

March 12, 2021

#### VIA ELECTRONIC MAIL

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

RE: Docket 5080 – System Reliability Procurement 2021-2023 Three-Year Plan National Grid Reply Comments to Intervenor and Public Comments

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company"), enclosed<sup>1</sup>, please find the Company's reply comments to intervenor and public comments in the above-referenced matter.

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

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### Enclosures

cc: Docket 5080 Service List Jon Hagopian, Esq. John Bell, Division

<sup>&</sup>lt;sup>1</sup> Per Commission counsel's update on October 2, 2020, concerning the COVID-19 emergency period, the Company is submitting an electronic version of this filing followed by five hard copies filed with the Clerk within 24 hours of the electronic filing.

# STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

The Narragansett Electric Company d/b/a National Grid 2021-2023 System Reliability Procurement Three-Year Plan

Docket. No. 5080

# THE NARRAGANSETT ELECTRIC COMPANY D/B/A NATIONAL GRID REPLY COMMENTS TO INTERVENOR AND PUBLIC COMMENTS

The Narragansett Electric Company, d/b/a National Grid ("National Grid" or the "Company"), submits these reply comments in response to the comments of Carrie A. Gill, Ph.D. on behalf of the Rhode Island Office of Energy Resources ("OER"), the Consultant Team on behalf of the Energy Efficiency and Resource Management Council ("EERMC"), Hank Webster on behalf of Acadia Center, and Handy Law, LLC in this docket.

#### I. INTRODUCTION

On November 20, 2020, the Company submitted its 2021-2023 System Reliability Procurement ("SRP") Three-Year Plan ("Plan") to the Rhode Island Public Utilities Commission ("PUC"). The Company filed the Plan as part of the continuation and advancement of the SRP program in Rhode Island.

The Plan, as filed, is a settlement between the Company, Acadia Center, EERMC, the Green Energy Consumers Alliance, OER, the Rhode Island Division of Public Utilities and Carriers ("Division"), and the Northeast Clean Energy Council ("NECEC") (collectively, the "Parties").

As detailed in the Company's filings submitted in this Docket, the proposals made by the Company in the Plan do not require any approvals for funding at this time. Rather, the Plan establishes the framework for future SRP investment proposals, which may be filed in accordance

with Chapter 5 of the Least Cost Procurement ("LCP") Standards, and SRP Year-End Report filings that will be submitted during calendar years 2021 to 2023.

Highlights of the proposed framework include the SRP funding mechanism (See Section 5 of the Plan); the SRP performance incentive mechanism (See Section 6 of the Plan); details of the Company's Non-Wires Alternative ("NWA") Program in Rhode Island (See Section 7 of the Plan); and the development of a Non-Pipeline Alternative ("NPA") Program in Rhode Island (See Section 8 of the Plan).

At an Open Meeting on December 22, 2020, the PUC approved the \$0 budget as proposed by the Company in the Plan and reserved its review of the substance of the Plan until a later date. A procedural schedule was issued on January 15, 2021 which included a deadline to file for intervention (1/22/2021)<sup>1</sup>, a due date for intervenor/Division comments (2/26/2021), and a deadline for the Company's reply comments (3/12/2021).

On February 23, 2021, Carrie A. Gill, Ph.D. submitted comments ("OER Comments") on behalf of OER detailing OER's overall support of the Plan and some additional comments describing potential areas for engagement in SRP. Dr. Gill expresses five main areas in her comments: 1) clarity on the potential risk of incorrectly not identifying a feasible NWA opportunity, 2) development of the NPA program, 3) the concept of optionality in benefit-cost assessment, 4) engagement on the forecasting process, and 5) clarity on the update cadence for the Rhode Island System Data Portal ("Portal") map data. The Company has responded in detail below to OER's specific comments.

