



PASCOAG
UTILITY DISTRICT

Demand Side Management

2024 Report

Docket No. 23-41-EE

Pascoag Utility District
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November 9, 2023

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

Re: RIPUC Docket No. 23-41-EE

Dear Ms. Massaro:

On behalf of Pascoag Utility District ("Pascoag" or the "District"), we herewith file an original and nine copies of Pascoag's proposed Demand Side Management Program for 2024. This submission includes Pascoag's Executive Summary, Program Details for 2024, reconciliation of 2023 DSM activities and budget, and other schedules that support this docket.

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

Very truly yours,



Desarae Dolan
DSM Coordinator

Cc: Mr. William Bernstein, Esquire

Schedule A-1: Proposed Budget for 2024 DSM Program

Pascoag Utility District
Demand Side Management Programs - 2024 Budget

	<u>Estimated</u>
Carryover from 2023	\$ 10,652.88
Lighting projects continued from 2023	\$ 54,260.00
Estimated sales for 2024	\$ 161,601
RGGI Funds	\$ 9,054
RGGI Fund Carryover 2023.	\$ -
Net 2024 budget	\$ 235,568

2024 Proposed

Budget Notes:

Residential Program

DR2401 Residential Weatherization Program	\$ 61,000	50 audits and weatherization incentives
DR2402 Residential ENERGY STAR Offerings	\$ 4,000	Energy Star Appliances and Refrigerator/Freezer Purchase/Buyback
DR2403 HVAC & Water Heating Program	\$ 12,000	Central Heat Pump, Mini-Split Heat Pumps and Heat Pump Water Heaters
DR2404 Enhanced Incentive HVAC Program	\$ 10,000	4 Rebates for Electric Resistant Heat Customers
DR2405 Committed for 2023 Programs	\$ 700	To accommodate programs with depleted funds from 2023

Net Residential

\$ 87,700

Industrial/Commercial

DI2401 Small Business ENERGY STAR Offerings	\$ 1,200	Energy Star Equipment and Commercial Appliances
DI2402 Committed Funds- Lighting & EE Projects	\$ 30,079	Bayberry Nursing Home Lighting Project
DI2403 Potential 2024 Lighting & EE Projects	\$ 8,329	Pascoag Auto Parts Lighting Project
DI2404 LED Street Light Incentive	\$ 5,000	Public Street Lighting Project
DI2405 Lighting Projects Continued from 2023 (Zambrano & BHS)	\$ 54,260	Zambrano Hospital and BHS Lighting Projects from 2023
Net Industrial/Commercial	\$ 98,868	

Administrative

DA2401 Administrative	\$ 23,000	Administrative labor, mileage and supplies
DA2402 Energy Consultant	\$ 10,000	Energy consultant to provide guidance and recommendations on DSM Program

Net Administrative

\$ 33,000

Community Outreach, Marketing & Education

DC2401 Community Outreach and Education	\$ 15,000	Billing inserts, conservation promotional items, ads, community events
DC2402 Energy Efficiency Management continuing education	\$ 1,000	Workshops and conferences related to DSM programs

Net Community Outreach, Marketing & Education

\$ 16,000

Estimated DSM 2024 Budget/ Expenses/ Balance

\$ 235,568

Schedule A-2: 2023/2024 Comparison

Pascoag Utility District
Demand Side Management Programs - 2023/2024 Comparison

	<u>2023</u>	<u>2024</u>
Actual/Estimated carry over from 2023/2024	\$ 19,779	\$ 10,652.88
Estimated sales for 2023/2024	\$ 162,042	\$ 161,601
RGGI Funds	\$ 35,700	\$ 9,054
RGGI Carryover Funds	\$ 1,182	\$ -
Net 2023/2024 budget	\$ 218,703	\$ 181,308

	<u>2023 Actual</u>	<u>2024 Proposed</u>	<u>Change in \$</u>	<u>% Change</u>
	<u>Budget</u>	<u>Budget</u>		
<u>Residential Program</u>				
Home Energy Audits with Weatherization Incentives	\$ 73,182	\$ 61,000	\$ (12,181.59)	-17%
Residential ENERGY STAR Offerings	\$ 5,000	\$ 4,000	\$ (1,000.00)	-20%
HVAC & Water Heating Program	\$ 12,244	\$ 12,000	\$ (244.00)	-2%
Enhanced Incentive HVAC Program	\$ 10,000	\$ 10,000	\$ -	
Committed for 2020/2021 Programs	\$ 717	\$ 700	\$ (17.00)	-2%
Net Residential	\$ 101,143	\$ 87,700	\$ (13,442.59)	-13%
<u>Industrial/Commercial</u>				
Small Business ENERGY STAR Offerings	\$ 1,200	\$ 1,200	\$ -	0%
Committed Funds- Lighting & EE Projects	\$ 20,844	\$ 30,079	\$ 9,235.00	44%
Potential Lighting & EE Projects	\$ 33,416	\$ 8,329	\$ (25,087.00)	-75%
LED Street Light Incentive	\$ 10,000	\$ 5,000	\$ (5,000.00)	-50%
Net Industrial/Commercial	\$ 65,460	\$ 44,608	\$ (20,852.00)	-32%
<u>Administrative</u>				
Administrative	\$ 23,000	\$ 23,000	\$ -	0%
Energy Consultant	\$ 10,000	\$ 10,000	\$ -	0%
Net Administrative	\$ 33,000	\$ 33,000	\$ -	0%
<u>Community Outreach, Marketing & Education</u>				
Community Outreach/Education	\$ 14,000	\$ 15,000	\$ 1,000.00	7%
Jesse Smith Library Partnership (move to Community Outreach)	\$ 3,600	\$ -	\$ (3,600.00)	-100%
Energy Efficiency Management continuing education	\$ 1,500	\$ 1,000	\$ (500.00)	-33%
Net Community Outreach, Marketing & Education	\$ 19,100	\$ 16,000	\$ (3,100.00)	-16%
Estimated DSM Budgets/Change \$/Change%	\$ 218,703	\$ 181,308	\$ 37,394.59	-17%

Schedule B: Executive Summary

Submitted by Desarae Dolan

For more than a century, the Pascoag Utility District (PUD) has faithfully served the rural community of Burrillville in Northern Rhode Island. As one of only two publicly-owned power utilities in the state, we have nurtured a longstanding connection with our 4,900 residential and commercial customers, all while managing a modest team of just 18 dedicated employees. Our commitment lies in our capability to offer competitive rates, swift outage response, and direct involvement with the local community that we serve.

Being a non-profit entity, we are wholeheartedly dedicated to advancing the common objectives of promoting clean energy, grid electrification, and efficient demand-side management programs. While the last several years have compelled us to make adaptations to our initiatives due to impacts of the pandemic and economic climate, the forthcoming report will comprehensively outline our discoveries, commitments, and forthcoming requests for the upcoming year.

In 2023, Pascoag increased the System Benefit Charge (SBC) from a charge of 2 mills per kilowatt-hour to 3 mills per kilowatt-hour to sustainably fund our Demand Side Management (DSM) Program. The program has developed over time, integrating forecasts of rising electric demand with innovative approaches to reduce customer consumption within budget constraints. Pascoag had not requested an increase to the System Benefit Charge (SBC) in 25 years but requested an increase of 1 mil per kilowatt-hour delivered to maintain a robust DSM program. The increase added an estimated \$54,000 in revenue to the DSM program and the additional funds were used to support residential weatherization and HVAC program incentives. Our expectation is that this funding level provides the support needed for the programs and demand PUD currently experiences for its DSM efforts.

