

November 19, 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 4888 – The Narragansett Electric Company d/b/a National Grid
2019 Energy Efficiency Program Plan
Responses to PUC Data Requests – Set 1**

Dear Ms. Massaro:

I have enclosed eleven copies of National Grid's¹ responses to the Public Utilities Commission's First Set of Data Requests in the above-referenced docket.

Please note that Company's responses to the following data requests are pending:
PUC 1-16, PUC 1-20, PUC 1-22, PUC 1-23, and PUC 1-24.

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

Sincerely,



Raquel J. Webster

cc: Docket 4888/4889 Service List
Jon Hagopian, Esq.
John Bell, Division

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

The 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.



Joanne M. Scanlon

November 19, 2018
Date

Docket No. 4888 - National Grid – 2019 Energy Efficiency Plan (EEP)
Docket No. 4889 - National Grid – 2019 System Reliability Procurement Report (SRP)
Service list updated 10/18/18

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PUC 1-1

Request:

Please update the response to COMM 1-21 provided in Docket No. 4755 to include the current proposal.

Response:

Please see Attachment PUC 1-1 for the updates to the table that was provided in the Company's response to COMM 1-21 in Docket 4755.

Rhode Island Energy Efficiency 2003 - 2019

Electric	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 ⁽⁶⁾	2014	2015	2016	2017	2018 ⁽⁷⁾	2019 ⁽⁸⁾
Energy Efficiency Budget (\$Million) ⁽¹⁾	\$23.1	\$22.6	\$23.1	\$22.4	\$22.5	\$21.0	\$32.4	\$37.6	\$59.2	\$61.4	\$77.5	\$87.0	\$86.6	\$87.5	\$94.6	\$94.6	\$107.5
Spending Budget (\$Million) ⁽²⁾	\$16.3	\$15.8	\$17.6	\$16.5	\$16.4	\$14.7	\$23.5	\$28.8	\$45.3	\$55.3	\$64.8	\$80.6	\$77.3	\$77.6	\$88.5	\$88.7	\$98.1
Actual Expenditures (\$Million) ⁽³⁾	\$22.8	\$19.5	\$23.4	\$23.7	\$21.9	\$19.2	\$31.7	\$29.7	\$40.0	\$50.7	\$72.9	\$85.3	\$87.4	\$78.4	\$94.8	-	-
Incentive Percentage	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Target Incentive ⁽⁹⁾	\$712,557	\$781,959	\$774,689	\$726,627	\$723,000	\$647,689	\$1,035,943	\$1,267,043	\$1,992,513	\$2,434,131	\$3,240,747	\$4,032,000	\$3,867,400	\$3,878,087	\$4,425,528	\$4,436,022	\$4,905,009
Earned Incentive	\$712,557	\$604,876	\$795,648	\$760,623	\$716,075	\$675,282	\$1,085,888	\$1,333,996	\$1,929,273	\$2,469,411	\$2,997,681	\$4,223,321	\$4,533,360	\$4,128,034	\$4,829,847	-	-
System Benefits Charge (\$/kWh) ⁽⁹⁾	\$0.00200	\$0.00200	\$0.00200	\$0.00200	\$0.00200	\$0.00200	\$0.00320	\$0.00320	\$0.00526	\$0.00592	\$0.00876	\$0.00911	\$0.00953	\$0.01077	\$0.01124	\$0.00972	\$0.01114
Annual Cost to 500 kWh/month Residential Customer w/o tax ⁽¹⁰⁾	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$19.20	\$19.20	\$31.56	\$35.52	\$52.56	\$54.66	\$57.18	\$64.62	\$67.44	\$58.32	\$66.84
Annual Cost to 500 kWh/month Residential Customer w/ tax ⁽¹¹⁾	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$20.00	\$20.00	\$32.88	\$37.00	\$54.75	\$56.94	\$59.56	\$67.31	\$70.25	\$60.75	\$69.63

Gas ⁴	2003	2004	2005	2006	2007 ⁽⁴⁾	2008	2009	2010	2011 ⁽⁵⁾	2012	2013 ⁽⁶⁾	2014	2015	2016	2017	2018 ⁽⁷⁾	2019 ⁽⁸⁾
Energy Efficiency Budget (\$Million) ⁽¹⁾	-	-	-	-	-	\$7.3	\$7.6	\$4.8	\$7.3	\$13.7	\$19.5	\$23.5	\$24.5	\$27.7	\$29.7	\$28.1	\$31.6
Spending Budget (\$Million) ⁽²⁾	-	-	-	-	-	\$6.6	\$6.1	\$4.5	\$6.2	\$12.9	\$17.9	\$21.8	\$22.4	\$25.0	\$27.8	\$26.2	\$29.2
Actual Expenditures (\$Million) ⁽³⁾	-	-	-	-	-	\$7.4	\$6.3	\$5.5	\$4.9	\$13.3	\$19.6	\$21.5	\$21.5	\$24.6	\$29.1	-	-
Incentive Percentage	-	-	-	-	-	4.4%	4.4%	4.4%	4.4%	4.4%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Target Incentive	-	-	-	-	-	\$288,734	\$266,980	\$199,743	\$274,460	\$570,382	\$898,285	\$1,089,700	\$1,119,800	\$1,251,654	\$1,387,550	\$1,309,076	\$1,460,570
Earned Incentive	-	-	-	-	-	\$288,734	\$262,121	\$231,310	\$239,863	\$586,036	\$968,229	\$1,362,108	\$1,387,079	\$1,496,869	\$1,633,531	-	-
System Benefits Charge (\$/therm) - all non-exempt customers ⁽¹²⁾	-	-	-	-	\$0.0071	\$0.0107	\$0.0150	\$0.0150	\$0.0411	\$0.0384	\$0.0417	-	-	-	-	-	-
Residential System Benefits Chare (\$/therm)	-	-	-	-	-	-	-	-	-	-	-	\$0.0600	\$0.0781	\$0.0748	\$0.0888	\$0.0869	\$0.0728
C&I System Benefits Charge (\$/therm)	-	-	-	-	-	-	-	-	-	-	-	\$0.0492	\$0.0637	\$0.0487	\$0.0726	\$0.0671	\$0.0494
Annual Cost to 846 Therm/year Residential Customer w/o tax ⁽¹⁰⁾	-	-	-	-	\$6.04	\$9.05	\$12.69	\$12.69	\$18.28	\$32.49	\$35.28	\$50.76	\$66.07	\$63.28	\$75.12	\$73.52	\$61.59
Annual Cost to 846 Therm/year Residential Customer w/tax ⁽¹¹⁾	-	-	-	-	\$6.23	\$9.33	\$13.08	\$13.08	\$18.85	\$33.49	\$36.37	\$52.33	\$68.11	\$65.24	\$77.44	\$75.79	\$63.49

Notes:

- (1) Energy Efficiency Budget includes total expenditures and commitments. Includes all demand side management program-related expenses, including rebates, administration and general expenses, evaluation, commitments for future years and Company incentive.
- (2) Prior to 2017, Spending Budget Eligible for Shareholder Incentive includes: Implementation, Administration, General, and Evaluation Expenses; excludes EERMC and OER Costs, Commitments, Copays, and Outside Finance Costs. Beginning in 2017, Outside Finance Costs were also included. Beginning in 2018 Pilot expenses were also excluded. Beginning in 2019 ConnectedSolutions expenses were also excluded.
- (3) Actual Expenditures is actual spend during calendar year. Includes expenditures and commitments. Includes all demand side management program-related expenses, including rebates, administration and general expenses, evaluation, commitments for future years and Company incentive.
- (4) Gas programs began during July 2007 and were not reported on separately that year since programs were still in development. The 2007 gas programs are included in 2008 reporting. Systems Benefit Charge shown for 2007 is the weighted average of \$0.063 per decatherm from January 1, 2007 - June 30, 2007 and \$0.107 per decatherm from July 1, 2007 through December 31, 2008.
- (5) On July 25, 2011 the Commission ordered that National Grid could increase the gas System Benefits Charge from \$0.15 to \$0.411 per decatherm for the period of August 1, 2011 through December 31, 2011. Annual cost represents 7 months usage (632 therms) at \$0.015 per therm and 5 months usage (214 therms) at \$0.0411 per therm.
- (6) In the Company's gas and electric rate cases in docket 4323, the PUC approved the uncollectibles gross-up in the electric EE Program Charge effective February 1, 2013, and a new rate applicable to the gross-up of the gas EE Program Charge, effective February 1, 2013.
- (7) 2018 values are planned; 2018 Gas and Electric budgets were capped and Electric System Benefit charge included \$12.5 million payment to state budget.
- (8) 2019 values are preliminary.
- (9) Beginning in 2012, the EE Program Charge includes the System Reliability Factor. It does not include the \$0.0003 renewables per RI General Laws §39-2-1.2 and Order #19608, which appears on customer bills.
- (10) Reflects the annual cost excluding Gross Earnings Tax.
- (11) Reflects the annual cost including Gross Earnings Tax.
- (12) The Gas EE Program Charge was uniform for all customers until 2014, at which time the Company proposed and the PUC approved individual factors for the residential and C&I sectors.

PUC 1-2

Request:

Please update the response to COMM 1-22 in Docket No. 4755 to include the current proposal.

Response:

Please see the table below for an update to COMM 1-22 in Docket No. 4755 that provides the percentage of the annual electric and gas savings goals that the Company achieved between 2006 and 2017.

Year	Electric energy savings goal achieved (%)	Electric demand savings goal achieved (%)	Gas savings goal achieved (%)
2006	111.3%	106.4%	N/A ¹
2007	101.9%	106.1%	N/A ²
2008	110.9%	112.5%	108.9%
2009	115.0%	142.1%	138.8%
2010	107.1%	77.7%	126.8%
2011	93.6%	71.3%	117.0%
2012	93.1%	83.4%	99.2%
2013	98.9%	114.0%	108.6%
2014	105.2%	77.7%	124.0%
2015	115.1%	112.2%	111.4%
2016	107.3%	100.7%	105.6%
2017	115.2%	102.9%	112.9%

¹ As detailed in PUC 1-2, gas programs began in July 2007. Therefore, there are no savings to report in 2006. The 2007 gas programs are included in 2008 reporting since the Company did not report on these programs in 2007, when the programs were still in development.

² See footnote 1.

PUC 1-3

Request:

Please update Tables E-9 and G-9 (incentive calculations) to include a column for maximum possible incentives.

Response:

Please see Attachment PUC 1-3 for updated Tables E-9 and G-9, which include a column for maximum possible incentives.

Table E-9
National Grid
2019 Targeted Shareholder Incentive

Energy Incentive Rate: 3.50%

	(1)	(2)	(3)	(4)	(5)	(6)
Sector	Spending Budget \$(000)	Target Incentive \$(000)	Annual kWh Savings Goal	Threshold kWh Savings	Target Incentive Per kWh	Max Incentive \$(000)
Income Eligible Residential	\$15,078	\$528	6,960,964	5,220,723	\$0.076	\$660
Non-Income Eligible Residential	\$42,877	\$1,501	91,677,196	68,757,897	\$0.016	\$1,876
Commercial & Industrial	\$40,146	\$1,405	96,038,410	72,028,808	\$0.015	\$1,756
Total	\$98,100	\$3,434	194,676,571	146,007,428	\$0.018	\$4,292

Demand Incentive Rate: 1.50%

	(6)	(7)	(8)	(9)	(10)	(12)
Sector	Spending Budget \$(000)	Target Incentive \$(000)	Annual kW Savings Goal	Threshold kW Savings	Target Incentive Per kW	Max Incentive \$(000)
Income Eligible Residential	\$15,078	\$226	1,039	779	\$217.7	\$283
Non-Income Eligible Residential	\$42,877	\$643	13,898	10,424	\$46.3	\$804
Commercial & Industrial	\$40,146	\$602	15,180	11,385	\$39.7	\$753
Total	\$98,100	\$1,472	30,117	22,588	\$48.9	\$1,839

Notes:

- (1) and (6) Eligible Spending Budget excludes Commitments, Regulatory Costs, Pilots, and Shareholder Incentive. See Table E-3 for details.
 - (2) Equal to the incentive rate (3.5%) x Column (1).
 - (3) and (8) See Table E-7
 - (4) and (9) 75% of Column (3). No incentive is earned on annual kWh savings in the sector unless the Company achieves at least this threshold level of performance.
 - (5) Column (2)*1000/Column (3). This illustration is for achieved savings equal to the savings target. The incentive earned per kWh will vary with the percent of the savings target achieved
 - (6) Equal to 125% of Column (2).
 - (7) Equal to the incentive rate (1.5%) x Column (1).
 - (10) Column (7)*1000/Column (8). This illustration is for achieved savings equal to the savings target. The incentive earned per kW will vary with the percent of the savings target achieved
 - (12) Equal to 125% of Column (8).
- The shareholder incentive for Energy and Demand incentives will be calculated as follows, where SB is the Spending Budget in the sector:
- From 75% of savings to 100% of savings: Shareholder Incentive = SB x (0.15 x % of savings achieved – 0.10)
 - x 0.7 for electric energy savings
 - x 0.3 for electric demand savings
 - x 1.0 for natural gas savings
 - From 100% of savings to 125% of savings: Shareholder Incentive = SB x (0.05 x % of savings achieved)

Table G-9
National Grid
2019 Targeted Shareholder Incentive

Incentive Rate: 5.00%

	(1)	(2)	(3)	(4)	(5)	(6)
Sector	Eligible Spending Budget \$(000)	Target Incentive \$(000)	Target Savings Goal (MMBTU)	Threshold Savings (MMBTU)	Target Incentive Per Annual MMBTU	Max Incentive \$(000)
Income Eligible Residential	\$7,946	\$397.3	29,665	22,249	\$13.39	\$496.6
Non-Income Eligible Residential	\$13,607	\$680.3	192,069	144,052	\$3.54	\$850.4
Commercial & Industrial	\$7,659	\$383.0	210,974	158,230	\$1.82	\$478.7
Total	\$29,211	\$1,460.6	432,708	324,531	\$3.38	\$1,825.7

Notes:

- (1) Eligible Spending Budget excludes EERMC, OER, Pilots, and Shareholder Incentive. See Table G-3 for details.
 - (2) Equal to the incentive rate (5.0%) x Column (1).
 - (3) See Table G-7
 - (4) 75% of Column (3). No incentive is earned on annual MMBTU savings in the sector unless the Company achieves at least this threshold level of performance.
 - (5) Column (2)*1000/Column (3). This illustration is for achieved savings equal to the savings target. The incentive earned per MMBtu will vary with the percent of the savings target achieved
 - (6) Equal to 125% of Column (2).
- The shareholder incentive will be calculated as follow, where SB is the Spending Budget in the sector:
- From 75% of savings to 100% of savings: Shareholder Incentive = SB x (0.15 x % of savings achieved – 0.10)
 - From 100% of savings to 125% of savings: Shareholder Incentive = SB x (0.05 x % of savings achieved)
- The chart below illustrates the potential shareholder incentive

PUC 1-4

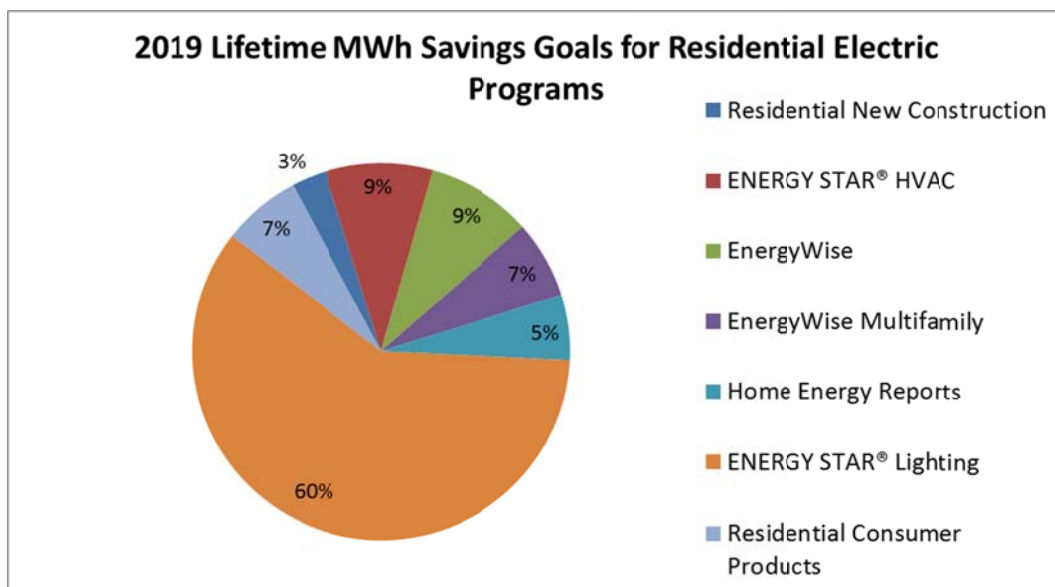
Request:

Please recreate Figure 1 (Bates p. 61) and Figure 2 (Bates p. 62) to show lifetime MWh savings.

