STATE OF RHODE ISLAND
ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

MEETING MINUTES

Thursday, September 11, 2014

3:30 - 5:30 PM

Conference Room B
Department of Administration
One Capitol Hill, Providence, RI

Members Present:	Joe Cirillo, Julie Gill, Jennifer Hutchinson, Michael McAteer, Joe Newsome, Chris Powell, Paul Ryan
Members Absent:	Abigail Anthony, Marsha Garcia, Marion Gold, Dan Justynski
Consultants Present:	Mike Guerard, Scudder Parker
OER Staff Present:	Chris Kearns, Danny Musher, Rachel Sholly, Nick Ucci
Others Present:	Nick Corsetti, Josh Craft, Craig Johnson, Betsy Florin, Charlie Harak, Rachel Henschel, Angela Li, Jeremy Newberger, Brigid Ryan, Rob Sherwood, Belinda Wong, Chon Wong

1. Call to Order

Chairman Paul Ryan called the meeting to order at 3:31 PM. Joe Cirillo made a motion to move agenda item #5 to #7. Chris Powell seconded and all approved.

2. Approval of August Meeting Minutes

Mr. Cirillo made a motion to approve the August meeting minutes as submitted. Mr. Powell seconded and all approved.

3. Executive Director Report

Nick Ucci gave the Executive Director report on behalf of Commissioner Marion Gold. He discussed the winter peak pricing issue. Residential rates as of January 2015 are expected to increase by about 35%-40%, which would be a six-month rate. The OER has been working on a communications strategy as part of a regional effort. National Grid has also been working on raising awareness of this issue. The OER is also looking at ways of reducing the burden. Joe Newsome asked what contingencies are being considered to deal with potentially increasing oil prices as a result of geopolitical issues. The OER is limited in its ability to respond directly, but it has opened the lines of communication with the RI

Department of Human Services. The Thermal Working Group is also working on this, but there are many challenges.

New England states have been working on expanding the natural gas pipeline, however, MA did not pass the necessary legislation to move forward as planned. The group is looking at alternative options for paying for this infrastructure. On the clean energy side, the OER is working to coordinate renewable procurement at a smaller scale than hoped, utilizing existing mandates and statutory authority across the six states and working with other states to test the market. Mr. Newsome asked whether there is enough energy to meet demand. Mr. Ucci said the issue is not how much energy there is, the issue is how much it will cost.

The EERMC's finance tracking responsibilities will be shifting to the OER's financial manager, who will go back a couple years, make sure numbers tie out and then begin tracking finances on a monthly basis. A National Drive Electric Day event will be held on September 20th from 12:00-3:00 PM at Garden City, featuring Senator Reed, Congressman Cicilline, Congressman Langevin and Commissioner Gold. At the event, a new electric vehicle license plate will be announced.

4. Executive Committee Report

Chairman Ryan reported on the September 4th, 2014 Executive Committee meeting. At the meeting, Commissioner Gold presented draft responsibility descriptions for some of the Council positions, including those that will need to be filled in 2015. These drafts have been sent to their corresponding members for feedback based on their experience. Commissioner Gold also provided the draft rules of procedure, which were originally drafted in 2008 but never voted on. These will come up for a formal vote at a future meeting. Council members should think about who could fill the new and soon-to-be-open positions. The two new positions are representatives of workforce development and municipalities. Council members should send any suggestions on who to nominate for these positions to Commissioner Gold. Chairman Ryan announced that he will step down from his position as Chairman after the end of his term in April 2015.

Regarding the solicitation of consulting services to the EERMC, the Council received two proposals. The Executive Committee will review, score, and discuss them at its next meeting. Chairman Ryan further reported that the Consultant Team presented a memo on the issue of funding for delivered fuels efficiency measures. They reported that the OER-led Thermal Working Group is addressing the long-term funding issue, but will not have a solution for 2015. In the near-term, the Consultant Team recommends using the system benefit charge and/or Regional Greenhouse Gas Initiative funds.

The Consultant Team has taken an initial look at the issue of changing the bill to more clearly convey the purpose of the System Benefit Charge, but the importance of the topic warrants more discussion at the Executive Committee level before advancing potential solutions. It is also important to work in conjunction with National Grid. The Executive Committee will bring this issue back to the Council at the next meeting.

5. Policy/Planning Issues

Discussion and Vote on Cost-Effectiveness Memo

Mr. Guerard explained that the Public Utilities Commission (PUC) requires the Council to submit a memo that assesses the cost-effectiveness of the energy efficiency program plans submitted by National Grid. The memo must be submitted by September 16, 2014. Two weeks after the Scudder Parker gave an overview of the findings (see attached). He reminded the Council that this has been done for Annual Plans and one Three Year Plan. The Consultant Team found the Plan to be robustly cost-effective.

Mr. Ucci added that in 2018 RI and Southeast MA may separate into two pricing zones primarily due to the retirement of the Brayton Point power plant. There is a projection for a potential 500MW shortage, which would require new generation facilities. This could more than double capacity costs. Mr. Powell felt that at the customer level there are options for efficiency improvements that are getting left behind because of cherry picking to go after shorter payback periods. Mr. Parker concluded that the EERMC should recommend that the PUC approve the Plan. The EERMC should endorse the plan with a letter of support.

Mr. Cirillo made a motion to submit the cost-effectiveness memo to the Public Utilities Commission with an endorsement on behalf of the EERMC. Mr. Powell seconded and all approved.

2015 Energy Efficiency Program Plan First Draft Review & Winter Peak and Pending Energy Price Increases

Rachel Henschel, Jeremy Newberger, and Nick Corsetti of National Grid reported on the highlights of the 2015 Annual Energy Efficiency Program Plan (see attached). Much of the Annual Plan builds off of the just-submitted 2015-2017 Three-Year Plan. Mr. Powell felt that there are still a lot of lost opportunities in the way incentivized measures are identified and assessed, in that the current system often results in cherry picking the low-hanging fruit. Michael McAteer acknowledged Mr. Powell's comment and note that a few new components may help address this issue. For example, a building energy rating system, automated benchmarking services, and the "Green Button" option which will allow customers to download 13 months of billing data. Mr. Ucci reported that the OER is working with RI DOT to convert their streetlights to LED and install control technologies. Huge savings are projected.

Mr. Newsome brought the Council's attention to the participants' line items in the electric and gas tables of the presentation and expressed concern over how "participant" is defined. He felt that the term "customer" may be more appropriate. Ms. Henschel said that National Grid has received Mr. Newsome's comments and will include a participant estimate number in the third draft of the 2015 Plan. The Three-Year Plan was at too high of a level to estimate participants. National Grid will send Mr. Newsome and the Consultant Team the participant excerpt in the second Plan for review.

Ms. Henschel explained that increasing energy efficiency participation to help mitigate coming price spikes could result in an overspend situation this year. This would flow into next year's as a budget deficit, which would force the customer charge higher than proposed. Mr. Powell asked about the customer charges for commercial and industrial versus residential. Ms. Henschel replied that the decision was made to separate the charges last year in order to reduce cross-subsidization between sectors. Mr. Newberger listed (see attached) a few measures that are being considered for early launch to speed up impacts, including messaging, equipment and controls that can be deployed quickly, behavior measures, thermostats and boiler tune-ups. Mr. Parker asked if gas customer prices will be going up as well. Mr. Ucci said that on the gas side there is a larger opportunity to hedge purchasing, whereas on the electric side the market and PUC determine the price. Gas prices will not increase nearly as much as electric prices. Mr. Parker noted that the benefit may be more for electric customers than

gas customers. Mr. Powell added that cap-exempt customers should be the focus because they will be impacted the most.

Mr. Newberger asked the Council for feedback on the Plan, especially on whether the magnitude of increase in the gas program customer charge is acceptable and a good direction. Mr. Parker noted that if the prices on gas for fixed-price customers are not going up much, a small increase in the system benefit charge that has some benefit on the electric side is still cost-effective on the gas side and may be helpful in the larger picture on the electric side. Mr. Ucci pointed out that rates are split, so it is possible to adjust charges on the commercial and/or residential sides to help drive down the overall cost-effectiveness ratio. He felt that there is a very strong argument to be made for increasing the gas charge. Discussion continued around developing nuanced, targeted strategies for addressing these issues in the most effective way.

The Council will receive the third draft of the 2015 Annual Plan in about three weeks and will be up for a vote at the October meeting.

6. Other Business

Vote on Energy Expo Planning Assistance Proposal

Rachel Sholly reported that she has been exploring the idea of hiring an Energy Fellow from the University of Rhode Island to assist with the planning of the energy expo. URI provided an estimate for one October 2014 through March 2015 at 10 hours per week and more over winter break. **Mr. Powell made a motion to approve up to $10,000 to fund additional work to support Energy Expo planning activities through the University of Rhode Island. Mr. Cirillo seconded and all approved.**

7. Discussion of Efforts to Extend Least Cost Procurement Law

Mr. Ucci reported that two options are on the table. The first is a simple extension of the law, and the second is making additional adjustments to the legislation to address current concerns. The OER will do some thinking on this with the Executive Committee, Consultant Team, National Grid and other stakeholders and bring thoughts to the Council at a future meeting.

8. Public Comment

Belinda Wong of Care Technologies said that their product has been listed on qualified list and asked how they can be a part of the rebate program. Michael McAteer suggested that they work with Edward Bartholomew from National Grid. Charlie Harak of the Consumer Law Center complimented the group on the multifamily section in the Three-Year Plan.

