

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION
OFFICE OF ENERGY RESOURCES



2015 PLAN FOR THE ALLOCATION AND DISTRIBUTION OF REGIONAL
GREENHOUSE GAS INITIATIVE AUCTION PROCEEDS

Auctions Held March 5, 2014 – June 3, 2015

August 2015

1.0 Authority

The 2015 Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds (Plan) is authorized by Rhode Island General Laws (RIGL) §23-82-1 et seq. and 42-140-9 and the “Rules and Regulations for the Allocation and Distribution of Regional Greenhouse Gas Initiative Proceeds,” effective August 2011.

2.0 Definitions

For the purposes of this Plan, the terms defined in RIGL §23-82-1 et seq. and the “Rules and Regulations for the Allocation and Distribution of Regional Greenhouse Gas Initiative Proceeds,” effective August 2011 shall be given the same meaning as provided in the statute and regulations.

3.0 Auction Proceeds included in this Plan

3.1 RGGI, Inc. conducted auctions on behalf of the State of Rhode Island on March 5, 2014 (RGGI Auction #23), June 4, 2014 (Auction #24), September 3, 2014 (Auction #25), December 3, 2014 (Auction #26), March 11, 2015 (Auction #27), and June 3, 2015 (Auction #28).

3.2 These auctions resulted in the following Auction Proceeds for the State of Rhode Island:

Auction #23	\$2,505,504.00
Auction #24	\$2,610,972.28
Auction #25	\$2,538,156.32
Auction #26	\$2,709,788.73
Auction #27	\$2,506,425.95
<u>Auction #28</u>	<u>\$2,548,117.00</u>
Total	\$15,418,964.28

4.0 Adoption of the 2015 Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds

- 4.1 The Rhode Island Regional Greenhouse Gas Initiative Act provides for the use of Auction Proceeds. RIGL §23-82-6 requires that the Auction Proceeds be used for the benefit of energy consumers through investment in the most cost-effective available projects that can reduce long-term consumer energy demands and costs. The annual auction proceeds proposal shall be designed to augment and coordinate with existing energy efficiency and renewable energy programs, and shall not propose use of auction proceeds for projects already fully funded under other programs.
- 4.2. The Rhode Island Office of Energy Resources (OER) is authorized to allocate the auction proceeds for the following purposes, in a proportion to be determined annually by OER in consultation with the Rhode Island Energy Efficiency and Resources Management Council (EERMC) and the Rhode Island Renewable Energy Coordinating Board (RECB):
- (1) Promotion of cost-effective energy efficiency and conservation in order to achieve the purposes of section 39-1-27.7;
 - (2) Promotion of cost-effective renewable non-carbon emitting energy technologies in Rhode Island as defined in RIGL §39-26-5 and to achieve the purposes of chapter 39-26 entitled “Renewable Energy Standard”;
 - (3) Cost-effective direct rate relief for consumers;
 - (4) Direct rate relief for low-income consumers;
 - (5) Reasonable compensation to RGGI, Inc.; and
 - (6) Reasonable costs of the OER and the Department of Environmental Management (DEM) in administering this program.
- 4.3 To accomplish these purposes, OER also consulted with DEM to discuss this Plan.
- 4.4 OER concludes that this Plan is consistent with the applicable statutes and regulations. Public notice of the proposed Plan was provided on June 29, 2015. A copy of the Notice is attached hereto. A public comment hearing was held on July 29, 2015 at the Department of Administration, One Capitol Hill, Providence, Rhode Island. The public was allowed additional time to submit written comments until August 7, 2015.

