

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

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

**PUBLIC UTILITIES COMMISSION'S FIRST SET OF DATA REQUESTS
DIRECTED TO PASCOAG**

**Issued November 12, 2020
Please Provide Responses by November 23, if possible**

1. The Commission's Order in Docket 4991 states:

In its 2021 DSM Filing the Company will provide robust evidence to support its continued involvement in community events. In addition, Pascoag shall explore alternative sources of funding including, but not limited to, vendor participation fees.

- a. The testimony and evidence to support involvement in events in the current filing appears to be very similar to what was provided in last year's filing. Please provide robust evidence as directed in the Commission's order.**

Answered by Desarae Dolan:

Pascoag Utility had intended to utilize 2020 events to collect and provide evidence to support its continued involvement in community events however, due to COVID-19 we were not able to collect the data necessary to do this. The District anticipated tracking information such as the number of customers that visited our booth, email addresses to send follow up information, home energy audit signups and collecting crowd size data at bigger events like the Green Festival. Unfortunately, events were cancelled this year and we were not able to begin tracking our event involvement more closely.

Anecdotally, I can attest to the fact that due to being unable to attend events as we once did, that we have struggled to provide outreach to our customers and program participation has decreased in home energy audits and weatherization projects.

- b. Please explain in detail what alternative sources of funding the Company has examined. What additional sources of funding have been secured? If there are none, please explain why.**

Answered by Desarae Dolan:

The District has not explored any alternative sources of funding at this time. The only way the District is able to secure vendors to come out to a rural town

in Rhode Island is because we do not charge a vendor fee. It is almost always the first thing that is mentioned when we ask a new company to participate. For years we had tried to get a car dealership to bring out electric vehicles to the Green Festival and were repeatedly turned down because they didn't think it would be profitable to make the drive. We were only able to accomplish this very recently with the help of RIOER and Green Energy Consumers Alliance and their connections. The Town of Burrillville cannot provide any additional financial support beyond what they already contribute with their own staff labor costs. If we had held the Green Festival this year, the District was going to try to reduce the number of staff members that normally work the Festival and try to supplement with volunteers in order to minimize costs.

2. On page 14 of the filing, Pascoag discusses Lighting Kits.

Answered by Desarae Dolan:

a. What is the cost of each kit?

The lighting kit costs \$10.00 each.

b. What are the benefits and savings?

We estimated the benefits and savings of these kits using the 2020 RI Technical Reference Manual that was approved as part of National Grid's 2020 Energy Efficiency Plan filing (Docket 4979). Our estimate of the benefits and savings associated with these kits are as follows:

- i. Estimated 1,700 annual kWh
- ii. Estimated 8,495 lifetime kWh
- iii. Estimated 0.14 Summer Peak kW
- iv. Estimated \$1,805 in total benefits

c. How many kits does the Company plan to buy/build/distribute in 2021?

The District would like to buy 175 kits in 2021.

d. What is included in each kit? If available, please provide a picture of the contents.

The kit includes 2-9 watt LED lightbulbs, 1- .5 watt nightlight, an energy efficiency tip guide, and a flyer that gives them information on our DSM program's section of Pascoag Utility District's website. A picture was provided of the lighting kit on page 28 of Docket 5084's filing.

e. Are the individual elements of the kits cost-effective? If so, please provide evidence.

We measure the cost-effectiveness of the kit as a packaged product. We do not assess the cost-effectiveness of the LED nightlight or any potential savings impacts that may accrue later on as a result of the provided EE information brochure.

f. What evidence does Pascoag have that the kits are cost effective?

We evaluated the cost-effectiveness of these kits using a combination of assumptions from the 2020 RI Technical Reference Manual that was approved

as part of National Grid's 2020 Energy Efficiency Plan filing (Docket 4979). Because the kits are delivered to income eligible customers, we derived most of the assumptions from the LED bulb measure in the Income Eligible Single-Family program. To account for any uncertainty as to whether the light bulbs are utilized once delivered to customers, we used impact factors for in-service rates and net-to-gross factors for the LED bulb measure in the Energy Star Lighting program.

g. What evidence does Pascoag have that all components of the kits are utilized once delivered to customers?

While we do not have direct evidence that all components of the kits are utilized once delivered to customers, we do account for the potential that some bulbs may not be installed by the customer in calculating the cost-effectiveness for this measure. See response to question 2F for further detail.

