



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

CONSULTANT TEAM

# Update on PUC process and decisions on 2020 EE and SRP Plan

**Presented By:** EERMC Consultant Team

**Date:** January 16, 2020



# 2020 EE & SRP Plan – PUC review / decision

- National Grid (Grid) filed the EERMC-approved 2020 EE & SRP Plans on October 15 as a “Settlement of the Parties” – OER; EERMC; Acadia Center; TEC-RI; GECA
  - EE: <http://www.ripuc.org/eventsactions/docket/4979page.html>
  - SRP: <http://www.ripuc.org/eventsactions/docket/4980page.html>
- Grid had to submit minor corrections to the Plan subsequent to the October 15 filing
  - fund balance update; errors in calculation of demonstration/assessment \$
- To support their review and deliberations, the PUC:
  - Issued over 60 Information Requests (IR’s) to Grid
  - Held Technical Sessions on December 9 & 10
    - Livestream archive for those dates: <https://www.ustream.tv/channel/WqQyXw296dg>
  - Issued another round of IR’s to Grid post-Technical Sessions
  - Set an Open Meeting for decision on Plans for December 17



# 2020 EE & SRP Plan – 12/17 PUC Open Meeting

- The PUC **approved** the 2020 SRP Plan
- The PUC **did not approve** the 2020 EE Plan by a 2-1 Commissioner ruling
  - The primary reason was the inclusion of residential electric Heat pumps to displace delivered fuels heating, and the associated Performance Incentive to Grid
  - The Commission stated that the initial direction they provided in a previous docket to include electrification of heating in EE Plans was not correct
  - Two Commissioners ruled that delivered fuel switching to electric heat, as filed, was not sufficiently justified under Least Cost Procurement and that the benefit to ratepayers was not sufficiently presented
  - The continued inclusion of weatherizing (insulate/air-seal) delivered fuel heated homes was allowed, since some level of electric savings are gained
  - Additionally, the PUC cited ongoing concern regarding financing, and the need for additional information on impact of multi-year targets & projects



## 2020 EE Plan – 12/17 PUC Open Meeting Finding

---

- Based on the rationale for not approving the EE Plan, the PUC directed Grid to:
  - Re-file the electric budget tables to reflect re-allocation of the funding associated with residential electric heat pumps to displace delivered fuels heating, and the associated Performance Incentive (\$827,820)
  - Respond to additional IR's regarding RIIB's Efficient Building Fund financing
  - Submit the re-filing of budget tables by December 23
- The PUC set another Open Meeting for December 30 for final ruling on EE Plan



# 2020 EE Plan – National Grid’s refiling of EE

- In the refiling submitted on December 20:
  - Grid updated the electric tables to account for the elimination of the delivered fuels PI carve out and the inclusion of weatherization in the core electric targets.
  - Reallocated \$569,718 from the previously budgeted delivered fuels heat pumps originally offered in Income Eligible and HVAC programs to support increases in electric resistance heat to electric heat pumps offered through those programs
  - Proposed that the remaining balance of the previously budgeted delivered fuels heat pump offerings (\$258,102) not be charged to customers
  - Resulting in
    - a decrease in the requested overall electric budget of \$258,102 and a decrease of the resulting PI of \$12,905;
    - A 2020 Electric Energy Efficiency Program Charge of \$0.1323/kWh, a 0.3% decrease from the surcharge proposed
    - Additional electric savings stemming from the move to electric resistance to heat pump



# 2020 EE Plan – 12/30 PUC Open Meeting Finding and Implications for 2020 programs and activities

---

- The PUC approved the budget tables submitted by Grid reflecting the modifications directed by the PUC. The system benefit charge is reset for 2020 billing.
- Based on the content of the initial EE Plan filing, Grid had been proceeding with HVAC contractors, wholesalers and stakeholders with messaging that all should be operating on the assumption heat pump installations were at the beginning of a ramp up phase.
- Discussions are underway in multiple forums to chart next steps, including the Technical Working Group



**QUESTIONS?**

