Jennifer Brooks Hutchinson
Senior Counsel

December 9, 2014

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4527 – 2015 Energy Efficiency Program Plan
Responses to Commission Data Requests – Set 3

Dear Ms. Massaro:

Enclosed are ten (10) copies of National Grid's[1] responses to the third set of data requests issued by the Rhode Island Public Utilities Commission on November 28, 2014 concerning the above-referenced matter.

Thank you for your attention to this filing. If you have any questions, please contact me at (401) 784-7288.

Very truly yours,

Jennifer Brooks Hutchinson

Enclosure

cc: Docket 4527 Service List
Karen Lyons, Esq.
Jon Hagopian, Esq.
Steve Scialabba, Division

[1] The Narragansett Electric Company d/b/a National Grid (referred to herein as National Grid or Company).

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Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

Copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and the Rhode Island Division of Public Utilities and Carriers.

Joanne M. Scanlon

December 9, 2014
Date

Docket No. 4527 - National Grid - 2015 Energy Efficiency Program Plan
Service list updated 11/6/14

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COMM 3-1

Request:

Please confirm the following statement from the filing cover letter is accurate:

> "The electric plans are expected to produce a lifetime savings of 1,966462 MWh, which translates into a lifetime bill savings of approximately $2 million. The gas plans are expected to produce a lifetime savings of $87.9 million."

Response:

The statement is not accurate due to a typo. The statement has been revised below with emphasis added to the correction:

> "The electric plans are expected to produce a lifetime savings of 1,966462 MWh, which translates into a lifetime bill savings of approximately ***$295 million.*** The gas plans are expected to produce a lifetime savings of $87.9 million."

Prepared by or under the supervision of: Rachel Henschel

COMM 3-2

Request:

Please confirm that in the mathematical expressions for the shareholder incentive (pp. 21-22), the term "% of savings achieved" should be replaced with "fraction of savings achieved."

Response:

In this case, the "% of savings achieved" is shorthand for the "percentage of annual kWh savings goal achieved."

The shareholder incentive calculation in Attachment 5, Table E-9, Footnote 10 is:

> From 75% of savings to 100% of savings: Shareholder Incentive = SB x (0.15 x % of savings achieved – 0.10) x0.7 for electric energy savings
>
> Where SB = Spending Budget

For example, if the Company achieves 5,928,516 annual kWh in the Income Eligible Sector in 2015, that is 90% of the Annual kWh savings goal of 6,587,214. Assuming that the Company spent $10,120,000, or 100% of spending budget, the shareholder incentive would equal $247,940 for the Energy Incentive. The calculation is:

$$\$247,940 = \$10,120,000\ (0.15 \times 0.9 - 0.1) \times 0.7$$

COMM 3-3

Request:

Please update tables E-5 and G-5 with a column indicating the average lifetime for programs, sectors, and plans.

Response:

The average lifetime may be calculated by dividing the lifetime MWh or lifetime MMBtu in Tables E-6 and G-6, respectively, by the Annual MWh or MMBtu in those tables. Please refer to Attachments COMM 3-3a (Revised E-5) and COMM 3-3b (Revised G-5) for the requested tables.

Revised Table E-5
National Grid
Calculation of 2015 Program Year Cost-Effectiveness
All Dollar Values in ($000)

	TRC Benefit/ Cost[1]	Total Benefit	Program Implementation Expenses[2]	Customer Contribution	Evaluation Cost	Shareholder Incentive	¢/Lifetime kWh	Average Lifetime
Non-Income Eligible Residential								
Residential New Construction	1.90	$ 1,831.9	$ 959.8	$ -	$ 2.2	NA	13.8	12.50
ENERGY STAR® HVAC	1.34	$ 2,176.9	$ 1,314.1	$ 277.9	$ 31.4	NA	13.2	12.00
Energy*Wise*	2.95	$ 30,224.6	$ 8,805.8	$ 1,363.0	$ 77.9	NA	9.2	10.00
Energy*Wise* Multifamily	1.07	$ 3,501.5	$ 3,132.4	$ 90.8	$ 61.6	NA	9.3	9.10
Home Energy Reports	1.16	$ 3,004.6	$ 2,517.5	$ -	$ 76.7	NA	10.1	1.00
ENERGY STAR® Lighting	2.48	$ 48,121.2	$ 8,656.1	$ 10,664.2	$ 69.8	NA	5.0	10.10
ENERGY STAR® Products	3.47	$ 10,325.6	$ 2,294.7	$ 644.7	$ 37.7	NA	8.5	7.60
Energy Efficiency Education Programs		$ -	$ 50.0	$ -	$ -	NA		N/A
Residential Products Pilot		$ -	$ 473.2	$ -	$ 80.6	NA		N/A
Community Based Initiatives - Residential		$ -	$ 295.6	$ -	$ 38.2	NA		N/A
Comprehensive Marketing - Residential		$ -	$ 633.9	$ -	$ 1.8	NA		N/A
Non-Income Eligible Residential SUBTOTAL	**2.25**	**$ 99,186.3**	**$ 29,133.1**	**$ 13,040.8**	**$ 477.7**	**$ 1,480.5**	**6.9**	**7.2**
Income Eligible Residential								
Single Family - Income Eligible Services	1.99	$ 15,600.1	$ 7,806.7	$ -	$ 13.6	NA	21.1	10.10
Income Eligible Multifamily	1.34	$ 3,073.9	$ 2,298.2	$ -	$ 1.9	NA	7.8	10.2
Income Eligible Residential SUBTOTAL	**1.76**	**$ 18,674.0**	**$ 10,104.9**	**$ -**	**$ 15.4**	**$ 506.0**	**15.2**	10.10
Commercial & Industrial								
Large Commercial New Construction	7.07	$ 68,545.1	$ 8,684.3	$ 830.4	$ 184.7	NA	1.9	14.20
Large Commercial Retrofit	2.66	$ 54,361.5	$ 12,662.7	$ 7,579.3	$ 184.3	NA	4.2	12.30
Small Business Direct Install	1.80	$ 37,119.5	$ 15,167.8	$ 5,346.8	$ 130.7	NA	7.3	11.00
Community Based Initiatives - C&I		$ -	$ 63.7	$ -	$ 12.9	NA		N/A
Commercial Pilots		$ -	$ 291.4	$ -	$ 41.4	NA		N/A
Comprehensive Marketing - C&I		$ -	$ 191.4	$ -	$ 0.6	NA		N/A
Finance Costs		$ -	$ 4,000.0	$ -	$ -	NA		N/A
C&I SUBTOTAL	**2.80**	**$ 160,026.1**	**$ 41,061.4**	**$ 13,756.5**	**$ 554.6**	**$ 1,880.8**	**4.3**	12.70
								N/A
Regulatory								N/A
OER			$ 564.1					N/A
EERMC			$ 846.1					N/A
Regulatory SUBTOTAL			**$ 1,410.1**					N/A
TOTAL	**2.45**	**$ 277,886.4**	**$ 81,709.5**	**$ 26,797.2**	**$ 1,047.7**	**$ 3,867.4**	**5.6**	10.20

Notes:
(1) TRC B/C Test = (Energy + Capacity + Resource Benefits) / (Program Implementation + Evaluation Costs + Customer Contribution + Shareholder Incentive)
Also includes effects of free-ridership and spillover.
(2) For Implementation Expenses derivation, see Table E-3.
(3) System Reliability may leverage some of the energy efficiency savings and benefits. Energy efficiency savings and benefits are attributed to the program in which they occur. The incremental costs and benefits of System Reliability appear below along with the resulting Total in order to illustrate that the existing Energy Efficiency programs are cost effective with the additional expenses. For more information please see the 2015 System Reliability Procurement Report.

System Reliability Procurement		$ 723.1	$ 363.2	$ 1.1	$ 150.0	$ -	
Total with System Reliability	2.45	$ 278,609.5	$ 82,072.7	$ 26,798.3	$ 1,197.7	$ 3,867.4	5.8

Revised Table G-5
National Grid
Calculation of 2015 Program Year Cost-Effectiveness
All Dollar Values in ($000)

	Rhode Island Benefit/ Cost	Total Benefit	Program Implementation Expenses	Customer Contribution	Evaluation Cost	Shareholder Incentive	TRC $/Lifetime MMBtu	Average Lifetime (Years)
Non-Income Eligible Residential								
Energy Star® HVAC	1.42	$ 6,106.8	$ 1,474.2	$ 2,799.6	$ 16.0		$ 8.66	17.00
EnergyWise	2.90	$ 22,379.8	$ 6,258.6	$ 1,440.5	$ 26.5		$ 4.72	24.00
EnergyWise MultiFamily	1.40	$ 2,410.0	$ 1,637.6	$ 68.2	$ 20.2		$ 7.49	14.50
Home Energy Reports	1.14	$ 534.7	$ 445.4	$ -	$ 25.2		$ 9.26	1.00
Residential New Construction	3.40	$ 1,118.9	$ 328.5	$ -	$ 0.2		$ 3.21	21.30
Comprehensive Marketing - Residential		$ -	$ 90.4	$ -	$ 0.1			N/A
Community Based Initiatives - Residential		$ -	$ 27.2	$ -	$ 5.1			N/A
Residential Products Pilo		$ -	$ 73.4	$ -	$ 20.1			N/A
Non-Income Eligible Residential Subtotal	**2.13**	**$ 32,550.2**	**$ 10,335.3**	**$ 4,308.4**	**$ 113.3**	**$ 522.4**	**$ 5.87**	14.90
Income Eligible Residential								
Single Family - Income Eligible Services	1.09	$ 3,414.9	$ 3,120.9	$ -	$ 2.6		$ 17.79	20.00
Income Eligible Multifamil	1.83	$ 3,474.4	$ 1,900.8	$ -	$ 0.7		$ 6.86	14.5
Income Eligible Residential Subtotal	**1.37**	**$ 6,889.3**	**$ 5,021.7**	**$ -**	**$ 3.4**	**$ 251.3**	**$ 11.09**	16.20
Large Commercial & Industrial								
Large Commercial New Construction	5.08	$ 8,183.5	$ 1,448.7	$ 92.1	$ 69.2		$ 2.00	19.20
Large Commercial Retrofit	1.84	$ 8,474.3	$ 4,120.2	$ 392.6	$ 88.3		$ 5.28	6.90
Small Business Direct Install	1.08	$ 354.3	$ 313.0	$ 8.8	$ 5.9		$ 10.77	8.70
Commercial & Industrial Multifamily	2.09	$ 2,215.1	$ 692.0	$ 368.3	$ 0.2		$ 4.96	22.80
Comprehensive Marketing - Commercial and Industrial		$ -	$ 102.2	$ -	$ 0.1			N/A
Commercial and Industrial Pilots		$ -	$ 63.0	$ -	$ 10.4			N/A
Community Based Initiatives - C&I		$ -	$ 10.0	$ -	$ -			N/A
Finance Costs		$ -	$ 500.0	$ -	$ -			N/A
Commercial & Industrial Subtotal	**2.23**	**$ 19,227.1**	**$ 7,249.2**	**$ 861.8**	**$ 174.0**	**$ 346.2**	**$ 4.32**	10.60
Regulatory								
EERMC			$ 318.8					N/A
OER			$ 212.5					N/A
Regulatory Subtotal			**$ 531.3**					
Grand Total	**1.97**	**$ 58,666.6**	**$ 23,137.4**	**$ 5,170.2**	**$ 290.6**	**$ 1,119.8**	**$ 5.85**	13.00

COMM 3-4

Request:

Do the entries for "Customer Contribution" in tables E-5 and G-5 include any assumptions about the costs of financing this portion of the total spending?

Response:

The customer contribution does not include any assumptions about finance because in the total resource cost test, customer contribution is the same regardless if the customer uses their own funds or uses finance.

The Company is proposing to spend $4 million by depositing the money into the revolving loan fund illustrated on Table E-10. That is why the Company considers it an expense and it is included in the Program Implementation Expense column on E-5.

COMM 3-5

Request:

According to Table E-6, capacity benefits are approximately 40% of the total benefits expected from capacity and energy savings. Why has the Company proposed 30% of the performance incentive to be based on the demand savings goal?

Response:

The proposal of 30% was made to approximate the magnitude of capacity benefits. It was made to give visibility to demand savings in the shareholder incentive mechanism, which had not previously been present, and was not dictated by a strict numeric calculation. The Company and the other settling parties thought that this approximation was appropriate, especially as the initial proposal to add demand savings targets to the shareholder incentive mechanism. A single approximated amount is also easier to communicate to implementation personnel, as opposed to a precisely calculated apportionment, and, therefore, may be a more effective incentive.