9. Adjournment

Mr. Powell made a motion to adjourn the meeting. Second and all approved. Chairman Ryan adjourned the meeting at 5:34 PM.

Next Meeting: Thursday, October 16th; 3:30-5:30 PM; Conference Room B

STATE OF RHODE ISLAND
ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

Vermont Energy Investment Corporation | Optimal Energy Integrated Energy Resources
EERMC CONSULTANT TEAM

VEIC / Optimal Energy Consultant Team

The Cost-Effectiveness of National Grid's 2015-2017 Energy Efficiency and System Reliability Procurement Plan

RI EERMC Meeting
September 11, 2014

Scudder Parker
Mike Guerard

EERMC Consultant Team Key Findings

- The 2015 – 2017 Energy Efficiency and System Reliability Procurement Plan ("the Plan") filed by National Grid is cost-effective according to the Total Resource Cost test (TRC).

- The implementation strategies outlined in the Plan support reasonable and credible sustained implementation and moderate ramp-up of National Grid's energy efficiency implementation efforts.

Cost-Effectiveness Memo Contents

I. Introduction

- Review legislative roles and responsibilities of EERMC:
  - Under R.I.G.L. § 39-1-27.7(c)(5), the Council is required to review and approve the cost-effectiveness of National Grid's 3-year procurement plan.
  - This report describes that review, including the finding that the Plan is cost-effective, and submits it as evidence to the Commission.

II. The Rhode Island Regulatory Frame Work

- Review of "the Standards," TRC test, Least Cost Procurement, plus some additional context on the 2012 CHP provision.

III. Summary of EERMC Consultant Team's Qualifications

- A strong familiarity with Rhode Island's policy, planning, implementation, and evaluation provides a high level of assurance that practices in Rhode Island are consistent with regional and national best practices in Energy Efficiency Least Cost Procurement.

Cost-Effectiveness Memo Contents

IV. Consultant Findings

- The present value of the Plan's anticipated benefits is **GREATER** than that of the present value of the Plan's costs, as defined by the TRC.
- The proposed implementation strategies will **IMPROVE** Rhode Island's energy efficiency services.

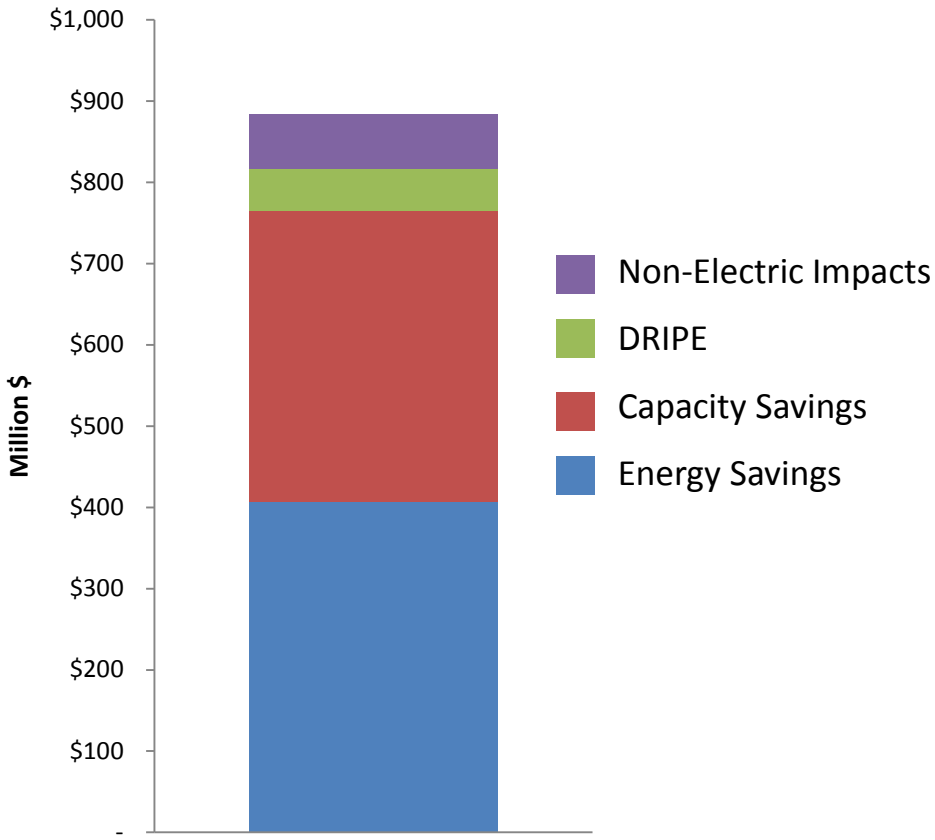
V. Ongoing Oversight by the EERMC and its Consultant Team

- Detailed description of the process and activities undertake to inform findings and recommendations.

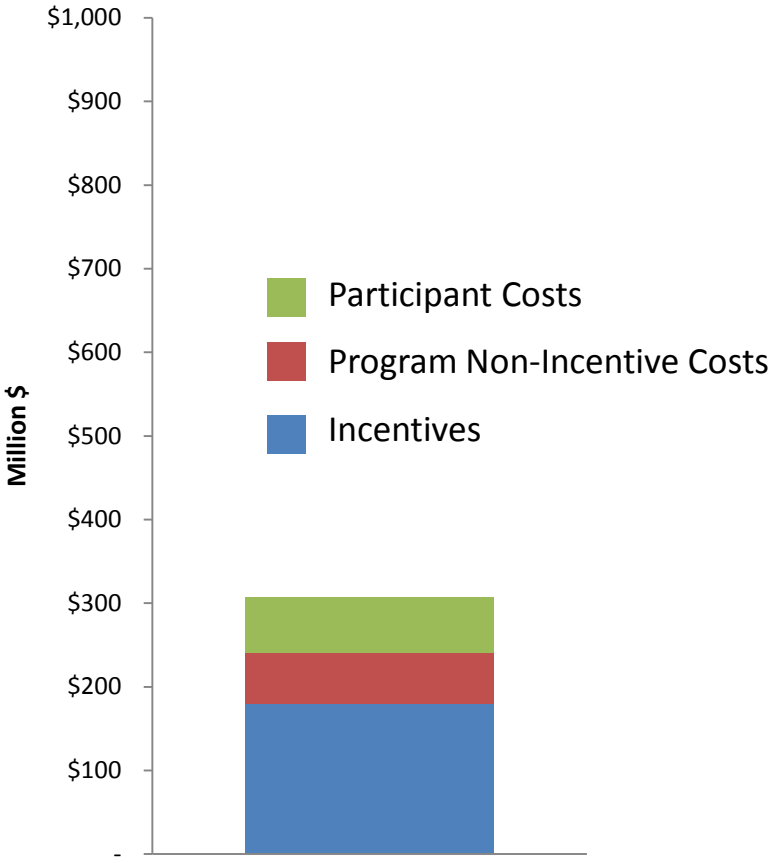
Cost-Effectiveness Memo Contents

VI. Cost Effectiveness Overview - Electric

Cumulative TRC Benefits from Electric EE Programs in 2015-2017 Plan



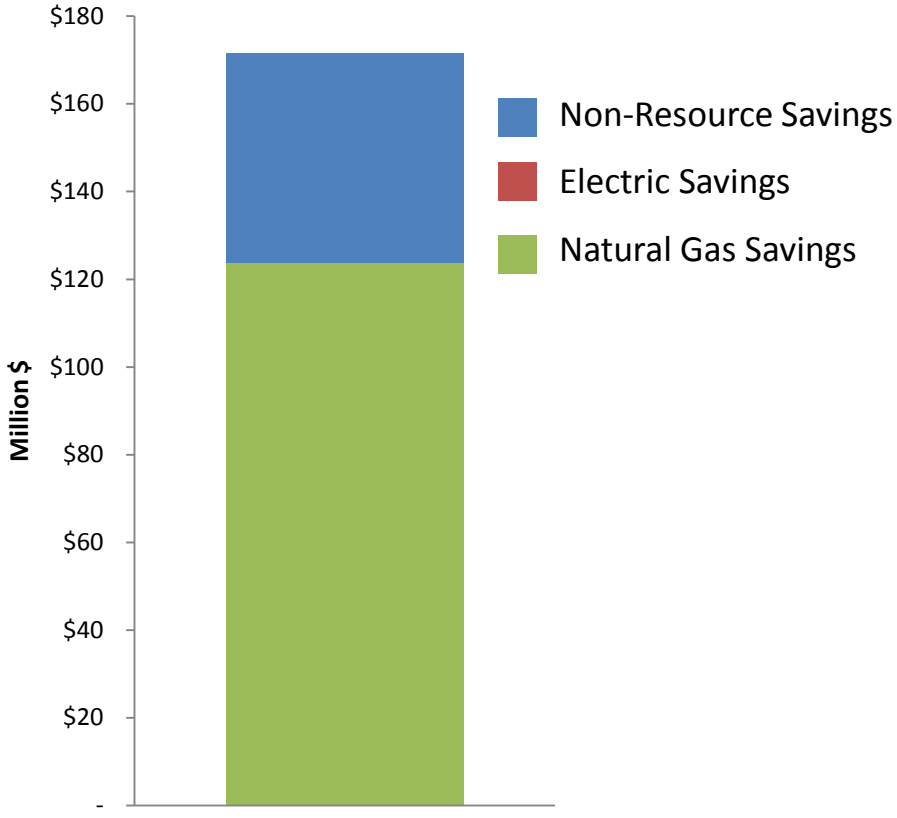
Cumulative TRC Costs from Electric EE Programs in 2015-2017 Plan



