



June 19, 2020

Docket 5015: Comments on Least Cost Procurement Standards Draft

Dear Ms. Massaro,

Thank you for the opportunity to comment on the draft revisions of the Least Cost Procurement Standards. I write on behalf of Green Energy Consumers Alliance, a Providence- and Boston-based nonprofit that advocates for consumers and the environment. Green Energy Consumers is dedicated to speeding the transition to a low-carbon energy system in New England. We are regular advocates in regulatory and legislative proceedings related to clean energy, including Rhode Island's energy efficiency program planning processes. We have been a party to the last several energy efficiency plans and are intimately familiar with the development and goals of Rhode Island's energy efficiency programs.

As long time stakeholders in Rhode Island's energy efficiency program development process, we are disappointed that this draft of the Least Cost Procurement Standards meets only one of our four priorities. Although the draft standards make a number of good changes to the process, structure, and clarity of the energy efficiency program process, they do not do enough to set up these programs for success when it comes to reducing emissions, building equity, and protecting the environment.

Green Energy Consumers advocates for Least Cost Procurement Standards that:

1. Require lifetime MWh and MMBtu savings as a metric tied to a substantial portion of the energy efficiency Performance Incentive,
2. Adopt the definition of equity originally proposed by the Office of Energy Resources in conjunction with other stakeholders,
3. Allow for and encourage provision of energy efficiency and electrification measures for buildings that heat with delivered fuels,
4. Incorporate natural gas into the System Reliability Procurement Report.

These four priority recommendations would enable Rhode Island's energy efficiency programs to better deliver environmental, societal, and economic benefits to all Rhode Islanders, especially those groups that have been underserved historically, including income eligible and delivered fuel customers.

Lifetime Savings

Green Energy Consumers Alliance is pleased to note the requirements around lifetime savings reporting. However, we urge the drafters to embed a switch to a lifetime savings metric in the programs. Lifetime savings are a much better measure than annual savings when it comes to evaluating and supporting deep efficiency measures that reduce costs and emissions over the long-term. The standards should indicate that

greenenergyconsumers.org

Boston: 284 Amory Street, Boston, MA 02130 | Phone: 800-287-3950
Providence: 2 Regency Plaza, Suite 8, Providence, RI 02903 | Phone: 401-861-6111



lifetime savings is the preferred metric to drive determination of the Performance Incentive and that a substantial portion of the Performance Incentive should be tied to lifetime (rather than annual) savings.

Although we believe that lifetime savings is a good baseline metric for PIs, Green Energy Consumers Alliance supports flexible wording in the standards around PIs that encourage the development of PIs that drive program and state goals, especially those around carbon emissions reductions. Although lifetime savings is one good metric, others might be greenhouse gas emissions reductions, peak shaving, or lifetime MMBtu reductions (including delivered fuels).

Equity

Green Energy Consumers Alliance was disappointed to see the overly broad, circular definition of equity on page 9. We would again encourage the drafters to adopt the language originally proposed by the Office of Energy Resources or to work with stakeholders, especially those that represent low income or other underserved interests, to find an alternative. The current draft definition is not clear on what “equitable opportunities” are.

Although the standards that the program portfolio be designed to give all customers “equitable opportunities to participate” in the past, we are seeing that some customer segments—like renters, delivered fuel customers, people of color, or low income Rhode Islanders—are consistently underrepresented in the program counts. If it is more challenging for these customers to participate in the programs than it is for others, the programs should affirmatively focus specially on these customers. Equitable opportunities are also accessible and open opportunities; the definition of equity should specify this.

The standards should further require on reporting on Key Performance Indicators of demographics relevant to understanding the programs’ ability to serve customers equitably, like race, language, renter status, and income level. To go another step further, these KPIs should eventually become of the Performance Incentive package.

Delivered Fuels

It has become increasingly clear, most recently in the April 2020 release of the Heating Sector Transformation Report, that electrification of heat in Rhode Island buildings, especially homes currently heated with delivered fuels, will play a necessary role in the future of our energy system. Heating electrification’s numerous benefits for both the consumer and the environment have been detailed and recognized by Governor Executive Order and multiple state reports. Electrification of some buildings currently heated with delivered fuels leads to cost savings, a decrease in overall MMBtu, and a substantial decrease in emissions, bringing the state closer in line with Resilient Rhode Island goals. These measures

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have been demonstrated cost effective in past Energy Efficiency Program Plans. Thus, electrification of buildings heated with delivered fuels is in line with Least Cost Procurement statute.

