

P R E N T I S S

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December 5, 2013

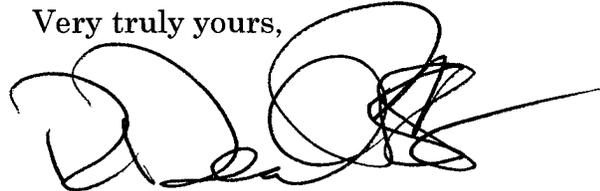
Luly E. Massaro, Commission Clerk
Rhode Island Public Utility Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: *IN RE: Narragansett Electric Company D/B/A National Grid's 2014 Energy Efficiency Program Plan*; Docket No. 4451

Dear Luly:

I enclose the original and nine copies of the Commission's First Set of Data Request Directed to EERMC in Docket No. 4451.

Very truly yours,



R. Daniel Prentiss
EERMC Counsel

RDP/ka
Enclosures
Cc: Docket 4451 Service List
874/92/10316

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NARRAGANSETT ELECTRIC
COMPANY d/b/a NATIONAL GRID'S
2014 ENERGY EFFICIENCY PROGRAM PLAN

DOCKET NO. 4451

COMMISSION'S FIRST SET OF DATA REQUESTS

DIRECTED TO EERMC

(November 27, 2013)

Please reply before December 6, 2013

COMM 1. Would the Consultant Team have been able to complete its cost-effectiveness review without a detailed review and analysis of the TRM?

Response: The Consultant Team believes that review of the TRM in the process of program review greatly enhances the clarity and confidence of its cost-effectiveness determination. The TRM provides critical data with clear documentation of values and sources in a single compendium to facilitate the evaluation of the program and portfolio cost-effectiveness. The Consultant Team also receives with each draft of the EEPP (Energy Efficiency Program Plan) the Benefit/Cost (B/C) Model, an extensive spreadsheet containing all the relevant inputs to determine cost-effectiveness levels for programs, sectors and the portfolio. The TRM is a key source for this data, and is cross-referenced throughout the evaluation process. While it is technically possible to complete the review without it (as was done for the cost-effectiveness memos in 2010 and 2011), the TRM significantly enhances the expediency and accuracy of the review process. As the programs and portfolios evolve and become more comprehensive through expansion to achieve greater savings and benefits, the TRM's value increases. Also, as a public document, its transparency provides additional confidence that the accuracy and level of completeness is able to withstand expert scrutiny.

COMM 2. Page 16-17. Identify the specific issues that the Consultant Team found with the TRM and cost benefit model, and state specifically how they were addressed by National Grid.

Response: The review period extended over a two month period and included several iterations. Appropriate modifications were made by the November 1 filing. The following are specific and illustrative examples of issues flagged by the Consultant Team (numbered items), and National Grid's response (lettered) to them:

Residential Gas:

- 1) HVAC Early Replacement assumptions - Noticed that the measure life was not being adjusted to account for the short-term increased savings due to the existing unit being baseline in the early replacement portion.
 - a. Correction made in TRM
- 2) HVAC program -- A number of measure descriptions were misstated causing assumptions to appear inconsistent.
 - a. Corrections made.

- 3) Low flow showerheads in the EnergyStar HVAC program are using savings values for the EM MF program. These are higher than the savings from the single family EnergyWise program, presumably because MF have more showers?
 - a. The savings of the low-flow showerhead traditionally offered through EnergyWise is calculated by Rise Engineering on a site-by-site basis. This year, the advanced showerheads with controls that limit hot water were added to the TRM for EW SF. The savings for the showerhead with a control is .855 MMBtu and the savings for the adapter is .143 MMBtu. The delta between those two measures should be approximately what just a low flow showerhead uses. The .48 MMBtu used in RNC and EW MF corresponds with that delta.