On February 26, 2021, the EERMC submitted comments through its Consultant Team ("EERMC Comments") detailing EERMC's overall support of the Plan and some additional

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<sup>&</sup>lt;sup>1</sup> OER filed a notice of intervention and EERMC filed a notice of participation as an interested party. No other motions to intervene were filed.

comments describing council priorities in SRP implementation. The EERMC expresses six main points in their comments: 1) prioritize location-targeted outreach for energy efficiency ("EE") and demand response ("DR"), 2) broaden opportunities for methodological review and input from stakeholders, 3) continued transparency and stakeholder engagement in NPA program development, 4) enhanced transparency and stakeholder engagement in non-wires alternative project selection methodology and process, 5) build & share concrete timelines with specific deliverables, and 6) continued responsiveness to stakeholder priorities. The Company has responded in detail below to EERMC's specific comments.

On February 26, 2021, Hank Webster submitted comments ("Acadia Center Comments") on behalf of Acadia Center detailing Acadia Center's viewpoints on the Plan. Mr. Webster expresses two main points in his comments: 1) acceleration of the development of the NPA program and 2) publish National Grid's benefit-cost data so that the Rhode Island Non-Wires Alternative Benefit-Cost Analysis Model ("RI NWA BCA Model" or the "Model") is made public. The Company has responded in detail below to Acadia Center's specific comments.

On February 26, 2021, Handy Law, LLC submitted comments ("Handy Law Comments") outlining their opinion of the Plan. Handy Law, LLC expresses three main viewpoints in their comments: 1) transparency on the cost-benefit analysis performed for Rhode Island NWA projects, 2) the proposed SRP performance incentive mechanism ("PIM"), while well-intended, will not work as intended, and 3) the Company should not have its own methods for conducting cost-benefit analyses. The Company has responded in detail below to Handy Law, LLC's specific comments.

#### II. REPLY COMMENTS

#### A. OER Comments

Clarity on the potential risk of incorrectly not identifying a feasible NWA opportunity

Dr. Gill states that there is a potential process-related risk regarding incorrectly not identifying a feasible NWA opportunity, with OER seeking greater transparency and forums for the market to engage on electric distribution system planning. Dr. Gill reinforces the point that "OER does not doubt the rigor with which National Grid's engineers conduct system assessment, nor does OER question the review of Commission and Division engineers and consultants during docketed proceedings" and rather focuses on enhanced engagement.

The Company has greatly detailed the distribution system planning process and NWA opportunity identification though SRP Technical Working Group ("TWG") monthly meetings, in SRP plans, and other forums for over a decade. Particularly, the Company has provided a significantly detailed example walkthrough of the process in Section 7 of the Plan. The Company also hosts regular vendor stakeholder calls to socialize upcoming NWA requests for proposals ("RFPs") and active NWA opportunities. As part of its decade-long effort to promote and identify NWAs, the Company has provided significant detail as to its planning processes and invited stakeholders to suggest changes. It is important to remember the Company has sole responsibility for the safe operation of its electric distribution system as well as being solely responsible for the reliability of the system for over 500,000 customers in RI. With that said, it is important to allow stakeholder input but to understand that this input cannot affect the Company's responsibilities or grid safety and reliability. Building on this, the Company endeavors to provide utmost clarity to stakeholders and will discuss potential engagement opportunities and methods that align with best practices for data handling in future SRP TWGs.

## Development of the NPA program

Dr. Gill affirms support of development of the NPA program in Rhode Island and encourages National Grid to coordinate across departments internally.

The Company agrees with Dr. Gill's comment and has indeed already commenced coordination between the SRP team, the Gas Business Unit, the EE and the greater Customer Energy Management ("CEM") team, and the team supporting reliability on Aquidneck Island as well as the Regulatory, Legal, Future of Heat, National Grid Partners teams. The Company has also ensured that the NWA and Procurement teams are coordinated with NPA program development, particularly to internally convey potentially applicable best practices and lessons learned from the Electric Business Unit and the existing NWA program.

# Concept of optionality in benefit-cost assessment

Dr. Gill discusses the concept of optionality and the potential to appropriately account for option value in benefit-cost analysis and system planning.

