



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Rhode Island Division of
Public Utilities and Carriers
89 Jefferson Blvd.
Warwick RI 02888
(401) 941-4500

October 4, 2017

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

**In Re: The 2017 Renewable Energy Growth Program- Mid-Year Modifications to Tariffs, Rules,
and Solarwise Program---Docket No. 4672**

Dear Luly,

Please find for filing ten (10) copies of the Division of Public Utilities and Carriers, (the "Division"), Comments, authored by Ms. Carrie Gilbert of Daymark Energy Advisors on behalf of the Division, setting forth their findings and recommendations in response to the Renewable Energy Growth Program--Mid-year Modifications to Tariffs, Rules and Soalrwise Program filed by National Grid¹ for consideration by the Public Utilities Commission (the "Commission") in its review of the above captioned docket.

The Division submits the referenced Comments in lieu of pre-filed testimony and will have its consultant Ms. Gilbert of Daymark Energy Advisors available at hearing, if necessary.

I appreciate your cooperation in this matter.

Very truly yours,

Jon G. Hagopian
Deputy Chief Legal Counsel

¹ the Narragansett Electric Company d/b/a National Grid



MEMORANDUM

TO: RHODE ISLAND PUBLIC UTILITIES COMMISSION

FROM: CARRIE GILBERT—DAYMARK ENERGY ADVISORS ON BEHALF OF THE DIVISION OF PUBLIC UTILITIES AND CARRIERS

DATE: OCTOBER 4, 2017

SUBJECT: DOCKET NO. 4672 – RENEWABLE ENERGY GROWTH MID-YEAR MODIFICATIONS

In this memo, I summarize the results of our review of the Mid-Year Modifications to Tariffs, Rules, and SolarWise program proposed by National Grid for the Renewable Energy Growth (REG) Program. These changes were presented by National Grid in its September 8, 2017 filing in Docket 4672.

The major changes in the filing are related to the Company's proposal to discontinue the SolarWise program as of October 15, 2017. In addition to these changes, the Company has proposed some clarifying edits to the tariff documents.

Overall, I believe that the changes proposed by the Company to the REG Tariffs and Solicitation and Enrollment Process Rules are reasonable. We would like to see the Company report on the effectiveness of the changes to the SolarWise Marketplace and associated marketing. In this memo, I describe the changes in the filing.

CLARIFICATION CHANGES

The Company has made a number of changes to clarify the tariff. These are related to the process of valuing unallocated kWh in Section 8.d.4.i and the definition of Bill Credit Recipient in Section 2.d in both the Residential and Non-Residential Tariffs. I find these clarifying changes reasonable.

SOLARWISE PROGRAM

The SolarWise Program is a program which began during the 2016-2017 Program Year which sought to link the energy efficiency (EE) audit process with information and incentives to encourage customers to pursue solar energy. Customers who achieved set levels of EE savings were eligible for a SolarWise Bonus in exchange for a smaller maximum solar system capacity. It also created the SolarWise Marketplace, which is an online tool created by National Grid's vendor Energy Sage. The Marketplace allows customers to obtain quotes for solar installation at their property through participating vendors.

The Company is proposing to discontinue all aspects of the SolarWise program except for the SolarWise Marketplace website as of October 15, 2017. The Company proposes to rename the SolarWise Marketplace the “RE Growth Solar Marketplace”, to contract with Energy Sage to modify to the Marketplace website to reflect the discontinuation of the SolarWise project, and to spend \$70,000 co-marketing the renamed Marketplace and EE Assessments.

The justifications for the discontinuation of the SolarWise program are both a survey, which showed that the SolarWise program was not a driving factor behind solar installations as well as the low participation rates achieved via the program.

To justify the continued investment and marketing for the Marketplace, the Company cites a National Renewable Energy Laboratory study which showed that customers received lower quotes for solar installations through the EnergySage platform than if they directly contacted developers.¹ This study showed a \$.3/Watt savings on installed cost (about 10% of the cost of the projects in the study) for quotes received nationwide through the EnergySage platform. The Company also cites the conversion rate of Marketplace registrants as justification for the continued investment. According to Mr. Springsteel’s testimony, 24 percent of customers who register for the Marketplace and receive a quote move forward with one of the installers.²

In the agreement with EnergySage, National Grid receives a portion of the vendor fees EnergySage receives when a customer selects one of the EnergySage vendors. This revenue is used to offset the cost of the program. According to the response to PUC 4-3, revenues were less than \$3,000 in the 2016 program year and zero so far in the 2017 program year.

Based on my review of the filing, the additional spending on the Marketplace and associated marketing, could benefit customers if using the Marketplace resulted in lower installed costs. Over time lower installed costs would drive down the RE Growth ceiling prices. The NREL study referenced above suggests that driving customers to the Marketplace could result in lower costs, but this is a national study and not specific to Rhode Island.

I recommend that the Company’s request to discontinue the SolarWise program be approved. I also recommend that the Company’s request related to the Solar Marketplace be approved, but request that the Company update the Commission regarding the effectiveness of the marketing campaign by October 1 of 2018. The update should include number of customers accessing the Marketplace, number of customers procuring solar through the Marketplace, capacity procured through Marketplace and to the extent possible estimated impact on install cost for those customers utilizing the Marketplace.

¹ <https://www.nrel.gov/docs/fy17osti/68010.pdf>, page 24.

² Springsteel testimony, page 9, line 14.