

# MID-TERM MODIFICATIONS (AND BLACKSTONE): RECOMMENDATIONS

**EEAC Consultant Team**  
**March 31, 2015**

# BLACKSTONE GAS AND NATIONAL GRID



- ▶ **DPU Order stated, “with the Council’s help and support, we encourage Blackstone Gas to pursue an agreement with another Program Administrator to deliver energy efficiency services in its service territory.”**
- ▶ **National Grid and Blackstone have agreed in principle to a proposal in which National Grid would provide gas energy efficiency services to all Blackstone customers under the same terms and conditions as it provides to its native load customers, as approved in National’s Grid’s three-year gas plan.**
- ▶ **The proposal is appropriate and beneficial to Blackstone’s customers**
- ▶ **EEAC Consultants: recommend EEAC approval**

# MID-TERM MODIFICATIONS: BACKGROUND

- ▶ Pursuant to § 3.8 of the Revised Energy Efficiency Guidelines set forth in D.P.U. 11-120-A, Phase II (January 31, 2013)
- ▶ Two types of MTMs before the EEAC today
- ▶ **Category One MTMs**
  - A change in the three-year term budget of an EE Program or Hard-to-Measure EE Program of greater than 20 percent
  - Reviewed and approved by the EEAC
- ▶ **Category Two MTMs**
  - A change in the three-year term budget of a customer sector that would require a cents per kilowatt-hour or cents per therm charge for the sector that, if it were to replace the Department-approved Energy Efficiency Surcharge for the applicable year, would result in a bill increase for an average customer in the sector exceeding 2%
  - Reviewed and approved by DPU, after review by EEAC

# 2015 MID-TERM MODIFICATIONS: BUDGET INCREASES

- ▶ **Cape Light Compact (CLC), Unitil Gas, Berkshire Gas, and Eversource Electric (pages 2-3 in draft Resolution)**
- ▶ **MTMs increase one or more program budgets in order to meet customer demand for the programs' products and/or services – specifically, customer demand for energy efficiency programs that is significantly higher than what was planned**
- ▶ **The modifications to these program budgets will provide the requesting PAs the opportunity to meet the high customer demand, and achieve the associated energy savings**
- ▶ **EEAC Consultants: recommend EEAC approval of MTM budget increases per the draft Resolution (See next slide for note on HES and HEAT Loan)**

# 2015 MID-TERM MODIFICATIONS: HES AND HEAT LOAN

- ▶ **Several of the budget increase MTMs are in the Residential Whole House and Residential Hard to Measure Programs, and some of the MTMs are associated with increased customer demand for the HEAT Loan program**
- ▶ **EEAC Consultant Recommendation: state that “the EEAC will be reviewing the performance of these programs, including the support provided by the HEAT Loan, as part of the quarterly report process in 2015, as well as in the planning process to develop the 2016-2018 Three-Year Plan” (draft Resolution on page 2)**
- ▶ **Allows for a more complete review across all PAs, and not just for the PAs who proposed MTMs**

# 2015 MID-TERM MODIFICATIONS: EVERSOURCE BUDGET DECREASE

- ▶ Eversource Gas is proposing to reduce two C&I program budgets
- ▶ MTM estimate based on the 2013 actual expenditures, the 2014 actual expenditures (reported through the 2014 Q4 quarterly report), and 100% of the 2015 budget

<b>Program</b>	<b>Budget Reduction</b>	<b>Percent Change from Approved 3-Year Plan Budget</b>
C&I Retrofit	-\$8,800,000	-34%
C&I New Construction	-\$5,800,000	-36%

- ▶ Eversource would not be making a proposal to adjust the customer surcharge (EES) until the fall of 2015
- ▶ EEAC Consultants: recommend that full funding remain available for the 2015 C&I programs and any potential future projects. Consequently, take notice of the Eversource request and do not oppose it, but decline to approve the MTM request at this time. (Draft Resolution, page 4)

# 2015 MID-TERM MODIFICATIONS: CATEGORY TWO MTMS

- ▶ For Cape Light Compact, Until Gas, and the 2014 MTM from National Grid
- ▶ Category Two are reviewed and approved by DPU, after review by EEAC
- ▶ Generally, due to larger changes in budgets (requirement for DPU review)
- ▶ **EEAC Consultant recommendation (draft Resolution, pages 4-5):**

“The EE Guidelines do not appear to provide clear and definitive guidance on whether, as a result of DPU approval of any Category Two MTMs, modified Plan values should be submitted to the Department or included in any Plan-Year Reports, Term Reports, or other reporting, to represent *Modified* (MTM) Plan values. Such Modified Plans could result in different values for budgets, savings, performance incentives, and other Plan components. The EEAC is not herein taking a position on this matter, and the EEAC believes this matter should be resolved in a proceeding before the DPU. As a result, the EEAC in supporting the proposed MTMs above in the manner it has, is not stipulating that the Category Two MTMs will not change the budgets, savings, benefits, performance incentive model, or other Plan components in the original Plan. In the past, prior to 2013, DPU-approved MTMs resulted in a *Modified* Plan, specifically a Plan that was modified by the MTMs that were approved by the DPU.”