

July 11, 2023

VIA ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket No. 5189 – 2022 Annual Energy Efficiency Plan
Year-End Report 2022
Responses to PUC Post-Hearing Data Requests – Set 3**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), enclosed, please find the Company’s responses to the Third Set of Post Decision Data Requests (“Post Decision Set 3”) issued by the Public Utilities Commission (“PUC”) in the above-referenced matter.

While responding to PUC Post Decision Set 3, the Company made several corrections to the Electric and Gas Tables that were included within the Company’s 2022 Energy Efficiency Year-End Report (“Year-End Report”). Corrections were made to the planned implementation expenses for electric (see PUC Post Decision 3-1); resource savings for electric (see PUC Post Decision 3-3 and 3-4); planned Office of Energy Resources (“OER”) and Energy Efficiency Resource Management Council (“EERMC”) budgets for both electric and gas (see PUC Post Decision 3-9 and 3-10); categorization of the \$2 million injection into the Large Commercial and Industrial Revolving Loan Fund for electric and gas (see PUC Post Decision 3-13); and planned implementation expenses for gas (see PUC Post Decision 3-14).

Please see Attachment Post Decision PUC 3-1 for the corrected Electric Tables and Attachment Post Decision PUC 3-14 for the corrected Gas Tables.

Year-End Highlights (as Corrected)

For 2022, the Company spent a total of \$83.9M on the electric portfolio as compared to the approved budget of \$108.7M. The Company spent a total of \$31.9M on the gas portfolio as compared to the approved budget of \$36.9M.

The 2022 programs created electric cost savings of \$191M and gas cost savings of \$110M for Rhode Island customers over the life of the installed energy efficiency measures. The programs supported 708 full-time equivalent workers and added \$200M to Rhode Island’s gross state product.

Luly E. Massaro, Commission Clerk
Docket No. 5189 – Year-End Report 2022 – Post Decision Set 3
July 11, 2023
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For 2022, the Company achieved 712,989 lifetime MWh energy savings which equates to 85.5% of target set forth for the 2022 program year by the 2021-2023 Energy Efficiency and Conservation Procurement Plan (“Three-Year Plan”). For gas, the Company achieved 3,642,284 lifetime MMBtu which equates to 89.7% of target set forth for the 2022 program year by Three-Year Plan.

The 2022 electric demand savings were 14,808 kW which equates to 85.3% of the target set forth by the 2022 Annual Energy Efficiency and Conservation Procurement Program Plan (“Annual Plan”).

For 2022, the total shareholder incentive earned by the Company was \$3.05M for electric and \$0.5M for gas.

Thank you for your attention to this filing. If you have any questions, please do not hesitate to contact me at 401-784-4263.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew S. Marcaccio".

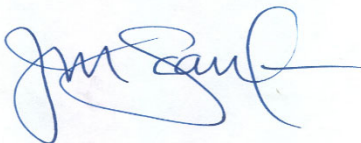
Andrew S. Marcaccio

cc: Docket No. 5189 Service List
Docket No. 22-33-EE Service List

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Joanne M. Scanlon

July 11, 2023

Date

Docket No. 5189 – Rhode Island Energy – 2022 Annual Energy Efficiency Program - Service list updated 6/1/2023

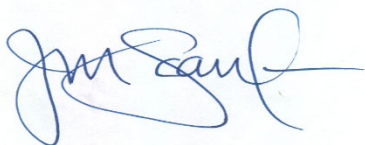
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Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Joanne M. Scanlon

July 11, 2023

Date

**Docket No. 22-33-EE – Rhode Island Energy’s Energy Efficiency Plan 2023
Service list updated 11/09/22**

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PUC Post Decision 3-1

Request:

Table E-3 in the Company's Second Revised Compliance Filing in Docket No. 5189 (filed with the PUC on January 27, 2022) lists the total Implementation Expenses for the 2022 Electric Energy Efficiency Program as \$105,281,100. Table E-1 of the Annual Report (filed with the Commission on June 1, 2023) lists the budgeted Implementation Expenses as \$106,699,600 (Column 10). Separately, Table E-5 Primary in the Company's Second Revised Compliance Filing lists the \$/Lifetime kWh for the total 2022 Electric Energy Efficiency Program as \$0.145/kWh. Table E-1 of the Annual Report lists the planned \$/Lifetime kWh for the total 2022 Electric Energy Efficiency Program as \$0.128/kWh. Given these inconsistencies between the Second Revised Compliance Filing and the Annual Report, please file a corrected set of electric Annual Report tables that include planned/budgeted data that accurately matches the Second Revised Compliance Filing. Please also confirm that all other data included in the electric Annual Report tables is accurate.

Response:

A set of corrected Year-End Report Electric Tables is included as Attachment PUC Post Decision 3-1. The set includes the correction to the planned implementation expenses as noted. It also includes corrections noted in the responses to PUC 3-3, PUC 3-4, and PUC 3-12. All other data included in the electric Annual Report tables have been reviewed and confirmed.

For the \$/Lifetime kWh, the calculation in Table E-5 of the Second Revised Compliance Filing includes customer costs and implementation expenses. The \$/Lifetime kWh calculation in Table E-1 of the Annual Report includes implementation expenses only; it has been shown that way in prior Annual Reports as well and is therefore not included among the corrections.

Rhode Island Energy Energy-Efficiency Programs
Table E-1: Summary of 2022 Target and Year End Results

Sector and Program	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	Demand Reduction (Annual kW)			Energy Savings (Annual MWh)			Customer Participation			Implementation Expenses (\$ 000)			Energy Savings (Lifetime MWh)			\$/ Lifetime kWh	
	Target	Actual	Pct Achieved	Target	Actual	Pct Achieved	Approved Target	Actual	Pct Achieved	Budget	Actual	Pct Achieved	Planned	Actual	Pct Achieved	Planned	Actual
Commercial & Industrial																	
Large Commercial New Construction	1,745	829	47.5%	12,589	7,065	56.1%	96	46	48.1%	\$ 9,034.1	\$ 4,315.4	47.8%	192,343	101,622	52.8%	\$ 0.047	\$0.042
Large Commercial Retrofit	8,490	6,469	76.2%	41,132	43,442	105.6%	2,239	2,693	120.3%	\$ 25,010.5	\$ 18,559.0	74.2%	312,931	322,519	103.1%	\$ 0.080	\$0.058
Small Business Direct Install	904	1,222	135.1%	9,976	7,042	70.6%	490	412	84.1%	\$ 8,883.3	\$ 5,727.7	64.5%	64,394	57,769	89.7%	\$ 0.138	\$0.099
Commercial ConnectedSolutions										\$ 4,393.6	\$ 4,704.9	107.1%					
Commercial Pilots										\$ -	\$ -	0.0%					
Community Based Initiatives - C&I										\$ 85.0	\$ 8.8	10.3%					
Commercial Workforce Development										\$ 157.5	\$ -	0.0%					
Finance Costs										\$ 2,000.0	\$ 2,000.0	100.0%					
SUBTOTAL	11,139	8,520	76.5%	63,696	57,550	90.3%	2,825	3,151	111.5%	\$ 49,564.1	\$ 35,315.8	71.3%	569,668	481,911	84.6%	\$ 0.087	\$0.073
Income Eligible Residential																	
Single Family - Income Eligible Services	480	396	82.6%	3,314	2,388	72.1%	3,583	4,569	127.5%	\$ 13,275.3	\$ 10,208.0	76.9%	38,506	27,991	72.7%	\$ 0.345	\$0.365
Income Eligible Multifamily	49	62	126.7%	1,538	1,419	92.3%	3,600	1,272	35.3%	\$ 3,538.9	\$ 2,572.1	72.7%	24,309	17,288	71.1%	\$ 0.146	\$0.149
SUBTOTAL	529	459	86.8%	4,851	3,807	78.5%	7,183	5,841	81.3%	\$ 16,814.3	\$ 12,780.0	76.0%	62,816	45,279	72.1%	\$ 0.268	\$0.282
Non-Income Eligible Residential																	
Residential New Construction	74	44	58.8%	867	448	51.7%	462	431	93.3%	\$ 1,617.0	\$ 1,102.0	68.2%	14,947	6,859	45.9%	\$ 0.108	\$0.161
ENERGY STAR® HVAC	240	450	187.8%	4,620	6,583	142.5%	5,229	6,044	115.6%	\$ 4,684.4	\$ 4,326.1	92.4%	77,717	114,444	147.3%	\$ 0.060	\$0.038
EnergyWise	424	448	105.6%	2,789	2,652	95.1%	12,000	11,439	95.3%	\$ 15,557.0	\$ 14,357.5	92.3%	13,472	12,683	94.1%	\$ 1.155	\$1.132
EnergyWise Multifamily	143	114	80.1%	1,424	721	50.7%	3,600	2,052	57.0%	\$ 3,238.3	\$ 1,242.1	38.4%	20,783	3,442	16.6%	\$ 0.156	\$0.361
Home Energy Reports	3,692	4,237	114.8%	26,852	30,814	114.8%	323,248	260,322	80.5%	\$ 2,639.1	\$ 2,389.7	90.5%	26,852	30,814	114.8%	\$ 0.098	\$0.078
Residential Consumer Products	1,118	537	48.0%	6,885	2,461	35.7%	34,692	8,677	25.0%	\$ 2,796.0	\$ 1,890.9	67.6%	47,554	17,559	36.9%	\$ 0.059	\$0.108
Residential ConnectedSolutions										\$ 1,822.6	\$ 1,490.0	81.8%					
Energy Efficiency Education Programs										\$ -	\$ 0.0	0.0%					
Residential Pilots										\$ -	\$ -	0.0%					
Community Based Initiatives - Residential										\$ 255.1	\$ 0.0	0.0%					
Comprehensive Marketing - Residential										\$ 247.9	\$ 234.2	94.5%					
SUBTOTAL	5,691	5,830	102.4%	43,435	43,679	100.6%	379,231	288,965	76.2%	\$ 32,857.4	\$ 27,032.6	82.3%	201,325	185,799	92.3%	\$ 0.163	\$0.145
Regulatory																	
OER										\$ 1,541.7	\$ 1,541.7	100.0%					
EERMC										\$ 766.2	\$ 406.8	53.1%					
Rhode Island Infrastructure Bank										\$ 3,737.5	\$ 3,735.0	99.9%					
SUBTOTAL										\$ 6,045.4	\$ 5,683.5	94.0%					
TOTAL	17,359	14,808	85.3%	111,983	105,036	93.8%	389,239	297,957	76.5%	\$ 105,281.1	\$ 80,811.9	76.8%	833,808	712,989	85.5%	\$ 0.126	\$0.113

Notes:

- (1)(4) Targets from Docket 5189, Attachment 5, Table E-7
- (3) Pct Achieved is Column (2) / Column (1)
- (4) Participation was planned and is reported in 'net' terms which takes into account free-ridership and spillover
- (6) Pct Achieved is Column (5) / Column (4)
- (8) Participation was planned and is reported in 'net' terms which takes into account free-ridership and spillover.
- (9) Pct Achieved is Column (8) / Column (7)
- (10) Approved Implementation Budget from Docket 5189, Attachment 5 Table E-3
- (11) Year To Date Expenses includes implementation expenses; EERMC expenses reflects \$203,588 refund of unused funds from year-end 2021, per PUC Order 24440, issued July 11, 2022
- (12) Pct Achieved is Column (11) / Column (10)
- (13) Targets from Docket 5189 - Attachment 5, Table E-7
- (15) Pct Achieved is Column (14) / Column (13)
- (16) Planned \$ / lifetime kWh is Column (10) / Column (13)
- (17) Actual \$ / lifetime kWh is Column (11) / Column (14)

