



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

Massachusetts Energy Efficiency Equity Targets, Metrics & Reporting

Presented By: EERMC C-Team

Date: November 28, 2022



Presentation Overview

Background

- Mass Save Overview
- Timeline of Key Equity Developments
- Nonparticipant Studies

Equity Working Group (EWG)

- Environmental Justice (EJ) Municipalities
- Equity Investments
- Recommendations

Equity Targets and Performance Incentives

Where Are We Now in MA?

Lessons Learned/Advice to RI

Key Differences

We'll pause every few sections to highlight key differences between the process in MA and RI



Mass Save Overview

The Mass Save Program Administrators (PAs) work under a three-year plan

- Current plan term is 2022-2024



WE ARE MASS SAVE®:



Together, we make good happen for Massachusetts.



Timeline of Key Equity Developments

Green justice advocates regularly present public testimony at EEAC meetings about vulnerable populations not being well served by Mass Save

2019-2021 Plan filed and approved with commitment to conduct nonparticipant studies

Equity Working Group develops recommendations
Equity Targets developed

2013

2018

2019

2020

2021

2022-24

MA PAs implement a few different programs to serve renters and moderate income customers with tepid results

Nonparticipation studies completed
Equity Working Group formed

PAs implement equity commitments
Equity Targets tracked and reported



Nonparticipant Studies Background

When MA PAs questioned whether certain population groups were served at lower rates, the EEAC negotiated a commitment to conduct evaluation research to assess

Commitment for the 2019-2021 MA EE Plan:

The Program Administrators will conduct tailored evaluations in 2019 that address participation levels and potential unaddressed barriers for (a) businesses (small, medium and large) and (b) residential customers by income levels and by non-English speaking populations (utilizing proxy methods that do not rely on specific income or demographic information from Mass Save® participants). The Program Administrators will leverage the existing EM&V framework, and present full results of the studies to the EEAC.

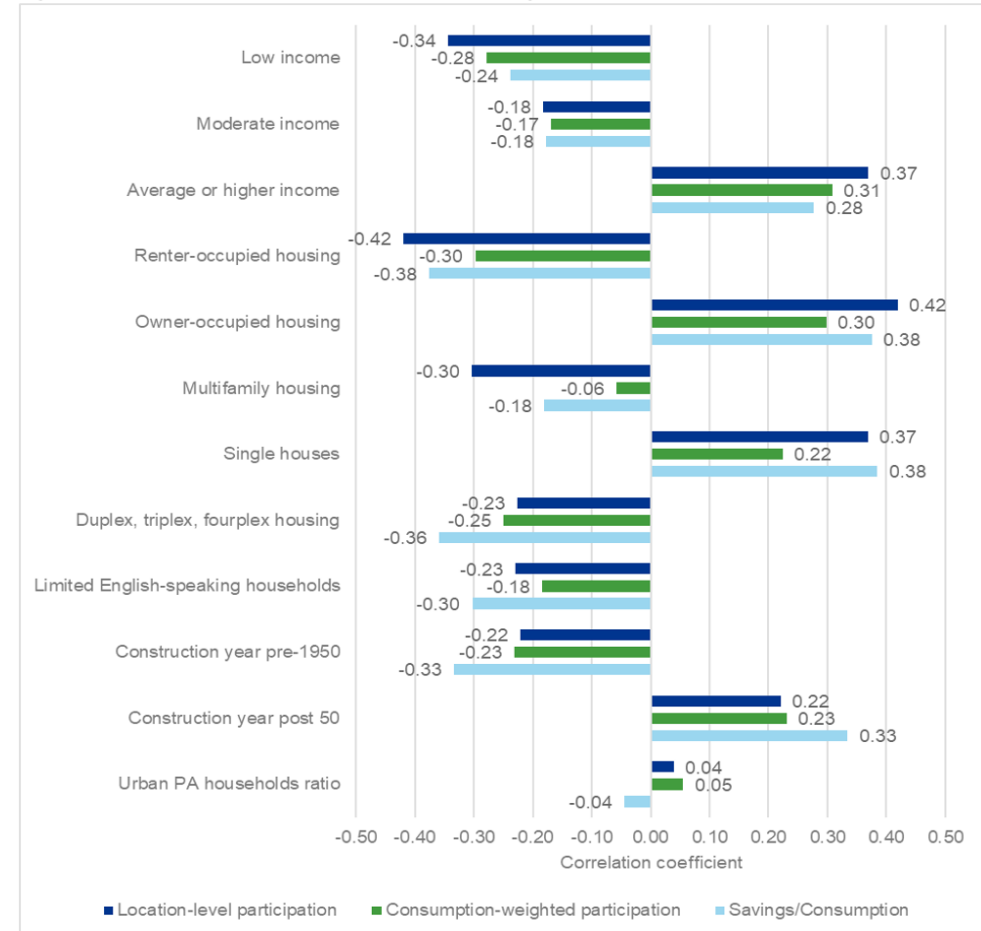


Res Nonparticipant Studies Findings

Key Takeaway

Moderate-income households, renter households, and limited English-speaking households participated at a lower rate than other populations in 2013-2017

Figure 5-1. Correlation of participation metrics with demographic variables – electric



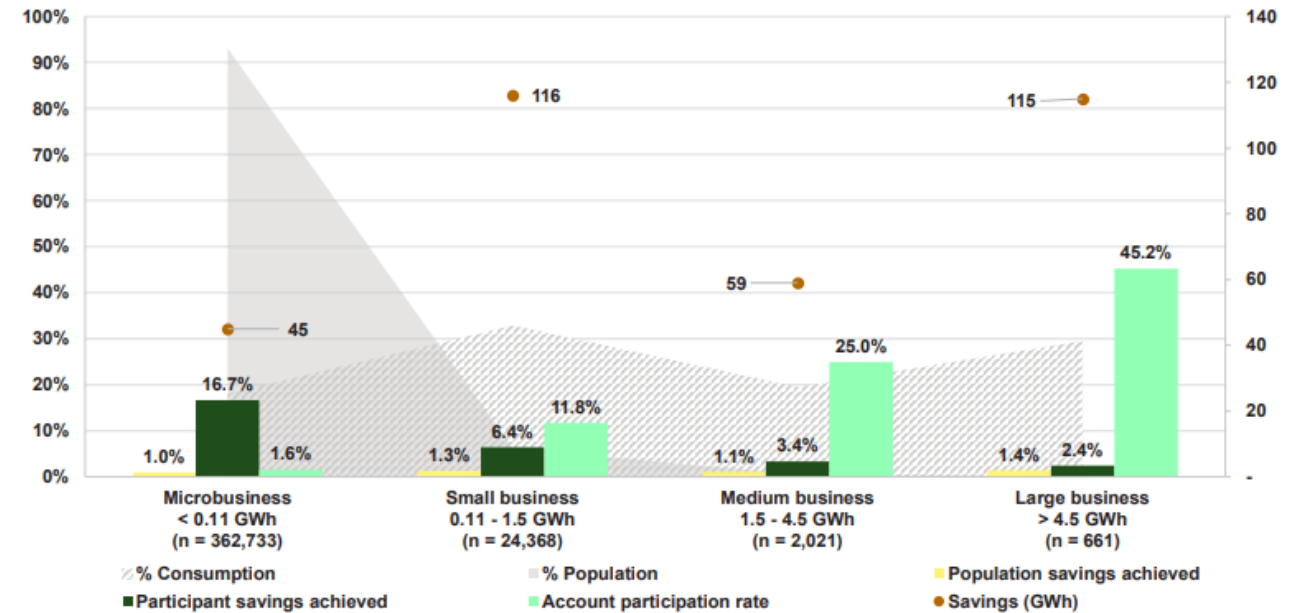


C&I Nonparticipant Studies Findings

Key takeaway

Microbusinesses have consistent patterns of lower population savings and account participation rates than small and non-small businesses.

2020 participation, savings achieved, and total savings (GWh) by consumption size, electric





Differences

Category	Massachusetts	Rhode Island
Timeline of Addressing Equity	Work to address equity concerns begins with negotiation of 2019-2021 Plan, including performance incentive for renter participation and nonparticipant studies	Addressing equity concerns begins with establishment of the equity working group in 2021
Energy Efficiency Plan Terms	3-Year Plans are binding with no regular associated annual plan Current iteration is 2022-2024	3-Year Plans are illustrative with binding annual plans Current iteration is 2021-2023 with planning occurring in 2023 for the 2024-2026 3-Year plan and 2024 Annual Plan
Nonparticipant Studies	Studied both residential and small commercial segments	Studied only residential segments



Equity Working Group

Formation of EWG approved by EEAC in May 2020 after presentation of nonparticipant studies results

Includes six voting representatives of the Council, four PAs, Low Income Energy Affordability Network, consultants, and three outside stakeholders

Co-chaired by two voting members of EEAC; agenda planning and meeting preps conducted by co-chairs, DOER, and consultants conferring with PAs when appropriate

Initial focus was to develop equity-related recommendations for the 2022-2024 Plan

Met 2 times per month for more than six months

Outside stakeholders participated at many meetings to provide input



Focus populations/program areas

Renters

Workforce

Moderate income customers

Partnerships

English isolated customers

Environmental justice municipalities

Small businesses



EJ Municipalities Defined

Communities the PAs will focus on for:

- targeted equity investment and outreach strategies
- the Environmental Justice Municipalities equity target
- equity component of the performance incentive mechanism

EJ Municipalities must:

- (1) be served by an electric and/or gas Program Administrator
- (2) **contain at least one environmental justice population** as defined by the Executive Office of Energy and Environmental Affairs Environmental Justice Policy, and
- (3) **have historically low participation rates** (combined consumption-weighted participation rate of 27 percent or less according to nonparticipant studies)

60 municipalities (out of 351) and 8 Boston neighborhoods meet criteria



Equity Working Group Recommendations

Informed significantly by stakeholder input supplied at EWG meetings in fall of 2020

EWG made 71 detailed recommendations, organized by focus populations/program areas noted above as well as reporting and rewarding performance

EWG weighed in with different versions of these recommendations at all stages of plan development in 2021

- Prior to submission of first draft due April 30
- In Council's formal comments on first draft in July
- In final resolution for the 2022-2024 Plan in October



Equity Investments

Equity Investments 2022-2024			
Metric	Investments ^(b)	Net Lifetime MMBtu Savings	Participants
Moderate Income ^(a)	\$136,074,730	8,769,488	19,085
Renters and Landlords ^(a)	\$44,306,061	4,016,133	27,412
Income Eligible Renters & Landlords	\$208,238,560	11,221,235	87,351
Language Isolated Customers ^(c)	\$9,141,743	N/A	N/A
Small Businesses	\$185,108,288	10,722,738	17,574
Pre-weatherization barriers, MR	\$22,965,893	N/A	N/A
Pre-weatherization barriers, IE	\$6,331,445	N/A	N/A
Partnerships	\$6,300,000	N/A	20+ teams across 30+ municipalities
Workforce Development	\$49,585,533	N/A	N/A
Total	\$668,052,254	34,729,594	151,422

- (a) There will be some overlap of Moderate Income and renter/landlord and pre-weatherization incentives.
- (b) Investments above represent Participant Incentive spending except for Partnerships and Workforce Development.
- (c) Includes projected marketing spend, development of language access plan, and costs associated with interpretation services for customers
- (d) These numbers do not include any additional planned full-time equivalents (FTEs) that may be required for implementation or evaluation of equity initiatives.



Equity Targets Overview

Modeled on equity targets created by Energy Trust of Oregon

A key goal of targets is to provide accountability for tracking and achieving results for plan commitments and associated financial investments

Negotiated primarily by consultants and PAs; reviewed, revised, and approved by EWG and then EEAC and then submitted by PAs with full 2022-2024 Plan and approved by DPU

- PAs' approach was that they would not agree to a target they did not feel they could meet

Quantitative focus where possible

- Leveraged existing reporting in several instances to establish baselines
- Where new data collection was required, worked to keep reasonable

Some task-oriented commitments as well

Various reporting schedules



Differences

Category	Massachusetts	Rhode Island
EWG Composition	<ul style="list-style-type: none"> • 6 Voting Councilors • Utilities • Low Income Energy Affordability Network • MA DOER • EEAC C-Team • Outside Stakeholders 	<ul style="list-style-type: none"> • 1 Voting Councilor • Utility • CAP Agencies • RI Office of Energy Resources (OER) • Division of Public Utilities and Carriers • Independent facilitator • Outside Stakeholders
EWG Meeting Coordination	Agenda and topics developed by voting Councilor co-chairs, DOER, and C-Team conferring with utilities when appropriate	Meetings coordinated by independent facilitator overseen in part by utility staff
EWG Recommendations	Over 70 recommendations made to advance increased equity emphasis in programs included in 2022-2024 Plan	14 recommendations which were adopted as commitments in EE Plan with limited review through EE Plan development process
Equity Targets	Plans include quantitative target levels to support assessment of success of increased equity focus	Plans do not yet include target levels



Renters

Increase renter unit participation by 24% from 2021 to 2024, achieved as an increase of 7% in 2022, 7.5% in 2023, and 8% in 2023 in RCD* (baseline to be established using 2021 actual data normalized with the 2022-2024 BCR model). PAs will prepare a strategic plan with detailed examples of how the PAs will serve renters, with a draft by the end of Q2 2022, and a final by the end of Q3 2022.

- *RCD is Residential Coordinated Delivery initiative, comparable to RI's EnergyWise Program

Increase number of renter units served in attached low-rise buildings by at least 16% from 2022 to 2024, achieved as an increase of 8% year over year for both Residential RCD and Income Eligible Coordinated Delivery, which shall be reported separately (2022 to be baseline year). Report separately the number of attached low-rise projects that are 25+ units.

Data to be reported twice each year.



Moderate Income

Increase number of moderate-income weatherization jobs by 700% from baseline to 2024, achieved as an increase of 100% year over year (baseline to be established using 2019 actual data).

Increase number of moderate-income heating systems replaced by 56% from 2022 to 2024, achieved as an increase of 25% year over year (2022 to be baseline year).

Data to be reported quarterly.



English Isolated

Defined as households in which no one 14 and over speaks English only or speaks a language other than English at home and speaks English very well.

Increase number of participants who receive a Home Energy Assessment (HEA) in Residential Coordinated Delivery or online assessment, or energy assessment in Income Eligible Coordinated Delivery, in Spanish or Portuguese by 21% from 2022 to 2024, achieved as an increase of 10% year over year in Residential and Income Eligible sectors, which sectors shall be reported separately (2022 to be baseline year). Data to be reported twice each year.

Increase by 10% from 2022 to 2024, achieved as an increase of 5% year over year the number of participants who receive weatherization after receiving an HEA in Residential Coordinated Delivery or energy assessment in Income Eligible Coordinated Delivery in Spanish or Portuguese (2022 to be baseline year). Data to be reported twice each year.

A Mass Save Language Access Plan will be developed, with analysis completed in 2022 for Residential Coordinated Delivery and Income Eligible Coordinated Delivery, and implementation commencing by the end of the second quarter of 2023. The full Language Access Plan will be completed by the end of Q1 2024. The Plan will address how customers are to be served in their preferred language, and will coordinate PA language resources to allow PAs, lead vendors, contractors, and suppliers to access needed translation and interpretation services.

By the end of 2024, the PAs will be able to offer Home Energy Assessments (either performed by a fluent contractor or with an interpreter) in five languages other than English, which are currently expected to be Spanish, Portuguese, Mandarin, Cantonese, and Haitian Creole.



Small Business

Complete 600 small business weatherization projects in 2022, 700 in 2023, and 800 in 2024.

By 2024, complete a repeat of the C&I 2020 nonparticipant study to analyze participation rates of small and microbusinesses (including small nonprofit organizations) and study barriers to participation. Comparing results of the 2020 and the 2024 studies, increase the percentage of population savings achieved (combined for electric and gas) for non-lighting end uses among microbusinesses by 5%.



Workforce

Conduct EM&V study and share initial results in 2022 to analyze whether and to what extent substantial disparities exist between the availability and PA utilization of state-certified minority and woman-owned business enterprises (M/WBE) in procurement for lead vendors and subcontractors by the PAs (statewide and individually) related to energy efficiency programs and services, including actionable recommendations for how to increase both the availability and PA utilization.

Over the three-year term, at least 120 people will complete training and be placed in relevant industry positions through Clean Energy Pathways, with at least 90 people being Women, Black, Indigenous, or People of Color, fluent in language(s) other than English, and/or from EJ block groups at time of enrollment. PAs will emphasize the value of retention to the measurable success of Clean Energy Pathways and will study success in achieving retention in both training and job placement in the evaluation of the program.

PAs will track and report annually on the number of M/WBEs contracts and spend for contracts that are directly between PAs and vendors that are M/WBEs and also report total number and spend of all direct contracts.

PAs will hold at least two workshops per year for contractors to provide education on PA programs in order to increase ability of new M/WBE vendors to participate; PAs to target advertising for the workshop to likely M/WBE contractors.

At least once per year, the PAs will perform direct targeted outreach to all Massachusetts-certified M/WBEs listed in the Massachusetts Supplier Diversity Office's Directory of Certified Businesses with a Description of Services that indicates that they provide services or equipment that are likely eligible for Mass Save contracts, subcontracts, or incentives. A description of the outreach methods and number and types of businesses contacted will be reported annually in the Q4 report.



Partnerships

Partnerships with municipalities, community organizations, or business associations will be established in at least 75% of Environmental Justice Municipalities. These partnerships may be formal “Municipal and Community Partnership” arrangements or other partnerships outside of that program that aim to improve service to one or more of the identified underserved customer groups.

Track and report annually the number of customer accounts participating and units served in the PA programs in the established Municipal and Community Partnerships municipalities, broken out and reported by sector and by renters, moderate-income qualified, English-isolated customers, and small business turnkey.

Track and report annually the number of outreach activities (marketing campaigns, events, community engagements, etc.) initiated and completed by Municipal and Community Partner for each underserved customer segment focused on by each Partner (renter, moderate-income, English-isolated, and small/microbusiness).

Track and report annually the level of program investment (award amount) for each Partnership Team and which segments each Partnership Team is focusing their efforts on.



EJ Municipalities

Increase Plan over Plan investment¹ by each PA in Environmental Justice Municipalities. Percent increases will be established for each PA and each sector separately.²

Increase number of participants in Environmental Justice Municipalities Plan over Plan by a percent to be set for each PA individually.

Baselines to be established using 2019-2021 actual data normalized with the 2022-2024 BCR model with lighting removed from the baseline and actuals.

Data to be reported annually in the Q4 report.

¹ “Plan over Plan” is 2019-2021 compared to 2022-2024. “Investment” is defined as incentives and money spent for Clean Energy Pathways internships, Municipal Partners, targeted marketing, and other direct/geographically targeted investments.

² PAs will gather and report data on 2019-2021 EJ investment by PA and by sector by the end of Q1 in 2022. Percent increases will be established by the EEAC and PAs by the end of Q2 in 2022.

