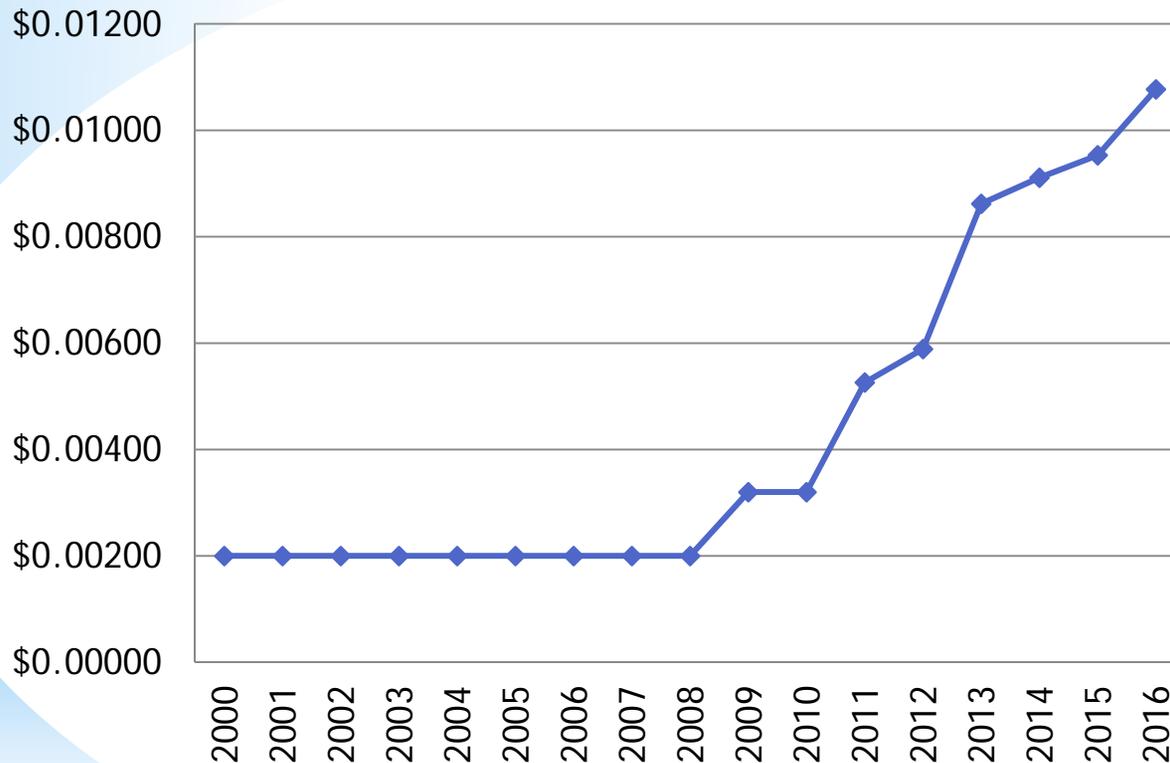


2016 RI Electrical Energy Efficiency Charge... an Unsustainable Upward Trend!

EE Price (\$/kWh) 2000-2016



Docket 4580
National Grid 2016 Energy Efficiency Program Plan

