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Also admitted in Massachusetts

November 27, 2023

VIA ELECTRONIC MAIL AND HAND DELIVERY

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

**Re: Docket No. 23-35-EE – 2024-2026 Three Year Energy Efficiency Plan and
2024 Annual Energy Efficiency Plan
Responses to PUC Data Requests – Set 3 (Full Set)**

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 Third Set of Data Requests (Full Set) issued by the Public Utilities Commission in the above-referenced docket.

Please contact me if you have any questions. Thank you for your attention to this matter.

Very truly yours,



Leticia C. Pimentel

cc: Docket 23-35-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 J. Seddon

November 27, 2023

Date

**Docket No. 23-35-EE – Rhode Island Energy’s EE Plan 2024-2026 Three-Year Plan and 2024 Annual EEP
Service list updated 10/4/2023**

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PUC 3-1

Request:

In response to Division 1-14, the Company explains “as of July 2023, the projected spend was \$42.5M of C&I’s \$46M budget and \$30.6M of Residential’s \$33.1M budget.” Do the budgets referenced in this response include ConnectedSolutions spending? If so, please provide a revised set of numbers that show the 2023 planned vs. actual budgets after having removed any associated ConnectedSolutions budget, so as to create an apples-to-apples comparison for the proposed 2024 budget.

Response:

The budgets and projections referenced in the response to Division 1-14 did include ConnectedSolutions expenses.

In the table below, the budgets and projections for the ConnectedSolutions expenses have been removed. In order to respond using consistent budget figures, this table uses the budgets as filed in Table E-2.

Electric Budgets & Projections w/o ConnectedSolutions (in 000's)

Sector	Type	Expense	PIM	TOTAL
Non-Income Eligible Residential	Budget	\$29,085.1	\$658.3	\$29,743.4
	Projection (as of Jul)	\$27,891.9	\$377.6	\$28,269.5
C&I	Budget	\$40,248.7	\$2,700.8	\$42,949.5
	Projection (as of Jul)	\$36,908.9	\$3,373.0	\$40,282.0

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PUC 3-2

Request:

In its final decision in Docket No. 22-33-EE, the Commission directed the Company to reallocate \$1.7 million to the Plan to Convert Electric Resistance Heat to Heat Pumps. The Company filed such Plan with the Commission on February 24, 2023. On September 15, 2023, the Company filed a compliance filing in Docket No. 22-33-EE "related to the conversion of electric resistance heating to air source heat pumps." In that compliance filing, the Company appeared to reallocate roughly \$1.3 million from the original \$1.7 million Electric Resistance to Heat Pump Conversions budget line item to the Single Family Income Eligible program, leaving roughly \$400,000 allocated to the Electric Resistance to Heat Pump Conversions budget line item. Please explain the following:

- a. Of the \$1.3 million that was reallocated to the Single Family Income Eligible program for 2023, how much does the Company project it will have spent by year-end? How many electric heat to heat pump conversions will have been completed with the portion of the \$1.3 million spent by year-end?
- b. The proposed 2024 Annual Electric Plan does not appear to contain a budget line item for the Electric Resistance to Heat Pump Conversions. What does the Company intend to do with the remaining \$400,000 that was allocated to the Electric Resistance to Heat Pump Conversions budget line item in the September 15, 2023 compliance filing?

Response:

- a. The Company is forecasting that it will complete 40 of the 60 planned Electric Resistance to Heat Pump Conversions for income eligible customers this year. The initiative did not start until mid-year due to redesigning and streamlining the ASHP delivery process. Spending at this time is included in the Single Family Income Eligible program where the activity is tracked and billed. For the six projects that have been completed, \$113,104.50 has been spent on heat pumps and \$8,856 was spent on electric weatherization. The Company marketed to prior income eligible weatherization customers which may explain why there is not a one-to-one relationship between heating system upgrades and weatherization.

Using the values from the six completed projects and applying it to our estimate of 40 projects by year end, the Company can estimate that \$753,430 will be spent by year end.

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- b. The Company has not directly reallocated the remaining \$400,000 that was allocated to the Electric Resistance to Heat Pump Conversions budget line item in the September 15, 2023, compliance filing. Instead, these funds are part of the fund balance.

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PUC 3-3

Request:

Table E-1 of the 2024 Annual Electric Plan lists the “previous year’s energy efficiency program charge per kWh” as \$0.00960. Commission staff notes that the Company’s Summary of Retail Delivery Rates Tariff No. 2095 indicates the currently-effective Total Energy Efficiency Charge is \$0.00986 (available at: https://www.rienergy.com/media/ri-energy/pdfs/billing-and-payments/tariffs/rate_summary_2095.pdf). Please reconcile this difference.

Response:

The reconciliation of the value in Table E-1 of \$0.00960/kWh and the value in Tariff No. 2095 of \$0.00986/kWh has two parts.

The first part is a correction. The “previous year’s energy efficiency program charge per kWh” is \$0.00956/kWh, not \$0.00960/kWh. For the 2023 Plan Compliance Filing, the Company calculated an annual electric energy efficiency charge, and then split it into a Jan-Mar rate and an Apr-Dec rate as directed by the Commission. The \$0.00960/kWh was the annual 2023 charge and the \$0.00956/kWh charge is the currently effective Apr-Dec rate. The Company inadvertently used the annual 2023 charge as the starting point in the calculation of the “Adjustment to Reflect Fully Reconciling Funding Mechanism per kWh” in Line 13 of Table E-1. Correcting this Line to \$0.00956/kWh does not change the proposed 2024 electric energy efficiency program charge of \$0.01052/kWh in Line 12. This correction only changes the “Adjustment to Reflect Fully Reconciling Funding Mechanism per kWh.”

The second part deals with the remaining difference between the current energy efficiency program charge as corrected above and the Delivery Rates Tariff No. 2095 document of \$0.0003/kWh. This difference is attributed to the renewable energy program charge, as described in the following excerpt from R.I. Gen. Laws §39-2-1.2:

Effective as of January 1, 2008, and for a period of twenty (20) years thereafter, each electric distribution company shall include a charge per kilowatt-hour delivered to fund demand-side management programs. The 0.3 mills per kilowatt-hour delivered to fund renewable energy programs shall remain in effect until December 31, 2028.¹

¹ Utility base rate — Advertising, demand-side management, and renewables, R.I. Gen. Laws § 39-2-1.2, Section (b), <http://webserver.rilin.state.ri.us/Statutes/TITLE39/39-2/39-2-1.2.htm>

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PUC 3-4

Request:

For each of the years of the proposed 2024-2026 Three-Year Electric Efficiency Plan, please break down the total proposed annual budget into the following categories:

- a. Total proposed incentive budget for weatherizations
- b. Total proposed incentive budget for heat pump measures
- c. Total proposed incentive budget for lighting measures
- d. Total proposed incentive budget for all other measures
- e. Total non-incentive budget

Response:

- a. The Company's total proposed incentive budget for weatherizations:

Year	Electric Proposed Budget (Incentive Total)
2024	\$9,409,120
2025	\$10,416,246
2026	\$11,375,261

- b. The Company's total proposed incentive budget for heat pump measures, includes heat pumps, heat pump water heaters, and heat pump controls:

Year	Electric Proposed Budget (Incentive Total)
2024	\$4,896,188*
2025	\$5,634,119
2026	\$5,454,462

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*Please note the electric incentive total increased by \$7,000 due to a heat pump control measure having planned quantities with no incentive in 2024. This is discussed in Division 4-3 but the incentive amount is incorrect. Please see the updated response to Division 4-3, which reflects this \$7,000 increase.

