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COMMENTS ON THE PUC'S PROPOSED REVISIONS TO THE LEAST COST PROCUREMENT STANDARDS

Acadia Center submits the following comments in response to a solicitation for feedback on revisions to the Least Cost Procurement Standards (“the Standards”) proposed by staff of the Rhode Island Public Utilities Commission (“the Commission”) in Docket No. 4684. The proposed revisions were circulated by Commission staff on August 3, 2018, following the Commission’s rejection of revised Standards proposed by the Energy Efficiency and Resource Management Council (EERMC) in a May 18, 2018, filing.

Acadia Center is a nonprofit research and advocacy organization committed to advancing the clean energy future. Acadia Center’s approach is characterized by reliable information, comprehensive advocacy and problem-solving through innovation and collaboration.

Acadia Center was a full participant in the Docket 4600 Working Group and supports the objective of applying the Benefit-Cost Framework adopted in Docket 4600A to Rhode Island’s energy efficiency programs, including to compare the cost of energy efficiency with the cost of supply. The Benefit-Cost Framework developed by the Working Group was designed to help the Commission identify costs and benefits that can be evaluated across all proposed programs and policies, and Acadia Center sees it as a valuable framework for use in – and beyond – the energy efficiency programs.

Acadia Center has also supported introduction of the Rhode Island Benefit-Cost Test, or the Rhode Island Test, which was created by the revised Standards approved by the Commission on July 28, 2017. The Rhode Island Test was developed in accordance with the consensus-based principles of Docket 4600 and, according to the Standards, “more fully reflects the policy objectives of the state with regard to energy, its costs, benefits, and environmental and societal impacts.”¹ Acadia Center was pleased the Rhode Island Test was applied for the first time in the approved 2018-2020 Energy Efficiency Plan and the 2018 Energy Efficiency Plan, ensuring that critical environmental and economic benefits not fully counted in previous plans are now valued and considered.

¹ See Least Cost Procurement Standards, available at: http://www.ripuc.org/eventsactions/docket/4684-LCP-Standards_7-27-17.pdf.

Historically, two separate tests have been used to determine whether energy efficiency programs are 1) cost-effective and 2) less than the cost of supply, as required under the Least Cost Procurement statute. Acadia Center believes it would be appropriate to revise the Standards to use the Rhode Island Test as the sole determinant of both cost-effectiveness and whether energy efficiency costs less than energy supply. The Rhode Island Test includes the benefits associated with investing in energy efficiency instead of traditional energy supply, meaning the test already evaluates the costs of efficiency against the cost of supply.

Acadia Center recognizes that a Commission decision on revised Standards is needed in a timely fashion for purposes of developing the 2019 Energy Efficiency Plan. Still, Acadia Center recommends the Commission consider holding an additional Technical Session on application of the Docket 4600A Benefit-Cost Framework to the cost of supply test. This would ensure full transparency. The Technical Session held on July 17, 2018, apparently was inadvertently posted under the Open Meetings Act as a Public Hearing rather than a Technical Session, and Acadia Center and other stakeholders did not attend. Acadia Center believes that all interested parties could benefit from further public consideration of how best to apply the Benefit-Cost Framework to energy efficiency planning, specifically as it relates to the cost of supply test.

Thank you for the opportunity to comment. Acadia Center looks forward to continued participation in the planning process for the 2019 Energy Efficiency Plan and future planning efforts to ensure the continued success of Rhode Island's energy efficiency programs.

For more information:

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