

2022 Approved Energy Efficiency Plan

EERMC

February 17, 2022

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Budget Changes from Original Plan Filing to Approved Plan

Budget Changes –

- The proposed 2022 budget filed on 10/1/22 was \$159.3M. After the changes highlighted below, the overall approved budget is now \$145.5M, an overall reduction of \$13.8M (9%)
- \$9.1M for the RI Grows CHP project was removed from the proposed Energy Efficiency Plan
- The Target Performance Incentive was reduced for electric programs from \$5.5M to \$3.4M and for gas programs from \$1.7M to \$1.0M, an overall reduction of \$2.8M
- The Evaluation, Measurement and Verification budget was reduced by \$0.7M (23%) from \$3.1M to \$2.4M
- The EERMC's budget was reduced by \$0.7M (41%) from \$1.7M to \$1.0M
- The OER's budget was reduced by \$0.3M (13%) from \$2.6M to \$2.3M
- The \$5.0M allocation to RIIB under the electric budget was shifted to being proportionally allocated across electric and gas budgets, resulting in \$3.7M budgeted for electric and \$1.3M budgeted for gas

Electric Portfolio Comparison

Electric Portfolio	Original Plan (Filed 10/1/21)	Provisional Plan (Filed 10/8/21)	Approved Plan	Difference from Original Plan to Approved Plan
Budget (\$M)	\$122.6	\$122.6	\$108.6	-11%
Electric Energy Savings (Lifetime MWh)	1,145,371	893,474	833,808	-27%
Electric Energy Savings (Annual MWh)	127,561	117,454	111,983	-12%
BC Ratio	1.64	1.67	1.77	8%
EE Rate (*Approved rate in effect from 2/1/22 – 12/31/22)	0.01406	0.01425	0.01222	-13%

Gas Portfolio Comparison

Gas Portfolio	Original Plan (Filed 10/1/21)	Approved Plan	Difference from Original Plan to Approved Plan
Budget (\$M)	\$36.7	\$36.9	0.5%
Gas Energy Savings (Lifetime MMBtu)	4,059,902	4,059,902	0%
Gas Energy Savings (Annual MMBtu)	389,430	389,430	0%
BC Ratio	2.74	2.72	-1%
Residential EE Rate (*Approved rate in effect from 2/1/22 – 12/31/22)	\$1.221	\$1.354	11%
Commercial EE Rate (*Approved rate in effect from 2/1/22 – 12/31/22)	\$0.836	\$0.886	6%

Adjustments to Evaluation, Measurement and Verification Budget

Sector	Study Name
C&I	Impact Evaluation of PY2020 Custom Gas Installations
C&I	Impact Evaluation of PY2020 Custom Electric Installations
C&I	C&I Lighting Market Characterization Study
C&I	Automated RTU Optimization Demonstration Evaluation
C&I	Cannabis ISP
C&I	Impact Evaluation of PY2021 Custom Gas Installations
C&I	Impact Evaluation of PY2021 Custom Electric Installations
C&I	Small Business Process Evaluation
C&I	C&I New Construction Baseline Study
C&I	C&I Free-Ridership and Spillover Study
C&I	C&I Prescriptive Non-Lighting Impact Evaluation
C&I	Adhoc study
Residential	Participation and MF Census Study
Residential	EE Non-Participant Study (continued from 2021)
Residential	Solar Inverter Power Factor Correction Demonstration Evaluation (continued from 2021)
Residential	Residential New Construction and Code Compliance Study (continued from 2021)
Residential	Mini-split/Central Heat Pump Metering Study - In collaboration with the MA study
Residential	Gas Heat Pump Demonstration Evaluation
Residential	Placeholder for assessing secondary heating in EWSF
Residential	Placeholder for Moderate Income NEI study (piggyback with MA study)
Residential	Adhoc study
Cross-cutting	Workforce Associated with Rhode Island Energy Efficiency Programs Analysis Study

Decreased budget for 2022
Delayed
Removed

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Appendix - PUC Votes at Open Meeting 1/25/22

