



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

Summary of Energy Efficiency Plan Rulings by the Public Utilities Commission

Presented By:

EERMC Consultant Team & National Grid

Date: January 21, 2020



Presentation Outline

Overview of process and events

Review of PUC rulings and summary of expected impacts

- Presented in groupings based on lower, high and pending impacts

Summary of Commitments contained in the EERMC-approved 2021 Plan

Next steps

Council discussion and input



Summary of Process

October: Energy Efficiency Three Year and Annual Plans submitted to PUC

November/December: Flurry of data requests issued by PUC to National Grid; one to EERMC requesting relevant meeting minutes

December 7th, 9th, and 11th: Evidentiary Hearings

December 22nd, 28th, and 30th: Open hearings where rulings were issued on variety of Plan elements



Key Rulings of the PUC

Lower Impact

- Utilize a higher electric sales forecast
- Remove funding for proposed electric vehicle-based demand response program
- Submit a filing at a later date once the Company produces a moderate-income definition and income verification plan

Higher Impact

- Remove funding request for the energy management framework
- Remove the incremental workforce development budget
- Maintain 2020 budget levels for the EnergyWise Single & Multi-Family Programs, and Single & Multi-Family Income Eligible Program for both electric and gas

Impact TBD

- PUC deferred decision on Performance Incentive Mechanism (PIM) as originally proposed for annual and 3YP pending technical session(s) in early 2021
- Suspend release of RIIB Efficient Building Funds pending additional data
- Directed Grid to refile updated version of 3YP that holds budgets at 5% increases for each of 2022 and 2023 from the final 2021 annual version



PUC Rulings – lower impacts

- Utilize a higher electric sales forecast
- Remove funding for proposed electric vehicle-based demand response program
- Submit a filing at a later date once the Company produces a moderate-income definition and income verification plan

Adjusted electric sales forecast

- Using higher sales forecast coupled with budget cuts resulted in SBC change from initially filed \$0.01323 to \$0.01113

Remove EV DR funding

- Assuming MA results are applicable, minimal impact

Update mod-income definition and income verification plan

- Already a presumed task to be undertaken by the Equity Working Group scheduled to launch in early 2021



PUC Rulings – high impacts

- Remove funding request for the energy management framework (EMF)
- Remove the incremental workforce development budget
- Maintain 2020 budget levels for the EnergyWise Single & Multi-Family Programs, and Single & Multi-Family Income Eligible Program for both electric and gas

Remove funding for EMF

Intent: Investment in the EMF was intended to increase data availability regarding opportunities and decisionmaking parameters for efficiency investments at commercial and industrial facilities to better target programs to customers

Ruling: Disallowed - deemed to be insufficiently justified in the Plan

Impact: reduces costs to customers in 2021, also reduces ability in the future to collect, aggregate, and act on data to target programs towards C&I customers



PUC Rulings – high impacts (continued)

Remove the incremental workforce development budget

Proposal: \$1.05MM incremental investment in 2021

Intent: Help address workforce barrier, with a focus on "upskilling" activities in focus areas identified through stakeholder engagement

Ruling: Disallowed - deemed to be insufficiently justified in the Plan

- The Commission was not convinced that it was within the purview of the ratepayer funded programs to engage in a large scale workforce development program

Impact: reduces costs to customers in 2021, but also reduces the likelihood of achieving ambitious savings targets in 2022 and 2023



PUC Rulings – high impacts (continued)