NOTE: These targets are still being negotiated



Reporting

PAs report progress against targets in their quarterly reporting

EWG is considering a more thoughtful annual review

Energy Trust of Oregon provides a model for annual reporting worth considering:

Program Administrators	Moderate Income Weatherization Jobs			
	2019	2022	2023	2024
Electric PAs				
National Grid	234	66		
Eversource	63	17		
Cape Light Compact	139	28		
Unitil	1	-		
Gas PAs				
National Grid	129	54		
Eversource	26	-		
EGMA	86	14		
Unitil	4	-		
Liberty	11	3		
Berkshire	6	2		
STATEWIDE TOTAL	699	184		
STATEWIDE TARGET		1,398	2,796	5,592

Goal 1B: Support participation of small and medium commercial business customers and commercial business customers in rural areas.²

2021 Target	Results	Status
Serve 1,082 small and medium businesses and 54 customers in very rural areas	Served 1,270 small and medium businesses and 39 customers in very rural areas	

- Energy Trust served 1,270 small and medium businesses in 2021, exceeding goals for this customer group by 17%. Small and medium businesses installed lighting, smart thermostats and food service equipment most commonly.
- Energy Trust fell short of its goal to serve more businesses in very rural areas. Staff should develop more solutions to support businesses in these areas by continuing to focus on local community engagement.



Performance Incentives

An equity-focused performance incentive (PI) component (\$3 million pool for renters) was first attempted in the 2019-2021 Term, but was rejected by DPU

Crafting an equity PI component for the 2022-2024 that the DPU would approve was a very high priority of the collective parties for the 2022-2024 Term

Equity PI component is the result of extensive negotiations between DOER, PAs, Consultants, and Attorney General's office. It is based on benefits achieved in EJ Municipalities (not including large C&I) and for moderate income customers statewide, including from electrification

DPU restructured PI in its approval order, which resulted in reduced equity benefits. Final numbers:

- Electric: \$17.7 million/15% of total electric PI
- Gas: \$9.8 million/28% of total gas PI



Differences

Category	Massachusetts	Rhode Island
Reporting	Progress on targets reported as frequently as quarterly to provide near real time assessment	Progress on commitments reported in bi-annually
Performance Incentives	A share of the performance incentive pool is dedicated specifically to performance on achieving equity benefits	No current performance incentive plan for achievement of equity commitments
Specificity of Targets/ Commitments	Nearly all targets include quantifiable metrics for which to assess a level of success	Most of the commitments in the Plan do not include clear quantifiable metrics



Where Are We Now in MA?

Equity Working Group continues to meet

- Has transitioned at this time to implementation oversight
- In process of being made a formal subcommittee of the Council

Equity topics and performance are regular agenda topics at the EEAC

Achieving equitable program delivery and results are heavy lifts

- PAs are struggling to achieve targets in early stages of Plan



Lessons Learned/Advice to RI

Structure of EWG is important; Council ownership of this process allowed it to steer achievement of its priorities

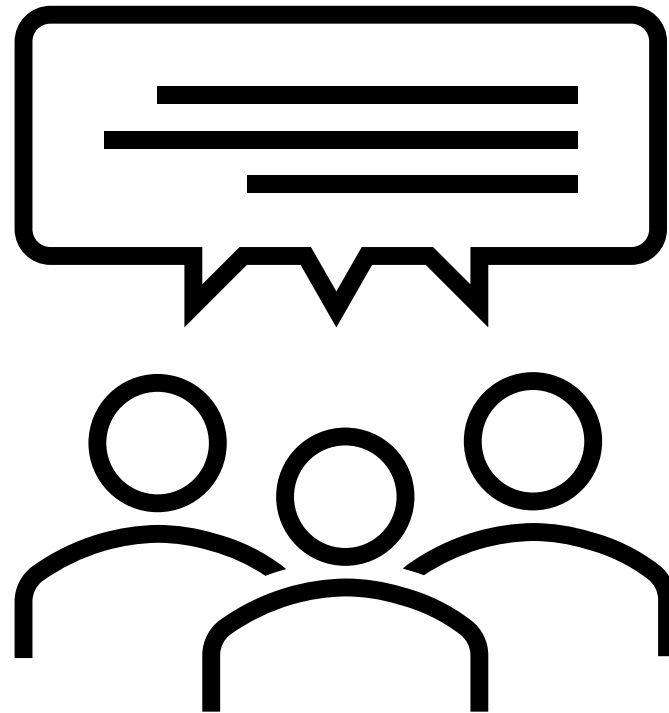
Establish as much tracking for measuring equity efforts as is possible, as soon as possible

Outside stakeholders have important insights to provide and should be engaged as much as possible

Equity targets and equity performance incentive component appear to be motivating PA efforts



Questions and Discussion





APPENDIX





Additional Resources

- [Residential Nonparticipant Customer Profile Study](#)
- [Nonparticipant Market Barriers Study](#) (residential)
- [Nonparticipant studies presentation](#) to EEAC (residential)
- [Commercial and Industrial Small Business Nonparticipant Customer Profile Study](#)
- [Equity Working Group Recommendations](#) to inform 1st draft of 2022-2024 Plan
- [Massachusetts Equity Targets](#)
- [Final EEAC resolution supporting 2022-2024 Plan](#)
- [Energy Trust of Oregon DEI goals progress report](#)



RI EWG Recommendations

2022 RI EWG Prioritized Recommendations

- 1) Promote energy efficiency at community gathering places and events
- 2) Provide enhanced outreach, promotion, and education of all energy efficiency offerings in underserved communities
- 3) Partner with and cross-train other home visiting programs and other community organizations/resource groups to expand the reach and impact of Rhode Island Energy's energy efficiency programs.
- 4) Continue to explore opportunities to support innovative education programs, helping to revitalize neighborhoods and fostering the development of the future workforce
- 5) Develop recruitment material and explore opportunities for participation in local career fairs and partnerships with local trade schools, vocational programs, and community organizations
- 6) Complete an internal needs assessment across all departments to determine opportunities for internships, mentorships, or job shadowing



Example of Equity Content in MA EE Plan

Equity: Rental Properties			
Goals			
<ul style="list-style-type: none"> • Increase the number of rental properties that are served by Residential and Income Eligible Sector programs. • Create greater ease of access to Residential and Income Eligible Sector programs for owners of rental properties. 			
Barriers	Example Tactics	Applicable Initiative(s)	Short, Mid, Long-Term
<ul style="list-style-type: none"> • Split incentive whereby the landlord is the decisionmaker and the tenant pays the utility bills affects customer interest and engagement. • Lack of customer awareness of services and incentives, especially landlords of smaller (5-25 unit) buildings. • Customer lack of time to participate in an HEA. • Landlord concern for code violations limiting unnecessary access to the property. • Lack of priority for property owner. 	Create a rental unit strategic plan with additional tactics to increase renter customer outreach and unit participation.	RCD	S
	100% weatherization incentive for individually-metered rental units.	RCD	S
	Updated approach for 3–4-unit homes where only one unit is income eligible (Mixed-Income Protocol) to both streamline delivery of services by both RCD contractors and CAP agencies.	RCD, Income Eligible	S
	Continue to leverage online assessments and virtual HEAs for renters, while continuing to try to reach the landlord to serve the whole building.	RCD	S
	Consideration of no cost high-efficiency lighting provided to renters in addition to other instant savings products delivered via the Online Store.	RCD, Retail	S
	Use of data and alignment with Community First Partnership Program for targeted outreach to owners of 5–25-unit buildings in municipalities with an above-average density of rental units.	RCD, Income Eligible	S
	Provide owners of rental properties and customers who are renters information about income-based HVAC and pre-weatherization barrier incentives, in addition to the 100% weatherization incentive.	RCD, Retail	S
	<ul style="list-style-type: none"> • Explore a targeted marketing approach through the use of visual aids to better inform and connect renters and landlords to energy efficiency offerings. • Foster opportunities with external stakeholders to deepen understanding of varying incentive models to increase renters' and landlords' program participation rates. • Work with local industry partners who service and engage landlords to market energy efficiency programs. 	RCD	S, M, L

Memo



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

To: Energy Efficiency and Resource Management Council
From: EERMC Consultant Team
CC: Office of Energy Resources
Date: December 15th, 2022
Subject: Potential 2024-2026 Plan Priorities and Open Items

CONSULTANT TEAM

On November 28th, 2022, the EERMC Consultant Team (C-Team) facilitated a Councilor Learning, Education, and Advancement Discussion (LEAD) Session. The LEAD Session covered energy efficiency equity targets and reporting in Massachusetts and Rhode Island, Three-Year Energy Efficiency Plan development, and potential EERMC 2024-2026 Plan Priorities¹. This memo summarizes potential 2024-2026 Plan priority areas and open questions from the LEAD Session.

POTENTIAL EERMC 2024-2026 PLAN PRIORITIES

Workforce Development for small/minority- and women-owned business enterprise (MWBE) contractors

- Develop detailed workforce development plans that target small/MWBE contractors. The Plans should detail the subject matter, locations, languages, and quantity of planned training/upskilling events and workshops.
- Provide technical support for small/MWBE contractors seeking to participate as energy efficiency program vendors. This should include clear descriptions of program requirements, program operations, and support in completing applications and any other paperwork needed to register or participate in the programs.
- Deliver small/MWBE contractor trainings that target underserved communities in Rhode Island. The trainings and other supporting program materials should be available in any non-English languages prevalent in target communities, and be supported by program staff fluent in those languages.

Set ambitious Three Year and Annual Plan goals for 2024-2026 that signal to the industry the intent to grow energy efficiency programs and participation

- The Market Potential Study Refresh should include a more refined approach to the Mid Scenario that uses ambitious but realistic modeling assumptions to inform EERMC-recommended 2024-2026 targets.
- The Company should make a concerted effort to design programs and develop Benefit-Cost Ratio (BCR) Models that seek to meet or exceed EERMC-recommended targets.

Improve program messaging and leverage new opportunities to engage customers, especially those that have been historically underserved

- Consider opportunity for energy bills to advertise program benefits (ex. Compare actual bills against bills absent historical energy efficiency program savings)
- The Massachusetts Language Access Plan should be leveraged to ensure language barriers are mitigated in Rhode Island. RI Energy should implement strategies or develop a similar

¹ EERMC 2023 Plan Priorities included as an Appendix item for reference.

Language Access Plan to ensure that language access provisions are included in all marketing, outreach, and workforce development activities.

Increase participation in historically underserved communities

- Engage energy efficiency stakeholders to establish specific criteria for target, underserved, or environmental justice communities as part of the 2024-2026 Three-Year Plan development process, then target all of those communities throughout 2024-2026.
 - Massachusetts considered a targeting framework that focused on all communities with historical participation lower than average statewide participation levels.
 - An example of targeting could involve more granular geo-targeting for enhanced incentives, such as census tract or neighborhood rather than municipality or zip code
- Performance incentive mechanism should include a discrete equity component, such as a service quality adjustment tied to equity goals.
 - One approach might be to collect baseline data in 2024, report performance compared to the baseline in 2025, and establish an equity component for the performance incentive in 2026.
- Workforce development efforts should be targeted at serving contractors in these underserved communities (detailed recommendations on workforce development will be covered in separate priority).
- Ensure all program materials, enrollment forms, contractor support, and field staff communications are available in several of the most common primary languages for English-isolated communities.

Compliance with the Act on Climate

- Set Three-Year Plan savings goals consistently with the Act on Climate to ensure EE programs contribute an appropriate share of carbon emissions reductions.
- Clearly articulate the Company's understanding of the minimum necessary contribution from EE that is consistent with a pathway to meeting Act on Climate goals, including characterizing the total necessary GHG reductions, and the contributions from other decarbonization activities in RI that are assumed to make up the difference between total GHG reduction needs and planned EE activity levels.
 - Establish a clearer barometer for EE program contributions that is more rigorous than current claims related simply to producing any amount of net GHG emissions reductions.
 - Question: How can Plan goals be determined to be 'consistent' with the Act on Climate?

LEAD SESSION OPEN ITEMS

- What measures will be included in the Demand Response module of the Market Potential Study Refresh?
 - How was Electric Demand Response previously modeled, and what is the most appropriate approach? The C-Team may be able to do some supporting research outside of the Market Potential Study.
 - Is there any Gas Demand Response potential?

- How can Demand Response benefits, particularly from storage technologies, be delivered to income-eligible customers?
 - What is the relative potential for battery demand response in RI for each sector?
 - Could avoided costs to the Company fund capital outlay for customers? Efficiency Vermont had a demand response program allowing customers to lease batteries enrolled in the program.
- Can we look at program/measure level BCRs more closely to identify areas for improvement?
 - What programs and measures have particularly high benefit-cost ratios (BCRs)?
- Why has participation for small and MWBE contractors been historically low?
 - Why have workforce development efforts been unsuccessful at increasing their participation, specifically in underserved communities?
 - How can energy efficiency program budgets and non-ratepayer funds be applied to provide training and development opportunities for contractors in underserved communities?
 - How can small/MWBE applications/requirements for program participation be streamlined to support their participation? Small contractors have challenges completing program applications, but not completing actual projects.
 - Can the Company partner with third parties to support small/MWBE development efforts, and would any policy or legislative changes be required? The Council and Company should have a sense of this in advance of March 2023.
 - Could the Company develop pilots for small/MWBE contractor development in municipalities, such as Central Falls, which would greatly benefit from workforce support initiatives?
 - How can language barriers be better addressed in small/MWBE contractor development efforts?
 - Are there existing models that have proven effective for supporting small/MWBE contractor workforce development?
- How can a task force be developed to leverage sources of non-ratepayer funds for small and MWBE contractor development?
 - What kind of outreach should be conducted to people disbursing these non-ratepayer funds at the federal and state levels?
 - There is a lot of political support for this type of targeted effort and Rhode Island is small enough to make it work.
 - A Councilor knows Gina Raimondo well. Could the EERMC partner with OER to support equity and workforce development over several years?
 - The Hispanic Chamber of Commerce received funding for this and provided trainings in English and Spanish.
- How can the C-Team experience supporting the Massachusetts Equity Working Group inform the Rhode Island Equity Working Group process moving forward?
 - The lessons learned from the Massachusetts Equity Working Group were helpful.
 - What are key differences between the Massachusetts DPU and Rhode Island PUC?
 - Integrating C-Team members active in Massachusetts program planning and implementation oversight can help Rhode Island improve its equity framework.
 - Has Massachusetts considered third-party implementation/administration of (components of) their EE programs?

- How do the Community First Partnerships in Massachusetts compare to the Community Initiative in Rhode Island?
 - Massachusetts contracted work for the Community First Partnerships out to a third-party vendor that has expertise in community outreach.
 - A larger approach would be to bid out implementation of the entire suite of equity initiatives to a third-party.
- Issues with high energy prices are the main form of public outcry that the RI PUC hears. How can the Council develop a compelling narrative around energy efficiency that increases customer interest, like in MA?
 - The public education videos will be helpful, but the narrative could be strengthened. The Council should simultaneously think about the energy efficiency narrative and the EERMC rebrand to increase public awareness. The Council had discussed embarking on a broader public awareness campaign after the rebranding/communications effort.
 - Should the Council be rebranded as the Rhode Island Energy Council? This nomenclature communicates that the Council engages in statewide energy issues much more effectively and intuitively.
 - How can Rhode Island Council members be more proactive in keeping their constituents abreast of Council/energy-related matters? Many Massachusetts Council members are activists that regularly engage with the public to support public involvement and awareness.
 - How can Council members get reporters, politicians, and others involved in energy efficiency programs to increase public awareness?
- Energy bills are a major platform for advertising programs that are not being leveraged effectively. How can energy efficiency program messaging on customer bills be improved?
 - Energy bills should clearly advertise program benefits (ex. Compare actual bills against bills absent historical energy efficiency program savings)
 - RI Energy is completing a bill redesign and should consider both what to add and/or remove.
- Should Rhode Island consider amortizing EE budgets, combined with increased non-ratepayer funding for programs, to reduce negative attention around rate increases?
 - Massachusetts has a winter pricing mitigation strategy that was approved by the Department of Public Utilities. It includes enhanced weatherization incentives for moderate-income customers and small business renters, pre-weatherization barrier mitigation incentives for small multifamily rental properties, enhanced online marketplace rebates, and streamlined census block-level moderate income verification in census blocks with high moderate-income concentrations.
- How can Market Potential Study results be viewed through a nonparticipation and equity lens?
- Can the Market Potential Study Refresh include a more refined approach to the Mid Scenario which uses ambitious but realistic modeling assumptions?
 - This could produce reasonable targets that the Company can seek to meet or exceed.
 - The detailed Refresh should focus on the most useful scenario.
- What metrics should be considered to better align targets with program goals or legislation?
 - Can the metric for targets be modified to embody quality above quantity of savings?
 - Massachusetts implemented a performance incentive mechanism framework with an equity component. For the program administrators to earn performance incentives from

any other components, the equity targets must be achieved. Can Rhode Island implement a service quality adjustment related to equity?

- What baselines should be set to benchmark equity-related metrics/quantitative goals?
 - What level of participation/investment data should be used for equity metrics, census tract-level data?

APPENDIX

EERMC 2023 Plan Priorities

As primary sources for EERMC 2023 Plan Priorities, there were five significant reference points the EERMC expected National Grid² to reference to when developing the 2023 EE Plan:

- 1) National Grid's Three-Year Plan³ and related compliance filing⁴. These contain established non-binding, illustrative, and provisional energy efficiency procurement budgets and savings goals. They are intended to help guide annual plan development and commitments on program strategies and priorities that reflect input from stakeholders during development of the Three-Year Plan.
- 2) LCP Standards⁵, which lay out a clear structure and process for achieving the goals of least cost procurement and define the roles and responsibilities for the different program administration and oversight entities, including clear direction for strategy and planning of annual plans to be put forward to the PUC.
- 3) Stakeholder input and priorities gained from events and activities including:
 - The Energy Efficiency Technical Working Group (EE TWG).
 - The Equity Working Group (EWG).
 - National Grid's Customer Feedback Activities included in the planning timeline and related sourcing of customer feedback.
- 4) The 2022 Plan⁶, which included commitments around implementation activities that would inform program implementation in 2022 as well as program planning for 2023.
- 5) The EERMC's Summary Report⁷ on its decision not to endorse the 2022 Plan, which included references to several concerns that the Council expected to alleviate in the 2023 EE Plan.

Relating to the reference point of the EERMC-endorsed and PUC-Approved Three-Year Plan, the EERMC expected:

- That National Grid will clearly and specifically identify which, and how, each of the "Five Key Priorities" identified in the Three-Year Plan will be applied to the 2023 programs. These priorities included:
 1. Deeper customer relationships

² The EERMC 2023 Plan Priorities were developed prior to the PPL Acquisition of National Grid's Rhode Island utility business.

³ [http://www.ripuc.ri.gov/eventsactions/docket/5076-NGrid-2021EEPlan\(10-15-2020\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/5076-NGrid-2021EEPlan(10-15-2020).pdf)

⁴ [http://www.ripuc.ri.gov/eventsactions/docket/5076-NGrid-ComplianceFiling%20\(PUC%201-29-2021\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/5076-NGrid-ComplianceFiling%20(PUC%201-29-2021).pdf)

⁵ http://rieermc.ri.gov/wp-content/uploads/2020/08/5015-lcpstandards-final_8-25-20.pdf

⁶ [http://www.ripuc.ri.gov/eventsactions/docket/5189-NGrid-Energy%20Efficiency%20Plan%202022%20\(PUC%2010-1-21\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/5189-NGrid-Energy%20Efficiency%20Plan%202022%20(PUC%2010-1-21).pdf)

⁷

<http://www.ripuc.ri.gov/eventsactions/docket/EERMC%202022%20EE%20Plan%20Vote%20%20Summary%20of%20Reasons%20%2010.15.2021.pdf>

2. Drive adoption of comprehensive measures
 3. Expand active demand response
 4. Achieve cost optimization and efficiency
 5. A deeper equity lens across all program planning and delivery
- That savings and benefits goals will reference the Base and High Scenarios presented for 2023, and that any factors or conditions that preclude reaching these levels will be clearly documented and justifiable, including barriers and other considerations of prudence and reliability.
 - In recognition of the expectations around budget increases set forth by the PUC, National Grid will develop the 2023 EE Plan in a manner that will pursue cost-efficiency to deliver maximum savings and benefits at appropriate costs without losing sight of the multiple policy and stakeholder priorities the annual energy efficiency programs support in Rhode Island, including its keystone contribution to state clean energy and decarbonization goals. The pursuit of cost-efficiency is expected to clearly define efforts to coordinate, cost-share, and leverage investments with other entities and funding sources such as state agencies (Department of Labor and Training; Codes Commission; etc.), quasi-state agencies (RIIB; RI Housing; etc.), and other state or federally funded initiatives.
 - That the mix of savings by end-use in the 2023 EE Plan will be closely aligned with the results of the EERMC-sponsored Market Potential Study (MPS), and any deviations are well-justified.