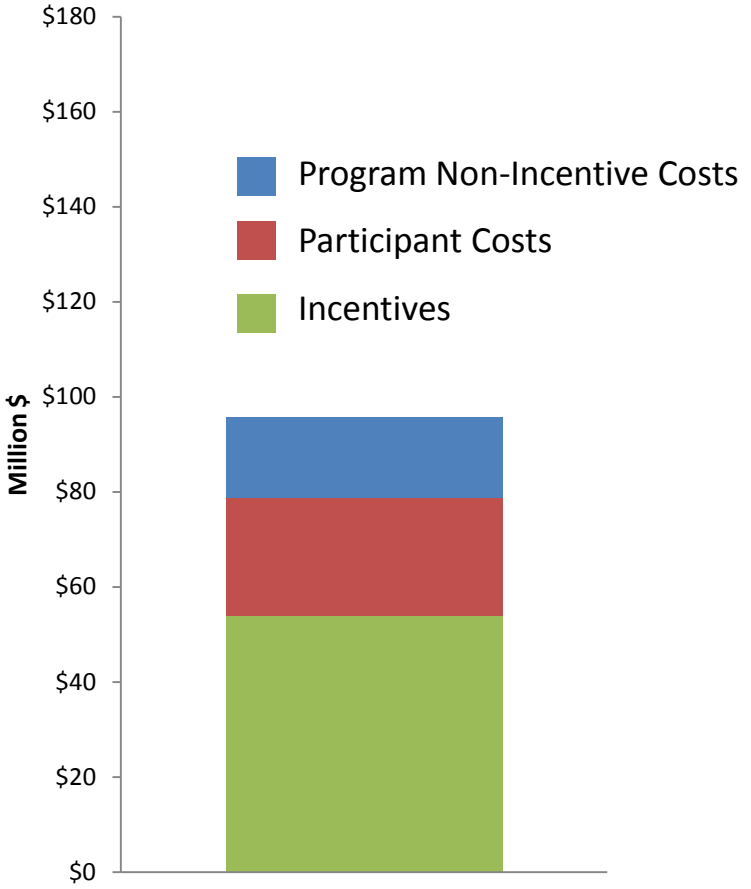
Cost-Effectiveness Memo Contents

VI. Cost Effectiveness Overview - Gas

Cumulative TRC Benefits from Natural Gas EE Programs in 2015-2017 Plan



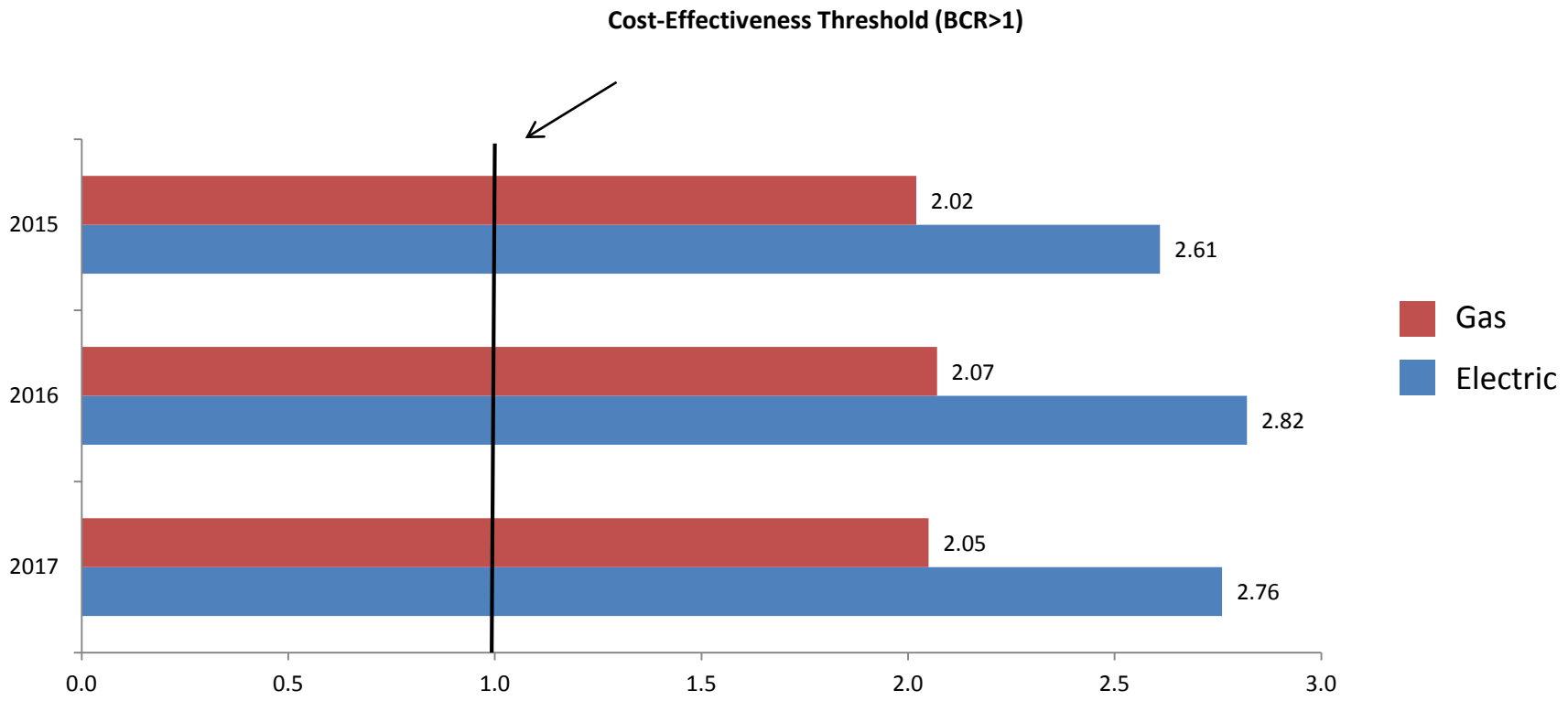
Cumulative TRC Costs from Natural Gas EE Programs in 2015-2017 Plan



Cost-Effectiveness Memo Contents

VII. Cost Effectiveness Review and Findings

- Each Program Year for electric and natural gas efficiency has a BCR greater than 1.0 as required by the PUC's Standards for Energy Efficiency Procurement and R.I.G.L. § 39-1-27.7 (c)(5).



Cost-Effectiveness Memo Contents

VIII. Review and Evaluation, Measurement and Verification

- Brief description of review process

IX. Conclusion

- For the reasons stated herein, the EERMC and the EERMC's Consultant Team finds that National Grid's 2015-2017 Energy Efficiency and System Reliability Procurement Plan is cost-effective and lower cost than the acquisition of additional supply pursuant to R.I.G.L.§ 39-1-27.7 (c)(5).

Recommendation

- The Consultant Team recommends that the 2015 – 2017 Energy Efficiency and System Reliability Procurement Plan be approved by the Rhode Island Public Utilities Commission.

- The Consultant Team recommends that the EERMC in its transmittal letter to the PUC also include a formal endorsement of the Plan.

Implications of Winter Gas Constraint on EE Cost-Benefit Analysis

- Forecasted cost of energy for 2014 from the AESC report compared to an average of actual monthly wholesale prices reported by ISO-NE for the winter months.

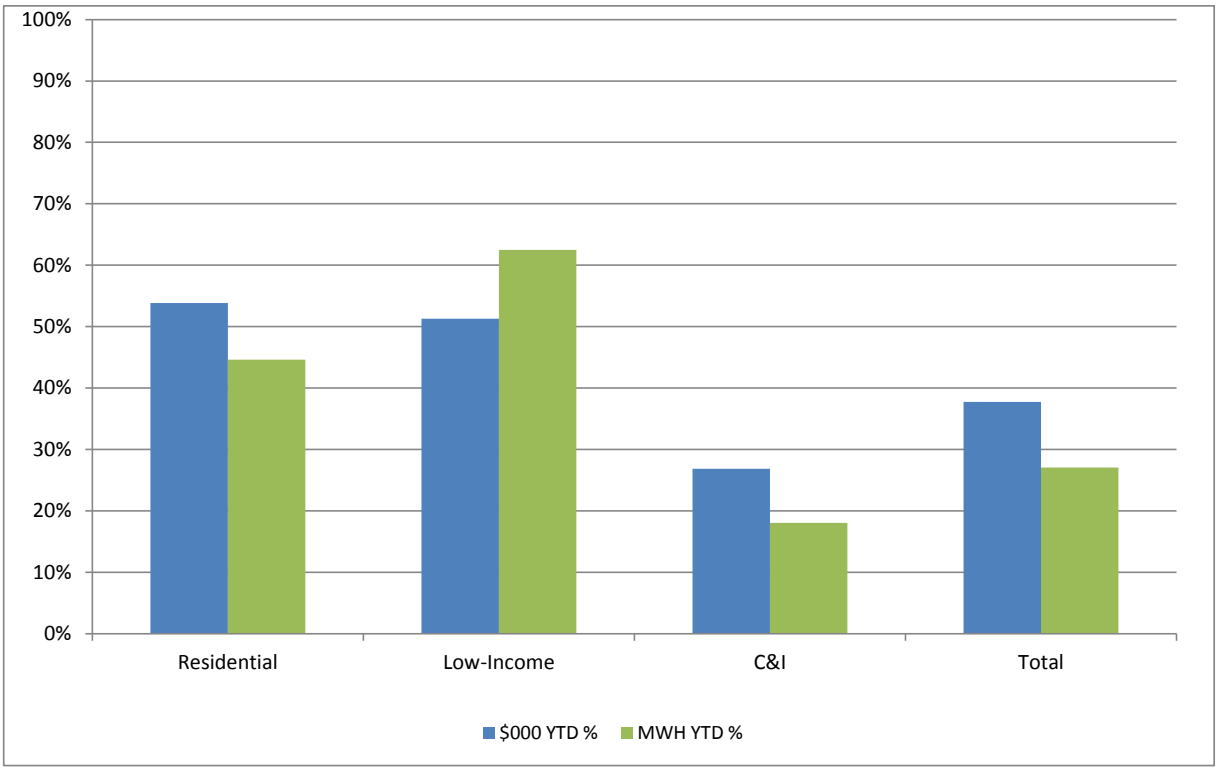
	Winter On-Peak	Winter Off-Peak
2013 AESC ($/kWh)	0.053	0.046
2014 ISO ($/kWh)	0.109	0.084
% Increase	**206%**	**181%**

- Higher avoided costs should lead to higher benefits since the state is avoiding a more expensive cost than initially anticipated.

