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Also admitted in Massachusetts

November 8, 2023

**VIA ELECTRONIC MAIL AND HAND DELIVERY**

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

Dear Ms. Massaro:

**Re: Docket No. 23-35-EE – 2024-2026 Three Year Energy Efficiency Plan and  
2024 Annual Energy Efficiency Plan  
Responses to Division Data Requests – Set 2 (Full Set)**

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

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

Very truly yours,



Leticia C. Pimentel

cc: Docket 23-35-EE Service List

Certificate of Service

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

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

Heidi J. Seddon

November 8, 2023

Date

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

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Division 2-1

Request:

Referring to Table E-5, please explain why the RI Test benefit cost ratio in 2024 is lower than for 2023 for the Non-Income Eligible and Income Eligible sectors and higher for the Commercial & Industrial sector.

Response:

Please see the Company's response to Division 1-24. Changes to sector-level benefit cost ratios are influenced by changes to the factors in the measure- and program-level cost effectiveness for the measures and programs in the sector.

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Division 2-2

Request:

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

Response:

Please see the Company's response to Division 1-24. Changes to sector-level benefit cost ratios are influenced by changes to the factors in the measure- and program-level cost effectiveness for the measures and programs in the sector.

Division 2-3

Request:

Referring to Tables E-5 and G-5, please explain why the electric and gas portfolio performance incentive increases in 2024 relative to 2023 when program implementation and customer contributions decrease.

Response:

A performance incentive is available in those sectors where there are positive PIM-eligible net benefits, as shown in Tables E-8C and G-8C. Because not every sector has positive PIM-eligible net benefits, the program implementation expenses for eligible sectors will not be the same as the total portfolio program implementation budget.

For eligible sectors, the performance incentive is calculated as a percentage of Performance Incentive Mechanism-eligible (PIM-eligible) net benefits. PIM-eligible net benefits are defined as PIM-eligible benefits minus PIM-eligible costs. The change in each one of these factors is described below. (Customer contributions are not part of PIM-eligible costs. Therefore, the electric and gas performance incentives are independent of changes in customer contributions.)

Payout percentage: The proposed payout percentage did not change from 2023 to 2024 for the electric or gas portfolios.

PIM-eligible benefits: PIM-eligible benefits (detailed on table E-8A and G-8A) consist of utility system benefits counted in full and resource system benefits discounted by 50%. Please see Table 12 on Bates page 226 for more details. Also please note the correction to Table 12 on Bates page 226 detailed in the Company's response to data request PUC 1-63.

- Electric PIM-eligible benefits for the Residential Standard Income and C&I sectors (the only electric sectors eligible to receive a performance incentive in 2024) increased from \$102.9M in 2023 to \$111.2M in 2024.
- Gas PIM-eligible benefits for the C&I sector (the only gas sector eligible to receive a performance incentive in 2024) increased from \$16.0M in 2023 to \$16.1M in 2024.

PIM-eligible costs: PIM-eligible costs consist of the "Eligible Sector PIM Budget for Performance Incentive" (detailed on tables E-3 and G-3) plus allocated PIM-eligible regulatory costs (detailed on tables E-8B and G-8B). The "Eligible Sector PIM Budget for Performance Incentive" is defined as program implementation expenses minus commitments, regulatory costs,

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pilots, and assessments. Therefore, decreases in program implementation expenses are directly correlated with increases in the performance incentive.

- Between 2023 and 2024, electric program implementation expenses for the Residential Standard Income and C&I sectors (the only electric sectors eligible to receive a performance incentive in 2024) increased marginally from \$69.3M<sup>1</sup> in 2023 (excluding ConnectedSolutions which was removed from the EE portfolio for 2024) to \$70.4M in 2024. Therefore, from a PIM perspective, electric Residential Standard Income plus C&I program implementation expenses did not decrease between 2023 and 2024.
- Between 2023 and 2024, gas program implementation expenses for the C&I sector (the only gas sector eligible to receive a performance incentive in 2024) decreased from \$9.2M in 2023 to \$8.3M in 2024.