Relating to the reference point of LCP Standards, the EERMC expects:

- Given the clear, outcome-oriented direction provided in the LCP Standards, especially the **emphasized** sections in Appendix B, the 2023 EE Plan should clearly indicate how each of these is applied at the portfolio and program levels.
- The 2023 EE Plan should include key metrics that will be documented and reported to the EERMC and stakeholders at minimum as part of the standard Quarterly Program Performance Reports.

Relating to the reference point of Stakeholder input and priorities, the EERMC expects:

- The Priorities indicated by the members of the EE TWG will be appropriately reflected in the 2023 EE Plan, and that National Grid’s documentation and response to the proposed Priorities will be presented in a transparent and comprehensive format.
- National Grid’s proposed Customer Feedback Activities will be sufficiently robust and capture actionable customer-driven input, and it will be appropriately reflected in the 2023 EE Plan, and that National Grid’s documentation of the activities and responses will be presented in a transparent and comprehensive format.

The following Priorities should all generally be captured through adherence to addressing the requirements and objectives of the three reference points detailed above. However, to supplement and support content, the EERMC provides guidance on a set of specific areas of focus and emphasis for the EERMC.

To support focus on Equity & Access, the EERMC expects:

- National Grid will fulfil and then apply the results from activities committed to in the 2022 Plan to support all customers having equal ability to access and benefit from energy efficiency programs, including:
 - The Nonparticipant Market Barriers Study which is anticipated to be completed by May 2022.
 - The Participation and Multifamily Census Study which is anticipated to be completed by May 2022.
 - Enhancements stemming from recommendations of the Equity Working Group.
- That National Grid will demonstrate progress on – and build upon – the enhancements included in the 2022 EE Plan related to recommendations from the Equity Working Group.
- That any new findings and recommendations coming from the Quarterly Equity Working Group session will be appropriately reflected in the 2023 EE Plan, and that National Grid’s documentation and response to the finding and recommendations will be presented in a transparent and comprehensive format.
- Based on the specific activities and designs to support applying results from the studies listed above, the 2023 EE Plan should include a commitment to create a clear, comprehensive list of tasks and metrics that will be added to Quarterly reports to support full and transparent accountability of performance in achieving the commitments.
- The 2023 EE Plan will include clear and detailed remediation strategies to assure corrective action on underperforming programs. Of particular concern and requiring further focus are income-eligible single and multi-family programs.

To support an effective and efficient 2023 EE Plan development and review process, the EERMC expects:

- The *Key Deliverables and Schedule* developed in collaboration by the EERMC Consultant Team, National Grid, and OER, and discussed by the EERMC⁸ will be followed by all relevant parties to assure necessary time is afforded to the EERMC and stakeholders reviewing and reaching a clear understanding of the content of the 2023 EE Plan, sufficient to make informed decisions on whether to endorse the plan.

⁸ http://rieermc.ri.gov/wp-content/uploads/2022/03/2022-eermc-calendar-update_2022-03-17_final.pdf

Give due consideration to statewide Act on Climate goals:

- Set Three-Year Plan savings goals consistently with the Act on Climate to ensure EE programs contribute an appropriate share of carbon emissions reductions.
- Clearly articulate the Company’s understanding of the minimum necessary contribution from EE that is consistent with a pathway to meeting Act on Climate goals, including characterizing the total necessary GHG reductions, and the contributions from other decarbonization activities in RI that are assumed to make up the difference between total GHG reduction needs and planned EE activity levels.



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

EERMC Priorities 2024-2026 Plan Priorities

Presented By: EERMC C-Team

Date: December 15, 2022





Outline

Background

2024-2026 Plan Priorities

Next Steps

Council Discussion

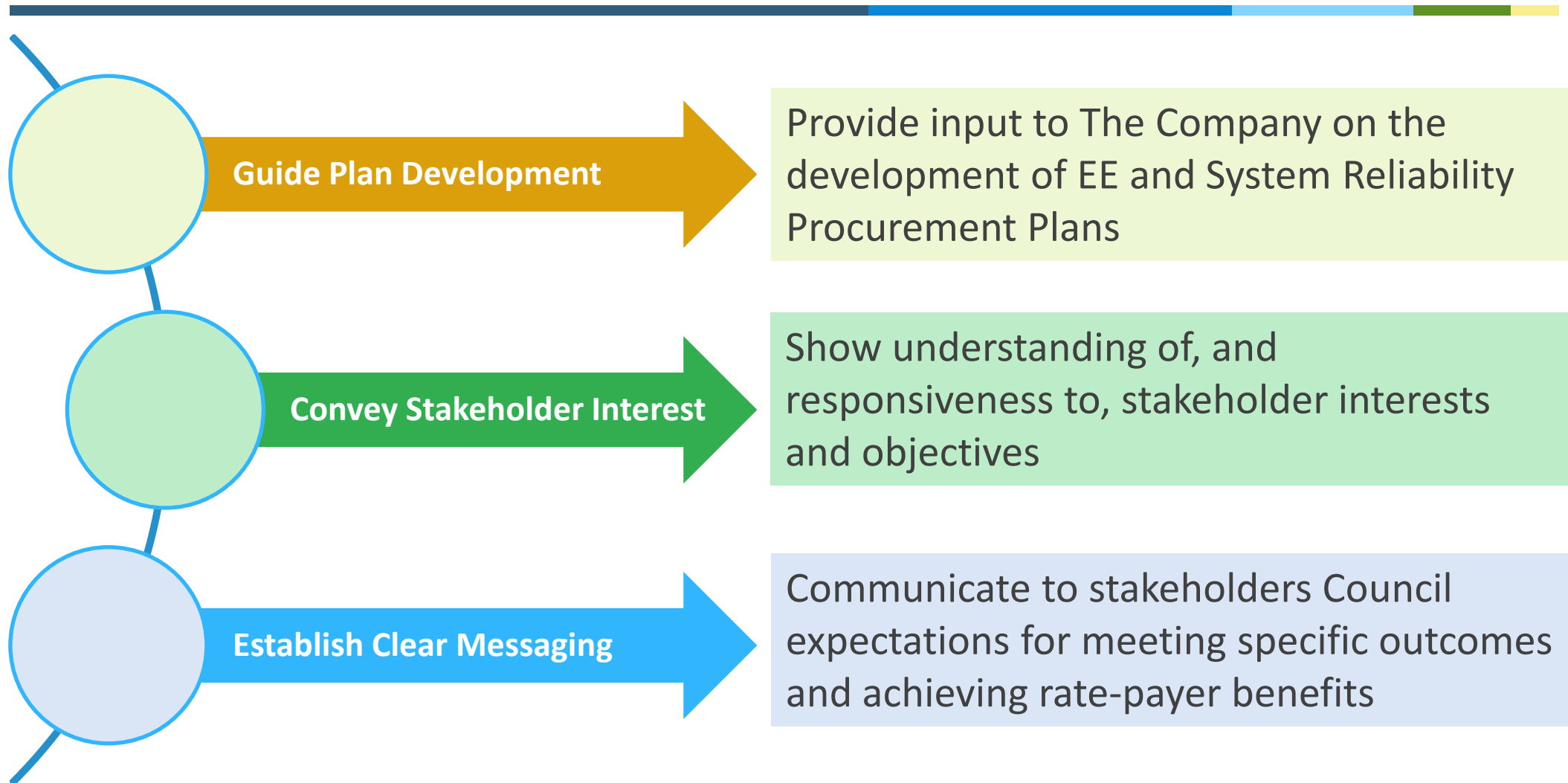


BACKGROUND





Why Set Plan Priorities?





How Are Priorities Used?

Stakeholder Communication

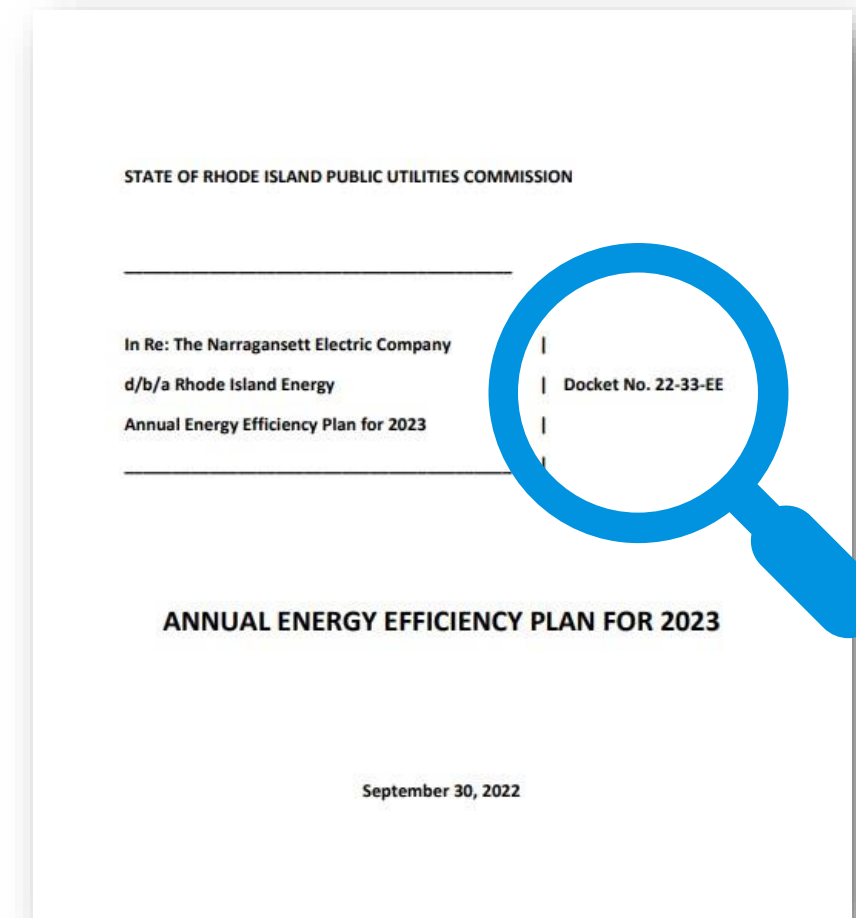
- Presented to EE Technical Working Group

Plan Review

- Consistently referenced during C-Team review of Plan drafts and final versions

Regulatory Proceedings

- Often cited in regulatory proceedings in testimony and written comments








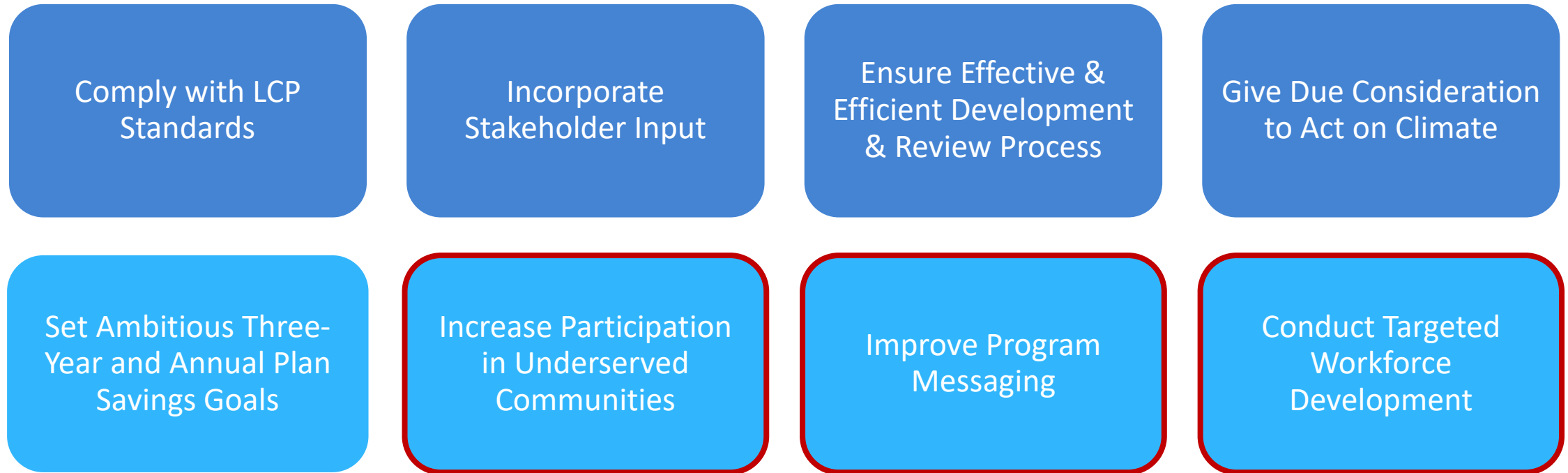
2024-2026 PLAN PRIORITIES





-  Prior Plan Priority
-  New Plan Priority
-  Equity-focused Priority

Proposed 2024-2026 EE Plan Priorities



Replaces broader “Support Equity and Access” priority from 2023 Plan, alongside equity focused elements within other priorities



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Comply with LCP Standards



Apply the clear, outcome-oriented direction provided in the Least-Cost Procurement Standards section on General Plan Design and Principles for annual planning

Include key metrics to be tracked and reported



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Incorporate Stakeholder Input

Comply with LCP Standards

Incorporate Stakeholder Input

Reflect priorities set by Technical Working Group members

Ensure Effective & Efficient Development & Review Process

Give Due Consideration to Act on Climate

Reflect Equity Working Group findings and conclusions throughout Plan

Set Ambitious Three-Year and Annual Plan Savings Goals

Increase Participation in Underserved Communities

Incorporate input from robust and actionable Customer Feedback Activities

Improve Program Messaging

Conduct Targeted Workforce Development



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Effective Development Review Process



Adhere to *Key Deliverables and Schedule*

Assure necessary time is afforded to the EERMC and stakeholders to participate in, review and reach clear understanding of the content of the 2024-2026 EE Plans sufficient to make informed decisions on whether to endorse the Plans



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Due Consideration to Act on Climate



Set Three-Year Plan savings goals to ensure EE programs contribute an appropriate share of carbon emissions reductions

Clearly articulate the Company's understanding of the minimum necessary contribution from EE that is consistent with a pathway to meeting Act on Climate goals

Engage in a robust stakeholder process for determining an appropriate carbon pricing approach

Promote EE participation among Rhode Island communities most vulnerable to climate change



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Set Ambitious Savings Goals



Set ambitious Three Year and Annual Plan goals for 2024-2026 that signal to the industry the intent to grow energy efficiency programs and participation

Make a concerted effort to design programs and Plans that seek to meet or exceed EERMC-recommended targets and make an appropriate contribution to meeting Act on Climate goals



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Increase Participation in Underserved Communities



Engage energy efficiency stakeholders to establish specific criteria for target, underserved, or environmental justice communities as part of the 2024-2026 Three-Year Plan development process

Target each of those communities throughout 2024-2026



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Improve Program Messaging



Consider opportunities for energy bills to advertise program benefits

Develop a comprehensive strategy to ensure language access provisions are included in all marketing and workforce developing activities

Ensure renters, microbusinesses, and other Nonparticipants receive targeted messaging on program offerings they can leverage



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Targeted Workforce Development



Develop detailed workforce development plans that target small/MWBE contractors

Provide technical support for small/MWBE contractors seeking to participate as energy efficiency program vendors

Deliver small/MWBE contractor trainings that target underserved communities in Rhode Island



Proposed 2024-2026 SRP Plan Priorities

Rhode Island Energy will be developing a separate System Reliability Procurement (SRP) Three Year Plan for 2024-2026 during 2023. The priorities here relate to the development of that Plan.

Category	The 2023 System Reliability Procurement Plan Should...
Responsiveness	Demonstrate continued responsiveness to Council and other stakeholder input, including during the development of the 2024-2026 SRP Three Year Plan
Stakeholder Engagement	Ensure sufficient opportunities for stakeholder engagement and substantive contributions during SRP planning and implementation
Continued Methodological Development	Actively pursue further development of benefit cost analysis and assessment of internal EE and DER solutions to grid needs
Complete Non-Pipes Program Design and other 2021-2023 3YP Commitments	Ensure Non-Pipes Alternative (NPA) program design is complete within 2023. Ensure that the results of this program design work, and any other learnings from the 2021-2023 3YP, are appropriately incorporated and built upon in 2024-2026 3YP.



Other Potential 2024-2026 Plan Priority Considerations

What *recent developments* should factor into 2024 Plan design?



Ongoing economic issues

PUC rulings on 2023 Annual Plan

Legislative & policy trends (local, state, federal)

– Includes additional program funding opportunities

2022 performance (and 2023 to-date) at program, sector & portfolio levels

– Including status of commitments made in 2023 Plan



Other Potential 2024-2026 Plan Priority Considerations

What are the *current challenges* facing your constituent group?

What *new developments* are you seeing?

Can *energy efficiency play a role* in addressing those challenges and developments?

How should the 2024-2026 EE Plans be developed to best *meet the current needs* of your constituent group?





