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October 30, 2023

VIA ELECTRONIC MAIL AND HAND DELIVERY

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

Dear Ms. Massaro:

**Re: Docket No. 23-35-EE – 2024-2026 Three Year Energy Efficiency Plan and
2024 Annual Energy Efficiency Plan
Responses to Division Data Requests – Set 1**

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”), I have enclosed the Company’s responses to the First Set of Data Requests issued by the Division of Public Utilities and Carriers in the above-referenced docket.

Please contact me if you have any questions. Thank you for your attention to this matter.

Very truly yours,



Leticia C. Pimentel

cc: Docket 23-35-EE Service List

Certificate of Service

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

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

Heidi J. Seddon

October 30, 2023

Date

**Docket No. 23-35-EE – Rhode Island Energy’s EE Plan 2024-2026 Three-Year Plan and 2024 Annual EEP
Service list updated 10/4/2023**

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Division 1-1

Request:

Page 47 states, “Target 15% Penetration of Energy Efficient Electric Heating by 2030.”

- a. What was the penetration of energy efficient electric heating as of the end of 2022?
- b. What is the planned penetration of energy efficient electric heating as of the end of 2023?
- c. What is the proposed penetration of energy efficient electric heating in 2024, 2025 and 2026 in the Plan?

Response:

The 15% target quoted is from the Rhode Island Executive Climate Change Coordinating Council’s 2022 Update to the 2016 Greenhouse Gas Emissions Reduction Plan (“2022 Update”) and refers to a conversion of 15% of Rhode Island’s buildings from fossil fuel heat to efficient electric heating by 2030. As stated on Bates pages 45 and 46, the energy savings achieved by Rhode Island Energy’s energy efficiency programs directly advance priority actions identified in the 2022 Update. The 15% target is the State’s target, which may be met through a number of programs and policies. The 15% target is not specific to or adopted by the Company; programs and policies external to the Company can and will support the State in meeting its 15% target.

The quantities for residential measures for 2010 through 2022, 2023, and 2024 through 2026 are provided below. The Company has provided the quantities in its response (i.e. the penetration numerator) and not the actual penetration rates because the number of electrically heated homes or businesses (i.e. the penetration rate denominator) is not readily available and tracked accurately enough to provide a feasible comparison. Additionally, C&I quantities are only available for 2010 through 2022 in the Company’s tracking system. C&I values for 2023 and 2024 through 2026 values are entered in the Company’s planning tool as kWh.

- a. The quantities in Table 1 reflect heat pump unit quantities from 2010 to 2022.

Table 1

Program	Quantity
Residential	14,323
Income Eligible	81
C&I	501

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b. Please see Table 2.

Table 2

Program	Quantity
Residential	2,080
Income Eligible	25
C&I ⁽¹⁾	1,409,161 kWh

c. Please see Table 3.

Table 3

Program	2024 Quantity	2025 Quantity	2026 Quantity
Residential	2,716	2,975	3,181
Income Eligible	309	386	399
C&I ⁽¹⁾	1,200,917 kWh	1,304,474 kWh	1,420,131 kWh

⁽¹⁾ C&I quantities are forecasted based on kWh savings.

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Division 1-2

Request:

Page 47 states, “Several programs outlined in the Plans offer incentives for efficient heat pumps, both for space and water heating.”

- a. How many heat pumps is the Company proposing for Residential, Income Eligible, and C&I customers in 2023 and for 2024-2026 by year?
- b. How many gas heating systems is the Company proposing for Residential, Income Eligible, and C&I customers in 2023 and for 2024-2026 by year?
- c. How many Residential, Income Eligible, and C&I weatherization projects is the Company proposing in 2023 and for 2024-2026 by year?

Response:

- a. Please see the table below.

HEAT PUMPS	2023	2024	2025	2026
Residential	2,524	2,756	2,975	3,177
Income Eligible	25	125	194	199
C&I ⁽¹⁾	1,409,161 kWh	1,200,917 kWh	1,304,474 kWh	1,420,131 kWh

- b. Please see the table below.

GAS HEATING SYSTEMS	2023	2024	2025	2026
Residential	269	206	206	205
Income Eligible	2,307	1,213	1,126	881
C&I ⁽¹⁾	21,092 MMBtu	16,116 MMBtu	16,188 MMBtu	16,267 MMBtu

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c. Please see the table below.

WEATHERIZATION	2023	2024	2025	2026
Residential	2,140	1,660	1,669	1,661
Income Eligible	17,552	17,554	17,069	16,889
C&I ⁽¹⁾	2,000 MMBtu 246,763 kWh	2,900 MMBtu 259,678 kWh	2,900 MMBtu 298,861 kWh	2,900 MMBtu 343,967 kWh

⁽¹⁾ C&I participation is forecasted based on kWh and MMBTU savings.

Division 1-3

Request:

Page 78 states, “In this Plan, the Company took a conscious look at the role of gas incentives, based on market analysis and input from stakeholders. The following criteria were used to assess how gas incentives should be sized:

Cost Effectiveness

While cost effectiveness for the Plan is measured at the program level, measure-level benefit-cost ratios are calculated as well. In this Plan, all programs are cost effective; however, the Company looked at the measure level to analyze which gas efficiency measures were not cost effective. These gas efficiency measures, primarily in the residential sector, were reduced or removed entirely from the Plan where prudent. The funds from these gas efficiency measures were shifted to more cost-effective gas measures within the residential sector or to the C&I sector.

Shift from Gas Equipment

Within the cost-effectiveness framework, the Company undertook an effort to shift funds from gas-consuming equipment to measures that help use gas more efficiently such as weatherization.

Market Forces

External market forces of supply and demand played a major role in determining incentive levels. On the supply side, the Company wanted to be sure that viable electric alternatives exist for customers for any gas efficiency measures that got reduced budgets or were discontinued. The Company did not reduce or discontinue any gas efficiency measures for which there was no viable electric alternative.”