Response:

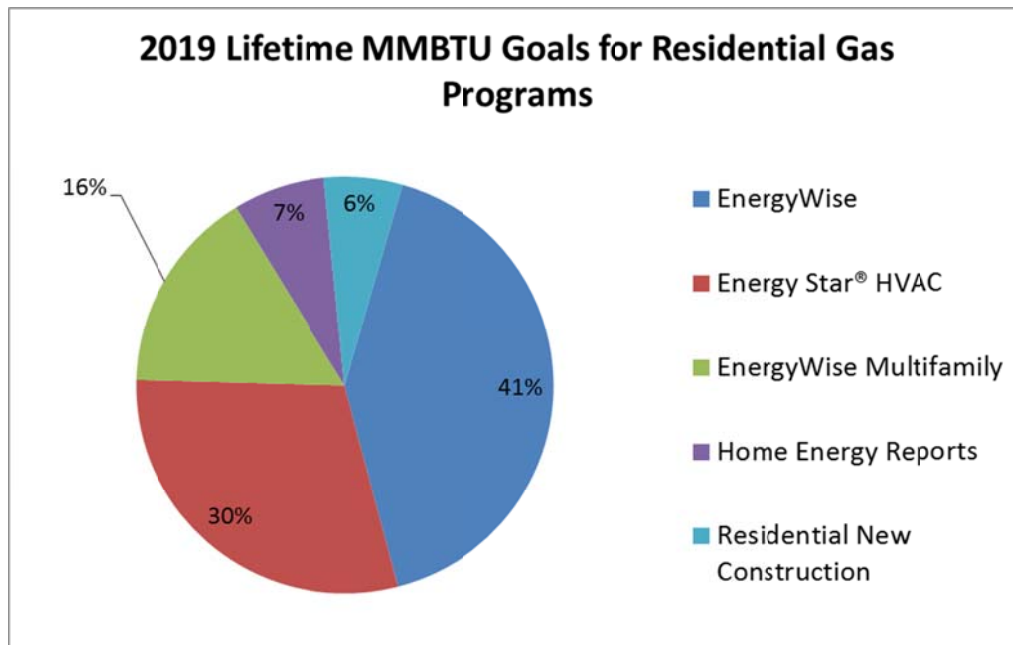
Please see below for the requested versions of Figure 1 and Figure 2.

Recreated Figure 1: Lifetime MWh Savings Goals for Residential Electric Sector



PUC 1-4, page 2

Recreated Figure 2: Lifetime MMBTU Savings Goals for Residential Gas Sector



PUC 1-5

Request:

On Bates page 26, the text states, "The only exception is the income-eligible sector where there is an established agreement amongst the Parties that the residential and C&I customer classes use part of its collections to help cover the income-eligible sector funding needs." However, in the pie charts it appears that the residential sector also receives funding from the C&I customer class. Please explain.

Response:

Income Eligible program budgets are higher than projected collections from just income eligible customers. Instead of limiting this sector's budget to those collections, the Company proposes a funding allocation from the residential and C&I sectors. That is why some of the funding appears from C&I.

However, since the electric portfolio has one energy efficiency program charge for all customer sectors, in some years, the C&I customer class ends up collecting more of the total budget, while in other years, the residential customer class collects more of the required funding.

PUC 1-6

Request:

Were there any programs and/or measures that were offered in the 2018 EE Plan that are not being offered in 2019 EE Plan? If yes, please identify and explain.

Response:

- In the Residential Consumer Products program, the following measure will not be offered in 2019:
 - Two-speed pool pumps were offered in 2018 and will not be in 2019. The reason for the change is to encourage customers to install the most efficient product on the market.
- In the Income Eligible Multifamily program, the following measure will not be offered in 2019:
 - Thermostatic showerhead valves will not be offered as the program will be installing the thermostatic showerhead units themselves.
- In the EnergyWise program, the following measure will not be offered in 2019:
 - Light fixtures will not be replaced as measure is borderline cost effective with the RI test and services can be better deployed on more cost effective measures such as Wi-Fi thermostat installations and mechanical ventilation installations.
- In the C&I Upstream Gas Water Heating program, the following measures will not be offered in 2019:
 - Storage water heaters with an input rating less than 75 Mbtuh
 - Tankless water heaters with an input rating less than 200 Mbtuh
 - Volume water heaters with an input rating less than 75 Mbtuh
 - These changes were made to keep pushing the upstream equipment towards higher efficiency models, working towards market transformation.
- In the C&I Upstream Gas Water Heating and HVAC programs, efficiency requirements increased for the following measures:
 - Storage water heaters (thermal efficiency requirement increased from 90% to 94%)
 - Tankless water heaters (energy factor requirement increased from 0.90 to either energy factor of 0.94 or uniform energy factor of 0.91)
 - Volume water heaters (thermal efficiency requirement increased from 92% to 94%)

PUC 1-6, page 2

- Air-cooled ductless mini and multi splits (Tier 1: SEER increased from 17 to 20; Tier 2: SEER increased from 20 to 23 and HSPF increased from 9.0 to 11.5)
- These changes were made to keep pushing the upstream equipment towards higher efficiency models, working towards market transformation.

PUC 1-7

Request:

Referencing the table of contents in Attachments 1 and 2, please use each of the categories and subcategories listed and provide the amount included in the budget for that category. For example, in Attachment 1, Number 4: EnergyWise Single Family (Electric and Gas): a. Overview \$XXX; b. New for 2019 \$XXX; i. Customer engagement and convenience \$XXX, etc.

Response:

The Company is unable to provide a breakdown of the budget based on the categories and subcategories listed in Attachment 1 and Attachment 2 because the company does not budget in this manner, and it is not possible to provide a breakdown in this way.

Tables E-2 and G-2, in Attachments 5 and 6 respectively, are the best reference for the overall budget by program available to the PUC. These tables show that budgets are broken out by individual programs and then further into six different categories in the top row. Definitions of these six categories are on Bates pages 289 and 290 and include:

- Program Planning and Administration (PP&A): These costs are the administrative costs associated with the utility role in program delivery, including payroll, information technology, contract administration, and overhead expenses.
- Marketing: These are the costs of marketing and advertising to promote a program. The costs also include the payroll and expenses to manage marketing.
- Rebates and Other Customer Incentives: These are the incentives from the programs to customers to move them to install energy efficient equipment. Incentives include, but are not limited to, rebates to customers, copayments to vendors for direct installation of measures, payments to distributors to buy down the cost of their products for sale in retail stores, payments to vendors to create and deliver information, the cost of an education course, or payments to lenders to buy down the interest in a loan. Customer incentives typically cover a portion of the equipment and installation costs directly associated with the energy efficient equipment being installed.¹ For a retrofit project, the customer incentives cover a portion of the full cost of the efficiency project, as it is assumed that the alternative to the project is no

¹ The full cost of the efficiency project is not necessarily the same thing as the full cost of the project being undertaken by the customer. For example, a customer may be renovating an HVAC system including installation of a new chiller and chilled water distribution. While the new distribution system may be part of the construction project, if it does not contribute to energy savings, it will not be included in the efficiency project cost; only the incremental cost of the new efficient chiller will be considered.

PUC 1-7, page 2

customer action. For a failed equipment replacement/renovation/new construction project, these customer incentives cover a portion of the incremental additional costs associated with moving to a higher efficiency item or practice compared to what the customer would have done otherwise.

- Sales, Technical Assistance, and Training (STAT): These costs include the training and education of the trade ally community regarding the company's current energy efficiency programs. Examples of trade allies include but are not limited to: equipment vendors, heating contractors, lead vendors, project expeditors, weatherization contractors, and equipment installers. These costs also include the tasks associated with internal and contractual delivery of programs. Tasks associated with this budget category include, but are not limited to: lead intake, customer service, rebate application, quality assurance, technical assessments, engineering studies, plan reviews, payroll and expenses.
- Evaluation: These are the costs of evaluation or market research studies to support program direction and post-installation studies to study program effectiveness or verification of savings estimates. These costs also include the payroll and expenses to manage the research.
- Shareholder Incentive: This is the incentive the Company received for meeting specified savings goals and/or performance targets. The Company would not implement energy efficiency programs to the extent it does without the incentive; therefore, the shareholder incentive is included in the cost of energy efficiency.

PUC 1-8

Request:

For the Residential Programs, please answer the following questions:

- a. Is the program being moved from, consolidated with, or split between another program proposal?
 - i. If the answer is yes, please identify the docket and program along with the amount funded or requested.
- b. Does the program have a component funded in other programs?
 - i. If the answer is yes, please identify the docket and program along with the amount funded or requested.
- c. Does the primary purpose of the project or program fall into one of the following categories?
 - i. DR: local system
 - ii. DR: bulk system/transmission
 - iii. DG: adoption/interconnection
 - iv. DG: load reduction
 - v. Storage: grid side
 - vi. Storage: customer side
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - viii. Grid Mod: customer-facing data
 - ix. Electrification: vehicles
 - x. Electrification: heating
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
 - i. Confirm the project or program is independent from other projects and programs in the categories in c.
 - ii. Explain why the spending for the categories listed above should be funded in multiple programs/dockets.

Response:

The below responses include relevant answers for electric and gas within each program.

I. Residential New Construction

- a. Is the program being moved from, consolidated with, or split between another program proposal?
 - i. No

PUC 1-8, page 2

- b. Does the program have a component funded in other programs?
 - i. No
- c. Does the primary purpose of the project or program fall into one of the following categories?
 - i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
 - i. N/A

II. EnergyStar HVAC

- a. Is the program being moved from, consolidated with, or split between another program proposal?
 - i. Yes. The Company increased the number of planned cold climate mini-split heat pumps offered to market rate customers heating with delivered fuels in its Electric EnergyStar HVAC program to account for the movement of these measures from the Docket Nos. 4770/4780 Settlement Agreement to energy efficiency plans in accordance with direction from the PUC.

PUC 1-8, page 3

- b. Does the program have a component funded in other programs?
 - i. No
- c. Does the primary purpose of the project or program fall into one of the following categories?
 - i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
 - i. N/A

III. EnergyWise

- a. Is the program being moved from, consolidated with, or split between another program proposal?
 - i. No
- b. Does the program have a component funded in other programs?
 - i. No

PUC 1-8, page 4

- c. Does the primary purpose of the project or program fall into one of the following categories?
- i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
- i. N/A

IV. EnergyWise Multifamily

- a. Is the program being moved from, consolidated with, or split between another program proposal?
- i. No
- b. Does the program have a component funded in other programs?
- i. No

PUC 1-8, page 5

- c. Does the primary purpose of the project or program fall into one of the following categories?
- i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
- i. N/A

V. Home Energy Reports

- a. Is the program being moved from, consolidated with, or split between another program proposal?
- i. No
- b. Does the program have a component funded in other programs?
- i. No

PUC 1-8, page 6

- c. Does the primary purpose of the project or program fall into one of the following categories?
- i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
- i. N/A

VI. EnergyStar Lighting

- a. Is the program being moved from, consolidated with, or split between another program proposal?
- i. No
- b. Does the program have a component funded in other programs?
- i. No

PUC 1-8, page 7

- c. Does the primary purpose of the project or program fall into one of the following categories?
- i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
- i. N/A

VII. Residential Consumer Products

- a. Is the program being moved from, consolidated with, or split between another program proposal?
- i. No
- b. Does the program have a component funded in other programs?
- i. No

PUC 1-8, page 8

- c. Does the primary purpose of the project or program fall into one of the following categories?
- i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
- i. N/A

VIII. Residential Connected Solutions

- a. Is the program being moved from, consolidated with, or split between another program proposal?
- i. Yes. The Company is eligible to earn a shareholder incentive through the System Efficiency: Annual MW Capacity Savings Performance-Based Incentive Mechanism in Docket Nos. 4770/4780.
- b. Does the program have a component funded in other programs?
- i. Yes. Funding for the shareholder incentive for achieving Annual MW Capacity Savings is from Docket Nos. 4770/4780.

PUC 1-8, page 9

- c. Does the primary purpose of the project or program fall into one of the following categories?
- i. DR: local system
 - i. Yes
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
- i. Confirm the project or program is independent from other projects and programs in the categories in c.
 - i. The DR local system component of the Residential Connected Solutions Program is an independent program offering for residential customers, but contributes to the Annual MW Capacity Savings Performance-Based Incentive Mechanism in Docket Nos. 4770/4780.
 - ii. The Company will apply any lessons learned from the proposed System Reliability Procurement (SRP) Customer-Facing Program Enhancement Study proposed in Docket No. 4889 to improve future demand response offerings.
 - ii. Explain why the spending for the categories listed above should be funded in multiple programs/dockets.
 - i. N/A

PUC 1-8, page 10

IX. Single Family Income Eligible Services (IES)

- a. Is the program being moved from, consolidated with, or split between another program proposal?
 - ii. Yes. The Company increased the number of planned cold climate mini-split heat pumps offered to income eligible customers heating with delivered fuels within its Electric IES program to account for the movement of these measures from the Docket Nos. 4770/4780 Settlement Agreement to energy efficiency plans in accordance with direction from the PUC.
- b. Does the program have a component funded in other programs?
 - i. No.
- c. Does the primary purpose of the project or program fall into one of the following categories?
 - i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
 - i. N/A

PUC 1-8, page 11

X. Income Eligible Multifamily

- a. Is the program being moved from, consolidated with, or split between another program proposal?
 - i. Yes. The Company increased the number of planned cold climate mini-split heat pumps offered to income eligible customers heating with delivered fuels within its Electric Income Eligible Multifamily program to account for the movement of these measures from the Docket Nos. 4770/4780 Settlement Agreement to energy efficiency plans in accordance with direction from the PUC.
- b. Does the program have a component funded in other programs?
 - i. No
- c. Does the primary purpose of the project or program fall into one of the following categories?
 - i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No

PUC 1-8, page 12

- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
- i. N/A

XI. National Grid Energy Innovation Hub

- a. Is the program being moved from, consolidated with, or split between another program proposal?
- i. Yes. The Energy Innovation Hub is split between the Energy Efficiency Plan and the Company's Application for Approval of a Change in Electric and Gas Base Distribution Rates as approved in Docket Nos. 4770/4780.
- b. Does the program have a component funded in other programs?
- i. Yes. The Rhode Island Energy Innovation Hub budget is split 50%/50% between the Rhode Island Energy Efficiency Plan and the Company's Application for Approval of a Change in Electric and Gas Base Distribution Rates as approved in Docket Nos. 4770/4780 Compliance Attachment 2 Schedule 35.

	Docket No. 4888	Docket Nos. 4770/4780
	Calendar Year 2019	Rate Year Ending August 31, 2019
Operations	\$187,500	\$187,379
Education and Communication	\$100,00	\$100,000

- c. Does the primary purpose of the project or program fall into one of the following categories?
- i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No

PUC 1-8, page 13

- vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
- i. N/A

PUC 1-9

Request:

For the Commercial and Industrial Programs, please answer the following questions:

- a. Is the program being moved from, consolidated with, or split between another program proposal?
 - i. If the answer is yes, please identify the docket and program along with the amount funded or requested.
- b. Does the program have a component funded in other programs?
 - i. If the answer is yes, please identify the docket and program along with the amount funded or requested.
- c. Does the primary purpose of the project or program fall into one of the following categories?
 - i. DR: local system
 - ii. DR: bulk system/transmission
 - iii. DG: adoption/interconnection
 - iv. DG: load reduction
 - v. Storage: grid side
 - vi. Storage: customer side
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - viii. Grid Mod: customer-facing data
 - ix. Electrification: vehicles
 - x. Electrification: heating
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
 - i. Confirm the project or program is independent from other projects and programs in the categories in c.
 - ii. Explain why the spending for the categories listed above should be funded in multiple programs/dockets.

