EERMC of any CHP project with a net output of one MW or greater (where net is the nameplate MW output minus CHP auxiliary kW). The notification shall occur after the cost benefit screening and before the offer letter is presented to the customer. For CHP projects with a net output of one MW or greater, the Company shall submit the following documents for review by the Division:

1. Documentation demonstrating that the project would not move forward without energy efficiency technical assistance and/or incentives. The documentation shall justify its finding with the following evidence:
 2. A letter signed by a senior executive or site operations manager stating that the project would not move forward without the energy-efficiency technical assistance and incentive;
 - a. Documentation from the customer on all relevant leases, agreements or commitments related to the CHP system or incentive offer;
 - b. Estimated project budget
 3. A complete benefit cost analysis for the CHP project using the Rhode Island Test, as well as application of this test applying sensitivities related to the removal of economic benefits
 4. A report including a natural gas capacity analysis that addresses the impact of the proposed project on gas reliability; the potential cost of any necessary incremental

gas capacity and distribution system reinforcements; and the possible acceleration of the date by which new pipeline capacity would be needed for the relevant area.

For any proposed CHP project greater than one MW:

1. The Company will submit a project description to the Division, providing all the pertinent details relating to the project.
2. The Division may submit information requests to the Company at any time after receipt of the project description. The Division may also submit follow-up data requests, as needed.
3. The Company shall respond to all information requests as soon as reasonably possible, but no later than fourteen days from receipt of information requests, unless the Division grants an extension.
4. The Division will make all reasonable efforts to communicate decisions around the provision of a notification of support within thirty days of the receipt of the last set of information request responses received from the Company.
5. To the extent that additional review time is required, the Division will provide notification to the Company.
6. If at the end of fifty days from the date the Company provided the project description to the Division, the Division has not provided to the Company its opinion of support or opposition to the project, the Company retains the right to make a filing with the Commission seeking approval of the CHP incentive. The Division retains its right to take any position on the project it deems appropriate and shall not be prejudiced by the fact that it did not provide an opinion to the Company within the fifty-day period.

Even if the Division provides its opinion to the Commission that the Division supports the CHP project, the Company must file a notification with the Commission, setting forth the pertinent facts relating to the project. If (i) the Commission takes no action within thirty days and (ii) the Division or any other party has not objected to the proposed project, the project will be deemed approved. If the Division or any other party objects, the Commission will set the matter for hearing.

Customer and Vendor Feedback

Stakeholders including vendors and installers provided feedback at the 2022 Rhode Island Annual CHP Public Meeting. Stakeholders expressed that the interconnection process remains the most significant barrier to CHP adoption, noting that the process is time-consuming, costly, and creates difficulty in planning projects as interconnection requirements and costs are not known until late in the design process. Stakeholders also expressed desire for streamlined interconnection and additional support for smaller CHP systems.

The Company is currently exploring options for a prescriptive pathway for micro-CHP systems. This process would simplify the interconnection process and expedite the installation time for smaller CHP systems.

Participation and Savings

Due to the high capital cost and technical requirements of installing CHP, there is a very long lead time for a successful installation. With small numbers of projects and wide ranges of possible project sizes, the Company anticipates substantial variability in MW realized in any given year. Due to the high capital cost and technical requirements of installing CHP, there is a very long lead time for a successful installation.

The Company commits to providing an updated estimate of projects in the current-year pipeline in each annual Energy Efficiency Plan and reconciliation filing to the PUC going forward.³ Direct notification shall be sent to the Division of Public Utilities & Carriers, the Office of Energy Resources, and the Energy Efficiency and Resource Management Council via email whenever a CHP project with a net output of one MW or greater is added, removed, or updated after the Technical Assistance Study and before the offer letter to the customer.

The Company is aware of a 2 MW fuel cell project under development; however, the Company does not believe this project will progress to completion in 2023 and has therefore not planned for it in budget or savings proposals for 2023. As this project progresses, the Company will follow the appropriate CHP notification procedures outlined in the Authorized CHP Process.

Rhode Island Grows continues to pursue the installation of a 13.3 MW combustion-based CHP system, however this project is currently on hold. In August 2022, a Rhode Island Superior Court Judge ruled that RI Grows is subject to town zoning. If/when RI Grows demonstrates that all zoning requirements have been satisfied, the Company will consider next steps. Per previous discussions regarding this project, any next steps taken by the Company regarding this CHP system would be pursued through a separate filing with the PUC outside of this annual plan. In advance of any potential filing with the PUC, the Company will supplement the notice documentation and provide to the Division consistent with the CHP notification procedures outlined above.

The Company continues to explore alternative fuel options for CHP systems, such as renewable natural gas, hydrogen, biogas, and other opportunity fuels.

³ Other project information such as Name*, Approximate Size of CHP (kW and Net Lifetime MWh), Location, and Current Status (Scoping, Study, Notification Process, Under Construction, Post-Inspection or Commissioning), may be provided depending on the state of advancement of CHP projects.

3.3 Eligibility

The Large Commercial Retrofit Program serves the needs of existing buildings in their pursuit to lower energy consumption. All commercial and industrial customers are eligible for the Large Commercial Retrofit Program.

3.4 Implementation and Delivery

Customers may participate in the Large C&I Retrofit program through a variety of pathways, described below. A sales representative is typically assigned to cover any large C&I account, typically defined as any customers with at least 1 million kWh or 100,000 therms of annual energy usage. Although there is no single customer journey, the general approach is as follows:

- One or more measures is identified by the Company, the customer, or a third-party vendor, typically through a facility audit or walk-through.
- In many cases (especially custom measures), the company provides a letter committing to a specific incentive offer and laying out basic requirements. The customer signs and submits the offer letter. More details are below on custom measures.
- Once the measure is implemented, the customer notifies the Company. Company staff or vendors (often engineers) verify that the measure has been implemented in accordance with project requirements.
- RI Energy staff (administrators, engineers, and sales staff) work with the customer to ensure complete documentation and pay the incentive.

Prescriptive Application

Customers complete prescriptive applications either by printing applications from the website (<https://www.rienergy.com/RI-Business/Energy-Saving-Programs/Large-Business-Program>) or online through the Rhode Island Digital Application Portal (RIDAP; <https://www.ridap.nationalgridus.com>). Prescriptive incentives are available for a wide variety of standardized energy-efficient products with “deemed” savings values, such as lighting equipment, air compressors, variable speed drives (VSDs), and steam traps.

Upstream

The Upstream Initiatives, which offer “instant incentives” to customers for the purchase of qualified, high-efficiency products. Product categories covered include luminaires, kitchen equipment, water heating equipment, and high-efficiency heating and cooling technologies at participating distributors at a discount. Offering discounts through distributors obviates the need for individual customers to submit incentive applications, which previously was a significant barrier for non-managed accounts (smaller customers). Eliminating the need to submit applications is a huge benefit to customers, driving far greater program participation

and more equitable distribution of incentive funds. These are collectively known as the Upstream Initiatives, which offer “instant incentives” to customers.

The Upstream programs impact the market both by reducing the cost of high-efficiency products compared to alternatives and by encouraging distributors to stock and promote these high-efficiency products. Note that Upstream Lighting savings and budget are captured within the Retrofit program, and Upstream HVAC and Food Service are captured within New Construction.

Custom Application

A RI Energy Sales Representative or Project Expeditor (PEX) assists customers and their vendors with completion of custom applications for any energy conservation measure that is not covered by Prescriptive or Upstream pathways. A custom measure typically requires minimum requirements document (MRD) laying out project requirements and engineering specifications. Custom measures also require detailed savings calculations completed by a combination of customer, vendor, and Company staff. For some projects, additional post-installation monitoring must be completed prior to incentive payment to ensure projects perform in accordance with the MRD.

Project Expeditors

The Company utilizes Project Expeditors (PEX) to provide turnkey services for Retrofit and New Construction energy efficiency projects for its large commercial and industrial customers. A PEX is an authorized vendor who serves as a customer’s main point of contact and personal guide to energy cost savings. Several PEX’s work closely with the Company’s account management team, who work with the PEX to evaluate EE opportunities and determine incentives.

A PEX can connect large C&I customers with the latest energy technology solutions and savings on equipment, including:

- Lighting and lighting controls
- HVAC efficiency improvements
- Energy management systems
- Variable speed drive upgrades for fans, motors, and pumps in HVAC, refrigeration, and other systems
- Gas heating and hot water system upgrades
- Compressed air solutions, including air compressors, dryers, drains, engineered air nozzles and more

3.5 Changes for 2023

Building Analytics

The Building Analytics initiative is expected to launch in the second half of 2022, including selection and onboarding of Qualified Service Providers, finalization of program materials, and initial outreach to customers. In 2023, outreach and system installation are expected to ramp up. Although it often takes a full year after system installation to achieve significant customer savings, some savings is likely to be captured in 2023.

Technical Processes

In 2023, the Company will implement multiple improvements to technical processes. The Company will also develop streamlined savings calculators for target measures, such as energy management systems. Furthermore, the Company will revisit burdensome data collection practices that can discourage customers from pursuing custom projects. The objective is to strike a better balance between the need for accurate savings calculations and the need to minimize the time required by customers and their contractors to participate in the EE program.

Finally, RI Energy engineers often conduct site visits when validating project installations and savings calculations. Going forward, the engineers will leverage these site visits not only to validate installed measures but to identify additional savings opportunities.

Trade Ally Engagement

In 2023, the Company will seek to better engage trade allies (primarily contractors) with expertise in HVAC, controls, refrigeration, and other technologies to participate in the energy efficiency programs. Broader program participation from these trade allies is critical to diversifying the Company's portfolio beyond lighting. This effort would involve building relationships with trade allies, educating them on available efficiency incentives and other program benefits, and breaking down barriers to program participation.

This effort will tie in with both the efforts described above to streamline technical processes and with the C&I workforce development activities. The Company believes this will contribute to both the installation of a greater volume of high-efficiency equipment and sophisticated control systems and to a better-trained workforce.

Telecommunication Initiative

This initiative launched in Q1 of 2021. The program has produced negligible savings to date, with a limited pipeline of future projects. Thus, the Company will terminate this initiative and eliminate the associated costs. Telecommunications customers will still be served through other pathways, potentially including the Industrial Initiative.

New Measures

In 2022, the Company is conducting a demonstration to explore the possibility of adding a gas leak survey as a new measure. Early results of this effort are promising, with significant potential cost-effective savings produced. The gas leak survey is described in greater detail in Attachment 8.

Other new measures are described under Large C&I New Construction.

3.6 Other Considerations

Supply Chain Disruptions

RI Energy has observed significant supply chain disruptions since the outset of the pandemic. These have become worse over the course of 2022 as a result of extended lockdowns in China and the war in Ukraine/trade sanctions on Russia. These add to existing disruptions resulting from ongoing domestic truck driver shortages, constraints at ports, and insufficient supply relative to demand for some equipment. This has led to rising prices and significant delays for certain types of equipment. Like other employers, contractors have been impacted by the tight labor market, which has further compounded project cost increases and delays.

Where feasible, the Company and its vendors are working with customers to (1) identify alternative suppliers for equipment experiencing long lead times or major price increases and (2) order equipment as early as possible for EE projects. However, these phenomena affect the entire global economy. By and large, there is no easy fix, and RI Energy has limited control over the situation.

The Company commissioned a study of the situation to discuss key equipment types with distributors, contractors, and other utility EE programs. This study, completed in July 2022, sought to quantify the impact of these supply chain disruptions and price increases. Results of the study and potential mitigation strategies were presented to stakeholders at the July 2022 Technical Working Group. The tables below show estimated delivery timelines and price increases since the outset of COVID-19.

Table 4. Estimated Delivery Timelines and Price Increases Since COVID-19

Measure	Specification	Typical Pre-Covid Lead Time	Typical Current Lead Time	Typical Increase	Price Changes Relative to Pre-Covid
Lighting	General	< 1 month	1- 3 months	~1.5 months	10-30%
	Controls	< 1 month	3 months	~2.5 months	
HVAC	General	< 1-2 months	4-6 months	~3 months	15-35%
	Controls	< 1 month	3-6 months	~3 months	
	Rooftop Units	1-2 months	3-6 months	~3months	24-35%
	VFD/VSDs	< 1 month	2-7 months	~3.5 months	30-35%
	Chillers	3-4 months	4-6 months	~1.5 months	20-30%
	Boilers	< 1-2 months	2-6 months	~2 months	~30%
Compressed Air	General	1-3 months	4-6 months	~3.5 months	>30%

The study recommendations were for RI Energy to consider:

1. Adjusting incentive levels and focus on marketing products with shorter lead times.
2. Reducing savings targets.
3. Communicating mitigation strategies to market actors.
4. Helping market actors (contractors) forecast product pricing and availability.

Tuning Pre-Approval

The Company is exploring a process to allow some tuning measures to be implemented without pre-approval, provided baseline conditions are documented sufficiently to withstand M&V scrutiny. A study is currently underway to determine the extent to which this is feasible at RI schools and to develop a methodology for documenting baseline conditions and calculating savings for HVAC measures commonly found at schools. The option to waive pre-approval for tuning measures will enable building auditors/RCx agents to implement many measures in a single trip, eliminating the need for a return trip (and the associated cost and time lag).

Low-Cost Tuning

The Company is also exploring opportunities to scale up Low-Cost Tuning adoption through additional outreach to contractors and PEX's.

The Company is also investigating the possibility of adding Low-Cost Tuning measures, including a CHP system tune-up as well as gas measures such as unit ventilator adjustments. This effort can only proceed if sufficiently broad savings calculations can be developed.

An additional change under exploration is to identify a more streamlined way to capture savings. Although the current pathway was designed to do just this, it may still be too cumbersome to capture the relevant data from contractors to achieve large-scale adoption. Thus, the Company is seeking further opportunities to reduce the amount of data required for participation.

Workforce Development

In 2022, the Company began planning additional trainings to upskill the C&I workforce. Technologies of focus include HVAC, building controls and automation, building envelope, and energy management. These trainings target a mix of customers, trade allies (PEX's, contractors, engineers, etc.), program vendors, and other project influencers.

A particular area of focus is facility auditors, who are often charged with identifying potential opportunities. While some have broad-based expertise, in many cases these auditors possess expertise in lighting but have limited experience with other EE technologies.

In addition to the direct benefits of these trainings, the events can serve to drive program participation by increasing awareness of EE incentives and services. Likewise, events help RI Energy staff and program implementers form deeper relationships with attendees, increasing the likelihood that trade allies and customers will participate in the programs going forward to implement EE projects.

4 Small Business Direct Install Program

4.1 Offerings

The Small Business Program begins with a no-cost site assessment conducted by a Small Business Energy Specialist to understand the customer's energy-related needs and goals. The assessment keys in on energy efficiency measures such as lighting systems and controls, cooler/refrigeration control, water saving measures, HVAC controls, motor controls, weatherization/insulation, and custom measures. Turn-key install and OBR is offered to support the adoption of the recommended measures to the customer.

A Customer Directed Option (CDO) is also available. In this pathway, customers may use their own contractor to install measures while the Small Business program vendor processes and submits all necessary paperwork to RI Energy.

4.2 Eligibility

Commercial customers who have less than 1,000,000 kWh in annual usage may participate in the Small Business Direct Install Program. K-12 schools, national and regional chain restaurants,

and small grocery stores who consume less than 1,000,000 kWh per year are excluded from this program as they are served through other pathways or initiatives.

4.3 Implementation and Delivery

Once a customer is aware of the program, the customer begins the process for a Small Business energy assessment by either calling, emailing, or using an online form to express interest in the program. The customer is connected to a dedicated Small Business program representative to learn details about the process and next steps. The assessment is scheduled with the customer, and the Energy Specialist meets the customer at the scheduled time. The Energy Specialist performs the assessment, identifies strategies to pursue opportunities, reviews design considerations with the customer, and incorporates this detail into a proposal describing appropriate energy efficiency measures. The proposal reflects the installed costs, the expected energy savings, and the applicable program incentives.

Once the customer decides to proceed, the Energy Specialist hands off the project to a Project Coordinator who works with the customer to set a convenient installation schedule that will minimize interruptions to their business operations. After installation, the customer certifies in writing their satisfaction with the work provided. Dedicated support staff are available to address any post-install issues that arise. This support structure is designed to ensure smooth project execution and allow customers to remain focused on their daily tasks.

Program awareness is driven first and foremost through word of mouth from other customers. Leads also come through program outreach and marketing, trade allies (contractors, distributors, etc.), and customer initiative to seek out more efficient options. The program vendor also conducts “main street” outreach efforts.

4.4 Equity

Beginning in 2022 and continuing in 2023, the Company incorporated two equity-related initiatives. First, the Company and its vendor have deployed bilingual auditors who speak either Spanish or Portuguese – the two most widely spoken languages besides English in Rhode Island.

Second, in addition to collecting information about who is served by this program, the program targeted its marketing directly to Woman and Minority Owned Enterprises (WME). This effort extends beyond the WME businesses registered with the state and sought to develop relationships with groups such as the RI Black Business Association and the RI Hispanic Chamber of Commerce to determine how to better serve these businesses. The Company’s vendor also canvasses in conjunction with local community organizations, such as Progreso Latino.

Finally, the Communities initiative includes equity elements, including a focus on microbusinesses, as described in the Main Text of this Plan.

4.5 Changes for 2023

Language Access

Also related to furthering the equity of the small business direct install offering, the Company will translate small business program materials into Spanish and Portuguese.

Additionally, the company will support participation by minorities in vendor training by offering certain trainings in commonly spoken languages.

Main Streets Initiative

Building on planned work in one community in 2022, the Company will establish a Main Streets initiative that aims to increase adoption of direct install energy efficiency measures among hard-to-reach microbusinesses in Rhode Island. In 2023, through its turnkey vendor, the Company will target microbusinesses concentrated around the main streets of three communities. For each targeted community, the vendor will conduct targeted direct mail and/or social media followed by door-to-door outreach for 3-7 working days. For door-to-door canvassing, the vendor may seek to secure cooperation and support of local government leaders, community organizations, and neighborhood groups (e.g., chamber of commerce). The five communities targeted in 2023 are Central Falls, Pawtucket, Woonsocket, Providence and East Providence. These communities contain Environmental Justice areas and are also targeted for enhanced outreach through the Company's Income Eligible programs.

Targeted All-Fuel Weatherization

In 2021 and 2022, the Company utilized a \$1,100,000 RGGI allocation from OER to help increase weatherization installations. Through April 2022, the SBDI program had already achieved 43% of its gas target, primarily as a result of this effort. At the time of this writing, the RGGI funds are expected to be fully allocated by the end of 2022 and based on recent discussions with OER the Company does not anticipate further RGGI funding will be available. To ensure this work can continue for gas customers, the Company has proposed a larger SBDI gas budget than in prior years.

To help increase the volume of weatherization installations, the Company will explore the development of a weatherization tool to enable vendors and customers to easily identify cost-effective weatherization projects for small business customers. The Company will also revisit incentives for weatherization and air sealing, balancing the desire to increase savings with the need for cost control.

Finally, because many insulation contractors often have less experience with commercial buildings, and weatherization measures are more complex to identify and implement than for

homes, the Company plans to offer training to help contractors develop additional expertise in commercial insulation and air sealing. Insulation contractors are the primary targets of this training, and others who perform energy audits of facilities will also benefit.

4.6 Other Considerations

RI Energy's program managers regularly check in with the vendor to capture feedback from the vendor and from customers. In 2022, the Company introduced a short, formal customer satisfaction and input survey. In addition to questions typical of a customer satisfaction survey, the Company asked optional questions about whether the customer identifies as a woman, minority, or LGBT owned business. This will allow the Company to create a baseline of customers served. This survey was offered in English, Spanish, and Portuguese.

The Company's 2022 goal is to achieve the following penetration ratios for luminaires and retrofit kits, and report on progress quarterly:

1. At least 8% of installed luminaires with one or more control strategies, compared to 1.9% of luminaires incentivized in 2021 and 1.1% in 2020.
2. At least 10% of installed retrofit kits with one or more control strategies, compared to 5.7% of retrofit kits incentivized in 2021 and 2.6% in 2020.

In 2022, the Small Business vendor has been educating customers on the benefits of participating in the ADR program using WiFi thermostats and providing information on how to enroll.

5 Connected Solutions (Active Demand Response)

5.1 Offerings

The Company implemented an active demand reduction program beginning in 2019. Under this program, customers agree to reduce their electricity use during the system peak. Customers participating in the demand response (DR) program are free to curtail their energy use by any means possible, as this program is technology neutral.

Targeted Dispatch (One to eight DR events per summer)

This option calls on customers to curtail their electricity use or discharge energy from generators only a few times per summer. Typical technologies or strategies used to curtail load include building management systems to control HVAC systems, lighting control systems, and manual or automated changes to manufacturing processes. The customer's performance is calculated using either the Company's electric meter where available (typically G-32 customers) or third-party metering (typically G-02 customers). Please refer to the program materials available on the Targeted Dispatch page of the Company website for a detailed explanation of the baseline method used and examples.

This initiative uses Curtailment Service Providers (CSPs) to assess curtailment opportunities at a facility and deliver curtailment services to enrolled customers. CSPs identify curtailment opportunities for deployment under the Company's initiative (often in collaboration with RI Energy's implementation team), as well as demand charge and Installed Capacity (ICAP) tag management opportunities and present a complete curtailment proposal to the customer. The demand charge and ICAP tag management provide opportunities for direct bill savings to customers.

Customers and CSPs respond to dispatch signals sent by the Company. Customers and CSPs are notified of events one day before the event. The core model remains focused on reducing demand during summer peak events, typically targeting fewer than twenty hours per summer. The program is structured to avoid interfering with the ISO-NE programs or penalizing customers for participating in both programs.

This Energy Efficiency Plan is being coordinated with the SRP Plan to ensure that the customer offerings are cohesive, not duplicative, and a comprehensive marketing plan is being implemented. This coordination between SRP, NWAs, and DR is detailed in the 2021-2023 SRP Plan sections on NWAs in System Planning and on Coordination with Energy Efficiency.

Daily Dispatch (40 to 60 DR events per summer)

This option calls on customers to curtail their energy use or discharge energy many more times per summer than the Targeted Dispatch. Because of the number of dispatches, customers typically look for an automated participation path with a technology that does not disrupt their comfort or business, such as battery storage or thermal storage.

5.2 Eligibility

Commercial and Industrial customers

5.3 Implementation and Delivery

Targeted Dispatch (One to eight DR events per summer)

The number of enrolled MW in Targeted Dispatch has decreased since 2019. This is in large part due to customers choosing to move their enrollment from Targeted Dispatch to Daily Dispatch. This is a good trend, because Daily Dispatch generates more system benefits per MW than Targeted Dispatch offering.

Please refer to the program materials available on the Targeted Dispatch page of the Company website⁴ for a detailed explanation of the baseline method used and examples.

Customers have the option to receive their incentives directly from the Company, or have the Company send the incentive to the customer's curtailment service provider.

Daily Dispatch (40 to 60 DR events per summer)

The estimated performance for Daily Dispatch in 2022 is projected to be at or above the proposed MW goal for 2022. As mentioned above, some Targeted Dispatch customers have moved to Daily Dispatch which generates more system benefits per MW.

One of the curtailment service providers (CSPs) who participates in the Connected Solutions program has begun the process of installing large energy storage (battery) projects at customer sites. These projects are large and may or may not be ready for the 2023 summer season. They would be looking to participate in the Daily Dispatch program to export the energy of the battery to the electric grid during events. The Company is proposing to increase the Daily Dispatch goal and decrease the Targeted Dispatch goal due to these prospected projects.

Please refer to the program materials available on the Daily Dispatch page (same as Targeted Dispatch page) of the Company website for a detailed explanation of the baseline method used and examples.

⁴ <https://www.rienergy.com/RI-Business/Energy-Saving-Programs/ConnectedSolutions>

Customers have the option to receive their incentives directly from the Company, or have the Company send the incentive to the customer's curtailment service provider.

5.4 Changes for 2023

At this time, there are no anticipated program changes related to Targeted or Daily Dispatch for 2023 based on performance projections and results from currently available data. The results from the summer 2022 performance may highlight opportunities to improve the program in 2023, however results are not expected until shortly after the filing of this Plan. The Company will share any proposed program changes resulting from the evaluation with stakeholders prior to implementing changes.

5.5 Other Considerations

Coordination with other Company Energy Storage programs

The Company is supporting an OER-led Department of Energy (DOE) grant for the field validation of an Integrated Refrigeration Energy Management (REM) technology for controls, active demand response, and continuous commissioning in grocery stores. The objectives supported by the DOE grant are to recruit grocery stores to participate in ConnectedSolutions offerings using refrigeration systems yielding flexible active demand reduction and demonstrate revenue and/or operational savings for grocery customers.

The Company's other efforts related to storage are complementary to the ConnectedSolutions program's goal of reducing electric use during system peaks. Routine coordination with other Company programs helps leverage opportunities for further savings while minimizing duplication of efforts that could otherwise confuse customers.

6 C&I Multifamily Program

6.1 Offerings

See Attachment 1, Section 3, for offerings.

6.2 Eligibility

See Attachment 1, Section 3, for eligibility information.

In addition to criteria listed in Attachment 1, Section 3, the multifamily program provides joint residential and commercial energy services to condominiums and apartment complexes for energy efficiency upgrades with no cost audits. The multifamily C&I program also serves customers like non-profits, group homes, and houses of worship that traditionally do not fit within the predefined program structure.

6.3 Implementation and Delivery

See Attachment 1, Section 3, for implementation and delivery.

In addition to what is listed in Attachment 1, Section 3, note that the program coordinates with the Residential New Construction Program, Multifamily Programs, and the Small Business Program.

6.4 Other Considerations

See Attachment 1, Section 3, for customer feedback and program changes.

7 Finance as an Enabling Strategy

Many customers face challenges in bringing energy efficiency projects to fruition. These may include structural limitations within a business, information overload, cultural resistance within companies, and access to capital. The Company's plan deals with the first three barriers in various ways, but this section of the plan focuses on mechanisms that can help customers afford to carry out energy efficiency upgrades and/or perceive costs differently.

Mechanisms Offered

RI Energy and its partners have developed four primary finance mechanisms to help customers afford energy efficiency upgrades, each with unique attributes. Some may only be available or apply to certain customers, building, or ownership types.

Table 5. On Bill Repayment (OBR) - Electric

Customer type	Commercial customers who consume less than 1,000 MWh per year
Loan size	\$1,000 to ~\$100,000 (may be larger for SEMP)
Maximum Tenor	5 years for commercial accounts, 7-10 years for State facilities
Loan Volume	Variable, between \$5MM to \$10MM per year
Benefits to customer	No formal credit check/ rapid approval, on bill repayment, zero interest
Limitations	Maximum tenor too short for many comprehensive upgrades
More information	RI Energy's most recent Small Business revolving loan fund projections are illustrated in Attachment 5, Table E-10.
Relevant notes	The Company is requesting a \$2,000,000 infusion into this revolving loan fund as the Company is projecting a negative balance in this fund by the end of 2023. This includes estimated repayments made by customers in 2023.

Table 6. On Bill Repayment (OBR) - Electric Small Business

Customer type	Commercial customers who consume less than 1,000 MWh per year
Loan size	\$500 to \$50,000
Maximum Tenor	5 years
Loan Volume	Variable, between \$1.8MM and \$3.0MM per year
Benefits to customer	No formal credit check/ rapid approval, on bill repayment, zero interest
Limitations	Maximum tenor too short for many comprehensive upgrades, cannot be used to support upgrades customers may desire such as windows and roofs as they have a B/C ratio less than 1.0
More information	RI Energy's most recent Small Business revolving loan fund projections are illustrated in Attachment 5, Table E-10.

Table 7. On Bill Repayment (OBR) – Gas

Customer type	All commercial gas customers
Max loan size	\$1,000 to ~\$100,000 (may be larger for SEMP or special projects)
Maximum Tenor	3 years for commercial accounts, 5 years for State facilities
Loan Volume	Variable, between \$1MM and 1.5MM per year
Benefits to customer	No formal credit check/ rapid approval, on bill repayment, zero interest
Limitations	Maximum tenor too short for many comprehensive upgrades, cannot be used to support upgrades customers may desire such as windows and roofs as they have a B/C ratio less than 1.0
More information	RI Energy's most recent Gas revolving loan fund projections for 2021 are illustrated in Attachment 6, Table E-10.

Table 8. Efficient Buildings Fund (EBF)

Customer type	State agencies, quasi-state agencies, and municipalities
Max loan size	More than \$5MM
Maximum Tenor	Up to 20 years
Loan Volume	Variable, over \$60MM in loans closed to date
Benefits to customer	Below market rate interest, long tenor, loan amounts can be large enough to make comprehensive building wide improvements
Limitations	Appropriate customers must file applications and be ranked against other potential loan applicants
More information	More detail on this program can be found at the RI Infrastructure Bank webpage (https://www.riib.org/ebf) and the RI Office of Energy Resources webpage (http://www.energy.ri.gov/RIEBF/)
Description	The Efficient Buildings Fund (EBF) is a long-term, below-market financing option for municipalities and quasi-public agencies to complete energy efficiency and renewable energy projects. EBF is administered in partnership with RI Office of Energy Resources (OER) and the Rhode Island Infrastructure Bank (The Bank, Infrastructure Bank, or RIIB). OER is responsible for determining project eligibility, reviewing project applications, and producing a Project Priority List (PPL). The Infrastructure Bank only finances projects that are listed on the PPL.
2023 Actions	The Infrastructure Bank and OER will administer the program and RI Energy will continue to provide technical, logistical, incentive support to municipal customers.

7.1 Public Sector Revolving Loan Fund

The Public Sector Revolving Loan fund was a predecessor of the Efficient Buildings Fund. It was funded by Regional Greenhouse Gas Initiative (RGGI) funds controlled by the RI OER. This fund no longer makes loans. As funds are repaid from previous disbursements, they are periodically transferred back to RI OER to be used at their discretion. More detail on this fund can be found in Attachment 5, Table E-9.

Table 9. Commercial Property Assessed Energy (C-PACE)

Customer type	Owners of non-residential property
Max loan size	Limited only by the financial health of the building
Maximum Tenor	Average measure life of all upgrades, can exceed 15 years
Loan Volume	Variable
Benefits to customer	Can be structured to be cash flow positive, no personal guarantees, financing can be used to finance a wide variety of improvements related to energy, may be considered an operating expense.
Limitations	Minimum transaction value of ~\$50,000, preferred \$100,000+

Table 10. Ascentium Rental Agreement

Customer type	Owners of non-residential property
Max loan size	No stated limit
Maximum Tenor	Variable
Loan Volume	Variable
Benefits to customer	Rapid preliminary approval, rental product is considered an operating cost
Limitations	Specific terms of the agreement may not be attractive to some customer types, including any that are reluctant to take on debt.

8 Marketing to C&I Customers

Beginning in the second half of 2022 and continuing in 2023, RI Energy is launching a new campaign for all commercial customers, with messaging that will focus on helping customers connect with the resources, financing, and expertise they need. The new campaign will include messaging about how energy efficiency can help address high energy prices.

For customer targeting and media planning, the Company continues to utilize its existing market research insights data and customer personas (see Figure 2. Commercial Customer Persona Research) for business customers. The Company aims to represent the voice of the customer in all campaign planning. The Company will continue to utilize commercial customer persona research to inform our key messages and marketing channel selection. RI Energy will pay close attention to how economic conditions impact customers and maintain a nimble approach. These conditions include inflation, labor market shortages, long-term market changes resulting from COVID-19, and a potential recession.

Figure 2. Commercial Customer Persona Research

★ Lean & Green	Small & Seamless	★ Seeking Solutions
<ul style="list-style-type: none"> • Smallest customers based on usage • Most environmentally conscious, interested in green-related products • Among the most open to purchasing from NG 	<ul style="list-style-type: none"> • Small customers • Interested in tools to manage accounts • Skew to Real Estate • The least open to purchasing from NG 	<ul style="list-style-type: none"> • Medium customers • Interested in bill and usage information, financing options • Skews to Retail/Food • The most open to purchasing from NG
No Frills	★ Big Business	
<ul style="list-style-type: none"> • Medium customers • Most interested in the basics of customer service and emergency response • Among least open to purchasing from NG 	<ul style="list-style-type: none"> • Largest customers • More interested in advice, tools to track usage and savings • Lowest level of barriers to energy improvements • Skews to Industrial, Public Sector 	

In 2023, the Company will continue to leverage digital marketing, paid search and social media marketing, print advertising, email campaigns as well as public relations. Earned media/PR is an

integrated component of the marketing strategy, including media relations and influencer engagement.

RI Energy's paid media primarily targets direct decision-makers for capital budgets and facilities projects, C-suite executives, facility managers, and small business owners. A portion of advertising and communications are also dedicated to targeting other key influencers who influence energy project go-forward decisions, such as distributors, PEX's, engineers, and architects who may have existing relationships with customers.

In 2023, the Company will adjust tone and messaging as appropriate to remain sensitive to our customers' needs. RI Energy has continued to update its website and campaign landing pages to reflect key messages, strategies, and general core values and has also increased focus on providing industry-specific messaging and information wherever possible.

Finally, the Company will tie its marketing activities to the energy efficiency program priorities described elsewhere in this plan. This includes:

- Promoting planned Workforce Development activities, potentially via social media.
- Developing fact sheets to explain program focus areas such as Building Analytics, ESPO, or lighting controls.
- Developing case studies to highlight efficiency opportunities in specific market sectors.

9 Commercial and Industrial Measures and Incentives

Table 3 below lists the planned measures for the electric C&I programs, by program, along with the estimated annual savings, incentives per unit of savings and total incentives. The C&I ConnectedSolutions program is planned at the net kW level. All other electric C&I programs are planned at the gross kWh level. Table 4 shows planned costs in non-incentive cost categories for each program that are not allocated at the measure level. Table 5 and Table 6 show the same information for the planned Gas programs, respectively. Gas C&I programs are planned at the gross MMBtu level. Some custom electric and gas measures deviate from gross kWh or gross MMBtu planned unit convention depending on the nature of the projects which comprise them.

Table 11. Planned Measures for Electric C&I Programs

Electric C&I Programs				
Program	Measure	Planned Gross kWh or Net kW	Incentive/Unit	Total Incentives
Commercial ConnectedSolutions	C&I Daily Dispatch (Savings)	15,000	\$300.00	\$4,500,000
Commercial ConnectedSolutions	C&I Targeted Dispatch	21,000	\$40.00	\$840,000
Large Commercial New Construction	Advanced Building	397,575	\$0.45	\$178,909
Large Commercial New Construction	COMP DESIGN	397,575	\$0.44	\$174,933
Large Commercial New Construction	BLD SHELL	3,847	\$0.50	\$1,924
Large Commercial New Construction	CHILLER	479,329	\$0.53	\$253,565
Large Commercial New Construction	MOTOR	48,450	\$0.22	\$10,659
Large Commercial New Construction	HVAC	1,198,322	\$0.53	\$633,913
Large Commercial New Construction	REFRG COMM	973,949	\$0.46	\$448,017
Large Commercial New Construction	COMP AIR	2,344,012	\$0.39	\$916,509
Large Commercial New Construction	EMS	1,328,539	\$0.53	\$702,797
Large Commercial New Construction	PROC-COOLING	241,055	\$0.32	\$77,620
Large Commercial New Construction	PROCESS	940,940	\$0.34	\$319,920
Large Commercial New Construction	VSD-HVAC	48,450	\$0.22	\$10,659
Large Commercial New Construction	VSD-NON HVAC	102,602	\$0.22	\$22,572
Large Commercial New Construction	FOOD	32,126	\$0.39	\$12,561
Large Commercial New Construction	OTHER	46,153	\$0.39	\$18,046
Large Commercial New Construction	BLDG EXHAUST FAN	6,569	\$0.31	\$2,036
Large Commercial New Construction	BOILER FWATER PUMP	6,569	\$0.31	\$2,053
Large Commercial New Construction	BOILER-DRAFT FAN	6,569	\$0.31	\$2,053
Large Commercial New Construction	CHIL-WATER PUMP	6,569	\$0.31	\$2,053
Large Commercial New Construction	CT FAN	6,569	\$0.31	\$2,053
Large Commercial New Construction	D2 VFD SECONDARY	1,694	\$0.31	\$529
Large Commercial New Construction	HEAT-HW PUMP	13,138	\$0.31	\$4,106
Large Commercial New Construction	HVAC RETURN-FAN	13,138	\$0.31	\$4,106
Large Commercial New Construction	HVAC SUPPLY-FAN	13,138	\$0.31	\$4,106
Large Commercial New Construction	MAKE UP AIR FAN	1,694	\$0.31	\$529
Large Commercial New Construction	ODP-1200F	1,694	\$0.29	\$491
Large Commercial New Construction	ODP-1200N	1,694	\$0.29	\$491
Large Commercial New Construction	ODP-1200S	1,694	\$0.29	\$491
Large Commercial New Construction	ODP-1800F	1,694	\$0.29	\$491
Large Commercial New Construction	ODP-1800N	1,694	\$0.29	\$491
Large Commercial New Construction	ODP-1800S	1,694	\$0.29	\$491
Large Commercial New Construction	ODP-3600F	1,694	\$0.29	\$491
Large Commercial New Construction	ODP-3600N	1,694	\$0.29	\$491

Electric C&I Programs				
Program	Measure	Planned Gross kWh or Net kW	Incentive/ Unit	Total Incentives
Large Commercial New Construction	ODP-3600S	1,694	\$0.29	\$491
Large Commercial New Construction	PROC EXHAUST FAN	6,569	\$0.31	\$2,053
Large Commercial New Construction	MFHR_LIGHTING	5,232	\$0.39	\$2,040
Large Commercial New Construction	PROC-COOL PUMP	6,569	\$0.31	\$2,053
Large Commercial New Construction	TEFC-1200F	1,694	\$0.29	\$491
Large Commercial New Construction	TEFC-1200N	1,694	\$0.29	\$491
Large Commercial New Construction	TEFC-1200S	1,694	\$0.29	\$491
Large Commercial New Construction	TEFC-1800F	1,694	\$0.29	\$491
Large Commercial New Construction	TEFC-1800N	1,694	\$0.29	\$491
Large Commercial New Construction	TEFC-1800S	1,694	\$0.29	\$491
Large Commercial New Construction	TEFC-3600F	1,694	\$0.29	\$491
Large Commercial New Construction	TEFC-3600N	1,694	\$0.29	\$491
Large Commercial New Construction	TEFC-3600S	1,694	\$0.29	\$491
Large Commercial New Construction	WSHP-PUMP	6,569	\$0.31	\$2,036
Large Commercial New Construction	EXT-24/7	93,086	\$0.25	\$23,271
Large Commercial New Construction	EXT-DUSKDAWN	296,768	\$0.22	\$65,289
Large Commercial New Construction	LGT-COMPACT	50,000	\$0.22	\$11,000
Large Commercial New Construction	LGT-CUST	50,000	\$0.22	\$11,000
Large Commercial New Construction	LGT-FLUCENT	50,000	\$0.22	\$11,000
Large Commercial New Construction	LGT-LEDCASEREF	50,000	\$0.22	\$11,000
Large Commercial New Construction	LGT-LEDGENERAL	986,055	\$0.22	\$216,932
Large Commercial New Construction	LGT-LEDSIGN	90,000	\$0.22	\$19,800
Large Commercial New Construction	PL T1 Ext	121,491	\$0.22	\$26,728
Large Commercial New Construction	PL T1 Int	715,367	\$0.22	\$157,381
Large Commercial New Construction	PL T2&3 Ext	90,000	\$0.22	\$19,800
Large Commercial New Construction	PL T2&3 Int	90,000	\$0.22	\$19,800
Large Commercial New Construction	LEDS	111,186	\$0.35	\$38,359
Large Commercial New Construction	LGHT SYSTEMS	111,186	\$0.35	\$38,359
Large Commercial New Construction	LGHT-PERF	111,186	\$0.35	\$38,359
Large Commercial New Construction	MFHR_COOLING	5,232	\$0.39	\$2,040
Large Commercial New Construction	MFHR_HEATING	5,232	\$0.39	\$2,040
Large Commercial New Construction	TRNS	3,788	\$0.40	\$1,515
Large Commercial New Construction	DHW ECM Pump <= 1/8 HP	3,157	\$0.39	\$1,234
Large Commercial New Construction	DHW ECM Pump <=1/20 HP	4,195	\$0.39	\$1,640
Large Commercial New Construction	DHW ECM Pump 1/20 to 1/8 HP	4,195	\$0.39	\$1,640
Large Commercial New Construction	DHW ECM Pump 1/6 to 3/4 HP	4,195	\$0.39	\$1,640
Large Commercial New Construction	DHW ECM Pump 1/8 to 1/6 HP	4,195	\$0.39	\$1,640
Large Commercial New Construction	DHW ECM Pump 3/4 to 3 HP	4,195	\$0.39	\$1,640
Large Commercial New Construction	CODE OF STD	284,665	\$0.00	\$0
Large Commercial New Construction	ECM Pump <= 1/8 HP	68,411	\$0.30	\$20,674
Large Commercial New Construction	ECM Pump <=1/20 HP	22,803	\$0.30	\$6,891
Large Commercial New Construction	MFHR_DHW	5,232	\$0.39	\$2,040
Large Commercial New Construction	HECU-FHPC	104,689	\$0.29	\$30,525
Large Commercial New Construction	HECU-SC	104,689	\$0.29	\$30,525
Large Commercial New Construction	ACPkg_to5.4T	60,111	\$0.25	\$15,028
Large Commercial New Construction	ACSplit_to5.4T	69,132	\$0.25	\$17,283
Large Commercial New Construction	AirAC_11.25-20T	59,161	\$0.25	\$14,790
Large Commercial New Construction	AirAC_20-63T	39,077	\$0.25	\$9,769
Large Commercial New Construction	AirAC_5.4-11.25T	228,383	\$0.25	\$57,096
Large Commercial New Construction	AirAC_over63T	18,992	\$0.25	\$4,748

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Electric C&I Programs				
Program	Measure	Planned Gross kWh or Net kW	Incentive/ Unit	Total Incentives
Large Commercial New Construction	CONVECTION OVEN	61,314	\$0.23	\$14,300
Large Commercial New Construction	Conveyor Broiler, >28" wide	3,161	\$0.98	\$3,100
Large Commercial New Construction	COOKING-COMBO OVEN 1	60,380	\$0.18	\$10,868
Large Commercial New Construction	COOKING-FRYER-1000	2,976	\$0.09	\$275
Large Commercial New Construction	COOKING-GRIDDLE 1	3,380	\$0.31	\$1,050
Large Commercial New Construction	COOKING-STEAMER-1000	90,468	\$0.08	\$6,900
Large Commercial New Construction	Deck Oven	112,785	\$0.30	\$33,750
Large Commercial New Construction	Dishwasher - High Door Type	33,208	\$0.22	\$7,400
Large Commercial New Construction	Dishwasher - High Multi Tank			
Large Commercial New Construction	Conv	9,630	\$0.10	\$925
Large Commercial New Construction	Dishwasher - High Pots and Pans	3,096	\$0.90	\$2,775
Large Commercial New Construction	Dishwasher - High Single Tank			
Large Commercial New Construction	Conv.	12,729	\$0.36	\$4,575
Large Commercial New Construction	Dishwasher - High Under Counter	46,566	\$0.29	\$13,650
Large Commercial New Construction	Dishwasher - Low Single Tank			
Large Commercial New Construction	Conv.	11,685	\$0.01	\$150
Large Commercial New Construction	Dishwasher - Low Under Counter	4,356	\$0.15	\$650
Large Commercial New Construction	FREEZ-GL1	427	\$0.53	\$225
Large Commercial New Construction	FREEZ-GL2	681	\$0.48	\$325
Large Commercial New Construction	FREEZ-GL3	1,062	\$0.19	\$200
Large Commercial New Construction	FREEZ-GL4	1,486	\$0.20	\$300
Large Commercial New Construction	FREEZ-SD1	2,120	\$1.06	\$2,250
Large Commercial New Construction	FREEZ-SD2	7,290	\$0.67	\$4,875
Large Commercial New Construction	FREEZ-SD3	17,312	\$0.37	\$6,400
Large Commercial New Construction	FREEZ-SD4	589	\$0.51	\$300
Large Commercial New Construction	FREEZ-ULT	145,433	\$0.40	\$58,183
Large Commercial New Construction	Fryer - Large	2,841	\$0.10	\$275
Large Commercial New Construction	Hand Wrapper	3,130	\$0.07	\$220
Large Commercial New Construction	Hot Food Holding Cabinet - 1/2	32,850	\$0.59	\$19,500
Large Commercial New Construction	Hot Food Holding Cabinet - 3/4	5,475	\$0.73	\$4,000
Large Commercial New Construction	Hot Food Holding Cabinet - Full	13,685	\$0.35	\$4,750
Large Commercial New Construction	Ice Machine - Cont. Remote	5,202	\$0.09	\$450
Large Commercial New Construction	Ice Making Head	46,914	\$0.25	\$11,550
Large Commercial New Construction	Ice Remote/Split	7,282	\$0.06	\$450
Large Commercial New Construction	Ice Self Contained	3,220	\$0.28	\$900
Large Commercial New Construction	Refrigerated Chef Base 35" to 54"	1,051	\$0.52	\$550
Large Commercial New Construction	Refrigerated Chef Base 74" to 89"	1,986	\$0.28	\$550
Large Commercial New Construction	REFRIG-GL1	3,675	\$0.92	\$3,375
Large Commercial New Construction	REFRIG-GL2	11,666	\$0.57	\$6,650
Large Commercial New Construction	REFRIG-GL3	22,680	\$0.42	\$9,450
Large Commercial New Construction	REFRIG-GL4	3,660	\$0.61	\$2,250
Large Commercial New Construction	REFRIG-SD1	2,550	\$1.32	\$3,375
Large Commercial New Construction	REFRIG-SD2	8,160	\$0.69	\$5,600
Large Commercial New Construction	REFRIG-SD3	4,410	\$1.33	\$5,850
Large Commercial New Construction	REFRIG-SD4	1,880	\$1.00	\$1,875
Large Commercial New Construction	Spray Valve - Electric HW	20,334	\$0.58	\$11,692
Large Commercial New Construction	High Perf Contact Conveyor			
Large Commercial New Construction	Toaster UPSTR	1,000	\$0.70	\$700
Large Commercial New Construction	DEEC	2,722	\$0.09	\$250

Electric C&I Programs				
Program	Measure	Planned Gross kWh or Net kW	Incentive/ Unit	Total Incentives
Large Commercial New Construction	Vending Miser - Refrigerated Beverage Vending Machines UPSTR	1,000	\$0.70	\$700
Large Commercial New Construction	Vending Miser - Non-Refrigerated Snack Vending Machines UPSTR	1,000	\$0.70	\$700
Large Commercial New Construction	Vending Miser - Glass Front Refrigerated Coolers UPSTR	1,000	\$0.70	\$700
Large Commercial New Construction	Room Air Cleaner_K-12	8,423	\$0.26	\$2,228
Large Commercial New Construction	Room Air Cleaner_Office	8,423	\$0.26	\$2,228
Large Commercial New Construction	Room Air Cleaner_Retail	8,423	\$0.26	\$2,228
Large Commercial New Construction	PEI H2O PUMP-COMM-C	150,500	\$0.12	\$18,060
Large Commercial New Construction	WaterHP	2,100	\$0.45	\$945
Large Commercial New Construction	VRF HP 11.25T-20T	326,972	\$0.31	\$102,374
Large Commercial New Construction	VRF HP 5.4T-11.25T	738,207	\$0.27	\$195,716
Large Commercial New Construction	VRF HP over 20T	13,266	\$0.23	\$3,011
Large Commercial New Construction	CNTRL-INTEGRATED	90,000	\$0.22	\$19,800
Large Commercial New Construction	AirHP_11.25-20T	2,958	\$0.13	\$370
Large Commercial New Construction	AirHP_5.4-11.25T	4,568	\$0.15	\$680
Large Commercial New Construction	AirHPPkg_to5.4T	250,000	\$0.40	\$100,000
Large Commercial New Construction	AirCChiller_IPLV	28,693	\$0.26	\$7,460
Large Commercial New Construction	AirCChiller_Peak	28,693	\$0.26	\$7,460
Large Commercial New Construction	AirCChiller150to300T	28,693	\$0.26	\$7,460
Large Commercial New Construction	AirCChillerto150T	28,693	\$0.26	\$7,460
Large Commercial New Construction	Sensors	8,423	\$0.26	\$2,190
Large Commercial New Construction	WCChil_over300T_IPLV_CEN	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil_over300T_IPLV_SCR	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil_over300T_PkW_CEN	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil_over300T_PkW_SCR	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil_to150T_IPLV_CEN	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil_to150T_IPLV_SCR	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil_to150T_PkW_CEN	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil_to150T_PkW_SCR	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil150-300T_IPLV	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil150-300T_IPLV_CEN	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil150-300T_IPLV_SCR	1,400	\$0.30	\$420
Large Commercial New Construction	CNTRL-DIMM	119,190	\$0.22	\$26,222
Large Commercial New Construction	CNTRL-SENSOR	104,466	\$0.22	\$22,983
Large Commercial New Construction	EXT-CNTRL	90,000	\$0.22	\$19,800
Large Commercial New Construction	EXT-SLCNTRL	90,000	\$0.22	\$19,800
Large Commercial New Construction	LGHT CNTRLS	49,500	\$0.35	\$17,078
Large Commercial New Construction	WCChil150-300T_PkW	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil150-300T_PkW_CEN	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil150-300T_PkW_SCR	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil300-1000T_IPLV	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil300-1000T_PkW	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil30-70T	1,400	\$0.30	\$420
Large Commercial New Construction	WCChil70-150T	1,400	\$0.30	\$420
Large Commercial New Construction	CAIR NOZZLE	6,250	\$0.28	\$1,750
Large Commercial New Construction	DRYER_CAT<100	17,318	\$0.28	\$4,849
Large Commercial New Construction	DRYER_CAT>400	17,318	\$0.28	\$4,849

Electric C&I Programs				
Program	Measure	Planned Gross kWh or Net kW	Incentive/Unit	Total Incentives
Large Commercial New Construction	DRYER_CAT-200	17,318	\$0.28	\$4,849
Large Commercial New Construction	DRYER_CAT-300	17,318	\$0.28	\$4,849
Large Commercial New Construction	DRYER_CAT-400	17,318	\$0.28	\$4,849
Large Commercial New Construction	LOADCOMP-25HP	87,288	\$0.28	\$24,441
Large Commercial New Construction	LOADCOMP-75HP	87,288	\$0.28	\$24,441
Large Commercial New Construction	LOW PRESS DROP FLTR	6,250	\$0.28	\$1,750
Large Commercial New Construction	VARICOMP-75HP	69,830	\$0.31	\$21,647
Large Commercial New Construction	VSDCOMP-75HP	69,830	\$0.22	\$15,363
Large Commercial New Construction	ZERO LOSS DRAIN	19,683	\$0.28	\$5,511
Large Commercial Retrofit	BLD SHELL	242,916	\$0.69	\$167,612
Large Commercial Retrofit	MOTOR	42,853	\$0.30	\$12,856
Large Commercial Retrofit	VSD-HVAC	60,632	\$0.35	\$21,221
Large Commercial Retrofit	VSD-NON HVAC	75,491	\$0.35	\$26,422
Large Commercial Retrofit	PROC COOLING	119,618	\$0.24	\$28,708
Large Commercial Retrofit	PROCESS	475,388	\$0.21	\$99,832
Large Commercial Retrofit	REFRG-COMM	776,894	\$0.44	\$341,834
Large Commercial Retrofit	FOOD	25,666	\$0.35	\$8,983
Large Commercial Retrofit	HVAC	1,507,188	\$0.50	\$753,594
Large Commercial Retrofit	EMS	1,354,752	\$0.30	\$406,426
Large Commercial Retrofit	OTHER	1,712,150	\$0.20	\$342,430
Large Commercial Retrofit	OPER_MAIN	1,754,418	\$0.17	\$298,251
Large Commercial Retrofit	COMP AIR	3,051,550	\$0.08	\$244,124
Large Commercial Retrofit	BLDG EXHAUST FAN	71,090	\$0.35	\$24,881
Large Commercial Retrofit	BOILER FWATER PUMP	71,090	\$0.35	\$24,881
Large Commercial Retrofit	BOILER-DRAFT FAN	71,090	\$0.35	\$24,881
Large Commercial Retrofit	CHIL-WATER PUMP	71,090	\$0.35	\$24,881
Large Commercial Retrofit	CT FAN	71,090	\$0.35	\$24,881
Large Commercial Retrofit	EI MTVFD SECONDARY	28,889	\$0.35	\$10,111
Large Commercial Retrofit	EI VFD SECONDARY	28,889	\$0.35	\$10,111
Large Commercial Retrofit	HEAT-HW PUMP	94,786	\$0.35	\$33,175
Large Commercial Retrofit	HVAC RETURN-FAN	94,786	\$0.35	\$33,175
Large Commercial Retrofit	HVAC SUPPLY-FAN	94,786	\$0.35	\$33,175
Large Commercial Retrofit	MAKE UP AIR FAN	49,285	\$0.35	\$17,250
Large Commercial Retrofit	MTVFD-BLDG EXHST FAN	38,740	\$0.35	\$13,559
Large Commercial Retrofit	MTVFD-BOIL DRAFT FAN	38,740	\$0.35	\$13,559
Large Commercial Retrofit	MTVFD-BOIL FWTR PUMP	38,740	\$0.35	\$13,559
Large Commercial Retrofit	MTVFD-CHIL WATER PMP	38,740	\$0.35	\$13,559
Large Commercial Retrofit	MTVFD-CT FAN	38,740	\$0.35	\$13,559
Large Commercial Retrofit	MTVFD-HEAT HW PUMP	38,740	\$0.35	\$13,559
Large Commercial Retrofit	MTVFD-HVAC RET FAN	38,740	\$0.35	\$13,559
Large Commercial Retrofit	MTVFD-HVAC SUP FAN	38,740	\$0.35	\$13,559
Large Commercial Retrofit	MTVFD-MK UP AIR FAN	38,740	\$0.35	\$13,559
Large Commercial Retrofit	MTVFD-PROC COOL PUMP	38,740	\$0.35	\$13,559
Large Commercial Retrofit	MTVFD-WATER/WST PUMP	38,740	\$0.35	\$13,559
Large Commercial Retrofit	MTVFD-WSHP PUMP	38,740	\$0.35	\$13,559
Large Commercial Retrofit	PROC EXHAUST FAN	71,090	\$0.30	\$21,327
Large Commercial Retrofit	PROC-COOL PUMP	71,090	\$0.30	\$21,327
Large Commercial Retrofit	WATER/WASTE PUMP	71,090	\$0.35	\$24,881
Large Commercial Retrofit	WSHP-PUMP	71,090	\$0.35	\$24,881
Large Commercial Retrofit	TRNS	177,129	\$0.35	\$61,995

Electric C&I Programs				
Program	Measure	Planned Gross kWh or Net kW	Incentive/ Unit	Total Incentives
Large Commercial Retrofit	BOC	104,683	\$0.00	\$0
Large Commercial Retrofit	Cooler Miser	76,911	\$0.50	\$38,455
Large Commercial Retrofit	EMS40k-80ksqft	473,872	\$0.60	\$284,323
Large Commercial Retrofit	EMS5k-40ksqft	473,872	\$0.60	\$284,323
Large Commercial Retrofit	EMS80k-200ksqft	473,872	\$0.60	\$284,323
Large Commercial Retrofit	Snack Miser	66,879	\$0.50	\$33,440
Large Commercial Retrofit	Vending Miser	66,879	\$0.40	\$26,752
Large Commercial Retrofit	LGHT_CNTRLS	1,512,840	\$0.55	\$832,062
Large Commercial Retrofit	LGT-LEDHLUPSTREAMCTR	3,434,978	\$0.40	\$1,373,991
Large Commercial Retrofit	LGT-LEDCNTRLUPSTREAM	1,559,036	\$0.40	\$623,614
Large Commercial Retrofit	LGT-LEDHLUPSTREAM	9,616,755	\$0.15	\$1,442,513
Large Commercial Retrofit	UPSTR OutdoorCntrl LED	1,090,650	\$0.15	\$163,598
Large Commercial Retrofit	LGT-DNSTR-LinearLED	3,364,387	\$0.34	\$1,143,892
Large Commercial Retrofit	LGT-LEDDOWNSTREAM	6,167,166	\$0.34	\$2,096,837
Large Commercial Retrofit	LGT-LEDREPLACEMENT	3,160,344	\$0.34	\$1,074,517
Large Commercial Retrofit	LGT-UpstreamSTRWLED	56,216	\$0.33	\$18,551
Large Commercial Retrofit	LGT-UPSTR-LinearLED	325,400	\$0.08	\$26,032
Large Commercial Retrofit	Strt lght + CNTRL	2,838,194	\$0.29	\$823,076
Large Commercial Retrofit	LEDS	3,972,431	\$0.34	\$1,350,627
Large Commercial Retrofit	LGHT_SYSTEMS	4,181,506	\$0.34	\$1,421,712
Large Commercial Retrofit	VARICOMP-25HP	145,161	\$0.08	\$11,613
Large Commercial Retrofit	LGT-UPSTR OutdoorLED	3,421,538	\$0.10	\$342,154
Large Commercial Retrofit	Street Lights	3,297,864	\$0.24	\$791,487
Large Commercial Retrofit	VARICOMP-75HP	145,161	\$0.08	\$11,613
Small Business Direct Install	CUSTOM HVAC	12,942	\$0.60	\$7,765
Small Business Direct Install	CUSTOM MOTORS/DRIVES - HVAC	92,117	\$0.60	\$55,270
Small Business Direct Install	CUSTOM MOTORS/DRIVES - NON-HVAC	1,215	\$0.60	\$729
Small Business Direct Install	Freezer Recycling	57,214	\$0.33	\$18,881
Small Business Direct Install	PROGRAMMABLE THERMOSTATS	53,549	\$0.46	\$24,633
Small Business Direct Install	Water Heating measures - Prescriptive	7,602	\$0.40	\$3,041
Small Business Direct Install	VENDING MACHINES	6,608	\$0.29	\$1,916
Small Business Direct Install	CUSTOM PROCESS	133	\$0.60	\$80
Small Business Direct Install	OCCUPANCY SENSORS	228,933	\$0.60	\$137,360
Small Business Direct Install	CUSTOM LIGHTING	1,285,117	\$0.60	\$771,070
Small Business Direct Install	LED CASE REFRIG - PRESCRIPTIVE	6,352	\$0.50	\$3,176
Small Business Direct Install	LED INTERIOR - HW	3,091,832	\$0.68	\$2,102,446
Small Business Direct Install	LED INTERIOR - SI	4,521,192	\$0.69	\$3,119,622
Small Business Direct Install	TIMECLOCKS	158	\$0.52	\$82
Small Business Direct Install	LED EXTERIOR - HW	647,563	\$0.60	\$388,538
Small Business Direct Install	CUSTOM REFRIGERATION	200,568	\$1.20	\$240,682