We are confident that PUD's 2024 Demand Side Management Program showcases our dedication to actively meeting our customers' needs and thoughtfully integrating them into our energy efficiency solutions.

Schedule B: Executive Summary

In collaboration with the Rhode Island Office of Energy Resources (OER) and with our energy consultant, Optimal Energy, PUD is dedicated to implementing a series of initiatives aimed at expanding ratepayer access to essential energy-saving measures, all while contributing to a reduction in our community's greenhouse gas emissions. Through financial and technical assistance offerings, we've worked closely with OER staff to put into action two recommendations and six strategies that lay the groundwork for the future of the utility's Demand Side Management (DSM) program (please refer to the complete strategy document in Schedule H). Additionally, OER committed an extra \$120,000 in funding from the RGGI 2021-B Plan to support the Pascoag DSM program over a three-year period (2022-2024). This document describes these recommendations and strategies, providing details on the progress achieved in 2023 and outlining proposed program enhancements for 2024.

Administrative Recommendation #1:

Align energy efficiency funding more closely with sector SBC contributions.

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

In 2023, 60% of the budget was devoted to residential programs and 40% of the budget was dedicated to commercial programs. In 2024, based on potential commercial projects moving forward, residential programs make up 66% of the budget and 34% of the budget was dedicated to commercial programs.

Administrative Recommendation #2:

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

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

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

Schedule B: Executive Summary

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

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

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

The Burrillville School Department completed major LED lighting projects in three of its five schools in 2018. In 2019, the Burrillville School Department continued the success of its energy efficiency efforts by completing an LED lighting project at the Levy Rink. The school had proposed a lighting project for the Burrillville High School (BHS) in 2020, but due to budgetary constraints had to table the project. In 2023, PUD is working closely with the Burrillville High School to complete the final school LED lighting project in its' District. Burrillville High School had an energy audit completed to review what lighting has been purchased and what still needed to be purchased to complete the lighting project. A detailed lighting design and scope of work has been created and was reviewed and approved by the Burrillville School Department. Coordination between the Burrillville School Department, the Town of Burrillville, and OER around the scope of work, Memorandum of Understanding between the parties, and the RFP took much longer than anticipated. As a result, this project will not be completed in 2023 as originally hoped and instead will be completed in the first half of 2024. The lighting project will save an estimated 273,000 kwh annually.

Hauser Field is a multi-sport field that is used for night practices and games. The field has old stadium style, incandescent lighting that is very costly for the Town to operate and they've wanted to convert the lights to LED lighting but it has been cost prohibitive in the past. OER was able to work with the Town and incorporate the project into the Burrillville High School Lighting Project. The Town is providing \$30,000 in funding towards the project with the remaining funds being contributed by RIOER's School Lighting Accelerator program. A detailed

Schedule B: Executive Summary

lighting design and scope of work has been created and was reviewed and approved by the Town of Burrillville. Coordination between the Burrillville School Department, the Town of Burrillville, and OER around the scope of work, Memorandum of Understanding between the parties, and the RFP took much longer than anticipated. As a result, this project will not be completed in 2023 as originally hoped and instead will be completed in the first half of 2024. The project is estimated to save 34,500 kwh annually.

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

Effective incentives are those that encourage energy efficient choices, especially those that would not have occurred in absence of the incentive. There has been concern that the incentive levels may be too low in some categories to encourage customers to take advantage of the program. PUD reviewed rebate incentive levels with its energy efficiency consultant, and proposed minor changes to some programs for 2024.

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

Energy efficiency workforce development training, like the Building Operator Certification (BOC), provide essential information for how to effectively maintain buildings, including specific processes to ensure optimal energy use and proper energy management. Such opportunities also connect facilities managers to each other, fostering a professional network for sharing best practices and answering specific questions. In 2022, we concentrated our efforts on getting feedback from our commercial and industrial customers regarding what energy efficiency improvements would be helpful to their businesses. Unfortunately, responses to our survey were limited. In 2023, PUD began creating a list of decision-making contacts for our commercial and industrial customers that identifies the best person to speak to regarding energy efficiency improvements at each business. We believe that the low 2022 survey response rate was due to the fact that the surveys were going to staff that are primarily responsible for billing and may not have been responsible for energy efficiency project decision making. PUD would like to reissue the survey in 2024, once we have compiled a comprehensive list of contacts for each business.

The survey will also include questions about interest in energy efficiency workforce development training.

Schedule B: Executive Summary

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

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

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

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

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

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

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

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

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

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

In 2023, we've completed 56 energy audits and weatherized 18 homes through October.

Schedule B: Executive Summary

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

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

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

In 2022, PUD focused its' efforts on providing energy audits for 3-4 unit rental properties. Difficulties arose when the landlords tried to coordinate energy audit appointments for each of their tenants. Additional complications included tenants moving in/out and renters contracting COVID-19 made scheduling particularly cumbersome. Of the four landlords that enrolled in the program, only two have completed energy audits and are working towards completing weatherization projects before the end of the year.

In 2023, PUD included a limited version of the Landlord Weatherization pilot program into the Residential Weatherization program. The Residential program would provide energy audits and two weatherization rebates up to \$5,000, for two (2-4 unit) rental properties. PUD was able to complete energy audits and weatherization for a duplex in April. PUD is currently working with the landlord of a four family home to complete a weatherization project by the end of November.

Additional and Existing Programs Not Covered Above

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

Schedule B: Executive Summary

In September, CleanHeatRI announced program funding to support high efficiency heating and cooling equipment for RI residents. PUD has continued to observe a growing interest among our customers in mini-split and central heat pump installation, necessitating our ongoing preparation for electrification. Weatherizing homes before installing high efficiency heating and cooling equipment is key to sizing equipment properly and making sure what is being added to the electric grid will be utilized as efficiently as possible. To that end, educating customers about energy efficient products and ways to conserve energy is vital to decreasing energy use. For this reason we have continued popular community outreach and education projects, including our annual Green Festival and energy conservation poster/calendar projects.

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

In summary, PUD believes that the proposed plan has been designed not only to meet our customers' present requirements but also to cater to their future needs and contribute to future grid stability.

PUD is looking forward to continuing its work on the DSM Program. Pascoag's proposed budget is based on a forecast of Sales for 2024 of 53,867,000 kWh (\$161,601). The District anticipates a \$10,652.88 carryover from 2023, \$54,260 from 2023 carryover for commercial lighting projects that will be finished in 2024, \$0 from 2023 RGGI carryover funds and \$9,054 from 2024 RGGI funds, which would bring the total 2024 budget to \$235,568.

Schedule C: Program Details 2024

2024 Program Details - Residential, Commercial and Industrial, Administrative and Customer Education, Community Outreach, Marketing & Education

Residential Programs

In the 2024 DSM program, Pascoag has elected to keep our popular residential programs mostly unchanged. This summary will detail the programs proposed for 2024.

