

March 2, 2012

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Division Clerk
Rhode Island Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket 4295 – The Narragansett Electric Company, d/b/a National Grid
2012 Energy Efficiency Program Plan
Transfer of Funds Request**

Dear Ms. Massaro:

On behalf of National Grid¹ and pursuant to Section IV.C.1(C) of the Energy Efficiency Program Plan For 2012 Settlement of the Parties (“2012 Plan”) approved in Docket 4295, the Company is requesting Division approval of a transfer of funds within the Commercial and Industrial (C&I) sector. The transfer would be from the Small Business Direct Install Program and Large Commercial Retrofit Program to the Large Commercial New Construction Program.

Section IV.C.1(C) of the 2012 Plan states that “[f]or any transfers in the C&I Sector between large C&I programs and small business programs, of more than 5% Division approval is required.”

The Company is requesting to transfer \$1,633,704 from the electric Small Business Direct Install Program and \$931,648 from the electric Large Commercial Retrofit Program to the electric Large Commercial New Construction Program. The proposed transfers represent 13.6% of the Small Business Direct Install Program budget and 7.7% of the Large Commercial Retrofit Program budget, as shown in table E-2 of the 2012 Plan. Consequently, the Company requests Division approval to make this funding transfer.

The Company’s request to transfer these funds is to mitigate the anticipated demand for the new Upstream Lighting initiative, described on pages 5 and 6 of Attachment 2 in the 2012 Plan. At the time the 2012 Plan was developed, the potential energy savings and costs for the Upstream Lighting initiative had not been finalized. Over the past three months, the Company has worked with regional partners to complete an Upstream Lighting implementation strategy. The Company now anticipates that the Upstream Lighting initiative can deliver greater energy savings than originally planned, but at a higher cost per unit than planned. In order to accommodate these potential energy savings and to avoid over-spending in the Large Commercial New Construction Program, the Company finds it necessary to request the Division’s approval to transfer funds to this program, which also resides in the C&I sector.

¹ The Narragansett Electric Company d/b/a National Grid (referred to herein as “National Grid” or the “Company”).

As a result of this transfer, the energy savings goal for the Large Commercial New Construction Program will also increase, while the overall C&I sector savings remain unchanged. The following table outlines the incentives budget and program goals as filed in the 2012 Plan and as proposed in this transfer request:

	2012 EE Plan			Proposed Transfer Revision		
	Energy Savings (MWh)	Incentive Budget	Total Program Budget	Energy Savings (MWh)	Incentive Budget	Total Program Budget
Commercial & Industrial Sector						
Large Commercial New Construction	27,216	\$ 5,745,500	\$ 7,382,800	30,346	\$ 8,300,000	\$ 9,948,100
Large Commercial Retrofit	39,928	\$ 8,743,400	\$ 12,025,900	39,928	\$ 7,811,700	\$ 11,094,300
Small Business Direct Install	21,113	\$ 11,022,900	\$ 11,929,300	17,983	\$ 9,389,200	\$ 10,295,600
Sector Subtotal from Table E-2	88,257	\$ 25,511,800	\$ 34,536,700	88,257	\$ 25,500,900	\$ 34,536,700

Note: Sector subtotal includes all initiatives and program budgets, not all are illustrated here. See attached Table E-2 for more detail.

While the sector budget and savings targets remain unchanged, and the proposed transfer has no impact on the savings goals or performance incentive target calculations, the Company has attached revised 2012 Electric Energy Efficiency Program Tables to illustrate how the transfer affects program budgets, goals, and participation within the C&I sector. These updated tables will be used to guide implementation efforts if the proposed request is approved. Cells that change as a consequence of the proposed transfer are highlighted in yellow.

Thank you for your attention in this request. The Company is simultaneously notifying the EERMC of this request as required by Section IV.C.1(C) of the 2012 Plan.

