

September 26, 2014

**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 4451 – The Narragansett Electric Company, d/b/a National Grid  
2014 Energy Efficiency Program Plan  
Transfer of Funds Request**

Dear Ms. Massaro:

On behalf of National Grid<sup>1</sup> and pursuant to Sections IV.C.1(A), IV.C.1(B) and IV.C.1(C) of the Energy Efficiency Program Plan For 2014 Settlement of the Parties (“2014 Plan”) approved in Docket 4451, the Company is requesting approval from the Rhode Island Division of Public Utilities and Carriers (“Division”) for certain fund transfers within the residential sector that represent 10 percent or more of the originating program’s approved budget, as outlined in Paragraph A, below. In addition, this letter is to inform the Division of certain other fund transfers within the C&I sector that represent less than 10% of the originating program’s approved budget, as outlined in Paragraph B, below.

**A. Residential Sector Fund Transfers of 10 Percent or More**

Section IV.C.1(B) of the 2013 Plan states that “[f]or transfers of 10% or more of the originating program’s budget, the Company can transfer funds from one program to another program within the same sector with prior approval of the Division. Upon seeking such approval from the Division, the Company shall simultaneously notify the EERMC.”

The Company plans to transfer funds between the following programs within the same sector. The transfers below represent 10 percent or more of the originating program’s approved budget.

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

**1. \$90,000 from Residential Products Pilot (electric) to ENERGY STAR® HVAC (electric).**

- The Company is requesting to transfer \$90,000 from electric Residential Products Pilot to the electric ENERGY STAR® HVAC program.
- The transfer represents 31 percent of the Residential Products Pilot program's original program budget, illustrated in the 2014 Plan, Revised Attachment 4, Table E-2. Consequently, the Company requests Division approval to make this funding transfer.
- The reason for the transfer request is due to higher than anticipated customer demand. The additional funds will allow the program to continue operating through the end of the year. As of the end of the second quarter, the Company anticipates the transfer will allow the program to achieve 207% of its approved 2014 savings goal.
- The Residential Products Pilot program is able to provide this transfer because there has been less activity than anticipated.

**2. \$102,000 from Residential Products Pilot (gas) to ENERGY STAR® HVAC (gas).**

- The Company is requesting to transfer \$102,000 from the gas Residential Products Pilot program to the gas ENERGY STAR® HVAC program.
- The transfer represents 75 percent of the Residential Products Pilot program's original budget, illustrated in the 2014 Plan, Attachment 5 - Revised, Table G-2. Consequently, the Company requests Division approval to make this funding transfer.
- The reason for the transfer request is because there has been higher than anticipated participation in the ENERGY STAR® HVAC program, especially for high-efficiency boilers, condensing boilers, and Wi-Fi thermostats. In addition, rebate applications submitted at the end of 2013 were processed at the beginning of 2014, leading to additional demand for program resources. As of the end of the second quarter, the Company anticipates the transfer will allow the program to achieve 140% of its approved 2014 savings goal.
- The Residential Products Pilot program is able to provide this transfer because there has been less activity than anticipated.

**3. \$135,000 from Comprehensive Marketing-Residential (gas) to ENERGY STAR® HVAC (gas).**

- The Company is requesting to transfer \$135,000 from the gas Comprehensive Marketing-Residential program to the gas ENERGY STAR® HVAC program.
- The transfer represents 96 percent of the Comprehensive Marketing-Residential program's original budget, illustrated in the 2014 Plan, Attachment 5 - Revised, Table G-2. Consequently, the Company requests Division approval to make this funding transfer.

- The reason for the transfer request is because there has been higher than anticipated participation in the ENERGY STAR<sup>®</sup> HVAC program, especially for high-efficiency boilers, condensing boilers, and Wi-Fi thermostats. In addition, rebate applications submitted at the end of 2013 were processed at the beginning of 2014, leading to additional demand for program resources. As of the end of the second quarter, the Company anticipates the transfer will allow the program to achieve 140% of its approved 2014 savings goal.
- The Comprehensive Marketing-Residential program is able to provide this transfer since less marketing is needed due to higher than anticipated customer participation. In addition, the Company anticipates that the remaining program specific marketing budgets for residential gas programs will be adequate through the end of 2014.

**4. \$75,000 from Residential New Construction (gas) to ENERGY STAR<sup>®</sup> HVAC (gas).**

- The Company is requesting to transfer \$75,000 from the gas Residential New Construction program to the gas ENERGY STAR<sup>®</sup> HVAC.
- The transfer represents 12 percent of the Residential New Construction program's original budget, illustrated in the 2014 Plan, Attachment 5 - Revised, Table G-2. Consequently, the Company requests Division approval to make this funding transfer.
- The reason for the transfer request is because there has been higher than anticipated participation in the ENERGY STAR<sup>®</sup> HVAC program, especially for high-efficiency boilers, condensing boilers, and Wi-Fi thermostats. In addition, rebate applications submitted at the end of 2013 were processed at the beginning of 2014, leading to additional demand for program resources. As of the end of the second quarter, the Company anticipates the transfer will allow the program to achieve 140% of its approved 2014 savings goal.
- The Residential New Construction program is able to provide this transfer because the Company has not completed the anticipated number of Deep Energy Retrofit projects.

