



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

2022 EE Plan PUC Docket Rulings Update & Next Steps

Presented By: EERMC C-Team

Date: February 17, 2022





Outline

Summary of Proceedings and Rulings to Date

PUC Rulings for the EERMC

Consultant Team Actions Following PUC Rulings

Council Actions to Consider Following PUC Rulings

Council Discussion



SUMMARY OF PROCEEDINGS AND RULINGS





Summary of PUC Proceedings to Date

September

- 8th: Grid issues final draft 2022 EE Plan
- 22nd: PUC directs Grid to file plan with RI Grows CHP funding reallocated (Provisional Plan)
- 23rd: Council votes not to endorse EE Plan

October

- 1st: Grid files Original Plan
- 8th: Grid files Provisional Plan
- 15th: C-team files Summary Report of EERMC vote & reasons why; Cost-Effectiveness Report
- Discovery period begins

November

- 17th: C-team files EERMC pre-filed testimony
- Discovery period continues

December

- 6th, 8th: 2022 EE Plan hearings begin
- 9th: Council votes to prefer provisional plan
- Discovery period continues

January

- 7th: Grid files corrections to Provisional Plan
- 10th, 11th, 13th: 2022 EE Plan hearings conclude
- 25th, 28th: PUC Open Meetings where rulings were issued***



Summary of PUC Rulings to Date

The PUC issued several rulings at its January 25th and 28th Open Meetings, six of which pertain directly to the EERMC. Topics include

- EERMC Budget allocation, expense payment, client fund account, expenditure forecasting, and invoice filing

There was also discussion on potential study funding and EERMC budget planning

- No formal rulings were issued at the Open Meetings, but it is expected that they will be included in the PUC's Final Order on Docket 5189