If you have any questions, please feel free to contact me at (401) 784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4295 Service List
Jon Hagopian, Esq.
Steve Scialabba, Division
Dave Stearns, Division
Charlie Hawkins, OER

Table E-1
National Grid
Electric DSM Funding Sources in 2012 by Sector
\$(000)

	Projections by Sector			
	Low Income Residential	Non-Low Income Residential	Commercial & Industrial	Total
(1) Projected Budget (from E-2):	\$ 5,862.47	\$ 21,009.62	\$ 34,536.70	\$61,408.8
Sources of Other Funding:				
(2) Projected DSM Commitments at Year-End 2011:	\$0.0	\$0.0	\$3,000.0	\$3,000.0
(3) Projected Year-End 2011 Fund Balance and Interest:	\$857.9	\$2,573.6	\$5,147.2	\$8,578.7
(4) Projected FCM Payments from ISO-NE:	\$70.0	\$703.2	\$1,157.3	\$1,930.5
(5) Projected RGGI Payments (from E1-a):	\$161.8	\$647.2	\$809.0	\$1,618.1
(6) Projected Copayments from LC&I Finance:	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$335.9</u>	<u>\$335.9</u>
(7) Total Other Funding:	\$1,089.7	\$3,924.0	\$10,449.5	\$15,463.2
(8) Customer Funding Required:	\$4,772.8	\$17,085.6	\$24,087.2	\$45,945.6
(9) Forecasted kWh Sales:	282,558,930	2,839,526,853	4,673,573,283	7,795,659,066
(10) Energy Efficiency Program charge per kWh:				\$ 0.00589
(11) Currently Effective EE Charge				\$ 0.00526
(12) Adjustment to Reflect Fully Reconciling Funding Mechanism				\$ 0.00063

Notes:

(1) The total projection of FCM revenue is allocated by kWh sales to each sector.

(2) Copayments from LC&I Finance are the anticipated amount to be repaid in 2012 by large customers who received finance.

(3) Projected street lighting and sales for resale kWh have been allocated to each sector based on the percentage of sales in each sector excluding expected street lighting sales.

Table E-1a
2012 RGGI Projections

	Auction	Year	Gross Proceeds	RGGI Admin Costs	OER Admin Costs	Net Proceeds	80% of Proceeds	C&I Loan Fund	NET EE Implementation Funding Expected to be Received in 2012
2009 - 2011 Carryover	6	2009	\$944,535	0	\$47,227	\$897,308	\$717,847	\$717,847	\$0
	7	2010	\$1,422,257	\$20,000	\$0	\$1,402,257	\$1,121,806	\$1,121,806	\$0
	8	2010	\$1,298,533	\$0	\$0	\$1,298,533	\$1,038,826	\$1,038,826	\$0
	9	2010	\$961,773	\$0	\$0	\$961,773	\$769,418	\$769,418	\$0
	10	2010	\$735,475	\$0	\$220,902	\$514,573	\$411,658	\$411,658	\$0
	11	2011	\$1,306,120	\$0	\$0	\$1,306,120	\$1,044,896		\$1,044,896
	12	2011	\$402,460	\$20,000	\$0	\$382,460	\$305,968		\$305,968
	13	2011	\$220,748	\$0	\$0	\$220,748	\$176,598		\$176,598
	14	2011	\$220,748	\$0	\$107,504	\$113,244	\$90,595		\$90,595
Total RGGI Funds							\$5,677,614	\$4,059,556	\$1,618,058

Notes

- (1) Actual proceeds data through Auction 13 from http://www.rggi.org/market/co2_auctions/results; Auction 14 assumes Auction 13 proceeds.
- (2) Projected 2012 RGGI Proceeds are estimated to be \$2.7 million, but are not anticipated to be received by year-end 2012 and are therefore not included in the table.
- (3) Proposed 2011 RGGI Allocation Plan allocates 80% of fund to EE for Auctions 6-10 held in 2009-2010; Assumes 2011 RGGI Allocation Plans remain the same.
- (4) The C&I Revolving Loan Fund was approved in 2010 by OER and DOA under the 2009 RGGI Allocation Plan. It has not been fully capitalized yet. The Company is committed to fully capitalizing it in 2012 in order to expand EE efforts, therefore the first RGGI proceeds received will go towards it. By using these RGGI proceeds for loan fund capitalization, they are not available for supplementing program implementation, illustrated in tables E-2 and E-3.
- (6) RGGI, Inc. actual costs are based on invoices received by OER, projections based on RI's cost-share of 1.41% in 990 forms, available: <http://www.rggi.org/rggi/legal>
- (7) OER Administrative costs based on RGGI Allocation Plan, 5% of annual proceeds have been deducted for administrative costs

Table E-2
National Grid
2012 Electric Energy Efficiency Program Budget
\$(000)