Rhode Island Energy Energy-Efficiency Programs
Table E-2: Summary of 2022 EE Benefits (\$000)

	Total	Total Total (No Econ)	Summer Generation	Capacity				Reliability	Energy				Electric Energy DRIPE	Utility NEIs	Natural Gas and Natural Gas	Non Electric				Societal					
				Capacity DRIPE	Trans	Dist	Winter		Summer		Oil and Oil DRIPE	Other Resource (Propane, Water)				Non Resource	Carbon	NOx	Economic						
							Peak		Off Peak	Peak										Off Peak					
Non-Income Eligible Residential																									
Residential New Construction	\$3,744	\$2,025	\$52	\$28	\$96	\$95	\$0	\$189	\$232	\$57	\$44	\$156	\$0	\$0	\$137	\$535	\$22	\$389	\$12	\$1,719					
ENERGY STAR® HVAC	\$37,213	\$30,377	\$345	\$298	\$676	\$669	\$4	\$3,477	\$4,499	\$326	\$275	\$2,604	\$0	\$37	\$8,359	\$0	\$627	\$7,685	\$493	\$6,835					
EnergyWise	\$32,188	\$17,113	\$160	\$155	\$311	\$308	\$2	\$243	\$342	\$188	\$161	\$271	\$0	\$0	\$9,985	\$113	\$947	\$3,921	\$507	\$15,075					
EnergyWise Multifamily	\$3,585	\$1,784	\$36	\$35	\$69	\$69	\$0	\$68	\$76	\$40	\$33	\$69	\$0	\$0	\$282	\$8	\$751	\$231	\$16	\$1,801					
Home Energy Reports	\$8,851	\$6,198	\$237	\$516	\$419	\$415	\$7	\$741	\$610	\$288	\$210	\$735	\$0	\$0	\$0	\$0	\$0	\$1,992	\$27	\$2,653					
Residential Consumer Products	\$6,929	\$3,809	\$158	\$348	\$356	\$353	\$4	\$294	\$302	\$221	\$207	\$535	\$0	\$5	\$22	\$0	\$0	\$987	\$14	\$3,120					
Non-Income Eligible Residential SUBTOTAL	\$92,510	\$61,307	\$989	\$1,381	\$1,928	\$1,910	\$18	\$4,993	\$5,960	\$1,121	\$930	\$4,370	\$0	\$43	\$18,785	\$656	\$2,047	\$15,109	\$1,068	\$31,203					
Income Eligible Residential																									
Single Family - Income Eligible Services	\$26,906	\$17,106	\$226	\$216	\$447	\$443	\$3	\$601	\$655	\$320	\$327	\$580	\$185	\$64	\$3,097	\$415	\$7,080	\$2,270	\$179	\$9,800					
Income Eligible Multifamily	\$6,416	\$3,073	\$6	\$10	\$12	\$12	\$0	\$612	\$792	\$5	\$5	\$428	\$32	\$0	\$0	\$426	\$724	\$10	\$3,344						
Income Eligible Residential SUBTOTAL	\$33,322	\$20,179	\$232	\$226	\$459	\$454	\$3	\$1,214	\$1,447	\$326	\$332	\$1,007	\$216	\$64	\$3,097	\$415	\$7,506	\$2,993	\$189	\$13,143					
Commercial & Industrial																									
Large Commercial New Construction	\$30,056	\$18,231	\$600	\$549	\$1,182	\$1,171	\$7	\$2,283	\$1,555	\$1,755	\$1,209	\$2,339	\$0	\$38	\$0	\$2	\$1,134	\$4,475	\$64	\$11,824					
Large Commercial Retrofit	\$189,730	\$71,738	\$2,227	\$4,289	\$4,918	\$4,873	\$53	\$7,024	\$4,928	\$5,961	\$3,110	\$10,530	\$0	\$16	\$-1,552	\$0	\$9,445	\$16,720	\$115	\$37,991					
Small Business Direct Install	\$18,770	\$10,007	\$336	\$809	\$771	\$764	\$10	\$1,017	\$594	\$722	\$371	\$1,503	\$0	\$0	\$-249	\$0	\$1,001	\$2,344	\$13	\$8,763					
Commercial & Industrial SUBTOTAL	\$218,556	\$99,977	\$3,163	\$5,626	\$6,871	\$6,808	\$70	\$10,284	\$7,076	\$7,538	\$4,690	\$14,362	\$0	-\$1,839	\$0	\$20	\$11,579	\$23,537	\$192	\$118,579					
Grand Total	\$344,388	\$181,482	\$4,384	\$7,233	\$9,257	\$9,172	\$92	\$16,490	\$14,483	\$8,984	\$5,952	\$19,739	\$216	-\$1,733	\$21,882	\$1,091	\$21,131	\$41,639	\$1,449	\$162,926					

Rhode Island Energy Energy-Efficiency Programs
Table E-2A: Summary of 2022 EE Impacts

	kW Saved		MWh Saved		MMBtu of Gas		MMBtu of Oil		MMBtu of Propane	
	Summer	Winter	Annual	Lifetime	Annual	Lifetime	Annual	Lifetime	Annual	Lifetime
Non-Income Eligible Residential										
Residential New Construction	44	31	448	6,859	-	-	219	5,471	546	13,643
ENERGY STAR HVAC	450	1,539	6,583	114,444	278	4,175	22,919	343,792	(1)	(7)
Energy Wise	448	528	2,652	12,683	-	-	20,639	404,826	55	649
EnergyWise Multifamily	114	127	721	3,442	-	-	544	11,396	-	-
Home Energy Reports	4,237	6,548	30,814	30,814	-	-	-	-	-	-
Residential Consumer Products	537	198	2,461	17,559	30	608	44	882	-	-
Non-Income Eligible Residential SUBTOTAL	5,830	8,970	43,679	185,799	309	4,783	44,365	766,367	600	14,285
Income Eligible Residential										
Single Family - Income Eligible Services	396	361	2,388	27,991	1,028	9,803	6,687	125,786	20	287
Income Eligible Multifamily	62	312	1,419	17,288	-	-	-	-	-	-
Income Eligible Residential SUBTOTAL	459	673	3,807	45,279	1,028	9,803	6,687	125,786	20	287
Commercial & Industrial										
Large Commercial New Construction	829	681	7,065	101,622	(352)	(4,578)	-	-	-	-
Large Commercial Retrofit	6,469	5,753	43,442	322,519	(27,649)	(186,832)	-	-	-	-
Small Business Direct Install	1,222	1,115	7,042	57,769	(4,995)	(29,972)	-	-	-	-
Commercial & Industrial SUBTOTAL	8,520	7,549	57,550	481,911	(32,996)	(221,382)	-	-	-	-
Grand Total	14,808	17,192	105,036	712,989	(31,659)	(206,797)	51,051	892,153	620	14,572

**Rhode Island Energy Energy-Efficiency Programs
Table E-2B: Summary of 2022 ADM Benefits (\$000)**

	Total	Total (No Econ)	Capacity					Energy			Non Electric	Societal		Load Reduction (MW)	MWh Saved		
			Summer Generation	Capacity DRIPE	Trans	Dist	Reliability	Summer		Electric Energy DRIPE		Carbon	Economic	Summer	Annual	Lifetime	
								Peak	Off Peak								
Non-Income Eligible Residential																	
Residential Connected Solutions	\$3,516	\$2,279	\$183	\$753	\$522	\$517	\$153	\$15	\$18	\$6	\$0	\$112	\$1,237	5.3	1.9	1.9	
Non-Income Eligible Residential SUBTOTAL	\$3,516	\$2,279	\$183	\$753	\$522	\$517	\$153	\$15	\$18	\$6	\$0	\$112	\$1,237	5.3	1.9	1.9	
Commercial & Industrial																	
Commercial Connected Solutions	\$17,459	\$7,156	\$434	\$1,783	\$2,162	\$2,142	\$634	\$0	\$0	\$0	\$0	\$0	\$10,304	21.8	0.0	0.0	
Commercial & Industrial SUBTOTAL	\$17,459	\$7,156	\$434	\$1,783	\$2,162	\$2,142	\$634	\$0	\$0	\$0	\$0	\$0	\$10,304	21.8	0.0	0.0	
Grand Total	\$20,975	\$9,435	\$618	\$2,537	\$2,683	\$2,659	\$787	\$15	\$18	\$6	\$0	\$112	\$11,541	27.1	1.9	1.9	

Rhode Island Energy Energy-Efficiency Programs
Table E-3: Summary of B/C Ratios, Value and Costs (\$000's)
2022 Program Year

	(1) Benefit/ Cost	(2) Total Value	(3) Program Implementation Expenses	(4) Customer Contribution	(5) Shareholder Incentive
Commercial & Industrial					
Large Commercial New Construction	3.98	\$18,231.3	\$4,315.4	\$266.5	
Large Commercial Retrofit	2.86	\$71,738.2	\$18,559.0	\$6,496.1	
Small Business Direct Install	1.43	\$10,007.0	\$5,727.7	\$1,249.0	
Commercial ConnectedSolutions	1.52	\$7,155.5	\$4,704.9		
Commercial Pilots			\$0.0		
Community Based Initiatives - C&I			\$8.8		
Finance Costs			\$2,000.0		
SUBTOTAL	2.32	\$107,132.0	\$35,315.8	\$8,011.6	\$2,866.6
Income Eligible Residential					
Single Family - Income Eligible Services	1.68	\$17,105.9	\$10,208.0	\$0.0	
Income Eligible Multifamily	1.19	\$3,072.8	\$2,572.1	\$0.0	
SUBTOTAL	1.64	\$20,178.7	\$12,780.0	\$0.0	-\$443.3
Non-Income Eligible Residential					
Residential New Construction	1.19	\$2,025.2	\$1,102.0	\$596.5	
ENERGY STAR® HVAC	4.48	\$30,377.4	\$4,326.1	\$2,449.9	
EnergyWise	1.12	\$17,113.1	\$14,357.5	\$937.7	
EnergyWise Multifamily	1.44	\$1,783.9	\$1,242.1	\$0.0	
Home Energy Reports	2.59	\$6,198.3	\$2,389.7	\$0.0	
Residential Consumer Products	1.92	\$3,808.7	\$1,890.9	\$95.0	
Residential ConnectedSolutions	1.53	\$2,279.2	\$1,490.0		
Energy Efficiency Education Programs			\$0.0		
Residential Pilots			\$0.0		
Community Based Initiatives - Residential			\$0.0		
Comprehensive Marketing - Residential			\$234.2		
SUBTOTAL	2.00	\$63,585.8	\$27,032.6	\$4,079.1	\$625.0
Regulatory					
OER			\$1,541.7		
EERMC			\$406.8		
Rhode Island Infrastructure Bank			\$3,735.0		
SUBTOTAL			\$5,683.5		
TOTAL	1.99	\$190,896.5	\$80,811.9	\$12,090.6	\$3,048.3

Notes:

- (1) RI Test B/C Ratio = (Capacity + Energy + Utility NEIs + Non Electric + Societal) / (Program Implementation + Customer Contribution + Shareholder Incentive)
- (2) Year-End Value Total from Table E-2
- (3) Year-end implementation expenses by program from Table E-1 including finance costs
- (4) For the Income Eligible Multifamily program, there are some circumstances where a customer co-pay is charged. If the facility is owned by a for-profit company and there are custom measures being installed that cannot be supported by the program budget a co-pay will be negotiated with the customer.
- (5) The shareholder incentive column includes PIM payouts and assessed SQA from Table 4c.

