



PASCOAG
UTILITY DISTRICT

Demand Side Management

2023 Report

Docket No. 22-40-EE

Pascoag Utility District
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November 7, 2022

Ms. Luly Massaro
Clerk of the Commission
Rhode Island Public Utilities Commission
89 Jefferson Blvd.
Warwick RI 02888

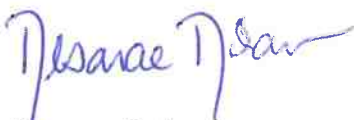
Re: RIPUC Docket No. 22-40-EE

Dear Ms. Massaro:

On behalf of Pascoag Utility District ("Pascoag" or the "District"), we herewith file an original and nine copies of Pascoag's proposed Demand Side Management Program for 2023. This submission includes Pascoag's Executive Summary, Program Details for 2023, reconciliation of 2022 DSM activities and budget, and other schedules that support this docket.

If you have any questions please do not hesitate to contact me.

Very truly yours,



Desarae Dolan
DSM Coordinator

Cc: Mr. William Bernstein, Esquire

Schedule A-1: Proposed Budget for 2023 DSM Program

Pascoag Utility District
Demand Side Management Programs - 2023 Approved Budget

	<u>Estimated</u>
Carryover from 2022	\$ 19,035
Estimated sales for 2023	\$ 162,042
RGGI Funds	\$ 35,700
RGGI Fund Carryover 2022	\$ -
Net 2023 budget	\$ 216,777

2023 Proposed Budget

<u>Residential Program</u>		
DR2301	Residential Weatherization Program	\$ 72,000 60 audits and weatherization incentives-RGGI Funds/Ratepayer Funded
DR2302	Residential ENERGY STAR Offerings	\$ 5,000 Energy Star Appliances and Refrigerator/Freezer Purchase & Buyback Program
DR2303	HVAC & Water Heating Program	\$ 11,500 Central Heat Pump, Mini-Split Heat Pumps and Heat Pump Water Heaters
DR2304	Enhanced Incentive HVAC Program	\$ 10,000 4 rebates for electric resistant heat customers who have had an energy audit and weatherized their home
DR2305	Committed for 2022 Programs	\$ 717 To accommodate programs with depleted funds from 2022
	Net Residential	\$ 99,217
<u>Industrial/Commercial</u>		
DI2301	Small Business ENERGY STAR Offerings	\$ 1,200 ENERGY STAR Equipment and Commercial Appliances
DI2302	Committed Funds- Lighting & EE Projects	\$ 20,844 Zamborano Hospital Phase 2
DI2303	Potential 2022 Lighting & EE Projects	\$ 33,416 Burrillville High School Lighting Project
DI2304	LED Street Light Incentive	\$ 10,000 Public Street Lighting Project
	Net Industrial/Commercial	\$ 65,460
<u>Administrative</u>		
DA2301	Administrative	\$ 23,000 Administrative labor, mileage and supplies.
DA2302	Energy Consultant	\$ 10,000 Energy Consultant to provide guidance and recommendations on DSM program.
	Net Administrative	\$ 33,000
<u>Community Outreach, Marketing & Education</u>		
DC2301	Community Outreach and Education	\$ 14,000 Billing inserts, conservation promotional items, advertisements, community events and EE education
DC2302	Jesse Smith Library Partnership	\$ 3,600 To partner with the Jesse Smith Library on an Energy Efficiency Project.
DC2303	Energy Efficiency Management continuing education	\$ 1,500 Workshops and Conferences related to the DSM program
	Net Community Outreach, Marketing & Education	\$ 19,100
	Estimated DSM 2023 Budget/ Expenses/ Balance	\$ 216,777

Schedule A-2: 2022/2023 Comparison

Pascoag Utility District

Demand Side Management Programs - 2022/2023 Comparison

	<u>2022</u>	<u>2023</u>
Actual/Estimated carry over from 2022/2023	\$ 40,721	\$ 19,035
Estimated sales for 2022/2023	\$ 107,548	\$ 162,042
RGGI Funds	\$ 75,000	\$ 35,700
RGGI Carryover Funds	\$ 246	\$ -
Net 2022/2023 budget	\$ 223,515	\$ 216,777

	<u>2022 Actual</u>	<u>2023 Proposed</u>	<u>Change in \$</u>	<u>% Change</u>
	<u>Budget</u>	<u>Budget</u>		
<u>Residential Program</u>				
Home Energy Audits with Weatherization Incentives	\$ 75,246	\$ 72,000	\$ (3,246.00)	-4%
Residential ENERGY STAR Offerings	\$ 8,000	\$ 5,000	\$ (3,000.00)	-38%
HVAC & Water Heating Program	\$ 13,000	\$ 11,500	\$ (1,500.00)	-12%
Enhanced Incentive HVAC Program	\$ 5,000	\$ 10,000	\$ 5,000.00	100%
Committed for 2021/2022 Programs	\$ 1,500	\$ 717	\$ (783.00)	-52%
Pilot Program: Landlord/Renter Weatherization Incentives	\$ 15,000	\$ -	\$ (15,000.00)	-100%
Net Residential	\$ 117,746	\$ 99,217	\$ (18,529.00)	-16%
<u>Industrial/Commercial</u>				
Small Business ENERGY STAR Offerings	\$ 1,200	\$ 1,200	\$ -	0%
Committed Funds- Lighting & EE Projects	\$ 10,400	\$ 20,844	\$ 10,444.00	100%
Potential Lighting & EE Projects	\$ 33,569	\$ 33,416	\$ (153.00)	0%
LED Street Light Incentive	\$ 10,000	\$ 10,000	\$ -	0%
Net Industrial/Commercial	\$ 55,169	\$ 65,460	\$ 10,291.00	19%
<u>Administrative</u>				
Administrative	\$ 21,000	\$ 23,000	\$ 2,000.00	10%
Energy Consultant	\$ 10,000	\$ 10,000	\$ -	0%
Program Research and Development	\$ 500	\$ -	\$ (500.00)	-100%
Net Administrative	\$ 31,500	\$ 33,000	\$ 1,500.00	5%
<u>Community Outreach, Marketing & Education</u>				
Community Outreach/Education	\$ 14,000	\$ 14,000	\$ -	0%
Jesse Smith Library Partnership	\$ 3,600	\$ 3,600	\$ -	0%
Energy Efficiency Management continuing education	\$ 1,500	\$ 1,500	\$ -	0%
Net Community Outreach, Marketing & Education	\$ 19,100	\$ 19,100	\$ -	0%
Estimated DSM Budgets/Change \$/Change%	\$ 223,515	\$ 216,777	\$ 6,738.00	-3%

Schedule B: Executive Summary

Submitted by Desarae Dolan

For over 100 years, Pascoag Utility District (PUD) has been serving customers within the rural Northern Rhode Island community of Burrillville. As one of two public power utilities in Rhode Island, we maintain a historically close relationship with our 4,900 business and residential customers, while maintaining a modest staff of 18 employees. We pride ourselves on our ability to deliver low rates, rapid response to outages, and face to face engagement with the local community.

As a not-for-profit organization, we are also fully committed to the shared goals of clean energy, electrification of the grid, and demand side management. While COVID-19 has necessitated adjustments to our program in the last three years, the following report will detail our findings, commitments and requests for the coming year.

Since 1998, Pascoag has included a charge of 2 mills per kilowatt-hour delivered to fund our Demand Side Management (DSM) Program. The program has evolved over the years, incorporating projections of increased electric demand with resourceful ways to decrease customer usage on a limited budget. Pascoag has not requested an increase to the System Benefit Charge (SBC) in 25 years but is now requesting an increase of 1 mil per kilowatt-hour delivered to further fund the 2023 DSM program. A typical 500 kWh customer would see their monthly SBC charge increase from \$1.00 to \$1.50 if approved. The increase would add an estimated \$54,014 in revenue to the DSM program and the additional funds would be used to support residential weatherization and HVAC program incentives.

The request to increase the SBC charge stems from a marked increase in customer participation in the Residential Audit & Weatherization Program and a desire to maintain DSM programming that meets customer demand as Regional Greenhouse Gas Initiative (RGGI) funding from the Office of Energy Resources (OER) declines. Schedule C: Program Details will demonstrate the business case for the ratepayer investment and address the cost effectiveness of the proposal from a societal view.

We believe PUD's 2023 Demand Side Management Program demonstrates our commitment to listening to what our customers' needs are and applying it to our energy efficiency offerings in a thoughtful way.

Schedule B: Executive Summary

Working in partnership with the Rhode Island Office of Energy Resources (OER) and with our energy consultant, Optimal Energy, PUD is committed to implementing a series of strategies that will enhance and expand ratepayer access to important energy-cost saving measures, with the added benefit of reducing the community's greenhouse gas emissions. Through financial and technical assistance offerings, we've worked closely with OER staff to advance and implement two recommendations and six strategies as a pathway for the future of the utility's DSM program (full strategy document contained in Schedule H). OER committed an additional \$120,000 in funding from the RGGI 2021-B Plan to the Pascoag DSM program, which will be used over three years (2022-2024). These recommendations and strategies are described herein, with details on progress made in 2022 and proposed program enhancements in 2023.

Administrative Recommendation #1:

Align energy efficiency funding more closely with sector SBC contributions.

To ensure equity among customer segments, PUD will endeavor to more closely align DSM program spending with system benefit charge collections from each sector. Residential sales account for 60% of total sales while non-residential sales make up the remaining 40%.

In 2022, 68% of the budget was devoted to residential programs and 32% of the budget was dedicated to commercial programs. PUD proposes to decrease the funding level for residential programs from \$117,745 in 2022 to \$99,217 in 2023, which would bring the residential portion of the budget to 60%.

Administrative Recommendation #2:

Account for and report on full costs and benefits as defined in the Rhode Island Cost-Effectiveness Test.

PUD recognizes the importance of accurately tracking energy and cost savings data, as well as appropriately accounting for all benefits of DSM. However, staff constraints have historically prevented more detailed analysis than has been filed through the DSM plan and year-end report.

In 2019, PUD retained Optimal Energy as its energy efficiency consultant to help guide data collection, conduct calculations around program savings and carbon reductions, and assist with program development moving forward. PUD now has the ability to submit a comprehensive

Schedule B: Executive Summary

data overview in the mid and year end reports that includes metrics such as annual/lifetime savings, peak savings, participants, cost-to-achieve, and carbon reductions.

Strategy #1: Decrease energy burden and address energy-related school construction priorities in Burrillville Public Schools located within PUD's territory.

Reducing energy use and costs through efficiency improvements in schools would allow schools to reallocate cost savings to other projects, and comprehensive energy efficiency has additional benefits for health and education outcomes. Helping our schools is a priority strategy, with benefits that extend to students, staff, and the community.

The Burrillville School Department completed major LED lighting projects in three of its five schools in 2018. In 2019, the Burrillville School Department continued the success of its energy efficiency efforts by completing an LED lighting project at the Levy Rink. The school had proposed a lighting project for the Burrillville High School (BHS) in 2020, but due to budgetary constraints had to table the project. In 2023, PUD is optimistic this project will be able to move forward, perhaps with additional support from OER.

Strategy #2: Enhance incentive levels, especially for measures that go beyond lighting (e.g. weatherization).

Effective incentives are those that encourage energy efficient choices, especially those that would not have occurred in absence of the incentive. There has been concern that the incentive levels may be too low in some categories to encourage customers to take advantage of the program. PUD reviewed rebate incentive levels with its energy efficiency consultant, and proposed minor changes to some programs for 2023.

Strategy #3: Subsidize energy-efficient workforce development training for facilities managers.

Energy efficiency workforce development training, like the Building Operator Certification (BOC), provide essential information for how to effectively maintain buildings, including specific processes to ensure optimal energy use and proper energy management. Such opportunities also connect facilities managers to each other, fostering a professional network for sharing best practices and answering specific questions. In 2022, we concentrated our

Schedule B: Executive Summary

efforts on getting feedback from our commercial and industrial customers regarding what energy efficiency improvements would be helpful to their businesses. Unfortunately, responses to our survey were limited. PUD will use 2023 to create a list of decision-making contacts for our commercial and industrial customers that identifies the best person to speak to regarding energy efficiency improvements at each business. We believe that the low survey response rate was due to the fact that the surveys were going to staff that are primarily responsible for billing and may not have been responsible for energy efficiency project decision making. PUD would like to reissue the survey in the future, once we have compiled a comprehensive list of contacts for each business. The survey will also include questions about interest in energy efficiency workforce development training.

Strategy #4: Facilitate commercial financing options either through a third-party bank and/or enable Commercial Property Assessed Clean Energy.

For small businesses, energy efficiency measures can not only reduce energy costs, but help companies absorb shocks from increased energy prices or use due to extreme weather. However, small businesses often struggle with finding the up-front capital needed for these projects, regardless of the long-term benefit from reduced energy bills.

PUD has identified several energy efficiency projects in small, local businesses, but has noted the barrier upfront costs play in preventing businesses from realizing benefits of energy efficiency. One possible finance product that could alleviate the upfront cost hurdle is Commercial Property Assessed Clean Energy (C-PACE), a product offered through a third-party institution that does not place any additional burden on ratepayers. Unfortunately, the Town of Burrillville was not supportive of the C-PACE program when it was voted on in 2018 and remains unsupportive of this financing program.

PUD and OER had preliminary conversations with local banks in 2020, to determine if they were able to offer a product that would help fill this need. After speaking with several banks, we determined that most were unable to offer a PUD specific financing product that would fit our needs at this time. One of the main barriers being the time and resources needed to develop a program specific to PUD customers. At this time, the banks didn't feel that they would get enough loan volume to justify the creation of a new product. There was also concern that our current budget would not allow us to pay down the interest on enough loans to make the investment worthwhile. We plan on revisiting financing options in the future, should opportunities present themselves. In 2022 PUD created a list

Schedule B: Executive Summary

of local banks and their contact information for RISE Engineering to hand out when conducting a commercial energy audit. This provides a first step for customers interested in financing energy efficiency upgrades using traditional loan products.

Strategy #5: Increase the number of residential energy assessments and no-cost direct install measures, with increased outreach to low-income residents.

Residential energy assessments with no-cost direct install measures are critical for households to reduce energy use and lower their energy bills. PUD has historically contracted with Energy New England (ENE) to conduct home energy assessments. Previously, ENE conducted 10-20 assessments annually within PUD territory. The assessments provided limited no-cost direct install measures (i.e. up to three LED bulbs per home) and did not include tests of ventilation or insulation.