- 4.5 OER has responded to all substantive comments received on the Plan and are provided in the attached document entitled Response to Comments.
- 4.6 OER and DEM agree that the Plan was adopted in accordance with RIGL §23-82-6; “Rules and Regulations for the Allocation and Distribution of Regional Greenhouse Gas Initiative Proceeds” and Chapter 42-35, the Administrative Procedures Act.
- 5.0 2015 Allocation of Auction Proceeds
- 5.1 Compensation to RGGI, Inc.
- 5.1.1 RIGL §23-82-6(a)(5) authorizes the reasonable compensation of an entity to administer the auction on behalf of the State of Rhode Island. RGGI, Inc. is the entity that conducted the auctions listed in Section 3.0.
- 5.1.2 Wherefore, RGGI, Inc. was compensated \$106,995.64 from auction proceeds.
- 5.2 Administrative expenses
- 5.2.1 RIGL §23-82-6(a)(6) authorizes the reasonable costs of OER and DEM in administering the RGGI program. The total reimbursement to both entities shall not in any year exceed Three Hundred Thousand Dollars (\$300,000.00) or ten percent (10.0%) of the proceeds, whichever is greater.
- 5.2.2 Ten percent (10.0%) of total auction proceeds from auctions conducted in 2014 and subject to this Plan equals \$1,036,442.14. This value is greater than \$300,000. Therefore, as specified in RIGL §23-82-6(a)(6), OER and DEM shall be reimbursed a total of \$1,036,442.14.
- 5.2.3 Ten percent (10.0%) of total auction proceeds from auctions conducted in 2015 and subject to this Plan equals \$505,454.30. This value is greater than \$300,000. Therefore,

as specified in RIGL §23-82-6(a)(6), OER and DEM shall be reimbursed a total of \$505,454.30.

5.3 Allocation of Auction Proceeds

5.3.1 Total Auction Proceeds for the RGGI auctions listed in Section 3.0 were \$15,418,964.28. After deducting the compensation for RGGI, Inc. and the administrative expense reimbursement to OER and DEM, as specified in Sections 5.1 and 5.2, the balance remaining is **\$13,770,072.20**.

5.3.2 OER finds that allocating the balance of the Auction Proceeds set forth in Paragraph 5.3.1 herein for the promotion of cost-effective energy efficiency and conservation; and the promotion of cost-effective renewable non-carbon emitting energy technologies in an integrated manner shall be best accomplished by disbursements as follows:

5.3.2.a **\$3,000,000.00 (Three Million Dollars)** shall be allocated to support energy efficiency and/or renewable energy financing programs for Rhode Island homeowners, commercial entities, public sector, and other appropriate entities through an “infrastructure bank” established pursuant to state law.

5.3.2.b **\$3,420,072.20 (Three Million, Four Hundred Twenty Thousand, Seventy-two Dollars and Twenty Cents)** shall be leveraged with ratepayer funds and allocated to support energy efficiency incentives, financing, and/or other services delivered through National Grid-administered programs. Support for these energy efficiency programs is consistent with Least Cost Procurement mandates; helps achieve lowest cost, carbon-free energy savings; and supports local economic investment and job growth. The specific programs and process for distribution of the funds will be developed by OER working in coordination with the EERMC and National Grid (Utility). Any funds allocated to the Utility shall be tracked and managed in a shadow account.

5.3.2.c **\$1,000,000.00 (One Million Dollars)** shall be allocated to support the continuation of the

Rhode Island Public Energy Partnership (RIPEP). RIPEP is a collaborative effort to achieve deep energy savings at public sector facilities and support cost-effective investments in infrastructure for on-going savings. Energy efficiency improvements at public sector facilities can reduce energy consumption and associated utility costs, while supporting local economic growth and job creation. Consequently, these projects will benefit Rhode Island taxpayers and advance the state's energy and environmental goals.

These funds shall be utilized to drive key components of this comprehensive project, including, but not limited to, benchmarking and on-going analysis of energy consumption at public sector facilities; identification and mitigation of barriers to efficiency improvements; and financial incentives. Funding to support project incentives shall be dispersed through on-bill repayment for electric and gas measures, direct incentives, or other appropriate methods, as determined by OER and in collaboration with National Grid, and will seek to leverage other existing incentives, funding streams, and programs, where appropriate. Any funds allocated to the Utility shall be tracked and managed in a shadow account.

5.3.2.d **\$3,800,000.00 (Three Million Eight Hundred Thousand Dollars)** shall be allocated to assist state agencies and municipalities make cost-effective, energy saving investments in LED (light emitting diode) lighting and associated control technologies as follows:

\$2,800,000.00 (Two Million Eight Hundred Thousand Dollars) shall be allocated to the Rhode Island Department of Transportation (DOT) to expand LED replacement and associated control technologies across their network of streetlights, consistent with allocations made in the 2014 RGGI Plan. OER will administer this program in partnership with DOT and seek to leverage existing incentives and other programs made available by the Utility, where possible.