The Company agrees that further research is needed on the concept of optionality. The Company will continue development of strong methodologies in determining the correct percent chance associated with various outcomes. Being complex and multifaceted, much time and effort will be required to explore optionality and its process applications fully.

# Engagement on the forecasting process

Dr. Gill comments that the annual electric forecasting deep dive that National Grid hosts with SRP TWG stakeholders does not satisfy the Power Sector Transformation ("PST") recommendation to improve forecasting nor that it provides sufficient opportunity for meaningful engagement with stakeholders. Namely, that OER seeks engagement more than once per year on National Grid's electric forecasting process.

The Company disagrees with Dr. Gill's comments on this topic. The Company hosts and/or participates in multiple forums throughout each year to provide opportunities for review of the electric forecast and process. The "annual stakeholder meeting" that Dr. Gill references is the annual electric forecasting deep dive hosted in the SRP TWG and is based on an SRP commitment, cited by Dr. Gill from Bates page 68 of the Plan, that states what the Company will do specifically within the SRP forum. This SRP commitment does not preclude opportunities occurring outside of or in parallel to the SRP program. The Company recently hosted the annual electric forecasting deep dive in the SRP TWG on February 17, 2021. The Company is currently researching the latest questions presented by Dr. Gill and aims to provide responses for discussion in a future SRP TWG.

Furthermore, the Company has presented in multiple SRP TWGs on the planning and forecasting inputs and process utilized by distribution planning and asset management ("DPAM") in their distribution planning work, inclusive of consideration of NWA opportunities.

There are additional opportunities that the Company has socialized with OER and other stakeholders such as the ISO-NE Load Forecasting Committee ("LFC"), which allows for market input on the forecasting process itself as well as market participant input on topics including electric vehicles and electric heating. The Company is aware that OER participates and is engaged in the ISO-NE Distributed Generation Forecast Working Group ("DGFWG") and National Grid's Energy Efficiency TWG. To note, the Company also participates and provides information in the LFC, DGFWG, and EE TWG forums. Further participation opportunities include the Company's RI proceedings other than SRP, like the Infrastructure, Safety and Reliability ("ISR"), EE, and Rate Case filings. The Company has taken the feedback and input that OER and other stakeholders have provided in these forums for engagement and these filings for consideration by the forecasting team in the electric forecasting process. The Company is aware that OER actively

participates in at least some of these forums and is disappointed by Dr. Gill's assertion that National Grid provides engagement opportunity only once per year on the electric forecasting process.

# Clarity on the update cadence for the Portal map data

Dr. Gill seeks additional clarity on the cadence of refreshed data for each map layer in the Portal.

The Company has previously conveyed that information regarding the update frequency of the Portal as well as when each map was last updated can be found in the Portal's FAQ tab. The specific dates that indicate when each map was last updated can be found in the About information dropdown of the respective map.

#### **B. EERMC Comments**

## Prioritize location-targeted outreach for EE and DR

The EERMC affirms the importance and usefulness of location-targeted outreach for preemptive targeted EE/DR in order to proactively reduce load on specific feeders.

The Company agrees with the EERMC's comment and looks forward to additional discussion on potential process and application methodology for location-targeted outreach for preemptive targeted EE/DR.

#### Broaden opportunities for methodological review and input from stakeholders

The EERMC highlights two main opportunities that they are interested in exploring: 1) the opportunity to provide feedback on the specific categories of benefits and costs considered in, and other critical inputs to, the RI NWA BCA Model and 2) additional opportunities for stakeholder engagement on electric forecasting methodology.

The Company agrees with the comment regarding the first opportunity. The Company has submitted and made available the RI NWA BCA Model Technical Reference Manual ("TRM"), which details the benefit and cost categories of the Model, in Appendix 4 of the Plan (Bates pages 136 through 165). In addition, the Company aims to host a deep dive on the benefit and cost categories of the RI NWA BCA Model later this calendar year in the SRP TWG, which will provide the opportunity for stakeholders to review and give feedback on the specific benefit and cost categories in the Model.