Residential Electric:

- 1) Refrigerator/Freezer -- Freerider rate for ENERGY STAR units was too low (25%). Recommended 75-80% due to very high market share and impending Federal Standard Change. Provided input on calculation error due to using the average unit volume rather than the Adjusted volume as should be used in Federal Standard equations, resulting in slightly higher savings
 - a. Agreed on rise to 50%.
- 2) Savings for early retirement AC in screening model appear to be off from the numbers in the tracker.
 - a. The model was not updated with the TRM values. The TRM has a two tiered savings breakdown for Early Replacement ACs and HPs. The BC model has one line, so the savings for the two tiers have been combined and the measure life has been discounted so lifetime savings are not over-counted.
- 3) Room air cleaner savings are 391 kwh in tracker and 268 kwh in model
 - a. 391 is correct. BC model has been updated accordingly.
- 4) Top 10 refrigerator is 104 kwh in tracker and 154 kWh in model
 - a. The 104 kWh refers to savings from an Energy Star model. The Top Ten model's savings should be 114, not 154. The BC model has been updated.
- 5) Top 10 freezer is 154 kwh in tracker and 140 in model
 - a. 154 is correct. The BC model has been updated accordingly.
- 6) Specialty bulbs save 44.3 kwh in tracker and 47 kwh in model
 - a. 44.3kWh is correct. The BC model updated accordingly.
- 7) LED outdoor fixture not in tracker, but savings of 50.9 kwh in screening model may seem a little low.
 - a. There has not been PA agreement on the Outdoor LED so we are not planning to offer it in 2014 or include it in the TRM. The measure was left in the model and given a value of 0 because it is often easier to make a measure temporarily non-functional than to remove it and remap other measures.
- 8) DER airflow reduction measures have 1.4 kwh savings per CFM50 reduction, while screening model has 0 savings.
 - a. The 1.4 must have been a copy-paste error because the air flow savings are calculated for each site. The TRM has been updated accordingly.

COMM 3. Table E-5 of 2014 EEPP. Why is the cost-benefit ratio so high (8.22) for Large Commercial New Construction?

Response: The Large Commercial New Construction has historically been one of the most cost-effective components of the portfolio -- 4.58 in 2013; 6.39 in 2012; and 5.83 in 2011. As part of the C&I sector portfolio balancing, which accommodated significant investment in the Large Commercial Retrofit with the Toray CHP project, the 2014 Large Commercial New Construction has reduced spending and savings relative to previous years. Program elements that stayed intact were related to lighting, particularly upstream, which have higher cost-effectiveness. Also, the Codes and Standards initiative is slated to yield much higher levels of savings than in 2013, which represents another highly cost-effective investment. This emphasis on lower cost, higher savings yield has contributed to greater cost-effectiveness than in previous years.

COMM 4. Page. 17. EERMC states that the application of the TRC test follows “standard practice”? Is the “standard” referred to in this context the California’s Standard Practice manual? If yes, please provide a copy of the most recent, updated version of the Standard Practice Manual.

Response: Yes. The application of the TRC attempts to reflect the California Standard Practice Manual. California’s Standard Practice Manual does cover the basics for the Total Resource Test, as well as the other primary cost-effectiveness tests utilized throughout the country. Its information can be found at:

http://www.cpuc.ca.gov/NR/rdonlyres/004ABF9D-027C-4BE1-9AE1-CE56ADF8DADC/0/CPUC_STANDARD_PRACTICE_MANUAL.pdf

COMM 5. Page 19. EERMC states that it is working with National Grid to produce more RI specific results within EM&V budget limitations. Given that the Standards (Section 1.4A) require EERMC to take a leadership role in ensuring ratepayers get excellent value from the EEPP, does the EERMC believe that regional and out-of-state studies are an appropriate basis for National Grid to evaluate the energy efficiency programs contained in the annual energy efficiency program plans? If yes, why?

