Andrew Marcaccio
Senior Counsel

November 25, 2020

VIA ELECTRONIC MAIL

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

RE: Docket 5076 – 2021-2023 Energy Efficiency Program Plan & 2021 Energy Efficiency Plan
Responses to PUC Data Requests – Set 3 (with new 3-21, 3-22, 3-23)

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company"), attached, please find the electronic version of the Company's responses to the Public Utilities Commission's ("PUC"s) Third Set of Data Requests ("Complete Set 3") in the above-referenced docket.[1]

Please note that the responses contained within the Complete Set 3 have already been filed with the PUC except for the Company's response to PUC 3-21; PUC 3-22; and PUC 3-23. These responses start on Bates page 41 within the Complete Set 3.

Thank you for your attention to this filing. If you have any questions or concerns, please do not hesitate to contact me at 401-784-4263.

Sincerely,

Andrew S. Marcaccio

cc: Docket 5076 Service List
John Bell, Division
Jon Hagopian, Esq.

1 In addition, the Company will deliver to the Commission six, three-hole punched hard copies of PUC Set 3 with Bates stamp.

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PUC Set 3

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PUC 3-1

Request:

Referring to the cover letter transmitting data responses to the Commission dated November 10, 2020, and the response to PUC 1-17, please provide a complete explanation of how and why the Company made an $82 million to $88 million error in its savings calculation. In responding to this request, please identify the process failures that occurred in not checking numbers and why such significant errors were not discovered by the Company.

Response:

The Company continuously strives to be transparent and is committed to disclosing and correcting any errors in a timely fashion when they are discovered. Such commitment is critical given the scope and complexity of the 2021 Annual Energy Efficiency Plan ("EEP") and Three-Year Plan and the robust stakeholder process that led to the Settlement that is before the Commission.

The correction referenced above involves cost of supply analyses that are built from the Excel-based benefit-cost analysis workbooks ("BCA Workbooks"). The BCA Workbooks are the basis of the Company's cost effectiveness screening and benefit-cost analysis modeling and receive thorough and repeated vetting, particularly from key stakeholders during the planning process. The cost of supply analyses completed for the EEP and Three-Year Plan, and subsequently included in the Company's response to PUC 1-17 and the revised response to PUC 1-17, rely on manual extracts from the BCA Workbooks. Specifically, these calculations rely on the manual adjustments of certain categories of inputs and outputs from the BCA Workbooks to the distinct and separate workbooks that translate the benefit-cost analyses to the cost of supply calculations. When performing these manual adjustments, the Company incorrectly included some categories of benefits that should not have been included in the cost of supply calculation, while incorrectly omitting others.

From a process standpoint, the Company has identified what it believes are the root causes of the errors as well as potential process improvements. Please see Table 1 below.

[Table starts on next page]

Prepared by or under the supervision of: Matthew Ray and John Tortorella

PUC 3-1, Page 2

Table 1	
Identified root cause	**Planned Remediation**
Highly manual process required to transfer inputs and assumptions between distinct modeling tools	In the short-term, the Company plans to develop more substantial documentation around the steps needed to complete this analysis and ensure that staff performing these activities are utilizing any created documentation and associated checklists. In the medium term, the Company plans to review any identified opportunities for automation of the manual processes.
Peer review of completed analysis	The Company plans to train additional staff on the understanding necessary to perform peer review of similar analyses prior to submission.
Timing challenges to complete and check newly implemented models and analytical tools	The Company is committed to a robust stakeholder process and believes the program's historic success is attributable to the incorporation of stakeholder input. One challenge associated with this robust process is timing. Moving forward, the Company is committed to working with stakeholders to review planning schedules and commitments, with a goal towards finalizing annual energy efficiency plans and, if applicable, three-year plans, further in advance of the filing deadline than has previously occurred. The Company will remain cognizant of the balance between timing challenges and important stakeholder input.

The Company also notes that the analytical errors referenced above did not have any direct impact on program design or strategies, proposed program budgets, savings commitments, or other core elements of the EEP, or on the EEP's compliance with the requirements of Least Cost Procurement.

PUC 3-2

Request:

Referring to the cover letter transmitting data responses to the Commission dated November 10, 2020, please explain the process failure that resulted in the Company missing errors in Tables 23 and 24.

Response:

The errors in Tables 23 and 24 of the Annual Energy Efficiency Plan ("EEP") text were attributable to the following:

- A transposition error, which led to incorrect values being copied from the correct values in Tables E-8 and G-8 to incorrect columns in Table 23; and
- A version control error, which led to values for specific variables in Table 24 that were no longer current.

In both cases, the correct values were provided in Tables E-8 and G-8 of the filed EEP.

The Company has taken steps to improve its final review process prior to plan submission by requiring proof-readers for each section to be distinct from the original drafter of that section; and developing and implementing proofing checklists to ensure that all values are confirmed prior to plan submission.

Prepared by or under the supervision of: Matthew Ray and John Tortorella

PUC 3-3

Request:

Referring to Bates page 138, please explain the rationale for allowing the Company to earn an incentive which is 125% of the target incentives (i.e., $6.9 million for electric plus $2.1 million for gas = $9 million), given the economic hardships being faced by Rhode Islanders who would fund the additional profit margin for the Company during a severe economic crisis? Why was 125% chosen rather than a smaller figure?

Response:

The Company remains sensitive to the hardships faced by customers in light of the COVID-19 crisis and continues to offer many programs to customers who are having difficulty paying their bills. In fact, the Company views energy efficiency measures and programs as a core tool that can support participating customers in reducing energy consumption and resulting energy burdens.

The proposed performance incentive mechanism, including the provision that encourages the Company to continue pursuing savings and benefits for customers even in scenarios where planned levels have already been achieved, was supported by both the Division of Public Utilities and Carriers ("Division"), in its role as ratepayer advocate, and the Office of Energy Resources ("OER"), an agency similarly charged with protecting the interests of its Rhode Island constituents.

Consistent with recent plans, the 125 percent incentive cap level was chosen with the goal of striking a balance between incenting the Company to maintain the aggressive pursuit of savings even when planned levels have been exceeded, while also placing a firm limit on potential customer exposure to performance incentive payments.

Prepared by or under the supervision of: Christopher Porter and John Tortorella

PUC 3-4

Request:

Would the Company be less committed or manage the programs less effectively if the aggregate total incentive was capped at the target incentive instead of 125%? Please explain.

Response:

The purpose of allowing the Company to earn an incentive level in excess of the target incentive, for better-than-planned performance, is to maintain the alignment of shareholder interests with customer interests in order to enhance net benefits to customers. An incentive for better-than-planned performance encourages the Company to continue to identify and pursue additional savings opportunities on customers' behalf, provided it can do so cost-effectively and in accordance with other budgetary control mechanisms included in the Plan. Capping the incentive at 100% would reduce the incentive for the Company to pursue identification of these opportunities or to innovate to find ways to increase the cost-efficiency of above-target savings.

This is particularly salient in light of the sector level evaluation of Company performance and incentive earnings. To illustrate the potential unintended consequences of capping performance incentives at target incentive levels, please consider a scenario where the Company has achieved 100% of target incentive in one sector, but not in other sectors. In this scenario, it will be in customers' best interests for the Company to continue to pursue the most cost efficient savings and benefits, wherever they are to be found. In the event that the Company has already achieved its maximum performance incentive in a particular sector, though, the Company would only have financial incentive to pursue savings and benefits in other sectors. In the event that those savings and benefits are only achievable with greater effort or expenditure than similar savings or benefits could be achieved in the capped sector, the pursuit of those savings at the expense of pursuing savings and benefits in the already capped sector would lead to smaller total savings and fewer resulting benefits for customers.

In this scenario, while the Company would not manage individual programs less effectively, the aggregate impact of prioritization and resource allocation decisions incented by the hypothetical 100% cap proposed in the question would lead to less efficient outcomes at the portfolio level. The Company does not believe that any performance incentive mechanism approach that would promote this outcome represents sound incentive mechanism design, and that such a design could certainly lead to foregone customer benefits that would otherwise be achievable. In fact, such a design would not be consistent with the PUC's Guidance on Principles for the

PUC 3-4, page 2

Development and Review of Performance Incentive Mechanisms (PIMs), adopted May 8, 2020 in Docket No. 4943, in particular PIMs principles 1 and 3, as it would remain the case that improved performance would deliver incremental benefits, and it would not likely be the case that customer net benefits would be maximized.

PUC 3-5

Request:

Referring to Attachment PUC 1-11-1 and 1-11-2, please provide actual expenditures by month for each of the programs listed, including forecasts for November and December.

Response:

Please see Attachment PUC 3-5-1 and Attachment PUC 3-5-2. Please note that these year to date actuals (columns (b)-(k)) and year-end expenditure forecasts (column m) align with those totals included in Attachment PUC 1-11-1-Revised and Attachment PUC 1-11-2-Revised.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5076
Attachment PUC 3-5-1
Approved 2020 Budget Compared to YTD and Projected Expenditures ($000) - Electric