	Total Electric Benefits ($M)
Original 2015-2017 Plan	$844
Plan with adjusted costs	$1,083
Difference	**$199**
% Difference	**22%**

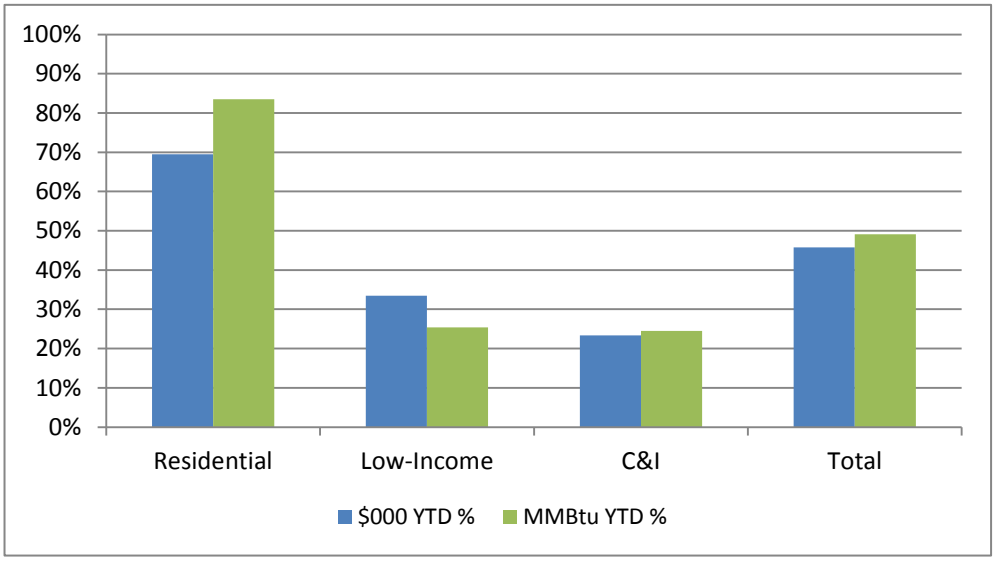
National Grid Electric Data Dashboard - As of July 31, 2014 [1,2]									
	Total $000 Spend			Annual MWh			Summer kW		
	YTD	Plan	% of Goal	YTD	Plan	% of Goal	YTD	Plan	% of Goal
Residential	$12,954	$24,067	54%	34,066	76,317	45%	4,670	19,251	24%
Low-Income	$4,769	$9,299	51%	3,801	6,080	63%	285	572	50%
C&I	$12,690	$47,230	27%	31,161	172,917	18%	5,633	29,950	19%
Total	**$30,412**	**$80,597**	**38%**	**69,028**	**255,314**	**27%**	**10,589**	**49,773**	**21%**

1. Note all data is preliminary and subject to true-up in quarterly and annual reports.
2. All data reflect actuals through 07/31/2014



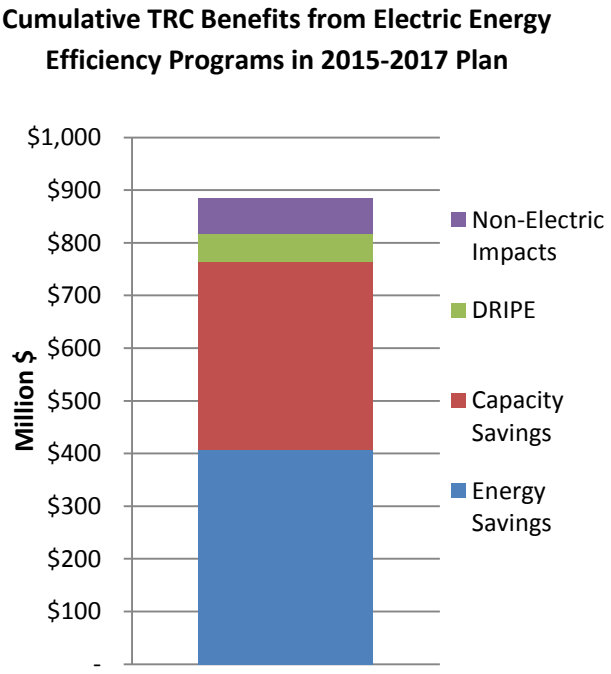
National Grid Gas Data Dashboard - As of July 31, 2014 [1,2]						
	Total $000 Spend			Total MMBtu		
	YTD	Plan	% of Goal	YTD	Plan	% of Goal
Residential	$6,621	$9,529	69%	114,591	137,281	83%
Low-Income	$1,524	$4,552	33%	5,903	23,219	25%
C&I	$1,778	$7,606	23%	41,460	169,463	24%
Total	**$9,922**	**$21,687**	**46%**	**161,954**	**329,963**	**49%**

1. Note all data is preliminary and subject to true-up in quarterly and annual reports.
2. All data reflect actuals through 07/31/2014



Attachment B: Implications of Winter Gas constraint on Energy Efficiency Cost-Benefit Analysis

The figure below, reproduced from the report, shows how the benefits in the 2015-2017 Procurement Plan are built up from the individual components as defined by the Total Resource Cost test.



Benefits from energy savings account for the greatest share of the total benefits at 46%. They are calculated by multiplying the cumulative savings from the entire portfolio – which occur over a number of years in the future – against a forecast of avoided costs that roughly correspond to the wholesale price of power. The avoided costs used in the above calculation come from the 2013 Avoided Energy Supply Cost (AESC) study developed by Synapse.[1] Since the 2013 AESC study was published, the well-publicized winter gas constraint has driven wholesale prices up dramatically.[2] The table below shows the forecasted cost of energy for 2014 from the AESC report compared to an average of actual monthly wholesale prices reported by ISO-NE for the winter months.[3]

[1] http://www.synapse-energy.com/Downloads/SynapseReport.2013-07.AESC.AESC-2013.13-029-Report.pdf
[2] http://isonewswire.com/updates/2014/5/13/first-quarter-markets-report-reviews-outcomes-during-january.html
[3] http://iso-ne.com/isoexpress/web/reports/load-and-demand/-/tree/monthly-wholesale-load-cost-report?loadZone=4005&periodicity=Monthly&detailLevel=ON&loadCostConcept=TC&startYear=2014&startMonth=01&endYear=2014&endMonth=12&type=

	Winter On-Peak	Winter Off-Peak
2013 AESC ($/kWh)	0.053	0.046
2014 ISO ($/kWh)	0.109	0.084
% Increase	**206%**	**181%**

Intuitively, higher avoided costs should lead to higher benefits since the state is avoiding a more expensive cost than initially anticipated. To test this idea we assumed the high costs would persist through 2019 before subsiding, and substituted the new forecast into the screening model. The resulting benefits are summarized in the table below.

	Total Electric Benefits ($M)
Original 2015-2017 Plan	$884
Plan with adjusted costs	$1,083
Difference	**$199**
% Difference	**22%**

Overall electric benefits increase by 22%, corresponding to roughly $200 million, when we substituted in revised avoided costs. This is significant. While the analysis is high-level, the results suggest Rhode Island is realizing even greater benefits than expected from its energy efficiency programs.

Cost-Effectiveness Report
On National Grid's
2015-2017 Energy Efficiency and System Reliability Procurement Plan
(filed 9/2/2014)

An Assessment and Report by
The VEIC/Optimal Energy Consultant Team

Vermont Energy Investment Corporation || Optimal Energy — Integrated Energy Resources

EERMC CONSULTANT TEAM

Working on Behalf of the

STATE OF RHODE ISLAND
ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

Submitted to the Rhode Island Public Utilities Commission
On September *15*, 2014

Energy Efficiency and Resource Management Council Consultant Team Findings

The EERMC Consultant Team finds that the *2015-2017 Energy Efficiency and System Reliability Procurement Plan* ("the Plan"), filed on September 2, 2014 by National Grid, is cost-effective according to the Total Resource Cost (TRC) test. We also find that the implementation strategies outlined in the Plan will support a reasonable and credible sustained implementation and moderate ramp-up of National Grid's energy efficiency implementation efforts, and align with the savings targets proposed by the EERMC in its September 1, 2013 filing and approved by the PUC at its Open Meeting held on March 29, 2014.

These findings and the remainder of this report were presented to the Energy Efficiency and Resource Management Council (EERMC or "the Council") by the EERMC Consultant Team at its September 11, 2014 meeting, and were approved and adopted in a vote of the EERMC.

