

January 19, 2022

VIA ELECTRONIC MAIL

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

**RE: Docket 5189 – 2022 Annual Energy Efficiency Program Plan
Requested Approvals (Revised)**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”), enclosed, please find the electronic version of the Company’s revised requested approvals in the above-referenced docket.

The revisions are shown as redlines in the enclosed requested approvals. The revisions are the result of adjusting the EERMC/OER budget to account for the Company’s performance incentive opportunity reduction, which slightly impacted the rate. This adjustment should have been made in the original filing of the requested approvals.

In addition, the Company has provided the following supporting documentation.

- Updated E-1 Table showing what would have been the 12-month rate
- New E-1A table (based on EERMC 2-14) that shows the new 11-month rate which the Company is requesting go into effect on February 1, 2022.
- Updated G-1 table, showing what would have been the 12-month rate
- New G-1A table, (based on EERMC 2-14) that shows the new 11-month rate which the Company is requesting go into effect on February 1, 2022.

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 5189 Service List
John Bell, Division
Margaret Hogan, Esq.

The Company respectfully requests that the PUC approve the following items:

- (1) To approve the 2022 Annual Energy Efficiency and Conservation Procurement Plan as filed by the Company on October 1, 2021, with the following modifications:
 - a. Removing the budget and proposal for RI Grows CHP and adopting the Alternative Base Plan, which is based on the electric budget and savings targets for the electric portfolio as submitted in the response to PUC 7-9 and the gas budget and savings target for the gas portfolio as submitted on October 1, 2021.
 - b. Replace the proposed performance incentive earning opportunity of \$7.2M (allocated as \$5.5M in the electric portfolio and \$1.7M in the gas portfolio) with the \$4.3M earnings opportunity (allocated as \$3,390,165 in the electric portfolio and \$1,000,000 in the gas portfolio) as described in the Division of Public Utilities and Carriers corrected memorandum entitled "RE: Determining Target Incentives for EE PIM", dated January 6, 2022, and as shown in the updated attached tables E-8C and G-8C.
 - c. Replace the economic multipliers that were filed by the Company on October 1, 2021 with the updated economic multipliers as set forth in the Company's memorandum entitled "Economic Multiplier Update and Updated E-5 Secondary Tables" submitted on January 6, 2022.
- (2) To continue utilization of the performance incentive mechanism approved via Order No. 24225 in Docket No. 5076 for the 2022 program plan year consistent with the recommendations made by the Division of Public Utilities and Carriers within its

corrected memorandum entitled "RE: Determining Target Incentives for EE PIM", dated January 6, 2022, including re-examining the earnings opportunity and payout rates on an annual basis.

- (3) To approve the Narragansett Electric Company's electric Energy Efficiency Program charge of \$0.~~1257~~1254/kWh for effect on and after February 1, 2022.
- (4) To approve the Narragansett Electric Company's gas Energy Efficiency Program charge of \$1.~~331~~332/Dth for residential customers for effect on and after February 1, 2022.
- (5) To approve the Narragansett Electric Company's gas Energy Efficiency Program charge of \$0.~~858~~860/Dth for commercial and industrial customers for effect on and after February 1, 2022.
- (6) To find that the Company's decision to continue to serve customers within the gas EnergyWise Single Family program was prudent and to permit cost recovery of the resulting overspend.
- (7) To approve the revision to Section 10.4 of the Company's 2022 Annual Energy Efficiency Plan (Bates 121 – 122) as reflected in the response to the December Hearing Record Request Number 4.

**Table E-1 - Alternate Base Plan
National Grid
Electric DSM Funding Sources in 2022 by Sector
\$(000)**

	Income Eligible Residential	Projections by Sector Non-Income Eligible Residential	Commercial & Industrial	Total
(1) Projected Budget (from E-2):	\$17,077.1	\$36,097.3	\$57,651.4	\$110,825.7
Sources of Other Funding:				
(2) Projected DSM Commitments at Year-End 2021:	\$0.0	\$0.0	\$0.0	\$0.0
(3) Projected Year-End 2021 Fund Balance and Interest:	(\$17.5)	(\$6,770.1)	\$13,236.9	\$6,449.3
(4) Projected FCM Net Revenue from ISO-NE:	\$482.0	\$5,723.2	\$8,130.1	\$14,335.3
(5) Total Other Funding:	\$464.5	(\$1,046.9)	\$21,367.0	\$20,784.6
(6) Customer Funding Required:	\$16,612.6	\$37,144.1	\$36,284.4	\$90,041.2
(7) Forecasted kWh Sales:	246,778,762	2,930,118,727	4,162,361,309	7,339,258,798
(8) Energy Efficiency Program charge per kWh, excluding uncollectible recovery:				\$0.01226
(9) Proposed SRP Opex Factor per kWh, excluding uncollectible recovery:				\$0.00000
(10) Total Proposed Energy Efficiency Charge per kWh, excluding uncollectible recovery:				\$0.01226
(11) Currently Effective Uncollectible Rate				1.30%
(12) Proposed Energy Efficiency Program Charge per kWh, including Uncollectible Recovery:				\$0.01242
(13) Currently Effective Energy Efficiency Program Charge per kwh				\$0.01113
(14) Proposed Adjustment to Reflect Fully Reconciling Funding Mechanism				\$0.00129

