



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

2022 EE Plan & PUC Hearing Updates

Presented By: EERMC C-Team

Date: January 20, 2021





Outline

Review of Proceedings to Date

PUC Hearing Highlights for EERMC

Summary of Other Hearing Discussion Topics

Next Steps

Council Discussion



REVIEW OF PUC PROCEEDINGS TO DATE





Review of PUC Proceedings to Date

September

- 8th: Grid issues final draft 2022 EE Plan
- 22nd: PUC directs Grid to file plan with RI Grows CHP funding reallocated (Provisional Plan)
- 23rd: Council votes not to endorse EE Plan

October

- 1st: Grid files Original Plan
- 8th: Grid files Provisional Plan
- 15th: C-team files Summary Report of EERMC vote & reasons why; Cost-Effectiveness Report
- Discovery period begins

November

- 17th: C-team files EERMC pre-filed testimony
- Discovery period continues

December

- 6th, 8th: 2022 EE Plan hearings begin
- 9th: Council votes to prefer provisional plan
- Discovery period continues

January

- 7th: Grid files corrections to Provisional Plan
- 10th, 11th, 13th: 2022 EE Plan hearings conclude
- 25th, 28th: Anticipated PUC Open Meetings where rulings will be issued



PUC HEARING HIGHLIGHTS FOR EERMC





Hearing Highlights: EERMC Met All Statutory Obligations

Statutory Obligations

- EERMC directed C-team to file Cost-Effectiveness Report regarding 2022 EE Plan as filed
- EERMC voted not to endorse 2022 EE Plan, directed C-team to document vote outcome and associated explanation of reasons and file with PUC for consideration

Other Hearing Engagement

- At December EERMC meeting, EERMC voted to indicate preference for Provisional Plan over Alternative Base Plan if given the choice between the two
- Full support and engagement with 5 full days of hearings, 1 open meeting in Dec and up to 2 further open meetings in Jan, as well as any to-be-scheduled proceedings
 - Including a full day of C-Team and OER representatives providing testimony under oath
- C-Team, in coordination with OER and Council Lawyer Marisa Desautel, handled 28 data requests and 17 record requests directed to EERMC
- Reviewed nearly 450 total data requests among the parties



Hearing Highlights: Council Concerns

PUC addressed **CHP concerns** in 2021 via separation of CHP project from 2022 EE Plan Docket

Hearings addressed some **other EERMC-relevant considerations**

- Application of LCP Standards - quantitative and qualitative

- Importance of investing in future of EE (post-lighting)

- 5% budget increase limit (maintained)

Other areas of EERMC concern not substantively discussed, such as equity commitments and planning process challenges



Hearing Highlights: Provisional Plan Correction

Following from December hearings, EERMC **Consultant Team identified a substantive error in Provisional Plan costs**, which when corrected, significantly reduced costs for the incremental spend

National Grid agreed with error, issued corrections to Provisional Plan 1/7

Division requested removal of correction from record through a motion filed 1/10

National Grid removed Provisional Plan from consideration due to insufficient review process; no parties argued for higher budget than alternative base plan

- Acadia Center noted interest in higher budget for the record
- EERMC viewpoint was conveyed during direct testimony of Consultant team
- **Only Alternative Base Plan under consideration during Jan hearings**



Hearing Highlights: EERMC Finances

Discussion of several items related to EERMC finances, including:

Regulatory budget allocation in EE Plans (PUC Discretion/Authority)

History of EERMC client fund & banking arrangements, including year-end fund rollover from Main Fund to Client Fund

Commission issued directive to hold 2022 transfer until Docket concluded

Recent EERMC budgets and expenses, incl. Consultant invoices and scopes of work, as well as approach to saving for potential studies



OTHER HEARING DISCUSSION TOPICS





Summary of Other Items Addressed (1)

Treatment of Economic Development Benefits in RI Test

Suggestion to no longer add Economic Development Benefits to other benefit streams in Plan filings summarizing RI Test results, and instead list separately either in Plan text or units such as job-years

Performance Incentive Mechanism

National Grid endorsed Division recommendation for framework, which includes lower 2022 total incentive and annual re-examination



Summary of Other Items Addressed (2)

Moderate Income Verification

Avoided Cost Study & Cost of Supply

Connected Solutions

EM&V Budgets

EnergyWise Gas Overspend

Codes & Standards

Elements of the Provisional Plan
(prior to its withdrawal)

Carbon Benefits from Oil/Propane

RIIB Statutory Allocation



NEXT STEPS





Next Steps

Procedural Next Steps

PUC to formally close hearings (were awaiting all Record Request responses at the time this presentation was finalized)

PUC to hold Open Meetings expected 1/25 and 1/28 which will likely include rulings in this Docket

