



Enabling Customer Energy Cost Management

New England Electricity Restructuring
Roundtable

March 21, 2025 | Rachel Gold

RMI works to transform the global energy system to be more reliable, affordable, and sustainable for all

DECARBONIZING

Key Sectors



Electricity



Buildings



Transportation



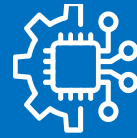
Industry

USING

Powerful Market Catalysts



Market-enabling Policy



Technology



Finance



Data & Transparency



Education & Workforce Training



Strategic Communications

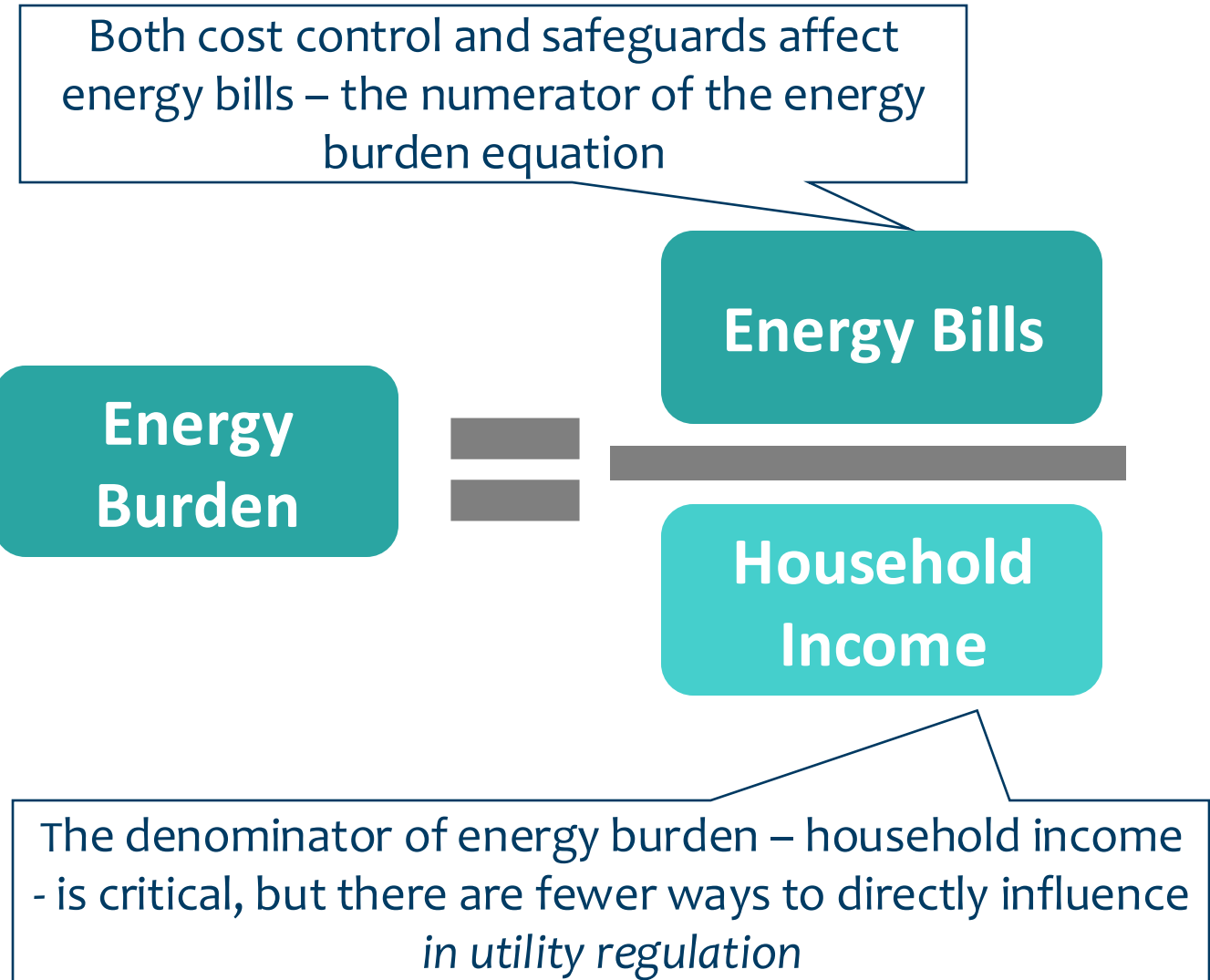
TO

Drive Energy Transitions Around the World



Energy Costs ≠ Energy Affordability

- In utility regulation, costs are often conflated with affordability
- **Cost control** addresses how much utility spending is required to meet our needs and policy goals
- **Safeguards** help to address volatility, plus disparities across income and racial lines



A strategic framework for cost control

This framework can serve as a menu of options to design comprehensive and effective portfolios of reforms to promote cost control and affordability.