3. On page 22 of the filing, the Company discusses its updated website. What amount of DSM funding, if any, was used to support the website re-design?

Answered by Desarae Dolan:

The DSM program did not contribute directly to the cost of the website re-design (e.g. paying the website designer). The DSM Coordinator did however dedicate forty-five hours of labor on the planning, researching and testing of the Energy Savings Products Buying Info & Helpful Tips and Rebate Forms section of the website. This administrative support of the website re-design project, in the amount of \$1,724.40 was charged to the Administration line item of the DSM budget in 2020.

4. Given the ongoing COVID pandemic and generally poor economic climate in Rhode Island, why does Pascoag believe it will be able to conduct 120 audits in 2021 considering that for 2020 to date only 24 audits have been conducted?

Answered by Desarae Dolan:

The District believes that we are now better equipped to face the challenges of the ongoing pandemic going into 2021. In 2020, like most companies, we were blindsided by the pandemic and had to react quickly and create resources to support our customers remotely. We redesigned our website to provide our customers with more contactless, informational options. We established a remote home energy audit program. We petitioned the PUC to increase the weatherization incentive rebate, and when it was approved; eight of the twenty four customers that completed a home energy audit this year immediately reached out to us and asked how they could qualify for the program. If the PUC approves of the continued increase to our weatherization incentive, we feel it will allow us to increase our energy audits and weatherization projects back to 2019 levels due to the increased interest we have already seen since October.

5. Referring to virtual audits:

Answered by Desarae Dolan:

a. Are they as cost effective as in person audits?

Virtual and in-person energy audits costs provide the same level of cost-effectiveness to the customer and the program. They are billed at the same rate and the vendor (Energy New England) ends up spending the same, if not more, time with customers through the virtual audit process. Not only are they conducting the audit virtually with the customer and providing the same audit report, but they are also following up with customers to make an additional appointment to install the direct install measures for the customer's once it is safe to do so.

b. How much interest has Pascoag had in virtual audits?

Interest has been low so far but new offerings and new technologies tend to take longer for our customers to acclimate to. Energy New England is currently offering both in person and remote energy audits so customers will have a choice unless new restrictions are put in place. We're hopeful that if the PUC approves the increased weatherization incentive and we have time to market the changes that it will increase customer interest in home energy audits-either virtual or in-person. We have already seen an increase in participation at the end of 2020 since the approval of the enhanced incentive in late September.

c. What barriers or problems are encountered with virtual audits that are not encountered with in person audits?

The main barriers to the virtual audits are technology and mobility. If a customer is not comfortable with technology, they may have a hard time having a video chat with an energy auditor. Additionally if the customer has problems with mobility, they may find it difficult to walk the energy audit around their home via a video call. If those barriers are not an issue for the customer, we feel that it is a great hands-on, educational experience because the customer is fully engaged in the energy audit and is learning a great deal about energy efficiency and weatherization while on the video call. We are glad that Energy New England will be continuing to offer our customers the choice between virtual and in-person audits to meet their needs.

6. PUD proposes to increase the funding level for residential energy audits in 2021 by 45% due to the last year of receiving RGGI funds. What happens to the RGGI funds if the increased amount isn't utilized in 2021?

Answered by Desarae Dolan:

The initial allocation plan for the RGGI funds was that they be disbursed over the course of three years from 2019-2021 to support home energy audits and weatherization. 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.

- 7. Please provide any cost benefit analysis Pascoag has performed to support an increase in weatherization and insulation incentives from 75% to 100%. If there is no cost benefit analysis, please explain why none was performed.**

Answered by Desarae Dolan:

We did not initially conduct a cost benefit analysis, however, increasing the incentive to 100% does not alter the benefit-cost ratio at a program level, since both incentives and participant costs are included within the benefit-cost ratio calculation. Increasing the incentives results in a decrease in participant costs and an increase in incentive costs but does not drive a benefit-cost ratio change. Our customers were not moving forward with weatherization projects or home energy audits and we needed to find a way to incentivize them to take advantage of these programs. We knew that National Grid had already moved forward with 100% weatherization incentives as well as other municipalities in Massachusetts, and were seeing increased participation so it seemed like the next logical step for us to take for our customers, particularly since our other outreach and engagement efforts had not yielded satisfactory results.