Rhode Island Energy Energy-Efficiency Programs
Table 4A: Actual Electric PIM Benefits, Allocations, and Categorization
2022 Program Year

Sector	Capacity					Energy					Utility NEIs	Non Electric				Societal		
	Summer Generation	Capacity DRIPE	Trans	Dist	Reliability	Winter		Summer		Electric Energy DRIPE		Natural Gas and Natural	Oil and Oil DRIPE	Other Resource (Propane, Water)	Non Resource	Carbon	NOx	Economic
						Peak	Off Peak	Peak	Off Peak									
Non-Income Eligible Residential	\$988,539	\$1,381,081	\$1,927,630	\$1,909,857	\$18,203	\$4,992,895	\$5,959,916	\$1,120,723	\$930,068	\$4,370,267	\$0	\$42,505	\$18,784,974	\$655,869	\$2,046,683	\$15,108,907	\$1,068,411	\$31,203,478
Income Eligible Residential	\$232,263	\$225,885	\$458,602	\$454,374	\$2,857	\$1,213,920	\$1,446,929	\$325,579	\$331,660	\$1,007,139	\$216,196	\$63,518	\$3,096,734	\$415,420	\$7,505,700	\$2,993,326	\$188,621	\$13,143,339
Commercial & Industrial	\$3,162,911	\$5,626,073	\$6,871,204	\$6,807,853	\$70,463	\$10,283,616	\$7,076,386	\$7,537,745	\$4,689,826	\$14,362,016	\$0	-\$1,839,303	\$0	\$19,511	\$11,579,066	\$23,536,989	\$192,170	\$118,579,001
Included in PIM? (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N
Percent Application in PIM	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	50%	50%	50%	0%	0%	0%	0%
Category	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Electric Utility System Benefits	Resource Benefits	Resource Benefits	Resource Benefits	NA	NA	NA	NA

Rhode Island Energy Energy-Efficiency Programs
Table 4B: Actual Electric PIM Costs
2022 Program Year

Sector	Eligible Spending Budget	Regulatory Costs
Non-Income Eligible Residential	\$27,032,620	\$1,894,487
Income Eligible Residential	\$12,780,033	\$1,894,487
Commercial & Industrial	\$35,315,835	\$1,894,487
Included in PIM? (Y/N)	Y	Y
Percent Application in PIM	100%	100%

Rhode Island Energy Energy-Efficiency Programs
Table 4C: PIM and SQA Summary
2022 Program Year

Sector	Inputs (\$)							
	Electric Utility System Benefits	Resource Benefits	Achieved Total Benefits	Achieved Costs	Achieved Net Benefits	Planned Total Benefits	Planned Total Costs	Planned Net Benefits
Non-Income Eligible Residential	\$23,599,179	\$9,741,674	\$33,340,853	\$28,927,107	\$4,413,746	\$32,168,042	\$33,025,083	-\$857,042
Income Eligible Residential	\$5,915,401	\$1,787,836	\$7,703,238	\$14,674,520	-\$6,971,282	\$11,447,904	\$18,829,414	-\$7,381,509
Commercial & Industrial	\$66,488,094	-\$909,896	\$65,578,199	\$37,210,321	\$28,367,877	\$80,703,137	\$47,154,536	\$33,548,601

Sector	PIM (\$)						
	Design Performance Achievement	Achieved Net Benefits / Design Performance Achievement	Achieved / Planned Costs	Planned Performance Incentive	Payout Rate	Payout Cap	Earned Performance Incentive
Non-Income Eligible Residential	\$2,000,000	220.69%	87.59%	\$500,000	25.00%	\$625,000	\$625,000
Income Eligible Residential	\$2,000,000	-348.56%	77.93%	\$500,000	25.00%	\$625,000	\$0
Commercial & Industrial	\$33,548,601	84.56%	78.91%	\$3,390,165	10.11%	\$4,237,706	\$2,866,641

Sector	SQA (\$)				
	Design Service Achievement	Service Achievement	Maximum Service Adjustment	Service Quality Adjustment Amount	% of Maximum Service Quality Adjustment Applied
Non-Income Eligible Residential	\$32,168,042	103.65%	\$938,438	\$0	0.00%
Income Eligible Residential	\$11,447,904	67.29%	\$443,300	\$443,300	100.00%
Commercial & Industrial	\$80,703,137	81.26%	N/A	N/A	N/A

Rhode Island Energy Energy-Efficiency Programs
Table 5: Overall Analysis of Energy Efficiency Fund Balance

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
1. Start Of Period Balance	\$20,359,192	\$28,588,999	\$31,378,527	\$33,597,869	\$37,370,782	\$38,936,584	\$20,359,192
2. Revenue	\$8,154,726	\$5,855,765	\$8,422,680	\$9,025,633	\$8,354,970	\$7,680,925	\$47,494,699
3. Monthly EE Expenses	(\$56,936)	\$3,088,467	\$6,242,572	\$5,295,570	\$6,835,243	\$3,203,606	\$24,608,521
4. Cash Flow Over/(Under)	\$8,211,662	\$2,767,298	\$2,180,109	\$3,730,063	\$1,519,727	\$4,477,318	\$22,886,178
5. End Of Period Balance Before Interest	\$28,570,854	\$31,356,297	\$33,558,636	\$37,327,931	\$38,890,510	\$43,413,903	\$43,245,370
6. Interest	\$18,145	\$22,230	\$39,233	\$42,851	\$46,075	\$49,753	\$218,286
7. End Of Period Balance After Interest	\$28,588,999	\$31,378,527	\$33,597,869	\$37,370,782	\$38,936,584	\$43,463,656	\$43,463,656
	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	YEAR END TOTAL
8. Start Of Period Balance	\$43,463,656	\$49,793,674	\$55,734,872	\$58,299,264	\$60,447,946	\$62,836,939	\$20,359,192
9. Revenue 19	\$10,341,727	\$10,686,091	\$8,268,807	\$7,473,819	\$7,734,333	\$8,373,807	\$100,373,283
10. Monthly EE Expenses	\$4,068,018	\$4,808,612	\$5,773,268	\$5,396,837	\$5,419,780	\$29,648,568	\$79,723,604
11. Cash Flow Over/(Under)	\$6,273,709	\$5,877,479	\$2,495,539	\$2,076,982	\$2,314,553	(\$21,274,761)	\$20,649,679
12. End Of Period Balance Before Interest	\$49,737,365	\$55,671,153	\$58,230,410	\$60,376,246	\$62,762,499	\$41,562,178	\$41,008,871
13. Interest	\$56,309	\$63,718	\$68,854	\$71,700	\$74,440	\$63,074	\$616,382
14. End Of Period Balance After Interest	\$49,793,674	\$55,734,872	\$58,299,264	\$60,447,946	\$62,836,939	\$41,625,253	\$41,625,253
15. 2022 Incentive							\$1,736,170
16. Ending Balance after Incentive							\$39,889,083
17. Income Eligible Subsidization							\$0
18. Ending Balance after Subsidization							\$39,889,083

Notes:

1. Previous year's ending balance
2. Business Objects queries for revenues
3. SAP queries for expenses
4. Line 2 minus Line 3
5. Line 1 plus Line 4
6. Interest applied
7. Line 5 plus Line 6
8. Previous month's ending balance
9. Business Objects queries for revenues
10. SAP queries for expenses
11. Line 9 minus Line 10
12. Line 8 plus Line 11
13. Interest applied
14. Line 12 plus Line 13
15. Estimated 2022 Incentive plus prior period true-ups

Rhode Island Energy Energy-Efficiency Programs
Table 6: 2022 Revolving Loan Funds

Large C&I Electric Revolving Loan Fund

Small Business Electric Revolving Loan Fund

<u>Income Statement</u>	
(1) 2022 Funds Available	\$5,202,855
(2) 2022 Loan budget	\$12,000,000
(3) Committed	\$3,282,694
(4) Paid	\$4,071,757
(5) Repayments	\$7,288,293
(6) Available 12/31/22	\$5,136,697
(7) Outstanding loan volume	\$14,086,173
(8) Loan defaults during period (\$)	\$0
(9) Arrears over 120 days at period end (\$)	\$88,147
<u>Program Impact</u>	
(10) Number of loans	80
(10b) Participants	68
(11) Annual Savings (Gross MWh)	8,009
(12) Annual Savings (Net MWh)	6,333
(13) Lifetime Savings (Gross MWh)	61,206
(14) Lifetime Savings (Net MWh)	46,869
(15) Annual Savings (Gross kW)	1,430
(16) Annual Saving (Net kW)	727
(17) Total associated incentive volume (\$)	\$2,422,085
(18) Total annual estimated energy cost savings (\$)	\$869,507

<u>Income Statement</u>	
(1) 2022 Funds Available	\$2,726,897
(2) 2022 Loan budget	\$1,500,000
(3) Committed	\$155,697
(4) Paid	\$989,306
(5) Repayments	\$913,083
(6) Available 12/31/22	\$2,494,977
(7) Outstanding loan volume	\$576,673
(8) Loan defaults during period (\$)	\$0
(9) Arrears over 120 days at period end (\$)	\$13,258
<u>Program Impact</u>	
(10) Participants	555
(11) Annual Savings (Gross MWh)	7,686
(12) Annual Savings (Net MWh)	6,944
(13) Lifetime Savings (Gross MWh)	62,162
(14) Lifetime Savings (Net MWh)	57,025
(15) Annual Savings (Gross kW)	1,490
(16) Annual Saving (Net kW)	1,213
(17) Total associated incentive volume (\$)	\$5,138,415
(18) Total annual estimated energy cost savings (\$)	\$1,229,017

Rhode Island Public Energy Partnership (RI PEP)

<u>Income Statement</u>	
(1) 2022 Funds Available	\$46,895
(2) 2022 Loan budget	\$0
(3) Committed	\$0
(4) Paid	\$0
(4a) Funds Returned to OER	\$0
(5) Repayments	\$7,267
(6) Available 12/31/22	\$54,162
(7) Outstanding loan volume	\$0
(8) Loan defaults during period (\$)	0
(9) Arrears over 120 days at period end (\$)	0
<u>Program Impact</u>	
(10) Number of loans	0
(10b) Participants	0
(11) Annual Savings (Gross MWh)	0
(12) Annual Savings (Net MWh)	0
(13) Lifetime Savings (Gross MWh)	0
(14) Lifetime Savings (Net MWh)	0
(15) Annual Savings (Gross kW)	0
(16) Annual Saving (Net kW)	0
(17) Total associated incentive volume (\$)	\$0
(18) Total annual estimated energy cost savings (\$)	\$0

Notes:

- 1 Amount available as of January 1, 2022. Includes line (6) "Available 12/31/21" plus line (3) "Committed" in Table E-6 and G-6 of the 2021 Year End
- 2 Budget adopted by Sales Team for 2022 operations. Budget includes projections of repayments made during 2021.
- 3 As of December 31, 2022
- 4 As of December 31, 2022. This includes all projects paid through December 31, 2022 and the OBR associated with those projects. OBR payment are
- 4a Funds returned to RI OER.
- 5 As of December 31, 2022
- 6 Fund balance as of December 31, 2022. Committed funds are subtracted from this amount.
- 7 Total outstanding loan balance. Loans lent out that still need to be paid back. This includes loans from previous years.
- 8 Total loan value in default during period.
- 9 Total loan value in arrears for over 120 days as of December 31, 2022.
- 10 As of December 31, 2022
- 10b Unique customer names for large business (one customer name can have multiple sub accounts as is in the case of a franchise). Customer accounts
- 11 As of December 31, 2022
- 12 As of December 31, 2022
- 13 As of December 31, 2022
- 14 As of December 31, 2022
- 15 As of December 31, 2022
- 16 As of December 31, 2022
- 17 Incentives paid out with loans.
- 18 Estimated energy cost savings to loan fund participants.