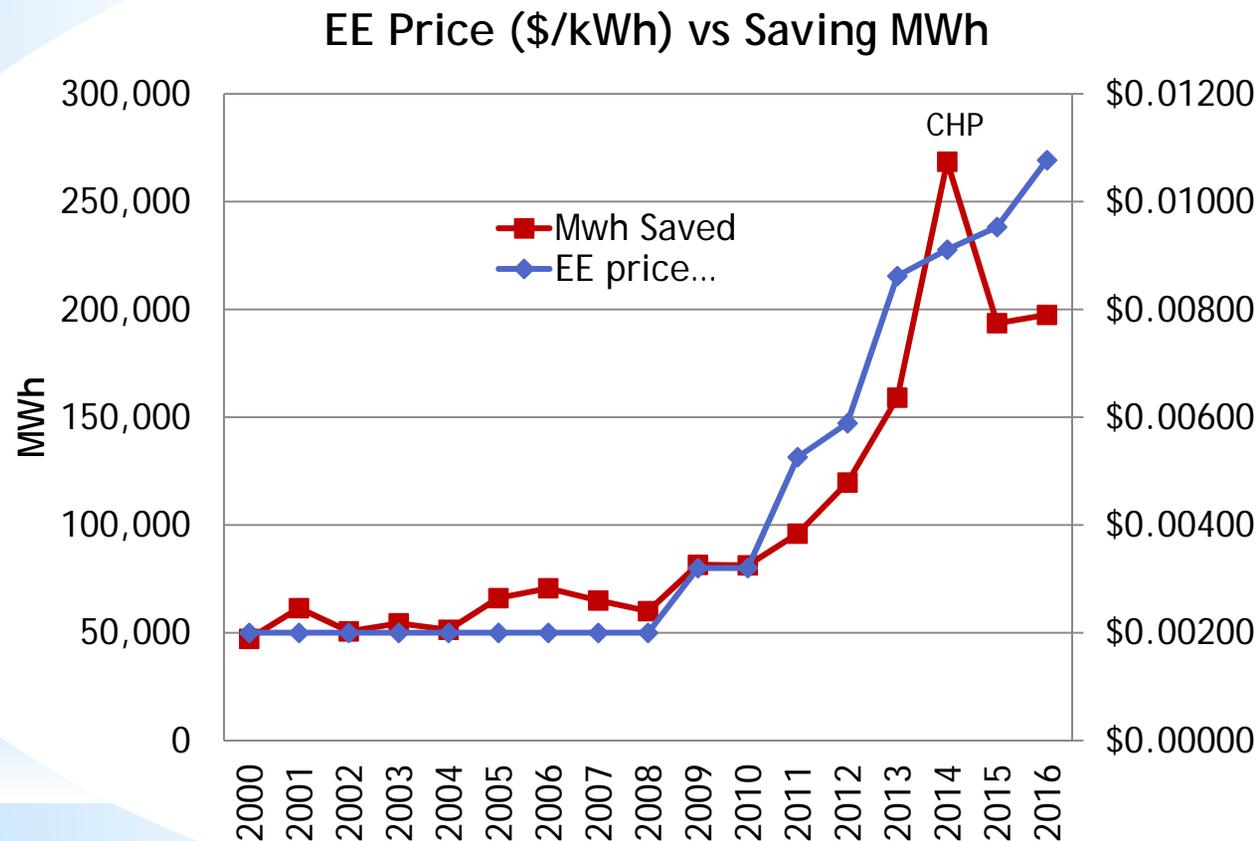
- Proposed 2016 EE Charge (\$/kWh): \$0.01077
- 2015-2017 three year plan EE charge is ignored
- Likely the 2017 EE charge will also be higher than the three year plan