NEXT STEPS





Next Steps

December – January – One-on-one meetings

- Council members can discuss potential EE Priorities with the C-Team and provide written comments as materials are being drafted

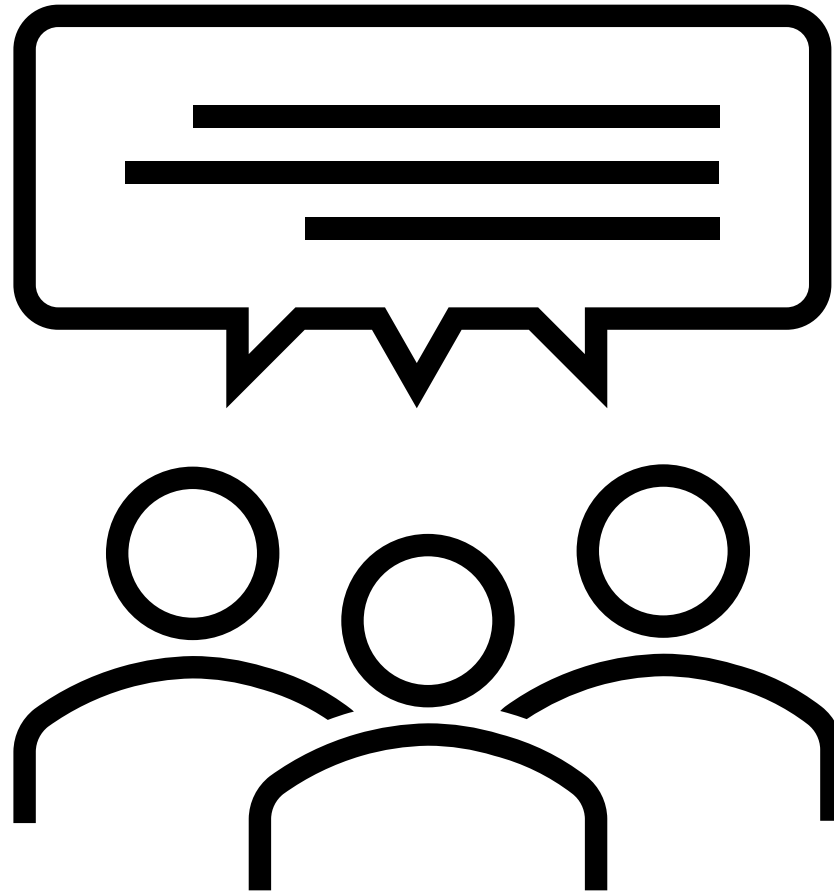
January – Council receives and discusses First Draft EE Priorities

February/March – Council discusses, refines & votes on EE Priorities

March – C-Team presents EE Priorities to EE TWG



Council Member Discussion





APPENDIX





2023 PLAN PRIORITIES





2023 Plan Priority Areas

Align with Three-Year Plan

Comply with LCP Standards

Incorporate Stakeholder Input

Support Equity & Access

Ensure Effective & Efficient Development & Review Process

Give Due Consideration to Act on Climate



2023 Plan Priorities

Priority #1: Align with Three-Year Plan

- Identify how each of the “5 Key Priorities” in the Three-Year Plan will apply in the 2023 Plan
- Reference “Base” and “High” Scenarios for savings and benefit goals
- Pursue cost-efficiency to deliver maximum savings and benefits
- Align mix of savings with Market Potential Study (MPS)

Priority #2: Comply with Least Cost Procurement (LCP) Standards

- Apply the clear, outcome-oriented direction provided in the LCP Standards section on General Plan Design and Principles for annual planning
- Include key metrics to be tracked and reported

Priority #3: Incorporate Stakeholder Input

- Reflect Priorities received through the Utility Survey and Technical Working Group member input
- Incorporate input from robust and actionable Customer Feedback Activities

Priority #4: Support Equity and Access

- Fulfill and apply results to 2023 Plan from the 2022 Plan commitments, including:
 - Nonparticipant Market Barriers Study (May 2022)
 - Participation and Multifamily Census Study (May 2022)
 - Enhancements stemming from recommendations of the Equity Working Group (EWG)
- Demonstrate progress on—and build upon—enhancements in 2022 Plan related to EWG recommendations
- Include clear, detailed remediation strategies to assure corrective action on underperforming programs



2023 Plan Priorities

Priority #5: Ensure an Effective and Efficient Development and Review Process

- Adhere to Key Deliverables and Schedule
- Assure necessary time is afforded the EERMC and stakeholders to participate in, review, and reach clear understanding of the content of the 2023 EE Plan sufficient to make informed decisions on whether to endorse the Plan

Priority #6: Give Due Consideration to Act on Climate Mandates

- Make clear references to how the Act on Climate was considered during the development of the 2023 EE Plan
- Document how anticipated outcomes of the 2023 EE Plan will contribute towards the mandatory Greenhouse Gas emissions reduction targets that were established as part of the legislation

System Reliability Procurement (SRP) Plan Priorities

- Be Responsive – Continued responsiveness to Council and other stakeholder input, including specific points identified in the Council’s comments on the SRP Plan
- Engage Stakeholders – Ensure sufficient opportunities for stakeholder engagement and substantive contributions during SRP planning and implementation
- Actively pursue further development of the Non-Pipes Alternatives (NPA) program and other methodological refinements



2021-2023 THREE-YEAR PLAN PRIORITIES





2021-2023 Three-Year Plan Priorities

1. Three-Year Plan should:

- actively seek to procure the savings Targets proposed by the EERMC and approved by the RI Public Utilities Commission (PUC)
- focus on acquiring the Targets as cost-efficiently as possible. This emphasis on cost-**efficiency** is an important companion to cost-**effectiveness**. All efforts should be made to transparently and properly set implementation budgets, rebate & incentive levels, and utility performance incentives to achieve targets at least cost
- comply with the LCP Standards
- align, where appropriate, with the Council’s Policy Recommendations proposed in the 2020 Annual Report to the General Assembly
- *Other?*



2021-2023 Three-Year Plan Priorities

2. The Three-Year Plan development process should create forums for consistent, comprehensive, informed and publicly accountable **stakeholder involvement** in energy efficiency and system reliability planning.

3. The development and delivery of programs should support and compliment **state policy and regulatory objectives**, especially those relating to greenhouse gas emission reductions and economic issues.



Previously proposed Priorities

4. Objectives for Energy Efficiency programs must:

- ensure that **all customers and segments of the market have access** to the benefits of energy efficiency savings
- should include dynamic strategies that coordinate with renewable energy deployment efforts, state health initiatives, resiliency efforts, and any other relevant state and federal programs that promote well-being and energy security and affordability for all Rhode Islanders.
- *Other?*



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

EERMC Market Potential Study Data Refresh Summary

Presented By: EERMC C-Team and Technical Review Committee

Date: December 15, 2022



Market Potential Study Summary

Market potential studies (MPS) are used to help inform and set the energy efficiency targets submitted to the PUC

The last MPS was completed in 2020 and covered 2021-2026

The refresh will update results for key areas for 2024-2026 to provide more accurate information

Three main applications for this data:

- Reference point for the Council from an objective third-party for setting EE targets
- Identify where the biggest EE opportunities are over the next three years
- Other stakeholders can refer to these studies to help support their arguments



Market Potential Study Refresh Timeline

June 27th – Council issued RFP for MPS data refresh

August 5th – Council received one vendor response

- Proposal was for a total of \$162,648 which was \$117,648 higher than what the Council currently has budgeted for this analysis (\$45,000)

November 17th – Council voted to direct the C-Team and OER to negotiate with the vendor on the proposal to better align the scope of work, timeline, and budget with the Council's needs and expectations

December 1st – C-Team and OER had a call with the vendor to discuss opportunities for adjusting the scope of work and budget

December 9th – MPS Review Committee met to review the revised vendor proposal that included a streamlined scope of work and reduced the overall proposed budget by \$54,764 from \$162,648 to \$107,884



Market Potential Study Refresh Timeline

Reduction in data collection tasks

- The MPS Management Team (C-Team, OER, RIE) will provide the relevant data sources to incorporate in the update analysis

Limit the achievable potential scenarios to one

- This one scenario modeled will be decided by the Council based on what is determined to be the most useful

Reduction in reporting tasks

- Rather than having formal reports and presentations from the vendor, we would instead get the new data and a quick summary



Technical Review Committee Recommendation

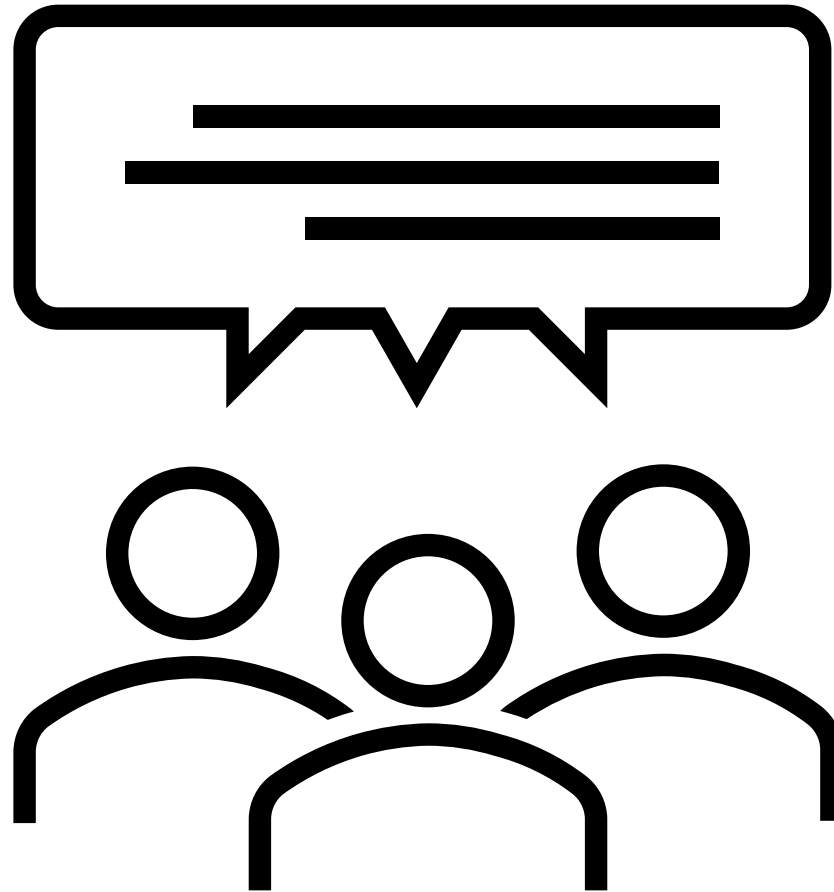
The Technical Review Committee believes that the revised Dunsky Energy + Climate Advisors proposal meets all the technical components that this requisition specifies with a reasonable price for the Council

Technical Review Committee Recommendation:

- The Council should seek to execute a contract with Dunsky Energy + Climate Advisors for the market potential study data refresh, *contingent upon* requesting and receiving approval from the Public Utilities Commission for incremental funding in the amount of \$62,884 to cover the full cost of the proposal



Council Member Discussion



Memo



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

To: Energy Efficiency and Resource Management Council
From: EERMC Consultant Team
CC: Office of Energy Resources
Date: January 19th, 2023
Subject: Draft 2024 EE Annual Plan, 2024-2026 EE Three-Year Plan, and SRP Plan Priorities

CONSULTANT TEAM

INTRODUCTION

Established in 2006 under amendments to the Rhode Island Energy Resources Act (R.I.G.L. § 42-140.1), a primary function of the Energy Efficiency and Resource Management Council (EERMC or “the Council”) is to provide structured stakeholder participation and oversight of energy efficiency procurement. To help support this objective, the EERMC has developed its priorities that are in alignment with its legislated “powers and duties”¹. The goal of these priorities is to support and guide the planning activities of Rhode Island Energy (RIE or “the Company”) and all stakeholders engaged in the development of the 2024 Energy Efficiency (EE) Annual Plan, 2024-2026 EE Three-Year Plan, and 2024-2026 System Reliability Procurement (SRP) Plan. Specifically, the Council’s priorities will provide direct input to the Company’s EE and SRP Technical Working Groups (TWG) and the many associated stakeholders. The priorities also provide clear direction to the EERMC’s Consultant Team to guide their activities in meetings and communications with stakeholders on behalf of the EERMC, and guide their review and input during plan development processes.

The first section of this memo describes EERMC priorities which apply to the both the 2024 Annual Plan and 2024-2026 Three-Year Plan (2024-2026 EE Plans, unless either plan is specifically referenced), where the first four priorities build directly on the Council’s priorities for the 2023 Annual Plan. These priorities directed the Company to:

- comply with Least Cost Procurement (LCP) Standards
- incorporate stakeholder input
- ensure an effective and efficient Plan development and review process
- give due consideration to the Act on Climate
- support equity and access in its development of the 2023 EE Plan

The EERMC began development of new priorities for 2024-2026 during its November 2022 Learning, Education, and Development (LEAD) Session and continued to discuss these priorities at its December 15th public Council meeting. New priorities for 2024-2026 developed so far by the EERMC include:

- setting ambitious 2024-2026 EE Plan savings goals
- increasing participation by underserved customers
- improving program messaging
- conducting targeted workforce development for small and minority/women-owned businesses

¹ <http://webserver.rilin.state.ri.us/Statutes/TITLE42/42-140.1/42-140.1-5.HTM>

These priorities represent two important shifts compared to prior EERMC EE Plan priorities developed at the outset of a new three-year planning cycle. First, though supporting equity and access was an existing EERMC priority, this priority area has been expanded and integrated within all other priority areas, several of which also retain a primary focus on equity. Second, in addition to the emphasis on compliance with the legislated requirements of the LCP Standards, the Act on Climate has been explicitly referenced as another priority area for the EERMC.² The EERMC will continue to refine its 2024-2026 priorities in early 2023 in order to solicit feedback from other stakeholders and communicate EE and SRP Plan priorities in advance of Plan development.

EERMC PRIORITIES FOR THE 2024-2026 EE PLANS

Relating to the reference point of LCP Standards, the EERMC expects:

- The EERMC expects the 2024-2026 EE Plans to comply with the LCP Standards, including any updates to the LCP Standards as may be approved by the PUC,³ which lay out a clear structure and process for achieving the goals of least cost procurement and define the roles and responsibilities for the different program administration and oversight entities, including clear direction for strategy and planning of annual and three-year plans.
- Given the clear, outcome-oriented direction provided in the LCP Standards, the 2024-2026 EE Plans should clearly indicate how each Standard is applied at the portfolio and program levels.

To ensure stakeholder input is adequately incorporated, the EERMC expects:

- The Priorities indicated by the members of the EE TWG and Equity Working Group will be appropriately reflected throughout the 2024-2026 EE Plans, and that the Company's documentation and response to the proposed Priorities will be presented in a transparent and comprehensive format.
- The Company's proposed Customer Feedback Activities will be sufficiently robust and capture actionable customer-driven input, and it will be appropriately reflected in the 2024-2026 EE Plans, and that the Company's documentation of the activities and responses will be presented in a transparent and comprehensive format. To effectively capture public input on the 2024-2026 EE Plans, the Company should host at least two public comment listening sessions outside of EERMC and EE TWG meetings. These listening sessions should be scheduled such that participation flexibility is provided (e.g., one 12PM listening session and one 6:30PM listening session). In addition, the listening sessions should enable remote access and translation services. The Company should document feedback provided during these listening sessions for inclusion in the 2024-2026 EE Plans.

To support an effective and efficient 2024-2026 EE Plan development and review process, the EERMC expects:

² The EERMC fully supports the Company's compliance with all legislated obligations relevant to energy efficiency and resource management, highlighting these two among their priorities as areas of focus, not to the exclusion of other obligations.

³ http://riermc.ri.gov/wp-content/uploads/2020/08/5015-lcpstandards-final_8-25-20.pdf

- The *Key Deliverables and Schedule* developed in collaboration by the EERMC Consultant Team, Rhode Island Energy, and OER, and discussed by the EERMC will be followed by all relevant parties to assure necessary time is afforded to the EERMC and stakeholders reviewing and reaching a clear understanding of the content of the 2024-2026 EE Plans, sufficient to make informed decisions on whether to endorse the Plan.
- The 2024 EE Annual Plan should include key metrics that will be documented and reported to the EERMC and stakeholders at minimum as part of the standard Quarterly Program Performance Reports.

To support compliance with the Act on Climate, the EERMC expects:

- Three-Year Plan savings goals will be set consistently with the Act on Climate to ensure EE programs contribute an appropriate share of carbon emissions reductions.
 - Clearly articulate the Company’s understanding of the minimum necessary contribution from EE that is consistent with a pathway to meeting Act on Climate goals
 - Establish a clear barometer for EE program contributions to Act on Climate goals that is more rigorous than recent claims related to producing any amount of net GHG emissions reductions, by coordinating with the Executive Climate Change Coordinating Council (EC4) and other stakeholders to determine what constitutes EE program consistency with the Act on Climate.
- The Company will reduce investment in fossil fuel heating equipment and increase investment in weatherization.
 - The gradual phaseout of fossil fuel heating equipment incentives should aim to outpace the timeline for Act on Climate greenhouse gas emissions reduction targets to ensure the final net zero target is met on or before 2050.
- The Company will set and achieve specific goals for replacing all electric resistance heating with air source heat pumps.
 - The plan should prioritize replacing electric resistance heating in low- and moderate-income households to reduce their energy burdens. Annual targets for replacements should be included in each plan and reported on a quarterly basis.

To signal the intent to grow EE programs, the EERMC expects:

- The Company will set ambitious Three-Year and Annual Plan goals for 2024-2026 that signal to the industry the intent to grow energy efficiency programs and participation.
 - The Company should make a concerted effort to design programs and develop Benefit-Cost Ratio (BCR) Models that seek to meet EERMC-recommended targets.

To increase participation by historically underserved customers, the EERMC expects:

- The Company will implement recommendations of the Equity Working Group
- The Company will identify clear and objective determinations of success, and regularly report progress in achieving EWG recommendations and other strategies to increase participation by historically underserved customers.
 - For new metrics:
 - Identify and determine measurement and reporting approach in plan development process
 - Begin tracking and reporting metrics in 2024

- Set non-binding goals using the metrics and track and report progress against them in 2025
 - Set binding goals and track and report progress against them in 2026
- The Company will achieve savings goals for Income Eligible SF and MF and EnergyWise MF programs
 - This may require a comprehensive reassessment of marketing and outreach approaches, vendor requirements and compensation structure, and program designs and incentive structure, which should be undertaken as much as possible during 2023 to enable implementation of improved approaches in 2024
- The Company will increase financial investments in serving historically underserved populations, including enhanced financial incentives to those customers across efficiency offerings
- The Company will identify and implement program improvements that will facilitate ease of participation, including through streamlining of participation steps, documentation requirements, and income verification processes.
- The Company will enhance marketing and outreach to underserved populations
 - Contract a third-party vendor to develop targeted and culturally sensitive messages and methods to communicate program offerings
 - Develop a clearinghouse for all local, state, and federal clean energy program offerings. This will allow customers to access all incentives in a central location, which will be critically important to integrate Inflation Reduction Act funds and existing statewide EE/clean energy program funds.
 - Use energy bills to advertise program benefits (ex. Compare actual bills against bills absent historical energy efficiency program savings)
- The Company will develop and implement a targeting framework that focuses on all communities with high proportions of underserved and environmental justice populations and historical participation lower than average statewide participation levels.
 - Implement granular geo-targeting for enhanced incentives, such as census tract or neighborhood rather than municipality or zip code to deliver services more directly to high energy burden customers, potentially including assessment of climate vulnerability.
 - Establish baselines for achieved benefits by underserved and environmental justice populations and track progress in achieving increases.
- The Company will include a discrete equity component in the performance incentive mechanism, such as a service quality adjustment tied to equity goals.
- The Company will enhance and increase municipal and other community-based partnerships, particularly to include partnerships with underserved communities.
 - Increase investment in partnerships with underserved communities. Investment should cover technical support and funding for community/municipal staff to facilitate partnerships. Investment should also cover identification efforts to find organizations that engage with underserved communities.
 - Partnership goals should be developed and tied to increase participation by renters, moderate-income customers, and language-isolated customers. Goals and metrics should be set in collaboration with partners and corroborated by data.
 - Partners should be provided flexibility in their approaches used to engage with their respective community members. This includes allowing partners to provide regular

- feedback on partnership efforts and customize marketing materials such that they resonate with community members.
 - Enable partnerships to include community-based organizations, cultural organizations, and statewide/regional organizations representing underserved communities.
- The Company will conduct Nonparticipant Study for small businesses and microbusinesses
- The Company will contract a qualified third-party vendor to develop a Language Access Plan (LAP) that sets forth how the Company will provide services to individuals who are non-English speaking or have limited English proficiency at each step of the customer journey
 - Implement LAP, including ensuring all program materials, enrollment forms, contractor support, and field staff communications are available in several of the most common primary languages for English-isolated communities
 - Work with vendor and stakeholders to determine which languages to include
- The Company will target workforce development efforts to serving contractors in underserved communities (detailed recommendations on workforce development covered in separate priority).