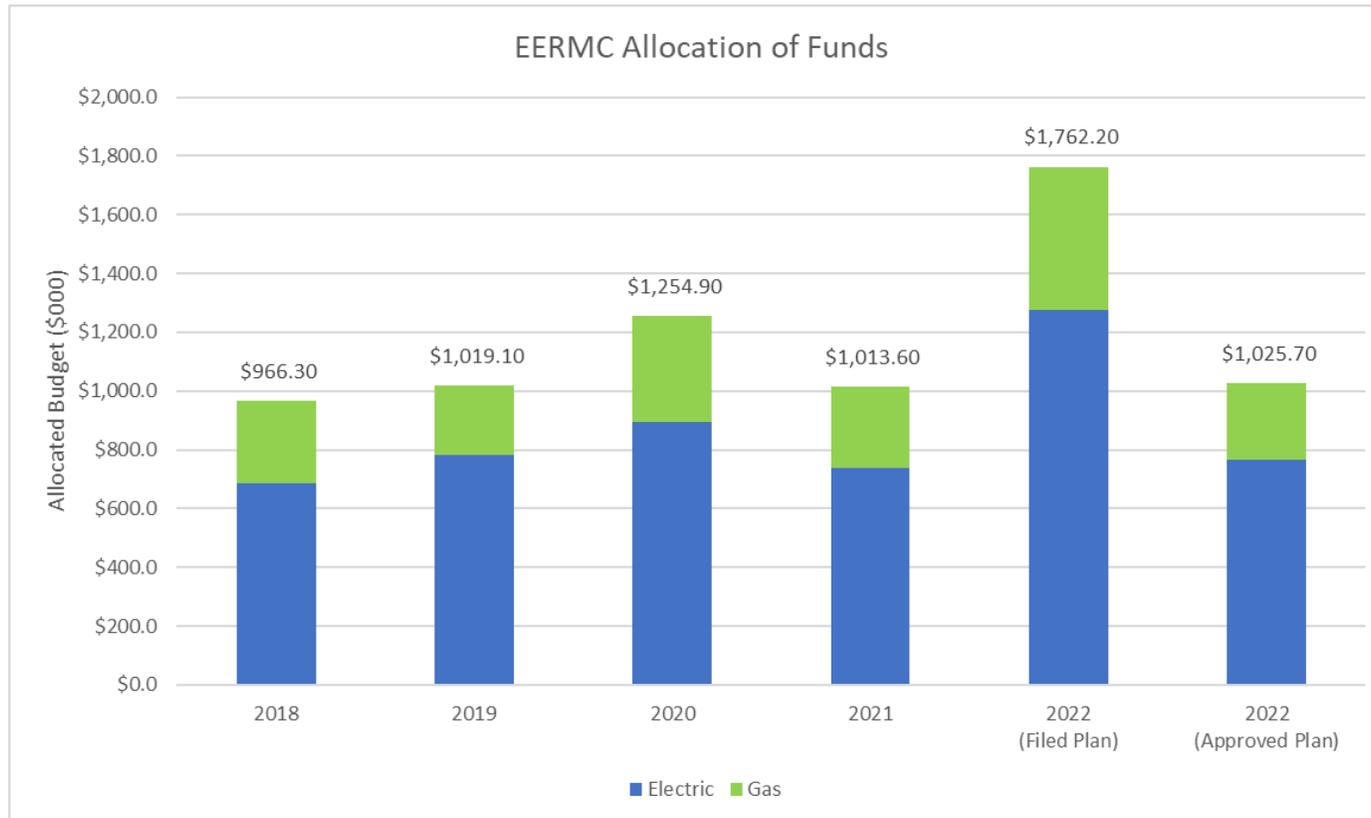
PUC RULINGS RELATED TO THE EERMC





EERMC Budget

#1: EERMC Budget Allocation – Set at \$1,025,763, with the distribution to the Electric and Gas portfolios proportional to the total budget for each





EERMC Expenses

#2: EERMC Expense Payment – to be paid by National Grid within 30 days of invoice receipt with approval of Council Executive Director

#3: EERMC Client Account – funds in the Client Account to be returned to National Grid to pay outstanding expenses, with any excess funds being credited to ratepayers through the reconciliation process

#4: EERMC Funds – no future funds to be transferred directly to the EERMC



EERMC Expenditure Forecasts and Reports

#5: EERMC Expenditure Forecasting – the EERMC may request additional funds if anticipated expenditures exceed the authorized allocation, subject to PUC Approval

#6: EERMC Invoice Reporting – National Grid shall file copies of all paid EERMC invoices with the PUC on a quarterly basis. The last filing (in December of each calendar year) should include an estimate of unpaid expenditures expected to be invoiced for that calendar year



CONSULTANT TEAM ACTIONS FOLLOWING PUC RULINGS





Motivation for Consultant Team Actions

Several areas of questioning during the PUC's EE Plan hearings on EERMC operations and expenses related to the Consultant Team

We remain confident in our team's deep bench of expertise, thought leadership on leading-edge industry trends, and record of service to the Council

We are always open to constructive feedback and creative thinking about ways we can improve our services

The Commission identified several areas where we agree such opportunities exist

These are included in the planned actions summarized on the coming slides



Consultant Team Actions #1-3

C-Team Action #1: Propose an adapted C-Team SOW and budget to align with the PUC's approved allocation

C-Team Action #2: Maintain fixed C-Team rates and commit to keeping future budgets at or below revised 2022 levels for any years covered by extensions to existing Consulting Services contract

C-Team Action #3: Implement administrative billing rate of \$80/hour for discrete administrative work areas within C-Team SOW



Consultant Team Actions #4-6

C-Team Action #4: Commit to prioritizing Rhode Island-based resources where possible to meet SOW needs

C-Team Action #5: Re-examine invoice categories to ensure clarity regarding C-Team work streams and deliverables

C-Team Action #6: Support Council in revisiting budget development process and timing



Consultant Team Actions #7-9

C-Team Action #7: Support National Grid’s pursuit of EM&V efficiency by leveraging EM&V studies in other jurisdictions and prioritizing key studies for Rhode Island

C-Team Action #8: Survey Council members regarding preferred Council retreat timing, frequency, and goals

C-Team Action #9: Continued responsiveness to PUC rulings and guidance in recent and forthcoming written orders



COUNCIL ACTIONS TO CONSIDER FOLLOWING PUC RULINGS





Potential Council Commitments

The Consultant Team has assembled an **initial list of possible Council commitments** to kick-start discussion regarding Council-related PUC rulings:

1. **Develop an accelerated budget planning process** to ensure more clarity can be offered during future EE Plan dockets regarding proposed EERMC budget allocations
2. **Maintain key focus on driving cash and bill benefits** from EE for all Rhode Islanders, both participants and non-participants
3. **Fully support OER and National Grid** in shifting management of Council funds to National Grid
4. **Request no more funds than are anticipated to be needed to support all EERMC responsibilities and activities** in future EERMC budgets

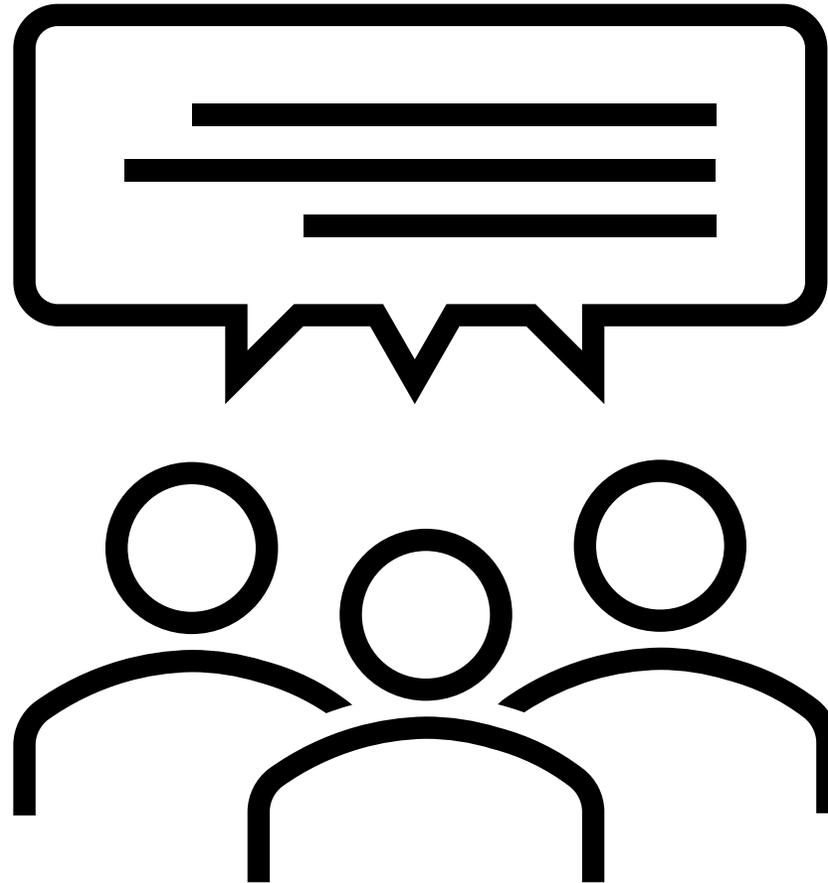


COUNCIL DISCUSSION





Council Member Discussion





APPENDIX





2022 EE Plan PUC Rulings

- The Commission approved the electric energy efficiency budget as presented in PUC 7-9, otherwise known as the Alternative Base Plan, subject to the modifications made by the Commission, as well as the gas energy efficiency budget as filed
- The Commission authorized National Grid to implement the programs described in the 2022 Plan as modified by the PUC's motions in Docket 5189



2022 EE Plan PUC Rulings

- The Commission approved the rate factors shown in Table E-1 and Table G-1 of the second revised compliance filing as filed with the Commission on January 27, 2022
- On evaluation budgets, the Commission reduced the allocation for EM&V by \$725,000 to approximately \$2,400,000