Because the Plan has been approved by the EERMC and meets the cost-effectiveness requirements of R.I.G.L. § 39-1-27.7(c)(5) , the Consultant Team therefore recommends that the Plan also be approved by the Rhode Island Public Utilities Commission ("the Commission"). Through such approval the Plan can be used by National Grid to guide the development of more detailed annual implementation plans for 2015, 2016, and 2017, which would be submitted to the Commission by November 1st of the year prior to the plan's implementation.

I: Introduction

Since 2010, the EERMC has met its requirement in R.I.G.L. § 39-1-27.7(c)(5) to review and approve the cost-effectiveness of National Grid's 3-year procurement plan and any related annual energy efficiency plans:

> *The Commission shall issue an order approving all energy efficiency measures that are cost effective and lower cost than acquisition of additional supply, with regard to the plan from the electrical and natural gas distribution company, and reviewed and approved by the energy efficiency and resources management council, and any related annual plans, and shall approve a fully reconciling funding mechanism to fund investments in all efficiency measures that are cost effective and lower cost than acquisition of additional supply, not greater than sixty (60) days after it is filed with the commission.*

To comply with this requirement for National Grid's proposed *2015-2017 Energy Efficiency and System Reliability Procurement Plan* ("the Plan"), the EERMC directed its Consultant Team to produce this report. The Plan was presented to the Council at its August 18, 2014 meeting[1] where the Council voted to endorse the Plan and formalized the request for cost-effectiveness review.

This report describes that review, including the finding that the Plan is cost-effective, and submits it as evidence to the Commission. It also describes the nature and process of the review, and documents the professional experience and qualifications of the Consultant Team to fulfill this task.

The Consultant Team presented its preliminary findings to the EERMC Executive Committee for review and discussion on September 4, 2014. The final draft of the report was presented to the full Council at the September 11, 2014 meeting, and there was a vote to approve the report and submit it to the Commission within the prescribed timeline.[2]

II. The Rhode Island Legal and Regulatory Framework

Rhode Island's Comprehensive Energy Conservation, Efficiency, and Affordability Act of 2006 ("2006 Comprehensive Energy Act") established a comprehensive energy policy that explicitly and systematically requires maximization of ratepayers' economic savings through investments

[1] Although the Council is directed to approve the Plan by August 15 triennially, a slight delay in the Council meeting was required to assure a quorum.

[2] The updated Standards for Energy Efficiency and Conservation Procurement and System Reliability require that Cost-Effectiveness Reports be submitted within two weeks of the Plan being filed with the Commission.

in all cost-effective energy efficiency. By means of this requirement on the distribution utility to procure all cost-effective energy efficiency, Rhode Island ratepayers stand to save hundreds of millions of dollars in energy bills over the next decade.

The primary guidelines informing the planning process to achieve this objective are the "standards for energy efficiency and conservation procurement and system reliability" ("the Standards"), required in the 2006 legislation. The EERMC proposed the initial Standards in June, 2008, and a subsequent revision was approved by the Commission in July, 2008. Updates to the Standards were proposed by the EERMC in 2011 under Docket #4202, and again in 2014 under Docket #4443, which were both approved by the Commission. The purpose of these Standards is to provide sufficient direction to guide National Grid in its 3-year and annual Plans.

The Standards ordered by the PUC identify the Total Resource Cost (TRC) test as the methodology to use in determining whether the measures, programs, and the portfolio of energy efficiency (EE) services are cost-effective. The Standards for determining cost-effectiveness were modified in 2014 to include additional language, designated below by italics, from Section 1.2, A, 2, (a) and (b):

> (a) The Utility shall assess measure, program and portfolio cost-effectiveness according to the Total Resource Cost test ("TRC"). The Utility shall, after consultation with the Council, propose the specific benefits and costs to be reported and factors to be included in the Rhode Island TRC test *and include them in the EE Procurement Plan. These benefits may include resource impacts and non-energy impacts*. *The accrual of non-energy impacts to only specific programs or technologies, such as income eligible programs or combined heat and power, may be considered.*
>
> (b) That test shall include the costs of CO_2 mitigation as they are imposed and are projected to be imposed by the Regional Greenhouse Gas Initiative. The *test* shall *also* include any other *utility system* costs associated with *reasonably anticipated future* greenhouse gas reduction *requirements at the state, regional or federal level for both electric and gas programs*. *A comparable benefit for greenhouse gas reduction resulting from natural gas or delivered fuel energy efficiency or displacement may be considered.*

The same TRC methodology (adjusted appropriately for gas measures and programs) has been applied to the evaluation of cost-effectiveness for natural gas energy efficiency since natural gas was added to the Least Cost Procurement mandates in 2010.

On June 21, 2012, an amendment to Rhode Island's Least Cost Procurement Statute, R.I.G.L. §39-1-27.7, to support the installation and investment in clean and efficient CHP was signed

into law.[3] The new CHP provision required that National Grid document this support annually in its energy efficiency program plan by including a plan for identifying and recruiting qualified CHP projects, incentive levels, contract terms and guidelines, and achievable megawatt targets. In addition, the law requires that the following criteria be factored into the Company's CHP plan: (i) economic development benefits in Rhode Island; (ii) energy and cost savings for customers; (iii) energy supply costs; (iv) greenhouse gas emissions standards and air quality benefits; and (v) system reliability benefits.

In accordance with the requirement of this amendment, National Grid proposed a number of adjustments to the TRC as defined in the Standards approved by the PUC in Dockets No. 3931 and No. 4202. The Consultant Team, the EERMC Collaborative Sub-Committee, and the EERMC CHP sub-committee reviewed these proposed TRC modifications and agree that they are consistent with the requirements of Rhode Island law, and represent reasonable estimates of the benefits mandated for inclusion in the assessment of CHP projects in Rhode Island. These adjustments include:

- An Economic Benefit adder of $2.51 of lifetime gross state product increase per dollar of program investment;
- A schedule of benefits from reduced Volatile Organic Compounds, SO_2, and Particulate Matter emissions;

National Grid has agreed to assess each CHP installation as a custom project, thereby ensuring that the specific costs and benefits of each project are appropriately evaluated. This will help assure that each installation is cost-effective.

III. Summary of EERMC Consultant Team's Qualifications

The EERMC Consultant Team is composed of Vermont Energy Investment Corporation ("VEIC") serving as the lead contractor, Optimal Energy Inc. ("OEI"), Energy Futures Group, and Prahl Consultant. The Consultant Team is led by Scudder Parker and Mike Guerard. Key skills and expertise are provided by Sam Huntington on data and analytical issues; Sean Bleything, Richard Faesy and Glenn Reed on the Residential market sector; George Lawrence and Phil Mosenthal on the Commercial / Industrial sector; and Ralph Prahl on evaluation, measurement, and verification (EM&V) activity. An additional layer of supporting staff is also in place, as well as a full range of industry experts available on an as-needed basis.

[3] See R.I.G.L. § 39-1-27.7(c)(6)(ii) through (iv); For the legislative history, see P.L. 2012, Ch. 363, S2792 Sub A (Enacted June 21, 2012).

This team brings an impressive understanding of, and experience with, energy efficiency policy, regulatory practice, program design, cost-effectiveness analysis, measure characterization, assessment of potential savings, and evaluation, measurement and verification. Many of the individual consultants included on the Consultant Team have 15-25 years of direct experience in energy efficiency and broader regulatory policy. All participants also practice in jurisdictions outside of Rhode Island (many of those in New England) and their experience in those settings provides an important context and perspective to inform the EERMC in its oversight role.

A full listing of qualifications of the various team members and the resumes of the participating individual consultants is provided in **Attachment A**.

The Consultant Team has been involved in the Rhode Island oversight, program design, and implementation process since it was hired early in 2008. The Consultant Team:

- Helped draft the Standards for Least Cost Procurement proposed by the EERMC in 2008 and the revision to the Least Cost Procurement Standards and System Reliability Procurement Standards in 2011 and 2014, both of which were approved by the Commission;
- Oversaw the development of Phases I and II of *The Opportunity for Energy Efficiency that is Cheaper than Supply* (KEMA) report;
- Contributed to the development and review of EEPP filings by National Grid for 2009, 2010, 2011, 2012, 2013 and 2014.
- Analyzed the cost-effectiveness of the annual EEPP filings from 2009 – 2014, and documented the findings of the cost-effectiveness for the PUC on behalf of the EERMC.
- Contributed to the development and review of National Grid's 2012-2014 and 2015-2017 Energy Efficiency Procurement Plans;
- Analyzed the cost-effectiveness of the 2012-2014 Energy Efficiency Procurement Plan and documented those findings for the PUC on behalf of the EERMC;
- Developed and submitted proposed targets for the 2015-2017 Plan for the EERMC consistent with LCP, primarily though reviewing and updating assumptions in the initial KEMA Potential Study from 2010, and the 2012 Natural Gas Opportunity Report for the EERMC.

In 2013 and 2014, the Consultant Team has also worked closely with the Office of Energy Resources (OER). In this context it:

- Provided support as the OER worked with stakeholders to develop a new Rhode Island State Energy Plan;

- Advised the OER as it worked to secure legislative authorization for a new Property Assessed Clean Energy (PACE) Program and for a new approach to securing efficiency savings from street lighting;

- Provided input as the OER developed its proposals for allocation of Regional Greenhouse Gas Initiative (RGGI) funds;

- Worked closely with the OER staff in developing and delivering the Rhode Island Public Energy Partnership (RIPEP) program;

- Worked with OER, the EERMC and National Grid in developing working partnerships with the Alliance for Healthy Homes, Emerald Cities-Providence and the Rhode Island Housing Authority.

