

# Memo



**To:** Rhode Island Public Utilities Commission (PUC)  
**From:** Energy Efficiency & Resource Management Council  
**Date:** June 19, 2020  
**RE:** Comments on PUC's Proposed Update to Least Cost Procurement Standards

At its June 18 meeting, the Energy Efficiency & Resource Management Council (EERMC) reviewed the proposed updates to the Least Cost Procurement Standards (LCP Standards) that the PUC issued on May 29, 2020. Based on the discussion, which closely referenced the fifteen objectives<sup>1</sup> the EERMC directed its consultant team to represent at PUC Technical Sessions on the LCP Standards, the Council voted to approve the comments contained in this document. We appreciate the opportunity offered to provide these comments to the Public Utilities Commission (PUC) by the June 19<sup>th</sup> deadline.

Generally, the EERMC welcomes the enhancements made to improve the LCP Standards document, especially as it relates to clarifying the EERMC's role, as well as overall improvements to the design and structure. We also recognize the PUC's challenge in balancing the many recommendations presented at the Technical Sessions with not being unnecessarily prescriptive and directive. While most of the original objectives submitted by the EERMC were sufficiently addressed, the following comments cover issues not fully addressed:

- The only objective not at least indirectly addressed related to a request for the definition of Energy Efficiency to have specific language relating to: *Active demand and demand response; heating electrification, and energy savings measures for all fuels*. Since these either have been, or potentially may be elements of future energy efficiency plans, specifically addressing them would be helpful to future planning and EERMC review of plans submitted by National Grid.
- While Income Eligible is a sector generally covered in the Purpose and Content sections of the three-year and annual plans in Chapter 3, the importance of fully addressing the needs of this sector is a critical objective of the EERMC, and specific reference to it remains an objective we encourage.
- While recognizing the need to balance being overly prescriptive, significant effort was put into creating enhanced detail around the definition of "equity." The EERMC supported and participated in meetings with stakeholders, leading to language that was included in comments submitted by the Office of Energy Resources.<sup>2</sup> The EERMC represents that more clarity included in the LCP Standards would support future efforts to better address the challenging issues

<sup>1</sup> This list of objectives was emailed to PUC staff on March 31, 2020 by the EERMC's consultant team.

<sup>2</sup> <http://www.ripuc.ri.gov/eventsactions/docket/5015-OER-Equity-Edits2.pdf> p. 6-7

covered in the planning phases on this topic, and we continue to encourage the inclusion of a clearer definition of equity.

- Finally, although not directly related to the EERMC objectives submitted ahead of the proposed changes, a potentially significant change was made in the updated version to now require that “programs” must be cost-effective (p. 10). Previously, only the portfolio had to be cost-effective while the programs “should” be cost-effective. The consequences of this could result in undesirable outcomes. While it would be an exceptional case, and unprecedented to date, we believe that the flexibility that had been in place allowed for the appropriate handling of unexpected circumstances that would cause temporary higher costs than benefits at the program level. We encourage additional consideration on this topic be made to better understand any unintended consequences that may stem from this change.