Table 12. Shared Costs for Electric C&I Programs

Program	Shared Costs				Non-Measure-Specific Incentives
	Program Planning & Administration	Marketing	Sales, Tech Assist & Training	Evaluation & Market Research	Automated RTU Optimization
Large Commercial New Construction	\$234,641	\$214,213	\$1,866,225	\$418,495	
Small Business Direct Install	\$274,884	\$164,852	\$348,183	\$104,148	
Large Commercial Retrofit	\$764,555	\$159,752	\$4,908,090	\$775,518	\$15,000
Commercial ConnectedSolutions	\$179,019	\$6,830	\$157,263	\$0	

Table 13. Planned Measures for Gas C&I Programs

Gas C&I Programs				
Program	Measure	Planned Gross MMBtus or Unit	Incentive/Unit	Total Incentives
Commercial & Industrial Multifamily	HEATING_Custom	11	\$48,000.00	\$528,000
Commercial & Industrial Multifamily	Aerator_MF	180	\$5.00	\$900
Commercial & Industrial Multifamily	Air Sealing_MF	240	\$245.00	\$58,800
Commercial & Industrial Multifamily	CUSTOM CIRCULATOR	2	\$2,100.00	\$4,200
Commercial & Industrial Multifamily	INSULATION_MF	6,000	\$2.25	\$13,500
Commercial & Industrial Multifamily	Pipe Wrap DHW_MF	300	\$3.00	\$900
Commercial & Industrial Multifamily	THERMOSTAT_MF	400	\$125.00	\$50,000
Commercial & Industrial Multifamily	TSTAT_WIFI_HEATING	10	\$300.00	\$3,000
Commercial & Industrial Multifamily	TSV Showerhead_MF	10	\$40.00	\$400
Large Commercial New Construction	Comprehensive Design	1,000	\$40.00	\$40,000
Large Commercial New Construction	Gas Cooling	5,106	\$16.00	\$81,696
Large Commercial New Construction	Heat recovery - All	5,106	\$16.00	\$81,696
Large Commercial New Construction	Heat recovery - Seasonal	5,106	\$16.00	\$81,696
Large Commercial New Construction	Heat recovery - Year round	5,106	\$16.00	\$81,696
Large Commercial New Construction	HEATING CUSTOM STEAM BOILER	591	\$25.00	\$14,775
Large Commercial New Construction	OTHER	5,106	\$16.00	\$81,696
Large Commercial New Construction	Other Gas - Seasonal	5,106	\$16.00	\$81,696
Large Commercial New Construction	Other Gas - Year Round	5,106	\$16.00	\$81,696
Large Commercial New Construction	BOILER RESET 1 STAGE	591	\$30.00	\$17,730
Large Commercial New Construction	Boiler95: 95% AFUE < 300 MBU	591	\$30.00	\$17,730
Large Commercial New Construction	Boiler96	591	\$25.00	\$14,775
Large Commercial New Construction	Codes and Standards	358	\$0.00	\$0
Large Commercial New Construction	COMBO COND BOIL/WTR HTR 95+	591	\$20.00	\$11,820
Large Commercial New Construction	Condensing boiler <= 300 mbh	591	\$30.00	\$17,730
Large Commercial New Construction	Condensing boiler 1000-1700 mbh	591	\$30.00	\$17,730
Large Commercial New Construction	Condensing boiler 1701+ mbh	591	\$30.00	\$17,730
Large Commercial New Construction	Condensing boiler 300-499 mbh	591	\$30.00	\$17,730
Large Commercial New Construction	Condensing boiler 500-999 mbh	591	\$30.00	\$17,730
Large Commercial New Construction	INFRARED HEATER - LOW INT	5,106	\$16.00	\$81,696
Large Commercial New Construction	CKG_SPRY_NZL_LOW UPSTR	627	\$6.58	\$4,126
Large Commercial New Construction	COND WATER HEATER 90%MIN 75-800	1,661	\$29.01	\$48,186
Large Commercial New Construction	COOKING-COMBO OVEN UPSTR	3,861	\$11.79	\$45,521
Large Commercial New Construction	COOKING-CONVECTION OVEN UPSTR	2,678	\$30.81	\$82,509
Large Commercial New Construction	COOKING-CONVEYOR OVEN UPSTR	265	\$12.44	\$3,297
Large Commercial New Construction	COOKING-FRYER UPSTR	15,660	\$16.60	\$259,956
Large Commercial New Construction	COOKING-GRIDDLE UPSTR	76	\$14.51	\$1,103
Large Commercial New Construction	COOKING-PASTA COOKER	981	\$16.05	\$15,745
Large Commercial New Construction	COOKING-RACK OVEN UPSTR	1,107	\$4.97	\$5,502
Large Commercial New Construction	COOKING-STEAMER UPSTR	1,483	\$4.86	\$7,207
Large Commercial New Construction	WATER HEATER - INDIRECT	291	\$21.03	\$6,120
Large Commercial New Construction	WATER HEATER - ON-DEMAND 90	1,478	\$7.79	\$11,514
Large Commercial New Construction	Water Heating Boiler - 94% TE	10,667	\$10.81	\$115,310
Large Commercial New Construction	ERV - Rotary Wheel UPSTR	2,000	\$16.09	\$32,180
Large Commercial New Construction	ERV - Fixed Plate UPSTR	2,000	\$13.79	\$27,580
Large Commercial Retrofit	Low Pressure Steam Traps	4,436	\$12.50	\$55,450

Gas C&I Programs					
Program	Measure	Planned Gross MMBtus or Unit	Incentive/Unit	Total Incentives	
Large Commercial Retrofit	Steam Trap Repair or Replacement	4,430	\$12.50	\$55,375	
Large Commercial Retrofit	Thermostats	2,699	\$22.00	\$59,378	
Large Commercial Retrofit	WiFi Tstat-heat only	2,699	\$22.00	\$59,378	
Large Commercial Retrofit	CUSTOM - OTHER	5,033	\$25.00	\$125,825	
Large Commercial Retrofit	Drives on HVAC Systems	4,049	\$30.00	\$121,470	
Large Commercial Retrofit	Drives on non-HVAC Systems	5,445	\$30.00	\$163,350	
Large Commercial Retrofit	Heat recovery - All	3,635	\$30.00	\$109,050	
Large Commercial Retrofit	Heat recovery - Seasonal	3,635	\$30.00	\$109,050	
Large Commercial Retrofit	Heat recovery - Year round	3,635	\$30.00	\$109,050	
Large Commercial Retrofit	HVAC Controls and EMS	3,500	\$30.00	\$105,000	
Large Commercial Retrofit	HVAC Equipment	8,235	\$30.00	\$247,050	
Large Commercial Retrofit	Operation & Maintainance	25,000	\$12.50	\$312,500	
Large Commercial Retrofit	OTHER	4,360	\$34.00	\$148,240	
Large Commercial Retrofit	Ventilation reduction	2,700	\$22.00	\$59,400	
Large Commercial Retrofit	Verified Savings Project	3,050	\$22.00	\$67,100	
Large Commercial Retrofit	Builder Operator Certification	2,550	\$0.00	\$0	
Large Commercial Retrofit	High Pressure Steam Traps	1,100	\$22.00	\$24,200	
Large Commercial Retrofit	Low Pressure Steam Traps	1,100	\$22.00	\$24,200	
Large Commercial Retrofit	Thermostats	2,699	\$25.00	\$67,475	
Large Commercial Retrofit	Wi-Fi Thermostat - Gas Cooling and Htg	2,699	\$25.00	\$67,475	
Large Commercial Retrofit	WiFi Tstat-heat only	2,699	\$25.00	\$67,475	
Small Business Direct Install	BSHL Door Upgrades	500	\$80.00	\$40,000	
Small Business Direct Install	Condensing Boiler - All	5	\$50.00	\$250	
Small Business Direct Install	Condensing Boiler - Seasonal	5	\$50.00	\$250	
Small Business Direct Install	Condensing Boiler - Year Round	5	\$50.00	\$250	
Small Business Direct Install	CUSTOM - OTHER	3,000	\$80.00	\$240,000	
Small Business Direct Install	DHW	400	\$30.00	\$12,000	
Small Business Direct Install	Drives on HVAC Systems	89	\$25.00	\$2,225	
Small Business Direct Install	Drives on non-HVAC Systems	89	\$25.00	\$2,225	
Small Business Direct Install	Heat recovery - All	89	\$25.00	\$2,225	
Small Business Direct Install	Heat recovery - Seasonal	89	\$25.00	\$2,225	
Small Business Direct Install	Heat recovery - Year round	89	\$25.00	\$2,225	
Small Business Direct Install	HVAC Controls and EMS	25	\$25.00	\$625	
Small Business Direct Install	HVAC Equipment	964	\$25.00	\$24,100	
Small Business Direct Install	Non-Condensing Boiler - All	5	\$50.00	\$250	
Small Business Direct Install	Non-Condensing Boiler - Seasonal	5	\$50.00	\$250	
Small Business Direct Install	Non-Condensing Boiler - Year Round	5	\$50.00	\$250	
Small Business Direct Install	Operation & Maintainance	10	\$15.00	\$150	
Small Business Direct Install	OTHER	89	\$25.00	\$2,225	
Small Business Direct Install	Other Gas - Seasonal	89	\$25.00	\$2,225	
Small Business Direct Install	Other Gas - Year Round	89	\$25.00	\$2,225	
Small Business Direct Install	Pipe/Tank/Duct/HVAC Insulation	100	\$30.00	\$3,000	
Small Business Direct Install	Ventilation reduction	25	\$28.00	\$700	
Small Business Direct Install	Verified Savings Project	89	\$25.00	\$2,225	
Small Business Direct Install	BOILER RESET 1 STAGE	5	\$50.00	\$250	
Small Business Direct Install	DEMAND CIRCULATOR	89	\$30.00	\$2,670	
Small Business Direct Install	FAUCET_AERATOR_0.5_DI	1,000	\$30.00	\$30,000	
Small Business Direct Install	INS_DUCT_SF	1,000	\$90.00	\$90,000	

Gas C&I Programs					
Program	Measure	Planned Gross MMBtus or Unit	Incentive/Unit	Total Incentives	
Small Business Direct Install	INSUL_PIPE_DI_1.5IN_H2O	100	\$30.00	\$3,000	
Small Business Direct Install	INSUL_PIPE_DI_1.5IN_STM	100	\$30.00	\$3,000	
Small Business Direct Install	INSUL_PIPE_DI_2IN_H2O	100	\$30.00	\$3,000	
Small Business Direct Install	INSUL_PIPE_DI_2IN_STM	100	\$30.00	\$3,000	
Small Business Direct Install	LF_PRE_RINSE_SPRAY_NZL	788	\$25.00	\$19,700	
Small Business Direct Install	LF_SHWR_HD_1.75_GPM_DI	788	\$25.00	\$19,700	
Small Business Direct Install	SALON_NOZZLE	788	\$20.00	\$15,760	
Small Business Direct Install	Thermostats	1,000	\$40.00	\$40,000	
Small Business Direct Install	Wi-Fi Thermostat - Gas Cooling and Htg	25	\$28.00	\$700	
Small Business Direct Install	WiFi Tstat-heat only	25	\$28.00	\$700	

Table 14. Shared Costs for Gas C&I Programs

Program	Shared Costs				Non-Measure-Specific Incentives
	Program Planning & Administration	Marketing	Rebates and Other Customer Incentives	Sales, Tech Assist & Training	Gas Leak Survey Demo, Automated RTU Optimization & Other
Large Commercial New Construction	\$103,999	\$104,705	\$863,184	\$225,048	
Large Commercial Retrofit	\$227,933	\$172,768	\$1,761,702	\$209,203	\$115,000
Commercial & Industrial Multifamily	\$38,353	\$25,359	\$161,566	\$7,649	
Small Business Direct Install	\$14,308	\$16,193	\$59,640	\$2,362	\$25,000

2023 Evaluation, Measurement, and Verification Plan

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1 Introduction

Evaluation, Measurement, and Verification (EM&V) is an integral and required part of Rhode Island Energy's energy efficiency program planning process. EM&V provides independent verification of impacts to ensure that savings and benefits claimed by the Company through its energy efficiency programs are accurate and credible. EM&V also provides insight into market characteristics and guidance on energy efficiency program design to improve the delivery of cost-effective programs.

The Company's EM&V Plan continues to focus on evaluating Rhode Island projects, markets, and energy efficiency programs while leveraging as many resources as possible from evaluation studies in other jurisdictions in order to maximize value for ratepayers while minimizing costs. These studies are commissioned by the Company. They are conducted by independent evaluation firms, whose goal is to produce an accurate, complete, and transparent review of Rhode Island's energy efficiency programs and markets. The types of evaluation may include (but not limited to) the following:

- **Impact Evaluations:** Comparisons of claimed savings against actual realized savings using methods such as literature review, billing analyses, engineering methods and onsite data logging as a means of verification.
- **Process Evaluations:** Broad examinations of existing practices, such as program delivery methods, for the purpose of gathering information to draw conclusions about effectiveness of existing processes, highlight best practices, and offer suggestions for future improvements.
- **Market Assessment Studies:** Broad studies aimed at assessing changes in market conditions, such as evolving adoption rates of current energy efficiency technologies.
- **Net-to-Gross Evaluations:** Studies aimed at quantifying the rate of free-ridership and spillover associated with energy efficiency participants and non-participants.

The free-ridership rate is the percentage of savings attributable to participants who would have installed the measures in the absence of program intervention while spillover includes the effects of two components:

1. Participants in the program who install additional energy efficient measures outside of the program as a result of participating in the program, and
2. Non-participants who install the installation of energy efficient measures as a result of being aware of the program

The study methodologies and savings assumptions from evaluation studies are documented in the Rhode Island Technical Reference Manual (TRM). The TRM is reviewed and updated annually to reflect changes in technology, baselines, and evaluation results.

The entire evaluation process is managed by the Company in consultation with the Rhode Island Energy Efficiency & Resource Management Council (EERMC) and the Office of Energy Resources (OER). The EERMC and OER follows each study closely and is involved in planning, work plan development, and review of interim work products and study results.

The Company's EM&V framework provides confidence among ratepayers and stakeholders that programs are effective and EM&V activities are independent and objective.

2 Evaluation Studies Applicable to 2023

2.1 Overview

The Company, with input from EERMC and OER, expects to complete seven Rhode Island-specific evaluation studies in 2022 that will be applied beginning in 2023 (see Section 2.2 below). The research studies include impact evaluations, process evaluation, and market studies in the residential and commercial and industrial (C&I) sectors, as well as studies that are considered cross-cutting.

A complete list of historical research studies is provided in Section 4 along with a brief summary of the impact of those results in planning the Company's programs. Most of these studies are posted on the EERMC website.¹ Prior year studies that have been superseded by studies completed since the filing of the 2022 Energy Efficiency Plan have been removed from this list.

Section 5 provides detailed descriptions, findings, and recommendations of each of the Rhode Island-specific studies listed in the next section, along with selected research studies completed in other regions and/or other jurisdictions. The results of the evaluations from other regions and jurisdictions, most commonly Massachusetts,² have been judged by the Company, in consultation with EERMC and OER, to be applicable to Rhode Island's energy efficiency programs. The Company is adopting the results of these studies in 2023 program planning due to similarity, either in the measures offered, or program structure or delivery.

2.2 Recent Rhode Island-Specific studies

Commercial

- C&I Lighting Market Characterization Study (RI-21-CE-LightMar; In progress)
- Impact Evaluation of PY2020 Custom Gas Installations (RI-21-CG-CustGasPY20; In progress)
- Impact Evaluation of PY2020 Custom Electric Installations (RI-21-CE-CustElecPY20; In progress)
- Rhode Island Cannabis Industry Standard Practice (RI-21-CX-ISPBaseline; In progress)

Residential and Income-Eligible

- Nonparticipant Market Barriers Study (RI-21-RX-NPStudy)
- Participation and Multifamily Census Study (RI-21-RX-Participation)

Cross-cutting

- Rhode Island 2021 Energy Efficiency Workforce Analysis – Final Report

¹ <https://rieermc.ri.gov/resources/> then scroll to "EM&V Studies."

² Prior to May 2022, Narragansett Electric Company was part of National Grid, which has affiliates in Massachusetts, and which facilitated the leveraging of evaluation studies.

2.3 Recent Studies Adopted from Other Jurisdictions

Commercial

- C&I O&M and non-O&M NEI with Small Business Focus (MA20X10-B-CIOMNEI)
- C&I Winter 2020/2021 DR Study
- C&I Summer 2021 DR Study

Residential and Income-Eligible

- Solar Inverter Power Factor Correction Demonstration (MA21DR03) Evaluation Memorandum

3 2023 Planned Evaluation Studies

3.1 Overview

This section describes planned studies that focus on areas of interest to the Rhode Island energy efficiency programs and build on the deep history of evaluation studies commissioned by the Company over numerous years. To optimize the use of evaluation resources, where programs are considered to be similar in program delivery and population served with those offered in Massachusetts, the Company will consider avenues to participate in Massachusetts studies.³

3.2 Summary

Table 2 lists evaluation studies that the Company plans to conduct in 2023 to inform the 2024 Annual Plan and future planning cycles. Barring changes to the 2024 Annual Plan schedule, studies that will be incorporated into the Annual Plan must be completed by August 2023. The proposed budget for evaluation study expenditures in 2023 is approximately \$2.3 million (\$1.7 million for electric and \$0.6 million for gas), excluding staffing costs. The proposed budget for EM&V comprises approximately 1.5% of the total portfolio budget in 2023.

Study labeling codes take the general form shown in Table 1. For example, RI-17-CG-CustGas refers to the Custom Gas Evaluation Study that started in 2017 in the commercial sector for gas, while RI-18-RX-IESF refers to evaluation study started in 2018 of the income eligible single-family program for electric and gas.

Table 1. Study Labeling Code Format

[State]	–	[Year Study Conducted]	–	[Sector]	[Fuel]	–	[Keyword]
RI		19		R = residential	E = electric		
		20		C = commercial	G = gas		
		21		X = cross sector	X = electric & gas		

³ Despite no longer being part of National Grid, the Company plans to stay abreast of the voluminous Massachusetts evaluation activities that may be beneficial and applicable in Rhode Island and follow through as appropriate.

Table 2. Planned Evaluation Studies in 2023

Sector	Study Code	Type	Affected Programs	Study Name	State Lead
C&I	RI-22-CX-Proc	Process	C&I	Small Business Process Evaluation (continued from 2022)	RI
C&I	RI-22-CX-Codes	Codes	C&I	C&I New Construction Baseline Study (continued from 2022)	RI
C&I	RI-22-CX-RTUOpt	Impact	C&I	Automated RTU Optimization Demonstration Evaluation (continued from 2022)	RI
C&I	RI-22-CG-CustGasPY21	Impact	C&I Gas	Impact Evaluation of PY2021 Custom Gas Installations (continued from 2022)	RI
C&I	RI-22-CE-CustElecPY21	Impact	C&I Elec	Impact Evaluation of PY2021 Custom Electric Installations (continued from 2022)	RI
C&I	RI-23-CG-CustGasPY22	Impact	C&I Gas	Impact Evaluation of PY2022 Custom Gas Installations	RI
C&I	RI-23-CE-CustElecPY22	Impact	C&I Elec	Impact Evaluation of PY2022 Custom Electric Installations	RI
C&I	RI-23-CX-FRSO	NTG	C&I	C&I Free-Ridership and Spillover Study	RI
C&I	RI-23-CX-Cook	Impact	C&I	Commercial Cooking Gas and Electric Impact Evaluation	RI
Residential	RI-23-RX-Outreach	Market	Residential	Outreach Study	RI
Residential	RI-23-RX-NPSegmentation	Market	Residential	Nonparticipant Characterization and Segmentation Research	RI
Residential	RI-23-RX-OutreachCBO	Market	Residential	Community-Based Organization Outreach Workshops	RI
Residential	RI-23-RX-Dashboard	Market	Residential	Participation Study Dashboard Update	RI
Residential	RI-22-RE-HPMeter	Impact	HVAC Elec	Electric Heat Pump Metering Study (Continuation from 2022)	MA
Residential	RI-23-RX-EWisePY22	Impact	EnergyWise SF	Energy Wise PY2022 Impact Evaluation Study	RI
Cross-cutting	RI-23-XX-EImpacts23	Policy	Multiple	Economic Impact Study	RI
Cross-cutting	RI-23-XX-Lifetime	Impact	Multiple	Comprehensive Measure Life Review	RI

The evaluation pathway for pilots, demonstrations, and assessments is based on each effort’s scale, budget, scope, and the availability of external data. The Company’s EM&V team will provide guidance beginning at the Plan stage for all pilots, demonstrations, and assessments to ensure design and data collection are suitable to allow for effective evaluation. In cases where an independent evaluation is appropriate, the EM&V team will run the evaluation. For guidelines on the stakeholder review process

and which pilots, demonstrations, and assessments will receive an independent evaluation, please see Attachment 8. The evaluation will follow the same established evaluation framework used in evaluations of established programs. This includes management of the independent evaluation vendor by the Company's EM&V team in consultation with the EERMC and OER. See Attachment 8 for further details on pilots, demonstrations, and assessments.

The EM&V team will follow the Company's standard procurement policy that cuts across programs in order to achieve the lowest cost procurement of required external services while enabling the Company to minimize administrative costs, deliver on program commitments, and meet time-sensitive regulatory deadlines. The Company's standard procurement policy is supported and enforced by stand-alone internal procurement function. Contract characteristics below certain thresholds are eligible for sole-sourcing while contract characteristics above thresholds require competitive procurement unless it can be demonstrated to the procurement organization that securing multiple bids is not possible or practical.

Final reports along with graphical executive summaries will be made publicly available upon completion of the evaluation studies. All complete graphical executive summaries will be provided as a handout at EERMC meetings and posted on the EERMC website.⁴

3.3 Commercial and Industrial Planned Studies

RI-22-CX-Proc – Small Business Process Evaluation (continued from 2022)

The objective of this study is to assess the overall delivery of the Small Business Direct Install program. The study will assess the effectiveness of program delivery procedures. This evaluation will identify practical approaches to improve the overall effectiveness of the program in order to reach higher participation rates and deeper savings.

RI-22-CX-Codes – C&I New Construction Baseline Study (continued from 2022)

The objective of this study is to gather market data on new construction practices in Rhode Island. This data will be used to inform industry standard practice development and/or adoption and develop new construction baselines.

RI-22-CX-RTUOpt – Automated RTU Optimization Demonstration Evaluation (continued from 2022)

The objective of this demonstration project is to verify savings for the automated RTU optimization product described in Attachment 8, section 4.2. The demonstration will install new smart thermostats and provide the software integration for 10-15 sites. The evaluation will collect data provided by the software, billing data, and potentially on-site metering for an independent assessment of the savings above and beyond the thermostat savings. The results of the study will be used to develop deemed

⁴ <https://rieermc.ri.gov/plans-reports/evaluation-studies/>

savings, if possible. This study began in spring 2022 and will conclude in 2023 to allow for assessment of heating savings.

RI-22-CG-CustGasPY21 – Impact Evaluation of PY2021 Custom Gas Installations (continued from 2022)

The objective of this impact evaluation is to provide verification of natural gas energy savings estimates for a sample of custom gas projects through site-specific inspection, metering, and analysis. The results of this study will be used to determine the realization rates for custom gas energy efficiency offerings based on installations from 2021. This will continue ‘rolling’ evaluation efforts, where each year will evaluate roughly 1/3 of the number of sites needed for a full sample and results will be combined with results from the previous two years, which will keep the realization rates updated yearly. This study is scheduled to begin in late 2022 and continue into 2023.

RI-22-CE-CustElecPY21 – Impact Evaluation of PY2021 Custom Electric Installations (continued from 2022)

The objective of this impact evaluation is to provide verification of electric energy savings estimates for a sample of non-lighting custom electric projects through site-specific inspection, metering, and analysis. The results of this study will be used to determine the realization rates for custom electric energy efficiency offerings based on installations from 2021. This will continue ‘rolling’ evaluation efforts, where each year will evaluate roughly 1/3 of the number of sites needed for a full sample and results will be combined with results from the previous two years, which will keep the realization rates updated yearly. This study is scheduled to begin in spring 2021.

RI-23-CG-CustGasPY22 – Impact Evaluation of PY2022 Custom Gas Installations

The objective of this impact evaluation is to provide verification of natural gas energy savings estimates for a sample of custom gas projects through site-specific inspection, metering, and analysis. The results of this study will be used to determine the realization rates for custom gas energy efficiency offerings based on installations from 2022. This will continue ‘rolling’ evaluation efforts, where each year will evaluate roughly 1/3 of the number of sites needed for a full sample and results will be combined with results from the previous two years, which will keep the realization rates updated yearly. This study is scheduled to begin in summer 2023 and continue into 2024.

RI-23-CE-CustElecPY22 – Impact Evaluation of PY2022 Custom Electric Installations

The objective of this impact evaluation is to provide verification of electric energy savings estimates for a sample of both lighting and non-lighting custom electric projects through site-specific inspection, metering, and analysis. The results of this study will be used to determine the realization rates for custom electric energy efficiency offerings based on installations from 2022. This will continue ‘rolling’ evaluation efforts, where each year will evaluate roughly 1/3 of the number of sites needed for a full sample and results will be combined with results from the previous two years, which will keep the realization rates updated yearly. This study is scheduled to begin in spring 2023.

RI-23-CX-FRSO – C&I Free-Ridership and Spillover Study

C&I free-ridership and spillover values will be updated based on an assessment of the behavior of both participants and nonparticipants of C&I energy efficiency programs. The results will assist in quantifying the net impacts of C&I electric and natural gas energy efficiency programs in Rhode Island. This study will include both custom and prescriptive measures from new construction and retrofit programs. The study will begin in early 2023.

RI-23-CX-CommCook – Commercial Cooking Gas and Electric Impact Evaluation

Savings for many commercial cooking measures are currently calculated using EnergyStar calculators and assigned a realization rate of 100%. This subprogram has not been studied previously. This study will draw a sample of both electric and commercial equipment and develop a realization rate. It is anticipated that site surveys, runtime, and spot consumption metering will be used.

4 Residential and Income-Eligible Planned Studies

Six follow-up research tasks on the 2022 Participation/Non-Participant Study are planned:

RI-23-RX-Outreach – Outreach Study

In response to lower response rates in recent evaluations, the Participation Study completed in 2022 generated a list of less traditional research outreach approaches to engage customers/participants in evaluations and market research. In this study, Rhode Island Energy will leverage the prior study and, in conjunction with the propensity score from the Participation Study, research the efficacy of different approaches at reaching select historically hard-to-reach groups. Including these customer segments in future research will lead to better customer representation.

RI-23-RX-NP Segmentation – Nonparticipant Characterization and Segmentation Research

The Nonparticipant Market Barriers Study completed in 2022 included a survey with over 1,000 respondents. In this study, RI Energy will use survey responses and other demographic data to: (1) explore the characteristics of nonparticipants (both survey respondents and overall population) further; (2) analyze differences in preferences and barriers of survey respondents by demographics (age, income, home type); (3) use cluster analysis to uncover structure and patterns in nonparticipant responses to identify natural, common groupings of customers; develop personas; and make recommendations for communication and outreach; and (4) identify non-participants who are also critical/vulnerable customers.

RI-23-RX-OutreachCBO – Community-Based Organization Outreach workshops

The Nonparticipant Market Barriers Study included interviews with Community-Based organizations. Some organizations were unfamiliar with energy efficiency programs, while several expressed keen interest in working with the utility to help their communities access utility programs. Through participatory focus group/design thinking workshops with community-based organizations (CBOs), the RI Energy team will facilitate co-creating a communication and outreach model to use to engage CBOs.

RI-23-RX-Dashboard – Participation Study Dashboard Update

The dashboard created as part of the recent Participation and Multifamily Census study included program data through 2020. The dashboard has already shown itself to be useful in planning. Adding 2021 and 2022 data will keep the dashboard relevant and can extend the life of Rhode Island Energy's investment in the tool at a relatively low incremental cost.

RI-22-RE-HP Meter – Electric Heat Pump Metering Study (Continuation from 2022)

The goals for this study would be to update the savings estimates for the current rebate offerings for heat pumps. The study would include detailed metering of participating customers in order to update results that are currently over 5 years old. This study would be in collaboration with MA and possible other states in the New England area. The study goal would be looking to update the savings for mini-split heat pumps, both going from standard heat pumps to high efficiency heat pumps and electric resistance to heat pumps, and ducted heat pumps going from standard heat pumps to high efficiency

heat pumps in RI. The study is being led by Massachusetts Program Administrators and will include Connecticut in addition to Rhode Island.

RI-23-RX-EWisePY22 – EnergyWise PY 2022 Impact Evaluation Study

This study will be an impact-only study to update values from the PY2019 single-family impact and process evaluation completed in 2020. Given the importance of residential weatherization in meeting state and Company climate objectives, an update of the PY2019 study is warranted. This study will be completed in time to inform the 2024 planning process assuming timely/complete data and a minimized reporting process. This study may include the impact of secondary heat sources on evaluated savings in the EnergyWise Single Family Program. This study may include literature review, analysis of program data and participant surveys to understand the prevalence of secondary heating in participating homes and to assess any impacts that may not be accounted for in the previous EnergyWise impact evaluation.

4.1 Cross-sector or Other Planned Studies

RI-23-XX-Lifetime – Comprehensive Measure Life Review

Measure life assumptions used in calculating lifetime savings are critical with Rhode Island’s focus on lifetime savings. This study would include a comprehensive literature review of Technical Reference Manuals and research in other jurisdictions to identify potential updates to effective useful lifetime assumptions.

RI-23-XX-EclImpacts23 – Economic Impact Study

The objective of this study will be to update the multipliers used to estimate the economic impacts – chiefly job-years and state GDP – resulting from investments in energy efficiency. The multipliers were last updated in “Review of RI Test and Proposed Methodology” prepared for the Company by the Brattle Group, January 31, 2019. An updated study is planned to begin in late 2022 and be completed for use in 2024-2026 planning.

5 Historic Evaluation Studies

This section contains a list of all historic studies still being used by the Company as the basis of claimed savings in the 2023 Program Plan and in the Technical Reference Manual. An at-a-glance summary shows the studies by program, followed by a more detailed table summarizing the relevant studies.

Table 3. Historic Evaluation Studies

Sector	Program	Study type	2015	2016	2017	2018	2019	2020	2021	2022	2023 Plan	
Residential	EnergyWise SF	Impact										
	EnergyWise SF	Process				HEAT Loan						
	EnergyWise SF	Market										
	Income Eligible SF	Impact										
	Income Eligible SF	Process										
	EnergyWise MF	Impact										
	EnergyWise MF	Process										
	EnergyWise MF	Market										
	Income Eligible MF	Impact										
	Income Eligible MF	Process										
	Home Energy Reports	Impact										
	Home Energy Reports	Process										
	EnergyStar Lighting	Impact/Market										
	EnergyStar Products	Impact										
	HVAC	Impact								Demo	HP	Central
	HVAC	Process/Market										
	Connected Solutions	Impact/Process										
Cross-cutting/Special	Potential Study	Market										
	Workforce	Impact/Market										
	Avoided Cost	Benefits										
	Economic Impacts	Benefits										
	Participation	Market										
	Non-Participant	Market										
	RASS	Market										
	Gas Peak Demand	Impact										
	Piggybacking Study	Process										
	Heat Pumps Study	Market										
	ES Homes/Codes&Standards	Impact/Market										
	Legislated M&V Study	Market										
	Free Ridership/Spillover	Market										
	Lifetime	Impact										
C&I NEIs	Impact											
C&I Cooking	Impact											
C&I Electric	Custom	Impact										
	HVAC	Impact										
	Industrial Process	Impact										
	CAIR	Impact										
	Refridgeration, Motors, Other	Impact										
	Custom Lighting	Impact										
	Street Lighting	Impact										
	CDA	Impact										
	CHP	Impact										
	Prescriptive Lighting	Impact										
	Upstream Lighting	Impact										
	Upstream Lighting	Process										
	Prescriptive HVAC	Impact			chillers							
	Prescriptive VSD	Impact										
Prescriptive CAIR	Impact											
Connected Solutions	Impact											
All	NTG											
C&I Gas	Custom	Impact										
	Prescriptive	Impact	steam trap		steam trap	steam trap						
	All	NTG										
Small Business	Lighting	Impact	presc.									
	Non-Lighting Electric	Impact										
	All	Process										
All	NTG											

These studies are available through the EERMCAug, the PUC, and Rhode Island Energy.

Table 4. Completed Evaluation Studies Applicable in 2023

Study	2022	
	Impact Descriptions	Sector
DNV, C&I Lighting Market Characterization and Adjusted Measure Life Study, August 2022 (draft final)	The study calculated adjusted measure lives for non-residential custom and prescriptive lighting measures for RI.	C&I
DNV, Impact Evaluation of PY2020 Custom Gas Installations, August 2022 (draft final)	The study updated realization rates for custom gas projects, as part of a rolling effort that incorporated results from PY2018, PY2019, and PY2020.	C&I
DNV, Impact Evaluation of PY2020 Custom Electric Installations, August 2022 (draft final)	The study updated realization rates for custom electric projects, as part of a rolling effort that incorporated results from PY2018, PY2019, and PY2020.	C&I
DNV, Rhode Island Cannabis Industry Standard Practice, August 2022 (draft final)	The study identified industry standard practices for the medical market cannabis industry with a focus on horticultural lighting, lighting controls, cultivation area HVAC, HVAC controls, and dehumidification.	Cross- Cutting
Cadeo, Nonparticipant Market Barriers Study, June 2022	The study characterized the customer groups not participating in Rhode Island Energy's energy efficiency programs, determined barriers to participation, and identified opportunities to engage nonparticipants.	Cross- Cutting
Cadeo, Participation and Multifamily Census Study, June 2022	The study identified trends and drivers in participation and the likelihood of nonparticipants opting into a residential program in the future. The study also developed an algorithm to identify multifamily buildings suitable for RIE's multifamily programs.	Cross- Cutting
Guidehouse, Rhode Island 2021 Energy Efficiency Workforce Analysis – Final Report, May 2022	This study quantified the workforce that was involved in delivering The Narragansett Electric Company's Rhode Island programs in 2021. The workforce analysis reported the number of jobs associated with the programs, compared them to past years, and provided narrative context for those findings and observations.	Cross-Cutting
Guidehouse, Solar Inverter Power Factor Correction Demonstration Evaluation (MA21DR03), May 2022	The purpose of this MA/RI evaluation was to improve power factor via use of the voltage control capacity of solar inverters. The study found that the solar inverter PFC resulted in negative total feeder savings or an increase in kVAh.	Res
DNV, O&M and Non-O&M NEI Study (MA20X10-B-CIOMNEI), October 2021	This study developed O&M and non-O&M non-energy impacts (NEIs) across all C&I measures and programs.	C&I

DNV, 2021 Cross-State Summer DR Program – Final Impact Evaluation Results (MA21DR05-E-C&I), June 2022	The purpose of this study was to present the final impact results for the 2021 summer season of C&I demand response programs.	C&I
DNV, Cross-State C&I Active Demand Reduction Initiative Winter 2020/2021 Evaluation Report (MA21DR02-E), January 2022	The purpose of this study was to assess program initiative impact and identify process improvement opportunities for the 2020/2021 winter season of C&I demand response programs. The study also developed retrospective realization rates for C&I interruptible participants and battery participants.	C&I
2021		
Study	Impact Descriptions	Sector
DNV, Impact Evaluation of PY2019 Upstream Lighting Program, July, 2021	This study updated prospective realization rates and impact factors for the C&I Upstream lighting program. The values reflect decreasing ISR values for Screw-in products and increasing ISRs for linear products. These will be applicable for 2022, 2023, and beyond.	C&I
DNV, Impact Evaluation of PY2019 Custom Gas Installations, September 2021	The study updated realization rates for custom gas projects, as part of a rolling effort that incorporated results from PY2017, PY2018, and PY2019.	C&I
DNV, Impact Evaluation of PY2018 Custom Electric Installations, September 2021	The study updated realization rates for custom electric projects, as part of a rolling effort that incorporated results from PY2016, MA PY2017/18, and PY2018.	C&I
DNV, Impact Evaluation of PY2019 Custom Electric Installations, September 2021	The study updated realization rates for custom electric projects, as part of a rolling effort that incorporated results from PY2016, PY2018, and PY2019.	C&I
Cadeo, Appliance Recycling Impact Factor Update, June 2021	This study updated the gross kWh savings, realization rates and NTG factors for refrigerator and freezer recycling measures.	Res

DNV, Franchise Controls Deemed Savings Study, March 2021 (Leveraged study from MA)	This study recommended a deemed savings value of 5,344 kWh for a building automation system (BAS) measure that controls small individual food service appliances.	C&I
DNV, Lifetime Gross AML Adjustment Analyses, July 2021 (Leveraged study from MA)	This study updated Adjusted Measure Lives (AML) for lighting applications, excluding New Construction and stand-alone controls. Overall, the programs are seeing decreased AMLs as market adoption accelerates.	C&I
DNV, Upstream Lighting NTG, June 2021 (Leveraged study from MA)	This study updated NTG values for upstream lighting technologies and adjusted the values down significantly due to heavy free ridership.	C&I
DNV, Ground Source Heat Pump eTRM Measure Review, March 2021 (Leveraged study from MA)	This study recommended that GSHPs be broken out from ASHPs into their own category offering in order to allow the program to attribute savings, baselines, and lifetimes in a more defensible way. It also recommended the GSHP lifetime be updated to 25 years.	C&I
DNV, NRNC Market Characterization Study, June 2021 (Leveraged study from MA)	This study produced factors to be applied to IECC 2015-based code LPD to determine baseline LPD requirements.	C&I
DNV, Energy Management System ISP Study, 2021 (Leveraged study from MA)	This study identified industry standard practices for energy management systems, with a particular focus on criteria for determining when an existing system should be considered failed.	C&I
DNV, C&I HVAC NTG & Market Effects Measurement, 2021 (Leveraged study from MA)	This study established Net to Gross Ratios for six technologies supported by the Upstream HVAC Initiative.	C&I
Guidehouse, RCD Virtual Assessment Study, March 2021 (Leveraged study from MA)	This study found that in-service rates are lower for self-installed measures. Rhode Island leveraged results from this study to update the in-service rates for instant savings measures in the EnergyWise Single Family program.	Res
Guidehouse, Comprehensive TRM Review, April 2021 (Leveraged study from MA)	This study updated savings assumptions and effective useful lives (EUL) of several residential measures in MA. Rhode Island adopted the results from this study to update savings and EUL assumptions for several measures in the residential programs.	Res
NMR, Low Income Multifamily Health NEI (TXC 50), July 2021 (Leveraged study from MA)	This study produced NEI values associated with energy efficiency programs in Income Eligible, Multifamily buildings. A total of 4 health and safety NEIs were monetized as part of this study. Arthritis, Thermal Stress (cold), Home Productivity, and reduced fire risk were all found to have Annual Per unit values of \$49, \$1,426, \$49, and \$13, respectively, totaling \$1536. These values are allocated to all applicable air sealing, insulation, and heating measures.	Res

NMR, Residential New Construction Quick Hit NEI Study (MA20X14-RNCNEI), September 2021 (Leveraged study from MA)	The study produced updated NEI values for heating related measures offered through the Residential New Construction program. The total Heating NEIs for RNC went from an Annual Per Unit value of \$117 to \$142.33 due to increases in thermal comfort and noise reduction related impacts.	Res
NMR, Residential Downstream/Upstream Products Net-to-Gross Study, June 2021 (Leveraged study from MA)	This study yielded prospective net-to-gross ratios and retrospective and prospective in-service rates for products supported by the Residential Retail or Residential Coordinated Delivery Initiatives. Rhode Island adopted the results from this study to update 2022 planning assumptions for ENERGY STAR Products program.	Res
NMR, Low-rise Residential New Construction Net-to-Gross Study, July 2021 (Leveraged study from MA)	This study yielded prospective and retrospective net-to-gross ratios for measures supported by the Low Rise Residential New Construction offering. Rhode Island adopted the results from this study to update 2022 planning assumptions.	Res
NMR, Renovations and Additions Net-to-Gross Study, July 2021 (Leveraged study from MA)	This study yielded prospective and retrospective net-to-gross ratios for measures supported by the Renovations and Additions Residential New Construction offering. Rhode Island adopted the results from this study to update 2022 planning assumptions.	Res
Guidehouse, Impact Analysis of Residential Wi-Fi Thermostats, Jun 2021 Results Presentation (Leveraged study from MA)	This study updated savings assumptions for programmable and Wi-Fi thermostats delivered through retail and direct install channels. Rhode Island adopted the draft results from this study to update savings for programmable and Wi-Fi thermostat measures in the residential HVAC and retrofit programs.	Res
RI-20-XG-GasPeak – C&I Gas Peak Demand Savings	This study supplied peak gas demand daily percentages of energy consumption by end use and building type for the C&I sector. These results could be used to calculate the gas daily energy savings that have occurred as a result of C&I program activity.	C&I
RI-20-XG-GasPeak – Residential Gas Peak Demand Savings	This study supplied peak gas demand daily percentages of energy consumption by end use for the residential sector. These results could be used to calculate the gas daily energy savings that have occurred as a result of residential program activity.	Res
Net-to-Gross Research of RCD and Select Products Measures (MA20R28)	For RI, the study applied new NTG results for the residential gas and electric HVAC programs.	Res
Synapse Energy Economics, Avoided Energy Supply	This study developed new estimates of avoided costs associated with energy efficiency measures for program administrators throughout New England States. Rhode Island	All

Components in New England 2021 Report. May 2021.	used the avoided costs of energy, capacity, natural gas, fuel oil, environmental costs and demand reduction induced price effects resulting from this study for 2022 program planning.	
2020		
Study	Impact Descriptions	Sector
Cadeo, Impact and Process Evaluation of EnergyWise Single Family Program, September 2020.	This study updated gross savings, in-service rates, and net-to-gross ratios for the EnergyWise Single Family program.	Res
Cadeo, Impact and Process Evaluation of EnergyWise Multi Family Program, September 2020.	This study updated gross savings, realization rates, in-service rates, and net-to-gross ratios for the EnergyWise Multi Family program.	Res
Cadeo, Impact and Process Evaluation of Income Eligible Multi Family Program, September 2020.	This study updated gross savings, realization rates and in-service rates for the Income-Eligible Multi Family program.	Res
Cadeo, Impact Evaluation of Home Energy Reports Program 2017-2019, September 2020.	This study updated realization rates for the Home Energy Reports program.	Res
NMR, Lighting Hours of Use Study, March 2020. (Leveraged study from MA)	This study reviewed and updated the HOU used to calculate the lighting savings measures in MA. Rhode Island adopted the results to update savings assumptions for the lighting measures in RI.	Res
NMR, LED Delta Watts Update, March 2020. (Leveraged study from MA)	This MA study updated delta watts for lighting measures. Rhode Island adopted the results to update gross savings calculation for its Residential Lighting measures.	Res
Guidehouse, Residential Wi-Fi Thermostat DR Evaluation, April 2020. (Leveraged study from MA)	This study reviewed and updated the savings being used In MA for the Wi-Fi DLC program offering. Rhode Island adopted the results to update savings for Wi-Fi DLC offering in RI.	Res
Guidehouse, 2019/2020 Residential Energy Storage Demonstration, February 2020. (Leveraged study from MA)	This study reviewed and verified the savings being used In MA were accurate for the Residential demand response battery storage offering. Rhode Island adopted the results for residential battery storage demand response offering in RI.	Res
ERS, Evaluation of 2019-2020 Cross-State DR	This study reviewed and updated the summer demand realization rate being used In MA for the C&I targeted	C&I

Program, February 2020. (Leveraged study from MA)	dispatch program offering. Rhode Island adopted the results for the C&I targeted dispatch demand response offering in RI.	
DNV GL, Impact Evaluation of 2017 Small Business Electric Installations, March 2020.	The study updated electric non-lighting impact factors for the Small Business initiative. RI leveraged the MA study of this initiative.	C&I
DNV GL, C&I Measure Life Study, March 2020.	This study informed Effective Useful Lives and Remaining Useful Lives for key C&I energy efficiency measures, updating the commercial boiler EUL. RI leveraged the MA study of this initiative.	C&I
Tetra Tech, C&I Free-Ridership and Spillover Study, September 2020.	This study updated free-ridership and spillover rates for the C&I program	C&I
The Brattle Group, The Road to 100% Renewable Energy by 2030 in Rhode Island, December 2020.	This study provided a high-level economic analysis of the key factors that will guide RI to meet 100% of the state's electricity demand by 2030. The study updated economic impact multipliers to quantify the benefits of future EE programs in the Rhode Island economy.	All
2019		
Study	Impact Descriptions	Sector
NMR, RLPNC 17-3 Advanced Power Strip Metering Study (Revised). March 2019. (Leveraged study from MA)	This study yielded recommended gross electric savings and realization rates from advanced power strips offered through the Home Energy Services and upstream programs. Rhode Island adopted the result from this study to inform savings for Tier 1 and Tier 2 advanced power strips offered through its Retail Products program.	Res
Navigant, Wi-Fi Thermostat Impact Evaluation Secondary Research Study. September 2018. (Leveraged study from MA)	This study recommended annual savings values of 31 therms for combustion heating, 97 kWh for electric resistance heating, and 64 kWh for central air conditioning for Wi-Fi thermostats. Rhode Island adopted these results to update savings assumptions for Wi-Fi thermostats in HVAC and residential retrofit programs.	Res
2018		
Study	Impact Descriptions	Sector
Energy & Resource Solutions, Two-Tier	This MA study recommends a two-tier approach for prescriptive steam traps. It calculates deemed savings to be	C&I

Steam Trap Savings Study, April 2018.	8.4 MMBtu/yr. for system operating pressure \leq 15 psig, and 35.6 MMBtu/yr. for system operating pressure is $>$ 15 psig.	
DNV GL, Impact Evaluation of PY 2015 Rhode Island Commercial and Industrial Upstream Lighting Initiative. September 2018.	The study updated impact factors for the Upstream Lighting initiative. The RI study leveraged the MA study of the same initiative.	C&I
DNV GL, Rhode Island Commercial & Industrial Impact Evaluation of 2013-2015 Custom Comprehensive Design Approach. October 2018.	The study updated the realization rate for the CDA initiative. The RI study leveraged the MA study of the same initiative.	C&I
DNV GL, Impact Evaluation of PY2016 RI C&I Small Business Initiative: Phase I. June 2019.	The study updated impact factors for the Small Business initiative. The RI study leveraged the MA study of the same initiative.	C&I
DNV GL, Prescriptive C&I Loadshapes of Savings. March 2018.	This MA study pooled known sources of 8,760 savings loadshapes in an interactive tool to estimate general prescriptive measure loadshapes over customizable time periods.	C&I
DNV GL, P86 Lighting Hours of Use Study. April 2019.	This MA study used lighting hours of use data from several previous studies to determine hours of use by building type for the C&I Upstream Lighting program.	C&I
DNV GL, P81 Process Evaluation of C&I Upstream Lighting Initiative. September 2018.	The MA study updated in-service rates for the C&I Upstream Lighting initiative.	C&I
NMR, Rhode Island Residential Appliance Saturation Survey. October 2018	This study developed an inventory of residential end-uses, including appliances, consumer electronics, heating and cooling equipment, thermostats, water heating, and building characteristics. Findings from this study will be used to inform program planning and support future potential studies in Rhode Island.	Res
Cadeo, Rhode Island Impact Evaluation of Income Eligible Services Single Family Program, August 2018	This study deemed savings values and realization rates for electric and gas participants using billing and engineering analysis. The Company adopted the deemed savings values in the 2019 program plan.	Res
Navigant, MA Residential Electric Loadshape and Baseline Study (Heating and Cooling Season report). July 2018.	This study collected saturation, penetration, and usage behavior data for all major electric and gas appliances in Massachusetts. Rhode Island adopted the end use load shapes determined by this study.	Res

(Leveraged study from MA)		
NMR/Tetra Tech, TXC34 Massachusetts Residential HVAC Net-to-Gross and Market Effects Study. July 2018. (Leveraged study from MA)	This study yielded recommended net-to-gross ratios for selected heating, cooling, and water heating measures that will receive Mass Save® Standard rebates in 2019-2022. Rhode Island adopted the result from this study to inform savings for measures offered through Residential HVAC/HEHE programs.	Res
NMR, RLPNC 17-4/17-5 Products Impact Evaluation of In-service and Short-term Retention Rates Study. March 2018. (Leveraged study from MA)	This study yielded estimates of in-service rates (ISRs) and short-term retention rates for products currently offered through the Residential Consumer Products Core Initiative or the Mass Save® Home Energy Assessment (HEA) Programs. Rhode Island adopted the result from this study to inform savings for measures offered through Residential Products program.	Res
NMR/DNV GL, TXC29 Market-Rate Rental Property NEI Study (Phase 1), March 2018	This study identified and analyzed NEIs associated with market-rate multifamily properties.	Res
2017		
Study	Impact Descriptions	Sector
NMR, 2017 Rhode Island Single-Family Code Compliance/Baseline Study, July 2017	This study yielded the final agreed upon baseline values to update the User Defined Reference Home (UDRH) in Rhode Island	Res
ICF, 2017 Rhode Island Residential Code Savings Analysis	This study found that the average Rhode Island home could attain annual electric savings of 3,690 kWh and gas savings of 10 MMBtu if it fully complied with the state’s building energy code.	Res
NMR, 2017 Rhode Island Code Compliance Enhancement Initiative Attribution and Savings Study	The study found residential and commercial attribution factors of 23% and 46, respectively, which were used along with study results on average savings as well as construction activity projections to calculate the CCEI’s projected savings from 2018-2020.	C&I
DNV-GL, MA C&I Steam Trap Evaluation Phase 2, Feb, 2017	This study updated steam trap savings estimates.	C&I
DNV-GL, Gas Boiler Market Characterization Study Phase II: Final Report, March 2017	This study updated C&I condensing boiler savings estimates.	C&I
DNV-GL, MA45 Prescriptive Programmable Thermostats, March 2017	This study updated programmable thermostat deemed gas savings for C&I programs.	C&I

2016		
Study	Impact Descriptions	Sector
DNV-GL, Impact Evaluation of 2014 RI Prescriptive Compressed Air Installations Final Report, July 2016	This study yielded an energy realization rate for prescriptive compressed air compressors, dryers, and EE accessories.	C&I
DNV-GL, Impact Evaluation of 2012 National Grid-Rhode Island Prescriptive Chiller Program Final Report, July 2016	This study yielded an energy realization rate for prescriptive chillers.	C&I
Cadmus Group; Large Commercial and Industrial On-Bill Repayment Program Evaluation, September, 2016	National Grid commissioned this study to evaluate the financing component of the large commercial and industrial (LCI) energy efficiency program. Cadmus evaluated the program design, performance, and sustainability; the overall market for the program; and the program’s penetration of that market to date.	C&I
DNV GL, Stage 2 Results—Commercial and Industrial New Construction Non-Energy Impacts Study—Final Report, prepared for the Massachusetts Program Administrators, March 2016	The purpose of this study was to quantify the dollar value of participant NEIs for C&I NC projects completed in 2013, and to estimate gross NEIs per unit of energy savings resulting from NC electric and gas measures separately.	C&I
2015		
Study	Impact Descriptions	Sector
DNV-GL, Massachusetts 2013 Prescriptive Gas Impact Evaluation; Steam Trap Evaluation Phase 1, March 2015	The study concluded that there should continue to be both prescriptive and custom pathways for steam trap retrofit incentives, and further recommended that a group convene to review and revise the deemed savings estimate for steam traps. The study also recommended the use of a six-year lifetime for steam traps.	C&I
2014		
Study	Impact Descriptions	Sector
DNV GL, 2014, Impact Evaluation of National Grid Rhode Island C&I	The evaluation examined the gas and water savings associated with the installation of reduced-flow pre-rinse spray valves. The results are based on site measurements from MA and RI	C&I

Prescriptive Gas Pre-Rinse Spray Valve Measure	facilities. The final gross gas and water savings are 11.4 MMBtu and 6,410 gallons per spray valve respectively.	
2013		
Study	Impact Descriptions	Sector
KEMA, Inc., Impact Evaluation of 2011 Rhode Island Prescriptive Lighting Installations	The Custom and Prescriptive Lighting studies involved the impact evaluation of components of the Large Commercial and Industrial electric efficiency programs. The studies included on-site engineering and end-use metering of a statistically drawn random sample of participants. The custom portion of the study was coupled with the results of the 2013 Massachusetts Custom Lighting study.	C&I
2012		
Study	Impact Descriptions	Sector
TetraTech, Final Report – Commercial and Industrial Non-Energy Impacts Study, (prepared for Massachusetts Program Administrators), June 29, 2012	This report provides a comprehensive set of statistically reliable non-energy impact (NEI) estimates across the range of C&I prescriptive and custom retrofit programs offered by the MA electric and gas Program Administrators (Pas). The analytical methods used allow this report’s findings to be applicable to RI.	C&I
2011		
Study	Impact Descriptions	Sector
KEMA, Inc., C&I Unitary HVAC Loadshape Project Final Report, Prepared for the Regional Evaluation, Measurement, and Verification Forum, June 2011.	This study produced updated diversity and equivalent full load hours for unitary HVAC measures using end use metering.	C&I
NMR/TetraTech, MA Special and Cross Sectors Studies Area, Residential and Low-Income NEI Evaluation, August 2011	This study quantified NEIs that apply to residential and low-income programs.	Res

2010		
Study	Impact Descriptions	Sector
ADM Associates, Inc., Residential Central AC Regional Evaluation, Final Report, October 2009	kWh and kW savings figures for the installation of efficient residential CAC systems.	Res

6 2022 Evaluation Study Findings

6.1 Rhode Island-Specific studies

RI-21-CE-LightMar– C&I Lighting Market Characterization Study

Type of Study: Market

Evaluation Conducted by: DNV

Date Evaluation Conducted: August 2022

Evaluation Objective and High-Level Findings:

The primary objective of this study was to calculate adjusted measure lives (AMLs) for non-residential custom and prescriptive lighting for RI. The study also helped understand the historical to present day RI lighting saturation by technology, forecast the C&I lighting market trajectory, and estimate the remaining opportunities to generate program savings. The results of the study for AMLs are presented in the following table.

Table 5. AMLs for RI

Application	Measure	PY2023	PY2024	PY2025	Average	Rounded Recommendation
Ambient Linear	TLED	5.9	6.1	6.2	6.1	6
	LED luminaire	6.4	6.4	6.6	6.4	6
	LED luminaire w/controls	7.3	7.3	7.5	7.4	7
High/Low Bay	TLED				7.1	7
	LED luminaire				7.4	7
	LED luminaire w/controls				8.2	8
Exterior/Outdoor	TLED				5.1	5
	LED luminaire				5.4	5
	LED luminaire w/controls				6.2	6
Screw-Based	TLED				2.2	2
	LED luminaire				2.2	2
	LED luminaire w/controls				1.7	2

The study observed the following key findings:

- RI has a different market than Massachusetts and Connecticut’s LED market share in the C&I space. RI has been less aggressive compared to MA and CT with RI having a market share of 56% for LED fixtures across the C&I market.
- DNV predicted RI’s LED saturation will increase to 68% by 2025.
- Lighting cannot be relied on to generate massive savings moving forward due to the longer lifetimes of LEDs and increasing rates of LED saturation.

