

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

PASCOAG UTILITY DISTRICT’S 2019 :
DEMAND SIDE MANAGEMENT PROGRAM : **DOCKET NO. 4894**

REPORT AND ORDER

On November 5, 20218 and pursuant to R.I. Gen. Laws § 39-2-1.2, Pascoag Utility District (Pascoag or District) filed its Demand Side Management (DSM) Program for 2019 with the Public Utilities Commission (Commission or PUC). Pascoag proposed an overall budget of \$182,746 to fund its residential and commercial energy efficiency programs for calendar year 2019.¹ The budget included \$9,106 in carry-over funds from 2018; \$108,640 estimated from 2019 sales’ and \$65,000 from an allocation of Regional Greenhouse Gas Initiative (RGGI) funds administered by the Rhode Island Office of Energy Resources (OER).²

While Pascoag’s 2019 residential programs continue most of those offered in 2018, the District made budget adjustments based on the level of activity during 2018 and discontinued the District desk calendars.³ The total residential budget was proposed to be \$81,748, a 186% increase. The increase was primarily driven by the application of the entire RGGI funding to residential programs. Pascoag planned to use the RGGI funding to increase home energy audits tenfold. To handle the increased volume, the District was undertaking a competitive bid process for residential energy audits.⁴

¹ Pascoag Utility District’s 2018 Demand Side Management Program (Nov. 7, 2017) (Filing). The budget is based on forecasted sales in 2019 of 54,210 MWhs. All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, Rhode Island or at <https://ripuc.ri.gov/eventsactions/docket/4894page.html>.

² Filing, Sch. A-1.

³ Filing, Sch. A-2; Sch. C at 9-10.

⁴ Filing, Sch. A-2; Sch. B at 5-6; Sch. C at 11-18.

For 2019, Pascoag included the same description of programs in the Commercial and Industrial category as in 2018.⁵ The budget for the Burrillville School District was reduced to recognize anticipated completion of the 2018 work and to add a \$9,300 line item for a lighting project at Levy ice rink. The LED Street Light Initiative provided a rebate to the Pascoag Utility District for its LED Street Light replacement project. The budget was reduced from \$10,000 to \$8,000 and will be used to reduce the account receivable from the DSM Program.⁶

Finally, Pascoag proposed an 88% increase in administrative costs, primarily attributable to a new Energy Consultant and paid intern totaling \$19,000. Pascoag has issued a competitive Request for Proposals for an energy efficiency consultant to provide guidance and recommendations on annual DSM program planning, development, and implementation; to calculate savings from the programs; and to assist with customer-facing communications. Pascoag budgeted \$10,000 for this service.⁷ To assist with planned changes over time to the DSM program, Pascoag also proposed to hire a URI Energy Fellow Intern at a cost of \$9,000. The URI Energy Fellow would assist in anticipated workload increases resulting from anticipated changes to the program over the next few years. To offset the cost, Pascoag indicated it would seek funding from the Governor's Workforce Board – Workforce Immersion Program which, if approved, would provide 30% reimbursement of the cost of the 20-week internship.⁸

On December 12, 2018, the Division of Public Utilities and Carriers (Division) filed a memorandum recommending approval of Pascoag's 2019 DSM Program as filed.⁹ On that same day, OER filed a memorandum also supporting approval of Pascoag's filing.¹⁰

⁵ Filing, Sch. A-2; Sch. C at 19.

⁶ Filing, Sch. C at 20.

⁷ Filing, Sch. B at 5-6. Pascoag chose to discontinue using Energy New England's Residential Conservation Services product, resulting in a decrease of \$3,000. Sch. C at 9.

⁸ Pascoag Filing at Sched. B at 5.

⁹ Division Mem. (Dec. 12, 2018).

¹⁰ OER Mem. (Dec. 12, 2018).

The PUC conducted a hearing on December 18, 2018. Desarae Dolan, DSM Coordinator, explained that the \$65,000 of RGGI funding was part of a larger \$200,000 multi-year grant. Pascoag was in the process of working with OER to develop a strategic plan and would coordinate with OER to ensure compliance with the grant funding.¹¹ With respect to the Energy Fellow, Ms. Dolan indicated that they were hoping for that person to lead on social outreach toward meeting the goal of increased home energy audits. The intern would also process rebates and participate in more traditional forms of outreach such as the various community events around Pascoag and Burrillville.¹²

At an Open Meeting held on December 20, 2018, the Commission unanimously approved Pascoag's 2019 DSM Plan, associated budget, and reallocation guidelines. Pascoag's continued efforts and diligence in designing and implementing its DSM programs and its commitment to energy conservation are familiar to the Commission. It is evident to the Commission that the District remains dedicated to providing services in an efficient manner by continuing to review existing programs and making modifications to those programs that reflect its customers' needs. Pascoag shall continue to work closely with OER to enhance its program offerings. As in the past, the Commission will continue to allow Pascoag the flexibility to reallocate up to 10% of the funding associated with a certain program subject to Division authorization; reallocation of any amount in excess of 10% will continue to require Commission approval.

Accordingly, it is hereby

(24608) ORDERED:

1. Pascoag Utility District's 2019 Demand Side Management Programs and associated budget are approved as filed.

¹¹ Hr'g. Tr. at 9-11, referencing Pascoag's Response to PUC 1-3.

¹² *Id.* at 18-19.

2. A factor of \$0.0023 per kilowatt-hour is hereby approved in accordance with R.I. Gen. Laws §39-2-1.2, with \$0.002 per kilowatt-hour to be applied to the Demand Side Management Programs approved herein and \$0.0003 per kilowatt-hour to be administered by the Rhode Island Commerce for renewable energy programs. This rate shall apply to energy consumed on or after January 1, 2019.
3. Pascoag shall file with the Division of Public Utilities and Carriers any request to reallocate funds among programs up to 10% of the total budget, with a reference copy to the Commission. Requests to reallocate funds in excess of 10% of the total budget shall require Commission approval.
4. Pascoag shall make its 2020 DSM Filing no later than November 1, 2020.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JANUARY 1, 2019 PURSUANT TO AN OPEN MEETING DECISION ON DECEMBER 20, 2018. WRITTEN ORDER ISSUED MARCH 1, 2023.

PUBLIC UTILITIES COMMISSION

*Margaret E. Curran, Chairperson

*Marion S. Gold, Commissioner



Abigail Anthony, Commissioner

*Chairperson Curran and Commissioner Gold concurred with the decision but are unavailable for signature.

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws §39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.