

(By Email)

December 09, 2019

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

Re: Docket No. 4979 – National Grid – 2020 Energy Efficiency Program

Dear Ms. Massaro:

Thank you, on behalf of Acadia Center, for the opportunity to provide a letter of support for the 2020 Energy Efficiency Plan (“the 2020 Plan” or “the Plan”) in Docket No. 4979. Acadia Center is a non-profit research and advocacy organization committed to advancing the clean energy future and is at the forefront of efforts to build clean, low-carbon, and consumer-friendly economies.

Acadia Center participated extensively in the development of the 2020 Plan through the Energy Efficiency (EE) Technical Working Group, which includes a variety of stakeholders and advocates. Acadia Center cannot overstate the value of using a robust, collaborative stakeholder process to leverage diverse areas of expertise and incorporate a broad array of priorities into a plan advancing proven climate solutions.

The Plan delivers significant consumer, economic and environmental benefits. Without the energy efficiency investments in the Plan, Rhode Islanders would have to spend an extra \$192M on electricity supply and an extra \$21M on natural gas supply. According to the Plan, the investments made in energy efficiency to achieve these savings are projected to add \$278.8 million to Rhode Island’s state gross domestic product and generate total benefits of more than \$746 million over the life of the measures. The projected lifetime energy savings from the Plan will also avoid over one million tons of carbon pollution from entering the atmosphere. In short, energy efficiency continues to represent a tremendous value for ratepayers and reinforces the fact that investments in the environment spur near- and long-term economic growth.

The Plan covers the third year of the 2018-2020 Three-Year Plan (3YP) approved in Docket 4684. While the Plan does not reach the annual electric savings goal originally projected for 2020 in the 3YP, it builds on the foundation and execution of past plan years and completes the 2018-2020 cycle with a savings total exceeding the cumulative targets in the 3YP. In particular, Acadia Center commends the Company’s efforts in exceeding gas savings goals for the 3YP. These results demonstrate an opportunity to set and achieve higher savings targets for both gas and electricity in the next 3YP, using the most successful years of the 3YP as an inspiration for additional savings.

The Plan makes incremental advances on key priorities critical to the next generation of energy efficiency policy:

- **Equity:** The 2020 Plan includes a series of improvements for low-income program delivery that were identified during a recent process evaluation. Acadia Center is hopeful these improvements will make the EE programs more accessible to underserved segments, including renters. Additional progress on this front will be necessary in future EE plans.
- **Strategic Electrification:** The Plan doubles the deployment of electric heat pumps in Rhode Island. Still, there is much more work to do to support the transition from fossil fuels. According to Acadia Center's [EnergyVision 2030](#) analysis, at least 13% of oil, gas, and propane heating in homes and 5% of heating in businesses in the Northeast must be converted to electric heat pumps by 2030 to put the region on track to meet its greenhouse gas emissions goals. To capture this potential in Rhode Island, heat pumps must be more aggressively promoted through incentive programs, consumer education, workforce training, and electric rate design. Electrification of the heating sector is critically important to the state's efforts to decarbonize and reduce its overreliance on all fossil fuels. As the predominant supplier of both electricity and gas in this state, National Grid has a unique role in moving customers away from all fossil fuels.
- **Active Demand Response:** Acadia Center is pleased to see efforts to reduce peak gas usage through active demand programs. In addition to pursuing strategies to reduce overall reliance on fossil fuels, like gas, it is critically important to address the costliest energy use that occurs during peak demand.
- **Performance Incentives:** Acadia Center supports the proposed carveout tying a portion of the performance incentive to heat pump deployment and fuel-neutral savings for delivered fuel customers.
- **Internal Processes:** Acadia Center is concerned by the Company's internal processes that enabled the error in the Energy Efficiency/System Reliability Procurement (SRP) fund balance tracking sheets and the lack of internal reviews that should have discovered the error more quickly. The Company should take all necessary steps to review internal policies and processes to ensure that such an oversight does not occur in the future.

In conclusion, the EE programs are well-positioned to help Rhode Island's continued transition to a clean energy future. Energy efficiency remains the lowest-cost, cleanest energy resource available, and the 2020 EE Plan builds on the state's national leadership in delivering the benefits of energy efficiency to Rhode Island households and businesses. Acadia Center believes the 2020 Energy Efficiency Plan meets its obligation under the Least Cost Procurement statute and respectfully urges the Commission to approve it.

Respectfully,



Hank Webster

Policy Advocate & Staff Attorney