

May 4, 2023

**VIA ELECTRONIC MAIL**

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

**RE: Docket No. 23-07-EE - System Reliability Procurement and Energy Efficiency and Conservation Procurement  
Responses to PUC Data Requests – Set 1**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”) enclosed please find the Company’s responses to the Public Utilities Commission’s First Set of Data Requests in the above-referenced docket.<sup>1</sup>

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-4263.

Very truly yours,



Andrew S. Marcaccio

Enclosure

cc: Docket No. 23-07-EE Service List via Docket No. 22-33-EE Service List

---

<sup>1</sup> Per a communication from Commission counsel on October 4, 2021, the Company is submitting an electronic version of this filing followed by six (6) hard copies filed with the Clerk within 24 hours of the electronic filing.

PUC 1-1

Request:

In Comment #2, the Company “suggests clarification to the definitions of System Reliability Procurement and Utility Reliability Procurement to clarify whether utility-sourced operational activities could or should be proposed within the scope of System Reliability Procurement.” Please provide a list of the “utility-sourced operational activities” whose System Reliability Procurement eligibility is unclear to the Company.

Response:

In the context of Comment #2, “utility-sourced operational activities” was intended to mean a Demand Response program like Connected Solutions. More generally, Rhode Island Energy respectfully seeks clarification as to why the definition of System Reliability Procurement in the Least Cost Procurement Standards (“Standards Definition”) appears to be more limiting than the definition of System Reliability Procurement in R.I. Gen. Laws § 39-1-27.7(b)(iii) (“Statutory Definition”) and whether that limitation may prohibit a program like Connected Solutions from being a solution under System Reliability Procurement.

Please see below for additional background behind Comment #2.

Connected Solutions

In the case of Connected Solutions, Rhode Island Energy administers the program (i.e., incentives and administrative costs are recovered through the System Benefits Charge, program sizing and administration decisions are made by Rhode Island Energy with appropriate regulatory oversight), and a third-party vendor provides management support services (i.e., managing enrollment, technology vendor integration, event dispatch, settlement, and customer payments). In its comments on the proposed revisions to the Standards, Rhode Island Energy used the term “utility-sourced operational activities” to represent activities including, but potentially not limited to, Demand Response and programs like Connected Solutions. “Utility-sourced” was intended to describe the role of Rhode Island Energy in proposing and administering the program and “operational activities” was intended to convey that such a program does not constitute an infrastructure investment.

PUC 1-1, page 2

Key references

Statutory Definition of System Reliability Procurement:

*“(iii) Demand response, including, but not limited to, distributed generation, back-up generation, and on-demand usage reduction, that shall be designed to facilitate electric customer participation in regional demand response programs, including those administered by the independent service operator of New England (“ISO-NE”), and/or are designed to provide local system reliability benefits through load control or using on-site generating capability;”*

Standards Definition of System Reliability Procurement:

*“Procurement to meet or mitigate a gas or electric distribution system need or optimization from a party other than the gas or electric utility<sup>2</sup> that provides the need or optimization by employing diverse energy resources, distributed generation, or demand response.<sup>3</sup>”*

Where footnote 2 is:

*“A utility proposal to own and operate non-traditional investment or new operations and maintenance services, such as new voltage-regulation equipment, battery storage, or vegetation management, and any vendor services associated with such investment or service, shall not be considered System Reliability Procurement per this definition. Such investments and services are, however, still subject to the Guidance Document issued in Docket No. 4600A.”*

Comparison of System Reliability Procurement Definitions

The Standards Definition of System Reliability Procurement seems to be more limited than the Statutory Definition of System Reliability Procurement. This limitation seems to hinge on the inclusion of “from a party other than the electric or gas utility” in the Standards Definition of System Reliability Procurement.

PUC 1-1, page 3

The following examples demonstrate how demand response may or may not be reasonably interpreted to be an eligible solution according to (i) the Statutory Definition of System Reliability Procurement, and (ii) the Standards Definition of System Reliability Procurement.

