

# BLOCK ISLAND UTILITY DISTRICT



In the past week, BIUD crews recently installed three new osprey nesting platforms and are planning a fourth for later this week. The locations, all of which were coordinated with Kim Gaffett from the Nature Conservancy, are in areas where returning osprey pairs have been seen attempting to build nests. The ospreys are expected back in late March.

**BOARD OF COMMISSIONERS MEETING**  
**FEBRUARY 27, 2021**

**Block Island Utility District**  
**Regular Meeting of Board of Commissioners**  
**February 27, 2021 @ 11:00 AM**

***Meeting Held Remotely by Zoom due to Corona-19***  
***Town of New Shoreham Emergency Order***

1. Public Input
2. Correspondence
  - a. Entech Engineering Correspondence – Letters Dated 2/9/21 and 2/22/21
3. Review and Act Upon Commissioner's Report
  - a. Approve By-Law Changes - Article V – Meetings (Sections 2 and 6)
4. Approve Minutes:
  - a. January 23, 2021
5. Receive and Act on Treasurer's Report
  - a. Year End 2020 Financials
6. Review and Act Upon CFC Line of Credit Renewal
7. Receive and Act on President's Report
  - a. So/Transmission Status Report Update
  - b. Load Following Energy Contract Procurement
  - c. Legislative Update
  - d. Employee Housing Update
8. Update on DOE Grant Opportunity and BIUD/RI-OER Partnership
9. Review Efficiency Plan Updates (approval to be sought in March meeting)
10. Review and Act Upon National Grid Cable Outage – Fuel Reimbursement\*

\*Item 10 May be held in Closed Session pursuant to § 42-46-5 (7) A matter related to the question of the investment of public funds where the premature disclosure would adversely affect the public interest. Public funds shall include any investment plan or matter related thereto, including, but not limited to, state lottery plans for new promotions.

Posted: February 23, 2021 3:00 PM

**Join Zoom Meeting**

<https://us02web.zoom.us/j/2505454073>

**Meeting ID: 250 545 4073**

**One tap mobile 1-312-626-6799**

Individuals requesting services for the deaf and hard of hearing must call (401) 466-5851 forty- eight hours in advance of the meeting date. TTY: 711 Posted: January 7, 2020

**AGENDA ITEM 1**  
**PUBLIC INPUT**

(THIS PAGE INCLUDED FOR NOTES)

**AGENDA ITEM 2**  
**CORRESPONDENCE**

# Rhode Island issues its plan to achieve 100% renewable electricity by 2030

*Tim Sylvia*

The Rhode Island Office of Energy Resources and The Brattle Group released the report outlining how the state can meet 100% of electricity demand with renewable energy by 2030.

January 15, 2021

A year ago, [Executive Order 20-01](#) cemented in a place Rhode Island's goal to meet 100% of the state's electricity demand with renewable energy by 2030. The Rhode Island Office of Energy Resources (OER) worked through the year on an economic and energy market analysis, and developed policy and programmatic pathways to meet the goal.

In the most recent development, OER and The Brattle Group co-authored a report detailing how this goal will be achieved, [The Road to 100% Renewable Electricity – The Pathways to 100%](#).



Offshore wind capacity could help the Ocean State meets its 2030 goals.

*Image: David Wagman*

The report includes economic analysis of the key factors that will guide Rhode Island as it accelerates adoption of carbon-free renewable resources.

The pathway rests on three principles: decarbonization, economics and policy implementation.

The report says the state needs to address the gap between projected electricity demand in 2030 and projected renewable generation capacity. The report predicts a need for 4,600 GWh of additional renewable energy to close the gap. Deploying that much capacity represents a 150% increase in the amount of renewable energy the state has procured to date. The final figure could be as much as 600-700 GWh higher or lower.

## Addressing the gap

The state is making progress to close the gap.

Rhode Island recently announced plans to solicit proposals for up to 600 MW of additional offshore wind resources. A draft request for proposals (RFP) is expected to be filed for regulatory review in the coming months. Assuming the procurement is authorized and the full 600 MW is acquired, new offshore wind would add about 2,700 GWh per year, or about 35% of 2030 electricity demand.

Beyond this offshore wind procurement, development of retail solar through existing programs could add another 1,500 GWh per year. That leaves a smaller—though still sizable—gap of around 400 GWh per year of renewable electricity.

All this capacity will come with a hefty price. The report finds that rate impacts would likely boost a typical 2030 monthly residential bill by about \$11 to \$14 with utility-scale renewables, or by as much as \$30 if the entire gap were to be filled with retail solar.



Issues of equity and job creation are addressed in the newly released report.

*Image: David Wagman*

The upside is that if the renewable resources are developed in-state, the local economic activity would boost Rhode Island's gross domestic product and local jobs, especially when compared to procuring out-of-state resources or buying Renewable Energy Credits (RECs).

## Policy recommendations

One policy item that has to be addressed is the state's Renewable Energy Standard (RES), which currently calls for meeting 38.5% of electricity deliveries with renewables by 2035. For example, RES compliance at present does not require the physical procurement of power produced by renewable energy facilities. Instead, electricity providers meet their requirements by purchasing RECs.

The report recommends amending the state's RES to seek methods by which Rhode Island can retain all of the RECs procured through existing policy and program channels, along with RECs resulting from ratepayer investment in net metered projects.

The report also recognizes that the RES alone is unlikely to drive sufficient investment renewable generation and should be paired with programs and policies to ensure sufficient renewable generation to meet the 100% goal. The state also needs to address the RECs created by behind-the-meter systems that add mechanisms to better match the timing of renewable energy generation with real-time demand. The policy would have the 100% RES remain in effect beyond 2030 and also match shifts in energy demand, particularly as other parts of the economy electrify.

## Fostering equity

The state also is putting a high priority on making sure the transition to renewables is an equitable one.

The report recommends partnering with and listening to frontline communities about their needs and goals in the clean energy transition. This will include providing traditionally underserved communities with expert consultation to help guide decision making. The report also recommends holding listening sessions to increase accessibility to and understanding of energy system basics.

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, Date: August 7, 2020

To: Jeffrey Wright, Manager, Block Island Power Company

cc: Board, Block Island Power Company/Block Island Utility District

From: Christopher Warfel, EEInc.

Re: Metering Issues, Survey

I wanted to provide an update on the above two issues, so please accept this under communications for the next Board meeting.

### **1. Metering**

The Block Island Power Company has worked with us to provide metering options for the solar electric installations we are overseeing/installing, and we appreciate this work. The relocation of the customer meter from a site far from the house to either on or close to the house is much more manageable than interconnecting to the utility side of a meter that in some cases is a couple of hundred feet away.

I would like BIPCo to consider if the cost of relocating of the meter is 100% the customer's responsibility or shared, or BIPCo's cost. The experience we had with the St. Andrews' Parish Center is a good study of this issue. It was difficult to relocate the main service conductors to a new meter site, and then interconnect to the main service panel. The logistics of space and time were difficult for this site. So far, 16 people hours have been spent on this, and we still have about 4 more to go I am estimating. This is a labor cost of ~\$1500.

Based upon this experience, I decided to follow up with National Information Solutions Cooperative, (NISC) the software company who makes SmartHub to see if meters can be mathematically combined as we discussed. In my mind, there is no point in pursuing an option that does not exist, or that cannot be made possible by a reasonable and cost effective effort.

My experience calling NISC was disappointing at best. I explained the situation regarding exploring if meters could be combined. After being transferred to the electrical meter division that handles this technology, I was put on hold. While on hold, they apparently contacted BIPCo and relayed my request to BIPCo, and returned to phone in approximately 4 minutes stating that BIPCo would respond. I asked how long normally does it take for NISC to respond to a customer request and they would not answer, and would not answer any additional questions.

Therefore, since I cannot get a direct answer to this question, I am asking that BIPCo request from NISC if their software allows for meters to be mathematically combined so that the currently program that controls the



registers can be used, or be changed to provide accurate import/export energy data that can be used for customers that are Avoided Cost metered. Given that they have erected a wall between the end user ratepayer, and themselves, stating that their customers is the utility and they will only discuss these types of matters with the utility, their response needs to be what would constitute official communication, such as on letterhead.

If such a solution is possible, it would provide another option to BIPCo and the customer to interconnect on island, customer-based green generation.

## 2. Survey

Customer interaction for planning purposes is not very good. Often the meetings are sparsely attended. My belief is that consumers are largely unaware of issues in this field, and often are not comfortable speaking out on an issue that is difficult to understand. Utility issues are a science unto itself and requires a lot of effort and experience to understand.

I have attempted to craft a short survey on customer generation and energy efficiency/load management issues to provide feedback that may be helpful in planning. Often what we see is a top down approach, where the utility develops the plan and presents it to the customer. We have seen very little movement from these plans once they are presented for comment.

Another approach is a bottom up effort and to survey customers and use their responses to craft plans and policies. I have undertaken this effort, realizing full well that I am not a professional at this type of surveying work. I have made the best attempt I know how, in order to make sure the survey fair and that it does not lead a participant to my perspective. However, it is a fundamental truism that the survey would not exist without some opinion or bias. One thing that I feel is missing is to provide an understanding to the customer that choices have costs and one must weigh the costs of a choice against its benefit. I felt that putting that into the questions would be too subjective and I was not comfortable adding such language.

I'd like a member or two, and Jeff Wright to look at the survey and offer comments for improving its effectiveness. I do think that the survey cannot be too long, or the participant will lose interest.

Sincerely,

A handwritten signature in black ink that reads "Christopher Warfel". The script is cursive and fluid, with the first name and last name clearly legible.

Christopher Warfel, PE, President, EEI

**AGENDA ITEM 3**  
**COMMISSIONER'S REPORT**

**APPROVE BY-LAW CHANGES TO**  
**ARTICLE V – SECTIONS 2 AND 6**

## **Block Island Utility District**

### **By Laws**

#### **ARTICLE I – STATEMENT OF PURPOSE**

Section 1. The Block Island Utility District was created by legislation entitled “The Block Island Utility District Act of 2017” found at chapter 45-67 of the Rhode Island General laws (the “Act”). The Act authorizes the Utility District to provide utility products and services within the Town of New Shoreham.

Section 2. “Utility District” means the Block Island Utility District, a municipal corporation, having a distinct existence from the State of Rhode Island and empowered by the Act to:

1. Fulfill electric utility functions, powers, rights and obligations;
2. Exercise certain powers as an electric distribution company and an emergency power producer; and
3. Provide additional utility services not inconsistent with the duties, powers, and obligations of the Utility District.

#### **ARTICLE II – MEMBERSHIP**

Section 1. A “Qualified Elector” is any person whose name appears on an active account with the Utility District and who is designated by the account holder to be the qualified elector.

Section 2. No active account shall have more than one Qualified Elector, and no Qualified Elector will have more than one vote. Any corporation or other legal entity that holds an active account shall designate in writing an individual officer or other representative to serve as the Qualified Elector for such active account.

Section 3. Annually, on June 1<sup>st</sup>, the Utility District will mail a form to designate the Qualified Elector to all active account holders. The Qualified Elector Designation will be due back to the Utility District by July 1<sup>st</sup>. If no new Qualified Elector is designated, it will remain the last Qualified Elector on record.

Section 4. For any vote by Qualified Electors, the Utility District will make available a list of qualified electors thirty (30) days prior to the date of the vote.

#### **ARTICLE III – POWERS OF THE UTILITY DISTRICT**

Section 1. The Utility District shall have and may exercise all powers granted to it by the Act, subject to the requirements of the Act and applicable law.

#### **ARTICLE IV – BOARD OF COMMISSIONERS**

Section 1. The Board of Commissioners (“Board”) has the responsibility to execute the powers of the Utility District in accordance with the Act.

Section 2. The Board shall consist of five (5) members with no less than three (3) being residents of the Town of New Shoreham.

Section 3. A majority of the Board constitutes a quorum, and unless otherwise expressly required, a majority of the members shall be necessary for all actions to be taken. No vacancy in the membership of the Board shall impair the right of a quorum to exercise all the rights and perform all the duties of the Board.

Section 4. The initial Board consisted of three (3) members of the Board serving four (4) year terms and two (2) members of the Board serving two (2) year terms. Upon the expiration of the term of any member of the Board, such member's successor shall be elected for a four (4) year term. Each member of the Board must be a Qualified Elector. The term of office of any member of the Board expires upon his or her death, disability, resignation, or removal as permitted by these bylaws or applicable law and upon the certification of the election of his or her successor by the secretary of the Utility District in accordance with these bylaws.

Section 5. Board members are elected by mail ballot. Ballots will be mailed to all Qualified Electors five (5) days after the Annual Meeting and must be returned within thirty days (30). Qualified Elector candidates have thirty (30) days prior to the Annual Meeting to submit in writing their declaration of candidacy. The secretary of the Utility District will oversee the tabulation and certification of the results of any election of members to the Board.

Section 6. The Board elects annually from among its members a chairperson; a vice chairperson; a secretary; and a treasurer. Such election shall occur at the first meeting of the Board following the certification of any election by the secretary and, in any year without an election, at the meeting of the Board in the month of September.

Section 7. A Board member who misses four (4) consecutive monthly meetings of the Board may be removed from membership on the Board by a majority vote of the remaining Board members.

Section 8. In the event of a vacancy on the Board, the Board will select an eligible candidate to fill the vacancy until the next Annual Meeting.

Section 9. Board members serve without compensation for attending scheduled and special meetings.

Section 10. Approval of the Board shall be required for all employment contracts with executive employees of the Utility District and the adoption of all employee benefit plans, including fringe benefits, for employees of the Utility District.

Section 11. Annual operating and capital budgets for the Utility District will be approved by the Board and presented at the Annual Meeting.

## **ARTICLE V – MEETINGS**

Section 1. The annual meeting of the Utility District ("Annual Meeting") will be held on a Saturday in August in each year, the specific date to be determined by the Board. Notice of the time and location of the Annual Meeting will be mailed to each Qualified Elector not less than sixty (60) days prior to the Annual Meeting. The meeting time and location will be posted according the

requirements of Rhode Island law governing meetings of public bodies, including without limitation chapter 42-46 of the Rhode Island General Laws (the “Open Meetings Regulations”), and will also be published in The Block Island Times.

Section 2. A monthly meeting of the Board of the Utility District will be held on ~~the fourth (4<sup>th</sup>) Tuesday of each month at a time~~ *dates to be decided during the January Board meeting. The meeting dates will be published on the annual meeting calendar which will be listed on the Secretary of State’s and Utility District’s websites. The time, location and agenda will be* posted forty-eight hours prior to the meeting.

Section 3. Special Meetings may be scheduled at the discretion of the Chairperson. The date, time, and location will be posted forty-eight (48) hours prior to the meeting. If an emergency meeting is required, the Board will follow the open meetings regulations for posting such a meeting.

Section 4. All meetings held by the Utility District are subject to the Open Meetings Regulations.

Section 5. On those issues requiring member approval, fifteen (15) Qualified Electors shall constitute a quorum. In the event that a quorum should not be reached at a meeting, the Board of Utility District the meeting will be rescheduled for another vote by the Qualified Electors.

Section 6. A Qualified Elector must present an appropriate *form of identification* in order to vote at any annual or special meeting.

## **ARTICLE VI – MONEY OF THE UTILITY DISTRICT**

Section 1. All moneys of the Utility District shall be paid to the Office of the Treasurer of the Utility District.

Section 2. Money shall be deposited into separate bank account or accounts established with the approval of the Board.

Section 3. All deposits of money shall be secured by obligations of the United States and/or the State of Rhode Island as required by the Act. The market value of the securities shall not be less than the amount of the deposits.

Section 4. Money in accounts shall be paid out with the approval of the Office of the Treasurer through normal banking practices.

## **ARTICLE VII – CODE OF CONDUCT**

Section 1. No Board member shall directly or indirectly engage or participate in proceeds of any contract or agreement to supply anything of value to or receive anything of value from the Utility District. This prohibition may be waived by a vote of four (4) of the commissioners if, and only if, the Board first obtains an opinion from the attorney general and/or the Rhode Island Ethics Commission based on full disclosure of all relevant facts that the waiver does not contravene state law and is in the best interests of the consumers served by the Utility District.

Section 2. The Board shall adopt a Conflict of Interest Policy. In the event that the Board is to make a decision that will result in a conflict between the interests of the Utility District and thinterests of an individual member of the Board, such member shall inform the Board of such conflict and shall abstain from voting on such decision. The Board may request a ruling from the Attorney General of the State of Rhode Island or RI Ethics Commission on any perceived conflict, and that ruling will be definitive.

### **ARTICLE VIII – INDEMNIFICATION**

Section 1. This Utility District shall indemnify each current and former member of the Board, officer, manager, employee or agent, including, without limitation, members of Board committees who are not Board members, against expenses, including attorneys' fees, judgements, fines, and amounts paid in settlement actually and reasonably incurred, to the fullest extent of Rhode Island law, if:

- a. He or she conducted himself or herself in good faith; and
- b. He or she reasonably believed in the case of conduct in his or her official capacity with the Utility District, that his or her conduct was in its best interests and
- c. In all other cases, that his or her conduct was at least not opposed to its best interests and in the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful.

Section 2. A director is not indemnified under Section 1 in respect to any proceeding charging improper personal benefit to him or her, whether or not involving action in his or her official capacity, in which he or she has been adjudged to be liable on the basis that personal benefit was improperly received by him or her.

### **ARTICLE IX – BYLAWS**

Section 1. These bylaws may be altered, amended and repealed and new bylaws adopted by the members of the Board at a regular or special meeting of the Board; provided, however, that prior to taking any such action, the Board shall provide notice of its intention to alter, amend, repeal, or adopt new bylaws and schedule a public hearing not less than thirty (30) days prior to adopting any such alteration, amendment, repeal or new adoption to describe the proposed change and take comment from Qualified Electors and members of the Board.

Approved: **ADD APPROVAL DATE**

**AGENDA ITEM 4**  
**APPROVE REGULAR MEETING MINUTES**  
**JANUARY 23, 2021**



# DRAFT

## Block Island Utility District

January 23, 2021

11:00 AM

HELD REMOTELY VIA ZOOM DUE TO COVID-19 AND TOWN OF NEW SHOREHAM  
EMERGENCY ORDER

### Minutes

Participating BOD Members Present via ZOOM: Barbara MacMullan, Everett Shorey, Bill Penn, Mary Jane Balser and Elliot Taubman (who joined at 11:27).

