



STATE OF RHODE ISLAND  
**ENERGY EFFICIENCY &  
RESOURCE MANAGEMENT COUNCIL**

## **MEETING MINUTES**

**Thursday, September 10, 2015**

**3:30 - 5:30 PM**

Conference Room B, 2<sup>nd</sup> Floor

Department of Administration, One Capitol Hill, Providence, RI

- Members Present:** H. Robert Bacon, Joe Cirillo, Roberta Fagan, Marion Gold, Jennifer Hutchinson, Michael McAteer, Shigeru Osada, Chris Powell, Betsy Stubblefield Loucks, Karen Verrengia, Diane Williamson
- Members Absent:** Joe Newsome
- Consultants Present:** Mike Guerard, Scudder Parker
- OER Staff Present:** Chris Kearns, Danny Musher, Rachel Sholly, Nicholas Ucci
- Others Present:** Michael Baer, Lindsay Foley, Linda George, Rachel Henschel, Courtney Lane, Jeremy Newberger, Matthew Ray, Laura Rodormer, Brigid Ryan, Puja Vohra, Raquel Webster, Belinda Wong, Chon Wong, Muxi Yang

### **1. Call to Order**

Chairman Chris Powell called the meeting to order at 3:35 PM.

### **2. Approval of August Meeting Minutes**

Joe Cirillo made a motion to approve the July meeting minutes. Karen Verrengia seconded and all approved.

### **3. Executive Director Report**

Commissioner Marion Gold of the Office of Energy Resources (OER) reported that much of the work the OER has been doing will be discussed as part of other agenda items. The Clean Energy Industry Report was released a couple weeks ago and found that there are almost 10,000 clean energy jobs in RI and that number is projected to grow by about 16% in the year to come. She described other results of the report. Many of the businesses surveyed reported challenges with finding well-trained workers. The Council has begun partnering with RISE, National Grid and some small businesses to work on a Real Jobs grant starting with a needs assessment, talking to local companies about what skills they are looking for and what kinds of training opportunities the state can provide. Additionally, the OER is also on track to convert all state highway streetlights to LED by the end of 2016, which will result in significant energy and cost savings for the state, following a successful pilot with RIDOT.

#### **4. Executive Committee Report**

Chairman Powell reported that at last week's Executive Committee meeting, the OER presented a new format for reporting EERMC expenses based on recommendations from the August Council meeting. Chairman Powell had recommended adding committed/uncommitted expenses to distinguish from projected expenses and have a more accurate picture of total balance. The OER will revise and present to the Executive Committee at its next meeting. The Committee also discussed a letter submitted by TEC-RI requesting \$20,000 to offer energy seminars to its constituents. The Committee decided to explore a process for approving funding requests such as this that support stakeholder activities that advance the objectives of Least Cost Procurement. The Consultant Team will draft a proposal for the November Executive Committee meeting before bringing it before the full Council. The other items covered at the Executive Committee meeting will be discussed as part of today's agenda.

#### **5. Policy & Planning Issues**

##### *Review of 2016 Energy Efficiency Program Plan First Draft*

Jeremy Newberger of National Grid and Scudder Parker from the EERMC Consultant Team presented a summary of the draft plan including key issues identified at the September Collaborative meeting (*see attached*). Shigeru Osada pointed out a discrepancy between the graph on slide 6 and the data that National Grid provided recently. National Grid and the Consultant Team will coordinate to ensure that their data is consistent. Mr. Guerard noted a scheduling issue which will be addressed at the next Executive Committee meeting.

Regarding delivered fuels, Mr. Newberger thanked the OER for committing \$1 million in Regional Greenhouse Gas Initiative (RGGI) funds to support delivered fuels energy efficiency measures in 2016. It was noted that a significant percentage of the state uses oil for heating. The budget for gas efficiency measures is about \$6-7 million compared to the \$1.7 million being allocated to delivered fuels in 2016. Danny Musher explained that the OER coordinates a delivered fuels working group to identify and pursue solutions to this issue. Mr. Bacon asked how other states fund this work. Mr. Newberger and Mr. Parker explained that other states use electric ratepayer funds, RGGI funds, and forward capacity market funds, but it is usually far less than the demand. Nick Ucci said that the OER is committed to addressing this issue and feels that a long term solution could provide jobs and economic development for Rhode Island. Michael McAteer noted that the demand for energy efficiency is greater than the supply and our work is to close the gap.

On slide 25, Mr. Osada would like to see the customer cost and where the benefit cost ratio is coming from. National Grid has those numbers and will share them. Diane Williamson asked why annual savings are lower in the income eligible program than the non-income eligible programs. Rachel Henschel explained that the income eligible number represents only two programs whereas the non-income eligible number represents eight programs.