COMM 3-6

Request:

According to Table E-7, some programs offer a high demand-savings-to-energy-savings ratio (e.g. Residential New Construction), while the ratio is very low for other programs (e.g. Energy*Wise* Multifamily). This means that dollars spent in some programs better serve the purpose of meeting demand savings goals, while dollars spent in other programs better serve the purpose of meeting energy savings goals. If, during the plan year, the Company finds that it is falling short of either the demand (or energy) savings goals, will the Company seek to divert funds from programs that favor energy (or demand) savings to programs that favor demand (or energy) savings?

Response:

If implementation generally conforms to the savings assumptions and measure mix used by the Company in planning the 2015 programs, the Company should be able to meet both electric energy savings and demand savings goals. During the year, the Company will prioritize meeting customer interest and will typically transfer funds during the plan year in order to meet higher than anticipated customer demand in programs if it occurs. If, after responding to in-the-field conditions in 2015, the Company notices that either energy or demand savings appear to be lagging during the plan year, the Company will explore the potential program delivery options and/or specific installed measures in order to properly balance customer participation, customer service, energy savings, and demand savings.

COMM 3-7

Request:

Please provide the basis for the magnitude (5%) of target incentive.

Response:

The target incentive of 5% was agreed to by parties and approved by the PUC in the 2013 Energy Efficiency Program Plan, and in 2014 as well.

All else being equal, with the change in the incentive structure to steepen the slope between achievement of 75% of goal and 100% of goal in 2013, the Company has to achieve 96% of goals in order to earn the same incentive amount it earned for 100% achievement of goals as in prior years. In other words, for most levels of achievement, the Company stands to earn less than in previous years. Recognizing that energy efficiency goals continue to be higher every year, that it takes a considerable effort to achieve them, and that the purpose of the incentive is to drive the Company's performance toward achievement of the savings goals, the parties recommended that that the Company should receive a slightly higher target incentive at 100% of goal.

Prepared by or under the supervision of: Jeremy Newberger

COMM 3-8

Request:

As a follow-up to COMM 1-1 (e), please answer the following

a) What incentive is the Company eligible for or guaranteed in New York and Massachusetts?
b) Describe the specific method of calculating the incentives approved in New York and Massachusetts.
c) Provide the specific legal citation for the statute or administrative rule or order approving the incentives in New York and Massachusetts.

Request:

The responses to this question are provided first for New York, and then for Massachusetts

New York

a) Niagara Mohawk Power Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid (collectively "National Grid") are eligible for Step One and Step Two awards based on each company's proportional share of their percentage of total utility energy savings targets for utilities administering efficiency programs under the Energy Efficiency Portfolio Standard (EEPS) program. The total incentive pools available (Step One and Step Two combined), to be split based on a utilities proportional share of their percentage of total utility targets, will be $36 million for electric utilities and $14 million for gas utilities, totaled over the four-year incentive period. There are six electric utilities and eleven gas utilities participating in the EEPS program.

   The proportional share of total utility targets for National Grid will not be known until 12/31/15 as total aggregate targets are likely to be revised during the four-year period.

b) The method of calculating the incentives approved in the state of New York per Case 07-M-0548, Order Establishing Utility Financial Incentives, issued March 22, 2012, is as follows:
   - Incentive pools will be $36 million for electric utilities and $14 million for gas utilities, totaled over the four-year incentive period.
   - Each incentive pool will be divided into two sums ("Step One" and "Step Two"). Step One will represent 90% of the total and Step Two will represent 10%.
   - The Step One and Step Two funds will be allocated among utility program administrators proportionally based on their percentage of total utility targets.

- Each utility will be eligible to earn its proportional share of Step One. Step One awards will be based on achievement of a utility's aggregate target (for years 2012-2015) by the end of 2015. Awards will begin at zero for 80% achievement and will be graduated on a straight line basis to 100% awarded for achievement of 100% of the aggregate target. Achievement will be calculated on a commitment accrual basis.

- Solely for purposes of calculating achievement of targets for earning a Step One award, a utility will be credited with 15% of the energy savings achieved through any New York State Energy Research and Development Authority ("NYSERDA")-funded measure for which the utility performs on-bill financing services as described in Section-66m of the New York Public Service Law.

- Step Two awards will be calculated separately for electric and gas utilities, as follows: All utilities will earn an incentive if the entire statewide jurisdictional goal (including NYSERDA's portion) is achieved by 2015. The amount for which each utility is eligible will be based on its proportional share of the utilities' aggregate targets. Awards will be graduated from 80% to 100% achievement, as they will be for Step One. Step Two awards will be granted either to all utilities or no utilities, depending on achievement of statewide goals.

- The statewide goal for gas energy efficiency, for purposes of this incentive mechanism, will be the aggregate target of all program administrators including NYSERDA.

- All gas utilities administering energy efficiency programs under EEPS will be eligible for incentives.

- Determination of incentive awards and the mechanism for payment will be made in 2016. The award for any utility will be capped at sixty basis points over the four year period. The cap will act as a pro-rata reduction in the incentive award to the affected utility. Any resulting reduction in the incentive award to a particular utility will reduce the total incentive pool rather than being redistributed throughout the pool.

- No formulaic negative adjustments are provided in the incentive mechanism. Each utility, however, may be subject to adjustments in rate cases or other proceedings, in the event of poor performance that is not excused by mitigating factors.

- The demand reduction incentive applicable to New York City will be continued on the same terms as established in the Commission's 2008 Incentives Order in Case 07-M-0548 (issued August 22, 2008), up to a total of 50MW per year for the four-year 2012-2015 period.

- This incentive mechanism applies to utility achievements beginning January 1, 2012.

c) The New York State Public Service Commission's Order Establishing Utility Financial Incentives in Case 07-M-0548, issued March 22, 2012, establishes the mechanism for awarding incentives to utilities administering energy efficiency programs under the Energy Efficiency Portfolio Standard (EEPS). The Order is attached as Attachment COMM 3-8a.

Massachusetts

a) The Company's performance incentive is not guaranteed in Massachusetts. The Company's design-level incentives total $8.3 million for its gas energy efficiency programs in Massachusetts and $39.6 million for its electric energy efficiency programs in Massachusetts over the 2013-2015 Three-Year Plan term.

b) The Massachusetts incentive mechanism features a statewide pool of gas and electric incentives that is allocated among the six gas and three electric program administrators based on their share of benefits. The pool is further divided into three components: savings (defined as benefits), benefits (defined as net benefits), and performance metrics and by sector. Each of these components has a specific incentive payout rate based on plan attributes. Attachment COMM 3-8b is an excerpt from the Company's MA 2013-2015 Three-Year Plan, filed on November 2, 2012, and approved as noted in part (c) below, detailing the structure of the incentive mechanism.

All three components of the incentive mechanism have thresholds that must be reached before an incentive is earned. The Company is eligible to earn up to 125% of design-level amounts if the Company achieves 125% or more of its planned benefits and net benefits goals.

Please note: The Company proposed to eliminate performance metrics for 2014 and 2015 as part of the Company's updated 2013-2015 plan filed on February 28, 2014. This proposal is pending before the DPU.

c) The Massachusetts Department of Public Utilities approved these incentives in the Company's Three Year Plan orders, Dockets D.P.U. 12-103 (gas) and D.P.U. 12-109 (electric) issued on January 31, 2013.

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on March 15, 2012

COMMISSIONERS PRESENT:

Garry A. Brown, Chairman
Patricia L. Acampora
Maureen F. Harris
James L. Larocca

CASE 07-M-0548 - Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard.

ORDER ESTABLISHING UTILITY FINANCIAL INCENTIVES

(Issued and Effective March 22, 2012)

BY THE COMMISSION:

INTRODUCTION

This order establishes a mechanism for awarding incentives to utilities administering efficiency programs under the Energy Efficiency Portfolio Standard (EEPS). The mechanism adopted here, applicable to years 2012 through 2015, is a revision of the mechanism that was applicable in 2009-2011. Formulaic incentives will be awarded on a positive basis only, and the total amount of potential incentive awards is smaller, on an annual basis, than the potential incentives under the previous mechanism. Utilities will be eligible for incentives not only for achievement of their own targets, but also for the achievement of statewide goals, including NYSERDA targets.

BACKGROUND

On August 22, 2008, the Commission adopted an incentive mechanism for utilities administering EEPS programs.[1] The application of the mechanism was

[1] Case 07-M-0548, Order Concerning Utility Financial Incentives, issued August 22, 2008 (2008 Incentives Order).

subsequently modified to account for circumstances affecting the roll-out and early performance of EEPS programs. On December 21, 2010, the Commission issued an order consolidating targets for the period ending December 31, 2011, and providing for a demonstration of mitigating circumstances, where targets are not achieved.[2]

On July 6, 2011, DPS Staff issued an Energy Efficiency Portfolio Standard Program Review White Paper (White Paper) addressing numerous issues related to the continuation of EEPS programs beyond December 31, 2011. The White Paper contained an extensive discussion of utility incentives, finding that incentives had succeeded in motivating utility management but also had contributed to counterproductive results. Staff recommended that incentives in the form then existing should be eliminated, and that a process should be put into place to consider instituting a revised mechanism.

In an order of October 25, 2011 (EEPS Reauthorization Order)[3] the Commission eliminated the efficiency incentive as of January 1, 2012. The order outlined a proposal for a revised mechanism, but did not adopt the mechanism, instead ordering the Secretary to issue the proposal for comment. The Commission stated that it intended to adopt an incentive mechanism similar to that which was outlined in its order, and that the incentives would be effective retroactively to January 1, 2012.

The Secretary issued a Notice Seeking Comment on November 17, 2011, including the Commission's proposed incentive mechanism and several additional questions.[4] Comments were received from nine parties on January 10, 2012, and replies were received from four parties on January 19, 2012.[5]

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2 Case 07-M-0548, Order Combining Incentive Targets, Clarifying Incentive Mechanism Details and Establishing Implementation Advisory Group, issued December 21, 2010.

3 Case 07-M-0548, Order Authorizing Efficiency Programs, Revising Incentive Mechanism, and Establishing a Surcharge Schedule, issued October 25, 2011.

4 A Notice of Proposed Rulemaking was published in the State Register November 23, 2011.

5 A summary of parties' comments is attached as Appendix 2.

THE INCENTIVE PROPOSAL

The proposal articulated in the EEPS Reauthorization Order was designed to maintain the positive benefits of incentives while reducing the complexity of implementation and potentially counterproductive effects. Total amounts at stake would be smaller. Formulaic negative incentives would be eliminated, although poorly performing utilities would still be vulnerable to adjustments in rate cases or other proceedings. Cooperation among utilities and NYSERDA would be encouraged by a two-step mechanism that would reward all utilities if statewide goals are met. Incentives would be calculated once for a four-year period, rather than annually.

The proposal, as issued by the Secretary, was as follows:

1) Total "incentive pools" of $36 million for electric and $14 million for gas will be established (based on estimates of a 5-basis-points on equity per year, 20-basis-points total, equivalent over the four-year incentive period).

2) Each incentive pool will be divided into two sums (Step One and Step Two). Step One will represent two-thirds of the total and Step Two will represent one-third.

3) The Step One and Step Two funds will be allocated among utility program administrators proportionally based on their percentage of total utility targets.

4) Step One: Each utility will have the opportunity to earn an incentive if it reaches 100% of its aggregate target, for years 2012-2015, by the end of 2015 (calculated on a commitment accrual basis). The amount it can earn would be its proportional share of Step One.

5) Step Two: All utilities will earn an incentive if the entire statewide jurisdictional goal (including NYSERDA's share) is achieved by 2015. The amount for each utility would be its proportional share based on its share of the utilities' aggregate targets. If the statewide goal is not reached, no utility receives an incentive from Step Two.

6) Determination of any incentive that a utility is qualified for under (4) or (5), and the mechanism for payment, will be made in 2016.

7) There will be no formulaic negative adjustments provided in the incentive mechanism. Each utility, however, may be subject to adjustments in rate cases, penalties, or other proceedings, in the event of poor performance that is not excused by mitigating factors.

DISCUSSION OF ISSUES

General

Parties' positions regarding the usefulness of incentives in general continue to be mixed. We have considered this question in past orders and have determined that properly structured incentives can result in a more effective energy efficiency program. Therefore, the issue of whether there should be an incentive mechanism will not be revisited here. The questions we consider in this order involve the best mechanism to put into place, given what we have learned from the prior three years' experience with utility-administered efficiency programs and incentives.

In the EEPS Reauthorization Order, we recognized that the EEPS program will be subject to a process of continuous improvement. The incentive framework we adopt here is designed to accommodate changes in the underlying program. We reserve the option, however, to reconsider the incentive mechanism, including the total amount of the incentive pool, in light of future changes to targets, budgets, and other elements of the EEPS program.