- c. The Company's total proposed incentive budget for lighting measure, includes lighting, lighting systems, and lighting controls:

Year	Electric Proposed Budget (Incentive Total)
2024	\$18,366,474
2025	\$16,638,572
2026	\$15,145,585

- d. The Company's total proposed incentive budget for all other measures:

Year	Electric Proposed Budget (Incentive Total)
2024	\$62,288,138
2025	\$65,081,976
2026	\$68,208,006

- e. The Company's total proposed non-incentive budget:

Year	Electric Proposed Budget (Non-Incentive Total)
2024	\$34,027,355
2025	\$34,432,157
2026	\$34,865,722

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PUC 3-5

Request:

In response to PUC 1-3, the Company confirmed that it “will not consider the availability of energy efficiency-related federal tax credits as part of the coordination effort.” Separately from the coordination effort, will the Company consider the availability of energy efficiency-related federal tax credits when setting future incentive levels? If yes, explain when the Company plans to start adjusting incentive levels accordingly. If no, explain why not.

Response:

The Company will not consider the availability of energy efficiency-related federal tax credits when setting future incentive levels. The tax credit for energy efficient homes is known as 45L and has been available since 2006. The Inflation Reduction Act (IRA) increases the value of that credit from \$2000 per home up to a maximum of \$5000 per home, should certain standards be met (e.g., Zero Energy Ready Home (ZERH) qualification, prevailing wage requirement, etc.). The Company's programs have not historically considered the value of the 45L tax credit in setting incentive levels because there is no mechanism for the Company to track the impact of the credit or the number of homeowners availing themselves of this tax credit. The Company does not have access to customer tax returns and is not qualified to offer guidance with regards to tax planning. The Company will make customers aware of the enhanced tax credit, but it will not influence the setting of incentive levels unless the access to applicable data makes it more feasible in the future.

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PUC 3-6

Request:

Referencing the Company’s response to part d in PUC 1-5, please break down the annual weatherization budgets by heating fuel type.

Response:

Please see the annual weatherization budgets broken down by primary heating fuel type in the Table below.

Year	Electric Proposed Budget (Incentive Total)	Oil Proposed Budget (Incentive Total)	Propane Proposed Budget (Incentive Total)	Gas Proposed Budget (Incentive Total)
2024	\$1,736,535	\$6,888,410	\$784,175	\$12,179,855
2025	\$2,182,955	\$7,316,219	\$917,073	\$12,627,460
2026	\$2,515,364	\$7,784,523	\$1,075,375	\$13,102,214

PUC 3-7

Request:

In response to PUC 1-7, the Company explains that it “has reviewed NEEP’s proposed methodologies, asked questions concerning general and RI-specific aspects, and provide recommendations to improve/enhance models and process.” Please provide a copy of the Company’s questions and recommendations.

Response:

The Company’s questions and recommendations were provided verbally during the NEEP meetings, not in writing, and NEEP has not shared any official meeting notes during this process. Below is a summary of the Company’s input, from the Company’s informal meeting notes, including the 4th meeting on November 16, 2023:

- Is the definition of attribution binary? Both parties should be able to get full credit if they have different goals to meet. For example, if states’ goals are carbon while EE programs’ goals are energy, both should get 100% attribution.
- Do the states agree with the premise of supplement v supplant?
- What is the timing for determining attribution? ex-post, ex-ante?
- Implementation coordination is key to determining attribution.
- Are the IRA tax credits considered in this discussion?
 - Reply- there is no consensus, only IRA upgrades are included at this time
 - Tax credits have been around for a long time, utilities haven't reduced savings before.
- Should we consider moving to gross savings?
 - Reply- Attribution is separate from NTG, but it is important to consider them in tandem.
- In response to a participant who said that the IRA funds should flow through the utilities, we mentioned that the utility in Rhode Island does not currently do electrification.
- Does NEEP believe Net-To-Gross research methods can still accurately assess NTG with IRA? Will participants know everything about all program participation influences?

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- Recommendation to discuss the purpose of NTG- does it still hold?
- For attribution to be estimated fairly, all parties implementing potentially overlapping programs need to coordinate. No one implementer should be penalized for the non-participation of another in the coordination effort.
- Coordinating IRA evaluation guidance with our program evaluations will be another important element to reduce duplicate efforts and expenses.

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PUC 3-8

Request:

Regarding the Company's response to PUC 1-17, please explain the following:

- a. What specific factors contribute to the Custom CHP measure in the Income Eligible Multifamily program having a negative BCR? (For all questions that ask for specific factors please provide an explanation of the underlying causes and not a description of how the math works.)
- b. Explain why the Company believes it prudent to include \$540,000 in incentives for the Custom CHP measure within the 2024 Income Eligible Multifamily program budget despite it having a negative BCR.
- c. Describe the "Participant" measure offering in the EnergyWise Single Family program and explain the specific factors that contribute to it having a 0.0 BCR.
- d. 5 of the 22 measures included in Table 1 appear to be lighting-related (MFHR – Lighting; LED- Interior SI; LED Fixture – Common Ext; LED Fixture – Common Int; and LED Fixture Linear, Common Int). The total 2024 incentive budget associated with these five lighting-related measures appears to be \$2.59 million. Please explain why the Company is proposing \$2.59 million in incentive budget for lighting-related measures whose BCR is less than one, despite claiming to be phasing out lighting from the program entirely.
- e. The column header "quantity" in Tables 1 and 2 appears to refer to various different metrics (number of installations, number of kWh savings, etc.). Please re-file the Tables 1 and 2 with a notation that more accurately defines "quantity" for each measure.

Response:

- a. There were some savings allocation factors missing for the Custom CHP measure in the Income Eligible Program as filed in the Plan. These factors are used to distribute the energy savings to different energy costing periods (e.g., the percentage of the energy savings occurring during the summer on-peak period). In the absence of these factors, the energy benefits for the project were zero and the benefit-cost ratio of the measure was negative (because of the increased gas consumptions associated with the CHP facility). With the assignment of the savings allocation factors, the benefit-cost ratio for the measure will be 2.76 with economic benefits included as provided for

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under the Rhode Island statute for CHP. The Company will correct this error in the new set of tables that will be prepared and shared prior to the hearing.