To deliver targeted workforce development, the EERMC expects:

- The Company will implement recommendations of the Equity Working Group
- The Company will deliver targeted workforce development for small/minority- and women-owned business enterprise (MWBE) contractors.
 - Develop detailed workforce development plans that target small/MWBE contractors. The Plans should detail the subject matter, locations, languages, and quantity of planned training/upskilling events and workshops, as well as ambitious and increasing target attendance levels.
 - Provide technical support for small/MWBE contractors seeking to participate as energy efficiency program vendors. This should include clear descriptions of program requirements, program operations, and support in completing applications and any other paperwork needed to register or participate in the programs. Technical support should continue after contractors register and seek to ensure sustained success and program engagement for small/MWBE contractors.
 - Deliver small/MWBE contractor trainings that target underserved communities in Rhode Island. The trainings and other supporting program materials should be available in any non-English languages prevalent in target communities and be supported by program staff fluent in those languages. Technical support should continue after contractors register and seek to ensure sustained success and program engagement for small/MWBE contractors.
- The Company will deliver workforce development focused on new and important technologies for meeting statewide climate goals, maximizing ratepayer benefits, and controlling ratepayer costs.
 - Expand investment in training for heat pumps, building automation systems, energy auditing, and equipment commissioning for all sectors.
 - Expand training for building operators and commissioning specialists to improve realization rates in the C&I and large multifamily buildings, thereby increasing

- claimable energy savings. This will ensure newly installed equipment is appropriately operated and maintained to maximize savings potential.
- The Company will complete a Workforce Needs Assessment in Q2 2023 and incorporate results into the 2024-2026 Three-Year Plan.
 - The results of the Assessment should be used to inform the detailed workforce development plan by indicating which specific measure types, building types, and other areas require additional workers or upskilling for existing workers.
 - The Assessment should investigate the distribution of trained workers across different Rhode Island communities to highlight any geographic shortages that need to be rectified.
 - The Assessment should investigate the distribution of trained workers that speak non-English languages to highlight any potential linguistic barriers to delivering program services.
 - Following the Assessment, continue to track and report on the status of the energy efficiency workforce. This includes tracking and reporting of demographic information, certifications, geographic distribution, non-English language proficiency, and total workers available by type (auditors, HVAC installers, insulation contractors, etc.).
 - The Company will increase investment in workforce development to expand training for existing workers, mitigate barriers to entry for new workers, and advertise training/job opportunities for workers.
 - The workforce development plan should include funding for internships and apprenticeships, as well as outreach strategies to attract diverse people into the workforce. This funding should ramp incrementally during the 2024-2026 period to ensure training and outreach efforts expand to all Rhode Island communities and demographic groups.
 - The workforce development budget should be built from the bottom-up, which will guarantee that all planned expenditures are tied to specific trainings. The budget should cover continuing education for existing workers, certification programs such as the Building Operator Certification, investment in trade school and community college programs, subsidies to cover the salaries of interns and apprentices placed in full-time positions at contractor companies, targeted outreach for workforce diversification diversity, equity, and inclusion (DEI) policy development and training, and reporting of workforce demographics.
 - Quarterly reporting should include workforce development expenditures by category, delivered trainings by language and type, certifications earned, average audit lead times, and qualitative assessments of workforce needs.
 - Develop a clearinghouse for all statewide energy efficiency/clean energy jobs to effectively communicate work opportunities to the public.

EERMC PRIORITIES FOR THE 2024-2026 SRP PLAN

To ensure responsiveness to Council input, the EERMC expects:

- The Company will demonstrate continued responsiveness to Council and other stakeholder input, including during the development of the 2024-2026 SRP Three Year Plan.

To support stakeholder engagement, the EERMC expects:

- The Company will ensure sufficient opportunities for stakeholder engagement and substantive contributions during SRP planning and implementation, including but not limited to SRP Technical Working Group meetings.

To achieve continued methodological development, the EERMC expects:

- The Company will actively pursue further development of benefit cost analysis and assessment of internal EE and DER solutions to grid needs.

To complete Non-Pipes Program design and other 2021-2023 Three-Year Plan commitments, the EERMC expects:

- The Company will ensure Non-Pipes Alternative (NPA) program design is complete within 2023, and ensure that the results of this program design work, and any other learnings from the 2021-2023 3YP, are appropriately incorporated and built upon in 2024-2026 3YP.



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

EERMC Priorities 2024-2026 Plan Priorities

Presented By: EERMC C-Team

Date: January 19, 2023





Priorities Development Process




The Consultant Team synthesized Council recommendations into a set of proposed *2024-2026 EE Plan* priorities*, which were presented and discussed during the December 2022 EERMC Meeting

The Priorities memo was expanded to include discrete recommendations on implementation strategy for each priority

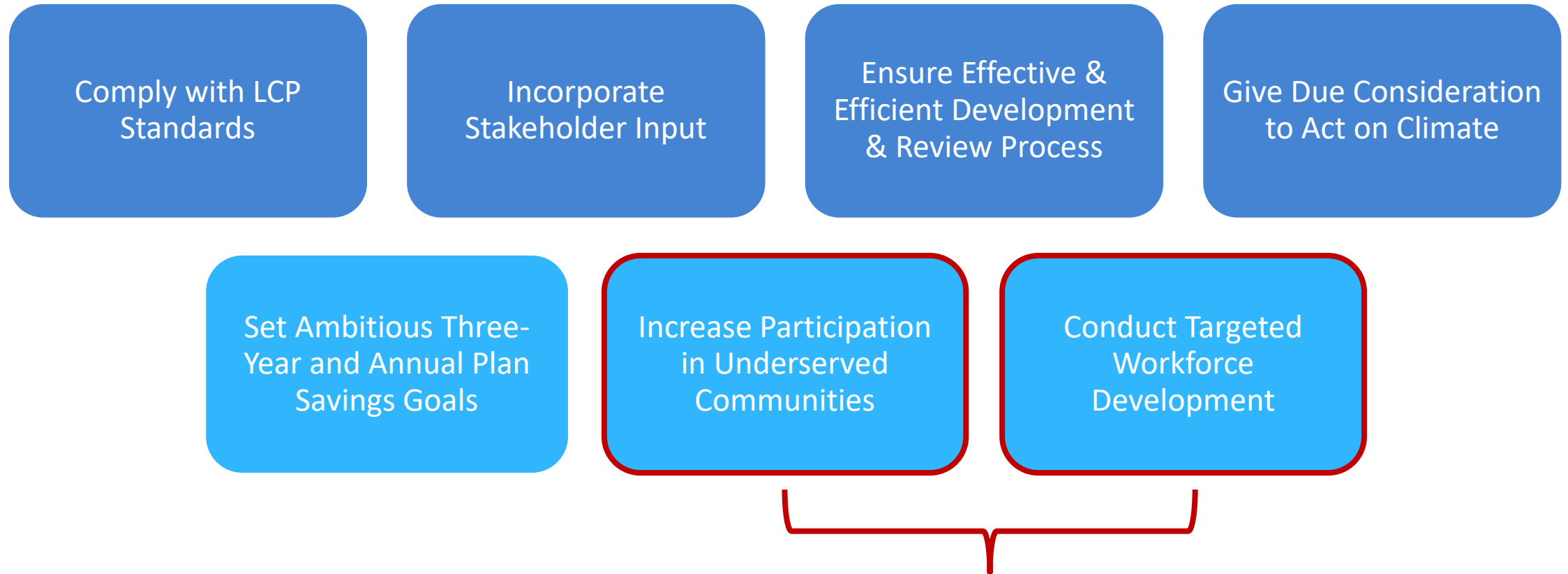
- This provides clear guidance to the Company on how to fulfill each EERMC priority area

Context regarding the Council's focus on achieving equitable program outcomes and statewide climate goals was added



-  Prior Plan Priority
-  New Plan Priority
-  Equity-focused Priority

Proposed 2024-2026 EE Plan Priorities



Replaces broader “Support Equity and Access” priority from 2023 Plan, alongside equity focused elements within other priorities



Next Steps

January – Council receives and discusses First Draft EE Priorities

- Opportunity for Council feedback and briefing sessions with the C-Team

February/March – Council discusses, refines & votes on EE Priorities

March – C-Team presents EE Priorities to EE TWG

April – RI Energy releases 2024-2026 Three-Year Plan Outline Memo



Council Member Discussion





APPENDIX





2024-2026 EE/SRP PLAN PRIORITIES





- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Comply with LCP Standards



Apply the clear, outcome-oriented direction provided in the Least-Cost Procurement Standards section on General Plan Design and Principles for annual planning

Include key metrics to be tracked and reported



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Incorporate Stakeholder Input



Reflect priorities set by Technical Working Group members

Reflect Equity Working Group findings and conclusions throughout Plan

The EERMC, in collaboration with the Company, should host at least two public comment listening sessions on the 2024-2026 EE Three-Year Plan



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Effective Development Review Process



Adhere to *Key Deliverables and Schedule*

Assure necessary time is afforded to the EERMC and stakeholders to participate in, review and reach clear understanding of the content of the 2024-2026 EE Plans sufficient to make informed decisions on whether to endorse the Plans



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Due Consideration to Act on Climate



Set Three-Year Plan savings goals to ensure EE programs contribute an appropriate share of carbon emissions reductions

Clearly articulate the Company's understanding of the minimum necessary contribution from EE that is consistent with a pathway to meeting Act on Climate goals

Engage in a robust stakeholder process for determining an appropriate carbon pricing approach

Promote EE participation among Rhode Island communities most vulnerable to climate change



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Set Ambitious Savings Goals



Set ambitious Three Year and Annual Plan goals for 2024-2026 that signal to the industry the intent to grow energy efficiency programs and participation

Make a concerted effort to design programs and Plans that seek to meet EERMC-recommended targets and make an appropriate contribution to meeting Act on Climate goals



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Increase Participation by Underserved Customers



Engage energy efficiency stakeholders to establish specific criteria for target, underserved, or environmental justice communities as part of the 2024-2026 Three-Year Plan development process

Target each of those communities, in addition to other underserved customer groups, throughout 2024-2026



- Prior Plan Priority
- New Plan Priority
- Equity-focused Priority

Targeted Workforce Development



Develop detailed workforce development plans that target small/MWBE contractors

Provide technical support for small/MWBE contractors seeking to participate as energy efficiency program vendors

Deliver small/MWBE contractor trainings that target underserved communities in Rhode Island



Proposed 2024-2026 SRP Plan Priorities

Rhode Island Energy will be developing a separate System Reliability Procurement (SRP) Three Year Plan for 2024-2026 during 2023. The priorities here relate to the development of that Plan.

Category	The 2023 System Reliability Procurement Plan Should...
Responsiveness	Demonstrate continued responsiveness to Council and other stakeholder input, including during the development of the 2024-2026 SRP Three Year Plan
Stakeholder Engagement	Ensure sufficient opportunities for stakeholder engagement and substantive contributions during SRP planning and implementation
Continued Methodological Development	Actively pursue further development of benefit cost analysis and assessment of internal EE and DER solutions to grid needs
Complete Non-Pipes Program Design and other 2021-2023 3YP Commitments	Ensure Non-Pipes Alternative (NPA) program design is complete within 2023. Ensure that the results of this program design work, and any other learnings from the 2021-2023 3YP, are appropriately incorporated and built upon in 2024-2026 3YP.



2023 PLAN PRIORITIES





2023 Plan Priority Areas

Align with Three-Year Plan

Comply with LCP Standards

Incorporate Stakeholder Input

Support Equity & Access

Ensure Effective & Efficient Development & Review Process

Give Due Consideration to Act on Climate



2023 Plan Priorities

Priority #1: Align with Three-Year Plan

- Identify how each of the “5 Key Priorities” in the Three-Year Plan will apply in the 2023 Plan
- Reference “Base” and “High” Scenarios for savings and benefit goals
- Pursue cost-efficiency to deliver maximum savings and benefits
- Align mix of savings with Market Potential Study (MPS)

Priority #2: Comply with Least Cost Procurement (LCP) Standards

- Apply the clear, outcome-oriented direction provided in the LCP Standards section on General Plan Design and Principles for annual planning
- Include key metrics to be tracked and reported

Priority #3: Incorporate Stakeholder Input

- Reflect Priorities received through the Utility Survey and Technical Working Group member input
- Incorporate input from robust and actionable Customer Feedback Activities

Priority #4: Support Equity and Access

- Fulfill and apply results to 2023 Plan from the 2022 Plan commitments, including:
 - Nonparticipant Market Barriers Study (May 2022)
 - Participation and Multifamily Census Study (May 2022)
 - Enhancements stemming from recommendations of the Equity Working Group (EWG)
- Demonstrate progress on—and build upon—enhancements in 2022 Plan related to EWG recommendations
- Include clear, detailed remediation strategies to assure corrective action on underperforming programs



2023 Plan Priorities

Priority #5: Ensure an Effective and Efficient Development and Review Process

- Adhere to Key Deliverables and Schedule
- Assure necessary time is afforded the EERMC and stakeholders to participate in, review, and reach clear understanding of the content of the 2023 EE Plan sufficient to make informed decisions on whether to endorse the Plan

Priority #6: Give Due Consideration to Act on Climate Mandates

- Make clear references to how the Act on Climate was considered during the development of the 2023 EE Plan
- Document how anticipated outcomes of the 2023 EE Plan will contribute towards the mandatory Greenhouse Gas emissions reduction targets that were established as part of the legislation

System Reliability Procurement (SRP) Plan Priorities

- Be Responsive – Continued responsiveness to Council and other stakeholder input, including specific points identified in the Council’s comments on the SRP Plan
- Engage Stakeholders – Ensure sufficient opportunities for stakeholder engagement and substantive contributions during SRP planning and implementation
- Actively pursue further development of the Non-Pipes Alternatives (NPA) program and other methodological refinements



2021-2023 THREE-YEAR PLAN PRIORITIES





2021-2023 Three-Year Plan Priorities

1. Three-Year Plan should:

- actively seek to procure the savings Targets proposed by the EERMC and approved by the RI Public Utilities Commission (PUC)
- focus on acquiring the Targets as cost-efficiently as possible. This emphasis on cost-**efficiency** is an important companion to cost-**effectiveness**. All efforts should be made to transparently and properly set implementation budgets, rebate & incentive levels, and utility performance incentives to achieve targets at least cost
- comply with the LCP Standards
- align, where appropriate, with the Council’s Policy Recommendations proposed in the 2020 Annual Report to the General Assembly
- *Other?*



2021-2023 Three-Year Plan Priorities

2. The Three-Year Plan development process should create forums for consistent, comprehensive, informed and publicly accountable **stakeholder involvement** in energy efficiency and system reliability planning.

3. The development and delivery of programs should support and compliment **state policy and regulatory objectives**, especially those relating to greenhouse gas emission reductions and economic issues.



Previously proposed Priorities

4. Objectives for Energy Efficiency programs must:

- ensure that **all customers and segments of the market have access** to the benefits of energy efficiency savings
- should include dynamic strategies that coordinate with renewable energy deployment efforts, state health initiatives, resiliency efforts, and any other relevant state and federal programs that promote well-being and energy security and affordability for all Rhode Islanders.
- *Other?*



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

EERMC Market Potential Study Data Refresh Update

Presented By: EERMC Consultant Team

Date: January 19, 2023





Outline

Market Potential Study (MPS) Summary

MPS Timeline

MPS Next Steps

Council Discussion



Market Potential Study (MPS) Summary

Market potential studies (MPS) are used to help inform and set the energy efficiency targets submitted to the PUC

The last MPS was completed in 2020 and covered 2021-2026

The refresh will update results for key areas for 2024-2026 to provide more accurate information

Three main applications for this data:

- Reference point for the Council from an objective third-party for setting EE targets
- Identify where the biggest EE opportunities are over the next three years
- Other stakeholders can refer to these studies to help support their arguments



MPS Data Refresh Timeline

12/15 – Council voted to proceed with Dunsky, contingent on obtaining sufficient funds

1/9 – OER and C-Team held contracting and next steps call with Dunsky project manager

1/18 – OER and C-Team held pre-kick off meeting with Dunsky team



MPS Data Refresh Timeline

Task	Jan		Feb		Mar		Apr		May		
	1	2	1	2	1	2	1	2	1	2	
Task 1: Identify data sources and collect input data	D1. Data Request										
Task 2: Estimate net effects of factors affecting baselines	[Greyed out]										
Task 3: Update measure list and gather data											
Task 4 and 4a: Estimate potential savings		[Greyed out]									
Tasks 1-3: Kick-off meeting, check-in meetings, and correspondence	Kick off	M	M	M	M	M	M				
Tasks 1-4: Reporting and recommendations and deliverables						D4. Draft Results		D5. Final Results			

Note: During contract negotiations, D2 and D3 were eliminated as formal deliverables.

M = Meeting

D = Deliverable



MPS Data Refresh Next Steps

Council to determine funding approach for MPS data refresh

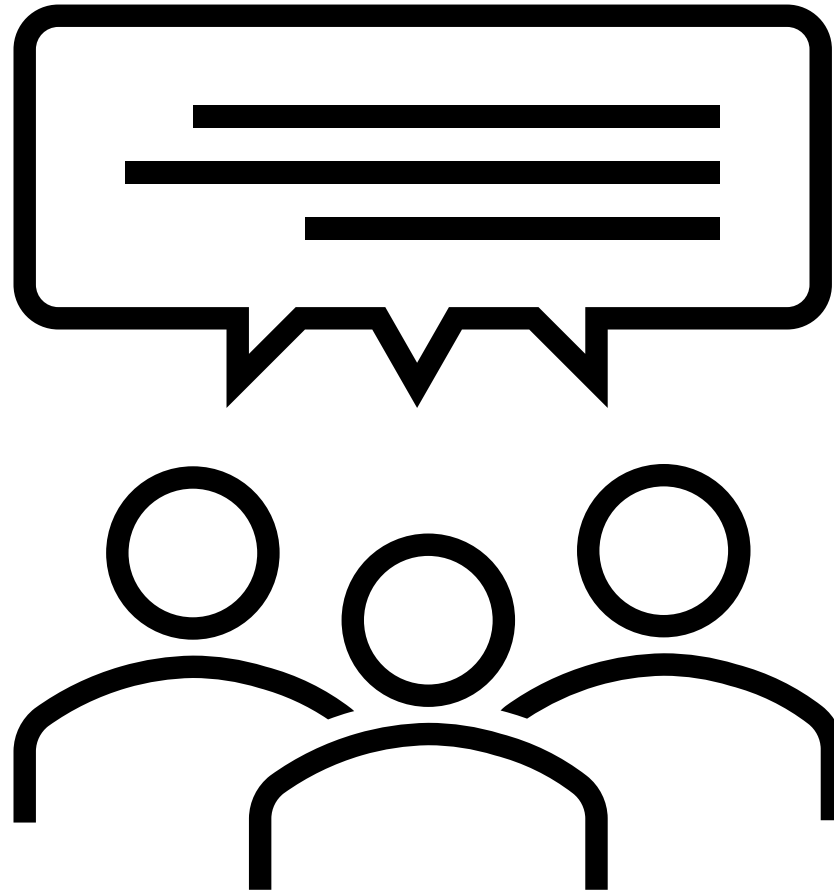
- This is part of Council budget discussion on today's agenda

OER, C-Team and other stakeholders, including RIE, to hold kick-off meeting in late January

Align schedule for MPS data refresh results and Council Targets filing deadline



Council Member Discussion





STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

EERMC FULL COUNCIL DRAFT MEETING MINUTES

Thursday, January 19, 2023

Full Council Meeting | 3:00 - 5:00 PM

Department of Administration Cafeteria Conference Room, Providence, RI 02908 with additional participation via Zoom.

