

# 2021-2023 Energy Efficiency and SRP: Process Update

May 21, 2020

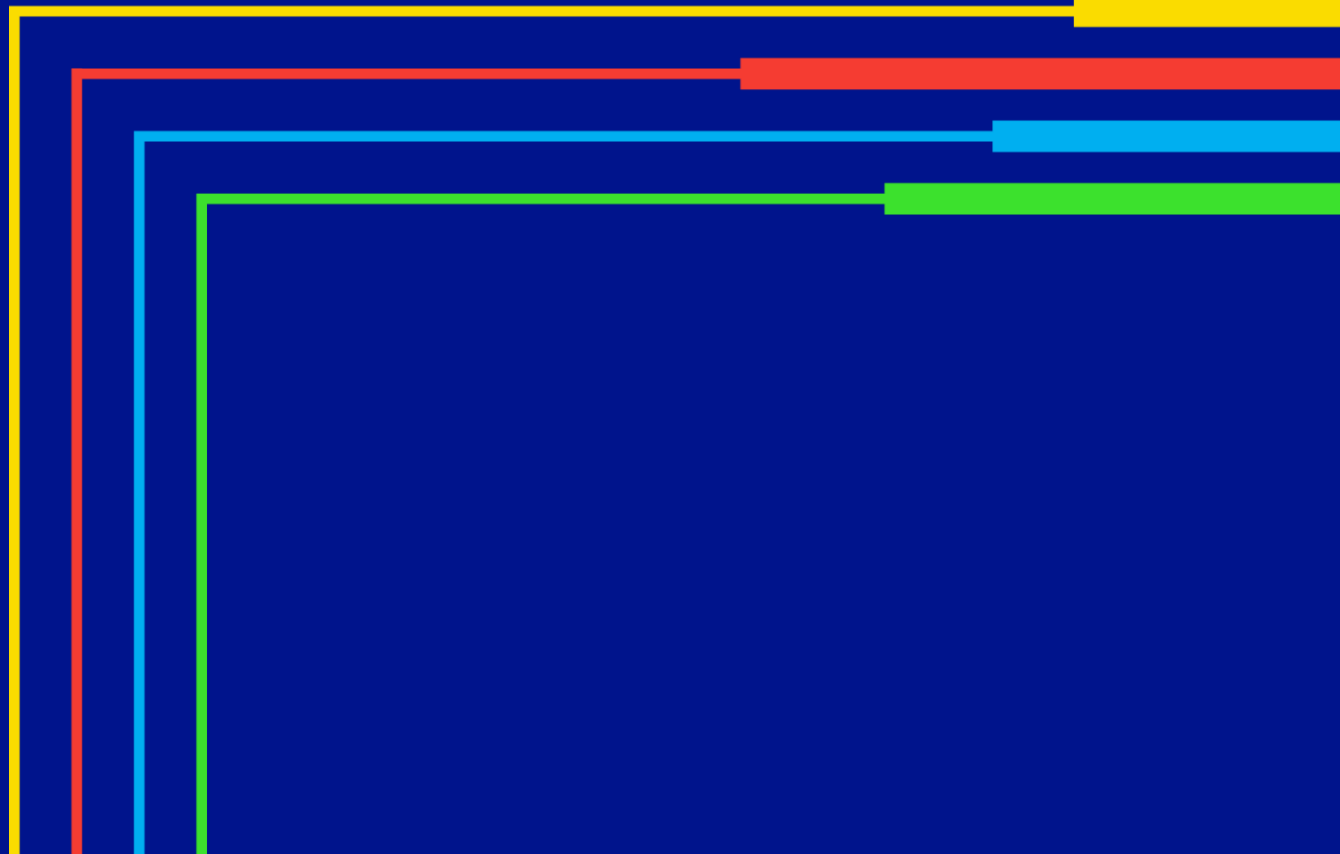
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## Energy Efficiency

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# Agenda

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- Background
- Planning Process
- Next Steps – Timeline for Stakeholder Involvement

