

July 11, 2007

**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 – National Grid Energy Efficiency Programs  
Rhode Island DSM Collaborative Report of Meeting Minutes  
June 7, 2007**

Dear Ms. Massaro:

On behalf of the Rhode Island DSM Collaborative, enclosed are ten (10) copies of a meeting summary of the Collaborative's June 7, 2007 meeting concerning National Grid's gas and electric energy-efficiency programs. Although this report is not required by the Settlement approved by the Commission in the above-captioned proceedings, 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 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 List  
RI Collaborative Members

**RHODE ISLAND DSM COLLABORATIVE  
MEETING SUMMARY  
JUNE 7, 2007**

The 7th meeting in 2007 of the Rhode Island DSM Collaborative began at 9:15 am at the Weybosset Street offices of National Grid in Providence, RI.

**Attendance**

Non-Utility Parties	For National Grid
John Farley, TEC-RI Dave Stearns, Division Al Contente, Division Pat Condon, RI OER Bill Lueker, RI AG Bob Fagan, for the Division Sam Krasnow, Environment NE Jeremy McDiarmid, Environment NE Karina Lutz, PP&L	Bob O'Brien Mark DePetrillo Tom Coughlin Jeremy Newberger

**I. Introductions**

- A. Jeremy McDiarmid, a new staff attorney at Environment NE, was introduced.

**II. Natural Gas DSM Programs**

- A. Timetable
  - 1. The Company responded to the PUC's data requests.
  - 2. The PUC is expected to rule on the programs at their June 14 Open Meeting.
- B. Audits
  - 1. Karina Lutz expressed concern over the gap created by the excision of the internet audits from the program. She would have liked to see on-site audits substituted for the internet audits. John Farley would have preferred the Company solicit the position of the Collaborative on reallocating funds vs. elimination of funding.
  - 2. There are a few options going forward:
    - a. Gather more data to make the case for internet audits as an interim program addition, or as part of the 2009 program filing.
    - b. Observe demand for natural gas efficiency programs over the next few months to see whether more audits are needed.
    - c. Since audits look at both gas and electric consumption, money may be freed up for audits from the electric programs in September 2008 when least cost planning is introduced.

d. ACTION ITEM: Mark DiPetrillo will send a link to the on-line audit tool to the Collaborative.

C. Program Launch

1. Bob O'Brien and Mark DiPetrillo reported that training of call center staff, Business Service Office staff, and core marketing staff was taking place. Key Account manager training would be taking place over the next couple of weeks.
2. EnergyWise audits are integrated to identify both gas and electric efficiency options, and to provide information on both gas and electric programs. Small Business service and Large C&I Technical assistance study audits are not similarly integrated. Some Large C&I Project Expeditors do support steam trap replacement and selected other gas measures. There was some discussion about RISE/Thielsch's many businesses and whether that influences their recommending (or not) certain types of measures.

3. ACTION ITEM: RISE and LC&I TA vendors should be brought up to speed on expectations regarding integration of gas and electric programs so they can begin to highlight other kinds of opportunities in their audits or studies.

4. There have been some news stories in the Providence Journal. Company staff have had meetings with trade associations and retailers. Word of mouth is spreading.
5. Amount of demand is unknown. The first few months, feeding off the pent up demand and leading into winter are expected to be busy. There should be some time between final review and sign off.

D. Combined Heat and Power

1. Mark DiPetrillo summarized the discussion to date about establishing a tiered efficiency incentive for combined heat and power (CHP). He distributed a research summary.
2. A subgroup of the Collaborative will be convened to discuss the following three items and develop recommendations for the Collaborative:
  - a. Definition of CHP (to establish eligibility)
  - b. Calculate incentives
  - c. Define efficiency

3. ACTION ITEM: Mark DiPetrillo will send a meeting invitation to the Collaborative as a whole and Subgroup members will self-identify. Mark will also send out a link to the research document.

III. Year-to-Date Electric Program Update

A. Residential summary through April 2007

Program	Energy	Customers	Spending	Comment
Lighting	31%	23%	21%	Marketing (and more spending) in fall
Appliances	24%	20%	16%	Room A/C hasn't kicked in yet
Heating	7%	47%	43%	ECMotors are lagging, will pick up with gas marketing
A/C	12%	18%	11%	Cooling season coming
EnergyWise	29%	21%	20%	
LowIncome	34%	39%	42%	
ES Homes	119%	112%	43%	See below

B. Energy Star Homes.

1. The duct sealing threshold was set at 6% leakage or better. It was expected that 40% of the homes would comply, but 80% are complying. This has boosted savings and participation. Duct sealing is a lower cost item than other program components, so the Company expects to meet the participation target with duct sealing and have money available to serve more customers than projected.

2. ACTION ITEM: The Company will identify what % of Energy Star Homes participants are low-income.

a. 46% of completed jobs YTD are low income

C. Residential Metrics

1. The Energy Star Homes metric is tracking well (see the above discussion)
2. Residential non-Lighting also tracking well.