In 2019, we increased the line item for energy audits to \$65,000 with funding from the Regional Greenhouse Gas Initiative (2018-B). This funded energy audits and weatherization incentives such as insulation, air sealing and programmable thermostats. 115 home energy audits were performed during that year with 5 customers taking advantage of weatherization rebates and 9 customers installing programmable thermostats.

In 2020, PUD saw a sharp decline in energy audits due to COVID-19. Customers were slow to participate in the remote home energy audit program that was offered in place of in-person assessments for a portion of the year. In July 2020, PUD petitioned the Rhode Island Public Utilities Commission to increase the weatherization and air sealing rebate percentage from 75% to 100% as well as raise the maximum rebate caps from \$800 for insulation and \$500 for air sealing to a combined total of \$3,000 per customer. The rebate level was raised in October and new audits and weatherization projects started to trickle in.

In 2021, due in large part to the increased weatherization incentive and lessening impacts of the COVID-19 pandemic, PUD was able to complete 78 energy audits and weatherize 27 homes.

In 2022, we've completed 61 energy audits and weatherized 16 homes through October.

Schedule B: Executive Summary

Strategy #6: Continue to improve residential offerings by developing specific incentives for renters/landlords.

Renters and landlords face a split-incentive when it comes to energy efficiency improvements, and resolving this problem is a current challenge that efficiency programs are tackling across the country. Renters are often low-income residents who face a significantly higher energy burden than other residents, and are hit particularly hard by price volatility. Furthermore, solving this problem would lead to better health and productivity outcomes, especially for vulnerable populations.

Due to an abnormally large carryover of funds from 2020, PUD created a focused pilot program in 2021 to address weatherization needs in rental units. PUD was able to conduct audits and provide weatherization rebates for 4 duplex rental properties in 2021.

In 2022, PUD focused its' efforts on providing energy audits for 3-4 unit rental properties. Difficulties arose when the landlords tried to coordinate energy audit appointments for each of their tenants. Additional complications included tenants moving in/out and renters contracting COVID-19 made scheduling particularly cumbersome. Of the four landlords that enrolled in the program, only two have completed energy audits and are working towards completing weatherization projects before the end of the year. In 2023, PUD would like to include a limited version of the Landlord Weatherization pilot program into the Residential Weatherization program. The Residential program could provide energy audits and two weatherization rebates up to \$5,000, for two (2-4 unit) rental properties.

Additional and Existing Programs Not Covered Above

We have kept programs largely the same this year, with the exception of changing funding levels for certain programs based on customer interest and demand.

Based not only on next year's potential State and Federal funding to support high efficiency heating and cooling equipment, but also on increased interest from our customers, we need to continue to prepare for electrification. Weatherizing homes before installing high efficiency heating and cooling equipment is key to sizing equipment properly and making sure what is being added to the electric grid will be utilized as efficiently as possible. To that end, educating

Schedule B: Executive Summary

customers about energy efficient products and ways to conserve energy is vital to decreasing energy use. For this reason we have continued popular community outreach and education projects, including our annual Green Festival and energy conservation poster/calendar projects.

As always, we will continue to monitor the progress of programs throughout the year and only transfer funds based on the Commission's 2021's Report and Order, which states: "The Commission will allow Pascoag the flexibility to transfer funds between programs within a particular sector if the amount is less than 20% of the originating program's budget. If the amount of the transfer is greater than 20% of the originating program's budget, Pascoag must obtain written approval from the Division and provide simultaneous notification to OER. Transfer of any amount of RGGI funds shall require prior written approval of OER. The Commission will also allow the transfer of funds between sectors with the prior written approval of the Division and simultaneous notification to OER. Transfers that reduce a sector's budget by more than 20% in aggregate over the course of the program year shall also require Commission approval. Transfer of any amount of RGGI funds shall require prior written approval from OER."

In conclusion, PUD feels that the proposed plan has been developed to not only address the current needs of our customers but to support their future needs and the needs of the grid as well.

PUD is looking forward to continuing its work on the DSM Program. Pascoag's proposed budget is based on a forecast of Sales for 2023 of 54,014,000 kWh (\$162,024). The District anticipates a \$19,035 carryover fund from 2022, \$0 from 2022 RGGI carryover funds and \$35,700 from 2023 RGGI funds, which would bring the total 2023 budget to \$216,777.

Schedule C: Program Details 2023

2023 Program Details- Residential, Commercial and Industrial, Administrative and Customer Education, Community Outreach, Marketing & Education

Residential Programs

In the 2023 DSM program, Pascoag has elected to keep our popular residential programs mostly unchanged. This summary will detail the programs proposed for 2023.

Residential Audit & Weatherization Program-\$72,000:

Residential energy assessments with no-cost direct install measures are critical for households to reduce energy use, lower their energy bills, and understand and plan for future energy improvements. PUD has historically contracted with Energy New England (ENE) to conduct home energy assessments. Weatherization recommendations make up a large portion of each energy audit. Air sealing and insulation measures are recommended on the majority of our customers energy audits. Roughly, a third of housing in New England was built before 1940, and more than half were built before the 1970's, when the first building energy codes were enacted. As the impacts of climate change become more pronounced, under-weatherized homes will have a difficult time contending with the coldest winters and hottest summer temperatures. Additionally, the US Department of Energy reports that after weatherization, families have homes that are more livable, resulting in fewer missed days of work (i.e. sick days, doctor visits), and decreased out of pocket medical expenses by an average of \$514[1].

From 2015-2018, Pascoag completed a total of 61 home energy audits and did not offer a weatherization program. Beginning in 2019, with financial assistance from RI Office of Energy Resources (OER), Pascoag was able to complete seven times as many audits in 2018 as 2019. Additionally, five weatherization projects were completed that year. Pascoag attributes the dramatic increase to the fact that home energy audits were a prerequisite for the weatherization rebate program. Customers must receive a home energy audit that recommends air sealing and weatherization measures in order to qualify for the weatherization incentive. Since the announcement of the weatherization program in 2019, 270 home energy audits have been conducted with 67 weatherization projects completed.

¹ *Weatherization Works!*, US Department of Energy,
<https://www.energy.gov/sites/prod/files/2019/07/f64/WAP-Fact-Sheet-2019.pdf>

Schedule C: Program Details 2023

Pascoag is requesting an increase to the SBC charge for the first time in twenty-five years. This is due to a marked increase in customer demand for our Residential Audit and Weatherization Program and the future implications that weatherization will have on reducing Green House Gas Emissions (GHGs) and demand on the electric grid.

In the Report and Order for Docket No. 5195, the Commission stated that, “Based on Pascoag’s representations that it may request to increase funding next year, the Commission noted that, the request should be supported with the business case for the ratepayer investment, specifically addressing the cost effectiveness of the proposal from a societal view and whether the benefits and costs to customers are aligned. If most of the benefits are realized by those outside of the electric sector, Pascoag should justify why its ratepayers are funding that investment.”

Pascoag believes that from a societal viewpoint, the program as a whole is cost effective. The estimated total resource cost of the program is approximately \$83k, with approximately \$125k in total benefits derived from the program. Although the majority of benefits are from outside of the electric sector, Pascoag believes it is worthy of ratepayer investment for a number of reasons.

Pascoag reached out to its customers throughout the summer and fall of 2022 to assess customer needs in relation to our Demand Side Management Program. Residential customers were sent a survey regarding their opinions on current and future DSM offerings, the structure of PUD incentive programs, and their prioritization among potential spending categories in the DSM program. Customers completed the survey by mail, online or at community events. 480 customers completed the survey, roughly 11% of our residential customer base, which provides a strong sample of PUD customer opinions. The full survey and breakdown of responses can be found in Schedule F. Below are the findings that focus specifically on the weatherization program.

Over 80% of customers are somewhat or very interested in free Home Energy Audits and Weatherization incentives being offered in the DSM program. Additionally, nearly 90% of customers are supportive of weatherization rebates, even if the savings were primarily coming from delivered fuel heating costs instead of electric cooling costs. Lastly, over 75% of customers would prefer

Schedule C: Program Details 2023

funds from the conservation charge be available for residential weatherization projects as opposed to a larger commercial or municipal energy efficiency project.

Our survey results point to a significant interest and need for weatherization among our customers. Over the last several years, as we worked with customers on their weatherization projects, we heard two comments repeatedly. First, that they would have never been able to afford to complete the project without the help of the utility and second, that they have looked for other, non-utility financial assistance opportunities for weatherization and they slightly exceed the income qualification thresholds, making them ineligible. Pascoag customers are typically working-class people who cannot afford to do multiple projects each year. They use their home energy audit as a roadmap for ways they can improve the efficiency of their home over time. Additional feedback/testimonials from PUD customers in support of the program can be found in Schedule G.

As the State announced potential 2023 rebates for high efficiency heating and cooling equipment, Pascoag has received more calls from customers who want to weatherize their homes before getting an estimate from an HVAC company. Weatherizing a home before sizing an HVAC system is critical. If the home is not weatherized properly, the unit will be sized up to accommodate the lack of insulation and potential energy savings will decrease and upfront costs can be higher to install this larger equipment. The increased uptake in high efficiency heating and cooling equipment will also have impacts on the electric grid. Northeast Energy Efficiency Partnerships (NEEP) projects that under a “plausibly optimistic” electrification pathway in the Northeast, winter electric sales will begin to exceed summer sales in the 2030’s. Therefore, states that experience the coldest temperatures in the winter will begin creating the largest demand peaks once electrification takes off. Pascoag would like the ability to work with our customers the best way we know how, as the demand towards electrification increases.

PUD feels strongly that having a robust weatherization program is important to meet not only the clear desires of our ratepayers, but also to help meet our goals as a utility to provide opportunities for customers to reduce energy costs and to contribute to the 2021 Act on Climate goals. Roughly 20% of US greenhouse gas emissions are produced from heating, cooling and powering homes.

Schedule C: Program Details 2023

Pascoag strongly believes the costs and benefits of the Residential Audit & Weatherization program are aligned with our customers' needs. Our customers have conveyed a high level of support for this program that is demonstrated not only through the results of the survey but expressed to our staff repeatedly throughout the years this program has been available. Although many of the program benefits are derived outside of the electric sector, including the value of greenhouse gas emissions and other non-energy benefits significantly increases the programs cost effectiveness.

In 2023, we would like to fund the Residential Audit & Weatherization program with \$35,700 from RGGI funds and \$36,300 from ratepayer funds, for a total program budget of \$72,000. Pascoag plans to continue the weatherization incentive of "100% up to \$2,250", in order to more equitably distribute rebates and control costs relative to prior incentive levels. Our goal in doing so was to maintain a strong incentive (coverage for most customers at or above 75% of total project costs), while helping to fund more weatherization projects in response to increasingly high demand. Based on completed projects in recent years, we have found this incentive level strikes that desired balance between inducing action and meeting customer demand.

Pascoag would also like to remove the Pilot Program: Landlord/Renter Weatherization as a standalone program and include it as a component of the Residential Audit & Weatherization program as a limited offering. In 2021, Pascoag was able to work with four landlords that owned duplex rental units and provide energy audits for all units with weatherization measures. In 2022, Pascoag enrolled four landlords that each owned three-unit apartment buildings. Of the four that were enrolled, only two have moved forward with energy audits and estimates for weatherization. Pascoag transferred \$15,000 in unused funds from this pilot program to the Residential Energy Audit & Weatherization program with permission from Division (see Schedule H for Division Memo) to rebate additional energy audits and weatherization projects.

Schedule C: Program Details

2023

This program has been time consuming to administer and requires consistent follow up to see that the projects were completed. There was a greater degree of difficulty in coordinating energy audits and estimates for weatherization when the apartments were bigger than a duplex. Although this Pilot was labor intensive and had difficulty fully completing work in larger units, Pascoag believes that it is important to continue working with landlord and renters on energy audits and weatherization projects. We would like to include \$10,000 in weatherization incentives for two rental properties (2-4 units) as part of the Residential Weatherization Program for 2023. If two rental properties are not enrolled in the Residential Audit & Weatherization Program by October, the funds would be used towards other residential audits or weatherization.

The \$72,000 in the 2023 budget will fund energy audits and weatherization incentives such as insulation, air sealing and programmable thermostats. The energy audits will also include direct-installs such as LED light bulbs, smart strips, and low-flow aerators/shower heads.

The program would consist of the following:

60- Audits	\$19,200
Direct Installs (LED Lightbulbs, smart strips, aerators and shower heads).....	\$8,000
Insulation and Air Sealing Measures -residential.....	100% up to \$2,250
Insulation and Air Sealing Measures -2 rental properties (2-4 units).....	100% up to \$5,000
<u>Programmable Thermostat Incentives</u>	
Wireless.....	\$100
Non-wireless.....	\$25

PUD would be able to devote an estimated \$19,200 to residential energy audits, \$8,000 for direct installs and \$34,800 to rebate insulation, air sealing and programmable thermostats for residential properties. Only customers who received an energy audit recommendation for the products above would qualify for the rebates. Additionally air sealing and insulation must be installed by a licensed contractor to qualify for rebates.

Schedule C: Program Details 2023

Pilot Program: Landlord/Renter Weatherization Program: \$0

As mentioned above, Pascoag would like to discontinue this program as a standalone program and include it in a limited capacity within the Residential Audit and Weatherization Program. The program would include the potential for two rental properties (2-4 units) to receive energy audits and weatherization incentives.

Residential ENERGY STAR Offerings: \$5,000

Pascoag Utility District would like to keep this program at its current incentive levels. PUD intends to continue the following incentives for this program:

2023 Proposed Residential ENERGY STAR Program	Proposed Incentive
Refrigerator/Freezer Purchase & Buyback Program	\$75 purchase of new refrigerator or freezer \$50 buyback plus the cost of removal \$19
Clothes Washer and Dryers	\$75.00
Air Purifiers and Air Conditioners	\$40.00
Dehumidifiers	\$30.00

PUD would like to decrease funding to \$5,000 in 2023. Over the last five years, the expenses for this program averaged \$5,300, with the last two years coming in under \$5,000. While this program is largely remaining the same as prior years, in 2023 PUD will be conducting research into other products/appliances that may provide cost-effective savings opportunities to customers for potential inclusion in a future program year.

HVAC and Water Heater Program-\$11,500

PUD would like to make a few changes to this program for 2023 and increase the funding level to \$11,500.

PUD plans to remove the Central Air Conditioning rebate from the HVAC Program, as every Central Air Conditioning unit is an opportunity to install a Central Heat Pump, which provide greater opportunities for customers to save energy. PUD also proposes increasing the incentive for Ductless Mini-Split Heat Pumps to \$350 per ton in an effort to streamline the program and make it less confusing to customers.