Table 1. 2015-17 Three Year Plan Summary

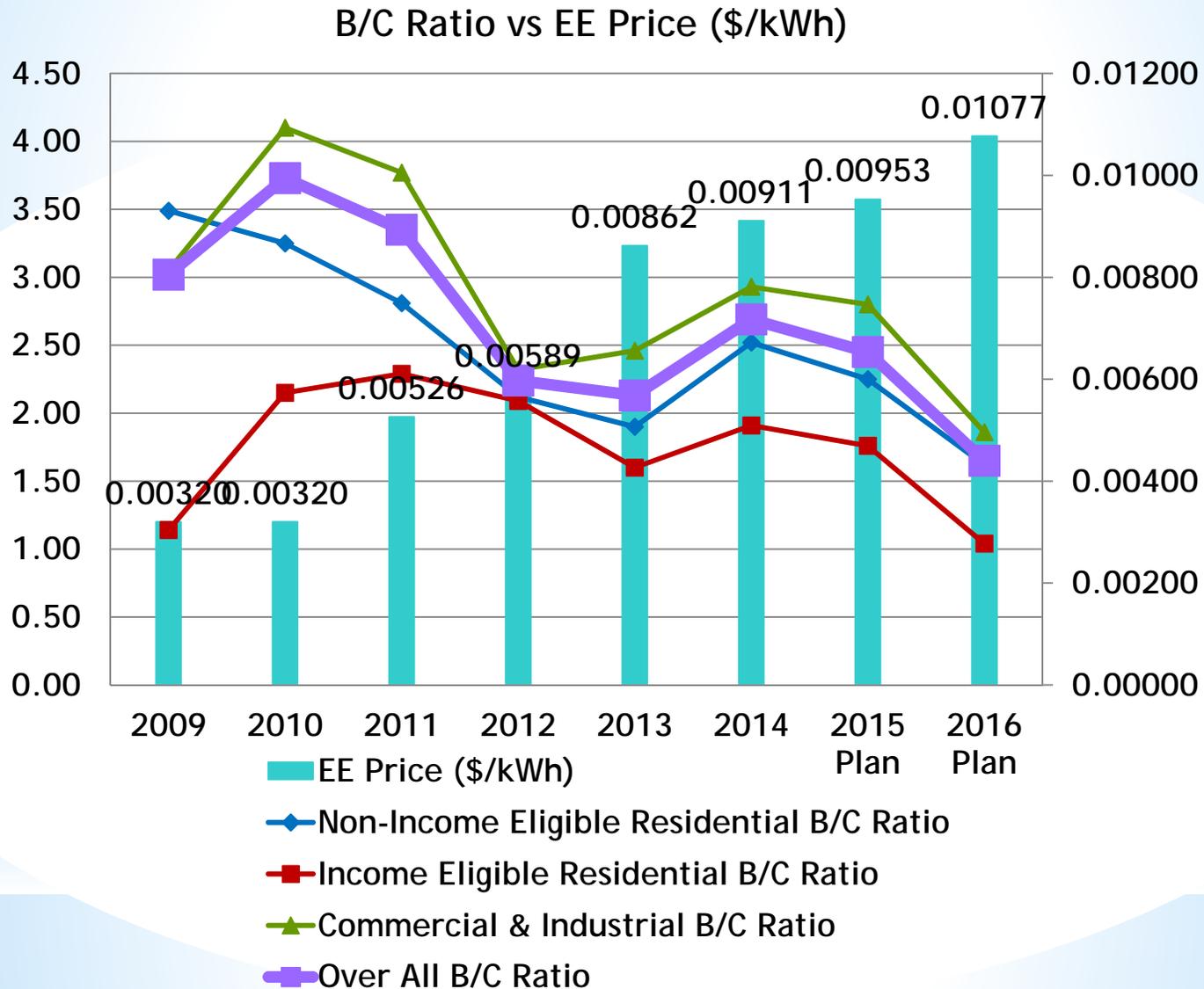
Electric Programs	2015	2016	2017
Savings and Benefits			
Annual MWh Savings	193,603	197,475	201,347
Lifetime MWh Savings	1,956,845	2,064,074	2,164,927
Savings as a Percent of 2012 sales	2.50%	2.55%	2.60%
Annual Peak kW Savings	31,447	32,209	32,181
Winter Peak kW Savings	33,700	34,871	36,121
Total Benefits	\$ 282,875,002	\$ 303,660,783	\$ 316,528,156
Costs			
Total Spending*	\$ 86,741,232	\$ 86,052,775	\$ 90,867,248
TRC Cents per lifetime kWh	\$ 0.055	\$ 0.052	\$ 0.053
Utility Cost per lifetime kWh	\$ 0.043	\$ 0.041	\$ 0.041
EE Program Charge per kWh**	\$ 0.00966	\$ 0.00997	\$ 0.00941
Benefit Cost Ratio	2.61	2.82	2.76
Participants	TBD	TBD	TBD