The Two-Tiered Approach

A majority of comments favor the use of two tiers to encourage cooperation among utilities and NYSERDA. Multiple Intervenors (MI) oppose, arguing that the two-tiered approach could produce a windfall for utilities whose own efforts would not otherwise warrant an incentive. MI proposes that only utilities meeting their own targets should be eligible for a Step Two award. Other comments argue that the Step Two pool should be larger, or smaller, or geared only to NYSERDA's meeting its own targets, or geared toward meeting targets specific to utility territories.

NRDC/Pace and Northeast Energy Efficiency Partnerships argue that Step Two should be smaller than one-third of the total, because the primary emphasis should be on utilities achieving their targets. NYSERDA argues that the Step Two incentive should be increased. One purpose of the Step Two incentive is to encourage cooperation toward the achievement of NYSERDA's targets. Increasing the Step Two portion, however, would reduce the incentive of individual utilities to perform in meeting their

own targets. We are persuaded that a greater emphasis should be placed on giving individual utilities incentives to meet their targets; therefore we will revise the allocation so that 90% of the total is allocated to Step One and 10% is allocated to Step Two. We also find it reasonable that the Step Two goal for electricity should equal the jurisdictional goal, confirmed in the EEPS Reauthorization Order, of 11.2 million MWh.[6]

MI's concern, that the Step Two award might constitute a windfall for one or more utilities, is well taken. However, the Step Two award will maintain an incentive to perform even where a utility is failing to meet its own targets, because its efforts will help the statewide goal to be achieved. General eligibility for Step Two awards ensures that all utilities will have incentives not only to meet their own targets but also to cooperate with NYSERDA and other utilities toward meeting the statewide goal. We find the value of this continued incentive to be greater than the risk of an unwarranted award. Moreover, a utility whose efforts are manifestly inadequate is vulnerable to having its award reduced or eliminated in a rate proceeding. For those reasons, we will not impose the condition proposed by MI. Consumer Power Advocates propose that Step Two awards should be geared exclusively to NYSERDA meeting its targets. We decline to adopt this proposal, for similar reasons. An incentive to achieve the statewide goal assures that every MWh or Dth saved by a utility is significant, even if it will not achieve its own targets; moreover, cooperation among all utilities, beyond cooperation between utilities and NYSERDA, is promoted by using the statewide goal.

Positive-Only Incentives

The departure from symmetrical positive-negative adjustments is a substantial change from the prior mechanism. Pace/NRDC oppose this change, while the Joint Utilities support it.

The reasons supporting this change are discussed at length in the White Paper and the EEPS Reauthorization Order. The experience reported by Staff is that the threat of negative adjustments, while motivating utilities to perform, also affected program implementation in counterproductive ways. It created an adversarial approach

[6] EEPS Reauthorization Order, pg. 7.

to setting targets and budgets, undue aversion to risk, and short-term allocation of resources that may not serve the long-term interests of a balanced program.[7] Moreover, the amount of Staff and utility time that has been needed to consider and account for mitigating circumstances has been a substantial drain on resources better spent administering programs. The revised mechanism will not fully resolve all of the difficulties identified by Staff, but it will establish a better balance to help maintain focus on the principal goal of meeting efficiency targets in a cost-effective way.

The absence of a formulaic negative adjustment does not remove all risk for utilities. As we noted in the EEPS Reauthorization Order, a utility that underperforms may be held to task in a rate proceeding or a penalty proceeding. MI argues that the process for carrying this out is not clear, and that rate cases should not be encumbered with this issue. We do not anticipate that utilities' performance on energy efficiency programs will be a frequent subject of rate cases, but that issue will be addressed when and if it arises. Nor is it necessary at this point to identify objective metrics for performing such an evaluation. Like all activities ordered by the Commission, utilities have an obligation to administer efficiency programs in a reasonable manner. If they fail to do so, such failures can be addressed in rate cases or on the Commission's own motion, as is the case for any other obligation of utilities.

Size of the Incentive Pool

The proposal was based on an estimate of 5 basis points per year across all utilities, which rounds to a total of $50 million over a four-year period. Of the $50 million, $36 million would be allocated to electric efficiency targets and $14 million to gas. In the 2008 Incentives Order, the total for electric incentives was converted to a fixed amount of $38.85 per megawatt-hour. That conversion will not be performed in this phase, because the total aggregate targets are likely to be revised during the next four years and the final figure per megawatt-hour will not be known until the completion of

[7] The utilities, while supporting the change to positive-only incentives, do not agree with many of Staff's characterizations of the effect of the previous incentive mechanism.

the four-year period. Based on current target levels, however, the per-megawatt-hour incentive for combined Steps One and Two is estimated to be $16.78, and the per-Dth incentive for gas is estimated to be $2.25.

The Joint Utilities argue that these amounts represent a substantial reduction from past incentives and are insufficient to provide a meaningful incentive. MI replies that utilities are already required to implement efficiency programs and should require no incentive at all, and any claim that $50 million is inadequate should be rejected. NEEP comments that the reduced total is appropriate to reflect the reduced risk of negative adjustments, although the total could be increased from approximately 5% of program costs to a range of 8-10% of program costs.

There is no formula for calculating a precisely correct level of incentives. Our experience in the previous three years demonstrated that incentive levels were certainly high enough to capture the attention of utility management, and perhaps too high. Instituting a positive-only formula warrants a substantial reduction in the total positive incentive, because the absence of a formulaic negative adjustment reduces risk. If the potential to earn $50 million is insufficient to motivate utility performance, utilities will still be at risk for negative adjustments in rate cases or penalty actions. We find the proposed level of $50 million over four years to be reasonable and we will adopt it.

Because the distribution of utility targets is not exactly proportional to utility revenues, there is the potential for some utilities to earn substantially more than 5 basis points per year from this incentive mechanism. This is not in itself an undesirable result, so long as incentives remain tied to achievement of targets, and programs run by an individual utility will benefit ratepayers within that utility's service territory. However, given the absence of formulaic negative adjustments, there is a concern that one or more utilities may be eligible to earn incentives at a level beyond what is needed to encourage excellent performance, and disproportionate to risk. For that reason, we will adopt a cap on the total award for any individual utility of 60 basis points over the four year period. This represents three times the average number of basis points available per utility, which is a reasonable constraint that will maintain an incentive for excellent

performance from any utility with a relatively high level of targets. At current target levels, this cap will have minimal impact. In the event that targets are substantially revised, however, this cap will serve to limit total incentives.[8]

Scalable Awards

The proposal would have awarded incentives on an all-or-nothing basis, in order to increase motivation to achieve 100% and to provide simplicity in administration. Comments were unanimous that incentives should be awarded on a scaled basis. Scaled awards ensure that each MWh or Dth saved will have an equal incremental impact on incentives (within the range of scalability), and that a utility will maintain strong efforts even when it does not appear that it will achieve 100%. Moreover, as the Joint Utilities observe, an all-or-nothing approach could have a detrimental impact on cooperation. A utility within range of reaching its 100% goal may be less likely to cooperate with NYSERDA and other program administrators to achieve statewide goals. NFG also observes that an all-or-nothing incentive, in tandem with flexibility to shift funds among programs, is more likely to result in portfolio imbalance.

We agree with the comments that awards should be scaled, as they have been during the past three years. The previous incentive mechanism began to award positive incentives at the 80% achievement level. Most comments indicated that 80% achievement is a reasonable level. We will adopt a scaled award mechanism that operates on a straight line beginning with zero awarded at 80% achievement and concluding with 100% awarded at 100% achievement. This will be applied to both the Step One and the Step Two awards.

Some comments argue that incentives should be awarded for achievements in excess of 100%. Given the limited amount of the total incentive pool, and the priority

[8] The operation of the cap will be a pro rata reduction in awards to the affected utility; the utility will still need to achieve 100% of its targets to receive 100% of its capped total award. Any reduction in incentive payments to a particular utility, resulting from this cap, will be a reduction in the total incentive pool rather than being redistributed throughout the pool.

that we place on achieving our goal, resources will be focused on achieving the 100% level.

Calculating on a Four-year Basis

The initial approach adopted in the 2008 Incentives Order was to calculate incentives annually, in order to keep utilities on pace toward meeting cumulative targets. That approach was revised to account for mitigating circumstances, with the result that incentives for the years 2009-2011 will be calculated on a cumulative basis.

The proposal for 2012-2015 would calculate incentive awards only once, based on aggregated achievements during those years. Efficiency achievements will fluctuate considerably from year to year, depending on implementation factors such as roll-outs, contracts, and outreach, and also economic factors affecting consumer behavior. Calculating once over a four-year period will minimize the impact of these fluctuations.

NFG proposes a modification of this approach, in which awards would be calculated annually, with the maximum cumulative award increasing each year, from 25% after 2012 to 100% after 2015. This method would provide timely awards to utilities while allowing them to make up for lagging performance in off years.

We will adopt a one-time award calculation following the conclusion of the four-year period, rather than the four-stepped annual award mechanism proposed by NFG. Although NFG's proposal has merit, on balance the benefits of a one-time calculation outweigh the benefits of NFG's proposal. For a variety of reasons, annual accounting of efficiency gains is difficult. Many programs are seasonal in nature. Accounting on an accrual/commitment basis requires true-ups, which would be more difficult to administer, for purposes of incentives, on an annual basis than on a four-year basis. This will be further complicated by the accounting for credits earned in on-bill financing programs, as discussed below. Finally, and by no means least in significance, the time needed by Staff and utilities to perform annual accounting and true-ups for incentives can be better spent in monitoring and administering programs.

The Step Two Goal for Gas Efficiency

There is no statewide goal for gas efficiency comparable to the 15-by-15 goal for electricity. The Notice requested comments on the appropriate goal for the Step Two gas awards. The Joint Utilities indicated that the aggregate of all administrators' gas targets would be the logical goal. NFG and NYSEG/RGE indicated that the gas targets may be unattainable as currently stated.

The process of revising targets will be ongoing, and the specific issues raised by NYSEG/RGE and others will be addressed in a different phase of this proceeding. Because awards will be scaled, beginning at 80% achievement, concerns about the attainability of targets, for incentive purposes, are reduced. We find that the aggregate of gas targets is an appropriate total goal for the Step Two statewide incentive award.

Participation of Gas Utilities

The previous incentive mechanism allowed gas utilities a one-time opportunity to opt out of the incentive program. Because the formulaic negative adjustment will be omitted from the mechanism we are adopting here, there would be little sense in offering utilities an opportunity to opt out. NFG seeks clarification, however, of whether a utility opting out of the program would be exempt from the potential for adjustments in rate cases or penalty proceedings. The efficiency targets assigned to utilities are not optional, and reasonable efforts to achieve the targets, especially where ratepayer funds are expended, are required of all utilities. Regardless of the availability of positive incentives, we would hold utilities accountable for unreasonably poor performance. For that reason, we will eliminate the opt-out provision and every utility with efficiency targets will be eligible for incentives.

On-Bill Financing

Section 66-m of the Public Service Law, enacted in 2011, relates to utilities' providing billing and collection services for on-bill financing programs run by NYSERDA. These programs would allow customers to finance the costs of some

efficiency investments through their utility bills.[9] Subdivision (1)(e) of section 66-m provides, "The commission shall determine an appropriate percentage, up to fifteen percent, of the energy savings from qualified energy services … for purposes of meeting such corporation's targets …". This provision is designed to encourage utilities in providing this service to NYSERDA. The statute does not specifically address incentives, but it is reasonable to conclude the intent was for the percentage to apply to utilities' targets for incentive purposes, as opposed to overall programmatic achievement. Applying the percentage only for incentive purposes will avoid a double count in the calculation of the MWh and Dth achieved by the EEPS program.

Applying the percentage to utility targets presents complications in reporting. On-bill financing projects offered by NYSERDA may contain a mixture of utility rebates, NYSERDA EEPS-funded measures, NYSERDA non-EEPS-funded measures, and savings in non-EEPS fuels such as oil. For purposes of the credit to utility targets under Section 66-m, only the portion of savings attributable to NYSERDA EEPS-funded measures will be counted. To the extent an on-bill-financing project contains utility rebates, those savings will already be counted by the utility and no additional incentive is needed for the utility.

We find that 15% is a reasonable percentage, applicable only to the NYSERDA EEPS-funded components of a project, and applicable only to the utility-specific Step One awards. Utilities will already be invested in the success of NYSERDA for purposes of the Step Two award, and require no additional incentive. Moreover, because NYSERDA's savings are all counted toward the Step Two award, allowing utilities to count any percentage of those savings would constitute a double count.

The 15% of on-bill-financing savings counted toward the utilities' achievements for purposes of the Step One award must be reported separately and not

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[9] On December 15, 2011 we adopted an order approving tariff amendments to implement this statute. Cases 11-E-0450, et al, Tariff Filings to Effectuate Amendments to the Public Service Law Concerning Green Jobs-Green New York On-Bill Recovery, Order Modifying and Authorizing On-Bill Recovery Tariffs (issued December 15, 2011).

counted toward the achievement of utilities' actual energy targets, so that our assessment of program achievements is not inflated and the NYISO will receive accurate figures. NYSERDA should continue to report all of the savings from its EEPS-funded measures as NYSERDA achievements.