The Company disagrees with the assertion made by the EERMC in their comment regarding the second opportunity. In line with the Company's response to Dr. Gill's comment "Engagement on the forecasting process", the Company has provided and/or participated in multiple forums and opportunities throughout each calendar year for discussion, review, and reception of feedback on the electric forecasting process.

## Continued transparency and stakeholder engagement in NPA program development

The EERMC affirms support of development of the NPA program in Rhode Island and encourages National Grid to provide more granular details and updates throughout the NPA program development process.

The Company agrees with the EERMC's comment and will indeed be providing more granular detail and information as NPA program development progresses. The Company plans to provide these detailed updates on the NPA program development process through the SRP TWG. In advance of the 2020 SRP Year-End Report, there will be monthly updates on NPA program development from March 2021 through June 2021. Afterward, the Company will continue to

provide updates through the SRP TWG to ensure transparency and stakeholder engagement as relevant NPA program components are developed.

Enhanced transparency and stakeholder engagement in NWA project selection methodology and process

The EERMC encourages National Grid to provide further transparency on the evaluation process for specific NWA proposals. Namely, that the Company should share specific assessment rubrics for NWA projects, including point allocations to different factors in the rubric.

The Company disagrees with the request to share specific evaluation scorecards. The Company has provided descriptions on the evaluation criteria in the Plan and in NWA RFPs of the past year. Weightings for each criterion will not be documented publicly, whether in the SRP or in an NWA RFP. Revealing weightings would be contrary to National Grid's procurement practices as it could allow bidders insight into specific issues to 'game' their bid and potentially result in not meeting the actual need the RFP is looking to solve. Furthermore, to release bid or evaluation data would be a violation of the Company's non-disclosure agreement ("NDA") with vendors and would put any participating bidder at a competitive disadvantage. Rather, bidders are informed of the exact documents and information they need to provide to National Grid in each NWA RFP so that they are evaluated fairly against all other bids, in addition to being provided the evaluation criteria descriptions.

Note that SRP has significantly different context than EE in that EE evaluates their internal measures while SRP handles external third-party bid proposals for evaluation. NWA evaluation processes are critically confidential in order to avoid or prevent market bias or gaming the system.

Such NWA evaluation criteria can be elaborated upon in SRP TWG deep dives. However, the Company will not post such information in a public document.

## Build & share concrete timelines with specific deliverables

The EERMC encourages National Grid to continue trending toward providing concrete, time-bound commitments in SRP.

The Company agrees with the EERMC's viewpoint and endeavors to make sure that SRP commitments are specific, measurable, achievable, relevant, and time-bound, as applicable. The Company is improving the way it distributes SRP TWG meeting materials so stakeholders can adequately prepare for scheduled meetings.

# Continued responsiveness to stakeholder priorities

The EERMC affirms the importance of stakeholder engagement and the value of the SRP TWG.

The Company agrees with the EERMC for continuance of the SRP TWG and looks forward to engaging with stakeholders on their annual priorities and other topical SRP discussions.

#### C. Acadia Center Comments

## Acceleration of the development of the NPA program

Mr. Webster asserts that the PUC should accelerate National Grid's timeline for development of the NPA program from three years to only one. Mr. Webster does not provide specifics as to how such an accelerated timeline is achievable.

The Company disagrees with Mr. Webster on the acceleration of the NPA program development timeline. Providing three years for development of an NPA program does not

disallow the environmental goals that Mr. Webster states in his comment, rather development over three years allows for a comprehensive, holistic NPA program to be developed. From experience, the Company needed approximately a decade to undergo comprehensive change shift with the NWA program on the electric side. This shift included creating the NWA team that would handle NWA opportunity analysis and project development and clarifying and formalizing cross-departmental coordination internally; defining what an NWA is and their application in electric system planning; developing and refining the screening criteria, evaluation criteria, NWA planning process, and integration with electric system planning; creating and revising the digital tools used for assessing NWA opportunities and evaluating bid proposals; nurturing and expanding market engagement and bidder interaction; and gathering lessons learned to continue refining all these aspects going forward. In short, the creation of a holistic program is indeed a complex and intensive effort.

