



Rhode Island Office of Energy Resources

In re: Proposed 2016-A Allocation Plan – Distribution of Regional Greenhouse Gas Initiative Proceeds

RESPONSE TO COMMENTS

Introduction

On February 17, 2016, a notice was posted on the websites of the Rhode Island 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 “2016-A Allocation Plan - Distribution of Regional Greenhouse Gas Initiative Auction Proceeds” (the Plan). The notice stated that a public hearing would be held on March 17, 2016 at 10:00 A.M. in Conference Room B, Second Floor, One Capitol Hill, Providence, Rhode Island. The Room was later changed to Room A. A revised Notice was posted on the aforementioned websites on March 8, 2016 announcing the change of venue. 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 the Office of Energy Resources, One Capitol Hill, Providence, Rhode Island.

The public hearing was held on March 17, 2016 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. 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 March 27, 2016.

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 have been attached to this Decision and will be made available at www.energy.ri.gov/rggi/ or upon request by calling OER at (401) 574-9100.

- 1) *Letter from Maria Montanaro, Director, Rhode Island Department of Behavioral Healthcare, Developmental Disabilities & Hospitals, dated March 14, 2016.*
 - No comments were provided suggesting any changes be made to the proposed Plan.
- 2) *Letter from Michael K. Daley, Business Manager/Financial Secretary, International Brotherhood of*

Electrical Workers, dated March 15, 2016.

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

3) *Letter from Michael Tondra, Chief, Rhode Island Executive Office of Commerce, Office of Housing and Community Development dated March 16, 2016.*

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

4) *Letter from John Marcantonio, Executive Director, Rhode Island Builders Association, dated March 17, 2016.*

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

A public hearing on the proposed Plan was held on March 17, 2016 at 10:00 A.M. There were no individuals in attendance that requested the opportunity to present oral testimony at that time.

Written Comments

The following are comments of National Grid to OER in a letter dated March 17, 2016, followed by OER's response:

Comment: In reference to Section 5.2.2.c, National Grid states, "National Grid supports this allocation." National Grid also notes that it "will collaborate with the OER on the design of incentives for this allocation; however, there are certain limitations to any potential changes in design." National Grid's remaining comments on this Section detail those limitations.

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

Comment: In reference to Section 5.3.1, National Grid states that it "will comply with these reporting requirements when the information is available and accessible within the Company's current tracking and reporting systems."

Response: No comments were provided suggesting any changes be made to the proposed Plan. OER has recently discussed RGGI reporting requirements with National Grid staff. As identified in the Plan, National Grid shall prepare quarterly programmatic and financial reports, and an annual report, for all programs administered by the utility that utilize RGGI funds. OER has created a spreadsheet that shall be utilized by National Grid to support the Plan's reporting requirements.

Comment: In reference to Section 5.3.2, National Grid "recommends that no customer-identifying information be reported without the explicit permission of customers." National Grid also notes that, "for some initiatives it may not be possible to provide customer level information."

Response: OER has included these provisions 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.

The following are comments of the Rhode Island Energy Efficiency and Resource Management Council (EERMC) in a memo to OER Commissioner Marion Gold dated March 24, 2016, followed by OER's response:

Comment: The EERMC states, “For deployment of RGGI funds in the Government sector, some key best practices and proven implementation strategies already undertaken in previous RGGI projects and/or through existing energy efficiency programs offer guidance that should be carried forward and included in the work with state government: Consideration of utilizing some funds through a revolving loan structure, as was done with 2012 and 2015 RGGI funding for the RI Public Energy Partnership (RIPEP) for municipal customers, in coordination with National Grid’s rate-payer funded programs; A comprehensive effort to leverage all available funds for projects. This might include, for instance, alignment with planned capital expenditure projects to allow the RGGI funds to reach as many projects as possible. Another key lesson from RIPEP is that if funds are used to supplement other incentives to further reduce the “customer contribution,” the supplemental amount should only be sufficient to get a project approved, and no more, to reach a greater number of projects; A process for prioritization, such as the clear and transparent Project Priority List required for the RI Infrastructure Bank’s Efficient Building Fund and developed by OER; Incorporation (in part or in whole) of elements of a Strategic Energy Management Plan (SEMP) as that methodology has been successfully utilized by other large intuitions through National Grid’s ratepayer funded programs. Among the many benefits of this approach are that it supports a multi-year planning horizon, tailored incentives and deeper, more comprehensive project measures and savings.”