- Opportunities exist for savings in the high/low bay market.

Programs to which the Results of the Study Apply:

The results of this study are applicable to C&I lighting measure lives for custom and prescriptive lighting.

Evaluation Recommendations included in the Study:

DNV recommends RIE adopt the updated AMLs for TLEDs, LED luminaires, and LED luminaires with controls.

Explain Whether or Not Rhode Island Energy (RIE) Decided to Adopt Recommendations from the Study:

RIE is adopting the AMLs for the non-control lighting measures of the Energy Initiative Program, upstream lighting measures for the Design2000 Program, and non-control lighting measures for the Small Business Program.

Savings Impact:

The savings impact depends on the measure, see the AMLs for RI Table. Overall, the measure lives decreased resulting in a decrease in claimable savings.

RI-21-CG-CustGasPY20 – Impact Evaluation of PY2020 Custom Gas Installations

Type of Study: Impact

Evaluation Conducted by: DNV

Date Evaluation Conducted: August 2022

Evaluation Objective and High-Level Findings:

The objective of this impact evaluation was to provide verification or re-estimation of energy (therms) savings for a sample of custom gas projects through site-specific inspections, end-use monitoring, and analysis. The site-specific results were aggregated to determine realization rates for National Grid’s custom gas installations in RI.

Table 6. Custom Gas Installation Results

Parameter	PY2018	PY2019	PY2020	PYs 2018+2019+2020
Tracking Savings (therms)	2,350,739	1,944,294	1,280,693	5,575,636
Non-Operational Sample Size	8	10	4	26
Operational Sample Size	4	3	1	8
Realization Rate (RR)*	81.1%	77.3%	84.5%	83.0%
Relative Precision @ 80% CI (%)*	± 31.9%	± 57.0%	± 8.9%	± 16.2%

*Only non-steam trap realization rates are shown.

As a three-year rolling scheme is used to determine custom realization rates, the overall realization rate from this study combines results from PY2018, PY2019, and PY2020 studies.

The evaluation process of PY2020 was adapted to limit the impact on customers due to the COVID-19 pandemic. For some sites, collecting metered data was not possible due to pandemic-related changes in facility operation or site access. For these sites, assessment of non-operational factors was performed, and a historical operational adjustment factor was used to estimate the site operation.

The evaluation process of PY2020 was also adapted for steam trap projects to align with the new approach being used by PAs in MA. The new approach used in MA involves evaluators calibrating the steam trap tool to account for all operational characteristics of the steam system, and both implementers and evaluators use the same tool to model steam traps.

Programs to which the Results of the Study Apply:

- Gas – Large Commercial New Construction
- Gas – Retrofit

Evaluation Recommendations included in the Study:

DNV GL recommends the following:

- Apply the combined result of 83.0% RR
- Update the steam trap tool with expanded and more recent billing data
- Provide project savings calculators in the native format

- Provide a quality check by the project implementor during project closure
- Increase sample for non-steam trap sites and decrease sample for steam trap

DNV GL proposes the following considerations:

- Separate steam trap and non-steam trap results
- Implementors flag steam systems for potential design flaws

Explain Whether or Not Rhode Island Energy (RIE) Decided to Adopt Recommendations from the Study:

RIE is adopting the combined result of 83.0% RR for custom gas.

Savings Impact:

The study will result in a decrease in claimable savings for Large Commercial Custom Gas projects as the realization rate slightly decreased from the previous year.

RI-21-CE-CustElecPY20 – Impact Evaluation of PY2020 Custom Electric Installations

Type of Study: Impact

Evaluation Conducted by: DNV

Date Evaluation Conducted: August 2022

Evaluation Objective and High-Level Findings:

The objective of this impact evaluation was to provide verification or re-estimation of energy (kWh) savings for a sample of custom electric projects through site-specific inspections, end-use monitoring, and analysis. The site-specific results were aggregated to determine realization rates for National Grid’s custom electric installations for non-lighting in RI.

Table 7. Custom Electric Installation Results

Non-Lighting	PY2018	PY2019	PY2020	PYs 2018+2019+2020
Tracking Savings (kWh)	12,910,679	12,804,067	10,676,671	36,391,417
Sample Size (n)	14	15	10	39
Realization Rate (RR)	77.6%	104.1%	68.6%	83.2%
Relative Precision @ 90% CI	± 12.3%	± 18.4%	± 28.4%	± 12.0%

The PY2018 study was scheduled to be completed in 2020, but due to onsite restrictions resulting from COVID-19, onsite work did not begin until late 2020. Due to this delay, both the PY2018 and PY2019 studies were completed in 2021. As a three-year rolling scheme is used to determine custom realization rates, the overall realization rates from this study combine results from PY2018, PY2019, and PY2020 studies.

For some sites, collecting metered data was not possible due to pandemic-related changes in facility operation or site access. For these sites, assessment of non-operational factors was performed, and a historical operational adjustment factor was used to estimate the site operation.

Programs to which the Results of the Study Apply:

Electric – Retrofit

Electric – Large Commercial New Construction

Evaluation Recommendations included in the Study:

DNV GL recommends applying the combined result of 83.2% RR for non-lighting for 2022.

Other recommendations will be produced with study is finalized.

Explain Whether or Not Rhode Island Energy (RIE) Decided to Adopt Recommendations from the Study:

RIE is adopting the combined result of 83.2% RR for non-lighting for 2022.

Savings Impact:

The study will result in a decrease in claimable savings for non-lighting Large Commercial and Custom Electric projects as the realization rate decreased from the previous year.

RI-21-CX-ISP Baseline – Rhode Island Cannabis Industry Standard Practice

Type of Study: ISP

Evaluation Conducted by: DNV

Date Evaluation Conducted: August 2022

Evaluation Objective and High-Level Findings:

The purpose of this study was to define industry standard practice (ISP) for the cannabis industry in RI with a focus on technologies such as horticultural lighting, lighting controls, cultivation area HVAC, HVAC controls, and dehumidification. At the time of the study, the RI cannabis industry was limited to the medical market, however, a recently passed law expanded the cannabis industry to the recreational market. DNV interviewed five service providers in RI serving the indoor cannabis market to assess practices for equipment.

The study was able to identify ISP for some systems and end uses, however, there were other systems and end uses where no ISP was identified. For the systems and end uses where no ISP was identified, site-specific baselines for some energy efficiency projects at cannabis facilities are appropriate. The following tables present the ISP results from the study.

Table 8. Horticultural lighting ISP summary

Stage	ISP Technology	Target PPF	ISP Photoperiod - Hours
Flower/bloom	1,000-watt double-ended HPS or 660-watt LED = 830-watt mixed LED and HPS technology	900	14
Vegetative	400-watt LED	450	18
Clone/seedling	200-watt LED	200	24
Mother	350-watt LED	600	18

Table 9. Space-cooling ISP

Facility Size	Equipment ISP
All	Direct Expansion (DX) type systems
All	Programmable thermostats and humidistats. No hot gas reheat for humidity control. Fixed speed supply fans.

Table 10. HVAC systems and controls ISP

Equipment Type	Equipment ISP
DX systems	Programmable thermostats and humidistats. No hot gas reheat for humidity control. Fixed speed supply fans.
Chilled water system	Automated central system. Site-specific baseline for control strategies.

Programs to which the Results of the Study Apply:

Commercial and Industrial – Electric

Evaluation Recommendations included in the Study:

The study recommends the following recommendations:

1. Use the identified ISPs by implementors as the baselines for projects and by evaluators when evaluating projects.
2. Future research in the cannabis ISPs as the legalization of recreational use is likely to sophisticate the current systems and controls due to a larger market.

Explain Whether or Not Rhode Island Energy (RIE) Decided to Adopt Recommendations from the Study:

RIE is adopting the ISP baseline recommendations from the study.

Savings Impact:

N/A

RI-21-RX-NP Study – Nonparticipant Market Barriers Study

Type of Study: Market

Evaluation Conducted by: Cadeo

Date Evaluation Conducted: June 2022

Evaluation Objective and High-Level Findings:

The purpose of this study was to characterize the customer groups not participating in Rhode Island Energy's energy efficiency programs, determine barriers to participation, and identify opportunities to engage nonparticipants. Cadeo conducted surveys and interviews with customers, community organizations, landlords and property owners, and the National Grid implementation and marketing teams.

The study provides the following key findings for barriers to participating:

- Awareness – 40% of survey respondents were not aware of RIE's energy efficiency programs.
- Lack of Understanding – Many customers did not understand who the programs were for, how they worked, how to participate, or what benefits to expect.
- Insufficient Trust – Customers may not trust that the programs and benefits offered are legitimate.
- Competing Priorities – Customers have other priorities that prevent them from participating in energy efficiency programs.
- Program Requirements – Customers may be prevented from participating due to the actual or perceived program requirements.
- Language, communication, culture, and experience – These criteria may impact the ability for someone to participate in the programs.
- Being a renter or landlord – Being a renter or landlord is a deterrent to participating.

Programs to which the Results of the Study Apply:

The results of this study are applicable to RIE's residential energy efficiency programs.

Evaluation Recommendations included in the Study:

The study offers several ways to overcome the barriers to participating:

- Include information on how RIE energy efficiency programs are funded by customers.
- Use testimonials to illustrate who programs are for and how programs work.
- Educate community organizations that serve key groups of interest on National Grid's energy efficiency offerings.
- Diversify language, content, and channel of messaging to allow messaging to be accessible and culturally relevant.
- Tie program services to everyday needs and value to customers.
- Continue to promote financial savings associated with making improvements.

Explain Whether or Not Rhode Island Energy (RIE) Decided to Adopt Recommendations from the Study:

RIE is generally adopting these results in Residential program design for 2022 and has proposed some follow up research in 2023 to further advance the insights from the study.

Savings Impact:

N/A

RI-21-RX-Participation – Participation and Multifamily Census Study

Type of Study: Market

Evaluation Conducted by: Cadeo

Date Evaluation Conducted: June 2022

Evaluation Objective and High-Level Findings:

The primary objective of this study was to analyse customer participation and non-participation in RIE's residential energy efficiency programs from 2016 to 2020. The secondary objective of this study was to create a database of multifamily buildings that may benefit from RIE's multifamily programs.

For the primary objective, Cadeo used participation data between 2016 and 2020 to identify trends and drivers of participation. Cadeo found there was a steady rise in participated for most programs and in the overall residential portfolio. The overall savings per participant decreased during 2016 to 2020 mostly due to lighting benefits decreasing.

Cadeo found the following drivers of participation from 2016 to 2020:

- Strong Drivers:
 - Household Income - Greater household income is associated with higher participation.
 - Age of head of household - Older households tend to participate more.
 - Living Area - Larger homes are associated with greater electric savings but less gas savings.
 - Total units in a building - More units in multifamily buildings were associated with a higher degree of savings.
- Weak Driver(s)
 - Primary language - Language did not have a strong influence in participation.
- Important interactions
 - Age and Income - Increases in income have a stronger impact on participation in younger customers than older customers.
 - Homeownership, Age, and Income - Increases observed in income and age led to greater participation for everyone, but the increase is greater observed among homeowners than renters.

Cadeo also developed a predictive model to determine the likelihood that a nonparticipating customer will take part in an RIE program. The predictive model found that 56% of nonparticipating accounts look very different from past participants and are least likely to opt in to the RIE programs.

For the secondary objective, Cadeo utilized utility, public, and proprietary data sources to develop an algorithm for identifying multifamily buildings that would benefit from RIE's EnergyWise and Income Eligible Multifamily programs. The study found multifamily programs account for approximately 7% of total residential buildings in RI, and 19% and 16% of RIE's electric and natural gas residential accounts, respectively.

Programs to which the Results of the Study Apply:

The results of this study are applicable to RIE's residential energy efficiency programs as well as RIE's EnergyWise and Income Eligible Multifamily programs.

Evaluation Recommendations included in the Study:

The study suggests altering the current program marketing and design to engage nonparticipating customers. The study also recommends interacting with the identified multifamily buildings for the EnergyWise and Income Eligible Multifamily programs.

Explain Whether or Not Rhode Island Energy (RIE) Decided to Adopt Recommendations from the Study:

RIE is generally adopting these results in Residential program design for 2022 and has proposed some follow up research in 2023 to further advance the insights from the study.

Savings Impact:

N/A

Rhode Island 2021 Energy Efficiency Workforce Analysis – Final Report

Type of Study: Impact/Market

Evaluation Conducted by: Guidehouse

Date Evaluation Conducted: May 2022

Evaluation Objective and High-Level Findings:

The Narragansett Electric Company engaged Guidehouse to estimate the workforce associated with implementation of The Narragansett Electric Company’s electric and gas energy efficiency programs delivered in 2021. This study addressed the requirements of General Law 39-2-1.2, enacted by the Rhode Island General Assembly in 2012. The focus of this study was to quantify the workforce that was involved in delivering The Narragansett Electric Company’s Rhode Island programs in 2021. The workforce analysis reported the number of jobs associated with the programs and compared them to past years. The study also provided narrative context for those findings and observations. Guidehouse calculated 1,011 full-time equivalent (FTE) workers associated with Rhode Island programs in 2021. This compares to 827.5 FTEs in 2020 and 964.6 FTEs in 2019.

Key Findings:

- The increase in FTEs in 2021 relative to 2020 is associated with the recovery of energy efficiency program activity from the COVID pandemic-affected activity in 2020. In 2021, residents and businesses were more comfortable with vendors entering their homes and buildings to perform efficiency upgrades.
- Rhode Island energy efficiency program spending increased by 16% from 2020 to 2021, leading to increased activity and an increase in FTEs among the associated workforces.
- Particularly for the single-family income eligible and the EnergyWise programs, there was a significant rise in FTEs. This is likely a result of the EnergyWise program going approximately 60% overbudget, which implies the addition of roughly 80 FTEs.
- Several vendors reported increased difficulty with worker retention. COVID-19 was likely responsible for some of this difficulty as some employees quit their jobs because they did not want to regularly enter customers’ homes, whereas other employees quit because they did not feel comfortable getting vaccinated. Relative to previous years, employees were more likely to seek employment at other firms – both in the same industry and in adjacent industries.
- Nearly all vendors experienced significant product shipment delays from wholesalers, but these did not affect the number of FTEs.
- Vendors noted an increase in heat pump installation work and some anticipate a significant increase in heat pump installations and the need for heat pump installation training programs.

Programs to which the Results of the Study Apply:

This is an overall indicator of economic impact and is not applied to a specific program.

Evaluation Recommendations included in the Study: N/A

6.2 Studies Adopted from Other Jurisdictions

MA21DR03 - Solar Inverter Power Factor Correction Demonstration Evaluation Memorandum

Type of Study: Impact

Evaluation Conducted by: Guidehouse

Date Evaluation Conducted: May 2022

Evaluation Objective and High-Level Findings:

The purpose of this evaluation was to improve power factor via the use of the voltage control capacity of solar inverters. The evaluation occurred in Massachusetts and Rhode Island with customers who had eligible equipment and solar systems producing less than 100 kW.

The evaluation had four objectives:

1. Verify that the solution successfully enables power factor correction.
2. Validate the approach used to conduct the impact analysis.
3. Confirm that the solution results in kVA savings for the utility.
4. Align on methodology to determine kVA savings.

Guidehouse used distribution load modeling results leveraging CYME Power Engineering software to assess objectives 1 and 2. Objectives 3 and 4 were evaluated using interval data collected from enrolled solar inverters and their associated feeders and substations.

The following table presents the evaluation results for the period spanning September 29 through November 17, 2021.

Table 11. Fall 2021 Evaluation Results

Description	Massachusetts	Rhode Island	Total
Enrolled Inverters as of November 17, 2021	1,885	819	2,704
Total Enrolled Capacity of Inverters (kW)	12,505	5,008	17,513
Inverters in Analysis Data*	1,019	307	1,326
Total Capacity of Inverters in Analysis Data (kW)	6,594	1,747	8,341
PFC Active Inverters**	819	259	1,078
PFC Active Inverters Capacity (kW)	5,451	1,506	6,957
Feeder Average kVAR	-112	-24	-99
Percent Positive	53.8%	49.7%	53.2%
Percent Negative	46.2%	50.3%	46.8%
Feeder Average Power Factor	0.92	0.94	0.92
Inverter Average PFC Active kVAR	-1.02	-1.48	-1.10
Percent Time of Inverters PFC Active	35.9%	55.0%	38.7%
Percent Time of Absorbing VAR	34.9%	54.2%	37.7%
Percent Time of Injecting VAR	1.00%	0.75%	0.96%
Total Savings (kVAh)	137	-863	-726

* About 48% of inverters were dropped from analysis data due to lack of Substation PI data.

** PFC Active Inverters is the set of inverters in the analysis data that were engaged in power factor correction at any point in the analysis period. Inverters will not be engaged in power factor correction for any time period if they have insufficient generation (kW output < 0.30 * Nameplate kW) or if voltage does not go above 245 V or below 235 V.

Source: Guidehouse analysis

The evaluation found the following key findings:

- **Evaluated Savings:** The solar inverter PFC resulted in the negative total feeder savings of –726 kVAh. Most feeders experienced minimal savings, with 92% experiencing kVAh savings ranging from –50 kVAh to 50 kVAh. The savings varied greatly between Massachusetts and Rhode Island mostly due to feeders with large savings and losses.
- **Feeder Reactive Power:** A clear trend was observed between feeder reactive power, inverter reactive power, and feeder savings. Feeders with negative average reactive power experienced savings of 2,870 kVAh, whereas feeders with positive average reactive power experienced increases of 3,597 kVAh.

Programs to which the Results of the Study Apply:

The results of this study are applicable to the solar inverter demonstration alone and to the ConnectedSolutions program.

Evaluation Recommendations included in the Study:

Guidehouse recommended a discussion among stakeholders to either make significant design changes to the program or consider discontinuing the offering.

Guidehouse encouraged RIE and National Grid to consider the following:

- Provide incentives for customers connected to feeders with telemetry or ensure substation interval data is available for all enrolled solar inverters.

- Consider if there is another way to engage solar inverters for PFC.
- Incorporate additional parameters into the analysis.

Explain Whether or Not Rhode Island Energy (RIE) Decided to Adopt Recommendations from the Study:

Based on the inconclusive savings from this evaluation, RIE has continued to include the solar inverter measure as part of the DR program. However, RIE did apply the results from the study that there no kWh savings associated with the solar inverters. Only kW savings are counted.

Savings Impact:

N/A

MA20X10-B-CIOMNEI – O&M and Non-O&M NEI Study

Type of Study: Impact

Evaluation Conducted by: DNV

Date Evaluation Conducted: October 2021

Evaluation Objective and High-Level Findings:

The primary objective of this study was to develop Operations and Maintenance (O&M) non-energy impact (NEI) values to inform measure benefit-cost ratio testing across all C&I measures and programs and non-O&M NEI values to focus on small business programs. The non-O&M NEIs were later applied to all C&I measures and programs. The secondary objective was to collect data to inform future research to monetize health and safety (H&S) NEIs, as these were not considered in this study.

The majority of the O&M NEI estimates were developed through interviews with equipment vendors. The non-O&M NEIs were developed through in-depth interviews with small business customer end-users.

The study identified the following drivers that impacted the directionality and magnitude of the O&M NEIs:

- Add-on equipment tended to extend the life of the impacted equipment.
- More complicated technologies were likely to have higher O&M costs for energy efficiency measures.
- Longer measure lives were associated with higher O&M costs leading to NEI values that converged towards zero in the efficient scenarios.
- Control technologies tended to have the highest NEIs as they both extend equipment life and reduce the O&M costs.

Table 12. Combined O&M and Non-O&M NEIs

Measure Category	Units	Scenario ¹	Custom Electric Total	Prescriptive Electric Total	Custom Natural Gas Total	Prescriptive Natural Gas Total
EMS	kWh	ER	\$0.042	\$0.000		
EMS	kWh	ROF/NC	\$0.037	\$0.111		
EMS	therms	ER			\$0.041	\$0.684
EMS	therms	ROF/NC			\$0.037	\$0.680
Envelope	kWh	ER	\$0.045	\$0.119		
Envelope	kWh	ROF/NC	\$0.036	\$0.110		
Envelope	therms	ER			\$0.322	\$0.322
Envelope	therms	ROF/NC			\$0.322	\$0.322
HVAC	kWh	ER	\$0.037	\$0.111		
HVAC	kWh	ROF/NC	\$0.021	\$0.095		
HVAC	therms	ER			-\$0.050	\$0.593

HVAC	therms	ROF/NC			-\$0.067	\$0.576
Hot Water	therms	ER			\$0.350	\$0.080
Hot Water	therms	ROF/NC			\$0.349	\$0.079
Lighting Controls	kWh	ER	\$0.101	\$0.084		
Lighting Controls	kWh	ROF/NC	\$0.087	\$0.070		
Motors & Drives	kWh	ER	\$0.018	\$0.003		
Motors & Drives	kWh	ROF/NC	\$0.018	\$0.003		
Retrocommissioning	kWh	ER	\$0.135	\$0.043		
Retrocommissioning	kWh	ROF/NC	\$0.132	\$0.040		
Retrocommissioning	therms	ER			\$0.000	
Retrocommissioning	therms	ROF/NC			\$0.040	
Process	kWh	ER	\$0.098	\$0.006		
Process	kWh	ROF/NC	\$0.091	-\$0.001		
Process	therms	ER	-\$0.045			
Process	therms	ROF/NC	-\$0.051			
CHP²	kWh		-\$0.010			

Notes:

1. ER = Early Replacement, ROF = Replace on Failure, NC = New Construction
2. CHP is only a non-O&M value.

Programs to which the Results of the Study Apply:

The results of this study are applicable to all C&I measures and programs.

Evaluation Recommendations included in the Study:

The study found the following recommendations and considerations.

Recommendations:

- Maintain separate O&M, non-O&M, and H&S values, with a calculated overall value as the sum of these due to the variance in methods and levels of granularity.
 - O&M NEI and non-O&M NEI values are presented separately in the study.

- Use the measure-level NEI values as laid out in the BCR matching workbook but use caution with the non-O&M cost estimates and consider further work on them post-pandemic.

Considerations:

- Redesign interview guides to get the reasoning and mechanisms for the O&M cost estimates.
- Improve future studies by planning for a single overall measure approach and targeting a larger sample.
- Perform more research to monetize H&S NEIs.

Explain Whether or Not Rhode Island Energy (RIE) Decided to Adopt Recommendations from the Study:

RIE is adopting the O&M and non-O&M results for all applicable gas and electric C&I measures. The table presented above in this section has been incorporated into planning for 2023.

Savings Impact:

NEI estimates do not impact savings, but they are key inputs into the BCR model, which helps determine whether energy-efficiency measures are cost effective. Most of the O&Ms and non-O&Ms NEIs are positive so the NEIs will improve the likelihood that energy-efficiency measures in the BCR tool will be cost effective.

MA-21-DR05-E-C&I- 2021 Cross-State Summer Demand Response Program– Final Impact Evaluation Results

Type of Study: Impact

Evaluation Conducted by: DNV

Date Evaluation Conducted: June 2022

Evaluation Objective and High-Level Findings:

The primary objective of this study was to provide impact results for the 2021 summer season of C&I demand response programs. The study calculated a summer 2021 targeted curtailment retrospective realization rate for targeted dispatch programs and a daily dispatch retrospective realization rate. For dual participants, the daily dispatch performance was calculated first and then the load was reconstituted to calculate the targeted daily dispatch performance.

Table 13. National Grid MA Summer DR Impact Summary

Measure	Events	Overall Average Accounts	Average Retrospective Realization Rate
Daily Dispatch	25	26	116.7%
Targeted Curtailment	5	433	83.6%

Programs to which the Results of the Study Apply:

The results of this study are applicable to the C&I Demand Response Program.

Evaluation Recommendations included in the Study:

The report only presents impact results and does not specify any recommendations.

Explain Whether or Not Rhode Island Energy (RIE) Decided to Adopt Recommendations from the Study:

RIE is adopting the summer realization rates for C&I Daily Dispatch of 116.7% and C&I Targeted Dispatch of 83.6%.

Savings Impact:

N/A

MA-21-DR02-E- Cross-State C&I Active Demand Reduction Initiative Winter 2020/2021 Evaluation Report

Type of Study: Impact

Evaluation Conducted by: DNV

Date Evaluation Conducted: January 2022

Evaluation Objective and High-Level Findings:

The objective of this study was to assess program initiative impact and provide process improvement opportunities for the 2020/2021 winter season of C&I demand response programs. The study calculated the retrospective realization rates for C&I interruptible and battery storage participants. In addition, the study documented the metric tons of carbon impacts by DR technology and overall.

Table 14. Winter DR Program Impact Summary

Measure	Overall Accounts	Retrospective Realization Rate
C&I Interruptible	143	65.9%
Targeted Battery Storage	2	100%
Daily Battery Storage	6	100%

Programs to which the Results of the Study Apply:

The results of this study are applicable to the C&I Demand Response Program.

Evaluation Recommendations included in the Study:

The study reached several conclusions, considerations, and recommendations related to program initiative impact and process improvement in MA and CT. The study also recommended adopting the retrospective realization rates for the C&I interruptible participants and battery storage participants.

Explain Whether or Not Rhode Island Energy (RIE) Decided to Adopt Recommendations from the Study:

RIE is not adopting the recommendations and results from the study because it currently does not have winter DR program offerings. However, RIE is using this study as a placeholder for potential future use.

Savings Impact:

N/A

2023 Rhode Island Test Description

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1 Introduction

This section has been prepared pursuant to Section 1.3(C) and 3.2(N) of the Least Cost Procurement Standards as approved and adopted pursuant to Order No. 23890 in Docket No. 5015¹ (referred to herein as the “LCP Standards”), and in alignment with the Rhode Island Benefit Cost Test (RI Test) as defined by the Standards and the Docket 4600A Benefit-Cost Framework and associated Guidance. The methods identified herein will be used for the calculation of benefits and costs associated with the 2023 Annual Energy Efficiency Plan.

Two key supporting documents for cost-effectiveness are the Technical Reference Manual (TRM) and the Avoided Cost Study. For the Annual Plan, the Company developed the 2023 Rhode Island Technical Reference Manual, which documents the savings or savings algorithms and costs for measures proposed to be offered through its programs in 2023. The TRM identifies the sources for the savings estimates. Sources can be evaluation studies, engineering analyses, and/or other research or analysis. This TRM is a public document and was provided to the EERMC and its consultants to support and facilitate the determination of the Plan’s cost-effectiveness. The TRM is reviewed and updated annually to reflect changes in technology, baselines, and evaluation results.

The cost-effectiveness analyses of the proposed programs use avoided energy supply costs developed by Synapse Energy Economics as part of the “Avoided Energy Supply Components in New England: 2021 Report” (2021 AESC Study) sponsored by the New England electric and gas efficiency program administrators to be used for cost-effectiveness screening in 2021 or later. The avoided costs reflect a view of market conditions over the full study horizon, 2021-2036, at the time of the study² and are highly influenced by the cost of fossil fuels and expectations about ISO-NE’s forward capacity market. Company-specific transmission and distribution capacity values are also included. The 2021 AESC Study introduced four counterfactual scenarios representing variations in demand-side measures offered in the future. For cost-effectiveness screening of the 2023 Rhode Island energy efficiency portfolio, the Company used Counterfactual #4 as the best representative scenario for future DSM portfolios. Counterfactual #4 models a scenario in which program administrators install no new energy efficiency resources in 2021 or later years. This future does model some amount of building electrification

¹ RI PUC Docket 5015, Least Cost Procurement Standards
http://www.ripuc.ri.gov/eventsactions/docket/5015_LCP_Standards_05_28_2020_8.21.2020%20Clean%20Copy%20FINAL.pdf

² The long-term view is appropriate for energy efficiency planning, as most measures have expected useful lifetimes in excess of 10 years. Fuel cost increases experienced thus far in 2022 are not reflected in the avoided costs but such price spikes have tended to dissipate over time in the past.

installed by the program administrators but does not include any active demand management resources installed by the program administrators.³

2 The RI Test Overview and Docket 4600 Benefit Cost Framework

The RI Test compares the present value of net benefits associated with the lifetime net savings of an energy efficiency measure / program to the total costs necessary to implement that measure / program. The RI Test may be applied to any energy efficiency measure / program independent of the primary fuel or resource the effort focuses on.

The RI Test captures the value created by efficiency measures installed in a particular program year across the useful life of the measure. The measure life is based on the technical life of the measure modified to reflect expected measure persistence. Because the RI Test captures the value associated with a stream of benefits over a period of time, a measure's benefits are present valued so that costs and benefits may be compared.

RI Test benefits are defined as the avoided resource supply and delivery costs, valued at marginal cost for the periods when there is load reduction, as well as the monetized value of non-resource savings.

The program costs are those paid by both the utility and by participants plus the increase in supply costs for any period when load is increased. All equipment, installation, O&M, removal, evaluation, and administration costs are included.

All savings included in the value calculations are net savings. The expected net savings are typically an engineering estimate of savings modified to reflect the actual realization of savings based on evaluation studies. The expected net savings also reflect market effects due to the program. The RI Test captures the combined effects of a program on both the participating customers and those not participating in a program. From a resource acquisition perspective, if the program induces participants or non-participants to acquire energy efficiency devices without program expenditures (i.e., outside of the program), these effects—known as spillover—should be attributed as program benefits in the RI Test. The costs incurred by customers to acquire equipment on their own are also counted as costs in the RI Test.

On the other hand, if customers accept program funds to implement an energy efficiency measure, they would have installed anyway, the associated savings are known as “free-ridership.” From the

³ Refer to the 2021 AESC Executive Summary for a descriptions of Counterfactuals #1 – 4 https://www.synapse-energy.com/sites/default/files/AESC%202021_20-068.pdf

perspective of resource acquisition through utility programs, it is important to distinguish whether a customer would have implemented the efficiency measure without the program. Therefore, savings associated with free ridership are deducted from program savings.⁴ The cumulative impact of realization rates and market effects on gross savings is known as net savings.

The benefits and costs considered in the RI Test as applied to Energy Efficiency and Active Demand Response are detailed in the next section.

3 Description of Program Benefits and Costs

The following benefits and costs are quantified and monetized in the RI Test. Section 5 of this document shows the alignment of each of these benefit and cost categories to the Docket 4600 Benefit-Cost Matrix for the electric portfolio.

- Electric Energy Benefits
- Electric Generation Capacity Benefits
- Electric Transmission Capacity and Distribution Capacity Benefits
- Natural Gas Benefits
- Fuel Benefits (including the value of delivered fuel savings from programs that influence delivered fuel consumption)
- Water and Sewer Benefits
- Non-Energy impacts
- Demand Reduction Induced Price Effects (DRIPE)
- Non-embedded Greenhouse Gas Reduction Benefits
- Economic Development Benefits
- Non-embedded NOx Reduction Benefits
- Value of Improved Reliability
- Combined Heat and Power Benefits
- Utility Costs
- Participant Costs

⁴ Both free-ridership and spillover have been determined from evaluation, measurement, and verification studies of program participants, non-participants, and other market actors, such as developers and vendors.

3.1 Electric Energy Benefits

Avoided electric energy costs are appropriate benefits for inclusion in the RI Test. When consumers do not have to purchase electric energy because of their investment in energy efficiency, an avoided resource benefit is created.

Electric energy savings are valued using the avoided electric energy costs developed in the 2021 AESC Study, Appendix B. The values in the 2021 AESC Study represent wholesale electric energy commodity costs that are avoided when generators produce less electricity because of energy efficiency.⁵ These values include pool transmission losses incurred from the generator through the point of delivery and the distribution company, and the costs of renewable energy credits borne by generators. The avoided energy costs also internalize the expected cost of complying with current or reasonably anticipated future regional or federal greenhouse gas reduction requirements which are borne by generators and passed through in wholesale costs.

The avoided energy costs in the 2021 AESC Study are provided in four different costing periods consistent with ISO-NE definitions. Net energy savings are split up into these periods in the value calculation. The time periods are defined as follows:

- Winter Peak: October – May, 7:00 a.m. – 11:00 p.m., weekdays excluding holidays.
- Winter Off-Peak: October – May; 11:00 p.m. – 7:00 a.m., weekdays. Also includes all weekends and ISO defined holidays.
- Summer Peak: June – September, 7:00 a.m. – 11:00 p.m., weekdays excluding holidays.
- Summer Off-Peak: June – September; 11:00 p.m. – 7:00 a.m., weekdays. Also includes all weekends and ISO defined holidays.

In the benefits calculation, energy savings are grossed up using factors that represent transmission and distribution losses, because a reduction in energy use at the customer site means less energy needs to be generated and less extra generation is needed to cover losses that occur in delivery. A wholesale risk premium factor is also added to capture market risk factors typically recovered by generators in their pricing, which also increases the wholesale costs.

⁵ Avoided costs may be viewed as a proxy for market costs. However, avoided costs may be different from wholesale market spot costs because avoided costs are based on simulation of market conditions, as opposed to real-time conditions. They may be different from standard offer commodity costs because of time lags and differing opinions on certain key assumptions, such as short term fuel costs.

Net energy savings for a program (or measures aggregated within a program) are allocated to each costing period and multiplied by the appropriate avoided energy value.⁶ The dollar benefits are then grossed up using the appropriate loss factors representing losses from the ISO delivery point to the end use customer.

- Summer Peak Energy Benefit (\$) = kWh * Energy%_{SummerPk} * SummerPk\$/kWh_(@Life) * (1 + %Losses_{SummerPk-kWh}) * (1 + Wholesale Risk Premium)
- Summer OffPeak Energy Benefit (\$) = kWh * Energy%_{SummerOffPk} * SummerOffPk\$/kWh_(@Life) * (1 + %Losses_{SummerOffPk-kWh}) * (1 + Wholesale Risk Premium)
- Winter Peak Energy Benefit (\$) = kWh * Energy%_{WinterPk} * WinterPk\$/kWh_(@Life) * (1 + %Losses_{WinterPk-kWh}) * (1 + Wholesale Risk Premium)
- Winter OffPeak Energy Benefit (\$) = kWh * Energy%_{WinterOffPk} * WinterOffPk\$/kWh_(@Life) * (1 + %Losses_{WinterOffPk-kWh}) * (1 + Wholesale Risk Premium)

3.2 Electric Generation Capacity Benefits

Avoided electric generation capacity values are appropriate for inclusion in the RI Test. When generators do not have to build new facilities or when construction can be deferred because of investments in energy efficiency, an avoided resource benefit is created. In the New England capacity market, capacity benefits accrue because demand reduction reduces ISO-NE's installed capacity requirement. The capacity requirement is based on the load's contribution to the system peak, which for ISO-NE is the summer peak. Therefore, capacity benefits accrue only from summer peak demand reduction. There is currently no winter generation capacity benefit.

Demand savings created through program efforts are valued using the avoided capacity values from the 2021 AESC Study, Appendix B. The values contained in the study reflect the avoided cost of peaking capacity and incorporate a reserve margin and losses incurred from the generator through the point of delivery and the distribution companies. ISO-NE reserve margins are incorporated into the capacity values, since energy efficiency avoids the back-up reserves for that generation as well as the generation itself. A loss factor representing losses from the ISO delivery point to the end-use customer is used as a multiplier, since those losses are not included in the avoided costs. Demand savings are calculated to be coincident with the ISO-NE definition of peak.

⁶ The notation "@Life" is an indication that the avoided value component for each benefit (e.g., electric energy, capacity, natural gas, etc.) is the cumulative net present value (in 2023 dollars) of avoided costs for each year of the planning horizon from the base year over the life of the measure. For example, the avoided value component for a measure with an expected life of ten years for any given benefit component is the sum of the net present value of the annual avoided costs for that component in Year 1, Year 2, Year 3, etc., through Year 10.

The dollar value of benefits is therefore calculated as:

- Generation Capacity Benefit (\$) = $kW_{\text{Summer}} * \text{GenerationCapValue} \$/kW_{(\text{@Life})} * (1 + \% \text{Losses}_{\text{Summer}kW})$

In addition to the traditional valuation of electric generation capacity, for which results are provided in Appendix B, the 2021 AESC study continued the methodology introduced in 2018 AESC for valuing the capacity of short duration measures that are not actively bid in the ISO-NE Forward Capacity Market (FCM). The AESC study has always provided avoided electric generation capacity values that are differentiated based on whether a measure is bid into the FCM or not.⁷ Given the three year forward nature of the FCM and the timing of the ISO-NE load forecast, it takes five years from the time of load reduction for uncleared capacity to begin impacting the FCM procurements. As a result, measures with a useful life less than five years (e.g., demand response) would not produce any generation capacity benefits in years 1-5 under the traditional capacity modeling methodology.

The 2021 AESC study conducted a detailed analysis of the ISO-NE load forecast methodology and determined that there are deferred capacity benefits for short duration measures that are not bid in the FCM which persist beyond the measure's useful life. The logic behind this analysis is that the ISO-NE load forecast utilizes multiple years of historical load data, and even a load reduction for only one year will have a lasting impact on the load forecast for several years. The deferred capacity valuation methodology for uncleared capacity is used to determine the avoided electric generation capacity value for demand response measures based on the values provided in Appendix J of the 2021 AESC study.

3.3 Electric Transmission Capacity and Distribution Capacity Benefits

Avoided transmission and distribution capacity values are appropriate for inclusion in the RI Test. When transmission and distribution facilities do not have to be built or can be deferred because of lower loads because of consumers' investments in energy efficiency, an avoided resource benefit is created.

Electric distribution capacity benefits are valued in the RI Test using avoided distribution capacity values calculated in a spreadsheet tool that was originally developed in 2005 by ICF International, Inc., updated with recommendations from the 2018 AESC Study, and carried forward to the 2021 AESC Study. The ICF tool calculates an annualized value of statewide avoided distribution capacity values from company-specific inputs of historic and projected capital expenditures and loads, as well as a carrying charge calculated from applicable tax rates and Federal Energy Regulatory Commission (FERC) Form 1 accounting data. The calculations of the electric distribution capacity benefits were updated for the 2023 plan using

⁷ Capacity bid into the FCM is known as cleared capacity. Capacity not bid into the FCM is known as uncleared capacity. Uncleared capacity passively reduces system load and subsequently reduces the ISO-NE load forecast and the resulting amount of capacity that is procured through the FCM.

updated inputs to this tool and results in an avoided distribution capacity cost of \$121.58/kW-year in 2022 dollars.

Electric transmission capacity benefits are valued in the RI Test based on the costs of Pool Transmission Facilities (PTF). The 2021 AESC study calculates an avoided cost for PTF of \$98.81/kW-year in 2022 dollars. In the 2021 AESC Study the estimation of the PTF values was revised to include transmission projects anticipated to occur through 2026, rather than the purely historical analysis of PTF investments as used in the 2018 AESC Study. The Company continues to use the avoided PTF values instead of the avoided cost of local transmission investments in screening the energy efficiency portfolios. PTF values are sourced from Appendix B.

For the 2023 Plan, the Company has also developed an estimate of non-PTF capacity value. This estimate was developed using the ICF model using company-specific information on load growth and investments in non-PTF transmission. The Company has calculated the value of the avoided cost for non-PTF of \$8.20/kW-year in 2022 dollars.

Capacity loss factors are applied to the avoided T&D capacity costs to account for local transmission and distribution losses from the point of delivery to the distribution company's system to the ultimate customer's facility. Thus, losses will be accounted for from the generator to the end use customer.

T&D benefits could be allocated to summer and winter periods, depending on the relation between summer and winter peaks on the local system. However, the Company's system is summer peaking. Therefore, the T&D benefits will be exclusively associated with summer demand reduction and the dollar value will be calculated as follows:

- Transmission Benefit (\$) = $(kW_{\text{Summer}} * \text{Trans}\$/kW_{(\text{@Life})} * [1 + (\text{Losses}_{\text{SumkWTrans}})])$ where $\text{Trans}\$/kW$ is the sum of PTF and non-PTF transmission avoided costs.
- Distribution Benefit (\$) = $(kW_{\text{Summer}} * \text{Dist}\$/kW_{(\text{@Life})} * [1 + (\text{Losses}_{\text{SumkWDist}})])$

3.4 Natural Gas Benefits

Avoided natural gas consumption is appropriate for inclusion in the RI Test. When a project saves natural gas, an avoided resource benefit is created.

Natural gas benefits in the RI Test are valued using avoided natural gas values from the 2021 AESC Study, Appendix C. These costs include commodity, pipeline transportation cost, and retail distribution margin, or delivery charges, that would be avoided by fuels not consumed by end users.

The 2021 AESC Study Report presents avoided natural gas value components into end-use categories to match with individual program characteristics. The natural gas categories are:

- Commercial and industrial, non-heating/hot water
 - Assumes savings are constant throughout the year
 - Averages monthly natural gas values over 12 months.
- Commercial and industrial, heating
 - Averages the monthly values for the months of November through March.
- Residential heating
 - Averages the monthly values for the months of November through March. These months have the highest natural gas values. Therefore, despite this category averaging over a fewer number of months, associated natural gas savings are typically higher.
- Residential water heating/residential non-heating
 - Assumes savings are constant throughout the year
 - Averages monthly natural gas values over 12 months.
- All commercial and industrial
 - Used for behavioral savings, codes and standards, and custom measures.
- All residential
 - Used for behavioral programs.
- All retail end-uses

Using each of these end-use value components as appropriate, the dollar value of fuel benefits is calculated as:

- Natural Gas Benefits (\$) = MMBtu Gas Savings * (Gas\$/MMBtu_(EndUseCategory,@Life))

3.5 Delivered Fuel Benefits

Avoided delivered fuel costs (fuel oil or propane) are appropriate for inclusion in the RI Test. When a project saves delivered fuels, an avoided resource benefit is created.

Fuel benefits in the RI Test are valued using avoided fuel values from the 2021 AESC Study, Appendix D. The 2021 AESC Study developed estimates of avoided fuel costs for residential distillate fuel oil, commercial distillate fuel oil, commercial residual fuel oil, industrial distillate fuel oil, industrial residual fuel oil, and residential propane.

Using each of these end-use value components as appropriate, the dollar value of fuel benefits is calculated as:

- Fuel Benefits (\$) = MMBtu_Fuel Savings * Fuel\$/MMBtu_(EndUseCategory,@Life)

3.6 Water and Sewer Benefits

Water savings created from program efforts should be valued and included in the RI Test. Water savings can be valued using avoided water and sewer values that are based on average water and sewer rates in Rhode Island. While there are no specific water efficiency measures, when an electricity or fuel efficiency project also affects water consumption—for example, a cooling tower project that reduces makeup water needed—a resource benefit is created. Depending on the project and metering configuration, changes in water consumption may also affect sewerage billings.

Water and sewerage rates were determined from a May 2021 internet survey of rates posted to the Rhode Island PUC website, updated as of September 3, 2020. Average rates were calculated for both residential and commercial and industrial customers and applied as appropriate to the water savings generated by measures.⁸

Water and sewer benefits are counted for all projects, where appropriate, and calculated as follows:

- Water and Sewerage Benefits (\$) = Water and/or Sewerage Savings * Water and/or Sewer \$/Gal_(@Life)

3.7 Non-Energy Impacts

Other quantifiable non-resource or non-energy impacts may be created as a direct result of Least Cost Procurement efforts and, are therefore appropriate for inclusion in the RI Test. Non-energy impacts are typically associated with the number of measures installed, rather than the energy consumption of the equipment. However, in some cases these impacts are applied on an annual or one-time basis. These impacts may be positive or negative, and they may be one-time benefits or annually recurring. The effects of non-energy impacts will be included when they are a direct result of the measure and are quantifiable and avoidable.

The specific values of non-energy impacts used in the 2023 Annual Plan for prescriptive measures are documented in the 2023 RI Technical Reference Manual. Non-energy impacts may include – but are not limited to – labor, material, facility use, health and safety, materials handling, property values, and transportation. For income-eligible measures, non-energy impacts also include the impacts of having lower energy bills to pay, such as reduced arrearages or avoided utility shut off costs. Non-energy impacts

⁸ RI Regulated Water Suppliers – Rates Updated September 3, 2020,
<http://www.ripuc.ri.gov/utilityinfo/water/residentialgri.html>

for Commercial and Industrial custom measures are counted when supported by site specific engineering calculations or other analyses.

The dollar value of non-resource benefits will be calculated as follows

- One-time Non-energy impacts (\$) = Non-energy impact (\$)/unit * Number of units
- Annual Non-energy impacts (\$) = Non-energy impact (\$)/unit * Number of units * Present Worth Factor_(@Life)

3.8 Price Effects

The Demand-Reduction-Induced Price Effect (DRIPE) is the reduction in prices in energy and capacity markets resulting from the reduction in need for energy and/or capacity due to efficiency and/or demand response programs. Consumers' investments in energy efficiency avoid both marginal energy production and capital investments, but also lead to structural changes in the market due to lower demand. Over time, the market adjusts to lower demand. However, until the market adjustment, reduced demand leads to a reduction in the market price of electricity. This trend is observed in the New England market when ISO-NE activates its price response programs. When this price effect results from consumer investments in energy efficiency, it is appropriate to include the effect in the RI Test.

DRIPE effects are very small when expressed as an impact on market prices, i.e., reductions of a fraction of a percent. However, DRIPE impacts are significant when expressed in absolute dollar terms over all the kWh and kW transacted in the market. Very small impacts on market prices, when applied to all energy and capacity being purchased in the market, translate to large absolute dollar amounts.

DRIPE values developed for energy efficiency installations in 2023 from the 2021 AESC Study are used in the RI Test. The price effects are expressed as \$/kWh for each of the four energy costing periods, \$/kW for capacity, \$/MMBtu for natural gas, and \$/MMBtu for oil. There are also cross fuel effects that apply when natural gas energy efficiency affects the price of electricity because residential heating and electric generation compete for natural gas supply in the winter. The resulting scarcity of natural gas for generation may drive up the cost of electricity. Therefore, reduction in natural gas consumption due to energy efficiency may cause a price effect for electricity.⁹ In addition, reducing demand for petroleum and refined products leads to a reduction in oil prices. The DRIPE benefit is calculated as:

⁹ Even though the price effect is for electricity, that DRIPE benefit is converted to \$/MMBtu so that it can be attributed to the gas savings that create the effect.

- Summer Peak Energy DRIPE Benefit (\$) = kWh * Energy%_{SumPk} * (SummerPkDRIPE\$/kWh_(@Life+ElectricGasDRIPE\$/kWh) * (1 + %Losses_{SummerPk-kWh}) * (1 + Wholesale Risk Premium)
- Summer OffPeak Energy DRIPE Benefit (\$) = kWh * Energy%_{SumOffPk} * (SumOffPkDRIPE\$/kWh_(@Life+ElectricGasDRIPE\$/kWh) * (1 + %Losses_{SummerOffPk-kWh}) * (1 + Wholesale Risk Premium)
- Winter Peak Energy DRIPE Benefit (\$) = kWh * Energy%_{WinterPk} * (WinterPkDRIPE\$/kWh_(@Life+ElectricGasDRIPE\$/kWh) * (1 + %Losses_{WinterPk-kWh}) * (1 + Wholesale Risk Premium)
- Winter OffPeak Energy DRIPE Benefit (\$) = kWh * Energy%_{WinOffPk} * (WinterOffPkDRIPE\$/kWh_(@Life+ElectricGasDRIPE\$/kWh) * (1 + %Losses_{WinterOffPk-kWh}) * (1 + Wholesale Risk Premium)
- Generation Capacity DRIPE Benefit (\$) = kW_{Summer} * CapDRIPEValue\$/kW_(@Life) * (1 + %Losses_{SummerkW}) * (1 + Wholesale Risk Premium)
- Natural Gas DRIPE Benefit (\$) = MMBtu_Fuel Savings * (GasDRIPEValue\$/MMBtu_(@Life) + GasElectricDRIPE\$/MMBtu)
- Oil DRIPE Benefit (\$) = MMBtu Fuel Savings * (OilDRIPEValue\$/MMBtu_(@Life))

3.9 Non-embedded Greenhouse Gas Reduction Benefits

In accordance with Section 1.3(C)(iii) of the LCP Standards and the Docket 4600 Benefit-Cost Framework the RI Test includes the value of non-embedded greenhouse gas (GHG) reductions.

The 2021 AESC Study developed multiple approaches for calculating the non-embedded cost of carbon.¹⁰ The four methods for calculating the non-embedded cost of carbon are:

- A damage cost approximated by the social cost of carbon (SCC);
- A global marginal abatement cost (MAC) approach;
- An approach based on New England MAC (electric sector), assuming a cost derived from electric sector technologies, with offshore wind being the marginal abatement technology; and
- An approach based on New England MAC (multiple sector), assuming a cost derived across multiple sectors (i.e., renewable natural gas).

For the 2023 Annual Plan, the Company proposes using a hybrid approach for quantifying the non-embedded cost of carbon by leveraging both the New England MAC (electric sector) and the SCC, the

¹⁰ The 2021 AESC Study, re-released on May 14th, 2021, may be found at the following: https://www.synapse-energy.com/sites/default/files/AESC%202021_20-068.pdf

latter of which is adjusted to reflect an update recommended by a Supplemental Study to AESC 2021. This hybrid approach employs the New England MAC method for energy efficiency measures that involve new fossil fuel process heating, space heating, or water heating equipment regardless of the customer's prior heating source and employs the SCC method for all other measures.¹¹ This is rationalized by the following:

- The SCC is the “monetary value of the net harm to society associated with adding a small amount of [carbon] to the atmosphere in a given year” and is the “theoretically appropriate” value to use “when conducting benefit-cost analyses of policies that affect GHG emissions.”¹² Unlike a market-based value such as the New England MAC (electric sector), the SCC captures the cost of intergenerational externalities from the release of greenhouse gases.
- Rhode Island’s Act on Climate interim and final carbon reduction goals are ambitious.¹³
 - a. RI orders that GHG emissions shall be 45% below 1990 levels by 2030.
 - b. RI orders that GHG emissions shall be 80% below 1990 levels by 2040.
 - c. RI orders that GHG emissions shall be net-zero by 2050.
- Rhode Island’s Act on Climate interim and final carbon reduction goals are aligned with the ambition of Massachusetts’ Senate Bill 9 (SB9) – *An Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy*, which was also signed into law in 2021.
 - a. MA orders that GHG emissions shall be 50% below 1990 levels by 2030.
 - b. MA orders that GHG emissions shall be 75% below 1990 levels by 2040.
 - c. MA orders that the state achieves at least net zero by 2050 provided that the level of emissions in 2050 be no higher than a level 85% below 1990 levels.
- Massachusetts Energy Efficiency Program Administrators engaged with Synapse to perform an updated review of the SCC which is reflected in a released update to the AESC 2021 Study, referred to as the AESC 2021 Supplemental Study.¹⁴ The goal of this effort was to ensure that avoided cost values used to calculate benefits for energy efficiency measures are based on the most up-to-date information available to complement the final 2022-2024 MA Energy Efficiency Plan and MA SB9.
 - a. As a result of reasoning outlined in the Supplemental Study, the 15-year levelized value of the SCC, in 2021 dollars per short ton, increased from \$128/short ton to \$393/short ton.

¹¹ In the 2022 Annual Plan, the Company applied the New England MAC derived from the electric sector as the non-embedded cost of carbon for both electric and gas portfolios.

¹² Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide, Interim Estimates under Executive Order 13990, found at the following: https://www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf

¹³ The RI Act on Climate may be found at the following: <http://webserver.rilin.state.ri.us/Statutes/TITLE42/42-6.2/INDEX.htm>

¹⁴ The AESC 2021 Supplemental Study, published on October 12th, 2021, may be at the following: https://www.synapse-energy.com/sites/default/files/AESC_2021_Supplemental_Study-Update_to_Social%20Cost_of_Carbon_Recommendation.pdf

- b. Chief drivers among Synapse’s detailed rationale for recommending a higher SCC are recent climate science findings from the IPCC’s August 2021 report, newer literature on economic damages, consideration of the previously overlooked impacts of the cost of adaptation, revisitation of climate scenario probability weighting, and evolving conversation around the appropriate central discount rate for intergenerational discounting since the SCC’s original release by the Federal Interagency Working Group in 2016.
- c. Section 18 of MA SB9 states that “when determining cost-effectiveness, the calculation of benefits shall include calculations of the social value of greenhouse gas emissions reductions, except in the cases of conversions from fossil fuel heating and cooling to fossil fuel heating and cooling.”¹⁵
 - Due to the exceptions made for fossil fuel equipment in MA SB9, Massachusetts’ 2022-2024 Energy Efficiency Plan employs a hybrid approach for quantifying the non-embedded cost of carbon via the New England MAC (electric sector) and the updated value for SCC, where the lower New England MAC (electric sector) method is applied to measures that involve fossil fuel equipment being replaced by fossil fuel equipment (e.g., a new fossil fuel boiler) and the SCC method is applied to all other measures (e.g., insulation).
 - As a result, measures that do not incentivize new fossil fuel equipment contribute greater non-embedded carbon benefits since the New England MAC (electric sector) approach results in less \$ per ton of carbon avoided than the SCC approach.
 - The Company believes that this methodology represents a reasonable approach to the estimation of the non-embedded carbon price. It reflects consistency with the objectives of the Act on Climate and the achievement of Rhode Island’s carbon reduction goals as well as with advances in the estimation of the value of greenhouse gas reduction.

The AESC 2021 Supplemental Study found that the SCC was \$393/short ton, levelized over a 15-year period, and the May re-release of the 2021 AESC study found that the New England MAC (electric sector) was \$124/short ton, levelized over a 15-year period, both values being in 2021 dollars.¹⁶

The costs of compliance with the Regional Greenhouse Gas Initiative (RGGI) are already included or “embedded” in the projected electric energy market prices. Therefore, in the context of electric savings, these costs are removed from the overall cost of carbon to obtain the non-embedded cost of carbon. In the context of fossil fuel savings, which are not affected by the cost of compliance with RGGI, the full value of the cost of carbon may be used as the non-embedded cost of carbon. The 2021 AESC study found that the embedded cost of RGGI was \$8.50/short ton, levelized over a 15-year period (in 2021 dollars). As a

¹⁵ <https://malegislature.gov/bills/192/S9>

¹⁶ Because of the long-term nature of climate impacts, the Supplemental Study uses longer term discount rates in the derivation of these values than those used in AESC 2021.

result, the non-embedded costs of carbon under the New England MAC (electric sector) and SCC GHG cost basis are approximately \$115/ton and \$385/ton, respectively.

The Company obtained the non-embedded cost of carbon values from User Interface file Appendix B of the 2021 AESC Study for electric savings and User Interface file Appendix G for gas, oil, and propane savings.¹⁷ In this form, the non-embedded cost of carbon is expressed as a \$/kWh value or a \$/MMBtu value, the former of which depends on the summer/winter peak/off-peak short tons/kWh of electricity from a Synapse-modeled electric grid (EnCompass model, Counterfactual #1) through time and the latter of which depends on whether the MMBtu savings come from natural gas, oil, and propane given constant emission factors as reported by the U.S. Energy Information Agency.¹⁸ Fossil fuel emission factors are as follows:

- Natural Gas emission factor: 0.0585 short tons/MMBtu
- Fuel Oil emission factor: 0.0805 short tons/MMBtu
- Propane emission factor: 0.0695 short tons/MMBtu

The non-embedded greenhouse gas reduction benefit is calculated by multiplying the kWh and/or MMBtu fuel savings by the respective non-embedded cost of carbon specific to that fuel type and temporal category, if applicable (e.g., summer peak). The “NonEmbeddedCarbonValue\$” portion of the calculations depends further on SCC or New England MAC (electric sector) applicability for each measure.

- Summer Peak Non-Embedded Greenhouse Gas Benefit (\$) = kWh * Energy%_{SummerPk} * SummerPkNonEmbeddedCarbonValue\$/kWh_(@Life) * (1 + %Losses_{SumPk-kWh})
- Summer OffPeak Non-Embedded Greenhouse Gas Benefit (\$) = kWh * Energy%_{SummerOffPk} * SummerOffPkNonEmbeddedCarbonValue\$/kWh_(@Life) * (1 + %Losses_{SummerOffPk-kWh})
- Winter Peak Non-Embedded Greenhouse Gas Benefit (\$) = kWh * Energy%_{WinterPk} * WinterPkNonEmbeddedCarbonValue\$/kWh_(@Life) * (1 + %Losses_{WinterPk-kWh})
- Winter OffPeak Non-Embedded Greenhouse Gas Benefit (\$) = kWh * Energy%_{WinterOffPk} * WinterOffPkNonEmbeddedCarbonValue\$/kWh_(@Life) * (1 + %Losses_{WinterOffPk-kWh})

¹⁷ In order to obtain the non-embedded CO2 values based on Synapse’s updated guidance for SCC, values from Table 1 of the AESC 2021 Supplemental Study were placed into Table 16 of the “Library” tab under the “1.00%” discount rate column in the User Interface file. Toggling for “Social cost of CO2” or “New England MAC (electric sector)” in cell D24 of the “User Interface” tab directly impacts which non-embedded cost of carbon is output in Appendix B and G. The workbook must be set to “Automatic” calculation mode for proper calculation.