- 8. The PILOT program for landlord/renter weatherization is new for 2021 and currently is budgeted at \$30,000. The amount budgeted would support 4 rental properties with up to 4 units in each property. Would the funding be better used in a different area as far as a cost benefit approach? Could you please provide evidence of the cost savings?**

Answered by Desarae Dolan:

The District just recently implemented our residential weatherization rebate program in 2019. Prior to that, rental units were not eligible for energy audits unless requested by the landlord. As a result, this has led to the District underserving the rental community in our territory, particularly with audit and weatherization services. Given the District's commitment to providing equitable services to all its customers, ever more important in these challenging times, this program is specifically targeted at an important and vulnerable group in our community to ensure all customers receive the benefits of our DSM program.

Additionally, customer service staff are acutely aware that a majority of the rental properties located in Pascoag have inefficient heating systems and/or are not properly weatherized, which leads to the tenants (many of whom are income-eligible customers) operating portable electric heaters. This is expensive and inefficient for both the customer and Pascoag Utility District. During the winter, the customer's electric bills increase as the temperature drops. Some find it hard to maintain a payment plan and default or move out of the apartment entirely, leaving the unpaid bill behind. This leads to a revolving door of customers that are moving in and out

over the course of years and many times adding to our write-offs. While these savings are not the most cost-efficient in our portfolio, they are still cost-effective and help address equity within the District.

Based on the 2020 RI Technical Reference Manual and the District's current expectations of costs for measures, we estimate an annual kWh savings of 10,943, lifetime kWh savings of 69,460, and summer peak reduction of 1.9 kW for this program. An estimated \$48,160 in benefits would also be associated with this program.

9. Of the 115 energy audits in 2019 and 24 year to date audits in 2020, were any of these rental properties? If yes, how many? If yes, were they initiated by the landlord or the renter?

Answered by Desarae Dolan:

14 of the 139 energy audits were associated with rental units between 2019 and 2020. Of the 14 energy audits, 4 were initiated by the tenant due to terms of the AMP program, 2 were initiated by the tenant due to payment issues they were having, 5 were initiated by a landlord that lives onsite and 3 were tenant initiated only.

10. Currently \$27,562 is budgeted in 2021 for energy and efficiency projects at Crystal Lake Rehabilitation and care center. Could you please provide evidence that Crystal Lake will move forward in 2021 as COVID has impacted healthcare facilities disproportionately?

Answered by Desarae Dolan:

I have had several conversations with both the owner of the facility as well as the electrician regarding this project. My understanding at this time is that they are very interested in moving forward with the project in 2021 and are planning for it. I have not received any specifications on what is being installed so I don't have any exact figures of what the rebate amount will be. The District budgeted \$27,562 for any potential commercial or industrial lighting project that may go forward in 2021. This line item may not be used exclusively for Crystal Lake Rehabilitation and Care Center.

11. The community events program is level funded in 2021 at \$9,000. Numerous events were cancelled in 2020 due to COVID. Could you please provide evidence that planned events are currently scheduled in 2021?

Answered by Desarae Dolan:

The District cannot provide any definitive evidence that planned events will continue as scheduled in 2021 due to the ever changing landscape of the pandemic. We are continuing to work with leaders in our community to determine what will be able to be held safely in person or virtually for 2021 and will adjust accordingly. Additionally, on pages 20 and 21 of Docket 5084, we are asking for further flexibility when transferring balances between programs and sectors due to the many unknowns that surround next year. We tried to be proactive and to structure the program in such

a way that we can quickly change course as necessary to best serve our customers during this time.

12. The total expenses through 10/30/20 are \$69,362.40, while year end projections are \$141,720.50 resulting in a total carryover of funds of \$58,962. Please provide updated projections and evidence to support the carryover of \$58,962?

Answered by Desarae Dolan:

The District has provided an updated Schedule D-1 with expenses through November 23, 2020. Currently we have 9 customers that have already completed energy audits, working to complete weatherization projects before the end of the year. This would account for an estimated \$21,000 in expenses from Home Energy Audits with Weatherization Incentives. Residential ENERGY STAR Offerings and the HVAC & Water Heating Program are on target to hit the projections made in Schedule D-2. St. Joseph's Church -Phase 2 project's materials are already in and they'll begin work shortly. Ashton Court's lighting project is currently in progress. Incentives have not been paid out for these two projects yet, as they have not been completed. GS Inc. has signed a contract for the lighting project and are working on a timeline for the work to be completed. The Administrative costs do not include December's labor and the Energy Consultant's final invoice has not been paid yet. Considering all these factors, we believe we will still be on track to carryover \$58,962 into the 2021 budget.