For the electric Residential Standard Income and C&I sectors, the increase in PIM-eligible benefits from 2023 to 2024 outweighs the increase in PIM-eligible costs from 2023 to 2024. Therefore, between 2023 and 2024, electric PIM-eligible net benefits increased, and the planned electric performance incentive increased.

For the gas C&I sector, PIM-eligible benefits increased from 2023 to 2024, and PIM-eligible costs decreased from 2023 to 2024. Therefore, between 2023 and 2024, gas PIM-eligible net benefits increased, and the planned gas performance incentive increased.

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<sup>1</sup> The \$69.3M of 2023 Program Implementation expenses is not directly stated in Attachment 5 of the 2023 Plan because ConnectedSolutions was still present. However, this number is the appropriate number to use for a direct comparison of electric Residential Standard Income plus C&I program implementation expenses between 2023 and 2024, as relating to the PIM.

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Division 2-4

Request:

Please explain why lifetime savings, benefits, and BCRs for the Residential New Construction programs in the electric and gas portfolios increase in 2024 relative to 2023 given that the adoption of new codes generally reduce ratepayer-funded, incremental energy efficiency program opportunities in new construction.

Response:

Between 2023 and 2024, electric program implementation expenses for the Residential New Construction program decreased from \$1.6M to \$1.3M. Between 2023 and 2024, gas program implementation expenses for the Residential New Construction program decreased from \$0.62M to \$0.58M. These decreases in program implementation expenses contribute to higher program BCRs in 2024 than in 2023.

Benefits for the Residential New Construction programs in the electric and gas portfolios increased which also contributed to a higher program BCR in 2024 than in 2023. The increase was primarily driven by an increase in the measure life for the "Codes and Standards" measure from 2023 to 2024. The measure life increased from 12 years to 20 years in the electric portfolio, resulting in an increase of approximately \$167,000 in benefits and from 11 years to 20 years in the gas portfolio, resulting in an increase of approximately \$180,000 in benefits. The change was driven by a review of the sources for the measure life and was updated for consistency between the electric and gas "Codes and Standards" measure life.



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Division 2-5

Request:

Referring to Schedule A, Attachment 2, Page [sic], Why do investments in Income Eligible Multifamily and C&I Multifamily decline from 2024 to 2026?

Response:

The Company sees less opportunity for growth in the multi-family sector as a whole given the maturity of multi-family energy efficiency programs in the market. Many eligible multi-family buildings have previously received program services. The Company also anticipates that the general economic conditions that are making multi-family building owners reluctant to take on capital improvement expenditures are likely to persist, resulting in a smaller pool of potential participants.

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Division 2-6

Request:

Page 11 of the Company's pre-filed testimony states "the Company, in these Plans, emphasized training specific to compliance with the new building code within its proposed workforce development efforts." Please specify the program(s) in which the funding the Company is proposing for this compliance-related training is included.

Response:

The funding for this compliance-related training is included in the budgets for the electric and gas Residential New Construction and Large C&I New Construction programs.

Division 2-7

Request:

Bates page 19 states, "The Company will prepare a preliminary plan document by June 30, 2024 that outlines an approach and timeline for coordination with OER regarding IRA incentives. This plan will include a customer outreach strategy, identify resources for contractor education, propose customer pathways for accessing IRA funds (both in addition and in lieu of Company incentives), initial projections for IRA incentive uptake, financial implications for Company incentives for measures eligible for both IRA and program incentives, preliminary financing options, income verification pathways, and a methodology for savings attribution, as appropriate."

- a. Will the Company update the plan to incorporate the outcomes of the future of gas proceeding into the 2024-2026 EE Plan? If not, why not?
- b. If so, what is the timing for this update?
- c. Can any outcomes of the future of gas proceeding be reflected in the June 30, 2024 updates?

