



State of Rhode Island
Division of Public
Utilities & Carriers

October 24, 2017

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

Re: Docket 4684 - National Grid - Three-Year Plan - Energy Efficiency and System Reliability Procurement (2018-2020)

Dear Ms. Massaro:

The Division of Public Utilities and Carriers (the Division) submits this letter regarding the Three-Year (2018-2020) Energy Efficiency and System Reliability Procurement Plan that National Grid (the Company) filed with the Rhode Island Public Utilities Commission (Commission) on August 30, 2017.

Rhode Island has undertaken a transition to a cleaner, more cost-effective, and secure energy system. On behalf of Rhode Island's electric and gas customers, the Division supports investment in energy efficiency as the least-cost strategy to achieve the state's long-term clean energy goals, to protect Rhode Islanders from volatile energy markets and to right-size the state's energy distribution systems.

The Plan is an important statement of Rhode Island's continuing commitment to achieve a clean, cost-effective energy supply. It represents the best possible outcome given a \$12.5 million budget transfer from energy efficiency to the state's general revenue fund in 2018 and we support the electric and gas savings targets for 2018-2020. Notably, the Plan:

- provides a clear path forward during a time of rapid transition of the energy efficiency programs;
- balances investments in tried and true technologies that continue to meet savings goals in the near-term and in pilots of innovative technologies to prepare for the next phase of energy efficiency programs;
- aims to reach more income-eligible and moderate-income customers and delivered fuel customers;
- further integrates analysis of non-wires alternatives into the Company's transmission and distribution planning, including allowing for consideration of non-wires alternatives earlier in the planning process; and,

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- improves the transparency of and third-party participation in system planning through development of a RI System Data Portal with heat maps.

We also recognize that the Residential lighting market is transforming faster than anticipated and feel that the savings associated with future innovation in 2019 are appropriate for now. We look forward to continuing to partner with the Company and stakeholders to develop a 2019 Energy Efficiency and System Reliability Procurement Plan that provides more detail on these opportunities.

This Plan represents an achievable amount of cost-effective energy efficiency resources and will result in net cost reductions for Rhode Island electricity and gas customers.

Sincerely,



Jon G. Hagopian, Esq.
Deputy Chief Legal Counsel
Division of Public Utilities and Carriers