Also Present: President Jeffery Wright, Renee Meyers (from BI Times) and members David Lewis and Chris Warfel.

Board Chair Barbara MacMullan called the meeting to order at 11:02 AM.

#### 1. Public Input

- Chris Warfel thanked President Jeffery Wright for his assistance with the St Andrews Parish net metering system. He stated that the metering solution for this project was straight-forward, but he still feels some other projects may present harder to solve metering challenges.
- Chris Warfel voiced some outstanding concerns:
  - i. He would like to see correspondence be a standing meeting agenda item.
  - ii. He still doesn't see contact information for the commissioners listed on the website.
  - iii. He voiced his concern with not being able to see his SmartHub data online.

#### 2. Commissioner's Report

- Board Chair Barbara MacMullan presented an annual meeting calendar for discussion. A brief discussion took place regarding the dates and milestones listed. Barbara moved to approve the calendar as presented. Mary Jane Balser seconded the motion and the motion pass unanimously.
- Chair MacMullan presented two by-laws change proposals.
  - i. Article V – Section 2. The current language states that a monthly meeting of the Board of the Utility District will be held on the fourth Tuesday of each month. After discussion it was agreed to change the language as proposed:

*A monthly meeting of the Board of the Utility District shall be held on dates to be decided during the January Board meeting. The meeting dates will published on the annual meeting calendar which will be listed on the*

*Secretary of State's and Utility District's websites.*

- ii. Article V – Section Article 5 – Section 6. This section contains an incomplete sentence, and a correction is needed as proposed:

A qualified Elector must present an appropriate <form of identification> in order to vote at any annual or special meeting.

A motion was made by Barbara MacMullan to present these two changes at the February meeting for approval, seconded by Bill Penn. The motion passed unanimously.

**3. Approve Meeting Minutes from the November 21, 2020 and December 12, 2020 meetings.**

- Everett Shorey moved to approve both sets of minutes as presented. The motion was seconded by Mary Jane Balser and was passed unanimously.

**4. Receive and Act on Treasurer's Report**

- Treasurer Bill Penn reported that he had reviewed the disbursement through November, and all were in accordance with the financial policies and procedures.
- Bill presented the financials through the end November 2020.
- Bill reported that the audit team was engaged and on track to meet BIUD's audit milestone dates.
- Barbara MacMullan moved to approve the Treasurer's Report. The motion was seconded by Mary Jane Balser and the motion passed unanimously.

**5. Receive and Act on President's Report**

- President Jeffery Wright presented his update – on record.
- Barbara MacMullan moved to approve the President's Report. The motion was seconded by Mary Jane Balser and the motion passed unanimously.

**6. Receive and Act on DOE Grant Opportunity and BIUD/RI-OER Partnership**

- Jeffery Wright presented a DOE grant concept paper that OER had written with his assistance. He asked that the BOD approve the concept paper so that it could be sent to DOE for consideration. A discussion was had pertaining to scope, funding, soliciting additional support.
- Everett Shorey moved to approve the concept paper with some minor edits (noted). Elliot Taubman seconded the motion, and it was approved unanimously.

**7. Receive Update on Energy Efficiency (EE) Plan**

- Jeffery Wright presented the existing EE plan (on record) which went into effect June 1, 2020. He asked BOD members and meeting attendees to review it and be prepared to make suggested changes to it in the February meeting.
- He reported that OER and Johnson Consulting were making some edits based on it being the second plan year and that those would be presented for consideration in the February meeting.

- He reported that the filing was due before the end of March along with the SO/Transmission and Procurement Plan filing and that he would ask for final BOD approval in the March meeting.

**8. Review and Act Upon Final House Drawings for HDC Submittal**

- Jeffery Wright presented the final set of house drawings, on record, for submission to HDC.
- After a brief discussion it was agreed upon to submit the front, rear and side elevations showing the full-length porch, the foundation drawing and the site plan.
- Eliot Taubman moved to approve the drawings for submittal in the next week. Everett Shorey seconded the motion, and it was approved unanimously.

Everett Shorey moved to adjourn the meeting at 2:20 PM, seconded by Bill Penn. The motion passed unanimously and the meeting was adjourned.

APPROVED: \_\_\_\_\_

POSTED: \_\_\_\_\_

**AGENDA ITEM 5**  
**RECEIVE AND ACT ON TREASURES REPORT**

**Block Island Utility District**  
**Balance Sheet**  
**December 31, 2020**

**ASSETS**

	December 30, 2020	December 30, 2019
<b><u>Property and Equipment</u></b>		
Land	\$ 867,685.78	\$ 867,685.78
Buildings	604,167.64	550,224.70
Machinery & Equipment	1,923,142.83	1,973,972.46
Distribution System	3,096,468.63	2,550,275.09
Office System, Furniture & Fixture	288,964.68	288,964.68
Transportation Equipment	47,104.63	19,945.60
Construction Work in Progress-Distribution	92,430.11	544.08
Total Property and Equipment	6,919,964.30	6,251,612.39
Total Accumulated Depreciation	<497,265.79>	<199,831.62>
<i>Net Utilities Plant</i>	6,422,698.51	6,051,780.77
<b><u>Current Assets</u></b>		
Cash - Main Checking	891,396.39	593,714.23
Cash - Sweep Acct	40,510.36	140,394.77
Accounts Receivable Elect	50,660.11	80,861.94
Allowance For Bad Debt	(9,251.56)	(19,587.93)
Accounts Receivable-Other	4,500.00	12,408.50
AR-Cash due from BIPCo	0.00	14,601.55
AR-Blackrock Acct due from BIPCo	0.00	97,961.90
Unbilled Revenue	329,424.18	251,177.00
Plant Material & Operation	339,381.55	204,809.47
Fuel Inventory	46,122.55	45,439.02
Prepaid Expenses	70,988.53	29,828.80
Total Current Assets	1,763,732.11	1,451,609.25
<b><u>Deferred Assets</u></b>		
Def. Regulatory Asset-retiremt	176,133.95	202,750.88
Def. Regulatory Asset-Eng.Res	0.00	0.00
Def. Regulatory Asset-RateCase	136,697.78	106,838.77
Def.Regulatory Asset-Interconnection	95,975.43	141,517.76
Total Deferred Assets	408,807.16	451,107.41
Total Assets	\$ 8,595,237.78	\$ 7,954,497.43

**Block Island Utility District**  
**Balance Sheet**  
**December 31, 2020**

**LIABILITIES AND CAPITAL**

	December 30, 2020	December 30, 2019
<b><i>Current Liabilities</i></b>		
Accounts Payable Trade	\$ 381,216.52	\$ 345,456.47
RI Renewable Fund Payable	2,775.87	0.00
A/P - Customer Deposits	92,029.13	72,171.32
Accrued Purchase Power Expenses	116,682.07	194,028.25
Accrued Other Expenses	61,152.39	27,075.39
DSI Surcharge Payable	0.00	11,744.80
Capital Fund	0.00	0.00
PPP Loan	149,837.00	0.00
Accrued Payroll and Withholdings	0.00	5,498.15
Total Current Liabilities	803,692.98	655,974.38
<b><i>Deferred Credits</i></b>		
Deferred Revenue	328,389.04	125,127.40
SOLAR RESTRICTED ACCOUNT	0.00	0.00
VOLTAGE CONVERSION RESTRICTED	58,700.40	0.00
SCR & Engine Maint Reserve	0.00	380,714.63
Total Deferred Credits	387,089.44	505,842.03
<b><i>Long-Term Liabilities</i></b>		
Line of Credit	0.00	0.00
Retirement Obligations	176,133.95	202,750.88
CFC Acquisition LOAN	5,669,183.51	5,774,311.13
Total Long-Term Liabilities	5,845,317.46	5,977,062.01
Total Liabilities	7,036,099.88	7,138,878.42
<b><i>Capital</i></b>		
Retained Earnings	815,619.01	(24,050.53)
Net Income	743,518.89	839,669.54
Total Capital	1,559,137.90	815,619.01
Total Liabilities & Capital	\$ 8,595,237.78	\$ 7,954,497.43

Block Island Utility District  
Income Statement  
For the Twelve Months Ending December 31, 2020

	Current Month Actual	Current Month Prior Year	Year to Date Actual	Year to Date Budget
<b>Revenues</b>				
<u>Revenue from Rates</u>				
Residential Sales	\$ 41,762.31	\$ 25,740.71	\$ 981,116.24	\$ 869,196.00
Commercial Sales	4,545.79	12,581.28	187,592.36	277,728.00
Demand Electric	26,979.36	43,666.05	923,191.56	973,355.00
Public Authority	-	7,760.64	31,166.93	35,805.00
Street Lighting	584.03	584.03	7,008.36	7,008.36
Customer Charge	22,680.00	26,326.07	290,982.16	296,946.00
Demand - All Rates	26,578.49	12,033.18	237,122.59	245,361.00
Efficiency Charges	-	-	56,388.36	56,063.00
System Charge	-	-	92,275.00	91,375.00
RI Renewable Fund	(2,521.97)	-	-	4,258.05
<u>Other Revenue from Operations</u>	-	-	-	-
Grant Revenue-Solar Project	-	-	329,885.00	-
Biller Penalty (Interest on Delinquent Accts)	-	1,423.23	6,566.25	21,378.00
Rent - Antennas	22,491.68	9,314.19	230,300.16	226,699.56
Rent - Tower	800.00	800.00	7,200.00	9,600.00
Rent - Property	4,600.00	6,497.54	33,400.00	28,800.00
Misc. Income (Misc., Interest & Connections)	2,279.38	125.83	103,415.29	3,827.00
<b>Total Revenues</b>	<b>150,779.07</b>	<b>146,852.75</b>	<b>3,517,610.26</b>	<b>3,147,399.97</b>
<b>Expenses</b>				
Total Generation-Operating Expense	13,617.71	10,937.07	168,667.02	223,170.00
Total Generation-Maintenance Expense	3,481.07	4,753.72	94,483.45	174,700.00
Total Distribution-Operating Expense	26,937.60	19,640.78	208,691.62	342,271.00
Total Distribution-Maintenance Expense	16,327.95	15,852.31	275,769.35	363,395.00
Total Customer Accounts/Customer Service	7,332.67	4,867.02	69,521.72	66,754.00
Total Administrative/General Expenses	133,383.92	40,121.21	1,381,727.44	1,067,687.00
Total Depreciation Expenses	53,201.17	21,647.00	297,434.17	-
Total Interest Exp on Line & Long- term debt	49,144.22	50,486.12	204,434.99	184,455.00
Total Miscellaneous Expense	607.92	585.59	8,098.86	122,676.00
Total Taxes	6,309.66	17,781.84	65,262.75	60,383.00
<b>Total Expenses</b>	<b>310,343.89</b>	<b>186,672.66</b>	<b>2,774,091.37</b>	<b>2,605,491.00</b>
<b>Net Profit Before Fuel Rev./Exp.</b>	<b>(159,564.82)</b>	<b>(39,819.91)</b>	<b>743,518.89</b>	<b>541,908.97</b>
<u>Fuel Expenses/(Revenue)</u>				
Fuel/Standard Offer/Transmission income	(161,334.86)	(144,682.50)	(2,386,025.04)	(2,016,543.00)
Purchase Power Expenses	268,281.42	383,962.52	2,197,280.14	1,963,590.00
Net SO/TC due to ratepayers	(106,946.56)	(239,280.02)	188,744.90	52,953.00
<i>Net Fuel Expense/(Revenue)</i>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Income</b>	<b>\$ (159,564.82)</b>	<b>\$ (39,819.91)</b>	<b>\$ 743,518.89</b>	<b>\$ 541,908.97</b>
<u>Reserves Expenditures</u>				
Remove Depreciation Adj (A)	(53,201.17)	(21,647.00)	(297,434.17)	-
Debt Service Principal (includes CAT)	-	-	105,127.49	113,604.00
Inventory Purchased	15,558.57	2,738.08	172,271.53	93,000.00
Proceeds from Solar fund Utilized for Capital	(7,811.89)	-	(7,811.83)	-
Capital Exp - Work In Progress	178,125.94	8,023.81	921,048.00	369,441.00
Capital Exp - Distrib Work	-	-	-	-
Capital Exp - Other Assets	-	-	-	-
<b>Total Reserve for Exp.</b>	<b>132,671.45</b>	<b>(10,885.11)</b>	<b>893,201.02</b>	<b>576,045.00</b>
<b>Net Income Cash Budgetary Basis</b>	<b>\$ (292,236.27)</b>	<b>\$ (28,934.80)</b>	<b>\$ (149,682.13)</b>	<b>\$ (34,136.03)</b>



Block Island Utility District  
Supplemental Information Statement  
For the Twelve Months Ending December 31, 2020

	December 2020	December 2019	YTD December 2020	YTD December 2019
<b>Rate Revenues</b>				
Residential Sales	\$ 41,762.31	\$ 25,740.71	\$ 981,116.24	\$ 618,282.08
Commercial Sales	4,545.79	12,581.28	187,592.36	209,129.07
Demand Electric	26,979.36	43,666.05	923,191.56	1,192,467.44
Public Authority	-	7,760.64	31,166.93	150,188.93
Street Lighting	584.03	584.03	7,008.36	7,003.15
Customer Charge	22,680.00	26,326.07	290,982.16	313,857.75
Demand - All Rates	26,578.49	12,033.18	237,122.59	410,341.27
System Charge	-	-	92,275.00	77,369.12
<b>Total Revenues</b>	<b>123,129.98</b>	<b>128,691.96</b>	<b>2,750,455.20</b>	<b>2,978,638.81</b>
	-4.32%		-7.66%	
<b>Rate Revenues -KWH Usage</b>				
Residential Sales	466,618	282,865	5,654,141	3,825,990
Commercial Sales	42,464	67,205	1,635,270	1,809,312
Demand Electric	337,242	399,688	5,526,910	6,640,587
Public Authority	-	77,446	972,263	1,705,895
<b>Total Revenues</b>	<b>846,324</b>	<b>827,204</b>	<b>13,788,584</b>	<b>13,981,784</b>
	2.31%		-1.38%	
<b>Rate Revenues -Customer Counts</b>				
Residential Sales	1,611	1,262	17,201	15,369
Commercial Sales	196	286	7,149	7,485
Demand Electric	146	360	6,436	7,935
Public Authority	-	33	5,088	5,437
<b>Total Revenues</b>	<b>1,953</b>	<b>1,941</b>	<b>35,874</b>	<b>36,226</b>

	December 2020	December 2019	YTD December 2020	YTD December 2019
<b>Payroll</b>				
<b>Capital Exp - Work In Progress</b>				
Capitalized Labor	\$ 21,981.66	\$ 7,580.98	\$ 136,044.04	\$ 149,879.17
<b>Generation-Maintenance Expense</b>				
Inside Maintenance			-	3,816.00
Maint of Station Equipment	8,948.80	9,620.34	137,000.98	129,923.45
<b>Distribution-Operating Expense</b>				
Overhead lines	937.24	6,921.16	18,318.61	51,093.56
<b>Distribution-Maintenance Expense</b>				
Overhead Lines	15,461.32	11,285.24	178,446.96	89,105.14
tree trimming			2,115.43	-
<b>Customer Accounts/Customer Service</b>				
Records & Collections	7,399.70	4,487.00	63,010.56	61,109.80
<b>Administrative/General Expenses</b>				
Vacation Pay	6,633.60	-	44,630.66	26,118.44
Holidays worked	6,537.12	2,974.72	25,677.28	17,571.92
Holidays not worked	13,925.85	-	13,925.85	-
Sick Leave	790.08	1,167.44	9,302.14	33,516.49
Personal time	150.38	675.44	3,790.39	3,816.68
CEO Salary	18,183.90	13,637.93	162,308.52	153,937.77
<b>Total</b>	<b>\$ 100,949.65</b>	<b>\$ 58,350.25</b>	<b>\$ 794,571.42</b>	<b>\$ 719,888.42</b>

**AGENDA ITEM 6**  
**REVIEW AND ACT UPON CFC LINE OF CREDIT RENEWAL**

## CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, **Elliot Taubman**, do hereby certify that (i) I am the Secretary of BLOCK ISLAND UTILITY DISTRICT (hereinafter called the "District"); (ii) the following are true and correct copies of resolutions duly adopted by the board of directors of the District at a meeting held on **February 27, 2021**; (iii) the meeting was duly and regularly called and held in accordance with the State of Rhode Island General Laws and the bylaws of the District; (iv) the District is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the District; (v) none of the following resolutions has been rescinded or modified as of this date; and (vi) the persons authorized below have been duly elected or appointed to their respective positions:

RESOLVED, that the District apply to establish a line of credit and authorize borrowing from National Rural Utilities Cooperative Finance Corporation ("CFC") in an amount which shall not at any one time exceed \$670,000.00 (the "Line of Credit Amount"), subject to the provisions of a Line of Credit Agreement, in such form as the persons authorized herein may negotiate with CFC (the "Line of Credit Agreement"); and,

RESOLVED, that if such application is approved by CFC the individuals listed below are hereby authorized to negotiate, to execute and to deliver to CFC the following documents:

- a) the Line of Credit Agreement; and
- b) if required by CFC, an amended, restated or supplemental mortgage, security agreement and financing statement with CFC as mortgagee for purposes of securing the loan provided for herein, in such form as the individuals authorized herein may negotiate with CFC.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the District to negotiate, to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Line of Credit Agreement as such individual may deem appropriate within the Line of Credit Amount so authorized, and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name (typed or printed)</u>
<u>President</u>	<u>Jeffery M. Wright</u>
<u>Board Chair</u>	<u>Barbara A. MacMullan</u>
<u>Treasurer</u>	<u>William J. Penn</u>

IN WITNESS WHEREOF I have hereunto set my hand as of the date shown below.

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

**AGENDA ITEM 7**  
**RECEIVE AND ACT ON PRESIDENTS REPORT**

## **PRESIDENT'S UPDATE**

### **FEBRUARY 27, 2021**

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#### Standard Offer/Transmission Over-Collections Update

The DPUC has sent comments to the PUC recommending the issue of BIUD's over-collections be addressed in our upcoming Standard Offer and Transmission filing. Our recommendations to create a restricted reserve account and retiring the DSI sur-charge early will be decided on in the April hearing. The DPUC memo is included after this page.

