

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**

**PUBLIC UTILITIES COMMISSION**

---

**In Re: The Narragansett Electric Company**

**d/b/a National Grid**

**Annual Energy Efficiency Plan for 2021**

---

|  
|  
|  
|  
|

**Docket No.**

**ANNUAL ENERGY EFFICIENCY PLAN FOR 2021  
DRAFT**

**August 27, 2020**

## TABLE OF CONTENTS

<b>TESTIMONY</b> .....	<b>1</b>
<b>1. PRE-FILED TESTIMONY</b> .....	<b>1</b>
<b>EXECUTIVE SUMMARY AND INTRODUCTION</b> .....	<b>2</b>
<b>2. EXECUTIVE SUMMARY</b> .....	<b>2</b>
<b>3. INTRODUCTION</b> .....	<b>4</b>
<b>STRATEGIES AND APPROACHES TO PLANNING</b> .....	<b>11</b>
<b>4. PROGRAMS AND PRIORITIES</b> .....	<b>11</b>
4.1 STRATEGIC OVERVIEW OF PROGRAMS AND PRIORITIES .....	11
4.1.1 <i>Principles of Program Design</i> .....	12
4.2 COMMERCIAL AND INDUSTRIAL PROGRAMS.....	19
4.3 RESIDENTIAL AND INCOME ELIGIBLE PROGRAMS.....	26
4.3.1 <i>Residential Programs</i> .....	27
4.3.2 <i>Income Eligible Programs</i> .....	32
4.4 CROSS-CUTTING PROGRAMS .....	34
4.4.1 <i>Community-Based Initiative</i> .....	34
4.4.2 <i>Codes and Standards Support</i> .....	35
4.4.3 <i>Workforce Development</i> .....	37
4.5 PARTICIPATION .....	40
<b>5. PILOTS, DEMONSTRATIONS AND ASSESSMENTS</b> .....	<b>43</b>
<b>6. EVALUATION MEASUREMENT AND VERIFICATION PLAN</b> .....	<b>44</b>
<b>7. COORDINATION WITH OTHER ENERGY POLICIES AND PROGRAMS</b> .....	<b>45</b>
7.1 SYSTEM RELIABILITY PROCUREMENT .....	45
7.2 HEATING SECTOR TRANSFORMATION AND NATIONAL GRID’S NORTHEAST 80X50 PATHWAY.....	46
7.3 HEAT PUMP AND DELIVERED FUEL POLICY AND OBJECTIVES .....	47
7.3.1 <i>Heat Pump Implementation and Education</i> .....	47
7.3.2 <i>Delivered Fuels</i> .....	48
7.4 POWER SECTOR TRANSFORMATION .....	48
7.4.1 <i>Advanced Metering Functionality and Grid Modernization</i> .....	48
7.5 RATE CASES .....	49
7.6 INTEGRATION WITH RENEWABLES.....	49
7.7 CODES AND STANDARDS PROGRAM AND ACCOUNTING FOR NEW CODES AND STANDARDS .....	50
<b>8. MULTI-YEAR STRATEGIES</b> .....	<b>50</b>
<b>CONSISTENCY WITH STANDARDS</b> .....	<b>51</b>
<b>9. LEAST COST PROCUREMENT LAW AND STANDARDS</b> .....	<b>51</b>
9.1 PRUDENCY.....	51
9.1.1 <i>Achievable Potential</i> .....	52

9.1.2	Equity.....	53
9.1.3	Parity Among Sectors.....	54
9.1.4	Rate and Bill Impacts.....	57
9.2	RELIABILITY.....	59
9.3	ENVIRONMENTALLY RESPONSIBLE.....	59
9.4	COST EFFECTIVENESS.....	59
9.5	COST OF DRAFT ANNUAL PLAN COMPARED TO THE COST OF ENERGY SUPPLY.....	61
<b>FUNDING PLAN, BUDGET AND GOALS .....</b>		<b>64</b>
<b>10.</b>	<b>SAVINGS GOALS .....</b>	<b>64</b>
10.1	ELECTRIC PORTFOLIO SAVINGS GOALS.....	64
10.2	NATURAL GAS PORTFOLIO SAVINGS GOALS.....	65
<b>11.</b>	<b>DRAFT ANNUAL PLAN COMPARED TO THE THREE-YEAR PLAN .....</b>	<b>65</b>
<b>12.</b>	<b>FUNDING PLAN AND BUDGETS.....</b>	<b>65</b>
12.1	DRAFT ANNUAL PLAN FUNDING SOURCES.....	66
12.2	ISO-NE CAPACITY MARKET REVENUE.....	68
12.3	EXCEPTIONS TO THE NATURAL GAS ENERGY EFFICIENCY PROGRAM CHARGE.....	69
12.4	BUDGETS.....	69
12.5	TRANSFERRING FUNDS.....	70
12.6	BUDGET MANAGEMENT.....	71
12.7	NOTIFICATION OF LARGE CUSTOMER INCENTIVES.....	71
<b>13.</b>	<b>PERFORMANCE INCENTIVE PLAN .....</b>	<b>72</b>
<b>14.</b>	<b>FUTURE PERFORMANCE METRICS .....</b>	<b>72</b>
14.1	TESTING PERFORMANCE METRICS.....	72
14.1.1	Carbon Reductions.....	73
14.1.2	Lifetime and Annual All-Fuels MMBtu Savings.....	74
14.1.3	Program costs per energy savings.....	74
14.1.4	Customer Satisfaction.....	74
14.1.5	Peak Hour Gas Demand Savings.....	75
14.2	FORWARD LOOKING PERFORMANCE METRICS.....	75
14.2.1	Renter and Rental Unit Tracking.....	75
<b>15.</b>	<b>ADVANCING DOCKET 4600 PRINCIPLES AND GOALS.....</b>	<b>76</b>
<b>CONCLUSION .....</b>		<b>78</b>
<b>16.</b>	<b>MISCELLANEOUS PROVISIONS.....</b>	<b>78</b>
<b>17.</b>	<b>REPORTING REQUIREMENTS .....</b>	<b>78</b>
<b>18.</b>	<b>REQUESTED RULINGS .....</b>	<b>79</b>
<b>ATTACHMENTS .....</b>		<b>80</b>
<b>ATTACHMENT 1. RESIDENTIAL AND INCOME ELIGIBLE PROGRAM DESCRIPTIONS .....</b>		<b>80</b>

<b>ATTACHMENT 2. COMMERCIAL AND INDUSTRIAL PROGRAM DESCRIPTIONS .....</b>	<b>80</b>
<b>ATTACHMENT 3. EVALUATION, MEASUREMENT &amp; VERIFICATION PLAN .....</b>	<b>80</b>
<b>ATTACHMENT 4. RHODE ISLAND BENEFIT COST TEST DESCRIPTION .....</b>	<b>80</b>
<b>ATTACHMENT 5. ELECTRIC ENERGY EFFICIENCY PROGRAM TABLES .....</b>	<b>80</b>
<b>ATTACHMENT 6. GAS ENERGY EFFICIENCY PROGRAM TABLES .....</b>	<b>80</b>
<b>ATTACHMENT 7. RATE AND BILL IMPACTS .....</b>	<b>80</b>
<b>ATTACHMENT 8. PILOTS, DEMONSTRATIONS &amp; ASSESSMENTS .....</b>	<b>80</b>
<b>ATTACHMENT 9. CROSS-PROGRAM SUMMARY .....</b>	<b>80</b>
<b>ATTACHMENT 10. DEFINITIONS .....</b>	<b>80</b>

## TABLE OF TABLES

Table 1. 2021 Energy Efficiency and Demand Response Program Plan Summary

Table 2. 2021 Active Demand Response Program Plan Summary

Table 3. Commercial and Industrial Programs

Table 4. Overview of 2021 Commercial and Industrial Energy Efficiency Programs

Table 5. Residential and Income Eligible Programs

Table 6. Overview of 2021 Residential Energy Efficiency Programs

Table 7. Overview of 2021 Income Eligible Programs

Table 8. 2021 Planned Code Advancement Activities

Table 9. 2021 Planned Standards Advancement Activities

Table 10. Investment Across Three-Pronged Workforce Development Approach

Table 11. Overview of Online Trade Ally Training Platform

Table 12. Participation Definitions

Table 13. List of the Costs of Energy Efficiency and Costs of Energy Supply

Table 14. Docket 4600 Goals for the Electric System

## TABLE OF FIGURES

Figure 1. 2021 Energy Efficiency Plan Costs Compared to Benefits

Figure 2. Draft Annual Plan Total Benefits and Total Costs (RI Test) for the Electric Portfolio

Figure 3. Draft Annual Plan Total Benefits and Total Costs (RI Test) for the Natural Gas Portfolio

Figure 4. 2021 Graphical representation of Attachment 5 Table E-1 and total Electric Savings by Sector, Cumulative

Figure 5. 2021 Graphical representation of Attachment 6 Table G-1 and total Gas Savings by Sector, Cumulative

## ATTACHMENTS

1. Residential and Income Eligible Program Descriptions
2. Commercial and Industrial (C&I) Program Descriptions
3. Evaluation, Measurement, and Verification Plan
4. Rhode Island Benefit Cost Test Description
5. Electric Energy Efficiency Program Tables
6. Gas Energy Efficiency Program Tables
7. Energy Efficiency Program Plan Rate and Bill Impacts – Not Included in Draft
8. Energy Efficiency Pilots, Demonstrations, and Assessments
9. Cross-Program Summary – Not Included in Draft
10. Definitions

# TESTIMONY

## 1. Pre-Filed Testimony

The Company will include pre-filed testimony in the final version of the 2021 Annual Energy Efficiency Plan, as directed by the LCP Standards.

# EXECUTIVE SUMMARY AND INTRODUCTION

## 2. Executive Summary

The Narragansett Electric Company d/b/a National Grid (National Grid or the Company) submits this Draft 2021 Annual Energy Efficiency and Conservation Procurement Plan (Draft Plan or Draft Annual Plan) as the first annual plan submitted alongside the fifth triennial plan (2021-2023 Three Year Energy Efficiency and Conservation Procurement Plan), in fulfillment of The Comprehensive Energy Conservation, Efficiency and Affordability Act of 2006. The purpose of this Draft Annual Plan is to propose the programs the Company will deliver to help Rhode Island energy consumers meet their energy needs through cost effective, reliable, prudent, and environmentally responsible energy efficiency, and to identify their costs, benefits and energy savings.

The Draft 2021 Annual Plan sets us on a trajectory to ensure that Rhode Island has a robust and resilient energy efficiency infrastructure that guarantees that all Rhode Island energy consumers, regardless of their geographic location, income, home ownership status, primary language, or business size, are empowered to be active in their energy choices, control their energy use, and enjoy the economic, environmental, and cost savings benefits of energy efficiency. The Company is also cognizant of the unprecedented economic challenges and uncertainties facing the state of Rhode Island due to the impacts of COVID-19.

National Grid's 2021 Annual Energy Efficiency Plan includes a suite of services that stretch across three distinct program sectors: Residential, Income Eligible Services, and Commercial and Industrial. This Plan continues to offer the nation-leading customer energy efficiency services that provide all customers with the tools needed to take control of their energy usage and lower their costs, including access to no-cost home energy assessments and comprehensive home weatherization and efficiency upgrades for income eligible customers, opportunities to purchase high efficiency products such as thermostats and lighting upgrades through upstream vendors, and tailored programs to support commercial and industrial customers in upgrading their facilities with the latest efficiency measures to increase productivity and reduce operating costs, whether they are small businesses or large manufacturing companies.

The Draft 2021 Annual Plan includes substantial program enhancements and innovations designed to secure deeper, more comprehensive savings in 2021 and that will position the programs for growth in a world where lighting market has been transformed. The Draft Plan also supports continued innovation and evolution, building enabling tools to accelerate the transition of Rhode Island homes and businesses to the highest levels of efficiency in future years. It balances the pursuit of energy and financial savings from current technologies and programs with the need to also identify new technologies, finance channels, and programs to continue delivering savings to Rhode Island customers for years to come.

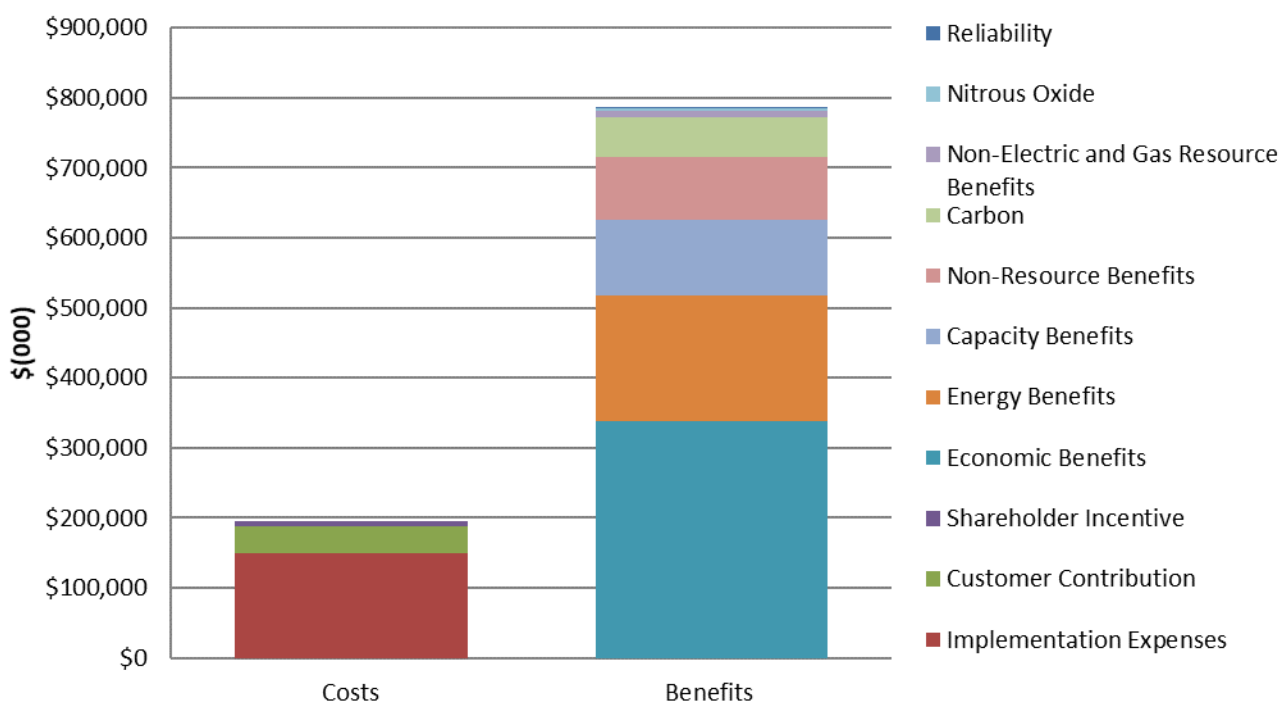
Energy efficiency is the most cost-effective way to supply new energy and meet customers' energy needs. Customers who directly participate in energy efficiency programs save energy and see direct cost savings in the form of lower energy bills. Energy efficiency also lowers long-term base load and peak demand and reduces the need for additional generation and transmission infrastructure, benefiting all



customers, regardless of direct participation in the Company's efficiency programs. This Draft Annual Plan seeks to ensure that Rhode Island energy consumers continue to receive the maximum benefits from energy efficiency investments.

This Plan will create significant benefits to Rhode Island. The electric and delivered fuels portion of the Plan will save 1,560,340 net lifetime MWh, 158,108 net annual MWhs, 26,294 net annual kW from passive energy efficiency, and 4,727,765 lifetime MMBtu for all fuels (electric, gas, oil, propane) over the lifetime of the installed energy efficiency measures. The natural gas portion of the plan will save 392,717 annual MMBtu and 4,067,673 lifetime MMBtu over the lifetime of installed natural gas measures. Investments made in energy efficiency to achieve these savings will add \$338 million to Rhode Island's Gross State Product (GSP).

*Figure 1. 2021 Energy Efficiency Plan Costs Compared to Benefits*



The projected lifetime energy savings from this Plan will avoid 0.95 million tons of carbon, the equivalent of removing 187,102 passenger vehicles from the road for one year. In total, the Plan is expected to create over \$796 million in benefits over the life of the installed electric, demand response, and natural gas energy efficiency measures. Energy savings and benefits are measured and verified by third-party evaluation firms.

The Draft Plan demonstrates National Grid's commitment to energy efficiency and customer energy management and balances pursuing energy and cost savings from current technologies and programs, while also identifying new technologies and programs to continue delivering savings to Rhode Island customers for years to come.

### 3. Introduction

The Narragansett Electric Company d/b/a National Grid (National Grid or Company) is pleased to submit this 2021 Annual Energy Efficiency Plan (Draft Annual Plan or Draft Plan) to the Rhode Island Public Utilities Commission (PUC). This Plan has been developed by National Grid in collaboration with the Energy Efficiency Technical Working Group (EE TWG) and the Energy Efficiency and Resource Management Council (EERMC).<sup>1</sup>

This Plan is submitted in accordance with the Least Cost Procurement law, R.I. Gen. Laws § 39-1-27.7, the basis for which is the Comprehensive Energy Conservation, Efficiency, and Affordability Act of 2006, R.I. Gen. Laws § 39-2-1.2, and the Least Cost Procurement Standards as approved and adopted pursuant to Order No. 23890 in Docket No. 5015<sup>2</sup> (referred to herein as the “LCP Standards”).

The Draft 2021 Plan satisfies the statutory requirements for Least Cost Procurement and the LCP Standards and is consistent with the concurrently filed Three-Year Energy Efficiency Procurement Plan (Three-Year Plan) for 2021-2023.<sup>3</sup> The overarching goal of both plans is to enable Rhode Island energy consumers to meet their energy needs through cost-effective, reliable, prudent, and environmentally responsible energy efficiency. The purpose of this Draft Annual Plan is to identify the savings goals for 2021 and describe the detailed strategies, programming, and investments the Company is undertaking to achieve the goals while continuing to build the infrastructure needed to achieve the full range of savings and benefits outlined in the Three-Year Plan. In doing so, the Company must be mindful of the prevailing economic conditions, including the unknown impacts that the COVID-19 pandemic will continue to have on the Rhode Island economy.

---

<sup>1</sup> Since 1991, a collaborative group has been meeting regularly to analyze and inform the Company’s electric and gas energy efficiency programs. The name of this group was modified in 2019 to the Energy Efficiency Technical Working Group (EE TWG) to better reflect the roles of the parties. Presently, members of the EE TWG include: The Company, the Division and the Division’s consultant, Synapse Energy Economics (Synapse), the City of Providence, Green Energy Consumers Alliance, the Office of Energy Resources, and Acadia Center. In addition, the George Wiley Center, the Center for Justice, the Rhode Island Infrastructure Bank (RIIB), and several EERMC members and representatives from the EERMC’s Consulting Team participate in the EE TWG. Since 1991, membership in the EE TWG has varied because some organizations have withdrawn, and others have joined. Further information available at: [www.ngrid.com/rieetechgroup](http://www.ngrid.com/rieetechgroup)

<sup>2</sup> RI PUC Docket 5015, Least Cost Procurement Standards

[http://www.ripuc.ri.gov/eventsactions/docket/5015\\_LCP\\_Standards\\_05\\_28\\_2020\\_8.21.2020%20Clean%20Copy%20FINAL.pdf](http://www.ripuc.ri.gov/eventsactions/docket/5015_LCP_Standards_05_28_2020_8.21.2020%20Clean%20Copy%20FINAL.pdf)

<sup>3</sup> The Company intends to submit the Three-Year Plan to the PUC on October 15, 2020, at the same time this Annual Plan is filed.

## Cost-Effective Savings

The primary goal of the Plan is to create energy and economic cost savings for Rhode Island consumers through energy efficiency. To that end, the electric-funded portion of the Plan will create electric and delivered fuels savings of 1,560,340 net lifetime MWhs, 158,108 net annual MWhs, and 26,294 net annual kW from passive energy efficiency. In addition, the Plan will generate savings of 51,572 net annual kW from active demand reduction measures. The natural gas-funded portion of the Plan will create savings of 4,067,673 net lifetime MMBtus and 392,717 net annual MMBtus. The Draft Plan will generate benefits of more than \$796 million over the life of the measures. Of these total benefits, \$656 million come from electric efficiency, passive demand reductions, and active demand response. \$141 million in benefits derive from natural gas efficiency. This adds up to a significant benefit for Rhode Island's residential, commercial, industrial, and income eligible energy customers. The Draft Annual Plan is cost-effective, with a cost that is lower than the cost of energy supply for both electricity and natural gas, satisfying the requirements prescribed in R.I. Gen. Laws § 39-1-27.7 (a)(2) and the Standards. The Draft Plan also satisfies PUC Order No. 22851 by demonstrating how it advances the Docket 4600 principles and goals for the electric system detailed in section 15.<sup>4</sup>

Table 1 includes a high-level summary of the Electric-funded and Natural Gas-funded portions of the Plan.

---

<sup>4</sup> PUC Report and Order No. 22851 accepting the Stakeholder Report. Written Order issued July 31, 2017.

Table 1. 2021 Energy Efficiency and Demand Response Program Plan Summary

Electric Programs by Sector <sup>(3)</sup>	Implementation Spending (\$000) <sup>1)</sup>	Customer Contribution (\$000)	Annual Savings (MWh)	Lifetime Savings (MWh)	Lifetime Savings (MMBtu) (Electric, Gas, Delivered Fuels)	c/lifetime kWh	Summer Annual Demand Savings (kW) <sup>(5)</sup>	Active Demand Response (kW)	Total Benefits (\$000)	RI Test B/C Ratio	Participants <sup>(6)</sup>
Non-Income Eligible Residential	\$37,263	\$3,584	53,234	196,656	1,206,446	20.8	7,579	3,124	\$99,172	2.32	445,712
Income Eligible Residential <sup>(3)</sup>	\$18,726	\$0	5,389	74,294	509,050	25.2	557		\$45,603	2.32	8,430
Commercial and Industrial	\$55,918	\$25,768	99,485	1,289,390	3,012,269	6.3	18,158	48,448	\$511,321	6.07	3,834
Regulatory	\$2,042										
<b>Subtotal</b>	<b>\$113,949</b>	<b>\$29,352</b>	<b>158,108</b>	<b>1,560,340</b>	<b>4,727,765</b>	<b>9.2</b>	<b>26,294</b>	<b>51,572</b>	<b>\$656,096</b>	<b>4.41</b>	<b>457,976</b>
Gas Programs by Sector	Implementation Spending (\$000)	Customer Contribution (\$000)	Annual Savings (MMBtu)	Lifetime Savings (MMBtu)	Lifetime Savings (MMBtu) (Gas)	\$/lifetime MMBtu			Total Benefits (\$000)	RI Test B/C Ratio	Participants
Non-Income Eligible Residential	\$15,833	\$6,371	169,660	1,533,886	1,533,886	14.48			\$46,277	2.01	162,957
Income Eligible Residential	\$10,088	\$0	27,183	576,722	576,722	17.49			\$33,533	3.17	4,661
Commercial and Industrial	\$9,523	\$2,644	195,874	1,957,065	1,957,065	6.22			\$61,044	4.85	1,701
Regulatory <sup>(2)</sup>	\$730										
<b>Subtotal</b>	<b>\$36,174</b>	<b>\$9,015</b>	<b>392,717</b>	<b>4,067,673</b>	<b>4,067,673</b>	<b>11.11</b>			<b>\$140,854</b>	<b>3.00</b>	<b>169,319</b>
<b>Total for Plan</b>	<b>\$150,123</b>	<b>\$38,366</b>			<b>8,795,439</b>				<b>\$796,950</b>	<b>4.07</b>	<b>627,295</b>

(1) Implementation spending does not include customer contributions, shareholder incentive, or commitments.

(2) Regulatory Includes contributions to OER and EERMC.

(3) In addition to Income Eligible Residential programs, Income Eligible customers can participate in all Non-Income Eligible Residential programs.

(4) Electric Programs are funded by the Electric Energy Efficiency Charge but also include Delivered Fuels energy savings.

(5) The Summer Annual Demand Response (kW) measures passive demand savings.

(6) The unit measure for participation varies by program. See Attachment 5, Table E-7 and Attachment 6, G-7 for participation goals by program.

Table 2. 2021 Active Demand Response Program Plan Summary

Programs	Implementation Spending (\$000)	Customer Contribution (\$000)	Active Demand Response (kW)	\$/kw	Total Benefits (\$000)	RI Test B/C Ratio
Residential ConnectedSolutions	\$856	\$ -	3,124	\$273.99	\$3,298	3.85
Commercial ConnectedSolutions	\$4,230	\$ -	48,448	\$87.31	\$41,913	9.91
<b>Total</b>	<b>\$5,086</b>	<b>\$ -</b>	<b>51,572</b>	<b>\$98.62</b>	<b>\$45,211</b>	<b>8.89</b>

(1) All Residential electric customers (including Income Eligible customers) are eligible to participate in the Residential ConnectedSolutions program if they have the necessary equipment – a smart thermostat and central air conditioning, or a behind the meter battery.

## Benefits of Investment in Energy Efficiency

Each \$1 spent on the electric energy efficiency portfolio will create \$4.41 of benefits over the lifetime of the investment, and every \$1 spent on the natural gas portfolio will create \$3.00 in benefits over the lifetime of the investments. Figure 1 and Figure 2 below detail the costs and benefits for the electric and gas portfolios, respectively calculated using the Rhode Island Test. A detailed summary of the benefits and costs included in the Rhode Island Test is included in Attachment 4.

Figure 2. Draft Annual Plan Total Benefits and Total Costs (RI Test) for the Electric Portfolio<sup>5</sup>

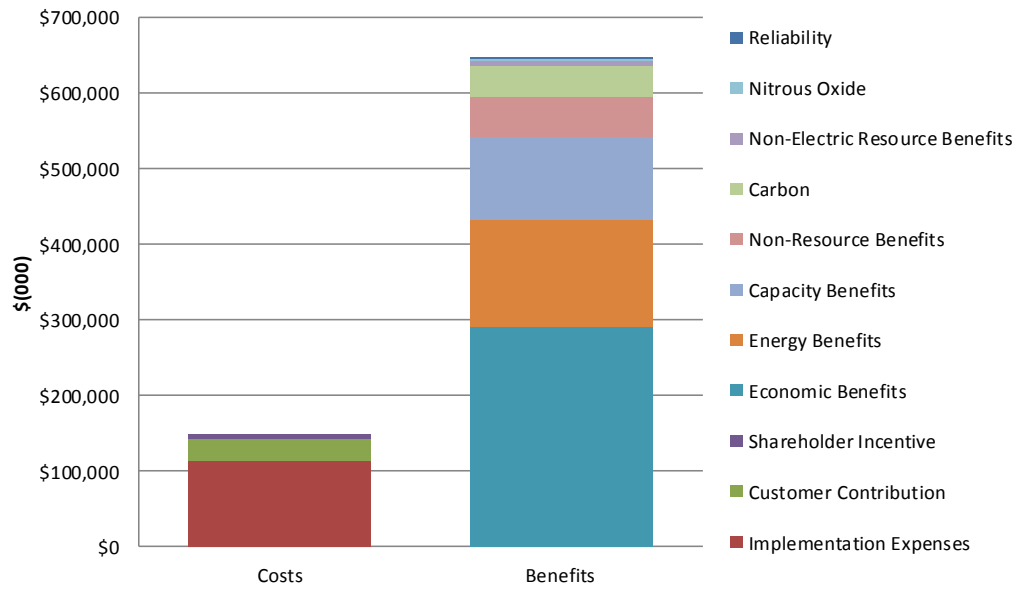
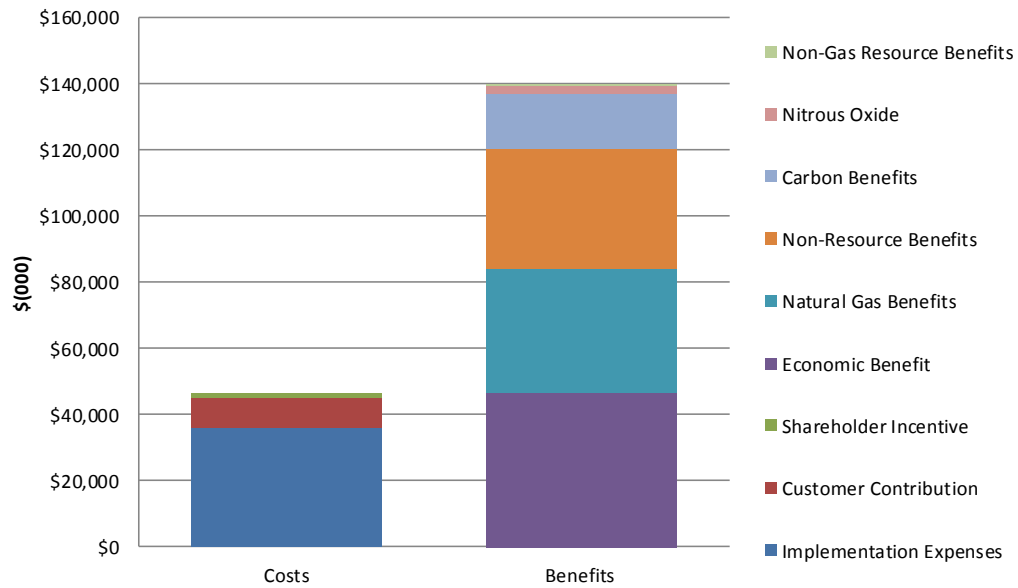


Figure 3. Draft Annual Plan Total Benefits and Total Costs (RI Test) for the Natural Gas Portfolio



<sup>5</sup> For more information on how and why these costs and benefits are calculated and included, see Attachment 4 Rhode Island Test Description. For more information on the costs and expenses summarized here see Attachments 5 and 6.

The electric, gas, and delivered fuel energy efficiency measures proposed in this Plan will avoid over 954,642 tons of carbon over the lifetime of the installed measures.<sup>6</sup> This is the equivalent of removing approximately 187,102 passenger vehicles from the road for one year.<sup>7</sup>

The Company expects that investments made in energy efficiency under this Plan will add \$338 million to Rhode Island's Gross State Product (GSP).<sup>8</sup> The vast majority of jobs associated with the Draft Annual Plan's energy efficiency investments are local because they are tied to the installation of equipment and materials. An analysis of National Grid's 2019 energy efficiency programs found that 71% of companies involved in the Company's energy efficiency programs are either headquartered or have a presence in Rhode Island.<sup>9</sup> Investments in energy efficiency contribute to Rhode Island's economy overall and benefit business owners and their employees who deliver these programs and services.

The cost of procuring 1,560,340 MWh lifetime electric energy efficiency savings through the Plan is \$118.9 million less than if that electric load was met by purchasing additional electric supply. The cost of procuring 4,067,673 MMBtu lifetime natural gas energy efficiency savings through the Plan is \$12.7 million less than if that natural gas load was met by purchasing additional natural gas supply.<sup>10</sup>

This cost-effective Plan includes an investment of \$113.9 million for the electric energy efficiency portfolio in 2020. If approved, this will be funded by \$16 million in proceeds from the ISO New England (ISO-NE) Forward Capacity Market (FCM), revenues from the existing energy efficiency program charge of \$0.01323 per kWh, and revenues from a fully reconciling mechanism of \$0.00106 per kWh pursuant to R.I. Gen. Laws § 39-1-27.7(c)(5) to fully fund the cost-effective electric energy efficiency programs for 2020.<sup>11</sup>

This Plan also includes a \$36.2 million investment in cost-effective natural gas energy efficiency. If approved, this investment will be funded by revenues from the existing energy efficiency program charge of \$1.011 per dekatherm for residential customers and \$0.704 per dekatherm for non-residential

---

<sup>6</sup> Takes into account the net impact of EE measures on carbon emissions. The marginal carbon emission rates are from "Avoided Energy Supply Components in New England: 2018 Report" Appendix K. pages 368-370.

<sup>7</sup> <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

<sup>8</sup> Macroeconomic multipliers for the economic growth and job creation benefits of investing in cost-effective energy efficiency from "Review of RI Test and Proposed Methodology" prepared for National Grid by the Brattle Group, January 31, 2019.

<sup>9</sup> Peregrine Energy Group, "Analysis and Recommendations regarding the Current and Future Workforce associated with Rhode Island Energy Efficiency Programs," May 5, 2019 (filed as part of National Grid's 2018 Year-End Report).

<sup>10</sup> For more information on how this was calculated, see section 3 of the Main Text, "Cost of Draft Annual Plan Compared to the Cost of Energy Supply"

<sup>11</sup> See Attachment 5, Table E-1 for list of funding sources and calculation of the charge.

customers plus revenues from a fully reconciling mechanism of \$0.219 per dekatherm for residential customers and \$0.243 per dekatherm for non-residential customers pursuant to R.I. Gen. Laws § 39-1-27.7(c)(5) to fully fund the cost-effective natural gas energy efficiency programs for 2020.<sup>12</sup>

### **The Draft Planning Process and Major Changes**

While many of the programs and strategies contained in this Draft Annual Plan have a history of market traction and delivered savings, this Plan is distinct from prior annual and three-year plans. Both the 2021-2023 Three-Year Plan and this Draft Annual Plan are delivered in a context that is new in three important respects.

First, both plans have benefited from and hewed closely to the areas of opportunities identified in the Rhode Island Energy Efficiency Market Potential Study (Market Potential Study) commissioned by the EERMC and completed by Dunsky Energy Consulting in May 2020. The PUC codified the maximum potential identified by the study as the approved Targets in Docket 5023. In setting these Targets, the EERMC did not apply the filters of prudence and reliability that are required of the Company's proposed investments in energy efficiency.

Second, both Plans have been guided by a new set of LCP Standards, including an extensive set of "principles of program design" and a new accelerated timeline for concurrent filing of the Three-Year and Annual Plans, thereby eliminating any deviations between them.

Lastly, the Plans have been drafted as Rhode Island and the nation grapple with the COVID-19 pandemic and an evolving understanding of equity and the need for systemic change to achieve shared values of equity.

The Draft 2021 Plan also marks a major milestone, as the complete transformation of the residential lighting market and the final year incentives will be offered for residential lighting at the retail level. As the highly cost-efficient savings secured in previous plan cycles from lighting are reduced as a portion of program portfolio savings, the Company continues to seek new opportunities to drive deeper savings and transform additional markets. Consequently, this Plan focuses on building upon existing customer relationships to encourage comprehensive measures that accrue greater savings over their lifetime. Because these deeper and more comprehensive measures have higher costs to secure the levels of claimable energy savings that lighting provided in previous plan cycles (i.e. they produce fewer savings per dollar invested), cost control and efficiency are key.

National Grid staff collaborated with the EERMC consultant team to identify measures from the Market Potential Study to inform the savings programs and strategies included in this Draft Annual Plan. This has resulted in specific emphasis in program design on deeper measures of weatherization (insulation and air sealing), heating and hot water measures, particularly for residential and small business customers, and an increasing focus on combining sophisticated building and equipment controls

---

<sup>12</sup> See Attachment 6, Table G-1 for list of funding sources and calculation of the charge.

alongside high potential measures offered to commercial and industrial customers. Building on the successes achieved through prior plans, this plan continues to expand active demand response programs and will exceed the Targets for active demand savings.

The Company has engaged the TWG throughout the planning process to leverage their expertise and seek their feedback. In early 2020, TWG members were asked to identify their priorities for the Three-Year Plan. TWG members also previewed and provided input on key themes and major changes in a Three-Year Plan Outline Memorandum circulated in April 2020 and reviewed and provided detailed feedback on the draft 2021-2023 Three-Year Plan. The Company is grateful for the substantive critiques and innovative ideas that have come through this process of continued engagement. The Company has incorporated the priorities of TWG stakeholders into many components of this Draft Annual Plan. The discussions of equity, in particular, have helped shape and elevate the Company's explicit equity commitments, establishing equity as the core overarching strategic objective of this Draft Annual Plan and adding multiple specific, measurable actions across the portfolio of efficiency programs. The Company looks forward to continued engagement as the Plan is reviewed and further refined with input from stakeholders and anticipates filing both the 2021 Annual Plan and 2021-2023 Three-Year Plan to the PUC with the support of stakeholders in October.

### **How to Read This Plan**

For ease of review, this Plan has been organized to align with the revised LCP Standards. There are three overarching sections: Strategies and Approaches to Planning; Consistency with Standards; and Funding Plan, Budget and Goals. The **Strategies and Approaches to Planning** section provides a detailed discussion of the Company's approach to implementing the principles of program design outlined in the LCP Standards and provides high level program descriptions, along with the major enhancements and innovations planned for 2021. This section also includes a discussion of program participation, pilots and demonstrations and assessments, evaluation measurement and verification, and coordination with other energy programs. The **Consistency with Standards** section explains on how the Plan meets Prudence (including a detailed discussion of equity and rate and bill impacts), Reliability, Environmentally Responsible, and Cost Effectiveness requirements, as set forth in the LCP Standards. **The Funding Plan, Budget and Goals** detail these elements and discusses the performance incentive plan and performance metrics.



# STRATEGIES AND APPROACHES TO PLANNING

## 4. Programs and Priorities

### 4.1 Strategic Overview of Programs and Priorities

This Draft Annual Plan is built as the first year of a new 2021-2023 Three-Year Energy Efficiency Plan, both drafted and filed concurrently. The Three-Year Plan sets us on a trajectory to ensure that Rhode Island has a robust and resilient energy efficiency infrastructure particularly as the market for energy efficiency transforms with changes in the lighting market. The Three-Year Plan and this Annual Plan will help continue the trajectory of Rhode Island homes and businesses towards greater efficiency, while maintaining considerations of customer economics in light of the COVID-19 pandemic and the resulting economic conditions. The Draft Plan seeks to guarantee that all Rhode Island energy consumers, regardless of their geographic location, income, home ownership status, primary language, or business size, are empowered to be active in their energy choices, control their energy use, and enjoy the economic, environmental, and cost savings benefits of energy efficiency.

The Draft 2021 Annual Plan includes substantial program enhancements and innovations designed to secure deeper, more comprehensive savings in 2021. The Draft Plan also supports continued innovation and evolution, building enabling tools to accelerate the transition of Rhode Island homes and businesses to the highest levels of efficiency in future years. It balances the pursuit of energy and financial savings from current technologies and programs with the need to also identify new technologies, finance channels, and programs to continue delivering savings to Rhode Island customers for years to come. The Draft Plan achieves savings by implementing the following key strategic priorities:

- ❖ Expand and deepen customer relationships.
- ❖ Drive adoption of comprehensive measures.
- ❖ Expand Active Demand Response with goals exceeding the adopted Targets.
- ❖ Achieve cost optimization and efficiency.
- ❖ Apply a deeper equity lens across all program planning and delivery.

Section 4.1.1 explains how the principles of program design included in the new LCP Standards have been applied to this Draft Annual Plan, with examples and highlights and direction on where deeper discussion may be found within the Plan. Sections 4.2 and 4.3 provide high-level summaries of the program designs and new additions for 2021 for the Commercial and Industrial, Residential, and Income Eligible Services Programs. Section 4.4 offers detail on the cross-cutting programs for 2021, including the Community Based Initiative, codes and standards, and workforce development. Lastly, section 4.5 provides participant definitions and planned participation numbers.

#### *4.1.1 Principles of Program Design*

This Draft Annual Plan has been guided by the newly revised LCP Standards, which provide an extensive set of principles of program design on the subsequent two pages. The approach taken to incorporate each of these plan design principles follows, with references to other areas of the plan that provide greater detail, as appropriate.

### Integration With Other Energy Programs and Policies

- Designed where possible, to complement the objectives of Rhode Island’s energy programs and policies, and describe the interaction of EE Plans with these other programs, including, but not limited to, the System Reliability Procurement Plan; the Renewable Energy Standard; the Renewable Energy Growth Program; the Net Metering Program; and the Long-Term Contracting for Renewable Energy Standard; all energy supply procurement plans; and Infrastructure, Safety, and Reliability Plans.

### Innovation

- Energy Efficiency Plans shall address new and emerging issues as they relate to Least-Cost Procurement as appropriate, including how they may meet State policy objectives and provide system, customer, environmental, and societal benefits.

### Comprehensiveness

- The distribution company shall design EE Plans to ensure that all customers have an opportunity to benefit and realize both near-term and long-lived savings opportunities, and to deliver system-wide and location-specific savings.

### Equity

- The portfolio of programs proposed by the distribution company shall be designed to ensure that all customers have equitable opportunities to participate in the offerings of EE Plans and a fair allocation of costs and benefits.

### Build on Prior Plans

- The distribution company shall describe in an EE Plan the recent energy efficiency programs offered and highlight how the EE Plan supplements and expands upon these offerings at the appropriate level of detail, including, but not limited to, new measures, implementation strategies, measures specifically intended for demand or load management, and new programs as appropriate.

### Build on Prior Programs

- Distribution company program development shall proceed by building upon what has been learned to date in distribution company program experience, systematically identifying new opportunities and pursuing comprehensiveness of measure implementation, as appropriate and feasible.

### Plan Based on Potential Assessments

- At a minimum, the distribution company shall use any Targets and other Report recommendations approved by the PUC pursuant to Chapter 2 as a resource in developing its Three-Year Plan. The distribution company shall include in its Three-Year Plan an outline of proposed strategies to supplement and build upon these assessments of potential. The distribution company may also use other assessments or Report recommendations provided that such assessments or Report recommendations were not previously and specifically rejected by the PUC.

### Unlocks Capital and Effectively Uses Funding Sources

- EE Plans shall include a section outlining and discussing new strategies to make available the capital needed to effectively overcome barriers to implement projects in addition to direct financial incentives provided in order to cost-effectively achieve the Least Cost Procurement mandate. Such proposed strategies shall move beyond traditional financing strategies and shall include new capital availability strategies and partnerships that effectively overcome market barriers in each market segment in which it is feasible to do so.

### Integration of Gas and Electric Energy Efficiency Programs

- EE Plans shall address how the distribution company plans to integrate gas and electric energy efficiency programs to optimize customer energy efficiency and provide benefits from synergies between the two energy systems and their respective programs.

### Strategies to Achieve Targets

- Plans shall be developed to propose strategies to achieve the energy efficiency savings targets that shall be proposed by the Council and approved by the PUC for that three-year period. Such strategies shall secure energy, capacity, and system benefits and also be designed to ensure the programs will be delivered successfully, cost-effectively, and cost-efficiently over the long term. In addition to satisfying other provisions of these Standards, the EE Plans shall contribute to a sustainable energy efficiency economy in Rhode Island, respond to and transform evolving market conditions, strive to increase participation and customer equity, and provide widespread consumer benefits.

### Investments on Behalf of All Customers

- Energy Efficiency investments shall be made on behalf of all customers. This will ensure consistency with existing program structure under which all customers pay for, and benefit from, Rhode Island's efficiency programs.

### Efficacy

- All efforts to establish and maintain program capability shall be done in a manner that ensures quality delivery and is economical and efficient. The distribution company shall include wherever possible and practical partnerships with existing educational and job training entities.

### Parity Among Sectors

- While it is anticipated that rough parity among sectors can be maintained, as the limits of what is cost-effective are identified, there may be more efficiency opportunities identified in one sector than another. The distribution company shall design EE Plans to capture all resources that are cost-effective and lower cost than supply. The distribution company shall consult with the Council to address ongoing issues of parity.

### Cost-Effectiveness

- The distribution company shall propose a portfolio of programs that is cost-effective. Any program with a quantified benefit-cost ratio greater than 1.0 (i.e., where quantified benefits are greater than quantified costs), should be considered cost-effective. Consistent with the PUC's guidance issued in Docket No. 4600A, qualitative benefits and costs may be considered in determining cost-effectiveness. The portfolio must be cost-effective and programs must be cost-effective.

This Draft Annual Plan has been designed to **integrate** with Rhode Island’s energy programs and policies. Section 7 Coordination with Other Energy Policies and Programs provides details on the Plan’s connection to specific state policies. The program descriptions found in Attachment 1 Residential and Income Eligible Program Descriptions and Attachment 2 Commercial and Industrial Program Descriptions offer additional specific detail on implementation and delivery, how the energy efficiency programs help customers achieve additional state energy policy goals, and information on energy programs beyond those run directly by the Company, such as programs for connecting to renewable energy sources and electrification opportunities.

This plan offers **innovations** in program design alongside a systematic approach to bringing innovative new technologies and approaches forward as outlined in the Three-Year Plan and in section 5 Pilots, Demonstrations and Assessments, with additional detail in Attachment 8. In addition, this plan features innovations designed in real time to respond to challenges presented by the COVID-19 pandemic, such as the development and refinement of virtual auditing for the residential EnergyWise programs, increased marketing, and new, creative methods for reaching customers, including developing and placing new targeted video ad campaigns at drive-in movie theaters, as well as over-the-top (OTT) and connected TV (CTV) ads, which play before streamed programming.

**Comprehensiveness** is a core design principle and a core strategy for both the 2021-2023 Three-Year Plan and this Annual Plan. This Plan includes multiple enhancements to reach and engage more customers, such as the simplified whole building pathway to capture more small and medium buildings in new construction, and the addition of high payback measures in the Equipment and Systems Optimization Initiative to capture new customers and offer them more comprehensive approaches. The Commercial and Industrial market sector approach and the Residential and Income Eligible whole building delivery programs (EnergyWise, EnergyWise Multifamily, Income Eligible Services, and Income Eligible Multifamily) continue the evolution to deep comprehensive savings packages that emphasize whole building and whole system solutions, with **integration of gas and electric** energy efficiency to optimize and benefit from synergies between the two energy systems.

The program designs included in this Plan **build on prior plans** and **build on prior programs**. The detailed program descriptions provided in the Attachment 1 Residential and Income Eligible Program Descriptions and Attachment 2 Commercial and Industrial Program Descriptions offer snapshots and evidence of how programs are continuously evolving, building from one plan year to the next. They show how high-level strategies within the three-year and annual plans are translated into specific actions and activities that secure savings for customers and help to contextualize specific program innovations and enhancements described only briefly in section 4.2 Commercial and Industrial Programs and section 4.3 Residential and Income Eligible Programs. The Attachments provide detail on new measures, implementation strategies, measures specifically intended for demand or load management, and new programs.

The active demand response (or ConnectedSolutions) programming is a great example of how this plan builds on prior plans and programs. Active demand response was first offered as a residential pilot in

2016 and C&I pilot in 2017. In 2019 these pilots were converted to standard programs and continued in 2020. In this Plan, the Company proposes growing active demand response offerings and expanding them to new technologies. The ConnectedSolutions programs in this Plan will deliver demand reductions in excess of the active demand Targets set by the PUC in Docket 5023, set based on the maximum achievable potential in the EERMC Potential study, and will continue growth in active demand response for both the Commercial and Residential sectors.

**Equity**, as noted before, is a core strategic priority of the 2021-2023 Three-Year Plan and this Draft Annual Plan. An equity lens has been applied to all planning and design updates. The Company is committed to ensuring that all customers have equal ability to access and benefit from energy efficiency programs, regardless of their geographic location, income, home ownership status, primary language, or business size; that jobs and economic development benefits of the programs reach all Rhode Island communities, with renewed emphasis on environmental justice communities; and that the energy efficiency services help the most vulnerable customers that may pay a higher proportion of their income in energy costs. Using an equity lens involves considering how programs are designed and evaluated with these goals in mind, as well as taking into account the systemic and institutional structures that may make it easier for some customers to access energy efficiency products and programs and more challenging for others. As discussed further below and in Section 9.1.2, the Company is taking several steps in 2021 in conjunction with OER and other stakeholders to further our empirical understanding of several facets of equity.

The Company believes that the first step toward addressing equity is to understand historic participation and the extent to which factors such as geography, income, homeownership status, and primary language differ between participants and non-participants. In addition, under the Prudency standard, the Company is required to “at minimum assess which groups have historically received disproportionately lower benefits from LCP investments.” The Company will therefore undertake a non-participant study to understand the attributes of non-participants and why they are not participating, and a census of multifamily housing to understand multifamily participation and non-participation. These studies will provide the data to build program enhancements and tracking systems that are driven primarily by the needs of identified non-participating or low participation groups, as well as additional marketing efforts better tailored to multilingual customers.

The Company is committed to using the rigor of formal non-participant and multifamily census studies to ensure that designs are informed by data and to prevent existing prejudices and biases from being solidified into program designs. The Company is not, however, waiting for study results to begin acting where the Company has good data and clear opportunities to immediately achieve more equitable outcomes and support our more vulnerable customers. The Company has committed to the following actions and enhancements to our programs in 2021 to achieve greater equity and support small business, moderate-income customers, and low-income customers:

- The Company is committed to tracking and reporting renters and rental unit participation.

- The Company is increasing its emphasis on identifying and encouraging customers eligible for the discount rate to move to the discount rate.
- As customers move to the discount rate, the Company proposes to create a welcome package to encourage participation in applicable efficiency programming, specifically Residential Income Eligible Services (IES).
- The Products and EnergyWise Income Eligible Multifamily programs have teamed up to offer improved coordinated cooling solutions for income-eligible customers living in multifamily properties.
- In the Company's workforce development programs, National Grid will focus on recruiting, training, and retaining talent from designated Environmental Justice Communities, intentionally bringing more women and people of color into the energy efficiency workforce. This will create greater equity of access to the jobs generated by the clean energy transition and will help transition the workforce to better reflect the communities served. The desired outcome is to improve customer access and experience as customers find they are increasingly working with professionals from their communities and for these new professionals begin to identify and help the Company adjust delivery to overcome community access barriers.
- Our new Codes and Standards advancement support program primarily targets the nonparticipant portions of the markets we serve across all sectors. While the program is in its infancy, this approach overcomes traditional barriers of access by ensuring that efficiency levels are rising for all.
- The Company proposes the creation of an equity working group composed of members of the EERMC and OER, with additional input from local experts in equity, such as statewide community-based organizations.

This Draft Annual Plan has benefited from the **RI Market Potential Study** and the areas of opportunity it identified have been considered in the program planning process. The RI PUC approved Targets, which reflect the study's maximum **potential assessment** assumed barrier reductions beyond current levels of program design and further improved customer economics by assuming 100% incentives, resulting in significantly higher budget levels than recent plans. The Company has combined this with **additional assessments** and analysis of results from the Evaluation Measurement and Verification programs, program experience, and customer and vendor feedback loops. The design enhancements to increase comprehensive projects emphasize capturing the specific opportunities identified in the Market Potential Study. For example, the bundled incentive designs in EnergyWise connect deep weatherization (insulation and air sealing) with additional heating and hot water measures, the measures identified in the Market Potential Study with the highest potential. The Commercial and Industrial programs too have systematically focused all programs on measures with high potential. One easy to see result is the continued focus on bundling control technologies with high potential building, HVAC, and lighting end

uses. This Plan includes significant investments to ensure workforce capacity to support customer adoption of high efficiency technologies, including advanced control systems and air source heat pumps.

All program designs are connected to financing options to help **unlock capital and effectively use funding sources**. This Plan consistently looks beyond direct financial incentives and traditional financing strategies to design capital and program access strategies that respond to specific customer barriers. For example, exploring new financing support for small and mid-size independent grocers through OBR (on-bill repayment) or through an interest buy-down mechanism in partnership with third party providers of debt capital. We believe this access to capital will allow customers to commit to projects more quickly or increase the number of measures installed. The Company is also exploring expanded use of the Heat Loan to help multifamily property owners invest in more comprehensive upgrades, regardless of meter type.

The primary **strategies to achieve savings goals** are guided by our five strategic priorities: expand and deepen customer relationships; drive adoption of comprehensive measures; expand active demand response; achieve cost optimization and efficiency; and apply an equity lens across all planning and delivery. Detailed strategies that target specific segments by responding to and seeking to transform specific markets can be found in Attachments 1 and 2.

**Efficacy**, or ensuring quality delivery that is economical and efficient, like comprehensiveness, is a core strategy of the Three-Year and Draft Annual Plan. As Rhode Island energy consumers face economic repercussions from COVID-19, the Company has looked for opportunities to balance the portfolio of energy savings measures and program approaches to maximize cost efficiency (i.e. the amount of energy savings per dollar invested) and minimize the impact on customer bills. The “efficacy” principle of program design specifically calls for “practical partnerships with existing educational and job training entities.” We have extensively expanded our partnerships with community colleges, high schools, and middle schools, leveraging existing educational and job training infrastructure within the communities from which we seek to draw increased trainees and future workers. The Company will coordinate with the Department of Labor and Training’s Real Jobs Rhode Island program and the Rhode Island Department of Education’s PrepareRI initiative to help promote existing solutions to reduce or eliminate duplication of effort and expenditures.

All program designs maintain **cost effectiveness**. The Company updates its cost effectiveness models during planning and as evaluation data and program implementation insights arrive. A detailed discussion of cost effectiveness is provided section 9.4 Cost Effectiveness. The application of cost effectiveness as a design principle, however, involves a balancing of the drive for comprehensive projects with long-term measures, which tend to be complex and challenging for customers to accept and therefore have higher savings acquisition cost, with opportunities for highly cost efficient savings provided through programming that requires less intensive customer support, such as upstream programming and work on codes and standards, as well as highly cost efficient programs such as the SEMP with very large customers.



## 4.2 Commercial and Industrial Programs

The Commercial and Industrial (C&I) programs consistently offer highly cost-efficient savings. The Company is continuously evaluating and responding to customer needs and market dynamics to develop enhancements that secure deeper, more comprehensive savings while strategically evolving program designs to drive market transformation across multiple end uses.

The Company has focused on non-lighting opportunities across all commercial programs and program enhancements that help drive progress toward deeper comprehensive measure adoption in every customer class. The specific priority measures vary by customer but are reflective of opportunities highlighted in the Market Potential Study. The innovations and enhancements also reflect many ideas and insights that have evolved from the close collaboration with the EERMC and the EERMC consulting team, OER, the Division, and our vendors, as well as customer feedback. There are new market segment designs under development to engage new customers with tailored approaches to comprehensive savings adoption (new Telecommunication, Lodgings and On Premise Laundry initiatives), enhancements that make participation easier or more attractive (see Equipment and Systems Performance Optimization, Small Business), and multiple enhancements that focus on reduction of barriers to comprehensive measure adoptions (Whole Building Streamlined pathway in New Construction).

For each of the Commercial and Industrial Programs listed in Table 3 below, an overview of 2021 programs is provided in Table 4. For more detailed program descriptions, please refer to Attachment 2.

*Table 3. Commercial and Industrial Programs*

<b>Large Commercial and Industrial New Construction</b>
<b>Large Commercial and Industrial Retrofit</b>
<b>Small Business Direct Install</b>
<b>Connected Solutions (Active Demand Response)</b>
<b>Commercial and Industrial Multifamily Program</b>

Table 4. Overview of 2021 Commercial and Industrial Energy Efficiency Programs

Program Name	Program Description	Changes for 2021
<p>Large Commercial and Industrial New Construction and Building Energy Code Support  (Funded by Electric and Gas)</p>	<p>This program encourages energy efficiency in new construction, major renovations, planned replacement of aging equipment, and replacement of failed equipment through financial incentives and technical assistance to developers, manufacturers, vendors, customers, and design professionals. Commercial and industrial customers with annual electric consumption greater than 1,000,000 kWh per year are eligible.</p> <p>The program supports new construction projects with proactive technical assistance during design with energy modeling and analysis. Incentives are also offered to owner’s design teams for their time and effort to meet program requirements. The program promotes and incentivizes the installation of high efficiency equipment in existing facilities during remodeling or equipment failure and replacement. A customer who does not install energy efficient equipment at the time of new construction or equipment replacement will likely never make the investment or will make the investment at a much greater cost at a later time. Operations Verification or quality assurance is also offered to ensure that the equipment and systems operate as intended.</p>	<ul style="list-style-type: none"> <li>• Offer two new pathways, Zero Net Energy Ready (ZNER) and Whole Building Energy Use Intensity, to drive deeper, more comprehensive savings using Energy Use Intensity (EUI) as a tool. For both pathways, the Company will offer technical assistance to building owners and design teams to set EUI goals and assist with modelling projects at various stages of design. The Company will set the EUI threshold for the new pathways based on the MA Accelerate Performance demonstration and MA Program Administrators’ experience with Zero Net Energy Buildings.</li> <li>• Modify and rename the Integrated Design pathway the Whole Building Streamlined pathway and simplify the process with a streamlined spreadsheet methodology to calculate savings in order to increase participation by smaller buildings.</li> <li>• In January 2021, RI plans to adopt the 2018 IECC building code. RI program baselines, where applicable, will then be based on the 2018 IECC Building code and savings calculations will be based upon</li> </ul>

Program Name	Program Description	Changes for 2021
	<p>The program also promotes compliance with the building energy code and increased use of the Stretch Code to support the State’s goals and objectives. In addition, it provides technical assistance in advancing the development and adoption of minimum efficiency standards for appliances and equipment. Finally, the program supports the States Zero Energy Building (ZEB) goals through engagement and development of ZEB programs in the future.</p>	<p>achievements over this new higher baseline.</p> <ul style="list-style-type: none"> <li>Note the Performance Lighting Initiative will be heavily modified prior to the second draft to match the MA Program Administrators’ approach.</li> </ul>
<p>Large Commercial and Industrial Retrofit  (Funded by Electric and Gas)</p>	<p>This program incentivizes the replacement of existing equipment and systems with energy-efficient alternatives when the customer might otherwise not plan on making efficiency investments. This may include energy efficient equipment such as lighting, motors, and heating, ventilation and air conditioning (HVAC) systems, thermal envelope measures, and custom measures in existing buildings. All commercial, industrial, and institutional customers are eligible to participate. The Company offers technical assistance to customers to help them identify cost-effective efficiency opportunities and pays incentives to assist in defraying part of the material and labor costs associated with the energy efficient measures.</p>	<ul style="list-style-type: none"> <li>Launch a new <i>Telecommunications Initiative</i> to serve mobile, fiber optic, and cable data companies and their associated infrastructure through technical assistance, project management, and incentives, delivering savings from non-lighting as highlighted in the Market Potential Study.</li> <li><i>Grocery</i>: Deploy new measures (e.g. hand dryers, anti-fog film) to support “click and collect” customers. Provide financing for small- and medium-sized independent grocers through OBR or an interest buy down mechanism in partnership with third party providers of debt capital.</li> <li><i>Industrial</i>: Increase focus on customers in the 200-400 kW</li> </ul>

Program Name	Program Description	Changes for 2021
	<p>The Company also offers education and training, such as the building operator certification (BOC) training, to support the implementation and adoption of energy efficiency.</p>	<p>range to encourage greater participation by small- and medium-sized customers. Add a digital signature option to the application approval process to reduce administrative burden and expedite project sign-offs</p> <ul style="list-style-type: none"> <li>• <i>Strategic Energy Management Planning:</i> Ramp up efforts to engage more customers (e.g. colleges/universities, cities, industrial customers, and chain restaurants). Provide educational customers with access to an energy solutions provider specialized in campus energy infrastructure.</li> <li>• <i>Equipment &amp; Systems Performance Optimization:</i> Include heat exchanger coil cleaning to the prescriptive low-cost tune-up measures.</li> <li>• <i>Farm/Agriculture:</i> Explore simplifying the initiative for customers with multiple meter types in an attempt to address weak participation to date.</li> <li>• <i>Combined Heat &amp; Power:</i> Provide an additional incentive tier to CHP systems that leverage biogas as a fuel source and offer an Optimal Operation and Maintenance Incentive for biogas CHP systems to reduce economic barriers associated with the installation, operation, and maintenance.</li> </ul>

Program Name	Program Description	Changes for 2021
		<ul style="list-style-type: none"> <li>• <i>Upstream Products:</i> Increase incentive support for Luminaire Level Lighting Controls (LLCs) and marketing of all lighting products to small businesses. Note heat pumps will move to the downstream pathway to align with the MA Program Administrators.</li> <li>• <i>Commercial Real Estate:</i> Due to market uncertainty associated with COVID-19, this initiative is on pause as the Company continues to monitor market conditions.</li> <li>• <i>Extended Care Facilities:</i> Customer feedback indicated a majority of facilities did not have or prioritize the resources to explore EE opportunities, even with a generous cost share. Therefore, the Company will work with the small business vendor and current salesperson to refine the initiative approach.</li> </ul>
<p>Small Business Direct Install (Funded by Electric and Gas)</p>	<p>This is a retrofit program that provides turn-key solutions to customers that consume less than 1,000,000 kWh per year. As part of the program, customers receive a free on- site energy assessment and a customized report detailing recommended energy efficient improvements. National Grid then completes retrofit installations at the customer’s convenience. The program serves small businesses of all types from restaurants to non-profits, to small offices. National</p>	<ul style="list-style-type: none"> <li>• Increase focus on non-lighting opportunities (e.g. hood controls, other HVAC controls) and savings per the Market Potential Study.</li> <li>• Substantially increase the amount of gas weatherization provided to small businesses to bolster this segment’s savings and benefits during a financial downturn.</li> </ul>

Program Name	Program Description	Changes for 2021
	<p>Grid pays up to 70% of installation and equipment costs and customers can finance the remaining share of the project over as many as 60 months (typically 24) on their electric bill, interest free, using the Small Business Revolving Loan Fund, providing that funds are available.</p>	<ul style="list-style-type: none"> <li>• Work to achieve 30% percent of installed luminaires and retrofit kits with integrated controls.</li> <li>• Run segmented marketing campaigns directed at very small business customers (under 25,000 kWh consumed per year) who may not need an energy audit to make energy improvements and local electricians to market Upstream products available at a discount.</li> </ul>
<p>Commercial ConnectedSolutions (Active Demand Response)  (Funded by Electric)</p>	<p>The Commercial Connected Solutions or Active Demand Response program is focused on reducing peak electric demand and associated costs for large and small commercial customers. All customers, regardless of size can participate. The program is technology agnostic and provides a customer incentive for verifiable shedding of load in response to a signal or communication from the Company.</p>	<ul style="list-style-type: none"> <li>• At this time, there are no anticipated program changes related to Targeted or Daily Dispatch for 2021. However, evaluation of summer 2020 performance may generate opportunities to improve the program in 2021.</li> <li>• Coordinate with the Company's other new Energy Storage Initiatives, which test the ability of grid-connected systems to mitigate the load impact associated with EV charging, both behind-the-meter and front-of-the-meter, in order to identify applications that benefit customers and the grid as a whole and advance the storage market.</li> </ul>
<p>Commercial and Industrial Multifamily</p>	<p>Comprehensive energy services for market-rate multifamily customers (buildings with five plus dwelling</p>	<ul style="list-style-type: none"> <li>• Implement recommendations from Multifamily Impact and Process Evaluations (e.g. health</li> </ul>

Program Name	Program Description	Changes for 2021
(Funded by Gas)	<p>units) include energy assessments and incentives for heating and domestic hot water systems and weatherization. Coordinated services will be offered for all types of multifamily properties. An approach tailored for multifamily properties designates a primary point-of-contact to manage and coordinate services offered through the Company’s existing portfolio, including EnergyWise, C&amp;I Retrofit, Residential New Construction, Income Eligible, and the ENERGY STAR® HVAC programs.</p>	<p>and safety barrier remediation, redesigning the customer energy report, identifying the long-term role of virtual energy assessments in multifamily buildings).</p> <ul style="list-style-type: none"> <li>• Leverage the Multifamily Census to implement targeted marketing efforts to newly identified five to 20 unit small- and medium-sized multifamily owners, newly identified income eligible properties, and other newly identified properties that have not been served by the program to date.</li> <li>• Explore improvements to the HEAT Loan to provide financing for multifamily buildings to better enable owners to fund larger improvements for deeper energy savings.</li> <li>• Reevaluate co-branding with the Multifamily vendor to consider more prominent Company placement to facilitate greater customer trust, ease, and ultimately participation.</li> <li>• Invest in professional development for multifamily energy auditors to improve sales acumen and deepen savings.</li> </ul>

### 4.3 Residential and Income Eligible Programs

2021 is a pivotal year for residential energy efficiency programming. It marks the completion of the transformation of the residential lighting market and the final year incentives will be offered for residential lighting at the retail level. This shift is the culmination of years of innovation and intentional program design resulting in the successful evolution of the residential lighting market. This first year of the 2021-2023 Three-Year Energy Efficiency Plan seeks to initiate a similar transformation in the way Rhode Island homes use energy for heating, cooling, and hot water. The vision is to support the creation of super-efficient homes that help customers maximize their use of efficiency and expand the range of clean energy options. This vision is for all homes and is exemplified by the introduction this year of the Residential New Construction Net Zero Energy tier, which provides a guiding beacon and sets a standard for what is achievable with energy efficiency.

The Company has focused heavily across all residential and income eligible services programs to supercharge weatherization, efficient heating and hot water. The elevation of these three critical areas reflect stakeholder priorities and opportunities highlighted in the Market Potential Study. The innovations and enhancements also reflect many ideas and insights that have evolved from the close collaboration with the EERMC and the EERMC consulting team, OER, the Division, our vendors and customer feedback. There are new bundled incentive designs, enhancements that make participation in multiple programs easier or more attractive, and reduced barriers to adoption of comprehensive measures.

For each of the Residential and Income Eligible Services Programs listed in Table 5 below, an overview of 2021 programs is provided in Table 6 and Table 7. For more detailed program descriptions, please refer to Attachment 1.

*Table 5. Residential and Income Eligible Programs*

<b>EnergyWise Single Family</b>	<b>Income Eligible Single Family</b>
<b>EnergyWise Multifamily</b>	<b>Income Eligible Multifamily</b>
<b>Residential New Construction</b>	
<b>Home Energy Reports</b>	
<b>ENERGY STAR® Lighting</b>	
<b>Residential Consumer Products</b>	
<b>Residential High Efficiency Heating and Hot Water</b>	
<b>Residential Connected Solutions</b>	



### 4.3.1 Residential Programs

In 2021, the Company will continue all residential programs offered in 2020, while examining the potential of new technologies for inclusion in future years.

*Table 6. Overview of 2021 Residential Energy Efficiency Programs*

Program Name	Program Description	Changes for 2021
<p>EnergyWise Single Family (Funded by Electric and Gas)</p>	<p>EnergyWise is a direct-to-customer in-home program that educates residents on how their home can become more energy efficient. The program offers single-family customers (buildings with 1-4 dwelling units) home energy assessments, weatherization services, and information regarding their energy usage. The program addresses base load electric use and heating, cooling, and water heating energy loads in all residential buildings. Participants receive energy efficiency recommendations and technical assistance, as well as financial incentives to replace inefficient items such as lighting fixtures, appliances, thermostats, and insulation. Upgrades to efficient lighting, advanced power strips, and water saving devices are made if opportunities exist during the initial visit. At the completion of the assessment, the customer receives an Energy Action Plan that indicates additional energy savings opportunities delivered through National Grid’s various programs, as well as solar opportunities provided through statewide solar initiatives. The program will continue to deliver finance opportunities to customers,</p>	<ul style="list-style-type: none"> <li>• Add a Smart Plug assessment to the suite of EnergyWise services to capture potential savings from customers who “always leave on” their appliances and to build customer engagement around more control over household products.</li> <li>• Expand the 100% weatherization incentive to moderate income customers.</li> <li>• Increase marketing to encourage renter and landlord participation and continue the 100% weatherization incentive for landlords, expanding energy efficiency benefits to additional moderate income customers (i.e. renters).</li> <li>• Design a bundled enhanced incentive that supports customers who commit to comprehensive savings by combining weatherization with another major energy system (e.g. heating and cooling, hot water heaters).</li> <li>• Energy specialists will facilitate connections to HVAC and/or electrical contractors if the customer does not have a preferred vendor to assist with pre-weatherization barriers.</li> </ul>

Program Name	Program Description	Changes for 2021
	such as the Heat Loan and the Rhode Island Infrastructure Bank's residential financing opportunities, when available.	<ul style="list-style-type: none"> <li>• Increase customer connections to other programs (e.g. verify presence of smart thermostat during in-home visit and refer to ConnectedSolutions).</li> </ul>
EnergyWise Multifamily (Funded by Electric and Gas)	This program offers comprehensive energy services for market-rate multifamily customers (buildings with 5+ dwelling units), including energy assessments, incentives for heating and domestic hot water systems, cooling equipment, lighting, and appliances. All types of multifamily properties are eligible. A primary point-of-contact is designated to manage and coordinate services offered through the Company's existing portfolio.	<ul style="list-style-type: none"> <li>• Examine a tiered incentive approach to encourage building owners and facility managers to include more residential unit owners in multifamily projects.</li> <li>• Provide greater customer choice to the condominium market by enabling customers to choose their own HVAC contractor and assess the impact on participation.</li> <li>• Implement recommendations from Multifamily Impact and Process Evaluations (e.g. health and safety barrier remediation, redesigning the customer energy report, identifying the long-term role of virtual energy assessments in multifamily buildings).</li> <li>• Leverage the Multifamily Census to implement targeted marketing to newly identified five to 20 unit small- and medium-sized multifamily owners not served to date.</li> <li>• Explore improvements to the HEAT Loan to finance larger improvements for deeper energy savings in multifamily buildings.</li> <li>• Revisit co-branded marketing with the multifamily vendor and</li> </ul>

Program Name	Program Description	Changes for 2021
		<p>consider more prominent Company placement for greater customer trust, ease, and ultimately participation.</p> <ul style="list-style-type: none"> <li>Invest in professional development for multifamily energy auditors to improve sales acumen and deepen savings.</li> </ul>
Residential New Construction and Building Energy Code Support (Funded by Electric and Gas)	The Residential New Construction (RNC) program promotes the construction of high-performing energy efficient single family, multifamily, and income eligible homes, as well as the education of builders, tradespeople, designers, and code officials.	<ul style="list-style-type: none"> <li>Integrate the 2020 Zero Energy Pilot components into primary delivery and incentive offerings.</li> <li>Refresh program content related to codes and standards to reflect the State’s expected code update.</li> </ul>
Home Energy Reports (Funded by Electric and Gas)	<p>The Home Energy Reports (HER) program encourages energy efficiency behavior through personalized print and email reports and a seamlessly integrated website. Each of the communication channels displays energy consumption patterns and contains a normative comparison to similarly sized and similarly heated homes, as well as to an energy reduction goal for each customer.</p> <p>The Company will continue to deliver Home Energy Reports that offer enhanced feedback tools to inspire customers to take actions that reduce their energy consumption and increase their participation in other energy efficiency programs.</p>	<ul style="list-style-type: none"> <li>Adopt 2020 evaluation recommendations to optimize savings (e.g. remove mover cohorts with historically lower energy savings over several years, increase opportunities to collect email addresses for eHERs).</li> <li>Roll out HER 3.0 with several enhancements to encourage behavior modification and support solar-specific neighbor comparisons, enabling promotion of ConnectedSolutions to solar customers.</li> </ul>
ENERGY STAR® Lighting (Funded by Electric Only)	This program is implemented jointly with other regional utilities. It provides discounts to customers for the purchase of ENERGY STAR® lighting through instant rebates,	<ul style="list-style-type: none"> <li>Offer the same lighting products offered in the past, with the exception of reflectors, which have been widely adopted</li> </ul>

Program Name	Program Description	Changes for 2021
	<p>special promotions at retail stores, pop-up retailers, and social marketing campaigns. The program also provides retailer support with training of qualified products, in-store education events for customers, retailer verification of program signage, and online training of products and promotions.</p>	<p>according to recent evaluation studies. However, the incentives will be lower for select products including standard LED bulbs, specialty bulbs, reflectors, fixtures, and linear LEDs.</p>
<p>Residential Consumer Products (ENERGY STAR® Appliances) (Funded by Electric Only)</p>	<p>This program is run in collaboration with other regional utilities to promote the purchase of high efficiency household appliances, including kitchen appliances and electronics carrying the ENERGY STAR® label. In combination with ENERGY STAR Lighting, this program trains retail sales staff about products. The program also offers refrigerator recycling.</p>	<ul style="list-style-type: none"> <li>• Assess the cost effectiveness of joining the ENERGY STAR Retail Products Platform (ESRPP) and join if cost effective.</li> <li>• Develop a baseline of renter information through customer mail-in or online rebates to inform future equity insights, as renters are a customer demographic that stakeholders have expressed an interest in prioritizing the assurance of equitable delivery of service to.</li> <li>• Coordinate with the Income Eligible Multifamily Program and Public Housing Authorities to provide no-cost, energy efficient cooling options for income eligible multifamily customers by streamlining ordering and processing rebate applications in bulk.</li> </ul>
<p>Residential High-Efficiency Heating, Cooling, and Hot Water (ENERGY STAR® HVAC) (Funded by Electric and Gas)</p>	<p>This program promotes the installation of high efficiency central air conditioners for electric customers and new energy efficient natural gas related equipment including boilers, furnaces, water heating equipment, thermostats, and boiler reset controls. Incentives for energy efficient air source heat</p>	<ul style="list-style-type: none"> <li>• Develop a lead generation process in conjunction with EnergyWise and work with HVAC contractors to educate them around how to further promote incentives to customers.</li> <li>• Develop HVAC equipment rebate bundles (e.g.</li> </ul>

Program Name	Program Description	Changes for 2021
	<p>pumps for space and water heating equipment are available for customers electric resistance heating/hot water. Incentives area also available for air source heat pumps used as accessory heating and cooling devices in home with a primary heating system that is natural gas, oil, or propane. The program provides training of contractors to increase accurate installation practices, testing of the high efficiency systems, tiered rebates for new ENERGY STAR® systems, and incentives for checking new and existing systems.</p>	<p>boiler/furnace + WiFi thermostat).</p> <ul style="list-style-type: none"> <li>• Target relevant electric customers with messaging encouraging them to convert to heat pumps through enhanced marketing.</li> </ul>
<p>Residential ConnectedSolutions (Active Demand Response) (Funded by Electric)</p>	<p>ConnectedSolutions is National Grid’s demand reduction program that uses electric active demand reduction strategies to reduce peak electrical demand periods throughout the year. Consumers with eligible controllable equipment (e.g. Smart thermostats, batteries, lighting, water heaters, pool pumps, electric vehicles) can enroll to participate in active demand reduction. All consumers can participate in behavioral demand response.</p>	<ul style="list-style-type: none"> <li>• Offer an electric vehicle-based demand response program to demonstrate cost-effective peak load reduction from EVs; enroll 280 vehicles in the first year.</li> <li>• Develop new initiatives to increase enrollment in smart thermostat-based demand response (e.g. integrate the DR incentive into the National Grid marketplace, integrate enrollment in ConnectedSolutions into the setup process for qualifying thermostats).</li> </ul>

### 4.3.2 Income Eligible Programs

The Company and the Parties want customers who have a high energy burden and/or difficulty paying their electric bills to participate in, and benefit from, the Company’s energy efficiency programs. Therefore, this segment of the customer base is designated as a unique sector, and funding for this sector will be subsidized by both residential customers who do not qualify for income-eligible services and commercial and industrial customers using 16.4% of total implementation funding for the electric programs, and 27.9% for natural gas programs. Total implementation funding for income eligible electric programs increased 14% from 2020 levels from \$16.4M to \$18.7M, leading the overall proportion of funding going to the income eligible electric sector to increase from 15% in 2020 to 16% in 2021. Total implementation funding for income eligible gas programs increased 13% from 2020 levels from \$8.7M to \$10.1M, leading to the overall proportion of funding going the income eligible gas sector to increase from 27% in 2020 to 28% in 2021.

*Table 7. Overview of 2021 Income Eligible Programs*

Program Name	Program Description	Changes for 2021
Income Eligible Single Family  (Funded by Electric and Gas)	Income Eligible Single (IES) Family Services are delivered by local Community Action Program (CAP) agencies with oversight provided by a Lead Industry Partner. Three levels of home energy assessments are offered: (1) lighting and appliance, (2) heating and weatherization, and (3) comprehensive. Customers who qualify for the A-60 rate and for the Low-Income Home Energy Assistance Program (LIHEAP) are eligible to receive all services and equipment upgrades at no cost.	<ul style="list-style-type: none"> <li>• Ensure applicable customers are enrolled in the discount rate program, coordinating with National Grid’s Consumer Advocacy Team to cross-promote IES offerings when customers enroll in the discount rates.</li> <li>• Develop a third-party support system to expand CAP capacity to serve customers with a third-party service provider and ensure greater equity across CAP territories</li> <li>• Implement recommended improvements from the 2019 Process Evaluation (e.g. rebuild/stabilize the number of qualified assessors, increase weatherization conversation rates, review effectiveness of non-SWS projects, engage with landlords).</li> </ul>

Program Name	Program Description	Changes for 2021
		<ul style="list-style-type: none"> <li>• Increase awareness of the IES Program through coordination and partnership with State and market-based organizations and determine the need and/or benefit of hosting a consortium on serving IES customers.</li> <li>• Work with CAPs on utilizing two-person energy assessment teams to streamline the assessment process.</li> <li>• Develop a protocol for offering smart thermostats to homes with central AC to improve efficiency and operability and align with ConnectedSolutions when possible.</li> <li>• Develop a new, holistic email marketing strategy that leverages personalization to promote IES.</li> </ul>
<p>Income Eligible Multifamily (Funded by Electric and Gas)</p>	<p>Comprehensive energy services for multifamily customers (buildings with 5+ dwelling units) that also meet the criteria for “income eligible” as defined in Attachment 1 section 3. Multifamily. These services include energy assessments, incentives for heating and domestic hot water systems, Air Source Heat Pumps, cooling equipment, lighting, and appliances. There are no costs to the customer for these services as all income eligible upgrades are covered at 100%.</p>	<ul style="list-style-type: none"> <li>• Coordinate with the Residential Consumer Products Program and Public Housing Authorities to provide no-cost, energy efficient cooling options for income eligible multifamily customers by streamlining ordering and processing rebate applications in bulk.</li> <li>• Leverage the Multifamily Census to implement targeted marketing to newly identified income eligible properties not served to date.</li> </ul>

## 4.4 Cross-Cutting Programs

### 4.4.1 *Community-Based Initiative*

The Rhode Island Community-Based Initiative is the Company's energy efficiency awareness campaign that drives program participation by deep municipal engagement with residents and small businesses through the advocacy of local officials. The Company provides goals to the municipality to drive end-customer adoption of efficiency measures and small business program projects. These municipalities, in turn, work to achieve the goals with the help of volunteers and promotions at local events.<sup>13</sup> Small businesses are invited to workshops organized in conjunction with the local chamber of commerce or other local business organizations. These workshops will inform customers about the National Grid Small Business Direct Install Program, Commercial Property Assessed Clean Energy (C-PACE) financing, and active demand response.

Comprehensive marketing toolkits are provided to the municipality, along with trainings empowering employees to discuss energy efficiency with their residents and small businesses. Frequent check-in calls allow the communities to speak with the Company regarding progress and share tactics and ideas with other participating municipalities. Events are staffed by the company, municipality or volunteers throughout the campaign at various events and school functions. At the end of the year, municipalities earn grant monies based on achieving the agreed percentage increase in the identified goal. These funds are then utilized for energy saving projects on a municipal property, or on educational energy programs for community members.

In the first quarter of 2021, the Company will recruit Rhode Island municipalities based on opportunities for increases in residential and small business program participation as well as possible active demand response opportunities. As the Company has run this effort successfully since 2013, prior participating communities may again be invited to take part. The initiative will continue to coordinate with the System Reliability Procurement (SRP) team to determine whether the RI System Data Portal (Portal), which was developed in 2018, could be a valuable tool for the use of educating municipal leadership, as well as the company in recruiting municipal participation.

A continued focus for 2021 will be the promotion of new technologies within the communities such as Wi-Fi Thermostats and active demand response offerings. The Company will target engagement with communities that have larger income eligible residential customers. The Company will also consider including locational program incentives to drive increased participation in a measure that may be underrepresented within that community. Examples could include special flash-sales for a measure such as a Wi-Fi thermostat, or a promotional increase in an incentive. Any increase in incentive would be determined by the Company considering budget and cost-effectiveness. The purpose of this may be for driving community participation, meeting energy efficiency goals, or creating equity. If such programs or

---

<sup>13</sup> Concerns around COVID-19 required changed approaches to in-person events in 2020 and will be revisited in 2021 as health and safety considerations warrant.



efforts are part of an SRP initiative, then they would follow SRP considerations noted in section 7.1 and be detailed in the System Reliability Plan.

Small Business project promotions were included in the prior year and an increased focus will be placed on recruiting small business participation in 2021. Specifically, the company will utilize the “Main Street” approach through which the Company’s lead vendor for the Small Business program will go door to door in the community’s main business district to offer direct install measures on-site and propose larger energy saving opportunities upon a follow up visit.

One of the challenges faced by this initiative is the lack of resources at towns and cities to promote and implement energy efficiency within the communities. One of the ways in which the Company plans to address this is by coordinating efforts with OER’s project, Advancing Energy Efficiency in Underserved Small, Medium and Rural Communities.

In 2021, the Company will coordinate Community-Based Initiative efforts with OER’s efforts to secure grant funding for Advancing Energy Efficiency in Underserved Small, Medium and Rural Communities project. This project, among its other goals, looks to increase resource capacity for small, medium, and rural communities to implement and manage energy investments with an on-site energy manager.

#### *4.4.2 Codes and Standards Support*

The Company will provide two distinct types of technical guidance – code compliance support and codes and standards advancement support – to both the residential and commercial markets. While the Company has delivered the former since 2013, the latter will be ramped up after a successful first effort in 2019-2020.

##### *Code Compliance Support*

The energy code provides highly cost-effective and long-lasting energy savings, but studies of RI construction projects show that a material portion of these savings are lost due to noncompliance. The Code Compliance Enhancement Initiative (CCEI) includes robust stakeholder engagement and industry group outreach, classroom, virtual, and in-field trainings, project-specific technical assistance circuit riding, development and dissemination of documentation/compliance tools, and other services. CCEI will support compliance with the latest version of the state’s building energy code, which is expected to be updated by early 2021. CCEI will also continue to promote market awareness and uptake of the R.I. Stretch Code, as well as high-level technical support for projects pursuing use of this voluntary standard.

CCEI addresses new construction for residential and commercial buildings, but also addresses additions and renovations. The primary target audiences for CCEI are code officials, construction professionals (builders and developers), and design professionals (architects and engineers), but the program has also historically reached several other stakeholder groups. CCEI plans to deliver roughly 40 trainings and reach at least 500 participants in 2021, which aligns with the Initiative’s achievement in 2018 (40 trainings and 532 participants) and 2019 (46 trainings and 823 participants).

### Codes and Standards Advancement Support

Supporting the development and adoption of more efficient minimum energy efficiency requirements for buildings and the energy-using products within them is a significant untapped energy savings opportunity. Raising minimum standards across an entire market is typically more cost-effective than a conventional program targeting the same market because customer incentives are not needed. Presently, the state receives only 5.5 of the 11 points available for Codes & Standards in the ACEEE scoring,<sup>14</sup> which holds Rhode Island back from increasing its rank.

The Company will provide technical guidance during the State’s upcoming 2021 IECC code adoption process to help increase the efficiency of the State’s next energy code. Specifically, the Company will prepare energy code change proposals and backup analysis, engage relevant industry stakeholders to refine these proposals, and provide technical guidance to the State’s Building Code Standards Committee throughout their review of the proposals. Furthermore, the Company will investigate opportunities to inform the 2024 IECC development process at the national level. Code advancement activities planned for 2021 and downwind evaluation implications for any successful interventions are summarized in the following table.

*Table 8. 2021 Planned Code Advancement Activities*

<b>Topic</b>	<b>Activities and Scale</b>	<b>Future EM&amp;V Needs (ETA)</b>
Remove current RI weakening amendments	Develop code proposals for RI’s 2021 IECC update cycle to remove any weakening amendments remaining in RI’s 2018 IECC (expected fall 2020)	Assess gross savings (2022/2023)
Counter establishment of new RI weakening amendments	Develop proactive justification analysis for the “top 10” new provisions in 2021 IECC (weighted toward residential sector where more resistance to these provisions is expected)	Assess gross savings (2022/2023)
Add RI strengthening amendments (above 2021 IECC)	Develop about 6 new code proposals (expected to focus primarily on existing buildings); revise any unsuccessful proposals from RI’s 2018 IECC update cycle (expected fall 2020)	Assess gross savings (2022/2023)

<sup>14</sup> ACEEE. 2018 State Energy Efficiency Scorecard. <https://database.aceee.org/state/rhode-island>

<b>Topic</b>	<b>Activities and Scale</b>	<b>Future EM&amp;V Needs (ETA)</b>
Strengthen 2024 IECC national model code	Submit strengthening amendments, including strengthening proposals to RI's 2021 IECC, as code proposals for the 2024 IECC national code development process	Assess gross savings (2022/2023 upon completion of 2024 IECC; adjust in 2025/2026 upon RI adoption)

The Company will also provide technical guidance to update the State's appliance and equipment efficiency standards. Specifically, the Company will conduct analyses to complement the products researched by the Appliance Standard Awareness Project (ASAP), engage relevant industry stakeholders to refine these analyses, and coordinate with other states in the northeast region. Furthermore, the Company will investigate opportunities to support appliance and equipment standards at the federal level. Standards advancement activities planned for 2021 and downwind evaluation implications for any successful interventions are summarized in the following table.

*Table 9. 2021 Planned Standards Advancement Activities*

<b>Topic</b>	<b>Activities and Scale</b>	<b>Future EM&amp;V Needs (ETA)</b>
Support most recent set of proposed RI standards	Develop justification analyses for contested products in the ~20 product ASAP package (e.g. computers and monitors)	Assess gross savings (2021/2022)
Research new products for RI standards	Identify opportunities for RI state standards not actively pursued by ASAP or other entities	Asses gross savings (~2026 upon RI adoption)
Support federal standards	Provide program data and related information to inform the federal standards review and development process (over 25 products are overdue for updates in addition to U.S. DOE's regular update cadence)	Assess gross savings (~2026 upon federal adoption)

There is typically a multi-year time lag between when new codes and standards are adopted, when they become effective, and when the resulting savings are realized. Due to this time lag, no savings are expected to come to maturity from this potential effort until 2022.

*4.4.3 Workforce Development*

The Company anticipates increasing its workforce development budget to roughly 1 percent of total portfolio expenditures to expand the size and skillset of the efficiency workforce. The Company will utilize a three-prong approach in 2021 in alignment with our Three-Year strategy.

1. *Improve Our Labor Market Intelligence*: The Company will refine efforts to quantify current workforce gaps launched in 2020, including updating analyses amidst economic volatility. Building upon these efforts, the Company will begin forecasting how these gaps are expected to change in future years, which will supplement its retrospective Workforce employment study.
  
2. *Upsize and Upskill Today's Workforce*: The Company will facilitate training and other professional development opportunities such as mentorship programs to help fill these gaps using approaches tailored to match the need of the particular market. In 2021, the Company will weight these efforts toward upskilling activities targeting markets with high potential savings and high confidence of positive impact.
  
3. *Build a More Sustainable, Equitable Pipeline*: The Company will expand our work with Community colleges, high schools (including vocational and technical schools), and middle schools to steer more candidates toward careers in energy efficiency and leverage existing educational and job training infrastructure within the communities we serve to provide additional support to disadvantaged groups. The Company will support curriculum enhancements, career and technical education (CTE) opportunities, recruitment campaigns relevant to demographically diverse populations (particularly gender, race, ethnicity, language, and income), and other engagement opportunities within schools and communities to promote a steady, lasting, and more equitable pipeline of entrants to the energy efficiency industry. The Company will coordinate with state and local authorities, including the Department of Labor and Training's Real Jobs Rhode Island program and Rhode Island Department of Education's PrepareRI initiative, to guide the development and delivery of these efforts and help promote existing solutions to reduce or eliminate duplication of effort and expenditures.

*Table 10. Investment Across Three-Pronged Workforce Development Approach*

<b>Prong</b>	<b>2021 Activities</b>	<b>2021 Budget</b>
1. <i>Improve Our Labor Market Intelligence</i>	<ul style="list-style-type: none"> <li>• Refine and update 2020 workforce gaps</li> <li>• Forecast future workforce gaps</li> </ul>	\$50k
2. <i>Upsize and Upskill Today's Workforce</i>	Residential and Income Eligible: <ul style="list-style-type: none"> <li>• New Construction, Zero Energy Homes, and Code Compliance (builders, designers, code officials)</li> <li>• Advanced HVAC (contractors)</li> <li>• ASHP (installers, designers)</li> <li>• Others subject to market conditions</li> </ul>	\$400k
	Commercial & Industrial:	\$500k

Prong	2021 Activities	2021 Budget
	<ul style="list-style-type: none"> <li>• New Construction, Zero Energy Buildings, and Code Compliance (developers, designers, code officials)</li> <li>• HVAC Controls and RCx (controls programmers)</li> <li>• Advanced lighting controls (electrical contractors, lighting firms, manufacturer representatives, Cx agents)</li> <li>• Builder Operator Certification (facility managers)</li> <li>• Others subject to market conditions</li> </ul>	
<p><i>3. Build a More Sustainable and Equitable Pipeline</i></p>	<ul style="list-style-type: none"> <li>• School engagement, including promotion of EE opportunities within CTE structure</li> <li>• Industry engagement, including expanding internship, mentorship programs</li> <li>• Diverse recruitment campaigns</li> </ul>	<p>\$100k</p>
<b>Total:</b>		<b>\$1.05m</b>

Workforce Development efforts will complement programmatic activities aimed at increasing the adoption of advanced technologies. In the commercial and industrial sector, this includes training on advanced controls for HVAC and lighting and growing the commissioning workforce. To support the residential and income eligible sectors, the Company will build relationships with schools and communities to help grow the constrained pipeline of trades that enable energy efficiency projects like HVAC technicians (including heat pump installers), electricians, and plumbers.

*Building Operator Certification Training (BOC)*

BOC Levels I & II include HVAC, lighting and building controls. Students gain knowledge of their own building by completing projects involving documentation of building equipment, systems and controls, benchmarking the building’s performance by using ENERGY STAR® Portfolio Manager™, updating occupancy profiles, reviewing HVAC systems and operation, and mapping the facility’s electrical distribution system. In addition, the course addresses maintenance of building systems, equipment troubleshooting, preventive maintenance, advanced electrical diagnostics, HVAC optimization, and information on National Grid’s energy efficiency programs.

In 2021, the Company plans to support Building Operator Certification (BOC) training by holding one Level I BOC class in Rhode Island and one Level II BOC class in Massachusetts. The audience includes facility managers, operating engineers, building technicians, and maintenance mechanics, with the average class size usually ranging between 20 and 30 students. The Company will investigate opportunities to deliver these trainings online.

In addition to the classroom training, National Grid also sponsors BOC webinars for customers and staff. The webinars are on specific topics of interest to facility managers.

*Advanced Workforce & Channel Development*

**Online Trade Ally Training on Advanced Lighting Systems**

Online Trade Ally targeted training, for the Performance Lighting PLUS program, consolidates the best-of-class subject-matter expertise into one common platform with an electronic learning training program built to track the progress of participants. This online, on-demand learning platform complements face-to-face and webinar-based education and is a proven way to meet the time demands of all trade allies. This online learning platform will provide efficient and effective education on Advanced Lighting Systems including controls and design. This online training is developed to increase program participation and improve program process. This training will target trade allies (ESCOs contractors), internal sales teams, vendors, architects, designers, manufacturers’ representatives, distributors and customers. The Online Trade Ally training platform was launched in 2019 and will continue in 2021. The platform is managed by a vendor, who will also track participation through the online training platform.

*Table 11. Overview of Online Trade Ally Training Platform*

Utility Benefits	Trade Ally Benefits
<ul style="list-style-type: none"> <li>• Automates onboarding tasks</li> <li>• Deploys program changes faster</li> <li>• Pushes fresh content to engage allies</li> <li>• Provides metrics for ally tiering programs</li> <li>• Shares in industry-provided content</li> <li>• Uses portal customized with utility branding</li> <li>• Increased energy savings from knowledgeable trade allies</li> </ul>	<ul style="list-style-type: none"> <li>• Offers training access organization-wide</li> <li>• Educates all staff to increase project sales</li> <li>• Affords on-demand training when needed</li> <li>• Offers accredited CEU and certifications</li> <li>• Aligns real-time trainings with program changes</li> <li>• Recognizes achievement with rewards</li> <li>• Reports real-time metrics to track progress</li> </ul>

**4.5 Participation**

Each program described in this Plan seeks to drive customer participation to deliver the benefits of energy efficiency to customers throughout Rhode Island. The Draft Plan is designed to provide equitable access to savings and programs across sectors and market segments. For 2021, the Company will continue to plan and report participation in ‘net’ terms, which takes into account free-ridership and

spillover, which are commonly referred to as net-to-gross factors. This method of accounting for participants aligns participation numbers with energy savings numbers, which are already recorded in net terms. This approach provides a more accurate connection between energy savings and the number of customers who benefit from efficiency programs. Planned participation estimates are included in Attachment 5, Table E-7 and Attachment 6, Table G-7.

The following table describes the definitions for how National Grid projects, tracks, and reports participation in the efficiency programs.

*Table 12. Participation Definitions*

<b>Fuel</b>	<b>Sector</b>	<b>Program</b>	<b>Participation Unit</b>	
Gas	Commercial & Industrial	Large Commercial New Construction	Unique Billing Account	
		Large Commercial Retrofit	Unique Billing Account	
		Small Business Direct Install	Unique Billing Account	
		C&I Multifamily	Housing Units	
	Income Eligible Residential	Single Family – Income Eligible Services	Unique Billing Account	
		Income Eligible Multifamily	Housing Units	
	Residential	ENERGY STAR® HVAC	Unique Billing Account	
		EnergyWise	Unique Billing Account	
		EnergyWise Multifamily	Housing Units	
		Home Energy Reports	Unique Billing Account	
		Residential New Construction	Housing Units	
	Electric	Commercial & Industrial	Large Commercial New Construction	Unique Billing Account
			Large Commercial Retrofit	Unique Billing Account + Unique Customer names from Upstream Lighting

<b>Fuel</b>	<b>Sector</b>	<b>Program</b>	<b>Participation Unit</b>
		Small Business Direct Install	Unique Billing Account
		Commercial ConnectedSolutions	Unique Billing Account
	Income Eligible Residential	Single Family – Income Eligible Services	Unique Billing Account
		Income Eligible Multifamily	Housing Units
	Residential	ENERGY STAR® HVAC	Unique Billing Account
		EnergyWise	Unique Billing Account
		EnergyWise Multifamily	Housing Units
		Home Energy Reports	Unique Billing Account
		Residential New Construction	Housing Units
		ENERGY STAR® Lighting	Estimated Housing Units
		Residential ConnectedSolutions (Direct Load Control)	Unique Billing Account
		ENERGY STAR® Products	Number of Rebates

The Company will estimate the number of unique participants for each program. For some programs such as ENERGY STAR® Lighting and ENERGY STAR® HVAC, one measure does not necessarily equal one participant. This is because a customer can purchase more than one measure. Therefore, the Company also considers the previous year’s unique accounts to savings ratio in order to estimate the planned unique participants in 2021. This method allows for a better estimation of unique participants but can make it more difficult to compare planned numbers across years.

In 2021, the Company will continue to drive participation through two main pathways – targeted programs and broad-based programs. Targeted programs include the Company’s retrofit, new construction, product rebate, and small business initiatives. These programs serve to drive deeper savings to targeted customer segments and offer a wide array of energy efficiency measures. The Company also reaches broad participation by promoting products upstream and through Home Energy



Reports. These broader based programs provide value by reaching a wide and diverse set of customers, helping to provide more customers with access to energy savings, as well as acting as a gateway to drive participation in other Company energy efficiency programs.

The Company has made steady progress with reaching new participants each year. From 2012-2019 the Company served approximately 38% of its electric customers and 27% of its gas customers from its targeted programs at least once (this analysis has removed duplicate participation across programs and across years from 2012-2019). When Home Energy Reports and C&I upstream lighting participation are added to these counts, a total of 89% of electric customers and 82% of gas customers participated over this period. Home Energy Reports are included here because the program offers significant savings and benefits to customers as well as drives customers to participate in other energy efficiency programs. Planned 2020 and 2021 participants are also included in these totals for illustrative purposes. Importantly, planned participants in 2020 and 2021 may have participated in prior years. In the 2021 Year-End report, the Company will remove any participation overlap to report unique 2021 participants. See 2019 year-end report for further details on participation through 2019.

In 2021, the Company will continue its efforts to reach customers that have never participated in its energy efficiency programs. The Company will also continue its efforts to reach customers that have previously participated in its energy efficiency programs but who can still benefit from the installation of additional energy efficiency measures. Many of the unique participants captured above are still eligible for additional programs. For example, a participant in the EnergyWise Single Family program may participate in the HVAC program. The Company will continue to deliver innovative strategies to increase customer participation and reach customer segments that are historically underrepresented. Also, the Company will continue to track participation trends and will again provide a detailed analysis in its 2021 Year-End Report showing additive and cumulative portfolio participation.

## 5. Pilots, Demonstrations and Assessments

In accordance with Docket 4600-A PUC Guidance Document, this Plan includes a description of Commercial, Industrial, and Residential pilots, demonstrations and assessments in Attachment 8. Please refer to Attachment 8 for all details on pilots, demonstrations and assessments.

As defined in the Docket 4600-A Guidance Document, “A pilot is a small scale, targeted program that is limited in scope, time, and spending and is designed to test the feasibility of a future program or rate design. It is incumbent upon the proponent of a pilot to define these limits in a proposal for PUC review. Ideally, a pilot can provide net benefits and achieve goals, but the primary design and value of a pilot is to test rather than to achieve.”<sup>15</sup>

For actions in this Plan that do not fall under Docket 4600-A PUC Guidance Document’s definition of pilots, the Company includes demonstrations and assessments within the programs. The Company

---

<sup>15</sup> Docket 4600-A PUC Guidance Document, October 27, 2017. Section V. Pilots.

expects that demonstrations will contribute savings to the programs in which they are offered and are included in costs, benefits, and savings and in the calculation of the performance incentive. A demonstration tests a new technology or solution that is delivered as part of an existing program. An assessment explores a measure, a bundle of measures, or a solution that addresses a particular program gap or need but has significant uncertainty around the effectiveness of the solution relative to the savings. Assessments do not contribute to savings of the programs in which they are offered and are not included in the benefits and savings nor in the calculation of the performance incentive. Costs for managing and implementing an assessment are included in the program budget.

The Company will continue to seek out opportunities to identify, test, analyze, and deliver new creative and innovative solutions and services that are technically feasible, desirable by customers, and viable for inclusion in the portfolio. The Company plans to explore logical program extensions like new or substitute measures, adaptations to program or delivery approaches to drive incremental improvement, and completely new offers. The Company will use evaluation studies, customer and market research, the Market Potential Study, and stakeholder feedback to identify areas for potential exploration and will prioritize efforts based on likelihood of success, speed of development, and program need. Each customer segment and savings technology has unique barriers to adoption and will be assessed on a situational basis.

National Grid has established a new team that works within New England jurisdictions to identify and develop potential new measures, approaches, and solutions to compliment or grow programmatic offerings in efficiency, demand reduction, or optimization. In addition to a reactive response to new product and technology ideas, the Company is also proactive, participating in regional and national groups, maintaining relationships with efficiency program administrators (PAs) in other jurisdictions, and following national research. National Grid will use our regional footprint to attract and explore as many of these diverse ideas for new products, efficiency measures, demand reduction approaches, or optimization opportunities as possible. The Company will coordinate efforts with internal and external stakeholders, such as Evaluation, Measurement, and Verification (EM&V), Customer Energy Management (CEM), OER, and EERMC, at various points in the development process to ensure appropriately rigorous evaluation and attention is given to each pilot, demonstration, and assessment. Updates will be provided to OER and the EERMC consultant team on a quarterly basis and will solicit input during the Company's collaborative annual planning process.

The Company will continue to systematically review opportunities to add to the portfolio through a consistent and transparent process. Please refer to Attachment 8 for details on evaluations for pilots, demonstrations and assessments.