# Background

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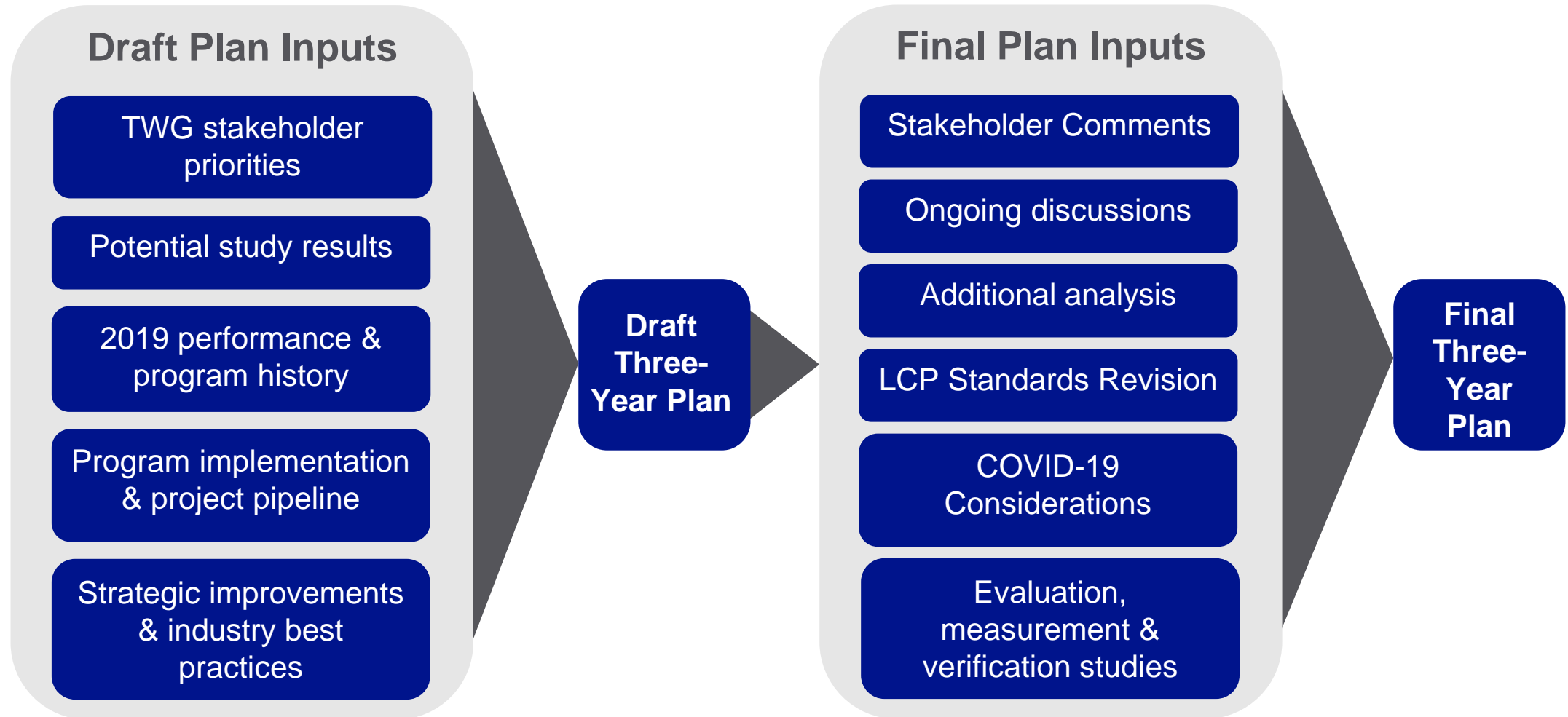
- Following from the Annual Plan process in 2020, National Grid implemented a new step in the Three-Year Plan process for the 2021 – 2023 Plan.
- Plan Outline memo provides stakeholders an earlier look to priority areas the Company is developing for the Three-Year Plan
  - Distributed on April 23<sup>rd</sup> and discussed at EERMC on April 30<sup>th</sup>.
- National Grid received input from the EERMC, OER, and the Division on the contents of the Plan Outline memo at the Technical Working Group on May 8<sup>th</sup>.
- Several Key Dates to note:
  - First draft of the plan is moved up approximately one month early, to June 11th.
  - Additional review time afforded between the first draft and final draft, circulated August 13th.

## Next Steps in the Planning Process

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- National Grid team is now building out our plan draft based on the outline memorandum.
  - Incorporating input from OER, Division, EERMC Consultants provided at the last TWG.
- Plan outline memorandum intended to highlight areas of new focus for the Company, draft plan will include more detail on existing programs and offerings.
  - Please note that level of detail of Three-Year Plan will be consistent with past high level Three-Year Plans.
- PUC guidance on Three-Year Plan content is not yet finalized, adjustments to content and structure should be expected once revised Least Cost Procurement standards are issued.
  - At this time the Company is developing the Three-Year Plan based on currently-effective Least Cost Procurement Standards with some modifications for expected changes.