#### Energy Procurement

We need to include our next energy contract in our upcoming Standard Offer filing. Our current contract expires October 31, 2021. Pending approval of this item, I have ENE scheduled to conduct an energy solicitation on Monday March 1<sup>st</sup>. We will ask Shell, PSEG and BP to submit pricing for a load following contract needed to fill our need beginning on November 1, 2021.

The past contracts are listed below for reference:

LOAD FOLLOWING CONTRACTS					
Term			Supply Percentage	Supplier	Price
Start	End	Length			
May 1, 2017	October 31, 2018	18 Months	100%	Shell	
November 1, 2018	April 30, 2020	18 Months	100%	Shell	
May 1, 2020	October 31, 2021	18 Months	90%	Shell	
November 1, 2021	April 30, 2022	18 Months	90% / 80%	TBD	TBD
EXECUTED RENEWABLE CONTRACTS					
September 1, 2019	August 30, 2025	6 Years	10.0%	NYPA	
January 1, 2023	December 31, 2043	20 Years	1.8%	Gravel Pit	
January 1, 2023	December 31, 2048	25 Years	1.8%	Gravel Pit	
January 1, 2022	December 31, 2030	10 Years	9.7%	Cabot/Turners Falls	

I will consider approval of my President's update as authorization to execute another 18-month load following contract at a price not to exceed . The resource percentage will be variable (starting at 90%) to accommodate the start date of the Cabot/Turner Falls start date of January 1, 2022.

#### Legislative Update

There are several bills that are, or may be, of interest to BIUD this year. I have included the bills in the following pages to facilitate a discussion regarding our involvement.



## STATE OF RHODE ISLAND

### DIVISION OF PUBLIC UTILITIES & CARRIERS

Accounting Section  
89 Jefferson Boulevard  
Warwick, Rhode Island 02888  
(401) 941-4500  
(401) 941-9248 – Fax

### Memorandum

**To:** L. Massaro  
Commission Clerk

**From:** Al Contente *A.C.*  
Division of Public Utilities and Carriers

**Date:** February 16, 2021

**Re:** Docket 4690 – Block Island Utility District – Standard Offer Service and Transmission Rates

---

On December 7, 2020 the Block Island Utility District (“BIUD” or the “Company”) filed a report on the status of the standard offer and transmission balances in this docket. The report showed a projected combined over-recovery of approximately \$240,000 as of April 2021, which is the end of the current reconciliation period.

The majority of the over-recovery occurred during the summer months due to higher than anticipated sales. The Division has been in periodic contact with the Company and was aware of the rather sizable over-recovery, however the Division did not advocate for an interim rate change due to the seasonality of sales and the related customer base. In its filing, the Company also recommended against an interim rate adjustment and stated in support of its position that “. . . on a matching standpoint any benefit from this overcollection should be done in a summer period since this is the period when the overcollection was derived.”

The Company included in its filing two proposals related to the use of the projected over-recovery. However, because the Division is not advocating for an interim change, we recommend that any decision related to the disposition of the over-recovery be deferred and addressed as part of the upcoming reconciliation which is scheduled to be filed in March for rates effective May 1, 2021.



STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- LONG-TERM CONTRACTING  
STANDARD FOR RENEWABLE ENERGY

Introduced By: Representative Blake Anthony Filippi

Date Introduced: February 05, 2021

Referred To: House Environment and Natural Resources

It is enacted by the General Assembly as follows:

SECTION 1. Section 39-26.1-7 of the General Laws in Chapter 39-26.1 entitled "Long-Term Contracting Standard for Renewable Energy" is hereby amended to read as follows:

**39-26.1-7. Town of New Shoreham project.**

(a) The general assembly finds it is in the public interest for the state to facilitate the construction of a small-scale offshore wind demonstration project off the coast of Block Island, including an undersea transmission cable that interconnects Block Island to the mainland in order to: position the state to take advantage of the economic development benefits of the emerging offshore wind industry; promote the development of renewable energy sources that increase the nation's energy independence from foreign sources of fossil fuels; reduce the adverse environmental and health impacts of traditional fossil fuel energy sources; and provide the town of New Shoreham with an electrical connection to the mainland. To effectuate these goals, and notwithstanding any other provisions of the general or public laws to the contrary, the town of New Shoreham project, its associated power purchase agreement, transmission arrangements, and related costs are authorized pursuant to the process and standards contained in this section. The Narragansett Electric Company is hereby authorized to enter into an amended power purchase agreement with the developer of offshore wind for the purchase of energy, capacity, and any other environmental and market attributes, on terms that are consistent with the power purchase agreement that was filed with the commission on December 9, 2009, in docket 4111, and

1 amendments changing dates and deadlines, provided that the pricing terms of such agreement are  
2 amended as more fully described in subsection (e) of this section, in addition to other amendments  
3 that are made to take into account the provisions of this section as amended since the filing of the  
4 agreement in docket 4111. Any amendments shall ensure that the pricing can only be lower, and  
5 never exceed, the original pricing included in the power purchase agreement that was reviewed in  
6 docket 4111. The demonstration project subject to the amended power purchase agreement shall  
7 include up to (but not exceeding) eight (8) wind turbines with aggregate nameplate capacity of no  
8 more than thirty megawatts (30 MW), even if the actual capacity factor of the project results in the  
9 project technically exceeding ten megawatts (10 MW).

10 (b) The amended power purchase agreement shall be filed with the public utilities  
11 commission. Upon the filing of the amended power purchase agreement, the commission shall open  
12 a new docket. The commission shall allow the parties to docket 4111 to become parties in the new  
13 docket who may file testimony within fifteen (15) days of the filing of the amended agreement.  
14 The commission shall allow other interventions on an expedited basis, provided they comply with  
15 the commission standards for intervention. The developer shall provide funding for the economic  
16 development corporation to hire an expert experienced in power markets, renewable energy project  
17 financing, and power contracts who shall provide testimony regarding the terms and conditions of  
18 the power purchase agreement to assist the commission in its review, provided that the developer  
19 shall be precluded from influencing the choice of expert, which shall be in the sole discretion of  
20 the economic development corporation. This testimony shall be filed within twenty (20) days after  
21 the filing of the amended power purchase agreement. The parties shall have the right to respond to  
22 the testimony of this expert through oral examination at the evidentiary hearings. The commission  
23 shall hold one public comment hearing within five (5) days after the filing of the expert testimony.  
24 Evidentiary hearings shall commence no later than thirty (30) days from the filing of the amended  
25 power purchase agreement.

26 (c) The commission shall review the amended power purchase agreement, taking into  
27 account the state's policy intention to facilitate the development of a small offshore wind project in  
28 Rhode Island waters, while, at the same time, interconnecting Block Island to the mainland. The  
29 commission shall review the amended power purchase agreement and shall approve it if:

30 (1) The amended agreement contains terms and conditions that are commercially  
31 reasonable;

32 (2) The amended agreement contains provisions that provide for a decrease in pricing if  
33 savings can be achieved in the actual cost of the project pursuant to subsection (e) of this section;

34 (3) The amended agreement is likely to provide economic development benefits, including:

1 facilitating new and existing business expansion and the creation of new renewable energy jobs;  
2 the further development of Quonset Business Park; and, increasing the training and preparedness  
3 of the Rhode Island workforce to support renewable energy projects; and

4 (4) The amended power purchase agreement is likely to provide environmental benefits,  
5 including the reduction of carbon emissions. An advisory opinion on the findings of economic  
6 benefit set forth in subsection (c)(3) shall be provided by the Rhode Island economic development  
7 corporation and an advisory opinion on the environmental benefits set forth in subsection (c)(4)  
8 shall be filed by the Rhode Island department of environmental management. The advisory  
9 opinions shall be filed with the commission within twenty (20) days of the filing of the amended  
10 power purchase agreement. The commission shall give substantial deference to the factual and  
11 policy conclusions set forth in the advisory opinions in making the required findings.  
12 Notwithstanding any other provisions of the general laws to the contrary, for the purposes of this  
13 section, "commercially reasonable" shall mean terms and pricing that are reasonably consistent  
14 with what an experienced power market analyst would expect to see for a project of a similar size,  
15 technology and location, and meeting the policy goals in subsection (a).

16 (d) The commission shall issue a written decision to accept or reject the amended power  
17 purchase agreement, without conditions, no later than forty-five (45) days from the filing of the  
18 amended power purchase agreement, without delay or extension of the timeframes contained in  
19 this section. Any review of the commission's decision shall be according to chapter 5 of this title,  
20 and the supreme court shall advance any proceeding under this section so that the matter is afforded  
21 precedence on the calendar and shall be heard and determined with as little delay as possible. The  
22 provisions of § 39-26.1-4 and the provisions of subsections (b), (c), (d), and (f) of § 39-26.1-5 shall  
23 apply, and all costs incurred in the negotiation, administration, enforcement, transmission  
24 engineering associated with the design of the cable, and implementation of the project and  
25 agreement shall be recovered annually by the electric distribution company in electric distribution  
26 rates. The pricing under the agreement shall not have any precedential effect for purposes of  
27 determining whether other long-term contracts entered into pursuant to this chapter are  
28 commercially reasonable.

29 (e) Cap and lower price. (i) The amended power purchase agreement subject to subsection  
30 (a) of this section shall provide for terms that shall decrease the pricing if savings can be achieved  
31 in the actual cost of the project, with all realized savings allocated to the benefit of ratepayers. (ii)  
32 The amended power purchase agreement shall also provide that the initial fixed price contained in  
33 the signed power purchase agreement submitted in docket 4111 shall be the maximum initial price,  
34 and any realized savings shall reduce such price. After making any such reduction to the initial

1 price based on realized savings, the price for each year of the amended power purchase agreement  
2 shall be fixed by the terms of said agreement. (iii) The amended power purchase agreement shall  
3 require that the costs of the project shall be certified by the developer. An independent third party  
4 acceptable to the division of public utilities and carriers shall, within thirty (30) days of this  
5 certification by the developer, verify the accuracy of such costs at the completion of the  
6 construction of the project. The reasonable costs of this verification shall be paid for by the  
7 developer. Upon receipt of third-party verification, the division shall notify the Narragansett  
8 Electric Company of the final costs. The public utilities commission shall reduce the expense to  
9 ratepayers consistent with a verified reduction in the project costs.

10 (f) The project shall include a transmission cable between the town of New Shoreham and  
11 the mainland of the state. The electric distribution company, at its option, may elect to own, operate,  
12 or otherwise participate in such transmission cable project. The electric distribution company,  
13 however, has the option to decline to own, operate, or otherwise participate in the transmission  
14 cable project. The electric distribution company may elect to purchase the transmission cable and  
15 related facilities from the developer or an affiliate of the developer, pursuant to the terms of a  
16 transmission facility's purchase agreement negotiated between the electric distribution company  
17 and the developer or its affiliate, an unexecuted copy of which shall be provided to the division of  
18 public utilities and carriers for the division's consent to execution. The division shall have twenty  
19 (20) days to review the agreement. If the division independently determines that the terms and  
20 pricing of the agreement are reasonable, taking into account the intention of the legislature to  
21 advance the project as a policy-making matter, the division shall provide its written consent to the  
22 execution of the transmission facilities purchase agreement. Once written consent is provided, the  
23 electric distribution company and its transmission affiliate are authorized to make a filing with the  
24 Federal Energy Regulatory Commission to put into effect transmission rates to recover all of the  
25 costs associated with the purchase of the transmission cable and related facilities and the annual  
26 operation and maintenance. The revenue requirement for the annual cable costs shall be calculated  
27 in the same manner that the revenue requirement is calculated for other transmission facilities in  
28 Rhode Island for local network service under the jurisdiction of the Federal Energy Regulatory  
29 Commission. The division shall be authorized to represent the state of Rhode Island in those  
30 proceedings before the Federal Energy Regulatory Commission, including the authority to enter  
31 into any settlement agreements on behalf of the state to implement the intention of this section. The  
32 division shall support transmission rates and conditions that allow for the costs related to the  
33 transmission cable and related facilities to be charged in transmission rates in a manner that  
34 socializes the costs throughout Rhode Island. [All interconnection and standby transformer costs](#)

1 which have been and may be incurred by National Grid or by the electric distribution company or  
2 by the Block Island Power Company or its successor shall also be charged in transmissions rates in  
3 a manner that socializes the costs throughout Rhode Island. National Grid or the electric distribution  
4 company shall reimburse the Block Island Power Company or its successor for any and all funds  
5 expended by the Block Island Power Company or its successor in connection with the  
6 interconnection and standby transformer costs and National Grid shall socialize all costs of this  
7 reimbursement throughout Rhode Island as set forth herein. The amendment to this section shall be  
8 retroactive to June 15, 2010. Should the electric distribution company own, operate, and maintain  
9 the cable, the annual costs incurred by the electric distribution company, directly or through  
10 transmission charges, shall be recovered annually through a fully reconciling rate adjustment from  
11 customers of the electric distribution company and/or from the Block Island Power Company or its  
12 successor, subject to any federal approvals that may be required by law. The allocation of the costs  
13 related to the transmission cable through transmission rates or otherwise shall be structured so that  
14 the estimated impact on the typical residential customer bill for transmission costs for customers in  
15 the town of New Shoreham shall be higher than the estimated impact on the typical residential  
16 customer bill for customers on the mainland of the electric distribution company. This higher  
17 charge for the customers in the town of New Shoreham shall be developed by allocating the actual  
18 cable costs based on the annual peak demands of the Block Island Power Company and the electric  
19 distribution company, and these resultant costs recovered in the per-KWh charges of each company.  
20 In any event, the difference in the individual charge per KWh or per customer/month shall not  
21 exceed the ratio of average demand to peak demand for Block Island Power Company, relative to  
22 the electric distribution company, currently at 1.8 to 1.0 respectively. To the extent that any state  
23 tariffs or rates must be put into effect in order to implement the intention of this section, the public  
24 utilities commission shall accept filings of the same and shall approve them.

25 (g) Any charges incurred by the Block Island Power Company, or its successor pursuant to  
26 this section, or other costs incurred by the Block Island Power Company in implementing this  
27 section, including the cost of participation in regulatory proceedings in the state or at the Federal  
28 Energy Regulatory Commission shall be recovered annually in rates through a fully reconciling  
29 rate adjustment, subject to approval by the commission. If the electric distribution company owns,  
30 operates, or otherwise participates in the transmission cable project, pursuant to subsection (f) of  
31 this section, the provisions of § 39-26.1-4 shall not apply to the cable cost portion of the town of  
32 New Shoreham project.

33 (h) Any contract entered into pursuant to this section shall count as part of the minimum  
34 long-term contract capacity.

1           (i) If the electric distribution company elects not to own the transmission cable, the  
2 developer may elect to do so directly, through an affiliate, or a third party and the power purchase  
3 agreement pricing shall be adjusted to allow the developer, an affiliate, or a third party, to recover  
4 the costs (including financing costs) of the transmission facilities, subject to complying with the  
5 terms as set forth in the power purchase agreement between the developer and the electric  
6 distribution company.

7           SECTION 2. This act shall take effect upon passage and shall be retroactive to June 15,  
8 2010.

=====  
LC000997  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO PUBLIC UTILITIES AND CARRIERS -- LONG-TERM CONTRACTING  
STANDARD FOR RENEWABLE ENERGY

\*\*\*

1           This act would clarify that all interconnection and standby transformer costs are to be  
2   socialized by National Grid throughout the state of Rhode Island, retroactive to June 15, 2010. It  
3   would further provide that National Grid or the electric distribution company shall reimburse the  
4   Block Island Power Company or its successor for any and all funds expended by the Block Island  
5   Power Company or its successor in connection with all interconnection and standby transformer  
6   costs.

7           This act would take effect upon passage.

=====  
LC000997  
=====



STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

Introduced By: Senator V. Susan Sosnowski

Date Introduced: January 19, 2021

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

SECTION 1. Section 39-26.4-3 of the General Laws in Chapter 39-26.4 entitled "Net Metering" is hereby amended to read as follows:

**39-26.4-3. Net metering.**

(a) The following policies regarding net metering of electricity from eligible net-metering systems and community remote-net-metering systems and regarding any person that is a renewable self-generator shall apply:

(1)(i) The maximum, allowable capacity for eligible net-metering systems, based on nameplate capacity, shall be ten megawatts (10 MW), effective sixty (60) days after passage. The aggregate amount of net metering in the [Block Island Utility District doing business as](#) Block Island Power Company and the Pascoag Utility District shall not exceed ~~three percent (3%)~~ [a maximum percentage](#) of peak load for each utility district [as set by the utility district based on its operational characteristics, subject to commission approval](#); and

(ii) Through December 31, 2018, the maximum, aggregate amount of community remote-net-metering systems built shall be thirty megawatts (30 MW). Any of the unused MW amount after December 31, 2018, shall remain available to community remote-net-metering systems until the MW aggregate amount is interconnected. After December 31, 2018, the commission may expand or modify the aggregate amount after a public hearing upon petition by the office of energy resources. The commission shall determine within six (6) months of such petition being docketed by the commission whether the benefits of the proposed expansion exceed the cost. This aggregate

1 amount shall not apply to any net-metering financing arrangement involving public entity facilities,  
2 multi-municipal collaborative facilities, educational institutions, the federal government,  
3 hospitals, or nonprofits. By June 30, 2018, the commission shall conduct a study examining the  
4 cost and benefit to all customers of the inclusion of the distribution charge as a part of the net-  
5 metering calculation.

