

Exhibit 1



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL DRAFT MEETING MINUTES

Thursday, January 25, 2024 | 3:00 PM – 5:00 PM

Department of Administration Conference Room 2B Providence, RI 02908 with remote participation via Zoom.

Members in Attendance: Harry Oakley, Peter Gill Case, Susan AnderBois, Kurt Teichert, Dave Caldwell, Bob Izzo, Priscilla De La Cruz, Thomas Magliocchetti, Joe Garlick, Chris Kearns, Brett Feldman

Others in Attendance: Steven Chybowski, William Owen, Georgia Cheney, Craig Johnson, Sam Ross, Toby Ast, Michael O'Brien Crayne, Carrie Gill, Stephen Lasher, Jay Gotra, Alex Purdue, Jeff Webber, Dana Goodman, Nate Hua (virtual), Nancy Chafetz (virtual), Jamie Charles (virtual), Todd Olinsky-Paul (virtual), Krysti Shallenberger (virtual), Jordan Graham (virtual), Joel Munoz (virtual), John Harrington (virtual), Nelson DiBiase (virtual), Tim Faulkner (virtual), Sara Sultan (virtual), Edward Schmidt (virtual), Emily Koo (virtual), Spencer Lawrence (virtual), Carlos Millan (virtual), Adrian Caesar (virtual), Mark Bowen (virtual), Ann Clarke (virtual), Margaret Hogan (virtual), Neevetha Nadarajah (virtual), Gabriela Olmedo (virtual), Pete Falcier (virtual), Shauna Beland (virtual), Rebecca Golding (virtual), Matt Sullican (virtual), Karen Bradbury (virtual), Alice Horgan (virtual), David Moreira (virtual), Ella Wynn (virtual), Mike Mernick (virtual)

1. Call to Order

Chairperson Oakley called the meeting to order at 3:06 p.m.

2. Chair Report

Chairperson Oakley gave an overview of the agenda. He also explained that any comments made by the public must be made during the Public Comment period and he provided instructions for virtual participants to provide public comment. Chairperson Oakley brought attention to the written public comments submitted before the meeting which can be found on the EERMC meeting website under "Other Materials". A summary of the PUC December hearings can also be found on the website under "Other Materials", for Council review.

3. Executive Director Report

Acting Commissioner Kearns of the Office of Energy Resources (OER) presented the executive report to the Council. Mr. Kearns reminded Councilors that the energy efficiency administrative request for proposals (RFP) was posted in December and applications are due in mid-March. Pertaining to Federal Funding, OER is working on two programs for home efficiency and electrification that together amount to about 64 million dollars. A

Request for Information (RFI) document will be posted to the OER website in the coming days soliciting feedback from stakeholders around the program design. These programs are tied to federal rules in terms of rebates and eligible technology, but OER still wants to solicit feedback from local stakeholders and responses are due by February 23rd.

Acting Commissioner Kearns also shared that the offshore wind (RFP) has been extended along with the other states participating to March 27th. This is for a multi-state procurement of offshore wind. Lastly, he shared that the Efficient Buildings Fund has announced an application period for this spring. This program is implemented in partnership with the Rhode Island Infrastructure Bank. Municipal energy project applications are due Friday, May 10th.

4. Meeting Minutes

Chairperson Oakley motioned to approve the December 21st, 2023, Meeting Minutes. Council Member AnderBois seconded. All in favor, none opposed, and the December Meeting Minutes were approved.

5. Public Comment:

Stephen Lasher, Enphase Energy

Mr. Lasher submitted public comments to the EERMC in partnership with Sunrun, Nexamp, Rooftop Power, Newport Solar, NEC Solar, Sol Power Solar, and New England Clean Energy. These comments are made in response to Rhode Island Energy's Connected Solutions Proposal to reduce the residential battery customer incentive from \$400 to \$200 a kilowatt year and to reduce the scheduled term from five years to three years. All eight organizations oppose Rhode Island Energy's proposal because it would decimate the residential battery adoption and enrollment in the program. Rhode Islanders will be less prepared for future load growth due to beneficial electrification and climate change because residential battery and solar backup batteries play a role in the long-term liability and resiliency of local and regional bridge. They respectfully urge the EERMC to reject Rhode Island Energy's proposal and recommend that all effective stakeholders collaborate on a rigorous cost-benefit analysis based on current and future benefits and costs. Then, based on these results stakeholders should work together to develop an improved residential battery program with an incentive structure that will support sustainable development now and in the future. He shared that the Massachusetts battery enrollment is a fraction of what it is in Rhode Island on a per capita basis. Specifically, the 45% higher program incentive offered by Rhode Island currently has resulted in 4.6 times higher battery adoptions and program enrollments per capita. The current residential battery program directly supports jobs and local installers and also residential battery systems energy customers. That is why there are so many installers at the meeting today. Mr. Lasher ended with the comment that changing the incentive with such short notice would be very disruptive to all program participants, including customers, and would result in a poor customer experience. Mr. Lasher requests at least nine months of advance notice of incentive changes to prepare their company for programmatic changes. Mr. Lasher also requests to work with Rhode Island Energy and consultants to develop a revised benefit-cost analysis test and determine the new incentives.

Jay Gotra, Smart Green Solar

Mr. Gotra runs his business out of Providence and currently has 3,000 customers in Massachusetts and Rhode Island that the company has recruited over the past three years. Mr. Gotra echoes what Mr. Lasher said about the technical side of the Connected Solutions Plan and added his perspective of the business side of the Connected Solutions plan. Batteries are needed to create microgrids to lower the power consumption and usage. Billing is what killed net metering in California, time of use billing is the biggest threat to our constituents and our homeowners, and they are not prepared for it. Mr. Gotra points out that his company already marketed this program and had thousands of customers sign up this year to participate. To accommodate this, Mr. Gotra invested over a million dollars to go out and install batteries throughout Rhode Island. The new Connected Solutions program would limit the program to 841 participants, negatively impacting the enrollment in Mr. Gotra's business. Mr. Gotra remarks that if Rhode Island wants to have 100% renewable energy by 2030 it cannot limit battery installations to 841 homeowners per year. Rhode Island is not currently building microgrids fast enough. Mr. Gotra would like to get more installers involved to understand fulfillment concerns as they are the ones implementing the programs.

Alex Purdue, NEC Solar

Mr. Purdue also echoes Mr. Lasher's comments. NEC Solar has seen high battery adoption rates in Rhode Island businesses. The current program in Rhode Island has seen great adoption rates which are attributed to the current demand response program. There will be a dramatic decrease in adoption rates without this incentive program. Mr. Purdue seconds Mr. Lasher's idea that a more thorough review of this proposal is needed.

Jeff Webber, Greentech Renewables

The companies present at this meeting are all customers of Greentech Renewables. The Connected Solutions proposal will greatly hurt not just the solar and battery installers but also the renewable energy distributors. This will result in a loss of employees and trucks on the road. Ultimately, it means a reduction of resources spent in the state which in turn lowers tax revenue in Rhode Island.