	2016 3 year plan	2016 2nd Draft
Benefit Cost Ratio	2.82	1.77
TRC per kWh	\$0.052	\$0.061
EE Program Charge per kWh	\$0.00997	\$0.01077

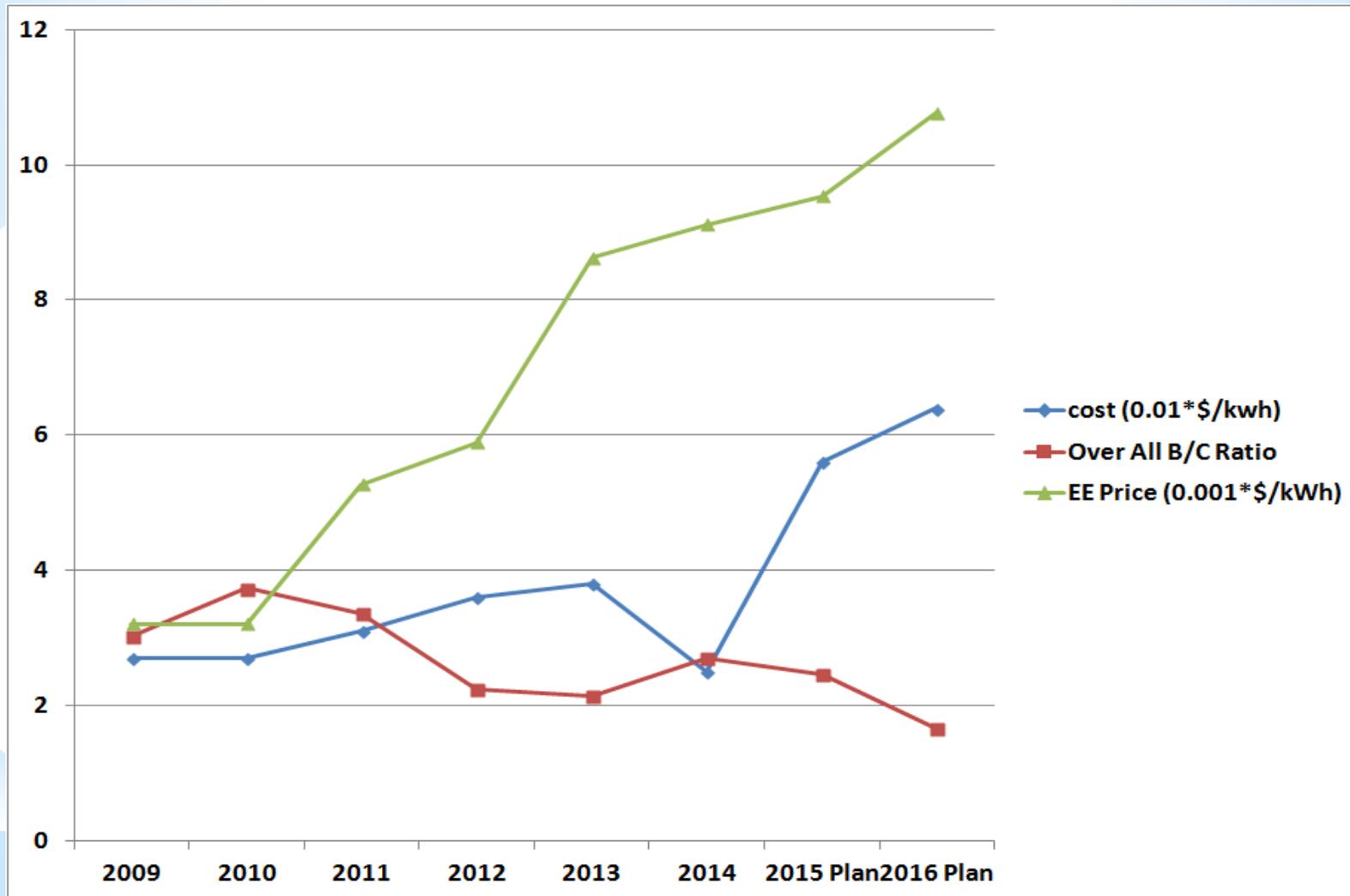
- The steep EE charge increase is unsustainable to ratepayers
- Saved MWh is now inverted compared to the EE charge
- Energy efficient measures have now been undertaken for four decades. Have we hit a point of market saturation?



