

January 2, 2008

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Dockets 3779 & 3790 – Electric and Gas Energy Efficiency Programs
Rhode Island DSM Collaborative Meeting Summary**

Dear Ms. Massaro:

On behalf of the Rhode Island DSM Collaborative, enclosed are ten (10) copies of a meeting summary of six Collaborative meetings concerning the terms of the final settlement of National Grid's¹ Electric Demand Side Management Programs for 2008. This meeting summary also includes highlights of the Natural Gas Energy Efficiency Programs and a memorandum summarizing the evaluation results for the 2006 energy efficiency programs.

Although this summary is not required by the Settlements approved by the Commission in the above-captioned proceedings, the Collaborative is forwarding this document 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 summary in the official file for these dockets.

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: Dockets 3779 & 3790 Service Lists
RI Collaborative Members

¹ Submitted on behalf of The Narragansett Electric Company, d/b/a National Grid ("Company").

RHODE ISLAND DSM COLLABORATIVE

MEETING SUMMARY

SEPTEMBER 6, 2007; SEPTEMBER 20, 2007; OCTOBER 3, 2007; OCTOBER 18, 2007; OCTOBER 26, 2007 (2); OCTOBER 29, 2007

The Rhode Island DSM Collaborative met six times in the summer and fall of 2007 to discuss, negotiate, and achieve the terms of a final settlement on the Narragansett Electric Company's Demand Side Management Programs for 2008. These were the Collaborative's 8th through 14th meetings of 2007.

Meetings took place at the Providence offices of National Grid on Melrose Street, at the offices of the Rhode Island Division of Public Utilities and Carriers, and by conference call (the two meetings on October 26 and the meeting of October 29).

The meetings were negotiations about the Company's proposed 2008 DSM programs and culminated in the Settlement that was filed on November 1, 2007. As settlement negotiations, the meeting details are considered to be confidential. The following records a summary of events that took place at these six meetings.

I. Attendance

The following individuals attended one or more of the Collaborative meetings in this period:

Non-Utility Parties	For National Grid
Bill Lueker, RIAG for the Division	Tom Coughlin
Pat Condon, RI OER	Michael McAteer
Tim Howe, RI OER	Laura McNaughton
Bill Ferguson, RI OER	Jeremy Newberger
Andy Dzykewicz, RI OER	Laura Olton
John McDermott, for RI OER	Kevin Rennick
Dave Stearns, Division	Carol White
Bob Fagan, Synapse Energy (Division Consultant)	Bob O'Brien
Al Contente, Division	Mark DiPetrillo
John Farley, TEC-RI	
Karina Lutz, PP&L	
Sam Krasnow, Environment Northeast	

II. Electric Energy Efficiency Program Highlights

- A Settlement Agreement for the Company's 2007 DSM programs was agreed to by the Division, TEC-RI, Environment Northeast, and the Company. The filing was made on November 1, 2007. PP&L and the RI OER participated in the negotiations, but did not agree to the Settlement.
- The Company shared recent evaluation studies with the Collaborative.
- The Company reported results for 2006 after the application of the recent evaluation studies. See Attachment 1.

- The Company reported results through the 3rd quarter of 2007. See Attachment 2. The ENERGY STAR Central Air Conditioning Program has really taken off.
- The Northeast Energy Efficiency Partnerships (NEEP) has issued an RFP to manufacturers and distributors to incentivize high efficiency AC and quality installations. A regional program may be developed involving CT, RI, MA, VT, NJ and Long Island for 2008.
- Items for Future Consideration: The following ideas were generated during the 2008 program settlement process but were not included in the Settlement:
 - **ESCo Support.** RI OER proposed using DSM funds to support cities and towns in using the services of energy service companies to implement energy efficiency projects. The funds would be used for technical support, contract support, and project management. There was not enough time to develop this idea for 2008 given the limited available funding.
 - **Sector Funding.** The Collaborative may want to consider separating out a low-income sector in its presentation of DSM fund collections and budget development.