Response: Regional studies are absolutely an appropriate basis for evaluation for some program elements, but not all. That is an important consideration for the EERMC when reviewing proposed EM&V plans. Regional studies are appropriate when they analyze initiatives that provide services, products, and/or delivery methods that have commonality across borders. For 2014, these multi-state studies would include the Small Business refrigeration impact evaluation and Residential lighting hours of use study. On a smaller scale, RI also works to leverage work being conducted in Massachusetts on programs that are identical, or nearly identical, such as upstream lighting impact and prescriptive non-lighting. These combined studies provide both the benefit of reduced cost through cost-sharing and more robust data sets by pooling all the results

from multiple jurisdictions. On the other hand, program elements or market conditions that are unique to RI would warrant RI-specific studies.

COMM 6. Has EERMC specifically requested that National Grid use RI studies to evaluate its RI programs? If yes, how did the Company respond? If no, what specific actions has the EERMC taken to get the Company to produce more RI specific results within current EM&V budget limitations?

Response: As a result of the review and response to drafts of the 2014 EEPP, the EERMC has verified and approved National Grid's commitment for RI specific studies for Income Eligible (low-income), pilot programs and the residential gas heating program.

COMM 7. Aside from looking at regional evaluation studies and studies from other states, how does the Company evaluate how its energy efficiency programs are performing from year to year?

Response: The programs are constantly undergoing monitoring of performance and opportunity through internal management at National Grid, while the Council's Consultant Team also meets monthly with National Grid's program strategy leads to confirm results, monitor progress and assist in identifying program adjustments to improve performance. Our understanding that National Grid staff also frequently interacts with Mass. Evaluators to learn latest findings from potentially applicable Mass. studies.

COMM 8. Please provide a copy of EERMC's annual report submitted to the joint committee on energy pursuant to R.I.G.L. §42-140.1-5.

Response: A copy of the report can be found at:

http://www.rieermc.ri.gov/documents/annual/3_EERMC_April%202013.pdf

COMM 9. Page 9. Through what process (i.e. legislation, rulemaking, etc.) was the Collaborative made into a subcommittee of the EERMC in 2008?

Response: The decision to make the Collaborative a subcommittee of the EERMC was a decision of the EERMC, and was not otherwise a legislative or rulemaking activity. It was done in consultation with Collaborative participants and was intended to give the Collaborative Process a clear channel of communication with the EERMC. We are not aware of the original action (regulatory or otherwise) that established the Collaborative Process in Rhode Island, and do not find the Collaborative mentioned in the 2006 Least Cost Procurement legislation. The intention was to continue the opportunity for active participation by a range of interested parties,

including the Division, that has provided real benefits to Rhode Island, and make sure that the Consultant Team expertise--now to be funded through the EERMC--could be available to the whole Collaborative Process.

COMM 10. In future years, would the EERMC be amenable to filing its cost-effectiveness review prior to November 1?

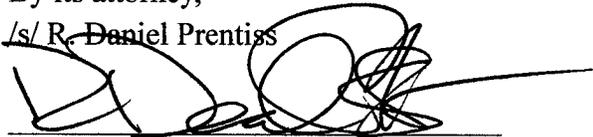
Response: The full cost-effectiveness review can only be completed upon receiving the final, approved version of the EEPP (and the associated TRM and B/C Model), which is scheduled to be submitted to the Commission on November 1 each year. While the final draft is typically all but finalized a week prior to that, the Council also needs to vote to approve the cost-effectiveness report. Since the Council meets every second Thursday of the month, it would have to schedule an additional or earlier session in November in order to be able to vote to approve the cost-effectiveness memo. This year National Grid's selection of incorrect load forecasts for both the electric and natural gas programs for the November 1st filed EEPP, and the subsequent negotiations to revise program filings created additional delays for the EERMC in providing its Memorandum.

Respectfully submitted,

THE RHODE ISLAND ENERGY EFFICIENCY
AND RESOURCES MANAGEMENT COUNCIL

By its attorney,

/s/ R. Daniel Prentiss



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CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of December, 2013, I delivered a true copy of the foregoing document either by first class mail or by electronic mail to the Docket 4451 Service list as of December 5, 2013.

/s/ R. Daniel Prentiss

R. Daniel Prentiss