- (i) Demand Response seems to be an eligible solution according to the Statutory Definition of System Reliability Procurement

Least-Cost Procurement statute specifically directs the Public Utilities Commission to establish “standards for system reliability ... procurement that shall include standards and guidelines for ... [s]ystem reliability procurement, including but not limited to ... [d]emand response ... that shall be designed to facilitate electric customer participation in regional demand response programs, including those administered by the independent service operator of New England (“ISO-NE”), and/or are designed to provide local system reliability benefits through load control or using on-site generating capability.” Therefore, demand response is an eligible solution for System Reliability Procurement according to the Statutory Definition of System Reliability Procurement.

- (ii) Demand Response does not seem to be an eligible solution according to the Standards Definition of System Reliability Procurement

The Standards Definition of System Reliability Procurement seems to limit system reliability procurement activities to those “from a party other than the electric or gas utility”. This perception is reinforced by Standards Footnote 2. Rhode Island Energy views its Demand Response program proposal as a “utility proposal” for “new operations”, and therefore Demand Response “should not be considered System Reliability Procurement”.

To put a fine point on this: Rhode Island Energy could see a situation in which location-targeted Demand Response for the express and specific purpose of resolving a specific grid need in a specific location where that Demand Response is provided by a third party in response to a Request for Proposals for a Non-Wires Solution may constitute a viable System Reliability Procurement Investment Proposal. However, specific targeting of incentives or outreach for demand response for a specific grid need as provided for by Rhode Island Energy itself does not seem to be a viable System Reliability Procurement Investment Proposal because it contradicts the clause “from a party other than the gas or electric utility” in the Standards Definition of System Reliability Procurement. An example of such an instance is utility-originated requests for load curtailment, such as to support grid reliability in contingency situations (e.g. direct requests to customers to curtail load to avoid brown-outs).

PUC 1-1, page 4

Conclusion

The specific clause that underlies Rhode Island Energy’s request for clarification is “from a party other than the electric or gas utility” in the Standards Definition of System Reliability Procurement. If utility-operated Demand Response, such as Connected Solutions, is an allowable proposal under the Statutory Definition of System Reliability Procurement when such a program includes, but is not limited to, “distributed generation, back-up generation, and on-demand usage reduction, that shall be designed to facilitate electric customer participation in regional demand response programs, including those administered by the independent service operator of New England (“ISO-NE”), and/or are designed to provide local system reliability benefits through load control or using on-site generating capability”, then Rhode Island Energy suggests either striking “from a party other than the electric or gas utility” from the Standards Definition of System Reliability Procurement or making a clarifying revision to the Standards Definition of System Reliability Procurement.

The Narragansett Electric Company  
d/b/a Rhode Island Energy  
RIPUC Docket No. 23-07-EE  
In Re: Review of Least Cost Procurement Standards  
Responses to the Commission's First Set of Data Requests  
Issued on April 26, 2023

---

PUC 1-2

Request:

In Comment #7, the Company “seeks clarification as to how the language regarding demand response and load management in Section 3.4B(ix)(b)(5) interacts with the new Chapter 7 entitled Demand Side Management Investment Proposal.” Please provide further information on what is unclear to the Company and what specific clarification it seeks.

Response:

During the Tech Session of April 6 PUC, Staff indicated that DSM Proposals would be inclusive of DR type programs (load shifting demand response). Section 3.4B(ix)(b)(5) provides for inclusion in Annual EE plans of “implementation, where cost-effective, of demand response and load management measures or other programs that are integrated into the electric and natural gas efficiency program offerings.” The Company seeks clarification of whether it can submit proposals for demand response programs either as part of Annual EE filings or as part of a DSM Proposal, or if the PUC prefers that they be proposed in one filing over the other. If the former, what criteria should the Company use to determine into which filing DR programs should be included?