Nate Hua, Leap Energy

Mr. Hua submitted public comment before the meeting. The comments focus on the commercial and industrial (C&I) offerings from Rhode Island Energy's plan. First, Mr. Hua questioned why the small commercial rate customers were integrated into the residential pathways, and Mr. Hua believes that these customers should be allowed to participate via the C&I pathways. As an example, if a commercial customer is able to reduce their load by greater than a Kw, their annual incentive would exceed that of the residential offering. Additionally, Leap Energy recognizes that a lot of commercial customers often like to participate in multiple programs at once and that a full suite of programs is not currently accessible. Utility offerings are managed holistically via a curtailment service provider. The avoided capacity cost for exports and the deck that Rhode Island Energy will walk through is valued at zero. Mr. Hua suggests that this value should equal the avoided capacity costs for curtailment, ultimately, that the incentive for exports should equal that of daily dispatch. This is because exports provide similar value to the grid as curtailment and are only allowed within pre-approved interconnection limits, and it also represent procurable

capacity. The third point made is that Mr. Hua recognizes and appreciates Rhode Island Energy's willingness to honor the 2023 dispatch rate for enrollments prior to the 2024 season, however, since the season starts on June 1st rather than April 1st and recruitment for the summer is already underway and proposals are not finalized, it is recommended that the date be changed from April 1st to June 1st and that the 2023 incentives are honored.

Nancy Chafetz, CPower Energy

Ms. Chafetz noted that written public comments were also submitted in December. CPower Energy is one of the largest demand response service providers in the nation with 6 gigawatts of capacity under management. Ms. Chafetz's comments are also related to the Connected Solutions program and the C&I side. Ms. Chafetz is particularly concerned about the changes to daily dispatch because she thinks it will discourage battery development. She is specifically concerned about the elimination of the five-year rate lock. Lowering the incentive rate and lowering the incentive rate for net export is problematic. Net exports have the same value as load reduction from batteries. She believes that the new cap on the incentive is a problem. Many battery installations are currently under development and none of them will be able to go forward with these changes in place. It is hard to develop a C&I battery without a rate lock. even a three-year rate lock is a non-starter for C&I batteries. Increasing peak demand reduction from this program while keeping the budget static and decreasing incentives does not work. Ms. Chafetz thanks the Council for the opportunity to make a public comment.

Jamie Charles, Sunnova Energy

Mr. Charles explained that Sunnova Energy is a national leading solar and storage service provider. They have 386,000 customers in over 48 states and territories including Rhode Island. Sunnova works with independent local dealers and sub-dealers who would be greatly impacted by these proposed changes so Mr. Charles would like to comment on the System Reliability Procurement investment proposal by Rhode Island Energy. The largest barrier to residential energy storage is the cost and the proposal is to reduce the incentive levels and shorten the incentive schedule for residential energy storage deployment increasing customer barriers due to higher costs. In contrast, Connecticut's public utilities regulatory authority has recently increased incentives for storage programs to support residential battery storage. Rhode Island Energy's justification for reducing incentives is based on the idea that it would generate value by reducing peak demand through discharging electricity and exporting it to the distribution system. By participating in demand response programs customers can curtail their electricity usage during periods of peak demand when energy prices are typically at their highest. This results in lower peak demand charges in overall electricity costs. Lowering incentive levels may result in lower available capacity from customer-side batteries to offset peak demand, potentially leading to the need for more expensive peaker plants to be utilized. It is Sunnova's recommendation that Rhode Island Energy continues the Connected Solutions Program with the current incentive levels. These levels pay the fair compensation for the value of services that customers are providing. By reducing the incentive level in the program, the program and its success will be reduced.

Todd Olinsky-Paul, Clean Energy Group

Clean Energy Group is a national nonprofit located out of Vermont and works with state energy agencies on clean energy programs and policies across the country. Mr. Olinsky-Paul has focused on energy storage policy for the past 11 years and has studied the Connected Solutions model from its inception with analysis and advocacy, including conducting independent cost-benefit analysis for the program in Massachusetts. Olinsky—Paul agrees with the comments filed by CPower and would like to add additional comments. The Connected Solutions program started in Rhode Island and Massachusetts as an innovative model that has since spread throughout New England and is now being replicated outside of the region in places such as New Jersey, Maryland, and North Carolina. Rhode Island, where the program started has not expanded and improved, and in this case, the current proposal for Rhode Island Energy not only fails to meaningfully expand the program but instead proposes to reduce incentive rates, cap incentives, and reduce the incentive term. This would kill numerous projects in the pipeline, discourage future subscribers and make financing for future battery projects much more difficult. Aggregated, distributed storage, coupled with distributed solar is the clean energy resource of the future. It offers numerous grid benefits and supports the State's clean energy goals, while providing valuable resilience revenues and cost savings to the customer. What Rhode Island should be doing is increasing Connected Solutions program budgets, increasing incentives, and adding equity incentive adders for low-income and underserved communities. He feels that it is tragic that while the innovative Connected Solutions model is being adopted and improved by other states, the state that invented it, is not advancing the model, but is content to allow it to be gradually reduced and devalued. Mr. Olinsky-Paul offered to provide more information upon request and will submit written comments.

Krysti Shallenberger, Sunrun

Ms. Shallenberger appreciates the opportunity to provide testimony before the Energy Efficiency Council on agenda item 6a, the Rhode Island Energy System Reliability Procurement proposal. The proposal as presented makes significant changes to Rhode Island's Connected Solutions program, and Ms. Shallenberger requests that the Council does not vote to approve the plan today as there are some questions and issues that warrant further consideration. Ms. Shallenberger thanks Rhode Island Energy for taking the time to have discussion and receive feedback on the Connected Solutions proposal and Ms. Shallenberger hopes to continue those conversations. Sunrun has seen customers become interested in Rhode Island's Connected Solutions program and Sunrun had planned to increase the number of customers. However, they now fear a sharp decrease in the performance payment from \$400 per kilowatt to \$200 per kilowatt will negatively impact overall enrollment numbers at a time when more enrollments should be encouraged to directly reduce peak demand constraints. There are some outstanding questions that Ms. Shallenberger urges the Council to consider before approving any changes proposed today. Absent in the avoided cost calculation for battery exports is the value from customers who self-generate their energy and consume it without taking power from the grid or exporting it. Additionally, also absent is the value of greenhouse gas emissions reductions Sunrun recommends that this value be calculated within the performance payment value stack. Sunrun believes this will strengthen the program for all Rhode Island participants. Finally, Sunrun appreciates and supports the five-year lock for already enrolled customers, but would recommend moving back the start date for any changes to this program to at least

June 1st, 2024. This aligns with the start of the 2024 season to ensure that the proposed changes are made with the customers in mind and provide the optimal experience to enroll in the program. Ms. Shallenberger thanks the Council and requests that they do not vote to approve the plan today.

Jordan Graham, Tesla

Mr. Graham opposes Rhode Island Energy's proposal to sharply decrease the performance compensation under the Connected Solutions battery energy storage program. Mr. Graham also opposes the elimination of the five-year compensation level lock. Virtual power plant programs are still somewhat young and are trying to build trust with residential customers. At a time when Rhode Island is seeking to increase its storage deployment, things that matter most to residential customers in terms of making purchasing decisions are predictability, consistency, and market stability for programs in which they participate. Essentially, customers need to understand the economics of their purchasing decisions when they make it. If word going around Rhode Island is that Connected Solutions funding can be decreased on a whim with no ability to lock performance payments for even five years, then that is going to deter customers from buying residential battery energy storage systems. The other states with Connected Solutions have the five-year rate lock and there is no reason Rhode Island should do away with it. While it may be reasonable to readjust the incentive, Tesla believes it needs to be done more thoughtfully with more nuance and leeway than Rhode Island Energy has proposed. Due to these issues, Tesla recommends that the Council does not vote to approve the proposal as it stands.

