Jennifer Brooks Hutchinson
Senior Counsel

December 10, 2012

VIA HAND DELIVERY & ELECTRONIC MAIL

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

Re: Docket 4366 - 2013 Energy Efficiency Program Plan
Responses to Commission Data Requests – Set 1

Dear Ms. Massaro:

Enclosed are National Grid's[1] responses to the Commission's First Set of Data Requests concerning the above-referenced proceeding.

Please be advised that the Company is seeking protective treatment of confidential Attachment COMM 1-8 in response to Commission Data Request 1-8, as permitted by Commission Rule 1.2(g) and by R.I.G.L. § 38-2-2(4)(i)(B).

This filing also contains a Motion for Protective Treatment in accordance with Commission Rule 1.2(g) and R.I.G.L. § 38-2-2(4)(B).

In compliance with Rule 1.2(g), National Grid is providing one (1) complete unredacted copy of the confidential version of Attachment COMM 1-8 in a sealed envelope marked **"Contains Privileged and Confidential Materials – Do Not Release."**

Thank you for your attention to this filing. Please feel free to contact me if you have any questions concerning this matter at (401) 784-7288.

Very truly yours,

Jennifer Brooks Hutchinson, Esq.

Enclosures
cc: Docket 4366 Service List
Steve Scialabba, Division
Leo Wold, Esq.

[1] The Narragansett Electric Company d/b/a National Grid.

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Commission 1-1

Request:

The Plan on page 1 cites overall economic benefits of $231.9M over the life of the measures. Ms. Hutchinson's letter dated November 2, 2012 lists economic benefits of $462M. Which number is correct?

Response:

Both numbers are correct. The numbers refer to different measurements of economic benefits. First, the $231.9M cited on page 1 of the Plan is consistent with the total economic benefits calculated through the total resource cost test, presented in Table 1 on page 2. Second, the economic benefits of $462 million cited in the Company's filing letter refers to the increase in Gross State Product calculated using ENE's Engine of Economic Growth factors, described on page 8 of the Plan.

Prepared by or under the supervision of: Rachel Henschel

Commission 1-2

Request:

The plan on page 4 references a $66.3 million budget for electric energy efficiency programs. Ms. Hutchinson's letter references a $77.5 million budget for electric EE. What is the correct budget for electric EE programs? The same discrepancy exists for gas ($18.3 million versus $19.5 million).

Response:

Both budgets are correct. However, they refer to different budgets; namely, the implementation budget and the total budget. Page 4 of the EEP Plan references the electric program's implementation budget of $66.3 million. The Company's filing letter references the electric program's total budget of $77.5 million. Implementation budgets include program planning and administration, marketing, customer incentives, and sales technical assistance and training. In addition to those budgets, total budgets also include evaluation, shareholder incentive and commitment budgets. Table E-3 in Attachment 5 (Bates stamped page 252), and Table G-3 in Attachment 6 (Bates stamp page 261) illustrate the differences in the total budgets and the implementation budgets.

Prepared by or under the supervision of: Rachel Henschel

Commission 1-3

Request:

Please provide three examples of how the Company is integrating natural gas and electric energy efficiency programs so that customers have one point of contact.

Response:

Residential:

- In 2013, a new Program Manager will act as a single point-of-contact for multi-family customers. Along with a designated, vendor point-of-contact, the multi-family Program Manager will be able to speak to both gas and electric energy efficiency services, providing a seamless experience for customers.

- EnergyWise currently consolidates electric and gas energy efficiency. The first step, a home energy assessment, identifies weatherization opportunities regardless of heating fuel type. Electric lighting, smart power strips, and appliance savings are also addressed during the same assessment.

- The third example is with the HVAC program where a new lead vendor will be hired for 2013 replacing two separate lead vendors used in the past. Previously there was one lead vendor focused on gas heating systems and another lead vendor working on electric cooling systems. Under the one lead vendor model, outreach to HVAC contractors and supply house will encompass heating and cooling offerings.

Commercial/Industrial Projects:

Anytime a custom project is initiated (whether new construction or retrofit) with a commercial or industrial customer, National Grid's technical team works with the assigned engineering firm to explore both electric and gas saving opportunities, provided the customer has both National Grid gas and electric accounts.

Prepared by or under the supervision of: Michael L. McAteer, Angela Li, and Puja Vohra

Commission 1-3, page 2

- New Construction: Comprehensive Design Assistance ("CDA") is a custom path available to new construction projects greater than 100,000 sq. ft., and addresses an integrated electric and gas whole building approach. When a project is considered a good candidate for this path, the dedicated Company sales representative, along with the team of technical support meets with the customer to discuss the requirements of CDA that addresses both electric and gas measures. Electric and gas savings are calculated using energy modeling that accounts for interactive effects between electric and gas measures. After the benefit cost screening is conducted, electric incentives are paid from electric program and gas incentives are paid from gas program.

- Retrofit Project: Retrofit Initiatives like the Strategic Energy Management Plan ("SEMP"), Enhanced Municipal Initiative and Manufacturing Initiative, among others, are all designed to incorporate both electric and gas program offerings through one point of Company contact. A major Downtown Providence facility was a custom retrofit project that incorporated both gas and electric measures through a combined gas and electric Technical Assistance ("TA") study, and incentives were provided from both electric and gas programs. The National Grid Sales representative and the TA vendor worked together with the customer to develop a combined electric and gas integrated TA report that highlighted proposed integrated recommendations for the project.

Commission 1-4

Request:

Footnote 6, p.3 of the Plan. Please explain how participation is defined as unique billing accounts. Include in your response how this method of calculating participation differs from last year's method(s).

Response:

In early 2012, the Collaborative Subcommittee of the Energy Efficiency and Resources Management Council ("Collaborative") expressed interest in determining the penetration of the Company's energy efficiency ("EE") programs throughout the state by depicting program participation as a percentage of eligible population. The Company defined the eligible population as the number of customers, represented by the number of billing accounts. This data is readily available to the Company through its distribution business. Therefore, the Company proposed, and the Collaborative agreed that going forward, a participant will be defined as a unique billing account ID within a program. Currently, not all of the Company's EE programs capture enough information to determine a unique billing account ID associated with each application or rebate. For such programs, the Company and the Collaborative agreed to definitions that estimate participation best with the available information. The table below illustrates the 2012 and 2013 participant definitions for each program.

Program	2012 Participant Definition	2013 Participant Definition	Comments
Residential New Construction	Construction Job	Construction Job	Assumption is that each job is one home and has a unique billing account ID
ENERGYSTAR® HVAC	Rebate	Billing Account	The Company does capture billing account information with HVAC rebates.
EnergyWise	Audits	Billing Account	These are typically the same number, but the Company is refining the terminology for 2013.
EnergyWise Multifamily	Housing Unit	Housing Unit	Each apartment unit within a housing complex is assumed to be a separate participant. Typically, the only billing accounts captured in this program are those of the landlords, which does not reflect situations where many customers are served by one application

Prepared by or under the supervision of: Jeremy Newberger

Program	2012 Participant Definition	2013 Participant Definition	Comments
ENERGYSTAR® Lighting	Bulbs/3	Bulbs/5	The Company does not collect any account information with lighting rebates and buy-downs. Each participant is assumed to have a certain number of bulbs per home. The assumed number was updated in 2012 based on evaluation and savings goals.
ENERGYSTAR® Appliances	Rebate	Rebate	The Company does not collect any account information with appliance rebates. It is assumed that each customer gets one rebate for one appliance each year.
Home Energy Reports	N/A	Billing Account	
Single Family Income Eligible Services	Audits	Billing Account	These are typically the same number, but the Company is refining the terminology for 2013.
Income Eligible Multifamily	N/A	Housing Unit	Each apartment unit within a housing complex is assumed to be a separate participant. Typically, the only billing accounts captured in this program are those of the landlords, which does not reflect situations where many customers are served by one application
Large Commercial New Construction	Billing Account	Billing Account	
Large Commercial Retrofit	Billing Account	Billing Account	
Small Business Direct Install	Billing Account	Billing Account	

Commission 1-5

Request:

Which utilities were considered in the budget comparison referred to on Page 4 of the Plan?

Response:

During the 2012-2014 EE Procurement planning process, the Company compared cost-of-saved energy with an average of all utility program administrators in Massachusetts, including NSTAR, National Grid's Massachusetts affiliate (separately from the Massachusetts statewide average), Vermont Gas, Efficiency Vermont, and an average of all utility program administrators in Connecticut.

Prepared by or under the supervision of: Rachel Henschel

Commission 1-6

Request:

When does the Company anticipate the phone number and webpage will be ready (referenced on Page 6 of the Plan)?

Response:

The Company plans to have the single phone number ready in the second quarter of 2013.

Commission 1-7

Request:

Attachment 1, Pages 25. Who is the lead vendor for the Home Energy Report Program?

Response:

The lead vendor for the proposed Home Energy Reports Program is OPOWER. The vendor was selected after a Request for Information was sent to 19 suppliers and respondents were evaluated based on meeting program participation and savings goals, program design and experience, costs, and deployment capabilities.

Prepared by or under the supervision of: Rachel Henschel

Commission 1-8

Request:

Please provide a copy of the memorandum of understanding referenced on Page 7 of the Plan.

