

Memo



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

To: Energy Efficiency & Resource Management Council
From: EERMC Consultant Team
CC: Becca Trietch
Date: April, 30, 2020
Subject: EE and SRP Technical Working Group Updates

CONSULTANT TEAM

National Grid's Energy Efficiency (EE) Technical Working Group (TWG) and the Systems Reliability Procurement (SRP) TWG recently convened to discuss and gather feedback on relevant EE and SRP topics. The following intends to provide you with a high-level update regarding issues addressed in each meeting. Additional information about the TWG is on National Grid's website.¹

1. ENERGY EFFICIENCY TECHNICAL WORKING GROUP

The EE TWG met on Friday, April 10th. The meeting agenda items included the following:

- C-Team update on EERMC Priorities
- Debrief on Standards Technical Session
- Covid-19 Impact, Mitigation Strategy, and Discussion

C-Team Update on EERMC Priorities

- Mike Guerard from the EERMC consultant team debriefed TWG participants on the EERMC 's energy efficiency planning priorities. Guerard referenced a PowerPoint presentation² delivered to the EERMC at the March EERMC meeting.
- Guerard presented that the priorities are meant to be high-level to help inform the three-year planning process. More granular priorities will be developed closer to the Annual plan.
- Publicly engaged forums, such as the TWG, will be encouraged.

Debrief on Standards Technical Session for TWG Stakeholders

Equity

- The PUC conducted a technical session regarding the updating of the Least-Cost Procurement Standards.
- The first topic focused on edit recommendations for changing and adding language about equity.
- It was articulated that there was a general recognition by the Commission staff that equity is important.
- The Company expressed concern that tracking equity performance could be an administrative burden on the Company but could also create a burden on customers because of the amount of information that would need to be collected to report equity-related results.

¹ <https://www.nationalgridus.com/ri-energy-efficiency-technical-working-group>

² https://rieermc.ri.gov/wp-content/uploads/2020/03/presentation-eermc-2020-3yp-priorities_v02_2020-03-19.pdf

- Others responded that though they understand there would be added additional burden, the question should be about the “how” instead of whether equity should be included and measured. There are many examples of sectors, such as education that have dealt with incorporating metrics around equity. The point was also made that other jurisdictions are actively engaged, thinking about equity in their programs.
- A final point was made that the Standards are broad and that EE stakeholders will need to balance equity similarly as is done with prudence and reliability.

Three-Year and Annual Plans

- There was a discussion regarding the pros and cons of shifting from a legally binding annual energy efficiency plan to a legally binding three-year energy efficiency plan.
- One interpreted the central question as being: if there is a shift from an intensive annual planning process to an intensive three-year planning process, will there still be a review process to make yearly plan modifications?
- There was a general recognition by all that there is a lot of time, effort, and resources put into the annual energy efficiency planning process compared to a high-level three-year plan.
- A discussion about what would be “binded” in an intensive three-year plan occurred. Subjects considered in the discussion included the binding of performance incentives, performance incentive payouts, budgets, and program level savings.
- Much more discussion on this topic is required.

Covid-19 Impact, Mitigation Strategy, and Discussion

- National Grid provided updates on each program’s mitigation response and strategy.
- The Company is working with contractors and vendors to learn about and take advantage of federal and state resources
- A no-cost energy efficiency training program has been assembled for contractors and vendors to take classes during the State shutdown
- For residential program, there will be a shift to virtual energy assessments
- The low-income residential program will also begin to pilot a virtual energy assessment strategy
- Targeted ratepayer focus will be on moderate-income households. Moderate income is being defined as all ratepayers living in towns that are below median state income.

2. SYSTEM RELIABILITY PROCUREMENT (SRP) TECHNICAL WORKING GROUP

The SRP TWG met on Wednesday, March 18th and again on Wednesday, April 15th. The meeting agenda items for these meetings included the following:

- 2020 SRP Plan Commitments Review
- Transmission Capacity Benefits in the Context of Non-Wires Alternatives
- Updates on the SRP Accounting Error Resolutions
- Discussion on Locational Incentives

2020 SRP Plan Commitments Review

- National Grid reviewed each of its 2020 Plan commitments and indicated when each was due, whether they were completed, and if not completed what their status was.
- Four of the Twelve commitments have been completed. One of the completed commitments was also classified as ongoing.
- All other commitments are ongoing and in process with no major delays in progress reported.

Transmission Capacity Benefits in the Context of Non-Wires Alternatives

- National Grid and the stakeholders discussed the process of and options for realizing transmission capacity benefits for Non-Wires Alternative (NWA) projects that do not have transmission upgrades as part of its scope.
- Two options that were discussed were the use of the transmission infrastructure benefit and the transmission capacity benefit.
- Stakeholders indicated that the process for realizing transmission capacity benefits should be assessed on a project-by-project basis.
- As of the most recent SRP meeting, stakeholders considered this to be an open topic of discussion that would be reviewed at future TWG meetings.

Updates on the SRP Accounting Error Resolutions

- In February, National Grid indicated that they would be testing changes to their models in March to ensure planned resolutions were working as expected.
- National Grid indicated in April that their planned resolutions had worked as expected.
- National Grid noted that they set up monthly, quarterly, and annual review processes for ensuring more timely checks and balances in their accounting systems.

Discussion on Locational Incentives

- The stakeholders discussed the merits of, and process for, utilizing locational incentives as part of future SRP projects.
- National Grid noted that future work on statewide pricing would require significantly more granular data and that data would become available in the future if the Company's Grid Modernization Plan received approval and was implemented.
- Stakeholders discussed the idea of using locational incentives in the electric system to avoid gas pipeline expansions long term.
- Stakeholders expressed interest in having a more in-depth conversation about locational incentives at an upcoming SRP TWG meeting.