- To grant temporary confidential treatment for the documents provided to the PUC by the Company in response Record Request 5 related to two items of noncompliance of program rules that were disclosed in the Company's response to PUC 5-4. (Chairperson made the order, no votes needed since procedural issue.)
- To allocate the \$5M transfer to the Rhode Island Infrastructure Bank (RIIB) to both the electric and gas budgets on a proportional basis based on their budgets. (Passed 3-0)
- To reduce the revenue for evaluation by \$725,000 to approximately \$2.4M. (Passed 3-0)
- To continue utilization of the Performance Incentive Mechanism (PIM) approved in Order No. 24225 in Docket 5076 with the following modifications: (i) approve a design performance payout for the electric C&I sector of \$3,390,165 and for the gas sector of \$1M and (ii) approve the following service quality adjustments for gas and electric residential and income eligible - reduce electric and gas income eligible by 38% and reduce non-income eligible residential gas and electric by 25% from last year's numbers. (Passed 3-0)
- To direct the Company to allocate the RIIB costs proportionately in the calculation of net eligible costs for the gas and electric performance incentive mechanism. (Passed 3-0)

Appendix - PUC Votes at Open Meeting 1/25/22 (continued)

- The allocation to the EERMC be set to \$1,025,763 allocated between electric and gas proportional to the total budget for each. (Number was incorrectly stated at Open Meeting, but the accurate number of \$1,025,763 was confirmed by PUC counsel) (Passed 3-0)
- To allocate to OER an amount equal to 60% of the 3% of funds authorized to be collected from ratepayers through the System Benefits Charge (SBC), (Passed 3-0)
- All expenses incurred by EERMC for 2022 shall be paid by the Company upon receipt of invoice documentation that the amounts are owed as approved by the executive director. The Company shall take all reasonable steps to expedite such payments as soon as possible but no later than 30 days from receipt. If the Company is not complying with this directive, EERMC should notify the PUC (Passed 3-0)
- To direct EERMC to return any funds in the client account to the Company and for the Company to pay any remaining bills. Any excess after paying the outstanding bills shall be credited to ratepayers through the reconciliation process. (Passed 3-0)
- No future funds shall be transferred to EERMC directly. (Passed 3-0)

Appendix - PUC Votes at Open Meeting 1/25/22 (continued)

- EERMC manages expenses within the allocations authorized in this Order; however, if EERMC forecasts its actual expenses to exceed the amount approved by the PUC in this order, the EERMC may make a filing seeking approval in advance for additional allocation of funds to cover excess expenses provided that a full explanation and justification for the excess expenditures is included in the filing to the PUC and such expenditures are found to be just and reasonable by the PUC. (Passed 3-0)
- The Company shall file copies of all invoices paid to cover EERMC's expenses on a quarterly basis by the 15th of April, July, October and December, and a full reconciliation of the prior calendar year's payments by March 15. The December filing shall also include an estimate of the expenses not yet paid but expected to be invoiced as informed by a representative of the EERMC. Copies of these reports also shall be sent directly to each of the EERMC members individually. (Passed 3-0)
- To allow recovery in rates of the requested \$6.097M related to gas overspend subject to full review by the PUC when final numbers are filed and to direct the Company to file final numbers with the PUC by April 1, 2022. (Passed 3-0)

Appendix - PUC Votes at Open Meeting 1/25/22 (continued)

- To approve the electric energy efficiency budget as presented in the Company's response to PUC 7-9 otherwise known as the "alterative base case" subject to the modifications made by the PUC today and to approve a gas energy efficiency budget as filed by the Company with the PUC subject to the modifications made by the PUC today. (Passed 3-0)
- To direct the Company to file compliance filing with the PUC by Wednesday, January 26, 2022 for the PUC's review and consideration on Friday, January 28, 2022. (Passed 3-0)
- To authorize the Company to implement the programs as described in the 2022 Annual Energy Efficiency Plan as modified by PUC's motions in this docket. (Passed 3-0)
- EERMC shall develop a budget for 2023 to be included in the 2023 Annual Energy Efficiency Plan that the Company will file with the PUC by October 1, 2022.*

*This was not a vote but the PUC indicated that this would be included in their written order

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