Response:

Please see Attachment COMM 1-8. Because the attached Memorandum of Understanding contains confidential customer information, the Company is providing a redacted copy of Attachment COMM 1-8 for the public filing, and is providing a confidential copy of Attachment COMM 1-8 to the Commission along with a Motion For Protective Treatment.

Prepared by or under the supervision of: Michael L. McAteer and Puja Vohra

STRATEGIC ENERGY MANAGEMENT PLANNING (SEMP) INITIATIVE

Memorandum of Understanding
Between
National Grid and [redacted]

This Memorandum of Understanding memorializes the understanding of
National Grid
and
[redacted]
with respect to certain energy efficiency undertakings as set forth below.

1. BACKGROUND

[redacted] and National Grid have begun discussions regarding the [redacted] participation in a planned energy efficiency initiative. This new multi-year energy efficiency initiative ["Strategic Energy Management Planning (SEMP) Initiative] by National Grid provides its top quartile customers with an opportunity to conduct a multi-year approach to planning energy efficiency opportunities for their portfolio of building projects that map more closely to their budgeting process and overall mission.

[redacted] and National Grid spent the early part of 2012 to discover former transaction process issues for energy efficiency projects that [redacted] pointed out as a big barrier to pursue deeper participation in energy efficiency programs. This discovery phase lead National Grid to understand [redacted] financial and social motivations for energy efficiency capital spending which will be used to channel this Initiative to support energy and non-energy activities.

The [redacted] campus has approximately six million square feet of footprint in National Grid's territory in Rhode Island. The [redacted] is part of the International Sustainable Campus Network, with the greenhouse gas reduction goals of 42% below 2007 levels for existing buildings and reducing energy consumption of newly constructed facilities to between 25-50% below state code. Through the SEMP initiative, National Grid aims to contribute to [redacted] Sustainability goals.

2. PURPOSE & SCOPE OF MOU

National Grid and [redacted] are entering into this non-binding MOU that sets forth the understandings of the parties and clearly identifies the roles and responsibilities of each party as they relate to energy efficiency upgrades of [redacted] existing facilities and new construction projects located in Rhode Island, over a period of two and a half years, starting July 2012 to December 2014. This MOU pertains to the campus projects that are located in National Grid's service territory for electric and gas accounts.

In particular, this MOU is intended to:

- Establish a special offering of an integrated technical, financial and operations support by National Grid to [redacted] portfolio of existing and new buildings.

- The goal for existing buildings is a total energy use reduction of [redacted] Million kWh and [redacted] DTh with a minimum investment of $[redacted] for the next 36 months (i.e. [redacted] annual kWh and [redacted] annual DTh with annual $[redacted] investment) by [redacted] to support these energy efficiency upgrades. (See next section for prioritization of buildings that will be targeted for detailed technical analysis including HVAC, lighting, controls, Energy management controls etc).
- The goal for New Construction Buildings is a total energy use reduction that exceeds RI State Building Energy Code by at least 25% and a minimum investment over the next 36 months by [redacted] dependent on [redacted] construction schedule.
- Engage the highest levels of decision makers at [redacted], to understand their financial and social motivations for energy efficiency capital spending, and then to channel this initiative to support energy and non-energy activities.
- Increase energy efficiency savings of the campus buildings, improve human comfort and reduce the overall carbon footprint of the campus.
- Reduce costs to [redacted] through reduction in annual utility bills, improved operations, and reduction in maintenance costs.

The benefits offered through this energy efficiency initiative ["Strategic Energy Management Planning (SEMP) Initiative"] are as follows:

- National Grid will work collaboratively with [redacted] to develop a Strategic Energy Management Plan consisting of a road map to meet their Sustainability goals pertaining to building energy efficiency
- Comprehensive project management and technical assistance based on an integrated, whole building analysis and integration of new technologies that enables the full development of the asset value of the University
- Deeper and broader energy savings potential for [redacted]
- Potential higher incentive structure than the existing standard National Grid energy efficiency programs
- Bundling of measures to ensure most EE measures pass National Grid's cost screening tool
- Streamlined and efficient transactional process that may include the following:
    a. Priority and fast turnaround time for application process and project implementation
    b. Upfront determination of incentive amount for energy efficiency retrofit projects based on a fixed dollar amount per gross kWh and Therm saved.
    c. Upfront determination of incentive amount for energy efficiency new construction and major renovation projects based on energy savings performance, affected building space (i.e. sqft), or percent of incremental cost - TBD)
    d. Determination of a fixed cost/savings for Technical Assistance (TA) Studies
    e. Single National Grid point of contact
- Higher utility bill savings and lower maintenance for [redacted], as a result of deeper investment in energy efficiency projects
- Publish [redacted] as a leader in high performance building practices and becoming an early adopter of the SEMP Initiative
- Assist [redacted] in other non-energy activities as listed in section "additional optional package" of this document.

Prioritization of Buildings: Within 15 days of signing the MOU, National Grid and [redacted] will conduct at least two meetings to prioritize the campus buildings that will be considered for analysis within this MOU period. The prioritization of buildings could be based on the following criteria:

- Building square feet
- Energy use intensity
- Building type and usage
- Status of building diagnostics (whether under audit, TA assessment etc)

Governance: A hierarchy of teams with representatives from [redacted] and National Grid are expected to work together to deliver the goals of this MOU:

Executive Team: Will set overall vision and policy; execute program contracts/agreements, meet quarterly to track MOU progress.

Management Team: Manage day-to-day issues; approve projects, monitor progress; meet monthly (or on as needed basis). Depending on [redacted] requirements, separate management teams for existing buildings and New Construction may need to be formulated

The Executive and Management Teams agree to meet every six months to re-assess MOU goals, the incentive and cost structure, the process for delivery of program services and assistance and/or other MOU terms that may need to be amended.

This non binding MOU agreement can be extended beyond December 2014 by mutual agreement between [redacted] and National Grid. There will be an incremental increase in energy saving goals and associated financial support. In this case, an updated memo with revised goals will be signed by all parties.

All parties agree to make reasonable efforts to fulfill the responsibilities outlined in the sections below.

3. STRATEGIC ENERGY MANAGEMENT PLANNING

Through a collaborative effort with [redacted], National Grid will structure the initiative in such a way that will optimize the benefits to the University and help establish a Strategic Energy Management Planning (SEMP). The understanding of the organizational chart and identification of key decision makers (financial and facilities) will provide a platform to integrate the university's and utility's efforts towards the SEMP. Through interviews with the appropriate staff at [redacted] National Grid will gather information on their current financial models, current expenditure on O&M and conduct on-site surveys of the facilities to gain a high-level understanding of the major mechanical and electrical systems.

SEMP Initiative primarily consists of three main components:

- Strategic Master Planning: Development of portfolio/campus level goals and energy action plans, phased and integrated within larger capital plans.
- Building level comprehensive assessment: Development of building scale energy action plans outlining potential energy conservation measures and/or efficiency measures (HVAC, lighting, envelope, etc) and the financial implications of implementation.

- Project Management: Assistance with projects and full engagement from kick-off to implementation.

[redacted] has indicated National Grid's assistance in the latter two components of the Initiative.

National Grid will assign a dedicated team of one Project Manager to provide comprehensive program management and one technical assistance team to provide comprehensive technical services to [redacted] The primary objective of this dedicated team is to support [redacted] through the multi-year energy planning process, in an effort to effectively and efficiently meet pre-determined energy savings and sustainability goals of the college as outlined in this agreement: including assessing infrastructure, improving the efficiency of campus operations, and integrating appropriate technology. In addition, National Grid will provide guidance and engineering support to assist [redacted] efforts to engage in and implement non-energy sustainability measures and endeavors that effect water usage, waste management, recycling, alternative fuel vehicles and transportation, education, living labs and community initiatives.

Project Management Services[1] may include:

- Strategic guidance, facilitation and communication among all program participants, on a continuous basis, to refine program objectives and guidelines and report on program progress;
- Collaboration with [redacted] and National Grid on developing a long-term energy plan "road map", financial re-investment plan for future building upgrades, O&M guidelines and budgets, and yearly re-assessments of SEMP projects and budget;
- Assessments of existing building baselines that will be targeted as a SEMP project, coordination of M&V activities (See section on M7V below)
- Facilitation and coordination of technical support services provided by National Grid and dedicated TA Vendor;
- Coordination with National Grid on providing building operator training and other non-energy components outlined in this agreement;
- Scheduling and oversight of TA Vendor services, to include existing building commissioning (EBCx) and TA studies to identify potential EE projects for targeted buildings on campus, and on-going technical review;
- Coordination with designated [redacted] campus operation and maintenance personnel, TA vendor, hired contractors/installation vendors and assigned National Grid leads for program delivery and implementation of electric and gas energy efficiency measures (EEMs);
- Facilitation of the application process for each targeted building, submission and follow-through to post-inspection and incentive payments by National Grid.

