

December 8, 2014

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

RE: National Grid's 2015 Energy Efficiency Program Plan, Docket No. 4527

Dear Ms. Massaro:

The George Wiley Center (“Wiley Center”) and the National Housing Trust (“NHT”)¹ appreciate the opportunity to provide comments on National Grid’s (“NGRID” or “Company”) Energy Efficiency Program Plan for 2015 (“Plan”), which was filed November 1, 2014. The Wiley Center and NHT are generally supportive of the Plan and urge the Commission to approve it, with some additions and clarifications that we describe below regarding the multifamily portion of the Plan. Those suggested changes are consistent with what we understand to be the Company’s intentions in delivering the 2015 multifamily program. In the areas discussed below, we recommend that the Plan to be more explicit where it is now silent or unclear.

As the Company notes, the Plan will provide significant economic benefits over the life of the measures that will be installed: \$277.9 million in benefits from the electric program measures, and \$58.6 million in benefits from the natural gas program measures.² Energy efficiency investments provide far more than these quantified economic benefits: they make energy bills more affordable, particularly for low-income households struggling to pay their bills; they increase the comfort and well-being of those whose homes receive better insulation and more efficient heating systems; they reduce emissions of greenhouse gasses and pollutants; and they avoid the need to develop or procure expensive new sources of supply.

Over the past several months, the Wiley Center and NHT, through their legal counsel, have been in discussions and meetings with NGRID, the Office of Energy Resources (“OER”), and consultants to the Energy Efficiency Resource Management Council (“EERMC”), focusing on areas where we believe that NGRID’s energy efficiency offerings for affordable multifamily housing can be improved. At our request, OER set up an informal multifamily working group, and we provided input regarding best practices in the multifamily sector, as well as our expertise on non-energy benefits³ and coordinating with multifamily owners.

¹ On November 13, 2014, a Petition to Intervene in this docket was filed on behalf of the George Wiley Center and NHT. No party has filed an opposition.

² NGRID’s October 31, 2014 cover letter, pp. 1-2.

³ Plan, Attachment 1, Page 5 of 33.

It is very clear that NGRID and other key stakeholders are fully committed to delivering programs that meet the needs of multifamily owners and tenants, as well as to achieving greater savings from this sector. NHT, in conjunction with the National Consumer Law Center (NHT's legal counsel), works on multifamily energy efficiency issues in a number of other states, from Maryland to California, and NHT is quite impressed by the level of cooperation among the key Rhode Island players as well as their dedication to implementing high-quality programs that meet customer needs.

We commend the Company for having a discrete focus on "Multifamily Programs"; for including a broad range of measures within the multifamily programs (e.g., energy assessments, heating and domestic hot water measures, lighting, appliances, etc.); and designating a "primary point-of-contact to manage and coordinate the broad range of services for which multifamily properties are available."⁴

Our specific recommendations for clarifications or additions to the Plan are as follows:

1. NGRID notes that it has "engaged with national experts in multifamily program design to assure access to industry best practices, covering . . . non-energy benefits [and other issues]."⁵ The Natural Resources Defense Council ("NRDC"), which works closely with NHT in a number of states (including Rhode Island) on the design of multifamily energy efficiency programs, has made available the services of a nationally-recognized expert on the calculation of non-energy benefits ("NEBs"), and NGRID has expressed its willingness to work with that expert to review the current scope of NEBs included in its cost-effectiveness evaluations. NHT and the Wiley Center ask that the Plan specifically commit the Company to reviewing its NEBs during 2015.
2. NGRID also describes its commitment to "analyze the various financing mechanisms" it currently offers, and "to craft an offering that is of the most value for Rhode Island multifamily customers." This is an important and commendable goal, since attractive financing tools make it possible to reach more customers and leverage funding beyond the funding the Company itself makes available. Financing tools can potentially lead to significant increases in energy savings. NHT and the Wiley Center therefore recommend that the Plan be clarified to provide a date certain by which the Company will report back to the Commission and the EERMC with proposals for financing tools that will meet the needs of multifamily customers. As NGRID itself notes, it already offers financing options for its commercial and single family residential customers.⁶ As a matter of equity and good program design, it should also offer financing options to its multifamily customers. We recommend that the Company consider financing program designs that would provide tiered rebates (larger rebates for buildings that achieve deeper savings) along with financing the portion of the investment the owner must make, after any rebates are applied.
3. As noted above, OER set up an informal multifamily working group, and NGRID has drawn on the expertise of national experts active in that working group, including NHT (which, along with NRDC, helped arrange for the services of the NEBs expert) and New Ecology Inc. (which has provided some of the funding for the benchmarking analysis discussed below). NHT and the Wiley Center recommend that the Plan explicitly commit NGRID to continue engaging in discussions with these national experts as it implements its 2015 multifamily program.