Residential Audit & Weatherization Program- \$61,000

Residential energy assessments that include cost-free direct installation measures play a crucial role in helping households reduce energy consumption, cut down on energy expenses, and gain insights into planning for future energy enhancements. Historically, PUD has engaged Energy New England (ENE) to carry out these home energy assessments. Within each energy audit, a substantial portion of the recommendations focuses on weatherization measures, with air sealing and insulation being common suggestions for the majority of our customers' energy audits. It's worth noting that approximately one-third of housing in New England predates 1940, and over half was constructed prior to the 1970s, when the first building energy codes were enacted. As the effects of climate change become increasingly evident, inadequately weatherized homes may struggle to cope with the most extreme cold winters and scorching summer temperatures.

Through October 2023, PUD has completed 56 home energy audits and weatherized 18 homes. Two additional homes are slated to be weatherized before the end of the year.

In 2024, we would like to fund the Residential Audit & Weatherization program with \$9,054 from RGGI funds and \$51,946 from ratepayer funds, for a total program budget of \$61,000. Pascoag plans to continue the weatherization incentive of "100% up to \$2,250", in order to more equitably distribute rebates and control costs relative to prior incentive levels. Our goal in doing so was to maintain a strong incentive (coverage for most customers at or above 75% of total project costs), while helping to fund more weatherization projects in response to increasingly high demand. Based on completed projects in recent years, we have found this incentive level strikes that desired balance between inducing action and meeting customer demand.

Schedule C: Program Details 2024

As a modification for the 2024 program, PUD is proposing that qualified low-income customers be able to receive the utility rebate paid directly to the qualified contractor upon project completion instead of as a reimbursement to the customer. The rationale for this adjustment would be to address the significant barrier that up-front costs present to our low-income customers and often prevent or delay them from moving forward with these important energy and cost saving measures. PUD is proposing to provide the payment to the contractor upon completion of the agreed upon weatherization services, utilizing the same “100% up to \$2,250” structure for the rebate amount, and upon verification that the customer meets the criteria for the low-income designation. PUD intends to use one of several existing income verified programs (LIHEAP, SNAP/WIC, SSI) or the utility’s internal financial hardship list to determine eligibility for this up front incentive offering.

Pascoag removed the Pilot Program: Landlord/Renter Weatherization as a standalone program in 2023 and included it as a component of the Residential Audit & Weatherization program as a limited offering. Two landlord weatherization rebates of up to \$5000 were included in the 2023 DSM budget. In April, energy audits were completed for a duplex rental and weatherized. Currently, PUD is working to complete a weatherization project for a four family home that completed the energy audit process. The landlord has an installation date of November 27th. PUD would like to include \$10,000 in weatherization incentives for rental properties (2-4 units) as part of the Residential Audit & Weatherization Program for 2024. The District will monitor enrollment and engagement in this offering, and if there are not enrollees by the mid-year report filing, the funds would be made available towards other residential audits or weatherization projects ready to move forward. The Audit & Weatherization program is starting to gain traction among landlords and PUD already has two potential landlords that would like to complete the program in 2024.

The \$61,000 in the 2024 budget will fund energy audits and weatherization incentives such as insulation, air sealing and programmable thermostats. The energy audits will also include direct-installs such as LED light bulbs, smart strips, and low-flow aerators/shower heads. Due to the fact that we are no longer able to claim savings for LED lighting installed through audits, we are limiting the number of LED lightbulbs to six per customer this year. The installation of LED lightbulbs is a popular feature of the audit so we typically use the free lightbulbs as a way to encourage customers to sign up for an audit but we will start slowly transitioning to no longer offering them in the future.

Schedule C: Program Details 2024

The program would consist of the following:

50-Audits.....	\$17,450
Direct Installs (LED Lightbulbs (capped at 6 per audit), smart strips, aerators and shower heads).....	\$3000
Insulation and Air Sealing Measures-residential.....	100% up to \$2,250
Insulation and Air Sealing Measures-2 rental properties (2-4 units).....	100% up to \$5,000
Programmable Thermostat Incentives	
WiFi Thermostats.....	\$100
Programmable Thermostats.....	\$25

PUD would be able to devote an estimated \$17,450 to residential energy audits, \$3,000 for direct installs and \$40,550 to rebate insulation, air sealing and programmable thermostats for residential properties. Only customers who received an energy audit recommendation for the products above would qualify for the rebates. Additionally air sealing and insulation must be installed by a licensed contractor to qualify for rebates.

Residential ENERGY STAR Offerings: \$4000

Pascoag Utility District would like to keep this program at its current incentive levels. In 2024, PUD plans to take a closer look at the products offered through this program as some of the products have now developed a larger Energy Star market share so we'd like to use next year to determine the appropriateness of maintaining support for those measures.

PUD intends to continue the following incentives for this program:

2024 Proposed Residential ENERGY STAR Program	Proposed Incentive
Refrigerator/Freezer Purchase & Buyback Program	\$75 purchase of new refrigerator or freezer \$50 buyback plus the cost of removal \$19
Clothes Washer and Dryers	\$75.00
Air Purifiers and Air Conditioners	\$40.00
Dehumidifiers	\$30.00

PUD would like to decrease funding to \$4,000 in 2024. This program has expensed \$3,515 through November so we feel a slight decrease to this line item is warranted.

Schedule C: Program Details 2024

HVAC and Water Heater Program-\$12,000

PUD would like to make a few changes to this line item in 2024 to better align our program with the CleanHeatRI offering and slightly decrease the funding level to \$12,000 but maintain the rebate amounts.

PUD plans to adopt the efficiency ratings being utilized for heat pumps and heat pump hot water heaters in the CleanHeatRI program in order to align with that effort so customers can seamlessly participate in both PUD and the State program with the same, high efficiency equipment. PUD intends to keep its HVAC and water heater program operational for all customers for several reasons. First, customers have just started acclimating to the offering and understanding the benefits of heat pump technology and there is concern that removing the program entirely might confuse customers or in some way convey that PUD no longer supports heat pumps as a quality efficiency product. PUD surveyed 149 of its customers and found that only 8% had installed energy efficient HVAC equipment (ducted, ductless mini-splits or central heat pumps). Satisfaction of customers who had installed energy efficient HVAC equipment was high, with almost 60% of customers reporting that it worked very well in the summer and 55% reporting that it worked very well in the winter. 83% of respondents also stated that if they moved into a new home they would install the energy efficient HVAC equipment again. Secondly, our intent is to allow customers to braid the funding of our program with the State's CleanHeatRI program as we feel that incentive amount strikes the balance between inducing customer activity without over incentivizing the product beyond what is necessary. With a cap of \$700 per customer in our program, PUD feels that even those customers who are able to take advantage of CleanHeatRI will still need to make a significant investment to transition to heat pump technology and want to support that transition through the continuation of our program at existing rebate levels. Of the survey respondents that didn't have energy efficient HVAC equipment in their home, 17% were thinking about installing mini-splits or central heat pumps in the next 12 months and 49% were interested in being sent more information on mini-split/heat pump incentive programs that they could take advantage of so we feel there is significant interest in taking advantage of our HVAC program.

