



STATE OF RHODE ISLAND

## ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

### EERMC FULL COUNCIL DRAFT MEETING MINUTES

Thursday, June 15, 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:** Joe Garlick (arrived at 3:25 p.m.), Brett Feldman, Tom Magliocchetti (arrived at 3:43 p.m.), Sue AnderBois, Peter Gill Case, Dave Caldwell (left at 3:45 p.m.), Kate Grant, Christopher Kearns, Priscilla De La Cruz

**Others in Attendance:** Steven Chybowski, William Owen, Toby Ast, Sam Ross, Adrian Caesar, Rachel Sholly, Jake Curran, Emily Koo, Greg Caggiano, Morgan Holstine, Craig Johnson (virtual), Jordan Galluzzo (virtual), Michael O'Brien Crayne (virtual), Nelson DiBiase (virtual), Spencer Lawrence (virtual), Tina Munter (virtual), Karen Verrengia (virtual)

#### 1. Call to Order

Vice Chair Gill Case called the meeting to order at 3:11 p.m.

#### 2. Chair Report

Vice Chair Gill Case delivered the Chair Report, providing instructions for the public to provide public comments at the meeting. He also noted the additional meeting materials that were posted for Council review. Council Member AnderBois introduced Priscilla De La Cruz, Residential Representative from the Audubon Society of Rhode Island. Vice Chair Gill Case noted Council Members not in attendance and that a quorum was not reached. All votes will be held for a future meeting unless additional members join in person to reach a quorum.

#### 3. Executive Director Report

Acting Commissioner Kearns delivered the Executive Director Report, noting the absence of new Council Member Jordan Day. He then briefed the Council of the EC4 meeting next Wednesday and where to locate details for the meeting, federal funding home electrification program updates, and the \$25M heat pump program. Mr. Kearns noted that the timeline of launch for the program is targeted for mid-July.

#### 4. Meeting Minutes

- a. May 1, 2023, LEAD Session  
This item was held for the July meeting.
- b. May 18, 2023  
This item was held for the July meeting.

**5. Program Oversight (70 Min, 3:10 – 4:20 p.m.)**

- a. *Office of Energy Resources Updates on State Budget Article Five (10 min, 3:10 – 3:20 p.m.)*

Acting Commissioner Kearns presented the energy subjects of the FY24 State Budget, stating up to \$1.5 million in annual auction proceeds from the Regional Greenhouse Gas Initiative (RGGI) to support the EC4 policy and programmatic efforts. In partnership with the EERMC, PUC, and DPUC, the RI Office of Energy Resources (OER) will issue an RFP for the administration and implementation of state energy efficiency (EE) programs. Nothing prohibits the utility from submitting a proposal to OER during the RFP posting period, and the PUC is expected to file a decision no later than June 2024 on the subject. OER will not be engaging with prospective bidders or utilities on this subject during this process. At this time, Acting Commissioner Kearns politely encouraged all potential bidders to leave the room and exit the Zoom until discussion of this agenda item is complete. Representatives from Rhode Island Energy exited the meeting.

Acting Commissioner Kearns shared that the winter rate relief to residential small business customers was approved by the General Assembly, which will be handled by the Division of Revenue or Division of Taxation, into 2024, with reimbursement occurring in late 2023-early 2024. The EC4 would receive funding if RGGI auctions come in at \$4.5M per auction, up to \$1.5M each fiscal year of this program. Auctions begin in September of the fiscal year. For FY23, a one-time \$3 million in allocations from RGGI to EC4 will be funded to maintain the existing electric vehicle and electric bicycle incentive program and to support other projects.

Acting Commissioner Kearns presented a tentative timeline for the State EE programs administration. At this time, the RFP is scheduled to close in November. OER will set up an RFP Technical Review Committee with 3 OER staff members and will request 2 EERMC members to serve as Technical Advisors to review the submitted bidder proposals and provide feedback to OER during the evaluation process. Council Member AnderBois asked about extending the two-week comment period, and Acting Commissioner Kearns responded with an idea of possibly having multiple comment periods or extending the comment period timeline.

Acting Commissioner Kearns opened the floor for comments and questions, and members in attendance had none. Rhode Island Energy representatives were welcomed back into the meeting after this discussion.

- b. *Rhode Island Energy Presentation on the 2024-2026 Draft Plan Narrative (25 min, 3:20 – 3:45 p.m.)*

Mr. Ast presented on the timeline for stakeholder involvement of the 2024-26 Annual Plan. He then provided updates of the plan elements already in progress, while highlighting coordination with the Rhode Island Infrastructure Bank in terms of investments and also mentioned cooperation with Mr. Chybowski on that front.

Mr. Ast suggested that the July Council meeting could be an opportunity to bring up adjustments to the Performance Incentive Mechanism (PIM), and the best structure to drive efficiency forward. He also spoke of open seats for RI business owners to join the stakeholder listening session.

Mr. Ast then briefed the Council on Rhode Island Energy's current approach on the future of gas incentives, giving examples of successful similar operations from MA, CT, CO, and CA.

Mr. Ast then touched on a few primary strategies of the three-year plan (3YP), such as the focus on expanding outreach, making sure all customers have equal access, and ensuring capable workforce capacity.

*c. Council Consultant Team Perspectives on the 2024-2026 Draft Plan Narrative (25 min, 3:45 – 4:10 p.m.)*

Mr. Caesar and Mr. Ross presented on the three-year draft plan narrative. Mr. Caesar began discussing the 3YP and summarized the primary purposes and content. In a coordination call between Rhode Island Energy, the C-Team, and OER, the C-Team expressed concern that the Company's intent to significantly deviate from the prior plan format was not effectively communicated in a way to set stakeholders expectations. Then, the C-team shared high level comments, regarding program design, customer outreach, PDAs, EM&V, coordination with other energy policies programs and dockets, multiyear strategies, and performance incentive plans. Mr. Ross wanted to make a point on the PDAs study and company approach. Mr. Ross ran through the priorities of the Council which will be addressed in more detail in the 2024 Annual Plan, which will not be available until August. He also provided updates on the compliance with the Act on Climate. Council Member Grant responded regarding the State's 2025 Climate Strategy and desire to determine a more cost-effective pathway in order for all parties to be successful. Council Member AnderBois agreed. Council Member Magliocetti mentioned the urgency of the climate crisis, and the importance of achievability with these plans.

Mr. Ross mentioned that the assessment of plan development and review was hampered due to lack of detail provided in first draft and that a major shift in overall plan design was not communicated with stakeholders earlier in the process. He also mentioned the importance of participation from historically underserved customers and wants to continue support of the Equity Working Group.

Mr. Ross opened up the floor for Council Discussion, with Vice Chair Gill Case noting to keep questions concise and discussions brief.

Vice Chair Gill Case asked the Company "How can we help?" while providing his disappointment in the 3YP so far. He also questioned "Where is this going?" while noting that we need to be talking about something more specific in these plans. Acting Commissioner Kearns agreed with these concerns. Council Member AnderBois offered assistance with the 3YP.

- d. *Overview and Discussion of Updates to the Least Cost Procurement Standards (10 min, 4:10 – 4:20 p.m.)*

Mr. Johnson provided updates on the least cost procurement process, noting that there have not been changes since the last meeting. He then provided the next steps depending on the timeline, proposed process for providing feedback on behalf of Council. He wanted to re-emphasize the recommendation to open standards review in the year prior to when a 3YP is due, both to ensure time regarding consensus and an opportunity to discuss possible further changes to the cycle.

**6. Council Business (35 Min, 4:20 – 4:55 p.m.)**

- a. *Council Discussion of 2024 Budget Proposal (15 min, 4:20 – 4:35 p.m.)*

Mr. Ross presented the outline of the budget planning process, review of the initially proposed 2023 budget for reference, and the draft 2024 budget. The 2024 budget planning was started in May 2023, and the budget is expected to be submitted to the utility for plan filing in August 2023.

The new budget does not expect the cap to be at the current level next year. Items removed from the budget for 2024 were the potential study data refresh, and market-based solutions study. Items added for 2024 per Council Member requests at the May council meeting was expanded EE and Climate Awareness Campaign allocations, and energy efficiency administrator implementation RFP support. Mr. Ross mentioned within the EE & Climate Public Awareness Campaign, that the current dollar amount of ~\$85k reflects the Council's discussion to increase allocation from 2023 budget level and will be updated when RFP responses are received and evaluated.

Vice Chair Gill Case mentioned that the 2024 Farm Energy Fellow could be fully funded by OER in the future. The K-12 Energy Education allocation will be taking a pause to be picked up later on. Vice Chair Gill Case also mentioned his intent to keep funding for Energy Expo at the previous allocation level of \$40,000.

The budget will be kept as is for now, to be revisited at the July council meeting.

- b. *Review of 2023 Budget and Potential Vote to Reallocate Council's K-12 Energy Education Funding (5 min, 4:35 – 4:40 p.m.)*

Ms. Sholly presented on the proposed reallocation of funds moving \$25,000 from K-12 Energy Education towards the EE & Climate Public Awareness Campaign, divided into two phases: Phase 1 research & design (2023), Phase 2: implementation and evaluation (2024).

- c. *Review and Potential Vote on the Draft Energy Efficiency and Climate Public Awareness Campaign Request for Proposals (15 min, 4:40 – 4:55 p.m.)*

Not enough council members were in attendance to make a vote, so the EE & Climate Public Awareness Campaign proposed timeline is being pushed back a month, with Phase 1 now occurring from October through December.

The potential votes of the June meeting were a vote on the reallocation of funds, and a vote on the draft EE and Climate Public Awareness Campaign RFP. Both votes are

being held for the July Council meeting. The Council expressed support for both propositions.

## **7. Public Comment**

Ms. Sholly announced that the final draft of the EERMC Annual Report is now posted.

Council Member AnderBois introduced Emily Koo with the Acadia Center. Ms. Koo then raised the question to know how the public can be engaged with the EE & Climate Public Awareness Campaign. Vice Chair Gill Case noted that strong outreach for the campaign will be necessary.

## **8. Adjournment**

Vice Chair Gill Case motioned to adjourn meeting. Council Member AnderBois seconded, and the meeting was adjourned at 4:53 p.m.



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# 2024 - 2026 Energy Efficiency Plan Update

July 20, 2023

# Planning Timeline for Stakeholder Involvement



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Date	Milestone
June 1	Draft 3YP narrative shared with stakeholders
June 30	Draft 3YP numbers (BC Model and Tables) shared with stakeholders
July 21	3YP numbers stakeholder comment period ends
August 3	First Draft 2024 Annual Plan
August 24	First Draft 2024 Annual Plan Comment Period Ends
September 7	Second/Final Draft of 3YP due to stakeholders
October 1	3YP/Annual Plan Filed with PUC

# Summary of Comments Received



High Level Themes	Details
Concern for a lack of detail in the plan	<ul style="list-style-type: none"> <li>• Many commented on how high-level and aspirational the plan is and that it lacks necessary detail</li> <li>• Commenters would like to see more explicit callouts when referencing planned updates (i.e., if the plan mentions “next generation of efficiency measures” = what exact measures does this entail?)</li> </ul>
Request for program design specifics	<ul style="list-style-type: none"> <li>• Commenters were concerned with specifics regarding updates to program designs and strategies for the next 3 years</li> </ul>
Organization Suggestions	<ul style="list-style-type: none"> <li>• Many comments focused on re-phrasing for clarity or re-organizing text location</li> </ul>
Concern of Timelines	<ul style="list-style-type: none"> <li>• Many would like to see the Annual Plan tied with the 3YP</li> <li>• There is concern that without the annual plan, the stakeholders will not be able to evaluate whether they agree with the Company's interpretation of the Cost Effectiveness test or any of the other Standards.</li> </ul>
Partnerships	<ul style="list-style-type: none"> <li>• Focus on ensuring strong and defined relationships within partnerships between OER, CBOs, vendors, etc.</li> </ul>
Lack of alignment with the Act on Climate	<ul style="list-style-type: none"> <li>• Commenters are concerned with how the Act on Climate Plan will be applied to the annual plans given that the Act on Climate will only be finalized in time for the 2027 annual plan</li> </ul>
Electrification	<ul style="list-style-type: none"> <li>• Commenters would like to see what specific gas measures RIE will phase out and what strategies will be incorporated to guide the electrification movement</li> </ul>





# Recent 3YP Narrative Changes

- 1.2 The Planning Process
  - Adding detail from listening sessions
- 2. Least Cost Procurement Laws and Standards
  - Added detail, will augment in 2024 plan
- 3.2.5 Ensure Workforce Capacity to Serve Customers
  - Discussion of new building code implications
- 3.2.6 2024-2026 Efficiency Plan Program Updates
  - Listed program level enhancements
- 3.3 Multiyear Strategies
  - None currently planned
- 3.4 Coordination with Other Programs and Policies
  - SRP, AMF, AoC, FoG, OER
- 3.5 Evaluation Plans
  - Added themes for next three years
- 5.1 Proposed Performance Incentive
  - More detail

# First Draft 3YP Numbers At a Glance

## Budget Growth (YOY)

### •Electric

- 2024 = 1.4%
- 2025 = 1.6%
- 2026 = 1.7%

### •Gas

- 2024 = 1.9%
- 2025 = 1.7%
- 2026 = 1.8%

## Savings Growth (YOY, annual / lifetime)

### •Electric

- 2024 = -3.4% / 10.2%
- 2025 = 1.4% / 4.9%
- 2026 = 1.9% / 4.6%

### •Gas

- 2024 = -2.4% / -2.8%
- 2025 = 4.5% / 5.4%
- 2026 = 4.3% / 4.8%

## Cost of Savings Decline (YOY)

### •Electric

- 2024 = -9.0%
- 2025 = -4.6%
- 2026 = -3.9%

### •Gas

- 2024 = 4.2%
- 2025 = -2.5%
- 2026 = -3.1%

# First Draft 3YP Numbers At a Glance



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## Portfolio Cost Effectiveness

- Electric
  - 2024 = 1.71
  - 2025 = 1.88
  - 2026 = 1.94
- Gas
  - 2024 = 1.72
  - 2025 = 1.74
  - 2026 = 1.76

## Program Cost Effectiveness

- EnergyWise Single Family
  - Electric
    - 2024 = 0.98
  - Gas
    - 2024 = 0.96
    - 2025 = 0.95
    - 2026 = 0.94
- Residential HVAC
  - Gas
    - 2024 = 0.73
    - 2025 = 0.70
    - 2026 = 0.67

All other programs show BCR  $\geq 1$

# Notable Items Informing Numbers- Resi



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## •EnergyWise

- Discontinuation of LED lighting incentives
- Growth of heat pump adoption
- Emphasis on weatherization of electrically heated homes
- Implementation of strategies to address pre-weatherization barriers

## •Income Eligible Services

- Discontinuation of LED lighting incentives
- Increase in electric resistance to heat pump conversions

## •Residential New Construction

- Shifting market further towards all-electric new construction

## •Home Energy Reports

- Natural decline in year-over-year savings given age of program

## •Residential Consumer Products

- Anticipated economic rebound in 2025 and 2026

# Notable Items Informing Numbers- C&I

## •C&I New Construction

- Adoption of stricter codes and standards
- Increased emphasis on HVAC and Custom projects
- Streamlined program design

## •C&I Retrofit

- Increased emphasis on HVAC (Building Analytics, EMS)
- Increased emphasis on motors and drives (Industrial Initiative)

## •Small Business Direct Install

- Phaseout of lighting incentives
- Increased emphasis on HVAC, motors/drives, heat pump water heaters, and weatherization

# Benchmarking Our Numbers



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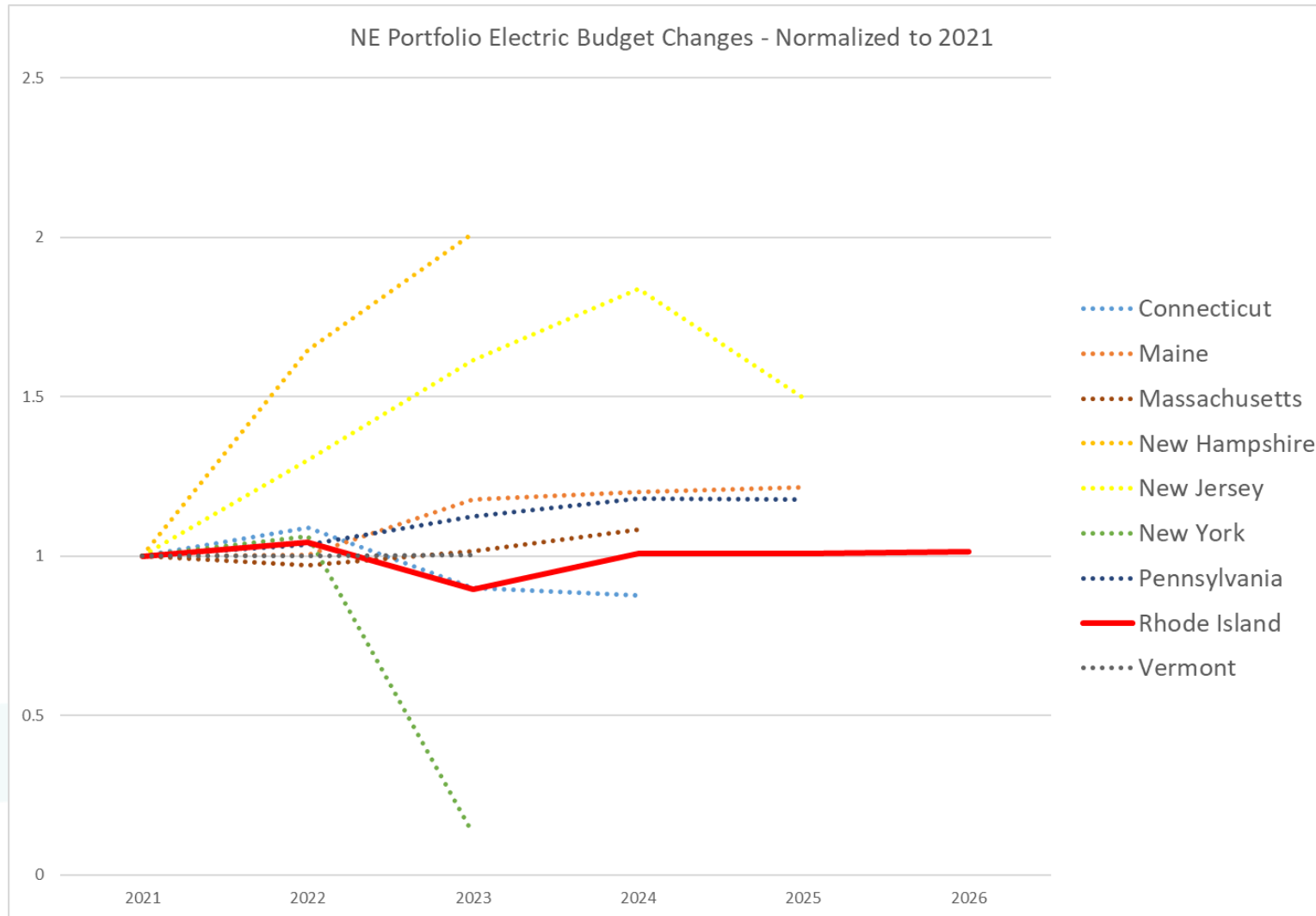


Chart shows electric budget trends for Northeast states.

Figures are normalized to 2021 (e.g., 1 = budget is 100% of 2021 budget, 1.5 = budget is 150% of 2021 budget)

- The region shows generally modest electric budget growth.
- RI shows relatively flat budget growth.
- RI budget declined alongside CT 2022-2023, but comes back up in 2024 then remains level.

Source: E Source.  
MA data excludes electrification programs.

# Benchmarking Our Numbers



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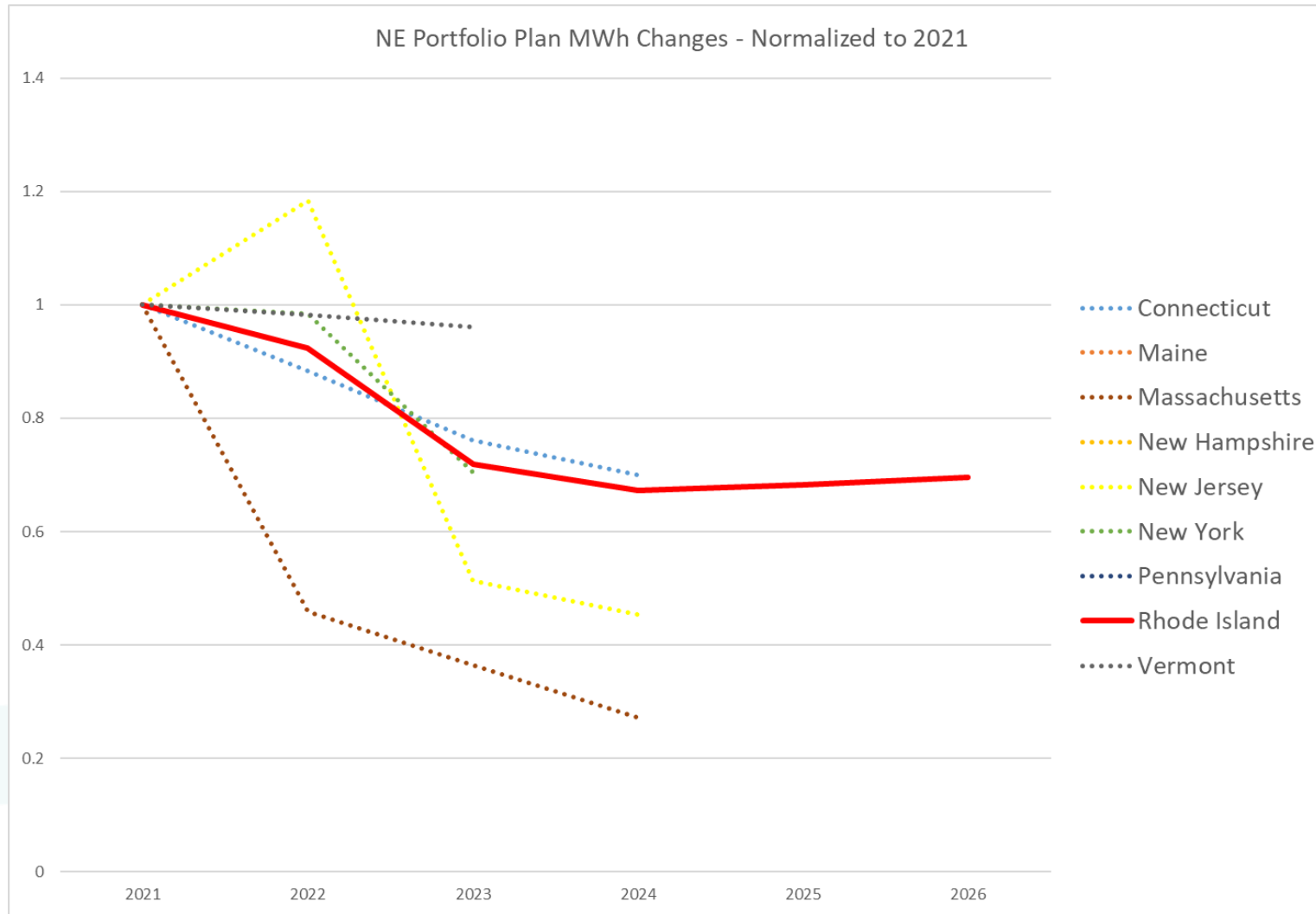


Chart shows planned electric savings trends for Northeast states.

Figures are normalized to 2021 (e.g., 1 = savings is 100% of 2021 savings, 1.5 = savings is 150% of 2021 savings)

- The region shows declining electric savings.
- RI decline in savings falls in the middle of the region, closely resembling CT.

Source: E Source.  
MA data excludes electrification programs.



# Benchmarking Our Numbers



Chart shows planned cost of electric savings for Northeast states.

- The region shows rising cost of electric savings.
- RI cost of savings declines slightly over 2024-2026
- RI cost of savings falls in the middle of the region, closely resembling CT.

Source: E Source.  
MA data excludes electrification programs.



# Benchmarking Our Numbers



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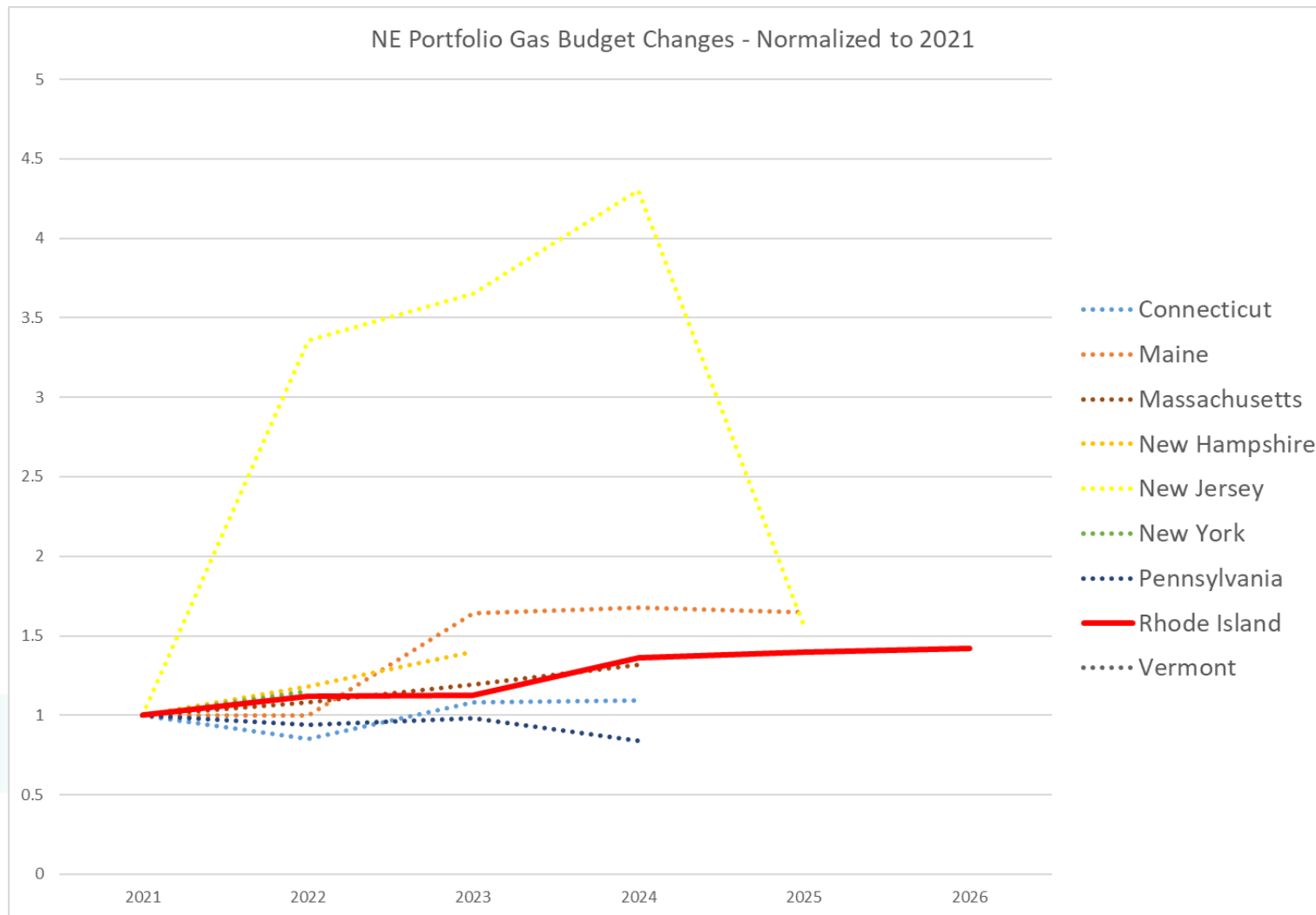


Chart shows gas budget trends for Northeast states.

Figures are normalized to 2021 (e.g., 1 = budget is 100% of 2021 budget, 1.5 = budget is 150% of 2021 budget)

- The region generally shows a mix of modest budget growth and budget decline.
- RI shows relatively flat budget growth.
- RI budget closely resembles MA.

Source: E Source.  
MA data excludes electrification programs.

# Benchmarking Our Numbers



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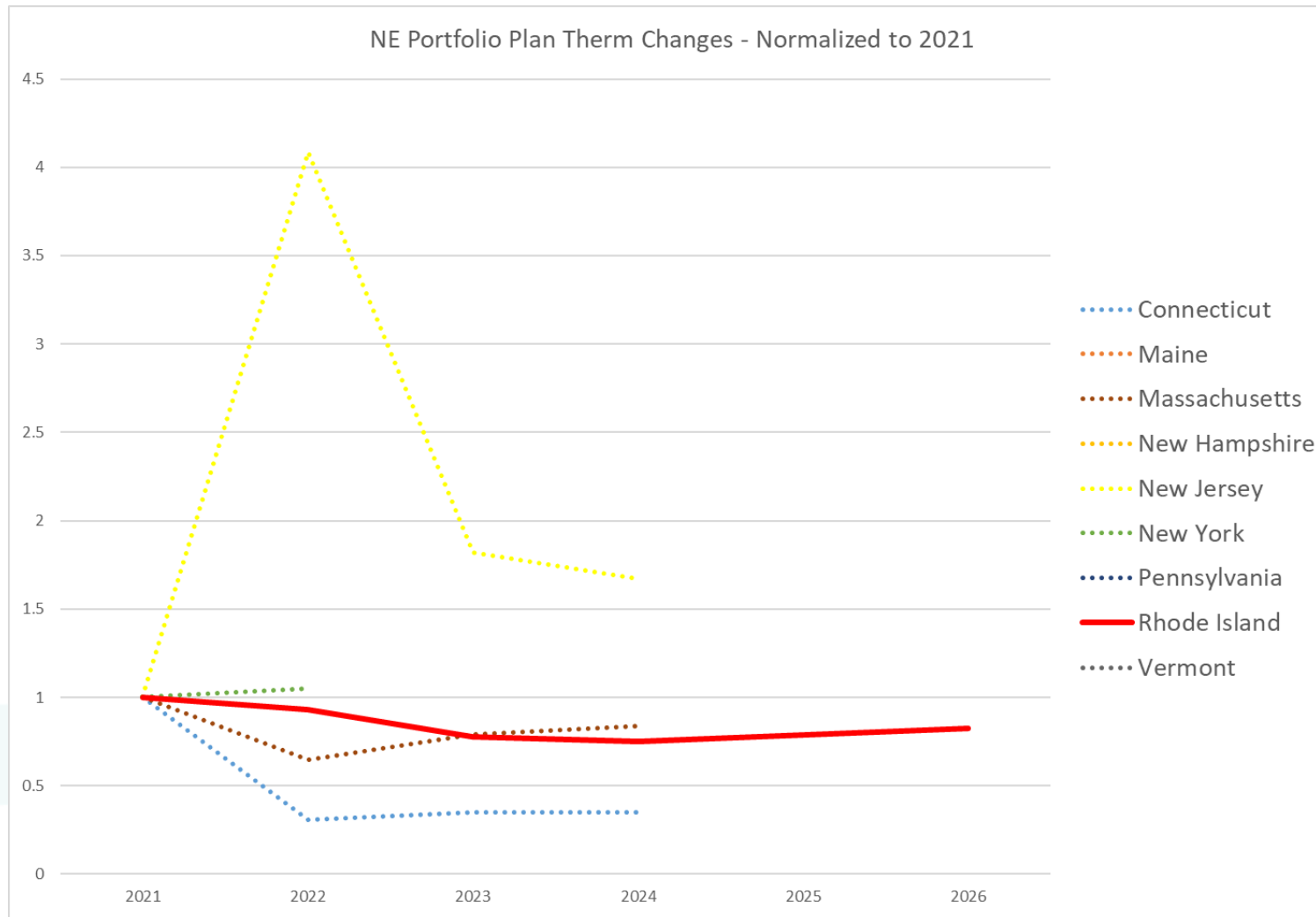


Chart shows planned gas savings trends for Northeast states.

