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# Memorandum

To: L. Massaro  
Commission Clerk

From: Margaret Hogan, Esq. *MHG*  
Division of Public Utilities and Carriers

Date: October 5, 2021

Subject: Docket No. 5084-Pascoag Utility District's Request to Reallocate \$14,318 of DSM Funds in 2021

In Docket 4991 (2020 DSM), Pascoag proposed increasing the weatherization and air sealing rebate percentage from 75% to 100% and raising the maximum rebate caps from \$800 for insulation and \$500 for air sealing to a combined total of \$3,000 per customer in its Home Energy Audits with Weatherization Incentives program. The impetus for this request was due primarily to the impacts of the COVID 19 pandemic which stalled both the inspections and installation measures. In supporting Pascoag's request, the Division noted that it was aware that Pascoag's ability to deliver energy efficiency measures was indeed greatly impacted by the COVID-19 pandemic.

Pascoag also sought approval to reallocate \$8,765 from its Community Events program and \$2,500 from the Energy Efficiency Management Continuing Education program to the Home Energy Audits with Weatherization Incentives program should those program funds be depleted.

In its order (#23921) issued on October 8, 2020, the PUC approved Pascoag's request to increase the weatherization and air sealing incentives with the hope that the greater rebate amounts would allow more individuals, especially those that are unemployed, the opportunity to engage in efficiency measures. The Commission declined, however, to approve Pascoag's request to reallocate \$8,765 from the Community Events program and \$2,500 from the Energy Efficiency Management Continuing Education Program to the Home Energy Audits with Weatherization Incentives program finding that it was not ripe for decision. The PUC reasoned that Pascoag currently had approximately \$52,000 remaining in the Home Energy Audits with Weatherization Incentives program that would likely not be depleted prior to the end of the year.

## **Docket 5084**

For its 2021 DSM filing, the PUC approved Pascoag's budget of \$108,897.92 for Home Energy Audits with Weatherization Incentives. This budget presented a year-over-year increase of \$29,413. The PUC further approved Pascoag's request to continue the 100% incentive for weatherization and the increased caps of \$800.00 (insulation) and \$500.00 (air sealing) and the combined total customer incentive maximum of \$3,000.00.

According to its Mid-Year Report, for the period January 2021 through June 2021, Pascoag had expended 48% of its \$108,897 Home Energy Audit and Weatherization Incentive budget. Pascoag also reported that its Community Outreach, Marketing, and Education budget had expended only \$1,308.08 (6.5%) of its total budget of \$20,000. Pascoag further noted that the major community events, the Green Festival, and the Burrillville Family Fair, budgeted at \$7,408.00 under this expense category, were cancelled once again, due to pandemic impacts.

On September 14, 2021, Pascoag filed a request to reallocate a total of \$14,318.00 to the Home Energy Audits with Weatherization Incentives Budget: \$6,285 from Outreach/Education; \$6,408 from Community Events; \$1,000 from Energy Efficiency Management Continuing Education; \$500.00 from Program Research & Development; and \$1,125.00 of leftover funds from 2020's closed programs.

Pascoag explained that at the time of filing its 2021 re-allocation request, it had a balance of \$27,590.71 left in its weatherization budget. Pascoag noted that six weatherization projects were scheduled to be completed by the end of September, reducing the balance of the budget to \$10,176.08. The District estimated additional invoices for energy audits and direct installs at roughly \$4,000, leaving only \$6,176.08 for the last quarter of the year.

In its original DSM filing for 2021, the District anticipated conducting 120 audits in 2021. By the end of June 2021 51 audits, or 42.5%, had been conducted. This is a substantial increase over the 2020 audit rate which was only at 21 audits by the time Docket 5084 was filed in early November 2020.

### **Division's recommendation:**

The fundamental goal for a DSM program is to get energy efficiency measures into ratepayers' homes and businesses, decreasing energy demands and increasing savings for all customers. Here, Pascoag's statistics support an inference that the 100% weatherization incentives and the District's promotional work have created a demand pipeline for energy audits and weatherization that is approaching pre-pandemic levels.

At the end of the day, the Division believes that energy audits and the resulting installed energy efficiency measures, as opposed to marketing and training, are a better use of ratepayer funds. Additionally, the Division is concerned that should funds run out for the entire third quarter, that the District could have difficulty re-engaging and re-ramping the program after a break in service. Therefore, the Division supports Pascoag's request to re-allocate \$14,318.00 in funds to the Home Energy Audits with Weatherization Incentives program.