Comprehensive Technical Assistance (also known as TA studies) may include (but not limited to) the followings types of services. The process involved in each of these services (or additional services) can be developed during the course of this initiative, through discussions with decision makers:

1. On-site energy assessments and retro-commissioning
2. Building Benchmarking and tracking
3. Technical review and analysis, building simulations, (or other forms of analysis) to determine integrated energy efficiency measures, especially HVAC systems, energy management controls, lighting & controls etc
4. Development of baseline consumption statistics
5. Building commissioning
6. Life cycle cost analysis
7. Development of a comprehensive energy plan
8. Innovative technology assistance (if required)

Submetering, Measurement and Verification (M&V) Offering:
This initiative will offer M&V Assistance so as to:

- Provide [redacted] with support to help identify needed building level sub-metering hardware and software upgrades and methods to collect and analyze baseline consumption data
- To help verify savings for a targeted group of buildings within the campus

Financial Assistance:

1. A not to exceed amount of [redacted] for sub-metering financial assistance will be offered for building level sub-metering hardware and software assistance;
2. Individual Measure or Project Level M&V assistance may be offered for a fixed $/saving depending on cost associated with project TA Vendors and Tech Rep Managed Commissioning

4. ENERGY SAVING GOALS

Within the terms of this MOU, the goal for existing buildings is a total energy use reduction of [redacted] and [redacted] with a minimum investment of [redacted] for the next 36 months (i.e. [redacted] annual kWh and [redacted] annual DTh with annual [redacted] investment) by [redacted] to support these energy efficiency upgrades.

Energy Saving Goals	2012	2013	2014
Minimum Electric (kWh) Goals	[redacted]	[redacted]	
Minimum Gas (DecaTherm) Goals	[redacted]		

Within the terms of this MOU, National Grid will assist [redacted] in meeting their goal in reducing energy consumption of newly constructed facilities to between 25-50% below RI State Commercial Building Energy Code.

A tracking mechanism will be developed during the course of this initiative to track the progress of the MOU.

5. FINANCIAL INCENTIVE PACKAGE

National Grid will endeavor to provide [redacted] with incentives for electric and gas savings based on a fixed amount per kWh/Therm[2] (per table below) for existing building projects.

MOU Year	Incentive Amount ($/kWh)	Incentive Amount ($/Therm)
2012	[redacted]/kWh	[redacted]Therm
2013	[redacted]kWh	[redacted]/Therm
2014	[redacted]kWh	TBD

Technical Assistance (TA Studies)
In addition to the incentives package for implementation of energy efficiency upgrades, this initiative will offer $[redacted]kWh saved and $[redacted]/Therm saved for installed energy efficiency measures for TA/RCx Studies[3], to be conducted by Engineering firms selected by National Grid and/or [redacted]

New Construction Projects
National Grid will endeavor to provide [redacted] with incentives for new construction building projects that exceed the current RI State Commercial Building Energy Code (2009 IECC with reference to ASHRAE 90.1-2007, effective July 1, 2010) by at least 25%.

The incentive amount for energy efficient new construction or major renovation building projects is based on National Grid's standard new construction programs. Enhanced incentives will be offered for demonstrated energy-saving innovative technologies that are incorporated into the building design and will be negotiated separately.

National Grid will provide a Technical Service Consultant or appropriate National Grid Representative to participate in initial design and construction meetings for new construction projects with the intent to pro-actively engage with [redacted] Project Managers/ Engineers and hired A&E firm. The objective of this complimentary resource is to better ensure that [redacted] with consult from their A&E firm, specifies whole building systems that will optimize energy savings and that will exceed building energy codes by 25%, by using state-

[2] Incentive amounts are subject to constraints based on project cost. kWh incentive amounts are based on an average measure life of 11 years.
[3] The TA Study cost offer assumes that [redacted] is paying for the TA Study upfront. The $/kWh saved and $/Therm saved offer will be added to both the electric and gas incentive payment, respectively, after completion of the project once all measures are installed, post inspected and approved for payment.

of-the-art technologies and design that have been demonstrated and result in applicable non-energy benefits needed to meet criteria for LEED™ Silver or Gold certification; and that further [redacted] goals for sustainability and greenhouse gas emissions.

Features of SEMP Initiative Incentive Package
The main features of the SEMP incentive package are as follows:

1. *Project based screening versus measure based screening*: According to the existing utility incentive structure, projects are screened for cost effectiveness based on each measure (example - lighting, HVAC controls, etc) and not all measures pass the screening for cost effectiveness. However, through this initiative, projects will be screened for cost effectiveness using a whole building approach. This integrated screening improves the probability that most measures will pass the cost effectiveness screening test. As a result of bundling measures per building, some administrative time may be reduced due to reduction in applications.
2. *Upfront determination of incentive amounts for each project*: The modified screening process[4] and the fixed amount per kWh & Therm savings ensure an upfront determination of incentive amount for each project. This enables the project team to better plan for implementation of measures.
3. *Elimination of incentive cap per project*: Existing utility incentive structure has an annual cap of incentives per account. However, SEMP Initiative incentive structure has no annual cap per account and allows projects to invest in deeper energy efficiency.

Special Offering for Innovative Technology
In addition to the above incentive package, higher incentive levels will be offered for demonstrated energy-saving innovative technology and will be negotiated separately. The higher incentive will be based on type of technology, cost effectiveness, and associated energy savings and will be determined on a case-by-case basis during the course of this Initiative.

6. ADDITIONAL OPTIONAL PACKAGE

In addition to the technical and financial support described in this MOU, National Grid and [redacted] will work to identify additional energy and sustainability services including:

- Education and Trainings (Building Operator Certifications and/or other staff trainings)
- Marketing materials, press releases, case studies etc to highlight [redacted] status as an early adopter and leader in high performance building practices
- Research studies related to energy and sustainability topics, on an as-needed basis
- Coordination with [redacted] on LEED and/or ENERGY STAR certification in achieving energy related credits
- Coordination with State and Federal programs and other financing options
- Considerations for renewable energy installations
- Considerations for improved sustainable transportation practices on the campus that take advantage of improved fleet and campus vehicle operations, including alternative fuel vehicles and electric vehicle charging stations.

[4]All measures bundled together for each building will be subject to this screening to determine accurate incentive levels.

- Non-energy measures and practices that effect water usage, waste management, recycling, [redacted] supply chain for new construction and retrofit building projects
- Collaboration on [redacted] vision to develop into a campus of "Living Labs"
- Community Initiatives and educational opportunities that will serve as a catalyst to engage community leaders to build awareness about and advocate for sustainability and energy efficiency practices in local businesses

7. PARTIES ROLES AND RESPONSIBILITIES

National Grid
National grid will endeavor to accomplish the following:

- Conduct a discovery phase through interviews with [redacted] staff and review of current building assessments
- Provide incentives to [redacted] per financial package agreement listed above
- Work collaboratively with [redacted] management to meet the company's energy and environmental targets
- Provide project management and comprehensive technical analysis based on whole building approach
- Provide a program delivery methodology including documentation procedures, energy saving calculations, post inspection of equipment, incentive payment process etc.
- Provide technical support to assist [redacted] in creating M&V Plans for selected buildings on campus
- Provide funding to support sub-metering installations and M&V Plans per Sub-Metering Financial Assistance agreement listed above
- Conduct monthly/quarterly meetings with decision makers at [redacted] to track progress of the initiative. (Appendix C provides a sample tracking sheet).
- Support [redacted] with additional non-energy support as detailed out in 'additional optional package' section
- Provide a multidisciplinary team consisting of but not limited to a Program Manager and a dedicated technical support team.

[redacted]
In supporting National Grid in this initiative, [redacted] will endeavor to accomplish the following:

- Participate in the development of a multi-year road-map to energy planning that aligns with the [redacted] mission and Sustainability goals.
- Work with National Grid regarding on-site assessments and baseline development for selected campus building projects, including Existing Building Commissioning services in agreed upon buildings.
- Work with National Grid on the installation of submetering
- Implement a minimum of [redacted] annual kWh and [redacted] annual DTh savings (baseline year 2011) for a period of two and a half years for existing building retrofits

- Invest in a minimum of $[redacted] amount annually (based on high level scoping study)
- Assist National Grid with providing specific information about the company in terms of financial goals, energy saving goals, O&M goals etc
- Attend monthly/quarterly meetings with National Grid team to track progress of the initiative.
- Assist National Grid in planning the implementation of project upgrades
- Work with National Grid to include them as users of [redacted] and jointly monitor/track progress of energy efficiency project transactions for selected buildings.
- Allow National Grid to participate in the design phase of new construction projects, to better ensure optimization of energy savings using state-of-the-art technologies and design, and consideration of applicable non-energy benefits.
- Designate physical plant operators, project engineers or campus maintenance staff to participate in BOC Level I or Level II training or accredited building commissioning training certification.

National Grid will issue binding agreement in the form of an offer letter for each project. Payment will be issued at the completion of each project[5].

The parties acknowledge that they will continue good faith negotiations but that neither party shall be obligated to make any expenditure. The parties further acknowledge that neither this MOU, nor its acceptance, constitutes a legally binding or enforceable agreement of either [redacted] or National Grid. Either party may terminate this MOU for any reason or no reason upon thirty (30) days prior written notice. The parties agree that if National Grid terminates this MOU, any and all energy efficiency projects with a National Grid offer letter under this initiative will be honored under the pay structure of this agreement.

The parties further agree that no party will, without the prior written consent of all the parties hereto, make any official public statement, media announcement or any publicity of this MOU or any matters described or contemplated herein.

[5] During the course of this initiative, the team can establish whether payment will be done after every measure is installed or after all measures are installed in a building post commissioning.