- *Dana Goodman, NEC Solar*

Ms. Goodman opposes the proposal for the various reasons previously stated. She thinks the suggestion that the heat loan would be available only to low-income residents would be problematic. Most of NEC Solar customers take advantage of the heat loan. The reduction to \$200 is not going to be something that NEC Solar clients are going to want to hear. It is going to make it difficult to incentivize customers to buy batteries knowing that their friends and neighbors are already getting higher incentives than they are and knowing they will not have the same five-year rate lock. From a public perspective this is going to cause quite an uproar. Even in Massachusetts they are doing \$275 and, in this proposal, commercial is at \$300. Why is commercial valued over residential when residential homeowners have the right to install what they want and should be compensated for that? The rate lock is problematic because starting on March 31st, 2024, does not give NEC Solar time to inform existing clients that are in the process of purchasing batteries. The clients that are in the process of having a battery installed and going to be surprised as to why all of the sudden their rate lock is going to change. It is unfair to customers unable to participate in the five-year rate lock when in the customers sales consultation NEC Solar promised a five-year rate lock. It will be problematic for NEC Solar to be able to sell batteries moving forward when customers are not guaranteed the promised five-year rate lock. In moving forward NEC Solar needs to be able to sell batteries and to have an active demand response program in the state which is now being disincentivized.

6. Program Oversight

- a. *Presentation and Potential Vote on Rhode Island Energy's 2024 System Reliability Procurement Investment Proposal for the Electric Demand Response Program (15 min, 3:10 – 3:25 p.m.)*

Dr. Gill presented on Rhode Island Energy's 2024-2026 System Reliability Procurement Investment Proposal for the Electric Demand Response Program. Dr. Gill discussed the program structure of the Connected Solutions Program, how customers can participate, and the calculations made to set program values. She offered to talk with anyone through email about the Connected Solutions program, her email is CaGill@rienergy.com.

Mr. Ross recommended that the Council does not take a position on the Connected Solutions program at this time because Council Members were not given enough time to review the proposal and the proposal is not finalized yet. Once the Council has a more informed decision, they can then choose whether to endorse or not endorse the program. The program is time sensitive as the demand response program operates in the summer.

Council Member AnderBois commented that she agrees with Mr. Ross' suggestion, and she requests more information on the analysis of willingness to pay, if the incentive amount enough to achieve climate goals, and wants to hear more about EV demand response programs.

Council Member De La Cruz commented that she agrees with Council Member AnderBois and is troubled by Rhode Island Energy's approach to policies like the Act on Climate. She believes that Rhode Island Energy is being short-sighted and not considering the long term and what is beneficial to the residential customer. Ms. De La Cruz requests a cost comparison be made considering all costs and factors. She was also curious about how this plan compliments grid modernization efforts.

Council member Teichert posed a question on the timeline. He was concerned about the proposal being changed to start March 31st and how that timeline will be influenced by the PUC and Council review timeline. Mr. Ross responded to Council Member Teichert that if the Council wants to voice opposition through a formal docket filing, they can or they can take a position at their next meeting on February 15th.

- b. *Consultant Team Review of Data Snapshot (15 min, 3:25 – 3:40 p.m.)*

Chairperson Oakley motioned to table agenda item 6.b. until the next Council meeting Council Member AnderBois seconded. All in favor, none opposed.

- c. *Discussion of Council Priorities for the 2025 Program Year (20 min, 3:40 – 4:00 p.m.)*

Mr. Johnson presented to the Council on developing priorities for the 2025 program year. This included why the Council develops priorities and how they are used. He reviewed the 2024-2026 Energy Efficiency plan priorities including topics related to the Future of Gas docket, the Act on Climate, and federal funding. Mr. Feldman commented that Rhode Island Energy wants to further explore the outcomes of the PUC hearings with Council Members.

7.Council Business

- a. *Review and Potential Vote to Reallocate Funds in the Council's 2024 Budget (15 min, 4:00 – 4:15 p.m.)*

Mr. Chybowski presented on the 2024 EERMC budget. He explained that the PUC set the Council budget lower than the Council initially proposed for the 2024 year, with the possibility to apply for more funding if needed as the year progresses. Vice Chair Gill Case commented to Council Members that the Council will monitor and assess the budget in Q2 and Q3 to determine if more funds may be needed. Chairperson Oakley agreed with Vice Chair Gill Case and asked Council Members to wait and see how things go before making adjustments to the Council budget.
- b. *Review and Potential Vote on the Consultant Team's 2024 Draft Scope of Work (15 min, 4:15 – 4:30 p.m.)*

Chairperson Oakley motioned to table agenda item 7.b. until the next meeting Council meeting. Council Member AnderBois seconded. All in favor, none opposed.
- c. *Discussion and Vote to Execute Contract Extension with the URI Cooperative Extension for Public Forum and Lecture Series Services (5 min, 4:30 – 4:35 p.m.)*

Mr. Chybowski shared that the Council worked with URI for their public events in 2023 and that the contract allows for an extension if both parties agree. Council Member AnderBois commented that URI did an amazing job did this past year and Vice Chair Gill Case and Council member Teichert agreed. Chairperson Oakley requested that the Consultant Team outline how 2024 could be elevated in terms of the lecture series hosted by URI. Vice Chair Gill Case motioned to execute a contract extension with URI for the EERMC Public Forum and Lecture Series and to direct the Office of Energy Resources to work with EERMC legal counsel to execute the contract extension. Chairperson Oakley seconded. All in favor, none opposed.
- d. *Discussion and Potential Vote on the Council Meeting Calendar for 2024 and a Preview of Possible Discussion Topics (15 min, 4:35 – 4:50 p.m.)*

Mr. Johnson presented on the Council's 2024 meeting calendar which includes meeting times and potential meeting topics. Chairperson Oakley recommended that the meetings continue to be on the third Thursday of the month from 3 p.m. to 5 p.m., with the option to be flexible if needed for a quorum. He asked the Council Members to be proactive in assessing their schedules and notifying the Council if they cannot make a meeting. Chairperson Oakley requested that Council Members give two to three weeks' notice if they cannot make a meeting. Council member Teichert asked to hear more in the future about the energy efficiency supply chain. Vice Chair Gill Case also pointed out that Council Members have more commitments than what is shown on the calendar, such as participating in the SRP technical working group meetings. Dr. Gill offered to bring in anyone from Rhode Island Energy to provide further information on issues like federal funding. Council Member Caldwell announced the start of RIBA's building code training course that was created to help contractors understand the new 2024 building codes that will go into effect this summer.

8. Adjournment

Chairperson Oakley thanked everyone for their participation today and motioned to adjourn the meeting at 4:58 p.m. Council Member AnderBois seconded, and the meeting was adjourned.

DRAFT

Exhibit 2



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL DRAFT MEETING MINUTES

Thursday, February 15, 2024 | 3:00 PM – 5:00 PM

Department of Administration Cafeteria Conference Room, RI 02908 with remote participation via Zoom.

Members in Attendance: Harry Oakley, Peter Gill Case, Susan AnderBois, Kurt Teichert, Dave Caldwell (arrived at 3:55 p.m.), Bob Izzo, Priscilla De La Cruz, Thomas Magliocchetti, Chris Kearns, Brett Feldman

Others in Attendance: Steven Chybowski, Georgia Cheney, Craig Johnson, Rachel Sholly, Adrian Caesar, Toby Ast, Carrie Gill, Michael O'Brien Crayne, Jay Gotra, Emily Koo, Mark Siegal, Carrie Gill, Allison Archambault, Spencer Lawrence, Sara Sultan (virtual), Nate Hua (virtual), Stephen Lasher (virtual), Dana Goodman (virtual), Nelson DiBiase (virtual), Anika Kreckel (virtual), Krysti Shallenberger (virtual), Oliwia Krupinska (virtual), Gabriela Olmedo (virtual), Nancy Chafetz (virtual), Tim Faulker (virtual), Jessica Reno (virtual), John Harrington (virtual), Conor MacDonald (virtual), Rebecca Golding (virtual), Pete Falcier (virtual), Fiona Zhou (virtual), Margaret Hogan (virtual), Jamie Charles (virtual)

1. Call to Order

Chairperson Oakley called the meeting to order at 3:17 p.m.