Rhode Island Energy Energy-Efficiency Programs
Table 7: 2022 Heat Loans

	Single Family EnergyWise	Multifamily	HVAC	Batteries
(1) Number of loans	725	10	54	76
(2) Loan amount	\$6,889,243	\$119,123	\$676,340	\$1,462,044
(3) Measures				
<i>Pre-Weatherization</i>	26			
<i>Weatherization</i>	387			
<i>Heatsystems</i>	409			
<i>DHW</i>	22			
(4) Percentage of weatherization in loans	53%			

Notes

- 1 Equals the number of participants. As of December 31, 2022
- 2 Total amount of loans dispersed in 2022.
- 3 Measures financed through loans.
- 4 Percentage of Heat Loan recipients using their loan for weatherization.

PUC Post-Decision 3-2

Request:

Regarding the electric Large Commercial Retrofit program, please explain how the Company spent only 73% of the planned budget but achieved 103% of planned electric MWh savings. In your response, address the specific factors and/or projects that allowed the Company to deliver roughly the same electric savings for roughly \$6.5 million less in implementation expenses.

Response:

The primary driver of this difference between savings achievement and budget spend in the Large Commercial Retrofit program is a different measure mix between what was planned and what was achieved. The main driver of the budget underspend was paying out lower incentives than was budgeted. In terms of lifetime savings, the largest measure end uses for this program are Custom Measures and Lighting. Compared to what was planned, actual 2022 performance saw lower Custom Measures savings than was expected, and higher Lighting savings than was expected. The cost of savings (incentive cost per lifetime MWh) for Custom Measures is higher than that for Lighting. Therefore, even though the overall savings was roughly in line with expectations, the measure mix contributing to these savings included less Custom Measures with more-expensive savings than expected, and more Lighting with less-expensive savings than expected, resulting in an overall lower cost of savings.

Specific factors contributing to lower Custom Measures savings and higher Lighting savings include:

- Lighting project materials were less impacted by supply chain delays than were custom project materials (e.g., custom-built equipment, controls systems incorporating microchips), which saw substantially longer lead times in 2022.
- The Company worked with the upstream lighting vendor and lighting distributors to identify in-stock materials and potential make/model substitutions to expedite project completion.
- Customers showed increased motivation to complete lighting projects with the understanding that claimable lighting savings are diminishing with rising baselines and lighting incentives are being gradually phased out.

PUC Post Decision 3-3

Request:

Regarding the electric EnergyStar HVAC program, it appears that the Company planned to achieve 395 annual MMBtu of gas savings (Table E-6A, Second Revised Compliance Filing) but actually achieved 23,201 annual MMBtu of gas savings (Table E-2A, Annual Report). Regarding this significant variance in gas savings delivered by the electric EnergyStar HVAC program, please explain the following:

- a. Provide a list of the specific measures offered through the electric EnergyStar HVAC program in 2022 that deliver gas savings. For each measure, indicate the planned number of units to be offered in 2022 and the planned annual MMBtu of gas savings from that planned quantity of measures. For each measure, also indicate the actual number of units offered in 2022 and the actual annual MMBtu of gas savings from that quantity of measures.
- b. What specific factors and/or projects allowed the Company to deliver significantly more gas savings through this program in 2022 than planned?
- c. In recent program years, has the Company over-delivered natural gas savings (related to planned savings) through the electric EnergyStar HVAC program? If yes, how does the magnitude of recent program years' over-delivery of natural gas savings (related to planned savings) compare the over-delivery of natural gas savings in 2022?

Response:

- a. Please see Table 1 below. Due to a measure mapping error, oil savings were counted as gas savings for one measure resulting in higher gas savings than planned. After adjusting the mapping of the measures, the net annual gas savings decreases from 23,201 MMBtu to 278 MMBtu and the net annual oil savings increases from -4 MMBtu to 22,919 MMBtu. The corrected natural gas amounts are shown in Table 1.

The oil savings are higher than the planned value of 4,463 MMBtu. The measure “WiFi Tstat-cool only, Elec” had a planned quantity of 1,700 units with planned net annual oil savings of 4,695 MMBtu, whereas the actuals for this measure was 8,299 units with net annual oil savings of 22,923 MMBtu.

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 5189
In Re: 2022 Energy Efficiency Year-End Report
Responses to the Commission's Third Set of Post Decision Data Requests
Issued on June 20, 2023

PUC Post Decision 3-3, page 2

Table 1. Comparison of Planned and Actual Gas Annual MMBtu Savings

Measure	Units			Annual Gas MMBtu Savings		
	Planned	Report	Update	Planned	Report	Update
HPWH < 55 gallon UEF 2.7	500	8	8	-47	-1	-1
WiFi Tstat-heat and cool, Gas	160	8,400	101	441	23,202	279
WiFi Tstat-cool only, Elec*	1,700	0	8,299	N/A	0	N/A
Total	2,360	8,408	109	395	23,201	278

* = This is an oil savings measure that should not have been included with gas-savings measures

- b. Not applicable, since actual savings decreased relative to plan estimates.
- c. In 2021, the Company underdelivered gas savings in the HVAC program. The Company cannot compare amounts of over-delivery between the years because it did not over-deliver gas savings in 2022.

PUC Post-Decision 3-4

Request:

Table E-6 in the Company's Second Revised Compliance Filing in Docket No. 5189 lists the planned natural gas benefits for the 2022 Electric Energy Efficiency Program as -\$2.4 million. Table E-2 of the Annual Report lists the achieved natural gas benefits for the 2022 Electric Energy Efficiency Program as \$3.1 million. Regarding this significant variance in natural gas benefits achieved by the electric portfolio, please explain the following:

- a. Why did the Company expect to deliver -\$2.4 million natural gas benefits through the electric portfolio in 2022? List the specific programs and/or projects that the Company planned to deliver in 2022 that would have increased natural gas usage in such a manner that would have created negative \$2.4 million in natural gas benefits.
- b. The Annual Report indicates that actual natural gas benefits delivered by the electric portfolio increased by \$5.5 million relative to planned natural gas benefits (from -\$2.4 million planned to positive \$3.1 million achieved). It appears that the \$5.5 million increase was delivered by two sets of programs: the electric EnergyStar HVAC program and the total Commercial and Industrial sector. Regarding the Commercial and Industrial sector, planned natural gas benefits for 2022 were -\$2.5 million (Table E-6, Second Revised Compliance Filing) and achieved natural gas benefits were only -\$7,000 (Table E-2, Annual Report). Please explain how the Company was able to increase the actual natural gas benefits delivered by the Commercial and Industrial sector by roughly \$2.5 million relative to planned levels.

Response:

- a. The negative natural gas benefits are associated with the three Commercial and Industrial electric programs. These programs were predicted to create -\$2.5 million in natural gas benefits (Residential electric programs were predicted to create approximately \$100,000 in natural gas benefits.) These negative benefits were associated with lighting projects expected to be installed over the course of 2022. When more efficient lighting is installed, waste heat from inefficient lighting is reduced and, consequently, heat has to be introduced into conditioned space to make up for the lost waste heat. That contributes to an increase in natural gas consumption and negative benefits.
- b. In reviewing the reported resource benefits, the Company identified an error in tabulation of resource savings. The formula for resource savings is (kWh savings x resource units/kWh). Instead of using kWh saved in 2022 in the calculation, the calculation used the number of measures installed. This error accounted for approximately 80% of the

PUC Post-Decision 3-4, page 2

difference between planned and achieved (negative) natural gas benefits. The other 20% of the difference is attributed to the achievement of about 20% fewer lifetime MWh savings than planned in 2022. The corrected amounts are reflected in the updated electric tables included as Attachment PUC 3-1. Correction of this error reduced benefits by about \$3.7 million, or 3.4% of the total sector benefits compared to the Annual Report filing.

PUC Post-Decision 3-5

Request:

Referencing electric Table 4-C in the Annual Report, please provide the underlying calculations for the Earned Performance Incentive for each electric sector.

Response:

Residential

- Achieved PIM-eligible net benefits = \$1,747,728
- Planned PIM-eligible net benefits = -\$857,042
- Design Performance Achievement¹ = \$2,000,000
- Design Payout Rate = 25%
- Spent PIM-eligible costs = \$28,940,338
- Planned PIM-eligible costs = \$33,025,083
- Achieved PIM-eligible net benefits / Design Performance Achievement = 87.4%
- Achievement Category applied²: D (applies when row above is greater than 75%)
- Payout Rate Adjustment³ = 1 (always 1 when Achievement Category D applies)
- Spent PIM-eligible costs / planned PIM-eligible costs = 87.6%
- PIM rule applied⁴: Rule 1 (applies when row above is less than 100%)
- Earned Performance Incentive under PIM Rule 1 = Achieved PIM-eligible net benefits x Design Payout Rate x Payout Rate Adjustment = \$1,747,728 x 25% x 1 = \$436,932

Income Eligible

- Achieved PIM-eligible net benefits = -\$6,984,514
- Planned PIM-eligible net benefits = -\$7,381,509
- Design Performance Achievement⁵ = \$2,000,000
- Design Payout Rate = 25%
- Spent PIM-eligible costs = \$14,687,752
- Planned PIM-eligible costs = \$18,829,414
- Achieved PIM-eligible net benefits / Design Performance Achievement = -349.2%
- Achievement Category applied⁶: A (applies when row above is less than 25%)

¹ Please see PUC Order 24225 for specific definitions.

