STATE OF RHODE ISLAND
ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

CONSULTANT TEAM

Consultant Team Cost-Effectiveness Report 2023 Energy Efficiency Plan

Presented By: EERMC Consultant Team

Date: September 29, 2022

Outline

Legislative Basis for EERMC Cost-Effectiveness (CE) Report

Cost-Effectiveness Review Process

Cost-Effectiveness Finding

EERMC Cost-Effectiveness Report

The meeting materials for today include a final draft Cost-Effectiveness (CE) Report pursuant to the LCP Standards:

> "The Council shall prepare memos on its assessment of the cost effectiveness of the EE Plans, pursuant to R.I. Gen. Laws §39-1-27.7(c)(5), and submit them to the PUC no later than three weeks following the filing of the respective EE Plans with the PUC, or in accordance with the procedural schedule set in the applicable docket."

Setting Stage for Final CE Report

The Consultant Team set the stage for a final assessment of cost-effectiveness:

- Consistent oversight of planning and implementation, e.g.:
  - EE TWG and associated work streams
  - Review of plan documents
  - Ongoing review of monthly and quarterly data
- Regular engagement in EE program design and evaluation work, e.g.:
  - Sector Team, EM&V meetings
  - EE program and EM&V study review & feedback

Final Review for CE Report

Reviewed second draft BCR Models for accuracy, completeness, and appropriate updates due to recent evaluation work

- Anticipate updates to final numbers included in report that will reflect final draft numbers from RI Energy
- Final draft updates not expected to change narrative of report

Reviewed analysis of cost of supply

Compared analyses to LCP standards and historical assessments of cost-effectiveness

NOTE: THIS SLIDE WILL BE UPDATED PENDING RECEIPT OF UPDATED BC MODELS FROM THE RIE TEAM

Cost-Effectiveness Finding

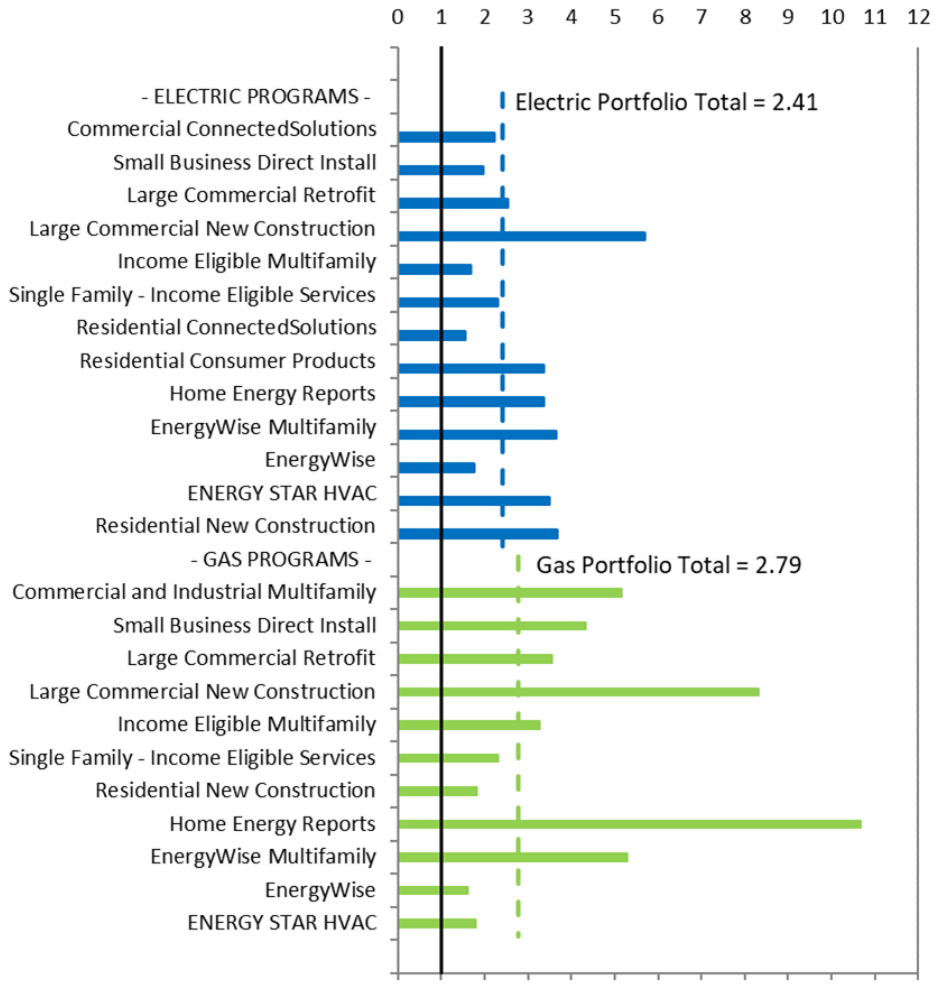
All programs in both the electric and gas portfolios are cost-effective according to the RI Cost Test

