



Utilities Commission (Commission) approved both and the increase in the incentive and cap amounts. In Pascoag's 2021 DSM filing, it proposed a 45% increase in funding to the Home Energy Audits with Weatherization Incentives program budget for a total of \$94,413 with the RGGI funding. Pascoag noted that this would be the last year of RGGI funding, and that there would also be a large carryover of those funds from the prior year. The RGGI money was not funds provided from Pascoag's ratepayers. The Commission approved Pascoag's 2021 DSM programs and budget.

In support of the current request to reallocate more funds to the Home Energy Audits and Weatherization Incentives program, Pascoag noted the success of the program over the past year. There is currently a balance of \$27,590.71 remaining of the \$108,897.92 budget. There are a number of projects expected to be completed by the end of September, and August and September invoicing will further reduce the budget by more than \$21,000.00. Pascoag provided that the reallocation amount requested will allow it to fund five additional projects before the end of the year and noted that three customers have expressed interest in completing projects before the winter season.<sup>2</sup>

Specifically, Pascoag proposed reallocating funds from the following programs that are either closed or have not needed the amount budgeted: 1) \$1,125.00 from the Committed for 2020 Programs since all rebates have been processed and the program is closed; 2) \$500.00 from Program Research and Development since there is no anticipated need for these funds; 3) \$5,285.00 from Outreach/Education since many regularly scheduled events were not held this year; 4) \$6,408.00 from Community Events because many events were cancelled due to COVID-

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<sup>2</sup> Pascoag Request to Reallocate Funds within 2021 DSM Program at 2-4 (Sept. 14, 2021).

19; and 5) \$1,000.00 from Energy Efficiency Management Continuing Education since the DSM Coordinator attended mostly free webinars and did not travel.<sup>3</sup>

On October 5, 2021, the Division of Public Utilities and Carriers filed a memorandum supporting Pascoag's request to reallocate \$14,318.00 to the Home Energy Audits with Weatherization Incentives program.

At an Open Meeting on October 14, 2021, the Commission denied Pascoag's request finding that Pascoag did not establish how reallocating electric ratepayer funds to the Home Energy Audits and Weatherization Incentives program is the most cost-effective way to deliver energy savings that increase cost savings for all of its ratepayers. Although the Division recommended approval, noting that funding energy audits and resulting energy efficiency measures would be a better use of ratepayer funds than marketing and training, the Commission noted that in Docket No. 4991, the Division supported eliminating the Windows/Skylights/Doors program expressing that "the vast majority of savings associated with this incentive would be heat/thermal savings from customers who use oil, gas, or propane instead of electricity savings from the electric customers who fund [the] program." Further, Pascoag acknowledged in Docket No. 5084 that it does not target its electric heat customer for the weatherization incentive and that the incentive is also available to National Grid customers.

The Commission concluded that while there may be some electric savings from air conditioning or portable plug-in space heaters, the vast majority of savings associated with this incentive are for heat and thermal savings for customers, including National Grid customers, who use gas, oil, or propane instead of electricity customers who are funding the program. Pascoag has historically requested much smaller budgets for the Home Energy Audit and Weatherization

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<sup>3</sup> *Id.* at 2-3.

program. In 2017, PUD budgeted \$3,250 to provide 10 home energy audits and weatherization, or \$325 per residence.<sup>4</sup> Similarly, in 2018, PUD budgeted \$4,020 to provide 12 home energy audits and weatherization, or \$335 per residence.<sup>5</sup> In the instant case, Pascoag requested \$14,318 to provide 5 home energy audits and weatherization, or \$2,863 per residence. The Commission was comfortable expanding the Home Energy Audits and Weatherization Incentives program for three years because Pascoag was funding the program with RGGI funds and not with funds from its electric ratepayers. Although creating savings, most of those savings are not for electric customers. The Commission finds that it is not appropriate to reallocate a portion of the DSM budget funded by ratepayers to a program that (i) is not funded by ratepayers, (ii) is different in scale than the Commission has previously approved, and (iii) veers from the goal of creating electricity savings for ratepayers. For the reasons set forth above, the Commission denies Pascoag's request to reallocate \$14,318.00 to the Home Energy Audits and Weatherization Incentives program.

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<sup>4</sup> Rhode Island Public Utilities Commission Docket 4663. Pascoag Utility District's Demand Side Management Program FY 2017, pg. 2.

<sup>5</sup> Rhode Island Public Utilities Commission Docket 4761. Pascoag Utility District's Demand Side Management Program FY 2018, Schedule A-2, pg. 3.

Accordingly, it is hereby

(24276) ORDERED:

Pascoag Utility District's request to reallocate funds within its 2021 DSM Program is denied.

EFFECTIVE AT WARWICK, RHODE ISLAND ON OCTOBER 14, 2021 PURSUANT TO AN OPEN MEETING DECISION ON OCTOBER 14, 2021. WRITTEN ORDER ISSUED DECEMBER 17, 2021.

PUBLIC UTILITIES COMMISSION



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Ronald T. Gerwatowski, Chairman



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Abigail Anthony, Commissioner



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John C. Revens, Jr., Commissioner

**NOTICE OF RIGHT TO APPEAL:** Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.