

May 11, 2006

VIA HAND DELIVERY & ELECTRONIC MAIL

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

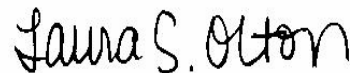
RE: Docket 3701 - Rhode Island DSM Collaborative Report of Meeting Minutes
April 4, 2006

Dear Ms. Massaro:

On behalf of the Rhode Island DSM Collaborative, enclosed are ten (10) copies of a report of meeting minutes from the Collaborative's April 4, 2006 meeting. Although this report is not required by the Settlement approved by the Commission in Docket 3701, the Collaborative is forwarding a copy of the meeting minutes as a means to keep the Commission informed of its ongoing actions during the course of the year. Please circulate this document to the Commissioners as well as other interested staff members. Please place a copy of this report in the official file for this docket.

Thank you for your attention to our report. If you have any questions concerning this matter, please feel free to contact me at (401) 784-7667.

Very truly yours,



Laura S. Olton

Enclosures

cc: Docket 3701 Service List
RI Collaborative Members

**RHODE ISLAND DSM COLLABORATIVE
MEETING MINUTES
APRIL 4, 2006**

The first meeting in 2006 of the Rhode Island DSM Collaborative began at 1:03 pm at the offices of National Grid in Providence, RI.

Attendance

Non-Utility Parties	For National Grid
John Farley, TEC-RI	Tom Coughlin
Bill Lueker, RIAG for the Division	Laura McNaughton
Dave Stearns, Division	Jeremy Newberger
Al Contente, Division	Carol White
Erich Stephens, PP&L	Bob O'Brien
Tim Woolf, for the Division	
Janice McClanaghan, RI SEO	

I. Introduction

Bob O'Brien was introduced. He manages the EnergyWise program and will occasionally be attending Collaborative meetings in place of Laura McNaughton.

II. 2006 Evaluation Plan

The Company's proposed evaluation plan was distributed. *See Attachment 1.* The Company's proposed evaluation efforts focus on areas with large amounts of savings, new program areas that haven't been studied, or areas that have not been evaluation for a long time. To leverage funds, the Company will plan studies jointly between its retail affiliates, or with other program administrators in the Northeast.

The Residential HVAC study is a timely study that will support the program as the new EnergyStar guidelines are implemented in 2006 and beyond. Laura distributed a chart showing the growth of residential air conditioning load. *See Attachment 2.*

The plan features several high priority studies, and two medium priority studies. Adding the medium priority studies would exceed the budget. The Company proposed to authorize the high priority studies and hold off on the medium priority study while we determine if funding is available – from the True-up or other studies coming in under budget – to perform them in 2006.

The Collaborative agreed with the proposed evaluation plan.

Action Item: The Company will send information on the total number of sites included in the Residential HVAC study and how many of these are in Rhode Island.

Action Item: The Company will keep the Collaborative informed about evaluation results.

Action Item: Tim Woolf suggested the Company develop a table showing the share of savings and the vintage of relevant process and impact evaluation studies for each program.

III. 1st Quarter 2006 Results

A. Overall

First quarter results will be available by the next meeting. Jeremy noted that corrections were made to the January 2006 kW filing following Tim Woolf's review. *See Attachment 3.* kWh and kW goals will be finalized in the True-up filing in May.

B. Residential Programs

- Laura reported a high level of interest and activity thus far in 2006, particularly in EnergyWise and clothes washers.
- The new Appliance Wise Guide is available in print and on the Company website.
- Bob O'Brien reported on the workshops and seminars in which the Company has been participating.
- In New Construction, most of the activity has been focused on outreach to builders and transitioning to the new program; the market has cooled somewhat.
- Janice reported on the high demand for single family audits, and the potential for leveraging with mortgage financing programs offered by the RI HMFC.

B. Commercial and Industrial Programs

- Tom Coughlin reported that through March, Large C&I sector was at 19% of spending and 26% of savings goals, while SBS was at 24% of spending and 27% of goals.
- Good early progress is being made on metrics. Eighteen prospects have been identified for benchmarking (target is 12) and three prospects for high performance schools (target is 3).
- Tom reported that the Company will direct some funds to the Industrial Assessment Center at UMass-Amherst to provide training seminars for RI industrial customers.
- An energy efficiency expo targeted at customers with loads between 200 kW and 750 kW will be held on April 13.

IV. Year End Report

Jeremy reported that the Year End Report is expected to be filed during the week of April 10. He noted that goals were changed relative to the preliminary results presented in April, based on the inclusion of recent evaluation results.