\$1,000,000.00 (One Million Dollars) shall be allocated for use by Rhode Island municipalities to support the installation of LED streetlights and associated control

technologies, consistent with allocations made in the 2014 RGGI Plan. This program will be administered by OER.

5.3.2.e **\$1,600,000.00 (One Million Six Hundred Thousand Dollars)** shall be allocated to the Utility to provide energy efficiency incentives for residential customers with homes heated by delivered fuels (oil, kerosene, and propane) and administered in collaboration with OER. This program will allow the Utility to continue offering incentives for homes heated by delivered fuels, all of whom are also electricity customers. Such investments capture electricity savings, including savings from oil-heated homes with air conditioners; achieve reductions in carbon emissions associated with more efficient use of delivered fuels; and prevent market disruptions for installation contractors, thus supporting local businesses.

Of these funds, \$100,000.00 (One Hundred Thousand Dollars) shall be reserved to provide energy efficiency incentives to small commercial businesses, with emphasis on the agricultural sector, that use delivered fuels for heat or other thermal processes.

The Utility shall collaborate with OER and the EERMC as energy efficiency incentives are designed for residential and small commercial/agricultural delivered fuel customers. Consideration shall be given to incentive structures and marketing techniques to address the following: need-based incentives for lower-income customers; refined customer targeting to enroll delivered fuel customers with higher electric usage; incentives that achieve better parity with comparable natural gas program incentives; and other criteria as identified in cooperation with OER and the EERMC. This funding shall be tracked and managed in a shadow account at the Utility.

5.3.2.f **\$300,000.00 (Three Hundred Thousand Dollars)** shall be allocated to support the adoption of small-scale solar through community-based Solarize campaigns. Solarize is a coordinated, targeted marketing and education campaign that can drive localized economies of scale and reduce installation costs for solar energy systems. These funds will be used to engage a qualified Solarize marketing entity, who will work in partnership

with OER to design and implement new Solarize campaigns in selected Rhode Island communities. OER may partner with other state agencies, as appropriate, to leverage administrative and programmatic expertise. A portion of these funds may also be used to support necessary safety inspections for solar projects installed through a Solarize campaign.

5.3.2.g **\$650,000.00 (Six Hundred Fifty Thousand Dollars)** will be made available to support local investments in energy efficiency and other clean energy solutions in the Pascoag Utility District (PUD) and within the service territory of the Block Island Power Company. OER will administer this initiative and provide technical assistance for program development and implementation.

\$150,000.00 (One Hundred Fifty Thousand Dollars) shall be allocated to the Pascoag Utility District to support investments in energy efficiency and other clean energy projects, subject to an OER-approved scope of work and memorandum of understanding. Projects shall leverage PUD-administered demand-side management funds and/or other sources of District capital, where appropriate.

\$500,000.00 (Five Hundred Thousand Dollars) shall be allocated to support the delivery of cost-effective energy efficiency programs and incentives to residential and small commercial customers in New Shoreham. OER shall administer this program in consultation with the EERMC.

5.4 Tracking and Reporting

5.4.1 The Utility shall prepare quarterly programmatic and financial reports, and an annual report, for programs managed by the Utility that utilize RGGI funding according to the terms of the Plan. The reports shall include, at minimum, a detailed description of: (1) program components; (2) project costs; and (3) program benefits, including, but not limited to, energy savings, job hours and types of jobs associated with RGGI-funded projects.