Pascoag is aware of conversations happening regionally about how attribution should be treated for energy efficiency programs that braid funds from different sources, such as ratepayer funded

Schedule C: Program Details 2024

utility programs, state programs, and future program funding from federal funding sources. Pascoag will be monitoring these conversations in 2024, and in the meantime, take a conservative approach for attributing program impacts.

Energy-Efficient Criteria for Certified Residential Heat Pumps

Product Type	SEER2	EER2	HSPF2	Proposed Rebate
HP Split Systems	≥15.2	≥11.7	≥7.8	\$350 per ton (max 2 tons)
HP Single Package Equipment	≥15.2	≥10.6	≥7.2	

Energy-Efficiency Criteria for Certified Residential Cold Climate Heat Pumps

Product Type	SEER2	HSPF2	Proposed Rebate
HP Split Systems (Non-Ducted)	≥15.2	≥8.5	\$350 per ton (max 2 tons)
HP Split Systems (Ducted)	≥15.2	≥8.1	
HP Single Package Equipment	≥15.2	≥8.1	

2024 Proposed HVAC and Water Heater Program	Rating	Proposed Rebate
Heat Pump Water Heater	ENERGY STAR ≤ 55 gallons should have a minimum UEF of 3.3	\$450
	ENERGY STAR > 55 gallons should have a minimum UEF of 3.3	\$150

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

Pascoag would like to continue its pilot program offering an enhanced incentive to electric resistance heat customers who receive an energy audit and have weatherized their home. Pascoag worked with its' Customer Service team to more accurately capture the type of heat source a customer's residence has, when applying for electric service. Billing software was updated to reflect coding for each heat source so reports could be easily run based on that criteria. Customer Service representatives also reviewed heat source notes on existing customer accounts and developed a list of electric resistant heat customers that can be used for a more targeted outreach approach. Upon closer inspection, PUD has 73 electric resistance heat customers and would like to assist them in transitioning from electric

Schedule C: Program Details 2024

resistant heating to more efficient means of heating. The increased rebate for the enhanced incentive would allow us to target customers that maximize the amount of electric savings achieved from upgrading to heat pumps while also delivering significant energy savings to the customer as well.

The first two years of the program have had limited success. Of the four customers enrolled in the program in 2022, three received energy audits and weatherized their home. One of the customers did not have time to schedule an energy audit and chose not to move forward with the program during that program year. After completing their weatherization projects, two of the three customers received estimates for mini-splits. Once the State of Rhode Island announced their potential rebate program for high efficiency heating and cooling equipment, the customers wanted to wait on the projects to see what would be available for additional funding in 2023.

The CleanHeatRI program details were announced in September of 2023 and this program does not make rebates available for electric resistance heat customers. PUD reached out to its' electric resistant heating customers that were waiting for the State's program announcement to move forward. One of the four customers enrolled in the Enhanced Incentive Heat Pump program are in the process of getting estimates for mini-splits and would like to participate in the program this year since they are not able to utilize the State program. Two of the customers have not returned our phone calls and the last customer enrolled in the program did not want to participate in the rebate program due to unforeseen financial constraints.

Pascoag would like to continue this program in 2024 and continue to pursue its electric resistant heat customers with this offering. Our expectation is that with clarity on the CleanHeatRI program and a more targeted list of electric resistance customers this program is likely to have more success in 2024 and beyond.

Committed for 2023 Programs: \$700

Pascoag Utility is estimating a carryover of funds from 2023 in the amount of \$10,652.88. PUD would like to use \$9,952.88 of these funds in the 2024 budget and use \$700 to satisfy 2023 qualified rebates for customers who do not receive a rebate because the funds for a particular program had been depleted in 2023 or for rebates that are turned in after the

Schedule C: Program Details 2024

particular program had been depleted in 2023 or for rebates that are turned in after the books are closed for 2023; the cutoff date for 2023 rebates would be March 31, 2024.

Commercial and Industrial Programs

Small Business ENERGY STAR Offerings: \$1200

Pascoag would like to maintain the same program as was approved in 2023 for Small Business ENERGY STAR Offerings. PUD would like to mirror the incentives offered under the Residential ENERGY STAR program, for non-commercial grade appliance equipment. Pascoag proposes that the commercial-grade appliances listed below would qualify for a rebate of 10% with a cap of \$350.

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

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

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

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

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

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

Schedule C: Program Details 2024

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

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

Pascoag received one application for a mini-split in 2023. In June of 2022, with the aim of gaining a deeper insight into the requirements of its commercial customers, PUD administered a survey to all commercial and industrial customers. However, the response rate was quite low, with fewer than 5% of our customers participating in the survey. In 2023, PUD staff have been working to compile a contact list for commercial and industrial customers that better identifies the people within each business that are responsible for making decisions where energy efficiency projects are concerned. The process to collect this information has taken longer than anticipated and PUD plans to continue its efforts into 2024. PUD plans to use 2024 to explore the possibility of offering weatherization and energy efficient heating/cooling equipment rebates, as savings for lighting projects declines and we've had an uptick of local businesses inquiring about assistance with weatherization projects. Additionally, if Bayberry Nursing Home completes its lighting project in 2024 PUD will have assisted eight of our top ten highest usage commercial and industrial customers with energy efficient lighting projects.

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

PUD would like to maintain this level of funding at \$1200 in 2024.

Schedule C: Program Details 2024

Industrial and Commercial Projects 2023 and 2024:

Committed Funds-Lighting and Energy Efficiency Projects 2023:

Zambrano Hospital's RFP was put out to bid and awarded. The majority of materials have been ordered but some items are on backorder. The installation has been put on hold until all materials have been received in order to minimize disruption in patient's rooms. Construction is expected to begin the week after Thanksgiving and the updated completion date is March 2024. PUD would like to move the funds for Zambrano Hospital's lighting project to a separate line item in the 2024 DSM budget due to the delay in construction. The project is expected to cost \$450,000.00 and will save an estimated 235,000 kWh annually.

Potential 2023 Lighting and Energy Efficiency Projects:

Burrillville High School had an energy audit completed to review what lighting has been purchased and what still needed to be purchased to complete the lighting project. A detailed lighting design and scope of work has been created and was reviewed and approved by the Burrillville School Department. Coordination between the Burrillville School Department, the Town of Burrillville, and OER around the scope of work, Memorandum of Understanding between the parties, and the RFP took much longer than anticipated. As a result, this project will not be completed in 2023 as originally hoped and instead will be completed in the first half of 2024. Given these delays, PUD would like to move \$33,416 that was dedicated to this project in 2023 to 2024 as a separate line item. We are confident this project will be completed in early 2024. The lighting project will save an estimated 273,000 kWh annually.

Hauser Field is a multi-sport field that is used for night practices and games. The field has old stadium style, incandescent lighting that is very costly for the Town to operate and they've wanted to convert the lights to LED lighting but it has been cost prohibitive in the past. Given the occasional and potentially future increased, school athletics usage of the field OER was able to work with the Town and incorporate the project into the Burrillville High School Lighting Project. The Town is providing \$30,000 in funding towards the project with the remaining funds being contributed by RIOER's School Lighting Accelerator program. Coordination between the Burrillville School Department, the Town of

Schedule C: Program Details 2024

Burrillville, and OER around the scope of work, Memorandum of Understanding between the parties, and the RFP took much longer than anticipated. As a result, this project will not be completed in 2023 as originally hoped and instead will be completed in the first half of 2024. The project is estimated to save 34,500 kWh annually.

