



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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November 6, 2019

VIA REGULAR U.S. MAIL & ELECTRONIC MAIL:

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

Re: PUC Docket No. 4979 - 2020 Energy Efficiency Program Plan

Dear Ms. Massaro:

Enclosed for filing in the above referenced docket, please find an original and nine copies of the Rhode Island Office of Energy Resources' comments.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

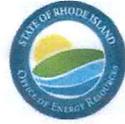
Daniel W. Majcher, Esq.

DWM/njr

Enclosure

c. Docket 4979 Service List

Rhode Island Office of Energy Resources
One Capitol Hill, 4th Floor
Providence, RI 02908



STATE OF RHODE ISLAND
**OFFICE OF
ENERGY RESOURCES**
Commissioner Carol J. Grant

November 6, 2019

Chairperson Margaret E. Curran
Commissioner Marion Gold
Commissioner Abigail Anthony
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Re: Docket #4979 – 2020 Energy Efficiency Program Plan Comments

Dear Commissioners:

The Rhode Island Office of Energy Resources (OER) submits these comments regarding National Grid's proposed 2020 Energy Efficiency Program Plan (the Plan), as filed on October 15, 2019.

OER supports the Energy Efficiency Plan as submitted by National Grid and encourages the Commission to approve the Plan as filed. The record demonstrates that the 2020 EE Plan is cost-effective, less than the cost of supply, and will provide significant enhancements to existing program offerings. Based on the Rhode Island Test, the energy efficiency programs planned for delivery in 2020 will support \$746 million in benefits – including, but not limited to, energy cost savings, greenhouse gas emission reductions, and economic growth – over the lifetime of the installed measures. This represents a 4.64 benefit-cost (BC) ratio for the electric programs and a 3.28 BC ratio for the natural gas portfolio – BC ratios higher than in the 2019 Energy Efficiency Plan.

In making its recommendation, OER has considered the Plan's alignment with the State Energy Plan, the Rhode Island Greenhouse Gas Emissions Reduction Plan, Governor Raimondo's Heating Sector Transformation Executive Order (EO 19-06), and broader state energy policy goals, as well as its anticipated impact on customer bills and customer equity and access. If implemented, the Plan is expected to increase weatherization and heat pump installations, expand demand response efforts for both electric and natural gas, support greater participation in income eligible energy efficiency programs, and lay the groundwork for cost-effective programs that support the state's clean energy workforce while shrinking our carbon footprint.

Furthermore, the Plan is expected to support many of the Docket 4600 goals and principles including:

- Providing reliable, safe, clean and affordable energy to Rhode Island customers;
- Strengthening the Rhode Island economy;



- Addressing climate change;
- Supporting energy investments with clear net benefits;
- Appropriately compensating the distribution utility for the services provided; and
- Aligning stakeholder interests through the regulatory framework.

Although the system benefits charge has increased from previous years, OER notes that the benefits expected from the 2020 Plan are also increased. For instance, the 2020 Plan supports a larger number of long-term measures, such as weatherization and HVAC upgrades, that will deliver cost savings to local homes and businesses years into the future. Moreover, the benefits from these programs will be achieved at a cost lower than electricity and natural gas supply, meaning that the investments remain highly cost-effective for Rhode Islanders.

Overall Comments on the 2020 EE Plan

OER applauds National Grid's commitment to incorporating stakeholder feedback into the 2020 Plan and successfully balancing many stakeholder priorities ranging from increased income-eligible participation to improved reporting and program cost-efficiency. The reformatting of the Plan was also successful in allowing for easier review.

Throughout the Plan drafting process, OER advocated for energy efficiency programs that would continue to be cost-effective, data-driven, equitable, and would support decarbonization as well as local workforce development. In response, the 2020 Plan begins, and plans to evaluate, multiple new program designs while still maximizing the delivery of core program offerings. The Company's Performance Incentive Mechanism was also adjusted to provide greater accountability and transparency in delivered fuel weatherization and heat pump installations, while also encouraging the Company to continue finding low-cost energy savings where possible.

Other highlights of the 2020 EE Plan include:

1. An explicit commitment to double the number of heat pump installations for delivered fuel and electrically heated buildings in 2020. This goal is foundational to achieving the state's greenhouse gas reduction targets and will decrease customer heating costs over the long-term. OER also supports the weatherization requirement for heat pumps included in the Plan and the continued incentive parity between weatherization incentives for delivered fuels and natural gas customers.
2. On-going 100% landlord incentives to help overcome the tenant-landlord barrier while further research is conducted to determine the best solution(s) for this hard-to-reach market.



3. Improvements to the CHP program to increase pipeline transparency and to provide timely natural gas capacity analyses as well as estimated greenhouse gas impacts. Moreover, National Grid has committed to exploring ways to incentivize the use of biofuels in future CHP projects.
4. An appropriate down-sizing of the On-Bill Repayment reserves and the creation of a process for transferring funds, as needed and up to a limited amount, to the Rhode Island Infrastructure Bank for use in the Efficient Buildings Fund. Together, these changes from 2019 help to lower the estimated 2020 system benefits charge while also reducing upfront collections from ratepayers.
5. Clarification on National Grid's active versus passive demand response efforts, as well as commitments to evaluate and expand active demand response pilots and programs – both electric and natural gas. A commitment to study passive demand response for natural gas is also made in the hope that program performance in this area will be quantifiable in the future.
6. A goal to increase participation in the income eligible programs, to incorporate all recommendations from the 2019 Income Eligible Program Process Evaluation, and to review best practices from other jurisdictions to enhance the multifamily program in 2020.
7. A workforce section focused solely on how to monitor and convey program workforce needs to the market and committing the Company to researching current and future workforce training needs and obstacles.
8. A commitment to pursue outside funding streams, specifically the U.S. Department of Agriculture's Rural Energy Savings Program (USDA's RESP) dollars to reduce the program budget burdens on ratepayers.
9. Expanded access and support for customers interested in using automated Portfolio Manager data uploads to better monitor and analyze their energy usage.
10. Continued support, trainings, and pilots to spur the Zero Energy Buildings market in Rhode Island.
11. Support for advancing the State's energy code through the 2020 review and adoption process.
12. A commitment to maintain the practice of updating fund balances in early December in order to improve rate accuracy.

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13. A commitment to continue program evaluation rigor, oversight, and process improvements.
14. Continued testing and enhancement of online home energy assessments and online assessment scheduling to determine if time and cost efficiencies can be extracted.
15. A commitment to work with stakeholders to ensure that all pilots, assessments, and demonstrations are executed in a fashion that supports best practices in evaluation and will likely produce actionable findings.
16. Lastly, commitments to continue supporting and coordinating with statewide initiatives and other Commission dockets, such as Rhode Island's stretch codes, building benchmarking, Resilient Rhode Island Act goals, Power Sector Transformation, System Reliability Procurement (SRP), and Infrastructure, Safety, and Reliability (ISR) are also included in the 2020 EE Plan. OER would also like to commend the utility's willingness to take a holistic look at the utility business model and to continue stakeholder conversations on energy efficiency program incentive mechanisms for the upcoming three-year plan.

Although no EE Plan is perfect and there are still areas for future improvements, OER looks forward to working with National Grid and other key stakeholders throughout 2020 on successfully implementing the energy efficiency program enhancements described above. Through the approval and implementation of the 2020 Plan, we are confident that Rhode Island can continue as a national energy efficiency leader, while providing substantial economic, energy, and environmental benefits to Ocean State residents and businesses.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Carol J. Grant". The signature is fluid and cursive, with a long horizontal line extending to the right.

Carol J. Grant
Commissioner