6 (2) For ease of administering net-metered accounts and stabilizing net-metered account  
7 bills, the electric-distribution company may elect (but is not required) to estimate for any twelve-  
8 month (12) period:

9 (i) The production from the eligible net-metering system or community remote-net-  
10 metering system; and

11 (ii) Aggregate consumption of the net-metered accounts at the eligible net-metering-system  
12 site or the sum of the consumption of the eligible credit-recipient accounts associated with the  
13 community remote-net-metering system, and establish a monthly billing plan that reflects the  
14 expected credits that would be applied to the net-metered accounts over twelve (12) months. The  
15 billing plan would be designed to even out monthly billings over twelve (12) months, regardless of  
16 actual production and usage. If such election is made by the electric-distribution company, the  
17 electric-distribution company would reconcile payments and credits under the billing plan to actual  
18 production and consumption at the end of the twelve-month (12) period and apply any credits or  
19 charges to the net-metered accounts for any positive or negative difference, as applicable. Should  
20 there be a material change in circumstances at the eligible net-metering system site or associated  
21 accounts during the twelve-month (12) period, the estimates and credits may be adjusted by the  
22 electric-distribution company during the reconciliation period. The electric-distribution company  
23 also may elect (but is not required) to issue checks to any net-metering customer in lieu of billing  
24 credits or carry-forward credits or charges to the next billing period. For residential-eligible net-  
25 metering systems and community-remote-net-metering systems twenty-five kilowatts (25 kw) or  
26 smaller, the electric-distribution company, at its option, may administer renewable net-metering  
27 credits month to month allowing unused credits to carry forward into the following billing period.

28 (3) If the electricity generated by an eligible net-metering system or community remote-  
29 net-metering system during a billing period is equal to, or less than, the net-metering customer's  
30 usage at the eligible net-metering-system site or the sum of the usage of the eligible credit-recipient  
31 accounts associated with the community remote-net-metering system during the billing period, the  
32 customer shall receive renewable net-metering credits, that shall be applied to offset the net-  
33 metering customer's usage on accounts at the eligible net-metering-system site, or shall be used to  
34 credit the eligible credit-recipient's electric account.

1           (4) If the electricity generated by an eligible net-metering system or community remote-  
2 net-metering system during a billing period is greater than the net-metering customer's usage on  
3 accounts at the eligible net-metering-system site or the sum of the usage of the eligible credit-  
4 recipient accounts associated with the community remote-net-metering system during the billing  
5 period, the customer shall be paid by excess renewable net-metering credits for the excess  
6 electricity generated up to an additional twenty-five percent (25%) beyond the net-metering  
7 customer's usage at the eligible net-metering-system site, or the sum of the usage of the eligible  
8 credit-recipient accounts associated with the community remote net-metering system during the  
9 billing period; unless the electric-distribution company and net-metering customer have agreed to  
10 a billing plan pursuant to subdivision (2).

11           (5) The rates applicable to any net-metered account shall be the same as those that apply  
12 to the rate classification that would be applicable to such account in the absence of net-metering,  
13 including customer and demand charges, and no other charges may be imposed to offset net-  
14 metering credits.

15           (b) The commission shall exempt electric-distribution company customer accounts  
16 associated with an eligible, net-metering system from back-up or standby rates commensurate with  
17 the size of the eligible net-metering system, provided that any revenue shortfall caused by any such  
18 exemption shall be fully recovered by the electric-distribution company through rates.

19           (c) Any prudent and reasonable costs incurred by the electric-distribution company  
20 pursuant to achieving compliance with subsection (a) and the annual amount of any renewable net-  
21 metering credits or excess, renewable net-metering credits provided to accounts associated with  
22 eligible net-metering systems or community remote-net-metering systems, shall be aggregated by  
23 the distribution company and billed to all distribution customers on an annual basis through a  
24 uniform, per-kilowatt-hour (kwh) surcharge embedded in the distribution component of the rates  
25 reflected on customer bills.

26           (d) The billing process set out in this section shall be applicable to electric-distribution  
27 companies thirty (30) days after the enactment of this chapter.

28           SECTION 2. This act shall take effect upon passage.

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LC000421  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

\*\*\*

1           This act would amend the maximum peak load of allowable capacity for the net metering  
2   systems in the Block Island Utility District and the Pascoag Utility District to not exceed a  
3   maximum peak load set by the utility district based on its operational characteristics, subject to  
4   commission approval.

5           This act would take effect upon passage.

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LC000421  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

Introduced By: Representative Blake Anthony Filippi

Date Introduced: February 12, 2021

Referred To: House Corporations

It is enacted by the General Assembly as follows:

SECTION 1. Section 39-26.4-3 of the General Laws in Chapter 39-26.4 entitled "Net Metering" is hereby amended to read as follows:

**39-26.4-3. Net metering.**

(a) The following policies regarding net metering of electricity from eligible net-metering systems and community remote net-metering systems and regarding any person that is a renewable self-generator shall apply:

(1)(i) The maximum allowable capacity for eligible net-metering systems, based on nameplate capacity, shall be ten megawatts (10 MW), effective sixty (60) days after passage. The aggregate amount of net metering in the [Block Island Utility District doing business as](#) Block Island Power Company and the Pascoag Utility District shall not exceed ~~three percent (3%)~~ [a maximum percentage](#) of peak load for each utility district [as set by the utility district based on its operational characteristics, subject to commission approval](#); and

(ii) Through December 31, 2018, the maximum aggregate amount of community remote net-metering systems built shall be thirty megawatts (30 MW). Any of the unused MW amount after December 31, 2018, shall remain available to community remote net-metering systems until the MW aggregate amount is interconnected. After December 31, 2018, the commission may expand or modify the aggregate amount after a public hearing upon petition by the office of energy resources. The commission shall determine within six (6) months of such petition being docketed by the commission whether the benefits of the proposed expansion exceed the cost. This aggregate

1 amount shall not apply to any net-metering financing arrangement involving public entity facilities,  
2 multi-municipal collaborative facilities, educational institutions, the federal government,  
3 hospitals, or nonprofits. By June 30, 2018, the commission shall conduct a study examining the  
4 cost and benefit to all customers of the inclusion of the distribution charge as a part of the net-  
5 metering calculation.

6 (2) For ease of administering net-metered accounts and stabilizing net-metered account  
7 bills, the electric distribution company may elect (but is not required) to estimate for any twelve-  
8 month (12) period:

9 (i) The production from the eligible net-metering system or community remote net-  
10 metering system; and

11 (ii) Aggregate consumption of the net-metered accounts at the eligible net-metering system  
12 site or the sum of the consumption of the eligible credit-recipient accounts associated with the  
13 community remote net-metering system, and establish a monthly billing plan that reflects the  
14 expected credits that would be applied to the net-metered accounts over twelve (12) months. The  
15 billing plan would be designed to even out monthly billings over twelve (12) months, regardless of  
16 actual production and usage. If such election is made by the electric distribution company, the  
17 electric distribution company would reconcile payments and credits under the billing plan to actual  
18 production and consumption at the end of the twelve-month (12) period and apply any credits or  
19 charges to the net-metered accounts for any positive or negative difference, as applicable. Should  
20 there be a material change in circumstances at the eligible net-metering system site or associated  
21 accounts during the twelve-month (12) period, the estimates and credits may be adjusted by the  
22 electric distribution company during the reconciliation period. The electric distribution company  
23 also may elect (but is not required) to issue checks to any net-metering customer in lieu of billing  
24 credits or carry-forward credits or charges to the next billing period. For residential-eligible net-  
25 metering systems and community remote net-metering systems twenty-five kilowatts (25 KW) or  
26 smaller, the electric distribution company, at its option, may administer renewable net-metering  
27 credits month to month allowing unused credits to carry forward into the following billing period.

28 (3) If the electricity generated by an eligible net-metering system or community remote  
29 net-metering system during a billing period is equal to, or less than, the net-metering customer's  
30 usage at the eligible net-metering system site or the sum of the usage of the eligible credit-recipient  
31 accounts associated with the community remote net-metering system during the billing period, the  
32 customer shall receive renewable net-metering credits, that shall be applied to offset the net-  
33 metering customer's usage on accounts at the eligible net-metering system site, or shall be used to  
34 credit the eligible credit-recipient's electric account.

1           (4) If the electricity generated by an eligible net-metering system or community remote  
2 net-metering system during a billing period is greater than the net-metering customer's usage on  
3 accounts at the eligible net-metering system site or the sum of the usage of the eligible credit-  
4 recipient accounts associated with the community remote net-metering system during the billing  
5 period, the customer shall be paid by excess renewable net-metering credits for the excess  
6 electricity generated up to an additional twenty-five percent (25%) beyond the net-metering  
7 customer's usage at the eligible net-metering system site, or the sum of the usage of the eligible  
8 credit-recipient accounts associated with the community remote net-metering system during the  
9 billing period; unless the electric distribution company and net-metering customer have agreed to  
10 a billing plan pursuant to subsection (a)(2).

11           (5) The rates applicable to any net-metered account shall be the same as those that apply  
12 to the rate classification that would be applicable to such account in the absence of net metering,  
13 including customer and demand charges, and no other charges may be imposed to offset net-  
14 metering credits.

15           (b) The commission shall exempt electric distribution company customer accounts  
16 associated with an eligible net-metering system from back-up or standby rates commensurate with  
17 the size of the eligible net-metering system, provided that any revenue shortfall caused by any such  
18 exemption shall be fully recovered by the electric distribution company through rates.

19           (c) Any prudent and reasonable costs incurred by the electric distribution company  
20 pursuant to achieving compliance with subsection (a) and the annual amount of any renewable net-  
21 metering credits or excess renewable net-metering credits provided to accounts associated with  
22 eligible net-metering systems or community remote net-metering systems, shall be aggregated by  
23 the distribution company and billed to all distribution customers on an annual basis through a  
24 uniform, per-kilowatt-hour (KWh) surcharge embedded in the distribution component of the rates  
25 reflected on customer bills.

26           (d) The billing process set out in this section shall be applicable to electric distribution  
27 companies thirty (30) days after the enactment of this chapter.

28           SECTION 2. This act shall take effect upon passage.

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LC001632  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

\*\*\*

1           This act would amend the maximum peak load of allowable capacity for the net metering  
2   systems in the Block Island Utility District and the Pascoag Utility District to not exceed a  
3   maximum peak load set by the utility district based on its operational characteristics, subject to  
4   commission approval.

5           This act would take effect upon passage.

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LC001632  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - 2021 ACT ON CLIMATE

Introduced By: Representatives Carson, Cortvriend, Blazejewski, Kazarian, Ruggiero,  
Donovan, Speakman, Knight, McEntee, and Alzate

Date Introduced: February 10, 2021

Referred To: House Environment and Natural Resources

It is enacted by the General Assembly as follows:

SECTION 1. The title of Chapter 42-6.2 of the General Laws entitled "Resilient Rhode Island Act of 2014 - Climate Change Coordinating Council" is hereby amended to read as follows:

~~CHAPTER 42-6.2~~

~~Resilient Rhode Island Act of 2014 - Climate Change Coordinating Council~~

CHAPTER 42-6.2

2021 ACT ON CLIMATE

SECTION 2. Sections 42-6.2-1, 42-6.2-2, 42-6.2-3, 42-6.2-7 and 42-6.2-8 of the General Laws in Chapter 42-6.2 entitled "Resilient Rhode Island Act of 2014 - Climate Change Coordinating Council" are hereby amended to read as follows:

**42-6.2-1. Creation -- Members.**

There is hereby established within the executive branch of state government a Rhode Island executive climate change coordinating council (the "council") comprised of officials from state agencies with responsibility and oversight relating to assessing, integrating, and coordinating climate change efforts. The council shall include, but not be limited to, the following members: the director of the department of environmental management; the executive director of the coastal resources management council; the director of the department of administration; the director of the department of transportation; the director of the department of health; the director of the emergency management agency; the commissioner of the office of energy resources; the director of the division of planning; the executive director of the Rhode Island infrastructure bank; the

[administrator of the division of public utilities and carriers; the chief executive officer of the Rhode Island public transit authority;](#) and the ~~chief executive officer~~ [secretary](#) of the Rhode Island commerce corporation.

**42-6.2-2. Purpose of the council.**

(a) The council shall have the following duties:

(1) Assess, integrate, and coordinate climate change efforts throughout state agencies to reduce emissions, strengthen the resilience of communities [and infrastructure](#), and prepare for the effects on climate change, including, but not limited to, coordinating vulnerability assessments throughout state government;

(2)(i) No later than ~~December 31, 2017~~ [December 31, 2025, and every five \(5\) years thereafter](#), submit to the governor and general assembly ~~a~~ [an updated plan, following an opportunity for public comment](#), that includes strategies, programs, and actions to meet [economy-wide enforceable](#) targets for greenhouse gas emissions reductions as follows:

(A) Ten percent (10%) below 1990 levels by 2020;

(B) Forty-five percent (45%) below 1990 levels by ~~2035~~ [2030](#);

(C) Eighty percent (80%) below 1990 levels by ~~2050~~ [2040](#);

[\(D\) Net-zero emissions by 2050.](#)

~~(D)~~[\(E\)](#) The plan shall also include procedures and [public](#) metrics for periodic measurement, not less frequently than once every five (5) years, of progress necessary to meet these targets and for evaluating the possibility of meeting higher targets through cost-effective measures.

(ii) The plan shall specifically study the effectiveness of the state and/or multi-state carbon pricing program to incentivize institutions and industry to reduce carbon emissions. The study shall include the effectiveness of allocating revenues generated from such carbon pricing program to fund enhanced incentives to institutions and industry for targeted efficiency measures; projected emissions reductions; economic impact to businesses; any economic benefits to Rhode Island; and impacts to the state's economic competitiveness if the program were implemented.

[\(iii\) The plan shall address in writing the annual input that is provided to the council by its advisory board, as set forth in § 42-6.2-4, and its science and technical advisory board, as set forth in § 42-6.2-5, in their reports to the council.](#)

[\(iv\) If a plan directs an agency to promulgate regulations, then the agency must do so by either issuing an advance notice of proposed rulemaking, as set forth in § 42-35-2.5, no later than six \(6\) months after the plan is released or by issuing a notice of proposed rulemaking, as set forth in § 42-35-2.7, no later than one year after the plan is released, unless the plan specifies another timeframe for an advance notice of rulemaking or a notice of rulemaking.](#)

1           (v) The plan shall: include an equitable transition to climate compliance for environmental  
2 justice populations, redress past environmental and public health inequities, and include a process  
3 where the interests of people from populations most vulnerable to the effects on climate change  
4 and at risk of pollution, displacement, energy burden, and cost may provide input on the plan.

5           (vi) The plan shall identify support for workers during this equitable transition to address  
6 inequity in the state by creating quality and family-sustaining clean energy jobs that pay wages and  
7 benefits consistent with or that exceed area wage and labor standards. The plans shall provide for  
8 the development of programs that directly recruit, train, and retain those underrepresented in the  
9 workforce, including women, people of color, indigenous, veterans, formerly incarcerated people,  
10 and people living with disabilities.

11           (3) Advance the state's understanding of the effects on climate change including, but not  
12 limited to, sea level rise, coastal and shoreline changes, severe weather events, critical infrastructure  
13 vulnerability, food security, and ecosystem, economic, and health impacts, including the effects of  
14 carbon pollution on children's health;

15           (4) Identify strategies to prepare for these effects and communicate them to Rhode  
16 Islanders, including strategies that incentivize businesses, institutions, and industry to adapt to  
17 climate change;

18           (5) Work with municipalities to support the development of sustainable and resilient  
19 communities;

20           (6) Identify and leverage federal, state, and private funding opportunities for emission  
21 reduction and climate change preparedness and adaption work in Rhode Island;

22           (7) Advise the governor, the general assembly, and the public on ways to ensure that Rhode  
23 Island continues to be a national leader in developing and implementing strategies that effectively  
24 address the challenges on climate change;

25           (8) Work with other New England states to explore areas of mutual interest to achieve  
26 common goals; and

27           (9) Identify and facilitate opportunities to educate the public about climate change and  
28 efforts throughout state agencies and municipalities to address climate change.

29           (b) The council is encouraged to utilize the expertise of Rhode Island universities and  
30 colleges in carrying out the duties described in subsection (a) of this section, specifically to ensure  
31 that the state's efforts to mitigate and adapt to climate change are based on the best available  
32 scientific and technical information, and to optimize the contribution by the universities and  
33 colleges of their expertise and experience in research, analysis, modeling, mapping, applications to  
34 on-the-ground situations, technical assistance, community outreach, and public education.

1           **42-6.2-3. Support for the council.**

2           To support the council's work, state agencies shall:

3           (1) Assist the council in implementing the provisions of this chapter;

4           (2) Develop short-and long-term greenhouse gas emission reduction strategies and track  
5 the progress of these strategies;

6           (3) ~~To~~ Lead by example and, to the maximum extent feasible, purchase alternative fuel,  
7 hybrid, and electric vehicles that produce lower total emissions of greenhouse gases and develop  
8 programs to encourage state employees to reduce their vehicle miles and use sustainable  
9 transportation alternatives, including public transit systems;

10          (4) Implement programs to achieve energy savings in state and municipal buildings to  
11 reduce greenhouse gases, reduce expenditures on energy, and stimulate economic and job  
12 development;

13          (5) Increase the deployment of in-state generation of renewable energy and energy  
14 efficiency;

15          (6) Support efforts to expand Rhode Island's green economy and develop green  
16 infrastructure;

17          (7) Assess the vulnerability of infrastructure and natural systems, including, but not limited  
18 to, roads, bridges, dams, and wastewater and drinking water treatment facilities, and riverine and  
19 coastal habitats, to impacts on climate change and ~~recommend~~ implement strategies to protect and  
20 adapt these assets;

21          (8) Work with relevant academic institutions and federal agencies to assess the threats of  
22 sea level rise, erosion and storm surge, and communicate these assessments and threats, along with  
23 potential tools to address them, to state agencies and affected communities;

24          (9) Develop plans, policies, and solutions based on the latest science to ensure the state  
25 continues to have a vibrant coastal economy, including protection of critical infrastructure, and a  
26 vibrant and resilient food system that can provide affordable access to healthy food for all Rhode  
27 Islanders;

28          (10) ~~Develop a climate and health profile report that documents the range of~~ Address  
29 recommendations to reduce health impacts associated with climate change and ~~identifies~~ protect  
30 the ~~most vulnerable~~ populations most vulnerable to the effects on climate change and at risk of  
31 pollution, displacement, energy burden, and cost;

32          (11) Encourages municipalities to incorporate climate change adaptation into local hazard  
33 mitigation plans and, when feasible, into hazard mitigation projects; ~~and~~

34          (12) Take affirmative steps to eliminate and avoid duplication of effort through consistent

1 coordination between agencies and programs, and pooling of resources, so as to make the most  
2 cost-efficient use of the state resources and provide the most effective services-; and

3 (13) Foster public transparency by developing public metrics and an online public  
4 dashboard that will track both emissions reductions and sources of energy consumed by the state.  
5 Metrics and the dashboard will be updated at least annually.