EFFECTIVE DATE AND SIGNATURE

This MOU shall be effective upon the signature of [redacted] and National Grid authorized officials. It shall be in force from July 1, 2012 to December 31, 2014. [redacted] and National Grid indicate agreement with this MOU by their signatures.

[redacted]	**National Grid**
[redacted] Signature	Michael McAteer Digitally signed by Michael McAteer DN: cn=Michael McAteer, o=National Grid, ou=Commercial Energy Efficiency, email=michael.mcateer@us.ngrid.com, c=US Date: 2012.07.16 16:20:17 -04'00' Signature
[redacted] Name	Name
Director Title	Title
7/17/12 Date	Date

Commission 1-9

Request:

Please define "super insulation" from Page 9 of the Plan.

Response:

Super-insulation is defined as the insulation of homes/buildings that exceeds the requirements of the existing building energy code. Super-insulation is the path toward a super-efficient building, which is promoted for energy savings and because the subsequent HVAC system can be downsized as a result of a decreased heating/cooling load.

Prepared by or under the supervision of: Michael L. McAteer and Angela Li

Commission 1-10

Request:

Has ENE updated the 2009 job growth study cited in Footnote 11 (Page 8 of the Plan)? If yes, please provide the Commission with a copy of this study.

Response:

To the best of the Company's knowledge, ENE has not updated the job growth study.

Prepared by or under the supervision of: Jeremy Newberger

Commission 1-11

Request:

Page 9 of the Plan. When do you anticipate completing the study relating to the business and employment impacts of ratepayer funded energy efficiency investments?

Response:

The Company anticipates that the study relating to the business and employment impacts of customer funded energy efficiency investments will be completed by the end of March 2013.

Prepared by or under the supervision of: Jeremy Newberger

Commission 1-12

Request:

Page 11 of the Plan states that EnergyStar programs are implemented in collaboration with other regional utilities. Is the cost of these programs shared with other utilities, and if so, how is it shared?

Response:

The RI ENERGYSTAR® Products program works with Northeast Energy Efficiency Partnerships (NEEP), a non-profit organization that works to accelerate energy efficiency in the Northeast and Mid-Atlantic States, as well as other energy efficiency program administrators. NEEP works with state and utility partners to approach manufacturers and retailers so that the offerings are similar throughout a region thereby creating less confusion for the retailers and manufacturers. Costs for this effort are shared between all parties based on the number of residential customers each program administrator serves.

Prepared by or under the supervision of: Michael L. McAteer and Angela Li

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Commission 1-13

Request:

Attachment 1, Page 45-49. Please explain in narrative what the charts on pages 45 through 49 indicate?

Response:

The charts on pages 45-49 of Attachment 1 describe the measure offerings for each residential electric and gas program and the corresponding incentive amounts incorporated in the 2013 EEP Plan. The planned measure categories are listed in the column labeled "Measure" and are grouped by program. A measure category can be made up of many individual measures that share savings assumptions. The column labeled "Units" lists the quantity or number of units associated with each measure category planned for installation in 2013. The column labeled "Incentive" likewise lists the planned customer incentive. For programs that offer customer rebates or buy-downs, the planned incentive per unit is illustrated.

Prepared by or under the supervision of: Rachel Henschel

Commission 1-14

Request:

Attachment 1, Page 43. As of today's date, have any remote heating or cooling systems been deployed as part of the Company's ratepayer funded energy efficiency programs or measures? If not, when does the Company expect to begin deploying this technology?

Response:

The Company has installed 87 remote communicating thermostats in Rhode Island. The installations and technologies were funded by the programs listed in the table below.

Year	Program	Fuel	Units
2011	Building Practices and Demonstration Program	Gas	25
2012	Residential Behavior Pilot	Electric	25
2012	Residential Products Pilot	Electric	14
2012	ENERGY STAR® HVAC Program	Gas/Electric	23
	Total		**87**

In 2012, the Company offered remote heating and cooling systems (communicating thermostats) as an energy efficiency measure within the HVAC ENERGY STAR® program. A 2012 study which included 25 Rhode Island pilot participants, demonstrated the technology saved 8% on heating and 16% on cooling energy costs by replacing a programmable thermostat with a communicating thermostat.

The Company is piloting advanced communicating thermostat technology in 2012-2013 that will allow customers to have expanded thermostat features and technology beyond interfacing the thermostat remotely. Customers will have the ability to monitor and understand their homes' electric usage in real time using existing AMR meters. The thermostat or web portal will possess and communicate the following advanced features to the customer:

- Real time electrical usage
- Usage displayed hourly, daily, weekly and monthly, electricity rate, kWh and dollars consumed during each interval
- Comparison of homes in the area based on temperature set points, HVAC equipment run time, outdoor air temperatures
- Bill alert dispatched if the customer exceeds their monthly budget projection
- Thermal load profile of the home which will be displayed by the web portal

Prepared by or under the supervision of: Jeremy Newberger

Commission 1-15

Request:

Has the Company conducted its own (in-house) evaluation of the savings achieved from energy efficiency programs rolled out in 2012? If yes, what are the results of that evaluation?

Response:

The Company tabulates savings achieved from energy efficiency programs rolled out in 2012 on an ongoing basis using the assumptions and methodologies contained in the 2012 Rhode Island Technical Reference Manual. These are primarily based on evaluations of numerous prior year programs. This information is considered the most relevant and up-to-date for application in the tabulation of current year 2012 savings.

The Company cannot conduct evaluations of any 2012 programs or program components until the program year is completed and the population is known from which to draw a sample. Appendix 3 contains a list of evaluation studies the Company plans to work on in 2013. Not all programs are studied every year; instead, selected programs are chosen for evaluation based on several factors, including the time since the last evaluation, the amount of savings expected from the program, the variability or stability of prior evaluation results, and the magnitude of the evaluation budget. The results from new studies will be combined with the most recent evaluations of other programs to inform the savings estimates for the 2014 program year.

Prepared by or under the supervision of: Jeremy Newberger

Commission 1-16

Request:

Last year the Commission approved a 10% shareholder incentive for the acquisition of outside funding for energy efficiency programs. Did the Company secure any such funding? If yes, please identify the source(s).

Response:

The Company did not secure any outside funding for energy efficiency programs in 2012, and therefore, is not eligible to receive the 10% shareholder incentive approved by the Commission for the acquisition of such funds.

As noted on page 26 of the Plan, the Company proposed and the Parties agreed to eliminate this component of the incentive in 2013. The Company will continue to explore outside funding opportunities, but will do so without an incentive.

Prepared by or under the supervision of: Jeremy Newberger

Commission 1-17

Request:

Attachment 2, Page 2. Approximately how long does it currently take for a technical assistance ("TA") study to be completed?

Response:

A Technical Assistance (TA) study typically ranges from two weeks to three months. The high amount of variability is related to a large number of variables, including but not limited to - project complexity, type of technology, availability of a customer's facility contact person, and time required for pre-installation metering and data collection.

Prepared by or under the supervision of: Michael L. McAteer and Puja Vohra

Commission 1-18

Request:

Attachment 2, Page 5. Has the Company selected the hospital for the SEMP initiative? If not, how will the Company make this selection?

Response:

The Company has not selected a hospital customer for the SEMP Initiative. The following criteria are used when selecting a SEMP customer:

- The customer has a usage of greater than 750 kW of peak demand load, with a portfolio of buildings in Rhode Island

- Customer has had a reasonably high volume of applications when it comes to past participation in National Grid's energy efficiency programs

- Customer's existing facilities have a potential for deeper savings, and that the customer has a desire for high performance new construction buildings

- Customer and the Company's sales rep hold a good relationship in regards to energy efficiency programs

- Customer has a certain level of sophistication in terms of staffing, internal processes, and a commitment to improving performance of their buildings

Prepared by or under the supervision of: Michael L. McAteer and Puja Vohra

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Commission 1-19

Request:

Attachment 2, Page 18. Please explain the specific savings (type, quantity, numerical value) that will be claimed by the Company for each Rhode Island customer who participates in the BOC training.

a. Please explain how the Company arrived at this per customer/trainee savings.
b. Please cite the chart/table where these savings are listed.

Response:

a. In 2005, RLW Analytics prepared an impact and process study on the Building Operator Certification ("BOC") program that the Northeastern Energy Partnerships ("NEEP") had been running since 2000. The report determined average gas, electricity, and water savings per square foot of participants' buildings: 0.003 MMBtu, 0.20 kWh, and 0.235 gallons, respectively. To yield the savings per participant inputs needed for our Benefit-Cost models, the values from the report were multiplied by the average square footage of the buildings operated by participants in the National Grid BOC program in 2012. These claimed savings per participant for gas, electricity, and water were 334.1 MMBtu, 22,273 kWh, and 26,171 gallons, respectively.

   Please note that the Company deducted from the evaluation's average gas savings from measures that the Company currently incentivizes that were not in place at the time of the evaluation. Specifically, the Company included in the calculations only the average gas savings associated with boiler maintenance and excluded gas savings associated with insulation and HVAC controls. The claimed electricity and water savings represent average savings from the entire electrical training part of the program, and encompass such actions as maintenance of air handlers, motors, air compressors, and control of lighting and HVAC. The claimed savings, source document, and additional details can be found in the 2013 Rhode Island Technical Reference Manual on page M-181.