Commitment/Accrual

NYSEG/RGE seek clarification of the use of commitment/accrual accounting toward incentives. We stated in the EEPS Reauthorization Order that savings toward target achievement would be reported on a commitment/accrual basis. Because incentives will be calculated only once, after the 2012-2015 period has concluded, the choice of accounting methods has less impact on incentives than it has for annual reports. For incentives, commitments obtained after January 1, 2012 and prior to December 31, 2015 will be counted.

Pre-collections

MI urges that funds for incentives should not be pre-collected from ratepayers in anticipation of awards made following 2015. We agree with this recommendation. The method of paying utilities will be determined at the time awards are determined.

New York City Demand Incentive

In the 2008 Incentives Order, we established a demand-based incentive, specific to New York City, in the amount of $100,000 per MW up to 50 MW. Con Edison states that this incentive should be continued, as it not only reduces usage and customer bills but allows the company to defer transmission and distribution expenditures. We agree with Con Edison, and the demand incentive will be continued on the terms that were established in the 2008 Incentives Order, to a maximum of 50 MW per year over the 2012-2015 period.

Evaluation of Results

NYSERDA suggests that the incentive should be based on fully evaluated results, and either the awards should be delayed until evaluated results are available, or they should be awarded subject to a true-up. Although it is important to have confidence

in reported results, the approach suggested by NYSERDA would delay and complicate the incentive process without a commensurate benefit. Because incentives will be awarded for a four-year period, many results will have been fully evaluated. Also, as the methodology of estimating savings improves, the difference between reported results and evaluated results shrinks. For these reasons we will not delay the award of incentives any further than is needed beyond the end of 2015.

Additional Metrics

Pace/NRDC suggest that additional metrics are required, to avoid utilities concentrating their resources on certain programs to the detriment of portfolio balance and customer equity. In particular, Pace/NRDC suggest that a separate metric for performance in low-income programs is needed. At this time, we will not establish separate metrics, which would further complicate the process of calculating and awarding incentives. The bulk of low-income program funds are administered by NYSERDA, and utilities already receive credit for referring customers to NYSERDA.

Budget Restrictions

MI proposes that incentives should only by awarded if utilities achieve savings within approved budgets. The Joint Utilities note that budgets approved in the EEPS Reauthorization Order may be revised as targets are revised, and that budget flexibility has been provided for by the Commission. We establish budgets for programs, accompanied by rules for moderate flexibility in shifting funds among programs, designed to achieve a reasonable balance between strict program control and maximum flexibility. This approach is designed to achieve optimal efficiency savings, and utilities will be allowed to earn incentives based on aggregated portfolio performance.

Effective Date

As we stated in the EEPS Reauthorization Order, the new mechanism will apply to efficiency savings during the four calendar years 2012 through 2015. The effective date of the mechanism adopted here is January 1, 2012.

SEQRA Findings

Pursuant to our responsibilities under the State Environmental Quality Review Act (SEQRA), in conjunction with this order we find that programs approved here are within the overall action previously examined by us in Case 07-M-0548 and will not result in any different environmental impact than that previously examined. In addition, the SEQRA findings of the June 23, 2008 order in Case 07-M-0548 are incorporated herein by reference and we certify that: (1) the requirements of SEQRA, as implemented by 6 NYCRR part 617, have been met; and
(2) consistent with social, economic, and other essential considerations from among the reasonable alternatives available, the action being undertaken is one that avoids or minimizes adverse environmental impacts to the maximum extent practicable.

The Commission orders:

1. For the four-year period 2012-2015, incentives for utility energy efficiency programs resulting from the Energy Efficiency Portfolio Standard shall be applied in the manner described in the body of this order and in Appendix 1 to this order. The affected utilities shall take cognizance of this requirement and prepare their program portfolio filings in a manner that reflects this order.

2. The utilities shall prepare their calculations of Step One incentive awards, covering the period 2012 through 2015, and may file them not later than April 1, 2016.

3. The Secretary is authorized to extend any deadline established in this order.

4. This proceeding is continued.

By the Commission,

Jaclyn A. Brilling
Digitally Signed by Secretary
New York Public Service Commission

(SIGNED) JACLYN A. BRILLING
Secretary

Case 07-M-0548

Appendix 1

Utility Incentive Mechanism

1) Incentive pools will be $36 million for electric utilities and $14 million for gas utilities, totaled over the four-year incentive period.
2) Each incentive pool will be divided into two sums ("Step One" and "Step Two"). Step One will represent 90% of the total and Step Two will represent 10%.
3) The Step One and Step Two funds will be allocated among utility program administrators proportionally based on their percentage of total utility targets.
4) Each utility will be eligible to earn its proportional share of Step One. Step One awards will be based on achievement of a utility's aggregate target (for years 2012-2015) by the end of 2015. Awards will begin at zero for 80% achievement and will be graduated on a straight line basis to 100% awarded for achievement of 100% of the aggregate target. Achievement will be calculated on a commitment accrual basis.
5) Solely for purposes of calculating achievement of targets for earning a Step One award, a utility will be credited with 15% of the energy savings achieved through any NYSERDA-funded measure for which the utility performs on-bill financing services as described in Section 66-m of the Public Service Law.
6) Step Two awards will be calculated separately for electric and gas utilities, as follows: All utilities will earn an incentive if the entire statewide jurisdictional goal (including NYSERDA's portion) is achieved by 2015. The amount for which each utility is eligible will be based on its proportional share of the utilities' aggregate targets. Awards will be graduated from 80% to 100% achievement, as they will be for Step One. Awards will be granted either to all utilities or no utilities, depending on achievement of statewide goals.
7) The statewide goal for gas efficiency, for purposes of this incentive mechanism, will be the aggregate target of all program administrators including NYSERDA.
8) All gas utilities administering efficiency programs under EEPS will be eligible for incentives.
9) Determination of incentive awards and the mechanism for payment will be made in 2016. The award for any utility will be capped at sixty basis points over the four year period.
10) No formulaic negative adjustments are provided in the incentive mechanism. Each utility, however, may be subject to adjustments in rate cases or other proceedings, in the event of poor performance that is not excused by mitigating factors.
11) The demand reduction incentive applicable to New York City will be continued on the same terms as established in the 2008 Incentives Order, up to a total of 50MW per year for the four-year 2012-2015 period.

12) This incentive mechanism applies to utility achievements beginning January 1, 2012.

Appendix 2

Case 07-M-0548

EEPS Incentives Summary of Comments

Initial Comments

Joint Utilities (Con Edison, Orange and Rockland, Central Hudson, and the National Grid companies)

The general approach of providing incentives is supported. Also supported is the general approach of a two-step incentive, which will encourage cooperation among program administrators. The size of potential incentives, however, is substantially reduced from the approximately 10 basis points available under the previous mechanism. Incentives under the previous mechanism equated to $38.85/MWh, while total incentives under the proposal would be $16.77/MWh, with only $11.18/MWh available under the Step One process which rewards utilities for individual effort. This reduction sends a signal that excellent performance is not valued, and it will not provide sufficient incentives to excel and to cooperate. Because of the small overall levels, dividing the total into two pools defeats the purpose of the Step Two process.

The incentives should be scalable. The Commission has already commented on the effectiveness of graduated incentives compared with an all-or-nothing approach. Moreover, incentives should not be capped at 100% achievement, because that fails to reward excellent performance. Incentives should be scaled beginning at 80% achievement and capped at 125% achievement.

A statewide Step Two goal for gas utilities should be established from the aggregate of targets.

Ancillary gas and electric savings should not be counted; there is no mechanism for doing this, and further analysis is needed.

Positive incentives should be made available to all gas utilities; utilities that opted out earlier should have a chance to opt in.

Utilities should receive the maximum permissible 15% credit for savings resulting from on-bill financing programs, with no corresponding increase in utilities' targets

A cap on individual utilities' incentives is not warranted. Targets will not be proportional to utility revenues, but that does not affect the importance of incentives.

National Fuel Gas

The Commission should provide more time for the review and revision of programs before instituting a new incentive mechanism. Budgets are established in a manner that almost ensures failure to achieve 100% of targeted savings; there is no margin for error built into the budget projections, so that achievement of 100% savings will require expenditure of 100% of budgets by December 31, 2015.

Financial incentives in general are not necessary to capture management's attention; standard prudency requirements are sufficient. The levels of incentives in the proposals will not be effective.

The two-tiered structure of the proposal is not unreasonable, but it would be improved if a specific NYSERDA goal were established for each utility territory.

The utility-specific awards should not be delayed until the end of 2015. A step-system would allow for awards up to 25% of the total in the first year, increasing by 25% each year, so that payments are not delayed while administrators can make up for shortfalls in earlier years. An all-or-nothing approach provides incentives for undue shifting of funds and uncooperative behavior.

Quantifying ancillary savings for incentive purposes would add unnecessary complication.

Utilities not currently participating in incentives should have the opportunity to opt in. The Commission needs to clarify, however, whether a utility not participating in positive incentives would have the same potential negative exposure as participating utilities.

NYSEG and RG&E

The Commission needs to clarify the total amount available for incentives, and whether it will remain fixed over the four-year period. The Commission also needs to clarify how incentives will be paid on a commitment/accrual basis.

Graduated incentives would be more effective than an all-or-nothing approach.

Targets and budgets need to be corrected, to make targets achievable.

Savings from on-bill financing need to be reported separately from actual jurisdictional savings, to avoid a double-count.

Con Edison (supplementing the comments of the Joint Utilities)

The megawatt incentive authorized in the 2008 Incentives Order should be renewed. Some EEPS programs reduce peak demand and permit Con Edison to defer capital expenditures in transmission and distribution infrastructure. The incentive level of $100,000 per megawatt should be maintained.

Natural Resource Defense Council and Pace Energy and Climate Center (NRDC/Pace)

Incentives for efficiency programs are very valuable and should be continued. Experience from the first three years of the program, including delays in program approvals, should be used as lessons for moving ahead.

Incentives should be focused on the performance of individual utilities. If a two-step process must be used, the total amount of the second step should be much smaller, in the range of 5-10% of the total rather than one-third.

Incentives should be scaled, beginning at 80% achievement, and achievement of greater than 100% of targets should be rewarded.

Formulaic negative adjustments should be included. A threat of penalties in other proceedings is ambiguous and insufficient.

In order to prevent incentives from skewing portfolio balance, metrics should be added for criteria other than meeting total targets. Low-income programs, for example, should have a separate metric.

NYSERDA

There continues to be no convincing evidence that incentives provide benefits. There is evidence in California showing a low correlation between incentives paid and energy savings realized. Adopting incentives early in 2012 is premature; targets and budgets should be modified first.

The two-step mechanism would be improved if half of the total were allocated to the second step. This would be more representative of the proportional distribution of targets between NYSERDA and utilities.

Incentives should only be awarded for evaluated results. This could be accomplished with a true-up mechanism.

Savings from on-bill financing should be credited consistent with the manner in which EmPower savings are credited, with 15% added to the utility's total for incentive purposes, but not subtracted from NYSERDA's achievement of actual savings.

Northeast Energy Efficiency Partnerships (NEEP)

Performance-based incentives should be continued. Removing the negative adjustment is effective, and warrants a reduction in total incentives to reflect the reduction of risk. Rather than 5% of total budgets, incentives should be somewhat higher, in the range of 8-10% of total budgets.

The two-step mechanism serves a valuable purpose, but may be coming at the expense of individual utility incentives, which are more important.

Incentives should be graduated beginning at 80% achievement.

Measurement and verification protocols should be clarified and improved prior to the award of incentives.

Multiple Intervenors

As developed more fully in comments submitted on the White Paper, utility shareholder incentives should be eliminated, and if they are not, they should include negative incentives. Assuming the Commission will proceed with incentives, then it should ensure that individual utility incentives are not awarded unless targets are met within established budgets. If budgets are increased, targets should receive corresponding increases, at least for incentive purposes.

In applying an incentive mechanism, the Commission should refrain from considering mitigating circumstances. There will always be mitigating factors, and the Commission's leniency in awarding incentives or refraining from negative adjustments is unfair to ratepayers.

The Step Two incentive has the potential to produce a windfall for utilities that have not performed well. Step Two awards should be contingent on a utility meeting its own targets.

The lack of formulaic negative incentives is not cured by statements that poor performance might be dealt with in rate cases or other proceedings. The criteria for such a consideration are vague; moreover, this approach has the potential to complicate rate proceedings.

Funds for incentive awards should not be collected in advance of any decision by the Commission to award incentives.

Consumer Power Advocates

Incentives that align the interests of NYSERDA and utilities should be adopted. Step Two, as proposed, would improperly allow incentive payments to some utilities for the accomplishments of other utilities. Instead, the Step Two award should be based entirely on the achievement of NYSERDA's targets.