2022 PUC-Approved Electric Rate Factors

	Income Eligible Residential	Projections by Sector Non-Income Eligible Residential	Commercial & Industrial	Total
(1) Projected Budget (from E-2):	\$17,017.5	\$35,270.9	\$56,382.8	\$108,671.3
Sources of Other Funding:				
(2) Projected DSM Commitments at Year-End 2021:	\$0.0	\$0.0	\$0.0	\$0.0
(3) Projected Year-End 2021 Fund Balance and Interest:	(\$17.5)	(\$6,770.1)	\$13,236.9	\$6,449.3
(4) Projected FCM Net Revenue from ISO-NE:	\$479.2	\$5,690.2	\$8,083.2	\$14,252.7
(5) Total Other Funding:	\$461.7	(\$1,079.9)	\$21,320.1	\$20,702.0
(6) Customer Funding Required:	\$16,555.9	\$36,350.8	\$35,062.8	\$87,969.3
(7) Forecasted kWh Sales:	246,778,762	2,930,118,727	4,162,361,309	7,339,258,798
(8) Energy Efficiency Program charge per kWh, excluding uncollectible recovery:				\$0.01198
(9) Proposed SRP Opex Factor per kWh, excluding uncollectible recovery:				\$0.00000
(10) Total Proposed Energy Efficiency Charge per kWh, excluding uncollectible recovery:				\$0.01198
(11) Currently Effective Uncollectible Rate				1.30%
(12) Proposed Energy Efficiency Program Charge per kWh, including Uncollectible Recovery:				\$0.01213
(13) Currently Effective Energy Efficiency Program Charge per kwh				\$0.01113
(14) Proposed Adjustment to Reflect Fully Reconciling Funding Mechanism				\$0.00100