   The 2013 Rhode Island Technical Reference Manual is available at the link provided in the 2013 EEP Program Plan: http://www.nationalgridus.com/non_html/eer/ri/2013%20RI%20Technical%20Reference%20Manual.pdf.

Prepared by or under the supervision of: Jeremy Newberger

Commission 1-19, page 2

Because of the volume of this document, a copy is also being provided with this response on CD-ROM as Attachment 1-19-1. In addition, copies of the executive summaries of the evaluation studies that support the Plan are attached as Attachment 1-19-2.

b. The source for the data used in determining our savings inputs can be found in Table 27 of "RLW Analytics (2005) Impact and Process Evaluation Building Operator Training and Certification (BOC) Program." This evaluation study is provided as Attachment 1-19-3.

Prepared by or under the supervision of: Jeremy Newberger

Attachment COMM 1-19-1
Attachment COMM 1-19-2
Attachment COMM 1-19-3

Due to the voluminous nature of these documents, the Company is providing these attachments on CD-ROM.

Commission 1-20

Request:

Attachment 2, page 23. Does the Company's 2013 EEPP include a proposal for the development of a stretch code?

Response:

The Company's 2013 EEPP doesn't include a proposal for the development of a stretch code. The Company is in its very early stages of discussion with the Rhode Island Code Commission regarding a possibility of developing a voluntary stretch code in Rhode Island. It is ultimately up to the Rhode Island Code Commission to decide whether or not to adopt the stretch code.

Prepared by or under the supervision of: Michael L. McAteer and Puja Vohra

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Commission 1-21

Request:

True or false: A stretch code would be a separate, voluntary building code with stricter energy efficiency requirements.

a. How is a "voluntary" code enforced? Do penalties exist for non-compliance?
b. Would the addition of another set of building code requirements be more difficult and confusing for building inspectors to enforce?

Response:

True. The Company offers the following responses:

a. The Rhode Island Code Commission has not worked out the details of enforcement of a voluntary code and the types of penalties that may exist for non-compliance. It is ultimately a decision by the Rhode Island Code Commission to adopt a separate, voluntary building code with stricter energy efficiency requirements, and to lay out the enforcement requirements.

b. In the instance in which there is a voluntary stretch code available to projects, there will be support from the Rhode Island Code Commission and the Company (in the form of trainings, documentation, etc.) to assist project teams to comply with this stretch code, and for building officials to enforce the code. This support will reduce difficulty and confusion for building inspectors to enforce the stretch code.

Prepared by or under the supervision of: Michael L. McAteer and Puja Vohra

Commission 1-22

Request:

Page 23 of the Plan states, "the Company assisted …in incorporating legislative provision for voluntary third party inspections." Did the R.I. General Assembly pass legislation endorsing or approving the development of a stretch code? If yes, please provide a copy of the legislation.

Response:

No, the Rhode Island General Assembly has not yet passed legislation endorsing or approving the development of a stretch code. The Company, along with North East Energy Efficiency Partnerships ("NEEP") assisted the Rhode Island Code Commission in defining the requirements of the voluntary third party inspections for potential future legislation.

Commission 1-23

Request:

Attachment 2, pages 21-22. When the Company refers to "code compliance support," is it referring solely to the development of a stretch code or to a number of initiatives dealing with building code compliance (including a stretch code)?

Response:

The Company is referring to a number of activities dealing with building code compliance support for the base code ("IECC version"). Specific activities, also listed in Attachment 2, page 23 of the Plan, include trainings, circuit riders, third party inspection support and documentation support.

In addition, the Company will spend some level of effort in 2013 to assist the Rhode Island Code Commission in the development of a voluntary stretch code. If the stretch code does get adopted, the code compliance support activities mentioned above will also be applicable for the voluntary stretch code.

Prepared by or under the supervision of: Michael L. McAteer and Puja Vohra

Commission 1-24

Request:

How far along is the development of a stretch code, and when is it expected to be completed?

Response:

The development of the stretch code is in its very initial stages. There will be no energy savings claimed by the Company in 2013 as a result of the development of a stretch code or adoption of a stretch code. Energy savings may be claimed by the Company in subsequent years, if and when the stretch code does get adopted.

As mentioned in the Company's responses to Commission Data Requests 1-21, it is up to the Rhode Island Code Commission to decide whether or not to adopt a stretch code. And as mentioned in the Company's responses to Commission Data Requests 1-22 and 1-23, the Company will assist in the development of stretch code requirements by providing technical assistance to the Rhode Island Code Commission, which include energy simulations and benefit cost analysis. The time frame for completing the development of a stretch code has not been determined.

Prepared by or under the supervision of: Michael L. McAteer and Puja Vohra

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Commission 1-25

Request:

Attachment 2, pages 24-25. Please explain the meaning of a 40% attribution rate within the context of code compliance savings.

Response:

An attribution rate of 40% means that the Company will receive credit for 40% of the savings expected from code compliance activity. Tables 1 and 2 on Attachment 2, page 25 show the total expected savings from improving compliance over four years and the savings the Company would receive credit for – 40% of the total – for completing the specified code compliance activities listed in Table 3.

The percent savings attributable to the Company's code compliance support adjusts for:

- Naturally Occurring Market Adoption ("NOMAD"): The proportion of savings or application of measures equivalent to the code that would have taken place in the market without influence of a program; and

- Attribution Rate: Determination of the amount of the energy savings that should be credited to the Company's efforts in the code compliance support

The Company's assumption is that 40% of statewide savings can possibly be attributed to the Company's effort, based on similar discussions in other states. The Company has assumed a value of 40% attribution based on its close working relationship with the Rhode Island Code Commission, and that it is the sole electric and gas company working in that space in Rhode Island. A working group (as mentioned in Attachment 2) will be formed in first quarter of 2013 to establish a methodology for estimating the attribution rate for subsequent years.

Prepared by or under the supervision of: Jeremy Newberger

Commission 1-26

Request:

Attachment 2, page 30. Were MOUs signed with two universities in 2012, and if so, how many years do these agreements cover? When will the savings goals established in the MOUs be reevaluated?

Response:

To date, one MOU has been signed with a university, and the other one is expected to be signed before the end of 2012. One university's MOU term is from August 2012 to December 2014 (two and half years). The other university's MOU term will be from January 2013 to December 2014 (two years). Both MOUs have the flexibility to extend the term beyond December 2014, if the customer chooses to do so.

The savings goals established in the MOUs will be reevaluated during the course of the MOU period. Ideally, this will be reevaluated every six months. In the event the customer wishes to extend the MOU period beyond December 2014, new savings goals will be set for the extended periods.

Prepared by or under the supervision of: Michael L. McAteer and Puja Vohra

Commission 1-27

Request:

Attachment 2, page 31. Please provide a specific example of retro-commissioning, including the savings achieved and whether the costs were paid back through improved system performance.

Response:

Although retro-commissioning can result in significantly reduced energy consumption with little capital investment, it can also be very costly with savings expected from sometimes very sophisticated upgrades. Therefore, National Grid is cautious in its approach in offering retro-commissioning services to customers.

One example of retro-commissioning was a study to upgrade lab occupancy controls for EMS and HVAC Controls. The customer received incentives from the Company of $24,933 for electric measures and $3,555 for gas measures. These incentives received through the Large Commercial Retrofit program typically cover 50% of the project costs. EMS/HVAC controls are expected to save 154,384 kWh in gross annual savings at an annual estimated savings of $13,107. Occupancy sensors controlling gas are expected to save 770 therms annually at an estimated savings in gas cost of $1,132. Thus, the retro-commissioning effort would have a simple payback to the customer of about 2 years.

Prepared by or under the supervision of: Michael L. McAteer and Puja Vohra

Commission 1-28

Request:

Attachment 2, page 35. Please explain the methodology used to arrive at the .75 factor applied to the TRC Test for assessing benefits of CHP projects (how the factor was derived mathematically).

Response:

The 0.75 factor was an initial planning assumption adopted to modify the statewide distribution capacity value for application in the benefit-cost screening of CHP units less than 1 MW. The assumption is a factor based on the judgment and expertise of personnel familiar with the availability and operation of CHP units, and is not based on any statistical analysis of field data and coincidence with local distribution peaks. As noted in footnote 11 on page 35, the Company intends to review this planning assumption based on actual CHP unit experience for future EE Program Plan filings.

Prepared by or under the supervision of: Jeremy Newberger

Commission 1-29

Request:

Considering the Company's proposed modifications to the TRC Test for CHP, and considering the Standards approved in Docket 4202 [specifically Section 1.2(A)(2)(a) of the Energy Efficiency Procurement Standards], going forward, is it fair to say that the TRC Test is a moving standard that can be defined differently depending on the type of energy source being evaluated?

Response:

The Total Resource Cost Test incorporates a broad set of benefits from energy efficiency divided by the total costs, including both the participants' and the utility's costs. In order to be cost effective, and be considered as a resource option, a measure or program must have a benefit-cost ratio of 1.0 or greater. In this way it is a fixed standard.

