

In response to the PUC's order to revise the LCP Standards to reflect the methodology for comparing the cost of efficiency with the cost of supply that was included in the final, approve 2018 Energy Efficiency Plan, the EERMC and the Consultant Team engaged in a series of discussions. These discussions reflected the EERMC's important role in supporting stakeholder input.

Based on these discussions, the EERMC submitted revisions to the LCP Standards to the PUC on <date>.¹ The new language clearly defined "cost of efficiency" and "cost of supply" in a manner consistent with the 2018 Plan. In the EERMC's submittal, we also indicated our interest in exploring whether or not a single test (i.e., the existing Rhode Island Test) could be used to demonstrate the requirement that efficiency cost less than supply, pending additional stakeholder engagement to review how that best could be undertaken.

In response to the PUC's rejection of our proposed changes to the Standards and associated proposed new changes, we have continued to discuss this issue with stakeholders to understand their positions. As of today, we have reviewed the comments by OER, the Division, National Grid, and the Acadia Center. With some minor differences in terminology, all of these entities support the use of the existing Rhode Island Test as the methodology for assessing whether or not the cost of efficiency is less than the cost of supply. With the exception of the Division, all parties clearly state that the Rhode Island Test should be the ONLY test required. The Division's comments present a more nuanced view of how the Docket 4600 framework could be applied to this test and how the individual costs and benefits included in the Rhode Island Test could be presented to demonstrate the comparison between the cost of efficiency and the cost of supply. While the Division's proposed revisions to the language of the Standards contemplate the possibility that some components of the Rhode Island test would be considered neither a cost of supply nor a cost of efficiency, the EERMC believes that the only logical outcome is for all such costs to be included in both tests, and therefore that the Division's comments support the use of a single test.

Only National Grid and the Division proposed specific edits to the proposed LCP Standards. Of these, the EERMC feels that the simpler approach taken by National Grid is preferable, but that the Division's language would have the same outcome.

We are also in agreement with the comments by the OER and Acadia Center that this represents a departure from the outcome that resulted from our extensive stakeholder discussions. We believe it is important that any language changes reflect the full input of all stakeholders. While the hearing scheduled for August 24th affords parties the opportunity to provide written input, we request that additional time be provided to ensure stakeholders sufficient time to discuss this change in direction. We request a Tech Session or other forum to allow for this, with the objective of having final language approved no later than mid-September, for inclusion in the 2019 Plan filing due October 15.

¹ The proposed changes to the LCP Standards proceeded under the heading of Docket 4684, under which they had originally been approved.