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
		Approved Implementation Budget 2020	Monthly Expenditures (Actuals through October 2020, Projections Nov-Dec)											Projected 2020 Expenditures	Difference (Annual Filed Budget -	% Projected Spend/Annual Filed Budget
			JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV & DEC (Projections)			
1	Res New Construction (Electric)	$973.5	$5.3	$123.3	$67.4	$7.3	$9.0	$124.2	$97.2	$42.0	$110.1	$138.3	$180.4	$904.5	$68.9	93%
2	ENERGY STAR HVAC (Electric)	$2,525.1	-$131.4	$343.9	$227.0	$127.5	$35.0	$366.0	$208.5	$401.8	$228.0	$330.9	$388.0	$2,525.1	$0.0	100%
3	EnergyWise (Electric)	$15,692.2	$230.1	$1,996.4	$1,651.1	$742.2	$96.0	$284.2	$836.1	$1,206.6	$473.7	$2,534.3	$2,518.1	$12,568.7	$3,123.4	80%
4	EnergyWise Mult (Electric)	$2,804.3	$22.8	$50.1	$103.1	$31.4	$59.8	$65.4	$73.1	$42.9	$72.8	$31.6	$1,185.7	$1,738.7	$1,065.6	62%
5	Home Energy Reports (Electric)	$2,728.1	$3.8	$6.2	$506.2	$142.7	$122.8	$326.5	$202.6	$171.1	$172.1	$174.6	$415.9	$2,244.5	$483.6	82%
6	ENERGY STAR Lighting (Electric)	$15,375.8	$810.8	$707.8	$541.2	$381.4	$392.5	$330.9	$756.3	$550.1	$1,078.5	$514.9	$2,853.5	$8,918.0	$6,457.8	58%
7	Res Consumer Products (Electric)	$2,199.2	$30.3	$81.7	$78.3	$30.7	$44.7	$103.2	$195.7	$326.7	$322.5	$199.6	$499.8	$1,913.3	$285.9	87%
8	Res Connected Solutions (Electric)	$461.6	$132.0	$2.0	$23.1	$1.1	$2.3	$3.5	$0.8	$43.2	$1.6	$2.3	$249.7	$461.6	$0.0	100%
9	Energy Eff. Education (Electric)	$40.0	$0.1	$0.1	$0.0	$0.1	$18.6	$0.0	$0.0	$0.0	$0.0	$0.0	$21.2	$40.0	$0.0	100%
10	Residential Pilots (Electric)	$287.8	$0.0	$0.0	$0.0	$0.3	$0.4	$45.0	$0.3	$0.3	$0.3	$11.3	$230.0	$287.8	$0.0	100%
11	Community Based Initiatives - Residential (Electric)	$203.9	$0.4	$6.2	-$0.1	$0.3	$0.0	$0.2	$0.0	$0.2	$0.3	$0.0	$196.5	$203.9	$0.0	100%
12	Comprehensive Marketing Residential (Electric)	$382.3	$1.2	$2.5	$20.2	$1.2	$0.3	$4.1	$8.1	$1.3	$0.4	$0.8	$342.3	$382.3	$0.0	100%
13	OTHER RESIDENTIAL PROGRAMS (Electric)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	0%
14	**Subtotal Non-Income Eligible Residential**	**$43,674**	**$1,105.3**	**$3,320.2**	**$3,217.5**	**$1,466.0**	**$781.5**	**$1,653.0**	**$2,378.6**	**$2,786.1**	**$2,460.3**	**$3,938.9**	**$9,081.1**	**$32,188.5**	**$11,485.3**	**74%**
15	Single Family - Inc Elig (Electric)	$12,846.1	$52.3	$966.5	$921.5	$885.4	$193.2	$111.1	$137.9	$244.4	$575.1	$285.7	$3,976.8	$8,350.0	$4,496.1	65%
16	Income Elig - Mult (Electric)	$3,549.0	$5.9	$31.0	$18.8	$12.1	$28.3	$39.2	$34.9	$21.9	$7.1	$100.8	$3,236.4	$3,536.5	$12.5	100%
17	**Subtotal Income Eligible Residential**	**$16,395**	**$58.2**	**$997.5**	**$940.3**	**$897.5**	**$221.6**	**$150.4**	**$172.8**	**$266.3**	**$582.1**	**$386.5**	**$7,213.2**	**$11,886.4**	**$4,508.7**	**72%**
18	Large C&I New Construction (Electric)	$5,335.7	$75.9	$179.0	$147.5	$330.5	$179.1	$225.4	$298.7	$496.9	$361.5	$835.7	$2,900.4	$6,030.5	-$694.7	113%
19	Large C&I Commercial Retrofit (Electric)	$23,801.3	$4,213.2	-$2,437.8	$776.5	$735.2	$1,169.8	$3,006.0	$1,107.7	$2,360.5	$644.7	$3,017.2	$9,551.7	$24,144.5	-$343.1	101%
20	Small Business Direct (Electric)	$7,568.6	$230.1	$221.5	$736.5	$186.1	-$68.3	$239.1	$48.4	$962.7	$1,593.5	$8.9	$3,130.7	$7,289.3	$279.3	96%
21	Commercial Connected Solutions (Electric)	$2,078.5	$2.6	$8.3	-$538.9	$39.2	$564.8	$8.2	$6.1	$8.1	$7.4	$13.1	$1,959.6	$2,078.5	$0.0	100%
22	Commercial Pilots (Electric)	$106.3	$21.2	$0.0	$0.8	$0.3	$0.4	$2.1	$0.3	$0.3	$0.3	$27.3	$53.3	$106.3	$0.0	100%
23	Community Based Initiatives - C&I (Electric)	$66.1	$0.0	$0.6	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$65.5	$66.1	$0.0	100%
24	Finance Costs (Electric)	$5,216.7	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$3,912.5	$434.7	$869.4	$5,216.7	$0.0	100%
25	OTHER C&I PROGRAMS (Electric)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	0%
26	**Subtotal Commercial & Industrial**	**$44,173**	**$4,543.0**	**-$2,028.4**	**$1,122.3**	**$1,291.2**	**$1,845.8**	**$3,480.8**	**$1,461.1**	**$3,828.5**	**$6,519.8**	**$4,336.9**	**$18,530.6**	**$44,931.7**	**-$758.6**	**102%**
27	**TOTAL All Sectors**	**$104,242**	**$5,706.6**	**$2,289.3**	**$5,280.1**	**$3,654.7**	**$2,848.8**	**$5,284.2**	**$4,012.5**	**$6,881.0**	**$9,562.2**	**$8,662.3**	**$34,824.9**	**$89,006.7**	**$15,235.4**	85%
28	**REGULATORY (Electric)**	**$1,787.4**	**$223.4**	**-$74.5**	**$266.8**	**$199.6**	**$142.5**	**$353.8**	**-$82.7**	**$122.0**	**$75.2**	**$139.2**	**$422.1**	**$1,787.4**	**$0.0**	**100%**
29	EERMC	$893.7	$0.0	$0.0	$192.3	$125.1	$68.1	$55.9	$66.3	$47.5	$0.7	$139.2	$198.7	$893.7	$0.0	100%
30	OER	$893.7	$223.4	-$74.5	$74.5	$74.5	$74.5	$297.9	-$148.9	$74.5	$74.5	$0.0	$223.4	$893.7	$0.0	100%
31	**TOTAL IMPLEMENTATION BUDGET**	**$106,029.5**	**$5,930.0**	**$2,214.8**	**$5,546.9**	**$3,854.3**	**$2,991.3**	**$5,638.0**	**$3,929.8**	**$7,002.9**	**$9,637.4**	**$8,801.4**	**$35,247.1**	**$90,794.0**	**$15,235.4**	**86%**

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5076
Attachment PUC 3-5-2
Approved 2020 Budget Compared to YTD and Projected Expenditures ($000) - Gas

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
		Approved Implementation Budget 2020	Monthly Expenditures (Actuals through October 2020, Projections Nov-Dec)											Projected 2020 Expenditures	Difference (Annual Filed Budget -	% Projected Spend/Annual Filed Budget
			JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV & DEC (Projections)			
1	Res New Construction (Gas)	$620.5	$2.1	$46.7	$23.4	$2.5	$4.1	$73.1	$23.5	$52.4	$55.5	$34.2	$104.3	$421.8	$198.7	68%
2	ENERGY STAR HVAC (Gas)	$2,693.1	$213.5	$264.7	$177.6	$89.1	$297.1	$121.1	$97.9	$139.2	$111.3	$204.9	$976.4	$2,693.0	$0.1	100%
3	EnergyWise (Gas)	$8,117.6	$31.6	$708.9	$1,458.3	$431.3	$38.0	$51.2	$613.8	$830.3	$323.0	$1,725.9	$273.7	$6,486.1	$1,631.5	80%
4	EnergyWise Mult (Gas)	$1,512.1	$23.9	$71.4	$64.0	$21.0	$15.6	$51.8	$24.3	$26.9	$20.8	$46.6	$873.6	$1,239.9	$272.2	82%
5	Home Energy Reports (Gas)	$471.5	$0.8	$1.8	$83.8	$23.4	$21.7	$54.1	$33.6	$28.6	$28.3	$29.4	$70.5	$376.0	$95.5	80%
6	Residential Pilots (Gas)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	0%
7	Community Based Initiatives - Residential (Gas)	$68.9	$0.1	$0.9	-$0.2	$0.1	$0.0	$0.1	$0.0	$0.1	$0.1	$0.0	$67.7	$68.9	$0.0	100%
8	Comprehensive Marketing Residential (Gas)	$79.9	$0.4	$0.9	$4.9	$0.4	$0.1	$0.0	$0.1	$2.2	$0.2	$0.0	$70.8	$79.9	$0.0	100%
9	OTHER RESIDENTIAL PROGRAMS (Gas)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	0%
10	**Subtotal Non-Income Eligible Residential**	**$13,563.6**	**$272.5**	**$1,095.3**	**$1,811.8**	**$567.8**	**$376.6**	**$351.5**	**$793.2**	**$1,079.6**	**$539.2**	**$2,041.0**	**$2,437.1**	**$11,365.6**	**$2,197.9**	**84%**
11	Single Family - Inc Elig (Gas)	$5,952.3	$157.3	$208.2	$309.8	$484.9	$73.3	$26.4	$20.2	$57.0	$85.3	$154.2	$2,292.4	$3,869.0	$2,083.3	65%
12	Income Elig - Mult (Gas)	$3,009.5	$3.9	$96.9	$12.3	$3.9	$23.4	$24.7	$29.9	$27.6	$5.0	$11.9	$1,355.5	$1,595.0	$1,414.5	53%
13	**Subtotal Income Eligible Residential**	**$8,961.8**	**$161.2**	**$305.0**	**$322.1**	**$488.7**	**$96.7**	**$51.2**	**$50.1**	**$84.7**	**$90.3**	**$166.1**	**$3,647.8**	**$5,464.0**	**$3,497.8**	**61%**
14	Large C&I New Construction (Gas)	$2,652.6	$21.9	$132.5	$115.3	$196.1	$109.2	$219.3	$261.7	$369.0	$244.4	$200.3	$244.0	$2,113.7	$538.9	80%
15	Large C&I Commercial Retrofit (Gas)	$4,889.1	-$196.9	-$196.7	$169.8	$149.5	$163.9	$351.3	$299.5	$201.0	$291.3	$448.0	$1,403.3	$3,083.8	$1,805.3	63%
16	Small Business Direct (Gas)	$125.0	$4.4	$3.3	$10.2	$15.0	$4.3	$5.3	$3.6	$6.7	$39.7	$6.5	$25.9	$125.0	$0.0	100%
17	C&I Multifamily (Gas)	$967.9	$44.7	$15.1	$9.1	$3.9	$21.9	$11.3	$29.7	$32.5	$32.6	$51.5	$280.2	$532.4	$435.6	55%
18	Community Based Initiatives - C&I (Gas)	$22.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$22.0	$22.0	$0.0	100%
19	Commercial Pilots (Gas)	$366.0	$0.0	$0.0	$0.0	$0.2	$0.3	$0.2	$0.2	$0.2	$0.2	$0.2	$364.5	$366.0	$0.0	100%
20	Finance Costs (Gas)	$500.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$500.0	$500.0	$0.0	100%
21	**Subtotal Commercial & Industrial**	**$9,522.7**	**-$125.9**	**-$45.8**	**$304.3**	**$364.7**	**$299.5**	**$587.4**	**$594.7**	**$609.4**	**$608.2**	**$706.5**	**$2,839.9**	**$6,743.0**	**$2,779.7**	**71%**
22	**TOTAL All Sectors**	**$32,048**	**$307.8**	**$1,354.5**	**$2,438.3**	**$1,421.3**	**$772.8**	**$990.0**	**$1,438.1**	**$1,773.7**	**$1,237.7**	**$2,913.6**	**$8,924.8**	**$23,572.6**	**$8,475.4**	**74%**
23	**REGULATORY (Gas)**	**$722.4**	**$90.3**	**-$30.1**	**$107.8**	**$80.7**	**$57.6**	**$143.0**	**-$33.4**	**$49.3**	**$30.4**	**$56.2**	**$170.6**	**$722.4**	**$0.0**	**100%**
24	EERMC	$361.2	$0.0	$0.0	$77.7	$50.6	$27.5	$22.6	$26.8	$19.2	$0.3	$56.2	$80.3	$361.2	$0.0	100%
25	OER	$361.2	$90.3	-$30.1	$30.1	$30.1	$30.1	$120.4	-$60.2	$30.1	$30.1	$0.0	$90.3	$361.2	$0.0	100%
26	**TOTAL IMPLEMENTATION BUDGET**	**$32,770.4**	**$398.1**	**$1,324.4**	**$2,546.1**	**$1,501.9**	**$830.4**	**$1,133.0**	**$1,404.7**	**$1,823.0**	**$1,268.1**	**$2,969.8**	**$9,095.4**	**$24,295.1**	**$8,475.4**	**74%**

PUC 3-6

Request:

Please provide actual expenditures by month for each of the programs implemented in 2019 that are identified in Tables E-1 and G-1 of the Year End Results Report.