- a. Please identify the gas efficiency measures that were removed entirely from the Plan and provide the measure-level benefit-cost ratio for each one.
- b. Please identify the gas efficiency measures that were reduced in the Plan and provide the measure-level benefit-cost ratio for each one.
- c. Please describe what was ‘reduced’ in more detail (e.g., incentive amounts, participants, and/or both) and quantify the magnitude of the reductions (e.g., how much incentive amounts or participants decreased for each measure). Please reference the 2023 and 2024 EE Plans when quantifying this magnitude.

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- d. Please provide a comparison of the participants and incentive budgets for the measures that were reduced, in aggregate across all of the relevant measures. Please reference the values in the 2023 and 2024 EE Plans to provide this comparison.
- e. Please identify the gas efficiency measures for which there was no viable electric alternative and provide the measure-level benefit-cost ratio for each one.
- f. Please provide a comparison of the participants and incentive budgets for the gas efficiency measures for which there was no viable electric alternative, in aggregate across all of the relevant measures. Please reference the values in the 2023 and 2024 EE Plans to provide this comparison.
- g. Please identify the more cost-effective gas measures where funds were shifted and provide the measure-level benefit-cost ratio for each one.
- h. Please provide a comparison of the participants and incentive budgets for the more cost-effective gas measures, in aggregate across all of the relevant measures. Please reference the values in the 2023 and 2024 EE Plans to provide this comparison.

Response:

The Company’s responses below reflect gas measures that were found not to be cost-effective.

- a. Please see Table 1 below which contains all 2023 non cost effective (BCR below 1.0) measures that were removed for the 2024 Plan.

Table 1

Program Name	2023 Measure Name	2023 BCR Ratio
Residential		
Residential New Construction	MFHR_HEATING	0.84
Residential New Construction	MFHR_WATER_HEATING	0.40
Residential New Construction	RR_DHWTIER1_GAS	0.31
Residential New Construction	RR_DHWTIER2_GAS	0.46
Residential New Construction	RR_DHWTIER3_GAS	0.62
Residential New Construction	Water Heating (CP)	0.68
Residential New Construction	Water Heating Tier 1	0.40
Residential New Construction	Water Heating Tier 2	0.56

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Residential New Construction	Water Heating Tier 3	0.74
A02b Energy Star Heating System	WATER HEATER - INDIRECT	0.61

b. Please see Table 2 below which contains non cost-effective measures that had total measure-level incentives reduced between the 2023 and 2024 plans.

Table 2

2024 Program	2024 Measure Name	2024 BCR Ratio	2023 BCR Ratio
Residential New Construction	Renovation Rehab CP - DHW, Gas	0.26	0.30
Income Eligible Multifamily	HEATING_Custom_LI	0.98	1.00

c. Please see Table 3 below which contains quantity and total incentive details regarding the two measures in Table 2.

Table 3

2024 Program	2024 Measure Name	2024 Quantity	2023 Quantity	Quantity Difference	2024 Total Incentive	2023 Total Incentive	Incentive Difference
Residential New Construction	Renovation Rehab CP - DHW, Gas	2	5	3	\$100	\$250	\$150
Income Eligible Multifamily	HEATING_Custom_LI	11	12	1	\$1,485,00	\$1,620,00	\$135,000

d. Please see Table 4 below for aggregates at the portfolio level.

Table 4

Sector	2024 Quantity	2023 Quantity	Quantity Difference	2024 Incentive Budget	2023 Incentive Budget	Budget Difference
Portfolio	13	17	4	\$1,485,100	\$1,620,250	\$135,150

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- e. The Company did not identify any gas measures that were not reduced or discontinued because there were no viable electric measures.
- f. Please see the Company’s response to subsection (e).
- g. Please see Table 5 below which contains measures that had additional incentive funding shifted to them between 2023 and 2024.

Table 5

2024 Program	2024 Measure	2024 BCR Ratio
Large C&I Retrofit	Steam Trap HVAC - High Pressure	2.24
Large C&I Retrofit	Other Gas – All	2.82
Large C&I Retrofit	Steam Trap, Custom - Low Pressure	3.52
Large C&I Retrofit	Steam Trap HVAC - Low Pressure	2.43

- h. Please see Table 6 below for aggregates at the portfolio level.

Table 6

2024 Program	2024 Quantity	2023 Quantity	Quantity Difference	2024 Incentive	2023 Incentive	Incentive Difference
Portfolio	25,878	21,135	4,743	\$557,300	\$459,611	\$97,689

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Division 1-4

Request:

Page 79 states, “For multifamily gas furnaces specifically, the Company decided to keep the multifamily heating measures within the IES Multifamily and C&I Multifamily Programs so there would be comprehensive offerings to building owners. The heating system is of utmost concern to building owners and if the opportunity for incentives does not exist, they may not even be willing to meet with the team. Once in the door, the sales team can work on education which also includes electrification. There are also limited alternatives in the short term. Since these are both custom measures, the Company can work to ensure that there is an up-to-date custom screening tool being used and only cost-effective projects progress. Both the IES Multifamily and C&I Multifamily Programs have strong benefit-cost ratios. With the added focus on the screening tool, the team feels that these heating measures will be cost effective in practice. Anticipating success in electric heating conversions, the Company plans for furnaces to trend downwards over the 2024-2026 term.”

- a. Please provide the number of gas furnace measures proposed in each of these two programs, for 2024, 2025, and 2026.
- b. Please provide the proposed incentive budget for gas furnace measures for each program, for 2024, 2025, and 2026.

Response:

Program	Measure Name	2024		2025		2026	
		Qty	Incentive Budget	Qty	Incentive Budget	Qty	Incentive Budget
Income Eligible Multifamily	Heating System Retrofit, Furnace	0	\$0	0	\$0	0	\$0
Income Eligible Multifamily	HEATING_Custom_LI	11	\$1,485,000	11	\$1,485,000	10	\$1,350,000
C&I Multifamily	Heating, Custom	11	\$528,000	10	\$480,000	9	\$432,000

Please note that both of the “Heating, Custom” measures can include both furnaces or boilers.

Division 1-5

Request:

Page 79 states, “Regarding new construction, RI Energy realizes there are some progressive home builders promoting all-electric new construction, and the Company supports them. However, based on the Company’s interaction with the broader market, the majority of builders still plan for gas in new construction design. While RI Energy does not explicitly encourage new gas connections and will continue to educate the market on electric alternatives, the Company still feels it is valuable to offer customer choice and promote the most efficient gas equipment possible, rather than have that lost opportunity. Furthermore, the Company stays abreast of new energy code adoption and will continue to adjust incentives as codes dictate.”