Gas utilities should be required to participate, rather than being given an option. No utility should have the option to decline participating in a program that the Commission has found to be in the public interest.

Incentives for any utility should be capped at five basis points per year. There is no evidence that a higher incentive would be cost-effective.

Reply Comments

Joint Utilities

The upper limit for incentives should be higher than 100% achievement to provide an incentive for exceptional performance.

Budgets established in the EEPS Reauthorization Order should not be used to restrict incentive awards; these budgets will be modified, and flexibility is needed to respond to market conditions. Increases in budgets to make targets reasonably achievable need not be accompanied by increased targets.

The Commission should always retain the discretion to consider mitigating factors in awarding incentives.

It would defeat the purpose of the Step Two award if utilities had to achieve 100% of their own targets to be eligible.

A certain degree of competition among utilities and NYSEDA should be retained.

Incentive awards should not be subject to a true-up based on evaluation results. Estimation of savings is performed using the Technical Manuals, which will provide for consistency across all programs. In either event, estimation of savings is not an exact science.

Where a utility-administered program achieves savings using on-bill financing, the utility should be credited with all of the savings. Where a customer achieves savings from both NYSERDA and utility-administered programs, the utility should be credited with all of the savings from the utility program and 15% of the savings from the NYSERDA program.

Issues related to the EM&V protocols are outside the scope of the Notice and should not be addressed.

National Fuel

The Commission is capable of deciding when mitigating factors should be considered, and should retain the flexibility to do so.

The Step Two percentage should not be increased. Utilities have very little influence on NYSERDA's overall program design and implementation; utility incentives should be focused where utilities have the most ability to influence outcomes. It is already questionable whether the sums in the Step One incentives will provide extra motivation to utilities.

Multiple Intervenors

There is no basis to characterize $50 million as insufficient to provide an incentive, particularly where utilities are ordered to implement programs, and ratepayers are carrying 100% of the costs. The cost of EEPS is already exorbitant. Moreover, removing the threat of negative adjustments eliminates virtually all risk for utilities.

New York Energy Consumers Council, Inc.

A total of $50 million is the highest level at which incentives should be established. Incentives should not be available for achievements lower than 100%, because utilities should aim to exceed targets. Incentives graduated to achievements higher than 100% would be effective, as would off-setting negative adjustments.

Building on the important new practices developed in the 2010-2012 plans, the Program Administrators have developed a statewide Plan TRM, which contains planning assumptions for each program year. The Plan TRM will be submitted along with each Program Administrator's three-year plan. This Plan Version TRM incorporates updates from all of the most recent evaluation study results, as well as updates to baseline standards and new measures. The Plan TRM is the basis for savings set forth in this Plan. The development and use of the TRM reflects an important success of the Program Administrators' ongoing 2010-2012 effort. Revised versions of Plan Version TRM for 2013-2015 would be shared with the Consultants and LEAN.

K. Performance Incentives

On January 28, 2010, the Department issued the Orders on the three-year energy efficiency plans, which included the Electric Order in dockets D.P.U. 09-116 – D.P.U. 09-120 and the Gas Order in D.P.U. 09-121 – D.P.U. 09-128. The Orders approved most aspects of the performance incentive mechanism proposed by the Program Administrators in their 2010-2012 Plans.[36] However, for certain aspects of the proposal regarding the allocation method of the statewide pool and performance metrics, the Department ordered the Program Administrators to work further with the Council and re-file these components with the Department for its review and approval. For 2011, the Program Administrators worked closely with the Council in order to update the allocation method in compliance with the Orders, as well as to propose updated performance metrics. As a result of this effort, a comprehensive settlement was achieved on this and other matters, which was filed on April 15, 2011, and is currently pending before the Department (See D.P.U. 10-141 – 10-150). Similarly, for 2012, the Program Administrators used the extensively reviewed 2011 method and performance incentive model as a basis for 2012 performance incentive allocations and updated performance metrics. Performance incentive proposals applicable to 2012 efforts were filed with the Department on October 28, 2011 and are also pending (See D.P.U. 11-106 through D.P.U. 11-116). For 2013-2015, the Program Administrators have retained the performance incentive model that has been effective and fully reviewed related to efforts in the initial three-year plan, with the incentive pool comparatively reduced in accordance with the Term Sheet, which sets forth an integrated approach to savings, budgets, and incentives.[37] In this discussion, the Program Administrators also summarize the 2013-2015 performance incentive amounts in the following manners: statewide; by component; and by Program Administrator.

I. Summary of the Orders on Performance Incentives in the Initial Three-Year Plan.

In the Electric Order and the Gas Order, the Department noted its support of the following elements of the proposed incentive design:

1. The proposed statewide incentive pool.
    a. The electric statewide incentive pool goals equal $22 million in 2011 and $25.5 million in 2012, assuming that goals on a statewide basis are equal to the goals established by the Council. Electric Order at 93. The actual incentive pool can be

[36] See Electric Order, at 93-125, 165, and 168-169; Gas Order at 79-115, 168-169, and 172-173.

[37] If savings or budgets are materially altered, the PAs necessarily reserve their right to adjust incentive approaches.

adjusted up or down according to actual goals. Id. at 111. The Department approved the statewide goals. Id. at 112.

b. The gas statewide incentive pool goals equal $4.5 million in 2011 and $5.5 million in 2012, assuming that goals on a statewide basis are equal to the goals established by the Council. The actual incentive pool can be adjusted up or down according to actual goals. Gas Order at 100. The Department approved the statewide goals. Id. at 101.

2. The structure of the proposed incentive mechanism includes three components: the Savings Mechanism (focusing on the dollar value of benefits); the Value Mechanism (focusing on the dollar value of net benefits); and Other Performance Metrics.

   a. The three-pronged structure of the incentive mechanism was approved in the Electric Order at 113, 124 and the Gas Order at 101-102, 114. The Department noted that similar mechanisms have been approved in the past.

3. Common payout amounts under both the Savings and Value Mechanisms.

   a. The approval for common payout rates in the Electric Order is found on pages 113-114 with reference to Table D at 96.

   b. The approval for common payout rates in the Gas Order is found on pages 102-103 with reference to Table C at 83.

4. The proposed allocation of the statewide incentive pool to each Program Administrator (excluding Cape Light Compact ("CLC")) for 2010 but not for 2011 or 2012.

   a. The allocation of the statewide electric incentive pool to each Program Administrator was based on that Program Administrator's contribution to the statewide savings goals as expressed in MWh. However, the allocation for each of the three components was not consistent among the Program Administrators; the savings component amount was allocated on the basis of the dollar value of savings, the value component amount was allocated on the basis of the dollar value of net benefits, and the performance metrics component was derived to total the overall allocation method based on savings goals. Although the Department approved the allocation of the components for 2010, the Program Administrators were directed to revise the allocation method for 2011 and 2012 so that, to the extent possible, the revised allocation method would result in (1) uniform statewide payout rates for the savings and value components, and (2) an allocation of incentive dollars across the three components for each Program Administrator that, on a percentage basis, approximates the statewide allocation across the three components, as endorsed by the Council and approved by the Department. See Electric Order at 114-116.

   b. The allocation of the statewide gas incentive pool to each Program Administrator was based on a similar methodology. This methodology produced some anomalous results for certain Program Administrators that required special adjustments. Similar to the electric side, the Department approved the gas Program Administrators' component allocation for 2010, but the Program Administrators were ordered to revise the allocation methodology in 2011 and 2012. See Gas Order at 103-105.

c. A revised allocation methodology was proposed in the 2011 mid-term modification filings settlement proposal. The revised methodology was created following extensive discussions with the Council, and addresses the concerns of the Department, as noted in the Orders.

5. Specific limitations on how EM&V results would be used to determine performance for both the electric and gas Program Administrators. Electric Order at 124; Gas Order at 114.

However, the Department did not accept: (1) the proposed allocation method for 2011 and 2012 as mentioned above; or (2) the proposed performance metrics for 2010, stating that it did not accept an EM&V "Omnibus Metric," and directed the Program Administrators to include a financing and funding metric.[38] The Department further ordered that a cap on the earned incentive mechanism apply both in total and by component. The cap by component and overall has been set at 125% of Design level performance.[39]

II. Allocation Proposal for 2013 – 2015

The Program Administrators propose the following allocation method for 2013-2015, based directly on the method set forth in each Program Administrator's 2011 and 2012 mid-term modification. Similar to the 2011 and 2012 allocation methodology, in 2013-2015, the statewide incentives for the savings component of the incentive pool are allocated on the basis of the dollar value of benefits using common payout rates as approved by the Department. The statewide incentives for the value component of the incentive pool are allocated on the basis of the dollar value of net benefits using common payout rates as approved by the Department. The statewide incentives for the performance metric component of the incentive pool are allocated on the basis of the forecasted[40] amount of net benefits. The total incentive is the sum of the three components. This methodology was followed for allocating the incentive dollars among Program Administrators, as well as to each sector and to each program.

This proposed allocation model results in a similar distribution of each Program Administrator's incentives among the three components. The proposed payout rates for 2013-2015 remain constant for all Program Administrators[41] and for each year in the Plan.

38 In response to the Electric Order and the Gas Order, the Program Administrators filed a revised performance metric proposal on March 12, 2010. The Department subsequently approved the revised performance metrics on August 10, 2010 with the exception of the Deeper Savings metric. On September 14, 2010 the Program Administrators filed a compliance filing in regard to changing the baseline year of that metric.

39 The Program Administrator proposals had thresholds for the savings and value incentive mechanisms of 75% of design or target level performance.

40 Once approved, these target amounts are to remain constant regardless of the actual net benefits achieved. In other words the performance metric target does not change once the program year has started. This allows for certainty in planning and forecasting for the Program Administrators as they are aware of the value of the metrics and the work involved.

41 Except CLC, which does not participate in performance incentives.

Distribution of Performance Incentive for Electric Program Administrators in 2013 – 2015:

Percent of Total Incentive

State	Residential	Low Income	C&I	Total
Savings	14.0%	2.5%	39.5%	56.0%
Value	8.1%	1.1%	25.7%	35.0%
Metrics	3.2%	2.5%	3.2%	9.0%
Total	25.4%	6.2%	68.4%	100.0%

National Grid	Residential	Low Income	C&I	Total
Savings	13.5%	2.5%	39.4%	55.5%
Value	7.8%	1.1%	26.5%	35.4%
Metrics	3.3%	2.6%	3.3%	9.1%
Total	24.6%	6.2%	69.2%	100.0%

NU	Residential	Low Income	C&I	Total
Savings	14.5%	2.5%	39.4%	56.5%
Value	8.6%	1.1%	24.9%	34.6%
Metrics	3.2%	2.5%	3.2%	8.9%
Total	26.3%	6.1%	67.6%	100.0%

Unitil	Residential	Low Income	C&I	Total
Savings	10.1%	3.5%	45.6%	59.2%
Value	4.7%	1.2%	26.7%	32.5%
Metrics	3.0%	2.3%	3.0%	8.3%
Total	17.8%	7.0%	75.3%	100.0%

Distribution of Performance Incentive for Gas Program Administrators in 2013 – 2015:

Percent of Total Incentive

State	Residential	Low Income	C&I	Total
Savings	25.1%	7.8%	23.1%	56.0%
Value	12.5%	4.3%	18.2%	35.0%
Metrics	3.2%	2.5%	3.2%	9.0%
Total	40.8%	14.6%	44.6%	100.0%

National Grid	Residential	Low Income	C&I	Total
Savings	24.8%	9.2%	22.8%	56.8%
Value	10.1%	6.1%	18.2%	34.4%
Metrics	3.2%	2.5%	3.2%	8.8%
Total	38.1%	17.7%	44.2%	100.0%

NSTAR	Residential	Low Income	C&I	Total
Savings	21.8%	6.6%	28.0%	56.5%
Value	11.0%	2.8%	20.8%	34.6%
Metrics	3.2%	2.5%	3.2%	8.9%
Total	36.1%	12.0%	52.0%	100.0%

Columbia	Residential	Low Income	C&I	Total
Savings	30.4%	5.5%	18.0%	53.9%
Value	20.6%	1.8%	14.2%	36.7%
Metrics	3.4%	2.6%	3.4%	9.4%
Total	54.4%	10.0%	35.6%	100.0%

Unitil	Residential	Low Income	C&I	Total
Savings	14.4%	7.7%	35.5%	57.6%
Value	4.7%	0.3%	28.7%	33.7%
Metrics	3.2%	2.5%	3.2%	8.8%
Total	22.2%	10.4%	67.4%	100.0%

Berkshire	Residential	Low Income	C&I	Total
Savings	21.9%	7.4%	23.5%	52.8%
Value	9.5%	4.8%	23.3%	37.5%
Metrics	3.5%	2.7%	3.5%	9.7%
Total	34.9%	14.9%	50.2%	100.0%

NEG NA &FR	Residential	Low Income	C&I	Total
Savings	26.1%	8.7%	20.7%	55.5%
Value	14.2%	3.9%	17.3%	35.5%
Metrics	3.3%	2.5%	3.3%	9.0%
Total	43.6%	15.2%	41.3%	100.0%

III. 2013 - 2015 Performance Metrics

The Program Administrators continue to include performance metrics as a component of the incentive mechanism based on a desire by the Council to retain metrics and set forth as an element of the Term Sheets supported by DOER, the Attorney General, and the PAs in the context of a negotiated, integrated agreement. The Council and the Program Administrators have not yet come to an agreement on either the performance metrics or the number of performance metrics. Accordingly, the percentages among the components of the incentive mechanism (Savings, Value, and Performance Metrics) may change slightly to reflect the final number and meaningfulness of the performance metrics.