Electric Portfolio

- 2.41 RI Test BCR

Gas Portfolio

- 2.79 RI Test BCR



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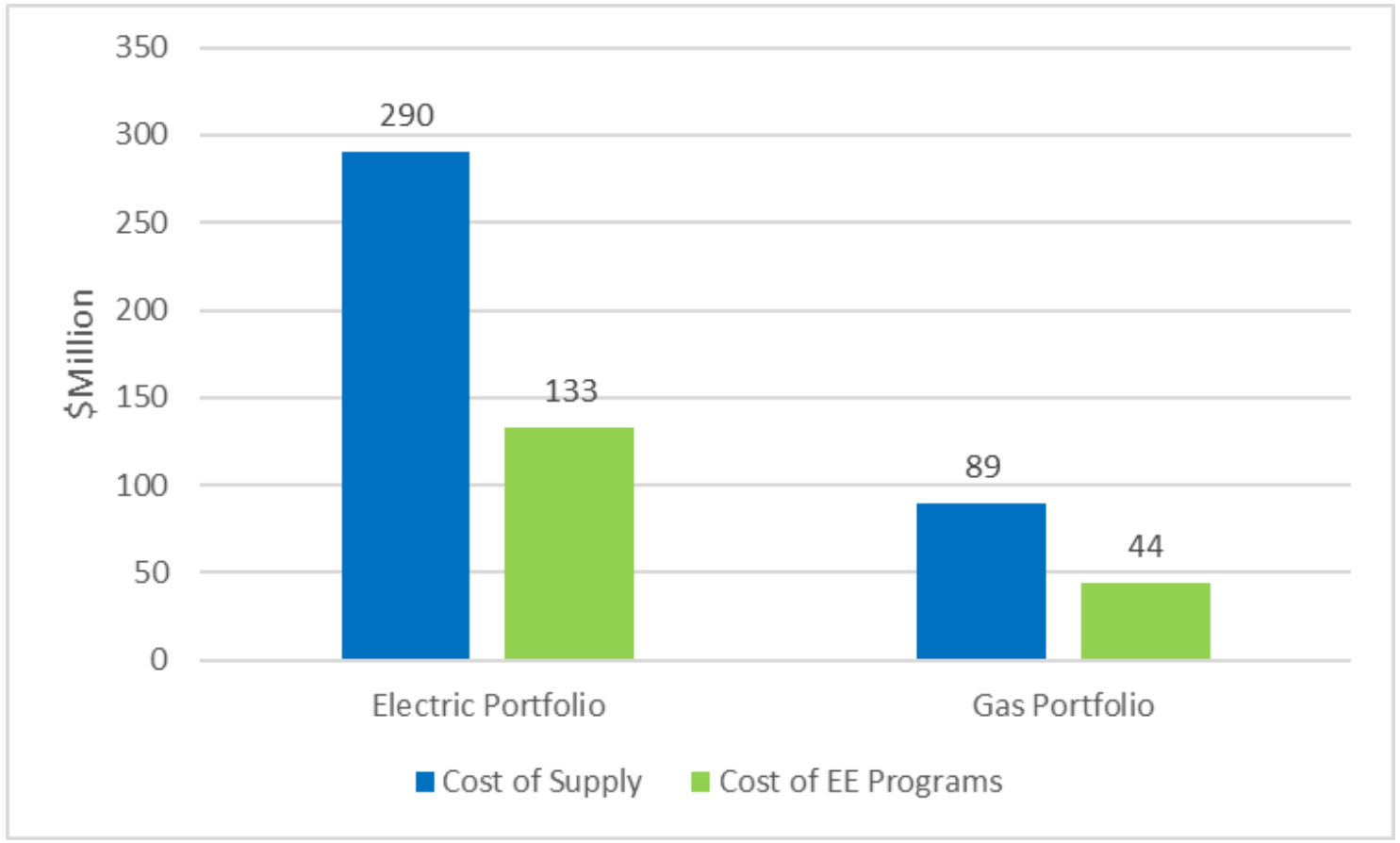
Cost of Supply Finding

Electric and Gas portfolio costs are lower than the cost of procuring alternative supply

Electric Portfolio is $157.5M cheaper than cost of alternative supply

Gas Portfolio is $44.7M cheaper than cost of alternative supply



Council Member Discussion