- a. How many new gas homes and businesses does the Company plan to incentivize in 2023 and for the 2024-2026 plan by year?
- b. How many new all-electric homes and businesses does the Company plan to incentivize in 2023 and for the 2024-2026 plan by year?

Response:

- a. Please see Table 1

Table 1: RIE New Gas Homes and Businesses Projects

	2023	2024	2025	2026
Residential Homes	218	250	233	145
C&I Businesses ⁽¹⁾	0	N/A	N/A	N/A

- b. Please see Table 2

Table 2: RIE New All-Electric Homes and Businesses Projects

	2023	2024	2025	2026
Residential Homes	489	339	383	493
C&I Businesses ⁽¹⁾	2	N/A	N/A	N/A

⁽¹⁾ C&I participation for 2024-2026 is forecasted based on kWh and MMBTU savings.

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Please note that the 2023 plan numbers are higher than 2024-2026 as it was assumed there would be growth in construction in 2023. However new construction permits have remained fairly steady over the past 5+ years, and we used this data to inform the numbers for 2024-2026.

Division 1-6

Request:

Page 81 states: “Additionally, the Company will look to provide enhanced incentives to customers who commit to implementing comprehensive energy efficiency measures within a specified timeframe. To qualify for the enhanced incentives, the customer will need to commit to installing three or more energy efficiency measures with different end-uses within a program year. The objective is to accelerate deeper, more comprehensive measure adoption by reducing the payback period for customers.”

- a. Are there any enhanced incentives for Residential customers who commit to implementing comprehensive energy efficiency measures within a specified timeframe?
- b. If not, why not?

Response:

- a. No, there are no enhanced incentives for Residential customers who commit to implementing comprehensive energy efficiency measures with a specific timeframe.
- b. Rhode Island Energy does not propose enhanced incentives for Residential customers who commit to implementing comprehensive energy efficiency measures within a specified timeframe because of the limited nature of potential applicable energy efficiency measures identified in a residence as compared to a C&I customer with many end uses.

Furthermore, Residential income eligible program measures are already covered at 100% (meaning no costs to customers) therefore the Company is not offering any enhanced incentives to these customers.

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Division 1-7

Request:

Pages 89-90 state, "The Company anticipates making the following enhancements and changes to the programs for the 2024-2026 Plan...Leverage the high-cost effectiveness of weatherization measures and heat pump installations by offering additional funding to remediate pre-weatherization barriers (up to the point of cost effectiveness for both measures)."

- a. How did the Company arrive at the \$250 incentive amount for pre-weatherization barriers?
- b. How much additional pre-weatherization funding could be offered for each measure, if the Company were to target that point of cost effectiveness for each one?

Response:

- a. The Company's strategy is to provide funding to offset some common low-cost pre-weatherization barriers ("PWB"). The Company's data/calculations shows that the most common low-cost PWBs are knob and tube wiring, and a clean & tune for a heating system. \$250 will typically cover the cost of a clean and tune, as well as for an electrician to certify that knob and tube wiring has been disconnected. However, as seen in the Company's response to Division 1-12, there are a large number of potential PWBs. The number of issues found and the potential remediation cost can vary widely and cost thousands if not tens of thousands of dollars. Furthermore these issues are all health and safety issues, the resolution of which does not have immediate energy benefits. Therefore, the Company has historically refrained from offering more than \$250 as a PWB incentive.
- b. The 2024 EnergyWise Single Family "Weatherization, Electric" measure currently has an incentive of \$3,200 per unit, a TRC of \$3,800 per unit, a customer cost of \$600 per unit, and a BCR of 1.25. Assuming a constant customer cost of \$600 per unit, the "Weatherization, Electric" measure's BCR will remain above 1.0 when the incentive is increased up to \$4,150 per unit and TRC is increased up to \$4,750 per unit. From the total measure perspective, given the current number of installations planned for 2024, "Weatherization, Electric" remains cost effective with up to \$249,850 in additional pre-weatherization incentive funding (averaging \$950 of additional incentives per customer).

The 2024 EnergyWise Single Family "Weatherization, Oil" measure currently has an incentive of \$3,050 per unit, a TRC of \$4,800 per unit, a customer cost of \$1,750 per

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unit, and a BCR of 2.02. Assuming a constant customer cost of \$1,750 per unit, the “Weatherization, Oil” measure’s BCR will remain above 1.0 when the incentive is increased up to \$7,900 per unit and TRC is increased up to \$9,650 per unit. From the total measure perspective, given the current number of installations planned for 2024, “Weatherization, Oil” remains cost effective with up to \$8,904,600 in additional pre-weatherization incentive funding (averaging \$4,850 of additional incentives per customer).

The 2024 EnergyWise Single Family “Weatherization, Others” measure currently has an incentive of \$3,050 per unit, a TRC of \$4,800 per unit, a customer cost of \$1,750 per unit, and a BCR of 2.84. Assuming a constant customer cost of \$1,750 per unit, the “Weatherization, Others” BCR will remain above 1.0 when the incentive is increased to \$11,850 per unit and TRC is increased to \$13,600 per unit. From the total measure perspective, given the current number of installations planned for 2024, the “Weatherization, Others” measure remains cost effective with up to \$1,936,000 in additional pre-weatherization incentive funding (averaging \$8,800 of additional incentives per customer).

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Division 1-8

Request:

Page 96 states, “It is, however, worth highlighting that the Company is making adjustments to gas incentives, including substantial decreases, driven by an evaluation of which efficiency measures deliver net benefits.”

- a. Please clarify if ‘adjustments to gas incentives’ means the incentive per measure.
- b. If so, please identify each measure with an incentive change and provide a comparison of the planned incentive amount in 2023 versus the proposed incentive amount in 2024.

Response:

- a. Yes, adjustments to the incentives means changes to the incentive per measure. Please see the Company’s response to Division 1-3 for measures that were removed or reduced.
- b. Please see the Table below.

