# Memorandum

To: Energy Efficiency & Resource Management Council
From: Mike Guerard & Sam Ross, Optimal Energy
Date: December 10, 2018
Subject: Rhode Island Potential Study Proposed Scope of Work Outline

## I. Background

This memo outlines key steps and timelines for developing the Scope of Work (SOW) for the upcoming Rhode Island Energy Efficiency Potential Study. The potential study will be a critically important tool in the development of the next three-year energy efficiency plan in Rhode Island covering 2021-2023, as it will help inform energy savings targets, cost estimates, program design, and areas of emerging opportunity, among other areas. It is also anticipated that the study will provide relevant information for the ensuing three-year plan covering 2024-2026. If approved, the C-Team expects to collaborate with the Office of Energy Resources (OER), National Grid, and other stakeholders as the scope of work is further refined. Key topics covered in this memo include:

- Planned high-level scope for potential study
- Timeline for scope of work, RFP, and contract award
- Budget
- Key outstanding questions for the Council
- Illustrative outline of key SOW Components

These areas are important to clarify in anticipation of investing further time to build a comprehensive scope of work.

## II. High-Level Scope

The chart below highlights key parameters for defining a potential study, with proposed definitions included for the upcoming Rhode Island study.

| Parameter | Definition | Value for RI Study |
|---|---|---|
| Time Period | The program years for which potential energy savings will be estimated | 2021 through 2026 |
| Geography | The area in which potential energy savings will be estimated | Rhode Island (3 Utility Territories) |
| Fuels | Which fuel types will be covered by the study | - Electricity<br>- Natural Gas<br>- Delivered fuels |
| Energy Resources | The energy system resources that will be considered in estimates of potential savings | - Energy Efficiency<br>- Demand Response<br>- Heating Electrification |
| Areas of Focus | Specific areas of focus, which may receive somewhat greater research effort during the early phases of the study | - Lighting<br>- Combined Heat and Power (CHP)<br>- Emerging Technologies |
| Potential Study Scenarios | The different types of savings potential which will be estimated during the study | - Technical - Maximum Achievable<br>- Economic - Program Achievable |

## III. Timeline

The proposed timeline for developing the SOW and the subsequent Request for Proposals (RFP), below, is driven by the early 2020 PUC approval deadline for Rhode Island's upcoming three year energy efficiency plan target-setting process. In addition, the timeline seeks to ensure that adequate time is provided between contractor selection and due dates for key deliverables, to allow the eventual study implementer to perform a high-quality, comprehensive analysis.

| Date | Key Events |
|---|---|
| December 2018 | Council votes on whether to direct C-Team to fully develop SOW |
| January 2019 | C-Team solicits Council input on remaining key questions |
| February 2019 | C-Team provides a draft SOW for Council review and feedback. OER begins drafting RFP. |
| March 2019 | C-Team provides an updated draft SOW for further Council feedback |
| April 2019 | OER issues RFP for Rhode Island Energy Efficiency Potential Study |
| May – June 2019 | Interested contractors submit proposals to OER, C-Team for review |
| July 2019 | C-Team recommends contractor to Council, who vote whether to approve |
| July – Nov 2019 | Contractor conducts core analysis of potential study |
| December 2019 | Interim results prepared for review, ready to inform three-year planning cycle |
| March 2020 | Final report delivered, final results ready to inform annual planning cycle |

## IV. Budget

The budget for the Rhode Island Energy Efficiency Potential Study is currently composed fully of EERMC funding, approximately $250,000 USD for calendar year 2019. It has been previously noted that the budget will need to be augmented with at least a similar level of EERMC funding for calendar year 2020 for a total allocation of $500,000. As the Council considers the appropriate scope of the potential study, it is worth keeping in mind the available source(s) of funding for the study. If needed, auxiliary sources, potentially including program dollars normally spent on areas that the potential study will help inform, could be used to further augment the study budget.

## V. Key Outstanding Questions

This section highlights key areas which have been raised for discussion in the context of the potential study SOW. Once directed to do so, the C-Team expects to invest further time in understanding the possible options in each case, and building a consensus among critical stakeholders, in anticipation of drafting a final RFP.

i. Does the Council feel Distributed Energy Resources should be included in the potential study SOW?
ii. Is there sufficient need for Council input on the SOW to form a subcommittee, or will as-needed updates to the full Council provide sufficient opportunities for input and guidance?

As noted in the timeline, above, these questions do not need to be answered immediately, but will certainly warrant discussion at future meetings as the SOW is developed further.

## VI. Scope of Work Example Outline

**Preparatory Responsibilities**

Task 1: Planning & Introduction meetings with key stakeholders

Task 2: Identify and collect input data sources

Task 3: Clean and assess input data, including measure characterization sources, efficiency technologies' penetration, energy sales data, cost of EE acquisition, and other key inputs.

**Core Analytical Responsibilities**

Task 4: Establish baseline, including known future changes to policy, building codes, and equipment standards

Task 5: Estimate Technical and Economic Potential

Task 6: Estimate Maximum Achievable Potential, specifying key drivers of difference from Economic

Task 7: Estimate Program Achievable Potential, specifying key drivers of difference from Max Achievable

**Reporting Responsibilities**

Task 8: Provide draft report with key findings and recommendations for feedback and revision

Task 9: Provide final report with key findings and recommendations