

February 21, 2020

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
Response to PUC Post-Decision Data Requests – Set 2**

Dear Ms. Massaro:

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

The Company's responses to PUC 2-3 and PUC 2-4 are pending.

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

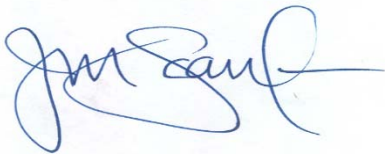
cc: Docket 4979 Service List
Jon Hagopian, Esq.
John Bell, Division

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.



Joanne M. Scanlon

February 21, 2020

Date

**Docket No. 4979 - National Grid – 2020 Energy Efficiency Plan (EEP)
Service list updated 10/30/2019**

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PUC Post-Decision 2-1

Request:

Are the funding sources for EBF (NGrid EE, Bonds, R.G.G.I.) maintained in separate bank accounts?

Response:

National Grid obtained the following information from RIIB: Yes, EBF funding sources are maintained in separate accounts.

PUC Post-Decision 2-2

Request:

Are funds in the EBF restricted in any way? If yes, please explain. If no, why not?

Response:

National Grid obtained the following information from RIIB:
Funds in the EBF are restricted to being used in accordance with R.I. Gen. Laws Chapter 46-12.2 and the EBF Rules and Regulations promulgated by OER and RIIB which are included in Attachment PUC 2-2-1.

The Infrastructure Bank's 2019 Audited Financial Report is included as Attachment PUC 2-2-2. Page 39 of the Report shows the Bank's Combined Schedule of Net Position for June 30, 2019. This Schedule shows that EBF program funds are held as restricted assets.

For additional information, please reference the Efficient Buildings Fund Revenue Bonds Inaugural Official Statement which is included as Attachment PUC 2-2-3. Pages 13 and 14 show project data for the program. The loan source column indicates those restricted loans funded with restricted funds consisting of System Benefit Charges.

300-RICR-00-00-1

TITLE 300 – OFFICE OF ENERGY RESOURCES

CHAPTER 00 - NA

SUBCHAPTER 00 - NA

PART 1 – Efficient Buildings Fund Project Priority List

1.1 Purpose

The purpose of these regulations is to establish a Project Priority List for the Efficient Buildings Fund. The Efficient Buildings Fund will provide technical, administrative and financial assistance to Local Governmental Units and, to the extent eligible, State Entities for energy efficiency and renewable energy upgrades to public buildings and infrastructure. All financing requirements shall be governed by Rhode Island Infrastructure Bank Efficient Buildings Fund Policies and Procedures.

1.2 Legal Authority

These rules and regulations are promulgated pursuant to R.I. Gen. Laws § 46-12.2-4.2 and in accordance with R.I. Gen. Laws Chapter 42-35, the Administrative Procedures Act.

1.3 Liberal Construction

These rules and regulations shall be liberally construed to aid in of the purposes and legislative findings of R.I. Gen. Laws Chapter 46-12.2 and the administrative findings contained herein.

1.4 Severability

The provisions of these rules and regulations are severable, and if any provision hereof shall be held invalid in any circumstances, any invalidity shall not affect any other provisions or circumstances.

1.5 Administrative Findings

State and local governments each have a key role to play in helping Rhode Island achieve its economic, energy, and environmental goals through strategic investments in energy efficiency and renewable energy. Such measures can present cost-effective opportunities to reduce public sector energy consumption and generate cost savings that provide relief for constrained budgets and the taxpayers who support them.

Investments in no-to low-carbon clean energy resources can also create local jobs, support local businesses and reduce greenhouse gas emissions.