PUC 1-3

Request:

In Comment #13, the Company “requests clarification about the opportunity to recover costs for advertising related to potential DSM proposals” and references R.I. Gen. Laws 39-2-1.2(a). Is the Company requesting that the Standards be amended to specifically address this question or is it requesting some other form of regulatory clarification outside of the Standards?

Response:

The Company does not have a preference as to the form or method of regulatory clarification. The Company also appreciates that the Public Utilities Commission (“PUC”) may not be able to provide any clarification until a specific Demand Side Management (“DSM”) proposal is made.

The Company notes that R.I. Gen. Laws § 39-2-1.2(a) authorizes the PUC to promulgate rules to “... otherwise effectuate the provisions of [the advertising] section.” If the PUC was amenable to adding language in the Least Cost Procurement Standards, the Company suggests adding a subsection 7.3(H) that reads:

H. If the Commission finds that a DSM Proposal is designed to promote public safety conservation of the product or services being offered to customers through the DSM Proposal, the Commission may permit the Company to recover expenses incurred for advertising the DSM Proposal provided the advertisements are informational or educational in nature.

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was 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.

\_\_\_\_\_  
Joanne M. Scanlon

May 4, 2023

Date

**Docket No. 22-33-EE – Rhode Island Energy’s Energy Efficiency Plan 2023  
Service list updated 10/12/22**

<b>Name /Address</b>	<b>E-mail Distribution List</b>	<b>Phone</b>
<b>The Narragansett Electric Company d/b/a Rhode Island Energy</b> Andrew Marcaccio, Esq. 280 Melrose St. Providence, RI 02907  Leticia C. Pimentel, Esq. <b>Robinson &amp; Cole LLP</b> One Financial Plaza, 14th Floor Providence, RI 02903	<a href="mailto:AMarcaccio@pplweb.com">AMarcaccio@pplweb.com;</a>	401-784-4263
	<a href="mailto:COBrien@pplweb.com">COBrien@pplweb.com;</a>	
	<a href="mailto:JHutchinson@pplweb.com">JHutchinson@pplweb.com;</a>	
	<a href="mailto:JScanlon@pplweb.com">JScanlon@pplweb.com;</a>	
	<a href="mailto:DMMoreira@rienergy.com">DMMoreira@rienergy.com;</a>	
	<a href="mailto:MOCrayne@rienergy.com">MOCrayne@rienergy.com;</a>	
	<a href="mailto:BSFeldman@rienergy.com">BSFeldman@rienergy.com;</a>	
	<a href="mailto:ACLi@rienergy.com">ACLi@rienergy.com;</a>	
	<a href="mailto:DJTukey@rienergy.com">DJTukey@rienergy.com;</a>	
	<a href="mailto:SBriggs@pplweb.com">SBriggs@pplweb.com;</a>	
	<a href="mailto:BJPelletier@rienergy.com">BJPelletier@rienergy.com;</a>	
	<a href="mailto:JKessler@rienergy.com">JKessler@rienergy.com;</a>	
	<a href="mailto:JOliveira@pplweb.com">JOliveira@pplweb.com;</a>	
<a href="mailto:LPimentel@rc.com">LPimentel@rc.com;</a>		
<a href="mailto:HSeddon@rc.com">HSeddon@rc.com;</a>		
<b>National Grid</b> Brooke Skulley, Esq. 40 Sylvan Road Waltham, MA 02451	<a href="mailto:Brooke.Skulley@nationalgrid.com">Brooke.Skulley@nationalgrid.com;</a>	
<b>Division of Public Utilities and Carriers</b> Margaret L. Hogan, Esq.	<a href="mailto:Margaret.L.Hogan@dpuc.ri.gov">Margaret.L.Hogan@dpuc.ri.gov;</a>	401-780-2120
	<a href="mailto:Jon.hagopian@dpuc.ri.gov">Jon.hagopian@dpuc.ri.gov;</a>	
	<a href="mailto:john.bell@dpuc.ri.gov">john.bell@dpuc.ri.gov;</a>	
	<a href="mailto:Joel.munoz@dpuc.ri.gov">Joel.munoz@dpuc.ri.gov;</a>	
	<a href="mailto:Machaela.Seaton@dpuc.ri.gov">Machaela.Seaton@dpuc.ri.gov;</a>	
<a href="mailto:Paul.Roberti@dpuc.ri.gov">Paul.Roberti@dpuc.ri.gov;</a>		
<b>Synapse Energy Economics</b>	<a href="mailto:twoolf@synapse-energy.com">twoolf@synapse-energy.com;</a>	