Mr. Webster notes that National Grid is the owner of the electric distribution network within the territory that is coincident with National Grid's gas network in Rhode Island. While this is mostly true, with the notable exception of the western part of the Town of Burrillville, this coincidence of ownership does not correlate with the time required for the Company to develop an NPA program. Essentially, no matter the scale of the network or territory within a regulatory jurisdiction or state, a utility's NPA program framework will be evaluated on the same level of rigor as other utilities and must pass muster within said jurisdiction in full consideration of regulatory policy. This fact of coincident ownership instead points to the ability for Rhode Island to more effectively achieve its statewide goals concerning environmental responsibility rather than any abbreviation of program development timeline.

While the Company will take advantage of lessons learned and prior art from the NWA program as applicable, the information and processes will need to be tailored to the needs and idiosyncrasies of the gas business. Three years is indeed already an accelerated timeline for NPA program development. The Company certainly does not want to rush development within one year to deliver a disjointed, impracticable program for NPAs in Rhode Island. The Company prefers to deliver a comprehensive, holistic program for NPAs that will best benefit customers in Rhode Island. The Company respectfully requests that the PUC approve the proposed timeline in Section 8.2 of the Plan.

Publish National Grid's benefit-cost data so that the RI NWA BCA Model is made public

Mr. Webster requests that the PUC makes public, or requires National Grid to make public, the RI NWA BCA Model. Mr. Webster cites the example of Massachusetts utilities publishing their energy efficiency benefit-cost ratio ("BCR") models. Mr. Webster states that doing so will help a variety of stakeholders and vendors better inform utility proposals to invest ratepayer funds but does not provide specifics.

The Company disagrees with Mr. Webster that the Model should be made public. In support of its position, the Company reiterates the legal basis for keeping the Model confidential and, in addition, provides a supplemental public policy argument as to why the Model should be kept confidential.

By law, the PUC is authorized to keep the Model confidential. <u>See</u> 810-RICR00-00-1.3(H) and R.I. Gen. Laws § 38-2-2-(4)(B). For the legal basis, please see the Company's Motion for Protective Treatment of Confidential Information dated November 20, 2020 which was filed

together with the Plan as well as the below subsection entitled "Transparency on the cost-benefit analysis performed for Rhode Island NWA projects" in which the Company responds to Handy Law, LLC's comments.

From a public policy perspective, considering that Mr. Webster offers a public policy argument as opposed to a legal argument, the Company believes the Model should be kept confidential.

Much in line with the reasoning for why the evaluation criteria should remain confidential in the Company's response to the EERMC's comment on "Enhanced transparency and stakeholder engagement in NWA project selection methodology and process", the RI NWA BCA Model should remain confidential in order to avoid or prevent market bias or gaming the system. Publishing the Model would be contrary to National Grid's procurement practices and general industry best working practices. The RFP provides third-party bidders clear information as to what is expected for their bid submissions, including the approximate value that helps inform bidders whether their proposals will be cost-competitive. Also note that the RI NWA BCA Model has a different use case and context than the RI EE BCR Model: the RI NWA BCA Model is used to assess the cost-effectiveness of external, third-party bid proposals while the RI EE BCR Model is

While the Model itself was not published publicly, the Company has submitted and made available the associated TRM for the Model. The TRM details the cost and benefit categories, data sources, and calculations involved in the Model to the general public.

Additionally, to Mr. Webster's cited example of the Massachusetts utilities publishing EE BCR models, EE has a significantly different context than SRP. The EE program's scope is

statewide, its purpose is to achieve bulk energy savings, and the EE BCR model is used to evaluate internal Company EE measures. Conversely, the SRP program's scope is local and targeted, its purpose is to resolve specific grid needs, and the RI NWA BCA Model is used to evaluate external third-party proposals sourced from the market.

