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August 4, 2023

VIA ELECTRONIC MAIL

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

**RE: Docket No. 22-33-EE – 2023 Annual Energy Efficiency Plan
Mid-Year Report**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), enclosed, please find the Company’s 2023 Energy Efficiency Mid-Year Report (“Mid-Year Report”). This Mid-Year Report is being filed in accordance with directives issued by the Public Utilities Commission during an open meeting held on December 20, 2022 requiring the Company to update spending forecasts with respect to its energy efficiency programs.

Thank you for your attention to this filing. If you have any questions, please do not hesitate to contact me at 401-784-4263.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew S. Marcaccio".

Andrew S. Marcaccio

cc: Docket No. 22-33-EE Service List

THE NARRAGANSETT ELECTRIC COMPANY d/b/a RHODE ISLAND ENERGY
2023 ENERGY EFFICIENCY MID-YEAR REPORT

Mid-Year Results and Year-End Forecasts

Table 1 shows Electric Energy-Efficiency program actual results through June along with year-end forecasts for spending and savings.

Table 1. Electric Energy Efficiency Summary of 2023 Mid-Year Results and Year End Forecasts

Rhode Island Energy Electric Energy-Efficiency Programs								
Summary of 2023 Mid-Year Results and Year End Forecasts								
Sector	Implementation Expenses (\$ 000)				Energy Savings (Lifetime MWh)			
	Budget	Actual Thru June	Pct Achieved	Year-End Forecast	Planned	Actual Thru June	Pct Achieved	Year-End Forecast
Commercial & Industrial	\$ 49,652.9	\$ 7,606.9	15.3%	90.0%	460,338	91,342	19.8%	96.0%
Income Eligible Residential	\$ 15,179.0	\$ 3,452.6	22.7%	92.0%	41,712	8,179	19.6%	92.0%
Non-Income Eligible Residential	\$ 31,048.2	\$ 9,837.2	31.7%	97.0%	166,665	53,585	32.2%	96.0%
TOTAL	\$ 95,880.1	\$20,896.7	21.8%	93.0%	668,715	153,105	22.9%	96.0%

There are several sector- and program-specific factors that lead to these results and forecasts, many of which apply to both electric and gas programs:

Residential and Income-Eligible

The EnergyWise Single-Family program is expected to come close to budget and savings goals based on strong demand and pipeline for services. The Income Eligible Services Single-Family program has had a slower than expected start due to coordination required with community action programs to adequately match the supply and demand for services in their territories. However, a strong pipeline of projects is building up and the program is expected to dramatically ramp up for the remainder of the year.

The EnergyWise Multifamily, C&I Multifamily, and Income Eligible Multifamily programs continue to be impacted by general economic headwinds and inflation that are making some multifamily property owners reluctant to move forward with capital improvement projects. There

also remain some supply chain issues that are resulting in longer lead times for equipment, pushing out job completion dates. Also, with the maturity of the Income Eligible Multifamily program and less opportunity for the installation of lighting measures, the savings are comparatively more difficult to achieve than in prior years.

The Residential New Construction program continues to be impacted by the COVID-19 pandemic. This is because Residential New Construction measures are implemented near the tail end of a residential construction project. Residential construction projects can take up to two years or more to complete, and a lower than typical number of new building permits were pulled in 2020-2021 during the height of the pandemic. Therefore, there are fewer projects coming to completion now. The number of residential construction permits issued increased in 2022, which leads to an expectation for growth of the program in future years.

Commercial and Industrial

The Large Commercial Retrofit program is experiencing lower than typical subscription. Rhode Island Energy is implementing tactics to increase participation and expects to drive the savings and spend closer to the planned values by year end. The Company's experience indicates that many projects commence construction in the fall which is anticipated to lead to increased activity.

The Non-Residential New Construction program is facing many of the same macro-economic headwinds as the Residential New Construction program, along with other program-specific factors. The Company believes that general economic and financial conditions have impacted commercial and industrial construction. These conditions include higher interest rates and construction costs. For example, increased construction costs have caused municipalities to reassess the building of new schools. Additionally, there is a lack of workforce in the new construction industry pipeline (i.e. trades) to meet project demand. In some cases, the lingering effects of the pandemic have caused continuing shipping delays and supply chain shortages that have led to projects being put on hold or deferred. Non-Residential New Construction projects can take up to four years or more after initial planning to materialize, thus resulting in longer lead time to see results from economic recovery.

Table 2 shows Gas Energy-Efficiency program actual results through June along with year-end forecasts.

Table 2. Gas Energy Efficiency Summary of 2023 Mid-Year Results and Year End Forecasts

Rhode Island Energy Gas Energy-Efficiency Programs								
Summary of 2023 Mid-Year Results and Year End Forecasts								
Sector	Implementation Expenses (\$ 000)				Energy Savings (Lifetime Therms)			
	Budget	Actual Thru June	Pct Achieved	Year-End Forecast	Planned	Actual Thru June	Pct Achieved	Year-End Forecast
Commercial & Industrial	\$ 10,400.5	\$ 3,188.2	30.7%	91.0%	19,280,626	6,020,956	31.2%	91.0%
Income Eligible Residential	\$ 8,644.4	\$ 1,172.7	13.6%	94.0%	3,416,441	368,811	10.8%	90.0%
Non-Income Eligible Residential	\$ 16,089.9	\$ 3,761.4	23.4%	93.0%	12,681,285	3,926,395	31.0%	93.0%
TOTAL	\$ 35,134.8	\$ 8,122.3	23.1%	93.0%	35,378,352	10,316,162	29.2%	92.0%

There are several sector- and program-specific factors that lead to these results and forecasts, some of which are the same as the electric programs and some that are gas-specific. *In addition to* the factors listed in the electric section above, gas-specific factors include:

Residential and Income-Eligible

The pipeline for Multifamily gas projects is reasonably strong and, with continued outreach and support provided to our Multifamily property stakeholders, the opportunity exists for spending and savings to come into closer alignment to targeted objectives by the end of the year.

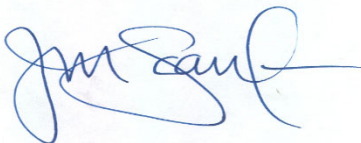
Commercial and Industrial

The Large Commercial Retrofit gas program has had a smaller pipeline than in past years, but there are a number of steam trap and leak surveys being conducted over the summer that are expected to lead to savings in the fall.

Certificate of Service

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

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



Joanne M. Scanlon

August 4, 2023

Date

**Docket No. 22-33-EE – Rhode Island Energy’s Energy Efficiency Plan 2023
Service list updated 8/1/2023**

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