¹⁸ While Counterfactual #4 is used as the basis of RI’s avoided costs, the User Interface workbook is designed to use Counterfactual #1 for calculating CO2 short tons/MWh from the modeled electric grid. The workbook states “All counterfactuals are expected to have largely similar marginal emission rates.”

- Natural Gas Non-Embedded Greenhouse Gas Benefit (\$) = MMBtu Gas Savings * GasNonEmbeddedCarbonValue\$/MMBtu_(Gas, @Life)
- Fuel Oil Non-Embedded Greenhouse Gas Benefits (\$) = MMBtu Fuel Oil Savings * FuelOilNonEmbeddedCarbonValue\$/MMBtu_(Fuel Oil, @Life)
- Propane Non-Embedded Greenhouse Gas Benefits (\$) = MMBtu Propane Savings * PropaneNonEmbeddedCarbon\$/MMBtu_(Propane, @Life)

To quantify the Year 1 gross carbon reduction due to the 2023 Annual Plan, the relevant emission factors (short tons/MWh or short tons/MMBtu_{Fuel}) are multiplied by the relevant gross annual savings. For the electricity emission factor, the value used reflects an average across the summer/winter peak/off-peak values found in the AESC 2021 study for the Plan year in question. For the 2023 Annual Plan, the Year 1 electricity emission factor is found to be 0.39413 short tons/MWh in 2023.

Contribution to Rhode Island's emission reduction targets may be quantified by dividing the total Year 1 gross carbon reduction due to the 2023 Annual Plan by the % reduction of Rhode Island's 1990 Annual Gross GHG Inventory for the interim goal of interest.¹⁹ This relationship can be described as follows:

- Year 1 Gross Carbon Reduction as % Progress Toward X Interim Goal = (Year 1 Gross Carbon Reduction) / [(% Reduction of Rhode Island's 1990 Gross GHG Inventory by X Year) * (Rhode Island's 1990 Gross GHG Inventory)]

3.10 Non-embedded NO_x Reduction Benefits

In accordance with Section 1.3(C)(iii) of the Standards and the Docket 4600 Benefit-Cost Framework, the RI Test includes the value of nitrogen oxides (NO_x) emission reductions not already embedded in the avoided cost of energy.

NO_x emissions come from a variety of sources including industrial processes and the combustion of natural gas for electric generation and heating systems. NO_x contributes to the formation of fine particles (PM) and ground level ozone that are associated with adverse health effects including respiratory illness. When a consumer installs an energy efficiency measure that reduces electric generation and natural gas usage, (and subsequently NO_x emissions), an avoided resource benefit is created.

The 2021 AESC Study utilizes published averages for the continental United States to develop a non-location specific, non-embedded NO_x emission cost. The 2021 AESC Study assumes a 90/10 mix of NO and

¹⁹ Rhode Island's Greenhouse Gas Emissions Inventory between 1990 and 2018 may be found at the following: <https://dem.ri.gov/programs/air/ghg-emissions-inventory.php>

NO₂, which translates to a price of \$14,700 per short ton of NO_x at the median value from cited studies. That translates to an avoided cost for NO_x equal to \$0.77 per MWh.

The Company obtained the non-embedded NO_x values from Appendix B in the User Interface file for Counterfactual #4 for electricity savings and Appendix G in the User Interface file for non-electric savings.

The non-embedded NO_x reduction benefit is calculated similarly to the non-embedded greenhouse gas reduction benefit except that natural gas and fuel oil are sector specific. In other words, Appendix G of the User Interface tool provides non-embedded NO_x costs for natural gas and fuel oil depending on whether those savings are derived from the residential, commercial, or industrial sector. The non-embedded NO_x reduction benefit is calculated by multiplying the kWh and/or MMBtu fuel savings by the respective non-embedded cost of NO_x specific to that fuel type, sector, and temporal category (e.g., summer peak), if applicable.

- Summer Peak Non-Embedded NO_x Benefit (\$) = kWh * Energy%_{SummerPk} * SummerPkNonEmbeddedNOxValue\$/kWh_(@Life) * (1 + %Losses_{SumPk-kWh})
- Summer OffPeak Non-Embedded NO_x Benefit (\$) = kWh * Energy%_{SummerOffPk} * SummerOffPkNonEmbeddedNOxValue\$/kWh_(@Life) * (1 + %Losses_{SummerOffPk-kWh})
- Winter Peak Non-Embedded NO_x Benefit (\$) = kWh * Energy%_{WinterPk} * WinterPkNonEmbeddedNOxValue\$/kWh_(@Life) * (1 + %Losses_{WinterPk-kWh})
- Winter OffPeak Non-Embedded NO_x Benefit (\$) = kWh * Energy%_{WinterOffPk} * WinterOffPkNonEmbeddedNOxValue\$/kWh_(@Life) * (1 + %Losses_{WinterOffPk-kWh})
- Natural Gas Non-Embedded NO_x Benefit (\$) = MMBtu Gas Savings * GasNonEmbeddedNOxValue\$(Sector)/MMBtu_(Gas, @Life)
- Fuel Oil Non-Embedded NO_x Benefits (\$) = MMBtu Fuel Oil Savings * FuelOilNonEmbeddedNOxValue\$(Sector)/MMBtu_(Fuel Oil, @Life)
- Propane Non-Embedded NO_x Benefits (\$) = MMBtu Propane Savings * PropaneNonEmbeddedNOx\$/MMtBu_(Propane, @Life)

3.11 Value of Improved Reliability

In accordance with the Docket 4600 Benefit-Cost Framework, the RI Test includes the value of improved reliability from energy efficiency investments.

The 2021 AESC Study used the following methodology to determine the value of improved reliability. As with the 2018 AESC Study, the 2021 AESC Study in part relied on the value of lost load (VoLL) from the

Lawrence Berkeley National Laboratories (LBNL) assessment “Updated Value of Service Reliability Estimates for Electric Utility Customers in the United States.” Berkeley: LBNL, 2015. LBNL-6941E. The VoLL describes the cost to consumers of being unable to take power from the system. New to the 2021 AESC Study, an additional study was incorporated into the calculations of lost load. Cambridge Economic Policy Associates released a study in July 2018 entitled “Study on the Estimation of the Value of Lost Load of Electricity Supply in Europe.” This study assessed the VoLL in each European Union country for residential customers and 13 types of non-residential customers. The 2021 AESC Study examined annual average VoLLs of EU countries and identified those most similar to the New England region on a GDP per capita basis. To develop the estimate of the VoLL in the AESC report, Synapse averaged findings from the LBNL and Cambridge Economic Policy Associates studies together for each category of customer. Then, using share-of-sales data for the residential, small C&I, and large C&I customer segments, Synapse calculated a weighted average VoLL of \$73 per kWh.

The 2021 AESC Study then examined the ability of load reduction to increase reserve margins in the ISO New England (ISO-NE) Forward Capacity Market (FCM) and therefore increase reliability in the wholesale generation market.

Load reductions can improve generation reliability in the following ways:

- Some resources that do not clear ISO New England’s Forward Capacity Auction (FCA) will continue to operate as energy-only resources, adding to available reserves. While not obligated to do so, these resources are likely to operate at times of tight supply and high energy prices. They may also be available to assume the capacity obligations of resources that unexpectedly retire or otherwise become unavailable.
- Not all energy efficiency load reductions will clear in the capacity market or immediately affect the load forecast used to determine the amount of capacity acquired. Those load reductions will increase reserve margins.
- The operation of the ISO New England capacity market increases the amount of capacity acquired as the price falls. To the extent that energy efficiency programs reduce the capacity clearing price, reserve margins and reliability will increase.

The 2021 AESC Study monetized cleared reliability benefits in \$/kW-month by calculating the product of (a) the change in MWh of reliability benefits per megawatt of reserve, (b) the net increase in cleared supply, (c) the decay effect, and (d) the VoLL.²⁰ Uncleared reliability benefit in \$/kW-month is calculated as the product of (a) the change in MWh of reliability benefits per megawatt of reserve, (b) one plus the reserve margin, (c) the load forecast effect, (c) the decay effect, and (e) the VoLL.

²⁰ Refer to the 2021 AESC Study section 11.2 for additional detail on the derivation of each of these components.

As recommended by the 2021 and 2018 AESC Studies, the Company applies different reliability values to measures that clear and don't clear the Forward Capacity Market auction. This is because the reliability effect of cleared energy efficiency load reductions will be partially offset by reduction in the amount of other capacity cleared, while uncleared load reductions will not be subject to such offsets.

The Company applied Reliability Value of Cleared EE (\$/kW-year) from the 2021 AESC Study to all summer kW savings associated with cleared measures and the Reliability Value of Uncleared EE (\$/kW-year) from the 2021 AESC Study to all summer kW savings associated with uncleared measures. Reliability values are sourced from the AESC User Interface file Appendix B, Counterfactual #4.

The reliability benefit is calculated as follows with the reliability value in \$/kW changing whether a measure is assumed to be cleared or uncleared in the FCM auction. The 2021 AESC Study Counterfactual #4 finds that the 15-year levelized benefit of increasing generation reserves through reduced energy usage is \$0.49/kW-year for cleared resources.

- Wholesale Reliability Value Benefit (\$) = $kW_{Summer} * ReliabilityValue_{\$/kW_{(Life)}} * (1 + \%Losses_{SummerkW})$

3.12 Combined Heat and Power Benefits

R.I.Gen.Laws §39-1-27.7(c) (6) (iii) directs the Company to support the development of combined heat and power (CHP). The law requires that the following criteria be factored into the Company's CHP plan: (i) economic development benefits in Rhode Island; (ii) energy and cost savings for customers; (iii) energy supply costs; (iv) greenhouse gas emissions standards and air quality benefits; and (v) system reliability benefits.²¹ Energy and cost savings and energy supply costs are captured in the energy benefits described above. The other three listed benefits – economic development, greenhouse gas, and system reliability benefits – are described below.

Economic Development

As provide by the statute, for all CHP projects, net economic development benefits will be counted as benefits. If the CHP project is smaller than 3 MW, the gross state product multipliers for the program in which it is implemented (e.g., C&I retrofit) presented in Table 1 or Table 2 below will be used to calculate the benefits. The rate of economic development benefit of lifetime gross state product increases per dollar of program investment for CHP projects less than 3 MW is based on the report, "Review of RI Test and Proposed Methodology" prepared for the Company by the Brattle Group, January 31, 2019. The multiplier reflects the present value of lifetime state gross domestic product (GDP) effects of program and

²¹ See R.I. Gen.Laws § 39-1-27.7(c) (6) (iii).

participant spending that creates jobs in construction and other industries as the project is planned, and equipment is purchased and installed. Therefore, the CHP Economic Development benefits will be calculated as program and participant spending (\$) x program multiplier.

For CHP projects larger than 3 MW in size, the Company will run a REMI analysis using project-specific values in accordance with the recommended methodology from the Brattle Group study.²² The economic benefits from this analysis are added to the economic benefits for the program derived from all other measures in this program to arrive at the total program benefits.

Greenhouse gas emissions standards and air quality benefits

For all CHP projects, greenhouse gas mitigation and air quality benefits will be counted as benefits to the extent they are not already captured in the BCR screening values and to the extent that usable emissions data is available. The emissions profile of the CHP site facility prior to the installation of the retrofit (most likely a combination of grid supplied generation for electricity and an on-site boiler for thermal needs) will be compared to the emissions post-retrofit (most likely the CHP unit alone). The change in emissions in tons will be multiplied by a value of \$/ton for each pollutant and the values will be summed over all pollutants and counted as a benefit in the benefit/cost calculation. This method is contingent on having emissions data for all pollutants. This information is often difficult to come by; for example, ISO-New England annually publishes emissions per kWh for only SO_x, NO_x, and CO₂. Similarly, the amount of emissions for all pollutants associated with a particular CHP unit is not always provided. Where locational information is not available, the value of CO₂ emission reductions and NO_x reductions will be calculated consistent with sections 9 and 11 above.

System Reliability

If a CHP project is proposed in a system reliability target area, the system reliability benefits from deferring a distribution system upgrade would be captured in the System Reliability Procurement report. In the context of CHP located elsewhere in the state, system reliability benefits are the local distribution benefits created by the introduction of the CHP unit in the local area. Notably, CHP projects do not produce the

²² In the 2022 Benefit Cost Model, the Company applied a weighted average economic multiplier to the C&I Retrofit program that accounts for the economic multipliers for C&I Retrofit and CHP. CHP expenditures, besides incentives, are not disaggregated from the rest of the expenditures for the C&I Retrofit program so the multiplier cannot be applied directly to program spending for CHPs. Therefore, the Company created a multiplier applicable to both CHP and C&I Retrofit by taking a weighted average of the two multipliers, weighted by incentives to be spent on CHP and the rest of C&I Retrofit projects. The final weighted average multiplier applied to the total C&I Retrofit program, including CHP, was \$5.72.

same level of deferred distribution investment savings described in Section (3) above, as traditional energy efficiency.²³ Accordingly, the distribution benefits are modified as follows:

- For CHP systems of less than 1 MW net capacity, the distribution deferral benefit value estimated by the Company based on system wide averages will be multiplied by 0.75 to incorporate an estimate of the reliability experience of discrete deployment of CHP units compared with end-use reduction efficiency measures which are spread across the state;²⁴
- For CHP systems equal to or greater than 1 MW net capacity, the distribution benefit will consider location-specific distribution benefits, as opposed to average system-wide benefits. The results of this analysis will replace the adjusted 0.75 of average system-wide distribution benefit described for CHP projects of less than 1 MW. This may entail a detailed engineering analysis performed by the Company, and additional costs. This consideration will have two parts: 1) identification of foreseeable investments that the CHP installation could potentially help defer, and their value; and 2) whether the unit will be sufficiently reliable, or firmed through the provision of physical assurance by the customer, to enable such savings to be realized;
- For CHP projects of 1 net MW or greater, gas system benefits not paid out as incentives to the Customer via the AGT incentive or gas service contract terms will be counted as benefits.²⁵

3.13 Utility Costs

Utility costs incurred to achieve implementation of energy efficiency measures and programs are appropriate for inclusion in the RI Test. These costs have been categorized as follows:

- Program Planning and Administration (PP&A): These costs are the administrative costs associated with the utility role in program delivery, including payroll, information technology, contract administration, and overhead expenses.

²³ With traditional energy efficiency projects, the installed measures permanently reduce load on the electric distribution system and, therefore, reduce the need to make distribution investments. CHP projects may not result in similar deferred distribution investment savings. A CHP unit may not be available at all peak times, and, absent any contractual or mechanical modification to ensure that the load does not reappear, the Company will still need to design and maintain the distribution system for when that unit goes off line during a peak hour on a peak day. This is particularly significant with larger CHP projects, in which a single host customer represents a significant percentage of the total load on a feeder. With multiple smaller units, some level of savings is possible, but these units are still not likely to produce distribution benefits in the same manner as traditional energy efficiency.

²⁴As explained in footnote 10, *supra*, while multiple small CHP units may produce some level of savings, these units are still not likely to produce distribution benefits in the same manner as traditional energy efficiency. Therefore, the 0.75 factor is adopted as a planning assumption to represent the contingency that, when a single CHP unit on a feeder fails to perform, the load reappears on the system. As more CHP units, particularly smaller units, are deployed in the state, the diversity of operation may allow the adjustment factor to be increased. The Company intends to review this planning assumption based on actual experience for future EE Program Plan filings.

²⁵ For example, a 3 MW installation with an additional sales volume of approximately 150,000 Dth per year would generate approximately \$130,000 of marginal revenue per year under current rates. Assuming \$100,000 of capital costs, the project could qualify for up to \$573,000 in AGT funding, subject to budget limitations.

- Marketing: These are the costs of marketing and advertising to promote a program. The costs also include the payroll and expenses to manage marketing.
- Cost of services and product rebates/incentives provided to customers: These are the incentives from program to customer that customers to install energy efficient equipment. Incentives include, but are not limited to, rebates to customers, copayments to vendors for direct installation of measures, payments to distributors to buy down the cost of their products for sale in retail stores, payments to vendors to create and deliver information, costs of an education course, or payments to lenders to buy down the interest in a loan. Customer incentives typically cover a portion of the equipment and installation costs directly associated with the energy efficient equipment being installed.²⁶ For a retrofit project, the customer incentives cover a portion of the full cost of the efficiency project, as it is assumed that the alternative to the project is no customer action. For a failed equipment replacement/renovation/new construction project, these customer incentives cover a portion of the incremental additional costs associated with moving to a higher efficiency item or practice compared to what the customer would have done otherwise.
- Sales, Technical Assistance, and Training (STAT): These costs include the training and education of the trade ally community regarding the company's current energy efficiency programs. Examples of trade allies include but are not limited to: equipment vendors, heating contractors, lead vendors, project expeditors, weatherization contractors, and equipment installers. These costs also include the tasks associated with internal and contractual delivery of programs. Tasks associated with this budget category include but are not limited to: lead intake, customer service, rebate application, quality assurance, technical assessments, engineering studies, plan reviews, payroll and expenses.
- Evaluation: These are the costs of evaluation or market research studies to support program direction and post-installation studies to study program effectiveness or verification of savings estimates. These costs also include the payroll and expenses to manage the research.
- Performance Incentive: This is the incentive received by the Company for meeting specified savings goals and/or performance targets (the Company would not implement energy efficiency programs to the extent it does without the incentive). The performance (shareholder) incentive is included in the cost of energy efficiency.

3.14 Customer Costs

Customer costs include the customer's contribution to the installation cost of the efficient measure. Typically, this is the portion of the equipment and installation cost not covered by the customer incentive.

²⁶ The full cost of the efficiency project is not necessarily the same as the full cost of the project being undertaken by the customer. For example, a customer may be renovating an HVAC project that includes a newly installed chiller and chilled water distribution system. While the new distribution system may be part of the construction project, if it does not contribute to energy savings, it will not be included in the efficiency project cost; only the incremental cost of the new efficient chiller will be considered.

As noted above, it excludes the cost of equipment that might be part of the customer's construction project, but that is not related to the energy efficiency portion of the project.

In addition to the direct costs that customers face to purchase energy efficient equipment, they may have additional costs for participating in energy efficiency programs that are not quantified and monetized. For example, a customer participating in a home energy assessment may need to spend some amount of time at home in order to facilitate the assessment, creating some time cost for the customer to participate. The magnitude and value of these additional potential time costs are currently unknown. They would likely vary by sector, program, and possibly measure and are therefore challenging to estimate reliably.

4 Benefit Cost Calculations

The cost-effectiveness of a measure, program, or portfolio is determined by calculating whether the ratio of the net present value of the benefits to the net present value of the costs is greater than or equal to 1.

For the 2023 Annual Plan, all costs and benefits will be expressed in constant 2022 dollars. When escalation of specific avoided cost inputs is needed to produce values in 2022 dollars, appropriate inflation rates are used.²⁷

The avoided value component for each benefit (e.g., electric energy, capacity, natural gas, etc.) is the cumulative net present value (in 2022 dollars) of lifetime avoided costs for each year of the planning horizon from the base year up to the measure life of the equipment. Since all future year values are in constant 2022 dollars, calculated lifetime benefits are discounted back to mid-2022 using a real discount rate equal to $[(1 + \text{Nominal Discount Rate}) / (1 + \text{Inflation})] - 1$.

As prescribed by the Standards, all values in the Plan and the benefit-cost model are stated in present value terms, “using a discount rate that appropriately reflects the risks of the investment of customer funds in Least-Cost Procurement. Energy efficiency is a low-risk resource in terms of cost of capital risk, project risk, and portfolio risk.” For the 2023 Annual Plan, the Company modified the approach used to calculate the discount rate. For the 2021 Annual Plan and prior years, the real discount rate was calculated from the twelve-month average of the historic daily real yields from a ten-year United States Treasury note, using the preceding calendar year to determine the twelve-month average. During 2021, Treasury yields exhibited atypical behavior, with several daily yields being less than zero, in part due to the influence of the Covid-19 Pandemic and its prolonged economic impacts. To account for this behavior, three years of past data (2019 – 2021) were used to calculate the discount rate. Additionally, in any case when the daily yield was negative, the value was set to zero for purposes of the averaging calculation. These calculations resulted in a real discount rate of 0.14% and nominal discount rate of 1.49%. If observed real yields only were used for 2021, a negative real discount rate would have resulted.

The total benefits will equal the sum of the NPV of each benefit component:

[Energy Benefits + Generation Capacity Benefits + Avoided T&D Benefits + Natural Gas Benefits + Fuel Benefits + Water & Sewer Benefits + Non-Resource Benefits + Price Effects Benefits + Non-embedded Greenhouse Gas Reduction Benefits + Non-embedded NO_x Reduction Benefits + Value of Improved Reliability + Economic Development Benefits (treatment as described above)]

The total costs will equal the sum of the NPV of each cost component:

²⁷ Inflation of avoided costs was made using assumptions from the 2021 AESC Study. The assumed inflation is lower than the recently experienced inflation. However, as noted above, the AESC Study provides a long-term view that is appropriate for energy efficiency planning.

[Program Planning and Administration + Sales, Training, Technical assistance + Marketing + Rebates and Other Customer Incentives + Evaluation + Shareholder incentive+ Customer Cost]

The RI Test benefit cost ratio will then equal:

$$\frac{\text{Total NPV Benefits}}{\text{Total NPV Costs}}$$

Per the Standards, on a program level, all benefit categories are included in the benefit/cost calculation. All cost categories, except the shareholder incentive, are included at the program level because they are tracked at that level.²⁸

On a sector level, the cost of pilots, community-based initiatives, sector financing, workforce development, and educational/outreach programs (which are not focused on producing savings), and the projected shareholder incentive, are included with the other costs in the determination of cost-effectiveness. The shareholder incentive is included at this level because it is designed to achieve savings targets by sector. At a portfolio level, the allocations to the Office of Energy Resources and EERMC are also included in the cost-effectiveness calculation.

Separate calculations of benefits and cost-effectiveness are provided for the electric energy efficiency programs and natural gas energy efficiency programs. Some electric energy efficiency programs are expected to produce natural gas savings in addition to electricity savings while some natural gas energy efficiency programs are expected to produce electricity savings in addition to natural gas savings. All resource benefits produced by a program are shown with that program. For example, an HVAC project that improves air distribution incented through the electric Large C&I Retrofit Program will produce natural gas savings when natural gas is used by the participant for heating.

5 Economic Impacts (Non-CHP Measures)²⁹

Per the precedent set for the 2022 Plan and with the agreement of stakeholders, economic impacts are presented separately and not included in the estimation of the RI Test ratios. The Rhode Island PUC may consider the estimated value of these economic impacts in their determination of cost-effectiveness under the Least Cost Procurement standards.³⁰

²⁸ Commitments, if any, of customer incentives made from one year to the next are excluded from the program costs used in the benefit/cost calculation. The costs are only counted in the year in which the incentive is paid and the savings are counted.

²⁹ This section details the methodology for applying economic benefits to non-CHP measures. Section 13 in this document refers to the application of economic benefits to CHP measures.

³⁰ LCP Standards, Section 3.2(N) states “qualitative benefits and costs may be considered in determining cost-effectiveness.” The exception to this would be for Combined Heat and Power facilities, since the inclusion of economic benefits is required by statute.

The macroeconomic multipliers for the economic growth and job creation benefits of investing in cost-effective energy efficiency are based on the report, "Review of RI Test and Proposed Methodology" prepared for National Grid by the Brattle Group, January 31, 2019. The presentation of economic impacts in Attachments 5 and 6 includes gross domestic product and job-years associated with the proposed investment in energy efficiency in Rhode Island in 2023 using values derived from the Brattle study.

The exclusion of economic benefits from cost-effectiveness calculations was motivated by the DPUC, via their consultant Synapse Energy Economics, who conducted a benefit cost analysis and assessment of the treatment of macroeconomic benefits of the RI Community Remote Net Metering (CRNM) program in early 2021.³¹ This analysis recommended that, due to the challenges of fully separating all benefit streams within macroeconomic benefits from those already included in other benefit categories counted in the RI Test, the results of an economic impact assessment (EIA) should be shown separately from a BCA and that further discussion of the approach to including economic benefits in the RI Test are warranted to refine the estimation of macroeconomic benefits.

An update to the 2019 Brattle study is planned to be completed for use in 2024-2026 planning. It is anticipated that the forthcoming study will identify values for other categories of economic impact identified by the Division (i.e., business income, personal income, state income taxes) as well as give attention to the question of how double counting of economic benefits in cost-effectiveness testing can be avoided.

For the 2023 Annual Energy Efficiency Plan, the Company shows RI Test results without economic impacts included. Omission of the macroeconomic benefits and other economic impacts lowers benefit cost ratios for all programs and the portfolios as a whole. Because this is a conservative approach to addressing potential double counting and likely underestimates cost-effectiveness, the Company submits that the cost-effectiveness of its programs and portfolios is likely greater than what is shown for the RI Test and requests that the Commission take this into consideration when assessing the cost-effectiveness of the Plan.

³¹ <http://www.ripuc.ri.gov/generalinfo/Synapse-CRNM-Macroeconomic-Report-2021.pdf>

Figure 1. Multipliers by Energy Efficiency Program Type

Program Type	GDP/\$ Program Spending	Job Years/\$M Program Spending
Electric Program		
<i>Residential Programs</i>		
Residential New Construction	\$1.56	14.8
HVAC	\$1.58	12.2
EnergyWise	\$1.05	12.3
EnergyWise Multifamily	\$1.45	14.8
Home Energy Reports	\$1.65	13.6
Residential Products	\$1.11	8.5
Single Family - Income Eligible Services	\$0.96	10.9
Income Eligible Multifamily	\$1.30	13.4
<i>Commercial and Industrial</i>		
Large Commercial New Construction	\$2.74	19.0
Large Commercial Retrofit	\$5.28	51.4
Small Business Direct Install	\$1.53	12.3
Gas Program		
<i>Residential</i>		
Energy Star® HVAC	\$0.97	6.9
EnergyWise	\$1.08	11.9
EnergyWise Multifamily	\$1.70	16.5
Home Energy Reports	\$1.12	7.5
Residential New Construction	\$0.34	2.4
Single Family - Income Eligible Services	\$1.05	12.1
Income Eligible Multifamily	\$1.62	16.0
<i>Commercial and Industrial</i>		
Large Commercial New Construction	\$0.74	1.2
Large Commercial Retrofit	\$2.10	16.4
Small Business Direct Install	\$1.39	13.4
Commercial & Industrial Multifamily	\$1.55	11.0
Demand Response		
Residential ConnectedSolutions	\$0.83	6.9
Commercial ConnectedSolutions	\$2.19	17.5

6 Docket 4600 Benefit Cost Framework

Table 1. Alignment of RI Test to Docket 4600 Framework for 2023 Electric Energy Efficiency and Active Demand Response Portfolio

Category Level	Cat. #	Mixed Benefit-Cost, Cost, or Benefit Category	Treatment in Benefit-Cost Analysis (Quantified, Qualified, Not Treated)	Present Value or Qualitative Description	Description and Notes	Benefit or Cost
Power System Level	1	Energy Supply & Transmission Operating Value of Energy Provided or Saved	Quantified	\$16,131,136	Energy Efficiency Measures: <i>Winter peak electric energy (kWh) savings</i> are monetized for winter peak by multiplying savings during this period by the avoided retail cost of winter peak energy from Appendix B of the avoided cost schedules in the AESC 2021 study.	Benefit
				\$210	Active Demand Response Measures: <i>Winter peak electric energy (kWh) savings</i> are monetized for winter peak by multiplying savings during this period by the avoided retail cost of winter peak energy from Appendix B of the avoided cost schedules in the AESC 2021 study.	No Value
			Quantified	\$13,811,992	Energy Efficiency Measures: <i>Winter off-peak electric energy (kWh) savings</i> are monetized for winter peak by multiplying savings during this period by the avoided retail cost of winter off-peak energy from Appendix B of the avoided cost schedules in the AESC 2021 study.	Benefit
				\$121	Active Demand Response Measures: <i>Winter off-peak electric energy (kWh) savings</i> are monetized for winter peak by multiplying savings during this period by the avoided retail cost of winter off-peak energy from Appendix B of the avoided cost schedules in the AESC 2021 study.	No Value
			Quantified	\$9,319,432	Energy Efficiency Measures: <i>Summer peak electric energy (kWh) savings</i> are monetized for winter peak by multiplying savings during this period by the avoided retail cost of Summer peak energy from Appendix B of the avoided cost schedules in the AESC 2021 study.	Benefit
				\$1,504	Active Demand Response Measures: <i>Summer peak electric energy (kWh) savings</i> are monetized for winter peak by multiplying savings during this period by the avoided retail cost of Summer peak energy from Appendix B of the avoided cost schedules in the AESC 2021 study.	
			Quantified	\$6,493,349	Energy Efficiency Measures: <i>Summer off-peak electric energy (kWh) savings</i> are monetized for winter peak by multiplying savings during this period by the avoided retail cost of Summer off-peak energy from Appendix B of the avoided cost schedules in the AESC 2021 study.	Benefit

				\$1,342	Active Demand Response Measures: <i>Summer off-peak electric energy (kWh) savings</i> are monetized for winter peak by multiplying savings during this period by the avoided retail cost of Summer off-peak energy from Appendix B of the avoided cost schedules in the AESC 2021 study.	
		Quantified		\$4,689,997	Energy Efficiency Measures: Value of avoided summer generation capacity benefit is monetized by the AESC 2021 study avoided costs	Benefit
				\$980,289	Active Demand Response Measures: Value of avoided summer generation capacity benefit is monetized by the AESC 2021 study avoided costs	Benefit
2	Renewable Energy Credit Cost / Value	Quantified	See Notes		Wholesale cost of RECs is included in the winter peak, winter off-peak, summer peak, and summer off-peak retail energy costs from the preceding category.	Benefit
3	Retail Supplier Risk Premium	Quantified	See Notes		Wholesale Risk Premium is built into the retail costs of electric energy and electric capacity sourced from the AESC 2021 study and used to calculate the benefits of avoided energy and capacity.	Benefit
4	Forward Commitment: Capacity Value	Quantified	See Notes		Forward capacity avoided costs are included in capacity benefits.	Benefit
5	Forward Commitment: Avoided Ancillary Services Value	Not applicable	See Notes		Not applicable to energy efficiency	Not Applicable
6	Utility / Third Party Developer Renewable Energy, Efficiency, or DER costs	Quantified		\$105,519,166	Rhode Island Energy costs to implement the electric energy efficiency portfolio. Total budget includes costs for Program Planning & Administration; Marketing; Customer Incentives; Sales Technical Assistance and Training; Evaluation & Market Research; Performance Incentive Mechanism	Cost
7	Electric Transmission Capacity Costs / Value	Quantified		\$10,694,023	Energy Efficiency: Electric transmission capacity benefits are quantified by multiplying a statewide Pooled Transmission Facility (PTF) transmission value from AESC 2021 study by the summer kW saved from efficiency measures	Benefit
				\$4,758,682	Active Demand Response: Electric transmission capacity benefits are quantified by multiplying a statewide Pooled Transmission Facility (PTF) transmission value from AESC 2021 study by the summer kW saved from active Demand Response measures	Benefit
8	Electric transmission infrastructure costs for Site Specific Resources	Not applicable	See Notes		Currently no location-specific energy efficiency included, all measures offered across service territory.	Not Applicable
9	Net risk benefits to utility system operations (generation, transmission, distribution)	Not Quantified or Qualified	See Notes		Value of Improved Reliability benefit calculated based on reliability value from the AESC 2018 study multiplied by the avoided summer kW savings. Applies to both energy efficiency measures and active demand response measures. Values included in the row "Distribution system and customer reliability / resilience impacts"	Benefit

10	Option value of individual resources	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs.	Undetermined
11	Investment under Uncertainty: Real Options Cost / Value	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs.	Undetermined
12	Energy Demand Reduction Induced Price Effect	Quantified	\$18,364,847	Energy Efficiency measures: Electric Energy (kWh) DRIPE values quantified based on the energy DRIPE values included in the AESC 2021 study. Calculated for each of winter peak, winter off-peak, summer peak, and summer off-peak.	Benefit
			\$902	Demand Response measures: Electric Energy (kWh) DRIPE values quantified based on the energy DRIPE values included in the AESC 2021 study. Calculated for each of winter peak, winter off-peak, summer peak, and summer off-peak.	Benefit
		Quantified	\$9,632,191	Energy Efficiency measures: Electric Generation Capacity (kW) DRIPE value quantified by multiplying avoided summer kW by applicable capacity DRIPE values (\$/kW) from the AESC 2021 study.	Benefit
			\$3,973,208	Demand Response measures; Electric Generation Capacity (kW) DRIPE value quantified by multiplying avoided summer kW by applicable capacity DRIPE values (\$/kW) from the AESC 2021 study.	Benefit
		Quantified	See Fuel benefits	Additional DRIPE benefits for oil fuel savings from energy efficiency measures are quantified by multiplying oil fuel savings (MMBtu) by applicable oil DRIPE values (\$/MMBtu) from the AESC 2021 study. These benefits are included in the category "Participant non-energy costs/benefits: Oil, Gas, Water, Waste Water". Active demand response measures do not have oil fuel savings and therefore do not have oil DRIPE benefits.	Benefit
		Quantified	See notes	Gas Resource Benefits in the Electric energy efficiency Benefit Cost Model includes Gas Supply DRIPE and Gas-Electric Cross DRIPE monetized by multiplying the gas savings attributable to the electric portfolio measures by applicable avoided cost series from the AESC 2021 study. These benefits are included in the category "Participant non-energy costs/benefits: Oil, Gas, Water, Waste Water". Active demand response measures do not have gas savings and therefore do not have gas DRIPE benefits.	Benefit
		13	Greenhouse gas compliance costs	Quantified	See notes

	14	Criteria air pollutant and other environmental compliance costs	Quantified	See notes	Cost of compliance with criteria air pollutant regulations are included in the wholesale electric energy commodity costs from the AESC 2021 study and are included in the calculation of the energy benefits in the category "Energy Supply & Transmission Operating Value of Energy Provided or Saved"	Benefit
	15	Innovation and Learning by Doing	Not Quantified or Qualified	See notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs. Likely a minimal value in comparison to other benefits included in RI Test, but possible value due to pilots, demonstrations, and assessments included in programs.	Benefit
	16	Distribution capacity costs	Quantified	\$12,135,947	Energy Efficiency: Electric distribution capacity benefits are quantified by multiplying a Company-generated distribution value (\$/kW) by the summer kW saved from efficiency measures.	Benefit
\$5,406,393				Active Demand Response: Electric distribution capacity benefits are quantified by multiplying a Company-generated distribution value (\$/kW) by the summer kW saved from active Demand Response measures	Benefit	
	17	Distribution delivery costs	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs.	Undetermined
	18	Distribution system safety loss/gain	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs.	Undetermined
	19	Distribution system performance	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs.	Undetermined
	20	Utility low income	Quantified	See Notes	Reduced arrearages; bad debt write-offs; terminations and reconnections; notices; safety related emergency calls; customer calls and collections; and rate discounts are included as NEIs for income eligible programs. Aggregated with other NEIs in row "Program participant / prosumer benefits / costs"	Benefit
	21	Distribution system and customer reliability / resilience impacts	Quantified	\$1,427,201	Value of Improved Reliability benefit calculated based on reliability value from the AESC 2021 study multiplied by the avoided summer kW savings. Applies to both energy efficiency measures and active demand response measures.	Benefit
\$240,669				Benefit		
Customer Level	22	Program participant / prosumer benefits / costs	Quantified	\$20,064,183	Energy Efficiency measures: Participant contribution cost is the direct cost of the measure that is not covered by the customer rebate/incentive for energy efficiency measures.	Cost
				\$0	Active demand response measures: There is no customer cost for the ConnectedSolutions Active Demand Response program.	Cost

			Quantified	\$29,828,276	Quantifiable non-resource, non-energy impacts are included within the calculation of Non-Energy Impacts as described within the Non-Energy Impacts section of the 2022 Annual Plan. Non resource, non-energy impacts may include but are not limited to labor, material, facility use, health and safety, materials handling, national security, property values, and transportation. Includes quantified utility NEIs noted elsewhere in this table, and national security NEI value.	Benefit
	23	Participant non-energy costs/benefits: Oil, Gas, Water, Waste Water	Quantified	\$26,050,536	Energy Efficiency measures: Quantification of Resource Benefits from: Natural Gas, Oil, Propane, Water & Sewage. Natural Gas Benefits are based on Appendix C of the 2021 AESC study, Oil and Propane Benefits are based on Appendix D of the 2021 AESC study, Water & Sewage Benefits are derived from an internet survey of rates posted to the RI PUC website.	Benefit
				\$0	Active demand response measures: no corresponding benefits for oil, gas, water, wastewater in the Active Demand Response benefit cost analysis so this value is zero	Benefit
	24	Low-Income Participant Benefits	Quantified	See Notes	Low-Income Participant Benefits are included within the calculation of Non-Energy Impacts as described within the Non-Energy Impacts section of the 2022 Annual Plan and TRM. See the category "Program participant / prosumer benefits / costs" for these benefits	Benefit
	25	Consumer Empowerment & Choice	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs.	Undetermined
	26	Non-participant (equity) rate and bill impacts	Quantified	See Notes	External to cost-effectiveness analysis. Bill Impacts model the effects of efficiency programs on annual customer bills by aggregating rate and consumption changes, including non-participants. Electric and natural gas rate and bill impact models included in Attachment 7 of the 2022 Annual Plan	Benefit (but not included in BCA screening)
Societal Level	27	Greenhouse gas externality costs	Quantified	\$139,297,163	Energy Efficiency measures: Quantified Non-embedded Greenhouse gas reduction benefits obtained from the 2021 AESC Study and Supplemental Study. Non-embedded CO2 values are sourced from the following tables in the 2021 AESC Study Appendix B for electric savings and Appendix G for gas savings, oil, and propane savings.	Benefit
				\$18,656	Active Demand Response measures: Quantified Non-embedded Greenhouse gas reduction benefits obtained from the 2021 AESC Study and Supplemental Study. Non-embedded CO2 values are sourced from the following tables in the 2021 AESC Study Appendix B for electric savings and Appendix G for gas savings, oil savings, and propane savings.	Benefit
	28	Criteria air pollutant and other environmental	Quantified	\$1,521,491	Energy Efficiency measures: Quantified Non-embedded NOx reduction benefits obtained from the 2021 AESC Study. Additional research would be required to determine other benefit streams	Benefit

	externality costs			from air pollutants and other environmental externalities	
			\$0	Active Demand Response measures: Quantified Non-embedded NOx reduction benefits obtained from the 2021 AESC Study. Additional research would be required to determine other benefit streams from air pollutants and other environmental externalities	
29	Conservation and community benefits	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs.	Undetermined
30	Non-energy costs/benefits: Economic Development	Quantified	\$217,315,750	Energy efficiency measures: In 2022 the Company is treating the economic benefits category qualitatively in the primary RI Test and quantitatively in a secondary test. Economic benefits are calculated by multiplying program spending by a set of multipliers calculated in accordance with a methodology developed in the report: "Brattle Group Review of RI Test and Proposed Methodology Final"	Benefit
			\$14,082,274	Active demand response measures: In 2022 the Company is treating the economic benefits category qualitatively in the primary RI Test and quantitatively in a secondary test. Economic benefits are calculated by multiplying program spending by a set of multipliers calculated in accordance with a methodology developed in the report: "Brattle Group Review of RI Test and Proposed Methodology Final"	Benefit
31	Innovation and knowledge spillover (Related to demonstration projects and other RD&D preceding larger scale deployment)	Qualified	Likely minimal value	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs. The portfolio of programs includes pilots, demonstrations and assessments and these likely generate benefits to further program and market development. The value of these innovation and knowledge spillover benefits is unknown but is estimated to be small in comparison to the overall magnitude of benefits currently included in the screening of the electric portfolio.	Benefit
32	Societal Low-Income Impacts	Not Quantified or Qualified	See Notes	Participant Low-Income Benefits are included within the calculation of Non-Energy Impacts as described within the Non-Energy Impacts section of the 2022 Annual Plan and TRM. Societal low-income impacts are not included. Participant NEIs are aggregated with other Non-Energy Impacts and shown in the Program participant / prosumer benefits / costs category.	Undetermined
33	Public Health	Not Quantified or Qualified	See Notes	Participant health benefits are included within the calculation of Non-Energy Impacts as described within the Non-Energy Impacts section of the 2022 Annual Plan, societal public health benefits are not monetized. Participant NEIs are aggregated with other Non-Energy Impacts and shown in the Program participant / prosumer benefits / costs category.	Benefit

	34	National Security and US international influence	Quantified	See Notes	National Security due to avoided oil imports are monetized for residential and income eligible measures that save oil in accordance with the 2022 Rhode Island TRM. The value of this NEI is aggregated with other Non-Energy Impacts and shown in the Program participant / prosumer benefits / costs category.	Benefit
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Table 2. Alignment of RI Test to Docket 4600 Framework for 2023 Natural Gas Energy Efficiency Portfolio

Category Level	Cat. #	Mixed Benefit-Cost, Cost, or Benefit Category	Treatment in Benefit-Cost Analysis (Quantified, Qualified, Not Treated)	Present Value or Qualitative Description	Description and Notes	Benefit or Cost
Power System Level	1	Energy Supply & Transmission Operating Value of Energy Provided or Saved	Quantified	\$29,750,037	Natural gas energy efficiency measures. Value of natural gas supply monetized by the AESC 2018 study avoided costs. Natural Gas Benefits are based on Appendix C of the 2018 AESC study. Includes avoided cost of delivering gas (retail margin) and the avoided cost of the gas.	Benefit
			Quantified	\$93,576	Energy Efficiency Measures: Winter peak electric energy (kWh) savings associated with natural gas efficiency are monetized for winter peak by multiplying savings during this period by the avoided retail cost of winter peak energy from Appendix B of the avoided cost schedules in the AESC 2021 study.	Benefit
			Quantified	\$91,648	Energy Efficiency Measures: Winter off-peak electric energy (kWh) savings associated with natural gas efficiency are monetized for winter peak by multiplying savings during this period by the avoided retail cost of winter off-peak energy from Appendix B of the avoided cost schedules in the AESC 2021 study.	Benefit
			Quantified	\$211,528	Energy Efficiency Measures: Summer peak electric energy (kWh) savings associated with natural gas efficiency are monetized for winter peak by multiplying savings during this period by the avoided retail cost of Summer peak energy from Appendix B of the avoided cost schedules in the AESC 2021 study.	Benefit
			Quantified	\$179,316	Energy Efficiency Measures: Summer off-peak electric energy (kWh) savings associated with natural gas efficiency are monetized for winter peak by multiplying savings during this period by the avoided retail cost of Summer off-peak energy from Appendix B of the avoided cost schedules in the AESC 2021 study.	Benefit
			Quantified	\$347,315	Energy Efficiency Measures: Value of avoided summer generation capacity benefit is monetized by the AESC 2021 study avoided costs	Benefit
	2	Renewable Energy Credit Cost / Value	Quantified	See Notes	Wholesale cost of RECs is included in the winter peak, winter off-peak, summer peak, and summer off-peak retail energy costs from the preceding category.	Benefit
	3	Retail Supplier Risk Premium	Quantified	See Notes	Wholesale Risk Premium is built into the retail costs of electric energy and electric capacity sourced from the AESC 2021 study and used to calculate the benefits of avoided energy and capacity.	Benefit
	4	Forward Commitment: Capacity Value	Quantified	See Notes	Forward capacity avoided costs are included in capacity benefits.	Benefit

5	Forward Commitment: Avoided Ancillary Services Value	Not applicable	See Notes	Not applicable to energy efficiency	Not Applicable
6	Utility / Third Party Developer Renewable Energy, Efficiency, or DER costs	Quantified	\$36,874,864	National Grid costs to implement the natural gas energy efficiency portfolio. Total budget includes costs for Program Planning & Administration; Marketing; Customer Incentives; Sales Technical Assistance and Training; Evaluation & Market Research; Performance Incentive Mechanism	Cost
7	Electric Transmission Capacity Costs / Value	Quantified	\$476,515	Energy Efficiency: Electric transmission capacity benefits are quantified by multiplying a statewide Pooled Transmission Facility (PTF) transmission value from AESC 2021 study by the summer kW saved from efficiency measures	Benefit
8	Electric transmission infrastructure costs for Site Specific Resources	Not applicable	See Notes	Currently no location-specific energy efficiency included, all measures offered across service territory.	Not Applicable
9	Net risk benefits to utility system operations (generation, transmission, distribution)	Quantified	See Notes	Value of Improved Reliability benefit calculated based on reliability value from the AESC 2021 study multiplied by the avoided summer kW savings. Values included in the row "Distribution system and customer reliability / resilience impacts"	Benefit
10	Option value of individual resources	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs.	Undetermined
11	Investment under Uncertainty: Real Options Cost / Value	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs.	Undetermined
12	Energy Demand Reduction Induced Price Effect	Quantified	\$138,025	Energy Efficiency measures: Electric Energy (kWh) DRIPE values quantified based on the energy DRIPE values included in the AESC 2021 study. Calculated for each of winter peak, winter off-peak, summer peak, and summer off-peak.	Benefit
		Quantified	\$807,952	Energy Efficiency measures: Electric Generation Capacity (kW) DRIPE value quantified by multiplying avoided summer kW by applicable capacity DRIPE values (\$/kW) from the AESC 2021 study.	Benefit
		Quantified	See Fuel benefits	Additional DRIPE benefits for oil fuel savings from energy efficiency measures are quantified by multiplying oil fuel savings (MMBtu) by applicable oil DRIPE values (\$/MMBtu) from the AESC 2021 study. These benefits are included in the category "Participant non-energy costs/benefits: Oil, Gas, Water, Waste Water". Natural Gas measures do not have delivered fuel savings, so no value for the natural gas portfolio	Benefit
		Quantified	\$313,466	Gas Supply DRIPE monetized by multiplying the gas savings attributable to the electric portfolio measures by applicable avoided cost series from	Benefit

					the AESC 2021 study. These benefits are included in the category "Participant non-energy costs/benefits: Oil, Gas, Water, Waste Water".	
	13	Greenhouse gas compliance costs	Quantified	See notes	Cost of compliance with criteria air pollutant regulations are included in the wholesale electric energy commodity costs from the AESC 2021 study and are included in the calculation of the electric energy benefits in the category "Energy Supply & Transmission Operating Value of Energy Provided or Saved"	Benefit
	14	Criteria air pollutant and other environmental compliance costs	Quantified	See notes	Cost of compliance with criteria air pollutant regulations are included in the wholesale electric energy commodity costs from the AESC 2021 study and are included in the calculation of the electric energy benefits in the category "Energy Supply & Transmission Operating Value of Energy Provided or Saved"	Benefit
	15	Innovation and Learning by Doing	Qualified	Likely minimal value	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs. Likely a minimal value in comparison to other benefits included in RI Test, but possible value due to pilots, demonstrations, and assessments included in programs.	Undetermined
	16	Distribution capacity costs	Quantified	\$586,276	Energy Efficiency: Electric distribution capacity benefits are quantified by multiplying a Company-generated distribution value (\$/kW) by the summer kW saved from efficiency measures.	Benefit
	17	Distribution delivery costs	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of natural gas energy efficiency programs.	Undetermined
	18	Distribution system safety loss/gain	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of natural gas energy efficiency programs.	Undetermined
	19	Distribution system performance	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of natural gas energy efficiency programs.	Undetermined
	20	Utility low income	Quantified	See Notes	Reduced arrearages; bad debt write-offs; terminations and reconnections; notices; safety related emergency calls; customer calls and collections; and rate discounts are included as NEIs for income eligible programs. Aggregated with other NEIs in row "Program participant / prosumer benefits / costs"	Benefit
	21	Distribution system and customer reliability / resilience impacts	Quantified	\$40,633	Value of Improved Reliability benefit calculated based on reliability value from the AESC 2018 study multiplied by the avoided summer kW savings. Applies to energy efficiency measures.	Benefit
Customer Level	22	Program participant / prosumer benefits / costs	Quantified	\$7,815,712	Energy Efficiency measures: Participant contribution cost is the direct cost of the measure that is not covered by the customer rebate/incentive for energy efficiency measures.	Cost

			Quantified	\$35,166,494	Quantifiable non-resource, non-energy impacts are included within the calculation of Non-Energy Impacts as described within the Non-Energy Impacts section of the 2022 Annual Plan. Non resource, non-energy impacts may include but are not limited to labor, material, facility use, health and safety, materials handling, national security, property values, and transportation. Includes quantified utility NEIs noted elsewhere in this table, and national security NEI value.	Benefit
	23	Participant non-energy costs/benefits: Oil, Gas, Water, Waste Water	Quantified	\$662,156	Energy Efficiency measures: Quantification of Resource Benefits from: Natural Gas, Oil, Propane, Water & Sewage. Natural Gas Benefits are based on Appendix C of the 2021 AESC study, Oil and Propane Benefits are based on Appendix D of the 2021 AESC study, Water & Sewage Benefits are derived from an internet survey of rates posted to the RI PUC website.	Benefit
	24	Low-Income Participant Benefits	Quantified	See Notes	Low-Income Participant Benefits benefits are included within the calculation of Non-Energy Impacts as described within the Non-Energy Impacts section of the 2021 Annual Plan. See the category "Program participant / prosumer benefits / costs" for these benefits	Benefit
	25	Consumer Empowerment & Choice	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs.	Undetermined
	26	Non-participant (equity) rate and bill impacts	Quantified	See Notes	External to cost-effectiveness analysis. Bill Impacts model the effects of efficiency programs on annual customer bills by aggregating rate and consumption changes, including non-participants. Electric and natural gas rate and bill impact models included in Attachment 7 of the 2022 Annual Plan	Benefit (but not included in BCA screening)
Societal Level	27	Greenhouse gas externality costs	Quantified	\$61,446,066	Energy Efficiency measures: Quantified Non-embedded Greenhouse gas reduction benefits obtained from the 2021 AESC Study and Supplemental Study. Non-embedded CO2 values are sourced from the following tables in the 2021 AESC Study Appendix B for electric savings and Appendix G for gas savings, oil savings, and propane savings.	Benefit
	28	Criteria air pollutant and other environmental externality costs	Quantified	\$2,514,371	Quantified Non-embedded NOx reduction benefits obtained from the 2021 AESC Study. Additional research would be required to determine other benefit streams from air pollutants and other environmental externalities	Benefit
	29	Conservation and community benefits	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of natural gas energy efficiency programs.	Undetermined
	30	Non-energy costs/benefits: Economic Development	Qualified	\$42,483,169	Energy efficiency measures: In 2023 the Company is treating the economic benefits category qualitatively in the primary RI Test and presenting economic benefits in a separate table. Economic benefits are calculated by multiplying program spending by a set of multipliers calculated in accordance with a methodology developed in the	Benefit

				report: "Brattle Group Review of RI Test and Proposed Methodology Final"	
31	Innovation and knowledge spillover (Related to demonstration projects and other RD&D preceding larger scale deployment)	Qualified	Likely minimal value	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost-effectiveness screening of energy efficiency programs. The portfolio of programs includes pilots, demonstrations and assessments and these likely generate benefits to further program and market development. The value of these innovation and knowledge spillover benefits is unknown but is estimated to be small in comparison to the overall magnitude of benefits currently included in the screening of the electric portfolio.	Benefit
32	Societal Low-Income Impacts	Not Quantified or Qualified	See Notes	Participant Low-Income Benefits are included within the calculation of Non-Energy Impacts as described within the Non-Energy Impacts section of the 2022 Annual Plan and TRM. Societal low-income impacts are not included. Participant NEIs are aggregated with other Non-Energy Impacts and shown in the Program participant / prosumer benefits / costs category.	Undetermined
33	Public Health	Quantified	See Notes	Participant health benefits are included within the calculation of Non-Energy Impacts as described within the Non-Energy Impacts section of the 2022 Annual Plan, societal public health benefits are not monetized. Participant NEIs are aggregated with other Non-Energy Impacts and shown in the Program participant / prosumer benefits / costs category.	Benefit
34	National Security and US international influence	Quantified	See Notes	National Security due to avoided oil imports are monetized for residential and income eligible measures that save oil in accordance with the 2022 Rhode Island TRM. The value of this NEI is aggregated with other Non-Energy Impacts and shown in the Program participant / prosumer benefits / costs category.	Benefit

Table E-1
Rhode Island Energy
Electric DSM Funding Sources in 2023 by Sector
\$(000)

	<u>Projections by Sector</u>			Total
	Income Eligible Residential	Non-Income Eligible Residential	Commercial & Industrial	
(1) Projected Budget (from E-2):	\$16,522.7	\$34,343.8	\$54,652.7	\$105,519.2
Sources of Other Funding:				
(2) Projected DSM Commitments at Year-End 2022:	\$0.0	\$0.0	\$0.0	\$0.0
(3) Projected Year-End 2022 Fund Balance and Interest:	\$0.0	(\$299.4)	\$32,557.7	\$32,258.4
(4) Projected FCM Net Revenue from ISO-NE:	\$340.7	\$4,047.5	\$5,737.5	\$10,125.7
(5) Total Other Funding:	\$340.7	\$3,748.1	\$38,295.2	\$42,384.0
(6) Customer Funding Required:	\$16,182.0	\$30,595.6	\$16,357.5	\$63,135.1
(7) Forecasted kWh Sales:	249,618,693	2,965,434,729	4,203,681,505	7,418,734,927
(8) Energy Efficiency Program charge per kWh, excluding uncollectible recovery:				\$0.00851
(9) Proposed SRP Opex Factor per kWh, excluding uncollectible recovery:				<u>\$0.00000</u>
(10) Total Proposed Energy Efficiency Charge per kWh, excluding uncollectible recovery:				\$0.00851
(11) Currently Effective Uncollectible Rate				1.30%
(12) Proposed Energy Efficiency Program Charge per kWh, including Uncollectible Recovery:				\$0.00862
(13) Currently Effective Energy Efficiency Program Charge per kwh				<u>\$0.01222</u>
(14) Proposed Adjustment to Reflect Fully Reconciling Funding Mechanism				(\$0.00360)

Notes:

- (1) Projected Budget from E-2 includes OER and EERMC costs allocated to each sector based on forecasted sales.
- (2) DSM Commitments are projects that are under construction with anticipated completion in 2023.
- (3) Fund balance projections include projected revenue and spend through year end with Income Eligible sector set to \$0 through projected subsidization from other sectors, minus commitments which are illustrated separately on line (2). The fund balance includes a \$1,926,961 credit from shareholder funds, with interest, to the fund balance which the Company made in May and June, 2022 based on the Company's involvement in Docket 22-05-EE. The fund balance also assumes a transfer of \$5,000,000 to the Rhode Island Infrastructure Bank (RIIB), approved in the 2021 Annual Plan, to be made in 2022. Note that these funds have not yet been transferred to RIIB, however the Company anticipates, subject to PUC approval, transferring these funds given that the Company received a written request from RIIB on December 30, 2021, and is currently working with RIIB in order to ensure that all required documentation has been provided and is in order prior to completing the transfer.
- (4) The total projection of FCM revenue is allocated by kWh sales to each sector.
- (5) Line (2) + Line (3) + Line (4)
- (6) Line (1) - Line (5)
- (7) Per Company Forecast
- (9) Truncated to 5 decimal places
- (11) Proposed SRP Opex Factor is \$0.00000.
- (10) Line (8) + Line (9)
- (11) Uncollectible rate approved in Docket No 4770.
- (12) Line (10) ÷ (1-Line (11), truncated to 5 decimal places
- (13) Currently Effective EE Charge includes System Reliability Factor and uncollectible recovery. This is an 11 month rate that went into effect on February 1, 2022.
- (14) Line (12) - Line (13)

Table E-2
Rhode Island Energy
2023 Electric Energy Efficiency Program Budget (\$000)

	Program Planning & Administration	Marketing	Rebates and Other Customer Incentives	Sales, Tech Assist & Training	Evaluation & Market Research	Performance Incentive	Grand Total
Non-Income Eligible Residential							
Residential New Construction	\$126.3	\$23.9	\$835.5	\$525.2	\$98.4		\$1,609.2
ENERGY STAR® HVAC	\$266.1	\$278.3	\$3,918.5	\$831.1	\$242.6		\$5,536.6
EnergyWise	\$520.1	\$355.5	\$13,055.5	\$1,480.4	\$262.8		\$15,674.3
EnergyWise Multifamily	\$128.6	\$67.8	\$984.4	\$139.9	\$26.4		\$1,347.0
Residential Consumer Products	\$122.3	\$427.6	\$1,232.1	\$688.2	\$24.4		\$2,494.5
Home Energy Reports	\$49.0	\$13.2	\$0.0	\$2,062.4	\$22.6		\$2,147.2
Residential ConnectedSolutions	\$85.8	\$11.5	\$1,503.7	\$347.7	\$22.7		\$1,971.4
Energy Efficiency Education Programs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		\$0.0
Residential Pilots	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		\$0.0
Community Based Initiatives - Residential	\$37.1	\$137.7	\$105.8	\$0.0	\$0.0		\$280.6
Comprehensive Marketing - Residential	\$1.2	\$309.3	\$0.0	\$0.0	\$0.0		\$310.5
Residential Workforce Development	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		\$0.0
Residential Performance Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$698.3	\$698.3
Subtotal - Non-Income Eligible Residential	\$1,336.3	\$1,624.7	\$21,635.5	\$6,074.9	\$699.8	\$698.3	\$32,069.6
Income Eligible Residential							
Single Family - Income Eligible Services	\$472.0	\$132.1	\$9,496.5	\$1,890.6	\$81.2		\$12,072.4
Income Eligible Multifamily	\$172.2	\$14.3	\$3,502.1	\$531.8	\$38.5		\$4,258.8
Income Eligible Workforce Development	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		\$0.0
Income Eligible Performance Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Subtotal - Income Eligible Residential	\$644.2	\$146.4	\$12,998.6	\$2,422.4	\$119.7	\$0.0	\$16,331.3
Commercial & Industrial							
Large Commercial New Construction	\$234.6	\$214.2	\$5,737.8	\$1,866.2	\$418.5		\$8,471.4
Large Commercial Retrofit	\$764.6	\$159.8	\$17,845.3	\$4,908.1	\$775.5		\$24,453.2
Small Business Direct Install	\$274.9	\$164.9	\$6,875.3	\$348.2	\$104.1		\$7,767.4
Commercial ConnectedSolutions	\$179.0	\$6.8	\$5,340.0	\$157.3	\$0.0		\$5,683.1
Commercial Pilots	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		\$0.0
Community Based Initiatives - C&I	\$12.3	\$45.8	\$35.3	\$0.0	\$0.0		\$93.5
Finance Costs	\$0.0	\$0.0	\$2,000.0	\$0.0	\$0.0		\$2,000.0
Commercial Workforce Development	\$0.0	\$0.0	\$0.0	\$157.5	\$0.0		\$157.5
Commercial & Industrial Performance Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2,802.8	\$2,802.8
Subtotal - Commercial & Industrial	\$1,465.4	\$591.5	\$37,833.7	\$7,437.3	\$1,298.2	\$2,802.8	\$51,428.8
Regulatory							
OER	\$1,101.7	\$0.0	\$0.0	\$0.0	\$0.0		\$1,101.7
EERMC	\$850.3	\$0.0	\$0.0	\$0.0	\$0.0		\$850.3
Rhode Island Infrastructure Bank	\$0.0	\$0.0	\$3,737.5	\$0.0	\$0.0		\$3,737.5
Subtotal - Regulatory	\$1,952.0	\$0.0	\$3,737.5	\$0.0	\$0.0	\$0.0	\$5,689.5
Grand Total	\$5,397.9	\$2,362.6	\$76,205.2	\$15,934.6	\$2,117.6	\$3,501.2	\$105,519.2

Notes:

- (1) 2023 Large Commercial Retrofit Commitments (\$000);
- (2) For more information on Finance Costs, please refer to Attachment 2, Section 9.
- (3) OER budget is equal to the SBC collections after zeroing out EERMC and OER budgets times 3% times 60%. EERMC budget was approved by the EERMC on July 28th, 2022 for a total between gas and electric of \$1,133,775. 75% of that total has been allocated to the electric budget, in accordance with the proportions of the gas and electric budget.
- (4) Finance Costs are detailed in Table E-9. Finance Costs include an injection of \$2M into the Large C&I Revolving Loan Fund. Without this injection the Large C&I Revolving Loan Fund is projected to be negative by the end of 2023.
- (5) Demonstrations and Assessments budgets are included in specific program level budgets listed above. More information on Demonstration and Assessments descriptions, budgets, and which program level budget they are included in can be found in Attachment 8.