2024 Program	2024 Measure	2024 Incentive per Measure	2023 Incentive per Measure	Change from 2023 to 2024
Commercial				
Large C&I New Construction	Boiler - 96% AFUE	\$30.00	\$25.00	\$5.00
Large C&I New Construction	ERV - Fixed Plate UPSTR	\$19.31	\$13.79	\$5.52
Large C&I New Construction	ERV - Rotary Wheel UPSTR	\$16.55	\$16.09	\$0.46
Large C&I New Construction	INFRARED HEATER - LOW INT	\$19.20	\$16.00	\$3.20
Large C&I Retrofit	WiFi Thermostat - Heat Only, Custom	\$25.00	\$22.00	\$3.00
Residential				
Residential HVAC	Forced Hot Water Boiler - >=95% AFUE	\$800.00	\$1,000.00	-\$200.00
Residential HVAC	Combo Condensing Boiler/Water Heater - 95% AFUE	\$1,000.00	\$1,400.00	-\$400.00
Residential HVAC	ENERGY STAR COND WATER HEATER 0.80 UEF	\$500.00	\$250.00	\$250.00

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Residential HVAC	ENERGY STAR STORAGE WATER HEATER .64 UEF (med draw)	\$75.00	\$125.00	-\$50.00
Residential HVAC	Furnace w/ ECM - 97% AFUE	\$550.00	\$600.00	-\$50.00
Residential HVAC	Thermostatic Shut-Off Valve	\$11.00	\$11.50	-\$0.50
EnergyWise Single Family	Weatherization	\$3,900.00	\$3,800.00	\$100.00
EnergyWise Multifamily	Duct Sealing	\$84.00	\$0.25	\$83.75
EnergyWise Multifamily	Faucet aerator	\$7.00	\$5.00	\$2.00
EnergyWise Multifamily	Wi-Fi programmable thermostat (controls gas heat only)	\$295.00	\$300.00	-\$5.00
Income Eligible Single Family	Boiler	\$6,127.00	\$5,500.00	\$627.00
Income Eligible Single Family	FURNACE	\$6,127.00	\$5,500.00	\$627.00
Income Eligible Single Family	Weatherization	\$6,127.00	\$5,500.00	\$627.00

Division 1-9

Request:

Page 133 states, "Incentives for energy efficient air source heat pumps for space and water heating equipment are available for customers with electric resistance heating/hot water. Incentives are also available for air source heat pumps used as accessory heating and cooling."

- a. Is the Company proposing to offer different incentive amounts for heat pumps used as a primary versus secondary heating/cooling source?
- b. If so, please provide the incentive amounts proposed.
- c. If not, please explain why not.

Response:

In reviewing this question, the Company found a correction to the Three-Year Plan. On Bates Pages 133-134, the Three-Year Plan should read as follows: "Incentives are also available for air source heat pumps used as ~~accessory heating and cooling devices in homes with a primary heating system that is natural gas, oil, or propane.~~"

- a. No, the Company is not proposing heat pump incentives for secondary use. The Company offers both cooling and heating system incentives, with the heating incentives being larger for electric resistance heating customers.
- b. N/A
- c. The Company does not offer incentives for heat pumps as a secondary heating/cooling source because the Company wants to encourage customers to use heat pumps as their primary source for both heating and cooling.

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Division 1-10

Request:

Page 160 states, "RI Energy will look to align its programs with the Justice40 Initiative to ensure underserved Rhode Island communities are able to access and benefit from both federal funding and the Company's energy efficiency programs." When will this alignment occur?

Response:

The Company will align its programs with the Justice40 Initiative beginning with the 2024 program year.

Division 1-11

Request:

Page 184 states: "Also, the Company will continue to track participation trends and will again provide a detailed analysis in its 2023 Year-End Report showing additive and cumulative portfolio participation. The Year-End Report also captures energy efficiency spending by ZIP code where additional spending on programs can be tracked." Can the following baseline information related to Justice40 be provided in the Company's 2023 Year-End Report?

- a. A list of the Justice40 communities.
- b. The number and proportion of electric customers living in a Justice40 community.
- c. The number and proportion of gas customers living in a Justice40 community.
- d. The number and proportion of electric income eligible customers living in a Justice40 community.
- e. The number and proportion of gas income eligible customers living in a Justice40 community.
- f. A comparison of participation rates for customers in Justice40 versus non-Justice40 communities, by electric and gas and in aggregate?
- g. A comparison of spending on customers in Justice40 versus non-Justice40 communities, by electric and gas and in aggregate?
- h. A comparison of savings from customers in Justice40 versus non-Justice40 communities, by electric and gas and in aggregate?
- i. A comparison of benefits for Justice40 versus non-Justice40 communities, by electric and gas and in aggregate?

Response:

- a. Yes, a list of the Justice40 communities can be provided.
- b. This cannot be provided in the Company's 2023 Year-End Report. The Company's systems currently do not track which customers are living in a Justice40 community.

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- c. This cannot be provided in the Company's 2023 Year-End Report. The Company's systems currently do not track which customers are living in a Justice40 community.
- d. This cannot be provided in the Company's 2023 Year-End Report. The Company's systems currently do not track which customers are living in a Justice40 community.
- e. This cannot be provided in the Company's 2023 Year-End Report. The Company's systems currently do not track which customers are living in a Justice40 community.
- f. This cannot be provided in the Company's 2023 Year-End Report. The Company's systems currently do not track which customers are living in a Justice40 community.
- g. This cannot be provided in the Company's 2023 Year-End Report. The Company's systems currently do not track which customers are living in a Justice40 community.
- h. This cannot be provided in the Company's 2023 Year-End Report. The Company's systems currently do not track which customers are living in a Justice40 community.
- i. This cannot be provided in the Company's 2023 Year-End Report. The Company's systems currently do not track which customers are living in a Justice40 community.

Division 1-12

Request:

Page 239 states: "The Company plans to continue our work on pre-weatherization barriers to ensure the equitable distribution of program benefits to households with high energy burdens. Many barriered homes are occupied or owned by low-and-moderate income customers who may not have the funds or resources needed to address weatherization barriers. The Company has been collecting data and performing analysis on barriers across the EnergyWise and Income Eligible programs over the last several years. We plan to use the results of this analysis to better inform our approach to addressing PWBs. Furthermore, the Company will collaborate with stakeholders and other groups to assess best practices and new strategies to address pre-weatherization barriers."