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

PUC Post-Decision 3-5, page 2

- Payout Rate Adjustment⁷ = 0⁸ (always 0 when Achievement Category A applies)
- Spent PIM-eligible costs / planned PIM-eligible costs = 78.0%
- PIM rule applied⁹: Rule 1 (applies when row above is less than 100%)
- Earned Performance Incentive under PIM Rule 1 = Achieved PIM-eligible net benefits x Design Payout Rate x Payout Rate Adjustment = -\$6,984,514 x 25% x 0 = \$0

C&I

- Achieved PIM-eligible net benefits = \$29,261,016
- Planned PIM-eligible net benefits = \$33,548,601
- Design Performance Achievement¹⁰ = \$33,548,601
- Design Payout Rate = 10.1%
- Spent PIM-eligible costs = \$37,223,553
- Planned PIM-eligible costs = \$47,154,536
- Achieved PIM-eligible net benefits / Design Performance Achievement = 87.2%
- Achievement Category applied¹¹: D (applies when row above is greater than 75%)
- Payout Rate Adjustment¹² = 1 (always 1 when Achievement Category D applies)
- Spent PIM-eligible costs / planned PIM-eligible costs = 78.9%
- PIM rule applied¹³: Rule 1 (applies when row above is less than 100%)
- Earned Performance Incentive under PIM Rule 1 = Achieved PIM-eligible net benefits x Design Payout Rate x Payout Rate Adjustment = \$29,261,016 x 10.1% x 1 = \$2,956,895

⁷ Ibid.

⁸ If the Payout Rate Adjustment is 0, the received performance incentive is automatically \$0.

⁹ Please see PUC Order 24225 for specific definitions.

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

PUC Post-Decision 3-6

Request:

Table E-1 of the Annual Report indicates that the Company spent 71% of its planned electric Residential New Construction program budget in 2022 but only achieved 46% of planned savings. Please explain why the magnitude of savings underperformance was more significant than spending underperformance for this program in 2022. In other words, what caused the Company to spend 71% of its planned program budget and achieve less than 71% of planned savings?

Response:

The Residential New Construction program incurs costs throughout the design and development of new construction projects and claims associated savings upon completion of the project. Since the development of New Construction projects can span beyond the calendar year, costs may occur in the early phases of a project with no associated savings. In 2022, the program supported electric projects during design and construction that will be completed in 2023 and beyond.

Normally, there would not be such a large discrepancy between the costs and savings within a given year, but there were significantly fewer completed units than anticipated in 2022 (particularly on the electric side). This highlights the fact that a significant amount of work takes place before savings can be reported. For Residential New Construction, the dip in completed projects corresponds to fewer projects started at the beginning of COVID. The program still had many completions in 2021 from projects that were already in process, but 2022 had fewer completions due to fewer starts during 2020. 2022 also experienced construction delays resulting from shortages in lumber, windows, and heating systems.

PUC Post-Decision 3-7

Request:

Table E-1 of the Annual Report indicates that the Company spent 66% of its planned electric Residential Consumer Products program budget in 2022 but only achieved 36% of planned savings. Please explain why the magnitude of savings underperformance was more significant than spending underperformance for this program in 2022. In other words, what caused the Company to spend 66% of its planned program budget and achieve less than 66% of planned savings?

Response:

The spending for Residential Consumer Products was impacted by several factors. First, there are fixed costs associated with the program that kept STAT costs in the same range as in prior years. These costs pay for vendors to support retail partners and ensure that they are aware of program elements and changes. The vendor that visits the retail stores also verifies that program information is displayed correctly, conducts consumer education events, and trains sales staff on the most recent energy efficiency consumer products offerings. Second, actual costs in the recycling area continued to rise and the program accommodated the price increase to support this consumer offering. Third, some measures had short-term, enhanced incentives offered during the year to try to spur consumer activity. Many of the items offered within the Consumer Products portfolio are discretionary items and the program was impacted by rising interest rates, which influenced consumer purchases, and product shortages during 2022.

PUC Post-Decision 3-8

Request:

Regarding the Home Energy Reports program, please explain the following:

- a. Referencing Table E-1 of the Annual Report, how was the Company able to achieve 115% of planned savings in the 2022 electric Home Energy Reports program while only spending 90% of the planned budget and achieving only 80% of planned participation?
- b. Referencing Table G-1 of the Annual Report, how was the Company able to achieve 124% of planned savings in the 2022 gas Home Energy Reports program while only spending 86% of the planned budget?
- c. It was Commission staff's understanding that the ratio between the size of the Home Energy Reports program (measured in terms of the program budget) and the benefits of the program was fixed, meaning that any incremental spending beyond the planned budget would yield proportionately more benefits. However, it appears that the benefit-cost ratio of the electric Home Energy Reports program increased significantly between the program plan (2.05, from Table E-5 Primary of the Second Revised Compliance Filing) and the actual program delivered (2.59, from Table E-3 of the Annual Report). Please explain the specific factors that caused the benefit-cost ratio of the electric Home Energy Reports program to change between planned vs. actual program delivery.

Response:

- a. The Home Energy Reports program uses actual savings, spending, and participation in the Year End Report. The planned savings were derived for program planning purposes using the most recent evaluation data available at the time. The difference between actual and planned savings is likely due to customers saving more during 2022 than when they were last evaluated.

In regard to budget, the budget represents the amount required to execute the program. An increase or decrease in actual savings from planned savings due to customer behavior would not impact the cost of delivering the program. In this case, the costs for delivering the program were close to the planned values.

In regard to participation, the planning process created higher than anticipated participation due to the deemed, evaluated savings. The Company and the Lead Vendor work on establishing savings and spending forecasts for the Energy Efficiency Plan. Given the benefit cost model deemed savings, the Company entered a larger number of

PUC Post-Decision 3-8, page 2

participants than anticipated to reach the savings target. This applies to both tables E-1 and G-1.

- b. Same rationale as the response to subsection (a).
- c. The difference in the ratio between benefits and costs results from the planned values using fixed, evaluated savings and the annual report using actual savings with evaluated realization rates applied. The costs for delivering the program were close to the planned values. The savings in the program exceed the planned savings value which contributed to the increase in the benefit cost ratio.

PUC Post-Decision 3-9

Request:

Tables E-1 and G-1 of the Annual Report indicate that EERMC only spent 32% of its planned electric budget in 2022 and only 24% of its planned gas budget in 2022. Please explain why the percentage of actual EERMC spending differed between the gas and electric sectors. In your response, specifically address how the Company allocates EERMC expenditures between the gas and electric programs for reporting purposes.

Response:

Electric

Table E-1 of the Annual Report erroneously shows the 2022 planned EERMC budget as \$1,274,400. Per Table E-2 in the Second Revised Compliance Filing in Docket No. 5189 (filed with the PUC on January 27, 2022), the correct 2022 planned EERMC budget is \$766,200. Per note 11 on Table E-1 of the Annual Report, the reported EERMC expense reflects a \$203,588 refund of unused funds from year-end 2021, per PUC Order 24440, issued July 11, 2022.

Therefore:

- \$406,800 reported expenses
- + \$203,588 refund
- = \$610,338 total expenses
- / \$766,200 budget = 80%

Gas

Table G-1 of the Annual Report erroneously shows the 2022 planned EERMC budget as \$515,000. Per Table G-2 in the Second Revised Compliance Filing in Docket No. 5189 (filed with the PUC on January 27, 2022), the correct 2022 planned EERMC budget is \$259,500. Per note 11 on Table G-1 of the Annual Report, the reported EERMC expense reflects a \$82,350 refund of unused funds from year-end 2021, per PUC Order 24440, issued July 11, 2022.

Therefore:

- \$124,000 reported expenses
- + \$82,350 refund
- = \$206,350 total expenses
- / \$259,500 budget = 80%

Using the correct values, the percentages of actual EERMC spending match between electric and gas. The correct values are reflected in the refiled electric and gas Annual Report tables.

PUC Post-Decision 3-10

Request:

Tables E-1 and G-1 of the Annual Report indicate that the Office of Energy Resources (OER) only spent 83% of its planned electric budget in 2022 and 93% of its planned gas budget in 2022. It was Commission staff's understanding that the Company transfers the portion of the annual gas and electric program budgets allocated to OER directly to the Office without invoice submittal and review. Please explain why less than 100% of the allocated OER budget was transferred to OER in 2022 and why the Company transferred OER's electric sector funding allowance at a different "rate" than OER's gas sector allowance.

Response:

Table E-1 of the Annual Report erroneously shows the 2022 planned OER budget as \$1,911,500. Per Table E-2 in the Second Revised Compliance Filing in Docket No. 5189 (filed with the PUC on January 27, 2022), the correct 2022 planned EERMC budget is \$1,541,700.

Table G-1 of the Annual Report erroneously shows the 2022 planned EERMC budget as \$772,500. Per Table G-2 in the Second Revised Compliance Filing in Docket No. 5189 (filed with the PUC on January 27, 2022), the correct 2022 planned EERMC budget is \$755,600. The correct budget values are reflected in the refiled electric and gas Annual Report tables.

Combining electric and gas, the total 2022 OER budget was $\$1,541,700 + \$755,600 = \$2,297,300$. The total reported expenses were $\$1,581,400 + \$715,900 = \$2,297,300$, which is 100% of the combined budget. The budgeted electric/gas split for OER was 67% electric, 33% gas. This split was applied to the second, third, and fourth quarter transfers made to OER. The first quarter transfer was inadvertently allocated using the EERMC allocation of 74% electric, 26% gas, resulting in the over-allocation to electric and under-allocation to gas shown above. This allocation has been corrected and is reflected in the refiled electric and gas Annual Report tables. This change moves \$39,700 of the OER expenses from electric to gas. Therefore:

Electric

- \$1,581,400 initially reported expenses
- - \$39,700 allocation correction
- / \$1,541,700 budget = 100%

Gas

- \$715,900 initially reported expenses
- + \$39,700 allocation correction
- / \$755,600 budget = 100%

PUC Post Decision 3-11

Request:

Table E-6A of the Second Revised Compliance Filing indicates the Company planned to achieve 37,550 MMBtu of oil savings (annual) through the 2022 electric portfolio. Table E-2A of the Annual Report indicates that the Company only achieved 28,129 MMBtu of oil savings (annual). What factors contributed to this decrease in actual oil savings from the electric portfolio relative to planned savings?

Response:

The primary factor for the difference in oil savings was lower participation. The majority of annual oil savings were expected to be created by weatherization measures and water heating efficiency measures in the EnergyWise and Income Eligible programs, along with thermostats and some Income Eligible heating system replacement. Across all measures, the Company expected about 13,200 measure installations in 2022. Actual participation was approximately 7,600 across all measures. The reduction in oil savings is not proportional to the decrease in participation because the mix of measures installed differed from those in the plan.

PUC Post Decision 3-12

Request:

Table E-6A of the Second Revised Compliance Filing indicates the Company planned to achieve 1,607 MMBtu of propane savings (annual) through the 2022 electric portfolio. Table E-2A of the Annual Report indicates that the Company only achieved 620 MMBtu of propane savings (annual). What factors contributed to this decrease in actual propane savings from the electric portfolio relative to planned savings?

Response:

The primary factor for the difference in propane savings was lower participation. The majority of annual propane savings were expected by the avoidance of propane heat in Residential new construction. Space heating and water heating measures were expected to create the balance of the resource savings. Actual savings decreased because approximately 50% fewer participants in the Residential New Construction program identified propane as the fuel that they would have used. The reduction in propane savings is not proportional to the decrease in participation because the mix of measures installed differed from those in the plan.