Response:

The responses below cover both electric and gas for each program.

I. Large Commercial New Construction

- a. Is the program being moved from, consolidated with, or split between another program proposal?
 - i. No.

PUC 1-9, page 2

- b. Does the program have a component funded in other programs?
 - i. No
- c. Does the primary purpose of the project or program fall into one of the following categories?
 - i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
 - i. N/A

II. Large Commercial Retrofit

- a. Is the program being moved from, consolidated with, or split between another program proposal?
 - i. No.

PUC 1-9, page 3

- b. Does the program have a component funded in other programs?
 - i. Yes. Combined Heat and Power (CHP) projects in the C&I Retrofit Program are eligible to receive the Advanced Gas Technology (AGT) incentive. The Company anticipates that the current AGT funding levels are sufficient for the next two years, and therefore, the Company's 2018 Distribution Adjustment Charge (DAC) Filing (Docket No. 4846) did not include a request for incremental AGT funding.
- c. Does the primary purpose of the project or program fall into one of the following categories?
 - i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
 - i. N/A

PUC 1-9, page 4

III. Small Business Direct Install

- a. Is the program being moved from, consolidated with, or split between another program proposal?
 - i. No
- b. Does the program have a component funded in other programs?
 - i. No
- c. Does the primary purpose of the project or program fall into one of the following categories?
 - i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
 - i. N/A

PUC 1-9, page 5

IV. Commercial Connected Solutions

- a. Is the program being moved from, consolidated with, or split between another program proposal?
 - i. Yes. The Company is eligible to earn a shareholder incentive through the System Efficiency: Annual MW Capacity Savings Performance-Based Incentive Mechanism in Docket Nos. 4770/4780.
- b. Does the program have a component funded in other programs?
 - i. Yes. Funding for the shareholder incentive for achieving Annual MW Capacity Savings is from Docket Nos. 4770/4780.
- c. Does the primary purpose of the project or program fall into one of the following categories?
 - i. DR: local system
 - i. Yes
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. Yes
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No

PUC 1-9, page 6

- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
 - i. Confirm the project or program is independent from other projects and programs in the categories in c.
 - i. The DR local system and customer-side storage components of the Commercial Connected Solutions Program will both contribute to the Annual MW Capacity Savings Performance-Based Incentive Mechanism in Docket Nos. 4770/4780.
 - ii. The Company will also apply any lessons learned from the proposed System Reliability Procurement (SRP) Customer-Facing Program Enhancement Study proposed in Docket No. 4889 to improve future demand response offerings.
 - ii. Explain why the spending for the categories listed above should be funded in multiple programs/dockets.
 - i. As detailed on Bates page 189, unlike the energy storage projects approved as part of Dockets Nos. 4770/4780 Amended Settlement Agreement, the Energy Storage Initiative in the 2019 Plan is a storage-enabled Demand Response (DR) program that is focused on incentivizing the use of customer-owned behind-the-meter (BTM) storage to shift peak load at traditional end-use customer facilities. Through this energy efficiency offering, the Company is intending to test storage use cases in both front-of-the-meter (FTM) and BTM in order to identify all applications that are beneficial to customers and the grid and to grow a robust market.

V. Commercial & Industrial Multifamily

- a. Is the program being moved from, consolidated with, or split between another program proposal?
 - i. No.
- b. Does the program have a component funded in other programs?
 - i. No

PUC 1-9, page 7

- c. Does the primary purpose of the project or program fall into one of the following categories?
- i. DR: local system
 - i. No
 - ii. DR: bulk system/transmission
 - i. No
 - iii. DG: adoption/interconnection
 - i. No
 - iv. DG: load reduction
 - i. No
 - v. Storage: grid side
 - i. No
 - vi. Storage: customer side
 - i. No
 - vii. Grid Mod: physical infrastructure/grid-facing data
 - i. No
 - viii. Grid Mod: customer-facing data
 - i. No
 - ix. Electrification: vehicles
 - i. No
 - x. Electrification: heating
 - i. No
- d. If the response to any of subsection c. are in the affirmative, please respond to the following:
- i. N/A

PUC 1-10

Request:

How is the 2019 EE Plan different for low-income ratepayers compared to the 2018 EE Plan?

Response:

The 2019 Income Eligible Services Program includes the following enhancements:

1. New Heating System Measure – Starting in 2019:
 - a. Cold-Climate Air Source Mini-Split Heat Pump to displace/replace electric resistance heat and delivered fuel.
2. Increase Lead Generation:
 - a. Engage the National Grid Contact Center to encourage eligible customers to apply for the income-eligible rates, and to register for a home energy assessment.
 - b. Partner with the Rhode Island Consumer Advocates team to inform, engage, and encourage income-eligible customers to apply for rates and programs that can help them better afford and/or pay their energy bills.
 - i. New gas tariff makes it easier for customers to get on the low-income rate, which makes them eligible for gas weatherization and gas heating system replacement.
3. Energy Efficiency + Health Benefits:
 - a. Engage with stakeholders and thought leaders to discuss and identify potential opportunities to align energy efficiency and health programs to mutually benefit income eligible customers.
4. Pre-Weatherization Barrier Mitigation Incentives:
 - a. Engage with stakeholders to identify opportunity to offer larger incentives (i.e., knob & tube, roof repair, lead paint).
5. Contractor Communication:
 - a. Improve communication with approved program contractors to promote best practices, promote opportunities, and resolve issues.

PUC 1-11

Request:

Please provide the business case for offering a 100% landlord incentive in 2019.

Response:

In the Company's decision to offer the 100% landlord incentive in 2019, four main factors were considered.

- 1) This change addresses the classic split incentive dilemma where a landlord who pays for energy efficiency upgrades may not directly receive a reduction in energy bills, which are paid by the tenant. Consequently, landlords are less likely to invest in weatherization upgrades when there is no direct financial benefit for them.
- 2) The measure remains cost-effective.
- 3) The Company anticipates an increase in weatherization participation by landlords as result of the 100% landlord incentive. In areas of Massachusetts where the 100% landlord incentive was offered, an approximate 20% increase in landlord participation occurred. This anticipated increase in participation helps the Company's continued efforts to increase the audit to weatherization ratio.
- 4) With the anticipated increase in weatherization of landlord-owned homes due to offering this incentive, the Company aims to provide subsequent cost-savings and/or thermal benefits to a historically underserved market of renters that fall in the moderate income population. This aligns with the Company's Customer strategy to achieve goals and encompass all customer segments (See Bates Page 15 of the 2019 Energy Efficiency Program Plan filing).

PUC 1-12

Request:

Referencing Bates page 12, the Settlement states, “[t]he Company updated the requirements for who can participate in the small business program from under 200 kW to under 1,000,000 MWh.” Please confirm that this should be kWh consistent with Bates page 181.

Response:

Bates page 12 and Bates page 181 should be consistent. The sentence on Bates page 12 should read: “The Company updated the requirements for who can participate in the small business program from under 200 kW to under 1,000,000 kWh...”

PUC 1-13

Request:

Referencing the eligibility changes made to the small business program, please indicate how many more customers the Company expects to qualify.

Response:

National Grid expects that 80 more businesses will qualify for the Small Business program. To determine the number of customers, the Company analyzed customer data including usage, number of accounts and segment. If a customer was a part of a segment better served by another initiative (i.e., schools), then the customer was not counted since such a customer would not be served by Small Business.

PUC 1-14

Request:

On Bates page 181, customers who consume more than 1,000,000 kWh with a demand less than 200 kW will not be able to participate in the Small Business Direct Install program after July 31, 2019. What will they be eligible for?

Response:

After July 31, 2019 these customers will be eligible for all services and incentives provided to large commercial and industrial (C&I) customers. This includes, but is not limited to, audits, technical assistance (TA) studies, and incentives. National Grid will contact these ~20 customers and recommend the initiative that will serve them best. For example, three of these customers may be interested the EnergySmart Grocer (ESG) initiative.

These customers may also participate in various demand response (DR) initiatives such as the C&I curtailment active demand path and/or direct load control path under C&I Connected Solutions (Bates pg. 186).

PUC 1-15

Request:

On Bates pages 12-13, the Settlement states that “[f]or mid-size customers, the Company is expanding the industrial initiative to serve 200-400 kW customers (see Attachment 2, pg. 16 [Bates page 118]).” Table 4 also references the expansion of the Industrial Initiative to customers at 200-400 kW. Bates page 118 has no reference to the customer sizes. Please clarify.

Response:

The correct reference is Bates page 115 (Attachment 2, pg. 13).

The intent of expanding the range to 200-400kW is to increase the Company's focus on more small manufacturers through an initiative tailored to their needs. The 200 kW amount is not intended to be firm minimum. The Industrial Initiative vendor will provide assessments to customers with less than 200 kW demand if requested.

PUC 1-17

Request:

What amounts are budgeted in 2018 for Company owned and customer owned street light incentives?

Response:

The planned incentives for Company-owned and customer-owned street lights in 2018 was \$1,425,000. On June 15, 2018, the forecast was updated to \$982,238.

The planned incentives in 2019 are \$843,618.

PUC 1-18

Request:

Referencing PUC-1-12 from Docket No. 4755, please indicate whether the Rhode Island Infrastructure Bank (RIIB) will be seeking funding from the Energy Efficiency (EE) fund after 2020.

Response:

This response was developed in consultation with the Rhode Island Infrastructure Bank (RIIB) and the Rhode Island Office of Energy Resources (RI OER).

The Infrastructure Bank's three other principal revolving loan funds (the Clean Water State Revolving Fund, Drinking Water State Revolving Fund, and Municipal Road and Bridge Revolving Fund) each have either federal and/or state capitalization contributions annually, which allow the Bank to offer below market interest rates on its loans. At this time, the only source of annual capital into the Efficient Buildings Fund (EBF) other than repayments from prior loans is annual allocations of EE funds. These funds are critical to providing low-interest loans to Rhode Island's governmental entities. The Infrastructure Bank does intend to seek additional funding after 2020, and will work with the Company, Collaborative members, the EERMC, and the OER annually to propose an appropriate allocation amount based on the success of the EBF, public building retrofit demand and need, and other customer and program considerations.

PUC 1-19

Request:

Referencing Transcript pages 60-61 (Dec. 8, 2016), Mr. Diehl testified that administration of the RIIB program is a partnership between the Office of Energy Resources and the Infrastructure Bank, and not National Grid. Please explain in detail, the technical assistance provided to RIIB by National Grid.

Response:

This response was prepared in consultation with the RIIB and the OER.

Mr. Diehl's above-referenced testimony regarding the Efficient Buildings Fund (EBF) was accurate. However, since Mr. Diehl was answering direct questions at the time, he did not explain all aspects of the relationship between the Office of Energy Resources (OER), the Rhode Island Infrastructure Bank (RIIB), and National Grid, especially as it currently stands.

The EBF is administered by the OER and RIIB, but its success to date is due to the strong partnership between the OER, RIIB, and National Grid.

National Grid provides technical and logistical support to customers, principally municipalities, in the following areas.

1. National Grid arranges and incentivizes scoping studies at 100% of cost. The Company also assists customers with paying for more advanced engineering reports that provide more precise savings and cost information necessary to execute an upgrade with confidence. National Grid typically covers 50% of the cost of this report. The Company refers to these reports as Technical Assistance (TA) studies.
2. National Grid also assists municipalities by helping them issue and evaluate Requests for Proposals (RFPs). This includes, but is not limited to, developing an appropriate scope of work, developing technical requirements, supporting coordination between vendors and the municipality, and helping to review submitted bids. The complexity and time spent communicating with all parties increases dramatically when multiple towns are involved, as happened with a recent street lighting bid. This is a vital service as municipalities do not have the resources to do this on their own.

PUC 1-19, page 2

3. National Grid funds and manages a University of Rhode Island (URI) fellow who has been a critical element in getting Rhode Island schools benchmarked on the Environmental Protection Agency's (EPA) Portfolio Manager platform. This benchmarking gives schools and municipalities insight into where they might want to prioritize energy efficiency upgrades.
4. National Grid's municipal sales representative works closely with OER and RIIB through virtually every step of the process from the promotion of EBF to post inspection of installed measures. Leads on potential projects may start with National Grid or OER or RIIB.

In addition, National Grid's municipal sales representative meets with employees of OER and RIIB every other week to discuss a wide variety of topics from progress on the current application round to improvements in the application process.

PUC 1-21

Request:

Please provide the calculations for the numbers on the top of Bates page 6. Please also provide the live Excel spreadsheet.

Response:

For the electric programs, please see Attachment PUC 1-21 for electric calculations, which provide the average participant annual electric bill savings over the lifetime of the measures by sector. Attachment PUC 21 represents the final output of five separate electric bill impact models (not attached), which were adapted from models originally built by Synapse Energy Economics on behalf of the Division of Public Utilities and Carriers in 2013. In past years Synapse Energy Economics has also reviewed these models prior to the submission of the annual plans. The five models each contain thirteen tabs with hundreds of calculations in each tab. For a more detailed description of the models and the methodology used to calculate Bill Impacts, please see Bates 316, Attachment 7 of the 2019 Energy Efficiency Program Plan filing.

For the gas programs, please see Attachment PUC 1-21 for the final calculations, which provide the average participant annual gas bill savings over the lifetime of the measures by sector. The natural gas bill impacts were analyzed by adapting an existing gas bill impact model used by the Company in Dockets 4846 and 4872. Although not developed by Synapse Energy Economics, in previous years, Synapse Energy Economics has also reviewed the gas model in addition to the electric models developed by Synapse. For a more detailed description of the gas model and the methodology used to calculate Gas Bill Impacts, please see Bates 323 of the 2019 Energy Efficiency Program Plan filing.

Since the gas model is a simpler model than the electric models, the steps of the calculations for arriving for the gas portion of the numbers listed on Bates 6 are provided in Attachment PUC 21. These calculations are listed below.

See attached Excel spreadsheet for live calculations.

- 1) **Total 2019 Average Annual Gas Bill without EE Plan** (removes additional EE charge cost based on average annual therm consumption / customer without EE plan)
- 2) **Total 2019 Average Annual Gas Bill for Non EE participant with 2019 EE Plan** = Total 2019 Annual Gas Bill without EE Plan + (Average annual therm consumption with EE plan/ customer * Gas EE charge)

PUC 1-21, page 2

- 3) **Total 2019 Average Annual Gas Bill for EE Participants with EE Plan** = Total 2019 Annual Gas Bill for Non-participants with EE Plan - (Average annual therm savings per EE participant * cost/therm including EE charge)
- 4) **Average Additional Cost per customer in 2019 from EE charge** = Total 2019 Average Annual Gas Bill for Non-participant with EE Plan – Total 2019 Average Annual Gas Bill without EE Plan
- 5) **Annual Participant Bill Savings with EE Plan compared to Non Participant (no discount rate)** = Total Average Annual Gas Bill for Participant with EE Plan - Total 2019 Average Annual Gas Bill for Non-participants with EE Plan
- 6) **Net First Year Bill Impacts for Participant** = Average Additional Cost in 2019 from EE charge in 2019 - Annual Participant Bill Savings with EE Plan compared to Non Participant (no discount rate)
- 7) **2019 Present Value of Lifetime Savings** = Annual Participant Bill Savings with EE Plan compared to Non Participant / (1 + Discount rate) ^ (Average measure life for sector)
- 8) **2019 Present Value of Net Savings for Participant over the Lifetime of Measures** = 2019 Present Value of Lifetime Savings - Net First Year Bill Impacts for Participant
- 9) **Present Value of Participant Savings Divided over Lifetime of Measures** = 2019 Present Value of Net Savings for Participant over the Lifetime of Measures / Measure Life
- 10) Present Value of Participant Savings Divided over Lifetime of Measures provides an average gas bill reduction for gas measures over the lifetime of the measures while also taking into account the discount rate and impact of 2019 EE charge on customer bills. This figure is combined with the equivalent figure by customer segment from the electric models to provide the final figures listed on Bates 6 of the 2019 Energy Efficiency Program Plan filing.

