

**Cost-Effectiveness Report:  
Rhode Island Energy's 2024-2026 System Reliability  
Procurement Three Year Plan**

**An Assessment and Report by  
EERMC Consultant Team**

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**Working on Behalf of the**



STATE OF RHODE ISLAND  
**ENERGY EFFICIENCY &  
RESOURCE MANAGEMENT COUNCIL**

**Submitted to the Rhode Island Public Utilities Commission**

**November xx, 2023**

**Commented [CJ1]:** To be updated. If RIE sticks with its current timeline, it will file on 11/21, which means this will need to go in by 12/12.

## Summary of Consultant Team Findings

The Energy Efficiency and Resource Management Council (EERMC) Consultant Team reviewed the 2024-2026 System Reliability Procurement Three Year Plan (the “Three Year Plan” or “Plan”), which was also reviewed and approved by the Council on October 19, 2023, and was filed with the Commission on November xx, 2023 by Rhode Island Energy (“the Company”). The Plan proposes \$0 of incremental spending for administration, and the Plan does not contain specific proposed investments which could be assessed for cost-effectiveness. As a result, the Plan itself was not the focus for this cost-effectiveness assessment, as any Plan with no associated costs can be construed to be cost-effective. Instead, confidential Benefit-Cost Analysis (BCA) Models for Non-Wires Alternative (NWA) and Non-Pipes Alternatives (NPAs), and associated Technical Reference Manuals (TRM), were assessed for validity and consistency with the RI Test and the proposals contained within the Plan, in anticipation of their use to screen individual proposed NWA and NPA investments. The EERMC finds that these tools are structured to be consistent with the Rhode Island Test (RI Test), and that individual proposed NWA investments can therefore be appropriately reviewed for cost-effectiveness at the time those investments are proposed.

Commented [CJ2]: To be updated based on actual filing date.

The EERMC submits these findings in compliance with the Least Cost Procurement (LCP) Standards adopted on July 27, 2023 by the Rhode Island Public Utilities Commission (PUC):

“The Council shall prepare memos on its assessment of the cost effectiveness of the Three-Year SRP Plan, 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 Three-Year SRP Plans with the PUC, or in accordance with the procedural schedule set in the applicable docket.”

These findings and the remainder of this report were distributed to the EERMC on November 9, 2023 and presented to the EERMC by the EERMC Consultant Team at its November 16, 2023 meeting, where they were approved and adopted in a vote of the EERMC.

Commented [CJ3]: Update if they are distributed on a different date.

## II. Oversight of Planning and Implementation Activities

The EERMC, consistent with its statutory obligations under the 2006 Comprehensive Energy Act, continues to play an involved and active role with Rhode Island Energy to guide, facilitate, and support public and independent expert participation in the review, oversight, and evolution of utility SRP program implementation. In the Three Year Plan, this included review of and feedback on the development of the Non-Pipes Alternative (NPA) program, assessment of Plan consistency with recent changes to the Least Cost Procurement Standards, review of SRP Investment proposal drafts, and reviewing plans for continued implementation of existing SRP program activities.

*Cost-Effectiveness Report on Rhode Island Energy's 2024-2026 System Reliability Procurement (SRP) Three Year Plan*

The EERMC has met its review and input requirements both at its regularly scheduled meetings with Rhode Island Energy and through SRP Technical Working Group (TWG) meetings and ad hoc communications as needed.

For the Three Year Plan, the Consultant Team reviewed and provided feedback on two drafts prior to receiving and reviewing a final, third draft, upon which the findings of this memo are based.

#### **IV. Cost-Effectiveness Review**

The SRP Three Year Plan does not contain specific proposed investments expected to generate quantifiable costs and benefits, nor incremental plan administration costs. Accordingly, the Plan can be considered cost-effective in the sense that there are no associated costs. As a result, the Plan itself was not the primary focus for assessment of cost-effectiveness according to the RI Test. Instead, confidential NWA and NPA BCA Models, and associated TRMs were provided to and reviewed by the Consultant team. These documents were assessed for validity and consistency with the RI Test and the Three Year Plan in anticipation of their use to screen individual proposed NWA investments. These tools are structured appropriately to enable screening NWA investments compared to traditional wires alternatives. Cost-effectiveness findings related to individual proposed NWA investments can therefore be reviewed at the time those investments are proposed.

#### **V. Conclusion**

For the reasons stated herein, the EERMC and the EERMC's Consultant Team find that Rhode Island Energy's *2024-2026 System Reliability Procurement Three Year Plan* appropriately considers cost-effectiveness, and that the accompanying BCA models and TRMs are adequately prepared to meet cost-effectiveness screening requirements pursuant to R.I.G.L. § 39-1-27.7 (c)(5).