

December 14, 2022

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket No. 22-33-EE - 2023 Annual Energy Efficiency Plan

Dear Ms. Massaro:

Pursuant to the Public Utilities Commission's (the "PUC" or "Commission") request at the December 8, 2022 hearing in the referenced docket, please accept this response of Rhode Island Energy¹ to two questions posed by the Commission:

1. Whether to approve two different System Benefit Charges for effect January 1 and April 1, 2023 to expedite the return of the existing Energy Efficiency fund balance to customers over the months of January, February and March 2023; and
2. Whether to decouple the Energy Efficiency budget from the approved System Benefit Charge for collection of the Company's forecasted expenditures for 2023 so that the Company would collect some amount less than the forecasted expenditures.

The Company is agreeable to both proposals under the circumstances presented in this docket.

1. Accelerated Return of Energy Efficiency Fund Balance

With respect to the approval of two seasonal rates, in order to expedite the return of the Energy Efficiency fund balance to customers, the proposed bifurcated rate structure would return the customers' money to them more quickly than approval of a year-long rate that would return the fund balance to customers over the entirety of calendar year 2023. This accelerated fund

¹ The Narragansett Electric Company d/b/a Rhode Island Energy ("Rhode Island Energy" or the "Company").

Luly E. Massaro, Commission Clerk
Docket 22-33-EE – 2023 Annual Energy Efficiency Plan
December 14, 2022
Page 2 of 4

balance reconciliation would provide relief to customers at a time of year when heating costs and high electricity supply costs are felt keenly by customers. This, and other measures put in place in other dockets, have helped to mitigate the bill impacts of high gas commodity and electric supply costs during this winter.

While the Company is supportive of the measures taken to date to assist customers, and the proposal made in this docket to expedite the return of the Energy Efficiency fund balance, it is important to understand that there are several charges and variables that will affect customers' energy bills beginning on or around April 1. These include the reinstatement of gas and electric customer charges, the potential recovery of deferred customer charges, and updated rates stemming from the Company's last resort service summer rates filing, gas and electric infrastructure, safety and reliability plans, annual retail rate filing, and renewable energy standard charge filing. The Commission's selection of a rate design from among the scenarios presented in the Company's response to Record Request 7 should be made in light of these known and unknown factors that could result in summer energy bills higher than customers might expect based upon experience in prior years.

2. Approval of an Energy Efficiency Budget in Excess of Approved Collections

The Company has been administering energy efficiency programs during a recent period of unprecedented uncertainty. The global pandemic, supply chain disruptions, inflationary pressures, rising energy costs and interest rates have contributed, and will continue to contribute, to uncertainty with respect to customers' demand for measures incentivized through the Energy Efficiency program. This has led to a situation in which the Company and other stakeholders continue to pursue aggressive energy efficiency goals for reasons including avoided cost of supply and environmental benefits. At the same time, customers might be delaying decisions about energy efficiency measure adoption or market conditions may be leading to involuntary delays. The prevailing uncertainty and headwinds have led to underspending in recent years.

In its second corrected response to PUC Data Request 1-1, the Division of Public Utilities and Carriers ("Division") expressed that collections from customers should align with the spending necessary to meet customers' demand for energy efficiency measures. In its response to the Commission's questions dated December 12, 2022, the Energy Efficiency & Resources Management Council ("EERMC") expressed its desire to maintain the robustness of the 2023 Annual Energy Efficiency Plan. The Company shares both goals and believes that the proposal to temporarily decouple the Energy Efficiency Plan budget from collections is a reasonable

Luly E. Massaro, Commission Clerk
 Docket 22-33-EE – 2023 Annual Energy Efficiency Plan
 December 14, 2022
 Page 3 of 4

means of resolving a factual dispute over the appropriate forecast of energy efficiency expenditures in uncertain times.

The Company supports this proposal due to the facts and circumstances present in this docket. As a general matter, a decoupling of collections and budgets in any rate setting context can lead to persistent under-recoveries that will eventually need to be recovered from customers. Additionally, customers have a limited but important ability to moderate energy consumption. If they receive inaccurate price signals they might not seek out ways to reduce their energy consumption including through the adoption of energy efficiency measures. Given that the Division’s proposal to reduce collections is a relatively modest portion of the total 2023 Energy Efficiency budget, such that any potential under-recovery would be relatively modest, the Company believes that customers will not be placed at undue risk by setting the approved collections through the System Benefit Charge at a level that is lower than the proposed 2023 Energy Efficiency Budget. Therefore, it is the Company’s position that the Commission should approve the following budgets and collections for the 2023 Energy Efficiency Plan year:

		(a)	(b)	(c)
		Implementation Budget \$(000)	Total Budget \$(000)	Collections \$(000)
(1)	Electric	\$99,375.4	\$102,661.7	\$98,286.3
(2)	Gas	\$36,101.2	\$36,898.0	\$36,898.0

The proposed implementation budgets reflect those submitted in the Company’s November 29, 2022 filing which it views as the most accurate forecast of 2023 implementation spending.² The Company would propose to reconcile any under-recovery in next years’ annual Energy Efficiency filing, or, if an under-recovery become significant, through an interim System benefit Charge adjustment.