However, it is true that the components of the TRC test, particularly the benefits, have evolved as the impact and benefits from different types of energy efficiency have been recognized through experience. For example, DRIPE was first quantified as a benefit in the 2005 Avoided Energy Supply Component Study for New England, which pre-dates the adoption of the initial Standards by the Commission in 2008, by only a few years. Such modifications have been accepted by Rhode Island, as well as other jurisdictions, as long as parties and regulatory commissions believe that there is justification for doing so under the TRC Test.

The Company recognizes that the economic development, and greenhouse gas mitigation and air quality benefits it proposes for CHP represent a deviation from the benefit components for the Test as defined in the Standards; therefore, in footnote 10 on page 35, the Company suggests that the benefits proposed for CHP be considered as supplements to the benefits described for the Total Resource Cost benefit cost test approved by the Commission in Dockets 3931 and 4202. (The modification to the calculation of the distribution capacity benefit is not a modification to the Test, but only to the way one previously recognized benefit is calculated for this particular measure.)

The Company believes that the proposed new benefits are appropriate for inclusion in the TRC Test as these benefits can be attributed to the installed measure. The Company strives to apply the TRC test uniformly for all measures. However, in the case of CHP, the Company responded to the specific legislative directive set forth in the amendment to R.I.G.L. §39-1-27.7, which requires that these factors be considered in the assessment of CHP resources. The Company considered how to accommodate the specific direction of the law with the existing Standards, as well as the unique characteristics of CHP. The Company believes that its proposal maintains the integrity of the Rhode Island TRC test while being responsive to the legislature's intent to promote CHP.

Prepared by or under the supervision of: Jeremy Newberger

Commission 1-30

Request:

The Company's proposed modifications to assess the cost effectiveness of CHP may be viewed as a watering down of the TRC Test. What is the Company's response to this view?

Response:

The Company does not believe that the modifications to the quantification of benefits component of the TRC test to assess the cost-effectiveness of CHP represent a watering down of the TRC test. The Company believes that these modifications are responsive to the legislative intent to promote CHP projects as set forth in the recent amendment to R.I.G.L. § 39-27.7. Please see the Company's response to Commission 1-29 for a further discussion about how the TRC Test has evolved.

Prepared by or under the supervision of: Jeremy Newberger

Commission 1-31

Request:

Hypothetically speaking, what incentive would the Company earn if it were to achieve 120% of its savings targets in 2013? Please show mathematically how the incentive is derived, and compare this amount to the incentive that would have been earned under the terms of the 2012 EEP Plan.

Response:

If the Company achieved 120% of its annual kWh savings target in 2013, the Company would earn an incentive of $3,888,895, or 6% of the electric spending budget of approximately $64,815,000, as developed in Table E-3 of the Plan. Under the 2012 shareholder incentive design, the Company would earn an incentive of approximately $3,422,232, or 5.28% of the 2013 spending budget, for achieving 120% of the electric savings target. .

If the Company achieved 120% of its annual therms savings target in 2013, the Company would earn an incentive of $1,077,942, or 6% of the gas spending budget of approximately $17,965,700, as developed in Table G-3 of the Plan. Under the 2012 shareholder incentive design, the Company would earn an incentive of approximately $948,589, or 5.28% of the 2013 spending budget, for achieving 120% of the gas savings target.[1]

In both cases, for achieving 120% of the savings target, the Company would earn an incentive that is 13.6% greater than the incentive it would earn under the 2012 shareholder incentive design. The Company notes that if it were to achieve 20% less savings than the target (or 80% of target savings) in 2013, it would earn an incentive that is 43.2% less than the incentive it would earn under the 2012 shareholder incentive design.

Mathematically, the incentive proposal is based upon five points:

- 0% incentive below 75% savings,
- 1.25% of the spending budget at 75% savings,
- 5% of the spending budget at 100% savings, and
- 6.25% of the spending budget at 125% savings
- Incentive capped at 6.25% of spending budget above 125% savings

[1] The above estimates assume that spending is proportional to savings. The shareholder incentive proposal retains the goal adjustment mechanism described on page 26 of the Plan, which encourages efficiency in spending in the achievement of energy savings targets.

Prepared by or under the supervision of: Jeremy Newberger

Commission 1-31, page 2

The mathematical equations defining the incentive as a percentage of the spending budgets that correspond to savings between 75% and 125% of target are found on page 24 of the Plan, where SB is the Spending Budget in each sector:

From 75% of savings to 100% of savings:
Incentive = SB x (0.15 x % of savings achieved – 0.10)

From 100% of savings to 125% of savings:
Incentive = SB x (0.05 x % of savings achieved)

Prepared by or under the supervision of: Jeremy Newberger

Commission 1-32

Request:

Attachment 2, page 37. Regarding CHP incentives, please explain the term "net kW."

Response:

CHP generators are rated for certain nameplate output. However, some of that output does not go into the facility. Instead it is used to power the auxiliary equipment, such as pumps or cooling fans, which are associated with the CHP facility itself. Since that power is consumed by the plant itself, it does not provide any useful energy to the host facility or to demand reduction. Therefore, it is proposed to be excluded from the kilowatts that are used as the basis for calculating the energy efficiency incentive. Accordingly, as described on Attachment 2, page 37, net kW is "nameplate kW output minus CHP auxiliary kW."

Prepared by or under the supervision of: Jeremy Newberger

Commission 1-33

Request:

R.I.P.U.C. 2136, Sheet 3 (canceling 2089). According to the revised G-62 tariff, will CHP customers pay the "minimum demand charge" in addition to the monthly demand? If yes, does this tariff offset the benefit derived from any incentive(s) provided to CHP customers?

Response:

No. Under the provisions of the revised Rate G-62, a customer's distribution demand charges will be based upon the *greater of* a) 50% of the maximum generation during the month *or* b) the customer's actual delivered demand (or the demand ratchet, if applicable). The customer will be assessed the customer charge, the transmission demand charge and all other kWh charges in addition to the minimum demand charge.

Prepared by or under the supervision of: Jeanne A. Lloyd

Commission 1-34

Request:

Table E-7 shows dramatic increases in both income eligible and non-income eligible residential participants. Please explain.

Response:

Planned participation increases in the Income Eligible sector because of the addition of the Income Eligible Multifamily program. As part of the multifamily programs, described in Attachment 1, pages 9-11, the Company plans to perform retrofits in low income and affordable housing units. Each housing unit is equal to one participant. In previous years, the Company performed these multifamily retrofits in low income and affordable housing units as part of the EnergyWise program in the Non-Income Eligible Residential sector. In 2013, multifamily retrofit participants were counted in their respective Multi-family programs, and thus, the EnergyWise program appears to have fewer participants than previous years.

Planned participation increases in the non-income eligible residential sector for two reasons. First, the Company plans to initiate a Home Energy Reports program, described in Attachment 1, pages 25-27. Each household that participates in the program is counted as one participant and the Company is targeting more than 240,000 households.

Prepared by or under the supervision of: Rachel Henschel

Commission 1-35

Request:

Please provide examples of the direct mailing and electronic outreach materials noted on page 5 of the Plan.

Response:

Examples of direct mailing and electronic outreach materials noted on page 5 of the Report are included as Attachments COMM 1-35-A through G to this response. They include:

- Talking points for RISE Energy Specialists to use when they interact with customers on the phone
- Letters sent directly to customers' homes
- Flyers distributed to customers at community events
- An email blast letter

Prepared by or under the supervision of: Timothy R. Roughan

nationalgrid

280 Melrose Street, Providence, RI 02907-0000

You're invited to join the National Grid EmPower Program.
Receive an energy-management system valued at up to $800!

[First, Last]
123 Main Street
Warwick, RI 02886

It's Your Home:
Take Control of Your Energy Usage Now.

nationalgrid

[First, Last]
123 Main Street
Warwick, RI 02886

Dear <<Name>>,

National Grid is partnering with Tendril, a leader in energy-management software and hardware on an initiative that will help you see your energy usage in real time. The National Grid EmPower Program invites you to participate in this exciting new program.

This program is designed to increase your awareness of electricity use in your home and enable you to see your energy consumption. This will allow you to make informed decisions that can save you money on your monthly bill. With this technology, National Grid can recognize energy usage patterns that will help shape the way energy is distributed throughout the community.

This program will only be offered for a limited time to 100 customers in Rhode Island. There is no cost to participate. Enroll today!

Here's how it works

1. Go to NationalGridEmPower.com/Enroll to answer a few questions to see if you qualify.
2. If you qualify, National Grid will install an energy-management system in your home valued at up to $800. There is no cost to you for the system or the installation.
3. This system will enable you to see your energy usage in near real time. This will help you make informed decisions that can result in real savings on your monthly bill.

Join the National Grid EmPower Program today and put the power in your hands.
Visit NationalGridEmPower.com/Enroll to enroll now!

Sincerely,

National Grid

*These programs are funded by the energy-efficiency charge on all customers' utility bills, in accordance with Rhode Island law.

Space is limited.
Enroll now at NationalGridEmPower.com/Enroll.

nationalgrid

Receive an energy-management system valued at up to $800!

The National Grid EmPower Program is designed to help increase awareness of electricity use in your home. Your participation in this program will enable you to see your energy consumption and make better decisions that can save you money. It will also help National Grid recognize energy usage patterns that will help shape the way energy is used throughout the community.