1.6 Definitions

A. As used in these rules and regulations the following definitions will apply:

1. “Applicant” means an eligible entity that has submitted an application.
2. “Application” means an application for inclusion of a project on the Project Priority List.
3. “Application period” means a period of time during which an application may be submitted to OER.
4. “Commissioner” means the commissioner of energy resources as described by R.I. Gen. Laws § 42-140-4.
5. “Commissioning” means the process of ensuring that systems are designed, installed, functionally tested and capable of being operated and maintained to perform in conformity with the design intent of a project.
6. “Cost effective for energy efficiency projects” means the projected lifetime savings exceeds the cost of the project. The cost of the project shall include all financing costs and any costs associated with implementing the project, as determined by OER, including owner’s representative services. The cost of preparing the application is not eligible.
7. “Cost effective for renewable energy projects” means the projected cost savings over the lifetime of the project exceed the total cost of the project.
8. “Distressed community” means a community that, for the fiscal year in which it submits an Application, has been appropriated assistance from the Distressed Communities Relief Fund Program in accordance with R.I. Gen. Laws Chapter 45-13.
9. “Efficient Buildings Fund” means the fund established within Rhode Island Infrastructure Bank pursuant to R.I. Gen. Laws § 46-12.2-4.2 for the purpose of providing technical, administrative and financial assistance to eligible entities for energy efficiency and renewable energy upgrades to public buildings and infrastructure.
10. “Electric Vehicle Supply Equipment” or “EVSE” means Level II or higher charging station.

11. “Eligible entity” means a Local Governmental Unit or other entity that is eligible under R.I. Gen. Laws Chapter 46-12.2, as may be amended from time to time, to receive financial assistance from the Efficient Buildings Fund.
12. “Eligible renewable energy projects” means those projects that have been identified as eligible in accordance with Section 1.8 of this Part.
13. “Energy efficiency measure” means equipment or technology that reduces energy consumption, including EVSE and energy storage technologies.
14. “Energy efficiency project” means one or more energy efficiency measures that are collectively cost effective.
15. “Energy storage technologies” means effective methods to store energy for use on demand, such as but not limited to, solid state batteries, flow batteries, flywheels, and compressed air energy storage, thermal and pumped hydro-power.
16. “Green initiatives” means clean energy programs, best practices and policies for eligible entities.
17. “Job types” means the types of professions utilized to implement the measure or project (i.e. electrician, plumber, and laborer).
18. “Lead by example” means clean energy programs, best practices and policies for eligible entities.
19. “Local Governmental Unit” means any town, city, district, commission, agency, authority, board or other political subdivision or instrumentality of the state or of any political subdivision thereof.
20. “Owner’s representative services” means an entity that represents the owner of the project during site selection, design, construction and commissioning phases as well as relocation.
21. “Project Priority List” or “PPL” means the list of projects eligible to receive assistance from the Efficient Buildings Fund, as established and ranked by OER in accordance with these rules and regulations. The PPL is to be used by RIIB to determine the order in which financial assistance shall be awarded.
22. “Qualified Energy Conservation Bond” or “QECB” means a bond that may be issued by state, local and tribal governments to finance qualified energy conservation projects as designated in 26 U.S.C. § 54D.
23. “Requisition” means a request for payment from the Local Governmental Unit.

24. “Requisition documentation” means all substantiating and/or back-up documentation that is required, as determined by RIIB and OER, to process a request for payment from the Efficient Buildings Fund made by an eligible entity. Such documentation may include but is not limited to, signed permits, if any, third party inspection documents, verification that all equipment is new and any change order documentation approved and signed by the Applicant.
25. “Rhode Island Infrastructure Bank” or “RIIB” means the entity created by R.I. Gen. Laws Chapter 46-12.2.
26. “Rhode Island Office of Energy Resources” or “OER” means the office created and established pursuant to R.I. Gen. Laws § 42-140-2.
27. “Rhode Island State Energy Conservation Code” means the current energy code that is adopted and implemented by the Rhode Island Building Commission.
28. “Shovel ready project” means a project that will commence construction activities within ninety (90) days following a loan closing from the RIIB.
29. “Technical review team” means the individuals assigned by the Commissioner to review and score Applications. A technical review team should include at least two (2) employees from within OER and may include other individuals who possess the appropriate expertise and qualifications.
30. “Upgrade” means an energy efficiency measure that is installed to achieve greater savings than the Rhode Island State Energy Conservation Code, as determined by OER in program guidance documents, when part of new construction.

1.7 Eligible Entities

Eligible entities shall be eligible to apply for financial assistance from the Efficient Buildings Fund. Receipt of financial assistance shall be conditioned upon the eligible entity reallocating their remaining QECB allocation to the State of Rhode Island.

1.8 Eligible Projects

- A. Subject to Section 1.15 of this Part, only new equipment can be financed through the Efficient Buildings Fund. Remanufactured, refurbished, slightly used, or new equipment transferred from a previous location are not eligible. Previously installed equipment are not eligible for financing.
- B. Eligible entities are encouraged to pursue all appropriate energy efficiency measures prior to installing renewable energy projects.

