

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: PASCOAG UTILITY DISTRICT :
2021 DEMAND SIDE MANAGEMNT : DOCKET NO. 5084

**DIVISION OF PUBLIC UTILITIES & CARRIERS' FIRST SET OF DATA REQUESTS
DIRECTED TO PASCOAG**

Issued November 19, 2020
Please Provide Responses by November 27, if possible

Div. 1-1

Has Pascoag explored the possibility of requesting an extension on the use of its RGGI funding, due to the unexpected complications caused by the COVID-19 pandemic?

Answered by Desarae Dolan:

OER will allow us some flexibility if we do not spend the money in its entirety in 2021 and will work with us to determine possible uses for it going into 2022. The District and OER believe we should pursue every avenue to distribute weatherization funds this year due to the impacts of COVID-19 on our customers, as the potential energy savings of weatherization projects would assist them during this difficult time.

Div. 1-2

On page 8, Pascoag indicates that it had reached out to Tri County Community Action to find ways to work together in outreach efforts. Please describe:

Answered by Desarae Dolan:

- a) Whether the reach out was oral, or in written form and if written, please provide a copy.**

I reached out to Tri County Community Action by phone to discuss ways we can work together in outreach efforts in the future. I plan on touching base with them periodically throughout the year.

- b) Please describe any follow-up efforts.**

Tri County mailed out flyers to us regarding programs they offer. We included their flyers in the lighting kits that went out to the elderly affordable housing apartments. Pascoag Utility will provide Tri County with flyers on our programs for 2021 once they're approved. We will continue to find ways to cross-promote programs and available resources to ensure that our customers are aware of, and can access any services they may qualify for.

Div. 1-3

In the proposed budget outline on pages 14-15, Pascoag outlines a total of \$30,000 in costs, consisting of 16 energy audits for \$3,760, direct installs of LED lightbulbs, smart strips, aerators, and shower heads at \$6,240, and insulation and air sealing measures totaling \$20,000. In that same section, there is a reference to programmable thermostat incentives. Are the thermostats included in the direct install line item and just not referenced? If not, where are these items financed?

Answered by Desarae Dolan:

Programmable thermostats are not a direct install measure. Customers who receive rebates for these devices are paid through the line item in the budget specific to programmable thermostats (Home Energy Audits with Weatherization Incentives) and any customer in a rental property would be eligible to pursue those rebates through that budget category as well.

Div. 1-4

Referencing the proposed Landlord Weatherization Pilot program: For the \$20,000, is the limit of \$5,000 per unit or per building? In other words, could a building with 4 units potentially receive the entire budget of \$20,000?

Answered by Desarae Dolan:

The \$5,000 limit is per building, not per rental unit, so a building with 4 rental units would be allowed a maximum of \$5,000 in weatherization incentives. The program is simply targeting properties with up to 4 rental units in them.

(a) If so, please explain why that would be fair allocation of ratepayer funding?

Each building is only allowed a maximum of \$5,000 in rebates so we believe this is a fair allocation of ratepayer funding.

(b) If so, please advise whether Pascoag has considered whether landlords should be required to pay back any of these funds if the Landlord sells the property within a certain time frame after completion of weatherization work?

The District does not believe that the minimal addition of \$5,000 in rebates to an apartment building should require the landlord to pay back the funds if the property is sold within a certain time period. The District's main interest is in developing and implementing programs that deliver energy savings to customers. As this is a pilot program focusing on a small subsection of our customers, it does not consider the potential impacts of energy efficiency on property values and did not include these considerations into its planning.

(c) If Pascoag has not considered a payback program upon a sale within a certain number of years, why not?

The District has not considered a payback program because the District's main interest is in developing and implementing programs that deliver energy savings to customers. As this is a pilot program focusing on a small subsection of our customers and the rebate levels

are fairly minimal, we did not feel it necessary to consider the impacts of energy efficiency on property values at this time.

Div. 1-5

Pascoag has proposed on page 14 that the rebate for 1-4 rental units would be 100% for qualified air sealing and insulation measures. Pascoag stated that “due to the larger building size of rental properties compared to single family homes, the increased cap to \$5,000 would account for the increases in labor and materials needed to air seal and insulate a bigger property.”