National Grid makes this all possible by installing a free energy-management system in your home (valued at up to $800). This system combined with your existing broadband Internet connection allows access to the information provided by your smart meter. It enables you to take a more active role in your energy consumption and can translate into real savings on your monthly bill.

It only takes a few minutes to submit your enrollment. You'll be making a difference for yourself and your community. We look forward to your participation in this exciting new program.

* These programs are funded by the energy-efficiency charge on all customers' utility bills, in accordance with Rhode Island law.

It's Your Home:
Take Control of Your Energy Usage Now.

nationalgrid

Enroll in the National Grid EmPower Program today! NationalGridEmPower.com/Enroll.

nationalgrid

Energy-saving opportunities that will help you **save money and put a smile on your face.**

Receive a no-cost Home Energy Assessment and WiFi programmable controllable thermostat*.

Sample A. Sample
123 Main Street
Anytown, US 12345-6789

Dear Sample,

National Grid is committed to helping you save energy all year long through the Energy*Wise* Home Energy Assessment and an opportunity to receive a WiFi programmable controllable thermostat at no cost to you.

Take advantage of an Energy*Wise* assessment.

Receive a no-cost energy audit to identify smart changes and improvements to help you save energy, money, and the environment. You could be eligible for:

- No-cost compact fluorescent lights
- 75% off energy-saving improvements (up to $2,750)
- 0% Heat Loan
- Generous rebates

Receive a WiFi programmable controllable thermostat at no cost and get money back.

To help you further reduce your energy use, National Grid is offering a no-cost, fully-installed WiFi programmable controllable thermostat ($600 value), which can cut your gas and electric bills by approximately 7%. You'll even receive a $40 annual bill credit ($80 over the two-year period) when you participate in all test, audit, and demand optimization events. With a WiFi thermostat, the benefits are significant:

- Follows a custom heating and cooling schedule for your home, ensuring optimal comfort with minimal energy use.
- Controls heating and cooling systems remotely from a computer or smartphone.

- Reports how your heating and cooling equipment are performing, remind you when it's time for maintenance, and alert you if there is a problem.

START SAVING ENERGY AND MONEY TODAY.

Call **1.888.633.7947** or sign up at **www.myngrid.com/energywise**

To take advantage of this offer you must first sign up for the Energy*Wise* Home Energy Assessment, commit to provide periodic feedback, and agree to participate for a minimum of two years.

With energy-saving opportunities like these, National Grid is making it easier than ever to put more money back in your pocket. **Now that should make you very happy.**

Sincerely,

Christina M. Skursky
Product/Energy Services, National Grid

*These programs are funded by the energy efficiency charge on all customers' utility bills, in accordance with Rhode Island law.

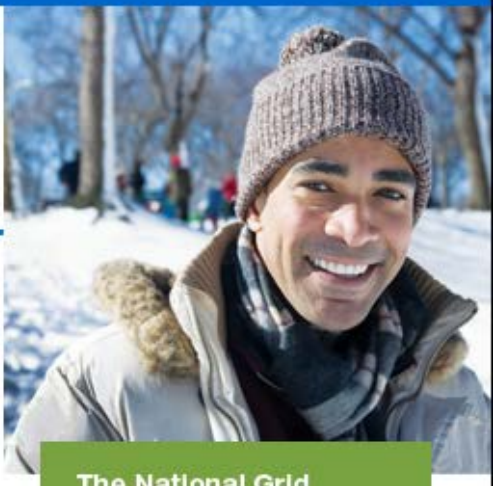
1.888.633.7947 **www.myngrid.com/energywise**

Customer Energy*Wise* Home Energy Assessment and WiFi Letter

Enroll Now

nationalgrid

It's Your Home: **Take Control of Your Energy Use Now.**



You're invited to join the National Grid EmPower Program. We're partnering with Tendril, a leader in energy-management software and hardware, on an initiative that will help you manage energy use in your home.

We'd like you to join us!

This program is designed to increase your awareness of electricity usage in your home and enable you to see your energy consumption. This will help you to make informed decisions that can save you money on your monthly bill. With this technology, National Grid will be able to recognize energy usage patterns that will help shape the way energy is distributed throughout the community.

This program will only be offered for a limited time to 100 customers in Rhode Island. There is no cost to participate. Enroll today!

Getting started is easy.

1. Answer a few questions via the Enroll Now link to see if you qualify.
2. If you qualify, National Grid will install an energy-management system in your home valued at up to $800. There is no cost to you for the system or the installation.
3. This system will enable you to see your energy usage in near real time. This will help you make informed decisions that can result in real savings on your monthly bill. Learn more.

The National Grid EmPower Program puts the power in your hands!

Enroll now and receive an energy-management system valued at **up to $800!**

Start managing your energy use today and make a difference! ENROLL NOW!

*These programs are funded by the energy-efficiency charge on all customers' utility bills, in accordance with Rhode Island law.

nationalgrid

Congratulations! You are enrolled
in the National Grid EmPower Program.

Dear <<First>>,

Thank you for taking the time to sign up for the National Grid EmPower Program. After reviewing your application, we are pleased to inform you that you have been accepted into the program.

Within seven business days, an approved National Grid installer will contact you to schedule an appointment to install the energy-management system in your home. During your installation visit a technician will;

- Setup your communication and control equipment.
- Train you on the proper use of the equipment.
- Demo the Energize web portal.
- Provide you with instructions on how to use the portal and its functionality.

We appreciate your interest, and we look forward to working with you on the National Grid EmPower Program.

Thank you,

National Grid

For more information or for assistance with your participation in this program visit our Frequently Asked Questions page or contact us via email.

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Thank you for your application
to the National Grid EmPower Program.

Unfortunately, at this time we are unable to enroll you in the program because your home does not meet the current eligibility requirements.

This could be due to one or more of the following reasons:

- Your home is not currently in the service area that qualifies for this program.
- You cannot replace your current thermostat.
- Your HVAC unit does not qualify for this program.
- Your home does not have broadband Internet.

However, we will retain your information and if you become eligible for this program at a future date or a similar program, we will contact you.

Thank you,

National Grid

Your interest in this program shows that you are willing to embrace new ways to improve the energy efficiency in your home.

We encourage you to visit the **Energy Efficiency section** of our website to identify additional programs that will help you save money and energy.

nationalgrid

Thank you for your application
to the National Grid EmPower Program.

We appreciate your interest in the National Grid EmPower Program.

Demand for this exciting new program has been overwhelming, and we have reached our current limit of participants for this program.

However, we will retain your information and if we expand this program at a future date or offer a similar program, we will contact you.

For more information, visit our Frequently Asked Questions page or contact us via email.

Thank you,

National Grid

Your interest in this program shows that you are willing to embrace new ways to improve the energy efficiency in your home.

We encourage you to visit the **Energy Efficiency section** of our website to identify additional programs that will help you save money and energy.

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An energy-saving opportunity that will help you **save money and put a smile on your face.**

Receive a WiFi programmable controllable thermostat at no cost and get money back*.

National Grid is committed to helping you save energy all year long by offering a no-cost, fully-installed WiFi programmable controllable thermostat that can cut your gas and electric bills by approximately 7%.

Just for residents of Tiverton and Little Compton.

This energy-saving opportunity was designed for your community to help you and your neighbors save energy and money. To take advantage of this offer, you must commit to provide periodic feedback, and agree to participate for a minimum of two years.

Receive money back!

With demand response technology, this thermostat allows for National Grid to optimize load levels during peak usage and gives you a $40 annual bill credit ($80 over the two-year period) when you participate in all test, audit, and demand optimization events.

A WiFi programmable controllable thermostat saves you money and costs you nothing.

Savings: Follows a custom heating and cooling schedule for your home, ensuring optimal comfort with minimal energy use.

Convenience: Controls your heating and cooling systems remotely from your computer or smartphone, with a secured web portal and iPhone/iPod Touch and Android apps. You can even check the five-day weather forecast right from the thermostat.

Peace of Mind: Reports will let you know how your heating and cooling equipment are performing, remind you when it's time for maintenance, and alert you if there is a problem.

With a no-cost, fully-installed WiFi programmable controllable thermostat ($600 value), and a $40 bill credit per year for participating, National Grid is making it easier than ever to put more money back in your pocket.
Now that should make you very happy.

START SAVING ENERGY AND MONEY TODAY.

Call **1.888.633.7947** or sign up at **www.myngrid.com/energywise**
But hurry - participation is limited.

*These programs are funded by the energy efficiency charge on all customers' utility bills, in accordance with Rhode Island law. © 2012 National Grid

1.888.633.7947 **www.myngrid.com/energywise**

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An energy-saving opportunity that will help you
save money and put a smile on your face.

Receive a WiFi programmable controllable thermostat at no cost and get money back*.

Sample A. Sample
123 Main Street
Anytown, US 12345-6789

Dear Sample,

You have taken the important step of participating in the Energy*Wise* Home Energy Assessment and National Grid remains committed to helping you and your neighbors save energy and money all year long.

Receive a WiFi programmable controllable thermostat at no cost and get money back.