*Looks at annual impacts to bills over lifetime of the measures

Customer Segments	Total Average Annual Energy Bill for Participants with EE Plan \$	Total Average Annual Energy Bill without EE Plan \$	Participant Annual Bill Reduction Compared to no EE Plan %	Participant Annual Energy Bill Reduction Compared to no EE Plan \$
Residential	\$2,445.64	\$2,468.18	-0.91%	\$22.53
Income Eligible	\$2,300.46	\$2,358.71	-2.47%	\$58.24
Small C&I	\$6,721.98	\$8,161.15	-17.63%	\$1,439.17
Medium C&I	\$21,305.07	\$23,837.22	-10.62%	\$2,532.16
Large C&I	\$527,170.08	\$544,261.53	-3.14%	\$17,091.45

Electric (a)

Rate group	Total Average Annual Electric Bill for Participants with EE Plan \$	Total Average Annual Electric Bill without EE Plan \$	Participant Annual Electric Bill Reduction Compared to no EE Plan %	Participant Annual Electric Bill Reduction Compared to no EE Plan \$
Residential (A-16)	\$1,203	\$1,224	-1.69%	\$20.70
Income Eligible (A-60)	\$1,131	\$1,173	-3.56%	\$41.79
Small C&I (C-06)	\$4,829	\$6,259	-22.85%	\$1,430.11
Medium C&I (G-02)	\$19,412	\$21,935	-11.50%	\$2,523.10
Large C&I (G-32,G-62)	\$275,409	\$291,159	-5.41%	\$15,749.85

Gas (b)

Customer Segment	Total Average Annual Gas Bill for Participants with EE Plan \$ (with PV applied)	Total Average Annual Gas Bill without EE Plan \$	Participant Annual Electric Gas Reduction Compared to no EE Plan %	Participant Annual Gas Bill Reduction Compared to no EE Plan \$
Residential Heating	\$1,242	\$1,244	-0.15%	\$ 1.84
Income Eligible Heating	\$1,170	\$1,186	-1.39%	\$ 16.45
Small C&I Heating	\$1,893	\$1,902	-0.48%	\$ 9.06
Large C&I Heating	\$251,761	\$253,102	-0.53%	\$ 1,341.61

Gas - Equations (b)

	3	2	1	4	5	6	7	8	9
Customer Segment	Total 2019 Average Annual Gas Bill for EE Participants with EE Plan \$	Total 2019 Average Annual Gas Bill for Non-EE participants with EE Plan \$	Total 2019 Average Annual Gas Bill without EE Plan \$	Average Additional Cost per customer in 2019 from EE charge	Annual Participant Bill Savings with EE Plan compared to Non Participant (no discount rate)	Net First Year Bill Impacts for Participants	2019 Present Value of Lifetime Savings	2019 Present Value of Net Savings Per Participant over the Lifetime of Measures	Present Value of Participant Savings Divided over Lifetime of Measures
Residential Heating	\$1,298	\$1,308	\$1,244	\$63	\$10	\$53	\$ 68.21	\$ 14.71	\$ 1.84
Income Eligible Heating	\$1,229	\$1,250	\$1,186	\$63	\$21	\$43	\$ 338.81	\$ 296.16	\$ 16.45
Small C&I Heating	\$1,953	\$1,967	\$1,902	\$65	\$14	\$51	\$ 168.41	\$ 117.84	\$ 9.06
Large C&I Heating	\$266,080	\$268,924	\$253,102	\$15,822	\$2,844	\$12,977	\$ 27,735.04	\$ 14,757.66	\$ 1,341.61

PUC 1-25

Request:

What is an adjusted unique billing account (Bates page 22)?

Response:

The term “adjusted unique billing account” to describe a participant for the Home Energy Reports program on Bates page 22 and 23 is an error. It should be “unique billing account” which is one electric or gas account number.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4888
In Re: 2019 Energy Efficiency Plan
Responses to Commission's First Set of Data Requests
Issued on November 9, 2017

PUC 1-26

Request:

National Grid's filing at Bates 8 contains Table 2 which compares the proposed 2018 EE Plan to the 2018 annual plan as envisioned in the Three-Year Plan. For each line in the chart where the 2018 EE Plan varies from the 2018 annual plan as envisioned in the Three-Year Plan by more than 5%, please provide an explanation.

Response:

Please see the chart below, which highlights lines from Table 3 on Bates Page 10 of the EE Plan that represent more than a 5% change. Please see the explanations following the chart for all highlighted lines.

Electric Programs	2019 3 Year Plan	2019 Annual Plan	% Change
Annual Savings (MWh)	194,677	194,677	0%
Lifetime Savings (MWh)	1,904,592	1,694,194	-11%
Annual Summer Demand Savings (kW)	35,188	30,117	-14%
Total Benefits	\$ 438,942,301	\$ 505,561,654	15%
Total Spending	\$ 124,932,991	\$ 107,506,497	-14%
Benefit Cost Ratio (RI Test)	2.88	4.00	39%
Cost/Lifetime kWh	\$ 0.077	\$ 0.072	-7%
EE Program Charge per kWh	\$ 0.01390	\$ 0.01114	-20%

Gas Programs	2019 3 Year Plan	2019 Annual Plan	% Change
Annual Savings (MMBtu)	408,100	432,708	6%
Lifetime Savings (MMBtu)	4,709,195	4,426,644	-6%
Cost/Lifetime MMBtu	\$ 8.33	\$ 9.29	12%
Total Benefits	\$ 101,369,221	\$ 114,841,151	13%
Total Spending	\$ 30,776,029	\$ 31,592,799	3%
Benefit Cost Ratio (RI Test)	2.49	2.70	8%
C&I EE Program Charge per Dth	\$ 0.739	\$ 0.494	-33%
Residential EE Program Charge per Dth	\$ 0.903	\$ 0.728	-19%

PUC 1-26, page 2

Electric Programs

1. Lifetime Savings (MWh)

- Electric lifetime savings decrease for two reasons. The first is the application of evaluation results for several programs (i.e. C&I Upstream HVAC and C&I Upstream Lighting impact and net-to-gross studies, Residential Lighting and Products net-to-gross studies, and Income Eligible Services Single Family Program Impact Evaluation) that showed these programs generated lower electric savings for participants than initially anticipated. The application of these evaluation findings results in lowered lifetime electric savings that can be attributed to the energy efficiency programs in the Annual Plan compared to the Three-Year Plan. The second reason is that more of the annual electric savings are coming from the residential sector, specifically EnergyStar lighting, than was anticipated at the time of the Three-Year Plan filing. This shift was necessary to meet the 2019 savings goals. Residential measures on average have fewer lifetime savings than C&I measures and lighting lifetimes savings across all residential programs are impacted due to the federal Energy Independence and Security Act (EISA) lighting standards.

2. Annual Summer Demand Savings (kW)

- The decrease in annual summer kW savings is primarily driven by changes in the mix of measures that contribute to the energy savings goals as well as a correction that lowered the kW factor for C&I New Construction Upstream HVAC.

3. Total Benefits

- Total benefits increased due to the application of updated avoided cost values from the "Avoided Energy Supply Components in New England: 2018 Report" (2018 AESC Study). The 2018 AESC Study found higher avoided costs for fuel oil and values for electric capacity demand reduction induced price effect (DRIPE) and oil DRIPE. The study also quantified new benefits for non-embedded NOx reduction benefits, value of improved reliability, and avoided pool transmission facilities (PTF) costs.

PUC 1-26, page 3

4. Total Spending

- Total spending is less in the Annual Plan for the following reason. The Company included an adder of approximately 25,500 Annual MWh for future innovation and additional program enhancements in the Three-Year Plan to demonstrate its commitment to achieving the approved 2019 electric targets in Docket 4684. At the time of that filing, the Company did not know which technologies would contribute to these savings or in which sectors they would occur. The Company therefore applied the 2019 portfolio level average costs to the MWh associated with the adder for future innovation in order to estimate a budget. The actual budget required to achieve the 2019 savings goals was less than this estimate due to the mix of measures that contributed to the future innovation adder as detailed in Table 4 on Bates page 13.

5. Benefit Cost Ratio (RI Test)

- The Benefit Cost Ratio increased due to higher benefits as described in #3 above and lower costs as described in #4 above.

6. Cost/Lifetime kWh

- The Cost per Lifetime kWh decreased due to lower costs as described in #4 above.

7. EE Program charge per kWh

- The EE Program charge per kWh decreased for several reasons. The combination of higher revenue from the ISO-NE Forward Capacity Market, a positive projected year-end 2018 fund balance of \$3.9 million, and lower total spending reduced the electric energy efficiency program charge compared to the Three-Year Plan.

Gas Programs

1. Annual Savings (MMBtu)

- Annual savings increased due to C&I Custom impact studies and the C&I Free Ridership and Spillover Study showed that programs generated higher gas savings for participants than originally estimated. The application of these evaluation findings resulted in the Company setting higher annual gas savings goals in the Annual Plan than in the Three-Year Plan.

PUC 1-26, page 4

2. Lifetime Savings (MMBtu)

- Lifetime savings decreased due to the fact that more planned savings are coming from the residential sector than the C&I sector. Residential measures on average have lower lifetime savings than C&I measures. In addition, the measure mix was changed for the C&I Custom New Construction initiative to better align with a shift in measure mix preference among custom projects that resulted in lower lifetime savings.

3. Cost/Lifetime MMBtu

- The cost per lifetime MMBtu increased due to lower lifetime savings as described in #2 above. In addition, program costs increased for the following reasons. Income Eligible Single-Family is planning to serve more homes and the cost of saved energy for the program has increased due to the application of recent evaluation results. The Large C&I Retrofit program increased its budget to align with actual costs in 2018. Additionally, multifamily programs are increasing the number of planned projects and mechanical systems.

4. Total Benefits

- Total benefits increased due to the application of updated avoided cost values from the "Avoided Energy Supply Components in New England: 2018 Report" (2018 AESC Study).

5. Benefit Cost Ratio (RI Test)

- The Benefit Cost Ratio increased due to higher benefits as described in #4 above.

6. C&I EE Program Charge per Dth

- The C&I Gas EE Program Charge decreased due to a positive projected 2018 year-end fund balance of \$7.4 million.

7. Residential EE Program Charge per Dth

- The Residential Gas EE Program Charge decreased due to a positive projected 2018 year-end fund balance of \$7.4 million.

PUC 1-27

Request:

Please provide the minutes of EERMC meetings in which the 2018 EE Plan was discussed and/or voted upon.

Response:

The Company assumes that the Commission is referring to the minutes of EERMC meetings in which the 2019 EE Plan was discussed and/or voted upon.

The EERMC meeting minutes detailing discussion and vote of the 2019 EE Plan are attached to this response.

Please note that all of the EERMC minute meetings are posted on the EERMC's website and available to the public at: <https://rieermc.ri.gov/meetings-materials/> (see Meeting Minutes on right hand side of page for final meeting minutes).



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

EERMC FULL COUNCIL MEETING MINUTES

Thursday, June 21, 2018 | 3:30 - 5:30 PM

Conference Room A, 2nd Floor, Department of Administration, Providence, RI

Members in Attendance: Chris Powell, Carol Grant, Karen Verrengia, Tom Magliocchetti, Shigeru Osada, Joe Cirillo, Joe Garlick, Betsy Stubblefield Loucks, Anthony Hubbard, Michael McAteer and Rachel Henschel (representing Jennifer Hutchinson).

Others Present: Nick Ucci, Mike Guerard, Jeff Loiter, Becca Trietch, Sara Canabarro, Carrie Gill, Erika Niedowski, Kat Burnham, John Richards, Matt Ray, Ben Rivers, Bob Yoffe, Lou Cotoia, Cheryl Boyd, Jake Giacchino, Paul Gonsalves, Mark Hengan, Karen Bradbury, John Marcantonio, Louis Cotoia and Alice Hourihan

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-june-2018/>

1. Call to Order

Chairman Powell called the meeting to order at 3:33PM.

2. Approval of Council Meeting Minutes

Chairman Powell requested to postpone the approval of May's meeting minutes and to move item #5 (Rhode Island Building Association Presentation) to the start of the agenda due to a need for the presenters to leave early. Mr. Cirillo made a motion, Mr. Hubbard seconded it. All approved.

3. Council Business

a) Presentation on Energy Expo

The Rhode Island Builders Association (RIBA) gave a brief presentation on the outcomes of the 2018 Energy Expo at the Rhode Island Home Show.

John Marcantonio, Cheryl Boyd and Louis Cotoia went over the statistics, feedback, results, and general outcomes from the 2018 Energy Expo. Mr. Marcantonio concluded that the Energy Expo was a success, and every year is getting more and more attention. He noted that overall, energy efficiency (EE) is strongly supported and it's important to continue having great EE Programs in RI.

Ms. Henschel stated that the student displays were amazing at the Energy Expo this year, and that RISE is going to be using the displays going forward.

Mr. McAteer agreed with Ms. Henschel's comments, and stated that he talked to the students during the setup, and he was impressed with their passion for EE. Mr. McAteer applauded RIBA for their continuous great job. Ms. Verrengia agreed with the previous comments, and commended RIBA for their amazing work.

Chairman Powell is very pleased that participation increased by 36%; it shows that the cost to the Council is extremely efficient and the show is reaching a lot of people.

4. Executive Director Report

Commissioner Grant was not present during this time. She provided an update to the Council towards the end of the meeting during Public Comments.

5. Chairperson Report

Chairman Powell requested a motion to approve the minutes for the May Council meeting. Mr. Cirillo made a motion to approve the meeting minutes, and Mr. Garlick seconded it. All approved.

Chairman Powell reported that he accepted a new position at CleaResult and therefore must recuse himself from voting on items such as the 2019 Annual EE Plan. He is also working to obtain a ruling from the Rhode Island Ethics Commission.

Chairman Powell noted that the Council has already heard RIBA's presentation about the outcomes from this year's Energy Expo Sponsorship. Next, the Council will focus the majority of the meeting time on recent Energy Efficiency reports and the 2019 Annual Plan development process. He added that he'd like to have the Consultant Team give a brief update on the Standards that have been filed with the PUC.

Mike Guerard provided a brief update on the Standards summarizing that the C-Team, with assistance from the Council's attorney, had filed responses to PUC Information Requests by the June 20 deadline set by the the Public Utilities Commission, and that the responses were consistent with the EERMC's input and vote approving the update to the Standards. He also noted that there are PUC meetings on the Standards in July, and that and that he would keep the Council abreast of any relevant outcomes.

Lastly, Chairman Powell stated that the C-Team and OER are working to get information about the Collaborative up on the EERMC Website. The EERMC will host the information about how to become a member and who to contact at National Grid for more information while National Grid works to setup their own webpage.

He also reminded everyone that for those who would like to provide public comment in advance of Council discussion on the Energy Efficiency Program reports, they should sign-up on the Public Comment Sign-in Sheet. As usual, there will also be a public comment period at the end of the meeting for any comments not related to the recent Energy Efficiency Program reports.

6. Energy Efficiency Program Oversight

a) Presentation on 2017 Year-End Report

John Richards went over the 2017 MWh Savings Goals by Sector, and compared achieved savings to 2017 Electric Goals and Natural Gas Goals. Mr. Richards noted they are looking forward to 2019 raising savings.

Matt Ray went over the 2017 Residential Highlights and the End-of-Year numbers. Mr. Ray stated that some major changes in 2017 included the launching of email high use alerts and the installation of upgraded central boilers in income-eligible multifamily properties. The Food Bank Lighting Initiative and Fridge recycling programs were also successful in 2017. Chairman Powell asked if the central boilers were separate units. Mr. Ray answered the 60 boilers were not separate units, but central systems.