Lindsay Foley presented the draft System Reliability Procurement plan (*see attached*). Ms. Stubblefield Loucks expressed interest in receiving more information regarding the decisions made to shift to programs that achieve shorter term savings rather than long-term savings. Jennifer Hutchinson introduced Raquel Webster from National Grid and said that she will probably attend more EERMC meetings as additional legal representation.

### *Update on PUC Rate Design Proceeding and Vote on Strategy and Next Steps*

Mr. Parker presented a memo on the context, potential EERMC position and proposed next steps regarding the rate design docket (*see attached*). The memo states that the rate design, although it complies with the law, is something that will have the potential to reduce the savings that customers get from efficiency programs because more is being paid through a fixed cost rather than a variable cost. Does advance least cost planning and the preference is to take some time. Chris Kearns noted that the Public Utilities Commission (PUC) will hold a technical session next Thursday to discuss how to approach this docket over the next few months. The OER will likely ask for an extension on the September 30 deadline because there is a lot of information to absorb before the parties can provide testimony. The Consultant Team was directed to participate in the hearing and review what comes out of it.

Regarding the language of the proposed EERMC position, Mr. Newberger felt that the idea that the proposed rate design is “flawed” is a bit of a mischaracterization because the Company was instructed to come up with a proposal that was revenue neutral, so it is not designed to induce wholesale changes in customer behavior. National Grid thinks that with education about the tiers, customers will understand the value of managing their use. The Company feels that this docket is the first step in an incremental rate restructuring process and the Company hopes that the process is not delayed. Ms. Stubblefield Loucks asked for clarification on the finality of this proceeding. The answer was that the rates decided upon during this proceeding will be final and the PUC would have to open a new docket to restructure the rates. Mr. Newberger explained that the Company expects customers to either try to get into lower tiers with lower charges or they will take steps to reduce their usage so they do not go into the higher tier.

**Joe Cirillo made a motion to approve the drafted position with the exception that an extension has been requested from the PUC. Karen Verrengia seconded and the motion passed.**

### *Update on Finance Expert Selection Process*

Mr. Guerard and Mr. Musher presented information on the finance subgroup’s process to provide a recommendation of a finance expert(s) per the Council’s vote at the August meeting (*see attached*). The process should result in a candidate(s) being presented to the Council at the October 1, 2015 meeting.

## **6. Other Business**

There was no other business.

## **7. Public Comment**

There was no public comment.

## **8. Adjournment**

Bob Bacon made a motion to adjourn the meeting. Commissioner Gold seconded and all approved. Chairman Powell adjourned the meeting at 5:40 PM.

**Next Meeting:** Thursday, October 1<sup>st</sup>; 3:30-5:30 PM; Conference Room B

## 2016 EE Annual Plan First Draft

**nationalgrid**



RI Energy Efficiency and Resource  
Management Council

September 10, 2015

## Objectives for today

**nationalgrid**

- Put the 2016 EE Program Plan in context
- Give overview to plan programmatic and quantitative contents
- Get feedback from Council to inform final draft

# CONTEXT

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## Plan Overview

- 2016 Plan is proposal for second year of 2015-17 Least Cost Procurement (LCP) Plan, which is the third three year plan under statute passed in 2006
- 2016 Plan is consistent with the 3 Year Plan (3YP) and Least Cost Procurement law
  - Law requires procurement of all cost effective energy efficiency that is less expensive than supply
  - Approved Three Year Plan specifies savings goals equal to 2.55% of electric sales and 1.05% of gas sales (2012 base year)
- 2016 Plan builds on 2015 implementation efforts
  - 2015 plan was reviewed and approved by EERMC and PUC

