

August 14, 2018

BY HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: Docket 4755 - Notification of an Energy Efficiency Incentive Greater Than \$3,000,000
Corrected Response to Data Request PUC 1-2**

Dear Ms. Massaro:

On behalf of National Grid,¹ I have enclosed ten copies of the Company's corrected response to Data Request PUC 1-2.

Thank you for your attention to this matter. If you have any questions, please contact me at 781-907-2121.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4755 Service List
Jon Hagopian, Esq.
John Bell, Division

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

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.

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



Raquel J. Webster

August 14, 2018
Date

Docket No. 4755 - National Grid – Energy Efficiency Program Plan for 2018
Docket No. 4756 - National Grid – 2018 System Reliability Procurement
Report (SRP)
Service list updated 7/9/18

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The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4755
In Re: 2018 Energy Efficiency Plan
Notification of an Energy Efficiency Incentive Greater Than \$3,000,000
Responses to the Commission's First Set of Data Requests
Issued on June 29, 2018

PUC 1-2-Corrected

Request:

Please provide the levelized cost of energy efficiency for this project using:

- a. the program cost, and
- b. both the program cost and the participant cost. Please include the annual Operation & Maintenance (O&M) costs.

Response:

Navy CHP Levelized Cost of savings		
Annual net CHP savings	36,156,000	kWh/yr
Lifetime net Electricity Savings	723,120,000	kWh/20 yrs
a) Program cost levelized		
Customer Incentive	\$ 7,242,000	
Lifetime Savings	723,120,000	kWh/20 yrs
Levelized cost/kWh	\$ 0.0100	/lifetime kWh: Program costs
b) Total cost levelized (NPV at 20 yr measure life)		
Project cost	\$ 20,000,000	One time (circa 2018)
O&M costs	\$ 13,210,589	Annual cost of \$687,500/yr
Lifetime oil savings	\$ (15,368,094)	AESC energy cost only
Lifetime gas cost	\$ 55,466,371	AESC energy cost only
Total project costs	\$ 73,308,866	
Lifetime Savings	723,120,000	kWh/20 yrs
Levelized cost/kWh	\$ 0.1014	/lifetime kWh: Total project costs

For the purposes of this analysis, the customer incentive is considered the program cost. Other program costs associated with the Navy CHP project, such as administrative and Technical Assistance vendor costs are not fully known at this time. In addition, such administrative and Technical Assistance vendor costs are marginal relative to the above primary project costs, and, therefore, were excluded from this analysis.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4755
In Re: 2018 Energy Efficiency Plan
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PUC 1-2-Corrected, page 2

Please note that the levelized costs for lifetime oil and gas savings above vary from the benefit totals that were previously provided in the Company's response to Division 1-3. This is because the benefits values include embedded CO2 values.

Corrected Response:

Navy CHP Levelized Cost of savings		
Annual net CHP savings	36,156,000	kWh/yr
Lifetime net Electricity Savings	723,120,000	kWh/20 yrs
a) Program cost levelized		
Customer Incentive	\$ 7,242,000	
Lifetime Savings	723,120,000	kWh/20 yrs
Levelized cost/kWh	\$ 0.0100	/lifetime kWh: Program costs
b) Total cost levelized (NPV at 20 yr measure life)		
Project cost	\$ 17,500,000	One time (circa 2018)
O&M costs	\$ 13,385,822	Annual cost of \$687,500/yr
Lifetime oil savings	\$ (12,362,349)	AESC energy cost only
Lifetime gas cost	\$ 55,768,488	AESC energy cost only
Total project costs	\$ 74,291,961	
Lifetime Savings	723,120,000	kWh/20 yrs
Levelized cost/kWh	\$ 0.1027	/lifetime kWh: Total project costs

For the purposes of this analysis, the customer incentive is considered the program cost. Other program costs associated with the Navy CHP project, such as administrative and Technical Assistance vendor costs, are not fully known at this time, and marginal relative to the above primary project costs, therefore they were excluded from this analysis.

Please note that the levelized costs for lifetime oil and gas savings above vary from the benefit totals, previously provided in Division response 1-3. That is because the benefits values include embedded CO2 values.