Maintain 2020 budget levels for targeted Resi and IE programs

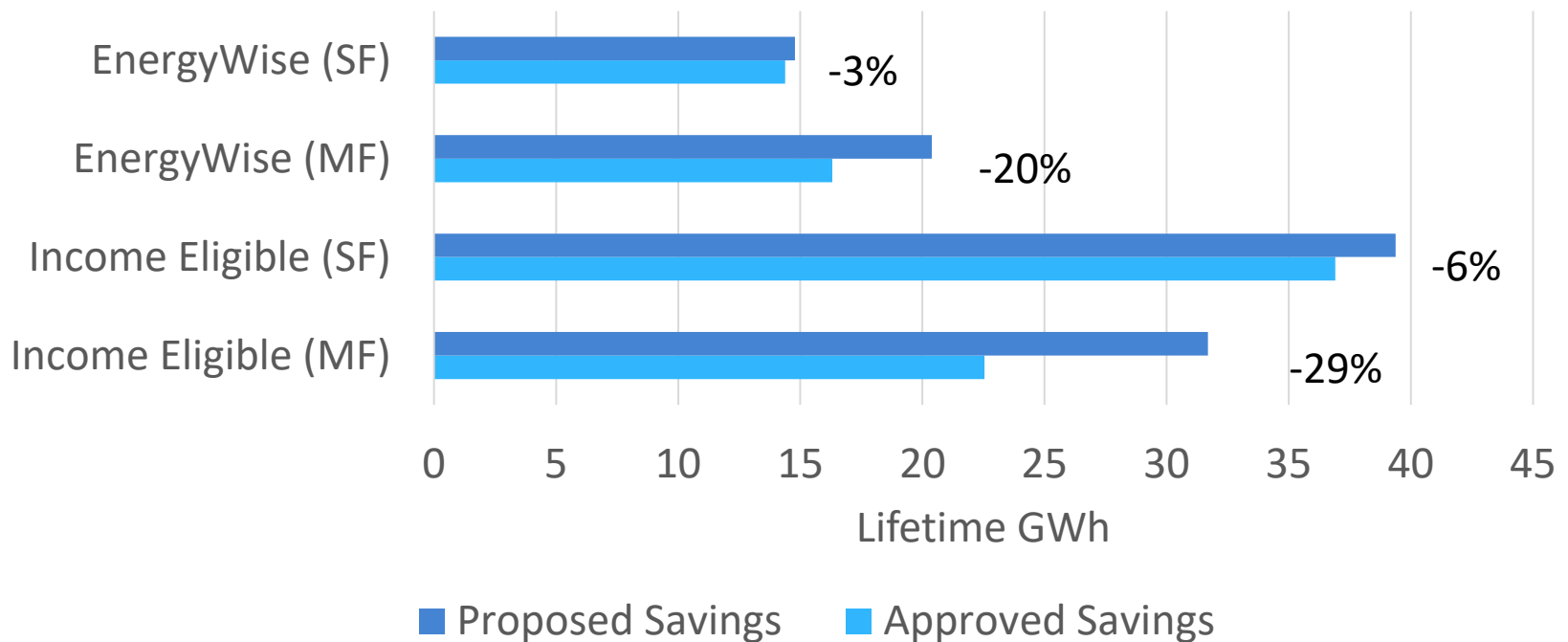
Program	Proposed Investment (\$MM)	Approved Investment (\$MM)	Percent Change
Electric EnergyWise (SF)	\$17.0	\$15.7	-8%
Electric EnergyWise (MF)	\$3.1	\$2.8	-8%
Electric Income Eligible (SF)	\$13.8	\$12.8	-7%
Electric Income Eligible (MF)	\$4.8	\$3.5	-27%
Natural Gas EnergyWise (SF)	\$10.1	\$8.1	-19%
Natural Gas EnergyWise (MF)	\$1.5	\$1.5	0%
Natural Gas Income Eligible (SF)	\$6.7	\$6.0	-12%
Natural Gas Income Eligible (MF)	\$3.3	\$3.0	-8%



PUC Rulings – high impacts (continued)