Response:

To clarify, the "preliminary plan document" referenced in the Company's pre-filed testimony is separate from the 2025 Annual Energy Efficiency Plan. The preliminary plan referenced will be a separate and stand-alone Company plan focused on IRA coordination. For purposes of this response, we will refer to the June 30, 2024 preliminary plan as the "IRA coordination plan."

- a. The Company will update the IRA coordination plan following the future of gas proceedings in response to any applicable guidance or direction provided by the Commission. The Company will incorporate the outcomes of the future of gas proceeding in its 2025 Annual Energy Efficiency Plan as appropriate.
- b. While the timing of the 2025 Annual Energy Efficiency Plan development process has not yet been discussed, historically the first draft of an annual plan is presented in June preceding the program year (June 2024).
- c. Yes, outcomes of the future of gas proceeding can be reflected in both the June 30, 2024 IRA coordination plan and the 2025 Annual Energy Efficiency Plan as appropriate.

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Division 2-8

Request:

On Bates page 82, the Company writes “one concern with the current HEAT Loan model is that the zero percent interest buy down may restrict the overall number of customers that the loan can reach, given its limited funds combined with the recent increase in interest rates. The company is working to restructure the HEAT Loan to a flat 5% interest rate buy down.” Please confirm if the 5 percent reflects the buy down (the difference between the original interest rate and the interest rate to be charged to customers) or the interest rate to be charged to customers.

Response:

The 5 percent reflects the interest rate to be charged to customers.

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Division 2-9

Request:

Bates pages 64-65 state, "Vendor Input. The Company also engages its program vendors to solicit their input by holding monthly calls with project expeditors, the most-active C&I program vendors. When the Company solicited feedback on the Plan development process, the following statements were made by various program vendors:

- Vendors support the efforts to decarbonize buildings, in an affordable manner for customers.
- Some vendors prefer to continue to allow customers to have choices in the fuel types of equipment they procure, while promoting the most-efficient option possible.
- Some customers, particularly schools, have trouble electrifying their facilities due to cost and resource barriers."
  - a. How many schools does the Company plan to electrify in 2024?
  - b. How much budget is allocated to this effort?

Response:

- a. As of November 1, 2023, the Company is not aware of any schools planning to electrify in 2024.
- b. Budget funds in 2024 are not currently allocated because the Company is not aware of any schools planning to electrify in 2024. Should a school district decide to electrify a school then the Company would allocate budget dollars to the project after the Company's technical review is complete.

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Division 2-10

Request:

Bates page 76 states, "For the 2024-2026 term, the Company will focus its efforts on expanded outreach to five communities targeted during the 2023 program year with the goal of increasing customer participation in the towns of Central Falls, East Providence, Pawtucket, Providence, and Woonsocket. As the tools are developed to better tailor marketing to targeted subsets within these communities, the Company will look to align with Justice40 Initiative communities so customers living within these communities receive incremental benefits from federal, state, and private initiatives that coordinate and coalesce to make a significant impact." Are these five communities Justice40 communities?

Response:

The municipalities of Central Falls, East Providence, Pawtucket, Providence, and Woonsocket all contain Justice40 communities. Justice40 communities are established at the census tract level by the federal government. Census tracts typically have smaller geographic boundaries than municipalities and those boundaries may also span multiple municipalities, depending on where the tract is located.

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Division 2-11

Request:

Bates page 110 states, “There were a handful of measures providing savings in the MPS Refresh that the Company does not currently plan for in its programs. Some of these measures failed the RI Test when the Company had previously screened them and some of them are new.”

- a. Please provide a list of the measures that previously failed the RI Test. When did the Company last screen each of these measures?
- b. Please provide a list of the new measures. Did the Company screen these measures? If so, what was the outcome of this screening? Why did the Company elect not to include these measures in its plan?

Response:

- a. Please see Table 1 below.
- b. No new measures from the MPS Refresh were added to the 2024-2026 Energy Efficiency Plan. Please see Table 1 regarding outcomes of screenings and rationale for why the Company did not include these measures in the plan.