**5. \$182,282 from Home Energy Reports (gas) amongst the programs listed in (a) and (b) below.** The transfer represents 36.7 percent of the Home Energy Report program's original budget, illustrated in the 2014 Plan, Attachment 5 - Revised, Table G-2. Consequently, the Company requests Division approval to make this funding transfer.

The Home Energy Report program is able to provide these transfers due to a refund from the program's lead vendor because of a 2013 and 2014 miscalculation of potential gas savings. The vendor refunded the Company the difference between the filed program savings goal and the revised 2013 and 2014 projected savings.

(a) \$82,282 to ENERGY STAR<sup>®</sup> HVAC (gas).

- The Company is requesting to transfer \$82,282 from the gas Home Energy Reports program to the gas ENERGY STAR<sup>®</sup> HVAC.
- The transfer represents 16.5 percent of the Home Energy Report program's original budget, illustrated in the 2014 Plan, Attachment 5 - Revised, Table G-2.
- The reason for the transfer request is because there has been higher than anticipated participation in the ENERGY STAR<sup>®</sup> HVAC program, especially for high-efficiency boilers, condensing boilers, and Wi-Fi thermostats. In addition, rebate applications submitted at the end of 2013 were processed at the beginning of 2014, leading to additional demand for program resources. As of the end of the second quarter, the Company anticipates the transfer will allow the program to achieve 140% of its approved 2014 savings goal.

(b) \$100,000 to EnergyWise Single Family (gas).

- The Company plans to transfer \$100,000 from the gas Home Energy Reports program to the gas EnergyWise Single Family program.
- This transfer represents 20 percent of the Home Energy Report program's original budget, illustrated in the 2014 Plan, Attachment 5 - Revised, Table G-2.
- The reason for the transfer is that customer demand for EnergyWise Single Family program is experiencing higher than anticipated demand and more funds are required to continue serving customers through the end of the year, even at reduced incentive levels. As of the end of the second quarter, the Company anticipates the transfer will allow the program to achieve 113% of its approved 2014 savings goal.

**6. \$200,000 from Income Eligible Multifamily (gas) to Single Family – Income Eligible Services (gas).**

- The Company plans to transfer \$200,000 from the Income Eligible Multifamily program to the Single Family – Income Eligible Services program.
- This transfer represents 10% of the Income Eligible Multifamily program's original budget, illustrated in the 2014 Plan, Attachment 5 – Revised, Table G-2.
- The reason for this transfer is that customer demand for Single Family – Income Eligible Services is much higher than anticipated, especially within the greater Providence area. These additional funds will allow the Company to provide comprehensive gas weatherization services and/or heating system replacements to about 50 additional homes in 2014. The Company anticipates that this transfer will allow the program to achieve over 100% of its approved 2014 savings goal.

**B. Commercial & Industrial (C&I) Fund Transfers of Less Than 10 Percent**

Section IV.C(1)(A) of the 2013 Plan states that “[f]or transfers of less than 10% of the originating program's budget, the Company can transfer funds from one program to another program within the same sector without prior approval of the Division. However, the Company shall provide a summary of such transfers to the Division and EERMC quarterly.”

The Company plans to transfer funds between the following programs within the C&I sector. The transfers below represent less than 10 percent of the originating program's approved budget.

**1. \$525,000 from Small Business Direct Install program (electric) to the Large Commercial New Construction program (electric).**

- The Company plans to transfer \$525,000 from the electric Small Business Direct Install program to the electric Large Commercial New Construction program.
- This transfer represents 4 percent of the electric Small Business Direct Install program's originating program budget, as illustrated in the 2014 Plan, Attachment 4-Revised, Table E-2.
- The reason for the transfer is that the Large Commercial New Construction program has had higher than expected demand. As of the end of the second quarter, the Company anticipates the transfer will allow the program to achieve 125% of its approved 2014 savings goal, approximately 6,500 MWh additional savings.
- The Company projects that the Small Business Direct Install program will be able to achieve its savings and participation goals even with the reduction in budget.

The Company plans to reflect the above transfers in its Third Quarter Report that will be distributed to the EERMC and the Rhode Island Public Utilities Commission in November, 2014. Thank you for your prompt and timely attention in this request. The Company is simultaneously notifying the EERMC of this request as required by Section IV.C.1(B) of the 2014 Plan.

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

Very truly yours,



Jennifer Brooks Hutchinson

cc: Jon Hagopian, Esq.  
Steve Scialabba, Division  
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