- C. Energy efficiency projects that are cost effective shall be eligible for financing, alone or in combination with renewable energy projects and may be, but are not required to be, eligible for utility-administered energy efficiency incentives.
- D. Renewable energy projects that are cost effective shall be eligible for financing, alone or in combination with eligible energy efficiency measures, shall include:
 - 1. Solar electric (photovoltaic) systems: Only electric (PV) projects are eligible. All projects must include the components necessary to result in a functional system. Battery back-up systems are also eligible.
 - 2. Wind: Only systems that are 100kW or greater with a direct drive nacelle are eligible. Battery back-up systems are also eligible.
- E. Projects for other renewable energy technologies, as stated in accordance with R.I. Gen. Laws § 39-26-5, may be deemed eligible by OER on a periodic basis. A determination of eligibility for non-solar PV and non-wind renewable energy resource types will be made by OER in advance of the start of any application period and be detailed in the application. Applicants may contact the OER at any time if they are interested in other renewable energy technologies.
- F. Eligible entities shall be eligible for financing for EVSE and/or energy storage technologies, including installation, only in combination with energy efficiency measures and/or renewable energy projects.
- G. Cost effective energy efficiency measures as part of a new construction upgrade shall be eligible for financing. The cost effective energy efficiency measures must meet the requirements of these rules and regulations.

1.9 Applications

- A. All application periods are to be established and scheduled by OER, in consultation with RIIB, provided that at least one application period shall be commenced per calendar year.
 - 1. The duration of an application period shall be at least fourteen (14) calendar days.
- B. Notice of each application period must be posted on the websites of RIIB (www.riib.org) and OER (www.energy.ri.gov) at least ten (10) calendar days in advance of the commencement of the application period. At a minimum, the notice shall contain the date the application period will open, the date the application period will close, and provide the office address and/or website address where a prospective applicant can access the application.
- C. OER will issue one PPL for each application period.

1.10 Application review and evaluation criteria

A. Application review

1. In order for an application to be evaluated, scored and ranked it must be deemed complete by OER. In order to be deemed complete an application must contain all required information, forms, and supplemental documents as required by OER
2. Applications shall be reviewed for completeness within five (5) business days of receipt. OER shall notify the applicant if an application is incomplete and identify the missing documentation. The applicant shall submit the missing documentation within five (5) business days of notification in order to be considered for the funding round. If the applicant does not submit the required information in the designated time period the application will be denied and the applicant will need to re-submit a complete application in a subsequent application period.

B. Evaluation criteria

1. Evaluation criteria for applications
 - a. All complete applications will be evaluated based on criteria identified in the application, which may include, but are not limited to, the following:
 - b. Renewable energy project applications (Solar PV or Wind)
 - (1) Energy output of the installed system (kWh)
 - (2) Installed price per watt of the installation
 - (3) Green initiatives or lead by example
 - (4) Shovel ready – timeliness and readiness
 - c. Energy efficiency project applications
 - (1) Energy savings and comprehensiveness
 - (2) Green initiatives or lead by example
 - (3) Shovel ready – timeliness and readiness
 - d. Criteria for other technologies, as identified in Section 1.8 E. of this Part, shall be determined as necessary.
 - e. Additional criteria:

- (1) Distressed community status.
- (2) Energy efficiency and renewable energy projects in the same application period.

1.11 Application Ranking

- A. The technical review team shall review all applications to determine completeness and eligibility.
 1. The applicants and their proposed projects must meet the requirements of these rules and regulations.
 2. Projects accepted by OER as complete and consistent with these rules and regulations will be evaluated, scored, ranked, and incorporated into a PPL to be used by the RIIB to determine the order in which financial assistance shall be provided.
 3. Recommendations for funding shall be prioritized based on the overall score of the application. There is no guarantee that an applicant will receive financing from RIIB even though they are listed on the PPL.
- B. Once the PPL is established it shall be, at a minimum, posted on the RIIB (www.riib.org) and OER (www.energy.ri.gov) websites. Additionally, the scoring detail will be made available upon request. All applicants shall be notified that the PPL has been made public. The applicant shall have five (5) business days to submit any comments regarding the PPL ranking for consideration by the OER.
- C. If OER determines that an error had been made with the PPL ranking, an updated PPL shall be reposted on the RIIB (www.riib.org) and OER (www.energy.ri.gov) websites and the process in Section 1.11.B. of this Part shall proceed accordingly.