# Plan Development Process



# COVID-19 Impacts on Planning

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- Draft will represent a ‘base case’ (ignoring potential COVID-19 impacts to achievable savings).
- Later adjustments, with the benefit of additional information, will account for these impacts (likely reducing planned savings and budgets).
- Factors that will impact these adjustments will include:

| Area              | Data points to consider (illustrative examples)   |   |
|-------------------|---|---|
| Economic impacts  | <ul style="list-style-type: none"><li>• GDP Growth rate</li><li>• Rate of small business closures</li></ul>                                       | <ul style="list-style-type: none"><li>• General unemployment rate</li><li>• ISM Report values</li></ul> |
| Workforce impacts | <ul style="list-style-type: none"><li>• Contractor job recovery rate</li></ul>  | <ul style="list-style-type: none"><li>• Clean energy employment impacts</li></ul>                       |
| Customer appetite | <ul style="list-style-type: none"><li>• Home / small business energy assessment sign-up rates</li><li>• Weatherization conversion rates</li></ul> | <ul style="list-style-type: none"><li>• Measures of business capital investment</li></ul>               |

## First Draft to Final Plan

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- **Performance Incentive Mechanism**

- The design of the performance incentive mechanism is currently under discussion between National Grid, OER, Division, and C-Team. This process is expected to continue for the next several months, with the goal of a fully performance incentive mechanism developed for the final plan

- **EM&V Updates**

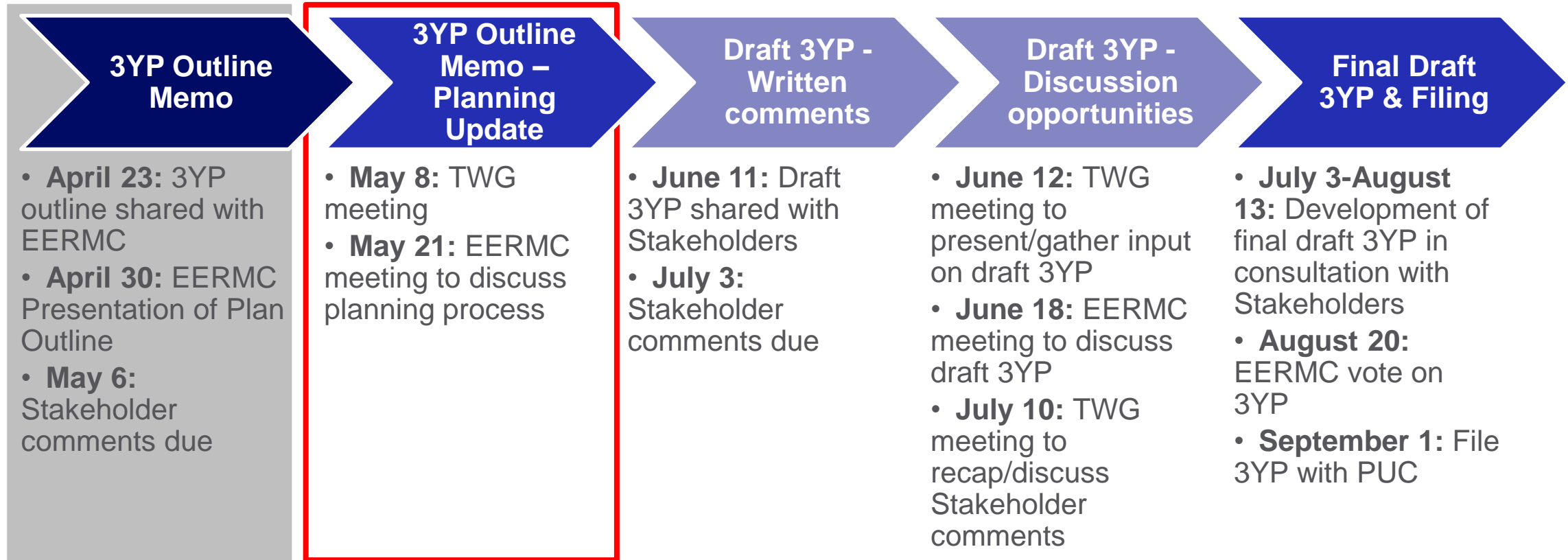
- Updates to savings and impact factors will be implemented after the first draft