2. Chair Report

Chairperson Oakley explained that any comments made by the public must be made during the Public Comment period and he provided instructions for virtual participants to provide their comments. Chairperson Oakley brought attention to the written public comments submitted before the meeting which can be found on the EERMC meeting website under "Other Materials." He also shared that the Council is looking to book its two LEAD sessions, one April 29th and the other October 28th at Rhode Island College. The Rhode Island Home Show, which is co-sponsored by the EERMC will be held April 4th through 7th at the Providence Convention Center. Lastly, Chairperson Oakley gave a brief overview of the meeting agenda.

3. Executive Director Report

Acting Commissioner Kearns reported out to the Council on some of the current projects from the Office of Energy Resources (OER). First, a request for Information (RFI) has been posted on OER's website for the Home Energy Rebate programs. The Office is accepting stakeholder feedback until February 23rd. Second, OER is accepting municipal applications for the Lead by Example Clean Energy awards with applications due by March 29th. Next, the Federal Energy Efficiency Block Grant for municipal energy efficiency projects up to

\$100,000 is now open for municipal applications until February 21st. In addition, The State's Efficient Buildings Fund provided by the Rhode Island infrastructure Bank in collaboration with OER will soon be accepting applications for low-interest loans for municipal energy projects. OER has Department of Administration approval to get Council Members badges for monthly meetings. Lastly, OER's Clean Heat Rhode Island program has rolled out a dashboard with the geographic distribution and monthly updates of heat pump installations for stakeholders and the public to view.

4. Meeting Minutes – January 25, 2024

Chairperson Oakley motioned to approve the January 25th, 2024 Meeting Minutes. Council member Teichert seconded. All in favor, none opposed, and the January Meeting Minutes were approved.

5. Public Comment

- *Justin Paquette, Smart Green Solar*

Mr. Paquette commented on Rhode Island Energy's updated System Reliability Procurement proposal. He stated that the battery demand response section of Rhode Island Energy's System Reliability Procurement proposal causes concern for the future of Rhode Island's electrical grid and climate change goals. Battery systems increase the resilience of communities. Renewable energy and Batteries are the future of Rhode Island, and the proposal takes the state further away from its climate goals. Peak demand reduction at the lowest possible cost will not meet Rhode Island greenhouse gas or renewable energy goals. Mr. Paquette suggested that the Connected Solutions Program be ran by an entity separate from the utility company to ensure that the funds are being used to create programs that meet the goals of communities.

- *Jay Gotra, Smart Green Solar*

Mr. Gotra stated that the goal of the committee is to find the lowest and most environmentally friendly source of power and that the committee supports the State goals of going renewable by 2030. Currently, Smart Green Solar is installing batteries that cannot be turned on because Rhode Island Energy is turning the accounts down. The current renewable energy program, Renewable Energy Growth, and the Connected Solutions battery programs need to be better connected for customer use. The customers voice needs to be represented to reach the greater goals of the community.

- *Steve Lasher, Enphase Energy (virtual)*

Mr. Lasher shared that he had submitted written public comment before the meeting. His comments are in opposition to Rhode Island Energy's proposed Connected Solutions program reduction of the residential battery incentive and limit on the Heat loans. Enphase believes that the battery incentives should not be reduced. Demand response programs are essential for reliable peak load reduction and customer bill savings. These incentives will become even more important in the

future as electrification grows in response to climate change. If Rhode Island Energy's proposal is approved, battery investment and enrollment will plummet to pre-Connected Solutions levels in Rhode Island. This will negatively affect the community's resiliency, environmental, and economic benefits. Mr. Lasher respectfully urges the Council to oppose Rhode Island Energy's proposal. Mr. Lasher recommends further stakeholder engagement on a fair benefit-cost analysis and construction of the residential battery incentive program to support sustainable deployment. Enphase strongly opposes the June 1st start date as it does not give customers and industry stakeholders enough time to make major programmatic changes, a 9-month period to make programmatic changes is suggested instead.

- *Nancy Chafetz, CPower Energy (virtual)*

Ms. Chafetz commented on the commercial and industrial (C&I) side of the Connected Solutions program. She noted that she appreciates this process of soliciting stakeholder feedback. The incentive cap on the C&I side concerns Ms. Chafetz. She stated that batteries need to reach a certain size to achieve economies of scale and customers are only interested in batteries that provide resilience. Ms. Chafetz suggests a cap of 1.375 million for the battery incentive program which would make a meaningful impact in peak load reduction. Ms. Chafetz thanks the Council and recommends that the EERMC suggests this small increase to the PUC in order to significantly help the program's potential uptake.

- *Nate Hua, Leap Energy (virtual)*

Mr. Hua thanks the Council and Rhode Island Energy for the continued opportunity to engage and provide feedback on the System Reliability Procurement proposal. Leap Energy submitted written public comment prior to the meeting. The C&I daily dispatch incentive does not include the energy arbitrage for battery resources like the residential battery incentive. Leap Energy recommends that Rhode Island Energy implement a daily dispatch incentive that is specific to battery storage resources. Mr. Hua would like to note that he did not see language addressing the payment procedure if the budget was exceeded and suggests that this language is included. Mr. Hua requests that Rhode Island Energy clarifies the language around the multi-year incentive rate and commitment letter lock. This would help clarify the respective and combined timelines.

- *Tim Faulkner, NEC Solar (virtual)*

Mr. Faulkner commented on the changes to the demand response program. He suggests more due diligence on the costs and benefits of the proposed changes is needed. Mr. Faulkner believes it would be helpful to know why Rhode Island is reducing incentives while Massachusetts and Connecticut are increasing incentives, especially when the need for battery storage is increasing to address energy issues in Rhode Island.

- *Dana Goodman, NEC Solar (virtual)*

Ms. Goodman does not understand why commercial battery system rebates are higher than residential battery incentives considering a commercial client can take advantage of more large tax incentives and write offs than residential clients. Ms. Goodman would also like more clarity on what stakeholders Rhode Island Energy is consulting with as she would like more opportunities to provide feedback to the Company. Changing the battery incentive will be detrimental to the industry and customers. Ms. Goodman strongly recommends reconsidering these recommendations.

6. Program Oversight

a. *Presentation and Potential Vote on Rhode Island Energy's 2024 System Reliability Procurement Investment Proposal for the Electric Demand Response Program (20 min, 3:10 – 3:30 p.m.)*

Dr. Gill from Rhode Island Energy presented on the System Reliability Procurement Proposal that was submitted to the PUC on February 7th and will now be Docket No. 24-06-EE. She explained the demand response model and how Rhode Island Energy is working to implement that model. The presentation included an overview of the five programs in the System Reliability Procurement investment proposal – bring your own thermostat, residential and small business battery programs, an electric vehicle demand response program, a targeted dispatch program, and a daily dispatch program. After the feedback from the January 25th EERMC meeting, Rhode Island Energy re-examined their daily dispatch pathway, the residential and small business battery pathway, and the performance incentive mechanism. Dr. Gill emphasized that the goal of the utility is to strengthen their system to decarbonize affordably and reliably. A docket schedule has not been set yet by the PUC.

Mr. Johnson suggested that the Council does not take a position at this meeting on the System Reliability Procurement proposal because not enough time has been given to fully review the proposal. He suggested that the Council contact their legal team to file the necessary paperwork to participate in the PUC docket. Council Member Teichert posed a question to Dr. Gill asking why neighboring states are increasing incentives while Rhode Island is decreasing incentives. Dr. Gill responded that Massachusetts has different statutes than Rhode Island, including a clean peak standard which requires the market to internalize additional costs and is able to fund more incentives. Rhode Island statutes do not address peak demand.

