

State of Rhode Island  
Department of Administration  
Office of Energy Resources

In re: Proposed 2014 Allocation Plan – Distribution of Regional Greenhouse Gas Initiative Proceeds

**RESPONSE TO COMMENTS**

**Introduction**

On June 2, 2014, 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 “2014 Allocation Plan - Distribution of Regional Greenhouse Gas Initiative Auction Proceeds.” (“the Plan”) The notice stated that a public hearing would be held on July 2, 2014 at 1:00 P.M. in Conference Room A, Second Floor, One Capitol Hill, Providence, Rhode Island. Copies of the proposed Plan were made available at the OER, at [www.energy.ri.gov](http://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 2, 2014 at 1:00 P.M. at the location set forth in the public notice. Members of the general public were present along with a representative of the OER. A stenographic record of the hearing was produced and the original transcript is in the custody of the 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 to the OER. The public comment period closed on July 12, 2014.

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 CO<sub>2</sub> Budget Trading Programs in each of the nine participating states. The Rhode Island Department of Environmental Management promulgated regulations establishing a CO<sub>2</sub> Budget Trading Program that limits emissions of CO<sub>2</sub> from electric power plants, issues CO<sub>2</sub> allowances and establishes participation in regional CO<sub>2</sub> 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 CO<sub>2</sub> Budget Trading Program.

Pursuant to Rhode Island General Laws §23-82, RGGI, Inc. (or other independent contractor) is authorized to receive, hold and sell CO<sub>2</sub> 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 the 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.

### **Public Hearing**

A public hearing on the proposed Plan was held on July 2, 2014. Five individuals presented oral testimony at the hearing commenting on various components of the Plan.

### **Response to Comments**

**The following are the paraphrased comments of Ellen Winsor of Jamestown, RI presented at the hearing, followed by OER's response:**

Comment:

...I offer the distribution of RIOER auction funds include funding studies for a microgrid, a municipal - military microgrid, a pilot study for renewable energy storage battery within municipal storage options, and a pilot study featuring renewable energy storage battery with wind and/or PV storage...

Response:

In both the 2012 and 2013 Plans the OER allocated funds for two pilot projects: one pilot will evaluate the costs and benefits of deploying renewable distributed generation in conjunction with the Utility's System Reliability Plan (SRP) and the second is a pilot establishing a working group to develop recommendations for grid distribution, rate and regulatory modernization for the electric sector in RI. In accordance with the criteria outlined in the OERs Strategic Use of RGGI Funds document, the OER will continue to allocate a portion of future RGGI proceeds for Energy Resource Diversification and Innovation. The OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

**The following are the paraphrased comments of Jeff Broadhead, Executive Director, PRISM Partnership for RI Streetlights Management, presented at the hearing followed by OER's response:**

Comment:

...the savings from PRISM's Collaborative Maintenance program can, together with the RGGI funds, make all the difference and induce earlier adoption of LED lighting. The \$525,000 you have allocated, with towns paying 75% of the cost, will induce only 4,200 conversions and save only 808,000 kWh annually. This is equivalent to converting Westerly or West Warwick's lights.

...\$2,000,000, on the other hand, with towns still paying fully 75% of the cost to convert, will induce 16,000 lighting conversions, will save nearly 4,000,000 kWhs annually, and will induce an additional municipal investment of \$18,000,000....

Response:

As detailed in the Plan, Phase III of the Streetlight Initiative will build upon the lessons learned from Phase I and II of the DOT projects. Following implementation of Phase III, the OER will consider allocating additional funds in the 2015 Plan to continue the program. The OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

**The following are the paraphrased comments of Al Dahlberg, Drive Electric Cars, NE, presented at the hearing followed by OER's response:**

Comment:

...I would suggest that the program be opened, this portion be opened to not – to private entities, as well as municipalities. I think if municipalities are willing to participate in this, they certainly should be eligible to do so, but I think the program eligibility should include private sector business and nonprofits. I think if you create that playing field and let municipalities compete and some may step forward. I frankly don't think municipalities will be able to complete the installation of a charging station, the purchase of a plug in vehicle, and the renewable energy component as spelled out in the proposed RGGI allocation.