Response: As detailed in the Plan, OER intends to invest RGGI funds to support and implement energy efficiency and renewable investments at State facilities consistent with the goals of Executive Order 15-17 and applicable General Laws. As the lead State entity responsible for the Rhode Island Public Energy Partnership (RIPEP), OER is keenly aware of identified best practices that support the effective deployment of public sector efficiency projects. OER is also cognizant of the many barriers that public sector entities face in overcoming the administrative and fiscal inertia that can impede robust and sustained deployment of clean energy measures that reduce public sector energy burdens; create jobs; and shrink local carbon footprints.

As noted during the EERMC’s February 2016 meeting and in other venues, OER has already started the process of implementing short-term clean energy projects with clear energy consumption and cost savings potential across State facilities, while commencing longer-term planning efforts (in coordination with other State agencies) to strategically integrate clean energy goals with the State’s capital asset planning and financing paradigms. Among these efforts is the implementation of a strategic energy management plan for State assets.

OER also has a long track record of leveraging the State’s RGGI proceeds with other funding streams (such as the Systems Benefit Charge) and will continue this practice, when feasible, as part of its “Lead by Example” initiatives. Importantly, State energy efficiency projects supported by RGGI dollars and leveraged with incentives made available through utility-administered efficiency programs support achievement of Rhode Island’s annual efficiency savings targets.

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

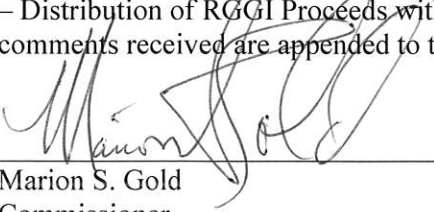
Comment: The EERMC states, “that in order to ensure that Rhode Island ratepayers continue to receive excellent value for the state’s participation in the RGGI program, the following recommendations are critical to supporting that intent: RGGI funds allocated to energy efficiency should be evaluated using the same methodology- the Total Resource Cost Test- as the state’s energy efficiency investments made under the Least Cost Procurement statute” and “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: RGGI funds are allocated in accordance with Rhode Island General Laws §23-82. There is no requirement that clean energy projects supported by RGGI funds be evaluated using any specific methodology. Importantly, all RGGI-funded, State “Lead by Example” projects that leverage incentives made available through utility-administered efficiency programs must pass the same threshold requirements applied to non-public sector efficiency projects, in accordance with Annual Energy Efficiency Plans that are endorsed by the EERMC and approved by the Public Utilities Commission. OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

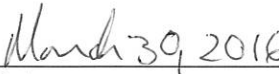
At a minimum, monitoring and inspection of RGGI-funded efficiency projects at State facilities is conducted by OER-staff. OER also reserves the right to engage qualified, third-party entities to conduct independent analysis and verification of initiatives supported by RGGI dollars, as it has done with the “Block Island Saves” efficiency program now being implemented pursuant to the State’s 2015 RGGI Allocation Plan. Public sector projects that leverage ratepayer-supported incentives are also subject to the evaluation, measurement, and verification (EM&V) standards incorporated in the Annual Energy Efficiency Plans that are endorsed by the EERMC and approved by the Public Utilities Commission. Finally, EM&V for State energy efficiency projects may also be addressed as part of any future strategic energy management plan efforts. For renewable projects at State facilities, OER intends to leverage third-party EM&V expertise. 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 Rhode Island Office of Energy Resources to approve the 2016-A Allocation Plan – Distribution of RGGI Proceeds with the aforementioned additions and edits. The Plan and all written comments received are appended to this Decision.



Marion S. Gold
Commissioner
Office of Energy Resources



Date

This Decision will be made available on OER's website at: www.energy.ri.gov/rggi/.

Copies of this decision have also been provided by electronic mail or U.S. Mail to:

Michael K Daley, Business Manager/Financial Secretary
International Brotherhood of Electrical Workers
22 Amflex Drive
Cranston, Rhode Island 02921

Michael Tondra, Chief
RI Executive Office of Commerce
Office of Housing and Community Development
One Capitol Hill
Providence, Rhode Island 02908

John Marcantonio, Executive Director
Rhode Island Builders Association
450 Veterans Memorial Parkway, #301
East Providence, Rhode Island 02914-5380

Maria Montanaro, Director
RI Department of Behavioral Healthcare, Development Disabilities & Hospitals
14 Harrington Road
Cranston, Rhode Island 02920

Courtney Lane
National Grid
40 Sylvan Road
Waltham, Massachusetts 02451

Chris Powell, Chair
Rhode Island Energy Efficiency & Resource Management Council



STATE OF RHODE ISLAND

OFFICE OF
ENERGY RESOURCES

NOTICE OF PUBLIC COMMENT AND PUBLIC HEARING

***PROPOSED 2016-A PLAN FOR THE ALLOCATION AND DISTRIBUTION OF
REGIONAL GREENHOUSE GAS INITIATIVE AUCTION PROCEEDS***

The Rhode Island Office of Energy Resources (OER) proposes the 2016-A Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds (2016-A Plan) 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 2016-A Plan.