Response:

Please see Attachment PUC 3-6-1 and Attachment PUC 3-6-2.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5076
Attachment PUC 3-6-1
2019 Expenditures ($000) - Electric

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
		Monthly Expenditures												
	Total Costs	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
1	Res New Construction (Electric)	$880.5	$3.9	$70.2	$69.3	$54.9	$83.0	$61.7	$106.6	$127.1	$8.9	$82.7	$72.3	$139.8
2	ENERGY STAR HVAC (Electric)	$4,263.5	$109.0	$130.2	$168.6	$98.0	$229.5	$135.3	$302.1	$141.7	$32.7	$725.3	$410.0	$1,781.4
3	EnergyWise (Electric)	$16,062.8	$822.9	$1,144.2	$882.7	$1,344.5	$1,179.4	$1,399.6	$1,130.8	$1,428.4	$1,195.9	$1,339.6	$72.7	$4,122.2
4	EnergyWise Mult (Electric)	$1,213.2	$363.5	$55.9	-$147.2	$61.0	$73.8	$49.6	$77.5	$151.4	$175.6	$44.8	$14.8	$292.6
5	Home Energy Reports (Electric)	$2,562.5	$7.8	$2.2	$623.7	$216.6	$222.5	$212.3	$129.8	$293.5	$212.7	$213.7	$213.4	$214.3
6	ENERGY STAR Lighting (Electric)	$13,607.7	$49.7	$2,241.5	$66.2	$2,488.7	$753.0	$508.1	$1,079.0	$867.1	$1,173.2	$1,759.4	$911.9	$1,710.0
7	Res Consumer Products (Electric)	$2,486.3	$19.6	$409.4	$125.6	$105.8	$288.7	$72.3	$181.4	$160.9	$250.0	$171.9	$177.0	$523.8
8	Res Connected Solutions (Electric)	$170.8	$0.4	$0.9	$1.9	$1.7	$15.2	$1.7	$33.8	$1.3	-$1.6	$1.6	$101.7	$12.0
9	Energy Eff. Education (Electric)	$40.0	$0.0	$0.0	$0.0	$0.0	$8.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$32.0
10	Residential Pilots (Electric)	$2.1	$157.7	$30.8	-$143.4	$0.1	-$38.3	$0.0	$0.0	$0.0	$2.1	$0.0	$0.0	-$6.8
11	Community Based Initiatives - Residential (Electric)	$118.3	$0.8	$2.1	$0.1	$10.0	$3.1	$0.0	$33.7	$3.7	$9.0	$23.5	$8.1	$24.3
12	Comprehensive Marketing Residential (Electric)	$197.3	$0.7	$5.3	$8.3	$5.2	$1.0	$0.4	$13.5	$0.6	$1.0	$0.5	$0.7	$160.1
13	OTHER RESIDENTIAL PROGRAMS (Electric)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
14	**Subtotal Non-Income Eligible Residential**	**$41,605.0**	**$1,535.9**	**$4,092.7**	**$1,655.8**	**$4,386.3**	**$2,818.9**	**$2,441.0**	**$3,088.1**	**$3,175.8**	**$3,059.6**	**$4,362.9**	**$1,982.5**	**$9,005.5**
15	Single Family - Inc Elig (Electric)	$9,629.6	$819.5	$555.1	$313.1	$739.3	$905.2	$715.2	$720.2	$614.7	$773.6	$584.4	$455.7	$2,433.6
16	Income Elig - Mult (Electric)	$2,965.5	$154.4	$49.7	$40.0	$287.0	$16.2	$59.1	$61.1	$48.4	$106.8	$117.5	$215.7	$1,809.6
17	**Subtotal Income Eligible Residential**	**$12,595.1**	**$973.9**	**$604.8**	**$353.1**	**$1,026.3**	**$921.4**	**$774.3**	**$781.3**	**$663.1**	**$880.4**	**$701.9**	**$671.4**	**$4,243.1**
18	Large C&I New Construction (Electric)	$6,487.9	$441.0	$125.9	$107.9	$333.8	$248.9	$284.7	$268.1	$222.5	$266.5	$434.7	$877.3	$2,876.6
19	Large C&I Commercial Retrofit (Electric)	$27,310.2	$2,654.9	$186.3	-$1,281.8	$1,301.3	$1,014.5	$915.4	$778.3	$1,483.2	$2,348.1	$1,048.6	$682.9	$16,178.3
20	Small Business Direct (Electric)	$7,929.6	$82.9	$612.2	$643.9	$269.8	$1,131.4	$345.6	-$30.6	$425.5	$608.2	$1,080.1	$137.6	$2,622.9
21	Commercial Connected Solutions (Electric)	$1,308.8	$2.6	$97.4	-$33.5	$7.4	$7.3	$10.1	$3.2	$70.2	$11.5	$5.4	$5.4	$1,121.8
22	Commercial Pilots (Electric)	$40.1	$134.1	-$94.4	-$34.7	$53.5	$0.0	$0.0	$0.7	$0.0	$0.0	-$53.2	$17.5	$16.5
23	Comprehensive Marketing C&I (Electric)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
24	Community Based Initiatives - C&I (Electric)	$15.7	$0.0	$4.4	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$11.3
25	Finance Costs (Electric)	$5,000.0	$0.0	$0.0	$1,250.0	$416.7	$416.7	$416.7	$416.7	$416.7	$416.7	$416.7	$416.7	$416.7
26	OTHER C&I PROGRAMS (Electric)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
27	**Subtotal Commercial & Industrial**	**$48,092.4**	**$3,315.6**	**$931.8**	**$651.9**	**$2,382.5**	**$2,818.8**	**$1,972.5**	**$1,436.4**	**$2,618.1**	**$3,651.0**	**$2,932.2**	**$2,137.4**	**$23,244.1**
28	**TOTAL All Sectors**	**$102,292.5**	**$5,825.3**	**$5,629.3**	**$2,660.8**	**$7,795.2**	**$6,559.1**	**$5,187.8**	**$5,305.9**	**$6,457.0**	**$7,591.0**	**$7,997.1**	**$4,791.3**	**$36,492.7**
	REGULATORY (Electric)	**$1,773.9**	**$0.0**	**$0.1**	**$1.7**	**$392.8**	**$109.4**	**$271.5**	**$216.9**	**$118.3**	**$17.6**	**$128.8**	**$196.6**	**$320.1**
	OTHER COSTS NOT LISTED ABOVE (Electric)	**$82.0**	**$75.4**	**$0.6**	**$25.1**	**$2.1**	**$0.4**	**-$28.8**	**-$1.0**	**$0.3**	**$0.5**	**-$0.9**	**$2.5**	**$5.7**

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5076
Attachment PUC 3-6-2
2019 Expenditures ($000) - Gas

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
		Monthly Expenditures												
	Total Costs	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
1	Res New Construction (Gas)	$610.0	$2.3	$37.5	$29.8	$52.3	$22.3	$66.1	$125.8	$36.4	$6.9	$139.0	$48.2	$43.5
2	ENERGY STAR HVAC (Gas)	$2,397.8	$107.4	$230.5	$244.8	$591.7	$178.4	$30.2	$192.9	$58.4	$131.1	$234.1	$78.5	$319.9
3	EnergyWise (Gas)	$9,291.8	$467.7	$644.5	$646.7	$844.7	$846.1	$921.2	$585.2	$835.6	$611.2	$635.1	$17.2	$2,236.7
4	EnergyWise Mult (Gas)	$1,022.1	$222.3	$13.4	$67.5	$39.3	$36.0	$9.1	$28.7	$36.6	$19.3	$48.2	$24.9	$476.7
5	Home Energy Reports (Gas)	$420.1	$3.7	-$0.4	$1.3	$134.6	$37.6	$35.0	$34.0	$34.6	$34.6	$34.5	$35.5	$35.2
6	ENERGY STAR Lighting (Gas)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
7	Res Consumer Products (Gas)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
8	Res Connected Solutions (Gas)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
9	Energy Eff. Education (Gas)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
10	Residential Pilots (Gas)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
11	Community Based Initiatives - Residential (Gas)	$35.5	$0.8	$2.2	$0.0	$0.0	$2.1	$0.0	$2.9	$0.6	$3.0	$4.4	$0.7	$18.7
12	Comprehensive Marketing Residential (Gas)	$43.9	$0.3	$3.0	$0.9	$5.9	$1.6	$0.3	$0.2	$0.1	$0.3	$0.1	$0.2	$30.9
13	OTHER RESIDENTIAL PROGRAMS (Gas)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
14	**Subtotal Non-Income Eligible Residential**	**$13,821.2**	**$804.5**	**$930.7**	**$991.0**	**$1,668.5**	**$1,124.0**	**$1,061.9**	**$969.7**	**$1,002.4**	**$806.5**	**$1,095.3**	**$205.1**	**$3,161.6**
15	Single Family - Inc Elig (Gas)	$3,765.0	$210.3	$326.9	$514.9	$185.4	$453.2	$227.2	$369.3	$190.1	$287.6	$321.1	$170.5	$508.3
16	Income Elig - Mult (Gas)	$3,154.9	$323.8	$4.3	-$149.0	$57.9	$314.5	$197.4	$5.1	$486.2	$8.2	$179.3	$488.0	$1,239.3
17	**Subtotal Income Eligible Residential**	**$6,919.9**	**$534.0**	**$331.2**	**$365.9**	**$243.3**	**$767.8**	**$424.6**	**$374.4**	**$676.4**	**$295.7**	**$500.4**	**$658.5**	**$1,747.6**
18	Large C&I New Construction (Gas)	$2,823.9	$138.8	$78.2	$5.2	$171.5	$203.8	$145.3	$170.7	$153.7	$105.0	$153.9	$210.6	$1,287.1
19	Large C&I Commercial Retrofit (Gas)	$4,890.1	$706.0	-$45.2	-$594.1	$237.6	$259.0	$219.1	$216.3	$380.4	$175.7	$181.6	$312.0	$2,841.6
20	Small Business Direct (Gas)	$93.7	$5.4	$5.4	$5.1	$5.4	$31.5	$4.7	$3.6	$3.2	$5.3	$9.0	$5.9	$9.3
21	Commercial Connected Solutions (Gas)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
22	Commercial Pilots (Gas)	$52.3	$0.0	$0.0	$0.0	$0.0	$0.0	$52.3	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
23	Comprehensive Marketing C&I (Gas)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
24	Community Based Initiatives - C&I (Gas)	$3.8	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$3.8
25	C&I Multifamily (Gas)	$997.0	$106.4	$3.1	-$30.0	$5.4	$7.0	$5.0	$7.0	$5.3	$52.5	$20.3	$3.3	$811.6
26	Finance Costs (Gas)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
27	OTHER C&I PROGRAMS (Gas)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
28	**Subtotal Commercial & Industrial**	**$8,861**	**$957**	**$41**	**-$614**	**$420**	**$501**	**$426**	**$398**	**$543**	**$338**	**$365**	**$532**	**$4,953**
29	**TOTAL All Sectors**	**$29,601.7**	**$2,295.2**	**$1,303.3**	**$743.2**	**$2,331.7**	**$2,393.2**	**$1,912.9**	**$1,741.7**	**$2,221.4**	**$1,440.7**	**$1,960.5**	**$1,395.5**	**$9,862.5**
	REGULATORY (Gas)	**$540.0**	**$0.0**	**$0.0**	**$0.5**	**$118.1**	**$32.9**	**$88.4**	**$65.2**	**$35.5**	**$5.3**	**$38.7**	**$59.1**	**$96.3**
	OTHER COSTS NOT LISTED ABOVE (Gas)	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.6**	**-$0.6**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**

PUC 3-7

Request:

Referring to Attachment PUC 1-11-1, please explain why the Company believes it will spend $10 million in November and December in the Large Commercial Retrofit program, on a total annual budget of $23 million? Please explain how over 40% of the entire annual budget can be prudently spent in two months.

Response:

The Company is projected to spend approximately $9,400,000 in November and December in the Large Commercial Retrofit program. The Company forecasts that ~77% of the spend will be attributed to participant incentives, whereas the remaining 23% of the spend will be allocated amongst Sales Technical Assistance and Training, Evaluation and Market Research, and Marketing and Advertising.

The trajectory of this spend is generally consistent with prior years and is a product of the long lead times associated with identifying, proposing, securing, and installing energy efficiency measures. For example, in the years 2017, 2018, and 2019, approximately 42 percent, 47 percent, and 66 percent of the Large Commercial Retrofit program spend, respectively, was incurred in the fourth quarter of the year. Additionally, many large industrial customers, municipalities, and universities require installations during low occupancy times, during performance or operational maintenance events, or during facility shutdowns, many of which tend to occur in November and December.

In communicating these projected spending levels, the Company notes that it does not book incentive spend until projects are completed and installed measures are post-inspected – incentive spend booked in November or December often reflects project work that has been executed over the course of several preceding months.

Prepared by or under the supervision of: Daniel Tukey

PUC 3-8

Request:

Referring to the response to PUC 1-28, and Attachment PUC 1-11-1, which projects that the Company will fall $3.2 million short of its $15.7 million implementation budget for the electric EnergyWise program in 2020, please explain why it is reasonable to increase the electric EnergyWise budget to $17 million for 2020, given the Company's forecast of a lower economic outlook in Rhode Island in 2021 and 2022 due to COVID impacts (see PUC 1-7 a).