- b. Please see the response to part (a). With the correction, this project has a benefit-cost ratio greater than 1.0. Furthermore, this project was meant to be completed in 2023, but due to delays it will now be completed in 2024 and thus it was added to the 2024 Plan.
- c. The Participant Measure offering in the EnergyWise Single Family program is included to capture the number of home energy assessments which have a program cost. Savings are captured through the measures installed and not directly tied back to the Participant measure resulting in a BCR of zero.
- d. Of the five measures cited, three of them are in the income eligible multifamily program. These are each LED Fixtures; ‘common ext.’, ‘common int’., and ‘linear, common int.’ These three measures constitute \$200,400 total of the \$2,590,000 cited, approximately 8% of that overall amount. With regard to these income eligible multifamily measures; the Company had initially planned to sunset lighting as an eligible measure, but after stakeholder feedback it was decided that common area lighting would continue to be offered.

For the C&I sector, the Benefit Cost Ratio is determined at the program level, therefore the electric measures with Benefit Cost Ratios less than one were not removed from the Plan. The Company elected to keep these measures as part of the program offering because lighting measures such as the Small Business Direct Install LED measure can help the Company gain access to customers’ business/facility (“get a foot in the door”) to promote non-lighting efficiency measures.

- e. Please see Table 1 and Table 2 below with the quantity type defined for each measure.

Table 1: 2024 Electric Non-Cost-Effective Measures

Program	Measure	Quantity	Quantity Type	Incentive Budget	Benefit / Cost Ratio
Residential New Construction	Renovation Rehab - Heating Tier 3, Elec	3	# of projects	\$8,721	0.49
Large C&I Retrofit	Custom Other	1,917,608	# of kWh Savings	\$364,346	0.84

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Large C&I Retrofit	O & M	1,375,464	# of kWh Savings	\$247,583	0.69
Income Eligible Multifamily	CUSTOM CHP	1	# of projects	\$540,000	-0.14
EnergyWise Multifamily	Heat Pumps	14	# of installations	\$273,000	0.68
Income Eligible Multifamily	Heat Pumps	5	# of installations	\$1,500,000	0.91
Large C&I New Construction	MFHR - Lighting	6,278	# of kWh Savings	\$2,449	0.00
Income Eligible Multifamily	Custom	1	# of projects	\$300,000	0.39
Income Eligible Multifamily	CUSTOM CIRCULATOR	2	# of installations	\$16,000	0.67
Income Eligible Multifamily	VFD	11	# of installations	\$308,000	0.87
EnergyWise Multifamily	CUSTOM CIRCULATOR	2	# of installations	\$9,600	0.45
EnergyWise Single Family	WiFi Thermostat - AC Only	10	# of installations	\$1,740	0.69
Large C&I New Construction	Vending Miser - Refrigerated Beverage Vending Machines UPSTR	1,200	# of kWh Savings	\$840	0.92
Large C&I New Construction	Vending Miser - Non-Refrigerated Snack Vending Machines UPSTR	1,200	# of kWh Savings	\$840	0.92
Large C&I New Construction	Vending Miser - Glass Front Refrigerated Coolers	1,200	# of kWh Savings	\$840	0.92
EnergyWise Single Family	Participant	12,750	# of participants	\$4,781,250	0.00
Small Business Direct Install	LED - Interior SI	3,616,954	# of kWh Savings	\$2,387,189	0.89
Income Eligible Single Family	Basic Educational Measures	2,000	# of audits	\$360,000	0.46
EnergyWise Single Family	Pre-weatherization	650	# of Rebated Pre-Wx	\$147,875	0.00
Income Eligible Multifamily	LED Fixture - Common Ext	80	# of installations	\$26,400	0.49
Income Eligible Multifamily	LED Fixture - Common Int	370	# of installations	\$74,000	0.42
Income Eligible Multifamily	LED Fixture - Linear, Common Int	500	# of installations	\$100,000	0.23

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Table 2: 2024 Gas Non-Cost-Effective Measures

Program	Measure	Quantity	Quantity Type	Incentive Budget	Benefit / Cost Ratio
C&I Multifamily	Heating, Custom	11	# of projects	\$528,000	0.88
Income Eligible Multifamily	HEATING _Custom_LI	11	# of installed heating systems	\$1,485,000	0.98
EnergyWise Multifamily	Duct Sealing	190	# of projects	\$10,853	0.06
Residential New Construction	Renovation Rehab CP - DHW, Gas	2	# of projects	\$100	0.26
Residential New Construction	Renovation Rehab - Heating Tier 3, Gas	2	# of projects	\$5,070	0.88

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PUC 3-9

Request:

In response to PUC 1-18, the Company shows the Pilots, Demonstrations, and Assessments budget included in the 2024 Gas Efficiency Plan is \$518,541 lower than 2023. Commission staff notes that while the 2023 Pilots, Demonstrations, and Assessments budget included funding for the Gas Demand Response Pilot, the 2024 Pilots, Demonstrations, and Assessments budget does not. Please confirm whether some or all of the \$518,541 decrease is attributable to the ending of the Gas Demand Response Pilot. If yes, please provide results from that Pilot.

Response:

Yes, \$268,042 of the \$518,541 decrease in the gas Pilots, Demonstrations and Assessments budget is attributable to the Gas Demand Response Pilot not being included in the 2024 Gas Efficiency Plan. However, the Gas Demand Response Pilot has not ended, rather it has been moved from the Energy Efficiency Plan to a System Reliability Procurement Investment Proposal. Therefore, there are not yet final results from this Pilot.

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PUC 3-10

Request:

Referencing the Company's response to PUC 1-27, please clarify the following:

- a. When the Company references the “incentive[s] for the cooling efficiency associated with the heat pump” offered through the HVAC program, what specific measures is it referring to?
- b. For each measure referenced in the response to subpart a, please list the individual measure, planned quantity in 2023, actual quantities in 2024, planned quantity in 2024, planned incentive level in 2024, and planned total incentive budget for 2024.
- c. Is the HVAC program the only program in which the Company offers an “incentive for the cooling efficiency associated with the heat pump”? If no, please list the other programs in which the Company offers cooling efficiency-related incentives for heat pumps and list the individual measures.
- d. How did the Company derive its estimate that “approximately 60% of the installation proposed in the 2024 Annual Efficiency Plan HVAC program” will receive an additional incentive through Clean Heat RI (CHRI)?
- e. With the understanding that “approximately 60% of the installation proposed in the 2024 Annual Efficiency Plan HVAC program” will receive an additional incentive through CHRI, what, if any, adjustments did the Company make to the heat pump incentives offered through the 2024 HVAC program? Please describe. If the Company did not make any adjustments to its own planned incentive levels, please explain why not.