...I do not think that it is worthwhile pairing a charging station with a renewable energy project. I'm all in favor of renewable energy, but it's much better when it's done at a larger scale by entities that have experience and expertise to do the construction and operation and maintenance. ...I would recommend instead just the EVSE, the charging station component. I do think the proposal to pay for the difference...between the traditional vehicles and a plug-in EV for municipalities is a good idea, but I think, again, it's going to be another hoop for municipalities to jump through.

Response:

This initiative will expand the EV infrastructure throughout the state by making EVSEs available to municipalities and state agencies. In addition, municipalities will be able to take advantage of the State of Rhode Island - State Fleet Master Price Agreement when purchasing their vehicle(s). The program also gives recipients flexibility in terms of the renewable component. Investment in renewables and clean transportation is consistent with the State Energy Plan and House Resolution 7726. The OER, along with its partners, will provide municipalities and state agencies with an appropriate level of technical assistance in order to make the program a success.

The OER has also added a new component to the Plan, which will make a portion of RGGI funds available to private institutions and non-profit entities seeking to invest in EVSE.

Revised section 5.3.2.e and new section 5.3.2.f are as follows:

**5.3.2.e \$600,000.00 (Six Hundred Thousand Dollars)** shall be allocated for use by Rhode Island municipalities and state agencies to install at least one Level II electric vehicle charging station (also known as “EVSE,” or Electric Vehicle Supply Equipment) at publicly-accessible facilities, and to pay the cost differential between the purchase of a representative gasoline vehicle and either a plug-in electric vehicle or an electric/hybrid vehicle. To offset any new electrical demand, these investments must be paired with the installation of a renewable energy project sized to meet or exceed the expected new electric load from the EVSE. When combined, the program will help advance the state’s “Lead by Example” initiative; reduce state and local carbon footprints; support local economic growth and job creation; and help achieve Rhode Island’s energy goals.

In order to be eligible for this initiative, municipalities and state agencies will be required to install a solar photovoltaic (PVE) or other eligible renewable project to, at minimum, offset the electricity that will be used by the EVSE. Municipalities actively supporting a Solarize campaign in their community will also qualify to meet this criterion. Renewable energy projects recently awarded by the K-12 schools program or supported through the REF can be used to meet this eligibility requirement. Funding may be made available through this project to assist eligible applicants make this required investment in renewable energy, but only after all available REF or Utility incentives have been utilized. Eligible entities may also apply for funding through the K-12 schools program detailed in section 5.3.2.d above, and projects awarded through that program will count toward the renewable requirement under 5.3.2.e.

The OER will administer this program and seek partnership with entities such as Ocean State Clean Cities to help effectively engage municipalities and state agencies, reduce barriers to participation, and coordinate procurement activities.

**5.3.2.f \$125,000.00 (One Hundred Twenty-Five Thousand Dollars)** shall be allocated to support matching grants for private institutions and non-profit entities that seek to install at least one

*Level II electric vehicle charging station (“EVSE”). Eligible recipients must employ at least ten (10) employees and will have to demonstrate a commitment to clean energy through the recent or pending installation of renewable generation projects (such as those funded by the REF or ARRA) and/or investments in energy efficiency that, at minimum, offset the expected new load from the EVSE. Participating entities will also be required to demonstrate how their company or organization is supporting or will support workplace/workforce adoption of clean energy transportation. Such efforts may include, but are not limited to, the integration of PEVs into company fleets and/or the establishment of employee incentives to encourage the purchase of PEVs as a commuting vehicle.*

*The OER will administer this program and utilize competitive procurement processes, as appropriate, to maximize value and encourage innovation.*

**The following are the comments (paraphrased) of John Gilbrook, ChargePoint, Inc., presented at the hearing followed by OER’s response:**

Comment:

...My first suggested alteration would be not to restrict the program only municipalities, but open it up to any entity, potentially restricting it to employers, possibly a 15...housing or 50 employees or more, but opening it up to public, private entities, municipalities, state agencies, anyone who is willing to participate...funding would be deployed with a first-come, first served notion; and that would significantly increase and accelerate the speed of the deployment and the success of deployment. I would suggest something around \$3,500.00 per port installed for charging infrastructure for these entities, with an additional 500 available for what we call in the industry make-readies for additional parking spaces wired to support electric vehicle infrastructure following an initial deployment.

...We feel a very valuable requirement is to collect data; and for those stations that are installed, they must have the ability to collect data, and that the recipient of the funding at these eventual installed stations would provide that data back to the state to track and then plan for additional electric vehicle programs and policies moving into the future.

