

June 4, 2007

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 3779 – National Grid Electric Demand Side Programs (DSM)
Rhode Island DSM Collaborative Report of Meeting Minutes
April 12, 2007**

Dear Ms. Massaro:

On behalf of the Rhode Island DSM Collaborative concerning National Grid's electric energy efficiency programs, enclosed are ten (10) copies of a meeting summary of the Collaborative's April 12, 2007 meeting. Although this report is not required by the Settlement approved by the Commission in Docket 3779, 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 summary 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 3779 Service List
RI Collaborative Members

**RHODE ISLAND DSM COLLABORATIVE
MEETING SUMMARY
APRIL 12, 2007**

The sixth meeting in 2007 of the Rhode Island DSM Collaborative began at 9:10 am at the Weybosset Street offices of National Grid in Providence, RI.

Attendance

Non-Utility Parties	For National Grid
John Farley, TEC-RI	Michael McAteer
Dave Stearns, Division	Laura McNaughton
Bill Ferguson, RI OER	Jeremy Newberger
Matt Guglielmetti, RI OER	Bob O'Brien
Pat Condon, RI OER	Carol White
Bill Lueker, RI AG	Mark DePetrillo
Bob Fagan, for the Division	Tom Coughlin
Sam Krasnow, Environment NE	
Karina Lutz, PP&L	

I. Introductions

A. Since there were a lot of new faces, attendees introduced themselves.

II. Collaborative Process

- A. In the wake of the settlement discussion on the natural gas DSM programs, and the *de facto* expansion of the Collaborative to cover both electric and gas DSM, Collaborative members spent some time discussing some principles of the Collaborative process.
1. We need to make sure that all relevant parties at our respective organizations are aware of issues, even when they are not present at meetings.
 2. Issues and concerns should be raised early in the process, if possible, so that they may be addressed in an efficient manner.
 3. A person at each organization should be empowered to make commitments or agreements. If that person is not in attendance, then their input should be solicited. It's OK to say "I have to check back with So-and-so."
 4. Signing on to a Settlement means that the party agrees to the Settlement in its entirety. There are different ways to express reservations to a settlement, for example to highlight agreements and differences in a cover letter.
 5. Trust is important in the Collaborative process.
 6. There should be some time between final review and sign off.
 7. The Collaborative should be aware of, and sensitive to the changing landscape, e.g., least cost procurement.
 8. Karina Lutz requested that the draft meeting summaries try to represent all perspectives and that they be circulated for comment prior to filing.

III. Natural Gas Filing Schedule

- A. Hearing is scheduled for May 1. It may be converted to a Technical Session, but no word has been issued. The Collaborative may convene a meeting or teleconference prior to May 1 to plan a presentation or a panel.

IV. 2006 Year End Report (for Electric DSM)

- A. By Tuesday 4/17, Jeremy will send out goals for 2006 that are adjusted to reflect most recent evaluation results, accompanied by an updated incentive calculation.
- B. The YE Report is scheduled to be filed by May 1.

C. ACTION ITEM: John Farley requested that the Company prepare a large C&I measure mix for 2006 that can be compared to the mix we assumed in planning the 2007 programs.

V. 2007 Metrics

- A. The Company will also file by May 1 an updated Attachment 9 to the 2007 Settlement which will contain the final performance metric targets for 2007. Two of the metrics (ENERGY STAR Homes, Small Business Service non-lighting and High Performance Schools) were to be based on Year End 2006 achievements. As discussed at the February Collaborative meeting, the schools metric threshold will be set at one (rather than zero, the 2006 level of achievement).

B. ACTION ITEM: Bob Fagan asked that the Collaborative discuss long term planning to increase penetration.

VI. 1st Quarter Results

- A. A spreadsheet of 1st quarter achievements was distributed (see Attachment). Implementation Expense data was not available.

B. Residential Highlights

1. EnergyWise shows a lag between participation and savings
2. Insulation verification procedures for Energy Wise were reviewed.
3. No information yet on 2007 Metrics

4. ACTION ITEM: At a future meeting, there will be a full review of program offerings. Jeremy is to send electronic and hard copies of the 2007 Settlement to Sam Krasnow and OER Staff.

C. C&I Programs

1. 1st quarter results were reviewed
2. There was a discussion about whether multi-year planning would help implementation of the C&I programs. Since funding is fixed, the ability to do multi-year planning may be limited. However, the Company does have a commitments process for large C&I projects. Also, least cost planning may affect 2009 planning.
3. Metrics
 - a. Non-lighting is 24% of energy savings in the first quarter. This is tracking well toward the target.
 - b. High performance schools. A few schools projects are in negotiation. There was discussion about increasing school efficiency in retrofit

projects, working with the RI Dept of Education or through the OER ESCo program.

4. Program ideas for future years

- a. ACTION ITEM: Discuss facilitation of school retrofits at a future meeting. This may include a technical assistance program to help cities and towns work with ESCOs on municipal facilities and schools.
- b. Bill Ferguson expressed a desire to include a program to provide financial assistance for the start up costs of entering into ESCo contracts. These costs would include the procurement of consultant services to assist schools, local governments, non-profit agencies, state agencies and others to develop an rfp, solicit proposals, review proposals, select a firm and negotiate a final contract. (OER is in the process of developing a model contract.) National Grid has agreed to explore this concept as it develops its electric energy efficiency plans for 2008.
- c. ACTION ITEM; Michael will provide a case study from Massachusetts on Advance Building implementation.
- d. ACTION ITEM: Consider whether there is still value in sponsoring BOC training. CCRI has a facility management course that is less expensive and may be an acceptable substitute if BOC is discontinued.
- e. ACTION ITEM: All Collaborative members are welcome to generate ideas for 2008 programs. It's not too early.