13. On page 19, Pascoag proposes to reduce the DSM payable balance to the District by \$10,000 in 2021. Given the large projected overcollection for 2020, why is Pascoag proposing \$10,000 and not a larger amount?

Answered by Desarae Dolan:

The District isn't proposing to reduce the DSM payable balance but maintain it with level funding. For the last four years, we've maintained the line item at \$10,000 with the exception of 2019 when we reduced it to \$7,225. We are not planning to increase this line item because the majority of the over collection comes from RGGI funds which cannot be used to pay down the Streetlight balance. Furthermore, the District feels that due to poor economic conditions, increased unemployment and other impacts from the pandemic that our customers have experienced, that this is not the right time to greatly reduce the balance owed to us by the DSM program. The District would like the funds to benefit our customers directly in terms of energy savings and lower electric bills through investment across the DSM portfolio.

Pascoag Utility District
Demand Side Management Programs - 2020 Approved Budget

	<u>Estimated</u>	<u>Actual</u>	<u>Difference</u>
Estimated/Actual carry over from 2019	\$ 5,867	\$ 6,720.24	\$ 853
Estimated sales for 2020	\$ 110,262	\$ 110,262.00	\$ -
RGGI Funds	\$ 64,700	\$ 63,617.00	\$ (1,083)
RGGI Fund Carryover 2019	\$ 19,000	\$ 20,083.00	\$ 1,083
Net 2020 budget	\$ 199,829	\$ 200,682.24	\$ 853

	<u>2020 Approved Budget</u>	<u>Expenses through 11/23/20</u>	<u>Balance</u>
<u>Residential Program</u>			
DR2001 Home Energy Audits with Weatherization Incentives	\$ 65,000	\$ 24,092	\$ 40,908
DR2002 Residential ENERGY STAR Offerings	\$ 7,315	\$ 6,034	\$ 1,281
DR2003 HVAC & Water Heating Program	\$ 7,000	\$ 2,875	\$ 4,125
DR2004 Change a Light Program	\$ 1,000	\$ 1,000	\$ -
DR2005 Committed for 2019 Programs	\$ 2,353	\$ 2,342	\$ 11
Net Residential	\$ 82,668	\$ 36,343	\$ 46,326
<u>Industrial/Commercial</u>			
DI2001 Small Business ENERGY STAR Offerings	\$ 1,200	\$ 144	\$ 1,056
DI2002 Burrillville School Department	\$ 18,700	\$ -	\$ 18,700
DI2003 Committed Funds- Lighting & EE Projects	\$ 22,764	\$ 2,848	\$ 19,916
DI2004 Potential 2020 Lighting & EE Projects	\$ 10,250	\$ -	\$ 10,250
DI2005 LED Street Light Incentive	\$ 10,000	\$ 10,000	\$ -
Net Industrial/Commercial	\$ 62,914	\$ 12,992.00	\$ 49,922
<u>Administrative</u>			
DA2001 Administrative	\$ 21,000	\$ 18,447	\$ 2,553
DA2002 Energy Consultant	\$ 10,000	\$ 4,388	\$ 5,613
DA2003 Program Research and Development	\$ 500	\$ -	\$ 500
Net Administrative	\$ 31,500	\$ 22,835	\$ 8,665
<u>Community Outreach, Marketing & Education</u>			
DC2001 Funds for Follow-up to Successful Programs	\$ 1,000	\$ 832	\$ 168
DC2002 Outreach/Education	\$ 7,500	\$ 7,521	\$ (21)
DC2003 Jesse Smith Library Partnership	\$ 3,600	\$ 2,450	\$ 1,150
DC2004 Community Events	\$ 9,000	\$ 235	\$ 8,765
DC2005 Energy Efficiency Management continuing education	\$ 2,500	\$ 568	\$ 1,932
Net Community Outreach, Marketing & Education	\$ 23,600	\$ 11,605.40	\$ 11,995
Estimated DSM 2020 Budget/ Expenses/ Balance	\$ 200,682.24	\$ 83,774.60	\$ 116,908