Council Next Steps After PUC Rulings

Review final rulings

Finalize budget

2022 Oversight & 2023 Planning

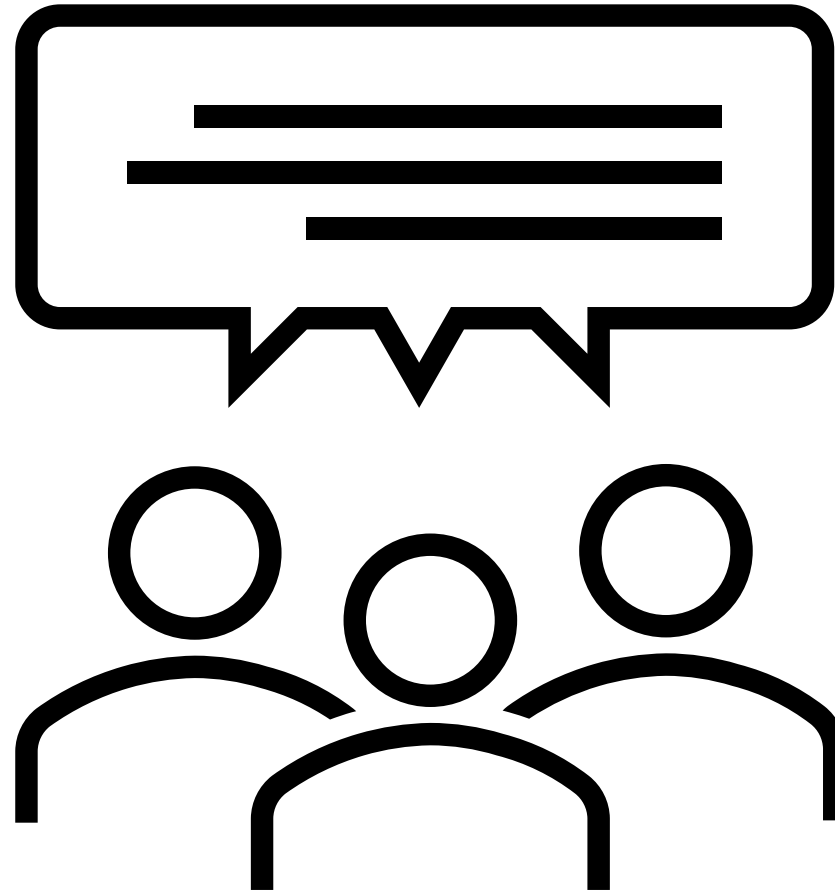


COUNCIL DISCUSSION





Council Member Discussion





APPENDIX – REVIEW OF PLAN VERSIONS





Plan Iterations

Original Plan: EE Plan that Council voted to not endorse and was *filed with the PUC on October 1st*

Provisional Plan: EE Plan that *re-allocated ~\$9M in incentives for the RI Grows CHP project* which was filed with the PUC on October 8th and discussed at the October 21st Council Meeting

Provisional Plan 2: Provisional Plan *excluding all measures with BCR < 1* in the re-allocated ~\$9M in incentives. Includes corrections to Economic Multipliers, but does not include cost corrections

Provisional Plan (Corrected): Provisional Plan filed following *corrections to costs identified* by the C-Team, as well as *corrections to Economic Multipliers*

Alternative Base Plan: Original EE Plan with the ~\$9M in *incentives for the RI Grows CHP project removed* rather than reallocated

Alternative Base Plan (Corrected): Alternative Base Plan filed following *corrections to Economic Multipliers*. This is the operative Plan being considered by the PUC.



Comparison of Electric Plan Costs and Benefits

	RI Test w/ Economic Multipliers					
	Original Plan	Provisional Plan	Provisional Plan (Corrected)	Provisional Plan 2	Alternative Base Plan	Alternative Base Plan (Corrected)
Program Costs	\$117,117	\$117,117	\$117,126	\$111,633	\$107,962	\$107,513
Total Costs (Incl. PIM & Cust Costs)	\$143,241	\$141,419	\$134,629	\$133,817	\$129,257	\$128,808
Benefits	\$501,881	\$544,051	\$512,453	\$484,384	\$477,623	\$463,060
Net Benefits	\$358,640	\$402,632	\$377,824	\$350,567	\$348,366	\$334,252
BCR	3.50	3.85	3.81	3.62	3.70	3.59

	RI Test w/o Economic Multipliers					
	Original Plan	Provisional Plan	Provisional Plan (Corrected)	Provisional Plan 2	Alternative Base Plan	Alternative Base Plan (Corrected)
Program Costs	\$117,117	\$117,117	\$117,126	\$111,633	\$107,962	\$107,513
Total Costs (Incl. PIM & Cust Costs)	\$143,241	\$141,419	\$134,629	\$133,817	\$129,257	\$128,808
Benefits	\$234,620	\$236,266	\$236,266	\$231,584	\$224,184	\$224,184
Net Benefits	\$91,379	\$94,847	\$101,637	\$97,767	\$94,927	\$95,377
BCR	1.64	1.67	1.75	1.73	1.73	1.74



Benefit Cost Ratio Comparison