Ben Rivers went over the Commercial Program Highlights, and Year-End numbers for 2017. Mr. Rivers noted that some major efforts in 2017 included: the Energy Smart Grocer initiative, the Industrial Initiative, expanded strategic energy management plan efforts (SEMP) and Combined Heat & Power. He

stated they will continue to work on Codes and Standards, Demand Response, Investigate SEM and Financing Mechanism Research in 2018 and 2019.

Ms. Verrengia asked why someone would choose Ascentium Financing rather than on-bill-repayment (OBR). Mr. Rivers replied that OBR has limited funds, and Ascentium is another great option for financing.

Chairman Powell asked about the difference between SEMP and SEM. Mr. Rivers replied that SEMP is a Memorandum of Understanding (MOU) that can cover anything with energy savings. SEM is a program led by a vendor focused on behavior and specific savings opportunities (it is usually a 2-3-year intervention and is generally a Tune-Up type program).

Chairman Powell asked about the declining LED Savings, since the numbers show the decline is starting to happen now. Mr. Richards replied that they are moving more units in 2018 to help compensate for the decline in attributable savings. Mr. Guerard noted that the major drop off in claimable lighting savings will more likely begin in the 2020 – 2021 time period.

b) Presentation on 2018 Quarter 1 Report

John Richards gave a brief intro on the First Quarter 2018 Results, and quickly went over the progress towards MWh, and MMBTU Savings Goals in Q1 2018 by Sector.

Matt Ray highlighted Community-Based Outreach & Vendor Trainings. He stated that during the RI Home Show, 270 customers signed up for energy assessments, they sold 1,771 lighting kits and conducted customer and vendor testimonials to learn more about program impacts and their experiences. Lastly, Mr. Ray stated that for the EnergyWise program, they established a \$500k revolving loan fund at the Capital Good Fund for moderate income customers that need financing for EE projects; there's also the direct install of Nest E and Nest 3rd generation thermostats with a customer copay, and they received an ENERGY STAR Partner of the Year: Sustained Excellence Award in Program Delivery.

Ben Rivers went over the 2018 Q1 Commercial Highlights and Q1 numbers. He gave a brief update on what to expect for 2019 and what they are currently working on towards during the remainder of 2018.

Chairman Powell asked how the Income Eligible Services are delivered. Mr. Ray explained that these trainings and services are delivered through the CAP Agencies with support from a Lead Vendor working for Grid, and with close coordination with the Department of Human Services which administers federal funds for LIHEAP and DOE that are invested in energy efficiency for income eligible customers.

Chairman Powell asked about the \$500k revolving loan fund at the Capital Good Fund for moderate income customers financing energy efficiency projects. Mr. Guerard explained that the Capital Good Fund is used to provide customers with less good credit an option to finance. The buydown to get the interest rate to 0% through the Capital Good Fund is higher for National Grid than via other lenders who offer in the HEAT Loan to customers who participate in the EnergyWise program.

Chairman Powell also asked what RIDAP stands for. Mr. Rivers replied that it stands for Rhode Island Digital Application Portal, which is a platform being created for 2019 to make forms electronic and more accessible/easier for customers and vendors.

Mike Guerard rounded out the presentation by giving a brief summary of the 2017 Year's Results in relation to the 2017 targets. He also went over the current implementation experiences by comparing 2017 and 2018 1st Quarters, and providing some early take-aways for 2018.

c) Public Comment on Program Reports

Don Bruen (Renewable Energy Solutions) raised concerns about the small business program's max demand usage. He believes the current limit is hurting Rhode Island Small Businesses, and believes the limit should be higher and more OBR would be helpful for the program.

Mike Sokoll (Northeast Solar) agrees with Mr. Bruen's comments, and wants Rhode Island to raise the small business program demand limit to match what is used in the State of Massachusetts. He noted that all the small-businesses contribute to RI's successful EE programs, and they would like to have more access to funds. He believes a limit above the current 200KW limit would accomplish this.

Ms. Verrengia agreed with the public comments, and understands their frustration. She explained that in her previous position, she faced the same frustration and issue with the 200KW limit.

Ms. Henschel noted that Massachusetts is different than Rhode Island because of the cost and the tradeoffs. They can look into setting a higher limit, but that will also mean higher costs. She noted that she can work on putting some numbers together, and have a presentation to discuss options. However, she would like everyone to keep in mind that it all comes down to costs, and tradeoffs.

Chairman Powell asked to have more information on this issue, possibly a presentation for the next Council meeting in July by the Consultant Team. He noted he really wants to understand this issue, and wants to be able to help the small businesses succeed in Rhode Island. Ms. Henschel states that she will work with the Consultant Team on putting this together for the next Council Meeting.

Kat Burnham stated that she is very happy to have members of the public attend the meeting today and share their valid concerns; she encouraged them to come back and participate more often. She also agreed with their comments, and that this issue needs to be address as soon as possible. Ms. Burnham also asked if their public comments would be reflected in the meeting's minutes. Ms. Trietch responded that all comments will be shown in the meeting minutes and available on the EERMC website once approved by the Council.

d) Council Discussion

No additional discussion.

e) Presentation on 2019 Annual Plan Development Process

Mike Guerard gave an overview about the upcoming 2018 Annual Energy Efficiency Plan. He went over the Targets and reminded the Council of the Three-Year Plan's high-level priorities: Customers; Least Cost; Environment and Innovation/Planning for the Future.

Jeff Loiter covered the Least Cost Procurement Standards update and its timeline. He noted that the C-team continuously works with Marisa Desautel and OER on the LCP Standards filing, and once the public comment period is over, the Public Utilities Commission will vote on it in time for the 2019 Annual EE Plan.

Mr. Guerard went over the Variable Factors that will influence the 2019 Annual Plan, which include:

- Innovation: Evolving markets & new and/or improved technologies
- Regulatory: Public Utilities Commission; Division of Public Utilities and Carriers
- State & Local Policy Objectives: Governor's Office; OER; Municipalities

- Other State Agencies and Quasi Agencies: RI Building Code Commission; RI Infrastructure Bank and RI Housing
- Legislation

Mr. Guerard and Mr. Loiter went over the schedule and deadlines for the remainder of 2018. Mr. Guerard noted that Legislation is a big factor that might change the schedule and deadlines, but as of today nothing has changed, and there are no new surprises on legislative.

7. Public Comment on All Other Topics

Commissioner Grant reported that as of right now, the Measurement and Verification Study is most likely to pass as Legislation, the Appliance Standards Bill may also move forward, but there is no SBC or Budget Cap on any EE Programs as of today. She noted that the Study is a reasonable accommodation, and OER will be taking the lead on it. Commissioner Grant added that she will have more updates on Legislation by the time the Council meets in July.

Commissioner Grant also announced a 400MW Offshore Wind Procurement with the State of Massachusetts. National Grid is still negotiating the final details. She noted that there is a lot of great work happening in Rhode Island right now and thanks the Council and everyone involved for their continuous hard work.

John Richards informed the Council that National Grid is hosting a forum to get feedback from vendors, customers, and the general public on their EE programs. This meeting will take place at the Omni Hotel, on August 1st.

8. Adjournment

Chairman Powell requested a motion to adjourn the meeting. Mr. Cirillo made a motion to adjourn, and Ms. Verrengia seconded it. All approved.

The meeting was adjourned at 5:25PM.



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, July 19, 2018 | 3:30 - 5:30 PM

Conference Room A, 2nd Floor, Department of Administration, Providence, RI

Members in Attendance: Chris Powell, Carol Grant, Karen Verrengia, Shigeru Osada, Joe Cirillo, Joe Garlick, Michael McAteer, Roberta Fagan and Diane Williamson.

Others Present: Rachel Henschel, Mike Guerard, Mark Kravatz, Becca Trietch, Sara Canabarro, Carrie Gill, Erika Niedowski, Kat Burnham, John Richards, Matt Ray, Ben Rivers, Hannah O'Connor, Angela Li, Belinda Wong, Chon Wong, Jake Giacchino, Alex Kirby, Nicole Iannone, Laura Rodormer, Mona Chandra, Romilee Emerick, Erin Crafts

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-july-2018/>

1. Call to Order

Chairman Chris Powell called the meeting to order at 3:38PM.

2. Approval of Council Meeting Minutes

Chairman Powell requested a motion to approve the minutes for the June council meeting with revisions shown in track changes. Mr. Cirillo made a motion to approve the meeting minutes, and Mr. Garlick seconded it. All Approved.

3. Executive Director Report

a) General Update

Commissioner Grant reported that legislation was passed that requires an evaluation study of National Grid's energy efficiency programs. Ms. Trietch and Dr. Gill are leading the study on behalf of OER. She noted that no other legislation that passed has impact on the Council.

Commissioner Grant stated that all Council members should have a copy of the Clean Energy Jobs Report in front of them. She reported that there has been a 72% increase in clean energy jobs since 2014. She also noted that the 2018 Annual Report from National Grid shows 724 Efficiency Jobs, and the 2018 Clean Energy Jobs Report issued shows 9,338 efficiency jobs. She explained that there are three primary differences between the two reports:

- 1) Different methodology: The National Grid report counts full-time equivalents (FTEs), and the Clean Energy Jobs (CEJ) Report includes any jobs in RI in which the person spends ANY portion of their time on clean energy. Only 54% of them spend more than 50% of their time.
- 2) Different definitions: The National Grid report is the Company's reflection of solely those FTEs who work on National Grid's RI programs. The CEJ report includes those supporting efficiency products and services regardless of whether they are part of the National Grid programs.

- 3) Difference in geography of customers: The National Grid report is obviously restricted to those serving National Grid customers in RI. The Clean Energy Jobs Report counts employees whose products or services go to non-RI customers, and 25% of this year's respondents do identify their customers as being outside of RI. And on a smaller scale, anyone serving Pascoag Utility District or Block Island Power Co. customers are not counted by National Grid's report.

Lastly, Commissioner Grant reported that OER has posted a draft RGGI Allocation Plan, which is available on the OER website. The plan is now open for a 30 days for public comment period, and a public comment hearing will be held on August 16th at 9:00AM here at Dept. of Administration. There are three main investments:

- 1) Funding to support REF Initiatives, including \$1M for incentives to support solar on brownfields.
- 2) \$200k for Energy Efficiency measures in Pascoag – funding to be leveraged with ratepayer dollars.
- 3) \$180K for Energy Efficiency on Block Island – funding to be leveraged with utility funds.

4. Chairperson Report

Chairman Powell stated that today the Council will conduct some business including a discussion on last month's public comments about the RI Small Business program's qualification limit. We'll also vote on sponsoring the Energy Expo in 2019, and hear an update on the BOC training we decided to sponsor at our May meeting. He also noted that after the business updates, the Council will learn more about how evaluation studies are expected to impact the 2019 EE Plan drafts and what to expect in the first draft that we will see at our next meeting in August.

Chairman Powell reported that there are additional materials within everyone's packets that will not be discussed today, but are included for Council member information. These materials include:

A printed version of the Council's Annual report. Please let Becca or Carrie know if you would like multiple copies of the printed report, the electronic version was distributed electronically before the legislative session ended and is available on the Council website.

The EERMC Quarter 2 budget report is also in your packets. Please let Becca know if you have any questions.

Lastly, a memo from the EERMC Consultant Team on the status and plan for completing a large-scale potential study, intended to be funded over multiple years and completed before our next three-year plan.

Chairman Powell asked if Mr. Guerard had anything brief that he'd like to mention about the memo. Mr. Guerard quickly highlighted that this memo summarized the status of the multi-year process that will culminate in a new estimate of energy efficiency potential for use in program planning and goal-setting for 2021-2023. It also summarizes the timing of the key steps in this process and briefly explains the key steps.

Chairman Powell also stated that the Updated LCP Standards have been filed with the PUC and the hearing for those LCP Standard updates was held this week on July 17th. He asked if Mr. Guerard would like to give a brief update on how the hearing went. Mr. Guerard reported that the Hearing at the PUC turned into a technical session, and that they did not vote on anything. The C-team is working closely with

Marisa Desautel, OER and National Grid to make sure that the PUC will vote on the LCP Standards in time for incorporation into the 2019 Annual Plan.

Chairman Powell also reported that the information about the Collaborative has been added to the EERMC website. The Council will host this information temporarily while National Grid works to setup their own webpage.

Lastly, he noted that, as usual, there is a sheet with recommended discussion questions and vote language attached to Council member agendas and he asked that Council members please reference this document if they find it useful throughout the meeting.

Mr. McAteer announced that he is leaving the National Grid organization. He thanked everyone for being such an important part of his role while working there, and he added that being part of the EERMC has been a highlight of his career.

Chairman Powell stated that Mr. McAteer's last day is September 1st, and that he would like to have a celebration for him. Ms. Henschel noted that she would help and coordinate.

Lastly, Mr. Cirillo suggested that the Council to hold a meeting at Block Island at some point in the future.

5. Council Business

a) Small Business Customer Qualifications Discussion

Mr. Guerard gave a brief intro about the Small Business Program Design Update for the 2019 Annual EE Plan.

Mr. Rivers highlighted that the topics for discussion included: Enhancing Small Business program design; opportunities to expand the number of customers; and opportunities to expand depth of savings per customer.

Mr. Rivers went over the current participation in the small business program; small business savings and costs; and current eligibility criteria – customers are currently eligible to participate if they have an average monthly demand of <200kW. There is no eligibility criterion for natural gas consumption. Mr. Rivers also went over how we compare RI with other states, how Massachusetts has changed their small business program eligibility criteria, how annual energy use compared to demand for C&I customers in RI, and he went over resulting opportunities and considerations.

Chairman Powell asked if by raising the demand qualification cut off would solve the issue that the small businesses are having. Mr. Rivers indicated that raising the cut off to 300KW could access ~300 more customers with the Small Biz program. 100 of those are businesses classified as miscellaneous, the next largest group of added customers would be small manufacturers, then municipalities and schools, then accounts that are already part of a larger group such as Johnson & Wales, then supermarkets, and then multifamily/housing authorities. Therefore, he noted that raising the qualification limit to 300kW may increase the number of eligible businesses but most of newly eligible small businesses may not benefit from the small business program. Instead it might be more beneficial for them to go through a more tailored or custom program such as the C/I program or other tracks like the grocery initiative.

Chairman Powell also reminded everyone that the state of MA is a different entity, they have different programs and sectors compared to Rhode Island.

Mr. Rivers and Mr. Guerard restated that this is only in the investigation stage now. The final recommendation will be included in the 2019 Annual Plan draft. They noted that if anyone has additional input, or ideas to please reach out to them before the upcoming first draft.

b) View Energy Efficiency Program Case Study Video with Lifespan

Chairman Powell requested a motion to postpone this item until a later meeting because Mr. Magliocchetti couldn't make it to today's meeting. Mr. Garlick made a motion to postpone this item until a later meeting, and Mr. Cirillo seconded it. All Approved.

c) Review and Vote on Energy Expo Sponsorship in 2019

Ms. Trietch gave a high-level overview of the Energy Expo Sponsorship document. She stated that the sponsorship includes a focused show segment on energy at the RI Home Show; National Grid, EERMC, and OER booths will again be placed in the front concourse area of the show, and includes advertising and promotions. Ms. Trietch noted that there is also a special energy related feature and student training to be determined jointly with National Grid, the EERMC and OER.

Ms. Trietch stated that the total sponsorship range which is usually split 50/50 with National Grid is from \$80 to \$100K depending on the size and scope of the features chosen by the Council. To conclude, the sponsorship monies would support the promotion of energy, student learning and related consumer education.

Chairman Powell requested a motion to vote on the Energy Expo Sponsorship in 2019. Ms. Verrengia made a motion to include sponsorship of the Energy Expo at the 2019 RI Home Show, as described in the sponsorship description document, in the 2019 EERMC Budget with the amount of sponsorship dollars to be contingent on available funds; Mr. Cirillo seconded this motion. All Approved.

d) Update on Rhode Island Building Operator Certification (BOC) Trainings

Ms. Verrengia stated that Dr. Gill worked on the one-pager for the BOC Trainings included in Council member packets, and it looks great. She thanked Dr. Gill for her work on this. Ms. Verrengia noted that this one-pager has been distributed amongst many groups, and she has done a lot of personal outreach.