- Worked with OER and National Grid to design pilot program to locate solar installations in System Reliability Plan (SRP) target areas.

This strong familiarity with Rhode Island's policy, planning, implementation, and evaluation experience provides a high level of assurance that practices in Rhode Island are consistent with regional and national best practices in Energy Efficiency Least Cost Procurement.[4]

IV. Consultant Findings

The EERMC Consultant Team finds that National Grid's *2015-2017 Energy Efficiency and System Reliability Procurement Plan* is cost-effective according to the Total Resource Cost Test (TRC). That is, the present value of the Plan's anticipated benefits is greater than the present value of the Plan's costs, as defined by the TRC.[5]

The EERMC Consultant Team also finds that the proposed implementation strategies will improve Rhode Island's energy efficiency services, both by serving more ratepayers and by achieving more savings per participant. These strategies represent an advancement in efforts to go both wider and deeper in the state's energy efficiency markets to secure cost-effective savings for both electric and natural gas customers consistent with the least cost procurement

[4] The EERMC and its Consultant Team also work closely with the Division and its Consultant through the Collaborative Subcommittee.

[5] The specific costs and benefits in the TRC are described on page 11

and system reliability procurement requirements of R.I.G.L. § 39-1-27.7. The proposed Plan meets the Commission-approved savings targets for electric and gas efficiency.

The EERMC Consultant Team concludes that the Procurement Plan meets the cost-effective requirements of R.I.G.L. § 39-1-27.7(c)(5) and therefore should be approved by the Commission and used by National Grid to develop more detailed, specific annual implementation plans for 2015, 2016, and 2017 to be submitted to the Commission by November 1 annually.

The determination of cost-effectiveness for the Procurement Plan is by necessity and design at a higher level than the specific program analysis and modeling that is possible for Annual EE Program Plans. In effect, the Procurement Plan represents the second phase of a process that starts with three-year savings targets, and is finalized year by year in the Annual EE Program Plan review process. The Procurement Plan lays out a longer term approach to meeting a sequence of three annual EE goals. It sets direction for program strategy and exploration of new efficiency markets and implementation approaches to save consumers money. Much of the analysis is based on current program experience, and as a high-level planning document it does not spell out a full suite of detailed implementation strategies. These will be completely designed, characterized, and modeled for precise cost-effectiveness screening during the annual plan process.

The cost-effectiveness analysis of this 3-year EE Procurement Plan is based on substantial program implementation experience, professional judgment of what actual program costs and benefits will be, and reasonable estimates of savings opportunities that are available. The EERMC also recognizes that approval of the *2015-2017 Energy Efficiency and System Reliability Procurement Plan* will not, in itself, result in a specific change to the current fully reconciling funding mechanism. Adjustments to the fully reconciling funding mechanism will be made by the Commission upon review and approval of detailed Annual EE Program Plans that will be submitted to the Commission by the Company annually by November 1.

In order to assess the cost-effectiveness of the *2015-2017 Energy Efficiency and System Reliability Procurement Plan*, the EERMC Consultant Team engaged in the following plan development and review processes:

1. Consistent and on-going oversight of actual National Grid energy efficiency planning and implementation activities, both through direct interactions with National Grid staff and through participation in the Collaborative Subcommittee process (documented in Section V).

2. Direct review of National Grid's cost-effectiveness assessment practices and its screening process (documented in Sections VI and VII).

3. Review of National Grid's Evaluation Process (documented in Section VIII).

Finally, the Consultant Team's requisite skills, experience, and demonstrated expertise in the subject matter are documented in Attachment A.

V. Ongoing Oversight by the EERMC and its Consultant Team

The EERMC, consistent with its statutory obligations under the Rhode Island Comprehensive Energy Conservation, Efficiency and Affordability Act of 2006, continues to play an involved and active role with National Grid to guide, facilitate, and support public and independent expert participation in the review, oversight, and evolution of utility energy efficiency procurement and program implementation. The EERMC believes this input is critical to having the energy efficiency programs and new cost saving mechanisms evolve into resource acquisition tools that can effectively implement the Rhode Island law to procure all cost-effective natural gas and electric energy efficiency.

Dockets No. 3931 and 4202 and the Standards require a consistent and effective process to guide the development and submission of National Grid's *2015-2017 Energy Efficiency and System Reliability Procurement Plan* to the PUC. Section 1.4 (D) and (E) of the Standards state:

D. The Utility and Council shall report to the PUC a process for the Council input and review of its 2008 EE Procurement Plan and EE Program Plan by July 15, 2008 and triennially thereafter.

E. The Council shall vote whether to endorse the EE Procurement Plan by August 15, 2008 and triennially thereafter. If the Council does not endorse the Plan then the Council shall document the reasons and submit comments on the Plan to the PUC for their consideration in final review of the Plan.

In accordance with Section 1.4 (D) the EERMC and National Grid submitted a plan for a process for Council review and input of the EE Procurement Plan and subsequent EE Program Plans. The plan included the following steps for EERMC review and input into the EE Procurement Plan:

- Negotiation of a Performance Incentive design
- Three drafts of the Procurement Plan, with opportunity for EERMC and Collaborative Subcommittee review and response.
- Ongoing negotiations on specific issues, concepts and wording adjustments

The EERMC has met its review and input requirements both at its regularly scheduled monthly meeting and through the more frequently scheduled EERMC Collaborative Subcommittee meetings and phone calls. The EERMC Collaborative Subcommittee is comprised of EERMC members, the EERMC Consultant Team, the Division, the Attorney General's Office, People's Power and Light, Green and Healthy Homes and Environment Northeast all interacting with National Grid's energy efficiency team. The EERMC Consultant Team has had repeated direct contact with National Grid staff before, during, and after the Collaborative Subcommittee meetings in order to provide consistent oversight and input.

Throughout this process, the objectives of the Standards are followed to ensure that program concepts and designs will result in implementation that secures cost-effective energy efficiency resources that are lower than the cost of supply, are prudent and reliable, and deliver hundreds of millions of dollars in bill savings to Rhode Island customers.

VI. Cost-Effectiveness Overview

Cost-effectiveness tests compare the net present value of a stream of benefits over the net present value of a corresponding stream of costs, whether they occur at the time of purchase or over several years. The Total Resource Cost (TRC) has been widely accepted and used by regulators and policy-makers to evaluate demand-side management programs. Most jurisdictions, including Rhode Island, use either the TRC or the Societal Test to assess efficiency program cost-effectiveness and the TRC test is widely accepted as one "best practice" option for evaluating energy efficiency programs.[6] The TRC test indicates that an efficiency measure or program is cost-effective if the benefits outweigh the costs for Rhode Island consumers.

The TRC test compares the value of avoided energy costs and other resource costs to the full incremental cost of efficiency measures plus program administration costs. The TRC test was formally adopted as the best practice for evaluating the cost-effectiveness of energy efficiency measures and programs in 1983 when it was codified in the Standard Practice for Cost-Benefit Analysis of Conservation and Load Management Programs, published by the California Energy Commission. The "Standard Practice" manual has been revised several times since and has served as the *de facto* basis for determining efficiency cost-effectiveness by the majority of electric and gas utility efficiency programs. The manual is regarded as well-grounded in best-practices for cost-benefit analysis.

[6] A significant difference between the Societal test and the TRC is that the Societal test attempts to account for the full value of environmental externalities that are not already embedded in the avoided costs of energy.

As noted above, the Rhode Island Public Utilities Commission ordered the TRC test for use in Rhode Island in its 2008 Docket No. 3931, and again in the 2011 EERMC proposed modifications under Docket 4202, on "Standards for Energy Efficiency Procurement." Subsequently, National Grid proposed the specific costs and benefits to be included in the Rhode Island TRC test in its Least Cost Procurement Plan (September 2008) with support and input from the EERMC, which the Commission approved and ordered into effect. The Consultant Team reviewed National Grid's application of the TRC test in the 2014 EEPP methodology and found it to be consistent with standard practice and the Standards. The Rhode Island TRC test includes the following benefits and costs:

- The benefits in the TRC include the discounted, monetized value of reduced energy (MWh), reduced capacity needs (MW, avoids the costs of providing both peak demand, and the transmission and distribution system), reduced fossil fuel use (or increased use as a negative benefit), reduced water and sewer use, non-energy impacts (generally due to decreased operation and maintenance costs), and Demand Reduction Induced Price Effect (DRIPE, as included in the avoided costs of electricity). In the 2014 version of the Procurement Plan new values are used for the projected costs of carbon reduction compliance. For the CHP program, an economic development and environmental adder are also included in the total benefits, and the assessment of distribution benefits is appropriately modified. The benefits for reduced electric energy (MWh and MW) and other resources are monetized based on avoided costs.[7]
- The costs in the TRC are all costs incurred by the utility and program participants as a whole to acquire the efficiency resources in the plan. They include the incremental cost of the efficiency measure(s),[8] and the non-incentive costs required to deliver the program. Incremental cost is composed of incentives and customer contributions, while non-incentive costs are composed of program planning and administration, marketing, evaluation, shareholder incentive and related implementation costs.[9] customer contribution, program

[7] The EERMC notes that the current TRC methodology does not fully account for the economic costs (and benefits of avoiding) environmental externalities or other un-quantified economic costs and benefits. In contrast, the legislatively mandated inclusion of economic and environmental benefits in CHP analysis represents a more comprehensive treatment of externalities than is currently applied to other energy efficiency measures on either the gas or electric energy efficiency portfolios.