Members in Attendance: Harry Oakley, Peter Gill Case, Sue AnderBois, Brett Feldman, Chris Kearns, Tom Magliochetti, Bob Izzo, Kate Grant, John Santoro

Others in Attendance: Sam Ross, Steven Chybowski, William Owen, Anika Kreckel, Karen Bradbury, Hank Webster, Adrian Caesar, Craig Johnson (virtual), Josh Kessler, Michael O'Brien Crayne, Toby Ast, Spencer Lawrence, Diane Quesnelle, Nelson DiBiase (virtual), Kimberly Koriath (virtual), Angela Tuoni (virtual), Rachel Sholly (virtual), David Bradley (virtual), Katie Schibler (virtual), Samantha Caputo (virtual), Frank McMahon (virtual), Jon Erickson (virtual)

1. Call to Order

Chairperson Oakley called the meeting to order at 3:13 p.m.

2. Chair Report

Chairperson Oakley delivered the Chair report including an overview of the agenda, including topics of the market potential study data refresh, the council budget, the results of the branding and communications review committee's efforts, and 2023 priorities for special topics and LEAD sessions.

3. Executive Director Report

Mr. Chybowski delivered the Executive Director's report, updating the council on the State's request for proposals (RFP) for an administrator for the High-Efficiency Heat Pump program, efforts to fill the vacant seats on the Council, and work on the federal funding opportunities from the Bipartisan Infrastructure Law (BIL) and the Inflation Reduction Act (IRA). He also introduced Karen Bradbury, OER's new Administrator of Energy Legislation and Programs.

4. Meeting Minutes – December 15, 2022

Vice Chair Gill Case motioned to approve the December 15th, 2022 Meeting Minutes. Council Member AnderBois seconded. All in favor, none opposed.

5. Program Oversight (40 Min, 3:10 – 3:50 p.m.)

- a. *Regulatory Updates on the 2023 Energy Efficiency Plan Docket Proceedings (20 min, 3:10 – 3:30 p.m.)*

Rhode Island Energy (RIE) and the Council's Consultant Team presented updates on the regulatory process and plan updates for the 2023 Energy Efficiency Plan. Mr. Ast of RIE shared that RIE had received 113 data requests, provided updates on the plan reallocation for the requested electric resistance heating conversions and the plan to execute that effort, the Public Utility Commission's order on the System Benefit Charge, a slight gas budget change and a spending forecast deadline of June 30th. Council discussed the electric resistance heating conversion plan. Mr. Ross presented an update on the Council's budget for 2023 and the potential of the Council's budget being restricted by the statutory budget cap. The Council discussed the history of the Council's budget and the potential implications for 2023.

- b. *Discussion of the Council's Priorities for the 2024-2026 Three-Year and 2024 Annual Plans (20 min, 3:30 – 3:50 p.m.)*

The Council's Consultant Team led a discussion of the Council's priorities for energy efficiency programming and planning for the next Three-Year Plan and the 2024 Annual plan. Mr. Caesar and Mr. Ross presented an update on the Council's priorities and next steps for development of energy efficiency (EE) priorities into the full EE plans. The Council discussed the ordering of priorities and the Consultant Team shared feedback on the process in Massachusetts, the impact of the 2021 Act on Climate on the priorities, the schedule for priority development, the malleability of the Three-Year Plan to respond to statutory changes, the crafting of targets in the Three-Year Plan to be achievable, and the state of delivered fuels decarbonization with the potential for a future special topic presentation on the subject.

6. Council Business (45 Min, 3:50 – 4:35 p.m.)

- a. *Update on the Market Potential Study Data Refresh Process (10 min, 3:50 – 4:00 p.m.)*

The Council's Consultant Team shared updates on the market potential study (MPS) data refresh. Mr. Ross presented the timeline of preliminary conversations with the MPS consultant and the schedule for discovery and preliminary results. The Council discussed the schedule, materials, and the C-team presented potential reallocations to the budget to fund the full scope of the study.

- b. *Review of the 2023 Council Budget and Potential Vote for Reallocation Adjustments (15 min, 4:00 – 4:15 p.m.)*

The Council reviewed their budget for 2023 and the allocation needed to fully fund the MPS refresh. Chairperson Oakley proposed that the Council reallocates funds from the market-based solutions study to the MPS and to still plan to pursue the market-based solutions study in 2024. Vice Chair Gill Case motioned to reallocate \$68,884 from the market-based solutions line item to the MPS data refresh line item, to fully fund the MPS data refresh. Council Member AnderBois seconded. All in favor, none opposed.

- c. *Council Branding and Communications Proposal Recommendation and Vote (10 min, 4:15 – 4:25 p.m.)*

The Technical Review Committee and the Office of Energy Resources shared the results of the scoring for the Council's branding and communications services and the Committee's recommendation for next steps in moving forward with the preferred vendor. The Council discussed priorities with the preferred vendor and

set expectations for results of the vendor's work respective to the funding level allocated.

Chairperson Oakley motioned to approve the Technical Review Committee's recommendation to select Advocacy Solutions, LLC to conduct the Council's branding and communications development as described in the submitted proposal and associated work plan and to direct the Office of Energy Resources and the Council's legal counsel to prepare and execute a contract with the chosen vendor. Council Member AnderBois seconded. All in favor, none opposed.

- d. *Finalize Timeline and Potential Discussion Topics for 2023 (10 min, 4:25 – 4:35 p.m.)*
The Council's Consultant Team led a discussion regarding the Council's meeting schedule and topics of relevance for 2023. Mr. Johnson presented a schedule and overview of the EE planning schedule for the Three-Year and annual plans, and the system reliability procurement (SRP) planning timeline.

7. Special Topics (15 min, 4:35 – 4:50 p.m.)

- a. *Office of Energy Resources Presentation on Federal Funding (15 min, 4:35 – 4:50 p.m.)*
Ms. Bradbury from the Office of Energy Resources presented on the federal energy funding opportunities that the State is planning to pursue with time for Council Members to share initial thoughts and feedback on the opportunities. She presented an overview of the opportunities in the Bipartisan Infrastructure Law and the Inflation Reduction Act, the nature of how the funding is administered, and the one-time nature of the funding. She outlined RIE's applications and application deadlines, OER's applications and coordination with other agencies, and the status of pending guidance from the Department of Energy. The Council discussed how funding can be applied for and administered and the role of stakeholder entities in assisting realization of benefits from the funding to the state.

8. Public Comment – Chair opened the floor to public comment.

Mr. Chybowski presented the public comment received online from Glenn Rhodes of Trinity Solar inquiring about the timeline for the 2023 Council Meeting schedule and 2023 policy recommendations be published considering the Inflation Reduction Act incentives for efficiency and job growth. Mr. Chybowski noted that the schedule has been posted to the EERMC website and that the Annual Report would be posted in the spring with the Council's policy recommendations.

Hank Webster – Acadia Center

Mr. Webster reiterated his desire to see the MPS study targets achieved and the value of the electric resistance to air source heat pump conversions, and the need to discuss the future of the energy configuration of the state.

9. Adjournment

Council Member AnderBois motioned to adjourn the meeting. Council Member Izzo seconded, and the meeting was adjourned at 5:00 p.m.



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

EERMC FULL COUNCIL DRAFT MEETING MINUTES

Thursday, February 16, 2023

Full Council Meeting | 3:00 - 5:00 PM

Department of Administration Conference Room 2A, Providence, RI 02908 with remote participation via Zoom.

Members in Attendance: Harry Oakley, Peter Gill Case, Sue AnderBois, Kate Grant, Kurt Teichert, Joe Garlick

Others in Attendance: Karen Bradbury, Sam Ross, Craig Johnson, Hank Webster, Steven Chybowski, William Owen, Michael O'Brien Crayne, Toby Ast, Priscilla de la Cruz, Adrian Caesar (virtual), Rachel Sholly (virtual), Maggie Hogan (virtual), Daniel Tukey (virtual), Spencer Lawrence (virtual), Seth Handy (virtual), Kathryn Cleary (virtual), Fara Oyenuga (virtual), Jon Erickson (virtual)

1. Call to Order

Chairperson Oakley called the meeting to order at 3:04 p.m.

2. Chair Report

Chairperson Oakley delivered the chair report providing meeting participation instructions and an overview of the agenda.

3. Executive Director Report

Mr. Chybowski delivered the Director's report on behalf of Interim Commissioner Kearns. He noted that the Office of Energy Resources has received proposals for the High-Efficiency Heat Pump Program administration which will be evaluated and scored over the coming weeks.

4. Meeting Minutes - January 19, 2023

Chairperson Oakley motioned to approve the January 19, 2023 Meeting Minutes. Council Member AnderBois seconded. All in favor, none opposed.

5. Special Topics (15 min, 3:10 - 3:25 p.m.)

a. Office of Energy Resources Updates on Federal Funding (15 min 3:10 - 3:25 p.m.)

Ms. Bradbury from the Office of Energy Resources (OER) provided an update regarding federal funding for energy initiatives including new details for energy efficiency and conservation block grant funding and home energy rebate programs. She noted that OER staff recently attended a NASEO conference to learn more about how rebates, incentives, and tax credits can potentially stack together to benefit

homeowners, along with the requirements of the Justice40 initiative. The Council discussed how these efforts can be coordinated to serve disadvantaged communities and how the upgrades in energy efficiency and clean heat targets could be accelerated.

6. Program Oversight (55 min, 3:25 – 4:20 p.m.)

a. Council Discussion of 2023 Policy Recommendations (10 min, 3:25 – 3:35 p.m.)

Mr. Chybowski presented the Council's 2022 policy recommendations for review and led an initial discussion about the Council's policy priorities for 2023. The Council discussed the addition of staying apprised of potential legislative changes to energy efficiency programs and how it can contribute to the discussions of these potential changes.

The Council discussed its role in protecting ratepayers, how mitigating climate change and decarbonization protects ratepayers, and noted that energy efficiency implementation is a significant factor in achieving emissions reductions and the mandate of the 2021 Act on Climate. The Council then discussed the Future of Gas docket at the Public Utilities Commission and the invitation for stakeholder participation. Vice Chair Gill Case nominated Council Member AnderBois to be the Council's representative and Mr. Ross noted the process for making that nomination.

b. Regulatory Updates on 2023 EE Plan Docket Proceedings (5 min, 3:35 – 3:40 p.m.)

Mr. O'Brien Crayne presented on the final rulings of the 2023 Energy Efficiency Plan docket noting the compliance filing on January 21st and outlined the final amendments and changes to the Plan. The Public Utilities Commission approved the compliance filing on January 31st, 2023.

c. Discussion and Potential Vote on Updated Draft Council Priorities for the 2024-2026 Three-Year and 2024 Annual Plans (25 min, 3:40 – 4:05 p.m.)

Mr. Caesar of the Council's Consultant Team led a discussion of the Council's priorities for the 2024 Annual Plan and the 2024-2026 Three-Year Plan, noting that the C-Team has continued to work with the Council and RIE to update the priorities. Council Members discussed the timing of a vote on priorities and the impacts it would have on planning, reviewed some of the history of the procedural requirements of the Three-Year and Annual Plan filing, the actionability of priorities, and considerations from RIE on whether the Council should move forward with a vote. Chairperson Oakley requested that the Council wait to vote on the priorities until March. Mr. Caesar suggested that the Council could rank the priorities based on importance and Vice Chair Gill Case requested that the C-Team create a ranking survey for the Council before the March meeting.

d. Discussion of Targets for the 2024-2026 Three-Year Plan and Potential Vote for Requesting a Target Filing Deadline Extension (15 min, 4:05 – 4:20 p.m.)

The Council discussed their program targets for the 2024-2026 Three-Year Plan facilitated by the Consultant Team. Mr. Johnson outlined the target development process, including the potential for changes to the Least-Cost Procurement (LCP) standards and the effect that this would have on the plan targets, the purpose of the targets, and next steps. Council Members discussed the timing of the extension and the impact on the target utilization in the planning process. Council Member

Teichert motioned to direct EERMC legal counsel, Desautel Law, to file a request with the Public Utilities Commission to extend the 2024-2026 Three-Year Plan target filing date to align with the results of the Council's market potential study data refresh and Council meeting timeline. Council Member AnderBois seconded. All in favor, none opposed.

7. Council Business (25 min, 4:20 – 4:45 p.m.)

a. Market Potential Study Data Refresh Update (10 min, 4:20 – 4:30 p.m.)

Chairperson Oakley elected to hold the discussion on the market potential data refresh until the March Council meeting.

b. Review of the Council's 2023 Budget and Potential Vote for Reallocations (15 min, 4:30 – 4:45 p.m.)

Mr. Chybowski outlined the budget process and the statutory funding formula from the LCP standard resulting in the shortfall of the Council's budget for 2023. The Council discussed how the budget can be reallocated, timing of deferred action on Council initiatives, and the possibility of seeking additional funding sources to overcome the shortfall. Chairperson Oakley noted that the budget in previous years was notably higher and that there is now a constraint on Council activities. Vice Chair Gill Case raised the question of the Council's capacity to operate at a deficit. He also noted line items which could be reduced following discussion by the Education Committee including the 2023 public forum and lecture series, the EE and climate awareness campaign, and the market-based solutions study, while preserving the K-12 energy education funding. Chairperson Oakley outlined the remaining shortfall and potential reallocations from the Consultant and Legal services line items.

Due to the \$89,616 shortfall of the Council Budget allocation, Chairperson Oakley motioned to set the 2023 budget allocation for 2023 public forum and lecture series, the EE and climate awareness campaign, and the market-based solutions study line-items to \$0, in addition to reducing the 2023 consultant services budget allocation by \$36,694.23, and the 2023 legal counsel services budget allocation by \$3,838.17 in the Council's budget. Council Member AnderBois seconded. All in favor, none opposed.

8. Public Comment

Hank Webster – The Acadia Center

Mr. Webster commented that RIE could use the maximum potential study targets from the previous market potential study to begin setting targets. He encouraged the Council to work to advocate for energy efficiency programs, working with the Administration to increase funding for the EC4 and EERMC, and avoid the elimination of the performance incentive mechanism. He noted that this would be his last meeting at the EERMC as he prepares to join the Connecticut Department of Energy and Environmental Protection.

9. Adjournment

Chairperson Oakley motioned to adjourn the meeting. Council Member AnderBois seconded. All in favor, none opposed, and the meeting was adjourned at 5:02 p.m.



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

EERMC Market Potential Study Data Refresh Update

Presented By: EERMC Consultant Team

Date: March 16, 2023





Outline

Market Potential Study Refresh Work To Date

Timeline Check In

Draft Results Overview

Next Steps & Council Discussion



MPS Work To Date

January

RIE, OER, and C-Team participated in kick-off meeting
Key questions initiated for dialogue

February

Working Session with RIE, OER, and C-Team to align on answers to key questions
Bi-weekly check-ins with Dunsky
EERMC Counsel issued letter to PUC on February 28th informing them of a delay in filing

March

Bi-weekly check ins
Initial view of draft results
2021-2023 Targets Report posted as EERMC meeting material for Councilor review



MPS Data Refresh Timeline

Task	Jan		Feb		Mar		Apr		May		
	1	2	1	2	1	2	1	2	1	2	
Task 1: Identify data sources and collect input data	D1. Data Request										
Task 2: Estimate net effects of factors affecting baselines	[Greyed out]										
Task 3: Update measure list and gather data	[Greyed out]										
Task 4 and 4a: Estimate potential savings		[Greyed out]									
Tasks 1-3: Kick-off meeting, check-in meetings, and correspondence	Kick off	M	M	M	M	M	M				
Tasks 1-4: Reporting and recommendations and deliverables					D4. Draft Results			D5. Final Results			

Note: During contract negotiations, D2 and D3 were eliminated as formal deliverables.

M = Meeting

D = Deliverable



Draft Results, Electric Portfolio

- Commercial & Industrial**

- Savings similar to Low scenario despite higher incentives primarily due to loss of lighting-related savings opportunities

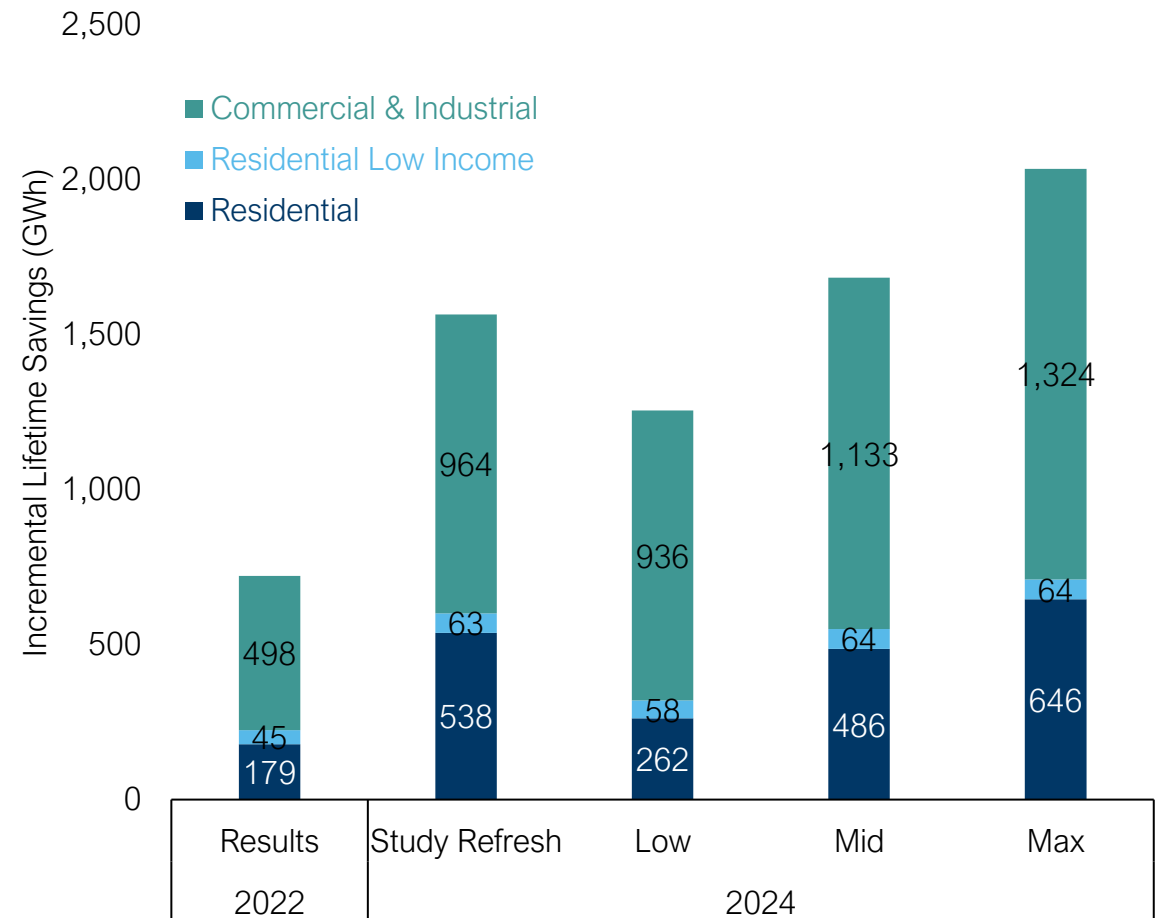
- Residential Low Income**

- Savings largely unchanged from original study relative to Mid and Max scenario.