Figures are normalized to 2021 (e.g., 1 = savings is 100% of 2021 savings, 1.5 = savings is 150% of 2021 savings)

- The region shows generally flat gas savings.
- RI savings fall in the middle of the region, closely resembling MA.

Source: E Source.  
MA data excludes electrification programs.



# Benchmarking Our Numbers

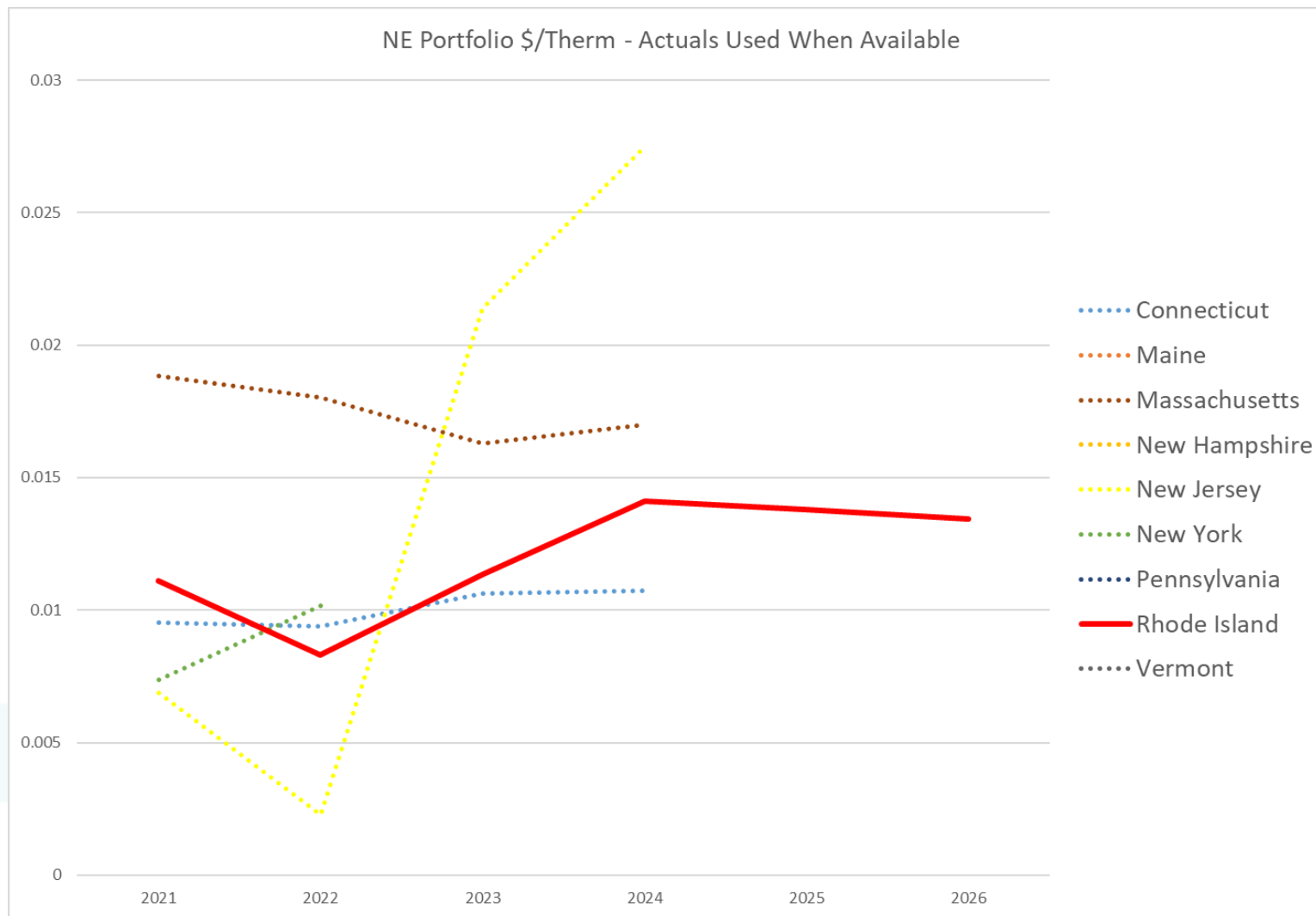


Chart shows planned cost of gas savings for Northeast states.

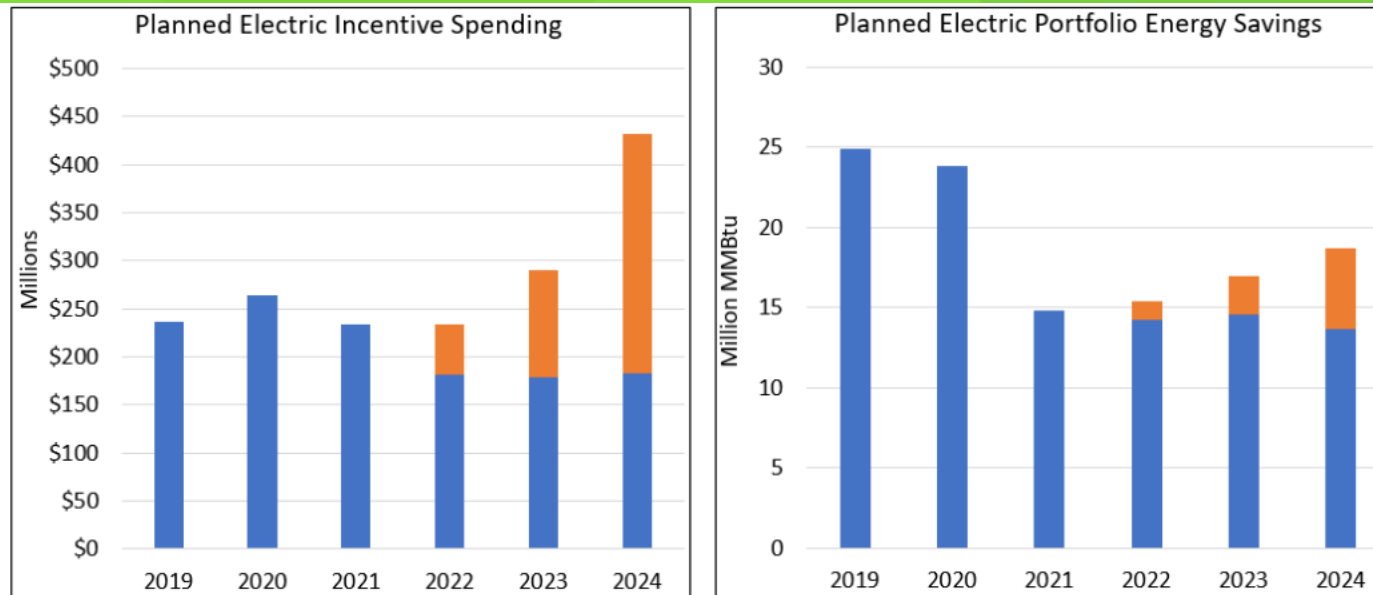
- The region shows generally flat cost of gas savings.
- RI cost of savings declines slightly over 2024-2026
- RI cost of savings falls in the middle of the region.

Source: E Source.  
MA data excludes electrification programs.

# Around the Region: Massachusetts 2022-2024 EE Plan

- C&I Electric “traditional EE” spending decreases from the 2019-2021 period and levels off
- Electrification represents the large growth in program spending
- Savings have decreased from the 2019-2021 plan and continue to decrease for “traditional EE”

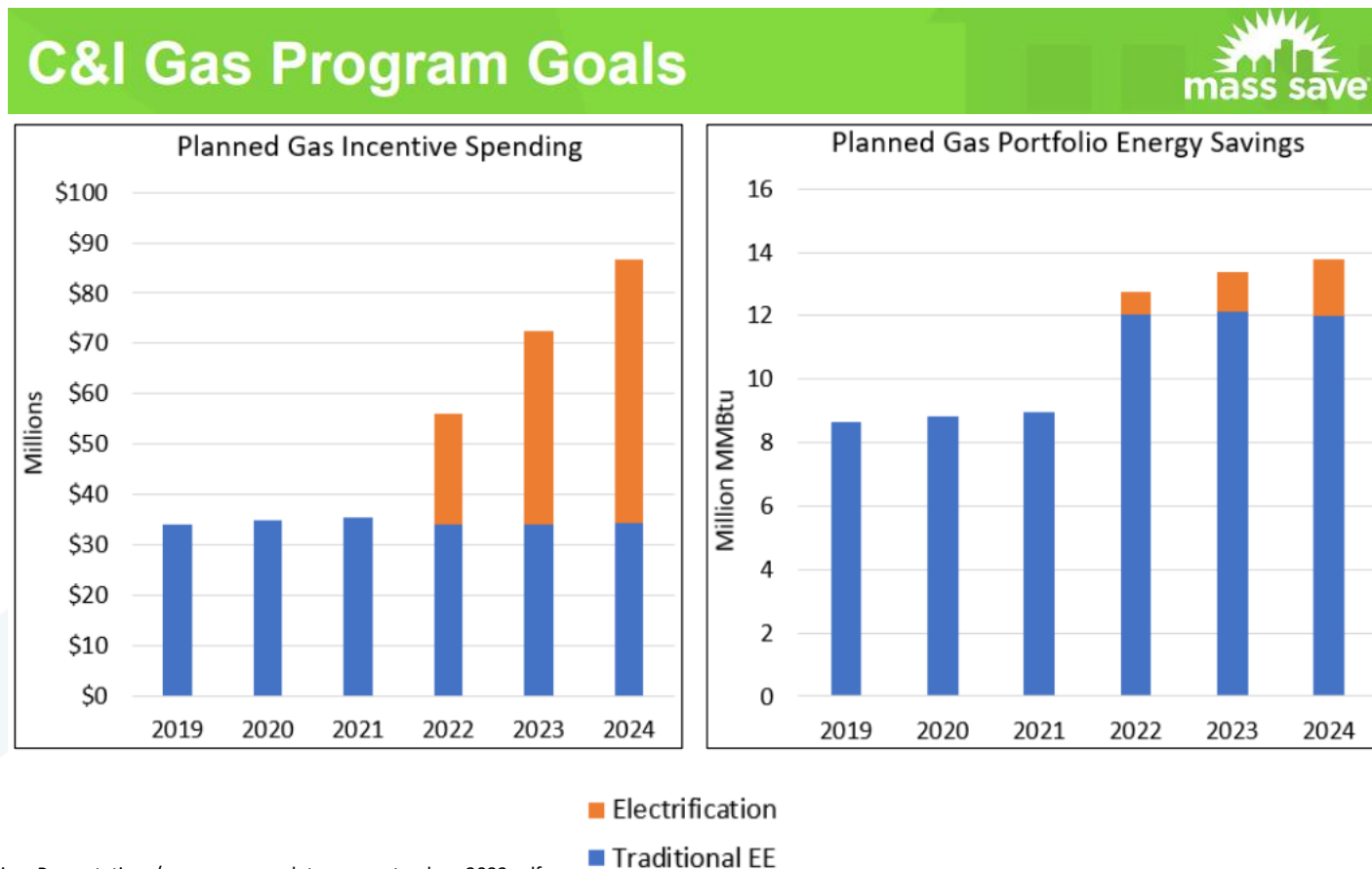
## C&I Electric Program Goals



■ Electrification  
■ Traditional EE

# Around the Region: Massachusetts 2022-2024 EE Plan

- C&I Gas “traditional EE” spending decreases from the 2019-2021 period and levels off
- Electrification represents the large growth in program spending
- Savings have increased from the 2019-2021 plan due to longer-life weatherization measures



# Around the Region: Connecticut 2022-2024 EE Plan

- In the 3-year plan in CT, electric spending decreases each year while gas spending increases each year, leading to a total decrease each year

Year	Budgets (\$000)			Annual Savings							Lifetime Savings	
	Electric	Natural Gas	Total	Electric (GWh) *	Peak (MW) **	Natural Gas (MMcf)	Oil (gallons)	Propane (gallons)	Annual Savings (MMBtus) ***	CO <sub>2</sub> Emissions (tons)	Lifetime Benefit (\$000)	Lifetime Savings (MMBtus) ***
<b>2022</b>	\$199,845	\$44,878	\$244,723	197	135	382	1,548,671	294,364	1.3	126,510	\$598,196	16.8
<b>2023</b>	\$178,385	\$55,179	\$233,564	170	133	521	1,363,908	258,488	1.3	123,802	\$563,900	17.2
<b>2024</b>	\$173,895	\$55,836	\$229,731	157	141	521	1,351,073	254,667	1.3	118,502	\$544,206	16.8
<b>Total</b>	<b>\$552,124</b>	<b>\$155,893</b>	<b>\$708,017</b>	<b>524</b>	<b>409</b>	<b>1,424</b>	<b>4,263,652</b>	<b>807,519</b>	<b>3.9</b>	<b>368,814</b>	<b>\$1,706,301</b>	<b>50.8</b>

\*Abbreviation for Gigawatt hours.

\*\*Savings include demand response programs.

\*\*\*In millions of MMBtu (one million British Thermal Units). Figures listed are site MMBtus and address only the energy saved at the meter level.

# Items to be Refined



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- Continued iteration/optimization/rebalancing of planned values
- Consideration of stakeholder feedback
- General expenses

# 2024 Annual Plan Status



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- First Draft, with numbers, due to EERMC 8/3
  - Will include draft attachments
- Focus on providing detailed program design and implementation approaches
- Similar in structure to 2023 Annual Plan
- Will not include any Demand Response content
  - Demand Response will be under SRP based on PUC guidance





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STATE OF RHODE ISLAND

**ENERGY EFFICIENCY &  
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

# Consultant Team Review First Draft of the 2024-2026 Three-Year Plan

**Presented By:** EERMC Consultant Team

**Date:** July 20, 2023



# Outline

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## Overview

Areas of Focus

Portfolio Overview

## Commercial & Industrial Review

## Residential & Income Eligible Review

## Council Discussion



Areas of Focus

# OVERVIEW





# Areas of Focus

## Quantitative review

- Initial review focused on quantitative trends over time (Actuals, Plans, Targets)
- Comparisons to Targets highlight areas with untapped savings potential

## Quality assurance (QA)

- RI Energy implemented both structural and functional changes to the Plan Benefit-Cost Ratio (BCR) Models
- QA review an ongoing process

## Narrative review

- Today's meeting focuses on quantitative review due to ongoing Narrative development
- We will still raise qualitative plan elements where appropriate



Portfolio Overview

# OVERVIEW



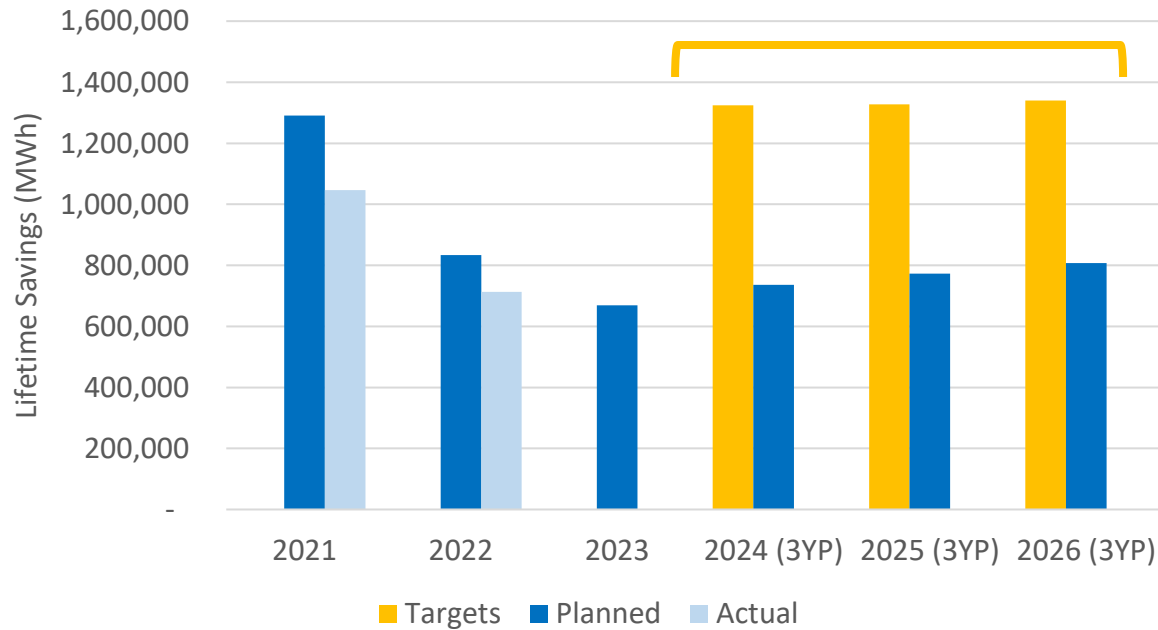


# Portfolio Lifetime Savings

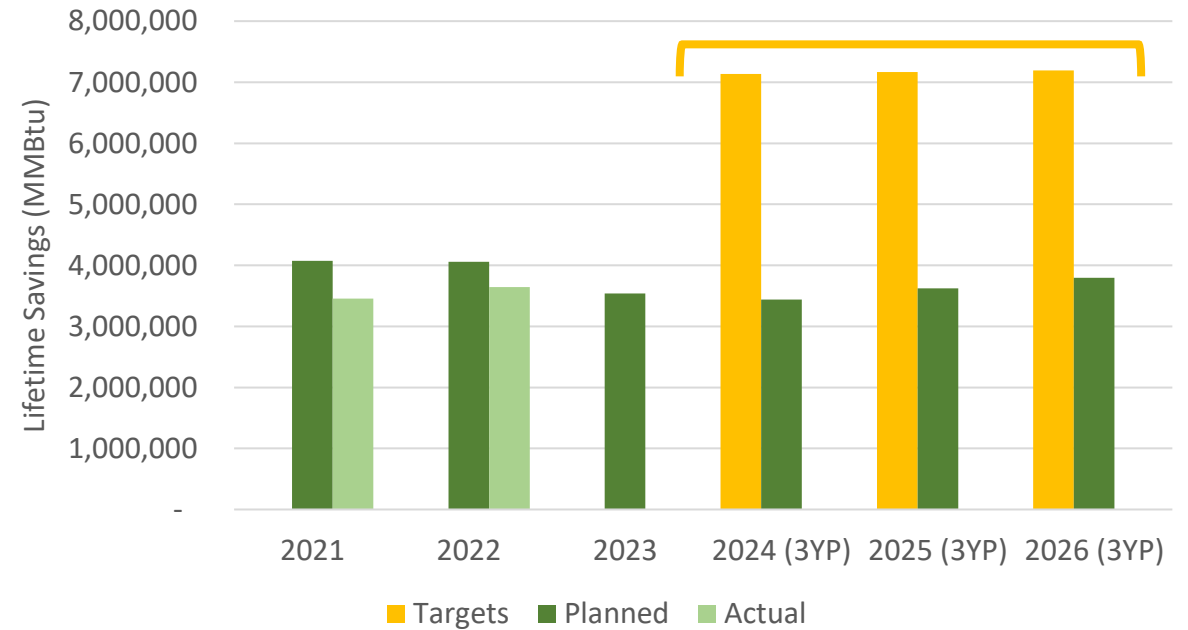
## Key Takeaway

Slight increase in planned lifetime electric and gas savings year-over-year from 2024-2026, but planned savings are nearly 50% below Targets.

Electric Lifetime Savings (MWh) - Portfolio Total



Gas Lifetime Savings (MMBtu) - Portfolio Total



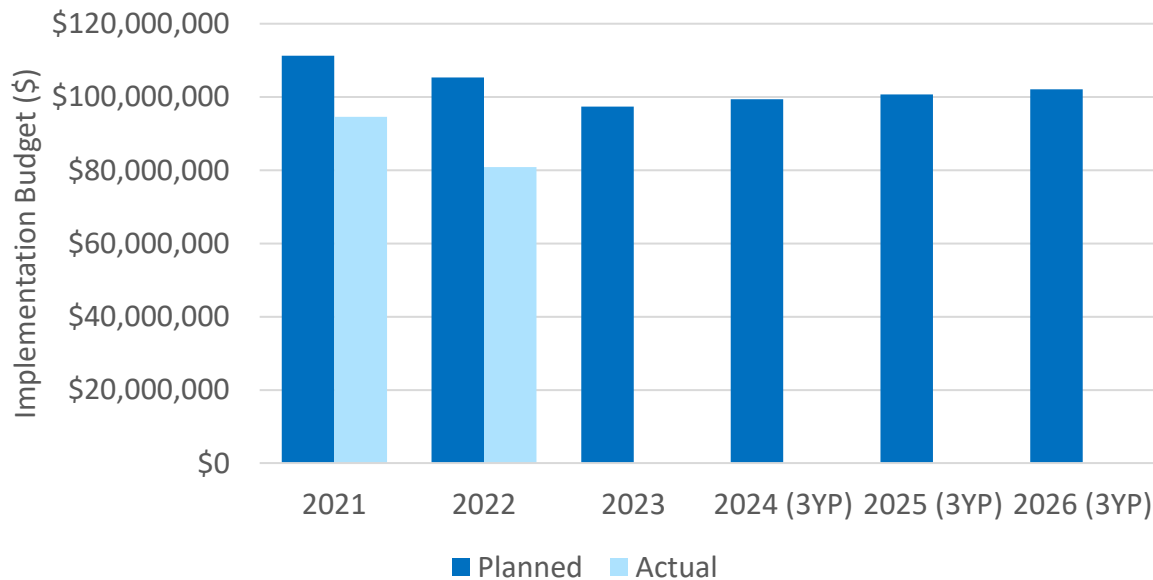


# Implementation Budget

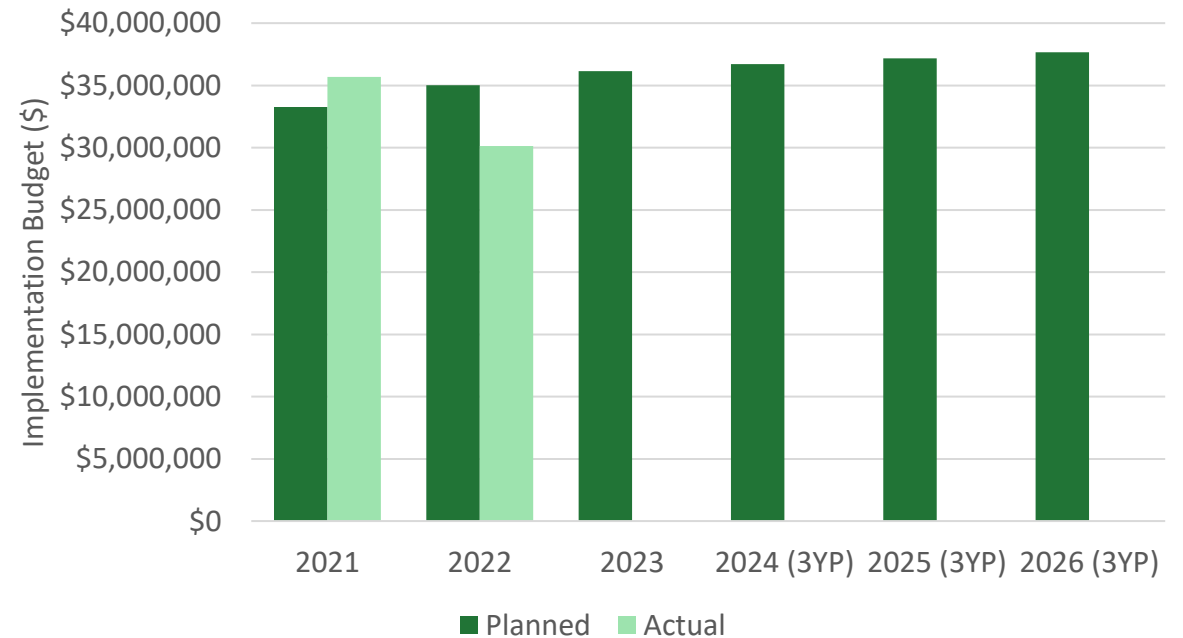
## Key Takeaway

Minor increases in planned budget over the Three-Year term with over 20% increase in what was actually spent in 2022.

Electric Implementation Budget (\$) - Portfolio Total



Gas Implementation Budget (\$) - Portfolio Total

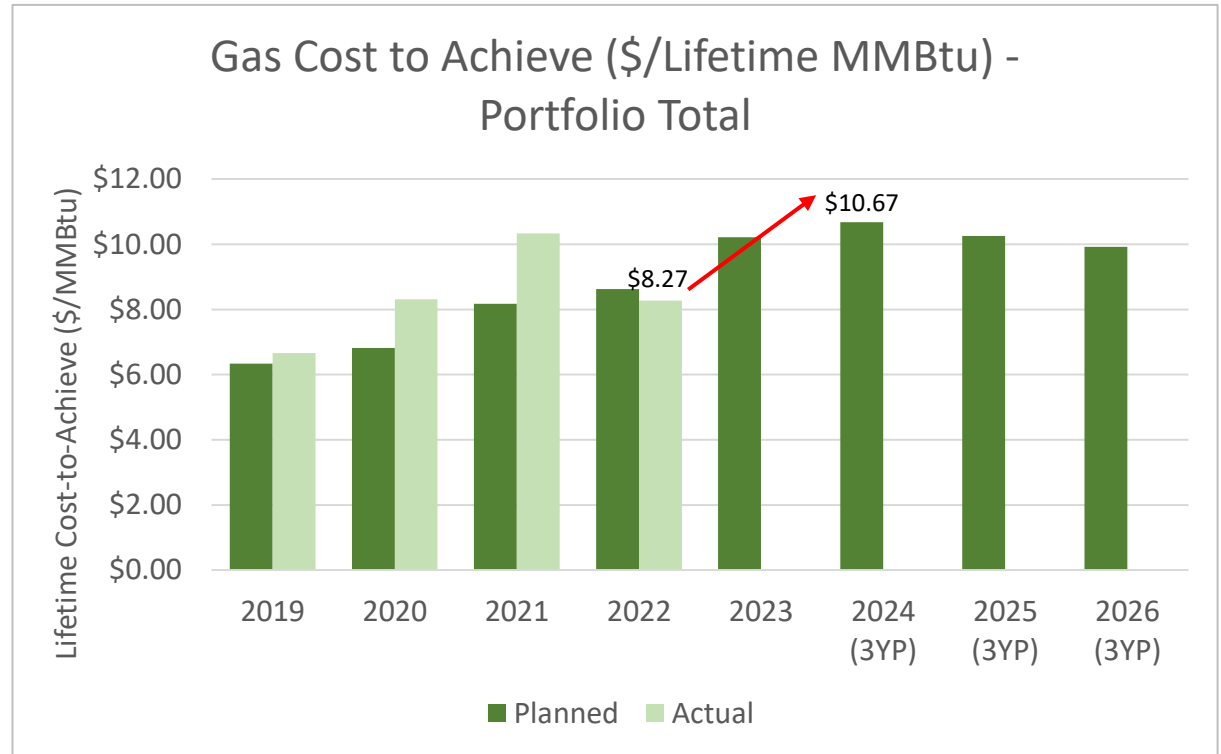
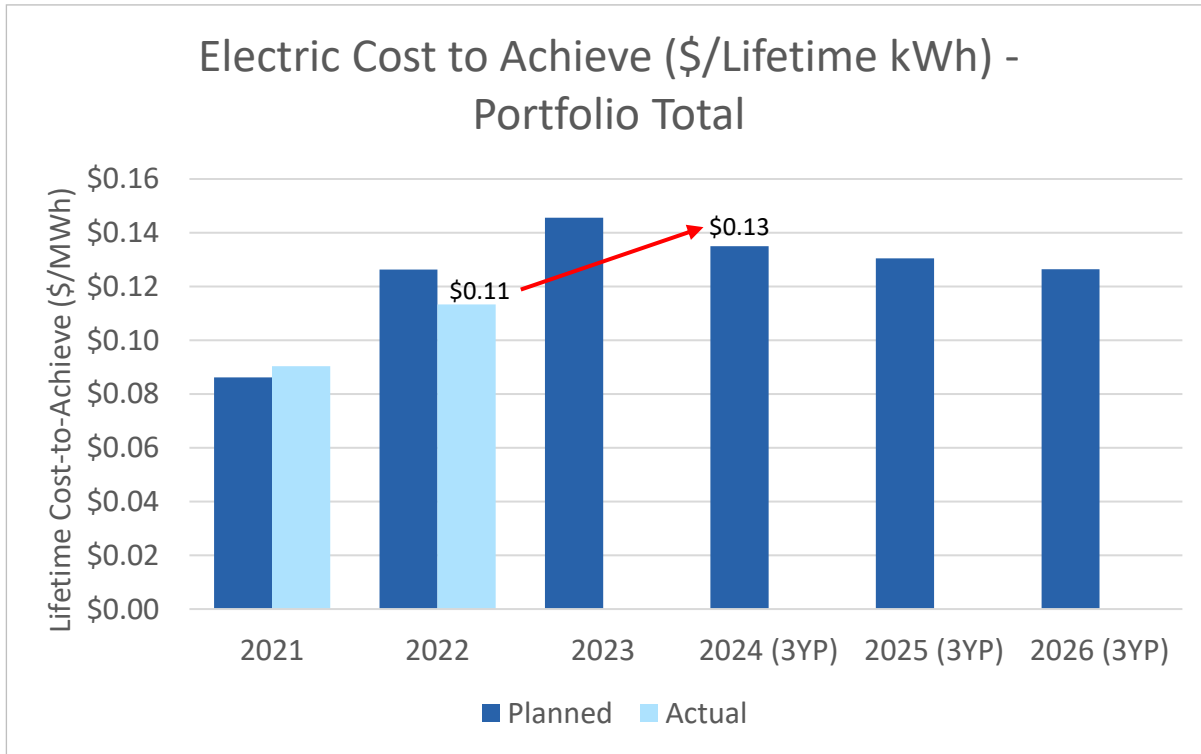






# Portfolio Cost to Achieve

**Key Takeaway** Declining cost-to-achieve during Three-Year Plan term, but higher cost-to-achieve in 2024 than 2022 actuals for both electric (+19%) and gas (+29%) portfolios.