Vice Chairperson Gill Case motioned to direct the Council's attorney to file the necessary paperwork for the Council to participate in the proceedings of the docket filing and to direct the Consultant Team to engage in the docket in consultation with Council leadership. Council Member AnderBois seconded the motion. All in favor, none opposed.

b. *Consultant Team Review of Data Snapshot (15 min, 3:30 – 3:45 p.m.)*

Mr. Caesar and Ms. Sultan of the Consultant Team presented the new Data Snapshot resource and walked through how Council Members can use it. The overall goal of the data snapshot is to present the data in a visual format to the Council so that Council

Members can more easily interpret information. The Council shared positive feedback on the resource and the Sankey Diagrams.

- c. *Discussion and Potential Vote on Council Priorities for the 2025 Program Year (20 min, 3:45 – 4:05 p.m.)*

Mr. Johnson presented on Council priorities for the 2025 program year. He split the priorities into existing Council priorities and new areas of interest for the 2025 Program Year. The presentation included showing possible overlap between priorities of the Council and the Commission. The Council chose not to vote on the priorities at this meeting, but will look to revisit it at the next meeting. Council Members also requested that OER present their priorities in a future meeting to see where the priorities are aligned.

7. Council Business

- a. *Presentation and Vote on the Council's Rebranding and Materials (15 min, 4:05 – 4:20 p.m.)*

Ms. Sholly presented on the Council's re-brand, including the updated name, logo, and website. The Energy Efficiency Council will be the new public facing name, but the official legal name will remain as the Energy Efficiency and Resource Management Council on legal documents. The new color palette and logo has been added to Council PowerPoint and letter heading templates for future use. Vice Chairperson Gill Case requested a signature template for email signatures as well.

Mr. Chybowski is working with State IT to update the old website page and looking to get a new URL for the website. The new website has a higher accessibility compliance score and can be translated into six different languages. Chairperson Oakley asked when the website, logo, and new name should be rolled out. Council Member Magliocchetti suggested rolling materials out as they become available, and Council Members AnderBois and Gill Case agreed with that approach. Vice Chairperson Gill Case motioned to adopt the updated name, logo, and website, as presented by the Consultant team today and to direct the Consultant Team and OER to begin implementing the branding updates. Council Member Teichert seconded. All in favor, none opposed.

- b. *Review and Potential Vote on the Consultant Team's 2024 Draft Scope of Work (15 min, 4:20 – 4:35 p.m.)*

The Consultant Team presented their 2024 draft scope of work and budget. Mr. Johnson noted that the Consultant Team will track their costs incurred to the budget presented in the scope of work. The number presented in the Consultant Team scope of work has not been revised in relation to the Council's overall allocated budget at this time. Chairperson Oakley clarified that this budget is a not-to-exceed budget.

Vice Chairperson Gill Case motioned to approve the 2024 scope of work for the Consultant Team, led by Optimal Energy, and the associated budget for that scope of work at the Council Meeting. Further, to direct the Office of Energy Resources to

incorporate this approved scope of work and budget into the current consultant services contract. Chairperson Oakley seconded. All in favor, none opposed.

- c. *Updates on the Energy Efficiency Program Administration Procurement Process and Council Nominations to join Scoring Committee in Advisory Roles (15 min, 4:35 – 4:50 p.m.)*

Council Member AnderBois motioned for the council to enter into an Executive Session where OER will share updates on the energy efficiency program administrator procurement process. Chairperson Oakley seconded. All in favor, none opposed, and the Council entered into Executive Session.

The Council returned from Executive Session.

8. Adjournment

Chairperson Oakley motioned to adjourn the meeting at 5:18 p.m. Council Member Izzo seconded. All in favor none opposed, and the meeting was adjourned.

Exhibit 3

EERMC Online Public Comment

Received January 12, 2024

Name

Doug Sabetti

Who You Represent/Your Organization

Newport Solar

Email

doug@newportsolarri.com

Public Comment

Re; RI Energy proposed changes to the Connected Solutions program

We are submitting these comments in response to the proposed changes to the “Connected Solutions” program in Rhode Island, as outlined in Docket 23-XX-EE

The Connected Solutions program has played a key role in residential customers' decision to add energy storage to their home. Residential scale battery technology is an evolving market. As new technologies become available to homeowners, cost remains a burden in implementation. In our experience, only 20% of customers are installing solar and batteries at the same time. This means that 80% of solar customers are not installing energy storage with their solar projects. Some customers are considering energy storage after having solar for a few years. It is our opinion that the Connected Solutions incentive of \$400/kW discharged/ season should not be reduced if RI Energy hopes to attract new participation.

It is important to note existing energy storage incentives available to residential customers in Rhode Island. The claim that existing state incentives for energy storage help to justify a reduction in Connected Solutions incentive is misguided. Though the RI Renewable Energy Fund (REF) does have an energy storage incentive, this is available only when installing energy storage paired with a new solar installation. It is structured as an incentive adder, not as a stand alone incentive. Homeowners with existing solar cannot receive the energy storage incentive. Additionally, homeowners with a roof “Total Solar Resource Factor” below 80% are ineligible from participating in the REF grant program. Residential customers pursuing the Re-Growth (REG) Program are also not eligible to receive any incentive from the REF. REG and Net Metering no-grant projects are the majority of installations in RI, making the Connected Solutions Program, effectively the only state level incentive available to the majority of battery installations.

Comparing RI energy storage system incentives with that of other states is also ill advised. The energy storage incentives in Massachusetts differ from those in RI. It appears that Massachusetts residents can participate in the MA SMART Program with energy storage and receive an incentive directly from the state. Connected Solutions discharge events count towards this SMART incentive:

(<https://www.eversource.com/content/residential/save-money-energy/energy-efficiency-programs/demand-response/battery-storage-demand-response>). In this scenario, it is easy to see why a

reduction in the Connected Solutions incentive in MA may not have deterred new homeowner's willingness to participate. Rhode Island does not have any comparable incentive.

The proposed decrease of over 31% is too much from one incentive value to the next. The sharp reduction in incentive may substantially reduce participation. And with a 3-year program, it would take three years of low participation before there'd be an opportunity to increase the incentive to increase participation. The REG program has a history that proves this theory.

A decrease of 15% is more appropriate from one program incentive to the next. A gentler decreasing glidepath of the incentive will provide a sense of fairness and instill confidence in the program.

RI has the legislated goal of reaching 100% renewables by 2030. The Connected Solutions program could contribute a meaningful amount of carbon and cost reductions to that goal if the incentive is kept reasonably high enough to continue to attract participants.

Exhibit 4

EERMC Online Public Comment

Received January 24, 2024

Name

Doug Sabetti

Who You Represent/Your Organization

Newport Solar

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Public Comment

Hello EERMC, When Newport Solar recently submitted comments on RIE's proposed Connected Solutions incentive, we were under the impression that it was \$275/kw. The RIE proposal now is \$200/kw, making our points even more imperative. Cutting the incentive rate in half will undoubtedly reduce participation. Homeowners will not be inclined to manage a complex arrangement with the utility where they are owed money and would have to reconcile a complicated equation to verify their payment for so little money.

This is especially true with the reputation the program has garnered from the botched payment roll out in the first year of the program. Some payments came as virtual credit cards that were not of much value to some participants, and several months late; six months in some cases.

As we stated in our comments, a reasonable reduction in incentive of +/-15% per program block would be a much better managed decrease in incentive that would see continued meaningful participation.