The Program Administrators plan to work collaboratively with the Council to develop a limited number of performance metrics applicable to efforts in 2013-2015. A supplemental filing to include the agreed-to performance metrics along with an update to the performance incentive models if necessary will be submitted to the Department upon completion of that effort.

If the Department does not approve performance metrics as a component of the incentive mechanism, the Program Administrators will reallocate the incentive dollars for performance metrics to the Savings and Value mechanisms. Disapproval of a specific performance metric by the Department will not result in a reduction in the statewide incentive pool.

IV. Statewide Incentive Pool for 2013-2015

Statewide, the design level incentive is set at $80,000,000 for electric efforts and at $16,000,000 for gas efforts (the design level incentive pool can vary up or down from these amounts based on the relative level of annual energy savings, statewide, in the Three Year Plan compared to the annual savings goal set for design purposes). These amounts flow from discussions with the Council and the Term Sheets and are tied to agreed-to annual energy savings targets, budgets, and expectations about the expected cost of annual savings statewide. The statewide incentive pool will not change as a result of changes to avoided costs that may occur during the term of this Plan.

IV. Summary of 2013-2015 Incentives

The models set forth as Exhibit 1, Appendix J-1 (Electric) and Exhibit 1, Appendix J-2 (Gas) provide calculations of the 2013-2015 incentives based on the three-year Plan proposals of each of the Program Administrators for electric and gas, respectively. For the electric Program Administrators this is a 24 page exhibit and for the gas Program Administrators this is a 36 page exhibit. The calculations are described briefly below. Additionally, a summary of the 2013-2015 incentives is provided below.

A. Calculation Exhibits

Exhibit 1, Appendix J-1 (Electric) provides the derivation of the 2013-2015 electric incentives at the Design level of performance. Similarly, Exhibit 1, Appendix J-2 (Gas) provides the derivation of the 2013-2015 gas incentives at the Design level of performance.

Pages 1 and 2 of both Appendices J-1 and J-2 are input pages that summarize each Program Administrator's 2013-2015 goals, benefits and costs (excluding performance incentives). The common payout rates used to derive projected Design level incentives under the savings and value components are also noted on this page. The Program Administrators note that if avoided costs change compared to what has been used here, either as a result of orders issued by the Department in D.P.U. 11-120 or due to a study where avoided costs are updated, the common payout rates applicable under the savings and value components will need to be updated. However, those changes will not impact the size of the incentive pool or Program Administrator-specific design level incentives.

Page 3 derives the value of the performance metric pool. As described above, the 2013-2015 statewide performance incentives are adjusted by the percentage of the actual targets to the Council recommended statewide targets. At a statewide level for both electric and gas, 56% of the incentive has been allocated to the Savings Mechanism, 35% to the Value Mechanism, and 9% has been allocated to performance metrics, all in accordance with the Term Sheets. To determine the payout rate under the Savings Mechanism, the adjusted statewide incentive pool is multiplied by 56%, the portion of the statewide performance incentives allocated to the savings component, and then that amount is divided by the projected dollar value of benefits statewide from proposed efforts. Similarly, to determine the payout rate under the Value Mechanism, the adjusted statewide incentive pool is multiplied by 35%, the portion of the statewide performance incentives allocated to the value component, and then that amount is divided by the projected dollar value of net benefits statewide from proposed efforts. The remainder of the adjusted statewide incentive pool, 9%, is allocated to performance metrics.

Similar to 2011 and 2012, the Program Administrators are proposing to allocate the statewide funding for performance metrics to each Program Administrator on the basis of forecasted net benefits. Through negotiations in 2011, the Program Administrators further allocated the performance metrics to each sector as follows: 36% to residential, 28% to low-income and 36% to Commercial & Industrial. These sector allocations were maintained in 2012 and in this Plan but may be adjusted when specific performance metrics are developed as noted above.

Page 4 derives adjusted thresholds for performance percentages under the savings and value mechanisms for Program Administrators who have agreed to goals in excess of the targets recommended by the Council in a given year. For those Program Administrators, the threshold level of performance is based on achieving 75% of the savings that correspond to the percent of sales goal for the Program Administrator in the year in 2013 or 2014 and 80% of the savings that correspond to the percent of sales goal for the Program Administrator in 2015. For Program Administrators with savings goals at or below the Council recommendations, the threshold for performance in 2013 and 2014 is 75% of Design and in 2015 is 80% of Design.

Pages 5 to 20 of the electric appendix and Pages 5 to 32 of the gas appendix provide the calculation of potential Design level incentives under the savings mechanism, the value mechanism, and performance metrics on a statewide basis (excluding CLC) and for each individual Program Administrator. Lines 1 through 3 determine the savings amount by multiplying the dollar value of benefits by the savings mechanism payout rate. Lines 4 through 6 determine potential Design level incentives under the value mechanism by multiplying the dollar value of net benefits by the value mechanism payout rate. Lines 7 through 9 provide the derivation of potential Design level incentives for the performance metrics by using the forecasted amount of net benefits multiplied by the factor derived on page 2. Line 10 provides the total performance incentive. Lines 11 through 16 provide the derivation of potential Design level incentives for hypothetical performance metrics in each sector. This information is provided for illustrative purposes only as actual performance metrics, including the number of metrics in each sector, have not yet been determined.

Pages 17 - 24 of the electric appendix and pages 30 - 36 of the gas appendix provide summary information about performance incentives by sector and by component of the incentive mechanism.

Exhibit 1, Appendix J-1 (Electric) and Exhibit 1, Appendix J-2 (Gas) do not show how the performance incentives are further allocated to specific programs for benefit/cost screening purposes. The program allocation assumptions are summarized below:

- The savings component amount is allocated to programs on the basis of program dollar of benefits.
- The value component amount is allocated to programs on the basis of program dollar of net benefits.
- On a preliminary basis, the sector level performance metric funds have been allocated to all programs in the sector based on net benefits. Once specific performance metrics proposals are developed, the allocation will be updated to take into account the focus of the specific metrics.
- Any programs with negative allocations (efforts with projected costs without identified projected savings) are reallocated to other programs within the sector.

B. Summary

A summary of the threshold, design, and exemplary performance incentive amounts by component of the proposed incentive mechanism for 2013-2015 is provided for each electric and gas Program Administrator, below.

Electric:

Summary of 2013 - 2015 Performance Incentives by Program Administrator

National Grid	Threshold(1)	Design	Exemplary
Savings	16,689,790	22,054,750	27,568,438
Value	10,654,464	14,077,039	17,596,299
Metrics	2,768,721	3,625,276	4,531,594
Total	30,112,975	39,757,065	49,696,331

NU	Threshold(1)	Design	Exemplary
Savings	16,927,569	22,360,686	27,950,858
Value	10,383,791	13,713,847	17,142,309
Metrics	2,689,823	3,521,303	4,401,629
Total	30,001,183	39,595,836	49,494,795

Unitil	Threshold(1)	Design	Exemplary
Savings	319,330	416,074	520,092
Value	175,726	228,808	286,010
Metrics	44,693	58,485	73,107
Total	539,750	703,367	879,209

Note: (1) For National Grid and NU, the threshold amount under the Savings and Value mechanisms is equal to 75% of the EEAC recommended goal for the Company in 2013 and 2014 and to 80% of the EEAC recommended goal for the Company in 2015. For Unitil, the Threshold amount under all components is equal to 75% of Design in 2013 and 2014 and to 80% of Design in 2015. The Thresholds for Metrics are set at 75% of Design in 2013 and 2014 and at 80% in 2015 for all Program Administrators.

Gas:

Summary of 2013 - 2015 Performance Incentives by Program Administrator

National Grid	Threshold(1)	Design	Exemplary
Savings	3,437,954	4,614,457	5,768,071
Value	2,082,114	2,793,101	3,491,377
Metrics	551,820	718,770	898,462
Total	6,071,888	8,126,328	10,157,911

NSTAR	Threshold(1)	Design	Exemplary
Savings	1,580,561	2,091,624	2,614,530
Value	968,849	1,281,783	1,602,228
Metrics	253,214	329,830	412,287
Total	2,802,624	3,703,237	4,629,046

Columbia	Threshold(1)	Design	Exemplary
Savings	1,357,432	1,771,089	2,213,862
Value	923,630	1,204,643	1,505,803
Metrics	236,751	308,793	385,991
Total	2,517,813	3,284,525	4,105,656

Unitil	Threshold(1)	Design	Exemplary
Savings	69,688	90,665	113,331
Value	40,853	53,019	66,274
Metrics	10,626	13,797	17,246
Total	121,167	157,481	196,851

Berkshire	Threshold(1)	Design	Exemplary
Savings	179,830	234,156	292,695
Value	128,048	166,533	208,167
Metrics	33,128	43,096	53,870
Total	341,005	443,785	554,731

NEG NA &FR	Threshold(1)	Design	Exemplary
Savings	122,255	159,401	199,251
Value	78,081	101,790	127,238
Metrics	19,898	25,938	32,422
Total	220,234	287,129	358,911

Note: (1) The threshold level of performance for Savings and Value is equal to 75% in 2013 and 2014 and 80% in 2015 of Design unless goals for the Program Administrator exceed EEAC recommendations in the year. If goals for the Program Administrator exceed those recommendations, the threshold level is equal to the adjusted threshold percentage of Design as shown on Pef Met Pool Lines 44 - 49. The threshold level of performance for Metrics for all Program Administrators is 75% in 2013 and 2014 and 80% in 2015.

COMM 3-9

Request:

What are the "potentially competing business interests" referred to in the company's response to the Commission's first set of data requests (COMM 1-1)? Please include the earnings rate for these activities.

Response:

The phrase "business interests" was meant to mean management interests rather than business areas. The Company did not intend to convey that there is a head to head competition among business areas and that once resources are allocated to an area they may be diverted to other areas. (In practice, the resources devoted to energy efficiency are not easily transferable to other business areas.) Instead, what the answer to COMM 1-1 intended to communicate was that senior management's time and attention is balanced between delivering safe and reliable service to customers, fulfilling obligations to regulators and stakeholders, and delivering on the expectations of shareholders to meet the Company's financial targets.

COMM 3-10

Request:

Please provide the numerical values of kilowatts and kilowatt-hours that apply to savings for the Residential Home Energy Report, as described on pages M-4 and M-5 of the 2015 Rhode Island Technical Reference Manual. Please include the formulas and calculations for the benefits and savings that appear in each column of the Home Energy Reports row of Table E-6.

Response:

The planned kWh and kW values for the measures described on M-5 are:

Measure Gross Savings per Unit

Measure	Gross_kWh	Gross_kW
Opt-Out electric	110.23	0.02
Opt-Out dual fuel	73.49	0.016

The TRM documents methodologies that will be used to determine savings during the program year. For the Home Energy Report program, the Gross_kWh and Gross_kW illustrated above are planned values the Company developed with the program's vendor. The values that are tracked during the year as actual gross program savings will be determined by the vendor.

In the 2015 Plan's Attachment 4, the Company provides the formulas used to calculate the benefits presented in Table E-6. In order to produce the calculations, the Company has provided several tables below. Table 1lists the calculation from Attachment 4 and provides inputs for the variables. The inputs for kWh and kW in Table 1 are net and they represent the total program savings. Table 2 illustrates the line loss inputs; Table 3 includes the 2015 Avoided Costs which are the cumulative, real values from the Avoided Energy Supply Costs in New England 2013 Report (AESC). The first column in Table 3 is the measure lifetime. The Home Energy Report measures and program have a one year life, so the values in the first row of the table are used.

An example calculation is:

> Summer Peak Energy Benefit ($) = kWh * Energy%SummerPk * SummerPk$/kWh(@Life) * (1 + %LossesSumPk-kWh)
>
> $233,721.94 = 25,634,174 kWh * 0.16 * $0.053 / (1 + 0.072)

The $233,721.94 is consistent with the value for Summer Peak Energy Benefit in Table E-6.

