



June 15, 2018

VIA ELECTRONIC MAIL

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

**RE: Docket 4770 – Application of The Narragansett Electric Company d/b/a National Grid for Approval of a Change in Electric and Gas Base Distribution Rates
Docket 4780 – The Narragansett Electric Company d/b/a National Grid Proposed Power Sector Transformation Vision and Implementation Plan
Settlement Public Comments**

Dear Ms. Massaro:

Advanced Energy Economy Institute (“AEE Institute”) values the opportunity to file public comments regarding the Settlement Agreement on National Grid’s proposed rate application to increase electric and gas distribution rates effective September 1, 2018, as well as on National Grid’s Power Sector Transformation (PST) proposal (the “Settlement”). AEE Institute commends the vision shown by the state of Rhode Island through the PST Initiative and supports the Settlement Agreement for taking significant steps towards achieving that vision with respect to utility business model reform, beneficial electrification, grid connectivity, and meter functionality. The Settlement, subject to Commission approval, has the potential to establish valuable precedent not just in Rhode Island, but nationally on these important topics.

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In particular, we commend the following elements of the Settlement:

- **Adoption of a 3-year multi-year rate plan.**

- Multi-year, forward looking rate plans provide stability for utilities, cut down on the cost of administrative oversight and process, and can play an important part in providing utilities with the right incentives to meet state policy objectives. Having a predetermined fixed rate case period provides a financial incentive for the utility to increase operational efficiency and reduce costs because they prevent the utility from filing a new rate case to recover their costs if they are not operating efficiently, therefore benefitting all customers. In addition, because multi-year plans replace annual or ad hoc rate cases, less time is spent in the hearing room, with more time spent enhancing the system and serving customers. Therefore, we were pleased to see an agreement in the Settlement to move from a single year rate case to a 3-year multi-year rate plan.
- **Investments in foundational grid modernization technologies and filing of a Grid Modernization Plan with stakeholder input.**
 - Investments that can help to manage and integrate distributed energy resources (DER) include but are not limited to: advanced metering functionality (AMF), advanced and expanded distribution supervisory control and data acquisition (DSCADA) systems and sensors, advanced distribution management systems (ADMS), advanced communications systems, smarter and more automated DER monitoring and dispatch systems (i.e., DER management systems or DERMS), and advanced and expanded asset management and predictive analytics tools. Given the abundance of available technologies and the significant dollars at stake, the choice of what investments are needed, for what, and when are best made through a formal planning process, with opportunities for broad stakeholder input. Therefore, we were pleased to see not only an agreement to make initial foundational investments in DSCADA and ADMS, but also an agreement for National Grid to file a comprehensive Grid Modernization Plan (GMP) and to engage with stakeholders on the GMP through a newly created PST Advisory Group. We were pleased to see that the GMP will provide a full assessment of the various grid modernization initiatives being contemplated in parallel with the deployment of AMF, over a 5-10 year time horizon, including a review of currently proposed and potential future programs and technologies, noting how they all fit together.
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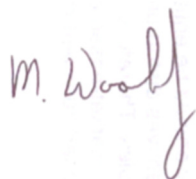
¹ <http://www.altvil.com/events/press-release-new-altman-vilandrie-company-survey-lack-of-awareness-high-costs-may-short-out-electric-vehicle-adoption/>, <https://electrek.co/2017/01/03/electric-vehicle-adoption-awareness/>

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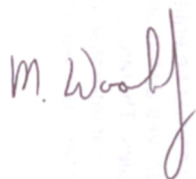
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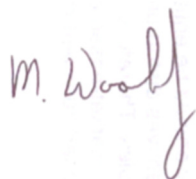
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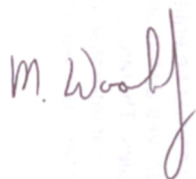
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June 15, 2018

VIA ELECTRONIC MAIL

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

**RE: Docket 4770 – Application of The Narragansett Electric Company d/b/a National Grid for Approval of a Change in Electric and Gas Base Distribution Rates
Docket 4780 – The Narragansett Electric Company d/b/a National Grid Proposed Power Sector Transformation Vision and Implementation Plan
Settlement Public Comments**

Dear Ms. Massaro:

Advanced Energy Economy Institute (“AEE Institute”) values the opportunity to file public comments regarding the Settlement Agreement on National Grid’s proposed rate application to increase electric and gas distribution rates effective September 1, 2018, as well as on National Grid’s Power Sector Transformation (PST) proposal (the “Settlement”). AEE Institute commends the vision shown by the state of Rhode Island through the PST Initiative and supports the Settlement Agreement for taking significant steps towards achieving that vision with respect to utility business model reform, beneficial electrification, grid connectivity, and meter functionality. The Settlement, subject to Commission approval, has the potential to establish valuable precedent not just in Rhode Island, but nationally on these important topics.