## 6. Evaluation Measurement and Verification Plan

To verify the impacts of programs on energy savings, the Company hires independent third-party consulting firms to regularly conduct evaluation studies as part of its evaluation, measurement, and verification process. These evaluations incorporate industry standard methods such as engineering

analysis, metering analysis, billing analysis, site visits, surveys, and market studies to realize the actual energy savings of a particular measure. The EERMC and OER provide direct oversight of each evaluation study conducted. Every year, the results of the studies are used to update the benefit-cost calculations during planning. Attachment 3 lists the evaluations that have occurred since 2007 that are still being used and their influence on program planning. All completed evaluations are submitted electronically to the PUC; final reports of evaluations completed in prior years are available in the dockets for previous years, or upon request.<sup>16</sup>

Additionally, the EM&V Plan for 2021 is presented in Attachment 3 and includes brief descriptions of each of the proposed studies. The areas proposed for study in 2021 were chosen based on a number of factors: the relative amount of savings in that program or end use, the vintage of the most recent evaluation study, the relative precision of the recent evaluation study, recommendations from previously completed studies, and the available evaluation budget. In addition, some new program areas are designated for both impact and process evaluations. This list may be added to as the year progresses and different evaluation priorities are identified. In particular, the parties will consider the value of using evaluations from other jurisdictions as well as adding Rhode Island-specific impact or process evaluations, as appropriate, that will help inform the Company's efforts towards achieving the goals of least cost procurement.

## 7. Coordination with Other Energy Policies and Programs

### 7.1 System Reliability Procurement

The Company will submit its System Reliability Procurement (SRP) 2021-2023 Three-Year Plan for the PUC's review and consideration in a separate filing, to be filed in November 2020. The SRP Three-Year Plan describes the strategies, goals, and funding request for SRP. The purpose of SRP is to identify targeted alternative solutions, through customer-side and grid-side opportunities, for the electric and gas distribution systems that are cost-effective, reliable, prudent and environmentally responsible and chart a path to lower supply and delivery costs for customers in Rhode Island.

The SRP Plan and its Non-Wires Alternative (NWA) proposals are separate and unique from the Energy Efficiency Plan customer measures because NWA projects are targeted solutions for electric grid reliability, as compared to energy efficiency's goal of bulk energy savings from customers for the regional electric grid. These two main distinctions are illustrated by a difference in scope of area (i.e. feeder- or substation-level for SRP versus state or regional for energy efficiency), and in scope of intent (i.e. electric grid reliability for SRP via NWA projects versus energy savings via energy efficiency measures and programs). In addition, in the 2021-2023 SRP Three-Year Plan, the Company will introduce efforts to address Non-Pipeline Alternatives for the first time by performing further background

---

<sup>16</sup> All evaluation studies can be found at the EERMC's website: <https://rieermc.ri.gov/plans-reports/evaluation-studies/>

research on NPAs, exploring how NPAs align with Company policy and the LCP Standards, and building out the NPA program over the three years.

The Company continues coordination between SRP and customer offerings in the Energy Efficiency Plan to ensure that efforts, projects, and programs are optimal and not duplicated. As is the practice now and going forward, energy efficiency and demand response are examined during National Grid's distribution planning process as part of the development of NWA opportunities. This assessment of energy efficiency and demand response for NWAs occurs before the Company goes out to market with requests for proposals (RFPs) for solution bids from third-party solution providers. Energy efficiency or demand response may be deployed as part of an NWA solution so long as the targeted energy efficiency or demand response programs are least-cost, cost-effective, reliable, and technically feasible for the electric system need. The Company ensures cost-competitive utilization of targeted active DR by evaluating market prices and comparing third-party active demand response proposals to the incremental costs of targeted active DR which would build upon National Grid's existing ConnectedSolutions program.

Additionally, the Company also coordinates communications between the SRP Technical Working Group and the Energy Efficiency Technical Working Group, with members of each team participating in counterpart TWGs. The Company will also work with these groups and the PUC on changes in filing schedules to better align the SRP filing with the Infrastructure, Safety and Reliability (ISR) filing.

Continuing to provide the best value to Rhode Island ratepayers necessitates that the Company coordinate with other parts of the energy system, rather than pursuing savings programs and strategies in isolation. This Draft Annual Plan will be implemented in coordination with other Company filings and activities, described below. Efforts have also been taken to ensure the Draft Annual Plan is aligned with relevant state policies and objectives, with specific coordination opportunities detailed below.

## 7.2 Heating Sector Transformation and National Grid's Northeast 80x50 Pathway

In an Executive Order issued on July 8, 2019, Governor Raimondo directed the Division of Public Utilities and Carriers (DPUC) and Office of Energy Resources (OER) to lead a Heating Sector Transformation (HST) with the goal of reducing emissions from the heating sector while ensuring Rhode Islanders have access to safe, reliable and affordable heating. The HST recommendations were to be provided to the Governor by April 2020 and identify the energy, economic, and environmental opportunities and challenges posed by Rhode Island's heating sector in the face of a rapidly changing climate.<sup>17</sup>

The HST initiative resulted in an analysis conducted by the Brattle Group, on behalf of the DPUC and OER, outlining several solutions for decarbonizing the heating sector, described in the April 2020 report "Heating Sector Transformation in Rhode Island: Pathways to Decarbonization by 2050."<sup>18</sup> The report

---

<sup>17</sup> Executive Order 19-06, <https://governor.ri.gov/documents/orders/Executive%20Order%2019-06.pdf>

<sup>18</sup> Heating Sector Transformation in Rhode Island, Pathways to Decarbonization by 2050. <http://www.energy.ri.gov/documents/HST/RI%20HST%20Final%20Pathways%20Report%204-22-20.pdf>

summarized opportunities in three broad categories relevant to the Company's efficiency planning: (1) reducing energy needs by improving building energy efficiency; (2) replacing current fossil heating fuels with carbon neutral renewable gas or oil; and (3) replacing current fossil-fueled boilers and furnaces with electric ground source or air source heat pumps powered by carbon-free electricity.

Additionally, in June 2018, the Company released the Northeast 80x50 Pathway<sup>19</sup> (Northeast Pathway) whitepaper that highlights National Grid's approach to reduce greenhouse gas emissions below 1990 levels while supporting economic growth, maintaining affordability, and providing customer choice. The Northeast Pathway and HST are aligned in several key areas related to energy efficiency, including the need to transform heating, in part, by increasing rates of efficiency retrofits and deep conversions of delivered-fuel heat to electric heat pumps.

Efforts in support of HST and the Northeast Pathway in this Annual Plan will include a continued focus on weatherization and building efficiency to prepare for efficient heating system replacement in the future. Going forward, the Company will continue to work with the state to analyze the steps needed to further the second two heating sector transformation objectives and the electrification transitions identified in the Company's Northeast Pathway analysis.

### 7.3 Heat Pump and Delivered Fuel Policy and Objectives

Per the PUC's ruling on the 2020 Annual Energy Efficiency Plan in Docket 4979, the Company may not offer incentives for electrification of heating for delivered fuel customers in 2020. The Company will not offer incentives for these measures in 2021 and will continue to pursue opportunities to engage including supporting OER's efforts to advance the heat pump market and supporting weatherization for delivered fuel customers. The Company looks forward to working with stakeholders and policy makers to identify the appropriate role and funding mechanisms for an electric utility to play in this transition and then executing on an approved pathway. In addition, pending availability of Regional Greenhouse Gas Initiative (RGGI) funds, we plan to combine our delivery pathways and standard air source heat pump (ASHP) incentives with RGGI-fund supported enhanced incentives for delivered fuel displacement.

#### 7.3.1 Heat Pump Implementation and Education

The programs and strategies included in this Draft Annual Plan will support the installation of heat pumps for heating and cooling for customers that utilize electric resistance heating. In an effort to further develop this market, the Company will continue to seek ways to educate consumers and installers on the associated cost savings from efficient heat pumps as compared to electric resistance heating. The Company will coordinate its efforts with state agencies to realize the opportunities related to heat pumps identified in the Heating Sector Transformation report and Company's Northeast Pathway study described in section 7.2.

---

<sup>19</sup> National Grid's Northeast 80x50 Pathway, <https://www.nationalgridus.com/News/Assets/80x50-White-Paper-FINAL.pdf>

### 7.3.2 *Delivered Fuels*

The Company supports the state's objective to provide energy efficiency for delivered fuel customers and is working to serve these customers in multiple ways. Income-eligible customers in single-family and multifamily homes receive the same services as electric and gas customers, with no customer-incurred costs. The Company plans to continue these services during 2021. For non-income eligible delivered fuel customers in single family (one- to four-unit) and multifamily (five-plus unit) homes, the Company will continue to support weatherization, with financing available via the HEAT Loan no-cost to the customer financing option.

The Company will not offer additional energy efficiency surcharge funded incentives for customers to convert from delivered fuels to heat pumps per the aforementioned PUC ruling in Docket 4979; however, National Grid will continue to seek ways to support the state, including OER, in providing opportunities for delivered fuel customers to utilize efficient heat pumps for their heating needs. For example, the Company will coordinate with OER to allocate RGGI funds to support use of RGGI funding to offer enhanced heat pump installations for customers using those systems to displace the use of delivered fuels.

## 7.4 Power Sector Transformation

Governor Raimondo tasked the PUC, OER, and DPUC with developing a new regulatory framework for the state's electric system, which resulted in the Rhode Island Power Sector Transformation (PST) initiative in Dockets 4770 and 4780.<sup>20</sup> This initiative consists of four parallel work streams: 1) utility business model, 2) distribution system planning, 3) grid connectivity functionality, and 4) strategic electrification of transportation and heating. The Company will continue to incorporate outcomes of this initiative into the subsequent Draft Annual Plans. This includes the Company's active demand response program, which will begin educating customers on real-time management of energy consumption to prepare them for future tools that may be available through grid modernization. These efficiency programs are planned in coordination with the Company's advanced metering functionality (AMF) and grid modernization efforts, discussed subsequently.

### 7.4.1 *Advanced Metering Functionality and Grid Modernization*

In addition to its energy efficiency planning, the Company also has teams actively working on grid modernization plans (GMP) and AMF. These three teams work closely to ensure the Company has a comprehensive view of the benefits and impacts of the roll out of grid modernization and AMF. These programs will provide increased visibility into customer usage (from AMF) and insights into the operation of the local distribution system (from grid modernization investments, including AMF). This will allow for improved efficiency program marketing, more personalized savings offers, more targeted measure deployment, and optimization of demand side resources. The Market Potential Study included

---

<sup>20</sup> RI PUC Docket 4770: <http://www.ripuc.ri.gov/eventsactions/docket/4770page.html>  
RI PUC Docket 4780: <http://www.ripuc.ri.gov/eventsactions/docket/4780page.html>

scenario analysis that explored the impact of AMF and time-of-use rates on energy efficiency programs, specifically demand response programs.

The Company anticipates initiating a GMP and AMF proceeding in Fall 2020. The Energy Efficiency team will continue to coordinate with the GMP and AMF teams to ensure that the Company has a comprehensive view of the benefits and impacts of the roll out of grid modernization and AMF. Specifically, the Company is working to ensure that the benefits estimated in the GMP and AMF Benefit Cost Analyses (BCA) would constitute a new baseline of savings upon which future energy efficiency goals are based and to ensure energy savings are not double counted. In addition to the calculation of benefits, the Company will also examine any possible overlap of costs.

If AMF is launched, the Company still anticipates energy efficiency programs would continue to offer customer incentives for in-home/in-business technologies, such as Wi-Fi programmable thermostats and smart appliances to drive the achievement of additional incremental energy savings to meet annual energy savings targets. The Company recognizes that the future energy efficiency plans would include the total participant costs (i.e., ratepayer-funded rebates and customer contribution costs) associated with such measures in its BCA methodology.

While the Energy Efficiency, GMP, and AMF teams have been coordinating closely through the filing process, the need to bifurcate savings and costs associated with these plans would not arise until grid modernization and AMF investments are approved, deployment begins, and data is collected and visualized for customers in later years. Therefore, the energy efficiency team anticipates that should the PUC approve AMF, the important overlap and distinction between GMP, AMF, and energy efficiency would most likely not arise until after the period covered by this Draft Annual Plan. At that point the Company anticipates undertaking a more robust discussion of evaluation methodologies and other key considerations. In the interim, the Company will continue to work with the TWG to ensure all stakeholders are aware of any future transition.

## 7.5 Rate Cases

The energy efficiency program teams will continue to coordinate with the electric and gas businesses as they develop new rate cases during the term of the Annual Plan. For example, the Company currently earns a performance incentive for Annual MW Capacity Reduction from active electric demand response that was included in an electric rate case. In the future, the Company may revisit whether this PIM is more appropriate to include as part of annual energy efficiency programs rather than a rate case.

## 7.6 Integration with Renewables

As Rhode Island moves toward a clean energy future per Governor Raimondo and the General Assembly, National Grid will work to better integrate its energy solutions offerings. In addition to energy efficiency and demand response, this includes electric vehicles, renewable technologies, and battery storage. National Grid will work to create a seamless experience for the customer to select from these diverse solutions. As demonstration of these technologies and programs is necessary to determine effectiveness, benefits, and ease of use, this will require continued work to align Company funding for

efficiency and the current renewables programs (net metering, and Renewable Energy Growth). Working with both internal and external stakeholders, the Company will identify new opportunities to enable the delivery of, and benefits from, integrated energy efficiency and renewable solutions.

### 7.7 Codes and Standards Program and Accounting for New Codes and Standards

Accelerating the state's adoption of, and compliance with, residential and commercial building energy codes helps ensure that energy efficiency is incorporated into buildings when it is least costly – at the time of construction or alteration. The Company has operated a Code Compliance Enhancement Initiative (CCEI) since 2013, one of the country's only utility programs of its kind. From 2019-2020, the Company also provided technical support to the state's energy code update process for the first time. Both code compliance and development support activities will continue in the next three years, with the latter scaling up to build upon the 2019-2020 demonstration.

As Rhode Island adopts more stringent energy codes and transforms the new construction market, the Company will continue to support the state's aggressive energy policies in promoting the next-generation building sector. The Company will continue to work with state and local building departments and OER to update and implement the state's residential and commercial stretch codes. The CCEI initiative will offer trainings and assistance related to promoting compliance with the stretch code as well as preparing the market for the zero-energy building future. The initiative will also investigate opportunities to support increased use of the stretch code.

The Company will also continue to work with OER, the Appliance Standards Awareness Project (ASAP), and Northeast Energy Efficiency Partnerships (NEEP) to provide technical support for the adoption of state-level appliance standards and investigate providing analogous support of federal appliance standards.

## 8. Multi-Year Strategies

In the revised LCP Standards adopted by the PUC in Docket 5015, the PUC directed the Company to identify investment strategies for which implementation and budget requests (or revenue collection) are expected to span multiple years. In addition to the budgets and targets required for the rest of the portfolio, the PUC directed that the Company may separately provide budgets and targets for multiyear strategies. This requirement applies to both the Annual and Three-Year Efficiency Plans. In the Draft 2021 Annual Plan, consistent with the 2021-2023 Three-Year Plan, the Company is not proposing any multi-year strategies for which implementation and budget requests are expected to span beyond the 2021 program year.



## CONSISTENCY WITH STANDARDS

### 9. Least Cost Procurement Law and Standards

This Draft Annual Plan is submitted in accordance with the Least Cost Procurement Law, R.I. Gen. Laws § 39-1-27.7, the basis for which is the Comprehensive Energy Conservation, Efficiency, and Affordability Act of 2006, R.I. Gen. Laws § 39-2-1.2, and the Least Cost Procurement Standards as approved and adopted pursuant to Order No. 23890 in Docket No. 5015. The Standards guide how energy efficiency services are delivered – in a manner that is optimally cost-effective, reliable, prudent, and environmentally responsible. Least-Cost Procurement that is Energy Efficiency and Conservation Procurement shall also be lower than the cost of additional energy supply.

The Company has assessed each of these requirements in developing this Plan. Details on the Company’s approach to considering each of these elements are included in this section. In addition, further detail on the cost-effectiveness screening of the proposed investments is in Attachment 4, with detail on rate and bill impacts in Attachment 7.

#### 9.1 Prudency

Over the course of its history implementing energy efficiency programs in Rhode Island, the Company has considered and continues to consider several key components in the analysis of prudency. These components can be summarized as considerations of:

- What level of achievable efficiency can the Company effectively deliver to the market in order to support the goals of Least Cost Procurement?
- What groups of customers can the Company reach with program offerings? How can we ensure that all customers are served equitably and share in the cost of energy efficiency?
- What impacts to customer rates and bills will be required to deliver the efficiency goals, and how can those impacts be mitigated through alternative funding? What risks, if any, will customers and the Company see from the investments in energy efficiency and conservation procurements?
- What constraints, such as available workforce and prevailing economic conditions, exist in the marketplace that may impact the achievement of the goals as developed and proposed in the Plan?

For the proposed investments detailed in this Plan, the Company has considered each of these elements and how they can be balanced to provide a comprehensive set of programs that will be achievable within known and anticipated constraints.

### 9.1.1 Achievable Potential

During this planning process, the Company and stakeholders have benefitted from a recently-completed Market Potential Study, initiated by the EERMC and completed by Dunsky Energy Consulting.<sup>21</sup> The Market Potential Study was designed to determine the technical, economic, and achievable levels of energy efficiency, active electric demand response, and CHP savings in the market for the period 2021 through 2026.<sup>22</sup> Prior to this, a potential study was last completed approximately ten years ago, which necessitated annual plans to consider recent history as a determinant of program goals.

In assessing achievable potential, the Market Potential Study analyzed three scenarios, defined as “low”, “mid”, and “max” achievable potential.<sup>23</sup> The Energy Efficiency Targets, as submitted by the EERMC and approved by the PUC in Docket 5023, are sourced from the “max” achievable potential.

During the planning process for the 2021 Annual and 2021-2023 Three-Year Plans, the Company considered the range of achievable potential scenarios included in the Market Potential Study. The study also produced a detailed results file of measure-level savings projections, costs, and other factors for each measure included in the potential study scenarios. The Company cross referenced these results with its own historical achievement and program designs throughout the planning process.

Ultimately, the goals included in this plan do not match the Targets set based on the “max” achievable potential due to a critical linkage between that scenario’s outputs and the incentive levels required to achieve the projected savings. The “max” achievable scenario assumes that each efficiency measure installed will receive an incentive that equals 100% of the incremental cost of the measure. This assumption is coupled with barrier reductions that are also present in the “mid” scenario to drive further adoption of efficiency. To achieve the “max” scenario in 2021 for energy efficiency, CHP, and active demand response, the Market Potential Study estimated required funding levels of \$341 million, in contrast to a 2019 benchmark that was approximately \$130 million.<sup>24</sup> In assessing what level of investment would be achievable in 2021, the Company determined that an increase in incentive levels to 100% would not be an effective way to drive savings and that the year-over-year budget increases required to achieve the “max” targets would not be prudent and would, in the short-run, represent an increase in necessary collections to fund programs that would not meet the prudence standard.<sup>25</sup> In

---

<sup>21</sup> See, Rhode Island Market Potential Study (2021-2026), materials can be downloaded here:

<https://rieermc.ri.gov/rhode-island-market-potential-study-2021-2026/>

<sup>22</sup> The study also assessed the potential for electrification and solar photovoltaic.

<sup>23</sup> See RI Market Potential Study Volume II Appendices, section F.3, page 57-62 for details on the three achievable scenarios. <http://rieermc.ri.gov/wp-content/uploads/2020/06/ri-study-final-report-volume-ii-appendices-2020-05-25.pdf>

<sup>24</sup> See slide 70 of Dunsky’s final presentation to the EERMC: <http://rieermc.ri.gov/wp-content/uploads/2020/06/dunsky-ri-ee-market-potential-study-final-results-dr-update-2020-06-09-v2-1.pdf>

<sup>25</sup> See the Centers for Disease Control and Prevention for more information on COVID-19:

<https://www.cdc.gov/coronavirus/2019-ncov/index.html>

setting goals in this Draft Annual Plan the Company has worked with stakeholders to balance the long term benefits of EE measures while also being mindful of near-term increases in collection.

The Company will continue to work with stakeholders to identify ways in which programs can be optimized and enhanced to increase savings in the future, and to continue to utilize valuable information generated from the potential study to identify opportunities.

### *9.1.2 Equity*

The Company defines equity in energy efficiency programs as ensuring that all customers have equal ability to access and benefit from its programs, regardless of their geographic location in Rhode Island, income, home ownership status, primary language, or business size. This involves considering how programs are designed and evaluated with this definition of equity in mind, as well as taking into account the systemic and institutional structures that may make it easier for some customers to access energy efficiency products and programs more than others.

The participation analysis in section 4.5 cites that from 2012-2019, 89% of electric customers and 82% of gas customers participated in energy efficiency programs, including Home Energy Reports and upstream programs. This demonstrates that the majority of Rhode Islanders participate in energy efficiency programs. Moving forward, the Company will continue to work to provide energy efficiency programs that are accessible to all customer classes. Since all customers pay into energy efficiency programs, the Company designs programs to allow for all customers to participate and receive benefits.

The portfolio of programs and offerings included in this Draft 2021 Annual Plan represent a continuation of this approach, with a comprehensive set of offerings that provide pathways for all customers to take part in energy efficiency offerings and realize benefits. To further ensure that the programs and offerings are equitable in light of changed requirements in the LCP Standards and increased interest and focus from stakeholders, the Company proposes several steps to further quantify various metrics related to equity in order to establish baselines for measuring performance in the future.

Firstly, beginning in early 2021, the Company will work with OER to start an equity working group to further refine areas of focus. At this point, OER and National Grid envision the working group to be comprised of representatives from OER, other state agencies, National Grid, community-based organizations, advocacy organizations, and local subject matter experts in equity. The working group will be a key resource for the Company as it develops future annual plans and further studies equity through a number of evaluation efforts. A first task for the equity working group will be to interpret recently-completed Massachusetts non-participant studies to gather lessons learned from similar programs.

Next, the Company will initiate several studies to better understand historic customer participation and the extent to which geography, income, homeownership status, and primary language may be different among participants and non-participants. The Company's first step towards doing so will be to undertake a residential non-participant study to understand the attributes of non-participants and why they are not participating. This study is to be commissioned in early 2021, with anticipated completion

in mid-2022, and will build on lessons learned from recently-completed Massachusetts non-participant studies. Secondly, the Company commits to undertake a census of multifamily housing to understand multifamily participation and non-participation. Thirdly, National Grid will track and report to stakeholders on renter participation in the in-home/unit assessment programs, and other programs as determined appropriate. The Company also proposes to use data from the proposed evaluations to build program enhancements and tracking systems that are driven primarily by the needs of identified non- or low-participating groups, as well as additional marketing efforts better tailored to multilingual customers.

In addition, the Company acknowledges the critical role that income plays in access to energy efficiency programs. It proposes to take further action in 2021 to enhance income eligible customer participation:

- The Company will increase its efforts and emphasis on identifying and encouraging customers eligible for the discount rate to move to the discount rate.
- As customers are brought into the discount rate, the Company proposes creating a welcome package to encourage participation in applicable efficiency programming, specifically Residential Income Eligible Services (IES).
- The Residential Consumer Products and EnergyWise Income Eligible Multifamily programs have partnered to streamline cooling solutions for income eligible customers living in multifamily properties.
- In the Company's workforce development programs, National Grid will focus on recruiting, training, and retaining talent from designated Environmental Justice Communities, intentionally bringing more women and people of color into the energy efficiency workforce. This will create greater equity of access to the jobs generated by the clean energy transition and will help transition the workforce to better reflect the communities served. The desired outcome is to improve customer access and experience as customers find they are increasingly working with professionals from their communities and for these new professionals begin to identify and help the Company adjust delivery to overcome community access barriers.

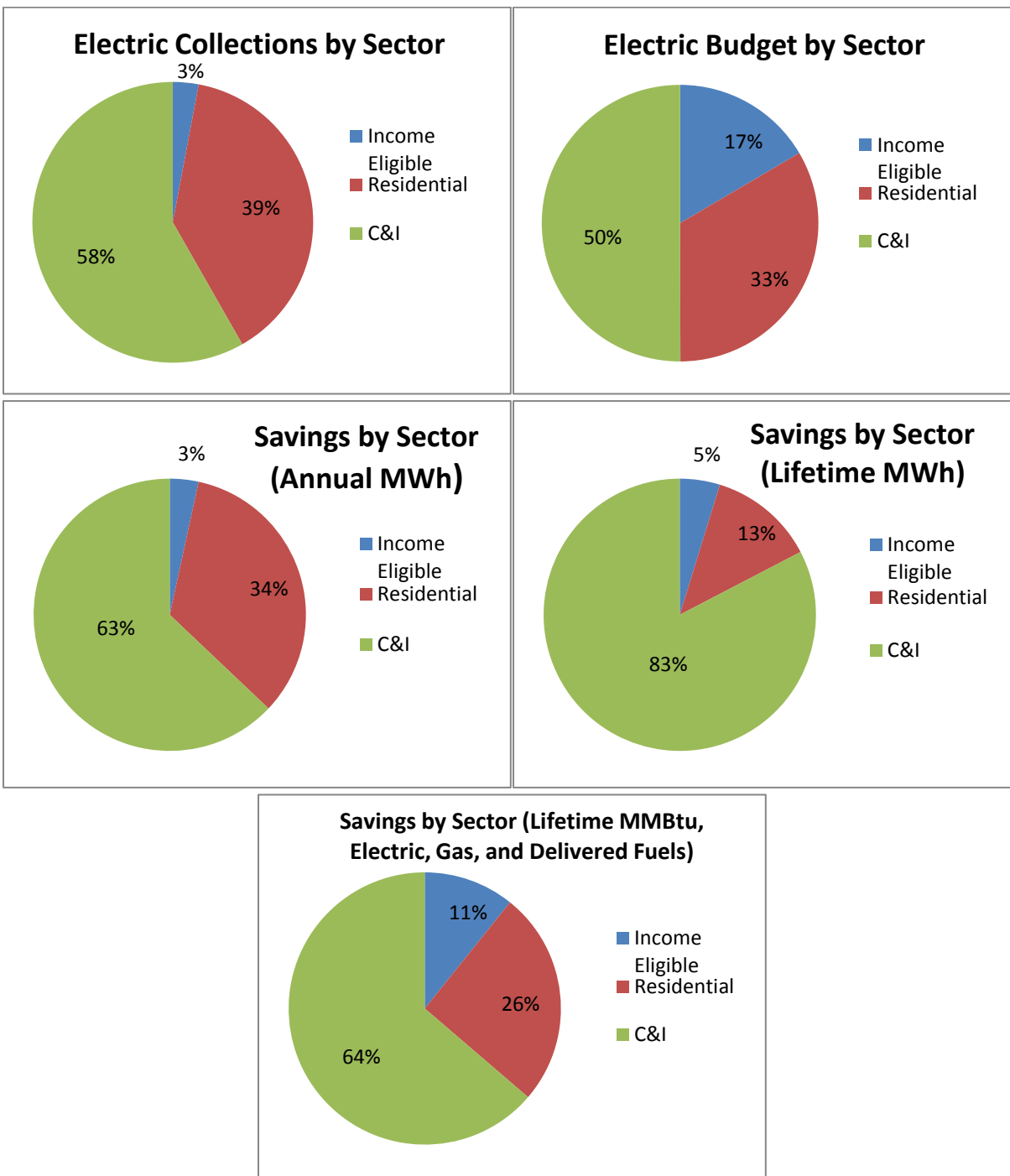
The Company's new Codes & Standards advancement support program primarily targets the non-participant portions of the markets we serve across all sectors. While the program is in its infancy, this approach overcomes traditional barriers of access by ensuring efficiency levels are rising for all equipment and appliances.

### *9.1.3 Parity Among Sectors*

In considering the prudence of the set of proposed investments contained in this Plan, the Company has also assessed the parity among sectors along dimensions of collections, budgets, and savings. As shown in Figure 4, there is approximate parity between the collections by a customer class and its resulting budget and savings in the electric portfolio. The only exception is the income-eligible sector where there is an established agreement amongst the Parties that the residential and C&I customer classes use part of their collections to help cover the income eligible sector funding needs. The income-eligible budget is

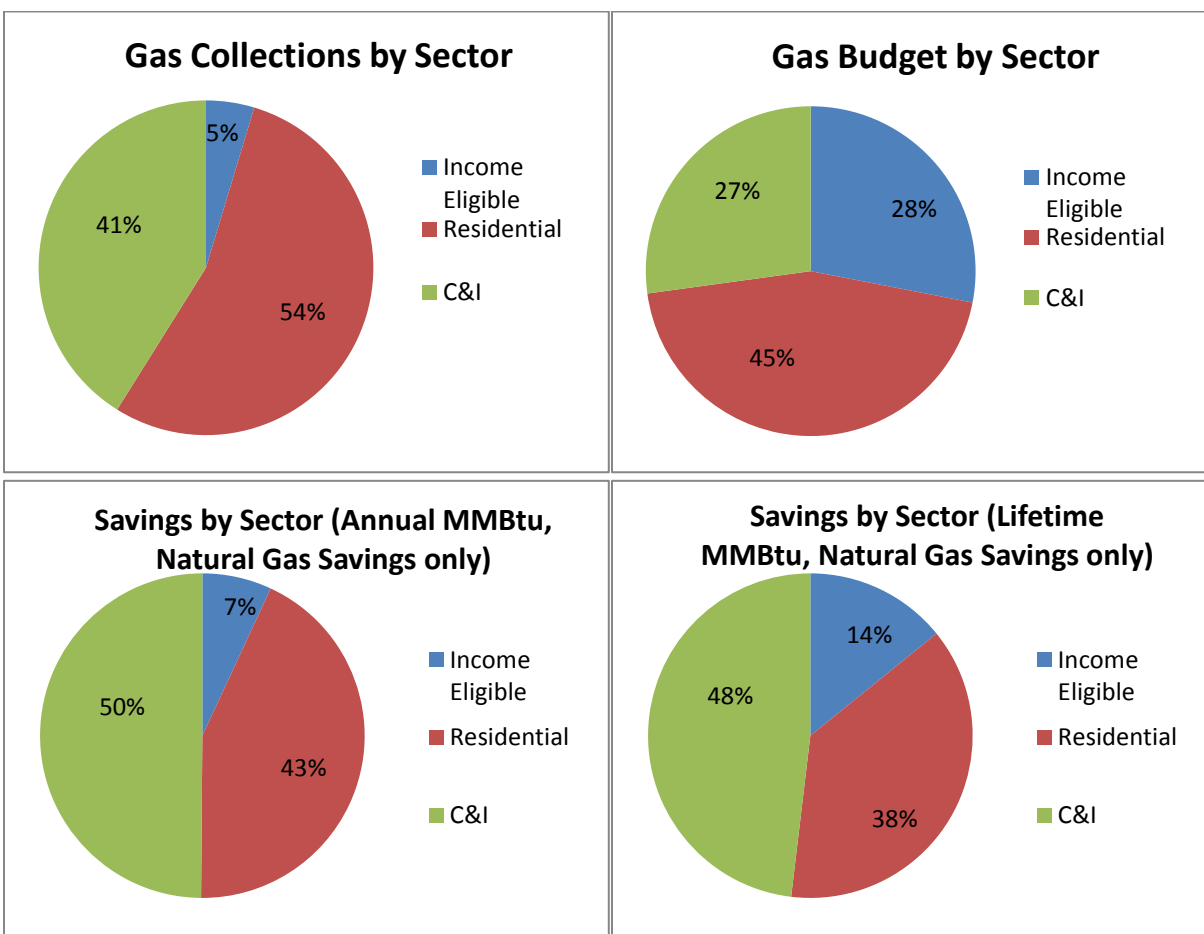
higher compared to its savings due to several factors: incentives are 100% of the cost, the programs are more expensive because they are delivered in-home (compared to at retail sites or via rebates) which requires more labor and management, and the programs have fewer economies of scale (compared to C&I). Overall, \$28.8 million is budgeted for the delivery of the income eligible sector programs (electric and gas) in 2021, representing 19.2% of the overall electric and gas portfolio budgets. More information on the services offered through the income eligible sector programs can be found in Attachment 1, in sections 3 and 4.

Figure 4. 2021 Graphical representation of Attachment 5 Table E-1 and total Electric Savings by Sector, Cumulative



For the gas portfolio, there is also parity between the collections by a customer class and the resulting savings. There is less parity between budgets and savings. This is due to several factors. First, the energy efficiency program charge varies by customer segment, which changes collections. Second, C&I projects tend to create more savings per dollar. This is due to larger economies of scale, larger projects, different delivery channels that require less labor or management and are more cost-effective, evaluation factors such as free-ridership and spillover, and different customer opportunities.

*Figure 5. 2021 Graphical representation of Attachment 6 Table G-1 and total Gas Savings by Sector, Cumulative*



#### 9.1.4 Rate and Bill Impacts

**Note to Readers: The Rate and Bill Impacts and supporting detail in Attachment 7 are not complete at the time of this draft annual plan and will be included in the final version.**

In addition to the cost-effectiveness of Rhode Island’s investment in energy efficiency, National Grid has analyzed electric and natural gas rate and bill impacts from the proposed energy efficiency investments

for the 2021 program year. For several years National Grid has analyzed the rate and bill impacts of the electric program using a model. In 2020, National Grid, in collaboration and consultation with the EERMC, OER, and Division, undertook an effort to revise the rate and bill impact analysis for the gas portfolio to more closely align the modeling approach between the electric and gas portfolios. Synapse Energy Economics, who originally developed the electric bill and rate impacts model, were retained to develop the natural gas rate and bill impact model. Detailed methods and results from both models are provided in Attachment 7 and will be included in the final version of this plan when inputs are final.

Both the electric and gas models consider the impacts to bills and rates due to the presence of the 2021 annual energy efficiency portfolios in comparison to a counterfactual where the energy efficiency programs did not exist.



## 9.2 Reliability

The programs developed under this Draft Annual Plan will continue the Company's extensive history of offering best-in-class energy efficiency programs to customers, while introducing new implementation approaches and expanding the Company's existing programs to serve more customers. Existing programs that have significant experience and traction in the market will be extended and refined to deploy low-risk cost-effective energy efficiency to the marketplace. The Company continues to collaborate with a diverse set of stakeholders including the EERMC, OER, Division, and community and advocacy organizations to continually analyze the programs and identify opportunities for improvement.

Additionally, the Company anticipates that the 2021 Annual Plan will be the last year in which a residential efficiency lighting program will be offered. Due to the Company's efforts to transform the lighting market through its efficiency programs, the opportunities for cost-effective claimable lighting savings are anticipated to be exhausted by the end of 2021. In this time of transition, the Company will re-evaluate ways that other existing programs can be enhanced to generate savings that in the past were accomplished through relatively simple lighting measures. Increased complexity of measures will require new approaches to maintain the same levels of reliability of goals and savings in future plans.

## 9.3 Environmentally Responsible

The energy efficiency programs and portfolios described in the Draft Annual Plan will contribute to Rhode Island's greenhouse gas reduction goals and the goals outlined in the Company's Northeast 80x50 Pathway as noted in Section 7.2. The electric portfolio savings in this Draft Annual Plan will result in 714,274 tons of avoided carbon dioxide emissions over the lifetime of the installed efficiency measures. The gas portfolio will result in 240,369 tons of avoided CO<sub>2</sub> emissions.

## 9.4 Cost Effectiveness

The Company has analyzed the cost-effectiveness for the proposed 2021 portfolio and programs using the RI Test as required by Docket 4600<sup>26</sup> and the LCP Standards. The RI Test requires that the total lifetime savings from the efficiency measures exceed the total costs of the measures (i.e., program and customers' costs). In the revised LCP Standards, the PUC directed that portfolios and programs must be cost-effective. In the prior iteration of the LCP Standards, only portfolios were required to be cost-effective.<sup>27</sup>

The RI Test has been developed to incorporate benefit and cost. As provided for under the LCP Standards, benefits include primary fuel energy savings (electricity and natural gas), the value of other resource (fuel and water) benefits, price effects, non-embedded greenhouse gas reduction benefits, economic development benefits, non-embedded NO<sub>x</sub> reduction benefits, the value of improved

---

<sup>26</sup> RI PUC Docket 4600, <http://www.ripuc.ri.gov/eventsactions/docket/4600page.html>

<sup>27</sup> Note that in past annual plans the Company had reported out on the cost effectiveness of its programs in addition to the portfolios.

reliability, and non-energy impacts (NEIs). Costs include all projects costs, program planning and administration, sales, technical assistance and training, evaluation, and the performance incentive. To illustrate the detailed components of the RI Test as well as the sources of the values, the Company has provided Attachment 4.

Two key supporting documents for cost effectiveness are the Technical Reference Manual (TRM) and the Avoided Cost Study. For the Draft Annual Plan, the Company developed the 2021 Rhode Island Technical Reference Manual, which documents the savings or savings algorithms and costs for measures proposed to be offered through its programs in 2021. The TRM identifies the sources for the savings estimates. Sources can be evaluation studies, engineering analyses, and/or other research. This TRM is a public document and was provided to the EERMC and its consultants to support and facilitate the determination of the Plan's cost-effectiveness. The TRM is reviewed and updated annually to reflect changes in technology, baselines, and evaluation results.

The cost-effectiveness analyses of the proposed programs use avoided energy supply costs that were developed by Synapse Energy Economics as part of the "Avoided Energy Supply Components in New England: 2018 Report" (2018 AESC Study) that was sponsored by all the electric and gas efficiency program administrators in New England and was designed to be used for cost effectiveness screening in 2019 through 2021.<sup>28</sup> The avoided costs reflect current and expected market conditions and are highly influenced by the cost of fossil fuels and expectations about ISO-NE's forward capacity market. Company-specific transmission and distribution capacity values are also included. There were several noted changes to the avoided costs in the 2018 AESC Study (Study).

The Study found lower avoided costs of energy due to sustained low natural gas prices at national hubs and lower estimated costs of complying with the Regional Greenhouse Gas Initiative (RGGI). Avoided capacity costs were also lower due to changes in market rules and a lower estimate for the cost of new entry. Avoided costs of natural gas were lower based on shale gas breakeven prices. Avoided costs for fuel oil and other fuels increased. There was also an increase in the values for electric capacity demand reduction induced price effects (DRIPE) and oil DRIPE, where these were estimated to be non-existent or were not calculated in AESC 2015 Study. The Study also quantified new benefits for non-embedded NO<sub>x</sub> reduction benefits, the value of improved reliability, and avoided pool transmission facilities (PTF) costs. Due to all these factors, the avoided costs benefits have increased in 2021 compared to years before the 2018 AESC Study.

Attachment 5, Table E-5 and Attachment 6, Table G-5 provide the calculations of 2021 program year cost-effectiveness. Attachment 5, Table E-6 and Attachment 6, Table G-6 show the energy savings goals

---

<sup>28</sup> The report is available online at: <http://ma-eeac.org/studies/special-cross-sector-studies/>. This study forecasts avoided costs for three years, compared to prior studies which developed avoided costs applicable to a two-year period. The Company is currently sponsoring and taking part in a new regional avoided cost study alongside the other New England program administrators. The Company plans to implement the results of AESC 2021 in its next annual plan addressing the 2022 program year.

based on the proposed budgets. Attachment 5, Table E-7 and Attachment 6, Table G-7 show a comparison of the goals with the approved program goals from 2020. Attachment 5, Table E-5 shows that the proposed portfolio of electric programs, including active demand response, is expected to have a benefit/cost ratio of 4.41, which means that approximately \$4.41 in benefits is expected to be created for each \$1 spent on the portfolio. Attachment 6, Table G-5 shows that the proposed portfolio of gas programs is expected to have a benefit/cost ratio of 3.00, which means that \$3.00 in benefits is expected to be created for each \$1 spent on the portfolio. This increase in efficiency investment continues the progress of acquiring all energy efficiency resources that are cost-effective and lower cost than supply.

### 9.5 Cost of Draft Annual Plan Compared to the Cost of Energy Supply

In accordance with the LCP Standards, the Company assessed the cost of energy supply and the cost of energy efficiency using all applicable costs enumerated in the Rhode Island Benefit Cost Framework (Framework) approved by the PUC in Docket 4600-A and the Rhode Island Test as described in Attachment 4 of the Plan. This method is substantially the same as that used in the 2020 Plan.

The RI Test is an appropriate mechanism to determine which costs to include in this assessment. The RI Test, as detailed in Attachment 4, captures the aspects of the Framework that pertain to energy efficiency programs. The source for many of these values is the “Avoided Energy Supply Components in New England: 2018 Report” (2018 AESC Study) prepared by Synapse Energy Economics for the AESC 2018 Study Group, October 31, 2018. The benefits in the RI Test are associated with the cost savings to Rhode Island from investing in energy efficiency instead of investing in additional energy supply. For the purpose of the RI Test, these values are described as a benefit of energy efficiency in the form of avoided costs. The avoided cost values can also be applied as the costs of procuring additional energy supply for the purpose of this assessment. The RI Test also details what is considered a cost of energy efficiency. These are costs incurred by the utility to implement the Plan and the expense borne by the customer for its share of the energy efficiency measure cost.

The Company proposes to use the costs described in Table 13 to compare the cost of energy efficiency to the cost of energy supply. The categories listed in this table are all used in the RI Test, as proposed in Attachment 4 of the Plan. As directed by the LCP Standards, the Company provides an explanation for why cost categories are either appropriate or not appropriate for inclusion in the assessment of the cost of energy supply compared to the cost of energy efficiency.

Table 13. List of the Costs of Energy Efficiency and Costs of Energy Supply

Costs of Energy Efficiency		
Cost	Included (Y/N)	Explanation
Utility Costs	Yes	These costs are incurred to achieve implementation of energy efficiency measures and programs. Includes all costs in Tables E-2 and G-2.
Participant Costs	Yes	Customer contribution to the installation cost of the efficient measure. Customer costs included in Tables E-5 and G-5.

Costs of Energy Supply		
Cost	Included (Y/N)	Explanation
Electric Energy Costs	Yes	Represents the cost of purchasing electric energy supply.
Electric Generation Costs	Yes	Represents cost of generation capacity in ISO-NE.
Electric Transmission Capacity Costs	Yes	Represents Pool Transmission Facilities (PTF) cost.
Electric Distribution Capacity Costs	Yes	Represents the cost of distribution capacity related to increased load.
Natural Gas Costs	Yes	Represents the cost of purchasing natural gas supply.
Fuel Costs	Yes	Non-regulated delivered fuels are an energy supply cost to customers that utilize these fuels for heating. The fuel costs in this category are separate from those embedded in the cost of the electric market. While not a direct cost of electric energy supply, National Grid includes incentives for delivered fuel energy efficiency measures in its electric portfolio. Therefore, to achieve symmetry with costs associated with electric energy efficiency, delivered fuels costs should be included in this comparison.
Water and Sewer Costs	No	While avoided water and sewer costs are a benefit of installing certain energy efficiency measures, they are not a direct cost of energy supply.
Non-Energy Impact Costs	No*	*Unless listed below. While non-energy impacts are a benefit of installing certain energy efficiency measures, they are not a direct cost of energy supply.
Income Eligible Rate Discount	Yes	Costs associated with energy being sold at the income eligible rate.

Arrearages	Yes	Costs associated with arrearage carrying costs as a result of customers not being able to pay their energy bills.
Price Effects	Yes	Represents costs associated with the impact of demand reduction on ISO-NE energy and capacity markets.
Non-embedded Greenhouse Gas Reduction Costs	Yes	Represents the social cost of carbon. The social cost of carbon is the cost associated with meeting the goals of the Resilient Rhode Island Act. Carbon emissions come from the production of energy and should be considered a cost of supplying that energy.
Economic Development	No	While economic development is a benefit of investment in energy efficiency measures it is not a direct cost of energy supply.
Non-embedded Nitrous Oxide (NOx) Costs	Yes	NOx emissions come from the production of energy and therefore the health impacts of NOx emissions should be considered part of the cost of supplying that energy.
Reliability Costs	Yes	Increased energy demand can lead to declining reserve margins and decrease reliability so should be associated with the cost of energy.

For the assessment, the Company applies the above costs of supply to the lifetime energy, lifetime MMBtu of delivered fuels, demand, and natural gas savings for each measure included in the Plan in present value terms. The costs of the Draft 2021 Plan occur only in 2021 and are therefore not discounted.

Applying this methodology, based on the Company’s calculation, the total cost of energy efficiency for the electric portfolio is \$148.6 million and the total cost of electric supply is \$267.5 million. This is a total savings of \$118.9 million over the life of the installed energy efficiency measures from investing in energy efficiency instead of electric supply. The total cost of energy efficiency for the natural gas portfolio is \$46.8 million and the total cost of natural gas supply is \$59.5 million. This is a total savings of \$12.7 million over the life of the installed energy efficiency measures from investing in energy efficiency instead of natural gas supply.

## FUNDING PLAN, BUDGET AND GOALS

### 10. Savings Goals

In 2021, the Company will primarily measure performance based on lifetime energy savings. This is a change from prior years. The electric portfolio will measure energy savings in units of lifetime MWh and the gas portfolio will measure energy savings in units of MMBtu. For comparability with past plans, the Company will continue to track and report on annual energy savings as has been done for the duration of the programs. Electric demand savings, from passive energy efficiency savings and active demand response, will continue to be measured and reported in annual units of kW. Details on savings goals for 2021 are in section 14.

The Company recognizes the long-term value of developing and achieving lifetime energy savings goals because of the focus on longer term customer savings and benefits. The change to lifetime energy savings goals aligns with the Targets as set by the EERMC, and approved by the PUC, in Docket 5023.<sup>29</sup>

#### 10.1 Electric Portfolio Savings Goals

Continuing from 2020, the Company will also track net annual and lifetime all-fuel MMBtu (electric, gas, oil, and propane) savings as a test metric for the electric portfolio. The electric tables included in Attachment 5 reflect this additional metric, and further detail on Test Metrics is included in section 14.

Tracking net annual and lifetime all-fuel savings (MMBtu) more fully captures the net effect of all-fuel savings efforts (electric, oil, and propane). The tracking effort will provide useful information and benchmarking for state efforts to support electrification of the thermal energy sector and better support State and Company greenhouse gas reduction goals now and in the future.

To first convert electric energy savings from MWh to MMBtu, the Company proposes to multiply MWh by an industry standard conversion factor of 3.412 MMBtu per MWh.<sup>30</sup> This conversion applies only to electric energy savings. Savings from natural gas and delivered fuel are tracked in MMBtu. In this plan document, the electric savings converted to MMBtu are shown in Table E-6A in Attachment 5. Equation 1 shows the calculation of electric MWh savings to MMBtu.

#### *Equation 1. Conversion of MWh to MMBtu Calculation*

$$MMBtu_{Electric} = MWh_{Electric} \times 3.412 \text{ MMBtu/MWh}$$

---

<sup>29</sup> RI PUC Docket 5023, <http://www.ripuc.ri.gov/eventsactions/docket/5023page.html>

<sup>30</sup> The conversion factor of 3.412 MMBtu/MWh is a constant value. Energy Information Agency, EIA: [https://www.eia.gov/totalenergy/data/monthly/pdf/sec13\\_7.pdf](https://www.eia.gov/totalenergy/data/monthly/pdf/sec13_7.pdf)

To calculate net all-fuel MMBtu as reported in Table E-6A in Attachment 5, the Company will sum electric savings (converted to MMBtu), natural gas savings, and delivered fuel (oil and propane) savings. This summation captures savings impacts for all fuels attributable to an electric measure.

*Equation 2. Calculation of Net All-Fuel MMBtu Calculation for Electric Savings Measures*

$$MMBtu_{All\ Fuel} = MMBtu_{Electric} + MMBtu_{Natural\ Gas} + MMBtu_{Delivered\ Fuels}$$

## 10.2 Natural Gas Portfolio Savings Goals

For the natural gas portfolio, the Company proposes to primarily measure energy savings in units of net lifetime MMBtu, while continuing to track net annual MMBtu for comparability with past plans.

## 11. Draft Annual Plan Compared to the Three-Year Plan

For the first time, the Company is filing an annual plan and three-year plan in a combined filing. This Draft Annual Plan addressing 2021 is filed concurrently with the Three-Year Plan addressing years 2021-2023. In the LCP Standards approved in Docket 5015<sup>31</sup>, the PUC afforded the Company the opportunity to combine the Annual and Three-Year Plan filings if notification was made to the EERMC by July 1. In this planning process, the Company chose to exercise that option.

Consequently, the savings goals and budgets put forward in the first year of the 2021-2023 Three-Year Plan will match the values in this Draft 2021 Annual Plan, as the supporting planning processes were conducted concurrently. The Company expects that in the 2022 and 2023 Annual Plans there will be differences between the Three-Year Plan filed in 2020 and each subsequent Annual Plan. In those years, causes of differences between the plans will be documented and reported in this section of each plan.

## 12. Funding Plan and Budgets

Funding, budgets, goals, and cost-effectiveness information is provided in Attachment 5 for the proposed electric energy efficiency programs and in Attachment 6 for the proposed natural gas energy efficiency programs.

In developing the savings goals and associated budgets and funding plans for this draft of the 2021 Annual EE Plan, the Company has taken into account the traditional factors (anticipated 2020 year-end fund balances and anticipated 2021 sales volumes) that always impact the relationship between requested implementation budgets and the required customer surcharges necessary to fund the proposed plan. While each of these elements is always a source of uncertainty in the first draft of an Annual Plan, the potential for variances is unusually high at this point in the current planning process, given the COVID-19 related uncertainties facing the Rhode Island economy.

---

<sup>31</sup> RI PUC Docket 5015, <http://www.ripuc.ri.gov/eventsactions/docket/5015page.html>

## 2020 Year-End Fund Balances

- ❖ Given the fixed nature of the 2020 electric and gas energy efficiency surcharges, year-end fund balances will be a function of both remaining Company collections results as well as volumetric sales through year-end. Consistent with recent practice, the Company will continue to monitor and update 2020 sales and collections actuals and forecasts leading into the final draft of the Annual Plan to be filed on October 15th, as well as through a final update to projected year-end fund balance to be provided to the Commission on December 1st
- ❖ The 2020 year-end fund balance will also be a function of actual implementation expenses and Company earned performance incentive through year-end 2020. In accordance with past practice, for purposes of this first Draft, the Company has estimated that both implementation expenses and earned performance incentive will accrue at 100% of planned full-year 2020 expenses. To the extent that either or both of these actuals are less than 100% of planned amounts, this will increase the year-end 2020 fund balance, and reduce the corresponding 2021 required surcharge.

## Anticipated 2021 sales

- ❖ 2021 surcharges will be a function of both energy efficiency plan funding requirements as well as forecasted volumetric sales in 2021. As in past years, this draft incorporates the most current electric and gas forecasts as of the creation and distribution of this report. The Company anticipates that a new electric sales forecast will be available in early September – this forecast will determine the overall energy sales across which the energy efficiency funding requirement will be spread. A reduction in projected sales relative to the current forecast will put upward pressure on the energy efficiency charge due to the requirement of collecting a fixed aggregate funding requirement across fewer units of energy. The inverse is also true, as an increase in forecasted sales would drive a lower required 2021 surcharge.

Based on the assumptions laid out above, this draft of the 2021 Annual Plan assumes an 8% increase in the electric surcharge, a 22% increase in the residential gas surcharge and a 35% increase in the C&I gas surcharge. The Company is acutely aware of the importance of minimizing energy efficiency surcharge increases in the current economic environment given the unprecedented COVID-19 related challenges facing many of our customers. To the extent that updated forecasts and assumptions on the above metrics between this draft and the final draft plan do not reduce anticipated 2021 surcharges, the Company would anticipate reducing requested budgets (and associated savings goals) in the final Annual Plan Draft in order to achieve this goal of minimizing surcharge increases from 2020 to 2021.

### 12.1 Draft Annual Plan Funding Sources

The sources of funding and the amounts of the funding proposed for the cost-effective 2021 EE Programs are shown in Table E-1 for electric programs and Table G-1 for natural gas programs.



The sources of funding for the 2021 electric programs are shown in Attachment 5, Table E-1. To collect these funding sources for the 2021 cost-effective programs, the Company proposes: (1) one line on the customers' bill labeled "Energy Efficiency Charge" at \$0.01429 per kWh, as calculated in Attachment 5, Table E-1 (composed of the existing energy efficiency program charge of \$0.1323 per kWh plus a fully reconciling funding mechanism charge of \$0.00106 per kWh in accordance with the requirements of R.I. Gen. Laws § 39-1-27.7); (2) projected Large C&I commitments from 2020, if any; (3) projected carryover of the year-end 2019 fund balance, as applicable, including interest at the rate in effect for customer deposits; (4) forecast revenue generated by ISO-NE's Forward Capacity Market (FCM); and (5) other potential outside revenue sources, including but not limited to those generated through RGGI permit auctions. Funding sources do not include revolving loan funds.

The sources of funding for the 2021 natural gas programs are shown in Attachment 6, Table G-1. The Company proposes that the 2021 budget should be funded from the following sources: (1) one line on the customers' bill labeled "Energy Efficiency Charge" at \$1.230 per dekatherm for residential customers and \$0.947 per dekatherm for non-residential customers as calculated in Attachment 6, Table G-1 (composed of the existing energy efficiency program charge of \$1.011 per dekatherm plus a fully reconciling funding mechanism of \$0.219 per dekatherm for residential customers and the existing energy efficiency program charge of \$0.704 per dekatherm plus a fully reconciling funding mechanism of \$0.243 for non-residential customers in accordance with the requirements of R.I. Gen. Laws § 39-1-27.7); (2) projected carryovers or under-recoveries of the year-end 2020 fund balance, including interest at the rate in effect for customer deposits; and (3) low income weatherization funding in base rates. Funding sources do not include revolving loan funds.

The 2021 budgets for cost-effective electric and natural gas efficiency investments are dependent on a number of projections that inform the amount of funding, including projections of electricity and natural gas sales, year-end 2020 large C&I program commitments, capacity payments received from ISO-NE (electric only), and year-end 2020 spending. The Company estimates that the electric projected fund balance at year-end 2020 will be positive \$5.9 million, as shown in Attachment 5, Table E-1; the gas fund balance at year-end 2020 is estimated to be negative \$3.6 million, as shown in Attachment 6, Table G-1.

It is likely that the actual year-end 2020 fund balance will be higher or lower than the dollar amounts projected in this Draft Plan. To ensure that the 2021 Energy Efficiency Charge reflects the most current fund balance projections possible, the Company proposes to submit revised Tables E-1 and G-1 on December 1, 2020 to include several additional months of actual expenses and revenues in the calculation of the Charge. The Company proposes to submit revised tables on December 1, 2020 and not at the end of the year to provide the PUC with time to review the Company's proposed charges in advance of the Annual Plan hearing. This would allow the charges, if approved, to have an effective date of January 1, 2021. This will allow the Company to begin collecting the most accurate charge possible at the start of the program year and avoid any market confusion surrounding the status and implementation of the 2021 energy efficiency programs. If the actual year-end 2020 fund balance as filed in the Year-End Report on May 1, 2021 is higher or lower than that amount projected in the

December 1, 2020 revised Tables E-1 and G-1, any deviation will be fully reconciled in the next program year in accordance with the requirements of R.I. Gen. Laws § 39-1-27.7.

Other considerations regarding funding sources include:

## 12.2 ISO-NE Capacity Market Revenue

Consistent with the LCP Standards, Draft Annual Plan, and PUC decisions regarding annual plans since 2008, the Company and the Parties agree that kW-demand savings achieved via the electric energy efficiency and Combined Heat and Power programs continue to participate in the FCM as Passive On-Peak Demand Resources. The Company will manage and direct the revenues by bidding the demand savings attributed to energy efficiency measures and Combined Heat and Power facilities in the FCM and managing the associated capacity resources to maximize the resulting FCM revenue. The revenues from measures installed through this Plan, as well as all previous Plans, will continue to be reinvested in energy savings for the life of the measure.

The Parties fully agree that the Company should recover all prudently incurred FCM expenses from ISO-NE capacity-payment revenue generated by the demand savings from efficiency programs represented by the Company. The Company expects that capacity payments received from the ISO-NE will exceed its administrative and Evaluation, Measurement and Verification (EM&V) compliance costs of participation in the FCM and will result in additional funds being made available to fund efficiency programs for customers. If these participation costs exceed the capacity payments, the Parties agree that the Company may recover its prudently incurred costs from the energy efficiency program fund. The Parties reserve the right to examine the actions and expenses of the Company to ensure that only prudently incurred expenses are deducted from ISO-NE capacity payments or the energy efficiency program fund.

In addition, as part of the FCM, all qualified auction participants are required to post Financial Assurance to provide security that the promised resource will deliver the promised MW at the promised time. If, as a result of circumstances beyond the Company's control,<sup>32</sup> the Company is unable to provide all or a portion of the megawatts of capacity proposed in its qualification packages and capacity auction bids, some or all of the financial assurance monies would be forfeited.

---

<sup>32</sup> Such circumstances may include legislative action to alter the EE Program Charge or discontinue the Company's authority to implement the energy efficiency programs underlying the Qualifications Package or a PUC decision limiting the Company's role in bidding the demand savings acquired through program efforts into the FCM.

### 12.3 Exceptions to the Natural Gas Energy Efficiency Program Charge

All natural gas used for distributed generation projects approved since 2014 will be subject to the natural gas energy efficiency surcharge.<sup>33</sup>

The 2006 Act allows the PUC to exempt natural gas used for manufacturing processes from the energy efficiency surcharge where the customer has established a self-directed program to invest in and achieve best effective energy efficiency in accordance with a plan approved by the PUC and subject to periodic review and approval by the PUC. Consistent with prior PUC decisions, the Parties have developed recommendations for a process under which a manufacturer may submit its self-directed program and the required annual reports for approval. The Parties recognize that this process may need to be reviewed and modified after the PUC has accumulated sufficient experience with these programs. Any customer that receives this exemption from the natural gas energy efficiency program charge will not be eligible to receive natural gas energy efficiency program services.

### 12.4 Budgets

The Parties agree that the portfolio of energy efficiency programs and services for 2021 will have an overall budget of approximately \$119.3 million for electric programs and \$37.9 million for natural gas programs. The Parties agree to segment the budget into three sectors: residential income eligible, residential non-income eligible, and commercial and industrial. Proposed sector and program budgets are provided in Attachment 5, Table E-2 and Attachment 6, Table G-2. The derivations of the spending budget and implementation expenses are illustrated in Attachment 5, Table E-3 and Attachment 6, Table G-3. A comparison of these proposed budgets to the 2019 budget is provided in Attachment 5, Table E-4 and Attachment 6, Table G-4.

The Parties agree to review the status of budgets regularly to assess whether they are likely to be fully utilized. If not being utilized, the Parties agree to review the advisability of transferring funds to other programs where the money could be more effectively used. Fund transfer guidelines are presented in section 12.5 below.

The Company will continue the practice of funding commitments established in the 2014 Plan, Docket 4451. Specifically, the Company will continue to make funding commitments for projects with a projected incentive in excess of \$3 million. For all other projects, except those with incentives greater than \$3 million, there would be no commitment budget.

---

<sup>33</sup> Natural gas used for distributed generation (excluding natural gas used by emergency generators) for distributed generation projects approved under the energy efficiency programs in 2013 and prior years - independent of the date those facilities become commercially operable – are not subject to the energy efficiency surcharge when natural gas used for that purpose can be clearly identified through uniquely metered use and when so requested in writing by the customer.

## 12.5 Transferring Funds

The Parties will regularly review the amount of funds needed and available for each program (as well as any changes to the overall fund balance, as discussed in section 0 above) and will transfer monies as needed. Transfers during the program year may occur as follows:

- Transfers within a Sector. For transfers of less than 20% of the originating program's budget, the Company can transfer funds from one program to another program or pilot in the same sector. For transfers of 20% or more of the originating program or pilot's budget, the Company can transfer funds from one program to another program in the same sector with the Division's prior approval. Upon seeking the Division's approval, the Company shall simultaneously notify the EERMC and OER. For all transfers in a sector, the Company will reflect changes in the quarterly report(s) following the transfer and the year-end report.
- Transfers between Sectors. The Company can transfer funds from one sector to another sector with the Division's prior approval. Upon seeking the Division's approval, the Company shall simultaneously notify the EERMC and OER. If a transfer reduces the originating sector's budget by more than 20% in aggregate over the course of the program year, the transfer will also require PUC approval. For all transfers between sectors, the Company will reflect changes in the quarterly report(s) following the transfer and the year-end report.
- Transfers among residential retrofit programs. The Company can transfer among *EnergyWise*, *EnergyWise Multifamily*, *Income Eligible Multifamily*, and *C&I Multifamily* (which are in different sectors) programs in order to achieve the overall savings goals of all programs. Although these are listed as separate lines in the program tables, they are essentially one program from an implementation standpoint. For all transfers between residential retrofit programs, the Company will reflect changes in the quarterly report(s) following the transfer and the year-end report.
- For transfers requiring Division and/or EERMC, but not PUC approval, the Parties will inform the PUC of the transfers, both between sectors and within sectors, in a timely fashion.
- The Company will not be permitted to adjust its goals or incentive target calculations as a result of any transfers between sector budgets. However, after any budget transfers between sectors are made, the sector spending budgets will be recalculated for the purposes of the performance incentive calculation. Any changes will be communicated and reported consistent with transfers between sectors, described above.

## 12.6 Budget Management

Deviations from the planned budget for 2021 are possible during the program year. The Parties contemplate three scenarios, and have agreed to address them as follows:

- The Company's expenditures for 2021 may exceed the total budget by up to 10% so long as written notification is provided to the EERMC, OER, PUC, and DPUC for any deviation. The Company will track expected expenditures relative to planned budgets and will report to stakeholders through inclusion in the quarterly reports, or earlier, if the Company believes such overage is likely to occur. Any such notification will occur as soon as possible, and no later than the distribution of the Company's Third Quarter Report in mid-November 2021 and must explain the need for a higher budget and must justify how the expenditures are reasonably consistent with the original annual plan and in accordance with Least Cost Procurement.
- The Company agrees that, during 2021, if the Company anticipates that continued operation of its programs is likely to result in actual expenditures exceeding the total budget by more than 10%, the Company will seek a vote of approval from the EERMC. OER commits to making all reasonable efforts to schedule such vote as soon as feasible following notification, but no later than thirty days from receipt of notification. Following EERMC action, the Company will be required to obtain approval from the PUC for expenditures in excess of 15% higher than the total budget, which would be collected through reconciliation in the next year's energy efficiency program charge.
- During a program year, if the Company did not anticipate and notify parties identified above that its actual expenditures would exceed the total budget by more than 10%, but actual expenditures do exceed such threshold, such expenditures above 110% of approved budget will be at the Company's risk, and in order to secure cost recovery, the Company will bear the burden of demonstrating the reasonableness of its actions to the PUC, including an explanation of why the over-spending occurred and how the expenditures are reasonably consistent with the original plan and in accordance with Least Cost Procurement. Such demonstration would be required to be part of the 2021 Year-End Report, if not sooner.

In each of these three instances, the PUC retains its traditional ratemaking authority to review the prudence and reasonableness of the Company's actions.

## 12.7 Notification of large customer incentives

The Company shall inform the PUC, DPUC, OER, and EERMC in writing of any energy efficiency incentive annual offer in excess of \$3 million per a measure. The Company shall inform the DPUC, OER, and EERMC in writing of any CHP project with a net output of 1 MW or greater (where net is the nameplate

MW output minus CHP auxiliary kW). The process for notification of CHP projects is described in Attachment 2.

To prevent customer delays and to facilitate the Company's ability to meet customer expectation and annual energy savings targets, the OER, EERMC and Division agree to ask questions and provide comments on any non-CHP energy efficiency incentive annual offer in excess of \$3 million within thirty days. The Company, through its own discretion, may proceed with an incentive offer. The incentive, and any other related proposals will be authorized to proceed after thirty days from the date on which the Company notified the PUC, OER, Division, and EERMC of the incentive unless the PUC suspends the filing and/or issues an order within such 30-day period to extend the time for purposes of further review.

### 13. Performance Incentive Plan

A performance incentive plan is not included in this draft. Ongoing conversations between National Grid, OER, Division, and the EERMC will result in a proposal for a performance incentive mechanism that will be described in the Three-Year Energy Efficiency Plan and reiterated in the 2021 Annual Energy Efficiency Plan.

In order to provide a more complete estimate of the full budget required for this plan, a placeholder value for the Performance Incentive has been included in the budgets, and associated EE surcharges, in this plan. While, pursuant to guidance from the PUC, the Company at this time does not anticipate that the 2021 performance incentive earning opportunity will be established on the basis of a 5% share of the eligible spending budget, for purposes of this draft of the plan, the placeholder performance incentive is calculated as 5% of the eligible spending budget for each of the gas and electric portfolios. This is consistent with the mechanism that was approved in the 2020 plan, and the Company believes provide stakeholders with the best proxy for the likely size of the shareholder incentive and impact on budgets and surcharges that is available at this time.

### 14. Future Performance Metrics

#### 14.1 Testing Performance Metrics

In 2021, the Company proposes to continue tracking and reporting performance related to certain metrics in order to test progress towards several key objectives. In 2019, the Company began testing and reporting annual and lifetime carbon reductions resulting from investments in the electrification of heating and delivered fuels measures, lifetime MWh and MMBtu savings, program costs per energy savings, and a customer satisfaction metric. The Company proposes to continue tracking these metrics and working towards tracking greenhouse gas equivalent savings (in carbon dioxide equivalents) resulting from all electric and natural gas measures. These efforts were originally intended to assist in collecting information in order to consider new performance metrics for future annual plans to better align with Rhode Island's goals for Power Sector Transformation and greenhouse gas emissions reduction. In this Annual Plan, the Company anticipates proposing a new performance incentive

mechanism that does not directly rely on these metrics but will accomplish many of the same goals of the metrics as originally envisioned.

For any new performance incentive, the Company will work with the Division, OER, EERMC Consultants, and the EE TWG in the development of future baselines and financial rewards for any new annual goals resulting from these test metrics.

#### 14.1.1 Carbon Reductions

The Company proposes to continue tracking annual and lifetime carbon reductions resulting from investments in energy efficiency measures that save delivered fuels. While the Company does not currently include electrification of delivered fuel heating in its programs, this approach mirrors what was proposed in the Company’s Power Sector Transformation Vision and Implementation Plan (PST Plan), as detailed in the Docket Nos. 4770/4780 Settlement Agreement. Carbon reductions will be calculated using emission rates from the 2018 AESC Study shown in Table 18. below, multiplied by the resulting annual and lifetime avoided oil or propane from measures that save these delivered fuels. In addition, the Company will use emissions rates from the 2018 AESC Study to quantify natural gas and electricity carbon emissions.

*Table 18. 2018 AESC Study Emission Rates*

<b>Fuel</b>	<b>Emissions Rate</b>	<b>Unit</b>
#2 Fuel Oil	0.081	CO2 (tons/MMBtu)
Propane	0.070	CO2 (tons/MMBtu)
Natural Gas	0.059	CO2 (tons/MMBtu)
Electricity	0.470	CO2 (tons/MWh)

The carbon metric will provide additional visibility on this suite of measures that do not significantly contribute to existing electric and demand savings goals but contribute to Rhode Island’s greenhouse gas reduction goals.<sup>34</sup>

The Company appreciates the direction given by the PUC at the Open Meeting on Docket Nos. 4770/4780 held on August 3, 2018 indicating that the Company could propose a performance incentive for achieving carbon reductions from the electrification of heating in future energy efficiency annual plans. For 2021, the Company proposes to continue testing a performance metric for carbon. The Company believes it is prudent to track this metric to help inform the development of an annual goal and potentially an appropriate performance incentive level in the future.

---

<sup>34</sup> Rhode Island Greenhouse Gas Emissions Reduction Plan, December 2016.

In addition to tracking carbon reductions for the purpose of this metric, the Company will strive to track greenhouse gas equivalent savings (in carbon dioxide equivalents) resulting from all electric and natural gas measures in the Draft Plan.

#### *14.1.2 Lifetime and Annual All-Fuels MMBtu Savings*

Beginning in this Draft 2021 Plan, the Company set its primary energy savings goals in lifetime units. The Energy Efficiency Targets as filed and approved in Docket 5023 were denominated in lifetime units, therefore the Company set its goals in the same units. Lifetime savings are calculated for each efficiency measure as the product of annual savings multiplied by the effective useful life of the measure. National Grid has reported on lifetime energy savings units for several years and will continue to track annual energy savings alongside lifetime units. As in the 2020 Annual Plan, the Company will track and report on all-fuels annual and lifetime MMBtu savings in 2021. For the electric savings measures, all-fuels MMBtu savings can contain savings from electricity, oil, or propane depending on the measure.

#### *14.1.3 Program costs per energy savings*

The Company currently includes the projected costs of lifetime electric and gas savings in its annual plans. In 2019, the Company began including the actual costs of lifetime savings compared to planned values in its quarterly reports. In 2021, the Company will continue this reporting in its quarterly reports and will continue to include this metric in its Year-End Report.

The Company will also continue to report on the cost of saved peak demand for the residential and C&I active demand response programs. This metric will be important to track as active demand response offerings mature and scale.

#### *14.1.4 Customer Satisfaction*

The Company proposes to continue to track a Customer Satisfaction metric in 2021. The metric will continue to apply to whole house programs such as EnergyWise Single Family and Income Eligible Single Family, with the potential to expand to other residential programs over time.

The Company proposes to utilize a third-party vendor to conduct the customer survey. The metric would be based on customer responses to the following questions:

- How likely are you to recommend this program to a friend or colleague? (0-10 point scale)
- How can we improve your experience? (Open ended question)

The Company will track customer responses and report out on the average satisfaction across tracked programs. The Company will detail progress on the above proposed metrics in its quarterly reports as well as a detailed summary of the results, lessons learned, and any needed improvements in its 2021 Year-End Report to the PUC.



#### *14.1.5 Peak Hour Gas Demand Savings*

In 2020, the Company began tracking an estimate of peak-hour gas demand savings based on existing heuristics that assume fixed, but distinct, relationships between annual and peak day and peak hour gas consumption for heating and non-heating based customer usage of natural gas. The Company will be clear in all reporting that National Grid considers this to be a rough approximation of peak-hour gas demand impacts. During 2020 and continuing in 2021, the Company has committed to working towards quantifying peak gas demand savings resulting from gas energy efficiency measures for application in future years and for potential inclusion in future performance incentive mechanisms. In order to quantify these savings, the Company joined an existing residential study in Massachusetts in 2020 and expanded the study scope to Rhode Island homes in order to measure peak gas demand savings resulting from residential sector energy efficiency measures. More information is included in Attachment 3. Further, the Company is initiating a commercial and industrial study of peak gas demand in 2020 to continue into 2021.

### *14.2 Forward Looking Performance Metrics*

#### *14.2.1 Renter and Rental Unit Tracking*

The Company plans to propose a new performance incentive mechanism in the 2021-2023 Three-Year Energy Efficiency Plan and in this 2021 Annual Plan, as discussed in section 13. The Company commits to revisiting this performance incentive structure in 2022 and beyond and negotiating in good faith with stakeholders around the allocation of a portion of the Company's performance incentive opportunity to achievement of specific equity related performance objectives. Consistent with the belief that measures of program participation by renters or rental units may be included in this mechanism, The Company is currently undertaking an analysis of the data it possesses on participants that are renters along with rental units and looks to expand the collection of this information across more programs, where appropriate. The Company has committed to tracking renters that participate in energy efficiency programs beginning in 2020 and will ensure the data is of sufficient breadth and quality to serve as the basis for linking a portion of the Company's performance incentive metric to program participation by rental units, should the Company and stakeholders agree to inclusion of this metric in future performance incentive mechanisms.

## 15. Advancing Docket 4600 Principles and Goals

Along with the quantitative benefits detailed in the Plan, as measured by the RI Test, the energy efficiency investments and innovation planned for 2020 also advance the Docket 4600 principles and goals.<sup>35</sup>

The Docket 4600-A Guidance Document directed that “the proposing party must provide accompanying evidence that addresses how the proposal advances, detracts from, or is neutral to each of the stated goals of the electric system.”<sup>36</sup>

To meet this directive, the Company describes how the Plan either advances, detracts, or remains neutral on achieving the Docket 4600 goals for the electric system in **Error! Reference source not found.**

*Table 14. Docket 4600 Goals for the Electric System*

4600 Goals for Electric System	Advances/Detracts/Neutral
Provide reliable, safe, clean, and affordable energy to Rhode Island customers over the long term.	Advances: The Draft Plan gives customers tools to reduce their energy consumption. The safest, most reliable, most affordable energy is energy that is never used. Lowering energy consumption avoids investments in the installation, upgrade, or replacement of transmission and distribution infrastructure, and reduces strain on the system.
Strengthen the Rhode Island economy, support economic competitiveness, retain and create jobs by optimizing the benefits of a modern grid and attaining appropriate rate design structures.	Advances: The Draft Plan will create significant economic benefits in Rhode Island. The Company expects that investments made in energy efficiency under this Plan will add \$338 million to Rhode Island’s state gross domestic product (GDP)
Address the challenge of climate change and other forms of pollution.	Advances: The Draft Plan will avoid 954,642 tons of carbon over the lifetime of the installed measures as well as reduce other pollutants associated with the generation and

<sup>35</sup> PUC Report and Order No. 22851 accepting the Stakeholder Report. Written Order issued July 31, 2017.

<sup>36</sup> Approved final clean version of Guidance Document 10/27/17.

4600 Goals for Electric System	Advances/Detracts/Neutral
	combustion of electricity, natural gas, and delivered fuels.
Prioritize and facilitate increasing customer investment in their facilities (efficiency, distributed generation, storage, responsive demand, and the electrification of vehicles and heating) where that investment provides recognizable net benefits.	Advances: The Draft Plan provides incentives for customers to invest in cost-effective energy efficiency measures in their facilities and participate in demand response programs.
Appropriately compensate distributed energy resources for the value they provide to the electricity system, customers, and society.	Neutral
Appropriately charge customers for the cost they impose on the grid.	Neutral
Appropriately compensate the distribution utility for the services it provides.	Advances: The performance incentive contained in this Plan compensates the Company for achieving the energy savings goals through delivering cost-effective energy efficiency programs to customers while aligning with the PUC's PIM principles.
Align distribution utility, customer, and policy objectives and interests through the regulatory framework, including rate design, cost recovery, and incentive.	Advances: The Draft Plan aligns Company, customer, and policy objectives and interests by incentivizing energy savings measures that enable customers to manage and reduce their energy consumption, which in turn contributes to the greenhouse gas reduction goals of the Resilient Rhode Island Act of 2014, Power Sector Transformation goals, and Heating Sector Transformation goals while allowing the Company to earn a performance incentive.

## CONCLUSION

### 16. Miscellaneous Provisions

- Other than as expressly stated herein, this Plan establishes no principles and shall not be deemed to foreclose any party from making any contention in any future proceeding or investigation before the PUC.
- Other than as expressly stated herein, the approval of this Plan by the PUC shall not in any way constitute a determination as to the merits of any issue in any other PUC proceeding.
- The Parties agree that the Energy Efficiency Technical Working Group shall meet no less than six times in 2021 to review the status and performance of the Company's 2021 energy efficiency programs and advise the Company on potential energy efficiency programs for 2022.

### 17. Reporting Requirements

- In 2021, the Company will provide quarterly reports to the EERMC, the Division, OER, the EE TWG, and the PUC on the most currently available program performance for both natural gas and electric efficiency programs. These reports will include a comparison of budgets and goals by program to actual expenses and savings on a year-to-date basis, and a status report on revolving loan funds. The Company will also coordinate reporting of loan funds with the Rhode Island Infrastructure Bank. The reports will also include a brief summary of program progress and will highlight issues by sector for EERMC, Division, OER, and Technical Working Group attention. Within the C&I sector, there will be separate highlighting of large and small customer program progress and issues. Beginning in the second quarter, the quarterly reports also include a forecast of expected results.
- In the 2019 Year End Report, the Company provided detailed costs schedules that were developed in collaboration with the Rhode Island Division of Public Utilities and Carriers. The Company proposes to submit detailed cost schedules in the 2021 Year End Report. In addition, the Company also proposes to submit confidential vendor schedules to the PUC, with a motion for protective treatment. These confidential vendor schedules detail costs to individual vendors and other external entities.
- In 2021 for months during which quarterly reports are not produced, the Company will provide to the EERMC, the Division, and the EE TWG monthly summaries of year-to-date spending and savings and results by sector.
- The Company will provide to the Parties and file with the PUC its 2021 Year-End Report no later than May 1, 2022. This report will include achieved natural gas and electric energy savings in 2021 and earned incentives for 2021.

The Company will provide the Parties with a summary of evaluation results obtained since October 1, 2016, including a description of the impact of those results in planning the Company's 2021 programs, in the Plan to be filed by October 15, 2020.

## 18. Requested Rulings

The Company respectfully requests that the PUC approve the 2021 Annual Energy Efficiency Plan as presented in this document and the supporting attachments in its entirety. The plan has been developed with careful consideration of the linkages between all parts. Specific components of this plan that the Company wishes to call out for approval include:

- ❖ The savings goals, programs, measures, budgets, and associated customer collections required to fund the energy efficiency programs in 2021.
- ❖ The pilots, demonstrations, and assessments the Company proposes for program year 2021 and the associated budgets and customer collections required to fund those efforts
- ❖ The performance incentive mechanism and associated earning opportunity as included in the three-year plan and included in this annual plan.

## ATTACHMENTS

Attachment 1. Residential and Income Eligible Program Descriptions

Attachment 2. Commercial and Industrial Program Descriptions

Attachment 3. Evaluation, Measurement & Verification Plan

Attachment 4. Rhode Island Benefit Cost Test Description

Attachment 5. Electric Energy Efficiency Program Tables

Attachment 6. Gas Energy Efficiency Program Tables

Attachment 7. Rate and Bill Impacts

Attachment 8. Pilots, Demonstrations & Assessments

Attachment 9. Cross-Program Summary

Attachment 10. Definitions

# 2021 Residential and Income Eligible Energy Efficiency Solutions and Programs

## Table of Contents

1. Overview.....	1
2. EnergyWise Single Family (Electric and Gas).....	9
3. EnergyWise Multifamily (Electric and Gas) .....	19
4. Income Eligible Services (Electric and Gas) .....	26
5. Residential New Construction (Electric and Gas) .....	37
6. Home Energy Reports (Electric and Gas).....	40
7. ENERGY STAR® Lighting (Electric).....	43
8. Residential Consumer Products (Electric) .....	45
9. High-Efficiency Heating, Cooling, and Hot Water (Electric and Gas) .....	48
10. Residential ConnectedSolutions.....	52
11. Marketing, Outreach & Education.....	56
12. Residential Measures and Incentives.....	58

## 1. Overview

2021 is a pivotal year for residential energy efficiency programming. It marks the completion of the transformation of the residential lighting market and the final year incentives will be offered for residential lighting at the retail level. This shift is the culmination of years of innovation and intentional program design resulting in the successful evolution of the residential lighting market. The first year of the 2021-2023 Three-Year Energy Efficiency Plan seeks to initiate a similar transformation in the way Rhode Island homes use energy for heating, cooling, and hot water. The vision is to support the creation of super-efficient homes that help customers maximize their use of efficiency and expand the range of clean energy options. This vision is for all homes and is exemplified by the repositioning of the residential new construction program to become a zero net energy (ZNE) program, which provides a guiding beacon and sets a standard for what is achievable with energy efficiency.

The detailed program descriptions provided in the attachments to each Annual Plan offer snapshots and evidence of how programs are continuously evolving, building from one Plan year to the next. They show how high-level strategies are translated into specific actions and activities that secure savings for customers; help to contextualize specific program innovations and enhancements described only briefly in the main text of the Annual Plan; and demonstrate how key strategies cross multiple program designs and end use targets.

The detail in this attachment is designed to allow stakeholders, the Public Utilities Commissioners and staff, and other interested parties to delve deep into and fully explore the complex interplay between specific customer and building types, program implementation and delivery, incentive design, and high efficiency technologies.

### **What to look for in 2021**

The Company has focused heavily across all residential programs to supercharge weatherization, efficient heating and hot water. The elevation of these three critical areas reflect stakeholder priorities and opportunities highlighted in the Market Potential Study. The innovations and enhancements also reflect many ideas and insights that have evolved from the close collaboration with the EERMC and the EERMC consulting team, OER, the Division, our vendors and customer feedback. There are new bundled incentive designs, enhancements that make participation in multiple programs easier or more attractive, and reduced barriers to adoption of comprehensive measures.

Equity and workforce development objectives have been applied across all residential programs, resulting in program design shifts and investment prioritization to ensure all Rhode Islanders have access to program opportunities and that we succeed in building the workforce infrastructure that can deliver on the vision of transitioning to high performing technologies while also creating robust jobs and economic development opportunities for Rhode Islanders. Of particular note, the EnergyWise program



is expanding the 100% incentive design for moderate income customers and the Income Eligible Services (IES) program is working closely with the company discount rate program to actively bring more customers into the income eligible program where 100% of costs are covered. To support development of high growth long term energy jobs that support the shift to high performance homes and technologies, ASHP installation and design training and Zero Energy Ready New Construction trainings are planned, alongside a major investment in residential energy auditor trainings to rebuild and expand the workforce to support the emphasis on weatherization and comprehensive home energy upgrades.

**Residential and Income Eligible Programs**

The company offers the below overarching programs to provide comprehensive services to two regulatorily defined sectors, market rate and income eligible:

*Table 1. Residential and Income Eligible Programs*

<b>EnergyWise Single Family</b>	<b>Income Eligible Single Family</b>
<b>EnergyWise Multifamily</b>	<b>Income Eligible Multifamily</b>
<b>Residential New Construction</b>	
<b>Home Energy Reports</b>	
<b>ENERGY STAR® Lighting</b>	
<b>Residential Consumer Products</b>	
<b>Residential High Efficiency Heating and Hot Water</b>	
<b>Residential Connected Solutions</b>	

This attachment provides detailed descriptions of the residential energy efficiency and active demand programs, including detail on the market (customer/building types) targeted, eligibility requirements, offers, the implementation and delivery design, and new items for 2021, along with the rationale for changes in a table format.

The Company will continue to focus on demonstrations and assessments; please refer to Attachment 8 for a detailed scope and list for each pilot, demonstration, and assessment proposed for the 2021 Energy Efficiency Plan.

**Program Description Structure**

In order to streamline PUC, stakeholder, and reader access to the most pertinent program information in the 2021 Annual Plan, the Company has adopted the following structure for each of the programs:

Eligibility Criteria (i.e. Customer/Building Type)	This section describes which customers and/or building types are eligible for participation in the program or initiatives.
Offerings	This section describes the offers available to customers under the program or initiative. It can include technical assistance, incentives, design support, verification services and financial offerings. This section also describes the various pathways by which a customer or building can participate in a program or initiative.
Implementation and Delivery	This section describes the process by which the Company engages the customer with energy efficiency programs and offerings.
Customer Feedback	Customer feedback can be received by the Company in various ways; via an implementation vendor, direct feedback from the customer, via surveys conducted by the Company.
Changes for 2021	The section captures the changes proposed in the year stated.
Rationale for Changes	Captures the rationale for the changes proposed in the planning year.
Proposed Upcoming Evaluations	Evaluation information can be found in this section at the program level. Initiatives like the Grocery Initiative or the Industrial Initiative are typically not evaluated. The measures included in these initiatives are evaluated as part of larger evaluations for the programs. Hence at the initiative-level tables you will not see this “Proposed Upcoming Evaluations” section.
Notes	Additional notes related to the program, customer, offerings etc.

Electric Program Goals, Metrics, Budgets, Participation for 2021

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Total Net Lifetime MMBtu (Electric Gas, Oil, Propane <sup>1</sup> )	Budget (\$000)	Participation <sup>2</sup>
Electric						

Gas Program Goals, Metrics, Budgets, Participation for 2021

	Lifetime MMBtu (Gas)	Annual MMBtu (Gas)	Budget (\$000)	Participation
Gas				

The below Figures 1 – 8 compare the distribution of the residential and income eligible sectors’ energy savings goals when measured in annual savings compared to lifetime savings. The lifetime metric captures the long-term energy savings whereas the annual metric shows the first year savings only.

---

<sup>1</sup> For a breakdown of program level energy savings goals see Attachment 5, table E6-A and Attachment 6, table G6-A for more details.

<sup>2</sup> For information on the metric used to measure participation by program, please reference the main text, section 4.5.

Figure 1: 2020 Planned Distribution of Lifetime MWh Goals for Residential Electric Sector

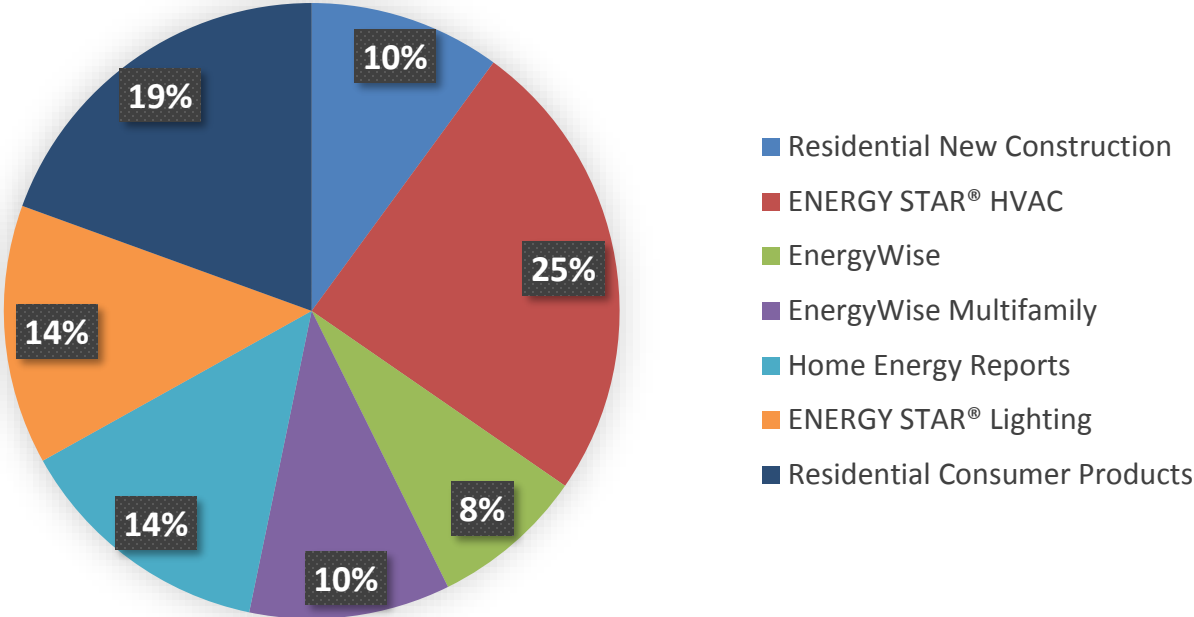


Figure 2. 2021 Planned Distribution of Annual MWh Goals for Residential Electric Sector

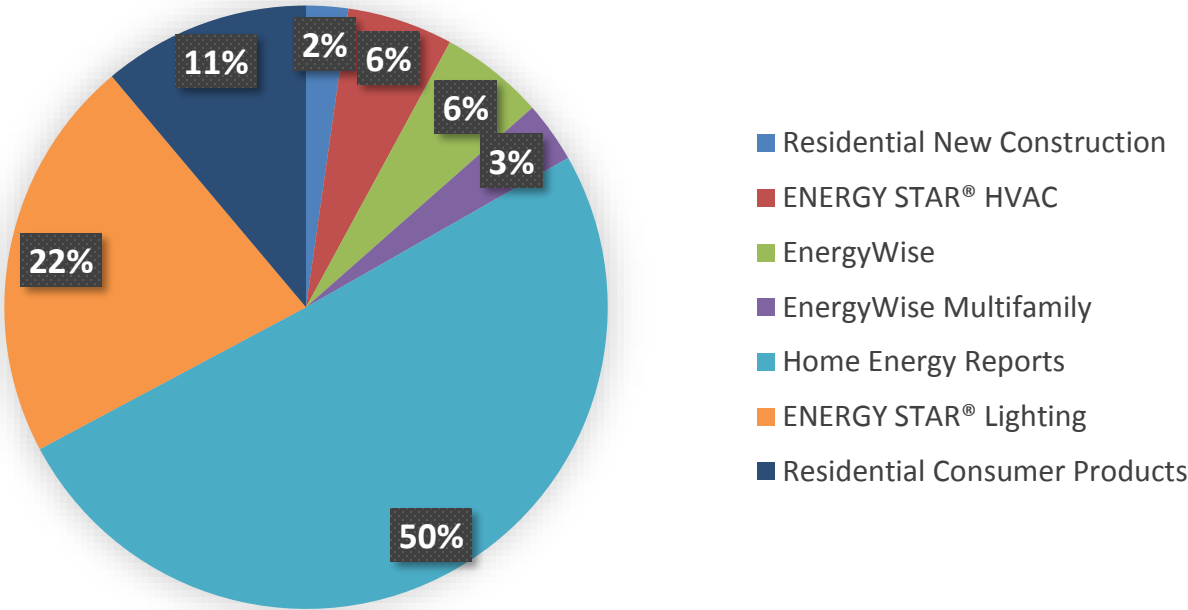


Figure 3. 2021 Planned Distribution of Lifetime MMBtu Goals for Residential Gas Sector

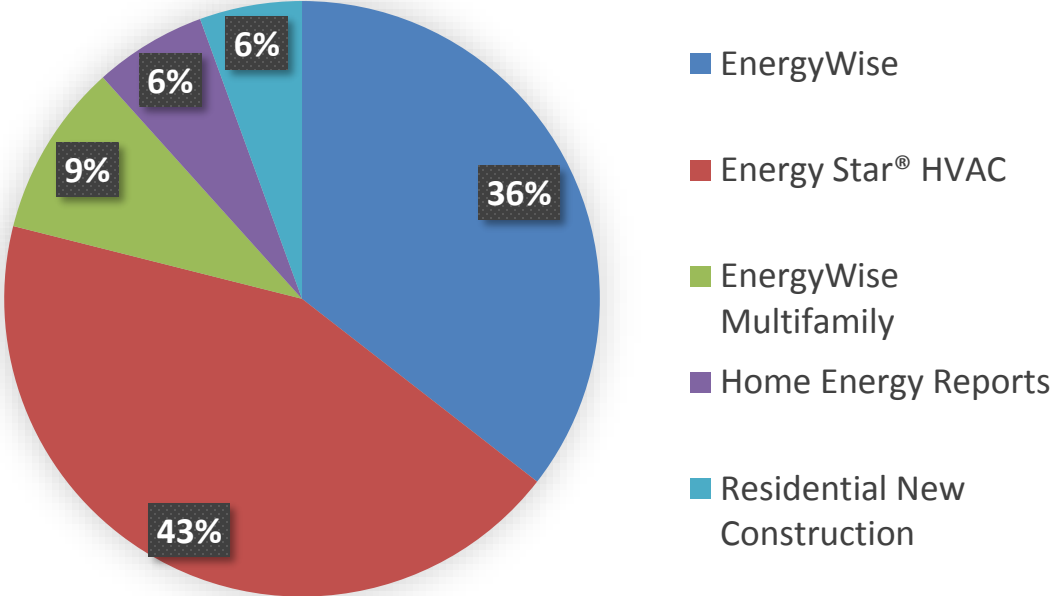


Figure 4. 2021 Planned Distribution of Annual MMBtu Goals for Residential Gas Sector

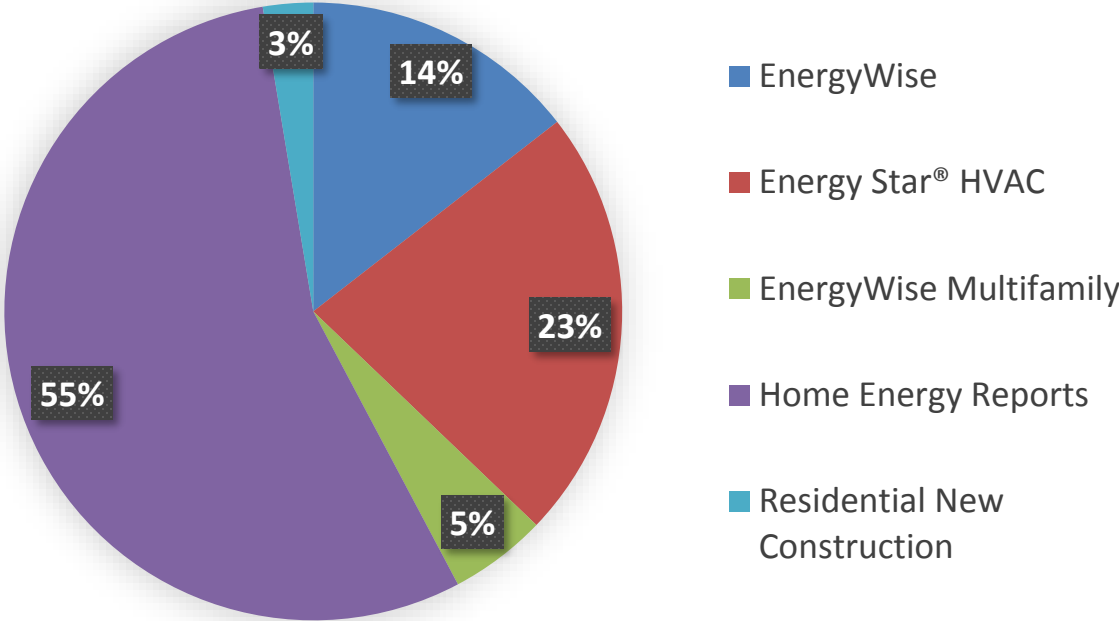


Figure 5. 2020 Planned Distribution of Lifetime MWh Goals for Income Eligible Electric Sector

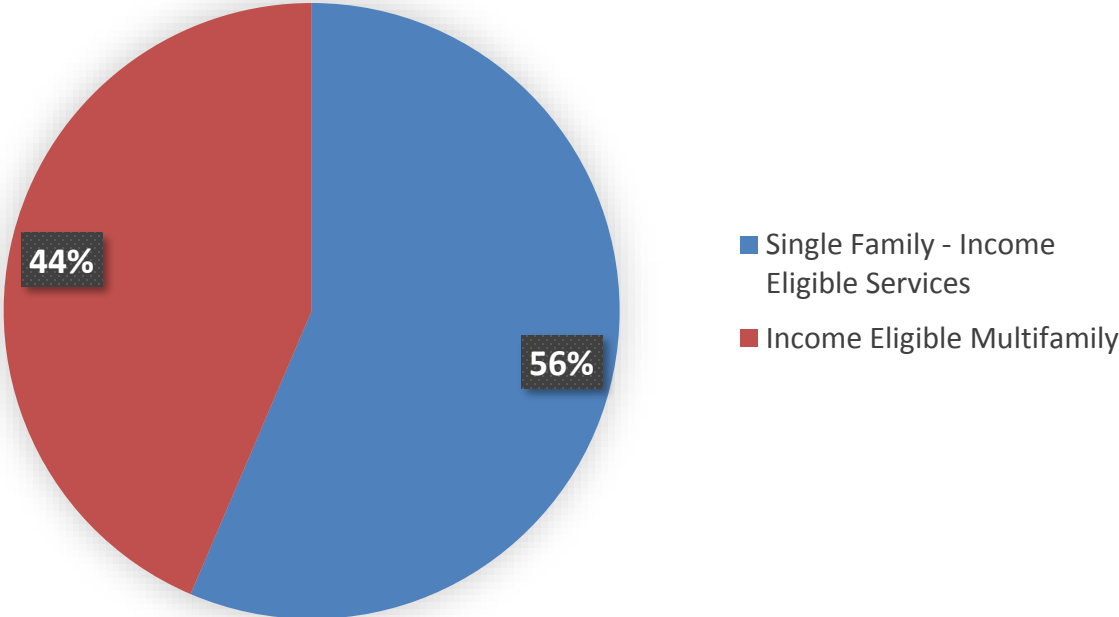


Figure 6. 2021 Planned Distribution of Annual MWh Savings for Income Eligible Electric Sector

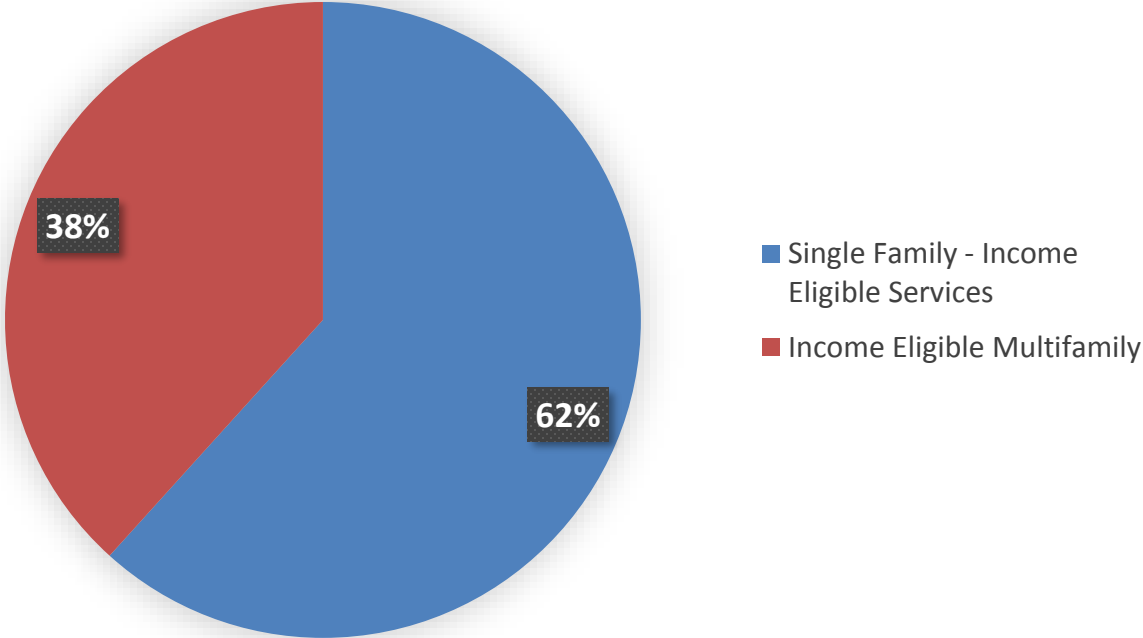


Figure 7. 2021 Planned Distribution of Lifetime MMBtu Goals for Income Eligible Gas Sector

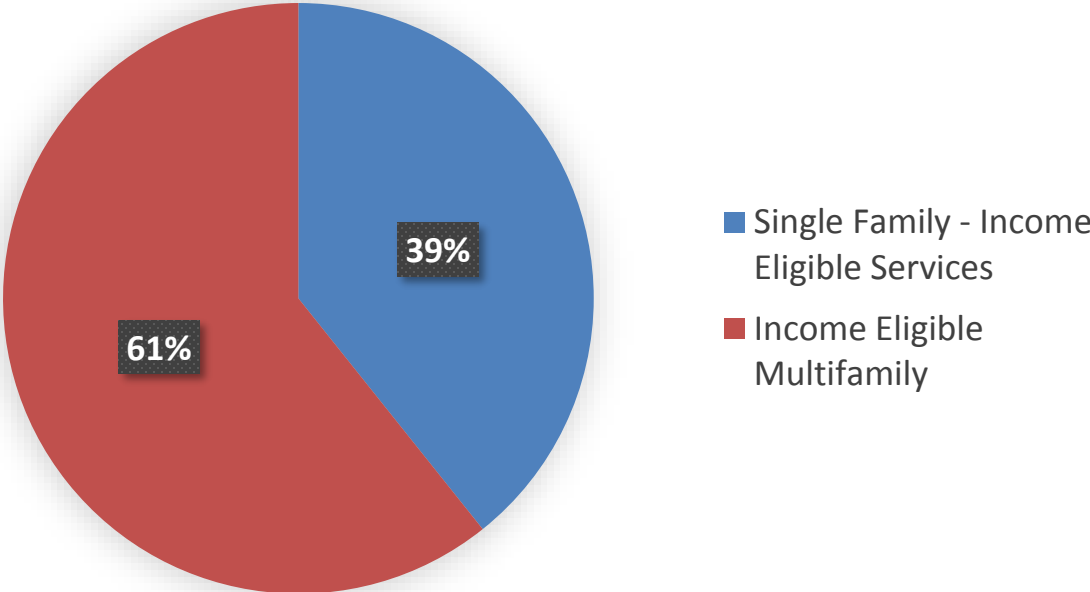
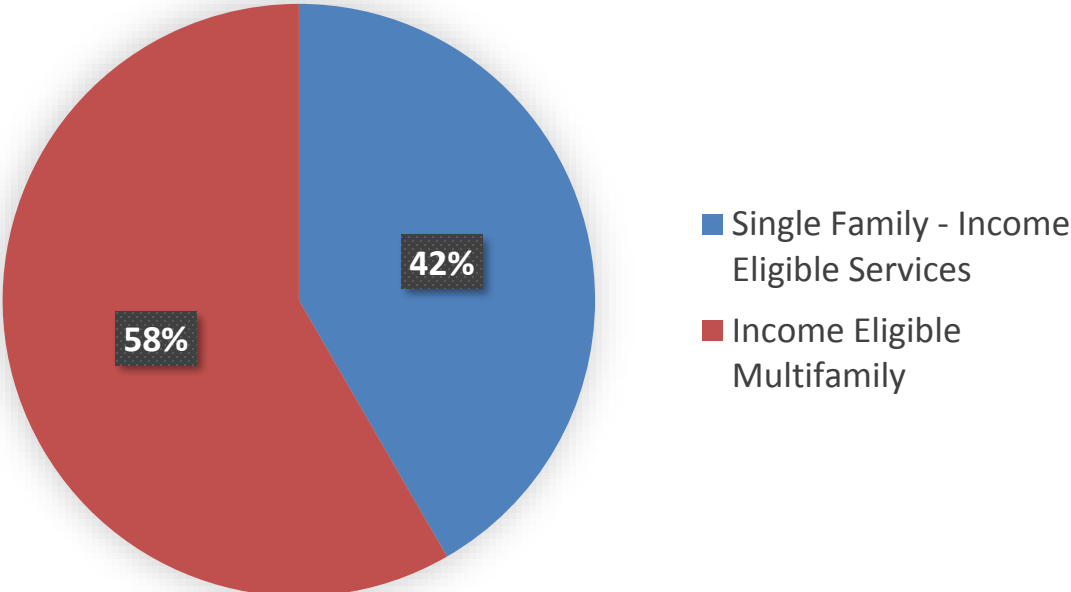


Figure 8: 2021 Planned Distribution of Annual MMBtu Goals for Income Eligible Gas Sector



## 2. EnergyWise Single Family (Electric and Gas)

Eligibility Criteria	<p>EnergyWise is the flagship in-home comprehensive energy efficiency offering for all Rhode Islanders in single family residences (defined as one to four units) that are not candidates for Income Eligible Services. All market rate customers with either an electric or gas National Grid account can participate. Homeowners, renters, and landlords are all encouraged to participate. Customers with any heating fuel type, including delivered fuels, are served as long as they have a National Grid account. Delivered fuel customers can receive services through their electric account.</p>
Offerings	<p>EnergyWise offers comprehensive energy efficiency services using a whole house approach to identify energy saving opportunities in all major energy systems and uses, including heating and water heating systems, appliances, lighting, water saving measures, plug loads, and building envelope leaks. In 2020, EnergyWise was awarded an ENERGY STAR® Partner of the Year, Sustained Excellence in Energy Efficiency Program Delivery for the fifth consecutive year. 11,750 home energy assessments are planned for 2021. EnergyWise provides in-home services in two phases, home assessment, and weatherization.</p> <p><b>Home Energy Assessment</b></p> <p>Historically, an in-home, no cost energy assessment was the entry point for customers into the EnergyWise whole home suite of energy efficiency services. The in-home assessment has been refined over many years to focus on helping educate participants on the home’s energy use and providing them a comprehensive roadmap of opportunities for energy upgrades. During the in-home assessment, an energy specialist(s) will upgrade lighting, provide advanced power strips, and look for water saving opportunities. Applying a comprehensive, whole-house approach, the energy specialist will evaluate all major energy systems including the heating and water heating systems, appliances, lighting, water saving measures, plug loads, and tightness of the building envelope (the roof, the basement, and the walls).</p> <p><b>Weatherization</b></p> <p>The energy specialist’s primary focus during an in-home assessment is to examine the opportunity to increase the homes building envelope through air sealing (decreasing air leaks) and increasing insulation,</p>



collectively referred to as “weatherization.” Weatherization is the most cost-efficient way to improve a building’s performance. It also offers customers a healthier and more comfortable home that will passively remain cooler in the summer and warmer in the winter, helping reduce energy bills for customers. Many health and safety considerations are addressed when weatherizing, such as adding attic ventilation or using mechanical fans to ensure a healthy air exchange rate.