V. **Other**

A. Energy Efficiency in the Capacity Market

Tim Woolf reported that, in the proposed ISO-New England “forward capacity market” settlement, there is an opportunity for energy efficiency resources to get payments from the capacity market. Over the lifetime of a DSM program, there is a potential for the capacity impacts of the program to receive payments that account for 50% of the program’s implementation budget. Some of these payments may be channeled back into the DSM programs. A working group has convened to develop rules for allowing demand reduction to make a meaningful bid in the capacity market. Tim invited participation from any interested parties.

B. Program underwriting

Dave Stearns brought to the Collaborative’s attention that occasionally program publicity gives full credit for the programs to the Company and does not make mention of the fact that the programs are funded by Rhode Island’s electricity customers. The Company took note of Dave concern and will be more vigilant in future publicity.

C. Upcoming Meetings

- Wednesday, May 3, 9:30-12:30
- Thursday, May 18, 9:30-12:30
- Wednesday, July 12, 9:30- 3:00
- Wednesday, August 2, 9:30- 3 pm

The meeting adjourned at 3:10 pm

Minutes prepared by Jeremy Newberger

Leftover action item from 12/02/05 meeting

- Action Item: Michael to report what % of school new construction is influenced by Design 2000plus.

From 4/4/06 Meeting

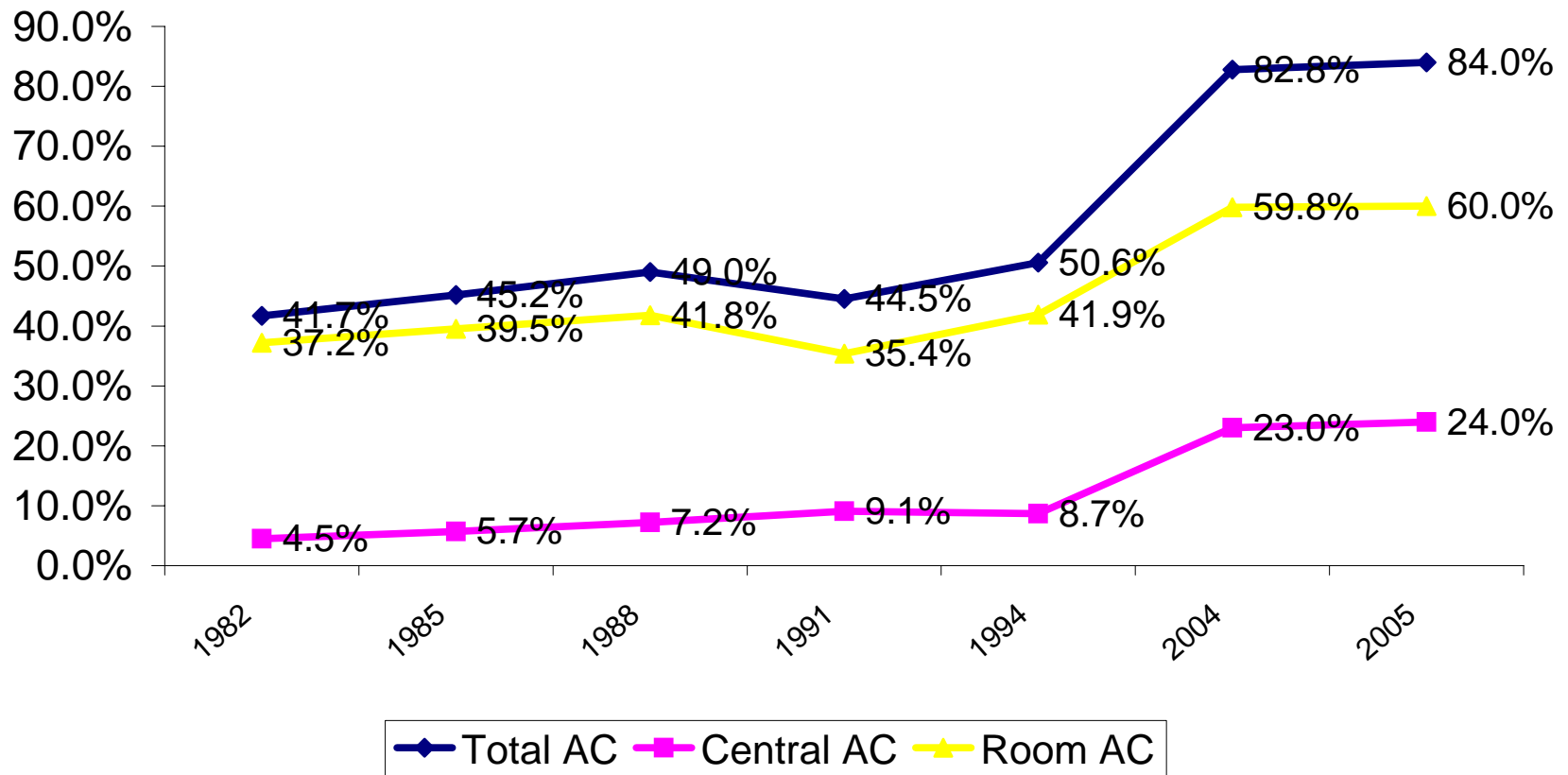
- Action Item: The Company will provide data on commitments from 2005 to 2006 to the Collaborative.

