



**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**  
**Department of Administration**  
**DIVISION OF LEGAL SERVICES**  
One Capitol Hill, 4<sup>th</sup> Floor  
Providence, RI 02908-5890

Tel: (401) 222-8880  
Fax: (401) 222-8244

April 13, 2020

**SENT VIA ELECTRONIC MAIL ONLY:**

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

**Re: Docket #5023 – Proposed Three-Year Savings Targets for National Grid's 2021-2023  
Energy Efficiency Procurement Plan**

Dear Ms. Massaro:

Attached for filing on behalf of the Rhode Island Office of Energy Resources ("OER") is a pdf copy of the Office of Energy Resources ("OER") comments regarding the Energy Efficiency and Resource Management Council's (EERMC) proposed 2021-2023 Targets, as filed on March 23, 2020.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Daniel W. Majcher, Esq.

DWM/njr

Enclosure

c. Docket 5023 Service List



STATE OF RHODE ISLAND

## OFFICE OF ENERGY RESOURCES

April 13, 2020

Chairperson Margaret E. Curran  
Commissioner Marion Gold  
Commissioner Abigail Anthony  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, Rhode Island 02888

### **Re: Docket #5023 – Proposed Three-Year Savings Targets for National Grid's 2021-2023 Energy Efficiency Procurement Plan**

Dear Commissioners:

The Rhode Island Office of Energy Resources (OER) submits these comments regarding the Energy Efficiency and Resource Management Council's (EERMC) proposed 2021-2023 Targets, as filed on March 23, 2020.

OER applauds the EERMC's thoughtful oversight of their recent Market Potential Study. The study – with final report pending – will inform development of the next six years (through 2026) of energy efficiency (EE) programs and investments. Through engagement with stakeholders, the EERMC ensured that recent technology advancements and current program information informed the study's modeling. National best practices in potential study methodologies were also used to ensure data-driven results were informative and actionable. For this reason, the study provides immediate value in energy policy and program decision-making.

As described in their Targets filing, the EERMC expects Three-Year Plan Goals and Annual Plan Goals to be *lower* than the Target values submitted. The Targets filed by the EERMC represent “all *potentially available* cost-effective efficiency” and serve as guideposts for the development of National Grid's Three-Year EE Procurement Plan and more detailed annual EE Program Plans. To be clear, the Targets do not set specific program or plan budgets, nor result in direct changes to the Systems Benefit Charge paid for by consumers. Those determinations will be informed and decided upon later in 2020. OER views the Target values as aspirational goals that are not binding for the utility, ratepayers, or any other stakeholders.

During EERMC public meetings, there was significant discussion regarding the practical and technical limitations that will impact our collective ability to meet a high Target threshold, including, but not limited to, workforce development and supply chain barriers, as well as potential bill impacts on consumers. Therefore, the Target values should be viewed as upper bounds that the utility and stakeholders will strive towards, but are unlikely to meet in the near term. By adopting the highest Target values, the EERMC is encouraging the utility to identify and justify all barriers and/or practical limitations that prevent the achievement of all cost-



STATE OF RHODE ISLAND

## OFFICE OF ENERGY RESOURCES

effective energy savings. In essence, if adopted, they will serve as a stretch goal for the utility and stakeholders. Rather than stakeholders needing to bring program innovations to the utility to drive energy savings above an achievable Target, the utility is now expected to fully document the barriers it experiences in trying to achieve a stretch goal. Through this documentation process, program delivery and design innovations, such as cost-efficiencies or improved outreach strategies, may be uncovered and, subsequently, acted upon by the utility, industry, and other stakeholders. Historically, energy efficiency planning has been limited to a bottom-up approach that set energy savings goals based on the suite of energy efficiency measures previously delivered.

Now, with an updated Market Potential Study, we also know the maximum energy efficiency potential in Rhode Island. The EERMC's approach creates the opportunity to work up from historical performance and down from maximum potential to ensure Rhode Island remains a national energy efficiency leader, while more effectively fostering greenhouse gas emission reductions and clean energy job growth over time.

OER supports the EERMC's approach of establishing stretch goals for the utility – one that is not inconsistent with statutory requirements to seek “all energy efficiency measures that are cost effective and lower cost than acquisition of additional supply.” We recognize that our energy efficiency programs and investments are foundational to Rhode Island's clean energy future. However, informed by discussions with the EERMC, their consultants, the Division of Public Utilities & Carriers (DPUC), and National Grid, OER acknowledges the technical, workforce, supply chain, bill impact, and other constraints facing our energy efficiency delivery system. In the near term, these constraints will most certainly be present as the state ramps up its EE program offerings and support structure to deliver increasingly complex and more holistic clean energy investment strategies. Furthermore, these factors are particularly heightened in the midst of a global pandemic that has resulted in significant impacts to our state's economy and workforce. While we sincerely hope that the immediate health crisis abates soon, the long-term implications of COVID-19 on our economic recovery are still unknown.

For these reasons, OER proposed to the EERMC that it adopt a mid-tier set of Targets for the first two years of the 2021-2023 period. Specifically, OER supported a linear ramp from the mid-program achievable scenario in 2021 to the maximum program achievable scenario in 2023.<sup>1</sup> This alternative recognizes that the gap between historically delivered energy savings and maximum program achievable potential, as determined by the potential study, is substantial. Furthermore, it is expected that any efforts to overcome barriers and increase energy savings beyond more traditional EE measures (e.g. lighting) will take multiple years to implement and scale. Such an approach would still allow for the aforementioned benefits associated with setting stretch goals and will further Rhode Island's ambitious energy efficiency goals while recognizing the practical challenges facing our energy system and economy.

---

<sup>1</sup> See option 2 in the EERMC Consultant Team's memo: [http://rieermc.ri.gov/wp-content/uploads/2020/03/eermc-recommended-ee-targets\\_2020-03-19\\_with-appendix-and-cover-letter.pdf](http://rieermc.ri.gov/wp-content/uploads/2020/03/eermc-recommended-ee-targets_2020-03-19_with-appendix-and-cover-letter.pdf)



STATE OF RHODE ISLAND

**OFFICE OF  
ENERGY RESOURCES**

As Rhode Island adjusts to a “new normal,” OER is sensitive to the many emerging challenges facing our citizens, workforce, and industry partners. We remain committed to working with the Commission, the EERMC, the DPUC, National Grid, and other stakeholders to develop and deploy nation-leading energy efficiency programs that reduce energy consumption and costs, while providing thousands of local, clean energy employment opportunities for our workers. In doing so, we are confident that our energy efficiency investments will mitigate greenhouse gas emissions and spur economic recovery and growth opportunities, while appropriately balancing impacts on utility customers of all types, *at any Target level set by the Commission.*

We wish the Commission and its staff good health in the days to come.

Thank you for your consideration.

Sincerely,

Nicholas Ucci  
Acting Commissioner