

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS



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Andrew C. Dzykewicz

Commissioner

March 23, 2009

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

RE: Docket No: 3931
National Grid

The Office of Energy Resources submits this letter and the enclosed Plan for the Allocation and Distribution of Regional Greenhouse Gas (RGGI) Auction Proceeds March 2009 in response to the Commission's Request for comments on this docket.

The Plan recommends as follows: "4.3. Of the proceeds remaining after the deduction of the administrative funds in Sections 4.1 and 4.2 above:

4.3.1. Sixty percent shall be allocated to the Least Cost Procurement Energy Efficiency Utility Account at the Utility for the sole purpose of supplementing and expanding energy efficiency efforts consistent with the PUC approved Energy Efficiency (EE) Procurement Plan and annual efficiency Program Plans for investment in all cost-effective energy efficiency programs and projects that are lower cost than supply and reduce long-term consumer energy demands and costs."

The intent of the OER is that the proceeds be used to offset the increase in the SBC for the 2009 Efficiency Program Plan thereby providing ratepayer benefits in accordance with the RGGI statute by providing funds to assist with the ramp-up of National Grid efficiency plans while mitigating the increase in the System Benefit Charge. The first two auctions in 2008 yielded \$2.5 million for RI. Quarterly auctions in 2009 could yield Rhode Island over \$5 million unless RGGI is preempted by national legislation.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Andrew C. Dzykewicz'.

Andrew Dzykewicz, Commissioner
Enclosures
cc: service list