VII. Follow-Up Items

- A. EnergyWise can process 60 single family audits/week. There are two new trainees which will allow for an additional 24 single family audits per week to be performed during times of high demand. There is no backlog. Of the target of close to 5000 audits, 2/3 are multifamily dwellings, and 1/3 are single family. The gas programs will add about 300 more single family audits.
- B. Forward capacity market.
 - 1. Show of interest was submitted February 28. RI DSM capacity submitted by the Company was 27 MW. The qualification package is due June 15.
 - 2. The State of RI submitted a show of interest for 7.5 MW total at three facilities and have issued an RFP to manage participation. The State and the Company can not both submit the same capacity into the market. Since the rebate application gives the Company the right to claim the savings, the burden will be on the OER to make sure that demand reduction projects that receive rebates are not submitted by the state.
 - 3. The Company described other activities related to participation in the FCM; the State Program Working Group that is working to develop consistency among SBC program submittals and compilation of regional reference documents. NECPUC may be discussing standardization of the benefit cost test used in screening
 - 4. ACTION ITEM: For the next meeting, the Company will report on how much money has been received from ISO-NE transition period payments.

VIII. Distributed Generation White Paper

- A. Mark DePetrillo circulated an outline task list for a data collection project. This project would support development of eligibility criteria for distributed generation to receive incentives through the Company's natural gas programs. A subgroup was identified to work on developing a final outline. The subgroup includes Mark, Tom Coughlin, John Farley, Bill Ferguson, Karina Lutz, Michael McAteer, and Tim Roughan.

IX. Calendar

- A. Next Collaborative meeting: Thursday, June 7, 9 am, at Melrose Street.
- B. ISO-NE Demand Response Summit, May 2 in Westborough
- C. NEEP Conference May 10 in Providence.
- D. June 14, 6 to 9 pm
- E. The International Energy Program Evaluation Conference will be August 14-16 in Chicago, with workshops on Monday, August 13. See iepec.org for preliminary agenda and other details.

X. The meeting adjourned at 1:53 p.m.

Meeting Summary prepared by Jeremy Newberger

Outstanding Actions Items

- A. From February 7
 - 1. In preparing for the 2008 Settlement, the Collaborative will consider whether the 20% threshold is appropriate, or whether another percentage should be used as a threshold.
 - 2. The Collaborative agreed to devote 20 to 30 minutes at a future meeting to discussing least cost procurement. Doug Hartley and/or Steve Frias will be invited to join this discussion.

NATIONAL GRID

Table 1. Summary of 2007 Target and 1st 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 2000 <i>plus</i>	1,834	625	34.1%	9,453	2,076	22.0%	182	62	34.1%	\$2,523.0	n/a	0.0%
Energy Initiative	3,531	1,277	36.2%	21,944	7,247	33.0%	234	61	26.1%	3,537.4	n/a	0.0%
SUBTOTAL	5,365	1,902	35.5%	31,397	9,323	29.7%	416	123	29.6%	\$6,060.3	\$0.0	0.0%
Small Commercial and Industrial												
Small Business Services	2,064	581	28.2%	8,683	2,482	28.6%	508	202	39.8%	\$3,589.2	n/a	0.0%
SUBTOTAL	2,064	581	28.2%	8,683	2,482	28.6%	508	202	39.8%	\$3,589.2	\$0.0	0.0%
Residential												
EnergyWise	268	75	28.0%	3,241	821	25.3%	4,965	901	18.1%	2,170.2	n/a	0.0%
Single Family Low Income Services	153	35	22.8%	1,393	349	25.1%	1,180	456	38.6%	1,953.3	n/a	0.0%
ENERGY STAR ® Appliances	349	21	6.0%	1,288	181	14.1%	5,800	686	11.8%	332.7	n/a	0.0%
ENERGY STAR ® Heating Program	8	0	0.0%	70	5	7.9%	580	274	47.2%	130.8	n/a	0.0%
ENERGY STAR ® Central A/C Program	61	6	9.9%	42	5	10.9%	268	49	18.3%	145.4	n/a	0.0%
ENERGY STAR ® Lighting	960	176	18.3%	15,966	2,771	17.4%	68,864	10,540	15.3%	819.8	n/a	0.0%
ENERGY STAR ® Homes	54	0	n/a	495	0	n/a	225	0	n/a	712.3	n/a	0.0%
Energy Efficiency Education Programs	n/a	n/a	#DIV/0!	n/a	n/a	#DIV/0!	n/a	n/a	#DIV/0!	48.4	n/a	0.0%
SUBTOTAL	1,853	313	16.9%	22,495	4,133	18.4%	81,882	12,906	15.8%	\$6,312.8	\$0.0	0.0%
TOTAL	9,282	2,796	30.1%	62,575	15,938	25.5%	82,806	13,231	16.0%	\$15,962.3	\$0.0	0.0%

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 64 Energy Initiative applications, 73 Design 2000 applications, and 254 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 not yet available. Expenses would be net of the following items:

Actual commitments made in 2007 for 2008.

Customer copayments

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

Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate has been mailed or hand-delivered to the individuals listed below.



Joanne M. Scanlon

June 4, 2007

Date

National Grid 2007 Demand Side Management – Docket No. 3779 Service list as of 4/19/07

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