

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**PASCOAG UTILITY DISTRICT'S 2024 :  
DEMAND SIDE MANAGEMENT PROGRAM : DOCKET NO. 23-41-EE**

**REPORT AND ORDER**

**I. Introduction**

On November 9, 2023 and pursuant to R.I. Gen. Laws § 39-2-1.2, Pascoag Utility District (Pascoag or District) filed its Demand Side Management (DSM) Program for 2024 with the Public Utilities Commission (Commission or PUC). Pascoag proposed an overall budget of \$235,568 to fund its residential and commercial energy efficiency programs for calendar year 2024.<sup>1</sup> On November 27, 2023, the Rhode Island Office of Energy Resources (OER) filed a letter in support of Pascoag's proposed programs and requesting approval. On December 6, 2023, the Division of Public Utilities and Carriers (Division) filed a memorandum recommending approval of Pascoag's 2024 DSM Program.<sup>2</sup> On December 19, 2023 the Commission held an Open Meeting and unanimously approved the filing.

**II. Pascoag's DSM Program for 2024**

For calendar year 2024, Pascoag proposed a DSM budget of \$235,568 which is comprised of \$161,601 from 53,867,000 kWh of forecasted sales, \$10,652.88 of 2023 carryover, \$54,260 from 2023 carryover for commercial lighting projects that will be complete in 2024, and \$9,054 of 2024 RGGI funding. The budget is divided into residential programs, industrial/commercial programs, administrative costs, and community outreach, marketing, and education costs.<sup>3</sup>

---

<sup>1</sup> Pascoag Utility District's 2024 Demand Side Management Program (Nov. 9, 2023) (Filing). All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, Rhode Island or at <https://ripuc.ri.gov/Docket-23-41-EE>.

<sup>2</sup> Division Mem. (Dec. 6, 2023).

<sup>3</sup> Schedule A-1, Schedule B at 11 (Nov. 9, 2023).

For its Residential Sector, Pascoag proposed a total budget of \$87,700 for its five existing programs. Last year, it requested an increase to the System Benefit Charge (SBC) for the first time in twenty-five years due to an increase in the demand for its Residential Audit and Weatherization Program which it asserts will support reducing greenhouse gas emissions (GHGs) and the demand on the electric grid. The request was approved by the Commission at an Open Meeting on December 20, 2022.<sup>4</sup>

Pascoag proposed a budget of \$61,000 comprised of \$9,054 of Regional Greenhouse Gas Initiative (RGGI) funds and \$51,946 from ratepayers to fund the Residential Audit and Weatherization Program and to continue the current incentive of 100% up to \$2,250. This year, it proposed paying the utility rebate directly to the contractor for qualified low income customers instead of providing a rebate to the customer after the work is complete. It reasoned that the upfront cost barrier prevents or delays many low income customers from moving forward with energy saving measures. Last year Pascoag proposed discontinuing the Landlord/Renter pilot and including \$10,000 of the \$15,000 2023 budget in weatherization incentives for two rental properties as part of the Residential Audit and Weatherization Program. It proposed continuing this in 2024 with the same rebate of 100% up to \$2,250 for insulation and air sealing measures. The \$61,000 budget for the program is allocated as follows: 1) \$17,450 for 50 energy audits; 2) \$3,000 for direct installs of LED lightbulbs, smart strip, aerators and shower heads; 3) \$40,550 to rebate insulation, air sealing, and programmable thermostats, and 4) \$10,000 for weatherization for two rental properties.<sup>5</sup>

Pascoag proposed maintaining its ENERGY STAR Offerings program at current incentive levels but decreasing funding to \$4,000. It proposed some changes to its HVAC and Water Heater

---

<sup>4</sup> Schedule C at 4; Docket No. 22-40-EE, Order No. 24622.