- a. What data is being collected currently to help address pre-weatherization barriers?
- b. What additional data is needed to help address pre-weatherization barriers?

Response:

- a. The Income Eligible program collects the following pre-weatherization barrier data:
 - MEP
 - Mold
 - Roof Issues
 - Moisture
 - Beyond Project Scope
 - Excessive Debris
 - Area Inaccessible
 - Hazardous Materials
 - Rodents, Insects, Animals
 - Unvented HeaterSanitary Problems
 - Structurally Unsound

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- Water Drainage Issues
- Crew Safety

The Energy Wise program collects the following pre-weatherization barrier data:

- Asbestos Hazard
- Asbestos Precaution
- Attic Contingency
- Balloon Framing
- Bathroom Moisture
- Carbon Monoxide Alarm Needed
- Carbon Monoxide- Heating System
- Carbon Monoxide- Oven 225ppm
- Carbon Monoxide- Water Heater
- Combustion Gas Spillage
- Combustion Safety Test
- Crawlspace Contingency
- Crawlspace Contingency Vapor Barrier
- Crawlspace Height
- Crawlspace Height No Vapor Barrier
- Custom Barrier - Must Fix
- Custom Disclosure
- Depressurization Hazard
- Dropped Ceiling Tiles

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- Duct Leakage Hazard
- Electric Hazard - Junction Boxes
- Electrical Hazard
- Gas Leak
- General Measure
- Gutters Missing
- High Co Sealed System
- Homesote Ceilings
- Inaccessible Attic Area
- Inaccessible Attic Kneewall Area
- Inaccessible Crawlspace Area
- Indoor Air Quality - Before Insulating
- Indoor Air Quality - Install
- Indoor Air Quality - Recommend
- Indoor Air Quality - Smart Switch
- Inoperable Heating System
- Kneewall Contingency
- Kneewall Slopes - Sheathing Removal
- Knob & Tube Wiring
- Knob & Tube Wiring - Ok
- Knob & Tube Wiring Sign-Off
- Landscaping Restrictions

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- Lead Paint
- Moisture Barrier
- Mold And/Or Mildew
- Mold And/Or Mildew Must Mitigate
- Multi-Layer With Asbestos Siding
- Nailed Wall Panels
- Natural Draft Combustion Safety
- Open Framing
- Parking Limitations
- Pest Infestation In Attic
- Pipe Disclosure
- Prepare Your Home
- Pre-Test By Contractor
- Pre-Test By Rise Technician
- Pre-Test Work-Scope Review - Rise Technician
- Recessed Lights
- Recessed Lights Sign-Off
- Storage - Attic
- Storage - Basement
- Storage - Closet
- Storage - Crawlspace
- Storage - Garage

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- Storage - Kneewalls
 - Unvented Combustion Appliance
 - Vapor Barrier Not Present
 - Vermiculite Hazard
 - Vermiculite Hazard Must Mitigate
 - Water Pipes In Attic
 - Weak Attic Framing
 - Weak Plaster
 - Work-Scope Review - Energy Specialist
- b. The Company has not identified additional data needed at this time, but rather we are working to make improvements such as the refinement, organization, and standardization of data that is currently collected. For example, trying to standardize certain terms and points of data collection between the two programs above. Additionally, we are working with the Income Eligible program to help delineate between barriers that can be resolved versus those that cannot be. There are a variety of barriers or deferrals that a project can encounter; only some of them can be resolved. The issues we are focused on in this context are generally related to health and safety.

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Division 1-13

Request:

Page 242 states, “One of the largest impediments to customers proceeding with weatherization are pre-existing health and safety issues or physical barriers, which prevent the continuation of weatherization until remediated; collectively these issues are referred to as pre-weatherization barriers (PWBs). At this time, EnergyWise does not substantially pay for remediation of the pre-weatherization barriers, nor are they included in the weatherization scope of work to be implemented by program contractors. The Company recognizes, however, that if a customer learns that additional work not included in the weatherization scope is required before weatherization can proceed, customers may become confused or disheartened. Therefore, the program provides a \$250 incentive to customers who certify that pre-weatherization barriers have been remediated by appropriate licensed professionals. Some of the lower cost barriers can be addressed with the \$250 incentive such as cleaning and tuning of the heating system. Pre-weatherization costs for knob-and-tube wiring, vermiculite, and asbestos can be included in the HEAT Loan.”

- a. How many customers does the Plan assume will receive the \$250 incentive?
- b. Please provide the budget allocated by year to all pre-weatherization efforts.
- c. Please identify the program(s) where pre-weatherization costs appear in the Plan.

Response:

- a. Please see the table below:

Year	Customers assumed to be receiving the \$250 incentive
2024	650
2025	715
2026	748

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b. Please see the table below:

Year	Budget Allocation for pre-weatherization efforts
2024	\$162,500
2025	\$178,750
2026	\$187,000

c. The pre-weatherization costs appear in the electric EnergyWise Single Family program, on Bates Page 263 of the Plan.

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Division 1-14

Request:

Referring to Table E-1, the Company is projecting that it will have overspent by \$8.6M in the Residential sector and underspent by \$17.3M in the C&I sector in 2023.

- a. Why is the Company proposing to reduce its Residential budget in 2024 relative to 2023?
- b. Does the Company feel that it can spend its proposed C&I budget in 2024? If so, please explain how.

Response:

The fund balance projections provided in Table E-1 are not solely a reflection of the Company's spend vs budget. The fund balance projections reflect the net total of both the revenue and spend, based on actuals through July 2023 and year end forecasts made as of July 2023. At the start of 2023, the Residential programs had a relatively low fund balance of about \$2M and therefore needed about \$27M in revenue to fund its approved 2023 program budget. Conversely, the C&I programs started 2023 with a relatively high fund balance of \$37M and, as a result, only required approximately \$8M in additional revenue to fully fund its 2023 program budget.

