



**Re: PUC Docket No. 4684 - RI Energy Efficiency and Resource Management Council (EERMC) - Proposed Energy Efficiency Savings Targets**

**Comments of the Rhode Island Office of Energy Resources**

The Rhode Island Office of Energy Resources (“OER”) submits the following comments in the above-referenced docket regarding the redlined least cost procurement standards (“LCP Standards” or “Standards”) that were proposed by the Rhode Island Public Utilities Commission (“PUC” or “Commission”) on August 3, 2018.

1. OER supports the Commission's stated objective to update the LCP Standards and to consider and determine how to best apply the Docket 4600 framework to energy efficiency (“EE”) programs. Unfortunately, OER and other parties understood the oral direction of the Commission given at the related December 20, 2017 hearing to be to update the Standards to codify the tests approved by the Commission for use in the 2018 Annual Energy Efficiency Program Plan (“2018 Annual EE Plan”). Therefore, all stakeholder engagement conducted by the Energy Efficiency and Resource Management Council (“EERMC”) and National Grid’s collaborative since then has focused on how to adjust language within the Standards to better document the tests used in the 2018 Annual EE Plan. For this reason, OER would support the scheduling of another technical session to discuss the Commission’s redlines to the Standards, if possible. However, OER recognizes that in order for updated Standards to be incorporated into the 2019 Annual Energy Efficiency Program Plan (“2019 Annual EE Plan”), a ruling by the Commission would need to be issued by September 10, 2018 which leaves a short window for scheduling a technical session. Accordingly, the remaining comments are on the document offered by the Commission on August 3, 2018.
2. As written, the redlined LCP Standards could allow for the cost of supply versus cost of energy efficiency test to change on a yearly basis. Specifically, the redlined Standards state, “[t]he distribution company shall, after consultation with the Council, propose the specific costs and factors to be included in the cost of energy supply and energy efficiency supply in Energy Efficiency Plans.” This language suggests that each year, the EERMC will need to spend its finite resources on reviewing and debating the categories included within the cost of supply comparison. OER strongly encourages the Commission to adjust this language so that any tests for EE programs based on the Docket 4600 framework are reviewed every three years when three year targets are filed and whenever a party is able to bring forward new methods or data sources that would justify a change to the use of the framework.



Although OER recognizes the need to continually review and update the implementation of the Docket 4600 framework as better data and methods become available, it would be preferable to discuss such updates outside of the review process for an annual EE plan. Annual EE plans primarily focus on improving program implementation and evaluation strategies, and have a tight timeline for EERMC review. Therefore, adding an annual review of the Docket 4600 framework to this process may not be practical, nor result in the robust discussions needed to continue improving the use of Docket 4600. Therefore, OER strongly recommends that an annual re-evaluation should not be required by the Standards.

3. OER also suggests that if the Docket 4600 framework was re-evaluated today for the cost of supply comparison, it would result in the current RI Test. This is because any category of impact that might not be included in the “cost of energy efficiency” could easily be included in the “cost of supply” as an impact caused by not having done energy efficiency. Therefore, OER believes that the RI Test, on its own, can and should be used to validate that National Grid’s energy efficiency programs adhere to Rhode Island’s LCP law (i.e. that the programs are less than the cost of supply and are cost-effective). However, as currently written, the redlined Standards suggest that some of the categories listed in the Docket 4600 framework may not be included in a cost of supply versus cost of energy efficiency test. OER recommends that the language be changed so that any of the categories of costs or benefits listed in the Framework should be included in the comparison as long as they are currently quantifiable. This should result in the use of the current RI Test.
4. Lastly, there was a redline within the EERMC proposed Standards that OER does not believe was discussed by the Commission. The Council had requested within its redlines that three weeks (instead of the current two weeks) be given to the Council to submit a cost-effectiveness report to the Commission after the filing of National Grid’s annual energy efficiency plan. This request was made due to a shift in the EERMC meeting schedule. Historically, the Council met during the second week of each month. However, in order to better accommodate volunteer council member calendars, the meetings have been moved to the third week of each month. Therefore, OER and the Council would appreciate a week extension to the Council’s cost-effectiveness report due date.

Based on the comments above, OER respectfully encourages the Commission to hold a technical session, if possible, on the redlines and comments submitted on the Standards revised by Commission staff. Moreover, OER recommends that the Standards be amended further to detail

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*Commissioner Carol J. Grant*

how the RI Test is, and should be, the one and only test used to verify that RI's energy efficiency programs are cost-effective and less than the cost of supply.

Finally, due to the rapidly approaching deadline for filing the 2019 Annual EE Plan, OER encourages the Commission to finalize the Standards by September 10, 2018 in order for the EERMC and other stakeholders to appropriately factor them into the review of the 2019 Annual EE Plan.

Thank you for your consideration.

A handwritten signature in black ink that reads "Carol J. Grant". The signature is fluid and cursive, with a long horizontal line extending to the right.

8-23-2018

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Carol J. Grant  
Commissioner

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Date