	Program Planning & Administration	Marketing	Rebates and Other Customer Incentives	Sales, Technical Assistance & Training	Evaluation & Market Research	Shareholder Incentive	Grand Total
Non-Low Income Residential							
Residential New Construction	\$30.1	\$15.0	\$518.4	\$472.5	\$81.4	\$0.0	\$1,117.4
ENERGY STAR® HVAC	\$165.2	\$127.7	\$1,958.6	\$225.4	\$60.0	\$0.0	\$2,537.0
EnergyWise	\$166.0	\$207.7	\$5,515.5	\$1,652.3	\$86.4	\$0.0	\$7,627.9
ENERGY STAR® Lighting	\$97.3	\$450.0	\$3,463.9	\$496.2	\$71.4	\$0.0	\$4,578.8
ENERGY STAR® Appliances	\$76.1	\$321.0	\$1,236.7	\$411.6	\$71.4	\$0.0	\$2,116.7
EERMC - Residential	\$299.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$299.0
Energy Efficiency Educational Programs	\$0.0	\$0.0	\$0.0	\$75.0	\$0.0	\$0.0	\$75.0
Residential Behavior Pilot	\$118.3	\$25.0	\$80.0	\$7.5	\$71.4	\$0.0	\$302.2
Residential Products Pilot	\$33.3	\$70.4	\$191.0	\$20.0	\$91.4	\$0.0	\$406.1
Community Based Initiatives - Residential	\$33.2	\$60.8	\$0.0	\$62.5	\$0.0	\$0.0	\$156.6
Comprehensive Marketing - Residential ²	\$0.0	\$920.0	\$0.0	\$0.0	\$0.0	\$0.0	\$920.0
Shareholder Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$872.9	\$872.9
Subtotal - Non-Low Income Residential	\$1,018.7	\$2,197.6	\$12,964.1	\$3,423.0	\$533.4	\$872.9	\$21,009.6
Low Income Residential							
Single Family - Low Income Services	\$211.7	\$75.0	\$3,767.5	\$1,561.2	\$0.0	\$0.0	\$5,615.4
Shareholder Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$247.1	\$247.1
Subtotal - Low Income Residential	\$211.7	\$75.0	\$3,767.5	\$1,561.2	\$0.0	\$247.1	\$5,862.5
Commercial & Industrial							
Large Commercial New Construction	\$273.9	\$25.0	\$8,310.9	\$1,224.6	\$113.8	\$0.0	\$9,948.1
Large Commercial Retrofit	\$688.1	\$132.7	\$7,811.7	\$2,076.0	\$385.8	\$0.0	\$11,094.3
Small Business Direct Install	\$104.1	\$175.0	\$9,389.2	\$562.9	\$64.4	\$0.0	\$10,295.6
Community Based Initiatives - C&I	\$19.9	\$77.6	\$0.0	\$102.5	\$0.0	\$0.0	\$200.0
EERMC - C&I	\$354.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$354.5
Comprehensive Marketing - C&I	\$0.0	\$330.0	\$0.0	\$0.0	\$0.0	\$0.0	\$330.0
Shareholder Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,314.2	\$1,314.2
Outside Finance Costs	\$0.0	\$0.0	\$1,000.0	\$0.0	\$0.0	\$0.0	\$1,000.0
Subtotal - Commercial & Industrial	\$1,440.5	\$740.3	\$26,511.7	\$3,966.1	\$563.9	\$1,314.2	\$34,536.7
Grand Total	\$2,670.9	\$3,012.9	\$43,243.3	\$8,950.2	\$1,097.3	\$2,434.1	\$61,408.8
Incremental System Reliability	\$60.0	\$40.0	\$59.0	\$25.0	\$25.0	\$0.0	\$209.0

Notes:

(1) Includes Total Commitments for 2012, expected to be \$2 million. The allocation between Large Commercial New Construction and Large Commercial Retrofit is:

Large Commercial New Const. Commitments (\$000): \$1,000.0

Large Commercial Retrofit Commitments (\$000): \$1,000.0

These commitments reflect agreements with customers to provide funding for approved energy efficiency projects that will be completed after year-end 2012.

(2) Comprehensive Marketing is a multi-sector initiative with funding from each sector. Please see Attachment 4 for the program description.

(3) For more information on Outside Finance Costs, please refer to the 2012 EE Plan main text.

