

Rhode Island Office of Energy Resources
One Capitol Hill, 4th Floor
Providence, RI 02908

October 25, 2017



STATE OF RHODE ISLAND
**OFFICE OF
ENERGY RESOURCES**
Commissioner Carol J. Grant

Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

RE: Support for the 2018-2020 Energy Efficiency & System Reliability Procurement Plan – Docket 4684

Dear Chairperson Curran and Commissioner Gold:

The Rhode Island Office of Energy Resources (OER) is committed to leading Rhode Island toward a more secure, cost-effective and sustainable energy future. Energy efficiency has and will continue to play a key role in this mission. It is through the state's significant investments in energy efficiency that Rhode Island has maintained its nation-leading status in energy efficiency programs and has achieved more than \$2.3 billion in benefits for Rhode Island residents and businesses since 2008.

The 2018-2020 Energy Efficiency and System Reliability Procurement Plan (Plan), as filed by National Grid will advance the state's energy, economic, and environmental policy goals. Moreover, within the context of New England's historically high energy prices and recent energy supply rate increases, the Plan puts forward energy efficiency programs and incentives that will benefit Rhode Island's energy consumers by lowering short- and long-term energy costs, reducing exposure to energy price volatility, and shrinking carbon footprints.

As required by the LCP law, and as detailed in the Standards approved by the Public Utilities Commission, the programs put forward in this Plan are cost-effective and less than the cost of more traditional supply resources. As is appropriate, the cost-effectiveness review did not consider the cost-effectiveness of the \$12.5 million reallocated to the state's general revenue fund in 2018, as this reallocation and related budget cap was clearly not intended to be used for efficiency programs governed by the LCP law. However, even with the reallocation of funds in 2018, the Plan still serves as an aspirational document that provides important guidance and strategies to meet aggressive energy savings goals.

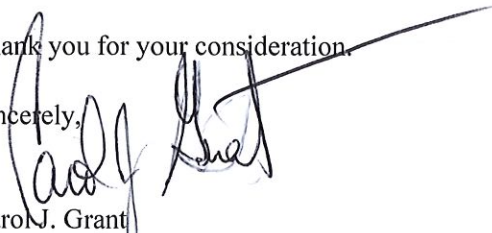
In addition, due to anticipated rapid changes in the lighting market, the Plan recognizes the need for Rhode Island's energy efficiency programs to innovate and adapt quickly during the coming years. OER applauds National Grid, the Energy Efficiency & Resources Management Council, and other stakeholders for working to lay a strong foundation for these necessary changes and ensuring alignment with state policy goals and outcomes from the Power Sector Transformation initiative.

Finally, OER commends National Grid for including important new initiatives to be developed during the upcoming three years of System Reliability Procurement. These innovative new approaches to pursuing non-wires alternative (NWA) opportunities propose transparent, information-based mechanisms including heat maps and a system data portal. The inclusion of a new shareholder incentive opportunity for National Grid will further advance Rhode Island's ongoing efforts to place NWAs on a level playing field with conventional utility infrastructure investment. While much work remains to be done with implementation, these new elements signal progress in the evolution of SRP.

For these reasons, OER urges the Commission to approve the 2018-2020 Plan as submitted.

Thank you for your consideration.

Sincerely,


Carol J. Grant
Commissioner