Prepared by or under the supervision of: Jeremy Newberger

COMM 3-10, page 2

Table 1: Benefit Calculations

Electric Energy Benefits (Attachment 4, Page 5)	Variable	Input
SummerPeak Energy Benefit ($) = kWh * Energy%SummerPk * SummerPk$/kWh(@Life) * (1 + %LossesSumPk-kWh)	kWh	25,634,174
	$Energy\%_{SummerPk}$	16%[1]
	SummerPk$	See avoided cost table
	$kWh_{(@Life)}$	2015
	$\%Losses_{SumPk\text{-}kWh}$	See line loss table
Summer OffPeak Energy Benefit ($) = kWh * Energy%SummerOffPk * SummerOffPk$/kWh(@Life) * (1 + %LossesSummerOffPk-kWh)	kWh	See above
	$Energy\%_{SummerOffPk}$	16%
	SummerOffPk$	See avoided cost table
	$kWh_{(@Life)}$	2015
	$\%Losses_{SummerOffPk\text{-}kWh}$	See line loss table
WinterPeak Energy Benefit ($) = kWh * Energy%WinterPk * WinterPk$/kWh(@Life) * (1 + %LossesWinterPk-kWh)	kWh	See above
	$Energy\%_{WinterPk}$	36%
	WinterPk$	See avoided cost table
	$kWh_{(@Life)}$	2015
	$\%Losses_{WinterPk\text{-}kWh}$	See line loss table
Winter OffPeak Energy Benefit ($) = kWh * Energy%WinterOffPk * WinterOffPk$/kWh(@Life) * (1 + %LossesWinterOffPk-kWh)	kWh	See above
	$Energy\%_{WinterOffPk}$	33%
	WinterOffPk$	See avoided cost table
	$kWh_{(@Life)}$	2015
	$\%Losses_{WinterOffPk\text{-}kWh}$	See line loss table
Electric Generation Capacity Benefits (Attachment 4, Page 6)	Variable	Input
Generation Capacity Benefit($) = kWSummer*GenerationCapValue$/kW(@Life) * (1 + %LossesSummerkW)	kW_{Summer}	4161
	GenerationCapValue$	See avoided cost table
	$kW_{(@Life)}$	2015
	$\%Losses_{SummerkW}$	See line loss table

[1] In preparing the response to this request, the Company determined that, due to a rounding error, the sum of the costing period allocation percentages for this program was greater than 1. The Company prepared the response to show the calculation of benefits as shown in Table E-6. Without the rounding error, the benefits for this program would be 1.3% lower, or approximately $39,000. If the benefits were corrected by this amount, the program, sector, and portfolio would all remain cost effective.

COMM 3-10, page 3

Table 1 Continued: Benefit Calculations

Electric Transmission Capacity and Distribution Capacity Benefits (Attachment 4, Page 6)	Variable	Input
Transmission Benefit ($) = (kWSummer * Trans$/kW(@Life) * [1 + (LossesSumkWTrans)]	kW_{Summer}	4161
	Trans$	See avoided cost table
	$kW_{(@Life)}$	2015
	$Losses_{SumkWTrans}$	See line loss table
Distribution Benefit ($) = (kWSummer * Dist$/kWLife(@Life) * [1 + (LossesSumkWDist)]	kW_{Summer}	4161
	Dist$	See avoided cost table
	$kW_{(@Life)}$	2015
	$Losses_{SumkWDist}$	See line loss table
Price Effects (DRIPE) (Attachment 4, Page 10) *(Energy DRIPE = Sum of the Following Four Benefits)*	Variable	Input
SummerPeak Energy DRIPE Benefit ($) = SummerPeak Energy DRIPE Benefit ($) = kWh * Energy%SumPk * (SumPkDRIPE$/kWh(@Life +ElectricGasDRIPE$/kWh) * (1 + %LossesSummerPk-kWh)	kWh	25,634,174
	$Energy\%_{SumPk}$	16%
	SumPkDRIPE$	See avoided cost table
	$kWh_{@Life}$	2015
	ElectricGasDRIPE$	See avoided cost table
	$\%Losses_{SummerPk}$	See line loss table
Summer Off Peak Energy DRIPE Benefit ($) = Summer OffPeak Energy DRIPE Benefit ($) = kWh * Energy%SumOffPk * (SumOffPkDRIPE$/kWh(@Life +ElectricGasDRIPE$/kWh) * (1 + %LossesSummerOffPk-kWh)	kWh	25,634,174
	$Energy\%_{SumOffPk}$	16%
	SumOffPkDRIPE$	See avoided cost table
	$kWh_{@Life}$	2015
	ElectricGasDRIPE$	See avoided cost table
	$\%Losses_{SummerOffPk-kWh}$	See line loss table

COMM 3-10, page 4

Table 1 Continued: Benefit Calculations

WinterPeak Energy DRIPE Benefit ($) = kWh * Energy%$_{WinterPk}$ * (WinterPkDRIPE$/kWh$_{(@Life}$+ElectricGasDRIPE$/kWh$_{)}$ * (1 + %Losses$_{WinterPk\text{-}kWh}$)	kWh	25,634,174
	Energy%$_{WinterPk}$	36%
	WinterPkDRIPE$	See avoided cost table
	kWh$_{@Life}$	2015
	ElectricGasDRIPE$	See avoided cost table
	%Losses$_{WinterPk}$	See line loss table
Winter OffPeak Energy DRIPE Benefit ($) = kWh * Energy%WinOffPk * (WinterOffPkDRIPE$/kWh(@Life+ElectricGasDRIPE$/kWh) * (1 + %LossesWinterOffPk-kWh)	kWh	25,634,174
	Energy%$_{WinOffPk}$	33%
	WinterOffPkDRIPE$	See avoided cost table
	kWh$_{@Life}$	2015
	ElectricGasDRIPE$	See avoided cost table
	%Losses$_{WinterOffPk}$	See line loss table below
Generation Capacity DRIPE Benefit($) = kWSummer * CapDRIPEValue$/kW(@Life) * (1 + %LossesSummerkW)	kW$_{Summer}$	4161
	CapDRIPEValue$	See avoided cost table
	kW$_{(@Life)}$	2015
	%Losses$_{SummerkW}$	See line loss table below

Table 2: Line Losses

Energy				Capacity			
Winter Peak	Winter Off-Peak	Summer Peak	Summer Off-Peak	Summer Gener.	Winter Gener.	Transm.	Distrib.
7.20%	4.00%	7.20%	4.00%	11.20%	9.50%	11.20%	11.20%

COMM 3-10, page 5

Table 3 Continued: 2015 Avoided Costs

		Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
RI	2015	Winter Peak Energy	Winter Off-Peak Energy ($ per kWh)	Summer Peak Energy ($ per kWh)	Summer Off-Peak Energy ($ per kWh)	Summer Generation ($ per kW)	Winter Generation ($ per kW)	Transmission ($ per kW)	Distribution ($ per kW)
1	2015	$0.063	$0.057	$0.053	$0.046	$22.32	$0.00	$37.72	$161.86
2	2016	$0.122	$0.111	$0.106	$0.090	$42.26	$0.00	$75.16	$322.52
3	2017	$0.178	$0.160	$0.163	$0.136	$64.24	$0.00	$112.32	$481.98
4	2018	$0.235	$0.211	$0.222	$0.183	$120.74	$0.00	$149.20	$640.25
5	2019	$0.296	$0.266	$0.286	$0.233	$182.70	$0.00	$185.81	$797.34
6	2020	$0.364	$0.328	$0.353	$0.290	$296.27	$0.00	$222.15	$953.27
7	2021	$0.432	$0.391	$0.422	$0.348	$433.50	$0.00	$258.21	$1,108.03
8	2022	$0.503	$0.456	$0.490	$0.408	$569.70	$0.00	$294.01	$1,261.64
9	2023	$0.576	$0.523	$0.563	$0.470	$704.90	$0.00	$329.54	$1,414.11
10	2024	$0.651	$0.592	$0.638	$0.534	$839.08	$0.00	$364.81	$1,565.45
11	2025	$0.730	$0.665	$0.718	$0.601	$972.27	$0.00	$399.81	$1,715.65
12	2026	$0.810	$0.739	$0.799	$0.669	$1,104.47	$0.00	$434.56	$1,864.74
13	2027	$0.893	$0.815	$0.883	$0.739	$1,235.68	$0.00	$469.04	$2,012.72
14	2028	$0.978	$0.892	$0.968	$0.811	$1,365.91	$0.00	$503.27	$2,159.60
15	2029	$1.065	$0.971	$1.055	$0.883	$1,495.18	$0.00	$537.24	$2,305.38
16	2030	$1.153	$1.050	$1.142	$0.956	$1,623.48	$0.00	$570.96	$2,450.08
17	2031	$1.243	$1.131	$1.232	$1.029	$1,750.83	$0.00	$604.43	$2,593.70
18	2032	$1.335	$1.212	$1.323	$1.103	$1,877.23	$0.00	$637.65	$2,736.26
19	2033	$1.428	$1.295	$1.415	$1.179	$2,002.69	$0.00	$670.63	$2,877.75
20	2034	$1.523	$1.378	$1.509	$1.255	$2,127.22	$0.00	$703.35	$3,018.19
21	2035	$1.620	$1.463	$1.605	$1.331	$2,250.81	$0.00	$735.84	$3,157.58
22	2036	$1.718	$1.549	$1.703	$1.409	$2,373.49	$0.00	$768.08	$3,295.93
23	2037	$1.819	$1.636	$1.802	$1.487	$2,495.26	$0.00	$800.08	$3,433.26
24	2038	$1.921	$1.723	$1.903	$1.567	$2,616.12	$0.00	$831.85	$3,569.56
25	2039	$2.025	$1.813	$2.006	$1.647	$2,736.07	$0.00	$863.37	$3,704.85

COMM 3-10, page 6

Table 3 Continued: 2015 Avoided Costs

		Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
RI	2015	Fuel Oil - Residential Distillate	Res Water ($ per gallon)	Non-Resource Annual	Capacity DRIPE ($ per kW)	Non-Resource	Winter Peak Energy DRIPE	Winter Off-Peak Energy DRIPE	Summer Peak Energy DRIPE	Summer Off-Peak Energy DRIPE
1	2015	$26.19	$0.01	$1.00	$0.00	$1.0037	$0.024	$0.008	$0.020	$0.006
2	2016	$53.40	$0.01	$1.99	$0.00	$1.0037	$0.049	$0.015	$0.042	$0.013
3	2017	$81.22	$0.02	$2.97	$19.10	$1.0037	$0.073	$0.023	$0.067	$0.019
4	2018	$109.27	$0.02	$3.94	$35.18	$1.0037	$0.097	$0.030	$0.092	$0.026
5	2019	$137.64	$0.03	$4.91	$48.13	$1.0037	$0.117	$0.036	$0.113	$0.032
6	2020	$167.06	$0.04	$5.87	$57.92	$1.0037	$0.133	$0.041	$0.128	$0.036
7	2021	$196.87	$0.04	$6.82	$64.49	$1.0037	$0.144	$0.045	$0.140	$0.039
8	2022	$227.05	$0.05	$7.77	$69.45	$1.0037	$0.151	$0.047	$0.147	$0.042
9	2023	$257.63	$0.05	$8.70	$72.79	$1.0037	$0.155	$0.048	$0.151	$0.043
10	2024	$288.60	$0.06	$9.64	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
11	2025	$319.99	$0.07	$10.56	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
12	2026	$351.76	$0.07	$11.48	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
13	2027	$383.89	$0.08	$12.39	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
14	2028	$416.40	$0.08	$13.29	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
15	2029	$449.29	$0.09	$14.19	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
16	2030	$482.56	$0.09	$15.08	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
17	2031	$516.10	$0.10	$15.96	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
18	2032	$549.91	$0.10	$16.84	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
19	2033	$584.00	$0.11	$17.71	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
20	2034	$618.37	$0.12	$18.58	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
21	2035	$653.02	$0.12	$19.44	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
22	2036	$687.95	$0.13	$20.29	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
23	2037	$723.17	$0.13	$21.13	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
24	2038	$758.68	$0.14	$21.97	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043
25	2039	$794.48	$0.14	$22.80	$74.47	$1.0037	$0.155	$0.048	$0.151	$0.043

COMM 3-11

Request:

Please provide a spreadsheet that indicates the nominal and real values the Company assumed in energy efficiency programs plans to date for baseline energy, demand, transmission, and distribution prices. Please indicate if and how any of these values account for demand-reduction-induced price effects (DRIPE).

Response:

Please refer to Attachment COMM 3-11 for the requested spreadsheet. This spreadsheet is an excerpt from Table 3 in the response to COMM 3-10. The Company is providing only real values for this response. The Company uses real values when calculating the benefits and costs of its efficiency plans. The Avoided Energy Supply Component Study does not produce nominal values for Rhode Island and the Company has neither prepared nominal values for any purposes nor developed any assumptions with which to produce nominal values.