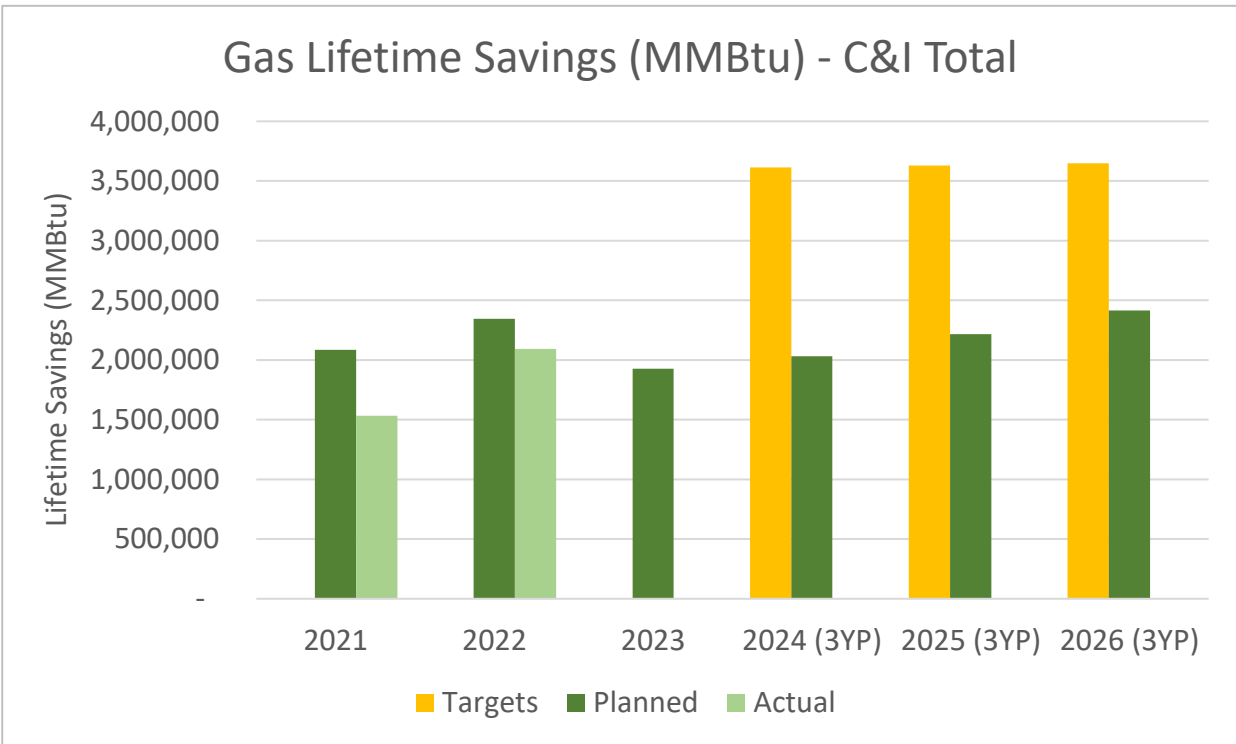
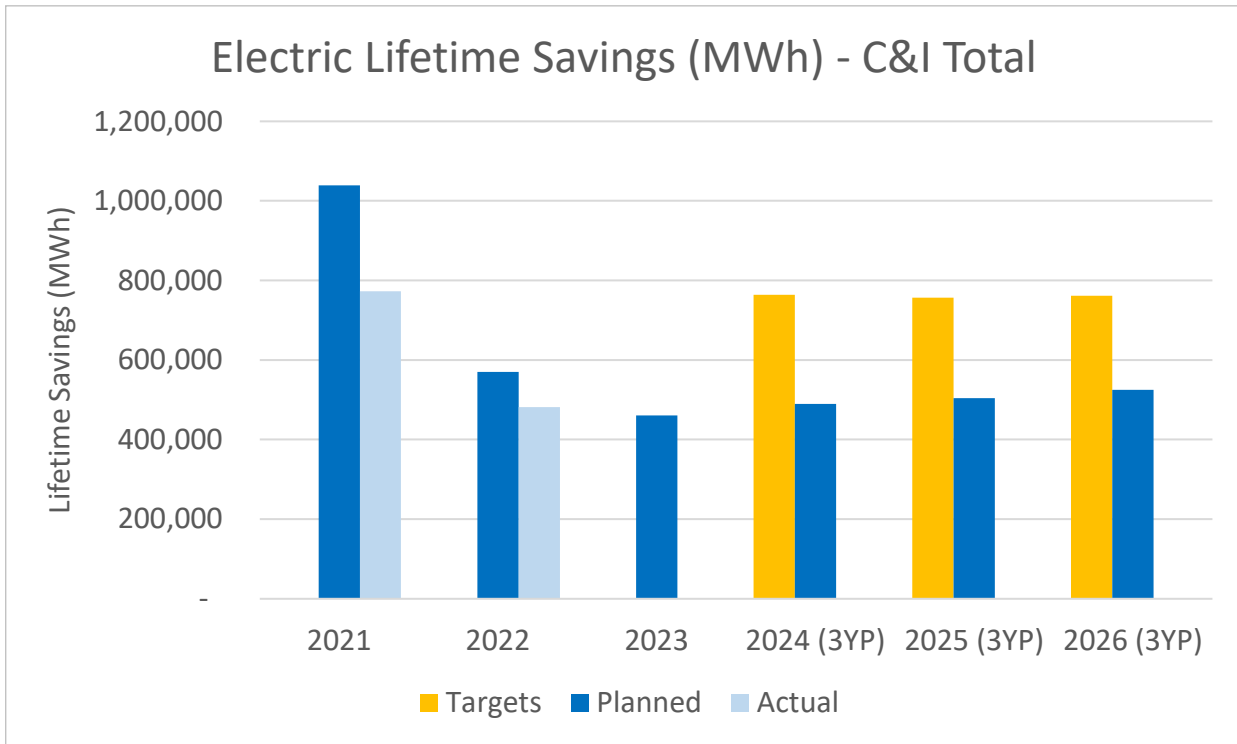


# COMMERCIAL AND INDUSTRIAL SECTOR REVIEW



# Commercial & Industrial – Lifetime Savings

**Key Takeaway** Planned 2024-2026 savings exceed 2023 Plan but ~35% below electric and gas Targets.

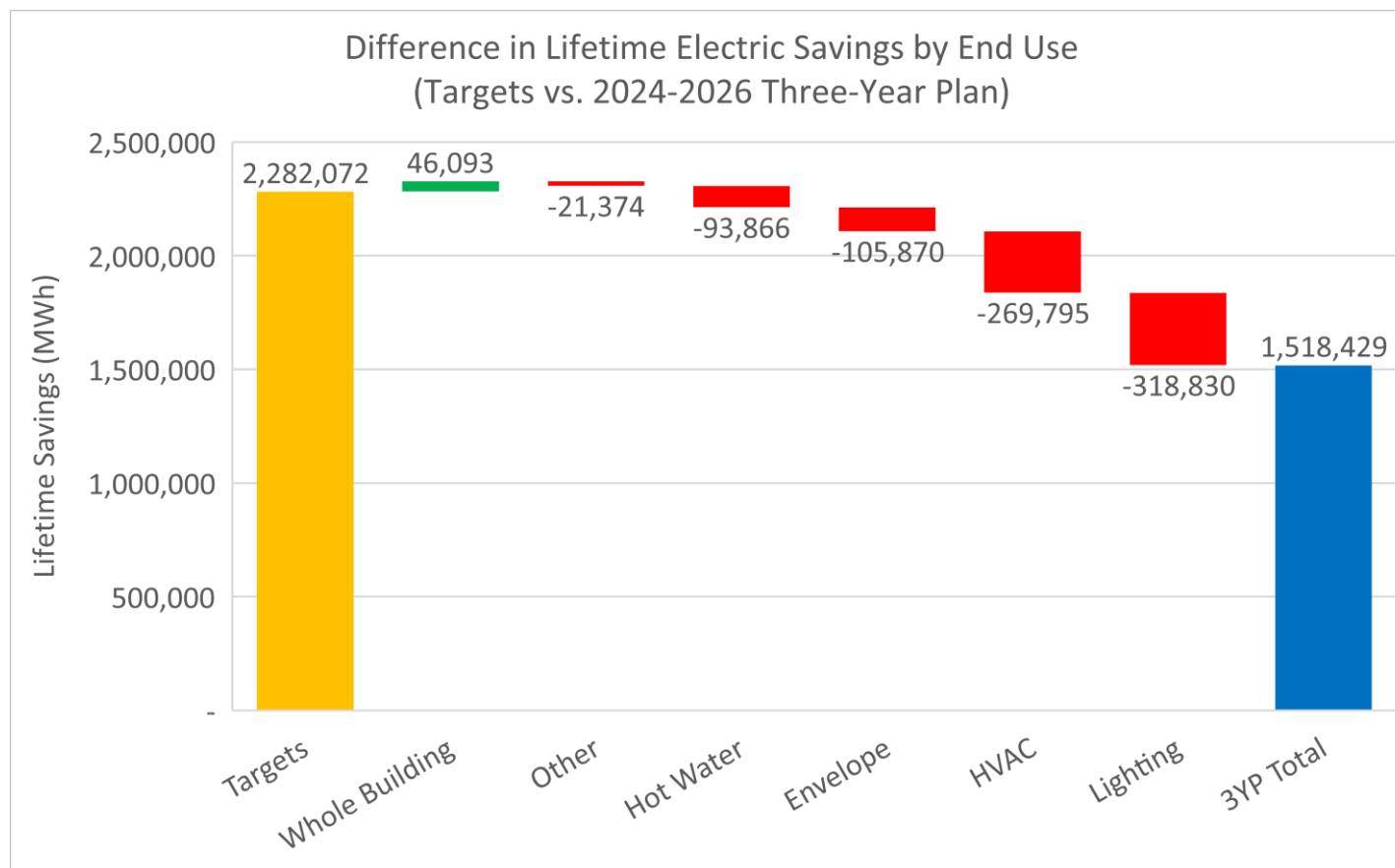




# Commercial & Industrial – Electric Savings

## Key Takeaway

Lighting and HVAC represent nearly 80% of gap between Three-Year Plan and Targets



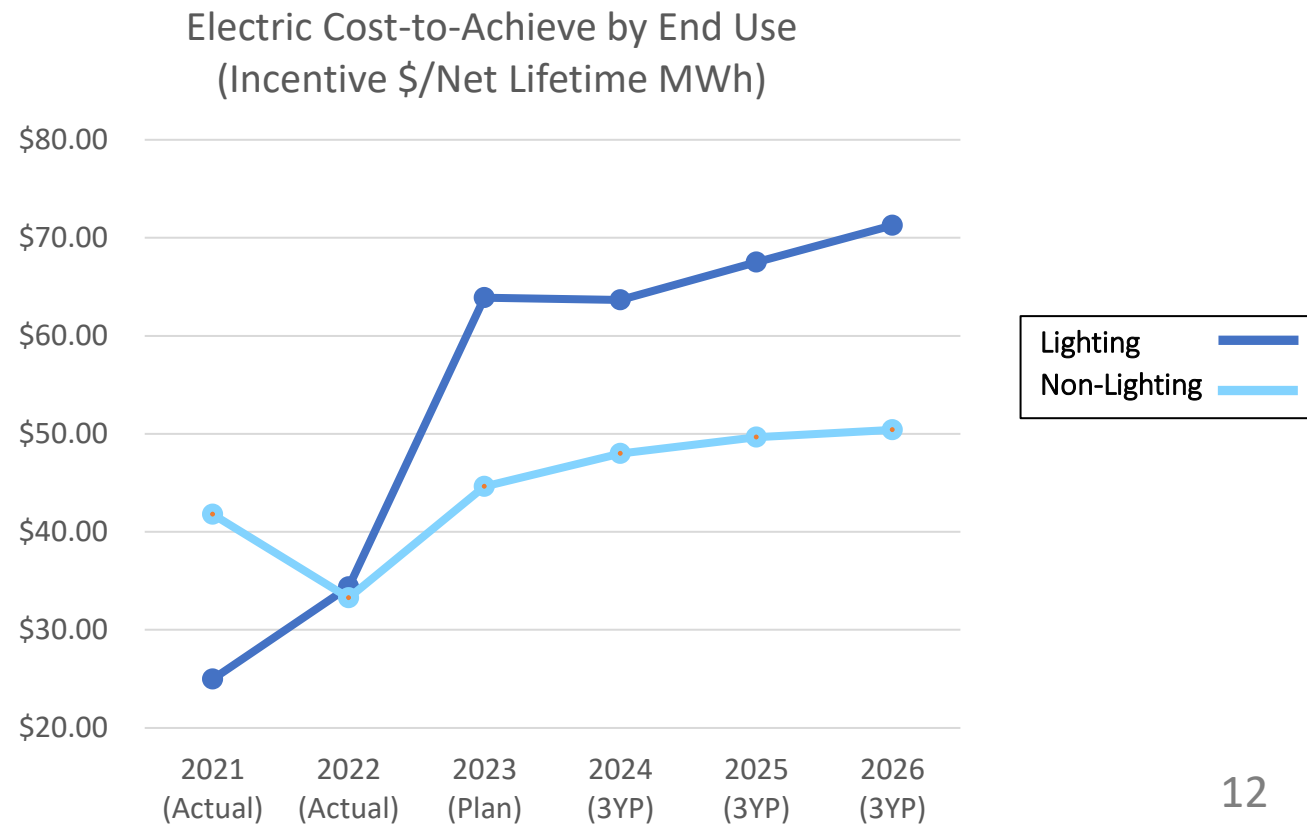


# Commercial & Industrial – Electric Costs

**Key Takeaway** 2024-2026 average electric cost-to-achieve over 60% higher than 2022 actuals, but measure lives and net-to-gross values suggest evaluation impacts are not main driver.

Average Measure Life (Years)	Lighting	Non-Lighting
2021 (Actual)	12	12
2022 (Actual)	8	12
2023 (Plan)	7	12
2024-2026 (3YP)	7	12

Net-to-Gross Ratio	Lighting	Non-Lighting
2021 (Actual)	60%	61%
2022 (Actual)	62%	67%
2023 (Plan)	64%	71%
2024-2026 (3YP)	63%	72%



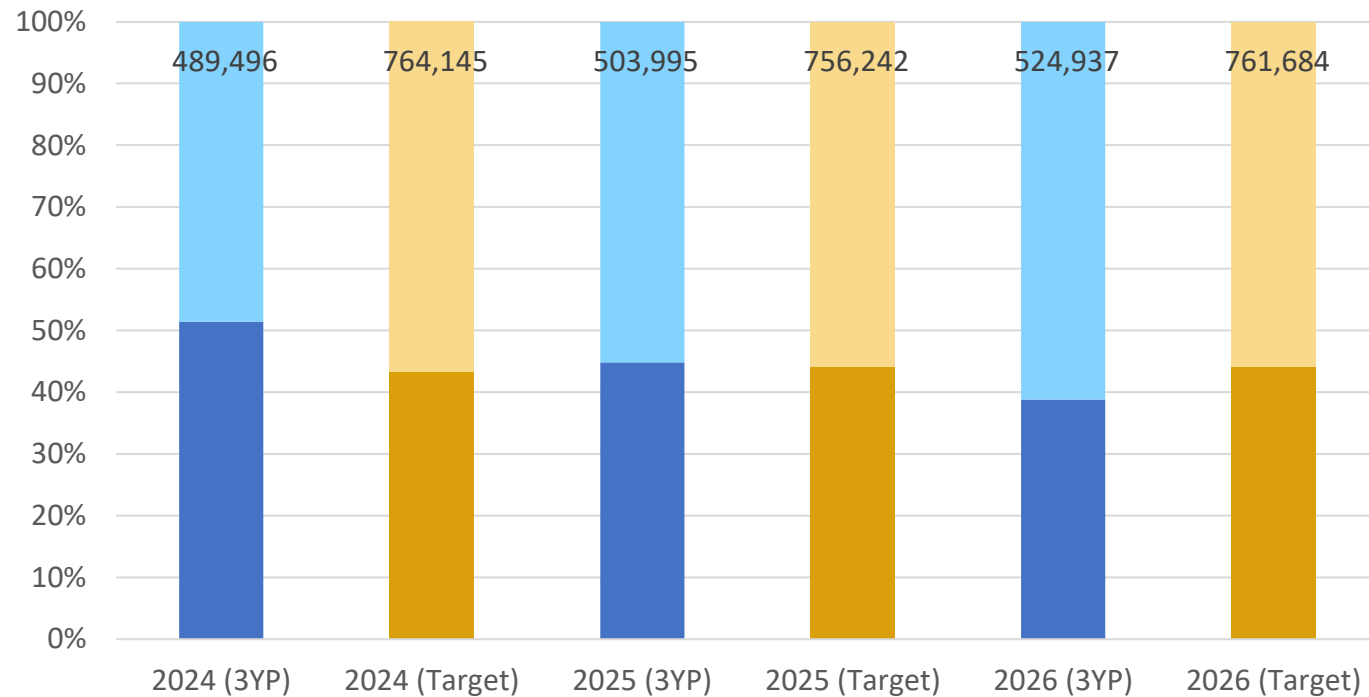
Note: Expect updated Evaluation Study results for 2023 Plan Second Draft



# Commercial & Industrial - Electric Savings

**Key Takeaway** Magnitude of planned savings lower, but distribution of savings consistent with Targets. Share of non-lighting savings increased over 2021-2023 (Plan & Actual).

Lifetime Electric Savings and Distribution by Measure Category  
(Targets vs. 2024-2026 Three-Year Plan)



**Three-Year Plan**

- Lighting (Dark Blue)
- Non-Lighting (Light Blue)

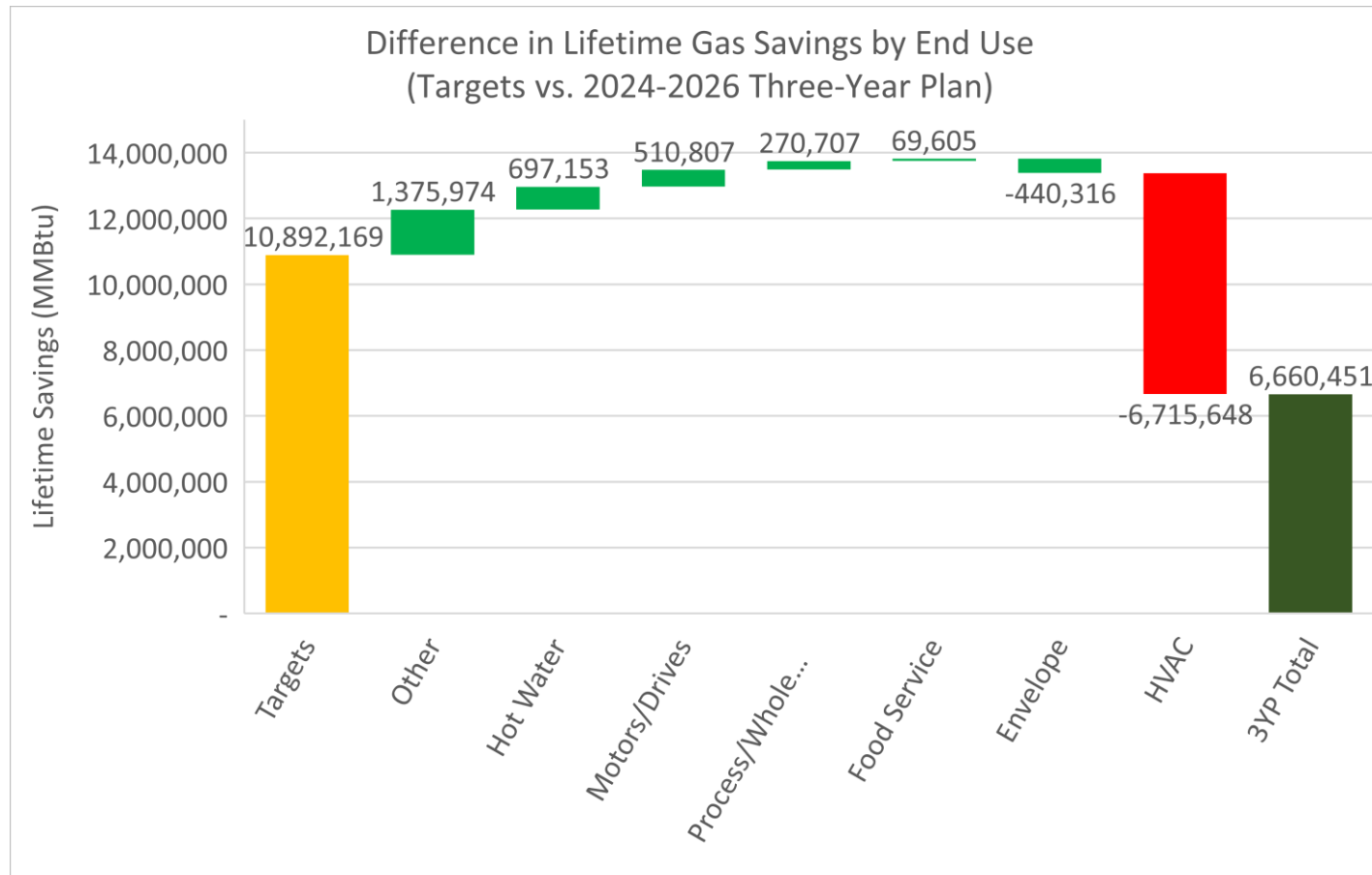
**Targets**

- Lighting (Dark Orange)
- Non-Lighting (Light Orange)



# Commercial & Industrial – Gas Savings

**Key Takeaway** Large gap in HVAC savings, but planned decrease in incentive \$ per lifetime MMBtu.



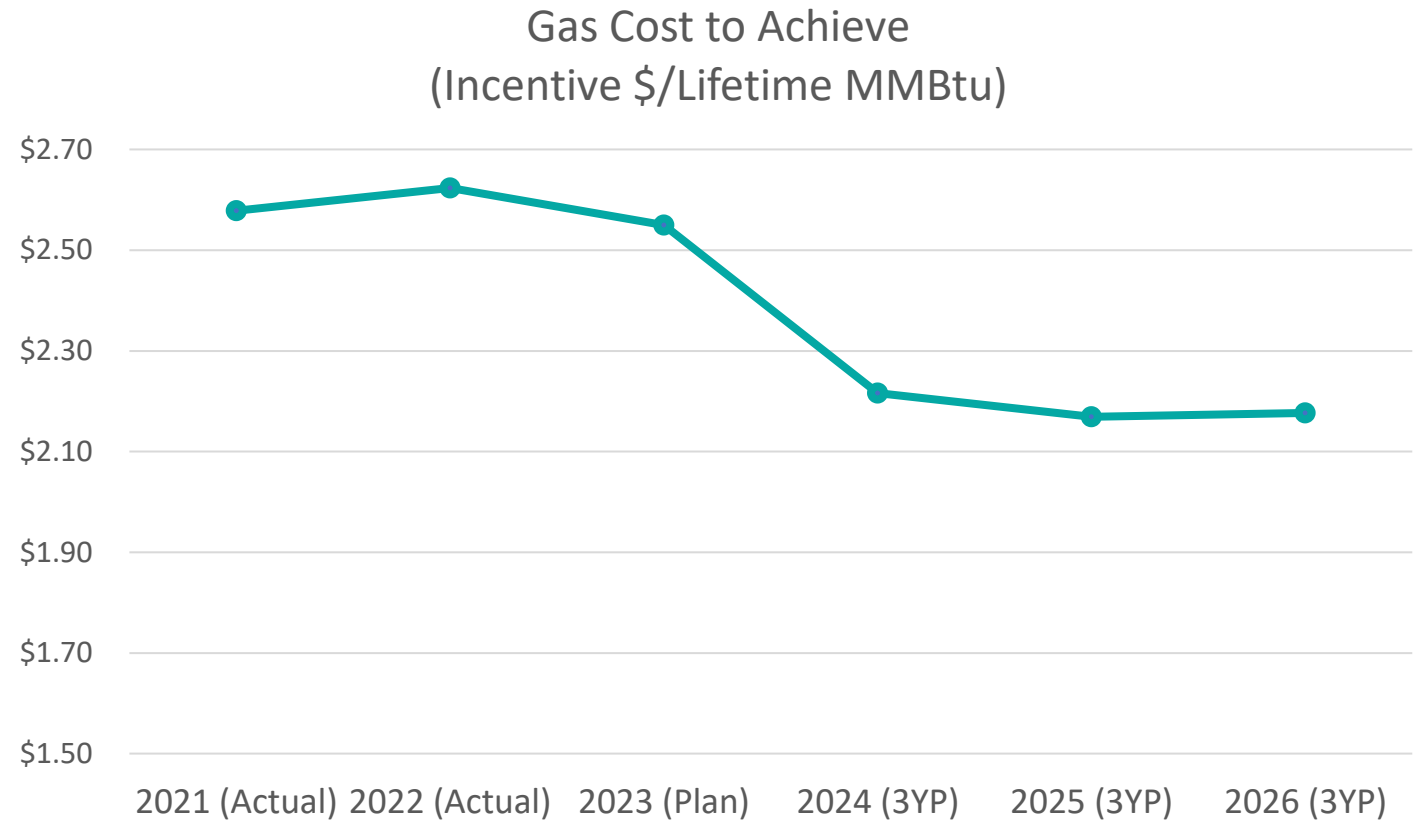


# Commercial & Industrial – Gas Costs

**Key Takeaway** 2024-2026 average gas cost-to-achieve 17% lower than 2022 actuals, which is consistent with discussions on right-sizing gas equipment incentives.