D. C&I Programs summary through June 5.

Program	Energy	Spending	Comment
SBS	53%	51%	Expect a slowdown in summer
D2000	44%	46%	Lighting projects early in year.
EI	45%	48%	Bigger projects in pipeline. We are watching spending

E. C&I Metrics

1. ACTION ITEM: Need to express YTD EI non-lighting as % of target of 4490 MWh.

F. Discussion

1. The Company adjusted some rebates for 2007. The most significant of these was in Compressed Air. The Company has not seen a big impact on savings from these rebate changes.
2. Bob Fagan is interested in a compendium of evaluation factors. He will look at the Company's Massachusetts Energy Efficiency Annual Report for a first look at these.

**IV. Avoided Cost Study Update**

- A. Jeremy Newberger gave a status report on the 2007 Avoided Energy Supply Component Study, being done for New England energy efficiency program administrators by Synapse Energy Economics. A draft report is due to be delivered by June 30.
- B. Jeremy compared energy and capacity values to values from the prior study, done in 2005.
  1. Energy values are about 40% higher (on a 15 year Levelized basis), due to higher natural gas prices, inclusion of a retail adder, and renewable energy credit value.
  2. Capacity values are about 40% higher. It is hard to identify the sources for differences because the capacity market structure currently being implemented is very different from that contemplated two years ago.

- C. Demand Reduction Induced Price Effects (DRIPE) represents the price effects of demand reduction. Capacity DRIPE is comparable to the values developed 2 years ago. For the first time, an energy component for DRIPE is being estimated in the present study. The energy DRIPE is larger than the energy value itself. Some Collaborative members expressed incredulity about the magnitude of DRIPE, saying that is a value that will not be seen by consumers. This may create a credibility gap.

1. ACTION ITEM: The Collaborative will consider DRIPE at a future meeting. In the meantime, the Company will obtain answers to questions regarding snapback, generator comparability, and developing a concise explanation for the PUC.

#### **V. Forward Capacity Market Update**

- A. The Company is submitting Qualification Package material to ISO-New England supporting its Demand Reduction Project of 25.8 MW for the first forward capacity auction. This material is due June 15.
- B. Qualification Package review will take place by October 15.
- C. Financial assurance payments will be due beginning in October.
- D. The first auction is scheduled for February 2008.

#### **VI. 2008 Advance Planning**

- A. There should be money in the budget to handle a surge in new construction of affordable housing funded by the bond issue (Karina Lutz).
- B. There should be money for integrated gas and electric audits in both residential and C&I programs (Karina Lutz)
- C. The residential heating program should continue for customers who use either gas or oil as a heating fuel (OER).

#### **VII. Calendar**

- A. 6<sup>th</sup> annual Sustainable Living Festival and Clean Energy Expo, June 9.
- B. People's Power and Light Anniversary Celebration. June 14.
- C. Upcoming Collaborative Meetings are as follows. All meetings will combine gas and electric issues, but the September and October meetings will focus on the development of 2008 electric program plans. Location TBA.
  - 1. Thursday, July 19, 9 am – 12:30 pm
  - 2. Thursday, September 6, 9:30 am – 3:30 pm
  - 3. Thursday, September 20, 9:30 am – 3:30 pm
  - 4. Wednesday, October 3, 9:30 am – 3:30 pm
  - 5. Thursday, October 18, 9:30 am – 3:30 pm
- D. The International Energy Program Evaluation Conference will be August 14-16 in Chicago, with workshops on Monday, August 13. See [iepec.org](http://iepec.org) for preliminary agenda and other details.

#### **VIII. The meeting adjourned at 12:25 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.

### B. From April 12

1. At a future meeting, there will be a full review of program offerings.
2. Program ideas for future years
  - a. 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. 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.
3. The Company will report on how much money has been received from ISO-NE transition period payments.
4. 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.
5. Bob Fagan asked that the Collaborative discuss long term planning to increase penetration.

## 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

July 11, 2007

Date

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

<b>Name/Address</b>	<b>E-mail Distribution List</b>	<b>Phone/FAX</b>
Laura Olton, Esq. Narragansett Electric Co. 280 Melrose St. Providence RI 02907	<a href="mailto:Laura.olton@us.ngrid.com">Laura.olton@us.ngrid.com</a>	401-784-7667
	<a href="mailto:Amy.rabinowitz@us.ngrid.com">Amy.rabinowitz@us.ngrid.com</a>	401-784-4321
	<a href="mailto:David.jacobson@us.ngrid.com">David.jacobson@us.ngrid.com</a>	
	<a href="mailto:Joanne.scanlon@us.ngrid.com">Joanne.scanlon@us.ngrid.com</a>	
William Lueker, Esq. Dept. of Attorney General 150 South Main St. Providence RI 02903	<a href="mailto:Wlueker@riag.ri.gov">Wlueker@riag.ri.gov</a>	401-222-2424
	<a href="mailto:David.stearns@ripuc.state.ri.us">David.stearns@ripuc.state.ri.us</a>	ext. 2299
	<a href="mailto:RDIMeglio@riag.ri.gov">RDIMeglio@riag.ri.gov</a>	401-222-3016
	<a href="mailto:Al.contente@ripuc.state.ri.us">Al.contente@ripuc.state.ri.us</a>	
John Farley, Executive Director The Energy Council of RI One Richmond Square Suite 340D Providence, RI 02906	<a href="mailto:jfarley316@hotmail.com">jfarley316@hotmail.com</a>	401-621-2240 401-621-2260
Andrew C. Dzykewicz RI Office of Energy Resources One Capitol Hill Providence RI 02908-5850	<a href="mailto:adzykewicz@gov.state.ri.us">adzykewicz@gov.state.ri.us</a>	401-222-7524 401-222-1260
Karina Lutz Director of Development and Advocacy Energy Consumers Alliance of NE dba People's Power & Light 17 Gordon Ave. Providence, RI 02905	<a href="mailto:karina@ripower.org">karina@ripower.org</a>	401-861-6111 x151 401-861-6115
Bob Fagan Synapse Energy Economics	<a href="mailto:rfagan@synapse-energy.com">rfagan@synapse-energy.com</a>	617-661-3248 617-661-0599

