

December 4, 2020

**VIA ELECTRONIC MAIL**

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

**RE: Docket 5076 – 2021-2023 Energy Efficiency Program Plan & 2021 Energy Efficiency Plan Responses to PUC Data Requests – Set 6**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”), attached, please find the electronic version of the Company’s responses to the Public Utilities Commission’s (“PUC”s) Sixth Set of Data Requests in the above-referenced docket.<sup>1</sup>

Thank you for your attention to this filing. If you have any questions or concerns, please do not hesitate to contact me at 401-784-4263.

Sincerely,



Andrew S. Marcaccio

cc: Docket 5076 Service List  
John Bell, Division  
Jon Hagopian, Esq.

---

<sup>1</sup> In addition, the Company will deliver to the Commission six, three-hole punched hard copies of PUC Set 6 with Bates stamp.

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission..



\_\_\_\_\_  
Joanne M. Scanlon

December 4, 2020  
Date

**Docket No. 5076 - National Grid – 2021-2023 Energy Efficiency Program Plan & 2021 Annual Energy Efficiency Program Plan  
Service list updated 12/3/2020**

<b>Name/Address</b>	<b>E-mail Distribution List</b>	<b>Phone</b>
<b>National Grid</b> Andrew Marcaccio, Esq. National Grid 280 Melrose St. Providence, RI 02907	<a href="mailto:Andrew.Marcaccio@nationalgrid.com">Andrew.Marcaccio@nationalgrid.com;</a>	401-784-4263
	<a href="mailto:Raquel.webster@nationalgrid.com">Raquel.webster@nationalgrid.com;</a>	
	<a href="mailto:Joanne.scanlon@nationalgrid.com">Joanne.scanlon@nationalgrid.com;</a>	
	<a href="mailto:Celia.obrien@nationalgrid.com">Celia.obrien@nationalgrid.com;</a>	
	<a href="mailto:Matthew.Chase@nationalgrid.com">Matthew.Chase@nationalgrid.com;</a>	
	<a href="mailto:Timothy.Roughan@nationalgrid.com">Timothy.Roughan@nationalgrid.com;</a>	
	<a href="mailto:John.Tortorella@nationalgrid.com">John.Tortorella@nationalgrid.com;</a>	
	<a href="mailto:Christopher.Porter@nationalgrid.com">Christopher.Porter@nationalgrid.com;</a>	
	<a href="mailto:BENJAMIN.RIVERS@nationalgrid.com">BENJAMIN.RIVERS@nationalgrid.com;</a>	
	<a href="mailto:John.Richards@nationalgrid.com">John.Richards@nationalgrid.com;</a>	
<a href="mailto:Matthew.Ray2@nationalgrid.com">Matthew.Ray2@nationalgrid.com;</a>		
<b>Division of Public Utilities and Carriers</b> Jon Hagopian, Esq.	<a href="mailto:Jon.hagopian@dpuc.ri.gov">Jon.hagopian@dpuc.ri.gov;</a>	401-784-4775
	<a href="mailto:Margaret.L.Hogan@dpuc.ri.gov">Margaret.L.Hogan@dpuc.ri.gov;</a>	
	<a href="mailto:john.bell@dpuc.ri.gov">john.bell@dpuc.ri.gov;</a>	
	<a href="mailto:Joel.munoz@dpuc.ri.gov">Joel.munoz@dpuc.ri.gov;</a>	
Tim Woolf Jennifer Kallay Synapse Energy Economics 22 Pearl Street Cambridge, MA 02139	<a href="mailto:twoolf@synapse-energy.com">twoolf@synapse-energy.com;</a>	
	<a href="mailto:jkallay@synapse-energy.com">jkallay@synapse-energy.com;</a>	
<b>RI EERMC</b> Marisa Desautel, Esq. Office of Marisa Desautel, LLC 55 Pine St.	<a href="mailto:marisa@desautelesq.com">marisa@desautelesq.com;</a>	401-477-0023
	<a href="mailto:guerard@optenergy.com">guerard@optenergy.com;</a>	