<sup>5</sup> *Id.* at 12-14.

program for a total budget of \$12,000 to align with the CleanHeatRI offering and to allow customers to combine its funding with that of funding being offered by the State through CleanHeatRI. Pascoag would like to continue the Enhanced Heat Pump Program and developed a list of 73 customers with electric resistance heat that it will target. Finally, it requested approval to use \$700 of the year-end balance of \$10,652.88 to satisfy the remaining 2023 rebates and to apply the remaining \$9,952.99 towards the 2024 budget.<sup>6</sup>

Pascoag proposed a budget of \$98,868 for four Industrial/Commercial programs. It proposed maintaining the same Small Business ENERGY STAR Offerings program that was approved in 2023 in Docket No. 22-40-EE which provides for a rebate of 10% for a variety of commercial appliances, with a cap of \$350. In the Committed Funds-Lighting and Energy Efficiency Projects 2023 category, there are two projects: 1) the Zamborano Hospital project expected to be completed by the March 2024 and provide estimated savings of 235,000 kWh annually and 2) the Burrillville High School project expected to be completed in the first half of 2024 and produce estimated savings of 273,000 annually. Pascoag also is committing \$30,079 for a lighting project at the Bayberry Nursing Home.<sup>7</sup>

Pascoag proposed a budget of \$8,329 for its Potential 2024 Lighting and EE Projects category. Pascoag Auto Parts expressed interest in an LED lighting project in 2024 that will provide annual kWh savings of 24,526 and reduce their kW by 7.92. The rebate for this project is \$4,776. Pascoag seeks to reduce the funding to the LED Street Light Incentive program from \$10,000 to \$5,000 and apply that to the balance owed on the purchase and installation of 610 LED

---

<sup>6</sup> *Id.* at 14-18.

<sup>7</sup> *Id.* at 21. Commercial appliances included in the Small Business ENERGY STAR offerings program are ENERGY STAR rated commercial dishwashers, commercial fryers, commercial ice machines, commercial hot food holding cabinets, commercial griddles, commercial refrigerators and commercial steam cookers.

streetlights completed in 2016. Application of the \$5,000 to the balance owed will reduce it to \$28,906.<sup>8</sup>

Pascoag proposed maintaining the same level of funding at \$33,000 for its Administrative Programs. The funds would be allocated to: 1) administrative expenses, 2) the energy efficiency consultant, and 3) program research and development. Pascoag proposed a budget of \$23,000 for administrative expenses which would be used to pay the District for its staff time, supplies and mileage reimbursement for all DSM-related activities. Pascoag's three Customer Service Representatives devote many hours to the DSM program assisting customers. The DSM Coordinator also spends considerable time researching compliance for submitted rebate requests, reconciling DSM programs, updating programs, and creating new programs. The Assistant General Manager also participates by working with industrial and commercial customers on their projects and performing site visits. Pascoag proposed continuation of the funding for its energy consultant, Optimal Energy, to help guide data collection, cost-benefit analysis, and program development and requested \$10,000 of funding.<sup>9</sup>

Pascoag requested a total of \$15,000 to fund its Community Outreach, Marketing & Education Sector. It actively participated in a number of community events. It stated that it will continue to explore other avenues of funding for its community engagement. Its community engagement has included visiting 4<sup>th</sup> grade students at Steere Farms Elementary School, attending the Burrillville Aging Stronger Lunch and Learn, Pascoag Spring Splash event, the Green Festival, and the Pascoag Fall Splash event where it provided information and answered questions about its DSM programs. Pascoag proposed including its partnership with the Jesse Smith Library within the Community Outreach/Education line instead of as a separate line item as the Earth Day Contest

---

<sup>8</sup> *Id.* at 21.

<sup>9</sup> *Id.* at 22.

is used as an educational tool. Here, the District has partners with the Jesse Smith Library and Burrillville Recycling for an Earth Day poster contest for students in grades K-5 to promote recycling and energy efficiency. The top twelve posters are then transformed into a calendar which is made available for free to Pascoag's customers. This year it was able to secure \$800 from advertisers to help offset the cost of the calendars. Pascoag staff has also been working on developing a user friendly tool where its customers can access information on all of its programs. Lastly, Pascoag would like to maintain \$1,000 in the Energy Efficiency Management Continuing Education fund so the DSM Coordinator can attend in-person training opportunities.<sup>10</sup>

### **III. Office of Energy Resources**

On November 27, 2023, OER filed a letter strongly supporting and urging the Commission to approve Pascoag's DMS Plan as filed.<sup>11</sup> The letter stated the Plan represents Pascoag's ability to deliver clean and affordable energy to its customers. OER noted how Pascoag adjusted its heat pump program to align with the specifications and efficiency ratings with those of OER and its CleanHeatRI Heat Pump program.<sup>12</sup>

