

November 8, 2010

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4202 – Electric and Natural Gas Least Cost Procurement Efficiency Savings Targets for Years 2012 - 2014 in Compliance with R.I.G.L. §39-1-27.7

Dear Ms. Massaro:

Enclosed please find ten (10) copies of the Energy Efficiency and Resource Management Council's response to the Division's Data Request submitted on October 15, 2010 in Docket 4202. Please feel to contact me at (401) 824-5150 if I or the Council can be of further assistance.

Respectfully submitted,

THE RHODE ISLAND ENERGY EFFICIENCY AND
RESOURCES MANAGEMENT COUNCIL

By its attorney,

R. Daniel Prentiss
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Certificate of Service

I hereby certify that a copy of the cover letter and/or any foregoing attachments accompanying this certificate were electronically submitted, hand delivered, and/or mailed to the individuals listed below.

//s// R. Daniel Prentiss
R. Daniel Prentiss

November 5, 2010
Date

**Docket No. 4202 – RI Energy Efficiency and Resource Management Council
("EERMC") – Electric and Natural Gas Least Cost Procurement Efficiency Savings
Targets for Years 2012 - 2014 in Compliance with R.I.G.L. §39-1-27.7 Service List
updated on 10/13/10**

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STATE OF RHODE ISLAND

**IN RE: RI ENERGY EFFICIENCY AND)
RESOURCE RESOURCEMANAGEMENT)
COUNCIL (“EERMC”) LCP EFFICIENCY)
SAVINGS TARGETS FOR YEARS 2012-2014)
IN COMPLIANCE WITH R.I.G.I. §39-1-27.7)**

DOCKET NO. 4202

Response of the Rhode Island Energy Efficiency Resource Management Council to the Division’s First Set of Data Requests (November 8, 2010)

DIV Data Request 1-1: Referring to Figure 1-14 of the August 30, 2010 KEMA Report is the 2010 RI Electric Spending of \$930 million based on a cents per kWh rate of 12.3 cents? If so, what is the basis for the 2010 cost rate of 12.3 cents?

EERMC Response: The rate used by KEMA in this chart included the generation, distribution, and transmission costs associated with electric spending. The derivation of the 12.3 cents per kWh rate is shown below:

KEMA Est. of Loaded Rtes by Major Rate Class					
	A-16	A-60	C-6	G-20	retail
Generation	9.36	9.36	9.36	7.89	6.90
Transmission	1.57	1.57	1.58	0.77	0.77
Distribution	3.52	1.69	3.32	0.67	0.67
Total	14.45	12.62	14.26	9.33	8.34
Weight	0.27	0.13	0.27	0.18	0.15
Avg. rate (G, T, D)	12.3				
Avg. generation rate	7.69				

Source: KEMA analysis drawing all rates from National Grid’s website, except retail which is estimated based on approximate Rhode Island sales of 40% residential, 47% commercial and 13% industrial.

It is important to note that Figure 1-14 was simply an illustrative graph and that the technical, economic, and achievable energy efficiency program potential estimated by KEMA's Phase II Opportunity Report was completed with a separate, much more detailed methodology. The technical potential simple average annual savings (estimated at 3.4%) is the complete penetration of all measures analyzed in applications where they were deemed technically feasible. The economic potential simple average annual savings (estimated at 2.9%) is the subset of technically potential energy efficiency measures that are cost effective when compared to supply-side alternatives, estimated at the measure level. The achievable program potential simple average annual savings (estimated at 2.7%) is the amount of cost-effective savings that are estimated to occur in response to a specific funded set of program activities.

DIV Data Request 1-2: State in detail why the 2011 cost rates used for the Electric Spending estimate of \$930 million would vary from the standard offer rates of National Grid for 2010, which were slightly higher than 9 cents for the residential classes and between 6-8 cents for the non –residential classes for 2010.

EERMC Response: As noted in the response to DIV Data Request 1-1 above, the Electric Spending estimate of \$930 million includes generation, distribution, and transmission costs, while the slightly higher than 9 cents for the residential classes and between 6-8 cents for the non-residential classes is just generation cost. At those approximate rates the generation spending alone would be roughly \$575 million.