PUC Post-Decision 3-13

Request:

Table E-2 of the Second Revised Compliance Filing indicates the Company planned for \$5 million in electric Program, Planning, and Admin (PPA) expenses. Schedule 1a in the Electric Cost Schedules of the Annual Report indicates that the Company actually spent \$7 million on electric sector PPA. What specific factors caused the Company to overspend its electric PPA by \$2 million in 2022?

Response:

The \$2 million injection into the Large Commercial and Industrial Revolving Loan Fund was erroneously categorized as a Program Planning and Administration expense, when it should have been categorized as a “Cost of services and product rebates/incentives provided to customers” expense, as it is in the 2022 budget under Commercial and Industrial “Finance Costs.” This can be seen in Schedule 4 in the Electric Cost Schedules in line 22 “Finance Costs (Electric).” Recategorizing this loan fund injection removes the \$2 million electric PPA spend. The correct PPA spend is reflected in the corrected tables provided in the responses to PUC Post-Decision 3-1 and PUC Post-Decision 3-14.

PUC Post-Decision 3-14

Request:

Table G-5A in the Company's Second Revised Compliance Filing in Docket No. 5189 (filed with the PUC on January 27, 2022) lists the total Implementation Expenses for the 2022 Gas Energy Efficiency Program as \$34,819,000. Table G-5 of the Company's Second Revised Compliance Filing in Docket No. 5189 (filed with the PUC on January 27, 2022) lists the total Implementation Expenses for the 2022 Gas Energy Efficiency Program as \$36,081,500.

Table G-1 of the Annual Report (filed with the Commission on June 1, 2023) lists the Approved Budget Implementation Expenses as \$36,353,900 (Column 7). Separately, Table E-5 Primary in the Company's Second Revised Compliance Filing lists the \$/Lifetime MMBtu for the total 2022 Gas Energy Efficiency Program as \$11/MMBtu. Additionally, Table G-1 of the Annual Report lists the planned \$/Lifetime MMBtu for the total 2022 Gas Energy Efficiency Program as \$8.95/MMBtu. Given these inconsistencies between the Second Revised Compliance Filing and the Annual Report, please file a corrected set of gas Annual Report tables that include planned/budgeted data that accurately matches the Second Revised Compliance Filing.

Please also confirm that all other data included in the gas Annual Report tables is accurate.

Response:

A set of corrected Year-End Report Gas Tables is included as Attachment PUC Post Decision 3-14. The set includes the correction to the planned implementation expenses as noted. The Approved Implementation Expenses on Table G-1 now match the Implementation Expenses for Cost-Effectiveness values on Table G-3 of the Second Revised Compliance Filing. All other data included in the gas Annual Report tables have been reviewed and confirmed.

For the \$/Lifetime MMBtu, the value from Table G-5 of the Second Revised Compliance Filing includes customer costs and implementation expenses. The \$/Lifetime MMBtu value from Table G-1 of the Annual Report includes implementation expenses only; it has been shown that way in prior Annual Reports as well and is therefore not included among the corrections.

Rhode Island Energy Energy-Efficiency Programs
Table G-1: Summary of 2022 Target and Year End Results

Sector and Program	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Energy Savings (Annual MMBtu)			Customer Participation			Implementation Expenses (\$ 000)			Energy Savings (Lifetime MMBtu)			\$/Lifetime MMBtu		Peak Hour Gas Demand Savings (MMBtu)
	Approved Target	Actual	Pct Achieved	Approved Target	Actual	Pct Achieved	Approved Budget	Actual	Pct Achieved	Planned	Actual	Pct Achieved	Planned	Actual	Year to Date
Commercial & Industrial															
Large Commercial New Construction	52,956	44,398	83.8%	94	23	24.0%	\$ 3,140.9	\$ 2,677.1	85.2%	788,763	581,376	73.7%	\$ 3.98	\$ 4.60	22.20
Large Commercial Retrofit	142,888	146,383	102.4%	62	89	143.4%	\$ 4,672.1	\$ 4,919.4	105.3%	1,332,508	1,374,881	103.2%	\$ 3.51	\$ 3.58	73.19
Small Business Direct Install	6,113	4,311	70.5%	170	97	56.7%	\$ 354.1	\$ 418.9	118.3%	91,700	78,956	86.1%	\$ 3.86	\$ 5.31	2.16
Commercial & Industrial Multifamily	8,803	2,771	31.5%	729	159	21.8%	\$ 957.0	\$ 490.8	51.3%	131,220	59,175	45.1%	\$ 7.29	\$ 8.29	1.39
Commercial Pilots							\$ 215.8	\$ 67.2	31.1%						
Finance Costs							\$ -	\$ -	0.0%						
Commercial Workforce Development							\$ 67.5	\$ -							
Community Based Initiatives - C&I							\$ 28.3	\$ 2.9	10.1%						
SUBTOTAL	210,760	197,863	93.9%	1,056	367	34.8%	\$ 9,435.7	\$ 8,576.2	90.9%	2,344,192	2,094,388	89.3%	\$ 4.03	\$ 4.09	98.93
Income Eligible Residential															
Single Family - Income Eligible Services	10,942	6,481	59.2%	1,098	508	46.3%	\$ 6,370.0	\$ 4,497.5	70.6%	218,847	129,628	59.2%	\$ 29.11	\$ 34.70	3.24
Income Eligible Multifamily	14,700	9,525	64.8%	3,150	1,717	54.5%	\$ 2,947.5	\$ 3,085.7	104.7%	273,085	235,706	86.3%	\$ 10.79	\$ 13.09	4.76
SUBTOTAL	25,642	16,006	62.4%	4,248	2,225	52.4%	\$ 9,317.6	\$ 7,583.3	81.4%	491,932	365,334	74.3%	\$ 18.94	\$ 20.76	8.00
Non-Income Eligible Residential															
Energy Star® HVAC	26,740	24,189	90.5%	3,062	2,540	83.0%	\$ 3,650.5	\$ 2,453.2	67.2%	439,717	391,435	89.0%	\$ 8.30	\$ 6.27	12.09
EnergyWise	20,850	22,391	107.4%	1,761	3,548	201.5%	\$ 8,575.0	\$ 9,083.4	105.9%	478,550	526,451	110.0%	\$ 17.92	\$ 17.25	11.20
EnergyWise Multifamily	8,279	2,373	28.7%	4,000	174	4.4%	\$ 1,488.6	\$ 547.6	36.8%	147,064	52,679	35.8%	\$ 10.12	\$ 10.39	1.19
Home Energy Reports	93,548	115,975	124.0%	152,324	143,487	94.2%	\$ 441.5	\$ 379.4	85.9%	93,548	115,975	124.0%	\$ 4.72	\$ 3.27	57.99
Residential New Construction	3,610	4,764	132.0%	289	282	97.4%	\$ 566.4	\$ 591.8	104.5%	64,899	96,022	148.0%	\$ 8.73	\$ 6.16	2.38
Comprehensive Marketing - Residential							\$ 68.0	\$ 0.0	0.0%						
Community Based Initiatives - Residential							\$ 85.0	\$ 73.0	85.9%						
SUBTOTAL	153,027	169,692	110.9%	161,436	150,032	92.9%	\$ 14,875.0	\$ 13,128.4	88.3%	1,223,778	1,182,562	96.6%	\$ 12.16	\$ 11.10	84.85
Regulatory															
EERMC							\$ 259.5	\$ 124.0	47.8%						
OER							\$ 755.6	\$ 755.6	100.0%						
Rhode Island Infrastructure Bank							\$ 1,262.5	\$ 1,265.0	100.2%						
SUBTOTAL							\$ 2,277.6	\$ 2,144.6	94.2%						
TOTAL	389,430	383,562	98.5%	166,740	152,624	91.5%	\$ 35,906.0	\$ 31,432.5	87.5%	4,059,902	3,642,284	89.7%	\$ 8.84	\$ 8.63	191.78

Notes:

- (1)(4)(7) and (10) Targets from Docket 5189, Attachment 6, Table G-7
- (3) Pct Achieved is Column (2) / Column (1)
- (4) Participation was planned and is reported in 'net' terms which takes into account free-ridership and spillover
- (6) Pct Achieved is Column (5) / Column (4)
- (9) Pct Achieved is Column (8) / Column (7)
- (11) Year To Date Expenses includes implementation expenses; EERMC expenses reflects \$82,350 refund of unused funds from year-end 2021, per PUC Order 24440, issued July 11, 2022
- (12) Pct Achieved is Column (11) / Column (10)
- (13) Planned \$/lifetime MMBtu from Docket 5189, Attachment 6, Table G-5
- (14) Actual \$/lifetime MMBtu = Column (8)*1000/Column (11)
- (15) Peak Hour Gas Demand Savings is a test metric and represents a rough approximation of peak-hour gas demand impacts

Rhode Island Energy Energy-Efficiency Programs
Table G-2: Summary of 2022 EE Benefits (\$000)