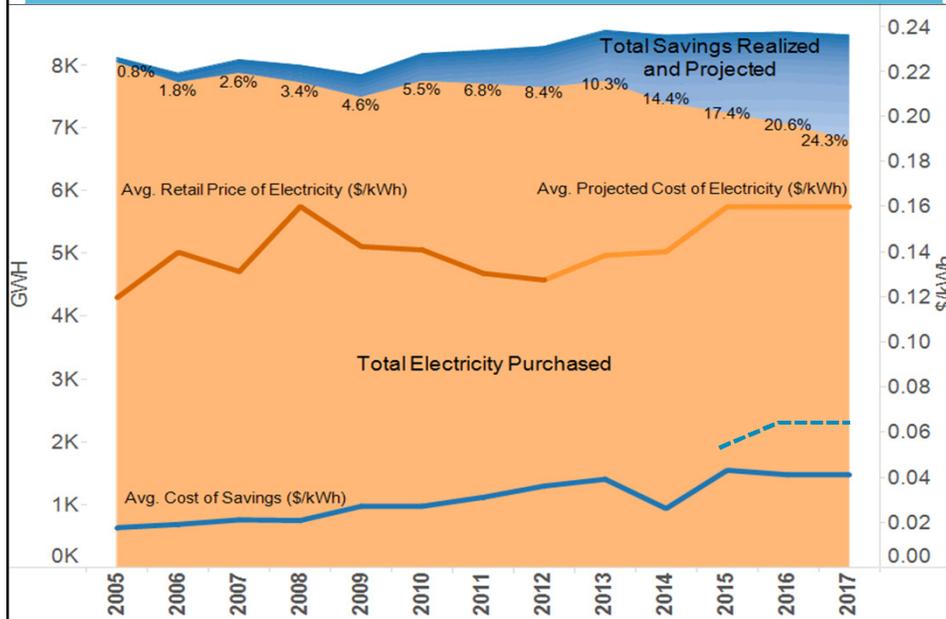
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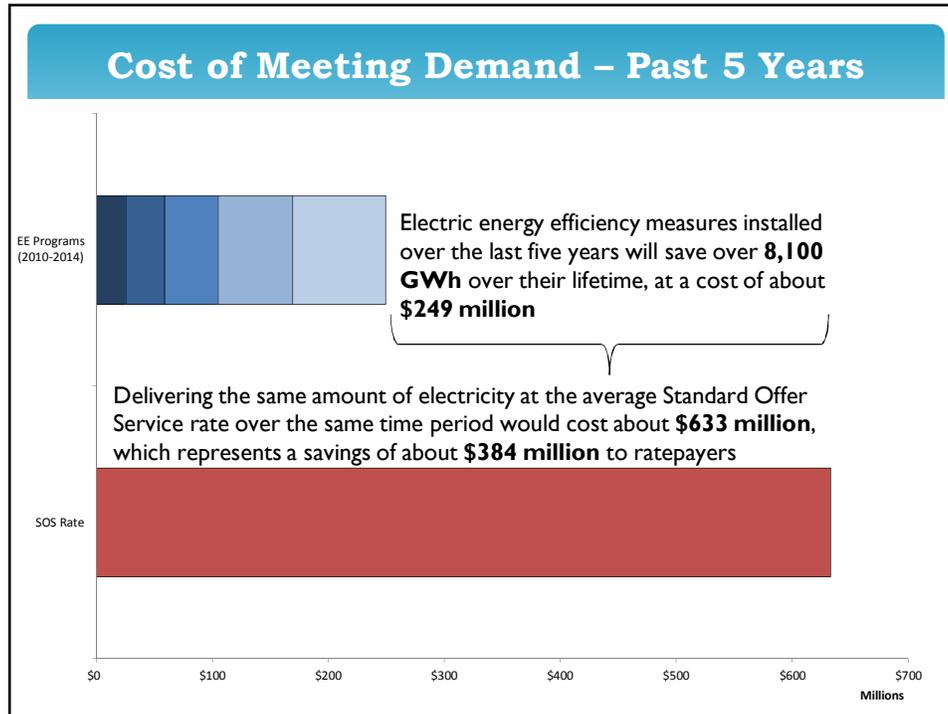
## Benefits of least cost procurement nationalgrid

- 2016 Savings targets will generate \$260+ million in direct economic benefits over life of projects
  - Broad economic benefits – Additional broader GSP benefits of \$400 million from respending and expanded payrolls
  - Job retention and creation – RI EE program spending engaged 639 FTEs across 899 firms engaged in 2014
- Continues similar customer services as previous years, with some enhancements