Average Measure Life (Years)	Total Gas
2021 (Actual)	11
2022 (Actual)	11
2023 (Plan)	12
2024-2026 (3YP)	13

Net-to-Gross Ratio	Total Gas
2021 (Actual)	79%
2022 (Actual)	88%
2023 (Plan)	83%
2024-2026 (3YP)	85%



Note: Expect updated Evaluation Study results for 2023 Plan Second Draft





# RESIDENTIAL SECTOR REVIEW





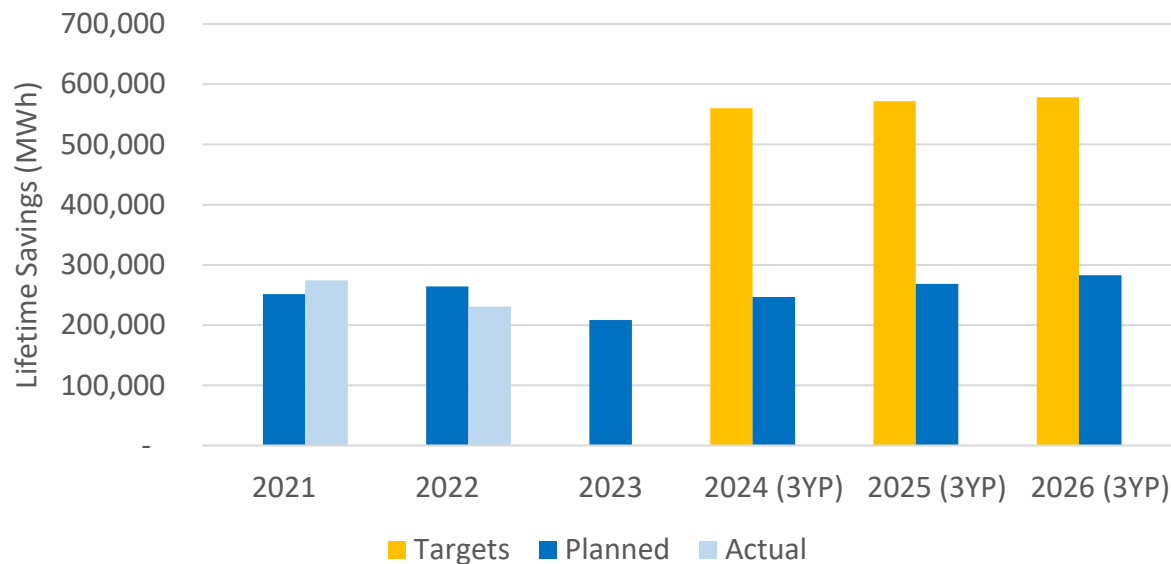
# Residential & Income Eligible – Lifetime Savings

## Key Takeaways

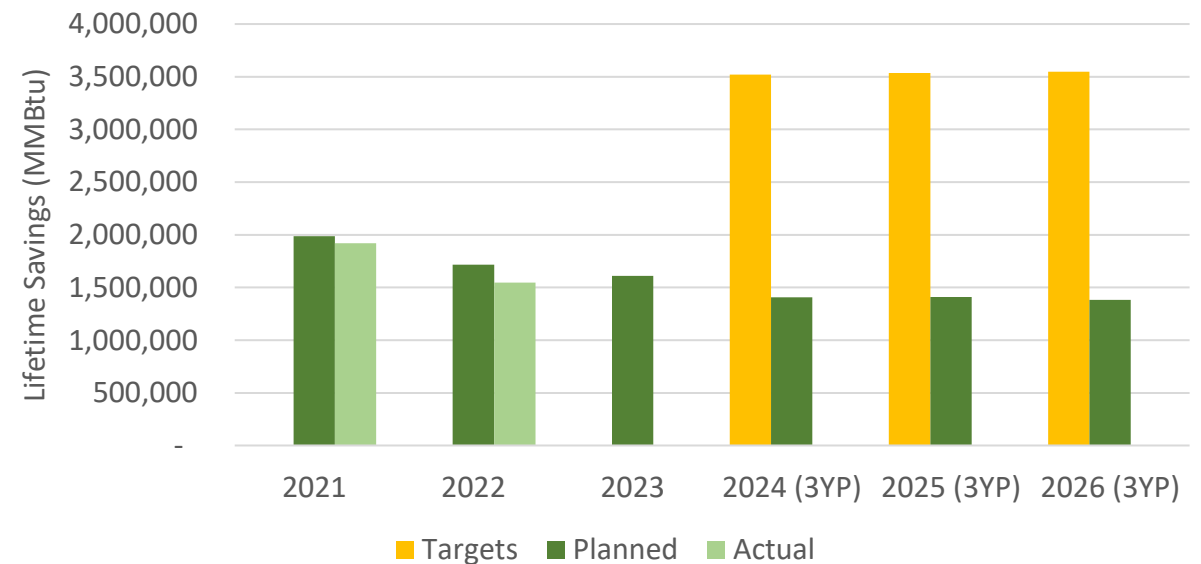
**Electric:** Planned 2024-2026 savings exceed 2023 Plan but over 50% below Targets

**Gas:** Planned 2024-2026 savings below recent plans and actuals, and 60% below Targets

Electric Lifetime Savings (MWh) - Residential & Income Eligible Total



Gas Lifetime Savings (MMBtu) - Residential & Income Eligible Total



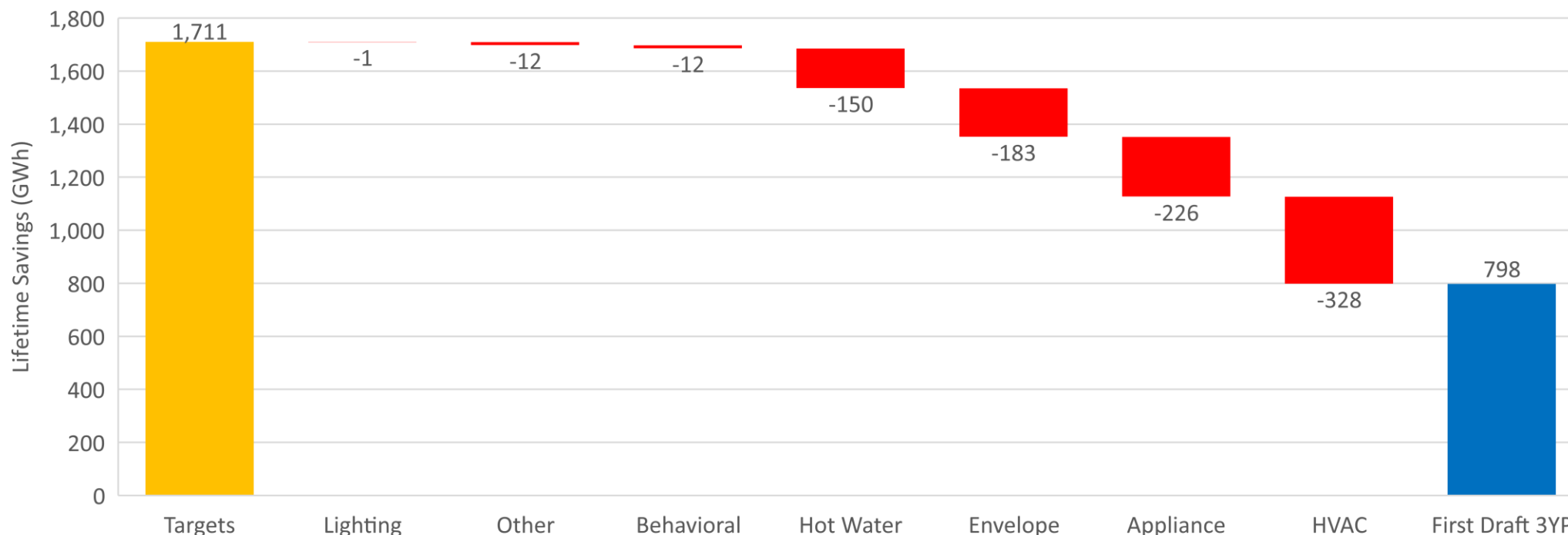


# Residential & Income Eligible – Electric End Use Savings

## Key Takeaway

Nearly the entire gap between the Three-Year Plan and Targets is distributed amongst major end-uses with HVAC representing the largest share at over 35% of the gap.

Difference in Lifetime Electric Savings by End Use  
(Targets vs. 2024-2026 Three-Year Plan)

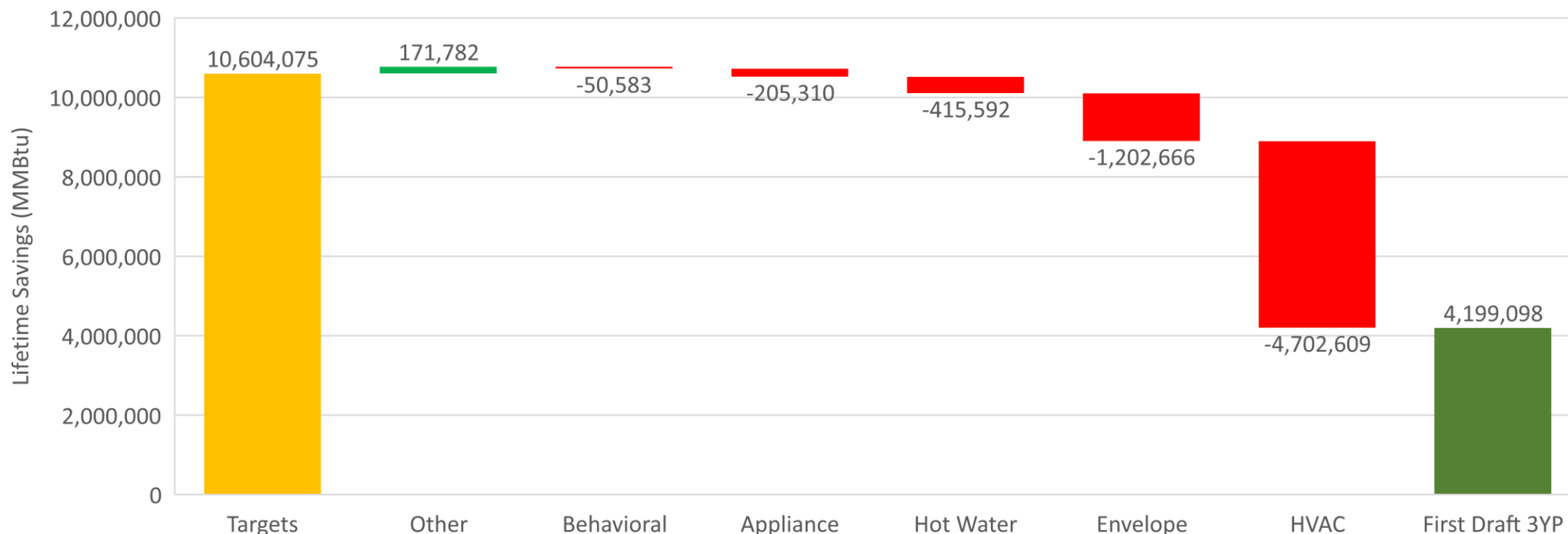




# Residential & Income Eligible – Gas End Use Savings

**Key Takeaway** Over 75% of the gap between the Three-Year Plan and Targets is from the HVAC end use. Combined with envelope, these two end uses make up over 90% of the gap.

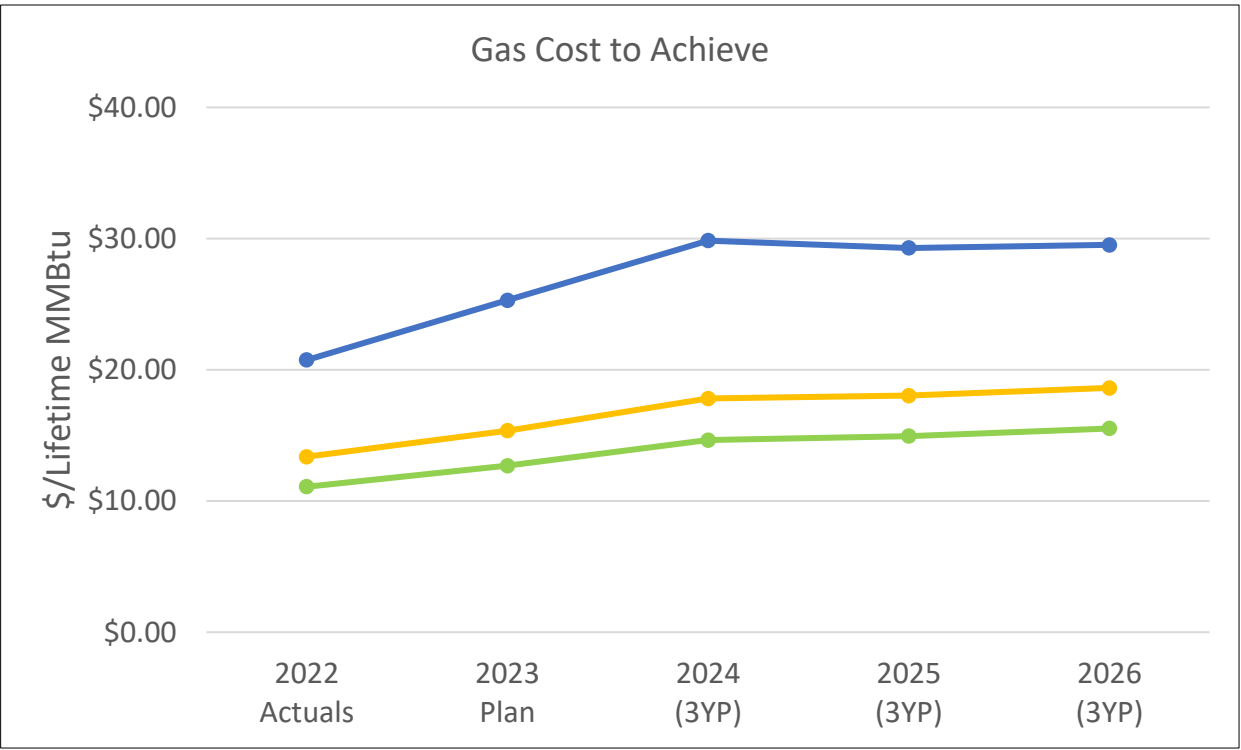
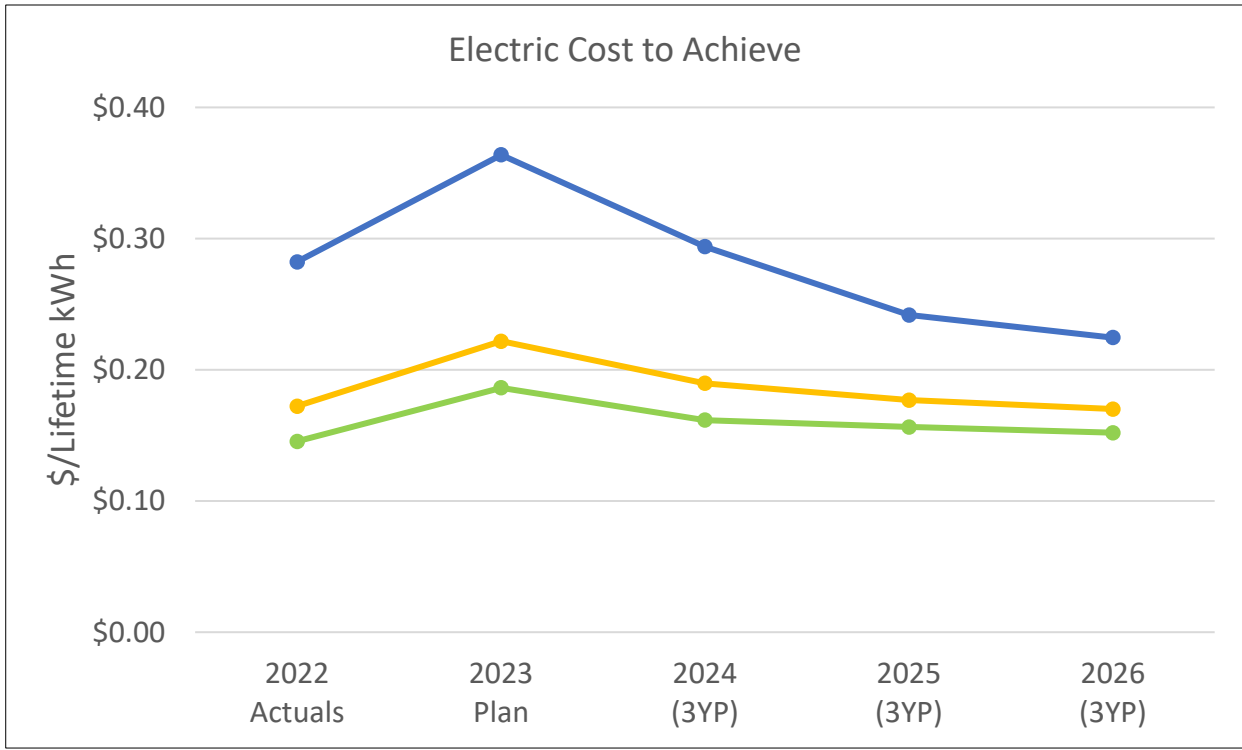
Difference in Lifetime Gas Savings by End Use  
(Targets vs. 2024-2026 Three-Year Plan)





# Residential & Income Eligible – Cost to Achieve

**Key Takeaway** **Electric:** Cost-to-Achieve closer aligned with recent actuals; decreasing over time  
**Gas:** Cost-to-Achieve higher than recent actuals and plans; increasing over time

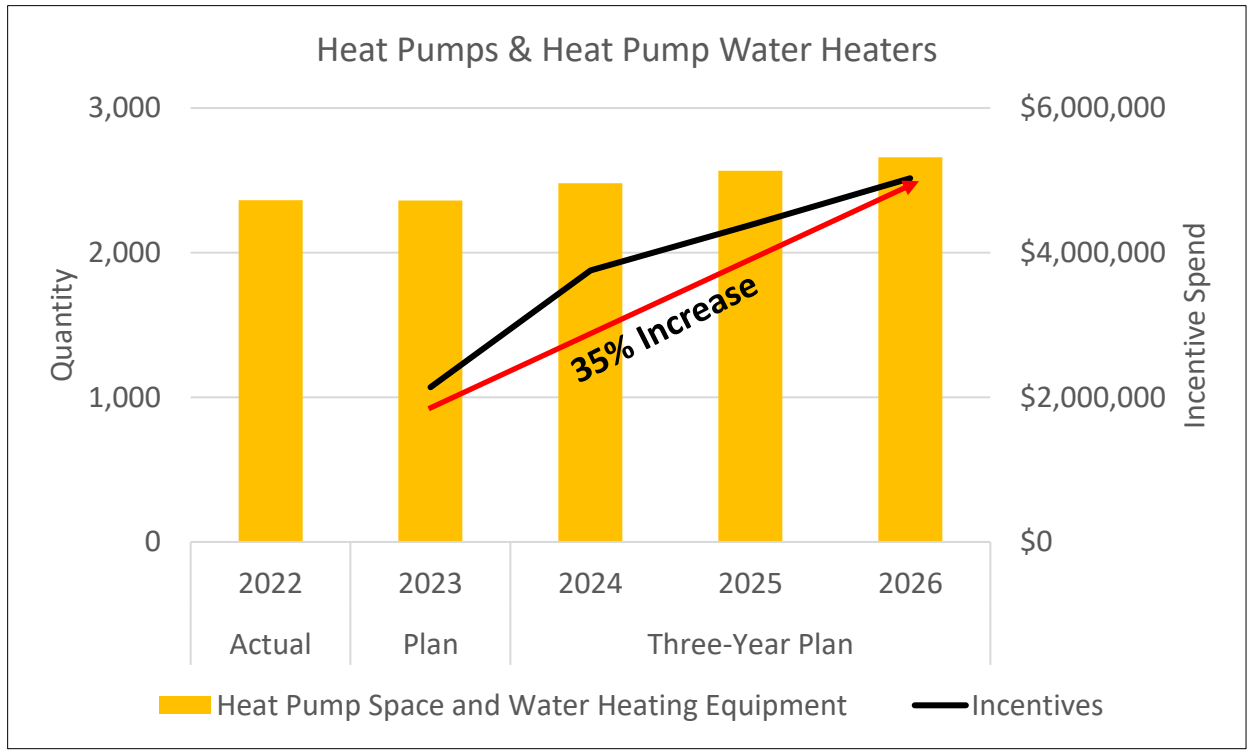
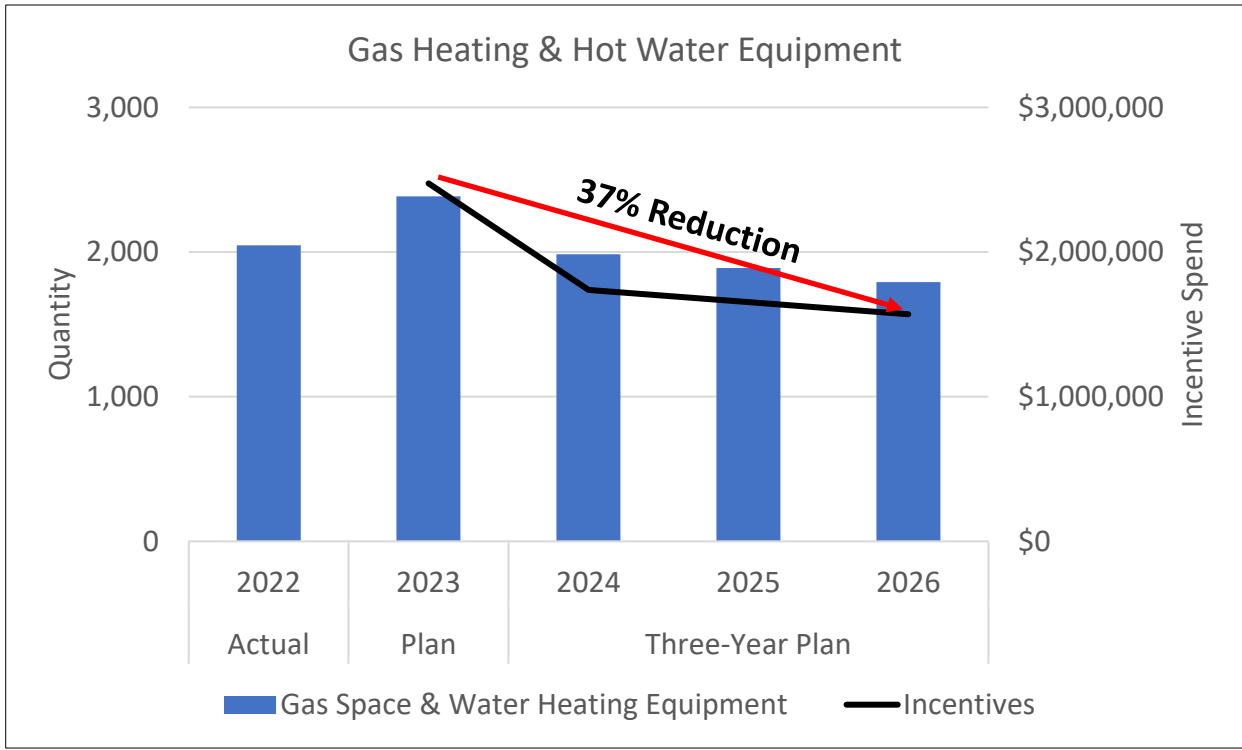


● Income Eligible    
 ● Residential    
 ● Residential & Income Eligible



# Residential & Income Eligible – HVAC Program

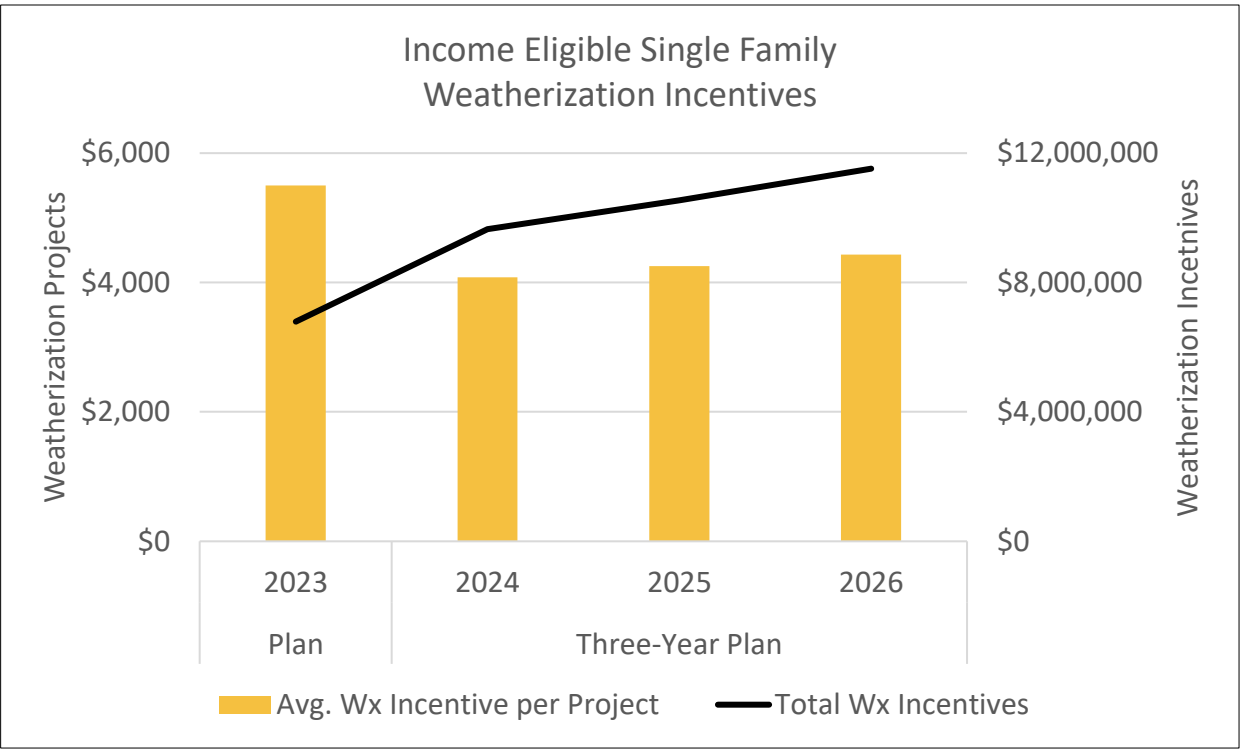
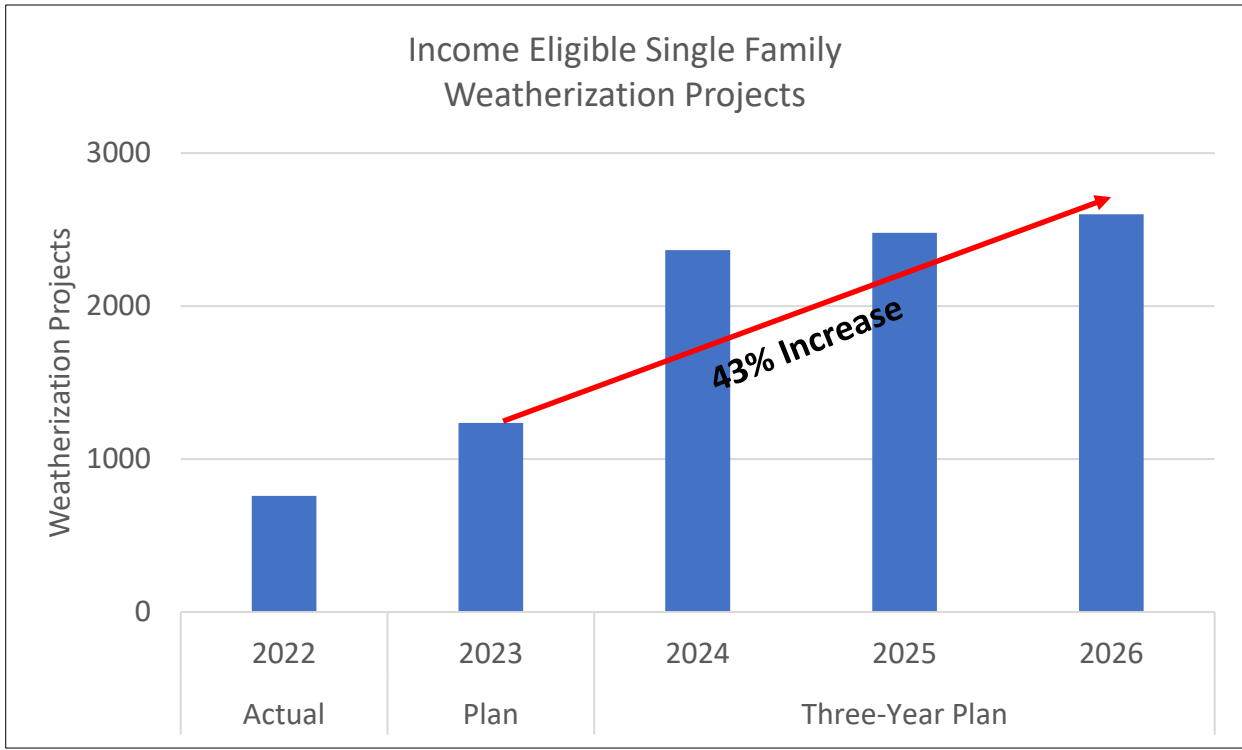
**Key Takeaway** Gas space and heating water equipment and associated incentives decrease over time, while heat pump space and water heating equipment increases over time





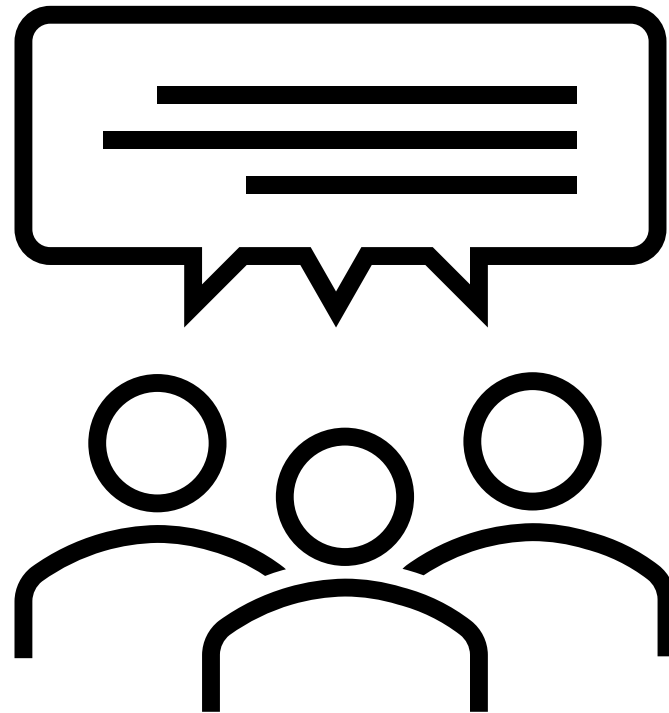
# Residential & Income Eligible – Income Eligible SF Weatherization

**Key Takeaway** Significant increase in planned weatherization projects; Increase in planned incentives, but assumed spend per project has decreased from 2023 Plan





# Council Member Discussion







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

## **EERMC FULL COUNCIL DRAFT MEETING MINUTES**

**Thursday, July 20, 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:** Peter Gill Case, Sue AnderBois, Tom Magliochetti, Bob Izzo, Christopher Kearns, Joe Garlick, Brett Feldman, Kate Grant, Dave Caldwell, Priscilla De La Cruz

**Others in Attendance:** Nathan Cleveland, Jake Curran, Craig Johnson, Adrian Caesar, Rachel Sholly, Brendan Dagher, Jessica Reno, Michael O'Brien Crayne, Emily Koo, Dana Goodman, Lou Cotoia, Cheryl Boyd, Sam Ross (virtual), Daniel Tukey (virtual), Jordan Galluzzo (virtual), Nelson DiBase (virtual), Karen Verrengia (virtual), Glenn Rhodes (virtual), Serena Russell (virtual), Spencer Lawrence (virtual)

### **1. Call to Order**

Vice Chair Gill Case called the meeting to order at 3:05 p.m.

### **2. Chair Report**

Vice Chair Gill Case delivered the chair report, providing instructions for the public to submit public comment at the meeting. He also noted the additional meeting materials that were posted for Council review. Vice Chair Gill Case provided a refresher on Rhode Island Energy's Three-Year Plan. He provided an overview of the 2023 EERMC forum being organized by URI's Cooperative Extension, where the Council will sponsor workshops focusing on energy efficiency programming.

Acting Commissioner Kearns noted that he would have to exit the meeting early. As a result, the Council elected to adjust the agenda, with a new order of agenda items 1, 2, 3, 4, 5, 6a, 7, 6b, 6c, 6d. Vice Chair Gill Case motioned to re-order the meeting agenda. Council Member AnderBois seconded. All in favor, none opposed.

### **3. Executive Director Report**

Acting Commissioner Kearns reported that the \$25 million Clean Heat RI heat pump program will launch in mid-to-late August, as it is nearing the finish line program development. He noted that he will have more up-to-date details at the next Council meeting in August. The Clean Heat RI program will have its own dedicated website with different language options for customers. He then briefed the Council of the EC4 meeting on August

30<sup>th</sup> and where to find details for the meeting and provided federal funding home electrification updates.