Response:

The majority of budgeted program expenses, including those for the EnergyWise program, flow directly from planned savings anticipated from such programs. Regarding the residential weatherization and other electric savings anticipated from the EnergyWise program, the savings supported by planned 2021 budgets fall below the maximum achievable savings identified in the RI technical potential study, and the resulting EERMC proposed and PUC approved savings targets set for the Company for 2021.

Comparing budgeted 2021 program expenses to forecast full-year 2020 expenses for the program, the core factor limiting 2020 expenses was the approximately three-month suspension of on-premises service delivery in 2020 during the onset of the COVID-19 pandemic. Although the impacts of this suspension were mitigated by both the development of a virtual home energy assessment offering as well as the development and implementation of health and safety protocols that allowed for the restoration of on-premises services, 2020 volumes were negatively impacted.

With the combination of more firmly established virtual home energy assessment capabilities as well as an expectation that further on-premises service suspensions will not be required or will not be as severe during 2021, the Company believes that the budgeted 2021 implementation expenses will be utilized to the benefit of the greater numbers of customers who would be served by the program in 2021 at proposed spending levels.

Prepared by or under the supervision of: Angela Li and Matthew Ray

PUC 3-9

Request:

Referring to the response to PUC 1-11-1(f), please identify each of the programs where there will be a "creation of virtual and remote delivery capabilities for services that previously could only be delivered on-site" and describe how the services will be delivered remotely. Please explain the extent to which the remote nature of the services may impact the quality of service outcomes.

Response:

Non-Income Eligible Residential	**Description of how services will be delivered remotely**	**Potential impact of quality of service outcome**
EnergyWise home energy assessment	Virtual home energy assessments began in 2020. Energy Specialists work with customers by phone, video or email to identify opportunities for weatherization, heating, cooling, hot water and appliance upgrades. Frequently there is a quick in-person visit by an energy specialist to verify that there are no pre-weatherization barriers before an insulation contractor goes to the customer site so a day of work is not lost for the insulation contractor.	Early customer satisfaction surveys indicate that customers find more value from an in-person assessment than the virtual home energy assessment. As more projects continue through to weatherization, there will be additional information collected on the accuracy of work scopes through the virtual home energy assessment. Preliminary data shows that there is a higher change order rate, though the Company and its lead vendor for the program will continue to work to understand and mitigate any root causes of this delate. VHEAs also allow for more variable hours for scheduling and delivering assessments.

Prepared by or under the supervision of: Angela Li and Daniel Tukey

PUC 3-9, page 2

Non-Income Eligible Residential	**Description of how services will be delivered remotely**	**Potential impact of quality of service outcome**
Multifamily	Virtual assessments were initially offered in 2020 however, due to the complexity and uniqueness of each building, an onsite visit was needed in most cases. Since mid-June 2020 services have been able to resume in-person. Additionally, in 2020 the Company was able to launch a process to be able to deliver Instant Savings Measures to customers in 2020 without having to enter individual units.	Due to the complexity and uniqueness of multifamily dwellings, the effectiveness and completeness of virtual assessments have not proven to be as accurate as in-person services based on experience from offering remote services in 2020. If virtual services are needed in 2021, the Company plans to offer them to customers and work with the implementation vendor on ways to optimize remote services.
HVAC	Post-installation inspections for HVAC equipment previously delivered through both virtual photo-inspection and on-site inspection moved to a virtual process in March 2020 for both electric and gas. AC Check Training has shifted from a combination of online video and in-person training to 100% online video.	The integrity of virtual photo-inspections is validated by requiring submission of photo documentation of equipment within a specific timeframe. Quality control is implemented to ensure photos are actual, and not copied from the internet. The quality of service from online AC Check training is not expected to affect service outcome.

PUC 3-9, page 3

Income Eligible Residential	**Description of how services will be delivered remotely**	**Potential impact of quality of service outcome**
Income Eligible Multifamily	Virtual assessments were initially offered in 2020 however, due to the complexity and uniqueness of each building, an onsite visit was needed in most cases. Since mid-June 2020 services have been able to resume in-person.	Due to the complexity and uniqueness of multifamily dwellings, the effectiveness and completeness of virtual assessments have not proven to be as accurate as in-person services based on experience from offering remote services in 2020. If virtual services are needed in 2021, the Company plans to offer them to customers and work with the implementation vendor on ways to optimize remote services.

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Income Eligible Residential	**Description of how services will be delivered remotely**	**Potential impact of quality of service outcome**
Income Eligible Single Family	Virtual home energy assessments began in 2020. Energy Specialists at the CAP Agencies work with customers by phone or video to identify opportunities for instant savings measures (ISMs) and potential opportunities for weatherization, heating, cooling, hot water and appliance upgrades. ISMs can be mailed directly to the customer. Appliances, heating systems and weatherization continue to require an in-person assessment to 1) identify barriers for weatherization that often appear in the income eligible housing stock, 2) for the metering of appliances to determine efficiency levels 3) for determining that condition of DHW piping supports the upgrade to high efficiency equipment, 4) ease of appliance delivery prior to shipment. .	2020 results have shown that the virtual assessments do engage customers in the process and provide opportunity for delivery of ISMs. Remote assessments do not allow for easy identification of barriers. In-person assessments are required for testing – and installation – of heating systems, weatherization and most appliances. Although most customers participated in the virtual home energy assessments, these often resulted in re-visits to the customers' homes to maximize the energy efficiency opportunities. Once the in-person assessments became available, most-customers have returned to the in-person delivery model. Electric savings come partly from ISMs and appliances, however savings from weatherization and heating system replacements on both the gas and electric programs cannot be achieved without in-person work being conducted.

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Commercial & Industrial	**Description of how services will be delivered remotely**	**Potential impact of quality of service outcome**
Small Business Direct Install	The Small Business Initiative is offering remote audits for both the Direct Install and Customer Directed Option pathways. The auditors work with the customer to obtain current measures, counts, wattage, and additional documents and readings via file transfers and virtual meetings. The information is then used to develop a proposal based on the initial preliminary audit.	There is a potential for error in the customer's submission of measurements, counts, wattage, et cetera. To protect against this potential impact, the customer is made aware that should the information deviate from the customer's submission at the time the vendor is on site, then the Company would adjust the energy savings and customers offer letter.
Large Commercial Retrofit	The Company is developing templates for remote pre- and post-inspections for eligible projects, in the event COVID-19 restrictions once again prevent on-site work. Additionally, the Industrial initiative vendors worked with the Company to develop procedures for remote energy efficiency opportunity audits, otherwise known as "Treasure Hunts". The remote delivery includes customer guidelines for metering installation, and customer-vendor progress checks via webinars. The Industrial vendor has full capability and a structured plan to deliver virtual service, if necessary.	Customers participating in the Industrial initiative could encounter difficulties in installing meters for the remote Treasure Hunts. To protect against this impact, the Industrial vendor has provided detailed instructions for installation, in addition to offering virtual support. The virtual Treasure Hunts could prove to be less scrupulous than in-person energy opportunity audits due to the vendor's inability to examine the customers process or manufacturing configuration and its relationship to other equipment and systems.

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Pilots, Demonstrations, and Assessments	**Description of how services will be delivered remotely**	**Potential impact of quality of service outcome**
Strategic Energy Management (SEM)/Continuous Energy Improvement (CEI)	The SEM/CEI vendor is holding virtual workshops, and individual site coach and performance monitoring meetings. These services are being delivered through virtual meeting platforms. The vendor is also performing virtual energy management assessments via remote meetings and document transfers.	There is a potential impact to customer engagement as a result of the virtual engagements. However, the vendor has incorporated engagement strategies during virtual meetings to promote participation.

PUC 3-10

Request:

Referring to the response to PUC 1-11-1(f), does the Company expect an increase or a reduction in the cost of program delivery in instances where delivery service occurs remotely? If so, please provide an estimate of the impacts.

Response:

Non-Income Eligible Residential	**Is the remote delivery program/initiative expected to increase or decrease the cost of program delivery**	**Estimate of the cost impact for the remote delivery service**
EnergyWise home energy assessment	In the immediate term, no impact. In the longer term, will likely decrease costs.	Cost reduction estimates are not available at this time, will become available through price discovery resulting from future solicitations for vendor services in this program
Multifamily	In the immediate term, no impact. In the longer term, will possibly decrease costs.	Cost reduction estimates are not available at this time. Any potential future cost reductions will be predicated on continuing to utilize remote delivery channels in this program
HVAC	In the immediate term, no impact. In the longer term, potentially.	Cost reduction estimates are not available at this time, will become available through price discovery resulting from future solicitations for vendor services in this program.

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Income Eligible Residential	**Is the program/initiative expected to increase or decrease the cost of program delivery**	**Estimate of the cost impact for the remote delivery service**
Income Eligible Multifamily	No impact (remote delivery options not currently being offered in this program)	n/a
Income Eligible Single Family	Increasing cost of program delivery	Cost of shipping of ISMs, $13.50, per customer. Post Virtual Home Energy Assessment, Revisit Fee of $40 or $80 per customer depending on the level of necessary follow-up for appliance, heating system and weatherization upgrades.

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Commercial and Industrial	**Is the program/initiative expected to increase or decrease the cost of program delivery**	**Estimate of the cost impact for the remote delivery service**
Small Business Direct Install	In the immediate term, no impact In the longer term, potential cost decreases, as remote delivery of small business site assessments could lead to reduced cost of delivery energy assessment.	Cost reduction estimates are not available at this time, will become available through price discovery resulting from future solicitations for vendor services in this program
Large Commercial Retrofit	In the immediate term, no impact In the longer term, potential cost decreases associated with time and costs of performing on-site pre and post inspections.	Cost reduction estimates are not available at this time, will become available through price discovery resulting from future solicitations for vendor services in this program.

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Pilots, Demonstrations, and Assessments	**Is the program/initiative expected to increase or decrease the cost of program delivery (Y/N)**	**Estimate of the cost impact for the remote delivery service**
Strategic Energy Management (SEM)/Continuous Energy Improvement (CEI)	In the immediate term, no impact In the longer term, potential cost decreases, as remote delivery of SEM/CEI services could lead to reduced cost of delivering these services	Cost reduction estimates are not available at this time, will become available through price discovery solicitations for vendor services, should the Company seek to continue with the SEM/CEI demonstration beyond its initial engagement period.

PUC 3-11

Request:

Referring to the response to PUC 1-11-1(g), please explain how the Company expects that 49% of total annual electric energy savings and 51% of currently anticipated total net annual gas energy savings (spending more than 50% of the entire implementation budget in each instance) will be delivered in the last three months of 2020.

Response:

According to the Company's revised calculations provided in the response to PUC 1-11(g), the Company anticipates delivering 42 percent of total net annual electric energy savings and 51 percent of total net annual gas energy savings during the fourth quarter of 2020.

The Company's full-year spend and savings forecasts are based on taking a bottom-up approach. Forecasts are developed by the implementation team, incorporating frequent feedback from and vetting by the Company's sales organization, external implementation vendors, and customers, incorporating the latest available information about specific project statuses and anticipated completion dates.

Similar to the spending trajectory explanation provided in the Company's response to PUC 3-7, the anticipated savings trajectory in 2020 is largely consistent with prior years and is a product of the long lead times associated with identifying, proposing, securing, and installing energy efficiency measures. For example, in the years 2017, 2018, and 2019, approximately 42 percent, 39 percent, and 48 percent of total electric portfolio spend and 40 percent, 34 percent, and 44 percent of total gas portfolio spend, respectively, was incurred in the fourth quarter of the year.

To ensure that these significant amounts of annual electric and gas savings are delivered between October and December, the Company's implementation team conducts robust project reviews and cadence meetings with the technical staff, internal processing staff, vendor partners, and post inspection workforce. This annual end of year process is built to ensure that the Company can manage the large volume of projects due for completion and that there are enough post inspectors to conduct final inspections, internal staff to process incentive payments, etc.

There are several reasons that realization of savings (and associated spend) tends to be concentrated in the fourth quarter of each calendar year. As noted in the Company's response to PUC 3-7, large industrial customers, municipalities, and universities often require installations during low occupancy times, during performance or operational maintenance events, or during facility shutdowns, many of which tend to occur in November and December. Also, many

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customers tend to wait until the cooler months of the year before considering the need for insulation and air sealing improvements. The gap between year-to-date actual and planned savings in 2020 has also been driven in part by the COVID-19 pandemic and the resulting suspension of on-site programs earlier in the year, which deferred both some customer demand as well as vendor fulfillment capabilities until the second half of the year.