			Natural Gas Benefits		Utility NEIs	Electric Capacity					Electric Energy					Non-Electric and Non-Gas			Societal		
	Total	Total (No Econ)	Natural Gas	Natural Gas DRIPE	Utility NEIs	Summer Generation	Capacity DRIPE	Trans	Dist	Reliability	Winter		Summer		Electric Energy DRIPE	Oil	Other Resource	Non Resource	Carbon	NOx	Economic
											Winter Peak	Winter Off Peak	Summer Peak	Summer Off Peak							
Non-Income Eligible Residential																					
EnergyWise	\$28,986.4	\$19,176.3	\$4,215.0	\$32.5	\$0.0	\$65.1	\$111.9	\$83.8	\$83.0	\$5.6	\$51.8	\$58.7	\$53.2	\$46.2	\$38.8	\$0.0	\$114.9	\$10,305.8	\$2,795.2	\$1,115.0	\$9,810.1
Energy Star® HVAC	\$8,916.2	\$6,536.6	\$3,120.6	\$34.6	\$0.0	-\$1.0	-\$2.2	-\$1.4	-\$1.4	-\$0.1	-\$6.9	-\$6.0	-\$1.6	-\$1.3	-\$4.3	\$0.0	\$88.0	\$352.1	\$2,499.7	\$467.8	\$2,379.6
EnergyWise Multifamily	\$3,216.7	\$2,285.9	\$367.3	\$3.4	\$0.0	\$1.0	\$2.0	\$1.3	\$1.3	\$0.1	\$0.1	\$0.1	\$0.7	\$0.6	\$0.3	\$0.0	\$19.2	\$1,424.5	\$263.5	\$200.6	\$930.9
Home Energy Reports	\$2,539.2	\$2,114.3	\$898.5	\$31.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,113.2	\$71.4	\$424.9
Residential New Construction	\$3,349.2	\$3,148.0	\$767.5	\$6.9	\$1.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$3.0	\$1,703.5	\$524.2	\$144.9	\$201.2
Non-Income Eligible Residential SUBTOTAL	\$47,007.8	\$33,261.1	\$9,368.8	\$108.7	\$1.1	\$65.0	\$111.7	\$83.6	\$82.9	\$5.6	\$45.0	\$52.8	\$52.3	\$45.4	\$34.8	\$0.0	\$222.1	\$13,785.9	\$7,195.7	\$1,999.5	\$13,746.7
Income Eligible Residential																					
Single Family - Income Eligible Services	\$12,402.1	\$7,679.7	\$1,036.2	\$9.3	\$52.1	\$13.9	\$27.7	\$18.3	\$18.1	\$1.4	\$17.0	\$19.9	\$10.8	\$9.5	\$13.6	\$0.0	\$0.0	\$5,484.4	\$775.2	\$172.2	\$4,722.4
Income Eligible Multifamily	\$10,470.5	\$5,471.6	\$1,146.3	\$13.6	\$2.8	\$1.3	\$4.0	\$1.8	\$1.7	\$0.2	\$0.2	\$0.1	\$0.9	\$0.7	\$0.6	\$0.0	\$14.6	\$3,209.4	\$955.6	\$117.7	\$4,998.9
Income Eligible Residential SUBTOTAL	\$22,872.6	\$13,151.3	\$2,182.5	\$22.9	\$54.9	\$15.2	\$31.7	\$20.1	\$19.9	\$1.6	\$17.1	\$20.0	\$11.7	\$10.2	\$14.3	\$0.0	\$14.6	\$8,693.8	\$1,730.9	\$290.0	\$9,721.3
Commercial & Industrial																					
Large Commercial New Construction	\$24,552.9	\$22,571.8	\$4,512.5	\$64.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.3	\$0.4	\$0.0	\$0.0	\$0.2	\$0.0	\$529.1	\$13,162.0	\$4,068.4	\$234.2	\$1,981.1
Large Commercial Retrofit	\$49,614.9	\$39,284.2	\$9,468.9	\$205.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$18,978.2	\$9,679.1	\$952.2	\$10,330.7
Small Business Direct Install	\$1,723.1	\$1,140.9	\$500.1	\$6.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$161.8	\$0.0	\$431.1	\$41.6	\$582.3
Commercial & Industrial Multifamily	\$1,625.4	\$864.7	\$342.0	\$4.1	\$0.0	\$3.0	\$8.9	\$4.1	\$4.0	\$0.4	\$0.4	\$0.2	\$2.1	\$1.7	\$1.4	\$0.0	\$18.5	\$144.4	\$285.8	\$43.6	\$760.7
Commercial & Industrial SUBTOTAL	\$77,516.3	\$63,861.5	\$14,823.5	\$280.8	\$0.0	\$3.0	\$8.9	\$4.1	\$4.0	\$0.4	\$0.7	\$0.6	\$2.1	\$1.7	\$1.6	\$0.0	\$709.4	\$32,284.7	\$14,464.4	\$1,271.6	\$13,654.8
Grand Total	\$147,396.7	\$110,273.9	\$26,374.8	\$412.4	\$56.1	\$83.2	\$152.3	\$107.8	\$106.8	\$7.6	\$62.8	\$73.4	\$66.0	\$57.4	\$50.7	\$0.0	\$946.1	\$54,764.4	\$23,390.9	\$3,561.1	\$37,122.8

**Rhode Island Energy Energy-Efficiency Programs
Table G-2A: Summary of Value and MMBTU Saved by Program
2022 Program Year**

	Value (\$000)					MMBTU Gas Saved	
	(1) Total Value	(2) Natural Gas Benefits	(3) Non-Gas Benefits	(4) Economic Benefits	(5) NOx Benefits	(6) Annual	(7) Lifetime
Commercial & Industrial							
Large Commercial New Construction	\$24,553	\$4,577	\$17,760	\$1,981	\$234	44,398	581,376
Large Commercial Retrofit	\$49,615	\$9,675	\$28,657	\$10,331	\$952	146,383	1,374,881
Commercial & Industrial Multifamily	\$1,625	\$346	\$475	\$761	\$44	2,771	59,175
Small Business Direct Install	\$1,723	\$506	\$593	\$582	\$42	4,311	78,956
SUBTOTAL	\$77,516	\$15,104	\$47,486	\$13,655	\$1,272	197,863	2,094,388
Income Eligible Residential							
Single Family - Income Eligible Services	\$12,402	\$1,046	\$6,462	\$4,722	\$172	6,481	129,628
Income Eligible Multifamily	\$10,470	\$1,160	\$4,194	\$4,999	\$118	9,525	235,706
SUBTOTAL	\$22,873	\$2,205	\$10,656	\$9,721	\$290	16,006	365,334
Non-Income Eligible Residential							
Energy Star® HVAC	\$8,916	\$3,155	\$2,914	\$2,380	\$468	24,189	391,435
EnergyWise	\$28,986	\$4,248	\$13,814	\$9,810	\$1,115	22,391	526,451
EnergyWise Multifamily	\$3,217	\$371	\$1,715	\$931	\$201	2,373	52,679
Home Energy Reports	\$2,539	\$930	\$1,113	\$425	\$71	115,975	115,975
Residential New Construction	\$3,349	\$774	\$2,229	\$201	\$145	4,764	96,022
SUBTOTAL	\$47,008	\$9,478	\$21,784	\$13,747	\$2,000	169,692	1,182,562
TOTAL	\$147,397	\$26,787	\$79,926	\$37,123	\$3,561	383,562	3,642,284

Rhode Island Energy Energy-Efficiency Programs
Table G-3: Summary of B/C Ratios, Value and Costs (\$000's)
2022 Program Year

	(1)	(2)	(3)	(4)	(5)
	Benefit/ Cost	Total Value	Program Implementation Expenses	Customer Contribution	Shareholder Incentive
Commercial & Industrial					
Large Commercial New Construction	7.47	\$22,571.8	\$2,677.1	\$345.8	
Large Commercial Retrofit	4.80	\$39,284.2	\$4,919.4	\$3,269.5	
Small Business Direct Install	2.16	\$1,140.9	\$418.9	\$109.6	
Commercial & Industrial Multifamily	1.76	\$864.7	\$490.8	\$0.0	
Commercial Pilots			\$67.2		
Finance Costs			\$0.0		
Community Based Initiatives - C&I			\$2.9		
SUBTOTAL	4.91	\$63,861.5	\$8,576.2	\$3,724.9	\$717.4
Income Eligible Residential					
Single Family - Income Eligible Services	1.71	\$7,679.7	\$4,497.5	\$0.0	
Income Eligible Multifamily	1.77	\$5,471.6	\$3,085.7	\$0.0	
SUBTOTAL	1.77	\$13,151.3	\$7,583.3	\$0.0	-\$171.3
Non-Income Eligible Residential					
Energy Star® HVAC	1.23	\$6,536.6	\$2,453.2	\$2,865.4	
EnergyWise	2.01	\$19,176.3	\$9,083.4	\$476.5	
EnergyWise Multifamily	4.17	\$2,285.9	\$547.6	\$0.0	
Home Energy Reports	5.57	\$2,114.3	\$379.4	\$0.0	
Residential New Construction	2.16	\$3,148.0	\$591.8	\$863.5	
Community Based Initiatives - Residential			\$73.0		
Comprehensive Marketing - Residential			\$0.0		
SUBTOTAL	1.92	\$33,261.1	\$13,128.4	\$4,205.4	-\$49.1
Regulatory					
EERMC			\$124.0		
OER			\$755.6		
Rhode Island Infrastructure Bank			\$1,265.0		
SUBTOTAL			\$2,144.6		
TOTAL	2.77	\$110,273.9	\$31,432.5	\$7,930.3	\$497.0

Notes:

- (1) RI Test B/C Ratio = (Natural Gas + Capacity + Energy + Utility NEIs + Non Electric + Societal) / (Program Implementation + Customer Contribution + Shareholder Incentive)
- (2) Year-End Value Total from Table G-2.
- (3) Year-End Implementation Expenses by Program from Table G-1.
- (4) For the Income Eligible Multifamily program, there are some circumstances where a customer co-pay is charged. If the facility is owned by a for-profit company and there are custom measures being installed that cannot be supported by the program budget a co-pay will be negotiated with the customer.
- (5) The shareholder incentive column includes PIM payouts and assessed SQA from Table 4c.

Rhode Island Energy Energy-Efficiency Programs
Table 4A: Actual Gas PIM Benefits, Allocations, and Categorization
2022 Program Year

Sector	Natural Gas Benefits		Utility NEIs	Electric Capacity					Electric Energy				Non-Electric and Non-Gas			Societal			
	Natural Gas	Natural Gas DRIPE	Utility NEIs	Summer Generation	Capacity DRIPE	Trans	Dist	Reliability	Winter		Summer		Electric Energy DRIPE	Oil	Other Resource	Non Resource	Carbon	NOx	Economic
									Winter Peak	Winter Off Peak	Summer Peak	Summer Off Peak							
Non-Income Eligible Residential	\$9,368,842	\$108,664	\$1,131	\$64,973	\$111,680	\$83,645	\$82,874	\$5,595	\$45,032	\$52,790	\$52,321	\$45,447	\$34,849	\$0	\$222,102	\$13,785,928	\$7,195,706	\$1,999,527	\$13,746,713
Income Eligible Residential	\$2,182,497	\$22,928	\$54,947	\$15,223	\$31,678	\$20,052	\$19,867	\$1,587	\$17,129	\$20,003	\$11,659	\$10,247	\$14,269	\$0	\$14,600	\$8,693,798	\$1,730,855	\$289,958	\$9,721,298
Commercial & Industrial	\$14,823,494	\$280,786	\$0	\$3,015	\$8,939	\$4,079	\$4,041	\$448	\$669	\$580	\$2,053	\$1,716	\$1,630	\$0	\$709,425	\$32,284,663	\$14,464,364	\$1,271,625	\$13,654,801
Included in PIM? (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N
Percent Application in PIM	100%	100%	100%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	0%	0%	0%	0%
Category	Gas Utility System Benefits	Gas Utility System Benefits	Gas Utility System Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	Resource Benefits	NA	NA	NA	NA

Rhode Island Energy Energy-Efficiency Programs
Table 4B: Actual Gas PIM Costs
2022 Program Year

Sector	Eligible Spending Budget (from Table E-3)	Regulatory Costs
Non-Income Eligible Residential	\$13,128,411	\$714,875
Income Eligible Residential	\$7,583,261	\$714,875
Commercial & Industrial	\$8,509,075	\$714,875
Included in PIM? (Y/N)	Y	Y
Percent Application in PIM	100%	100%

Rhode Island Energy Energy-Efficiency Programs
Table 4C: PIM and SQA Summary
2022 Program Year

Sector	Inputs (\$)							
	Gas Utility System Benefits	Resource Benefits	Achieved Total Benefits	Achieved Costs	Achieved Net Benefits	Planned Total Benefits	Planned Total Costs	Planned Net Benefits
Non-Income Eligible Residential	\$9,478,638	\$400,654	\$9,879,292	\$13,843,286	-\$3,963,994	\$10,986,752	\$15,634,246	-\$4,647,493
Income Eligible Residential	\$2,260,372	\$88,157	\$2,348,529	\$8,298,135	-\$5,949,606	\$4,713,513	\$10,076,804	-\$5,363,291
Commercial & Industrial	\$15,104,280	\$368,297	\$15,472,577	\$9,223,950	\$6,248,628	\$18,493,944	\$9,948,068	\$8,545,876