- 5.4.2 The Utility shall prepare a report which shall include a list with the names of the entities receiving funding. This information shall be public information. The report shall be submitted to OER.
- 5.4.3 Consistent with OER's reporting requirement under RIGL 23-82-6(d), all recipients of RGGI funding are required to comply with OER data and reporting requests, including, but not limited to, those reporting requirements specified in procurement documents and/or any memoranda of understanding.
- 6.0 Reallocation of RGGI funds from the 2012 and 2013 Plans for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds
 - 6.1 Reallocation from the 2012 Plan (adopted June 2013)
 - 6.1.1 OER identified a calculation error in the 2012 Plan in the amount of **\$18,601.84**. These funds shall be reallocated to achieve the purposes of Section 5.3.2.b of the 2015 Plan.
 - 6.2 Reallocation from the 2013 Plan (adopted February 2014)
 - 6.2.1 OER finds that **\$150,000.00** of funds allocated pursuant to Section 5.3.2.g of the 2013 Plan shall be reallocated to achieve the purposes of Section 5.3.2.b of the 2015 Plan.
 - 6.2.2 OER finds that **\$45,788.00** of funds allocated pursuant to Section 5.3.2.d of the 2013 Plan shall be reallocated to support renewable energy projects at Rhode Island public and private schools (K-12) pursuant to Section 5.3.2.d of the 2014 Plan.
- 7.0 Allocation of Accrued Interest on State RGGI Proceeds
 - 7.1 OER has identified \$44,896.35 in accrued interest payments on state RGGI auction proceeds as of June 1, 2015.

7.2 OER finds that **\$44,896.35** shall be allocated to support renewable energy projects at Rhode Island public and private schools (K-12) pursuant to Section 5.3.2.d of the 2014 Plan.



STATE OF RHODE ISLAND

OFFICE OF ENERGY RESOURCES

NOTICE OF PUBLIC COMMENT AND PUBLIC HEARING

PROPOSED 2015 PLAN FOR THE ALLOCATION AND DISTRIBUTION OF REGIONAL GREENHOUSE GAS INITIATIVE AUCTION PROCEEDS

The Rhode Island Office of Energy Resources proposes the “2015 Plan for The Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds” and gives notice of intent to hold a public hearing to receive public comment on the proposed Plan and to afford interested parties an opportunity to submit data, views, or arguments orally and/or in writing on the proposed Plan.

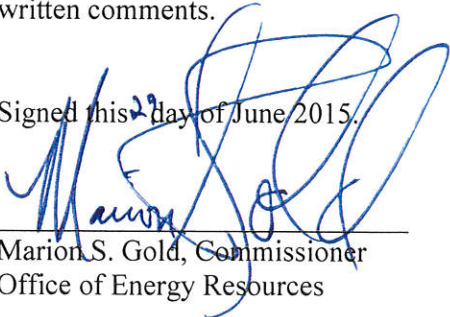
The public hearing will be held on **July 29, 2015 at 10:00 a.m.** in Conference Room B, Second Floor of the Powers Building, One Capitol Hill, Providence Rhode Island. The hearing room is accessible to the handicapped. A stenographic record of the hearing will be made. The Department of Administration will provide interpreter services for the hearing impaired, provided such a request is made at least three (3) business days prior to the hearing date. Requests for such services may be made in writing or by calling TTY (711) or (401) 222-5300.

The proposed 2015 Allocation Plan allocates and distributes the Rhode Island Regional Greenhouse Gas Initiative Program proceeds from the four auctions held in 2014 and the first two auctions held in 2015. Copies of the proposed 2015 Allocation Plan can be obtained at the Office, at www.energy.ri.gov, or by calling (401) 574-9105 weekdays from 8:30 A.M. to 4:00 P.M. or by writing to:

Rhode Island Department of Administration
Office of Energy Resources
One Capitol Hill
Providence, Rhode Island

The Department encourages the submission of written comments. Written comments may be submitted by mail prior to the date of the public hearing at the address indicated above, or by hand-delivery during the public hearing. The public record will be kept open for ten (10) calendar days following the conclusion of the public hearing to allow additional time for the submission of written comments.

Signed this 29th day of June 2015.