Exhibit 5

EERMC Online Public Comment

Received January 23, 2024

Name

Eric Beecher

Who You Represent/Your Organization

Sol Power

Email

eric@solpowersolar.com

Public Comment

Re: System Reliability Procurement (SRP) Investment Proposal for Electric Demand Response 2024-2026; RIPUC Docket No. 24-XX-EE

Sol Power's written comments in response to Rhode Island Energy's System Reliability Procurement (SRP) Investment Proposal for Electric Demand Response 2024-2026

Sol Power solar has installed 212 solar and battery backup systems over the past 11 years, making us one of the largest solar battery providers in the state. The proposed decrease for the Connected Solutions residential battery demand response incentive would create a dramatic reduction in battery backup adoption for solar, and cause a proportionately large distress for our business.

The current connected solutions battery incentive of \$400/kW for 5 years results in an expected incentive payout of roughly \$5,000 over 5 years for our customers for a Powerwall battery. The proposed incentive in the "Rhode Island Energy SRP Plan Proposal" linked on the riermc website (I do not see a rev number or date on the proposal) is \$200/kW for 3 years, resulting in \$1,500 over 3 years for our customers for a Powerwall battery. Decreasing the Connected Solutions battery incentive from \$5,000 to \$1,500 for our customers is beyond a reasonable threshold and would nearly eliminate demand for battery backups with solar.

We have been installing solar with battery backups in RI for 11 years. Battery storage as a technology is significantly older than that. Prior to the launch of the Connected Solutions incentive we installed an average of 1.2 battery systems per year. Since the launch of the RI Connected Solutions storage incentive we have installed an average of 40.75 battery systems per year. A primary reason for this dramatic increase in battery adoption is that the Connected Solutions incentive made a solar battery backup cost less than a fuel powered backup generator.

We install both battery backups and fuel powered backup generators. When generators were cheaper than batteries, our customers purchased generators almost exclusively. Currently batteries are cheaper than generators, and our customers purchase batteries almost exclusively for backup power. If the Connected Solutions incentive is decreased to \$200/kW for 3 years then a generator will be cheaper than

a battery installation for backup power, and demand for solar batteries will drop off almost entirely as customers will prefer the cheaper backup power solution.

In response to the claim that our customers can fall back on other state incentives, only 43% of our battery installations sold in 2023 were eligible for the state's Renewable Energy Fund (REF) storage incentive. The majority of our battery installations do not qualify for the REF storage incentive. For systems that are eligible, the REF storage incentive covers 6% of our average storage system cost, while the current Connected Solutions incentive covers 40% of the storage system cost.

Third party study of the Connected Solutions program performed by the Clean Energy Group found the cost/benefit rate of the Connected Solutions program to be well above 1 for a diverse range of tests. This includes a ratio of 2.15 for the Ratepayer Impact Measure (RIM) test. The report can be found at the following link and the cost/benefit test results are found on Page 33.

<https://www.cleanegroup.org/wp-content/uploads/connected-solutions-policy.pdf>

Decreasing the Connected Solutions residential battery incentive from \$5,000 (\$400/kW, 5 years) per battery to \$1,500 (\$200/kW, 3 years) for our customers will virtually eliminate battery storage adoption in RI. In turn this will dramatically harm our business and the solar industry of RI. Third party analysis of the current incentive (linked above) shows a beneficial cost/benefit ratio for ratepayers. Sol Power has strong objections to the proposed changes due to the harm it will cause the state's solar industry, and we believe that the current incentive levels are justified by the benefits to ratepayers.

Exhibit 6

EERMC Online Public Comment

Received January 24, 2024

Name

Stephen Lasher

Who You Represent/Your Organization

Enphase Energy

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Public Comment

Problem Statement:

Rhode Island Energy (RIE) is preparing a System Reliability Procurement (SRP) Investment Proposal to significantly reduce the ConnectedSolutions Battery Demand Response (DR) Program incentive on April 1, 2024. The proposal would span reducing the residential battery customer incentive rate from \$400/kW-yr to \$200/kW-yr and also the incentive schedule, or number of years for which customers would lock in program participation and incentive payments, from 5 years to just 3 years. In addition, RIE has proposed to significantly limit access to the very successful HEAT Loan for residential battery customers.

The original RIE draft proposal was presented at a Rhode Island Energy Efficiency & Resource Management Council (EERMC) meeting on November 16, 2023. The main rationale RIE provided for the incentive reduction is that a lower \$275/kW-yr incentive has supported battery deployment in Massachusetts so that should be good enough for Rhode Island, and Rhode Island's new Renewable Energy Fund (REF) is sufficient additional incentive for participants to accept the reduced incentive. A few details are presented on slides 17-18 in RIE's draft "System Reliability Procurement Investment Proposal - INITIAL VERSION FOR COMMENT."

Specifically, slide 17 states the following rationale: "Recent changes to incentive levels in neighboring states suggest that participants are potentially willing to reduce peak demand for less incentive. Furthermore, Rhode Island's Renewable Energy Fund offers a purchase incentive for residential solar that is paired with energy storage. Therefore, Rhode Island Energy seeks to reduce the performance incentive to better align with revealed participant willingness to accept and account for external purchase incentives."

Response:

Lower Incentives Equals Lower Participation

Data from Enphase battery installations and program participation in both Massachusetts and Rhode Island show us that, in fact, participants are not equally willing to reduce peak demand for less incentive. The current ConnectedSolutions Battery DR Program in Rhode Island has been a great success story that demonstrates the scalability and value of grid services programs and Virtual Power Plants (VPPs). The slightly higher incentive in Rhode Island compared to Massachusetts has resulted in much higher battery deployment and program participation per capita in Rhode Island, and therefore, a greater reduction in supply costs for all ratepayers. Specifically, by providing a 45% higher incentive rate (i.e., \$400 compared to \$275/kW-yr), Enphase customers have enrolled well over four times more batteries per capita in the Rhode Island ConnectedSolutions Battery DR program than the Massachusetts program (i.e., 0.41 compared to 1.91 Wh/person), while solar installed capacities per capita are nearly identical between the states (i.e., 56.7 compared to 56.9 W/person).

REF Is Not Sufficient

Historically, it is our understanding that the higher Rhode Island ConnectedSolutions Battery DR Program incentive rate compared to Massachusetts was justified in part because Massachusetts had additional battery incentive programs, like the SMART Energy Storage Adder, which provided residential solar-plus-battery customers hundreds of dollars of additional incentives on top of ConnectedSolutions incentives. For example, even today (Tranche 10), the Massachusetts SMART Energy Storage Adder program typically results in an additional battery customer incentive of around \$500 per year for 10 years (i.e., \$5,000 lifetime incentive) assuming 9 kW solar and 15 kWh of installed battery capacity. However, Rhode Island customers cannot participate in either SMART.

Instead, Rhode Island battery customers can apply for the Renewable Energy Fund (REF) program, which provides a one-time \$2,000 upfront incentive for batteries paired with solar, which is a much lower lifetime incentive than the current Massachusetts battery incentive programs. In addition, the REF is limited to roofs with a TSRF over 80% and the grant only opens during certain periods of the year - delaying installations - and the process to obtain the funds can be difficult. Also, REF is only applicable to solar-plus-battery applications, so customers who install solar first and want to upgrade with a battery system later, cannot take advantage of REF. As an example of the challenges installers face using this program, in 2022, of the 37 battery sites installed by one installer, 10 customers were adding batteries to existing solar, so they did not qualify, and 5 didn't qualify due to the 80% TSRF requirement. That means that 40% of that installer's battery customers were not able to take advantage of REF in 2022.