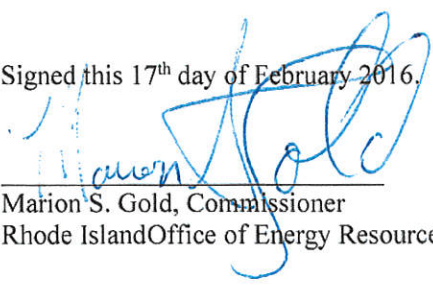
The public hearing will be held on **March 17, 2016 at 10:00 a.m.** in Conference Room B, Second Floor of the Powers Building, One Capitol Hill, Providence Rhode Island. The hearing room is accessible to the handicapped. The Department of Administration will provide interpreter services for the hearing 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 2016-A Plan allocates and distributes the Rhode Island Regional Greenhouse Gas Initiative Program proceeds from the last two auctions held in 2015. Copies of the proposed 2016-A Plan can be obtained at OER, 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 Office of Energy Resources
One Capitol Hill, 4th Floor
Providence, Rhode Island 02908

OER 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 17th day of February 2016.



Marion S. Gold, Commissioner
Rhode Island Office of Energy Resources



STATE OF RHODE ISLAND

OFFICE OF
ENERGY RESOURCES

NOTICE OF PUBLIC COMMENT AND PUBLIC HEARING

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The Rhode Island Office of Energy Resources (OER) proposes the 2016-A Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds (2016-A Plan) 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 2016-A Plan.

The public hearing will be held on **March 17, 2016 at 10:00 a.m.** in Conference Room A, Second Floor of the Powers Building, One Capitol Hill, Providence Rhode Island. The hearing room is accessible to the handicapped. 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 2016-A Plan allocates and distributes the Rhode Island Regional Greenhouse Gas Initiative Program proceeds from the last two auctions held in 2015. Copies of the proposed 2016-A Plan can be obtained at OER, 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 Office of Energy Resources
One Capitol Hill, 4th Floor
Providence, Rhode Island 02908

OER 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 8th day of March 2016.

A handwritten signature in black ink, appearing to read "M. S. Gold", followed by the text "on behalf of:".

Marion S. Gold, Commissioner
Rhode Island Office of Energy Resources



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Behavioral Healthcare, Developmental Disabilities & Hospitals

OFFICE OF THE DIRECTOR

14 Harrington Road
Cranston, RI 02920-3080

TEL: (401) 462-3201

FAX: (401) 462-3204

TDD: (401) 462-6087

March 14, 2016

Marion S. Gold, Ph.D.
Rhode Island Office of Energy Resources
One Capitol Hill, 4th Floor
Providence, Rhode Island 02908

Dear Commissioner Gold,

The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) offers strong support for the 2016-A Regional Greenhouse Gas Initiative (RGGI) Allocation Plan proposed by the Office of Energy Resources (OER). This Plan is consistent with the state's long-standing commitment to aggressive investment in energy efficiency and renewable energy resources that support local jobs, reduce energy prices, and shrink our carbon footprint.

Specifically, the allocation of \$300,000 to support energy efficiency and renewable energy projects at both state-owned homeless shelters and group homes is extremely important to my agency, BHDDH. The aim to reduce energy consumption and costs at our group homes will not only further the energy and environmental goals of the state, but will also benefit the Rhode Island taxpayer.

I look forward to working with OER to maximize the benefits derived from the aforementioned RGGI-funded investments. By working together, I am confident that we will further enhance Rhode Island's national leadership on clean energy issues and strengthen our local clean energy economy.

Sincerely,

A handwritten signature in black ink, appearing to read "Maria Montanaro".

Maria Montanaro, MSW
Director

**INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS**



LOCAL 99

Michael K. Daley
Business Manager

James B. Jackson
President

22 Amflex Drive
Cranston, RI 02921
P: (401) 946-9900
F: (401) 946-9907
www.IBEW99.org

March 15, 2016

Marion S. Gold, Ph.D.
Rhode Island Office of Energy Resources
One Capitol Hill, 4th Floor
Providence, Rhode Island 02908

Dear Commissioner Gold,

I would like to express the International Brotherhood of Electrical Workers Local Union 99 (IBEW LU99) support for the 2016-A Regional Greenhouse Gas Initiative (RGGI) Allocation Plan proposed by the Office of Energy Resources (OER). This Plan, which includes the continuation of the Solarize Campaigns with municipalities and homeowners, meets the state's commitment to aggressive investments in energy efficiency and renewable energy resources, which IBEW99 have supported over the last several years.