However, the revenue collection mechanism is set at the same rate for all sectors, regardless of sector funding requirements. Though this is designed to bring the sum of all sectors' fund balances to zero by the end of the year, it will not bring each individual sector's fund balance to zero. By applying this same average collection rate to all sectors, as of July 2023 forecast, we are forecasted to over-collect in the C&I sector by approximately \$19M and under-collect in the Residential sector by \$6.5M. After each sector covers the projected negative ending fund balance for the Income Eligible sector, C&I will end the year with approximately a \$12M over-collection balance and Residential will end with a \$11.3M under-collection balance.

These values are only considering the effects of revenue collection, and do not yet include what the impacts of spending on the fund balances. As of July 2023, the projected spend was \$42.5M of C&I's \$46M budget and \$30.6M of Residential's \$33.1M budget. For C&I, that under-spend accounts for \$3.5M of its projected \$17.3M balance, but the revenue over-collection accounts for \$12M. The remaining small differences are due to higher forecasts for performance incentive, actual starting balance, and earned interest. As for Residential, that under-spend accounts for \$+2.5M of the projected \$-8.6M balance, but the revenue under-collection accounts for \$-11.3M. The remaining small differences are due to a higher actual starting balance combined with a lower forecasted performance incentive. Essentially, the one collection rate for all sectors is the

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driving factor behind each sector’s projected ending fund balances. Updated fund balance projections will be filed with the Public Utilities Commission by November 17, 2023.

- a. As discussed above, the fund balance projections do not accurately reflect the ability of the Residential program to spend and implement their planned budgets each year. As of October 23, 2023, the programs are projected to achieve the following realization of their respective annual budgets:

<u>Sector</u>	<u>Fuel</u>	<u>2023 Projected Budget Realization Rate</u>
Residential	Electric	95%
Income Eligible	Electric	88%
Residential	Gas	84%
Income Eligible	Gas	84%

The proposed budget reductions from 2023 to 2024 are relatively minor and in line with programmatic adjustments and realization rates observed and projected for 2023.

- b. The Company believes it will spend the 2024 budget and meet the 2024 savings goals given it is currently projecting, as of October 23, 2023, to spend 93% of the 2023 C&I budget, including completing, post-inspecting and paying rebates for energy-efficiency projects in November and December (the “hockey stick” effect).

In addition, the Company is better positioned to reach the 2024 goals given the following initiatives: (a) hiring EE Sales staff to support our C&I customers, municipal customers and National Account customers; (b) expanding initiatives including the Small Business Main Street initiative from three weeks to five weeks in targeted towns; (c) continued engagement with delivery partners (e.g. Project Expeditors) and; (d) implementing initiatives involving the custom and prescriptive customer pathways that were developed and launched in 2022 and 2023 and which are beginning to gain traction and are expected to contribute to savings in 2024.

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Division 1-15

Request:

Referring to Tables E-2 and G-2:

- a. Please explain why the Company is proposing to reduce funding for Community Based Initiatives in the Residential and C&I sectors in 2024 relative to 2023.
- b. Please explain why the Company is proposing to reduce funding for Workforce Development in the C&I sector in 2024 relative to 2023.

Response:

- a. Two factors contribute to the budget line items for Community Based Initiatives being lower in 2024 relative to 2023. First, expenses such as incentives associated with community-based initiatives, which were included in the 2023 line items, were not included in the 2024 line items, as any such expenses will be charged to specific programs when incurred, and thus are accounted for in program-specific budgets. Second, the remaining budget amounts for these line items were adjusted to better align with recent actual spending in current and previous years.
- b. There were two items in the 2023 C&I Workforce Development planned budget that the Company did not go forward with:
 - Promote participation in existing manufacturer trainings (\$50,000)
 - Sponsor certifications for local trade allies (\$100,000)

Therefore, while the planned budget for Workforce Development in the C&I sector has been reduced, the proposed spending has not.

Division 1-16

Request:

Referring to Table E-5, please explain why the cost of saved energy in 2024 is lower than for 2023 for the following programs:

- a. Residential New Construction
- b. Residential HVAC
- c. Income Eligible Single Family

Response:

The cost of saved energy is lifetime MWh savings (from Table E-6A) divided by the sum of Program Implementation Expenses and Participant Costs (from Table E-5). The change in the cost of saved energy for each of the programs in this question relative to the cost of saved energy for 2023 is due to changes to some or all of a number of factors; These factors are listed below.

- Lifetime MWh for a program is a function of measure quantities, savings per unit, and other impact factors (such as measure lifetimes, net-to-gross ratios, in-service rates, and realization rates) for each measure within the program; savings per unit changes could include the introduction of new evaluation results or new baselines.
- Program Implementation Costs are a function of measure quantities and incentives per unit for each measure in the program, as well as program administrative, marketing, evaluation, and sales, training, and technical assistance costs.
- Participant Costs in Table E-5 are an aggregation at the program level of the Participant Costs for the measures in the program. At the measure level, Participant Costs are the difference between the full cost of the measure and what the incentive covers. The aggregate is the sum of the products of measure quantities and Participant Costs for each measure in the program.

These factors interact and cannot be isolated from one another. For example, if a longer measure life was used for a measure in 2024 compared to what was used in 2023, if no other factor changed, then lifetime MWh would increase and the cost of saved energy for the measure (and the program) would decrease compared to 2023. If the baseline efficiency consumption was set to a lower level (in other words, what would be installed absent program intervention becomes

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more efficient), then, if no other factor changed, the savings per measure and lifetime savings would decrease and the cost of saved energy for the measure (and program) would increase compared to 2023. If both the measure life and baseline changed, the impacts on the cost of saved energy could be higher or lower, depending on the relative magnitude of the changes.

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Division 1-17

Request:

Referring to Table E-5, please explain why the cost of saved energy in 2024 is higher than for 2023 for the following programs:

- a. EnergyWise Single Family
- b. EnergyWise Multifamily
- c. Residential Consumer Products

Response:

Please see the Company's response to Division 1-16.

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Division 1-18

Request:

Referring to Table G-5, please explain why the cost of saved energy in 2024 is lower than for 2023 for the following programs.

- a. Residential New Construction
- b. EnergyWise Single Family

Response:

Please see the Company's response to Division 1-16.