...I believe that widening the spectrum of eligible parties and encouraging them to move quickly will lead to that.

Response:

Please see the OER response to the previous comment.

**The testimony of Colleen Quinn, ChargePoint, Inc., presented at the hearing did not require a response.**

**The following comments were received, via mail, from Sean Murphy of National Grid on July 9, 2014.**

**Comment:**

1) 5.3.2.a

a) National Grid supports this allocation, though it requests that its Income Eligible programs be eligible for allocations along with its Residential and Commercial and Industrial programs. The company, therefore, requests that the clause “shall be allocated for Residential, Commercial and Industrial electric efficiency programs”, be rewritten as “shall be allocated for Residential, Income Eligible, and Commercial and Industrial electric efficiency programs”.

b) If these allocated funds are spent on existing programs, dollars from RGGI and other sources will be fungible. National Grid, therefore, requests that the language ‘Funding for this program shall be tracked and managed in a shadow account at the Utility and shall only be used to support investment in electric energy efficiency programs’ be changed to “Funding shall only be used to support investments in electric energy efficiency programs. If allocated to a new program by the Utility, funding for this program shall be tracked and managed in a shadow account”.

**Response:**

Funds for this Initiative shall be used to support investment in all electric energy efficiency programs including Income Eligible. The language in section 5.3.2.a has been revised. The OER will require that these funds be tracked and managed in a shadow account at the Utility as written in the Plan.

***\$3,635,495.72 (Three Million, Six Hundred Thirty Five Thousand, Four Hundred Ninety Five Dollars and Seventy-Two Cents) shall be allocated for Residential, Income Eligible, Commercial and Industrial electric efficiency programs managed and delivered by National Grid (“Utility”). 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. These funds will also have a direct impact on lowering the ratepayer System Benefit Charge.***

*Funding for this program shall be tracked and managed in a shadow account at the Utility and shall only be used to support investment in electric energy efficiency programs. The specific programs and process for distribution of the funds will be developed by the OER working in conjunction with the Council and the Utility.*

**Comment:**

2) 5.3.2.b

a) National Grid supports this allocation to the Rhode Island Public Energy Partnership (RIPEP), but requests that whenever a RIPEP project involves renewable energy the OER coordinate with National Grid to implement energy efficiency projects before a distributed generation load is

sized. This strategy is consistent with recently passed Rhode Island House bill H-7727 and Senate bill S2690, the Renewable Energy Growth Program.

Response:

The OER will coordinate with the Utility when allocating these funds. The OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

**Comment:**

3) 5.3.2.c

a) Due to the uncertainty of RI Public Utilities Commission docket 4442, which governs the Company's proposal for the treatment of customer-owned street and area lighting, National Grid requests that the OER coordinate with National Grid's efficiency programs on Phases I and II.

Response:

The OER and DOT will coordinate with the Utility, on this initiative as appropriate. The OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

**Comment:**

4) 5.3.2.e

a) As this section follows 5.3.2.c, National Grid recommends that it be relabeled 5.3.2.d  
b) So that renewable energy projects are appropriately sized, National Grid requests that the OER coordinate with National Grid's efficiency programs to first implement energy efficiency projects at the schools of interest, a strategy consistent with recently passed Rhode Island House bill H-7727 and Senate bill S2690, the Renewable Energy Growth Program.

Response:

This section will be relabeled 5.3.2.d. The OER finds that the Plan as proposed is appropriate and there is no need for any change based on this comment.

**Comment:**

5) 5.3.2.f

a) To be consistent with the proposed re-labeling of 5.3.2.e, National Grid recommends that this section be relabeled 5.3.2.e.  
b) The language "\$725,000.00 (Seven Hundred and Seventy Five Thousand Dollars) shall be allocated for use by Rhode Island municipalities to install at least one Level II electric vehicle charging station (also known as "EVSE," or Electric Vehicle Supply Equipment) and to pay the cost differential between the purchase of a representative gasoline vehicle and either a plug-in electric vehicle or an electric/hybrid vehicle" suggests that the objective of this allocation is to

install only one charging station and to purchase only one electric/hybrid vehicle for the entire state. National Grid recommends that the language be adjusted to clarify that the funds are for each municipality to install a charging station and to purchase an electric/hybrid vehicle.

