

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

TO: Commissioners

FROM: Linda George  
Todd Bianco

SUBJECT: Docket No. 4684 (Energy Efficiency Targets & Standards)

DATE: April 26, 2017

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On December 20, 2016, the EERMC filed with the PUC: 1) gas and electric energy savings targets (Targets) to support development of the Three-Year Energy Efficiency Plan, and 2) revised language to the Energy Efficiency Standards and the System Reliability Standards (Standards). The Targets and Standards support development of the Three-Year Energy Efficiency Plan (2018-2020) and subsequent annual plans for the years 2018 through 2020.

In past years (2010 and 2013), the EERMC filed the Targets in September and the proposed amendments to the Standards were filed the following January. The PUC then consolidated both in one docket for consideration. For this three-year period 2018-2020, the EERMC submitted one filing.

<b>Targets</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2018-2020</b>
Electric (MWh)	202,166	194,678	187,191	584,035
<i>% of 2015 Sales</i>	2.70%	2.60%	2.50%	2.60%
Natural Gas (MMBtu)	409,513	421,799	429,989	1,261,301
<i>% of 2015 Sales</i>	1.00%	1.03%	1.05%	1.03%

**Standards**

After review of staff suggested amendments, the EERMC and the parties (Acadia Center, National Grid, OER, and the Division) submitted to the PUC Proposed Revisions to the Standards (attached). Staff, the EERMC and the parties are in agreement with all but the following:

*Using both the RI Test and the Total Resource Cost (TRC) Test (p. 4)*

The EERMC and parties suggest providing a comparison of the TRC Test and the RI Test for only the 2018 annual plan. Staff suggests providing the comparison for each annual plan (2018-2020).

Staff suggested language is in colored font.

The Utility shall measure cost effectiveness according to the RI Test. In order to assess the impact of adopting the RI Test, the Utility shall provide a comparison of its cost-effectiveness analysis under the Total Resource Cost (TRC) Test as approved by the

Commission in Docket No. 4580, to the RI Test as adopted in this proceeding as part of its 2018-2020 Three-Year Plan and 2018 for each (2018-2020) Annual Plan filings.

*Non-Wires Alternative (NWA) (p. 12)*

EERMC and the parties believe that the following language suggested by staff is redundant and should be deleted:

NWA, including partial NWA, may be procured to meet distribution system needs of both load and generation.

*Performance incentive (PI) transparency requirement for Efficiency and SRP (p. 10, 19)*

EERMC and parties language:

The PI shall state clearly each specific objective it is designed to direct the utility to achieve, and the reason it is needed to do so. The design of the PI shall be clear, focused, have clear metrics for determining performance, and shall not provide multiple incentives for attaining the same objective.

Staff language:

In developing the PI, the Utility should be completely transparent, and should fully document and reveal inputs and methodologies to ensure no duplication of incentives across various ratepayer funded programs.

EERMC and Staff language:

The PI shall state clearly each specific objective it is designed to direct the utility to achieve, and the reason it is needed to do so. The design of the PI shall be clear and focused, have clear metrics for determining performance, not duplicate incentives, and not provide multiple or different incentives for attaining the same objective.

*Possible Motions:*

1. Approve or deny the Targets
2. Approve or deny the EERMC's Proposed Revisions to the Standards; or
3. Approve the EERMC's Proposed Revisions to the Standards as amended by staff, as outlined above (either all or some of the amendments)