Committed Funds 2024- Lighting and Energy Efficiency Projects: \$30,079

Bayberry Nursing Home is interested in completing an LED lighting project for their facility in 2024. Bayberry Nursing Home is one of our top ten highest electric usage customers so we're very excited to work with them on this project. The project is estimated to provide 103,767 of annual kWh savings and reduce their kW by 19.11. The total project would cost \$99,927 with PUD providing \$30,079 in rebates.

Potential 2024 Lighting and Energy Efficiency Projects: \$8,329

PUD would like to fund Potential 2024 Lighting and Energy Efficiency Projects with \$8,329. Often, businesses will approach Pascoag Utility after the file date, and ask whether a project they are considering will qualify for any type of financial assistance through rebates. This line item gives PUD a source of funds to work from, so we do not miss out on an opportunity to work with our business customers on energy efficiency projects. Pascoag Auto Parts is looking into a smaller LED lighting project for its store front in 2024. The total project would cost \$22,345 with PUD providing a rebate of \$4,776. It would provide annual kWh savings of 24,526 and reduce their kW by 7.92.

2024 LED Street Light Incentive: \$5,000

In 2023, the DSM Program rebated Pascoag Utility District \$10,000 for the LED Street Light Project completed in 2016 in which PUD purchased and installed 610 LED Street Lights. In 2024, we'd like to reduce this line items to \$5,000. This money will be used to reduce the Account Receivable from the DSM Program from \$33,096 to \$28,096. The District is reducing this line item to balance the rate at which the streetlight work is paid down with the funding needs of other areas of the program.

Schedule C: Program Details 2024

Administrative Programs

Administrative Expenses: \$23,000

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

Pascoag has three Customer Service Representatives who devote many hours to the DSM programs by working with customers, taking applications for rebates on the various programs and answering questions over the phone and in person. The DSM Coordinator spends many hours researching the compliance of the various rebates submitted, reconciling DSM programs, updating existing programs, creating new programs for the next year, responding to data requests, participating in regulatory proceedings and requesting reallocation of funds. In addition, the Assistant General Manager works with commercial and industrial customers on various C & I projects and performs site visits.

The District would like to maintain funding of this line item with \$23,000 in 2024 based on 2023 expenses for labor, as well as the increasing work required to manage and support the programs, additional coordination with the State's forthcoming heat pump program, and general inflation.

Energy Efficiency Consultant: \$10,000

PUD recognizes the importance of accurately tracking energy and cost savings data, as well as appropriately accounting for all benefits of demand side management. However, staff constraints have historically prevented more detailed analysis than has been filed through the demand side management plan and year-end report. In 2019, PUD retained Optimal Energy as an energy efficiency consultant to help guide data collection, conduct calculations around program savings and carbon reductions, and assist with program development. Their assistance has been integral in the success of the program and has continually helped shape the DSM program. We would like to continue working with Optimal Energy in 2024 to review, report on, and improve our DSM program. The District would like to fund this line item at \$10,000 in 2024.

Schedule C: Program Details 2024

Community Outreach, Marketing & Education

Community Outreach/Education Program: \$15,000

Community events were slightly challenging this year as many outdoor events were rescheduled or cancelled due to a particularly rainy summer and fall. Regardless, Pascoag staff have been actively involved in community events throughout the year. Staff members visited with 4th grade students at Steere Farm Elementary and talked about the role of the electric company in the community as well as the importance of energy efficiency and conservation. The 4th graders also worked on posters for the Earth Day poster contest.

The Burrillville Aging Stronger Lunch and Learn event was held on May 3, 2023. 375 Burrillville residents over the age of 55 attended the event. The District had a booth at the event and was able to answer questions and handout flyers with information on our rebate programs as well as information on LIHEAP. Roughly 300 people visited the booth and were provided information and LED nightlights.

The District typically attends the Burrillville Family Fair in June but it was cancelled due to it being rained out the day of the event and the subsequent rain date.

Staff tabled at the Pascoag Spring Splash event, which was held down the street from its's office, on June 3rd and were able to hand out energy efficiency program information and talk with customers about weatherization projects and answer HVAC related questions over the course of three hours.

The Green Festival was held in September, with around 400 attendees. Attendance was a little less this year due to it being an incredibly hot and humid day. Information on the DSM program and the CleanHeatRI program was given out to over 275 attendees at the Pascoag Utility District booth. Additionally, 54 HVAC surveys were completed by PUD customers. Energy New England was able to sign up 9 customers for home energy assessments as well. Attendees visited booths that had information regarding home energy assessments, weatherization, renewable energy, electric vehicles, climate change and energy assistance offerings.

The Burrillville Redevelopment Agency held a Pascoag Fall Splash event and PUD staff tabled to provide information on its DSM program offerings and the CleanHeatRI program. Staff handed out information to over 200 attendees. Additionally, 37 HVAC surveys were completed by PUD customers.

Schedule C: Program Details 2024

The last Burrillville Aging Stronger Lunch and Learn event of the year was held in October. 395 Burrillville residents over the age of 55 attended the event. The District was able to provide energy saving tips, information on DSM programs and information on the CleanHeatRI program to over 300 attendees. 56 HVAC surveys were completed by PUD customers as well.

In 2024, Pascoag would like to include the Jesse Smith Library Partnership under the line item Community Outreach/Education instead of as a separate program. The Earth Day Contest is used as an outreach and education tool and it would make sense to include it as part of the larger outreach efforts.

PUD has also been working with the staff at Rewiring America in the development of a user friendly tool that Pascoag customers would be able to use to access information on any energy efficiency rebate programs that they would qualify for, including programs offered through the Inflation Reduction Act. PUD is hopeful that the tool will be available for customers to use by early 2024.

Pascoag would also like to use next year to explore the possibility of creating a network of local organizations that could be provided information/trained on the various DSM programs so that we could continue to get word out to customers that are most in need of energy efficiency programs. Pascoag has a close relationship with the Burrillville Parks and Recreation Department whose team organizes different types of assistance programs in Town. They work with many of the local churches/agencies that run food pantries, second hand clothes closets among other programs. The Director of Parks and Recreation has also been tirelessly working on grants to establish a community center in Burrillville that would provide information and programs such as a food pantry and second hand clothes closet to Burrillville residents. PUD and Parks & Recreation have been in talks to try to get energy efficiency program information into the hands of residents that utilize these types of programs. Additionally, PUD would like to reach out to RI Energy's Community Advocate team to see if they would be willing to provide information on their programs as well, so the most vulnerable Burrillville residents would have access to energy efficiency program information regardless of what utility they belong to.

Schedule C: Program Details 2024

Jesse Smith Library Partnership - \$0 (proposed to be moved under Community Outreach/Education in 2024)

Pascoag Utility partnered with the Jesse Smith Library and Burrillville Recycling for our popular Earth Day Contest which encouraged students grades K -5 to create posters on the importance of recycling and energy conservation. The top twelve posters chosen were included in a 2024 calendar with recycling and conservation messages that are distributed at the PUD office. Pascoag reached out to local businesses and organizations that participated in community events. This year Pascoag was able to secure sixteen advertisers, which totaled \$800 in revenue. We solicited advertisers at the community events we were attending so no funds were spent to attract advertisers. We are going to keep pursuing advertisers as a way to offset costs of the calendar.