#### **4. Meeting Minutes**

*a. May 1, 2023, LEAD Session*

Vice Chair Gill Case motioned to approve the May 1<sup>st</sup>, 2023, LEAD Session Meeting Minutes. Council Members AnderBois and Garlick seconded. All in favor, none opposed.

*b. May 18, 2023*

Vice Chair Gill Case motioned to approve the May 18<sup>th</sup>, 2023, Meeting Minutes. Council Members AnderBois and Garlick seconded. All in favor, none opposed.

*c. June 15<sup>th</sup>, 2023*

Vice Chair Gill Case motioned to approve the June 15<sup>th</sup>, 2023, Meeting Minutes. Council Members AnderBois and Garlick seconded. All in favor, none opposed.

#### **5. Special Topics (15 min, 3:10 – 3:25 p.m.)**

*a. Rhode Island Builders Association Home Show Presentation (15 min, 3:10 – 3:25 p.m.)*

Representatives of the Rhode Island Builders Association presented final statistics for the 2023 RI Home Show and Energy Expo. Mr. Catoia began the presentation reiterating that they believe the relationship between the RIBA and the EERMC is a collaboration, not a sponsorship. The funds are used towards prime space for the Energy Expo at the entry concourse. Mr. Catoia then played the video that was filmed at the 2023 Home Show. After the conclusion of the video, the RIBA team presented statistics in comparison to prior years, noting increased attendance from the previous year. Mr. Catoia also pointed out that there were over 1,500 students participating in the set up and take down of the Home Show. The entire concourse was dedicated to energy with coordinated messaging with RI Energy. Council Member Feldman also mentioned that over 250 attendees signed up for energy assessments at the Home Show.

#### **6. Program Oversight (60 min, 3:25 – 4:25 p.m.)**

*a. Regional Greenhouse Gas Initiative Allocation Proposal Update (5 min, 3:25 – 3:30 p.m.)*

Acting Commissioner Kearns briefed the Council on Regional Greenhouse Gas Initiative (RGGI) updates, stating that the first two program auctions of 2023 have occurred. He noted that \$1.6 million in funding from the Energy Efficiency Conservation Block Grant will be allocated to 26 municipalities. Mr. Kearns then stated that the Lead by Example program will have RGGI support, and that rate relief for low- and moderate-income customers are also proposed to receive support.

*b. Rhode Island Energy Presentation of the Updated 2024-2026 Draft Plan (20 min, 3:30 – 3:50 p.m.)*

Mr. O'Brien Crayne briefed the Council on the RIE 2024-2026 Energy Efficiency Plan Update, and the planning timeline for stakeholder involvement. The first draft of the 2024 Annual

Plan will be shared on August 3<sup>rd</sup>, and the 3-year plan will be delivered to the PUC on October 1<sup>st</sup>.

The comments received from the July 21<sup>st</sup> comment period deadline highlighted the perceived lack of sufficient detail within the plan. Many expressed the need for more comprehensive information, particularly pertaining to the specifics of program design. This led to a request for clearer organizational strategies that would enhance the plan's coherence and effectiveness. Another area of discussion revolved around timelines, notably focusing on the 3-year plan and the annual plan. There was a voice of interest in having a more structured and transparent framework to ensure a smoother execution and assessment of progress. While the plan garnered approval for its alignment with energy efficiency objectives, there were concerns raised about its compatibility with the Act on Climate. Comments emphasized the importance of monitoring developments with the EC4 to ensure alignment with climate action priorities.

Mr. O'Brien Crayne then went on to discuss the recent narrative changes to the 3-year plan. In the recent updates to the 3-year plan narrative, several key aspects have been addressed to strengthen the plan's effectiveness and relevance. One notable change involves the planning process itself. The narrative now provides a more comprehensive and transparent overview of the planning process, ensuring that stakeholders understand the methodologies and considerations that underpin the plan's development. Another significant update pertains to the incorporation of least cost procurement laws and standards. The revised narrative underscores the importance of adhering to these regulations, which promote the responsible and efficient allocation of resources.

The draft of the 2024 Annual Plan will be delivered on August 3<sup>rd</sup>, which will include attachments. It will not include demand response content as that will be moved under SRP based on the PUC's guidance.

Vice Chair Gill Case made a note that timing is a key concern of this process and would like to make sure the C-Team has access to new plan documents in a timely manner.

*c. Council Consultant Team Perspectives on the Updated 2024-2026 Draft Plan (25 min, 3:50 – 4:15 p.m.)*

Mr. Caesar reiterated the C-Team's area of focus for the draft plan; in summary these focuses are the quantitative review, quality assurance, and narrative review.

He began showing the Portfolio Lifetime Savings, with the key takeaway here being a slight increase in planned lifetime electric and gas savings year-over year from 2024-2026, but planned savings are nearly 50% below targets. Next, he showed the implementation budget, with the key takeaway here being minor increases in planned budget over the three-year term with over 20% increase in what was spent in 2022. He then brought up the portfolio cost to achieve, with the key takeaway being a decline in cost-to-achieve during the three-

year plan term, but a higher cost-to-achieve in 2024 than 2022 actuals for both electric (+19%) and gas (29%) portfolios.

He then discussed the Commercial and Industrial (C & I) plan, with the key takeaway being a planned 2024-2026 savings exceeding the 2023 plan but ~35% below electric and gas targets. With the C&I electric savings, the key takeaway being lighting and HVAC representing nearly 80% of gap between the three-year plan and targets. With the electric cost, the key takeaway was the 2024-2026 average electric cost-to-achieve over 60% higher than 2022 actuals, but measures lives and net-to-gross values suggest evaluation impacts are not main drivers.

Mr. Caesar then presented terms of lifetime savings for residential and income eligible lifetime savings. For electricity, the planned savings were noted to surpass those outlined in the 2023 plan, although they fell below the set targets. Meanwhile, for gas, the planned savings were observed to be below both the plan and targets. Analyzing electric end-use savings, it was revealed that a significant portion of the gap between the 3-year plan and the targets was distributed across major end-uses.

Council Member AnderBois wanted further detail on the status of the weatherization projects within the 3-year plan. Mr. Lawrence noted that there have been tweaks made to the program, and mentioned that if one CAP is overburdened, another CAP will be able to assist, and a single audit will become available to help improve efficiency and utilize staff capacity. This item will be a part of the draft annual plan.

*d. Overview and Discussion of Updates to the Least Cost Procurement Standards (10 min, 4:15 – 4:25 p.m.)*

Mr. Johnson began presenting the timeline for the updated LCP standards, highlighting that the PUC was receptive to incorporating Council feedback on the following items: the valuation of emissions reductions, the three-year and annual plan content, the annual plan reporting requirements, and the Council's role in reviewing DSM Proposals. The feedback on the timing of standards review has not been incorporated in standards, but has been addressed in a comment by the PUC staff.

He then briefed the Council on the PUC's responsiveness to OER and RIE feedback. The PUC's response has resulted in the partial adoption of a significant number of the comments and recommendations put forth by OER. This proactive approach has been particularly evident in matters related to the Act on Climate and equity. Furthermore, in response to additional feedback from the C-Team, there is an ongoing discussion about refining the terminology used in the program standards. The C-Team has suggested the consideration of incorporating the term "Program Administrator" within the standards. The C-Team also offered minor edits to enhance clarity in the newly proposed language.

## **7. Council Business (30 Min, 4:25 – 4:55 p.m.)**

*a. Review of 2023 Budget and Potential Vote to Reallocate Council's K-12 Energy Education Funding (5 min, 4:25 – 4:30 p.m.)*

The C-Team briefed the Council on the initial 2023 budget allocation, which had two distinct components: \$25,000 earmarked for K-12 energy education and \$35,000 allocated for the Energy Efficiency & Climate Awareness Campaign. The Public Awareness Campaign should be divided into two phases. Phase 1 of the project involves a comprehensive approach to building a robust public awareness campaign to be completed in 2023. Phase 2 of the project involves the execution of the public awareness campaign that was developed in Phase 1 to commence and be completed in 2024.

Council Member AnderBois motioned to reallocate \$25,000 from the K-12 Energy Education initiative to the EE and Climate Awareness Campaign. Vice Chair Gill Case seconded. All in favor, none opposed.

*b. Review and Potential Vote on the Draft Energy Efficiency and Climate Public Awareness Campaign Request for Proposals (10 min, 4:30 – 4:40 p.m.)*

The C-Team began briefing the Council on the proposed draft RFP. The draft RFP has been structured to mirror a two-phased approach. However, the progression to the second phase is contingent upon the approval of the 2024 budget. In addition, potential vendors engaging with this RFP would recognize this phased arrangement. Specifically, vendors would be aware that they are assured participation in Phase 1, while the continuation to Phase 2 is subject to the successful approval of the budget.

Council Member AnderBois motioned to approve the Energy Efficiency and Climate Public Awareness Campaign RFP as presented on July 20th, 2023, and to direct the Office of Energy Resources to issue the request for proposals. Vice Chair Gill Case seconded. All in favor, none opposed.

*c. Council Discussion and Vote on the 2024 Draft EERMC Budget Proposal (15 min, 4:40 – 4:55 p.m.)*

Mr. Johnson began by refreshing the Council on the budget planning process. Mr. Johnson discussed that the Council's statutory budget cap for the upcoming year is not anticipated to remain at its current level. It was noted that the significant return of unspent ratepayer funds played a pivotal role in influencing the binding cap for the current year. This return of funds was a one-time factor that had a substantial impact on the budget cap.

The draft budget for 2024 underwent several changes to ensure its alignment with the Council's priorities and goals. Notably, two items were removed from the budget: a potential study data refresh and a market-based solutions study. The 2024 budget saw the incorporation of new initiatives that reflect the Council's strategies. Specifically, allocations were made for an expanded Energy Efficiency and Climate Awareness Campaign, and the implementation of the provision for EE Implementation RFP support.

Mr. Johnson made a point to focus on the implementation of the energy efficiency program that Governor McKee's budget proposal emphasized the need for close collaboration between OER and the EERMC. The cost estimate of ~\$100k was based on the C-Team's recent experience supporting a procurement of implementation contractor firms for a utility client, and a potential for a multi-year timeline for transitional implementation support.

He then went on to discuss the EE & Climate Public Awareness Campaign where the funding to support a vendor selected from the RFP would be reviewed during today's Council meeting. The current dollar amount of ~\$85k reflects the Council's direction to increase allocations from the 2023 budget level and will be updated when the RFP responses are received and evaluated.

Acting Commissioner Kearns suggested that the Council includes the presentation from the Rhode Island Builders Association to the PUC to show the benefits of the Home Show and Energy Expo, if the Council decides to approve a vote on the EE & CPAC.

A discussion started when Vice Chair Gill Case asked to gauge the Council's stance on the increase of the energy code. Council Member Caldwell explained that Rhode Island has recently passed a law that the State will adopt the 2024 Energy Conservation Code within the first 3 months of being published, and that RI is the first state in the nation to do so. Council Member Caldwell also mentioned that RIBA needs to educate the public very quickly in order to meet these goals. Member Feldman stated that Rhode Island Energy is open to collaborate for this process to lower confusion. Vice Chair Gill Case polled the Council to gauge consensus or support within the Council, to which the Council supported.

Council Member AnderBois motioned to approve the 2024 EERMC Budget Proposal and Council Member Izzo seconded. All in favor, none opposed.

## **9. Public Comment**

Vice Chair Gill Case wanted to share with the Council his recognition and thanks to URI Energy Fellow, Jordan Galluzzo, for her work on the EERMC newsletter and how it works well towards the Council's goal of improving public outreach.

Ms. Galluzzo thanked Vice Chair Gill Case for his words on her work. Ms. Sholly made a note that the EERMC 2023 Annual Report was printed, and everyone was welcome to grab one on their way out.

## **10. Adjournment**

Vice Chair Gill Case motioned to adjourn the meeting. Council Member AnderBois seconded, and the meeting adjourned at 4:53 p.m.



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

## **EERMC FULL COUNCIL DRAFT MEETING MINUTES**

**Thursday, August 17, 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, Kate Grant, Dave Caldwell, Jordan Day, Brett Feldman, Priscilla De La Cruz, Tom Magliocchetti (arrived at 3:10 p.m.)

**Others in Attendance:** Rachel Sholly, Michael O'Brien Crayne, Toby Ast, Spencer Lawrence, Carrie Gill, John Marcantonio, Sam Ross, Craig Johnson, Steven Chybowski, Emily Koo, Karen Bradbury, Mark Thomson (virtual), Lee Gresham (virtual), Adrian Caesar (virtual), Daniel Tukey (virtual), Nelson DiBiase (virtual), Ann Clarke (virtual)

### **1. Call to Order**

Chairperson Oakley called the meeting to order at 3:03 p.m.

### **2. Chair Report**

Chairperson Oakley provided guidance on virtual participation instructions. He also gave an overview of the meeting agenda, noting that Advocacy Solutions will plan to join us at the September 14<sup>th</sup> Council Meeting to provide marketing and branding updates. Lastly, Chairperson Oakley let the Council know that the lecture series sponsored by the EERMC is now scheduled and that attendees can register for the events online.

### **3. Executive Director Report**

Mr. Chybowski provided the Executive Director report on behalf of Acting Commissioner Kearns. Mr. Chybowski informed the Council that the latest Regional Greenhouse Gas Initiative plan proposal is available for public comment. He also noted that the Clean Heat RI program was expected to launch in 2 weeks and that the least-cost procurement standards were also finalized by the Public Utilities Commission (PUC). Mr. Chybowski stated that energy stakeholders held a technical session at the PUC to discuss federal funding and to start the work of coordinating these funding sources. He let the Council know that the fall round of the Efficient Buildings Fund has been posted for applications and that the Council's public forum was hosted at the August Health Equity Zone event.

### **4. Meeting Minutes**

a. July 20, 2023

Vice Chair Gill Case motioned to approve the July 20, 2023, Meeting Minutes. Council Member De La Cruz seconded. Council Members Gill Case, Caldwell, De La Cruz, and Magliocchetti voted in favor, Chairperson Oakley and Council Member Day abstained, and none opposed. The meeting minutes were approved.

**5. Special Topic (15 min, 3:10 – 3:25 p.m.)**

- a. *Office of Energy Resources Presentation on Federal Funding (10 min, 3:10 – 3:20 p.m.)*  
Ms. Bradbury with The Office of Energy Resources presented updates on federal funding for state energy programming. This included formula funding that will help the state update its energy security plan and add vehicle chargers along roadways. She also highlighted the funding that will be available directly to municipalities and noted that the home energy rebate programs are not expected to become available to customers until the second half of 2024.

Vice Chair Gill Case commented that microgrid programming could have energy efficiency components and that the home energy rebates will have a lot of overlap with the Council's work on efficiency and that he hopes the Council will stay up-to-date on those developments.

**6. Council Business (15 Min, 3:20 – 3:35 p.m.)**

- a. *Review and Potential Vote to Amend the Energy Efficiency and Climate Public Awareness Campaign Request for Proposals (10 min, 3:20 – 3:30 p.m.)*  
Ms. Sholly presented on the request for proposals (RFP) for an energy efficiency and climate public awareness campaign. She recommends that the Council extends the RFP submission deadline by about a month to September 18<sup>th</sup> to give vendors more time to prepare proposals.

Chairperson Oakley motioned to update the EE and Climate Public Awareness Campaign with the amendment to push the closing of the RFP deadline to September 18<sup>th</sup>. Council Member Day seconded. All in favor, none opposed.

- b. *Vote to authorize payment for 2023 Home Show Poster (5 min, 3:30 – 3:35 p.m.)*  
Chairperson Oakley motioned to approve the payment for the 2023 Home Show Poster at a cost of \$75 from the Council's Annual Report Printing and Distribution line item. Council Member Day seconded. All in favor, none opposed.

Related to the Council's Home Show partnership, Chairperson Oakley invited Mr. Marcantonio to speak for a few minutes about the Rhode Island Builders Association's efforts to develop curriculums for the 2024 building code. Mr. Marcantonio explained that they plan to have a code curriculum available by spring 2024 and that they are looking to expand capacity to have dedicated staff to building codes. He stated that he hopes that it will include in-person educational opportunities and fieldwork. Council Member Caldwell commented that this is a great foundation for training builders in the state and that successfully adopting the 2024 building codes will make Rhode Island a national leader.

**7. Program Oversight (80 Min, 3:35 – 4:55 p.m.)**

- a. *2024-2026 System Reliability Procurement Three-Year Plan Draft Presentation (15 min, 3:35 – 3:50)*



Ms. Gill with Rhode Island Energy led the presentation providing an overview of the system reliability procurement (SRP) plan and review process. She stated that any SRP cost recovery proposals will be included in future SRP investment proposals, and not the SRP three-year plan. Mr. Ross commented that it is typical for there to be no cost recovery proposed in a three-year plan and that SRP is only filed as three-year plans and does not have an annual plan component. Ms. Gill discussed the changes to the three-year plan from the previous SRP plan. Mr. Gresham highlighted the updates to the gas SRP programming.

Chairperson Oakley commented that he is excited about the gas demand response programming. Ms. Gill further explained that the SRP procurement process would be technology-neutral and that vendors are able to propose a variety of solutions that may be able to meet their system needs.

*b. Presentation of 2023 Q2 Energy Efficiency Programming (20 minutes, 3:50 – 4:10 p.m.)*

Mr. Caesar presented on the portfolio performance noting that the electric performance is largely in line with recent years and that the gas performance had a slightly downward trend in spending, but a relatively good performance in terms of savings through the portfolio. He discussed the program performance of the commercial and industrial programming through the second quarter of 2023.

Mr. Johnson presented on the residential programming, which he noted is largely on track with performance of previous years, but noted that the year-end forecast of performance may be higher this year. He explained that savings are counted once payable activity is paid out, so there is a lag between project implementation and the claimable savings.

Mr. O'Brien Crayne provided highlights from the programs in 2023. This included the strong pipeline of projects in the residential new construction program and the high demand for home energy assessments.

*c. Rhode Island Energy Presentation on Updates to the Draft 2024 Energy Efficiency Program Plan (15 minutes, 4:10 – 4:25 p.m.)*

Mr. Ast with Rhode Island Energy presented on the development of the 2024 efficiency plan, which is estimated to have about \$600 million in total net benefits. Lighting will no longer be an opportunity on the residential side of programming, so other areas will have a greater focus. Mr. Ast noted that federal funding coordination will be an area of focus moving forward and that OER and the Company have a good track record of working together on programming. The Company is currently testing weatherization and appliance replacement projects as a combined process for income-eligible customers, which could be a streamlined approach rolled out more broadly for 2024. Overall, both program portfolios are cost effective.

Vice Chair Gill Case asked Mr. Ast how the Company thinks about incorporating federal funding. Mr. Ast replied that the hope is that the federal funds are complimentary to the existing programming, much like RGGI or other outside funds have been in the past. Chairperson Oakley provided feedback that he would like to see more specific savings goals with the proposed initiatives and goals for

determining success. Council Member Magliocchetti supported the Chairperson's remarks and noted that quantitative results help track progress.

*d. Consultant Team Presentation on Updates to the Draft 2024 Energy Efficiency Program Plan (15 minutes, 4:25 – 4:40 p.m.)*

Mr. Ross began the presentation on the Consultant Team's review of the 2024 Annual Plan. He noted that some attachments are still outstanding including the rate and bill impacts analysis and the equity working group recommendations. He also stated that this Annual Plan is consistent with the level of detail expected of a plan. Mr. Caesar noted that some references to the market potential study are made in the plan, but that the Company could elaborate more on why there are some gaps between the study and the plan and the opportunities to close them. He also raised a potential concern that expanding the small business program qualifications could shift the focus to the larger customers in that category and deemphasize serving the smaller businesses. Mr. Johnson requested additional details on the equity pilot being proposed in the updated 2024 Annual Plan. He would also like to see gas incentives focus on making existing equipment operate more efficiently rather than incentivize the installation of new gas equipment.

*e. Council Discussion on of the 2024 Energy Efficiency Annual Plan Draft (15 min, 4:40 – 4:55)*

Vice Chair Gill Case commented that based on the presentations of the Company and the Consultant Team, he feels that the Council and the Plan are in good hands and that the Plan is developing in the right direction. Mr. Ross commented that if any Council Members have specific metric ideas for programs, that he would be happy to incorporate those as feedback to the Company.

**8. Public Comment**

*Emily Koo, The Acadia Center*

Ms. Koo echoed the comments about the importance of metrics and timelines, especially around equity topics to be able to track program progress.

Council Member Feldman noted that the ACEEE utility scorecard will be released next week for anyone interested.

**9. Adjournment**

Chairperson Oakley motioned to adjourn the meeting and Council Member Day seconded. The meeting was adjourned at 5:05 p.m.



Rhode Island Energy™  
a PPL company

# 2024 Energy Efficiency Plan Update

August 17, 2023

# Planning Timeline for Stakeholder Involvement



Rhode Island Energy™

Date	Milestone
<del>June 1</del>	<del>Draft 3YP narrative shared with stakeholders</del>
<del>June 30</del>	<del>Draft 3YP numbers (BC Model and Tables) shared with stakeholders</del>
July 21	3YP numbers stakeholder comment period ends
August 4	First Draft 2024 Annual Plan
August 24	First Draft 2024 Annual Plan Comment Period Ends
September 7	Second/Final Draft of 3YP due to stakeholders
October 1	3YP/Annual Plan Filed with PUC

# 2024 Plan Strategic Priorities



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- Increased customer outreach to expand participation.
- Targeted, comprehensive efficiency upgrades to ensure customers take full advantage of suite of program offerings.
- Enhanced financing options to enable customer investments in efficiency.
- Programs delivered equitably, with the input and guidance of the Rhode Island Equity Working Group (EWG).
- Increased workforce capacity to serve customers.

# 2024 Plan: The Numbers



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- Budget: \$95.2M Electric, \$36.4M Gas
- Savings:
  - 7,415,270 net lifetime MMBtu
  - 730,509 net annual MMBtu
- \$601.3M in total net benefits
- 72,976 short tons of carbon in 2024

# 2024 Annual Plan: Residential & IES Highlights

- Programs for 2024
  - Residential Consumer Products
  - Home Energy Reports
  - Residential High-Efficiency HVAC
  - Residential New Construction
  - EnergyWise Single Family
  - Market Rate Multifamily
  - Income Eligible Programs

# 2024 Annual Plan: Residential & IES Highlights

- Farewell to lighting
- Coordination with Equity Working Group
- Pre-weatherization barriers
- Federal Funding
- Potential Pilots
  - Community Outreach
  - MF Financing
- Electric Resistance Heating Conversions



# 2024 Annual Plan: C&I Highlights



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- Programs for 2024
  - Large New Construction
  - Large Commercial Retrofit
  - Small Business Direct Install
  - C&I Multifamily

# 2024 Annual Plan: C&I Highlights



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- Analyze customer consumption data (e.g., kilowatt-hours, peak load and therms) to better target customers, especially nonparticipants.
- Expand the reach of the Strategic Energy Management Planning Initiative
- Support more advanced system controls, energy management systems and building analytics
- Develop a host of prescriptive and custom offerings to promote commercial weatherization
- Work with the OER to better understand electrification efforts funded through federal and state programs
- Promote the Main Streets Initiative in Environmental Justice Focus Areas
- Enhance continuing education for building managers and facilities operators.

# 2024 Annual Plan: Other Highlights



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- Equity
  - Bi-Lingual Outreach, Radio campaign on Spanish language radio, Equity Metrics, Justice40, HEZ
- Workforce
  - Coordination, EE Education, Contractor Partnerships, IACs, BOC
- Federal Funding Coordination
  - OER, DHS, IRA
- New Codes & Standards
  - Focus training on IECC 2024 adoption



# Latest Draft 2024 Plan Numbers

## Budget

### •Electric

•**\$95,157,800**

•6/30 3YP Draft:  
**\$103,856,400 (-8.4%)**

•2023 Plan\*:  
**\$94,802,700 (+0.4%)**  
\*excluding ConnectedSolutions

### •Gas

•**\$36,427,900**

•6/30 3YP Draft:  
**\$35,262,100 (+3.3%)**

•2023 Plan:  
**\$36,931,500 (-1.4%)**

## Savings

### •Electric

•**797,771 LT MWh**

•6/30 3YP Draft:  
**736,591 LT MWh (+8.3%)**

•2023 Plan:  
**668,715 LT MWh (+19%)**

### •Gas

•**3,727,336 LT MMBtu**

•6/30 3YP Draft:  
**3,438,182 LT MMBtu (+8.4%)**

•2023 Plan:  
**3,537,835 LT MMBtu (+5.4%)**

## Cost of Savings

### •Electric

•**\$0.12 / LT kWh**

•6/30 3YP Draft:  
**\$0.14 / LT kWh (-14%)**

•2023 Plan:  
**\$0.14 / LT kWh (-14%)**

### •Gas

•**\$0.98 / LT Therm**

•6/30 3YP Draft:  
**\$1.02 / LT Th (-3.9%)**

•2023 Plan:  
**\$1.04 / LT Th (-5.8%)**

# Draft 2024 Cost Effectiveness



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## Portfolio Cost Effectiveness

Electric = 1.78  
Gas = 1.79

**Gas Residential HVAC BCR**  
6/30 3YP **0.73** ► Current **0.94**

## Program Cost Effectiveness

- Electric
  - All Programs show **BCR  $\geq 1$**
- Gas
  - Residential HVAC = **0.94**
  - EnergyWise Single Family = **0.95**

Refined measures mixes and implementation cost estimates resulting in:

- Program costs -39%
- Benefits +14%





**Rhode Island Energy™**

a PPL company





STATE OF RHODE ISLAND

# ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

CONSULTANT TEAM

## Consultant Team Initial Review First Draft of the 2024 Annual Plan

Presented By: EERMC Consultant Team

Date: August 17, 2023



# Outline

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Overview

C&I Highlights

Residential Highlights

Council Discussion





# OVERVIEW





# Areas of Focus

## Responsiveness to Council Feedback

- Assessed degree to which First Draft 2024 Annual Plan Narrative incorporated Council input on the 2024-2026 Three-Year Plan Outline Memo and First Draft Narrative
- Other entities such as OER, Acadia Center, and the Division also provided feedback or asked questions on Three-Year Plan content received to date

## Responsiveness to Council Priorities

- Council priorities place emphasis on several areas such as statewide climate goals, achieving equitable outcomes, and compliance with Least-Cost Procurement

Due to delayed delivery of Benefit-Cost Ratio Models and new details included in the First Draft Annual Plan, we **focus on Narrative review**



# Plan Review Process

2024 Annual Plan Narrative and Attachments received evening of 8/4; comments due on 8/24

- Attachments included content on program design, evaluation studies, RI Cost Test, demonstrations, pilots & assessments, and definitions
- Benefit-Cost Ratio Models shared on 8/9

Plan Attachments and materials still in development or review include

- Attachment 7: Rate and Bill Impacts (expected 8/11)
- Updated Technical Reference Manual Database (expected 8/15)
- Final Evaluation Results – 3 studies remaining (expected week of 8/28)
- **Attachment 11: Equity Working Group Recommendations (TBD)**



# Overarching Themes

2024 Annual Plan Narrative and Attachments generally include level of detail consistent with previous Plan Narratives

- Some specifics still require development or discussion with RI Energy including marketing strategies and how desired outcomes will be achieved

Many plan activities described in non-committal terms ('consider', 'explore', etc.), and lack specific goals, measurable outcomes, and clear timelines

- Equity commitments difficult to measure and assess, proposed pilots not yet developed with no stated timeline for doing so
- Workforce development efforts do not have expected impacts or outcomes associated with them

Formatting and aesthetic improvements implemented

Modest growth in savings goals a highlight, though more would increase benefits to RI

