

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

IN RE: RI ENERGY EFFICIENCY AND RESOURCE : DOCKET NO. 4684
MANAGEMENT COUNCIL'S PROPOSED ENERGY :
EFFICIENCY SAVINGS TARGETS, 2018-2020 :

NOTICE OF TECHNICAL RECORD SESSION

Pursuant to the provisions of the Rhode Island Gen. Laws §§39-1-1 and 42-46-6, as amended, the Public Utilities Commission (PUC) will conduct a Technical Session on **Tuesday, March 7, 2017 @ 9:30 A.M.** in Hearing Room A at the PUC's office located at 89 Jefferson Boulevard, Warwick, Rhode Island.

At this technical session, the PUC will examine the propriety of a Memorandum by the Rhode Island Energy Efficiency and Resource Management Council (EERMC) recommending performance based Energy Efficiency Savings Targets for National Grid's electric and gas energy efficiency procurement and programs for the period 2018 – 2020. The proposed energy savings targets are intended to ensure that National Grid's efficiency procurement and programs generate savings to customers by investing in significant quantities of efficiency resources that are lower cost than supply. The proposal, filed pursuant to R.I. General Laws § 39-1-27.7.1, is supported by National Grid and other stakeholders and purports to meet the requirements of the Least Cost Procurement Act by facilitating electric and natural gas efficiency that is lower cost than supply. In addition to the proposed savings targets, the EERMC proposes modifications to the Least Cost Procurement (LCP) Standards (R.I. Gen. Laws § 39-1-27.7) which will guide utility planning, cost-effectiveness assessment, and program design and implementation strategy for the same three year period. The LCP Standards revisions address both Energy Efficiency Standards and System Reliability Procurement Standards.

The Memorandum is available for examination at the PUC's office. The Memorandum and docket can also be accessed at <http://www.ripuc.org/eventsactions/docket/4684page.html>. Reference is also made to Chapters 42-35 and 39-1 of the Rhode Island General Laws.

The PUC is accessible to the handicapped. Individuals requesting interpreter services for the hearing impaired must notify the Commission Clerk's office at 401-780-2107, seventy-two hours in advance of hearing date.

Luly E. Massaro, Commission Clerk
March 2, 2017

Docket No. 4684 Tech Session Issues

1. How the development of targets differ from prior years
2. On page 9 of the report, the following statement is made: Financing strategies become much more important for the larger, more complex investments that represent the other category of efficiency opportunities (discussed in the next section) that may be involved with other energy and building quality and performance investments. The next section discusses various sources of financing for projects that may span programs or resources (EE and Renewable, for example). Please explain how this financing issue was related to the development of targets.
3. Please explain in some detail how market transformation impacted the development of the targets.
4. Status of the development of the Rhode Island Test and how it is different from the Total Resources Cost Test
 - a. New benefits (energy and non-energy)
 - b. New costs (energy and non-energy)
 - c. Consideration of market transformation in the new test
 - d. How the Rhode Island test impacted or will impact the development of the targets
5. For each of the proposed least cost procurement standards (standards), please explain how they differ from the current standards and why.
6. System Reliability Plan
 - a. Please explain the overall long-term purpose of the proposed expansion of the SRP standards.
 - b. Explain how expansion of the Non-Wires Alternatives will be deemed cost effective under the least cost procurement standards
 - i. Where Rhode Island Test or TRC would not apply, what is the other cost-benefit comparison discussed on pages 44-45 of the report?
 - c. What is the basis for applying a performance incentive to SRP?
 - i. Metrics?
 - ii. What behavior is being incentivized?
 - iii. Does the performance incentive attach to funding sources?
 - d. Funding Sources – explain how each applies to an SRP project – under which circumstance would each be source be tapped and how does shareholder compensation differ for each source? Can one project tap each source and if so, what measures will be involved to avoid double compensation to shareholders?
 - i. Capital funds for traditional wires
 - ii. Existing EE investments
 - iii. Additional EE funds if the NWA meets the cost-benefit test
 - iv. Utility Operating Expenses
 - v. Customer contribution or 3rd party investment where NWA benefits may accrue to them

- vi. Any other funding sources that might be required/available
7. Changes to the proposed Performance Incentive calculations
 - a. Incentives for other objectives – is this new or in the existing calculations? Please explain each
 - b. Discussion of performance metrics versus percentage of budget
 8. Questions from PUC on the filing