III. Natural Gas Energy Efficiency Program Highlights

- Jim Malakowski of RDW Group presented a briefing on the gas efficiency marketing campaign. He reviewed the TV, print, and media aspects of the campaign. All advertising is intended to get consumers to visit the website ThinkSmartThinkGreen.com.
- A recommendation for non-firm gas customer eligibility and rebates was developed. For reasons of equity, the Collaborative agreed that non-firm customers should be eligible for rebates. Any non-firm gas customer who has consumed natural gas since January 1, 2007 (when collections for the gas DSM began) is eligible for rebates. The Collaborative also agreed that it would monitor the payments to non-firm customers and if total rebates to this customer segment neared \$300,000 and it looked like there was still more demand, the Collaborative would consider spending more than \$300,000.
- A policy on rebates for combined heat and power (CHP) was developed. Data collection requirements are being developed to facilitate evaluation of CHP. Mark D. is still looking for technical support for CHP assessments.
- The Company presented a proposal for funding a small number of micro CHP projects and solar thermal heating systems, and for doing research on dual-use high efficiency heating and hot water equipment as part of the Gas Residential Building Practices and Demonstration Program

Notes taken by Jeremy Newberger

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Table 1. Summary of 2007 Target and 3rd Quarter Results

Sector and Program	(1) (3) (4) Demand Reduction (Annual kW)			(5) (7) (8) Energy Savings (Annual MWh)			(9) (10) (11) Customer Participation			(12) (14) (15) Implementation Expenses (\$ 000)		
	Approved Target	Year To Date	Pct Achieved	Approved Target	Year To Date	Pct Achieved	Approved Target	Year To Date	Pct Achieved	Approved Budget	Year To Date	Pct Achieved
Large Commercial and Industrial												
Design 2000plus	1,834	2,171	118.4%	9,453	8,295	87.8%	182	140	76.9%	\$2,523.0	2,061.2	81.7%
Energy Initiative	3,531	2,691	76.2%	21,944	15,920	72.5%	234	128	54.7%	3,537.4	2,410.6	68.1%
SUBTOTAL	5,365	4,861	90.6%	31,397	24,216	77.1%	416	268	64.4%	\$6,060.3	\$4,471.8	73.8%
Small Commercial and Industrial												
Small Business Services	2,064	1,762	85.4%	8,683	7,230	83.3%	508	507	99.8%	\$3,589.2	3,392.8	94.5%
SUBTOTAL	2,064	1,762	85.4%	8,683	7,230	83.3%	508	507	99.8%	\$3,589.2	\$3,392.8	94.5%
Residential												
EnergyWise	268	238	88.8%	3,241	2,516	77.6%	4,965	3,047	61.4%	2,170.2	1,390.8	64.1%
Single Family Low Income Services	153	120	78.4%	1,393	1,147	82.3%	1,180	996	84.4%	1,953.3	1,660.7	85.0%
ENERGY STAR @ Appliances	349	135	38.7%	1,288	398	30.9%	5,800	3,466	59.8%	332.7	219.3	65.9%
ENERGY STAR @ Heating Program	8	0	3.5%	70	9	13.6%	580	382	65.9%	130.8	84.3	64.4%
ENERGY STAR @ Central A/C Program	61	112	184.2%	42	61	143.6%	268	428	159.7%	145.4	133.7	91.9%
ENERGY STAR @ Lighting	960	743	77.4%	15,966	11,709	73.3%	68,864	43,576	63.3%	819.8	536.9	65.5%
ENERGY STAR @ Homes	54	191	351.7%	495	864	174.7%	225	384	170.7%	712.3	563.0	79.0%
Energy Efficiency Education Programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	48.4	1.0	2.1%
SUBTOTAL	1,853	1,540	83.1%	22,495	16,704	74.3%	81,882	52,279	63.8%	\$6,312.8	\$4,589.7	72.7%
TOTAL	9,282	8,163	87.9%	62,575	48,150	76.9%	82,806	53,054	64.1%	\$15,962.3	\$12,454.3	78.0%

NOTES

(1) Approved Target from 2007 Settlement, Attachment 10 page 2 of 3, Summer kW.