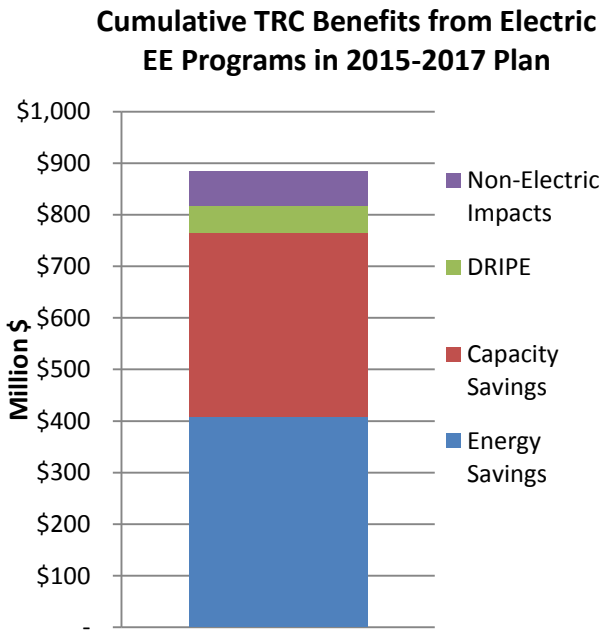
[8] Incremental cost depends on the market opportunity. In a market-driven situation (when a customer is buying a new piece of equipment or replacing a broken one), it is the difference in cost between the baseline technology and the efficient technology. In a retrofit situation, the incremental cost is the full cost of the project, including equipment and installation (since the baseline condition would be continuing with the existing equipment).

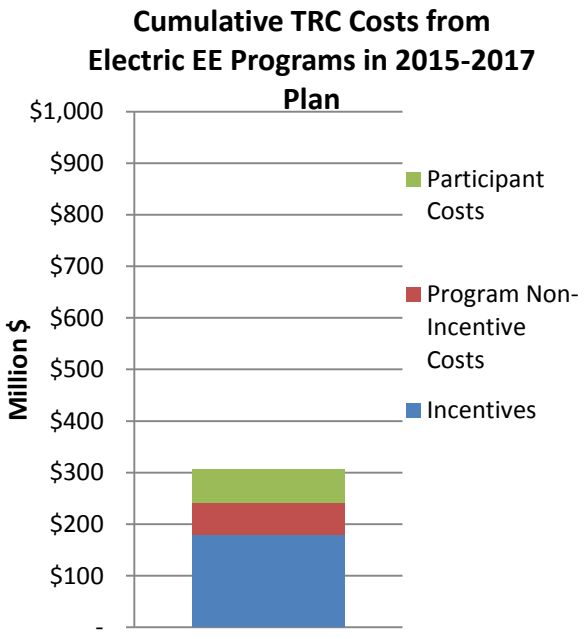
[9] Cross-program costs (e.g., comprehensive marketing not specific to a single program) are allocated at the sector or portfolio level.

evaluation, and shareholder incentive costs, as shown in Tables E-2 and E-5, and G-2 and G-5, of the Company's 2014 EEPP.[10]

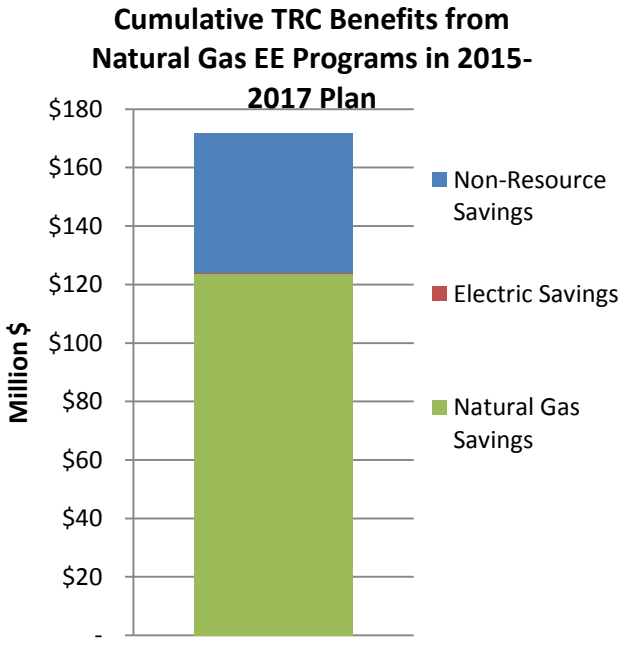
The costs and benefits of an efficiency program, which can occur over many years, are discounted to present-value using a real discount rate in order to discount the future value of money (i.e., money today is considered more valuable than the same amount of money in the future). A program is considered to be cost-effective if the present value of benefits exceeds the present value of costs, that is, when the TRC benefit-cost ratio (BCR) is greater than 1.0.

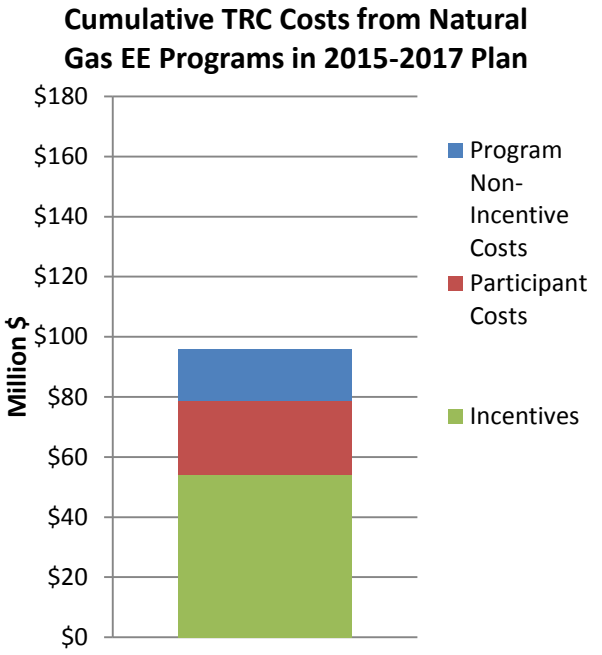
The charts below show how the total portfolio-wide costs and benefits in the Procurement Plan break out into the different components described above.





[10] Benefit-cost ratio (BCR) at the sector level includes the shareholder incentive as a cost. As shareholder incentive is not calculated at a program level, it is not included in program level BCR





As the above charts show, the total resource benefits in both the gas and electric portfolios are mostly derived from primary fuel savings. Similarly, the total resource costs are largely participant incentives.

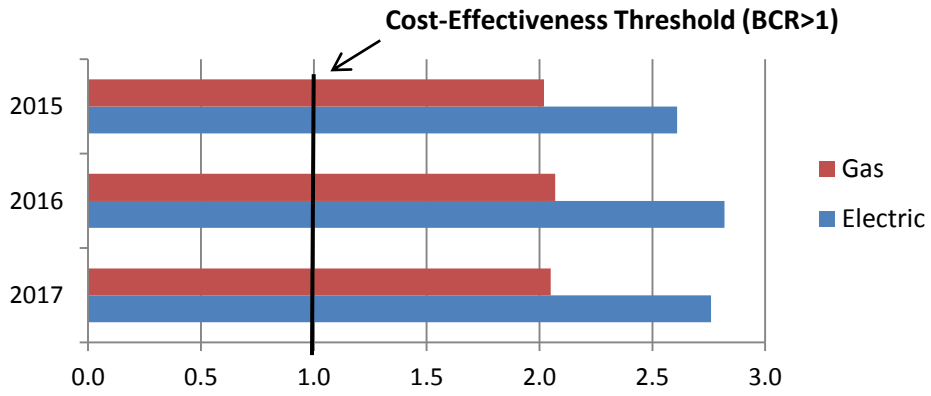
VII. Cost Effectiveness Review and Findings

The Standards require the Company to propose a portfolio of programs that are cost-effective as determined by having a TRC benefit-cost ratio greater than 1.0. The EERMC Consultant Team's review of the 2015-2017 EE Procurement Plan has found it to be cost-effective, with benefit-cost ratios greater than 1.0 for each year of electric and gas programs. In this section we summarize the cost-effectiveness of the EE Procurement Plan, followed by a description of our review methodology and findings.

The overall portfolio cost-effectiveness of National Grid's EE Procurement Plan for natural gas and electric efficiency programs for 2015-2017 is provided in Table 1 of the EE Procurement Plan, and summarized in the table below.

TRC BCR	2015	2016	2017
Electric	2.61	2.82	2.76
Gas	2.02	2.07	2.05

Each program year for electric and natural gas efficiency has a BCR greater than 1.0 as required by the PUC's Standards for Energy Efficiency Procurement and R.I.G.L. § 39-1-27.7 (c)(5).



In addition to determining that the Procurement Plan is cost-effective using the current standard TRC test inputs, the Consultant Team conducted an illustrative analysis to assess the impact of the winter gas shortage. In recent years the shortage has occurred during periods of extended cold, driving up the price of natural gas for power generation, which in turn drives up the price of wholesale power. This phenomenon is not captured in the current avoided costs, which are a key input in the TRC test. As the analysis in **Attachment B** illustrates, taking the winter price spikes into account significantly increases overall benefits from the electric portfolio (by roughly 22% using our assumptions). To be clear, the Consultant Team is not arguing for a re-opening of the Avoided Cost studies that are used in the application of the TRC in Rhode Island, and we recognize that those avoided costs are now entering an update process for the next two-year forecast period. Rather, the analysis simply illustrates that in a time of high prices, the LCP benefits are even greater than the test currently being applied reflects.