The following table shows which column headers in the attachment correspond to energy, demand, transmission, and distribution.

Avoided Cost Area	**Table Header**	**Header Color**
Energy	Winter Peak Energy, Winter Off-Peak Energy ($ per kWh), Summer Peak Energy ($ per kWh), Summer Off-Peak Energy ($ per kWh), Winter Peak Energy DRIPE, Winter Off-Peak Energy DRIPE, Summer Peak Energy DRIPE, Summer Off-Peak Energy DRIPE	Green
Demand	Summer Generation ($ per kW), WinterGeneration ($ per kW), Capacity DRIPE ($ per kW)	Yellow
Transmission	Transmission ($ per kW)	Yellow
Distribution	Distribution ($ per kW)	Yellow

Prepared by or under the supervision of: Jeremy Newberger

COMM 3-11, page 2

Please note that both the transmission and distribution avoided costs are demand-related. Five of these avoided costs relate to DRIPE. One accounts for capacity DRIPE that results from peak summer demand savings. The other four account for the energy DRIPE that results from energy savings in winter on-peak, winter off-peak, summer on-peak, and summer off-peak periods respectively. These periods are defined in Attachment 4, page 4.

		Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
RI	2015	Winter Peak Energy	Winter Off-Peak Energy ($ per kWh)	Summer Peak Energy ($ per kWh)	Summer Off-Peak Energy ($ per kWh)	Winter Peak Energy DRIPE	Winter Off-Peak Energy DRIPE	Summer Peak Energy DRIPE	Summer Off-Peak Energy DRIPE	Summer Generation ($ per kW)	Winter Generation ($ per kW)	Capacity DRIPE ($ per kW)	Transmission ($ per kW)	Distribution ($ per kW)
1	2015	$0.063	$0.057	$0.053	$0.046	$0.024	$0.008	$0.020	$0.006	$22.32	$0.00	$0.00	$37.72	$161.86
2	2016	$0.122	$0.111	$0.106	$0.090	$0.049	$0.015	$0.042	$0.013	$42.26	$0.00	$0.00	$75.16	$322.52
3	2017	$0.178	$0.160	$0.163	$0.136	$0.073	$0.023	$0.067	$0.019	$64.24	$0.00	$19.10	$112.32	$481.98
4	2018	$0.235	$0.211	$0.222	$0.183	$0.097	$0.030	$0.092	$0.026	$120.74	$0.00	$35.18	$149.20	$640.25
5	2019	$0.296	$0.266	$0.286	$0.233	$0.117	$0.036	$0.113	$0.032	$182.70	$0.00	$48.13	$185.81	$797.34
6	2020	$0.364	$0.328	$0.353	$0.290	$0.133	$0.041	$0.128	$0.036	$296.27	$0.00	$57.92	$222.15	$953.27
7	2021	$0.432	$0.391	$0.422	$0.348	$0.144	$0.045	$0.140	$0.039	$433.50	$0.00	$64.49	$258.21	$1,108.03
8	2022	$0.503	$0.456	$0.490	$0.408	$0.151	$0.047	$0.147	$0.042	$569.70	$0.00	$69.45	$294.01	$1,261.64
9	2023	$0.576	$0.523	$0.563	$0.470	$0.155	$0.048	$0.151	$0.043	$704.90	$0.00	$72.79	$329.54	$1,414.11
10	2024	$0.651	$0.592	$0.638	$0.534	$0.155	$0.048	$0.151	$0.043	$839.08	$0.00	$74.47	$364.81	$1,565.45
11	2025	$0.730	$0.665	$0.718	$0.601	$0.155	$0.048	$0.151	$0.043	$972.27	$0.00	$74.47	$399.81	$1,715.65
12	2026	$0.810	$0.739	$0.799	$0.669	$0.155	$0.048	$0.151	$0.043	$1,104.47	$0.00	$74.47	$434.56	$1,864.74
13	2027	$0.893	$0.815	$0.883	$0.739	$0.155	$0.048	$0.151	$0.043	$1,235.68	$0.00	$74.47	$469.04	$2,012.72
14	2028	$0.978	$0.892	$0.968	$0.811	$0.155	$0.048	$0.151	$0.043	$1,365.91	$0.00	$74.47	$503.27	$2,159.60
15	2029	$1.065	$0.971	$1.055	$0.883	$0.155	$0.048	$0.151	$0.043	$1,495.18	$0.00	$74.47	$537.24	$2,305.38
16	2030	$1.153	$1.050	$1.142	$0.956	$0.155	$0.048	$0.151	$0.043	$1,623.48	$0.00	$74.47	$570.96	$2,450.08
17	2031	$1.243	$1.131	$1.232	$1.029	$0.155	$0.048	$0.151	$0.043	$1,750.83	$0.00	$74.47	$604.43	$2,593.70
18	2032	$1.335	$1.212	$1.323	$1.103	$0.155	$0.048	$0.151	$0.043	$1,877.23	$0.00	$74.47	$637.65	$2,736.26
19	2033	$1.428	$1.295	$1.415	$1.179	$0.155	$0.048	$0.151	$0.043	$2,002.69	$0.00	$74.47	$670.63	$2,877.75
20	2034	$1.523	$1.378	$1.509	$1.255	$0.155	$0.048	$0.151	$0.043	$2,127.22	$0.00	$74.47	$703.35	$3,018.19
21	2035	$1.620	$1.463	$1.605	$1.331	$0.155	$0.048	$0.151	$0.043	$2,250.81	$0.00	$74.47	$735.84	$3,157.58
22	2036	$1.718	$1.549	$1.703	$1.409	$0.155	$0.048	$0.151	$0.043	$2,373.49	$0.00	$74.47	$768.08	$3,295.93
23	2037	$1.819	$1.636	$1.802	$1.487	$0.155	$0.048	$0.151	$0.043	$2,495.26	$0.00	$74.47	$800.08	$3,433.26
24	2038	$1.921	$1.723	$1.903	$1.567	$0.155	$0.048	$0.151	$0.043	$2,616.12	$0.00	$74.47	$831.85	$3,569.56
25	2039	$2.025	$1.813	$2.006	$1.647	$0.155	$0.048	$0.151	$0.043	$2,736.07	$0.00	$74.47	$863.37	$3,704.85

COMM 3-12

Request:

Please provide the calculation of capacity and energy DRIPE for the Energy*Wise* and ENERGY STAR Lighting Program, as shown in table E-6.

Response:

The formulas for capacity and energy DRIPE are detailed on page Attachment 4, Page 10 of the Plan. For each measure in each program, energy and capacity DRIPE were calculated using these formulas, planned measure-level energy savings, line losses explained in COMM3-10, and the avoided costs detailed in Attachment COMM 3-11. The cumulative avoided costs are used in the calculation and the appropriate value is determined with the measure life.

For example, the 2019 cumulative avoided costs for Capacity DRIPE would be used for a measure installed in 2015 with a measure life of 5 years. The measure-level DRIPE values were then summed into program-level values in Table E-6. For EnergyWise and EnergyStar Lighting, the measure-level DRIPE values and their summation.

Please refer to Attachment COMM 3-12a entitled, "EnergyWise Values" and Attachment COMM 3-12 entitled, "Lighting Values".

EnergyWise Values

Program	Measure	Measure Life	Capacity DRIPE ($)	Total Energy DRIPE ($)	Winter Peak Energy DRIPE ($)	Winter Off-Peak Energy DRIPE ($)	Summer Peak Energy DRIPE ($)	Summer Off-Peak Energy DRIPE ($)
EnergyWise	EW SF Audits	8	-	-	-	-	-	-
EnergyWise	AERATOR - Elec Heat only	7	-	5.27	3.14	0.78	1.07	0.27
EnergyWise	DHW - Elec Heat only	7	0.5	356.37	194.08	50.19	89.12	22.98
EnergyWise	SHOWERHEAD - Elec Heat only	7	-	40.56	24.22	6	8.24	2.1
EnergyWise	THERMOSTAT - Elec Heat only	15	-	2,389.54	1,603.64	785.9	-	-
EnergyWise	WiFi Thermostat - Elec Heat only	15	3.39	13.67	-	-	12.23	1.44
EnergyWise	WxElec - Elec Heat only	20	1,959.94	12,886.68	8,648.37	4,238.30	-	-
EnergyWise	AERATOR - Duel Fuel Only	7	-	-	-	-	-	-
EnergyWise	CFL	7	32,738.95	307,051.52	145,492.27	64,726.60	68,117.99	28,714.67
EnergyWise	FIXTURES	11	1,596.22	13,837.28	6,555.03	2,916.89	3,068.57	1,296.79
EnergyWise	LED Bulbs	11	55,652.72	533,054.88	302,401.43	90,830.87	106,171.37	33,651.21
EnergyWise	LED Fixture	11	1.73	14.83	9.96	4.88	-	-

EnergyWise Values

Program	Measure	Measure Life	Capacity DRIPE ($)	Total Energy DRIPE ($)	Winter Peak Energy DRIPE ($)	Winter Off-Peak Energy DRIPE ($)	Summer Peak Energy DRIPE ($)	Summer Off-Peak Energy DRIPE ($)
EnergyWise	OFIXTURE	6	-	8,196.58	3,889.55	1,728.34	1,813.83	764.86
EnergyWise	Pre-Wx	1	-	-	-	-	-	-
EnergyWise	Refrigerator Brush	12	2,872.50	25,666.13	12,655.27	4,308.03	6,562.25	2,140.58
EnergyWise	Refrig rebate	12	909.08	8,418.45	3,988.01	1,774.60	1,866.89	788.95
EnergyWise	SHOWERHEAD	7	-	-	-	-	-	-
EnergyWise	Smart Strip	5	8,872.74	83,238.49	45,673.31	12,557.85	19,645.82	5,361.51
EnergyWise	THERMOSTAT - Oil Only	15	-	-	-	-	-	-
EnergyWise	TORCHIERE1	20	-	816.08	547.68	268.4	-	-
EnergyWise	WiFi Thermostat	15	1.6	315.18	-	-	281.99	33.2
EnergyWise	Wx - GAS	20	-	47,183.98	31,665.62	15,518.36	-	-
EnergyWise	Wx - OIL	20	-	29,844.34	20,028.82	9,815.52	-	-
	TOTAL	**N/A**	**104,609.37**	**1,073,329.84**	**583,380.41**	**209,531.50**	**207,639.38**	**72,778.55**

Lighting Values

Program	Measure	Measure Life	Capacity DRIPE ($)	Total Energy DRIPE ($)	Winter Peak Energy DRIPE ($)	Winter Off-Peak Energy DRIPE ($)	Summer Peak Energy DRIPE ($)	Summer Off-Peak Energy DRIPE ($)
EnergyStar Lighting	CFL	6	107,735.77	1,032,990.41	490,188.64	217,817.20	228,591.68	96,392.89
EnergyStar Lighting	CFL EISA EXEMPT	19	18,388.92	176,833.69	100,317.55	30,131.90	35,220.90	11,163.33
EnergyStar Lighting	Hard to reach Bulbs	6	10,955.15	105,039.98	49,845.00	22,148.82	23,244.42	9,801.74
EnergyStar Lighting	IFIXTURE	11	43,650.76	377,817.27	178,980.41	79,643.69	83,785.30	35,407.87
EnergyStar Lighting	LED Bulbs	11	87,934.74	754,473.95	357,411.02	159,042.72	167,313.22	70,706.98
EnergyStar Lighting	LED EISA EXEMPT	20	47,300.43	454,856.01	258,039.30	77,506.03	90,596.09	28,714.60
EnergyStar Lighting	LED Fixture	11	27,418.02	235,552.55	111,586.46	49,654.36	52,236.47	22,075.26
EnergyStar Lighting	LED_SCHOOL_BULB	11	6,955.95	65,942.53	37,409.13	11,236.40	13,134.12	4,162.88
EnergyStar Lighting	Outdoor LED Fixture	11	550.68	4,754.19	2,252.17	1,002.18	1,054.30	445.55
EnergyStar Lighting	OFIXTURE	11	319.19	2,759.52	1,307.25	581.71	611.96	258.61
EnergyStar Lighting	School Program	6	2,028.73	19,451.85	9,230.56	4,101.63	4,304.52	1,815.14
EnergyStar Lighting	Speciality Bulbs	6	28,006.35	268,530.02	127,426.51	56,622.46	59,423.33	25,057.72
EnergyStar Lighting	TORCHIERE1	8	614.37	6,322.93	2,995.65	1,333.37	1,401.57	592.34
	TOTAL	**N/A**	**381,859.04**	**3,505,324.91**	**1,726,989.64**	**710,822.46**	**760,917.88**	**306,594.93**