Table E-3
Rhode Island Energy
Derivation of the 2023 Eligible PIM and Implementation Budgets (\$000)

	Proposed 2023 Budget From E-2	Commitments	Regulatory Costs	Performance Incentive	Eligible Sector PIM Budget for Performance Incentive on E-8B	Implementation Expenses for Cost- Effectiveness on E-5
Non-Income Eligible Residential						
Residential New Construction	\$1,609.2					\$1,609.2
ENERGY STAR® HVAC	\$5,536.6					\$5,536.6
EnergyWise	\$15,674.3					\$15,674.3
EnergyWise Multifamily	\$1,347.0					\$1,347.0
Residential Consumer Products	\$2,494.5					\$2,494.5
Home Energy Reports	\$2,147.2					\$2,147.2
Residential ConnectedSolutions	\$1,971.4					\$1,971.4
Energy Efficiency Education Programs	\$0.0					\$0.0
Residential Pilots	\$0.0					\$0.0
Community Based Initiatives - Residential	\$280.6					\$280.6
Comprehensive Marketing - Residential	\$310.5					\$310.5
Residential Workforce Development	\$0.0					\$0.0
Residential Performance Incentive	\$698.3			\$698.3		\$0.0
Subtotal - Non-Income Eligible Residential	\$32,069.6	\$0.0	\$0.0	\$698.3	\$29,399.8	\$31,371.2
Income Eligible Residential						
Single Family - Income Eligible Services	\$12,072.4					\$12,072.4
Income Eligible Multifamily	\$4,258.8					\$4,258.8
Income Eligible Workforce Development	\$0.0					\$0.0
Income Eligible Performance Incentive	\$0.0			\$0.0		\$0.0
Subtotal - Income Eligible Residential	\$16,331.3	\$0.0	\$0.0	\$0.0	\$16,331.3	\$16,331.3
Commercial & Industrial						
Large Commercial New Construction	\$8,471.4	\$0.0				\$8,471.4
Large Commercial Retrofit	\$24,453.2	\$0.0				\$24,453.2
Small Business Direct Install	\$7,767.4	\$0.0				\$7,767.4
Commercial ConnectedSolutions	\$5,683.1					\$5,683.1
Commercial Pilots	\$0.0					\$0.0
Community Based Initiatives - C&I	\$93.5					\$93.5
Finance Costs	\$2,000.0					\$2,000.0
Commercial Workforce Development	\$157.5					\$157.5
Commercial & Industrial Performance Incentive	\$2,802.8			\$2,802.8		\$0.0
Subtotal - Commercial & Industrial	\$51,428.8	\$0.0	\$0.0	\$2,802.8	\$42,890.5	\$48,626.0
Regulatory						
OER	\$1,101.7		\$1,101.7			\$1,101.7
EERMC	\$850.3		\$850.3			\$850.3
Rhode Island Infrastructure Bank	\$3,737.5		\$3,737.5			\$3,737.5
Subtotal - Regulatory	\$5,689.5	\$0.0	\$5,689.5	\$0.0	\$0.0	\$5,689.5
Grand Total	\$105,519.2	\$0.0	\$5,689.5	\$3,501.2	\$88,621.6	\$102,018.0

Notes:

- (1) Eligible Sector Spending Budget = Total Budget from E-2 minus commitments, regulatory costs, pilots, assessments, Residential ConnectedSolutions, Commercial ConnectedSolutions, Performance Incentive
- (2) Eligible Sector Spending Budget does not include assessments, see Attachment 8 for assessments budgets.
- (3) Implementation Expenses = Total Budget from E-2 minus commitments and Performance Incentive.

Table E-4
Rhode Island Energy
Proposed 2023 Budget Compared to Approved 2022 Budget (\$000)

	Proposed Implementation Budget 2023	Approved Implementation Budget 2022	Difference
Non-Income Eligible Residential			
Residential New Construction	\$1,609.2	\$1,617.0	-\$7.8
ENERGY STAR® HVAC	\$5,536.6	\$4,684.4	\$852.2
EnergyWise	\$15,674.3	\$15,557.0	\$117.3
EnergyWise Multifamily	\$1,347.0	\$3,238.3	-\$1,891.3
Residential Consumer Products	\$2,494.5	\$2,796.0	-\$301.5
Home Energy Reports	\$2,147.2	\$2,639.1	-\$492.0
Residential ConnectedSolutions	\$1,971.4	\$1,822.6	\$148.8
Community Based Initiatives - Residential	\$280.6	\$255.1	\$25.5
Comprehensive Marketing - Residential	\$310.5	\$247.9	\$62.5
Subtotal - Non-Income Eligible Residential	\$31,371.2	\$32,857.4	-\$1,486.2
Income Eligible Residential			
Single Family - Income Eligible Services	\$12,072.4	\$13,275.3	-\$1,202.9
Income Eligible Multifamily	\$4,258.8	\$3,538.9	\$719.9
Subtotal - Income Eligible Residential	\$16,331.3	\$16,814.3	-\$483.0
Commercial & Industrial			
Large Commercial New Construction	\$8,471.4	\$9,034.1	-\$562.8
Large Commercial Retrofit	\$24,453.2	\$25,010.5	-\$557.3
Small Business Direct Install	\$7,767.4	\$8,883.3	-\$1,115.9
Commercial ConnectedSolutions	\$5,683.1	\$4,393.6	\$1,289.5
Community Based Initiatives - C&I	\$93.5	\$85.0	\$8.5
Commercial Pilots	\$0.0	\$0.0	\$0.0
Finance Costs	\$2,000.0	\$2,000.0	\$0.0
Commercial Workforce Development	\$157.5	\$157.5	\$0.0
Subtotal Commercial & Industrial	\$48,626.0	\$49,564.1	-\$938.0
Regulatory			
EERMC	\$850.3	\$766.2	\$84.1
OER	\$1,101.7	\$1,541.7	-\$440.0
Rhode Island Infrastructure Bank	\$3,737.5	\$3,737.5	\$0.0
Subtotal Regulatory	\$5,689.5	\$6,045.4	-\$355.9
TOTAL IMPLEMENTATION BUDGET	\$102,018.0	\$105,281.1	-\$3,263.1
OTHER EXPENSE ITEMS			
Commitments	\$0.0	\$0.0	\$0.0
Company Incentive	\$3,501.2	\$3,390.2	\$111.0
Subtotal - Other Expense Items	\$3,501.2	\$3,390.2	\$111.0
TOTAL BUDGET	\$105,519.2	\$108,671.3	-\$3,152.1

Notes:

- (1) Program Implementation Budget excludes Commitments, Company Incentive; derived on Table E-3
- (2) Total Budget includes Implementation, Commitments; illustrated on Table E-3

**Table E-5 - Primary
Rhode Island Energy
Calculation of 2023 Program Year Cost-Effectiveness
All Dollar Values in (\$000)**

	RI Test Benefit/ Cost¹	Total Benefit	Program Implementation Expenses²	Customer Contribution	Performance Incentive	¢/Lifetime kWh
Non-Income Eligible Residential						
Residential New Construction	3.67	\$8,231.1	\$1,609.2	\$634.6		¢14.6
ENERGY STAR® HVAC	3.47	\$27,755.4	\$5,536.6	\$2,464.5		¢11.3
EnergyWise	1.76	\$32,552.4	\$15,674.3	\$2,790.6		¢109.0
EnergyWise Multifamily	3.28	\$4,715.3	\$1,347.0	\$89.9		¢15.1
Home Energy Reports	3.36	\$7,206.4	\$2,147.2	\$0.0		¢8.8
Residential Consumer Products	3.35	\$10,653.2	\$2,494.5	\$683.3		¢10.0
Residential ConnectedSolutions	1.55	\$3,061.9	\$1,971.4	\$0.0		N/A
Energy Efficiency Education Programs			\$0.0			
Residential Pilots			\$0.0			
Community Based Initiatives - Residential			\$280.6			
Comprehensive Marketing - Residential			\$310.5			
Residential Workforce Development			\$0.0			
Non-Income Eligible Residential SUBTOTAL	2.43	\$94,175.6	\$31,371.2	\$6,662.9	\$698.3	¢22.5
Income Eligible Residential						
Single Family - Income Eligible Services	2.35	\$28,389.1	\$12,072.4	\$0.0		¢54.4
Income Eligible Multifamily	1.57	\$6,677.0	\$4,258.8	\$0.0		¢25.5
Income Eligible Workforce Development			\$0.0			
Income Eligible Residential SUBTOTAL	2.15	\$35,066.1	\$16,331.3	\$0.0	\$0.0	¢42.0
Commercial & Industrial						
Large Commercial New Construction	5.69	\$51,903.0	\$8,471.4	\$648.5		¢5.8
Large Commercial Retrofit	2.89	\$102,649.9	\$24,453.2	\$11,042.4		¢13.5
Small Business Direct Install	1.97	\$18,664.9	\$7,767.4	\$1,710.4		¢16.4
Commercial ConnectedSolutions	2.17	\$12,320.1	\$5,683.1	\$0.0		N/A
Commercial Pilots			\$0.0			
Community Based Initiatives - C&I			\$93.5			
Finance Costs			\$2,000.0			
Commercial Workforce Development			\$157.5			
C&I SUBTOTAL	2.86	\$185,537.9	\$48,626.0	\$13,401.3	\$2,802.8	¢13.0
Regulatory						
OER			\$1,101.7			
EERMC			\$850.3			
Rhode Island Infrastructure Bank			\$3,737.5			
Regulatory SUBTOTAL			\$5,689.5			
TOTAL	2.51	\$314,779.6	\$102,018	\$20,064.2	\$3,501.2	¢17.8

Notes:

- (1) RI Test B/C Test = Total Benefits from Table E-6 excluding Economic Benefits / Program Implementation Expenses from Table E-3 and Customer Contribution
Also includes effects of free-ridership and spillover.
- (2) For Implementation Expenses derivation, see Table E-3.

Table E-5 - Economic Benefits
Rhode Island Energy
Calculation of 2023 Economic Benefits and Job Years
All Dollar Values in (\$000)

	Program Implementation Expenses¹	RI Economic Multiplier (GDP/\$ Program Impl.)	Economic Benefits	RI Job Years Multiplier (Job Years/\$M Program Impl.)	Job Years
Non-Income Eligible Residential					
Residential New Construction	\$1,609.2	\$1.56	\$2,510.3	14.8	24
ENERGY STAR® HVAC	\$5,536.6	\$1.58	\$8,747.8	12.2	68
EnergyWise	\$15,674.3	\$1.05	\$16,458.0	12.3	193
EnergyWise Multifamily	\$1,347.0	\$1.45	\$1,953.2	14.8	20
Home Energy Reports	\$2,147.2	\$1.65	\$3,542.9	13.6	29
Residential Consumer Products	\$2,494.5	\$1.11	\$2,768.9	8.5	21
Residential ConnectedSolutions	\$1,971.4	\$0.83	\$1,636.3	6.9	14
Energy Efficiency Education Programs	\$0.0		\$0.0		-
Residential Pilots	\$0.0		\$0.0		-
Community Based Initiatives - Residential	\$280.6		\$0.0		-
Comprehensive Marketing - Residential	\$310.5		\$0.0		-
Residential Workforce Development	\$0.0		\$0.0		-
Non-Income Eligible Residential SUBTOTAL	\$31,371.2		\$37,617.4		368
Income Eligible Residential					
Single Family - Income Eligible Services	\$12,072.4	\$0.96	\$11,589.5	10.9	132
Income Eligible Multifamily	\$4,258.8	\$1.30	\$5,536.5	13.4	57
Income Eligible Workforce Development	\$0.0		\$0.0		-
Income Eligible Residential SUBTOTAL	\$16,331.3		\$17,126.0		189
Commercial & Industrial					
Large Commercial New Construction	\$8,471.4	\$2.74	\$23,211.5	19.0	161
Large Commercial Retrofit	\$24,453.2	\$5.28	\$129,113.1	51.4	1,257
Small Business Direct Install	\$7,767.4	\$1.53	\$11,884.1	12.3	96
Commercial ConnectedSolutions	\$5,683.1	\$2.19	\$12,446.0	17.5	99
Commercial Pilots	\$0.0		\$0.0		-
Community Based Initiatives - C&I	\$93.5		\$0.0		-
Finance Costs	\$2,000.0		\$0.0		-
Commercial Workforce Development	\$157.5		\$0.0		-
C&I SUBTOTAL	\$48,626.0		\$176,654.7		1,613
Regulatory					
OER	\$1,101.7		\$0.0		-
EERMC	\$850.3		\$0.0		-
Rhode Island Infrastructure Bank	\$3,737.5		\$0.0		-
Regulatory SUBTOTAL	\$5,689.5		\$0.0		-
TOTAL	\$102,018.0		\$231,398.0		2,170

Notes:

- (1) For Implementation Expenses derivation, see Table E-3.
- (2) RI Economic and Job Years Multipliers from "Economic Multipliers Update" filed by National Grid in Docket 5189.

Table E-5A
Rhode Island Energy
Calculation of 2023 Program Year Cost-Effectiveness with TRC Test
All Dollar Values in (\$000)

	TRC Benefit/ Cost¹	Total Benefit	Program Implementation Expenses²	Customer Contribution	Performance Incentive	¢/Lifetime kWh
Non-Income Eligible Residential						
Residential New Construction	1.93	\$4,321.8	\$1,609.2	\$634.6		14.6
ENERGY STAR® HVAC	2.13	\$17,040.1	\$5,536.6	\$2,464.5		11.3
EnergyWise	0.84	\$15,516.3	\$15,674.3	\$2,790.6		109.0
EnergyWise Multifamily	1.97	\$2,829.5	\$1,347.0	\$89.9		15.1
Home Energy Reports	1.91	\$4,108.6	\$2,147.2	\$0.0		8.8
Residential Consumer Products	1.76	\$5,600.9	\$2,494.5	\$683.3		10.0
Residential ConnectedSolutions			\$1,971.4	\$0.0		N/A
Energy Efficiency Education Programs			\$0.0			0.0
Residential Pilots			\$0.0			0.0
Community Based Initiatives - Residential			\$280.6			0.0
Comprehensive Marketing - Residential			\$310.5			0.0
Non-Income Eligible Residential SUBTOTAL	1.28	\$49,417.2	\$31,371.2	\$6,662.9	\$698.3	22.5
Income Eligible Residential						
Single Family - Income Eligible Services	1.54	\$18,588.0	\$12,072.4	\$0.0		54.4
Income Eligible Multifamily	0.97	\$4,122.6	\$4,258.8	\$0.0		25.5
Income Eligible Residential SUBTOTAL	1.39	\$22,710.6	\$16,331.3	\$0.0	\$0.0	42.0
Commercial & Industrial						
Large Commercial New Construction	2.75	\$25,088.3	\$8,471.4	\$648.5		5.8
Large Commercial Retrofit	1.54	\$54,777.3	\$24,453.2	\$11,042.4		13.5
Small Business Direct Install	0.69	\$6,585.5	\$7,767.4	\$1,710.4		16.4
Commercial ConnectedSolutions			\$5,683.1			N/A
Commercial Pilots			\$0.0			
Community Based Initiatives - C&I			\$93.5			
Finance Costs			\$2,000.0			
Commercial Workforce Development			\$157.5			
C&I SUBTOTAL	1.33	\$86,451.1	\$48,626.0	\$13,401.3	\$2,802.8	13.0
Regulatory						
OER			\$1,101.7			
EERMC			\$850.3			
Rhode Island Infrastructure Bank			\$3,737.5			
Regulatory SUBTOTAL			\$5,689.5			
TOTAL	1.26	\$158,578.9	\$102,018.0	\$20,064.2	\$3,501.2	17.8

(1) TRC B/C Test omits societal benefits that are monetized in the RI Test, including non-embedded emissions (CO2 and NOx), and economic benefits. Also includes effects of free-ridership and spillover.
(2) For Implementation Expenses derivation, see Table E-3.

Table E-6
Rhode Island Energy
Summary of 2023 Benefits by Program (Energy Efficiency Measures)

	Benefits (000's)																		
	Total	Total (Economic Excluded)	Capacity					Energy				Non Electric				Societal			
			Summer Generation	Capacity DRIPE	Trans	Dist	Reliability	Winter		Summer		Electric Energy DRIPE	Natural Gas	Oil	Other Resource	Non Resource	Carbon	NOx	Economic
								Peak	Off Peak	Peak	Off Peak								
Non-Income Eligible Residential																			
Residential New Construction	\$10,741	\$8,231	\$18	\$16	\$38	\$43	\$3	\$409	\$535	\$161	\$125	\$295	\$0	\$1,022	\$1,561	\$95	\$3,848	\$61	\$2,510
ENERGY STAR® HVAC	\$36,503	\$27,755	\$582	\$514	\$1,221	\$1,387	\$93	\$2,198	\$2,740	\$341	\$287	\$1,667	-\$3	\$5,476	\$17	\$521	\$10,406	\$309	\$8,748
EnergyWise	\$49,010	\$32,552	\$166	\$227	\$365	\$414	\$34	\$383	\$397	\$217	\$188	\$392	\$0	\$10,400	\$1,688	\$646	\$16,511	\$525	\$16,458
EnergyWise Multifamily	\$6,668	\$4,715	\$59	\$66	\$126	\$144	\$11	\$180	\$211	\$152	\$133	\$201	\$0	\$247	\$52	\$1,248	\$1,868	\$18	\$1,953
Home Energy Reports	\$10,749	\$7,206	\$243	\$984	\$363	\$413	\$18	\$612	\$526	\$237	\$183	\$530	\$0	\$0	\$0	\$0	\$3,079	\$18	\$3,543
Residential Consumer Products	\$13,422	\$10,653	\$269	\$698	\$664	\$753	\$111	\$597	\$625	\$384	\$366	\$968	\$0	\$70	\$97	\$1	\$5,026	\$26	\$2,769
Non-Income Eligible Residential SUBTOTAL	\$127,095	\$91,114	\$1,337	\$2,504	\$2,777	\$3,153	\$270	\$4,379	\$5,033	\$1,492	\$1,282	\$4,053	-\$3	\$17,214	\$3,415	\$2,510	\$40,738	\$958	\$35,981
Income Eligible Residential																			
Single Family - Income Eligible Services	\$39,979	\$28,389	\$183	\$213	\$394	\$447	\$35	\$519	\$557	\$267	\$274	\$466	\$24	\$5,341	\$410	\$9,458	\$9,521	\$280	\$11,590
Income Eligible Multifamily	\$12,213	\$6,677	\$13	\$26	\$30	\$34	\$3	\$434	\$417	\$127	\$110	\$320	-\$40	\$924	\$45	\$1,679	\$2,505	\$50	\$5,536
Income Eligible Residential SUBTOTAL	\$52,192	\$35,066	\$196	\$239	\$424	\$481	\$38	\$953	\$974	\$394	\$384	\$786	-\$15	\$6,265	\$456	\$11,137	\$12,026	\$329	\$17,126
Commercial & Industrial																			
Large Commercial New Construction	\$75,114	\$51,903	\$990	\$1,048	\$2,109	\$2,394	\$189	\$4,259	\$2,725	\$2,633	\$1,630	\$3,666	-\$253	\$0	\$6	\$3,693	\$26,737	\$77	\$23,212
Large Commercial Retrofit	\$231,763	\$102,650	\$1,980	\$5,276	\$4,908	\$5,568	\$843	\$5,291	\$4,367	\$3,826	\$2,704	\$8,044	-\$317	-\$36	\$0	\$12,324	\$47,716	\$157	\$129,113
Small Business Direct Install	\$30,549	\$18,665	\$186	\$566	\$476	\$540	\$86	\$1,249	\$713	\$975	\$493	\$1,816	-\$110	-\$571	\$0	\$165	\$12,079	\$0	\$11,884
C&I SUBTOTAL	\$337,426	\$173,218	\$3,156	\$6,889	\$7,493	\$8,502	\$1,118	\$10,799	\$7,805	\$7,434	\$4,828	\$13,526	-\$680	-\$607	\$6	\$16,181	\$86,533	\$234	\$164,209
TOTAL	\$516,713	\$299,398	\$4,690	\$9,632	\$10,694	\$12,136	\$1,427	\$16,131	\$13,812	\$9,319	\$6,493	\$18,365	-\$698	\$22,872	\$3,877	\$29,828	\$139,297	\$1,521	\$217,316

Table E-6A
Rhode Island Energy
Summary of 2023 Impacts by Program (Energy Efficiency Measures)

	Electric Energy Savings						Gas Savings			Oil Saved			Propane Saved			Total Savings (Electric, Gas, Oil, Propane)			
	Load Reduction in kW		MWh		MMBtu		short tons CO ₂	MMBtu		short tons CO ₂	MMBtu		short tons CO ₂	MMBtu		short tons CO ₂	MMBtu		short tons CO ₂
	Summer	Winter	Annual	Lifetime	Annual	Lifetime	Annual ²	Annual	Lifetime	Annual ²	Annual	Lifetime	Annual ²	Annual	Lifetime	Annual ²	Annual	Lifetime	Annual ²
Non-Income Eligible Residential																			
Residential New Construction	20	53	779	15,377	2,657	52,468	374	-	-	-	1,545	38,617	135	1,444	36,109	127	5,646	127,194	636
ENERGY STAR® HVAC	640	838	4,175	71,055	14,244	242,438	1,799	(33)	(424)	(2)	11,799	211,751	959	29	429	2	26,039	454,194	2,758
EnergyWise	466	582	3,147	16,940	10,739	57,800	1,382	-	-	-	21,158	400,307	2,055	1,799	35,499	126	33,696	493,605	3,563
EnergyWise Multifamily	108	85	680	9,493	2,319	32,389	347	-	-	-	423	9,376	49	16	332	2	2,758	42,097	397
Home Energy Reports	3,348	5,174	24,350	24,350	83,081	83,081	9,597	-	-	-	-	-	-	-	-	-	83,081	83,081	9,597
Residential Consumer Products	885	481	4,473	31,684	15,261	108,105	2,784	-	-	-	159	2,711	13	57	808	4	15,478	111,624	2,801
Non-Income Eligible Residential SUBTOTAL	5,466	7,212	37,603	168,898	128,301	576,280	16,282	(33)	(424)	(2)	35,084	662,762	3,211	3,346	73,177	261	166,699	1,311,796	19,752
Income Eligible Residential																			
Single Family - Income Eligible Services	367	415	2,433	22,187	8,303	75,702	959	304	3,648	18	11,651	206,091	938	756	6,849	53	21,014	292,290	1,967
Income Eligible Multifamily	89	132	1,245	16,728	4,249	57,077	491	(291)	(5,813)	(17)	2,049	37,509	165	10	250	1	6,018	89,023	639
Income Eligible Residential SUBTOTAL	456	547	3,679	38,915	12,552	132,779	1,450	13	(2,165)	1	13,700	243,599	1,103	766	7,099	53	27,032	381,313	2,607
Commercial & Industrial																			
Large Commercial New Construction	1,306	1,100	10,481	157,598	35,762	537,725	5,778	(2,097)	(29,621)	(162)	-	-	-	-	-	-	33,665	508,104	5,616
Large Commercial Retrofit	6,696	6,118	38,335	262,020	130,800	894,011	22,971	(11,611)	(39,864)	(970)	(275)	(1,652)	(34)	-	-	-	118,914	852,495	21,968
Small Business Direct Install	708	646	9,260	57,778	31,594	197,138	4,178	(2,192)	(13,320)	(145)	(4,282)	(26,025)	(391)	-	-	-	25,120	157,794	3,642
C&I SUBTOTAL	8,711	7,864	58,076	477,396	198,156	1,628,874	32,927	(15,899)	(82,805)	(1,277)	(4,557)	(27,677)	(425)	-	-	-	177,699	1,518,393	31,226
TOTAL	14,633	15,623	99,358	685,209	339,008	2,337,934	50,660	(15,919)	(85,393)	(1,278)	44,227	878,685	3,889	4,113	80,276	314	371,429	3,211,502	53,585

Notes:
(1) Lifetime savings are equal to annual savings multiplied by the expected life of measures expected to be installed in each program.
(2) Annual short tons CO₂ savings is based on gross annual energy savings in Year 1. The AESC 2021 study was used to inform the electric emissions factor for 2023, taking the average of summer/winter on/off-peak.

Table E-6B
Rhode Island Energy
Summary of 2023 Demand Response Benefits and Savings

	Benefits (000's)															Load Reduction (MW)	MWh Saved	
	Total	Total (Economic Excluded)	Summer Generation	Capacity				Energy				Non Electric Non Resource	Societal		Summer		Annual	Lifetime
				Capacity DRIPE	Trans	Dist	Reliability	Winter		Summer			Carbon	Economic				
								Peak	Off Peak	Peak	Off Peak					Energy DRIPE		
Non-Income Eligible Residential																		
Residential Connected Solutions	\$4,698	\$3,062	\$232	\$939	\$854	\$971	\$43	\$0	\$0	\$2	\$1	\$1	\$0	\$19	\$1,636	7.9	0.1	0.1
Commercial & Industrial																		
Commercial Connected Solutions	\$24,766	\$12,320	\$749	\$3,034	\$3,904	\$4,436	\$197	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,446	36.0	0.0	0.0
TOTAL	\$29,464	\$15,382	\$980	\$3,973	\$4,759	\$5,406	\$241	\$0	\$0	\$2	\$1	\$1	\$0	\$19	\$14,082	43.9	0.1	0.1

Table E-7
Rhode Island Energy
Comparison of 2023 and 2022 Goals and Tracking
17,990

	Proposed 2023 Goal		Proposed 2023 Tracking				Approved 2022				Difference			
	Lifetime Electric Energy Savings (MWh)	Active Demand Response (kW)	Annual Electric Energy Savings (MWh)	Annual Passive Summer Demand Savings (kW)	Total Net Lifetime Energy Savings (MMBtu)	Planned Unique Participants	Lifetime Electric Energy Savings (MWh)	Annual Electric Energy Savings (MWh)	Annual Passive Summer Demand Savings (kW)	Active Demand Response (kW)	Lifetime Electric Energy Savings (MWh)	Annual Electric Energy Savings (MWh)	Annual Passive Summer Demand Savings (kW)	Active Demand Response (kW)
Non-Income Eligible Residential														
Residential New Construction	15,377		779	20	127,194	410	14,947	867	74		431	-88	-55	
ENERGY STAR® HVAC	71,055		4,175	640	454,194	6,371	77,717	4,620	240		-6,662	-445	400	
EnergyWise	16,940		3,147	466	493,605	9,465	13,472	2,789	424		3,468	359	42	
EnergyWise Multifamily	9,493		680	108	42,097	1,744	20,783	1,424	143		-11,290	-744	-35	
Home Energy Reports	24,350		24,350	3,348	83,081	276,390	26,852	26,852	3,692		-2,503	-2,503	-344	
ENERGY STAR® Lighting	0		0	0	0	0	0	0	0		0	0	0	
Residential Consumer Products	31,684		4,473	885	111,624	26,274	47,554	6,885	1,118		-15,871	-2,412	-233	
Residential ConnectedSolutions		7,878				6,900				7,365		0		513
Non-Income Eligible Residential SUBTOTAL	168,898	7,878	37,603	5,466	1,311,796	327,554	201,325	43,435	5,691	7,365	-32,427	-5,832	-225	513
Income Eligible Residential														
Single Family - Income Eligible Services	22,187		2,433	367	292,290	3,111	38,506	3,314	480		-16,319	-880	-112	
Income Eligible Multifamily	16,728		1,245	89	89,023	2,786	24,309	1,538	49		-7,581	-292	40	
Income Eligible Residential SUBTOTAL	38,915	0	3,679	456	381,313	5,897	62,816	4,851	529	0	-23,900	-1,173	-73	0
Commercial & Industrial														
Large Commercial New Construction	157,598		10,481	1,306	508,104	45	192,343	12,589	1,745		-34,745	-2,108	-439	
Large Commercial Retrofit	262,020		38,335	6,696	852,495	2,142	312,931	41,132	8,490		-50,912	-2,797	-1,793	
Small Business Direct Install	57,778		9,260	708	157,794	339	64,394	9,976	904		-6,616	-716	-196	
Commercial ConnectedSolutions		36,000				216				32,400				3,600
C&I SUBTOTAL	477,396	36,000	58,076	8,711	1,518,393	2,741	569,668	63,696	11,139	32,400	-92,272	-5,620	-2,428	3,600
TOTAL	685,209	43,878	99,358	14,633	3,211,502	336,192	833,808	111,983	17,359	39,765	-148,599	-12,625	-2,726	4,113

Notes:
(1) Planned 2023 participation takes into account net-to-gross and estimates unique participation by taking into account 2021 unique customer accounts to savings ratios. Therefore the number of planned measures may be more than the estimated participants shown. For measure counts please view the widget tables in Attachments 1 and 2. Table E-7 no longer includes a comparison to the previous year's participation. Due to the way unique participation is calculated it is not possible to compare year-over-year results.
(2) There are additional Low Income participants in Residential New Construction.
(3) A customer can participate in more than one program, for example, Residential Consumer Products and and Home Energy Reports, therefore the population reached can be more than 100%.

Table E-8A
Rhode Island Energy
2023 Electric PIM Benefits, Allocations, and Categorization (\$000)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
	Capacity				Energy						Non Electric				Societal			
	Summer Generation	Capacity DRIPE	Transmission	Distribution	Reliability	Winter Peak Energy	Winter Off Peak Energy	Summer Peak Energy	Summer Off Peak Energy	Electric Energy DRIPE	Utility NEIs	Natural Gas and DRIPE	Oil and Oil DRIPE	Propane and Water	Non Resource	Carbon	NOx	Economic
Non-Income Eligible Residential																		
Residential New Construction	\$18	\$16	\$38	\$43	\$3	\$409	\$535	\$161	\$125	\$295	\$0	\$0	\$1,022	\$1,561	\$95	\$3,848	\$61	\$2,510
ENERGY STAR® HVAC	\$582	\$514	\$1,221	\$1,387	\$93	\$2,198	\$2,740	\$341	\$287	\$1,667	\$0	-\$3	\$5,476	\$17	\$521	\$10,406	\$309	\$8,748
EnergyWise	\$166	\$227	\$365	\$414	\$34	\$383	\$397	\$217	\$188	\$392	\$0	\$0	\$10,400	\$1,688	\$646	\$16,511	\$525	\$16,458
EnergyWise Multifamily	\$59	\$66	\$126	\$144	\$11	\$180	\$211	\$152	\$133	\$201	\$0	\$0	\$247	\$52	\$1,248	\$1,868	\$18	\$1,953
Home Energy Reports	\$243	\$984	\$363	\$413	\$18	\$612	\$526	\$237	\$183	\$530	\$0	\$0	\$0	\$0	\$0	\$3,079	\$18	\$3,543
Residential Consumer Products	\$269	\$698	\$664	\$753	\$111	\$597	\$625	\$384	\$366	\$968	\$0	\$0	\$70	\$97	\$1	\$5,026	\$26	\$2,769
Non-Income Eligible Residential SUBTOTAL	\$1,337	\$2,504	\$2,777	\$3,153	\$270	\$4,379	\$5,033	\$1,492	\$1,282	\$4,053	\$0	-\$3	\$17,214	\$3,415	\$2,510	\$40,738	\$958	\$35,981
Income Eligible Residential																		
Single Family - Income Eligible Services	\$183	\$213	\$394	\$447	\$35	\$519	\$557	\$267	\$274	\$466	\$242	\$24	\$5,341	\$410	\$9,216	\$9,521	\$280	\$11,590
Income Eligible Multifamily	\$13	\$26	\$30	\$34	\$3	\$434	\$417	\$127	\$110	\$320	-\$32	-\$40	\$924	\$45	\$1,711	\$2,805	\$50	\$5,536
Income Eligible Residential SUBTOTAL	\$196	\$239	\$424	\$481	\$38	\$953	\$974	\$394	\$384	\$786	\$210	-\$15	\$6,265	\$456	\$10,927	\$12,026	\$329	\$17,126
Commercial & Industrial																		
Large Commercial New Construction	\$990	\$1,048	\$2,109	\$2,394	\$189	\$4,259	\$2,725	\$2,633	\$1,630	\$3,666	\$0	-\$253	\$0	\$6	\$3,693	\$26,737	\$77	\$23,212
Large Commercial Retrofit	\$1,980	\$5,276	\$4,908	\$5,568	\$843	\$5,291	\$4,367	\$3,826	\$2,704	\$8,044	\$0	-\$317	-\$36	\$0	\$12,324	\$47,716	\$157	\$129,113
Small Business Direct Install	\$186	\$566	\$476	\$540	\$86	\$1,249	\$973	\$975	\$493	\$1,816	\$0	-\$110	-\$571	\$0	\$165	\$12,079	\$0	\$11,884
C&I SUBTOTAL	\$3,156	\$6,889	\$7,493	\$8,502	\$1,118	\$10,799	\$7,805	\$7,434	\$4,828	\$13,526	\$0	-\$680	-\$607	\$6	\$16,181	\$86,533	\$234	\$164,209
Included in PIM? (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N
Percent Application in PIM	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	50%	50%	50%	0%	0%	0%	0%
Category	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Resource Benefits	Resource Benefits	Resource Benefits	NA	NA	NA	NA

Notes
From 2023 Benefit-Cost Model, Tab ERA-PIM Benefits

Table E-8B
Rhode Island Energy
2023 Electric PIM Costs

	(1)	(2)	(3)
	Costs (\$)		
	Eligible Spending Budget from Table E-3	Regulatory Costs	Total Costs for PIM Calculations
Non-Income Eligible Residential SUBTOTAL	\$29,400	\$283	\$29,683
Income Eligible Residential SUBTOTAL	\$16,331	\$283	\$16,615
C&I SUBTOTAL	\$42,890	\$283	\$43,174
Included in PIM? (Y/N)	Y	Y	Y

Notes

Source is 2023 Benefit-Cost Model, Tab E8B-PIM Costs. Regulatory costs allocated equally to each sector. OER and RIIB costs have been omitted from Regulatory Costs.

Table E-8C
 Rhode Island Energy
 2023 Electric PIM and SQA

Sector PI = min(Payout Cap(j), (Actual Net Benefits* Design Payout Rate(g) * Payout Rate Adjustment(i)))

Sector	Planned Eligible Benefits		Planned Eligible Costs	Planned Eligible Net Benefits (4)	Design Performance Achievement	Design Performance Payout	Design Payout Rate	Design Payout Rate Thresholds	Payout Rate Adjustments	Payout Cap	Service Quality Metric
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	100% Electric Utility System Benefits	50% Resource Benefits	Eligible Spending Budget + Regulatory Costs	=(a)+(b)-(c)	Net benefits at which design incentive pool is achieved	Set by PUC	=(f)/(e)	Achievement levels at which the Payout Rate Adjustments in (i) will be applied—Set by PUC	Factor to adjust Design Payout Rate for if final program achievement fall within the ranges in (h)—Set by PUC	=1.25*(f)	Yes if (d) ≤ 0; No if (d) > 0
										Cap on sector payout regardless of achievement in sector	See Service Quality Table
Non-Income Eligible Residential	\$26,280,534	\$10,313,300	\$29,683,279	\$6,910,555	\$6,910,555	\$698,328	10.1%	a. Achievement < 25% b. 25% ≤ Achievement < 50% c. 50% ≤ Achievement < 75% d. 75% ≤ Achievement • Spending > Planned Eligible Costs	a. 0.0 b. Achievement/100 + 0.1 c. Achievement/100 + 0.25 d. 1.0 • See Boundary Rules	\$872,910	Yes
Income Eligible Residential	\$5,078,133	\$3,352,693	\$16,614,705	-\$8,183,879	\$2,000,000	\$500,000	25.00%			\$625,000	Yes
Commercial & Industrial	\$71,551,020	-\$640,725	\$43,173,929	\$27,736,367	\$27,736,367	\$2,802,825	10.1%			\$3,503,531	No

Sector SQA = Maximum Service Adjustment(e) * Service Achievement Scaling Factor(g)

	Planned Eligible Benefits		Planned Eligible Costs	Design Service Achievement	Maximum Service Adjustment	Service Adjustment Thresholds	Service Achievement Scaling Factors	Achievement Cost Adjustment
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	100% Electric Utility System Benefits	50% Resource Benefits	Eligible Spending Budget + Regulatory Costs	=(a)+(b)	Maximum downward adjustment to earned incentive—Set by PUC	Adjusted Achievement levels at which the Service Adjustments in (e) will be applied; adjustment is calculated in (h)	Factor to scale program achievement that fall within the ranges in (f)	Actual-cost-based adjustment factor applied to achievement. Result is if the difference between achievement and cost variances are greater than 5%, the Actual Achievement will be adjusted for use in
Non-Income Eligible Residential	\$26,280,534	\$10,313,300	\$29,683,279	\$36,593,834	\$0	a. Adjusted Achievement < 65% b. 65% ≤ Adjusted Achievement < 95% c. 95% ≤ Adjusted Achievement	a. 1 b. (95-Adjusted Achievement)/3 0 c. 0	Performance Variance = "Actual Benefits" / "Design Achievement" - "Spending" / "Planned Eligible Cost"
Income Eligible Residential	\$5,078,133	\$3,352,693	\$16,614,705	\$8,430,826	\$326,469			If the absolute value (Performance Variance) ≤ 0.05, Then Adjusted Achievement = Actual Achievement Else Adjusted Achievement = Actual Achievement * (1+ Performance Variance)
Commercial & Industrial	\$71,551,020	-\$640,725	\$43,173,929	\$70,910,296	\$0			

Table E-9
Rhode Island Energy
Revolving Loan Fund Projections

Large C&I Revolving Loan Fund			Small Business Revolving Loan Fund		
(1)	Total Loan Fund Deposits Through 2022	\$ 20,547,780	(1)	Total Loan Fund Deposits Through 2022	\$ 3,303,570
(2)	Current Loan Fund Balance	\$ 4,360,123	(2)	Current Loan Fund Balance	\$ 2,726,897
	<i>Loans Paid Year-To-Date</i>	\$ 2,330,246		<i>Loans Paid Year-To-Date</i>	\$ 167,275
	<i>Repayments Year-To-Date</i>	\$ 2,572,300		<i>Repayments Year-To-Date</i>	\$ 328,808
(3)	Projected Additional Loans by Year End 2022	\$ 4,880,000	(3)	Projected Additional Loans by Year End 2022	\$ 504,725
(4)	Projected Additional Repayments by Year End 2022	\$ 4,561,651	(4)	Projected Additional Repayments by Year End 2022	\$ 317,402
(5)	Projected Year End Loan Fund Balance 2022	\$ 4,041,773	(5)	Projected Year End Loan Fund Balance 2022	\$ 2,539,574
(6)	2023 Fund Injection	\$ 2,000,000	(6)	2023 Fund Injection	\$ -
(7)	Projected Loan Fund Balance, January 2023	\$ 6,041,773	(7)	Projected Loan Fund Balance, January 2023	\$ 2,539,574
(8)	Projected Repayments throughout 2023	\$ 4,762,036	(8)	Projected Repayments throughout 2023	\$ 147,982
(9)	Estimated Loans in 2023	\$ 9,100,000	(9)	Estimated Loans in 2023	\$ 1,000,000
(10)	Projected Year End Loan Fund Balance 2023	\$ 1,703,810	(10)	Projected Year End Loan Fund Balance 2023	\$ 1,687,556

Public Sector Revolving Loan Fund			Efficient Buildings Fund		
(1)	Total Loan Fund Deposits Through 2022	\$ 53,994	(1)	Energy Efficiency Funds allocated to EBF through 2022	\$ 22,087,113
(2)	Current Loan Fund Balance	\$ 46,798	(2)	Total EBF Loans Outstanding	\$ 55,075,045
	<i>Funds returned to OER</i>	\$ -			
	<i>Repayments Year-To-Date</i>	\$ 5,388			
(3)	Projected Additional Loans by Year End	\$ -			
(4)	Projected Additional Repayments by Year End	\$ -			
(5)	Projected Year End Loan Fund Balance 2022	\$ 46,798			
(6)	2023 Fund Injection	\$ -			
(7)	Projected Loan Fund Balance, January 2023	\$ 46,798			
(8)	Projected Repayments throughout 2023	\$ -			
(9)	Estimated Loans in 2023	\$ -			
(10)	Projected Year End Loan Fund Balance 2023	\$ 46,798			

Notes

- (1) Funding injections since loan funds began. Net of any adjustments.
- (2) Current Loan Fund Balance is through May 2022; it includes all loans and repayments made by May 2022. Public Sector Revolving Loan Fund reduced by transfers to RI PEP Incentives. EBF reports in terms of loans outstanding.
- (3) Projected Loans from May to Year-End 2022 is estimated based on projects currently under construction that are anticipated to be paid out by year-end. It is difficult to project this amount accurately due to the fact that projects could be delayed by a month or two resulting in payment occurring in 2023 instead of 2022.
- (4) Projected Repayments from June to Year-End 2022 is estimated based on the monthly average amount of repayments.
- (5) Equal to (2) - (3) + (4).
- (6) Fund injection of \$2M for the Large C&I Revolving Loan Fund is included under the Finance Cost line in table E-2.
- (7) Equal to (5) + (6).
- (8) Assumption based on monthly average repayments in 2022 over 12 month period; repayments accumulate over time and may vary widely.
- (9) Amount projected to be lent to customers in 2023
- (10) Equal to (7) + (8) - (9).

Efficient Buildings Fund - To updated for the second draft of the 2023 Annual Plan. The 2023 Annual Plan only includes two values for EBF: 1) The Energy Efficiency Funds allocated to EBF through 2021. 2) Total EBF Loans Outstanding as of July 2022. Additional information is not available because RIIB has informed the Company that, commencing with the 2022 Plan, it will not be providing forward looking projections to the Company regarding EBF. The Company is therefore unable to provide any future projections in the 2023 Annual Plan regarding EBF. The state's System Reliability and Least Cost procurement statute (amended in 2021) directs that \$5M shall be transferred to RIIB. However, RIIB has not informed the Company the statutory \$5M transfer to RIIB in 2023 will go to EBF.

Table E-10
Rhode Island Energy
Rhode Island Electric Energy Efficiency 2003 - 2023
\$(000)

Electric	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 ⁽⁴⁾	2014	2015	2016	2017	2018	2019	2020	2021	2022 ⁽⁵⁾	2023 ⁽⁶⁾
Energy Efficiency Budget (\$Million) ⁽¹⁾	\$23.1	\$22.6	\$23.1	\$22.4	\$22.5	\$21.0	\$32.4	\$37.6	\$59.2	\$61.4	\$77.5	\$87.0	\$86.6	\$87.5	\$94.6	\$94.6	\$107.5	\$111.1	\$116.8	\$108.7	\$105.5
Spending Budget (\$Million) ⁽²⁾	\$16.3	\$15.8	\$17.6	\$16.5	\$16.4	\$14.7	\$23.5	\$28.8	\$45.3	\$55.3	\$64.8	\$80.6	\$77.3	\$77.6	\$88.5	\$88.7	\$98.1	\$101.1	\$104.8	\$93.0	\$88.6
Actual Expenditures (\$Million) ⁽³⁾	\$22.8	\$19.5	\$23.4	\$23.7	\$21.9	\$19.2	\$31.7	\$29.7	\$40.0	\$50.7	\$72.9	\$85.3	\$87.4	\$78.4	\$94.8	\$93.0	\$100.7	\$88.2	\$94.6		
Incentive Percentage ⁽¹⁰⁾	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	N/A	N/A	N/A
Target Incentive	\$712,557	\$781,959	\$774,689	\$726,627	\$723,000	\$647,689	\$1,035,943	\$1,267,043	\$1,992,513	\$2,434,131	\$3,240,747	\$4,032,000	\$3,867,400	\$3,878,087	\$4,425,528	\$4,436,022	\$4,905,009	\$5,054,448	\$5,500,000	\$3,390,165	\$3,501,153
Earned Incentive	\$712,557	\$604,876	\$795,648	\$760,623	\$716,075	\$675,282	\$1,085,888	\$1,333,996	\$1,929,273	\$2,469,411	\$2,997,681	\$4,223,321	\$4,533,360	\$4,128,034	\$4,829,847	\$4,940,402	\$3,290,237	\$3,242,675	\$3,464,590		
Annual Summer Demand kW Savings Goal Achieved (%)				106%	106%	113%	142%	78%	71%	83%	114%	78%	112%	101%	103%	116%	98%	79%	83%		
Annual MWh Energy Savings Goal Achieved (%)				111%	102%	111%	115%	107%	94%	93%	99%	105%	115%	107%	115%	110%	98%	88%	95%		
Energy Efficiency Program Charge (\$/kWh) ⁽⁷⁾	\$0.00200	\$0.00200	\$0.00200	\$0.00200	\$0.00200	\$0.00200	\$0.00320	\$0.00320	\$0.00526	\$0.00592	\$0.00876	\$0.00911	\$0.00953	\$0.01077	\$0.01124	\$0.00972	\$0.01121	\$0.01323	\$0.01113	\$0.01213	\$0.00862
Annual Cost to 500 kWh/month Residential Customer w/o tax ⁽⁸⁾	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$19.20	\$19.20	\$31.56	\$35.52	\$52.56	\$54.66	\$57.18	\$64.62	\$67.44	\$58.32	\$67.26	\$79.38	\$66.78	\$72.78	\$51.72
Annual Cost to 500 kWh/month Residential Customer w/ tax ⁽⁹⁾	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$20.00	\$20.00	\$32.88	\$37.00	\$54.75	\$56.94	\$59.56	\$67.31	\$70.25	\$60.75	\$70.06	\$82.69	\$69.56	\$75.81	\$53.88

Notes:

- (1) Energy Efficiency Budget includes total expenditures and commitments. Includes all demand side management program-related expenses, including rebates, administration and general expenses, evaluation, commitments for future years and Company incentive.
- (2) Prior to 2017, Spending Budget Eligible for Shareholder Incentive includes: Implementation, Administration, General, and Evaluation Expenses; excludes EERMC and OER Costs, Commitments, Copays, and Outside Finance Costs. Beginning in 2017, Outside Finance Costs were also included. Beginning in 2018 Pilot expenses were also excluded. Beginning in 2019 ConnectedSolutions expenses and assessments were also excluded.
- (3) Actual Expenditures is actual spend during calendar year. Includes expenditures and commitments. Includes all demand side management program-related expenses, including rebates, administration and general expenses, evaluation, commitments for future years and Company incentive.
- (4) In the Company's gas and electric rate cases in docket 4323, the PUC approved the uncollectibles gross-up in the electric EE Program Charge effective February 1, 2013, and a new rate applicable to the gross-up of the gas EE Program Charge, effective February 1, 2013.
- (5) 2022 values are planned.
- (6) 2023 values are proposed.
- (7) Beginning in 2012, the EE Program Charge includes the System Reliability Factor. It does not include the \$0.0003 renewables per RI General Laws §39-2-1.2 and Order #19608, which appears on customer bills. In 2022, the surcharge was in effect for an 11 month period beginning February 1, 2022.
- (8) Reflects the annual cost excluding Gross Earnings Tax.
- (9) Reflects the annual cost including Gross Earnings Tax.
- (10) Incentive percentage not applicable for 2021 and going forward due to new performance incentive mechanism developed for the 2021 Annual Plan. See Section 11 of the Main Text of the 2023 Annual Plan for additional details.

Table G-1
Rhode Island Energy
Gas DSM Funding Sources in 2023 by Sector
\$(000)

	<u>Projections by Sector</u>			Total
	Income Eligible Residential	Non-Income Eligible Residential	Commercial & Industrial	
(1) Projected Budget (from G-2):	\$8,756.4	\$17,212.2	\$10,906.3	\$36,874.9
Sources of Other Funding:				
(2) Projected Year-End 2022 Fund Balance and Interest:	\$0.0	(\$4,057)	\$5,804.7	\$1,747.9
(3) Total Other Funding:	\$0.0	(\$4,056.8)	\$5,804.7	\$1,747.9
(4) Customer Funding Required:	\$8,756.4	\$21,269.0	\$5,101.6	\$35,127.0
(5) Forecasted Firm Dth Volume	1,751,260	18,641,723	19,659,477	40,052,460
(6) Forecasted Non Firm Dth Volume			237,451	237,451
(7) Less: Exempt DG Customers			(1,562,431)	(1,562,431)
(8) Forecasted Dth Volume:	1,751,260	18,641,723	18,334,497	38,727,480
Average Energy Efficiency Program Charge per Dth				
(9) excluding Uncollectible Recovery:				\$0.907
(10) Proposed Energy Efficiency Program Charge per Dth excluding Uncollectible Recovery	\$1.150	\$1.150	\$0.636	
(11) Currently Effective Uncollectible Rate	<u>1.91%</u>	<u>1.91%</u>	<u>1.91%</u>	
(12) Proposed Energy Efficiency Program Charge per Dth, including Uncollectible Recovery:	\$1.172	\$1.172	\$0.648	
(13) Currently Effective Energy Efficiency Program Charge per Dth	\$1.354	\$1.354	\$0.8860	
(14) Adjustment to Reflect Fully Reconciling Funding Mechanism	(\$0.182)	(\$0.182)	(\$0.238)	

Notes

(1) Projected Budget from G-2 includes OER and EERMC costs allocated to each sector based on forecasted volume.

(2) Fund Balance projections include projected revenue and spend through year-end with Residential and C&I sector subsidies applied to Income Eligible as detailed in the 2023 EE Plan Table G-1. The fund balance includes a \$562,736 credit from shareholder funds to the fund balance, with interest, which the Company made in May and June, 2022 based on the Company's involvement in Docket 22-05-EE.

(10) The proposed EE program charges allow for the use of collections from one sector to fund energy efficiency services in other sectors that would otherwise not be supported with the proposed collection rates.

(11) Uncollectible rate approved in Docket No. 4770.

(13) This is an 11 month rate that went into effect February 1, 2022.

Table G-2
Rhode Island Energy
2023 Gas Energy Efficiency Program Budget (\$000)

	Program Planning & Administration	Marketing	Rebates and Other Customer Incentives	Sales, Tech Assist & Training	Evaluation & Market Research	Performance Incentive	Grand Total
Non-Income Eligible Residential:							
ENERGY STAR® HVAC	\$130.8	\$207.0	\$2,972.0	\$254.2	\$29.1	\$0.0	\$3,593.1
EnergyWise	\$297.3	\$62.4	\$8,021.6	\$1,388.0	\$175.8	\$0.0	\$9,945.1
EnergyWise Multifamily	\$73.7	\$50.8	\$1,167.3	\$180.6	\$15.5	\$0.0	\$1,487.8
Home Energy Reports	\$8.8	\$0.0	\$0.0	\$349.3	\$2.4	\$0.0	\$360.5
Residential Pilots	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Residential New Construction	\$56.0	\$2.1	\$358.5	\$166.5	\$39.2	\$0.0	\$622.3
Comprehensive Marketing - Residential	\$0.1	\$69.0	\$0.0	\$0.0	\$0.0	\$0.0	\$69.1
Community Based Initiatives - Residential	\$12.3	\$45.8	\$35.3	\$0.0	\$0.0	\$0.0	\$93.5
Residential Workforce Development	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Residential Performance Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Subtotal - Non-Income Eligible Residential	\$579.0	\$437.2	\$12,554.6	\$2,338.6	\$261.9	\$0.0	\$16,171.4
Income Eligible Residential:							
Single Family - Income Eligible Services	\$201.8	\$22.0	\$4,164.3	\$1,015.4	\$34.1	\$0.0	\$5,437.7
Income Eligible Multifamily	\$120.0	\$8.6	\$2,653.7	\$410.7	\$28.0	\$0.0	\$3,221.0
Income Eligible Workforce Development	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Income Eligible Performance Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Subtotal - Income Eligible Residential	\$321.8	\$30.7	\$6,818.0	\$1,426.1	\$62.0	\$0.0	\$8,658.6
Commercial & Industrial							
Large Commercial New Construction	\$104.0	\$104.7	\$1,524.9	\$863.2	\$225.0	\$0.0	\$2,821.8
Large Commercial Retrofit	\$227.9	\$172.8	\$2,272.5	\$1,761.7	\$209.2	\$0.0	\$4,644.1
Small Business Direct Install	\$14.3	\$16.2	\$598.6	\$59.6	\$2.4	\$0.0	\$691.1
Commercial & Industrial Multifamily	\$38.4	\$25.4	\$659.7	\$161.6	\$7.6	\$0.0	\$892.6
Commercial Pilots	\$2.4	\$0.0	\$0.0	\$10.0	\$0.0	\$0.0	\$12.4
Finance Costs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Community Based Initiatives - C&I	\$4.1	\$15.3	\$11.8	\$0.0	\$0.0	\$0.0	\$31.2
Commercial Workforce Development	\$0.0	\$0.0	\$0.0	\$67.5	\$0.0	\$0.0	\$67.5
Commercial & Industrial Performance Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$721.9	\$721.9
Subtotal - Commercial & Industrial	\$391.1	\$334.3	\$5,067.4	\$2,923.6	\$444.3	\$721.9	\$9,882.7
Regulatory							
EERMC	\$283.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$283.4
OER	\$616.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$616.2
Rhode Island Infrastructure Bank	\$0.0	\$0.0	\$1,262.5	\$0.0	\$0.0	\$0.0	\$1,262.5
Subtotal - Regulatory	\$899.7	\$0.0	\$1,262.5	\$0.0	\$0.0	\$0.0	\$2,162.2
Grand Total	\$2,191.7	\$802.1	\$25,702.6	\$6,688.3	\$768.2	\$721.9	\$36,874.9

Notes:

- OER budget is equal to the SBC collections after zeroing out EERMC and OER budgets times 3% times 60%. EERMC budget was approved by the EERMC on July 28th, 2022 for a total between gas and electric of \$1,133,775. 25% of that total has been allocated to the gas budget, in accordance with the proportions of the gas and electric budget. This will be updated in the final draft.
- Demonstrations and Assessments are included in specific program level budgets listed above. More information on Demonstration and Assessments descriptions, budgets, and which program level budget they are included in can be found in Attachment 8.
- Based on the state's System Reliability and Least Cost procurement statute (amended in 2021), funds transferred to the Rhode Island Infrastructure Bank are now classified under Regulatory costs.

