

December 4, 2019

BY HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: Docket 4979 – The Narragansett Electric Company d/b/a National Grid
2020 Energy Efficiency Program Plan
Responses to PUC Data Requests – Set 2**

Dear Ms. Massaro:

I have enclosed 11 copies of National Grid's¹ responses to the Public Utilities Commission's (PUC) Second Set of Data Requests in the above-referenced docket.

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

Sincerely,



Raquel J. Webster

Enclosures

cc: Docket 4979 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.

Raquel J. Webster, Esq.

December 4, 2019
Date

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Service list updated 10/30/2019**

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PUC 2-1

Request:

On Bates 164 of the EE plan it says that the “direct customer rebates tied to the applicable delivered fuel measures, plus a proportionate amount of overall program fixed costs, resulting in approximately 11% of the spending budget being tied to the delivered fuel measures in the carveout.” The total electric efficiency budget is \$111,400,000 (PUC 1-1). The budget for all measures eligible for the proposed delivered fuels performance incentive is \$8,175,000 (PUC 1-19). Please provide an itemization of the overall program fixed costs and breakdown of how the overall program fixed costs are apportioned to the delivered fuels measures in the carveout.

Response:

Of the total electric efficiency budget cited in the request (\$111.4 Million), the electric eligible spending budget for 2020 is \$101.35 Million, as derived in Attachment 5, Table E-3 of the plan filing.¹ As shown in the response to PUC 1-19, the total budget for all rebates and other *customer incentives* for the proposed Delivered Fuels Performance Incentive is \$8,175,000. In order to allocate other programmatic costs included in the eligible spending budget between the Core and Delivered Fuels performance incentive mechanisms the Company followed the process outlined below.

First, the Company determined the subtotal of the eligible spending budget comprised of rebates and other customer incentives. This value is shown on line 2, column B in the table below. Next, this subtotal was further split into rebates and other customer incentives for measures included in the Delivered Fuels Performance Incentive and the Core Performance Incentive as shown on lines 3 and 4, column B, as subtotals of line 2. Lastly, the Subtotal of Rebates and Other Customer Incentives (line 2) was subtracted from the total Eligible Spending Budget (line 1) to calculate the subtotal for Other Programmatic Costs (line 5).

Next, line 5 was allocated into Other Programmatic Costs for the Delivered Fuel Performance Incentive and Other Programmatic Costs for the Core Performance Incentive in lines 6 and 7, respectively. The allocation of Other Programmatic Costs for the Delivered Fuel Performance Incentive measures was made by multiplying the Subtotal for Other Programmatic Costs (line 5) by the ratio of the Rebates and Other Customer Incentives (Delivered Fuels Performance Incentive Measures) to the subtotal of all Rebates and Other Customer Incentives. The allocation

¹ Note that the budget figures cited in this response are based on Attachment 5 budget tables that will be re-filed for this docket prior to the hearing.

The Narragansett Electric Company
d/b/a National Grid
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of Other Programmatic Costs for the Core Performance Incentive measures was made by multiplying the Subtotal for Other Programmatic Costs (line 5) by the ratio of the Rebates and Other Customer Incentives (Core Performance Incentive Measures) to the subtotal of all Rebates and other Customer Incentives. Each of these calculations is noted in column C of the table below.

	Budget Category	Value	Derivation
Line No	(a)	(b)	(c)
1	Total Electric Eligible Spending Budget	\$101,347,068	N/A
2	Subtotal - Customer Incentives	\$74,449,810	N/A
3	Rebates and Other Customer Incentives (Delivered Fuels Performance Incentive Measures)	\$8,175,000	N/A
4	Rebates and Other Customer Incentives (Core Performance Incentive Measures)	\$66,274,810	N/A
5	Subtotal Other Programmatic Costs	\$26,897,258	B1 – B2
6	Other Programmatic Costs (Delivered Fuels Performance Incentive Measures)	\$2,953,467	B5 * (B3/B2)
7	Other Programmatic Costs (Core Performance Incentive Measures)	\$23,943,891	B5 * (B4/B2)
8	Subtotal – Electric Eligible Spending Budget for Delivered Fuels Performance Incentive	\$11,128,467	B3 + B6
9	Subtotal – Electric Eligible Spending Budget for Core Performance Incentive	\$90,218,600	B4 + B7

The subtotal of rebates and other customer incentives and allocated costs for the Delivered Fuels Performance Incentive represents 11% of the electric eligible spending budget ((line 8 ÷ line 1) * 100).