- Residential**

- Savings fall between original study's Mid and Max scenario

Incremental Lifetime Electric Savings by Sector





Draft Results, Gas Portfolio

- Commercial & Industrial**

- Savings fall below Low scenario primarily due to loss of kitchen-related savings opportunities

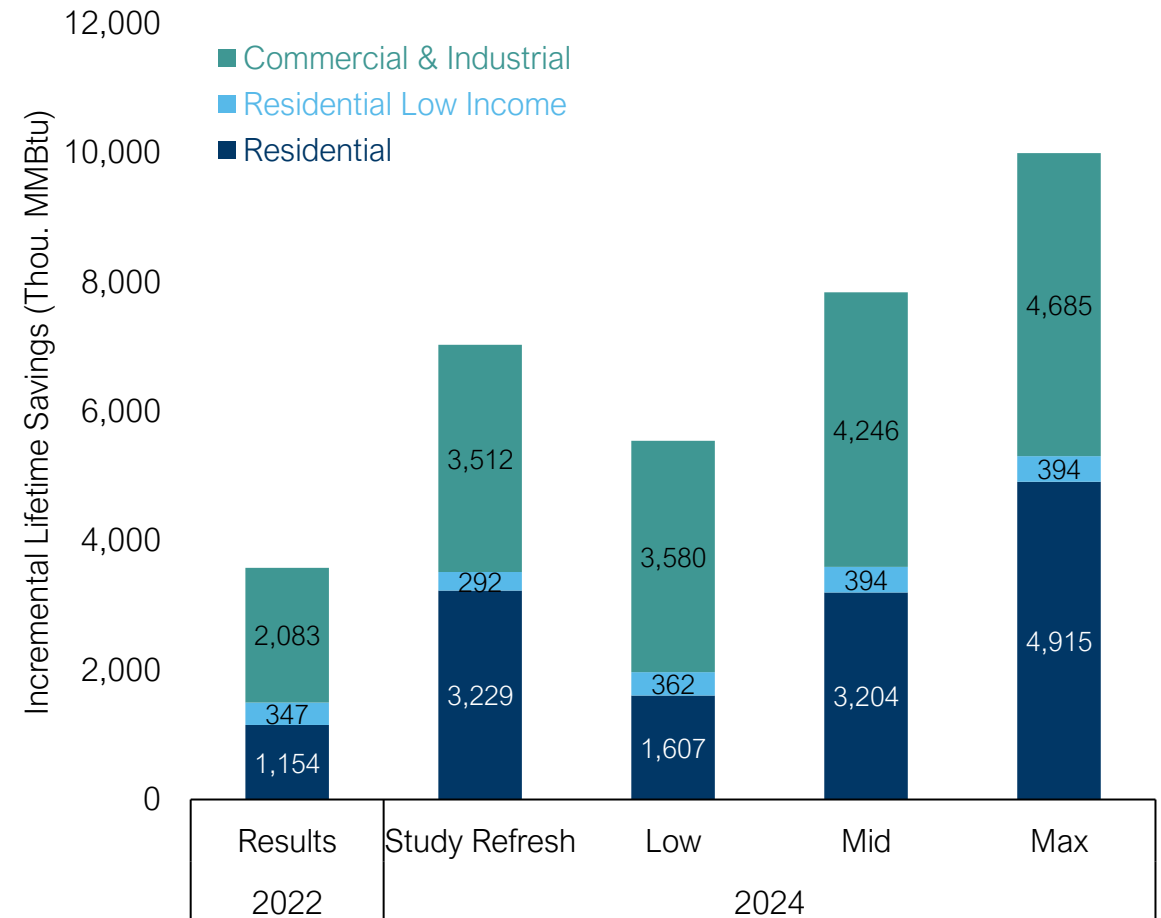
- Residential Low Income**

- Savings fall below Low scenario primarily due to loss of low flow fixture savings, which were substantial source of savings in original study

- Residential**

- Savings similar to Mid scenario as characterization updates for some measures offset losses due to standards updates

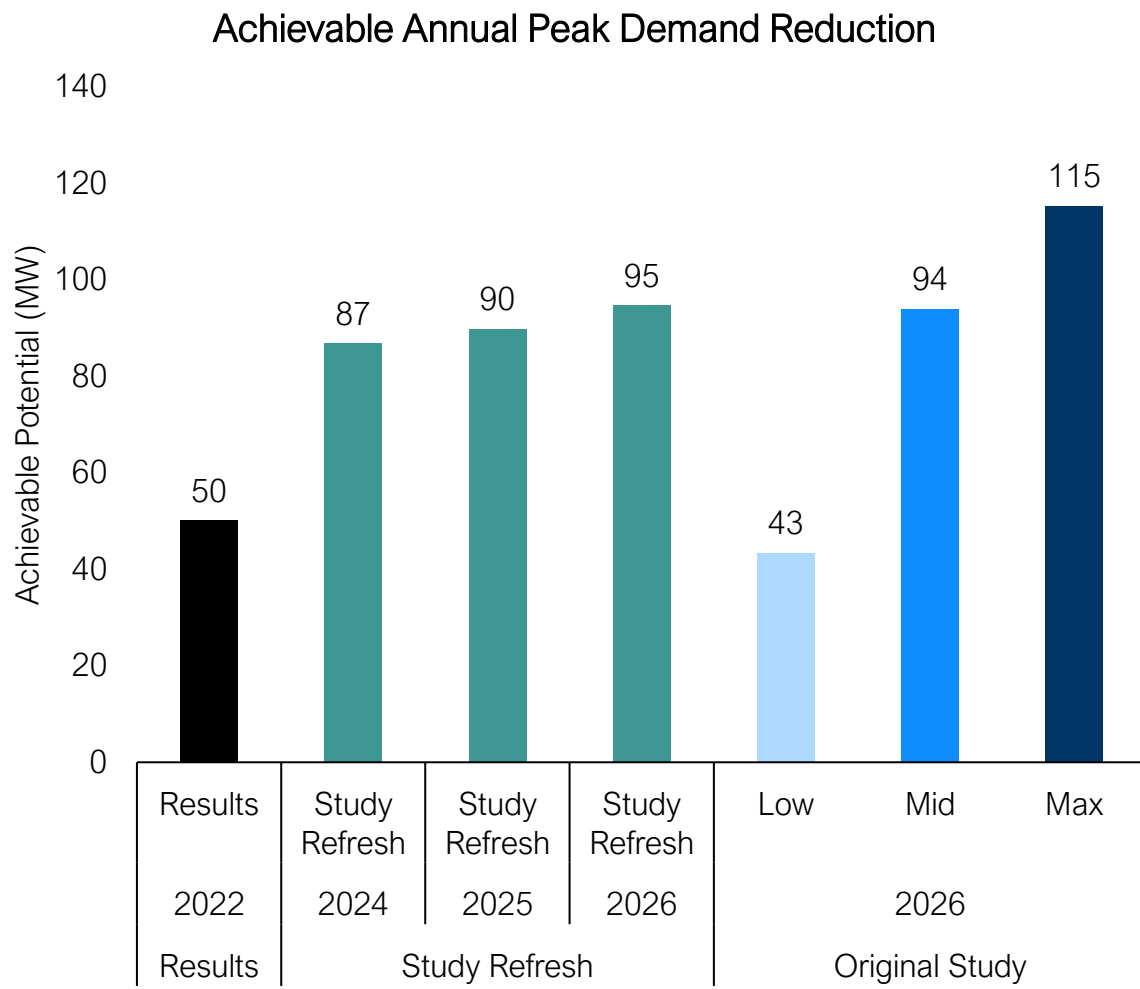
Incremental Lifetime Gas Savings by Sector





Draft Results, Active Demand

- **Relative to the original study, the Study Refresh scenario savings largely mirror the Mid scenario**
 - Limited changes made to model inputs and assumptions
 - Slight increase in 2026 achievable savings (relative to Mid scenario) driven by updated baseline program participation assumptions





Next Steps

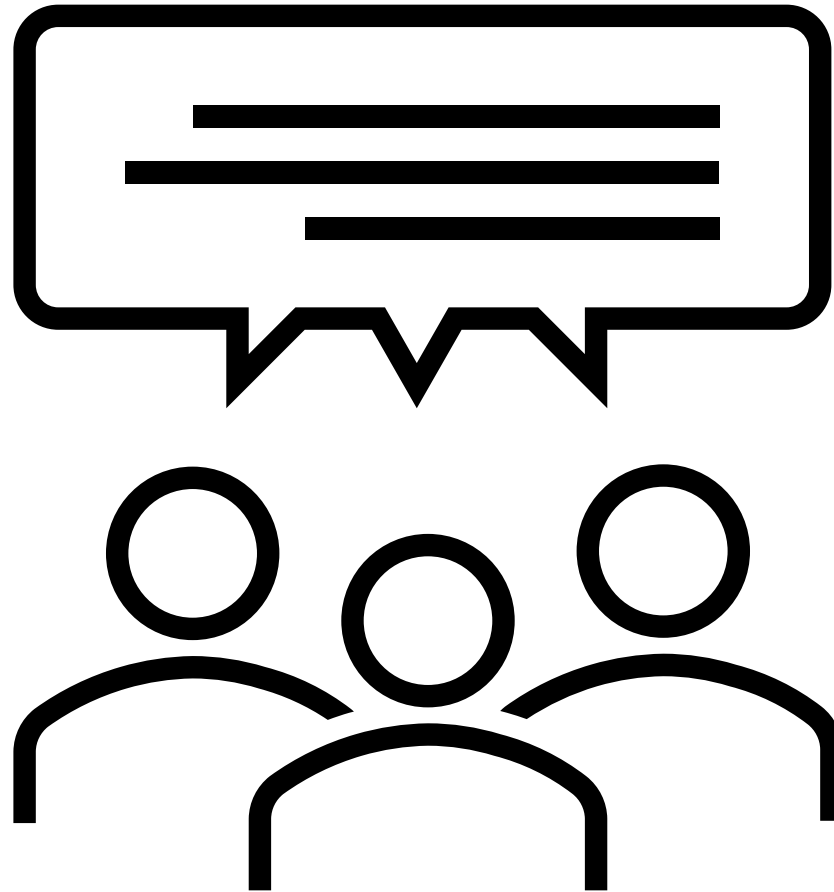
Continued bi-weekly check ins

Engage with Councilors for perspectives and input

Refine and finalize results, present to Council at April meeting to inform 3YP Targets



Council Member Discussion





APPENDICES





Market Potential Study Refresh

Market potential studies (MPS) are used to help inform and set the energy efficiency targets submitted to the PUC

The last MPS was completed in 2020 and covered 2021-2026

The refresh will update results for key areas for 2024-2026 to provide more accurate information

Three main applications for this data:

- Reference point for the Council from an objective third-party for setting EE targets
- Identify where the biggest EE opportunities are over the next three years
- Other stakeholders can refer to these studies to help support their arguments



Key Questions To Date

How should the Achievable Scenario be defined?

- “Ambitious Mid Scenario”
- Aggressive enabling strategies
- High incentive coverage, but less than 100% of incremental cost (this was a key assumption in Max scenario from initial study)
- Dunsky team to use professional judgement / recent MA MPS to inform specific incentive levels, will ensure they are at or above current offerings

Any New Measures Needed (would be added cost)?

- RIE, OER, and the C-Team did not identify critical gaps in the measure list, but indicated we would consider suggestions from Dunsky as they are assessing the data
 - Dunsky reported no suggested additional measures on 2/8



Key Questions To Date

How should the planned roll out for Advanced Metering in Rhode Island be handled?

- The utility proposal is to roll out in 2024 and 2025, which should be included in the study. May have different impacts on EE (where AMF is an enabling strategy for marketing) and DR (where it is a cost reduction for some measures).

What building codes should be assumed to be in force during the 2024-2026 time period?

- IECC 2021 are up for consideration this year, which we should assume are adopted and come into force beginning in 2024, with a 1 year lag for projects initiated under these codes to enter EE programs

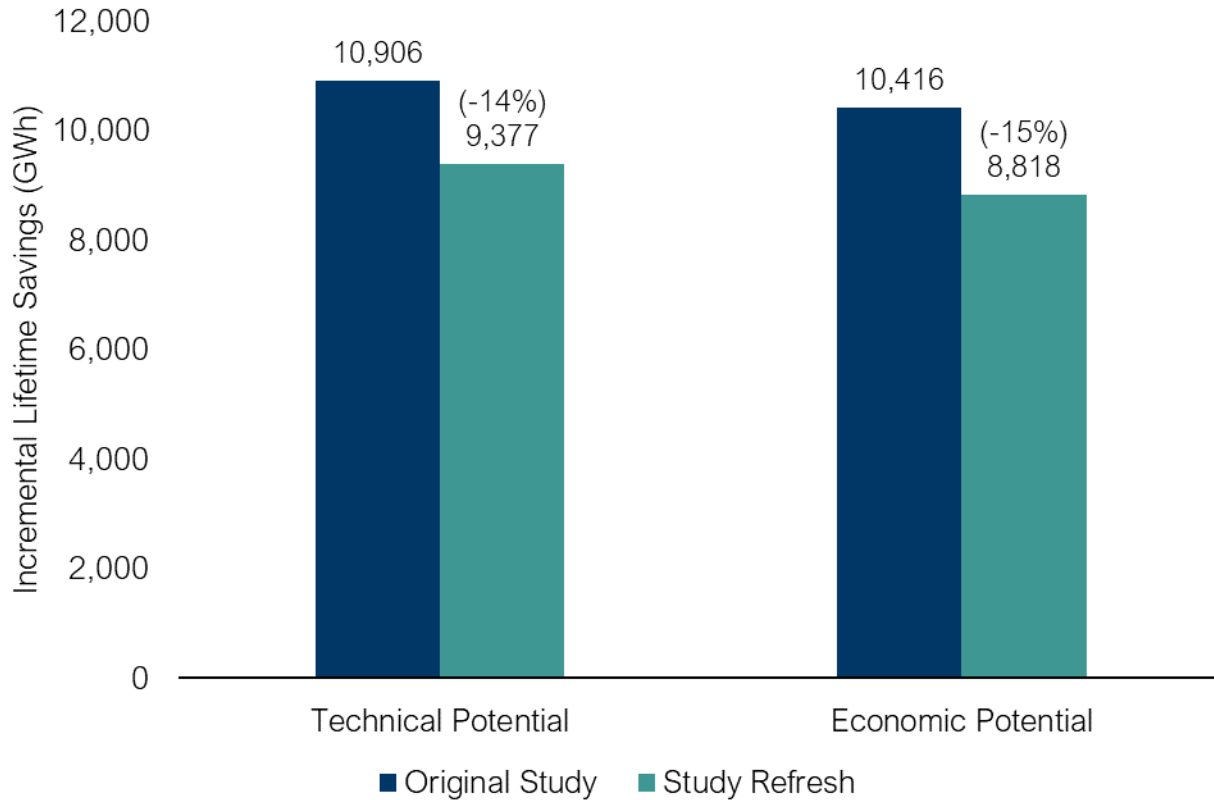
Several data clarifications were also asked on various topics, including:

- Whether various EM&V studies, recent appliance standards are reflected in the BC model and TRM
- How to report monetary values, and reflect inflationary vs. other cost changes

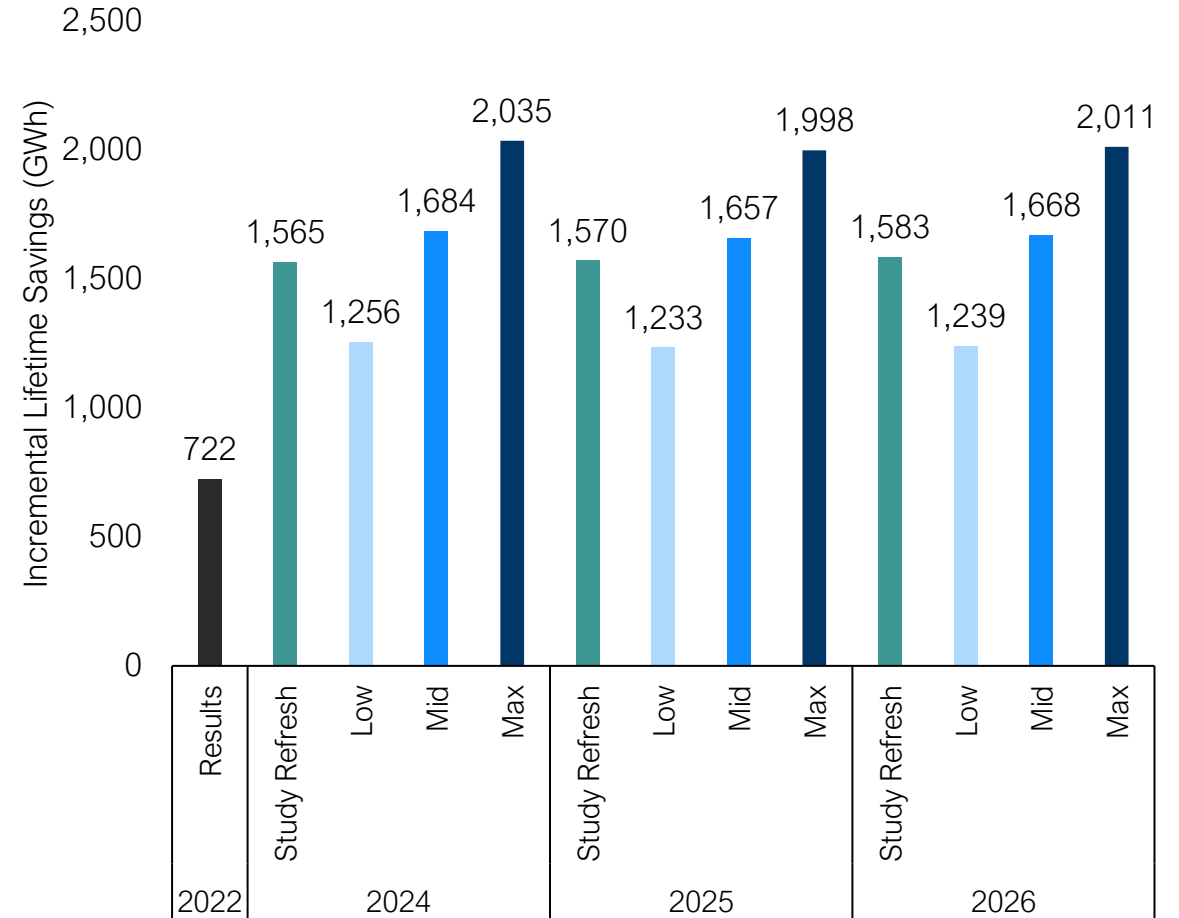


Electric, Technical, Economic and Achievable

2024-2026 Total Incremental Lifetime Savings Potential



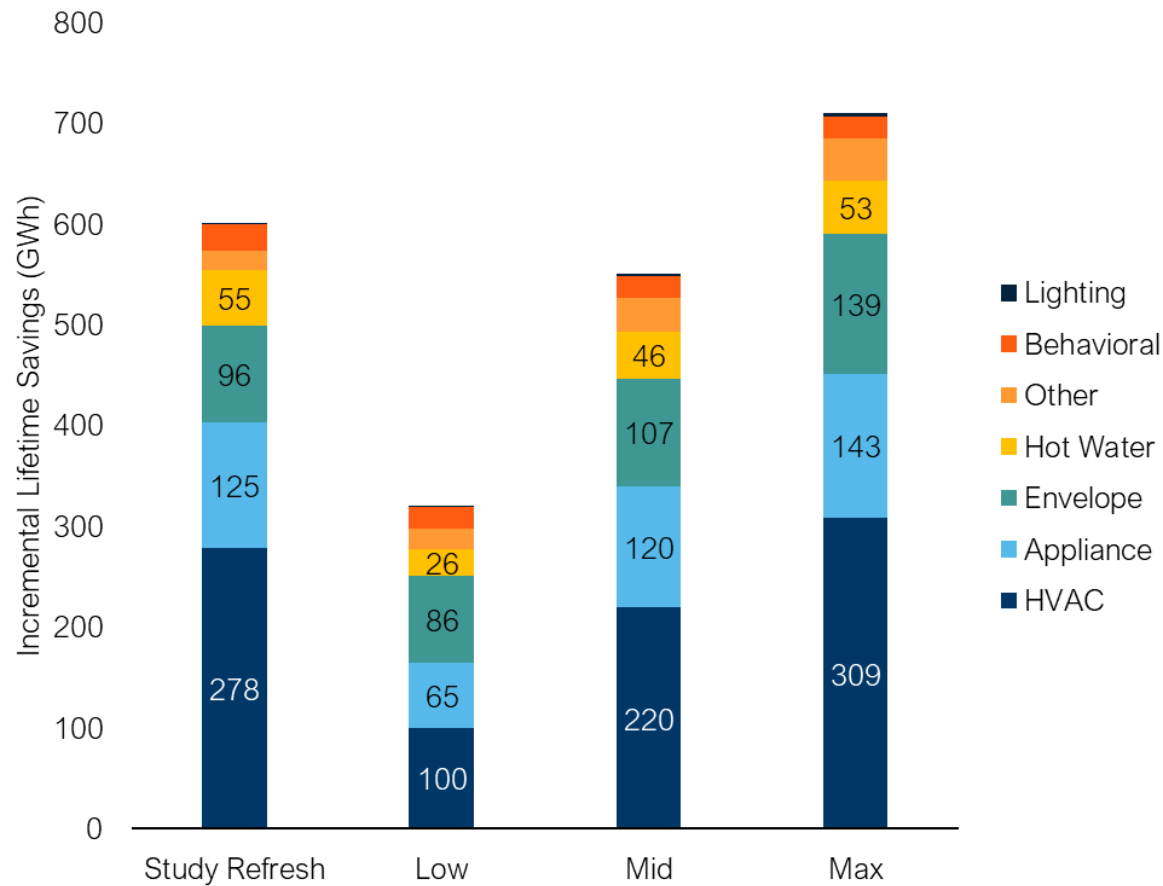
Electric Incremental Lifetime Savings by Year