1.12 Project Inspections

- A. OER, or its designated representative, may inspect the project at any time during the construction process and following project completion.
 1. Energy efficiency projects: All applicants are required to have an independent third party inspection of the energy efficiency measure after construction is completed. A copy of the commissioning report (hard copy and electronic copy) shall be forwarded to OER and RIIB within thirty (30) days following the commissioning.

2. Solar PV projects: All applicants are required to have an independent third party inspection of the renewable energy project after interconnection. Third party independent inspections completed pursuant to existing state programs are acceptable. A copy of the inspection report (hard copy and electronic copy) shall be forwarded to OER and RIIB within thirty (30) days following the inspection.
3. Wind projects: All applicants are required to have an independent third party inspection of the renewable energy system after interconnection. Third party independent inspections completed pursuant to existing state programs are acceptable. A copy of the inspection report (hard copy and electronic copy) shall be forwarded to OER and RIIB within sixty (60) days following the inspection.

B. Inspections for all other eligible projects shall be determined as necessary.

1.13 Reporting Requirements

A. All recipients of financing from the Efficient Buildings Fund are required to comply with all OER data and reporting requests for at least five (5) years following project completion, including, but not limited to, the requirements specified below:

1. Actual number of full time equivalent jobs for the project;
2. Job types;
3. Entity-wide energy consumption compared to baseline consumption that was submitted in the Efficient Buildings Fund PPL application;
4. For energy efficiency projects, comparison of actual units of energy (e.g. kWh, therms, gallons) saved versus estimated units of energy saved based on the project application submitted;
5. For renewable energy projects, accessibility to the project production dashboards (Locus, Solectria, etc.);

B. Reporting for all other eligible projects shall be determined as necessary.

1.14 Requisition for Payment

Payment to eligible entities by RIIB shall be contingent upon OER's receipt of requisition documentation. If issues and/or deficiencies are identified, payment shall be withheld until such issues and/or deficiencies are rectified and resolved and updated requisition documentation is submitted to OER.

1.15 Refinancing

Eligible entities shall be eligible to submit an application to refinance a previously installed project. The previously installed project must otherwise meet the requirements of these rules and regulations. Applications submitted for refinancing shall receive the lowest ranking on the PPL and will not be ranked above any project applications submitted for financing pursuant to these rules and regulations.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4979
In Re: 2020 Energy Efficiency Plan
Responses to Commission's Second Set of Post-Decisional Data Requests
Issued on February 7, 2020

Attachments PUC Post-Decision 2-2

The Company is transmitting Attachments PUC Post-Decision 2-2-2 and 2-2-3 separately.
These attachments were provided to the Company by RIIB as protected files.

PUC Post-Decision 2-5

Request:

Regarding transfers of funds from RIIB to the Rhode Island State Controller, please explain whether any EBF funds have been transferred and detail the transfers. Include in your answer whether any bond funds were transferred and, if so, whether EBF funds are used to repay the principle and/or interest on those bond funds.

Response:

National Grid obtained the following information from RIIB:

No EBF funds have been transferred to the State Controller. No EBF bond proceeds have been transferred to the State Controller. Loan repayments from RIIB customers who have loans funded with bond proceeds are used to repay bond proceeds within the EBF program. Rhode Island Infrastructure Bank has been requested to transfer to the State Controller \$11.5 million total over the three fiscal years starting in FY2018. This includes the enacted FY2020 Budget with a \$4.0 million transfer requirement due June 30, 2020. These transfers impact the Bank's operating capital rather than specific lending programs.

The Supplemental FY2020 Budget proposes the transfer of an additional \$8.895 million in FY2020 from the Bank's Municipal Road & Bridge program. The proposed FY2021 Budget requires an additional \$5 million be transferred from the Bank. If the proposed Supplemental FY2020 Budget and FY2021 Budgets are enacted, it will result in RIIB losing \$24.5 million of infrastructure funds over four fiscal years with almost \$18 million occurring in the current and next fiscal years.