Ms. Verrengia reported that as of today, the registration is low. She stated that they can hold a class of 30 people, so they still have a lot of seats available. Ms. Verrengia added that the timing with summer vacations may be the reason for the low participation. She encouraged everyone to help spread the word about this training opportunity.

6. Energy Efficiency Program Oversight

a) Evaluation Study Impacts on the 2019 Annual Energy Efficiency Plan

Mr. Kravatz and Dr. Gill gave a brief introduction of the presentation. Mr. Kravatz went over the Evaluation Team, 2018 Planned Evaluations, the Evaluation Process, and the Intersection of Evaluations and Planning, which then leads to the development of the Annual EE Plans.

Dr. Gill went over where key EE Plan numbers come from, the EERMC Cost-Effectiveness Report, the Benefit-Cost Model, the Technical Referent Manual (TRM), how evaluations inform Plans, and what is currently happening in preparation for the 2019 Annual EE Plan. Dr. Gill also stated that at this stage of the process the Evaluation Team is completing many RI studies, communicating insights from studies to program implementers, and planning and budgeting for 2019 studies.

Dr. Gill highlighted three things to remember:

- 1) The evaluation process is rigorous and there is substantial accountability and oversight.
- 2) Evaluations tell us about casual impacts of EE programs, which will affect how much of which measures are included in future EE programs and how those programs are delivered.
- 3) Leveraging MA studies saves lots of money but timing is a logistical challenge during the planning process given the two states have different plan filing schedules.

Ms. Fagan asked how the evaluation teams determines who participates in the studies. Dr. Gill explained that they use surveys, and look at different data sources. Ms. Henschel added that National Grid is heavily focused on customer surveys and interviews.

Mr. Osada asked what percentage of the goal for 2019 could be affected by the evaluations coming in for 2019. Ms. Henschel answered that each program is evaluated at least one time within every three years and that the largest areas of savings (such as upstream lighting) are evaluated even more often.

Mr. Osada stated that he would like to see the range of realization rates for all measures. Ms. Henschel explained that seeing that range would likely not be meaningful regarding program energy savings since some measures make up more of the savings than others. Ms. Williamson clarified that she thought Mr. Osada was looking to understand what is or is not a good realization rate.

Ms. Verrengia stated that Council members do not need to be deeply involved in these evaluation processes and studies. She noted that the Council has the C-Team and OER to help with the studies and discussions.

Chairman Powell brought up the point that this might be a conversation that is too in-depth for a council meeting. If an individual member would like to learn more, the C-Team and OER are happy to work with Council members outside of the meetings.

Chairman Powell also asked if these evaluations are retrospective, and what else the company does to help innovate and improve the programs outside of pilots. Mr. McAteer explained that the pilot results are evaluated and often projected into the Benefit-Cost (BC) model. Mr. Kravatz added that other Energy Efficiency programs and results from around the country are constantly being looked at by the program team.

Mr. Osada asked about Table E-5 and if the cost values will change in the 2019 Plan, due to the change in the cost of supply vs cost of the Energy Efficiency test. Mr. Guerard and Ms. Henschel explained that the cost numbers in this table will not change, even though the customer cost may now be excluded in the cost of supply vs cost of the EE test.

b) National Grid Presentation: Overview of 2019 Annual EE Plan

John Richards gave an introduction of the presentation. He stated that this presentation will provide an overview of where National Grid stands today on future innovation and other efforts to meet the 2019 savings goals. The presentation will include: Status of the Navy CHP Project; Update on demonstrations; Program enhancements; and Evaluation Results.

Ms. Henschel gave a brief update on the Navy CHP project in Newport.

Chairman Powell asked if it will be problematic for RI to have National Grid adding this much gas load to Newport (since RI already has gas constraints). Mr. Guerard noted that the DPUC had asked very similar question during their review process, and that there will be a formal response from National Grid to the PUC on this matter.

Mona Chandra went over the C&I Demonstration Updates.

Ms. Verrengia asked what “Power Over Ethernet” is. Mr. Rivers explained that it is a way that fixtures can be powered and controlled through a power cord, instead of two separate wires.

Chairman Powell asked if the Gas Demand Response program is for Commercial and Industrial customers. Ms. Chandra said yes, and it is also being tested out in New York.

Angela Li went over the Residential Demonstrations Updates. She noted that the Connected Solutions program took three years to evaluate and drive down costs, but will now be part of the core offerings in 2019. Ms. Li finished going over the other pilots described on the slides.

Ben Rivers went over the 2018-2018 C&I Program Enhancements in the Electric and Gas programs.

Ms. Li went over the 2018-2019 Residential Program Enhancements. She highlighted that the ENERGY STAR Lighting program has the potential to contribute approximately 15,000 additional MWh in 2019 above what was planned for in the Three-Year Plan.

Erin Crafts presented on the C&I Evaluation Updates and Romilee Emerick presented on the Residential Evaluations.

Mr. Richards went over the Preliminary 2019 Annual Mwh Goals, the 2019 Program Charge and Budget and the current Timeline.

Mr. Osada asked if the Three-Year Plan Innovation line was impractical, given that not much innovation was found, but other savings were found in different ways. Ms. Henschel and Mr. Guerard responded that the Three-Year Plan was a commitment to find as much savings as possible and that Innovation was defined broadly to mean any program changes, including greater delivery of existing measures, that could produce more savings.

Mr. Osada expressed his concerns over the timeline of the First Draft of the Annual Plan. He stated that there isn’t enough time to review all the materials provided, and to give good feedback. He noted that the Council needs to address this issue. He would like National Grid to be able to provide the data earlier than August.

7. Public Comment

No comments were made.

8. Adjournment

Chairman Powell requested a motion to adjourn the meeting. Mr. Cirillo made a motion to adjourn, and Ms. Verrengia seconded it. All approved.

The meeting was adjourned at 6:09PM.



STATE OF RHODE ISLAND

**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

EERMC FULL COUNCIL MEETING MINUTES

Thursday, August 23, 2018 | 3:30 - 5:30 PM

Conference Room A, 2nd Floor, Department of Administration, Providence, RI

Members in Attendance: Chris Powell, Carol Grant, Karen Verrengia, Shigeru Osada, Joe Cirillo, Michael McAteer, Roberta Fagan, Tom Magliocchetti, Anthony Hubbard, Jennifer Hutchinson.

Others Present: Rachel Henschel, Mike Guerard, Mark Kravatz, Sara Canabarro, Dr. Carrie Gill, Erika Niedowski, Kai Salem, John Richards, Matt Ray, Ben Rivers, Courtney Lane, Paul Wassink, Angela Li, David Weitz, Raquel Webster.

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-august-2018/>

1. Call to Order

Chairman Powell called the meeting to order at 3:36PM.

2. Approval of Council Meeting Minutes

Chairman Powell requested a motion to approve the minutes for the July council meeting. Mr. Cirillo made a motion to approve the meeting minutes, and Ms. Verrengia seconded it. All Approved.

3. Chairperson Report

Chairman Powell stated that today the council will be focusing on the PUC's Standards Update and the first drafts of the 2019 EE and SRP Plans. He noted that due to the large amount of material that must be covered during today's meeting, he is asking that all council members hold their questions until the designated discussion time indicated on the agenda. Also, he will be holding all presenters strictly to their allotted times.

Chairman Powell reported that due to limited time, two items have been included in the packets but will not be discussed at today's meeting: item #1. National Grid's 2018 Quarter 2 report and item #2. National Grid's summary of their Listening Forum held on Aug 1st. He stated that if there are any questions on these items, please reach out to the Consultant Team.

Also, he noted that during the last EERMC meeting, Mr. Osada raised some concerns about the timeline for reviewing and submitting Annual Plans to the PUC. The council will return to this topic at the November EERMC meeting since this month and next will have packed meeting agendas as the members review National Grid's 2019 EE and SRP Plans.

Chairman Powell stated that to assist the Council members with the meeting today, there is a sheet with recommended discussion questions and vote language attached to the agendas. And, for those that would like to provide public comments during today's meeting, there is a sign-up sheet near the food and drinks.

Lastly, Chairman Powell publicly thanked Michael McAteer for his many years of service both with the EERMC and with the Rhode Island's Energy Efficiency programs. Mr. McAteer will be greatly missed here at the council. He noted that there is a thank you card going around the room, and that everyone here, including audience members, please take a moment to sign the card.

4. Council Business

a) Presentation on Draft Comments to be submitted to the Public Utilities Commission (PUC) on the Standards.

Mr. Guerard reported that all comments included in today's council packets were received this morning. The C-Team worked very hard to put it all together prior to this meeting.

Mr. Guerard stated that back in May, the EERMC submitted modifications to the Standards for the PUC to review. The PUC reviewed the EERMC's changes to the Standards in late July and rejected the proposed modifications because they were interested in further exploring the RI Test, as opposed to a better definition of the second test that the EERMC had provided. He noted that the PUC Commissioners are proposing different language to the Standards that attempts to moves to tests with closer alignment with Docket 4600's impact framework.

Mr. Guerard reported that the PUC set a deadline of tomorrow (August 24th) for written comments on their proposed language. Since the Council is meeting today, the Council's attorney, Marisa Desautel asked for the EERMC to be able to submit their comments tonight, or first thing in the morning so they have time to review it.

Commissioner Grant noted that what the Council has to do today is to vote on the memo summarizing comments on the modified standards to submit to the PUC.

Mr. Osada has concerns about this modified change. He stated that there isn't enough time to review these changes, or comments, since they were only provided through email this morning. He doesn't understand why the Council only received these documents this morning- not enough time.

Mr. Guerard explained that they only received comments from the other stakeholders this morning, therefore, they emailed everyone as soon as those documents arrived.

Mr. Osada stated that the EERMC shouldn't have to wait for other stakeholders to submit their comments, since the Council is its own identity.

Mr. Guerard explained that the main feedback they received from the PUC when they rejected the EERMC's proposed standards in late July, was that they were under the impression that there was an extensive stakeholder engagement on the proposed modifications. Once the PUC moved in this new direction the C-Team has been trying to engage with the stakeholders. Mr. Guerard highlighted that the most important thing on this draft memo is that there is no time to review, or rewrite other PUC Standards, so the Council is requesting more time and for the PUC to hold a tech session so that all stakeholders, and Council members can be involved and share their concerns/comments.

Chairman Powell noted that the Council is making a recommendation to allow the Council members, stakeholders, and others, to attend a tech session to share and submit their comments on the proposed modifications.

Mr. Osada stated that through discussion of the Three-Year Plan, this definition of the test came up several times. At the time, someone questioned if a second test was needed, and the same question was raised again at the beginning of this year. Now, the C-Team is mentioning a single test- this is simply not consistent.

Commissioner Grant noted that Mr. Osada is completely right, and that overtime it has gone in many different directions, but the Standards itself are within authority of the PUC. She stated that what everyone has been working on since last fall was what the Council thought was the expectation of the PUC. As it turns out, the PUC had a different expectation, and we have only learned about this different expectation

this past month, after the PUC said they wanted a test based on Docket 4600. She summarized that all this memo is stating, is that the Council and stakeholders didn't have enough time to review the new PUC proposal, and they would like more time to review, and participate in a tech session to voice over their concerns and comments.

Ms. Verrengia asked if the Council members have the stakeholder's comments in their packets. Mr. Guerard replied that all comments submitted are included in today's packets.

Mr. Osada also shared his opinion that National Grid needs to keep their forecasted number regarding the EE charge price at 1.04-1.09 cents/kWh which was presented at the July EERMC meeting in front of the public. He believes that National Grid can do this and that the Company needs to be challenged because National Grid is reporting that they overachieve their goals each year. The cost is now 7.5 c/kWh which is the highest it has been in EE history. Mr. Osada believes that National Grid needs provide a serious effort to lower this cost. He hopes to see the SBC charge go lower than the end of National Grid's forecasted range and the price per lifetime-kWh could be lower than 6.9 c/kWh.

b) Public Comment on Standards Update

Ms. Niedowski reported that the Acadia Center submitted their comments to the PUC this morning. She noted that the Acadia Center participated in the former Docket 4600 working group, and strongly supports the benefit cost framework, particularly to be applied for a cost of supply test.

Ms. Niedowski stated that Acadia Center is supportive of the RI Test because it fully reflects the policy objectives for the State. Acadia Center also supports revising the Standards to revise the test. However, they share the same concerns that were raised today about the timing and process of these revisions. Ms. Niedowski noted that Acadia Center was not aware of the Technical Session that PUC held in July because it was not properly advertised. She stated that the PUC had originally noticed their meeting as a Public Hearing, and later it was changed into a Tech Session.

Ms. Niedowski ended her public comment by stating that (1) Acadia Center strongly supports the RI Test because it already measures the benefits of Energy Efficiency, and it also compares the Cost of EE with the Cost of Supply; and (2) Acadia Center strongly agrees that the PUC should hold another Tech Session fairly soon so that all stakeholders can voice their concerns/opinions.

Ms. Verrengia asked when the Technical sessions was held since she was not aware of it. Mr. Guerard replied that it was first advertised as a Hearing and no public comment was allowed. However, the day of, it got changed into a technical session, and the C-Team was the only representative of the EERMC present, and the C-Team was not prepared for a Tech session.

c) Council Discussion & Vote on Comments to be Submitted to the Public Utilities Commission (PUC) on the Standards.

Mr. Osada asked for clarification on what test the PUC is referring to. Commissioner Grant replied that the PUC hasn't clarified details besides wanting to better incorporate the Docket 4600 framework.

Chairman Powell requested a few minutes to allow the members to read over the memo, and then vote on it. He noted the last paragraph states that the Council is requesting a tech session that allows all stakeholders to participate. The deadline for this would be September 11th, in order to for the updated Standards to be included in the second draft of the Annual EE Plan.

Mr. Osada stated that it's hard to vote on this memo without a clear definition. However, he feels comfortable to make a motion to buy time to review all documents by September 11th.

Chairman Powell restated that this request for a tech session would allow more participation not only from Council members, but stakeholders to voice their concerns and opinions. He noted that at the end of the day, the PUC gets to decide what happens.

Mr. Magliocchetti noted that it is beneficial for the Council to be respectful to the PUC and to do what they are asking.

Chairman Powell requested a motion to vote on the recommended comments on the Standards and their submission to the PUC. Mr. Magliocchetti made a motion to approve the recommended comments with the following edits: Only include paragraphs #1 (with September 11 date), #2, and #5 and to have Marisa Desautel file them with the Public Utilities Commission by the Comment deadline of August 24, 2018. Mr. Cirillo seconded this motion. All Approved.

5. Energy Efficiency Program Oversight

a) National Grid Presentation: Review of First Draft of 2019 Annual Efficiency Program Plan

Ms. Lane gave a brief intro about the 2019 Energy Efficiency Annual Plan First Draft.

Ms. Lane quickly went over the 2019 Plan Overview, which was followed by Mr. Ray who presented on Residential Program Highlights and Strategic Electrification.

Mr. Wassink went over the Connected Solutions for Residential, and Commercial & Industrial (C&I) programs.

Mr. Rivers covered Pilots and Demonstrations as well as the C&I Highlights, which included some changes to current programs, new initiatives and the roll out of the Rhode Island Digital Application Portal (RIDAP).

Ms. Lane noted that there's going to be some new items in the plan, which include: a fund balance update and EE Charge adjustment prior to the end of the year, coordination with on-going Power Sector Transformation Initiative efforts, and the tracking of additional metrics throughout 2019.

Mr. Richards went over the following: a comparison to the 3-Year Plan, the expected 2019 Electric Benefits, Electric Customer Charge, and Electric Savings, Costs and Benefits. Mr. Richard also covered the 2019 Gas Benefits, Gas Customer Charge, and Gas Savings, Costs and Benefits.

Ms. Henschel quickly highlighted the how the evaluation section for the Residential, and the Commercial & Industrial programs. She noted that the 2nd Draft will have more information about the evaluations.

Ms. Lane finalized the presentation by going over the changes expected for the Second Draft, which include: An updated electric sales forecast; Incorporating feedback and comments received from stakeholders; Incorporating updated fund balance projections; Further updating of the TRM and/or BC model based on the ongoing QA/QC and review by the consultant team; Adding the section on bill impacts analysis; Adding participation counts; and Adding the customer listening forum report.

