



Mid-Term Modifications

Presentation to the EEAC

September 9, 2014





What are Mid-Term Modifications and What is their Purpose?

Significant Adjustments

- Mid-Term Modifications (“MTMs”) are significant adjustments of specified categories made by PAs during the term of a three-year plan

Trigger-Based

- MTMs are not required and PAs submit such filings based on specific triggers only

Flexibility

- The Department sought to provide PAs with the flexibility to respond to changing circumstance, while ensuring that PAs implement plans in a manner consistent with the Department-approved plan

What Source Governs MTMs?

Governing Law

- MTMs are governed by §3.8 of the Revised Energy Efficiency Guidelines, D.P.U. 11-120-A, Phase II, and further described in the accompanying Order (1/31/13)

Two Types of Triggers

- The Guidelines provide for Category One modifications (Council support only required) and Category Two Modifications (Department approval required)

Appeal Rights

- The Guidelines include detailed appeal rights to the Department



Category One Modifications

3.8.1 A Program Administrator that seeks to make the following significant modifications to its Energy Efficiency Plan **shall submit its proposed modifications to the Council** for review:

- 1) the addition of a Hard-to-Measure Energy Efficiency Program;
- 2) the termination of an existing Energy Efficiency Program or Hard-to-Measure Energy Efficiency Program;
- 3) a change in the three-year term budget of an Energy Efficiency Program or Hard-to-Measure Energy Efficiency Program of greater than (1) 20 percent, or (2) a dollar value to be specified by the Department; or
- 4) a modification to the design of an Energy Efficiency Program that is projected to result in a decrease in program benefits over the three-year term that is greater than 20 percent.

3.8.1.1 If the Council passes a resolution supporting the proposed modification, the Program Administrator may implement the modification.



Category Two Modifications

3.8.2 A Program Administrator that seeks to make the following significant modifications to its Energy Efficiency Plan **shall submit its proposed modifications first for review by the Council, and then for review and approval by the Department:**

- 1) the addition of a new Energy Efficiency Program;
- 2) the transition of a Hard-to-Measure Energy Efficiency Program to an Energy Efficiency Program; or
- 3) a change in the three-year term budget of a customer sector that would require a cents per kilowatt-hour (calculated using the method described in § 3.2.1.6) 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 two percent.

The Program Administrator may not implement the modification pending review and approval by the Department.



Current MTM Requests

National Grid Electric, Unitil Gas, and Cape Light Compact seek Category One MTMs at this time

What PAs propose to do:

- PAs seek support for additional budgets

What PAs propose NOT to do:

- PAs will not be revising their approved Three-Year Plan goals to reflect these MTMs
- All future reporting on the Three-Year Plan will report and compare actual results to the Department-approved budgets and goals
- The performance incentive model filed in D.P.U. 14-05 remains unchanged (there is no increase or decrease to the performance incentive pool or any change to the payout rates derived in the performance incentive model)