Providence, RI 02903	<a href="mailto:ross@optenergy.com">ross@optenergy.com</a> ;	
Mike Guerard, Optimal Energy	<a href="mailto:kravatz@optenergy.com">kravatz@optenergy.com</a> ;	
<b>Acadia Center</b> Hank Webster, Director & Staff Atty.	<a href="mailto:HWebster@acadiacenter.org">HWebster@acadiacenter.org</a> ;	401-276-0600 x402
<b>Office of Energy Resources (OER)</b> Albert Vitali, Esq. Dept. of Administration Division of Legal Services One Capitol Hill, 4 <sup>th</sup> Floor Providence, RI 02908  Nick Ucci, Commissioner	<a href="mailto:Albert.Vitali@doa.ri.gov">Albert.Vitali@doa.ri.gov</a> ;	401-222-8880
	<a href="mailto:Nancy.Russolino@doa.ri.gov">Nancy.Russolino@doa.ri.gov</a> ;	
	<a href="mailto:Christopher.Kearns@energy.ri.gov">Christopher.Kearns@energy.ri.gov</a> ;	
	<a href="mailto:Nicholas.Ucci@energy.ri.gov">Nicholas.Ucci@energy.ri.gov</a> ;	
	<a href="mailto:Becca.Trietch@energy.ri.gov">Becca.Trietch@energy.ri.gov</a> ;	
	<a href="mailto:Carrie.Gill@energy.ri.gov">Carrie.Gill@energy.ri.gov</a> ;	
	<a href="mailto:Nathan.Cleveland@energy.ri.gov">Nathan.Cleveland@energy.ri.gov</a> ;	
<b>Green Energy Consumers Alliance</b> Larry Chretien, Executive Director Kai Salem	<a href="mailto:Larry@massenergy.org">Larry@massenergy.org</a> ;	
	<a href="mailto:kai@greenenergyconsumers.org">kai@greenenergyconsumers.org</a> ;	
	<a href="mailto:priscilla@greenenergyconsumers.org">priscilla@greenenergyconsumers.org</a> ;	
<b>Original &amp; 9 copies file w/:</b> Luly E. Massaro, Commission Clerk John Harrington, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2107
	<a href="mailto:Cynthia.WilsonFrias@puc.ri.gov">Cynthia.WilsonFrias@puc.ri.gov</a> ;	
	<a href="mailto:John.Harrington@puc.ri.gov">John.Harrington@puc.ri.gov</a> ;	
	<a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;	
	<a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ;	
Frederick Sneesby Dept. of Human Services	<a href="mailto:Frederick.sneesby@dhs.ri.gov">Frederick.sneesby@dhs.ri.gov</a> ;	
Chris Vitale, Esq., RI Infrastructure Bank	<a href="mailto:cvitale@hvlawltd.com">cvitale@hvlawltd.com</a> ;	
	<a href="mailto:SUsatine@riib.org">SUsatine@riib.org</a> ;	
Doug Gablinske, Executive Director The Energy Council of RI	<a href="mailto:doug@tecri.org">doug@tecri.org</a> ;	
Jordan Garfinkle Bloom Energy	<a href="mailto:Jordan.Garfinkle@bloomenergy.com">Jordan.Garfinkle@bloomenergy.com</a> ;	

PUC 6-1

Request:

Referring to the response to PUC 3-16, page 4, regarding the “Energy Management Framework Platform” software system and the budgeted \$1,000,000,

- (a) Is the software system one that the Company expects eventually will be used by National Grid's energy efficiency function to store information and/or provide services in other jurisdictions? If not, please explain why not. If yes, please identify the jurisdictions.
- (b) If the Company expects the software system eventually will be used by National Grid in other jurisdictions, is the cost of development of the system being allocated among the applicable jurisdictions? If not, please explain why not. If yes, please provide a table showing the allocation to each jurisdiction and describe the allocator being used.
- (c) Under the Company's financial or regulatory accounting rules used for determining a revenue requirement, is the cost of the software system a capital cost or O&M? If capital, please show a schedule calculating the annual revenue requirement over the period that the system would be depreciated under applicable accounting rules. If O&M, please explain why it is appropriate to expense the system costs, rather than capitalize them.

Response:

- (a) The extent of the software platform's applicability and utilization in other jurisdictions will be a function of specific features and functionality that have not yet been fully defined. The Company, however, anticipates that the functionality could eventually be utilized in Massachusetts energy efficiency programs. National Grid has not yet determined if the software could be utilized in support of its New York programs.
- (b) Per standard Company cost accounting practices, any costs incurred in the development, procurement, implementation, or utilization of the software platform that are specific to Rhode Island programs would be charged only to relevant Rhode Island energy efficiency programs and sectors.