OER stated that once the Bayberry Nursing Home Lighting project is complete, Pascoag would have completed lighting projects for 8 of its 10 largest commercial energy users. The letter stated that Pascoag plans to collaborate with C&I customers to determine how to achieve greater efficiency in their facilities. OER noted Pascoag's plans to develop a single dashboard making it easier for customers to research and explore potential cost savings and applauded Pascoag's efforts to align its programs with the state's energy goals. OER expressed confidence that Pascoag's customers will realize value and cost savings from the programs offered through its 2024 DSM

---

<sup>10</sup> *Id.* at 24-25.

<sup>11</sup> Kearns Letter at 1-2 (Nov. 27, 2023).

<sup>12</sup> *Id.* at 1.

Plan that align with Rhode Island' long term energy goals and requested the Commission to approve the Plan as filed.<sup>13</sup>

#### **IV. Division of Public Utilities and Carriers**

On December 6, 2023, the Division filed a memorandum of Joel Munoz, a rate analyst, recommending the Commission approve Pascoag's Plan. Mr. Munoz reiterated the information provided in Pascoag's filing. He discussed the 1 mil increase to the System Benefit Charge that was approved by the Commission last year. He also noted that the \$9,054 of Regional Greenhouse Gas initiative funds represented an end to that funding.<sup>14</sup>

Mr. Munoz represented that the Division supports Pascoag's request for alignment of funding based on SBC contributions by sector, finding it equitable and more symmetrical and synchronized with what sectors are contributing into the DSM plan. He discussed the various programs in each sector. He noted that Pascoag is a not-for-profit utility that does not receive any incentives, relies on its close relationship with customers, and understands what its customers demand. He observed that residential energy audits and weatherization measures, and commercial and industrial lighting projects are in demand in the service area. Mr. Munoz stated that Pascoag's customers benefit from its DSM programs, even if such benefits are indirect or societal and that those benefits stay within the utility's service area. The Division recommended approval of Pascoag's 2024 DSM Plan and budget as filed.<sup>15</sup>

---

<sup>13</sup> *Id.* at 2.

<sup>14</sup> Munoz Mem. at 1-2 (Dec. 9 2022).

<sup>15</sup> *Id.* at 2-4.

## Decision

At the Open Meeting on December 19, 2023, the Commission unanimously approved Pascoag's 2024 DSM Plan and associated budget. The Commission was satisfied that the District continues to carefully monitor its programs and the use of its DSM funds. It is evident to the Commission the District is dedicated to providing services in an efficient manner by continuing to review existing programs and annually making modifications to those programs that reflect its customers' needs.

The Commission also asked that Pascoag file its 2025 plan by November 1, 2024.

Accordingly, it is hereby

(24906) ORDERED:

1. Pascoag Utility District's 2024 Demand Side Management Programs and associated budget are approved.
2. A factor of \$0.0033 per kilowatt-hour is hereby approved in accordance with R.I. Gen. Laws §39-2-1.2, with \$0.003 per kilowatt-hour to be applied to the Demand Side Management Programs approved herein and \$0.0003 per kilowatt-hour to be administered by the Rhode Island Commerce Corporation for renewable energy programs. This rate shall apply to energy consumed on or after January 1, 2024.

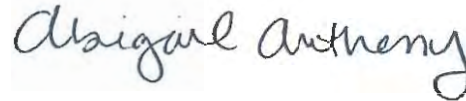
EFFECTIVE AT WARWICK, RHODE ISLAND ON JANUARY 1, 2024 PURSUANT  
TO AN OPEN MEETING DECISION ON DECEMBER 19, 2023. WRITTEN ORDER ISSUED  
JANUARY 17, 2024.

PUBLIC UTILITIES COMMISSION



---

Ronald T. Gerwatowski, Chairman



---

Abigail Anthony, Commissioner



---

John C. Revens, Jr., Commissioner



**NOTICE OF RIGHT OF APPEAL:** Pursuant to R.I. Gen. Laws §39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.