



STATE OF RHODE ISLAND
**OFFICE OF
ENERGY RESOURCES**

Comments on National Grid's First Draft of the 2021 Energy Efficiency Plan
September 10, 2020

The Rhode Island Office of Energy Resources (OER) would like to thank National Grid for incorporating multiple stakeholder priorities into the first draft of the 2021 Annual Energy Efficiency Plan. OER appreciates the overall readability of the first draft, its responsiveness to the updated Least-Cost Procurement Standards, and National Grid's incorporation of the following:

- Identifying equity as a key strategic priority for the Plan and beginning to track rental participation and benefits;
- Recognizing the economic burden caused by COVID-19 and committing to minimize ratepayer bill impacts in 2021;
- Including a workforce section that not only focuses on identifying program workforce needs, but also commits the National Grid to working with stakeholders to overcome workforce training obstacles and inequities;
- Accurately describing the lighting market transformation as a success of energy efficiency investments and programs;
- Increasing funding for income eligible programs;
- Exploring active gas demand response potential and viability;
- Continuing customer access to/support of automated Portfolio Manager data uploads; and
- Officially incorporating Zero Energy Buildings into new construction programs.

However, OER also has multiple concerns that need to be addressed in the final draft of the Plan. A high-level summary of our thoughts and concerns is provided below, while more specific comments are included within the attached sections of the draft Annual Energy Efficiency Plan.

Summary EE Plan Comments & Concerns

- In light of the economic impacts of COVID and the strain it has placed on Rhode Island families and businesses, OER encourages National Grid to work toward mitigating any potential system benefit charge (SBC) increases in 2021. While that may have some effect on achievement of energy savings, we are disappointed by the low energy savings goals put forward in the first draft. Both the kWh and natural gas MMBtu savings goals are lower than those proposed for 2020 in Attachments 5 and 6. The potential study and Public Utilities Commission-approved Targets clearly indicate substantial opportunity and support for continued growth in energy savings. Furthermore, OER believes that National Grid's justification for these lower energy savings goals is inadequate and over simplified. It appears that National Grid is claiming that 100% cost coverage for customers would be needed to increase energy savings achievement. OER does not support this argument. Program design enhancements, such as improved customer education, marketing, and/or other reductions in customer barriers, can and should be a primary method to



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increase energy savings. OER seeks a more comprehensive and clear justification of the savings goals prior to the release of the final version of the Plan.

- Likewise, National Grid’s ability to surpass active demand response savings goals is not clearly justified in the draft Plan. Although OER is supportive of these high demand savings goals, we encourage National Grid to explain how they are prudent, reliable, and achievable.
- OER also recommends that National Grid enhance its justification of the Plan’s “Reliability” and “Environmental Responsibility” aspects. These sections were not built out enough to credibly defend the Plan around these standards.
- In the draft Plan, it was unclear if the pre-filed testimony would be part of the settlement. We request that National Grid submit any pre-filed testimony separately, but welcome the opportunity to review in advance of the filing.
- OER will continue negotiating with National Grid to finalize proposed changes to the Performance Incentive Mechanism (PIM). OER is supportive of decoupling the PIM from the program budget and using lifetime net benefits at the sector level as metrics for performance in 2021.
- OER would like to see National Grid commit to developing program-specific equity metrics to track program access and participation. Tracking renter participation across the residential sector, as well as conducting a non-participant study, are great first steps. However, establishing more comprehensive and continuous feedback loops within individual programs is critical to continuous improvement. Furthermore, OER would like to see a commitment to engage with National Grid’s Equity Working Group to determine the dimensions around which equity should be measured. Currently, the Plan indicates that geographic location, income, home ownership status, primary language, and business size are equity measurement priorities. However, community members and non-participants are likely to be better positioned to identify the most impactful dimensions for measuring energy efficiency equity.
- In exploring the long-term use of virtual/remote energy assessments, OER would like to see a clear plan from National Grid for testing and optimizing virtual/remote assessment platforms/processes. OER views the transition to virtual assessments as critical to the long-term success and cost-efficiency of residential programs both during the current health crisis and, hopefully, after it passes, too. Moreover, OER would like building energy labeling incorporated into residential offerings as a means of supporting long-term building market transformation.
- OER supports continued analysis into the energy saving opportunities associated with the Efficient Buildings Fund (EBF) at the Rhode Island Infrastructure Bank. The EBF has served as an important tool to local cities and towns seeking low-cost financing for cost-effective efficiency-related investments. OER is committed to working with National Grid to determine an appropriate level of Plan investment in support of potential EBF-supported projects that have a strong likelihood of advancing in 2021.
- In the Testing Performance Metrics section of the Plan, OER was glad to see the continued tracking of metrics established in 2019. This continued tracking will ensure a better



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understanding of overall program achievement. However, in this section, National Grid also reiterates an on-going commitment to find a methodology for tracking CO₂e (equivalents) versus the current tracking of only CO₂ reductions. This commitment to track CO₂e has been made for multiple years now. OER believes that tracking CO₂e is better aligned with state policy goals around greenhouse gas emission reductions. Moreover, it would establish a more comprehensive understanding of the programs' overall greenhouse gas reduction benefits. Therefore, OER respectfully requests that a timeframe for adopting a methodology to track CO₂e be included in the final version of the Plan.

As noted earlier, detailed comments and redlines are attached in separate documentation.

We look forward to National Grid's responses to our recommendations and comments as we look ahead toward reaching an energy efficiency plan settlement that advances Rhode Island's position as a clean energy leader and innovator.

Sincerely,

Nicholas S. Ucci
Commissioner