Any costs that are incurred in the development and implementation of functionality or capabilities that support multiple jurisdictions will be allocated across relevant jurisdictions. The Company utilizes standard cross-jurisdictional allocation methodologies for purposes of allocating energy efficiency costs across multiple jurisdictions. These percentages are reviewed annually and will likely change slightly for 2021. The current C&I sector (the sector to which these costs would apply) allocations for 2020 between Massachusetts and Rhode Island are as follows:

Prepared by or under the supervision of:  
Daniel Tukey, Matthew Manzo, Christopher Porter, and Michael Nappi

PUC 6-1, page 2

<b>Allocators</b>	<b>% Contribution (2020)</b>
Massachusetts Electric Company	51.4%
Nantucket Electric Company	0.5%
Boston Gas Company	15.3%
Boston Gas-Colonial	4.6%
The Narragansett Electric Company (Electric)	19.9%
The Narragansett Electric Company (Gas)	8.3%

- (c) Company accounting policies related to treatment of software expenses are a function of a number of variables about the nature of the software or service being procured and the pricing and ownership model under which it will be utilized. At this time, given the nascent stage of the Energy Management Platform initiative, no determination has been made about the appropriate accounting treatment for these potential costs. (For purposes of estimating necessary SBC collections, the proposed budget and associated SBC impacts have been treated as if the expense will be treated as O&M, based on the Company's belief that the platform is most likely to be procured and deployed through a software as a service model.)

As the Company makes progress in defining and scoping system requirements, and ultimately designing, procuring, and deploying a solution, the specific nature of the commercial terms of the arrangement will be reviewed with accounting, and appropriate accounting treatment of the associated expenses will be determined. To the extent that these expenses will be treated as capital expenses, the Company will develop the requested annual revenue requirement schedule and produce that as a component of standard year-end energy efficiency program reporting and account for the appropriate annual portion of any capitalized expenses in year-end program reporting and in future annual plan budgeting.

PUC 6-2

Request:

Referencing Bates 298 of the filing describing the Weatherization and Heating System Assessment for Income Eligible (Electric and Gas), the Company proposes a “[n]o-cost replacement of eligible heating or cooling systems if they are determined to be inefficient or unsafe.” This provision applies to “all existing heating/cooling systems: electric, gas, oil, and propane.”

- (a) Is the Company proposing to replace existing oil or propane systems with new oil or propane systems? Or would those systems be replaced with electric or gas systems?
- (b) Is the Company proposing to replace existing gas systems with new gas systems? Or would those systems be replaced with electric systems?
- (c) What parts of a heating/cooling system are eligible for replacement? For example, is an oil tank considered part of the heating system and eligible for replacement?
- (d) Please provide a breakdown of how many systems the Company expects to replace in 2021 broken out by fuel type.

Response:

- (a) Yes, the Company is proposing to continue to replace existing oil or propane systems with new oil or propane systems. Historically, and included in the 2021 EE Plan, the IES Program supports the replacement of existing heating systems if deemed inefficient or unsafe, with like-for-like systems (i.e., electric to electric, gas to gas, oil to oil, propane to propane). On rare occasions, an existing gas customer may be allowed to replace an oil heating system with a gas heating system if the oil system is deemed inefficient or unsafe and there is a medical necessity or economic necessity.
- (b) Yes, the Company is proposing to replace existing gas systems with new energy efficient gas systems. As stated in (a) above, replacement of existing heating systems, if deemed inefficient or unsafe, is with like-for-like systems (i.e., electric to electric, gas to gas, oil to oil, propane to propane).
- (c) All parts of a heating/cooling system are eligible for replacement to provide a customer with safe and efficient heating/cooling. Oil tank replacements are rare and leveraged through financial support from the IES Program's collaborative partner, Rhode Island Department of Health and Human Services (DHHS).

PUC 6-2, page 2

(d) As outlined in Table 3 of the 2021 Annual Plan Attachment 1 (Bates page 333), the total number of replacement systems to be completed through the Electric IES Program is as follows:

- i. AMPHEATSYSTEM – is the measure for high efficiency oil/propane heating system replacement. This total = 436
- ii. AMPMinisplit Heat Pumps Electric Resistance – is the measure for replacing electric resistance heating with high efficiency air source heat pump heating. This total = 50 jobs

As outlined in Table 4 of the 2021 Annual Plan Attachment 1 (Bates page 337), the total number of replacement systems to be completed the Gas IES Program is as follows:

- i. HEATSYSTEM – is the measure for high efficiency gas heating system replacement. The total = 294.