

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN RE: PASCOAG UTILITY DISTRICT :
2023 DEMAND SIDE MANAGEMENT : DOCKET NO. 22-40-EE**

**THE DIVISION OF PUBLIC UTILITIES AND CARRIERS FIRST SET OF
DATA REQUESTS
DIRECTED TO PASCOAG**

**Issued November 21, 2022
Responses due December 5, 2022**

Div. 1-1 With respect to Pascoag’s Strategy #1 referenced on p.6 of the DSM plan, Pascoag states that it is “optimistic” that the Burrillville School Department LED lighting projects will “move forward, with additional support from OER” after years of delay brought on by the Covid-19 Pandemic:

Answered by Desarae Dolan:

- a) Why is Pascoag optimistic that the Burrillville lighting will move forward in 2023?
OER has recently expanded its Public School LED Lighting Accelerator program to add additional communities, including Burrillville. Through this program the Burrillville School Department is eligible to receive technical, procurement, and financial assistance up to the full cost of the LED lighting project after the utility rebate is factored in.
- b) What has changed from Pascoag’s 2022 DSM filing to support this belief?
OER reached out to the administration of the Burrillville School Department with information regarding the funding opportunity and they were receptive to working with Pascoag and OER on the lighting project for the Burrillville High School.
- c) Please fully explain what additional support Pascoag intends to receive from OER?
Through the Public School LED Lighting Accelerator program OER will assist Pascoag and the Burrillville School Department with any and all elements of the LED lighting improvement, including project scoping, development of procurement documents, financial assistance, and project implementation oversight.
- d) Please provide a description of the project, including number of fixtures to be installed, any unique features of the fixtures such as timers, motions sensors, type and number of fixtures being replaced.
The project will provide updated exterior and interior LED lighting for the Burrillville High School. The proposal would need to be updated for 2023, as the last estimate we received was from 2019. Based on the 2019 estimate, the Burrillville High School has 1,810 existing fixtures and would be replaced by 1,886 fixtures. The 2019 plan also outlines certain areas of the building being outfitted with lights that are capable of dimming and power monitoring.

- e) Please explain whether this project involves a complete lighting upgrade of the school and grounds. If no, what is the scope of the project?

Pascoag believes the 2019 proposal is a complete update of the interior and exterior lighting at the Burrillville High School but an updated proposal would need to be completed to determine if any lighting has been changed or purchased in the last four years.

- f) What are the estimated total kWh savings expected from the completion of this project?

Based on the Burrillville School Department's 2019 proposal, 233,280 kWh would be saved annually, equivalent to \$34,992 in energy savings. It would also provide \$3,333 in maintenance savings.

Div. 1-2 With regard to the carryover amount of \$19,035 to Pascoag's 2023 DSM proposed program budget, please provide a breakdown and explanation by program of the reason Pascoag expects to underspend.

Answered by Desarae Dolan:

Please see updated Schedule D-2.

Div. 1-3 Please provide a spreadsheet or table showing Pascoag's carryover amounts from its DSM program for program years 2020, 2021, and 2022, comparing budgeted expenses to actual expenses. Please provide an explanation detailing the reasons for underspending (carryover) in each category.

Answered by Desarae Dolan:

Program Year	Projected	Actual	Difference
2020 (2019 carryover)	\$24,867	\$26,803	\$1,936
2021 (2020 carryover)	\$58,961	\$69,977	\$11,016
2022 (2021 carryover)	\$38,373	\$40,967	\$2,594

The carryover amount from 2019 was \$26,803 which was due in large part to 2019 being Pascoag's first year introducing the Residential Weatherization program to its customers. The program was brand new and Pascoag was working toward increasing home energy audits while building a pipeline for weatherization projects. \$20,083 of the total \$26,803 in carryover funds were from unused funds of the Residential Weatherization program. Each of the remaining spending categories for 2019 had a balance of less than \$2,500.

The carryover amount from 2020 was \$69,977 and was driven mainly by the effects of the pandemic. The Residential program had a balance of \$33,662, with \$29,853 attributed to the Residential Weatherization program. It was difficult to conduct home energy audits and weatherization projects during the first year of the pandemic, as many of our customers were not comfortable having work done within their home. Businesses were also not allowing staff to go into customers' homes and

remote home energy audits were not as popular as in-person visits. The Commercial/Industrial program had a balance of \$26,905 which was due to two factors. The Burrillville High School was not able to move forward with their High School lighting project due to budgetary issues. The District was also not able to identify a business that wanted to move forward with an energy efficiency project to utilize the remaining \$7,149 in the Potential 2020 Lighting program. Many businesses were closed for periods of time during 2020 and were not able to financially commit to a project. The Administrative category had a balance of less than \$500. Community Outreach, Marketing & Education had a balance of \$11,698 due to events not being held in person.