Response:

- a. The “incentive[s] for the cooling efficiency associated with the heat pump” refers to a central or mini-split heat pump installation. The specific measures the Company refers to are the “MiniSplit HP” and “Central Heat Pump” measures.

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b. Please see the table below.

Measure	2023 Planned Quantities	2023 Actual Quantities*	2024 Planned Quantities	2024 Planned Incentive Level	2024 Planned Total Incentive Budget
MiniSplit HP	1,625	1,163	1,335	\$350	\$467,250
Central Heat Pump	35	156	200	\$350	\$70,000

*2023 year-to-date as of 11/14/2023.

- c. Yes, the HVAC program is the only program in which the Company offers an incentive for the cooling efficiency associated with the heat pump.
- d. The Company estimate is based upon a projection of the number of heat pump installations that will be funded in 2024 by the Clean Heat Rhode Island (CHRI) program, minus those CHRI installations for delivered fuel customers (these are not eligible for a Company incentive), divided by the total number of heat pump installations that will receive an incentive from the Company (the eligible CHRI installations plus those installations funded by the Company outside the CHRI program).
- e. The Company did not make any adjustments to the heat pump incentives offered through the 2024 HVAC program. If a customer receives a rebate from CHRI for their heat pump installation, they will not receive an incentive from the Company for the energy savings associated with heating savings attributable to that heat pump. They will continue to receive an incentive from the Company for the energy savings associated with the cooling savings attributable to that heat pump.

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PUC 3-11

Request:

In response to PUC 1-28, the Company explains that for the “wifi programmable thermostat with cooling (oil)” measure offering in the 2024 Residential HVAC program, they expect that actual installation of these measures will decrease due to “increased adoption of heat pumps in the marketplace.” Please explain this reasoning in greater detail and provide any supporting analysis that the Company has conducted on how the “adoption of heat pumps in the marketplace” will impact demand for wifi programmable thermostats.

Response:

As more customers switch to heat pumps, their primary fuel source becomes electric. As such they will no longer be oil customers and would not receive the “wifi programmable thermostat with cooling (oil)” measure offering in the 2024 Residential HVAC program.

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PUC 3-12

Request:

Please provide a table showing planned vs. actual EMV budgets for the Annual Gas and Electric Plans in program years 2019 – 2023. For 2023, provide a forecast of actual spending through the end of the year.

Response:

Table 1. Proposed annual gas and electric evaluation budgets and actual spending, 2019-2023

	2019	2020	2021	2022	2023
Planned evaluation budget (in \$million)	\$2.551	\$3.531	\$3.088	\$2.401	\$2.401
Actual annual spending on evaluation (in \$million)	\$1.836	\$2.417	\$1.888	\$1.726	\$2.416*

*Forecast through end of year 2023.

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PUC 3-13

Request:

In response to PUC 1-34, the Company provided a status update on the number of heat pump conversion projects completed and expected to be completed through the Company's Plan to Convert Electric Resistance Heat to Heat Pumps. Then, in response to PUC 1-35, the Company provided a table showing planned vs. actual electric resistance-to-heat pump installations and budgets for program years 2019-2023. The numbers provided in PUC 1-34 do not appear to match the response to PUC 1-35. Please reconcile the two responses.

Response:

The numbers provided in PUC 1-34 do not match the response in PUC 1-35 because data provided in PUC 1-35 was pulled from the Company's tracking system (in-Demand) whereas the data in PUC 1-34 was captured from our vendors. Discrepancy between the two sources stems from the lag time between when the vendor completes projects in their system and when they upload the information into the Company's tracking system.

When the additional 2 completed projects from the vendors are added into the Company's tracking system, the number of installations will match.

PUC 3-14

Request:

Referencing the Company's responses to PUC 1-35 and PUC 1-36, please explain the following:

- a. The response to PUC 1-35 indicates that the Company planned to deliver 430 market rate conversions in 2022 but actually delivered 780 (nearly twice as many as planned), while it planned to deliver 355 market rate conversions in 2023 and has delivered 464 to-date. What specific factors contribute to the Company delivering far fewer incremental market rate conversions (relative to planned levels) in 2023 than in 2022?
- b. Please explain what specific factors contribute to the Company only delivering 6 electric resistance-to-heat pump installations for income eligible customers in 2023 despite planning for 60.
- c. Please explain what specific factors contribute to the Company consistently planning to deliver orders of magnitude fewer electric resistance-to-heat pump installations for income eligible customers than market rate customers.
- d. In both 2022 and 2023, the Company delivered more actual market rate installations than it had planned for, while significantly underspending on the budget. Please explain what specific factors contributed to this simultaneous over-performance and under-spending for market rate installations. Specifically address whether then under-spend resulted from the Company changing incentive levels mid-year. If so, explain why the Company changed the incentive levels mid-year, and what information it used to set the new incentive levels.

Response:

- a. Anecdotally, the Company has heard that customers coming out of COVID pandemic invested in home improvement projects since opportunities to vacation and travel were reduced during the height of the pandemic. 2023 may demonstrate a shift in consumer spending patterns.
- b. The Company redesigned the delivery of ASHP in the income eligible sector to accommodate a larger volume of projects. The marketing for income eligible ASHP began in July and customer receptivity has resulted in 40 anticipated projects that will be billed and completed in 2023 with an additional 30 customers expressing interest

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- in upgrades. Prior to the marketing push, the Company would serve customers when the customer expressed an interest which aligns with the six completed projects.
- c. Based on the 4770 Low-Income Monthly Report from September 2023, there are 443,153 active residential accounts. The same report shows 36,070 low-income customers, or 8.1% of the total residential customers are classified as low income. Part of the numbers reflected in the planning assumptions is related to the smaller number of income eligible customers. Also, the Income Eligible Program limits upgrading heating systems at rental properties if the landlord is not also income eligible. This prevents the program from paying for a no-cost heating system upgrade that could potentially be rented to market-rate customers.
- d. Please see part a in this response for an explanation of factors contributing to customer interest in installations of ASHP. The Company is seeing the interest in installing ASHP as the beginning of market transformation. In terms of the planned values, it is hard to tell from one year of data if the year's activities were an anomaly or the start of a trend. Therefore, the planned amounts may lag until there is a discernable pattern that an increase in planned units is sustainable. There were no mid-year changes to the incentive levels in 2022 or 2023. The planned incentive dollars are based on the maximum allowed incentive and based on actual spending; it appears that a maximum incentive is not always needed by the customer.