The recently completed *EnergyWise* evaluation identified a number of pre-weatherization barriers, generally health and safety or physical barriers, which prevent the continuation of weatherization until remediated. At this time, *EnergyWise* does not pay for remediation of the pre-weatherization barriers, which can result in confusion for landlords. However, the program does provide a \$250 incentive to certify that pre-weatherization barriers have been remediated and some pre-weatherization costs can be included in the HEAT Loan. Additional research into solutions for pre-weatherization barriers will continue in 2021.

**Energy Action Plan**

An Energy Action Plan is presented to the customer at the end of the assessment. The Energy Action Plan gives the customer a clear roadmap for upgrading their home, including a recommended path to weatherization (air-sealing and insulation) and associated costs, including the company incentive and customer costs. The Energy Action Plan also provides the customer a streamlined path to engage a qualified independent insulation contractor to perform the weatherization work. The Energy Action Plan also details other potential energy upgrades and additional incentives the customer may be eligible for, including heating and hot water systems. Opportunities for financing the customer share of the weatherization (as well as other upgrades) are also provided at this time. If a customer accepts the Energy Action Plan recommendations and wants to move forward with weatherization, the customer signs a contract with the Lead Vendor and schedules a date for weatherization work.

**Connecting Customers with Additional Opportunities**

The EnergyWise assessment process also identifies opportunities to engage the customer in additional energy saving programs including HVAC, Consumer Products, and Connected Solutions. During home visits, energy specialists capture the age and condition of heating systems, the heating fuel type, and verify the number of stories in the home. This data is used to identify if homes are good candidates for high efficiency heating, cooling and hot water systems such as air source heat pumps and hot water heat pumps. Homes meeting optimal building design with current electric heating and/or water heating systems are provided information about enhanced incentives for air source heat pump systems and automatically referred to the HVAC program for follow up.

The EnergyWise assessment can identify if a home has central air conditioning and a smart thermostat, which allows the Company to offer these customers the opportunity to participate in the ConnectedSolutions program. To provide customers a full picture of all their clean energy opportunities, the energy specialist also performs a quick assessment survey to determine whether the home is a good candidate for solar.

**Moderate and Income Eligible Customers**

EnergyWise supports moderate income customers and renters with a 100% landlord weatherization incentive, which encourages landlords to weatherize homes by removing any direct costs for the landlord. Renters then benefit with lower energy bills and a more comfortable home. In 2021, the Company will also expand the 100% weatherization incentive to moderate income customers directly, described further in 'Changes for 2021' below.

Homeowners with less than perfect credit scores can take advantage of the lender of last resort, which makes 0% Heat Loans available to these customers. Income eligible customers receive their assessments through Community Action Program agencies (CAPs) that specialize in combining state and federal opportunities in one visit.

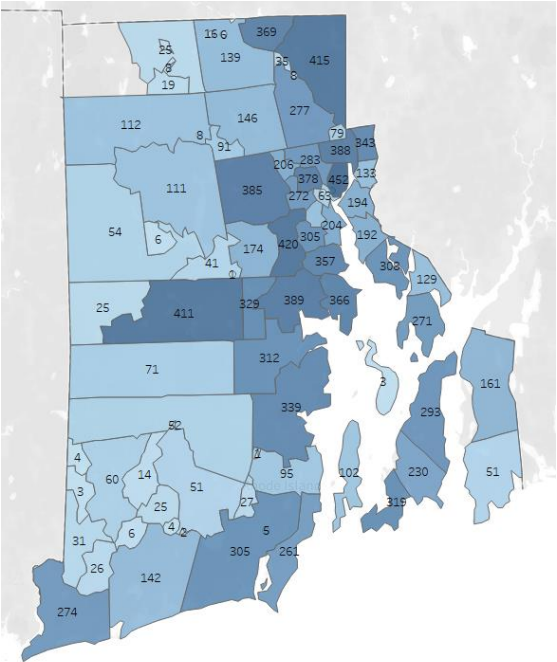
**Virtual Home Energy Assessment (VHEA)**

In 2020, the COVID-19 pandemic prompted innovation with in-home energy assessments transitioning to a virtual experience (Virtual Home Energy Assessment, VHEA). Customers participating in the VHEA receive

	<p>the energy saving devices traditionally installed by the energy specialist during the in-home visit through the mail. Customers are able to self-install the products or they can be installed when contractors are present during the weatherization process.</p> <p>As 2020 energy efficiency work evolves, the Company is continuously assessing how VHEAs may continue to fit within the <i>EnergyWise</i> offerings. The program is assessing how closely the weatherization scopes developed from a VHEA match conditions, needs of contractors implementing the weatherization work, and the cost implications. The Company is also closely observing customer satisfaction and acceptance of the VHEA.</p> <p>For customers beginning their energy education journey or those who may not have time for or are reluctant to have an in-home assessment, the online home energy assessment captures the current state of the customer’s energy usage and identifies opportunities for energy efficiency upgrades. If a customer takes the online assessment and determines they are interested in a virtual or in-person assessment, those opportunities are available to the customer.</p>
<p>Implementation and Delivery</p>	<p><i>EnergyWise</i> is delivered through a Lead Vendor (LV) model where the Lead Vendor provides assessments and schedules weatherization projects with the Independent Insulation Contractors that provide weatherization services (air sealing and insulation). The Lead Vendor provides 100% quality control for all weatherization work. The Lead Vendor model facilitates consistent assessments for customers and allows the program to incorporate testing of new concepts as well as generating leads for other programs. The RI program design has consistently been recognized as best in class with five years of ENERGY STAR® Partner of the Year awards for program implementation.</p> <p>A customer begins the home energy assessment process by either calling, emailing, or mailing an expression of interest and the initial in-home assessment is scheduled. The assessment generally takes 1.5 - 2.5 hours with an energy specialist(s) going through the home with the customer. This provides the customer one-on-one education about how their home is currently operating and helps them understand how recommended upgrades will improve their efficiency and comfort. At the completion of the assessment, participants decide whether to take action on recommended energy upgrades. When a customer agrees to</p>

	<p>proceed with recommended weatherization, the customer is connected with an insulation contractor and a visit is scheduled to install the weatherization upgrades. The customer can apply for 0% financing through the Heat Loan to finance the customer costs associated with the upgrade(s). Financing the energy upgrades requires selecting an approved lender and applying for the loan. For customers with less than perfect credit, there is a lender that specializes in financial coaching and approves Heat Loans for energy upgrades.</p> <p>Prior to the actual weatherization, communication occurs with the customer to ensure their home is prepared for the activity and that an adult will be at home in case questions arise. To allow the insulation contractors to efficiently air seal and insulate, customers must provide clear access and remove all personal items from the attic, basement and exterior walls. Before the insulation contractor closes the job, the Lead Vendor provides a quality assurance check of all weatherization work to verify that all work has been completed. This process minimizes return visits and complaints from customers.</p> <p>In response to COVID-19, the Company fast tracked and implemented a virtual home energy assessment. The virtual assessment follows a similar education and information capture process as the in-home assessment with a “live” virtual energy specialist. The virtual assessment generally takes one hour and is conducted by phone or video call. The specialist may request information from the customer in advance of the virtual assessment such as pictures of their attic, lighting fixtures, the exterior of their home, and heating and hot water systems.</p> <p>An online energy assessment, which can be taken at any time, does not include a “live” energy specialist and is insufficient to produce a full Energy Action Plan for weatherization. The online assessment is an online survey regarding a customer’s home that only takes five to ten minutes. The online energy assessment has a powerful algorithm that can closely predict the customer’s primary energy opportunities. The customer is provided immediate feedback upon completing the online survey, including energy tips as well as opportunities for energy incentives. The customer is prompted to supply their email if they want to be contacted about weatherization or to call the Company for an in-home (or virtual) assessment.</p>
--	---

Figure 8. Household Participation in EnergyWise by Zip Code in 2019



The Company increased marketing and employed innovative methods to reach customers and deliver information in response to the new conditions and challenges of the COVID-19 pandemic. This included developing a video and buying advertisements at drive-in movie theaters, as well as over-the-top (OTT) and connected TV (CTV) ads, which play before streamed programming.

Customer Feedback

Customers are surveyed after both the initial assessments and subsequent weatherization work. Customers consistently rank their satisfaction at or above 97% out of 100%. Customers are generally pleased with the upgrades provided during the assessment and impressed with the professionalism and care taken by the insulation contractors. When feedback indicated customer dissatisfaction with long wait times for a home assessment, the Company responded immediately by contracting more energy specialists to reduce the wait time. An interim communication letting customers know they are still on the list to receive an assessment along with other energy saving tips were added to the customer’s experience.

	<p>Review of customer satisfaction scores during the COVID-19 pandemic shows higher customer satisfaction with in-home home energy assessments as compared to virtual assessments.</p>
<p>Changes for 2021</p>	<p>A <b>Smart Plug assessment</b> will be added to the suite of <i>EnergyWise</i> services to capture potential savings from customers who “always leave on” their appliances and to build customer engagement around more control over household products.</p> <p><i>EnergyWise</i> will <b>expand the 100% weatherization incentive to moderate income customers</b>. Weatherization was identified by the Market Potential Study to have high savings potential and this offering will provide opportunities for more customers to participate in weatherization. Development of a moderate income definition and design of the offering will occur during the first half of 2021, with implementation beginning in Q3. Ideally the Company will work with an organization that can either income qualify customers or determine an accepted definition of moderate income that minimizes the qualification burden on the customer.</p> <p>The Company will <b>increase marketing to encourage renter and landlord participation</b> in <i>EnergyWise</i> and will continue the 100% weatherization incentive for landlords, expanding energy efficiency benefits to moderate income customers.</p> <p>The Company will <b>design a bundled enhanced incentive that supports customers who commit to comprehensive savings</b> by combining weatherization with another major energy system, such as heating and cooling or hot water heaters. Program design will occur in Q1 and Q2 along with beta testing and optimization and will roll out on a limited basis in Q3 and Q4 to help refine the offers and customer support systems, with full implementation planned for 2022.</p> <p>Energy specialists will <b>begin facilitating connections to HVAC and/or electrical contractors</b> if the customer does not have a preferred vendor to assist with pre-weatherization barriers.</p> <p><i>EnergyWise</i> will continue to work as a source of energy information for other energy saving programs and <b>increase customer connections to other programs</b>. For example, energy specialists will verify the presence of central air conditioning and Smart thermostats during in-home assessments, two criteria necessary for participation in Connected</p>

	<p>Solutions. For homes meeting optimal building design and heating fuel types for the electrification of heating and hot water systems, specialists will provide information about enhanced incentives and automatically refer customers to the HVAC program.</p>
<p>Rationale for Changes</p>	<p><b>Smart Plugs:</b> Internal National Grid ethnographic research indicates energy savings potential for Smart Plugs when strategically placed in high use, easily forgotten use cases. For example, a customer mentioned a coffee machine that heats water all day long, ready to brew a cup of coffee, despite only being used in the morning. With a Smart Plug, the customer could turn on machine in the morning and turn off remotely from work or another part of the home, turning on again if a second cup is desired. Similarly, another customer mentioned a space heater in the basement playroom they were never sure if the children turned off. A Smart Plug would allow the customer to check on the status of space heater at any time, maximizing energy savings and convenience. There are also savings associated with smart plugs from the Systems Reliability Plan work in Tiverton and Little Compton.</p> <p><b>Expanding the 100% weatherization incentive to moderate income customers:</b> This supports equity priorities shared with our stakeholders by enabling consumers most likely to face financial barriers to benefit from energy efficiency. The Company saw a strong increase in weatherization in 2020 during the COVID-19 pandemic when the 100% weatherization incentive was offered, which helped increase the number of customer conversions. While conversion to weatherization is generally around 35% - 40%, conversion increased to 65% with the 100% incentive during the 2020 COVID-19 pandemic. Expanding the incentive to moderate income consumers helps to achieve both savings and equity priorities.</p> <p><b>Increased marketing to landlords and continuation of the 100% incentive:</b> The Massachusetts' Energy Efficiency non-participant research indicates the renter designation as a proxy for moderate income households. Thus, increased marketing to landlords and continuation of the 100% weatherization incentive for landlords helps support energy efficiency for renters and moderate-income customers. Since the 100% landlord incentive was first offered in 2019, the Company has seen increased weatherization by landlords, as well as increased renter participation in the assessment portion of the program.</p>

<b>Renter Participation in EnergyWise</b>		
Year	Renters	% of Total Participants
<b>Assessment</b>		
<b>2018</b>	996	9.4%
<b>2019</b>	1,361	11.0%
<b>2020</b>	516	11.6%
<b>Total</b>	2,873	
<b>Weatherization</b>		
<b>2018</b>	180	5.0%
<b>2019</b>	319	6.9%
<b>2020</b>	142	8.5%
<b>Total</b>	641	

**Bundled enhanced incentive:** The bundled enhanced incentive encourages comprehensive energy efficiency savings through participation in multiple programs and drives customers to invest in the deepest residential energy efficiency opportunities. At this time, the enhanced incentive will include weatherization, heating and cooling systems, and hot water heaters. Design of this offering will occur in 2021 with the enhanced incentives applicable to investments made across the 2021-2023 program years.

**Facilitating connections to HVAC and/or electrical contractors:** Approximately 45% of all home energy assessments have some type of pre-weatherization barrier that prevents the customer from moving forward with the weatherization project. If the customer does not have a contractor with whom they are comfortable working, it can take additional time to obtain multiple quotes for a remediation project. To simplify the process, the Program will facilitate connections to HVAC and electrical contractors that resolve the most common types of pre-weatherization barriers, removing one additional task for the customer. The alleviation of pre-weatherization barriers was also a recommendation from the recently completed EnergyWise evaluation.



Proposed Upcoming Evaluations	The Company is currently reviewing preliminary results of 2020 process and impact evaluations of the EnergyWise program. Based on analysis of recent evaluations, the Department of Energy Home Energy Score is unlikely to continue moving forward.
Notes	

**EnergyWise Single Family – Electric Program Goals, Metrics, Budgets, Participation for 2021**

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Total Net Lifetime MMBtu (Electric Gas, Oil, Propane)	Budget (\$000)	Participation
Electric	15,895	2,973	470	486,285	16,893	11,750

**EnergyWise Single Family – Gas Program Goals, Metrics, Budgets, Participation for 2021**

	Lifetime MMBtu (Gas)	Annual MMBtu (Gas)	Budget (\$000)	Participation
Gas	544,796	24,575	9,498	1,962

### 3. EnergyWise Multifamily (Electric and Gas)

<p>Eligibility Criteria</p>	<p>Eligible Multifamily program participants are defined as the following:<sup>3</sup></p> <ul style="list-style-type: none"> <li>• Buildings with five or more dwelling units</li> <li>• Properties consisting of four or more one to four unit buildings that meet both of the following requirements: <ul style="list-style-type: none"> <li>○ Are within a reasonable geographical distance<sup>4</sup> from each other, or to a five plus unit building, and</li> <li>○ Are owned by the same individual or firm.</li> </ul> </li> </ul> <p>Both market-rate and income-eligible multifamily properties are subject to the above multifamily eligibility requirements for coordinated services. For the income-eligible properties, co-payments for energy efficiency services and measures are waived.</p> <p>The income-eligible multifamily sector is defined by properties that meet one of the following criteria:</p> <ul style="list-style-type: none"> <li>• Owned by public housing authorities or community development corporations;</li> <li>• Receive affordable housing tax credits or any type of low-income funds/subsidies from the state or federal government; or</li> <li>• Consist of building units where a majority of customers qualify as income-eligible customers (receive utility service on the A-60 Low-Income rate and/or have a household income of less than 60% of the Area Median Income).</li> </ul> <p>All customers who have an electric account with the Company are eligible, regardless of their heating fuel type.</p> <p>A multifamily property may be eligible for services and incentives under both residential and commercial programs. As an example, a building with 20 dwellings that is electrically sub-metered (20 residential accounts) with a commercial electric account for common areas and one</p>
-----------------------------	--

<sup>3</sup> Stand-alone one to four unit buildings that do not meet these requirements are considered “single-family” and are served traditionally through *EnergyWise* Single Family or Income Eligible Services Single Family programs, as appropriate.

<sup>4</sup> “Reasonable geographical distance” is determined at the discretion of the vendor. The prior program guidelines required buildings to be neighboring each other. This revised guideline will allow the vendor to treat more units for a single owner where those units may be located down the street from each other.

	<p>commercial gas account serving a central heating/hot water system will likely qualify for incentives through both Multifamily and the Commercial &amp; Industrial Multifamily programs. While this adds a layer of complexity for the Company, it is critical that the Company maintain accounting via these various program budgets to ensure equity for all customers, funding energy efficiency through the energy efficiency program charge. In contrast, the customer will not need to deal with this added layer of complexity and will instead receive a consolidated incentive for all efficiency work completed at the site.<sup>5</sup></p>
Offerings	<p>The program offers comprehensive energy services for multifamily customers including energy assessments, incentives for heating and domestic hot water systems, cooling equipment, lighting, appliances and air source heat pumps. Coordinated services will be offered for all types of multifamily properties.</p>
Implementation and Delivery	<p>The Rhode Island Multifamily program has a single Lead Vendor that utilizes a network of Rhode Island sub-contractors to serve all customers, including income eligible customers.</p> <p>A customer contacts the EnergyWise Multifamily vendor to express interest in receiving an energy assessment. A “pre-assessment” is done over the phone or in person to determine if the customer is eligible for participation in the program based on the aforementioned criteria. An energy assessment is then scheduled with the facility’s authorized representative.</p> <p>An energy assessment is completed by an energy specialist to identify ways to conserve electricity, natural gas, or delivered fuels. The Lead Vendor then conducts post site screening to identify which measures pass a benefit/cost (B/C) screening on a project level basis. If a measure does not pass, customers can still include it in the project without an incentive.</p>

---

<sup>5</sup> For the past four years the vendor has offered a Multifamily Coordinator for RI customers interested in participating in the multifamily program to reduce any confusion and ensure a smooth enrollment process.

	<p>A final proposal is then presented to the customer that includes the scope of work, costs, available incentives, and an estimated time frame. The customer is made aware of financing options available to them as well. If the customer decides to proceed with the project, installation work is then scheduled. Once installation work is completed, a final walk through with the customer is done. A completion report is then created and presented to the site’s authorized representative and signed off on.</p>
<p>Customer Feedback</p>	<p>Post project customer surveys are conducted and have high satisfaction results. Surveys are scored on a scale of 0 to 100 with such questions as:</p> <ul style="list-style-type: none"> <li>• On a scale of 1 to 5, how satisfied are you with the energy efficiency services you received?</li> <li>• On a scale of 1 to 5, would you recommend this service to family, friends, and/or colleagues?</li> </ul> <p>The most recently available average survey score for 2019 is 90.4.</p>
<p>Changes for 2021</p>	<p><b>Continue to examine a tiered incentive approach.</b> A tiered incentive approach encourages building owners and facility managers to include more residential unit owners in multifamily projects. Offering an additional incentive for the participation of additional residential units benefits the program as a whole and helps increase customer participation and energy savings. In 2021, the Company will continue to explore this opportunity to restructure incentives to increase program attractiveness to more customers.</p> <p><b>Provide greater customer choice to the condominium market.</b> In 2020, the Company worked with the multifamily vendor to implement greater customer choice by allowing customers to choose their own HVAC contractor and providing a turnkey project approach. These changes make participation easier for individual condominium owners, who often have a preferred HVAC contractor through their condominium association. In 2021, the Company plans to build on this progress by assessing the impact of providing customers with the option to choose their own contractor and examine any further barriers that could be removed to make participation in energy efficiency programs simpler for condominium owners. Taking this step will provide customers with greater choice, open energy efficiency project opportunities to more contractors which may drive down project costs, and increase participation among all multifamily facilities.</p>

	<p><b>Implement recommendations from Multifamily Impact and Process Evaluations.</b> The Company received results from the Impact and Process Evaluation of the EnergyWise Market Rate and EnergyWise Income Eligible Multifamily programs in August 2020. The process evaluation examines customer participation, vendor participation, and overall program processes. For 2021, the Company plans to utilize the results of this evaluation to make several improvements to program design of the multifamily programs. Firstly, the Company will work with its multifamily vendor to increase facilitation of health and safety barrier remediation by providing customers with more information about how to complete remediation and how to locate a local remediation contractor. The Company will also examine whether a pre-weatherization barrier incentive could help customers overcome barriers, and if so, how it should be structured. Secondly, the Company will set clearer program expectations with customers by updating language and redesigning the customer energy report and customer sign-up sheet. Thirdly, the Company will work to identify the long-term role of virtual energy assessments in multifamily buildings. The complexity of multifamily buildings makes it difficult to conduct a full and adequate virtual assessment. However, the Company plans to incorporate virtual processes to improve the overall assessment efficiency, such as initial conversations with property managers and reviewing property records and building data before arriving on-site. Results from these evaluations will also inform the Request for Proposal (RFP) for the Rhode Island multifamily program’s vendor for the upcoming three-year plan (2021-2023).</p> <p><b>Leverage the Multifamily Census to improve marketing.</b> Based on the findings of the forthcoming RI Multifamily Census to be completed in 2021 (see Upcoming Evaluations below), the Company plans to implement targeted marketing efforts to newly identified five to 20 unit small- and medium-sized multifamily owners, newly identified income eligible properties, and other newly identified properties that have not been served by the program to date. In the interim, and beginning in 2020 through 2021, the company will track and report renter participation when serving condo units.</p> <p><b>Coordinated Income Eligible cooling options.</b> In response to feedback from Public Housing Authorities and the EnergyWise multifamily vendor regarding the challenge of providing cooling options for occupants of</p>
--	---

	<p>income eligible buildings during increasingly hot summers, the Company designed an integrated option for these buildings starting in summer 2020 with further roll out in 2021. The EnergyWise income eligible multifamily program is now able to offer no-cost replacement of inefficient window air conditioners with efficient models. Through coordination with the Residential Consumer Products program, the multifamily vendor can assist public housing authorities with bulk application of rebates and purchasing of new window air conditioners for tenants who previously had no air conditioner at all. Furthermore, the vendor will continue assessing income eligible properties with electric resistance heat for heat pumps and prioritize installation in time for tenants to use the cooling function on their new heat pumps. The Company will develop additional educational materials for new heat pump users to familiarize themselves with the technology and optimize their use, which is especially important in multifamily buildings.</p> <p><b>Improve customer financing options.</b> Current options for financing of energy efficiency upgrades in multifamily buildings are limited to individual condo owners through the HEAT Loan program, with no option for landlords looking to finance upgrades to their renter-occupied property. In 2021, the Company will explore improvements to the HEAT Loan program that will provide financing options for landlords of both commercially and residentially metered multifamily buildings. This improvement would make it easier for owners to fund larger improvements to renter-occupied buildings, and therefore achieve deeper energy savings.</p> <p><b>Revisit co-branded marketing.</b> The Company commits to internally reevaluate its current guidelines regarding co-branding with the Multifamily program vendor and assess whether these guidelines could be modified to allow wider opportunities for co-branding with the vendor currently in place. Allowing more prominent placement of the Company's logo on vehicles and staff uniforms during interactions with customers may lead to greater trust and ease and therefore greater participation in the Multifamily programs.</p> <p><b>Improve sales acumen of energy auditors.</b> As the program shifts from inexpensive, direct install measures to more complex and expensive measures, energy auditors will need more sales experience to help customers understand the value of energy efficiency upgrades. As part of</p>
--	--

	<p>its increased focus on workforce development, the Company plans to invest in professional development for energy auditors in the Multifamily programs by providing them with sales training in 2021, which the Company believes should increase the amount of deeper energy savings measures adopted by multifamily participants.</p>
<p>Rationale for Changes</p>	<p>From 2018 through 2020, the Multifamily program’s electric energy goals have been challenged based on vendor feedback of a more rapid decline in opportunities for lighting savings than was anticipated. Energy savings from LED lighting makes up the majority of the electric energy savings goals for the multifamily programs. In 2018 and 2019 this led to underperformance of the multifamily market rate electric program and the multifamily Income Eligible electric program. Halfway through 2020 there is an indication that the multifamily Income Eligible electric program will finish the year closer to its annual MWh goal, however the market rate electric program is on track to perform below 2018 and 2019 levels.</p> <p>Annual participation data for 2012-2019 also indicate that the multifamily sector programs, particularly market rate electric and gas and, to a lesser extent, income eligible electric, are approaching market saturation. Annual participation results indicate that the multifamily sector is approaching market saturation. From 2012-2019 in market rate multifamily, 41% of gas customers and 47% of electric customers were repeat participants, compared with 8% in gas and 13% in electric for EnergyWise single family. In Income Eligible Multifamily during the same period, 21% of gas customers and 31% of electric customers were repeat participants, compared with 6% in gas and 21% in electric for Income Eligible Single Family.</p> <p>It is in response to these program challenges that the Company has proposed a suite of changes to the Multifamily program in 2021 to ensure continued energy efficiency benefits for these customers and deliver savings going forward.</p>
<p>Proposed Upcoming Evaluations</p>	<p><b>Multifamily Census Study:</b> In 2021 the Company will undertake a census of all multifamily properties in Rhode Island, using best available data to both understand where these properties are located, their ownership status, whether they are likely to be income-eligible or market rate, and whether they have already been served by the EnergyWise Multifamily Program. After examining best practices from the Massachusetts</p>

	Multifamily Census Study, the Company determined that the building stock in Rhode Island varies enough from that of Massachusetts to merit a separate study. Moreover, the Company will improve upon the research techniques of the Massachusetts study to yield the most relevant data to both understand EnergyWise Multifamily Program market penetration and identify additional targeted outreach opportunities to customers who have not yet participated in the program.
Notes	

**Market Rate Multifamily – Electric Program Goals, Metrics, Budgets, Participation for 2021**

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Total Net Lifetime MMBtu (Electric Gas, Oil, Propane)	Budget (\$000)	Participation
Electric	20,762	1,734	224	95,928	3,104	4,000

**Market Rate Multifamily – Gas Program Goals, Metrics, Budgets, Participation for 2021**

	Lifetime MMBtu (Gas)	Annual MMBtu (Gas)	Budget (\$000)	Participation
Gas	144,382	8,633	1,511	4,000



#### 4. Income Eligible Services (Electric and Gas)

Eligibility Criteria	<p>The Income Eligible Services (IES) Program serves the following customers:</p> <ul style="list-style-type: none"> <li>Household income equal to, or less than, 60% of Rhode Island's State Median Income Levels which are set each program year<sup>6</sup> <b>or</b> enrolled in National Grid's fuel discount rate plans, Electric A-60 rate and/or Gas 11, 13 rates<sup>7</sup>.</li> <li>Customers enrolled in the Low-Income Home Energy Assistance Program (LIHEAP)<sup>8</sup>, also known as "fuel assistance".</li> <li>Homeowners and renters who live in a one to four unit building heated with electricity, natural gas, oil, propane, wood, or coal</li> <li>Additional eligibility criteria, including the 50% rule,<sup>9</sup> shelter and group home eligibility, renter eligibility and repair or replacement eligibility are available in the RI WAP/IES Operations Manual. All criteria adhere to 10 CFR 440 requirements.</li> </ul>
Offerings	<p>IES consists of two, no-cost<sup>10</sup>, in-home services to increase comfort in the home and decrease a customer's energy costs.</p> <p><b>Appliance Management Program (AMP) Assessment</b></p> <ul style="list-style-type: none"> <li>The energy specialist educates the homeowner or tenant about their energy bill and monthly usage; assesses the home and learns about the day-to-day activities that consume energy in the home; discusses ways the customer can save energy and</li> </ul>

<sup>6</sup> <http://www.dhs.ri.gov/Programs/LowIncomeGuidelines.php>.

<sup>7</sup> <https://www.nationalgridus.com/RI-Home/Bill-Help/Payment-Assistance-Programs>

<sup>8</sup> <https://www.benefits.gov/benefit/1572>

<sup>9</sup> Customers that are not on the income eligible rate but live in a two- to four-unit building where more than 50% of the units are income eligible are also eligible to receive weatherization and health and safety services. This exception is referred to as the "50% rule".

<sup>10</sup> 100% incentive via the systems benefit charge (SBC) that funds all National Grid's energy efficiency programs. Customer incurs no cost for audit, weatherization or equipment replacement.

	<p>money, educates the customer to properly operate energy efficient equipment and how to identify signs that indicate if weatherization or heating system replacement is needed.</p> <ul style="list-style-type: none"> <li>• Installation of instant energy savings measures such as energy efficient LED bulbs, advanced power strips, water saving measures (faucet aerators and low-flow showerheads).</li> <li>• Evaluation of existing appliances: refrigerator, freezer, window air conditioning unit(s), clothes washer and dehumidifier to determine energy efficiency and eligibility for a no-cost replacement with an energy efficient appliance model. <ul style="list-style-type: none"> <li>○ Replacement of eligible existing inefficient appliances (including delivery and installation)<sup>11</sup>.</li> </ul> </li> </ul> <p><b>Weatherization and Heating System Assessment</b></p> <ul style="list-style-type: none"> <li>• An industry-certified energy specialist conducts a comprehensive assessment of the building envelope and heating and cooling systems including visual and equipment-required inspections, infrared camera thermal imaging, combustion safety testing of heating system, energy efficiency testing of heating and cooling systems.</li> <li>• Air sealing, duct sealing and insulation upgrades in attic, walls and basement.</li> <li>• No-cost replacement of eligible heating or cooling systems if they are determined to be inefficient or unsafe. Applicable to all existing heating/cooling systems: electric, gas, oil and propane.</li> <li>• If home has existing electric resistance heat, the customer will be offered to replace it with energy efficient air source heat pumps (ASHP) that provide heating and cooling.</li> </ul>
Implementation and Delivery	<p><b>Program Delivery:</b></p> <ul style="list-style-type: none"> <li>• IES Program is administered through a Lead Vendor that is responsible for managing the implementation of IES work</li> </ul>

<sup>11</sup> All appliances are purchased/supplied through a central organization, SMOC, a nonprofit agency, to ensure that all delivery personnel meet National Grid’s security and liability criteria, and all appliances meet IES Program requirements, warranty calls are handled expeditiously and properly documented and non-efficient appliances are removed and recycled safely and properly.

	<p>through the six Rhode Island geographically-based Community Action Program (CAP) Agencies.</p> <ul style="list-style-type: none"><li>• The primary point for customers to enroll in the IES Program is through the CAP Agencies as they provide income verification and comprehensive resources for income eligible customers.</li><li>• Other channels for enrollment are:<ul style="list-style-type: none"><li>○ Low-Income Home Energy Assistance Program (LIHEAP);</li><li>○ Community Expos;</li><li>○ Consumer Advocate appointments; and</li><li>○ National Grid’s Customer Service Center<sup>12</sup>.</li></ul></li><li>• The IES collaborates with the State of Rhode Island Department of Human Services (DHS) Weatherization Assistance Program (WAP)<sup>13</sup> and the Low-Income Home Energy Assistance Program (LIHEAP)<sup>14</sup> to create synergy between the programs, which improves outcomes of all the programs.<ul style="list-style-type: none"><li>○ Leveraged Funding: The IES Program benefits from leveraging LIHEAP funds, resulting in more customers being served. The amount of funds leveraged is approximately 35% of total customer incentive benefits for weatherization and heating system replacements. The LIHEAP funds also help pay for the remediation of non-energy related health and safety improvements, that if not remediated, would prevent a customer from receiving weatherization and/or heating system upgrades, i.e., roof repair and/or replacement, knob and tube removal, glass repair/replacement and carpentry. See</li><li>○ Figure 9, Figure 10, Table 2 below for illustrative examples that represent 2012-2020 funding sources, allocation of funding sources, and services provided with funding sources, respectively.</li></ul></li></ul>
--	---

---

<sup>12</sup> (1-800-322-3223)

<sup>13</sup> overseen by the U.S. Department of Energy. <http://www.dhs.ri.gov/Programs/WAPProgramInfo.php>

<sup>14</sup> overseen by the U.S. Department of Health and Human Services. <https://www.benefits.gov/benefit/1572>

	<ul style="list-style-type: none"> <li>○ WAP funding is not leveraged/integrated but WAP provides training and equipment to weatherization Auditors.</li> <li>● CAPs provide the full suite of energy efficiency services including: <ul style="list-style-type: none"> <li>○ Income-eligibility verification</li> <li>○ Customer education</li> <li>○ Energy assessments</li> <li>○ Installation of instant savings measures</li> <li>○ Recommendations for energy savings measures</li> <li>○ Coordination of home performance/HVAC contractors and appliance vendors that install weatherization and heating (space and hot water) measures</li> <li>○ Quality assurance/quality control (QA/QC)</li> <li>○ KPIs are tracked to measure/improve consistency of Program delivery as well as drive performance of the CAPs. KPIs include: timeliness of administrative reporting, monthly/year to date spending compared to goals, participation numbers for AMP, electric &amp; gas weatherization and heating system installations and cost.</li> </ul> </li> <li>● The IES Program is marketed through the Program’s marketing specialist as well as cross marketed at Community Expos, via the Consumer Advocates dedicated to the RI IES consumers, the Company’s call center.</li> <li>● Quarterly IES Best Practices meetings are held with the Company, the Lead Vendor, the CAPs, DHS, program vendors (i.e., lighting vendor, appliance delivery vendor), or speakers to address a pertinent topic.</li> <li>● Quarterly engagement of the Company, the Lead Vendor, CAPs, and DHS to ensure consistent implementation of IES best practices across Rhode Island.</li> <li>● On-going customer feedback and communication.</li> </ul> <p><b>Customer Journey:</b></p> <ul style="list-style-type: none"> <li>● A customer begins the process for a no-cost home energy assessment by going to their local CAP Agency to submit their information to determine if they meet the income eligibility requirements for participation in IES.</li> </ul>
--	--

	<ul style="list-style-type: none"> <li>• The CAP Agency will then schedule a no-cost AMP and/or Weatherization/Heating System assessment. In some cases, the AMP and Weatherization/Heating System assessments are separate due to the customer’s past assessments, renting vs. owning, time availability or the CAP Agency’s availability of two-person assessment teams. In 2021 the CAPs will continue a process using two-person teams where applicable to provide all energy assessment services in one visit.</li> <li>• Energy education is provided to the customer regarding the pre- and post-energy assessment process, opportunities to save energy, processes for receiving appliance or heating/cooling system upgrades and/or weatherization.</li> <li>• The CAP Agency will schedule all necessary follow-up services for insulation, air sealing, appliance and heating/cooling system replacements. All services and appliance and heating/cooling system replacement are provided at no cost to the customer.</li> </ul>
Customer Feedback	<p>The recommendations from the 2019 Process Evaluation included the addition of a new post-installation survey for weatherization and heating system services to compliment the AMP Assessment customer survey. These surveys, in conjunction with the KPIs instituted in 2020, provide the feedback necessary to highlight successes and identify areas for improvement.</p> <p>Through a more general process and to collect timely feedback from customers, following the AMP energy assessment as well as heating system and weatherization services, customers are provided with a pre-stamped survey card. To date in 2020, 95% of customers who responded were satisfied with the IES services, 96% of customers who responded were satisfied with the improvements to their homes, and 100% of the customers who responded were satisfied with the professionalism of the CAP employees (n=79).</p> <p>The Lead Vendor provides a tabulation of the survey results, and the anonymized data is presented at the IES Quarterly Best Practices meeting. This feedback provides the Lead Vendor and the CAPs with information about how to improve the program as well as celebrate the successes. Discussing the data as a whole at the IES Best Practices meeting allows the opportunity to create solutions if problems exist, as well as celebrate the success of the collective efforts of the six CAPs.</p>

<p>Changes for 2021</p>	<p>In 2021, the IES Program will focus on increasing the number of participants. COVID-19 has exacerbated the number of customers who may need extra support to secure energy efficiency services and who stand to benefit from them. The Company will work to <b>ensure applicable customers are enrolled in the discount rate program</b>, coordinating with National Grid’s Consumer Advocacy Team to <b>cross-promote IES offerings when customers enroll in the discount rates</b> to support their ability to access comprehensive, no-cost energy efficiency services.</p> <p>The program will <b>develop a third-party support system to expand CAP capacity to serve customers and ensure greater equity across CAP territories</b>. To support the CAPs in increasing participation, in an equitable manner, a third-party service provider will be made available to seamlessly conduct assessments and complete weatherization projects. The third-party support model will be developed with the CAP partners and possible formats will be tested in 2020. In 2021, third-party support will continue to evolve to fit the needs of IES Program. Determination of success will include: CAPs meeting/exceeding year end goals; CAPs utilizing the service to stay above a yet to be determined percentage of quarterly goals; and improved timeliness for completion of weatherization services.</p> <p>The Company will <b>focus on the recommended improvements from the 2019 Process Evaluation</b>, specifically the following key areas.</p> <ul style="list-style-type: none"><li>• Prioritize rebuilding and stabilizing the number of qualified AMP/weatherization and heating assessors. National Grid will prioritize the focus on supporting CAPs to promote assessor retention and will regularly track the number of assessors, as well as assessor turnover, as indicators of success. This process will complement the addition of the third-party service provider as outlined above.</li><li>• Increase the number of customers who complete weatherization. Weatherization data will be collected and utilized to further improve the percentage of customers who weatherize their home. Areas of focus will be the timeline from recommendation to completion of installation and customer satisfaction.</li><li>• Continue to review the effectiveness of the new non-Standard Work Specification (non-SWS) for all non-AMP projects to</li></ul>
-------------------------	--

	<p>continue to improve consistency, rigor, cost, and efficiency. As one measure of National Grid’s success identifying an expedited solution, the Company will consider tracking the amount of time assessors spend on each type of assessment (AMP, weatherization, and comprehensive).</p> <ul style="list-style-type: none"> <li>Engagement with landlords on behalf of interested tenants, as CAP staff are best positioned to explain IES and successfully enlist their participation. The Company aims to increase renter participation to effectively improve the equitable share of program resources.</li> </ul> <p>National Grid will work to <b>increase awareness of the IES Program through coordination and partnership</b>. The Company will coordinate with State and market-based organizations to determine the need and/or benefit of hosting a consortium to continue to find ways to serve IES customers. If determined to be beneficial, the Company will work with stakeholders to organize and host the consortium with a goal of increasing the success of the IES program as well as the many other services available to the community.</p> <p>The IES Program will <b>work with CAPs on utilizing two-person energy assessment teams to streamline the assessment process</b>, conducting both AMP and weatherization/heating system services at the same time.</p> <p>The program will <b>develop a protocol for offering smart thermostats to homes with central AC to improve efficiency and operability</b> and align with ConnectedSolutions when possible.</p> <p>The program will <b>develop a new, holistic email marketing strategy that leverages personalization to promote IES</b>, displaying the regionally appropriate CAP agency based on the customer’s service address. IES will also benefit from personalization’s promotion of non-energy efficiency solutions, such as discount rate enrollments and forgiveness program enrollments.</p>
<p>Rationale for Changes</p>	<p><b>Increase participation and enroll in discount rate:</b> The number of customers eligible for Income Eligible Services is expected to increase as a result of the COVID-19 pandemic and a robust IES program is critical to ensure equitable access to comprehensive energy efficiency services at no cost. The IES Program is working to ensure there are resources in</p>

	<p>place to serve the customers that are in utmost need of the no-cost energy efficiency services.</p> <p><b>Develop a third-party support system to expand CAP capacity to serve customers:</b> Due to the pause and reduction in workforce at the six CAP Agencies during the COVID-19 pandemic, National Grid will remain focused on the availability of skilled energy professionals to deliver the rate-payer program equitably across Rhode Island. Adding third-party support will ensure CAPs have capacity to reach additional customers resulting from the COVID-19 pandemic, regardless of their size.</p> <p><b>Recommended improvements from the 2019 Process Evaluation:</b> The 2019 Process Evaluation clearly outlined opportunities to improve the delivery model for improved performance and stakeholder and customer satisfaction. However, the pause in field work during the Covid-19 pandemic did not provide the opportunity to fully develop, implement, and assess all of the Process Evaluation results, therefore improvements and analysis will continue into 2021. Continued implementation of recommended improvements will enhance program delivery, efficiency, and customer satisfaction.</p>
Proposed Upcoming Evaluations	None planned for 2021.
Notes	

**Income Eligible Services – Electric Program Goals, Metrics, Budgets, Participation for 2021**

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Total Net Lifetime MMBtu (Electric Gas, Oil, Propane)	Budget (\$000)	Participation
Electric	41,926	3,325	486	374,388	13,753	3,630



**Income Eligible Services – Gas Program Goals, Metrics, Budgets, Participation for 2021**

	Lifetime MMBtu (Gas)	Annual MMBtu (Gas)	Budget (\$000)	Participation
Gas	226,500	11,325	6,757	1,161

Figure 9. 2012-2020 Funding Sources - Single Family Income Eligible EE Services

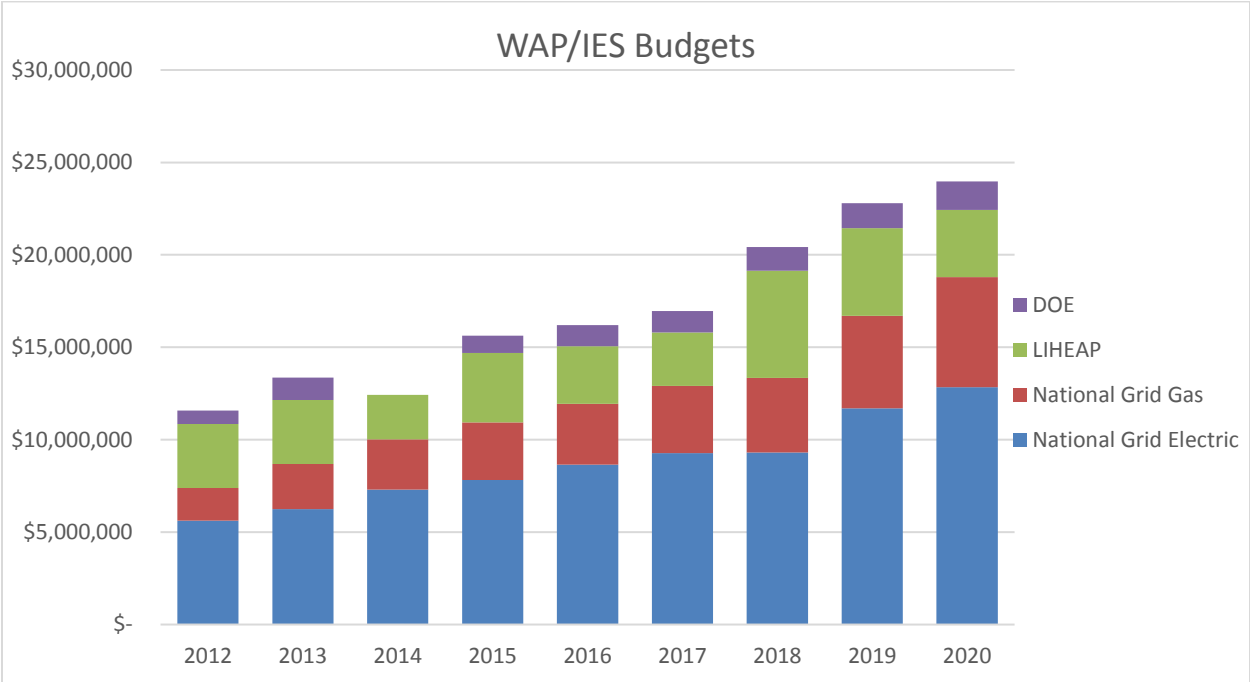


Figure 10. Allocation of Funding Sources - Single Family Income Eligible EE Services

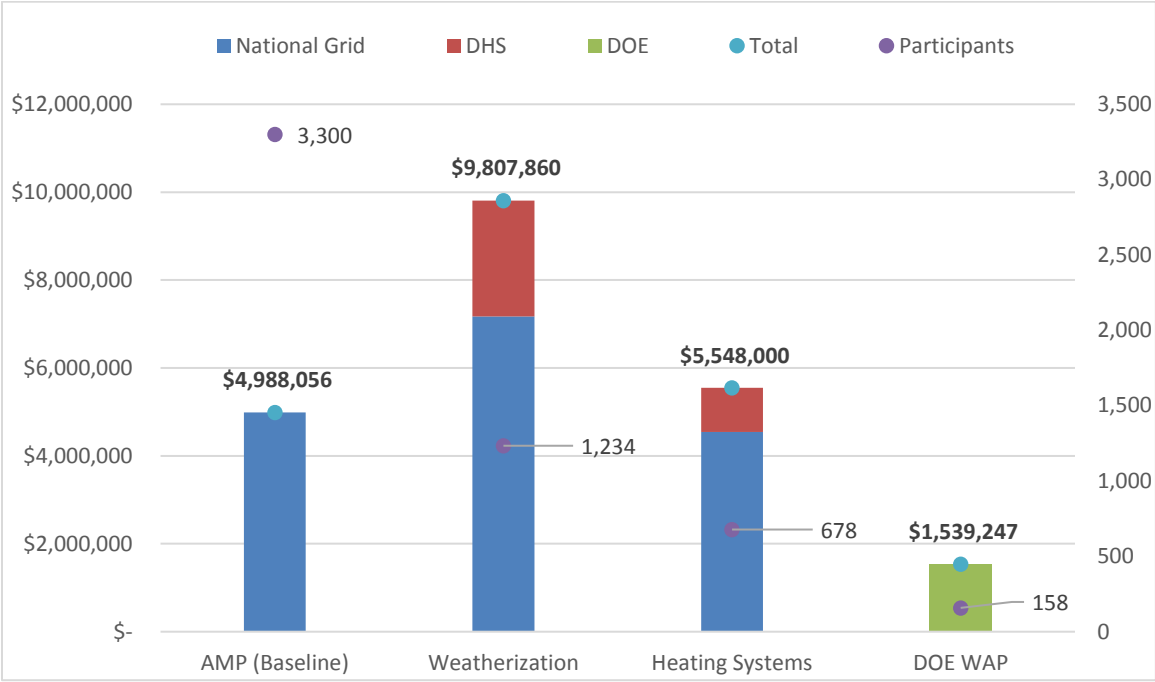


Table 2: Services Provided – IES Program and Low-Income Home Energy Assistance Program

Single-Family Income Eligible Services (IES) Program*	Low-Income Home Energy Assistance Program (LIHEAP)*
<ul style="list-style-type: none"> <li>• Conduct whole house Energy Assessment and provide customer education <ul style="list-style-type: none"> <li>○ Lighting and Appliance (AMP) Assessment</li> <li>○ Heating and Weatherization Assessment</li> </ul> </li> <li>• Review utility bills</li> <li>• Replace incandescent and halogen bulbs with LED bulbs</li> <li>• Install smart power strips and domestic hot water savings measures</li> <li>• Talk with homeowner about opportunities to save energy and money through upgrading appliances and</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct whole house audit/ energy efficiency evaluation for Heating Systems and Weatherization (not appliances)</li> <li>• Install weatherization measures (insulation, air sealing, duct sealing)</li> <li>• Replace inefficient heating equipment if deemed eligible</li> <li>• Improve minor health and safety issues that are barriers to energy efficiency measures</li> <li>• Conduct field inspections and testing, i.e., quality assurance / quality control.</li> </ul>

<p>mechanical equipment and weatherizing the home.</p> <ul style="list-style-type: none"><li>• Coordinate the installation of weatherization measures and/or space/water heating system and air conditioning replacements if needed</li><li>• Install weatherization measures if needed</li><li>• Replace eligible appliances</li><li>• Conduct field inspections and testing, i.e., quality assurance/quality control.</li></ul>	
---	--

\*Both IES and LIHEAP offer all services and products at no-cost to the customer.

## 5. Residential New Construction (Electric and Gas)

<p>Eligibility Criteria</p>	<p>The Residential New Construction (RNC) program is designed to advance the Rhode Island housing market toward zero energy homes. The program provides technical services, inspection services, and project incentives for new construction, additions, and major renovations to both one to four unit and five plus unit buildings. The program also supports major renovation of adaptive reuse projects (e.g. mill building conversions). The RNC program supports both market rate and income eligible housing units.</p>
<p>Offerings</p>	<p><b>Design and Construction Assistance</b></p> <ul style="list-style-type: none"> <li>• Energy modeling and design assistance to verify compliance with the RNC requirements and justify the respective incentives.</li> <li>• In-field training and inspections to verify compliance with the RNC requirements and promote efficiency in subsequent projects.</li> </ul> <p><b>Market Development</b></p> <ul style="list-style-type: none"> <li>• Technical training on high efficiency and Zero Energy building practices, as well as energy code compliance, to build necessary market capacities.</li> <li>• Training and certifying Home Energy Rating System (HERS) raters to increase the number of qualified raters based in RI.</li> <li>• Rating and certification services, including HERS, DOE Zero Energy Ready Home, Passive House, and ENERGY STAR, to promote visibility of energy efficiency in the marketplace and support increased use of the RI Residential Stretch Code.</li> </ul> <p><b>Incentives</b></p> <ul style="list-style-type: none"> <li>• Whole-home efficiency incentives for 1-50 unit buildings based on achieved level of efficiency and number of units. <ul style="list-style-type: none"> <li>○ Path to Energy Efficiency incentives ranging from \$200 to \$4,000 per home. <ul style="list-style-type: none"> <li>▪ Four efficiency tiers, with an entry threshold of 15% more efficient than baseline and progressive maximum air leakage requirements.</li> <li>▪ Additional incentive options of \$250-\$1,000 per home for all-electric home and \$100-\$200 per home for ENERGY STAR® certification.</li> </ul> </li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Path to Zero Energy Ready incentives ranging from \$500-\$1,500 per home in addition to Path to Energy Efficiency. <ul style="list-style-type: none"> <li>▪ Projects must meet a minimum base efficiency level, be all-electric, and achieve DOE Zero Energy Ready Home, Passive House, or equivalent certification.</li> </ul> </li> <li>○ Projects with &gt;50 units are eligible for custom incentives.</li> <li>○ Adaptive Reuse projects are incentivized based on a separate set of prescriptive measures tailored to mill conversion projects.</li> </ul> <ul style="list-style-type: none"> <li>● Certification incentives provided to support third-party verification of energy efficiency measures.</li> <li>● Equipment rebates for qualifying high efficiency heating, cooling, and hot water equipment.</li> <li>● Complimentary ENERGY STAR LED bulbs and WaterSense showerheads.</li> </ul>
Implementation and Delivery	<p><b>Design and Construction Assistance, Incentives:</b> The RNC project pipeline is developed primarily through coordination with RI permitting departments, engagement of the building industry, and referrals from EnergyWise and Rhode Island Housing. A participating customer/project team begins the process by calling or emailing the RNC program. The project team meets with RNC staff to discuss the project design, learn how to modify design or mechanical systems to improve energy efficiency, and initiate energy modeling of the project to determine the potential for incentives. Once construction has begun, RNC staff provides on-site training as needed and conducts inspections of the completed project to determine energy efficiency and respective incentives. When the project is complete and has met program requirements, the performance and equipment incentives are issued.</p> <p><b>Market Development:</b> RNC identifies opportunities to build necessary market capacities to advance toward Zero Energy Homes and delivers programming designed to achieve this goal.</p>
Customer Feedback	<p>Project teams are offered an opportunity to highlight their project in a case study for further promotions. Case studies have proven a good channel for customers to express satisfaction with the Program.</p>
Changes for 2021	<p>In 2020, the Company will <b>integrate the 2020 Zero Energy Pilot components into the primary delivery and incentive offerings</b> of the RNC program.</p> <p>Program <b>content related to codes and standards will be refreshed</b> to reflect the State’s code update expected in early 2021.</p>

Rationale for Changes	The RNC program has helped to drive market transformation, as demonstrated by a steady increase in the number of homes that achieve high levels of energy efficiency. Zero energy and passive house projects are no longer just for early adopters. The changes for 2021 will continue to increase the visibility and effectiveness of all electric homes and significantly improving thermal performance, both resulting in further reduction of energy use. These changes also contribute to advancing the State’s greenhouse gas emissions reduction goals.
Proposed Upcoming Evaluations	Residential New Construction Baseline and Code Compliance Study (RI-21-RX-CSNC)
Notes	

**Residential New Construction – Electric Program Goals, Metrics, Budgets, Participation for 2021**

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Total Net Lifetime MMBtu (Electric Gas, Oil, Propane)	Budget (\$000)	Participation
Electric	19,776	1,202	100	122,316	1,351	417

**Residential New Construction – Gas Program Goals, Metrics, Budgets, Participation for 2021**

	Lifetime MMBtu (Gas)	Annual MMBtu (Gas)	Budget (\$000)	Participation
Gas	85,272	4,445	676	323

## 6. Home Energy Reports (Electric and Gas)

Eligibility Criteria	<p>The majority of Rhode Island residential Electric and Gas customers are eligible for the Home Energy Reports (HER) program. Customers with an email address on record will also receive an electronic version of the report (eHER). All customers have access to the online home energy assessment and related insights. Randomly compiled control and treatment groups are necessary for accurate savings reporting. Thus, some customers will not receive print or electronic reports (control group), while others receive both print and electronic HERs (treatment group). Based on the impact evaluation conducted in 2020, some treatment groups that have not shown appreciable savings will be removed from the portfolio resulting in program cost efficiencies.</p>
Offerings	<p>The HER program is a state-wide energy efficiency program that provides benefits for Rhode Island residential customers through the mailing of customer-specific energy usage reports and insights. While over 300,000 customers receive HERs (i.e., the treatment group) by way of direct mail and/or e-mail, all account holders have access to insight into their energy consumption via the web tools located on the National Grid website. The program has evolved since 2013 from offering only mailed insights to now being integrated into the Company’s website with online assessment tools, sending Non-Advanced Metering Infrastructure (AMI) High Usage Alerts, and utilizing segmentation to target different populations with relevant messaging.</p>
Implementation and Delivery	<p>The program is administered by a Lead Vendor, a company with subject matter expertise selected by the Company to deliver the program. This Lead Vendor also developed and launched the first HERs in the country. Since 2013, the Company has employed the Lead Vendor to implement the HERs in all three of its jurisdictions (Massachusetts, New York, and Rhode Island). The Lead Vendor is responsible for maintaining HER distribution groups, tracking data, managing the Web Portal, and documenting energy savings. The Lead Vendor works with the Company to craft the messaging and delivery of the HERs, and also works with the Company to introduce additional program enhancements, aligning with the Company’s state-wide comprehensive marketing efforts.</p> <p>All eligible customers will receive a minimum of 6 print versions of the report a year and up to 4 gas specific reports in the winter season. All customers with email on record will receive up to 12 reports a year. The</p>

	<p>reports include marketing messages informing customers of other program opportunities so that they may be made aware of the most current and relevant energy efficiency offerings. For customers interested in learning more about energy saving tips and their home’s energy consumption, they may log into the online portal and use the available tools.</p>
Customer Feedback	<p>The Company’s Customer Energy Management team overseeing program strategy continues to work with the Customer Contact Center to ensure customer complaints are addressed. In each report there are multiple options for the customer to contact the Company to learn more or opt-out of the reports. In 2020, HERs were revised in response to customer feedback expressing that a customer’s energy situation did not match that of their neighbor. In the fall of 2020, new neighborhood comparison groups will be calibrated for customers with solar systems. The Company is also looking to collect electric vehicle information to customize an offering for EV owners.</p> <p>The Lead Vendor completes an Customer Engagement Tracker (CET) annually assess customer perception of the program. Additionally, a new user feedback module will be used in reports to solicit feedback from the customers on the usefulness of these reports. This will help to further evaluate how customer experience can be optimized for the best outcome.</p>
Changes for 2021	<p>The Company will <b>adopt 2020 evaluation recommendations to optimize savings</b>, including removing new mover cohorts from the program with historically lower energy savings over several years and increasing opportunities to collect email addresses so that eHERs are available and used by more customers.</p> <p><b>HER 3.0 will be rolled out in 2021 with several enhancements</b> including new energy insights, new behavioral techniques, and increased “moments of pride” to encourage behavior modification and engagement. HERs will continue to support solar-specific neighbor comparisons introduced in late 2020. The Company will use this as an opportunity to promote battery storage and ConnectedSolutions to solar customers.</p>
Rationale for Changes	<p>The current HER has been used since the program first rolled out in 2013. HER 3.0 will encourage continued customer engagement, better</p>



	customization, and faster transitions to other program opportunities to drive comprehensive adoption of energy efficiency solutions while encouraging passive demand reduction through behavior change.
Proposed Upcoming Evaluations	None planned for 2021 (completed impact evaluation in 2020).
Notes	

**Home Energy Reports – Electric Program Goals, Metrics, Budgets, Participation for 2021**

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Total Net Lifetime MMBtu (Electric Gas, Oil, Propane)	Budget (\$000)	Participation
Electric	26,852	26,852	3,692	91,619	2,640	323,248

**Home Energy Reports – Gas Program Goals, Metrics, Budgets, Participation for 2021**

	Lifetime MMBtu (Gas)	Annual MMBtu (Gas)	Budget (\$000)	Participation
Gas	93,548	93,548	451	152,324

## 7. ENERGY STAR® Lighting (Electric)

Eligibility Criteria	ENERGY STAR Lighting serves all residential customers in Rhode Island. Special areas of focus are food banks, schools, and designated hard to reach areas.
Offerings	ENERGY STAR® Lighting reduces the cost of energy efficient lighting to all residential RI customers. Pricing of efficient lighting is automatically discounted at the retail level to facilitate the consumer transaction. Any ENERGY STAR qualified lighting product can apply for an incentive through this program. 2021 product offerings include standard LED bulbs, specialty bulbs, fixtures, and linear LEDs.
Implementation and Delivery	<p>ENERGY STAR Lighting products are promoted in retail stores, offered at no cost in RI food banks (two bulbs per customer with a pamphlet indicating other income eligible energy efficiency services), at RI schools as a fundraising activity along with an educational energy efficiency orientation, online through the National Grid marketplace at ngrid.com/shop, and through a pop-up retailer that brings lighting sale opportunities to non-traditional retail locations.</p> <p>The Program brings down LED lighting products pricing through a negotiated cooperative promotion (NCP) process. The NCPs require manufacturers and retailers to work together and present proposals for products and quantities that will be sold for either short promotional periods or for the calendar year. Customers pay the final incentivized price and are not required to apply external coupons or rebates. The Lead Vendor organizes the NCPs and conducts retailer support and training through in-store visits, online training, and customer outreach events. A rebate processor manages tracking of sales and incentives to the parties entered in the NCP. A pop-up retailer works with businesses and provides staff for special events where lighting and product sales can be offered. Finally, there is a vendor that manages National Grid’s online marketplace where customers receive instant incentives and the convenience of online shopping. National Grid will continue to offer short term flash sales of specially priced products to customers throughout the year on the marketplace. In addition to working with the RI food banks, there is a focus on hard-to-reach areas defined by the following criteria:</p> <ul style="list-style-type: none"> <li>• Income Level: 60% - 120% of the state’s median income</li> <li>• Primary Language: Non-English</li> <li>• Ethnicity: Non-Caucasian, Ethnic Minorities</li> <li>• Education Level: Below 4-year college degree</li> </ul>

Customer Feedback	<p>Much of the customer feedback for this program comes from our Lead Vendor as they work with retailers and staff customer educational events at the retail locations and through the pop-ups. In general, Lead Vendors report customers are pleased with the quality of lighting produced from LEDs. One initial concern was a desire to purchase lighting with a similar color as incandescent lighting. The pop-up retailer offers both bright white and daylight options at all events, and retailers now carry a range of color options.</p> <p>In 2020, the National Grid marketplace had an average Net Promoter Score of 77, which is considered world-class. The Net Promoter Score is a measurement of customer experience, in this case based on a customer’s likelihood of recommending the National Grid Marketplace to a friend or colleague.</p>
Changes for 2021	<p>In 2021, the Company will <b>continue to support lighting products with the exception of reflectors</b>, which have been widely adopted according to recent evaluation studies. However, the <b>incentives will be lower for select products</b> including standard LED bulbs, specialty bulbs, reflectors, fixtures, and linear LEDs.</p>
Rationale for Changes	<p>ENERGY STAR® Lighting reduces the cost of energy efficient lighting to all residential RI customers and provides immediate savings to customers with nominal customer investment. Because of the effective transformation of the lighting market in Rhode Island, the Company, supported by the findings of the Market Potential Study, have reduced the number of eligible bulbs and bulb types in order to target the savings that remain in the lighting market amidst this successful transformation.</p>
Proposed Upcoming Evaluations	None planned for 2021.
Notes	

**ENERGY STAR® Lighting – Electric Program Goals, Metrics, Budgets, Participation for 2021**

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Total Net Lifetime MMBtu (Electric Gas, Oil, Propane)	Budget (\$000)	Participation
Electric	26,801	11,533	1,872	46,854	5,227	68,164

## 8. Residential Consumer Products (Electric)

Eligibility Criteria	Residential Consumer Products serves all residential customers by offering incentives on electronics, ENERGY STAR® consumer appliances, and other high use energy saving devices.
Offerings	Residential Consumer Products incorporates both the federal Environmental Protection Agency (EPA) ENERGY STAR and Department of Energy (DOE) categories of consumer appliances, select building products, and some energy saving items not included by the federal agencies. The largest savings elements of the Consumer Products program comes from recycling older refrigerators and freezers and the sale of new advanced power strips that assist in removing the standby power load from devices that are plugged into wall sockets. In 2021 the program will also support dehumidifiers, dehumidifier recycling, dryers, refrigerator and freezer recycling, room air cleaners, room air conditioners, efficient shower heads, pool pumps, and low-emissivity storm windows. Consumers can purchase products at a local retailer, online through any online retailer as long as the product meets product specifications and there is a receipt, or at the National Grid marketplace (ngrid.com/shop).
Implementation and Delivery	<p>Similar to the ENERGY STAR Lighting program, there is a Lead Vendor for this program that works with retailers, so they are knowledgeable about the products and ensure proper signage within the stores. The Lead Vendor also jointly provides staff at customer outreach events at retailer locations. The program supports a combination of upstream and midstream incentives as well as post-purchase consumer incentives. The upstream and midstream incentives encourage retailers and manufacturers to support ENERGY STAR with increased production and availability of products. Consumer incentives are designed to bring efficient product costs in line with less efficient equipment, thereby encouraging the adoption of the more efficient item.</p> <p>A rebate processing vendor verifies and processes post-consumer incentives which can be submitted electronically or by traditional mail. This vendor also processes upstream and midstream incentives.</p>
Customer Feedback	Much of the customer feedback for this program comes from our Lead Vendor, as they work with retailers and staff customer educational events at the retail location and through the pop-ups. Lead Vendors report general customer interest in learning which products have incentives.
Changes for 2021	The Company will <b>assess the cost effectiveness of joining the ENERGY STAR Retail Products Platform (ESRPP) in 2021 and join if cost effective.</b> ESRPP is a

	<p>midstream initiative of energy efficiency program sponsors, retailers, and other key ENERGY STAR program partners and stakeholders. ESRPP aims to transform markets by streamlining and harmonizing energy efficiency programs with retailers, making them less complex and more cost-effective. The program evaluated the ESRPP in 2018, at which time there were limited products yielding robust savings opportunities for RI, with the cost of data reporting exceeding the benefits. Since then, more products have been added to the ESRPP, which may improve the savings and economics of this offering.</p> <p>Relatedly, the recent Market Potential Study identified products such as clothes washers and refrigerators, which are not currently offered by the program. These products were removed from the program in prior years, as high free ridership values meant they were not cost effective. The ESRPP offers an opportunity to reduce costs from a traditional downstream approach and perhaps once again include these offers in the program.</p> <p>In 2021, the program will <b>develop a baseline of renter information and participation</b>, collecting whether customers are renters on customer mail-in or online rebates. Rental reporting contributes to equity insights, as renters are a customer demographic that stakeholders have expressed an interest in prioritizing the assurance of equitable delivery of service to. However, a consequence of adopting the ESRPP would be a loss of renter insights from the midstream approach.</p> <p>The consumer products program will <b>collaborate with the Multifamily Residential Program and Public Housing Authorities on cooling opportunities for income eligible customers</b>. The multifamily vendor will assist housing authorities with bulk application of rebates and purchasing of new window air conditioners to streamline energy efficiency offerings for the customer.</p>
<p>Rationale for Changes</p>	<p><b>ESRPP:</b> The ESRPP would allow the program to include more products within the program portfolio, provide incentives to more customers, and potentially allow the program to reduce incentive costs, thus exploration of joining the platform is warranted.</p> <p><b>Renter Information/Participation:</b> Developing a baseline on renter participation will allow for improved insights into equitable participation in the energy efficiency programs, as renters are a customer demographic that stakeholders have expressed an interest in prioritizing the assurance of equitable delivery of service to.</p>

	<b>Multifamily Program Collaboration:</b> Working in conjunction with the multifamily residential program to facilitate cooling opportunities through Public Housing Authorities is one way to streamline energy efficiency offerings for the customer. The Company reviewed multiple options to support Public Housing Authorities, selecting the most cost-effective solutions first while including other options for residents that had varying needs and requirements.
Proposed Upcoming Evaluations	None planned for 2021.
Notes	

**Residential Consumer Products – Electric Program Goals, Metrics, Budgets, Participation for 2021**

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Total Net Lifetime MMBtu (Electric Gas, Oil, Propane)	Budget (\$000)	Participation
Electric	38,271	5,926	1,019	134,165	2,674	33,111

## 9. High-Efficiency Heating, Cooling, and Hot Water (Electric and Gas)

Eligibility Criteria	Residential High-Efficiency Heating, Cooling, and Hot Water (Electric and Gas) serves all residential customers by offering incentives on high-efficiency equipment, and equipment maintenance. Energy efficient equipment must be installed by a licensed heating contractor or plumber.
Offerings	<p>The High-Efficiency Heating, Ventilation, Air Conditioning and Hot Water Programs (HVAC Programs) promote and incentivize the installation of high efficiency electric and gas equipment through:</p> <ul style="list-style-type: none"> <li>• Customer rebates on energy efficient equipment <ul style="list-style-type: none"> <li>○ Boilers</li> <li>○ Boiler outdoor reset controls</li> <li>○ Furnaces</li> <li>○ Heat recovery ventilators</li> <li>○ Air source heat pumps (space and water heating)</li> <li>○ Air Conditioners</li> <li>○ Hot water heaters</li> <li>○ Smart thermostats <ul style="list-style-type: none"> <li>▪ Ability to enroll in the Demand Response program for additional energy savings</li> </ul> </li> </ul> </li> <li>• Contractor training</li> <li>• Contractor incentives</li> <li>• Upstream incentives (discount taken at the distributor level)</li> </ul> <p>Customers who complete a Home Energy Assessment through the EnergyWise Program can apply for 0% Heat Loan financing for qualified high-efficiency space heating and cooling and hot water equipment upgrades.</p> <p>The HVAC Electric and Gas Program is cross-promoted through the EnergyWise Home Energy Assessment, Residential New Construction, Multifamily, Community and Home Energy Reports Programs. Training elements and best practices of the program are also provided to the Income Eligible Services Program to maintain consistency in the sizing, design, installation and performance of the high efficiency systems.</p>
Implementation and Delivery	The program is administered by a Lead Vendor that is responsible for contractor training, maintaining distributor relationships, tracking data, providing content for marketing and documenting monthly, quarterly

	<p>and annual energy savings. The Lead Vendor works closely with the Company to deliver the HVAC Program and provide strategic insight for program improvements.</p> <p>Contractor training and education is a primary component of the program to ensure accurate sizing, design, installation and verification of heating, cooling and hot water equipment to ensure savings and customer satisfaction.</p> <p>The Lead Vendor provides regular communication and in-store time with distributors to ensure that they are knowledgeable about the products and ensure proper promotions and marketing signage within the distribution stores.</p> <p>The Company and Lead Vendor work with manufacturers to develop special offers, or “flash sales”, if production numbers are low.</p> <p>Product channels for ease of customer use and for product adoption:</p> <ul style="list-style-type: none"><li>• Customers are informed of the HVAC program when they participate in the EnergyWise single family or multifamily Home Energy Assessment Program; through HVAC contractors during routine maintenance or emergency services or their regular marketing communications; or through Residential New Construction energy advisors during project design consultation. In addition, customers receive marketing information through various National Grid Energy Efficiency channels including marketing emails, Home Energy Reports, bill inserts and radio and media advertisements. The RI Online Marketplace at <a href="https://ri.home.marketplace.nationalgridus.com/">https://ri.home.marketplace.nationalgridus.com/</a> offers customers the ability to purchase instant discount rebates on energy efficient equipment through National Grid’s website.</li><li>• The program supports a combination of upstream and midstream incentives as well as post purchase consumer incentives. The upstream and midstream incentives encourage retailers and manufacturers to support ENERGY STAR with increased production and availability of products. Consumer incentives are designed to bring efficient product costs in line with less efficient equipment, thereby encouraging the adoption of the more efficient item.</li></ul>
--	---



	<ul style="list-style-type: none"> <li>Implement a customer optimization strategy to identify electric resistance heated homes where air source heat pumps would be an ideal solution.</li> </ul> <p>A rebate processing vendor verifies and processes post-consumer incentives which can be submitted electronically or by traditional mail. This vendor also processes upstream and midstream incentives.</p>
Customer Feedback	
Changes for 2021	<p>The HVAC Program will <b>develop a lead generation process</b> in conjunction with the EnergyWise Program. The EnergyWise Lead Vendor will provide regular reports with customer information with respective HVAC recommendations as a way to create lead generation for the HVAC Lead Vendor. The Company will also work with HVAC contractors to educate them around how to further promote incentives to customers.</p> <p>In 2021, the Company will <b>develop HVAC equipment rebate bundles</b>. Examples of bundles could include a boiler/furnace + WiFi thermostat or weatherization + heating and/or cooling system.</p> <p>Through <b>enhanced and targeted marketing</b>, the Company will target relevant electric customers with messaging encouraging them to convert to heat pumps.</p> <p><b>Develop a comprehensive program to increase participation in energy efficiency</b>, including training, marketing and approved contractor list.</p> <p>Through the HVAC Contractor taskforce, <b>develop strategies for increasing energy efficiency participation</b>.</p>
Rationale for Changes	<p><b>Collaborative lead generation and incentive promotion:</b> The EnergyWise Program generates heating, cooling and hot water system replacement recommendations during the Home Energy Assessment service. It is then up to the customer to proceed with equipment replacement. Providing a list of HVAC system recommendations to the HVAC Lead Vendor will create a strategic communication and technical support channel to assist customers to move forward with the HVAC system recommendations.</p>

	<b>HVAC equipment rebate bundles:</b> Bundled incentives are expected to help customers to make decisions to move forward with system upgrades, and to do comprehensive upgrades at one time.
Proposed Upcoming Evaluations	
Notes	

**High-Efficiency Heating, Cooling and Hot Water – Electric Program Goals, Metrics, Budgets, Participation for 2021**

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Total Net Lifetime MMBtu (Electric Gas, Oil, Propane)	Budget (\$000)	Participation
Electric	48,299	3,014	203	229,278	3,427	5,022

**High-Efficiency Heating, Cooling and Hot Water – Gas Program Goals, Metrics, Budgets, Participation for 2021**

	Lifetime MMBtu (Gas)	Annual MMBtu (Gas)	Budget (\$000)	Participation
Gas	665,888	38,460	3,437	4,348

## 10. Residential ConnectedSolutions

Eligibility Criteria	<p>ConnectedSolutions is National Grid’s active demand reduction program that focuses on electric demand reduction during peak demand periods during the year. Consumers with eligible controllable equipment can enroll to participate in active demand reduction.</p>
Offerings	<p><b>Thermostats</b></p> <p>The Company has offered a Smart thermostat-based demand response program since the summer of 2016. There are nine different smart thermostat manufacturers supported in the program.</p> <p>This program precools the customers’ home before the grid peak and then sets back the thermostat setting during peak periods. This lowers the chance of customers’ central air conditioning units running during grid peaks. A customer may opt out of the program or events at any time. Customers receive an initial enrollment incentive and an annual incentive for staying in the program.</p> <p><b>Batteries</b></p> <p>The Company has offered a battery-enabled demand response program since 2019. There are four different smart inverter manufacturers supported in the program. The Company hopes to add two more inverter manufacturers before the end of 2020. The inverters control the battery systems.</p> <p>This program sets batteries to discharge during grid peaks. Often, this means that power is being exported to the grid during peak times, which reduces the load on the grid. This export is now supported in both the Net Metering and RE-Growth programs.</p> <p>Customers may apply for a seven year, 0% interest Heat Loan for the cost of the battery system. Customers receive no other upfront incentives. Customers are incentivized based on the average performance (kW) of their battery system over the 30 to 60 summer events each year.</p> <p><b>Electric Vehicles</b></p> <p>Starting in 2021, the Company will offer an electric vehicle (EV) based demand response program. This program will use the on-board telematics included in virtually all new EV and PHEV (plug-in hybrid electric vehicles) to automatically stop vehicles from charging when the electric grid is at or near its annual peak. These peak events will be called on the same dates and times as the battery-based demand response program. Customers will receive an enrollment</p>

	<p>incentive for joining the program, and a participation incentive for each event they participate in. The participation incentive for customers using level 2 charging (typically 5kW power draw) will be higher than customers using level 1 charging (typically 1.4 kW power draw).</p> <p>The purpose of this measure, as with all electric demand response measures, is to cost-effectively reduce peak electric load on the grid. The Company’s Off-Peak Charging Rebate Pilot, which pays customers an incentive for charging their vehicles at night, aims to understand customer responsiveness to time-differentiated price signals. The Company’s Off-Peak Charging Rebate Pilot is set to end in 2021. The Company will run both programs concurrently in 2021 without negatively effecting either program. Customers in the Off-Peak Charging Rebate Pilot will not be eligible to participate in the EV Demand Response program. The EV Demand Response program will not open for enrollments until 2021, at which point the Off-Peak Charging Rebate Pilot will not be accepting new enrollments. In designing the EV demand response program, the Company applied lessons learned from the Company’s Off-Peak Charging Rebate Pilot, including the need to focus incentives and participation on peak days and times, and the need to make the participation incentive dependent on a grid benefit (the stopping of EV charging at peak times) to prevent free-ridership.</p>
<p>Implementation and Delivery</p>	<p><b>Thermostats</b></p> <p>In this BYOD (Bring-Your-Own-Device) program, customers are free to purchase a thermostat from any of the nine supported manufacturers. After purchase, thermostat manufacturers send emails and in-app notifications to customers inviting them to enroll in the ConnectedSolutions program. Enrollments in smart thermostat-based demand response options have historically exceeded expectations. In 2019, the program planned to enroll 2,479 thermostats, but enrolled 3,936. This overachievement was largely the result of a coordinated marketing effort with the largest thermostat vendor, enrolling their existing customers. In 2021, the program plans for an enrollment increase of 42% and the Company develops new initiatives to further increase enrollments. This includes integrating the demand response incentive into the National Grid marketplace and integrating enrollment in ConnectedSolutions into the setup process for some thermostats.</p>

Number of Thermo-stats	Historic Numbers					Proposed Number
	2016	2017	2018	2019	2020	2021
	96	813	1,674	3,936 (vs. 2,479 planned)	4,526 (15% increase)	6,409 (42% increase)

**Batteries**

In this BYOD program, customers are free to purchase an inverter from any of the four supported inverter manufacturers and have it installed by the customer’s preferred installer. Inverters control the battery systems. Enrollments in the residential battery-enabled demand response program have been lower than expected. This is the result of several factors including longer than expected negotiations with additional inverter manufacturers and the reluctance of some inverter manufacturers and installers to invest in the program until the demonstration finished in the Company’s Massachusetts service area. On July 28, 2020, Massachusetts regulators approved an identical program for full implementation. Despite these challenges, the Company observes increased interest in this program from inverter manufacturers, installers, and customers and projects a 1.2 times increase in enrollments for 2021, or 300 batteries.

**Electric Vehicles Demonstration**

The EV-based demand response measure will be new in 2021. In this BYOD program, customers will receive emails and/or in-app notifications from their automobile manufacturer after the purchase of their EV inviting them to enroll in ConnectedSolutions. The Company has set the goal of enrolling 280 vehicles into the program in the first year. As with other demand response measures, marketing will be a coordinated effort between the Company and the device manufacturers, in this case auto manufacturers.

Customer Feedback	Feedback from customers and vendors is used to continuously improve all of the Company’s programs. This is especially important for new measures such as the EV-enabled demand response measure.
Changes for 2021	In 2021, the Company will <b>offer an electric vehicle-based demand response program</b> to demonstrate cost-effective peak load reduction from EVs for the

	<p>first time. The goal is to enroll 280 vehicles into the program in the first year. Additional detail about this new offering is described in Offerings above.</p> <p>In 2021, the program will <b>develop new initiatives to increase enrollment in smart thermostat-based demand response</b>. This includes integrating the demand response incentive into the National Grid marketplace and integrating enrollment in ConnectedSolutions into the setup process for qualifying thermostats.</p>
Rationale for Changes	Rhode Island is seeing an exponential increase in the adoption of electric vehicles. Although most EV charging does not happen during peak times, there is still an opportunity to cost-effectively further decrease the peak loads from EV charging.
Proposed Upcoming Evaluations	The Company will conduct a third-party evaluation of the Electric Vehicle Demonstration in 2021, in conjunction with an identical program and evaluation in the Company’s Massachusetts service area.
Notes	The program is planning to achieve demand reductions above the set Targets for Active demand response (i.e. the maximum scenario in the Market Potential Study).

**Residential Connected Solutions – Electric Program Goals, Metrics, Budgets, Participation for 2021**

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Active Demand Reduction kW (Electric)	Budget (\$000)	Participation
Electric	0	0	3,124	856.1	N/A

## 11. Marketing, Outreach & Education

### 11.1 Overview

The goals of the Company's marketing efforts are to build awareness of and drive participation in the Company's efficiency offerings and services, while providing a positive customer experience. The Company uses an integrated, multichannel approach featuring consistent messaging and visual design elements (as appropriate) across communications. General awareness tactics (i.e. print ads and radio) as well as digital and direct one-to-one tactics (such as e-mail, online banner ads, social media, and direct mail) generate customer interest and program participation. All ratepayers receive bill inserts and quarterly 'We Connect' printed newsletters and can access [www.nationalgridus.com](http://www.nationalgridus.com) at any time (provided they have internet access). Face-to-face interactions at events provide an opportunity to educate customers at a personal level.

The Company promotes energy education to private and public schools and youth groups through the National Energy Education Development (N.E.E.D) Program. This program provides curriculum materials on [www.need.org](http://www.need.org), as well as training to students and teachers in grades K-12.

### 11.2 Delivery and 2020 Successes

Familiarity of energy efficiency programs among RI customers remained strong and stable with respect to 2019 levels, per the Company's monthly online survey of a representative sample of National Grid customers. 65.9% of the customers surveyed between April 2019 and June 2019 were "very familiar" or "somewhat familiar" with "energy savings or rebate programs from National Grid that help you with ways to use less gas or electricity." Other response options include "not very familiar," "not at all familiar," and "not sure."

National Grid uses a multichannel marketing approach to generate interest and drive adoption of solutions across the portfolio, as well the use of residential segmentation to enable personalization and optimize a channel strategy based on customers' preferred communication channels. The Company continued to align marketing efforts with residential customer research, customer segmentation, propensity modeling, media habits research, and behavior data. Due to COVID-19 pandemic, initial marketing plans were adjusted and new campaigns were developed to reflect changes to energy efficiency programs, strategies to engage customers during this time, and customer communications.

New campaign launches included the virtual home energy assessment and contactless fridge recycling pickups. While marketing for point of sale programs paused and then resumed per state reopening guidelines, National Grid continued to help customers save energy and money during these challenging times with enhanced online product sale offers through vendors and the Company's ecommerce Marketplace at [www.ngrid.com/shop](http://www.ngrid.com/shop). Additionally, The National Grid website, [www.ngrid.com/save](http://www.ngrid.com/save), remained an important resource for information on products and services as well as rebates available to customers. As part of an augmented ongoing communication strategy during the COVID-19 pandemic

designed to help customers with their bills, National Grid embedded seasonal energy efficiency tips and videos, which linked to websites to learn more about energy saving programs. A new portfolio level awareness campaign will be launched in the fall of 2020 to support education and value of energy efficiency, along with simple and easy steps customers can take.

Messaging continued to focus on the benefits of energy efficiency products and programs while aligning with overall Company communications and demonstrating an understanding of current customer sentiment and needs based on internal research. Given customer concerns regarding finances, core to our messaging was helping customers save energy and money while spending more time at home and potentially using more energy. Where appropriate, messaging around safety was incorporated into marketing materials given health and safety concerns. Overall message tone was helpful, empathetic and informative to ensure the Company reflected our role as a trusted advisor who truly cares about customers' needs.

Due to the pandemic, the annual Rhode Island Home Show – a key residential customer event in which National Grid participates and sponsors the Energy Expo – was cancelled and will be re-evaluated for 2021. National Grid will continue to support these efforts in future years and look at new ways to engage RI residential customers safely through online and virtual formats in the current environment.



## 12. Residential Measures and Incentives

The following tables list the groups of measures offered in the residential programs, their planned quantities and incentives. Each group may be comprised of many measures.

Table 3. Electric Programs

Electric Programs					
Program	Measure	Units	Incentive / Unit	Total Incentives	Shared Costs
EnergyWise Single Family	Air Sealing Kit - Electric	10	Average Incentive based on measure mix and is applied per participant (see line below)		
	Air Sealing Kit - Oil	25			
	Air Sealing Kit - Others	10			
	Pipe Insulation - Electric	385			
	Pipe Insulation - Oil	3,300			
	Pipe Insulation - Others	110			
	Pre-Wx	591			
	Wx - OIL	1,870			
	Wx Elec - Elec Heat only	220			
	AERATOR - Electric	40			
	AERATOR - Oil	10			
	AERATOR - Others	10			
	Showerhead - Electric	26			
	Showerhead - Oil	176			
	Showerhead - Others	17			
	ACTIMER1	0			
	Programmable thermostat - Electric	750			
	Programmable thermostat - Oil	2,500			
	Programmable thermostat - Other	100			
	Wifi thermostat - Electric	11			
	Wifi thermostat - Oil	330			
	Wifi thermostat - Others	55			
	LED Bulbs	78,540			
	LED Bulbs (EISA Exempt)	4,620			
	LED Bulbs Reflectors	9,240			
	LED Indoor Fixture	600			
	LED Outdoor Fixture	6			
	Smart Strip	12,000			
	Refrig rebate	25			
	Refrigerator Brush	9,900			
Participant	11750	\$1,143	\$13,429,722		
Heat Loans			\$1,350,000		
Program Planning & Administration				\$376,784	
Marketing				\$407,219	
Sales, Technical Assistance & Training				\$1,146,689	
Evaluation & Market Research				\$182,683	

EnergyWise Multi Family	Custom	25	Average Incentive based on measure mix and is applied per participant (see line below)	
	AIR SEALING ELEC WITH AC	1,400		
	AIR SEALING OIL	10		
	INSULATION ELEC WITH AC	1,800		
	INSULATION OIL	200		
	AERATOR	300		
	AERATOR Oil	50		
	Pipe Wrap DHW Elec	225		
	SHOWERHEAD Elec	100		
	SHOWERHEAD Oil	10		
	TSV Showerhead Elec	65		
	TSV Showerhead Oil	10		
	THERMOSTAT Elec with AC	1,200		
	THERMOSTAT OIL	20		
	Common Ext LED Bulbs	597		
	Common Ext LED Fixture	264		
	Common Ext Reflector	53		
	Common Int EISA Exempt	23		
	Common Int LED Bulbs	1,370		
	Common Int LED Fixture	860		
	Common Int Reflector	44		
	Dwelling Ext LED Fixture	52		
	Dwelling Ext Reflector	46		
	Dwelling Int EISA Exempt	689		
	Dwelling Int LED Bulbs	2,511		
	Dwelling Int Reflector	918		
	Smart Strip	1,000		
	Refrig rebate	25		
	Vending Miser	5		
	Participant	4000		
Heat Loans			\$50,000	
Program Planning & Administration				\$88,037
Marketing				\$48,113
Sales, Technical Assistance & Training				\$406,913
Evaluation & Market Research				\$78,934

Electric Programs							
Program	Measure	Units	Incentive / Unit	Total Incentives	Shared Costs		
Residential New Construction	Adaptive Reuse	110					
	CODES AND STANDARDS	1					
	Renovation Rehab CP	5					
	Renovation Rehab Tier 1 Home	20					
	Renovation Rehab Tier 2 Home	15					
	Renovation Rehab Tier 3 Home	4					
	Tier 4 Home	15					
	CWASHER	303					
	DISHWASH	1,314					
	SHOWERHEAD	20					
	LED Bulbs	22,231					
	Refrig rebate	1,516					
	CP Home - Heating	2		Average Incentive based on measure mix and is applied per participant (see line below)			
	CP Home - Cooling	2					
	CP Home - Water Heating	2					
	Tier 1 Home - Heating	75					
	Tier 1 Home - Cooling	75					
	Tier 1 Home - Water Heating	75					
	Tier 2 Home - Heating	90					
	Tier 2 Home - Cooling	90					
	Tier 2 Home - Water Heating	90					
	Tier 3 Home - Heating	80					
	Tier 3 Home - Cooling	80					
	Tier 3 Home - Water Heating	80					
	Participants	417					
	Program Planning & Administration				\$1,803	\$751,825	\$63,580
	Marketing						\$2,214
Sales, Technical Assistance & Training						\$371,731	
Evaluation & Market Research						\$162,077	
ENERGY STAR® HVAC	ACQIVES	15	\$175		\$2,625		
	ACS16SEER13EER	165	\$50		\$8,250		
	Central Heat Pump	49	\$350	\$17,150			
	DOWNSIZE	44	\$250	\$11,000			
	ECM Pumps	6,105	\$100	\$610,500			
	Elec Res to MSHP	150	\$4,000	\$600,000			
	HP Mini-split QIV	485	\$175	\$84,875			
	HPQIVES	26	\$175	\$4,550			
	HPTUNE	11	\$175	\$1,925			
	HPWH < 55 gallon UEF 2.7	450	\$600	\$270,000			
	HPWH >=55 gallon UEF 2.0	11	\$150	\$1,650			
	Mini-Split Heat Pump	1,805	\$350	\$631,750			
	WiFi Tstat-cool only,Elec	132	\$75	\$9,900			
	WiFi Tstat-heat and cool,Gas	1,320	\$75	\$99,000			
	HVAC Financing				\$231,300		
	Program Planning & Administration					\$83,355	
	Marketing					\$278,112	
	Sales, Technical Assistance & Training					\$452,214	
	Evaluation & Market Research					\$28,783	

Electric Programs						
Program	Measure	Units	Incentive / Unit	Total Incentives	Shared Costs	
ENERGY STAR® Products	Energy Star ProductsThermostatic Shutoff Valve, Elec	20	\$11	\$220		
	Energy Star ProductsThermostatic Shutoff Valve, Oil	5	\$11	\$55		
	Energy Star ProductsThermostatic Shutoff Valve, Other	5	\$11	\$55		
	Energy Star ProductsLow-Flow Showerhead with TSV, Electric	88	\$15	\$1,320		
	Energy Star ProductsLow-Flow Showerhead with TSV, Other	25	\$15	\$375		
	Energy Star ProductsRoom Air Conditioner 10.8	800	\$40	\$32,000		
	ES Storm Windows	105	\$25	\$2,625		
	ES Storm Windows - Elec heating	105	\$25	\$2,625		
	ES Storm Windows - Others	105	\$25	\$2,625		
	Energy Star ProductsDehumidifier Rebate	2,000	\$30	\$60,000		
	Energy Star ProductsDehumidifier Recycling	450	\$30	\$13,500		
	Energy Star ProductsEnergy Star Dryer	950	\$50	\$47,500		
	Energy Star ProductsPool Pump - variable	500	\$500	\$250,000		
	Energy Star ProductsRoom Air Cleaners	395	\$40	\$15,800		
	Energy Star ProductsSmart Strip	11,250	\$10	\$112,500		
	Energy Star ProductsTier 2 APS	8,750	\$35	\$306,250		
	Energy Star ProductsTier 2 APS OS	7,500	\$35	\$262,500		
	Energy Star ProductsFreezer Recycling	325	\$85	\$27,625		
	Energy Star ProductsREFRIG RECYCLING	4,100	\$85	\$348,500		
		Program Planning & Administration				\$72,140
	Marketing				\$532,258	
	Sales, Technical Assistance & Training				\$542,478	
	Evaluation & Market Research				\$40,680	
ENERGY STAR® Lighting	LED Bulb	242,500	\$1.80	\$436,500		
	LED Bulb (Fixture)	231,500	\$6.75	\$1,562,625		
	LED Bulb (Food Pantries)	80,000	\$3.75	\$300,000		
	LED Bulb (Hard to Reach)	240,000	\$2.63	\$631,200		
	LED Bulb (Linear LED)	93,550	\$9.00	\$841,950		
	LED Bulb (School Fundraiser)	4,250	\$3.75	\$15,938		
	LED Bulb (Specialty)	105,500	\$2.55	\$269,025		
		Program Planning & Administration				\$233,650
		Marketing				\$560,625
		Sales, Technical Assistance & Training				\$231,444
	Evaluation & Market Research				\$143,735	
Home Energy Reports	New Mover electric	18,428	\$0	\$0		
	New movers dual fuel	10,342	\$0	\$0		
	Opt-out dual fuel	123,401	\$0	\$0		
	Opt-Out electric	171,077	\$0	\$0		
		Program Planning & Administration				\$44,860
		Marketing				\$10,492
	Sales, Technical Assistance & Training				\$2,550,806	
	Evaluation & Market Research				\$34,049	

Electric Programs					
Program	Measure	Units	Incentive / Unit	Total Incentives	Shared Costs
Single Family - Income Eligible Services	AMPEDUC - TLC	3,630	\$180	\$653,400	
	AMPWx DelFuel	581	\$5,000	\$2,904,000	
	AMPWx Elec	36	\$5,000	\$181,500	
	AMPDHWELEC	20	\$10	\$200	
	AMPDHWGAS	20	\$10	\$200	
	AMPDHWOIL	20	\$10	\$200	
	AMPWATERBED	2	\$650	\$1,300	
	Early Retirement CW Elec DHW & Elec Dryer	109	\$700	\$76,137	
	Early Retirement CW Elec DHW & Gas Dryer	346	\$700	\$241,945	
	AMPACREPLACE	1,900	\$350	\$665,000	
	AMPHEATSYSTEM	436	\$5,000	\$2,178,000	
	AMPMinisplit Heat Pumps - Electric Resistance	50	\$15,000	\$750,000	
	AMPProgrammable Thermostat, Gas	25	\$125	\$3,125	
	AMPProgrammable Thermostat, Oil	25	\$125	\$3,125	
	AMPProgrammable Thermostat, Other	25	\$125	\$3,125	
	AMP THERMOSTAT, Electric	25	\$125	\$3,125	
	AMPLED Bulbs	47,190	\$9	\$401,115	
	AMPAPREMOV	7	\$51	\$337	
	AMPDehumidifier Rebate	634	\$250	\$158,400	
	AMP Smart Strip	4,356	\$20	\$87,120	
	Early Retirement CW Gas DHW & Elec Dryer	5	\$700	\$3,384	
	Early Retirement CW Gas DHW & Gas Dryer	232	\$700	\$162,425	
	Early Retirement CW Oil DHW & Elec Dryer	137	\$700	\$95,876	
	Early Retirement CW Propane DHW & Elec Dryer	9	\$700	\$6,204	
	AMP FREEZER	250	\$550	\$137,500	
	AMP Refrig rebate	1,891	\$1,050	\$1,985,156	
		Program Planning & Administration			
	Marketing				\$141,357
	Sales, Technical Assistance & Training				\$2,125,731
	Evaluation & Market Research				\$148,671
EnergyWise Income Eligible Multifamily Retrofit	Participant (NEB)	4,800			
	Custom	59			
	AIR SEALING ELEC WITH AC	100			
	AIR SEALING OIL	100			
	INSULATION ELEC WITH AC	100			
	INSULATION OIL	100			
	AERATOR Elec	100			
	AERATOR Oil	100			
	SHOWERHEAD Elec	100			
	SHOWERHEAD Oil	100			
	TSV Showerhead Elec	100			
	THERMOSTAT Elec with AC	200			
	THERMOSTAT OIL	50			
	Common Ext LED Bulbs	136			
	Common Ext LED Fixture	136			
	Common Ext Reflector	5			
	Common Int LED Bulbs	136			
	Common Int LED Fixture	782			
	Common Int Reflector	10			
	Dwelling Ext Reflector	10			
	Dwelling Int EISA Exempt	25			
	Dwelling Int LED Bulbs	340			
	Dwelling Int Reflector	10			
	Smart Strip	200			
	Refrig rebate	50			
	Vending Miser	4			
		Participants	5,000	\$849	\$4,243,200
	Program Planning & Administration				\$114,776
	Marketing				\$9,912
	Sales, Technical Assistance & Training				\$406,571
	Evaluation & Market Research				\$91,462

Electric Programs					
Program	Measure	Units	Incentive / Unit	Total Incentives	Shared Costs
Residential ConnectedSolutions	Thermostats New	400	\$45	\$18,000	
	Thermostats Existing	4,000	\$20	\$80,000	
	Battery Daily (number of unit)	88	\$2,200	\$193,600	
	Evs Peak (customers) New	0	\$73	\$0	
	Evs Peak (customers) Existing	0	\$48	\$0	
	Water Heater Daily (units)	0	\$0	\$0	
	Behavioral Peak (customers)	0	\$0	\$0	
	Program Planning & Administration				\$25,288
	Marketing				\$12,868
	Sales, Technical Assistance & Training				\$213,392
Evaluation & Market Research				\$190,000	

Table 4. Natural Gas Programs

Gas Programs					
Program	Measure	Units	Incentive / Unit	Total Incentives	Shared Costs
EnergyStar® HVAC	BOILER RESET	33	\$225	\$7,425	
	Boiler90	65	\$450	\$29,250	
	Boiler95	358	\$1,000	\$357,500	
	COMBO CONDENSING	35	\$600	\$21,000	
	COMBO CONDENSING 95	1430	\$1,200	\$1,716,000	
	ENERGY STAR COND WATER HEATER 0.80 UEF	5	\$250	\$1,250	
	Furnace95ECM	390	\$500	\$195,000	
	Furnace97ECM	70	\$600	\$42,000	
	HEAT RECOVERY VENT	22	\$500	\$11,000	
	ENERGY STAR STORAGE WATER HEATER .64 UEF	44	\$100	\$4,400	
	ENERGY STAR STORAGE WATER HEATER .68 UEF	50	\$100	\$4,950	
	ENERGY STAR ON DEMAND WATER HEATER 0.87	320	\$600	\$192,000	
	LOW_FLOW_SHOWERHEAD	250	\$7	\$1,625	
	TSV	15	\$12	\$173	
	TSV_SHOWERHEAD	185	\$15	\$2,775	
	WiFi Thermostat - cooling and htg	510	\$75	\$38,250	
	WiFi Thermostat - gas ht only	3025	\$75	\$226,875	
	Programmable Thermostat	440	\$25	\$11,000	
	Combo Furnace	15	\$700	\$10,500	
	Water Heater, Indirect, Gas	150	\$400	\$60,000	
Program Planning & Administration					\$102,887
Marketing					\$213,621
Sales, Technical Assistance & Training					\$139,340
Evaluation & Market Research					\$48,167
EnergyWise	Aerator	110	Average Incentive based on measure mix and is applied per participant (see line below)		
	Weatherization	2260			
	Air Sealing Kit (Gas)	633			
	Showerhead	358			
	Pipe Wrap	5500			
	THERMOSTAT	1650			
	WiFi THERMOSTAT	275			
	Participants	1,962	\$3,988.45	\$7,824,746	
	Program Planning & Administration				\$258,941
	Marketing				\$85,186
Sales, Technical Assistance & Training				\$1,139,948	
Evaluation & Market Research				\$189,406	

Gas Programs								
Program	Measure	Units	Incentive / Unit	Total Incentives	Shared Costs			
EnergyWise Multifamily	Air Sealing_MF	3900	Average Incentive based on measure mix and is applied per participant (see line below)					
	CUST NON-LGT_MF	20						
	Demand Circulator_MF	0						
	Duct Sealing_MF	140						
	Faucet Aerator_MF	1200						
	INSULATION_MF	3600						
	Pipe Wrap (Water Heating)_MF	882						
	Programmable Thermostat_MF	600						
	TSV Showerhead_MF	250						
	WiFi thermostat gas_MF	300						
	Participant_MF	4000				\$304	\$1,216,000	
	Program Planning & Administration							\$57,682
	Marketing							\$35,656
	Sales, Technical Assistance & Training				\$154,928			
Evaluation & Market Research				\$46,968				
Home Energy Reports	New movers dual fuel	10342	\$0	\$0				
	Opt-out dual fuel	123401	\$0	\$0				
	Opt-out gas only	18581	\$0	\$0				
	Program Planning & Administration				\$11,202			
	Marketing				\$60			
	Sales, Technical Assistance & Training				\$428,492			
Evaluation & Market Research				\$11,424				
Residential New Construciton	CODES AND STANDARDS	1	Average Incentive based on measure mix and is applied per participant (see line below)					
	CP	10						
	CP-DHW	10						
	RR CP	5						
	RR CP-DHW	5						
	RR Tier 1	10						
	RR Tier 1 - DHW	10						
	RR Tier 2	20						
	RR Tier 2 - DHW	20						
	RR Tier 3	5						
	RR Tier 3 - DHW	5						
	RR Tier 4	1						
	RR Tier 4 - DHW	1						
	SHOWERHEAD	20						
	Tier 1	40						
	Tier 1 - DHW	40						
	Tier 2	100						
	Tier 2 - DHW	100						
	Tier 3	30						
	Tier 3 - DHW	30						
	Tier 4	2						
	Tier 4 - DHW	2						
	Adaptive Reuse	100						
Participants	323	\$1,521	\$491,175					
Program Planning & Administration				\$38,192				
Marketing				\$2,374				
Sales, Technical Assistance & Training				\$125,305				
Evaluation & Market Research				\$19,300				



Gas Programs					
Program	Measure	Units	Incentive / Unit	Total Incentives	Shared Costs
Single Family - Income Eligible Services	HEATSYSTEM	294	\$5,000	\$1,470,000	
	WEATHER	726	\$5,000	\$3,630,000	
	Participants	867	\$6,059	\$5,253,000	
	Program Planning & Administration				\$164,990
	Marketing				\$26,437
	Sales, Technical Assistance & Training				\$1,200,802
	Evaluation & Market Research				\$111,423
Income Eligible Multifamily	Air Sealing_LI	550			
	BOILER Commercial_LI	75			
	BOILER_LI	30			
	CUST NON-LGT_LI	9			
	Faucet Aerator_LI	900			
	Insulation_LI	1000			
	Pipe Wrap (Water Heating)_LI	500			
	Programmable Thermostat_LI	300			
	TSV Showerhead_LI	400			
	Participant (NEB)_LI	3500	\$762	\$2,667,000	
	Program Planning & Administration				\$91,486
	Marketing				\$6,190
	Sales, Technical Assistance & Training			\$415,234	
	Evaluation & Market Research			\$101,434	

# 2021 Commercial and Industrial Energy Efficiency Solutions and Programs

---

## Table of Contents

1. Overview.....	1
2. Large Commercial and Industrial New Construction Program.....	7
3. Initiatives Specific to Large Commercial and Industrial New Construction Program.....	13
3.1. Performance Lighting Plus .....	13
4. Large Commercial Retrofit Program.....	19
5. Initiatives Specific to Large Commercial Retrofit Program.....	23
5.1. Grocery Initiative .....	23
5.2. Industrial Initiative.....	24
5.3. National and Regional Restaurant Initiative.....	26
5.4. Lodging Initiative (including On Premise Laundry) .....	27
5.5. Strategic Energy Management Planning (SEMP).....	29
5.6. Municipal and State Buildings SEMP .....	32
5.7. Equipment & System Performance Optimization .....	34
5.8. Lighting Designer Incentives (LDI) .....	36
5.9. Customer Owned Streetlight Equipment .....	38
5.10. Company Owned Street Light Equipment.....	39
5.11. Commercial Real Estate and Offices .....	41
5.12. Multifamily .....	43
5.13. Extended Care Facilities (Nursing Homes/Assisted Living) .....	44
5.14. Farm/Agriculture.....	44
5.15. Combined Heat and Power Initiative .....	46
5.16. Products Offered Through “Upstream” .....	57
5.16.1. Upstream Lighting.....	57
5.16.2. Upstream HVAC.....	58
5.16.3. Upstream Gas.....	59

5.16.4.	Upstream Kitchen Equipment (Electric and Gas)	60
5.17.	Telecommunications Initiative	60
6.	Small Business Direct Install Program	61
7.	Connected Solutions (Active Demand Response)	63
8.	Finance as an Enabling Strategy	67
8.1.	On Bill Repayment (OBR) - Electric	67
8.2.	On Bill Repayment (OBR) - Electric Small Business	68
8.3.	On Bill Repayment (OBR) – Gas	68
8.4.	Efficient Buildings Fund (EBF)	68
8.5.	Public Sector Revolving Loan Fund	69
8.6.	Commercial Property Assessed Energy (C-PACE)	69
8.7.	Ascentium Rental Agreement	71
9.	Other Enabling Strategies for Customer Engagement	71
9.1.	Improving Quality and Efficiency in Project Cycle Times	71
9.2.	Energy Management Framework Platform	71
9.3.	Tools for Customers’ Management of Energy Usage	71
9.3.1.	Automated Benchmarking Systems	71
9.3.2.	Building Labeling	72
9.4.	Enabling Technologies	72
9.4.1.	Removable Insulated Jackets for Big Steam Plants	72
9.4.2.	Heat Watch	73
9.4.3.	Cozy™ Radiator Covers	73
9.4.4.	Aeroseal	73
10.	Marketing to Commercial and Industrial Customers	73
11.	Commercial and Industrial Measures and Incentives	77

## 1. Overview

The Commercial and Industrial (C&I) programs consistently offer highly cost-efficient savings. The Company is continuously evaluating and responding to customer needs and market dynamics to develop enhancements that secure deeper, more comprehensive savings while strategically evolving program designs to drive market transformation across multiple end uses.