- Action Item; The Company will provide data to the Collaborative about how many of the Comprehensive projects were for customers in the 100 to 200 kW size range.

National Grid Preliminary 2006 Evaluation Plan

Program	Study	(J)oint or (C)ompany Specific	Expected Completion Date	Priority	RI Total	
Energy Initiative and Design 2000 <i>plus</i>	Custom Process impact	C	Jun-07	High	\$50,006	
	Custom HVAC	C	Jun-07	High	\$15,002	
	Custom CDA	C	Mar-07	High	\$12,501	
	Data analysis and sampling for custom impact evaluation	C	Jun-06	High	\$10,001	in progress
	Free-ridership and spillover (includes SBS)	J	Jun-06	High	\$37,782	in progress
	<i>Lighting controls impact evaluation (includes SBS)</i>	C		<i>Medium</i>	<i>\$26,670</i>	
	<i>Dual Enthalpy Controls & EI EMS impact evaluation</i>	<i>J or C</i>	<i>Dec-06</i>	<i>Medium</i>	<i>\$43,338</i>	
	NEEP sponsored HVAC study	J	Apr-06	High	\$3,334	in progress
	Compressed Air impact evaluation	C	Mar-06	High	\$2,500	in progress
Residential HVAC	Process and impact evaluation.	J	Nov-06	High	\$49,005	
SBS	Custom impact evaluation	C	Oct-06	High	\$25,776	
EnergyWise	Impact evaluation	C	Jun-06	High	\$31,368	
All	Economic Impact Study	C	Jun-06	High	\$30,307	
Misc. Residential	Miscellaneous Eval. - Residential				\$33,340	
Misc. C&I	Miscellaneous Eval. - C&I				\$34,342	
Total					\$405,273	
Target					\$350,000	

Narragansett Electric Company Residential Air Conditioning Saturation (1982-2005)



THE NARRAGANSETT ELECTRIC COMPANY

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2006 RHODE ISLAND BENEFIT COST TEST

Summary of Expenses, Benefit, kW, and kWh by Program

	Benefits (000's)										MWh Saved					
	Capacity					Energy				Participant Resource	Summer	Winter	Lifetime	Maximum Annual	Lifetime	
	Generation		Trans	MDC	Winter		Summer									
	Total	Summer			Winter	Peak	Off Peak	Peak	Off Peak							
Large Commercial & Industrial																
Design 2000plus	\$12,729	\$3,123	\$0	\$560	\$1,436	\$2,570	\$2,689	\$1,204	\$1,146	\$0	1,968	988	33,358	8,766	149,960	
Energy Initiative	\$27,693	\$6,538	\$0	\$1,165	\$2,988	\$7,528	\$4,168	\$3,532	\$1,774	\$0	4,000	3,057	69,649	19,133	313,521	
SUBTOTAL	\$40,421	\$9,661	\$0	\$1,726	\$4,425	\$10,098	\$6,857	\$4,736	\$2,920	\$0	5,968	4,045	103,006	27,899	463,481	

Small Commercial & Industrial

Small Business Services	\$7,270	\$1,609	\$0	\$351	\$901	\$2,466	\$565	\$1,141	\$237	\$0	2,162	1,035	19,455	8,092	76,662
SUBTOTAL	\$7,270	\$1,609	\$0	\$351	\$901	\$2,466	\$565	\$1,141	\$237	\$0	2,162	1,035	19,455	8,092	76,662