² The Company agrees that budgets and plans developed through the pre-filing stakeholder process ordinarily should not be changed, other than for the purpose of making corrections, until the Commission completes its review of an Energy Efficiency plan. Under the circumstances presented here, the Company’s November 29 revision was only intended to present the most realistic forecast of likely spending given the prior years’ underspending noted by the Division and the actual expenditures that have been occurring in 2022.

Luly E. Massaro, Commission Clerk
Docket 22-33-EE – 2023 Annual Energy Efficiency Plan
December 14, 2022
Page 4 of 4

Thank you for your attention to this matter. If you have any questions, please contact me at (401) 709-3359.

Very truly yours,



Steven J. Boyajian

Enclosure

cc: Docket 22-33-EE Service List

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate were electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Heidi Seddon

December 14, 2022

Date

Docket No. 22-33-EE – Rhode Island Energy’s Energy Efficiency Plan 2023 Service list updated 11/07/22

Name /Address	E-mail Distribution List	Phone
The Narragansett Electric Company d/b/a Rhode Island Energy Andrew Marcaccio, Esq. 280 Melrose St. Providence, RI 02907	amarcaccio@pplweb.com ;	401-784-4263
	cobrien@pplweb.com ;	
	jhutchinson@pplweb.com ;	
	jscanlon@pplweb.com ;	
	dmmoreira@rienergy.com ;	
	MOCrayne@rienergy.com ;	
	BSFeldman@rienergy.com ;	
	ACLi@rienergy.com ;	
	DJTukey@rienergy.com ;	
	SBriggs@pplweb.com ;	
	BJPelletier@rienergy.com ;	
	JKessler@rienergy.com ;	
	JOliveira@pplweb.com ;	
	mjshafer@pplweb.com ;	
	kgrant@rienergy.com ;	
Leticia C. Pimentel, Esq. Steve Boyajian, Esq. Robinson & Cole LLP One Financial Plaza, 14th Floor Providence, RI 02903	sboyajian@rc.com ;	
	LPimentel@rc.com ;	
	HSeddon@rc.com ;	

Division of Public Utilities and Carriers Margaret L. Hogan, Esq.	Margaret.L.Hogan@dpuc.ri.gov ;	401-780-2120
	Jon.hagopian@dpuc.ri.gov ;	
	john.bell@dpuc.ri.gov ;	
	Joel.munoz@dpuc.ri.gov ;	
	Machaela.Seaton@dpuc.ri.gov ;	
	Paul.Roberti@dpuc.ri.gov ;	
Synapse Energy Economics Tim Woolf Jennifer Kallay 22 Pearl Street Cambridge, MA 02139	twoolf@synapse-energy.com ;	
	jkallay@synapse-energy.com ;	
RI EERMC Marisa Desautel, Esq. Office of Marisa Desautel, LLC 55 Pine St. Providence, RI 02903	marisa@desautelesq.com ;	401-477-0023
	mdewey@desautelesq.com ;	
	Adrian.Caesar@nv5.com ;	
	Craig.Johnson@nv5.com ;	
	Samuel.Ross@nv5.com ;	
Acadia Center Hank Webster, Director & Staff Atty.	HWebster@acadiacenter.org ;	401-276-0600 x402
Office of Energy Resources (OER) Albert Vitali, Esq. Dept. of Administration Division of Legal Services One Capitol Hill, 4 th Floor Providence, RI 02908	Albert.Vitali@doa.ri.gov ;	401-222-8880
	Nancy.Russolino@doa.ri.gov ;	
	Christopher.Kearns@energy.ri.gov ;	
	Anika.Kreckel.CTR@energy.ri.gov ;	
	Steven.Chybowski@energy.ri.gov ;	
	Nathan.Cleveland@energy.ri.gov ;	
Original & 9 copies file w/: Luly E. Massaro, Commission Clerk John Harrington, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
	John.Harrington@puc.ri.gov ;	
	Alan.nault@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	
	Emma.Rodvien@puc.ri.gov ;	
Interested Party		
Dept. of Human Services Frederick Sneesby	Frederick.sneesby@dhs.ri.gov ;	
RI Infrastructure Bank Chris Vitale, Esq.,	cvitale@hvlawltd.com ;	
	SUsatine@riib.org ;	

Green Energy Consumers Alliance
Larry Chretien, Executive Director

Larry@massenergy.org;

<p>Green Energy Consumers Alliance Larry Chretien, Executive Director</p>	<p>Larry@massenergy.org;</p>	
--	--	--