

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

**IN RE: Electric and Natural Gas
Least Cost Procurement Efficiency
Savings Targets for Years 2012 - 2014**

:DOCKET NO. 4202

**COMMISSION'S FIRST SET OF DATA REQUESTS
DIRECTED TO EERMC**

March 2, 2011

(Please provide response by March 11, 2011)

1. In Docket 4209, the Commission approved an Electric Energy Efficiency budget of \$54 million and a Natural Gas Energy Efficiency budget of \$3.9 million for calendar year 2011. What would these budgets need to be in each year (2012, 2013 and 2014) in order to achieve the energy savings goals proposed in Docket 4202?

Response:

It is not possible to provide such costs with any degree of certainty because the full range and nature of services and the anticipated costs of those services have not been designed yet for the years 2012, 2013 and 2014. The efficiency savings targets proposed by the Council last fall are in compliance with the new requirement of R.I.G.L. § 39-1-27.7.1(f), which is part of the revenue decoupling provisions passed in 2010.

Separately and previously, the 2006 Least Cost Procurement legislation (in §39-1-27.7 (c)(4)) requires National Grid, with input from the Council, to submit a triennial plan for "energy efficiency and conservation procurement" to the Commission by September 1, 2011 to guide its least cost procurement activities over the next three year period. The EE Procurement Standards further require that National Grid shall include a preliminary budget for the proposed 3-year EE Procurement Plan in the September 1, 2011 filing with the Commission, with a more detailed annual efficiency plan budget filed by each November 1. The 3-year EE Procurement Plan, which will be designed over the summer with input from the Council and the Parties, and filed by September 1, will contain the first estimate of the projected spending level needed to reach goals established for that 2012-2014 three-year period. That proposed 3-year plan will have substantial input from the EERMC (as well as from the Parties/members of the Collaborative Sub-Committee) and pursuant to the Standards the Council will vote by August 15 whether to endorse the plan or not. If the Council does not endorse the Plan, then the Council is required to document its reasons and send comments to the Commission.

Subsequent to the filing of the 3-year EE Procurement Plan on September 1, 2011, National Grid will submit to the Commission each year, by November 1, an Annual Plan with a more detailed budget for attaining the savings goals, most likely and hopefully as a settlement of the Parties as in years past. The Commission will be able to review and approve both the three-year Procurement Plan and each of the Annual Plans, including the proposed budgets contained therein, just as it has recently reviewed the Annual Plan and budget for 2011, in Docket 4209.