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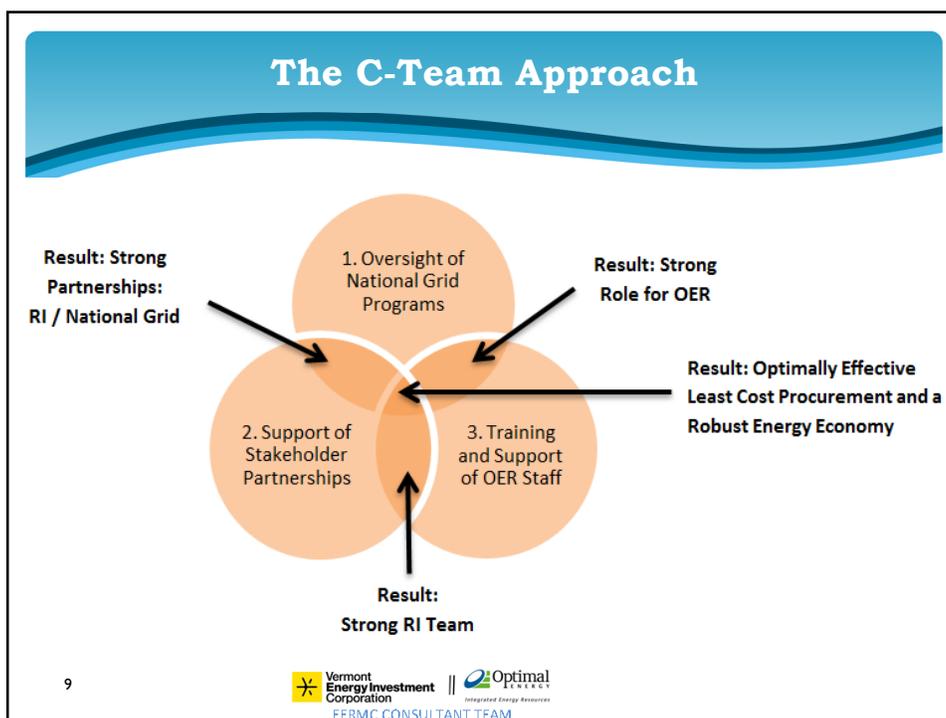
## Least Cost Procurement





## Council's Role in Annual Planning (from Standards) nationalgrid

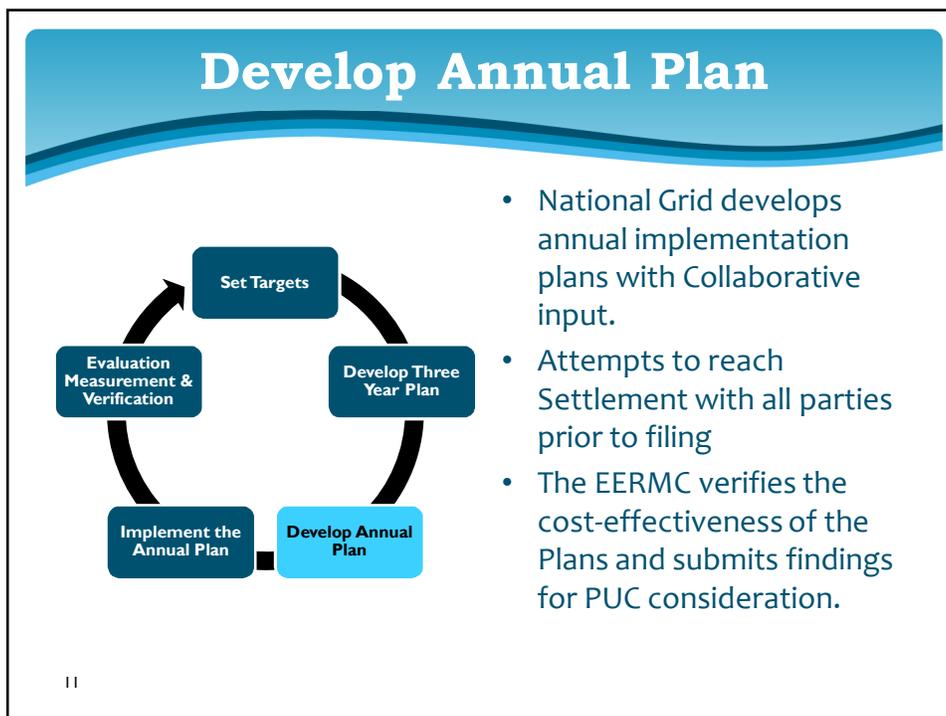
- "collaborat[e] ... on design and implementation of the Monitoring and Evaluation efforts"
- "...the Utility shall seek ongoing input from, and collaboration with the Council on development of the ...Program Plans"
- "vote whether to endorse the annual EE Program Plan by October 15, annually. If the Council does not endorse the annual EE Program Plan, the Council shall document its reasons and submit comments on the Plan to the PUC for its consideration in final review of the Plan."
- "prepare memos on its assessment of the cost effectiveness of the Least Cost Procurement Plan and annual EE Program Plans...and submit them to the PUC no later than two weeks following the filing of the respective Plans with the Commission"



## Consulting Team Role in Annual Planning

nationalgrid

- Detailed and broad expert engagement throughout the year.
- Attend monthly council meetings, participate on major committees, analyze program performance.
- Review Technical Reference Manual, benefit-cost model and program design.
- Advise Council on support of Plan
- Prepare cost effectiveness findings to submit to PUC