Green Energy Consumers Alliance strongly supports Least Cost Procurement Standards that are *fuel neutral* and operate across all fuels, not just electric and gas. Unfortunately, this draft of the standards seems to move in farther away from a fuel neutral standard, specifically stating “electric and gas” rather than energy in several places. We recognize the Commission’s concerns with the allocation of benefits away from ratepayers when it comes to electrifying delivered fuel buildings, but we are deeply concerned about the detrimental environmental and societal impacts on all Rhode Islanders if the standards further discourage investment in electrification and efficiency for delivered fuel buildings, which make up over a third residential buildings.

At a minimum, the efficiency programs should allow for and encourage weatherization and other traditional energy efficiency measures for delivered fuel customers. We urge the drafters to strengthen the language in the standards (currently: “energy efficiency opportunities for delivered fuels customers should be addressed to the extent possible,” p. 15) to emphasize that efficiency programs should be providing cost effective energy efficiency and conservation resources possible to delivered fuel customers.

Gas in SRP Reports

Green Energy Consumers Alliance is pleased to see that this draft of the standards states that SRP Reports must now consider non-fuel solutions in both the natural gas and electric systems.

Program Process and Structure

Green Energy Consumers Alliance commends the drafters of the Standards on developing a clear outline of energy efficiency program planning process and structure. We believe these changes, especially the clear delineation of what should be included in annual plans and three year plans, will streamline the process and possibly enhance stakeholder ability to participate.

Cost Effectiveness at Program and/or Portfolio Level

While Green Energy Consumers Alliance supports the requirement that efficiency programs be cost-effective at the portfolio level—and would contend that this is a core component of the programs’ success—we are concerned by the change from “should” to “must” for program level cost effectiveness. Although unprecedented, the future inclusion of efficiency programs that just miss the mark of cost effectiveness may support other state and stakeholder priorities, like improving access for groups previously underrepresented in efficiency programs or providing funding for more expensive but deep and environmentally beneficial efficiency upgrades. We are not supporting the development of programs that

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may not be cost effective; rather, we believe that there the standards to allow for flexibility in unusual circumstances. The prior language, “should,” enables flexibility.

Considerations of the Environment

Green Energy Consumers recommends changing “the RI Test may include the value of greenhouse gas reduction not embedded in any of the above” (p. 4) to should, shall, or must. Docket 4600 and elsewhere in this draft establish that cost effectiveness tests should include “all relevant, important impacts, even those that are difficult to quantify and monetize.” The climate crisis is one of the most cross-cutting and daunting threats to face Rhode Islanders; as such, it has many relevant, important impacts that will be insufficiently evaluated if only considered through RGGI value. The RGGI dollar value has historically and is projected to be far lower than most estimates of the societal cost of greenhouse gas emissions, including the societal costs utilized in past applications of the Rhode Island Test.

We also assert that failure to properly quantify greenhouse gas emission reduction in the RI Test is anti-consumer in the long run if Rhode Island is serious about reducing carbon emissions. If we fail to reduce greenhouse gas emissions through the efficiency programs now, we will have to make up for those reductions in another way that will almost certainly be at much higher cost to the consumer.

The definition of “environmentally responsible” seems weak and unclear. It might be improved by outlining some of the areas of environmental impact that should be assessed, including localized air pollution, global climate change, water resources, and open space. Further, we strongly encourage the drafters to consider equity and justice as a component of environmentally responsible by requiring the distribution company to assess the extent to which their programs disproportionately burden already burdened communities.

Sincerely,

Kai Salem

Policy Coordinator

Green Energy Consumers Alliance

kai@greenenergyconsumers.org

greenenergyconsumers.org

Boston: 284 Amory Street, Boston, MA 02130 | Phone: 800-287-3950
Providence: 2 Regency Plaza, Suite 8, Providence, RI 02903 | Phone: 401-861-6111