RIE's Proposal Will Decimate Battery Enrollment

Consistency and predictability are key to developing and maintaining a successful DR program, especially for residential batteries. Guaranteeing at least 5 summers at a fixed incentive rate allows customers to make decisions about installing a battery system and participating in the DR program. Reducing the DR program incentive schedule to anything less than a 5-year incentive guarantee would have a major impact on a customer's value proposition and their decision to install batteries and enroll in the DR program. Also, without consistent and predictable year over year program incentives, it becomes very difficult for solar and battery installers to market a compelling value proposition to potential customers. For example, reducing the ConnectedSolutions program incentive rate and/or schedule in 2024 will turn-off most potential customers from considering installing batteries and enrolling in the DR program, and if incentives later increase (e.g., return to the previous level), many customers and OEMs will wait to see if incentives go up further before committing to participate in the program.

Furthermore, changing the incentive rate or schedule on extremely short notice (i.e., by April 1, 2024) is very disruptive to all program participants including customers, solar and battery installers, distributors, and battery OEMs, who are actively marketing the program with the current incentives. For example, it can take many months for installers and OEMs to formulate a customer marketing strategy, and several more months to execute that strategy (e.g., customer value prop evaluation, installer trainings, and creation of marketing materials including customer brochures, program webpage updates, customer marketing emails), which would result in additional battery deployment and enrollments into the program. Affected stakeholders need at least 9 months after any final decision is made before a major change like this is enacted, so they have time to effectively communicate changes to customers and prevent a poor customer experience.

In addition, unlike other DR options, the current ConnectedSolutions Battery DR Program incentive rate directly supports local jobs because the incentives are used by local solar and battery installers to sell residential battery systems to RIE customers. If the current ConnectedSolutions Battery DR Program incentive rate is reduced from \$400 to \$200/kW-yr, installers' battery business would likely decrease to at least one quarter of what is being installed today, which would have a significant impact on the ability for these installers to support their current local workforce.

If the RIE incentive schedule is also reduced below 5-years, new battery installations and enrollments could plummet to levels not seen in Rhode Island since before the ConnectedSolutions Battery DR program began. This comes at a time when residential solar installations are slowing nationwide due to high interest rates. Residential batteries, which can currently be financed using the 0% interest HEAT Loan in Rhode Island and Massachusetts, are an important lifeline that is helping to keep solar and battery installers employed during the current high-interest rate environment. Additional cuts to the HEAT Loan on top of the other reductions proposed in the most recent RIE Draft SRP Investment Proposal will take away this important lifeline.

Residential Battery Benefit Potential is Large

We believe residential batteries are more reliable, environmentally healthy, and environmentally responsible compared to other DR options. Residential batteries don't emit any emissions when operated or when charged by 100% renewable power from residential rooftop solar. Also, residential batteries can more reliably supply DR than other options, because they are not limited due to customer fatigue like thermostat programs, especially during long-duration or multi-day events, and they are not limited due to poor availability like electric vehicle (EV) charging programs, since EVs are not always plugged in and charging when DR is needed most. In addition, because participants are only incentivized for the power they actually deliver during DR events, and there are no upfront or fixed incentives, the ConnectedSolutions Battery DR Program is very cost-efficient with no wasted incentives on customers who do not participate or do not deliver the expected DR performance.

Importantly, in addition to reducing electricity supply costs and avoiding electric system infrastructure investments, residential batteries provide local resiliency (i.e., on-site back-up power and alleviating demand for emergency services), which thermostat, EV charging, and most commercial DR programs cannot provide. For example, residential batteries can reliably provide on-site power to customers during grid outages, even very long-duration outages when paired with solar (i.e., solar-plus-battery configuration).

Recommendation:

Residential batteries offer a very compelling opportunity to leverage customer-sided resources for the benefit of the grid, which will be increasingly more critical as Rhode Island experiences higher demand due to beneficial electrification (EVs and heat pumps) and global climate change. We believe RIE, like many utilities, is just beginning to scratch the surface in terms of being able to quantify and monetize the value from residential batteries through grid services programs like ConnectedSolutions. We recognize that Grid Modernization and RI PUC Docket 5000 will enable RIE and Rhode Island regulators to be able to more fully evaluate, quantify, and monetize additional energy storage benefits that are currently difficult to estimate. In the meantime, given the significant benefit and monetization potential of residential batteries, and disruption to all stakeholders (including customers, solar and battery installers, DERMS provider, and battery OEMs) if the incentive is changed so abruptly, we believe it is premature to reduce the incentive rate or schedule for the ConnectedSolutions Battery DR Program or HEAT Loan eligibility at this time.

Instead, we implore RIE to work with EERMC consultants, local solar and battery installers, residential battery OEMs, and other industry representatives to develop and review an updated benefit-cost analysis (BCA) using the Rhode Island Test, and then determine what the appropriate long-term customer incentive should be based on the updated BCA results. The updated BCA should consider the current and expected future benefits (e.g., emergency load reduction, frequency response distribution network management) from this important DR resource, including those that can be derived from Grid Modernization and RI PUC Docket 5000, and the impact on the local economy. For example, we believe RIE should include environmental, economic development, and

reliability benefits in their BCA, which they don't appear to include in their current cursory benefit assessment.

We strongly believe the quantification of these benefits, and all other costs and benefits that could have significant impact to Rhode Islanders, need to be assessed by RIE, the EERMC, and EERMC consultants with input and review by local solar and battery installers, residential battery OEMs, and other industry experts before making any decisions related to the ConnectedSolutions Battery DR Program incentive rate or schedule.

Conclusion:

The undersigned organizations, including Enphase Energy, Sunrun, Nexamp, Rooftop Power, Newport Solar, NEC Solar, Sol Power Solar, New England Clean Energy, and other partnering solar-plus-storage installers and financing providers, appreciate the EERMC's consideration of these comments. We believe residential DERs are poised to play an important role in the long-term reliability and resiliency of local and regional grid and respectfully urge all affected stakeholders to collaborate on a thoughtfully developed grid services program and incentive structure that will support sustainable DER deployment going forward.

Respectfully submitted,

Steve Lasher
Director of Grid Services Business Development
Enphase Energy, Inc.

Amy Heart
Vice President of Policy
Sunrun

Mark A. Frigo
Vice President, Energy Storage
Nexamp

Hyrum Bond
Owner
Rooftop Power

Doug Sabetti
President
Newport Solar

Mike Sullivan
Director of Operations
NEC Solar

Eric Beecher

President

Sol Power Solar

Mark Durrenberger

President

New England Clean Energy

Exhibit 7

EERMC Online Public Comment

Received January 25, 2024

Name

Tim Faulkner

Who You Represent/Your Organization

NEC Solar

Email

tim@nec-solar.com

Public Comment

Re: RI Energy proposed changes to the Connected Solutions program

At a time when we should be encouraging battery storage use, these proposed changes will further discourage interest.

Most solar customers decline investing in battery storage due to the cost. These proposed changes will only reduce consumer interest.

Due to the likely reduction in battery storage adoption by RI ratepayers, I support the request to conduct a thorough analysis of these proposed changes and their impacts on the industry and the environment and encourage a review of alternate options and incentives.

Sincerely,
Tim Faulkner

Exhibit 8

EERMC Online Public Comments

Received February 14, 2024

Name

Nancy Chafetz

Who You Represent/Your Organization

CPower

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Public Comment

CPower appreciates the opportunity to submit comments on the SRP Investment Proposal for Electric Demand Response 2024-2026. Our comments relate specifically to the commercial and industrial (“C&I”) portion of the demand response program branded ConnectedSolutions (“the Program”).