6 **42-6.2-7. Reporting.**

7 No later than May 1, 2015, and annually thereafter, the council shall issue a report of its  
8 findings, recommendations, and progress on achieving the purposes and requirements of this  
9 chapter.

10 **42-6.2-8. Powers and duties of state agencies -- Exercise of existing authority.**

11 ~~Consideration of~~ Addressing the impacts on climate change shall be deemed to be within  
12 the powers, ~~and~~ duties, and obligations of all state departments, agencies, commissions, councils,  
13 and instrumentalities, including quasi-public agencies, and each shall ~~be deemed to have and to~~  
14 exercise among its purposes in the exercise of its existing authority, the purposes set forth in this  
15 chapter pertaining to climate change mitigation, ~~adaption~~ adaptation, and resilience in so far as  
16 climate change affects ~~the~~ its mission, duties, responsibilities, projects, or programs ~~of the entity.~~  
17 Each agency shall have the authority to promulgate rules and regulations necessary to meet the  
18 greenhouse gas emission reduction mandate established by § 42-6.2-9.

19 SECTION 3. Chapter 42-6.2 of the General Laws entitled "Resilient Rhode Island Act of  
20 2014 - Climate Change Coordinating Council" is hereby amended by adding thereto the following  
21 sections:

22 **42-6.2-9. Statewide greenhouse gas emission reduction mandate.**

23 Mandatory targets for emissions reduction:

24 It is hereby established that the state shall reduce its statewide greenhouse gas emissions  
25 to the targets set forth in § 42-6.2-2(a)(2)(i), as those targets may be from time to time revised, and  
26 that achieving those targets shall be mandatory under the provisions of this chapter. The targets at  
27 the time of the enactment of this act are that greenhouse gas emissions shall be ten percent (10%)  
28 below 1990 levels by 2021, shall be forty-five percent (45%) below 1990 levels by 2030; eighty  
29 percent (80%) below 1990 levels by 2040, and shall be net-zero emissions by 2050.

30 **42-6.2-10. Enforcement.**

31 (a) The provisions of this chapter may be enforced by means of an action in the superior  
32 court seeking either injunctive relief, a declaratory judgment, a writ of mandamus or any  
33 combination thereof. No such action may be commenced without the plaintiff providing written  
34 notice of the violations of this chapter to defendants at least sixty (60) days prior to filing a legal

1 action in superior court. No such action shall be brought before 2025.

2 (b) Venue for such actions shall be proper in the superior court of and for Providence

3 county.

4 (c) All persons shall have standing to commence such enforcement actions.

5 (d) Reasonable attorneys' fees shall be recoverable by all substantially prevailing plaintiffs

6 who seek relief under this section.

7 **42-6.2-11. Liberal construction.**

8 This chapter, being necessary for the welfare of the state and its inhabitants, shall be

9 liberally construed so as to effectuate its purposes.

10 **42-6.2-12. Severability.**

11 If any clause, sentence, paragraph, section, or part of this chapter shall be adjudged by any

12 court of competent jurisdiction to be invalid, that judgment shall not affect, impair, or invalidate

13 the remainder of the chapter but shall be confined in its operation to the clause, sentence, paragraph,

14 section, or part directly involved in the controversy in which that judgment shall have been

15 rendered.

16 SECTION 4. This act shall take effect upon passage.

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LC001259  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO STATE AFFAIRS AND GOVERNMENT - 2021 ACT ON CLIMATE

\*\*\*

- 1           This act would establish a statewide greenhouse gas emission reduction mandate.
- 2           This act would take effect upon passage.

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LC001259

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - COMPOSITION OF FIRE DISTRICT AND PUBLIC UTILITY DISTRICT BOARDS OF COMMISSIONERS

Introduced By: Representative David J. Place

Date Introduced: February 11, 2021

Referred To: House Corporations

It is enacted by the General Assembly as follows:

SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 160

COMPOSITION OF FIRE DISTRICT AND PUBLIC UTILITY DISTRICT BOARDS OF COMMISSIONERS

**42-160-1. Fire districts.**

Any individual receiving a pension from the state of Rhode Island shall be allowed to serve in any capacity on fire district boards or commissions. No compensation of one thousand dollars (\$1,000) or less or hours worked for said compensation shall be reported to any agency of the state except for the purposes of taxation.

**42-160-2. Block Island utility district.**

The Block Island utility district created by chapter 67 of title 45 shall allow any individual receiving a pension from the state of Rhode Island to serve in any capacity on its board of utility commissioners. No compensation of one thousand dollars (\$1,000) or less or hours worked for said compensation shall be reported to any agency of the state except for the purposes of taxation.

**42-160-3. Pascoag utility district.**

The Pascoag utility district created by chapter 58 of title 45 shall allow any individual receiving a pension from the state of Rhode Island to serve in any capacity on its board of utility



1 [commissioners. No compensation of one thousand dollars \(\\$1,000\) or less or hours worked for said](#)  
2 [compensation shall be reported to any agency of the state except for the purposes of taxation.](#)

3 SECTION 2. This act shall take effect upon passage.

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LC001518  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO STATE AFFAIRS AND GOVERNMENT - COMPOSITION OF FIRE  
DISTRICT AND PUBLIC UTILITY DISTRICT BOARDS OF COMMISSIONERS

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- 1
- This act would allow any individual receiving a pension from the state of Rhode Island to
- 2
- serve on fire district boards, the Block Island utility board, and the Pascoag utility district board.
- 3
- Additionally, no compensation of one thousand dollars (\$1,000) or less or hours worked would be
- 4
- reported to any state agency, except for tax purposes.
- 5
- This act would take effect upon passage.

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LC001518  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - TERMINATION OF SERVICE TO RESTAURANTS

Introduced By: Representatives Morgan, and Nardone

Date Introduced: February 05, 2021

Referred To: House Corporations

It is enacted by the General Assembly as follows:

SECTION 1. Title 39 of the General Laws entitled "PUBLIC UTILITIES AND CARRIERS" is hereby amended by adding thereto the following chapter:

CHAPTER 1.3

TERMINATION OF SERVICE TO RESTAURANTS

**39-1.3-1. Termination of service.**

(a) No public utility that distributes electricity or supplies natural or manufactured gas, electric, water, sewer, cable or telephone service shall terminate service to any restaurant for failure to pay an outstanding indebtedness for service, without first complying with all rules and regulations for termination issued by the commission.

(b) During a declared state of emergency issued by the governor pursuant to the provisions of § 30-15-9, the commission shall exercise its emergency powers granted pursuant to § 39-1-32 to suspend the payment of all bills for service rendered to restaurants during the declared emergency until the state of emergency is terminated by the governor or the general assembly.

**39-1.3-2. Collection of debt.**

(a) Upon termination of the state of emergency, the commission shall authorize the collection of the debt from restaurants by the public utilities in the third month after the restaurants are allowed to operate at one hundred percent (100%) capacity with pre-emergency closing times for service.

1           **(b) The collection plan shall consist of a thirty-six (36) month interest free payment plan**  
2 **for restaurants to repay the past amount due as well as pay their current charges for services**  
3 **rendered.**

4           **39-1.3-3. Applicability.**

5           **This chapter shall apply retroactively to the declared state of emergency issued by the**  
6 **governor during March, 2020 as well as prospectively to all declared state of emergencies.**

7           SECTION 2. This act shall take effect upon passage and apply retroactively to March,  
8 2020.

=====  
LC001058  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO PUBLIC UTILITIES AND CARRIERS - TERMINATION OF SERVICE TO  
RESTAURANTS

\*\*\*

1           This act would authorize the public utilities commission during declared state of  
2 emergencies issued by the governor to utilize its emergency powers to suspend all utility charges  
3 rendered to restaurants until the termination of the emergency. This act would also provide a thirty-  
4 six (36) month interest free repayment plan for restaurants to make payments to reduce the past  
5 amount due as well as the current charges commencing three (3) months after the termination of  
6 the emergency.

7           This act would take effect upon passage and apply retroactively to March, 2020.

=====  
LC001058  
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- DUTIES OF UTILITIES AND CARRIERS

Introduced By: Representatives Fogarty, Carson, Cortvriend, Donovan, Ajello, Kazarian, Hull, Abney, and Amore

Date Introduced: February 10, 2021

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1           SECTION 1. Chapter 39-2 of the General Laws entitled "Duties of Utilities and Carriers"  
2 is hereby amended by adding thereto the following section:

3           **39-2-26. Reliable and high quality utility service.**

4           (a) Every electric transmission company and electric distribution company as defined in §  
5 39-1-2 shall promulgate and implement written guidelines and procedures for periodic inspection  
6 of each category of its equipment. Electric transmission and distribution companies shall establish  
7 inspection procedures for at least the following categories of equipment: meters, transformers,  
8 switching and protective devices, regulators and capacitors, overhead and underground cables and  
9 conductors, and wooden and other poles which carry cables, electrical conductors and apparatus.

10          (b) Every electric distribution and electric transmission company shall provide the public  
11 utilities division with a periodic summary report on the status of each category of equipment  
12 inspected. The division shall have the authority to require such additional inspections or surveys as  
13 it deems appropriate, and to review and approve the inspection plans of transmission and  
14 distribution companies. The public utilities division shall adopt final regulations regarding adoption  
15 and implementation of periodic inspection and maintenance programs by transmission and  
16 distribution companies including, but not limited to, inspection standards for the equipment  
17 categories listed in subsection (a) of this section, no later than one hundred eighty (180) days after  
18 enactment of this section.

1           (c) No later than one year after enactment of this section, the public utilities division shall  
2 complete a report on rates of outages, and service disruptions experienced by customers of  
3 transmission and distribution companies. The report shall identify those communities or areas  
4 within any company's territory that suffer above average rates of outages and service disruptions,  
5 and shall include comparisons of the rates among the several companies. For purposes of this  
6 section, "community or area" shall mean an area no greater than the size of a United States postal  
7 zone.

8           SECTION 2. This act shall take effect upon passage.

=====  
LC000200  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO PUBLIC UTILITIES AND CARRIERS -- DUTIES OF UTILITIES AND  
CARRIERS

\*\*\*

- 1           This act would require electric transmission and electric distribution companies to conduct  
2   periodic equipment inspections. Such companies would also be required to submit a periodic report  
3   to the public utilities division regarding the status of such inspections.  
4           This act would take effect upon passage.

=====  
LC000200  
=====



**AGENDA ITEM 8**  
**UPDATE ON DOE GRANT**

## Jeffery Wright

---

**From:** Trietch, Becca (DOA) <Becca.Trietch@energy.ri.gov>  
**Sent:** Wednesday, February 17, 2021 8:50 AM  
**To:** Jeffery Wright; Cleveland, Nathan (DOA); Gill, Carrie (DOA); Beland, Shauna (DOA); Tim Hebert; Edward Galvin; Brooks, Terri (DOA)  
**Subject:** RE: BI DOE Grant Application - Planning Discussion  
**Attachments:** BI Connected Communities Decision.pdf

Hi Everyone!

Sadly, DOE discouraged our application for this BI concept paper. See attached decision/notes from DOE. Therefore, I am canceling our 11am planning meeting.

Nevertheless, if you'd like to discuss the concept further, please feel free to still join the Zoom link below at 11am. OER will use this time to brainstorm potential other ways of trying to move this effort forward – though likely at a smaller scale.

Thanks,  
Becca

Join Zoom Meeting  
<https://us02web.zoom.us/j/86455706097>

Meeting ID: 864 5570 6097  
One tap mobile  
+13017158592,,86455706097# US (Washington DC) 13126266799,,86455706097#  
+US (Chicago)

Dial by your location  
+1 301 715 8592 US (Washington DC)  
+1 312 626 6799 US (Chicago)  
+1 646 558 8656 US (New York)  
+1 253 215 8782 US (Tacoma)  
+1 346 248 7799 US (Houston)  
+1 669 900 9128 US (San Jose)  
888 788 0099 US Toll-free  
833 548 0276 US Toll-free  
833 548 0282 US Toll-free  
877 853 5247 US Toll-free

Meeting ID: 864 5570 6097  
Find your local number: <https://us02web.zoom.us/j/kcxE3RSEOS>

CONCEPT PAPER DETAILS FOR FOA# DE-FOA-0002206

2206-1665: Block Island Community Smart Grid

Concept Paper Response

Response: Discouraged

Thank you for your submittal. After review of your Concept Paper, you are discouraged from submitting a full application under this Announcement. While you are not prohibited from submitting a full application, based on the Concept Paper review, your application is unlikely to be considered for funding.

Create a Full Application for this FOA

REVIEW COMMENTS

CRITERION 1: OVERALL FOA RESPONSIVENESS AND VIABILITY OF THE PROJECT

Strengths:

Weaknesses:

- It is not clear from the Concept Paper that the team has sufficient qualifications, experience, capabilities or includes the range of stakeholders necessary to successfully execute the proposed project.
- The Concept Paper did not adequately demonstrate that the Applicant has adequate access or adequate plan to obtain access to equipment and facilities necessary to complete the proposed project.
- The Concept Paper did not adequately establish the project's potential to replicate, scale, validate, advance the current state-of-the-art.
- The Concept Paper did not sufficiently outline the risks and challenges and possible mitigation strategies.
- The Concept Paper did not adequately demonstrate that EERE funding would have meaningful impact on the proposed project.
- It is not clear from the Concept Paper that the proposed work, if successfully accomplished, would clearly meet the objectives as stated in the FOA.

Submission Details

**Abstract:** This project proposal seeks to demonstrate that holistic, integrated grid planning can propel us to a new paradigm of fully networked DER and two-way grid value. In partnership with a municipal utility district, we propose a two-pronged approach to demonstrating grid value on an island with tourism-driven extreme grid peaks and high fuel costs, in which strategic deployment of PV, batteries, and electric vehicle charging infrastructure will improve grid utilization, stability, and enable thermal and transportation sector electrification and associated greenhouse gas emissions reductions. The first prong is a holistic approach to designing and implementing cost effective grid solutions that are required to modernize an antiquated electrical grid. The second prong of this proposal focuses on optimizing renewable energy supply to deliver cost-effective, clean energy.

Submission Initiated By:	Ms. Terri Brooks (terri.brooks@energy.ri.gov) on 2/9/2021 8:39:33 AM ET
Submission Submitted By:	Ms. Terri Brooks (terri.brooks@energy.ri.gov) on 2/9/2021 11:15:34 AM ET
Submission Status:	Review Complete
Topic:	Regional Pilots for Connected Communities
Lead Organization:	Rhode Island Office of Energy Resources
Organization Type:	State and/or Local Government
Lead Organization Percent Effort (1-100):	15 %
Team Members:	<ul style="list-style-type: none"><li>Cadmus Group - Large Business (30%) Address not listed Phone not listed   Fax not listed</li><li>Town of New Shoreham - State and/or Local Government (5%) Address not listed Phone not listed   Fax not listed</li><li>Block Island Utility District - State and/or Local Government (20%)</li></ul>

Address not listed  
Phone not listed | Fax not listed

- Energy New England - Large Business (30%)

Address not listed  
Phone not listed | Fax not listed

Funds and Costs:

Phase	Federal Share (DOE)	Non-Federal Share	Total Projected Costs	Proposed Cost Share Percentage
Phase 1	\$6,000,000	\$3,800,000	\$9,800,000	38.77%

Proposed Period of Performance (months): 60

Technical Point of Contact: [Becca Trietch](#)  
One Capitol Hill Providence, RI 02908  
4015749106 | Fax not listed

Business Point of Contact: [Terri Brooks](#)  
One Capitol Hill Providence, RI 02908  
4015749107 | Fax not listed

Submission Files:

Download all files

File Name	Original Submission File	Redacted Version
Concept Paper *	<a href="#">2206-1665 Rhode Island Office of Energy Resources Concept Paper</a> (2/9/2021 9:57:36 AM ET)	No File Uploaded

Share Submission

To make updates to the list of shared users allowed to edit this submission, click the Share Submission button.

