



STATE OF RHODE ISLAND

**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

Consultant Team Cost-Effectiveness Report 2024 Annual and 2024-2026 Three-Year Energy Efficiency Plans

Presented By: EERMC Consultant Team

Date: October 19, 2023



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 C-Team set the stage for a final assessment of cost-effectiveness

Consistent oversight of planning and implementation

- 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

- Sector Team, EM&V meetings
- EE program and EM&V study review & feedback



Final Review for CE Report

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

Reviewed analysis of cost of supply

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



Cost-Effectiveness Finding

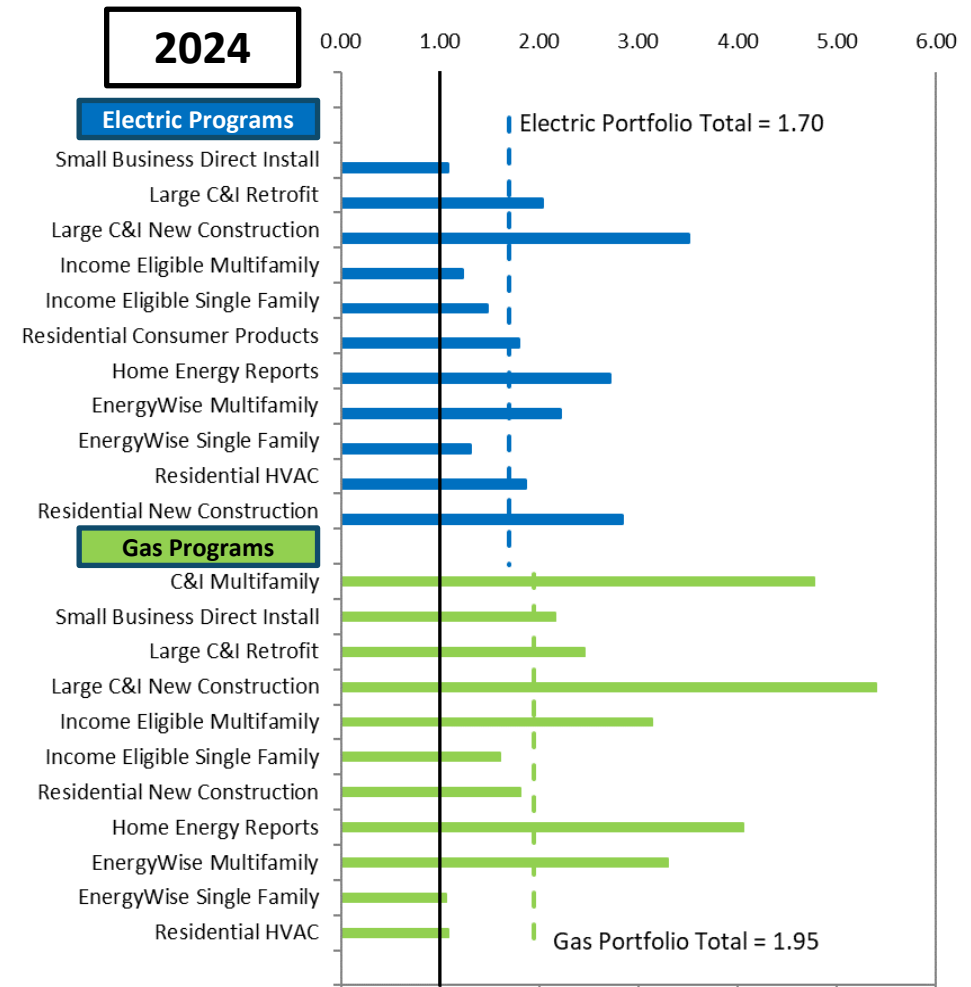
All programs in both the electric and gas portfolios, **in all three years**, are cost-effective according to the RI Cost Test

2024 Electric Portfolio

– 1.70 RI Test BCR

2024 Gas Portfolio

– 1.95 RI Test BCR





New View on Cost-Effectiveness

LCP Standards updated in 2023 require the Company to assess cost-effectiveness when considering benefits and costs allocated between RI Energy and other jurisdictions

- Helps assess how portfolio and program cost-effectiveness are impacted by cost and benefit streams that occur outside of RI Energy’s jurisdiction

Impact is lower BCRs – mainly on the electric side – where some electric benefits that occur outside of RI Energy’s jurisdiction are subtracted from the calculation

- Even when removing these benefits from the RI Test BCR calculation, all programs and portfolios are still cost-effective