IBEW LU99 looks forward to continuing to work with OER to maximize the economic and job benefits derived from the RGGI-funded investments.

Sincerely,

A handwritten signature in blue ink that reads "Michael K. Daley".

Michael K Daley
Business Manager/Financial Secretary



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Executive Office of Commerce (EOC)
Office of Housing and Community Development (OHCD)
One Capitol Hill, 3rd Floor
Providence, RI 02908-5873

March 16, 2016

Marion S. Gold, Ph.D
Rhode Island Office of Energy Resources
One Capitol Hill, 4th Floor
Providence, Rhode Island 02908

Dear Commissioner Gold,

I would like to express my strong support for the 2016-A Regional Greenhouse Gas Initiative (RGGI) Allocation Plan proposed by the Office of Energy Resources (OER). This Plan is consistent with the state's long-standing commitment to aggressive investment in energy efficiency and renewable energy resources that support local jobs, reduce energy prices, and shrink our carbon footprint.

Specifically, the allocation of \$300,000 to support both state-owned homeless shelters and group homes is extremely important to the Housing Resources Commission. The aim to reduce energy consumption and costs at our homeless shelters will not only further the energy and environmental goals of the state, but will also benefit Rhode Island taxpayers.

I look forward to working with OER to maximize the benefits derived from the aforementioned RGGI-funded investments. By working together, I am confident that we will further enhance Rhode Island's national leadership on clean energy issues and strengthen our local clean energy economy.

Sincerely,

Michael Tondra
Chief



March 17, 2016

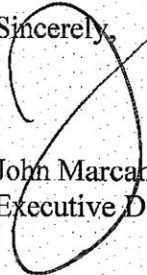
Marion S. Gold, Ph.D.
Rhode Island Office of Energy Resources
One Capitol Hill, 4th Floor
Providence, Rhode Island 02908

Dear Commissioner Gold,

I would like to express Rhode Island Builders Association (RIBA) strong support for the 2016-A Regional Greenhouse Gas Initiative (RGGI) Allocation Plan proposed by the Office of Energy Resources (OER). This Plan is consistent with the state's long-standing commitment to aggressive investment in energy efficiency and renewable energy resources that support local jobs, reduce energy prices, and shrink our carbon footprint. The RIBA has been a strong supporter of the state's energy efficiency and renewable energy policies and will be highlighting them at the Rhode Island Home Show at the Providence Convention Center from March 31st to April 3rd.

I look forward to working with OER to maximize the benefits derived from the aforementioned RGGI-funded investments. By working together, I am confident that we will further enhance Rhode Island's national leadership on clean energy issues and strengthen our local clean energy economy.

Sincerely,


John Marcantonio
Executive Director

450 Veterans Memorial Pkwy. #301
East Providence, RI 02914-5380
401.438.7400
Fax- 401.438.7446
www.ribuilders.org



March 17, 2016

Rhode Island Department of Administration
Office of Energy Resources
One Capitol Hill
Providence, RI 02908

Re: Proposed 2016-A Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds

Dear Sir or Madam:

Please find below comments from National Grid¹ to the Office of Energy Resources (OER) on the latter's Proposed 2016-A Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds. Each comment heading (eg. 5.1.1) refers to the section of the same name in the Proposed Plan. The Company appreciates the opportunity to provide comments on the Proposed Plan.

- 1) 5.2.2.c
 - a) National Grid supports this allocation.
 - b) The Company will collaborate with the OER on the design of incentives for this allocation; however, there are certain limitations to any potential changes in design.
 - i) As has been the case in prior years, the Company operates its energy efficiency programs in terms of Program Years (January – December). However, the Company does not receive RGGI proceeds until mid-way through the Program Year. Since a commitment was made by the OER to provide these funds², the Company began distributing incentives to delivered fuels customers beginning in January. Once RGGI funds are received, the Company will credit these funds back to the EnergyWise program. Therefore, any changes to an incentive level or other considerations could only be applied to funds that are not already committed.
 - ii) In order to offer enhanced incentives for moderate-income customers (low-income delivered fuel customers are already served through the Income Eligible Services Program), additional expenses would be incurred to provide income verification. Likewise, targeting customers with higher electricity usage would also increase administrative costs. Unless additional funding is provided, increasing incentives and

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

² Energy Efficiency Program Plan for 2016, Settlement of the Parties, October 15, 2015, Docket No. 4580.

administration costs will result in serving fewer customers. At the current incentive level, the Company already projects that funds will be depleted by September 2016.