Sector	PIM (\$)						
	Design Performance Achievement	Achieved Net Benefits / Design Performance Achievement	Achieved / Planned Costs	Planned Performance Incentive	Payout Rate	Payout Cap	Earned Performance Incentive
Non-Income Eligible Residential	\$2,000,000	-198.20%	88.54%	\$500,000	25.00%	\$625,000	\$0
Income Eligible Residential	\$2,000,000	-297.48%	82.35%	\$500,000	25.00%	\$625,000	\$0
Commercial & Industrial	\$8,545,876	73.12%	92.72%	\$1,000,000	11.70%	\$1,250,000	\$717,430

Sector	SQA (\$)				
	Design Service Achievement	Service Achievement	Maximum Service Adjustment	Service Quality Adjustment Amount	% of Maximum Service Quality Adjustment Applied
Non-Income Eligible Residential	\$10,986,752	89.92%	\$290,063	\$49,117	16.93%
Income Eligible Residential	\$4,713,513	49.83%	\$171,275	\$171,275	100.00%
Commercial & Industrial	\$18,493,944	83.66%	N/A	N/A	N/A

Rhode Island Energy Energy-Efficiency Programs
Table 5: Overall Analysis of Energy Efficiency Fund Balance

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
1. Start Of Period Balance	(\$5,554,739)	(\$1,313,796)	\$1,567,269	\$6,136,588	\$6,706,903	\$7,404,314	(\$5,554,739)
2. Revenue	\$4,755,558	\$5,218,025	\$6,137,628	\$3,580,886	\$2,796,179	\$1,498,382	\$23,986,658
3. Monthly EE Expenses	\$511,039	\$2,337,091	\$1,572,704	\$3,018,593	\$2,110,165	\$929,700	\$10,479,293
4. Cash Flow Over/(Under)	\$4,244,519	\$2,880,933	\$4,564,923	\$562,293	\$686,014	\$568,682	\$13,507,365
5. End Of Period Balance Before Interest	(\$1,310,220)	\$1,567,138	\$6,132,193	\$6,698,881	\$7,392,917	\$7,972,996	\$7,952,625
6. Interest	(\$3,575)	\$132	\$4,395	\$8,022	\$11,397	\$15,249	\$35,620
7. End Of Period Balance After Interest	(\$1,313,796)	\$1,567,269	\$6,136,588	\$6,706,903	\$7,404,314	\$7,988,245	\$7,988,245
	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	YEAR END TOTAL
8. Start Of Period Balance	\$7,988,245	\$5,769,315	\$4,860,013	\$4,260,431	\$5,368,001	\$7,609,999	(\$5,554,739)
9. Revenue	\$1,363,556	\$1,192,389	\$1,130,406	\$2,238,457	\$3,619,792	\$6,114,544	\$39,645,800
10. Monthly EE Expenses	\$3,598,803	\$2,117,169	\$1,744,141	\$1,147,907	\$1,404,398	\$10,940,756	\$31,432,467
11. Cash Flow Over/(Under)	(\$2,235,248)	(\$924,781)	(\$613,735)	\$1,090,550	\$2,215,394	(\$4,826,212)	\$8,213,333
12. End Of Period Balance Before Interest	\$5,752,998	\$4,844,535	\$4,246,278	\$5,350,981	\$7,583,395	\$2,783,788	\$2,658,594
13. Interest	\$16,318	\$15,479	\$14,153	\$17,020	\$26,604	\$22,823	\$148,017
14. End Of Period Balance After Interest	\$5,769,315	\$4,860,013	\$4,260,431	\$5,368,001	\$7,609,999	\$2,806,611	\$2,806,611
15. 2022 Incentive							(\$131,350)
16. Ending Balance after Incentive							\$2,937,961
17. Income Eligible Subsidization							\$0
18. Ending Balance after Subsidization							\$2,937,961

- | | |
|--|---|
| 1. Previous year's ending balance | 9. Business Objects queries for revenues |
| 2. Business Objects queries for revenues | 10. SAP queries for expenses |
| 3. SAP queries for expenses | 11. Line 9 minus Line 10 |
| 4. Line 2 minus Line 3 | 12. Line 8 plus Line 11 |
| 5. Line 1 plus Line 4 | 13. Interest applied |
| 6. Interest applied | 14. Line 12 plus Line 13 |
| 7. Line 5 plus Line 6 | 15. Estimated 2022 Incentive plus prior period true-ups |
| 8. Previous month's ending balance | |

Rhode Island Energy Energy-Efficiency Programs
Table 6: Company 2022 Revolving Loan Funds

Large C&I Gas Revolving Loan Fund		Rhode Island Public Energy Partnership (RI PEP) Gas	
<u>Income Statement</u>		<u>Income Statement</u>	
(1)	2022 Funds Available \$1,035,330	(1)	2022 Funds Available \$964
(2)	2022 Loan budget \$2,000,000	(4)	Paid \$0
(3)	Committed \$335,100	(4a)	Funds Returned to OER \$0
(4)	Paid \$1,191,529	(5)	Repayments \$0
(5)	Repayments \$747,616	(6)	Available 12/31/21 \$964
(6)	Available 12/31/22 \$256,317	(7)	Outstanding loan volume \$0
(7)	Outstanding loan volume \$1,553,098	(8)	Loan defaults during period (\$) \$0
(8)	Loan defaults during period (\$) \$0	(9)	Arrears over 120 days at period end (\$) \$0
(9)	Arrears over 120 days at period end (\$) \$11,882		
<u>Program Impact</u>		<u>Program Impact</u>	
(10)	Number of loans 43	(10)	Number of loans
(10b)	Participants 27	(10b)	Participants 0
(11)	Annual Savings (Gross MMBtu) 41,301	(11)	Savings (MMBtu) 0
(12)	Annual Savings (Net MMBtu) 38,143		
(13)	Lifetime Savings (Gross MMBtu) 498,668		
(14)	Lifetime Savings (Net MMBtu) 466,911		
(17)	Total associated incentive volume (\$) \$2,092,274		
(18)	Total annual estimated energy cost savings (\$) \$782,084		

Notes:

- 1 Amount available as of January 1, 2022. Includes line (6) "Available 12/31/21" plus line (3) "Committed" in Table E-6 and G-6 of the 2021 Year End Report.
- 2 Budget adopted by Sales Team for 2021 operations. Budget includes projections of repayments made during 2021.
- 3 As of December 31, 2022 Committed in 2022 but to be paid in 2023. Savings not included in 2022.
- 4 As of December 31, 2022. This includes all project paid in 2022 and the OBR associated with those projects. OBR payment are processed once the associated incentive has been paid, usually in batches.
- 5 As of December 31, 2022
- 6 Fund balance as of December 31, 2022. Committed funds are subtracted from this amount.
- 7 Total outstanding loan balance. Loans lent out that still need to be paid back. This includes loans from previous years.
- 8 Total loan value in default during period.
- 9 Total loan value in arrears for over 120 days as of December 31, 2022.
- 10 As of December 31, 2022
- 10b Unique customer names for large business (one customer name can have multiple sub accounts as is in the case of a franchise).
- 11 As of December 31, 2022
- 12 As of December 31, 2022
- 13 As of December 31, 2022
- 14 As of December 31, 2022
- 15 As of December 31, 2022
- 16 As of December 31, 2022
- 17 Incentives paid out with loans.
- 18 Estimated energy cost savings to loan fund participants.

PUC Post-Decision 3-15

Request:

Referencing gas Table 4-C in the Annual Report, please provide the underlying calculations for the Earned Performance Incentive for each gas sector.

Response:

Residential

- Achieved PIM-eligible net benefits = -\$3,950,763
- Planned PIM-eligible net benefits = -\$4,647,493
- Design Performance Achievement¹ = \$2,000,000
- Design Payout Rate = 25%
- Spent PIM-eligible costs = \$13,830,054
- Planned PIM-eligible costs = \$15,634,246
- Achieved PIM-eligible net benefits / Design Performance Achievement = -197.5%
- Achievement Category applied²: A (applies when row above is less than 25%)
- Payout Rate Adjustment³ = 0⁴ (always 0 when Achievement Category A applies)
- Spent PIM-eligible costs / planned PIM-eligible costs = 88.5%
- PIM rule applied⁵: Rule 1 (applies when row above is less than 100%)
- Earned Performance Incentive under PIM Rule 1 = Achieved PIM-eligible net benefits x Design Payout Rate x Payout Rate Adjustment = -\$3,950,763 x 25% x 0 = \$0

Income Eligible

- Achieved PIM-eligible net benefits = -\$5,936,374
- Planned PIM-eligible net benefits = -\$5,363,291
- Design Performance Achievement⁶ = \$2,000,000
- Design Payout Rate = 25%
- Spent PIM-eligible costs = \$8,284,903
- Planned PIM-eligible costs = \$10,076,804
- Achieved PIM-eligible net benefits / Design Performance Achievement = -296.8%
- Achievement Category applied⁷: A (applies when row above is less than 25%)

¹ Please see PUC Order 24225 for specific definitions.

² Ibid.

³ Ibid.

⁴ If the Payout Rate Adjustment is 0, the received performance incentive is automatically \$0.

⁵ Please see PUC Order 24225 for specific definitions.

⁶ Ibid.

⁷ Ibid.

PUC Post-Decision 3-15, page 2

- Payout Rate Adjustment⁸ = 0⁹ (always 0 when Achievement Category A applies)
- Spent PIM-eligible costs / planned PIM-eligible costs = 82.2%
- PIM rule applied¹⁰: Rule 1 (applies when row above is less than 100%)
- Earned Performance Incentive under PIM Rule 1 = Achieved PIM-eligible net benefits x Design Payout Rate x Payout Rate Adjustment = -\$5,936,374 x 25% x 0 = \$0

C&I

- Achieved PIM-eligible net benefits = \$6,261,860
- Planned PIM-eligible net benefits = \$8,545,876
- Design Performance Achievement¹¹ = \$8,545,876
- Design Payout Rate = 11.7%
- Spent PIM-eligible costs = \$9,210,718
- Planned PIM-eligible costs = \$9,948,068
- Achieved PIM-eligible net benefits / Design Performance Achievement = 73.3%
- Achievement Category applied¹²: C (applies when row above is between 50-75%)
- Payout Rate Adjustment¹³ = Achieved PIM-eligible net benefits / Design Performance Achievement / 100% + 0.25 = 73.3% / 100% + 0.25 = 0.983
- Spent PIM-eligible costs / planned PIM-eligible costs = 92.6%
- PIM rule applied¹⁴: Rule 1 (applies when row above is less than 100%)
- Earned Performance Incentive under PIM Rule 1 = Achieved PIM-eligible net benefits x Design Payout Rate x Payout Rate Adjustment = \$6,261,860 x 11.7% x 0.983 = \$720,084

⁸ Ibid.

⁹ If the Payout Rate Adjustment is 0, the received performance incentive is automatically \$0.

¹⁰ Please see PUC Order 24225 for specific definitions.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

PUC Post-Decision 3-16

Request:

Referencing question 13 above, why did the Company overspend on Program Planning and Administration (PPA) in the 2022 electric program (relative to the planned PPA budget) but not in the 2022 gas program?

Response:

Please see the response to PUC Post-Decision 3-13, which explains how electric Program Planning and Administration spending was incorrectly reported. The finance expense discussed in response 3-13 did not impact the gas program.