Robinson+Cole

STEVEN J. BOYAJIAN

One Financial Plaza, 14th Floor
Providence, RI 02903-2485
Main (401) 709-3300
Fax (401) 709-3399
sboyajian@rc.com
Direct (401) 709-3359

Also admitted in Massachusetts

January 13, 2023

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
Responses to PUC Data Requests – Set 7

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy ("Rhode Island Energy" or the "Company"), I have enclosed the Company's responses to the Public Utilities Commission's Seventh Set of Data Requests in the above-referenced docket.

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.

Brenda L. Vucci

______________________________ January 13, 2023
Brenda L. Vucci Date

Docket No. 22-33-EE – Rhode Island Energy's Energy Efficiency Plan 2023 Service list updated 11/29/22

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; 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;	401-784-4263
Leticia C. Pimentel, Esq. Steve Boyajian, Esq. **Robinson & Cole LLP** One Financial Plaza, 14th Floor Providence, RI 02903	kgrant@rienergy.com; 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; 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;	401-780-2120

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; mdewey@desautelesq.com; Adrian.Caesar@nv5.com; Craig.Johnson@nv5.com; Samuel.Ross@nv5.com;	401-477-0023
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, 4th Floor Providence, RI 02908	Albert.Vitali@doa.ri.gov; Nancy.Russolino@doa.ri.gov; Christopher.Kearns@energy.ri.gov; Anika.Kreckel@energy.ri.gov; William.Owen@energy.ri.gov; Steven.Chybowski@energy.ri.gov; Nathan.Cleveland@energy.ri.gov;	401-222-8880
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; John.Harrington@puc.ri.gov; Alan.nault@puc.ri.gov; Todd.bianco@puc.ri.gov ; Emma.Rodvien@puc.ri.gov;	401-780-2107
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;	
Amanda Barker	amanda@greenenergyconsumers.org;	

PUC 7-1

Request:

Between the December 2nd filing and the Compliance Filing, the 2023 Electric Energy Efficiency budget increased from $102,661,700 to $103,021,200, a total increase of $359,500. Please explain why the total budget increased between the December 2nd filing and the Compliance Filing, noting the specific drivers of variance between the two budgets. In your response, specifically address any increases attributable to changes in the Performance Incentive between the December 2nd filing and the Compliance Filing.

Response:

The total budget increased between the December 2, 2022 filing and the Compliance Filing because of increases in the OER budget and the performance incentive budget. The OER budget is scaled to collections. Therefore, the OER budget rose because of the increased required customer funding caused by the modeling of the January-March use of $20,000,000 of the fund balance.[1] This increased the budget in the Compliance Filing by $247,353.

The performance incentive budget increases because PIM-eligible costs decrease due to the reallocation of budget to the new Regulatory budget item "Electric Resistance to Heat Pump Conversions" and because PIM-eligible benefits increase due to the removal of the oil-to-electric heat pump conversion projects. Therefore, the incentive payout rose by $51,338.

The OER budget increase plus the incentive payout increase equals $298,691, which is $60,820 less than the referenced $359,511 increase. The $60,820 represents an error in the Compliance Filing's evaluation budget. Please see the response to PUC 7-2 for more details.

The response above clarifies the amounts in the Compliance Filing referenced in the question. A revision to the Compliance Filing is forthcoming which will update the OER allocation consistent with Footnote 1 as well as other anticipated changes listed below:

1. Updated the Electric EM&V budget by $60,280 due to an error in referenced values.

2. Updated the Electric and Gas EERMC budget to be 40% of 3% of collections in each portfolio. For Electric, the collections are based on the corrected approach for

---

[1] This modeling treated the $20,000,000 as a refund amount that would no longer be available to the EE programs and would need to be subsequently collected later in the year. Subsequent discussions with PUC Staff focused on the treatment of the $20,000,000 as an accelerated use of the fund balance in the first quarter of 2023. Thus, the $247,353 increase will be largely eliminated.

internalizing the accelerated credit where approximately $49 million is collected instead of approximately $69 million.[2]

3. Updated the Electric and Gas OER budgets to be 60% of 3% of collections in each portfolio. For Electric, the collections are based on the corrected approach to internalizing the accelerated credit where approximately $49 million is collected instead of approximately $69 million. For Gas, the update corrects a minor calculation error included in the Compliance Filing.

4. Updated the PIM accordingly. Changes in the Electric and Gas EERMC budgets influenced PIM-eligible costs, and thus design PIM payouts, respectively. For Electric, the additional decrease in the EM&V budget has an additional, though minimal, impact on the PIM.

5. Updated the Electric SBC charge. The calculation for determining the Apr- Dec charge was adjusted to align with the corrected approach for internalizing the accelerated credit where approximately $49 million is collected instead of approximately $69 million.

6. Updated the Gas SBC charges to reflect updated OER and EERMC budgets.

Electric

Total Budget and SBC Charges Dollar Values in $000	Dec 2nd Filing	Compliance Filing	Anticipated Updates to Compliance Filing	Difference between Compliance Filing and Anticipated Updates
Total Budget	$102,661.7	$103,021.2	$102,432.6	($588.6)
Jan-Mar SBC Charge ($/kWh)	$0.01222	($0.00137)	($0.00137)	$0
Apr-Dec SBC Charge ($/kWh)	$0.01222	$0.01324	$0.00956	($0.00368)

[2] In the Compliance Filing, the EERMC budget line item was determined by taking the total proposed budget found in the revised November 22nd, 2022 Council Budget Table for 2023 ($1,096,299) and distributing it to Electric and Gas via a traditional 75/25 split, respectively. In the update, electric collections will be lower and the budget needs to be redistributed.

