

**The Narragansett Electric Co. d/b/a National Grid—Application for Approval of a Change in Electric and Gas Base Distribution Rates (filed on November 27, 2017)**

Docket 4770

**Request for Information**

**Requesting Party:** New Energy Rhode Island (NERI)  
**To:** National Grid  
**Request No.:** NERI Set 14 - NERI- 4-1 through 4-4  
**Date of Request:** 3.9.18  
**Response Due Date:** Rolling  
**Subject/Panel:** Book 3—Gredder and Poe

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- 4-1. Reference the statement on p. 7, ll. 4-7, that “Narragansett Electric adjusted the results of these revenue class econometric forecast models to account for impacts from future cumulative energy efficiency programs and photovoltaics installations. Narragansett Electric used future estimates of these resources to reduce the econometric forecasts.” Did the Company adjust the results for impacts from future cumulative wind installations, demand management programs, electric heat pump installations, or other distributed energy resources? If not, please describe why not.

**Response can be found on Bates page(s) 1.**

- 4-2. Reference p. 26, l. 21 through p. 27, l. 2. Does the Company’s downward projection of load include distributed energy resources other than energy efficiency reductions? Does the Company propose to apply any savings attributable to negative load projections resulting from energy efficiency reductions and/or other DER deployment to the Company’s projected cost of implementing its proposed PST Plan?

**Response can be found on Bates page(s) 2.**

- 4-3. Reference p. 20, l. 1-6. Does the Company’s forecasted increase of natural gas deliveries take into account any potential reductions in natural gas use attributable to the Company’s proposed PST Plan, including, but not limited to, programs relating to heat pumps or other electrification of heating? If not, please describe how and on what time frame the Company proposes to account for the natural gas delivery reduction benefits attributable to its proposed PST Plan.

**Response can be found on Bates page(s) 3.**

- 4-4. Reference p. 20, l. 1-6. Does the Company's forecasted increase of natural gas deliveries take into account any potential reductions in natural gas use attributable to the Company's proposed PST Plan, including, but not limited to, programs relating to heat pumps or other electrification of heating? If not, please describe how and on what time frame the Company proposes to account for the natural gas delivery reduction benefits attributable to its proposed PST Plan.

**Response can be found on Bates page(s) 4.**

NERI 14-1

Request:

Subject: Book 3 – Gredder and Poe

Reference the statement on p. 7, ll. 4-7, that “Narragansett Electric adjusted the results of these revenue class econometric forecast models to account for impacts from future cumulative energy efficiency programs and photovoltaics installations. Narragansett Electric used future estimates of these resources to reduce the econometric forecasts.” Did the Company adjust the results for impacts from future cumulative wind installations, demand management programs, electric heat pump installations, or other distributed energy resources? If not, please describe why not.

Response:

No. The Company adjusted the econometric results only for the two distributed energy resources (DERs), energy efficiency programs and photovoltaics, as cited. These are the two fastest growing and largest reductions impacting the sales forecasts for the Rate Year and Data Years (2019, 2020, and 2021). The Company can make additional changes in the future if/as other technologies become more prominent. This is the same approach that is used by the ISO-NE, the source of future DER reductions used in the forecast. The process used to adjust for DERs is discussed in Mr. Gredder's Pre-Filed Direct Testimony on Bates Pages 28 to 34 of Book 3.

NERI 14-2

Request:

Subject: Book 3 – Gredder and Poe

Reference p. 26, l. 21 through p. 27, l. 2. Does the Company's downward projection of load include distributed energy resources other than energy efficiency reductions? Does the Company propose to apply any savings attributable to negative load projections resulting from energy efficiency reductions and/or other DER deployment to the Company's projected cost of implementing its proposed PST Plan?

Response:

As discussed in Mr. Gredder's Pre-Filed Direct Testimony on Bates Pages 30 to 33 of Book 3, the Company describes how it also makes adjustments for photovoltaics in addition to the energy efficiency impact, so yes, the reduced load projections do include the impact of other distributed energy resources.

The savings customers see from negative load projections is reflected in the Company's annual Infrastructure, Safety, and Reliability (ISR) plan for Narragansett Electric, and subsequently in rates as the amount of investment tied to load growth will be less. Whether or not net savings to customers will occur from other proposed investments besides investments related to load growth cannot be determined at this time. In addition, with lower load growth, customer savings can be achieved through the Forward Capacity Peak Demand Reduction incentive and will be passed through to customers in Standard Offer Service rates that are lower than they otherwise would have been. Similarly, savings on billed transmission due to peak demand reductions will be passed on to customers via a Transmission Service Cost Adjustment that is lower than it otherwise would have been.

NERI 14-3

Request:

Subject: Book 3 – Gredder and Poe

Reference p. 20, l. 1-6. Does the Company's forecasted increase of natural gas deliveries take into account any potential reductions in natural gas use attributable to the Company's proposed PST Plan, including, but not limited to, programs relating to heat pumps or other electrification of heating? If not, please describe how and on what time frame the Company proposes to account for the natural gas delivery reduction benefits attributable to its proposed PST Plan.

Response:

The Company's gas sales forecast accounts for the gas sales reductions due to the Company's energy efficiency efforts. It does not include any reductions in natural gas use attributable to the Company's Power Sector Transformation (PST) Plan, because the Electric Heat Initiative supports only heating conversions that are cost-effective for customers. Specifically, the initiative supports conversion of heating systems with the highest costs and highest greenhouse gas emissions: delivered fuels and electric resistance heat.

The costs and benefits of all fuel-type conversions, including natural gas, are treated identically in the Benefit Cost Analysis carried out in support of the Electric Heat Initiative. The Company proposes to continue to account for costs and benefits in a fuel-neutral fashion.

NERI 14-4

Request:

Subject: Book 3 – Gredder and Poe

Reference p. 20, l. 1-6. Does the Company's forecasted increase of natural gas deliveries take into account any potential reductions in natural gas use attributable to the Company's proposed PST Plan, including, but not limited to, programs relating to heat pumps or other electrification of heating? If not, please describe how and on what time frame the Company proposes to account for the natural gas delivery reduction benefits attributable to its proposed PST Plan.

Response:

Please refer to the Company's response to NERI 14-3.