Table G-3
Rhode Island Energy
Derivation of the 2023 Eligible PIM & Implementation Budgets (\$000)

	Proposed 2023 Budget From G-2 (\$000)	Outside Finance and Stakeholder Oversight Costs (\$000)	Performance Incentive (\$000)	Eligible Sector PIM Budget for Performance Incentive on G-8 (\$000) ¹	Implementation Expenses for Cost-Effectiveness on G-5 (\$000) ²
Non-Income Eligible Residential					
ENERGY STAR® HVAC	\$3,593.1				\$3,593.1
EnergyWise	\$9,945.1				\$9,945.1
EnergyWise Multifamily	\$1,487.8				\$1,487.8
Home Energy Reports	\$360.5				\$360.5
Residential Pilots	\$0.0				\$0.0
Residential New Construction	\$622.3				\$622.3
Comprehensive Marketing - Residential	\$69.1				\$69.1
Community Based Initiatives - Residential	\$93.5				\$93.5
Residential Workforce Development	\$0.0				\$0.0
Residential Performance Incentive	\$0.0		\$0.0		\$0.0
Subtotal - Non-Income Eligible Residential	\$16,171.4	\$0.0	\$0.0	\$16,171.4	\$16,171.4
Income Eligible Residential					
Single Family - Income Eligible Services	\$5,437.7				\$5,437.7
Income Eligible Multifamily	\$3,221.0				\$3,221.0
Income Eligible Workforce Development	\$0.0				\$0.0
Income Eligible Performance Incentive	\$0.0		\$0.0		\$0.0
Subtotal - Income Eligible Residential	\$8,658.6	\$0.0	\$0.0	\$8,658.6	\$8,658.6
Commercial & Industrial					
Large Commercial New Construction	\$2,821.8				\$2,821.8
Large Commercial Retrofit	\$4,644.1				\$4,644.1
Small Business Direct Install	\$691.1				\$691.1
Commercial & Industrial Multifamily	\$892.6				\$892.6
Commercial Pilots	\$12.4				\$12.4
Finance Costs	\$0.0				\$0.0
Community Based Initiatives - C&I	\$31.2				\$31.2
Commercial Workforce Development	\$67.5				\$67.5
Commercial & Industrial Performance Incentive	\$721.9		\$721.9		\$0.0
Subtotal - Commercial & Industrial	\$9,882.7	\$0.0	\$721.9	\$9,095.9	\$9,160.7
Regulatory					
EERMC	\$283.4	\$283.4			\$283.4
OER	\$616.2	\$616.2			\$616.2
Rhode Island Infrastructure Bank	\$1,262.5	\$1,262.5			\$1,262.5
Subtotal - Regulatory	\$2,162.2	\$2,162.2			\$2,162.2
Grand Total	\$36,874.9	\$2,162.2	\$721.9	\$33,925.9	\$36,152.9

Notes:

- (1) Eligible Sector Spending Budget for Performance Incentive = Budget from G-2 minus Regulatory Costs, Pilots, Assessments, and Performance Incentive.
- (2) Implementation Expenses = Budget from G-2 minus Performance Incentive.
- (3) Eligible Sector Spending Budget does not include assessments, see Attachment 8 for assessments budgets.

Table G-4
Rhode Island Energy
Proposed 2023 Budget Compared to Approved 2022 Budget (\$000)

	Proposed Implementation Budget 2023	Approved Implementation Budget 2022	Difference
Non-Income Eligible Residential			
ENERGY STAR [®] HVAC	\$3,593.1	\$3,650.5	-\$57.4
EnergyWise	\$9,945.1	\$8,575.0	\$1,370.1
EnergyWise Multifamily	\$1,487.8	\$1,488.6	-\$0.8
Home Energy Reports	\$360.5	\$441.5	-\$81.0
Residential Pilots	\$0.0	\$0.0	\$0.0
Residential New Construction	\$622.3	\$566.4	\$55.9
Comprehensive Marketing - Residential	\$69.1	\$68.0	\$1.1
Community Based Initiatives - Residential	\$93.5	\$85.0	\$8.5
Residential Performance Incentive	\$0.0	\$0.0	\$0.0
Subtotal - Non-Income Eligible Residential	\$16,171.4	\$14,875.0	\$1,296.3
Income Eligible Residential			
Single Family - Income Eligible Services	\$5,437.7	\$6,370.0	-\$932.4
Income Eligible Multifamily	\$3,221.0	\$2,947.5	\$273.4
Income Eligible Performance Incentive	\$0.0	\$0.0	\$0.0
Subtotal - Income Eligible Residential	\$8,658.6	\$9,317.6	-\$658.9
Commercial & Industrial			
Large Commercial New Construction	\$2,821.8	\$3,140.9	-\$319.1
Large Commercial Retrofit	\$4,644.1	\$4,672.1	-\$28.0
Small Business Direct Install	\$691.1	\$354.1	\$337.0
Commercial & Industrial Multifamily	\$892.6	\$957.0	-\$64.4
Commercial Pilots	\$12.4	\$215.8	-\$203.4
Finance Costs	\$0.0	\$0.0	\$0.0
Community Based Initiatives - C&I	\$31.2	\$28.3	\$2.8
Commercial Workforce Development	\$67.5	\$67.5	\$0.0
Commercial & Industrial Performance Incentive	\$721.9	\$1,000.0	-\$278.1
Subtotal Commercial & Industrial	\$9,882.7	\$10,435.7	-\$553.0
Regulatory			
EERMC	\$283.4	\$259.5	\$23.9
OER	\$616.2	\$755.6	-\$139.4
Rhode Island Infrastructure Bank	\$1,262.5	\$1,262.5	\$0.0
Subtotal Regulatory	\$2,162.2	\$2,277.6	-\$115.5
TOTAL BUDGET	\$36,874.9	\$36,906.0	-\$31.1

Notes:

- (1) Program Implementation Budget excludes Commitments, Company Incentive; derived on Table G-3
- (2) Total Budget includes Implementation, Commitments; illustrated on Table G-3
- (3) Performance Incentive is allocated to the C&I Sector Consistent with the final PIM approved in Docket 5076.

**Table G-5 - Primary
Rhode Island Energy
Calculation of 2023 Program Year Cost-Effectiveness
All Dollar Values in (\$000)**

	Rhode Island Benefit/ Cost ¹	Total Benefit	Program Implementation Expenses ²	Customer Contribution	Performance Incentive	\$/Lifetime MMBtu
Non-Income Eligible Residential						
Energy Star® HVAC	1.90	\$13,926.9	\$3,593.1	\$3,718.7		\$14.13
EnergyWise	1.97	\$21,271.4	\$9,945.1	\$872.1		\$22.08
EnergyWise MultiFamily	5.29	\$7,082.2	\$1,487.8	-\$150.1		\$12.11
Home Energy Reports	10.63	\$3,832.5	\$360.5	\$0.0		\$3.93
Residential New Construction	1.81	\$1,673.4	\$622.3	\$301.1		\$15.79
Comprehensive Marketing - Residential			\$69.1			
Community Based Initiatives - Residential			\$93.5			
Residential Pilots			\$0.0			
Non-Income Eligible Residential Subtotal	2.28	\$47,786.4	\$16,171.4	\$4,741.8	\$0.0	\$16.49
Income Eligible Residential						
Single Family - Income Eligible Services	2.30	\$12,525.1	\$5,437.7	\$0.0		\$32.14
Income Eligible Multifamily	3.26	\$10,502.3	\$3,221.0	\$0.0		\$18.68
Income Eligible Residential Subtotal	2.66	\$23,027.4	\$8,658.6	\$0.0	\$0.0	\$25.34
Large Commercial & Industrial						
Large Commercial New Construction	7.94	\$22,873.2	\$2,821.8	\$60.5		\$4.02
Large Commercial Retrofit	4.07	\$29,222.6	\$4,644.1	\$2,537.2		\$7.06
Small Business Direct Install	4.32	\$3,707.1	\$691.1	\$166.3		\$6.59
Commercial & Industrial Multifamily	5.16	\$6,208.7	\$892.6	\$309.9		\$18.60
Commercial Pilots			\$12.4			
Community Based Initiatives - C&I			\$31.2			
Finance Costs			\$0.0			
Commercial Workforce Development			\$67.5			
Commercial & Industrial Subtotal	4.79	\$62,011.6	\$9,160.7	\$3,073.9	\$721.9	\$6.35
Regulatory						
EERMC			\$283.4			
OER			\$616.2			
Rhode Island Infrastructure Bank			\$1,262.5			
Regulatory Subtotal			\$2,162.2			
Grand Total	2.97	\$132,825.4	\$36,153	\$7,815.7	\$721.9	\$12.43

Notes:

- (1) RI Test B/C Test = Total Benefits from Table G-6 excluding Economic Benefits / Program Implementation Expenses from Table G-3 and Customer Contribution. Also includes effects of free-ridership and spillover.
- (2) For Implementation Expenses derivation, see Table G-3.

Table G-5 - Economic Benefits
Rhode Island Energy
Calculation of 2023 Economic Benefits and Job Years
All Dollar Values in (\$000)

	Program Implementation Expenses¹	RI Economic Multiplier (GDP/\$ Program Impl.)	Economic Benefits	RI Job Years Multiplier (Job Years/\$M Program Impl.)	Job Years
Non-Income Eligible Residential					
Energy Star® HVAC	\$3,593	\$0.97	\$3,485.3	6.9	25
EnergyWise	\$9,945	\$1.08	\$10,740.7	11.9	118
EnergyWise MultiFamily	\$1,488	\$1.70	\$2,529.3	16.5	25
Home Energy Reports	\$361	\$1.12	\$403.8	7.5	3
Residential New Construction	\$622	\$0.34	\$211.6	2.4	1
Comprehensive Marketing - Residential	\$69		\$0.0		
Community Based Initiatives - Residential	\$93		\$0.0		
Residential Pilots	\$0		\$0.0		
Non-Income Eligible Residential SUBTOTAL	\$16,171		\$17,370.7		172
Income Eligible Residential					
Single Family - Income Eligible Services	\$5,438	\$1.05	\$5,709.6	12.1	66
Income Eligible Multifamily	\$3,221	\$1.62	\$5,218.0	16.0	52
Income Eligible Residential SUBTOTAL	\$8,659		\$10,927.5		117
Commercial & Industrial					
Large Commercial New Construction	\$2,822	\$0.74	\$2,088.2	1.2	3
Large Commercial Retrofit	\$4,644	\$2.10	\$9,752.6	16.4	76
Small Business Direct Install	\$691	\$1.39	\$960.6	13.4	9
Commercial & Industrial Multifamily	\$893	\$1.55	\$1,383.6	11.0	10
Commercial Pilots	\$12		\$0.0		
Community Based Initiatives - C&I	\$31		\$0.0		
Finance Costs	\$0		\$0.0		
Commercial Workforce Development	\$68		\$0.0		
C&I SUBTOTAL	\$9,161		\$14,184.9		99
Regulatory					
OER	\$616		\$0.0		-
EERMC	\$283		\$0.0		-
Rhode Island Infrastructure Bank	\$1,263		\$0.0		-
Regulatory SUBTOTAL	\$2,162		\$0.0		-
TOTAL	\$36,153		\$42,483.2		388

Notes:

- (1) For Implementation Expenses derivation, see Table G-3.
- (2) RI Economic and Job Years Multipliers from "Economic Multipliers Update" filed by National Grid in Docket 5189.

Table G-5A
Rhode Island Energy
Calculation of 2023 Program Year Cost-Effectiveness with TRC Test
All Dollar Values in (\$000)

	TRC Benefit/ Cost	Total Benefit	Program Implementation Expenses	Customer Contribution	Performance Incentive	\$/Lifetime MMBtu
Non-Income Eligible Residential						
Energy Star® HVAC	0.95	\$6,930.7	\$3,593.1	\$3,718.7		\$14.1
EnergyWise	0.80	\$8,604.6	\$9,945.1	\$872.1		\$22.1
EnergyWise MultiFamily	3.36	\$4,497.5	\$1,487.8	-\$150.1		\$12.1
Home Energy Reports	4.60	\$1,659.9	\$360.5	\$0.0		\$3.9
Residential New Construction	1.12	\$1,032.1	\$622.3	\$301.1		\$15.8
Comprehensive Marketing - Residential			\$69.1			
Community Based Initiatives - Residential			\$93.5			
Residential Pilots			\$0.0			
Residential Workforce Development			\$0.0			
Non-Income Eligible Residential Subtotal	1.09	\$22,724.9	\$16,171.4	\$4,741.8	\$0.0	\$16.5
Income Eligible Residential						
Single Family - Income Eligible Services	1.67	\$9,062.6	\$5,437.7	\$0.0		\$32.1
Income Eligible Multifamily	2.67	\$8,596.0	\$3,221.0	\$0.0		\$18.7
Income Eligible Workforce Development			\$0.0			\$0.0
Income Eligible Residential Subtotal	2.04	\$17,658.6	\$8,658.6	\$0.0	\$0.0	\$25.3
Large Commercial & Industrial						
Large Commercial New Construction	4.30	\$12,404.2	\$2,821.8	\$60.5		\$4.0
Large Commercial Retrofit	1.28	\$9,203.4	\$4,644.1	\$2,537.2		\$7.1
Small Business Direct Install	1.66	\$1,420.4	\$691.1	\$166.3		\$6.6
Commercial & Industrial Multifamily	4.53	\$5,453.4	\$892.6	\$309.9		\$18.6
Commercial Pilots			\$12.4	\$0.0		
Community Based Initiatives - C&I			\$31.2	\$0.0		
Finance Costs			\$0.0	\$0.0		
Commercial Workforce Development			\$67.5	\$0.0		
Commercial & Industrial Subtotal	2.20	\$28,481.5	\$9,160.7	\$3,073.9	\$721.9	\$6.3
Regulatory						
EERMC			\$283.4			
OER			\$616.2			
Rhode Island Infrastructure Bank			\$1,262.5			
Regulatory Subtotal			\$899.7			
Grand Total	1.59	\$68,864.9	\$34,890.4	\$7,815.7	\$721.9	\$12.4

Notes:

(1) TRC B/C Test = (Energy + Capacity + Resource Benefits) / (Program Implementation + Customer Contribution + Performance Incentive)

Also includes effects of free-ridership and spillover.

(2) For Implementation Expenses derivation, see Table G-3.

Table G-6
Rhode Island Energy
Summary of 2023 Benefits by Program

	Benefits (\$000)																			
	Total	Total (Economic Excluded)	Natural Gas Benefits		Electric Capacity					Electric Energy					Non-Electric and Non-Gas			Societal		
			Natural Gas	Natural Gas DRIPE	Summer Generation	Capacity DRIPE	Trans	Dist	Reliability	Winter		Summer		Electric Energy DRIPE	Oil and Oil DRIPE	Other Resource	Non Resource	Carbon	NOx	Economic
										Winter Peak	Winter Off Peak	Summer Peak	Summer Off Peak							
Non-Income Eligible Residential																				
EnergyWise	\$32,012	\$21,271	\$4,431	\$28	\$61	\$106	\$82	\$101	\$5	\$52	\$59	\$54	\$47	\$38	\$0	\$75	\$3,466	\$12,335	\$332	\$10,741
Energy Star@ HVAC	\$17,412	\$13,927	\$4,690	\$37	\$173	\$466	\$240	\$296	\$23	\$16	\$5	\$129	\$108	\$73	\$0	\$44	\$629	\$6,639	\$357	\$3,485
EnergyWise Multifamily	\$9,612	\$7,082	\$990	\$7	\$6	\$13	\$8	\$10	\$1	\$1	\$0	\$5	\$4	\$2	\$0	\$42	\$3,407	\$2,510	\$75	\$2,529
Home Energy Reports	\$4,236	\$3,833	\$696	\$30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$933	\$2,109	\$64	\$404
Residential New Construction	\$1,885	\$1,673	\$526	\$4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7	\$494	\$601	\$40	\$212
Non-Income Eligible Residential SUBTOTAL	\$65,157	\$47,786	\$11,334	\$106	\$240	\$584	\$331	\$407	\$29	\$68	\$64	\$188	\$159	\$113	\$0	\$169	\$8,931	\$24,193	\$868	\$17,371
Income Eligible Residential																				
Single Family - Income Eligible Services	\$18,235	\$12,525	\$1,552	\$11	\$18	\$35	\$24	\$30	\$2	\$20	\$23	\$15	\$13	\$16	\$0	\$0	\$7,304	\$3,346	\$117	\$5,710
Income Eligible Multifamily	\$15,720	\$10,502	\$1,556	\$15	\$7	\$22	\$10	\$12	\$1	\$1	\$1	\$5	\$4	\$4	\$0	\$24	\$6,933	\$1,788	\$118	\$5,218
Income Eligible Residential SUBTOTAL	\$33,955	\$23,027	\$3,108	\$26	\$25	\$57	\$34	\$42	\$3	\$21	\$24	\$20	\$17	\$20	\$0	\$24	\$14,237	\$5,134	\$235	\$10,928
Commercial & Industrial																				
Large Commercial New Construction	\$24,961	\$22,873	\$5,443	\$51	\$79	\$157	\$108	\$132	\$8	\$0	\$0	\$0	\$0	\$0	\$0	\$148	\$6,279	\$9,947	\$522	\$2,088
Large Commercial Retrofit	\$38,975	\$29,223	\$8,295	\$113	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$796	\$19,273	\$746	\$9,753
Small Business Direct Install	\$4,668	\$3,707	\$1,023	\$11	\$0	\$0	\$0	\$0	\$0	\$4	\$3	\$1	\$1	\$3	\$0	\$317	\$58	\$2,191	\$96	\$961
Commercial & Industrial Multifamily	\$7,592	\$6,209	\$548	\$6	\$3	\$10	\$4	\$5	\$0	\$0	\$0	\$2	\$2	\$2	\$0	\$4	\$4,866	\$708	\$47	\$1,384
Commercial & Industrial SUBTOTAL	\$76,197	\$62,012	\$15,308	\$181	\$82	\$166	\$112	\$138	\$8	\$4	\$3	\$3	\$3	\$5	\$0	\$469	\$11,998	\$32,119	\$1,411	\$14,185
Grand Total	\$175,309	\$132,825	\$29,750	\$313	\$347	\$808	\$477	\$586	\$41	\$94	\$92	\$212	\$179	\$138	\$0	\$662	\$35,166	\$61,446	\$2,514	\$42,483

Table G-6A
Rhode Island Energy
Summary of 2023 Impacts by Program

	Gas Savings			Electric Energy Savings					Total Savings (Gas, Electric)		Total Carbon Savings
	MMBtu		short tons CO ₂	MWh		MMBtu		short tons CO ₂	MMBtu		short tons CO ₂
	Annual	Lifetime	Annual ²	Annual	Lifetime	Annual	Lifetime	Annual ²	Annual	Lifetime	Annual ²
Non-Income Eligible Residential											
EnergyWise®	20,697	490,013	1,422	116	2,713	394	9,258	55	21,092	499,271	1,477
Energy Star® HVAC	27,030	517,571	1,978	281	4,173	957	14,238	128	27,987	531,809	2,106
EnergyWise Multifamily	5,358	110,428	440	9	158	29	540	6	5,387	110,968	446
Home Energy Reports	91,640	91,640	5,361	-	-	-	-	-	91,640	91,640	5,361
Residential New Construction	3,287	58,476	215	-	-	-	-	-	3,287	58,476	215
Non-Income Eligible Residential SUBTOTAL	148,013	1,268,128	9,416	405	7,045	1,380	24,036	188	149,393	1,292,165	9,604
Income Eligible Residential											
Single Family - Income Eligible Services	8,230	169,180	481	51	1,022	173	3,485	20	8,403	172,665	501
Income Eligible Multifamily	11,075	172,464	648	15	189	49	643	5	11,125	173,107	653
Income Eligible Residential SUBTOTAL	19,305	341,644	1,129	65	1,210	222	4,129	25	19,528	345,773	1,155
Commercial & Industrial											
Large Commercial New Construction	48,823	716,705	5,075	-	-	-	-	-	48,823	716,705	5,075
Large Commercial Retrofit	94,766	1,016,519	5,095	-	-	-	-	-	94,766	1,016,519	5,095
Small Business Direct Install	9,723	130,193	630	8	116	26	395	3	9,750	130,588	633
Commercial & Industrial Multifamily	4,249	64,645	275	6	82	22	281	4	4,270	64,927	279
Commercial & Industrial SUBTOTAL	157,561	1,928,063	11,074	14	198	48	676	8	157,609	1,928,739	11,082
Grand Total	324,879	3,537,835	21,619	484	8,453	1,650	28,841	222	326,529	3,566,676	21,841

Notes:
1) Lifetime savings are equal to annual savings multiplied by the expected life of measures expected to be installed in each program.
(2) Annual short tons CO₂ savings is based on gross annual energy savings in Year 1. The AESC 2021 study was used to inform the electric emissions factor for 2023, taking the average of summer/winter on/off-peak

Table G-7
Rhode Island Energy
Comparison of 2023 and 2022 Goals

	Proposed 2023 Goal	Proposed 2023 Tracking		Approved 2022		Difference	
	Lifetime Energy Savings (MMBtu Natural Gas)	Annual Energy Savings (MMBtu Natural Gas)	Planned Unique Participants	Lifetime Energy Savings (MMBtu Natural Gas)	Annual Energy Savings (MMBtu Natural Gas)	Lifetime Energy Savings (MMBtu Natural Gas)	Annual Energy Savings (MMBtu Natural Gas)
Non-Income Eligible Residential							
EnergyWise	490,013	20,697	1,716	478,550	20,850	11,463	-152
Energy Star® HVAC	517,571	27,030	2,904	439,717	26,740	77,854	289
EnergyWise Multifamily	110,428	5,358	3,453	147,064	8,279	-36,636	-2,921
Home Energy Reports	91,640	91,640	130,585	93,548	93,548	-1,907	-1,907
Residential New Construction	58,476	3,287	460	64,899	3,610	-6,423	-323
Non-Income Eligible Residential SUBTOTAL	1,268,128	148,013	139,117	1,223,778	153,027	44,350	-5,014
Income Eligible Residential							
Single Family - Income Eligible Services	169,180	8,230	797	218,847	10,942	-49,667	-2,712
Income Eligible Multifamily	172,464	11,075	2,742	273,085	14,700	-100,621	-3,625
Income Eligible Residential SUBTOTAL	341,644	19,305	3,539	491,932	25,642	-150,288	-6,337
Commercial & Industrial							
Large Commercial New Construction	716,705	48,823	62	788,763	52,956	-72,058	-4,133
Large Commercial Retrofit	1,016,519	94,766	59	1,332,508	142,888	-315,989	-48,122
Small Business Direct Install	130,193	9,723	146	91,700	6,113	38,494	3,610
Commercial & Industrial Multifamily	64,645	4,249	488	131,220	8,803	-66,575	-4,554
Commercial & Industrial SUBTOTAL	1,928,063	157,561	755	2,344,192	210,760	-416,129	-53,200
TOTAL	3,537,835	324,879	143,411	4,059,902	389,430	-522,067	-64,551

Notes:

- (1) Participants can participate in more than one program, for example Home Energy Reports and EnergyWise.
- (2) Planned 2023 participation takes into account net-to-gross and estimates unique participation by taking into account 2021 unique customer accounts to savings ratios. Therefore the number of planned measures may be more than the planned participants. For measure counts please view the widgets tables at the end of the Residential and C&I text sections. Table G-7 no longer includes a comparison to the previous year's participation. Due to the way unique participation is calculated it is not possible to compare year-over-year results.

Table G-8A
Rhode Island Energy
2023 Gas PIM Benefits, Allocations, and Categorization (\$000)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
	Natural Gas Benefits		Utility NEIs	Electric Capacity				Electric Energy				Non-Electric and Non-Gas				Societal			
	Natural Gas	Natural Gas DRIPE	Utility NEIs	Summer Generation	Capacity DRIPE	Trans	Dist	Reliability	Winter		Summer		Electric Energy DRIPE	Oil and Oil DRIPE	Other Resource	Non Resource	Carbon	NOx	Economic
									Winter Peak	Winter Off Peak	Summer Peak	Summer Off Peak							
Non-Income Eligible Residential																			
EnergyWise	\$4,431	\$28	\$423	\$61	\$106	\$82	\$101	\$5	\$52	\$59	\$54	\$47	\$38	\$0	\$75	\$3,044	\$12,335	\$332	\$10,741
Energy Star® HVAC	\$4,690	\$37	\$0	\$173	\$466	\$240	\$296	\$23	\$16	\$5	\$129	\$108	\$73	\$0	\$44	\$629	\$6,639	\$357	\$3,485
EnergyWise Multifamily	\$990	\$7	\$0	\$6	\$13	\$8	\$10	\$1	\$1	\$0	\$5	\$4	\$2	\$0	\$42	\$3,407	\$2,510	\$75	\$2,529
Home Energy Reports	\$696	\$30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$933	\$2,109	\$64	\$404
Residential New Construction	\$526	\$4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7	\$494	\$601	\$40	\$212
Non-Income Eligible Residential SUBTOTAL	\$11,334	\$106	\$423	\$240	\$584	\$331	\$407	\$29	\$68	\$64	\$188	\$159	\$113	\$0	\$169	\$8,508	\$24,193	\$868	\$17,371
Income Eligible Residential																			
Single Family - Income Eligible Services	\$1,552	\$11	\$79	\$18	\$35	\$24	\$30	\$2	\$20	\$23	\$15	\$13	\$16	\$0	\$0	\$7,225	\$3,346	\$117	\$5,710
Income Eligible Multifamily	\$1,556	\$15	\$33	\$7	\$22	\$10	\$12	\$1	\$1	\$1	\$5	\$4	\$4	\$0	\$24	\$6,901	\$1,788	\$118	\$5,218
Income Eligible Residential SUBTOTAL	\$3,108	\$26	\$112	\$25	\$57	\$34	\$42	\$3	\$21	\$24	\$20	\$17	\$20	\$0	\$24	\$14,125	\$5,134	\$235	\$10,928
Commercial & Industrial																			
Large Commercial New Construction	\$5,443	\$51	\$0	\$79	\$157	\$108	\$132	\$8	\$0	\$0	\$0	\$0	\$0	\$0	\$148	\$6,279	\$9,947	\$522	\$2,088
Large Commercial Retrofit	\$8,295	\$113	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$796	\$19,273	\$746	\$9,753
Small Business Direct Install	\$1,023	\$11	\$0	\$0	\$0	\$0	\$0	\$0	\$4	\$3	\$1	\$1	\$3	\$0	\$317	\$58	\$2,191	\$96	\$961
Commercial & Industrial Multifamily	\$548	\$6	\$0	\$3	\$10	\$4	\$5	\$0	\$0	\$0	\$2	\$2	\$2	\$0	\$4	\$4,866	\$708	\$47	\$1,384
Commercial & Industrial SUBTOTAL	\$15,308	\$181	\$0	\$82	\$166	\$112	\$138	\$8	\$4	\$3	\$3	\$3	\$5	\$0	\$469	\$11,998	\$32,119	\$1,411	\$14,185
Grand Total	\$29,750	\$313	\$535	\$347	\$808	\$477	\$586	\$41	\$94	\$92	\$212	\$179	\$138	\$0	\$662	\$34,632	\$61,446	\$2,514	\$42,483
Included in PIM? (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N
Percent Application in PIM	100%	100%	100%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	0%	0%	0%	0%
Category	Gas Utility System Benefits	Gas Utility System Benefits	Gas Utility System Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	NA	NA	NA	NA

Notes
From 2023 Benefit-Cost Model, reflects benefits in Table G-6.

**Table G-8B - Compliance Filing
Rhode Island Energy
2023 Gas PIM Costs (\$000)**

	(1)	(2)	(3)
	Costs (\$)		
	Eligible Spending Budget from Table G-3	Regulatory Costs	Total Costs for PIM Calculations
Non-Income Eligible Residential SUBTOTAL	\$16,171	\$721	\$16,892
Income Eligible Residential SUBTOTAL	\$8,659	\$721	\$9,379
Commercial & Industrial SUBTOTAL	\$9,096	\$721	\$9,817
Included in PIM? (Y/N)	Y	Y	Y

Notes

Source is Table G-2 and G-3. Regulatory costs allocated equally to each sector. OER and RIIB costs have been omitted from Regulatory Costs.

Table G-8C
Rhode Island Energy
2023 Gas PIM and SQA

Sector PI = min{ Payout Cap(i), [Actual Net Benefits * Design Payout Rate(g) * Payout Rate Adjustment(i)] }

Sector	Planned Eligible Benefits		Planned Eligible Costs	Planned Eligible Net Benefits (4)	Design Performance Achievement	Design Payout Rate	Design Payout Rate Thresholds	Payout Rate Adjustments	Payout Cap	Service Quality Metric	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(k)	
	100% Gas Utility System Benefits	50% Resource Benefits	Eligible Spending Budget + Regulatory Costs	=(a)+(b)-(c)	Net benefits at which design incentive pool is achieved	Set by PUC	=(f)/(e)	Achievement levels at which the Payout Rate Adjustments in (i) will be applied—Set by PUC	Factor to adjust Design Payout Rate for if final program achievement fall within the ranges in (h)—Set by PUC	=1.25*(f)	Yes if (d) ≤ 0; No if (d) > 0
									Cap on sector payout regardless of achievement in sector	See Service Quality Table	
Non-Income Eligible Residential	\$11,862,676	\$1,177,002	\$16,892,099	-\$3,852,420	\$2,000,000	\$500,000	25.0%	a. Achievement < 25% b. 25% ≤ Achievement < 50% c. 50% ≤ Achievement < 75% d. 75% ≤ Achievement • Spending > Planned Eligible Costs	a. 0.0 b. Achievement/100 + 0.1 c. Achievement/100 + 0.25 d. 0.0 • See Boundary Rules	\$625,000	Yes
Income Eligible Residential	\$3,246,250	\$143,577	\$9,379,377	-\$5,989,550	\$2,000,000	\$500,000	25.0%			\$625,000	Yes
Commercial & Industrial	\$15,489,323	\$496,890	\$9,816,605	\$6,169,609	\$6,169,609	\$721,940	11.7%			\$902,425	No

Sector SQA = Maximum Service Adjustment(e) * Service Achievement Scaling Factor(g)

	Planned Eligible Benefits		Planned Eligible Costs	Design Service Achievement	Maximum Service Adjustment	Service Adjustment Thresholds	Service Achievement Scaling Factors	Achievement Cost Adjustment
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	100% Gas Utility System Benefits	50% Resource Benefits	Eligible Spending Budget + Regulatory Costs	=(a)+(b)	Maximum downward adjustment to earned incentive	Adjusted Achievement levels at which the Service Adjustments in (e) will be applied; adjustment is calculated in (h)	Factor to scale program achievement that fall within the ranges in (f)	Actual-cost-based adjustment factor applied to achievement. Result is if the difference between achievement and cost variances are greater than 5%, the Actual Achievement will be adjusted for use in
Non-Income Eligible Residential	\$11,862,676	\$1,177,002	\$16,892,099	\$13,039,679	\$344,262	a. Adjusted Achievement < 65% b. 65% ≤ Adjusted Achievement < 95% c. 95% ≤ Adjusted Achievement	a. 0.0 b. 0.95-Adjusted Achievement/30 c. 0.0	Performance Variance = "Actual Benefits" / "Design Achievement" - "Spending" / "Planned Eligible Cost"
Income Eligible Residential	\$3,246,250	\$143,577	\$9,379,377	\$3,389,827	\$123,176			If the absolute value (Performance Variance) ≤ 0.05, Then Adjusted Achievement = Actual Achievement Else Adjusted Achievement = Actual Achievement * (1+ Performance Variance)
Commercial & Industrial	\$15,489,323	\$496,890	\$9,816,605	\$15,986,213	\$0			

Table G-9
Rhode Island Energy
Revolving Loan Fund Projections

Large C&I Revolving Loan Fund

(1)	Total Loan Fund Deposits Through 2022	\$ 3,590,440
(2)	Current Loan Fund Balance	\$ 2,481,254
(3)	Projected Loans by Year End 2022	\$ 1,200,000
(4)	Projected Repayments by Year End 2022	\$ 311,389
(5)	Projected Year End Loan Fund Balance 2022	\$ 1,592,643
(6)	2023 Fund Injection	\$ -
(7)	Projected Loan Fund Balance, January 2023	\$ 1,592,643
(8)	Projected Repayments throughout 2023	\$ 309,469
(9)	Estimated Loans in 2023	\$ 1,200,000
(10)	Projected Year End Loan Fund Balance 2023	\$ 702,112

Notes

- 1 Funding injections since loan funds began. Net of any adjustments.
- 2 Current Loan Fund Balance is through May 2022
- 3 Projected Loans by Year End 2022 is estimated based on current commitments
Projected Repayments by Year End 2022 is estimated based on projected loans
- 4 by year end and repayment schedules
- 5 Equal to (2) - (3) + (4)
- 6 Fund Injection, as budgeted on G-2
- 7 Equal to (5) + (6)
- 8 Assumption based on average repayments over 12 months; repayments accumulate over time and may vary widely.

Table G-10
Rhode Island Energy
Rhode Island Gas Energy Efficiency 2003 - 2023
\$(000)

Gas	2007 ⁽⁴⁾	2008	2009	2010	2011 ⁽⁵⁾	2012	2013 ⁽⁶⁾	2014	2015	2016	2017	2018	2019	2020 ⁽⁷⁾	2021 ⁽⁸⁾	2022 ⁽⁸⁾	2023 ⁽⁸⁾
Energy Efficiency Budget (\$Million) ⁽¹⁾	-	\$7.3	\$7.6	\$4.8	\$7.3	\$13.7	\$19.5	\$23.5	\$24.5	\$27.7	\$29.7	\$28.1	\$31.6	\$34.3	\$35.0	\$36.9	\$36.9
Spending Budget (\$Million) ⁽²⁾	-	\$6.6	\$6.1	\$4.5	\$6.2	\$12.9	\$17.9	\$21.8	\$22.4	\$25.0	\$27.8	\$26.2	\$29.2	\$31.6	\$32.4	\$33.4	\$33.9
Actual Expenditures (\$Million) ⁽³⁾	-	\$7.4	\$6.3	\$5.5	\$4.9	\$13.3	\$19.6	\$21.5	\$21.5	\$24.6	\$29.1	\$28.8	\$29.5	\$24.6			
Incentive Percentage ⁽¹²⁾	-	4.4%	4.4%	4.4%	4.4%	4.4%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	NA	NA	NA
Target Incentive	-	\$288,734	\$266,980	\$199,743	\$274,460	\$570,382	\$898,285	\$1,089,700	\$1,119,800	\$1,251,654	\$1,387,550	\$1,309,076	\$1,460,570	\$1,578,601	\$1,700,000	\$1,000,000	\$721,940
Earned Incentive	-	\$288,734	\$262,121	\$231,310	\$239,863	\$586,036	\$968,229	\$1,362,108	\$1,387,079	\$1,496,869	\$1,633,531	\$1,541,255	\$1,580,119	\$347,732			
Annual MMBtu Energy Savings Goal Achieved (%)		109%	139%	127%	117%	99%	109%	124%	111%	106%	113%	120%	104%	71%			
System Benefits Charge (\$/therm) - all non-exempt customers ⁽¹¹⁾	\$0.0071	\$0.0107	\$0.0150	\$0.0150	\$0.0411	\$0.0384	\$0.0417	-	-	-	-	-	-	-	-	-	-
Residential System Benefits Charge (\$/therm)	-	-	-	-	-	-	-	\$0.0600	\$0.0781	\$0.0748	\$0.0888	\$0.0869	\$0.0715	\$0.1011	\$0.0871	\$0.1271	\$0.1172
C&I System Benefits Charge (\$/therm)	-	-	-	-	-	-	-	\$0.0492	\$0.0637	\$0.0487	\$0.0726	\$0.0671	\$0.0420	\$0.0704	\$0.0596	\$0.0846	\$0.0648
Annual Cost to 846 Therm/year Residential Customer w/o tax ⁽⁹⁾	\$6.04	\$9.05	\$12.69	\$12.69	\$18.28	\$32.49	\$35.28	\$50.76	\$66.07	\$63.28	\$75.12	\$73.52	\$60.49	\$85.53	\$73.69	\$107.53	\$99.15
Annual Cost to 846 Therm/year Residential Customer w/tax ⁽¹⁰⁾	\$6.23	\$9.33	\$13.08	\$13.08	\$18.85	\$33.49	\$36.37	\$52.33	\$68.11	\$65.24	\$77.44	\$75.79	\$62.36	\$88.18	\$75.97	\$110.86	\$102.22

Notes:

- (1) Energy Efficiency Budget includes total expenditures and commitments. Includes all demand side management program-related expenses, including rebates, administration and general expenses, evaluation, commitments for future years and Company incentive.
- (2) Prior to 2017, Spending Budget Eligible for Shareholder Incentive includes: Implementation, Administration, General, and Evaluation Expenses; excludes EERMC and OER Costs, Commitments, Copays, and Outside Finance Costs. Beginning in 2017, Outside Finance Costs were also included. Beginning in 2018 Pilot expenses were also excluded. Beginning in 2019 ConnectedSolutions expenses and assessment were also excluded.
- (3) Actual Expenditures is actual spend during calendar year. Includes expenditures and commitments. Includes all demand side management program-related expenses, including rebates, administration and general expenses, evaluation, commitments for future years and Company incentive.
- (4) Gas programs began during July 2007 and were not reported on separately that year since programs were still in development. The 2007 gas programs are included in 2008 reporting. Systems Benefit Charge shown for 2007 is the weighted average of \$0.063 per decatherm from January 1, 2007 - June 30, 2007 and \$0.107 per decatherm from July 1, 2007 through December 31, 2008.
- (5) On July 25, 2011 the Commission ordered that National Grid could increase the gas System Benefits Charge from \$0.15 to \$0.411 per decatherm for the period of August 1, 2011 through December 31, 2011. Annual cost represents 7 months usage (632 therms) at \$0.015 per therm and 5 months usage (214 therms) at \$0.0411 per therm.
- (6) In the Company's gas and electric rate cases in docket 4323, the PUC approved the uncollectibles gross-up in the electric EE Program Charge effective February 1, 2013, and a new rate applicable to the gross-up of the gas EE Program Charge, effective February 1, 2013.
- (7) 2021 values are planned.
- (8) 2022 values are proposed.
- (9) Reflects the annual cost excluding Gross Earnings Tax.
- (10) Reflects the annual cost including Gross Earnings Tax.
- (11) The Gas EE Program Charge was uniform for all customers until 2014, at which time the Company proposed and the PUC approved individual factors for the residential and C&I sectors.
- (12) Incentive percentage not applicable for 2022 due to new performance incentive mechanism developed for the 2022 Annual Plan. See Section 11 of the Main Text of the 2022 Annual Plan for additional details.

2023 Bill and Rate Impacts

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1 Summary

Rhode Island Energy has performed analyses of the electric and gas bill impacts resulting from the proposed 2023 Energy Efficiency Program Plan pursuant to the updated Least Cost Procurement Standards approved by the RI PUC in Docket 5015. Bill impacts are distinct from rate impacts because they model the effects of efficiency programs on annual customer bills by aggregating rate and consumption changes. In the electric and gas bill impact analysis, rate changes are modeled by mapping energy efficiency (EE) programs to groupings of customers approximating rate classes and estimating changes in both delivery service rates and supply costs due to the proposed EE program charge. Consumption impacts are predicted from proposed participation and energy efficiency savings. In both models, other effects of energy efficiency beyond direct energy savings such as price suppression (both) and avoided infrastructure investments (electric) are also included.

2 Key Findings

In this 2023 analysis, Rhode Island Energy used the same methods as those employed in 2022 for the natural gas and electric analysis. The key takeaways of the bill impact analyses are:

- Most customers are participating in at least one EE program. This is partially attributable to the residential Home Energy Reports program reaching nearly all gas and electric residential customers.
- In the electric portfolio, high participation means that over the lifetimes of the programs proposed for 2023, the average Rhode Island customer's (participants and non-participants combined) bill will be slightly lower than or equal to a scenario with no programs, ranging from a decrease of 0.03% to a decrease of 0.81%, depending on the sector and scenario. Overall, rates may increase, but energy savings from participation in electric EE programs results in bill savings that offset the costs of the EE program charge and revenue recovery.
- In the gas portfolio, participants in all programs and customer segment groupings see reductions in their long-term bills due to their 2023 participation, ranging from 0.02% to 23.54%. Across average customers, including participants and non-participants, the bill impacts are very close to zero depending on the sector and scenario. The analysis shows slight long-term average rate increases of between 0.01% and 0.54% depending on sector due to the 2023 annual plan.

3 Electric Bill Impacts

3.1 Methodology

The electric bill impact models used to generate the electric results were adapted from models originally built by Synapse Energy Economics on behalf of the Division of Public Utilities and Carriers in 2013. These models are distinct from the traditional electric bill impacts models the Company presented in Rates

proceedings before the PUC. The models analyze two cases: the fulfillment of the 2023 Plan and the absence of an efficiency plan in 2023. This comparison isolates the effects of the proposed 2023 EE program charge and Fully Reconciling Funding Mechanism. It assumes energy efficiency plans have been implemented before 2023 but will not be offered starting in 2023. As a result of this approach, the calculated impacts on long-term rates are not designed to reflect the net increase or decrease to the EE charge from the prior/current EE plan. The analysis also incorporates how system-wide reduction in energy consumption affects the different elements of rates such as transmission, distribution, and commodity charges.

Nine separate models are developed and analyzed: small C&I, medium C&I, large C&I, standard income residential with home energy reports only, standard income residential with all programs except home energy reports, standard income residential with all programs, income eligible residential with home energy reports only, income eligible residential with all programs except home energy reports, and income eligible residential with all programs. For all models, the key inputs are the net planned participation and savings numbers from Table E-7 in Attachment 5.¹ The models combine these data with rate class information to determine the benefits to customer bills from program participation. Table 1 below shows the mapping of efficiency programs to rate classes for the five models.² The diversity seen within the commercial customer profile indicates that customers from multiple rate classes can participate in any commercial program. Assumptions for these rate classes were made based on historical program participation data.³

¹ The 2023 Annual Plan analysis maintains the approach of modeling five rate class groupings as used in the last year's annual plan to allow for a more realistic depiction of bill impacts because there is a wide array of usage among commercial customers and having more groupings helps illustrate typical impacts.

² Delivery service rate tariffs is R.I.P.U.C. Tariff No. 2095 for rates A-16 (basic residential rate), A-60 (low-income residential rate), C-06 (small C&I rate), G-02 (medium C&I rate), G-32 (large C&I rate). Standard Offer Service rates used in the analysis are R.I.P.U.C. No. 2096 and R.I.P.U.C. No. 4809 A-16 & A-60 total commodity charge for standard income and income eligible residential rate group, C-06 total commodity charge for small C&I rate group, G-02 total commodity charge for medium C&I rate group and G-32 total commodity charge for large C&I rate group.

³ Savings and participation modeled by C&I rate classes is partitioned and estimated based on historical data.

Table 1. Electric Rate and Program Mapping

Electric Bill Impact Model	Rate Class(es)	Efficiency Programs
Residential Electric	A-16	Home Energy Reports
		EnergyStar HVAC
		EnergyWise Multifamily
		Residential Consumer Products
Income Eligible Electric	A-60	Income Eligible Single Family
		Income Eligible Multifamily
		Home Energy Reports
Small Commercial	C-06	Small Business Direct Install
		Large Commercial New Construction
		Large Commercial Retrofit
Medium Commercial	G-02	Small Business Direct Install
		Large Commercial New Construction
		Large Commercial Retrofit
Large Commercial	G-32, G-62	Small Business Direct Install
		Large Commercial New Construction
		Large Commercial Retrofit

Annual savings and participants reflect the phasing-out of individual programs. For example, HERs is a one-year program that only covers 2023. The savings and participants attributed to HERs are removed from annual savings and participants calculations starting in 2024. Long-term average changes in rates and bills include zero and non-zero values in the 20-year study period (2023-2042). Bills are calculated based on average annual consumption of a typical customer in Rhode Island in each class, using the values in Table 2.

Table 2. Average Annual Consumption per Customer in Modeled Customer Classes⁴

Modeled Customer Class	Average Annual Per-Customer Consumption (kWh/year)
Residential (A-16) All Programs	6,709
Income Eligible (A-60) All Programs	5,640
Small C&I (C-06)	36,952
Medium C&I (G-02)	171,321
Large C&I (G-32 and G-62)	4,928,909

⁴ Average per-customer annual consumption is calculated based on the forecast electric consumption for each rate class for 2023 and the latest customer counts, for all classes except small business C-06. The small business (C-06 rate) average customer consumption has been refined to better estimate customers based on best data currently available to the Company for both count of customers and their annual consumption. The number of accounts on the C-06 rate is greater than the number of customers, for example there are many accounts for cell towers, pumps, etc. that belong to one customer.

3.2 Discussion and Interpretation of Electric Results

The results of the models are shown in Tables 3 through 11, and general highlights are presented after. The columns in the tables are as follows:

- Long-term rate impacts, defined as the percentage change in average rates over the study period (2023 to 2042)
- Typical energy savings, which refer to the average percentage of energy savings to total annual consumption over the study period (negative numbers indicate electricity consumption reduction)
- Typical bill savings, defined as the percentage change in average customer bills over the study period (negative numbers indicate electricity bill reduction)

Long-term rate impacts, typical energy savings, and typical bill savings are shown for average participants in energy efficiency programs, non-participants, and average customers within each of the five main customer segments.⁵ Average customers combine the bill impacts of EE participants and non-EE customers to show the impacts of all customers combined. For the 2023 Bill Impact analysis, the key finding is that over the proposed lifetimes of 2023 programs, the average participant’s bill and the average customer’s bill will not be higher than a scenario with no programs.

Table 3. Residential All Programs – Rate and Bill Impact Analysis – A-16 (2023 EE Plan vs. No EE)

Residential (All Programs)	Long-Term Rate Impacts ⁶ (% of Total Rate)	Typical Energy Savings (% per Participant)	Typical Bill Savings (% of Total Bill)
Average Participant	-0.07%	-4.62%	-4.72%
Non-Participant	-0.07%	0.00%	-0.07%
Average Customer	-0.07%	-0.21%	-0.30%

Table 4. Residential All Programs w/o HERs – Rate and Bill Impact Analysis – A-16 (2023 EE Plan vs. No EE)

Residential (All Programs w/o HERs)	Long-Term Rate Impacts ⁶ (% of Total Rate)	Typical Energy Savings (% per Participant)	Typical Bill Savings (% of Total Bill)
Average Participant	-0.03%	-4.72%	-4.81%
Non-Participant	-0.03%	0.00%	-0.03%
Average Customer	-0.03%	-0.18%	-0.22%

⁵ As alluded to in section 3.1, residential and income eligible results are split into all programs, all programs without HERs, and HERs only.

⁶ Note that long term rates decrease despite the presence of an EE charge. These decreases are caused by avoided transmission and distribution charges. In other words, the cumulative avoided transmission and distribution charges are larger than the EE charge.

Table 5. Residential All Programs HERs Only – Rate and Bill Impact Analysis – A-16 (2023 EE Plan vs. No EE)

Residential (HERs Only)	Long-Term Rate Impacts (% of Total Rate)	Typical Energy Savings (% per Participant)	Typical Bill Savings (% of Total Bill)
Average Participant	0.01%	-0.05%	-0.06%
Non-Participant	0.01%	0.00%	0.01%
Average Customer	0.01%	-0.03%	-0.03%

Table 6. Income-Eligible All Programs – Rate and Bill Impact Analysis – A-60 (2023 EE Plan vs. No EE)⁷

Income-Eligible (All Programs)	Long-Term Rate Impacts (% of Total Rate)	Typical Energy Savings (% per Participant)	Typical Bill Savings (% of Total Bill)
Average Participant	0.10%	-6.19%	-6.09%
Non-Participant	0.10%	0.00%	0.10%
Average Customer	0.10%	-0.91%	-0.81%

Table 7. Income-Eligible All Programs w/o HERs – Rate and Bill Impact Analysis – A-60 (2023 EE Plan vs. No EE)

Income-Eligible (All Programs w/o HERs)	Long-Term Rate Impacts (% of Total Rate)	Typical Energy Savings (% per Participant)	Typical Bill Savings (% of Total Bill)
Average Participant	0.21%	-5.35%	-5.65%
Non-Participant	0.21%	0.00%	0.21%
Average Customer	0.21%	-0.71%	-0.58%

Table 8. Income-Eligible HERs Only – Rate and Bill Impact Analysis – A-60 (2023 EE Plan vs. No EE)

Income-Eligible (HERs Only)	Long-Term Rate Impacts (% of Total Rate)	Typical Energy Savings (% per Participant)	Typical Bill Savings (% of Total Bill)
Average Participant	0.00%	-0.06%	-0.07%
Non-Participant	0.00%	0.00%	0.00%
Average Customer	0.00%	-0.04%	-0.04%

⁷ HERs participation and savings are split between standard residential and income-eligible customers because this measure reaches all residential customers. For analysis purposes, HERs participation and savings are allocated based on the percent of residential customers in standard income and income-eligible rates.

Table 9. Small Commercial – Rate and Bill Impact Analysis – C-06 (2023 EE Plan vs. No EE)⁸

Small Commercial	Long-Term Rate Impacts (% of Total Rate)	Typical Energy Savings (% per Participant)	Typical Bill Savings (% of Total Bill)
Average Participant	0.10%	-19.20%	-20.28%
Non-Participant	0.10%	0.00%	0.10%
Average Customer	0.10%	-0.54%	-0.48%

Table 10. Medium Commercial – Rate and Bill Impact Analysis – G-02 (2023 EE Plan vs. No EE)

Medium Commercial	Long-Term Rate Impacts (% of Total Rate)	Typical Energy Savings (% per Participant)	Typical Bill Savings (% of Total Bill)
Average Participant	0.01%	-8.57%	-7.00%
Non-Participant	0.01%	0.00%	0.01%
Average Customer	0.01%	-0.47%	-0.49%

Table 11. Large C&I – Rate and Bill Impact Analysis – G-32, G-62 (2023 EE Plan vs. No EE)

Large Commercial	Long-Term Rate Impacts (% of Total Rate)	Typical Energy Savings (% per Participant)	Typical Bill Savings (% of Total Bill)
Average Participant	0.03%	-5.19%	-5.16%
Non-Participant	0.03%	0.00%	0.03%
Average Customer	0.03%	-0.46%	-0.46%

For all residential and income eligible customers – whether considering all programs, HERs participants only, or all programs without HERs – the average participant is projected to receive bill savings. Long-term rates are projected to increase when considering HERs only residential customer. When considering all residential programs or all residential programs without HERs, long term rates are projected to decrease. For income eligible customers, long-term rates are projected to increase or remain level – whether considering all programs, HERs only, or all programs without HERs.

For all commercial customers, long-term rates and non-participant bills are projected to increase while average participant and average customer bills are projected to decrease. The consistent reduction in average customer bills demonstrates that the energy savings associated with participation in EE programs outweighs the incremental costs required for implementation.

⁸ For 2023, as in the 2022 Plan analysis, the small business (C-06 rate) customer count has been refined to better estimate customers. The number of accounts on the C-06 rate is greater than the number of customers, for example there are many accounts for cell towers, pumps, etc. that belong to one customer. This is an estimate based on the best data currently available to the Company.

- *Residential long-term rate impact:* EE programs bring system benefits by way of avoided infrastructure investment in generation, transmission, and distribution. These avoided investments will ultimately flow through rates and offset the short-term contribution of the 2023 EE program charge. Long-term rates will drop over time to the values shown in Tables 2-7.
- *Small, medium, and large commercial long-term rate impact:* Avoided infrastructure costs flow through rates and offset the 2023 EE program charge, leading to long-term rate increases of 0.10%, 0.01%, and 0.03% for small, medium, and large commercial customers respectively.
- *Average participant bill savings:* The proposed EE programs will provide bill savings to participants in all rate groups.
- For the 2023 Bill Impact Analysis, commercial participation by rate class is assumed to be similar to historical participation from calendar year 2019.
- *Average customer typical bill savings:* The proposed EE programs will provide bill savings to participants in all rate groups except residential all programs.

For both residential and income eligible electric customers participating in EE programs, a separate analysis is used to calculate delivered fuel bill impacts associated with those EE projects. The primary inputs for this calculation are annual MMBTUs of delivered fuels per home, annual fuel savings from EE, and the number of EE participants and non-participants with delivered fuels. While the number of customers with delivered fuels is likely to decrease over time due to the expansion of electrification initiatives, this has not been factored into the analysis. For C&I customers, delivered fuel bill impacts are not calculated. Water bill impacts are not calculated for either residential, income eligible, or C&I customers. See Table 12 below for average fuel savings and average bill savings per customer (in dollars and as a percentage) over the 20-year study period.

Table 12. Residential and Income Eligible EE Participants Delivered Fuel Bill Impacts

	Annual Fuel Savings (Gallons)	Annual Bill Savings (Dollars)	Annual Bill Savings (% of Total Bill)
Residential	49.08	\$240.39	-8.46%
Income Eligible	56.36	\$276.06	-9.71%

For electric residential and income eligible customers, the 2023 rate and bill impact analysis provides insights on bill savings attributable to electric and delivered fuels energy efficiency programs. Table 13 below illustrates the average total energy bill savings over the study period for these customers in dollars and as a percentage.

Table 13. Residential and Income Eligible EE Participants Total Bill Savings

	Annual Bill Savings	
	(Dollars)	(% of Total Energy Bill)
Residential	\$311.57	-7.62%
Income Eligible	\$375.22	-8.80%

4 Gas Bill and Rate Impacts

4.1 Model Background

The modeling tool developed by Synapse is designed to analyze long-term rate and bill impacts from energy efficiency programs implemented over a course of three years, or one year.⁹ The model used in this plan provides a long-term perspective on the impact of one year of gas energy efficiency programs compared to a counterfactual where there is no energy efficiency program in that year. The model considers the upward pressure on rates and bills due to the energy efficiency surcharge in the first year, the upward pressure of lost revenue collection in the first year and future years in which energy efficiency measures create savings, and the downward pressure on rates and bills due to the avoided costs generated by those savings as they persist into the future. As a result of this approach, the calculated impacts on long-term rates are not designed to reflect the net increase or decrease to the EE charge from the prior/current EE plan.

For the analysis presented in this plan and section, the 2023 proposed programs are analyzed. The model assesses four categories of customers. These categories include all the programs offered in the gas portfolio:

- Residential
 - EnergyWise
 - EnergyStar HVAC
 - EnergyWise Multi-family
 - Home Energy Reports
 - Residential New Construction
- Income Eligible
 - Single Family
 - Multi-family

⁹ The Synapse study introducing this modeling tool is filed in [Docket 5076](http://www.ripuc.ri.gov/eventsactions/docket/5076%20National%20Grid%20EEP%20&%203-Yr%20EEP/1%20Synapse%20RI%20Gas%20RBI%20Report%2010_2_20.pdf): http://www.ripuc.ri.gov/eventsactions/docket/5076%20National%20Grid%20EEP%20&%203-Yr%20EEP/1%20Synapse%20RI%20Gas%20RBI%20Report%2010_2_20.pdf

- Small Commercial and Industrial
 - Small Business Direct Install
- Large Commercial and Industrial
 - Commercial New Construction
 - Commercial Retrofit
 - Commercial Multi-family

The model outputs of interest are the forecast changes in rates and the forecast changes in bills due to the proposed energy efficiency investments. The model compares two scenarios: (1) a scenario in which no efficiency resources are implemented over the next three years, and (2) a scenario that reflects the proposed investments in efficiency over the same period.

- *Rate impacts* indicate the extent to which rates change for all customers due to utility energy efficiency programs. This includes upward pressure on rates from program cost and lost revenue recovery, as well as downward pressure on rates from avoided utility system costs.
 - *Long-term rate impacts.* The model includes all avoided costs that might exert downward pressure on rates, as well as any factors that might exert upward pressure on rates. It estimates rate impacts over the long-term to capture the full period over which the efficiency savings occur. The resulting impacts are provided in terms of annual net change in rates in dollars per therm, annual percent change in rates, and long-term net change in levelized rates over a 25-year period.
- *Bill impacts* indicate the extent to which customer bills might be reduced for those customers that participate in efficiency programs and how bills will be impacted for non-participating customers.
 - *Typical bill impacts.* The model calculates average annual bill impacts for program participants, all customers, and non-participants. It considers the long-term rate impacts and energy savings for each program and the four customer types. The resulting bill impacts are shown in terms of levelized long-term average dollar change in bills, net-present value of long-term dollar change in bills, and long-term average percent change in bills.