The Company respectfully requests that the PUC reject Mr. Webster's request to make the RI NWA BCA Model public and to maintain confidential treatment.

## **D.** Handy Law Comments

As an initial point, the Company notes that representatives from Handy Law, LLC have not attended any of the numerous SRP TWGs the Company has hosted over past years, during which they could have participated in the significant number of open discussions and opine on the SRP program but instead did not avail themselves of this opportunity.

Transparency on the cost-benefit analysis performed for Rhode Island NWA projects

Handy Law, LLC asserts that the RI NWA BCA Model should be made public.

The Company disagrees with Handy Law, LLC's viewpoint that the RI NWA BCA Model should be made public. The Company respectfully requests that the PUC reject Handy Law, LLC's request to make the RI NWA BCA Model public and to maintain confidential treatment.

As an initial matter, the Company notes that Handy Law, LLC's assertions are made through public comments and that Handy Law, LLC had the opportunity to file a motion for intervention in this docket and did not. Consequently, Handy Law, LLC's claims are not subject to cross examination. Accordingly, less weight should be given to such claims.

Handy Law, LLC claims that the Model should be public because "ensuring transparency" is one of eight principles contained within the National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources ("NSPM"). This claim amounts to a public policy argument as opposed to a legal argument. The NSPM is a public policy document and does not reference or attempt to apply the provisions of the Rhode Island Access to Public Records Act ("APRA"). Accordingly, Handy Law, LLC's reliance on the NSPM does nothing to refute the Company's Motion for Protective Treatment of Confidential Information which clearly demonstrates the PUC possesses the legal authority to keep the Model confidential.

From a public policy perspective, the Company agrees that ensuring transparency is important and the Company has outlined its own public policy reasons for keeping the Model confidential. Please see the above subsection entitled "Publish National Grid's benefit-cost data so that the RI NWA BCA Model is made public" in which the Company responds to the Acadia Center Comments.

Handy Law, LLC claims that the Company's request to keep the Model confidential is contrary to the purpose of APRA. However, APRA's purpose is multifaceted, especially when it comes to the exemption [R.I. Gen. Laws § 38-2-2(4)(B)] upon which the Company relies in its Motion for Protective Treatment of Confidential Information. The purposes of the exemption relied upon by the Company, R.I. Gen. Laws § 38-2-2(4)(B), are to (i) protect the confidentiality of information which is obtained by the government through questionnaires or other inquiries, but which would customarily not be released to the public by the company from whom it was obtained and (ii) protects companies who submit financial or commercial data to government agencies from the competitive disadvantages which would result from its publication. See Finnegan v. Scituate

*Board of Canvassers* (PR 20-17), 2020 WL 1918362, at \*2 (R.I.A.G. Mar. 26, 2020). In the *Finnegan* matter, the Rhode Island Office of Attorney General summed up its decision as follows:

The Complainant alleged that the Board violated the APRA when it denied his request for a transcript of a public hearing. The Board asserted it purchased the transcript from a third-party stenographer and, as such, it constituted "trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature." See R.I. Gen. Laws § 38-2-2(4)(B)." Based on the totality of the evidence provided and applicable precedent, we concluded that the transcript would customarily not be released to the public by the person from whom it was obtained and did not constitute a public record. Accordingly, we found no violation.

Issued March 26, 2020

See Page 12 of the Attorney General's 2020 Summit Book.<sup>2</sup> This recent opinion from the Rhode Island Office of Attorney General highlights the different level of scrutiny for documents that are provided by non-government entities like the Company to government entities. If a transcript from a third-party stenographer is classified as protected commercial information under See R.I. Gen. Laws § 38-2-2(4)(B), then clearly the Model provided by the Company to regulators would qualify as protected commercial information under APRA.