Savings reduced for electric programs due to budget reductions

Electric Energy Savings Changes from PUC Ruling

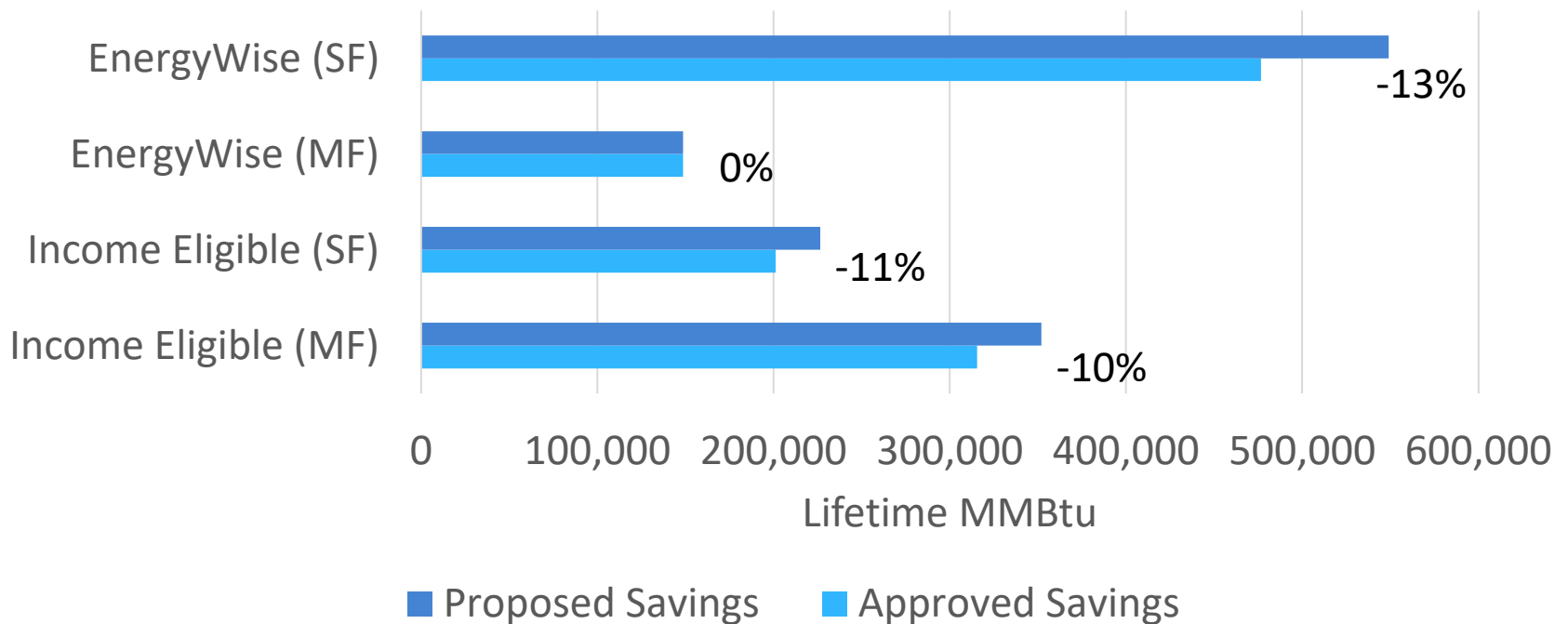




PUC Rulings – high impacts (continued)

Savings reduced for gas programs due to budget reductions

Natural Gas Savings Changes from PUC Ruling





PUC Rulings – Impacts TBD

- PUC deferred decision on Performance Incentive Mechanism (PIM) as originally proposed for annual and 3YP pending further proceedings in early 2021
- Suspend release of RIIB Efficient Building Funds pending additional data
- Directed Grid to refile updated version of 3YP that holds budgets at 5% increases for each of 2022 and 2023 from the final 2021 annual version

PUC deferred decision on PIM

Following hearings, PUC put forward a “modification” of the proposed PIM as included in the settlement and allowed stakeholders to submit comments on this proposal

PUC determined at open meetings that additional proceedings are warranted before a PIM is approved. Could involve technical sessions, hearings, and/or open meetings

In a related decision, PUC also deferred a decision on Sections 11.4 and 11.5 of the 2021 Annual Plan, related to sector transfer and budget management rules



PUC Rulings – Impacts TBD (continued)

RIIB Efficient Building Funds

Commission allowed the collection of \$5 million for the transfer to the Rhode Island Infrastructure Bank (RIIB) but disallowed the transfer until the Commission conducts further discovery

Similar course as last year, with additional post-decisional discovery. Key questions they are seeking answers to include how the funding is allocated to incremental costs versus total costs of a project, how the funds are recycled, whether the fund is self-sustaining, among other possible topics

Requirement from the 2020 plan rulings are still in place, namely quarterly cash flow reporting to the PUC



PUC Rulings – Impacts TBD (continued)

Update version of 3YP that holds budgets at 5% annual increases for each of 2022 and 2023

National Grid team is in the process of updating budgets and illustrative savings goals for years 2022 and 2023 in line with this PUC ruling

Compliance filing is forthcoming for this ruling, savings levels for these years are not in place yet

Updated Three Year Plan Budgets

Year	Electric (\$MM)	Natural Gas (\$MM)
2021	\$116.7	\$34.9
2022	\$122.6	\$36.7
2023	\$128.7	\$38.5



Summary of Commitments contained in the 2021 Plan

C-Team has assembled an excel spreadsheet to **track commitments made by National Grid** in 2021 Annual Plan

Drawn from thorough review of Plan text

Primary purposes to **improve commitment oversight efficiency**, and **ensure National Grid follow-through**

128 commitments in tracker so far, though still being finalized

Focus is on **Sector Team work** and associated commitments

E.g. EM&V already has a tracker in place



Next Steps

Additional National Grid compliance filings related to rulings

PUC discovery, technical sessions, evidentiary hearings, and/or open meetings related to PIM and other outstanding Plan elements

Continue program implementation while finalizing PIM and other plan elements still being considered by PUC



Questions?

Council Member Discussion