**Table 1. Measures in MPS Refresh not in the Company’s 2024-2026 Energy Efficiency Plan**

Measure	Sector	Program	Was Measure Screened ?	Screened	Pass/Fail Screening	Why was measure not included?	
Electric	Solar Water Heater	Income Eligible	Single Family	Yes	Aug-23	Fail	Measure was found not cost effective.
	Heat Recovery Ventilator	Residential	Multi-family	No	NA	NA	Measure can be offered as a custom HVAC measure.
	Electric Resistance and RAC blend to Ductless Mini-Split Heat Pump (partial)	C&I	Large C&I Retrofit	No	NA	NA	Measure can be offered as a custom HVAC measure
	Hot Water Heat Pump Water Heater	C&I	Large C&I Retrofit	No	NA	NA	Measure can be offered as a

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							custom HVAC measure.
	Envelope Net-Zero Ready	C&I	Large Commercial New Construction	No	NA	NA	Measure can be offered as a custom Advanced Building and/or custom Building Shell measure.
Gas	Dishwasher	Residential & Income Eligible	Single Family & Multi-family	No	NA	NA	The Company did not add new gas measures to the 2024-2026 Plan.
	Clothes Washer						
	Clothes Dryer						
	Condensing Make Up Air Unit	C&I	Large C&I Retrofit				
	Condensing Rooftop Units						
	High Efficiency Unit Heater		Large Commercial New Construction				
	Kitchen Demand Control Ventilation						
	Hot Water Ozone Laundry						



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Division 2-12

Request:

Bates pages 103-104 state, "The C&I Electric Retrofit Three Year Plan represents a significant increase in savings derived from HVAC and Motor and Drives end-uses. The increased HVAC savings can be attributed to the ramping up of the Building Analytics Program and deployment of the Energy Management System prescriptive tool, coupled with increased incentives. Additionally, the Company expects the Industrial initiative to perform more energy conservation measures related to Motors and Drives as the lighting market continues to saturate." Please describe the increased incentives in greater detail.

Response:

The Commercial and Industrial Sector increased planned incentives per quantity (kWh/MMBtu) above 2023 Plan levels for the HVAC and Motor and Drives measures listed in Table 1 below. The specific incentive amounts for program years 2023 through 2026 are provided along with the specific HVAC and Motor and Drives measures. As detailed by measure in Table 1, incentives increased from 2023 to 2024.