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Division 1-19

Request:

Referring to Table G-5, please explain why the cost of saved energy in 2024 is higher than for 2023 for the following programs.

- a. Residential HVAC
- b. EnergyWise Multifamily
- c. Income Eligible Single Family
- d. Small Business Direct Install

Response:

Please see the Company's response to Division 1-16.

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Division 1-20

Request:

Referring to Table E-5, please explain why the participant costs in 2024 are higher than for 2023 for the following programs.

- a. Residential HVAC
- b. EnergyWise Multifamily
- c. Large C&I New Construction

Response:

As noted in the Company's response to Division 1-16, Participant Costs in Table E-5 are an aggregation at the program level of the Participant Costs for the measures in the program. At the measure level, Participant Costs are the difference between the full cost of the measure and what the incentive covers. The aggregate is the sum of the products of measure quantities and Participant Costs for each measure in the program.

For example, the amount of participant costs may increase from one year to the next because measure quantities of measures with higher participant costs increase relative to other measures in the program with lower participant costs. They may also increase because the amount of the measure cost covered by the incentive may decrease for measures in the program.

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Division 1-21

Request:

Referring to Table E-5, please explain why the participant costs in 2024 are lower than for 2023 for the following programs.

- a. Residential New Construction
- b. Residential Consumer Products
- c. Large C&I Retrofit
- d. Small Business Direct Install

Response:

As noted in the Company's response to Division 1-16, Participant Costs in Table E-5 are an aggregation at the program level of the Participant Costs for the measures in the program. At the measure level, Participant Costs are the difference between the full cost of the measure and what the incentive covers. The aggregate is the sum of the products of measure quantities and Participant Costs for each measure in the program.

For example, the amount of participant costs may decrease from one year to the next because quantities of measures with lower participant costs may increase relative to other measures in the program with higher participant costs. They may also decrease because the amount of the measure cost covered by the incentive may increase for the measures in the program.

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Division 1-22

Request:

Referring to Table G-5, please explain why the participant costs in 2024 are higher than for 2023 for the following programs.

- a. EnergyWise Single Family
- b. Large C&I New Construction
- c. C&I Multifamily

Response:

Please see the Company's response to Division 1-20.

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Division 1-23

Request:

Referring to Table G-5, please explain why the participant costs in 2024 are lower than for 2023 for the following programs.

- a. Residential HVAC
- b. EnergyWise Multifamily

Response:

Please see the Company's response to Division 1-21.

Division 1-24

Request:

Referring to Table E-5, please explain why the RI Test benefit cost ratio in 2024 is higher than for 2023 for the following programs.

- a. Residential New Construction
- b. EnergyWise Single Family

Response:

The RI Test benefit cost ratio is the sum of all benefits for a program divided by the sum of all costs of the program. The change in the benefit cost ratio for each of the programs in this question relative to the benefit cost ratio for the program in 2023 is due to changes in some or all of a number of factors:

- On the benefits side of the equation
 - Savings per measure; savings per unit changes could include the introduction of new evaluation results or new baselines
 - Measure quantities
 - Other impact factors, such as resource savings, non-energy impacts, measure lifetimes, net-gross-ratios, and realization rates
 - Avoided cost components for energy, capacity, other resources, non-energy impacts, and pollutants
- On the cost side
 - Program Implementation Costs are a function of measure quantities and incentives per unit for each measure in the program, as well as program administrative, marketing, evaluation, and sales, training, and technical assistance costs.¹

¹ Design payouts of performance incentives are applied at the sector level, and are not included in program level cost effectiveness calculations.

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- Participant Costs are a function of measure quantities and measure costs for each measure in the program.

These factors interact and cannot be isolated from one another. For example, if a longer measure life was used for a measure in 2024 compared to what was used in 2023, if no other factor changed, then lifetime MWh would increase, benefits would increase, and the benefit cost ratio would increase. If measure costs increased due to inflation, then, if no other factor changed, the benefit cost ratio would decrease. If the avoided cost of carbon decreased, then, if no other factor changed, benefits would decrease, and the benefit cost ratio would decrease. If all three of these factors changed, the impacts on the benefit cost ratio could be higher or lower, depending on the relative magnitude of the changes.

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Division 1-25

Request:

Referring to Table E-5, please explain why the RI Test benefit cost ratio in 2024 is lower than for 2023 for the following programs.

- a. Income Eligible Single Family

Response:

Please see the Company's response to Division 1-24.

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Division 1-26

Request:

Referring to Table G-5, please explain why the RI Test benefit cost ratio in 2024 is lower than for 2023 for the following programs.

- a. Residential HVAC
- b. Large C&I New Construction

Response:

Please see the Company's response to Division 1-24.

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Division 1-27

Request:

Referring to Table E-5B, please explain why the economic benefits in 2024 are higher than for 2023 for the following programs:

- a. Residential HVAC
- b. EnergyWise Single Family
- c. EnergyWise Multifamily
- d. Home Energy Reports
- e. Residential Consumer Products
- f. Income Eligible Single Family
- g. Income Eligible Multifamily
- h. Large C&I New Construction
- i. Small Business Direct Install

Response:

A new study to quantify the economic impact of the Company's energy efficiency programs was performed by the Brattle Group in 2023. This study provided new economic benefit multipliers that were applied to the proposed 2024 program budgets to determine the estimated economic benefits. The combination of the new multipliers and the changes between 2023 and 2024 program budgets results in the differences in economic benefits between years for the referenced programs.

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Division 1-28

Request:

Referring to Table E-5B, please explain why the economic benefits in 2024 are lower than for 2023 for the following programs:

- a. Residential New Construction
- b. Large C&I Retrofit

Response:

Please see the Company's response to Division 1-27.

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Division 1-29

Request:

Referring to Table G-5B, please explain why the economic benefits in 2024 are higher than for 2023 for the following programs:

- a. Residential New Construction
- b. EnergyWise Multifamily
- c. Home Energy Reports
- d. Income Eligible Single Family
- e. Income Eligible Multifamily
- f. Large C&I New Construction
- g. Small Business Direct Install

Response:

Please see the Company's response to Division 1-27.

