



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

Legal Section

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December 13, 2023

VIA ELECTRONIC MAIL

Luly Massaro, Commission Clerk

Rhode Island Public Utilities Commission

89 Jefferson Boulevard

Warwick, RI 02888

RE: Docket No. 23-46-EL - The Narragansett Electric Co. d/b/a Rhode Island Energy's 2024-2026 Gas Demand Response Pilot

Dear Ms. Massaro:

Attached hereto is the Division's memo for the above referenced docket.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Margaret L. Hogan".

Margaret L. Hogan

cc: Service List



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

Accounting Section
89 Jefferson Boulevard
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Memorandum

DATE: December 13, 2023

TO: Luly Massaro
Clerk, Public Utilities Commission

FROM: Joel A. Munoz
Assistant to the Chief Accountant, Division of Public Utilities and Carriers

SUBJECT: R.I.P.U.C. Docket No. 23-46-EL - The Narragansett Electric Co. d/b/a Rhode Island Energy's 2024-2026 Gas Demand Response Pilot

On November 17, 2023, Narragansett Electric Company d/b/a Rhode Island Energy (the "Company") filed with the Public Utilities Commission its 2024-2026 Gas Demand Response Pilot. The Pilot targets large commercial and industrial customers and includes a 2024 budget of \$268,042 funded through a \$0.015/Dth System Reliability Procurement Factor incorporated into the Gas Energy Efficiency Charge for the Commercial and Industrial class. The Division has reviewed the filing and offers the following recommendation:

1. The Division supports the implementation of Year 1 (2024) of the pilot by January 1, 2024. In its filing, the Company asserts that there is a risk of a "gap" in the program if the pilot is not approved by January 1, 2024, and that the program may expire, if the pilot is rejected. Customers who have relied on past participation would be losing out on an incentive to continue their participation. The Division would prefer that the pilot continue in order to gather additional information to determine whether this program cost-effectively mitigates gas capacity costs and/or constraint issues.
2. The Division does not support approving the ramping up of the program in Year 2 (2025) and Year 3 (2026) without reviewing the outcomes from Year 1 and further evidence supporting the need to continue or ramp up the program after 2024. Instead, the Division recommends that the Company submit a compliance filing by June 30, 2024, detailing the 2024 winter results. The compliance filing should include, at a minimum, a detailed listing

of program expenditures, number of customers that participated, rebates provide to customers, gas savings in both dollars and gas volumes by customer and a narrative on lessons learned. If the Company proposes to continue the program past Year 1, the Division requests the filing be submitted no later than September 20, 2024, to allow the Division more time to evaluate the proposal.