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Table 1

Increases to Planned Incentives Related to HVAC and Motors & Drives							
Measure Name	Electric/Gas	Program	End Use	2023 Incentive Per Quantity (kWh/MMBtu)	2024 Incentive Per Quantity (kWh/MMBtu)	2025 Incentive Per Quantity (kWh/MMBtu)	2026 Incentive Per Quantity (kWh/MMBtu)
ElectricC03a Large C&I RetrofitBuilding Exhaust Fan	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitBoiler, Feedwater Pump	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitBoiler, Draft Fan	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitChiller, Water Pump	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitCooling Town Fan	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMotor VFD Secondary	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitVFD Secondary	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitEMS 5k-40ksqft	Electric	Retrofit	HVAC	\$0.55	\$0.55	\$0.57	\$0.58
ElectricC03a Large C&I RetrofitEMS 40k-80ksqft	Electric	Retrofit	HVAC	\$0.60	\$0.60	\$0.62	\$0.63
ElectricC03a Large C&I RetrofitEMS 80k-200ksqft	Electric	Retrofit	HVAC	\$0.50	\$0.50	\$0.52	\$0.53
ElectricC03a Large C&I RetrofitHeating Hot Water Pump	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitHVAC Fan - Return	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitHVAC Fan - Supply	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMake Up Air Fan	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMTVFD-BLDG EXHST FAN	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMTVFD-BOIL DRAFT FAN	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMTVFD-BOIL FWTR PUMP	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMTVFD-CHIL WATER PMP	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMTVFD-CT FAN	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMTVFD-HEAT HW PUMP	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMTVFD-HVAC RET FAN	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMTVFD-HVAC SUP FAN	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMTVFD-MK UP AIR FAN	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMTVFD-PROC COOL PUMP	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMTVFD-WATER/WST PUMP	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitMTVFD-WSHP PUMP	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitProcess, Exhaust Fan	Electric	Retrofit	Motors/Drives	\$0.30	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitProcess, Cool Pump	Electric	Retrofit	Motors/Drives	\$0.30	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitWater/Waste Pump	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitWater Source Heat Pump	Electric	Retrofit	Motors/Drives	\$0.35	\$0.42	\$0.43	\$0.43
ElectricC03a Large C&I RetrofitCustom HVAC	Electric	Retrofit	Custom	\$0.45	\$0.60	\$0.43	\$0.44
ElectricC03a Large C&I RetrofitCustom Motor	Electric	Retrofit	Custom	\$0.30	\$0.40	\$0.37	\$0.38
ElectricC03a Large C&I RetrofitVSD-HVAC	Electric	Retrofit	Custom	\$0.35	\$0.35	\$0.36	\$0.37
ElectricC02a C&I Lost OpportunityWater Source Heat Pump	Electric	NC	HVAC	\$0.45	\$0.45	\$0.50	\$0.50
ElectricC02a C&I Lost OpportunityCustom HVAC	Electric	NC	Custom	\$0.35	\$0.35	\$0.36	\$0.37
HVAC, Custom	Electric	SMB	HVAC	\$0.60	\$0.75	\$0.84	\$0.90
Custom Motors/Drives, HVAC	Electric	SMB	Custom	\$0.60	\$0.75	\$0.80	\$0.80
Custom Motors/Drives, Non-HVAC	Electric	SMB	Custom	\$0.60	\$0.75	\$0.80	\$0.80
GasC02a C&I Lost OpportunityBOILER RESET 1 STAGE	Gas	NC	HVAC	\$30.00	\$36.00	\$36.00	\$36.00
GasC02a C&I Lost OpportunityBoiler - 95% AFUE < 300 MBU	Gas	NC	HVAC	\$30.00	\$36.00	\$36.00	\$36.00
GasC02a C&I Lost OpportunityBoiler - 96% AFUE	Gas	NC	HVAC	\$25.00	\$30.00	\$30.00	\$30.00
GasC02a C&I Lost OpportunityCombo Condensing Boiler/ Water Heater - 95%	Gas	NC	HVAC	\$20.00	\$24.00	\$24.00	\$24.00
GasC02a C&I Lost OpportunityCondensing Boiler - <= 300 mbh	Gas	NC	HVAC	\$30.00	\$36.00	\$36.00	\$36.00
GasC02a C&I Lost OpportunityCondensing Boiler - 1000-1700 mbh	Gas	NC	HVAC	\$30.00	\$36.00	\$36.00	\$36.00
GasC02a C&I Lost OpportunityCondensing Boiler - 1701+ mbh	Gas	NC	HVAC	\$30.00	\$36.00	\$36.00	\$36.00
GasC02a C&I Lost OpportunityCondensing Boiler - 300-499 mbh	Gas	NC	HVAC	\$30.00	\$36.00	\$36.00	\$36.00
GasC02a C&I Lost OpportunityCondensing Boiler - 500-999 mbh	Gas	NC	HVAC	\$30.00	\$36.00	\$36.00	\$36.00
GasC02a C&I Lost OpportunityERV - Fixed Plate UPSTR	Gas	NC	HVAC	\$16.09	\$19.31	\$19.31	\$19.31
GasC02a C&I Lost OpportunityERV - Rotary Wheel UPSTR	Gas	NC	HVAC	\$13.79	\$16.55	\$16.55	\$16.55
GasC02a C&I Lost OpportunityINFRARED HEATER - LOW INT	Gas	NC	HVAC	\$16.00	\$19.20	\$19.20	\$19.20