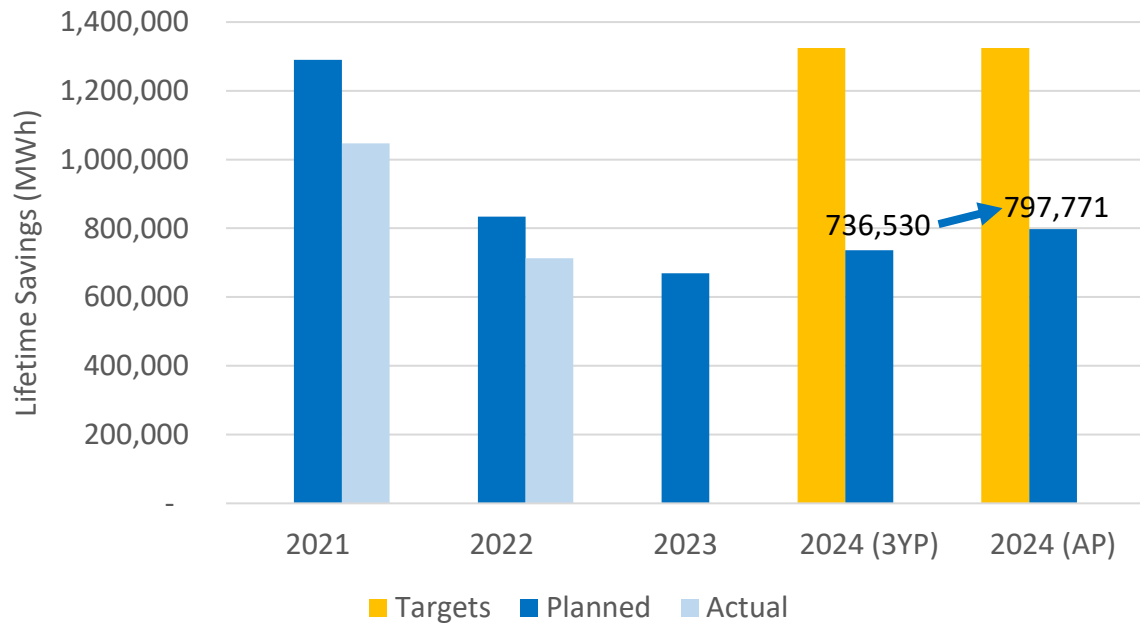


# Portfolio Lifetime Savings

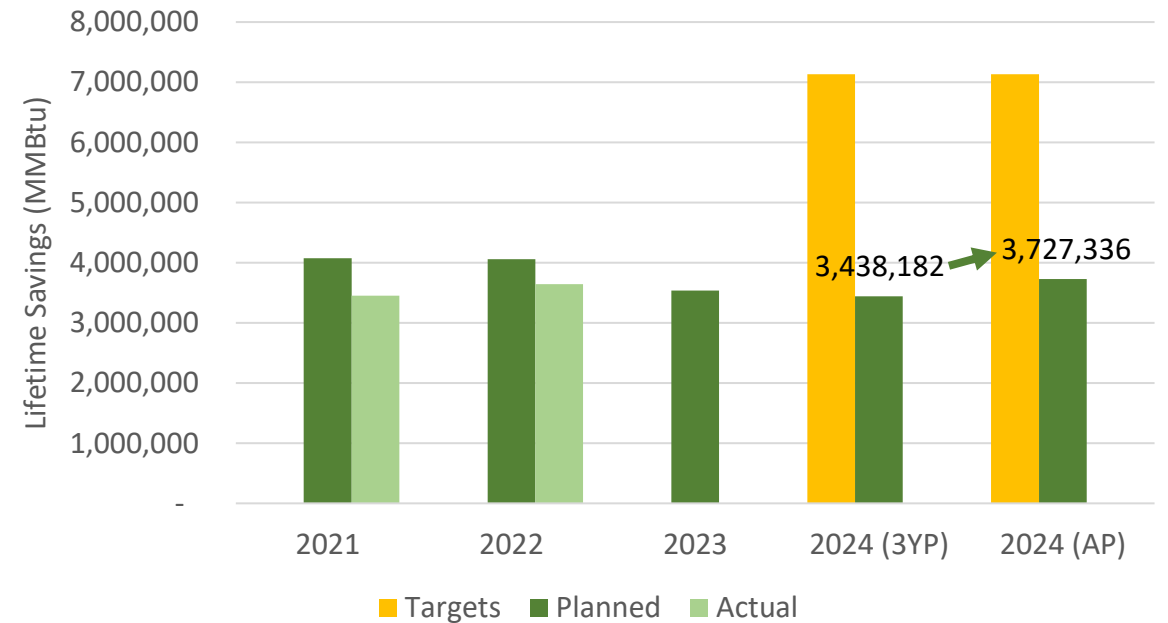
## Key Takeaway

8% increase in planned lifetime electric and gas savings compared to Three-Year Plan

### Electric Lifetime Savings (MWh) - Portfolio Total



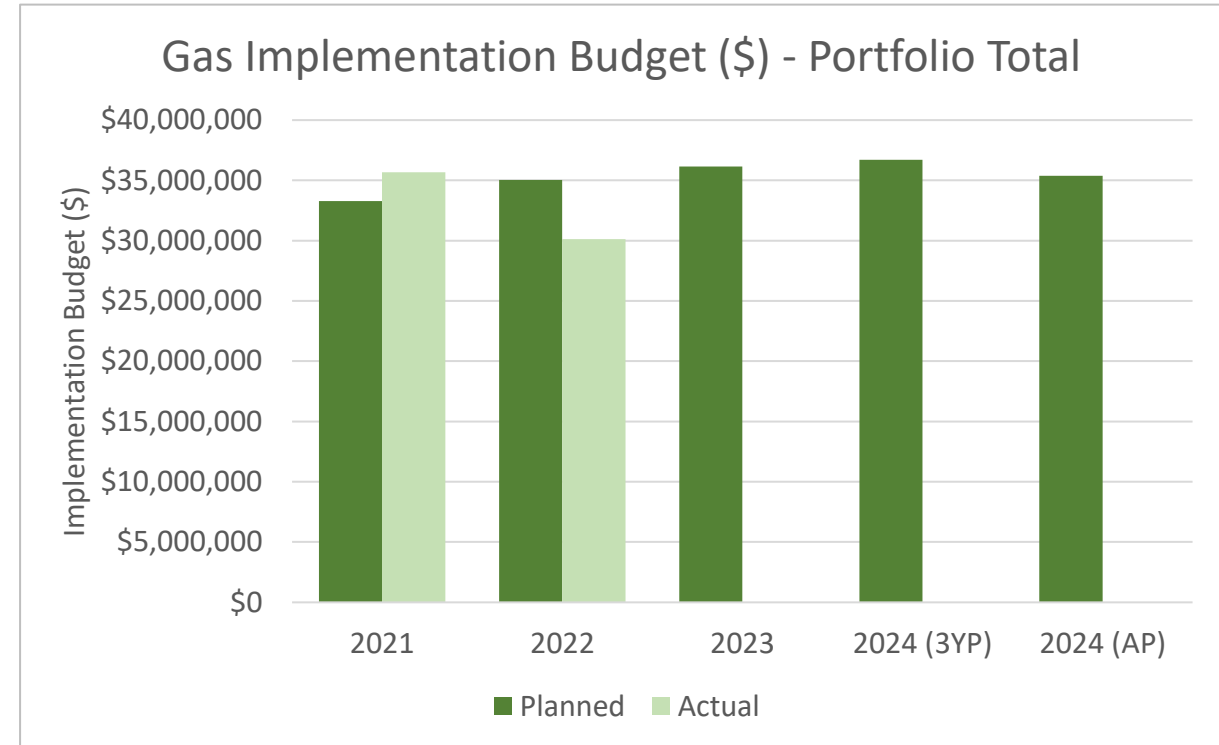
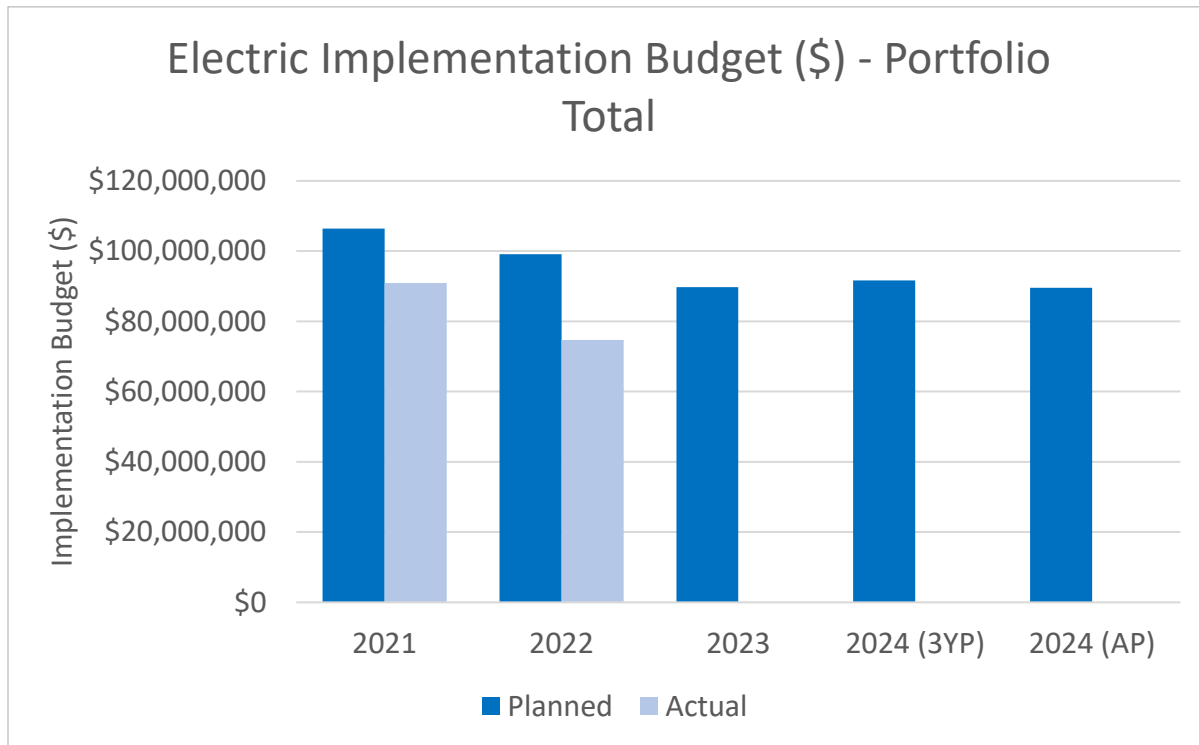
### Gas Lifetime Savings (MMBtu) - Portfolio Total





# Implementation Budget

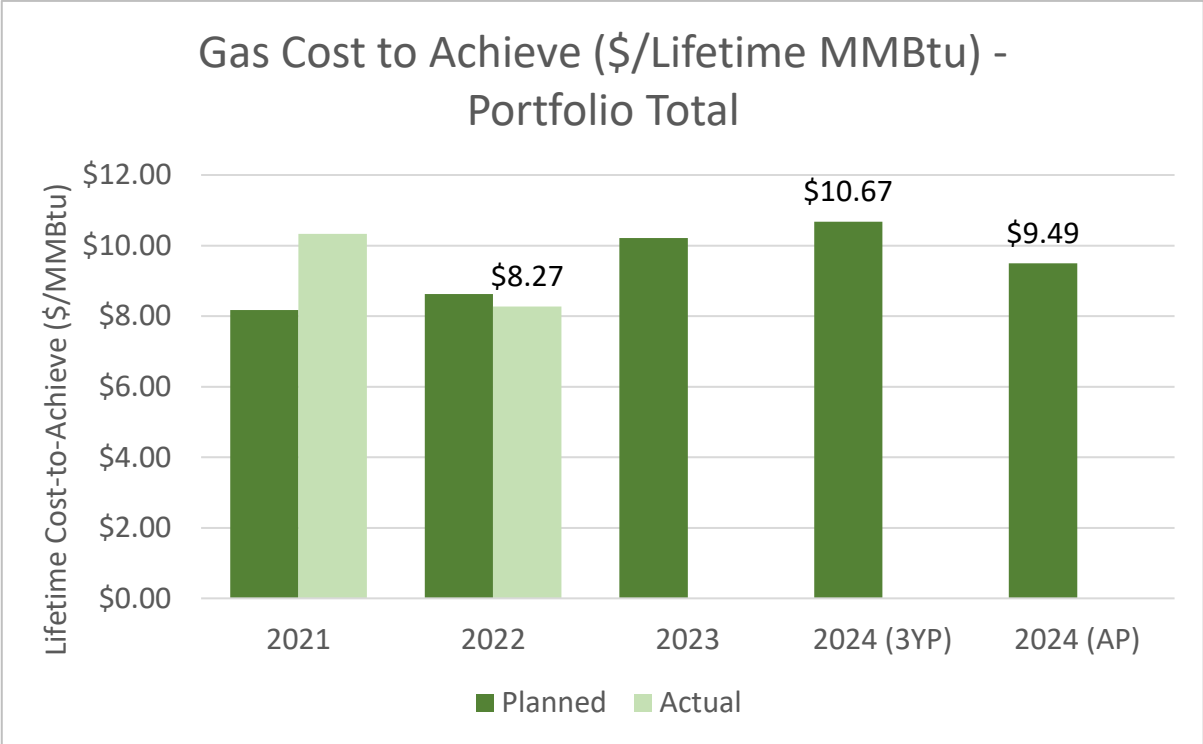
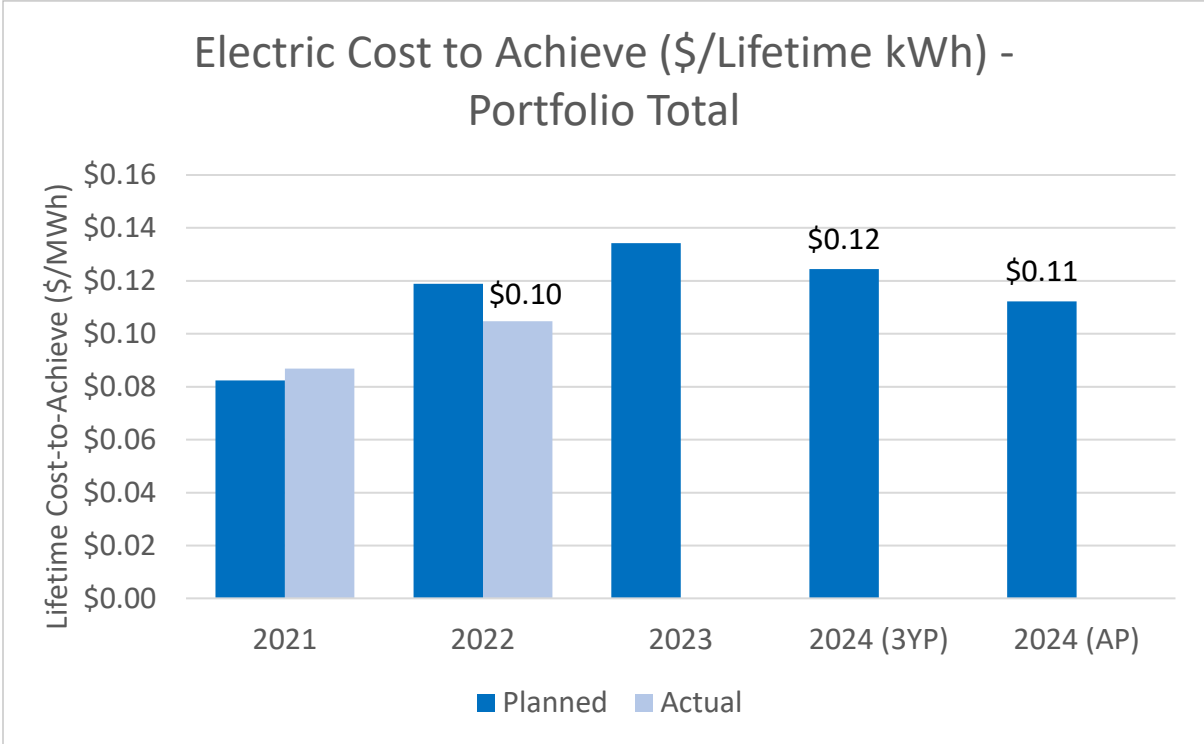
**Key Takeaway** Total 2024 Annual Plan EE budget is 3% lower than in the Three-Year Plan and 19% higher than 2022 Actual, a year when 80% of planned budget was spent





# Portfolio Cost to Achieve

**Key Takeaway** Planned cost per unit of lifetime savings for both fuels about 10% lower in 2024 Annual Plan First Draft; Annual Plan numbers are also closer to most recent Actuals





# COMMERCIAL & INDUSTRIAL SECTOR HIGHLIGHTS





# Commercial & Industrial – Plan Highlights

Only two references to the Market Potential Study Refresh in detailed C&I program content.

- Energy Management Systems referenced as high-impact measure, but **other specific opportunities to increase savings not addressed** (e.g., displacement of Room Air Conditioners and Electric Resistance Space & Water Heating with Heat-Pump technology)

The Company **plans to leverage existing state entities that provide workforce training** services including the RI Builders Association and Residential Construction Workforce Partnership

- No specific emphasis on workforce diversification, but the Plan mentions desire to serve marginalized and underserved communities.
- No clear pathway to emphasizing importance of specific skills needed for key future EE program areas that need to be scaled up. No specific actions the Company is committed to taking to drive more rapid workforce development moving forward beyond creating a webpage listing existing resources.

Key themes of customer feedback are not summarized for each program. Most detailed C&I customer and vendor feedback regarding challenges to Combined Heat & Power is included in Narrative

Section on Marketing to C&I Customers “to be drafted”.



# Commercial & Industrial – Plan Highlights

RI Energy mapped the MPS results, which informed the Targets, to the Plan BCR Models. However, the Plan does not include commentary on why gaps in savings exist or how gaps can be closed.

## Electric Overall Results – Lifetime kWh Savings

MPS Measure	BCR Measure	MPS	BCR	% Difference	Delta
Advanced Network Lighting Controls	CNTRL-INTEGRATED, LGT-LEDHLUPSTREAMCTR, EXT-CNTRL,EXT-SLCNTRL, CNTRL-INTEGRATED, EXT-CNTRL, EXT-SLCNTRL	104,085,580	17,432,160	497.1%	86,653,420
Lighting Controls (Interior), Occupancy	CNTRL-SENSOR, OCCUPANCY SENSORS, CNTRL-SENSOR	78,772,192	2,491,987	3,061.0%	76,280,205
Linear LED Tube	LGT-DNSTR-LinearLED, LGT-UPSTR-LinearLED, LGT-UPSTR-LinearLED	42,968,429	15,195,223	182.8%	27,773,206
LED Luminaire	LGT-LEDDOWNSTREAM, LGT-LEDGENERAL, LGT-LEDREPLACEMENT, LGT-UpstreamSTRWLED, LEDES, LGT-LEDUPSTREAM, LGT-LEDGENERAL, LEDES, LGT-LEDUPSTREAM, LGT-UpstreamSTRWLED	40,014,757	73,784,779	-45.8%	(33,770,022)
Electric resistance and RAC blend to DMSHP (Partial)	NA – Does not exist as a measure	34,827,533	-	-	34,827,533
Heat Pump Water Heater (HPWH) < 55 gallons	NA – Does not exist as a measure	27,091,998	-	-	27,091,998
Retro-commissioning Strategic Energy Manager	SEM	23,245,431	-	-	23,245,431
Lighting Controls (Interior), Daylighting	CNTRL-DIMM, LGHT_CNTRLS, LGT-LEDCNTRLUPSTREAM, CNTRL-DIMM, LGHT_CNTRLS	23,106,274	14,034,979	64.6%	9,071,296
Net-Zero Ready_NEW	NA – Does not exist as a measure	22,044,312	-	-	22,044,312
Air Source Heat Pumps <65 kBtu/h CEE Tier 2	AirHPPkg_to5.4T	20,768,832	1,732,500	1,098.8%	19,036,332
HVAC VFD - Pump	MTVFD-BOIL FWTR PUMP, MTVFD-HEAT HW PUMP, MTVFD-PROC COOL PUMP, MTVFD-WATER/WST PUMP, MTVFD-WSHP PUMP, MTVFD-CHIL WATER PMP	19,265,805	2,802,180	587.5%	16,463,624
HVAC VFD - Fan	MTVFD-BLDG EXHST FAN, MTVFD-BOIL DRAFT FAN, MTVFD-CT FAN, MTVFD-HVAC RET FAN, MTVFD-HVAC SUP FAN, MTVFD-MK UP AIR FAN	18,311,045	2,802,180	553.5%	15,508,864
LED Pole Mounted (Exterior)	Strt lght + CNTRL, Street Lights	18,200,054	20,912,718	-13.0%	(2,712,664)
COMBINED: Demand Control Ventilation (DCV); Energy Management System (EMS)	DCV, EMS, EMS40k-80ksqft, EMS5k-40ksqft, EMS80k-200ksqft, EMS	29,309,740	30,303,679	-3.3%	(993,939)

Source: Guidehouse MPS-BCR Model Lifetime Savings Comparisons. June 22, 2023, RI EE Technical Working Group



# Commercial & Industrial – Plan Highlights

## Large Commercial Retrofit

- The Company will be considering ways to **modify vendor compensation models** in order to encourage greater emphasis on identifying and implementing non-lighting upgrades
- More stringent efficiency and carbon reduction requirements for CHP projects to better align with state objectives. Incentives still offered for combustion systems, often powered by gas

## Large Commercial New Construction

- **Streamlined pathways** are producing some activity despite challenges noted in plan (supply chain impacts, costs)
- **IECC 2024 updates planned to impact baseline assumptions starting in 2025**
- Response to state energy code updates does not include discussion of how the Company can continue to pursue claimable savings (e.g., stretch codes)



# Commercial & Industrial – Plan Highlights

## Large Commercial New Construction (con't)

- Plan Narrative suggests that *IECC 2024* will be assumed baseline, but **industry standard practice should inform baseline if higher than code**

## Small Business Direct Install

- Strategies to reach underserved microbusinesses such as **multilingual outreach and canvassing during Main Street campaigns**
- Customers under 250,000 annual kWh comprise largest share of C&I customer demographic profile and have lowest participation rates
- **SBDI eligibility threshold expanded from 1.0 to 1.5 million kWh annual consumption.** This should be coupled with an increase in savings goals and specific target for participation by microbusinesses to **avoid further inequity**
- Small Business Participation Data Dashboard to be developed in 2024



# RESIDENTIAL & INCOME ELIGIBLE SECTOR HIGHLIGHTS



# Equity

Company is considering a pilot partnership with community-based organization to promote EE in historically underserved communities

More detail needed in Plan:

- Why consider, and not just commit, to conducting a pilot?
- When will the Company make a decision on whether or not to conduct a pilot?
- Timeline for developing, implementing, and evaluating pilot needed



# Income Eligible

Shifting programs to conduct comprehensive home assessments instead of separate assessments for appliances and weatherization/heating systems

- Step in the right direction that should over time improve program performance

Open questions:

- Will vendors be ready to make this shift by start of 2024?
- If any assessments are conducted separately, will the Company collect and report on how many are combined vs. separate?



# Multifamily

The Company is exploring a pilot that would provide new financing options to Multifamily properties

- The Plan requires more detail on what financing options are currently being considered
- If details aren't yet available, the Plan should describe the Company's approach – including process and timeline – to research, implement, and evaluate financing options

Beyond the potential for a pilot of financing options, there is very little information in the Plan about how recent underperformance will be addressed

- Add performance metrics to vendor contract for goal achievement
- Comprehensive strategy for leveraging Multifamily Census Study data
- Dedicated program strategies for wide-variety of Multifamily building types





# Pre-Weatherization Barriers

Plan proposes continued collection and analysis of Pre-Weatherization (Pre-Wx) barrier data

- Data collection and ongoing analysis is good

Company is considering using EE funds to address Pre-Wx barriers on a project-by-project or program-by-program basis

- Plan would benefit from additional detail on process for determining whether or not to move forward with this consideration

Open questions for the Company:

- What is the current data collection process?
- What, if any, changes is it planning to make to its data collection processes?
- What data does the Company need - that it doesn't currently have – in order to make a decision on providing fundings for Pre-Wx barrier remediation?



# HVAC & Products

## Heat Pumps

- Unclear what standards the Company is planning to use for eligible products
- MA and CT have already transitioned to ENERGY STAR v6.1 and are using this year as a transition period, with full switch starting in 2024
- State HP program is likely taking similar approach starting in 2024, so recommendation is that RI Energy plans align for State and regional consistency

Recommend the Company consider adding induction cooktops to its list of incentivized measures

Other program enhancements or ideas to consider researching in 2024:

- Determine the feasibility of a combined HVAC and Products program, which could have administrative savings given similar delivery channels
- Enhanced incentive offering on select measures for low- and moderate-income customers



# Gas Incentives

Plan states that there *“may be a slight reduction in natural gas incentives”*

- Would like to see a stronger commitment to phasing out gas equipment incentives – **Priority of Council and Stakeholders**
- Over 85% of incentives in Gas HVAC program are tied to gas heating and hot water equipment with BCRs <1.0
- Funding associated with these measures should be re-allocated towards those that generate gas savings for existing equipment and position gas customers for possible future electrification



# New Construction

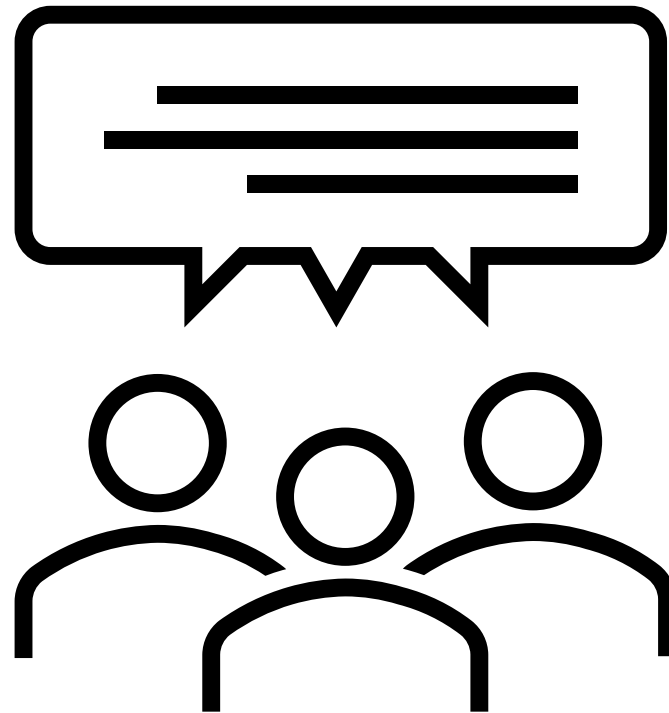
Company indicates a plan to continue consideration of a gradual transition to an all-electric new construction offering

More detail needed in Plan:

- Detail on results of its current research
- What additional research it needs to complete
- More specificity around what a “gradual transition” looks like (e.g. if the goal is to get to all-electric by 2025, what needs to happen in 2024?)



# Council Member Discussion





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# Energy Efficiency Plan Update

September 14, 2023

# 2024-2026 EE Plan Priorities



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## Five Key Priorities



Deliver optimized, tailored programs that serve all customers and **increase program reach**



Understand customer needs, planning cycles, and goals to optimize incorporation of the **next generation of efficiency measures**



Enhance financing options, simplify offerings, and raise customer awareness of complementary funding sources that can be leveraged to **enable customers to invest in efficiency**



**Serve customers equitably** by designing programs with a conscious effort to serve small business and low- and moderate-income; gender, racially and ethnically diverse; and non-native English-speaking customers



**Increase workforce capacity** to serve customers and implement energy efficiency

# Key Themes from Stakeholder Feedback



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- Gas Incentives
- Equity
- Federal Funding
- DPAs
- Pre-weatherization Barriers
- 2024 IECC Code Training





# Future of Gas (Incentives, not Docket)

- Resi:
  - BCR < 1 HVAC
  - Central Air Conditioning
- Shift to weatherization
- Alternatives?
- Multifamily: furnaces
- New Construction
- FoG Docket

# Equity



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- Strengthen metrics
  - Q1 2024
- 6 EWG Meetings in 2024
- Awareness gap
- Outreach Assessment
- HEZ
- Justice40: Resi, C&I
- Workforce development



# Federal Funding

- Clean Heat RI, RGGI
- IRA Coordination Plan
- Rewiring America
- NEEP, ACEEE, etc.
- IAC Program



# Demos, Pilots, Assessments

- C&I Weatherization Demo
- Residential Equity Outreach
- Multifamily Financing



# Pre-Weatherization Barriers

- Refined data, and will continue to
- IRA?
- LIHEAP (already using)
- Outside funding sources
- Cost Effectiveness Constraints

# Additional Code Training for 2024 IECC



Rhode Island Energy™

Workforce Development Activity	Description	Target Audience
Train the Trainer	A “train the trainer” program will multiply the number of qualified instructors and allow for an increased training capacity	Code trainers
Reimburse Program Approved Trainers	After completing the trainer course, qualified instructors will be compensated to deliver code update trainings	Code trainers
Full Day Workshops	Full-day workshops allow for a deeper level of instruction for trainees looking for more detailed or specific code information such as design and plan review, HVAC implementation, etc.	Code officials, design professionals, builders, developers and contractors
LMS System Trainings	LMS style trainings can be pre-recorded and linked to various state and industry websites. This will allow trainees with time or transportation constraints to attend trainings on their own time	Code officials, design professionals
HERS Rater Training & Certification	Rhode Island will need to increase this workforce network dramatically to meet the needs of the industry once the new code takes full effect	HERS Raters

# Electric Portfolio Numbers



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Year	Budget	Savings (LT MWh)	Cost of Savings (\$/LT kWh)	BCR
2023	\$94,802,700*	668,715	\$0.142	1.70
2024	\$96,645,700	733,832	\$0.132	1.70
2025	\$100,100,800	771,753	\$0.130	1.74
2026	\$104,045,300	803,378	\$0.130	1.75

\*excluding ConnectedSolutions

All programs show  
BCR > 1 in all  
years 2024-2026

# Gas Portfolio Numbers



Year	Budget	Savings (LT MMBtu)	Cost of Savings (\$/LT Therm)	BCR
2023	\$36,931,500	3,537,835	\$1.04	2.06
2024	\$34,873,800	3,289,038	\$1.06	1.92
2025	\$35,551,700	3,434,447	\$1.04	1.91
2026	\$35,640,000	3,571,470	\$1.00	1.95

**Also of Note**  
 Total (Electric + Gas) Portfolio Fund Balance:

- 2023 Plan (end of 2022): \$39.2 M
- 2024 Plan (end of 2023): \$7.6M

All programs show  
 BCR > 1 in all  
 years 2024-2026



# Gas Strategy – By the Numbers

Compared to the 2023 Plan, the 2024 Plan shows:

- **Gas Portfolio:** 6% budget decrease.
  - Some programs show gas budget growth/maintenance – these programs include weatherization measures and/or end-uses that don't have competitive electric alternatives.
- **Gas Residential HVAC:** 58% budget decrease.
- **Gas Residential New Construction:** 7% budget decrease, with a reduction in quantities and incentives that continues through 2025 and 2026.

# Least Cost Procurement Standards Updates

- The following areas of the Three-Year and 2024 Annual Energy Efficiency Plans were impacted by the updates to the LCP Standards:
  - Added views of cost-effectiveness and cost of supply for in-state benefits only
  - Added analysis of all energy savings expected in state from various sources over three year period and percentage of that expected from RIE
  - Added presentation of participation in Prudency section in response to addition to Standards regarding "equitable access"
  - Expanded measure details included for Residential and C&I Sectors
- Other updates to the Standards will impact Year End Reporting, System Reliability Procurement filing, and DSM Investment Proposals



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STATE OF RHODE ISLAND

**ENERGY EFFICIENCY &  
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

# Consultant Team Initial Review Second Draft of the Combined 2024-2026 EE Plan

**Presented By:** EERMC Consultant Team

**Date:** September 14, 2023



# Outline

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## Overview

- High-Level Takeaways
- Council Priorities

## Sector Highlights

- Commercial & Industrial
- Residential & Income Eligible

## Preview of Council Vote

## Council Discussion



High Level Takeaways

# OVERVIEW





# Overarching Takeaways

Second drafts of Annual and Three Year Plan distributed on 9/7 and 9/8

- C-Team has completed significant review, though several more days of extensive review anticipated as part of two-week review period

Significant number of substantive comments and suggestions ‘To Be Addressed’, ‘Noted’ or not incorporated

- Unclear if/when they will be addressed, if additional drafts are planned by RIE

2024 Lifetime Electric and Gas Savings

- Electric: 3% **higher** compared to 2022 achievement; 10% **higher** compared to 2023 Plan
- Gas: 11% **lower** compared to 2022 achievement; 7% **lower** compared to 2023 Plan

2024 Electric and Gas Budgets

- Electric: 14% **higher** compared to 2022 spend; 5% **lower** compared to 2023 Plan
- Gas: 13% **higher** compared to 2022 achievement; 6% **lower** compared to 2023 Plan



# Three-Year Plan

Second draft of Three Year Plan was significantly expanded

- This is appreciated, and hopefully sets expectation for next cycle

Proposal to adopt a roadmap for development and inclusion of Equity Component of PIM was rejected

- This commitment was included in prior 3YP, though not completed
- More on Equity more broadly on following slide

Language suggests there are clear limits on EE budget growth in Rhode Island, but analysis shows robust cost-effectiveness, savings relative to supply, and customer bill savings – why aren't we doing more?