Because not all program costs are planned at the measure level, it is not possible to provide an itemization of the fixed costs for the measures included in the Delivered Fuel Performance Incentive. As a proxy for this, the Company instead relied upon relative levels of rebates and other customer incentives, which represent both the majority of program spend as well as the one cost item that is consistently defined and planned at the measure level.

These percentages were the basis of allocating non-rebate and other customer incentive costs across measures in order to establish the relative sizes of each component of the Performance Incentives based on planned budget levels.

PUC 2-2

Request:

Referring to the response to PUC 1-19, Attachment PUC 19, Page 1 of 1:

- a. For each Row in Columns (J), (K), (L) please monetize, and provide the calculation to monetize, the kWh values or MMBtu values presented.
- b. For each row, please provide the anticipated payback period for the customer adopting the measure.
- c. For each row in Columns (K) and (L), please provide the kWh equivalent of the MMBTU values presented.

Response:

Please see Attachment PUC 2-2 for the requested information in updated versions of the attachment provided in response to PUC 1-19.

- A. The electric energy (kWh) and oil and propane (MMBtu) savings are monetized by multiplying each energy savings value by corresponding price per unit savings. In the revised attachment, see Columns (S), (T), (U) for the monetized savings for electric, oil, and propane. The calculation method is noted for each fuel and further details, including sources for prices, are listed in notes.
- B. Please see Column (W) in Attachment PUC 2-2 for the calculated simple payback period for each row.
- C. Please see Column (L) for the annual delivered fuel savings converted to kWh and Column (N) for all fuel savings (electric, oil, propane) converted to kWh.