5 Model Inputs

For all models, the key inputs are the net planned participation and savings numbers from Table G-7 in Attachment 6.¹⁰ The model takes as input the following categories of information:

- Energy Efficiency Program Savings (MMBTU). The model takes as input the planned savings for each program in both annual and lifetime savings.
- Participation (#). Rhode Island Energy projects participation for each program across each year of the plan.
- Avoided Costs (\$). The model takes as input the avoided cost of natural gas and natural gas demand reduction induced price effect (DRIPE) due to gas energy efficiency.
 - The portion of the natural gas avoided cost that impacts rates is limited to the avoided retail margin costs, and price suppression benefits (DRIPE).
 - The model has the capability to be further refined in the future if other components of avoided costs are quantified and monetized, such as gas transmission and distribution values. Those types of costs are included in the electric bill and rate impact but are not included in the gas analysis.
- Programmatic Costs (\$). The costs planned for each program are input to the model on an annual basis based on Rhode Island Energy's budget and benefit cost analysis models. Sector or portfolio levels costs are also included and allocated to customer groupings proportionally to program specific costs.
- Rates (\$/Therm): Natural Gas rates for customer classes modeled: residential, income eligible, small C&I and large C&I. The rates are averaged from the prevailing rates on January 1, 2022, and May 1, 2022, as well as proposed rates starting on November 2022, to capture variability in rates throughout the year.
- Customer Count (#). The latest gas customer counts as of May 2022 by sector are included in the model. These customer counts are escalated out into the future based on projected growth rates.
- Sales Forecast (\$, %). A sales forecast that omits future natural gas energy efficiency savings is utilized in the model to properly characterize the counterfactual state of the world with no energy efficiency programs.

5.1 Summary of Results

The following subsections summarize the results of the rate and bill impact modeling for each of the four modeled customer segments. The overall results for the 2023 plan at the sector level are presented in the table below with additional detail provided in subsections and figures below. This analysis projects

¹⁰ The 2023 Annual Plan analysis maintains the approach of modeling five rate class groupings as used in the last year's annual plan to allow for a more realistic depiction of bill impacts because there is a wide array of usage among commercial customers and having more groupings helps illustrate typical impacts.

that each modeled customer sector will see a levelized net change in long term rates of between 0.01% and 0.54% due to the 2023 energy efficiency programs. The first-year cost of the programs combined with the recovery of lost revenue put upward pressure on rates, while avoided costs as detailed earlier generate downward pressure on rates.

The 2023 gas portfolio will result in long term average bill decreases for program participants in the income eligible, small C&I, and large C&I sectors of between 3.33% and 23.54%.

The residential sector is unique in that it includes the Home Energy Report (HER) program. This behavioral program provides recommendations for residential customers to save energy by taking actions in their home, rather than by installing more-efficient equipment. This results in the program having a measure life of only one year, as the evaluated results show that behavioral efficiency of this type has relatively short persistence compared to other residential programs that install longer-lived measures. The HER program also reaches nearly all residential customers through either mail or email, meaning that nearly all residential customers are participants.¹¹

It is therefore instructive to view the rate and bill impacts for the residential sector in three separate modeling analyses:

- 1) Results of the HER program in isolation
- 2) Results of all other residential programs together (EnergyWise, EnergyStar HVAC, EnergyWise Multi-family, Residential New Construction)
- 3) Results with HER and all other residential programs

It is important to note that each of these three parts of the residential sector analysis have been developed using a separate instance of the gas rate and bill impacts model. In the model, the period covered by the analysis is determined by the average measure life of the longest program included. For the 2023 plan, this period was determined to be 25 years due to EnergyWise having an average measure life of 24-years plus the inclusion of an additional buffer year. The same value of 25 years is applied to each sector and each program within a sector. This is not to suggest that all measures have a measure life of 24 years. Each measure has its own measure life assumption. However, as the study period assumption is applied to all programs, a period is selected that is long enough to capture all the savings from all measures in all sectors. Consequently, the model instance analyzing the Home Energy Report program in isolation models savings only over one year (a much shorter period compared to the other

¹¹ Customers who are not served by the HER program are only excluded due to reasons of evaluability, that is, to assess the savings in a statistically valid way, a control group of sufficient size is required.

two model instances as mentioned earlier). Therefore, the three instances are not directly comparable, and the first two model instances do not additively result in the third instance.

Additionally, in the model instance that assesses all programs together, HER participants incur costs associated with the non-HER programs, such as lost revenue recovery. These costs are not captured in the model instance analyzing the Home Energy Report program in isolation.

The HER program in isolation shows essentially no reduction in bills for participants (0.02%) and average customers (0.01%), and a small increase for non-participants (0.01%). This is to be expected because the number of participants is high enough that the per-participant savings is less than 1 net MMBtu per participant (0.70 MMBtu), resulting in minimal change to bills. Taken at the individual level, the savings results are modest, however in aggregate the HER program generates significant net annual savings by reaching most residential customers and doing so at relatively low cost.

When the remaining four residential programs are assessed together (excluding HERs), the results show that participants see an average reduction of 5.96% on their bills over the long term, while average customers see a 0.12% increase, and non-participants see an increase of 0.35%. The EnergyWise, EnergyStar HVAC, EnergyWise Multifamily, and Residential New Construction programs have fewer participants than the HERs program, have longer-lived average measure lives (between 18 and 24 years), and generate deeper savings per participant than the HER program, all resulting in deeper bill savings for participants.

Lastly, when all residential programs are modeled together (HER, EnergyWise, EnergyStar HVAC, EnergyWise Multifamily, Residential New Construction), the modeling shows participants realizing a slight decrease of 0.05% in their long-term bills. This result is a byproduct of the way that the model considers participants for the residential sector when all residential programs are considered together. To calculate impacts for total participants, the model considers the count of participants in the first year, which involves including the large pool of HER participants, through the duration of the modeling period (25 years). The savings for all the residential programs are therefore spread across a large group of participants, minimizing their impact, and resulting in a conservative assessment of participants' bill impacts.¹²

Because of the truly unique nature of the HER program in terms of its measure life, distribution to most customers, and relatively small per-customer savings relative to other residential programs, the

¹² As a sensitivity test, the model was adjusted to allow the count of participants vary by year, depending on when the savings, and consequently participants, drop off from programs due to measure lives. This sensitivity analysis shows the average participant's long-term average change in bills to be -7.15%.

Company believes that in the context of this analysis it is also appropriate to consider the results of the HER program in isolation from the remaining four residential programs. Therefore, the residential programs are modeled with three separate modeling instances as shown below.

Table 14. Summary of Rate and Bill Changes due to the 2023 Proposed Natural Gas Energy Efficiency Portfolio¹³

Sector	Levelized net change in rates due to 2023 Programs	Long Term Average Change in Bills		
		Non-Participants	Average Customer	Average Participant
Residential (Model 1: HERs only)	0.01%	0.01%	-0.01%	-0.02%
Residential (Model 2: All Programs Except HERs)	0.36%	0.35%	0.12%	-5.96%
Residential (Model 3: All Programs)	0.37%	0.37%	0.11%	-0.05%
Income Eligible	0.54%	0.55%	0.11%	-3.69%
Small C&I	0.26%	0.25%	0.08%	-23.54%
Large C&I	0.31%	0.30%	-0.07%	-3.33%

Further detail is provided for each sector in the subsections below.

5.1.1 Residential

The Income Eligible sector is modeled using rates from Rate Class 12, Residential Heating. The rate and bill impacts for this sector are modeled for five programs, EnergyWise, EnergyStar HVAC, EnergyWise Multi-family, Home Energy Reports, and Residential New Construction. The residential sector is modeled using an annual consumption figure of 765 therms per year, of which 627 therms are winter usage and 138 therms are summer usage. These values were determined by dividing sales for the sector by meter counts in 2021. The customer population is modeled using latest customer counts as of May 2022, 223,220 accounts, and projected forward based on observed compound annual growth rate of customers in this rate class between 2017 and 2022.

5.1.1.1 Residential Rates

For the residential sector the 2023 Plan creates a levelized net change in rates of 0.37% compared to the counterfactual with no energy efficiency.

¹³ Rate impact is the same as the non-participant bill impact, since non-participants have no savings to offset the change in rates. Some values for these two categories differ slightly due to rounding in the model.

5.1.1.2 Residential Bills

As discussed in the Summary of Results (Section 4.3), the residential programs should be considered in three distinct modeling iterations. First the HER program is assessed in isolation, then the four remaining programs are considered together, and finally all programs are combined in a single analysis. For purposes of characterizing the bill impacts from the residential programs, the results of the first model illustrate that for the HER program in isolation, there is minimal change in long-term average bills, with only a 0.02% reduction for participants. This result is reasonable given the short duration of savings for the HERs program and the small per-participant savings generated by this program.

5.1.2 Income Eligible

The Income Eligible sector is modeled using rates from Rate Class 13, low-income residential heating. The rate and bill impacts for this sector are modeled for two primary programs, the Single Family Income Eligible and Income Eligible Multifamily programs. Income eligible customers also participate in the HERs that is modeled as part of the residential sector in this analysis. The income eligible sector is modeled using an annual consumption figure of 824 therms per year, of which 660 therms are winter usage and 164 therms are summer usage determined by dividing sales for the sector by meter counts in 2021. The customer population is modeled using latest customer counts as of May 2022, 24,278 accounts, and projected forward based on observed compound annual growth rate of customers in this rate class between 2017 and 2022.

5.1.2.1 Income Eligible Rates

The 2023 programs addressing the income eligible market are projected to result in a 0.54% levelized increase in rates for the income eligible sector. Compared to the residential sector, which has similar usage as the income eligible sector, the relative impact to rates is larger for this customer group partially because the energy efficiency charge represents a larger portion of the overall per-therm cost because distribution adjustment charges (DAC) are lower for income eligible customers than residential customers.

5.1.2.2 Income Eligible Bills

The income eligible programs planned in the 2023 plan will result in a long-term average reduction in bills for participating customers of 3.69% on average. Average customers will see a 0.11% increase in annual bills and non-participants will see a 0.55% increase in bills.

Analyzing each program individually, participants in the Income Eligible Single Family program will see an average of 8.93% reduction in annual bills due to their 2023 participation. Participants in the Income Eligible Multifamily program will see an average of 2.52% reduction in annual bills due to their 2023 participation.

5.1.3 Small Commercial and Industrial

The Small Commercial and Industrial sector is modeled using rates from Rate Class 21, Small (< 5,000/yr). The rate and bill impacts for this sector are modeled for the Small Business Direct Install program. The Small Commercial and Industrial sector is modeled using an annual consumption figure of 1,261 therms per year, of which 1,062 therms are winter usage and 198 therms are summer usage determined by dividing sales for the sector by meter counts in 2021. The customer population is modeled using latest customer counts as of May 2022, 19,070 accounts, and projected forward based on observed compound annual growth rate of customers in this rate class between 2017 and 2022.

5.1.3.1 *Small Commercial and Industrial Rates*

The 2023 program addressing the small C&I market are projected to result in a 0.26% levelized increase in rates for the commercial and industrial sector.

5.1.3.2 *Small Commercial and Industrial Bills*

The Small Commercial and Industrial program will result in an average annual bill reduction of 23.54% for participants in the Small Business Direct Install program.

5.1.4 Large Commercial and Industrial

The Large Commercial and Industrial sector is modeled using rates from Rate Classes 22, 33, 23, 34, and 24. The rate and bill impacts for this sector are modeled for the Commercial New Construction, Commercial Retrofit, and Commercial Multi-family programs. The Large Commercial and Industrial sector is modeled using an annual consumption figure of 544,430 therms per year, of which 300,304 therms are winter usage and 244,125 therms are summer usage determined by dividing sales for the sector by meter counts. The customer population is modeled using latest customer counts as of May 2022, 5,854 accounts, and projected forward based on observed compound annual growth rate of customers in this rate class between 2017 and 2022. Consumption among participants is modeled using usage observed among the large C&I program participants and for the medium C&I class for C&I multifamily participants using the FY2021 Gas ISR Plan.

5.1.4.1 *Large Commercial and Industrial Rates*

The 2023 programs addressing the large C&I market are projected to result in a 0.31% levelized increase in rates for the commercial and industrial sector.

5.1.4.2 *Large Commercial and Industrial Bills*

The large commercial and industrial programs will result in an average annual bill reduction of 3.33% for participants

Analyzing each program individually, Large Commercial Retrofit participants will see a reduction of 21.2%, while participants in the Large Commercial New Construction program and the Commercial

Multifamily program will see smaller reductions in their bills with changes of 13.99% and 0.13%, respectively.

5.1.4.3 Discussion and Interpretation of Natural Gas Results

While this analysis indicates that for the proposed natural gas efficiency investments there is slight upward movement of rates, as with most customer segments in the electric portfolio, the results should not be viewed in isolation and are one component that the Company considers in its proposed energy efficiency plan. For each customer segment the modeling shows reductions in long-term bills due to customer participation in the programs. In addition to the rate and bill impacts, the Company considers both the benefit cost results and the cost of supply in developing its proposal. The portfolio of programs is highly cost effective per the RI Test analysis and less than the cost of supply. The 2023 gas portfolio overall has a BC ratio of 2.97 under the RI Test and cost of supply analysis shows that the cost of energy efficiency is \$52.8 Million less than the cost of alternative gas supply.

Note that the RBI model excludes several key benefits of energy efficiency. For example, the price of carbon is not fully accounted for in Rhode Island Energy's natural gas rates. Efficiency programs reduce carbon and other greenhouse gas emissions, which is not accounted in this model but is accounted for in the BCA as a non-embedded benefit. Likewise, the gas efficiency programs create non-energy benefits that are not accounted for in this model but are included in the BCA.

As noted earlier, a key distinction between the gas model and the related electric model is the limited set of gas avoided costs. The portion of the natural gas avoided cost that impacts rates is limited to the avoided retail margin costs, and price suppression benefits (Demand Reduction Induced Price Effects or "DRIPE"). In contrast, in the electric model there are embedded RGGI costs in rates and the electric model also accounts for T&D avoided costs. The gas model has the capability to incorporate a T&D avoided cost in the future should one be developed in the future, but it is not currently accounted for in the calculation of long-term rates in the present analysis.

The Company will reassess the inputs and assumptions in this analysis for each subsequent annual efficiency plan filing and make updates to the analysis and model as appropriate to continue to incorporate latest information and understanding of the impacts of the gas programs on long-term energy costs and customer bills.

2023 Pilots, Demonstrations and Assessments

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1 Introduction

The Company invests in pilots, demonstrations, and assessments that support the development of new offerings and (more generally) expand energy efficiency choices for customers. The Company has developed a framework to assess and test new innovations for the energy efficiency and active demand response portfolios. The Company has applied this framework in developing the solutions described in the 2023 Annual Plan, including new measures and solutions proposed in prior Annual Plans as well as new demonstrations and assessments for 2023.

Process: The Company has developed a standard process by which it tests new ideas and determines if each idea merits a pilot, demonstration, or assessment. There are eight steps in the process. Each idea is first assessed in the **Intake** stage, which determines whether the idea can be offered through the energy efficiency or demand reduction programs and whether the idea is commercially available. Next in the **Concept** stage, the idea's application, target customers, context within existing programs and offerings, market barriers, and preliminary savings potential are identified and developed. Ideas in these two early stages of review make up the Innovation Pipeline, which continually evolves as new promising concepts are vetted and launched.

The Concept stage necessitates preliminary research and analysis of the product, which will inform the **Plan** stage. Key decisions made during the Plan stage, including whether a pilot, demonstration, or assessment is required to develop the idea and, if so, whether an independent or vendor evaluation approach should be taken. The ideas included in Section 4 are all in the plan stage of development and recommended for a pilot, demonstration, or assessment. The decisions surrounding type and rigor of testing ideas are made with input from the Company Evaluation Measurement & Verification (EM&V) team, EERMC Consultants, and OER.

The planned pilot, demonstration, or assessment will be executed in the **Develop or Demonstrate** stage. Updates will be provided to the stakeholder teams on a quarterly basis.

Once the develop or demonstration stage is complete, the offering will be finalized and launched through the **Qualify, Launch, and Maximize** stages. During these stages, the product will be handed off to the Company's Customer Energy Management (CEM) team, vendor, and implementation teams who manage the product as part of the Company's energy efficiency portfolio.

During any of the above stages, the idea can be placed in the **Exit** process. There are three possible outcomes of an Exit: The product may be **Retired** if it does not fit into the Company's programs or if there is no viable business case. The product may be **Parked** if the policy or infrastructure required for successful delivery to customers is not available but may be in the near term. Finally, the product may be **Referred** directly to the programs if the idea is expected to produce reliable savings, fits readily into an existing program or measure, and the receiving program has the capability to finalize savings and incentives.

Innovation Pipeline: The process outlined above is designed to bring in as many ideas as possible and quickly determine to what extent the Company should invest resources in developing each idea. Concepts for new product inclusion come from a wide range of sources, including but not limited to: customers, vendors, contractors, supply-chain actors, industry researchers, and other program administrators. The pilots, demonstrations, and assessments discussed have already been identified as ideas that should be further explored and tested, but ideas included in the Innovation Pipeline may emerge for additional, immediate analysis over the course of 2023. To ensure the emerging ideas can be quickly and efficiently vetted, the Company has set aside budget to fund approximately three ideas in each sector. Promising ideas may progress to a demonstration or as a program measure. Historically, the Company typically waited for approval of the Annual Plan before proceeding with new pilots and demonstrations. In 2023, although the Company is proposing a smaller overall budget for pilots, demonstrations, and assessments, a larger Innovation Pipeline budget has been proposed. Furthermore, the Company intends to leverage the Innovation Pipeline for in-year pilots and demonstrations in addition to assessments. This initiative will allow the Company to act with greater urgency and agility moving forward. Stakeholders will receive prior notification and be allowed to vet projects and provide input before the Company proceeds with pilots, demonstrations, or assessments are being considered for the Innovation Pipeline.

Evaluation: It is expected that each idea will require a different set of research questions that must be answered prior to qualification and inclusion in programs. Depending on the idea's characteristics, the expected program delivery pathway, and the nature of the uncertainty, the Company plans for different approaches to evaluate the idea during a pilot, demonstration, or assessment. For example, a low touch residential product that is expected to deliver through an upstream program requires drastically different analysis than a high touch industrial measure with few potential customers.

The Customer Energy Management Growth and Development team will recommend a research plan for each pilot, demonstration, or assessment approved through the planning process. The team will solicit input from the Company's EM&V team, OER, and EERMC consultants on whether the research requirements can be best met through an independent evaluation, a

vendor evaluation, or an internal review. These approaches are further discussed in the following section.

2 Definitions

The Company, using guidance from the PUC, has outlined three separate pathways that may be used to investigate ideas in the Innovation Pipeline: Pilot, Demonstration, or Assessment. It is assumed that any idea selected for a Pilot, Demonstration, or Assessment has been vetted through the Intake and Concept stages outlined above. Ideas are vetted for fit and feasibility, commercial availability, and documented preliminary recommendations of characteristics like target customer, market barriers, magnitude of potential savings, and delivery pathway. A pipeline idea will only be recommended as a pilot, demonstration, or assessment if there are clearly articulated research goals that cannot be answered without a concerted research effort.

The Company has three research pathways that can be applied during a pilot, demonstration, or assessment: Independent Evaluation (highest rigor), Vendor Evaluation, or Internal Review (lowest rigor). The research pathway will be chosen depending on the needs and potential of a Pilot, Demonstration, or Assessment and consider the uncertainty of the savings, scope of the offering, market barriers, and whether the technology is considered under a pilot, demonstration, or assessment. The research pathways and evaluation pathways are summarized in Table 1 and defined further below.

Table 1. Definitions: Pilots, Demonstrations and Assessments

	Pilot	Demonstration	Assessment
Defining Characteristics	<ul style="list-style-type: none"> • May result in independent program • Long-term, comprehensive engagement required to test and develop offering • Market capabilities may need to be developed 	<ul style="list-style-type: none"> • Technology requires information gathering and field installations 	<ul style="list-style-type: none"> • Technology addresses program need that can't be met with other, more certain solutions • Technology does not have a robust basis for energy savings
Cost effective savings information	Unknown or limited	Estimated savings	Unknown or limited
Evaluation Options*	Vendor or Independent	Vendor or Independent	Vendor, Independent, or Internal Review
Savings contribution to shareholder incentive	No	Yes	No
Cost recovery from SBC	Yes	Yes	Yes

* Each evaluation option will include input from EERMC and OER. Evaluation option selection based on factors such as uncertainty of savings, scope of offering, and whether technology is considered a pilot, demonstration, or assessment

Pilots

In 2019, the Company redefined what it considers a pilot in accordance with the Docket No. 4600-A PUC Guidance Document. Per the Guidance Document, “A pilot is a small scale, targeted program that is limited in scope, time, and spending and is designed to test the feasibility of a future program or rate design. It is incumbent upon the proponent of a pilot to define these limits in a proposal for PUC review. Ideally, a pilot can provide net benefits and achieve goals, but the primary design and value of a pilot is to test rather than to achieve.”¹

Pilots are designed to explore technologies and approaches to energy management not included in the core energy efficiency programs (Residential, Commercial and Industrial (C&I), and Multifamily) and that could potentially become a new, standalone program.

Pilots enable the Company to test technologies, new energy management strategies, customer adoption, workforce adoption, and cost effectiveness of emerging and new technologies. While

¹ Docket No. 4600-A PUC Guidance Document, October 27, 2017. Section V. Pilots.

pilots are designed to test standalone programs, pilot results may conclude that a standalone program is not recommended or that certain aspects of the pilot should be offered within existing programs. It is likely that pilots will require a long-term commitment and broader set of stakeholder input, given the scope of adding a new core program to the Company portfolio. Savings associated with Pilots will not contribute to shareholder incentives. Pilots may be evaluated with either an independent or a vendor evaluation.

A pilot is likely to be recommended when a solution:

- Meets the fit and feasibility criteria of the Intake stage.
- Is clearly defined in the Concept stage, including savings and potential estimates.
- Is unique and robust enough to operate as a standalone program.
- Requires comprehensive, long-term engagement to determine the benefits and structure of a potential standalone program.
- May require creation of new market capabilities for program success.

Demonstrations

For actions in this Plan that do not fall under the Docket 4600-A definition of pilots, the Company proposes the following definitions for demonstrations and assessments: Where a pilot will test the feasibility of a new program outside of the existing core programs, a demonstration will test the feasibility of a new product or offering for inclusion in existing programs. It is generally expected that demonstrations will be less time and resource intensive than pilots, since generally there is greater certainty around a narrow, incremental idea added to a program rather than a totally new set of offerings. Savings associated with demonstration projects may contribute to shareholder incentives. Demonstrations may be evaluated with either an independent or a vendor evaluation.

A demonstration is likely to be recommended when a solution:

- Meets the fit and feasibility criteria of the Intake stage.
- Is clearly defined in the Concept stage, including savings and potential estimates.
- May require information-gathering and field installations.
- Offers a robust basis for energy savings.

Assessments

Assessments will be deployed for solutions that address a particular gap or program need but have significant uncertainty around the effectiveness or potential of the solution to realize savings. Because of the uncertainty, assessments will not include field demonstrations or customer installations. Instead, assessments will focus on information gathering to equip

Company staff to make a more informed decision of whether and how to proceed with the idea. It is possible that an assessment could recommend further demonstration of the idea or determine the solution should exit the review process. Savings associated with assessments may not contribute to shareholder incentives. Assessments may be evaluated with an independent evaluation, vendor evaluation, or internal review.

An assessment is likely to be recommended when a solution:

- Has questions of fit and feasibility in the Intake stage.
- Addresses a program need that cannot be met with other, more certain options.
- Lacks a robust basis for energy savings.

The Company employs three methods for conducting pilots, demonstration, and assessment evaluations, described below.

Independent evaluations

Independent evaluations apply the greatest level of rigor to the pilot, demonstration, or assessment and require broad coordination between teams. The Company participates in the planning and review process, but the evaluation itself is subject to the procurement process, oversight, and methods outlined in Attachment 3. The third-party evaluator develops the evaluation plan prior to customer installations to ensure the number and condition of customer installations are appropriately rigorous. The evaluator does not necessarily perform customer installations but is involved to the extent required to ensure appropriate metering and customer feedback needed for the final analysis.

An independent evaluation is likely to be recommended if a solution:

- Is expected to contribute significant savings towards program savings goals.
- Must consider a population-level analysis, as opposed to site-specific analysis, to answer research questions.
- Poses policy or baseline questions that should be addressed through the evaluation framework.

Vendor Evaluations

Vendor evaluations are managed by internal staff, with a single vendor completing all tasks. Vendor evaluations may be applied to a pilot, demonstration, or assessment. This evaluation pathway engages vendors to provide initial research on market readiness, market barriers, customer interest, and work in other territories, before they assess, install, and analyze the results of the technology. The vendor must not have a financial interest in the outcome of the pilot, demonstration, or assessment and must have the necessary engineering, research, or

M&V experience to evaluate the idea in an unbiased manner. The vendor ultimately recommends whether and how to integrate the technology into the programs and presents key information to inform deployment of the offering, such as target customers, market barriers, savings methodology, and best practices for installations and commissioning. The key differences between a vendor evaluator and independent evaluator relate to oversight and coordination with the RI EM&V framework described in Attachment 3.

A vendor evaluation is likely to be recommended if a solution:

- Is not expected to contribute significant program savings, either because it is a niche application or the per-project savings are relatively small.
- Is expected to be delivered through a custom pathway with site specific information inputs available during program delivery

Internal Reviews

Internal reviews may use internal resources to explore a product through an Assessment. The Company typically relies on external resources for pilots and demonstrations in order to leverage outside expertise and maintain the integrity of the savings calculations. Internal reviews focus on key questions of uncertainty or policy related to technologies under investigation. An internal review can draw on available external resources and data, but will perform the research, analysis, and recommendations internally.

An internal review is likely to be recommended if:

- The solution is examined as an Assessment.
- Research questions can be answered without customer installations.
- Research can be delivered with internal resources and external resources available without undertaking a procurement process (such as ESource).

3 Summary of Pilots Demonstrations and Assessments

The following pilots, demonstrations, and assessments are proposed for 2023. Savings estimates are approximate and only include primary fuel savings for the target customer population.

Table 2. Electric Demonstrations and Assessments

Classification	Fuel	Name	C&I Programs	Duration	Budget*	Savings Estimation	Evaluation
Demonstrations							
HVAC	Dual	Automated RTU Optimization	Allocated	2022-2023	\$18,633	To be estimated	Independent
Innovation Pipeline**	Elec.	Innovative Electric	Allocated	2022	\$31,250	To be estimated	To be determined
Assessments							
HVAC	Elec.	Rightsizing RTUs	Allocated	2022-2023	\$12,422	Unknown	Internal Review
Other	Dual	Weatherization	Allocated	2023	\$40,000	Unknown	To be determined
Total Electric C&I Demonstration					\$49,883		
Total Electric C&I Assessments					\$52,422		

Table 3. Gas Demonstrations and Assessments

Classification	Fuel	Name	C&I Programs	Duration	Budget*	2023 Savings Est. (Therms)	Evaluation
Pilot							
Active Demand Response	Gas	Gas Demand Response Pilot	N/A	2019-2023	\$ 268,042	27,520	Vendor
Demonstrations							
HVAC	Gas	Gas Leak Survey	C&I Retrofit	2022-2023	\$ 140,000	Unknown	Vendor
HVAC	Dual	Automated RTU Optimization	Allocated	2022-2023	\$ 18,633	10-20%	Independent
Innovation Pipeline**	Gas	Innovative Gas	Allocated	2023	\$ 31,250		To be determined
Assessments							
HVAC	Dual	Rightsizing RTUs	Allocated	2022-2023	\$ 12,422	Unknown	Internal Review
Other	Dual	Weatherization	C&I Retrofit	2023	\$ 40,000	Unknown	Internal Review
Total Gas C&I Pilots					\$ 268,042		
Total Gas C&I Demonstrations					\$ 189,883		
Total Gas C&I Assessments					\$ 52,422		

Table 4. Electric Residential Demonstrations and Assessments

Classification	Fuel	Name	Residential Program	Duration	Budget*	Savings Estimation	Evaluation
Demonstration							
**Innovation Pipeline	Elec.	Innovation Electric	Allocated	2023	\$62,500	To be estimated	To be determined
Assessments							
Total Electric Residential Demonstration					\$62,500		

Table 5. Gas Residential Demonstrations and Assessments

Classification	Fuel	Name	Residential Program	Duration	Budget*	Savings Estimation	Evaluation
Demonstrations							
Innovation Pipeline**	Gas	Innovation Gas	Allocated	2023	\$62,500	To be estimated	Independent
Total Gas Residential Demonstration					\$62,500		

Note:

*Budgets indicated in this table include, evaluation, incentives, program administration, sales, marketing, and technical assistance and training (if applicable). Pilots and Assessments budgets are not included in Performance Incentive calculations.

** Innovation budgets are for demonstrations that present opportunities during the plan term. Budget and savings estimates will be developed when the demonstrations are identified.

4 Commercial and Industrial Pilots, Demonstrations, and Assessments

4.1 Commercial and Industrial Pilots

This section summarizes each pilot and describes the way it advances, detracts, or remains neutral on achieving the Docket 4600 goals for the electric and gas system.

Gas Demand Response

Pilot Stage: Develop or Demonstrate

Innovation Overview: With gas DR, the Company will test supply and/or distribution system benefits, reduction of gas system peak demand via a reduction in overall natural gas consumption, customer adoption of gas DR and incentive levels to drive participation. Testing Gas DR will allow the Company to understand the impact on gas systems and whether RI Energy's role in the market has influenced market adoption using a follow-up study to the 2021 AESC Study to look more closely at potential Peak Day winter gas costs.

The Company plans to target 40-50 dekatherms (DTh) of hourly peak reduction in the winter of 2022/23, with the below stated DR offerings. The Company continues to expect that the majority of these peak reduction savings will come from customers participating in the full day Extended Demand Response (EDR) pilot offering, with the remainder from customers participating in Peak Period Gas Demand Response (PPDR) pilot offering. These demand reduction pilot offerings are described in detail below. The above stated target is dependent on enrollment levels and setting an appropriate incentive level to drive participation.

The Company has been utilizing electric Demand Response (DR) to address grid constraints and help provide reliable service to our customers for a number of years. During the winter of 2018/19, the Company launched a Peak Period Gas Demand Response (PPDR) pilot offering, which incentivizes customers to shift their usage outside of the peak-period of the gas system (6AM-9AM from November 1st to March 31st). This pilot targeted commercial and industrial customers who have intra-day flexibility of their natural gas usage. Customers participating in this pilot would be able to provide their demand reduction via either fuel-switching or demand control (e.g., thermostat setback). In 2019/20, the company added the Expanded Demand Response (EDR) offering, which targeted large customers that could achieve 24-hour gas reductions, primarily with back-up heating. At the close of the 2021/22 season, the company had no participants in the PPDR pilot offering and two in the EDR pilot offering.

Customer segment addressed: The gas DR pilot offerings are focused on large, firm commercial and industrial customers, specifically those with gas equipment that can be curtailed without creating an unsafe environment. The goal of the project is to test the following:

- Are customers interested in participating in an incentivized Gas Demand Response program?
- If so, what are the acceptable price point values by customer business type and equipment type?
- What are the supply and/or distribution system benefits?
- What is the scalability of the program?
- Can customers that temporarily shift their gas usage outside of peak hours maintain some daily gas usage reductions?

Pilot Delivery: The gas DR pilot involves the installation of data recording hardware that provides granular usage data for participating customers. Data from the pilot will be evaluated each year.

Peak-Period Demand Response (PPDR): For winter 2022/23, the Company expects to maintain participation in PPDR. Many pilot parameters will remain similar to the terms of the pilot offering launched during the winter of 2020/21:

- RI Energy can only call a limited number of events during a given winter.
- Customer participation in this pilot offering and the called events will be compensated via direct incentive payments, not in the form of a reduced rate.
- While enrolled customer participation in called events will be mandatory, this participation will be enforced through contractual structures and financial incentives— National Grid will not maintain a unilateral right to disrupt gas service to participating customers during called events.

Incentive Structure: As was the case in prior years, customer compensation for participation in the PPDR pilot offering will be based on a combination of ‘reservation’ and ‘energy’ payments. Each of these rates will be standard offers to all customers, though customer earning opportunity will vary based on the volume of peak hour Dth reduction that each customer can commit to and deliver. The Company will continue to utilize a rolling performance rating that measures customer reliability and limits payments to non-performing resources.

Extended Demand Response (EDR):

The basic parameters of this pilot offering match those of the PPDR pilot offering. However, in the EDR offering, the duration of each event would be 24 hours (10AM on day 1 until 10AM on day 2, Nov. 1st through March 31st). Customers in the EDR pilot offering are expected to achieve their committed demand reductions via fuel-switching. Limitations will also be put in place that will limit the number of consecutive days on which any individual customer could be called to participate in the EDR pilot offering. National Grid will have the right to call up to 6 events during the winter at the stated incentive rate.

The EDR pilot offering will provide incentives for customers who can eliminate their usage on a given day by switching to an alternative source (most typically a delivered fuel option) to meet their energy needs.

Incentive Structure: Customer compensation for participation in the EDR pilot offering will be based on the same combination of ‘reservation’ and ‘energy’ payments outlined in the PPDR pilot offering description, set at different levels for each pilot offering. Each of these rates will be standard offers to all customers, though customer earnings opportunity will vary based on the volume of peak hour DTh reduction that each customer can commit to and deliver. As with the PPDR pilot offering, the EDR ‘reservation’ incentives will be subject to a performance rating based on a measurement of customer reliability.

Evaluation: Vendor Evaluation

Changes in 2023: The Gas Peak Period Demand Response and Extended Demand Response pilot offerings will continue in the winter of 2022/23. The Company plans to retain current levels of enrollment in the EDR offering and the PPDR pilot offering. The addition of the previously mentioned performance rating will ensure that incentives paid by the company are aligned with the delivered reliability of customer resources.

Table 6. Docket 4600 Goals – Gas Demand Response

4600 Goals for Gas distribution System	Advances/Detracts/Neutral
Provide reliable, safe, clean, and affordable energy to Rhode Island customers over the long term (this applies to all energy use, not just regulated fuels).	Advances. DR has the potential for many value streams, such as alleviating local distribution system constraints, increasing system flexibility, potentially delaying infrastructure reinforcement projects, and providing a revenue stream for participants.
Strengthen the Rhode Island economy, support economic competitiveness, retain and create jobs by optimizing the benefits of a modern grid and attaining appropriate rate design structures.	Advances. DR has the potential for many value streams, such as alleviating local distribution system constraints, increasing system flexibility, potentially delaying infrastructure reinforcement projects, and providing a revenue stream for participants that would support economic growth.

Address the challenge of climate change and other forms of pollution.	Advances. While demand response does not directly address climate change, the additional insight into usage due to the increased data resolution provided to participants may create an opportunity for additional energy efficiency projects. Additionally, there may be a reduction in carbon due to participation in DR events. Providing alternatives to gas infrastructure may also provide indirect benefits for combatting climate change.
Prioritize and facilitate increasing customer investment in their facilities (efficiency, distributed generation, storage, responsive demand, and the electrification of vehicles and heating) where that investment provides recognizable net benefits.	Neutral – this pilot is neutral on this goal
Appropriately compensate distributed energy resources for the value they provide to the gas system, customers, and society.	Neutral – this pilot is neutral on this goal
Appropriately charge customers for the cost they impose on the grid.	Neutral – this pilot is neutral on this goal
Appropriately compensate the distribution utility for the services it provides.	Neutral – this pilot is neutral on this goal
Align distribution utility, customer, and policy objectives and interests through the regulatory framework, including rate design, cost recovery, and incentive.	Advances. Gas DR pilot advances this goal by putting incentives towards peak reduction on the gas distribution network that may help to achieve the GHG reduction goals of the Resilient Rhode Island Act of 2014 and the Rhode Island GHG Emissions Reduction Plan of 2016. There is also an alignment in the sense that customer participation could affect system planning, which could have a larger financial impact for all customers. In this way, participants are incentivized for providing the behavior that matches the goals of the company.

4.2 Commercial and Industrial Demonstrations

The Company is prioritizing one new demonstration in 2023, as well as the continuation of five demonstrations included in prior-year plans.

Automated RTU Optimization

Demonstration Stage: Concept

Innovation Overview: The Company is looking for new ways for customers to improve control of their HVAC systems to realize energy savings and improve comfort. One such approach is

automated systems optimization, in which software analyzes and modifies the control of equipment automatically. This demonstration project will examine the SwarmStat™ product, which can be deployed for smaller customers with 2 or more RTUs controlled by smart thermostats and no existing EMS. This product is of particular interest since it allows simple, enhanced controls for small to medium customers with minimal upfront investment.

Target Customer and Program Fit: Customers with 4+ RTUs and no building automation or energy management system.

Prior Efforts: In 2022, the Company began recruitment for this Demonstration. No efforts had been made prior to that.

Demonstration Delivery: The Company will work with an independent evaluator to assess gas and electric savings realized by automated optimization software. The Company expects the demonstration to include a pre/post analysis of energy consumption for 10-15 customers, which will be used to develop deemed savings estimates. To date, recruitment has been challenging. At the time of this writing, nine customers have signed up to participate. The Company is continuing to recruit additional customers.

Evaluation: Independent Evaluation

Gas Leak Survey and Repair

Demonstration Stage: Develop or Demonstrate

Innovation Overview: Facilities with large natural gas use often have extensive internal gas infrastructure beyond the utility meter, including pipes and valves. Over time, degradation in valves, fittings, and other gas infrastructure components can occur, resulting in natural gas being leaked into the ambient environment. These leaks represent both a waste of energy, as the leaked gas is purchased by the customer but not put to use, and a direct negative environmental impact as the methane in natural gas is a potent greenhouse gas.

This demonstration intends to investigate the program potential of providing customers with gas leak detection and repair services. Vendors will survey customers' internal gas infrastructure to identify and quantify leaks, which will be repaired by vendors or internal customer labor, reducing overall customer gas purchase.

Target Customer and Program Fit: Initial customer segments to be considered for this analysis are large natural gas users with significant internal gas infrastructure (for example, large valves typically in the 6" or larger size range), such as industrial manufacturing facilities.

Prior Efforts: The Gas Leak Survey demonstration was initiated in 2022. The Company has received anecdotal information regarding the costs and benefits of similar efforts carried out in other territories. At the time of this writing, an initial leak survey vendor has been identified, and the Company is working to identify customers whose facilities are good fits for this demonstration, as well as determining technical requirements and financial support levels.

Demonstration Delivery: The demonstration is anticipated to include two to four customer sites, depending on cost and customer interest. The goal of the demonstration is to investigate the:

- Parameters for determining appropriate customer sites.
- Costs to conduct the survey and complete fixes.
- Energy and non-energy benefits of projects, including measure persistence.
- Challenges and knowledge gaps in conducting the survey and making fixes identified.
- Knowledge gaps that may hinder fully realizing expected natural gas savings.

The most significant barriers anticipated are:

- Coordination with the identified initial leak survey vendor.
- Identification of qualified leak survey vendors in the local area.

Evaluation: Vendor evaluation

4.3 Commercial and Industrial Assessments

The Company is exploring new C&I assessments, however, at the time of this writing, no new assessments have been proposed for 2023.

Software and Hardware Solutions for Rightsizing RTUs

Demonstration Stage: Concept

Innovation Overview: Along with installing more efficient HVAC equipment customers can avoid energy consumption over time by rightsizing their equipment at the time of design or specification. Equipment is often oversized to ensure occupant comfort, which causes equipment to cycle on and off, reducing efficiency. The same levels of comfort or better can be provided with appropriately sized and controlled equipment.

This assessment will explore developing an approach for identifying rightsizing opportunities and estimating incremental savings through rightsizing equipment. Two potential opportunities are rightsizing when an older oversized system is replaced or switching from whole-building heating to spot heating. Further, the Company will explore how software can be used to encourage rightsizing, either by more effective control of smaller equipment or by establishing that existing equipment is oversized.

Target Customer and Program Fit: All commercial and industrial customers

Prior Efforts: An effort was begun in 2022 to systematically consider rightsizing in the C&I sector. The residential programs have offered downsizing HVAC system incentives for some time.

Assessment Delivery: The assessment will establish a protocol for when and how rightsizing should be considered. This will include discussions with market actors to understand how equipment is typically sized and barriers to more appropriate sizing for new installations and for time of replacement installations. The Company will include discussions with the EM&V team about savings and baseline documentation. The assessment will make recommendations on whether rightsizing should be considered within the prescriptive HVAC offerings or only on a custom basis.

Evaluation: Internal Review

Weatherization

Demonstration Stage: Concept

Innovation Overview: This assessment will explore opportunities to expand on historical weatherization (Wx) efforts. Although Wx has not historically constituted a major portion of the C&I portfolio, the Company seeks to explore cost-effective opportunities to expand in this area. Any Wx expansion will be evaluated for cost-effectiveness within the existing program framework (i.e. based on electric and gas savings only). However, improved building envelope and insulation are often seen as prerequisites to electrification, and Wx will also be viewed in the broader context of its potential to contribute to electrification efforts.

Residential Wx solutions are relatively standardized, with similar solutions applicable at a broad range of facilities. Large commercial buildings incorporate a more complex and varied range of construction techniques and HVAC systems. This makes it more difficult to apply standardized techniques for site identification and savings calculation. Thus, this assessment is designed to investigate strategies to identify candidate projects and potentially streamline savings calculations.

Target Customer and Program Fit: Potential buildings for presenting standardized opportunities include:

- “Butler buildings,” which are pre-fabricated steel structures with limited insulation (usually fiberglass)
- Wood frame buildings, which are similar to homes and can apply residential energy savings techniques
- Customers with portfolios of standardized buildings, such as chain restaurants

Prior Efforts: In 2021-2022, in collaboration with the Office of Energy Resources, the Company and its Small Business Direct Install vendor undertook a Wx expansion effort, which leveraged RGGI funds to support additional weatherization at small businesses. The focus was on wood frame buildings. The Company captured significant cost data from this effort.

Assessment Delivery: The Company anticipates seeking a third-party vendor to assist in this effort. The effort will begin with a characterization of likely target facilities. Potential solutions include but are not limited to:

- Training for facility auditors and engineers
- Identification of swaths of buildings with standardized opportunities (e.g., construction techniques and poor insulation)
- Integration of Wx into other pathways (such as the Equipment and Systems Performance Optimization initiative)
- Program-approved savings calculator
- Integration with statewide electrification efforts (provided that measures are cost effective under current energy efficiency program regulations and practices)
- Bundled incentives for Wx at sites undergoing HVAC retrofits or replacements

Evaluation: Internal Review

5 Residential Pilots, Demonstrations and Assessments

5.1 Residential Pilots

The company does not propose any new or continued Residential Pilots for 2023.

5.2 Residential Demonstrations

The company does not propose any new or continued Residential Pilots for 2023.

5.3 Residential Assessments

The company does not propose any new or continued Residential Pilots for 2023.

2023 Cross-Program Summary

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1 Introduction

The Cross-Program Summary documents how the proposed 2023 Energy Efficiency Annual Plan programs relate to other specific National Grid programs outside of the energy efficiency docket. The questions are based on Public Utility Commission Information Requests 1-8 and 1-9, from the 2019 Energy Efficiency Annual Plan, Docket 4888.

2 Programs with no interaction with other program proposals

The descriptions in this section apply to the following programs:

- a. Residential New Construction
 - b. Energy Wise
 - c. EnergyWise Multifamily
 - d. Home Energy Reports
 - e. Energy Star HVAC
 - f. Residential Consumer Products
 - g. Single Family Income Eligible Services
 - h. Income Eligible Multifamily
 - i. Large Commercial New Construction
 - j. Small Business Direct Install
 - k. Commercial and Industrial Multifamily
1. Is the program being moved from, consolidated with, or split between another program proposal?
 - a. No
 2. Does the program have a component funded in other programs?
 - a. No
 3. Does the primary purpose of the project or program fall into one of the following categories?
 - a. DR: local system
 - i. No
 - b. DR: bulk system/transmission
 - i. No
 - c. DG: adoption/interconnection
 - i. No
 - d. DG: load reduction
 - i. No
 - e. Storage: grid side

- i. No
 - f. Storage: customer side
 - i. No
 - g. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - h. Grid Mod: customer-facing data
 - i. No
 - i. Electrification: vehicles
 - i. No
 - j. Electrification: heating
 - i. No
4. If the response to part of question 3 is in the affirmative, please respond to the following:
- a. N/A

3 Programs with interaction with other program proposals

This section provides information about interaction of some programs with other program proposals:

3.1 Residential Connected Solutions

1. Is the program being moved from, consolidated with, or split between another program proposal?
 - a. Yes. The Company may be eligible to earn a shareholder incentive through the System Efficiency: Annual MW Capacity Savings Performance-Based Incentive Mechanism in Docket Nos. 4770/4780.
 - b. Yes. The centralized online marketplace is an online store that promotes energy efficient products from Products, HVAC, Energy Star Lighting, and Connected Solutions. See Marketing, Outreach & Education section in Attachment 1. It also promotes electric vehicle solution suite and a renewable energy advisor is planned. The marketplace creation was funded by OPEX in several jurisdictions. In 2023, the RI EE Annual Plan includes budget for the marketplace licensing fee, rebates as a service, water heater advisor, and active DR enrollment related to energy efficiency.
2. Does the program have a component funded in other programs?
 - a. Yes. Funding for the shareholder incentive for achieving Annual MW Capacity Savings is from Docket Nos. 4770/4780.
 - b. Yes. The centralized online marketplace has non-EE funding for renewable energy advisor.
3. Does the primary purpose of the project or program fall into one of the following categories?
 - a. DR: local system

- i. Yes
 - b. DR: bulk system/transmission
 - i. No
 - c. DG: adoption/interconnection
 - i. No
 - d. DG: load reduction
 - i. No
 - e. Storage: grid side
 - i. No
 - f. Storage: customer side
 - i. No
 - g. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - h. Grid Mod: customer-facing data
 - i. No
 - i. Electrification: vehicles
 - i. No
 - j. Electrification: heating
 - i. No
- 4. If the response to any part of question 3 is in the affirmative, please respond to the following:
 - a. Confirm the project or program is independent from other projects and programs in the categories in c.
 - i. The DR local system component of the Residential Connected Solutions Program is an independent program offering for residential customers but contributes to the Annual MW Capacity Savings Performance-Based Incentive Mechanism in Docket Nos. 4770/4780.
 - b. Explain why the spending for the categories listed above should be funded in multiple programs/dockets.
 - i. N/A

3.2 Large Commercial Retrofit

- 1. Is the program being moved from, consolidated with, or split between another program proposal?
 - a. No.
- 2. Does the program have a component funded in other programs?
 - a. No

3. Does the primary purpose of the project or program fall into one of the following categories?
 - a. DR: local system
 - i. No
 - b. DR: bulk system/transmission
 - i. No
 - c. DG: adoption/interconnection
 - i. No
 - d. DG: load reduction
 - i. No
 - e. Storage: grid side
 - i. No
 - f. Storage: customer side
 - i. No
 - g. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - h. Grid Mod: customer-facing data
 - i. No
 - i. Electrification: vehicles
 - i. No
 - j. Electrification: heating
 - i. No
4. If the response to any part of question 3 is in the affirmative, please respond to the following:
 - a. N/A

3.3 Commercial Connected Solutions

1. Is the program being moved from, consolidated with, or split between another program proposal?
 - a. Yes. The Company may be eligible to earn a shareholder incentive through the System Efficiency: Annual MW Capacity Savings Performance-Based Incentive Mechanism in Docket Nos. 4770/4780.
2. Does the program have a component funded in other programs?
 - a. Yes. Funding for the shareholder incentive for achieving Annual MW Capacity Savings is from Docket Nos. 4770/4780.
3. Does the primary purpose of the project or program fall into one of the following categories?
 - a. DR: local system

- i. Yes
 - b. DR: bulk system/transmission
 - i. No
 - c. DG: adoption/interconnection
 - i. No
 - d. DG: load reduction
 - i. No
 - e. Storage: grid side
 - i. No
 - f. Storage: customer side
 - i. Yes
 - g. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - h. Grid Mod: customer-facing data
 - i. No
 - i. Electrification: vehicles
 - i. No
 - j. Electrification: heating
 - i. No
- 4. If the response to any part of question 3 is in the affirmative, please respond to the following:
 - a. Confirm the project or program is independent from other projects and programs in the categories in c.
 - i. The DR local system and customer-side storage components of the Commercial Connected Solutions Program will both contribute to the Annual MW Capacity Savings Performance-Based Incentive Mechanism in Docket Nos. 4770/4780.
 - b. Explain why the spending for the categories listed above should be funded in multiple programs/dockets.
 - i. Unlike the energy storage projects approved as part of Dockets Nos. 4770/4780 Amended Settlement Agreement, the Energy Storage Initiative in the 2023 Plan is a storage-enabled DR program that is focused on incentivizing the use of customer-owned behind-the-meter (BTM) storage to shift peak load at traditional end-use customer facilities. Through this energy efficiency offering, the Company is intending to test use cases for BTM, customer-owned storage, to identify all applications that are beneficial to customers and the grid and to grow a robust market.

Standardized Definitions for the 2023 Annual Energy Efficiency Plan

Assessment

An assessment will be deployed for solutions that address a particular gap or program need but have significant uncertainty around the effectiveness or potential of the solution to realize savings. Because of the uncertainty, assessments will not include field demonstrations or customer installations. Instead, assessments will focus on information gathering to equip Company staff to make a more informed decision of whether and how to proceed with the idea. It is possible that an assessment could recommend further demonstration of the idea or determine the solution should exit the review process. Savings associated with assessments may not contribute to shareholder incentives. Assessments may be evaluated with an independent evaluation, vendor evaluation, or internal review.

Customer Contribution/Customer Cost

The financial cost of a measure and/or service that is not covered by the customer incentive.

Customer Incentive

Financial support and/or services (e.g., rebates, on-bill repayment) provided to participants in attempt to motivate the installation of measures and/or changes in behavior to achieve energy savings.

On-Bill Repayment (OBR)

A financial mechanism that allows customers to pay back the customer contribution/customer cost of a measure and/or service on their energy bill.

Demand Response

Active Demand Response: The reduction or shifting of energy use by customers during peak periods or events when the load on the electric grid or gas distribution system is high.

Passive Demand Response: Energy efficiency measures that permanently shift or reduce electricity use at all times, contributing to a reduction of peak load.

Demonstration

A demonstration will test the feasibility of a new product or offering for inclusion in existing programs. It is generally expected that demonstrations will be less time and resource intensive than pilots, since generally there is greater certainty around a narrow, incremental idea added to a program rather than a totally new set of offerings. Savings associated with demonstration projects may contribute to

shareholder incentives. Demonstrations may be evaluated with either an independent or a vendor evaluation.

Evaluation

Independent Evaluation: An independent evaluation uses a third-party evaluation vendor selected via a competitive Request for Proposals process for the specified evaluation or selected in the recent past for evaluation services of efficiency programs. An independent evaluation can be both a process and an impact evaluation.

Vendor Evaluation: A vendor evaluation is conducted by a vendor installing a technology, measure, strategy, or solution. A vendor evaluation can also be conducted by a Technical Assistance vendor who conducts a savings analysis for the installed technology, measure, or an energy saving strategy. A vendor evaluation can only be an impact evaluation.

Goals

Goals refer to Rhode Island Energy's annual plan energy efficiency savings goals.

Market Potential Study

A Market Potential Study is a detailed assessment of the energy efficiency potential in a given market. In this Plan, the term is used in reference to the 2020 "Rhode Island Energy Efficiency Market Potential Study."¹

Non-Energy Impacts

Non-energy impacts (NEIs) are those other than the energy and demand savings generated by efficiency programs. Non-energy impacts accrue to program participants (e.g. increased comfort and health, improved property values), society at large (e.g. greenhouse gas reductions, improved air quality), and the utility system (e.g. Reduced arrearages).

Non-Participant

A customer that does not directly participate in an efficiency program.

Participant

A customer that reduces or otherwise modifies their energy end use patterns due to involvement in an efficiency program. Participation is measured differently in different programs. For several programs, a

¹ Refer to the Market Potential Study: <http://rieermc.ri.gov/wp-content/uploads/2020/06/ri-study-final-report-volume-i-main-report-2020-06-10.pdf>

participant is defined as a customer account (electric or gas). In contrast, the Residential Consumer Products program measures participation by the number of rebates processed.

Pilots

A pilot is a small scale, targeted program that is limited in scope, time, and spending and is designed to test the feasibility of a future program or rate design. It is incumbent upon the proponent of a pilot to define these limits in a proposal for PUC review. Ideally, a pilot can provide net benefits and achieve goals, but the primary design and value of a pilot is to test rather than to achieve. Pilots are designed to explore technologies and approaches to energy management not included in the core energy efficiency programs (Residential, Commercial and Industrial, and Multifamily) and that could potentially become a new, standalone program.

Pilots enable the Company to test technologies, new energy management strategies, customer adoption, workforce adoption, and cost effectiveness of emerging and new technologies. While pilots are designed to test standalone programs, pilot results may conclude that a standalone program is not recommended or that certain aspects of the pilot should be offered within existing programs. It is likely that pilots will require a long-term commitment and broader set of stakeholder input, given the scope of adding a new core program to the Company portfolio. Savings associated with Pilots will not contribute to shareholder incentives. Pilots may be evaluated with either an independent or a vendor evaluation.

Portfolio

A collection of programs. The electric portfolio contains programs that primarily focus on delivering electricity savings and the natural gas portfolio contains programs that primarily focus on delivering natural gas savings. Per the Least Cost Procurement Standards, as updated in RI PUC Docket 5015, a portfolio is required to be cost-effective.

Program

A collection of defined services and/or measures carried out by Rhode Island Energy and/or its vendors and subcontractors that: target a specific market segment, customer class, or defined end use; are designed to influence customer behavior to achieve changes in energy usage, equipment preferences, investment, and maintenance practices; and are guided by a specific savings goal and have a benefit-cost ratio. Programs are typically made up of the following categories that contribute to the overall program savings goals and benefit-cost ratios. Per the Least Cost Procurement Standards, as updated in RI PUC Docket 5015, a program is required to be cost-effective.

Sub-Program

Within the Commercial and Industrial Sector, a sub-program is a further grouping of measures within a program. An example is the upstream lighting sub-program within the Commercial and Industrial Sector.

Measure Group or Category

A group of measures with similar characteristics within a program. For example, the measure group LED in the Residential lighting program includes several types of LED light bulbs and the Compressed Air measure group within the Large Commercial New Construction program contains all the compressed air measures within that program.

Measure

A piece of equipment or customer action that reduces or otherwise modifies energy end use patterns. This is the most granular level of categorization. For example, an LED light bulb.

Comprehensive Measures: When a customer employs multiple pieces of equipment or actions that reduce or otherwise modify energy use at the same time, more fully taking advantage of energy savings opportunities at one time rather than completing piecemeal projects.

Services

A range of activities to support customer awareness, education, and adoption of energy saving and energy modification opportunities including free technical assistance, training, analysis, and reports.

Initiative

A “go to market” strategy within a program that promotes a subset of measures or services within that program and/or targets a certain segment of customers. For example, the Grocery Initiative within the Large Commercial and Industrial Retrofit Program.

Assessment

Refer to the definition above. Included in this section again to indicate that assessments can be a component of programs.

Demonstration

Refer to the definition above. Included in this section again to indicate that assessments can be a component of programs.

Performance Incentive

A financial incentive that the Company has an opportunity to earn based on performance in fulfilling the savings goals of the approved Annual Plan. The Performance Incentive is authorized and established through Annual Energy Efficiency Plans by R.I. Gen. Laws § 39-1-27.7(e) and § 39-1-27.7.1.

Rebate

A financial incentive paid to a participant in order to obtain a specific action, typically the installation of equipment. A rebate can also be paid to manufacturers and suppliers of measures to lower the price at the point of sale to the customer.

Savings

Annual Savings: Energy savings accrued annually from the installed measure(s).

Lifetime Savings: Energy savings accrued over the functional lifetime of the installed measure(s).

Sector

A grouping of participants by customer rate class. Programs are organized by these groupings. There are three sectors: Residential, Income-Eligible, and Commercial and Industrial.

Targets

Targets refer to the three-year energy efficiency savings targets approved by the RI PUC in Docket 5023.²

Technical Assistance (TA) Study

A technical assistance study assesses a measure or group of measures for savings and costs and is performed by a third-party technical assistance vendor. A TA study quantifies electric and gas savings, along with delivered fuel and non-energy impacts. TA studies include some or all of the following activities: facility benchmarking and/or walkthrough, equipment metering or analysis of building energy management system data, determination of measure baseline, engineering analysis of the operation of the baseline, and proposed measures and building energy simulations. The TA vendor performs a benefit-cost screening to assess the estimated payback for the customer along with the impact of costs and savings. A TA study report is presented to the customer which outlines the methodology followed to determine estimated project savings, cost, and project payback, along with the results of the study.