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Division 2-13

Request:

Bates pages 173-174 state, “The Company is actively implementing its income-eligible focused Heat Pump Plan to encourage electric resistance heating customers to upgrade to air source heat pumps systems. These high efficiency systems reduce annual energy expenditures and decrease reliance on fossil fuels. As part of RI Energy’s Heat Pump Plan, the Company was directed by the PUC to develop a Heat Pump Plan to achieve 750 conversions annually by 2025 with 25 percent of those customers served classified as income eligible. In 2024, the Company will continue to aggressively reach out to income-eligible customers to upgrade to efficient electric heating.”

- a. How many electric resistance heating customers does the Company plan to upgrade to air source heat pumps systems in 2024, 2025, and 2026?
- b. How many of these upgrades are planned for income eligible customers in each year?
- c. What is the budget for implementing this plan in 2024, 2025, and 2026?

Response:

- a. Please see the table below.

<b>Year</b>	<b>Planned Electric Resistance Heating Upgrades (Measure Quantity)</b>
2024	988
2025	1,149
2026	1,254

- b. Please see the table below.

<b>Year</b>	<b>Planned Income-Eligible Electric Resistance Heating Upgrades (Measure Quantity)</b>
2024	120
2025	190
2026	196

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c. Please see the table below.

<b>Year</b>	<b>Planned Electric Resistance Heating Upgrade Budget (Total Incentives)</b>
2024	\$5,574,000
2025	\$6,882,000
2026	\$7,380,000

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Division 2-14

Request:

Referring to Bates pages 120, 122, and 124, please explain why the program implementation expenses for the electric portfolio increase year over year from 2024 to 2025 and from 2025 to 2026.

Response:

Program Implementation Expenses represent the sum of the Program Planning & Administration, Marketing, Rebates and Other Customer Incentives, Sales, Technical Assistance & Training, and Evaluation & Market Research budgets. The largest driver of electric program implementation expenses increasing from 2024 to 2025 and from 2025 to 2026 is increases in the Rebates and Other Customer Incentives budgets between each year.

From 2024 to 2025, in the electric portfolio, Program Planning & Administration, and Evaluation & Market Research budgets decrease, while Marketing, Rebates and Other Customer Incentives, and Sales, Technical Assistance & Training budgets increase, resulting in a net increase. The largest driver of the overall increase is the increase in the incentive budget, amounting to 87% of the total increase in the electric portfolio program implementation budget.

From 2025 to 2026, in the electric portfolio, the Evaluation & Market Research budget decreases, while Program Planning & Administration, Marketing, Rebates and Other Customer Incentives, and Sales, Technical Assistance & Training budgets increase, resulting in a net increase. The largest driver of the overall increase is the increase in the incentive budget, amounting to 92% of the total increase in the electric portfolio program implementation budget.

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Division 2-15

Request:

Referring to Bates pages 126, 128, and 130, please explain why the program implementation expenses for the gas portfolio increase year over year from 2024 to 2025. Please also explain why the program implementation expenses for the gas portfolio decrease year over year from 2025 to 2026.

Response:

The table shown in Bates page 130 contains an incorrect value for the Program Implementation Expenses for the gas Income Eligible Single Family program. A version of the table with the corrected Program Implementation Expenses is shown below.

**Rhode Island Energy**  
**2026 Rhode Island Cost Effectiveness Test**  
**Summary of Gas Benefits, Expenses, and Evaluation Costs (\$000)**