The C&I sector encompasses a diverse and complex set of customers. National Grid is focused on a Market Sector Approach for commercial and industrial programs. This approach allows the Company to address customer needs that are shaped directly by the industry and geographies in which the customers operate, and on strategic and commercial pressures specific to the industry or sector, resulting in customized solutions that fit customers' needs and increase participation in energy efficiency.

The detailed program descriptions provided in each Annual Plan provide snapshots and evidence of how programs are continuously evolving, building from one plan year to the next. They translate high level strategies into specific actions and activities that secure savings for customers; help to contextualize specific program innovations and enhancements described more briefly in the Annual Plan; and demonstrate how key strategies cross multiple program designs and end use targets.

The detail in this attachment is designed to allow stakeholders, the Public Utilities Commissioners and staff, and other interested parties to delve deeply into and fully explore the complex interplay between specific customer and building types, program implementation and delivery, incentive design, and high efficiency technologies.

### **What to look for in 2021**

The Company has focused on non-lighting opportunities across all commercial programs and program enhancements that help drive progress toward deeper comprehensive measure adoption in every customer class. The specific priority measures vary by customer but are reflective of opportunities highlighted in the Market Potential Study. The innovations and enhancements also reflect many ideas and insights that have evolved from the close collaboration with the EERMC and the EERMC consulting team, OER, the Division, and our vendors, as well as customer feedback. There are new market segment designs under development to engage new customers with tailored approaches to comprehensive savings adoption (new Telecommunication, Lodgings and On Premise Laundry initiatives), enhancements that make participation easier or more attractive (see Equipment and Systems Performance Optimization, Small Business), and multiple enhancements that focus on reduction of barriers to comprehensive measure adoptions (ex: Whole Building Streamlined pathway in New Construction).

Equity and workforce development objectives have been applied across the commercial portfolio, resulting in program design shifts and investment prioritization to ensure our small businesses customers are given access to program opportunities and that we succeed in building the workforce infrastructure that can deliver on the vision of transitioning to high performing technologies while also building robust jobs and economic development opportunities for Rhode Islanders. The plan includes trainings to build a workforce to support high performance buildings with advanced technologies, including trainings on advanced controls for HVAC and lighting, as well as an effort to grow the commissioning workforce.

### **Commercial & Industrial Programs**

There are five Commercial and Industrial energy efficiency programs.

*Table 1. Commercial and Industrial Programs*

<b>Large Commercial and Industrial New Construction</b>
<b>Large Commercial Retrofit</b>
<b>Small Business Direct Install</b>
<b>Connected Solutions (Active Demand Response)</b>
<b>C&amp;I Multifamily Program</b>

All C&I customers are eligible to participate in the Large Commercial and Industrial New Construction Program and the Large Commercial Retrofit Program. The Small Business Direct Install (SMB/DI) Program, however, is restricted to customers who consume less than 1,000,000 kWh per year. Larger and more complicated measures not offered by the SMB/DI vendor can be accessed by small business customers through the New Construction or Retrofit Programs.

Programs have initiatives that offer a targeted approach or tailored delivery design to more effectively and efficiently attract and secure savings from target customers. An initiative is defined as a go to market strategy within a Program that promotes a subset of measures or services within that program and/or targets a certain segment of customers. Examples include the Indoor Agriculture Initiative within the New Construction Program and the EnergySmart Grocer Initiative within the Large Commercial and Industrial Retrofit Program.

This attachment provides detailed descriptions of C&I energy efficiency and active demand response programs and initiatives, including detail on the target market (customer/building types), eligibility requirements, offers, implementation and delivery, and changes for 2021, along with the rationale for changes, in a standardized table format.

Enabling strategies for efficient delivery, better customer experience, and participation in energy efficiency programs are covered in the Finance and Marketing sections. Workforce development is addressed in the main text and covers initiatives for training, education, and awareness. A list of measures and incentives can be found in Section 11. The Company will continue to focus on demonstrations and assessments; please refer to Attachment 8 for a

detailed scope and list for each pilot, demonstration, and assessment proposed for the 2021 Energy Efficiency Plan.

**Program Description Structure**

In order to streamline PUC, stakeholder, and reader access to the most pertinent program information in the 2021 Annual Plan, the Company has adopted the following structure for each of the programs and program initiatives:

Eligibility Criteria	This section describes which customers and/or building types are eligible for participation in the program or initiatives.
Offerings	This section describes the offers available to customers under the program or initiative. It can include technical assistance, incentives, design support, verification services and financial offerings. This section also describes the various pathways by which a customer or building can participate in a program or initiative.
Implementation and Delivery	This section describes the process by which the Company engages the customer with energy efficiency programs and offerings.
Customer Feedback	Customer feedback can be received by the Company in various ways; via an implementation vendor, direct feedback from the customer, via surveys conducted by the Company.
Changes for 2021	The section captures the changes proposed in the year stated.
Rationale for Changes	Captures the rationale for the changes proposed in the planning year.
Proposed Upcoming Evaluations	Evaluation information can be found in this section at the program level. Initiatives like the Grocery Initiative or the Industrial Initiative are typically not evaluated. The measures included in these initiatives are evaluated as part of larger evaluations for the programs. Hence at the initiative-level tables you will not see this “Proposed Upcoming Evaluations” section.
Notes	Additional notes related to the program, customer, offerings etc.

**Financial Mechanisms Structure**

Customer type	This section highlights the customer consumption in kWh or customer type for which the mechanism is best suited
Loan size	Shows maximum loan size

Maximum Tenor	Shows the maximum length of time for which a customer can borrow funds
Loan Volume	Shows the dollar volume of loans outstanding or the range of funds borrowed in the past years or both
Benefits to customer	Describes the benefits of a mechanism to a customer
Limitations	Describes the limitations of a mechanism to a customer
2021 Actions	This area is included for EBF and C-PACE as the Company is working with RIIB and others on these mechanisms
More information	This area describes where more information can be found on the mechanism such as numeric tables. This area may also include additional information such as justifications for OBR fund injections (gas) or OBR rightsizing (electric)
Relevant notes	This area contains notes and will vary from mechanism

**Electric Program Goals, Metrics, Budgets, Participation for 2021**

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Total Net Lifetime MMBtu (Electric Gas, Oil, Propane <sup>1</sup> )	Budget (\$000)	Participation <sup>2</sup>
Electric						

**Gas Program Goals, Metrics, Budgets, Participation for 2021**

	Lifetime MMBtu (Gas)	Annual MMBtu (Gas)	Budget (\$000)	Participation
Gas				

<sup>1</sup> For a breakdown of program level energy savings goals see Attachment 5, table E6-A and Attachment 6, table G6-A for more details.

<sup>2</sup> For information on the metric used to measure participation by program, please reference the main text, section 4.5

The below figures compare the distribution of the commercial and industrials sector’s energy savings goals when measured in annual savings compared to lifetime savings. The lifetime metric captures the long-term energy savings whereas the annual metric shows the first year savings only.

Figure 1. 2021 Planned Distribution of Lifetime MWh Goals for C&I Electric Sector

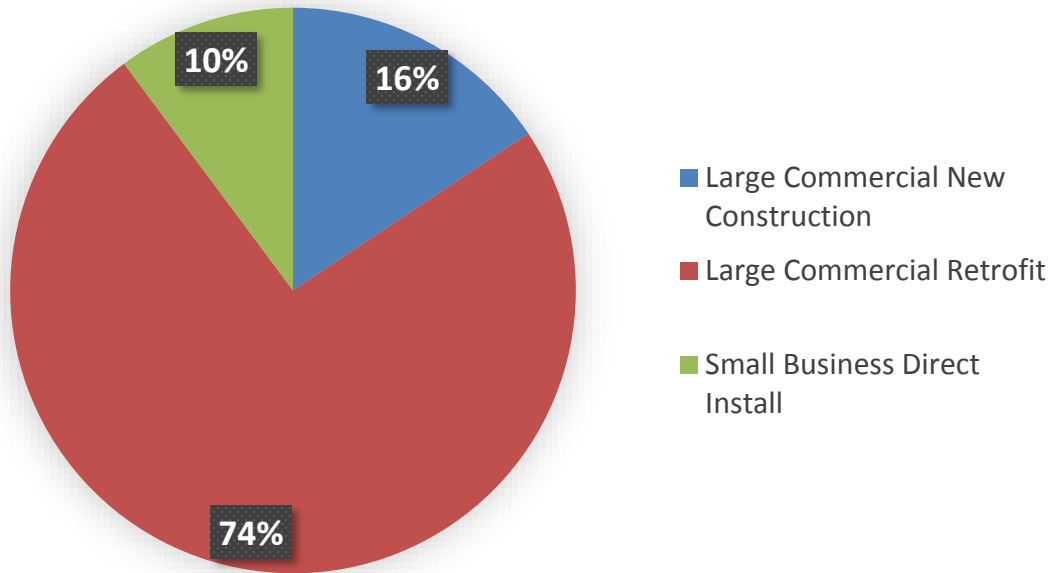


Figure 2. 2021 Planned Distribution of Annual MWh Goals for C&I Electric Sector

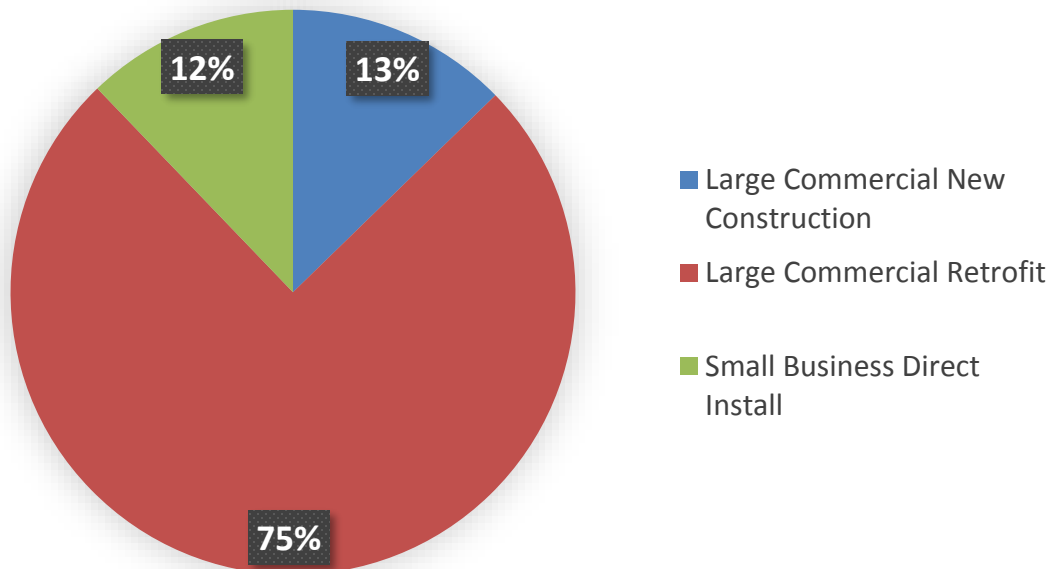




Figure 3. 2021 Planned Distribution of Lifetime MMBtu Goals for C&I Gas Sector

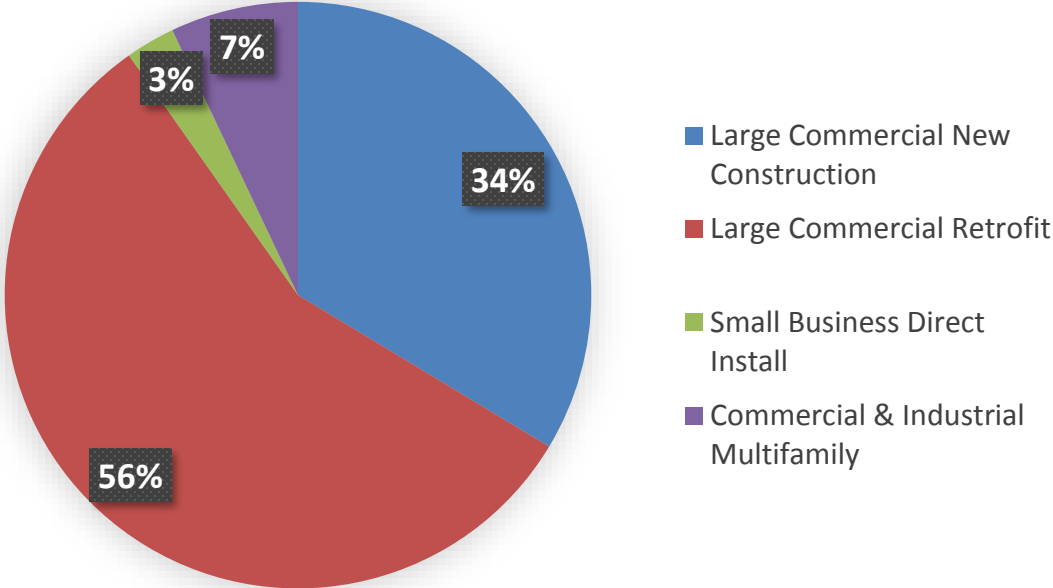
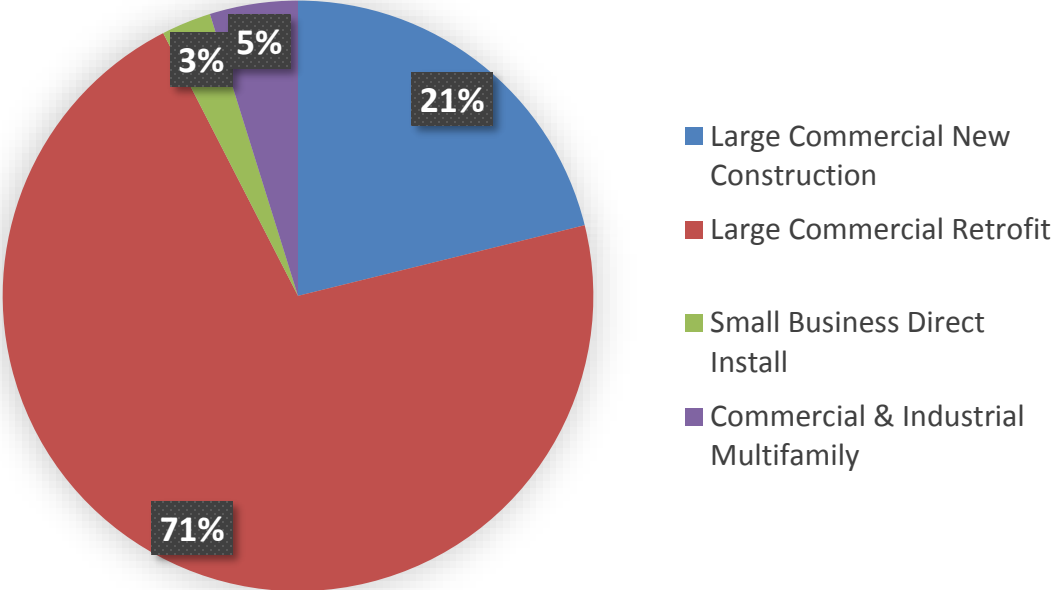


Figure 4. 2021 Planned Distribution of Annual MMBtu Goals for C&I Gas Sector



## 2. Large Commercial and Industrial New Construction Program

<p>Eligibility Criteria</p>	<p>The New Construction Program is divided into two main categories to address the two primary new construction target markets: those pursuing ground up new construction and major renovations, and those investing in new equipment and major systems upgrades.</p> <p><b>New Buildings, Additions, Major Renovations and Tenant Fit-Ups</b>  This is specifically for projects that are ground up new construction or major renovations, all of which traditionally involve some level of design and are governed by code.</p> <p><b>End of Life Replacements</b>  Typically, there is no design component to these projects. Customers purchasing new energy-consuming equipment or replacing equipment that has reached the end of its useful life are incentivized to purchase and install energy efficient equipment. Customers are encouraged to make efficient choices with every category of equipment purchase. The baseline energy is considered to be the energy code; savings are calculated from the baseline energy. Where equipment has reached the end of its life, savings from new measures are calculated not from the old equipment, but assuming all new equipment against the current codes and standards baselines. This works the same way as the “systems approach” described below, whether through prescriptive or custom pathways.</p>
<p>Offerings</p>	<p><b>New Buildings, Additions, Major Renovations and Tenant Fit-Ups</b>  The services and incentives offered are designed to promote and support high performance building design, equipment selection, and building operation. This program offers both technical assistance and financial incentives based on projected energy savings performance to incentivize building beyond the current RI program energy baseline. Technical assistance ranges from simple plan review and efficiency upgrade recommendations to complete technical reviews. Incentives are available for building owners, design teams, post occupancy verification, and Zero Net Energy certification and verification.</p> <p>The Large Commercial and Industrial New Construction Program offers four pathways for ground up new construction or major renovation projects.</p> <ul style="list-style-type: none"> <li>• <b>Path 1: Zero Net Energy Ready</b></li> <li>• <b>Path 2: Whole Building Energy Use Intensity Reduction</b></li> </ul>

These two paths are based on achieving energy use intensity (EUI) project goals and are suitable for projects that engage early in the schematic design process.

- **Path 3: The Whole Building Streamlined**
- **Path 4: Systems Approach**

These pathways support projects that are in the design development stage and incorporate energy efficient equipment and energy conservation measures (ECMs).

*Table 2. Requirements and Eligibility for Large Commercial and Industrial New Construction Pathways*

<b>Zero Net Energy Ready</b>	Achieve 25 EUI or lower	Over 20,000 Square Feet
<b>Whole Building Energy use Intensity</b>	Achieve 10% better than RI Baseline EUI	Over 50,000 Square Feet
<b>Whole Building Streamlined</b>	Custom and Prescriptive ECM measures	20,000 to 100,000 Square Feet
<b>Systems Approach</b>	Prescriptive rebates for installing energy efficient equipment and measures	No Square Foot requirement

**Zero Net Energy Ready:** This path provides building owners and design teams with energy efficiency expertise and financial incentives to help achieve a very low EUI and Zero Net Energy projects. This path focuses on EUI outcomes during design modeling and in post occupancy. To qualify, the planned building must include a minimum of 20,000 square feet of heated and cooled spaces, commit to achieving an EUI of 25 or less, engage National Grid before 50% Schematic Design, and commit to commission the completed building. An exception to the EUI of 25 or less requirement may be sought based on the type of building or hours of operation.

**Whole Building Energy Use Intensity Reduction:** This path is based on achieving EUI project goals and is suitable for projects that engage before the end of design development. Buildings over 50,000 square feet (mid- to large-size building) are eligible. This pathway provides energy efficiency expertise to building owners and design teams early in the design process. Technical assistance supports setting aggressive EUI targets and providing financial incentives to meet the EUI goals. To be eligible for incentives in this pathway, projects need to achieve a

	<p>minimum 10% EUI reduction from the RI baseline. The RI baseline for 2021 will be based on the current RI building code.</p> <p><b>Whole Building Streamlined:</b> This pathway provides design teams and owners energy efficient expertise in selecting the most cost-effective energy conservation measures for small- to mid-sized buildings that are early in project design. This pathway is applicable for projects 20,000 square feet to 100,000 square feet. Incentives are provided based on savings achieved by the energy saving measures implemented (Custom and Prescriptive measures). A whole building spreadsheet analysis tool is used to estimate energy savings and incentives early in the project.</p> <p><b>Systems Approach:</b> This pathway provides incentives to building owners for incorporating energy efficient equipment into projects under 20,000 square feet and for major renovation projects that do not include the entire building (e.g. tenant fit outs).</p>
Implementation and Delivery	<p><b>Zero Net Energy Ready:</b></p> <p>The sales team reaches out to potential customers and design teams that may be interested in building to a Zero Net Energy Ready (ZNE) standard. After vetting a project to ensure that it meets the program requirements, a ZNE expert is brought in to assist the customer in assessing the project and identifying services that may be needed to achieve the ZNE goal. The ZNE consultant will be engaged by the customer, with the fee cost-shared between National Grid and the customer. The ZNE consultant is engaged from early in the project through the end of design development. They provide services such as EUI benchmarking to help set EUI targets, conduct an energy charrette, load reduction analysis, and HVAC selection analysis and model feedback. The customer signs the program memorandum of understanding (MOU). The project incentives are paid out to the customer in two payments: the construction incentive and the post occupancy incentive. The first customer incentive payment (as well as any design team incentive) is paid based on review of the design teams’ model and verification that the design achieves an EUI of 25 or less (or the expected EUI target if there is a special exception). The second customer payment is available when one year post-occupancy data demonstrates the building is achieving the target EUI, confirming that the building is performing as designed. Prior to the post occupancy payment, the customer must provide verification that the enhanced commissioning and envelop commission have taken place.</p>

	<p>The ZNE certification fees will be reimbursed when a project becomes ZNE certified. An optional verification incentive is offered to assist customers in identifying and correcting issues that may arise in post construction to help achieve the EUI during building occupancy.</p> <p><b>Whole Building Energy Use Intensity Reduction:</b> The National Grid Energy Efficiency sales team reaches out to customers, owners and developers regarding new construction project opportunities. If the customer decides to participate in energy efficiency programs, the National Grid team engages with the customer project design team and facilitates a design charette to understand customer project goals. Based on the project goals, an EUI target range is established, and a technical assistance (TA) vendor is engaged to model the baseline project and proposed design project. The customer then signs a MOU that outlines the EUI target that is included in the project documents and the post occupancy EUI verification plan and the other incentive details. An application including the energy conservation measures and systems agreed upon is signed by the owner. The owner commits to implement the efficiency recommendations and accepts the associated incentives. A Minimum Requirements Document (MRD) created by the National Grid Tech Rep is created as part of the application process. The National Grid sales team remains engaged during the design development and construction process to ensure energy efficiency measures and solutions are incorporated in the building projects to achieve the EUI targets. After completion, the project undergoes a post inspection that includes a visual inspection and review of construction design submittals. If there are any HVAC controls or variable load ECMs that have been incorporated in the project, field measurements are required to verify operation standards, as described in the Minimum Requirements Document. The EUI measurements are then monitored over a prescribed period, under the prescribed conditions, before final incentive payment is made based on the savings achieved. An optional verification incentive is offered to assist customers in identifying and correcting issues that may arise in post construction to help achieve the EUI during building occupancy. Verification documents must be submitted to obtain the optional verification incentive.</p> <p><b>Whole Building Streamlined:</b> The National Grid sales team reaches out to the customers who are engaged in new construction. Occasionally, the sales team may be</p>
--	---

	<p>approached by the design team regarding a new building project. If the project meets the path requirements (small to mid-size buildings; between 20,000-100,000 sq.ft.), a technical vendor is brought in at no-cost to the customer to conduct an energy charrette and provide feedback on the building design to increase the project’s energy efficiency. An MOU is signed. The technical vendor monitors the design progress and provides an estimate of energy savings and incentives at a mid-design review. A final technical report is provided at design completion that details the project savings and incentives to develop the incentive application and MRD. Once the building has been built, the customer and design team incentives are paid upon construction and MRD verification.</p> <p><b>Systems Approach:</b>  The National Grid sales team approaches customers, building owners, and owner representatives regarding new construction or major renovation projects. When a customer decides to move forward with a project, the customer has a choice to use their vendor of choice to install measures or to develop the project with technical assistance from the National Grid team. Once the project is installed, the project undergoes inspection of installed measures and review of design submittals. Incentives are paid out to the owner on documented savings from the project.</p>
Customer Feedback	At this time no customer feedback is available for this program.
Changes for 2021	<p>The Company will <b>add two new pathways, Zero Net Energy Ready (ZNER) and Whole Building Energy Use Intensity</b> to drive deeper, more comprehensive savings by using EUI as a tool. For both new pathways, the Company will <b>offer technical assistance to building owners and design teams</b> to set EUI goals and assist with modelling projects at various stages of design including comparison to the RI baseline and predicted EUI. Customers are required to develop a plan for measurement and verification of projects’ operational EUI. An optional post occupancy verification incentive is also available to projects. Incentives will be paid \$/square foot on achieving EUI goals.</p> <p>The Company will <b>set the EUI threshold for the two new pathways based on the MA Accelerate Performance demonstration and MA Program Administrators’ experience with Zero Net Energy Buildings.</b> Buildings following the Zero Net Energy Ready pathway must achieve a threshold of 25 EUI or less. Buildings pursuing the Whole Building</p>

	<p>Energy Use Intensity pathway must achieve a threshold of 10% better than the RI baseline EUI.</p> <p>The Company will <b>modify and rename the Integrated Design pathway the Whole Building Streamlined pathway</b>, which is targeted to small and medium buildings. The goal is to simplify the process by using a streamlined spreadsheet methodology to calculate savings in to increase participation by smaller buildings.</p> <p>In January 2021, <b>RI plans to adopt the 2018 IECC building code</b>. RI program baselines, where applicable, will then be based on the 2018 IECC Building code and savings calculations will be based upon achievements over this new higher baseline. This is an improvement from the 2019 adoption of the 2015 IECC building code, which meant that 2020 RI program-based savings were based on savings above 2015 IECC code.</p>
<p>Rationale for Changes</p>	<p>Realized savings in the existing New Construction program have declined. Thus, in the past two years, the Company tested the EUI target as a way to achieve deeper savings with new construction projects through the Accelerate Performance demonstration in both MA and RI. While in RI there was no participation in the program, in MA the Program Administrators have had success with the demonstration.</p> <p>The rationale for introducing two new pathways – ZNER and Whole Building EUI – is to drive deeper, more comprehensive savings by using EUI as a tool. Incentives will be based on actual building performance verses modeled savings. The Company believes these changes in the program pathways will result in higher realized (actual) savings in new construction projects.</p>
<p>Proposed Upcoming Evaluations</p>	
<p>Notes</p>	

**Large Commercial and Industrial New Construction – Electric Program Goals, Metrics, Budgets, Participation for 2021**

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Total Net Lifetime MMBtu (Electric Gas, Oil, Propane)	Budget (\$000)	Participation
Electric	201,767	12,651	2,007	648,189	8,514	144

**Large Commercial and Industrial New Construction – Gas Program Goals, Metrics, Budgets, Participation for 2021**

	Lifetime MMBtu (Gas)	Annual MMBtu (Gas)	Budget (\$000)	Participation
Gas	658,331	41,438	2,780	61

### 3. Initiatives Specific to Large Commercial and Industrial New Construction Program

#### 3.1. Performance Lighting Plus

Eligibility Criteria	<p>Any customer with a commercial meter is eligible to participate in this initiative. All projects that qualify under this incentive must:</p> <ul style="list-style-type: none"> <li>• Be a new construction or renovation project that includes the installation or new fixtures and qualifying lighting controls for commercial, industrial, educational, or municipal building(s).</li> <li>• Be a code-dependent project or extensive/substantial renovation.</li> <li>• Average a minimum of 2,000 hours per year.</li> <li>• Provide maintained light levels in accordance with the recommendations of the Illuminating Engineering Society of North America’s 10th Edition Lighting Handbook or supporting Design Guides.</li> </ul>
Offerings	<p><b>Incentives</b></p> <p>Incentives may be offered for reducing the code mandated Lighting Power Density from the IECC baseline. Additionally, design assistance will be made available to customers for the purpose of optimizing lighting design and lighting energy savings. The objective of the design assistance is to influence the lighting project at an early stage and to</p>



	<p>ensure that energy efficiency is considered and support throughout the implementation of the project.</p> <p><b>Tier 1 – Performance Lighting</b></p> <ul style="list-style-type: none"><li>• Minimum 10% reduction in Lighting Power Density (watts/sq.ft. and/or watts linear ft.) better than mandated energy code</li><li>• Qualified LED products listed by Energy Star or the Design Lights Consortium must represent 50% or more of the connected load (Exceptions may be approved for alternative fixtures or for Lighting Designer Incentive projects)</li><li>• Code compliant lighting controls required</li></ul> <p><b>Tier 2 – Performance Lighting with Smart LED Interior Fixtures with Luminaire Level Controls</b></p> <ul style="list-style-type: none"><li>• 80% of the connected load must utilize at least two out of the five required and reported controls capabilities for controlled fixtures<ul style="list-style-type: none"><li>○ Occupancy</li><li>○ High-End Trim <math>\leq 25\%</math></li><li>○ Daylighting (with verifiable daylight apertures)</li><li>○ Scheduling (beyond operating hours)</li><li>○ Personal Control</li></ul></li><li>• Exterior – 80% of the connected load must utilize at least three out of five required and reported controls capabilities<ul style="list-style-type: none"><li>○ Occupancy Sensing and/or Traffic Sensing</li><li>○ High-End Trim <math>\leq 25\%</math></li><li>○ Daylight/Photocell Control</li><li>○ Scheduling (beyond operating hours)</li><li>○ Continuous Dimming</li></ul></li><li>• Tier 2 lighting controls must be DLC approved room or building level solutions</li></ul> <p><b>Tier 3 – Performance Lighting with a Networked Lighting Control System</b></p> <ul style="list-style-type: none"><li>• 80% of the connected load for the qualified space utilizes a Networked Lighting Control system as defined by the DLC. (Documentation can be found on the DLC website at <a href="http://www.designlights.org/content/CALC/SpecificationAndQPL">http://www.designlights.org/content/CALC/SpecificationAndQPL</a>.)</li><li>• Confirm that the DLC qualified Networked Lighting Control system has the “Reported” capabilities of Energy Monitoring. To qualify for PL+ Tier 3 incentives, customers or vendors must commission the controls system and provide an initial 30-days of reported kWh</li></ul>
--	--

saved and six months of lighting energy use data as reported by the system post-installation. A retainage amount equal to 20% of the approved incentive will be applied until the data is accepted. Required fixture or circuit level energy data reporting should be at least 15-minute intervals. Energy data reporting output can be in Excel or CSV file format.

- Tier 3 control systems must have the following capabilities:
  - Energy Monitoring
  - Device Monitoring/Remote Diagnostic
  - Type of Interface
  - Load Shedding
  - External Systems Integration (e.g. BMS, EMS, HVAC, Lighting API)
  - Start-up and Configuration Party
- Tier 3 control systems must utilize at least 3 of the 5 required and reported control capabilities for all controlled fixtures
  - Occupancy
  - Task Tuning ≤ 25%
  - Daylighting (with verifiable daylight apertures)
  - Scheduling (beyond operating hours)
  - Personal Controls
- Tier 3 control systems for exterior lighting must have the following capabilities
  - Networking of Luminaires and Devices
  - Daylighting Harvesting/Photocell Control
  - High-End Trim
  - Luminaire and Device Addressability
  - Continuous Dimming
  - Energy Monitoring
  - Device Monitoring/Remote Diagnostics
- All Tier 3 controls system must employ at least 3 out of 5 required and reported control capabilities for controlled fixtures
  - Occupancy Sensing and/or Traffic Sensing
  - High-End Trim ≤ 25%
  - Zoning
  - Scheduling (beyond operating hours)
  - Start-up and Configuration party

*Table 3. Incentive Tiers for New Construction and Retrofit*

Tiers	New Construction	Retrofit
-------	------------------	----------

	Interior	Exterior	Interior	Exterior
<b>Tier 1</b>	\$1.50	\$1.50	\$2.00	\$2.00
<b>Tier 2</b>	\$2.00	\$2.00	\$3.00	\$3.00
<b>Tier 3</b>	\$3.00	\$3.00	\$4.00	\$4.00
(Incentives are per watt saved)				
Implementation and Delivery	<p><b>Application Forms</b></p> <ul style="list-style-type: none"> <li>Applications for Performance Lighting Plus incentives are made available through vendors, 3<sup>rd</sup> party implementers, and Customer Solution Sales Team. However, applications can also be created and submitted online using the Rhode Island Application Portal (RIAP).</li> </ul> <p><b>Pre-Approval Requirements</b></p> <ul style="list-style-type: none"> <li>The Customer must submit a copy of the Manufacturer’s technical specification sheets (“cut sheets”) for each type of eligible equipment to be purchased.</li> <li>Once pre-approved, a “pre-approved incentive letter” will be issued.</li> </ul> <p><b>Installation and Incentive Requirements</b></p> <ul style="list-style-type: none"> <li>Once pre-approved, the customer must purchase and install the qualifying equipment within twelve (12) months of National Grid’s pre-approval</li> <li>Next, the Customer must return the following required information to National Grid within 30 days of the installation: <ul style="list-style-type: none"> <li>A copy of the completed and signed pre-approval application</li> <li>If there is a change in equipment, the customer must submit a new manufacturer’s technical specification sheets (“cut sheets”) for each type of eligible equipment purchased</li> <li>A copy of the invoice indicating Proof of Purchase must indicate type, size, make, and model number of the equipment and date of purchase and installation</li> <li>At the post-installation verification, the customer must sign the post-installation customer acknowledgement section of the original application</li> </ul> </li> </ul> <p><b>Application Process and Requirement for National Grid Approval</b></p> <ul style="list-style-type: none"> <li>The customer shall submit a completed application to National Grid. The customer may be required to provide National Grid with additional information upon request by the National Grid.</li> </ul>			

	<p>The customer will, upon request by the National Grid, provide a copy of the as-built drawings and equipment submittals for the facility after energy efficiency measures are installed. To the extent required by the National Grid or by applicable law, regulation or code, this analysis shall be prepared by a Professional Engineer licensed in Rhode Island.</p> <ul style="list-style-type: none"> <li>• To be eligible for performance lighting plus incentives, a customer must have an active electric account.</li> <li>• The National Grid reserves the right to reject or modify the customer’s application. National Grid may also require the customer to execute additional agreements, or provide other documentation prior to National Grid approval. If National Grid approves the customer’s application, National Grid will provide the customer with the Approval Letter.</li> <li>• National Grid reserves the right to approve or disapprove of any application or proposed performance lighting plus incentive.</li> <li>• The criteria listed under Application Process and Requirement for National Grid Approval do not apply in the event that the Program Materials explicitly state that no Approval Letter is required for the Program. In such an event, the customer must submit to National Grid the following: <ul style="list-style-type: none"> <li>○ Completed and signed Program rebate form</li> <li>○ Original date receipts for purchase and installation of energy efficiency measures, and</li> <li>○ Any other required information or documentation within such time as Program Materials indicate.</li> </ul> </li> </ul> <p><b>Pre- and Post-Installation Verification; Monitoring and Inspection</b></p> <ul style="list-style-type: none"> <li>• The customer shall provide access to their facility and energy efficiency measures for National Grid’s pre-installation and post-installation verifications. Such verifications must be completed to National Grid’s satisfaction.</li> <li>• National Grid may perform monitoring and inspection of the energy efficiency measures for a three-year period following completion of the installation in order to determine the actual demand reduction and energy savings.</li> </ul>
Customer Feedback	At this time there is no customer feedback available for this program.

Changes for 2021	<p>Performance Lighting will be heavily modified prior to the second draft to match the Massachusetts Program Administrators’ approach. This is a small part of an overhaul to lighting. Due to the fact that they are on a different cycles, work is just beginning.</p> <p>The Market Potential Study noted that C&amp;I lighting savings will remain a large portion of portfolio throughout the term of the Three-Year Plan. Many of top ten measures in electric C&amp;I were lighting and control related. The potential study has solidified the Company’s strategy that we needed to push on lighting controls integration.</p>
Rationale for Changes	<p>The goal of these changes is to increase savings through this pathway by</p> <ul style="list-style-type: none"> <li>• Simplifying the application and processing</li> <li>• Ensuring that that incentives are calibrated correctly in relationship to the lighting portfolio</li> <li>• Ensuring that vendors understand the benefits and proper installation of these systems.</li> </ul>
Notes	<p>Although this program is located in the New Construction section of this plan, it may also be utilized in Retrofit applications as well.</p>

#### 4. Large Commercial Retrofit Program

Eligibility Criteria	<p>The Large Commercial Retrofit Program serves the needs of existing buildings in their pursuit to lower energy consumption. All commercial and industrial customers are eligible for the Large Commercial Retrofit Program.</p>
Offerings	<p>The Company has several pathways by which customers can participate in the Large Commercial Retrofit program for energy efficiency in existing buildings. Customers can participate via the:</p> <ul style="list-style-type: none"> <li>• <b>Prescriptive application</b> process;</li> <li>• By working with a National Grid Sales Representative or a Project Expeditor (PEX) to complete a <b>Custom application</b> for any energy improvement that is not covered by the Prescriptive pathway; or</li> <li>• Via an <b>Upstream program</b>.</li> </ul> <p>The retrofit program also has initiatives specific to Market sectors such as grocery and manufacturing/industrial initiatives that focus on specific needs of that customer type.</p> <p>The Company serves some of its largest customers through Strategic Energy Management Plans (SEMPs). The company has Memorandums of Understanding (MOUs) with these customers that specify savings targets and resources. These are described in more detail in section 5.5.</p> <p>The Company has found that although sector specific initiatives and SEMPs are helpful in gathering more savings and completing measures beyond lighting, they do not cover our entire customer base. The following areas that are specific to a technology or do not address a specific market sector are also included as part of the Large Commercial Retrofit program and are included in this section of the plan:</p> <ul style="list-style-type: none"> <li>• Customer Owned Streetlights</li> <li>• Company Owned Streetlights</li> <li>• Equipment &amp; System Performance Optimization</li> <li>• Combined Heat and Power (CHP)</li> </ul>
Implementation and Delivery	<p><b>Prescriptive Application</b></p> <p>Customers complete a prescriptive application through the Rhode Island Digital Application Portal (RIDAP; <a href="https://www.ridap.nationalgridus.com">https://www.ridap.nationalgridus.com</a>) for a wide variety of energy</p>

	<p>efficient products such as lighting, air compressors, or variable speed drives (VSDs).</p> <p><b>Upstream</b>  Customers can purchase qualified products such as luminaires, kitchen equipment, water heating equipment, or more efficient heating and cooling technologies at participating distributors at a discount without needing to submit an application. These are collectively known as the Upstream Initiatives. These are described on more detail in section 5.16.</p> <p><b>Custom Application</b>  National Grid Sales Representatives or a Project Expeditor (PEX) assist customers to complete custom applications for any energy conservation measure that is not covered by Prescriptive or Upstream pathways.</p>
Customer Feedback	Please see Initiatives sections for customer feedback.
Changes for 2021	<p>In 2021, the Company will <b>launch a new Telecommunications Initiative</b> to serve mobile, fiber optic, and cable data companies and their associated infrastructure through technical assistance, project management, and incentives, delivering savings from non-lighting as highlighted in the Market Potential Study. This initiative is described in more detail in section 5.17.</p> <p>Specific changes to initiatives in 2021 are described in section 5.</p>
Rationales for Changes	Changes in the Large Commercial Retrofit programs will help generate savings, address customer and vendor feedback, and provide more customized solutions and options.
Proposed Upcoming Evaluations	
Notes	

**Large Commercial Retrofit – Electric Program Goals, Metrics, Budgets, Participation for 2021**

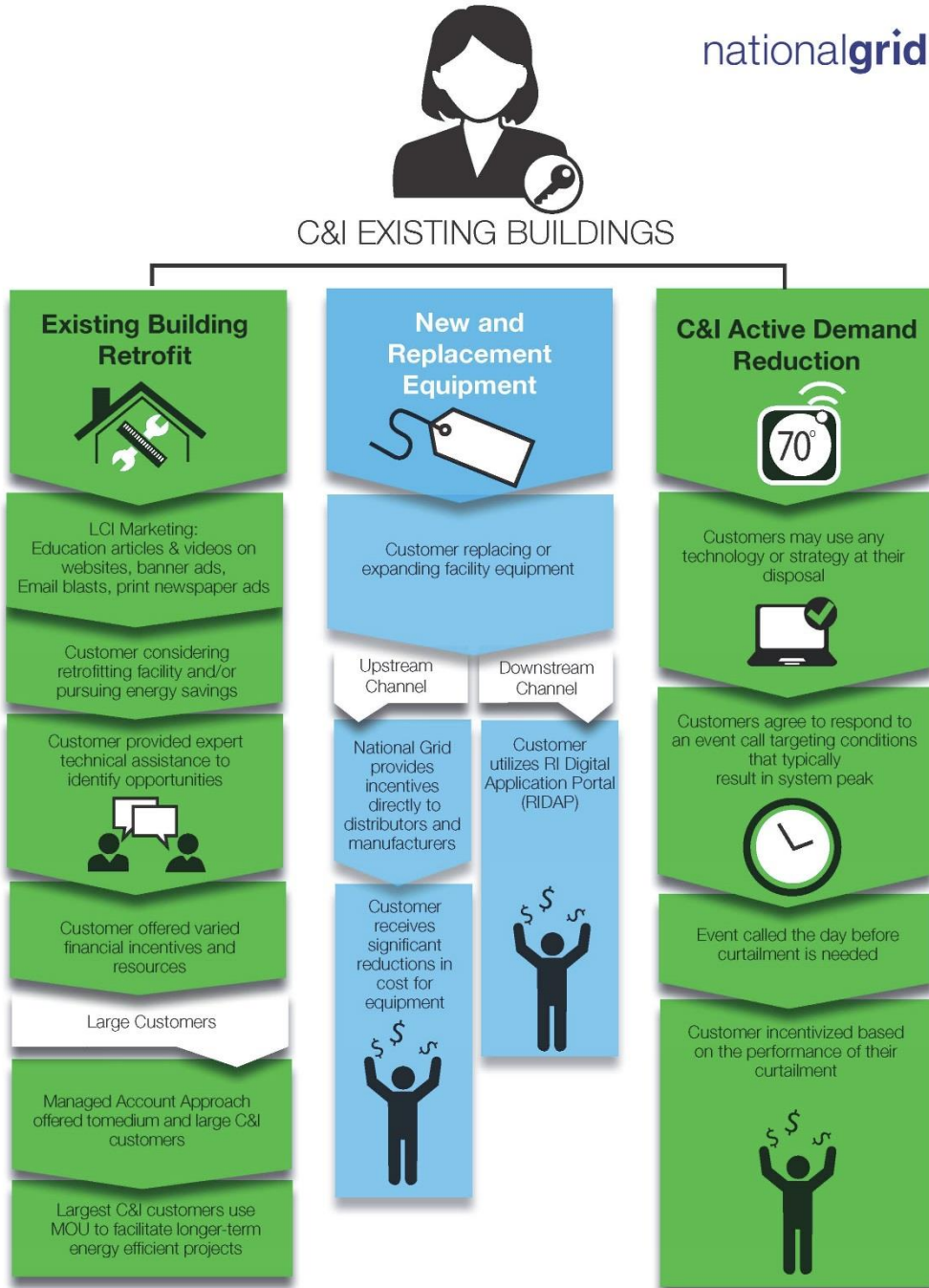
Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Total Net Lifetime MMBtu (Electric Gas, Oil, Propane)	Budget (\$000)	Participation
Electric	956,209	74,718	14,742	2,021,646	33,467	3,146

**Large Commercial Retrofit – Gas Program Goals, Metrics, Budgets, Participation for 2021**

	Lifetime MMBtu (Gas)	Annual MMBtu (Gas)	Budget (\$000)	Participation
Gas	1,107,448	139,656	4,987	83



Figure 5. Large Commercial Retrofit Program (Existing Buildings)



## 5. Initiatives Specific to Large Commercial Retrofit Program

### 5.1. Grocery Initiative

Eligibility Criteria	EnergySmart Grocer (ESG) is an initiative that serves commercial customers who sell food at the retail or wholesale level.
Offerings	Technical assistance, project management, incentives, financing, installer and customer educations sessions.
Implementation and Delivery	<p>This program is administered by the vendor. Company Account Managers associated with each vendor partner with the sales team to develop a relationship with the prospective customer. Once the relationship is established, EnergySmart Grocer (ESG) offers no-cost audits to the customer. This audit documents and identifies energy efficiency opportunities for the store's refrigeration, lighting, HVAC and kitchen equipment. Once the audit is complete, an Energy Savings Report is generated and presented to the customer.</p> <p>EnergySmart Grocer works with the customer's contractor to obtain a quote for the work. If the customer decides to move forward with the project, EnergySmart Grocer will generate an application, collect all necessary paperwork, and submit to National Grid for pre-approval. Once the project is complete, ESG will collect all invoices and final signatures, and complete a post-inspection verification to ensure the measures are installed as intended. ESG will submit all paperwork to National Grid and notify the customer when the incentive check is in the mail.</p> <p>ESG Account Managers maintain relationships with the customer. For smaller independent chains, the program uses an inform-to-invest strategy where the success of the first project is leveraged to pursue deeper and more expensive measures. For the regional and national chains, Account Managers schedule regular check-ins with the customer's Energy Manager to check-in on active projects and learn of future projects.</p>
Customer/Vendor Feedback	Customer feedback flows through the ESG Initiative vendor to internal parties at National Grid. The Company's vendor has asked for financing support for small and mid-size independent grocers, as they believe this will allow such customers to commit to projects more quickly or increase the number of measures installed. The Company will provide this assistance through OBR or through an interest buy down mechanism in partnership with third party providers of debt capital.

Changes for 2021	<p><b>New measures will be deployed in 2021</b> including energy efficient hand dryers, anti-fog film, and adding doors to self-contained refrigerated cases to support “click and collect” customers.</p> <p>The Company will <b>provide financing support for small- and medium-sized independent grocers</b> through OBR or through an interest buy down mechanism in partnership with third party providers of debt capital.</p>
Rationale for Changes	See customer feedback for financing changes. New measures are offered to maintain savings within this sector and provide customers with more options to save energy.
Notes	The Company is investigating the energy savings and carbon reduction benefits of integrating leak detection and repair as a standard offering. Currently this work is done when leaking refrigerant is visible to the naked eye or identified as a problem by the customer. Savings/benefits and costs will be better understood by the final draft of this 2021 Annual Plan.

## 5.2. Industrial Initiative

Eligibility Criteria	The Industrial Initiative offerings are available to all manufacturing and industrial customers.
Offerings	<p>The following assistance and incentives are provided under the Industrial initiative: technical assistance; project management; measure incentives; installer and customer education sessions; monitor-based commissioning; production systems and line efficiency coordination; and support in identifying and implementing process-related energy efficiency improvements that increase the efficiency of both energy use and business processes.</p> <p>The ability to participate in the Strategic Energy Management Demonstration, now called the Continuous Energy Improvement demonstration, has been offered to industrial and manufacturing customers since 2019. These customers will continue to be able to participate through 2021, the final year of the demonstration. Please refer to Attachment 8 for details on the demonstration, which is implemented by a separate vendor from the Industrial initiative.</p>
Implementation and Delivery	The National Grid Sales Representative is responsible for identifying customers or “leads” for the Industrial Initiative Vendor to pursue for participation in the Industrial Initiative. The

	<p>Company’s trade allies also provide additional leads directly to the Industrial Initiative vendor.</p> <p>Prior to the initial site visit, National Grid provides the Industrial Initiative vendor with customer billing and interval data. This allows for the following analysis, some or all of which are typically done by the Vendor: interval data analysis; peak day loads; average weekday load shapes; average weekend consumption; base load energy usage; and a review of electric and gas usage and weather correlations (heating/cooling). In some cases, based on this analysis, the customer may be referred to the Company’s demand response program.</p> <p>A kickoff meeting is scheduled with the National Grid Sales Representative and the Customer. The National Grid Technical Representative is also notified and welcome to participate. The kickoff meeting is typically followed by a site tour to identify potential energy efficiency measures. During the site tour, metering equipment may be deployed to assist with energy efficiency measure development.</p> <p>After the initial site visit, the Industrial Initiative vendor provides the customer and National Grid a follow up report on the opportunities identified and next steps. The report is typically reviewed with the customer and the Sales Representative. The measures identified are tracked in the Industrial Initiative vendor’s Customer Relationship Management (CRM) system. The Industrial Initiative works closely with the customer’s facility staff and vendors/contractors to develop “custom measure” workbooks to calculate potential savings and the incentives. A “Tech Check” is submitted to the National Grid Technical Representative and Sales Representative to validate the proposed savings calculation methodology before the workbook is developed. Once the Company approves the custom workbook, the Sales Representative communicates the incentive to the customer.</p> <p>The Industrial Initiative Project Manager facilitates the application process from the earliest stage of measure through the completion of the project. The incentive application process may include formal status meetings with the Company’s Sales Representative and the Industrial Initiative vendor.</p>
--	---

	To facilitate continuous improvement, the Technical Representative, the Sales Representatives and the Industrial Initiative vendor work together to continually engage and encourage the customer to realize more comprehensive energy savings.
Customer/Vendor Feedback	Customer feedback flows through the Industrial Initiative vendor and Sales Representative to internal parties at the Company. Feedback suggested using a service such as “DocuSign” to facilitate the application approval process, which the Company will implement in 2021. It was also recommended that the Company add business rules that account for savings accuracy when approving smaller “custom” projects so that the customer receives an approval quickly without excessive information requests, which is under consideration.
Changes for 2021	The Company will <b>add a digital signature option to the application approval process.</b>  The initiative will <b>increase focus on customers in the 200-400 kW range</b> to encourage greater participation by small- and medium-sized commercial customers.
Rationale for Changes	The digital signature process was recommended by customers and the industrial initiative vendor to reduce administrative burden and expedite project sign-offs.  Small- and medium-sized commercial and industrial customers have not realized the same percent energy reduction via efficiency as their larger counterparts. The Company is working with the Industrial Initiative vendor to increase participation among this valuable customer segment.
Notes	The Industrial Initiative has installed and performed energy efficiency assessments on a number of the measures identified in the Market Potential Study including but not limited to: Boilers, Boiler Tune-Ups, Heat Recovery, HVAC Equipment and Systems, LED Lighting, Energy Management Systems, Demand Control Ventilation, System Controls, and Steam Traps.

### 5.3. National and Regional Restaurant Initiative

Eligibility Criteria	The Serve Up Savings (SUS) initiative will serve regional/multi-state and national restaurant chains not currently engaged with Strategic Energy Management Partnership Agreements (SEMPs).
----------------------	---

	Restaurants with multiple locations within Rhode Island only will be served by the Small Business Program.
Offerings	Technical assistance, project management, incentives, work with franchisors to come up with a package of measures that will work for their franchisees
Implementation and Delivery	<p>Serve Up Savings works hard to minimize the effort needed for the customer to participate in the program. The first interaction is a Serve Up Savings Account Manager reaching out to the customer to introduce the program and schedule an audit of their stores. Once the audits are complete, the program puts together an Energy Savings Report which details the energy efficiency upgrade opportunities. The program works with the customer's preferred contractor or recommends three if they don't have one. The program obtains a bid for the work, so the customer can decide to move forward based on their financial metrics.</p> <p>The program will collect all required paperwork and submit to National Grid for pre-approval of incentives. Once pre-approved, the program will send the customer a commitment letter which details the financial incentives. The customer contracts directly with the contractor to complete the work. Once the work is finished, the program completes a post-inspection as well as collects all final paperwork. The program submits all paperwork to National Grid and a check is sent to the customer. The program leverages this check to push installation of the next set of measures to be installed at their stores.</p>
Customer Feedback	
Changes for 2021	No changes are anticipated for 2021.
Rationale for Changes	N/A
Notes	

#### 5.4. Lodging Initiative (including On Premise Laundry)

Eligibility Criteria	The Lodging Initiative (LI) is an initiative that will serve hotels, motels, and resorts. On Premise Laundry (OPL) includes commercial laundry facilities, hospitals, colleges, and lodging facilities.
Offerings	<b>Lodging</b>

	<p>Technical assistance, project management, incentives, installer and customer educations sessions.</p> <p><b>On Premise Laundry</b></p> <p>There are some on premise laundry solutions to reduce natural gas energy usage including ozone, condensing equipment and a retrofit for dryers. National Grid has some experience offering incentives to customers installing this equipment. There is a suite of product offerings associated with this initiative including Xeros polymer laundry solutions. This includes a commercial washing machine that uses 80% less water and a lower operating temperature than standard models, where polymer beads replace water and with DrySmart RMC™ (Residual Moisture Control). Due to the high costs associated with replacing commercial dryers, many times the units are repaired rather than replaced. This technology allows installation and monitoring of a moisture sensor retrofit at lower costs than replacement with a new energy efficient commercial dryer. The moisture sensor senses the level of dryness and stops the machine when a load is dry. This reduces gas that would otherwise be wasted. It has received good test results. Dry Smart RMC is coming out with a new version of their technology called DrySmart 2, that will have an improved dashboard.</p>
<p>Implementation and Delivery</p>	<p><b>Lodging</b></p> <p>LI Account Managers partner with the National Grid sales team to develop a relationship with the prospective customer. Once the relationship is established, the LI offers no-cost audits to the customer. This audit documents and identifies energy efficiency opportunities for the hotels refrigeration, lighting and controls, HVAC and controls, and kitchen equipment. Once the audit is complete, an Energy Savings Report is generated and presented to the customer. The LI vendor works with the customer's contractor to obtain a quote for the work. If the customer decides to move forward with the project, the Lodging initiative vendor will generate an application, collect all necessary paperwork, and submit to National Grid for pre-approval. Once the project is complete, the LI vendor will collect all invoices, final signatures, and complete a post-inspection verification to ensure the measures are installed as intended. The LI vendor will submit all paperwork to National Grid and notify the customer when the check is in the mail.</p> <p>The Lodging Initiative Account Managers will maintain relationships with the customer. For smaller hotels and motels, the program uses</p>

	<p>an inform-to-invest strategy where the success of the first project is leveraged to pursue deeper and more expensive measures. Account Managers schedule regular check-ins with the customer's Energy Manager to check-in on active projects and learn of future projects.</p> <p><b>On Premise Laundry</b></p> <p>Once the target audience is identified, customer specific marketing materials will be designed and mailed to that audience. The initial call to action will be to contact your National Grid Sales representative.</p>
Customer Feedback	<p>Customers have lingering concerns about ozone leaks, fabric discoloration, and pathogen destruction. Customers are also concerned about the potential costs of ongoing maintenance.</p>
Changes for 2021	<p>It has been difficult to find an existing vendor to serve these markets. Therefore, the Company employed Slipstream, which will continue to <b>research important areas of focus such as the savings and best practices for deployment of guest room energy management systems (GREMS), kitchen hood controls, and ozone laundry</b>, so that the Company can capture these opportunities without an unifying vendor. This effort will be complete by January 2021.</p> <p>Slipstream will also assist the Company in <b>identifying key attributes of a successful future vendors and helping craft a scope of work</b>, as National Grid believes that a vendor can provide better customer experience and deeper savings than approaching individual technologies.</p>
Rationale for Changes	<p>Lodging and laundry are important areas to seek out additional non-lighting savings.</p>
Notes	<p>The Company will create marketing to address customer concerns regarding ozone laundry, especially safety. The Company believes customers concerns are valid, but may be based on outdated information. Nationwide, half of all ozone laundry units installed are not currently operational. The Company is investigating the reason(s) for this lack of continued use.</p>

### 5.5. Strategic Energy Management Planning (SEMP)

Eligibility Criteria	<p>The Strategic Energy Management Plan (SEMP) Initiative is available to the Company's largest C&amp;I customers, including chain restaurants. The SEMP initiative targets customers who have the potential to go deeper with energy efficiency, have a level of in-house</p>
----------------------	--



	<p>sophistication to make organizational changes to incorporate multi-year energy planning, and are motivated by corporate and institutional sustainability goals.</p>
Offerings	<p>SEMP provides customers with customized support allowing flexibility to address the energy efficiency and sustainability opportunities of the organization and its facilities in the context of the Company’s self-identified business needs. Working with a SEMP gives the customer the opportunity to think long-term about their energy needs and equipment ,resulting in more comprehensive savings compared to the more traditional energy efficiency programs. Where appropriate and valued by the customer, automated benchmarking will be available to help demonstrate the impact installing energy efficiency measures can have on the energy usage of the facilities.</p> <p><b>Colleges and Universities</b></p> <p>These are currently served through either the Company’s large commercial programs with a dedicated sales team or the Company’s SEMP initiative. With a master-metered portfolio of buildings within the campus, most universities are tied to sustainability goals and climate action plans to reduce their greenhouse gas emissions. The Company’s SEMP initiative allows enrolled university customers to engage in multi-year campus energy planning and assists them in identifying comprehensive and long-term energy efficiency opportunities. The Company has three SEMP agreements in place with colleges and universities and is currently engaged in conversations with three other college campuses in Rhode Island for SEMP agreements. The Company will continue to explore opportunities for further SEMP university customers and provide energy efficiency services to universities in Rhode Island outside the SEMP model for those universities not wishing to participate in a SEMP.</p>
Implementation and Delivery	<p>A Memorandum of Understanding (MOU) offers a way to document a commitment between the customer and the Company to work together to achieve mutually stated goals through specific actions that are tailored to the customer’s facilities over a multi-year planning horizon. As such, an MOU (though non-binding in this case) can set the stage for achieving deeper and more comprehensive energy efficiency savings and is more likely to succeed than a “one measure” or “one year” approach.</p>

	<p>Typically, MOUs include participation and a commitment by upper management, the establishment of specific, very aggressive energy efficiency saving targets, and measurement and verification strategies to document savings throughout the target facilities, supported by an incentive structure that meets the customer’s financial criteria. To support customers setting aggressive kWh and therm savings goals under SEMP, there are several items that are reviewed:</p> <ul style="list-style-type: none"> <li>• Customer’s total kwh and therm usage on all accounts</li> <li>• Customer’s percentage of energy reduction over the last 5 years through EE measures</li> <li>• Customer’s capital project plan</li> <li>• High level measure identification by the Company’s TA vendor for potential savings over the 3-year SEMP</li> </ul> <p>This offering goes far beyond energy efficiency into sustainability and branding support for the customer. The Company also engages SEMP customers with non-energy efficiency solutions, such as renewables, storage, electric vehicles, and distributed energy resources and technologies.</p> <p>The Company currently has six SEMP MOUs. Three are large university campuses, one is with a large chain restaurant, and one with a large commercial customer. In addition, a State SEMP focused on State facilities has been in place since 2016. Projects and savings vary by year. As an example of the electric savings, the 2021 annual goal for 3 colleges/universities combined is approximately 2,011 MWh and 73,334 Therms.</p>
Customer Feedback	One customer commented that the MOU process is streamlined and easy to work with.
Changes for 2021	<p>In 2021, the Company <b>will ramp up efforts to engage more customers with SEMP initiatives</b>. Potential customers include colleges and universities in Rhode Island not yet engaged with SEMPs, cities, industrial customers, and chain restaurants.</p> <p>In 2021, <b>educational SEMP customers will have access to specialty services from an energy solutions provider</b> who specializes in campus energy infrastructure from energy efficiency to mechanical/electrical infrastructure needs.</p>
Rationale for Changes	The changes proposed for the SEMP initiative will allow for more comprehensive services for customers as well as increase participation in the SEMP initiative.

Initiatives Specific to Large Commercial Retrofit Program

Notes	
-------	--

### 5.6. Municipal and State Buildings SEMP

Eligibility Criteria	<p>The Company currently has in place a three-year State SEMP. This SEMP includes municipalities, State buildings, Quasi State buildings, water and waste water facilities, State Colleges, State Universities and public K-12 Schools.</p>
Offerings	<p>Following a successful joint MOU signed by the Company, OER, the Department of Administration (DOA) and the Department of Capital Asset Management and Maintenance (DCAMM) designed to integrate strategic energy planning across State and Quasi State facilities from 2016 to 2019, the State SEMP was renewed for another 4 years in 2020. The 2020-2023 MOU has a goal of achieving a 10% energy use reduction by end of 2023.</p> <p>The Company provides specific support to State and Municipal buildings through project management, implementation support, technical support and financial mechanisms to achieve energy efficiency in State, Quasi-State and municipal buildings. This is in addition to incentives available through Energy Efficiency programs.</p> <p><b>Project/Energy Management Support:</b> The time and expertise required to identify, develop, and oversee these projects can be beyond the resource capacity of many towns and cities. The Company provides this support as part of the State and Municipal initiative and via a SEMP.</p> <p><b>Implementation Support:</b> The Company provides support for energy efficiency project implementation via previously successful vendors. Municipalities recognize the value of this support, as it provides a trusted partner to bring the time and expertise they lack to identify, develop and oversee complex projects. To continue to serve this sector, there are several support mechanisms in place:</p> <ul style="list-style-type: none"> <li>• URI Energy Fellows support municipalities as they learn to use Portfolio Manager as well as meet the EBF’s energy reporting and energy management plan development requirements. National Grid also has an automated process by which customers can authorize upload of utility data onto Portfolio Manager. This system is used for benchmarking via Portfolio Manager (see section 9.3.1).</li> </ul>

	<ul style="list-style-type: none"> <li>• The Company supports municipal engagement in OER and programs like vendor selection, engineering support, and implementation of upgrades through the energy efficiency programs.</li> <li>• The Company provides energy audits to select municipal/school/wastewater customers to support energy efficiency applications. In the past few years the Company has provided approximately 50 energy audits annually.</li> </ul> <p>For financing in this sector, the Company will continue to offer On-Bill Repayment for electric and gas measures. Schools and municipalities will have access to the same processes that were developed for the State, including consulting for procurement and product selection, retro commissioning, incentive calculations, new construction support and other services to ensure successful project installation.</p>
Implementation and Delivery	The process of participating in the State SEMP is the same as described above for other SEMPs.
Customer Feedback	The initiative has received feedback regarding some challenges with the additional of schools to the SEMP including funding, timing, and collaboration among multiple stakeholders.
Changes for 2021	<p>The SEMP will <b>target a 10% reduction in energy use by the above stated facilities by 2023.</b></p> <p>The Company will <b>work with multiple State agencies on exterior lighting projects.</b></p>
Rationale for Changes	By targeting an additional 10% reduction in energy use by 2022, these facilities will save money that can be used for additional energy efficiency projects in the future. The addition of K-12 public schools to the State SEMP in 2020 is one of the most efficient ways to work with this sector.
Notes	Building Operator Certification classes sponsored by National Grid in the Rhode Island and Massachusetts service areas are available to schools and many school facility managers have taken advantage of this program and follow up by actively engaging in energy efficiency solutions at their facilities.

### 5.7. Equipment & System Performance Optimization

<p>Eligibility Criteria</p>	<p>The Equipment &amp; Systems Performance Optimization (ESPO) Initiative is available to all C&amp;I customers averaging greater than 2,000 building operating hours a year. The ESPO initiative offers three pathways (Low Cost Tune-Up, Targeted Systems Tuning, and Whole Building and Process Tuning) to accommodate different customer segments and building needs. The ESPO initiative is designed to optimize equipment and systems, and includes optimizing building energy controls and process system operations. The systems optimization may include retro-commissioning (RCx), operations &amp; maintenance (O&amp;M), and Monitoring Based Commissioning. This initiative falls under the Large Retrofit Program.</p>
<p>Offerings</p>	<p>ESPO provides three pathways for participation depending on the customer’s energy efficiency opportunity, building type, and age and sophistication of existing control systems. The vendor and technical support team will work with the customer to select the best pathway for participation and energy savings. The three pathways are:</p> <p><b>Low-Cost Tune-Up:</b> The Low-Cost Tune-Up offers technical support and prescriptive energy conservation measures to customers that have isolated items in need of standard tuning. In addition to identifying standard tuning, the technical support will help to identify easy to install efficiency measures that can be implemented by the customer’s facility staff, maintenance contactors, or retro-commissioning vendors. Pre-approval for implementation is required before the customer or outside party can receive an incentive on the installation. Incentives are provided to sites where the baseline condition and the proposed upgrade are documented through a simple data input, requested in the application, which is used to determine savings at the measure level. Only selected HVAC, steam, refrigeration, and compressed air measures are eligible for prescriptive incentives. An additional performance incentive of \$0.03 per kWh and \$0.20 per therm is available to customers that reduce at least 2.75% of the facility’s annual electric consumption and 1.5% of the facilities annual gas consumption.</p> <p><b>Targeted Tuning:</b> The Targeted Tuning approach offers an in-depth investigation and tuning process for building systems and process lines. Rather than looking at the whole building, the Targeted Tuning looks for a specific process or end-use energy efficiency upgrades. A proactive approach to energy savings can be achieved through</p>

	<p>Monitoring-Based Commissioning. Monitor-Based Commissioning is similar to the Whole Building and Process Tuning approach; however this pathway assumes that identified measures will be implemented and that customer will be committed to energy monitoring and on-going energy tracking for a minimum of three years. Through the Monitor-Based Commissioning pathway, the customer installs a software package linked to the Building Management System. Monitor-Based Commissioning software uses AI and advanced analytics to constantly monitor the system and determine when a set point or system has breached an upper or lower control limit. The system identifies areas of improvement over time and alerts facilities personnel to faults in the system. The incentive for Monitor-Based Commissioning is \$0.17/kWh and \$1.20/therm on a pay-for-performance basis.</p> <p><b>Whole Building &amp; Process Tuning:</b> The Whole Building and Process Tuning offers a comprehensive, full building or process approach to retro-commissioning for customer’s with a functional control system in place and electric usage greater than 5,000,000 kWh annually. Manufacturing or industrial customer can also use this pathway to apply a comprehensive tuning approach for their systems. Typically, the customers facility staff is involved in the Whole Building and Process Tuning given the broader scope and longer timeline associated with the installation and commissioning. Up to \$30,000 can be provided for the tuning investigation to determine energy conservation measures under this pathway. The implementation incentives are provided on a \$0.17/kWh and \$1.20/therm saved basis for approved energy savings. An additional performance incentive of \$0.03 per kWh and \$0.20 per therm is available to customers that reduce at least 2.75% of the facilities annual electric consumption and 1.5% of the facilities annual gas consumption.</p>
Implementation and Delivery	<p>A customer begins the process for ESPO by contacting their National Grid Sales representative. In advance of undertaking an ESPO project, as with all custom projects, account and technical representatives will work closely with the customer and their implementers to identify the appropriate pathway.</p> <p>If needed, a retro-commissioning consultant will be brought in to provide an investigative report, the results of which are shared with the customer. The ESPO process may also identify additional capital</p>

	<p>projects that increase energy savings and can secure additional incentives.</p> <p>The Company may also facilitate the transfer of information from the controls vendor to third party retro-commissioning vendors or technical assistance vendors with expertise in building controls. The Rhode Island Products and Growth team continues to work with our Massachusetts counterparts to encourage development of workforce expertise in this area.</p>
Customer Feedback	<p>The Company will work with ESPO customers and vendors to solicit feedback on participation barriers, program enhancements, and incremental modifications. The feedback will be reviewed by the Company and improvements based on customer input will be developed and implemented during the spring and summer of 2021.</p>
Changes for 2021	<p>In 2021, the ESPO initiative will <b>include heat exchanger coil cleaning to the prescriptive low-cost tune-up measures.</b></p>
Rationale for Changes	<p>The Company aims to increase participation in the ESPO program in 2021. The heat exchanger coil cleaning provides a relatively quick payback period that should result in greater participation and increased program awareness.</p>
Notes	<p>The ESPO initiative includes a number of technologies and end-uses identified in the Market Potential Study, including boilers (steam and hot water), waste energy recovery, refrigeration, scheduling and set point optimization, energy management systems, and rooftop units.</p>

### 5.8. Lighting Designer Incentives (LDI)

Eligibility Criteria	<p>LDI is offered to lighting design teams for qualifying New Construction/Major Renovations or Existing Buildings Performance Lighting projects, or projects qualifying under Sustainable Office Design (SOD) program.</p> <p>National Grid maintains a list of qualified Lighting Designers, as well as Engineers and Architects who have demonstrated at least 5 years of lighting design experience. National Grid markets the program to the construction and design community. Lighting designers cannot sell product for the project that they are receiving LDI.</p> <p>Lighting designer must have at least one of the following qualifications:</p>
----------------------	---

	<ul style="list-style-type: none"> <li>• Lighting Certified (LC) – granted to those who successfully complete the NCQLP (National Council on Qualifications for the Lighting Professions) Lighting Certification Examination;</li> <li>• CLEP – certification from the Association of Energy Engineers (AEE);</li> <li>• IALD – International Association of Lighting Designers Professional Membership status; or</li> <li>• CLD – the IALD sponsored Certified Lighting Designer, certification.</li> </ul>
Offerings	<p>This incentive goes directly to the lighting design team to fund their efforts to achieve lighting energy savings while maintaining quality lighting design.</p> <p>LDI is a sum equal to 20% of the customer lighting incentive offered for a project, up to a maximum of \$15,000 per project that goes directly to the lighting designer.</p>
Implementation and Delivery	<p><b>Lighting designer submits LDI application for a project</b></p> <p>LDI will be paid in two installments: National Grid will pay 50% upon pre-approval of the customer application, and 50% upon confirmation of installation, at the same time the National Grid makes the customer incentive payment. National Grid will make the payment to the lighting design team lead. The lighting design lead may choose to split the incentive with additional parties.</p> <p>For the first LDI installment, the lighting design team shall submit the Lighting Designer Incentive Worksheet and an invoice in the amount of 50% of the total anticipated LDI. The invoice should reference the project name. For the second LDI installment, the lighting design team shall submit a second invoice, again referencing project name.</p>
Customer Feedback	<p>LDI needs marketing to the customer to inform them about the benefits of hiring a lighting designer.</p>
Changes for 2021	<p>Revision to this initiative description will be made as part of restructuring of Performance Lighting in the final draft of the 2021 Annual Plan.</p>
Rationales for Changes	
Notes	<p>LDI is not available for projects that participate in the RI New Construction Program’s Whole Buildings Approach – whether participating in the Large Buildings or Small Buildings incentive path. A</p>



	separate Design Team Incentive is available for project teams of qualifying Whole Building projects.
--	--

### 5.9. Customer Owned Streetlight Equipment

Eligibility criteria	The customer owned LED streetlighting initiative is available to any city or town in Rhode Island serviced by National Grid for electric service on the Customer Owned Equipment S-05 tariff (Rate S-05), as well as fire districts, municipal water utility boards, Kent County Water Authority, Rhode Island Commerce Corporation, Narragansett Bay Commission and the State of Rhode Island.
Offerings	Incentives of \$0.15 per kWh of first-year savings for qualifying LEDs and \$0.25 per kWh of first-year savings for qualifying controls associated with either the dimming or part-night run hours as set forth in the streetlighting tariff.
Implementation and Delivery	A customer begins the process for purchasing their leased streetlights from National Grid by contacting their National Grid Community & Customer Manager. A suggested first step would be to indicate they are interested in getting an inventory of the streetlights and an estimated purchase price. This inventory is a non-binding opportunity for the customer to begin the decision-making process. If the customer opts to pursue the purchase of the streetlight assets, a notice to purchase is submitted to the Company and to the PUC as required by the legislation. A final value of the assets is calculated, and sale agreements are executed. Once the closing process is complete, the ownership of the assets is transferred from National Grid to the customer. Once the customer owns the streetlights, they can replace the older technology with LED lighting and controls. The municipal energy efficiency sales representative from National Grid will assist the customer in determining the energy savings and amount of incentive they can expect once the process is completed. The customer fills out an application form and once the lights have been installed, contacts National Grid for a post inspection. Once the post inspection is satisfactorily completed, the incentive can be mailed to the customer. Notification to the Community & Customer Manager with the completed location listing of the LED conversions is required for the billing system updates to realize any energy consumption savings.
Changes for 2021	No changes are anticipated for 2021.

Rationale for Changes	N/A
Notes	In addition to the incentives provided by the systems benefit charge mentioned above, OER provides grant funding to communities for LED street lighting. There is a \$300,000 cap on the funding to individual cities and towns from OER.

#### 5.10. Company Owned Street Light Equipment

Eligibility Criteria	Eligibility for the incentive for company owned LED streetlighting is dependent on service on the 3 unmetered streetlight tariffs, S-06, S-10 and S-14 with exchange of an existing roadway or post-top style, Incandescent, Mercury Vapor or High Pressure Sodium Vapor sourced luminaire to one of the Company’s LED offerings. The tariffs allow LED street or post-top fixtures to be available to all customer groups.
Offerings	Incentives of \$0.15 per kWh of first-year savings for qualifying LEDs are available. All company owned street and area lights are operating at a dusk-to-dawn schedule.
Implementation and Delivery	<p>The customer contacts their Community and Customer Manager with their interest. The Company returns a billing inventory and estimated cost savings analysis for the customer to review. If the customer opts to move ahead with the lighting exchanges, a letter of intent is sent to the Community and Customer Manager. Accompanying the letter should be the billing inventory with the customer’s LED options by location indicated. The Company will issue the replacement orders and install the lights. The energy efficiency sales representative will contact the customer and assist in the incentive application and payment process.</p> <p>About one hundred LED streetlights have been installed to date. Of the 21 towns mentioned above under customer owned, 4 of them are also considering the Company Owned option.</p>
Changes for 2021	No changes are anticipated for 2021.
Rationale for Changes	N/A
Notes	Currently, no energy efficiency incentive is available for the Company-owned controls option as the Company does not offer adjustable controls for billing other schedules such as part-night or dimming. A majority of street lighting customers in Rhode Island have either purchased their own street lights or indicated a preference for

	<p>purchasing their street lights. Therefore, the volume of company-owned street lighting is on the decline. As a result, the number of company-owned street lights that would be eligible for controls if controls were made available is a small number. Additionally, the controls associated with street lighting represents only a small piece of a Company-wide Advanced Metering Infrastructure (AMI) system which would be designed to handle the core business of electric and gas metering. Although the Company is keeping a watchful eye on advancing technologies, the capital investment on the system will be prompted by other customers.</p> <p>However, the Company has a demonstration project in Schenectady NY to evaluate street lighting controls and their viability. Before networked lighting control advances at National Grid, decisions need to be made regarding selection of the control, the network provider, as well as integration into the current and/or future billing system.</p> <p>Like a multifamily building or leased commercial space where the tenant pays the electric bill, as long as the landlord (in this case, National Grid) approves the replacement, the customer leasing the street light will receive the energy efficiency incentive directly.</p>
--	--

Table 4 below reflects some of the similarities and differences between the two ownership options available to customers for solid state street lighting.

*Table 4. Customer- versus Company-Owned Street Lighting*

Distinction	Customer-Owned	Company-Owned
<b>LED Fixture</b>	Customer owns the equipment and is responsible for the purchase, financing, and maintenance	National Grid owns, installs, and maintains the equipment. The customer requests the exchange of existing or installation of new lighting
<b>Energy Efficiency Incentive</b>	Customer receives a one-time incentive payment for the installation of LED equipment (after satisfactory post-inspection by National Grid)	Customer receives a one-time incentive payment for the installation of LED equipment (after satisfactory post-inspection by National Grid.)
<b>Purchase/Lease</b>	Customer purchases the equipment	National Grid leases the equipment to the customer

Distinction	Customer-Owned	Company-Owned
<b>Outreach</b>	League of Cities and Towns, Annual Department of Public Works (DPW) meeting with Company, and various other meetings	League of Cities and Towns, Annual DPW meeting with Company, and various other meetings
<b>Technical Support</b>	Customer is responsible	Customer is responsible

### 5.11. Commercial Real Estate and Offices

Eligibility Criteria	Commercial Office Spaces
Offerings	It is unknown how COVID-19 will change this market. Due to this uncertainty, the Company is pausing the development of a commercial real estate initiative. However, a National Grid salesperson will continue to cover this market and monitor conditions in this segment.
Implementation and Delivery	<p>The Commercial Real Estate (CRE) sector has specific challenges and barriers linked to the split incentive between building owners and tenants, and difficulty accessing decision makers. The Company serves this customer segment with specific services to engage customers, like benchmarking and finance tools, as well as specific incentives tied to office performance-based design approach that benefits both building owners and tenants.</p> <p><b>Benchmarking</b></p> <p>The Company provides automated benchmarking services for commercial office spaces that allows building owners to be aware of their buildings energy use and compare it with that of its peers. After a facility has been benchmarked, National Grid has various resources to help its owners achieve lower energy consumption per square foot.</p> <p><b>Commercial Property Assessed Clean Energy (C-PACE)</b></p> <p>C-PACE is an ideal tool for some commercial real estate owners and developers. It allows them to finance energy and related improvements in a way that is widely considered “off book” and can be passed through to renters in many types of leases. To advance the use of this unique mechanism National Grid works with the Rhode Island Infrastructure Bank (RIIB) and Sustainable Real Estate Solutions (SRS) to bring awareness to commercial building owners.</p> <p><b>Sustainable Office Design</b></p>

	<p>The Company markets the “Sustainable Office Design” (SOD) initiative to address Class A type office spaces. The Sustainable Office Design (SOD) initiative promotes high-performance office lighting and controls for quick turnaround tenant fit-outs. This is an easy to use, performance-based design approach that benefits owners or tenants with energy savings depending upon the lease arrangements. A fixed incentive per square foot along with a pre-set design criteria and lighting designer incentives will provide easy participation for the tenant fit-out projects.</p> <p>The Company will begin the year with a combination of email and direct mail outreach making sure both tenants, landlords, and property managers are aware of the suite of services we can provide to them to help them improve their spaces. We encourage customers to reach out to a resource who will assess their needs and decide which actions they should take in which sequence.</p> <p>The Company will ensure that both tenants and landlords statewide are aware of the wide variety of resources available to them through the Green Lease Leaders program, including one on one coaching, from the Institute of Market Transformation (IMT). Marketing pieces and “leave behinds” will be created for National Grid commercial sales professionals, landlords, and vendors. The Company will also work with IMT to host a “green lease” information session.</p> <p>The Company will continue to refine its automated benchmarking capabilities in 2020. National Grid will work with partners such as the City of Providence, Chambers of Commerce, and other entities to ensure that customers are aware of this tool as well as its benefits.</p> <p>The Company will ensure that both tenants and landlords statewide are aware of the wide variety of resources available to them through the Green Lease Leaders program, including one on one coaching, from the Institute of Market Transformation (IMT). Marketing pieces and “leave behinds” will be created for National Grid commercial sales professionals, landlords, and vendors.</p> <p>The Company will continue to inform owner occupied buildings and landlords of multi-tenant spaces of the potential of Community Property Assessed Clean Energy (C-PACE) as a mechanism for financing building improvements.</p>
--	---

Customer Feedback	The Company has heard from long term tenants who would like to make EE improvements, but cannot do so in a way that is favorable to them due to lease terms.
Changes for 2021	It is unknown how COVID-19 will change this market. Due to this uncertainty, the Company is pausing the development of a commercial real estate initiative. However, a National Grid salesperson will continue to cover this market and monitor conditions in this segment.
Rationale for Changes	N/A
Notes	

### 5.12. Multifamily

Eligibility Criteria	See Attachment 1, Section 3, for eligibility information.  In addition to criteria listed in Attachment 1, Section 3, the multifamily program provides joint residential and commercial energy services to condominiums and apartment complexes for energy efficiency upgrades with no cost audits. The multifamily C&I program also serves customers like non-profits, group homes and houses of worship that traditionally do not fit within the predefined program structure.
Offerings	See Attachment 1, Section 3, for offerings.  In addition to what is listed in Attachment 1, Section 3, the C&I multifamily program specifically offers incentives for master metered gas measures that typically include boiler upgrades, reset controls and insulation and air sealing. The remaining areas are addressed through residential incentives via a common point of contact such as a property manager or building owner to comprehensively service the facility.
Implementation and Delivery	See Attachment 1, Section 3, for implementation and delivery.  In addition to what is listed in Attachment 1, Section 3, note that the program coordinates with the Residential New Construction Program, Multifamily Programs, and the Small Business Program.
Customer Feedback	See Attachment 1, Section 3, for customer feedback.
Changes for 2021	See Attachment 1, Section 3, for program changes.
Rationale for Changes	See Attachment 1, Section 3, for rationale.
Notes	

5.13. Extended Care Facilities (Nursing Homes/Assisted Living)

Eligibility Criteria	The extended care market sector includes nursing homes, assisted living facilities and rehabilitation facilities.
Offerings	Offering for this Initiative include lighting, HVAC improvements (including heat pumps), envelope improvements, energy management systems, energy efficient laundry systems, and Combined Heat and Power (CHP). Commercial Property Assessed Clean Energy (C-PACE) can be used as a financing tool. C-PACE, further defined in section 8.6, allows customers access to low cost private capital for terms that greatly exceed most conventional business loans. It also allows the customer to capitalize all costs related to the project. This means that the Company now has a potential solution to one of the barriers to moving forward with deeper and broader efficiency measures in this segment.
Implementation and Delivery	Interested customers contact the Channel Sales representative who handles energy efficiency sales for medium sized businesses.
Customer Feedback	The vast majority of these facilities either did not have the resources or did not want to prioritize the resources to investigate energy efficiency opportunities, even with a generous cost share, let alone act on them. Consequently, this market segment presents challenges to participate in comprehensive energy efficiency.
Changes for 2021	As the majority of these facilities are small businesses, the Company will <b>work with the small business vendor and current salesperson to refine the initiative approach in 2021.</b>
Rationale for Changes	See customer feedback above.
Notes	

5.14. Farm/Agriculture

Eligibility Criteria	The Farm and Agricultural Initiative is available to any farm or agricultural National Grid customers within the state of Rhode Island regardless of energy source including delivered fuels. National Grid will cover electric and natural gas energy efficiency incentives in accordance with the customer’s eligibility and the program criteria. These energy conservation measures will be installed with prior approval of landlord, where appropriate.
----------------------	---

Offerings	<p>Lighting, HVAC improvements (including heat pumps), envelope improvements (weatherization, air sealing, insulation), equipment upgrades including refrigeration, pumps and motors, and ventilation. Now Commercial Property Assessed Clean Energy (C-PACE) can be used as a financing tool. C–PACE, further defined in the “Affordability and Financing” section below, allows customers in participating communities to access low-cost private capital for terms that greatly exceed most conventional business loans. It also allows the customer to capitalize all costs related to the project. The Company recognizes that financial assistance can help small businesses, including agricultural ones, to move forward with energy efficiency projects and is committed to helping them access affordable options. In addition, farmers may be eligible to participate in the Rhode Island Agricultural Energy Program grant.<sup>3</sup></p>
Implementation and Delivery	<p>National Grid engages with customers through targeted outreach, while also providing additional information via the Office of Energy Resources website.<sup>4</sup> By way of this initiative, participating customers will receive a no-cost, no-obligation energy audit in which a qualified vendor will visit the farm, perform an energy audit and provide the customer with a written list of recommended measures tailored to the customer’s situation, including equipment focused on agriculture.</p> <p>As of February 2020, twenty-six customers have either received or are pending an energy audits , with twenty-five of those customers having installed energy conservation measures.</p>
Customer Feedback	<p>Incentives have been critical to get customers to move forward with energy efficiency measures. The process took a long time from audit to installation. Customer awareness could be improved.</p> <p>Feedback indicates customers lack awareness as to what qualifies for energy conservation measure incentives. However, those who have utilized incentives have seen significant savings and benefits to their operations.</p>
Changes for 2021	<p>In 2021, the Company will <b>explore simplifying the initiative for customers with multiple meter types</b>, including a mix of residential and commercial accounts.</p>

<sup>3</sup> <http://www.rifarmenergy.org/ri-ag-ep.htm>

<sup>4</sup> <http://www.energy.ri.gov/policies-programs/programs-incentives/feep.php>



Rationale for Changes	The agriculture segment of the market has not embraced participation at the same levels as others. Therefore, the Company is working to simplify participation for customers while continuing targeted outreach and leveraging online resources to increase participation. Increasing participation will ensure equitable access to programs and incentives, which is a goal for both the Company and stakeholders.
Notes	

### 5.15. Combined Heat and Power Initiative

Eligibility Criteria	<p>To qualify for a Combined Heat and Power (CHP) energy efficiency incentive, a proposed project, no matter the size, must meet the following conditions:</p> <ul style="list-style-type: none"> <li>• Host customers must be in the franchise service area of the Company.</li> <li>• Proposed systems must either be (i) thermal leading and sized so the recoverable heat can be used to offset other facility thermal loads and generate electricity as a by-product, (ii) using waste energy or waste heat to generate electricity, or (iii) electric load following and meeting a total system efficiency greater than 55%.</li> <li>• Both new construction and retrofit installations are eligible; in either case, the baseline system must be documented.</li> <li>• The overall minimum total system efficiency of the proposed CHP units must be 55% or greater.<sup>5</sup> System efficiency is calculated as Annual Useful Energy/Annual Natural Gas Input where <p style="text-align: center;"><i>Annual useful energy = Net Annual kWh*3,413/100,000 + utilized thermal output (therms)</i></p> <p style="text-align: center;"><i>Annual natural gas input = CHP gas input in therms (HHV)</i></p> </li> <li>• The equipment to generate electricity may be an internal combustion engine, gas turbine engine, steam turbine, or back pressure turbine and the facility will capture waste heat for use in the facility.</li> </ul>
----------------------	---

<sup>5</sup> The RI DEM's Air Quality Regulations ([http://www.dem.ri.gov/pubs/regs/regs/air/air43\\_12.pdf](http://www.dem.ri.gov/pubs/regs/regs/air/air43_12.pdf); Page 11) set a minimum system design efficiency of 55% for CHP to be eligible to apply for Emission Credits. As noted in the incentive levels section below, a higher energy efficiency incentive is available for systems with efficiencies of 60% or greater.

	<ul style="list-style-type: none"> <li>Any size wasted energy systems and back pressure or extraction turbines can qualify. While it is expected that most of these applications will be retrofit, both new construction and retrofit installations are eligible; in either case, the baseline system must be carefully documented.</li> <li>The project must pass cost effectiveness screening.</li> </ul> <p>These systems are designed to take advantage of existing on-site wasted energy, rejected heat, opportunity fuels, renewable natural gas or inefficient processes. Therefore, there is no minimum total system efficiency requirement.</p>						
Offerings	<p>If a project has been shown to be cost effective, presents no capacity or reliability concerns, and has met the required eligibility criteria, it will be eligible for a non-variable incentive. An additional incentive tier will be available to CHP projects where the host customer also commits to implementing energy efficiency measures representing at least five percent of the site energy use or the maximum load reduction identified in the Technical Assistance Study, whichever is less.<sup>6</sup> A customer may be treated as having made this commitment to energy efficiency if they have made investments to achieve similar load reductions through energy efficiency within the previous five years. Please use the table below to determine the non-variable incentive levels available for CHP project.</p> <p><i>Table 5. Determination of Non-Variable Incentive Level for CHP Projects</i></p> <table border="1" data-bbox="516 1325 1349 1701"> <tr> <td>Wasted energy, back pressure turbines, and extraction turbines</td> <td>\$900 per net kW</td> </tr> <tr> <td>CHP with total system efficiency <math>\geq 55\%</math> - <math>&lt; 60\%</math></td> <td>\$900 per net kW</td> </tr> <tr> <td>CHP with total system efficiency <math>\geq 55\%</math> - <math>&lt; 60\%</math> with customer implementing energy efficiency measure equal to 5% of site energy or maximum load reduction</td> <td>\$1,125 per net kW</td> </tr> </table>	Wasted energy, back pressure turbines, and extraction turbines	\$900 per net kW	CHP with total system efficiency $\geq 55\%$ - $< 60\%$	\$900 per net kW	CHP with total system efficiency $\geq 55\%$ - $< 60\%$ with customer implementing energy efficiency measure equal to 5% of site energy or maximum load reduction	\$1,125 per net kW
Wasted energy, back pressure turbines, and extraction turbines	\$900 per net kW						
CHP with total system efficiency $\geq 55\%$ - $< 60\%$	\$900 per net kW						
CHP with total system efficiency $\geq 55\%$ - $< 60\%$ with customer implementing energy efficiency measure equal to 5% of site energy or maximum load reduction	\$1,125 per net kW						

<sup>6</sup> If CHP facility sizing is determined by electric load (or not constrained by either electric or thermal load), the requirement will be 5% of electric usage; if the facility sizing is determined by thermal load, the requirement will be 5% of thermal energy usage. The energy efficiency measures will themselves be eligible for incentives, and are not part of the CHP incentive package cap described.

CHP that utilized between 25% -49% opportunity fuels, renewable natural gas, or biogas as a fuel source	\$1,225 per net kW
CHP with total system efficiency ≥60%	\$1000 per net kW
CHP that utilizes opportunity fuels, renewable natural gas, or biogas as the primary fuel source	\$1,250 per net kW
CHP with total system efficiency ≥60% with customer implementing energy efficiency measure equal to 5% of site energy or maximum load reduction	\$1,250 per net kW

The CHP system costs must include: all system, auxiliary, and interconnection costs, and CHP maintenance. If the CHP system is receiving a tax credit or other financial arrangement that reduces the cost of the CHP project to the customer without distributing that cost reduction as an additional cost to other electric or gas ratepayers, it may be treated as a credit against the cost of the CHP project.

The CHP incentive package cap from the Company will be 70% of the total project cost inclusive of the installation incentive, incentives related to gas service, present value of any performance incentive, system reliability procurement incentive, and any other incentives related to the transaction. For new construction installations, the incentive cap will be 70% of the incremental cost difference between the cost of what would have been done absent the CHP project and the cost of the CHP project. In the event the incentive is greater than 70% of the total project cost, the incentive amount will be reduced to an amount equal to or less than 70%. A minimum of 20% of the energy efficiency incentive payment will be held until commissioning is completed.

An additional optimal operations and maintenance energy efficiency incentive capped at \$20/kW-year (\$1.66/kW-month) and \$50/kW-year (\$4.16/kW-month) for systems utilizing biogas will be offered as part of the incentive package for any project with a net output greater than one MW for a period of up to 10 years. No payments will be made until the unit is in operation and provides demonstrated load reduction. The optimal operations and maintenance energy efficiency incentive will be made semiannually based on actual metered load reduction. Load reduction performance will be based on the net daily metered kW

	<p>output of the system during ISO-New England’s on-peak periods averaged over each six-month period.</p> <p>The optimal operations and maintenance energy efficiency incentive provides the customer with a post-commissioning incentive for maintaining or increasing the total system efficiency of the CHP system. This helps ensure the system is operating efficiently and that the system capacity savings are in-line with those bid into the ISO-NE Forward Capacity Market.</p> <p>The customer will repay a portion of the incentive to the Company if the project is abandoned, removed from the premises, sold, or otherwise no longer utilized as the primary source of heat and electricity by the customer, within 10 years from the date of final incentive payment authorization. The repayment will be the energy efficiency installation incentive times the number of years remaining until the required ten years of service divided by ten.</p>
<p>Implementation and Delivery</p>	<p><b>Identification and Recruitment of Qualified CHP Projects</b></p> <p>The Company currently works with vendors and customers to identify CHP opportunities at customer locations. The Company promotes CHP systems and outlines the process for qualification and implementation of CHP facilities through the Company’s energy efficiency programs. The Company has sales and technical staff that are the primary points of contact for customers and vendors with potential CHP projects. The Company will continue to communicate criteria for CHP assessment and will communicate to vendors so that their presentations to customers will be more consistent with Company technical assistance requirements.</p> <p><b>Targeted Outreach and Support for Potential CHP Customers</b></p> <p>The Company believes that significant savings can be generated with this technology in the coming years. The Company is focused on developing a pipeline of projects for small, medium and large customers. The Company has a CHP program manager who helps customers navigate the technical and procedural aspects of bringing a CHP unit online. The Company also works with TA vendors that provides assistance in identifying and executing CHP projects. In addition, the Company works with CHP vendors to offer RI customers smaller CHP units where installation and operations are turn-key. Furthermore, in 2016, the Company introduced a CHP manual (<a href="http://ngrid.com/ri-chp">http://ngrid.com/ri-chp</a>) to assist customers who are deciding if CHP is</p>

	<p>an option for their facilities. Other strategies that will enhance CHP acceptance will also be considered, such as: preparing and distributing case studies, providing customer plant operator training depending on the size and complexity of the system and whether or not the management of the system will be outsourced, and providing easier customer access to CHP unit performance data.</p> <p><b>Installation of Incremental or Additional Energy Efficiency Measures for Customers who have Previously Installed CHP</b></p> <p>The Company will individually review the installation of proposed incremental energy efficiency measures for customers who have previously installed CHP on site or who are adding additional energy efficiency equipment that might affect the performance of an existing CHP unit. The Company will carefully categorize and protect the benefits attributed to previously installed CHP projects, while at the same time foster any additional cost-effective energy efficiency measures that further reduce total energy use.</p> <p>There are two types of project categories. The first category is “CHP Optimization” and involves measures which are installed with the purpose of increasing the output or operating efficiency of the existing CHP or other distributed generation (DG) unit; for example, the addition of combustion air precooling on a gas turbine CHP unit. In order to maintain compliance with ISO-NE’s FCM rules, such projects will be tracked in the FCM, if applicable, as incremental output of the associated DG facilities. The second category is “Incremental EE”, which includes “traditional” energy efficiency measures installed with the intent of reducing energy consumption in sites that have previously installed CHP. These measures may or may not affect CHP performance and output.</p> <p>For locations where an existing CHP unit covers a large percentage of the total load at the facility, additional energy efficiency savings measures installed may result in lowering the output of the CHP system instead of a load reduction on the Company’s electric grid. Therefore, to assess savings that can be claimed by the energy efficiency programs, hourly load mapping may be required to accurately assess the net savings on the Company’s electric and gas distribution systems, which will be assessed at the Company’s electric and/or gas revenue meters at the customer’s site. In cases where a typically electric measure (like lighting) reduces the electric load enough to require reducing the CHP output, gas savings may result</p>
--	--

from a normally electrical energy efficiency measure and could be claimed in the Gas utility DSM programs

**Scoping Study/Qualification**

The Company will offer technical assistance on CHP projects beginning with a preliminary scoping of a potential site. This scoping will be based on an evaluation of:

- Monthly (or hourly, where available) electric, gas, and other fuel usage
- All site-specific forms of thermal energy end uses
- Coincidence of electric and thermal loads
- Proposed project cost
- A high-level analysis of the fuel resources needed for the project and any actual or anticipated fuel capacity constraints and/or actual or anticipated fuel reliability issues

This scoping will determine if further study of the site appears favorable, i.e., provides CHP operating hours and load factors that would be an appropriate application of CHP.