(4) An anticipated \$4 million is also expected from RGGI 2009-2010 proceeds and will be used to capitalize the C&I Revolving Loan Fund, as approved in the 2010 RGGI Proposal. Those funds are not included in this table. Please see Table E1a.

(5) RGGI Pilots approved in the 2010 RGGI Proposal and begun in 2011 will continue in 2012 using RGGI those funds. Pilots include Deep Energy Retrofit, Heat Loan, and New Construction Homes Version III. Those funds are not included in this table.

(6) The Residential New Construction and EnergyWise programs include services and incentives for the Low Income sector. Please see Attachment 1 for a detailed breakdown of Low Income services and incentives provided in various programs outside of the Low Income sector.

(7) Incremental System Reliability funds are included for illustrative purposes. They are part of the 2012 System Reliability Procurement Annual Plan, filed as a separate docket.

Table E-3
Derivation of the 2012 Spending and Implementation Budgets

	Proposed 2012 Budget (\$000) From E-2	Commitments, Copays and Outside Finance Costs (\$000)	EERMC Costs (\$000)	Shareholder Incentive (\$000)	Evaluation Expenses (\$000)	Eligible Sector Spending Budget for Shareholder Incentive on E-9 (\$000)	Implementation Expenses for Cost- Effectiveness on E-5 (\$000)
Non-Low Income Residential							
Residential New Construction	\$1,117.4				\$81.4		\$1,036.0
ENERGY STAR® HVAC	\$2,537.0				\$60.0		\$2,477.0
EnergyWise	\$7,627.9				\$86.4		\$7,541.5
ENERGY STAR® Lighting	\$4,578.8				\$71.4		\$4,507.4
ENERGY STAR® Appliances	\$2,116.7				\$71.4		\$2,045.4
EERMC - Residential	\$299.0		\$299.0		\$0.0		\$299.0
Energy Efficiency Educational Programs	\$75.0				\$0.0		\$75.0
Residential Behavior Pilot	\$302.2				\$71.4		\$230.8
Residential Products Pilot	\$406.1				\$91.4		\$314.7
Community Based Initiatives - Residential	\$156.6				\$0.0		\$156.6
Comprehensive Marketing- Residential	\$920.0				\$0.0		\$920.0
Shareholder Incentive	\$872.9			\$872.9			\$0.0
Subtotal - Residential	\$21,009.6	\$0.0	\$299.0	\$872.9	\$533.4	\$19,837.7	\$19,603.3
Low Income Residential							
Single Family - Low Income Services	\$5,615.4				\$0.0		\$5,615.4
Shareholder Incentive	\$247.1			\$247.1			
Subtotal - Low Income Residential	\$5,862.5	\$0.0	\$0.0	\$247.1	\$0.0	\$5,615.4	\$5,615.4
Commercial & Industrial							
Large Commercial New Construction	\$9,948.1	\$1,000.0			\$113.8		\$8,834.4
Large Commercial Retrofit	\$11,094.3	\$1,000.0			\$385.8		\$9,708.5
Small Business Direct Install	\$10,295.6	\$0.0			\$64.4		\$10,231.3
Community Based Initiatives - C&I	\$200.0				\$0.0		\$200.0
EERMC - C&I	\$354.5		\$354.5		\$0.0		\$354.5
Comprehensive Marketing - C&I	\$330.0				\$0.0		\$330.0
Shareholder Incentive	\$1,314.2			\$1,314.2	\$0.0		\$0.0
Outside Finance Costs	\$1,000.0	\$1,000.0			\$0.0		\$1,000.0
Subtotal - Commercial & Industrial	\$34,536.7	\$3,000.0	\$354.5	\$1,314.2	\$563.9	\$29,868.0	\$30,658.6
Grand Total	\$61,408.8	\$3,000.0	\$653.5	\$2,434.1	\$1,097.3	\$55,321.2	\$55,877.3

Notes:

- (1) There are \$0 for Small Business Direct Install Copays in 2012 due to the creation of the Small Business Revolving Loan Fund, funded by the 2010 Innovative RGGI 40%. The incentives budget for Small Business Direct Install does not include financing because it will come from the revolving loan fund. Customers who receive financing in 2012 will repay it to the revolving loan fund.
- (2) Outside Finance Costs are capital costs to secure outside financing funds. Like the historical treatment of copays, outside finance costs do not directly lead to savings, therefore they are excluded from the eligible spending budget and a shareholder incentive is not collected on these funds. They are counted as an implementation expense.
- (3) Spending budget = Total Budget from E-2 minus Commitments, Copays, Outside Finance Costs, EERMC costs, and shareholder incentive.
- (4) Implementation Expenses = Total Budget from E-2 minus Commitments, Copays, Evaluation expenses, and shareholder incentive.
- (5) EERMC Costs = 1.2% of implementation expenses, excluding evaluation expenses.