PUC 7-1, Page 3

Gas

Total Budget and SBC Charge Dollar Values in $000	Dec 2nd Filing	Compliance Filing	Anticipated Updates to Compliance Filing	Difference between Compliance Filing and Anticipated Updates
Total Budget	$36,898.0	$36,795.6	$36,931.5	$135.9
Residential SBC Charge ($/Dth)	$1.188	$1.136	$1.140	$0.004
C&I SBC Charge ($/Dth)	$0.626	$0.620	$0.623	$0.003

PUC 7-2

Request:

Referencing Table E-2 from the December 2nd filing, the sum of the Non-Income Eligible Residential, Income Eligible Residential, and Commercial & Industrial "Grand Total" budgets appears to be $97,136,600. The sum of those same three lines in Table E-2 from the Compliance Filing appears to be $95,541,200. Commission staff understands this decrease of $1,595,400 to be driven in part (if not fully) by the budget reallocations to Electric Resistance to Heat Pump Conversions. The Compliance Filing shows $1,707,600 being reallocated to Electric Resistance to Heat Pump Conversions. Please explain why the sum of the "Grand Total" budgets from all three electric sectors decreased by only $1,595,400 when the Company reallocated $1,707,600 to Electric Resistance to Heat Pump Conversions. In other words, where did the $112,200 difference go?

Response:

The approximately $112,000 difference can be explained by two factors:

1. The performance incentive budget increased by $51,338 because PIM-eligible costs decreased due to the reallocation of budget to the new Regulatory budget item "Electric Resistance to Heat Pump Conversions" and because PIM-eligible benefits increased due to the removal of the oil-to-electric heat pump conversion projects.

2. The remaining $60,820 represents an error in the Compliance Filing's EM&V budget. During the compilation of the Compliance Filing, some workbook references did not fully flow through to the budget tables summarized in E-2. This resulted in an overstated EM&V budget in the sector-specific "Grand Totals" that were arithmetically inconsistent with the reallocated $1,707,600. Since the EM&V budget is PIM-eligible, correcting this error leads to a new performance incentive budget (which is a new source of difference and therefore not included in the $112,000).

When the $60,820 correction is subtracted from the Compliance Filing budget, the Compliance Filing "Grand Total" is $95,480,380, and the difference in the "Grand Totals" is $1,646,738. This accounts for the increase of the PIM design payout of $51,338 in the Compliance Filing and is the correct amount for the allocation to Electric Resistance to Heat Pump Conversions.

Prepared by or under the supervision of: Brett Feldman and Jeremy Newberger

---

PUC 7-3

Request:

Between the December 2nd filing and the Compliance Filing, the Lifetime Electric Energy Savings (MWh) from the 2023 Income Eligible Sector (electric) increased from 38,915 MWh to 41,712 MWh (Table E-7). Please explain why electric savings from the electric Income Eligible Sector increased.

Response:

In the Compliance Filing, the Income Eligible Multifamily and Income Eligible Single-Family fuel switching measures were removed. These measures had positive fossil fuel savings due to displacement of oil consumption but negative electric savings because of the electricity consumption of the heat pumps. Therefore, the removal of these measures increases the Income Eligible sector's electric savings.

PUC 7-4

Request:

Please confirm that after removing the incentive costs associated with the 100% moderate income weatherization offerings from the 2023 Gas and Electric incentive budgets, the Company did not make any further adjustments to non-incentive budgets (e.g. Marketing) or savings targets. If there were any adjustments, please describe and explain those adjustments.

Response:

The removal of the incentive costs associated with the moderate income weatherization offerings resulted in adjustments to non-incentive budget categories based on the way that the Company calculates and allocates general expenses that are not attributable to any one program. The following non-incentive budget adjustments were made as a result of this incentive budget reduction:

- General Program Planning & Administration (PP&A) expenses are automatically allocated across programs based on the proportion of the total incentive budget that each individual program's incentive budget represents. As the incentive budget for the EnergyWise program decreased, these proportions, and thus the PP&A allocations, changed. This occurred in both the electric and gas portfolios, though the effect in the electric portfolio is overshadowed by other reallocations ordered by the Commission.

- Sales, Technical Assistance, & Training (STAT) expenses are automatically allocated in the same way as general PP&A expenses, as described above. As the incentive budget for the EnergyWise program decreased, these proportions, and thus the STAT allocations, changed. This occurred for both the electric and gas portfolios, though the effect in the electric portfolio is overshadowed by other reallocations ordered by the Commission.

- The amount budgeted for the Office of Energy Resources (OER) is calculated as a portion of total system benefits charge collections. Decreasing the incentive budget resulted in a decrease in collections, and thus a slight decrease in the OER budget amount in both portfolios. Changes to the OER budget in the Compliance Filing were also influenced by the use of the most recent update to the fund balances for both portfolios, the increase in the Performance Incentive Mechanism (PIM) design performance payout identified in the response to PUC 7-1 and the recalculation of electric collections in 2023 motivated by the proposed use of a portion of the fund balance in the first quarter of 2023.[1]

- Marketing, Evaluation & Market Research, and Performance Incentive budgets did not change as a result of the incentive budget reduction in either portfolio. Evaluation & Market Research and Performance Incentive budgets did change based on other reallocations ordered by the Commission.

Savings targets did not change as a result of the incentive budget reduction in either portfolio. Savings targets did change as a result of other reallocations ordered by the Commission, as explained in the Company's response to PUC 7-3.

As noted, the electric budget amounts and savings targets were also impacted by the other adjustments that the Company made for the Compliance Filing. The above only represents the impacts of the removal of the incentive costs associated with the 100% moderate income weatherization offerings.

[1] The recalculation of electric collection allocations will be included in a revised Compliance Filing as noted in the response to PUC 7-1.

Prepared by or under the supervision of: Michael O'Brien Crayne