**Technical Assistance Study**

Assuming a favorable screening during preliminary scoping, National Grid will offer to co-fund a TA study of CHP with the customer. The TA study will be performed by an independent, qualified engineering firm. This study will assess thermal and electric loads, propose an appropriate CHP size and technology, compile a budget cost estimate, and identify potential barriers to the technology, etc. National Grid typically funds 50% of the cost of any TA study conducted by a preferred vendor selected by the Company, and up to 50% of the TA for other qualifying independent engineering firms. Any TA study by a CHP vendor or its representative which fulfills the CHP TA requirements may be accepted, though no co-funding will be provided. The TA study must be completed, submitted, and approved by the Company prior to implementation. The TA study must include an assessment of the likely on-peak kW reduction from the CHP given the proposed nameplate rating, the net CHP output after subtracting parasitic loads associated with the CHP, projected availability based on anticipated site-specific operating characteristics, performance data on other similar units, and a greenhouse gas analysis that estimates the change in greenhouse gas emissions expected from the project and a statement that informs the customer of the state goal to reduce

	<p>greenhouse gas emissions by 80% below the 1990 levels, by 2050. (On-peak kW reduction = Net Output x Availability x % Loaded.) This kW load reduction should be used in the benefit-cost screening.</p> <p>As indicated in the offering section, a larger incentive is available for CHP projects that include the implementation of energy efficiency measures at the host facility. If the customer wants to meet a higher tiered incentive and did not previously qualify for that higher tier, the company could include another review. This review would propose measures to fulfill that requirement with new energy efficiency opportunities. These opportunities themselves will be eligible for energy efficiency incentives and will help make sure that the CHP facility is correctly sized for the facility's needs and will avoid creating a disincentive for future load reduction at the site.</p> <p><b>Cost Effectiveness</b></p> <p>The screening for cost effectiveness specific to CHP is included in the Rhode Island Test included as Attachment 4. However, given the Division's concerns over the applicability in all circumstances of what the Division characterizes as generic economic benefit assumptions identified in the CHP economic development benefit study underpinning these adders, the Company will provide two scenarios of the benefit cost screening for CHP systems with a net output of one MW or greater: one test that includes the economic benefits adder within the Rhode Island Test, and one test that excludes the economic benefits adder. If the scenario of the screening test for the project would not pass without the economic benefits included, the Company will provide a written and well-supported justification explaining why the economic benefits are reasonably likely to be obtained. During the project notification process described elsewhere in this section for projects of one MW or greater, if any party who has intervened in the notification dockets disagrees with the Company's justification, the matter will be set for hearing at the Commission for resolution.</p> <p><b>Other Contract Terms and Guidelines</b></p> <p>In order to ensure proper operation of the CHP facility and persistence of energy savings, the following terms and guidelines will be required:</p> <ul style="list-style-type: none"><li>• As part of the TA study, a minimum requirements document (MRD) will be developed. This MRD will contain engineering hardware and operational specifications that directly affect the</li></ul>
--	---

	<p>savings estimates developed in the TA study. Compliance with the MRD will be necessary to receive rebate payments.</p> <ul style="list-style-type: none"><li>• All systems greater than one MW will require electric, thermal and gas metering for commissioning and monitoring of system efficiencies.</li><li>• The project must be commissioned. Commissioning is a process following installation whereby a third party verifies that the project is installed and operating as detailed in the TA study and MRD.</li><li>• The customer must sign and produce a contract for O&amp;M services through the first planned major overhaul of the CHP unit after post installation commissioning. On-going O&amp;M contracts for a minimum of 10 years from project commissioning are recommended.</li><li>• The customer must apply for interconnection service as soon as practical and not operate the unit until they receive the authorization to interconnect from the Company.</li><li>• kW-demand savings achieved via the electric energy efficiency programs, including CHP, will continue to be reported by the Company to ISO-NE as Other Demand Resources (ODR) and the revenue generated will be used to fund future energy efficiency projects through the Company's programs.</li></ul> <p><b>Qualification</b></p> <p>The cost of the project will be provided by a design/build or general contractor experienced with CHP projects and revised as necessary.</p> <p><b>Options for a CHP proposal that fails cost effectiveness testing</b></p> <p>If a CHP project does not pass the benefit-cost test, the Company will work with the customer to develop other solutions that may still support the CHP facility. Such other solutions may include one or all of the following:</p> <ul style="list-style-type: none"><li>• Re-analyzing the optimal size of the CHP unit, or the number of generators. A different sized CHP unit might provide better efficiencies and pass the benefit cost test.</li><li>• Identifying other load reduction opportunities at the facility. Benefits can be garnered from load reduction in lieu of achieving that load reduction through CHP.</li></ul> <p><b>Attribution of CHP Energy Savings to the Company</b></p>
--	--



	<p>For CHP projects one MW or greater in size that meet the eligibility criteria, 100% of the project savings shall be attributed to the energy efficiency programs. For CHP projects smaller than 35 kW, the Company shall use the latest net to gross adjustments determined by impact evaluations conducted on the RI CHP programs. These evaluations shall be conducted at least once every five years.</p> <p><b>Notification Process</b></p> <p>The Company shall inform the DPUC, OER, and EERMC of any CHP project with a net output of one MW or greater (where net is the nameplate MW output minus CHP auxiliary kW). The notification shall occur after the cost benefit screening and before the offer letter is presented to the customer. For CHP projects with a net output of one MW or greater, the Company shall submit the following documents for review by the Division:</p> <ul style="list-style-type: none"><li>• Documentation demonstrating that the project would not move forward without energy efficiency technical assistance and/or incentives. The documentation shall justify its finding with the following evidence:<ul style="list-style-type: none"><li>• A letter signed by a senior executive or site operations manager stating that the project would not move forward without the energy efficiency technical assistance and incentive;</li><li>• Documentation from the customer on all relevant leases, agreements or commitments related to the CHP system or incentive offer;</li><li>• Estimated project budget.</li></ul></li><li>• A complete benefit cost analysis for the CHP project using the Rhode Island Test, as well as application of this test applying sensitivities related to the removal of economic benefits</li><li>• A report including a natural gas capacity analysis that addresses the impact of the proposed project on gas reliability; the potential cost of any necessary incremental gas capacity and distribution system reinforcements; and the possible acceleration of the date by which new pipeline capacity would be needed for the relevant area.</li></ul> <p>For any proposed CHP project greater than one MW:</p> <ul style="list-style-type: none"><li>• The Company will submit a project description to the Division, providing all the pertinent details relating to the project.</li></ul>
--	---

	<ul style="list-style-type: none"> <li>• The Division may submit information requests to the Company at any time after receipt of the project description. The Division may also submit follow up data requests, as needed.</li> <li>• The Company shall respond to all information requests as soon as reasonably possible, but no later than fourteen days from receipt of information requests, unless the Division grants an extension.</li> <li>• The Division will make all reasonable efforts to communicate decisions around the provision of a notification of support within thirty days of the receipt of the last set of information request responses received from the Company.</li> <li>• To the extent that additional review time is required, the Division will provide notification to the Company.</li> <li>• If at the end of fifty days from the date the Company provided the project description to the Division, the Division has not provided to the Company its opinion of support or opposition to the project, the Company retains the right to make a filing with the Commission seeking approval of the CHP incentive. The Division retains its right to take any position on the project it deems appropriate and shall not be prejudiced by the fact that it did not provide an opinion to the Company within the fifty day period.</li> </ul> <p>Even if the Division provides its opinion to the Commission that the Division supports the CHP project, the Company must file a notification with the Commission, setting forth the pertinent facts relating to the project. If (i) the Commission takes no action within thirty days and (ii) the Division or any other party has not objected to the proposed project, the project will be deemed approved. If the Division or any other party objects, the Commission will set the matter for hearing.</p>
Customer/ Vendor Feedback	<p>Vendors and customers provided feedback in advance of the 2020 Rhode Island Annual CHP Public Meeting. The vendors and customer noted that the incentive levels and interconnection remain the most significant barriers to CHP adoption. Customers and vendors also remarked on the financial and interconnection challenges associated with smaller CHP systems.</p> <p>The Company is currently exploring options for a prescriptive pathway for micro-CHP systems. This process would simplify the interconnection process and expedite the installation time for smaller CHP systems.</p>

Participation and Savings	<p>Due to the high capital cost and technical requirements of installing CHP, there is a very long lead time for a successful installation. With small numbers of projects and wide ranges of possible project sizes, the Company anticipates substantial variability in MW realized in any given year. For 2020, the Company achieved 630kW of installed capacity, corresponding to approximately 4,089 MWh of savings. As of August 2020, the Company has knowledge of the following, estimated pipeline of CHP projects in Rhode Island (see Table 6) that have initiated a Technical Assistance Study and are expected to leverage energy efficiency incentives. The Company commits to updating this pipeline table in each annual Energy Efficiency Plan and reconciliation filing to the PUC going forward. Direct notification shall be sent to the Division of Public Utilities &amp; Carriers, the Office of Energy Resources, and the Energy Efficiency and Resource Management Council via email whenever a CHP project with a net output of one MW or greater is added, removed, or updated after the Technical Assistance Study and before the offer letter to the customer.</p> <p><i>Table 6. Pipeline of RI CHP Projects with TA Study Initiated</i></p> <table border="1" data-bbox="500 1041 1378 1656"> <tr> <td data-bbox="500 1041 1000 1142"><b>Customer Name or Company Name*</b></td> <td colspan="2" data-bbox="1000 1041 1378 1142">N/A</td> </tr> <tr> <td data-bbox="500 1142 1000 1243"><b>Approximate Size of CHP (MW and annual MWh)</b></td> <td colspan="2" data-bbox="1000 1142 1378 1243">630kW 4,089 Annual MWh</td> </tr> <tr> <td data-bbox="500 1243 721 1417" rowspan="3"><b>Location Information</b></td> <td data-bbox="721 1243 1000 1297">Feeder</td> <td data-bbox="1000 1243 1378 1297">59-53-20F1</td> </tr> <tr> <td data-bbox="721 1297 1000 1352">Substation</td> <td data-bbox="1000 1297 1378 1352">Phillipsdale Substation</td> </tr> <tr> <td data-bbox="721 1352 1000 1417">Gas Line ID</td> <td data-bbox="1000 1352 1378 1417">153-Providence, RI</td> </tr> <tr> <td data-bbox="500 1417 1000 1558"><b>Current Status (Scoping, Study, Under Construction, Post-Inspection or Commissioning)</b></td> <td colspan="2" data-bbox="1000 1417 1378 1558">Under Construction</td> </tr> <tr> <td data-bbox="500 1558 1000 1656"><b>Estimated Year(s) in which the Company will claim energy savings</b></td> <td colspan="2" data-bbox="1000 1558 1378 1656">2020</td> </tr> </table> <p>*Customers and/or Companies may opt-out of disclosing their names in this table. If a customer or company has opted-out their names have been redacted in the table above. The Company will provide a confidential pipeline table without redacted names to the PUC, DPUC, and/or OER, if requested.</p>	<b>Customer Name or Company Name*</b>	N/A		<b>Approximate Size of CHP (MW and annual MWh)</b>	630kW 4,089 Annual MWh		<b>Location Information</b>	Feeder	59-53-20F1	Substation	Phillipsdale Substation	Gas Line ID	153-Providence, RI	<b>Current Status (Scoping, Study, Under Construction, Post-Inspection or Commissioning)</b>	Under Construction		<b>Estimated Year(s) in which the Company will claim energy savings</b>	2020	
<b>Customer Name or Company Name*</b>	N/A																			
<b>Approximate Size of CHP (MW and annual MWh)</b>	630kW 4,089 Annual MWh																			
<b>Location Information</b>	Feeder	59-53-20F1																		
	Substation	Phillipsdale Substation																		
	Gas Line ID	153-Providence, RI																		
<b>Current Status (Scoping, Study, Under Construction, Post-Inspection or Commissioning)</b>	Under Construction																			
<b>Estimated Year(s) in which the Company will claim energy savings</b>	2020																			

Changes for 2021	The Company will <b>provide an additional incentive tier to CHP systems that leverage biogas as a fuel source</b> . The Company will also <b>add an Optimal Operation and Maintenance Incentive for CHP systems that utilize biogas</b> as a fuel source.
Rationale for Changes	The proposed changes to the 2021 CHP Initiative are intended to reduce the additional economic barriers associated with the installation and operation and maintenance of biogas CHP systems.
Notes	The Company has established working groups to research and assess the barriers and opportunities for CHP at waste water treatment facilities and data centers.

### 5.16. Products Offered Through “Upstream”

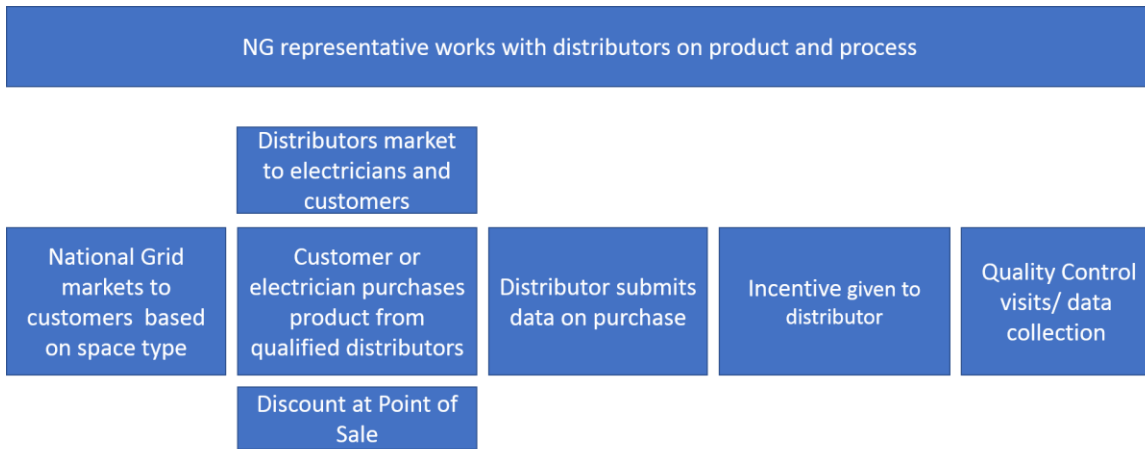
When the Company refers to an “Upstream” initiative it is referring to the practice of offering an incentive directly to a manufacturer or distributor (mainly distributors in Company initiatives) of efficient equipment instead of offering an incentive to the customer through an application form after the sales transaction has been made. This allows them to sell the product for less and make it more appealing to a potential customer. It also allows the customer to acquire this more efficient equipment without the burden of paperwork and waiting for reimbursement. It is also often a more cost-efficient way to deliver savings to the program.

#### 5.16.1. Upstream Lighting

Eligibility Criteria	The Upstream Lighting initiative is available to all commercial customers.
Offerings	Discounted luminaires, luminaires with controls, lamps, and controls at the point of sale at qualified distributors.
Implementation and Delivery	National Grid targets marketing to relevant customers and works in collaboration with qualified distributors, who also conduct marketing. Distributors sell products directly to consumers or relevant intermediaries (e.g. electricians) and provide discounts at the point of sale. The distributor then submits data on the purchase and the Company pays the incentive to the distributor and conducts quality control visits. See Figure 6 for more detail.
Customer Feedback	No direct customer feedback
Changes for 2021	2021 will feature <b>increased incentive support for Luminaire Level Lighting Controls (LLCs)</b> .

	The Company will <b>increase marketing of all lighting products to small businesses</b> who consume less than 20,000 kWh per year.
Rationale for Changes	Market transformation, increased savings, drive more participation among ultra-small small business
Notes	The Company will continue to investigate ways to increase stocking of luminaires with controls. Information will be collected through the Upstream vendor as well as two anonymous surveys developed by National Grid staff as well as the appropriate members of the EERMC Consultant team.

Figure 6. Implementation and Delivery Process for Upstream Lighting



### 5.16.2. Upstream HVAC

Eligibility Criteria	The Upstream HVAC initiative is available to all commercial customers.
Offerings	Discounted premium efficiency HVAC equipment and controls at the point of sale at qualified distributors including air-cooled air conditioning and heat pumps systems, water-cooled air conditioning and heat pump systems, ductless mini and multi split systems, variable refrigerant flow systems, as well as dual enthalpy economizer controls and electronically commutated motor (ECM) circulator pumps for hydronic heating or service hot water applications.
Implementation and Delivery	All upstream products follow a similar implementation and delivery process shown in Figure 6. National Grid targets marketing to relevant customers and works in collaboration with qualified distributors, who also conduct marketing. Distributors sell products directly to

	consumers or relevant intermediaries (e.g. electricians) and provide discounts at the point of sale. The distributor then submits data on the purchase and the Company pays the incentive to the distributor and conducts quality control visits.
Customer Feedback	No direct customer feedback
Changes for 2021	Heat pumps will move to the downstream pathway to align with the Massachusetts PA's.
Rationale for Changes	
Notes	The savings from of the upstream HVAC products will be calculated from new construction baselines, not retrofit.

### 5.16.3. Upstream Gas

Eligibility Criteria	The Upstream HVAC initiative is available to all commercial customers.
Offerings	Discounted premium efficiency water heating equipment at the point of sale at qualified distributors. The 2021 offering will include water heaters (indirect and on-demand), water heating boilers, and condominium water heaters.
Implementation and Delivery	All upstream products follow a similar implementation and delivery process shown in Figure 6. National Grid targets marketing to relevant customers and works in collaboration with qualified distributors, who also conduct marketing. Distributors sell products directly to consumers or relevant intermediaries (e.g. electricians) and provide discounts at the point of sale. The distributor then submits data on the purchase and the Company pays the incentive to the distributor and conducts quality control visits.
Customer Feedback	No direct customer feedback.
Changes for 2021	Currently in progress; will be described in the final draft of the 2021 Annual Plan.
Rationale for Changes	
Notes	

5.16.4. Upstream Kitchen Equipment (Electric and Gas)

Eligibility Criteria	The Upstream Kitchen Equipment initiative is available to all commercial customers.
Offerings	Discounted premium efficiency electric and gas kitchen equipment at the point of sale at qualified distributors. National Grid currently offers more than 9 different types of energy efficient cooking equipment across both fuels.
Implementation and Delivery	All upstream products follow a similar implementation and delivery process shown in Figure 6. National Grid targets marketing to relevant customers and works in collaboration with qualified distributors, who also conduct marketing. Distributors sell products directly to consumers or relevant intermediaries (e.g. electricians) and provide discounts at the point of sale. The distributor then submits data on the purchase and the Company pays the incentive to the distributor and conducts quality control visits.
Customer Feedback	No direct customer feedback.
Changes for 2021	No changes are anticipated for 2021.
Rationale for Changes	
Notes	

5.17. Telecommunications Initiative

Eligibility Criteria	This initiative is designed to serve mobile, fiber optic, and cable data companies and their associated infrastructure.
Offerings	Technical assistance, project management, and incentives
Implementation and Delivery	The Company is still in discussions with the vendor on exactly how the initiative will be delivered. Based on current deployments by this vendor in other locations it will closely resemble the Energy Smart Grocer Program.
Customer Feedback	Not applicable as this is a new initiative.
Changes for 2021	Not applicable as this is a new initiative.
Rationale for Changes	Potential for increased savings predominately from non-lighting as highlighted in the Market Potential Study. Additionally, the Company

	believes that this is an equitable use of ratepayer funds as this market has not been served in previous years.
Notes	

## 6. Small Business Direct Install Program

Eligibility Criteria	Commercial customers who have less than 1,000,000 kWh in annual usage may participate in the Small Business Direct Install Program. K-12 schools, national and regional chain restaurants, and small grocery stores who consume less than 1,000,000 kWh per year are excluded from this program as they are served through other pathways or initiatives.
Offerings	<p>The Small Business Program begins with a no-cost site assessment conducted by a Small Business Energy Specialist to understand the customer’s energy-related needs and goals. The assessment keys in on energy efficiency measures such as lighting systems and controls, cooler/refrigeration control, water saving measures, HVAC controls, motor controls, weatherization/insulation, and custom measures. Turn-key install and OBR is offered to support the adoption of the recommended measures to the customer.</p> <p>A Customer Directed Option (CDO) is also available. In this pathway, customers are able to use their own electrician to install measures while the Small Business program vendor processes and submits all necessary paperwork to National Grid.</p>
Implementation and Delivery	<p>A customer begins the process for a Small Business energy assessment by either calling, emailing, or using an online form to express interest in the program. The customer is connected to a dedicated, internal Small Business program staff to learn more details about the process and the next steps. The assessment is scheduled with the customer, and the Energy Specialist meets the customer at the scheduled time. The Energy Specialist performs the assessment, identifies strategies to pursue opportunities, reviews design considerations with the customer, and incorporates this detail into a proposal describing appropriate energy efficiency measures. The proposal reflects the installed costs, the expected energy savings, and the applicable program incentives.</p> <p>Once the customer decides to proceed, the Energy Specialist hands off the project to a Project Coordinator who works with the customer to</p>



	<p>set a convenient installation schedule that will not interrupt their business. After installation, a certificate of install is signed off on by the customer indicating their satisfaction with the work provided. There is dedicated support staff to address any post-install issues that may arise. This support structure is designed to smoothly execute projects and allow the customers to remain focused on their daily tasks.</p>
Customer/Vendor Feedback	<p>Outgoing direct mail and phone outreach have increased in volume and the program vendor is employing more direct canvassing from its field staff to meet its yearly goals. Consequently, the cost of acquiring a customer is increasing.</p>
Changes for 2021	<p>In 2021, there will be <b>increased focus on non-lighting opportunities, such as hood controls and other HVAC controls.</b></p> <p>The program will save energy and prepare customers for the future by substantially <b>increasing the amount of gas weatherization provided to small businesses.</b></p> <p>The program will <b>work to achieve its goal of 30% percent of installed luminaires and retrofit kits with integrated controls.</b> In previous years, lighting controls have represented approximately two-to-three percent of the program’s electric savings.</p> <p>Frequently, very small businesses (under 25,000 kWh consumed per year) do not need an energy audit to realize that they can make energy improvements to their spaces. To that end, in 2021 National Grid will <b>run segmented marketing campaigns</b> directed at these customers and local electricians to market the various Upstream energy efficiency products that can be purchased at a discount to decrease energy.</p>
Rationale for Changes	<p>Capture more non-lighting savings per the Market Potential Study, provide more savings and benefits to SMB customers during a financial downturn, and prepare for the future of heating.</p>
Proposed Upcoming Evaluations	<p>There are no scheduled evaluations for this program.</p>

**Small Business Direct Install – Electric Program Goals, Metrics, Budgets, Participation for 2021**

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Total Net Lifetime MMBtu (Electric Gas, Oil, Propane)	Budget (\$000)	Participation
Electric	131,414	12,116	1,409	342,434	9,019	545

**Small Business Direct Install – Gas Program Goals, Metrics, Budgets, Participation for 2021**

	Lifetime MMBtu (Gas)	Annual MMBtu (Gas)	Budget (\$000)	Participation
Gas	53,352	5,335	333	99

**7. Connected Solutions (Active Demand Response)**

Eligibility Criteria	Large Commercial and Industrial customers with interval meters.
Offerings	<p>The Company implemented an active demand reduction program in 2019 based on demonstrations done in 2017 and 2018. Under this program, customers agree to reduce their electric use during the system peak. Customers participating in the demand response (DR) program are free to curtail their energy use by any means possible, as this program is technology agnostic.</p> <p><b>Targeted Dispatch</b> (<i>One to eight DR events per summer</i>)</p> <p>This option calls on customers to curtail their electricity use or discharge energy from generators only a few times per summer. Typical technologies or strategies used to curtail load include building management systems to control HVAC systems, lighting control systems, and manual or automated changes to manufacturing processes. The customer’s performance is calculated using either the Company’s electric meter where available (typically G-32 customers) or third party metering (typically G-02 customers). Please refer to the program materials available on the Targeted Dispatch page of the Company website for a detailed explanation of the baseline method used and examples.</p> <p>This initiative uses Curtailment Service Providers (CSPs) to assess curtailment opportunities at a facility and deliver curtailment services to</p>

	<p>enrolled customers. CSPs identify curtailment opportunities for deployment under the Company’s initiative, as well as demand charge and Installed Capacity (ICAP) tag<sup>7</sup> management opportunities and present a complete curtailment proposal to the customer. The demand charge and ICAP tag management provide opportunities for direct bill savings to customers.</p> <p>Customers and CSPs respond to dispatch signals or criteria specified by the Company. Events are called the day before curtailment is needed. The core model remains focused on reducing demand during summer peak events, typically targeting fewer than twenty hours per summer. The program is structured to avoid interfering with the ISO-NE programs or penalizing customers for participating in both programs.</p> <p>This Energy Efficiency Plan is being coordinated with the SRP Plan to ensure that the customer offerings are cohesive, not duplicative, and a comprehensive marketing plan is being implemented. This coordination between SRP, NWAs, and DR is detailed in the 2021-2023 SRP Plan sections on NWAs in System Planning and on Coordination with Energy Efficiency.</p> <p><b>Daily Dispatch</b> (<i>40 to 60 DR events per summer</i>)</p> <p>This option calls on customers to curtail their energy use or discharge energy many more times per summer than the Targeted Dispatch. Because of the number of dispatches, customers typically look for an automated participation path with a technology that does not disrupt their comfort or business, such as battery or thermal storage.</p>																		
Implementation and Delivery	<p><b>Targeted Dispatch</b> (<i>One to eight DR events per summer</i>)</p> <p>Enrollments and performance for 2020 have proceeded as expected so far. Due to this success, the company proposed increasing the goal to 40 MW-performed for 2021.</p> <p><i>Table 7. Targeted Dispatch Participation</i></p> <table border="1" data-bbox="487 1575 1377 1755"> <thead> <tr> <th></th> <th colspan="3">Historic Numbers</th> <th>Estimated Number</th> <th>Proposed Number</th> </tr> <tr> <th></th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td><b>Average MW of</b></td> <td>11</td> <td>27</td> <td>32</td> <td>45</td> <td>54</td> </tr> </tbody> </table>		Historic Numbers			Estimated Number	Proposed Number		2017	2018	2019	2020	2021	<b>Average MW of</b>	11	27	32	45	54
	Historic Numbers			Estimated Number	Proposed Number														
	2017	2018	2019	2020	2021														
<b>Average MW of</b>	11	27	32	45	54														

<sup>7</sup> Installed Capacity Tag is a capacity payment that is set for a customer by using their peak demand during the peak day/hour on the NEPOOL grid

	<table border="1"> <tr> <td data-bbox="485 270 636 386"><b>Curtailment over all events</b></td> <td data-bbox="636 270 781 386"></td> <td data-bbox="781 270 925 386"></td> <td data-bbox="925 270 1071 386"></td> <td data-bbox="1071 270 1232 386">(vs. 35 planned)</td> <td data-bbox="1232 270 1380 386">(20% increase)</td> </tr> </table>	<b>Curtailment over all events</b>				(vs. 35 planned)	(20% increase)						
<b>Curtailment over all events</b>				(vs. 35 planned)	(20% increase)								
	<p>Please refer to the program materials available on the Targeted Dispatch page of the Company website for a detailed explanation of the baseline method used and examples.</p> <p>Customers have the option to receive their incentives directly from the Company, or have the Company send the incentive to the customer’s curtailment service provider. Please see the program materials and the customer application available on the Targeted Dispatch page of the Company website for more details.</p> <p><b>Daily Dispatch (40 to 60 DR events per summer)</b></p> <p>Enrollments and performance for 2020 have proceeded as expected so far. Due to this success, the company proposed increasing the goal to 5 MW-performed for 2020.</p> <p><i>Table 8. Daily Dispatch Participation</i></p> <table border="1"> <thead> <tr> <th data-bbox="485 984 712 1058"></th> <th data-bbox="712 984 935 1058"><b>Historic Numbers</b></th> <th data-bbox="935 984 1159 1058"><b>Estimated Number</b></th> <th data-bbox="1159 984 1380 1058"><b>Proposed Number</b></th> </tr> <tr> <th data-bbox="485 1058 712 1100"></th> <th data-bbox="712 1058 935 1100"><b>2019</b></th> <th data-bbox="935 1058 1159 1100"><b>2020</b></th> <th data-bbox="1159 1058 1380 1100"><b>2021</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="485 1100 712 1205"><b>Average MW of Curtailment over all events</b></td> <td data-bbox="712 1100 935 1205">0</td> <td data-bbox="935 1100 1159 1205">8 (vs. 0 planned)</td> <td data-bbox="1159 1100 1380 1205">10 (25% increase)</td> </tr> </tbody> </table> <p>Please refer to the program materials available on the Daily Dispatch page of the Company website for a detailed explanation of the baseline method used and examples.</p> <p>Customers have the option to receive their incentives directly from the Company, or have the Company send the incentive to the customer’s curtailment service provider. Please see the program materials and the customer application available on the Daily Dispatch page of the Company website for more details.</p>		<b>Historic Numbers</b>	<b>Estimated Number</b>	<b>Proposed Number</b>		<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Average MW of Curtailment over all events</b>	0	8 (vs. 0 planned)	10 (25% increase)
	<b>Historic Numbers</b>	<b>Estimated Number</b>	<b>Proposed Number</b>										
	<b>2019</b>	<b>2020</b>	<b>2021</b>										
<b>Average MW of Curtailment over all events</b>	0	8 (vs. 0 planned)	10 (25% increase)										
Customer Feedback	At the time of writing, no consequential customer feedback is available for the summer 2020 demand response performance season.												
Changes for 2021	At this time, there are no anticipated program changes related to Targeted or Daily Dispatch for 2021. However, evaluation of summer 2020 performance may generate opportunities to improve the program in 2021. The design of the Energy Storage Demand Response Initiative remains consistent with the program design proposed in 2019.												

	<p><b>Coordination with other Company Energy Storage programs</b></p> <p>The Company is developing two Energy Storage Initiatives in 2021, as detailed in Docket Nos. 4770/4780 Amended Settlement Agreement:</p> <ul style="list-style-type: none"> <li>• One behind-the-meter (BTM) system co-located with a DCFC site, which will consist of an approximate 250 kW two-hour energy storage system, supporting approximately two to six DCFC ports.</li> <li>• One front-of-the-meter (FTM) storage system, which will consist of an approximate 500 kW three-hour energy storage system for the primary purpose of realizing distribution system value, with the exact storage size and capacity to be determined by system need and location.</li> </ul> <p>The Docket Nos. 4770/4780 demonstrations primarily focused on testing grid-connected systems to mitigate the load impact associated with EV charging, whereas the Energy Storage Initiative in the 2019 Plan was a storage-enabled DR program focused on incentivizing the use of customer-owned behind-the-meter (BTM) storage to shift peak load at traditional end-use customer facilities. These efforts are separate from the Energy Storage Demand Response Initiatives specifically targeted to facilitating BTM storage to be used for DR.</p> <p>The Company’s intent is to test storage use cases in both FTM and BTM in order to identify all applications that are beneficial to customers and to the grid as a whole. A secondary benefit of testing both categories of storage applications is that it will help spur the development of a robust storage market in Rhode Island, where the contributing parties may differ between large grid connected applications and smaller BTM applications.</p>
Rationale for Changes	<p>The Company’s other efforts related to storage are complementary to the ConnectedSolutions program’s goal of reduce electric use during system peaks. Routine coordination with other Company programs helps leverage opportunities for further savings while minimizing duplication of efforts that could otherwise confuse customers.</p>

**ConnectedSolutions – Electric Program Goals, Metrics, Budgets, Participation for 2021**

Fuel	Lifetime MWh (Electric)	Annual MWh (Electric)	Annual Passive Demand Reduction kW (Electric)	Budget (\$000)	Participation
Electric	0	0	48,448	4,231.5	NA

Connected Solutions (Active Demand Response)

## 8. Finance as an Enabling Strategy

It is well documented that many customers face challenges in bringing energy efficiency projects to fruition. These may include structural limitations within a business, information overload, cultural resistance within companies, and access to capital. The Company’s plan deals with the first three barriers in various ways, but this section of the plan focuses on mechanisms that can help customers afford to carry out energy efficiency upgrades and/or perceive costs differently.

### Mechanisms Offered

National Grid and its partners have developed four primary finance mechanisms to help customers afford energy efficiency upgrades, each with unique attributes. Some may only be available or apply to certain customers, building, or ownership types.

#### 8.1. On Bill Repayment (OBR) - Electric

Customer type	Commercial customers who consume more than 1,000 MWh per year
Loan size	\$1,000 to ~\$100,000 (may be larger for SEMP’s)
Maximum Tenor	5 years for commercial accounts, 7-10 years for State facilities
Loan Volume	Variable, between \$5MM to \$10MM per year
Benefits to customer	No formal credit check/ rapid approval, on bill repayment, zero interest
Limitations	Maximum tenor too short for many comprehensive upgrades, cannot be used to support upgrades customers may desire such as windows and roofs as they have a B/C ratio less than 1.0.
More information	National Grid’s revolving loan fund projections for 2021 are illustrated in Attachment 5, Table E-10.
Relevant notes	

### 8.2. On Bill Repayment (OBR) - Electric Small Business

Customer type	Commercial customers who consume less than 1,000 MWh per year
Loan size	\$500 to \$50,000
Maximum Tenor	5 years
Loan Volume	Variable, between \$1.8MM and \$3.0MM per year
Benefits to customer	No formal credit check/ rapid approval, on bill repayment, zero interest
Limitations	Maximum tenor too short for many comprehensive upgrades, cannot be used to support upgrades customers may desire such as windows and roofs as they have a B/C ratio less than 1.0
More information	National Grid's Small Business revolving loan fund projections for 2020 are illustrated in Attachment 5, Table E-10

### 8.3. On Bill Repayment (OBR) – Gas

Customer type	All commercial gas customers
Max loan size	\$1,000 to ~\$100,000 (may be larger for SEMP's or special projects)
Maximum Tenor	3 years for commercial accounts, 5 years for State facilities
Loan Volume	Variable, between \$1MM and 1.5MM per year
Benefits to customer	No formal credit check/ rapid approval, on bill repayment, zero interest
Limitations	Maximum tenor too short for many comprehensive upgrades, cannot be used to support upgrades customers may desire such as windows and roofs as they have a B/C ratio less than 1.0
More information	National Grid's Gas revolving loan fund projections for 2021 are illustrated in Attachment 6, Table E-10
Notes	

### 8.4. Efficient Buildings Fund (EBF)

Customer type	State agencies, quasi-state agencies, and municipalities
Max loan size	More than \$5MM
Maximum Tenor	Up to 20 years

Customer type	State agencies, quasi-state agencies, and municipalities
Loan Volume	Variable, ~\$18MM loans outstanding to date
Benefits to customer	Below market rate interest, long tenor, loan amounts can be large enough to make comprehensive building wide improvements
Limitations	Appropriate customers must file applications and be ranked against other potential loan applicants
More information	For 2021 the Company is not proposing an allocation of funds for the Rhode Island Infrastructure Bank (RIIB).
Notes	

### 8.5. Public Sector Revolving Loan Fund

The Public Sector Revolving Loan fund was a predecessor of the Efficient Buildings Fund. It was funded by Regional Greenhouse Gas Initiative (RGGI) funds controlled by the RI OER. This fund no longer makes loans. As funds are repaid from previous disbursements they are periodically transferred back to RI OER to be used at their discretion. More detail on this fund can be found in Attachment 5, Table E-10.

### 8.6. Commercial Property Assessed Energy (C-PACE)

Customer type	Owners of non-residential property
Max loan size	Limited only by the financial health of the building
Maximum Tenor	Average measure life of all upgrades, can exceed 15 years
Loan Volume	Variable
Benefits to customer	Can be structured to be cash flow positive, no personal guarantees, financing can be used to finance a wide variety of improvements related to energy, may be considered an operating expense.
Limitations	Minimum transaction value of ~\$50,000, preferred \$100,000+
Changes for 2021	In 2021, National Grid will continue to work with the Rhode Island Infrastructure Bank (RIIB) and its partners to promote C-PACE. Specific examples include a marketing piece and a case study that will be included in packets of RI customers at future events and re-engaging Commerce RI to promote this mechanism to businesses seeking information about moving to or expanding in Rhode Island. There will also be a marketing effort for non-profits who own their space.





### 8.7. Ascentium Rental Agreement

Customer type	Owners of non-residential property
Max loan size	No stated limit
Maximum Tenor	Variable
Loan Volume	Variable
Benefits to customer	Rapid preliminary approval, rental product is considered an operating cost
Limitations	Specific terms of the agreement may not work for all customer types

## 9. Other Enabling Strategies for Customer Engagement

### 9.1. Improving Quality and Efficiency in Project Cycle Times

The Company is committed to providing customers with a more expedited project initiation and incentive application (transactional) experience. The Company continues to look for process improvement relative to processing applications, and the building Technical Assistance (TA) review process.

### 9.2. Energy Management Framework Platform

In the Fall of 2021, the Company will begin to explore how to collect, catalog, and store specific nameplate information from the customers facility. The Energy Management Framework Platform will be used to facilitate the decision-making processes via advanced insights and data processing. The platform has the potential to help better inform the Company as to what specific energy conservation measures are needed, when such measures should be proposed, and with what level of financing. The tool will be developed with the intent to iterate, modify, and build upon useful data fields, analytic capabilities, and advanced customer insights and trends.

### 9.3. Tools for Customers’ Management of Energy Usage

The Company intends to help customers access their energy data to allow for greater awareness of energy consumption. The Company will seek to achieve this through the various methods described below:

#### 9.3.1. Automated Benchmarking Systems

National Grid has developed a path towards automating data uploads into Energy Star’s Portfolio Manager. Automated transfer of usage data to customers helps customers better understand and manage their energy use, supports prior OER commitments to state and

municipal facilities improvements, and is an important tool in the future for building labeling. Customers can automatically upload aggregate, whole building energy usage data, both electric and gas, onto Portfolio Manager, allowing building owners and stakeholders to benchmark energy usage and performance and compare usage to similar buildings nationally. In Rhode Island, properties that have three active accounts or less per fuel (electric and/or gas) are required to submit consent forms for each tenant.

The Company will support benchmarking efforts with customer support on automating data uploads as well as provide access to EPA training on Portfolio Manager. Additionally, the Company will send marketing and informational emails to customers to inform them of the automated benchmarking process. Company support is now available to National Grid customers in RI, MA and NY.

Additionally, the Company will continue to support the White House and DOE Green Button initiative. The Green Button initiative allows customers to securely download their own digital energy usage with a simple click of a literal “Green Button” on electric utilities’ websites. This initiative is available to both electric and gas customers.

### 9.3.2. Building Labeling

The Company will continue to work with OER and other stakeholders to identify strategies for building labeling in the commercial and multifamily real estate sectors in Rhode Island. The Company will continue to work closely with OER to support property owner and tenant access to usage data.

## 9.4. Enabling Technologies

### 9.4.1. Removable Insulated Jackets for Big Steam Plants

For some of National Grid’s largest customers, steam turbine insulation jackets improve both efficiency as well as safety in the plant. They are easily removed and replaced by any staff member. Both standard and custom sized jackets are available. A heat loss reduction of 135 BTUs per square foot per hour can result from using the jackets and one single turbine can save \$9,500 in energy in a year. Touch temperature of the turbine can be reduced from 750<sup>0</sup> F to 145<sup>0</sup> F, improving safety. This product also has a five-year guarantee. This is a custom express gas measure that can save customers tens of thousands of therms annually. The measure will be aggressively implemented by the Company’s energy efficiency sales teams in RI to all medium to large C&I customers who use steam and high temperature hot water for processes and space heating. It can also be used on all valves, fittings, steam traps, condensate tanks and uninsulated hot water tanks. The jacket has excellent synergies with general mechanical insulation on piping systems, steam system assessments and steam trap surveys. National Grid is providing training for these measures with targeted webinars on gas measures and Steam System Assessments. This has been successful at universities, colleges and hospitals and other large steam users in both Rhode Island and Massachusetts.

#### 9.4.2. Heat Watch

The Company is also facilitating “Heat Watch” for Multifamily, small business and C&I programs. This service includes running boilers in conjunction with controlling and managing the whole boiler and heating systems for a facility. This service will save 10-15% of energy on steam systems by preventing overheating and improving temperature control of spaces, especially during spring and fall.

#### 9.4.3. Cozy™ Radiator Covers

The Cozy™ Radiator covers are insulated enclosures with a room temperature sensor controlling a fan that introduces heat to the space when needed. It virtually makes each steam radiator its own controllable HVAC zone. One NY University was able to reduce boiler run times by 41%.<sup>8</sup> Non-energy benefits include increased asset value, improved tenant/occupant comfort, reduced emissions, and improved safety. One college in Rhode Island has had good results. This measure is available as a custom project.

#### 9.4.4. Aero seal

Aero seal is for both heating and cooling. It provides duct sealing to seal up old leaks by blowing in atomized polymers. This measure has been successful at a Rhode Island college.

## 10. Marketing to Commercial and Industrial Customers

In 2020, the Company intended to continue to educate customers about energy efficiency and increase participation in its energy saving offerings for Rhode Island’s business customers, which the Company did through mid-March of 2020. Once the COVID-19 Pandemic began, the Company decided to pause marketing communications related to energy efficiency programs in an effort to be sensitive to what our customers were experiencing during this difficult time. The Company kept our website up to date so that any customer who chose to seek out energy efficiency information on their own could still find it. The focus shifted to informing customers about the different resources available to businesses during the pandemic and informing customers about energy efficiency tips that they could perform on their own.

The Company was eventually able to offer virtual energy assessments in some cases and, slowly and cautiously, resumed marketing activities related to energy efficiency programs in July 2020. July featured the launch of the “Open Up to New Possibilities” campaign. This campaign’s strategy is to relate to and understand what business customers are going through at this particular moment in time. The messaging does not sell or push any specific product, but instead

---

<sup>8</sup> <https://www.radiatorlabs.com/wp-content/uploads/2016/08/CaseStudy-ColumbiaUniversity.pdf>

offers help when customers are ready to discuss how energy efficiency can save them money. The messages also bear in mind the various stages of economic reopening and use language that can be applied to any stage. Visually, the campaign relies on large impactful imagery that adheres to proper social distancing and mask guidelines (see Figure 7).

Figure 7. Open Up to New Possibilities Campaign Images

**Refresh. Refocus. Reimagine.**  
Move forward and bring a healthier business with you. We can help.  
We know your business may look a little different now. That's why National Grid has new ways of thinking that support new ways of doing business. When the time is right for you, let's partner together to reevaluate your safety and refresh your spaces with an energy-efficiency plan tailored to your specific needs. Together we can create more comfort and confidence with relevant energy solutions you can rely on.  
When you're ready, let's talk. Our door is always open.

Air quality improvements, Heating and cooling costs, LED lighting solutions.

Open up to new possibilities at [ngrid.com/biz](http://ngrid.com/biz) or call 800-332-3333.

**nationalgrid**

Includes efficiency by means testing. Basic program also includes 20% savings with no charge of customer's gas and electric bills. Limited To: Small Business. See rules & restrictions.

**nationalgrid**

**Achieve five stars for guest and staff confidence.**  
See how energy efficiency can help improve your business  
Attract and retain loyal guests and staff members by making your hotel safer, healthier and more comfortable. We can help with cost-effective strategies for improving air quality, airflow, ventilation and more throughout your property. When you're ready, let's talk about using energy to elevate guest and staff experiences, all while accommodating your budget.\*

**HVAC**  
Minor upgrades can help meet new requirements for air quality.

**System Optimization**  
Air balancing, circulating fans and other low-cost enhancements will improve comfort.

**Air Sealing**  
Improved insulation can keep clean air in and dangerous airborne pathogens out.

**OPEN UP TO NEW POSSIBILITIES**

\*In-person and virtual walk-throughs of your facility are available.

For customer targeting and media planning, the Company continues to utilize its previously attained customer survey research insights data and customer personas (see Figure 8) for the business customer. The Company aims to represent the voice of the customer in all campaign planning. Prior to launching the “Open Up to New Possibilities” campaign, National Grid surveyed our Business Customer Council and utilized the insights from that survey to determine appropriate messaging and imagery.

The Company will continue to utilize commercial customer persona research to inform our key messages and marketing channel selection. However, we will gradually evolve the “Open Up to New Possibilities” campaign based on how business customers in our territory are able to operate and respond as they recover from the pandemic. National Grid will pay close attention to how the pandemic continues to impact customers and remain nimble with our approach.

Figure 8. Commercial Customer Persona Research

★ Lean & Green	Small & Seamless	★ Seeking Solutions
<ul style="list-style-type: none"> <li>• Smallest customers based on usage</li> <li>• Most environmentally conscious, interested in green-related products</li> <li>• Among the most open to purchasing from NG</li> </ul>	<ul style="list-style-type: none"> <li>• Small customers</li> <li>• Interested in tools to manage accounts</li> <li>• Skew to Real Estate</li> <li>• The least open to purchasing from NG</li> </ul>	<ul style="list-style-type: none"> <li>• Medium customers</li> <li>• Interested in bill and usage information, financing options</li> <li>• Skews to Retail/Food</li> <li>• The most open to purchasing from NG</li> </ul>
No Frills	★ Big Business	
<ul style="list-style-type: none"> <li>• Medium customers</li> <li>• Most interested in the basics of customer service and emergency response</li> <li>• Among least open to purchasing from NG</li> </ul>	<ul style="list-style-type: none"> <li>• Largest customers</li> <li>• More interested in advice, tools to track usage and savings</li> <li>• Lowest level of barriers to energy improvements</li> <li>• Skews to Industrial, Public Sector</li> </ul>	

As National Grid develops 2021 campaign plans, paying close attention to the appropriate messaging and tone as business customers recover and re-open, the Company will dive into the characteristics of each segment and adjust messaging and targeting where appropriate. The goal is to enhance targeting and messaging, not to eliminate any commercial customer targets.

The hope is that over time the “Open Up to New Possibilities” campaign will naturally evolve into the “See the Possibilities” campaign message begun in 2019, which focused on getting business customers to see more of what energy efficiency upgrades and incentives can do for their business. The “See the Possibilities” campaign was developed to serve as an overarching campaign that provides a unified message for large commercial customers, small business customers, and multifamily customers. In 2021, the Company will continue to utilize a fully integrated strategy that leverages digital marketing, paid search and social media marketing, print advertising, email campaigns as well as public relations.

In 2019, the Company began leveraging earned media/PR as a truly integrated part of our marketing campaign (see Figure 9). This includes media relations and influencer engagement and National Grid will continue this strategy moving forward.

Figure 9. Earned Media/PR Strategy

## Earned Media/PR Strategy

**NEW FOR ALL: Implement a News Bureau Program** which allows us to proactively build awareness of National Grid's incentives to all the key stakeholders in each market and across all business segments & verticals through:

- Media Relations - ongoing, proactive pitching of trade and business media
- Influencer Engagement
- Event Management
  - Speaking opportunities for National Grid SMEs (subject matter experts) at strategic events
  - Focus on trade events for outreach to plumbers, electrician associations, etc.
  - Press kit generation to development background information, fact sheets, press releases, images, etc.
  - Considering over 14 events for NYS 2019
- Partnerships with Trade Associations
- Content development and editorial calendar for social media, case studies and more
  - Tie into seasonal and relevant engagements (i.e. small business week social blitz)
  - Promote key topics like new construction, manufacturing, green building in NYS, etc.
    - Allows us to really dig deeper and provide more relevant content to key focal areas
      - Ex: Specifically for UNY property managers, developing content that drives home ways National Grid can help mitigating risk and tenant complaints, provide financial solutions, and improve tenant retention.
- Business segment specific research studies (i.e. multi-family landlord/tenant research) to build out additional case studies and renter email campaign



While National Grid's paid media primarily targets people directly involved in the decision-making process for capital budgets and facility improvements/projects, C-Suite & Facility Managers, and Small Business owners, the Company does have some advertising and communications dedicated to its secondary audience of key influencers. These are the people/firms that influence energy project go-forward decisions, for example, Distributors, Project Expeditors, Engineers, Architects, etc. who may have an existing relationship with the customer.

In planning for 2021, the Company will continue to focus on the key strategies that have proven successful in 2019 and in the early part of 2020, but will continue to evolve and adjust tone and messaging as appropriate to remain sensitive to our customers' needs. National Grid has continued to work to update our website and campaign landing pages to reflect key messages, strategies, and general core values and has also increased focus on providing industry specific messaging and information wherever possible.

## 11. Commercial and Industrial Measures and Incentives

Table 9. Electric Programs

Electric Programs						
Program	Subprogram	Net Annual kWh Tracker by Subprogram	Incentive / Net Annual kwh	Total Incentives	Shared Costs	
Large Commercial New Construction	D2 CAIR	381,990	\$0.15	\$57,433		
	C&I Codes	289,000	\$0.00	\$0		
	D2 Upstream Food Service	108,359	\$0.68	\$73,315		
	D2 HVAC Prescriptive	1,689,097	\$0.29	\$487,210		
	Upstream Heat Pump - Ductless	17,766	\$1.30	\$23,044		
	Upstream Heat Pump - Packaged	27,825	\$1.80	\$50,000		
	Upstream HVAC Air Conditioners	219,950	\$0.40	\$88,527		
	Upstream HVAC Controls	11,085	\$0.16	\$1,776		
	Upstream HVAC ECM Pump	11,085	\$0.46	\$5,090		
	Upstream HVAC VRF	136,343	\$0.49	\$67,018		
	D2 Lights	2,961,757	\$0.40	\$1,183,736		
	Motors and VFD	162,973	\$0.32	\$51,614		
	Upstream HVAC Refrigeration	10,978	\$1.00	\$11,000		
	Comprehensive Design - Custom	778,085	\$0.85	\$665,000		
	Compressed Air - Custom	1,290,145	\$0.50	\$649,024		
	HVAC - Custom	2,098,595	\$0.78	\$1,645,689		
	Lighting - Custom	352,688	\$0.26	\$92,000		
	Motors & VFD - Custom	287,241	\$0.28	\$80,750		
	Process - Custom	1,306,787	\$0.41	\$541,385		
	Refrigeration - Custom	374,362	\$0.56	\$210,484		
	Other - Custom	134,744	\$0.50	\$67,785		
	Program Planning & Administration					\$222,978
	Marketing					\$340,987
Sales, Technical Assistance & Training					\$1,740,784	
Evaluation & Market Research					\$157,199	
Large Commercial Retrofit	CHP	5,473,000	\$0.23	\$1,235,000		
	Custom: SEM	976,247	\$0.04	\$39,050		
	EI HVAC	1,129,234	\$0.32	\$360,419		
	Custom: Street Lighting	4,738,776	\$0.27	\$1,260,000		
	EI Light: Prescriptive	28,161,054	\$0.37	\$10,479,046		
	EI Light: Upstream A-lines and Decoratives	961,080	\$0.07	\$66,000		
	EI Light: Upstream Exterior	1,390,650	\$0.21	\$287,500		
	EI Light: Upstream G24, G23, MR Lamps, PAR lamps	961,080	\$0.21	\$200,000		
	EI Light: Upstream High/Low Bay	3,897,714	\$0.47	\$1,820,000		
	EI Light: Upstream Linear Fixture w/ Controls	431,797	\$1.22	\$525,000		
	EI Light: Upstream Linear Luminaires	1,381,750	\$0.39	\$532,800		
	EI Light: Upstream Retrofit Kits	1,297,458	\$0.19	\$240,300		
	EI Light: Upstream Stairwell	16,738	\$1.09	\$18,300		
	EI Light: Upstream TLEDs	2,015,052	\$0.07	\$147,000		
	Motors and VFD	2,528,030	\$0.26	\$654,832		
	Compressed Air - Custom	556,241	\$0.21	\$119,444		
	HVAC - Custom	2,169,726	\$0.76	\$1,648,625		
	Lighting - Custom	15,322,042	\$0.39	\$6,014,000		
	Motors & VFD - Custom	195,998	\$0.23	\$45,325		
	Process- Custom	443,159	\$0.35	\$153,723		
	Refrigeration - Custom	540,998	\$0.73	\$393,195		
	Other - Custom	130,194	\$0.50	\$64,517		
	Program Planning & Administration					\$905,581
Marketing					\$266,089	
Sales, Technical Assistance & Training					\$5,071,885	
Evaluation & Market Research					\$838,451	
Small Business Direct Install	Lighting	10,159,629	\$0.64	\$6,452,550		
	Lighting controls	932,388	\$1.06	\$983,719		
	Non-Lighting	1,024,232	\$0.66	\$672,399		
	Program Planning & Administration				\$281,898	
	Marketing				\$282,968	
	Sales, Technical Assistance & Training				\$298,807	
Evaluation & Market Research					\$46,746	



Program	Subprogram	Demand Response kW Goal	Incentive / Net Annual kW	Total Incentives	Shared Costs
Commercial Connected Solutions	Daily DR Resources	4,250	\$300.00	1,275,000	
	Peak Shaving DR (MW)	44,198	\$48.78	2,156,000	
	Program Planning & Administration				\$113,176
	Marketing				\$9,346
	Sales, Technical Assistance & Training				\$352,032
	Evaluation & Market Research				\$96,940

Table 10 Natural Gas Programs

Gas Programs					
Program	Measure Groups	Net Annual MMBtu Tracker by Subprogram	Incentive / Net Annual MMBtu	Total Incentives	Shared Costs
Large Commercial New Construction	Boilers	5,399	\$46	\$249,978	
	CODES AND STANDARDS	358	\$0	\$0	
	Combo Boiler/DHW	1,373	\$88	\$120,652	
	Non Boiler Heating	211	\$47	\$9,941	
	COND WATER HEATER 94%MIN 75-3	288	\$143	\$41,307	
	COOKING-COMBO OVEN 1	170	\$10	\$1,720	
	COOKING-CONVECTION OVEN 1	40	\$109	\$4,341	
	COOKING-CONVEYOR OVEN 1	67	\$13	\$861	
	COOKING-FRYER-1000	77	\$22	\$1,720	
	COOKING-COMBO OVEN 1 - Upstream	476	\$11	\$5,283	
	COOKING-CONVECTION OVEN 1- Up	1,288	\$96	\$124,068	
	COOKING-CONVEYOR OVEN 1- Upst	89	\$11	\$1,000	
	COOKING-FRYER-1000- Upstream	9,495	\$24	\$232,283	
	COOKING-GRIDDLE 1- Upstream	89	\$11	\$1,000	
	COOKING-RACK OVEN 1- Upstream	89	\$11	\$1,000	
	COOKING-STEAMER-1000- Upstream	89	\$11	\$1,000	
	WATER HEATER - Indirect Upstream	314	\$73	\$22,797	
	Water Heaters 94 and above	534	\$74	\$39,594	
	Custom	16,961	\$18	\$307,184	
		Water Heating Boiler - 94% TE	4,033	Up to 75% of Total Resource Cost	\$58,414
	Program Planning & Administration				\$76,885
	Marketing				\$190,011
	Sales, Technical Assistance & Training				\$1,183,619
	Evaluation & Market Research				\$105,528
Large Commercial Retrofit	Controls	11,984	\$22	\$264,176	
	Custom: RCx	2,994	\$20	\$60,000	
	Behavior / Training	2,495	\$0	\$0	
	DHW	599	\$16	\$9,500	
	HVAC	15,469	\$19	\$290,000	
	Prescriptive Steam Traps	51,530	\$11	\$542,147	
	Custom: General	54,044	\$22	\$1,163,222	
	Custom: SEM	541	\$30	\$16,238	
	Program Planning & Administration				\$237,723
	Marketing				\$315,364
Sales, Technical Assistance & Training				\$1,838,596	
Evaluation & Market Research				\$175,095	

Gas Programs					
Program	Measure	Net Annual MMBtu Tracker by Subprogram	Incentive / Net Annual MMBtu	Total Incentives	Shared Costs
Small Business Direct Install	Small Business Gas	5,335	\$45	\$239,274	
	Program Planning & Administration				\$7,071
	Marketing				\$40,632
	Sales, Technical Assistance & Training				\$32,578
	Evaluation & Market Research				\$913
C&I Multifamily	Air Sealing_MF	1,020	Average Incentive based on measure mix		
	CUST NON-LGT_MF	7,669			
	Faucet Aerator_MF	56			
	Insulation_MF	10			
	Pipe Wrap (Water Heating)_MF	42			
	Programmable Thermostat_MF	437			
	TSV Showerhead_MF	149			
	WiFi thermostat gas_MF	61			
	Participant_C&I	1,459	\$518	\$756,000	
	Program Planning & Administration				\$28,511
	Marketing				\$22,427
Sales, Technical Assistance & Training				\$141,130	
Evaluation & Market Research				\$15,677	

# 2021 Evaluation, Measurement, and Verification Plan

---

## Table of Contents

1. Introduction .....	1
2. Evaluation Studies Completed in 2020 .....	1
3. 2021 Planned Evaluation Studies .....	3
3.1 Commercial and Industrial Planned Evaluation Studies in 2021 .....	7
a. RI-20-CG-CustGasPY19 – Impact Evaluation of PY2019 Custom Gas Installations .....	7
b. RI-21-CG-CustGasPY20 – Impact Evaluation of PY2020 Custom Gas Installations .....	7
c. RI-19-CE-CustElecPY18 – Impact Evaluation of PY2018 Custom Electric Installations (continued from 20209) .....	7
d. RI-20-CE-CustElecPY19 – Impact Evaluation of PY2019 Custom Electric Installations (continued from 2020) .....	8
e. RI-21-CE-CustElecPY20 – Impact Evaluation of PY2020 Custom Electric Installations .....	8
f. RI-21-CX-ISPBaseline – Commercial and Industrial ISP and Baseline.....	8
g. RI-20-CE-UpstrLight – Upstream Lighting Impact Analysis (continued from 2020) .....	8
3.2 Residential Planned Evaluation Studies in 2021 .....	9
a. RI-21-RX-Participation – Residential Energy Efficiency Participation Study.....	9
b. RI-21-RX-MFCensus – Multifamily Census Study .....	9
c. RI-21-RX-NPStudy – Non Participant Market Barrier Study.....	9
d. RI-21-RX-CSNC - Residential New Construction Baseline and Code Compliance Study.....	10
e. RE-21-RE-AppRecycling – Appliance Recycling Impact Factor Update.....	10
f. RI-21-RE-EVDR– EV Demand Response Program Evaluation .....	10
g. RI-21-RE-SolarDRDemo – Solar Inverter Direct Load Control Demonstration Evaluation ..	10
h. RI-21-RX-Others– Follow-up Research on Potential Study Issues .....	10
3.3 Cross-Sector/Other Planned Evaluation Studies in 2020 .....	11
a. RI-21-XX-Jobs – Workforce Associated with Rhode Island Energy Efficiency Programs Analysis Study.....	11

b.	RI-20-XG-GasPeak – Gas Passive Peak Demand Savings (continued from 2020)	11
c.	RI-20-CX-SEM – Strategic Energy Management Demonstration Evaluation (continued from 2020)	11
4.	Evaluation Study Findings	12
	RI-20-RE-UpstrLight – Residential Lighting Market Assessment - 2019 Rhode Island Shelf Stocking Survey	12
	MA-19R09-E-Delta Watt Update	14
	MA-20R21-E Residential Lighting Hours-of-Use Quick Hits Study	16
	Rhode Island Compliance Training and Building Permit Review	18
	RI-20-RX-EWSF Impact - Impact Evaluation of EnergyWise Single Family Program (Draft Results)	20
	RI-20-RX-EWSF Process Evaluation of EnergyWise Single Family Program (Draft)	22
	RI-20-RX-EWMF Impact - Impact Evaluation of EnergyWise Multifamily Program (Draft)	25
	RI-20-RX-EWMF Impact – Impact Evaluation of EnergyWise Multifamily Program (Draft)	28
	RI-20-RX-HERImpact – Impact Evaluation of the 2017-2019 Home Energy Reports Program (Draft)	30
	RI-19-CG-CustGas - Impact Evaluation of PY2017 Custom Gas Installations	35
	RI-20-CG-CustGasPY18 - Impact Evaluation of PY2018 Custom Gas Installations	38
	RI-19-CE-CustElec - Impact Evaluation of PY2018 Custom Electric Installations	40
	MA-19C03-E-SBIMPCT - Impact Evaluation of 2017 Small Business Electric Installations	42
	MA-19C02-B-EUL - C&I Measure Life Study	45
	RI-20-CX-FRSO - C&I Free-Ridership and Spillover Study	47
	RI-18-XX-Piggybacking - Piggybacking Diagnostic Study	48
	RI-19-XX-DataCollect - Primary Data Collection for Potential Study	51
	MA-19DR01-E 2019 Residential Wi-Fi Thermostat Direct Load Control Offering Evaluation	54
	MA-19DR02-E 2019 Residential Energy Storage Demand Response Demonstration Evaluation – Summer Season	58
	MA-19DR03-E Cross State C&I Active Demand Reduction Initiative Summer 2019	60
5.	Historical Evaluation Studies	65
	2020	66

The Narragansett Electric Company  
d/b/a National Grid  
Docket No. XXXX  
Attachment 3

2019.....	68
2018.....	69
2017.....	73
2016.....	75
2015.....	76
2014.....	78
2013.....	78
2012.....	80
2011.....	80
2010.....	80
2007.....	81

## **1. Introduction**

Evaluation, Measurement and Verification (EM&V) is an integral and required part of National Grid's energy efficiency program planning process. EM&V provides independent verification of impacts to ensure that savings and benefits claimed by the Company through its energy efficiency programs are accurate and credible. EM&V also provides insight into market characteristics and guidance on energy efficiency program design to improve the delivery of cost-effective programs.

The Company's EM&V Plan continues to focus on evaluating Rhode Island projects, markets, and energy efficiency programs while leveraging as many resources as possible from evaluation studies in other National Grid territories in order to maximize value for ratepayers while minimizing costs. These studies are commissioned by the Company. They are conducted by independent evaluation firms, whose goal is to produce an accurate, complete, and transparent review of Rhode Island's energy efficiency programs and markets. The study methodologies and savings assumptions from evaluation studies are documented in the Rhode Island Technical Reference Manual (TRM). The TRM is reviewed and updated annually to reflect changes in technology, baselines and evaluation results.

The entire evaluation process is overseen by the Company with an oversight team that includes the Rhode Island Energy Efficiency & Resource Management Council (EERMC) and the Office of Energy Resources (OER). The oversight team follows each study closely and is involved in planning, work plan development, and review of study results.

The Company's EM&V framework provides confidence among ratepayers and stakeholders that programs are effective and EM&V activities are independent and objective.

## **2. Evaluation Studies Completed in 2020**

The Company, with input from EERMC and OER, expects to complete 18 evaluation studies in 2020 (see below). The research studies include impact evaluations, process evaluations, and market studies in the residential and commercial and industrial (C&I), sectors as well as studies that are considered cross-cutting.

### **Commercial & Industrial**

1. RI-19-CG-CustGas - Impact Evaluation of PY2017 Custom Gas Installations
2. RI-20-CG-CustGasPY18 - Impact Evaluation of PY2018 Custom Gas Installations
3. RI-19-CE-CustElec - Impact Evaluation of PY2018 Custom Electric Installations
4. RI-20-CX-FRSO - C&I Free-Ridership and Spillover Study
5. RI-20-CX-SEM - Strategic Energy Management Demonstration Evaluation (Year 1)

### **Residential**

1. RI-20-RX-EWSFImpact – Impact Evaluation of 2017-2018 EnergyWise Single Family Program
2. RI-20-RX-EWSFProcess – Process Evaluation of 2019 EnergyWise Single Family Program
3. RI-20-RX-EWMFImpact – Impact Evaluation of 2017-2018 EnergyWise Multifamily Program
4. RI-20-RX-EWMFProcess – Process Evaluation of 2019 EnergyWise Multifamily Program
5. RI-20-RX-IEMFImpact – Impact Evaluation of 2017-2018 Income Eligible Multifamily Program
6. RI-20-RX-IEMFProcess – Process Evaluation of 2019 Income Eligible Multifamily Program
7. RI-20-RX-HERIImpact – Impact Evaluation of the 2017-2019 Home Energy Reports Program
8. RI-20-RE-UpstrLight – Residential Lighting Market Assessment – 2019 Shelf Stocking
9. RI-20-RE-UpstrLight – Residential Lighting Market Assessment – 2019 Sales Data Analysis

### **Cross-Cutting**

1. RI-18-XX-Piggybacking - Piggybacking Diagnostic Study
2. RI-19-XX-DataCollect - Primary Data Collection for Potential Study
3. RI-19-`XE-HPmarket - Heat Pump Market Assessment
4. RI-20-XX-`Codes - Rhode Island Compliance Training and Building Permit Review

Section 4 provides detailed descriptions, findings, and recommendations of each of the studies listed above, along with selected research studies completed in other regions and/or other National Grid jurisdictions. The results of the evaluations from other regions and National Grid jurisdictions, most commonly Massachusetts, have been judged by the Company, in consultation with EERMC and OER, to be applicable to Rhode Island's energy efficiency

programs. The Company is adopting the results of these studies in 2020 program planning due to similarity, either in the measures offered, or program structure or delivery.

In addition to the studies listed above, the Office of Energy Resources is completing a study to independently verify the energy savings of National Grid's energy efficiency programs and to review the evaluation, measurement, and verification (EM&V) process to ensure quality data, rigorous methods, and appropriate assumptions are being used. This study was legislated in Senate Bill 2500, enacted in June 2018.<sup>1</sup> The Company will carefully review all recommendations emerging from this study and implement those that are feasible when developing future evaluations.

A complete list of historical research studies is provided in Section 5 along with a brief summary of the impact of those results in planning the Company's programs. Prior year studies that have been superseded by studies completed since the filing of the 2020 Energy Efficiency Plan have been removed from this list. These studies are available through the request of the EERMC<sup>2</sup>, the Rhode Island Public Utilities Commission (PUC)<sup>3</sup>, and National Grid.

### **3. 2021 Planned Evaluation Studies**

This section describes planned studies that focus on areas of interest to the Rhode Island energy efficiency programs and build on the deep history of evaluation studies commissioned by the Company over numerous years. In order to optimize the use of evaluation resources, where programs are considered to be similar in program delivery and population served with those offered in Massachusetts, the studies will be done in conjunction with the Company's Massachusetts retail affiliate. The Company will also stay abreast of the voluminous Massachusetts evaluation activities that may be beneficial and applicable in Rhode Island and will use the guidelines provided by the Rhode Island Piggybacking Diagnostic Study to inform this strategy.

Table 2 lists evaluation studies that the Company plans to conduct in 2021 to inform the 2022 Annual Plan and future planning cycles. Barring changes to the 2022 Annual Plan schedule, studies that will be incorporated into the Annual Plan must be completed by July 2021. Study labeling codes take the general form shown in Table 1. For example, RI-17-CG-CustGas refers to the Custom Gas Evaluation Study that started in 2017 in the commercial sector for gas, while RI-18-RX-IESF refers to evaluation study started in 2018 of the income eligible single family

---

<sup>1</sup> <http://webserver.rilin.state.ri.us/PublicLaws/law18/law18079.htm>

<sup>2</sup> <https://rieermc.ri.gov/plans-reports/evaluation-studies/>

<sup>3</sup> <http://www.ripuc.org/>



program for electric and gas.

**Table 1. Study Labeling Code Format**

[State]	–	[Year Study Conducted]	–	[Sector]	[Fuel]	–	[Keyword]
RI		19 20 21		R = residential C = commercial X = cross sector	E = electric G = gas X = electric & gas		

**Table 2. Planned Evaluation Studies in 2021**

Sector	Study Code	Type	Affected Programs	Study Name	State Lead
C&I	RI-20-CG-CustGasPY19	Impact	Custom	PY2019 Impact Evaluation of Custom Gas Installations (continued from 2020)	RI
C&I	RI-21-CG-CustGasPY20	Impact	Custom	PY2020 Impact Evaluation of Custom Gas Installations	RI
C&I	RI-20-CE-CustElecPY18	Impact	Custom	PY2018 Impact Evaluation of Custom Electric Installations (continued from 2020)	RI
C&I	RI-20-CE-CustElecPY19	Impact	Custom	PY2019 Impact Evaluation of Custom Electric Installations (continued from 2020)	RI
C&I	RI-21-CE-CustElecPY20	Impact	Custom	PY2020 Impact Evaluation of Custom Electric Installations	RI
C&I	RI-21-CX-ISPBaseline	Market	C&I	C&I ISP and Baseline	RI
C&I	RI-20-CE-UpstrLight	Impact	Upstream	Upstream Lighting Impact Analysis (continued from 2020)	MA (with RI sites)

C&I	RI-21-CE- PrescLight	Impact	LCI Prescriptive Lighting	Prescriptive Lighting Impact Analysis	MA (with RI sites)
Residential	RI-21-RX- Participation	Market	Multiple	EE Participation Study	RI
Residential	RI-21-RX- MFCensus	Market	Multiple	Multifamily Census Study	RI
Residential	RI-21-RX- NPStudy	Market	Multiple	EE Non-Participant Study	RI
Residential	RI-21-RX-CSNC	Impact/ Market	Codes, RNC	Residential New Construction Baseline and Code Compliance Study	RI
Residential	RE-21-RE- AppRecycling	Impact	Products	Appliance Recycling Impact Factor Update	RI
Residential	RI-21-RE-EVDR	Impact	DR	EV Demand Response Program	RI
Residential	TBD	TBD	TBD	Follow-up research on potential study issues	RI
Residential	RI-21-RG- GasHPDemo	Impact	Multiple	Gas Heat Pump Demonstration Evaluation	RI
Residential	RI-21-RE- SolarDRDemo	Impact	Multiple	Solar Inverter Direct Load Control Demonstration Evaluation	RI
Cross- cutting	RI-20-XG- GasPeak	Impact	Res	Gas Peak Demand Study (continued from 2020)	RI
Cross- cutting	RI-21-XX-Jobs	Policy	Multiple	Workforce Associated with Rhode Island Energy Efficiency Programs Analysis Study	RI
Cross- cutting	RI-20-CX-SEM	Process	LCI Retrofit	Strategic Energy Management Demonstration Evaluation (continued from 2020)	RI

The evaluation pathway for pilots, demonstrations, and assessments is based on each effort's scale, budget, scope, and the availability of external data. The Company's EM&V team will provide guidance beginning at the Plan stage for all pilots, demonstrations, and assessments, to ensure design and data collection are suitable to allow for effective evaluation. In cases where an independent evaluation is appropriate, the EM&V team will run the evaluation after demonstration installations are complete. The evaluation will follow the same established evaluation framework used in evaluations of established programs. This includes management of the independent evaluation vendor by the Company's EM&V team in consultation with the EERMC and OER. See Attachment 8 for further details on pilots, demonstrations, and assessments.

The EM&V team will follow the Company's standard procurement policy that cuts across programs and jurisdictions in order to achieve the lowest cost procurement of required external services while enabling the Company to minimize administrative costs, deliver on program commitments and meet time-sensitive regulatory deadlines. The Company's standard procurement policy is supported and enforced by stand-alone internal procurement function. Contract characteristics below certain thresholds are eligible for sole-sourcing while contract characteristics above thresholds require competitive procurement unless it can be demonstrated to the procurement organization that securing multiple bids is not possible or practical.

The proposed budget for evaluation study expenditures in 2021 is approximately \$2.7 million (\$1.9 million for electric and \$0.8 million for gas), excluding internal staffing costs. The proposed budget for EM&V comprises approximately 1.8% of the total portfolio budget in 2021.

Final reports along with graphical executive summaries will be made publicly available upon completion of the evaluation studies. All complete graphical executive summaries will be provided as a handout at EERMC meetings and posted on the EERMC website.<sup>4</sup>

---

<sup>4</sup> <https://rieermc.ri.gov/plans-reports/evaluation-studies/>

### **3.1 Commercial and Industrial Planned Evaluation Studies in 2021**

#### **a. RI-20-CG-CustGasPY19 – Impact Evaluation of PY2019 Custom Gas Installations**

The objective of this impact evaluation is to provide verification of natural gas energy savings estimates for a sample of custom gas projects through site-specific inspection, metering, and analysis. The results of this study will be used to determine the realization rates for custom gas energy efficiency offerings based on installations from 2019. This will continue ‘rolling’ evaluation efforts, where each year will evaluate roughly 1/3 of the number of sites needed for a full sample and results will be combined with results from the previous two years, which will keep the realization rates updated yearly. This study is scheduled to begin in late 2020 and continue into 2021.

#### **b. RI-21-CG-CustGasPY20 – Impact Evaluation of PY2020 Custom Gas Installations**

The objective of this impact evaluation is to provide verification of natural gas energy savings estimates for a sample of custom gas projects through site-specific inspection, metering, and analysis. The results of this study will be used to determine the realization rates for custom gas energy efficiency offerings based on installations from 2020. This will continue ‘rolling’ evaluation efforts, where each year will evaluate roughly 1/3 of the number of sites needed for a full sample and results will be combined with results from the previous two years, which will keep the realization rates updated yearly. This study is scheduled to begin in late 2021 and continue into 2022.

#### **c. RI-19-CE-CustElecPY18 – Impact Evaluation of PY2018 Custom Electric Installations (continued from 2020)**

The objective of this impact evaluation is to provide verification of electric energy savings estimates for a sample of both lighting and non-lighting custom electric projects through site-specific inspection, metering, and analysis. The results of this study will be used to determine the final realization rates for custom electric energy efficiency offerings based on installations from 2018. This will be the second year of ‘rolling’ evaluations in coordination with evaluation efforts in Massachusetts, where the first year was a ‘full’ study (as has historically been done every 3 years), while subsequent years evaluate roughly 1/3 of the number of sites, which will keep the realization rates updated yearly. This study was scheduled to be completed in 2020,

but site work was delayed due to COVID-19-related restrictions, extending the timeline into 2021.

**d. RI-20-CE-CustElecPY19 – Impact Evaluation of PY2019 Custom Electric Installations (continued from 2020)**

The objective of this impact evaluation is to provide verification of electric energy savings estimates for a sample of both lighting and non-lighting custom electric projects through site-specific inspection, metering, and analysis. The results of this study will be used to determine the realization rates for custom electric energy efficiency offerings based on installations from 2019. This will continue ‘rolling’ evaluation efforts, where each year will evaluate roughly 1/3 of the number of sites needed for a full sample and results will be combined with results from the previous two years, which will keep the realization rates updated yearly. This study was scheduled to begin in summer 2020, but site work was delayed due to COVID-19-related restrictions, extending the timeline into 2021.

**e. RI-21-CE-CustElecPY20 – Impact Evaluation of PY2020 Custom Electric Installations**

The objective of this impact evaluation is to provide verification of electric energy savings estimates for a sample of both lighting and non-lighting custom electric projects through site-specific inspection, metering, and analysis. The results of this study will be used to determine the realization rates for custom electric energy efficiency offerings based on installations from 2020. This will continue ‘rolling’ evaluation efforts, where each year will evaluate roughly 1/3 of the number of sites needed for a full sample and results will be combined with results from the previous two years, which will keep the realization rates updated yearly. This study is scheduled to begin in summer 2021.

**f. RI-21-CX-ISPBaseline – Commercial and Industrial ISP and Baseline**

This study will encompass multiple quick-hit analyses to resolve issues related to industry standard practice (ISP) and measure baselines. Traditionally, much of this work is adopted from Massachusetts, and adjustments must be made to account for Rhode Island building codes and markets. Examples include lighting ISP and cannabis growing facility ISP.

**g. RI-20-CE-UpstrLight – Upstream Lighting Impact Analysis (continued from 2020)**

The objective of this impact evaluation is to provide verification of electric energy savings estimates for a sample of upstream lighting projects through site-specific inspection, metering, and analysis. The results of this study will be used to determine the impact savings factors that

will apply to upstream lighting offerings. This study will leverage a parallel Massachusetts study, and the final sample will include projects at National Grid customer sites in both Rhode Island and Massachusetts. This study began in 2019 and is rolling into 2020/2021.

## **3.2 Residential Planned Evaluation Studies in 2021**

### **a. RI-21-RX-Participation – Residential Energy Efficiency Participation Study**

The objective of this study is to assess customer participation in Rhode Island residential energy efficiency programs between 2018 and 2020. The study will describe historical participation, characterize customers that participate in energy efficiency programs and identify customer segments that are potentially underrepresented to inform the RI-21-RX-NPStudy Non-Participant Study. The participation study will rely on secondary data such as the Company's billing data, program tracking data and third party data and may include assessment by geography, income, home ownership, and others.

### **b. RI-21-RX-MFCensus – Multifamily Census Study**

The purpose of this study is to identify program opportunities for Rhode Island's multifamily programs by understanding the population of multifamily and condo properties in the state and past interactions of those properties with National Grid's Energy Efficiency Programs. The research will involve the development of a database which will be leveraged by internal teams within the Company. The database will identify all properties in Rhode Island which are eligible to be served through the EnergyWise Multifamily, Income Eligible Multifamily, and C&I Multifamily Retrofit programs, and will identify past program interactions.

### **c. RI-21-RX-NPStudy – Non Participant Market Barrier Study**

The study will provide in-depth research on non-participants to characterize customers that have not participated in the programs, assess barriers to participation and identify engagement opportunities. The study will use multi-mode customer surveys and in-depth interviews designed to understand non-participants' attitudes, needs and perceptions. This study will build on the Residential Non-Participant Market Characterization and Barriers Study<sup>5</sup> recently conducted in Massachusetts.

---

<sup>5</sup> [http://ma-eeac.org/wordpress/wp-content/uploads/MA19R04-A-NP-Nonpart-MarketBarriersStudy\\_Final.pdf](http://ma-eeac.org/wordpress/wp-content/uploads/MA19R04-A-NP-Nonpart-MarketBarriersStudy_Final.pdf)

**d. RI-21-RX-CSNC - Residential New Construction Baseline and Code Compliance Study**

The objective of this research is to conduct a baseline study of Rhode Island homes built after the 2018 IECC code cycle and to develop a new User Defined Reference Home (UDRH). The study will assess gross savings for REM/Rate-modeled program homes against the new UDRH and will evaluate compliance rates used to estimate attribution for Codes programs.

**e. RE-21-RE-AppRecycling – Appliance Recycling Impact Factor Update**

The objective of this research is to update savings assumptions for the Appliance Recycling program by drawing on the characteristics of recycled units as reported in the 2019/2020 Rhode Island program tracking data. The study will identify the current characteristics of refrigerators and freezers being recycled through the program and calculate per-unit gross energy savings (measured as unit energy consumption or UEC), adjusted gross savings, and net savings. The study may also update savings assumptions for dehumidifier recycling.

**f. RI-21-RE-EVDR– EV Demand Response Program Evaluation**

The objective of this study is to evaluate a newly introduced electric vehicle charging program. If approved through this Plan, the summer of 2021 would be the first year of introduction. The goal of the study would be to review all portions of the program in order to find improvements as early as possible. The impact portion would focus on verifying the demand savings occurring due to specific events called by the program. The process portion will survey program participants, along with the current vendor, National Grid implementer, and the specific participating car manufacturers to gather feedback on ways to improve program delivery.

**g. RI-21-RE-SolarDRDemo – Solar Inverter Direct Load Control Demonstration Evaluation**

This study will assess the solar inverter direct load control demonstration offering. The goals of this study are to determine the effectiveness of adjusting the power factor in order to minimize the losses associated with converting the solar power to power that can be used for electricity, evaluate energy savings, and determine if this technology is ready to be offered as a full demand response program offering.

**h. RI-21-RX-Others– Follow-up Research on Potential Study Issues**

This is a placeholder for follow-up research on additional study issues that may arise in the residential sector if needed by the programs.

### **3.3 Cross-Sector/Other Planned Evaluation Studies in 2020**

#### **a. RI-21-XX-Jobs – Workforce Associated with Rhode Island Energy Efficiency Programs Analysis Study**

The study will identify the workforce associated with National Grid's energy efficiency programs and services delivered in Rhode Island to electricity and natural gas customers. Similar to the workforce studies conducted from 2013 to 2019, the study will survey the Company, vendors, distributors, partners, and market players to quantify the number of jobs and amount of business activities associated with energy efficiency programs in 2020. This study addresses the requirements of General Law 39-2-1.2, enacted by the Rhode Island General Assembly in 2012, and is conducted annually.

#### **b. RI-20-XG-GasPeak – Gas Passive Peak Demand Savings (continued from 2020)**

The objective of this evaluation study is to determine the percentage of gas energy savings that occur during peak days and, assuming availability of necessary data, peak hours. The research area will be broken up into two studies – one for Residential and another for C&I. The C&I and Residential studies will bucket savings for the specific sector into end use categories of heating, water heating, cooking and other. The results of this study will be used to determine the passive peak gas savings that occur due to energy efficiency activities by applying the end use percentage of gas passive peak energy savings to actual end use gas savings that occur in future years. The C&I study is expected to be completed at the end of 2020 while the residential study is expected to be completed in the fall/winter of 2021.

#### **c. RI-20-CX-SEM – Strategic Energy Management Demonstration Evaluation (continued from 2020)**

The objective of this evaluation is to review the methodologies and processes used to obtain and calculate the savings claimed. The results of this study will assist in monitoring and making continuous improvements to the demonstration.



## 4. Evaluation Study Findings

### RI-20-RE-UpstrLight – Residential Lighting Market Assessment - 2019 Rhode Island Shelf Stocking Survey

**Type of Study:** Market Assessment Study

**Evaluation Conducted by:** NMR

**Date Evaluation Conducted:** August 7<sup>th</sup>, 2020

#### **Evaluation Objective and High-Level Findings:**

The objectives of this study were to assess the following indicators at Rhode Island retailers which participated in National Grid's residential lighting program in 2016–2019:

- Total shelf share dedicated to lighting over time by channel
- The amount of shelf share dedicated to screw-based LED, CFL, halogen, and incandescent lamps by channel
- The pricing (on a per bulb basis), number of bulb packages, and shelf locations of screw-based LED, CFL, halogen, and incandescent lamps by channel
- Differences in pricing and availability for screw-based LED ENERGY STAR® vs. Non-ENERGY STAR products by channel
- The amount of shelf share dedicated to linear lamps (LED vs. fluorescent) by channel

The key findings are summarized below:

- LED shelf share has increased steadily since 2016, whereas CFL and Halogen shelf shares have decreased slowly. Although much lower than in 2017, incandescent shelf-share is second only to LEDs.
- In the past year, Hardware and Home Improvement shelf share for LEDs increased 16% (from 44% to 60%) and 9% (from 63% to 72%), respectively.
- The amount of space dedicated to light bulbs in general continues to decrease in most channels (Table 3). This indicates that retailers are shifting shelf space to non-lighting products, perhaps due to the longevity of LEDs vs. incandescent and halogen bulbs.
- Hardware, Drug, and Grocery stores continue to devote approximately two-fifths of shelf share to inefficient bulbs: 40%, 47%, and 43%, respectively (Table 6). In contrast, Discount, Home Improvement, and Mass Merchandise stores devote 30% or less of their lighting shelf space to inefficient bulbs.
- In general, most of the incandescent and halogen bulbs represent categories currently subject to the EISA of 2007 (i.e., Phase I). In addition, while most (71%) of these halogen bulbs meet Phase I efficacy requirements, a very small portion (2%) of the incandescent bulbs do.
- No incandescent or halogen bulbs on store shelves would meet the 45 Lm/W backstop (Phase II).

- The average prices of all technologies, except LEDs, have increased since 2016. This makes LEDs an increasingly viable option. Note that LED prices in all years include the application of incentives, so removal of incentives will boost the LED shelf prices, but sales data research indicates that LED prices have trended downward regardless of incentives.
- LED prices decreased by more than half at Hardware (54%) and Discount stores (73%).
- Smart LED prices decreased for the first time in three years.
- After falling steeply for the past three years, prices of globe and reflector LEDs stabilized or increased in 2019. A-line prices also appear to have stabilized, but candelabra prices continue to fall.

**Programs to which the Results of the Study Apply:**

Residential Electric ENERGY STAR® Lighting – Upstream

**Evaluation Recommendations included in the study:**

No formal recommendations resulted from this evaluation.

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

N/A

**Savings Impact:**

This study has no direct impact on claimable savings.

**MA-19R09-E-Delta Watt Update**

**Type of Study:** Impact Study (Delta Watts)

**Evaluation Conducted by:** NMR

**Date Evaluation Conducted:** March 26<sup>th</sup>, 2020

**Evaluation Objective and High-Level Findings:**

This evaluation was conducted on behalf of the Massachusetts Program Administrators (PAs) to update some of the inputs used to calculate LED delta watts in the RLPNC 17-6 Lighting Market Adoption Models (MAMs). The equivalent wattage of bulbs with similar lumen output and the sales weights based on program tracking data tie delta watts directly to program sales. The PAs and EEAC Consultants updated these equivalent wattage bins and sales weights in 2018, and this study repeats that process for data covering January through October of 2019. This study also updates delta watts for linear fixtures sold through the program over the same time period.

**The key findings are summarized below:**

Updating the wattage by bulb type and upstream sales share based on actual 2019 LED sales resulted in increased delta watts for GSL and decreased delta watts for reflectors and specialties (Table 1). These changes are based on differences in the lumen output of bulbs purchased through the program in 2019 versus 2018 as well as improved prediction of reflector and specialty halogen wattage equivalence. Generally, relative to 2018, through the upstream program, consumers purchased a higher proportion of high equivalent wattage LEDs in the GSL categories, moderate equivalent wattage LEDs in the reflector category, and lower equivalent wattage LEDs in the specialty category.

**Table. MAM Upstream Gross Delta Watt Comparison 2017 – 2019**

Bulb Type and MAM Year	Delta Watts <sup>1</sup>						
GSL 2017	33	34	34	34	34	34	35
GSL 2018	36	38	38	38	38	38	38
GSL 2019	38	38	40	40	40	40	40
Reflector 2017	46	46	47	47	47	47	47
Reflector 2018	45	45	46	46	46	46	46
Reflector 2019	43	43	43	43	44	44	44

Specialty 2017	37	37	38	39	39	40	40
Specialty 2018	40	41	41	42	42	42	43
Specialty 2019	34	34	35	35	36	36	36

<sup>1</sup> Note: All values rounded to nearest watt. Values are not rounded in the attached MAM Excel files.

**Programs to which the Results of the Study Apply:**

Residential Electric ENERGY STAR® Lighting – Upstream

**Evaluation Recommendations included in the study:**

No formal recommendations resulted from this evaluation.

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

N/A

**Savings Impact:**

The impact of this study varied by bulb type. The delta watts increased for general service lamps but decreased for both reflectors and specialty bulbs.

**MA-20R21-E Residential Lighting Hours-of-Use Quick Hits Study**

**Type of Study:** Impact Study

**Evaluation Conducted by:** NMR

**Date Evaluation Conducted:** March 31<sup>st</sup>, 2020

**Evaluation Objective and High-Level Findings:**

This study re-analyzed metered HOU data collected as part of the 2014 Northeast HOU study to take into account the effects of efficient lamp saturation on HOU, as well as exploring and addressing the distribution of HOU. The revised model was applied to recent lighting inventory data (RLPNC 18-10) to produce estimated HOU values. The study also calculated the percentage of sockets whose HOU rounds to zero by room type and by efficient vs inefficient lamps to account for the distribution bump at zero. Using the state-wide collaborative process, the PAs and EEAC consultants then came to a consensus on how the HOU values would be implemented.

**The key findings are summarized below:**

- HOU distribution was right skewed and bounded between zero and 24 hours of use per day. While the validity of ordinary least squares (OLS) regression does not hinge on the normality of the underlying distribution, significant departures from a normal distribution can yield estimates and inferences that lack the typically assumed characteristics of OLS regression. Therefore, a transformation was performed on the 2014 HOU data to find a transformation which would allow the HOU distribution to more closely approximate normality.
- Updated model found smaller difference between efficient and inefficient HOU. The 2014 Northeast HOU study provided a point estimate for inefficient lamps (2.3) that was 23% lower than efficient lamps (3.0). Using the model created as part of this study and the 2018 saturation values, the difference was smaller with a 10% difference in HOU between inefficient (2.58) and efficient (2.86).
- Saturation and demographic factors significant in model. Room type, education, tenure, the total number of sockets, and efficient lamp saturation variables for each room type were all found to be significant in the model and were used in the final model.
- Changes in saturation by room type decreased HOU. When the revised model was applied to the most recent lighting inventory data, estimated efficient HOU decreased relative to original lighting data included in the 2014 study. This was driven by relative changes in and the inventory of efficient lamps across room types. The number of efficient lamps in rooms with lower HOU is higher in the 2018 saturation data compared to the data used for the 2014 study.
- HOU appears to increase as energy efficient saturation by room type increases. Models prepared as part of this study to explore the relationship between HOU and saturation revealed a positive and significant relationship between saturation and HOU. This relationship persisted across a variety of models and variable combinations. This finding is counterintuitive and runs counter to a previous study conducted in California, and it highlights the complexity of the relationship between HOU and individual behavior.

Possible explanations include customers with higher overall HOU tending to purchase more energy efficient lamps, and snapback behavior with customers increasing the use of lamps as saturation increases and the cost to operate lamps decreases. With no strong or compelling reasoning behind this phenomenon, care must be taken when drawing any conclusions. Additional work needs to be performed to develop a more complete understanding of the relationship.

- Inefficient lamps comprised a greater proportion of rarely used lamps (less than 0.5 daily HOU). Overall, 20% of lamps were used for less than 30 minutes a day, based on weighted metering data (pre-modeled). Efficient lamps accounted for 45% of the low-use lamps, which was lower than their portion of the entire sample of metered lamp (52%). Not surprisingly, closets had the highest proportion of low-use lamps (66%), and kitchens and the home's exterior tied for the lowest proportion of low-use lamps (10%). Inefficient lamps accounted for the majority of low-use lamps in all room types except kitchens and basements.
- Efficient lamps account for a sizeable portion of replaced lamps. Based on lamp replacement behavior observed as part of the 2018-19 Market Assessment Study, 43% of replaced medium screw-base lamps were efficient (33% CFLs and 10% LEDs) and 57% were inefficient (46% incandescent and 11%).
- Consensus process considered both inefficient and efficient HOU, adjusted for saturation rates in the 2018 to 2019 Lighting Market Assessment (RLPNC 18-10). At a meeting led by the DNV GL team, the PAs and EEAC Consultants agreed to the use of the rounded inefficient HOU (2.6) for direct install and turn-in programs and combined efficient and inefficient HOU (2.7 – unadjusted for cross-sector sales and 3.0 after adjusting for cross-sector sales) for upstream programs for the full 2019 to 2021 program cycle.

**Programs to which the Results of the Study Apply:**

Residential Electric ENERGY STAR® Lighting – Upstream

**Evaluation Recommendations included in the study:**

Recommendation: The PAs and EEAC Consultants should apply the consensus-derived HOU for the 2019 to 2021 program cycle. Rationale: The re-analysis of the original 2014 metering data considered additional factors and relied on a modelling approach more appropriate to the distribution of HOU. The PAs and EEAC Consultants carefully considered the results and reached consensus on recommended values. For the upstream program offering, general service, reflectors and specialty bulbs were calculated to be operated at 3.0 hours per day.

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

Yes the results for this study were formally adopted and used to calculate the savings.

**Savings Impact:**

The overall impact of this study reduced the hours of operation in comparison to 2020. As a result, annual gross savings were reduced.

## **Rhode Island Compliance Training and Building Permit Review**

**Type of Study:** Process

**Evaluation Conducted by:** NMR Group, Inc

**Date Evaluation Conducted:** March 2020 – August 2020

### **Evaluation Objective and High-Level Findings:**

The objectives of this study were to (1) document trainings held by Rhode Island Code Compliance Enhancement Initiative between 2017-2019 and (2) review online residential and commercial building permits to explore extent of measure-level energy efficiency data available through online databases.

### **Programs to which the Results of the Study Apply:**

Residential Energy Star Homes & C&I New Construction

### **Evaluation Recommendations included in the study:**

This study recommended ways that online permit data can be improved so that it can be leveraged in future studies. These recommendations include:

- Encourage all municipalities to implement the OpenGov online building permit database system to streamline data access and provide consistency across municipalities.
- Encourage all municipalities to enable record searching on their online building permit databases.
- Encourage all building departments to require the filing of building plans, blower door results, duct blaster results, HERS certificates, and REScheck results as attachments to residential new construction building permits.
- Encourage building departments to require the filing of building plans and COMcheck results as attachments to commercial new construction building permits.
- Encourage building departments to require detailed mechanical permits including heating cooling, and water heating equipment model numbers or equipment type, capacity, fuel, and efficiency for residential and commercial new construction.
- Encourage requiring filing of duct leakage to outside results in addition to total duct leakage results for residential new construction permits.
- If possible, create a flag for new construction in the online database and allow searching for records that are new construction rather than only allowing searching by address.

### **Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

- The Company will promote use of the OpenGov permit database and enabled record searching when engaging with municipalities that have not adopted these practices, including during Code Compliance Enhancement Initiative (CCEI) training activities.

- The Company will coordinate with State staff supporting the OpenGov database to explore opportunities to facilitate or require entry of the data fields, files, and tags identified in the Recommendations, such as funding database development work.

**Savings Impact:**

This study has no direct impact on claimable savings.



**RI-20-RX-EWSF Impact - Impact Evaluation of EnergyWise Single Family Program (Draft Results)**

**Type of Study:** Impact

**Evaluation Conducted by:** Cadeo/Illume

**Date Evaluation Conducted:** Anticipated in September 2020

**Evaluation Objective and High-Level Findings:**

The key objective of this evaluation was to verify gross and net energy savings for measure groups installed in 2017-2018 through the EnergyWise Single Family Program. The tables below summarize the results of this evaluation:

**Table 1. EWSF - Ex Post Gross Savings by Measure and Fuel<sup>1</sup>**

Measure Group	Measure	Electric (kWh/year)	Natural Gas (therms/year)	Oil (MMBtu/year)	Propane (MMBtu/year)
Domestic Hot Water	Aerators	28	1.4	.15	.14
	-Water Savings (gal)	269	269	269	269
	Showerhead	213	11	1.2	1.1
	-Water Savings (gal)	1,565	1,565	1,565	1,565
	Pipe Wrap/Insulation	46	3	0.3	0.3
Lighting	LED Bulbs	18**			
	LED Specialty/EISA Exempt	15**			
	LED Reflectors	19**			
	LED Fixtures	34**			
Controls	Programmable Thermostat (Heating Savings)	287	32	3.2	3.3
	- Fan/pump Savings (kWh)	8	19	19	19
	-Cooling Savings* (kWh)	2	8	8	8
	Wi-Fi Thermostat (Heating Savings)	440	76	7.8	7.6
	-Fan/pump Savings (kWh)	12	44	44	44
	-Cooling Savings* (kWh)	3	11	11	11
	Wi-Fi Thermostat (Cooling Only)	51			
Appliances & Plug Load	Refrigerator Rebate	914			
	Refrigerator Brush	10.9			
	Smart Strip	105			
	Smart Plugs <sup>o</sup>	-			
Weatherization	Air Sealing Kit	93	3.7	0.38	0.38
	Weatherization (Heating Savings)	803	96	9.8	9.6
	-Furnace Fan Savings (kWh)	10	33	33	33
	-Cooling Savings* (kWh)	28	16	16	16
Early Retirement	Room Air Conditioner <sup>o</sup>	161			
	Dehumidifier <sup>o</sup>	159			
	Clothes Washer <sup>o*</sup>	Varies; see engineering workbook for details			

<sup>1</sup>Includes various combination of water heating and dryer fuel types

\*\*Net savings, not gross

<sup>o</sup>Not offered in 2017/2018; estimating savings for prospective use only.

<sup>o</sup>Only relevant for central air conditioners (CAC); per-unit savings are weighted to reflect prevalence of CACs for EWSF participants (11%)

**Table 1. EWSF – Net-to-Gross Ratios (Measure Group)**

Measure Group	Relevant Measures	Sample Size	Freeridership	Spillover	NTG
Domestic Hot Water	Showerheads, Aerators, & Pipe wrap	52	0.27	0.01	0.74
Appliances & Plug Load*	Smart Power Strips	163	0.31		0.70
Controls	Programmable & Wi-Fi Thermostats	40	0.47		0.54
Weatherization**	Air Sealing & Insulation Types	151	0.14		0.87

\*Too fewer refrigerator rebates in 2017/18 to assess NTG

\*\*No statistically significantly different results by fuel type

**Table 1. EWSF – In-Service Rates (Measure Group)**

Measure Group	Relevant Measures	Sample Size	Installed	Removed	In-Service Rate
Domestic Hot Water	Faucet Aerators, Showerheads, Pipe Wrap	45	242	5	98%
Appliances & Plug Load	Smart power strip*	246	415	66	84%
Controls	Programmable or Smart (Wi-Fi) thermostat	82	141	5	96%

\*Based on the total number of smart power strips left for participants to install (not the subset of units that participants went on to install)

**Programs to which the Results of the Study Apply:**

Residential Electric and Gas EnergyWise – Single Family

**Evaluation Recommendations included in the study:**

Use gross savings, in-service rates and net-to-gross values developed as part of this study for 2021-2023 program planning.

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

National Grid has adopted the gross savings, in service rates and net to gross values from this study.

**Savings Impact:**

The adoption of interim results led to a decrease in claimable electric and gas savings from the Residential EnergyWise Single Family Program.

**RI-20-RX-EWSF Process Evaluation of EnergyWise Single Family Program (Draft)**

**Type of Study:** Process

**Evaluation Conducted by:** Cadeo/Illume

**Date Evaluation Conducted:** Anticipated in September 2020

**Evaluation Objective and High-Level Findings:**

This study assessed overall effectiveness of program delivery to provide actionable recommendations to prospectively increase cost-effectiveness, participation rates and customer satisfaction of the EnergyWise Single Family program. The key findings of the process evaluation are summarized below:

**Participants had a positive program experience.** 92% of participants reported they were satisfied with their experience in EWSF. In another indicator of satisfaction, 97% of participants said they would recommend the program to a family or friend. Also, 72% of EWSF participants shared that their experience in the program favorably changed their perception of National Grid (26% said it did not change their existing perception and only 2% said their experience had a negative impact.)

**Stakeholders credit RISE for creating a high functioning program environment.** Assessor and contractors consistently cited RISE's responsiveness to their feedback and effort to improve EWSF for participants and program stakeholders alike. Contractors appreciate RISE's management of the program and are satisfied with the steady way they get new weatherization jobs through RISE. Several assessors mentioned that they feel like RISE is supportive and listens to their feedback and is committed to making the program a positive experience for assessors as well as participants.

**Participants increasingly know what they want.** Assessors observed that an increasing number of EWSF participants sign up for the assessment knowing they want to get their home weatherized or specifically to access the HEAT loan financing for a heating system upgrade. Assessors noted that, in the past, most participants were unsure of what their home needed prior to the assessment or what the program could do for them. The results of the participant survey supported this observation; 80% of participants cited access to weatherization incentives as very important in their decision to get an assessment. This finding is consistent with a maturing program and indicate that National Grid's ongoing marketing efforts are building familiarity with the program and its offerings.

**Health and safety barriers remain problematic — for participants and contractors.** According to program records, assessors identified a health and safety barrier in nearly two-thirds (64%) of EWSF homes in 2019. Of these participants, only 21% went on to weatherize their home, a lower weatherization rate than participants that did not face a health and safety barrier (43%)

or for EWSF participants overall (25%). However, the program data showed that 57% of participants who weatherized their home in 2019 overcame at least one health and safety barrier, which is encouraging. Assessors expressed frustrations that they, per program guidelines, could not provide participants with more direct guidance to help them remediate identified barriers. Specifically, assessors frequently mentioned that they wished they could recommend specific remediation contractors or at least provide participants with a list of program-approved remediation contractors. Assessors felt that putting the onus on customers to identify and engage remediation contractors themselves caused a drop-off in participation.

**Opportunities exist to serve delivered fuel customers more comprehensively.** Assessors consistently noted the main problem with the HEAT loan, from their perspective, was that customers who heat with oil or propane cannot to use it to finance heating upgrades to their homes - notably when they are interested in optimizing their efficiency options across fuel types. According to assessors, bringing back the incentives temporarily offered for ductless mini-splits or allowing delivered fuel customer to finance heating system upgrades (to more efficient delivered fuel systems or to a high efficiency electric or gas option) would unlock much of the unrealized savings opportunities they identify in EWSF participating homes.

