



Oct. 29, 2008

Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888
Re: Public Comment, Docket #3931

Honorable Commissioners,

People's Power & Light strongly supports the full funding of the Least Cost Procurement plan as requested by National Grid after consultation with the Energy Efficiency Collaborative (now also a subcommittee of the Energy Efficiency and Resource Management Council) and the Council itself.

Our members, as energy consumers in Rhode Island, are of course very concerned about energy prices—but more so, they are concerned with costs. We understand that significant investment in energy efficiency is critical at this time of declining resources and a difficult economy. Even though it will cost an average of 60 cents more a month to raise the demand side management fee to properly begin ramp up the programs, we fully support the concept of working towards supporting all cost-effective energy efficiency. Being close observers of the plan development as members of the collaborative, we believe the plan is prudent and in fact understand that pent up demand for the existing energy efficiency programs will more than easily allow the expansion of the programs, and in fact, is strongly needed to help people who want to cut their energy costs but don't know the best ways and those who need incentives to be able to afford to make the energy efficiency investments. We also affirm that the plan allows no-cost installations for qualified low-income consumers.

We also find it very refreshing, that even under the new and stricter Total Resource Cost test for cost effectiveness, the programs will more pay for themselves in energy savings. And we affirm the projection, based on the Avoided Energy Cost Study, that the avoided costs to all ratepayers will affect prices (as well as costs for participants) for participants *and* nonparticipants. Of course, we should keep in mind a long term goal for the programs to reach as many participants as possible, while reaching them with as comprehensive energy upgrades as are cost effective. As we see with the fossil fuel markets volatility, the cost of fuel at the margin can be affected profoundly by lowering demand. We'd prefer to see that demand lowered voluntarily, through energy efficiency, than involuntarily, through increasingly unaffordable prices.

We all have a lot to do to make energy affordable and environmentally sustainable, and we firmly believe that least cost procurement, ramped up as quickly as can be done prudently, is the essential first building block of the long term solution. We believe the Least Cost Procurement plan does that.

We are also happy to see the 10% of electric and 20% of gas DSM proceeds being reserved for low-income customers. Making low-income and near low-income ratepayers' utilities affordable affects all those who bear the impacts of arrearages and shut offs—again, all ratepayers.

Sincerely,

Karina Lutz
Deputy Director

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