Line	Sector	Program	Measure (Benefit Cost Model Abbreviation)	Measure (Full Name)	Count of Installations	Cost of Installations (Total Resource Cost)	Budget for Installations (Total of Customer Incentives)	Percentage of Cost of Installation Provided as Incentive to the Participant (100*participant incentive/measure cost) per unit	Percentage of Cost of Installation Provided as Incentive to a non-delivered fuels participant per unit for Comparable Measure	Net Annual Electric Savings Per Unit	Net Annual Delivered Fuel Savings Per Unit		Total Net Annual Electric and Delivered Fuel Savings Per Unit		Customer Cost Per Unit	Residential Electric Rates (\$/kWh) ^B	Heating Oil Price (\$/MMBtu) ^C	Propane Price (\$/MMBtu) ^D	Monetized Annual Electric Energy Savings	Monetized Annual Oil Energy Savings	Monetized Annual Propane Energy Savings	Total Annual Monetized Energy Savings	Simple Payback Period
											kWh	MMBtu	kWh ^A	MMBtu									
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	
1	Residential	EnergyStar HVAC	CDHP Fully Displ Furnace, Oil	Central Ducted Heat Pump Fully Displacing Furnace - Oil	8	\$100,541	\$24,000	24%	N/A	-6,725.7	78.0	22,869.3	55.1	16,143.6	\$9,568	\$0.18837	\$19.65	\$33.11	-\$1,267	\$1,533	N/A	\$266	35.91
2	Residential	EnergyStar HVAC	CDHP Fully Displ Furnace, Propane	Central Ducted Heat Pump Fully Displacing Furnace - Propane	2	\$25,387	\$6,000	24%	N/A	-6,725.7	78.0	22,869.3	55.1	16,143.6	\$9,694	\$0.18837	\$19.65	\$33.11	-\$1,267	N/A	\$2,584	\$1,317	7.36
3	Residential	EnergyStar HVAC	CDHP PART DISPFURNACE, OIL	Central Ducted Heat Pump Partially Displacing Furnace - Oil	50	\$450,225	\$150,000	33%	N/A	-3,682.8	51.8	15,182.9	39.2	11,500.1	\$6,005	\$0.18837	\$19.65	\$33.11	-\$694	\$1,018	N/A	\$324	18.52
4	Residential	EnergyStar HVAC	CDHP PART DISPFURNACE, PROP	Central Ducted Heat Pump Partially Displacing Furnace - Propane	3	\$27,014	\$9,000	33%	N/A	-5,388.3	68.8	20,176.1	50.5	14,787.8	\$6,005	\$0.18837	\$19.65	\$33.11	-\$1,015	N/A	\$2,280	\$1,265	4.75
5	Residential	EnergyStar HVAC	CDHP PART No Control DispFurnace, OIL	Central Ducted Heat Pump Partially Displacing Furnace w/o Controls - Oil	10	\$81,041	\$20,000	25%	N/A	-4,849.5	62.0	18,158.5	45.4	13,309.1	\$6,104	\$0.18837	\$19.65	\$33.11	-\$913	\$1,217	N/A	\$304	20.08
6	Residential	EnergyStar HVAC	CDHP PART No Control DispFurnace, PROP	Central Ducted Heat Pump Partially Displacing Furnace w/o Controls - Propane	5	\$40,520	\$10,000	25%	N/A	-3,314.5	46.6	13,664.6	35.3	10,350.1	\$6,104	\$0.18837	\$19.65	\$33.11	-\$624	N/A	\$1,544	\$920	6.64
7	Residential	EnergyStar HVAC	DMSHP FULL DISPBOILER, OIL	Ductless Mini-Split Fully Displacing Boiler - Oil	10	\$125,676	\$30,000	24%	45%	-7,888.5	92.0	26,976.3	65.1	19,087.8	\$9,568	\$0.18837	\$19.65	\$33.11	-\$1,486	\$1,809	N/A	\$323	29.64
8	Residential	EnergyStar HVAC	DMSHP FULL DISPBOILER, PROP	Ductless Mini-Split Fully Displacing Boiler - Propane	4	\$50,270	\$12,000	24%	45%	-7,918.2	92.0	26,976.3	65.0	19,058.1	\$9,568	\$0.18837	\$19.65	\$33.11	-\$1,492	N/A	\$3,048	\$1,556	6.15
9	Residential	EnergyStar HVAC	DMSHP WIC PART DISPBOILER, OIL	Ductless Mini-Split Partially Displacing Boiler with Integrated Controls - Oil	10	\$101,952	\$30,000	29%	45%	-4,509.0	60.0	17,599.1	44.7	13,090.1	\$7,195	\$0.18837	\$19.65	\$33.11	-\$849	\$1,180	N/A	\$331	21.76
10	Residential	EnergyStar HVAC	DMSHP WIC PART DISPBOILER, PROP	Ductless Mini-Split Partially Displacing Boiler with Integrated Controls - Propane	2	\$20,390	\$6,000	29%	45%	-6,421.5	81.2	23,800.4	59.3	17,378.9	\$7,195	\$0.18837	\$19.65	\$33.11	-\$1,210	N/A	\$2,689	\$1,480	4.86
11	Residential	EnergyStar HVAC	DMSHP woIC PART DispBoiler, Oil	Ductless Mini-Split Partially Displacing Boiler w/o Controls - Oil	50	\$458,784	\$100,000	22%	45%	-4,058.1	54.0	15,839.2	40.2	11,781.1	\$7,176	\$0.18837	\$19.65	\$33.11	-\$764	\$1,062	N/A	\$298	24.12
12	Residential	EnergyStar HVAC	DMSHP woIC PART DispBoiler, Prop	Ductless Mini-Split Partially Displacing Boiler w/o Controls - Propane	1	\$9,176	\$2,000	22%	45%	-5,779.4	73.1	21,420.4	53.4	15,641.0	\$7,176	\$0.18837	\$19.65	\$33.11	-\$1,089	N/A	\$2,420	\$1,332	5.39
13	Residential	EnergyWise Single Family	Wx - OIL	Weatherization - Oil	1,700	\$6,800,000	\$5,100,000	75%	75%	96.9	14.0	4,103.2	14.3	4,200.1	\$1,000	\$0.18837	\$19.65	\$33.11	\$18	\$275	N/A	\$293	3.41
14	Low Income	Low Income Single Family	AMPMinisplit Heat Pumps - Oil Fuel Switching	Ductless Mini Split Heat Pump Displacing Oil	20	\$300,000	\$300,000	100%	100%	-8,765.0	102.3	29,982.4	72.4	21,217.4	\$0	\$0.18685	\$19.65	\$33.11	-\$1,638	\$2,010	N/A	\$373	0.00
15	Low Income	Low Income Single Family	AMPWx DelFuel	Weatherization - Delivered Fuel	528	\$2,376,000	\$2,376,000	100%	100%	95.0	13.0	3,810.1	13.3	3,905.1	\$0	\$0.18685	\$19.65	\$33.11	\$18	\$255	N/A	\$273	0.00