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PUC 3-15

Request:

At its Open Meeting December 20, 2022, the Commission directed the Company to develop a plan to achieve 750 units of electric resistance heat to air source heat pump conversions annually by 2025, with 25% of those customers served being income eligible. The Company's response to PUC 1-35 indicates that it planned to deliver 60 income eligible installations in 2023, which equates to 14.5% of the 415 total installations planned for the year. The Company's response to PUC 1-36 indicates that it plans to deliver 120 income eligible installations in 2024, which equates to 12% of the 988 total electric resistance-to-heat pump conversions planned for the year. The Company's response to Division 2-13 indicates that it plans to deliver 190 income eligible installations in 2024, which equates to 16.5% of the 1,149 total electric resistance-to-heat pump conversions planned for the year. Please explain how the Company's plans for income eligible customers are consistent with the Commission's directive from the December 20, 2022 Open Meeting.

Response:

The Company planned to deliver 25% ASHP to income eligible customers of the 750 units described by the Commission. The Company did not adjust the total allocated to income eligible customers as the number of total heat pump units increased in the three-year plan, rather the 25% of 750 units remained as the target. The two markets are separate, the income eligible and non-income eligible targets will not scale equally.

Based on the 4770 Low-Income Monthly Report from September 2023, there are 443,153 active residential accounts. The same report shows 36,070 low-income customers, or 8.1% of the total residential customers are classified as low income. The 959 non-income eligible projects (1,149 – 190) divided by the 407,084 non-income eligible customers results in 0.24% rate while the income eligible rate 190 ASHP to 36,070 low-income customers results in a rate of 0.52% or potentially serving twice as many eligible low-income customers. Until the Company can fully document the number of customers with electric heat, it is difficult to describe the full potential of electric resistance to ASHP upgrades.

PUC 3-16

Request:

Referencing the Company's response to PUC 1-37, please explain the following:

- a. What is the total budget included in the 2024 Annual Gas and Electric Efficiency Plans for the 100% weatherization incentive for moderate income customers? Please also specify where these costs are embedded in the total budget, referencing Tables E-2 and G-2. Please also identify the source of the "leverage funding amounts," i.e., is this simply referring to SBC funds.
- b. Provide a list of the specific measure offerings that are covered by the 100% incentive for moderate income customers.
- c. Please explain what the "total project cost" column in Attachment PUC 1-37 corresponds to. Specifically address whether all of the costs included in the "total project cost" are eligible for the 100% weatherization incentive. To support your response, address the specific project on Page 1 of Attachment PUC 1-37 whose total project cost was \$16,373, and clarify what portion of that project cost received the 100% incentive.
- d. Referencing the columns included in Attachment PUC 1-37, please explain how the Company splits the "total project cost" among "RGGI cost" and "leveraged funding amount." To support your response, provide the underlying cost allocation assumptions and/or calculations for the \$16,373 project included on page 1 of Attachment PUC 1-37.
- e. Referencing the columns included in Attachment PUC 1-37, please explain why the percentage that "RGGI cost" and "leveraged funding amount" represent of the "total project cost" for a given project vary from project to project. In your response, address the specific reasoning why the percentage of "total project cost" that RGGI funds have covered should vary from project to project.

Response:

- a. The Company did not plan for a separate budget for moderate income, 100% weatherization in the 2024 Annual Plan. Weatherization incentives are displayed in the Rebates and Other Customer Incentives section for EnergyWise Single Family. The reference to leveraged funding in PUC 1-37, as shown in the table Attachment PUC 1-37, refers to costs paid for with SBC funds.

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- b. Please see Attachment PUC 3-16.
- c. The total project costs refer to the entire cost of the project for that customer. The entire project cost is ultimately covered 100%. When discussing this arrangement with OER, the RGGI funds were directed towards weatherization. Costs not paid for by RGGI are administrative and other fees which were already paid for by SBC funding before RGGI funds became available. As such, the project is 100% incentivized to the customer, but the breakdown of cost attribution between RGGI Funds and ratepayer funds varies per project.

When reviewing the \$16,373.49 project (Application # 13652503), a billing error was identified by the Lead Vendor. The Company is working with the Lead Vendor to reconcile this error and perform further checks on additional moderate income projects. Attachment PUC 1-37 will be updated when the analysis is complete.

Looking at another project from Attachment PUC 1-37, (Application # 13607176), the cost distribution is shown below:

\$3,529.42	Total Project Cost
\$523.42	RGGI Ineligible Fees (Contract Management Fee + Blower Door Fee)
\$3,006.00	RGGI Eligible Cost
\$1,503.00	RGGI Cost (RGGI Eligible Amount * 0.5)
\$2,026.42	RIE EE Funds ("Leveraged Funding Amount") = RGGI Cost + Ineligible Fees

- d. Please refer to the Company’s answer in part (c).
- e. Please refer to the Company’s answer in part (c). Since the Company covers the administrative and other fees (that are not direct payments for weatherization measures), the “Leveraged Funding Amount” is greater than the RGGI Cost.

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PUC 3-17

Request:

In response to PUC 1-38, the Company clarified that it “is proposing to continue offering the 100% weatherization incentive for moderate-income customers... to be funded by ratepayers.” Earlier in response to PUC 1-37, the Company explained that after RGGI funding for the moderate income incentive offering was depleted in Q3 2023, the offering “transitioned to an income verification model.” The Company explained that it “has not yet been invoiced for these income qualification services in 2023, so the specific cost are not available at this time.” Please explain the following:

- a. Please confirm when exactly the Company began performing income verification for the 100% weatherization incentive for moderate income customers.
- b. What costs does the Company expect to have incurred in program year 2023 associated with the income verification process for the moderate-income incentive offering?
- c. Did the Company include the costs from part a in its 2023 Annual Plan budget? If so, where in the 2023 Annual Plan budget were those costs embedded?
- d. What costs does the Company expect to incur in 2024 associated with the income verification process for the moderate-income incentive offering? Where in the 2024 Annual Plan budget are those costs embedded?

Response:

- a. The income verification portal was active on July 15, 2023.
- b. The Company estimates that it will spend approximately \$13,000 to verify 325 customers.
- c. The Company did not budget for income verification in the 2023 Annual Plan budget.
- d. 2024 estimated income verification costs are projected to be \$28,000 which will be included in the STAT budget of EnergyWise Single Family.

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PUC 3-18

Request:

Regarding the Company's 100% weatherization incentive for moderate income customers, please clarify exactly when the Company began using SBC ratepayer funds to fund the incentive offering. Commission staff notes that in response to PUC 3-26 in Docket No. 22-33-EE, the Company confirmed that it was proposing to fund all of the 100% moderate income weatherization offerings in 2023 through RGGI, as it did in 2022. Please clarify when the Company made the decision to deviate from this prior practice and explain whether the Company notified any stakeholders of the change. Please also provide the total amount of SBC funds spent to provide incentives to moderate income customers on a yearly basis.

Response:

In 2023, customers had a strong response to equity mailings promoting the moderate income 100% weatherization incentive. Prior to 2023, the response to moderate income weatherization had not been as robust and based on the customer interest from 2022, the Company thought it would have enough funding for a full year of RGGI supported moderate income incentives (Q2 and Q3 spending in 2022 = \$140,200.91).