- 3YP is a good time to re-examine this topic, esp. given EE importance for Act on Climate goals
- Current 3YP budget growth below inflation (and falls well below PUC 5% guideline from prior 3YP)
- Plan should do more to raise ambition and build on momentum from IRA funds





# Equity Update

Limited new actions that have ability to drive significant impact on equitable outcomes

- Continuation of some prior efforts (e.g. Main Street) and focus on marketing OK
- New pilot has very limited funding (\$40k for the year) and requires non-profits to apply to receive a portion of those funds (more details in appendix)

Appreciate commitment to develop equity metrics

- Strongly encourage RIE to conduct this work in Q4 of this year
- Critically important that the Council and other Plan stakeholders are included in the development, definition, measurement and reporting of these metrics



Council Priorities

# OVERVIEW





Plan is Responsive to Council Priority



Plan is Partially Responsive to Council Priority



Plan is Not Responsive to Council Priority

# Council EE Priorities

Council EE Priorities		Assessment
<b>Priority #1</b>	Comply with LCP Standards	■ ■ ■
<b>Priority #2</b>	Give Due Consideration to Act on Climate	■ ■ ■
<b>Priority #3</b>	Incorporate Stakeholder Input	■ ■ ■
<b>Priority #4</b>	Ensure an Effective & Efficient Development & Review Process	■ ■ ■
<b>Priority #5</b>	Set Ambitious Three-Year and Annual Plan Savings Goals	✗
<b>Priority #6</b>	Increase Participation in Underserved Communities	■ ■ ■
<b>Priority #7</b>	Conduct Targeted Workforce Development	✗

- 3YP Goals fall well below targets
- Qualitative comparison explaining gap helpful
- Presentation of quantitative assessment critical to understand

- Support for codes and standards training a bright spot
- Overall plan lacks targeted development and reduced budgets compared to early drafts
- A critical need to support achieving other goals and obligations in future

*More Details in Appendix!*



Commercial & Industrial

# SECTOR HIGHLIGHTS





# C&I – Plan Highlights

Updated narrative and attachments are generally **well-formatted, organized, and clear**

Previous concern regarding lack of references to the Market Potential Study Refresh in detailed C&I program content “to be addressed”

- Evidence-based approaches required to drive continued savings and refine program design
- New data tracking system will improve reporting capabilities and provide insights into customer trends beginning in 2024

Lack of **workforce diversification is raised as a long-term challenge**, but explicit solutions and desired outcomes are not discussed

- Community College of RI and Worcester Polytechnic Institute will launch hands-on industrial assessment training for students, which will adhere to Justice40 guidelines
- Additional code compliance trainings planned, but workforce development efforts appear to be “business-as-usual” without thoughtful attempts at **diversifying while upskilling**

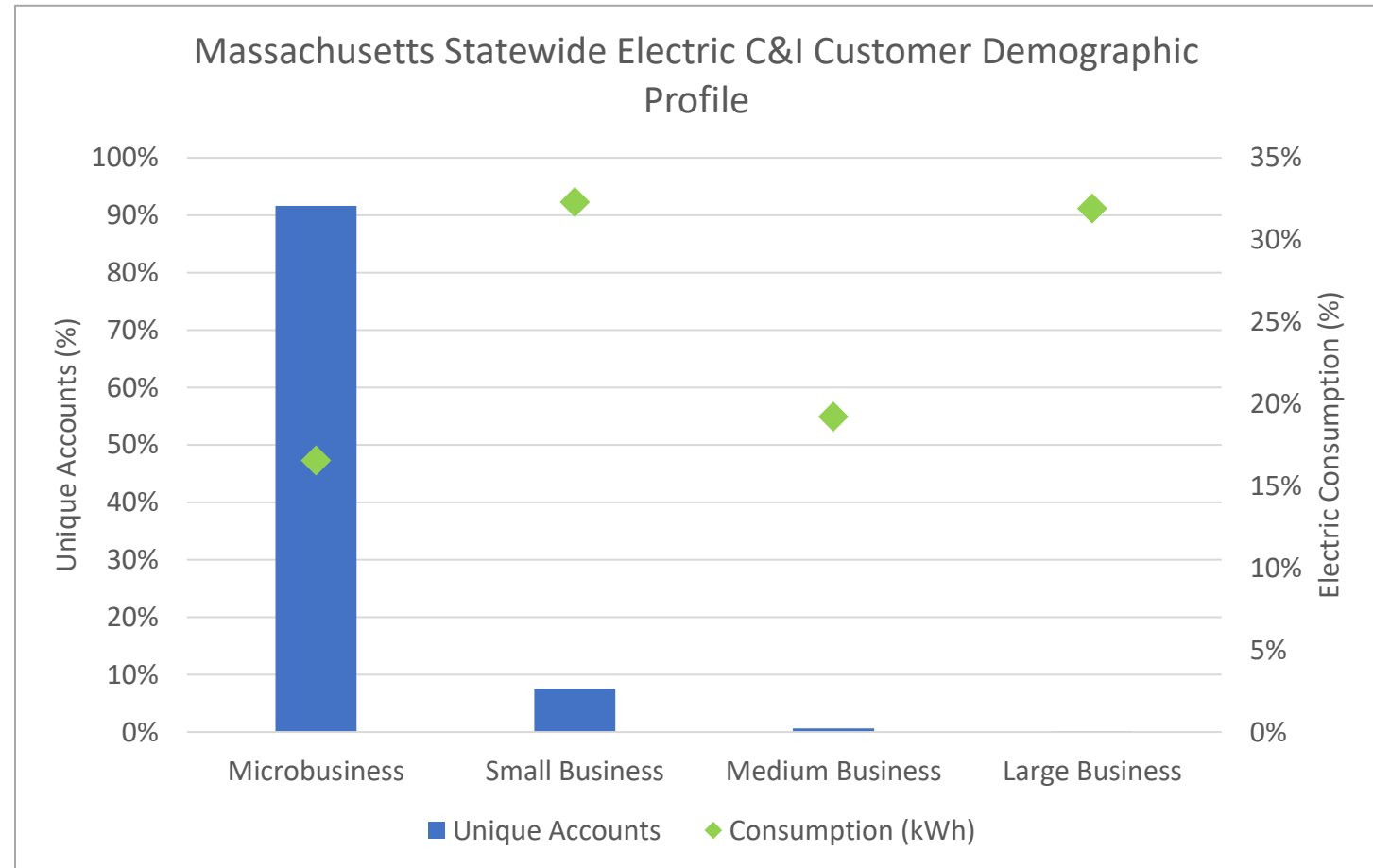


# C&I – Plan Highlights

SBDI eligibility threshold expanded from 1.0 to 1.5 million kWh annual consumption.

This was not coupled with an increase in savings goals or specific target for participation by small/microbusinesses.

Requested RI customer demographic to help determine an appropriate goal and **avoid further inequity.**



Source: <https://viewer.dnv.com/macustomerprofile>



# C&I – Plan Highlights

Great to see the planned **demonstration for C&I Weatherization**

- Targeting medium- to large-sized non-Residential buildings with potential envelope savings
- “Residential-style” small businesses have been targeted since late 2021 and provided insights into costs of delivering C&I weatherization services

Plan includes **summary of takeaways from C&I customer listening session**; C&I customer working group or recurring discussion forum might produce more useful insights

More detail required to understand **how state and federal offerings can supplement EE programs without creating confusion** for customers

- OER Clean Heat RI website describes heat pumps for small- to mid-sized businesses, but EE program website unclear about technologies offered through Small Business program
- Landscape is changing and programs must remain adaptable



# C&I – Plan Highlights

RI Energy Small Business Direct Install program page only highlights lighting and refrigeration upgrades

- Customers can receive robust incentives for all end uses, not just lighting and refrigeration

**Small Business Program**

Large Business Program  
Multifamily Program  
New Construction & Major Renovations  
Connect With Our Team  
Rebate Programs  
Heating  
Cooling  
Lighting  
EV Charging Stations  
Cogeneration/CHP  
Kitchen Equipment  
Special Equipment  
ConnectedSolutions  
Training

## We can help build a better future for your small business.

**Programs and assistance for lowering your energy costs and raising your profile.**

During these times, it's important to know that we support small businesses of every kind. Every day we're helping establishments like yours get back to what they do best with energy-saving solutions that can improve ambiance, safety and customer confidence—while lowering your monthly overhead costs.

### Featured programs for Rhode Island customers:

- LED Lighting**  
We will cover up to 70% of the installation costs for indoor and outdoor LED upgrades at your small business.
- Custom Projects**  
We can help make custom lighting and refrigeration energy upgrades at your small business possible with installation discounts on select projects.

**How to get started.**  
When you're ready, schedule a no-cost energy assessment, and together we can determine what energy-saving solutions are best for your business.

[Schedule Online](#) or [Call 888-633-7947](tel:888-633-7947)

**Small Business Program Brochure**

Get details on programs, incentives, rebates and financing options for small businesses in Rhode Island.

[Download Brochure](#)





# C&I – Plan Highlights

OER Clean Heat RI website describes incentives for upgrading heating and cooling systems

This program is targeted at heat pumps, but makes clearer the type of equipment that is incentivized

Governor McKee and the Rhode Island General Assembly enacted legislation to launch the Clean Heat RI program. Administered by the Rhode Island Office of Energy Resources, Clean Heat RI offers incentives to assist homeowners, non-profits, and small-to-mid-size business owners with the purchase and installation of high-efficiency electric heat pumps, with an emphasis on families in environmental justice communities, minority-owned businesses, and community organizations.

The Clean Heat Rhode Island Program is hosting a Customer Webinar on September 21 at 6:30PM.

[Register Now](#)

**I'm an Installer**

Installers can participate in Clean Heat Rhode Island by applying for the Heat Pump Installer Network. Learn more about the benefits of participating in the program, how to apply for incentives, and the requirements of the Clean Heat Rhode Island Heat Pump Installer Network.

[Learn More](#)

**I'm a Homeowner**

Homeowners can receive incentives for installing a clean heating and cooling system. Learn more about high-efficiency heat pumps by signing up for a consultation with a Heat Pump specialist and learn how to apply for the incentives available to you through Clean Heat Rhode Island.

[Learn More](#)

**I'm an Organization**

Small-to-mid-size businesses or nonprofits can receive incentives for installing a clean heating and cooling system. Learn more about whether your organization is eligible and whether a heat pump is right for your business by consulting with a Heat Pump specialist.

[Learn More](#)



Residential & Income Eligible

# SECTOR HIGHLIGHTS





# Income Eligible Combined Comprehensive Assessments

First Draft proposed a shift to combined Income Eligible Single-Family Assessments, but lacked detail on timing and targets

## Positive Steps:

- Company noted that they are already working with CAP Agencies so combined audits can be offered “as early as possible”

## Open Questions:

- Can Company commit in the Plan specific target dates for when this will begin to be offered and when it will become standard practice?
- Can the Company collect and report out on share of audits that are combined versus separate?



# Multifamily

Multifamily Financing Assessment in First Draft required significantly more detail

- Significant details added in Demos, Pilots, and Assessments Attachment
- While a firm timeline does not exist, it is clear the Company has put a lot of thought into it

Beyond Financing Assessment, First Draft offered little innovation for addressing recent underperformance

- Commitment to incorporate performance metrics tied to goal achievement in upcoming contract extensions with Lead Vendor included
- Commitment to utilize Participant/Non-Participant data good, though would like to see more details of how it will be used
- Unclear whether Company will consider researching and designing dedicated program strategies for different Multifamily building types



# Pre-Weatherization Barriers

No additional detail provided on consideration of using EE funds to address Pre-Weatherization barriers or Company's data collection efforts

Company cites low program BCRs as significant roadblock to dedicating program funds for barrier remediation

- Actual BCRs in 2020-'22 timeframe were ~15% higher than Plan
- We believe there is room to offer a non-insignificant amount of dedicated funds within program (see analysis in Appendix)
- Company could provide offering as a Pilot or Demonstration before moving into the Program



# Gas HVAC Program Incentives

Over 85% of incentives in first draft were tied to heating and hot water equipment with BCR <1.0

## Improvements:

- Program narrative now indicates there “will” be as opposed to there “may be a slight reduction” in gas equipment incentives
- Total incentives for Gas heating and hot water equipment reduced by over \$680k (~40%)

## Open Question:

- Company states a shift to weatherization, though BC Models show no change in quantity of planned gas weatherization measures
- Want to better understand if and where these funds have been reallocated to





# PREVIEW OF COUNCIL VOTE



# Council's Responsibility

EERMC role and responsibility in potentially endorsing the Plans as described in the LCP Standards:

“

The Council shall vote whether to endorse the Three-Year and Annual EE Plans prior to the prescribed filing date. If the Council does not endorse the Three-Year and/or Annual EE Plans, the Council shall document its reasons and submit comments on the Plans it chose not to endorse to the PUC for its consideration in final review of the Plans.

”





# Summary of Plan Vote Options

These options apply to both the Three-Year and Annual EE Plans

1. **Endorse the EE Plan.** Endorsement may also list Council's concerns that didn't prevent endorsement but warrant mentioning in the Plan Docket.
2. **Endorse the EE Plan,** but decline to join any Settlement of the Parties. Represents a strong statement of the EERMC's concerns.
3. **Not endorse the EE Plan,** but indicate that if specific condition(s) are met it would be endorsed.
4. **Not endorse the EE Plan,** and provide a list of reasons why it was not endorsed for PUC consideration in its final review of the EE Plan.



# Council Member Discussion





# APPENDICES





# APPENDICIES

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**Appendix A:** Additional Portfolio and Program Savings and Spending Data

**Appendix B:** Responsiveness to Council Priorities

**Appendix C:** Additional Sector Highlights



Additional Portfolio and Program Savings and Spending Data

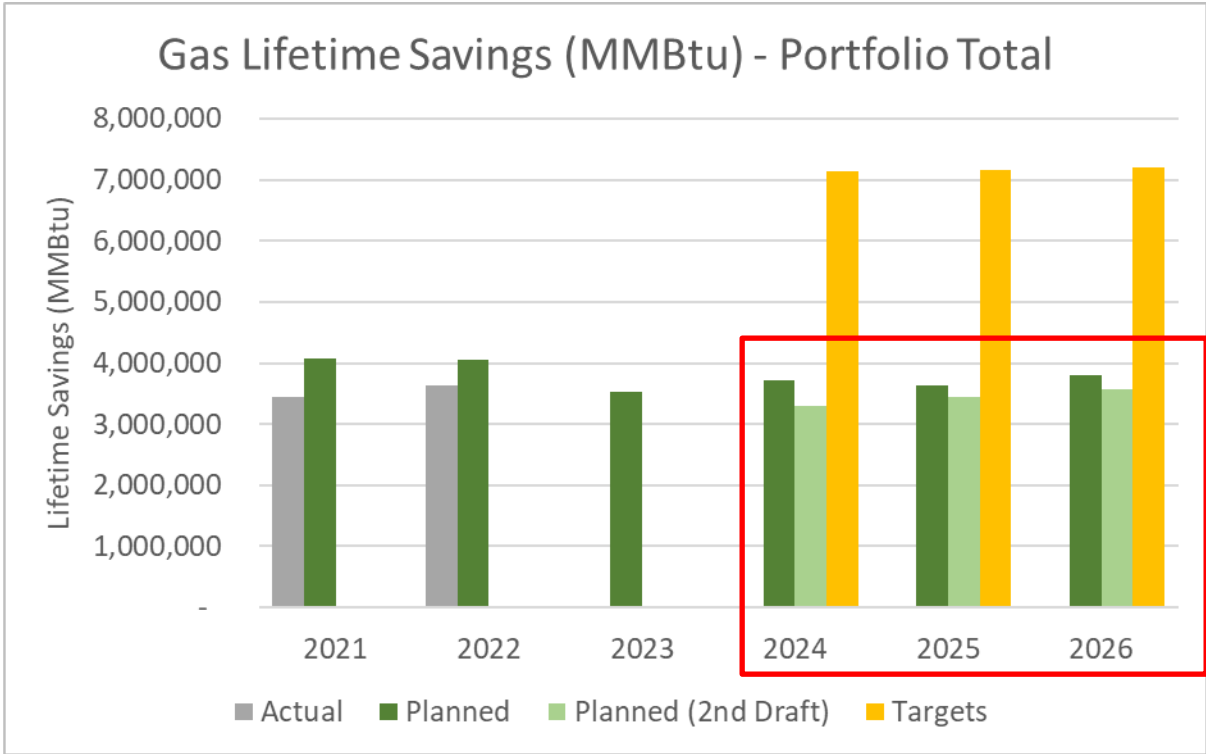
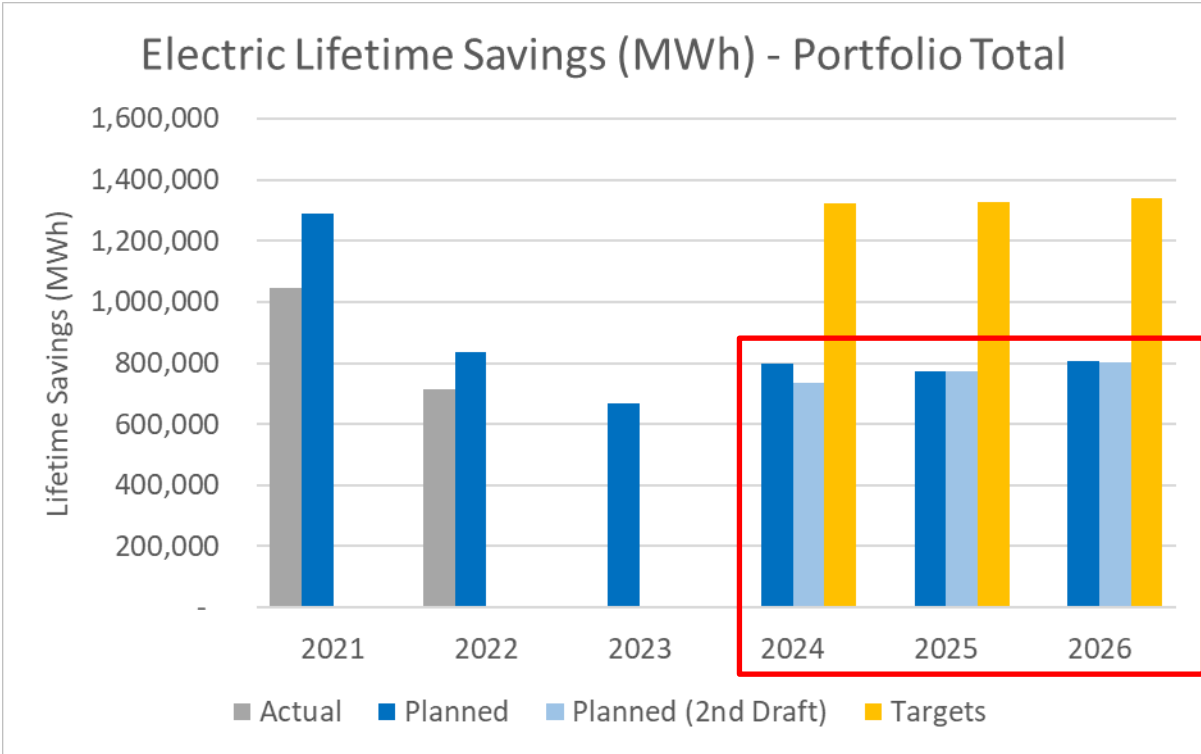
# APPENDIX A





# Portfolio Lifetime Savings

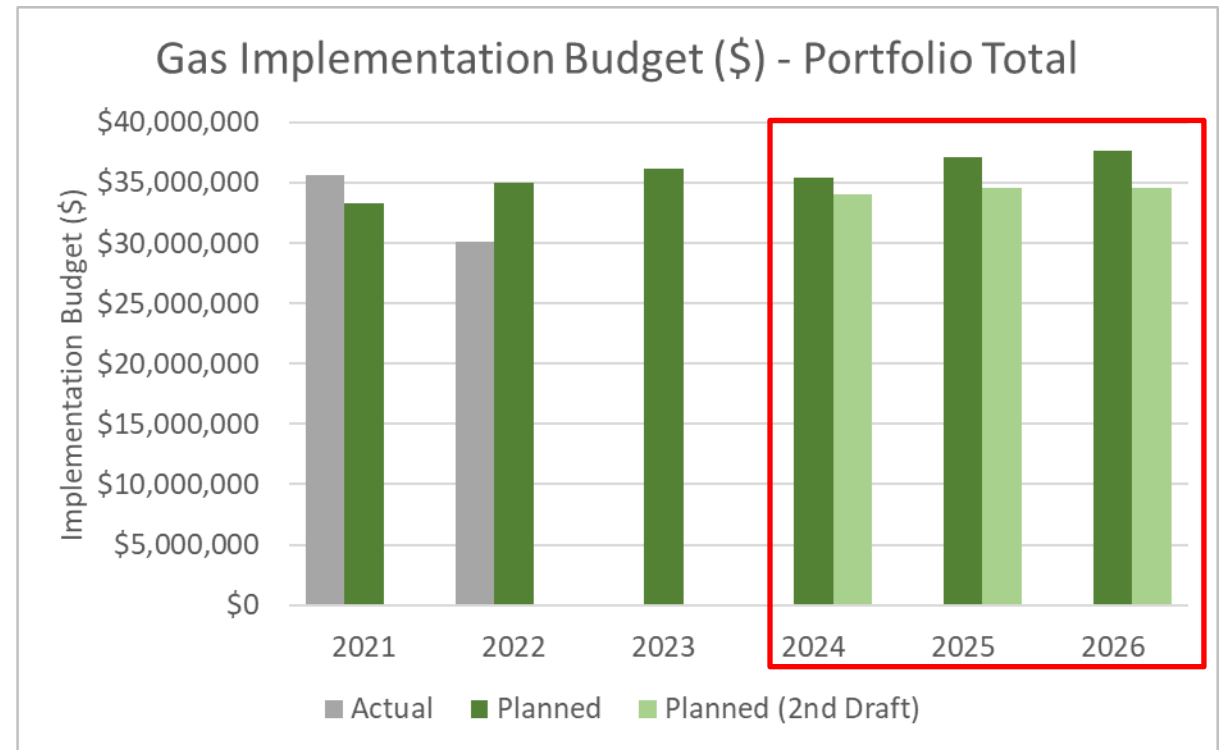
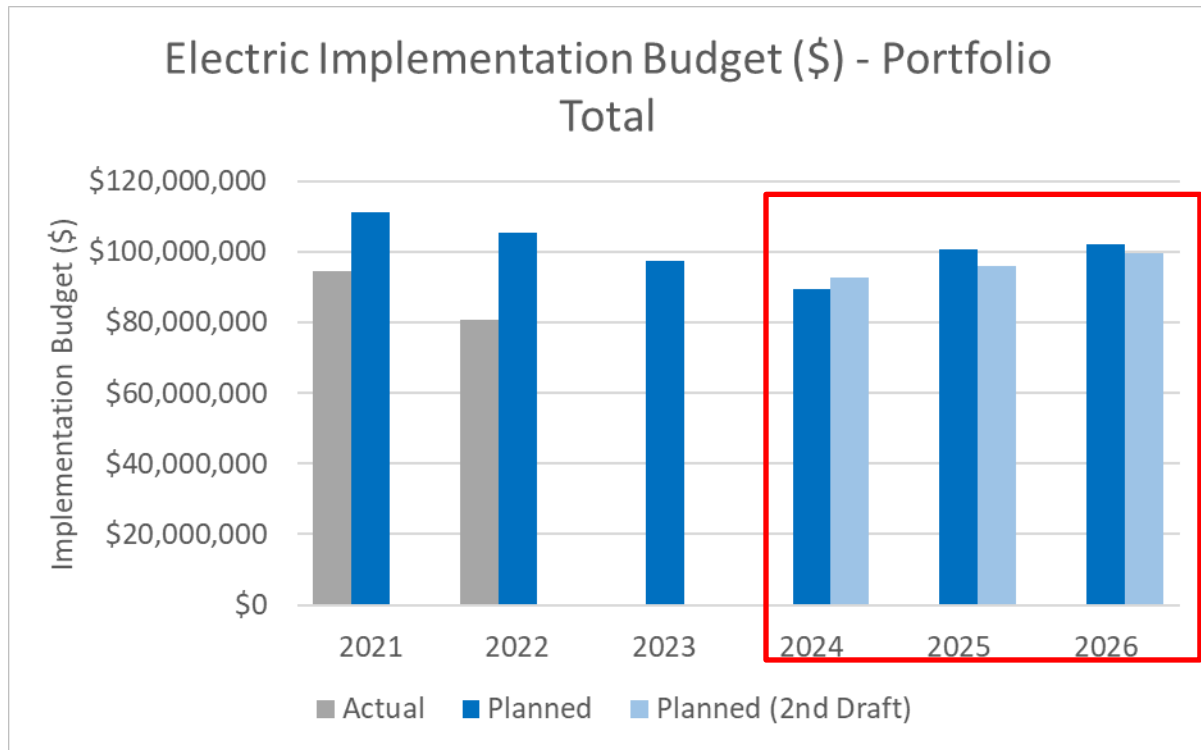
**Key Takeaway** 3% decrease in **total lifetime electric savings** and 8% decrease in **total lifetime gas savings** between 2024-2026 Plan drafts.





# Implementation Budget

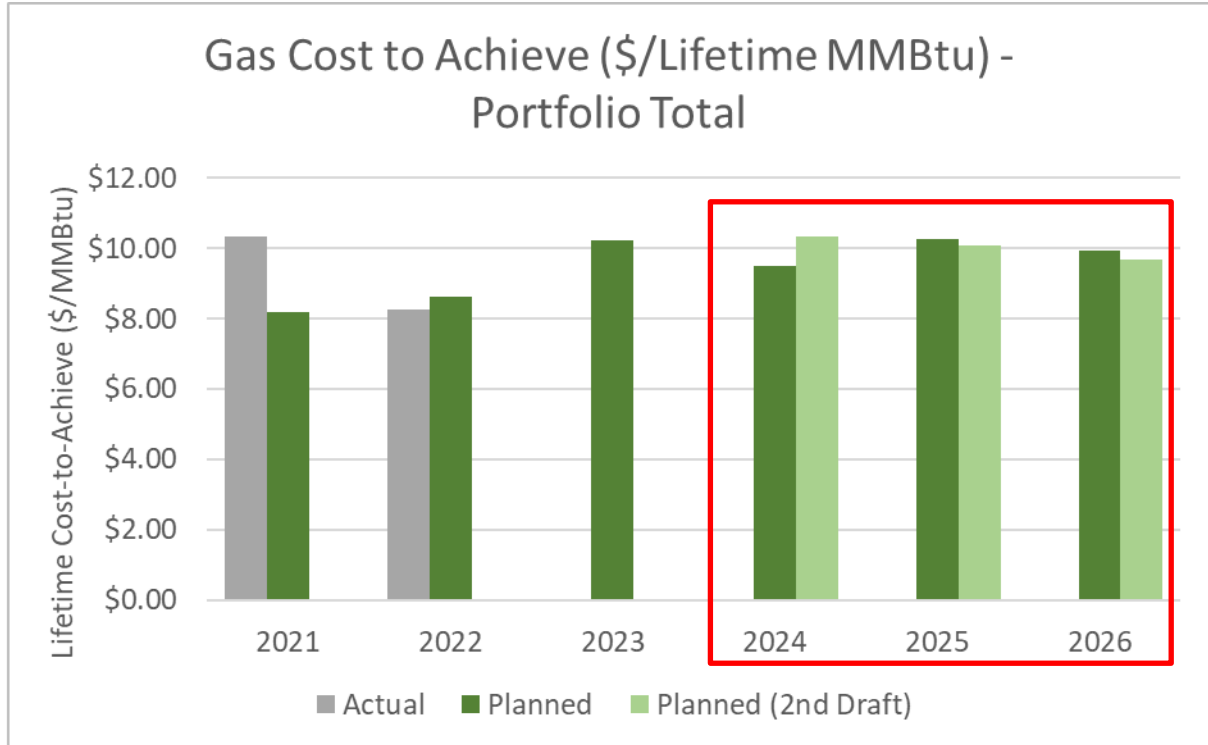
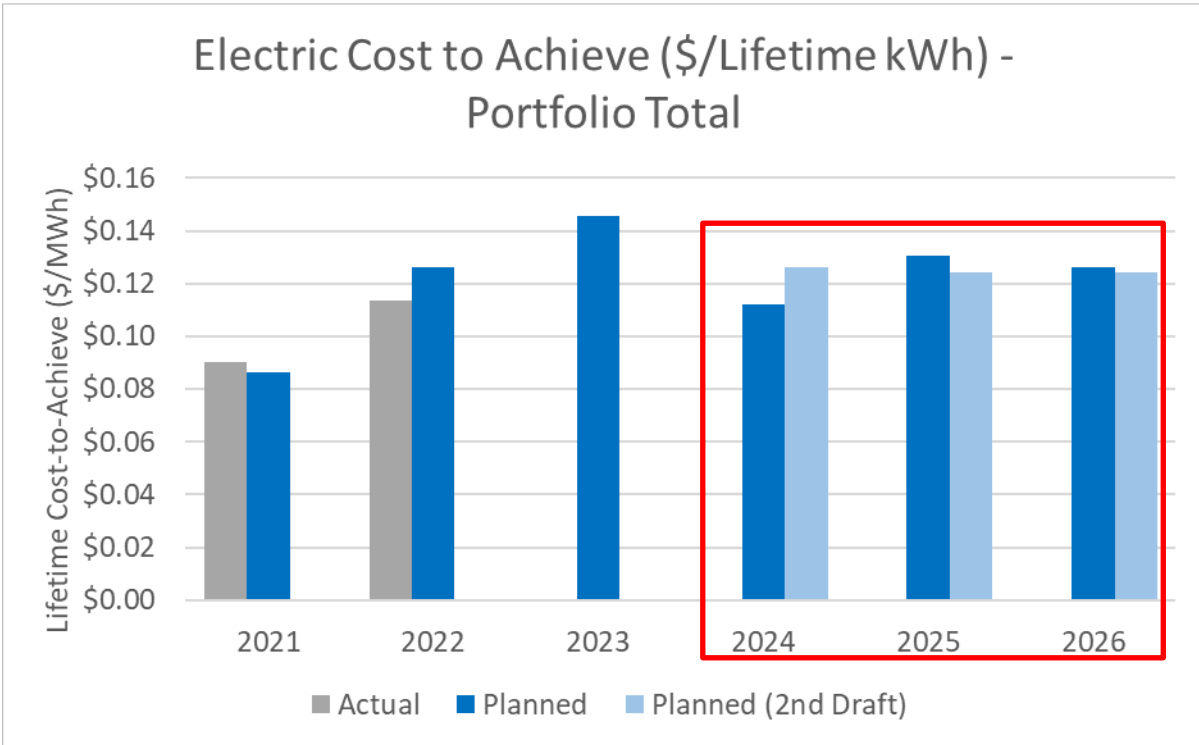
**Key Takeaway** 1% decrease in electric spending, 6% decrease in gas spending, and 3% decrease in total spending between 2024-2026 Plan drafts.