PUC 3-12

Request:

Referring to the response to Attachments PUC 1-11-1 and 1-11-2:

a. Please explain how the Company will be processing the expenditures of $54 million for electric and $17.5 million for gas within only two months, prudently and accurately, while not sacrificing quality for speed in order to hit savings targets during a particularly challenging year.
b. Does the Company count savings on the date the expenses are paid, or is there another accounting convention used for taking credit for the savings achieved in 2020? For example, if a project was begun in December, but not completed and fully expensed until January or February, does the Company record the expense as incurred in 2020 or 2021?
c. Does the Company's recognize expenses for purposes of taking savings credit in the energy efficiency program match how the Company recognizes expenses for financial accounting purposes? If not, explain difference.

Response:

a. Each year the Company's energy efficiency implementation team goes through a rigorous year-end process, in which it works with both internal staff as well as external vendors to ensure that sufficient staff will be available to manage the year end workload and complete all necessary inspection and verification processes by the end of the calendar year. As discussed in PUC 3-11, the Company's implementation team conducts robust project reviews and cadence meetings with technical staff, internal processing staff, vendor partners, and post inspection workforce. This annual cadence is designed to ensure that the collective team is able to handle the large volume of projects due for completion, and that sufficient resources are in place to conduct final inspections and process and QA/QC payments. It is also not uncommon for the Company and its vendors to process significant volumes of projects at year-end – the anticipated share of savings and costs to be completed and recognized in the fourth quarter of 2020 is not out of line with recent history.

b. The Company does not claim energy savings until invoices are processed, and incentive checks are distributed to the relevant customer or eligible recipient. Installation of projects must be complete by December 31, and invoices QA/QC'd or accrued. In order for savings to be claimed in the 2020 program year, the Company has until January 15, 2021 to gather final invoices, QA/QC the invoices and create requisite incentive payments.

Prepared by or under the supervision of: Matthew Ray, Matthew Manzo and Christopher Porter

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In the specific example cited in the question, if the project was not completed until February of 2021, the savings and costs associated with that project would be applied to the 2021 program year, not to 2020.

c. Within Energy Efficiency cost tracking and reporting, the Company recognizes expenses upon completion of work performed and verification of claimed savings. This is done in order to best align costs with associated savings and benefits, and to provide stakeholders with the most accurate picture of the relationship between programmatic expenses and anticipated savings.

For financial accounting purposes, the Company includes monthly accrual activity in each month's financials. This activity represents work that has been completed and verified and is deemed to have a high probability that it will be paid. These monthly accruals are excluded from in-year energy efficiency filings and internal reporting, and are reconciled as of the close of each calendar year. At the end of the calendar year, the Company inspects accrual activity at the invoice level. Accruals that represent work that have been completed and verified by December 31st and paid by January 15th are included in reported December energy efficiency activity, including accounting for any associated savings and benefits.

PUC 3-13

Request:

Referring to the response to PUC 1-11-1(f), please explain how it is that the Company expects to spend over 90% of the $3.5 million Income Eligible Multifamily budget in November and December. Will the Company be needing access to multifamily units in November and December that it was unable to obtain during the summer and fall?

Response:

Over the past several years, the Income Eligible Multifamily program has mostly consisted of larger, custom projects which tend to be more costly and take several months to install. The projects in progress for 2020 that will lead to the anticipated spending distribution identified in the question are consistent with this trend, as they include custom heating and cooling upgrades. These projects were impacted and delayed earlier in the year due to COVID-19, but as of the time of submission of this response are all currently underway. As the savings, and associated costs, for these projects will not be reported until the work is completed, the vast majority of anticipated full-year program spend is expected to be recorded in November and December.

The Company does not anticipate that barriers associated with access to multifamily units will impact vendor ability to complete those projects in the pipeline that are currently expected to be completed during 2020. At this stage of their implementation, much of the work associated with these projects is performed in mechanical/boiler rooms and common areas, and can be completed without a need to access individual units.

Prepared by or under the supervision of: Matthew Ray

PUC 3-14

Request:

Referring to Attachment PUC 1-11-1 and 1-11-2, please explain why the Company will spend 100% of the Income Eligible Multifamily budget for the electric program, but only 53% of the Income Eligible Multifamily budget for the gas program by the end of 2020.

Response:

The majority of Income Eligible Multifamily measures are typically large custom installations. Among these custom measures, there has been a greater opportunity for installation of electric measures than of gas measures within the Income Eligible Multifamily program during 2020.

For example, the end of October forecast conveyed in Attachments PUC 1-11-1 (Revised) and 1-11-2 (Revised) included multiple large, custom projects that consisted of installing ASHP (Air Source Heat Pump) and mCHP (Mirco Combined Heat and Power) electric measures. Collectively, these projects drove roughly 50% of the projected full-year electric spend within the Income Eligible Multifamily program in 2020.

In recent years, much of the income eligible gas savings have come from boiler upgrades, and much of this work is historically completed at the conclusion of the heating season. Due to the COVID-19 pandemic, all on-premise services delivered by contracted vendors were suspended for several months beginning in March. This disruption created a delay in developing the gas project pipeline, which the Company does not anticipate fully recovering from within the 2020 program year.

Prepared by or under the supervision of: Matthew Ray

PUC 3-15

Request:

Referring to Attachment PUC 1-11-1 and 1-11-2, please explain why the Company projects that it will over-spend its electric C&I budget for 2020 but under-spend its gas C&I budget by $3.2 million for 2020.

Response:

The Company's projected over-spend in the C&I electric budget can be attributed to two primary factors:

1) The Company entered the year with an advanced pipeline of electric efficiency projects that were identified in late 2019, but not installed until 2020. Many of the projects included in the early pipeline had higher committed incentive payments than the budgeted portfolio average expectation for 2020.

2) As part of its COVID-19 response, the Company increased incentive levels within specific C&I programs (namely the Small Business Direct Install Program) for a period of time during 2020. As with the enhanced residential weatherization incentives, these incentive changes were implemented in order to continue to drive cost effective savings during a period when customer demand for these projects was otherwise depressed and to provide support to the Company's energy efficiency vendor ecosystem with the goal of forestalling and/or limiting vendor employee layoffs that could have otherwise impacted the long-term growth prospects of the local energy efficiency market and the Company's ability to cost-efficiently deliver on future savings and associated customer benefits.

In contrast to the electric portfolio, the Company is anticipating under-spending the gas C&I budget for 2020 because the volume of C&I projects in the gas portfolio pipeline were relatively more impacted by the COVID pandemic than in the C&I electric portfolio pipeline. Electric energy efficiency projects tend to materialize earlier in the program year, whereas gas energy efficiency projects are more frequently identified via thermal load data obtained during the heating season. This distinction allowed the Company to secure electric energy efficiency commitments before the impacts of COVID-19 forced customers to impose financial restrictions on energy efficiency projects.

Additionally, the commercial and industrial gas portfolio is heavily dependent on large projects from colleges, universities, hospitals, hotels, and restaurants. In many cases, customers in these segments significantly reduced, or even suspended, energy efficiency commitments in advance of the Company's ability to secure gas efficiency projects commitments.

Prepared by or under the supervision of: Daniel Tukey

PUC 3-16

Request:

Referring to the response to PUC 1-12(b), please identify the total amount of funding in 2021 that is allocated to "workforce development and technology investment systems, which the Company believes are necessary" in order to meet savings goals for 2022 and 2023. Please provide a description of each of the initiatives and provide a more complete explanation of how savings goals for 2022 and 2023 would be affected. Please also estimate the degree to which the savings goals for 2022 and 2023 would be affected by deferring these activities for one year.

Response:

The technology system investments noted in the Company's response PUC 1-12(b) primarily refer to the Company's proposed Energy Management Framework Platform.

The following two tables address each of the four elements of this request for the Workforce Development and the Energy Management Framework Platform initiatives.

Initiative name	Workforce Development
Proposed 2021 funding level	$1.05 million (see Bates Page 43 of the 2021 Annual Plan) Note: The Company has included a lower level of Workforce Development support in previous Annual Plans, so the incremental investment for the 2021 Plan is a portion of this sum.
Initiative description	As noted on Bates Page 5 of the 2021-2023 Three-Year Plan, the Company is "increasing its investment in workforce development to mitigate the workforce losses caused by COVID-19 and to help bring new workers into growth areas of clean energy technologies." In 2021, the Company will take steps to "improve our labor market intelligence," "upsize and upskill today's workforce," and "build a more sustainable, equitable pipeline" as noted on Bates Page 42 of the 2021 Annual Plan. Please see this page for an expanded discussion of this three-pronged approach.

Prepared by or under the supervision of: Kevin Rose and Daniel Tukey

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Initiative name	Workforce Development
Impact on future savings	As discussed on Bates Page 90 of the 2021-2023 Three-Year Plan, the energy savings target ranges set for 2022 and 2023 assume progress in lowering several barriers to energy efficiency, including insufficient workforce. Targeted efforts in 2021 to increase the size and skillset of the state's energy efficiency workforce will lower this barrier and enable the Company to deliver higher levels of energy efficiency through its programs in 2022 and 2023 (and beyond). Specifically, the elements discussed under the "upsize and upskill today's workforce" prong of the Company's Workforce Development approach (see Bates Page 42 of the 2021 Annual Plan) have a direct impact the Company's ability to meet its 2022-2023 energy savings goals. The following programmatic focus areas and target audiences were identified on Bates Page 43 of this Plan: Residential and Income Eligible: • New Construction, Zero Energy Homes, and Code Compliance (builders, designers, code officials) • Advanced HVAC (contractors) • Air Source Heat Pump (installers, designers) • Others subject to market conditions Commercial & Industrial: • New Construction, Zero Energy Buildings, and Code Compliance (developers, designers, code officials) • HVAC Controls and Retro-Commissioning (controls programmers) • Advanced lighting controls (electrical contractors, lighting firms, manufacturer representatives, Commissioning agents) • Building Operator Certification (facility managers) • Others subject to market conditions

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Initiative name	Workforce Development
Degree of impact on 2022 and 2023 savings	Projecting the energy savings resulting from this initiative with any degree of accuracy is difficult because of (1) incomplete information at the micro-level regarding complex, interactive market barriers and (2) uncertainty at the macro-level of foundational market assumptions needed to conduct this analysis due to economic uncertainty. Comparing the low and mid scenarios analyzed in the Potential Study provides a ballpark estimate of the level of savings that would be enabled by removing barriers to energy efficiency adoption. The Potential Study suggested that, across all sectors and end uses, 31-33 percent more lifetime electric savings and 41-42 percent more lifetime gas savings could be achieved in 2022 and 2023 in the mid scenario compared to the low scenario. Because this initiative cuts across all sectors and will impact many programs and end uses, these values can be used as one indicator of the potential degree of savings impact in the relevant program areas where investment occurs. The Potential Study's low scenario was based on business as usual approaches to delivering energy efficiency programs, while the growth to the mid scenario was explicitly based on the assumption of enhanced program designs reducing barriers to market adoption. Although Workforce Development investments on their own will not ensure that the Company can achieve the mid scenario savings goals identified in the Potential Study, failure to address this barrier will make it less likely that the Company will be able to achieve the illustrative savings goals proposed in years 2 and 3 of the Three-Year Plan.