In Q2 2023, the Company could tell that RGGI funding would soon be fully subscribed. In Docket No. 22-33-EE – 2023 Annual Energy Efficiency Plan 2023 Quarterly Reports – Second Quarter, page 7 notes that the RGGI funds were nearly fully subscribed. The Company then began discussing supporting moderate income incentives with energy efficiency funding and income verification during monthly residential sector team calls with stakeholders.

Attachment PUC 1-37 shows five quarters of moderate income spending totaling \$885,529.82. Less the Q2 2022 amount of \$32,703.97, that would equal four quarters of moderate income spending coming to \$852,825.85.

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PUC 3-19

Request:

The Company’s response to PUC 1-43 clarifies that it did not calculate the avoided carbon value of oil savings using an emissions baseline that reflects the biodiesel blending requirements set forth in Senate Bill No. 357. The Company also explains that using an emissions baseline that does reflect the biodiesel blending requirements set forth in Senate Bill No. 357 would result in a “decrease in claimed carbon benefits associated with oil savings.” Please recalculate the avoided carbon value of oil savings for the 2024 Annual Efficiency Plan using an emissions baseline that accurately reflects the biodiesel blending requirements set forth in Senate Bill No. 357.

Response:

The 2021 Avoided Energy Supply Component Study (AESC 2021) is the source of carbon values used in the 2024 Plan. AESC 2021 does not contain annual streams of avoided carbon values associated with any biofuel blends. However, it does provide marginal emissions rates for biofuel blends B5 and B20 in Table 171,¹ which is copied below.

Table 171. Marginal emission rates for non-electric sectors

Fuel	Sector	CO ₂	NO _x
Natural Gas	Residential	117	0.092
	Commercial	117	0.098
	Industrial	117	0.098
Distillate fuel oil	Residential	161	0.129
	Commercial	161	0.171
	Industrial	161	0.171
B5 Biofuel	All	153	0.129
B20 Biofuel	All	129	0.129
Kerosene	All	159	0.129
LPG	All	139	0.014
RFO	All	173	0.171
Transportation Diesel	All	161	0.717
Gasoline	All	157	0.124
Wood	All	zero	0.341
Wood & Waste	All	zero	0.355

Therefore, to answer this request, the Company applied the ratio of marginal emission rates for biofuel and distillate fuel oil to the already calculated avoided carbon value of oil savings presented in the 2024 Annual Electric Plan. To calculate the marginal emissions rate for B10 biofuel, which is the requirement

¹ AESC 2021 Report - May Re-Release, Synapse Energy Economics, 2021, Appendix G, Table 171, Page 364, [AESC 2021_20-068.pdf \(synapse-energy.com\)](https://www.synapse-energy.com/AESC_2021_20-068.pdf)

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for 2024 through June 30, 2025, per Senate Bill 357, the Company used the marginal emissions rates for distillate fuel oil and B20 biofuel from the table and assumed a linear relationship:

- Distillate fuel oil, marginal emissions rate = 161 lbs CO₂/MMBtu
- B20, marginal emissions rate = 129 lbs CO₂/MMBtu
- Estimated B10, marginal emissions rate = 145 lbs CO₂/MMBtu

Current carbon value of oil savings from 2024 Annual Electric Plan = \$3,122,167

Estimated 2024 B10 carbon value of oil savings = \$3,122,167 x (145 lbs CO₂/MMBtu / 161 lbs CO₂/MMBtu) = \$2,811,890.

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PUC 3-20

Request:

In response to PUC 1-44 and PUC 1-45, the Company included an asterisk footnote that reads “please note the 2023 values present the sum of the Social Cost of Carbon (SCC) and the Marginal Abatement Cost of Carbon (MAC) from the 2023 Electric Plan. The differences in the 2023 values compared to the 2024 to 2024 values are due to the different carbon accounting methodologies. In the 2023 Electric Plan, a hybrid approach was proposed where the SCC was applied to some measures and the MAC was applied other measures. However, in the 2024 to 2026 Plan, only the MAC was used resulting in lower non-embedded carbon benefits due to the differences in MAC and SCC.” Commission staff notes that in its Joint Reply Testimony filed in Docket No. 22-33-EE on November 14, 2022, the Company withdrew its proposal to use this hybrid carbon accounting approach. Please confirm whether the Company actually employed this “hybrid approach” to carbon accounting in the 2023 Electric Plan.

Response:

In the initial draft of the 2023 Electric Plan, the Company did employ the aforementioned “hybrid approach” to carbon accounting. This “hybrid approach” to carbon accounting produced the 2023 Plan numbers referenced in PUC 1-44 and PUC 1-45. However, the 2023 Electric Plan Updated Compliance Filing from January 23, 2023 does not employ the “hybrid approach” to carbon accounting.

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PUC 3-21

Request:

In response to PUC 1-49, the Company noted that “there may be instances where a customer receives a HEAT Loan from the Company to help cover the cost of a measure for which they are also receiving funding from a non-utility program.” Please clarify the specific circumstances under which the Company would allow this and whether this practice is allowed in all of the residential programs.

Response:

In its response to PUC 1-49, quoted in the above request, the Company intentionally used generic language to include future potential instances. The language does not refer to any specific current instances. For example, the language accommodates the potential for customers receiving a HEAT Loan from the Company to also leverage future funding from sources such as the federal Home Energy Rebates programs under the Inflation Reduction Act. This practice is allowed in the programs where the HEAT Loan is available to qualifying customers. These residential programs include Residential HVAC, EnergyWise Single Family, and EnergyWise Multifamily.

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PUC 3-22

Request:

In response to PUC 1-53 and PUC 1-54, the Company explained that “the Income Eligible program maintains a contingency budget of ~3% of the total incentive budget to accommodate program deferrals. This funding is used when a project is not able to leverage LIHEAP or WAP funding to overcome pre-weatherization barriers... For 2024 electric, this comes out to \$290,809 for the Income Eligible Single Family Program. For 2024 gas, this comes out to \$102,504 for the Income Eligible Single Family Program.” Regarding this “contingency budget,” please explain the following:

- a. Where in the 2024 Income Eligible Single Family gas and electric program budgets is this cost embedded? Please reference Tables E-2 and G-2 in your response.
- b. How did the Company determine that 3% of the total incentive budget was the appropriate amount at which to fund this contingency budget?
- c. Please provide a table showing the planned spending vs. actual spending of the Income Eligible Single Family contingency budgets (gas and electric) in program years 2019 – 2023.
- d. Is this Income Eligible Single Family contingency budget restricted to pre-weatherization barrier remediation, or are other measures/work eligible to be funded through this budget?
- e. Under what specific circumstances would an Income Eligible Single Family program participant be unable to “leverage LIHEAP or WAP funding to overcome pre-weatherization barriers”?