Schedule C: Program Details 2023

PUD plans to increase the efficiency rating of Heat Pump Hot Water Heaters to a minimum UEF of 3.2 regardless of size, which will bring our UEF rating more in line with the standard that other utility programs across New England have.

Additionally, this program ran out of funds in October 2022 and permission was granted from Division to move funds from the Enhanced HVAC program to the HVAC and Water Heater program to continue to fulfil rebate applications through the end of the year (See Schedule H for Division Memo).

2023 Proposed HVAC and Water Heater Program	SEER	HSPF	Proposed Rebate
Central Heat Pump, Ducted or Mixed Ducted Mini-Split Heat Pump	≥15	≥9	\$350 per ton
Ductless Mini-Split Heat Pump	≥15	≥10	\$350 per ton

2023 Proposed HVAC and Water Heater Program	Rating	Proposed Rebate
Heat Pump Water Heater	ENERGY STAR ≤ 55 gallon should have a minimum UEF of 3.2	\$450
	ENERGY STAR > 55 gallons should have a minimum UEF of 3.2	\$150

PUD would like to increase the level of funding from \$8,000 to \$11,500 due to increased demand from customers purchasing mini-splits and potential State rebates in 2023 for high efficiency heating and cooling equipment driving additional interest. While the details of a State program are not available at this time, PUD intends for this program to be as complimentary as possible with any forthcoming State efforts and will align its offerings as appropriate.

Schedule C: Program Details 2023

Pilot Program-Enhanced Incentive Heat Pump Program: \$10,000

Pascoag would like to continue its pilot program offering an enhanced incentive to electric heat customers who receive an energy audit and have weatherized their home. Pascoag estimates it has 40 electric heat customers and would like to assist them in transitioning from electric resistant heating to more efficient means of heating. The increased rebate for the enhanced incentive would allow us to target customers that maximize the amount of electric savings achieved from upgrading to heat pumps while also delivering significant energy savings to the customer as well.

The first year of the program had limited success. Of the four customers enrolled in the program, three received energy audits and weatherized their home. One of the customers did not have time to schedule an energy audit and chose not to move forward with the program at this time. After completing their weatherization projects, two of the three customers received estimates for mini-splits. Once the State of Rhode Island announced their potential rebate program for high efficiency heating and cooling equipment, the customers wanted to wait on the projects to see what would be available for funding in 2023.

Pascoag would like to continue this program in 2023 and, as mentioned above, intends for this program to be as complementary as possible with any forthcoming programming through the State.

2023 Proposed Enhanced HVAC and Water Heater Program	SEER	HSPF	Proposed Rebate
Central Heat Pump, Ducted or Mixed Ducted Mini-Split Heat Pump	≥15	≥9	\$1250 per ton
Ductless Mini-Split Heat Pump	≥15	≥10	\$1250 per ton

Schedule C: Program Details 2023

Committed for 2022 Programs: \$717

Pascoag Utility is estimating a carryover of funds from 2022 in the amount of \$19,035. PUD would like to use \$18,318 of these funds in the 2023 budget and use \$717 to satisfy 2022 qualified rebates for customers who do not receive a rebate because the funds for a particular program had been depleted in 2022 or for rebates that are turned in after the books are closed for 2022; the cutoff date for 2022 rebates would be March 31, 2023.

Commercial and Industrial Programs

Small Business ENERGY STAR Offerings: \$1200

Pascoag would like to maintain the same program as was approved in 2022 for Small Business ENERGY STAR Offerings. PUD would like to mirror the incentives offered under the Residential ENERGY STAR program, for non-commercial grade appliance equipment. Pascoag proposes that the commercial-grade appliances listed below would qualify for a rebate of 10% with a cap of \$350.

Commercial Dishwashers that earn the ENERGY STAR rating on average are 40% more energy efficient and 40% more water efficient than standard models.

Commercial Fryers that earn the ENERGY STAR rating are up to 30% more energy efficient than standard models. They also offer shorter cook times and higher production rates through advanced burner and heat exchanger designs.

Commercial Ice Machines that earn the ENERGY STAR rating are on average 10% percent more energy efficient and 20% more water efficient than standard models.

Commercial Hot Food Holding Cabinets that have earned the ENERGY STAR rating are 70% more efficient than standard models. Models that meet the requirements incorporate better insulation, reducing heat loss, and may also offer additional energy saving devices such as magnetic door gaskets, auto-door closures, or Dutch doors.

Schedule C: Program Details 2023

Commercial Griddles that earn the ENERGY STAR rating are about 11% more energy-efficient than standard models. A qualified grill can save 1,300 kWh annually.

Commercial Ovens that earn the ENERGY STAR rating are 20% more energy-efficient than standard models. These ovens can save 650 kWh annually.

Commercial Refrigerators & Freezers that meet the ENERGY STAR specifications will be 25% more energy efficient than a standard option because they are designed with components such as high efficiency compressors and improved coil design, electronically commutated motors, variable speed fans, and efficient interior lighting.

Commercial Steam Cookers, also known as compartment steamers that meet the ENERGY STAR qualifications are up to 60% more energy-efficient than standard models. They can save 11,500 kWh annually.

Pascoag hasn't received any rebate applications for this program in 2022 and this program continues to be underutilized by our commercial and industrial customers. In an effort to better understand the needs of its commercial customers, PUD sent out a survey to all commercial and industrial customers in June 2022 but received only limited responses with fewer than 5% of our customers responding to the survey.

In 2023, PUD plans to continue its efforts to connect with and better understand the needs of its commercial and industrial customers through more targeted marketing, continued outreach by PUD and RISE staff, and commits to reviewing these offerings and making adjustments as needed for future plans that may better incentivize action.

RISE currently provides free energy audits for PUD's commercial and industrial customers, and District staff are actively working with RISE to engage more customers in this sector and create a more robust pipeline of projects for the future.

PUD would like to maintain this level of funding at \$1200 in 2023.

Schedule C: Program Details 2023

Industrial and Commercial Projects 2022 and 2023:

Committed Funds-Lighting and Energy Efficiency Projects 2022:

Pascoag Public Library completed the last two phases of their lighting project. Phase two upgraded the lighting of the rear book area and phase 3 updated their basement lighting. The last two phases of the project cost \$8,525 with Pascoag providing a rebate of \$2,563. Now that the project is complete, it will reduce the library's kWh by 40,344 over the life of the project.

The Wallum Lake Rod and Gun completed an exterior lighting project of their skeet and trap shooting fields. The project cost \$28,525 with Pascoag providing a rebate of \$7,820. The project will reduce their annual load by 9.26 kW and provide 111,120 kWh in lifetime electric savings.

Potential 2022 Lighting and Energy Efficiency Projects:

Pascoag Utility is finishing up lighting projects with two commercial and industrial customers that will be completed before the end of the year.

- Zamborano Hospital Power Plant is working on an interior and exterior LED lighting project that cost \$68,575, with Pascoag Utility providing a \$20,788 rebate. The project will reduce their annual load by 21.01 kW and provide 599,580 in lifetime electric savings.
- The Clocktowers Apartments is working on an LED lighting project in all the common areas that will cost \$31,621, with Pascoag Utility providing a \$12,781 rebate. The project will reduce their annual load by 5.72 kW and provide 43,343 kWh in lifetime savings.

Committed Funds 2023- Lighting and Energy Efficiency Projects: \$20,844

Zamborano Hospital will be completing a second phase of lighting upgrades in 2023. Phase two will include LED lighting with controls throughout the hospital building. At this time the final scope of work is still being developed but it will likely be a similar size to the first phase so Pascoag is committing comparable rebate funds to the project and will assess the figure once final documentation is provided. Pascoag is excited to work with one of its largest industrial customers on energy efficiency upgrades.

Schedule C: Program Details 2023

Potential 2023 Lighting and Energy Efficiency Projects: \$33,416

PUD would like to fund Potential 2023 Lighting and Energy Efficiency Projects with \$33,416. Often, businesses will approach Pascoag Utility after the file date, and ask whether a project they are considering will qualify for any type of financial assistance through rebates. This line item gives PUD a source of funds to work from, so we do not miss out on an opportunity to work with our business customers on energy efficiency projects.

The Office of Energy Resources has indicated that it has engaged in conversations with the Burrillville School staff about supporting LED lighting upgrades at the High School, which PUD would also look to support in 2023.

2023 LED Street Light Incentive: \$10,000

In 2022, the DSM Program rebated Pascoag Utility District \$10,000 for the LED Street Light Project completed in 2016 in which PUD purchased and installed 610 LED Street Lights. In 2023, we'd like to maintain this line item at \$10,000. This money will be used to reduce the Account Receivable from the DSM Program from \$43,096 to \$33,096. The District is keeping this funding level, consistent with previous years, to balance the rate at which the streetlight work is paid down with the funding needs of other areas of the program.

Administrative Programs

Administrative Expenses: \$23,000

The funds from this line item will be used to pay for staff time, supplies, and reimbursement of mileage when employees use their private vehicles for DSM related activities.

Pascoag has three Customer Service Representatives who devote many hours to the DSM programs by working with customers, taking applications for rebates on the various programs and answering questions over the phone and in person. The DSM Coordinator spends many hours researching the compliance of the various rebates submitted, reconciling DSM programs, updating existing programs, creating new programs for the next year, responding to data

Schedule C: Program Details 2023

requests, participating in regulatory proceedings and requesting reallocation of funds. In addition, the Assistant General Manager works with commercial and industrial customers on various C & I projects and performs site visits.

The District would like to slightly increase funding from \$21,000 to \$23,000 in 2023 based on 2021's expenses for this line item, as well as the increasing work required to manage and support the programs, additional coordination with the State's forthcoming heat pump program, and general inflation.

Energy Efficiency Consultant: \$10,000

PUD recognizes the importance of accurately tracking energy and cost savings data, as well as appropriately accounting for all benefits of demand side management. However, staff constraints have historically prevented more detailed analysis than has been filed through the demand side management plan and year-end report. In 2019, PUD retained Optimal Energy as an energy efficiency consultant to help guide data collection, conduct calculations around program savings and carbon reductions, and assist with program development. Their assistance has been integral in the success of the program and has continually helped shape the DSM program. We would like to continue working with Optimal Energy in 2023 to review, report on, and improve our DSM program. The District would like to fund this line item at \$10,000 in 2023.

Program Research and Development: \$0

Pascoag Utility would like to remove this line item, as it has not been utilized in the last several years. This line item was used for research and review of successful DSM programs that comparable utilities are participating in. In the future, research and review of other utilities comparable DSM programs can be funded under the Administrative line item as needed or with support from the Office of Energy Resources and/or the energy efficiency consultant.

Community Outreach, Marketing & Education

Community Outreach/Education Program: \$14,000

Pascoag was able to actively participate in community activities for the first time since 2019. Turnout to events has been slowly increasing since pandemic impacts have lessened. Staff were

Schedule C: Program Details 2023

able to meet with hundreds of customers over the course of the year, collect important information from customer surveys and sign up customers for home energy assessments.

Staff visited 4th grade classrooms at Steere Farm Elementary in March which coordinated with their unit on Energy. Staff did a presentation on the role of the electric company in their community as well as the importance of energy efficiency and conservation. They also worked on energy conservation posters for the Earth Day poster contest with the children.

In May, staff tabled at the Burrillville Aging Stronger Lunch and Learn event. 350 Burrillville residents over the age of 55 attended the event. The District had a booth at the event and were able to answer questions and handout flyers with information on our rebate programs. Roughly 300 people visited the booth and were provided information. 36 customers volunteered to fill out surveys regarding their opinions on the District's current and future residential DSM program.

In June, staff tabled at the Burrillville Family Fair. Over 1,000 Burrillville residents attended the Fair, with 475 attendees visiting our booth and receiving rebate information. In addition, 53 customers filled out DSM program surveys.

The Green Festival was held in September, with roughly 500 Burrillville residents attending the Festival. Information on the DSM program was given out to over 380 attendees at the Pascoag Utility District booth. Additionally, 63 DSM program surveys were completed by PUD customers. Energy New England was able to sign up 22 customers for home energy assessments as well. Attendees visited booths that had information regarding home energy assessments, weatherization, renewable energy, electric vehicles, climate change and energy assistance offerings.

The last Burrillville Aging Stronger Lunch and Learn event of the year was held in October. 347 Burrillville residents over the age of 55 attended the event. The District was able to provide energy saving tips, information on DSM programs and State energy assistance information to 310 attendees.

In Docket No. 4991, the Commission ordered Pascoag to provide robust evidence to support its continued involvement in community events and to explore alternative sources of funding like vendor participation fees.

Schedule C: Program Details 2023

The DSM Coordinator created a survey regarding Pascoag's DSM Program in June 2022. Customers completed the survey by mail, online or at community events. 480 customers filled out the survey, which is about 11% of Pascoag's residential customer base. The survey explained that Pascoag's energy efficiency rebate programs and energy efficiency education outreach at community events is funded by the Conservation charge on their electric bill. The survey specifically asked if customers felt PUD's participation at community events was important, with over 99% of respondents indicating that it was important for PUD to be involved in the community in this way. Additional feedback/testimonials from PUD customers in support of our Community Outreach/Education program can be found in Schedule G.

Pascoag believes the reason our customers are so incredibly supportive of our involvement in community events is due to the solid relationship we have built with them over the years. The trust we have established has come from years of being active in our community. It comes from customers knowing exactly who they are speaking to when they call our office. Our face-to-face interactions set us apart in an age where everything is automated. This type of outreach allows us to meet people where they are and provide information they might not have received otherwise.

Our Community Outreach and Education Program creates an exchange of information with customers, and helps us to identify their changing needs. Simultaneously, it gives us a sense of topics we might better educate our customers about.

Although the Commission ordered Pascoag to explore alternative sources of funding for its Community Outreach/Education program such as vendor fees or grants, PUD has not found any sustainable funding sources. In 2021, Pascoag conducted research on grant opportunities that would support community programs and found grant opportunities were limited due to the District's tax classification. Additionally, most grants would require a fiscal sponsor and application forms are lengthy. Unfortunately, at this time, PUD does not have sufficient staff available to engage in consistent grant writing and many of the other grant opportunities we are not eligible for.

Pascoag did poll Green Festival vendors regarding vendor fees and when asked if they were willing to pay a \$25 vendor fee for booth space, 44% responded no and 24% were unsure. When asked if they were less likely to participate as a vendor if Pascoag began charging a \$25 vendor fee 50% responded yes and 20.8% responded unsure.