(4) Pct Achieved is Column (3)/ Column (1).

(5) Approved Target from 2007 Settlement, Attachment 10 page 2 of 3, Maximum Annual MWh Saved.

(8) Pct Achieved is Column (7)/ Column (5).

(9), (10) Customer Participation in 2007 defined as completed projects in Approved Target and Year To Date, except for C&I Year To Date participants, which are counted as unique customer participants from the DSM Tracking System. There were 193 Energy Initiative applications, 161 Design 2000 applications, and 754 SBS Applications

(11) Pct Achieved is Column (10)/ Column (9).

(12) Approved Budget from 2007 Settlement, Attachment 10, page 1 of 3

For Design 2000plus and Energy Initiative this excludes estimated commitment budget of \$1,500,000 for Design 2000 plus and \$3,000,000 for Energy Initiative, respectively.

For Small Business Services, this is net of expected copayments of \$670,803

(14) Year To Date Implementation Expenses are net of the following items:

Actual commitments made in 2007 for 2008.

Customer copayments

Evaluation expenses

(15) Pct Achieved is Column (14)/ Column (12).

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Table 5. Performance Metric Targets and 3rd Quarter Results

Metric	Description	Threshold	Target	Actual	Incentive
ENERGY STAR® HOMES					
Residential Metric 1:	The Company will conduct plans analyses and home ratings and sign ENERGY STAR® builders' agreements for new homes being built in Rhode Island. It will increase the penetration of signed builders agreements in 2007 by 3 percentage points compared to the penetration achieved in 2006. Penetration will be calculated as the number of signed agreements divided by the number of permits for new dwelling units issued in 2007.	16.80%	18.80%	20.4% through six months	20.40%
		\$6,700	\$20,000		
RESIDENTIAL OTHER PROGRAM SAVINGS					
Residential Metric 2:	The Company will achieve a target amount of MWh savings from programs other than Residential Lighting in 2007. The target will be calculated as the net annual MWh savings goal for all residential programs excluding the net annual MWh savings from the Residential Lighting program.		6,529	Non-lighting savings are 77% of target through 9 months	4,996
			\$20,000		
ENERGY INITIATIVE OTHER SUBPROGRAM SAVINGS					
C&I Metric 1:	The Company will achieve a target amount of MWh savings from subprograms other than prescriptive lighting in the Energy Initiative program in 2007. The target will be calculated as the net annual MWh savings from all other subprograms estimated as part of the planned savings for the Energy Initiative program in 2007.		4,490	Non-lighting savings are 40% of target through 9 months	1,787
			\$20,000		
HIGH PERFORMANCE SCHOOLS					
C&I Metric 2:	The Company will contract with new public or private school projects through Design 2000plus to provide full incremental cost for high performance design and construction practices with a special focus on high quality energy efficient lighting. It shall make contracts with 3 schools in 2007.	1	2	3 schools in queue (North Smithfield, Foster-Gloucester, Compass Charter School in Newport), 0 completed. Paperwork almost complete on two completions	0
		\$10,000	\$15,000		
SBS COMPREHENSIVENESS					
C&I Metric 3:	The Company will achieve 6% greater MWh savings from completed measures other than prescriptive lighting and refrigeration in Small Business Services in 2007 than it achieved in 2006.	444	471	Non-lighting savings are 76% of target through 9 months	360
		\$10,000	\$20,000		

Memorandum

To: RI DSM Collaborative
From: Carol S. White, Director, Evaluation & Planning
CC: Fred Mason, Laura Olton, Michael McAteer, Laura McNaughton, Timothy Stout, Jeremy Newberger
Date: September 20, 2007
Subject: Evaluated Results - 2006

In the Settlement of the Parties in Docket 3779, submitted November 1, 2006, page 12, it states “The Company will provide to the Parties a summary of evaluation results together with a memorandum summarizing the impact of those results on the Company’s 2006 programs no later than September 2007.” This memorandum is being submitted in accordance with that requirement.