Table E-4
Proposed 2012 Budget Compared to Approved 2011 Budget (\$000)

	Proposed Implementation Budget 2012	Approved Implementation Budget 2011	Difference
Non-Low Income Residential			
Residential New Construction	\$1,036.0	\$734.7	\$301.3
ENERGY STAR® HVAC	\$2,477.0	\$1,203.5	\$1,273.5
EnergyWise	\$7,541.5	\$5,753.1	\$1,788.4
ENERGY STAR® Lighting	\$4,507.4	\$2,328.2	\$2,179.2
ENERGY STAR® Appliances	\$2,045.4	\$2,084.3	-\$39.0
EERMC - Residential	\$299.0	\$324.3	-\$25.3
Energy Efficiency Educational Programs	\$75.0	\$50.0	\$25.0
Residential Behavior Pilot	\$230.8	\$387.8	-\$157.0
Residential Products Pilot	\$314.7	\$111.0	\$203.7
Community Based Initiatives - Residential	\$156.6	\$140.9	\$15.6
Comprehensive Marketing- Residential	\$920.0	\$605.4	\$314.6
Subtotal - Non-Low Income Residential	\$19,603.3	\$13,723.2	\$5,880.1
Low Income Residential			
Single Family - Low Income Services	\$5,615.4	\$5,725.4	-\$110.0
Commercial & Industrial			
Large Commercial New Construction	\$8,834.4	\$5,475.7	\$3,358.7
Large Commercial Retrofit	\$9,708.5	\$9,620.8	\$87.7
Small Business Direct Install	\$10,231.3	\$9,463.9	\$767.4
Community Based Initiatives - C&I	\$200.0	\$105.0	\$95.0
EERMC - C&I	\$354.5	\$489.5	-\$135.0
Comprehensive Marketing - C&I	\$330.0	\$94.3	\$235.7
Outside Finance	\$1,000.0	\$945.0	\$55.0
Subtotal Commercial & Industrial	\$30,658.6	\$26,194.2	\$4,464.4
TOTAL IMPLEMENTATION BUDGET	\$55,877.3	\$45,642.7	\$10,234.6
OTHER EXPENSE ITEMS			
Commitments	\$2,000.0	\$5,000.0	-\$3,000.0
Company Incentive	\$2,434.1	\$2,004.5	\$429.7
Evaluation	\$1,097.3	\$1,400.5	-\$303.2
Subtotal - Other Expense Items	\$5,531.5	\$8,404.9	-\$2,873.5
TOTAL BUDGET	\$61,408.8	\$54,047.7	\$7,361.1

Notes:

(1) Implementation Budget excludes Commitments, Company Incentive and Evaluation; derived on Table E-3

(2) Total Budget includes Implementation, Commitments, Evaluation; illustrated on Table E-2

(3) RGGI Pilots approved in the 2010 RGGI Proposal and begun in 2011 will continue in 2012 using RGGI funds. Pilots include Deep Energy Retrofit, Heat Loan, and New Construction Homes Version III. Those funds are not included in this table.

Table E-5
Calculation of 2012 Program Year Cost-Effectiveness
Summary of Benefit, Expenses, Evaluation Costs (\$000)