Schedule C: Program Details 2023

Pascoag believes the reason our vendors are opposed to participation fees is that many represent nonprofits or small businesses. Pascoag is a rural community, which necessitates many vendors driving close to an hour or longer to participate. Facing the cost to attend and travel, a remote four-hour event will struggle to attract independent and not-for-profit vendors.

Even though Pascoag has not been able to identify additional streams of revenue for its Community Outreach/Education program, PUD is committed to continuing to explore alternative funding streams for community engagement and being prudent in its expenses to allow this important engagement to continue.

Jesse Smith Library Partnership - \$3,600

Pascoag Utility partnered with the Jesse Smith Library and Burrillville Recycling for our popular Earth Day Contest which encouraged students grades K -5 to create posters on the importance of recycling and energy conservation. The top twelve posters chosen were included in a 2023 calendar with recycling and conservation messages that are distributed at the PUD office.

Pascoag reached out to local businesses and organizations that participated in community events. This year Pascoag was able to secure fourteen advertisers, which totaled \$700 in revenue. We solicited advertisers at the community events we were attending so no funds were spent advertising this offer. We are going to keep pursuing advertisers as a way to offset costs of the calendar.

In 2023, PUD would again like to partner with the Jesse Smith Library and Burrillville Recycling. This would allow us to continue the partnership for an Earth Day Poster contest for both energy efficiency and recycling. A budget of \$3,600 is requested and would be used to help fund prizes, materials, labor, and refreshments for the awards ceremony. It also allows us to create calendars with the posters and energy efficiency messages that will hang in customers' homes for the rest of the year.

Schedule C: Program Details 2023

Energy Efficiency Management Continuing Education funds: \$1,500

In 2022, the DSM Coordinator was not able to travel to conferences due to most events being held virtually. The DSM Coordinator was able to participate in many free virtual workshops and trainings through American Public Power and the Association of Energy Professionals. Pascoag Utility would like to maintain funding at \$1,500 in 2023 with the hope that more in-person training opportunities will be held.

Schedule D-1: 2023 Expenses & Balances

Pascoag Utility District
Demand Side Management Programs - Expenses through October 2022

	<u>Estimated</u>	<u>Actual</u>
Estimated/Actual carry over from 2021	\$ 38,373.00	\$ 40,720.99
Estimated sales for 2022	\$ 107,548.00	\$ 107,548.00
RGGI Funds	\$ 75,000.00	\$ 75,000.00
Estimated/Actual RGGI Fund Carryover 2021	\$ -	\$ 245.61
Net 2022 budget	\$ 220,921.00	\$ 223,514.60

	<u>2022 Approved Budget</u>	<u>Expenses through October 2022</u>	<u>Balance</u>	<u>Notes:</u>
<u>Residential Program</u>				
DR2201 Residential Weatherization Program	\$ 75,245.61	\$ 48,611.88	\$ 26,633.73	Transferred \$15,000 from Landlord Pilot Program to Residential Weatherization
DR2202 Residential ENERGY STAR Offerings	\$ 8,000.00	\$ 3,987.00	\$ 4,013.00	
DR2203 HVAC & Water Heating Program	\$ 13,000.00	\$ 8,700.00	\$ 4,300.00	Transferred \$5,000 from Enhanced HVAC program to Residential HVAC
DR2204 Enhanced Incentive HVAC Program	\$ 5,000.00	\$ -	\$ 5,000.00	
DR2205 Committed for 2021 Programs	\$ 1,500.00	\$ 40.00	\$ 1,460.00	
DR2206 Pilot Program: Landlord/Renter Weatherization Incentives	\$ 15,000.00	\$ 969.00	\$ 14,031.00	
Net Residential	\$ 117,745.61	\$ 62,307.88	\$ 55,437.73	
<u>Industrial/Commercial</u>				
DI2201 Small Business ENERGY STAR Offerings	\$ 1,200.00	\$ -	\$ 1,200.00	
DI2202 Committed Funds- Lighting & EE Projects	\$ 10,400.00	\$ 2,563.00	\$ 7,837.00	
DI2203 Potential 2022 Lighting & EE Projects	\$ 33,568.99	\$ -	\$ 33,568.99	
DI2204 LED Street Light Incentive	\$ 10,000.00	\$ 10,000.00	\$ -	
Net Industrial/Commercial	\$ 55,168.99	\$ 12,563.00	\$ 42,605.99	
<u>Administrative</u>				
DA2201 Administrative	\$ 21,000.00	\$ 15,184.09	\$ 5,815.91	
DA2202 Energy Consultant	\$ 10,000.00	\$ 9,021.80	\$ 978.20	
DA2203 Program Research and Development	\$ 500.00	\$ -	\$ 500.00	
Net Administrative	\$ 31,500.00	\$ 24,205.89	\$ 7,294.11	
<u>Community Outreach, Marketing & Education</u>				
DC2201 Community Outreach and Education	\$ 14,000.00	\$ 8,823.72	\$ 5,176.28	
DC2202 Jesse Smith Library Partnership	\$ 3,600.00	\$ 642.13	\$ 2,957.87	
DC2203 Energy Efficiency Management continuing education	\$ 1,500.00	\$ 395.00	\$ 1,105.00	
Net Community Outreach, Marketing & Education	\$ 19,100.00	\$ 9,860.85	\$ 9,239.15	
Estimated DSM 2022 Budget/ Expenses/ Balance	\$ 223,514.60	\$ 108,937.62	\$ 114,576.98	

Schedule D-2: 2023 Projected Expenses & Balances

Pascoag Utility District
Demand Side Management Programs - 2022 Projected Expenses

	<u>Estimated</u>	<u>Actual</u>
Estimated/Actual carry over from 2021	\$ 38,373.00	\$ 40,720.99
Estimated sales for 2022	\$ 107,548.00	\$ 107,548.00
RGGI Funds	\$ 75,000.00	\$ 75,000.00
Estimated/Actual RGGI Fund Carryover 2021	\$ -	\$ 245.61
Net 2022 budget	\$ 220,921.00	\$ 223,514.60

	<u>2022 Approved Budget</u>	<u>Projected Expenses</u>	<u>Balance</u>
<u>Residential Program</u>			
DR2201 Residential Weatherization Program	\$ 75,245.61	\$ 75,245.61	\$ -
DR2202 Residential ENERGY STAR Offerings	\$ 8,000.00	\$ 4,200.00	\$ 3,800.00
DR2203 HVAC & Water Heating Program	\$ 13,000.00	\$ 9,500.00	\$ 3,500.00
DR2204 Enhanced Incentive- HVAC Program	\$ 5,000.00	\$ -	\$ 5,000.00
DR2205 Committed for 2021 Programs	\$ 1,500.00	\$ 40.00	\$ 1,460.00
DR2206 Pilot Program: Landlord/Renter Weatherization Incentives	\$ 15,000.00	\$ 13,000.00	\$ 2,000.00
Net Residential	\$ 117,745.61	\$ 101,985.61	\$ 15,760.00
<u>Industrial/Commercial</u>			
DI2201 Small Business ENERGY STAR Offerings	\$ 1,200.00	\$ -	\$ 1,200.00
DI2202 Committed Funds- Lighting & EE Projects	\$ 10,400.00	\$ 10,383.00	\$ 17.00
DI2203 Potential 2022 Lighting & EE Projects	\$ 33,568.99	\$ 33,569.00	\$ (0.01)
DI2204 LED Street Light Incentive	\$ 10,000.00	\$ 10,000.00	\$ -
			\$ -
Net Industrial/Commercial	\$ 55,168.99	\$ 53,952.00	\$ 1,216.99
<u>Administrative</u>			
DA2201 Administrative	\$ 21,000.00	\$ 21,000.00	\$ -
DA2202 Energy Consultant	\$ 10,000.00	\$ 10,000.00	\$ -
DA2203 Program Research and Development	\$ 500.00		\$ 500.00
			\$ -
Net Administrative	\$ 31,500.00	\$ 31,000.00	\$ 500.00
<u>Community Outreach, Marketing & Education</u>			
DC2201 Community Outreach and Education	\$ 14,000.00	\$ 14,000.00	\$ -
DC2202 Jesse Smith Library Partnership	\$ 3,600.00	\$ 3,042.13	\$ 557.87
DC2203 Energy Efficiency Management continuing education	\$ 1,500.00	\$ 500.00	\$ 1,000.00
			\$ -
			\$ -
Net Community Outreach, Marketing & Education	\$ 19,100.00	\$ 17,542.13	\$ 1,557.87
Estimated DSM 2022 Budget/ Expenses/ Balance	\$ 223,514.60	\$ 204,479.74	\$ 19,034.86

Schedule E: Demand Side Management Tariff

Pascoag Utility District- Electric Department (“Department”) Demand Side Management Charge

The following provisions will be apply to reflect charges collected under the Demand Side Management Program, pursuant to “An Act Relating to the Utility Restructuring Act of 1996”, #96-H 8124 Substitute B, Section 39-2-1.2(b).

The District proposes to include a charge of 2.3 mills per kilowatt-hour delivered to fund a demand side management program and renewable energy resources. The allocation of this revenue between demand side management programs and renewable energy resources shall be determined by the Commission.

The District will submit semi-annual reports to the Commission documenting funds collected and expended. In the event that revenue collected over or under anticipated revenue, the Department shall apply to the Commission for an annual “true-up”.

Approval Issued:

Requested Effective Date: January 1, 1998

Approval Date: March 20, 1998

Schedule F: Highlights of Pascoag's 2022 Program & Customer Outreach

Pascoag Utility District
June 26

Taking advantage of Memorial Day Sales this weekend? Don't forget Pascoag Utility rebates Energy Star rated clothes washers, dryers, air conditioners, air purifiers and dehumidifiers. Save electricity, save money!

Facebook Posts

Pascoag Utility District
July 29

Looking to keep your home cool in the summer and warm in the winter? Want to find out how you can save energy and reduce your electric bill? Pascoag Utility District offers free home energy audits and rebates on qualifying weatherization projects (up to \$2250). Funding is expected to run out before the end of year so don't delay, call our office today for more details(401-568-6222)! Please pass this on to your neighbor, thank you!

Free Home Energy Audits!

DON'T DELAY, CHECK OUT OUR ENERGY SAVING PROGRAMS TODAY!

Did you know that PUD offers free home energy audits and weatherization rebates (up to \$2250) for projects that qualify? Call our office for more details!

Rebates are also offered on:

- Clothes Washer and Dryer-\$75
- Air Purifier-\$40
- Air Conditioner-\$40
- Dehumidifier-\$30
- Central AC, Mini-split, Heat Pump & Heat Pump Water Heaters-price/ton
- Refrigerator/Freezer Buyback-\$50

To qualify, fill out a rebate application (available at www.pud-ri.org/conservation), attach copy of receipt and proof of ENERGY STAR compliance.

*These programs are for a limited time only and subject to availability of funding.

PASCOAG UTILITY DISTRICT

QUESTIONS? CALL OUR OFFICE 401-568-6222 FOR MORE INFORMATION.

NRI NOW News Ad

SAVE ELECTRICITY AND MONEY WITH PASCOAG UTILITY DISTRICT'S ENERGY STAR REBATE PROGRAM!

To qualify, fill out a rebate application (available at www.pud-ri.org/conservation), attach copy of receipt and proof of ENERGY STAR compliance.

Rebates are offered on:

- Clothes Washer and Dryer-\$75
- Air Purifier-\$40
- Air Conditioner-\$40
- Dehumidifier-\$30
- Central AC, Mini-split Heat Pump & Heat Pump Water Heaters-price/ton
- Refrigerator/Freezer Buyback-\$50

We also offer free home energy audits and weatherization rebates for projects that qualify.

PASCOAG UTILITY DISTRICT

QUESTIONS? CALL OUR OFFICE 401-568-6222 FOR MORE INFORMATION.

NRI NOW News Ad

Schedule F: Highlights of Pascoag's 2022 Program & Customer Outreach

SAVE ELECTRICITY AND MONEY WITH PASCOAG UTILITY DISTRICT'S ENERGY STAR REBATE PROGRAM!

To qualify, fill out a rebate application (available at www.pud-ri.org/conservation), attach copy of receipt and proof of ENERGY STAR compliance.

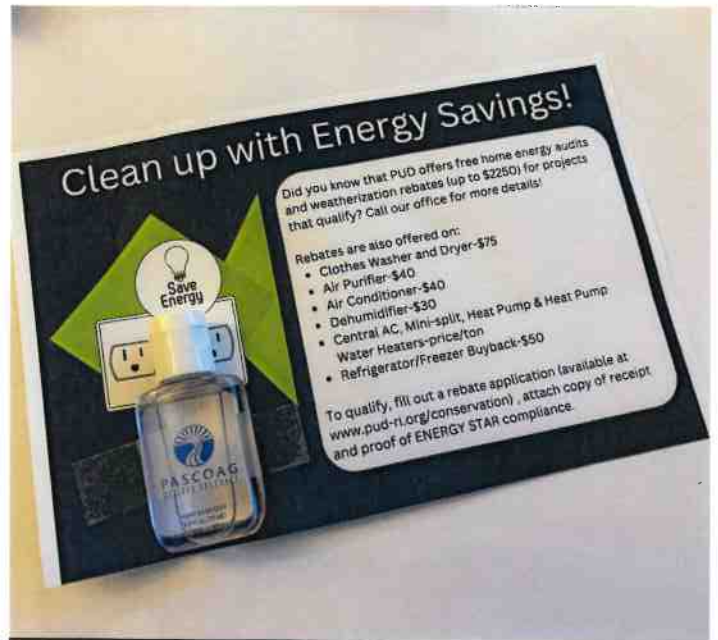
Rebates are offered on:

- Clothes Washer and Dryer-\$75
- Air Purifier-\$40
- Air Conditioner-\$40
- Dehumidifier-\$30
- Central AC, Mini-split Heat Pump & Heat Pump Water Heaters-price/ton
- Refrigerator/Freezer Buyback-\$50

We also offer free home energy audits and weatherization rebates for projects that qualify.



QUESTIONS?
CALL OUR OFFICE
401-568-6222
FOR MORE INFORMATION.