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Division 1-30

Request:

Referring to Table G-5B, please explain why the economic benefits in 2024 are lower than for 2023 for the following programs:

- a. Residential HVAC
- b. EnergyWise Single Family
- c. Large C&I Retrofit

Response:

Please see the Company's response to Division 1-27.

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 23-35-EE
In Re: 2024-2026 Three-Year Energy Efficiency Plan and
2024 Annual Energy Efficiency Plan
Responses to the Division's First Set of Data Requests
Issued on October 19, 2023

Division 1-31

Request:

Referring to Tables E-5B and G-5B, please explain why the economic benefits are higher for gas in 2024 as compared to 2023 but lower for electric in 2024 as compared to 2023.

Response:

A new study to quantify the economic impact of the Company's energy efficiency programs was performed by the Brattle Group in 2023. This study provided new economic benefit multipliers that were applied to the proposed 2024 program budgets to determine the estimated economic benefits. The combination of the new multipliers and the changes between 2023 and 2024 program budgets results in the differences in economic benefits between years for the overall portfolios of programs.

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 23-35-EE
In Re: 2024-2026 Three-Year Energy Efficiency Plan and
2024 Annual Energy Efficiency Plan
Responses to the Division's First Set of Data Requests
Issued on October 19, 2023

Division 1-32

Request:

Referring to Table E-6:

- a. Please explain the increase in energy-related benefits in all sectors and for the portfolio as a whole in 2024 relative to 2023.
- b. Please explain the increase in capacity-related benefits in the Income Eligible and C&I sectors in 2024 relative to 2023.
- c. Please explain the decrease in capacity-related benefits in the Residential sector in 2024 relative to 2023.
- d. Please explain the decrease in carbon benefits in all sectors and for the portfolio as a whole in 2024 relative to 2023.
- e. Please explain the increase in economic benefits in the Residential and Income Eligible sectors in 2024 relative to 2023.
- f. Please explain the decrease in economic benefits in the C&I sectors in 2024 relative to 2023.

Response:

- a. Energy benefits at a sector level are the sum of all measure level energy benefits aggregated up into the programs in the sector. Portfolio benefits are the sum of the benefits for all sectors in the portfolio. The change in the sector-level energy benefits for all sectors relative to the benefits for the sector in 2023 is potentially due to changes in a number of factors which interact and cannot be isolated from one another.
 - Energy savings per measure; savings per unit changes could include the introduction of new evaluation results or new baselines
 - Measure quantities
 - Other impact factors, such as measure lifetimes, net-gross-ratios, and realization rates

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- Avoided cost components for energy
- b. Capacity benefits at a sector level are the sum of all measure level capacity benefits aggregated up into the programs in the sector. Portfolio benefits are the sum of the benefits for all sectors in the portfolio. The change in the sector-level capacity benefits for all sectors relative to the benefits for the sector in 2023 is potentially due to changes in a number of factors which interact and cannot be isolated from one another.
- Capacity savings per measure; savings per unit changes could include the introduction of new evaluation results or new baselines
 - Measure quantities
 - Other impact factors, such as measure lifetimes, net-gross-ratios, and realization rates
 - Avoided cost components for capacity
- c. Please see the response to part b.
- d. Carbon benefits at a sector level are the sum of all measure level carbon benefits aggregated up into the programs in the sector. Portfolio benefits are the sum of the benefits for all sectors in the portfolio. Carbon savings are determined from energy savings using conversion factors. The conversion factors were not changed from 2023 to 2024. Therefore, the change in the sector-level carbon benefits for all sectors relative to the benefits for the sector in 2023 is potentially due to the same factors that create changes in energy benefits identified in part a., with the use of avoided cost components for carbon in place of avoided cost components for energy.
- e. Please see the Company's response to Division 1-27 for an explanation of differences at the program level between 2024 and 2023. Program-level economic benefits are aggregated up to the sector level.
- f. Please see the response to part e.

Division 1-33

Request:

Referring to Table G-6:

- a. Please explain the decrease in energy-related benefits in all sectors and for the portfolio as a whole in 2024 relative to 2023.
- b. Please explain the decrease in capacity-related benefits in all sectors and for the portfolio as a whole in 2024 relative to 2023.
- c. Please explain the decrease in carbon benefits in all sectors and for the portfolio as a whole in 2024 relative to 2023.
- d. Please explain the increase in economic benefits in all sectors and for the portfolio as a whole in 2024 relative to 2023.

Response:

- a. Energy benefits at a sector level are the sum of all measure level energy benefits aggregated up into the programs in the sector. Portfolio benefits are the sum of the benefits for all sectors in the portfolio. The change in the sector-level energy benefits for all sectors relative to the benefits for the sector in 2023 is potentially due to changes in a number of factors which interact and cannot be isolated from one another.
 - Energy savings per measure; savings per unit changes could include the introduction of new evaluation results or new baselines
 - Measure quantities
 - Other impact factors, such as measure lifetimes, net-gross-ratios, and realization rates
 - Avoided cost components for energy
- b. Capacity benefits at a sector level are the sum of all measure level capacity benefits aggregated up into the programs in the sector. Portfolio benefits are the sum of the benefits for all sectors in the portfolio. The change in the sector-level capacity benefits for all sectors relative to the benefits for the sector in 2023 is potentially due

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- to changes in a number of factors which interact and cannot be isolated from one another.
- Capacity savings per measure; savings per unit changes could include the introduction of new evaluation results or new baselines
 - Measure quantities
 - Other impact factors, such as measure lifetimes, net-gross-ratios, and realization rates
 - Avoided cost components for capacity
- c. Carbon benefits at a sector level are the sum of all measure level carbon benefits aggregated up into the programs in the sector. Portfolio benefits are the sum of the benefits for all sectors in the portfolio. Carbon savings are determined from energy savings using conversion factors. The conversion factors were not changed from 2023 to 2024. Therefore, the change in the sector-level carbon benefits for all sectors relative to the benefits for the sector in 2023 is potentially due to the same factors that create changes in energy benefits identified in part a., with the use of avoided cost components for carbon in place of avoided cost components for energy.
- d. Please see the response to DIV 1-27 for an explanation of differences at the program level between 2024 and 2023. Program-level economic benefits are aggregated up to the sector level.