EXISTING USERS WHO CAN EDIT THE SUBMISSION:

Submission Initiated By: Ms. Terri Brooks (terri.brooks@energy.ri.gov) on 2/9/2021 8:39:33 AM ET

This submission has not been shared

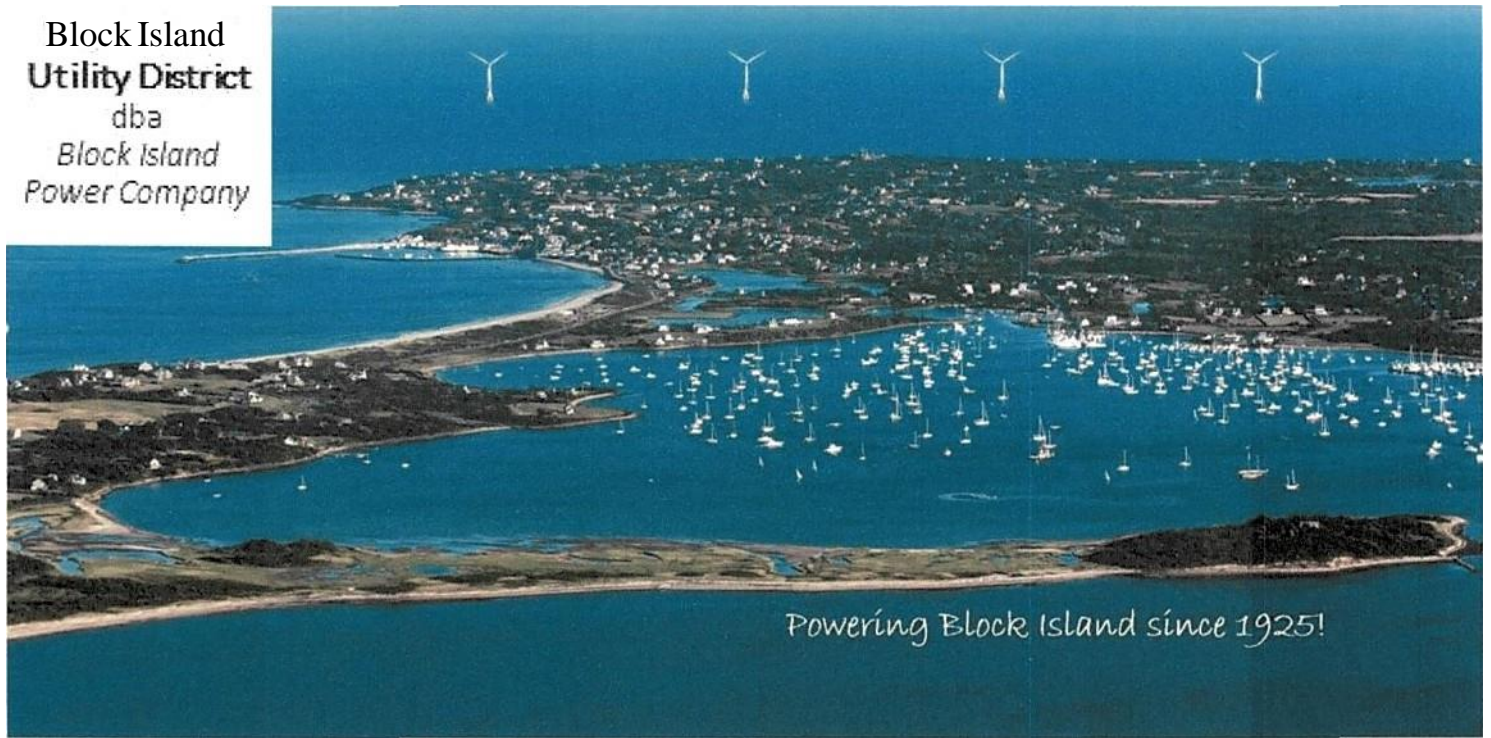
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Back

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**AGENDA ITEM 9**  
**REVIEW EFFICIENCY PLAN UPDATES**  
**(APPROVE IN MARCH MEETING)**

Block Island  
Utility District  
dba  
Block Island  
Power Company



Demand Side Management  
2021 Plan  
Docket #:

Block Island Utility District  
100 Ocean Avenue  
Block Island  
New Shoreham, RI 02807  
(401) 466-5851

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## **Block Island Utility District — 2021 Demand Side Management Plan**

### **1. Introduction and Background**

Demand side management (DSM) is important because it can provide benefits to both customers as well as the electric grid. The Block Island Utility District (BIUD, the District) is seeking to continue to offer a DSM program to provide its 1,900 customers access to energy efficiency programs that will benefit them and improve the service and reliability of the island's electric grid. A DSM program provides access and incentives for measures that allow customers to optimize their energy usage and reduce their utility bills. Reducing energy usage, particularly during peak seasons or times of day, can also have substantial benefits such as reduced grid maintenance and capital expenditures, reduced peak charges for customers, and greater service reliability.

Block Island is a unique community because of its geographic separation from the mainland and its variable, tourist-driven seasonal usage profile. The community of New Shoreham and the grid that serves it needs to be flexible enough to handle the increased summer population, as well as reliable and resilient enough to provide service to the year-round residents and businesses, even in the face of harsh winter conditions.

Given Block Island's unique size, location, and seasonal usage spike, demand management is especially important for this community and aligns with many of BIUD's goals outlined in the approved rate case filing (Docket #4975). Specifically, through the implementation of this proposed DSM plan, BIUD aims to empower its customers to make choices that help control their energy usage, reduce energy burden on customers, improve resource allocation, and encourage the adoption of innovative new technologies that maximize the benefits of Block Island's smart meters. By supporting the filing of this proposed DSM plan, the BIUD Board seeks to deliver energy efficiency program benefits to all BIUD customers.

After an initial planning period, the 2020 program (PY2020) officially launched in November 2020. As of the end of February 2021, the program completed 13 home audits, including direct installations of energy-savings measures in 11 homes. These direct installations accounted for a total of annual savings of 8,844 kWh. Of the audits performed, 12 were conducted in person and one was conducted virtually via video conference application. To date, BIUD has not received any applications for energy efficient equipment or weatherization incentives in PY2020 nor conducted any business audits or direct installations.

The 2020 program and proposed 2021 DSM plan for the Block Island Utility District build on prior energy efficiency work conducted in New Shoreham through the *Block Island Saves* pilot program. The *Block Island Saves* program ran from 2015-2017 and was administered and funded solely by the Rhode Island Office of Energy Resources. This proposed 2021 DSM plan incorporates findings from that pilot and continues several elements, such as the no-cost



assessments with direct install measures and incentives for weatherization. Based on the interest and adoption of those measures during the pilot the following proposed DSM programs include those same elements as a foundation for 2020 and 2021. The 2020 program and proposed 2021 plan also seeks to prepare New Shoreham residents for the changing energy landscape by promoting the installation of newer, highly efficient heat pump equipment, heat pump water heaters, programmable thermostats, and weatherization measures.

In combination with the recently adopted rate structure, the District feels that the adoption of heat pumps for heating and cooling needs will be an attractive option for customers that provides significant energy and cost savings. Heat pump technology is an important tool in helping BIUD smooth out the current load curve, minimize increasing summer demand caused by a growing number of air conditioning installations, and can provide opportunities for customers to reduce their overall energy burden. In addition to aligning with the District's goals for its customers, offering incentives for heat pumps can also help Rhode Island to meet its Greenhouse Gas Emission goals while ensuring that New Shoreham residents and businesses receive the same, if not enhanced, opportunities for improved comfort and energy savings as other Rhode islanders.

Block Island Utility District respectfully requests that the Public Utilities Commission (PUC) approve this 2021 Demand Side Management plan and its associated use of ratepayer funds, in its entirety, as outlined next.

## **2. DSM Categories, Proposed Budget Allocation, Cost Recovery, and Estimated Benefits**

The proposed budget for the Block Island DSM programs is broken into three major categories — Assessment and Installation, Inspection and Program Administration, and Customer Outreach.

In the Assessments & Installation category, BIUD would offer four programs: Residential energy assessments and weatherization; Residential HVAC and water heating; Business energy assessments, lighting, and weatherization; and Business HVAC and water heating. The distinction between Residential and Business programs will allow BIUD to track the distribution of costs and benefits within and between the two distinct customer segments. This budget category, overall, contains the full costs of energy assessments at homes and businesses, including the direct installation of measures such as LED lightbulbs, smart power strips, and low-flow showerheads, as well as rebates for additional measures such as weatherization and efficient HVAC equipment. As a result, the bulk of the proposed DSM budget exists within this category.

The Inspection and Program Administration category includes the cost of inspections for any residential weatherization and/or HVAC measures installed through the DSM programs, as well as any business direct install measures, weatherization, or other energy efficiency measures installed through the programs. It is important to verify the proper installation of high impact measures so customers will reap their full benefits. Further, to support insightful reporting to the Public Utilities Commission, inspection and verification is expected to enhance the accuracy of energy savings calculations, in addition to ensuring customer satisfaction and

realization of expected energy savings. The District is committed to working with vendors and other partners to find ways to drive these costs down as much as is feasible in future program years, through more efficiency program delivery, engaging more local service providers, or other ways that may present themselves as the programs mature.

The efficiency consultant assists the District in administering the DSM programs, managing the tracking and reporting of data, processing incentive rebates, and making suggestions for future program development. This consultant also assists the District in developing a cost-effectiveness framework and evaluating program performance, consistent with Docket #4600 principles and directives.

Lastly, the Customer Outreach budget category covers the costs of promoting the DSM programs. The proposed spending on program outreach will encourage BIUD customers to participate in the DSM programs, and will inform them on, how to participate and what benefits can be expected.

Using the *Block Island Saves* results, the average BIUD customer saved 2.84 MWh of electricity, 2.46 MMBtu of oil, and 1.24 MMBtu of propane annually through that program.<sup>1</sup> Based on the estimated participation numbers for the proposed 2021 DSM plan, the District estimates that this plan could deliver approximate annual savings of 115 MWh of electricity, 100 MMBtu of oil, and 50 MMBtu of propane. Actual savings numbers depend on the exact measures installed by customers and the specific fuel types they utilize, among other factors, but this provides some scope as to the significant energy benefits BIUD customers can realize through this plan.

#### A. Proposed 2021 Budget Allocations

<sup>1</sup> The 2021 plan is based on savings estimates from the *Block Island Saves* pilot, given the limited participation in PY2020. However, participation in PY2020 and the pilot appear to be consistent and comparable.

Table 2.1 Proposed 2021 DSM Plan Budget Allocations		
<u>Budget Category</u>	<u>Proposed Budget</u>	<u>Notes</u>
<u>Assessment &amp; Installation</u>		
Residential Assessments and Weatherization	\$48,550.00	Energy Assessments & Weatherization
Residential HVAC & Water Heating	\$5,500.00	Programmable Thermostats; Heat Pump Water Heaters; Heat Pump Heating & Cooling Systems; Weatherization Bonus
Business Assessments, Lighting, and Weatherization	\$27,600.00	Energy Assessments, Lighting Measures, and Weatherization
Business HVAC & Water Heating	\$5,000.00	Programmable Thermostats; Heat Pump Water Heaters; Heat Pump Heating & Cooling Systems
<b>Total</b>	<b>\$86,600.00</b>	
<u>Inspection and Program Administration</u>		
Inspection Services	\$8,100.00	Inspections for Residential Weatherization; Business Direct Install measures, Lighting, and Weatherization
Program Administration	\$19,840.00	Efficiency Consultant Services
<b>Total</b>	<b>\$27,940.00</b>	
<u>Customer Outreach</u>		
<b>Total</b>	<b>\$2,000.00</b>	Advertising in Local Publications, Bill Inserts, Online, and in Community Bulletin
<b>Total Budget</b>	<b>\$116,540.00</b>	

Recognizing the value and need for our DSM programs to be flexible and responsive to both changing societal conditions and shifts in customer demand, BIUD is proposing adjustments to how we can more ably and efficiently adjust our budget, if needed, during a program year. BIUD recognizes the Commission's authority in reviewing and approving the incentive levels and budgets for the DSM program each year and intends for these proposed modifications to increase program flexibility and customer outcomes without eroding that authority in any way.

BIUD is proposing that budget transfers during the program year may occur as follows:

**Transfers within a Sector:**

For transfers of less than 20% of the originating program's budget, BIUD can transfer funds from one program to another program in the same sector.

For transfers of 20% or more of the originating program's budget, BIUD can transfer funds from one program to another program in the same sector with the Division's prior approval. Upon seeking the Division's approval, the Company shall simultaneously notify OER.

For all transfers in a sector, BIUD will reflect changes in any applicable report (mid-year or year-end) following the transfer.

For any transfers involving Regional Greenhouse Gas Inventory (RGGI) funds, BIUD may do so within the above limits and with prior written approval from the Office of Energy Resources (OER).

#### **Transfers between Sectors:**

BIUD can transfer funds from one sector to another sector with the Division's prior approval. Upon seeking the Division's approval, the Company shall simultaneously notify OER. If a transfer reduces the originating sector's budget by more than 20% in aggregate over the course of the program year, the transfer will also require PUC approval.

For all transfers between sectors, BIUD will reflect changes in any applicable report (mid-year or year-end) following the transfer.

For any transfers involving Regional Greenhouse Gas Inventory (RGGI) funds, Pascoag may do so within the above limits and with prior written approval from the Office of Energy Resources (OER).

#### **B. Cost Recovery and Other Funding Sources**

BIUD through rate case in Docket # 4975, approved design with implications for the demand side management plan and its budget. In its proposed rate case, BIUD has suggested implementing a three-tier rate structure with peak, shoulder, and off-peak rates for all customer classes as well as an efficiency surcharge.

Through the recently approved rate case, BIUD estimates it will generate approximate revenues of \$60,000 from the efficiency surcharge during the calendar year, which will support DSM program implementation in 2021. The breakdown of efficiency surcharge collection was provided in Docket # 4975 and estimates collections as follows: \$24,000 from residential customers, \$6,000 from business customers, and \$30,000 from the general service rate, which comprises larger residential users as well as some business customers. The Office of Energy Resources will supplement the budget for the DSM programs with Regional Greenhouse Gas Initiative (RGGI) proceeds. OER has committed a total of \$180,000 in RGGI proceeds to be provided over the course of three years, beginning in 2020, to help support BIUD's DSM programming in conjunction with annual, collected efficiency surcharge monies.

### 3. Detailed Program Descriptions

#### A. Residential Offerings:

Refer to Table 2.1 for full program budget; residential subsection reproduced below.

Table 3.1 — Assessment and Installation Category — Residential Programs		
Program	Proposed Budget	Estimated Quantities & Notes
Residential Assessments and Weatherization	\$48,550.00	40Energy Assessments & 8 Weatherization
Residential HVAC	\$5,500.00	36 Programmable Thermostats; 6 Heat Pump Water Heaters; 3 Heat Pump Heating & Cooling Systems; 2 Weatherization Bonus

#### i. Home Energy Assessments

Residential energy assessments with no-cost direct install measures are critical for households to reduce energy use, lower their energy costs, and identify opportunities for additional, deeper savings. The home energy assessment is a focal point of the proposed DSM plan as it allows for the comprehensive evaluation of the residential building stock, direct installation of energy saving measures (e.g., LED light bulbs, smart power strips) and the opportunity to identify deeper savings opportunities such as weatherization or HVAC equipment upgrades.

Assessments often serve as the initial contact point for customers and what the District hopes is the start of an ongoing, beneficial relationship with the customer as they become more aware of their energy use and seek to make continual energy improvements to their home.

Each home energy assessment, conducted by a BPI-certified energy assessor, will include a whole-home evaluation, a blower door test to check for proper air sealing, a heating system safety test to check the health and safety of the equipment, and a number of direct install measures (outlined in the following section) that the assessor will install during the visit. At the conclusion of the assessment, the customer will receive a home energy action plan outlining additional energy savings measures they can implement, the estimated costs, and BIUD incentives associated with those measures, as well as information and tips on how to better manage their energy use and reduce costs. These comprehensive assessments are provided to the customer free of charge and are open to all residential BIUD customers.

ii. Direct Install Measures

As part of the Home Energy Assessments, each energy assessor will install a number of energy saving measures in each home, as needed, at no cost to the customer. The proposed 2021 DSM plan proposes the following direct install measures:

Table 3.2 — Proposed Direct Install Measures and Incentives			
Measure	Estimated Quantities	Incentive Level	Notes
LED Lightbulbs	480	Free	No limit; expect 12 per assessment
Smart Power Strips	80	Free	Maximum of 2 per assessment
Low-Flow Shower Heads	40	Free	Expect 1 per assessment
Aerator faucets	60	Free	Expect 1.5 per assessment

LED Lightbulbs — installed in place of existing incandescent or CFL bulbs throughout the home, any number of bulbs can be replaced during the assessment.

Smart Power Strips — up to two (2) smart power strips that help reduce electricity usage of devices that would otherwise be constantly using electricity.

Faucets and Showerheads — Low-flow showerheads and aerator faucets that help reduce water and energy usage; any number can be installed throughout the home during the assessment.

These low-cost measures are proven energy saving devices that provide immediate benefits to customers who have a home energy assessment completed.

### iii. Weatherization Measures

One of the outcomes BIUD expects to achieve with its proposed DSM program is to educate customers about the benefits of weatherization and to properly incentivize them to undertake these measures. Residential customers with weatherization opportunities will learn of these opportunities through the home energy action plan provided at the conclusion of the assessment, as well as given information about potential costs and incentive levels that BIUD offers.

Weatherization benefits include increased comfort to occupants year-round - warmer in the winter and cooler in the summer - as well as reduced energy usage and costs. Many homeowners deal with high energy bills year-round without realizing that proper weatherization techniques can meaningfully reduce their bills. The proposed DSM plan offers the following options as part of the weatherization program:

Table 3.3 — Proposed Weatherization Measures and Incentive Levels		
Measure	Incentive Level	Notes
Air Sealing	Up to 10 labor hours free (\$800 value) plus 40% off further sealing, up to \$2,000 in total weatherization costs	Based on pilot rebate levels and expected home energy assessment numbers
Duct Sealing		
Insulation		
Pipe Insulation		
Weatherization Bonus	\$250	For customers who insulate and install a heat pump system

**Air Sealing** — Sealing air leaks in and around windows and doors to reduce the loss of heated or conditioned air.

**Duct Sealing** — Sealing of leaks around ductwork to ensure that all heated or conditioned air enters the living spaces and is not lost in the walls/ceilings or to the outside.

**Pipe Insulation** — Improving insulation around water pipes to reduce heat loss and protect against pipe freezing during the winter months.

**Insulation** — Installing improved insulation in the walls, ceilings, and floors of the home to improve the building envelope, leading to increased comfort as heated or conditioned air remains in the home rather than escaping outside.

An additional feature for residential customers is a weatherization bonus. Customers can receive an additional \$250 rebate if they bundle insulation work alongside the installation of a heat pump heating and cooling system. BIUD is proposing to offer this bonus incentive because of the benefits that come from weatherizing a home properly, especially in conjunction with efficient operation of a heat pump system.

#### iv. HVAC Measures

The home energy action plan will also provide information to customers about opportunities to upgrade inefficient heating and cooling equipment in the home. The HVAC offerings aim to promote the adoption of high-efficiency heat pump systems for heating and cooling as well as heat pump water heaters. Electrifying heating and cooling is an important step in reducing greenhouse gas emissions and is supported by the District's recently proposed three-tier rate structure, which includes a lower winter electricity price that makes the adoption of electric heating measures more cost effective for customers. Additionally, the adoption of programmable thermostats gives residents the ability to better control and monitor their energy usage and save money.