The carryover amount from 2021 was \$40,967. Due to the large carryover of RGGI funds from 2020, Pascoag created a Pilot Program for Landlord/Renter Weatherization. The program completed energy audits and weatherization for four duplex units but some of the units required less weatherization than anticipated which accounts for its \$13,676 balance. Customers were also experiencing difficulty purchasing appliances due to supply chain issues which may account for the \$3,446 balance of the Residential Energy Star program. The Commercial/Industrial category had a balance mainly due to the Pascoag Public Library completing the second and third phase of their lighting project later than expected as it was completed in 2022 instead of 2021. The Community Outreach, Marketing and Education category had a balance of \$14,974 due to in person events not being held.

Div. 1-4 The Office of Energy Resources pledged \$120,000 in RGGI funds from to support Pascoag's DSM program years 2022 through 2024. Pascoag was allotted \$75,000 in 2022 and \$35,700 in 2023, all of which was budget to support Pascoag's Residential Weatherization Program. Based on the above, is it accurate to assume that only \$9,300 will be available for the 2024 Residential Weatherization Program?

Answered by Desarae Dolan:

Yes, that is accurate.

Div. 1-5 With respect to Pascoag's Residential Audit & Weatherization program, please provide detailed explanations to the following:

Answered by Desarae Dolan:

a) How does Pascoag plan to fund the program beyond 2024 after RGGI funds have been fully exhausted?

Pascoag plans to use the additional funds from the 2023 proposed system benefit charge increase to sustain the program in future years.

b) Does Pascoag intend to keep the program funded at the same level?

Pascoag intends to fund this program at a level commensurate with customer demand, while also balancing available funds appropriately across other budget categories. As a result, the funding level of the program may be less in future years.

c) Does Pascoag intend to raise the SBC charge to support this program in 2024? Does Pascoag intend to do so in subsequent program years? If yes, will the funding amount be higher than the budgeted \$54,000 Pascoag anticipates collecting from ratepayers in the 2023 DSM Plan filing?

At this time Pascoag does not intend to raise the SBC charge in the near future and is very cautious about the impact any rate increase has on its customer base. As an example, Pascoag has not requested an increase to the DSM program in twenty five years. Pascoag has seen an increasing demand for weatherization among its customers and intends to support this program as much as possible given the availability of funds and the needs of other budgetary categories in the DSM program. Additionally, Pascoag may propose to remove the Enhanced HVAC rebate program in future years as additional heat pump funding may be made available through the forthcoming State program. This would free up additional program money to be used toward the Residential Weatherization program or other DSM programs as needed. Furthermore, the approval of the budget transfer process in Docket 5084 has given Pascoag added flexibility to transfer funds from underutilized programs to programs that have experienced a higher demand. This has allowed Pascoag to reduce carryover by balancing the demand of its customers with a limited budget.

DIV.1-6 On page 12 of the DSM plan, Pascoag states that it believes from a societal viewpoint, the total resource cost of its Audit and Weatherization program is cost effective as approximately \$125,000 in benefits are realized from approximately \$83,000 in investments. Please provide the list of investments, benefits, and the calculation methodology used in arriving at this estimate.

Answered by Desarae Dolan:

Calculation of Costs

The calculation of the total resource costs is comprised of two components – program budgets and customer costs.

The program budget, which is reflected in Schedule A-1, accounts for audits, direct install measures, administrative costs for the vendor conducting the work, and incentives provided to customers for weatherization. This accounted for \$72,000 of the estimated \$83,000 in total resource costs.

The customer cost accounts for those costs incurred by the customer that are not covered through incentives provided by Pascoag. Because Pascoag covers 100% of the cost of the audit and any direct install measures, the only customer costs are those that exceed what Pascoag plans to cover for weatherization. To arrive at an estimate of these costs, Pascoag assumed an average weatherization job would cost approximately \$3,000 with an average customer receiving a maximum incentive of \$2,250, or 75% of total project costs. The difference between these two assumptions is an out-of-pocket cost for an average customer moving forward with weatherization of \$750. Pascoag assumed that approximately 15 customers would move forward with weatherization in 2023, which was determined by multiplying the number of planned audits (60) by a historical conversion rate of 25%. The product of those two items is that the total customer costs account for \$11,167 of the estimated \$83,000 in total resource costs.