Marion S. Gold, Commissioner
Office of Energy Resources

State of Rhode Island
Department of Administration
Office of Energy Resources

In re: Proposed 2015 Allocation Plan – Distribution of Regional Greenhouse Gas Initiative Proceeds

RESPONSE TO COMMENTS

Introduction

On June 29, 2015, a notice was posted on the websites of the Rhode Island Department of Administration, Office of Energy Resources (OER) and the Rhode Island Office of Secretary of State and was forwarded to interested parties announcing a public comment period to accept comments on the adoption of the proposed “2015 Allocation Plan - Distribution of Regional Greenhouse Gas Initiative Auction Proceeds” (the Plan). The notice stated that a public hearing would be held on July 29, 2015 at 10:00 A.M. in Conference Room B, Second Floor, One Capitol Hill, Providence, Rhode Island. Copies of the proposed Plan were made available at OER’s offices; on OER’s website at www.energy.ri.gov; by calling (401) 574-9124 weekdays from 8:30 A.M. to 4:00 P.M.; or by writing to Rhode Island Department of Administration, Office of Energy Resources, One Capitol Hill, Providence, Rhode Island.

The public hearing was held on July 29, 2015 at 10:00 A.M. at the location set forth in the public notice. Members of the general public were present along with OER representatives. A stenographic record of the hearing was produced and the original transcript is in the custody of OER as part of the administrative record. At the conclusion of the public hearing, the public comment period was kept open for an additional ten (10) days to allow for the submission of written comments. The public comment period closed on August 7, 2015.

The Regional Greenhouse Gas Initiative (RGGI) is a cooperative effort by Northeastern and Mid-Atlantic States to reduce carbon dioxide emissions through implementation of a multi-state cap-and-trade program with a market-based emissions trading system. RGGI is composed of individual CO₂ Budget Trading Programs in each of the nine participating states. The Rhode Island Department of Environmental Management promulgated regulations establishing a CO₂ Budget Trading Program that limits emissions of CO₂ from electric power plants, issues CO₂ allowances and establishes participation in regional CO₂ allowance auctions. The states participating in RGGI formed a non-profit corporation (RGGI, Inc.) to provide administrative and technical services to support the development and implementation of each participating state’s CO₂ Budget Trading Program.

Pursuant to Rhode Island General Laws §23-82, RGGI, Inc. (or another independent contractor) is authorized to receive, hold and sell CO₂ allowances for the long-term benefit of consumers. The statute also authorizes RGGI, Inc. to conduct the auctions or sales; collect the auction proceeds; and transfer such proceeds to OER. OER then disburses the proceeds of the auction or sale for purposes consistent with the goals of the RGGI program as set forth in the statute.

Letters of Support

OER received letters of support from the following individuals/organizations. Copies of the full letters will be made available at www.energy.ri.gov/rggi/ or upon request by calling OER at (401) 574-9124.

1) *Letter from General Treasurer Seth Magaziner, dated July 13, 2015.*

- No comments were provided suggesting any changes be made to the proposed Plan.

- 2) *Letter from Senator Susan Sosnowski (District 37), Chair of the Senate Committee on Environment and Agriculture, dated July 23, 2015.*
 - No comments were provided suggesting any changes be made to the proposed Plan.
- 3) *Letter from Representative Blake Filippi (District 36), Member of the House Committee on Environmental and Natural Resources, dated July 9, 2015.*
 - No comments were provided suggesting any changes be made to the proposed Plan.
- 4) *Letter from Michael R. Kirkwood, General Manager & CEO, Pascoag Utility District, dated July 17, 2015.*
 - No comments were provided suggesting any changes be made to the proposed Plan.
- 5) *Letter from William Sequino, Jr., Executive Director, Rhode Island Clean Water Finance Agency, dated July 29, 2015.*
 - No comments were provided suggesting any changes be made to the proposed Plan.

In addition to the letters above, on July 22, 2015, the Burrillville Town Council unanimously expressed their support for a proposed allocation to the Pascoag Utility District to support expansion of energy efficient LED streetlighting in the local community. A letter from Town Manager Michael C. Wood highlighting the benefits of the OER and Pascoag partnership to date was received by OER on July 23, 2015.

Similarly, on July 20, 2015, the New Shoreham Town Council expressed unanimous support for the Block Island Energy Efficiency Pilot Program proposal included in the draft Plan. A letter from Town Manager Nancy Dodge confirming the Town Council's action was received by OER on August 12, 2015.