**The 100% landlord incentive has increased rental property participation.** Program managers and assessors alike reported that the increase to a 100% renter/landlord incentive has enabled the program to reach previously hard-to-access rental properties. Assessors also shared that the paperwork and coordination necessary to get renters and landlords on the same page can be tricky because the landlords often live elsewhere, or the renters are not overly engaged in the process.

**Virtual assessments are promising but stakeholders share a healthy skepticism.** Assessors shared that participants seem to enjoy and engage in virtual assessments. Assessors themselves also appreciate the streamlined and shortened assessment process, particularly the time they save for themselves (e.g., traveling to homes) and customers (e.g., scheduling 45-minute assessment during work day rather than taking time off work for a 2 ½ hour appointment). Assessors mentioned that the virtual process is much easier for straightforward home layouts (e.g., ranch style home) whereas it can be problematic for older homes of certain styles (e.g., Victorians). Assessors, program managers, and contractors expressed a healthy skepticism regarding accuracy of virtual assessments relative to in-home assessments; they are all curious to see whether the virtual assessment yields sufficiently accurate weatherization scopes of work and adequately identifies pre-weatherization barriers. Assessors noted that while the verdict will be out until contractors go back on site in greater numbers, they are optimistic that there is a place for the virtual assessments in the program long-term.

**Programs to which the Results of the Study Apply:**

Residential Electric and Gas EnergyWise – Single Family

**Evaluation Recommendations included in the study:**

*To be updated in the next draft when study is finalized*

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

*To be updated in the next draft when study is finalized*

**Savings Impact:**

This study has no direct impact on claimable savings.

**RI-20-RX-EWMF Impact - Impact Evaluation of EnergyWise Multifamily Program (Draft)**

**Type of Study:** Impact

**Evaluation Conducted by:** Cadeo/Illume

**Date Evaluation Conducted:** Anticipated in September 2020

**Evaluation Objective and High-Level Findings:**

The key objective of this evaluation was to verify gross and net energy savings for measure groups installed in 2017-2018 through the EnergyWise Multifamily and Income Eligible Multifamily Program. The tables below summarize the results of this evaluation:

**Table 1. MF - Ex Post Gross Savings by Measure and Fuel<sup>1</sup>**

Measure Group	Measure	Electric (kWh/year)	Natural Gas (therms/year)	Oil (MMBtu/year)
Domestic Hot Water	Aerators	38	2.0	0.2
	-Water Savings (gal)	359	359	359
	Showerhead	246	13	1.4
	-Water Savings (gal)	1,786	1,786	1,786
	TSV Showerhead	315	16	1.7
	-Water Savings (gal)	2,254	2,254	2,254
	Pipe Wrap/Insulation (per foot)	8.3	.5	.05
Lighting (Common Area)	LED Fixture (Interior)	206		
	LED Bulbs (Interior)	179		
	LED Reflector (Interior)	140		
	LED Fixture (Exterior)	503		
	LED Bulbs (Exterior)	162		
	LED Reflector (Exterior)	210		
Lighting (In-unit)	LED Bulbs	18		
	LED EISA EXEMPT	15		
	LED Reflectors	19		
	LED Fixtures	34		
Controls	Programmable Thermostat (Heating Savings)	249	15	1.6
	- Fan/pump Savings (kWh)	14	14	14
	-Cooling Savings <sup>#</sup> (kWh)	15	15	15
	Wi-Fi Thermostat (Heating Savings)		23	
	-Fan/pump Savings (kWh)		22	
	-Cooling Savings <sup>#</sup> (kWh)		9	
Appliances & Plug Load	Refrigerator Rebate	914		
	Smart Strip	105		
	Weatherization (Heating Savings)	CV	CV	CV
Heating System	Boiler (Residential & Commercial)		CV	

<sup>#</sup>Per-unit savings weighted to reflect prevalence of CACs for MF participants

**Table 1. EWMF – Net-to-Gross Ratios (Measure Group)**

Measure Group	Relevant Measures	Sample Size (EWMF)	Free-ridership	Sample Size* (Adjusted)	Freeridership* (Adjusted)	Spillover	NTG
<b>Appliances &amp; Plug Load</b>	Smart Power Strips	2	0.32	163	0.31		0.70
<b>Controls</b>	Programmable & Wi-Fi Thermostats	19	0.48	-	-		0.53
<b>Domestic Hot Water</b>	Showerheads, Aerators, & Pipe wrap	25	0.08	-	-	0.01	0.93
<b>Lighting - Common Area</b>	LED bulbs or fixtures in common areas	1	0.40	72	0.23		0.78
<b>Weatherization</b>	Air Sealing & Insulation Types	28	0.33	-	-		0.68

\*Because of the low n for these EWMF measure groups, the evaluation team used values from the EWSF evaluation for the Appliance and Plug Load measure group and values from the MA Res 44 evaluation for the Common Area Lighting measure group.

**Table 1. MF – In-Service Rates (Measure Group)**

Measure Group	Relevant Measures	Sample Size	Installed	Removed	In-Service Rate
<b>Domestic Hot Water</b>	Faucet Aerators, Showerheads, Pipe Wrap	27	69	7	90%
<b>Appliances &amp; Plug Load*</b>	Smart power strip	246	415	66	84%
<b>Controls</b>	Programmable or Smart (Wi-Fi) thermostat	20	42	2	95%

\*Based on the EWSF in-service rate due to insufficient EWMF responses for that measure group.

**Programs to which the Results of the Study Apply:**

Residential EnergyWise Electric and Gas - Multifamily  
Residential Income Eligible Electric and Gas - Multifamily  
C&I Retrofit Gas - Multifamily

**Evaluation Recommendations included in the study:**

Adopt the gross savings, in-service rates and net-to-gross (not applicable to Income Eligible Multifamily) values developed as part of this study for 2021-2023 program planning.

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

National Grid has adopted the gross savings, in service rates and net to gross values from this study.

**Savings Impact:**

The adoption of study results led to an increase in electric savings for the Income Eligible Multifamily program and a decrease in electric savings for the EnergyWise Multifamily program. For gas, the results led to a decrease in savings for both multifamily programs.



**RI-20-RX-EWMF Impact – Impact Evaluation of EnergyWise Multifamily Program (Draft)**

**Type of Study:** Process

**Evaluation Conducted by:** Cadeo/Illume

**Date Evaluation Conducted:** Anticipated in September 2020

**Evaluation Objective and High-Level Findings:**

This study assessed overall effectiveness of program delivery to provide actionable recommendations to prospectively increase cost-effectiveness, participation rates and customer satisfaction of the EnergyWise Multifamily and Income Eligible Multifamily programs. The key findings of the process evaluation are summarized below:

**Overall program satisfaction among participants is high.** Among residents, 86% reported that they were very, somewhat, or moderately satisfied with the program overall. Building owners and managers are also satisfied with the program, generally.

**Contractors, assessors, and inspectors believe the program works well, and report satisfaction with these relationships.** Stakeholders did not have many suggestions for program improvement, suggesting that program processes are generally working well. Program stakeholders described the trusting relationships that they have with one another, and how this contributes to their overall satisfaction.

**RISE assessors and inspectors reported that the MF paperwork is burdensome.** This is, in part, because MF assessors and inspectors must still complete all program paperwork in hard copy, via paper and pen. By contrast, EWSF digitized its paperwork a year ago with the introduction of iPads, which EWSF assessors noted had substantially increased their efficiency. MF assessors noted the improvement for EWSF and speculated that a similar transition to digital paperwork would yield similar benefits for the MF program.

**Some program participants reported needing more help to overcome health and safety barriers.** These participants wanted additional support, including more specific guidance on how and who could help them remediate the identified health and safety barriers so they could move ahead with their efficiency upgrades. While a relatively small number of participants expressed this sentiment, the program's ability to effectively mitigate these barriers will become more critical as the MF programs continues to mature and encounters an increasingly number of properties that have to address these barriers to unlock energy savings opportunities.

**Some participants expressed frustration that they did not receive certain measures that they expected.** While participants receive a report that includes the measures they qualify for, the report does not explicitly detail measures customers did *not* qualify for. This information tends

to be communicated verbally by MF staff, which led to confusion, uncertainty, or disappointment among participants.

**A subset of residents expressed concerns about their experience with their installation contractor.** Almost one in five surveyed residents noted messes left behind, a lack of professionalism, and the inability of their installers to answer questions.

**The program quickly transitioned to virtual assessments in response to the COVID-19 pandemic.** Program stakeholders generally think there is a role for virtual assessments in future versions of the MF program. In fact, MF inspectors suggested that there might even be an expanded role for virtual work in certain types of inspections. However, nearly all program stakeholders also expressed some level of skepticism about virtual assessments, primarily about the program's ability to accurately assess complex buildings without a physical inspection.

**Programs to which the Results of the Study Apply:**

Residential EnergyWise Electric and Gas - Multifamily  
Residential Income Eligible Electric and Gas - Multifamily  
C&I Retrofit Gas - Multifamily

**Evaluation Recommendations included in the study:**

*To be updated in the next draft when study is finalized*

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

*To be updated in the next draft when study is finalized*

**Savings Impact:**

This study has no direct impact on claimable savings.

**RI-20-RX-HER Impact – Impact Evaluation of the 2017-2019 Home Energy Reports Program (Draft)**

**Type of Study:** Impact

**Evaluation Conducted by:** Cadeo/Illume

**Date Evaluation Conducted:** Anticipated in September 2020

**Evaluation Objective and High-Level Findings:**

The objective of this study was to evaluate how much electricity and natural gas the Home Energy Reports (HER) program saved in Rhode Island from 2017 to 2019. The evaluation team used monthly customer billing data to estimate electricity and natural gas savings for the program overall and for specific customer sub-groups.

From 2017 – 2019, the program achieved adjusted net energy savings of 86,092 MWh and 2,804,768 therms over the three-year period with overall realization rates of 98% for electric savings and 84% for gas savings. Among waves with electric service, the overall realization rate of evaluated net ex post savings to implementer-estimated savings is 108% for Existing Customers and 67% for New Movers. Among waves with gas service, overall realization rates are 92% for Existing Customers and 50% for New Movers (see table below).

**Summary Program Results**

	Electric Savings (MWh)		Gas Savings (Therms)	
	Existing Customers	New Movers	Existing Customers	New Movers
Evaluated Ex Post <sup>a</sup>	71,895	14,197	2,493,023	311,745
Implementer-Estimated Ex Post <sup>b</sup>	66,719	21,046	2,700,289	629,629
<b>Realization Rate <sup>c</sup></b>	<b>108%</b>	<b>67%</b>	<b>92%</b>	<b>50%</b>

<sup>a</sup> Evaluated savings that have been adjusted for savings attributable to participation in other energy efficiency programs. These are energy savings attributable to HERs that would not have occurred in the absence of the program.

<sup>b</sup> The program implementer provides monthly savings estimates by wave in a monthly report. National Grid adds up the monthly savings estimates for an annual total.

<sup>c</sup> The ratio of adjusted net ex post savings to implementer-estimated ex post savings.

**Savings estimates for New Mover and for some Existing Customer waves and years were not statistically significant.** Among Existing Customer waves, savings from older and larger waves were more likely to be statistically significant, while newer waves or those with smaller treatment and control groups were not. As expected, due to the small wave sizes and limited baseline data for New Mover waves, the evaluation team and program implementers’ savings estimates for New Mover waves were not statistically significant. However, with an RCT design,

the point estimate is still the best unbiased estimate of savings even if it is not statistically significant.

**Realization rates fluctuate across waves, years, and evaluation cycles; however, implementer-reported 2017 – 2019 savings generally fall within the evaluation team’s unadjusted savings confidence intervals.**<sup>6</sup> A combination of factors can cause differences in savings estimates. For example, the program implementer calculated results on a monthly basis while the evaluation team estimated annual models. Tracking program progress monthly has many benefits with the trade-off that final annual evaluated net ex post savings may differ from the summed up monthly results. Additionally, existing wave group sizes shrink through natural attrition, resulting in smaller treatment and control group sizes each program year. As the number of customers in a wave is reduced, so is the statistical power of the model, resulting in larger confidence intervals and potentially fluctuating realization rates. While fluctuating realization rates can make planning more challenging, across all waves and years, implementer-reported savings are generally within the 90% confidence interval of the evaluation unadjusted net ex post savings.

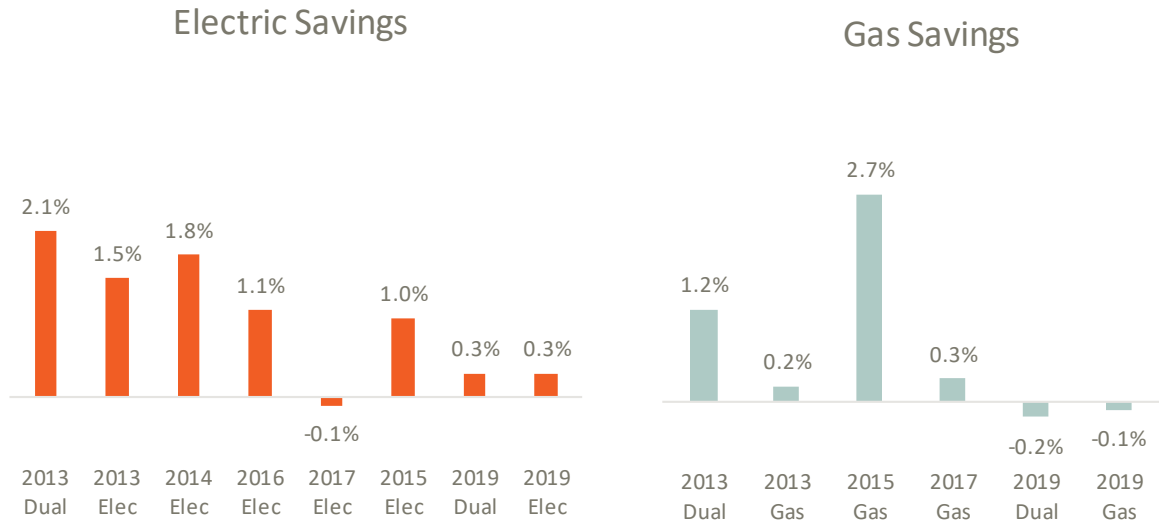
**Among Existing Customer waves with electric service, those who started receiving reports earlier generally have higher and statistically significant electric savings per household compared to later waves (Error! Reference source not found.).** In 2019, the three waves that began in 2013 and 2014, along with the 2018 wave, have the highest savings (2.1%, 1.5%, and 1.8%, respectively). The 2016 and 2018 waves have moderate savings (1.1% and 1.0%, respectively) while the 2017 and 2019 waves have very low and not statistically significant savings (-0.1%, 0.3%, and 0.3%, respectively). It is too early to draw conclusions about the 2019 waves since savings for report-based feedback and education programs generally ramp up over time.

Among Existing Customer waves with natural gas service, household natural gas savings fluctuate from year to year and across waves without a clear pattern (**Error! Reference source not found.**). For example, in program year 2019, the 2015 Gas and 2013 Dual Fuel waves had the highest savings (2.7% and 1.2%, respectively) while 2014, 2017, and 2019 waves had savings less than 0.5%.

---

<sup>6</sup> The program implementer does not adjust for nor remove uplift or joint savings achieved through other energy efficiency programs, so their savings estimates are most comparable to unadjusted evaluation results (before evaluation removes uplift savings).

**2019 Electric and Gas Household Percent Savings by Wave**



**The 201703 wave produced low (<0.1%) electricity savings in all three years and low gas savings (<0.5%) in two out of three years of the program cycle; no savings estimates were statistically significant.** Other National Grid waves have produced at least 1% of electricity savings by their third year of treatment and at least 0.5% of gas. Notably, this wave has the second lowest baseline electricity consumption and second lowest baseline gas consumption, indicating less opportunity for HER recipients to reduce their consumption. Additionally, the wave has a higher percentage of lower-saving personas compared to waves overall, a higher portion of savings deriving from participation in other energy efficiency programs, and a relatively lower percentage of treatment customers who receive email HERs (eHERs) (53%) compared to the population (58%).

**Only 58% of customers received emailed HERS (eHERs).** The percentage was even lower when focusing on gas customers: less than 50% of customers in three gas waves received eHERs. Customers who do not have an email address on file also cannot receive high bill alerts (HBAs) and other program messaging.

**Treatment group customers participated in other energy efficiency programs more often than control customers.** Print HERs and eHERs cross-promote other National Grid energy efficiency programs to highlight ways customers can save more energy and money. Overall, the National Grid HER program produced an incremental increase (relative to control group customers) in program participation of 3.5% (13,373 customers) for ENERGY STAR® Products and 5.2% (19,679 customers) for the Energy Wise Single Family program among electric-metered customers cumulatively over the three program years. Among gas-metered customers, the program produced 4.2% (8,482 customers) incremental participation in the Energy Wise Single Family program, and 1.8% (3,750 customers) incremental participation in the Residential Gas Heating & Water Heating program cumulatively over the three program years. These increases are consistent with report messaging that included information on these programs multiple times

over the three-year cycle along with no-cost, behavior-based, energy-saving tips. Participation in other energy efficiency programs accounted for 2.2% and 8.6% of unadjusted modeled net energy savings for electric and gas savings, respectively. To avoid double counted savings, we removed these savings from the modeled savings estimates for the HER program.

**Programs to which the Results of the Study Apply:**

Residential Behavioral Electric and Gas Program

**Evaluation Recommendations included in the study:**

**Recommendation 1:** For planning purposes, we recommend that National Grid use the weighted average 2017 – 2019 electric realization rates of 108% for Existing Customers and 67% for New Movers. For gas we recommend that National Grid use 92% for Existing Customers and 50% for New Movers. We recommend using separate realization rates for these two groups given their structural and performance differences.

**Recommendation 2:** For Existing Customer waves, going forward, establish treatment and control group sizes that are large enough to allow for multi-year (five or more years) customer attrition, and also consider updated forecasts or estimates of per-household HER savings.<sup>7</sup> An assessment of prior-year confidence intervals and statistical significance or a power analysis could inform group size guidelines.

**Recommendation 3:** Continue to monitor realization rates and treatment and control group sizes, although there is currently no need to make changes to existing wave configurations. With respect to the implementer’s evaluation, measurement, and verification (EM&V) methods, continue to monitor any changes in their approach and consider requesting an annual savings “true-up” (from an annual model) to assess whether the monthly approach may be a potential driver of differences in realization rates.

**Recommendation 4:** Monitor the 2017 wave for improvement over time. If savings do not improve, National Grid could consider additional efforts to understand and reach this wave such as: (1) surveys or in-depth interviews to better understand the barriers to saving energy and what interventions may be more effective, (2) marketing campaigns to increase the number of email addresses on file which will increase access to eHERs and other program enhancements, and (3) targeted messaging by persona, especially those that tend to have lower savings overall. If the program offers additional program enhancements or new ways to engage, consider setting up an experimental design within the 201703 wave to test for the incremental effects of the effort.

---

<sup>7</sup> The size of treatment and control groups, the variability of customer consumption, and the magnitude of savings influences statistical significance. For example, waves with lower expected savings (due to, for example, lower baseline usage) or more variable customers may require larger groups for evaluation.

**Recommendation 5:** To increase engagement with the program, National Grid could consider efforts to collect more email addresses. These efforts could include: (1) messaging on printed reports that shares the benefits of signing up for eHERs, (2) messaging on other National Grid communications, and (3) rewards or incentives for signing up for eHERs or using the online portal.

**Recommendation 6:** Continue balancing messaging on low- and no-cost energy-saving tips with cross-promotion to encourage participation in other energy efficiency programs as HERs successfully channel customers to other programs. Per regulatory frameworks, the incremental savings are removed from the HER program's savings. Targeted, thoughtful use of energy efficiency program messaging can help customers save energy and boost participation in other programs while limiting the impact on HER program savings.

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**  
National Grid has adopted the realization rates based on this study and will consider Recommendation 2-6 in program planning.

**Savings Impact:**

The results of this study will result in an increase in claimable electric savings and a decrease claimable gas savings from the Home Energy Reports Program.

**RI-19-CG-CustGas - Impact Evaluation of PY2017 Custom Gas Installations**

**Type of Study:** Impact

**Evaluation Conducted by:** DNV GL

**Date Evaluation Complete:** May 26, 2020

**Evaluation Objective and High-Level Findings:**

The objective of this impact evaluation was to provide verification or re-estimation of energy (therms) savings for a sample of custom gas projects through site-specific inspections, end-use monitoring, and analysis. The site-specific results were aggregated to determine realization rates for National Grid’s custom gas installations in RI.

**Yearly Results and Pooled Results**

Parameter	PY2016	PY2017	PYs 2016+2017
Tracking Savings	1,114,770	1,948,383	3,063,153
Sample Size	8	6	14
RR	71%	92%	85%
Relative precision @ 80% CI	±11.0%	±2.3%	±4.3%
Error Ratio	0.27	0.3	

CI = confidence interval

The program continues to generate significant natural gas savings. In RI, PY2017 participation consisted of 98 distinct accounts and adjusted gross saving of 1.95 million therms annually, with nearly 92% of the savings realized, based on the evaluation of the sample of RI PY2017 sites.

The original sample was designed to estimate the overall realization rate of the program by combining results from three program year evaluation studies (PYs 2014, 2016, and 2017) to achieve reliable relative precisions, but in this case reliable results were produced from combining results from just two programs years, 2016 and 2017.

**Programs to which the Results of the Study Apply:**

- Gas—Large Commercial New Construction
- Gas—Retrofit

**Evaluation Recommendations included in the study:**

*Recommendations*



R1: Realization Rate: DNV GL recommends National Grid to use the PY2016 and PY2017 combined RR of 85% for planning and program reporting, starting with PY2021 and continuing to subsequent years until a new impact evaluation study results are available.

R2: Research Methods for Steam Traps Estimation and Heat Load Reduction to Gas Savings Conversion: Steam traps constitute a large share of custom program savings and had a poorer realization rate in this evaluation when compared with other measures. Three out of 6 sampled sites in this study are steam trap projects and the average weighted RR for steam traps projects is 78% compared to 105% for other measures (non-steam traps). This raises the issue of whether steam trap measures should be treated as a separate segment within the custom program or even evaluated separately entirely. The latest steam trap tool that is being used for all projects was vetted and calibrated using participant billing data in 2016. The evaluation observed major discrepancies in operating condition assumptions like operating hours, steam pressures, etc. used in the tracking analysis, and potentially, the steam trap calculator could benefit from another round of calibration incorporating additional sites from recent evaluations.

Measures such as insulation and steam traps reduce the heating load served by a boiler. Converting the heat load reduction from these measures to natural gas savings requires a boiler efficiency. There have been discussions with National Grid and not full agreement on how the boiler efficiency factor should be derived. MA is currently planning a study to understand more of these issues, DNV GL recommends National Grid in RI to follow MA and conduct similar research or piggyback with the MA effort to be cost-effective.

#### *Considerations*

C1: Boiler Hours of Use Application Review: Rather than assuming a boiler and the heating distribution system operates year-round, site staff should be interviewed to determine if the specific distribution segments impacted by steam traps or pipe/fixtures insulation measures are operated only seasonally.

C2: Boiler Efficiency: The application reviewers should use site-specific information for the efficiency of the boilers impacted by steam traps or pipe/fixtures insulation measures where information is available. A convenient approach to determine the boiler system efficiency would be to request boiler combustion test receipts.

C3: Pipe and Fitting Insulation Measure Calculator: The pipe/fitting insulation measure may benefit from a deemed calculator, like the steam trap calculator. The ex-ante savings methods were not transparent, and the evaluators could not always replicate them. A deemed calculator could provide consistent and transparent estimates of savings.

C4: EMS or Control Based Projects: For EMS/Control Based projects, consider adding another level of verification such verifying the trend data showing that the control is operating as designed or capturing screenshots of the new control software interface that shows the actual setpoints, or some other meaningful form of documentation to ensure control based claimed

savings are operational. Better documentation of the pre-existing conditions with pictures or trend data would help validate savings.

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

R1: *Impact Evaluation of PY2018 Custom Gas Installations* was completed subsequent to the completion of this study; those results will be applied to calculate claimable savings for 2021, so the realization rate determined by this study will not be directly applied. The results of this study were incorporated into *Impact Evaluation of PY2018 Custom Gas Installations* by way of the three-year rolling evaluation effort.

R2: The subsequent custom gas study stratified between steam trap and non-steam trap projects in order to account for the discrepancy seen in the results. The Company will follow the efforts of the MA jurisdiction to further investigate this issue.

C1: National Grid will adopt this consideration.

C2: National Grid will adopt this consideration.

C3: National Grid will review the feasibility of adopting this consideration.

C4: National Grid will review the feasibility of adopting this consideration.

**Savings Impact:** As discussed above, the results of a subsequent study superseded the final results of this study, so the final result will have no direct impact on claimable savings.

**RI-20-CG-CustGasPY18 - Impact Evaluation of PY2018 Custom Gas Installations**

**Type of Study:** Impact

**Evaluation Conducted by:** DNV GL

**Date Evaluation Conducted:** Interim results presented August 2020

**Evaluation Objective and High-Level Findings:**

The objective of this impact evaluation was to provide verification or re-estimation of energy (therms) savings for a sample of custom gas projects through site-specific inspections, end-use monitoring, and analysis. The site-specific results were aggregated to determine realization rates for National Grid’s custom gas installations in RI.

Parameter	PY2016	PY2017	PY2018	PYs 2016+2017	Recommended Combined Results: PYs 2016+2017+2018
Tracking Savings	1,114,770	1,948,383	2,847,751	4,796,134	5,910,904
Sample Size	8	6	6	12	20
RR	71.3%	92.0%	83.3%	87.1%	84.2%
Relative precision@ 80% CI	±10.6%	±2.3%	±22.6%	±13.5%	±11.1%

Due to onsite restrictions resulting from COVID-19, measurement and verification was completed for only six of the eight sites in the original sample. For the remaining two sites, desk reviews of available documentation were performed. Results for PY2018 are based on a combination of the full measurement and verification for six sites and desk reviews for two sites. Measurement and verification will be completed for the remaining two sites in fall 2020 if feasible.

The original sample was designed to estimate the overall realization rate of the program by combining results from three program year evaluation studies (PYs 2016, 2017, and 2018) to achieve reliable relative precisions.

**Programs to which the Results of the Study Apply:**

- Gas—Large Commercial New Construction
- Gas—Retrofit

**Evaluation Recommendations included in the study:**

DNV GL recommends applying the combined result from PYs 2016-2018 of 84.2% RR for 2021 planning. If feasible to complete measurement and verification at the final two sites, this result should be updated and applied prospectively to 2021 program year projects.

Other recommendations will be produced when the study is finalized.

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

National Grid adopted the results of this study.

**Savings Impact:**

The results of this study will result in a slight decrease in claimable savings from Large Commercial Custom Gas projects.

**RI-19-CE-CustElec - Impact Evaluation of PY2018 Custom Electric Installations**

**Type of Study:** Impact

**Evaluation Conducted by:** DNV GL

**Date Evaluation Conducted:** Interim results presented August 2020

**Evaluation Objective and High-Level Findings:**

The objective of this impact evaluation was to provide verification or re-estimation of energy (kWh) savings for a sample of custom electric projects through site-specific inspections, end-use monitoring, and analysis. The site-specific results were aggregated to determine realization rates for National Grid’s custom electric installations in RI.

<b>Lighting</b>					
<b>Parameter</b>	<b>RI</b>		<b>MA</b>	<b>Combined Results</b>	<b>Recommended Combined Results</b>
	<b>PY2016</b>	<b>PY2018</b>	<b>PY 2017/18</b>	<b>PYs 2016+2018</b>	<b>RI (PY2016+PY2018)+MA PY2017/18</b>
Tracking Energy Savings (kWh)	19,142,741	13,294,077	40,309,720	32,436,818	72,746,538
Sample Size	3	10	10	13	23
RR	99.9%	83.5%	94.3%	93.2%	93.8%
Relative precision@ 90% CI	±5.6%	±17.2%	±19.4%	±7.8%	±11.3%

<b>Non-Lighting</b>					
<b>Parameter</b>	<b>RI</b>		<b>MA</b>	<b>Combined Results</b>	<b>Recommended Combined Results</b>
	<b>PY2016</b>	<b>PY2018</b>	<b>PY 2017/18</b>	<b>PYs 2016+2018</b>	<b>RI (PY2016+PY2018)+MA PY2017/18</b>
Tracking Energy Savings (kWh)	21,044,847	12,910,679	45,495,306	33,955,526	79,450,832
Sample Size	8	14	21	22	43

RR	69.3%	79.9%	70.8%	73.4%	71.9%
Relative precision@ 90% CI	±23.0%	±11.2%	±21.9%	±14.9%	±14.1%

Due to onsite restrictions resulting from COVID-19, no onsite work was completed for PY2018 sites; only desk reviews of available documentation were performed. These results were combined with full measurement and verification results from RI PY2016 and MA PY 2017-19. Measurement and verification will be completed for RI PY2018 sites in fall/winter 2020 if feasible.

The original sample was designed to estimate the overall realization rate of the program by combining results from three program year evaluation studies (RI PY2016, MA PY2017-18, and RI PY2018) to achieve reliable relative precisions.

**Programs to which the Results of the Study Apply:**

Electric—Large Commercial New Construction  
Electric—Retrofit

**Evaluation Recommendations included in the study:**

DNV GL recommends applying the combined result of 93.8% RR for lighting and 71.9% RR for non-lighting for 2021.

Other recommendations will be produced when the study is finalized.

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

National Grid adopted the results of this study.

**Savings Impact:**

The results of this study will result in a decrease in claimable lighting savings and an increase in claimable non-lighting savings from Large Commercial Custom Electric projects.

**MA-19C03-E-SBIMPCT - Impact Evaluation of 2017 Small Business Electric Installations**

**Type of Study:** Impact

**Evaluation Conducted by:** DNV GL and DMI

**Date Evaluation Conducted:** March 20, 2020

**Evaluation Objective and High-Level Findings:**

The purpose of this study was to provide annual energy kWh savings and realization rates, summer and winter peak kW realization rates, and lifetime kWh realization rates for HVAC and refrigeration measures installed through the small business program in the 2017 program year. Additional objectives include providing the primary drivers of the annual energy savings, establishing the proper baselines for lifetime savings (including dual baselines), and providing recommendations on how to apply study results.

The study provides the following key findings:

1. Overall, the HVAC and refrigeration measures studied are performing well and delivering meaningful savings for participants and program administrators. At the program level, the tracking estimates of annual energy impacts were observed to be reasonably accurate with realization rates of near 90% for both refrigeration and HVAC measures.
2. Among the HVAC sample, the performance of franchise sites and non-franchise sites were very different from one another. The divergent performance of these sites and the handling of franchise sites in different programs by different PAs drove the need for a combined refrigeration and non-franchise HVAC set of results and overall refrigeration and HVAC results. These results are provided below.

**Impact Result Summary**

<b>Results</b>	<b>Energy (kWh)</b>	<b>Summer (kW)</b>	<b>Winter (kW)</b>
<b>Combined Refrigeration and HVAC</b>			
<b>Tracked savings</b>	7,376,462	612	551
<b>Statewide evaluated savings</b>	6,979,214	774	779
<b>Realization rate</b>	94.6%	126.5%	141.5%
<b>Relative precision</b>	±20.6% <sup>†</sup>	33.9% <sup>*</sup>	37.0% <sup>*</sup>
<b>Combined Refrigeration and non-franchise HVAC</b>			
<b>Tracked savings</b>	5,480,531	612	551
<b>Statewide evaluated savings</b>	5,751,339	576	647
<b>Realization rate</b>	104.9%	94.1%	117.4%

**Relative precision**                      19.1%<sup>†</sup>                      28.1%\*                      31.7%\*

† provided at the 90% confidence interval \* Provided at the 80% confidence interval

1. Summer and winter peak kW savings are not being fully populated in tracking estimates of small business projects, as evidenced by instances of either blank or zero savings in these categories among the samples examined. This appears to be an issue among both HVAC and refrigeration measures, particularly among the franchise sites.
2. Lifetime savings are similarly not tracked regularly. Approximately 52% of HVAC sites in the population and 11% of refrigeration sites in the population had annual savings estimates without an accompanying lifetime estimate, though we found reasonably accurate use of lifetime values when present.
3. The 2015 NEEP Commercial Refrigeration Loadshape Report contains the conclusion that EC motors use 61% less power than shaded-pole motors, on average, compared to the MA TRM value of 65%. The MA TRM cites a 2007 study to support the 65% reduction. The NEEP study is the more recent study and is based on a larger sample size of pre/post measurements, so the 61% reduction appears to be a better value to represent average power reductions for this measure type.

**Programs to which the Results of the Study Apply:** Electric—Small Business Non-Lighting

**Evaluation Recommendations included in the study:**

Recommendation 1: Use the retrospective and prospective realization rates as provided in the table below with two important notes:

1. Application of the prospective energy savings realization rates are dependent on implementation of the recommended calculation change in the MA TRM regarding a new adjustment factor that reflects shaded pole motor power when only EC motor power is measured (recommended below).
2. Due to missing tracking summer peak kW and winter peak kW estimates in both the HVAC and refrigeration samples influencing the realization rate around these results, we do not recommend a prospective realization rate for these items. The concern is that such realization rates will not be appropriate for application when summer and winter values are fully populated.

Factor	Retrospective	Prospective
<b>Combined refrigeration and HVAC applied when franchise served in Turnkey (Eversource, Unitil)</b>		
Energy Realization rate (kWh)	94.6%	94.8%
Summer peak kW Realization Rate	126.5%	N/A
Winter peak kW Realization Rate	141.5%	N/A
<b>Combined refrigeration and non-franchise HVAC applied when franchise not served in Turnkey (National Grid, Cape Light Compact)</b>		



<b>Energy Realization rate (kWh)</b>	104.9%	105.2%
<b>Summer peak kW Realization Rate</b>	94.1%	N/A
<b>Winter peak kW Realization Rate</b>	117.4%	N/A

**Recommendation 2:** Revise the MA TRM to accommodate a demand reduction factor of 61% in its calculation when replacing shaded pole motors with ECM motors.

**Recommendation 3:** Work with program vendors to ensure that summer and winter peak demand estimates are fully populated in the tracking system when appropriate.

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

In RI, National Grid adopted the prospective non-franchise realization rates and will adopt recommendations 2 and 3.

**Savings Impact:** The application of this study results in a decrease in claimable non-lighting electric savings for this program.

**MA-19C02-B-EUL - C&I Measure Life Study**

**Type of Study:** Impact

**Evaluation Conducted by:** DNV GL

**Date Evaluation Conducted:** March 31, 2020

**Evaluation Objective and High-Level Findings:**

The purpose of this study was to inform Effective Useful Lives (“EULs”) and Remaining Useful Lives (“RULs”) for key C&I energy efficiency measures, including lighting, HVAC, custom projects, and gas heating equipment.

**Programs to which the Results of the Study Apply:** Gas—Large Commercial

**Evaluation Recommendations included in the study:**

Recommendation 1: Keep the EUL for commercial unitary HVAC equipment at 12 years. When the EUL for commercial unitary HVAC equipment was reduced from 15 to 12 years in 2018 in response to the EUL analysis conducted under Project 73 Track D, the reduction was conditional on improvements in the EUL analysis method that were to be conducted in 2019. The revised EUL analysis conducted under Project MA19C02-B-EUL did estimate EULs that were slightly higher (9-10 years) than those estimated under Project 73 Track D (6-8 years).

However, the updated estimates are still lower than the current TRM EUL of 12 years. The improved EUL estimation method still has some limitations as discussed in the detailed findings of this report. For this reason, the evaluation team is not advocating it be reduced below 12 years. However, the team believes that the 9-10-year EULs that emerged from the improved 2019 analysis also suggest that this EUL should not revert to the 15-year estimate that was used prior to 2018.

Recommendation 2: Keep the EUL for commercial furnaces at 18 years. The HVAC contractors estimated the average age of the commercial furnaces they removed which still had some useful life remaining to be 17 years. They estimated the average age of the commercial furnaces they removed which were at or near failure to be 19 years. Since the 19-year average is close to the current EUL in the TRM of 18 years, the evaluation team recommends that this EUL remain unchanged.

Recommendation 3: Reduce the EUL for commercial boilers to 20 years. As noted, the HVAC contractors estimated the average age of the commercial boilers they removed with some useful life remaining at 19 years. They estimated the average age of the commercial boilers they removed that were at or near failure to be 22 years. Both these estimates are below the current EUL in the Massachusetts TRM of 25 years.

Recommendation 4: Change the assumed ER rate for commercial boilers from 0% to 20% and for commercial furnaces from 0% to 15%. As noted, this study found an ER rate of 21% for commercial boilers and 20% for commercial furnaces. Another recent Massachusetts study which involved interviews with both HVAC contractors and end users found an ER rate of 18% for commercial boilers and 11% for commercial furnaces. Since two different evaluation studies have come out with similar results that are well above the default assumption of 0%, the team recommends that the PAs should change this ER rate to 20% for commercial boilers and 15% for commercial furnaces, which is the average of the ER rates from the two studies.

Recommendation 5: The impact evaluation team should continue reviewing site-specific EUL assumptions. The impact evaluation team should continue to provide meaningful feedback regarding EUL assumptions observed at individual sites and communicate those findings through the Monthly BAG meetings with stakeholders and in the final evaluation report.

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

In RI, National Grid will adopt recommendations 1 through 3 and will follow additional work on recommendations 4 and 5.

**Savings Impact:** The application of these results will result in a reduction in claimable lifetime savings for Large Commercial Gas.

**RI-20-CX-FRSO - C&I Free-Ridership and Spillover Study**

**Type of Study:** Market

**Evaluation Conducted by:** Tetra Tech

**Date Evaluation Conducted:** In Progress

**Evaluation Objective and High-Level Findings:**

To be updated in final draft—study in progress

**Programs to which the Results of the Study Apply:**

All C&I

**Evaluation Recommendations included in the study:**

To be updated in final draft—study in progress

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

To be updated in final draft—study in progress

**Savings Impact:** To be updated in final draft—study in progress

**RI-18-XX-Piggybacking - Piggybacking Diagnostic Study**

**Type of Study:** Process

**Evaluation Conducted by:** DNV GL

**Date Evaluation Conducted:** January 14, 2020

**Evaluation Objective and High-Level Findings:**

The primary objective of this study is to develop guidance on when it is appropriate to “piggyback” or combine RI evaluation efforts with MA studies or adopt MA results as a proxy for RI versus stand-alone RI studies. The report recommends which approaches National Grid should use for commercial and industrial (C&I) measure groups and residential programs.

**Piggybacking Approaches: Basic Descriptions**

Approach Number	Approach Name	Description
1	Direct Proxy	Use MA results directly for RI
2	Shared Algorithm	Calculate savings using data collection results from MA, applied to an independent RI sample using similar formulas
3	Pooled Sample	Collect data from MA and RI sites. Create a sample from both MA and RI so that the combined sample is large enough to meet precision requirements in RI
4	Independent Sample	Conduct data collection and analysis on an independent RI sample using the same tools as MA
5	Independent Study	Conduct a completely independent study that leverages nothing directly from MA

These approaches follow a loose hierarchy of decreasing assumptions and increasing rigor as one moves from Approach 1 to Approach 5. As such, using a higher numbered approach in lieu of a lower numbered approach is usually possible and remains technically sound. In particular, any other approach could replace Approach 1. Approach 5 could be used instead of Approach 4, which could be used instead of Approach 3.

**Programs to which the Results of the Study Apply:**

All programs

**Evaluation Recommendations included in the study:**

**Recommended Approaches: C&I Measure Groups**

Measure Group	Recommended Approach
Prescriptive Lighting	<b>Approach 4</b> – Independent Sample or <b>Approach 5</b> – Independent Study
Upstream Lighting	<b>Approach 4</b> – Independent Sample
Custom Electric Non-lighting	<b>Approach 4</b> – Independent Sample
Custom Electric Lighting	<b>Approach 4</b> – Independent Sample
Small Business Electric	<b>Approach 3</b> – Pooled Sample, with adjustments for participants Or <b>Approach 1</b> – Direct Proxy if limited to non-lighting
Prescriptive Non-lighting	<b>Approach 4</b> – Independent Sample or <b>Approach 3</b> – Pooled Sample if done on individual measure types
Custom Gas	<b>Approach 4</b> – Independent Sample
Prescriptive Gas	Insufficient evidence to make strong recommendation

**Recommended Approaches: Residential Programs**

Program	Recommended Approach
Lighting	<b>Approach 4</b> – Independent Samples or <b>Approach 2</b> – Shared Algorithm (with adjustments)
Behavioral Programs	<b>Approach 4</b> – Independent Samples or <b>Approach 5</b> – Independent Studies
EnergyWise Single Family	<b>Approach 4</b> – Independent Samples or <b>Approach 5</b> – Independent Studies or <b>Approach 3</b> – Pooled Sample (if no billing analysis & next study shows similar results for RI and MA)
Residential Cooling & Heating	Insufficient evidence to make strong recommendation
Consumer Products	Appliance Recycling: Approach 2 – Shared Algorithm <u>or</u> <b>Approach 3</b> – Pooled Sample (if field data collection used) Other Measures: <b>Approach 1</b> – Direct Proxy

<b>Income Eligible Single Family</b>	<b>Approach 4</b> – Independent Samples <b>or</b> <b>Approach 5</b> – Independent Studies; Approaches 1, 2, or 3 (if next study has similar results for RI and MA)
<b>EnergyWise Multi-family</b>	<b>Approach 4</b> – Independent Samples <b>or</b> <b>Approach 2</b> – Shared Algorithm (if not using billing analysis)
<b>New Construction, Code Compliance, and Building Characteristics</b>	<b>Approach 4</b> – Independent Samples <b>or</b> <b>Approach 5</b> – Independent Studies
<b>Demand Response Programs</b>	<b>Approach 4</b> – Independent Samples <b>or</b> <b>Approach 3</b> – Pooled Samples (if small participant population or constrained data)

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**  
National Grid adopted the results of this study and will follow recommended guidelines where  
budget allows.

**Savings Impact:** This study has no direct impact on claimable savings.

**RI-19-XX-DataCollect - Primary Data Collection for Potential Study**

**Type of Study:** Market

**Evaluation Conducted by:** DNV GL

**Date Evaluation Conducted:** March 9, 2020

**Evaluation Objective and High-Level Findings:**

This study was designed to help RI Office of Energy Resources and National Grid better understand the state’s existing C&I building and equipment stock, support the efficiency potential study and lighting baseline determination, and otherwise identify ways to expand RI statewide energy efficiency initiatives.

The study's goal was to conduct comprehensive on-site assessments of C&I facilities across the state of RI with representation among relevant business types. The study focused on understanding the highest priority electric and natural gas end uses, based on stakeholder feedback and annual energy efficiency program savings. The following end uses were included in this study: lighting, HVAC and motor/drive on the electric side and HVAC, including steam traps and boilers and hot water on the gasside.

**Summary of Final Population Frame**

<b>Business Size</b>	<b>% Consumption</b>
Small: <500 MWh	31%
Medium: 500 - 4,500 MWh	36%
Large: >4,500 MWh	33%
<b>TOTAL</b> <b>(27,508 C&amp;I accounts)</b>	<b>100%</b> <b>(3,503,559 kWh)</b>

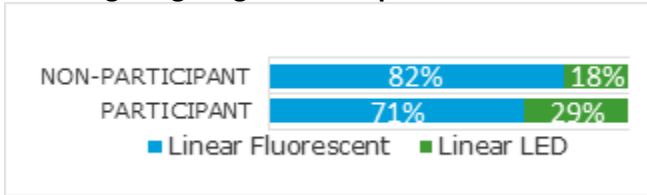
**Lighting Equipment Key Findings:**

7.6 million lamps operating in RI

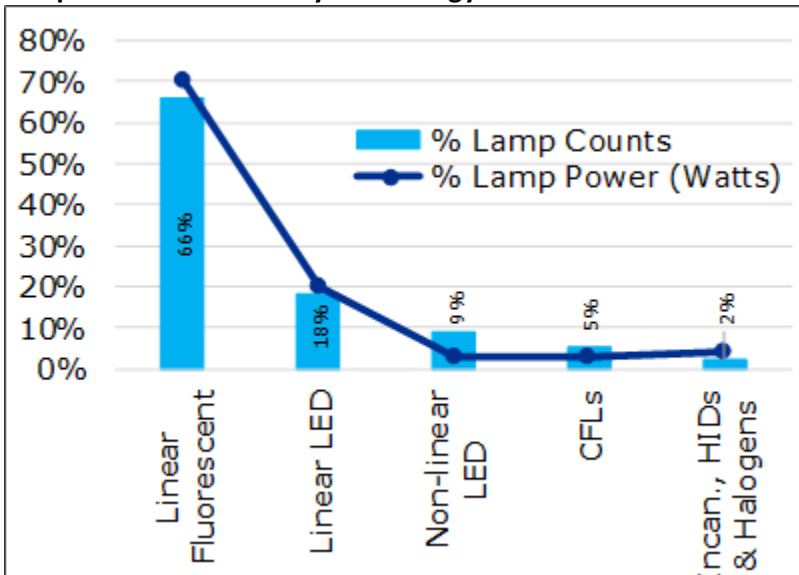
1. 1.4M Linear LEDs
2. 4.9M Linear Fluorescents
3. 0.7M Non-linear LEDs
4. 0.4M CFLs



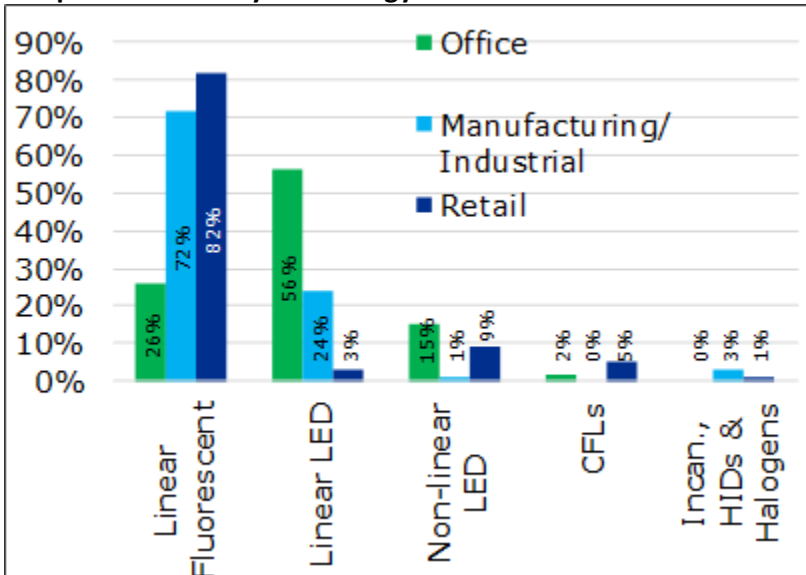
### Linear Lighting Program Participation



### Lamp Count and Power by Technology



### Lamp Distribution by Technology



#### Lighting Opportunities

- 66% of lamps are fluorescent technologies, providing an opportunity to convert them to LEDs for more energy savings.
- Manufacturing/Industrial and Retail businesses have large opportunities (>70%) to install LEDs while office have about 26%.
- RI has a lot of potential for savings from installing controls for lighting equipment, such as occupancy sensors, daylighting sensors, timers, and dimming. Nearly 90% of the interior lighting is controlled manually.

#### Non-Lighting Equipment Key Findings

##### 153k Cooling Systems:

- 61% were split or packaged air conditioners
- 28% were packaged terminal or window units
- 11% were heat pumps

##### 79k Heating Units:

- 39% were packaged furnaces
- 14% were hot water or steam boilers
- 23% were Baseboard/Unit Space heaters
- 24% were packaged terminal or window units and heat pumps

##### 52k Domestic Hot Water (DHW) Heaters:

- 86% are Storage water heaters.
- 13% are Instantaneous systems
- 1% use central plants/heat exchangers.
- 72% of the DHWs use non-electric fuels like natural gas, propane, etc.

#### Non-Lighting Opportunities

- 66% of the packaged AC and heat pumps were below federal standard efficiency.
- Nearly 21% of all heating systems are below federal efficiency standards.

#### **Programs to which the Results of the Study Apply:**

All C&I

#### **Evaluation Recommendations included in the study:**

This study did not produce any recommendations.

#### **Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

N/A

**Savings Impact:** This study has no direct impact on claimable savings.

**MA-19DR01-E 2019 Residential Wi-Fi Thermostat Direct Load Control Offering Evaluation**

**Type of Study:** Impact/Process

**Evaluation Conducted by:** Guidehouse

**Date Evaluation Conducted:** April 1<sup>st</sup>, 2020

**Evaluation Objective and High-Level Findings:**

This evaluation's objectives included verifying that the 2019 residential Wi-Fi thermostat direct load control (DLC) solution successfully enables demand reductions (and if so, by how much) and assessing the customer experience and acceptance of the solution. These objectives were achievable through the investigation of several research questions relating to 1) Customer Experience, 2) DR Impacts, and 3) Program Design and Implementation. Where appropriate, these research questions were explored by PA (i.e., Eversource MA and CT, National Grid MA, and Unitil MA). The evaluation also sought to compare select metrics for this National Grid offering across 2016 to 2019.

The key findings are summarized below:

- **Overall, 96% of thermostats that enrolled since September 30, 2018 remained enrolled through the end of the evaluated 2019 DR season.** The rate of sustained enrollment for thermostats enrolled after September 30, 2018 was 94% for National Grid.
- **The annualized rate at which thermostats leave the ConnectedSolutions offering ("annualized attrition") ranges from 5 to 11% per year.** For National Grid, annual attrition ranges from 6% to 10% depending on the period of enrollment, reflecting National Grid's device management plan. However, for National Grid, implementation vendor transitions impact the ability to fully analyze the extent to which thermostats have left the programs over time.
- **Across all PAs and cohorts, more than 85% of survey respondents reported that they are likely or very likely to participate again in the future.** Respondents were generally satisfied with event characteristics in 2019, including the number, length, and timing of events.
- **Bill savings is a perceived offering benefit.** Bill savings is the most commonly cited motivation for participating, including among returning National Grid customers. Although this offering achieved energy savings in 2019, the primary goal of the offering is to achieve peak demand reductions. As a result, any given participant may or may not experience bill savings by participating in the offering. The perception that participation will lead to bill savings may be a consequence of co-marketing the offering with Wi-Fi thermostat rebates.
- **55% of respondents were satisfied with the mode of notification received.** Overall, approximately 73% of survey respondents reported receiving event notification, and 75% of these respondents received their preferred mode of notification.

- **About 20% of respondents would like more flexibility in terms of how they are notified of events.** 25% of respondents *who reported receiving event notifications* would like to receive a different mode of event notification than what they received in 2019. Of these, a majority would like notifications by email.
- **Overall 17% of respondents reported not receiving event notifications and 10% were unsure whether or not they received event notifications.** About 62% of National Grid new participant respondents and 70% of National Grid returning participant respondents reported receiving advance notifications. The remaining participants either reported receiving no event notification or they were unsure whether or not they received notifications National Grid elected not to send advance notification emails. For device types where email notification was an option the PAs could select, participants that received event notifications *only* through the thermostat provider's app had lower rates of event notification recall than those who also received an email. For respondents who reported not receiving any event notification, a majority would like to receive email notification, at a minimum.
- **Approximately two-thirds of participants reported noticing temperature changes during events but only 40% reported ever opting out.** Most of those who reported having opted out stated that they did so only sometimes (30-40%) or rarely (50-65%). When looking at thermostat telemetry data, the percentage of devices that opted out at least once over the course of the season, and the frequency with which they opted out, is somewhat higher than what survey respondents reported. Notably, 16% of National Grid returning participants reported not knowing if they ever opted-out of an event. Relatedly, over 40% of survey respondents indicated they did not recall pre-cooling happening prior to events. In open-ended feedback, three respondents noted that it was too easy to override events inadvertently.
- **Approximately 10% of survey respondents are interested in seeing changes to or the ability to customize offering design parameters.** Some survey respondents would like to see changes to or to be able to specify their preferences related to: pre-cooling temperature adjustment and/or duration (26), event duration and/or timing (16), event setpoint maximum (3). Three survey respondents would like to be able to opt back into the event after opting-out.

#### Thermostat Usage Assessment Findings

- **2019 full participation rates exceeded 50% on average and across the season with National Grid MA at 52%.** The primary reason for devices not fully participating in events was not being in cooling mode.
- **A significant number of devices were never in cooling mode for any event.** National Grid MA stem from devices that were in system off/heat mode for the entire season.
- **Connectivity was a small issue overall during events for National Grid MA.** A large portion of connectivity issues stem from devices that were disconnected for the entire season.
- **Participants exhibited no evidence of event participation fatigue (increased opt-out rates) due to back-to-back events or a higher event dispatch frequency.** Devices in the experimental design groups participated at similar rates regardless of the number of events for which they were dispatched.

### **Impact Analysis Findings**

- **National Grid had average treatment effects for the 2019 season of 0.59 kW per thermostat.**
- **As a percent of baseline usage, average demand savings was 59% for National Grid.** For National Grid, this reduction in cooling load is slightly higher than 2018 (likely due to the higher temperature setback during events), but consistent with the previous two implementation seasons.
- **Fully participating devices have average event savings across the 2019 season that are over 35% higher than the average across all dispatched participants.** Impacts for full participants show the technical potential of the offering. As opt-outs and other forms of non-participation are reduced, average and total event impacts should increase.
- **National Grid's average demand savings per event in 2019 was 0.59 kW, a decrease from the average savings found in 2018 (0.71 kW).** The lower savings likely stem from the later event times and the fewer number of event days exceeding 90°F in 2019 compared to 2018, which resulted in a lower baseline cooling load.

### **Programs to which the Results of the Study Apply: Residential Connected Solutions**

#### **Evaluation Recommendations included in the study:**

**Recommendation 1:** Unenroll thermostats from the offering that frequently opt out of events, do not have connectivity, and/or are consistently in a non-cooling mode. This will lower the costs of the Direct Load Control Offering and increase average savings per thermostat. In parallel, ensure that the enrollment tracking system allows for the tracking of unenrollment reasons related to the opt outs, connectivity and AC system mode behavior.

**Recommendation 2:** Include the count of all residential and non-residential devices and participants enrolled as of August 31 in the Massachusetts ADR BCR model. For 2019, the count of thermostats is 11,503 for National Grid MA. The count of participants is 7,814, and 45 for National Grid MA.

**Recommendation 3:** Calculate ex-post savings by applying the savings adjustment factor to vendor-reported savings. Use ex-post savings for claiming savings in 2019 and in future years. For the event period, the savings adjustment factor is an equation based on average outdoor temperature:  $-3.06 + (0.05 \times \text{Avg Temp } ^\circ\text{F})$ . For pre-cooling and recovery hours, the savings adjustment factors are constants, 0.72 and 0.68, respectively.

The adjustment factor can apply when the ISO-NE or PJM baseline is used, pre-cooling and event duration conditions are met, the assumed AC nameplate capacity continues to be 3.5 kW in the EnergyHub portal, and the average outdoor temperature is 75 degrees F or higher. When these conditions are not met, the savings adjustment factor does not apply.

#### **Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

**Recommendation 1:** Yes, this recommendation has been adopted.

**Recommendation 2:** NO this is a specific MA recommendation and would not apply to RI.

**Recommendation 3:** No this is a specific MA recommendation and would not apply to RI.  
National Grid used the specific 0.59 kW deemed savings that was calculated from this study.

**Savings Impact:**

**This demand savings increased when compared to 2019 estimates.**

**MA-19DR02-E 2019 Residential Energy Storage Demand Response Demonstration Evaluation – Summer Season**

**Type of Study:** Impact/Process

**Evaluation Conducted by:** Guidehouse

**Date Evaluation Conducted:** 02/10/2020

**Evaluation Objective and High-Level Findings:**

The purpose of this study was to assess the technical feasibility, customer acceptance, and scalability of using residential energy storage systems (battery) to reduce peak demand for National Grid as part of their broader active demand response initiatives. This study confirmed this feasibility; however, it has not looked at whether that control will be cost-effective for the electric system, program administrators, and/or customers. National Grid provided a performance incentive to customers in exchange for control of their existing battery as part of a “Bring Your Own Battery”. Between July and September of 2019, National Grid called 27 events for 50 participating customers and between August 1 and September 30.

The study provides the following key findings for National Grid:

- Access to backup power is a primary motivation for purchasing a battery system.
- Survey respondents reported extremely low opt-out rates, with 94% reporting they never opted out of an event.
- Ninety-seven percent of respondents would recommend the program to other National Grid customers, and 97% are likely or very likely to continue with the program should it be offered in the future.
- Events called by National Grid during the summer season saved 139 kW per event on average, including 126 kW during the 2019 ISO-NE Peak Hour.
- Battery devices that successfully participated in 2-hour events saved an average of 5.5 kW per unit.
- On average, called events had 64% of the expected maximum impact given the maximum expected discharge of the batteries operational at the time of the event. This is affected by some batteries opting out of events and also by lower relative performance by some devices, especially DC coupled batteries.
- 50 devices participated in at least one event this season.
- Consecutive event days appeared to have a negligible effect on impacts this season. Weather had a larger effect on devices not being fully charged in time for the next event. The small effects that could be seen were instead caused by weather conditions that prevented some devices from fully charging in time for the next event.
- Successfully participating devices dispatched at a constant rate for the length of the event. This includes DC coupled batteries.

- The conventions (e.g., sign, time zone) associated with the telemetry data varied across manufacturers. Navigant made informed corrections to align the telemetry data for all devices into a single convention.

**Programs to which the Results of the Study Apply:** Residential Connected Solutions

**Evaluation Recommendations included in the study:**

**Recommendation 1:** Ensure customers are aware National Grid knows backup is important to them. Two manufacturers include the existence of a battery reserve in their marketing materials, and one offers the option, but National Grid does not make this clear in the marketing materials. Create a consistent battery reserve level and publicize both the battery reserve and the restriction of events prior to storms. This will help alleviate customer concern about batteries being depleted when they are being relied upon to provide power in an emergency

**Recommendation 2:** National Grid to encourage EnergyHub to work with manufacturers and/or integrators to align all details of the telemetry data so the data fields are consistent.

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:**

**Recommendation 1:** This recommendation is still under consideration.

**Recommendation 2:** Yes this recommendation has been implemented.

**Savings Impact:**

This study verified that the 5.5 kW was accurate and due to this did not have any impact on savings.



**MA-19DR03-E Cross State C&I Active Demand Reduction Initiative Summer 2019**

**Type of Study:** Impact/Process

**Evaluation Conducted by:** Energy & Resource Solutions (ERS)

**Date Evaluation Conducted:** April 15<sup>th</sup>, 2020

**Evaluation Objective and High-Level Findings:**

The primary objectives of the evaluation are to independently assess program initiative impact and identify process improvement opportunities. Impact is measured as both the average demand reduction during specified events and during the annual peak installed capacity (ICAP) hour. Load reduction is based on the comparison of measured load against four different alternative/baseline load scenarios. The evaluation also attempts to understand the overlap between the PA ADR initiatives and the ISO-NE Forward Capacity Market (FCM) and provide input on other opportunities for peak demand management.

**Process Evaluation Findings:**

- **Settlement and payment:** Payment processing remains challenging. Program marketing materials state that incentives will be paid out in October. When the evaluation team interviewed National Grid's staff in December of 2019, there were still several payments that had not yet been made. National Grid staff explained that the delay in payments was largely because National Grid's procurement protocols had been revised. This meant that National Grid staff had to have CSPs re-sign contracts, NDAs, and ISAs in order to process ADR initiative payments. Additionally, staff explained that each summer season, a small percentage (less than 5%) of customers experience metering or data issues that result in delayed settlement and payment. With the increase in program enrolment over the past three summers, it has become more time-consuming for staff to resolve these data issues.
- **Recruitment:** Recruitment for the 2019 summer season was more difficult for the PA than it had been over the first two years of the program. A significant percentage of the PA's largest commercial and industrial customers have already signed up for the program. The National Grid staff noted they had to increase their sales efforts in 2019 to achieve the same amount of MW reduction that had been reached in prior years when less resources were spent on recruiting. As can be expected with any growing PA offering, the PA anticipates this need for increased promotion to continue.

**C&I Interruptible Findings (Impact Findings)**

The evaluation team recommends using a symmetrically adjusted baseline (called Evaluated-Symmetric in the tables below) as the most appropriate estimate of event period load reduction for the 2019 summer season. The symmetrically adjusted baseline, with additional adjustment for likelihood of unreported shutdowns (called Evaluated-Forecast below), is the best estimate of load reduction for future years. The symmetrically adjusted baseline reduces biases for sites

with variable load due to weather or other production factors. The symmetrically adjusted baseline methodology is the most commonly used baseline approach and is used by ISO-NE. The Baselines section of the Impact Evaluation Methodology and Framework describes the baselines and their advantages and disadvantages in detail. The C&I Interruptible Impact Evaluation Findings and Integrated Impact and Process Evaluation Findings substantiate the 7 evaluator’s baseline recommendation for the 2019 summer season. Table 1-4 provides the summary of National Grid’s load reduction estimates for Massachusetts. National Grid called a single event on July 30, the ICAP day.

**National Grid Impact Summary – Massachusetts**

Result	Event Average Reduction (kW)	ICAP Hour Reduction (kW)
Enrolled Capacity	93,134	93,134
Reported-Asymmetric	71,428	N/A
Evaluated-Validation	71,611	N/A
Evaluated-Unadjusted	42,461	36,090
Evaluated-Asymmetric	69,561	63,190
Evaluated-Symmetric	58,464	52,173
Evaluated-Forecast	57,264	51,266
Evaluated-Regression	48,752	42,538

Based on the above results, the evaluators calculated the following performance ratios. They are defined as follows:

- Enrollment Ratio: This ratio is the reported asymmetric load reduction to the CSP reported enrolled capacity. This ratio provides insight into what percentage of the reported enrolled capacity was achieved, based on the program baseline and calculation methodology. This ratio is particularly meaningful for planning and sales purposes.
- Asymmetric Ratio: This ratio is the evaluated asymmetric load reduction to the reported asymmetric load reduction. This is an apples-to-apples comparison of the same baseline methodology between the PAs and evaluators; however, this metric identifies the impact that different calculation rules between the PAs and evaluators has on load reduction.
- Retrospective Realization Rate: This ratio is the evaluated symmetric load reduction to the reported asymmetric load reduction. The evaluators determined that the symmetrically adjusted baseline is the most appropriate measure of retrospective load reduction for the 2019 summer season. This ratio shows how the choice of baseline adjustment and calculation methodologies impacts the load reduction estimates. The evaluators recommend using this realization rate to calculate the symmetric load reductions at the end of future seasons if there are no evaluations conducted.

- **Prospective Realization Rate:** This ratio is the evaluated symmetric load reduction with an adjustment for unreported shutdowns to the reported asymmetric load reduction. The evaluators determined that the symmetrically adjusted baseline accounting for unreported shutdowns is the most appropriate measure of prospective load reduction for future seasons. This ratio provides insight into the magnitude of reductions that could be achieved during future seasons as a function of the validated load reduction estimates. The prospective realization rate should only be used as an ex-ante estimate of future performance for planning purposes and not retrospectively.

	<b>Enrollment Ratio</b>	<b>Asymmetric Ratio</b>	<b>Retrospective Realization Rate</b>	<b>Prospective Realization Rate</b>
<b>PA and State</b>	<b>(Reported Asymmetric / Enrolled Capacity)</b>	<b>(Evaluated Asymmetric / Reported Asymmetric)</b>	<b>(Evaluated Symmetric / Reported Asymmetric)</b>	<b>(Evaluated Forecast / Reported Asymmetric)</b>
National Grid MA	77%	97%	82%	80%

**Integrated Process and Impact Evaluation Findings:**

- **Challenges to Reliability:** The ADR initiative and prior demand demonstrations provide substantial evidence that it is reasonable to expect PA load reduction targets to be met. Despite variability in load reduction across states and events, the CSPs and PAs have successfully recruited and managed resources, identified the annual system peak hour, and met overarching PA load reduction targets. However, the variability in load reduction across the limited number of event days and hours reduces confidence in the reliability of DR resources in the future. A better understanding of the dimensions of variability inherent in any DR program mitigates these concerns and suggests opportunities for continued reliability improvements.
- **Shutdown Days:** Customers are failing to report shutdown days to the PAs even though the initiative rules include a shutdown day allowance. The intent of this rule was to ensure that customer performance would not be negatively impacted if they had scheduled shutdowns. The shutdown day rule could save customers from a lower than expected event performance if events were called on a shutdown day. Also, shutdown days could have an impact on customer payments if they fell within their baseline period and went unreported.
- **Pre-Cooling, Gaming, and Snapback:** The impact evaluation investigated whether there was evidence of pre-event load increases that could be explained either by pre-cooling, load shifting, or gaming.<sup>3</sup> Pre-cooling and load shifting are acceptable strategies for participation in the ADR initiative; however, acceptable load shifting strategies can be difficult to distinguish from gaming. Post-event, the impact evaluation investigated whether there was evidence of post-event load increases that could be explained by snapback. None of the load shapes point toward pre-event activity or snapback. The

process evaluation investigated whether there was evidence of gaming through the customer surveys, where customers were asked if building operational adjustments were made in the hours leading up to an event. A quarter of respondents said yes but described taking action to reduce load prior to events (e.g., begin shutdown of slow-ramping equipment) to ensure that they could curtail adequately during events. These findings are described in more detail with illustrations in the body of this report (Evidence of Pre-Cooling, Gaming, and Snapback).

**Summary of PA ADR Initiatives and ISO-NE Overlap Findings;**

- Scenarios in which PA ADR initiative events and ISO-NE scarcity conditions overlap or are called coincidentally are rare, as scarcity conditions occur because of a supply constraint (at the transmission level) while PA ADR events are called in response to mitigate load during the system peak hour.
- ISO-NE staff concerns regarding PA ADR initiative overlap are:
  - Participation in PA ADR events could result in eroding the ISO-NE baseline calculation and same-day adjustment for performance, or vice versa.
  - The ISO could over designate reserves of demand response resources (DRRs) that participate in PA ADR initiatives if their FCM bids are not revised.
- Although the ADR initiative rules specify how co-participation in the PA initiative and ISO-NE FCM should work, the PA initiative rules do not address the ISO's overlap concerns.
- Both ISO and PA staff expressed a willingness to discuss overlap concerns and solutions.

**Programs to which the Results of the Study Apply:** C&I ConnectedSolutions

**Evaluation Recommendations included in the study:**

Recommendation 1: Continue to seek solutions to accelerate the incentive payment process. National Grid is starting to allow CSPs to access their online day-after data and daily performance summaries. This access should help CSPs more quickly identify faulty meters or reconcile data discrepancies, which affect the payment turnaround time.

Recommendation 2: Remind and educate the CSPs of the shutdown allowance and reporting rule. The PAs could ask for pre-planned shutdown information during the application/enrollment process.

Recommendation 3: Adapt the shutdown rule to account for unexpected facility shutdown events. To exclude a facility shutdown day from a customer's baseline calculation, that customer or their CSP must notify their PA at least seven days in advance of the shutdown. It is difficult to do this when a facility shutdown event is unexpected. Consider allowing customers or CSPs to report the shutdown to the PA 24 hours before an event is called.

Recommendation 4 : Formally standardize all rules related to data quality, baseline calculation methods, and aggregation.

Recommendation 5: Establish data quality rules with clear outcomes for poor quality and/or insufficient data. The evaluation team developed several rules as part of this study, which are described in the Data Sufficiency section of this report; these rules may be a useful starting point to develop consistent rules. The data issues encountered in this study were not anticipated. Establishing firmer expectations or providing incentives are two possible means of motivating and ensuring clean and complete data in future initiative cycles.

Recommendation 6 : Use the retrospective realization rate to determine past season performance.

Recommendation 7: Use the prospective realization rate to estimate future load reduction.

Recommendation 8: In the short-term, representatives from ISO-NE, the PAs, and, if feasible, the CSPs should come together at a Demand Resources Working Group (DRWG) meeting and brainstorm mutually beneficial design solutions that would minimize the impact of one entity on the other.

**Explain Whether or Not National Grid Decided to Adopt Recommendations from the Study:  
Recommendation 1 – Yes National Grid continues to explore ways to make the incentive payment process faster.**

Recommendation 2 – This recommendation is still under consideration.

Recommendation 3 – This recommendation is still under consideration.

Recommendation 4 – This recommendation is still under consideration.

Recommendation 5 – This recommendation is still under consideration.

Recommendation 6 – Yes National Grid is applying the 82% RR result.

Recommendation 7 – This recommendation is still under consideration.

Recommendation 8 – This recommendation is still under consideration.

## 5. Historical Evaluation Studies

Sector	Program	Study type	2013	2014	2015	2016	2017	2018	2019	2020 Plan
Residential	EnergyWise SF	Impact								
	EnergyWise SF	Process						HEAT Loan		
	Income Eligible SF	Impact								
	Income Eligible SF	Process								
	EnergyWise MF	Impact								
	EnergyWise MF	Process								
	Income Eligible MF	Impact								
	Income Eligible MF	Process								
	Home Energy Reports	Impact								
	Home Energy Reports	Process								
	EnergyStar Lighting	Impact/Market								
	EnergyStar Products	Impact								
	HVAC	Impact								
HVAC	Process									
Cross-cutting	Potential study	Market								
	Job Impact	Jobs								
	Avoided Cost	Benefits								
	REMI	Benefits								
	Participation	Market								
	RASS	Market								
	Gas Peak Demand Savings Study	Impact								
	Piggybacking Study	Process								
	Heat Pumps Study	Market								
	Codes & Standards	Impact/Market								
Legislated M&V Study	Market									
Pilots/Demos/ Assessments	Demand Response	Impact								
	Home Energy Monitoring	Impact/Process								
	SEM Demonstration	Impact								
	Small Business HP Demo	Impact/Process								
C&I Electric	Custom	Impact								
	HVAC	Impact								
	Industrial Process	Impact								
	CAIR	Impact								
	Refrigeration, Motors, Other	Impact								
	Custom Lighting	Impact								
	Street Lighting	Impact								
	CDA	Impact								
	CHP	Impact								
	Prescriptive Lighting	Impact								
	Upstream Lighting	Impact								
	Upstream Lighting	Process								
	Prescriptive HVAC	Impact				chillers				
	Prescriptive VSD	Impact								
	Prescriptive CAIR	Impact								
All	NTG									
C&I Gas	Custom	Impact								
	Prescriptive	Impact			steam traps					
	All	NTG								
Small Business	Lighting	Impact			prescriptive					
	Non-Lighting Electric	Impact								
	All	NTG								

\*Note this table will be updated for the final draft of the 2021 Annual Plan.

These studies are available through the EERMC<sup>8</sup>, the PUC<sup>9</sup>, and National Grid.

2020	
Study	Impact Descriptions
Cadeo, Impact and Process Evaluation of EnergyWise Single Family Program. Final report anticipated in September 2020.	This study updated gross savings, in-service rates and net-to-gross ratios for the EnergyWise Single Family program.
Cadeo, Impact and Process Evaluation of EnergyWise Multi Family Program. Final report anticipated in September 2020.	This study updated gross savings, realization rates, in-service rates and net-to-gross ratios for the EnergyWise Multi Family program.
Cadeo, Impact and Process Evaluation of Income Eligible Multi Family Program. Final report anticipated in September 2020.	This study updated gross savings, realization rates and in-service rates for the Income-Eligible Multi Family program.
Cadeo, Impact Evaluation of Home Energy Reports Program 2017-2019. Final report anticipated in September 2020.	This study updated realization rates for the Home Energy Reports program.
Guidehouse, Comprehensive TRM Review Final report anticipated in September 2020 (Leveraged study from MA)	This study reviewed and updated savings assumptions and effective useful lives of several residential measures in MA. Rhode Island adopted the results to update savings assumptions and measure lives of several measures in the residential programs.
NMR, Lighting Hours of Use Study, March 2020. (Leveraged study from MA)	This study reviewed and updated the HOU used to calculate the lighting savings measures in MA. Rhode Island adopted the results to update savings assumptions for the lighting measures in RI.
NMR, LED Delta Watts Update, March 2020. (Leveraged study from MA)	This MA study updated delta watts for lighting measures. Rhode Island adopted the results to update gross savings calculation for its Residential Lighting measures.
Guidehouse, Residential Wi-Fi Thermostat DR Evaluation, April 2020. (Leveraged study from MA)	This study reviewed and updated the savings being used In MA for the Wi-Fi DLC program offering. Rhode Island adopted the results to update savings for Wi-Fi DLC offering in RI.

<sup>8</sup> <https://rieermc.ri.gov/plans-reports/evaluation-studies/>

<sup>9</sup> <http://www.ripuc.org/>

<p>Guidehouse, 2019/2020 Residential Energy Storage Demonstration, February 2020. (Leveraged study from MA)</p>	<p>This study reviewed and verified the savings being used in MA were accurate for the Residential demand response battery storage offering. Rhode Island adopted the results for residential battery storage demand response offering in RI.</p>
<p>ERS, Evaluation of 2019-2020 Cross-State DR Program, February 2020. (Leveraged study from MA)</p>	<p>This study reviewed and updated the summer demand realization rate being used in MA for the C&amp;I targeted dispatch program offering. Rhode Island adopted the results for the C&amp;I targeted dispatch demand response offering in RI.</p>
<p>DNV GL, Impact Evaluation of PY2017 Custom Gas Installations. May 2020.</p>	<p>The study updated realization rates for custom gas projects, as part of a rolling effort that incorporated results from PY2016 and PY2017.</p>
<p>DNV GL, Impact Evaluation of PY2018 Custom Gas Installations. Interim Findings August 2020.</p>	<p>The study updated realization rates for custom gas projects, as part of a rolling effort that incorporated results from PY2016, PY2017, and PY2018.</p>
<p>DNV GL, Impact Evaluation of PY2018 Custom Electric Installations. Interim Findings August 2020.</p>	<p>The study updated realization rates for custom electric projects, as part of a rolling effort that incorporated results from RI PY2016, MA PY2017-18, and RI PY2018.</p>
<p>DNV GL, Impact Evaluation of 2017 Small Business Electric Installations. March 2020.</p>	<p>The study updated electric non-lighting impact factors for the Small Business initiative. RI leveraged the MA study of this initiative.</p>
<p>DNV GL, C&amp;I Measure Life Study. March 2020.</p>	<p>This study informed Effective Useful Lives and Remaining Useful Lives for key C&amp;I energy efficiency measures, updating the commercial boiler EUL. RI leveraged the MA study of this initiative.</p>
<p>Tetra Tech, C&amp;I Free-Ridership and Spillover Study. Anticipated September 2020.</p>	<p>To be completed - Study in progress.</p>



2019	
Study	Impact Descriptions
NMR, Residential Appliance Recycling Impact Factor Update. April 2019	This study updated gross savings, realization rate and net savings estimates for refrigerator and freezer recycling offered through ENERGY STAR Products program.
NMR, Delta Watts Update. April 2019. (Leveraged study from MA)	This MA study updated delta watts for general service lamps, specialty and reflectors. Rhode Island adopted the results to update gross savings calculation for its Residential Upstream Lighting program.
NMR, RLPNC 17-9 2019-21 Planning Assumptions: Lighting Hours-of-Use and In-Service Rate. July 2018. (Leveraged study from MA)	This study recommended planning values for hours of use and in-service rates for general service lamps, specialty and reflectors. Rhode Island adopted the results to update impacts for its Residential Upstream Lighting program.
NMR, RLPNC 17-3 Advanced Power Strip Metering Study (Revised). March 2019. (Leveraged study from MA)	This study yielded recommended gross electric savings and realization rates from advanced power strips offered through the Home Energy Services and upstream programs. Rhode Island adopted the result from this study to inform savings for Tier 1 and Tier 2 advanced power strips offered through its Retail Products program.
Navigant, Wifi Thermostat Impact Evaluation Secondary Research Study. September 2018. (Leveraged study from MA)	This study recommended annual savings values of 31 therms for combustion heating, 97 kWh for electric resistance heating, and 64 kWh for central air conditioning for Wifi thermostats. Rhode Island adopted these results to update savings assumptions for Wifi thermostats in HVAC and residential retrofit programs.
DNV GL, Impact Evaluation of PY2016 Custom Gas Installations. December 2019.	The study updated realization rates for custom gas projects, as part of a study leveraging the MA study of the same program element.
DNV GL, Impact Evaluation of PY2016 Custom Electric Installations. January 2020.	The study updated realization rates for custom electric projects, as part of a study leveraging the MA study of the same program element.

2018	
Study	Impact Descriptions
Energy & Resource Solutions, Two-Tier Steam Trap Savings Study. April 2018.	This MA study recommends a two-tier approach for prescriptive steam traps. It calculates deemed savings to be 8.4 MMBtu/yr for system operating pressure ≤15 psig, and 35.6 MMBtu/yr for system operating pressure is >15 psig.
DNV GL, Impact Evaluation of PY 2015 Rhode Island Commercial and Industrial Upstream Lighting Initiative. September 2018.	The study updated impact factors for the Upstream Lighting initiative. The RI study leveraged the MA study of the same initiative.
DNV GL, Rhode Island Commercial & Industrial Impact Evaluation of 2013-2015 Custom Comprehensive Design Approach. October 2018.	The study updated the realization rate for the CDA initiative. The RI study leveraged the MA study of the same initiative.
DNV GL, Impact Evaluation of PY2016 RI C&I Small Business Initiative: Phase I. June 2019.	The study updated impact factors for the Small Business initiative. The RI study leveraged the MA study of the same initiative.
DNV GL, Prescriptive C&I Loadshapes of Savings. March 2018.	This MA study pooled known sources of 8,760 savings loadshapes in an interactive tool to estimate general prescriptive measure loadshapes over customizable time periods.
DNV GL, P78 Upstream LED Net-to-gross Analysis. August 2018.	This MA study updated net-to-gross values for the C&I Upstream Lighting initiative for 2019, 2020, and 2021.
DNV GL, P86 Lighting Hours of Use Study. April 2019.	This MA study used lighting hours of use data from several previous studies to determine hours of use by building type for the C&I Upstream Lighting program.
DNV GL, P81 Process Evaluation of C&I Upstream Lighting Initiative. September 2018.	The MA study updated in-service rates for the C&I Upstream Lighting initiative.
Illume Advising LLC, Rhode Island Statewide Behavioral Evaluation: Savings Persistence Literature Review. January 2018.	This study reviewed the existing research on the persistence of savings generated by HERs with particular attention to the applicability of each study to Rhode Island. The study explored potential impacts on the HER program when reducing the cadence of reports.

<p>Synapse Energy Economics, Avoided Energy Supply Components in New England 2018 Report. March 2018.</p>	<p>This study developed new estimates of avoided costs associated with energy efficiency measures for program administrators throughout New England States. Rhode Island used the avoided costs of energy, capacity, natural gas, fuel oil, environmental costs and demand reduction induced price effects resulting from this study for 2019 program planning.</p>
<p>Navigant, 2017 Seasonal Savings Evaluation. March 2018.</p>	<p>This study evaluated the Nest thermostat optimization program offered in Massachusetts and Rhode Island. The study found that the program achieved energy and demand savings of 57 MWh and 134 kW, respectively, in Rhode Island</p>
<p>Navigant, 2017 Residential Wifi Thermostat Demand Response. April 2018.</p>	<p>This study evaluated the controllable thermostats as a demand response technology offered through Massachusetts and Rhode Island Connected Solutions programs. The study found average demand savings of 0.44 kW per thermostat in Massachusetts and 0.52 kW per thermostat in Rhode Island.</p>
<p>NMR, Rhode Island Lighting Market Assessment. July 2017</p>	<p>This Residential study estimated lighting saturation and other critical market indicators in Rhode Island and included a detailed comparison to Massachusetts. The study concluded that the two markets are substantially similar, therefore Rhode Island can use the results from the recently completed net-to-gross consensus study in MA to inform program planning for the Residential Upstream Lighting program.</p>
<p>Research Into Action, Rhode Island HEAT Loan Assessment. December 2018</p>	<p>This study assessed the extent to which HEAT Loan encourages uptake of weatherization and HVAC projects through the EnergyWise program. Findings from this study will be used to inform program planning and support future potential studies in Rhode Island.</p>

<p>NMR, Rhode Island Residential Appliance Saturation Survey. October 2018</p>	<p>This study developed an inventory of residential end-uses, including appliances, consumer electronics, heating and cooling equipment, thermostats, water heating, and building characteristics. Findings from this study will be used to inform program planning and support future potential studies in Rhode Island.</p>
<p>Cadeo, Rhode Island Impact Evaluation of Income Eligible Services Single Family Program, August 2018</p>	<p>This study deemed savings values and realization rates for electric and gas participants using billing and engineering analysis. The Company adopted the deemed savings values in the 2019 program plan.</p>
<p>NMR, RLPNC 17-11 LED Net-to-Gross Consensus Panel Report. June 2018. (Leveraged study from MA)</p>	<p>This study yielded recommended prospective net-to-gross ratios for 2019 to 2021 for the Residential Upstream Lighting program in MA. Rhode Island adopted the NTG established for 2019 and 2020 due to similarity in lighting market condition.</p>
<p>NMR, RLPNC 18-5 Home Energy Assessment LED Net-to-Gross and EUL Consensus. July 2018 (leveraged study from MA)</p>	<p>The study yielded recommended net-to-gross and estimated useful life for direct installed LED bulbs offered through the Home Energy Services Initiative in Massachusetts. Rhode Island adopted the results from this study to inform 2019 and 2020 planning for the Residential EnergyWise program.</p>
<p>NMR, RLPNC 18-4 Products Net-to-Gross Consensus Study, August 2018. (Leveraged study from MA)</p>	<p>This study yielded prospective net-to-gross for Residential Retail products for 2019 to 2021 in Massachusetts. Rhode Island adopted the results from this study to inform 2019 and 2020 planning for the Residential Products program.</p>
<p>Navigant, MA Residential Electric Loadshape and Baseline Study (Heating and Cooling Season report). July 2018. (Leveraged study from MA)</p>	<p>This study collected saturation, penetration and usage behavior data for all major electric and gas appliances in Massachusetts. Rhode Island adopted the end use load shapes determined by this study.</p>

<p>NMR, RLPNC 17-4/17-5 Products Impact Evaluation of In-service and Short-term Retention Rates Study. March 2018. (Leveraged study from MA)</p>	<p>This study yielded estimates of in-service rates (ISRs) and short-term retention rates for products currently offered through the Residential Consumer Products Core Initiative or the Mass Save® Home Energy Assessment (HEA) Programs. Rhode Island adopted the result from this study to inform savings for measures offered through Residential Products program.</p>
<p>NMR/Tetra Tech, TXC34 Massachusetts Residential HVAC Net-to-Gross and Market Effects Study. July 2018. (Leveraged study from MA)</p>	<p>This study yielded recommended net-to-gross ratios for selected heating, cooling, and water heating measures that will receive Mass Save® Standard rebates in 2019-2021. Rhode Island adopted the result from this study to inform savings for measures offered through Residential HVAC/HEHE programs.</p>
<p>Tetra Tech, Market-Rate Multifamily NEI – Phase I Final Memo. March 2018.</p>	<p>This MA study reviewed non-energy impacts associated with market-rate multifamily properties, including whether or not any additional NEIs should be applied, whether NEI values differ based on type and ownership of building, and whether there is double counting of NEIs.</p>
<p>Tetra Tech, Non-Energy Impact Framework Study Report. January 2018.</p>	<p>This MA study reviewed the current status of NEIs and had the following recommendations: do not count existing property value NEIs, review the BCR-model-related differences highlighted in the study and determine whether there is a reason for each, and, in cases where an NEI for one initiative or measure is applied to a different initiative or measure, provide clear public documentation of how the decision was made.</p>

<p>DNV GL, NMR Group, Tetra Tech, Massachusetts Commercial and Industrial Upstream HVAC/Heat Pump and Hot Water NTG and Market Effects Indicator Study. September 2018.</p>	<p>This MA study updated NTG for the following upstream equipment:</p> <ul style="list-style-type: none"> <li>• Ductless mini-split heat pumps</li> <li>• Electric water-source heat pumps</li> <li>• Air-cooled unitary/split central air conditioning (&gt;5 tons)</li> <li>• Gas-fired storage water heaters between 76,000 and 300,000 BTU/hour</li> <li>• Gas-fired tankless water heaters between 180,000 and 199,900 BTU/hour</li> </ul>
<p>DNV GL, Evaluation of 2017 Demand Response Demonstration: C&amp;I ConnectedSolutions. February 2018.</p>	<p>This MA study reviewed the baseline application and impacts calculated by the AutoGrid system, examine the effectiveness of the Connected Solution baseline, and assess ex-post impacts. It was also designed to understand customer acceptance and experience with the intervention, readiness of systems for larger deployment, and PA and vendor success in delivery.</p>
<p><b>2017</b></p>	
<p><b>Study</b></p>	<p><b>Impact Descriptions</b></p>
<p>Navigant, Rhode Island Energy Efficiency Program Customer Participation Study – Phase 1, October 2017</p>	<p>The study characterized participants and non-participants in several energy efficiency programs and identified customers that can be potentially targeted to increase participation.</p>
<p>NMR, 2017 Rhode Island Single-Family Code Compliance/Baseline Study, July 2017</p>	<p>This study yielded the final agreed upon baseline values to update the User Defined Reference Home (UDRH) in Rhode Island</p>
<p>ICF, 2017 Rhode Island Residential Code Savings Analysis</p>	<p>This study found that the average Rhode Island home could attain annual electric savings of 3,690 kWh and gas savings of 10 MMBtu if it fully complied with the state’s building energy code.</p>

NBI, 2017 Rhode Island Commercial Code Savings Analysis	This study found that the average Rhode Island commercial building could attain annual electric savings of 0.73 kWh/sf and gas savings of 0.90 MMBtu/sf if it fully complied with the state's building energy code.
NMR, 2017 Rhode Island Code Compliance Enhancement Initiative Attribution and Savings Study	The study found residential and commercial attribution factors of 23% and 46, respectively, which were used along with study results on average savings as well as construction activity projections to calculate the CCEI's projected savings from 2018-2020.
Peregrine Energy Group, Analysis of Job Creation from 2016 Expenditures for Energy Efficiency in Rhode Island by National Grid, April 2017	A study of the job impacts of National Grid's energy efficiency programs delivered to Rhode Island electricity and natural gas customers in 2016. The study estimated that 702 FTE workers, across 923 companies and agencies were employed in 2016 as a result of investments energy efficiency programs in Rhode Island.
New Buildings Institute, Energy Impacts of Commercial Building Code Compliance in Rhode Island, July 2017	This study quantified the energy impacts of energy code compliance patterns from field data collection and analysis of building characteristics.
The Cadmus Group, Inc., Ductless Mini-Split Heat Pump Impact Evaluation, 2016	This study estimated savings from various types of heat pumps.
DNV-GL, Impact Evaluation of 2014 Custom HVAC Installations, September 2017	The study updated realization rates for custom electric HVAC projects, as part of a study leveraging the MA study of the same program element.
DNV-GL, 2014 RI Custom Process Impact Evaluation, December 2017	The study updated realization rates for custom process projects, as part of a study leveraging the MA study of the same program element.
TetraTech, C&I Programs Freeridership & Spillover Study, September 2017	This study updated free-ridership and spillover values for the C&I electric and gas programs.
DNV-GL, MA C&I Steam Trap Evaluation Phase 2, Feb, 2017	This study updated steam trap savings estimates.
DNV-GL, Gas Boiler Market Characterization Study Phase II: Final Report, March 2017	This study updated C&I condensing boiler savings estimates.
DNV-GL, MA45 Prescriptive Programmable Thermostats, March 2017	This study updated programmable thermostat deemed gas savings for C&I programs.

2016	
Study	Impact Descriptions
DNV-GL, Impact Evaluation of 2014 Custom Gas Installations in Rhode Island Final Report, July 2016	This study yielded an energy realization rate for Custom Gas projects.
DNV-GL, Impact Evaluation of 2014 RI Prescriptive Compressed Air Installations Final Report, July 2016	This study yielded an energy realization rate for prescriptive compressed air compressors, dryers, and EE accessories.
DNV-GL, Impact Evaluation of 2012 National Grid-Rhode Island Prescriptive Chiller Program Final Report, July 2016	This study yielded an energy realization rate for prescriptive chillers.
DNV-GL, Multifamily Impact Evaluation, National Grid Rhode Island, January 2016	This study estimated realization rates for electric and gas savings for 2013 participants using a billing analysis. The results include a low level of precision and thus the realization rates are not applicable. The Company has been improving tracking, savings estimations and verification processes in line with the study's recommendations.
Research Into Action, National Grid Rhode Island EnergyWise Single Family Process Evaluation, August 2016	This study surveyed customers, vendors, contractors, and lending agencies to order to assess customer experience, HEAT Loan lender perspectives on the program, performance of the lead vendor and sub-contractors and lessons learned from programs elsewhere in the country.
DNV-GL, Impact Evaluation of 2014 EnergyWise Single Family Program, National Grid Rhode Island, August 2016	This study estimated deemed savings values and realization rates for electric and gas 2014 participants using billing and engineering analysis. The Company adopted the deemed savings values in the 2017 program plan.
Massachusetts Special and Cross-Cutting Research Area: Low-Income Single-Family Health- and Safety-Related Non-Energy Impacts (NEIs) Study. Prepared by the NMR Group and Three3, Inc. for the Massachusetts Program Administrators. August 5, 2016.	This study developed Non Energy Impacts for low income programs, based on USODE's Weatherization Assistance Program tailored to MA context. Dollar benefits rose substantially over prior values primarily based on avoidance of deaths due to thermal stress.



<p>Cadmus Group; Large Commercial and Industrial On-Bill Repayment Program Evaluation, September, 2016</p>	<p>National Grid commissioned this study to evaluate the financing component of the large commercial and industrial (LCI) energy efficiency program. Cadmus evaluated the program design, performance, and sustainability; the overall market for the program; and the program’s penetration of that market to date.</p>
<p>Ductless Mini-Split Heat Pump (DMSHP) Final Heating Season Results; Ductless Mini-Split Heat Pump (DMSHP) Cooling Season Results, COOL SMART Impact Evaluation Team, 2015 / 2016</p>	<p>Heating and cooling memos that describe the number of full load hours found with field installed systems in MA and RI; these hours were used with historic data on incentivized systems to come up with average savings per unit.</p>
<p>DNV GL, Stage 2 Results—Commercial and Industrial New Construction Non-Energy Impacts Study—Final Report, prepared for the Massachusetts Program Administrators, March 2016</p>	<p>The purpose of this study was to quantify the dollar value of participant NEIs for C&amp;I NC projects completed in 2013, and to estimate gross NEIs per unit of energy savings resulting from NC electric and gas measures separately.</p>
<p><b>2015</b></p>	
<p><b>Study</b></p>	<p><b>Impact Descriptions</b></p>
<p>Cadmus, Inc., High Efficiency Heating Equipment Impact Evaluation: Final Report, March 2015</p>	<p>The study determined revised deemed savings values for each furnace and boiler measure, including condensing boilers and early replacement of heating equipment. The study also reflected the increasing baseline for standard efficiency heating equipment.</p>
<p>DNV-GL, Retrofit Lighting Controls Measure Summary of Findings: Final Report (MA), October 2014</p>	<p>The study examined trends in lighting control savings and noted a decrease in savings over previous program years. It recommended updated coincidence factors as well as potential program and technology areas that may yield higher savings. Finally, the study recommended a change in the savings calculation algorithm for lighting controls.</p>

<p>Tabors Caramanis Rudkevich, Avoided Energy Supply Costs in New England: 2015 Report, April 2015</p>	<p>This study developed new estimates of avoided costs for application in 2016 through 2018 energy efficiency programs throughout the six New England states. Avoided costs were developed for natural gas, electric energy, electric capacity, demand reduction induced price effects (DRIPE), other fuels (oil, propane and wood), and carbon.</p>
<p>DNV-GL, Massachusetts 2013 Prescriptive Gas Impact Evaluation; Steam Trap Evaluation Phase 1, March 2015</p>	<p>The study concluded that there should continue to be both prescriptive and custom pathways for steam trap retrofit incentives, and further recommended that a group convene to review and revise the deemed savings estimate for steam traps. The study also recommended the use of a six year lifetime for steam traps.</p>
<p>Cadmus, Inc., LED Incremental Cost Study – Modeling LightTracker LED and Halogen Pricing Data, June 2015</p>	<p>This memo summarizes selected findings from the LightTracker LED, CFL, and halogen pricing data modeling effort and the resulting state-level price forecast through 2020 for LED, CFL, and halogen bulbs. These results are based on light bulb price data from 25 states that lacked LED programs from 2009 to 2014.</p>
<p>Cadmus, Inc., Cool Smart Incremental Cost Study: Final Report, July 2015</p>	<p>This incremental cost study estimates how manufacturing production costs (MPCs) and purchase prices of residential air conditioning (AC) and heat pump (HP) equipment change as equipment efficiency increases. The results support Cool Smart program enhancements and cost-effectiveness analysis, as well as potential upstream residential upstream heating, ventilation and air conditioning (HVAC) incentive programs.</p>
<p>Cadmus, Inc., Lighting Interactive Effects Study Preliminary Results – Draft, April 2015</p>	<p>This memo details the preliminary findings of the Lighting Interactive Effects study evaluated for the Massachusetts (MA) Program Administrators to better understand and report the true impact of energy efficient lighting retrofits. It recommended factors for electric and gas energy to be applied to residential program savings.</p>

2014	
Study	Impact Descriptions
DNV GL, 2014 , Impact Evaluation of National Grid Rhode Island C&I Prescriptive Gas Pre-Rinse Spray Valve Measure	The evaluation examined the gas and water savings associated with the installation of reduced-flow pre-rinse spray valves. The results are based on site measurements from MA and RI facilities. The final gross gas and water savings are 11.4 MMBtu and 6,410 gallons per spray valve respectively.
NMR Group, Inc., Northeast Residential Lighting Hours-of-Use Study	This multi-State study provided updated hours-of-use assumptions for residential lighting programs in various room types.
The Cadmus Group, Impact Evaluation: Rhode Island Income Eligible Services, Volume II  The Cadmus Group, National Grid Income Eligible Services Process Evaluation	This RI-specific impact evaluation focused on the electric and gas savings resulting from the participation of these dwellings in in-home retrofit of electrical components and weatherization of electric, gas, and fossil fuel heated homes. It used billing analysis, engineering reviews, and interviews for the process components.
National Grid, Macroeconomic Impacts of Rhode Island Energy Efficiency Investments REMI Analysis of National Grid's Energy Efficiency Programs	This study quantifies the macroeconomic impacts of National Grid's 2014 EE Program Plan for Rhode Island and provides updated economic impact multipliers to quantify the benefits of future EE programs in the Rhode Island economy. This updates the multipliers from an economic impact study conducted by Environment Northeast (ENE) in 2009.
2013	
Study	Impact Descriptions
KEMA, Inc., Impact Evaluation of 2011 Rhode Island Prescriptive Lighting Installations  KEMA, Inc., Impact Evaluation of 2011 Rhode Island Custom Lighting Installations	The Custom and Prescriptive Lighting studies involved the impact evaluation of components of the Large Commercial and Industrial electric efficiency programs. The studies included on-site engineering and end-use metering of a statistically drawn random sample of participants. The custom portion of the study was coupled with the results of the 2013 Massachusetts Custom Lighting study.

<p>KEMA, Inc., Impact Evaluation of 2011 Prescriptive Gas Measures</p>	<p>On-site monitoring and verification of installation provided updated impacts for four major prescriptive gas measures. Programs and measures are similar between National Grid affiliates in MA and RI, and results are applied to RI. The overall realization rate for the four measures was approximately 102% and the relative precision was about <math>\pm 15\%</math>.</p>
<p>KEMA, Inc., and DMI, Inc., Impact Evaluation of 2011-2012 Prescriptive VSDs</p>	<p>This evaluation provided a new estimate of the impacts of prescriptive variable speed drives, based on pre-post metering of measures installed in 2011 and 2012. Programs and measures are similar between National Grid affiliates in MA and RI, and results are applied to RI. Key findings include an annual kWh realization rate was 94% with a relative precision of <math>\pm 23\%</math>, and identification of factors that influenced the realization rate.</p>
<p>The Cadmus Group, Inc., 2012 Residential Heating, Water Heating, and Cooling Equipment Evaluation: Net-to-Gross, Market Effects, and Equipment Replacement Timing</p>	<p>The results of this study yielded updated net-to-gross factors and estimates of the timing of equipment replacement for residential heating and cooling measures. Programs and measures are similar between National Grid affiliates in MA and RI, and results are applied to RI.</p>
<p>KEMA, Inc., Impact Evaluation of 2010 Prescriptive Lighting Installations</p>	<p>The RI Prescriptive lighting study listed above did not examine case lighting separately from other lighting systems. To complement the RI-specific results, this MA study provided impact updates on case lighting.</p>

2012	
Study	Impact Descriptions
TetraTech, Final Report – Commercial and Industrial Non-Energy Impacts Study, (prepared for Massachusetts Program Administrators), June 29, 2012	This report provides a comprehensive set of statistically reliable Non-energy impact (NEI) estimates across the range of C&I prescriptive and custom retrofit programs offered by the MA electric and gas Program Administrators (Pas). The analytical methods used allow this report’s findings to be applicable to RI.
2011	
Study	Impact Descriptions
KEMA, Inc., C&I Lighting Loadshape Project, Prepared for the Regional Evaluation, Measurement, and Verification Forum, June 2011.	A compilation of lighting loadshape data from the Northeast. The study provided updated coincidence factors for the Energy Initiative and Small Business Lighting programs. The Small Business program summer coincidence factor went from 0.80 to 0.79, while the Energy Initiative summer coincidence went from 0.88 to 0.89
KEMA, Inc., C&I Unitary HVAC Loadshape Project Final Report, Prepared for the Regional Evaluation, Measurement, and Verification Forum, June 2011.	From end use metering, the study produced updated diversity and equivalent full load hours for unitary HVAC measures
2010	
Study	Impact Descriptions
ADM Associates, Inc., Residential Central AC Regional Evaluation, Final Report, October 2009	kWh and kW savings figures for the installation of efficient residential CAC systems

2007	
Study	Impact Descriptions
RLW Analytics, Small Business Services Custom Measure Impact Evaluation, March 23, 2007	Verification of energy savings from custom lighting projects in the Small Business Services program.
RLW Analytics, Impact Evaluation Analysis of the 2005 Custom SBS Program, May 29, 2007	Realization rates for the Small Business Services program

# 2021 Rhode Island Test Description

---

- 1 Contents
- 1. Introduction..... 2
- 2. The RI Test Overview and Docket 4600 Benefit Cost Framework..... 3
- 3. Description of Program Benefits and Costs ..... 4
  - 3.1 Electric Energy Benefits..... 4
  - 3.2 Electric Generation Capacity Benefits..... 5
  - 3.3 Electric Transmission Capacity and Distribution Capacity Benefits ..... 6
  - 3.4 Natural Gas Benefits..... 7
  - 3.5 Delivered Fuel Benefits ..... 8
  - 3.6 Water and Sewer Benefits..... 8
  - 3.7 Non-Energy Impacts..... 8
  - 3.8 Price Effects ..... 9
  - 3.9 Non-embedded Greenhouse Gas Reduction Benefits .....10
  - 3.10 Economic Development Benefits (Non-CHP Measures) .....11
  - 3.11 Non-embedded NOx Reduction Benefits .....13
  - 3.12 Value of Improved Reliability .....13
  - 3.13 Combined Heat and Power Benefits Benefits .....14
  - 3.14 Utility Costs.....16
  - 3.15 Customer Costs.....17
- 4 Benefit Cost Calculations .....19

## 1. Introduction

This section has been prepared pursuant to Section 1.3(C) and 3.2(N) of the Least Cost Procurement Standards as approved and adopted pursuant to Order No. 23890 in Docket No. 5015<sup>1</sup> (referred to herein as the “LCP Standards”), and in alignment with the Rhode Island Benefit Cost Test (RI Test) as defined by the Standards and the Docket 4600 Benefit-Cost Framework.