Answered by Desarae Dolan:

- (a) Why does Pascoag believe that a single rental unit, of unknown size, should be entitled to up to \$5,000 in rebates when a single home-owner unit would only qualify for up to \$3,000 in rebates?**

The apartment building itself would qualify for the maximum \$5,000 rebate. The rebate is not based on the individual units within the building. The \$5,000 rebate is based on the assumption that an apartment building as a whole, may be bigger than a single family home and would require more insulation and air sealing.

- (b) Upon what evidence does Pascoag rely when asserting that rental units are larger sized?**

The District does not assert that the rental units themselves are larger, just that the building may be larger to house multiple rental units and may require more insulation and air sealing. Our staff have an intimate knowledge of the community we serve as almost all of our employees live in Town and have worked here for many years. Staff members are aware of the location and size of the apartment buildings in Pascoag.

- (c) Upon what evidence did Pascoag base the figures of \$3,000 and \$5,000 for qualified air sealing and insulation measures?**

When researching similar programs, we found that National Grid was providing an insulation rebate of \$4,000 to rental properties and also offered free air sealing. We based the \$5,000 on approximately \$4,000 for insulation measures and \$1,000 in air sealing measures.

Div. 1-6

For the six weatherization projects referenced on page 10 of the 2021 proposal, please list the cost of each project and provide a breakdown of the overall cost for each project.

Answered by Desarae Dolan:

Customer	Air Sealing	Insulation	Other*	Total Cost	Rebate Amount
Project 1	\$540	\$1484.90	\$310	\$2334.90	\$800 Insulation/\$405 Air Sealing

Project 2	\$700	\$1908.92	\$1515	\$4123.92	\$800 Insulation/\$500 Air Sealing
Project 3	\$900	\$1350	-----	\$2250	\$800 Insulation/\$500 Air Sealing
Project 4	\$640	\$4,309.76	\$275	\$5224.76	\$800 Insulation/\$480 Air Sealing
Project 5	\$480	\$954.65	\$533.75	\$1968.40	\$716 Insulation/ \$360 Air Sealing
Project 6	\$480	\$1003.60	\$350	\$1833.60	\$1483.60 Insulation & Air Sealing

*Other category includes anything unrelated to air sealing or insulation measures, that is not eligible for rebates, such as the purchase of windows, doors, ventilation chutes etc.

Div. 1-7

After the PUC approved Pascoag’s request to increase weatherization grants to 100% of the cost, how was that decision communicated to customers?

(a) Was there a specific targeted outreach to ratepayers that had already had their energy audits?

Initially we put out social media posts and had customer service representatives notify customers when they came in or called the office. We had intended on sending out a billing insert to each customer but the timing proved challenging. Our billing software company needs a 30 day notice to put in a billing insert. If we made the request for a billing insert on October 1st, it would have started going out in bills during the week of November 1st, which would have then only given customers a month or two depending on their bill cycle to get an energy audit and schedule appointments with insulation installers. We instead decided to email all customers who had an energy audit in 2020 and had been recommended to air seal or insulate their house to let them know about the new rebate level.

(b) If so, was that outreach limited to ratepayers with an audit in 2020 or did Pascoag reach back to ratepayers with energy audits performed in prior years?

Initially, outreach focused on ratepayers with an energy audit in 2020 due to the short span of time we had to market the increased rebate level. If approved for 2021, we would offer the rebate to customers who had an energy audit in 2019-2021. We’d also have the full year to properly market the program.

(c) What barriers have been reported to Pascoag which are preventing customers from pursuing 100% rebates?

The biggest issue customers are reporting is that insulation installers do not have many appointments left to install insulation this late in the year. The companies started filling up

their appointment slots in August and September so there were fewer appointments left in the last quarter of the year.

Div. 1-8

GS Inc. lighting project. How did Pascoag calculate/settle upon the amount of the \$10,025 rebate to GS Inc.?