Across planning and investment, cost control reforms can enable customer energy cost management.



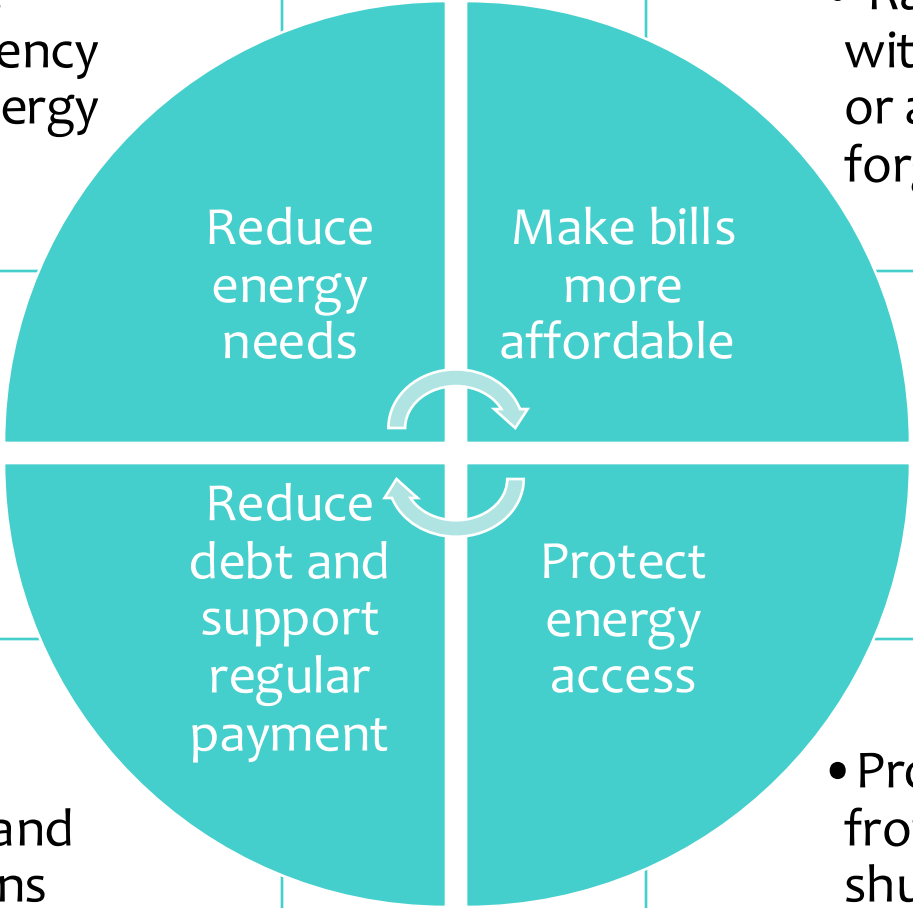
Safeguards address disparities and help to make bills more affordable for the most vulnerable customers and communities



- Low-income energy efficiency and clean energy programs



- Rate designs with a discount or arrearages forgiveness



- Debt forgiveness and payment plans



- Protections from utility shutoffs and disconnections

Customer offerings can support affordability at system, community, and individual scale



For the system, via procurement of lower-cost resources to meeting system needs like virtual power plants



For communities, through lower costs for critical facilities or community-serving institutions, or through municipal procurement



For individual businesses and homeowners, through participation in programs that directly reduce their bills

How can we evaluate that?

- **Conduct cost-effectiveness analysis** to identify what utilities should invest in behalf of customers
- **Conduct rate, bill, participation analysis to answer distributional questions:** Will customer rates increase or decrease, and by how much? For which customers?
 - Rate impacts (c/kWh, %)
 - Bill impacts (\$/month, %)
 - Participation rates (#, %)

For customer programs to deliver on system affordability, integrated planning, investment and operations is required

- **Planning and program design**

- Include planned programs in load forecasting
- Design customer offerings to meet identified system needs

- **Investment**

- Cost-effectiveness testing, potential studies incorporate system needs
- Address business model misalignment to encourage uptake and use

- **Operations**

- Information sharing, protocols, to ensure customer resources are used to deliver expected savings



Thank you and resources

Feel free to reach out with any questions!

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For PUC Staff, April-November 2025 Taking a Comprehensive Approach to Utility Cost Containment

RMI's Regulatory Collaborative ('Reg Lab') is a cohort-style initiative that builds regulatory staff capacity and develops cutting-edge solutions to today's pressing issues.

Resources:

- [A Strategic Framework for Utility Cost Control](#)
- [How to Restructure Utility Incentives: the Four Pillars of Performance-Based Regulation](#)
- [Utility Transition Hub](#)
- [Non-Pipeline Alternatives](#) (w. National Grid)