The Collaborative
nationalgrid

- **National Grid** – Program administrator
- **Division of Public Utilities and Carriers** (with Attorney General legal support) - Ratepayer focus
- **TEC-RI** - Representing issues for large business
- **People's Power & Light** - Representing issues for residential and small business
- **Office of Energy Resources (OER)** - Focus on energy policy & strategy
- **Acadia Center** – Focus on energy efficiency's role as a strategy in promoting sustainable economies
- **Green and Healthy Homes Initiative** – Focus on residential consumers and coordination with other home services
- **Energy Efficiency Resources Management Council (EERMC) & Council Consultants** - Focus on meeting all objectives of enabling Least Cost Procurement legislation

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**Process from here** nationalgrid

- Today - Looking for Council feedback
- September 21 - Will incorporate responses in second draft to be distributed to all parties
- September 28 - Collaborative meeting
- October 1 - Council meeting where we will be seeking approval
- After October 1 – If necessary, final resolution with all parties
- October 15 - Filing with PUC
- October 15 - 29 – EERMC finalizes cost-effectiveness memo and send to PUC

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nationalgrid

2016 PLAN

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## Planning Drivers

**nationalgrid**

- Meet annual savings targets
  - electric savings target 2% higher than 2015
  - gas savings target 5% higher
- Keep budgets under control
  - Slight shift to savings with shorter lifetimes
- Limit increases in EE Program charge
- Exploit newer technologies/delivery channels
  - LEDs, Upstream, CHP,
- Incrementally advance “systems integration”
- New avoided costs used in cost-effectiveness screening

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## Plan Overview

**nationalgrid**

- Electric Plan meets 3YP savings targets at same costs as 2015
  - Strategically chose to increase savings targets in cost-efficient programs
  - Continues commitment to LC&I Finance (RIIB & Loan Funds)
- Gas Plan meets 3YP savings targets
  - Savings targets increase in all programs
  - Largest savings lifts coming from Codes Initiative in Residential and C&I New Construction, C&I Retrofit, and HVAC.

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## Residential Changes

**nationalgrid**

- Funding for Deliverable Fuels weatherization services in 2016
  - Delivered fuel weatherization has been supported by Company, Council, and OER since 2011 using ARRA, EE, and RGGI funds
  - First draft budget reduced from \$1.5 in 2015 million to \$0.4 million carryover RGGI funds
    - Tradeoff in planning in order to deliver lowest possible EE charge while meeting kWh savings targets under LCP
  - Also, reduced HEAT loan funds available for upgrading oil-fired boiler equipment
  - Propose (after 1<sup>st</sup> draft) to re-allocate \$0.3 million in EE funds from other programs, and determine how to make up kWh savings
    - Same EE Fund allocation as 2015
  - Requesting \$1M additional RGGI commitment from OER in order to continue offering weatherization

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## Residential Changes

**nationalgrid**

- Ongoing coordination with RE Growth program
  - No extra cost to EE programs
- Continue transition from CFL lamps to LEDs
- Support the development of Residential PACE

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**C&I Changes**

nationalgrid

- Small business customers served more through market verticals and upstream lighting, less in SBDI program
  - Some market verticals no longer served by SBDI:
    - K-12 Schools
    - National Chain Restaurant and Retail
    - Small Grocery Stores (not including convenience)
    - Restaurants (possible in 2016)
  - Small Business Direct Install (SBDI) program spending decrease

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**C&I Changes**

nationalgrid

- Increase upstream delivery
  - Upstream lighting initiative is popular
    - more cost-efficient, easier (no application), and low cost way to upgrade some lighting elements
  - Company intends to add more products to the Upstream initiative.
    - We fully expect that small business customers (and others) will also acquire these products as well
    - Upstream water heating equipment

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## C&I Changes

**nationalgrid**

- Project manager for CHP to increase promotion and adoption
- Muni-owned streetlight incentives uptake
- Build alliances with manufacturers for integrated efficiencies

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## Finance

**nationalgrid**

- Adding \$4 million to LC&I electric, \$500k to LC&I gas revolving loan funds for all large and small customers
  - Continue to offer on-bill repayment, up to 5 year terms
  - Continues the municipal revolving loan fund began under RI PEP
- Allocate funds to RIIB per state law for Efficient Building Fund for municipal customers
  - Allocating \$1.4 million electric, \$430k gas
- Commit to assist RIIB with customer-focused implementation for PACE across all sectors

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## Other changes

nationalgrid

- New avoided costs to value saved electric and gas energy, and electric capacity
  - Lower gas costs (compared to 2013 study) in long term drive lower electric and gas value
  - Diminished value of price effects
  - Diminished value of transmission and distribution capacity