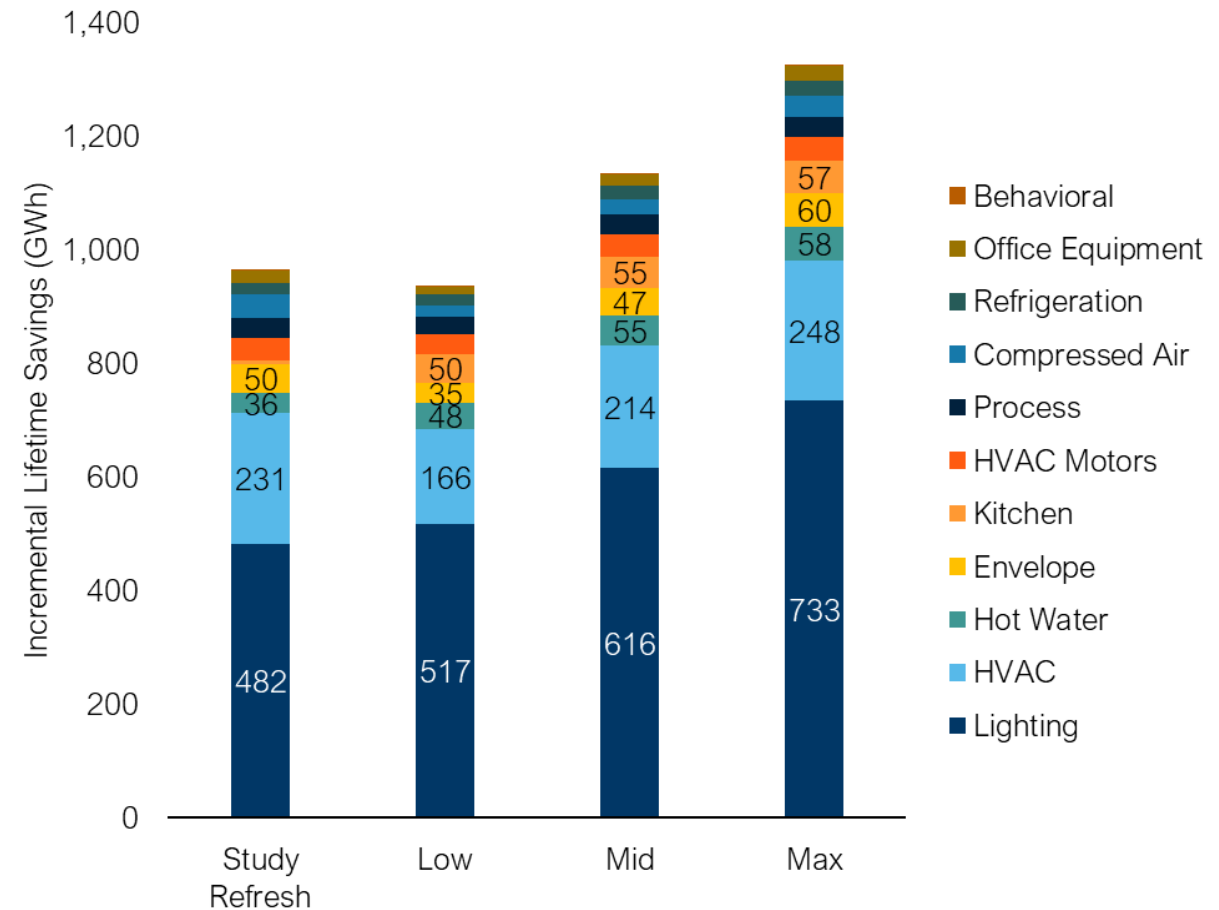


Electric, End-Use

Residential Incremental Lifetime Electric Savings by End-use (2024)



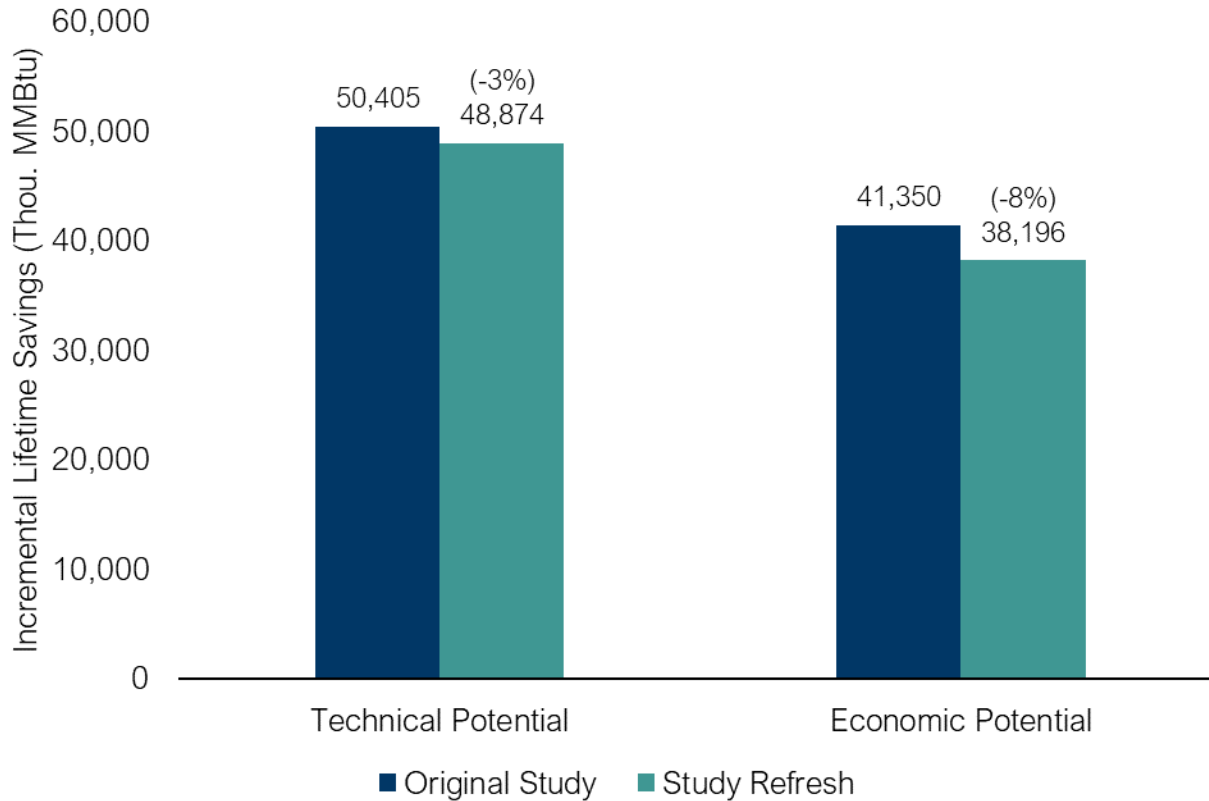
Non-residential Incremental Lifetime Electric Savings by End-use (2024)



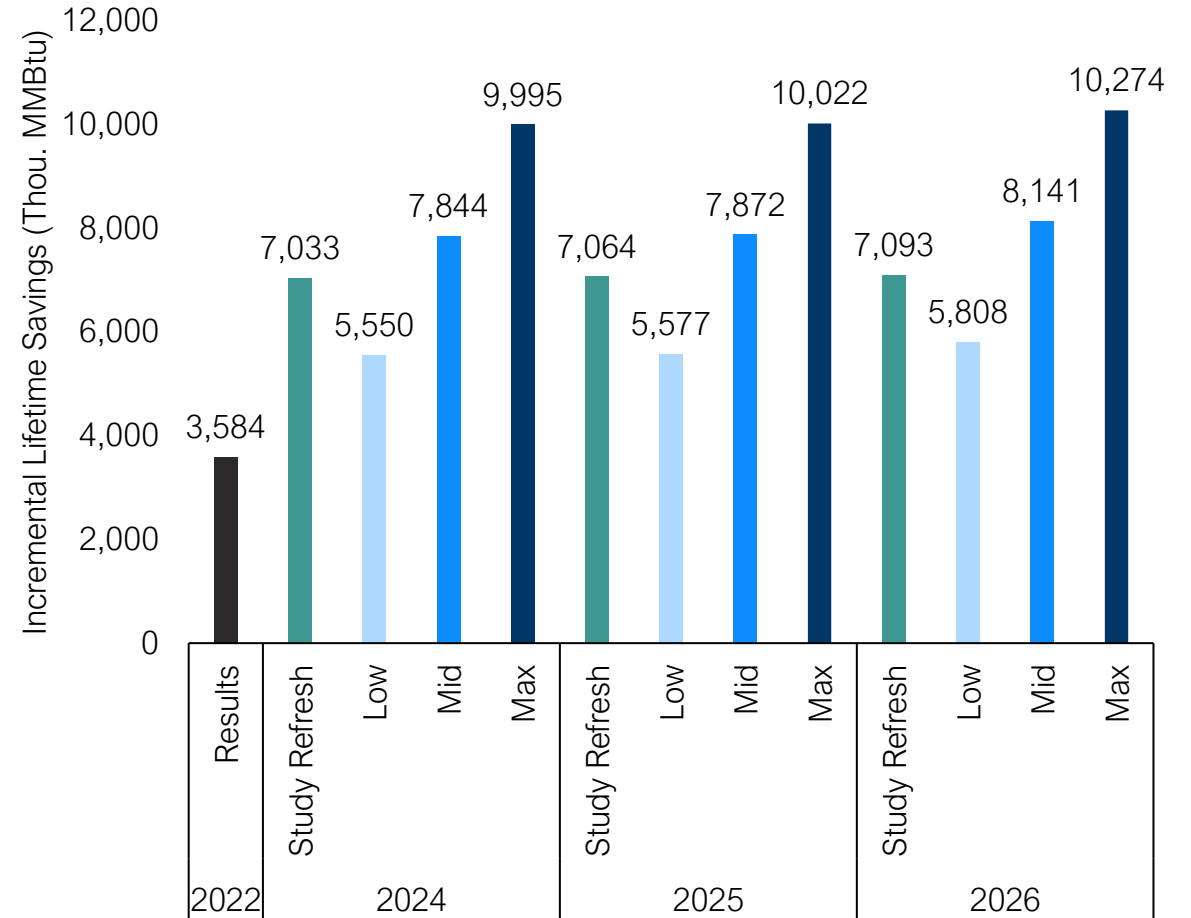


Gas, Technical, Economic and Achievable

2024-2026 Total Incremental Lifetime Gas Savings Potential



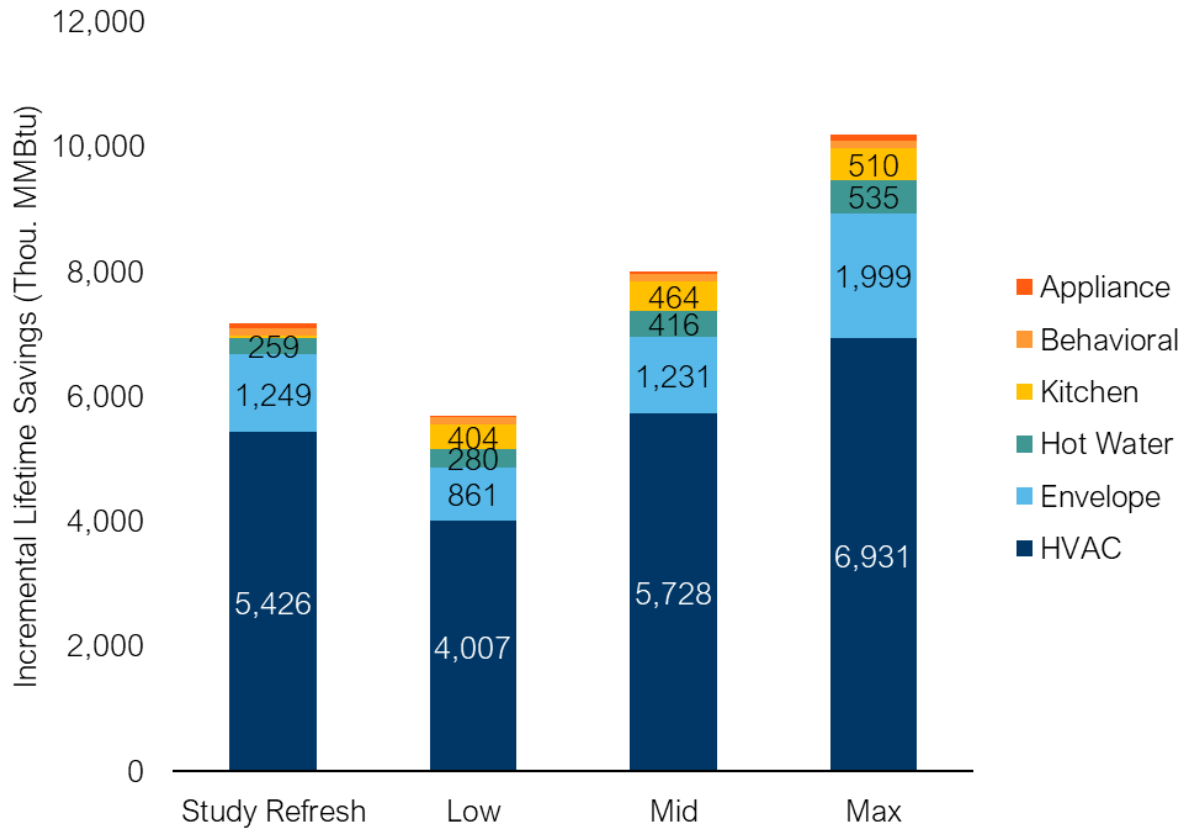
Incremental Lifetime Gas Savings by Year



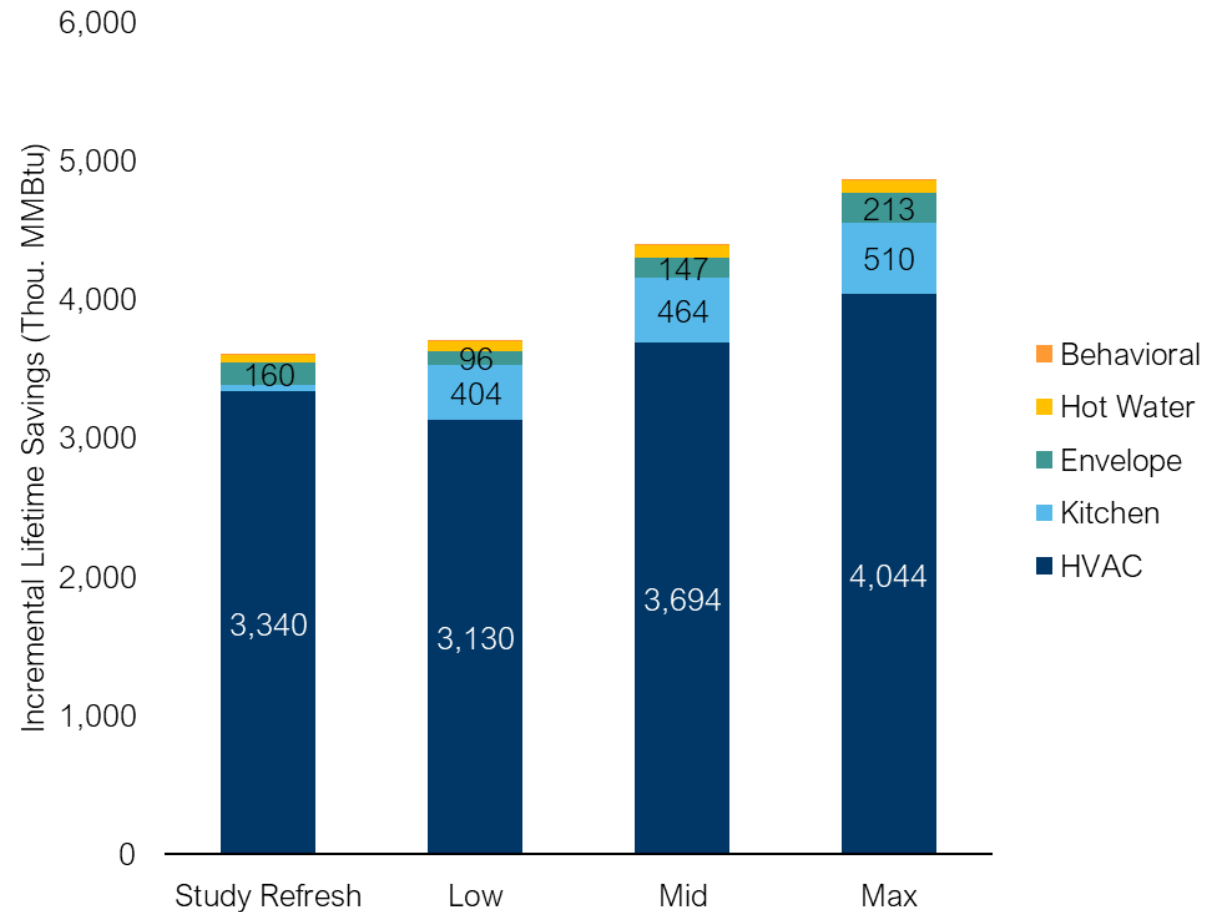


Gas, End-Use

Residential Incremental Lifetime Gas Savings by End-use (2024)



Non-Residential Incremental Lifetime Gas Savings by End-use (2024)





Active Demand Top Measures



Top Demand Response Measures

