

Jennifer Brooks Hutchinson Senior Counsel

December 15, 2014

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4527 – 2015 Energy Efficiency Program Plan National Grid's Reply Comments to The George Wiley Center's Comments

Dear Ms. Massaro:

In connection with the above-referenced docket, National Grid¹ hereby submits the Company's reply comments to the written comments submitted by The George Wiley Center (Wiley Center) and the National Housing Trust (NHT) on December 8, 2014 regarding the Company's Energy Efficiency Program Plan for 2015 (2015 Plan).

In their December 8 comments, the Wiley Center and NHT state that they are "generally supportive of the Plan and urge the Commission to approve it, with some additions and clarifications . . . regarding the multifamily portion of the Plan." The specific recommendations are as follows: (1) that the Plan specifically commit the Company to reviewing non-energy benefits with NHT's nationally recognized expert in 2015; (2) that the Plan be clarified to provide a date certain by which the Company will report back to the Public Utilities Commission (PUC) and the EERMC with proposals for financing tools that will meet the needs of multifamily customers; (3) that the Company consider financing program designs that provide tiered rebates (larger rebates for buildings that achieve deeper savings) along with financing the portion of the investment that the owner must make, after any rebates are applied; and (4) that the Plan specifically commit National Grid to continue engaging in discussions with national experts as it implements its 2015 multifamily program.

1. Modifications to the 2015 Plan to Commit National Grid to Review Non-Energy Benefits Is Not Necessary Because the Company Is Already Engaged in Reviewing Non-Energy Benefits.

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

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The Company is already engaged in reviewing non-energy benefits for its affordable, multifamily housing program through the existing collaboration with NHT's nationally-recognized expert, and is looking forward to analyzing the findings and recommendations with the larger group in 2015. Pursuant to the 2014 Energy Efficiency Procurement Standards (Standards), approved by the PUC in Docket 4443, the purpose of the annual Energy Efficiency Program Plan is to identify the specific energy efficiency programs proposed for implementation in the program year pursuant to the Three-Year Plan. Section 1.3 (A) – (D) of the Standards set forth the required components of the annual plans, such as cost-effectiveness of program portfolios, annual budgets, program descriptions, and evaluation components. The Company engages in numerous activities throughout the year in furtherance of the goals and strategies identified in its annual plans, which are not specifically delineated in the plan itself. The 2015 Plan complies in all respects with the Standards and the Least Cost Procurement law, R.I.G.L. § 39-1-27.7. Language specifically committing National Grid to engage in activities it is already doing is not necessary or required.

2. Modifications to the 2015 Plan to Establish a Date Certain By Which the Company Will Report Back to the PUC and EERMC Regarding Financing Tools for Multifamily Customers Is Premature.

The Company is committed to exploring financing options for multifamily customers in 2015. Specific language regarding the Company's commitment to financing for the multifamily sector is included in Attachment 1, page 38 of the 2015 Plan. However, the Company is not prepared to offer a specific timeline at this time. The EERMC is currently engaged in developing a comprehensive report on energy efficiency financing options, which is slated to be completed in early 2015. The Company will look to leverage the findings from that report with its own independent research. This commitment is documented in Attachment 2, page 13 of the 2015 Plan. Given a slight delay in the planned deliverable of the EERMC's financing report, it is premature to establish a date certain for when the best options can be reviewed and implemented beyond the Company's stated commitment to undertake this effort.

3. Modifications to the 2015 Plan to Require That the Company Consider Financing Program Designs That Provide Tiered Rebates Is Premature.

As discussed in Item 2 above, the Company is already committed to exploring financing options for multifamily customers in 2015. Program designs offering tiered rebates is one option that the Company will analyze and review during its research on financing options and based upon guidance received from the EERMC's financing report. The Company looks forward to working with the larger group in discussing the advantages and disadvantages of various financing strategies, and how such strategies can best be implemented.

4. Modifications to the Plan That Specifically Commit National Grid to Continue Engaging in Discussions With National Experts in Connection with the 2015 Multifamily Program Is Not Necessary Because this Commitment Is Already Stated in the 2015 Plan. Luly E. Massaro, Commission Clerk Docket 4527 – National Grid Reply Comments December 15, 2014 Page 3 of 3

Attachment 1, Page 6, of the 2015 Plan states that the Multifamily Working Group, which National Grid helped to form, is "actively engaged with national experts in multifamily program design to assure access to industry best practices . . . and will continue to engage in such discussions in 2015 with the mission of helping design and deliver a top-notch multifamily services program" Given that the 2015 Plan already contains an explicit and robust commitment by National Grid to continue its collaboration with national experts, further modifications are not warranted. This is a standard practice for the Company's entire energy efficiency portfolio, where applicable, as part of the Three-Year Plan (2015-2017) theme "Innovating to Capture Untapped Savings." The Company does not typically identify specific advocacy organizations, vendors, or individuals with whom it works or may plan to work on any program or initiative because to do so might give the impression that the Company gives preferential treatment to them. The Company plans to remain consistent with that approach in 2015.

Thank you for your attention to this matter. If you have any questions, please contact me at (401) 784-7288.

Very truly yours,

Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4527 Service List Karen Lyons, Esq. Jon Hagopian, Esq. Steve Scialabba, Division

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

Copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and the Rhode Island Division of Public Utilities and Carriers.

Joanne M. Scanlon

December 15, 2014 Date

Docket No. 4527 - National Grid - 2015 Energy Efficiency Program Plan Service list updated 12/2/14

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