² RI PUC Docket 5023: <http://www.ripuc.ri.gov/eventsactions/docket/5023page.html>

Technical Assessment

A technical assessment is engineering research conducted to determine the savings of a new technology or measure that may not be widely adopted in the market.

Attachment 11: 2022 Rhode Island Energy Efficiency Equity Working Group Report

2022 Rhode Island Energy Efficiency Equity Working Group Report

Prepared by Green & Healthy Homes Initiative

For inclusion in

Rhode Island Energy's 2023 Annual Plan

September 2022

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Executive Summary

Rhode Island Energy, as a part of its [2021-2023 Energy Efficiency Program Plan](#) (2021-2023 EE Plan), committed to working with the Rhode Island Office of Energy Resources (OER) to co-host an Energy Efficiency Equity Working Group (EWG). The desired deliverable from the EWG was to provide Rhode Island Energy with written recommendations to advance equity in the planning, design, and delivery of its Energy Efficiency Programs. Rhode Island Energy would then use these recommendations to propose the elimination of or alteration of current programs, or the development of new programs or services that would help to better serve Rhode Island Energy's diverse customer base.

The EWG was comprised of twenty-seven people representing a variety of organizations and personal backgrounds including community-based organizations, local governments, workforce organizations, the utility company serving most of the state, the state energy office, and other non-profits and local advocates. The Green & Healthy Homes Initiative ([GHHI](#)) facilitated the EWG meetings hosted from March through August 2022. Year 2 of the EWG kicked off with the Rhode Island Energy team providing an overview of Year 1 efforts and updates, as well as planning for Year 2. During the second EWG meeting, working group members prioritized two topics – Outreach & Engagement and Workforce Development & Training. These topics became the focus of two subgroups where each meeting focused on strategizing recommendations that would help Rhode Island Energy 1) equitably market and perform outreach for its energy efficiency programs and 2) equitably grow the workforce, diversify the field, and prioritize the need to train people in a variety of energy efficiency/construction trades.

Throughout each meeting, the facilitation team took member input and created a list of prioritized recommendations. The prioritized recommendations are as follows:

2022 RI EWG Prioritized Recommendations	
1)	Promote energy efficiency at community gathering places and events
2)	Provide enhanced outreach, promotion, and education of all energy efficiency offerings in underserved communities
3)	Partner with and cross-train other home visiting programs and other community organizations/resource groups to expand the reach and impact of Rhode Island Energy's energy efficiency programs.
4)	Continue to explore opportunities to support innovative education programs, helping to revitalize neighborhoods and fostering the development of the future workforce
5)	Develop recruitment material and explore opportunities for participation in local career fairs and partnerships with local trade schools, vocational programs, and community organizations
6)	Complete an internal needs assessment across all departments to determine opportunities for internships, mentorships, or job shadowing

Background/Introduction

Rhode Island Energy, as a part of its [2021-2023 Energy Efficiency Program Plan](#) (2021-2023 EE Plan), committed to working with the Rhode Island Office of Energy Resources (OER) to co-host an Energy Efficiency Equity Working Group (EWG). The EWG was envisioned to 1) be comprised of representatives from state agencies, community-based organizations, advocacy organizations, and local subject matter experts in equity; 2) provide a space where the voices and concerns of impacted communities could inform discussions on equity issues; 3) identify areas of importance and focus around issues of equity for the energy efficiency programs; and 4) be a resource in the development of future Annual and Three-Year Energy Efficiency Plans, alongside related evaluation efforts. The desired deliverable from the EWG was to provide Rhode Island Energy with written recommendations to advance equity in the planning, design, and delivery of its Energy Efficiency Programs. Rhode Island Energy would then use these recommendations to propose the elimination of or alteration of current programs, or the development of new programs or services that would help to better serve Rhode Island Energy's diverse customer base.

The EWG has given impacted communities, and the organizations that serve them, an ongoing and structured opportunity to collaborate and provide input and feedback on the planning and delivery of Rhode Island Energy's energy efficiency programs, with a specific focus on equity.

During 2021, Rhode Island Energy hosted Year 1 of the EWG, with the resulting recommendations included in its [Annual Energy Efficiency Plan for 2022](#). In the 2022 Annual Plan, Rhode Island Energy committed to continuing the EWG throughout 2022.

In addition, Rhode Island Energy contracted with the Green & Healthy Homes Initiative (GHHI) in 2021 to facilitate the development and implementation of the EWG throughout 2022. GHHI is a national non-profit organization dedicated to addressing the social determinants of health and the advancement of racial and health equity through the creation of healthy, safe, and energy efficient homes. GHHI has a local Rhode Island office that works to coordinate federal, state, and philanthropic resources to develop programming, in partnership with state and local municipalities and nonprofits, which provides low-income Rhode Island residents with integrated energy efficiency, health, and safety housing retrofit programs. More information on GHHI can be found in the Appendix.

Methodology

EWG Member Recruitment (Update)

As an update to the 2021 RI EWG Report, in Year 2, GHHI continued to work to retain participation from Year 1 and recruit additional organizations and individuals that can add more diversity to the EWG. In addition, GHHI's intent for member recruitment aimed to achieve the following:

2022 RI EWG Report

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- Prioritize individuals and organizations that had experience and expertise in providing services or designing and implementing policies that support services that benefit residents of underserved and under-resourced communities, particularly limited income households, black and brown residents, and other communities served by Rhode Island Energy.
- Add perspectives that have not traditionally been heard in energy efficiency proceedings or policy and program advocacy, and
- Support diversity including, but not limited to gender, race, economic status, and geography to ensure that EWG members represented a wide range of perspectives.

GHHI continues to perform outreach to organizations and individuals throughout the state of Rhode Island to ensure that all voices are heard. The current list of EWG members is included below. The RI EWG would also like to acknowledge our guest presenters throughout the year including Ruth Ann Norton (GHHI), Rachel Gold (RMI), and Cornelia Wu & Andy Winslow (NEEP).

Participants & Organization:

- Bryan Evans (Facilitator, GHHI RI, April-)
- Catherine Klinger (Facilitator, GHHI, Jan-Apr)
- Angela Li (Rhode Island Energy)
- Steven Chybowski (RI OER)
- Catherine Lee (GHHI)
- Melanie Mosier-Santiago (GHHI)
- Margarita Robledo-Guedes (RIBA)
- Adrian Caesar (Optimal Energy)
- Brenda Clement (HousingWorks)
- Thomas Deller (City of Central Falls)
- Elder Gonzales Trejo (City of Providence)
- Rachel Calabro (RI Department of Health)
- Dayanarah Baez (CAPP, Providence)
- Heiny Maldonado (Fuerza Laboral)
- Garry Bliss (Prospect Health Services RI)
- Anthony Hubbard (YouthBuild)
- Valerie Chase (Rhode Island Energy)
- John Marcantonio (RIBA)
- Sam Ross (Optimal Energy)
- Joe Garlick (NeighborWorks)
- Stacy Wasserman (RIHousing)
- Dave Caldwell (Caldwell & Johnson)
- Karen Verrengia (CLEAResult)
- Naisa Beumont (GHHI)
- Erica Hammond (Climate Jobs RI)
- Brett Feldman (Rhode Island Energy)
- Oscar Mejias (RI Hispanic Chamber of Commerce)
- Tomas Avila (Office of Diversity, Equity, and Opportunity)

In addition, there were a handful of organizations who were not able to participate throughout the EWG but still wanted to provide feedback on the RI EWG Report as well as being included in any future communications and meetings next year, including the Residential Construction Workforce Partnership (RCWP) team and Browning the Green Space.

EWG Meeting Timeline and Topics

From March through August 2022, GHHI facilitated 10 working group meetings. The first meeting was a refresher meeting to provide members with an update on the purpose of the EWG for 2022, participant expectations, as well as review results from the Participant & Non-Participant Study. The second meeting focused on outlining Year 2 of the EWG and having a discussion on updates and priorities related to the Equity-Related Enhancements for the 2022 Annual Plan. In addition, working group

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members prioritized two topics to focus on this year: Outreach & Engagement and Workforce Development & Training. These two topics each became their own subgroups where members met monthly and selected the discussion that topic best fit their expertise and interest. In addition, the larger RI EWG met monthly. An 11th meeting will be held in September to report out on the final plan, obtain feedback from working group members, and begin to outline next steps and expectations for 2023.

Timeline and Projected Topics				
March	May	June/July	August	September
<ul style="list-style-type: none"> • Meeting #1 • Review results of Participant & Non-Participant Study • Discuss Action Items Recommendations for EWG for 2022 	<ul style="list-style-type: none"> • Meeting #2 • Discuss Year 2 priorities • Discuss and Provide Updates on Equity-Related Enhancements for 2022 Annual Plan • Prioritize New Recommendations and Create Subgroups 	<ul style="list-style-type: none"> • Meeting #3 • Subgroup Meetings (Outreach & Engagement and Workforce Development & Training) 	<ul style="list-style-type: none"> • Meeting #4 • Subgroup Meetings • Draft and Finalize Report for Review 	<ul style="list-style-type: none"> • Meeting #5 • Report Out to Members on Utility Plan

Meeting Discussions

Year 2 Kickoff Meeting (March 25)

On March 25, 2022, GHHI kicked off the EWG Year 2 working group with a refresher on the goals of the work group and a review of the report for 2021 and participating organizations. After that review, there was an overview of goals and expectations for 2022. The Rhode Island Energy team then presented on an overview of its current energy efficiency and demand response programs. The team also provided an overview of the results from the Participant & Multifamily Census Study and the Non-Participant Market Barrier Study. The Participant & Multifamily Census Study was designed to assess, document, and analyze historical participation. Also noted, the Non-Participant Market Barrier Study was designed to characterize customers who historically have not participated in residential energy efficiency programs and aims to identify opportunities to engage non-participants. The EWG meeting concluded with reviewing the timeline and structure for Year 2.

RI EWG Meeting #2 (May 20)

On May 20, 2022, the EWG met to review Rhode Island Energy's proposed equity-related enhancements for the 2022 Annual Plan. During the first portion of the meeting, the Rhode Island Energy team presented updates on implementing enhancements the utility had committed to in last year's plan. The team members walked through each of the recommendations and talked about their current efforts. By providing updates on where Rhode Island Energy is currently at, it helped the working group decide

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what specific areas of need should be prioritized to improve Rhode Island Energy’s energy efficiency programs. Using a Miro Board, an online collaborative whiteboard platform (pictured below), working group members created their own sticky notes of topics, themes, and objectives for future subgroup meetings to cover. Based on the four topic areas of Year 1 – Marketing & Outreach, Metrics & Data Collection, Workforce Development & Training, and Program Budgets - working group members came to a consensus on two priority areas to continue to focus on – Outreach & Engagement and Workforce Development & Training.

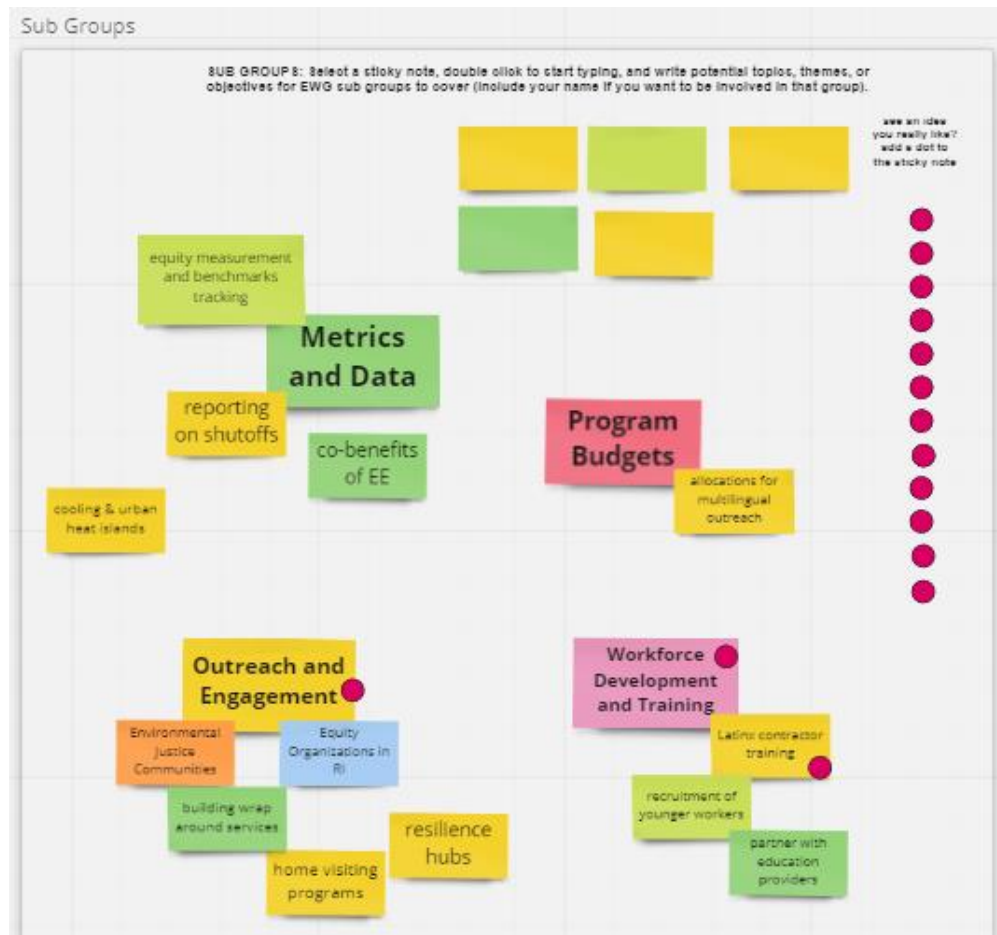


Figure 1: RI EWG Meeting #2 Group Ideation Process

Subgroup Meeting #1: Outreach & Engagement (June 14)

On June 14, 2022, the EWG met to convene the first Outreach & Engagement subgroup meeting. The goal of this subgroup was to discuss ways to equitably market and perform outreach for Rhode Island Energy’s energy efficiency programs. During the initial subgroup kickoff meeting, working group members spent most of the time reviewing the 2022 Equity-Related Enhancements for outreach and engagement and provided input on what is working in the state, shared experiences, and discussed ways to improve moving forward. Working group members were asked to think of alternative/new ways to revamp equitable marketing and outreach. What has worked? What has not worked? How can outreach

reach all audiences? What are some best practices for recruiting and referring participants into energy efficiency programs? To foster engagement amongst working group members, the facilitation team used a Miro Board (pictured below) to brainstorm ideas and recommendations to consider. For additional context, the following are quotes from working group members during group ideation that helped influence recommendations.

- “There will be challenges with the new name (in reference to PPL’s buyout of National Grid to Rhode Island Energy). Switching the communities’ minds will be tough and the utility will need to meet communities where they are at to change that. It’s a good opportunity to do so with equity in mind too”
- “We need a plan in which all Community Action Partnerships (CAP) agencies and advocates are involved and trained”
- “Better-informed customers make better-informed decisions”

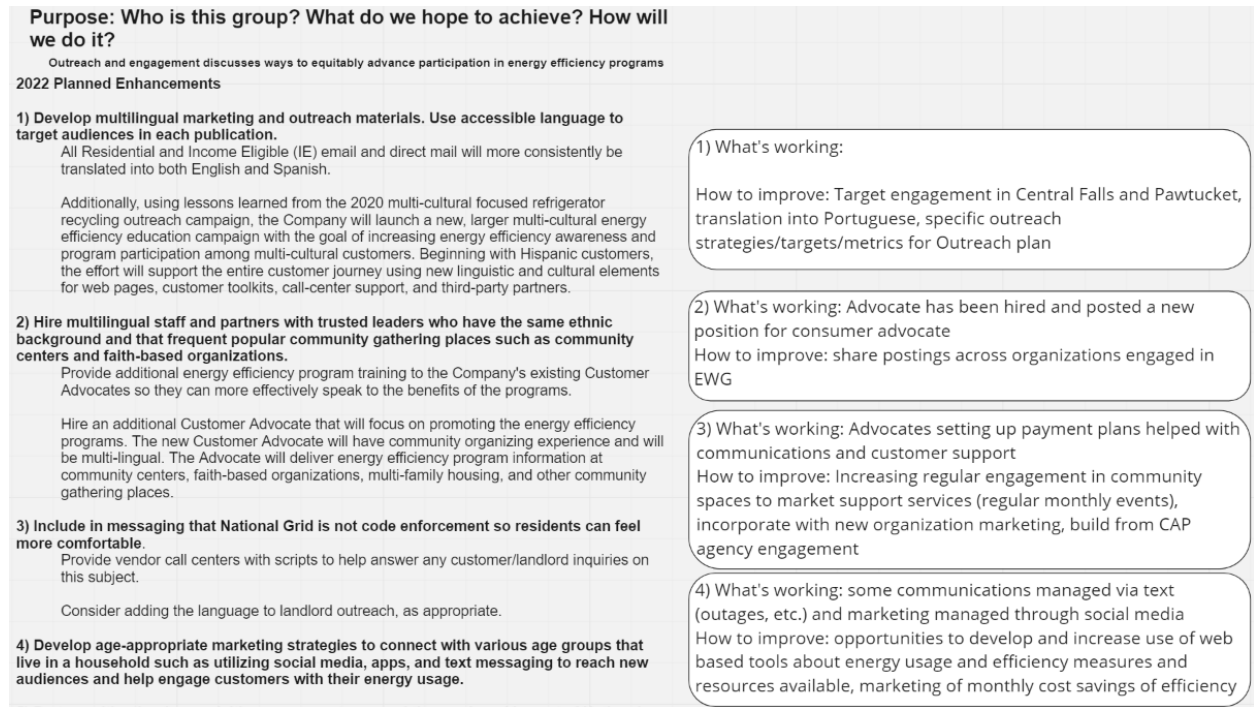


Figure 2: Outreach & Engagement Subgroup Ideation Process

Key takeaways from this meeting are outlined in detail below.

- Importance of Customer Advocates – Customer advocates have helped break down the dynamic between utilities and low- and moderate-income customers. With the current Customer Advocates now solely focusing their efforts on Rhode Island, the team is looking to continue to grow and increase its impact on the community. Working group members continued to value the role of customer advocates in working directly with Rhode Island Energy’s most vulnerable customers. Customer advocates can address barriers of equitable marketing and outreach to improve the lives of customers through driving awareness of, enrollment in, and engagement

around the various tools Rhode Island Energy has in place to help income-eligible customers manage the affordability and volatility of their monthly energy spend.

- Enhancing promotion and education of energy efficiency services and benefits – Rhode Island Energy needs to meet communities where they are at, which includes the translation of resources and trainings into languages including Spanish and Portuguese, frequently attending community gathering places (food pantries, religious institutions), and hosting support services (e.g., monthly office hours at a community center)
 - For example, a local housing provider stated, “Rhode Island Energy needs to ensure that we have contractors that resemble and represent the population and offer multiple languages so there are no barriers there. Language is a potential barrier because people don’t feel comfortable with a language barrier.”
 - In addition, it was noted that the utility needs a plan in which all CAP agencies and advocates are involved, cross-trained, and well-supported. Working group members voiced their concerns on how it can be difficult to remember all the nuances of a program that someone may not directly work with.
 - Elder Gonzales Trejo from the City of Providence brought up the work the city is doing in Green Justice Zones with the development Resilience Hubs. Resilience Hubs are community-serving facilities that act as safe spaces for community members that provide support residents and help coordinate resources and services. “Resilience Hubs provide an opportunity to build local community power and leadership. They are focal points for neighborhood revitalization that provide the resources residents need to enhance their own individual capacity while also supporting and strengthening their neighborhood and neighbors” ([The City of Providence’s Climate Justice Plan 2019](#))
 - Furthermore, by having more of a presence in communities, it offers the opportunities to hear from residents which in turn, helps the utility to better represent the interests of low-income residents and develop strategies to address barriers to participation
- Collaboration with other home visiting programs and clinics – There is a great opportunity to collaborate with other home visiting programs in the state to reach a greater audience and impact. For example, Rhode Island Energy has been put into contact with the Rhode Island Department of Health (RI DOH) through this group’s efforts to better connect and understand available energy efficiency and health programs. Rachel Calabro, Climate Change Program Manager at the RI DOH stated, “we have visiting staff for programs including WIC and lead and getting this type (energy efficiency) information to all the folks we reach and going into the home is vital.

Subgroup Meeting #1: Workforce Development & Training (June 17)

On June 17, 2022, the EWG met to convene the first Workforce Development & Training subgroup meeting. The goal of this subgroup was to discuss ways to equitably grow and diversify the workforce. Similar to the kickoff of the Outreach & Engagement subgroup, members spent time reviewing the 2022 Equity-Related Enhancements that focused on workforce development and considered ways to reduce barriers to professional development and entry into the workforce.

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To fuel discussion, the facilitation team started off by highlighting a report from the American Council for an Energy-Efficient Economy (ACEEE) titled, [Residential Deep Energy Retrofits](#). The report examines comprehensive energy efficiency programs and barriers to implementing whole-home deep energy retrofits. While the EWG is not focused on implementing programs, learnings from the report provided insight to working group members on workforce capacity. It was cited that many contractors do not have the skills or ability to sell comprehensive energy efficiency upgrades. However, for Rhode Island Energy to achieve increased program participation, there needs to be a workforce to support those efforts and meet demand. Without a properly trained and skilled workforce that continues to grow each year, these demands will not be met. Working group members began to discuss the importance of not rebuilding the wheel and collaborating with other successful workforce development and training programs. The working group continued to use the Miro Board (pictured below) to foster input.

Purpose: Who is this group? What do we hope to achieve? How will we do it?	
2022 Planned Enhancements	
<p>2) Hire multilingual staff and partners with trusted leaders who have the same ethnic background and that frequent popular community gathering places such as community centers and faith-based organizations.</p> <p>Provide additional energy efficiency program training to the Company's existing Customer Advocates so they can more effectively speak to the benefits of the programs.</p> <p>Hire an additional Customer Advocate that will focus on promoting the energy efficiency programs. The new Customer Advocate will have community organizing experience and will be multi-lingual. The Advocate will deliver energy efficiency program information at community centers, faith-based organizations, multi-family housing, and other community gathering places. The Customer Advocate will leverage the expertise of existing community organizations that serve diverse households.</p>	<p>2) What's working: RI Energy did hire a new Customer Advocate</p> <p>How to improve: Email outreach in Spanish, community initiative to provide outreach in multiple languages, funding available for referrals; ongoing in East Providence but available in other areas (town mayor or council members); program provides incentives to municipalities</p>
<p>11) Align energy efficiency programs with healthcare and partner to achieve healthcare goals, promote further engagement, and sharing health outcome and impact data.</p> <p>The working group will include healthcare home visiting programs as a part of their discussions.</p>	<p>11) What's working:</p> <p>How to improve: alignment with FCHCs, identify particular clinics to partner with</p>
<p>12) Perform a full review of all HR policies and remove outdated policies that restrict hiring such as background checks.</p> <p>The Company believes it has reached the right balance to ensure the safety of customers and their property through its background check and exception process.</p>	<p>12) What's working: changed drug screening protocols as part of background check process</p> <p>How to improve: will discuss any other concerns about background check policies with full group</p>
<p>13) Reduce barriers to professional development, as well as entry into the energy efficiency workforce.</p> <p>Complete a workforce development needs assessment modeled after this report completed in MA. Data from the needs assessment can be used to target future workforce development strategies, with diversity and upskilling of a diverse workforce as major areas of focus.</p> <p>Continue the lead vendor collaboration with the RI Builders Association, and their affiliate Residential Construction Workforce Partnership, to complete at least two additional Energy Efficiency Program related trainings in 2022. If necessary, the Company will assist in the targeted recruitment of more diverse trainees for 2022. During 2022, the Company and/or its vendors will also collaborate with the RI Dept of Human Services (DHS) on workforce development efforts from U.S. Department of Energy training funds.</p>	<p>13) What's working: RIBA partnership and Spanish language trainings (OSHA 10, Lead RRP)</p> <p>How to improve: engage with NEEP workforce programs, increase access to on-demand training tools, connect with BPI on programs to grow and diversify workforce, outreach to New England Tech</p>

Figure 3: Workforce Development & Training Subgroup Ideation Process

Key takeaways from this meeting are outlined below.

- Collaboration with other workforce development and training initiatives – Consider collaborating on the work that NEEP, BPI, BPA and Energy Futures Group are working on called [Total Energy Pathways Workforce Development](#). In addition, continue collaborating with training programs like the Residential Construction Workforce Partnership (RCWP) to provide trainings to contractors and residents. In addition, it's important to support contractors to participate in bidding processes and helping contractors understand what subskills are needed to compete for bids and what certifications are needed to perform certain work (e.g., OSHA-10, RRP, etc.), especially for Latino contractors.
- Outreach to schools and workforce programs – Connect with organizations such as YouthBuild and trade schools like New England Tech. One point that was expressed was making sure that students and workers are cross trained and that their skills are not siloed but can be applied to different trades and opportunities. This can include linking trainings related to energy efficiency with lead abatement training, increasing opportunities for trainings on electrification, as well as training and support for soft skills in the field. By connecting and partnering with local schools and programs, this will help build relationships to better understand the needs of the next generation of energy efficiency and construction workers. Messaging and training opportunities can be tailored to resonate more within these communities and likely increase interest and participation.

Program Spotlight

Developed and implemented through a partnership between the Rhode Island Builders Association (RIBA) and CLEAResult, RCWP aims to bridge the gap between workers and green building careers. This free training program prepares workers with a 26-week program to train and upskill the next generation of construction workers. Graduates walk out with increased knowledge of a trade, a plethora of industry certifications, and an understanding of potential career pathways using [IREC's Green Building Careers Map](#)

Success: During the last round of trainings, 18/18 graduates received a job in the trade industry. In addition, informational sessions for the trainings occurring throughout the Fall have received 400 applications and counting.

Subgroup Meeting #2: Outreach & Engagement (July 6)

On July 6th, the EWG met for the second round of subgroup meetings for Outreach & Engagement. In the first part of the meeting, working group members began a discussion on how to better connect communities with Rhode Island Energy's energy efficiency programs. The group also began to brainstorm community outreach event ideas. The group noted, in order to achieve equitable outreach and engagement, Rhode Island Energy must meet communities where they are at. Working group members began to list types of events and community-gathering places for Rhode Island Energy to consider having a presence at. Customers Advocates can focus on easily accessible, community-friendly places including farmers' markets, senior centers, community centers, housing authorities, libraries, etc.

In addition, Angela Li from Rhode Island Energy discussed their efforts to help increase awareness of their residential energy efficiency programs and increase participation across the program portfolio. This

new marketing awareness campaign came about after reviewing the results of the Non-Participant Study. Some key results are listed below:

- Nearly 40% of survey respondents were not aware that Rhode Island Energy offers energy efficiency programs and many customers who were aware of the offerings did not understand who the programs are for, why they are offered, how to participate, and what benefits to expect.
- Being a renter or property owner/property manager appeared to be a deterrent to participating in available programs. Renters noted that there are fewer available services directed at renters, they are uncomfortable confronting their property owners for fear of eviction or rent increasing. On the other hand, property owners voiced that they are often too busy and have limited time for planning and implementing upgrades to their units.
- Other barriers included, but not limited to, lack of trust in legitimate program benefits, other customer priorities taking precedence, upfront costs being too high, confusion amongst program requirements and expectations, and language and cultural barriers.

The study further emphasizes the importance of Rhode Island Energy's Customer Advocates. Customer Advocates will help break down barriers and act on new ways to engage and educate customers and drive awareness and participation in Rhode Island Energy's available programs. This can include a range of functions for Customer Advocates to consider including better explaining why the utility has energy savings programs, how both the utility and customer save energy and money, to educating community-based organizations that serve similar target audiences so that they can refer their clients to Rhode Island Energy's energy efficiency programs.

However, to help revamp marketing and outreach efforts, Angela walked working group members through the running marketing campaign concepts: 1) Rhode Island Strong 2) Less is More and 3) Choice Matters (pictured below). Working group members provided feedback regarding the three concepts. For most attendees, Concept 2: Less is More, resonated better with folks. In a future meeting, it was revealed that Concept 2 was the selected campaign that Rhode Island Energy will move forward with.

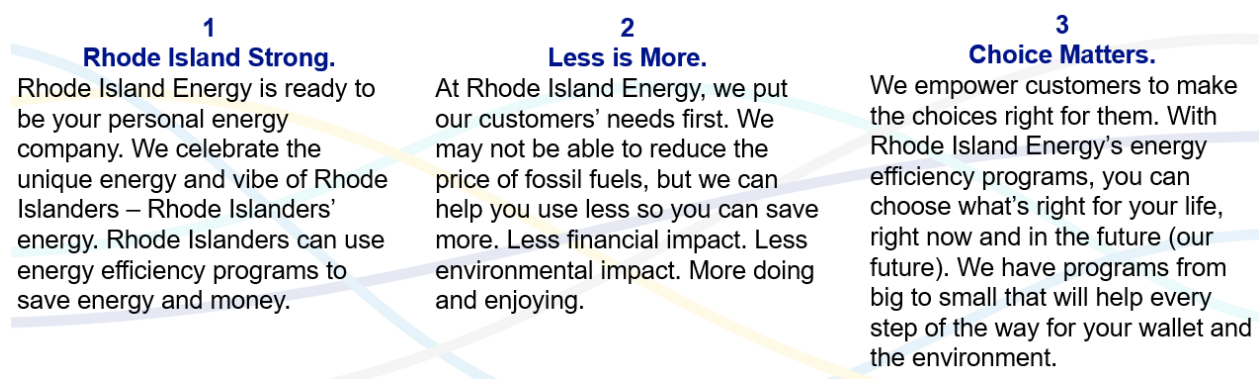


Figure 4: Rhode Island Energy - Energy Efficiency Marketing Campaign Ideas

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Subgroup Meeting #2: Workforce Development & Training (July 13)

On July 13th, the EWG met for the second round of subgroup meetings for Workforce Development & Training. In the first part of the meeting, the facilitator provided a summary of key takeaways from the previous meeting. The working group then moved onto the group ideation portion of the meeting to discuss and develop new recommendations. The facilitator used Poll Everywhere as a platform to ask the following questions:

Poll #1: In the 2021, E4theFuture Report, Energy Efficiency Jobs in America, it was reported that for Rhode Island's energy efficiency workforce, white males make up over 77% of the workforce while Hispanic, Black, and Asian workers make up 15.9%, 6.2%, and 4.5%, respectively. In addition, women only make up 22% of the EE workforce in Rhode Island - What are recommendations the EWG can consider to prioritizing BIPOC and women for training and support?

Poll #1 Responses:

- "Setting concrete goals for minority/women-owned business hiring and spending. Many efforts are aimed at merely increasing outreach to underrepresented groups without any commitments or goals for actual hiring and participation in the workforce"
- "Community-based organizations/municipal/minority business organizations partnerships helps build relationships with and better understand the needs of underrepresented groups as it relates to workforce development. Messaging and training opportunities can be tailored to resonate more within these communities and will likely increase participation"
- "Practical energy efficiency training that "starts earlier" (e.g., Mass CEC's Clean Energy Pathways Internship Program). This offers internships to underrepresented high school/college-age people specific to energy efficiency implementation work. Energy efficiency is a specialized industry, having meaningful "early" education and training opportunities may increase representation for minorities and women in the workforce"
- "Develop inclusive marketing tools about career pathways that have information on trainings, wages, and market opportunities"
- "Research current training hubs and scan what is needed to support these groups to have more access to job opportunities and continue training"

Poll #2 What type of trainings should the group prioritize? The list includes weatherization-related trainings, trainings on HVAC, energy auditing, upskilling, safety, and other (e.g., apprenticeship programs).

Poll #2 Responses:

- 50% of respondents selected to focus on upskilling on management and other soft skills
- 25% of respondents also selected to focus on weatherization-related trainings and safety trainings (e.g., OSHA-10, RRP, etc.)

One respondent exclaimed that we should focus on increasing trainings across the board to combat the energy efficiency workforce shortage. This issue is not isolated to Rhode Island, reported in the [United](#)

[States Energy & Employment Report 2022](#), construction had the highest percentage of companies relating hiring difficulty, with 92% of respondents indicating it was “very difficult” or “somewhat difficult” to find employees. In addition, the report highlighted that utilities cite insufficient qualifications among applicants as a reason for hiring difficulty and construction reported the lack of experience, training, or technical skills. Industry and organizational workforce development activities can help address these areas by assessing and designing opportunities that broaden the applicant pool by attracting more students and historically underrepresented groups to energy efficiency careers and linking them to resources to improve their skills and industry knowledge.

RI EWG Meeting #3 (July 15)

On July 15, 2022, the EWG met to convene the larger working group and featured two guest presentations. Ruth Ann Norton, President & CEO of GHHI, presented on GHHI’s role in the groundwork and feasibility work for Connecticut’s Weatherization Barrier Remediation Program. In Ruth Ann’s presentation, it was noted that up to 90,000 households in Connecticut have severe health/safety needs and up to 420,000 households have moderate needs. These households become stuck in a loop where they deal with high energy burdens but also cannot begin the process to weatherize their homes due to pre-existing health and safety hazards. Furthermore, due to the condition of these households, it leads to increased hospitalizations and emergency department visits for poor health conditions and other illnesses.

In addition, the groundwork for this program revealed the policy challenge with the lack of sufficient funds to address poor housing quality throughout the state. This highlighted the opportunity in Connecticut to develop a program to remediate the barriers to entry for those households with the highest energy, housing, and health burdens. The overall goal of the program is to develop a proof-of-concept demonstration pilot that will make the case to unlock funds to address health and safety-related barriers to energy upgrades. Rhode Island Energy is keeping a close eye on Connecticut’s efforts and will be looking toward this program for best practices and recommendations.

For the second guest presentation, Cornelia Wu and Andy Winslow from Northeast Energy Efficiency Partnerships (NEEP) presented on a workforce development initiative that the team is working on throughout the Northeast and Mid-Atlantic region. NEEP’s Total Energy Pathways (TEP) Workforce Program aims to create a healthier, more sustainable, and diversified residential built environment and construction workforce. This concept first came about in Vermont through a pilot, Zero Energy Now (ZEN), that had great success but did not have a funding model to move it forward. The project team, which consisted of a handful of organizations including NEEP, Energy Futures Group, and Building Performance Association (BPA), received funding to modify the lessons learned and build out a replicable model for states beyond Vermont. This led to the development of TEP, a comprehensive, bundled approach to building energy upgrades that utilizes a general contractor model to guide customers and offers the best mix of weatherization, energy efficiency, renewable energy, and strategic electrification measures.

A study of the pilot identified the lack of a workforce as a major challenge. Many contractors cited the inability to effectively market and sell comprehensive efficiency upgrades. Contractors also noted that they were concerned with the risk of investing time and resources to learn new skills and purchase new equipment. In order to remediate these and other concerns, the TEP Workforce initiative aims to grow and diversify the field by developing a TEP certification pathway and online resource center to better prepare the workforce.

- On-Demand Training Tools: Bring new individuals and contractor businesses into the industry by developing and delivering on-demand training and technical assistance initiatives focused on the unemployed and those seeking a new career with a focus on diverse and disadvantaged communities in order to draw more women and BIPOC (Black, Indigenous and people of color) individuals into the industry.
- Total Energy Pathways Certificate: Build on the successful TEP project increasing the number of certified TEP contractors and enhancing their industry competitiveness. The team will develop a BPI certificate and train an increased number of TEP-certified professionals across the region.

Total Energy Pathways (TEP) Workforce Project Outcomes




		
<p>Train</p>	<p>Certify</p>	<p>Promote</p>
<p>At least 1,000 individuals participate in a training class, attend a webinar, and/or download a training tool</p>	<p>At least 50 contractors receive the Total Energy Pathways (TEP) certificate</p>	<p>Flexible, cost effective, and easily accessible on-demand training tools on the TEP Certificate pathway</p>

Figure 5: NEEP's Total Energy Pathways (TEP) Workforce Project Outcomes

It's important for workforce training programs to offer flexible solutions like online learning modules, hands-on training, and other inclusive learning tools and strategies. Flexible training solutions provide opportunities to people with different learning needs. This is especially important when considering equity. Some people may be unable to take time off from work to attend an all-day training, especially those seeking to transition in their careers. The time commitment and cost for training are both barriers that can prevent people from seeking training opportunities for clean energy jobs. TEP aims to address this to create a growing, diversified workforce.

Subgroup Meeting #3: Outreach & Engagement (August 15) and Workforce Development & Training (August 17)

On August 15th and 17th, the EWG met to reconvene the Outreach & Engagement and Workforce Development & Training subgroups, respectively, to review preliminary recommendations and begin to have a discussion on equity metrics to track Rhode Island Energy's progress. In addition, the Outreach & Engagement subgroup meeting featured another guest speaker, Rachel Gold from the Rocky Mountain Institute (RMI), to discuss equitable ways utilities can engage with their communities and metrics to track accountability. Rachel set the stage by briefing members on what RMI is seeing being done across the nation in terms of policies requiring equity in the planning of clean energy programs

"This type of legislation encourages collaboration between utilities and communities and takes steps to create an equitable electricity system built with and for the communities that they serve"

Rachel also noted that there is no one-size-fits-all approach to community engagement, even for a small state like Rhode Island. Communities across the state all have different needs and circumstances to consider. For example, community engagement with residents of Jamestown or Barrington will differ from community engagement with residents of Pawtucket and Central Falls. Rachel began to walk through each of the five steps that can help Rhode Island Energy identify the needs of communities and better reach all audiences throughout the state. Based on an article developed by RMI, [5 Steps for Utilities to Foster Authentic Community Engagement](#), the five steps include:

- 1) **Identify** historically underserved communities
- 2) **Create** a linguistically and culturally accessible engagement strategy
- 3) **Track** and document progress
- 4) **Invite** community members to inform decisions and offer resources to support their participation
- 5) **Partner** with community members and organizations to design and deliver programs

Rachel stated that the group's efforts and recommendations so far align with RMI's 5 steps. This opened a discussion on metrics to track progress. Rachel further exclaimed that communities may define success differently than utilities. For example, RMI started a process with the state of Washington to help identify what success may look like. RMI began by asking what challenges communities are facing in Washington. This helped home in on a specific barrier to begin considering what actions the utility can take to combat this challenge and highlight the benefits that can come from it. This process ended with considering how to track progress along with the benefits. One piece of advice that Rachel shared focused on shifting from activity and program-based metrics toward outcome-based metrics. Outcome-based metrics provide new ways to leverage utilities' unique knowledge of the grid to benefit customers. Although activity- and program-based metrics have been used for years to motivate utilities to make changes in the way they do things, outcome-based metrics allow the utility more flexibility to choose which portfolio of programs and investments best produce desired outcomes most cost-effectively. Lastly, Rachel shared a few tips for success on metric design:

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- Identify and gather data resources available, in our case - data on workforce needs, gaps, and consider what gaps are missing that need to be addressed
- Partner with community groups and businesses to share data and metrics
- Third, consider sharing resources with other utilities to share best practices and recommendations

The remainder of the meetings focused on reviewing preliminary recommendations and developing metrics to track progress. The facilitator walked working members through each of the recommendations related to the subgroup topics. Refer to the Recommendations, Actions, and Metrics section for a detailed outline of the EWG's prioritized recommendations and metrics.

RI EWG Meeting #4 (August 24)

On August 24, 2022, the EWG met to review its final recommendations and metrics for Rhode Island Energy. Valerie Chase, Energy Efficiency Consumer Advocate at Rhode Island Energy, presented on equity commitments and metrics that the utility can commit to based on all the recommendations from Year 2, as well as recommendations from Year 1 that the utility was not able to fulfill. Valerie walked working members through each of the recommendations, speaking to what actions the utility will take to fulfill those commitments and metrics to measure progress and success. Working group members had an opportunity to provide any final feedback on the group's recommendations, actions, and metrics.

Recommendations, Actions, and Metrics

Recommendation 1: Promote energy efficiency at community gathering places and events	
Actions	Metrics
<ul style="list-style-type: none"> EE consumer advocate will frequent community gathering places for face-to-face interactions with customers and will also provide organizations with EE materials that can be distributed to customers All consumer advocates will be well versed in RIE’s EE program offerings so that they can also help promote the program and educate customers on the benefits of EE while they are out in the community Connect and coordinate with the City of Providence on the city’s efforts to develop Resilience Hubs throughout the city 	Metric 1: Number of events hosted/attended by all consumer advocates (focus on underserved communities)
	Metric 2: Number of customers reached at events
	Metric 3: % of marketing & education interactions with customers broken down by customer group
	Metric 4: Number of coordinated events with the City of Providence at their Resilience Hubs

Recommendation 2: Provide enhanced outreach, promotion, and education of all energy efficiency offerings in underserved communities	
Actions	Metrics
<ul style="list-style-type: none"> Rhode Island Energy will conduct enhanced outreach in 5 communities (Providence, East Providence, Pawtucket, Woonsocket, and Central Falls) with less than average participation and higher percentages of minority and renter populations Enhanced outreach includes a greater number of events and office hours hosted/attended in these areas and a focus on partnering with community organizations working within these areas with underserved customers Analyzing year-end spending on marketing and outreach to communities can ensure RIE can appropriately market programs to targeted communities to increase participation 	Metric 1: Increase participation in targeted communities (reported quarterly by zip code and by program)
	Metric 2: Increase participation in programs disaggregated by all customer groups
	Metric 3: % of marketing & education interactions with customers broken down by customer group (e.g., number of requested translations, number of resources available in other languages – Portuguese, Creole, Hmong, etc.)
	Metric 4: Track year-end spending by zip code on investments in marketing material and outreach

Recommendation 3 Partner with and cross train other home visiting programs and other community organizations/resource groups to expand the reach and impact of Rhode Island Energy’s energy efficiency programs:	
Actions	Metrics
<ul style="list-style-type: none"> Establish and build relationships with community partners to better understand the needs of our customers and leverage their earned reputation as a trusted resource Provide energy efficiency training and collateral for community organizations, home visiting programs, state/municipal agencies, etc. Establish a relationship with Unite Us to advance this priority. 	Metric 1: Number of community partnerships established & organizations reached
	Metric 2: Number of trainings completed
	Metric 3: Number of referrals from community organizations (this could be expanded to include referral traffic to Rhode Island Energy’s website as well as to the RISE and CLEAResult sites)
	Metric 4: Development of a guiding resource for agencies and advocates to cross-train and support current and future staff

Recommendation 4 Continue to explore opportunities to support innovative education programs, helping to revitalize neighborhoods and fostering the development of the future workforce	
Actions	Metrics
<ul style="list-style-type: none"> PPL Foundation provides grants to programs that promote STEAM, early childhood education, college and career prep, etc. Rhode Island Energy will work to inform organizations of these funding opportunities and encourage applying Continue to build out a list of local workforce programs and initiatives including RIBA’s Residential Construction Workforce Partnerships, Building Futures, URI Energy Fellows, NEEP’s TEP, Skills for RI Futures, YouthBuild, RI Women in the Trades, College Unbound, The Career Exploration Program, etc.) 	Metric 1: Increase awareness of PPL Foundation grants and ultimately increase grant applications
	Metric 2: Increase collaboration, support, and awareness of local/regional workforce programs
	Metric 3: Number of community partnerships established to support recruitment/outreach assistance to attract more women and BIPOC into the field

Recommendation 5 Develop recruitment material and explore opportunities for participation in local career fairs and partnerships with local trade schools, vocational programs, and community organizations	
Actions	Metric

<ul style="list-style-type: none"> • Work with HR to develop recruitment and career materials and determine ability to participate in local career fairs. • Establish relationships with trade schools, training programs, etc. And ensure they have information on available job opportunities to provide to students • Idea: The six energy efficiency career profiles can be turned into a display for the 2023 Energy Expo 	<p>Metric 1: Development of comprehensive recruitment material by March 2023</p>
	<p>Metric 2: Develop 6 Energy Efficiency Career Profiles (based off results of the RI Workforce Needs Assessment) by March 2023 – Available in multiple languages (English, Spanish, Portuguese, etc.)</p>
	<p>Metric 3: Number of enhanced outreach/collaborations to high schools/trade schools including New England Tech, Providence Career & Technical Academy, YouthBuild Charter School, The Met High School, etc.)</p>

<p>Recommendation 6 Complete an internal needs assessment across all departments to determine opportunities for internships, mentorships, or job shadowing</p>	
<p>Actions</p>	<p>Metrics</p>
<ul style="list-style-type: none"> • Work with all internal departments to determine their workforce needs and ability/capacity to take on interns and/or provide mentorship or job shadowing opportunities 	<p>Metric 1: Complete internal needs assessment by March 2023</p>
	<p>Metric 2: Complete and distribute workforce development needs assessment by December 2022 and host a public RI EWG webinar to provide updates and review of the report</p>

Conclusion and Future Direction

Toward the end of September 2022, the RI EWG will convene for the final time. The facilitation team will walk working group members through the final report of recommendations, actions, and metrics that Rhode Island Energy can use to better incorporate equity in the planning, design, and delivery of its energy efficiency programs. In providing recommendations, the EWG hopes for Rhode Island Energy to achieve the following.

- Reduce high energy burdens for low-income and underserved households
- Recognize and remediate past harm by prioritizing historically underserved communities
- Reduce and eliminate barriers to low- to moderate-income participation in energy efficiency programs and workforce
- Drive accessible and transparent processes and invite LMI residents to the table when designing and planning programs and services.
- Ensure equitable access to the benefits of energy efficiency services

Generally speaking, energy efficiency is considered to be the “low hanging fruit” when it comes to making educated choices about a home’s energy use and is one of the most cost-effective ways to

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reduce a home's total emissions. This has the potential to reduce energy burdens, reduce carbon emissions, improve resident and community health, and promote resilience. However, studies have revealed that energy efficiency program benefits are not reaching the communities who need it the most. Through the RI EWG, working group members have been able to make a conscious effort to ensure that these services and benefits are being equitably distributed to all residents of Rhode Island, regardless of zip code. Throughout subgroup discussions on Outreach & Engagement and Workforce Training & Development, members were able to provide personal experiences, ideas, and best practices in order to equitably perform outreach and grow and diversify the energy efficiency workforce.

In efforts to continue to increase equitable representation, the facilitator will look to invite residents/community members, including renters, who do not necessarily work in the industry, to future working group meetings. Inviting people with lived experiences can further help address what the true needs of communities are and inviting residents to have a spot at the table helps empower them to know that they have a voice and will be heard. Lastly, this should go beyond the RI EWG's current efforts. During the development of future programs and initiatives, Rhode Island Energy should host community listening and planning sessions that aim to give community members opportunities to voice their own communities' needs and help co-create community solutions.

Acknowledgments

The Green & Healthy Homes Initiative (GHHI) would like to thank:

- All the Rhode Island advocates that have continuously pushed Rhode Island Energy to develop, implement, and deliver their energy efficiency programs more equitably and that resulted in Rhode Island Energy's continued commitment to hosting this Equity Working Group.
- Rhode Island Energy, specifically Angela Li, Rhode Island Office of Energy Resources (OER), specifically Steven Chybowski, and Rhode Island Builders Association (RIBA), specifically Margarita Robledo-Guedes for co-hosting the Equity Working Group.
- Each of the EWG members for their participation and engagement through the process
- Each non-EWG member that devoted time to providing their perspective

Appendix

About GHHI

The Green & Healthy Homes Initiative (GHHI) is a national organization with the mission dedicated to addressing the social determinants of health and the advancement of racial and health equity through the creation of healthy, safe and energy efficient homes. By delivering a standard of excellence in its work, GHHI aims to eradicate the negative health impacts of unhealthy housing and unjust policies for children, seniors and families to ensure better health, economic and social outcomes for low-income communities of color. The vision of our work is to advance health and racial equity through healthy housing, with a focus in limited-income communities of color.

GHHI is the largest healthy homes organization in the country, operating in over sixty-five communities

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and states, focused on improving housing quality and establishing public-private partnerships that allow local governments to efficiently and effectively utilize resources related to housing. GHHI has worked to design and implement policies and programs at the federal, state, and local level that promote healthy, energy efficient, and climate friendly housing. In Rhode Island, GHHI aligns and braids housing, health, and energy efficiency resources to offer a holistic set of services to meet the housing needs of families and children, offers healthy homes training for Spanish-speaking contractors in partnership with RI Builders Association, manages HUD's Lead Hazard Control Grants for Rhode Island Housing and the City of Providence, partners with the West Elmwood Health Equity Zone team to deliver a 4-unit pilot to reduce the number of asthma-related pediatric and adult emergency department visits and inpatient hospitalizations in the 02907 region.

EWG Guidelines and Expectations

Below are the guidelines and expectations that guided each EWG meeting. Meeting attendees shall:

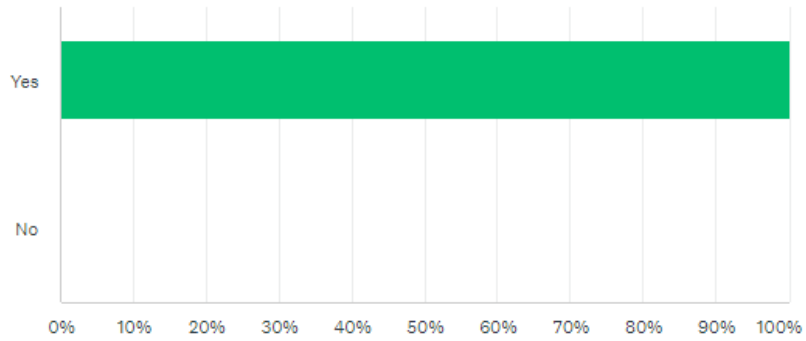
- Make every attempt to attend every meeting on time
- Share the oxygen – ensure that all participants who wish to have an opportunity to speak are afforded a chance to do so
- Listen to other points of view and try to understand differing viewpoints and other interests
- Maintain a focus on collaboration and solutions
- Share information openly and respectfully
- Make sure information given is accurate
- Remain flexible and open-minded
- Review meeting notes and documents prior to next meeting
- Respect the privacy of the meeting
- Meeting notes are for participants only
- What is said during meetings is important, who said it is not
- Make sure information given is accurate.
- Remain flexible and open-minded.

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Survey: Evaluation of EWG and Future Directions

Q1. Did you find value in this EWG?

Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES	
▼ Yes	100.00%	6
▼ No	0.00%	0
TOTAL		6

Q2. What did you find valuable in this EWG? ...

Answered: 6 Skipped: 0

Moving forward on the work we did in the last equity group

connections and seeing previous group efforts moved forward

Great discussion about ways to make an impact in the community.

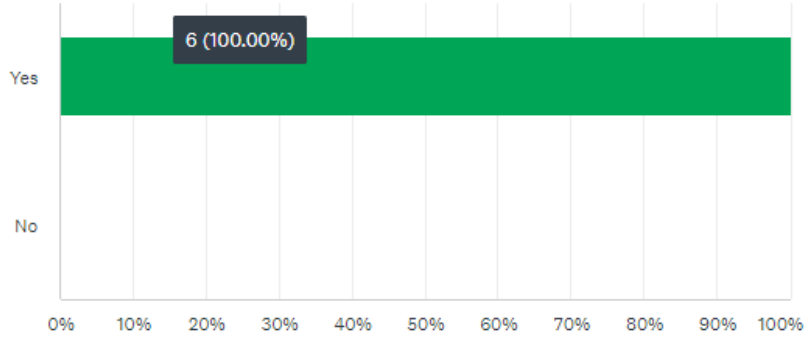
opportunity to learn and share info with colleagues

The ability to provide input based on our experience serving the community.

learning from others thoughts & ideas

Q3. Do you feel that we achieved the goals of the EWG?

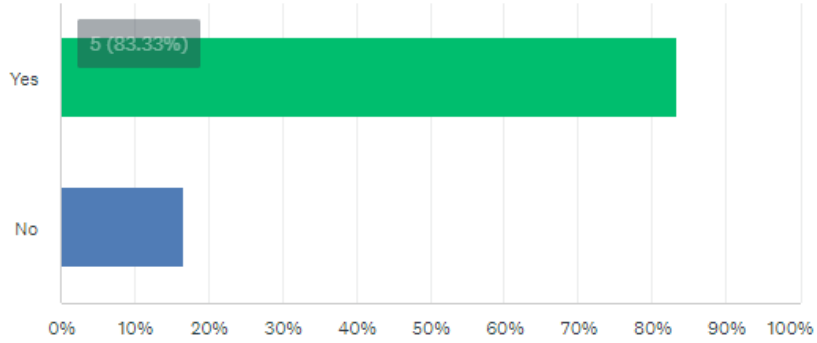
Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	100.00%	6
No	0.00%	0
TOTAL		6

Q4. Should this EWG continue?

Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES
Yes	83.33% 5
No	16.67% 1
TOTAL	6

Q5. If the EWG continues, what should the objective of the gr...



Answered: 6 Skipped: 0

To continue looking at the metrics and to help RI Energy operationalize the goals that we outlined

Advising on current goals and getting updates

We should add evaluating work done and implementation of past recommendations. And more about how RI Energy work can fit into a broader landscape of services to folks in need.

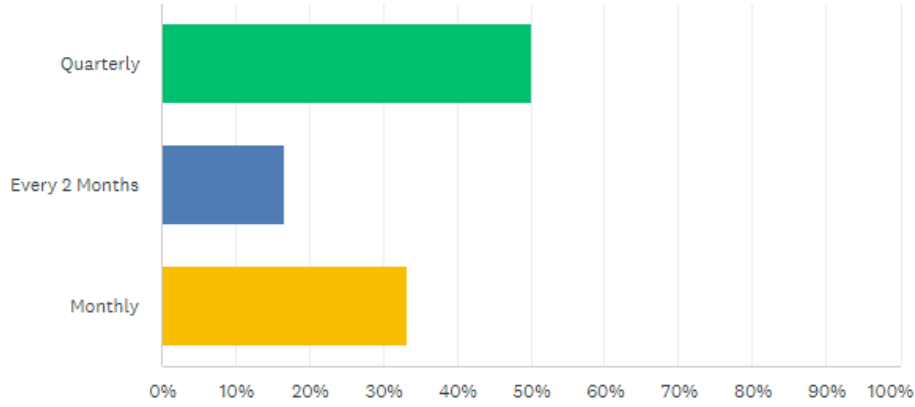
Monitor implementation of recommendations

Energy

assisting with recommendations and reinsuring outcome success

Q6. If the EWG continues, how often should the group meet?

Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES
Quarterly	50.00% 3
Every 2 Months	16.67% 1
Monthly	33.33% 2
TOTAL	6

Comments (0)

Q7. Did you find value in breaking into subgroups? ...

Answered: 6 Skipped: 0

Yes, it was helpful to concentrate on one topic

Good to connect and have meaningful conversations in small groups

Yes. But when the gathering is small in #, they can be avoided.

not sure

yes

yes

Q8. Who else should participate in the ongoing EWG? ...

Answered: 4 Skipped: 2

The new environmental justice staff person at OER and someone from the EJ committee of the EC4 climate council

stakeholders who could not participate in this round.

Unite Us

vendors and contractors

Q9. Please share any other comments you have below on way...



Answered: 5 Skipped: 1

Someone from the equity workgroup should be nominated to the EJ committee of the EC4 climate council so that more people know about the goals of the group

Good work from the EWG so far. I hope to see more effort to engage communities affected by the high cost of electricity and making this a priority with changes of energy efficiency models and projects beyond light bulbs distributions to communities in need.

Bryan did a GREAT job. Really impressive. Hard to remember he has only been at GHHI-RI for a FEW MONTHS.

by mass of outreach throughout the State

schedule all working groups on the same day simultaneously incase you can attend more then one or leave after the one you choose to participate with.

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
D/B/A RHODE ISLAND ENERGY ANNUAL ENERGY : Docket No. 22-33-EE
EFFICIENCY PLAN FOR 2022 :

**ENERGY EFFICIENCY RESOURCE MANAGEMENT COUNCIL'S
ENDORSEMENT OF THE COMPANY'S ANNUAL ENERGY EFFICIENCY PLAN**

Pursuant to RI. Gen. Laws § 39-1-27.7 and Section 6.2 (F) of the Least Cost Procurement Standards,¹ the Energy Efficiency Resource Management Council (“EERMC”) is to vote on whether to endorse the Annual Energy Efficiency Plan (“Plan”) as presented by The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”) prior to the Company filing the Plan with the Public Utilities Commission (“PUC”).

On September 29, 2022, the EERMC voted to endorse the Plan and authorized EERMC counsel to join the EERMC as a Settlement Party to the Plan. By signing below, the Parties agree to submit the Plan as a Settlement by and between the EERMC and the Company.

THE NARRAGANSETT ELECTRIC COMPANY



9-30-2022

By its Attorney,
Andrew S. Marcaccio

Date

RHODE ISLAND ENERGY EFFICIENCY
AND RESOURCES MANAGEMENT COUNCIL

/s/ Marisa Desautel

9-30-2022

By its Attorney,
Marisa Desautel

Date

¹ The Least Cost Procurement Standards may be viewed at:
https://ripuc.ri.gov/sites/g/files/xkgbur841/files/eventsactions/docket/5015_LCP_Standards_05_28_2020_8.21.2020-Clean-Copy-FINAL.pdf