Ms. Lane also highlighted the schedule and the next steps. She noted that all first draft comments are due by August 30th. The second and final draft of the plan is going to be circulated by September 20th, and on October 4th the EERMC members will meet and vote on it.

Ms. Verrengia stated that she is very excited about the 2019 Annual Plan.

b) National Grid Presentation: Review of First Draft of 2019 Annual System Reliability Procurement (SRP) Plan.

Mr. Chase gave a brief intro about the 2019 System Reliability Procurement Plan.

Mr. Chase highlighted the topics for discussion which included: A Review of Non-Wire Alternative Projects (NWA's); Rhode Island's System Data Portal; the Tiverton Pilot, which included Final Closeout and Evaluation, as well as Savings; the Little Compton Battery Storage Project; and the South County East NWA Projects.

Mr. Chase also went over the Customer-Facing Program Enhancements, Rhode Island Locational Incentives, SRP Incentive Mechanism Proposal, and lastly, the SRP 2019 Proposed Budget and funding request.

c) Preliminary thoughts from the EERMC Consultant Team on First Draft 2019 EE and SRP Plans

Mr. Guerard quickly went over the 2019 EE and SRP Review Process the Consultant Team uses. He highlighted the variable factors first shown at the EERMC's retreat that affect the EE and SRP Plans, the C-Team Trackers, and the process schedule & deadlines.

Mr. Guerard stated that if any Council members would like to submit their comments by August 30th, they need to email, or send their comments directly to him.

d) Council Discussion

Ms. Verrengia asked for more information on the Zero-Energy Pilot. Ms. Henschel stated that she will connect with her offline because Mona Chandra is on vacation this week.

Mr. Osada asked if the Energy Efficiency number on page 11 is correct. Mr. Richards replied that the number is an error, it should be 11, not 1.1.

Mr. Osada would like National Grid to compare all data from previous years, including this year to illustrate the changes, and how the programs have changed. Mr. Osada noted that he doesn't agree with the timing of the preparation of the annual plan. He believes there's not enough time to review the final draft, and vote on it. He stated that he respects the law but asked National Grid why they can't use their best judgement and share results, instead of waiting 20 days to do so.

Mr. Osada stated that the EnergyWise Program is extremely expensive- he asked National Grid if they plan to achieve their goal this year, or surpass that value? Ms. Li answered that their goal is to achieve what they laid out in the 2019 Plan.

Mr. Osada asked if the Little Compton project is included in the demand response program? Mr. Wassink said no. Mr. Osada asked if National Grid is offering incentives for batteries, and how much. Mr. Wassink answered that the incentive amount is yet to be determined.

Ms. Verrengia restated she was not aware of the meeting that the PUC held in July and would like the C-Team to forward her the invites about the meetings that the PUC is holding. Commissioner Grant noted that she will connect with Ms. Verrengia offline to find out which topics interest her, so they can forward her the correct meeting invites.

Mr. Osada asked about the deadline, and how to upload comments on the first draft of the 2019 plan. Mr. Guerard stated that the deadline is August 30th, and all comments need to be submitted to him through email.

6. Public Comment on All Other Topics (including the draft 2019 EE and SRP plans)

Ms. Niedowski reported that the Acadia Center will be submitting more formal written comments after going through all the information provided today.

Ms. Niedowski stated that they see a lot of great things within the 2019 First Draft Annual Plan, including strategic electrification and demand response.

Ms. Niedowski quickly commended the Council, National Grid, OER and the Collaborative on coming very close to the 25MWh of innovation left as “not yet unidentified” in the Three-Year Plan. She noted they had an intense discussion about the goal for 2019, and coming so close to reaching it this year shows the importance of having aggressive saving targets. Ms. Niedowski hopes that they find more savings within the next two weeks and actually reach the goal.

Ms. Salem introduced herself to the Council. On behalf of People’s Power Light, she is now taking the place of Kat Burnham.

Ms. Salem applauded Ms. Niedowski for her comments and agreed with her. She stated that electric heating and demand response is two of PP&L’s top priorities for this year. She also stated that they are very excited about the Energy Efficiency program improvements for renters, moderate-income, and deliver-fuel customers.

Ms. Salem pointed out the gap in lifetime-savings; she noted 2019 has the lowest lifetime saving targets since the 2013 Annual Plan, and there needs to be a greater focus on this.

Ms. Salem agrees with Ms. Niedowski on innovation but would like to see more work on other things besides lighting.

Finally, Ms. Salem thanked the Council for having Public Comment before the vote today on the Standards, and in the future would like to see public comment happen earlier so the Public can get their comments in before the Council does.

7. Adjournment

Chairman Powell requested a motion to adjourn the meeting. Mr. Cirillo made a motion to adjourn, and Ms. Verrengia seconded it. All approved.

The meeting was adjourned at 5:33pm.



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

EERMC FULL COUNCIL MEETING MINUTES

Thursday, September 20, 2018 | 3:30 - 5:30 PM

Conference Room A, 2nd Floor, Department of Administration, Providence, RI

Members in Attendance: Chris Powell, Carol Grant, Karen Verrengia, Shigeru Osada, Joe Cirillo, Jennifer Hutchinson, Betsy Stubblefield Loucks, Joseph Garlick.

Others Present: Rachel Henschel, Mike Guerard, Mark Kravatz, Becca Trietch, Sara Canabarro, Dr. Carrie Gill, Erika Niedowski, John Richards, Matt Ray, Ben Rivers, Courtney Lane, Raquel Webster, Nicole Iannove, Chris Porter, Laura Rodormer, Alice Hourihan, Rachel Sholly, Matt Chase, Tim Roughan, Stephen Lasher, Albert DeMiranda, Dilip Shah, Kurt Teichert

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-september-2018/>

Call to Order

Chairman Powell called the meeting to order at 3:32PM.

1. Approval of Council Meeting Minutes

Chairman Powell requested a motion to approve the minutes for the August council meeting with revisions shown in track changes. Ms. Verrengia made a motion to approve the meeting minutes, and Mr. Cirillo seconded it. All Approved.

2. Executive Report

Commissioner Grant introduced Chris Porter to the Council. She noted that Mr. Porter is taking Mr. McAteer's position, and he is stepping into the role of Director of Customer Energy Management at National Grid. Commissioner Grant stated that he is going to be a great resource for the Council. She quickly highlighted his background.

Mr. Porter thanked Commissioner Grant for the introduction and stated that he is looking forward to working with the Council members and others.

3. Chairperson Report

Chairman Powell stated that the Council will be focusing on the second/final drafts of the 2019 Energy Efficiency Plan and System Reliability Procurement Plan. He noted that due to the large amount of materials that must be covered during today's meeting, he is asking all presenters to stick strictly to their allotted times.

Chairman Powell reported that the second/final versions of the 2019 EE and SRP Plans were just released this morning. Therefore, there is no expectation that Council members or the public will have reviewed these versions of the Plans yet. He noted that the Council will not be voting on these Plans until the next Council meeting on October 4th. Today is an opportunity to hear National Grid's summary of these updated Plans, along with high level findings from the EERMC Consultant Team, and for the Council to ask questions and discuss.

Chairman Powell stated that for those that would like to provide public comments during today's meeting, there is a sign-up sheet near the food and drinks.

Lastly, Chairman Powell gave a personal update about his career change, and that he is starting his new job as Director of Energy Management at Yale New Haven Health on October 1st. He is very excited about this new chapter and his ability to remain an active member of the Council.

4. Council Business

a) Update on Least-Cost Procurement Standards

Mr. Guerard stated that at a hearing on September 6, 2018, the Public Utilities Commission (PUC) voted to approve the revisions to the LCP Standards proposed by PUC staff with some accommodation of stakeholder input, primarily comments from the Division of Public Utilities and Carriers. The language originally proposed by the EERMC back in May 2018 attempted to codify the "less than the cost of supply" test as a comparison between National Grid's standard offer service price and the utility's cost to deliver efficiency. The approved language takes a different approach, requiring that this criterion be met using the Docket 4600A Framework for cost-effectiveness, which captures ALL the costs of efficiency or supply regardless of who bears the costs.

Mr. Guerard reported that the Consultant Team has previously opined that using the Docket 4600A framework as required by the PUC's approved language would result in either:

1. a comparison between the cost of supply and the cost of efficiency that is identical to the outcome of the existing Rhode Island Test for cost-effectiveness, or
2. an inconsistent application of the Framework that would create a cost-effectiveness test more narrowly defined than the RI Test. This opinion is shared by OER and the Division.

Mr. Guerard stated that their understanding is that National Grid in the second draft Plan submittal, and in response to the approved language, will allocate all cost and benefit categories currently included in the RI Test to either the cost of supply or the cost of efficiency, and therefore present a comparison that is equivalent to the cost-effectiveness result. That is, if the portfolio passes the RI Test, it will also meet the less than cost of supply criterion of the LCP Statute. The Consultant Team is supportive of this approach.

Mr. Guerard noted that the EERMC's original proposal for the LCP Standards included an adjustment to one administrative item under the EERMC responsibilities section of the LCP Standards, related to the timing of the Council's "Cost-Effectiveness Report". The EERMC proposed a change to the Standards to extend the timeframe for submitting the Cost-Effectiveness Report to be within three weeks of filing, rather than the current two-week requirement. This change was accepted by the PUC.

Mr. Guerard quickly added that the PUC plans to hold a technical session in late October or November that will cover the application of the Docket 4600A framework for different types of filings. Everyone is welcomed to attend and ask questions/share feedback.

b) Council Discussion & Vote on Budget Increase for Council Legal Services

Ms. Trietch reported that in January 2018, the Council approved an allocation of \$25,000 for EERMC Legal Services for the year of 2018. Since this time, legal services have been required above and beyond what was expected for monitoring the Power Sector Transformation Dockets and the developments regarding the Least-Cost Procurement Standards. As a result, 100% of the allocated \$25,000 have now been spent.

Ms. Trietch noted that to ensure that Attorney Desautel is able to continue representing the EERMC through December 2018, it is recommended that an additional \$14,000 be allocated to legal services for the

2018 year. Per EERMC's contract with Desautel Law, Ms. Desautel shall continue to expense her time at the rate of \$275/hour for all work completed in 2018.

Ms. Trietch stated that the 2018 budget with this recommended change is included in everyone's packets. Currently, the EERMC holds unallocated funds much greater than this added expense.

Chairman Powell requested a motion to vote on a budget increase for EERMC legal services in 2018. Ms. Verrengia made a motion to approve the recommended budget increase for the EERMC legal services in 2018 as shown in the written request. Mr. Garlick seconded this motion. All approved.

5. Energy Efficiency Program Oversight

a) Summary of Comments Submitted on First Draft 2019 EE and SRP Plans from the EERMC Consultant Team

Mr. Guerard gave a brief summary of the Consultant Team's memo that was included as part of the meeting materials for today's meeting. He stated that as presented at the last Council meeting, the Consultant Team used the Core and Variable Factors presented at the May EERMC retreat in order to review the draft EE and SRP Plans. He noted the most important message is that after an in-depth review by the C-Team, OER, the DPUC, National Grid, and Collaborative members, they anticipate that the second draft will increase the savings estimates for both gas and electric portfolios – bringing both over the EERMC-established Targets – and that the proposed budgets for both portfolios will decrease between the 1st and 2nd drafts.

Mr. Guerard reported that once the C-Team goes through the second/final draft thoroughly, they will summarize the key changes for Council members. Mr. Guerard stated that the National Grid team will give more details about the changes to the Plans during their presentation later in this meeting.

Chairman Powell asked how the Navy CHP Project will affect the 2019 EE Plan and if it's going to have a big impact on the goals. Mr. Guerard explained that the Navy CHP Project will result in slight modifications to the Plan's text regarding the process for notification when CHP incentives will exceed \$3 million.

Ms. Henschel explained that the 1st draft of the EE Plan included a commitment of \$3 million for the Navy CHP even though the project will not be completed until 2020 or 2021. She stated that the total incentive should be in the range of \$7.5 million once the project is complete. She noted that by starting to collect funding to support the full incentive in 2019, National Grid will mitigate a future increase in required SBC collections in the year the full amount is due to the Navy. Whether this 'pre-funding' is prudent, is a matter for consideration by the EERMC.

b) National Grid Presentation: Overview of Second/Final Draft of the 2019 Annual Energy Efficiency (EE) Program Plan.

Ms. Lane gave a brief intro about the Second/Final 2019 Annual Energy Efficiency Program Plan. She stated that the final draft incorporates feedback from OER, EERMC C-Team, People's Power & Light (now Green Energy Consumer Alliance), Acadia Center, TEC-RI, and City of Providence. She noted that the screening models underwent extensive review by the C-Team, and this final draft balances stakeholder interests, lower budgets and maintains the Company's commitment to innovation.

Ms. Rodormer went over the Changes to the Residential Sector.

Mr. Rivers covered the changes to the Commercial & Industrial (C&I) Sector, quickly highlighting the Navy CHP 2020 commitment decrease from \$3million to \$2.8 million, and asking the EERMC to give feedback on whether the commitment should be included in the Plan or not.

Ms. Lane highlighted changes to the Main Text, which included the creation of an executive summary; text updates to comply with the PUC's recent revised Standards; an added section on how EE advances Docket 4600 principles and goals for the electric and gas systems; and last but not least, all graphs and tables are now complete and the bill impacts analysis have been included this latest draft.

Mr. Richards went over the Evaluation Results on Residential and C&I programs. He also gave an overview of the numbers, noting that in comparing the 1st with the 2nd draft of the Plans, the latest draft now meets both the electric and gas program savings goals.

Mr. Richards also showed a comparison of the programs over 2017, 2018 and 2019 for both electric and gas programs, as previously requested by Mr. Osada at the last EERMC meeting.

Ms. Lane then showed the electric program savings in MMBtus in order to better display impacts from more delivered fuels savings, which was also a request by EERMC at the last meeting. Ms. Lane noted that the Final Draft creates the following benefits: 1) Total benefits of \$656 Million over the life of the measures; 2) Avoids \$1.1 Million tons of carbon emissions; and 3) Investments in Plan will add \$85.7 Million to RI's Gross Domestic Product (GDP) and will create 1,257 job-years of employment.

Mr. Richards then went over the Final Draft Bill Impacts Analysis and Ms. Lane described what goes into a customer's bill by showing a sample energy bills.

Lastly, Ms. Lane finished the presentation by going over a Conclusion slide. She highlighted that Energy Efficiency is the least cost form of energy and empowers customers to take control of their energy bills. She noted that the Final Draft:

- Incorporates hundreds of stakeholder comments
- Complies with Least- Cost Procurement and the Standards
- Meets the Three-Year Plan savings targets
- Provides savings opportunities to all customer segments
- Is cost-effective and less than the cost of supply; and
- Benefits Rhode Island's citizens, environment, and economy

c) National Grid Presentation: Review of Second/Final Draft of the 2019 System Reliability Procurement (SRP) Plan.

Mr. Chase from National Grid, gave a brief intro to the 2019 System Reliability Procurement Plan (SRP). He gave an overview of what SRP is, and what Non-Wires Alternatives (NWA) are. He also went over feedback received from the Collaborative on the first draft of the SRP Plan.

Mr. Stephen Lasher covered the Customer-Facing Program Enhancement Study and Mr. Roughan and Mr. Chase went over the revisions since the first draft of the SRP Plan.

Mr. Chase then went over the SRP 2019 Proposed Budget and Funding Request.

Mr. Chase finished the presentation by going over a Conclusion slide. He highlighted that SRP is the path to provide lower supply and delivery costs and enhanced forms of energy to Rhode Island customers. He noted that the 2018 SRP Report:

- Complies with Least-Cost Procurement Law and the Standards
- Proposes NWA opportunities that are cost-effective, reliable, prudent and environmentally responsible; and
- Benefits the citizens of Rhode Island, the environment, and the economy.

d) Public Comment on 2019 EE and SRP Plans

Dr. Gill read a comment from Jonathan Schrag, Deputy Administrator at the Division of Public Utilities & Carriers. This letter was included in the Council member packets and was also posted on the EERMC website as a meeting material.