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## On the horizon

nationalgrid

- Findings from heat pump savings and market research
- Determining value of demand response offerings through energy efficiency
- Zero Net Energy working group continues
- Incentives for company-owned street lights
- Several new impact and market evaluation studies planned to inform future program planning

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Plan Overview		nationalgrid							
Electric Programs by Sector	Implementation Spending in 2016 (\$000)	Annual MWh Savings	Annual kW Savings	Lifetime MWh Savings	Total Benefits (\$000)	TRC B/C Ratio	TRC c/lifetime kWh	Participants	
Non-Income Eligible Residential	\$27,581	98,906	11,714	568,814	\$ 59,636.36	1.62	6.2	604,268	
Income Eligible Residential	\$11,210	6,902	773	61,452	\$ 12,334.80	1.04	18.4	7,850	
Commercial and Industrial	\$41,296	92,948	17,048	1,079,403	\$ 114,339.08	1.86	5.5	4,078	
<b>Subtotal</b>	<b>\$83,123</b>	<b>198,756</b>	<b>29,536</b>	<b>1,709,668</b>	<b>\$186,310</b>	<b>1.65</b>	<b>6.4</b>	<b>616,196</b>	
Gas Programs by Sector	Implementation Spending in 2016 (\$000)	Annual MMBtu Savings		Lifetime MMBtu Savings	Total Benefits (\$000)	TRC B/C Ratio	TRC \$/lifetime MMBtu	Participants	
Non-Income Eligible Residential	\$11,564	178,225		2,494,207	\$ 31,698.20	1.91	6.44	143,002	
Income Eligible Residential	\$5,351	29,283		542,832	\$ 7,863.96	1.46	9.90	3,500	
Commercial and Industrial	\$7,913	188,252		1,918,180	\$ 17,210.00	1.53	5.66	1,966	
<b>Subtotal</b>	<b>\$25,717</b>	<b>395,760</b>		<b>4,955,219</b>	<b>\$56,772</b>	<b>1.65</b>	<b>6.70</b>	<b>148,468</b>	
<b>Total for Plan</b>	<b>\$108,840</b>				<b>\$243,082</b>	<b>1.65</b>		<b>764,665</b>	
<small>(1) Subtotals for implementation costs include EERMC, OER and RIIB costs which are not included in the sector amounts  (2) Implementation spending does not include customer contributions, evaluation costs, shareholder incentive, and commitments.</small>									

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Comparison to 3 Year Plan Illustration		nationalgrid	
Electric Programs	2016 3 Year Plan	2016 Annual Plan	
Annual MWh Savings	197,475	198,756	▪ 3YP illustration filed in 2014
Lifetime MWh Savings	2,064,074	1,709,668	
Annual Peak kW Savings	32,209	29,536	▪ Savings and spending illustrations updated based on evaluation results, implementation and actuals
Total Benefits	\$ 303,660,783	\$ 186,310,241	
Total Spending	\$ 86,052,775	\$ 88,025,422	
Benefit Cost Ratio	2.82	1.65	▪ Electric budget level, except for RIIB (\$1.4M)
TRC Cents per lifetime kWh	\$ 0.052	\$ 0.064	
EE Program Charge per kWh	\$ 0.00997	\$ 0.01077	
Gas Programs	2016 3 Year Plan	2016 Annual Plan	
Annual MMBtu Savings	395,760	395,760	▪ Gas budget higher, due to RIIB (\$0.4M) and spending to achieve more savings in RNC, water heating, and EnergyWise
Lifetime MMBtu Savings	4,302,219	4,955,219	
TRC \$/Lifetime MMBtu	\$ 7.228	\$ 6.696	
Total Benefits	\$ 64,517,962	\$ 56,772,161	
Total Spending*	\$ 25,778,730	\$ 27,399,544	
Benefit Cost Ratio	2.07	1.65	▪ Avoided costs updated with the 2015 study results
C&I EE Program Charge per Dth	\$ 0.595	\$ 0.488	
Residential EE Program Charge per Dth	\$ 0.726	\$ 0.733	

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## Proposed 2016 Energy Efficiency Program Charges

**nationalgrid**

- Electric charge differs from 3YP due to lower actual sales in 2014 and 2015 and lower projected sales in 2016
  - Spending reconciliation is not a factor

	2015 Actual	2016 3YP	2016 Annual Plan Draft
EE Program Charge per kWh	\$ 0.00953	\$ 0.00997	\$ 0.01077

- Gas charges lower than 2015 charges, lower than 3YP illustration due to 2015 sales projected to be 10% higher than planned
  - C&I charge \$0.488, decreases 24% from 2015
  - Resi. charge \$0.733, decreases 6% from 2015