It is proposed that incentives for the following equipment, at the following level, be offered as part of the Residential HVAC program:



<b>Table 3.4 - Proposed HYAC and Water Heater Measures and Incentives</b>				
<b>Equipment</b>	<b>Rating</b>	<b>Estimated Quantity</b>	<b>Proposed Rebate</b>	<b>Notes</b>
Central Heat Pump	<b>SEER &gt;15; HSPF 9</b>	1	\$250 per ton	Seasonal Energy Efficiency Rating (SEER) measures air conditioning and heat pump cooling efficiency. A SEER rating is a maximum efficiency rating, similar to the miles per gallon for a car.  Heating Seasonal Performance Factor (HSPF) is used to measure the efficiency of heat pumps and the higher the HSPF the more efficient the system.
Ducted or Mixed Ducted Mini-Split Heat Pump	<b>SEER &gt;15; HSPF 9</b>	1	\$250 per ton	
Ductless Mini-Split Heat Pump	<b>SEER 15; HSPF 10</b>	1	\$150 per ton	
Heat Pump Water Heaters	ENERGY STAR < 55 gallon; should have a minimum UEF of 2.00	4	\$300 rebate	Uniform Energy Factor (UEF) is a new metric for determining the energy efficiency of a water heater utilized by the Department of Energy. The higher the UEF, the greater the equipment's efficiency and the lower the energy bill.
	ENERGY STAR >55 gallon should have a <u>minimum</u> UEF of 2.70	2	\$150 rebate	Uniform Energy Factor (UEF) is a new metric for determining the energy efficiency of a water heater utilized by the Department of Energy. The higher the UEF, the greater the equipment's efficiency and the lower the energy bill.
Programmable Thermostats		36	\$25 Rebate	
*Rebate not to exceed \$750 per customer for this program (excluding thermostats).				

Block Island Utility District wants to promote the adoption of high-efficiency electric heat pumps through an incentive structure that will be based on a per-ton amount. This structure is more flexible than a flat rate amount and allows the incentive to vary appropriately with the proper sizing of heat pump systems to various home configurations and sizes. Additionally, if the newly proposed three-tier rate structure with lower winter electric rates is approved by the Commission, BIUD anticipates that the combined new rate structure and DSM incentives will drive adoption of heat pump technologies which will save customers energy and money.

Qualifying units must meet the SEER and/or HSPF ratings specified for each system type, which align with the efficiency ratings contained in the Northeast Energy Efficiency Partnerships (NEEP) cold climate heat pump specification list and is considered the industry standard for this technology.

Since the 2020 program was designed, BIUD has learned of a local philanthropist offering grants for installing residential heat pumps. Given the common goals between this offering and BIUD's program, BIUD will attempt to collaborate with this individual and support the grant offering with energy assessments and inspection activities. The program expects to be able to claim savings from this collaboration through these support services as well as encouraging trade allies that there is a critical mass of heat pump installation projects on the island to make trips cost-effective.

Alongside the incentive for heat pump-based heating and cooling systems, the District also proposes incentives for heat pump water heaters. Given the smaller variation in equipment size, associated energy savings expected, and to align closely with other Rhode Island efficiency programs, BIUD will be offering flat rate incentives of \$300 and \$150 for heat pump water heaters, based on size. Units 55 gallons and smaller use less energy than larger units and thus provide a greater opportunity for energy savings. Therefore, BIUD proposes to provide a higher incentive for these units compared to units over 55 gallons in size. Qualifying units will have a minimum uniform energy factor (UEF) of 2.0 for the smaller units and a minimum UEF of 2.7 for the larger systems. ENERGY STAR heat pump water heaters can save the average household \$330 per year and 2,690 kwh compared to a standard electric hot water heater, so these units represent a great opportunity for savings.

Because heat pump technology is still new and because the pilot program on Block Island did not include heating and cooling heat pump systems as part of the incentive structure, the District proposes capping the incentive level at \$750 per customer for these measures initially. BIUD wants to strike a balance between providing a reasonable incentive to drive adoption of this technology alongside the ability to provide some incentive to a larger number of customers who may be interested in taking advantage of this opportunity. Because there is not reliable historical data from the pilot program for these measures, setting a cap will help the District to serve both of these goals.

The District will also incentivize programmable thermostats through the residential HVAC and water heater program. Programmable thermostats are a useful piece of technology to help manage a home's energy usage efficiently and conveniently. BIUD is proposing a \$25 rebate to customers who purchase a programmable thermostat.

Customers who install weatherization or HVAC measures will be given their rebate after work has been completed and inspected. BIUD will offer rebate forms to customers both online and in person at the BIUD office and will require customers to provide proper documentation from the contractor who performed the job, in the form of a receipt or work order. Customers submitting rebates for eligible thermostats need only provide a purchase receipt as proper documentation with their rebate form. If a customer has any problems or questions regarding a rebate form, their contractor may be able to help complete relevant fields, and customers can always reach out to BIUD staff for assistance during business hours.

B. Business Offerings:

Refer to Table 2.1 for full program budget; business subsection reproduced below.

Table 3.5 — Assessment and Installation — Business Budgets		
Program	Proposed Budget	Notes
Business Assessments, Lighting, and Weatherization	\$27,600.00	Energy Assessments , Additional Lighting Measures, and Weatherization
Business HVAC & Water Heating	4,900.00	Programmable Thermostats; Heat Pump Water Heaters; Heat Pump Heating & Cooling Systems

i. Business Energy Assessments

As with the residential offerings, the initial no-cost energy assessment for business and commercial customers is a foundational focus of the proposed business DSM programs. Comprehensive evaluations of the commercial spaces of New Shoreham will be conducted by a qualified energy assessor who will also directly install measures that provide immediate savings and deliver a comprehensive energy action plan to the customer with recommendations for additional savings measures. Providing these free, no-obligation energy assessments also allows BIUD to establish an ongoing relationship with business customers as they pursue energy efficiency improvements.

Each business energy assessment, conducted by an energy assessor, will include a whole-business evaluation of the electrical equipment and thermal systems as well as directly installing screw-in LED lightbulbs, as appropriate. At the conclusion of the assessment, the customer will receive a business energy action plan outlining additional energy savings measures they can implement, the estimated costs, and BIUD incentives or rebates associated with those measures, as well as information and tips on how to better manage their energy use and reduce costs. These comprehensive assessments are provided to the customer free of charge and are open to all BIUD business customers.

The District estimates six business assessments will be conducted in the initial program year and that from those assessments' customers will pursue some additional deeper efficiency measures, be that additional lighting, weatherization, or HVAC upgrades. The District has set a budget that anticipates that half of the business customers will pursue additional measures of some kind.

ii. Direct Install and Other Lighting Measures

Table 3.6 — Proposed Business Direct Install and Other Lighting Measures and Incentives			
Measure	Estimated Quantities	Incentive Level	Notes
Screw-in LED Lightbulbs	60	Free	No limit; expect 10 per assessment
LED fixture upgrades	12	75% of costs covered	Expect an average of 2 per assessment
Lighting controls	6		Expect an average of 1 per assessment
Occupancy sensors	12		Expect an average of 2 per assessment

As part of the business energy assessments, each energy assessor will install screw-in LED lightbulbs in as many fixtures as needed throughout the property. BIUD recognizes that many business environments have different lighting needs from residential customers, and screw-in LED lightbulbs may not upgrade the entirety of the lighting for a given business, and therefore it is proposed that incentives for additional lighting measures be offered as well. Upgraded fixtures, lighting controls, and lighting sensor (such as occupancy sensors) will be listed on the energy action plan as an additional energy saving measure that customers can pursue, and approved equipment will be incentivized at 75% of total cost.

iii. Weatherization Measures

One of the outcomes BIUD expects to achieve with its proposed DSM plan is to educate customers about the benefits of weatherization and to properly incentivize them to undertake these measures. Business customers with weatherization opportunities will learn of these opportunities through the energy action plan provided at the conclusion of the energy assessment.

Weatherization benefits include increased comfort to occupants year-round - warmer in the winter and cooler in the summer - as well as reduced energy usage and costs. Many business owners deal with high energy bills year-round without realizing that proper weatherization techniques can meaningfully reduce their bills. The proposed DSM plan offers the following options as part of the business weatherization **program**:

Table 3.7 — Proposed Business Weatherization Measures and Incentive Levels		
Measure	Incentive Level	Notes
Air Sealing	Up to \$1,200 in free air sealing plus 40% off further sealing, up to \$4,200 in total weatherization costs or up to \$3,000 in insulation costs	Based on prior rebate levels and expected business energy assessment numbers
Duct Sealing		
Insulation		
Pipe Insulation		

Air Sealing — Sealing air leaks in and around windows and doors to reduce the loss of heated or conditioned air to the outside.

Duct Sealing — Sealing leaks around ductwork to ensure that all heated or conditioned air enters the living spaces and is not lost in the walls/ceilings or outside.

Pipe Insulation — Improving insulation around water pipes to reduce heat loss and protect against pipe freezing during the winter months.

Insulation — Installing improved insulation in the walls, ceilings, and floors of the home to improve the building envelope, leading to increased comfort as heated or conditioned air remains in the home rather than escaping outside.

#### iv. Business HVAC Measures

Business customers have more varied building uses and often utilize larger equipment to support their operations. In order to ensure that the business customers of BIUD have opportunities to upgrade to more efficient equipment where appropriate, incentives for the following measures are proposed:

Programmable Thermostats — programmable thermostats allow for better control of, and reduced operating costs from, heating and cooling systems. Therefore, programmable thermostats help manage a business’s energy usage efficiently and conveniently. BIUD is proposing a \$25 rebate to customers who purchase a programmable thermostat.

Heat Pump Heating and Cooling, and Heat Pump Water Heaters: As in the residential program, it is proposed to incentivize business adoption of high-efficiency heat pump systems for heating and cooling, as well as heat pump water heaters. The recently proposed three-tier rate structure with an attractive winter electricity price, if approved by the Commission, is expected to make the adoption of electric heating measures even more cost effective for customers. By offering the incentives proposed above, BIUD aims to encourage the installation of the most efficient electric heating or cooling systems.

**Table 3.8 — Proposed Business BVAC and Water Heater Measures and Incentives**

Equipment	Rating	Proposed Rebate	Notes
Central Heat Pump	<b>SEER</b> >15; <b>HSPF</b> >	\$250 per ton	Seasonal Energy Efficiency Rating (SEER) measures air conditioning and heat pump cooling efficiency. A SEER rating is a maximum efficiency rating, similar to the miles per gallon for a car.  Heating Seasonal Performance Factor (HSPF) is used to measure the efficiency of heat pumps and the higher the HSPF the more efficient the system.
Ducted or Mixed Ducted Mini-Split Heat Pump	SEER >15; HSPF E9	\$250 per ton	
Ductless Mini-Split Heat Pump	<b>SEER</b> >15; <b>HSPF</b> E10	\$150 per ton	
Heat Pump Water Heaters	ENERGY STAR E55 gallon; should have a minimum UEF of 2.00	\$300 rebate	Uniform Energy Factor (UEF) is a new metric for determining the energy efficiency of a water heater utilized by the Department of Energy. The higher the UEF, the greater the equipment’s efficiency and the lower the energy bill.
	ENERGY STAR >55 gallon should have a minimum UEF of 2.70	\$150 rebate	Uniform Energy Factor (UEF) is a new metric for determining the energy efficiency of a water heater utilized by the Department of Energy. The higher the UEF, the greater the equipment’s efficiency and the lower the energy bill.
Programmable Thermostats		\$25 Rebate	

\*Rebate not to exceed \$1000 per customer for this program (excluding thermostats).

Customers who install weatherization, additional lighting, or HVAC measures will be given their rebate after work has been completed and inspected. BIUD will offer rebate forms to customers both online and in person at the BIUD office and will require customers to provide proper documentation from the contractor who performed the job, in the form of a receipt or work order. Customers submitting rebates for eligible thermostats need only provide a purchase receipt as proper documentation with their rebate form. If a customer has any problems or questions regarding a rebate form, their contractor may be able to help complete relevant fields, and customers can always reach out to BIUD staff for assistance during business hours.

#### **4. Program Administration and Management**

The proposed management structure has been designed to ensure successful program delivery and implementation, effective customer outreach, timely customer service and rebate processing, and insightful data collection and reporting. Specifically, to achieve these outcomes, the District proposes a strong on-going collaboration with the Office of Energy Resources and proposes to hire an efficiency consultant to help administer the program and conduct program reporting.

##### **i. Vendor Engagement**

One of the critical elements to the success of the proposed DSM plan is the engagement of knowledgeable and reliable vendors. BIUD has contracted with a vendor to provide energy assessments, direct install services and, if desired by the customer, weatherization measures to residential and business customers. This vendor will also provide post-installation inspections of all residential non-direct install (e.g., weatherization and HVAC) measures. To maximize efficiency and minimize the number of vendors, post-installation inspections of business measures and residential direct install measures will be conducted by the efficiency consultant discussed below.

The scope of work for these vendors will be designed to require comprehensive scheduling, high-quality in-person services, and coordination with BIUD staff. Selected vendors will be responsible for delivering efficient and effective services to customers, ensuring proper deployment and installation of incentivized energy efficiency measures, processing invoices and rebates in a timely fashion, and creating insightful program data reports.

##### **ii. Program Management and Oversight**

The District, recognizing the importance of robust oversight, data reporting, and program administration, will ensure staff will be trained and knowledgeable about the proposed program offerings and rebate process in order to effectively work with vendors, consultants, and customers in the delivery of the proposed DSM plan. BIUD also proposes several means of securing additional resources to support its management and oversight of the proposed plan. For example, the District plans to continue its ongoing engagement with the Office of Energy Resources (OER) in order to leverage lessons learned and best practices from *Block Island Saves* and will also tap into the diverse set of efficiency expertise that OER can provide. Additionally, BIUD has hired an efficiency consultant to help manage the program and its implementation, including the processing of rebates, the collection of data, and reporting on program performance, as well as to support the post-installation inspections. **Page 82 of 113**

Block Island Utility District has created rebate forms, including a listing of measure eligibility requirements, available both in person and online for customers to access. Once customers complete and submit rebate applications — either by mail or via email - the District's rebate processing vendor will review them for accuracy and eligibility. All eligible applications received and reviewed will then be processed for payment to the customer, funds permitting, and customers should expect to receive their rebate in four to six weeks.

BIUD recognizes the importance of scheduling efficiency for the cost-efficiency of the proposed programs, since vendor travel to and from Block Island creates additional expenses compared to mainland efficiency programs. In order to minimize vendor trips to the Island, BIUD and its vendor will maximize the number of opportunities (assessments, weatherization, HVAC installations, etc.) completed in a day. The RFP the District will use to procure vendors will be explicit about the importance of scheduling efficiency and will ask respondents to explicitly address this important cost-barrier.

In the event that there is overcollection of ratepayer funds that are not spent on DSM programs in a given year, BIUD will roll those funds over into the next year. The subsequent DSM plan will indicate the exact budget category or categories those funds will be allocated to. Every effort will be made through careful planning, oversight, and budget tracking to ensure that there are not budget overages in a given year. In the event that a budget overage becomes a possibility within a given year, the District will close specific program(s) prior to an overage until the following year when funds become available again. As the District's DSM plan evolves, participation rates will help inform budget setting for future years to ensure funds are allocated as accurately as possible to meet customer demand.

iii. Customer Engagement

Table 4.1 — <b>Proposed Customer Outreach Channels and Budget Allocation</b>		
<u>Customer Outreach</u>		
<b>Total</b>	<b>\$2,000</b>	Outreach through Local Publications, Bill Inserts, Online, and Community Bulletin

BIUD will continue to strategically engage customers in order to promote the return of efficiency programming to Block Island. In order to ensure customers are aware of the program and its offerings, as well as provide instructions on how to participate, BIUD will be promoting the DSM programs through the following channels:



1. Bill inserts will be included with customer bills at four different times during the year to advertise the DSM programs, provide information about how customers can participate, and highlight incentive opportunities.
2. BIUD will take out quarter page advertisements in the local publications for multiple weeks during both peak and off-peak seasons in order to reach as many customers as possible. These advertisements will provide information on the programs and have seasonal calls to action to encourage customer participation.
3. BIUD will also utilize several no-cost engagement channels, like the community bulletin and the District's Facebook page to spread the word about the DSM program to customers throughout the year.
4. Lastly, BIUD office staff will also be trained on the programs, available offerings, and ways customers can engage with energy efficiency in order to provide accurate information to customers coming into and/or calling the office with questions.
5. If other outreach opportunities arise, the District may pursue other channels of communication with customers if budget allows.

iv. Program Reporting

As was discussed in section 4.ii, *Program Management and Oversight*, BIUD has hired an efficiency consultant to help oversee and manage the DSM programs. In addition to helping oversee the programs and assisting with the **Plan's** implementation, the efficiency consultant will assist the District with quarterly progress reports, which will help inform a mid-year and year-end report as well as provides guideposts for program performance throughout the year. The data that will be included in quarterly reports as well as the year-end report are as follows:

- Number of participants per sector (Residential vs. Business)
- Costs incurred to date and percent of budgeted spend (by budget category)
- Detailed accounting of what measures have been installed, both direct install and other measures incentivized by the DSM programs
- Number of rebates processed, by measure type
- Number of inspections completed out of number of inspections required, and associated costs.
- kWh and delivered fuel (oil, propane) savings, both annual and lifetime, resulting from the program
- Peak demand reduction resulting from the program
- Other data as required, or as deemed necessary by the District or the Commission

## **5. Conclusion**

The Block Island Utility District believes that the proposed DSM plan describes and establishes an energy efficiency program that will provide considerable benefits to customers and the local grid throughout its implementation. There are significant energy savings opportunities in New Shoreham, which will be clearly highlighted in a forthcoming market potential study being conducted for all of Rhode Island. While this market potential study is underway, this plan offers effective strategies to realize immediate energy savings on the Island. The plan provides opportunities for no-cost assessments and direct-install measures that all customers can access free of charge, as well as guidance and further incentives for deeper energy saving measures.