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Initiative name	Energy Management Framework Platform
Proposed 2021 funding level	The Company has proposed a budget of $1,000,000 for the development of an Energy Management Framework Platform software tool. The cost is expected to support the design and procurement and/or development and implementation of a software system that will support Company collection and utilization of data about large C&I customer facility attributes, with a goal of enabling more targeted outreach, engagement, and selling to customers who would most benefit from specific energy efficiency measures at specific times.
Initiative description	As noted on Bates Page 421 of the 2021 Annual Plan, the Energy Management Framework Platform (the "Platform") will "store specific nameplate information from the customer's facility. The Platform will be used to facilitate the decision-making processes via advanced insights and data processing. The Platform has the potential to help better inform the Company as to what specific energy conservation measures are needed, when such measures should be proposed, and with what level of financing."
Impact on future savings	The objective of the Platform is to increase participation and continuous customer engagement in energy efficiency. The Platform addresses this objective by proposing next-best energy efficiency actions in the short-term and developing energy action plans in the long-term. To propose next-best actions and develop energy action plans, the Company must collect nameplate information. The nameplate information will be aggregated and sorted to determine when specific equipment is nearing its measure life, the approximate savings opportunity for the replacement installation, the expected incentive amount, and the financing options available to the customer. The Platform will also provide customer-specific reports on past energy efficiency investments, future energy efficiency opportunities, and available financing mechanisms. Targeted audits in 2021 will allow the Company to obtain the nameplate information from customers that have historically not participated or lacked engagement in recent years. The Platform's impact to the 2022 and 2023 savings goals will be determined by the savings opportunities uncovered through the nameplate audits and customers' willingness to engage in energy efficiency.

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Initiative name	Energy Management Framework Platform
Degree of impact on 2022 and 2023 savings	As with the proposed Workforce Development initiative, projecting the energy savings resulting from this initiative with any degree of accuracy is difficult because of (1) incomplete information at the micro-level regarding complex, interactive market barriers and (2) uncertainty at the macro-level of foundational market assumptions needed to conduct this analysis due to economic uncertainty. Comparing the low and mid scenarios analyzed in the Potential Study provides a ballpark estimate of the level of savings that would be enabled by removing barriers to energy efficiency adoption. The Potential Study suggested that, across all end uses in the C&I sector, 21 percent more lifetime electric savings and 19 percent more lifetime gas savings could be achieved in 2022 and 2023 in the mid scenario compared to the low scenario. Because this initiative is limited to the C&I sector (but will impact many measures and end uses), these values can be used as one indicator of the potential degree of savings impact in the relevant program areas where investment occurs. [PC1]The Potential Study's low scenario was based on business as usual approaches to delivering energy efficiency programs, while the growth to the mid scenario was explicitly based on the assumption of enhanced program designs reducing barriers to market adoption. The Company believes that this Energy Management Framework Platform, if funded and developed, could be a core example of a programmatic enhancement that could enable the Company to achieve savings above the business as usual scenario identified by the market Potential Study.

PUC 3-17

Request:

Referring to PUC 1-12(b), please explain how retaining a budget level at the 2020 level constitutes a "pulling back on planned investments and savings volumes in 2021 [that] could send a negative signal to the market" where the 2020 budget level was supported by the Company, it was the highest spending level in the EE program's history, and the Company could not spend that level of funding in 2020.

Response:

The Company's proposed 2021 budget was a function of both 2021 savings and benefit goals, as well as the necessary near-term investments that the Company believes are required for the Company to achieve, as close as possible, the 2022 and 2023 savings targets proposed by the EERMC and approved by the PUC in Docket No. 5023. The increase in budget levels for 2021 is a function of changes to the proposed plan's measure mix (*i.e.* a shift towards the "deeper" savings that are a core stakeholder priority for the future of energy efficiency, but come at a higher cost to achieve) and reduced net claimable savings resulting from evaluation, measurement, and verification adjustments to the Company's energy efficiency portfolio.

Given the above dynamics, a flat budget between 2020 and 2021 would require the Company to reduce (1) some combination of unit-level incentives and planned volumes of implemented measures (both of which would have the impact of reducing planned savings for 2021), and (2) the investments the Company has proposed, with the support of the settling parties, as necessary to achieve as great a share as possible of existing 2022 and 2023 savings targets and fulfill its LCP mandate to pursue all cost-effective energy efficiency.

Any combination of the above two outcomes could have the impact of eroding the market's current view of the commitment of the Company and state policy-makers in the importance of energy efficiency to achieving the state's long-term energy policy goals. This shift in perception could have the impact of reducing private investment in the further development of capacity to deliver energy efficiency – in the medium- to long-term, such reduction in investment could be expected to reduce the ability of the industry (and the Company) to meet customer demand for energy efficiency products and services and to increase the unit costs of whatever level of achievement will remain possible.

Prepared by or under the supervision of: Matthew Ray and Christopher Porter

PUC 3-18

Request:

Referring to the response to PUC 1-14 and PUC 1-15, please explain whether and how the Company would support a $21 million or greater increase in the revenue required for the electric energy efficiency program for 2022, at the same time that it files a general base distribution rate case seeking an increase in base distribution revenues, taking into account the Company's forecast of a lower economic outlook for Rhode Island in 2021 and 2022 due to COVID impacts (see PUC 1-7(a)).

Response:

The fundamental premise of cost-effective energy efficiency programs is that these programs (i) reduce costs for customers by reducing consumption for participants, and (ii) benefit all customers through avoided or deferred infrastructure investments and energy procurement as captured by the avoided costs used to screen programs for cost effectiveness.

Any increase in surcharge revenue that the Company will require in 2022 will depend on the binding savings and benefit goals that will be proposed as part of the 2022 Annual Plan. To support such proposal, the Company will be required to demonstrate, as it does with each annual energy efficiency plan filing, that the 2022 Annual Plan meets the requirements of the Least Cost Procurement ("LCP") law and the LCP Standards, in effect at the time of submission, as they relate to the Company's obligation to pursue all cost-effective energy efficiency that is prudent, reliable, and environmentally responsible. One of the benefits of an annual planning process in Rhode Island is that the Company will be able to evaluate and determine what level of 2022 energy efficiency savings, benefits, required revenues, and resulting customer collections will be necessary to meet the LCP requirements based on an incremental year of economic data and a more current outlook about the likely state of the Rhode Island economy in 2022.

Prepared by or under the supervision of: Christopher Porter and Matthew Ray

PUC 3-19

Request:

Referring to Attachment PUC 1-11-1 and the Connected Solutions budget of $2,078,500, the table shows expenditures through October of $118,800. How much of the expenditures to date were allocated costs and National Grid labor & employee expenses, as opposed to curtailment payments paid directly to customers?

Response:

The Connected Solution expenditures through October include $50,151 in allocated cost and $68,689 in labor and employee expenses. The preliminary results from the Targeted Dispatch events are expected to account for approximately $920,000 in curtailment, and the Daily Dispatch events are expected to result in approximately $960,000 in curtailment payments. The Targeted Dispatch and Daily Dispatch curtailment payments will be paid in November and December 2020, after the Company has verified the results from the performance period.

Category	**Actual Year-To-Date Expenditures (through October 2020)**
Allocated Costs	$50,151
National Grid Labor and Employee Expenses	$68,689
Curtailment Payments	$0
Total	$118,840

Prepared by or under the supervision of: Angela Li and Daniel Tukey

PUC 3-20

Request:

Referring to Attachment PUC 1-11-1 and the response to PUC 1-26, please explain why the Company projects that it will spend over 90% of its Commercial ConnectedSolutions budget (over $1.9 million) in November and December. Please provide evidentiary support for the assumption that the Company expects to pay curtailment incentives for load reductions at this magnitude for the last two months of 2020. Please also refer to Table E-1 in the 2019 Year End Report, indicating that the Company only spent $1.3 million on a budget of approximately $2 million in 2019. Please explain why the Company expects substantially more success over the course of two months.

Response:

The Connected Solutions Targeted Dispatch and Daily Dispatch programs are designed to reduce electric demand during summer peak events. The performance incentive for the summer demand response events are assessed, verified, and paid to customers during the months of November and December. These costs have not yet shown up as year-to-date costs for the Connected Solutions program through the end of October because they had not yet been paid as of that time-frame.

The preliminary results for the Targeted Dispatch events indicate 26.3MW of average curtailment across three events during the summer of 2020. With an incentive rate of $35/kW, total curtailment incentive payments to customers are expected to amount to approximately $920,500.

The preliminary results for the Daily Dispatch events indicate that 3.2MW of average curtailment occurred across 37 events during the summer of 2020. With an incentive rate of $300/kW, total curtailment incentive payments to customers are expected to amount to approximately $960,000.

In 2019, the Company realized significant cost savings on a Connected Solution software platform via a competitive bid process. The 2020 Connected Solutions budget accounted for the lower than anticipated fixed software costs, and the Company projects that approximately 85 percent of the total 2020 program expenditures will be spent on customer curtailment incentive payments.

Prepared by or under the supervision of: Angela Li and Daniel Tukey

PUC 3-21

Request:

Refer to the following:

(a) Bates page 212 and the following statement regarding the Commercial ConnectedSolutions program: "At this time, no program changes are anticipated related to Targeted or Daily Dispatch for 2021. Ongoing evaluation of summer 2020 performance may generate opportunities to improve the program in 2021, however results are not expected until shortly after the filing of this Plan. The Company will share any proposed program changes resulting from the evaluation with stakeholders prior to implementing changes."
(b) Attachment PUC 1-11-1 showing expenditures through October for the Commercial ConnectedSolutions program is only $118,800; and
(c) Table E-1 in the 2019 Year End Report, indicating that the Company only spent $1.3 million on a budget of approximately $2 million in 2019.

Given the substantial past under-spending and the fact that no program changes are contemplated, please provide evidentiary support for the Company's proposal to increase the Commercial ConnectedSolutions budget for 2021 by $911,600.

Response:

As of its end of October forecast update that was the basis of Attachment PUC 1-11-1, the Company projected it will spend approximately $1,880,500 in customer curtailment incentives in November and December for the Targeted Dispatch and Daily Dispatch programs. (Please see the Company's response to PUC 3-20 for an explanation of the timing of incurred customer incentive payment costs in the Connected Solutions program and why actual year-to-date expenses through October are so low relative to anticipated full year spend.)

As a result of this planned incentive spend and other anticipated non-incentive costs to be incurred in November and December, the Company continues to anticipate that it will utilize the full 2020 Commercial Connected Solutions program budget.

The 2019 Connected Solutions under-spend relative to planned budget can be attributed to significant cost savings on the software platform utilized to deliver the program. Through a competitive bid process, the Company was able to secure the Connected Solutions software

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platform at substantially below its 2019 budgeted cost. The 2020 and 2021 Connected Solutions budgets reflect this reduced software expense.

For program year 2021, the Connected Solutions Targeted Dispatch program expects 37 MW of average curtailment across all events, and the Daily Dispatch program projects 4 MW of average curtailment across all events.

In the 2021 proposed Connected Solutions budget, the Company has budgeted an increase in the Targeted Dispatch incentive rate from $35 per kW to $40 per kW to support the planned increase in capacity reductions (and associated benefits) planned for 2021 relative to 2020 levels. The 2020 Daily Dispatch incentive rate of $300 per kW will remain flat in proposed 2021 budget.

The Company projects the 2020 non-incentive spend will total approximately $413,600. The 2021 proposed budget includes a decrease of approximately $103,400 in non-incentive expenditures for a total non-incentive budget of $310,200. The 2021 reduction in non-incentive costs can be attributed to a significant cost decrease in Sales, Technical Assistance, and Training.

PUC 3-22

Request:

Referring to Attachment PUC 1-11-1, please explain why the Company projects that it will spend 100% of the Residential ConnectedSolutions budget of $461,600, when only $211,900 has been spent through October. Please provide evidentiary support for the assumption that the Company expects to spend 100% by the end of the year. Please also refer to Table E-1 in the 2019 Year End Report, indicating that the Company only spent 60.3% of its $283,100 budget in 2019. Please explain why the Company expects substantially more success in 2020 over the course of two months.

Response:

The Residential Connected Solutions thermostat and battery programs focus on electric demand reductions during peak demand period during the summer months. The 2020 battery program performance results and customer curtailment payments are calculated and verified during the months of November and December, whereas the thermostat incentives are paid throughout the program year. As a result of this, battery program incentive costs were not paid, and their associated costs were not reported, in the year-to-date actual cost for the Connected Solutions program through the end of October update that was the basis of the Company's response in Attachment PUC 1-11-1. As of the October reporting that was the basis for Attachment PUC 1-11-1, the program implementation team for the Residential Connected Solutions program was forecasting full-year spend of 100 percent of the 2020 implementation budget of $461,100 for the program. Since that forecast was completed, in preparing the response to this question, the Company has updated that full-year implementation spend forecast to reflect an updated expected full year spend of $335,723. The primary driver of this change is a $131,489 reduction in anticipated incentive spend. The reduction can be attributed to an underperformance in the Residential battery program relative to the 2020 filed plan. The 2020 plan goal anticipated participation from 100 batteries; however, only 52 batteries registered for the program. In 2021, the Company expects to see significant growth in battery participation and performance because of the additional funding that will be provided by the Renewable Energy Fund Storage Adder program.