To help you further reduce your energy use, National Grid is offering a no-cost, fully-installed WiFi programmable controllable thermostat, which can cut your gas and electric bills by approximately 7%. You'll even receive a $40 annual bill credit ($80 over the two-year period) when you participate in all test, audit, and demand optimization events. With a WiFi thermostat, the benefits are significant:

- Follows a custom heating and cooling schedule for your home, ensuring optimal comfort with minimal energy use.
- Controls your heating and cooling systems remotely from your computer or smartphone, with a secured web portal and iPhone/iPod Touch and Android apps. You can even check the five-day weather forecast right from thermostat.

- Reports how your heating and cooling equipment are performing, remind you when it's time for maintenance, and alert you if there is a problem.

To take advantage of this offer you must commit to provide periodic feedback, and agree to participate for a minimum of two years.

With a no-cost, fully-installed WiFi programmable controllable thermostat ($600 value), and a $40 bill credit per year for participating, National Grid is making it easier than ever to put more money back in your pocket. **Now that should make you very happy.**

Sincerely,

Christina M. Skursky
Product/Energy Services, National Grid

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1.888.633.7947 **www.myngrid.com/energywise**

Talking points for RISE Energy Specialists

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An additional energy-saving opportunity developed especially **for National Grid's customers in targeted RI cities and towns.**

No-cost WiFi programmable controllable thermostat and a bill credit*.

As part of the Energy*Wise* Home Energy Assessment, you will have the opportunity to review available rebates and incentives. Please take this time to discuss this additional energy-saving opportunity, which saves the average homeowner 7% on their heating and cooling energy costs.

No-cost WiFi programmable controllable thermostat.
The thermostat and professional installation is a $600 value.

Receive money back.
A $40 annual bill credit ($80 over the two-year period) will be provided when customers fully participate in all events of this program. Customers will have the option to opt out of one event and still qualify for the credit.

Significant benefits with this thermostat:

Helps save money

- Follows a programmable custom heating and cooling schedule to adjust temperature based on time of day, and day of week.
- Programmed schedules allow for optimal comfort throughout the day and reduce energy use when not home or sleeping.

Delivers greater convenience

- Customers can use a computer to access a secure web portal, whether they are home or away, to adjust the thermostat.
- Additionally, iPhone/iPod Touch and Android apps allow customers to control their heating and cooling systems from any location with internet access.

- Touchscreen thermostat allows for easy operation and will display both the current weather and latest five-day forecast.

Provides piece of mind

- Reports how heating and cooling systems are performing.
- Alerts the customer when a problem with the heating or central air conditioning system arises, or when it's time for periodic equipment maintenance.

Why is National Grid offering this incentive?

- With demand response technology, these thermostats allow National Grid to optimize load levels during peak usage.
- Electric load management benefits the community by ensuring consistent energy flow through cycling central air conditioning units and/or changing the thermostat setting by one or two degrees.

Help customers start saving money today by offering this no-cost WiFi programmable controllable thermostat and money back!

Eligibility Requirements

- **Must be a residential electric customer in Little Compton or Tiverton, Rhode Island.**
- Must agree to participate in the program for two years.
- Must agree to fully participate in the program events such as audits, test events, demand response events, and surveys.
- Must have a central air conditioning system controlled by a thermostat and the customer must agree to have the existing thermostat replaced.
- Must have a broadband Internet connection.

Sign up your customers today and help them put some money back in their pockets!

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Receive a WiFi programmable controllable thermostat at no cost and get money back*.

National Grid is committed to helping you save energy all year long by offering a no-cost, fully-installed WiFi programmable controllable thermostat that can cut your gas and electric bills by approximately 7%.

Just for residents of Tiverton and Little Compton.

This energy-saving opportunity was designed for your community to help you and your neighbors save energy and money. To take advantage of this offer you must first sign up for the Energy*Wise* Home Energy Assessment *(see reverse side for details of assessment)*, commit to provide periodic feedback, and agree to participate for a minimum of two years.

Receive money back!

With demand response technology, this thermostat allows for National Grid to optimize load levels during peak usage and gives you a $40 annual bill credit ($80 over the two-year period) when you participate in all test, audit, and demand optimization events.

A WiFi programmable controllable thermostat saves you money and costs you nothing.

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Peace of Mind: Reports will let you know how your heating and cooling equipment are performing, remind you when it's time for maintenance, and alert you if there is a problem.

With a no-cost, fully-installed WiFi programmable controllable thermostat ($600 value), and a $40 bill credit per year for participating, National Grid is making it easier than ever to put more money back in your pocket.
Now that should make you very happy.

GET YOUR NO-COST WIFI PROGRAMMABLE CONTROLLABLE THERMOSTAT TODAY.

Call **1.888.633.7947** or sign up at **www.myngrid.com/energywise**
But hurry - participation is limited.

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1.888.633.7947 **www.myngrid.com/energywise**

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Stay money smart and energy wise.

An Energy*Wise* Home Energy Assessment is available to you at no cost.

As a National Grid customer, you qualify for an Energy*Wise* Home Energy Assessment, at no cost to you, which will evaluate your home's energy efficiency. The program includes an energy audit to identify smart changes and improvements that can deliver significant savings.

Saving has never been this easy.

The Energy*Wise* program includes valuable benefits to help you save energy, money, and the environment. You could be eligible for:

- **No-cost compact fluorescent lights** (CFLS) to help you start saving energy immediately.
- **75% off energy-saving improvements (up to $2,750),** such as insulation and targeted air sealing.
- **0% Heat Loan** to help finance eligible improvements.
- **Generous rebates** for high-efficiency heating and hot water equipment.

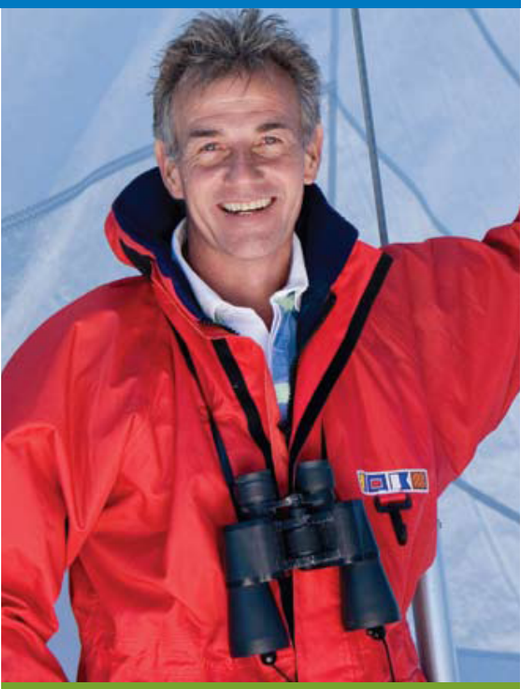
Get started today!

STEP 1: Schedule your no-cost Energy*Wise* Home Energy Assessment
An Energy Specialist will perform a whole-house assessment and install various products for instant energy savings at no cost. You will receive a customized list of energy-saving recommendations along with the available incentives to help you save on the improvements.

At this time, your Energy Specialist will be happy to discuss receiving your no-cost WIFI controllable programmable thermostat with you.

STEP 2: Plan your improvements
Select the energy-saving improvements you are interested in installing and we'll help you to plan and schedule the work.

STEP 3: Installation of improvements
Installation of weatherization improvements generally takes only one to two days, so you can quickly realize the benefits of the Home Energy Services Program. After the installation is complete, we may inspect the work at no cost to you.



START SAVING ENERGY AND MONEY TODAY.

Call **1.888.633.7947** or sign up at **www.myngrid.com/energywise** to schedule your no-cost Home Energy Assessment and to receive your WiFi controllable programmable thermostat.

Printed on recycled paper

1.888.633.7947 **www.myngrid.com/energywise**

Commission 1-36

Request:

The Plan states that new participants will need to sign-on for two years to take advantage of new incentives, including rebates for window AC replacement and installation of a Modlet.

a) Are there any proposed penalties for customers seeking to opt-out of participation within this two-year window?
b) How does the two year commitment impact customers seeking to take advantage of the proposed window AC replacement rebate prior to two years of participation? Would a customer be eligible for a rebate if he installs a unit prior to the first summer of enrollment and then cancels participation the following winter?
c) Is the $25 annual credit for Modlet installation awarded just one time, or is the participant eligible for additional annual credits if he continues to participate for more than two years?

Response:

a) Customers who opt-out of demand response events within the two year period will be denied the annual credits on their bill for participation. These annual credits include the $25 annual credit for Modlet participants, the $40 annual credit for residential thermostat participants and the $160 annual credit for C&I thermostat participants.

b) Although the load reduction events will not become necessary until 2014 (the year in which the deferral need begins), the Company will be running test events in 2013 to audit the capability of the load relief installed so far. Because of this, the situation in which a customer enrolls in the Pilot, and gets the appropriate rebates prior to a summer in which they would be asked to participate in a load response event, will not occur. A customer would be eligible for a rebate if he installs a unit prior to the first summer of enrollment and then cancels participation the following winter, but he would not receive any additional credits (as outlined in part a of this question) for participation in load response events.

c) The $25 annual credit is awarded for each year that the participant does not opt-out of any demand response events called that 12 month period.

Prepared by or under the supervision of: Timothy R. Roughan

Commission 1-37

Request:

What is the per unit cost for a Modlet?

Response:

The per unit cost for a Modlet including measure costs and support fees is approximately $160.

Prepared by or under the supervision of: Timothy R. Roughan