Public Hearing

A public hearing on the proposed Plan was held on July 29, 2015. Two individuals presented oral testimony.

Response to Comments

The following are the paraphrased comments of Brigid Ryan (Project Development Manager, Emerald Cities) as presented at the hearing, followed by OER's response:

Comment: One change that I might suggest is that the requirement for the utility to report the jobs report and the jobs reporting be done with more specifics. The current way that the report reads doesn't show enough specifics on the dollar amount spent within Rhode Island and the types of jobs that are being created, so I would recommend requiring the jobs reported to have more specific details on the types of jobs that our energy efficiency money is being spent on.

Response: OER agrees that types of jobs are also an important metric. Section 5.4.1 of the Plan has been revised and now reads:

... (3) program benefits, including, but not limited to, energy savings, job hours and types of jobs associated with RGGI-funded projects.

Please note that Section 5.4.3 of the Plan also gives OER authority to require all recipients of RGGI funding to comply with OER data and reporting requests.

Mike Kirkwood (General Manager, Pascoag Utility District) spoke in support of the Plan. Therefore, no OER response is required.

Written Comments

The following are comments of the Rhode Island Energy Efficiency and Resource Management Council in a letter to OER Commissioner Marion Gold dated July 15, 2015, followed by OER's response:

Comment: "RGGI funds allocated to energy efficiency should be evaluated using the same methodology – the Total Resource Cost Test – as the state's energy efficiency investments made under the Least Cost Procurement statute."

Response: The RGGI funds are allocated in accordance with Rhode Island General Laws 23-82. There is no requirement that the funds allocated be evaluated using the "the Total Resource Cost Test." OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

Comment: "The Office of Energy Resources should establish a process for evaluation, verification, and monitoring of RGGI-funded initiatives which are independent of allocations to National Grid programs and services to ensure the most efficient and effective allocation of RGGI funds in the future."

Response: All projects funded with RGGI proceeds require the recipient to report on projects and expenditures, and must be made available for OER evaluation. OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

The following are comments of National Grid to OER in a letter dated July 29, 2015, followed by OER's response:

Comment: In reference to Section 5.3.2.b, National Grid states, "National Grid supports this allocation."

Response: No comments were provided suggesting any changes be made to the proposed Plan.

Comment: In reference to Section 5.3.2.b, National Grid states, "If these allocated funds are spent on existing programs, dollars from RGGI and other sources will be fungible as was the case with the 2014 RGGI proceeds. Therefore, the Company requests that the language "Any funds allocated to the Utility shall be tracked and managed in a shadow account" be changed to "If allocated to a new program by the Utility, funding for this program shall be tracked and managed in a shadow account.'"

Response: All RGGI funds allocated to the Company shall be tracked and managed in a shadow account. OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

Comment:

a) In reference to Section 5.3.2.c, National Grid states, "National Grid supports this allocation to the Rhode Island Public Energy Partnership (RIPEP). However, to provide clarity and ensure that these funds support comprehensive energy efficiency investments, the Company recommends that the language be changed from "Funding to support project incentives shall be dispersed through on-bill repayment, direct incentives, or other appropriate methods, as determined by OER..." to "Funding to support project incentives shall be dispersed by the utility through on-bill repayment for electric and gas measures, direct

incentives, or other appropriate methods in consultation with OER...””

b) National Grid states, “In addition, National Grid requests approval to allocate a limited portion of these funds, up to \$500,000, for the on-bill repayment of gas measures in non-municipal buildings. With the formation of the RI Infrastructure Bank, there will be additional financing available for the municipal sector while non-municipal commercial projects still face a shortage of on-bill repayment funds. With a limited ability to increase the gas on-bill repayment fund, National Grid has been unable to meet the growing demand of non-municipal commercial customers looking to finance gas measures with longer-term payback periods, like boilers. Allocating RGGI funds to the gas on-bill repayment fund will enable more commercial customers to install energy efficient gas measures, resulting in significant energy and cost savings for these customers.”