	TRC Benefit/ Cost ¹	Total Benefit	Program Implementation Expenses ²	Customer Contribution	Evaluation Cost	Shareholder Incentive	¢/Lifetime kWh
Commercial & Industrial							
Large Commercial New Construction	3.94	\$ 39,815.8	\$ 8,834.4	\$ 1,150.3	\$ 113.8	NA	3.0
Large Commercial Retrofit	2.69	\$ 44,745.6	\$ 9,708.5	\$ 6,540.7	\$ 385.8	NA	3.4
Small Business Direct Install	2.12	\$ 26,019.3	\$ 10,231.3	\$ 1,968.0	\$ 64.4	NA	5.7
Community Based Initiatives - C&I		\$ -	\$ 200.0	\$ -	\$ -	NA	
EERMC - C&I		\$ -	\$ 354.5	\$ -	\$ -	NA	
Comprehensive Marketing - C&I		\$ -	\$ 330.0	\$ -	\$ -	NA	
Outside Finance Costs		\$ -	\$ 1,000.0	\$ -	\$ -	NA	
C&I SUBTOTAL	2.62	\$ 110,580.8	\$ 30,658.6	\$ 9,659.0	\$ 563.9	\$ 1,314.2	4.0
Low Income Residential							
Single Family - Low Income Services	1.35	\$ 7,926.1	\$ 5,615.4	\$ -	\$ -	\$ 247.1	13.2
Non-Low Income Residential							
Residential New Construction	2.31	\$ 4,142.9	\$ 1,036.0	\$ 378.3	\$ 378.3	NA	17.7
ENERGY STAR® HVAC	2.50	\$ 8,009.2	\$ 2,477.0	\$ 669.0	\$ 60.0	NA	13.3
EnergyWise	3.22	\$ 27,552.2	\$ 7,541.5	\$ 923.6	\$ 86.4	NA	9.0
ENERGY STAR® Lighting	3.10	\$ 14,198.7	\$ 4,507.4	\$ -	\$ 71.4	NA	3.0
ENERGY STAR® Products	1.89	\$ 3,997.1	\$ 2,045.4	\$ -	\$ 71.4	NA	5.4
Energy Efficiency Education Programs		\$ -	\$ 75.0	\$ -	\$ -	NA	
EERMC - Residential		\$ -	\$ 299.0	\$ -	\$ -	NA	
Residential Behavior Pilot		\$ -	\$ 230.8	\$ -	\$ 71.4	NA	
Residential Products Pilot		\$ -	\$ 314.7	\$ -	\$ 91.4	NA	
Community Based Initiatives - Residential		\$ -	\$ 156.6	\$ -	\$ -	NA	
Comprehensive Marketing - Residential		\$ -	\$ 920.0	\$ -	\$ -	NA	
Residential SUBTOTAL	2.49	\$ 57,900.1	\$ 19,603.3	\$ 1,970.9	\$ 830.3	\$ 872.9	6.9
TOTAL	2.47	\$ 176,406.9	\$ 55,877.3	\$ 11,629.9	\$ 1,394.2	\$ 2,434.1	5.1

Notes:

(1) TRC B/C Test = (Energy + Capacity + Resource Benefits) / (Program Implementation + Evaluation Costs + Customer Contribution + Shareholder Incentive)

Also includes effects of free-ridership and spillover.

(2) For Implementation Expenses derivation, see Table E-3.

(3) System Reliability may leverage some of the energy efficiency savings and benefits. Energy efficiency savings and benefits are attributed to the program in which they occur. The incremental costs of System Reliability appears below along with the resulting Total in order to illustrate that the existing Energy Efficiency programs are cost effective with the additional expenses. For more information please see the 2012 System Reliability Procurement Annual Plan.

System Reliability Procurement		\$ -	\$ 184.0	\$ -	\$ 25.0	\$ -	
Total with System Reliability	2.47	\$ 176,406.90	\$ 56,061.33	\$ 11,629.87	\$ 1,419.16	\$ 2,434.13	5.1