Tim Woolf Jennifer Kallay 22 Pearl Street Cambridge, MA 02139	<a href="mailto:jkallay@synapse-energy.com">jkallay@synapse-energy.com;</a>	
<b>RI EERMC</b> Marisa Desautel, Esq. Office of Marisa Desautel, LLC 55 Pine St. Providence, RI 02903  Mike Guerard, Optimal Energy	<a href="mailto:marisa@desautelesq.com">marisa@desautelesq.com;</a> <a href="mailto:mdewey@desautelesq.com">mdewey@desautelesq.com;</a> <a href="mailto:guerard@optenergy.com">guerard@optenergy.com;</a> <a href="mailto:ross@optenergy.com">ross@optenergy.com;</a>	401-477-0023
<b>Acadia Center</b> Hank Webster, Director & Staff Atty.	<a href="mailto:HWebster@acadiacenter.org">HWebster@acadiacenter.org;</a>	401-276-0600 x402
<b>Office of Energy Resources (OER)</b> Albert Vitali, Esq. Dept. of Administration Division of Legal Services One Capitol Hill, 4 <sup>th</sup> Floor Providence, RI 02908	<a href="mailto:Albert.Vitali@doa.ri.gov">Albert.Vitali@doa.ri.gov;</a> <a href="mailto:Nancy.Russolino@doa.ri.gov">Nancy.Russolino@doa.ri.gov;</a> <a href="mailto:Christopher.Kearns@energy.ri.gov">Christopher.Kearns@energy.ri.gov;</a> <a href="mailto:Anika.Kreckel.CTR@energy.ri.gov">Anika.Kreckel.CTR@energy.ri.gov;</a> <a href="mailto:Steven.Chybowski@energy.ri.gov">Steven.Chybowski@energy.ri.gov;</a> <a href="mailto:Nathan.Cleveland@energy.ri.gov">Nathan.Cleveland@energy.ri.gov;</a>	401-222-8880
<b>Original &amp; 9 copies file w/:</b> Luly E. Massaro, Commission Clerk John Harrington, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov;</a> <a href="mailto:John.Harrington@puc.ri.gov">John.Harrington@puc.ri.gov;</a> <a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov;</a> <a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov ;</a> <a href="mailto:Emma.Rodvien@puc.ri.gov">Emma.Rodvien@puc.ri.gov;</a>	401-780-2107
<b>Interested Party</b>		
<b>Dept. of Human Services</b> Frederick Sneesby	<a href="mailto:Frederick.sneesby@dhs.ri.gov">Frederick.sneesby@dhs.ri.gov;</a>	
<b>RI Infrastructure Bank</b> Chris Vitale, Esq.,	<a href="mailto:cvitale@hvlawltd.com">cvitale@hvlawltd.com;</a> <a href="mailto:USatine@riib.org">USatine@riib.org;</a>	
<b>Green Energy Consumers Alliance</b> Larry Chretien, Executive Director Kai Salem	<a href="mailto:Larry@massenergy.org">Larry@massenergy.org;</a> <a href="mailto:kai@greenenergyconsumers.org">kai@greenenergyconsumers.org;</a> <a href="mailto:priscilla@greenenergyconsumers.org">priscilla@greenenergyconsumers.org;</a>	