Attachment 1 provides a summary of evaluated savings from 2006 compared to the year-end results we reported to the Collaborative and Commission in the 2006 Year-End Report. This table shows that evaluated kWh savings related to 2006 efforts were approximately 5% above reported year end results and evaluated kW savings were approximately 7% above reported year end results.

The evaluated results reflect the impacts of evaluation studies involving the 2006 programs that were completed since the filing of the 2006 Year-End Report. The primary influences on the evaluated results were large Commercial and Industrial custom end use evaluations. The results of these recent studies will also be included in the development of goals in the Company’s proposed 2008 programs.

Attachment 2 contains list of recently completed energy efficiency program evaluations studies that relate to the Rhode Island energy efficiency programs. These studies may have contributed to the evaluated results for the 2006 programs in Rhode Island and/or may influence future program design. Executive summaries of these studies will be forwarded via e-mail to the Collaborative.

Please let us know if you have any questions about these results.

Attachments

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Table 1. Summary of 2006 Target and Evaluated Year End Results

Sector and Program	Demand Reduction (Annual kW)					Energy Savings (Annual MWh)					Customer Participation			Implementation Expenses (\$ 000)		
	(1) Approved Target	(2) Adjusted Target	(3) Year End	(3a) Eval Results	(4) Pct Achieved	(5) Approved Target	(6) Adjusted Target	(7) Year End	(7a) Eval Results	(8) Pct Achieved	(9) Approved Target	(10) Year End	(11) Pct Achieved	(12) Approved Budget	(14) Year End	(15) Pct Achieved
Large Commercial and Industrial																
Design 2000 <i>plus</i>	2,016	2,156	1,696	1,890	87.7%	9,625	10,686	8,326	9,421	88.2%	196	136	69.4%	\$2,729.0	\$2,339.5	85.7%
Energy Initiative	3,896	3,997	4,731	5,124	128.2%	24,538	24,565	29,498	31,233	127.1%	254	192	75.6%	3,842.5	4,615.9	120.1%
SUBTOTAL	5,912	6,153	6,427	7,014	114.0%	34,163	35,251	37,824	40,654	115.3%	450	328	72.9%	\$6,571.5	\$6,955.4	105.8%
Small Commercial and Industrial																
Small Business Services	1,962	1,990	2,160	2,331	117.1%	8,234	8,233	9,297	9,672	117.5%	491	563	114.7%	\$3,592.1	\$4,061.8	113.1%
SUBTOTAL	1,962	1,990	2,160	2,331	117.1%	8,234	8,233	9,297	9,672	117.5%	491	563	114.7%	\$3,592.1	\$4,061.8	113.1%
Residential																
Energy <i>Wise</i>	350	330	345	345	104.5%	3,587	3,355	3,408	3,408	101.6%	4,980	4,458	89.5%	1,888.4	\$2,018.6	106.9%
Single Family Low Income Services	127	127	128	128	101.1%	1,038	1,038	1,227	1,227	118.2%	967	1,113	115.1%	1,684.4	1,922.5	114.1%
ENERGY STAR @ Appliances	331	377	358	362	96.0%	924	1,106	1,468	1,526	137.9%	5,800	6,224	107.3%	345.3	319.5	92.5%
ENERGY STAR @ Heating Program	0	0	0	0	0.0%	10	10	10	10	101.9%	480	489	101.9%	109.8	101.0	92.0%
ENERGY STAR @ Central A/C Program	94	94	28	28	29.6%	58	58	17	17	28.3%	343	116	33.8%	174.9	118.7	67.9%
ENERGY STAR @ Lighting	870	870	1,022	1,022	117.5%	13,640	13,640	16,076	16,076	117.9%	57,696	52,119	90.3%	780.6	760.4	97.4%
ENERGY STAR @ Homes	119	119	235	235	197.0%	774	774	1,323	1,323	171.0%	500	610	n/a	988.0	1,112.3	112.6%
Energy Efficiency Education Programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	48.6	55.9	115.1%
SUBTOTAL	1,892	1,918	2,116	2,120	110.6%	20,030	19,981	23,529	23,587	118.0%	70,766	65,129	92.0%	\$6,020.1	\$6,409.0	106.5%
TOTAL	9,765	10,061	10,703	11,465	114.0%	62,427	63,466	70,650	73,913	116.5%	71,707	66,020	92.1%	\$16,183.7	\$17,426.3	107.7%