Notes:

- (1) Projected Budget from E-2 includes OER and EERMC costs allocated to each sector based on forecasted sales.
- (2) DSM Commitments are projects that are under construction with anticipated completion in 2022.
- (3) Fund balance projections include projected revenue and spend through year end with Income Eligible sector set to \$0 through projected subsidization from other sectors, minus commitments which are illustrated separately on line (2). The fund balance includes a \$124,135 credit from shareholder funds to the fund balance which the Company plans to make prior to February 1, 2022 based on the Company's response to PUC 5-4 part e. The fund balance also assumes a transfer of \$5,000,000 to the Rhode Island Infrastructure Bank (RIIB), approved in the 2021 Annual Plan, to be made in early 2022. Note that these funds have not yet been transferred to RIIB, however the Company anticipates, subject to PUC approval, transferring these funds given that the Company received a written request from RIIB on December 30, 2021, and is currently working with RIIB in order to ensure that all required documentation has been provided and is in order prior to completing the transfer.
- (4) The total projection of FCM revenue is allocated by kWh sales to each sector. FCM Revenue includes an estimated \$332,804 penalty. See prefiled testimony for additional details.
- (5) Line (2) + Line (3) + Line (4)
- (6) Line (1) - Line (5)
- (7) Per Company Forecast
- (8) See EERMC 2-14 attachment for calculation of rate.
- (9) Truncated to 5 decimal places
- (11) Proposed SRP Opex Factor is \$0.00000.
- (10) Line (8) + Line (9)
- (11) Uncollectible rate approved in Docket No 4770.
- (12) Line (10) ÷ (1-Line (11)), truncated to 5 decimal places
- (13) Currently Effective EE Charge includes System Reliability Factor and uncollectible recovery.
- (14) Line (12) - Line (13)

These rates are based on a 12 month rate. Due to extending the rate through January 31, 2022, the Company is proposing rates to account for this in Table E-1A. Please see the rates in that table.

**Table E-1A - Alternate Base Plan
National Grid
Calculation of Electric 11 Month Rate for February 1, 2022**

Impact of a 1 Month Delay in Changing Electric SBC

(1)	Amount Needed from Customer Funding	\$90,041,187	\$90,041.2 per table E-1, Line (6)
(2)	CY 2022 kWh Delivery Forecast	<u>7,339,258,798</u>	
(3)	Base SBC	\$0.01226	
(4)	Uncollectible Rate	<u>1.30%</u>	
(5)	SBC Grossed Up for Uncollectibles	<u>\$0.01242</u>	
(6)	January 2022 kWh Deliveries	628,396,744	
(7)	Base SBC at Proposed Rate	<u>\$0.01226</u>	
(8)	Proposed January SBC Revenue	\$7,704,144	
(9)	Base SBC at Current Rate	<u>\$0.01099</u>	
(10)	SBC Revenue at Current Rate	<u>\$6,906,080</u>	
(11)	Shortfall in January 2022 SBC Revenue	<u>(\$798,064)</u>	
(12)	CY 2022 Customer Funding Needed	\$90,041,187	
(13)	January SBC Revenue at Current Rate	<u>\$6,906,080</u>	
(14)	February-December 2022 Customer Funding Needed	\$83,135,107	
(15)	February-December 2022 kWh Delivery Forecast	6,710,862,054	
(16)	SBC effective February 1, 2022	\$0.01238	
(17)	Uncollectible Rate	<u>1.30%</u>	
(18)	SBC Grossed Up for Uncollectibles	<u>\$0.01254</u>	
(19)	Increase in Proposed SBC	\$0.00012	
(20)	% Increase in Proposed SBC	1.0%	
(21)	Monthly A-16 kWh	500	
(22)	Monthly Impact	\$0.06	
(23)	Monthly Bill based on January 1, 2022 Rates	\$123.59	
(24)	Incremental Increase	0.0%	

See EERMC 2-14 for original reference.