In 2024, PUD would again like to partner with the Jesse Smith Library and Burrillville Recycling. This would allow us to continue the partnership for an Earth Day Poster contest for both energy efficiency and recycling. Pascoag would like to include the Jesse Smith Library Partnership into the Community Outreach and Education line item. Each year advertising has increased and we believe we can raise most of the funds needed to cover the costs of prizes, materials, and refreshments for the awards ceremony through this increased ad revenue.

Energy Efficiency Management Continuing Education funds: \$1,000

In 2023, the DSM Coordinator was not able to travel to conferences due to most events being held virtually. The DSM Coordinator was able to participate in many free virtual workshops and trainings through American Public Power and the Association of Energy Professionals. The DSM Coordinator participated in the virtual training program-"Heat Pump Advocates for Decarbonization Technologies" created by Abode Energy Management in order to prepare for the upcoming Clean Heat Rhode Island program launch . The training took place over the course of 5 weeks, with a 2 hour session held each week. The training focused on air-source heat pumps, but also covered building mechanical systems, basic building science and other decarbonization technologies. Pascoag Utility would like to slightly decrease funding to \$1,000 in 2024.

Schedule D-1: 2023 Expenses & Balances

Pascoag Utility District
Demand Side Management Programs - 2023 Approved Budget

	<u>Estimated</u>	<u>Actual</u>
Carryover from 2022	\$ 19,035	\$ 19,779
Estimated sales for 2023	\$ 162,042	\$ 162,042
RGGI Funds	\$ 35,700	\$ 35,700
RGGI Fund Carryover 2022	\$ -	\$ 1,182
Net 2023 budget	<u>\$ 216,777</u>	<u>\$ 218,703</u>

		2023 Approved		
		<u>Budget</u>	<u>Expenses</u>	<u>Balance</u>
<u>Residential Program</u>				
DR2301	Residential Weatherization Program	\$ 73,182	\$ 61,248.69	\$ 11,932.90
DR2302	Residential ENERGY STAR Offerings	\$ 5,000	\$ 3,515.00	\$ 1,485.00
DR2303	HVAC & Water Heating Program	\$ 12,244	\$ 10,325.00	\$ 1,919.21
DR2304	Enhanced Incentive HVAC Program	\$ 10,000	\$ -	\$ 10,000.00
DR2305	Committed for 2022 Programs	\$ 717	\$ 850.00	\$ (133.00)
	Net Residential	\$ 101,143	\$ 75,938.69	\$ 25,204.11
<u>Industrial/Commercial</u>				
DI2301	Small Business ENERGY STAR Offerings	\$ 1,200	\$ 525.00	\$ 675.00
DI2302	Committed Funds- Lighting & EE Projects	\$ 20,844	\$ -	\$ 20,844.00
DI2303	Potential 2023 Lighting & EE Projects	\$ 33,416	\$ -	\$ 33,416.00
DI2304	LED Street Light Incentive	\$ 10,000	\$ 10,000.00	\$ -
	Net Industrial/Commercial	\$ 65,460	\$ 10,525.00	\$ 54,935.00
<u>Administrative</u>				
DA2301	Administrative	\$ 23,000	\$ 18,390.74	\$ 4,609.26
DA2302	Energy Consultant	\$ 10,000	\$ 3,136.25	\$ 6,863.75
	Net Administrative	\$ 33,000	\$ 21,526.99	\$ 11,473.01
<u>Community Outreach, Marketing & Education</u>				
DC2301	Community Outreach and Education	\$ 14,000	\$ 11,138.16	\$ 2,861.84
DC2302	Jesse Smith Library Partnership	\$ 3,600	\$ 2,744.12	\$ 855.88
DC2303	Energy Efficiency Management continuing education	\$ 1,500	\$ 1,045.00	\$ 455.00
	Net Community Outreach, Marketing & Education	\$ 19,100	\$ 14,927.28	\$ 4,172.72
	Actual DSM 2023 Budget/ Expenses/ Balance	\$ 218,703	\$ 122,917.96	\$ 95,784.84

Schedule D-2: 2023 Projected Expenses & Balances

Pascoag Utility District
Demand Side Management Programs - 2023 Projected Expenses

	<u>Estimated</u>	<u>Actual</u>
Carryover from 2022	\$ 19,035	\$ 19,779
Estimated sales for 2023	\$ 162,042	\$ 162,042
RGGI Funds	\$ 35,700	\$ 35,700
RGGI Fund Carryover 2022	\$ -	\$ 1,182
Net 2023 budget	\$ 216,777	\$ 218,703

2023 Approved

Budget Expenses Balance

Residential Program

DR2301 Residential Weatherization Program	\$ 73,182	\$ 73,181.59	\$ -
DR2302 Residential ENERGY STAR Offerings	\$ 5,000	\$ 3,700.00	\$ 1,300.00
DR2303 HVAC & Water Heating Program	\$ 12,244	\$ 12,244.21	\$ -
DR2304 Enhanced Incentive HVAC Program	\$ 10,000	\$ 2,500.00	\$ 7,500.00
DR2305 Committed for 2022 Programs	\$ 717	\$ 850.00	\$ (133.00)
Net Residential	\$ 101,143	\$ 92,475.80	\$ 8,667.00

Industrial/Commercial

DI2301 Small Business ENERGY STAR Offerings	\$ 1,200	\$ 525.00	\$ 675.00
DI2302 Committed Funds- Lighting & EE Projects	\$ 20,844	\$ -	\$ 20,844.00
DI2303 Potential 2023 Lighting & EE Projects	\$ 33,416	\$ -	\$ 33,416.00
DI2304 LED Street Light Incentive	\$ 10,000	\$ 10,000.00	\$ -
			\$ -
Net Industrial/Commercial	\$ 65,460	\$ 10,525.00	\$ 54,935.00

Administrative

DA2301 Administrative	\$ 23,000	\$ 23,000.00	\$ -
DA2302 Energy Consultant	\$ 10,000	\$ 10,000.00	\$ -
Net Administrative	\$ 33,000	\$ 33,000.00	\$ -

Community Outreach, Marketing & Education

DC2301 Community Outreach and Education	\$ 14,000	\$ 14,000.00	\$ -
DC2302 Jesse Smith Library Partnership	\$ 3,600	\$ 2,744.12	\$ 855.88
DC2303 Energy Efficiency Management continuing education	\$ 1,500	\$ 1,045.00	\$ 455.00

Net Community Outreach, Marketing & Education	\$ 19,100	\$ 17,789.12	\$ 1,310.88
Projected DSM 2023 Budget/ Expenses/ Balance	\$ 218,703	\$ 153,789.92	\$ 64,912.88

Schedule E: Demand Side Management Tariff

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

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

The District proposes to include a charge of 3.3 mills per kilowatt-hour delivered to fund a demand side management program and renewable energy resources. The allocation of this revenue between demand side management programs and renewable energy resources shall be determined by the Commission.