Response:

- a. The costs are embedded in the “Rebates and Other Custom Incentives” column of Tables E-2 and G-2.
- b. The Company incorrectly stated that 3% of the total incentive budget was allocated to overcome weatherization barriers to fund projects unable to leverage LIHEAP or WAP funding. Rather, the Company allocates two percent (2%) of the total incentive budget to overcome weatherization barriers to fund projects unable to leverage LIHEAP or WAP funding.

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The 2% budget appears to have begun in 2021. 2020 and 2019 historical planning files show values of \$100,000 for electric and \$75,000 for gas.

The Company’s program materials and documentation do not include any references to the source for how the factor was established at the current 2% level.

The Company will correct its responses to PUC 1-53, PUC 1-54, PUC 1-57, PUC 1-58 and Division 3-11.

c. Please see table below.

	<u>Electric</u>		<u>Gas</u>	
	(planned)	(actuals)	(planned)	(actuals)
2019	\$100,000	N/A*	\$75,000	N/A*
2020	\$100,000	N/A*	\$75,000	N/A*
2021	\$321,057	N/A*	\$153,000	N/A*
2022	\$210,903	N/A*	\$96,086	N/A*
2023	\$186,206	N/A*	\$83,270	N/A*

*The Company is unable to provide the actual spending data. These costs typically show up as “General Labor” or “General Repair” in our records, because the Company’s data systems are set up to track traditional energy efficiency measures that have direct energy benefits, as opposed to preweatherization barriers.

- d. This Income Eligible Single Family contingency budget is restricted to pre-weatherization barriers; the money is only used to address barriers (typically health and safety issues, items with no energy benefits) to allow our standard measures to proceed.
- e. When the customer is on the Company’s discount rate, but they are not on fuel assistance, then they would be unable to leverage LIHEAP or WAP funding to overcome pre-weatherization barriers.

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PUC 3-23

Request:

In response to PUC 1-56, the Company explains that “LIHEAP and WAP funds regularly cover the cost of remediating pre-weatherization barriers.” Does the Company know how much LIHAP and WAP funding was spent in recent program years to remediate pre-weatherization barriers? If so, please provide that data.

Response:

The Company does not know how much LIHEAP and WAP funding was spent in recent program years to remediate pre-weatherization barriers.

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PUC 3-24

Request:

Referencing the Company’s response to PUC 1-65, please explain the following:

- a. Referencing page 4 of Attachment PUC 1-65, what is the data source for the \$248.6 million “Total Incremental Investments Caused by Load Growth”? In your response, explain how these incremental investments caused by load growth overlap with or differ from the annual System Capacity and Performance investments made through the Infrastructure, Safety, and Reliability (ISR) program.
- b. Referencing page 4 of Attachment PUC 1-65, please explain the specific factors that cause the “Forecast Incremental Investments Caused by Load Growth” to be nearly twice as high as the “Historical Incremental Investments Caused by Load Growth.”
- c. Referencing page 3 of Attachment PUC 1-65, what is the data source for the 195 MW “Total incremental growth in peak demand”?
- d. Can the Company confirm whether the 195 MW “Total incremental growth in peak demand” was or will be the marginal load growth that specifically triggered the \$248.6 million of “Total Incremental Investments Caused by Load Growth”? If not, please explain how it is appropriate to divide the \$248.6 million by the 195 MW for purposes of calculating the marginal distribution cost (MDC).

Response:

- a. The data sources for the \$248.6 million “Total Incremental Investments Caused by Load Growth” are distribution capital investments from annual FERC Form 1 (for historic investments) and an internal Company distribution capital investment forecast (for future investments). The future investments are sourced from a recent Company’s capital plan. The capital investment forecast covers all categories of distribution investments.

The Proposed FY 2024 Infrastructure, Safety, and Reliability (ISR) forecast, contained within the filing made by the Company on March 21, 2023 in Docket No. 22-53-EL,¹ is the Company’s latest five-year plan. Since it does not extend through 2028 to provide the six years of forecast investments used in the model, it therefore

¹ The link to the filing is: https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-03/2253-RIE-SecondSupplBudget_3-21-23.pdf

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- was not used as the source of the future investment costs. However, the incremental investments caused by load growth are directly informed by the annual System Capacity and Performance category of investments made through the ISR program. The Company uses this information from the ISR to calculate an assumption about the percentage of total distribution capital investments related to increasing load.
- b. The Forecast Incremental Investments Caused by Load Growth and Historical Incremental Investments Caused by Load Growth are a function of the respective historic and forecast capital expenses identified by the sources referenced in part (a). The forecasted capital expenditures are larger than the historical spend generally because of the completion of the Company's area studies along with the inclusion of grid modernization investments in the ISR.
 - c. The data source for the 195 MW "Total incremental growth in peak demand" is the *SUMMER 50/50 Peaks (MW) (before & after DERs)* table from the *Narragansett Electric Company (NECO) 2022 Electric Peak (MW) Forecast 15-Year Long-Term 2022 to 2036*.²
 - d. The Company can confirm that the 195 MW "Total incremental growth in peak demand" was / will be the marginal load growth that specifically triggers the \$248.6 million of "Total Incremental Investments Caused by Load Growth." The incremental load growth captures load growth over the same combination of historic and forecast years as the incremental investments. On the forecast side, the Company's distribution planners use the incremental NECO load forecast to inform the distribution capital investment need.

² Narragansett Electric Company 2022 Electric Peak (MW) Forecast 15-Year Long-Term 2022 to 2036, Page 31, Narragansett Electric Company, Published November 2021, https://systemdataportal.nationalgrid.com/RI/documents/RI_PEAK_2022_Report.pdf

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PUC 3-25

Request:

In response to PUC 1-68, the Company provided a table with background information on all 54 non-energy impacts (NEI) included in its calculation of total non-resource benefits for the 2024 Annual Gas and Electric Efficiency Plans. 24 of the 54 non-energy impacts are noted as being an “MA Assumption.” The Company explains “where the entry in part d is ‘MA Assumption,’ the source of the NEI is the Massachusetts 2022-2024 benefit-cost model where the primary source of the NEI was not specifically identified but is likely one of the other NEI sources.” For the 24 non-energy impacts noted as “MA Assumption” in the response table, explain the following:

- a. How much of the dollar value of total non-resource benefits for the 2024 Gas and Electric Plans are associated with these 24 NEIs?
- b. Confirm that the Company is unaware of the specific source of the NEI valuation methodology.

Response:

- a. The Company reviewed the known identified NEI sources underlying the MA 2022-24 benefit-cost model and determined that the NEIs noted as “MA Assumption” were identified in evaluation studies. The Company was therefore able to update the table provided in the response to PUC 1-68 and assign an evaluation year to each NEI. Please see the updated table from PUC 1-68 below with the updates highlighted.