Answered by Desarae Dolan:

The District’s commercial and industrial rebate rate for lighting projects is 60% for retrofit lighting and 40% for new lighting. RISE Engineering completed an energy audit for GS Inc. and determined they would need the following:

Measure	Install Cost	% Rebate	Incentive
33 retrofit lighting kits	\$6340	60%	\$3,804
102 new lighting fixtures	\$15385	40%	\$6,154
Cost/Incentive	\$21,725		\$9,958

Note: The amount of the rebate was initially \$10,025 but an updated contract was provided since they removed a \$67 occupancy sensor from the scope of work.

Div. 1-9

Has Pascoag considered working with either the local tax assessors or housing authorities (if applicable) to develop a list of multi-family dwellings within Pascoag’s jurisdiction for targeted outreach?

(a) If not, why not?

Answered by Desarae Dolan:

Pascoag has a good relationship with both the local tax assessor’s office and local housing authorities and would feel comfortable reaching out to them if their help was needed. However, we would rely heavily on customer service staff to develop a list of multi-family dwellings since they work closely with customers and know which apartments are most in need of this program based on conversations with customers living in these units.

Div. 1-10

Has Pascoag conducted a benefit cost analysis on the proposed Landlord Weatherization program?

Answered by Desarae Dolan:

(a) If so, please provide the same.

We estimated the benefits and savings of this pilot program using the 2020 RI Technical Reference Manual that was approved as part of National Grid's 2020 Energy Efficiency Plan filing (Docket 4979). We estimate 10,943 annual kWh savings, 69,460 lifetime kWh savings, 1.9 kW of summer peak reductions, and \$48,160 in benefits. The program budget was estimated using the District's current expectations of costs for measures.

(b) If not, why not?

Div. 1-11

Pascoag has stated on p.14 that energy audits are available to customers that heat with electric, oil, and propane. If the intent of the Landlord/ Renter Weatherization program is to reduce consumption by promoting energy efficiency ultimately resulting in lower rates, how does subsidizing air sealing and insulation measures for customers who do not heat with electricity benefit ratepayers? Would recipients of this rebate see a greater reduction in their natural gas, propane, and oil bills as opposed to their electric bill?

Answered by Desarae Dolan:

The District is aware, based on conversations with its customer service staff that regardless of the primary heating fuel that a customer uses, in many cases they are also supplementing with portable electric heaters in the winter. Additionally in the summer, these same customers are running air conditioners in improperly insulated and air sealed apartments increasing energy usage at a time when the District is most concerned with hitting an electric peak. If the apartment was better insulated it would result in less usage of portable electric heaters in the winter and less air conditioner energy usage in the summer. Our primary focus is on providing energy savings to the customers in these buildings, which will come in part through the reduction of electric usage that comes from portable heaters and air conditioners, benefiting these customers and all rate payers. Additionally, while delivered fuel savings may be larger than the electric savings, there are still electric savings achieved in weatherizing homes that heat with delivered fuels and reducing the energy burden of the customers in these units and ensuring they are able to pay their bills benefits all ratepayers.

Div. 1-12

Has Pascoag developed any strategy for replacing RGGI funding after 2021, other than an increase to ratepayers?"

Answered by Michael Kirkwood:

Based on the current economic climate, especially for our customers in northern Rhode Island, Pascoag does not believe it is appropriate to increase rates for energy efficiency purposes once RGGI funds are no longer available.

Pascoag is a quasi-municipal organization with a governing Board of Utility Commissioners elected by its customers. The Board is very keen on Pascoag providing the best services it can for the most reasonable rates possible, and is comfortable at the current rate allocation of \$0.002/kWh

for energy efficiency purposes through Pascoag's Conservation Charge. The Board has not indicated a desire to increase the Conservation Charge rate, at least for the foreseeable future.

Pascoag has been very appreciative of the exceptional monetary, consultative and administrative support provided by RI-OER for Pascoag's energy efficiency programs these past several years, but we believe it will be appropriate in the near term to once again adjust our programs to fit expected revenues based on Pascoag's current Conservation Charge rate once RGGI funds are no longer allocated to Pascoag for energy efficiency purposes.