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

Approval Issued:

Requested Effective Date: January 1, 2023

Approval Date: March 7, 2023

Schedule F: Highlights of Pascoag's 2023 Program & Customer Outreach

Pascoag Utility District
April 29

Tomorrow will be a nice rainy day to visit the library! Stop by, ask some questions and pick up some information on our rebate programs 🌧️



PASCOAG
UTILITY DISTRICT

Learn more about our **Electric Rebate Programs!**

Stop by Pascoag Utility District's resource table to pick up information on our electric rebate programs and to get answers on any questions you may have!

April 29, 2023
10AM-12PM

Jesse Smith Memorial Library



SAT APR 29
Pascoag Utility District Resource Table
Harrisville

Pascoag Utility District
August 29

Interested in mini-splits or central heat pumps? New State incentive program to launch at the end of this week! Tell a friend!




ecori.ri.org

Heat Pump Program Receives \$25M Boost - ecoRI News
Rhode Island officials are expected to announce the last of a new incentive program to tackle

Facebook Posts

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



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

Rebates are also offered on:

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

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

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

PASCOAG
UTILITY DISTRICT

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

CLEAN HEAT RHODE ISLAND PROGRAM OVERVIEW



Customer Assistance
Learn more, ask questions & receive guidance



Participating Installers
Work with an installer in our network



Review Quotes
Compare up to three quotes



Financial Incentives
Reduce installation costs

GET STARTED TODAY!

- 1 Work with a participating installer to determine if a heat pump is right for you.
- 2 You or your installer reserves your incentive with a project pre-approval. Once approved, your new heating and cooling system is installed.
- 3 You or your installer completes the incentive application; some projects may require inspection before incentives are processed.
- 4 The incentive is processed. Enjoy your new efficient heating and cooling system!

Learn more at CleanHeatRI.com

CleanHeatRI@AhoheE&M.com
www.CleanHeatRI.com
(401) 541-5163



Schedule F: Highlights of Pascoag's 2023 Program & Customer Outreach



Burrillville Public Schools

March 21

Thank you to our friends at [Pascoag Utility District \(PUD\)](#) for visiting our 4th graders at Steere Farm Elementary School to talk about PUD and energy conservation!

PUD's presentation and activities enhance our fourth grade science curriculum, connecting and reinforcing lessons about power sources and the industry.

Thank you again, PUD, for being one of our partners in education and for everything you do for the [Burrillville Public Schools!](#)

[#burrillvillepublicschools](#) [#communitypartnerships](#) [#energyconservation](#)



4th Grade Class Visit

Schedule F: Highlights of Pascoag's 2023 Program & Customer Outreach



Earth Day Calendar Contest Award
Winners



Burrillville Aging Stronger Event-
October

Schedule F: Highlights of Pascoag's 2023 Program & Customer Outreach



**WANT TO WEATHERIZE
YOUR HOME BUT DON'T
KNOW WHERE TO START?**

Stop by Pascoag Utility District's resource table at Jesse Smith Library to pick up information on our Free Home Energy Audit and Weatherization Program! Staff will be on hand to answer questions and help you get your weatherization project started.

Where: Jesse Smith Library-100 Tinkham Lane, Harrisville RI

When: April 29, 2023 10AM-12PM



Direct Mailing Postcard to All Electric Heat Customers

Schedule F: Highlights of Pascoag's 2023 Program & Customer Outreach



Dear Customer,

Pascoag Utility District is currently offering a Weatherization program that we'd like to make you aware of specifically because you heat your home with electric resistant heating. Residences that are heated with electric resistant heating can see significant energy savings after properly weatherizing their home.

Air that leaks through your home's envelope – the outer walls, windows, doors, and other openings – wastes a lot of energy and increases your utility costs. A well-sealed envelope, coupled with the right amount of insulation, can make a real difference on your utility bills. EPA estimates that homeowners can save an average of 15% on heating and cooling costs by air sealing their homes and adding insulation in attics, floors over crawl spaces and in basements.

Insulation helps keep your home warm in the winter and cool in the summer. When correctly installed, insulation can deliver comfort and savings, especially during the hottest and coldest times of the year. Sealing leaks and adding insulation can improve the overall comfort of your home and help in other ways such as:

- Reducing noise from outside
- Creating less pollen and dust
- Providing better humidity control
- Lowering the chance for ice dams on the roof/eaves in snowy climates

In fact, if you added up all the leaks, holes and gaps in a typical home's envelope, it would be the equivalent of having a window open every day of the year!

Pascoag is currently offering a rebate of 100% of the cost up to \$2250 for recommended insulation and air sealing measures and a \$100 rebate on programmable wireless thermostats and \$25 on non-wireless thermostats if recommended.

In order to qualify for the program you must:

- Call Energy New England at 1-888-772-4242 to schedule your free home energy audit. The energy audit will include a full home assessment, including all appliance, mechanical systems and building envelope. In addition, the auditor will have free LED lightbulbs, smart strips, grounded power switches, low-flow shower heads and aerators on hand, to install for free if needed.
- If the energy auditor recommends air sealing and/or insulation measures, Pascoag will provide you with a list of certified contractors. You can contact anyone on the list to get an estimate. Once you receive the estimate, Pascoag will review the project and let you know how much the rebate will be.
- If you want to move forward with the project, you would sign a contract with the installer to complete the work. Once the work has been completed and the installer is paid, you would provide Pascoag with a copy of the paid invoice to be reimbursed for the agreed upon amount. Rebate checks take 1-2 weeks to process.

For more information on this program, please call 401-567-1262. This offer is for a limited time only and subject to availability of funding. If you rent your home, feel free to pass this information along to your landlord.

Sincerely,

Desarae Dolan
Supervisor of Administration

Direct Mailing to All Electric Heat Customers

Schedule F: Highlights of Pascoag's 2023 Program & Customer Outreach



Dinolicious Food Truck

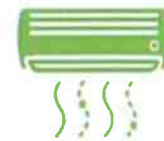


Burrillville Farmers Market



Green Energy Consumers Alliance EV Display

Pascoag Utility District and the Town of Burrillville's Parks and Recreation Department are teaming up to hold the 15th Annual Green Festival on Saturday, **September 9, 2023** from **10:00-1:00 PM** at the Stillwater Mill Center -100 Tinkham Lane, Harrisville RI 02830. The event is free to the public!



Information will be available on Clean Heat Rhode Island's upcoming HVAC incentive program!

First 400 attendees get a reusable bag packed with information & goodies!



Drop off your clean, used clothes & textiles to the Big Sisters, Big Brothers of Rhode Island onsite truck!

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



Energy Efficiency, Weatherization, Solar & Recycling Info!

Schedule F: Highlights of Pascoag's 2023 Program & Customer Outreach



Energy Star Products Help You Save!

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

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

We offer rebates on Energy Star rated:

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

We also provide:

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

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

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

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

Billing Insert for Commercial and Industrial Customers

Schedule F: Highlights of Pascoag's 2023 Program & Customer Outreach



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

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

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

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

Energy Star Rebates

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

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

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

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

Schedule F: Highlights of Pascoag's 2023 Program & Customer Outreach



PASCOAG
UTILITY DISTRICT



Please fill out the survey and be entered to win a \$100 credit on your electric bill. One winner will be drawn in October 2023. Please mail with payment or drop off at PUD office.

Customer that has a ducted, ductless, mixed ducted mini-split or central heat pump at their residence.