CPower is one of the largest providers of demand response and distributed energy resource services in North America, with over 6 GW of customer capacity under management. CPower has been participating in the ConnectedSolutions program with C&I customers since Program inception and now serves six investor-owned utilities in New England, with close to 200 MW in ConnectedSolutions and related utility programs.

CPower commends RIE and the EERMC on the robust process that was conducted to solicit feedback from stakeholders on the SRP Investment Proposal. The changes that have been made to the Proposal in response to stakeholder feedback are positive. To fully achieve the goal of preserving and expanding the benefits provided by demand response in the Program, however, an additional modification is needed: the proposed incentive cap must be raised. Without this change, a great deal of battery potential will be left untapped, and ratepayers will forgo the associated cost savings, emissions reductions, and reliability and resiliency benefits.

The SRP Investment Proposal recommends capping the incentive that can be earned in the C&I ConnectedSolutions Program at \$1 million per participant per year. The impetus is, in part, a belief that more “diffuse” participation will result in greater reliability of response.

A \$1 million incentive cap is too low and will significantly limit battery development in the state.

Any cap on the incentive that can be received by a participant will act as an effective cap on battery size because batteries are generally not economic to build without incentives that support their full capacity value. A \$1 million cap translates to a cap on battery size of roughly 3.6 MW, assuming the customer is not also providing load curtailment in the Targeted Dispatch Program. If the customer is already providing load curtailment, the effective cap would be even lower since a portion of the cap would go toward incentives paid out for load curtailment.

An effective battery cap of 3.6 MW will significantly shrink the pool of customers who are interested in installing an on-site battery. Customers generally install batteries for two reasons: 1) they provide resiliency, and 2) they can help them reduce their energy bill. A 3.6 MW battery, however, can provide meaningful resilience and bill reduction only if the customer's peak load is lower than 3.6 MW. As such, we don't expect customers with peak loads over ~3 MW to have a lot of interest in installing a battery if the incentive is capped at \$1 million. In CPower's experience, however, it is large customers – customers with loads greater than 3 MW - who are most interested in installing on-site batteries. Of the batteries in CPower's pipeline, roughly 80% are sized larger than 3.6 MW and likely will not move forward if the proposed incentive cap is adopted.

With regard to smaller C&I customers and smaller batteries, we don't expect C&I customers with lower peak loads (less than ~2 MW) to have much interest in installing batteries because smaller batteries simply don't have the economies of scale that make these projects financially viable. A higher incentive rate would be needed to encourage battery adoption for smaller C&I customers.

In short, a cap of \$1 million will encourage battery adoption in only a small segment of potential battery customers; it completely shuts out larger C&I customers who are likely the best candidates for on-site batteries because of the economies of scale they can achieve and the higher benefit-to-cost ratios they produce.

CPower proposes an incentive cap of \$1.375 million per customer per year.

A cap of \$1.375 million would allow batteries up to 5 MW to be developed and brought into the ConnectedSolutions Program. This modest increase in the cap would make a meaningful difference in the Program's ability to attract batteries because batteries in the 4 MW – 5 MW range can achieve economies of scale, whereas smaller batteries generally cannot.

Diffuse participation will not increase the reliability of response from batteries.

A battery owner has no higher value use than ConnectedSolutions because it needs Program revenues to recoup its investment in the battery. As such, the battery owner has a very strong incentive to ensure the consistent and reliable performance of the battery in response to ConnectedSolutions dispatches. Without this performance, they will not earn a return on their investment. Given this, providing more than 10% of the budget to a single

battery will not put reliability of response at risk. That said, the increase in the cap that CPower is recommending is modest and would still result in diffuse participation.

Any incentive cap should be applied per customer measure, rather than per customer. Applying the cap per customer is likely to result in the loss of load curtailment measures from the Program.

Customers in ConnectedSolutions can participate in both Targeted Dispatch and Daily Dispatch with different measures. For example, a manufacturing facility might provide load curtailment in Targeted Dispatch by interrupting a manufacturing process when dispatched. They might later decide to install an on-site battery and participate in Daily Dispatch with that battery. If this customer's total incentive is capped at \$1 million, the cap available to the battery would be \$1 million minus the incentive earned through Targeted Dispatch. However, the more likely course of action in this scenario is that the customer would discontinue load curtailment activities in Targeted Dispatch in order to maximize the incentive that can be received by the battery. This would not be an optimal outcome for ratepayers, since they wouldn't be able to realize the full benefit of this customer's load reduction capabilities. As such, CPower recommends that any incentive cap be applied per measure rather than per customer.

Thank you for the opportunity to provide these comments. We look forward to continuing to work together to enable the continued success of the ConnectedSolutions Program in Rhode Island

Nancy Chafetz
Senior Director, Regulatory Affairs
CPower

Name

Nate Hua

Who You Represent/Your Organization

Leap

Email

Public Comment

Ahead of the Council's 2/15/2024 meeting, Leap would like to submit public comment on several pieces of Rhode Island Energy's (RIE's) updated and filed 2024-26 System Reliability Procurement (SRP) Investment Proposal for Electric Demand Response as it relates to the ConnectedSolutions program. Please find those below.

(1) On the Daily Dispatch incentive:

- We see that RIE has acknowledged batteries have a potential \$13/kW incremental value due to energy price arbitrage (page 40 of the filing).
- We also see that RIE has included this energy price arbitrage value in the Residential and Small Business (RSB) Battery pathway (page 37 of the filing) but not in the C&I Daily Dispatch pathway (page 68 of the filing).
- We recognize that Daily Dispatch is technology agnostic and that RIE has noted there are currently no battery storage resources participating in RIE's C&I Daily Dispatch program, however, we believe that it is a disservice to acknowledge but exclude a value provided by battery storage resources in the incentive.
- Our recommendation is that RIE implement a Daily Dispatch incentive specific to battery storage resources, which includes the energy arbitrage value, set at \$300/kW.
- There is precedence from other ConnectedSolutions program administrators creating technology specific incentives. For example, in previous years Eversource offered load type specific incentives for battery storage and cold storage.

(2) On if the budget were to be exceeded:

- We noticed that there is no language addressing what the payment procedure would be in the event the program's budget is exceeded. We interpret that to mean payments will carry out as expected, even if that entails going over budget, but believe it would be helpful to clarify.
- Our suggestion is that RIE add language to its section on SRP factor development for 2025 and 2026 so that if the budget were to be exceeded in 2024, the SRP factor to be collected in 2025 accounts for the 2024 surplus and so forth. We believe this is prudent given any value of reducing peak demand should be compensated and excluding participants/performance would be directly disincentivizing the program's goals.

(3) On the multiyear incentive rate:

- We believe some language surrounding the multiyear incentive rate should be clarified further.
- On Page 93 of the filing, it states that "The Commitment Letter will lock the incentive rate for the customer during the construction, installation, and interconnection of the battery system for up to a maximum of two years, through the 2026 peak season." However, the Table below indicates that there are 3 seasons for which the incentive would be held constant. We believe it would help clarify the intent by using "three years" instead of "two years," or state "two years in addition to the initial year of participation." It would also be helpful to extend the table to include a resource that's enrolling in 2025 to demonstrate that only 2 years would be locked in.
- Additionally, Page 93 of the filing also states "Please note that the Commitment Letter and

multiyear incentive rate represents Rhode Island Energy's intentions; it is not a guarantee of incentive levels." That introduces some uncertainty on whether the price is truly guaranteed through 2026. We believe the intention is to guarantee it through 2026. As such, our suggestion is to add "beyond 2026" at the end of the referenced sentence.

We thank the Council and Rhode Island Energy for the continued opportunity to engage and provide feedback on the SRP Plan.

Sincerely,
Leap