➤ B/C ratio is going downward causing high EE charge



- EE Charge is going up (\$/kWh), B/C ratio is going down, Cost to save kWh (\$/kWh) is unsustainably going up



- Price increase including “decoupling” affect is 22% !

Energy Efficient Rate Impact on Middle-Size RI Businesses

Usage (kWh/year)	Current EE charge (\$/year)	New EE Charge (\$/year)	Increase by 2016 Plan(\$/year)	Increase by Decoupling* (\$/Year)	Total Estimated Increase (\$/year)
10,000,000	95,300	107,700	12,400	8,750	21,150
15,000,000	142,950	161,550	18,600	13,125	31,725
20,000,000	190,600	215,400	24,800	17,500	42,300

* 2.5% T&D
increase

- Businesses struggle to absorb these unsustainable increases
- TEC-RI supports RI’s energy efficiency efforts. However, the unsustainable upward trend now needs to be capped.

- EE Charge is higher than distribution energy charge
- EE charge is higher than transmission energy charge
- EE charge is now the largest segment of distribution cost (28% of total distribution charge)

Classification Rate G-32 Distribution and Transmission Charge

G-32				2,500	kW
				19,710,000	kWh/y
Customer Charge		825.00	\$/Month	9,900	\$/Year
Distribution Charge					
Demand in excess 200kw		4.10	\$/kW	113,160	\$/Year
Distribution Energy Charge		0.759	c/kWh	149,599	\$/Year
Renewable Energy Distribution Charge		0.232	c/kWh	45,727	\$/Year
RE Growth Charge		17.78	\$/Month	213	\$/Year
Transmossion Charge					\$/Year
Demand		3.40	\$/kW	102,000	\$/Year
Transmission Energy Charge		0.93	c/kWh	183,303	\$/Year
Transition Charge (Credit)		-0.201	c/kWh	(39,617)	\$/Year
LIHEAP Charge		0.73	\$/Month	8.76	\$/Year
Energy Efficiency Program		1.107	c/kWh	218,190	\$/Year
(include renewable charge)				(28%)	
Total				782,484	\$/Year

- TEC-RI has participated in National Grid's Energy Efficiency Collaborative, since the inception of the Collaborative. This year, we were well prepared and well represented to advocate for the Commercial, Industrial, Institutional and business sectors positions.
- Unlike past years, where TEC-RI has voted for the EE goals and associated EE charge, this year we voted against the plan at the collaborative level and a member of the EERMC who represents the large commercial and industrial sector, also voted NO!
- TEC-RI did not sign on as part of this settlement.

Conclusion

- The EE Collaborative membership is heavily weighted toward the special interests at the table vs. the ratepayers interests. More balance is required for this group to be truly representative of the stakeholders & ratepayer and the PUC should “encourage” that change.
- TEC-RI supports the concept and enactment of energy efficiency measures...BUT NOT AT ALL COSTS!
- We understand and are mindful of the real and perceived limitations of least cost procurement that have been codified by the legislature and PUC’s Standards for EE and Conservation Procurement

Recommendations

- Hold EE charge to the agreed upon 3 year plan
- PUC should encourage more balance in collaborative
- PUC should encourage a cap on the EE charge for the next 5 years
- Least Cost Procurement concept should be changed in State Law to Least Cost *Affordable* Procurement, recognizing the unsustainability of the EE program and the financial toll it is taking on the ratepayer.