The source for many of the avoided cost value components is “Avoided Energy Supply Components in New England: 2018 Report” (2018 AESC Study) prepared by Synapse Energy Economics for AESC 2018 Study Group, as Amended on October 24, 2018. This report was sponsored by all the electric and gas efficiency program administrators in New England and is designed to be used for cost effectiveness screening in 2019 through 2021. The avoided costs from this study are also used in the 2021 – 2023 Three Year Energy Efficiency Plan.

National Grid anticipates that an update will be made prior to the 2022 Annual Energy Efficiency Plan to incorporate an updated set of avoided costs from the regional avoided cost study (AESC 2021) that is ongoing at the time of this plan and is anticipated to be completed by early 2021. Additional benefits and costs may be added in future Annual Plans and the component values may be updated over the course of the three year period based on the availability of new study results. Future updates to inputs and values will be included in future Annual Plan filings.

---

<sup>1</sup> RI PUC Docket 5015, Least Cost Procurement Standards

[http://www.ripuc.ri.gov/eventsactions/docket/5015\\_LCP\\_Standards\\_05\\_28\\_2020\\_8.21.2020%20Clean%20Copy%20FINAL.pdf](http://www.ripuc.ri.gov/eventsactions/docket/5015_LCP_Standards_05_28_2020_8.21.2020%20Clean%20Copy%20FINAL.pdf)



## 2. The RI Test Overview and Docket 4600 Benefit Cost Framework

The RI Test compares the present value of a stream of **net benefits** associated with the **net savings** of an energy efficiency measure or program **over the life** of that measure or program to the total costs necessary to implement the measure or program. The RI Test may be applied to any energy efficiency program independent of the primary fuel or resource the effort focuses on.

The RI Test captures the value created by efficiency measures installed in a particular program year over the useful life of the measure. The measure life is based on the technical life of the measure modified to reflect expected measure persistence. Because the RI Test captures the value associated with a stream of benefits over a period of time, the benefits from a measure are present valued so that costs and benefits may be compared.

The benefits calculated in the RI Test are the avoided resource supply and delivery costs, valued at marginal cost for the periods when there is a load reduction, as well as the monetized value of non-resource savings.

The program costs are those paid by both the utility and by participants plus the increase in supply costs for any period when load is increased. All equipment, installation, O&M, removal, evaluation and administration costs are included.

All savings included in the value calculations are net savings. The expected net savings are typically an engineering estimate of savings modified to reflect the actual realization of savings based on evaluation studies. The expected net savings also reflect market effects due to the program. The RI Test captures the combined effects of a program on both the participating customers and those not participating in a program. From a resource acquisition perspective, if the program induces participants or non-participants to acquire energy efficiency devices without program expenditures, these effects—known as spillover—should be attributed as program benefits in the RI Test. The costs incurred by customers to acquire equipment on their own are also counted as costs in the RI Test.

On the other hand, if a customer accepts program funds to implement an energy efficiency measure they would have done anyway, the savings associated with this practice is known as “free ridership.” From the perspective of resource acquisition through utility programs, it is important to distinguish whether the customer would have implemented the efficiency measure without the program. Therefore, savings associated with free-ridership are deducted from program savings.<sup>2</sup>

The benefits and costs considered in the RI Test as applied to Energy Efficiency and Active Demand Response are detailed in the next section.

---

<sup>2</sup> Both free-ridership and spillover have been determined from evaluation, measurement, and verification studies of program participants, non-participants, and other market actors.

### 3. Description of Program Benefits and Costs

The following benefits and costs are included as quantified and monetized in the RI Test. They are listed here with details after. Section **Error! Reference source not found.** of this document shows the alignment of each of these benefit and cost categories to the Docket 4600 Benefit-Cost Matrix for the electric portfolio.

- ❖ Electric Energy Benefits
- ❖ Electric Generation Capacity Benefits
- ❖ Electric Transmission Capacity and Distribution Capacity Benefits
- ❖ Natural Gas Benefits
- ❖ Fuel Benefits (including the value of delivered fuel savings from programs that influence delivered fuel consumption)
- ❖ Water and Sewer Benefits
- ❖ Non-Energy impacts
- ❖ Price Effects
- ❖ Non-embedded Greenhouse Gas Reduction Benefits
- ❖ Economic Development Benefits
- ❖ Non-embedded NOx Reduction Benefits
- ❖ Value of Improved Reliability
- ❖ Combined Heat and Power Benefits
- ❖ Utility Costs
- ❖ Participant Costs

#### 3.1 Electric Energy Benefits

Avoided electric energy costs are appropriate benefits for inclusion in the RI Test. When consumers do not have to purchase electric energy because of their investment in energy efficiency, an avoided resource benefit is created.

Electric energy savings are valued using the avoided electric energy costs developed in the 2018 AESC Study, Appendix B. The values in the AESC Study represent wholesale electric energy commodity costs that are avoided when generators produce less electricity because of energy efficiency.<sup>3</sup> They include pool transmission losses incurred from the generator to the point of delivery to the distribution companies, the costs of renewable energy credits borne by generators, and a wholesale risk premium that captures market risk factors typically recovered by generators in their pricing. The avoided energy costs also internalize the expected cost of complying with current or reasonably anticipated future regional or federal greenhouse gas reduction requirements which are borne by generators and passed through in wholesale costs.

---

<sup>3</sup> Avoided costs may be viewed as a proxy for market costs. However, avoided costs may be different from wholesale market spot costs because avoided costs are based on simulation of market conditions, as opposed to real-time conditions. They may be different from standard offer commodity costs because of time lags and differing opinions on certain key assumptions, such as short term fuel costs.

The avoided energy costs in the 2018 AESC Study are provided in four different costing periods consistent with ISO-NE definitions. Net energy savings are split up into these periods in the value calculation. The time periods are defined as follows:

- Winter Peak: October – May, 7:00 a.m. – 11:00 p.m., weekdays excluding holidays.
- Winter Off-Peak: October – May; 11:00 p.m. – 7:00 a.m., weekdays. Also including all weekends and ISO defined holidays.
- Summer Peak: June – September, 7:00 a.m. – 11:00 p.m., weekdays excluding holidays.
- Summer Off-Peak: June – September; 11:00 p.m. – 7:00 a.m., weekdays. Also including all weekends and ISO defined holidays.

In the benefits calculation, energy savings are grossed up using factors that represent transmission and distribution losses because a reduction in energy use at the customer means that amount of energy does not have to be generated, plus the extra generation that is needed to cover the losses that occur in the delivery of that energy is not needed.

Net energy savings for a program (or measures aggregated within a program) are allocated to each one of these time periods and multiplied by the appropriate avoided energy value.<sup>4</sup> The dollar benefits are then grossed up using the appropriate loss factors representing losses from the ISO delivery point to the end use customer.

- Summer Peak Energy Benefit (\$) = kWh \* Energy%<sub>SummerPk</sub> \* SummerPk\$/kWh<sub>(@Life)</sub> \* (1 + %Losses<sub>SumPk-kWh</sub>)
- Summer OffPeak Energy Benefit (\$) = kWh \* Energy%<sub>SummerOffPk</sub> \* SummerOffPk\$/kWh<sub>(@Life)</sub> \* (1 + %Losses<sub>SummerOffPk-kWh</sub>)
- Winter Peak Energy Benefit (\$) = kWh \* Energy%<sub>WinterPk</sub> \* WinterPk\$/kWh<sub>(@Life)</sub> \* (1 + %Losses<sub>WinterPk-kWh</sub>)
- Winter OffPeak Energy Benefit (\$) = kWh \* Energy%<sub>WinterOffPk</sub> \* WinterOffPk\$/kWh<sub>(@Life)</sub> \* (1 + %Losses<sub>WinterOffPk-kWh</sub>)

### 3.2 Electric Generation Capacity Benefits

Avoided electric generation capacity values are appropriate for inclusion in the RI Test. When generators do not have to build new generation facilities or when construction can be deferred because of consumers' investments in energy efficiency, an avoided resource benefit is created. In the New England capacity market, capacity benefits accrue because demand reduction reduces ISO-NE's installed capacity

---

<sup>4</sup> The notation “@Life” in the equation for value for this and other value components is an indication that the avoided value component for each benefit (e.g., electric energy, capacity, natural gas, etc.) is the cumulative net present value (in 2020 dollars) of avoided costs for each year of the planning horizon from the base year over the life of the measure. For example, the avoided value component for a measure with an expected life of ten years for any given benefit component is the sum of the net present value of the annual avoided costs for that component in Year 1, Year 2, Year 3, etc., through Year 10.

requirement. The capacity requirement is based on load's contribution to the system peak, which, for ISO-NE, is the summer peak. Therefore, capacity benefits accrue only from summer peak demand reduction; there is currently no winter generation capacity benefit.

Demand savings created through program efforts are valued using the avoided capacity values from the 2018 AESC, Appendix B. The values contained in the study reflect the avoided cost of peaking capacity, and incorporate a reserve margin and losses incurred from the generator to the point of delivery to the distribution companies. ISO-New England reserve margins are incorporated into the capacity values, since energy efficiency avoids the back-up reserves for that generation as well as the generation itself. A loss factor representing losses from the ISO delivery point to the end-use customer is used as a multiplier, since those losses are not included in the avoided costs. Demand savings are calculated to be coincident with the ISO-NE definition of peak.

The dollar value of benefits are therefore calculated as:

- $\text{Generation Capacity Benefit}(\$) = \text{kW}_{\text{Summer}} * \text{GenerationCapValue}\$/\text{kW}_{(\text{@Life})} * (1 + \% \text{Losses}_{\text{SummerkW}})$

In addition to the traditional valuation of electric generation capacity, for which results are provided in Appendix B, the 2018 AESC study developed a new approach to valuing the capacity of short duration measures that are not actively bid in the ISO-New England Forward Capacity Market (FCM). The AESC study has always provided avoided electric generation capacity values that are differentiated based on whether a measure is bid in the FCM (cleared capacity) or is not bid in the FCM and passively reduces system load and, as a result, reduces the ISO-NE load forecast and the resulting amount of capacity that is procured through the FCM (uncleared capacity), with the overall avoided capacity value representing a weighted average of the cleared capacity and uncleared capacity values. Given the three year forward nature of the FCM and the timing of the ISO-NE load forecast, it takes five years from the time of load reduction for uncleared capacity to begin impacting the FCM procurements. As a result, measures with a useful life less than five years (ex. demand response) would not produce any generation capacity benefits in years 1-5 under the traditional capacity modeling methodology.

The 2018 AESC study conducted a detailed analysis of the ISO-NE load forecast methodology and determined that there are deferred capacity benefits for short duration measures that are not bid in the FCM which persist beyond the useful measure life of the measure. The logic behind this analysis is that the ISO-NE load forecast utilizes multiple years of historical load data and that even a load reduction for only one year will have a lasting impact on the load forecast for a number of years. The deferred capacity valuation methodology for uncleared capacity is used to determine the avoided electric generation capacity value for demand response measures based on the values provided in Appendix J of the 2018 AESC study.

### 3.3 Electric Transmission Capacity and Distribution Capacity Benefits

Avoided transmission and distribution capacity values are appropriate for inclusion in the RI Test. When transmission and distribution facilities do not have to be built or can be deferred because of lower loads as a result of consumers' investments in energy efficiency, an avoided resource benefit is created.

Electric distribution capacity benefits are valued in the RI Test using avoided distribution capacity values calculated in a spreadsheet tool that was developed in 2005 by ICF International, Inc., updated with recommendations from the 2018 AESC Study. The tool calculates an annualized value of statewide avoided distribution capacity values from company-specific inputs of historic and projected capital expenditures and loads, as well as a carrying charge calculated from applicable tax rates and Federal Energy Regulatory Commission (FERC) Form 1 accounting data.

Electric transmission capacity benefits are valued in the RI Test based on the costs of Pool Transmission Facilities (PTF). The 2018 AESC study calculates an avoided cost for PTF of \$94/kW-year in 2018 dollars. Based on recommendations from the 2018 AESC Study, the Company is using the PTF costs instead of local transmission investments.

Capacity loss factors are applied to the avoided T&D capacity costs to account for local transmission and distribution losses from the point of delivery to the distribution company's system to the ultimate customer's facility. Thus, losses will be accounted for from the generator to the end use customer.

T&D benefits could be allocated to summer and winter periods, depending on the relation between summer and winter peaks on the local system. However, the Company's system is summer peaking. Therefore, the T&D benefits will be exclusively associated with summer demand reduction and the dollar value will be calculated as follows:

- Transmission Benefit (\$) =  $(kW_{\text{Summer}} * \text{Trans}\$/kW_{(\text{@Life})} * [1 + (\text{Losses}_{\text{SumkWTrans}})])$
- Distribution Benefit (\$) =  $(kW_{\text{Summer}} * \text{Dist}\$/kW_{(\text{@Life})} * [1 + (\text{Losses}_{\text{SumkWDist}})])$

### 3.4 Natural Gas Benefits

Avoided natural gas consumption is appropriate for inclusion in the RI Test. When a project in which consumers have invested saves natural gas, an avoided resource benefit is created.

Natural gas benefits in the RI Test are valued using avoided natural gas values from the 2018 AESC Study, Appendix C. These costs include commodity, transportation, and retail delivery charges that would be avoided by fuels not consumed by end users.

The AESC Study Report presents avoided natural gas value components into end-use categories to match with individual program characteristics. The natural gas categories are:

- Commercial and industrial, non-heating. This assumes savings are constant throughout the year and averages monthly natural gas values over 12 months.
- Commercial and industrial, heating. Averages the monthly values for the months of November through March.
- Residential heating. Averages the monthly values for the months of November through March. As these months have the highest natural gas values, by averaging over a fewer number of months, natural gas savings in this category typically have the highest value.

- Domestic hot water. This assumes savings are constant throughout the year and averages monthly natural gas values over 12 months.

Using each of these end-use value components, the dollar value of fuel benefits is calculated as:

- Natural Gas Benefits (\$) = MMBtu Gas Savings \* (Gas\$/MMBTU<sub>(EndUseCategory,@Life)</sub> + Greenhouse Gas \$/MMBTU<sub>(@Life)</sub>)

### 3.5 Delivered Fuel Benefits

Avoided delivered fuel costs (natural gas, propane, or fuel oil) are appropriate for inclusion in the RI Test. When a project in which consumers have invested saves fuel an avoided resource benefit is created.

Fuel benefits in the RI Test are valued using avoided fuel values from the 2018 AESC Study, Appendix D. The fuel oil categories are Residential #2, Commercial #2, Commercial #4, and Commercial and Industrial #6.

Using each of these end-use value components, the dollar value of fuel benefits is calculated as:

- Fuel Benefits (\$) = MMBTU\_Fuel Savings \* Fuel\$/MMBTU<sub>(EndUseCategory,@Life)</sub>

### 3.6 Water and Sewer Benefits

Water savings created from program efforts should be valued and included in the RI Test. Water savings can be valued using avoided water and sewer values that are based on average water and sewer rates in Rhode Island. While there are no specific water efficiency measures, when a project in which consumers have invested to save electricity or fuel also affects water consumption—for example, a cooling tower project that reduces makeup water needed—a resource benefit is created. Depending on the project and metering configuration, changes in water consumption may also affect sewerage billings.

Water and sewerage rates were determined from an April 2020 internet survey of rates posted to the Rhode Island PUC website, updated as of October 25, 2018. Average rates were calculated for both residential and commercial and industrial customers and applied as appropriate to the water savings generated by measures.<sup>5</sup>

Water and sewer benefits are counted for all projects, where appropriate, and calculated as follows:

- Water and Sewerage Benefits (\$) = Water and/or Sewerage Savings \* Water and/or Sewer \$/Gal<sub>(@Life)</sub>

---

<sup>5</sup> RI Regulated Water Suppliers – Rates Updated October 25, 2018,  
<http://www.ripuc.ri.gov/utilityinfo/water/residentialgri.html>

### 3.7 Non-Energy Impacts

Other quantifiable non-resource or non-energy impacts may be created as a direct result of Least Cost Procurement efforts and, are therefore appropriate for inclusion in the RI Test. Non-energy impacts are typically associated with the number of measures installed, rather than the energy consumption of the equipment, however in some cases they are applied on an annual or one-time basis based on energy saved. They may be positive or negative. They may be one time benefits or recur annually. These effects will be included when they are a direct result of the measure and when they are quantifiable and avoidable.

The specific values of non-energy impacts used in the 2021 Annual Plan for prescriptive measures are documented in the 2021 RI Technical Reference Manual. Non-energy impacts may include – but are not limited to – labor, material, facility use, health and safety, materials handling, property values, and transportation. For income-eligible measures, non-energy impacts also include the impacts of having lower energy bills to pay, such as reduced arrearages or avoided utility shut off costs. Non-energy impacts for Commercial and Industrial custom measures are counted when supported by site specific engineering calculations or other analyses.

The dollar value of non-resource benefits will be calculated as follows

- One-time Non-energy impacts (\$) = Non-energy impact (\$)/unit \* Number of units
- Annual Non-energy impacts (\$) = Non-energy impact (\$)/unit \* Number of units \* Present Worth Factor<sub>(@Life)</sub>

### 3.8 Price Effects

The Demand-Reduction-Induced Price Effect (DRIPE) is the reduction in prices in energy and capacity markets resulting from the reduction in need for energy and/or capacity due to efficiency and/or demand response programs. Consumers' investments in energy efficiency avoid both marginal energy production and capital investments, but also lead to structural changes in the market due to lower demand. Over a period of time, the market adjusts to lower demand, but until that time the reduced demand leads to a reduction in the market price of electricity. This is observed in the New England market when ISO-New England activates its price response programs. When this price effect is a result of consumers' investments in energy efficiency, it is appropriate to include it in the RI Test.

DRIPE effects are very small when expressed in terms of an impact on market prices, i.e., reductions of a fraction of a percent. However, the DRIPE impacts are significant when expressed in absolute dollar terms over all the kWh and kW transacted in the market. Very small impacts on market prices, when applied to all energy and capacity being purchased in the market, translate into large absolute dollar amounts.

DRIPE values developed for energy efficiency installations in 2021 from the 2018 AESC Study are used in the RI Test. The price effects are expressed as \$/kWh for each of the four energy costing periods, \$/kW for capacity, \$/MMBtu for natural gas, and \$/MMBtu for oil. There are also cross fuel effects that apply when natural gas energy efficiency affects the price of electricity due to the fact that residential heating and electric generation compete for natural gas supply in the winter. The resulting scarcity of natural gas

for generation may drive up the cost of electricity. Therefore, reduction in natural gas consumption due to energy efficiency may cause a price effect for electricity. (Even though the price effect is in electricity, that DRIPE benefit is converted to \$/MMBtu so that it can be attributed to the gas savings that create the effect.) In addition, reducing demand for petroleum and refined products leads to a reduction in oil prices. The DRIPE benefit is calculated as:

- Summer Peak Energy DRIPE Benefit (\$) = kWh \* Energy%<sub>SumPk</sub> \* (SummerPkDRIPE\$/kWh<sub>@Life</sub>+ElectricGasDRIPE\$/kWh) \* (1 + %Losses<sub>SummerPk-kWh</sub>)
- Summer OffPeak Energy DRIPE Benefit (\$) = kWh \* Energy%<sub>SumOffPk</sub> \* (SumOffPkDRIPE\$/kWh<sub>@Life</sub> +ElectricGasDRIPE\$/kWh) \* (1 + %Losses<sub>SummerOffPk-kWh</sub>)
- Winter Peak Energy DRIPE Benefit (\$) = kWh \* Energy%<sub>WinterPk</sub> \* (WinterPkDRIPE\$/kWh<sub>@Life</sub>+ElectricGasDRIPE\$/kWh) \* (1 + %Losses<sub>WinterPk-kWh</sub>)
- Winter OffPeak Energy DRIPE Benefit (\$) = kWh \* Energy%<sub>WinOffPk</sub> \* (WinterOffPkDRIPE\$/kWh<sub>@Life</sub>+ElectricGasDRIPE\$/kWh) \* (1 + %Losses<sub>WinterOffPk-kWh</sub>)
- Generation Capacity DRIPE Benefit(\$) = kW<sub>Summer</sub> \* CapDRIPEValue\$/kW<sub>@Life</sub> \* (1 + %Losses<sub>SummerkW</sub>)
- Natural Gas DRIPE Benefit (\$) = MMBTU\_Fuel Savings \* (GasDRIPEValue\$/MMBTU<sub>@Life</sub> +GasElectricDRIPE\$/MMBtu)
- Oil DRIPE Benefit (\$) = MMBTU Fuel Savings \* (OilDRIPEValue\$/MMBTU<sub>@Life</sub>)

### 3.9 Non-embedded Greenhouse Gas Reduction Benefits

In accordance with Section 1.3(C)(iii) of the LCP Standards, the RI Test includes the value of non-embedded greenhouse gas (GHG) reductions.

The 2018 AESC Study developed two approaches for calculating non-embedded cost of carbon. The first approach is based on global marginal abatement costs that yield a value of \$100 per short ton of CO<sub>2</sub> emissions and is identical to the prior 2015 AESC Study value used in the 2018 and 2019 Plans. The second approach is based on New England specific marginal abatement costs, where it is assumed that the marginal abatement technology is offshore wind. On October 24, 2018 an amendment to the 2018 AESC Study was issued that corrected assumptions related to the calculation of offshore wind costs. Based on this corrected projection of the future costs of offshore wind energy, the 2018 AESC Study amendment establishes a New England specific cost of \$68 per short ton.

The Company proposes to apply the updated value of \$68 per short ton in the RI Test as the estimate of the societal cost of carbon emissions, and as the long-term value of the cost to achieve the Resilient Rhode Island Act carbon emission reduction goal of 80% below 1990 levels by 2050. The Company is moving from the global to New England specific value as it represents a conservative and reasonable non-embedded carbon price that reflects the likely marginal abatement technology for Rhode Island in achieving its carbon reduction goals.

The costs of compliance with the Regional Greenhouse Gas Initiative (RGGI) are already included or “embedded” in the projected electric energy market prices. Therefore, the difference between the \$68



per short ton societal cost and the RGGI compliance costs already embedded in the projected energy market prices represents the value of carbon emissions not included in the avoided energy costs.

An example of this calculation for the year 2021 is shown below. The resulting \$56.86 non-embedded avoided cost is applied as a benefit in the RI Test in that year.

- Societal Cost (\$68) – Embedded RGGI Compliance Cost (\$11.14) = Non-Embedded Cost (\$56.86)

The Company obtained the non-embedded CO<sub>2</sub> values from the following tables in the 2018 AESC Study for use in the RI Test cost-effectiveness screening: Table 154 for electric savings and Table 156 for gas savings and oil savings.

### 3.10 Economic Development Benefits (Non-CHP Measures)

In accordance with the Docket 4600 Framework, the RI Test includes the application of multipliers for economic development impacts to all energy efficiency measures. This section details the methodology for applying economic benefits to non-CHP measures. Section number 13 in this document refers to the application of economic benefits to CHP measures.

The macroeconomic multipliers for the economic growth and job creation benefits of investing in cost-effective energy efficiency are derived from a recent study “Review of RI Test and Proposed Methodology” prepared for National Grid by the Brattle Group, January 31, 2019. The revised multipliers resulting from this study and methodology were first incorporated in the screening of the 2020 portfolio of programs.

The Brattle Group study recommend the following key changes to the previous methodology used in “Macroeconomic Impacts of Rhode Island Energy Efficiency Investments, REMI Analysis of National Grid’s Energy Efficiency Programs,” National Grid Customer Department, November 2014, which developed the prior economic impact benefit multipliers for use in the RI Test:

1. The allocation of spending, benefits, and costs to sectors in REMI based on the breakdowns found in each program spending budget and projected benefits instead of the use of total overall Energy Efficiency Plan values. This provides for a program specific economic impact that more accurately reflects how the implementation of each program impacts the RI economy.
2. Changing the allocation of energy efficiency program spending to sectors in the REMI model from using a generic study to using actual electric and gas program budget data that more accurately reflects where money gets spent in the economy.
3. The exclusion of rebates and incentives for Residential Lighting, Home Energy Reports, HVAC, Residential Products, Residential New Construction (RNC) and Large Commercial New Construction from the REMI analysis.
4. Accounting for the negative impacts that reduced energy consumption has on transmission, distribution, and generation spending in Rhode Island.
5. Avoiding double counting of ratepayer benefits and costs in the RI Test by only counting their indirect and induced economic impacts.

These changes provide for a more accurate accounting of the net-incremental benefits of Rhode Island’s energy efficiency programs beyond what is already claimed in the RI Test. The revised run of the REMI regional economic model of Rhode Island to estimate these economic impacts yielded the following program-specific multipliers for use in the RI Test.

<b>Program Type</b>	<b>GDP/\$ Program Spending</b>
<b>Electric Program</b>	
<i>Residential</i>	
Residential New Construction (RNC)	\$1.40
HVAC	\$1.42
EnergyWise	\$0.93
EnergyWise Multifamily	\$1.34
Residential Lighting	\$1.59
Residential Products	\$1.52
Home Energy Reports	\$1.00
Single Family - Income Eligible Services	\$0.86
Income Eligible Multifamily	\$1.19
<i>Commercial and Industrial</i>	
Large Commercial New Construction	\$3.11
Large Commercial Retrofit	\$5.80
Small Business Direct Install	\$1.97
<b>Total Electric Portfolio</b>	<b>\$2.14</b>

<b>Gas Program</b>	
<i>Residential</i>	
ENERGY STAR® HVAC	\$0.83
EnergyWise	\$1.01
EnergyWise Multifamily	\$1.63
Home Energy Reports	\$1.06
Residential New Construction	\$0.22
Single Family - Income Eligible Services	\$0.99
Income Eligible Multifamily	\$1.55
<i>Commercial and Industrial</i>	
Large Commercial New Construction	\$1.42
Large Commercial Retrofit	\$2.53
Small Business Direct Install	\$1.75
Commercial & Industrial Multifamily	\$1.89
<b>Total Gas Portfolio</b>	<b>\$1.26</b>
<b>Demand Response</b>	
Residential Connected Solutions	\$0.83
Commercial Connected Solutions	\$2.19
<b>Total Demand Response Portfolio</b>	<b>\$2.02</b>

The Company applied the updated multipliers at the program level as part of the RI Test.

### 3.11 Non-embedded NO<sub>x</sub> Reduction Benefits

In accordance with Section 1.3(C)(iii) of the Standards and the Docket 4600 Benefit-Cost Framework, the RI Test includes the value of nitrogen oxides (NO<sub>x</sub>) emission reductions not already embedded in the avoided cost of energy.

NO<sub>x</sub> emissions come from a variety of sources including industrial processes and the combustion of natural gas for electric generation and heating systems. NO<sub>x</sub> contributes to the formation of fine particles (PM) and ground level ozone that are associated with adverse health effects including respiratory illness. When a consumer installs an energy efficiency measure that reduces electric generation and natural gas usage, and thus NO<sub>x</sub> emissions, an avoided resource benefit is created.

The 2018 AESC Study utilizes published averages for the continental United States to develop a non-location specific, non-embedded NO<sub>x</sub> emission cost of \$31,000 per ton of nitrogen, which translates into an avoided wholesale cost for NO<sub>x</sub> of \$1.65 per MWh.

The Company obtained the non-embedded NO<sub>x</sub> values from the following tables in the 2018 AESC Study: Table 157 for electricity and Table 158 for non-electric fuels.

### 3.12 Value of Improved Reliability

In accordance with the Docket 4600 Benefit-Cost Framework, the RI Test includes the value of improved reliability from energy efficiency investments.

The 2018 AESC Study used the following methodology to determine the value of improved reliability. The study used the value of lost load (VoLL) from the Lawrence Berkeley National Laboratories (LBNL) assessment “Updated Value of Service Reliability Estimates for Electric Utility Customers in the United States.” Berkeley: LBNL, 2015. LBNL-6941E. The VoLL describes the cost to consumers of being unable to take power from the system. The AESC 2018 Study then applied customer segment ratios typical to New England to adjust the LBNL findings to be suitable for the region. The resulting value is \$37/kWh. The study also computed an estimate of the value of reliability as the ratio of annual state Gross Domestic Product (GDP) to annual energy consumption which results in a lower bound of \$12/kWh.

The 2018 AESC Study then examined the effect of load reduction’s ability to increase reserve margins in the ISO New England (ISO-NE) Forward Capacity Market (FCM) and therefore increase reliability in the wholesale generation market.

Load reductions can improve generation reserves in the following ways:

1. To the extent that energy efficiency reduces the capacity clearing price in ISO-NE FCM auctions, the amount of capacity acquired will increase, leading to higher reserve margins and therefore increased reliability.
2. Lower capacity market prices will result in some additional supply resources not clearing in the FCM auction. Some of those resources will continue to operate and provide generation when supply is tight and prices are high.
3. The ISO-NE Competitive Auctions with Sponsored Policy Resources (CASPR) program will result in some resources supported by state mandates being excluded from participating in the FCM auctions. With lower load, these non-cleared capacity resources will create a contribution to reserves and reliability.
4. Some energy efficiency measures that reduce load do so without impacting the amount of cleared capacity in the FCM such as measures in behavior based programs and demand response programs not bid into the market. These load reductions will increase the reserve marking and therefore improve reliability.

The ISO-NE marginal reliability index (MRI) estimates values from the above impacts of load reduction. The MRI is the change in loss of energy expectation (LOEE) in MWh, for each additional MW of available capacity or reserve margin. The 2018 AESC Study calculated the final values per kW-month for increased reserve capacity, by multiplying the two estimates of the VoLL by the FCM Auction 12 MRIs at various clearing prices, with the corresponding reserve margins.

As recommended by the AESC 2018 Study, the Company applies different reliability values to measures that clear and don’t clear the Forward Capacity Market auction. This is due to the fact that the reliability effect of cleared energy efficiency load reductions will be partially offset by reduction in the amount of other capacity cleared, while uncleared load reductions will not be subject to such offsets.

The Company applied Reliability Value of Cleared EE (\$/kW-year) from AESC 2018 Study to all summer kW savings associated with cleared measures and the Reliability Value of Uncleared EE (\$/kW-year) from Table 99 to all summer kW savings associated with uncleared measures.

The reliability benefit is calculated as follows with the ReliabilityValue\$/kW changing whether a measure is assumed to be cleared or uncleared in the FCM auction. The 2018 AESC Study finds that the 15-year levelized benefit of increasing generation reserves through reduced energy usage is \$0.65/kW-year for cleared resources and \$6.60/kW-year for uncleared load reductions.

- Wholesale Reliability Value Benefit (\$) =  $kW_{Summer} * ReliabilityValue\$/kW(@Life) * (1 + \%LossesSummerkW)$

### 3.13 Combined Heat and Power Benefits

R.I.Gen.Laws §39-1-27.7(c) (6) (iii) directs the Company to support the development of combined heat and power (CHP). The law requires that the following criteria be factored into the Company's CHP plan: (i) economic development benefits in Rhode Island; (ii) energy and cost savings for customers; (iii) energy supply costs; (iv) greenhouse gas emissions standards and air quality benefits; and (v) system reliability benefits.<sup>6</sup> Of these, energy and cost savings and energy supply costs are captured in the energy benefits described above. The other three benefits – economic development, greenhouse gas, and system reliability benefits – are described here.

#### Economic Development

For all CHP projects, net economic development benefits will be counted as benefits. The rate of economic development benefit will be \$2.13 of lifetime gross state product increase per dollar of program investment for CHP projects less than 3 MW in size, based on the report, "Review of RI Test and Proposed Methodology" prepared for National Grid by the Brattle Group, January 31, 2019. The \$2.13 multiplier reflects the present value of lifetime state gross domestic product (GDP) effects of program and participant spending that creates jobs in construction and other industries as the project is planned, and equipment is purchased and installed. Therefore, the CHP Economic Development benefits will be calculated as:

- Program and participant spending(\$) $\times$  \$2.13

For CHP projects larger than 3 MW in size, the Company will run a REMI analysis using project-specific values in accordance with the recommended methodology from the Brattle Group study.<sup>7</sup>

---

<sup>6</sup> See R.I. Gen. Laws §39-1-27.7(c) (6) (iii).

<sup>7</sup> In the 2021 Benefit Cost Model, the Company applied a weighted average economic multiplier to the C&I Retrofit program that accounts for the economic multipliers for C&I Retrofit and CHP. CHP expenditures, besides incentives, are not disaggregated from the rest of the expenditures for the C&I Retrofit program so the multiplier cannot be applied directly to program spending for CHPs. Therefore, the Company created a multiplier applicable

#### Greenhouse gas emissions standards and air quality benefits

For all CHP projects, greenhouse gas mitigation and air quality benefits will be counted as benefits to the extent they are not already captured in the BCR screening values and to the extent that usable emissions data is available. The emissions profile of the CHP site facility prior to the installation of the retrofit (most likely a combination of grid supplied generation for electricity and an on-site boiler for thermal needs) will be compared to the emissions post-retrofit (most likely the CHP unit alone). The change in emissions in tons will be multiplied by a value of \$/ton for each pollutant and the values will be summed over all pollutants and counted as a benefit in the benefit/cost calculation. This method is contingent on having emissions data for all pollutants. This information is often difficult to come by; for example, ISO-New England annually publishes emissions per kWh for only SO<sub>x</sub>, NO<sub>x</sub>, and CO<sub>2</sub>. Similarly, the amount of emissions for all pollutants associated with a particular CHP unit is not always provided. Where locational information is not available, the value of CO<sub>2</sub> emission reductions and NO<sub>x</sub> reductions will be calculated consistent with sections 9 and 11 above.

#### System Reliability

If a CHP project is proposed in a system reliability target area, the system reliability benefits from deferring a distribution system upgrade would be captured in the System Reliability Procurement report. In the context of CHP located elsewhere in the state, system reliability benefits are the local distribution benefits created by the introduction of the CHP unit in the local area. Notably, CHP projects do not produce the same level of deferred distribution investment savings described in Section (3) above, as traditional energy efficiency.<sup>8</sup> Accordingly, the distribution benefits are modified as follows:

- For CHP systems of less than 1 MW net capacity, the distribution deferral benefit value estimated by the Company based on system wide averages will be multiplied by 0.75 to incorporate an estimate of the reliability experience of discrete deployment of CHP units compared with end-use reduction efficiency measures which are spread across the state;<sup>9</sup>

---

to both CHP and C&I Retrofit by taking a weighted average of the two multipliers, weighted by incentives to be spent on CHP and the rest of C&I Retrofit projects. The final weighted average multiplier applied to the total C&I Retrofit program, including CHP, was \$5.63.

<sup>8</sup> With traditional energy efficiency projects, the installed measures permanently reduce load on the electric distribution system and, therefore, reduce the need to make distribution investments. CHP projects may not result in similar deferred distribution investment savings. A CHP unit may not be available at all peak times, and, absent any contractual or mechanical modification to ensure that the load does not reappear, the Company will still need to design and maintain the distribution system for when that unit goes off line during a peak hour on a peak day. This is particularly significant with larger CHP projects, in which a single host customer represents a significant percentage of the total load on a feeder. With multiple smaller units, some level of savings is possible, but these units are still not likely to produce distribution benefits in the same manner as traditional energy efficiency.

<sup>9</sup>As explained in footnote 11, *supra*, while multiple small CHP units may produce some level of savings, these units are still not likely to produce distribution benefits in the same manner as traditional energy efficiency. Therefore, the 0.75 factor is adopted as a planning assumption to represent the contingency that, when a single CHP unit on a feeder fails to perform, the load reappears on the system. As more CHP units, particularly smaller units, are deployed in the state, the diversity of operation may allow the adjustment factor to be increased. The Company intends to review this planning assumption based on actual experience for future EE Program Plan filings.

- For CHP systems equal to or greater than 1 MW net capacity, the distribution benefit will consider location-specific distribution benefits, as opposed to average system-wide benefits. The results of this analysis will replace the adjusted 0.75 of average system-wide distribution benefit described for CHP projects of less than 1 MW. This may entail a detailed engineering analysis performed by the Company, and additional costs. This consideration will have two parts: 1) identification of foreseeable investments that the CHP installation could potentially help defer, and their value; and 2) whether the unit will be sufficiently reliable, or firmed through the provision of physical assurance by the customer, to enable such savings to be realized;
- For CHP projects of 1 net MW or greater, gas system benefits not paid out as incentives to the Customer via the AGT incentive or gas service contract terms will be counted as benefits.<sup>10</sup>

### 3.14 Utility Costs

Utility costs incurred to achieve implementation of energy efficiency measures and programs are appropriate for inclusion in the RI Test. These costs have been categorized as follows:

- Program Planning and Administration (PP&A): These costs are the administrative costs associated with the utility role in program delivery, including payroll, information technology, contract administration, and overhead expenses.
- Marketing: These are the costs of marketing and advertising to promote a program. The costs also include the payroll and expenses to manage marketing.
- Cost of services and product rebates/incentives provided to customers: These are the incentives from the programs to customers to move them to install energy efficient equipment. Incentives include, but are not limited to, rebates to customers, copayments to vendors for direct installation of measures, payments to distributors to buy down the cost of their products for sale in retail stores, payments to vendors to create and deliver information, the cost of an education course, or payments to lenders to buy down the interest in a loan. Customer incentives typically cover a portion of the equipment and installation costs directly associated with the energy efficient equipment being installed.<sup>11</sup> For a retrofit project, the customer incentives cover a portion of the full cost of the efficiency project, as it is assumed that the alternative to the project is no customer action. For a failed equipment replacement/renovation/new construction project, these customer incentives cover a portion of the incremental additional costs associated with moving to a higher efficiency item or practice compared to what the customer would have done otherwise.
- Sales, Technical Assistance, and Training (STAT): These costs include the training and education of the trade ally community regarding the company's current energy efficiency programs. Examples of trade allies include but are not limited to: equipment vendors, heating contractors, lead vendors, project expeditors, weatherization contractors, and equipment installers. These costs also include

---

<sup>10</sup> For example, a 3 MW installation with an additional sales volume of approximately 150,000 Dth per year would generate approximately \$130,000 of marginal revenue per year under current rates. Assuming \$100,000 of capital costs, the project could qualify for up to \$573,000 in AGT funding, subject to budget limitations.

<sup>11</sup> The full cost of the efficiency project is not necessarily the same thing as the full cost of the project being undertaken by the customer. For example, a customer may be renovating an HVAC system including installation of a new chiller and chilled water distribution. While the new distribution system may be part of the construction project, if it does not contribute to energy savings, it will not be included in the efficiency project cost; only the incremental cost of the new efficient chiller will be considered.

the tasks associated with internal and contractual delivery of programs. Tasks associated with this budget category include but are not limited to: lead intake, customer service, rebate application, quality assurance, technical assessments, engineering studies, plan reviews, payroll and expenses.

- Evaluation: These are the costs of evaluation or market research studies to support program direction and post-installation studies to study program effectiveness or verification of savings estimates. These costs also include the payroll and expenses to manage the research.
- Performance Incentive: This is the incentive received by the Company for meeting specified savings goals and/or performance targets; because the Company would not implement energy efficiency programs to the extent it does without the incentive, the performance (shareholder) incentive is included in the cost of energy efficiency.

### 3.15 Customer Costs

The customer's costs include their contribution to the installation cost of the efficient measure. Typically, this is the portion of the equipment and installation cost not covered by the customer incentive. As noted above, it excludes the cost of equipment that might be part of the customer's construction project, but that is not related to the energy efficiency portion of the project.

In addition to the direct costs that customers face to purchase energy efficient equipment they may have additional costs for participating in energy efficiency programs that are not quantified and monetized. For example, a customer participating in a home energy assessment may need to spend some amount of time at home in order to facilitate the assessment, creating some time cost for the customer to participate. The magnitude and value of these additional potential time costs are unknown at this time. They would likely vary by sector, program, and possibly measure and are therefore challenging to estimate reliably.



## 4 Benefit Cost Calculations

The cost effectiveness of a measure, program, or portfolio is simply the ratio of the net present value of the benefits to the net present value of the costs.

For the 2021 Annual Plan, all costs and benefits will be expressed in constant 2020 dollars. Where escalation of avoided costs or costs is needed to produce values in 2020 dollars, appropriate inflation rates are used.

The avoided value component for each benefit (e.g., electric energy, capacity, natural gas, etc.) is the cumulative net present value (in 2020 dollars) of lifetime avoided costs for each year of the planning horizon from the base year up to the measure life of the equipment. Since all of the future year values are in constant 2020 dollars, lifetime benefits thus calculated are discounted back to mid-2020 using a real discount rate equal to  $[(1 + \text{Nominal Discount Rate}) / (1 + \text{Inflation})] - 1$ .

As prescribed by the Standards, all values in the Plan and the benefit-cost model are stated in present value terms, “using a discount rate that appropriately reflects the risks of the investment of customer funds in Least-Cost Procurement. Energy efficiency is a low-risk resource in terms of cost of capital risk, project risk, and portfolio risk.”. Specifically for the 2021 Annual Plan, the Company used a real discount rate of 0.40% equal to the twelve-month average of the historic real yields from a ten-year United States Treasury note, using the 2019 calendar year to determine the twelve-month average.

The total benefits will equal the sum of the NPV of each benefit component:

[Energy Benefits + Generation Capacity Benefits + Avoided T&D Benefits + Natural Gas Benefits + Fuel Benefits + Water & Sewer Benefits + Non-Resource Benefits + Price Effects Benefits + Non-embedded Greenhouse Gas Reduction Benefits + Economic Development Benefits + Non-embedded NOx Reduction Benefits + Value of Improved Reliability]

The total costs will equal the sum of the NPV of each cost component:

[Program Planning and Administration + Sales, Training, Technical assistance + Marketing + Rebates and Other Customer Incentives + Evaluation + Shareholder incentive + Customer Cost]

The RI Test benefit cost ratio will then equal:

Total NPV Benefits/Total NPV Costs

Per the Standards, on a program level, all benefit categories are included in the benefit/cost calculation. All cost categories, except the shareholder incentive, are included at the program level because they are tracked at that level.<sup>12</sup>

---

<sup>12</sup> Commitments, if any, of customer incentives made from one year to the next are excluded from the program costs used in the benefit/cost calculation. The costs are only counted in the year in which the incentive is paid and the savings are counted.

On a sector level, the cost of pilots, community based initiatives, sector financing, workforce development, and educational/outreach programs which are not focused on producing savings and the projected shareholder incentive, are included with the other costs in the determination of cost effectiveness. The shareholder incentive is included at this level because it is designed to achieve savings targets by sector. At a portfolio level, the allocations to the Office of Energy Resources and EERMC are also included in the cost effectiveness calculation.

Separate calculations of benefits and cost-effectiveness are provided for the electric energy efficiency programs and natural gas energy efficiency programs. Some electric energy efficiency programs are expected to produce natural gas savings in addition to electricity savings while some natural gas energy efficiency programs are expected to produce electricity savings in addition to natural gas savings. All of the resource benefits produced by a program are shown with that program. For example, an HVAC project that improves air distribution incented through the electric Large C&I Retrofit Program will produce natural gas savings when natural gas is used by the participant for heating.

## 5 Docket 4600 Benefit Cost Framework

Table 1. Alignment of RI Test to Docket 4600 Framework for 2021 Electric Energy Efficiency and Active Demand Response Portfolio

Category Level	Cat. #	Mixed Benefit-Cost, Cost, or Benefit Category	Treatment in Benefit-Cost Analysis (Quantified, Qualified, Not Treated)	Value (\$2020 NPV) or description if qualified	Description and Notes	Benefit or Cost
Power System Level	1	Energy Supply & Transmission Operating Value of Energy Provided or Saved	Quantified	\$33,516,714	Energy Efficiency Measures: Winter peak electric energy (kWh) savings are monetized for winter peak by multiplying savings during this period by the avoided retail cost of winter peak energy from Appendix B of the avoided cost schedules in the AESC 2018 study.	Benefit
				\$-	Active Demand Response Measures: The Active Demand Response program (ConnectedSolutions) only operates during the Summer at system peak times, therefore there are no winter energy benefits.	No Value
			Quantified	\$26,121,243	Energy Efficiency Measures: Winter off-peak electric energy (kWh) savings are monetized for winter peak by multiplying savings during this period by the avoided retail cost of winter off-peak energy from Appendix B of the avoided cost schedules in the AESC 2018 study.	Benefit
				\$-	Active Demand Response Measures: The Active Demand Response program (ConnectedSolutions) only operates during the Summer at system peak times, therefore there are no winter energy benefits.	No Value
			Quantified	\$21,936,466	Energy Efficiency Measures: Summer peak electric energy (kWh) savings are monetized for winter peak by multiplying savings during this period by the avoided retail cost of Summer peak energy from Appendix B of the avoided cost schedules in the AESC 2018 study.	Benefit
				\$331	Active Demand Response Measures: Summer peak electric energy (kWh) savings are monetized for winter peak by multiplying savings during this period by the avoided retail cost of Summer peak energy from Appendix B of the avoided cost schedules in the AESC 2018 study.	
			Quantified	\$13,993,389	Energy Efficiency Measures: Summer off-peak electric energy (kWh) savings are monetized for winter peak by multiplying savings during this period by the avoided retail cost of Summer off-peak energy from Appendix B of the avoided cost schedules in the AESC 2018 study.	Benefit
				\$274	Active Demand Response Measures: Summer off-peak electric energy (kWh) savings are monetized for winter peak by multiplying savings during this period by the avoided retail cost of Summer off-peak energy from Appendix B of the avoided cost schedules in the AESC 2018 study.	

Category Level	Cat. #	Mixed Benefit-Cost, Cost, or Benefit Category	Treatment in Benefit-Cost Analysis (Quantified, Qualified, Not Treated)	Value (\$2020 NPV) or description if qualified	Description and Notes	Benefit or Cost	
			Quantified	\$20,697,738	Energy Efficiency Measures: Value of avoided summer generation capacity benefit is monetized by the AESC 2018 study avoided costs	Benefit	
				\$1,076,494	Active Demand Response Measures: Value of avoided summer generation capacity benefit is monetized by the AESC 2018 study avoided costs	Benefit	
	2	Renewable Energy Credit Cost / Value	Quantified	See Notes	Wholesale cost of RECs is included in the winter peak, winter off-peak, summer peak, and summer off-peak retail energy costs from the preceding category.	Benefit	
	3	Retail Supplier Risk Premium	Quantified	See Notes	Wholesale Risk Premium is built into the retail costs of electric energy and electric capacity sourced from the AESC 2018 study and used to calculate the benefits of avoided energy and capacity.	Benefit	
	4	Forward Commitment: Capacity Value	Quantified	See Notes	Forward capacity avoided costs are included in capacity benefits.	Benefit	
	5	Forward Commitment: Avoided Ancillary Services Value	Not applicable	See Notes	Not applicable to energy efficiency	Not Applicable	
	6	Utility / Third Party Developer Renewable Energy, Efficiency, or DER costs	Quantified	\$113,948,703	National Grid costs to implement the energy efficiency portfolio (including active demand response measures). Total budget includes costs for Program Planning & Administration; Marketing; Customer Incentives; Sales Technical Assistance and Training; and Evaluation & Market Research	Cost	
	7	Electric Transmission Capacity Costs / Value	Quantified	Quantified	\$27,456,327	Energy Efficiency: Electric transmission capacity benefits are quantified by multiplying a statewide Pooled Transmission Facility (PTF) transmission value from AESC 2018 study by the summer kW saved from efficiency measures	Benefit
					\$5,664,529	Active Demand Response: Electric transmission capacity benefits are quantified by multiplying a statewide Pooled Transmission Facility (PTF) transmission value from AESC 2018 study by the summer kW saved from active Demand Response measures	Benefit
				Quantified	\$23,843,367	Energy Efficiency: Electric distribution capacity benefits are quantified by multiplying a Company-generated distribution value (\$/kW) by the summer kW saved from efficiency measures.	Benefit
					\$4,919,137	Active Demand Response: Electric distribution capacity benefits are quantified by multiplying a Company-generated distribution value (\$/kW) by the summer kW saved from active Demand Response measures	Benefit

Category Level	Cat. #	Mixed Benefit-Cost, Cost, or Benefit Category	Treatment in Benefit-Cost Analysis (Quantified, Qualified, Not Treated)	Value (\$2020 NPV) or description if qualified	Description and Notes	Benefit or Cost
	8	Electric transmission infrastructure costs for Site Specific Resources	Not applicable	See Notes	Currently no location-specific energy efficiency included, all measures offered across service territory.	Not Applicable
	9	Net risk benefits to utility system operations (generation, transmission, distribution)	Quantified	See Notes	Value of Improved Reliability benefit calculated based on reliability value from the AESC 2018 study multiplied by the avoided summer kW savings. Applies to both energy efficiency measures and active demand response measures. Values included in the row "Distribution system and customer reliability / resilience impacts"	Benefit
	10	Option value of individual resources	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost effectiveness screening of energy efficiency programs.	Undetermined
	11	Investment under Uncertainty: Real Options Cost / Value	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost effectiveness screening of energy efficiency programs.	Undetermined
	12	Energy Demand Reduction Induced Price Effect	Quantified	\$46,211,357	Energy Efficiency measures: Electric Energy (kWh) DRIPE values quantified based on the energy DRIPE values included in the AESC 2018 study. Calculated for each of winter peak, winter off-peak, summer peak, and summer off-peak.	Benefit
\$282				Demand Response measures: Electric Energy (kWh) DRIPE values quantified based on the energy DRIPE values included in the AESC 2018 study. Calculated for each of winter peak, winter off-peak, summer peak, and summer off-peak.	Benefit	
Quantified			\$2,271,796	Energy Efficiency measures: Electric Generation Capacity (kW) DRIPE value quantified by multiplying avoided summer kW by applicable capacity DRIPE values (\$/kW) from the AESC 2018 study.	Benefit	
Quantified			\$22,889,510	Demand Response measures; Electric Generation Capacity (kW) DRIPE value quantified by multiplying avoided summer kW by applicable capacity DRIPE values (\$/kW) from the AESC 2018 study.	Benefit	
Quantified			See Fuel benefits	Additional DRIPE benefits for oil fuel savings from energy efficiency measures are quantified by multiplying oil fuel savings (MMBtu) by applicable oil DRIPE values (\$/MMBtu) from the AESC 2018 study. These benefits are included in the category "Participant non-energy costs/benefits: Oil, Gas, Water, Waste Water". Active demand response measures do not have oil fuel savings and therefore do not have oil DRIPE benefits.		

Category Level	Cat. #	Mixed Benefit-Cost, Cost, or Benefit Category	Treatment in Benefit-Cost Analysis (Quantified, Qualified, Not Treated)	Value (\$2020 NPV) or description if qualified	Description and Notes	Benefit or Cost
			Quantified	See notes	Gas Resource Benefits in the Electric energy efficiency Benefit Cost Model includes Gas Supply DRIPE and Gas-Electric Cross DRIPE monetized by multiplying the gas savings attributable to the electric portfolio measures by applicable avoided cost series from the AESC 2018 study. These benefits are included in the category "Participant non-energy costs/benefits: Oil, Gas, Water, Waste Water". Active demand response measures do not have gas savings and therefore do not have gas DRIPE benefits.	
	13	Greenhouse gas compliance costs	Quantified	See notes	Cost of compliance with criteria air pollutant regulations are included in the wholesale electric energy commodity costs from the AESC 2018 study and are included in the calculation of the energy benefits in the category "Energy Supply & Transmission Operating Value of Energy Provided or Saved"	
	14	Criteria air pollutant and other environmental compliance costs	Quantified	See notes	Cost of compliance with criteria air pollutant regulations are included in the wholesale electric energy commodity costs from the AESC 2018 study and are included in the calculation of the energy benefits in the category "Energy Supply & Transmission Operating Value of Energy Provided or Saved"	
	15	Innovation and Learning by Doing	Qualified	Likely minimal value	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost effectiveness screening of energy efficiency programs. Likely a minimal value in comparison to other benefits included in RI Test, but possible value due to pilots, demonstrations, and assessments included in programs.	Benefit
	16	Distribution capacity costs	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost effectiveness screening of energy efficiency programs.	Undetermined
	17	Distribution delivery costs	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost effectiveness screening of energy efficiency programs.	Undetermined
	18	Distribution system safety loss/gain	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost effectiveness screening of energy efficiency programs.	Undetermined
	19	Distribution system performance	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost effectiveness screening of energy efficiency programs.	Undetermined
	20	Utility low income	Quantified	See Notes	Bad-debt writeoffs and reduced arrearages are included as NEIs for income eligible programs. Aggregated with other NEIs in row "Program participant / prosumer benefits / costs"	Benefit
	21		Quantified	\$118,457	Value of Improved Reliability benefit calculated based on reliability value from the AESC 2018 study multiplied by the avoided summer kW savings.	Benefit

Category Level	Cat. #	Mixed Benefit-Cost, Cost, or Benefit Category	Treatment in Benefit-Cost Analysis (Quantified, Qualified, Not Treated)	Value (\$2020 NPV) or description if qualified	Description and Notes	Benefit or Cost
		Distribution system and customer reliability / resilience impacts		\$686,544	Applies to both energy efficiency measures and active demand response measures.	Benefit
	22	Distribution system safety loss/gain	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost effectiveness screening of energy efficiency programs.	Undetermined
Customer Level	23	Program participant / prosumer benefits / costs	Quantified	\$29,351,779	Energy Efficiency measures: Participant contribution cost is the direct cost of the measure that is not covered by the customer rebate/incentive for energy efficiency measures.	Cost
				\$-	Active demand response measures: There is no customer cost for the ConnectedSolutions Active Demand Response program.	Cost
			Quantified	\$52,540,846	Quantifiable non-resource, non-energy impacts are included within the calculation of Non-Energy Impacts as described within the Non-Energy Impacts section of the 2021 Annual Plan. Non resource, non-energy impacts may include but are not limited to labor, material, facility use, health and safety, materials handling, national security, property values, and transportation.	Benefit
	24	Participant non-energy costs/benefits: Oil, Gas, Water, Waste Water	Quantified	\$7,477,472	Energy Efficiency measures: Quantification of Resource Benefits from: Natural Gas, Oil, Propane, Water & Sewage. Natural Gas Benefits are based on Appendix C of the 2018 AESC study, Oil and Propane Benefits are based on Appendix D of the 2018 AESC study, Water & Sewage Benefits are derived from an internet survey of rates posted to the RI PUC website.	Benefit
				\$-	Active demand response measures: no corresponding benefits for oil, gas, water, wastewater in the Active Demand Response benefit cost analysis so this value is zero	Benefit
	25	Low-Income Participant Benefits	Quantified	See Notes	Low-Income Participant Benefits benefits are included within the calculation of Non-Energy Impacts as described within the Non-Energy Impacts section of the 2021 Annual Plan. See the category "Program participant / prosumer benefits / costs" for these benefits	Benefit
	26	Consumer Empowerment & Choice	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost effectiveness screening of energy efficiency programs.	Undetermined
27	Non-participant (equity) rate and bill impacts	Quantified	See Notes	External to cost effectiveness analysis. Bill Impacts model the effects of efficiency programs on annual customer bills by aggregating rate and consumption changes, including non-participants. Electric and natural gas rate and bill impact models included in Attachment 7 of the 2021 Annual Plan	Benefit (but not included in BCA screening)	

Category Level	Cat. #	Mixed Benefit-Cost, Cost, or Benefit Category	Treatment in Benefit-Cost Analysis (Quantified, Qualified, Not Treated)	Value (\$2020 NPV) or description if qualified	Description and Notes	Benefit or Cost
Societal Level	28	Greenhouse gas externality costs	Quantified	\$41,178,533	Energy Efficiency measures: Quantified Non-embedded Greenhouse gas reduction benefits obtained from the 2018 AESC Study. Non-embedded CO2 values are sourced from the following tables in the 2018 AESC Study: Table 154 for electric savings and Table 156 for gas savings and oil savings.	Benefit
				\$286	Active Demand Response measures: Quantified Non-embedded Greenhouse gas reduction benefits obtained from the 2018 AESC Study. Non-embedded CO2 values are sourced from the following tables in the 2018 AESC Study: Table 154 for electric savings and Table 156 for gas savings and oil savings.	Benefit
	29	Criteria air pollutant and other environmental externality costs	Quantified	\$1,773,240	Quantified Non-embedded NOx reduction benefits obtained from the 2018 AESC Study. Additional research would be required to determine other benefit streams from air pollutants and other environmental externalities	Benefit
	30	Conservation and community benefits	Not Quantified or Qualified	See Notes	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost effectiveness screening of energy efficiency programs.	Undetermined
	31	Non-energy costs/benefits: Economic Development	Quantified	\$291,747,696	Energy efficiency measures: Quantified Economic Development Benefits based on the methodology described in the 2021 Annual Plan	Benefit
				\$9,973,840	Active demand response measures: Quantified Economic Development Benefits based on the methodology described in the 2021 Annual Plan	Benefit
	32	Innovation and knowledge spillover (Related to demonstration projects and other RD&D preceding larger scale deployment)	Qualified	Likely minimal value	Additional research necessary to determine applicability and qualitative/quantitative impacts for cost effectiveness screening of energy efficiency programs. Likely a minimal value in comparison to other benefits included in RI Test, but possible value due to pilots, demonstrations, and assessments included in programs.	Benefit
	33	Societal Low-Income Impacts	Not Quantified or Qualified	See Notes	Low-Income Benefits are included within the calculation of Non-Energy Impacts as described within the Non-Energy Impacts section of the 2021 Annual Plan however they are aggregated with other Non-Energy Impacts and therefore their value is not broken out here. These NEIs are included in the Program participant / prosumer benefits / costs category	Undetermined
34	Public Health	Quantified	See Notes	Health Benefits are included within the calculation of Non-Energy Impacts as described within the Non-Energy Impacts section of the 2021 Annual Plan however they are aggregated with other Non-Energy Impacts and therefore their value is not broken out here. These NEIs are included in the Program participant / prosumer benefits / costs category	Benefit	



Category Level	Cat. #	Mixed Benefit-Cost, Cost, or Benefit Category	Treatment in Benefit-Cost Analysis (Quantified, Qualified, Not Treated)	Value (\$2020 NPV) or description if qualified	Description and Notes	Benefit or Cost
	35	National Security and US international influence	Qualified	Likely minimal value	Non-energy impacts are not quantified. Were they to be included they would be aggregated with other NEIs in the benefit-cost screening. Likely a minimal value in comparison to other benefits included in RI Test	Benefit

**Table E-1**  
**National Grid**  
**Electric DSM Funding Sources in 2021 by Sector**  
**\$(000)**

	<b>Income Eligible Residential</b>	<b>Projections by Sector Non-Income Eligible Residential</b>	<b>Commercial &amp; Industrial</b>	<b>Total</b>
(1) <b>Projected Budget (from E-2):</b>	\$19,729.87	\$39,875.53	\$59,700.22	\$119,305.62
<b>Sources of Other Funding:</b>				
(2) Projected DSM Commitments at Year-End 2019:	\$0.00	\$0.00	\$0.00	\$0.00
(3) Projected Year-End 2019 Fund Balance and Interest:	\$0.00	(\$13,389.27)	\$19,313.79	\$5,924.52
(4) Projected FCM Payments from ISO-NE:	\$474.40	\$6,213.90	\$9,329.70	\$16,018.00
(5) <b>Total Other Funding:</b>	\$474.40	(\$7,175.37)	\$28,643.49	\$21,942.52
(6) <b>Customer Funding Required:</b>	\$19,255.47	\$47,050.89	\$31,056.73	\$97,363.10
(7) <b>Forecasted kWh Sales:</b>	204,349,589	2,676,418,906	4,018,442,560	6,899,211,056
(8) Energy Efficiency Program charge per kWh, excluding uncollectible recovery:				\$0.01411
(9) Proposed System Reliability Factor per kWh, excluding uncollectible recovery:				\$0.00000
(10) Total Proposed Energy Efficiency Charge per kWh, excluding uncollectible recovery:				\$0.01411
(11) Currently Effective Uncollectible Rate				1.30%
(12) <b>Energy Efficiency Program charge per kWh, including uncollectible recovery:</b>				\$0.01429
(13) Currently Effective EE Charge				\$0.01323
(14) Proposed Adjustment to Reflect Fully Reconciling Funding Mechanism				\$0.00106

Notes:

- (1) Projected Budget from E-2 includes OER and EERMC costs allocated to each sector based on forecasted sales.
- (2) DSM Commitments are projects that are under construction with anticipated completion in 2021.
- (3) Fund balance projections include projected revenue and spend through year end with Low Income sector set to \$0 through projected subsidization from other sectors, minus commitments which are illustrated separately on line (2). The Company proposes to refile this table with updated Fund Balance projections on December 1, 2020 as proposed in Section 12.1 of the Plan's Main Text.
- (4) The total projection of FCM revenue is allocated by kWh sales to each sector.
- (5) Line (2) + Line (3) + Line (4)
- (6) Line (1) - Line (5)
- (7) Per Company Forecast
- (8) Line (6) ÷ Line (7), truncated to 5 decimal places
- (9) Truncated to 5 decimal places
- (11) Proposed System Reliability Factor is \$0.00000 at the time of this draft
- (10) Line (8) + Line (9)
- (11) Uncollectible rate approved in Docket No 4770.
- (12) Line (10) ÷ (1-Line (11)), truncated to 5 decimal places
- (13) Currently Effective EE Charge includes System Reliability Factor and uncollectible recovery.
- (14) Line (13) - Line (12)

**Table E-2  
National Grid  
2021 Electric Energy Efficiency Program Budget (\$000)**

	Program Planning & Administration	Marketing	Cost of services and product rebates/incentives provided to customers	Sales, Technical Assistance & Training	Evaluation & Market Research	Total Performance Incentive	Grand Total
<b>Non-Income Eligible Residential</b>							
Residential New Construction	\$63.6	\$2.2	\$751.8	\$371.7	\$162.1		\$1,351.4
ENERGY STAR® HVAC	\$83.4	\$278.1	\$2,584.5	\$452.2	\$28.8		\$3,426.9
EnergyWise	\$376.8	\$407.2	\$14,779.7	\$1,146.7	\$182.7		\$16,893.1
EnergyWise Multifamily	\$88.0	\$48.1	\$2,482.0	\$406.9	\$78.9		\$3,104.0
ENERGY STAR® Lighting	\$233.6	\$560.6	\$4,057.2	\$231.4	\$143.7		\$5,226.7
Residential Consumer Products	\$72.1	\$532.3	\$1,486.1	\$542.5	\$40.7		\$2,673.6
Home Energy Reports	\$44.9	\$10.5	\$0.0	\$2,550.8	\$34.0		\$2,640.2
Residential ConnectedSolutions	\$25.3	\$12.9	\$414.5	\$213.4	\$190.0		\$856.1
Energy Efficiency Education Programs	\$0.0	\$40.0	\$0.0	\$0.0	\$0.0		\$40.0
Residential Pilots	\$10.8	\$20.0	\$140.0	\$26.5	\$17.0		\$214.3
Community Based Initiatives - Residential	\$29.5	\$112.3	\$84.4	\$0.0	\$0.0		\$226.2
Comprehensive Marketing - Residential	\$2.6	\$333.7	\$0.0	\$0.0	\$0.0		\$336.3
Residential Workforce Development	\$0.0	\$0.0	\$0.0	\$284.7	\$0.0		\$284.7
Residential Performance Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,809.8	\$1,809.8
<b>Subtotal - Non-Income Eligible Residential</b>	<b>\$1,030.6</b>	<b>\$2,357.9</b>	<b>\$26,780.2</b>	<b>\$6,226.9</b>	<b>\$877.9</b>	<b>\$1,809.8</b>	<b>\$39,083.4</b>
<b>Income Eligible Residential</b>							
Single Family - Income Eligible Services	\$313.9	\$141.4	\$11,023.0	\$2,125.7	\$148.7		\$13,752.6
Income Eligible Multifamily	\$114.8	\$9.9	\$4,243.2	\$406.6	\$91.5		\$4,865.9
Income Eligible Workforce Development	\$0.0	\$0.0	\$0.0	\$114.2	\$0.0		\$114.2
Income Eligible Performance Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$936.6	\$936.6
<b>Subtotal - Income Eligible Residential</b>	<b>\$428.7</b>	<b>\$151.3</b>	<b>\$15,266.2</b>	<b>\$2,646.5</b>	<b>\$240.1</b>	<b>\$936.6</b>	<b>\$19,669.4</b>
<b>Commercial &amp; Industrial</b>							
Large Commercial New Construction	\$223.0	\$341.0	\$6,051.9	\$1,740.8	\$157.2		\$8,513.8
Large Commercial Retrofit	\$905.6	\$266.1	\$26,385.1	\$5,071.89	\$838.5		\$33,467.1
Small Business Direct Install	\$281.9	\$283.0	\$8,108.7	\$298.8	\$46.7		\$9,019.1
Commercial ConnectedSolutions	\$113.2	\$9.3	\$3,660.0	\$352.0	\$96.9		\$4,231.5
Commercial Pilots	\$16.3	\$10.0	\$20.0	\$117.0	\$0.0		\$163.3
Community Based Initiatives - C&I	\$9.8	\$36.6	\$28.1	\$0.0	\$0.0		\$74.5
Finance Costs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		\$0.0
Commercial Workforce Development	\$0.0	\$0.0	\$0.0	\$468.7	\$0.0		\$468.7
Commercial & Industrial Performance Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2,572.9	\$2,572.9
<b>Subtotal - Commercial &amp; Industrial</b>	<b>\$1,549.7</b>	<b>\$946.0</b>	<b>\$44,253.7</b>	<b>\$8,049.2</b>	<b>\$1,139.3</b>	<b>\$2,572.9</b>	<b>\$58,510.9</b>
<b>Regulatory</b>							
OER	\$1,020.9	\$0.0	\$0.0	\$0.0	\$0.0		\$1,020.9
EERMC	\$1,020.9	\$0.0	\$0.0	\$0.0	\$0.0		\$1,020.9
<b>Subtotal - Regulatory</b>	<b>\$2,041.9</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$2,041.9</b>
<b>Grand Total</b>	<b>\$5,051.0</b>	<b>\$3,455.1</b>	<b>\$86,300.1</b>	<b>\$16,922.6</b>	<b>\$2,257.4</b>	<b>\$5,319.4</b>	<b>\$119,305.6</b>
System Reliability Procurement							

**Notes:**

- (1) 2021 Large Commercial Retrofit Commitments (\$000):
- (2) For more information on Finance Costs, please refer to the 2021 C&I Program Description, Attachment 2.
- (3) OER and EERMC total 2.0% of customers' EE Program Charge collected on Table E-1, minus 2%.
- (4) Finance Costs are detailed in Table E-10.
- (5) System Reliability line item is included for illustrative purposes. They are part of the 2020 System Reliability Procurement Report, filed as a separate docket.
- (6) Demonstrations and Assessments budgets are included in specific program level budgets listed above. More information on Demonstration and Assessments descriptions, budgets, and which program level budget they are included in can be found in Attachment 8.

**Table E-3**  
**National Grid**  
**Derivation of the 2021 Spending and Implementation Budgets (\$000)**

	Proposed 2021 Budget From E-2	Commitments	Regulatory Costs	Performance Incentive	Eligible Sector Spending Budget for Performance Incentive on E-9	Implementation Expenses for Cost- Effectiveness on E-5
<b>Non-Income Eligible Residential</b>						
Residential New Construction	\$1,351.4					\$1,351.4
ENERGY STAR® HVAC	\$3,426.9					\$3,426.9
EnergyWise	\$16,893.1					\$16,893.1
EnergyWise Multifamily	\$3,104.0					\$3,104.0
ENERGY STAR® Lighting	\$5,226.7					\$5,226.7
Residential Consumer Products	\$2,673.6					\$2,673.6
Home Energy Reports	\$2,640.2					\$2,640.2
Residential ConnectedSolutions	\$856.1					\$856.1
Energy Efficiency Education Programs	\$40.0					\$40.0
Residential Pilots	\$214.3					\$214.3
Community Based Initiatives - Residential	\$226.2					\$226.2
Comprehensive Marketing - Residential	\$336.3					\$336.3
Residential Workforce Development	\$284.7					\$284.7
Residential Performance Incentive	\$1,809.8			\$1,809.8		\$0.0
<b>Subtotal - Non-Income Eligible Residential</b>	<b>\$39,083.4</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$1,809.8</b>	<b>\$36,128.1</b>	<b>\$37,273.6</b>
<b>Income Eligible Residential</b>						
Single Family - Income Eligible Services	\$13,752.6					\$13,752.6
Income Eligible Multifamily	\$4,865.9					\$4,865.9
Income Eligible Workforce Development	\$114.2					\$114.2
Income Eligible Performance Incentive	\$936.6			\$936.6		\$0.0
<b>Subtotal - Income Eligible Residential</b>	<b>\$19,669.4</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$936.6</b>	<b>\$18,732.8</b>	<b>\$18,732.8</b>
<b>Commercial &amp; Industrial</b>						
Large Commercial New Construction	\$8,513.8	\$0.0				\$8,513.8
Large Commercial Retrofit	\$33,467.1	\$0.0				\$33,467.1
Small Business Direct Install	\$9,019.1	\$0.0				\$9,019.1
Commercial ConnectedSolutions	\$4,231.5					\$4,231.5
Commercial Pilots	\$163.3					\$163.3
Community Based Initiatives - C&I	\$74.5					\$74.5
Finance Costs	\$0.0					\$0.0
Commercial Workforce Development	\$468.7					\$468.7
Commercial & Industrial Performance Incentive	\$2,572.9			\$2,572.9		\$0.0
<b>Subtotal - Commercial &amp; Industrial</b>	<b>\$58,510.9</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$2,572.9</b>	<b>\$51,399.3</b>	<b>\$55,938.0</b>
<b>Regulatory</b>						
OER	\$1,020.9		\$1,020.9			\$1,020.9
EERMC	\$1,020.9		\$1,020.9			\$1,020.9
<b>Subtotal - Regulatory</b>	<b>\$2,041.9</b>	<b>\$0.0</b>	<b>\$2,041.9</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$2,041.9</b>
<b>Grand Total</b>	<b>\$119,305.6</b>	<b>\$0.0</b>	<b>\$2,041.9</b>	<b>\$5,319.4</b>	<b>\$106,260.2</b>	<b>\$113,986.2</b>

Notes:

- (1) Eligible Sector Spending Budget = Total Budget from E-2 minus commitments, regulatory costs, pilots, assessments, Residential ConnectedSolutions, Commercial ConnectedSolutions, Performance Incentive
- (2) Eligible Sector Spending Budget does not include assessments, see Attachment 8 for assessments budgets.
- (3) Implementation Expenses = Total Budget from E-2 minus commitments and Performance Incentive.

**Table E-4**  
**National Grid**  
**Proposed 2021 Budget Compared to Approved 2020 Budget (\$000)**

	<b>Proposed Implementation Budget 2021</b>	<b>Approved Implementation Budget 2020</b>	<b>Difference</b>
<b>Non-Income Eligible Residential</b>			
Residential New Construction	\$1,351.4	\$973.5	\$378.0
ENERGY STAR® HVAC	\$3,426.9	\$2,525.1	\$901.8
EnergyWise	\$16,893.1	\$15,692.2	\$1,200.9
EnergyWise Multifamily	\$3,104.0	\$2,804.3	\$299.7
ENERGY STAR® Lighting	\$5,226.7	\$15,375.8	-\$10,149.1
Residential Consumer Products	\$2,673.6	\$2,199.2	\$474.5
Home Energy Reports	\$2,640.2	\$2,728.1	-\$87.9
Residential ConnectedSolutions	\$856.1	\$461.6	\$394.5
Energy Efficiency Education Programs	\$40.0	\$40.0	\$0.0
Residential Pilots	\$214.3	\$287.8	-\$73.5
Community Based Initiatives - Residential	\$226.2	\$203.9	\$22.3
Comprehensive Marketing - Residential	\$336.3	\$382.3	-\$46.0
Residential Workforce Development	\$284.7	\$0.0	\$284.7
<b>Subtotal - Non-Income Eligible Residential</b>	<b>\$37,273.6</b>	<b>\$43,673.8</b>	<b>-\$6,400.2</b>
<b>Income Eligible Residential</b>			
Single Family - Income Eligible Services	\$13,752.6	\$12,846.1	\$906.5
Income Eligible Multifamily	\$4,865.9	\$3,549.0	\$1,316.9
Income Eligible Workforce Development	\$114.2	\$0.0	\$114.2
<b>Subtotal - Income Eligible Residential</b>	<b>\$18,732.8</b>	<b>\$16,395.1</b>	<b>\$2,337.6</b>
<b>Commercial &amp; Industrial</b>			
Large Commercial New Construction	\$8,513.8	\$5,335.7	\$3,178.1
Large Commercial Retrofit	\$33,467.1	\$23,801.3	\$9,665.8
Small Business Direct Install	\$9,019.1	\$7,568.6	\$1,450.5
Commercial ConnectedSolutions	\$4,231.5	\$2,078.5	\$2,153.0
Community Based Initiatives - C&I	\$74.5	\$66.1	\$8.4
Commercial Pilots	\$163.3	\$106.3	\$57.0
Finance Costs	\$0.0	\$5,216.7	-\$5,216.7
Commercial Workforce Development	\$468.7	\$0.0	\$468.7
<b>Subtotal Commercial &amp; Industrial</b>	<b>\$55,938.0</b>	<b>\$44,173.2</b>	<b>\$11,764.8</b>
<b>Regulatory</b>			
EERMC	\$1,020.9	\$893.7	\$127.3
OER	\$1,020.9	\$893.7	\$127.3
<b>Subtotal Regulatory</b>	<b>\$2,041.9</b>	<b>\$1,787.4</b>	<b>\$254.5</b>
<b>TOTAL IMPLEMENTATION BUDGET</b>	<b>\$113,986.2</b>	<b>\$106,029.5</b>	<b>\$7,956.7</b>
<b>OTHER EXPENSE ITEMS</b>			
Commitments	\$0.0	\$0.0	\$0.0
Company Incentive	\$5,319.4	\$5,054.4	\$265.0
<b>Subtotal - Other Expense Items</b>	<b>\$5,319.4</b>	<b>\$5,054.4</b>	<b>\$265.0</b>
<b>TOTAL BUDGET</b>	<b>\$119,305.6</b>	<b>\$111,083.9</b>	<b>\$8,221.7</b>

Notes:

- (1) Program Implementation Budget excludes Commitments, Company Incentive; derived on Table E-3
- (2) Total Budget includes Implementation, Commitments; illustrated on Table E-3
- (3) The Energy Star® Lighting program year-over-year declines are driven by decreased opportunities for this program due to market transformation

**Table E-5**  
**National Grid**  
**Calculation of 2021 Program Year Cost-Effectiveness**  
**All Dollar Values in (\$000)**

	RI Test Benefit/ Cost <sup>1</sup>	Total Benefit	Program Implementation Expenses <sup>2</sup>	Customer Contribution	Performance Incentive	¢/Lifetime kWh
<b>Non-Income Eligible Residential</b>						
Residential New Construction	2.94	\$ 6,492.2	\$ 1,351.4	\$ 855.7		11.2
ENERGY STAR® HVAC	2.80	\$ 12,679.6	\$ 3,426.9	\$ 1,097.4		9.4
EnergyWise	1.92	\$ 33,920.2	\$ 16,893.1	\$ 790.4		111.3
EnergyWise Multifamily	2.45	\$ 8,915.5	\$ 3,104.0	\$ 532.0		17.5
Home Energy Reports	3.23	\$ 8,529.3	\$ 2,640.2	\$ -		9.8
ENERGY STAR® Lighting	3.31	\$ 13,938.9	\$ 5,226.7	\$ (1,012.9)		15.7
Residential Consumer Products	2.85	\$ 11,398.3	\$ 2,673.6	\$ 1,321.2		10.4
Residential ConnectedSolutions	3.85	\$ 3,297.8	\$ 856.1	\$ -		N/A
Energy Efficiency Education Programs			\$ 40.0			
Residential Pilots			\$ 214.3			
Community Based Initiatives - Residential			\$ 226.2			
Comprehensive Marketing - Residential			\$ 336.3			
Residential Workforce Development			\$ 284.7			
<b>Non-Income Eligible Residential SUBTOTAL</b>	<b>2.32</b>	<b>\$ 99,171.9</b>	<b>\$ 37,273.6</b>	<b>\$ 3,584.0</b>	<b>\$ 1,809.8</b>	<b>20.8</b>
<b>Income Eligible Residential</b>						
Single Family - Income Eligible Services	2.69	\$ 36,941.1	\$ 13,752.6	\$ -		32.8
Income Eligible Multifamily	1.78	\$ 8,661.5	\$ 4,865.9	\$ -		15.0
Income Eligible Workforce Development			\$ 114.2			
<b>Income Eligible Residential SUBTOTAL</b>	<b>2.32</b>	<b>\$ 45,602.5</b>	<b>\$ 18,732.8</b>	<b>\$ -</b>	<b>\$ 936.6</b>	<b>25.2</b>
<b>Commercial &amp; Industrial</b>						
Large Commercial New Construction	5.80	\$ 60,924.2	\$ 8,513.8	\$ 1,987.5		5.2
Large Commercial Retrofit	6.79	\$ 367,289.1	\$ 33,467.1	\$ 20,629.8		5.7
Small Business Direct Install	3.39	\$ 41,194.7	\$ 9,019.1	\$ 3,150.5		9.3
Commercial ConnectedSolutions	9.91	\$ 41,913.4	\$ 4,231.5	\$ -		N/A
Commercial Pilots			\$ 163.3			
Community Based Initiatives - C&I			\$ 74.5			
Finance Costs			\$ -			
Commercial Workforce Development			\$ 468.7			
<b>C&amp;I SUBTOTAL</b>	<b>6.07</b>	<b>\$ 511,321.5</b>	<b>\$ 55,938.0</b>	<b>\$ 25,767.8</b>	<b>\$ 2,572.9</b>	<b>6.3</b>
<b>Regulatory</b>						
OER			\$ 1,020.9			
EERMC			\$ 1,020.9			
<b>Regulatory SUBTOTAL</b>			<b>\$ 2,041.9</b>			
<b>TOTAL</b>	<b>4.41</b>	<b>\$ 656,095.9</b>	<b>\$ 113,986.2</b>	<b>\$ 29,351.8</b>	<b>\$ 5,319.4</b>	<b>9.2</b>

Notes:

(1) RI Test B/C Test = (Energy + Capacity + Resource Benefits + Economic Benefits + Carbon Benefits) / (Program Implementation + Customer Contribution + Performance Incentive)

Also includes effects of free-ridership and spillover.

(2) For Implementation Expenses derivation, see Table E-3.

(3) ENERGY STAR® Lighting customer cost is negative due to a high free-ridership rate. Any financial incentives paid to free-riders are counted as a cost because the Company incurred those costs as part of the overall cost of the Plan regardless of whether the participant is free-rider or not. Therefore the Company reduces benefits and the customer cost by the net-to-gross ratio but not the incentives.

**Table E-5A**  
**National Grid**  
**Calculation of 2021 Program Year Cost-Effectiveness with TRC Test**  
**All Dollar Values in (\$000)**

	TRC Benefit/ Cost <sup>1</sup>	Total Benefit	Program Implementation Expenses <sup>2</sup>	Customer Contribution	Performance Incentive	¢/Lifetime kWh
<b>Non-Income Eligible Residential</b>						
Residential New Construction	1.80	\$ 3,978.2	\$ 1,351.4	\$ 855.7		11.2
ENERGY STAR® HVAC	1.36	\$ 6,148.7	\$ 3,426.9	\$ 1,097.4		9.4
EnergyWise	0.85	\$ 15,051.0	\$ 16,893.1	\$ 790.4		111.3
EnergyWise Multifamily	1.19	\$ 4,344.5	\$ 3,104.0	\$ 532.0		17.5
Home Energy Reports	1.90	\$ 5,008.4	\$ 2,640.2	\$ -		9.8
ENERGY STAR® Lighting	1.18	\$ 4,988.9	\$ 5,226.7	\$ (1,012.9)		15.7
Residential Consumer Products	1.53	\$ 6,126.6	\$ 2,673.6	\$ 1,321.2		10.4
Residential ConnectedSolutions	3.85	\$ 3,297.8	\$ 856.1			
Energy Efficiency Education Programs			\$ 40.0			
Residential Pilots			\$ 214.3			
Community Based Initiatives - Residential			\$ 226.2			
Comprehensive Marketing - Residential			\$ 336.3			
Residential Workforce Development			\$ 284.7			
<b>Non-Income Eligible Residential SUBTOTAL</b>	<b>1.15</b>	<b>\$ 48,944.1</b>	<b>\$ 37,273.6</b>	<b>\$ 3,584.0</b>	<b>\$ 1,809.8</b>	<b>20.8</b>
<b>Income Eligible Residential</b>						
Single Family - Income Eligible Services	1.63	\$ 22,472.0	\$ 13,752.6	\$ -		32.8
Income Eligible Multifamily	0.53	\$ 2,600.3	\$ 4,865.9	\$ -		15.0
Income Eligible Workforce Development			\$ 114.2			
<b>Income Eligible Residential SUBTOTAL</b>	<b>1.27</b>	<b>\$ 25,072.2</b>	<b>\$ 18,732.8</b>	<b>\$ -</b>	<b>\$ 936.6</b>	<b>25.2</b>
<b>Commercial &amp; Industrial</b>						
Large Commercial New Construction	2.75	\$ 28,862.1	\$ 8,513.8	\$ 1,987.5		5.2
Large Commercial Retrofit	2.90	\$ 156,636.3	\$ 33,467.1	\$ 20,629.8		5.7
Small Business Direct Install	1.64	\$ 19,968.2	\$ 9,019.1	\$ 3,150.5		9.3
Commercial ConnectedSolutions	9.91	\$ 41,913.4	\$ 4,231.5			
Commercial Pilots			\$ 163.3			
Community Based Initiatives - C&I			\$ 74.5			
Finance Costs			\$ -			
Commercial Workforce Development			\$ 468.7			
<b>C&amp;I SUBTOTAL</b>	<b>2.94</b>	<b>\$ 247,380.0</b>	<b>\$ 55,938.0</b>	<b>\$ 25,767.8</b>	<b>\$ 2,572.9</b>	<b>6.3</b>
<b>Regulatory</b>						
OER			\$ 1,020.9			
EERMC			\$ 1,020.9			
<b>Regulatory SUBTOTAL</b>			<b>\$ 2,041.9</b>			
<b>TOTAL</b>	<b>2.16</b>	<b>\$ 321,396.4</b>	<b>\$ 113,986.2</b>	<b>\$ 29,351.8</b>	<b>\$ 5,319.4</b>	<b>9.2</b>

Notes:

- (1) TRC B/C Test = (Energy + Capacity + Resource Benefits) / (Program Implementation + Customer Contribution + Performance Incentive)  
Also includes effects of free-ridership and spillover.
- (2) For Implementation Expenses derivation, see Table E-3.
- (3) ENERGY STAR® Lighting customer cost is negative due to a high free-ridership rate. Any financial incentives paid to free-riders are counted as a cost because the Company incurred those costs as part of the overall cost of the Plan regardless of whether the participant is free-rider or not. Therefore the Company reduces benefits and the customer cost by the net-to-gross ratio but not the incentives.

**Table E-6  
National Grid  
Summary of 2021 Benefits by Program (Energy Efficiency Measures)**

	Benefits (000's)																		
	Total	Capacity					Energy					Non Electric				Societal			
		Summer Generation	Capacity DRIPE	Trans	Dist	Reliability	Winter		Summer		Energy DRIPE	Natural Gas	Oil	Other Resource	Non Resource	Carbon	NOx	Economic	
						Peak	Off Peak	Peak	Off Peak										
<b>Non-Income Eligible Residential</b>																			
Residential New Construction	\$6,492	\$94	\$1	\$123	\$107	\$0	\$459	\$539	\$198	\$138	\$444	\$0	\$280	\$1,540	\$56	\$587	\$36	\$1,892	
ENERGY STAR® HVAC	\$12,680	\$268	\$0	\$340	\$295	\$1	\$1,402	\$1,406	\$184	\$141	\$1,199	\$609	\$93	-\$11	\$222	\$1,561	\$105	\$4,865	
EnergyWise	\$33,920	\$304	\$104	\$397	\$345	\$2	\$306	\$288	\$227	\$179	\$552	\$0	\$10,685	\$272	\$1,391	\$2,811	\$353	\$15,705	
EnergyWise Multifamily	\$8,916	\$203	\$4	\$265	\$230	\$1	\$147	\$124	\$146	\$110	\$314	\$0	\$639	\$19	\$2,143	\$382	\$31	\$4,158	
Home Energy Reports	\$8,529	\$251	\$1,287	\$406	\$352	\$10	\$692	\$560	\$317	\$213	\$920	\$0	\$0	\$0	\$0	\$843	\$38	\$2,640	
ENERGY STAR® Lighting	\$13,939	\$291	\$789	\$466	\$404	\$7	\$671	\$537	\$302	\$200	\$1,206	-\$260	-\$325	-\$120	\$822	\$632	\$11	\$8,308	
Residential Consumer Products	\$11,398	\$488	\$14	\$730	\$634	\$5	\$754	\$735	\$461	\$403	\$1,807	\$16	\$41	\$39	\$0	\$1,154	\$55	\$4,063	
<b>Non-Income Eligible Residential SUBTOTAL</b>	<b>\$95,874</b>	<b>\$1,898</b>	<b>\$2,200</b>	<b>\$2,726</b>	<b>\$2,367</b>	<b>\$27</b>	<b>\$4,430</b>	<b>\$4,190</b>	<b>\$1,834</b>	<b>\$1,382</b>	<b>\$6,442</b>	<b>\$364</b>	<b>\$11,412</b>	<b>\$1,739</b>	<b>\$4,634</b>	<b>\$7,970</b>	<b>\$628</b>	<b>\$41,630</b>	
<b>Income Eligible Residential</b>																			
Single Family - Income Eligible Services	\$36,941	\$510	\$6	\$660	\$573	\$2	\$908	\$902	\$451	\$412	\$1,143	\$105	\$5,468	\$386	\$10,944	\$2,412	\$234	\$11,823	
Income Eligible Multifamily	\$8,661	\$48	\$1	\$67	\$58	\$0	\$91	\$81	\$44	\$34	\$163	\$0	\$611	\$27	\$1,375	\$249	\$24	\$5,788	
<b>Income Eligible Residential SUBTOTAL</b>	<b>\$45,603</b>	<b>\$559</b>	<b>\$7</b>	<b>\$727</b>	<b>\$631</b>	<b>\$3</b>	<b>\$999</b>	<b>\$983</b>	<b>\$495</b>	<b>\$446</b>	<b>\$1,305</b>	<b>\$105</b>	<b>\$6,079</b>	<b>\$413</b>	<b>\$12,319</b>	<b>\$2,661</b>	<b>\$258</b>	<b>\$17,611</b>	
<b>Commercial &amp; Industrial</b>																			
Large Commercial New Construction	\$60,924	\$2,867	\$0	\$3,589	\$3,117	\$10	\$4,517	\$2,676	\$3,445	\$2,134	\$5,007	-\$368	\$0	\$5	\$1,865	\$5,352	\$241	\$26,470	
Large Commercial Retrofit	\$367,289	\$14,161	\$65	\$18,770	\$16,300	\$72	\$20,646	\$16,686	\$13,692	\$8,891	\$28,651	-\$11,330	\$0	\$31	\$30,003	\$21,839	\$538	\$188,276	
Small Business Direct Install	\$41,195	\$1,213	\$0	\$1,645	\$1,429	\$7	\$2,925	\$1,586	\$2,471	\$1,140	\$4,806	-\$974	\$0	\$0	\$3,720	\$3,357	\$109	\$17,760	
<b>C&amp;I SUBTOTAL</b>	<b>\$469,408</b>	<b>\$18,241</b>	<b>\$65</b>	<b>\$24,004</b>	<b>\$20,845</b>	<b>\$89</b>	<b>\$28,087</b>	<b>\$20,948</b>	<b>\$19,608</b>	<b>\$12,165</b>	<b>\$38,464</b>	<b>-\$12,672</b>	<b>\$0</b>	<b>\$36</b>	<b>\$35,588</b>	<b>\$30,547</b>	<b>\$888</b>	<b>\$232,507</b>	
<b>TOTAL</b>	<b>\$610,885</b>	<b>\$20,698</b>	<b>\$2,272</b>	<b>\$27,456</b>	<b>\$23,843</b>	<b>\$118</b>	<b>\$33,517</b>	<b>\$26,121</b>	<b>\$21,936</b>	<b>\$13,993</b>	<b>\$46,211</b>	<b>-\$12,202</b>	<b>\$17,492</b>	<b>\$2,188</b>	<b>\$52,541</b>	<b>\$41,179</b>	<b>\$1,773</b>	<b>\$291,748</b>	



**Table E-6A**  
**National Grid**  
**Summary of 2021 Impacts by Program (Energy Efficiency Measures)**

	Load Reduction in kW		Electric Energy Savings				Gas Saved		Oil Saved		Propane Saved		Total Net Savings (Electric, Gas, Oil, Propane)	
			MWh		MMBtu		MMBtu		MMBtu		MMBtu		MMBtu	
	Summer	Winter	Annual	Lifetime	Annual	Lifetime	Annual	Lifetime	Annual	Lifetime	Annual	Lifetime	Annual	Lifetime
<b>Non-Income Eligible Residential</b>														
Residential New Construction	100	281	1,202	19,776	4,102	67,477	-	-	439	10,970	1,755	43,869	6,295	122,316
ENERGY STAR® HVAC	203	697	3,014	48,299	10,283	164,795	4,068	61,092	224	3,730	(26)	(340)	14,548	229,278
EnergyWise	470	535	2,973	15,895	10,144	54,233	-	-	22,307	425,129	430	6,923	32,881	486,285
EnergyWise Multifamily	224	174	1,734	20,762	5,917	70,841	-	-	1,046	25,087	-	-	6,963	95,928
Home Energy Reports	3,692	5,706	26,852	26,852	91,619	91,619	-	-	-	-	-	-	91,619	91,619
ENERGY STAR® Lighting	1,872	2,264	11,533	26,801	39,350	91,444	(12,634)	(25,268)	(7,679)	(15,359)	(1,982)	(3,964)	17,055	46,854
Residential Consumer Products	1,019	718	5,926	38,271	20,221	130,581	80	1,596	81	1,620	25	368	20,407	134,165
<b>Non-Income Eligible Residential SUBTOTAL</b>	<b>7,579</b>	<b>10,376</b>	<b>53,234</b>	<b>196,656</b>	<b>181,636</b>	<b>670,990</b>	<b>(8,486)</b>	<b>37,420</b>	<b>16,417</b>	<b>451,178</b>	<b>201</b>	<b>46,857</b>	<b>189,768</b>	<b>1,206,446</b>
<b>Income Eligible Residential</b>														
Single Family - Income Eligible Services	486	501	3,325	41,926	11,346	143,052	959	12,015	11,314	217,579	96	1,742	23,714	374,388
Income Eligible Multifamily	70	92	2,064	32,368	7,041	110,439	-	-	1,239	24,223	-	-	8,280	134,662
<b>Income Eligible Residential SUBTOTAL</b>	<b>557</b>	<b>592</b>	<b>5,389</b>	<b>74,294</b>	<b>18,387</b>	<b>253,491</b>	<b>959</b>	<b>12,015</b>	<b>12,553</b>	<b>241,802</b>	<b>96</b>	<b>1,742</b>	<b>31,994</b>	<b>509,050</b>
<b>Commercial &amp; Industrial</b>														
Large Commercial New Construction	2,007	1,215	12,651	201,767	43,165	688,429	(2,874)	(40,240)	-	-	-	-	40,290	648,189
Large Commercial Retrofit	14,742	18,109	74,718	956,209	254,938	3,262,584	(87,119)	(1,240,938)	-	-	-	-	167,818	2,021,646
Small Business Direct Install	1,409	1,195	12,116	131,414	41,341	448,384	(9,823)	(105,951)	-	-	-	-	31,518	342,434
<b>C&amp;I SUBTOTAL</b>	<b>18,158</b>	<b>20,518</b>	<b>99,485</b>	<b>1,289,390</b>	<b>339,443</b>	<b>4,399,398</b>	<b>(99,817)</b>	<b>(1,387,128)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>239,626</b>	<b>3,012,269</b>
<b>TOTAL</b>	<b>26,294</b>	<b>31,486</b>	<b>158,108</b>	<b>1,560,340</b>	<b>539,466</b>	<b>5,323,879</b>	<b>(107,344)</b>	<b>(1,337,693)</b>	<b>28,970</b>	<b>692,981</b>	<b>297</b>	<b>48,598</b>	<b>461,389</b>	<b>4,727,765</b>

**Table E-6B**  
**National Grid**  
**Summary of 2021 Demand Response Benefits and Savings**

	Benefits (000's)												Load Reduction (KW)	MWh Saved	
	Total	Capacity					Energy			Non Electric	Societal		Summer	Annual	Lifetime
		Summer Generation	Capacity DRIPE	Trans	Dist	Reliability	Summer		Energy DRIPE	Non Resource	Carbon	Economic			
							Peak	Off Peak							
<b>Non-Income Eligible Residential</b>															
Residential ConnectedSol	\$3,298	\$85	\$1,818	\$343	\$298	\$42	\$0	\$0	\$0	\$0	\$0	\$710	3.1	0.0	0.0
<b>Commercial &amp; Industrial</b>															
Commercial ConnectedSc	\$41,913	\$991	\$21,072	\$5,321	\$4,621	\$645	\$0	\$0	\$0	\$0	\$0	\$9,263	48.4	0.0	0.0
<b>TOTAL</b>	<b>\$45,211</b>	<b>\$1,076</b>	<b>\$22,890</b>	<b>\$5,665</b>	<b>\$4,919</b>	<b>\$687</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,974</b>	<b>52</b>	<b>0</b>	<b>0</b>

**Table E-7  
National Grid  
Comparison of 2021 and 2020 Goals and Tracking**

	Proposed 2021 Goal				Proposed 2021 Tracking		Approved 2020			Difference		
	Annual Electric Energy Savings (MWh)	Lifetime Electric Energy Savings (MWh)	Annual Summer Demand Savings (kW)	Active Demand Response (kW)	Total Net Lifetime Energy Savings (MMBtu)	Planned Unique Participants	Annual Electric Energy Savings (MWh)	Annual Summer Demand Savings (kW)	Active Demand Response (kW)	Annual Summer Demand Savings (kW)	Annual Energy Savings (MWh)	Demand Response (kW)
<b>Non-Income Eligible Residential</b>												
Residential New Construction	1,202	19,776	100		122,316	417	870	74		25	332	
ENERGY STAR® HVAC	3,014	48,299	203		229,278	5,022	2,233	94		109	781	
EnergyWise	2,973	15,895	470		486,285	11,750	6,082	967		-497	-3,109	
EnergyWise Multifamily	1,734	20,762	224		95,928	4,000	2,793	364		-140	-1,059	
Home Energy Reports	26,852	26,852	3,692		91,619	323,248	23,239	3,195		497	3,613	
ENERGY STAR® Lighting	11,533	26,801	1,872		46,854	68,164	38,093	6,201		-4,329	-26,560	
Residential Consumer Products	5,926	38,271	1,019		134,165	33,111	4,768	714		305	1,158	
Residential ConnectedSolutions				3,124					1,672			1,452
<b>Non-Income Eligible Residential SUBTOTAL</b>	<b>53,234</b>	<b>196,656</b>	<b>7,579</b>	<b>3,124</b>	<b>1,206,446</b>	<b>445,712</b>	<b>78,077</b>	<b>11,609</b>	<b>1,672</b>	<b>-4,030</b>	<b>-24,843</b>	<b>1,452</b>
<b>Income Eligible Residential</b>		0										
Single Family - Income Eligible Services	3,325	41,926	486		374,388	3,630	3,755	566		-79	-430	
Income Eligible Multifamily	2,064	32,368	70		134,662	4,800	2,392	155		-85	-328	
<b>Income Eligible Residential SUBTOTAL</b>	<b>5,389</b>	<b>74,294</b>	<b>557</b>		<b>509,050</b>	<b>8,430</b>	<b>6,147</b>	<b>721</b>		<b>-164</b>	<b>-758</b>	
<b>Commercial &amp; Industrial</b>		0										
Large Commercial New Construction	12,651	201,767	2,007		648,189	144	9,828	1,183		824	2,823	
Large Commercial Retrofit	74,718	956,209	14,742		2,021,646	3,146	72,871	14,933		-191	1,847	
Small Business Direct Install	12,116	131,414	1,409		342,434	545	11,500	1,347		62	617	
Commercial ConnectedSolutions				48,448					49,000			-552
<b>C&amp;I SUBTOTAL</b>	<b>99,485</b>	<b>1,289,390</b>	<b>18,158</b>	<b>48,448</b>	<b>3,012,269</b>	<b>3,834</b>	<b>94,198</b>	<b>17,463</b>	<b>49,000</b>	<b>695</b>	<b>5,287</b>	<b>-552</b>
<b>TOTAL</b>	<b>158,108</b>	<b>1,560,340</b>	<b>26,294</b>	<b>51,572</b>	<b>4,727,765</b>	<b>457,976</b>	<b>178,423</b>	<b>29,793</b>	<b>50,672</b>	<b>-3,499</b>	<b>-20,314</b>	<b>900</b>

- Notes:
- (1) Planned 2021 participation takes into account net-to-gross and estimates unique participation by taking into account 2018 unique customer accounts to savings ratios. Therefore the number of planned measures may be more than the estimated participants shown. For measure counts please view the widget tables in Attachments 1 and 2. Table E-7 no longer includes a comparison to the previous year's participation. Due to the way unique participation is calculated it is not possible to compare year-over-year results.
  - (2) There are additional Low Income participants in Residential New Construction.
  - (3) A customer can participate in more than one program, for example, ENERGY STAR® Lighting and Home Energy Reports, therefore the population reached can be more than 100%.