Response:

a) As with previous RGGI funds allocated for RIPEP, the project incentives shall be determined by OER in collaboration with National Grid. However, OER will specify that both electric and gas measures are eligible for on-bill repayment. Section 5.3.2.c now reads:

“... Funding to support project incentives shall be dispersed through on-bill repayment for electric and gas measures, direct incentives, or other appropriate methods, as determined by OER and in collaboration with National Grid...”

b) OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

Comment: In reference to Section 5.3.2.e, National Grid states, “National Grid supports this allocation.”

Response: No comments were provided suggesting any changes be made to the proposed Plan.

Comment: In reference to Section 5.4.1, National Grid states, “National Grid supports the requirement to report on the use of the funds. The Company will include a detailed description of these initiatives in its Energy Efficiency Quarterly Reports and Annual Reports.” Furthermore, “The Company, however, requests that the requirement to include job hours be deleted from the quarterly reporting specifications. The Company’s current Quarterly Report does not include this type of benefit and focuses on the reporting of spend and savings.”

Response: Starting with the 2015 Plan, OER will begin collecting job-related information for all projects funded with RGGI proceeds in order to improve the quality and breadth of data available for RGGI reporting purposes. National Grid has provided this type of information to OER previously during ARRA-funded initiatives, and also provides job hours to RGGI Inc. for the Annual Proceeds Report. OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

Comment: In regards to Section 5.4.2, National Grid states, “National Grid recommends that no customer-identifying information be reported without the explicit permission of customers. Customers have found this to be a barrier to participating in energy efficiency programs.”

Response: OER has included this provision in the past several RGGI Allocation Plans. OER understands the sensitivity regarding customer information and will handle any information provided in an appropriate manner. OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

Comment: In regards to Section 5.4.3, National Grid states, “National Grid will support the OER in its reporting obligations by providing data that does not compromise customer privacy.”

Response: As stated in response to the previous comment, OER understands the sensitivity regarding customer information and will handle the information accordingly. OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

The following are comments submitted by Jeffrey A. Broadhead, Executive Director of PRISM and WCRPC, submitted via electronic mail to OER on July 29, 2015, followed by OER’s response:

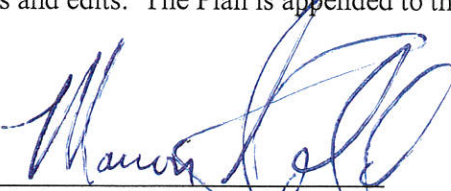
Comment: In regards to the proposed allocation under Section 5.3.2.d, Mr. Broadhead writes, in part, “These funds are intended to change the market by providing sufficient incentive for a municipality to invest first in LED lights, and second in control systems. It does that. You then provided for a cap of \$105,000 for any one community. Here is where the system doesn’t work fully as planned. It can easily be addressed simply by allowing a few larger cities, if their project is appropriately sized, to be awarded the normal incentive limit in each of two years. Only two years are needed even for Providence, our largest streetlight consumer.”

Response: Upon Plan approval, the OER intends to combine available funding sources (i.e. funds allocated in the 2014 and 2015 RGGI Allocation Plans) seamlessly to support municipal-based installations of LED streetlights and controllers. At that time, OER will revisit the appropriateness of the existing incentive cap level and adjust based upon its determination. OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

Decision

It is the decision of the Office of Energy Resources to approve the 2015 Allocation Plan – Distribution of RGGI Proceeds with the aforementioned additions and edits. The Plan is appended to this Decision.

August 17, 2015
Date


Marion S. Gold, Commissioner
Office of Energy Resources

Copies of Decision to:

General Treasurer Seth Magaziner
Office of General Treasurer
State House – 102
Providence, Rhode Island 02903

Senator Susan Sosnowski
State House, Room 219
Providence, Rhode Island 02908

Representative Blake Filippi
State House, Room 106

Providence, Rhode Island 02908

Courtney Lane
National Grid
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Waltham, Massachusetts 02451

Brigid Ryan, Project Development Director
Emerald Cities
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Providence, Rhode Island 02909

Michel Kirkwood, General Manager & CEO
Pascoag Utility District
Pascoag, Rhode Island 02859

Michael Wood, Town Manager
Town of Burrillville
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William Sequino, Jr., Executive Director
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Chris Powell, Chair, EERMC (delivered via E-Mail)