Response:

This section will be relabeled 5.3.2.e. OER feels that this initiative as written clearly states what the funds are to be used for. However, please note that the initiative is being revised to include state agencies. The OER will distribute these funds through an RFP solicitation.

**Comment:**

6) 5.3.2.g

a) To be consistent with the proposed relabeling of 5.3.2.e, National Grid recommends that this section be relabeled 5.3.2.f.

Response:

Due to the addition of new section 5.3.2.f, this section does not need to be relabeled.

**Comment:**

7) 5.4.1

a) 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, which it will deliver to the Council and will file with the Commission.

b) The Allocation plan also does not specify an Annual Report. In addition to quarterly reporting, the Company will provide an Annual summary, including benefits, as part of the annual year-end Energy Efficiency Report that will be filed with the Commission around May 1st.

Response:

The Utility is required to submit both quarterly reports and an annual report. Section 5.4.1 now reads:

*The Utility shall prepare programmatic and financial quarterly reports, and an annual report, for programs managed by the Utility that utilize RGGI funding according to the terms of the Plan, including those programs described in section 5.3.2.a. The reports shall include, at minimum, a detailed description of: (1) program components; (2) project costs; and (3) program benefits, including energy and cost savings wherever applicable.*

**Comment:**

8) 5.4.2

a) In all cases, given our experience, 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:

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

**Comment:**

9) 5.4.3

a) National Grid will support the OER in its reporting obligations by providing data that do not compromise customer privacy

Response:

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

**The following letters were received in support of the proposed 2014 Plan.**

**RIDOT letter dated June 13, 2014**

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

**Clean Energy Council letter dated June 8, 2014**

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

**Pascoag Utility District letter dated June 17, 2014**

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

**Block Island Power Company letter dated June 6, 2014**

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

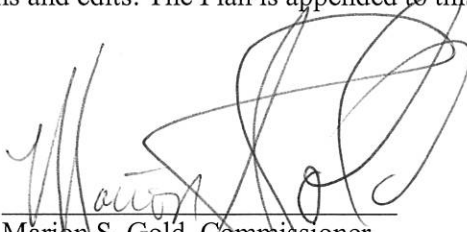
**Town of New Shoreham letter dated July 8, 2014**

The Town Council voted to support the Plan. No comments were provided suggesting any changes be made to the proposed Plan.

**Decision**

It is the decision of the Office of Energy Resources to approve the 2014 Allocation Plan – Distribution of RGGI Proceeds with the aforementioned additions and edits. The Plan is appended to this Decision.

8-19-14  
Date

  
\_\_\_\_\_  
Marion S. Gold, Commissioner  
Office of Energy Resources

Copies of Decision to:

Sean Murphy, LEED Green Associate  
Associate Analyst  
Energy Efficiency Policy & Evaluation -Rhode Island  
National Grid | 40 Sylvan Road  
Waltham, MA 02451

Al Dahlberg, Vice President  
Mark Scribner, President  
Drive Electric Cars New England  
[Albert\\_Dahlberg@yahoo.com](mailto:Albert_Dahlberg@yahoo.com)  
[aventineavenue@yahoo.com](mailto:aventineavenue@yahoo.com)

Ellen Winsor  
736 East Shore Road  
Jamestown, RI 02835

Jeff Broadhead, Executive Director  
PRISM Partnership for RI Streetlights Management  
Washington County Regional Planning Council  
344 Main Street, Suite 202  
Wakefield, RI 02879

Colleen Quinn  
ChargePoint, Vice President for Government and Public Policy  
[Colleen.Quinn@chargepoint.com](mailto:Colleen.Quinn@chargepoint.com)

John Gilbrook  
ChargePoint, Regional Account Executive  
[John.Gilbrook@Chargepoint.com](mailto:John.Gilbrook@Chargepoint.com)

Michael Lewis, Director  
RIDOT  
Two Capitol Hill  
Providence, RI 02903-1124

Charity Pennock  
NECEC  
125 Summer Street, Suite1020  
Boston, MA 02110

Michael Kirkwood, General Manager and CEO  
Pascoag Utility District  
PO Box 107  
Pascoag, RI 02859

Albert R. Casazza, President  
Block Island Power Company  
PO Box 518  
Block Island, RI 02807

Kimberley H. Gaffett, First Warden  
Town of New Shoreham  
PO Drawer 220  
Block Island, RI 02807