Cost-effectiveness Review Process

Our review of the cost-effectiveness of the EE Procurement Plan addressed the methodology, mechanics, and assumptions used to estimate efficiency program costs and benefits for each year. The Consultant Team's previous, detailed review of National Grid's Annual Plan had confirmed their correct methodology for the TRC test, and provided detailed information on the mechanics of their cost-effectiveness model. Projections of costs and benefits for the 3-year plan are informed by detailed measure-level inputs and analysis, but are ultimately determined at a higher level than for an annual plan. This approach is appropriate given that there is less certainty in the inputs and assumptions for the 3-year period, and since a higher level of detail and associated effort is anticipated for the individual annual plans. With this in mind, the Consultant Team's review consisted of the following primary activities:

- Confirm National Grid's methodology for calculating the TRC test through review of their screening model;
- Review draft versions of the EE Procurement Plan and its cost-effectiveness projections;

- Review key changes in assumptions, including new avoided energy supply costs, carbon costs, and the results of new evaluation studies;
- Review the impacts of updated assumptions on estimated efficiency costs and savings;
- Discuss with National Grid specific issues regarding their methodology for projecting costs and savings, including anticipated cost and savings drivers, uncertainty, and contingency;
- Review the screening model with National Grid staff, including new and dropped measures, changes to measure baselines due to new codes and standards, and updates to other inputs such as realization rates, coincidence factors, and net to gross factors.

In addition, the Consultant Team has worked with National Grid over recent months on updating the latest version of the Rhode Island Technical Reference Manual (TRM), which documents the algorithms to calculate measure savings as well as additional inputs required for cost-effectiveness screening. This project has updated some of the savings assumptions that inform the projections of the Plan. The TRM will be especially useful for the more detailed development and review of the annual plans.

In general, the Consultant Team found National Grid's processes for revising their cost-effectiveness inputs and assumptions to be thorough and comprehensive. National Grid appropriately adjusts baselines for new building codes and federal standards, and incorporates the latest findings from evaluation studies. In addition, the Company updates anticipated program costs based on recent experience and new market information. Finally, the proposed pilot programs are appropriate for determining the cost-effectiveness and viability of new measures (e.g., behavioral measures).[11]

The Consultant Team's review of the general model assumptions and inputs for the EE Plan's projected costs and savings was performed via meetings with National Grid staff. The Consultant Team's review focused on the general mechanics of the model, key screening inputs (such as avoided costs), and the allocation of resources between programs, markets, and sectors. . During the cost-effectiveness review of subsequent Annual EE Program Plans, the Consultant Team will examine inputs further and may suggest minor revisions while working

[11]Pilot programs are important because while most measures can be found to be "cost-effective" or "non-cost-effective" in most standard applications, there may be highly cost-effective measures that are not cost-effective in certain applications, and some generally non-cost-effective measures that are cost-effective in certain situations. Pilot programs are crucial to overcoming key challenges of program design: refining the knowledge base of such situations; tailoring programs and services to avoid situations in which a measure is not cost-effective; and discovering the conditions and market segments in which a measure may prove to be cost-effective. The program and portfolio level analysis combined with increasing service delivery sophistication are positive characteristics of programs that help secure all cost-effective opportunities.

with National Grid, the EERMC, and the Collaborative Subcommittee to keep everything appropriately updated.

In conclusion we find based on this review that National Grid's 2015-2017 Energy Efficiency and System Reliability Procurement Plan is cost-effective based on the TRC test, and provides a solid platform for development of more detailed Annual Plans.

VIII. Review of Evaluation, Measurement and Verification (EM&V)

Process Evaluation, Measurement and Verification (EM&V) refers to the systematic collection and analysis of information to document the impacts of energy efficiency programs and improve the effectiveness of these programs. Impact evaluation, a specific type of EM&V activity, refers specifically to efforts to document program impacts. From the perspective of this review of the cost-effectiveness of National Grid's programs and 2014 EEPP, the relevance of National Grid's EM&V process is that this process is responsible for confirming and/or refining over time the values of many of the parameter assumptions that go into the Company's cost-effectiveness analyses, particularly those pertaining to program benefits.

EM&V activities in Rhode Island have generally been managed by the evaluation department of National Grid, with input from the Rhode Island Collaborative Subcommittee and (more recently) the EERMC, following high-level regulatory direction set by the PUC, Division, and the Office of Energy Resources. Recently, Northeast Energy Efficiency Partnerships (NEEP) has been playing a larger and more important role in establishing regionally harmonized EM&V standards. National Grid owns utilities in Massachusetts, Rhode Island, and New York, and National Grid's evaluation department has EM&V-related responsibilities in all of these states. National Grid's evaluation department is highly experienced, and has a strong national reputation in the evaluation industry. In New England, National Grid's EM&V planning, implementation, and reporting activities have historically been tightly integrated between Massachusetts, New Hampshire[12] and Rhode Island. Most new EM&V studies that bear on Rhode Island's energy efficiency programs are planned, budgeted, implemented, reported, and filed in Rhode Island and Massachusetts.

In Rhode Island, the Consultant Team's work with National Grid's evaluation department to date has focused on providing input into evaluation priorities, approaches, and spending levels. We have in-depth familiarity with these methods through our work with National Grid in Massachusetts, on behalf of the Massachusetts Energy Efficiency Advisory Council. On the basis

[12] Liberty Utilities has recently acquired National Grid's customer base in New Hampshire, but historically, EM&V was integrated between Rhode Island and New Hampshire.

of this familiarity, we believe that National Grid's impact evaluation methods in New England have generally been consistent with, if not superior to, prevailing industry standards. We therefore conclude that the strength of National Grid's EM&V process serves to buttress the finding that the Company's programs and plan are cost-effective. We have worked with National Grid on behalf of the EERMC on approaches to producing more Rhode Island-specific results within current EM&V budget limitations. We also recommended that National Grid's and the EERMC's EM&V budgets increase to support more Rhode Island-specific work.

IX. Conclusion

For the reasons stated herein, the EERMC and the EERMC's Consultant Team finds that National Grid's 2015-2017 Energy Efficiency and System Reliability Procurement Plan is cost-effective and lower cost than the acquisition of additional supply pursuant to R.I.G.L.§ 39-1-27.7 (c)(5).

2015 Annual Plan Highlights

Presentation to the EERMC

September 11, 2014

Annual Plan Focus

nationalgrid

- The Plan builds upon strong foundation from the 3 Year Plan
  - Concentrates on the 3 year themes
  - Includes more detail on implementation strategies
  - Includes detailed analysis for savings, participation, benefits and costs

Residential Strategies

nationalgrid

- Partnerships
  - PACE, HEAL, Solarize RI, OER, Commerce RI, Division and PUC, EERMC, GHHI, AHHI
- Year of Multifamily
  - Building energy benchmarking, customer segmentation and targeting, stakeholder outreach, scoping financing
- Wireless Thermostats
  - Potential for demand response programs, enhanced customer usage data, discounted pricing
- LEDs
  - Direct install and retail focus, lower costs through bulk pricing in partnership with MA

C&I Strategies

nationalgrid

- Structured sales teams according to market sectors
- Two tune-up initiatives: Building O&M, Boiler tune up
- Expanding industrial initiative
- Tools for customers to manage their own energy usage
- Enhanced package of new construction services
- R&D to develop new initiatives
- Street lighting upgrades and savings

Electric Programs Compared to 3 Year Plan

nationalgrid

Electric Programs	3 Year Plan	2015 Annual Plan
Annual MWh Savings	193,603	193,651
Lifetime MWh Savings	1,956,845	2,009,941
Savings as a Percent of 2012sales	2.50%	2.50%
Annual Peak kW Savings	31,447	29,215
Total Benefits	$ 282,875,002	$ 292,368,511
Total Spending	$ 86,741,232	$ 87,047,695
Benefit Cost Ratio	2.61	2.62
EE Program Charge per kWh	$ 0.00966	$ 0.00940
Participants	TBD	TBD

Gas Programs
Compared to 3 Year Plan

nationalgrid

Gas Programs	2015	2015 Annual Plan
Annual MMBtu Savings	376,915	376,990
Lifetime MMBtu Savings	4,048,728	4,544,739
Savings as a Percent of 2012sales	1.00%	1.00%
Total Benefits	$ 59,415,057	$ 53,524,937
Total Spending*	$ 24,416,348	$ 25,692,392
Benefit Cost Ratio	2.02	1.69
C&I EE Program Charge per Dth	$ 0.615	$ 0.711
Residential EE Program Charge per Dth	$ 0.750	$ 0.831
Participants	TBD	TBD

Gas Program
Compared to 3 Year Plan

nationalgrid

- Planning for sustainable programs that can meet high customer demand and high savings targets
  - Increase the number of residential customers we illustrated in the 3 Year Plan
  - Increase C&I incentives to increase demand, coupled with finance, in order to achieve the savings target
  - Both result in a higher budget than illustrated in the 3 Year Plan
- Annual Plan contains updated information
- Potentially ramping up gas services to meet winter peak is an additional consideration

Next Steps

- Continue to discuss and review drafts with Collaborative and EERMC Consulting team
- Final draft will be circulated on October 9th
- Council vote on October 16th