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## Changes for Second Draft

**nationalgrid**

- Updated electric sales forecast – will affect charge
  - 1% change in sales will yield approximately 1% change in charge
- Incorporating feedback and comments
- Incorporating plans for demand response
- Developing more information on participation
- Outline for bill impacts analysis
- Update savings from evaluations, ongoing QA/QC and TRM & BC model consultant review, avoided costs

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# (MORE) FEEDBACK



- **Policy & Planning Issues**
  - **Finance Expert: selection process update**
  - **National Grid Rate Case status, potential LCP impact**

September 10, 2015  
EERMC meeting

## Finance Expert: selection process update

- Per EERMC vote on August 13, the finance subgroup working under the direction of the EERMC Executive Committee undertook a process to select a Finance Expert.
- A middle ground between “sole sourcing” and full RFP was pursued
- The subgroup reviewed all 9 respondents to the 2014 EE Financing Consultant RFP to determine their suitability for the requirements of this project.



## Finance Expert: selection process update

- It was deemed those who had responded represented a high quality pool of candidates. Of the initial 9, the following 6 firms were identified as potential candidates for this project:

Cadmus Group  
Energy Programs Consortium  
HR&A Advisors

Dunsky Energy Consulting  
Harcourt Brown & Carey  
Navigant Consulting

- These were then contacted to determine their interest and ability to be considered for this project. All six agreed, and interviews were scheduled from August 31 to September 2. Prior to the calls, each firm was sent the same list of questions that would be discussed in the interview.



STATE OF RHODE ISLAND  
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# Finance Expert: selection process update

- The interview team included:
  - Danny Musher of OER,
  - Jeremy Newberger of National Grid, and
  - Peter Adamczyk and Brian Pine of the Consultant Team.
- After the interviews were completed, the interview team met to discuss their impressions of the applicants using the following criteria:



# Finance Expert: selection process update

<b>Scoring Criteria</b>	<b>Description</b>
SOW Proposal	<ul style="list-style-type: none"><li>• The quality of the proposal demonstrates the candidate's ability to provide superior expertise for supporting energy efficiency financing strategies in Rhode Island</li><li>• The proposed approach meets the needs and criteria set forth in the SOW</li></ul>
Qualifications & Experience	<ul style="list-style-type: none"><li>• The candidate has completed similar projects and is qualified to undertake the scope of work outlined in the SOW</li><li>• References and prior work demonstrate the candidate's ability to provide superior facilitation, research, and analytical support</li></ul>
Project Management & Organization	<ul style="list-style-type: none"><li>• Proposal shows clarity of team management structure, the availability of senior staff to supervise and contribute to the work, and ability to complete deliverables in a timely fashion</li></ul>



## Finance Expert: selection process update

Based on these criteria, the interview team unanimously recommended that the following four firms be asked to provide additional information:

- Cadmus Group
  - Dunsky Energy Consulting
  - Harcourt Brown & Carey
  - Navigant Consulting
- The additional information to be requested includes:
    - Budget/hourly rates
    - Breakdown of staff effort
    - Confirmation that they can respond quickly to task orders over the course of a 1-yr contract
    - Explanation of approach and why they are the best firm for the job



# Finance Expert: selection process update

## Next Steps:

- Finance Subgroup reviews and ranks responses from 4 finalists
- ... and presents proposed selection candidate(s) to Executive Committee
- Executive Committee makes recommendation on candidate(s) for consideration to Council
- C-Team develops and submits Council memo on September 28, including proposed candidate(s), reasons for selection and full details on the process
- Council discusses and votes on October 1



# National Grid Rate Case status, potential LCP impact

Review of memorandum from Council C-Team & Attorney:

- a summary of the Rate Case context
- proposed positions
- and potential next steps.

Deadline is September 30 for EERMC intervention in the process and that date falls in between the September and October Council meetings, it is requested that the Council vote to approve the proposed position and next steps, with modifications as directed, at the September 10<sup>th</sup> Council meeting.



# National Grid Rate Case status, potential LCP impact

The filing has the following features:

- As Grid states, “...the proposed rates will reduce the amount of Grid’s revenue requirement recovered through variable (per kilowatt-hour) charges and increase the amount recovered through customer and/or demand (per kilowatt) charges.”
- As Grid says “The rate structure for Residential Rate A-16 and Small Commercial and Industrial ((C&I) Rate C-06 includes tiered customer charges.”
- The Company proposes “...a charge applicable to stand-alone DG facilities that will be based on the size of the facility.”
- The Company does not propose changes to the Low Income Rate A-60, but does state that it “...will consider the appropriate design of the rates for this class in the Company’s next electric distribution case.”
- It is reasonable to conclude that the primary effect of this rate design will be experienced by Residential A-16, Rate C-06, and Stand-alone DG customers.
- Grid asserts that: “” ...no individual residential or small C&I customer within Rates A-16 and C-06 will experience a bill change of more than five percent on a total bill basis.”