Table 1. RI Test and TRC Test BCR Values

Portfolio	RI Test				RI Test (Intrastate)			
	2024	2025	2026	2024-2026	2024	2025	2026	2024-2026
Electric	1.70	1.75	1.76	1.73	1.46	1.50	1.52	1.49
Gas	1.96	1.96	1.99	1.97	1.95	1.95	1.99	1.96

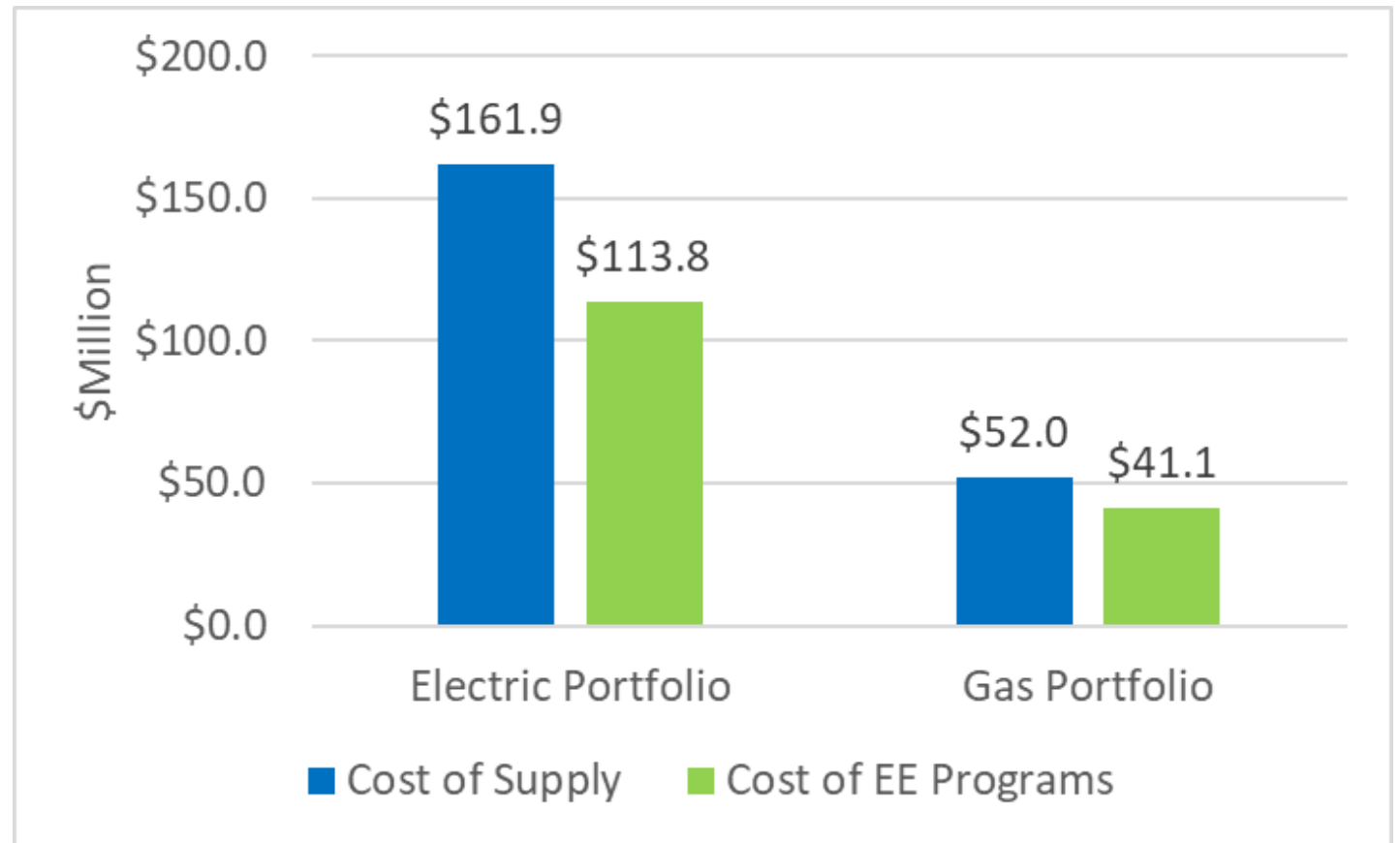


Cost of Supply Finding

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

- Electric Portfolio is **\$48.1M cheaper** than cost of alternative supply
- Gas Portfolio is **\$10.9M cheaper** than cost of alternative supply

Data presented only for 2024 with no significant deviations from this finding expected for 2025 or 2026





Council Member Discussion