**Table E-10  
National Grid  
Revolving Loan Fund Projections**

Large C&I Revolving Loan Fund		Small Business Revolving Loan Fund	
(1) Total Loan Fund Deposits Through 2020	\$ 18,547,780	(1) Total Loan Fund Deposits Through 2020	\$ 3,303,570
(2) Current Loan Fund Balance	\$ 8,045,964	(2) Current Loan Fund Balance	\$ 2,431,793
<i>Loans Paid Year-To-Date</i>	\$ 1,414,691	<i>Loans Paid Year-To-Date</i>	\$ 533,708
<i>Repayments Year-To-Date</i>	\$ 2,624,459	<i>Repayments Year-To-Date</i>	\$ 846,511
(3) Projected Additional Loans by Year End 2020	\$ 9,074,518	(3) Projected Additional Loans by Year End 2020	\$ -
(4) Projected Additional Repayments by Year End 2020	\$ 2,624,459	(4) Projected Additional Repayments by Year End 2020	\$ 392,805
<b>(5) Projected Year End Loan Fund Balance 2020</b>	<b>\$ 1,595,904</b>	<b>(5) Projected Year End Loan Fund Balance 2020</b>	<b>\$ 2,824,598</b>
(6) 2020 Funding Injection	\$ -	(6) 2020 Funding Injection	\$ -
<b>(7) Projected Loan Fund Balance, January 2021</b>	<b>\$ 1,595,904</b>	<b>(7) Projected Loan Fund Balance, January 2021</b>	<b>\$ 2,824,598</b>
(8) Projected Repayments throughout 2021	\$ 5,269,118	(8) Projected Repayments throughout 2021	\$ 377,234
(9) Estimated Loans in 2021	\$ 8,000,000	(9) Estimated Loans in 2021	\$ 3,000,000
<b>(10) Projected Year End Loan Fund Balance 2021</b>	<b>\$ (1,134,978)</b>	<b>(10) Projected Year End Loan Fund Balance 2021</b>	<b>\$ 201,832</b>

Public Sector Revolving Loan Fund		Efficient Buildings Fund	
(1) Total Loan Fund Deposits Through 2020	\$ 516,542	(1) Energy Efficiency Funds allocated to EBF through 2019	\$ 16,870,447
(2) Current Loan Fund Balance	\$ 410,968	(2) Total EBF Loans Outstanding	\$ 18,269,000
<i>Funds returned to OER</i>	\$ -	<i>Loans Paid Year-To-Date</i>	\$ 1,100,000
<i>Repayments Year-To-Date</i>	\$ 89,247	<i>Repayments Year-To-Date</i>	\$ 640,000
(3) Projected Additional Loans by Year End	\$ -	(3) Projected Additional Loans by Year End 2019	\$ 6,200,000
(4) Projected Additional Repayments by Year End	\$ 89,247	(4) Projected Additional Repayments by Year End 2019	\$ -
<b>(5) Projected Year End Loan Fund Balance 2020</b>	<b>\$ 500,215</b>	<b>(5) Total EBF Loans Outstanding</b>	<b>\$ 24,929,000</b>
(6) 2020 Fund Injection	\$ -	(6) 2020 Fund Injection	\$ 5,216,666
<b>(7) Projected Loan Fund Balance, January 2021</b>	<b>\$ 500,215</b>	<b>(7) 2019 Beginning of Year EBF Loans Outstanding</b>	<b>\$ 24,929,000</b>
(8) Projected Repayments throughout 2021	\$ 16,327	(8) Projected EBF Loan Repayments in 2020	\$ 740,000
(9) Estimated Loans in 2021	\$ -	(9) New EBF loans in 2020	\$ 15,650,000
<b>(10) Projected Year End Loan Fund Balance 2021</b>	<b>\$ 516,542</b>	<b>(10) Projected Year End 2020 EBF Loans Outstanding</b>	<b>\$ 39,839,000</b>
		(11) Energy Efficiency Funds allocated to EBF through 2020	\$ 22,087,113
		(12) Loans to Energy Efficiency Fund Contribution Ratio	1.8

Notes

- 1 Funding injections since loan funds began. Net of any adjustments.
- 2 Current Loan Fund Balance is through June 2020; it includes all loans and repayments made by June 2020. Public Sector Revolving Loan Fund reduced by transfers to RI PEP Incentives. EBF reports in terms of loans outstanding.
- 3 Projected Loans from July to Year-End 2020 is estimated based on projects currently under construction that are anticipated to be paid out by year-end. It is difficult to project this amount accurately due to the fact that projects could be delayed by a month or two resulting in payment occurring in 2021 instead of 2020.
- 4 Projected Repayments from June to Year-End 2020 is estimated based on the monthly average amount of repayments.
- 5 Equal to (2) - (3) + (4). EBF equal to (2) - (repayments YTD) + (3).
- 6 EBF will be updated in the final draft of 2021 Annual Plan.
- 7 Equal to (5) + (6). EBF equal to line (5).
- 8 Assumption based on monthly average repayments in 2020 over 12 month period; repayments accumulate over time and may vary widely.
- 9 Amount projected to be lent to customers in 2021
- 10 Equal to (7) + (8) - (9). EBF equal to (7) - (8) + (9).

**Table E-11**  
**National Grid**  
**Rhode Island Electric Energy Efficiency 2003 - 2021**  
**\$(000)**

Electric	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 <sup>(4)</sup>	2014	2015	2016	2017	2018	2019	2020 <sup>(5)</sup>	2021 <sup>(6)</sup>
Energy Efficiency Budget (\$Million) <sup>(1)</sup>	\$23.1	\$22.6	\$23.1	\$22.4	\$22.5	\$21.0	\$32.4	\$37.6	\$59.2	\$61.4	\$77.5	\$87.0	\$86.6	\$87.5	\$94.6	\$94.6	\$107.5	\$111.1	\$119.3
Spending Budget (\$Million) <sup>(2)</sup>	\$16.3	\$15.8	\$17.6	\$16.5	\$16.4	\$14.7	\$23.5	\$28.8	\$45.3	\$55.3	\$64.8	\$80.6	\$77.3	\$77.6	\$88.5	\$88.7	\$98.1	\$101.1	\$106.3
Actual Expenditures (\$Million) <sup>(3)</sup>	\$22.8	\$19.5	\$23.4	\$23.7	\$21.9	\$19.2	\$31.7	\$29.7	\$40.0	\$50.7	\$72.9	\$85.3	\$87.4	\$78.4	\$94.8	\$93.0	\$100.7		
Incentive Percentage <sup>(10)</sup>	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0% TBD
Target Incentive <sup>(11)</sup>	\$712,557	\$781,959	\$774,689	\$726,627	\$723,000	\$647,689	\$1,035,943	\$1,267,043	\$1,992,513	\$2,434,131	\$3,240,747	\$4,032,000	\$3,867,400	\$3,878,087	\$4,425,528	\$4,436,022	\$4,905,009	\$5,054,448	\$5,319,420
Earned Incentive	\$712,557	\$604,876	\$795,648	\$760,623	\$716,075	\$675,282	\$1,085,888	\$1,333,996	\$1,929,273	\$2,469,411	\$2,997,681	\$4,223,321	\$4,533,360	\$4,128,034	\$4,829,847	\$4,940,402	\$3,290,237		
Annual Summer Demand kW Savings Goal Achieved (%)				106%	106%	113%	142%	78%	71%	83%	114%	78%	112%	101%	103%	116%	98%		
Annual MWh Energy Savings Goal Achieved (%)				111%	102%	111%	115%	107%	94%	93%	99%	105%	115%	107%	115%	110%	98%		
Energy Efficiency Program Charge (\$/kWh) <sup>(7)</sup>	\$0.00200	\$0.00200	\$0.00200	\$0.00200	\$0.00200	\$0.00200	\$0.00320	\$0.00320	\$0.00526	\$0.00592	\$0.00876	\$0.00911	\$0.00953	\$0.01077	\$0.01124	\$0.00972	\$0.01121	\$0.01323	\$0.01429
Annual Cost to 500 kWh/month Residential Customer w/o tax <sup>(8)</sup>	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$19.20	\$19.20	\$31.56	\$35.52	\$52.56	\$54.66	\$57.18	\$64.62	\$67.44	\$58.32	\$67.26	\$79.38	\$85.74
Annual Cost to 500 kWh/month Residential Customer w/ tax <sup>(9)</sup>	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$20.00	\$20.00	\$32.88	\$37.00	\$54.75	\$56.94	\$59.56	\$67.31	\$70.25	\$60.75	\$70.06	\$82.69	\$89.31

**Notes:**

- (1) Energy Efficiency Budget includes total expenditures and commitments. Includes all demand side management program-related expenses, including rebates, administration and general expenses, evaluation, commitments for future years and Company incentive.
- (2) Prior to 2017, Spending Budget Eligible for Shareholder Incentive includes: Implementation, Administration, General, and Evaluation Expenses; excludes EERMC and OER Costs, Commitments, Copays, and Outside Finance Costs. Beginning in 2017, Outside Finance Costs were also included. Beginning in 2018 Pilot expenses were also excluded. Beginning in 2019 ConnectedSolutions expenses and assessments were also excluded.
- (3) Actual Expenditures is actual spend during calendar year. Includes expenditures and commitments. Includes all demand side management program-related expenses, including rebates, administration and general expenses, evaluation, commitments for future years and Company incentive.
- (4) In the Company's gas and electric rate cases in docket 4323, the PUC approved the uncollectibles gross-up in the electric EE Program Charge effective February 1, 2013, and a new rate applicable to the gross-up of the gas EE Program Charge, effective February 1, 2013.
- (5) 2020 values are planned.
- (6) 2021 values are proposed.
- (7) Beginning in 2012, the EE Program Charge includes the System Reliability Factor. It does not include the \$0.0003 renewables per RI General Laws §39-2-1.2 and Order #19608, which appears on customer bills.
- (8) Reflects the annual cost excluding Gross Earnings Tax.
- (9) Reflects the annual cost including Gross Earnings Tax.
- (10) Incentive percentage for 2021 is not shown, as the Company is currently developing a new performance incentive mechanism for 2021
- (11) Target incentive is calculated in the same way as in 2020 in order to provide a more accurate estimate of the energy efficiency surcharge.

**Table G-1  
National Grid  
Gas DSM Funding Sources in 2021 by Sector  
\$(000)**

	<u>Projections by Sector</u>			<b>Total</b>
	<b>Income Eligible Residential</b>	<b>Non-Income Eligible Residential</b>	<b>Commercial &amp; Industrial</b>	
<b>(1) Projected Budget (from G-2):</b>	<b>\$10,622.3</b>	<b>\$16,958.1</b>	<b>\$10,287.7</b>	<b>\$37,868.1</b>
<b>Sources of Other Funding:</b>				
(2) Estimated Year-End 2019 Fund Balance and Interest:	\$0.00	(\$2,197.7)	(\$1,467.1)	(\$3,664.9)
(3) Low Income Weatherization in Base Rates:	\$0.00			\$0.00
<b>(4) Total Other Funding:</b>	<b>\$0.0</b>	<b>(\$2,197.7)</b>	<b>(\$1,467.1)</b>	<b>(\$3,664.9)</b>
<b>(5) Customer Funding Required:</b>	<b>\$10,622.3</b>	<b>\$19,155.8</b>	<b>\$11,754.9</b>	<b>\$41,533.0</b>
(6) Forecasted Firm Dth Volume	1,600,863	18,655,474	19,605,949	39,862,286
(7) Forecasted Non Firm Dth Volume			230,757	230,757
(8) Less: Exempt DG Customers			(1,485,040)	(1,485,040)
<b>(9) Forecasted Dth Volume:</b>	<b>1,600,863</b>	<b>18,655,474</b>	<b>18,351,666</b>	<b>38,608,003</b>
Average Energy Efficiency Program Charge per Dth (10) excluding Uncollectible Recovery:				\$1.075
Proposed Energy Efficiency Program Charge per Dth (11) excluding Uncollectible Recovery	\$1.207	\$1.207	\$0.929	
(12) Currently Effective Uncollectible Rate	<u>1.91%</u>	<u>1.91%</u>	<u>1.91%</u>	
<b>Proposed Energy Efficiency Program Charge per (13) Dth including Uncollectible Recovery:</b>	<b>\$1.230</b>	<b>\$1.230</b>	<b>\$0.947</b>	
Currently Effective Energy Efficiency Program Charge (14) per Dth	\$1.011	\$1.011	\$0.704	
Adjustment to Reflect Fully Reconciling Funding (15) Mechanism	\$0.219	\$0.219	\$0.243	

**Notes**

- (1) Projected Budget from G-2 includes OER and EERMC costs allocated to each sector based on forecasted volume.  
(2) Fund Balance projections include projected revenue and spend through year-end with Residential and C&I sector subsidies applied to Income Eligible as detailed in the 2021 EE Plan Table G-1. The Company proposes to refile this table with updated Fund Balance projections on December 1, 2020 as proposed in Section 12.1 of the Plan's Main Text.  
(11) As agreed to by the settling parties, the proposed EE program charges allow for the use of collections from one sector to fund energy efficiency services in other sectors that would otherwise not be supported with the proposed collection rates. The C&I charge includes collection of \$5.2 million of which \$4.9 million will be allocated to the low income sector and \$0.3 million to the residential sector.  
(12) Uncollectible rate approved in Docket No. 4770.

**Table G-2  
National Grid  
2021 Gas Energy Efficiency Program Budget (\$000)**

	Program Planning and Administration	Marketing	Cost of services and product rebates/incentives provided to customers	Sales, Technical Assistance and Training	Evaluation & Market Research	Performance Incentive	Grand Total
<b>Non-Income Eligible Residential:</b>							
ENERGY STAR® HVAC	\$102.9	\$213.6	\$2,933.0	\$139.3	\$48.2	\$0.0	\$3,437.0
EnergyWise	\$258.9	\$85.2	\$7,824.7	\$1,139.9	\$189.4	\$0.0	\$9,498.2
EnergyWise Multifamily	\$57.7	\$35.7	\$1,216.0	\$154.9	\$47.0	\$0.0	\$1,511.2
Home Energy Reports	\$11.2	\$0.1	\$0.0	\$428.5	\$11.4	\$0.0	\$451.2
Residential Pilots	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Residential New Construction	\$38.2	\$2.4	\$491.2	\$125.3	\$19.3	\$0.0	\$676.3
Comprehensive Marketing - Residential	\$0.2	\$64.8	\$0.0	\$0.0	\$0.0	\$0.0	\$65.0
Community Based Initiatives - Residential	\$9.8	\$37.9	\$28.1	\$0.0	\$0.0	\$0.0	\$75.8
Residential Workforce Development	\$0.0	\$0.0	\$0.0	\$118.3	\$0.0	\$0.0	\$118.3
Residential Performance Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$772.2	\$772.2
<b>Subtotal - Non-Income Eligible Residential</b>	<b>\$478.9</b>	<b>\$439.6</b>	<b>\$12,493.0</b>	<b>\$2,106.3</b>	<b>\$315.3</b>	<b>\$772.2</b>	<b>\$16,605.3</b>
<b>Income Eligible Residential:</b>							
Single Family - Income Eligible Services	\$165.0	\$26.4	\$5,253.0	\$1,200.8	\$111.4	\$0.0	\$6,756.7
Income Eligible Multifamily	\$91.5	\$6.2	\$2,667.0	\$415.2	\$101.4	\$0.0	\$3,281.3
Income Eligible Workforce Development	\$0.0	\$0.0	\$0.0	\$49.6	\$0.0	\$0.0	\$49.6
Income Eligible Performance Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$504.4	\$504.4
<b>Subtotal - Income Eligible Residential</b>	<b>\$256.5</b>	<b>\$32.6</b>	<b>\$7,920.0</b>	<b>\$1,665.7</b>	<b>\$212.9</b>	<b>\$504.4</b>	<b>\$10,592.0</b>
<b>Commercial &amp; Industrial</b>							
Large Commercial New Construction	\$76.9	\$190.0	\$1,224.1	\$1,183.6	\$105.5	\$0.0	\$2,780.2
Large Commercial Retrofit	\$237.7	\$315.4	\$2,420.3	\$1,838.6	\$175.1	\$0.0	\$4,987.1
Small Business Direct Install	\$7.1	\$40.6	\$251.8	\$32.6	\$0.9	\$0.0	\$333.0
Commercial & Industrial Multifamily	\$28.5	\$22.4	\$756.0	\$141.1	\$15.7	\$0.0	\$963.7
Commercial Pilots	\$54.2	\$7.5	\$178.3	\$25.0	\$5.0	\$0.0	\$270.0
Finance Costs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Community Based Initiatives - C&I	\$3.3	\$12.2	\$9.4	\$0.0	\$0.0	\$0.0	\$24.8
Commercial Workforce Development	\$0.0	\$0.0	\$0.0	\$164.5	\$0.0	\$0.0	\$164.5
Commercial & Industrial Performance Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$417.3	\$417.3
<b>Subtotal - Commercial &amp; Industrial</b>	<b>\$407.7</b>	<b>\$588.1</b>	<b>\$4,839.9</b>	<b>\$3,385.4</b>	<b>\$302.2</b>	<b>\$417.3</b>	<b>\$9,940.6</b>
<b>Regulatory</b>							
EERMC	\$365.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$365.1
OER	\$365.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$365.1
<b>Subtotal - Regulatory</b>	<b>\$730.2</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$730.2</b>
<b>Grand Total</b>	<b>\$1,873.3</b>	<b>\$1,060.3</b>	<b>\$25,252.9</b>	<b>\$7,157.4</b>	<b>\$830.3</b>	<b>\$1,693.9</b>	<b>\$37,868.1</b>

**Notes:**

(1) OER and EERMC is equal to 2% of total collections from customers' Energy Efficiency Program Charge, reduced by 2%.

(2) Demonstrations and Assessments are included in specific program level budgets listed above. More information on Demonstration and Assessments descriptions, budgets, and which program level budget they are included in can be found in Attachment 8.

**Table G-3  
National Grid  
Derivation of the 2021 Spending & Implementation Budgets (\$000)**

	Proposed 2020 Budget From G-2 (\$000)	Outside Finance and Stakeholder Oversight Costs (\$000)	Performance Incentive (\$000)	Eligible Sector Spending Budget for Performance Incentive on G-9 (\$000) <sup>1</sup>	Implementation Expenses for Cost-Effectiveness on G-5 (\$000) <sup>2</sup>
<b>Non-Income Eligible Residential</b>					
ENERGY STAR® HVAC	\$ 3,437.0				\$ 3,437.0
EnergyWise	\$ 9,498.2				\$ 9,498.2
EnergyWise Multifamily	\$ 1,511.2				\$ 1,511.2
Home Energy Reports	\$ 451.2				\$ 451.2
Residential Pilots	\$ -				\$ -
Residential New Construction	\$ 676.3				\$ 676.3
Comprehensive Marketing - Residential	\$ 65.0				\$ 65.0
Community Based Initiatives - Residential	\$ 75.8				\$ 75.8
Residential Workforce Development	\$ 118.3				\$ 118.3
Residential Performance Incentive	\$ 772.2		\$ 772.2		\$ -
<b>Subtotal - Non-Income Eligible Residential</b>	<b>\$ 16,605.3</b>	<b>\$ -</b>	<b>\$ 772.2</b>	<b>\$ 15,833.1</b>	<b>\$ 15,833.1</b>
<b>Income Eligible Residential</b>					
Single Family - Income Eligible Services	\$ 6,756.7				\$ 6,756.7
Income Eligible Multifamily	\$ 3,281.3				\$ 3,281.3
Income Eligible Workforce Development	\$ 49.6				\$ 49.6
Income Eligible Performance Incentive	\$ 504.4		\$ 504.4		\$ -
<b>Subtotal - Income Eligible Residential</b>	<b>\$ 10,592.0</b>	<b>\$ -</b>	<b>\$ 504.4</b>	<b>\$ 10,087.6</b>	<b>\$ 10,087.6</b>
<b>Commercial &amp; Industrial</b>					
Large Commercial New Construction	\$ 2,780.2				\$ 2,780.2
Large Commercial Retrofit	\$ 4,987.1				\$ 4,987.1
Small Business Direct Install	\$ 333.0				\$ 333.0
Commercial & Industrial Multifamily	\$ 963.7				\$ 963.7
Commercial Pilots	\$ 270.0				\$ 270.0
Finance Costs	\$ -	\$ -			\$ -
Community Based Initiatives - C&I	\$ 24.8				\$ 24.8
Commercial Workforce Development	\$ 164.5				\$ 164.5
Commercial & Industrial Performance Incentive	\$ 417.3		\$ 417.3		\$ -
<b>Subtotal - Commercial &amp; Industrial</b>	<b>\$ 9,940.6</b>	<b>\$ -</b>	<b>\$ 417.3</b>	<b>\$ 9,253.3</b>	<b>\$ 9,523.3</b>
<b>Regulatory</b>					
EERMC	\$ 365.1	\$ 365.1			\$ 365.1
OER	\$ 365.1	\$ 365.1			\$ 365.1
<b>Subtotal - Regulatory</b>	<b>\$ 730.2</b>	<b>\$ 730.2</b>			<b>\$ 730.2</b>
<b>Grand Total</b>	<b>\$ 37,868.1</b>	<b>\$ 730.2</b>	<b>\$ 1,693.9</b>	<b>\$ 35,174.0</b>	<b>\$ 36,174.2</b>

**Notes:**

- (1) Eligible Sector Spending Budget for Performance Incentive = Budget from G-2 minus Regulatory Costs, Pilots, Assessments, and Performance Incentive.
- (2) Implementation Expenses = Budget from G-2 minus Performance Incentive.
- (3) Eligible Sector Spending Budget does not include assessments, see Attachment 8 for assessments budgets.



**Table G-4  
National Grid  
Proposed 2021 Budget Compared to Approved 2020 Budget (\$000)**

	<b>Proposed Budget 2021 from G-2</b>	<b>2020 Approved Gas Budget</b>	<b>Difference</b>
<b>Non-Income Eligible Residential</b>			
ENERGY STAR® HVAC	\$ 3,437.0	\$ 2,693.1	\$ 743.9
EnergyWise	\$ 9,498.2	\$ 8,117.6	\$ 1,380.6
EnergyWise Multifamily	\$ 1,511.2	\$ 1,512.1	\$ (0.8)
Home Energy Reports	\$ 451.2	\$ 471.5	\$ (20.3)
Residential Pilots	\$ -	\$ -	\$ -
Residential New Construction	\$ 676.3	\$ 620.5	\$ 55.9
Comprehensive Marketing - Residential	\$ 65.0	\$ 79.9	\$ (14.9)
Community Based Initiatives - Residential	\$ 75.8	\$ 68.9	\$ 6.9
Residential Workforce Development	\$ 118.3	\$ -	\$ 118.3
Residential Performance Incentive	\$ 772.2	\$ 677.7	\$ 94.5
<b>Subtotal - Non-Income Eligible Residential</b>	<b>\$ 16,605.3</b>	<b>\$ 14,241.2</b>	<b>\$ 2,364.1</b>
<b>Income Eligible Residential</b>			
Single Family - Income Eligible Services	\$ 6,756.7	\$ 5,952.3	\$ 804.3
Income Eligible Multifamily	\$ 3,281.3	\$ 3,009.5	\$ 271.9
Income Eligible Workforce Development	\$ 49.6	\$ -	\$ 49.6
Income Eligible Performance Incentive	\$ 504.4	\$ 448.1	\$ 56.3
<b>Subtotal - Income Eligible Residential</b>	<b>\$ 10,592.0</b>	<b>\$ 9,409.9</b>	<b>\$ 1,182.1</b>
<b>Commercial &amp; Industrial</b>			
Large Commercial New Construction	\$ 2,780.2	\$ 2,652.6	\$ 127.6
Large Commercial Retrofit	\$ 4,987.1	\$ 4,889.1	\$ 98.0
Small Business Direct Install	\$ 333.0	\$ 125.0	\$ 208.0
Commercial & Industrial Multifamily	\$ 963.7	\$ 967.9	\$ (4.2)
Commercial Pilots	\$ 270.0	\$ 366.0	\$ (96.0)
Finance Costs	\$ -	\$ 500.0	\$ (500.0)
Community Based Initiatives - C&I	\$ 24.8	\$ 22.0	\$ 2.8
Commercial Workforce Development	\$ 164.5	\$ -	\$ 164.5
Commercial & Industrial Performance Incentive	\$ 417.3	\$ 452.8	\$ (35.5)
<b>Subtotal Commercial &amp; Industrial</b>	<b>\$ 9,940.6</b>	<b>\$ 9,975.5</b>	<b>\$ (34.9)</b>
<b>Regulatory</b>			
EERMC	\$ 365.1	\$ 361.2	\$ 3.9
OER	\$ 365.1	\$ 361.2	\$ 3.9
<b>Subtotal Regulatory</b>	<b>\$ 730.2</b>	<b>\$ 722.4</b>	<b>\$ 7.8</b>
<b>TOTAL BUDGET</b>	<b>\$ 37,868.1</b>	<b>\$ 34,349.0</b>	<b>\$ 3,519.1</b>

Notes:

- (1) Program Implementation Budget excludes Commitments, Company Incentive; derived on Table G-3
- (2) Total Budget includes Implementation, Commitments; illustrated on Table G-3

**Table G-5**  
**National Grid**  
**Calculation of 2021 Program Year Cost-Effectiveness**  
**All Dollar Values in (\$000)**

	Rhode Island Benefit/ Cost	Total Benefit	Program Implementation Expenses	Customer Contribution	Performance Incentive	\$/Lifetime MMBtu
<b>Non-Income Eligible Residential</b>						
Energy Star® HVAC	1.67	\$ 13,338	\$ 3,437	\$ 4,539		\$ 11.98
EnergyWise	2.05	\$ 21,176	\$ 9,498	\$ 816		\$ 18.93
EnergyWise MultiFamily	4.61	\$ 8,559	\$ 1,511	\$ 344		\$ 12.85
Home Energy Reports	4.05	\$ 1,825	\$ 451	\$ -		\$ 4.82
Residential New Construction	1.02	\$ 1,379	\$ 676	\$ 671		\$ 15.80
Comprehensive Marketing - Residential			\$ 65			
Community Based Initiatives - Residential			\$ 76			
Residential Pilots			\$ -			
Residential Workforce Development			\$ 118		\$ 772.2	
<b>Non-Income Eligible Residential Subtotal</b>	<b>2.01</b>	<b>\$ 46,276.8</b>	<b>\$ 15,833.1</b>	<b>\$ 6,370.8</b>	<b>\$ 772.2</b>	<b>\$ 14.48</b>
<b>Income Eligible Residential</b>						
Single Family - Income Eligible Services	2.94	\$ 19,848	\$ 6,757	\$ -		\$ 29.83
Income Eligible Multifamily	4.17	\$ 13,685	\$ 3,281	\$ -		\$ 9.37
Income Eligible Workforce Development			\$ 50		\$ 504.4	
<b>Income Eligible Residential Subtotal</b>	<b>3.17</b>	<b>\$ 33,533.3</b>	<b>\$ 10,087.6</b>	<b>\$ -</b>	<b>\$ 504.4</b>	<b>\$ 17.49</b>
<b>Large Commercial &amp; Industrial</b>						
Large Commercial New Construction	5.40	\$ 17,142	\$ 2,780	\$ 393		\$ 4.82
Large Commercial Retrofit	5.30	\$ 37,422	\$ 4,987	\$ 2,069		\$ 6.37
Small Business Direct Install	3.78	\$ 1,629	\$ 333	\$ 98		\$ 8.07
Commercial & Industrial Multifamily	4.63	\$ 4,851	\$ 964	\$ 84		\$ 7.60
Commercial Pilots			\$ 270			
Community Based Initiatives - C&I			\$ 25			
Finance Costs			\$ -			
Commercial Workforce Development			\$ 165		\$ 417.3	
<b>Commercial &amp; Industrial Subtotal</b>	<b>4.85</b>	<b>\$ 61,043.6</b>	<b>\$ 9,523.3</b>	<b>\$ 2,643.9</b>	<b>\$ 417.3</b>	<b>\$ 6.22</b>
<b>Regulatory</b>						
EERMC			\$ 365.1			
OER			\$ 365.1			
<b>Regulatory Subtotal</b>			<b>\$ 730.2</b>			
<b>Grand Total</b>	<b>3.00</b>	<b>\$ 140,853.7</b>	<b>\$ 36,174.2</b>	<b>\$ 9,014.7</b>	<b>\$ 1,693.9</b>	<b>\$ 11.11</b>

Notes:

(1) RI Test B/C Test = (Energy + Capacity + Resource Benefits+Economic Benefits + Carbon Benefits) / (Program Implementation + Customer Contribution + Performance Incentive)

Also includes effects of free-ridership and spillover.

(2) For Implementation Expenses derivation, see Table G-3.

**Table G-5A**  
**National Grid**  
**Calculation of 2021 Program Year Cost-Effectiveness with TRC Test**  
**All Dollar Values in (\$000)**

	TRC Benefit/ Cost	Total Benefit	Program Implementation Expenses	Customer Contribution	Performance Incentive	\$/Lifetime MMBtu
<b>Non-Income Eligible Residential</b>						
Energy Star® HVAC	0.93	\$ 7,406.4	\$ 3,437.0	\$ 4,539.3		\$ 11.98
EnergyWise	0.88	\$ 9,027.9	\$ 9,498.2	\$ 816.5		\$ 18.93
EnergyWise MultiFamily	2.93	\$ 5,427.1	\$ 1,511.2	\$ 344.0		\$ 12.85
Home Energy Reports	2.00	\$ 901.9	\$ 451.2	\$ -		\$ 4.82
Residential New Construction	0.62	\$ 840.0	\$ 676.3	\$ 670.9		\$ 15.80
Comprehensive Marketing - Residential			\$ 65.0			
Community Based Initiatives - Residential			\$ 75.8			
Residential Pilots			\$ -			
Residential Workforce Development			\$ 118.3			
<b>Non-Income Eligible Residential Subtotal</b>	<b>1.03</b>	<b>\$ 23,603.3</b>	<b>\$ 15,833.1</b>	<b>\$ 6,370.8</b>	<b>\$ 772.2</b>	<b>\$ 14.48</b>
<b>Income Eligible Residential</b>						
Single Family - Income Eligible Services	1.79	\$ 12,080.6	\$ 6,756.7	\$ -		\$ 29.83
Income Eligible Multifamily	2.13	\$ 7,001.0	\$ 3,281.3	\$ -		\$ 9.37
Income Eligible Workforce Development			\$ 49.6			
<b>Income Eligible Residential Subtotal</b>	<b>1.80</b>	<b>\$ 19,081.6</b>	<b>\$ 10,087.6</b>	<b>\$ -</b>	<b>\$ 504.4</b>	<b>\$ 17.49</b>
<b>Large Commercial &amp; Industrial</b>						
Large Commercial New Construction	3.19	\$ 10,127.3	\$ 2,780.2	\$ 392.9		\$ 4.82
Large Commercial Retrofit	2.77	\$ 19,568.7	\$ 4,987.1	\$ 2,069.3		\$ 6.37
Small Business Direct Install	1.84	\$ 794.2	\$ 333.0	\$ 97.8		\$ 8.07
Commercial & Industrial Multifamily	2.27	\$ 2,382.0	\$ 963.7	\$ 84.0		\$ 7.60
Commercial Demonstration and R&D			\$ 270.0			
Community Based Initiatives - C&I			\$ 24.8			
Finance Costs			\$ -			
Commercial Workforce Development			\$ 164.5			
<b>Commercial &amp; Industrial Subtotal</b>	<b>2.61</b>	<b>\$ 32,872.1</b>	<b>\$ 9,523.3</b>	<b>\$ 2,643.9</b>	<b>\$ 417.3</b>	<b>\$ 6.22</b>
<b>Regulatory</b>						
EERMC			\$ 365.1			
OER			\$ 365.1			
<b>Regulatory Subtotal</b>			<b>\$ 730.2</b>			
<b>Grand Total</b>	<b>1.61</b>	<b>\$ 75,557.0</b>	<b>\$ 36,174.2</b>	<b>\$ 9,014.7</b>	<b>\$ 1,693.9</b>	<b>\$ 11.11</b>

Notes:

(1) TRC B/C Test = (Energy + Capacity + Resource Benefits) / (Program Implementation + Customer Contribution + Performance Incentive)

Also includes effects of free-ridership and spillover.

(2) For Implementation Expenses derivation, see Table G-3.

**Table G-6  
National Grid  
Summary of 2021 Benefits by Program**

	<b>Benefits (\$000)</b>			
	<b>Total</b>	<b>Natural Gas</b>	<b>Non-Gas Benefits</b>	
<b>Economic Benefit</b>			<b>Other Non-Gas Benefit</b>	
<b>Non-Income Eligible Residential</b>				
EnergyWise	\$21,176.3	\$5,236.7	\$9,593.2	\$6,346.4
Energy Star® HVAC	\$13,337.9	\$6,396.7	\$2,852.7	\$4,088.5
EnergyWise Multifamily	\$8,558.6	\$1,384.5	\$2,463.3	\$4,710.8
Home Energy Reports	\$1,825.5	\$859.7	\$478.2	\$487.5
Residential New Construction	\$1,378.6	\$822.0	\$148.8	\$407.8
<b>Non-Income Eligible Residential SUBTOTAL</b>	<b>\$46,276.8</b>	<b>\$14,699.6</b>	<b>\$15,536.3</b>	<b>\$16,041.0</b>
<b>Income Eligible Residential</b>				
Single Family - Income Eligible Services	\$19,848.1	\$2,198.3	\$6,689.1	\$10,960.8
Income Eligible Multifamily	\$13,685.1	\$4,007.9	\$5,086.1	\$4,591.2
<b>Income Eligible Residential SUBTOTAL</b>	<b>\$33,533.3</b>	<b>\$6,206.2</b>	<b>\$11,775.2</b>	<b>\$15,552.0</b>
<b>Commercial &amp; Industrial</b>				
Large Commercial New Construction	\$17,142.2	\$5,361.4	\$3,947.9	\$7,832.9
Large Commercial Retrofit	\$37,422.3	\$9,518.6	\$12,617.3	\$15,286.4
Small Business Direct Install	\$1,628.5	\$441.0	\$582.7	\$604.8
Commercial & Industrial Multifamily	\$4,850.5	\$1,221.2	\$1,821.5	\$1,807.9
<b>Commercial &amp; Industrial SUBTOTAL</b>	<b>\$61,043.6</b>	<b>\$16,542.3</b>	<b>\$18,969.3</b>	<b>\$25,532.0</b>
<b>Grand Total</b>	<b>\$140,853.7</b>	<b>\$37,448.0</b>	<b>\$46,280.7</b>	<b>\$57,125.0</b>

**Notes:**

- 1) Equal to the sum of Natural Gas benefits and Participant Resource benefits.
- 2) Non-Gas Benefits are equal to the dollar value of expected electricity savings and non-resource savings that have not been included in National Grid's electric energy efficiency plans for 2021.

**Table G-6A  
National Grid  
Summary of 2021 Impacts by Program**

	<b>Gas Saved (MMBtu)</b>	
	<b>Annual</b>	<b>Lifetime</b>
<b>Non-Income Eligible Residential</b>		
EnergyWise	24,575	544,796
Energy Star® HVAC	38,460	665,888
EnergyWise Multifamily	8,633	144,382
Home Energy Reports	93,548	93,548
Residential New Construction	4,445	85,272
<b>Non-Income Eligible Residential SUBTOTAL</b>	<b>169,660</b>	<b>1,533,886</b>
<b>Income Eligible Residential</b>		
Single Family - Income Eligible Services	11,325	226,500
Income Eligible Multifamily	15,858	350,222
<b>Income Eligible Residential SUBTOTAL</b>	<b>27,183</b>	<b>576,722</b>
<b>Commercial &amp; Industrial</b>		
Large Commercial New Construction	41,438	658,331
Large Commercial Retrofit	139,656	1,107,448
Small Business Direct Install	5,335	53,352
Commercial & Industrial Multifamily	9,444	137,934
<b>Commercial &amp; Industrial SUBTOTAL</b>	<b>195,874</b>	<b>1,957,065</b>
<b>Grand Total</b>	<b>392,717</b>	<b>4,067,673</b>

**Notes:**

1) Lifetime savings are equal to annual savings multiplied by the expected life of measures expected to be installed in each program.

**Table G-7  
National Grid  
Comparison of 2021 and 2020 Goals**

	Proposed 2021 Goal	Proposed 2021 Tracking		Approved 2020	Difference
	Annual Energy Savings (MMBtu Natural Gas)	Lifetime Energy Savings (MMBtu Natural Gas)	Planned Unique Participants	Annual Energy Savings (MMBtu Natural Gas)	Annual Energy Savings (MMBtu Natural Gas)
<b>Non-Income Eligible Residential</b>					
EnergyWise	24,575	544,796	1,962	25,621	-1,046
Energy Star® HVAC	38,460	665,888	4,348	29,994	8,466
EnergyWise Multifamily	8,633	144,382	4,000	14,561	-5,928
Home Energy Reports	93,548	93,548	152,324	115,426	-21,878
Residential New Construction	4,445	85,272	323	4,346	99
<b>Non-Income Eligible Residential SUBTOTAL</b>	<b>169,660</b>	<b>1,533,886</b>	<b>162,957</b>	<b>189,948</b>	<b>-20,287</b>
<b>Income Eligible Residential</b>					
Single Family - Income Eligible Services	11,325	226,500	1,161	10,096	1,229
Income Eligible Multifamily	15,858	350,222	3,500	24,413	-8,555
<b>Income Eligible Residential SUBTOTAL</b>	<b>27,183</b>	<b>576,722</b>	<b>4,661</b>	<b>34,508</b>	<b>-7,325</b>
<b>Commercial &amp; Industrial</b>					
Large Commercial New Construction	41,438	658,331	61	45,474	-4,036
Large Commercial Retrofit	139,656	1,107,448	83	163,011	-23,355
Small Business Direct Install	5,335	53,352	99	2,523	2,812
Commercial & Industrial Multifamily	9,444	137,934	1,459	11,155	-1,712
<b>Commercial &amp; Industrial SUBTOTAL</b>	<b>195,874</b>	<b>1,957,065</b>	<b>1,701</b>	<b>222,164</b>	<b>-26,291</b>
<b>TOTAL</b>	<b>392,717</b>	<b>4,067,673</b>	<b>169,319</b>	<b>446,621</b>	<b>-53,904</b>

**Notes:**

- (1) Participants can participate in more than one program, for example Home Energy Reports and EnergyWise.
- (2) Planned 2021 participation takes into account net-to-gross and estimates unique participation by taking into account 2019 unique customer accounts to savings ratios. Therefore the number of planned measures may be more than the planned participants. For measure counts please view the widgets tables at the end of the Residential and C&I text sections. Table G-7 no longer includes a comparison to the previous year's participation. Due to the way unique participation is calculated it is not possible to compare year-over-year results.

**Table G-10  
National Grid  
Revolving Loan Fund Projections**

**Large C&I Revolving Loan Fund**

(1)	<b>Total Loan Fund Deposits Through 2020</b>	<b>\$ 3,090,440</b>
(2)	Current Loan Fund Balance	\$ 1,499,509
(3)	Projected Loans by Year End 2020	\$ 500,718
(4)	Projected Repayments by Year End 2020	\$ 254,428
(5)	<b>Projected Year End Loan Fund Balance 2020</b>	<b>\$ 1,253,219</b>
(6)	2019 Fund Injection	\$ -
(7)	<b>Projected Loan Fund Balance, January 2021</b>	<b>\$ 1,253,219</b>
(8)	Projected Repayments throughout 2021	\$ 710,980
(9)	Estimated Loans in 2021	\$ 1,800,000
(10)	<b>Projected Year End Loan Fund Balance 2021</b>	<b>\$ 164,198</b>

Notes

- 1 Funding injections since loan funds began.
- 2 Current Loan Fund Balance is through June 2020
- 3 Projected Loans by Year End 2020 is estimated based on current commitments  
Projected Repayments by Year End 2020 is estimated based on projected loans
- 4 by year end and repayment schedules
- 5 Equal to (2) - (3) + (4)
- 6 Fund Injection, as budgeted on G-2
- 7 Equal to (5) + (6)
- 8 Assumption based on average repayments over 12 months; repayments accumulate over time and may vary widely.

**Table G-11**  
**National Grid**  
**Rhode Island Gas Energy Efficiency 2003 - 2021**  
**\$(000)**

Gas	2007 <sup>(4)</sup>	2008	2009	2010	2011 <sup>(5)</sup>	2012	2013 <sup>(6)</sup>	2014	2015	2016	2017	2018	2019 <sup>(7)</sup>	2020 <sup>(8)</sup>	2021
Energy Efficiency Budget (\$Million) <sup>(1)</sup>	-	\$7.3	\$7.6	\$4.8	\$7.3	\$13.7	\$19.5	\$23.5	\$24.5	\$27.7	\$29.7	\$28.1	\$31.6	\$34.3	\$ 37.9
Spending Budget (\$Million) <sup>(2)</sup>	-	\$6.6	\$6.1	\$4.5	\$6.2	\$12.9	\$17.9	\$21.8	\$22.4	\$25.0	\$27.8	\$26.2	\$29.2	\$31.6	\$ 35.2
Actual Expenditures (\$Million) <sup>(3)</sup>	-	\$7.4	\$6.3	\$5.5	\$4.9	\$13.3	\$19.6	\$21.5	\$21.5	\$24.6	\$29.1	\$28.8	\$29.5		
Incentive Percentage	-	4.4%	4.4%	4.4%	4.4%	4.4%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Target Incentive	-	\$288,734	\$266,980	\$199,743	\$274,460	\$570,382	\$898,285	\$1,089,700	\$1,119,800	\$1,251,654	\$1,387,550	\$1,309,076	\$1,460,570	\$1,578,601	\$1,693,899
Earned Incentive	-	\$288,734	\$262,121	\$231,310	\$239,863	\$586,036	\$968,229	\$1,362,108	\$1,387,079	\$1,496,869	\$1,633,531	\$1,541,255	\$1,580,119		
Annual MMBtu Energy Savings Goal Achieved (%)		109%	139%	127%	117%	99%	109%	124%	111%	106%	113%	120%	104%		
System Benefits Charge (\$/therm) - all non-exempt customers <sup>(11)</sup>	\$0.0071	\$0.0107	\$0.0150	\$0.0150	\$0.0411	\$0.0384	\$0.0417	-	-	-	-	-	-	-	-
Residential System Benefits Chare (\$/therm)	-	-	-	-	-	-	-	\$0.0600	\$0.0781	\$0.0748	\$0.0888	\$0.0869	\$0.0715	\$0.1011	\$0.1230
C&I System Benefits Charge (\$/therm)	-	-	-	-	-	-	-	\$0.0492	\$0.0637	\$0.0487	\$0.0726	\$0.0671	\$0.0420	\$0.0704	\$0.0947
Annual Cost to 846 Therm/year Residential Customer w/o tax <sup>(9)</sup>	\$6.04	\$9.05	\$12.69	\$12.69	\$18.28	\$32.49	\$35.28	\$50.76	\$66.07	\$63.28	\$75.12	\$73.52	\$60.49	\$85.53	\$104.06
Annual Cost to 846 Therm/year Residential Customer w/tax <sup>(10)</sup>	\$6.23	\$9.33	\$13.08	\$13.08	\$18.85	\$33.49	\$36.37	\$52.33	\$68.11	\$65.24	\$77.44	\$75.79	\$62.36	\$88.18	\$107.28

**Notes:**

- (1) Energy Efficiency Budget includes total expenditures and commitments. Includes all demand side management program-related expenses, including rebates, administration and general expenses, evaluation, commitments for future years and Company incentive.
- (2) Prior to 2017, Spending Budget Eligible for Shareholder Incentive includes: Implementation, Administration, General, and Evaluation Expenses; excludes EERMC and OER Costs, Commitments, Copays, and Outside Finance Costs. Beginning in 2017, Outside Finance Costs were also included. Beginning in 2018 Pilot expenses were also excluded. Beginning in 2019 ConnectedSolutions expenses and assessment were also excluded.
- (3) Actual Expenditures is actual spend during calendar year. Includes expenditures and commitments. Includes all demand side management program-related expenses, including rebates, administration and general expenses, evaluation, commitments for future years and Company incentive.
- (4) Gas programs began during July 2007 and were not reported on separately that year since programs were still in development. The 2007 gas programs are included in 2008 reporting. Systems Benefit Charge shown for 2007 is the weighted average of \$0.063 per decatherm from January 1, 2007 - June 30, 2007 and \$0.107 per decatherm from July 1, 2007 through December 31, 2008.
- (5) On July 25, 2011 the Commission ordered that National Grid could increase the gas System Benefits Charge from \$0.15 to \$0.411 per decatherm for the period of August 1, 2011 through December 31, 2011. Annual cost represents 7 months usage (632 therms) at \$0.015 per therm and 5 months usage (214 therms) at \$0.0411 per therm.
- (6) In the Company's gas and electric rate cases in docket 4323, the PUC approved the uncollectibles gross-up in the electric EE Program Charge effective February 1, 2013, and a new rate applicable to the gross-up of the gas EE Program Charge, effective February 1, 2013.
- (7) 2019 values are planned.
- (8) 2020 values are proposed.
- (9) Reflects the annual cost excluding Gross Earnings Tax.
- (10) Reflects the annual cost including Gross Earnings Tax.
- (11) The Gas EE Program Charge was uniform for all customers until 2014, at which time the Company proposed and the PUC approved individual factors for the residential and C&I sectors.



# 2021 Pilots, Demonstrations and Assessments

## Table of Contents

1. Introduction.....	2
2. Definitions.....	4
3. Summary of Commercial, Industrial and Residential Pilots, Demonstrations and Assessments 10	
4. Commercial and Industrial Pilots, Demonstrations and Assessments .....	13
4.1 Commercial and Industrial Pilots .....	13
a. Gas Demand Response .....	13
4.2 Commercial and Industrial Demonstrations .....	17
a. Enzyme-based HVAC Coil Cleaning .....	17
b. Strategic Energy Management (SEM)/Continuous Energy Improvement (CEI) .....	18
c. Network Lighting Controls Plus HVAC.....	19
d. Kitchen Exhaust.....	19
4.3 Commercial and Industrial Assessments .....	20
a. HVAC Automation for Demand Response .....	20
b. Shared Laundry Facility Clothes Washers and Dryers.....	21
c. Use of Submetering to Support Energy Efficiency Opportunities .....	22
d. Refrigeration Leak Survey and Repair.....	23
5. Residential Pilots, Demonstrations, and Assessments .....	23
5.1 Residential Pilots.....	23
5.2 Residential Demonstrations.....	23
a. New Air Sealing and Insulation Products.....	23
b. Solar Inverter Direct Load Control (ConnectedSolutions) .....	24
5.3 Residential Assessments .....	25
a. Pre-Fab Whole House Energy Refurbishment .....	25

## 1. Introduction

The Company invests in pilots, demonstrations and assessments to research and develop new measures, solutions and programs to expand energy efficiency choices and benefits to customers. The Company continues to test new measures and solutions that were proposed in the 2020 Annual Plan and has proposed additional demonstrations and assessments for the 2021 Annual Plan. In 2019, as part of its commitment to innovation, the Company launched the new Customer Energy Management (CEM) Growth and Development team. This team has developed a new framework to assess and test new innovations for the energy efficiency and active demand response portfolios. This team will accelerate the process of developing and implementing pilots, demonstrations and assessments for the Company, resulting in new measures, solutions, and offerings for customers.

**Process:** The Company has developed a standard process by which it tests all new ideas and determines if the idea merits a pilots, demonstration, or assessment. Each idea is first assessed in the **Intake** stage to determine if the product can be offered through the energy efficiency or demand reduction programs and if it is commercially available. The application and preliminary savings potential are developed in the **Concept** stage. Ideas in these two early stages of review make up the Innovation Pipeline of ideas that is continually moving as new ideas are examined and promising ideas are further vetted and launched into the portfolio.

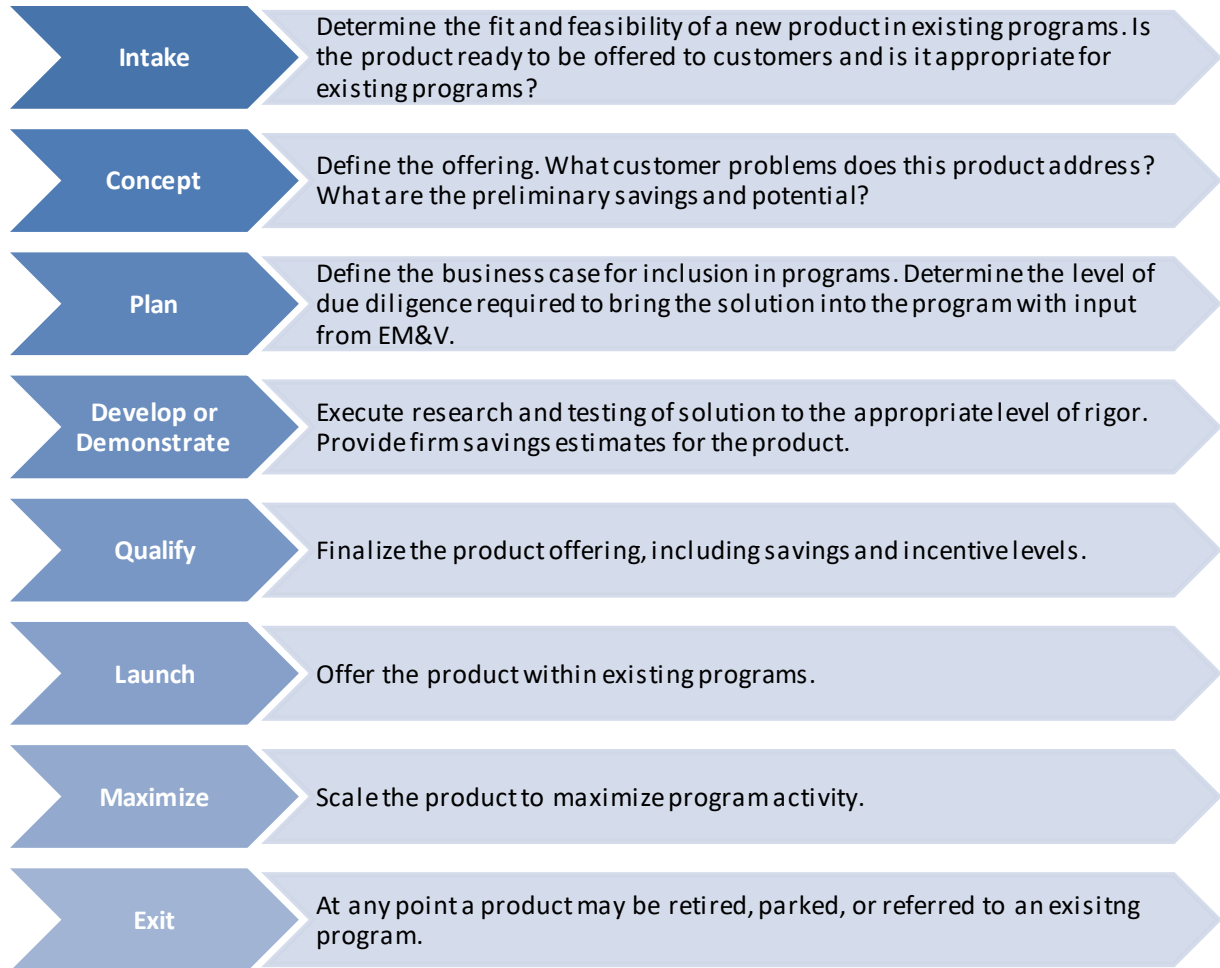
The Concept stage necessitates preliminary research and analysis of the product, which will inform the **Plan** stage. Key decisions of how to progress with the measure are made during the Plan stage, including if a pilot, demonstration, or assessment is required to develop the idea and, if so, whether an independent or vendor evaluation approach should be taken. The new ideas included in section 4 are all in the plan stage of development and recommended for a pilot, demonstration, or assessment beginning in 2021. The decisions around what type and rigor of testing required for each item will be made with input from the National Grid Evaluation Measurement & Verification (EM&V) team, EERM Consultants, and OER.

The planned pilot, demonstration, or assessment will be executed in the **Develop** or **Demonstrate** stage. Updates will be provided to the stakeholder teams on a quarterly basis.

Once the develop or demonstration stage is complete, the offering will be finalized and launched through the **Qualify, Launch, and Maximize** stages. During these stages, the product will be handed off to the CEM, vendor, and implementation teams who will manage the product as part of the Company's energy efficiency portfolio.

During any of the above stages it is possible for the idea to **Exit** the process. The product may be **Retired** if it does not fit into our programs or if there is no viable business case. The product

may be **Parked** if the policy or infrastructure required for the idea to be successfully delivered to customers is not available, but may be in the near term. Finally, the product may be **Referred** directly to the programs if the idea is expected to produce reliable savings, fits readily into an existing program or measure, and the receiving program has the capability to finalize savings and incentives.



**Innovation Pipeline:** The process outlined above is designed to bring in as many ideas as possible and quickly determine to what extent the Company should invest resources in developing the idea. The pilots, demonstrations, and assessments discussed here have already been identified as ideas that should be further explored and tested, but it's possible that additional ideas from the Innovation Pipeline will emerge for additional, immediate analysis through 2021. To ensure those emerging ideas can be quickly and efficiently vetted, the

Company has set aside budget to assess approximately two ideas in each sector. Promising ideas may progress to a demonstration or as a program measure in the following year.

**Evaluation:** It is to be expected that each idea passing through this process will have a different set of requirements and research questions that must be answered prior to qualification and inclusion in programs. Depending on the characteristics of the idea, the expected program delivery pathway, and the nature of the uncertainty around the idea, the Company plans for different approaches to evaluate the idea during a pilot, demonstration, or assessment. For example, a low touch residential product that we expect to deliver through an upstream program requires a very different analysis than a high touch industrial measure with few potential customers across the state.

The Customer Energy Management Growth and Development team will recommend a research plan for each pilot, demonstration, or assessment approved through the planning process. The team will solicit input from the Company's EM&V team, OER, and EERMC consultants to reach consensus on whether the research requirements can be best met through an independent evaluation, a vendor evaluation, or an internal review. These approaches are further discussed in the next section.

## 2. Definitions

The Company, using guidance from the PUC, has outlined three separate pathways that may be used to assess ideas in the Innovation Pipeline. It is assumed that any idea selected for a pilot demonstration, or assessment has been vetted through the Intake and Concept stages outlined above. Ideas are vetted for fit and feasibility, commercial availability, and documented preliminary recommendations of characteristics like target customer, magnitude of potential savings, and delivery pathway. An idea examined through an assessment may not have fully vetted fit and feasibility, but must be commercially available and address a specific program need that is not met through other, more certain technologies or products. A pipeline idea will only be recommended as a pilot, demonstration, or assessment if there are clearly articulated research goals that cannot be answered without a concerted research effort.

The Company has three research pathways available, which can be deployed depending on the needs and potential of a pilot, demonstration, or assessment.

Table 1. Definitions: Pilots, Demonstrations and Assessments			
	Pilot	Demonstration	Assessment
Defining Characteristics	<ul style="list-style-type: none"> <li>• May result in independent program</li> <li>• Long term and comprehensive engagement required to test and develop offering</li> <li>• Market capabilities may need to be developed</li> </ul>	<ul style="list-style-type: none"> <li>• Technology requires information gathering and field installations</li> </ul>	<ul style="list-style-type: none"> <li>• Technology addresses program need that can't be met with other, more defined options</li> <li>• Technology does not have a robust basis for energy savings</li> </ul>
Cost effective savings information	Estimated savings	Estimated savings	Unknown or limited
Vendor Evaluation Option	Yes	Yes	Yes
Independent Evaluation Option	Yes	Yes	Yes
Internal Review Option	No	No	Yes
Savings contribution to shareholder incentive	No	Yes	No
Cost recovery from SBC	Yes	Yes	Yes

## Pilots

In 2019, the Company redefined what it considers a pilot in accordance with the Docket No. 4600-A PUC Guidance Document.

Pilot definition: As defined in the Docket 4600-A Guidance Document, “A pilot is a small scale, targeted program that is limited in scope, time, and spending and is designed to test the feasibility of a future program or rate design. It is incumbent upon the proponent of a pilot to define these limits in a proposal for PUC review. Ideally, a pilot can provide net benefits and achieve goals, but the primary design and value of a pilot is to test rather than to achieve.”<sup>1</sup>

This attachment summarizes each pilot and describes the way it advances, detracts, or remains neutral on achieving the Docket 4600 goals for the electric and gas system.

Pilots are designed to explore technologies and approaches to energy management not included in the core energy efficiency programs (Residential, Commercial and Industrial, and Multifamily) and that could potentially become a new, standalone program.

Pilots enable the Company to test technologies, new energy management strategies, customer adoption, workforce adoption, and cost effectiveness of emerging and new technologies. While pilots are designed to test standalone programs, pilot results may conclude that a standalone program is not recommended or that certain aspects of the pilot should be offered within existing programs. It is likely that pilots will require a long term commitment and broader set of stakeholder input, given the scope of adding a new core program to the Company portfolio. Savings associated with Pilots will not contribute to shareholder incentives. Pilots may be evaluated with either an independent or a vendor evaluation.

Pilots are likely to be recommended when:

- Technology meets fit and feasibility criteria of the Intake stage
- Technology is well defined in the Concept stage, including estimate of savings and potential
- Technology is unique and robust enough to operate as a standalone program
- Long term and comprehensive engagement required to determine the benefits and structure of a potential standalone program
- Market capabilities may need to be built before the program can be successful

---

<sup>1</sup> Docket No. 4600-A PUC Guidance Document, October 27, 2017. Section V. Pilots.

For actions in this Plan that do not fall under the Docket 4600-A definition of pilots, the Company proposes the following definitions for demonstrations and assessments:

### **Demonstrations**

Where a pilot will test the feasibility of a new program outside of the existing core programs, a demonstration will test the feasibility of a new product or offering for inclusion in existing programs. It is generally expected that demonstrations will be less time and resource intensive than pilots, since generally there is greater certainty around a narrow, incremental measure added to a program rather than a totally new set of offerings. Savings associated with demonstration projects may contribute to shareholder incentives. Demonstrations may be evaluated with either an independent or a vendor evaluation.

Demonstrations are likely to be recommended when:

- Technology meets fit and feasibility criteria of the Intake stage
- Technology is well defined in the Concept stage, including estimate of savings and potential
- Expected that the technology requires information-gathering and field installations
- Technology has a robust basis for energy savings

### **Assessments**

Assessments will be deployed for technologies that address a particular gap or program need, but have significant uncertainty around the effectiveness or potential of the technology to realize savings. Because of the uncertainty, assessments will not include field demonstrations or customer installations. Instead, assessments will focus on information gathering to equip Company staff to make a more informed decision of whether and how to proceed with the technology. It is possible that an assessment could recommend further demonstration of the technology or determine the technology should exit the review process. Savings associated with assessments may not contribute to shareholder incentives. Assessments may be evaluated with an independent evaluator, vendor evaluation, or internal review.

Assessments are likely to be recommended when:

- Technology meets fit and feasibility criteria of the Intake stage
- Technology addresses a program need that can't be met with other, more defined options
- Technology does not have a robust basis for energy savings

## Evaluation Pathways

Three evaluation pathways are available to determine the appropriateness of a particular technology for inclusion in the programs. The evaluation approach will be determined based on considerations such as the uncertainty of the savings, scope of the offering, and whether the technology is considered under a pilot, demonstration, or assessment.

**Independent evaluations** will apply the greatest level of rigor to the pilot, demonstration, or assessment and will require broad coordination between teams. The CEM Growth and Development team will participate in the planning and review process, but the evaluation itself will be managed by the EM&V team. The third-party evaluator will develop the evaluation plan prior to customer installations to ensure the number and condition of customer installations are appropriately rigorous. The third-party evaluator may not necessarily perform customer installations, but they will be involved to the extent required to ensure appropriate metering and customer feedback needed for the final analysis. The third-party vendor will follow established evaluation protocols that are applied to established programs and are executed in consultation with the OER and EERMCConsultant evaluation teams.

An independent evaluation is likely to be recommended if:

- Technology is expected to contribute significant savings towards program savings goals
- The pilot, demonstration, or assessment analysis must consider population level analysis, as opposed to site specific analysis, to answer research questions
- There are policy or baseline questions that should be addressed through the evaluation framework

**Vendor evaluations** will be managed by the CEM Growth and Development team from beginning to end with a single vendor completing all tasks of the evaluation. Vendor evaluations may be applied to a pilot, demonstration, or assessment. This evaluation pathway will engage a vendor to assess, install, and analyze the results of the technology. The vendor will provide recommendations for including the technology in the programs.

A vendor evaluation is likely to be recommended if:

- Technology will not contribute significant savings towards program savings either because it has a niche application or the savings are relatively small
- Technology is expected to be delivered through a custom pathway with site specific information inputs available during program delivery

Finally, an **Internal review** may use internal resources, primarily the CEM Growth and Development team, to explore a product through an Assessment. Internal reviews will not be



applied to pilots, which require external capabilities, or demonstrations, which must maintain the integrity of the savings that may contribute to the shareholder incentive. An internal review will focus on key questions of uncertainty or policy related to the technology. The internal review can draw on available external resources and data, but will perform the research, analysis, and recommendations internally.

An internal review is likely to be recommended if:

- Technology is examined as an Assessment
- Research questions can be answered without customer installations
- Research can be delivered with internal resources and external resources that already available without procurement processes (such as ESource)

### 3. Summary of Commercial, Industrial and Residential Pilots, Demonstrations and Assessments

The following pilots' demonstrations and assessments are proposed for 2021 in the Commercial, Industrial, and Residential sectors. Savings estimates are approximate and only include primary fuel savings for the target customer population.

Table 2. Electric Commercial and Industrial Demonstrations and Assessments							
Classification	Fuel	Name	C&I Programs	Duration	Budget*	Savings Estimation	Evaluation
<b>Demonstrations</b>							
Industrial	Dual	Continuous Energy Improvement (CEI)	C&I Retrofit	2018-2021	\$ 380,800	1700 MWh	Vendor
Lighting	Dual	Network Lighting Controls Plus HVAC (NLC+)	C&I Retrofit	2020-2021	\$ 130,252	1.44 kWh/SF	Vendor
HVAC	Dual	Kitchen Exhaust	C&I Retrofit	2020-2021	\$ 66,292	27 MWh	Vendor
	Elec.	Enzyme-based HVAC Coil Cleaning	C&I Retrofit	2021	\$ 85,538	6-10% of HVAC consumption	Vendor
Innovation Pipeline**	Elec.	Innovative Electric	Commercial Demonstration R&D	2020	\$ 32,401	Unknown	To be determined
<b>Assessments</b>							
Laundry	Dual	Shared Laundry Facility Clothes Washers and Dryers	C&I New Construction	2021	\$ 6,480	Unknown	Internal Review
General	Dual	Use of Submetering to Support EE Opportunities	C&I Retrofit	2021	\$ 25,921	Unknown	Internal Review
Refrigeration	Elec.	Refrigerant Leak Survey and Repair	C&I Retrofit	2021	\$ 25,921	Unknown	Internal Review
HVAC	Elec.	HVAC Automation for Demand Response	C&I New Construction	2021	\$ 25,921	Unknown	Internal Review
<b>Total Electric C&amp;I Demonstration</b>					<b>\$ 695,283</b>		
<b>Total Electric C&amp;I Assessments</b>					<b>\$ 84,242</b>		

Note:

\*Budgets indicated in this table include, evaluation, incentives, program administration, sales, marketing, technical assistance and training (if applicable). Pilots and Assessments budgets are not included in Performance Incentive calculations.

\*\* Innovation budgets are for demonstrations that present opportunities during the plan term.

<b>Table 3. Gas Commercial and Industrial Pilots, Demonstrations and Assessments</b>							
<b>Classification</b>	<b>Fuel</b>	<b>Name</b>	<b>C&amp;I Programs</b>	<b>Duration</b>	<b>Budget*</b>	<b>Savings Estimation</b>	<b>Evaluation</b>
<b>Pilot</b>							
<b>Active Demand Response</b>	Gas	Gas Demand Response Pilot	N/A	2021	\$ 215,780	27,280 Therms	Vendor
<b>Demonstrations</b>							
<b>Industrial</b>	Dual	Continuous Energy Improvement (CEI)	C&I Retrofit	2018-2021	\$ 179,200	5410 Therms	Vendor
<b>HVAC</b>	Dual	Network Lighting Controls Plus HVAC (NLC+)	C&I Retrofit	2020-2021	\$ 64,154	0.012 Therms/sqft	Vendor
	Dual	Kitchen Exhaust	C&I Retrofit	2020-2021	\$ 134,593	67,000 Therms	Vendor
	Gas	Gas Heat Pumps	C&I New Construct-ion	2022-2022	\$ 233,287	15,000-20,000 Therms (for a 400-600 mbh unit)	Vendor
<b>Innovation Pipeline**</b>	Gas	Innovative Gas	Commercial Demo. R&D	2021	\$ 32,401	Unknown	To be determined
<b>Assessments</b>							
<b>Laundry</b>	Dual	Shared Laundry Facility Clothes Washers and Dryers	C&I New Construct-ion	2021	\$ 19,441	Unknown	Internal Review
<b>General</b>	Dual	Use of Submetering to Support EE Opportunities	C&I Retrofit	2021	\$ 25,921	Unknown	Internal Review
<b>Total Gas C&amp;I Pilots</b>					<b>\$ 215,780</b>		
<b>Total Gas C&amp;I Demonstrations</b>					<b>\$ 643,635</b>		
<b>Total Gas C&amp;I Assessments</b>					<b>\$ 45,361</b>		

Note:

\*Budgets indicated in this table include, evaluation, incentives, program administration, sales, marketing, technical assistance and training (if applicable). Pilots and Assessments budgets are not included in Performance Incentive calculations.

\*\* Innovation Pipeline budgets are for demonstrations that present opportunities during the plan term.

Table 4. Electric Residential Demonstrations and Assessments							
Classification	Fuel	Name	Residential Program	Duration	Budget*	Savings Estimation	Evaluation
<b>Demonstration</b>							
<b>HVAC</b>	Dual	New Air Sealing and Insulation Products	EnergyWise	2021-2022	\$ 25,921	0.05 kWh/sqft	Vendor
<b>Demand Response</b>	Elec.	Solar Inverter Direct Load Control	Residential Demand Response	2021-2023	\$ 254,570	102.5 kWh/inverter	Independent
<b>**Innovation Pipeline</b>	Elec.	Innovation Electric	Residential R&D	2020	\$ 32,401	Unknown	To be determined
<b>Assessments</b>							
<b>Whole Building</b>	Elec.	Pre-Fab Whole House Energy Refurbishment	RNC	2021	\$ 6,480	Unknown	Internal Review
<b>Total Electric Residential Demonstration</b>					<b>\$ 312,892</b>		
<b>Total Electric Residential Assessments</b>					<b>\$ 6,480</b>		
Note:							
*Budgets indicated in this table include, evaluation, incentives, program administration, sales, marketing, technical assistance and training (if applicable). Pilots and Assessments budgets are not included in Performance Incentive calculations.							
** Innovation budgets are for assessments that present opportunities during the plan term.							

Table 5. Gas Residential Demonstrations and Assessments							
Classification	Fuel	Name	Residential Program	Duration	Budget*	Savings Estimation	Evaluation
<b>Demonstrations</b>							
<b>HVAC</b>	Dual	New Air Sealing and Insulation Products	EnergyWise	2021-2022	\$ 77,762	0.1 Therm/sqft	Vendor
	Gas	Gas Heat Pumps	HVAC	2021-2022	\$ 201,445	250 Therms/unit	Independent
<b>Innovation Pipeline**</b>	Gas	Innovation Gas	Residential R&D	2021	\$ 32,401	Unknown	Independent
<b>Assessments</b>							
<b>Whole Building</b>	Dual	Pre-Fab Whole House Energy Refurbishment	RNC	2021	\$ 19,441	Unknown	Internal Review
<b>Total Gas Residential Demonstration</b>					<b>\$ 311,608</b>		
<b>Total Gas Residential Assessments</b>					<b>\$ 19,441</b>		
Note:							
*Budgets indicated in this table include, evaluation, incentives, program administration, sales, marketing, technical assistance and training (if applicable). Pilots and Assessments budgets are not included in Performance Incentive calculations.							
** Innovation budgets are for demonstrations that present opportunities during the plan term.							

3. Summary of Commercial, Industrial and Residential Pilots, Demonstrations and Assessments

## 4. Commercial and Industrial Pilots, Demonstrations and Assessments

### 4.1 Commercial and Industrial Pilots

#### a. Gas Demand Response

**Innovation Overview:** The Company has been utilizing electric Demand Response (DR) to address grid constraints and help provide reliable service to our customers for a number of years. During the winter of 2018/19, the Company launched a Peak Period Gas Demand Response (PPDR) pilot offering, which incentivizes customers to shift their usage outside of the peak-period of the gas system (6AM-9AM from November 1<sup>st</sup> to March 31<sup>st</sup>). This pilot targeted commercial and industrial customers who have intra-day flexibility of their natural gas usage. Customers in this pilot would be able to provide their demand reduction via either fuel-switching or demand control (e.g. thermostat setback). In 2019/20, the company added the Expanded Demand Response (EDR) offering, which targeted large customers that could achieve 24 hour gas reductions, primarily with back-up heating. At the close of the 2019/20 season, the company had two participants in the PPDR pilot offering and two in the EDR pilot offering.

With gas DR, the Company will test distribution system benefits, reduction of gas system peak demand via a reduction in overall natural gas consumption, customer adoption of gas DR and incentive levels to drive participation. An in-depth study, Gas Peak Demand Savings, will get underway in 2020 and will quantify winter demand benefits. Testing Gas DR will allow the Company to understand the impact on gas systems and whether National Grid's role in the market has influenced market adoption.

The Company plans to target 40-45 dekatherms (DTh) of hourly peak reduction in the winter of 2020/21, with the below stated DR offerings. The Company continues to expect that the majority of these peak reduction savings will come from customers participating in the full day Extended Demand Response (EDR) pilot offering, with the remainder from customers participating in PPDR pilot offering. These demand reduction pilot offerings are described in detail below. The above stated target is dependent on enrollment levels and setting an appropriate incentive level to drive participation. Since 2020/21 will be the second year running both of these pilot offerings, the budget is estimated based on the Company's current understanding of the customer base and incentives required to continue enrollment levels for the next two winter DR seasons, winters 2020/21 and 2021/22.

**Customer segment addressed:** The gas DR pilot offerings are focused on large, firm commercial and industrial customers, specifically those with gas equipment that can be curtailed without creating an unsafe environment. The goal of the project is to test the following:

- Are customers interested in participating in an incentivized Gas Demand Response program?
- If so, what are the acceptable price point values by customer business type and equipment type?
- What are the distribution system benefits?
- What is the scalability of the program?

**Pilot Delivery:** The gas DR pilot involves the installation of data recording hardware that provides granular usage data for participating customers. Data from the pilot will be evaluated each year, with a summary report produced in 2020 and 2021. In the winter of 2018/19, four Gas DR events were called and an average peak hour reduction of 18 DTh was achieved. In the winter of 2019/20, two Gas DR events were called and an average peak hour reduction of 19 DTh was achieved. A large resource was added in February of 2020, which that only participated in one of the events, bringing down the average peak hour reduction, but increasing the potential peak hour reduction to 32 DTh in the EDR pilot offering.

**Peak-Period Demand Response (PPDR):** For winter 2020/21, the Company expects to increase participation in PPDR by adding one to two new customers on top of the two customers that participated in 2019/20. Many pilot parameters will remain similar to the terms of the pilot offering launched during the winter of 2019/20:

- National Grid can only call a limited number of event during a given winter.
- Customer participation in this pilot offering and the called events will be compensated via direct incentive payments, not in the form of a reduced rate.
- While enrolled customer participation in called events will be mandatory, this participation will be enforced through contractual structures and financial penalties – National Grid will not maintain a unilateral right to disrupt gas service to participating customers during called events.

**Incentive Structure:** As was the case in 2019/20, customer compensation for participation in the PPDR pilot offering will be based on a combination of ‘availability’ and ‘energy’ payments. Each of these rates will be standard offers to all customers, though customer earning opportunity will vary based on the volume of peak hour Dth reduction that each customer can commit to and deliver. New for 2020/21 will be the addition of a performance rating which will be applied to availability payments, providing a measure of customer reliability and limiting payments to poor performers.

**Extended Demand Response (EDR):** For the winter of 2019/20, the Company developed an offering for an Extended Demand Response pilot, which provided a meaningful reduction in the peak load requirement in the system. The EDR pilot offering incentivized customers with inter-day flexibility of their natural gas usage, or the existing ability to switch their heating fuel from natural gas to another fuel source for a full day period.

The basic parameters of this pilot offering match those of the PPDR pilot offering. However, in the EDR offering, the duration of each event would be 24 hours (10AM on day 1 until 10AM on day 2, Nov. 1<sup>st</sup> through March 31<sup>st</sup>). Customers in the EDR pilot offering are expected to achieve their committed demand reductions via fuel-switching. Limitations will also be put in place that will limit the number of consecutive days on which any individual customer could be called to participate in the EDR pilot offering. National Grid will have the right to call up to 6 events during the winter at the stated incentive rate.

The EDR pilot offering will provide incentives for customers who can eliminate their usage on a given day by switching to an alternative source (most typically a delivered fuel option) to meet their energy needs.

**Incentive Structure:** Customer compensation for participation in the EDR pilot offering will be based on the same combination of ‘availability’ and ‘energy’ payments outlined in the PPDR pilot offering description, set at different levels for each pilot offering. Each of these rates will be standard offers to all customers, though customer earnings opportunity will vary based on the volume of peak hour DTh reduction that each customer can commit to and deliver. As with the PPDR pilot offering, the EDR ‘availability’ incentives will now be subject to a performance rating based on a measurement of customer reliability.

**Evaluation:** Initial benefit cost analysis indicates that the Peak Period Demand Response pilot offering has a pathway to being cost effective. A more detailed analysis will be conducted in 2020 to determine results and inform the 2021-2023 Energy Efficiency Plan.

The gasDR pilot will be evaluated for benefits to the customer and the distribution system and to determine if it has a pathway to be cost effective at scale. Due to the small number of customers targeted by this pilot, this evaluation will be performed by the vendor, with oversight from the Company’s EM&V team.

**Changes in 2021:** The Gas Peak Period Demand Response and Extended Demand Response pilot offerings will continue in the winter of 2020/21. The Company plans to retain current levels of enrollment in the EDR offering and slightly increase participation in the PPDR pilot offering. The addition of the previously mentioned performance rating will ensure that incentives paid by the company are aligned with the delivered reliability of customer resources. Slightly lower rates are expected to be offered in 2020/21 as well, allowing room for additional customers in PPDR.

Table 6: Docket 4600 Goals - Gas Demand Response	
4600 Goals for Gas distribution System	Advances/Detracts/Neutral
Provide reliable, safe, clean, and affordable energy to Rhode Island customers over the long term (this applies to all energy use, not just regulated fuels).	DR has the potential for many value streams, such as alleviating local distribution system constraints, increasing system flexibility, potentially delaying infrastructure reinforcement projects, and providing a revenue stream for participants.
Strengthen the Rhode Island economy, support economic competitiveness, retain and create jobs by optimizing the benefits of a modern grid and attaining appropriate rate design structures.	DR has the potential for many value streams, such as alleviating local distribution system constraints, increasing system flexibility, potentially delaying infrastructure reinforcement projects, and providing a revenue stream for participants that would support economic growth.
Address the challenge of climate change and other forms of pollution.	While demand response does not directly address climate change, the additional insight into usage due to the increased data resolution provided to participants may create an opportunity for additional energy efficiency projects. Additionally, there may be a reduction in carbon due to participation in DR events.
Prioritize and facilitate increasing customer investment in their facilities (efficiency, distributed generation, storage, responsive demand, and the electrification of vehicles and heating) where that investment provides recognizable net benefits.	Neutral – this pilot is neutral on this goal
Appropriately compensate distributed energy resources for the value they provide to the gas system, customers, and society.	Neutral – this pilot is neutral on this goal
Appropriately charge customers for the cost they impose on the grid.	Neutral – this pilot is neutral on this goal
Appropriately compensate the distribution utility for the services it provides.	Neutral – this pilot is neutral on this goal



<p>Align distribution utility, customer, and policy objectives and interests through the regulatory framework, including rate design, cost recovery, and incentive.</p>	<p>Gas DR pilot advances this goal by putting incentives towards peak reduction on the gas distribution network that helps to achieve the GHG reduction goals of the Resilient Rhode Island Act of 2014 and the Rhode Island GHG Emissions Reduction Plan of 2016.</p> <p>There is also an alignment in the sense that customer participation could affect system planning, which could have a larger financial impact for all customers. In this way, participants are incentivized for providing the behavior that matches the goals of the company.</p>
---	--

## 4.2 Commercial and Industrial Demonstrations

The Company has prioritized one new innovation for demonstration in 2021, as well as the continuation of four demonstrations included in prior years.

### a. Enzyme-based HVAC Coil Cleaning

**Innovation Overview:** HVAC coils, such as those on rooftop units, become soiled with dirt and biofilm over time. This meaningfully reduces the heat transfer coefficient of the coils, which can be reversed by coil cleaning, typically with pressure washing. Pressure washing may not, however, lead to full cleaning of the coils, particularly interior sections. Companies such as Blue Box Air have proposed cleaning with a bioenzyme foam; these vendors claim that enzyme-based cleaning leads to greater efficiency improvement and can also improve indoor air quality and potentially provide disinfection.

**Target Customer and Program Fit:** Hotels, hospitals, office buildings, universities – locations which have high occupancy, cooling costs, and place a premium on air quality – are the best fit for this innovation.

**Prior Efforts:** There have been no prior efforts for this technology.

**Demonstration Delivery:** The Company will work with sales and marketing to identify three to four customer sites that represent a mix of the above customer types. At the customer sites, the Company will target a mixture of HVAC systems, including condenser coils, fan coils, evaporator coils, and air handlers. The Company will contract Blue Box Air to perform its cleaning process at those sites, with identified equipment. The cost of the cleaning process is expected to be significantly lower than efficiency improvements, and the goal will be to compare the cost and

benefits of this cleaning process to the relatively well-understood savings associated with conventional pressure washing.

**Evaluation:** Vendor evaluation, pre- and post-metering, with input from National Grid EM&V

## **b. Strategic Energy Management (SEM)/Continuous Energy Improvement (CEI)**

**Innovation Overview:** Strategic energy management (SEM) is a set of processes for business energy management. The main goal of SEM is to activate industrial and manufacturing customers through a multiplicity of interventions, including individual and group coaching, to address operation and maintenance measures in the short-term, pursue capital measures in the medium-term, and establish a culture of continuous improvement in its energy performance over the long-term. This last part is of critical importance in the testing of this initiative.

**Target Customer and Program Fit:** Manufacturing and waste water customers.

**Prior Efforts:** In 2019, National Grid and its implementation partner, Cascade Energy, recruited seven sites to participate in the SEM demonstration. In addition, there are four wastewater sites from Rhode Island who are participating in the Massachusetts mixed manufacturing and wastewater SEM cohort. The energy models were developed during the summer of 2019. Five workshops have been held along with numerous activities, such as energy treasure hunts, where teams walk around buildings looking for quick ways to save energy. Customer participation has been consistent and enthusiastic.

In 2020, the Continuous Energy Improvement demonstration focused on identifying operation and maintenance energy savings while also providing energy management coaching to facility operators and building managers. In Q2 of 2020, the Company claimed over 186,000 therms of gas savings, the electric savings from 2020 will be claimed in Q4 of 2020.

**Demonstration Delivery:** The Company and its vendor are working closely with the customer cohort to identify energy savings opportunities at their facilities. Savings are derived from a site-specific regression model that considers the host of factors that may influence energy use within a facility. While an increase in capital measures is a frequent and desirable outcome of the SEM process, it is excluded from the ultimate savings reported by the initiative.

**Evaluation:** Independent evaluation

### **c. Network Lighting Controls Plus HVAC**

**Innovation Overview:** Network Lighting Control Plus HVAC (NLC+) go beyond traditional advanced lighting controls. NLC+ systems have the hardware and software capabilities to act as a simple, stand-alone energy management system or to interface seamlessly with more sophisticated existing building systems. In either case, local, granular occupancy and other sensing data from the NLC+ system facilitates additional savings from HVAC, plug loads, and complete energy management. This technology could be implemented as a retrofit to existing buildings, or as a component of a comprehensive new construction project. The most significant challenge in realizing savings for these projects is the integration of HVAC controls and the commissioning of the system. A successful program offering must support the commissioning process.

**Target Customer and Program Fit:** Initial customer segments to be considered for this analysis are offices, schools/universities, industrial, retail and hospitals.

**Prior Efforts:** The NLC+ demonstration was initiated in 2020. Phase I of the research, which concluded in July 2020, included a market readiness assessment for this technology. Twenty-two interviews were completed with a collection of lighting and HVAC industry representatives, customers, and internal program staff. Interviews identified barriers and opportunities for NLC+ in Rhode Island.

**Demonstration Delivery:** The demonstration is focused on the potential of integrating lighting and HVAC controls through the networked lighting controls system. The most significant barriers identified in the Phase I research were related to the integration of the two systems, including bridging the siloed lighting and HVAC trades. Phase II of the demonstration will include up to four customer installations. The goal of the installation will be to investigate the energy and non-energy benefits of projects, pain points in commissioning the projects, and knowledge gaps that may hinder fully realizing expected HVAC savings. Finally, Phase II will recommend if and how this technology can be included in the energy efficiency programs.

**Evaluation:** Vendor evaluation

### **d. Kitchen Exhaust**

**Innovation Overview:** Many kitchen exhaust hoods operate with manual switches, some running all kitchen hours or even 24/7. Three kitchen exhaust measures are explored in this demonstration: demand control ventilation, energy recovery, and electrostatic filtration. These three measures can potentially be implemented together to comprehensively reduce the level of energy required to operate a commercial kitchen. Demand control ventilation (DCV) reduces the amount of exhaust air, and corresponding make up air, by monitoring the temperature or

particulates of the exhaust air and only running when required. Energy recovery can offset water heating for dishwashers by utilizing heat in kitchen exhaust. Electrostatic filtration systems offer a lower pressure drop alternative to traditional exhaust filtration systems.

**Target Customer and Program Fit:** These three measures are appropriate for customers with large commercial kitchens such as restaurants and hotels, especially for kitchens with long hours of operation. Energy recovery is most appropriate for customers with simultaneous cooking and dishwashing. Electrostatic filtration systems are most appropriate for customers with local codes or requirements for kitchen exhaust pollution control, common in dense urban areas.

Depending on the demonstration findings, these products will be offered to customers with prescriptive incentives. Savings should be calculated with a simple, reliable calculation tool to expedite projects.

**Prior Efforts:** The Kitchen Exhaust demonstration was initiated in 2020. Phase I of the demonstration project identified the savings potential for each of the individual measures and for a combined, comprehensive package. The demonstration identified ideal candidates, current market conditions, and barriers to realizing energy savings. This initial research performed 8 interviews with trade allies, manufacturers, and customers.

**Demonstration Delivery:** The Phase I findings of this demonstration were promising and support moving forward with customer installations for electrostatic filtration and for energy recovery. The Company supports moving kitchen hood DCV directly to program implementation given the savings potential and prior experience with the technology.

Phase II will proceed with up to five installations. One university customer is interested in an energy recovery installation. Ideally the other installations can be made at a customer facility with an existing DCV system to better understand the interactive effects of the three measures.

**Evaluation:** Vendor evaluation

### 4.3 Commercial and Industrial Assessments

The Company has proposed four new C&I assessments for 2021.

#### a. HVAC Automation for Demand Response

**Innovation Overview:** Recently, demand response programs have trended in the direction of deeper automation and faster dispatch times of the loads in question. In California, this is achieved by the OpenADR standard, which sets automation requirements for energy

management systems, controls, gateways, and other communications infrastructure so that the utilities can quickly, reliably reduce load on their network.

The OpenADR standard is not necessarily appropriate for all territories. An alternative to setting a binding automation requirement for participation in DR programs is to instead incentivize the adoption of equipment and controls which will allow for future dispatchable loads and faster response times. This will future-proof the Company's efforts to provide reliable demand response and create a base of compliant systems with ratepayers to protect against future upgrade costs to meet with more rigorous future standards for DR. Furthermore, more sophisticated building energy systems and controls may also lead to optimization of operating profiles and claimable savings.

**Target Customer and Program Fit:** A greater degree of automation in building energy systems is broadly applicable across commercial and industrial customers, but particularly with segments such as grocery, hospitals, universities, and hospitality.

**Prior Efforts:** There have been no prior efforts.

**Assessment Delivery:** The Company will investigate the possible causal link between incentivizing building energy automation, specifically of HVAC systems, in order to evaluate the potential for achieving future DR capacity.

**Evaluation:** Internal review

## **b. Shared Laundry Facility Clothes Washers and Dryers**

**Innovation Overview:** Commercial laundry facilities, like those found in multifamily common laundry facilities and laundromats, represent a market that is seemingly ideal for program intervention. There is potential for an upstream or midstream program offering, since there are only four major route operators that lease equipment to customers. The laundry units are a known technology with reasonable savings estimates available. However, there has not been a focused effort to include this equipment in the energy efficiency programs due to some unusual market characteristics and relatively low per-unit savings. In particular, the laundry equipment is usually leased by the customer rather than purchased outright and the customer will often prioritize a short cycle time over energy efficiency.

**Target Customer and Program Fit:** Multifamily buildings with common laundry facilities and laundromats.

**Prior Efforts:** There have been no prior efforts.

**Assessment Delivery:** For this assessment, the Company will further research the feasibility, potential, and possible path forward to create a meaningful intervention. The Company will collaborate, when possible, with other energy efficiency programs who are also investigating this market.

**Evaluation:** Internal Review

### **c. Use of Submetering to Support Energy Efficiency Opportunities**

**Innovation Overview:** A typical commercial customer may have limited insight into their energy use. The most granular information many customers have is their monthly gas and electric bill. Even customers who have AMI data may not access it or use it in a meaningful way. The limited insight into energy use within a facility may obfuscate energy and maintenance issues within a facility that the customer may otherwise want to address.

There are many options available for bringing additional insight to customers about their energy use by installing and monitoring submetering. Submetering can be designed to capture different levels of data at different intervals. For example, submetering can be applied to capture information on a whole building, end use, or on specific equipment.

Despite the potential benefits of submetering, it is also the case that submetering can prove ineffective or infeasible for some customers due to cost, technical limitations, or energy use not being a priority.

**Target Customer and Program Fit:** Commercial and industrial customers with the ability to use submetering data to reduce energy use.

**Prior Efforts:** Submetering has been discussed on and off over time, but there has not been a concerted effort to study the topic for inclusion in the energy efficiency programs.

**Demonstration Delivery:** Submeters do not directly result in energy efficiency savings, they only provide insights that may be used to improve efficiency. Because the effectiveness of submetering depends strongly on the customer's will to use the data and make changes based on it, the Company has had a policy not to incentive the upfront costs of submetering. Instead, the Company has directly incentivized energy improvements through programs like Pay for Performance.

**Evaluation:** Internal Review

## **d. Refrigeration Leak Survey and Repair**

**Innovation Overview:** Supermarket refrigeration systems can emit significant levels of refrigerant each year. These emissions can be harmful in their own right and can result in less efficient refrigeration systems. A leak remediation program would assist customers in identifying and repairing costly refrigeration leaks in their systems.

A focus of this demonstration is to entice customers to find and repair leaks at more aggressive levels than required by regulation. The Clean Air Act specifies regular refrigerant management practices for ozone-depleting substances, such as hydrochlorofluorocarbons, hydrofluorocarbons, and hydrofluoroolefins.

**Target Customer and Program Fit:** Grocery stores are the primary customer. This product could be offered along with other common grocery store measures or through the custom retrofit pathway.

**Prior Efforts:** This is a new innovation to the programs and has not been previously examined.

**Assessment Delivery:** The first focus of this assessment will be to understand current customer practices and regulations around refrigerant leak remediation and the impact of those practices on energy use. After the baseline practice is understood, the Company will estimate overall savings potential for this measure.

**Evaluation:** Internal review

# **5. Residential Pilots, Demonstrations, and Assessments**

## **5.1 Residential Pilots**

The Company does not propose any new or continued Residential Pilots for 2021.

## **5.2 Residential Demonstrations**

The Company proposes three new demonstrations for the Residential sector in 2021.

### **a. New Air Sealing and Insulation Products**

**Innovation Overview:** Several new technologies claim improvements to infiltration and insulation of homes. The two technologies of focus in this demonstration are sprayed-in air-sealing and injection foam for residential and multifamily buildings.

Vendors such as AeroBarrier operate in both new construction and renovations, offering a waterborne acrylic sealing fluid, which is sprayed into homes, covering surfaces and filling gaps up to one-quarter inch in width. The Company performs this service alongside a blower door test to monitor leakage as the spray seals gaps.

Building envelope materials offers a polyurethane foam which can be injected into building cavities to improve R-value. The conventional limitation for this technology has been the risk of toxicity and hazardous particulates, but the Company believes it has solved this problem.

**Target Customer and Program Fit:** Both technologies have the potential to significantly improve the heating and cooling efficiency of under-insulated buildings; target customers will be single-family homes, particularly those that are under-insulated.

**Demonstration Delivery:** The Company will work with sales to identify several residential single-family sites with a need for improved insulation and will work with the two vendors to deploy their systems at those sites. Six homes in total will participate, two each with the individual technologies and two with both deployed.

**Prior Efforts:** There have been no prior efforts to evaluate these products.

**Evaluation:** Vendor Evaluation

## **b. Solar Inverter Direct Load Control (ConnectedSolutions)**

**Innovation Overview:** The primary function of solar inverters is to convert the power generated by customer-owned solar systems from DC to AC power, which is used on the grid. However, inverters are capable of several other functions which can increase the power quality of the grid, the most beneficial being power factor correction. Using customer-owned solar inverters to implement power factor correction will decrease the amount of power (kVA) that needs to be generated and distributed, increase the capacity on the grid for real current, decrease voltage fluctuations, and reduce energy loss due to power lines heating up more than necessary.

This demonstration will explore how the demand response program utilizes this existing functionality of customer solar inverters to benefit the grid by working with customers to promote the most beneficial inverter settings.

**Target Customer and Program Fit:** This program will enroll customers who already have a supported solar inverter or who are installing a new solar system with an inverter from a supported inverter manufacturer.



Only smaller solar systems (less than 2 MW-AC) will be eligible for this demonstration. If this demonstration successfully improves power quality with no or minimal negative consequences to the grid, the Company will consider expanding the offering to larger customers in the future.

**Prior Efforts:** Power factor correction using solar inverters has been demonstrated in several areas throughout the country. However, this demonstration will be the first program to enroll customer-owned solar inverters in a BYOD (Bring-Your-Own-Device) type program at a large scale (more than 20 systems).

**Demonstration Delivery:** The Company will work with some of the inverter manufacturers already in the ConnectedSolutions battery measure to email customers to opt-in to updating their inverter settings. Customers will receive an enrollment incentive and an annual incentive for staying in the program. Customers may leave the program at any time. The Company will receive data from every inverter to quantify how often and how much power factor was corrected. If the customer's solar generation (kWh) is decreased larger than the annual incentive, the customer will be given an additional incentive to guarantee they are not penalized for their participation in this demonstration.

The Company's Electric Business Unit (EBU) has provided the preferred setpoints for power factor correction. The EBU will use sensors on the grid to monitor this demonstration for any negative effects or unintended consequences. The EBU may periodically change the preferred inverter setpoints, which will be pushed out to all participating inverters by our inverter manufacturer partners.

**Evaluation:** The Company will receive granular performance data from every participating inverter to quantify the system benefits. An independent evaluation will be completed in conjunction with the Company's Massachusetts service area, which will be conducting an identical demonstration.

### 5.3 Residential Assessments

The company proposes one new Residential Assessment for 2021.

#### a. Pre-Fab Whole House Energy Refurbishment

**Innovation Overview:** An approach developed in the Netherlands uses demand aggregation, a high envelope efficiency approach, and supply chain coordination to deploy high-quality, prefabricated mass-scale retrofit packages that are easy to install and are financeable through utility cost savings. This approach, dubbed Energiesprong in the Netherlands, is being investigated across western Europe, California, and New York in the United States where the goal is to spearhead the creation of standardized, scalable solutions and processes that will

improve the aesthetic and comfort of residential buildings while dramatically improving their energy performance. One of the innovative aspects of the offering is the use of pre-fabricated facades that can be installed much more quickly and less invasively than more traditional options which typically require bespoke envelope refurbishment unique to the building.

While the concept of completely upgrading the exterior of a home or multifamily building is compelling, the Company is curious if the capability in the supply chain exists to accomplish this at scale and cost effectively. As such, this assessment will investigate the unique Rhode Island status of what we understand to be the main components of this approach:

- Identify typical Rhode Island building life-cycle “trigger event” whereby a building owner may undertake a whole-home exterior retrofit.
- Gauge the ability to aggregate demand among building owners, harnessing their collective market power.
- Assess the building industry capability to design and develop pre-fabricated exterior improvements to substantially improve housing buildings while residents continue to live in their homes or apartments.
- Identify financing options for building owners to fund projects by capturing energy savings.

**Target Customer and Program Fit:** Residential and multifamily buildings in standardized configurations and building designs.

**Prior Efforts:** While there have not been directly related prior efforts for this concept, the residential ZNE pilot will help to identify building industry partners capable of designing, supplying, and deploying whole-home exterior retrofits.

**Assessment Delivery:** The primary focus of this assessment will be to understand and baseline the current status of Rhode Island components needed to support whole-home exterior retrofits. After the baseline condition is understood, and if the components and capability exist, the Company will estimate overall savings potential for this measure and roadmap necessary to promote this approach.

**Evaluation:** Internal review

## Definitions

---

This attachment provides a reference to commonly used terms in the Three-Year and Annual Energy Efficiency Plans.

### **Assessment**

An assessment tests a measure, a bundle of measures, or a solution that can be delivered as part of an existing program where the savings are unknown but will be explored as part of the assessment through independent evaluation or a vendor evaluation. The scope of evaluation for an assessment depends on the specifics of the assessment. Assessments are not included in the calculation of the performance incentive.

### **Customer Contribution/Customer Cost**

The financial cost of a measure and/or service that is not covered by the customer incentive.

### **Customer Incentive**

Financial support and/or services (e.g., rebates, on-bill repayment) provided to participants in attempt to motivate the installation of measures and/or changes in behavior to achieve energy savings.

### **On-Bill Repayment (OBR)**

A financial mechanism that allows customers to pay back the customer contribution/customer cost of a measure and/or service on their energy bill.

### **Demand Response**

*Active Demand Response:* The reduction or shifting of energy use by customers during peak periods or events when the load on the electric grid or gas distribution system is high.

*Passive Demand Response:* Energy efficiency measures that permanently shift or reduce electricity use at all times, contributing to a reduction of peak load.

### **Demonstration**

A demonstration tests a new technology or solution delivered as part of an existing program where a technical analysis has estimated the savings and determined that the measure is likely to be cost effective. A technology tested through a demonstration may become offered by that program.

Demonstrations are included in the calculation of the performance incentive.

### **Evaluation**

*Independent Evaluation:* An independent evaluation uses a third-party evaluation vendor selected via a competitive Request for Proposals process for the specified evaluation or selected in the recent past for evaluation services of efficiency programs. An independent evaluation can be both a process and an impact evaluation.

*Vendor Evaluation:* A vendor evaluation is conducted by a vendor installing a technology, measure, strategy, or solution. A vendor evaluation can also be conducted by a Technical Assistance vendor who conducts a savings analysis for the installed technology, measure, or an energy saving strategy. A vendor evaluation can only be an impact evaluation.

### **Goals**

Goals refer to National Grid's three-year energy efficiency savings goals.

### **Market Potential Study**

A market potential study is a detailed assessment of the energy efficiency potential in given market. In this Plan, the term is used in reference to the 2020 Rhode Island Energy Efficiency Market Potential Study.

**Non-Energy Impacts**

Non-energy impacts (NEIs) are those other than the energy and demand savings generated by efficiency programs. Non-energy impacts accrue to program participants (e.g. increased comfort and health, improved property values), society at large (e.g. greenhouse gas reductions, improved air quality), and the utility system (e.g. Reduced arrearages).

**Non-Participant**

A customer that does not directly participate in an efficiency program.

**Participant**

A customer that reduces or otherwise modifies their energy end use patterns due to involvement in an efficiency program. Participation is measured differently in different programs. For several programs, a participant is defined as a customer account (electric or gas). In contrast, the Residential Consumer Products program measures participation by the number of rebates processed.

**Pilots**

A small scale, targeted program that is limited in scope, time, and spending and is designed to test the feasibility of a future program or rate design not currently included in the core energy efficiency programs. Ideally, a pilot provides net benefits and helps achieve savings goals, but the primary design and value of a pilot is to test rather than to achieve. If a pilot is successful for commercialization, new programs and measures may be added to existing core programs. Pilots are not included in the calculation of the performance incentive.

**Portfolio**

A collection of programs. The electric portfolio contains programs that primarily focus on delivering electricity savings and the natural gas portfolio contains programs that primarily focus on delivering natural gas savings. A portfolio is required to be cost-effective.

**Program**

A collection of defined services and/or measures carried out by National Grid and/or its vendors and subcontractors that: target a specific market segment, customer class, or defined end use; are designed to influence customer behavior to achieve changes in energy usage, equipment preferences, investment, and maintenance practices; and are guided by a specific savings goal and have a benefit-cost ratio. Programs are typically made up of the following categories that contribute to the overall program savings goals and benefit-cost ratios.

**Sub-Program**

Within the Commercial and Industrial Sector, a sub-program is a further grouping of measures within a program. An example is the upstream lighting sub-program within the Commercial and Industrial Sector.

**Measure**

A piece of equipment or customer action that reduces or otherwise modifies energy end use patterns. This is the most granular level of categorization. For example, an LED light bulb.  
*Comprehensive Measures:* When a customer employs multiple pieces of equipment or actions that reduce or otherwise modify energy use at the same time, more fully taking advantage of energy savings opportunities at one time rather than completing piecemeal projects.

**Measure Group**

A group of measures with similar characteristics within a program. For example, the measure group LED in the Residential lighting program includes several types of LED light bulbs and the Compressed Air measure group within the Large Commercial New Construction program contains all the compressed air measures within that program.

**Services**

A range of activities to support customer awareness, education, and adoption of energy saving and energy modification opportunities including free technical assistance, training, analysis, and reports.

**Initiative**

A “go to market” strategy within a program that promotes a subset of measures or services within that program and/or targets a certain segment of customers. For example, the Grocery Initiative within the Large Commercial and Industrial Retrofit Program.

[Assessment defined above.](#)

[Demonstration defined above.](#)

**Performance Incentive**

A financial incentive that the Company has an opportunity to earn based on performance in fulfilling the savings goals of the approved Annual Plan. The Performance Incentive is authorized and established through Annual Energy Efficiency Plans by R.I. Gen. Laws § 39-1-27.7(e) and § 39-1-27.7.1.

**Rebate**

A financial incentive paid to a participant in order to obtain a specific action, typically the installation of equipment. A rebate can also be paid to manufacturers and suppliers of measures to lower the price at the point of sale to the customer.

**Savings**

*Annual Savings:* Energy savings accrued annually from the installed measure(s).

*Lifetime Savings:* Energy savings accrued over the functional lifetime of the installed measure(s).

**Sector**

A grouping of participants by customer rate class. Programs are organized by these groupings. There are three sectors: Residential, Income-Eligible, and Commercial and Industrial.

**Targets**

Targets refer to the three-year energy efficiency savings targets approved by the PUC.

**Technical Assistance (TA) Study**

A technical assistance study assesses a measure or group of measures for savings and costs and is performed by a third-party technical assistance vendor. A TA study quantifies electric and gas savings, along with delivered fuel and non-energy impacts. TA studies include some or all of the following activities: facility benchmarking and/or walkthrough, equipment metering or analysis of building energy management system data, determination of measure baseline, engineering analysis of the operation of the baseline, and proposed measures and building energy simulations. The TA vendor performs a benefit-cost screening to assess the estimated payback for the customer along with the impact of costs and savings. A TA study report is presented to the customer which outlines the methodology followed to determine estimated project savings, cost, and project payback, along with the results of the study.

**Technical Assessment**

A technical assessment is engineering research conducted to determine the savings of a new technology or measure that may not be widely adopted in the market.

This section has been prepared pursuant to Section 1.3(C) and 3.2(N) of the Least Cost Procurement Standards as approved and adopted pursuant to Order No. 23890 in Docket No. 5015<sup>1</sup> (referred to herein as the “LCP Standards”), and in alignment with the Rhode Island Benefit Cost Test (RI Test) as defined by the Standards and the Docket 4600 Benefit-Cost Framework.

The source for many of the avoided cost value components is “Avoided Energy Supply Components in New England: 2018 Report” (2018 AESC Study) prepared by Synapse Energy Economics for AESC 2018 Study Group, as Amended on October 24, 2018. This report was sponsored by all the electric and gas efficiency program administrators in New England and is designed to be used for cost effectiveness screening in 2019 through 2021. The avoided costs from this study are also used in the 2021 – 2023 Three Year Energy Efficiency Plan.

National Grid anticipates that an update will be made prior to the 2022 Annual Energy Efficiency Plan to incorporate an updated set of avoided costs from the regional avoided cost study (AESC 2021) that is ongoing at the time of this plan and is anticipated to be completed by early 2021. Additional benefits and costs may be added in future Annual Plans and the component values may be updated over the course of the three year period based on the availability of new study results. Future updates to inputs and values will be included in future Annual Plan filings.

---

<sup>1</sup> RI PUC Docket 5015, Least Cost Procurement Standards

[http://www.ripuc.ri.gov/eventsactions/docket/5015\\_LCP\\_Standards\\_05\\_28\\_2020\\_8.21.2020%20Clean%20Copy%20FINAL.pdf](http://www.ripuc.ri.gov/eventsactions/docket/5015_LCP_Standards_05_28_2020_8.21.2020%20Clean%20Copy%20FINAL.pdf)