The Residential thermostat program has a dual incentive structure that includes an initial, one-time sign-up incentive of $25 per a thermostat and an annual participation incentive of $20. Preliminary results indicate that 480 new thermostats enrolled in the program in 2020, bringing the total enrollment to approximately 4,000 thermostats. At $25 per a new enrollment, the projected incentive is expected to amount to approximately $12,000 in one-time customer payments. At $20 per an annual enrollment, the Company expects to pay approximately $80,000

PUC 3-22, page 2

in customer curtailment payments. In total, the Company anticipates it will spend $92,000 in thermostat incentive payments.

The preliminary result for the Residential battery program estimates an average performance of 230 kW across all events. At an incentive rate of $400 per kW, the total incentive expenditure is expected to amount to $92,000 in customer curtailment payments.
The total customer incentive payments for the 2020 Residential thermostat and battery measures are projected to amount to approximately $184,000.

In addition to planned customer incentive payments, the Company anticipates spending $151,723 in non-incentive costs in the program over the full-year 2020, primarily related to Sales, Technical Assistance and Training, Program Planning and Administration, and Marketing.

In 2019, the Company under-spent the projected Connected Solution budget because of a significant cost savings on a software platform that was achieved through the successful realization of a competitive bid process. The Company accounted for this reduced fixed cost in both the 2020 Connected Solutions budget as well as in the proposed 2021 Connected Solutions budget.

Please refer to the below table for a breakdown of the currently projected spend for 2020 in the Residential Connected Solutions program, broken down by customer incentive type and non-incentive spend.

Period	Thermostat Incentives	Battery Incentives	PPA, STAT, and Marketing	Total
Jan – Oct actuals	$69,459	$0	$142,460	$211,919
Current Nov – Dec projections	$22,541	$92,000	$9,263	$123,804
Current full year 2020 projection	**$92,000**	**$92,000**	**$151,723**	**$335,723**

PUC 3-23

Request:

Given the substantial past under-spending in the Residential ConnectedSolutions in 2019 and 2020, please provide evidentiary support for the Company's proposal to increase the program budget for 2021 from $461,600 to $1,959,700.

Response:

Please see the Company's response to PUC 3-22 for an explanation of 2019 actual program expenses and the timing of projected 2020 full year implementation expenses related to the Residential Connected Solutions program.

In 2021, the Company plans to increase customer participation in the Residential Connected Solutions program to support an additional 1,883 thermostats, for a total enrollment of 6,409 thermostats. The Company also proposes to support a significant increase in battery storage participation. Additionally, the Company is anticipating expanding its Residential Connected Solutions offerings to include electric vehicle demand response events and solar inverter measures.

The Residential thermostat program has a dual incentive structure that includes an initial, one-time sign-up incentive of $25 per a thermostat and an annual participation incentive of $20. For 2021, the Company projects an additional 1,883 thermostats will be enrolled in the program. At $25 per a new enrollment, the Company has allocated approximately $47,000 in one-time sign-up incentives for 2021. The Company anticipates a total of 6,409 thermostats to be enrolled in 2021. At $20 per a device, the projected annual participation incentive is projected to total approximately $128,000. In 2021, all-in customer incentive payments for the thermostat program are expected to total $175,255.

For the 2021 Residential battery program, the Company anticipates 2,700 kW of average curtailment across all events. At $400 per kW, the Company projects the customer incentive payments will amount to approximately $1,080,000. The Company anticipates that it will be able to achieve this target given the additional funding provided by the Renewable Energy Fund Storage Adder, which will be administered by the Rhode Island Office of Energy Resources and is expected to pay for a substantial amount of the upfront cost for residential battery system installations.

Prepared by or under the supervision of: Angela Li and Daniel Tukey

PUC 3-23, page 2

Additionally, the Company plans to expand its Residential Connected Solutions offerings in 2021 to include two new measures: an electric vehicle demand response option and a solar inverter option. The electric vehicle demand response measure will have a one-time sign-up incentive of $25 and an annual incentive of $48 per a vehicle. The Company anticipates that 145 electric vehicles will participate. This amounts to $3,625 in one-time incentive payments and $6,960 in annual incentive payments. The solar inverter measure will also have a one-time sign-up incentive of $25 and an annual participation incentive of $20. The Company projects that 2,370 solar inverters will be enrolled in the 2021 program and account for approximately $106,650 in total customer incentive payments.

The resulting total projected customer incentive costs in 2021 is expected to total approximately $1,370,000.

The remaining $577,900 in proposed 2021 budget is allocated to Sales, Technical Assistance, Marketing, and Program Planning and Administration. Expansion of customer participation in the thermostat and the battery storage measures, as well as implementation of the electric vehicle and solar inverter demand response measures, will require additional expenses in marketing, evaluation and market research, and sales, technical assistance, and training. The total associated cost of these services is budgeted at $577,900. Although, as the PUC notes, these costs do represent a significant increase over previous years, in most cases these expenses are expected to support customer enrollment and multi-year participation in programs that will drive resulting benefits beyond 2021 and into ensuing program years.

Please refer to the below table for a breakdown of 2021 budgeted Residential Connected Solutions costs, as compared to currently forecast full year 2020 participation and expenditures. (Please note that in the table below, total anticipated program expenditures for 2020 match the current spending projections for the program relayed in the Company's response to PUC 2-22, not the now out-of-date projections as of October as relayed in the Company's response to PUC 1-11.)

PUC 3-23, page 2

	2020 Current forecast	2021 Budget
Thermostat (Number of devices)	~4,000	6,409
Thermostat incentive costs	$92,000	$175,255
Battery capacity	230 kW	2.7 MW
Battery incentive costs	$92,000	$1,080,000
EV participants	0	145
EV incentive costs	$0	$10,585
Solar inverter participants	0	2,370
Solar inverter incentive costs	$0	$106,650
Non-incentive spend	$151,723	$577,900
Total forecasted spend (2020) / proposed budget (2021)	**$335,723**	**$1,950,390**

PUC 3-24

Request:

Referring to Attachment PUC 1-35-1, which indicates that the total costs that will be paid to outside vendors in the proposed Residential ConnectedSolutions budget (exclusive of payments made to consumers for participating) is $544,720 plus allocated costs of $17,999. This combined amount exceeds the entire program budget from 2020 by approximately $100,000. Please explain the nature of these vendor costs, why they would be incurred, the conditions upon which they would be incurred, and why this amount is necessary.

Response:

The Residential Connected Solutions program will be expanding its offerings to two new device types in 2021. The new offerings include an electric vehicle option for reducing load during peak electric events, and the solar inverter option for improving power quality. These new efforts add software costs, device vendor fees, and marketing costs. The associated costs are necessary for the successful roll out and implementation of these two new device types. The solar inverter and electric vehicle curtailment options expand the pool of potential devices and electric loads that can be curtailed through the program, enabling continued growth in the level of demand reductions and associated benefits. Without these investments, the Company does not believe it will be able to attain the enrollment goals and demand reduction commitments proposed in the 2021 Annual Plan.

Additionally, the Company has proposed increasing the number of thermostats and residential batteries in the program. The increased participation in the demand reduction and battery programs will also result in additional software costs and device vendor fees. These costs are necessary to the Company's success in meeting the enrollment goals, demand reductions and associated benefits that are conveyed in the plan.

Prepared by or under the supervision of: Angela Li and Daniel Tukey

PUC 3-25

Request:

Referring to the response to PUC 1-27, please reproduce the tables, including the Home Energy Reports program as a marketing cost, with no savings attributed to the program.

Response:

Please see the Attachments PUC 3-25-1, PUC 3-25-2, PUC 3-25-3, and PUC 3-25-4 for versions of these tables showing the Benefit-Cost results with no benefits attributed to the Home Energy Reports programs, but with program implementation expenses for this line item included to represent a marketing cost.

Prepared by or under the supervision of: John Tortorella

PUC 3-25-1
Table E-5 (Without Home Energy Reports Benefits)
National Grid
Calculation of 2021 Program Year Cost-Effectiveness
All Dollar Values in ($000)

	RI Test Benefit/ Cost[1]	Total Benefit	Program Implementation Expenses[2]	Customer Contribution	Performance Incentive	¢/Lifetime kWh
Non-Income Eligible Residential						
Residential New Construction	2.69	$6,445.3	$1,544.3	$855.7		13.3
ENERGY STAR® HVAC	2.77	$13,306.5	$3,487.8	$1,311.6		9.4
Energy*Wise*	1.89	$33,615.8	$17,033.3	$790.4		120.5
Energy*Wise* Multifamily	2.44	$8,756.5	$3,056.8	$532.0		17.6
Home Energy Reports			$2,641.7			
ENERGY STAR® Lighting	3.29	$14,018.2	$5,274.8	-$1,012.9		15.9
Residential Consumer Products	2.84	$11,372.7	$2,681.2	$1,321.2		10.5
Residential ConnectedSolutions	6.13	$12,018.6	$1,959.7	$0.0		N/A
Energy Efficiency Education Programs			$40.0			
Residential Pilots			$0.0			
Community Based Initiatives - Residential			$226.2			
Comprehensive Marketing - Residential			$332.7			
Residential Workforce Development			$284.7			
Non-Income Eligible Residential SUBTOTAL	**2.25**	**$99,533.7**	**$38,563.3**	**$3,798.1**	**$1,925.0**	**20.2**
Income Eligible Residential						
Single Family - Income Eligible Services	2.65	$36,501.8	$13,759.3	$0.0		34.9
Income Eligible Multifamily	1.76	$8,502.4	$4,830.8	$0.0		15.2
Income Eligible Workforce Development			$114.2			
Income Eligible Residential SUBTOTAL	**2.27**	**$45,004.2**	**$18,704.3**	**$0.0**	**$1,100.0**	**26.3**
Commercial & Industrial						
Large Commercial New Construction	6.24	$58,649.1	$8,500.2	$893.1		5.0
Large Commercial Retrofit	7.52	$329,117.0	$31,930.2	$11,821.8		5.9
Small Business Direct Install	3.35	$36,190.8	$8,883.6	$1,922.8		10.3
Commercial ConnectedSolutions	9.85	$29,465.0	$2,990.1	$0.0		N/A
Commercial Pilots			$0.0			
Community Based Initiatives - C&I			$74.5			
Finance Costs			$5,000.0			
Commercial Workforce Development			$468.7			
C&I SUBTOTAL	**6.05**	**$453,421.9**	**$57,847.3**	**$14,637.7**	**$2,475.0**	**7.0**
Regulatory						
OER			$845.6			
EERMC			$845.6			
Regulatory SUBTOTAL			**$1,691.1**			
TOTAL	**4.25**	**$597,959.9**	**$116,806.0**	**$18,435.8**	**$5,500.0**	**10.1**

PUC 3-25-2
Table E-5A (Without Home Energy Reports Benefits)
National Grid
Calculation of 2021 Program Year Cost-Effectiveness with TRC Test
All Dollar Values in ($000)