Table E-6
2012 Program Year Goals
Summary of Benefits, kW, and kWh by Program

	Benefits (000's)													Load Reduction in kW			MWh Saved	
	Total	Capacity					Energy					Non Electric		Summer	Winter	Lifetime	Maximum Annual	Lifetime
		Generation		Trans	MDC	DRIPE	Winter		Summer		DRIPE	Resource	Non Resource					
		Summer	Winter				Peak	Off Peak	Peak	Off Peak								
Commercial & Industrial																		
Large Commercial New Construction	\$39,816	\$4,146	\$0	\$2,139	\$8,986	\$887	\$8,975	\$4,644	\$5,392	\$2,279	\$2,376	-\$50	\$43	8,011	5,972	96,602	30,346	337,017
Large Commercial Retrofit	\$44,746	\$3,109	\$0	\$1,573	\$6,610	\$786	\$13,018	\$6,897	\$7,764	\$3,394	\$3,284	-\$4,523	\$2,834	5,708	4,737	71,348	39,928	491,894
Small Business Direct Install	\$26,019	\$1,934	\$0	\$1,053	\$4,422	\$528	\$7,197	\$1,745	\$4,306	\$858	\$1,557	-\$470	\$2,889	3,982	2,195	47,580	17,984	214,902
SUBTOTAL	\$110,581	\$9,188	\$0	\$4,764	\$20,019	\$2,201	\$29,190	\$13,286	\$17,462	\$6,531	\$7,217	-\$5,043	\$5,767	17,701	12,904	215,530	88,258	1,043,813
Low Income Residential																		
Single Family - Low Income Services	\$7,926	\$286	\$0	\$125	\$524	\$42	\$786	\$962	\$449	\$478	\$247	\$2,051	\$1,976	482	916	5,716	3,960	44,539
SUBTOTAL	\$7,926	\$286	\$0	\$125	\$524	\$42	\$786	\$962	\$449	\$478	\$247	\$2,051	\$1,976	482	916	5,716	3,960	44,539
Non-Low Income Residential																		
Residential New Construction	\$4,143	\$354	\$0	\$105	\$440	\$31	\$175	\$221	\$112	\$110	\$52	\$845	\$1,697	246	204	5,044	812	10,153
ENERGY STAR® HVAC	\$8,009	\$819	\$0	\$499	\$2,098	\$158	\$470	\$369	\$435	\$238	\$147	\$1,046	\$1,731	2,085	2,667	22,491	1,964	24,067
EnergyWise	\$27,552	\$453	\$0	\$209	\$879	\$78	\$1,623	\$2,032	\$1,085	\$1,035	\$580	\$9,797	\$9,783	798	1,812	9,580	8,432	95,369
ENERGY STAR® Lighting	\$14,199	\$409	\$0	\$351	\$1,477	\$99	\$2,731	\$3,417	\$1,598	\$1,669	\$1,153	\$0	\$1,294	2,110	4,221	15,532	20,174	154,987
ENERGY STAR® Appliances	\$3,997	\$116	\$0	\$94	\$394	\$32	\$682	\$857	\$407	\$419	\$299	\$0	\$697	507	554	4,158	4,971	38,992
SUBTOTAL	\$57,900	\$2,151	\$0	\$1,259	\$5,288	\$398	\$5,681	\$6,896	\$3,636	\$3,471	\$2,231	\$11,688	\$15,202	5,747	9,458	56,805	36,352	323,567
TOTAL	\$176,407	\$11,625	\$0	\$6,148	\$25,831	\$2,640	\$35,657	\$21,144	\$21,548	\$10,479	\$9,695	\$8,696	\$22,944	23,930	23,278	278,051	128,570	1,411,920

Table E-7
Comparison of Goals to Prior Year

	Proposed 2012		Approved 2011		Difference	
	Annual Energy Savings (MWh)	Participants	Annual Energy Savings (MWh)	Participants	Annual Energy Savings (MWh)	Participants
Program						
Commercial & Industrial						
Large Commercial New Construction	30,346	2,387	15,628	204	14,718	2,183
Large Commercial Retrofit	39,928	503	36,301	392	3,627	111
Small Business Direct Install	17,984	2,043	16,652	1,700	1,333	343
C&I SUBTOTAL	88,258	4,932	68,581	2,296	19,677	2,636
Low Income Residential						
Single Family - Low Income Services	3,960	2,501	3,091	1,813	869	688
Low Income SUBTOTAL	3,960	2,501	3,091	1,813	869	688
Non-Low Income Residential						
Residential New Construction	812	405	616	450	195	(45)
ENERGY STAR® HVAC	1,964	3,709	622	1,695	1,342	2,014
EnergyWise	8,432	13,017	8,716	11,113	(284)	1,904
ENERGY STAR® Lighting	20,174	320,000	15,088	192,503	5,086	127,497
ENERGY STAR® Appliances	4,971	19,080	5,914	15,568	(943)	3,512
Residential SUBTOTAL	36,352	356,211	30,956	221,329	5,396	134,882
TOTAL	128,570	363,644	102,628	225,438	25,942	138,206

Notes:

- (1) There are additional Low Income participants in Residential New Construction and EnergyWise. For additional detail, please see Attachment 1.
(2) Proposed 2012 Participants for Commercial & Industrial programs based on average savings per participant from 2011 actuals.