**Table G-1
National Grid
Gas DSM Funding Sources in 2022 by Sector
\$(000)**

	<u>Projections by Sector</u>			Total
	Income Eligible Residential	Non-Income Eligible Residential	Commercial & Industrial	
(1) Projected Budget (from G-2):	\$9,373.1	\$15,562.0	\$11,156.3	\$36,091.4
Sources of Other Funding:				
(2) Projected Year-End 2021 Fund Balance and Interest:	(\$12.4)	(\$8,944.4)	\$2,859.3	(\$6,097.4)
(3) Total Other Funding:	(\$12.4)	(\$8,944.4)	\$2,859.3	(\$6,097.4)
(4) Customer Funding Required:	\$9,385.4	\$24,506.4	\$8,297.0	\$42,188.8
(5) Forecasted Firm Dth Volume	1,685,277	18,876,534	19,843,867	40,405,678
(6) Forecasted Non Firm Dth Volume			2,278,545	2,278,545
(7) Less: Exempt DG Customers			(1,244,516)	(1,244,516)
(8) Forecasted Dth Volume:	1,685,277	18,876,534	20,877,896	41,439,707
Average Energy Efficiency Program Charge per Dth				
(9) excluding Uncollectible Recovery:				\$1.018
(10) Proposed Energy Efficiency Program Charge per Dth excluding Uncollectible Recovery	\$1.230	\$1.230	\$0.808	
(11) Currently Effective Uncollectible Rate	<u>1.91%</u>	<u>1.91%</u>	<u>1.91%</u>	
(12) Proposed Energy Efficiency Program Charge per Dth, including Uncollectible Recovery:	\$1.253	\$1.253	\$0.823	
(13) Currently Effective Energy Efficiency Program Charge per Dth	\$0.871	\$0.871	\$0.596	
(14) Adjustment to Reflect Fully Reconciling Funding Mechanism	\$0.382	\$0.382	\$0.227	

Notes

(1) Projected Budget from G-2 includes OER and EERMC costs allocated to each sector based on forecasted volume.

(2) Fund Balance projections include projected revenue and spend through year-end with Residential and C&I sector subsidies applied to Income Eligible as detailed in the 2022 EE Plan Table G-1.

(10) The proposed EE program charges allow for the use of collections from one sector to fund energy efficiency services in other sectors that would otherwise not be supported with the proposed collection rates. The C&I charge includes collection of \$8.11 million of which \$4.14 million will be allocated to the low income sector and \$3.97 million to the residential sector.

(11) Uncollectible rate approved in Docket No. 4770.

These rates are based on a 12 month rate. Due to extending the rate through January 31, 2022, the Company is proposing rates to account for this in Table G-1A. Please see the rates in that table.

**Table G-1A - Alternate Base Plan
National Grid
Calculation of Gas 11 Month Rate for February 1, 2022**

Impact of a 1 Month Delay in Changing Gas SBC

		<u>Residential</u>	<u>C&I</u>	<u>Total</u>
		(a)	(b)	(c)
(1)	Amount Needed from Customer Funding	\$25,304,136	\$16,884,664	\$42,188,800
(2)	CY 2022 Dkth Delivery Forecast	<u>20,561,811</u>	<u>20,877,896</u>	41,439,707
(3)	Base SBC	\$1.230	\$0.808	
(4)	Uncollectible Rate	<u>1.91%</u>	<u>1.91%</u>	
(5)	SBC Grossed Up for Uncollectibles	<u>\$1.253</u>	<u>\$0.823</u>	
(6)	January 2022 Dkth Deliveries	3,486,313	2,858,807	6,345,120
(7)	Base SBC at Proposed Rate	<u>\$1.230</u>	<u>\$0.808</u>	
(8)	Proposed January SBC Revenue	\$4,288,165	\$2,309,916	\$6,598,081
(9)	Base SBC at Current Rate	<u>\$0.854</u>	<u>\$0.584</u>	
(10)	January SBC Revenue at Current Rate	<u>\$2,977,311</u>	<u>\$1,669,543</u>	<u>\$4,646,854</u>
(11)	Shortfall in January 2022 SBC Revenue	<u>(\$1,310,854)</u>	<u>(\$640,373)</u>	<u>(\$1,951,227)</u>
(12)	CY 2022 Customer Funding Needed	\$25,304,136	\$16,884,664	\$42,188,800
(13)	January SBC Revenue at Current Rate	<u>\$2,977,311</u>	<u>\$1,669,543</u>	<u>\$4,646,854</u>
(14)	February-December 2022 Customer Funding Needed	\$22,326,825	\$15,215,121	\$37,541,946
(15)	February-December 2022 Dkth Delivery Forecast	17,075,498	18,019,086	35,094,584
(16)	SBC effective February 1, 2022	\$1.3075	\$0.8443	\$1.0697
(17)	Uncollectible Rate	<u>1.91%</u>	<u>1.91%</u>	
(18)	SBC Grossed Up for Uncollectibles	<u>\$1.332</u>	<u>\$0.860</u>	
(19)	Increase in Proposed SBC	\$0.079	\$0.037	
(20)	% Increase in Proposed SBC	6.3%	4.5%	
(21)	Annual Rate 10 Therms	865		
(22)	Annual Impact	\$7.12		
(23)	Annual Bill based on December 1, 2021 Rates	\$1,461.74		
(24)	Incremental Increase	0.5%		

See EERMC 2-14 for original reference.

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 and to the Rhode Island Division of Public Utilities and Carriers.



Joanne M. Scanlon

January 19, 2022
Date

**Docket No. 5189 - National Grid – 2022 Annual Energy Efficiency Program
Service list updated 11/29/2021**

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