Residential Programs

IN-HOME SERVICES	\$4,472	\$320	\$0	\$66	\$245	\$634	\$781	\$315	\$320	\$1,792	335	787	3,643	3,558	37,987
EnergyWise	\$1,971	\$180	\$0	\$38	\$142	\$436	\$538	\$217	\$220	\$200	208	613	2,096	2,570	25,889
Single Family Low Income Services	\$2,501	\$141	\$0	\$28	\$103	\$197	\$243	\$98	\$100	\$1,592	127	174	1,548	988	12,098
PRODUCTS & SERVICES	\$10,148	\$1,001	\$0	\$193	\$722	\$1,618	\$2,005	\$874	\$841	\$2,893	1,161	2,917	10,737	12,038	92,948
ENERGY STAR® Appliances	\$3,803	\$423	\$0	\$82	\$305	\$185	\$228	\$140	\$109	\$2,332	362	128	4,600	924	12,735
ENERGY STAR® Heating Program	\$567	\$0	\$0	\$0	\$0	\$2	\$2	\$1	\$1	\$561	0	5	1	10	115
ENERGY STAR® Central Air Conditioning Program	\$212	\$96	\$0	\$18	\$66	\$3	\$1	\$22	\$7	\$0	96	1	996	54	590
ENERGY STAR® Lighting	\$5,566	\$483	\$0	\$94	\$352	\$1,427	\$1,774	\$711	\$725	\$0	703	2,782	5,141	11,051	79,507
NEW CONSTRUCTION - ENERGY STAR® Homes	\$2,064	\$201	\$0	\$37	\$140	\$136	\$168	\$68	\$69	\$1,246	119	169	2,292	774	8,128
SUBTOTAL	\$16,684	\$1,522	\$0	\$296	\$1,107	\$2,387	\$2,954	\$1,257	\$1,231	\$5,931	1,615	3,873	16,672	16,370	139,063
TOTAL	\$64,376	\$12,792	\$0	\$2,373	\$6,433	\$14,951	\$10,376	\$7,134	\$4,387	\$5,931	9,745	8,952	139,133	52,361	679,206

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2006 RHODE ISLAND BENEFIT COST TEST
Summary of Expenses, Benefit, kW, and kWh by Program

The Narragansett Electric Company

	Benefits (000's)										Load Reduction in kW			MWh Saved	
	Total	Capacity				Energy				Participant Resource	Summer	Winter	Lifetime	Maximum Annual	Lifetime
		Generation		Trans	MDC	Winter		Summer							
		Summer	Winter			Peak	Off Peak	Peak	Off Peak						
Large Commercial & Industrial															
Design 2000plus	\$12,729	3,123	\$0	\$560	\$1,436	\$2,570	\$2,689	\$1,204	\$1,146	\$0	1,968	988	33,358	8,766	149,960
Energy Initiative	27,693	6,538	0	1,165	2,988	7,528	4,168	3,532	1,774	0	4,000	3,057	69,649	19,133	313,521
SUBTOTAL	\$40,421	\$9,661	\$0	\$1,726	\$4,425	\$10,098	\$6,857	\$4,736	\$2,920	\$0	5,968	4,045	103,006	27,899	463,481

Small Commercial & Industrial

Small Business(1)	\$7,280	\$1,609	\$0	\$351	\$901	\$2,472	\$566	\$1,143	\$237	\$0	2,162	1,035	19,455	8,111	76,836
SUBTOTAL	\$7,280	\$1,609	\$0	\$351	\$901	\$2,472	\$566	\$1,143	\$237	\$0	2,162	1,035	19,455	8,111	76,836

Residential Programs

IN-HOME SERVICES	\$4,627	\$398	\$0	\$82	\$307	\$634	\$781	\$315	\$320	\$1,792	425	982	4,547	3,558	37,987
EnergyWise Program	2,126	257	0	54	204	436	538	217	220	200	298	808	3,000	2,570	25,889
Low Income Services	2,501	141	0	28	103	197	243	98	100	1,592	127	174	1,548	988	12,098
PRODUCTS & SERVICES	10,079	965	0	186	696	1,618	2,005	874	841	2,893	1,131	2,923	10,345	12,038	92,948
Energy Star Products	3,734	386	0	75	279	185	228	140	109	2,332	331	134	4,208	924	12,735
Energy Star Heating System	567	0	0	0	0	2	2	1	1	561	0	5	1	10	115
Energy Star Air Conditioning	212	96	0	18	66	3	1	22	7	0	96	1	996	54	590
Residential Lighting	5,566	483	0	94	352	1,427	1,774	711	725	0	703	2,782	5,141	11,051	79,507
NEW CONSTRUCTION	2,064	201	0	37	140	136	168	68	69	1,246	119	169	2,292	774	8,128
SUBTOTAL	\$16,771	\$1,563	\$0	\$306	\$1,143	\$2,387	\$2,954	\$1,257	\$1,231	\$5,931	1,675	4,074	17,184	16,370	139,063

TOTAL	\$64,472	\$12,833	\$0	\$2,383	\$6,468	\$14,956	\$10,377	\$7,136	\$4,388	\$5,931	9,805	9,153	139,645	52,380	679,380
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Certificate of Service

I hereby certify that a copy of the cover letter and accompanying material(s) have been hand-delivered or sent via U.S. mail to the parties listed below.



Joanne M. Scanlon
National Grid

May 11, 2006
Date

Narragansett Electric Co. – 2006 Demand Side Management – Dkt. 3701
Service list as of 4/13/06

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