



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

Legal Section

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January 18, 2022

Ms. Luly Massaro
Public Utilities Commission
89 Jefferson Boulevard
Warwick, R.I. 02888

Re: Docket 5189- The Narragansett Electric Company d/b/a/ National Grid's Annual Energy Efficiency Plan for 2022

Dear Ms. Massaro:

Attached is the Division's response to National Grid's filing of January 14, 2022 which is responsive to the Commission's request that the parties submit their final positions on the Energy Efficiency docket.

Very Truly Yours,

Margaret L. Hogan, Esq.

cc: Linda D. George, Esq., Administrator, DPUC

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

)	
THE NARRAGANSETT ELECTRIC CO. D/B/A)	
NATIONAL GRID’S 2022 ANNUAL)	DOCKET NO. 5189
ENERGY EFFICIENCY PLAN)	
)	

DIVISION OF PUBLIC UTILITIES AND CARRIERS’ REQUESTED APPROVALS

The Division of Public Utilities and Carriers (Division) hereby submits its position on the contested issues in this docket. On Friday, January 14, 2022, National Grid (Company) submitted its final position on its “Requested Approvals” which modified the Company’s pre-hearing positions. The Division particularly appreciates the Company’s concessions on the issue of the Performance Incentive Mechanism (PIM), made in response to the evidentiary hearing process and the Division’s corrected memorandum entitled “RE: Determining Target Incentives for EE PIM”, dated January 6, 2022. The Division reiterates the need for an annual review, via multiple metrics, to establish the PIM for each subsequent annual plan.

The Division agrees with the bulk of the Company’s requested approvals. The Division neither agrees with nor opposes item 7 of the Requested Approvals: “to approve the revision to Section 10.4 of the Company’s 2022 Annual Energy Efficiency Plan (Bates 121 – 122) as reflected in the response to the December Hearing” because the document filed in response to record request Number 4 (December hearings) is not redlined, as stated in the answer.

For the figures provided in items 3, 4, and 5 of the Company’s January 14th filing, the Division notes that the forecasted numbers provided at line 7 of the attached Table E-1 and line 8 in the attached Table G-1 are the same forecasts as in the original filings, which are based on a twelve-month collection rate. However, the Company’s narrative clearly indicates that the

collection will begin on February 1, 2022 for an eleven-month collection period. Therefore, the Division wants to ensure that the proposed collection rate has accounted for the difference between the 2021 collection rate for January 2022 and what would have been collected for January 2022 had these proceedings been concluded in December 2021 and the proposed rates been in effect.

The Division has concerns regarding the regulatory allocation to the Energy Efficiency and Resource Management Council (EERMC) that would otherwise be included in the Alternative Base Plan, as filed, and amended.

R. I. Gen Law §39-2-1.2. (i) provides:

“Effective January 1, 2007, the commission shall allocate from demand-side management gas and electric funds authorized pursuant to this section, an amount not to exceed three percent (3%) of such funds on an annual basis *for the retention of expert consultants, and reasonable administration costs* of the energy efficiency and resources management council associated with planning, management, and evaluation of energy-efficiency programs, renewable energy programs, system reliability least-cost procurement, and with regulatory proceedings, contested cases, and other actions pertaining to the purposes, powers, and duties of the council, which allocation may by mutual agreement, be used in coordination with the office of energy resources to support such activities.” (Emphasis added)

The proposed EERMC budget seeks a full three percent allocation from the demand side electric and gas demand-side management funds and has asserted that the Public Utilities Commission (Commission) does not possess discretion in this allocation.

The Division submits that the evidentiary record did not support the EERMC’s proposed budget which included: (1) proposed consulting costs that exceed those that were incurred during a year in which the EERMC reviewed both a three-year plan and an annual plan; (2) unallocated costs of \$575,724; and (3) \$100,000 for a future Market Potential Study (to be set aside in the private, client fund held by its attorney).

Therefore:

1. The Division seeks approval of the Alternate Base Plan, as discussed in the Company's January 14th filing and as amended, as necessary, based upon the Division's foregoing comments.
2. The Division seeks a minimum reduction in the regulatory allocation to the EERMC of \$675,724, which represents the unallocated funds in the proposed budget and the \$100,000 set-aside for the future Market Potential Study.
3. The Division requests that the PUC order all ratepayer funds to be held by National Grid, not in a private client account, and that National Grid pay all the EERMC's expenses, as approved by OER, within thirty days of receipt of OER's approval.
4. The Division seeks an order that all unused funds at the end of the annual plan year be retained by National Grid for reconciliation and for allocating to ratepayer costs for the following annual plan.
5. That the Commission revisit the issue of the interpretation of the Least Cost Procurement statute in future proceedings.
6. That the Commission direct that the BCA in future Energy Efficiency Annual Plan dockets be calculated with economic benefits included in a separate table in terms of dollars and job years.

Respectfully Submitted:
Division of Public Utilities & Carriers,
by its Attorney

/s/ Margaret L. Hogan, Esq. (#5006)
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CERTIFICATION

I do hereby certify that a true copy of the within was served upon all parties on the Service List for Docket 5189 on the 18th day of January 2022.

/s/ Margaret L. Hogan, Esq. (#5006)