## National Grid Rate Case status, potential LCP impact

### Proposed Position recommended by C-Team

- *While the Filing by National Grid complies with existing legal requirements, it is likely to have a negative impact on the adoption of and benefits received from Least Cost Procurement by Rhode Island ratepayers. This is true because the rate design increases the share of a customer's bill that is paid as a fixed (unavoidable) cost rather than as a variable cost. National Grid's claim that the rate design would give customers an incentive to manage their use is flawed because there is no enhanced customer access to usable information about how their level and timing of use would affect their bills.*



## National Grid Rate Case status, potential LCP impact

Testimony potentially would include the following points:

- The Commission should consider the REG issues in the broad vision and framework laid out in RIGL §39-1-27.7
- The Commission should consider how new distributed energy resources including generation (renewable and CHP) and energy efficiency can be advanced in a manner that creates a more reliable and lower cost energy system.
- The tiered structure of the rate design is intended to avoid the arbitrary nature of a single and unchanging increase in fixed costs. The attempt is a credit to Grid, but it's mitigation of such an effect is partial.



## National Grid Rate Case status, potential LCP impact

- The proposed rate design will have a limited, but generally negative impact on customer savings from Energy Efficiency (EE) investments. Since customers are paying more in fixed (only occasionally changeable) kW charges, they will receive less benefit from each unit of efficiency savings.
- Despite its tiered structure the proposed rate design will not serve as an effective strategy for informing customers about the timing, or time-related impacts of their energy use, and cannot be considered a “demand response” rate structure.
- In other words, the complexity of the tiered system, the lack of good customer information, and the generally small effect on bills will make it unlikely that this design actually drives positive change in customer behavior.



## National Grid Rate Case status, potential LCP impact

- It might not be good policy to move in the direction of arbitrarily increasing customer fixed costs, when at least potentially we could create a system in which customers could:
  - Actually know when they were using energy, and when they were creating high demand;
  - Know in real time (or through an appropriate demand rate) when they would save themselves and the system money by using less, or moving demand to another time period;
  - Have their investments in efficiency, CHP, Distributed generation, and storage linked to a process that could realize benefits from timely use, non-use, release, or sustained efficiency?
- It may be most appropriate for the Commission to delay this proceeding while exploring the underlying issues.



## National Grid Rate Case status, potential LCP impact

### Next Steps:

- C-Team and Council Attorney attend September 17 Technical Session @ PUC on September 17
- The C-Team and Attorney should provide written testimony to the PUC by the September 30<sup>th</sup> deadline
- In the event that other parties propose an extension of the current filing deadline, EERMC should support such a motion. As part of this process the C-Team and Attorney will review both requests for information submitted by other parties, and National Grid's responses to those requests.



# System Reliability Procurement (SRP)

## ➤ Least Cost Procurement Standards Chapter II

- ◆ Direct National Grid to consider, propose & administer non-wires alternative (NWA) projects
- ◆ Define screening criteria for NWAs against transmission (T) & distribution (D) alternatives

## ➤ RI SRP Reports

- ◆ Include T&D projects reviewed and selected for NWA demonstration projects
- ◆ Discuss ongoing and proposed NWA projects

## ➤ Current Pilot: DemandLink 2012-2018

- ◆ Tiverton & Little Compton
- ◆ Targets 1MW by end of 2017 to defer substation upgrade from 2014 to 2018
- ◆ Late afternoon/evening peak during the summer months
- ◆ Focuses on EE and Demand Response to target AC and water heating loads

# 2016 SRP Report and Projections

- **Does not propose a new NWA project**
- **Proposes continuing Demand Link pilot approved in Docket #4296**
  - ◆ Continues the existing portfolio of enhanced EE incentives, plus:
    - New connected dryer initiative
    - Overlap wi-fi thermostat incentives with EnergyWise
  - ◆ Maintains aggressive marketing campaign with two improvements:
    - Coordinated marketing of pilot through RI Energy Challenge included resource for on-the-ground outreach
    - Shift focus of messaging to water heaters and dryers with AC-targeted measures as the secondary focus
  - ◆ Conducts Demand Response events as necessary throughout the year