2) 5.3.1

- a) National Grid will comply with these reporting requirements when the information is available and accessible within the Company's current tracking and reporting systems.

3) 5.3.2

- a) 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.
- b) In addition, for some initiatives it may not be possible to provide customer level information. For example, due to the fact that the Company doesn't receive the RGGI delivered fuels funding allocation until later in the Program Year; customers are removed from the standard population and backed into RGGI accounting strings. The Company would therefore have to recode information in the EnergyWise program to obtain this information, which would create additional administrative costs.



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

The Energy Efficiency and Resource Management Council (EERMC) provides these written comments as supplement to the discussions held with the Rhode Island Office of Energy Resources (OER) at recent monthly EERMC meetings and the EERMC Executive Committee meetings.

Per the OER-issued *Rules and Regulations for the Allocation and Distribution of Regional Greenhouse Gas Initiative Proceeds* (Regulation DOA-OER-RGGI-1-2011), the OER “in consultation with the Council (EERMC) and Department (of Environmental Management)” will allocate the Auction proceeds “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 EERMC has, as part of its advisory role, remained consistent in emphasizing key considerations in the deployment of RGGI funds, including: 1) the need for investments to be cost-effective; 2) supporting efforts that align with and accelerate least cost procurement investments under way in electric energy efficiency; and 3) the pursuit and implementation of best practice designs to enhance outcomes.

It appears that the OER’s intent is to use a significant proportion of available funds for state facilities to advance the goals of Governor Raimondo’s Lead by Example initiative (\$4.4 million of the \$6.5 million total) and finance energy efficiency in state buildings and facilities. The EERMC recognizes this is an important sector among many areas of need in the state. However, if this is to be the target, critical considerations must be accommodated to maximize the results and benefits from this investment.

For deployment of RGGI funds in the Government sector, some key best practices and proven implementation strategies already undertaken in previous RGGI projects and/or through existing energy efficiency programs offer guidance that should be carried forward and included in the work with state government:

- Consideration of utilizing some funds through a revolving loan structure, as was done with 2012 and 2015 RGGI funding for the RI Public Energy Partnership (RIPEP) for municipal customers, in coordination with National Grid’s rate-payer funded programs.
- A comprehensive effort to leverage all available funds for projects. This might include, for instance, alignment with planned capital expenditure projects to allow the RGGI funds to reach as many projects as possible. Another key lesson from RIPEP is that if funds are used to supplement other incentives to further reduce the “customer contribution,” the supplemental amount should only be sufficient to get a project approved, and no more, to reach a greater number of projects.
- A process for prioritization, such as the clear and transparent Project Priority List required for the RI Infrastructure Bank’s Efficient Building Fund and developed by OER.
- Incorporation (in part or in whole) of elements of a Strategic Energy Management Plan (SEMP) as that methodology has been successfully utilized by other large intuitions

through National Grid's ratepayer funded programs. Among the many benefits of this approach are that it supports a multi-year planning horizon, tailored incentives and deeper, more comprehensive project measures and savings.

- Finally, as was expressed by the EERMC regarding the previous RGGI allocations, the EERMC emphasizes that in order to ensure that Rhode Island ratepayers continue to receive excellent value for the state's participation in the RGGI program, the following recommendations are critical to supporting that intent:
 - 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.
 - 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.

The EERMC also submits these comments as part of its general purpose to "evaluate and make recommendations to plans and programs with regard to the optimization of energy efficiency, conservation, and resource development and the development of a plan for least-cost procurement for Rhode Island." The recommendations submitted reflect many of the proven strategies to support maximizing investments in energy efficiency. Also, as part of the EERMC's responsibility to provide publicly accountable stakeholder involvement in energy efficiency, these comments reflect input from many stakeholders who provided input to individual council members.

As directed in 8.1 of Regulation DOA-OER-RGGI-1-2011, the OER "shall prepare, in conjunction with the Department (of Environmental Management) and the Council (EERMC), a report made available to the public by January 1st of each year describing the implementation and operation of RGGI and the expenditures made pursuant to these regulations." The EERMC looks forward to participating in the development of the annual report as described in the regulation, and hope that our recommendations will support reported results (investments, savings and benefits) that continue to further Rhode Island's impressive achievements in energy efficiency and resource conservation.

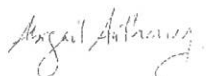
Respectfully submitted on behalf of the EERMC,



Christopher Powell, EERMC Chair



Date



March 24, 2016

Abigail Anthony, EERMC Vice-Chair

Date