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In particular, we commend the following elements of the Settlement:

- **Adoption of a 3-year multi-year rate plan.**

- Multi-year, forward looking rate plans provide stability for utilities, cut down on the cost of administrative oversight and process, and can play an important part in providing utilities with the right incentives to meet state policy objectives. Having a predetermined fixed rate case period provides a financial incentive for the utility to increase operational efficiency and reduce costs because they prevent the utility from filing a new rate case to recover their costs if they are not operating efficiently, therefore benefitting all customers. In addition, because multi-year plans replace annual or ad hoc rate cases, less time is spent in the hearing room, with more time spent enhancing the system and serving customers. Therefore, we were pleased to see an agreement in the Settlement to move from a single year rate case to a 3-year multi-year rate plan.
- **Investments in foundational grid modernization technologies and filing of a Grid Modernization Plan with stakeholder input.**
 - Investments that can help to manage and integrate distributed energy resources (DER) include but are not limited to: advanced metering functionality (AMF), advanced and expanded distribution supervisory control and data acquisition (DSCADA) systems and sensors, advanced distribution management systems (ADMS), advanced communications systems, smarter and more automated DER monitoring and dispatch systems (i.e., DER management systems or DERMS), and advanced and expanded asset management and predictive analytics tools. Given the abundance of available technologies and the significant dollars at stake, the choice of what investments are needed, for what, and when are best made through a formal planning process, with opportunities for broad stakeholder input. Therefore, we were pleased to see not only an agreement to make initial foundational investments in DSCADA and ADMS, but also an agreement for National Grid to file a comprehensive Grid Modernization Plan (GMP) and to engage with stakeholders on the GMP through a newly created PST Advisory Group. We were pleased to see that the GMP will provide a full assessment of the various grid modernization initiatives being contemplated in parallel with the deployment of AMF, over a 5-10 year time horizon, including a review of currently proposed and potential future programs and technologies, noting how they all fit together.
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 - With the plug-in electric vehicle (PEV) market growing rapidly, we are happy to see the Agreement addresses some key policy issues so that Rhode Island can take steps towards its goals for vehicle electrification and maximize the benefits derived from the trend. Specifically, we are pleased to see that the Agreement: 1.) recognizes the need for scaling investment in PEV charging infrastructure and that National Grid has an important role in facilitating that growth, 2.) envisions robust activity for both third-party companies and National Grid in infrastructure deployment and tests different models including make-ready and utility-owned infrastructure in specific applications in the Charging Station Demonstration Program, 3.) establishes an Off-peak Charging Rebate Pilot in recognition of the importance of encouraging smart charging behavior, 4.) creates a Discount Pilot for Direct Current Fast Charging (DCFC) Station Accounts in recognition of the inhibiting effect of demand charges on business model for DCFC operators at this early stage in the market, 5.) initiates a Fleet Advisory Services program to help fleet operators move to PEVs given the tremendous opportunity for

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- **Establishment of a Strategic Electrification Marketing Fund**

- One of the biggest barriers to electrification of transportation and beneficial electrification of heating is consumer education. As an example, a recent survey found that 60% of potential car buyers were unaware that PEVs are an option.¹ Given the existing relationships that utilities have with their customers and their experience with energy efficiency programs, they have an important role to play in customer education. Therefore, we were pleased to see that the Settlement included a Strategic Electrification Marketing Fund.

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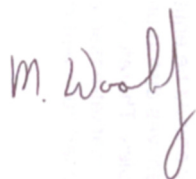
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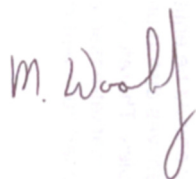
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