- **Requirements of Revised Least Cost Procurement Standards**

- PUC is still working on Standards, updates will be made to the plan document accordingly



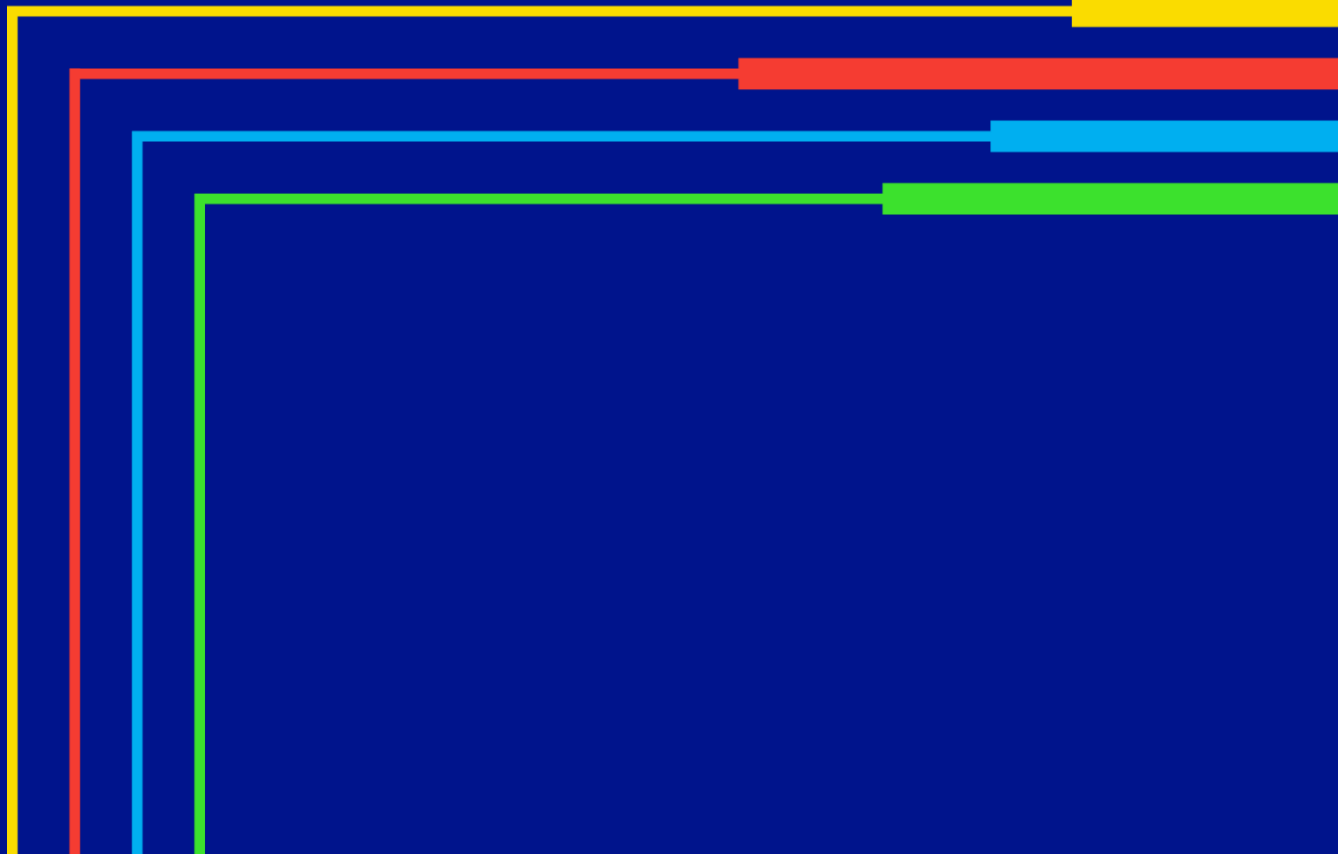
# Next Steps - Timeline for Stakeholder Involvement



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## SRP

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# SRP 3YP Update

## **April 30: Development timeline circulated.**

- Timeline similar to the EEP 3YP, though staggered by a couple months.

## **May 20: Draft outline memo shared.**

- Several section headers are similar to the annual SRP Report. These sections will have a higher-level context for forward-looking planning.
- Notably, National Grid includes a section on a Proposal for NPAs in System Planning.
  - This section will capture National Grid's plan and intent for developing the NPA program in Rhode Island.

## **June 1: SRP 3YP text development starts.**

- Formal start of text development for SRP 3YP first draft.

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