Handout at Burrillville Aging Stronger Luncheon

NRI NOW News & Bargain Buyer Ad



Burrillville Aging Stronger Luncheon

Schedule F: Highlights of Pascoag's 2022 Program & Customer Outreach



End of Summer Energy Safety & Conservation Program
K-2nd Grade



Burrillville Family Fair



Schedule F: Highlights of Pascoag's 2022 Program & Customer Outreach



Earth Day Poster Contest Ceremony



Green Festival-PUD Main Booth



Green Festival-PUD Survey Booth



Green Festival-Energy New England

Schedule F: Highlights of Pascoag's 2022 Program & Customer Outreach



The flyer is enclosed in a hand-drawn green border. At the top center, it reads "14th Annual Green FESTIVAL September 10, 2022" with "Green" in a large, leafy font and "FESTIVAL" in a blue box. To the left is an illustration of a green food truck labeled "FOOD TRUCK" and the text "Dinolicious Food Truck". To the right is an illustration of a reusable shopping bag labeled "GO GREEN" and the text "Burrillville Farmers Market". Below these is a paragraph of text about the event. A green banner below the text says "First 500 attendees get a reusable bag packed with information & goodies!". At the bottom, there is a "Save the Date" banner, an illustration of an EV charging station with the text "Green Energy Consumers Alliance EV Display", and an illustration of a lightbulb with a house inside it and the text "Energy Efficiency, Weatherization Solar & Recycling Info!".

14th Annual Green FESTIVAL
September 10, 2022

Dinolicious Food Truck

Burrillville Farmers Market

Pascoag Utility District and the Town of Burrillville's Parks and Recreation Department are teaming up to hold the **14th Annual Green Festival** on **Saturday, September 10, 2022 from 10:00-2:00 PM** at the Stillwater Mill Center -100 Tinkham Lane, Harrisville RI 02830. The event is free to the public!

First 500 attendees get a reusable bag packed with information & goodies!

The Festival has something for everyone! Learn about local products and ideas that will help you conserve energy and create a more sustainable lifestyle with our green and health/wellness vendors. Free crafts and activities for children!

Green Energy Consumers Alliance EV Display

Energy Efficiency, Weatherization Solar & Recycling Info!

Save the Date

Green Festival Flyer

Schedule F: Highlights of Pascoag's 2022 Program & Customer Outreach



Energy Star Products Help You Save!

Do you know you could be **getting a rebate** for the **Energy Star** products you buy?

It's easy! Fill out an Energy Star rebate form by picking one up at Pascoag Utility District office or **downloading** it from our website. Mail or drop off the form with proof of **purchase** and proof of the Energy Star label. The rebate then gets credited to your **electric account**.

We offer rebates on Energy Star rated:

- **Commercial Appliances-10%** of the cost up to a **maximum** of \$350
 - Clothes washers
 - Vending **Machines**
 - Water Coolers
 - Kitchen Packages
 - **Dishwashers**
 - Fryers
 - Griddles
 - Hot Food Holding Cabinets
 - Ice Machines
 - **Refrigerators/Freezers**
 - Steam Cookers
- **Residential Products** for your business-rebates listed below
 - Clothes Washers & Dryers-\$75
 - Air Purifiers-\$40
 - Room Air Conditioners-\$40
 - Dehumidifiers-\$30

We also provide:

- **Free business energy audits!** Call 401-567-1262 to schedule yours today!
- **Incentives for qualified lighting and energy efficiency projects.**

For more information on how to qualify for an Energy Star rebate, please visit us on the web at:

<http://www.pud-ri.org/conservation/download-rebate-forms>

This offer is for a limited time only, subject to **availability** of funding.

Billing Insert for Commercial and Industrial Customers

Schedule F: Highlights of Pascoag's 2022 Program & Customer Outreach



Free Home Energy Audits for Pascoag Utility Customers- Includes Insulation, Air Sealing & Programmable Thermostat Incentives!

Pascoag Utility District is offering free home energy audits, conducted by Energy New England. The energy audit will include a full home assessment, including all appliance, mechanical systems and building envelope. In addition, the auditor will have free LED lightbulbs, smart strips, grounded power switches, low-flow shower heads and aerators on hand, to install if needed. If the home energy auditor recommends insulation, air sealing or programmable thermostats; PUD has incentives for each that customers can take advantage of.

- Insulation and Air Sealing-100% up to \$2,250
- Programmable Thermostat Incentive: Wireless \$100 Non-wireless \$25

Energy New England offers in-person and remote home energy audits! Appointments are filling up fast, so make yours today! Please call 1-888-772-4242 for more details and to schedule and audit. This offer is for a limited time only and is subject to the availability of funding. Please call the office before beginning your weatherization project to ensure that funds are still available.

Energy Star Rebates

We also offer rebates on the following Energy Star rated products:

- Clothes Washer and Dryer-\$75
- Air Purifier-\$40
- Air Conditioner-\$40
- Dehumidifier-\$30
- Central AC, Mini-split Heat Pump & Heat Pump Water Heaters- price/ton
- Refrigerator/Freezer Buyback-\$50

For more information on how to qualify for an Energy Star rebate, please visit us on the web at:

<http://www.pud-ri.org/conservation/download-rebate-forms>

Schedule F: Highlights of Pascoag's 2022 Program & Customer Outreach

Pascoag Utility District's energy efficiency rebate programs and energy efficiency education outreach at community events are funded by the Conservation charge on your electric bill. Please answer the following questions regarding our energy efficiency programs and community outreach so that we may continue to improve our programs.



Please fill out the survey and be entered to win a \$100 credit on your electric bill. One winner will be drawn in October 2022. Please mail with payment or drop off at PUD office.

Which rebate programs would you be most interested in Pascoag Utility District continuing to offer?

Free Business Energy Audits- (Energy audits find ways to improve energy efficiency, saving you money on your electric bill when improvements are made.) **Please circle one:**

Very Interested **64.7%** Somewhat Interested **29.4%** Not Interested at All **5.9%**

Energy Star rated appliance rebates- (Refrigerator buybacks and Energy Star rated residential clothes washers, dryers, air purifiers and dehumidifiers. Commercial Energy Star rated appliances such as clothes washers, vending machines, water coolers, kitchen packages, dishwashers, fryers, griddles, hot food holding cabinets, ice machines, ovens, refrigerators/freezers, and steam cookers run more efficiently and use less electricity.) **Please circle one:**

Very Interested **29.4%** Somewhat Interested **52.9%** Not Interested at All **17.6%**

Commercial LED Lighting Projects- (LED lights produce light up to 90% more efficiently than incandescent light bulbs.)

Very Interested **94.1%** Somewhat Interested **0%** Not Interested at All **5.9%**

Do you feel it's important for Pascoag Utility District to participate in community events and provide information on rebate programs, energy efficiency tips and answer questions from customers?

Please circle one.

Yes **100%** No

Are there any energy efficiency measures/equipment that you would like to see Pascoag Utility District offer a rebate on, that we don't?

- **Lighting**
- **Not that I can think of.**

Schedule F: Highlights of Pascoag's 2022 Program & Customer Outreach



Have you completed any energy saving projects in the last 5 years at your business? If so, what were they?

No-4

- Switched from florescent to LED lights
- New parking lot lights upper canopy.
- New generator, new furnace, new A/C unit
- Switched to LED bulbs and added a dehumidifer
- Insulation
- LED lighting
- Commercial Lighting
- LED energy efficient storage cooler

If you haven't been able to complete any energy saving projects at your business in the last 5 years, what stopped you from starting a project?

- Historic building
- Funding
- We are a new business but would be interested in any and all rebate programs.
- The economy and Covid.
- Landlord

Is there anything else you'd like us to know?

- No relevant responses.

Schedule F: Highlights of Pascoag's 2022 Program & Customer Outreach

Pascoag Utility District's energy efficiency rebate programs and energy efficiency education outreach at community events are funded by the Conservation charge on your electric bill. Please answer the following questions regarding our energy efficiency programs and community outreach so that we may continue to improve our programs.



Please fill out the survey and be entered to win a \$100 credit on your electric bill. One winner will be drawn in October 2022. Please mail with payment or drop off at PUD office.

Which rebate programs would you be most interested in Pascoag Utility District continuing to offer?

Free Home Energy Audits- (Energy audits find ways to improve energy efficiency, saving you money on your electric bill when improvements are made. Energy audits also include installations of free LED light bulbs, smart strips, low flow shower heads and aerators.) **Please circle one:**

Very Interested **48.4%** Somewhat interested **34.1%** Not Interested at All **17.5%**

Energy Star rated appliance rebates- (Refrigerator buybacks and Energy Star rated clothes washers, dryers, air purifiers and dehumidifiers run more efficiently and use less electricity.) **Please circle one:**

Very Interested **60%** Somewhat interested **25.6%** Not Interested at All **14.4%**

Energy efficient HVAC rebates- (Central heat pumps, mini-splits and central AC units that have higher efficiency ratings run more efficiently and use less electricity.) **Please circle one.**

Very Interested **40%** Somewhat Interested **27.4%** Not Interested at All **32.6%**

Weatherization Incentives- (Air sealing and insulating your home properly helps you keep the desired temperature in your house year round, protecting it against cold in the winter and excess heat in the summer, saving you money on energy bills.) **Please circle one.**

Very Interested **52%** Somewhat Interested **28.9%** Not Interested at All **19.1%**

Do you support rebates for residential weatherization projects (insulation and air sealing), funded by the conservation charge on your bill even if customers typically save more on heating (delivered fuel costs) than on cooling (electric costs)? Please circle one.

Yes **89%** No **11%**

If you had to choose only one, would you rather funds from the conservation charge on your bill go towards residential weatherization project rebates or rebating a larger energy efficient commercial project such as an LED lighting project for a school or commercial business? Please circle one.

Residential Weatherization Project **78.6%** Larger Commercial Energy Efficiency Project **21.4%**

Do you feel it's important for Pascoag Utility District to participate in community events and provide information on rebate programs, energy efficiency tips and answer questions from customers?

Please circle one.

Yes **99.4%** No **.6%**



Schedule F: Highlights of Pascoag's 2022 Program & Customer Outreach



Are there any energy efficiency measures/equipment that you would like to see Pascoag Utility District offer a rebate on, that we don't? **Answers** below reflect the number of **customers** asking for a **specific** rebate.

Solar-28 Windows/Doors-11 Refrigerators/Freezers without Buyback-4 Dishwashers-4

Rebates for any Energy Star Purchase-3 Office Equipment-2 EV Charger-2 Computers-1

Whole House Battery-1 Radiant Heat-1 Geothermal-1

Is there anything else you'd like us to know about our energy efficiency programs?

- . Oil to electric heat **conversion** for **landlords** of **multi-tenant properties**. Renters are **struggling**.
- . Best times of the day to save on electric bill, using air **conditioners** etc.
- . **Presently** it is too limited. We bought a freezer that didn't qualify because we didn't have an old **refrigerator** or freezer to get rid of.
- . Make it more **accessible**.
- . More about LED lighting.
- . You cover a lot of things pretty well.
- . You're doing a great job!
- . **Sometimes** it is too **confusing** with what is needed for proof of **purchase**.
- . For renters, free LED bulbs, how to set **thermostats** etc.
- . No, thank you for **everything** you do!
- . I'm glad you have them!
- . I just **received** a rebate for a **mini-split installation** and after **spending** so much on the system it was very helpful and **appreciated**. Thank you!
- . It's **absolutely important** for Pascoag Utility District to be in **community** events and they do it well!
- . Solar Power for Homes
- . Solar Panels
- . More details on where to find info.
- . No, you guys are great!
- . It would be nice to help the people who rent as well as others.
- . Explore **renewable resources**, solar power, wind turbine energy
- . Yes, how do they work and how do we find out about the **programs**.
- . Keep up the good work!
- . Free energy **improvements**
- . Your energy **efficiency programs** are **fantastic!** Keep up the great work!
- . **Refrigeration** rebates should also be given and just not **buyback**. If your fridge breaks there is no **incentive** to look for an energy **efficient** model. Account credit if yearly usage is reduced by a certain **percentage** year over year.
- . Poor **communication** from your office in the energy **department**.
- . We didn't know you offered rebates.
- . What are they and how do they effect me.
- . That I'm very **satisfied** with your **services**. Very happy to be with a smaller **company** and the in person **services**.

Schedule F: Highlights of Pascoag's 2022 Program & Customer Outreach



Is there anything else you'd like us to know about our energy efficiency programs? (Continued)

- We are proud to be Pascoag Utility **customers**.
- Thanks for getting the power back on so quickly when we have **outages!**
- You guys are the best! Please do not sell to National Grid!
- Rebate on AC install.
- Good job!
- People can't afford the basics **anymore**.
- You're doing a great job and we **appreciate** your service!
- We love our **community** based electric **company** and enjoy **interacting** and learning from Pascoag at various **community** events!
- They are good and I want to be involved this **summer**. Couldn't get my act **together** last **summer**.
- I **probably** don't **know/haven't** fully **explored** the **programs** offered.

Residential Customer Survey-Page 3

Schedule G: Letters of Support

11/02/2022

PUD EMAIL RE WEATHERIZING REBATE PROGRAM
ATTENTION: DESARAE DOLAN

Hello Desarae,
I want to thank you!

After working for over 50 years as a Registered Nurse, I finally retired at 66 ½---four years ago. I am the only member in the household.

I purchased a 1989 townhouse in Pascoag a year later, with my entire 401k Retirement Account. My only income now is Social Security (<1/4 of my previous salary), which is slightly \$1000/year too high for me to ever qualify for SNAP/food stamps, ACP/cable TV discount or even the Lifeline/phone program!

Even though my mortgage is paid in full, I still pay Property, Water and Fire taxes every three months; AND electric heating bills, along with the usual gas/auto repair, food, home repairs, etc. Then I read the rebate flyer that came with my PUD bill and called the Pascoag Utility District. That was the best call I ever made!!

You suggested that I get a free Home Energy Audit right away so that I could then apply for the free PUD Home Weatherizing Assessment and Rebate, including a MiniSplit rebate. It was just what I needed to know. I began my calls and scheduling in mid-summer 2022 to meet the deadlines to apply.

I followed your advice, calling vendors on the PUD list for estimates and to schedule in-home assessments and submitting their reports to you.

However, since I had all of the original windows replaced shortly after moving in, my limited finances took a BIG hit and I could not afford to take advantage of your MiniSplit rebate this year (2022).

I realize that the PUD rebate funds are limited and that I need to apply early to meet deadlines. Hopefully, there will be State and Federal rebates for the MiniSplit in 2023.

So, as you suggested, I will be keeping in constant touch with you, in the hope that I will be considered for the MiniSplit rebates soon after the new year.

Thank you for all of your help. I am looking forward to seeing the savings!