Calculation of Benefits

The calculation of total benefits is comprised of several components, including electric system benefits, oil and propane benefits, water benefits, non-energy impact benefits such as thermal comfort and health benefits, and greenhouse gas emissions benefits. The estimation of each of these benefit streams was calculated by multiplying quantities for the variety of measures planned to be installed through the program by an average level of benefit per measure for each of the components noted above. The quantities for each measure were estimated based on the number of audits that Pascoag plans to conduct in 2023 and the number of measures installed on average per audit. The amount of benefits per measure and benefit stream was estimated using values identified through our consultants review of benefits for measures in similar programs.

Schedule D-2 Explanation of Projection

**Pascoag Utility District
Demand Side Management Programs - 2022 Projected Expenses**

	Estimated	Actual
Estimated/Actual carry over from 2021	\$ 38,373.00	\$ 40,720.99
Estimated sales for 2022	\$ 107,546.00	\$ 107,548.00
RGGI Funds	\$ 75,000.00	\$ 75,000.00
Estimated/Actual RGGI Fund Carryover 2021	-	245.61
Net 2022 budget	\$ 220,921.00	\$ 223,514.60

	2022 Approved Budget	Projected Expenses	Balance	Notes:
Residential Program				
DR2201 Residential Weatherization Program	\$ 75,245.61	\$ 75,245.61	\$ -	November and December's energy audit invoices have not been paid yet. We also have 6 customers moving forward with projects.
DR2202 Residential ENERGY STAR Offerings	\$ 8,000.00	\$ 4,200.00	\$ 3,800.00	Based on what we typically see for rebates in November and December
DR2203 HVAC & Water Heating Program	\$ 13,000.00	\$ 9,500.00	\$ 3,500.00	Based on what we typically see for rebates in November and December
DR2204 Enhanced Incentive HVAC Program	\$ 5,000.00	\$ -	\$ 5,000.00	None of the customers in this program are moving forward with HVAC systems at this time.
DR2205 Committed for 2021 Programs	\$ 1,500.00	\$ 40.00	\$ 1,460.00	The period closed at the end of March to apply for 2021 programs so there won't be anymore rebates processed.
DR2206 Pilot Program: Landlord/Renter Weatherization Incentives	\$ 15,000.00	\$ 13,000.00	\$ 2,000.00	2 landlords are working towards getting their building weatherized by EOY. Invoices for one apt. building's audits & D's hasn't been submitted yet.
Net Residential	\$ 117,745.61	\$ 101,985.61	\$ 15,760.00	
Industrial/Commercial				
D12201 Small Business ENERGY STAR Offerings	\$ 1,200.00	\$ -	\$ 1,200.00	We don't anticipate any rebates for the remainder of the year.
D12202 Committed Funds- Lighting & EE Projects	\$ 10,400.00	\$ 10,363.00	\$ 17.00	All projects have now been completed and paid in this program.
D12203 Potential 2022 Lighting & EE Projects	\$ 33,568.99	\$ 33,569.00	\$ (0.01)	The Zamborano Hospital project is almost complete and we anticipate the Clocktower to be completed by the end of the year.
D12204 LED Street Light Incentive	\$ 10,000.00	\$ 10,000.00	\$ -	
Net Industrial/Commercial	\$ 55,168.99	\$ 53,952.00	\$ 1,216.99	
Administrative				
DA2201 Administrative	\$ 21,000.00	\$ 21,000.00	\$ -	Labor has not been calculated for November and December yet.
DA2202 Energy Consultant	\$ 10,000.00	\$ 10,000.00	\$ -	Based on past years, we expect to expense the full \$10,000
DA2203 Program Research and Development	\$ 500.00	\$ -	\$ 500.00	We don't anticipate using this for the remainder of the year.
Net Administrative	\$ 31,500.00	\$ 31,000.00	\$ 500.00	
Community Outreach, Marketing & Education				
DC2201 Community Outreach and Education	\$ 14,000.00	\$ 14,000.00	\$ -	Fulfillment material invoices will be sent to us in Dec/Jan. Labor for community outreach hasn't been calculated for Nov & Dec.
DC2202 Jesse Smith Library Partnership	\$ 3,600.00	\$ 3,042.13	\$ 557.87	Calendar invoice will be sent in Dec/Jan. This is based on the estimate for calendars, offset by ad revenue.
DC2203 Energy Efficiency Management continuing education	\$ 1,500.00	\$ 500.00	\$ 1,000.00	Based on upcoming trainings, we feel this is an accurate estimate for the remaining weeks of the year.
Net Community Outreach, Marketing & Education	\$ 19,100.00	\$ 17,542.13	\$ 1,557.87	
Estimated DSM 2022 Budget/ Expenses/ Balance	\$ 223,514.60	\$ 204,479.74	\$ 19,034.86	