2022 PUC-Approved Gas Rate Factors

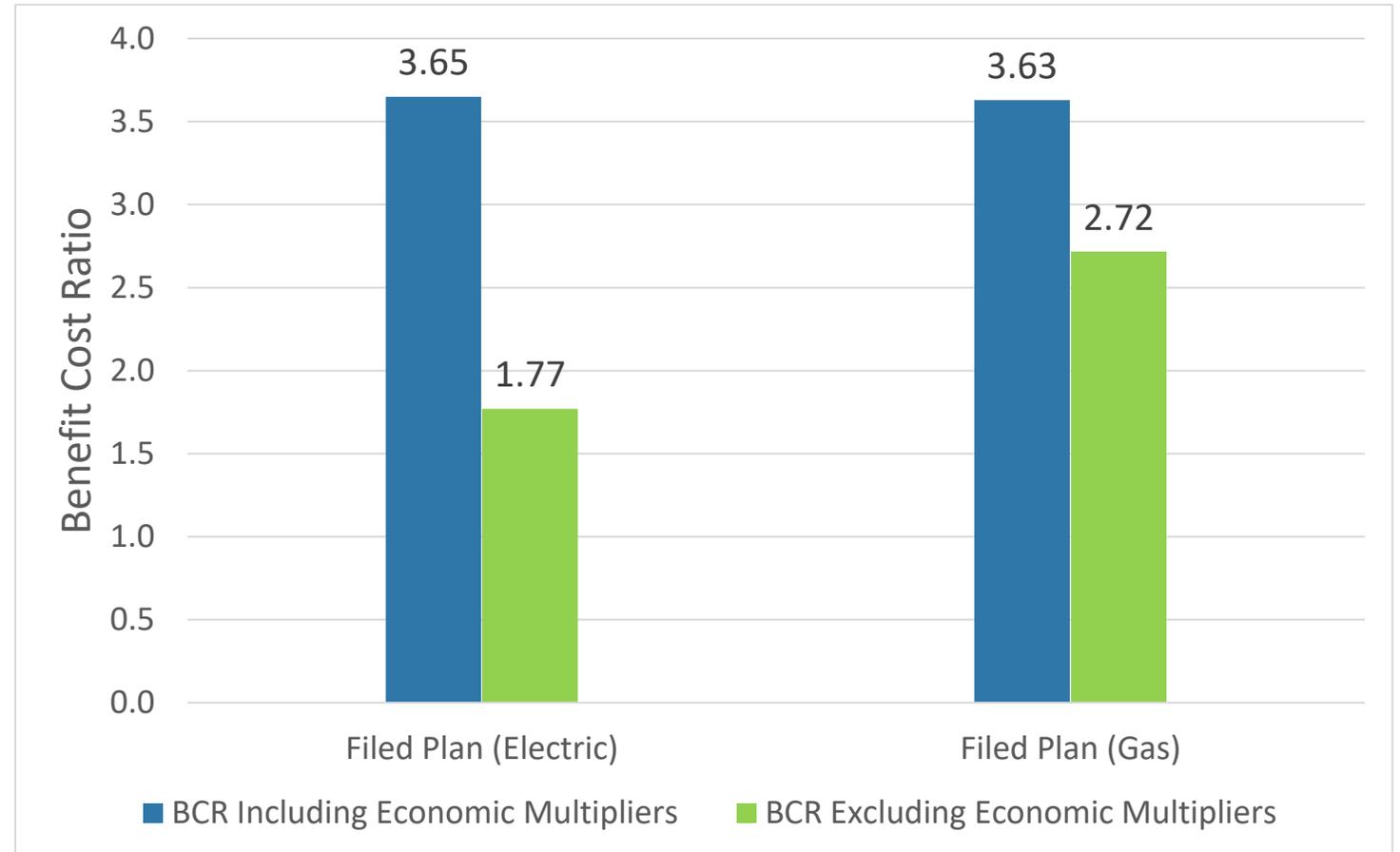
	Projections by Sector			Total
	Income Eligible Residential	Non-Income Eligible Residential	Commercial & Industrial	
(1) Projected Budget (from G-2):	\$9,410.2	\$15,912.5	\$11,583.2	\$36,906.0
Sources of Other Funding:				
(2) Projected Year-End 2021 Fund Balance and Interest:	(\$12.4)	(\$8,944.4)	\$2,859.3	(\$6,097.4)
(3) Total Other Funding:	(\$12.4)	(\$8,944.4)	\$2,859.3	(\$6,097.4)
(4) Customer Funding Required:	\$9,422.6	\$24,856.9	\$8,723.9	\$43,003.4
(5) Forecasted Firm Dth Volume	1,685,277	18,876,534	19,843,867	40,405,678
(6) Forecasted Non Firm Dth Volume			2,278,545	2,278,545
(7) Less: Exempt DG Customers			(1,244,516)	(1,244,516)
(8) Forecasted Dth Volume:	1,685,277	18,876,534	20,877,896	41,439,707
(9) Average Energy Efficiency Program Charge per Dth excluding Uncollectible Recovery:				\$1.037
(10) Proposed Energy Efficiency Program Charge per Dth excluding Uncollectible Recovery	\$1.247	\$1.247	\$0.830	
(11) Currently Effective Uncollectible Rate	1.91%	1.91%	1.91%	
(12) Proposed Energy Efficiency Program Charge per Dth, including Uncollectible Recovery:	\$1.271	\$1.271	\$0.846	
(13) Currently Effective Energy Efficiency Program Charge per Dth	\$0.871	\$0.871	\$0.596	
(14) Adjustment to Reflect Fully Reconciling Funding Mechanism	\$0.400	\$0.400	\$0.250	



2022 PUC-Approved EE Plan Data

RI Test w/ Economic Multipliers		
	Filed Plan (Electric)	Filed Plan (Gas)
Costs	\$124,466	\$45,644
Benefits	\$461,562	\$165,874
Net Benefits	\$337,095	\$120,230
BCR	3.65	3.63

RI Test w/o Economic Multipliers		
	Filed Plan (Electric)	Filed Plan (Gas)
Costs	\$124,466	\$45,644
Benefits	\$224,184	\$124,049
Net Benefits	\$99,718	\$99,718
BCR	1.77	2.72





PUC Rulings on Performance Incentives

- The PUC ruled to continue use of the PIM from Order 24225 in Docket 5076 with the following modification:
 - a) Approve a design performance payout for the electric C&I sector of \$3,390,165 and for the gas [C&I] sector of \$1,000,000, and
 - b) approve the following service quality adjustments for gas and electric residential and income eligible – reduce electric and gas income eligible by 38% and reduce non-income eligible residential gas and electric by 25% from last year's numbers.
- The PUC also directed National Grid to allocate the RIIB fund transfer proportionately in the calculation of net eligible costs for the gas and electric performance incentive mechanism