Table E-8
Annual Electric Avoided Costs for Rhode Island

	Rhode Island					DRIPE for Installations in 2012				
	Winter Peak Energy	Winter Off-Peak Energy	Summer Peak Energy	Summer Off-Peak Energy	Annual Market Capacity Value	Winter Peak Energy	Winter Off-Peak Energy	Summer Peak Energy	Summer Off-Peak Energy	Annual Market Capacity Value
Units:	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kW-yr	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kW-yr
Period:										
2012	0.056	0.048	0.066	0.047	18.75	0.009	0.007	0.010	0.005	0.000
2013	0.057	0.050	0.068	0.049	18.38	0.009	0.007	0.010	0.005	0.00
2014	0.059	0.052	0.071	0.051	18.38	0.009	0.007	0.010	0.005	0.00
2015	0.066	0.057	0.077	0.056	18.38	0.010	0.008	0.010	0.006	0.00
2016	0.066	0.058	0.084	0.057	16.55	0.009	0.007	0.011	0.005	13.79
2017	0.067	0.059	0.084	0.057	24.37	0.009	0.007	0.010	0.005	13.833
2018	0.066	0.058	0.085	0.056	34.05	0.009	0.007	0.010	0.005	13.893
2019	0.064	0.057	0.081	0.055	38.23	0.009	0.007	0.010	0.005	13.334
2020	0.065	0.054	0.074	0.055	53.52	0.004	0.003	0.005	0.003	4.435
2021	0.065	0.055	0.074	0.055	54.56	0.004	0.003	0.004	0.002	4.457
2022	0.066	0.055	0.074	0.055	81.94	0.003	0.003	0.004	0.002	44.788
2023	0.069	0.057	0.076	0.058	98.79	0.003	0.002	0.003	0.002	22.052
2024	0.071	0.057	0.078	0.059	108.15	0.003	0.002	0.003	0.002	10.526
2025	0.070	0.056	0.077	0.059	112.29					5.352
2026	0.071	0.056	0.079	0.059	114.81					2.335
2027	0.072	0.057	0.082	0.060	115.86					
2028	0.075	0.059	0.084	0.062	116.50					
2029	0.077	0.060	0.086	0.064	116.72					
2030	0.079	0.062	0.089	0.065	116.93					
2031	0.081	0.064	0.091	0.067	117.15					
2032	0.083	0.066	0.094	0.069	117.22					
2033	0.086	0.068	0.097	0.071	117.29					
2034	0.088	0.070	0.100	0.073	117.36					
2035	0.091	0.072	0.102	0.076	117.43					
2036	0.094	0.074	0.105	0.078	117.51					
2037	0.096	0.076	0.109	0.080	117.58					
2038	0.099	0.078	0.112	0.082	117.65					
2039	0.102	0.081	0.115	0.085	117.73					
2040	0.105	0.083	0.118	0.087	117.80					
2041	0.108	0.085	0.122	0.090	117.88					

From the 2011 Avoided Cost Study

Table E-9
Target 2012 Shareholder Incentive

Incentive Rate: 4.40%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Sector	Spending Budget	Incentive Rate	Target Incentive - Annual kWh Savings	Annual kWh Savings Goal	Threshold kWh Savings	Target Incentive Per kWh	Incentive Cap - Annual kWh Savings
Low Income Residential	\$5,615,389		\$247,077	3,960,083	2,376,050	\$0.062	\$308,846
Non-Low Income Residential	\$19,837,721		\$872,860	36,352,102	21,811,261	\$0.024	\$1,091,075
Commercial & Industrial	\$29,868,045		\$1,314,194	88,257,935	52,954,761	\$0.015	\$1,642,743
Total	\$55,321,155	4.40%	\$2,434,131	128,570,120	77,142,072		\$3,042,664

Notes:

- (1) Sector budget net of projected commitments and copays. For derivation, see Table E-3.
- (2) 4.40% of the sector spending budget.
- (3) Target Incentive for Savings = Incentive Rate x Spending Budget Total (Column (1)).
- (4) Goal for annual kWh savings by sector. This may be adjusted at year end for actual spending relative to the spending budget.
If goal is adjusted, values in columns (5), (6), and (7) will be adjusted as well.
- (5) 60% of Column (4). No incentive is earned on annual kWh savings in the sector unless the Company achieves at least this threshold level of performance.
- (6) Column (4)/Column (5). Applicable to all annual kWh savings up to 125% of target savings if at least 60% of target savings have been achieved.
- (7) Column (3) x 1.25.