Sincerely,
P.G.

Schedule G: Letters of Support

11/2/22

Desarae,

Thank you for your help in securing this grant to begin the process of insulating our home correctly, to aid in reducing our energy usage and cost. It is a valuable tool for us to attain our ultimate goal of finally having mini splits installed. Being in our mid 60's it is getting very difficult to install then remove our window A/C units.

Hopefully this program continues to be funded in the future giving extra consideration to lower and mid income homes, as we are on fixed incomes (S.S.) and do not have the means to do this work on our own. This program will allow us to finish making our home energy efficient, which in my opinion, should be done initially, to be able to correctly size heating and or A/C units , or mini splits in our case . This should also be done in conjunction with allowing for benefits for energy efficient heating, A/C units that customers would choose to install. Again thank you very much for your help and look forward to working with you again in the future!

-Mr. & Mrs. R.D

10/10/22

First I would like to thank Desarae Dolan for all her help. The PUD program will help with electric savings in fuel energy but not just winter, summer as well. We wouldn't be able to do this on our own. I have a handicapped husband and this will help us immensely. I really hope that you continue to offer this program again. Thank you so much. I will be looking forward to it. PUD is the best.

Sincerely,
R&C J

Schedule G: Letters of Support

Dear Desarae:

I just wanted to take a few minutes to thank you and Pascoag Electric for your attendance at today's Lunch and Learn. Burrillville being the rural community that it is has more people who might slip through the informational cracks.

Being a 30+ year resident of Burrillville I understand the value of your participation in town events. I myself am an active community member-Library Board of Trustees member and Board of Canvassers member yet I was unaware of programs that the Electric Company offered until you engaged me in your booth.

In the past there have been ideas that I had and when I mention them to you at a community event you frequently inform me that you have that program or can direct me where I can get more information.

In these days of people getting ebills and paying electronically the transfer of information can be affected. I would never think of stopping in to the office to see what new programs there are and the cost of mailing to each and every customer annually the new programs I am sure is prohibitive. Seeing you or other members of the Pascoag Electric Company and having those familiar faces offering information lends people to stop and learn. Without your participation in these community events I know that I and many others would be unaware of many new programs that are offered.

Thank you again for taking the time to come out of the office and reaching out to educate people on all the available programs.

Sincerely,
Anita Hurley-Diez

Schedule G: Letters of Support

Hello Desarae,

I wanted to express my concerns for the importance of face-to-face marketing and interaction with utility customers. A direct conversation with the customer is the best way to answer questions and concerns about the home energy audit process, home energy performance upgrades, realistic expectations, installation concerns, indoor air quality, as well as the many other aspects involved in this process.

Most people need questions answered directly in person. They can be taught about the inspection process and importance of a site visit to the property. They can feel comfortable that a professional will be visiting their home. They are made aware of the benefits of weatherization and insulation as well as new and emerging technologies and building materials.

As energy auditors, we can explain that an in-person energy audit will include thermal imaging, insulation evaluation throughout the building as well as mechanical equipment inspection. A report will be presented with recommendations for a realistic approach to saving energy and improving the health and safety of the home.

With Rhode Island having the worst air infiltration codes for new construction of all New England states, it is an eye-opening experience for most consumers that the local energy codes are antiquated and inadequate.

Sincerely,

Marc Houde
BPI Building Analyst
Certified Residential Appraiser

Schedule G: Letters of Support

Burrillville School Department

Administrative Offices
2300 Bronco Highway
Harrisville, RI 02830



Tel: 401-568-1301
Fax: 401-568-1337
Voice: 800-745-6575
TTY: 800-745-5555

November 1, 2022

Dear RI Public Utilities Commissioners:

The Pascoag Utility District (PUD) has been a committed educational partner in our Burrillville Schools community. We understand that this year funding for PUD community outreach programs are being reevaluated and *we are writing to urge you for continued level support to maintain impactful community programs that are organized and delivered by our PUD partners.*

Some of the highlights of our partnership have included practical education and resources for students and families, including but not limited to:

- **Education in Burrillville Elementary Classrooms**
As part of our school curriculum, PUD staff members annually visit our 4th grade classrooms to talk to students about our local community owned electric company, the importance of conserving energy, and ways to use energy more efficiently. Literature and student take-aways are given to students to bring home to share with families.
- **K-5 Earth Day Poster Contest**
Children across our three elementary schools learn about recycling and energy conservation, and create works of art to submit for this annual calendar competition. Some teachers incorporate this as part of their Earth Day lesson plans while some submissions come from families who discuss and encourage children to create the art at home. The calendar is a vehicle, distributed widely, educating families and the greater town community with recycling tips and information about the PUD rebate program.
- **School and Community Events**
The Pascoag Utility team has organized and participated in a number of programs to educate and increase awareness at school and community events; examples include the Burrillville Green Festival, the Burrillville Family Fair, and the Trunk-or-Treat event for students and their families.

We greatly value the role that the PUD plays in our schools and community, and again we ask you to strongly consider continued funding of their community outreach programs so that our students and families can continue to benefit from their involvement.

Respectfully,

Three handwritten signatures in blue ink are shown above their respective printed names and titles.

Michael Sollitto, Ed.D. Superintendent	Maria Quiray Lawrence Director of Strategic Initiatives	Bill Robinson Director of Facilities
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The Burrillville School Department does not discriminate on the basis of age, sex, sexual orientation, marital status, race, religion, national origin, color, creed, political affiliation or disability in any of its educational programs and activities, and in employment and application for employment, as required by Title IX of the Education Amendments of 1972, the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, Title VI and VII of the Civil Rights Act of 1965, the Age Discrimination Act of 1975, and other federal and state laws that prohibit discrimination. Inquiries regarding non-discrimination policies will be handled by: Director of Pupil Personnel Services (DPPS), 2300 Bronco Highway, Harrisville, RI 02830. Telephone: (401) 568-1301; Email: nondiscriminationinquiries@bsd-ri.net. Inquiries may also be made directly to: Office for Civil Rights (Boston Office), U.S. Dept. of Education, 8th Floor, 5 Post Office Square, Boston, MA 02109-3921. Telephone: (617) 289-0111; Fax: (617) 289-0150; Email: OCR.Boston@ed.gov. If you require an accommodation to attend a meeting or program at a school, call the DPPS at least two business days in advance of the meeting or program.

Schedule H: Supporting Documentation

Contents:

- Strategies to Enhance Energy Efficiency in Pascoag Utility District
- 2021-B Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds
- Division Memo Approving Fund Transfer Request

Strategies to Enhance Energy Efficiency in Pascoag Utility District

Rhode Island Office of Energy Resources & Pascoag Utility District

2018.5.1

Existing Energy Efficiency Successes in Pascoag

Pascoag Utility District (PUD) has a record of investing in energy efficiency programs to help their customers save energy and lower utility bills. Despite limited administrative resources dedicated to energy efficiency program management, an impressive 300 residential customers and one-dozen non-residential customers participate in incentive and rebate programs annually.

Currently, PUD customers pay a Systems Benefit Charge (SBC; also called an Energy Efficiency Charge) of 2.3 mills. This charge allows for an energy efficiency program budget of roughly \$130,000 and results in average monthly (annual) ratepayer costs of \$1.15 (\$13.80).¹ For investments across all customer types, annual energy savings in the District have ranged between 50,000 and 190,000 kWh between 2015 and 2017.

Framework for Program Development

The Rhode Island Office of Energy Resources (OER) is Rhode Island's lead state agency on energy policy and programs. The mission of OER is to lead Rhode Island to a secure, cost-effective, and sustainable energy future. To do so, OER works closely with stakeholders, ratepayers, and utilities to leverage, coordinate, and align clean energy efforts. OER's familiarity with energy efficiency programs and initiatives within the state and across the region provides a strong foundation for technical assistance and program development support.

The purpose of this document is to identify strategies for enhancing and expanding access to PUD's energy efficiency programs. OER has a history of partnering with Rhode Island's local utilities on clean energy projects. For example, OER developed and implemented a pilot energy efficiency program in the Town of New Shoreham in 2015-2017.² OER has also recently partnered with PUD to support

¹ Based on monthly electricity consumption of 500 kWh.

² Full report is available here: <http://www.energy.ri.gov/reports-publications/>

investments in high-efficiency LED streetlighting.³ OER is interested in establishing a multi-year partnership with PUD to strengthen energy efficiency programs and institutional capacity within the District and help the local utility to foster substantial energy savings and other system benefits for its customers. To support this effort, along with providing staff and technical support, OER recently allocated \$100,000 in state Regional Greenhouse Gas Initiative (RGGI) proceeds to spur cost-effective efficiency investments in 2018-2019.

The following strategies were identified collaboratively through discussions with the PUD management team. Strategy elements are prioritized based on need, available funding, ease and timing of implementation, and impact to the community. Most strategies rely on a pilot program to understand challenges unique to PUD and thoughtfully develop a full-scale program, if appropriate. OER proposes to leverage state Regional Greenhouse Gas Initiative (RGGI) funds to support pilot implementation.

In developing these strategies, PUD and OER follow three guiding principles to enhance or expand existing energy efficiency programs and ensure long-term sustainability. First, we recognize the substantial benefits that cost-effective energy efficiency can provide to ratepayers, our economy and environment, and the utility. Energy efficiency not only lowers utility bills for participating customers, but also reduces greenhouse gas emissions, supports job creation and other economic development benefits, and is a powerful tool for long-term distribution infrastructure planning.

Second, we consider the historical context of energy efficiency program funding by PUD customers and PUD's commitment to keeping energy costs as low as possible for all customers. Budget requirements of any full-scale program enhancement or expansion must be financially sustainable. If long-term funding were to come through SBC collections, changes should be relatively small and gradual to avoid perceived volatility or customer bill shock.

Third, we recognize PUD management's limited bandwidth. PUD operates efficiently on a small staff, which minimizes administrative cost burdens on local consumers. PUD and OER are careful to propose strategies that do not substantially increase the workload for PUD staff. For each proposed strategy, we outline how to scale the initiative into a full program with sustainable implementation and how to build out institutional capacity or relationships with third-party vendors, as needed.

We present both administrative recommendations and programmatic strategies. We organize programmatic strategies into three phases, based on timing and scale.

Phase 1 Programmatic Strategies are the low-hanging fruit that can make a sizeable impact with relatively little upfront research or funding. Phase 1 Programmatic Strategies can begin in 2018 as pilots or research, with full-scale implementation in 2019.

Phase 2 Programmatic Strategies require more substantial program development and, in most cases, would require additional sustainable funding to cover the costs of full-scale implementation. We anticipate Phase 2 Programmatic Strategies could grow to full-scale implementation in 2020.

Phase 3 Ideas cover more innovative energy efficiency program development ideas and rely on external dependencies for full-scale implementation. We anticipate these ideas could come to fruition in 2021-2022.

³ See allocations of state Regional Greenhouse Gas Initiative (RGGI) proceeds outlined in the 2015 RGGI Allocation Plan: <http://www.energy.ri.gov/documents/rggi/2015%20Plan%20Items/2015%20RGGI%20Allocation%20Plan.pdf>

All figures in this document are estimates for illustrative purposes only, and are subject to change pending further research and analysis.

Administrative Recommendations

Administrative Recommendation #1: Align energy efficiency funding more closely with sector SBC contributions

Timeframe and Funding Considerations: Alignment could begin in 2019. No additional funding required.

Explanation: We recommend aligning residential and non-residential program budgets more closely with SBC collections to ensure equity among these segments. Retail sales in 2018 for residential and non-residential sectors are forecasted to be 34,180 MWh and 22,786 MWh, respectively. Residential sales account for 60% of total sales while non-residential sales make up the remaining 40%. All customers incur a uniform SBC of 2.3 mills per kWh. Of the \$130,000 in 2018 program funding, residential programs receive roughly one-third (32.3%) the total budget while non-residential programs receive two-thirds (67.7%). Relative to sales and resulting SBC collections, residential customers are underserved while non-residential customers are proportionally overserved.

Administrative Recommendation #2: Account for and report on full costs and benefits as defined in the Rhode Island Cost-Effectiveness Test

Timeframe and Funding Considerations: Suggest incorporating benefit-cost analysis into 2019 filing. Consulting experts can assist, but it may require an increase in administrative budget costs.

Explanation: PUD currently tracks program costs and energy savings. While a solid foundation for program development and evaluation, there are other costs and benefits that should be included in the decision-making process. These costs and benefits are outlined through the Rhode Island Test, and include benefits and costs to the utility system, customers, and society (e.g. environmental benefits of reduced greenhouse gas emissions and economic development impacts).⁴

Understanding the full costs and benefits of programmatic decisions can help PUD optimize its portfolio of energy efficiency offerings and ensure PUD's energy efficiency programs are cost-effective. We also recommend developing a method to determine optimal incentive levels using benefit-cost data and market research as appropriate.

We recognize that tracking these costs and benefits and reporting on cost-effectiveness is administratively burdensome. Therefore, we recommend hiring a consulting firm that has prior expertise in cost-effectiveness testing and best practices for energy efficiency portfolio optimization and program development. Through its close work with the Energy Efficiency and Resource Management Council (EERMC) and its consultant team, OER is well-positioned to advise on best practices and consultant needs. OER can provide technical expertise with drafting a Request for Proposals, including a scope of work, and reviewing consultant proposals with PUD staff.

⁴ For more information, see Rhode Island Public Utilities Commission Docket 4600.

Strategy #1: Decrease energy burden and address energy-related school construction priorities Burrillville Public Schools located within the Pascoag District

Timeframe and Funding Considerations: Funding from 2018 RGGI Allocation Plan A (Q2/Q3 2018) could assist school projects beginning in summer 2018.

Motivation: Rhode Island Department of Education School Building Authority identified serious school construction priorities across Rhode Island. These priorities were echoed by the Schools Task Force in their recommendations to the Governor in December 2017. Reducing energy use and costs through efficiency improvements in schools is one element of school construction priorities and would allow schools to reallocate cost savings to other projects. Comprehensive energy efficiency has additional benefits for health and education outcomes.

Burrillville Schools have received energy assessments within the past several years and have a clear idea of the energy efficiency measures needed. The schools have recently started to work with PUD on upgrading lighting in all school buildings within PUD service territory. Upgrading lighting is a substantial first step to reducing school energy costs, the savings from which can help pay for more additional energy efficiency projects, other construction priorities, or other school needs.