(a) NEI Name	(b) NEI Calculated per measure or per savings basis	(c) Recurring Benefit or One-time Benefit	Study Sector or Program Focus	(d) Age of Evaluation Study
Admin costs (may include material handling, material movement, other costs, other labor costs, O&M, product spoilage, rent revenue, sales revenue, waste disposal)	Calculated per savings	Recurring Benefit	Commercial and Industrial	2018
	Calculated per savings	Recurring Benefit	Commercial and Industrial	2021
Arrearages	Calculated per measure	Recurring Benefit	Residential and Income Eligible	2011
Bad Debt Write-offs	Calculated per measure	Recurring Benefit	Residential and Income Eligible	2011

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(a) NEI Name	(b) NEI Calculated per measure or per savings basis	(c) Recurring Benefit or One-time Benefit	Study Sector or Program Focus	(d) Age of Evaluation Study
Combustion stove NOx, asthma related impacts	Calculated per measure	One-time Benefit	Residential New Construction	2021
	Calculated per measure	Recurring Benefit	Residential New Construction	2021
Customer Calls and Collections	Calculated per measure	Recurring Benefit	Residential and Income Eligible	2011
	Calculated per measure	Recurring Benefit	Income Eligible	2011
Equipment Maintenance	Calculated per measure	Recurring Benefit	Residential	2011
	Calculated per measure	Recurring Benefit	Residential HVAC Measures	2013
	Calculated per measure	Recurring Benefit	Income Eligible Multifamily	2018
Equipment Maintenance Reliability Due to Thermostats	Calculated per measure	Recurring Benefit	Residential and Income Eligible	2011
	Calculated per measure	Recurring Benefit	Residential and Income Eligible	2018
ERV/HRV reduction of formaldehyde, asthma related impact	Calculated per measure	One-time Benefit	Residential New Construction	2021
	Calculated per measure	Recurring Benefit	Residential New Construction	2021

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(a) NEI Name	(b) NEI Calculated per measure or per savings basis	(c) Recurring Benefit or One-time Benefit	Study Sector or Program Focus	(d) Age of Evaluation Study
Health Benefits	Calculated per measure	Recurring Benefit	Residential	2011
	Calculated per measure	Recurring Benefit	Income Eligible	2016
	Calculated per measure	Recurring Benefit	Income Eligible Multifamily	2018
Home Productivity	Calculated per measure	Recurring Benefit	Income Eligible Multifamily	2018
IE MF Heating	Calculated per measure	Recurring Benefit	Income Eligible Multifamily	2018
Improved Safety	Calculated per measure	Recurring Benefit	Income Eligible Single Family	2016
	Calculated per measure	Recurring Benefit	Income Eligible Multifamily	2018
Lighting Quality and Lifetime	Calculated per measure	One-time Benefit	Residential	2011
	Calculated per savings	Recurring Benefit	Residential	2011
Noise Reduction	Calculated per measure	One-time Benefit	Residential New Construction	2021
	Calculated per measure	Recurring Benefit	Residential and Income Eligible Single Family	2011
	Calculated per measure	Recurring Benefit	Residential and Income Eligible Multifamily	2018
	Calculated per measure	Recurring Benefit	Residential New Construction	2021
Notices	Calculated per measure	Recurring Benefit	Residential and Income Eligible	2011

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(a) NEI Name	(b) NEI Calculated per measure or per savings basis	(c) Recurring Benefit or One-time Benefit	Study Sector or Program Focus	(d) Age of Evaluation Study
O&M	Calculated per savings	Recurring Benefit	Commercial and Industrial	2016
	Calculated per savings	Recurring Benefit	Commercial and Industrial	2021
	Calculated per measure	Recurring Benefit	Residential	2018
	Calculated per savings	Recurring Benefit	Commercial and Industrial	2021
O&M, Health & Safety	Calculated per savings	Recurring Benefit	Commercial and Industrial	2012
O&M, Non-O&M	Calculated per savings	Recurring Benefit	Commercial and Industrial	2021
Price Hedging	Calculated per savings	One-time Benefit	Income Eligible	2012
	Calculated per savings	One-time Benefit	Income Eligible Multifamily	2018
	Calculated per savings	Recurring Benefit	Income Eligible	2012
Property Durability	Calculated per measure	Recurring Benefit	Income Eligible Multifamily	2018
	Calculated per measure	Recurring Benefit	Residential and Income Eligible	2011
	Calculated per savings	Recurring Benefit	Income Eligible	2011
Property Value Increase	Calculated per measure	One-time Benefit	Income Eligible	2011
	Calculated per measure	Recurring Benefit	Residential	2011
Rate Discounts	Calculated per savings	Recurring Benefit	Residential and Income Eligible	2011
	Calculated per savings	Recurring Benefit	Income Eligible	2011

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(a) NEI Name	(b) NEI Calculated per measure or per savings basis	(c) Recurring Benefit or One-time Benefit	Study Sector or Program Focus	(d) Age of Evaluation Study
Reduced Tenant Complaints	Calculated per measure	Recurring Benefit	Residential and Income Eligible	2011
Rental Unit Increased Property Value	Calculated per measure	One-time Benefit	Income Eligible	2011
Rental Units Marketability	Calculated per measure	Recurring Benefit	Residential	2011
	Calculated per measure	One-time Benefit	Residential and Income Eligible	2011
	Calculated per measure	Recurring Benefit	Residential and Income Eligible	2011
Safety Related Emergency Calls	Calculated per measure	Recurring Benefit	Residential and Income Eligible	2011
	Calculated per measure	Recurring Benefit	Income Eligible Multifamily	2018
	Calculated per savings	Recurring Benefit	Residential and Income Eligible	2011
Terminations and Reconnections	Calculated per measure	Recurring Benefit	Residential and Income Eligible	2011
Thermal Comfort	Calculated per measure	One-time Benefit	Residential New Construction	2021
	Calculated per measure	Recurring Benefit	Residential	2011
	Calculated per measure	Recurring Benefit	Income Eligible Single Family	2016
	Calculated per measure	Recurring Benefit	Income Eligible Multifamily	2018

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(a) NEI Name	(b) NEI Calculated per measure or per savings basis	(c) Recurring Benefit or One-time Benefit	Study Sector or Program Focus	(d) Age of Evaluation Study
	Calculated per measure	Recurring Benefit	Residential New Construction	2021
Window Air Conditioner Replacement	Calculated per measure	Recurring Benefit	Income Eligible	2011

While identifying the sources, the Company found that some NEIs were assigned an incorrect evaluation year in the Rhode Island Energy Benefit Cost Model and not inflated appropriately. This correction to the NEIs will be made when the Company files updated tables prior to the hearing.

- b. As indicated in part a of this response, the Company is now aware of the specific source of the NEI valuation methodology for each NEI.