# Portfolio Cost to Achieve

**Key Takeaway** 12% increase in electric cost-to-achieve and 9% increase in gas cost-to-achieve for 2024, but small decreases for 2025 and 2026.







# Electric Portfolio Comparisons

<b>Electric Portfolio Total</b>	<b>2024 Annual Plan (First Draft)</b>	<b>2024 Three-Year Plan (Second Draft)</b>	<b>2025 Three-Year Plan (First Draft)</b>	<b>2025 Three-Year Plan (Second Draft)</b>	<b>2026 Three-Year Plan (First Draft)</b>	<b>2026 Three-Year Plan (Second Draft)</b>
<b>Lifetime Electric Savings (MWh)</b>	797,771	733,832	772,379	771,753	807,927	803,378
<b>Implementation Budget</b>	\$89,518,378	\$92,563,527	\$100,736,772	\$95,830,318	\$102,111,907	\$99,624,405
<b>Cost-to-Achieve (\$/Lifetime kWh)</b>	\$0.11	\$0.13	\$0.13	\$0.12	\$0.13	\$0.12
<b>Electric Portfolio Plan Draft Comparisons</b>	<b>2024 Three-Year Plan (Second Draft) Compared to 2024 Annual Plan (First Draft)</b>		<b>2025 Three-Year Plan (Second Draft) Compared to 2025 Three-Year Plan (First Draft)</b>		<b>2026 Three-Year Plan (Second Draft) Compared to 2026 Three-Year Plan (First Draft)</b>	
<b>Lifetime Electric Savings (MWh)</b>	-63,939	-8%	-626	0%	-4,549	-1%
<b>Implementation Budget</b>	\$3,045,149	3%	-\$4,906,454	-5%	-\$2,487,502	-2%
<b>Cost-to-Achieve (\$/Lifetime kWh)</b>	\$0.01	12%	-\$0.01	-5%	\$0.00	-2%



# Gas Portfolio Comparisons

<b>Gas Portfolio Total</b>	<b>2024 Annual Plan (First Draft)</b>	<b>2024 Three-Year Plan (Second Draft)</b>	<b>2025 Three-Year Plan (First Draft)</b>	<b>2025 Three-Year Plan (Second Draft)</b>	<b>2026 Three-Year Plan (First Draft)</b>	<b>2026 Three-Year Plan (Second Draft)</b>
<b>Lifetime Gas Savings (MMBtu)</b>	3,727,336	3,289,038	3,624,115	3,434,447	3,797,251	3,571,470
<b>Implementation Budget</b>	\$35,384,409	\$34,054,990	\$37,178,844	\$34,617,036	\$37,667,444	\$34,583,656
<b>Cost-to-Achieve (\$/Lifetime MMBtu)</b>	\$9.49	\$10.35	\$10.26	\$10.08	\$9.92	\$9.68
<b>Gas Portfolio Plan Draft Comparisons</b>	<b>2024 Three-Year Plan (Second Draft) Compared to 2024 Annual Plan (First Draft)</b>		<b>2025 Three-Year Plan (Second Draft) Compared to 2025 Three-Year Plan (First Draft)</b>		<b>2026 Three-Year Plan (Second Draft) Compared to 2026 Three-Year Plan (First Draft)</b>	
<b>Lifetime Gas Savings (MMBtu)</b>	-438,297	-12%	-189,669	-5%	-225,781	-6%
<b>Implementation Budget</b>	-\$1,329,419	-4%	-\$2,561,807	-7%	-\$3,083,788	-8%
<b>Cost-to-Achieve (\$/Lifetime MMBtu)</b>	\$0.86	9%	-\$0.18	-2%	-\$0.24	-2%



Responsiveness to Council Priorities

# APPENDIX B





# Responsiveness to Council Priorities

Priority	Assessment
<b>Priority #1:</b> Comply with LCP Standards	<b>Partial</b> <ul style="list-style-type: none"> <li>Annual Plan provides detailed review, though there are some elements where we do not agree with the characterizations (e.g. Efficacy, whether ‘all cost-effective’ is being fully pursued).</li> <li>Three Year Plan does not adequately address required compliance in document, likely warrants revision to comply.</li> <li>Assessment of Cost-Effectiveness portion of LCP Standards Compliance still to be assessed in form of Cost-Effectiveness memo at future Council Meeting</li> </ul>
<b>Priority #2:</b> Give Due Consideration to Act on Climate	<b>Partial</b> <ul style="list-style-type: none"> <li>Stakeholders have repeatedly requested RIE provide an interim view of emissions contributions from EE that would align with Act on Climate in lieu of the 2025 Climate Strategy, since that document will not be available in time to inform this 3YP cycle.</li> <li>RIE continues to point to presence of any emissions reductions as evidence of alignment which does not comport with fact of quantitative targets. In current drafts, this was supplemented with specifics from 2022 Climate Update which are appreciated.</li> <li>Plan does include notable decreases of incentives for new gas equipment.</li> </ul>



# Responsiveness to Council Priorities

Priority	Assessment
<b>Priority #3:</b> Incorporate Stakeholder Input	<p><b>Partial</b></p> <ul style="list-style-type: none"> <li>• RIE provided redlined text and written responses to all comments. However, several substantive comments ‘To Be Addressed’ and several key suggestions not incorporated.</li> <li>• Some requests to provide background data in plan met but many others still pending (e.g. total “SEMP-eligible” customers, C&amp;I participants by consumption class, SBDI participation reporting)</li> <li>• Adjustment of gas incentives a key area of responsiveness to input, as is the description of gaps between targets and goals</li> </ul>
<b>Priority #4:</b> Ensure an Effective & Efficiency Development & Review Process	<p><b>Partial</b></p> <ul style="list-style-type: none"> <li>• Considering the disconnects with the expectations around the first draft Three Year Plan, this year’s review process could have been better.</li> <li>• RIE was responsive to this feedback and significantly expanded second draft of Three-Year Plan</li> <li>• Later than expected delivery of some components (e.g. BCR and Rate and Bill Impact Models) has impacted review</li> <li>• Lack of clarity around comments ‘To Be Addressed’ leaves path forward less clear than it could be</li> </ul>



# Responsiveness to Council Priorities

Priority	Assessment
<p><b>Priority #5:</b> Set Ambitious Three-Year and Annual Plan Savings Goals</p>	<p><b>Not Responsive</b></p> <ul style="list-style-type: none"> <li>• Ramp up of savings during 3YP, but still substantially below Targets.</li> <li>• New section that specifically seeks to identify and describe reasons the goals fall below the Targets is appreciated, but could offer more quantitative information on specific drivers.</li> <li>• Disconnect regarding continued opportunity for more savings paired with declining budget</li> </ul>
<p><b>Priority #6:</b> Increase Participation in Underserved Communities</p>	<p><b>Partial</b></p> <ul style="list-style-type: none"> <li>• Commitment made to develop equity metrics in Q1 2024, but important to ensure that Plan stakeholders and their feedback are actively involved in that process. No reason this process could not continue in Q4 of this year &amp; avoid EWG ‘stop and start’</li> <li>• Council and others should play more significant role in EWG oversight if that will be venue for finalizing metrics</li> <li>• No commitment to develop an equity component to the PIM despite openness to this in past conversations</li> </ul>
<p><b>Priority #7:</b> Conduct Targeted Workforce Development</p>	<p><b>Not Responsive</b></p> <ul style="list-style-type: none"> <li>• Specifics were added for code compliance training but little else in the way of additional details.</li> <li>• WFD seems to be more business as usual</li> <li>• Shifting burden more towards other state entities</li> <li>• WFD spending cut in half from the first draft 3YP/Annual Plan with no clear description of how they will support other entities doing WFD</li> </ul>



Additional Sector Highlights

# APPENDIX C





# Income Eligible Community-Based Organization Assessment

Income Eligible Community-Based Organization Assessment in First Draft required significantly more detail

## Positive Steps:

- Plan shifts from “considering” to “committing” to this assessment
- Details added in Demos, Pilots, and Assessments Attachment

## Open Questions:

- Final details TBD based on input and guidance from further Equity Working Group activities
- Timeline remains unclear
- Current proposal puts significant onus on CBOs to apply for funding
- Total of \$40,000 being made available may be insufficient





# HVAC and Products

First Draft unclear on plan for updating heat pump standards to ENERGY STAR v6.1

- Comment response indicates that Company will use 2024 as a transition year...
- ...but no description of transition referenced in Plan narrative

## Induction Cooktops

- Company plans to hold off on inclusion, but committed to in communication (not in Plan) to evaluate in 2024 and add during program year if it makes sense
- Complicating factors:
  - Unable to provide incentives for customers to switch from gas
  - Induction cooktops will be eligible for IRA rebates when those become available

## Enhanced Low-Moderate Income Incentives

- Company does not plan to develop offering, but is open to learning more about how OER has handled income qualification



# New Construction

First Draft did not provide sufficient detail about its plan for consideration of a transition to all-electric new construction

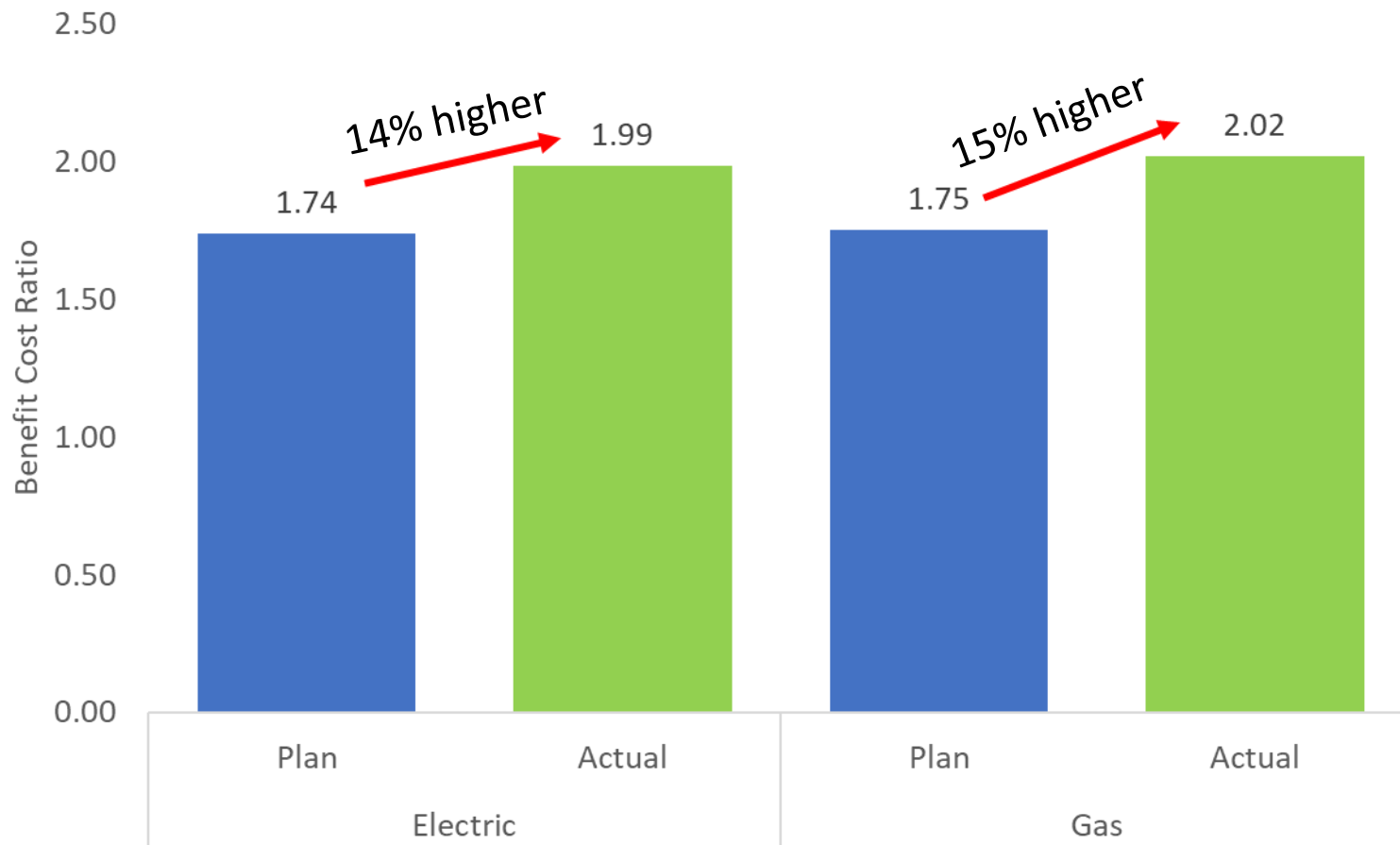
Improvements still needed:

- No specifics offered on timing, which leaves this process too open ended
- Specific targets or goals for the timing of transition should be committed to



# Pre-Wx Barrier Analysis

EnergyWise Single Family Plan vs. Actual BCRs (2020-2022)





# Pre-Wx Barrier Analysis

Conducted scenario analysis where we applied variance in costs and benefits over 2020-2022 period to the Planned costs and benefits in the 2024 Plan to identify how much room there is likely to be for a dedicated Pre-Weatherization Barrier Remediation effort within the EnergyWise Single Family Programs

Scenario	Dedicated Incentives (Electric Program)		Dedicated Incentives (Gas Program)	
Least Conservative	\$10,464,522	1.00 BCR	\$3,625,154	1.00 BCR
Most Conservative	\$1,758,295	1.25 BCR	\$375,278	1.08 BCR



# Pre-Wx Barrier Analysis

Scenarios first apply % of average variance in costs and benefits over 2020-2022 period to planned costs and benefits in the 2024 Plan to generate estimates of year-end costs and benefits for 2024

We then apply a % of the total gap between those estimated costs and benefits to determine how much funding is available in each scenario to dedicate towards Pre-Wx Barrier remediation assistances, with the goal of keeping the programs at or above a BCR of 1.0

% of Average Variance in Costs and Benefits Over 2020-2022 Period Applied to 2024 Planned Costs and Benefits	% of Delta Between Costs and Benefits Allocated to Pre-Wx Barrier Remediation Assistance	Dedicated Incentives (Electric Program)		Dedicated Incentives (Gas Program)	
		Costs	BCR	Costs	BCR
100%	100%	\$10,464,522	1.00 BCR	\$3,625,154	1.00 BCR
	75%	\$7,848,392	1.09 BCR	\$2,718,866	1.05 BCR
	50%	\$5,232,261	1.20 BCR	\$1,812,577	1.10 BCR
	25%	\$2,616,131	1.33 BCR	\$906,289	1.16 BCR
50%	100%	\$8,176,961	1.00 BCR	\$2,209,127	1.00 BCR
	75%	\$6,132,721	1.08 BCR	\$1,656,845	1.04 BCR
	50%	\$4,088,481	1.17 BCR	\$1,104,564	1.07 BCR
	25%	\$2,044,240	1.28 BCR	\$552,282	1.11 BCR
25%	100%	\$7,033,181	1.00 BCR	\$1,501,114	1.00 BCR
	75%	\$5,274,885	1.07 BCR	\$1,125,835	1.03 BCR
	50%	\$3,216,590	1.15 BCR	\$750,557	1.05 BCR
	25%	\$1,758,295	1.25 BCR	\$375,278	1.08 BCR



STATE OF RHODE ISLAND

## ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

### EERMC FULL COUNCIL DRAFT MEETING MINUTES

Thursday, September 14, 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, Brett Feldman, Kate Grant, Sue AnderBois (departed at 4:10 p.m.), Peter Gill Case, Bob Izzo, Kurt Teichert, Thomas Magglochetti

**Others in Attendance:** Sam Ross, Rachel Sholly, Chris Hunter, Michael O'Brien Crayne, Toby Ast, Mark Siegal, Carrie Gill, Emily Koo, Brenden Dagher, Jessica Reno, Spencer Lawrence, Mark Kravatz, Brian Kealona, Rebecca Foster, Steven Chybowski, Danielle Jameson, Sarah Doherty, Karen Bradbury, William Owen, Craig Johnson (virtual), Adrian Caesar (virtual), Nelson DiBiase (virtual), Ann Clarke (virtual), Marion Gold (virtual), Jordan Galluzzo (virtual), Kathryn Cleary (virtual), Kyle Nagel (virtual), Jeremy Newberger (virtual)

**1. Call to Order -**

Chairperson Oakley called the meeting to order at 3:05 p.m.

**2. Chair Report -**

Chairperson Oakley delivered the Chair Report, providing an overview of the meeting agenda and noting that during the next meeting on September 28<sup>th</sup>, the Council will vote on approval of Rhode Island Energy's (RIE) Annual and Three-Year Efficiency Plans. He also reminded Council Members that the first URI PIER lecture sponsored by the Council would be held on September 19<sup>th</sup> from 6:00 to 7:30 p.m. and that Council members were encouraged to register on the URI Cooperative Extension website and attend or view the live stream, with additional lectures on October 8<sup>th</sup> and October 18<sup>th</sup>. Lastly, he provided space for Council Member Grant to announce that she will be resigning her Council position Friday, September 15<sup>th</sup> as she is leaving her position at RIE and that RIE is working to fill the seat.

**3. Executive Director Report -**

Mr. Chybowski presented the Executive Director report on behalf of Acting Commissioner Kearns. First, Sarah Doherty introduced herself to the Council and attendees as the new thermal sector lead for the Rhode Island Office of Energy Resources (OER). Next, Mr. Chybowski provided additional programmatic updates noting that Greg Ohadoma from OER

and Chris Gaynor from the Department of Environmental Management will host a Climate Justice Hour on Oct 21<sup>st</sup> focusing on environmental and climate literacy and that the fall round of the Efficient Buildings Fund, a program offered in partnership with the Rhode Island Infrastructure Bank, is open for applications from municipalities and public entities.

**4. Meeting Minutes –**

Chairperson Oakley motioned to approve the August 17, 2023, Meeting Minutes. Vice Chair Gill Case seconded. Council Members Oakley, Gill Case, Izzo, Teichert, and Maggliochetti voted in favor, none opposed, and Council Member AnderBois abstained.

**5. Council Business (35 minutes, 3:10 – 3:45 p.m.)**

*a. Branding and Communications Development Updates and Discussion (20 min, 3:10 – 3:30 p.m.)*

Mr. Hunter of Advocacy Solutions presented on the progress to date toward the Council's branding initiative and next steps, commenting that he believes the effort is 75 percent complete. He presented the rebranding suggestions to the Council in the hope of narrowing down to three potential final options. Once a logo is selected the update would then happen quickly to refresh the website. Chairman Oakley provided some background on the reasons for updating and refreshing the Council's branding which is in part to define the Council's identity as distinctive from OER, and he solicited feedback on the effort at this point in the process. Mr. Hunter presented the recommendation to rebrand the Council as the "Energy Efficiency Council". Council Member Grant noted this was a rebrand akin to a "doing-business-as" appellation, as the Council's official and legal name is set by statute.

Mr. Hunter then presented the revised mission for the Council and the potential logo redesigns for consideration. Council discussion focused on what the visual elements consisted of, and how to represent the Council's efforts to both create benefits for people as well as the ability to upgrade and enhance buildings and structures within the state. Ms. Sholly noted that the abstract design could be further refined if Members had any alternative suggestions and Mr. Hunter requested that Members share their preferences ahead of the September 28<sup>th</sup> Council meeting.

*b. Office of Energy Resources Presentation on Clean Heat RI (15 minutes, 3:30 – 3:45 p.m.)*

Ms. Jameson of OER presented on the Clean Heat RI (CHRI) heat pump program administered by the State, noting the timeline of program development and the official launch of the program hosted by Governor McKee. Response to the program has been significant with 270 consultations already scheduled at the time of the Council meeting, 18 heat pumps quotes submitted, and 98 applications received. OER will host a launch webinar on September 21<sup>st</sup> at 6:30 p.m. to answer key questions on the program and heat pumps more generally. Council Member AnderBois asked if the webinar would be recorded, and Ms. Jameson confirmed that it would.

Next, Ms. Jameson explained the incentives available in the program including the Residential, Income Eligible, and Commercial incentives and application requirements, and noted that low and moderate income (LMI) customers will be able to provide income verification via the website. Council Member Grant asked if

schools would qualify. Mr. Owen noted that OER's Lead by Example program works extensively with schools and had just begun to deploy a new round of funding to help those entities make efficiency and energy upgrades.

Next Ms. Jameson provided the program requirements, noting all Rhode Island residents in all utility territories were eligible, and went through the incentive program requirements for each category. Council Member AnderBois asked what a "ton" meant, and Vice Chair Gill Case noted that it was a measure of cooling power. Council Member Teichert asked if the \$25M of funding was steered toward specific program categories. Ms. Jameson noted OER was targeting alignment with the Justice 40 Federal Initiative so that at least 40 percent of the benefits go to households and entities located in Environmental Justice communities. The Council noted interest in hearing from OER in 12 months for an update on program outcomes, specifically in the low and moderate income and environmental justice communities, and Ms. Jameson noted there are marketing and outreach efforts underway to help uptake within those communities.

Ms. Jameson then gave an overview of the heat pump installer resources, what the application portal consisted of, and how errors in the application were noticed to applicants as well as the CHRI team, what the application summary shows to applicants, and how applicants gain their rebates once the work is completed. Applications can be completed by building owners or contractors. Initial feedback from contractors shows enthusiasm for the streamlined nature of the process, and there is a quote comparison tool available for customers as well. Council Member Feldman noted RIE's coordination with OER in the lead up to the program launch and noted work to cross-check needed weatherization upgrades. Mr. Teichert confirmed with Ms. Jameson that installers must do a full Manual J, and asked whether there was a trigger for when weatherization was being recommended.? Council Member Grant inquired about the rationale behind the incentive allocations across the applicant categories, and Ms. Jameson noted that this was to align with the state's utility rebates and create level, per-ton rebates across the state covering roughly 15 percent of the cost. Chairperson Oakley asked whether OER would be willing to present the program details to other organizations and OER is open to those opportunities.

## **6. Program Oversight (70 Minutes, 3:45 – 4:50 p.m.)**

### *a. Rhode Island Energy Presentation and Discussion of the Updated Draft of the 2024 and 2024-2026 Energy Efficiency Plans (20 minutes, 3:45 – 4:05)*

Council Member Feldman and Mr. O'Brien Crayne from Rhode Island Energy presented on the 2024 and 2024-2026 Energy Efficiency Program Plans. They briefly commented on RIE's preparations ahead of Hurricane Lee and began with a note on the hundreds of comments received and the hard work and effort of the RIE team in drafting this first Three-Year Plan under Rhode Island Energy. Council Member Feldman also provided an update that Forbes has ranked Rhode Island the second most sustainable state and lowest in energy use. He stated that there are some pending updates on residential incentives, changes in lighting, and reviewed the plan priorities including delivery, advancement of technologies, enabling customer access, equitable access and increasing workforce capacity.



The plan detail overview began on gas incentives, and looked at measure-level cost effectiveness, which removed gas appliances which were not cost effective, including residential HVAC. Council Member Feldman discussed whether multifamily furnaces would need to be continued as an entry point to open discussions with building owners about greater efficiency measures, noting the range of builders and the potential for a future discussion around the Future of Gas docket. Council Member AnderBois commented that Sam Ross of the EERMC's consultant team is serving on the Future of Gas Technical Working Group to conduct the analysis of modeled scenarios.

Next, Council Member Feldman shared the status of the Equity Working Group, adding that the group's efforts had started late, and that the 2024 effort would consist of at least six meetings. Chairperson Oakley asked why six had been chosen to which Council Member Feldman responded should allow for nearly one meeting per month ahead of the September Plan development deadline.

RIE continues to coordinate with OER on Clean Heat RI, RGGI, Inflation Reduction Act (IRA) planning, and with Rewiring America on a RI incentive calculator. RIE is also working with NEEP and ACEEE to understand the appropriate attribution of benefits as federal funding comes to the states, and will look to work with Industrial Access Centers to perform industrial audits through collegiate programs as a workforce development opportunity, if the grant applications are funded. RIE is pursuing a C&I Weatherization Demo as an opportunity to expand commercial weatherization to new types of buildings and customer types, new efforts to engage community organizations to provide funding directly to access landlord and community networks, and multifamily financing with Block Power to build up utility promotion and enhance multifamily access to pre-weatherization and efficiency upgrades beyond what Heat Loans can currently offer. RIE continues to refine data review, IRA funding resources to address pre-weatherization barriers, outside funding sources, and cost-effective paths to overcome constraints. The State's adoption of the 2024 IECC will require additional code trainers, setting up reimbursement programs for trainers, hosting full day workshops and online learning tools, and increased coordination with the HERS training center.

Mr. O'Brien Crayne presented the Plan's portfolio numbers. The EE plan fund balance from the portfolio is down from the 2023 year, but as a result there is an attendant increase in the system benefit charge, and the revised Least-Cost Procurement (LCP) standards require additional reporting which will be reflected within the 2024 plan. Chairperson Oakley commented that IRA and additional federal funding sources should be additive to RIE's programming, and Council Member Feldman confirmed that it is intended to be supplement, not supplant. Chairperson Oakley also expressed concern over the timing of the equity facets of the plan coming after the Council's vote and the need to see a robust equity plan at the next meeting. Council Member Feldman noted that they would try to provide updates from the equity working group ahead of that meeting. Council Member Teichert questioned whether the Three-Year Plan and projected plan savings were reflective of the IRA and outside funding in energy savings, and Council Member Feldman replied that was not expected to have a significant impact in 2024, but should be reflected in both the 2025 and 2026 plans.

b. *Consultant Team Presentation and Discussion of the Updated Draft of the 2024 and 2024-2026 Energy Efficiency Program Plans (20 minutes, 4:00 – 4:20)*

Mr. Ross from the Council's Consultant Team presented their high-level takeaways on the updated draft of the 2024 and 2024-2026 Energy Efficiency Program Plans. He noted the Council's appreciation that the second draft was significantly expanded and that RIE had provided additional responses to some questions right before the meeting. Mr. Ross raised that expectations were not met with the proposed decrease in spending levels when the need for action considering the Act on Climate suggested additional spending needed, addressing the momentum from the IRA, and that there remained room for growth and acceleration within EE planning. Mr. Ross noted a potential need to further discuss the idea of an equity Performance Incentive Mechanism. He also commented that RIE's pilot program to engage landlord's is welcome, but does not align with the scope or urgency of the State's climate goals.

Finally, Mr. Ross laid out the priority for the second September Council meeting where the Council will need to vote on the plan, and the context for the Council's obligations. A summary of the Council's vote options was outlined, and Chairperson Oakley asked how Members should raise questions and feedback, which Mr. Ross said should either be directed to RIE directly or to the Consultant Team.

c. *Council Discussion on Program Oversight (30 minutes, 4:20 – 4:50)*

Council discussion began focused on the efficiency targets and the EE Plan budget. Mr. Feldman noted that the EERMC's EE targets had not been formally approved which Mr. Ross confirmed, noting the PUC could take up the filing at their discretion. Council Member Feldman raised how associated costs were or were not reflected in the targets and Mr. Ross explained that potential studies assume a 100 percent cost incentive, but that actual costs are due to plan design and execution, not necessarily the incentive levels and the targets show additional room to increase plan spending.

Vice Chair Gill Case commented on the pressure between respecting the effort of RIE in assuming the planning effort and producing a viable plan set against the rate pressure caused by the energy market in New England. Council Member Teichert noted concern for overly ascribing cost concerns by the PUC as a justification for moderating program spending when a Three-Year Plan should signal and justify more aggressive action to meet the state's energy goals. Mr. Ross noted the value of clearer data points from a bottom-up planning tool would be useful to understand how spending and plan targets can be dialed in to maintain robust outcomes. Vice Chair Gill Case expressed enthusiasm for the plan's benefit-cost ratios.

## **7. Public Comment**

Emily Koo – Acadia Center

Ms. Koo echoed comments previously made regarding equity and setting expectations for equity metrics and targets. She highlighted the need for equity metrics to be focused on outcomes, not just outputs.

Before adjournment, Chairperson Oakley commended Ms. Sholly from the consultant team for her work on the Council's branding and communications effort.

**8. Adjournment -**

Chairperson Oakley motioned to adjourn the meeting at 4:59 p.m. Vice Chair Gill Case seconded. All in favor, none opposed.

DRAFT