The total cost of previously-identified lighting projects for Burrillville schools in PUD territory is nearly \$400,000, not including costs of additional comprehensive energy efficiency improvements. PUD is able to provide \$130,000 in incentives over a multiyear period to reduce the net cost to Burrillville schools to roughly \$270,000 for efficient lighting upgrades. If the 2018 state budget legislation allows Housing Aid to be combined with financing through the Efficient Buildings Fund, the schools will be in a good position to finance the costs of their lighting projects.

However, we want to encourage the schools to undertake additional, more comprehensive energy efficiency measures, such as the measures identified in their Efficient Buildings Fund (EBF) application in 2016 for Burrillville High School and Steere Farm Elementary School. Doing so will have a more significant long-term impact on reducing school energy use, cost, and greenhouse gas emissions, among other benefits like improved comfort, indoor air quality, etc. Therefore, a further offsetting costs with additional support may be warranted.

Action: OER has allocated \$100,000 of RGGI funding to enhance energy efficiency opportunities in the PUD community.⁵ Some portion of this funding allocation could help further offset the cost of lighting upgrades and encourage the schools to consider additional comprehensive energy efficiency measures.

Impact: The lighting upgrades are estimated to save over 400 MWh in annual electricity use⁶ and over \$50,000 in annual utility bill costs. Over the 20-year life of the high-efficiency lighting upgrades, Burrillville schools will see a savings of over \$1,000,000.

⁵ Proposed 2018-A Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds, 5.4.2.f: <http://www.energy.ri.gov/documents/rggi/2018%20Plan%20Items/2018-A%20Proposed%20RGGI%20Allocation%20Plan%202-21-18.pdf>

⁶ 400 MWh savings represent a roughly 17% reduction in aggregate annual energy use for Callahan School, Levy School, Steere Farm School, and the High School and Rink.

From Burrillville School's EBF application in January 2016, there were twenty energy efficiency measures identified for the High School and Steere Farm Elementary School (including the lighting upgrades for these schools). The total cost of these measures was just over \$2.3 million, resulting in \$215,000 in annual energy cost savings. This suite of energy efficiency measures was cost-effective, with an estimated positive annual cash flow of \$2,500 over the term of the EBF loan.

Sustainable Implementation: Ongoing initiatives specific to schools should be considered, such as subsidizing the cost of energy efficiency training and energy management resources for facilities managers (see Strategy #3).

Strategy #2: Enhance incentive levels, especially for measures that go beyond lighting (e.g. weatherization)

Timeframe and Funding Considerations: Begin research in 2018 and pilot program expansion in 2019, leveraging RGGI funding. If successful, implement full-scale program in 2020.

Motivation: PUD budgeted \$18,400 (residential) and \$1,200 (business) for rebates on efficient appliances and equipment in 2018. These rebates reach roughly 250-350 residential customers and 10 business customers annually. There is concern these incentive levels may be too low to encourage true market transformation, leading to low participation levels and unspent budgets. Furthermore, there are currently no incentives for weatherization measures, like insulation and air sealing. We propose enhancing rebate levels to both increase participation and encourage comprehensive energy efficiency projects.

There are several possibilities for program enhancement:

1. Increase the level of all existing rebates – Increasing rebate levels would likely increase participation, and would be instrumental in encouraging customers to choose energy efficient alternatives when they would otherwise choose a base alternative.
2. Increase the rebate level for one appliance for a one-year period – Having a specific campaign could focus energy efficient efforts on that product, and the limited-time offer could encourage increased participation
3. Provide an additional rebate for customers who complete a defined set of energy efficiency upgrades – Incentivizing packages of multiple measures would encourage customers to look beyond lighting for energy savings.
4. Develop an incentive structure for weatherization measures.

These options should be considered in tandem with a benefit-cost analysis and development of a method to determine incentives (see Administrative Recommendation #2), and with input from best practices across New England.

Action: OER can work with PUD to develop an enhanced incentive package that is aligned with PUD's grid management priorities, works with PUD's management structure, and can be sustainably maintained for future program years.

Impact: Claimable savings from lighting is attenuating quickly. Therefore, incentivizing non-lighting measures and comprehensive projects will ensure PUD is positively affecting the market in a cost-effective manner.

Sustainable Implementation: After determining incentive levels and structure, implementation should be largely similar to current program implementation. Assuming an aggregate annual budget of \$50,000,

sector-specific budgets can be split to ensure equity and cost-effectiveness based on findings from the pilot.

Strategy #3: Subsidize Building Operator Certification for facilities managers

Timeframe and Funding Considerations: Pilot in 2018; Full scale implementation in 2019. Pilot funding coincides with the EERMC workforce development initiative.

Motivation: Building Operator Certification (BOC) training provides essential information for how to effectively maintain buildings, including specific processes to ensure optimal energy use and proper energy management. BOC courses also connect facilities managers to each other, fostering a professional network for sharing best practices and answering specific questions.

We recommend providing a reimbursement for facilities managers that obtain a BOC. To align with reimbursement levels elsewhere in the state, we recommend reimbursing 50% of the cost (\$900) for each facilities manager that manages a facility that either meets some square footage criteria (e.g. manages facility over some square footage) or some energy consumption criteria (e.g. consumes over some MWh per year or has peak demand over some kW).

The EERMC has allocated funding for facilities managers workforce development in 2018. This initiative possibly includes subsidizing BOC training, developing energy efficiency modules specific for Rhode Island that are publicly available, and disseminating free resources to facilities managers. This existing initiative would be a timely way to start developing reimbursement criteria, conducting outreach about BOC, and getting at least one Pascoag facilities manager trained.

Action: OER can work with PUD to garner initial interest among facilities managers to attend a BOC training in 2018. OER can continue to work with PUD to define reimbursement criteria and process, and connect interested facilities managers with training opportunities after full-scale implementation of this strategy.

Impact: 10 facilities managers per year representing 10 community businesses or public entities can be trained each year, leading to an estimated total annual savings of 1,000 MWh.⁷

Sustainable Implementation: 50% reimbursement (\$900) for 10 facilities managers per year requires an annual budget of \$9,000.

Phase 2 Programmatic Strategies

Strategy #4: Facilitate commercial financing options either through a third-party bank and/or enable Commercial Property Assessed Clean Energy

Timeframe and Funding Considerations: Research in 2018 with implementation in 2019. No funding necessary, though creating a loan loss reserve could lower interest rates for borrowers.

⁷ Based on 100 MWh annual savings per BOC-credentialed building operator: <http://www.theboc.info/wp-content/uploads/2017/02/BOC-Energy-Savings-FAQ-2.0-web.pdf>

Motivation: For small businesses, energy efficiency measures can not only reduce energy costs but can help the business absorb shocks from increasing energy prices or use due to colder-than-normal winters and hotter-than-normal summers. However, small businesses often struggle with finding the up-front capital needed for energy efficiency projects, preventing these businesses from benefiting from reduced energy bills. PUD has identified several energy efficiency projects in small, local businesses, but has noted the barrier upfront costs play in preventing businesses from realizing benefits of energy efficiency.

We recommend facilitating financing options for cost-effective energy efficiency investments through partnership with a local, third-party bank. Ideally, energy auditors and contractors could recommend the bank and include the cost of financing directly in their recommendations report. Ideally, too, the length of the loan should be flexibly structured so the overall financing is cash-flow positive. A loan loss reserve is one tool that could lower interest rates for energy efficiency projects.

Commercial Property Assessed Clean Energy (C-PACE) is another financing option that would eliminate the barrier of upfront capital. C-PACE finances cost-effective clean energy projects with repayment through municipal property assessments. The Town of Burrillville would need to pass an ordinance to allow C-PACE financing.

If successful, later work could explore financial products for residential customers. Public entities already have access to the Efficient Buildings Fund for low-interest rate financing.

Action: OER and PUD can work to explore the potential for financial relationships with local third-party banks. OER can additionally work with RIIB and the Town of Burrillville to facilitate acceptance of C-PACE financing, and liaise with PUD as needed.

Impact: Financing availability could assist at least three small businesses annually, based on typical energy efficiency project implementation levels in PUD. Annual energy savings impact could be roughly 100-200 MWh.

Sustainable Implementation: PUD staff do not have the bandwidth to administer and manage a financing program in house. Therefore, the sustainable implementation of this strategy lies in identifying a third-party bank to oversee financing, and/or enacting C-PACE in the Town of Burrillville.

Strategy #5: Increase the number of residential energy assessments and no-cost direct install measures, with increased outreach to low-income residents

Timeframe: Begin pilot planning in 2018 and identify a funding source. If successful, implement a full-scale program in 2020.

Motivation: Residential energy assessments with no-cost direct install measures are critical for households to reduce energy use and lower their energy bills. PUD contracts with Energy New England (ENE) to conduct home energy assessments. ENE conducts 10-20 assessments annually within PUD territory. The assessments provide limited no-cost direct install measures (i.e. up to three LED bulbs per home) and do not include tests of ventilation or insulation.

In contrast, other Rhode Island residents can receive a more comprehensive assessment with a larger number of no-cost direct install measures. These additional benefits lead to participation rates that are an order of magnitude higher.

We recommend scaling up the residential energy assessment program. Ideally, PUD should target 120 home energy audits annually, with an increased number of direct-install measures and a more comprehensive assessment that includes ventilation and insulation.

OER can provide technical assistance with issuing a Request for Proposals, reviewing or revising scopes of work, and including best practices for residential home energy assessments.

Action: OER can provide technical assistance to PUD to build out a more comprehensive home energy assessment program pilot.

Impact: A more robust home energy assessment program would reach nearly 110 more households, and would increase energy and cost savings from direct install measures. In total, we aim for an annual participation rate of 3% (equals 120 audits/4,074 residential customers). Over ten years, nearly one in three PUD homes would have received a home energy assessment.

Sustainable Implementation: PUD budgeted for 12 audits at \$235 each in 2018. The proposed pilot will aim to increase participation ten-fold in addition to increasing the depth of the energy assessment (assume a roughly two-fold increase in unit cost, subject to further research and cost-benefit analysis of the aggregate residential program).

$$120 \text{ audits} * \$500 \text{ per audit} = \$60,000 \text{ annual program budget}$$

OER can provide technical assistance for modifying the contract with Energy New England or for developing an RFP to solicit a new vendor. OER can also provide ongoing technical assistance as needed. The vendor would be responsible for program administration and would be required to provide monthly reports to PUD.

Strategy #6: Continue to improve residential offerings by developing specific incentives for renters/landlords

Timeframe: Develop pilot-scale program in 2019 to test program elements. Suggested allocation of \$25,000 in RGGI funding. If successful, implement full scale program in 2020.

Motivation: Renters and landlords face a split-incentive when it comes to energy efficiency improvements, and resolving this agency problem is a current challenge efficiency programs are tackling across the country. Renters are also often low-income residents, who face a significantly higher energy burden than other residents, and are hit particularly hard by price volatility. Furthermore, energy efficiency often leads to better health and productivity outcomes, especially for vulnerable populations.

Renter/landlord-specific energy efficiency offerings are key to addressing this important need. Examples include programs designed specifically for renters and special outreach to affordable housing developers to encourage energy efficient designs. PUD could also enhance outreach about federal programs like WAP and LIHEAP.

PUD has offered a program specific for low-income residents in the past but without much success in participation. This experience should inform a pilot program in 2019 aimed instead at renters and landlords. If successful, the 2019 pilot should inform development of a full-scale program to be implemented in 2020.

Action: OER can work with PUD to develop an outreach strategy to the renter community about energy efficiency opportunities. OER can support PUD in developing a pilot program and full-scale program based on best practices.

Impact: Approximately 1,700 housing units are not owner-occupied in the Town of Burrillville.⁸ This program should aim to reach five percent of households that rent (85 households) in its first year, scaling up as appropriate.

Sustainable Implementation: Budget to be determined by scope of program and demand.

Phase 3 Ideas

We do not include specific descriptions or actions for Phase 3 Ideas at this point. These ideas can be developed and evolve as we learn from Phase 1 and Phase 2 Programmatic Strategies.

Strategy #7: Automate benchmarking through EnergyStar Portfolio Manager, with appropriate support, training, and resources

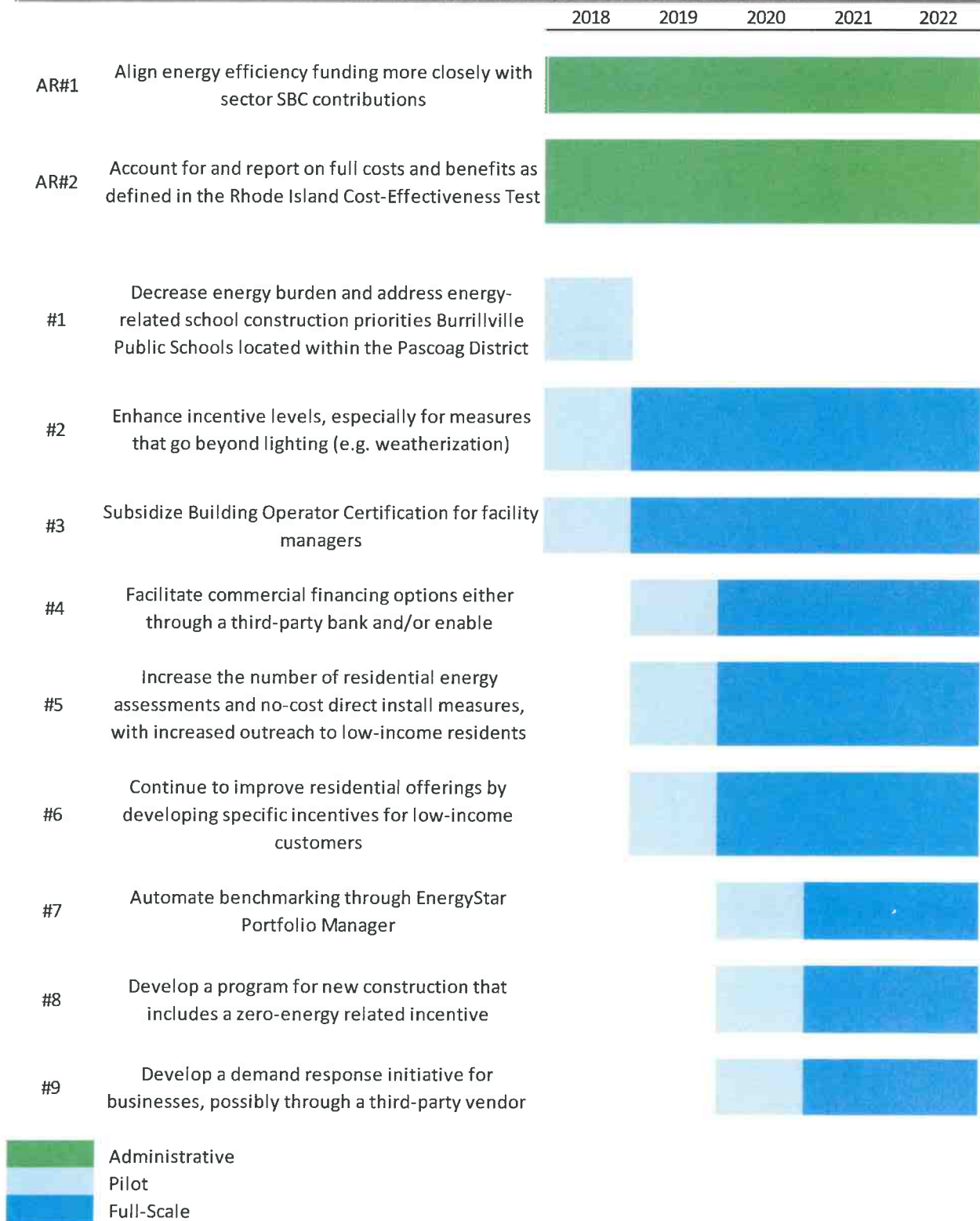
Strategy #8: Develop a program for new construction that includes a zero-energy related incentive