⁴ Plan, p.7, Table 3: "Proposed Residential Energy Efficiency Programs."

⁵ Plan, Attachment 1, Page 6 of 32.

⁶ Plan, Attachment 1, Page 8 of 32.

There are a few other areas where we are not suggesting formal clarifications or additions to the wording of the Plan, but which we wish to underscore due to their importance.

First, NGRID notes that it has “enhance[d] and develop[ed] relationships with important multifamily stakeholders.”⁷ We agree that there are now stronger relationships between NGRID, Rhode Island Housing (“RIH”) and other non-profit owners/developers. We emphasize that housing financing agencies like RIH can be extremely valuable partners for utilities that are investing heavily in energy efficiency because these agencies readily can identify large numbers of multifamily properties already planning to refinance and invest in major renovations. A refinancing event provides the perfect opportunity for NGRID to engage the multifamily owner around energy efficiency improvements, as the owner is already committed to undertaking substantial building upgrades. We support NGRID’s commitment to work with the broad range of affordable housing owners, and we hope the Company will even strengthen those relationships during 2015. NHT will gladly assist in any way it can, since it works closely with RIH.

Second, we commend NGRID for committing to “benchmark” the energy usage of “about 400 affordable multifamily housing properties,” and note that a group working closely with NHT (New Ecology) helped bring resources to the table that will help the Company reach those properties. Benchmarking is a valuable tool that will allow RIH and other multifamily owners to prioritize the buildings which are in greatest need of investing in energy efficiency. We therefore applaud NGRID for its commitment to move ahead with its plan to benchmark hundreds of multifamily buildings in the near future.

Third, NGRID notes its goal when working with multifamily properties is to “comprehensively address the whole building, with improved safety and comfort for living spaces (in-unit), common areas, and exterior lighting” and that “incentives are available for weatherization (air sealing, insulation), heating and domestic hot water, cooling, lighting and appliances.” We commend NGRID for taking this comprehensive, whole building approach as it results in deeper savings – which helps the state meet its energy efficiency goals – and also reduces administrative costs by delivering a complete suite of services the first time the building is reached. Because of the complex nature of mechanical systems in multifamily properties, we also encourage the Company to consider ventilation and air quality issues as part of the package of whole building services, which should also yield positive health outcomes for the occupants of multi-family housing.

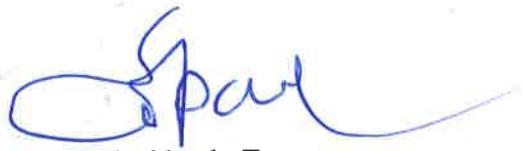
Overall, we support the multifamily components of NGRID’s 2015 Plan and urge the Commission’s approval, with the minor changes described above.

Respectfully submitted,

Charles Harak, Esq.
On behalf of George Wiley Center and National Housing Trust⁸

⁷ Plan, Attachment 1, Page 8 of 32.

⁸ Admitted Pro Hac Vice by Order of Rhode Island Supreme Court, 14-288-M.P. (Nov. 14, 2014)



Steven Fischbach, Esq.
Rhode Island Legal Services
56 Pine St.
Providence, RI 02903
Bar No. 3259

cc: Parties on Docket 4527 Service list