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May 17, 2021

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

Re: Block Island Utility District d/b/a Block Island Power Company  
Demand Side Management Plan 2021 – Docket No. 5013

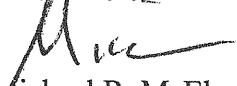
Dear Luly:

As you know, this office represents Block Island Utility District (“BIUD”).

Enclosed for filing in this matter is BIUD’s Responses to the Public Utilities Commission’s 3<sup>rd</sup> Set of Data Requests. An original and five (5) copies are enclosed.

If you need any further information, please do not hesitate to call.

Very truly yours,

  
Michael R. McElroy

MRMc/tmg

cc: Service List

**Docket No. 5013 – BIUD Demand Side Mgmt.  
Service List as of 5/4/2021**

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STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :  
2021 DEMAND SIDE MANAGEMENT PLAN : DOCKET NO. 5013

PUBLIC UTILITIES COMMISSION THIRD SET OF DATA REQUESTS  
DIRECTED TO BLOCK ISLAND UTILITY DISTRICT (BIUD)

(Issued May 10, 2021)

(Please respond as soon as possible, but no later than May 17, 2021)

- 3-1. In Order No. 23863, the PUC directed BIUD to directly address the rationale for the continuation of, or changes to, the rate design of the charge in the 2021 Demand Side Management. Please direct the PUC to where BIUD provided this information. If it was not provided, please supplement the filing.

RESPONSE: BIUD's rationale for the continuation of the rate design of the DSM charge is due to the program being in its infancy with no evidence to justify a change. The program began its activity in November 2020 and has been steadily building audit history in the residential revenue class but we have not performed any commercial audits to date. We feel that this will pick up now that the businesses are beginning to open and after the 2021-22 cycle we will have enough historical data to help guide us regarding whether any rate design adjustments might be needed.

Prepared by: Jeffery M. Wright and Katherine Johnson.

- 3-2. Order No. 23863 at 3-4 included the following (citations deleted):

BIUD's heat pump and heat pump water heater rebates will increase electricity consumption instead of reducing it when customers switch from heating with oil or propane. Mr. Cleveland contended that heat pumps are more efficient than electric resistance space heaters, and more efficient than window and central air conditioning units. When purchased as a replacement or substitute for electric resistance heat or window and central air conditioners, overall electricity consumption will decrease, or be less than it otherwise would be, and the grid will benefit. Mr. Cleveland continued to explain that new electric heating customers will increase electricity consumption during off-peak periods and improve the utilization of the electric grid; if system costs do not increase and are spread over more kWh, the per kWh rate might decrease. Mr. Wright provided similar testimony at the hearing, elaborating that adding winter load (in the form of electric heat pumps) to a summer peaking power system would do little to reduce power system costs. Mr. Wright hoped, however, that the initiatives in the Plan will reduce the summer peak, and therefore reduce some of the utility's capacity charges.

Later in the hearing, Mr. Wright agreed that focusing on reducing the summer system peak would provide more power system benefits than increasing winter usage. To reduce summer system peak, Mr. Wright testified that the initial goals of the Demand Side Management program are "to target energy efficiency and target the summertime peak

causers.” He explained that heat pumps will also help manage the rate of summer electric demand growth because heat pumps are more efficient than other cooling options. Mr. Cleveland explained that the potential impacts he and Mr. Wright testified about have not been quantified and BIUD plans on having a program consultant further explore the impacts of heat pumps. Mr. Cleveland noted the number of heat pumps able to be installed through the efficiency program is small (10 or fewer) and therefore, grid-wide impacts are expected to be negligible.

The PUC’s order stated that it “also expects BIUD to provide, in future filings, additional quantitative analysis of the benefits of the measures included in the Plan, particularly the costs and benefits to the electric power system on the island.”

Please direct the PUC to where BIUD provided this information. If it was not provided, please supplement the filing or at least provide a qualitative analysis (to the extent relevant, you may refer to responses to the second set of PUC data requests issued on May 4, 2021).

RESPONSE: BIUD has not provided any rebates for heat pumps and therefore does not have any quantitative data or qualitative information to provide since the program began in November, 2020. We hope to have this information after this program cycle.

Prepared by: Jeffery M. Wright and Katherine Johnson