Handy Law, LLC also makes reference to a "common interest" work product argument made by the Division in an APRA matter in connection with Docket No. 4981. Handy Law, LLC's argument does not apply to the matter at hand as the Company is not asking the PUC to utilize the work product APRA exemption. As explained above and in the Company's Motion for Protective Treatment of Confidential Information, the Company is relying upon R.I. Gen. Laws § 38-2-2(4)(B) which, among other purposes, protects companies who submit financial or commercial

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<sup>&</sup>lt;sup>2</sup> "22nd Annual Open Government Summit." *Rhode Island Office of the Attorney General*, Rhode Island Office of the Attorney General, 31 July 2020, www.riag.ri.gov/documents/2020SummitBook.pdf.

data to government agencies from the competitive disadvantages which would result from its publication.

The proposed SRP performance incentive mechanism, while well-intended, will not work as intended

Handy Law, LLC asserts that the SRP PIM will not work as intended and that the SRP program should be under independent administration external to the utility. Handy Law, LLC provides no specifics as to what the independent administration will entail or how it will be executed.

The Company disagrees with Handy Law, LLC's assertion that the SRP PIM is impracticable. The Company has developed the SRP PIM in alignment with PUC guidance on performance incentive mechanisms per Docket No. 4943. For the SRP PIM, the Company proposes that it will earn 20% of the value of the net benefits calculated using the utility cost test ("UCT") method. The UCT excludes some of the societal benefit categories that would otherwise fall within a societal cost test and therefore provides a more concise perspective on the net benefits for calculating the Company's potential incentive.

The Company further disagrees with Handy Law, LLC's assertion that the SRP program should be moved under independent administration, as this is direct contravention of the Least Cost Procurement law which allows for Company administration of the SRP program. The RI PUC has ultimate authority, as stated in the LCP, to make a change to this in the event the Company is seen to not be advancing the goals of the program as per the LCP. As the state, and the Company's administration of the program as a component of the LCP, has been in the top four in the American Council for an Energy-Efficient Economy ("ACEEE") ratings for energy efficiency

in the US for every year since 2015, there is simply no basis to suggest any other entity administer the program. Furthermore, as detailed in the Company's response above to Dr. Gill's comment on "Clarity on the potential risk of incorrectly not identifying a feasible NWA opportunity", the Company has the sole responsibility of the safe operation of its electric distribution system as well as being solely responsible for the reliability of the system for over 500,000 customers in RI. Given that SRP directly interfaces with resolving system needs through the NWA program and its alignment with electric distribution planning, moving SRP to independent administration would adversely affect the electric grid's safe and reliable operation.

# The Company should not have its own methods for conducting cost-benefit analyses

Handy Law, LLC asserts that the Company is proposing its own cost test framework by submittal of the RI NWA BCA Model.

The Company disagrees with Handy Law, LLC's assertion that the Company is proposing its own cost test framework. The RI NWA BCA Model is the digital tool the Company aims to use to evaluate cost-effectiveness of NWA solution proposals in Rhode Island. The Model is in alignment with Docket No. 4600, which details the framework for benefit-cost tests in Rhode Island. The primary distinction here is that Docket No. 4600 is the framework while the RI NWA BCA Model is the test, i.e. the practical application of framework methodologies and guidance. Point in fact, the Company is not proposing its own cost test framework by submittal of the Model.

With this in mind, Handy Law, LLC's comment is moot and irrelevant. The Company respectfully requests that the PUC approve the RI NWA BCA Model for use in evaluating cost-effectiveness of NWA solution proposals in Rhode Island.

# III. CONCLUSION

National Grid appreciates the opportunity to submit reply comments in response to the comments submitted by OER, EERMC, Acadia Center, and Handy Law, LLC on the Plan.

Respectfully submitted by,

THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID

By its attorney,

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Dated: March 12, 2021

## Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.

Joanne M. Scanlon

Docket No. 5080 - National Grid – System Reliability Procurement 2021-2023 Plan

March 12, 2021

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Service list updated 2/26/21

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