	TRC Benefit/ Cost[1]	Total Benefit	Program Implementation Expenses[2]	Customer Contribution	Performance Incentive	¢/Lifetime kWh
Non-Income Eligible Residential						
Residential New Construction	1.55	$3,713.4	$1,544.3	$855.7		13.3
ENERGY STAR® HVAC	1.37	$6,557.3	$3,487.8	$1,311.6		9.4
Energy*Wise*	0.82	$14,677.8	$17,033.3	$790.4		120.5
Energy*Wise* Multifamily	1.19	$4,265.7	$3,056.8	$532.0		17.6
Home Energy Reports			$2,641.7			
ENERGY STAR® Lighting	1.17	$4,988.9	$5,274.8	-$1,012.9		15.9
Residential Consumer Products	1.52	$6,092.4	$2,681.2	$1,321.2		10.5
Residential ConnectedSolutions	5.30	$10,390.0	$1,959.7			
Energy Efficiency Education Programs			$40.0			
Residential Pilots			$0.0			
Community Based Initiatives - Residential			$226.2			
Comprehensive Marketing - Residential			$332.7			
Residential Workforce Development			$284.7			
Non-Income Eligible Residential SUBTOTAL	**1.14**	**$50,685.6**	**$38,563.3**	**$3,798.1**	**$1,925.0**	**21.6**
Income Eligible Residential				$0.0		
Single Family - Income Eligible Services	1.61	$22,102.6	$13,759.3	$0.0		34.9
Income Eligible Multifamily	0.52	$2,494.0	$4,830.8	$0.0		15.2
Income Eligible Workforce Development			$114.2			
Income Eligible Residential SUBTOTAL	**1.24**	**$24,596.7**	**$18,704.3**	**$0.0**	**$1,100.0**	**26.3**
Commercial & Industrial						
Large Commercial New Construction	2.87	$26,984.4	$8,500.2	$893.1		5.0
Large Commercial Retrofit	2.93	$127,987.1	$31,930.2	$11,821.8		5.9
Small Business Direct Install	1.47	$15,926.4	$8,883.6	$1,922.8		10.3
Commercial ConnectedSolutions	7.66	$22,916.6	$2,990.1			
Commercial Pilots			$0.0			
Community Based Initiatives - C&I			$74.5			
Finance Costs			$5,000.0			
Commercial Workforce Development			$468.7			
C&I SUBTOTAL	**2.59**	**$193,814.4**	**$57,847.3**	**$14,637.7**	**$2,475.0**	**7.0**
Regulatory						
OER			$845.6			
EERMC			$845.6			
Regulatory SUBTOTAL			**$1,691.1**			
TOTAL	**1.91**	**$269,096.6**	**$116,806.0**	**$18,435.8**	**$5,500.0**	**10.4**

PUC 3-25-3
Table G-5 (Without Home Energy Reports Benefits)
National Grid
Calculation of 2021 Program Year Cost-Effectiveness
All Dollar Values in ($000)

	Rhode Island Benefit/ Cost	Total Benefit	Program Implementation Expenses	Customer Contribution	Performance Incentive	$/Lifetime MMBtu
Non-Income Eligible Residential						
Energy Star® HVAC	1.66	$13,615.7	$3,673.0	$4,539.3		$12.30
EnergyWise	2.01	$21,873.6	$10,063.2	$816.5		$19.82
EnergyWise MultiFamily	4.70	$8,630.2	$1,491.6	$344.0		$12.35
Home Energy Reports			$450.9			
Residential New Construction	1.02	$1,378.3	$674.8	$670.9		$15.78
Comprehensive Marketing - Residential			$64.8			
Community Based Initiatives - Residential			$75.8			
Residential Pilots			$0.0			
Residential Workforce Development			$118.3		$ 595.0	
Non-Income Eligible Residential Subtotal	**1.93**	**$45,497.7**	**$16,612.4**	**$6,370.8**	**$ 595.0**	**$14.59**
Income Eligible Residential						
Single Family - Income Eligible Services	2.94	$19,830.4	$6,738.8	$0.0		$29.75
Income Eligible Multifamily	4.21	$13,690.7	$3,254.1	$0.0		$9.24
Income Eligible Workforce Development			$49.6		$ 425.0	
Income Eligible Residential Subtotal	**3.20**	**$33,521.1**	**$10,042.5**	**$0.0**	**$ 425.0**	**$17.36**
Large Commercial & Industrial						
Large Commercial New Construction	4.86	$12,599.7	$2,759.2	-$166.4		$5.93
Large Commercial Retrofit	5.27	$45,068.7	$5,169.1	$3,387.0		$5.88
Small Business Direct Install	3.83	$1,539.9	$332.7	$69.4		$8.23
Commercial & Industrial Multifamily	4.75	$4,922.8	$953.2	$84.0		$7.31
Commercial Pilots			$215.8			
Community Based Initiatives - C&I			$24.8			
Finance Costs			$0.0			
Commercial Workforce Development			$164.5		$ 680.0	
Commercial & Industrial Subtotal	**4.69**	**$64,131.1**	**$9,619.3**	**$3,374.0**	**$ 680.0**	**$6.24**
Regulatory						
EERMC			$321.2			
OER			$321.2			
Regulatory Subtotal			**$642.5**			
Grand Total	**2.96**	**$143,150.0**	**$36,916.6**	**$9,744.8**	**$ 1,700.0**	**$10.99**

PUC 3-25-4
Table G-5A (Without Home Energy Reports Benefits)
National Grid
Calculation of 2021 Program Year Cost-Effectiveness with TRC Test
All Dollar Values in ($000)

	TRC Benefit/ Cost	Total Benefit	Program Implementation Expenses	Customer Contribution	Performance Incentive	$/Lifetime MMBtu
Non-Income Eligible Residential						
Energy Star® HVAC	0.91	$7,481.1	$3,673.0	$4,539.3		$12.30
EnergyWise	0.84	$9,134.8	$10,063.2	$816.5		$19.82
EnergyWise MultiFamily	3.00	$5,509.4	$1,491.6	$344.0		$12.35
Home Energy Reports			$450.9			
Residential New Construction	0.62	$840.0	$674.8	$670.9		$15.78
Comprehensive Marketing - Residential			$64.8			
Community Based Initiatives - Residential			$75.8			
Residential Pilots			$0.0			
Residential Workforce Development			$118.3			
Non-Income Eligible Residential Subtotal	**0.97**	**$22,965.3**	**$16,612.4**	**$6,370.8**	**$ 595.0**	**$14.59**
Income Eligible Residential						
Single Family - Income Eligible Services	1.79	$12,080.6	$6,738.8	$0.0		$29.75
Income Eligible Multifamily	2.16	$7,039.9	$3,254.1	$0.0		$9.24
Income Eligible Workforce Development			$49.6			
Income Eligible Residential Subtotal	**1.83**	**$19,120.6**	**$10,042.5**	**$0.0**	**$ 425.0**	**$17.36**
Large Commercial & Industrial						
Large Commercial New Construction	2.56	$6,643.7	$2,759.2	-$166.4		$5.93
Large Commercial Retrofit	2.93	$25,105.0	$5,169.1	$3,387.0		$5.88
Small Business Direct Install	1.81	$727.3	$332.7	$69.4		$8.23
Commercial & Industrial Multifamily	2.37	$2,454.4	$953.2	$84.0		$7.31
Commercial Demonstration and R&D			$215.8			
Community Based Initiatives - C&I			$24.8			
Finance Costs			$0.0			
Commercial Workforce Development			$164.5			
Commercial & Industrial Subtotal	**2.55**	**$34,930.5**	**$9,619.3**	**$3,374.0**	**$ 680.0**	**$6.24**
Regulatory						
EERMC			$321.2			
OER			$321.2			
Regulatory Subtotal			**$642.5**			
Grand Total	**1.59**	**$77,016.4**	**$36,916.6**	**$9,744.8**	**$ 1,700.0**	**$10.99**

PUC 3-26

Request:

Referring to the response to PUC 1-28, please explain why the Company is proposing to increase the EnergyWise budget by $1.3 million for electric.

Response:

There are several factors contributing to the $1.3 million increase in the requested budget for the Energy Wise Program, the Company's flagship program for in-home services, for the 2021 program year.

To begin, the program intends to serve a notable increase in the number of customers over those proposed in Docket No. 4979. Since the resumption of on-site energy efficiency services, and the inclusion of virtual audits as an option, the Company has seen strong participation in the second half of 2020 and anticipates increased customer participation in 2021.

Additionally, the Company has proposed a 100% insulation incentive for moderate income customers to better serve the needs of this customer demographic. Through stakeholder discussions during the planning process, a focus on equity was identified as one of the key priorities that will influence strategies over the coming three years. Making the benefits of weatherization more accessible to moderate-income customers (customers on the Company's income-eligible tariff already have access to no-cost weatherization services) was identified as a key near-term path to increasing the equitable delivery of the Company's energy efficiency services and customer realization of the associated benefits.

This enhanced offer is anticipated to both increase the volume of participation by moderate income customers in the EnergyWise program, while also increasing the budget necessary to serve these customers as moderate income customers will no longer be required to make the standard customer contribution for weatherization services.

Prepared by or under the supervision of: Angela Li and Matthew Ray

PUC 3-27

Request:

Referring to the response to PUC 1-28,

(a) Of the total number of home energy assessments performed through October 2020, how many were in person and how many were virtual?
(b) Please explain whether the Company has evaluated the effectiveness of virtual home energy assessments against assessments that take place in person. Explain any conclusions.
(c) How much of the EnergyWise 2019 and 2020 budgets related directly to the cost of home energy assessments?
(d) How many home energy assessments is the 2020 budget based upon?
(e) How many home energy assessments does the Company anticipate will occur virtually in 2020 and 2021, and the numbers of assessments completed in person?
(f) What is the difference in program cost between virtual assessments and in-person assessments?

Response:

(a) Through October 2020, there have been 7,589 home energy assessments completed. 2,893 have been virtual home energy assessments.

(b) Though all findings are still preliminary as data collection continues, the Company has begun to evaluate the effectiveness of virtual home energy assessments in Rhode Island relative to in-person assessments.

Preliminary results suggest that in-person assessments have a nominally better customer satisfaction score than virtual home energy assessments. Additionally, the Company has seen roughly twice the aggregate dollar volume of change orders for follow-up weatherization work from virtual home energy assessments as from in-person assessments.[1] The Company plans to continue to work through 2021 on understanding the drivers of the increased change order volumes and identify and implement paths to reducing this delta between in-person and virtual home energy assessments.

[1] Change orders result when the original scope of a weatherization job, as created on the basis of a home energy assessment, needs to be modified based on the in-home experience of the insulation contractor performing the follow-on weatherization work. Fewer change orders typically lead to a better customer experience, fewer return visits by contractors, and ultimately lower program costs.

Prepared by or under the supervision of: Angela Li and Matthew Ray

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(c) In 2019, home energy assessments and combustion safety testing alone accounted for $2,805,987.22 of incurred expense in the EnergyWise Single Family program.

In 2020, through October, $1,634,564 has been spent directly on home energy assessments, virtual home energy assessments and combustion safety testing.

(d) The 2020 EnergyWise Single Family program budget was based on the anticipated completion of 11,000 home energy assessments.

(e) While the Company's lead vendor leads with virtual home energy assessment offers in marketing and in interactions with potential customers, ultimately it is the customer's decision as to whether the assessment is completed in person or virtually. Since the inception of the virtual home energy assessment offer, 34% of participating customers have chosen the virtual option. The Company has not explicitly modeled or forecast an anticipated ratio of anticipated virtual to in-person audits on a go-forward basis.

(f) Currently, there is no difference in price paid by the Company for virtual vs. in-person home energy assessments. Moving forward, as the virtual home energy assessment offering matures, the Company would expect that there will be cost savings associated with delivering the virtual option, and that these savings will ultimately be reflected in a lower price paid by the Company to the vendor completing virtual home energy assessments relative to in-person assessments.

Prepared by or under the supervision of: Angela Li and Matthew Ray

PUC 3-28

Request:

Referring to PUC 1-13-Revised and the reference to updating the energy efficiency factors on December 1, 2020, through what period of time will this filing reflect actual revenue and expenses, as opposed to forecasted revenue and expenses? If the Commission requires the update to include actual revenue and expenses through the end of November with forecasted revenue and expenses only for December, how much additional time beyond December 1, 2020 would the Company need to provide such an update, assuming the Commission also requires supporting schedules similar to Attachment PUC 1-11-1 and 1-11-2, and a schedule similar to Table E-5 and Table G-5 that was provided in the Annual Report for the 2019 program (Bates page 53).

Response:

PUC 1-13 reflects actual revenue and expenses through August 31, 2020, which was used for the October 15, 2020 filing.

The updated energy efficiency factors to be filed on December 1, 2020 will reflect actual revenues and expenses through October 31, 2020 and forecasted values for November and December.

Assuming a standard monthly close process, the Company would require 10 business days to provide energy efficiency factor updates to the Commission reflecting actual revenues and expenses through the end of November. Accordingly, the Company could make this update, inclusive of November actuals, available to the Commission by December 15th.