NOTES

- (1) Approved Target from 2006 True-Up, Updated Attachment 10 page 2 of 3, Summer kW.
- (2) Adjusted Target is Column (1) adjusted for evaluation results at 2005 Year End.
- (4) Pct Achieved is Column (3a)/ Column (2).
- (5) Approved Target from 2006 True-Up, Updated Attachment 10 page 2 of 3, Maximum Annual MWh Saved.
- (6) Adjusted Target is Column (5) adjusted for evaluation results at 2005 Year End.
- (8) Pct Achieved is Column (7a)/ Column (6).
- (9), (10) Customer Participation in 2006 defined as completed projects in Approved Target and Year To Date, except for C&I Year To Date participants, which are counted as unique customer participants from the DSM Tracking System. There were 248 Energy Initiative applications, 189 Design 2000 applications, and 692 SBS Applications
- (11) Pct Achieved is Column (10)/ Column (9).
- (12) Approved Budget from 2006 True-Up, Updated Attachment 10, page 1 of 3.
For Design 2000plus and Energy Initiative this excludes estimated commitment budget of \$1,132,700 for Design 2000 *plus* and \$2,648,000 for Energy Initiative, respectively.
For Small Business Services, this is net of expected copayments of \$706,251.
- (14) Year To Date Implementation Expenses are net of evaluation expenses, commitments, and copayments for Small Business Services projects and Technical Assistance.
Actual evaluation expenses were \$317,700 as shown in table 3.
Actual commitments made in 2006 for 2007 were \$4,337,251.
Customer copayments for Small Business Services were \$787,515 and for Technical Assistance \$59,982.
- (15) Pct Achieved is Column (14)/ Column (12).

Attachment 2: List of 2006 Energy Efficiency Program Evaluations for Rhode Island

1. Wirtshafter Associates, Inc., Kreitler Research and Consulting, Performance Systems Development, Inc., International Communications Research, Inc., *2006 Massachusetts and Rhode Island CoolSmart Evaluation Report*, May 30, 2007
2. PA Consulting Group, *National Accounts Study: Customer Energy Efficiency Equipment Decision Making Process and Standard Practice - Final*, September 8, 2006
3. PA Consulting Group, *National Accounts Study: HVAC Customer Energy Efficiency Equipment Decision Making Process and Standard Practice-Final Report*, July 5, 2007
4. RLW Analytics, Inc., *National Grid Lighting Controls Impact Evaluation, Final Report, 2005 Energy Initiative, Design 2000plus and Small Business Services Programs*, June 4, 2007
5. RLW Analytics, Inc., *Sample Design and Impact Evaluation of the 2006 Custom Program*, July 20, 2007
6. Demand Management Institute, *Impact Evaluation of 2005 Custom Process Installations – Part I*, June 5, 2007
7. UTS Energy Engineering, LLC, *Impact Evaluation of 2005 Custom Process Installations – Part II*, June 19, 2007
8. GDS Associates, Inc., *Impact Evaluation of 2005 Custom Process Installations – Part III*, July 11, 2007
9. RLW Analytics, Inc., *Impact Evaluation Study of 2006 Custom Lighting Installations*, July 5, 2007
10. RLW Analytics, Inc., *Small Business Services Custom Measure Impact Evaluation*, March 23, 2007
11. RLW Analytics, Inc., *Impact Evaluation Analysis of the 2005 Custom SBS Program*, May 29, 2007

Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate has been electronically transmitted to the individuals listed below on 11/1/2007. Copies will be sent via U. S. Mail on 11/2/2007.



Joanne M. Scanlon

January 2, 2008

Date

National Grid 2007 Demand Side Management – Docket No. 3779 Service list as of 7/26/07

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