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By email

December 10, 2018

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

Re: Docket No. 4888 – The Narragansett Electric Co. d/b/a National Grid –
2019 Energy Efficiency Program

Dear Ms. Massaro:

Thank you for the opportunity to provide a letter of support for the 2019 Energy Efficiency Plan in Docket No. 4888.

Acadia Center is a non-profit research and advocacy organization committed to advancing the clean energy future, and is at the forefront of efforts to build clean, low-carbon, and consumer-friendly economies.

Rhode Island has a well-established commitment to energy efficiency under its Least Cost Procurement statute. Over the last decade, efficiency has become a core economic and energy strategy guided by a strong stakeholder process and ambitious but achievable energy savings targets approved by this Commission. By investing in the cleanest, least-cost energy resource, Rhode Islanders have benefited through efficiency programs that provide utility bill savings, bolster economic activity, create jobs, limit harmful greenhouse gas emissions and help avoid the need for additional ratepayer-funded transmission and distribution infrastructure.

A year ago, energy efficiency in Rhode Island was facing something of a setback. The 2018 Annual Plan, while a good plan, was diminished by the General Assembly's diversion of ratepayer funds and an artificial budget cap that deprived customers of significant energy and bill savings. Acadia Center is pleased that energy efficiency appears to be back on track. Energy efficiency programs were protected this year from further legislative harm and are poised to provide – without artificial limitation – significant economic, consumer and environmental benefits.

Acadia Center was deeply involved in the development of the 2019 Plan as a member of the Energy Efficiency Collaborative. Collaborative members provided input to National Grid on key priorities before the Plan's drafting began in a process designed to be more proactive and inclusive. Over months of stakeholder collaboration, National Grid developed a strong plan that offers a full range of programs whose benefits far exceed their costs and whose price

tag is significantly lower than traditional energy supply. As a settling party, Acadia Center respectfully requests that the Commission approve the 2019 Plan.

This Plan builds on the goalposts set in the PUC-approved 2018-2020 Energy Efficiency Plan. Notably, it meets, and even slightly exceeds, the Three-Year Plan's electric and gas savings targets. The Three-Year Plan was somewhat unusual in that it contained a future innovation placeholder of approximately 25,000 MWh for program year 2019. Acadia Center supported the inclusion of this placeholder despite uncertainty around which specific innovations or savings measures would come to fruition in the 2019 program. Thanks to the hard work of National Grid, the Energy Efficiency and Resource Management Council's Consultant Team and stakeholders, the 2019 Plan identifies sufficient savings to meet that placeholder.

Among other positive elements of the Plan, Acadia Center wishes to highlight several that we believe essential to a clean energy future:

- **Strategic electrification:** The 2019 Plan demonstrates clear progress toward electrification, with new or expanded residential and commercial heat pump programs and incentives. Acadia Center welcomes, among other things, the addition in the residential new construction program of incentives for reaching the goal of all-electric homes, and in the HVAC program of oil/propane dealer training for heat pump installation. While together these initiatives lay a foundation for further electrification, Acadia Center has documented the clear need to accelerate the pace of progress. According to [EnergyVision 2030](#), 13% of oil, gas, and propane heating in homes and 5% in businesses in the Northeast must be converted to heat pumps by 2030 to put the region on track to meet its greenhouse gas emissions goals. Maine has already demonstrated that this conversion rate is possible, switching 3% of its residential heating stock to heat pumps in about three years. To capture this potential in Rhode Island, heat pumps must be promoted through incentive programs, consumer education, workforce training, and electric rate design.
- **Demand response:** Acadia Center is pleased the Plan includes demand response as a full program in 2019 given the significant benefits of reducing peak usage, especially for commercial customers and the system overall. Because the electric grid is designed and built to meet needs of the peak hour, increases in energy efficiency can delay or defer expensive new infrastructure, which is paid for by utility customers.
- **Equitable benefits:** Acadia Center appreciates the Plan's efforts to better serve hard-to-serve customer segments, specifically low-income customers and renters, including through a new 100% landlord incentive. It remains critical that the many benefits of Rhode Island's nation-leading efficiency programs be realized by all customers and all sectors. Still more progress must be made on this front in future energy efficiency plans.
- **Performance metrics:** Acadia Center supports the performance metrics – on annual and lifetime carbon reductions, lifetime MWh and MMBtu savings, program costs per energy savings, and customer satisfaction – that National Grid proposes to test in 2019 without a financial incentive. It is important to explore potential new metrics that incentivize outcomes that align with the state's public policy goals, including the Power Sector Transformation Initiative.

Energy efficiency remains the lowest-cost, cleanest energy resource available, and the 2019 Energy Efficiency Plan builds on the state's progress and successes delivering the benefits of efficiency to Rhode Island households and businesses. Once again, Acadia Center respectfully urges the Commission to approve the 2019 Energy Efficiency Plan.

Sincerely,



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