	<b>RI Test Benefit / Cost</b>	<b>Total Benefit</b>	<b>Program Implementation Expenses</b>	<b>Participant Cost</b>	<b>Performance Incentive</b>
<b>Residential</b>					
Residential New Construction	1.55	\$1,118.9	\$474.9	\$247.0	
Residential HVAC	1.08	\$2,989.1	\$1,235.7	\$1,542.8	
EnergyWise Single Family	1.07	\$14,137.8	\$11,992.9	\$1,160.6	
EnergyWise Multifamily	3.29	\$4,405.7	\$1,299.7	\$38.8	
Home Energy Reports	4.06	\$1,439.1	\$354.6	\$0.0	
Comprehensive Marketing - Residential			\$84.5		
Community Based Initiatives - Residential			\$49.3		
<b>Subtotal</b>	<b>1.30</b>	<b>\$24,090.6</b>	<b>\$15,491.7</b>	<b>\$2,989.3</b>	<b>\$0.0</b>
<b>Income Eligible Residential</b>					
Income Eligible Single Family	1.53	\$7,255.0	\$4,745.1	\$0.0	
Income Eligible Multifamily	3.19	\$9,176.1	\$2,872.9	\$0.0	
<b>Subtotal</b>	<b>2.16</b>	<b>\$16,431.1</b>	<b>\$7,618.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

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<b>Commercial &amp; Industrial</b>					
Large C&I New Construction	5.51	\$14,514.2	\$2,333.1	\$300.9	
Large C&I Retrofit	2.56	\$21,474.9	\$4,954.4	\$3,443.0	
Small Business Direct Install	2.10	\$2,026.1	\$787.7	\$178.2	
C&I Multifamily	5.20	\$5,552.2	\$777.6	\$290.8	
C&I Financing			\$0.0		
Community Based Initiatives - C&I			\$3.8		
Commercial Workforce Development			\$32.1		
<b>Subtotal</b>	<b>3.06</b>	<b>\$43,567.5</b>	<b>\$8,888.7</b>	<b>\$4,213.0</b>	<b>\$1,138.8</b>
<b>Portfolio</b>					
EERMC			\$376.5		
OER			\$630.6		
Rhode Island Infrastructure Bank			\$1,262.5		
<b>Subtotal</b>			<b>\$2,269.6</b>		
<b>Grand Total</b>	<b>1.97</b>	<b>\$84,089.2</b>	<b>\$34,268.0</b>	<b>\$7,202.2</b>	<b>\$1,138.8</b>

The Company will file an updated version of the “Rhode Island Energy 2026 Rhode Island Cost Effectiveness Test Summary of Gas Benefits, Expenses, and Evaluation Costs (\$000)” table to reflect this correction.

As can be seen in the table above, when making this correction, the program implementation expenses for the gas portfolio increase year over year from 2025 to 2026, rather than decrease. Thus, this response explains why the expenses increase year over year from 2024 to 2025, and also increase year over year from 2025 to 2026.

Program Implementation Expenses represent the sum of the Program Planning & Administration, Marketing, Rebates and Other Customer Incentives, Sales, Technical Assistance & Training, and Evaluation & Market Research budgets. The largest driver of gas program implementation expenses increasing from 2024 to 2025 and from 2025 to 2026 is increases in the Rebates and Other Customer Incentives budgets between each year.

From 2024 to 2025, in the gas portfolio, Program Planning & Administration, and Evaluation & Market Research budgets decrease, while Marketing, Rebates and Other Customer Incentives,

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and Sales, Technical Assistance & Training budgets increase, resulting in a net increase. The largest driver of the overall increase is the increase in the Rebates and Other Customer Incentives budget, amounting to 100% of the total increase in the gas portfolio program implementation budget (the value is 100% because the decreases in the Program Planning & Administration and Evaluation & Market Research budgets are nearly exactly netted out by the increases in the Marketing and Sales, Technical Assistance & Training budgets).

From 2025 to 2026, in the gas portfolio, Program Planning & Administration, and Evaluation & Market Research budgets decrease, while Marketing, Rebates and Other Customer Incentives, and Sales, Technical Assistance & Training budgets increase, resulting in a net increase (not a decrease as is stated in the question; please refer to the corrected table above). The largest driver of the overall increase is the increase in the Rebates and Other Customer Incentives budget, amounting to 84% of the total increase in the gas portfolio program implementation budget.