Source: 2020 Electric Portfolio Benefit Cost Model

Notes:
A: Conversion factor for MWh to MMBtu is 3.412
B: Electric savings are monetized by multiplying by the applicable residential A-60 or A-16 delivery and commodity charges as of 4/1/2019:
A-16 (Standard Residential) Rate. (Delivery Charges: \$0.09597/kWh) + (Total Commodity Charges: \$0.09240/kWh) = \$0.18837/kWh
A-60 (Low Income Residential) Rate. (Delivery Charges: \$0.09445/kWh) + (Total Commodity Charges: \$0.09240/kWh) = \$0.18685/kWh
C: Fuel oil savings are monetized by multiplying by energy by the most recent price for heating oil available from the Rhode Island Office of Energy Resources. For the week of 11/25/2019 the average heating oil price in Rhode Island was \$2.70/gallon (Source: <http://www.energy.ri.gov/energy-prices/heating-oil/>). Oil \$/gallon is converted to \$/MMBtu by multiplying by a heat content factor for heating oil: 5.77 MMBtu/barrel * 1 barrel/42 gallons = 0.1374 MMBtu/gallon (Source: https://www.eia.gov/totalenergy/data/monthly/pdf/mer_a.pdf)
D: Propane savings are monetized by multiplying by the most recent price for propane available from the Rhode Island Office of Energy Resources: <http://www.energy.ri.gov/energy-prices/propane/>. For the week of 11/25/2019 the average propane price in Rhode Island was \$3.03/gallon. Propane \$/gallon is converted to \$/MMBtu by multiplying by a heat content factor for propane: 3.841 MMBtu/barrel * 1 barrel/42 gallons = 0.0915 MMBtu/gallon (Source: https://www.eia.gov/totalenergy/data/monthly/pdf/mer_a.pdf)

PUC 2-3

Request:

Referring to the response to PUC 1-22:

- a. Please reproduce the table as two tables – one showing only the number of participants for each year, and one showing only the percentage of incentive.
- b. Provide a clear explanation why some boxes on the chart for EnergyWise SF for the years 2008-2011 are grey.
- c. Provide the actual percentage of incentive for EnergyWise SF with the fuel type of gas for the “through 11/25/19” column, or explain why the Company does not have a value for that box.

Response:

- a. Please see updated tables in Attachment PUC 2-3.
- b. Some boxes on the chart for EnergyWise SF are grey because from 2008 – 2011 the program did not have a discrete weatherization planning element and a comparable number of participants as reported from 2012 – 2019 cannot easily be extrapolated. During the 2008-2011 time period, planning for EnergyWise was based on a blended value of assessments and weatherization. Rather than looking at the overall number of customers that would participate, planning was based on square feet of insulation or light bulbs installed. There is no simple way to retrofit those values into comparable participation numbers shown in the 2012 – 2019 time period.
- c. The value has been updated in Attachment PUC 2-3.

Weatherization Participation by Fuel Type

Program	Plan/Actual	Fuel Type	Year											
			2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
IES SF	Plan	Gas	336	319	83	215	430	100	420	400	420	440	500	600
IES SF	Plan	Electric	4	20	13	17	28	28	20	20	33	18	35	24
IES SF	Plan	Delivered Fuel	195	253	372	503	221	400	400	400	412	400	440	510
IES SF	Actual	Gas	419	319	115	190	388	356	479	423	602	584	481	370
IES SF	Actual	Electric	8	9	10	16	14	20	33	16	32	24	41	24
IES SF	Actual	Delivered Fuel	207	265	126	304	379	372	509	325	368	376	391	239
EnergyWise SF	Plan	Gas					1,500	2,000	2,000	2,400	1,830	2,250	2,275	2,300
EnergyWise SF	Plan	Electric					26	100	100	88	156	158	183	392
EnergyWise SF	Plan	Delivered Fuel					700	450	500	945	500	600	1,823	1,538
EnergyWise SF	Actual	Gas					1,020	1,538	2,187	1,737	1,989	2,184	1,957	1,762
EnergyWise SF	Actual	Electric					99	85	174	158	112	178	184	147
EnergyWise SF	Actual	Delivered Fuel					65	635	838	873	719	741	1,464	1,604

Notes:

Programs with discreet weatherization participation are shown above.

EnergyWise did not plan with weatherization participation values until 2012. Prior to 212 planning based on savings achieved.

Participation inclusive of customers that may have participated more than once in the same year.

Income Eligible Services (IES) is at no cost to the customer, therefore the incentive level is 100%

% of incentive = Incentive amount/Total Project Cost

Plan = proposed # of participants in the plan

Actual = Achieved # of participants

Weatherization participation values are informational and not specific program metric.