## 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

July 11, 2007

Date

**Docket 3790 – National Grid – Gas Energy Efficiency Programs  
Service List as of 4/19/07**

<b>Name/ Address</b>	<b>E-Mail Distribution</b>	<b>Telephone/ Facsimile</b>
Laura Olton, Esq. National Grid 280 Melrose St. Providence, RI 02907	<a href="mailto:Laura.olton@us.ngrid.com">Laura.olton@us.ngrid.com</a>	401-784-7667 401-784-4321
	<a href="mailto:Joanne.scanlon@us.ngrid.com">Joanne.scanlon@us.ngrid.com</a>	
Peter Czekanski, Director of Pricing National Grid 100 Weybosset St. Providence, RI 02903	<a href="mailto:Peter.Czekanski@us.ngrid.com">Peter.Czekanski@us.ngrid.com</a>	401-272-5040 401-751-0698
	<a href="mailto:djohnson@keyspanenergy.com">djohnson@keyspanenergy.com</a>	
Andrew C. Dzykewicz RI Office of Energy Resources One Capitol Hill Providence RI 02908-5850	<a href="mailto:adzykewicz@gov.state.ri.us">adzykewicz@gov.state.ri.us</a>	401-222-7524 401-222-1260
John R. McDermott, Esq. The Carriage House 90 Willett Rd. Saunderstown, RI 02874	<a href="mailto:JRMcDermott.law@gmail.com">JRMcDermott.law@gmail.com</a>	401-269-1198 401-294-4483
Michael McElroy, Esq. Schacht & McElroy PO Box 6721 Providence RI 02940-6721	<a href="mailto:McElroyMik@aol.com">McElroyMik@aol.com</a>	401-351-4100 401-421-5696
John Farley, Executive Director The Energy Council of RI One Richmond Square Suite 340D Providence RI 02906	<a href="mailto:jfarley316@hotmail.com">jfarley316@hotmail.com</a>	401-621-2240 401-621-2260
Samuel P. Krasnow 203 South Main St. Providence, RI 02903	<a href="mailto:skrasnow@env-ne.org">skrasnow@env-ne.org</a>	
	<a href="mailto:dmurrow@env-ne.org">dmurrow@env-ne.org</a>	



Roger E. Koontz, Esq. 15 High Street Chester, CT 06412	<a href="mailto:rkoontz@env-ne.org">rkoontz@env-ne.org</a>	860-526-4852
Karina Lutz, Dir. Dev. & Advocacy People's Power & Light 17 Gordon Avenue Providence, RI 02906	<a href="mailto:karina@ripower.org">karina@ripower.org</a>	401-861-6111 ext. 151 401-861-6115
Bob Fagan Synapse Energy Economics 22 Pearl Street Cambridge, MA 02139	<a href="mailto:rfagan@synapse-energy.com">rfagan@synapse-energy.com</a> <a href="mailto:twoolf@synapse-energy.com">twoolf@synapse-energy.com</a>	617-661-3248 617-661-0599
William Lueker, Esq. Dept. of Attorney General 150 South Main Street Providence, RI 02903	<a href="mailto:Wlueker@riag.ri.gov">Wlueker@riag.ri.gov</a> <a href="mailto:Sscialabba@ripuc.state.ri.us">Sscialabba@ripuc.state.ri.us</a> <a href="mailto:Dstearns@ripuc.state.ri.us">Dstearns@ripuc.state.ri.us</a> <a href="mailto:RDIMeglio@riag.ri.gov">RDIMeglio@riag.ri.gov</a>	401-222-2424 401-222-3016
<b>Original &amp; 9 copies with:</b> Luly Massaro, Commission Clerk RI Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888	<a href="mailto:lmassaro@puc.state.ri.us">lmassaro@puc.state.ri.us</a> <a href="mailto:sfrias@puc.state.ri.us">sfrias@puc.state.ri.us</a> <a href="mailto:tmassaro@puc.state.ri.us">tmassaro@puc.state.ri.us</a>	401-941-4500 401-941-1691