Ms. Niedowski from the Acadia Center, stated that she is pleased that the Plan will now meet the electric savings target set by the Council with decreased costs. However, she flagged the cost per lifetime savings, and noted she will keep an eye on this metric going forward.

Ms. Niedowski also noted that she is pleased to see an expansion of heating electrification goals. She is happy that the PUC gave guidance on the Least-Cost Procurement Standards and noted that the Acadia Center will participate in the technical session that the PUC will host in October/November.

Lastly, Ms. Niedowski restated that the programs are cost-effective and less than the cost of supply no matter which test is used. She quickly noted that she will be seeking more information on the incentives proposed for the System Reliability Procurement Plan.

e) Council Discussion

Mr. Cirillo asked Ms. Trietch and National Grid Team to please avoid using abbreviated words and acronyms in the agenda, presentations, and in documents shared with the Council members.

Chairman Powell agreed with Mr. Cirillo's comment and noted that is particularly hard to understand abbreviations and acronyms for the System Reliability Procurement Plan since it is fairly new to Council members.

Ms. Hutchinson stated that her and her team will try harder to avoid the use of abbreviations in the future.

Ms. Verrengia commented that she is amazed, and extremely happy with many of the outcomes included in the Second/Final Draft of the Plan. She also applauded everyone's hard work that has gone into this process.

Chairman Powell stated that he believes battery storage is not yet cost-effective. However, SRP seems to be investing heavily in it. He asked the SRP Team if there are any other options that are more cost-effective, and what the reason is for investing in batteries right now.

Mr. Chase explained that for the pilot project using battery storage, batteries are indeed cheaper and more cost-effective than the substation/wire upgrades that would have been needed otherwise.

Mr. Osada asked if the battery storage could last longer or provide greater capacity relief than the 250MW over 4 hours that it is designed for. Mr. Chase answered that it can only provide the energy/capacity relief it is engineered to provide.

Ms. Henschel stated that if the Council is interested to learn more about battery storage, she can have a team member expert come to one of the upcoming EERMC meetings to present on it.

Chairman Powell thought that would be a great idea to have a presentation on battery storage in the future. He also thanked both National Grid's teams for doing a great job at presenting, for their hard-work and to sticking to their time allotments during the meeting.

Mr. Guerard noted that as the C-Team processes the latest version of the EE and SRP Plans during the next week, they will connect with the Council members individually to go over any feedback, questions or concerns they might have prior to the council vote at the Oct 4th meeting.

6. Public Comment on All Other Topics

No Comments.

7. Adjournment

Chairman Powell requested a motion to adjourn the meeting. Mr. Garlick made a motion to adjourn, and Ms. Verrengia seconded it. All approved.

The meeting was adjourned at 5:07pm.



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

EERMC FULL COUNCIL MEETING MINUTES

Thursday, October 4, 2018 | 3:30 - 5:30 PM

Conference Room A, 2nd Floor, Department of Administration, Providence, RI

Members in Attendance: Chris Powell, Carol Grant, Karen Verrengia, Joe Cirillo, Jennifer Hutchinson, Betsy Stubblefield Loucks, Anthony Hubbard, Tom Magliocchetti, Joseph Garlick.

Others Present: Nick Ucci, Rachel Henschel, Mike Guerard, Mark Kravatz, Jeff Loiter, Becca Trietch, Sara Canabarro, Dr. Carrie Gill, Erika Niedowski, Kai Salem, Matt Ray, Ben Rivers, Courtney Lane, Raquel Webster, Chris Porter, Laura Rodormer, Dilip Shah, Puja Vohra, Jonathan Schrag, Craig Johnson, Roo Harcourt, Albert DeMiranda, Sam Ross

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-october-2018/>

1. Call to Order

Chairman Powell called the meeting to order at 3:36PM.

2. Approval of Council Meeting Minutes

Chairman Powell requested a motion to approve the minutes for the September council meeting. Mr. Cirillo made a motion to approve the meeting minutes, and Ms. Verrengia seconded it. All Approved.

3. Executive Report

Commissioner Grant reported that included in today's packets is the ACEEE one-page scorecard and Rhode Island ranked #3 in the Nation. This is the second year Rhode Island has been rated #3, right behind Massachusetts and California. Commissioner Grant thanked everyone for their hard work and making this happen again.

Commissioner Grant announced that Mr. Osada and Ms. Williamson have resigned from their Council positions. She stated that she appreciates everyone for their services and hard work here at the Council, and she is looking forward to presenting new nominations.

Ms. Stubblefield Loucks asked who Ms. Williamson was representing. Commissioner Grant replied she was the Municipal representative.

Ms. Verrengia asked how long it takes to appoint another Council member. Commissioner Grant replied it takes a very long time- it is a very lengthy process and it may go up to the end of the legislative session in 2019.

Chairman Powell added that it is very important to keep an eye on the voting items and have a full participation from the Council members in order to have a quorum to approve Council items.

4. Chairperson Report

Chairman Powell reported that during today's meeting the Council will be voting on the approval of the 2019 Energy Efficiency and System Reliability Procurement Plans. He noted that the Council will be hearing from the Consultant Team, National Grid, and the public before the vote. He asked the Council members to feel free to ask questions at the end of the presentations in order to gain clarity before the vote.

Chairman Powell stated that in addition to voting on the Plans today, the Council will also be voting on the Consultant Team's cost-effectiveness report and attending to some council business towards the end of the meeting.

Chairman Powell stated that to assist the Council members with the meeting today, there is a sheet with recommended discussion questions and vote language attached to the agendas. And, for those that would like to provide public comments during today's meeting, there is three different sign-up sheets: one focused on the EE and SRP Plans, one focused on the Cost-Effectiveness report drafted by the Consultant Team, and one for all other public comments.

5. Energy Efficiency Program Oversight

a) Consultant Team Presentation on 2019 Annual Energy Efficiency (EE) Program Plan and 2019 System Reliability Procurement (SRP) Plan

Mr. Guerard and Mr. Kravatz gave a brief intro on the outline of the EE Plan presentation.

Mr. Kravatz covered the review process for the Energy Efficiency Plan and the System Reliability Procurement Plan.

Mr. Guerard went over the 2019 EE Plan Highlights and the Residential and C&I Sector highlights. Some of the policy achievements include:

- 100% landlord incentives to help overcome the tenant- landlord disincentive
- Online home energy assessments and online assessment scheduling
- A proposal to update fund balances for Dec 1st in order to improve rate accuracy
- Commitment to enhance coordination between SRP and EE teams
- And a rework of the Small Business qualification requirements

Ms. Trietch noted that the Office of Energy Resources is very proud of all of the policy achievements within the EE Plan. These are all great improvements for customers in Rhode Island.

Mr. Guerard continued the presentation by reviewing proposed amendments that were still needed within the EE Plan. Two of the ten recommended amendments were described by Mr. Loiter. He explained the Cost of Supply and the BCR Model amendments. (Please see presentation for more details)

Chairman Powell asked what the needed amendment to the cost of supply values. Mr. Loiter explained that the amendment was needed due to a transcription error within the calculation.

Mr. Guerard summarized the consultant team's recommendation to approve the 2019 Energy Efficiency Plan with the ten amendments described in the presentation.

Mr. Loiter then presented the consultant team's perspective on the 2019 System Reliability Procurement Plan. He summarized what the goals of the SRP Plan are and reminded the audience what of the definition of non-wires alternatives (NWAs). He then summarized the major components of the 2019 SRP Plan, the major changes that occurred in the Plan from the first draft to this latest draft and recommended approval of the SRP Plan with three necessary amendments. (Please see the presentation for more details)

b) National Grid Presentation: Company's View on Recommended Amendments to the 2019 Annual Energy Efficiency Program Plan & 2019 Annual System Reliability Procurement (SRP) Plan

Ms. Lane and the National Grid Team came up to the front of the Council and asked if the Council members had any questions about the 2019 Energy Efficiency Plan. She noted that National Grid supported the amendments recommended by the C-Team for the EE Plan.

The Council members did not have additional questions for National Grid's team.

Mr. Chase came up and noted that he supported the recommended amendments shared by the C-Team for the SRP Plan.

The Council members did not have additional questions for Mr. Chase about the SRP Plan.

c) Public Comment on 2019 EE and SRP Plans

Ms. Salem on behalf of the Green Energy Consumers Alliance (formerly Mass Energy and People's Power & Light) thanked the Council and everyone for their hard work.

Ms. Salem highlighted a few sections of the plan:

- Incentives for delivered fuel customers and 100% landlord incentives
- Language addressing low-to-moderate income Rhode Islanders

Ms. Salem stated that this plan represents a strong, collaborative engagement of stakeholders, supports Zero-Energy Buildings, and has great gas and electric savings goals. She noted the plan also includes heating electrification and demand-response. However, she stated that this is just the beginning for these initiatives, as they are both extremely important for Rhode Island's clean energy future.

Ms. Salem reported that the heat pumps listed on the Plan are not sufficient. Even though the number of pumps increased from the 1st draft, to this draft, these numbers should be higher than 30 projects. She noted they would've liked to see more details on battery storage and demand response as well.

Ms. Salem added that the Plan comes up short on a few key items:

- The KW Capacity savings target was not met
- The lifetime savings in this Plan is the lowest they have seen in years

Ms. Salem concluded that overall, the 2019 EE Plan is a great plan, and it includes heating electrification and demand response. She advises the Council to vote yes to approve the Plan.

Dr. Gill on behalf of OER, stated that OER is in full support of the approval of the EE and SRP Plans. She noted the increased commitment to stakeholder engagement as an improvement to the 2019 SRP Plan.

Ms. Niedowski on behalf of Acadia Center, thanked the Council for the opportunity to speak. She stated that she is very pleased that RI earned a perfect score on the ACEEE Scorecard for its utility policies and programs for the fifth year in a row and continues to achieve amongst the highest levels of savings in the country.

Ms. Niedowski stated that the Energy Efficiency world was facing a set-back in 2018 because of the budget scoop and cap but is pleased that EE appears to be back on track this year with this 2019 EE Plan. She noted the plan provides great economic benefits, and that it is a strong plan that is cost-effective and costs less than supply. Ms. Niedowski noted that the plan also advances the electrification efforts which she is very happy about. She added that she is pleased to see that the 2019 EE Plan includes demand

response and applauds the efforts to better serve hard to reach sectors including renters and low income customers.

Ms. Niedowski urges National Grid to lower lifetime-costs. However, she is pleased that the lifetime costs dropped between drafts even as more savings were found. She stated that Acadia Center supports the 2019 EE plan and urges the Council to approve it.

Mr. Shah on behalf of City of Providence thanked everyone for their hard work on the Energy Efficiency Plan and System Reliability Procurement Plan. He stated that the City of Providence fully supports the approval of the Plans. He added that he would like to give special thanks to National Grid for being so responsive to the City's comments on the draft Plans.

Mr. Schrag thanked the Consultant Team, OER and National Grid for their hard-work, particularly Mike Guerard and Jeff Loiter. He stated that the DPUC supports both the EE and System Reliability Procurement Plans. In the SRP Plan the DPUC supports the inclusion of action-based incentives as a stepping stones to solely relying on savings-based incentives. Mr. Schrag also applauded the System Data Portal efforts and noted that Distribution System Planning needs should continue to be added to the Portal. Mr. Schrag restated that the DPUC supports the SRP Plan.

d) Council Discussion & Vote on the 2019 Annual Energy Efficiency Program Plan & the 2019 Annual SRP Plan

Chairman Powell stated that he needs a little more guidance in understanding the lifetime savings goals issue. He asked if the lifetime savings goals are dropping, wouldn't it conflict with the work the Council is doing. He noted that it seems like this is a conflicting goal.

Ms. Trietch gave a little bit of a background and stated that the Annual Saving Goals are different from the lifetime saving goals. She noted National Grid is working to track lifetime savings data to determine if lifetime savings goals should be considered for the future. Right now, the Plans are only required to achieve annual energy savings goals.

Mr. Guerard noted that the lifetime savings are not a required target and the smaller amount of lifetime savings in the 2019 Plan are caused by a "last bite at the lighting apple". Mr. Guerard stated that the Potential Study the C-Team is doing will probably look into this issue and help to address it in future plans.

Ms. Henschel agreed with Ms. Trietch and Mr. Guerard's comments. She noted National Grid isn't taking credit for much of the savings achieved by LED lighting installations, and that's one of the reasons why the goals are lower. She stated this is something National Grid is going to keep working on, even though there is a long way to go, her team is committed.

Ms. Henschel applauded the comments by Ms. Salem and Ms. Niedowski. She made a quick remark about additional efforts in 2019 related to Codes & Standards, and how they have incorporated evaluation results into the savings calculations. She also stated that GHG and lifetime savings are still happening, even if the programs aren't taking credit for them.

Chairman Powell stated that this issue seems like a priority, and the Council should definitely focus on this in the coming year.

Mr. Rivers quickly added that other program offerings such as SEM, retro-commissioning may also provide limited lifetime-savings.

Chairman Powell requested a motion to vote to approve the 2019 Annual Energy Efficiency Program Plan & the 2019 Annual SRP Plan.

Mr. Hubbard made a motion to approve the latest versions of the 2019 Energy Efficiency Program Plan and 2019 System Reliability Procurement Plan submitted by National Grid to the Council with the C-Team recommended EE amendments 1-10 and C-Team recommended SRP amendments 1-3 as shown in their presentations. The Council also directs Marisa Desautel to provide a signature page to National Grid prior to October 15th as part of the Settlement of Parties for the PUC filing. Mr. Cirillo seconded this motion.

Ms. Verrengia excused herself from the vote; All approved.

6. Council Business

a) Consultant Team to Present a Draft Cost-Effectiveness Report on the 2019 Annual Plans

Mr. Guerard gave a brief introduction to the presentation.

Mr. Loiter went over the C-Team Review Process. He also covered the Cost of Efficiency vs Cost of Supply and Cost Comparison Results.

Mr. Loiter then went over the C-Team Review Process for the System Reliability Procurement Plan, and the Summary of Benefit Cost Results from SRP.

Please see the presentation for more details.

b) Public Comment on the Cost-Effectiveness Report

No comments.

c) Council Discussion & Vote on Cost-Effectiveness Report for filing with the Public Utilities Commission

Chairman Powell requested a motion to vote to approve the Cost-Effectiveness Report for Filing with the Public Utilities Commission.

Mr. Magliocchetti made a motion to approve the cost-effectiveness report as currently written and to direct the consultant team to complete the few highlighted sections within the document and to submit the report to the PUC prior to the November 5' 2018 deadline. Mr. Cirillo seconded this motion. All approved.

d) Council Discussion & Vote on Contract Extension for the Consultant Team

Chairman Powell stated that the Council already approved the C-Team contract through the RFP Process, but each year the Council has to approve a one-year contract extension. He noted there is 2018's proposed scope of work included in today's packets for Council members to reference when making their decision. The scope of work was for \$615,000 but some additional items have been included and it adds up to a total of over \$735,000.

Ms. Trietch added that the C-Team's contract is indeed approved up to three-years, but it has to be renewed every year. If the Council votes yes, the C-Team will draft a new Scope of Work for 2019 and will present it at the November meeting. She noted the Scope of Work included in today's packets is their 2019 scope of work.

Chairman Powell reported that for today's vote, the Council is only voting to approve the extension of their contract, not including any dollar amounts.

Chairman Powell requested a vote to approve the Contract Extension for the Consultant Team.

Ms. Verrengia made a motion to direct Marisa Desautel to draft a one-year contract extension letter to be executed by the Chair and Optimal Energy before December 3, 2018 and after a Scope of Work has been reviewed by the Council for 2019. Ms. Stubblefield Loucks seconded this motion. All approved.

7. Public Comment on All Other Topics

Mr. Cirillo stated that in 1935 you could buy a tiny book for 0.35 cents that contained the entire Providence building codes. He noted that back then, language was incredibly simpler and more accessible to the public. He believes that nowadays, no one would understand what we voted on, and we should strive to make this language better and easier for the public to understand.

No additional comments.

8. Adjournment

Chairman Powell requested a motion to adjourn the meeting. Mr. Cirillo made a motion to adjourn, and Mr. Magliocchetti seconded it. All approved.

The meeting was adjourned at 5:19pm.