Which type of HVAC system do you have installed at your home?

Please circle one:

Ductless Mini-Split Ducted Mini-Split Mixed Ducted Mini-Split Central Heat Pump

84%

8%

8%

How well do you think your HVAC system works at cooling your home in the summer?

Please circle one:

Very Well Somewhat Well Doesn't Work Well At All Do Not Use in the Summer

59%

33%

8%

How well do you think your HVAC system works at heating your home in the winter?

Please circle one:

Very Well Somewhat Well Doesn't Work Well At All Do Not Use in the Winter

55%

45%

If you do not heat your home with HVAC in the winter, please explain why:

.....
.....

Did you weatherize your home prior to installing your HVAC system?

Please circle one:

Yes No

56%

45%

Based on the current performance of your HVAC system, if you moved, would you install the same type of system in your new home?

Please circle one:

Yes No

83%

17%

HVAC Customer Survey- Customers with installed mini-splits or central heat pumps.

Schedule F: Highlights of Pascoag's 2023 Program & Customer Outreach



PASCOAG
UTILITY DISTRICT



Please fill out the survey and be entered to win a \$100 credit on your electric bill. One winner will be drawn in October 2023. Please mail with payment or drop off at PUD office.

Customer that **does not** have a ducted, ductless, mixed ducted mini-split or central heat pump at their residence.

Which fuel do you typically heat your home with?

Please circle one:

Oil	Natural Gas	Electric Resistant Heat	Wood	Other: _____
70%	8%	4%	10%	Propane-8%

How do you typically cool your home in the summer?

Please circle all that apply:

Window Air Conditioners	Room Air Conditioner	Central AC	Fans/Ceiling Fans	Other: _____
51%	9%	17%	21%	Nothing-2%

Are you thinking about installing a mini-split or central heat pump system within the next 12 months?

Please circle one:

Yes	No	Unsure
17%	63%	20%

Are you aware of the new Clean Heat RI incentive program for installing mini-splits and central heat pump systems?

Please circle one:

Yes	No
18%	82%

Would you like more information on mini-split/heat pump incentives?

Please circle one:

Yes	No
49%	51%

Please provide email address if yes: _____

HVAC Customer Survey- Customers who have not installed mini-splits or central heat pumps.

Schedule G: Supporting Documentation

Contents:

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



Strategies to Enhance Energy Efficiency in Pascoag Utility District

Rhode Island Office of Energy Resources & Pascoag Utility District

2018.5.1

Existing Energy Efficiency Successes in Pascoag

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

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

Framework for Program Development

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

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

¹ Based on monthly electricity consumption of 500 kWh.

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

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

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

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

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

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

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

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

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

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

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

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

Administrative Recommendations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

There are several possibilities for program enhancement:

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

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

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

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

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

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

Strategy #3: Subsidize Building Operator Certification for facilities managers

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

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

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

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

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

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

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

Phase 2 Programmatic Strategies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Phase 3 Ideas

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

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

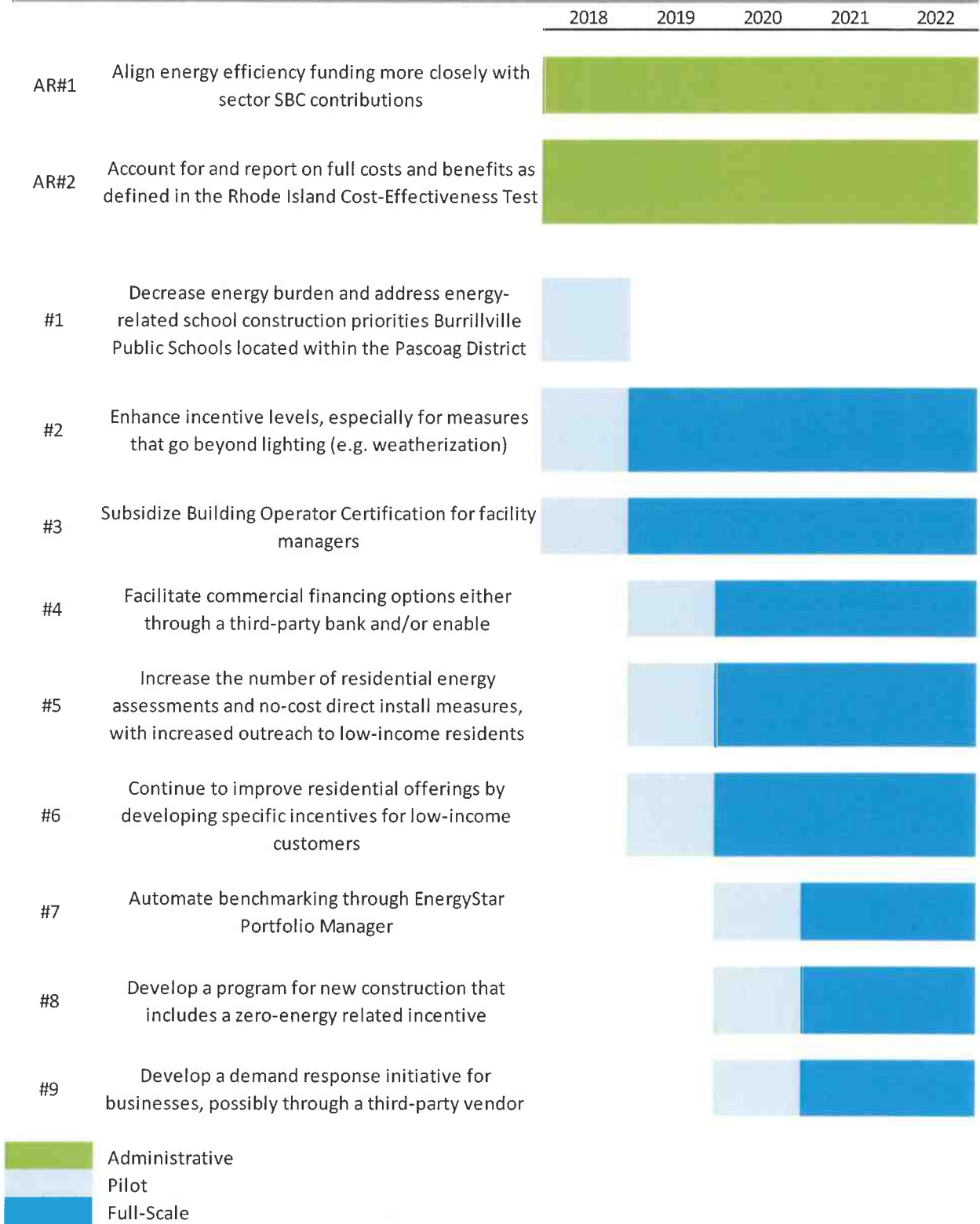
Strategy #8: Develop a program for new construction that includes a zero-energy related incentive

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

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

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

Administrative Recommendations and Programmatic Strategies Timeline



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



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

October 2021

1.0 Authority

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

2.0 Definitions

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

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

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

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

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

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

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

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

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

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

5.0 Allocation of Auction Proceeds

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

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

5.5 Allocation of Net RGGI Proceeds

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

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

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

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

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

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

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

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

6.0 Tracking and Reporting

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