Strategy #9: Develop a demand response initiative for businesses, possibly through a third part vendor

⁸ <https://www.census.gov/quickfacts/fact/table/burrillvilletownprovidencountyrhodeisland/PST045216>

Strategy	Pilot/Research Timeframe	Initial Funding	Initial Funding Source	Year of Full Scale Implementation	Sector	Proposed Annual Budget from SBC	Incremental SBC
<i>Administrative Recommendations</i>							
AR#1	Evenly distribute energy efficiency funding by sector based on SBC contribution	2018	\$ -	N/A	2019	Admin	\$ - \$ -
AR#2	Account for and report on full costs and benefits as defined in the Rhode Island Cost-Effectiveness Test	2018	\$ -	N/A	2019	Admin	\$ 10,000 \$ 0.00018
<i>Phase 1 Programmatic Strategies</i>							
#1	Decrease energy burden and address energy-related school construction priorities Burrillville Public Schools located within the Pascoag District	2018	\$ 100,000	RGGI 2018 A	2018	Non-Res	\$ - \$ -
						Res	\$ 25,000 \$ 0.00044
#2	Enhance incentive levels, especially for measures that go beyond lighting (e.g. weatherization)	2018	\$ 100,000	RGGI 2018 B	2019	Non-Res	\$ 25,000 \$ 0.00044
#3	Subsidize Building Operator Certification for facility managers	2018	\$ -	Implicit in EERMC workforce development initiative	2019	Non-Res	\$ 9,000 \$ 0.00016
<i>Phase 2 Programmatic Strategies</i>							
#4	Facilitate commercial financing options either through a third-party bank and/or enable Commercial Property Assessed Clean Energy	2018	\$ -	N/A	2019	Non-Res	\$ - \$ -
#5	Increase the number of residential energy assessments and no-cost direct install measures, with increased outreach to low-income residents	2019	\$ 120,000	RGGI 2018 B	2020	Res	\$ 60,000 \$ 0.00105
#6	Continue to improve residential offerings by developing specific incentives for low-income customers	2019	\$ 25,000	RGGI 2018 B	2020	Res	\$ 25,000 \$ 0.00044
<i>Phase 3 Programmatic Strategies</i>							
#7	Automate benchmarking through EnergyStar Portfolio Manager	2020	\$ -	?	2021	Both	\$ - \$ -
#8	Develop a program for new construction that includes a zero-energy related incentive	2020	\$ -	?	2022	Both	\$ - \$ -
#9	Develop a demand response initiative for businesses, possibly through a third part vendor	2020	\$ -	?	2022	Non-Res	\$ - \$ -

Administrative Recommendations and Programmatic Strategies Timeline



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
RHODE ISLAND OFFICE OF ENERGY RESOURCES



**2021-B PLAN FOR THE ALLOCATION AND DISTRIBUTION OF
REGIONAL GREENHOUSE GAS INITIATIVE AUCTION PROCEEDS**

October 2021

1.0 Authority

The 2021-B Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds (Plan) is authorized by Rhode Island General Laws (RIGL) §23-82-1 et seq.

2.0 Definitions

For the purposes of this Plan, the terms defined in RIGL §23-82-1 et seq. shall be given the same meaning as provided in the statute and regulations.

3.0 Auction Proceeds included in the 2021-B RGGI Allocation Plan

3.1 RGGI, Inc. conducted auctions on behalf of the State of Rhode Island on March 3, 2021 (Auction #51) and June 4, 2021 (Auction #52).

3.2 These auctions resulted in the following Gross Auction Proceeds for the state:

Auction #51	\$5,743,274.40
<u>Auction #52</u>	<u>\$3,242,777.81</u>
Total	\$8,986,052.21

4.0 Adoption of the Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds

4.1 The Rhode Island Regional Greenhouse Gas Initiative Act provides for the use of Auction Proceeds. RIGL §23-82-6 requires that the Auction Proceeds be used for the benefit of energy consumers through investment in the most cost-effective available projects that can reduce long-term consumer energy demands and costs. The annual auction proceeds proposal shall be designed to augment and coordinate with existing energy efficiency and renewable energy programs, and shall not propose use of auction proceeds for projects already fully funded under other programs.

4.2. The Rhode Island Office of Energy Resources (OER) is authorized to allocate the auction proceeds for the following purposes, in a proportion to be determined annually by OER in consultation with the Rhode Island Department of Environmental Management (DEM) and the Rhode Island Energy Efficiency and Resources Management Council (EERMC):

- (1) Promotion of cost-effective energy efficiency and conservation in order to achieve the purposes of section 39-1-27.7;
- (2) Promotion of cost-effective renewable non-carbon emitting energy technologies in Rhode Island as defined in RIGL §39-26-5 and to achieve the purposes of chapter 39-26 entitled “Renewable Energy Standard”;
- (3) Cost-effective direct rate relief for consumers;
- (4) Direct rate relief for low-income consumers;
- (5) Reasonable compensation to RGGI, Inc.; and

- (6) Reasonable costs of the OER and the Department of Environmental Management (DEM) in administering this program.
- 4.3 OER concludes that this Plan is consistent with applicable statutes. Public notice of the proposed Plan was provided on September 2, 2021. A copy of the Notice is attached hereto. A public comment hearing was held on October 5, 2021. The public was allowed additional time to submit written comments until October 15, 2021.
- 4.4 OER has responded to all substantive comments received on the Plan and are provided in the attached document entitled Response to Comments.
- 4.5 OER and DEM agree that the Plan was adopted in accordance with RIGL §23-82-6 and Chapter 42-35, the Administrative Procedures Act.

5.0 Allocation of Auction Proceeds

- 5.1 Compensation to RGGI, Inc.
 - 5.1.1 RIGL §23-82-6(a)(5) authorizes the reasonable compensation of an entity to administer the auction on behalf of the State of Rhode Island. RGGI, Inc. is the entity that conducted the auctions listed in Section 3.0.
 - 5.1.2 A total of \$18,506.73 was deducted from Auction #51 proceeds for Rhode Island's RGGI, Inc. obligations.
- 5.2 Administrative expenses
 - 5.2.1 RIGL §23-82-6(a)(6) authorizes the reasonable costs of OER and DEM in administering the RGGI program. The total reimbursement to both entities shall not in any year exceed \$300,000.00 or 10.0% of the proceeds, whichever is greater.
 - 5.2.2 Ten percent (10.0%) of total auction proceeds from the auctions listed in Section 3.0 is \$898,605.22. Therefore, as specified in RIGL §23-82-6(a)(6), OER and DEM shall each be reimbursed a total of \$449,302.61.
- 5.3 Interest Accrued on RGGI Proceeds
 - 5.3.1 There is no accrued interest allocated in this plan.
- 5.4 Transfer of RGGI Funds from Previous Allocation Plans

5.4.1 OER shall transfer \$466,057.00 of previously allocated RIPEP program funding from the 2015 Plan (5.3.2c) and 2012 Plan (5.4.2a) (combined) for use in the 2021-B Allocation Plan.

5.5 Allocation of Net RGGI Proceeds

5.5.1 After accounting for administrative expense reimbursement to OER and DEM, compensation to RGGI, Inc., fund transfers, and accrued interest, the net balance available for programmatic allocation in the 2021-B Allocation Plan is **\$8,534,997.26**.

5.5.2 OER finds that allocating the balance of the Auction Proceeds for the promotion of cost-effective energy efficiency and conservation and the promotion of cost-effective renewable non-carbon emitting energy technologies shall be best accomplished by disbursements as follows:

5.5.2.a **\$2,314,997.26** shall be allocated to the Rhode Island Commerce Corporation's Renewable Energy Fund (REF) to support to support the small-scale and/or commercial-scale program for PV adoption by homeowners and small businesses. This program shall be administered by Commerce and OER.

5.5.2.b **\$2,400,000.00** shall be allocated to support and implement energy efficiency and renewable energy projects at Rhode Island state government facilities, consistent with the goals of the State of Rhode Island's "Lead by Example" Initiative. Energy efficiency improvements and renewable energy installations at buildings and facilities owned and operated by the State offer the potential to significantly reduce short- and long-term energy consumption and costs, while supporting local economic growth and job creation. Consequently, these projects will benefit Rhode Island taxpayers and advance the State's clean energy and environmental goals. This program shall be administered by OER and will leverage other existing incentives, funding streams, and programs, where appropriate

5.5.2.c **\$2,000,000.00** shall be allocated to accelerate the adoption of LED lighting technologies across municipal and/or public-school facilities, thereby reducing public sector energy consumption and costs, while improving the quality of lighting in public buildings and learning environments. This program shall be administered by OER and leverage other existing incentives, funding streams, and programs, where appropriate.

5.5.2.d **\$1,500,000.00** shall be allocated to support clean energy and resiliency investments that support RIPTA operations. OER and RIPTA will seek to leverage other funding streams, where appropriate, and collaborate on the identification of viable opportunities for project development.

5.5.2.e **\$200,000.00** shall be allocated to support local agricultural entities "green" their operations and benefit from related energy and cost savings achieved through clean energy projects. OER will coordinate with DEM on implementation of this program and support alignment with other existing clean energy initiatives available to Rhode Island's agricultural community.

5.5.2.f **\$120,000.00** shall be allocated to support the delivery of cost-effective energy efficiency programs and incentives to utility customers in the Pascoag Utility District (PUD). OER will work in coordination with PUD management to leverage existing system benefit charge funding, enhance incentive and program offerings, and identify cost-effective investment opportunities in the community.

6.0 Tracking and Reporting

6.1 Consistent with OER's reporting requirement under RIGL §23-82-6(d), all recipients of RGGI funding are required to comply with OER data and reporting requests, including, but not limited to, those reporting requirements specified in procurement documents and/or any memoranda of understanding.



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

Legal Section
89 Jefferson Boulevard
Warwick, Rhode Island 02888
(401) 941-4500
(401) 941-9207 – Fax

November 2, 2022

Ms. Desarae Dolan
Supervisor of Administration
Pascoag Utility District
253 Pascoag Main St.
Pascoag, RI 02859

Dear Ms. Dolan:

The Division of Public Utilities and Carriers (“Division”) is in receipt of your request dated October 6, 2022 which seeks approval for the Pascoag Utility District (“Pascoag”) to transfer Demand Side Management (“DSM”) funds between programs in the same sector. You have requested a transfer of \$15,000 of Regional Greenhouse Gas Initiative (RGGI) money from the Landlord Weatherization Pilot program to the Residential Weatherization program and a transfer of \$5,000 from the Enhanced Incentive HVAC program to the HVAC & Water Heating program. In support of your request, you provided an updated DSM spending report for the period through October 2022 demonstrating sufficient available funds to effectuate these transfers.

Your inquiry explained that your request is made in accordance with the requirements of the 2021 DSM Plan Report and Order which provided:

The Commission will allow Pascoag the flexibility to transfer funds between programs within a particular sector if the amount is less than 20% of the originating program’s budget. If the amount of the transfer is greater than 20% of the originating program’s budget, Pascoag must obtain written approval from the Division and provide simultaneous notification to OER. Transfer of any amount of RGGI funds shall require prior written approval of OER. The Commission will also allow the transfer of funds between sectors with the prior written approval of the Division and simultaneous notification to OER. Transfers that reduce a sector’s budget by more than 20% in aggregate over the course of the program year shall also require Commission approval. Transfer of any amount of RGGI funds shall require prior written approval from OER.

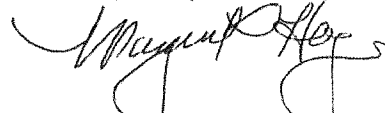
The Division acknowledges and accepts Pascoag's stated rationale for the transfer to the Residential Weatherization program: (1) current activity in the Residential Weatherization program includes scheduling twenty-two customers for home energy audits; (2) four pending weatherization projects are expected to exhaust the approximate \$20,000 balance of the Residential Weatherization funds; and (3) only two landlords have been actively working on getting energy audits and weatherization estimates completed, leaving \$15,000 in unencumbered funds in the Landlord Weatherization program.

You opined, and the Division agrees, that assisting residential customers with weatherization before the winter will be a more effective and worthwhile application of DSM funds which most likely would not be otherwise utilized. Please do note that the issuance and supervision of RGGI funds does not rest with the Division but rather with the Office of Energy Resources.

Concerning the request to transfer funds from the Enhanced Incentive HVAC program to the HVAC & Water Heating program, you explained that only \$200 in funding remains in HVAC & Water Heating with an expectation of additional incoming rebate applications through the end of the year. You have explained that only two of the three Enhanced Incentive HVAC customers have the potential to move forward with the HVAC system, leaving a potential balance of unused funds totaling \$5,000. You have opined and the Division agrees that a transfer of the funds to cover HVAC & Water Heating rebates applications for the remainder of the year would be far more advantageous than having unused carryover funds in the Enhanced Incentive HVAC fund.

As noted above, the Division agrees with both of Pascoag's requested transfers and hereby approves of the proposed transfers, subject to OER's consent to the transfer of RGGI funds. Feel free to contact me if you have any questions.

Very Truly Yours,

A handwritten signature in cursive script, appearing to read "Margaret L. Hogan".

Margaret L. Hogan, Esq.

cc: John Bell