Weatherization Incentives Percentage by Fuel Type

Program	Plan/Actual	Fuel Type	Year											
			2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 (through 11/25/19)
IES SF	Plan	Gas	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
IES SF	Plan	Electric	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
IES SF	Plan	Delivered Fuel	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
IES SF	Actual	Gas	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
IES SF	Actual	Electric	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
IES SF	Actual	Delivered Fuel	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EnergyWise SF	Plan	Gas					81%	75%	75%	80%	70%	67%	74%	75%
EnergyWise SF	Plan	Electric					77%	61%	75%	75%	72%	87%	75%	75%
EnergyWise SF	Plan	Delivered Fuel					78%	75%	25%	25%	42%	44%	56%	75%
EnergyWise SF	Actual	Gas					90%	90%	78%	61%	75%	79%	77%	79%
EnergyWise SF	Actual	Electric					81%	76%	80%	73%	77%	80%	77%	81%
EnergyWise SF	Actual	Delivered Fuel					92%	43%	50%	41%	45%	52%	65%	78%

Notes:

Programs with discreet weatherization participation are shown above.

EnergyWise did not plan with weatherization participation values until 2012. Prior to 2012 planning based on savings achieved.

Participation inclusive of customers that may have participated more than once in the same year.

Income Eligible Services (IES) is at no cost to the customer, therefore the incentive level is 100%

% of incentive = Incentive amount/Total Project Cost

Plan = proposed # of participants in the plan

Actual = Achieved # of participants

Weatherization participation values are informational and not specific program metric.

PUC 2-4

Request:

Referring to PUC 1-43, for each bullet please explain how the proposed pilot differs from previously executed pilots in Massachusetts and/or New York, i.e., explain what was tested in the previous pilots and how the proposed pilot differs from the previous pilots.

Response:

Referring to the bullet points listed in the Company's response to 1-43:

Bullet 1: "The proposed pilot includes multiple tiers of potential customer participation, offering customers the option to participate in either three-hour or twenty-four-hour curtailment programs"

As of the time of the filing, the Company has only completed gas demand response pilots focused on reducing customer demand during peak three-hour windows, not during full twenty-four-hour "gas day" windows. The proposed expansion and extension of this pilot will allow the Company to test customer appetite and capacity to participate in longer duration curtailment events, refine required incentive levels, and better understand the potential for customer fatigue on the reliability of ongoing participation in longer duration gas demand response events. Previous pilots in Massachusetts, Rhode Island and New York have only focused on three-hour event duration programs.

Bullet 2: "The proposed pilot offers a modified incentive structure, offering customers a combination of availability payments and energy payments incentives. Availability payments incentives, which are based on committed and demonstrable capacity, are incentive payments for customers to remain ready to participate in demand response events during the demand response season. Energy payments incentives are earned payments based on delivered reductions when events are called."

Previous Gas Demand Response pilots in New York and Rhode Island have provided customers with incentives only when events were called, on the basis of the nameplate capacity of equipment being curtailed during events and the number of called events each season.

The proposed pilot extension in Rhode Island is testing an alternative incentive model, where participating customers will receive a combination of incentive payments. First, 'availability payments', based on committed/demonstrated levels of curtailable demand, will be made to

enrolled customers regardless of whether or not events are called. Additional, smaller 'energy' payments will also be made to customers based on observed demand reductions during event windows. The purpose of this aspect of the proposed pilot expansion is test whether this model positively impacts customer appetite to participate and/or reduces the overall incentives levels required to drive customer participation.

Bullet 3: “The proposed pilot is based upon customer initiation and control of curtailment during events, not upon utility-initiated direct load control. While the Company intends to concurrently pursue this approach in an expanded pilot in downstate NY, it has not previously been tested by the Company outside of the single customer participating in a pilot led by Fraunhofer Center for Sustainable Energy in Massachusetts.”

The previously executed gas demand response pilots in New York relied upon direct utility control of participating customer equipment in order to achieve committed demand reductions. The proposed pilot expansion in Rhode Island looks to continue the practice from the 2019 Rhode Island pilot, where customers will maintain control of equipment being curtailed in order to drive demand reductions. The proposed pilot expansion/extension will continue the Company's exploration of whether this model increases customer appetite to participate in gas demand response, and whether reliability of portfolio participation can be maintained when relying on direct customer actions to initiate and maintain demand reductions.