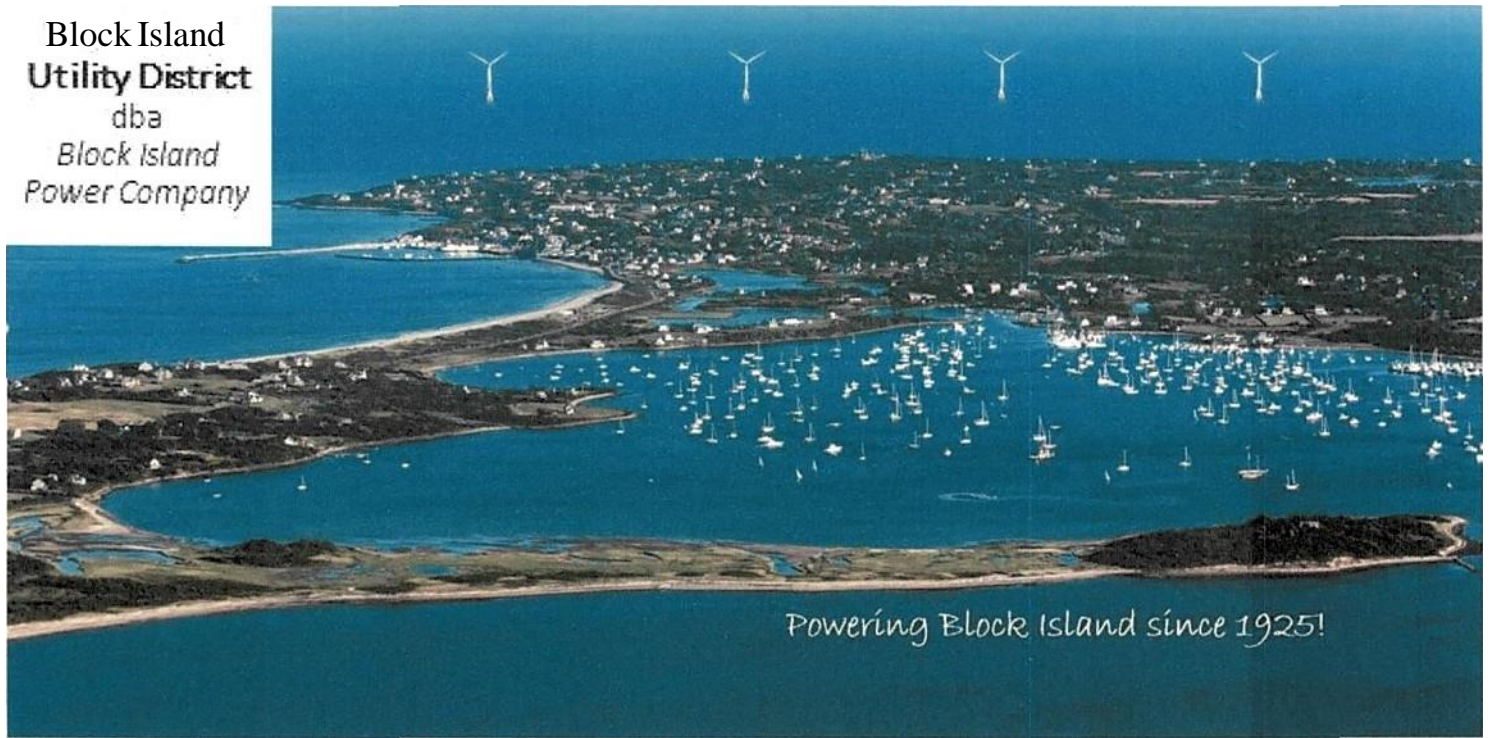
The Plan, if approved by the Commission, would provide heat pump incentives that are likely to help smooth New Shoreham's annual demand curve and enhance the benefits of BIUD's proposed new rate structure. Additionally, through weatherization, lighting controls, and programmable thermostat incentives, BIUD aims to drive additional customer investment in insulation and demand side management technologies.

Block Island Utility District respectfully requests that the Public Utilities Commission (PUC) approve this 2020 Demand Side Management plan, and its associated budgets, in their entirety. Specifically, the District requests that the PUC approve the following:

- The proposed total budget amount and the budget categories contained therein.

- The proposed program offerings.

Block Island  
Utility District  
dba  
Block Island  
Power Company



## Demand Side Management

~~2020-2021~~ Plan

Docket #:

[KJ1]

Block Island Utility District  
100 Ocean Avenue  
Block Island  
New Shoreham, RI 02807  
(401) 466-5851

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## Block Island Utility District — ~~2020-2021~~ Demand Side Management Plan

### 1. Introduction and Background<sup>[KJ2]</sup><sup>[KJ3]</sup>

Demand side management (DSM) is important because it can provide benefits to both customers as well as the electric grid. The Block Island Utility District (BIUD, the District) is ~~proposing~~ seeking to continue to ~~offer~~ establish a DSM program to provide its 1,900 customers access to energy efficiency programs that will benefit them and improve the service and reliability of the island's electric grid. A DSM program provides access and incentives for measures that allow customers to optimize their energy usage and reduce their utility bills. Reducing energy usage, particularly during peak seasons or times of day, can also have substantial benefits such as reduced grid maintenance and capital expenditures, reduced peak charges for customers, and greater service reliability.

Block Island is a unique community because of its geographic separation from the mainland and its variable, tourist-driven seasonal usage profile. The community of New Shoreham and the grid that serves it needs to be flexible enough to handle the increased summer population, as well as reliable and resilient enough to provide service to the year-round residents and businesses, even in the face of harsh winter conditions.

Given Block Island's unique size, location, and seasonal usage spike, demand management is especially important for this community and aligns with many of BIUD's goals outlined in the ~~proposed~~ approved rate case filing (Docket #4975). Specifically, through the implementation of this proposed DSM plan, BIUD aims to empower its customers to make choices that help control their energy usage, reduce energy burden<sup>1</sup> on customers, improve resource allocation, and encourage the adoption of innovative new technologies that maximize the benefits of Block Island's smart meters. By supporting the filing of this proposed DSM plan, the BIUD Board seeks to deliver energy efficiency program benefits to all BIUD customers.

After an initial ~~planning period~~<sup>[JM4]</sup>, the 2020 program (~~PY2020~~<sup>[JM5]</sup>) officially launched in November 2020. As of the end of February 2021, the program completed 13 home audits, including direct installations of energy-savings measures in 11 homes. These direct installations accounted for a total of annual savings of 8,844 kWh<sup>[JM6]</sup>. Of the audits performed, 12 were conducted in person and one was conducted virtually via video conference application. To date, BIUD has not received any applications for energy efficient equipment or weatherization incentives in PY2020 nor conducted any business audits or direct installations.

The ~~proposed~~ 2020 program and proposed 2021 DSM plan for the Block Island Utility District build on ~~represents an evolution of~~ prior energy efficiency work conducted in New Shoreham through the *Block Island Saves* pilot program. The *Block Island Saves* program ran from 2015-2017 and was administered and funded solely by the Rhode Island Office of Energy

Resources. ~~The BIUD, working in collaboration with the Office of Energy Resources (OER), drafted this proposed DSM plan as a robust iteration on the original *Block Island Saves* pilot. The DSM programs described below leverage best practices from the *Block Island Saves* program as well as Rhode Island's nation-leading mainland efficiency programming and are intended to address the unique needs of the Block Island community.~~

~~The original *Block Island Saves* program began as a pre-pilot program with the support of the New Shoreham Town Council, fully managed and funded through OER. The pre-pilot was~~

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~~Energy burden is the percentage of household income spent on home energy bills.~~

conducted to test energy efficiency programs on Block Island and recruit a small group of pre-pilot participants. Of the 24 pre-pilot applications received, ten residents and five businesses were selected to participate in the pre-pilot (those not selected were later able to participate in the full pilot).

Pre-pilot participants received a free energy assessment of their home or business, followed by a list of recommendations for energy efficiency improvements and access to associated rebates or incentives. Overall, the pre-pilot program incentives and rebates were evaluated by OER to be cost-effective and successful in motivating participants to install energy-efficient measures. The success of the pre-pilot in terms of participation, interest, opportunities, and cost-effectiveness prompted the expansion of the pre-pilot program to a full-scale pilot.

Program offerings in the full pilot were identical to the pre-pilot phase. During the full pilot phase, 110 additional home and business energy assessments were conducted. Program participants were able to save 313 MWh of electricity, 271 MMBtu of oil, and 136 MMBtu of propane annually. Participants were also able to decrease their energy bills, saving in aggregate \$597,968 (residential) and \$714,396 (business) over the lifetime of the efficiency upgrades.

Following the completion of Block Island Saves, OER conveyed lessons learned to both the BIUD Utility and the public through a report which is available on the OER website<sup>2</sup>. This proposed 2020-2021 DSM plan incorporates recommendations from OER's report findings from that pilot and continues several elements from the successful *Block Island Saves* program, such as the no-cost assessments with direct install measures and incentives for weatherization. Based on the interest and adoption of those measures during the pilot the following proposed DSM programs include those same elements as a foundation for 2020 and 2021. The proposed 2020 program and proposed 2021 plan also seeks to prepare New Shoreham residents for the changing energy landscape by promoting the installation of newer, highly efficient heat pump equipment, heat pump water heaters, programmable thermostats, and weatherization measures.

A significant difference between the proposed 2020 plan and the pilot is the expansion and enhancement of the HVAC and water heating programs. The proposed DSM plan includes an incentive for the adoption of high-efficiency heat pump systems as well as heat pump water heaters. In combination with the newly proposed recently adopted rate structure (described below in section 2.B), the District feels that the adoption of heat pumps for heating and cooling needs will be an attractive option for customers that provides significant energy and cost savings.

Heat pump technology is an important tool in helping BIUD smooth out the current load curve, minimize increasing summer demand caused by a growing number of air conditioning installations, and can provide opportunities for customers to reduce their overall energy burden. In addition to aligning with the District's goals for its customers, offering incentives for heat pumps can also help Rhode Island to meet its Greenhouse Gas Emission goals while ensuring that New Shoreham residents and businesses receive the same, if not enhanced, opportunities for improved comfort and energy savings as other Rhode islanders.

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<sup>2</sup> <http://www.energy.ri.gov/documents/archived-reports/Block%20Island%20Saves%20Pilot%20-%20Full%20Report%20-%20April%202018.pdf>



Block Island Utility District respectfully requests that the Public Utilities Commission (PUC) approve this ~~2020~~2021 Demand Side Management plan and its associated use of ratepayer funds, in its entirety, as outlined ~~below~~next.

## **2. DSM Categories, Proposed Budget Allocation, Cost Recovery, and Estimated Benefits**

The proposed budget for the Block Island DSM programs is broken into three major categories — Assessment and Installation, Inspection and Program Administration, and Customer Outreach.

In the Assessments & Installation category, ~~there are programs for~~BIUD would offer four programs: Residential energy assessments and weatherization; Residential HVAC and water heating; Business energy assessments, lighting, and weatherization; and Business HVAC and water heating. The distinction between Residential and Business programs will allow BIUD to track the distribution of costs and benefits within and between the two distinct customer segments. This budget category, overall, contains the full costs of energy assessments at homes and businesses, including the direct installation of measures such as LED lightbulbs, smart power strips, and low-flow showerheads, as well as rebates for additional measures such as weatherization and efficient HVAC equipment. As a result, the bulk of the proposed DSM budget exists within this category.

The Inspection and Program Administration category includes the cost of inspections for any residential weatherization and/or HVAC measures installed through the DSM programs, as well as any business direct install measures, weatherization, or other energy efficiency measures installed through the programs. It is important to verify the proper installation of deeper-high impact measures so customers will reap their ir full benefits ~~of the measure~~. Further, to support insightful reporting to the Public Utilities Commission, inspection and verification is expected to enhance the accuracy of energy savings calculations, in addition to ensuring customer satisfaction and realization of expected energy savings. ~~Since the District is re-establishing efficiency programming with this proposed DSM plan, start-up costs are perhaps higher than they may be in subsequent years. Coupled with the high cost of travel to/from Block Island, this has led to increased costs in this budget category relative to more mature DSM programs or more readily accessible areas.~~ The District is committed to working with vendors and other partners to find ways to drive these costs down as much as is feasible in future program years, through more efficiency program delivery, engaging more local service providers, or other ways that may present themselves as the programs mature.

~~Funds for the efficiency consultant BIUD proposes to hire are also encompassed in the Inspection and Program Administration budget category.~~ The efficiency consultant ~~will assist~~assists the District in administering the DSM programs, managing the tracking and reporting of data, processing incentive rebates, and making suggestions for future program development. This consultant also assists the

~~Additionally, the efficiency consultant will assist the~~ District in developing a cost-effectiveness framework and evaluating program performance, consistent with Docket #4600 principles and

directives.

Lastly, the Customer Outreach budget category covers the costs of promoting the DSM programs. The proposed spending on program outreach will encourage BIUD customers to participate in the DSM programs, and will inform them on, how to participate and what benefits can be expected.

Using the *Block Island Saves* results, ~~the~~ average BIUD customer saved 2.84 MWh of electricity, 2.46 MMBtu of oil, and 1.24 MMBtu of propane annually through that program.<sup>1</sup> Based on the estimated participation numbers for the proposed ~~2020-2021~~ DSM plan, the District estimates that this plan could deliver approximate annual savings of 115 MWh of electricity, 100 MMBtu of oil, and 50 MMBtu of propane. Actual savings numbers depend on the exact measures installed by customers and the specific fuel types they utilize, among other factors, but this provides some scope as to the significant energy benefits BIUD customers can realize through this plan.<sup>[KJ7].[8]</sup>

A. Proposed ~~2020-2021~~ Budget Allocations<sup>[KJ9].[KJ10]</sup>

~~The budget numbers included below are based on actual project costs and participation levels from the *Block Island Saves* pilot program. Adjustments to those numbers are based on anticipated participation numbers and changes in unit costs since 2017 when the pilot concluded.~~

<sup>1</sup> The 2021 plan is based on savings estimates from the *Block Island Saves* pilot, given the limited participation in PY2020. However, participation in PY2020 and the pilot appear to be consistent and comparable.

Table 2.1 Proposed <del>2020</del> 2021 DSM Plan Budget		
Allocations [KJ11][JM12]		
<u>Budget Category</u>	<u>Proposed Budget</u>	<u>Notes</u>
<u>Assessment &amp; Installation</u>		
Residential Assessments and Weatherization	\$ <del>4548,53</del> 50.00	Energy Assessments & Weatherization
Residential HVAC & Water Heating	\$ <del>7,700</del> 5,500.00	Programmable Thermostats; Heat Pump Water Heaters; Heat Pump Heating & Cooling Systems; Weatherization Bonus
Business Assessments, Lighting, and Weatherization	\$27,600.00	Energy Assessments, Lighting Measures, and Weatherization
Business HVAC & Water Heating	\$5,000.00	Programmable Thermostats; Heat Pump Water Heaters; Heat Pump Heating & Cooling Systems
<b>Total</b>	<b>\$<del>8586,55</del>060.00</b>	
<u>Inspection and Program Administration</u>		
Inspection Services	\$ <del>8,100</del> .00	Inspections for Residential Weatherization; Business Direct Install measures, Lighting, and Weatherization
Program Administration	\$ <del>19,840</del> .00	Efficiency Consultant Services
<b>Total</b>	<b>\$<del>29,200</del>27.94</b> <b>0.00</b> [KJ13]	
<u>Customer Outreach</u>		
<b>Total</b>	<b>\$<del>5,250.00</del>2,000.00</b>	Advertising in Local Publications, Bill Inserts, Online, and in Community Bulletin [KJ14]
<b>Total Budget</b>	<b>\$<del>120,000.00</del>16,540.00</b>	

[KJ15]

#### Budget Flexibility Language:

Recognizing the value and need for our DSM programs to be flexible and responsive to both changing societal conditions and shifts in customer demand, BIUD is proposing adjustments to how we can more ably and efficiently adjust our budget, if needed, during a program year.- BIUD -recognizes the Commission's authority in reviewing and approving the incentive levels and budgets for the DSM program each year and intends for these proposed modifications to increase program flexibility and customer outcomes without eroding that authority in any way.

- BIUD is proposing that budget transfers during the program year may occur as follows:

-

**Transfers within a Sector:**

For transfers of less than 20% of the originating program’s budget, BIUD can transfer funds from one program to another program in the same sector.

For transfers of 20% or more of the originating program’s budget, BIUD can transfer funds from one program to another program in the same sector with the Division’s prior approval. Upon seeking the Division’s approval, the Company shall simultaneously notify OER.

For all transfers in a sector, BIUD will reflect changes in any applicable report (mid-year or year-end) following the transfer.

For any transfers involving Regional Greenhouse Gas Inventory (RGGI) funds, BIUD may do so within the above limits and with prior written approval from the Office of Energy Resources (OER).

**Transfers between Sectors:**

BIUD can transfer funds from one sector to another sector with the Division’s prior approval. Upon seeking the Division’s approval, the Company shall simultaneously notify OER. If a transfer reduces the originating sector’s budget by more than 20% in aggregate over the course of the program year, the transfer will also require PUC approval.

For all transfers between sectors, BIUD will reflect changes in any applicable report (mid-year or year-end) following the transfer.

For any transfers involving Regional Greenhouse Gas Inventory (RGGI) funds, Pascoag may do so within the above limits and with prior written approval from the Office of Energy Resources (OER).

**B. Cost Recovery and Other Funding Sources**

~~Block Island Utility District, BIUD~~ through ~~its new~~ rate case in Docket #4975, ~~has proposed approved a new rate~~ design with implications for the demand side management plan and its budget. ~~The current rate structure is a two-tier structure with peak and off-peak seasonal rates for all customer classes.~~ In its proposed rate case, BIUD has suggested implementing a three-tier rate structure with peak, shoulder, and off-peak rates for all customer classes as well as an efficiency surcharge.

Table 2.2-- Current Block Island Utility District Rate Structure

OFF-PEAK					PEAK				OFF-PEAK		
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC

OFF-PEAK

OFFPEAK

H6

JAN FEB MAR APR MAY OCT NOV DEC

Table 2.3 - Proposed Block Island Utility District Rate Structure											
OFF-PEAK				SHOULDER		PEAK		SHOULDER		OFF-PEAK	
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
				\$ .00395/kWh		\$ .01/kWh		\$ .00395/kWh			
				EFFICIENCY SURCHARGE							

Through the ~~proposed rate redesign~~ recently approved rate case, BIUD estimates it will generate ~~now approved rate case~~ approximate revenues of ~~approximate revenues of~~ \$60,000 from the efficiency surcharge during the calendar year, which will support DSM program implementation in 2021<sup>10</sup>. The breakdown of efficiency surcharge collection was provided in Docket # 4975 and estimates collections as follows: \$24,000 from residential customers, \$6,000 from business customers, and \$30,000 from the general service rate, which comprises larger residential users as well as some business customers. The Office of Energy Resources will supplement the budget for the DSM programs with Regional Greenhouse Gas Initiative (RGGI) proceeds. OER has committed a total of \$180,000 in RGGI proceeds to be provided over the course of three years, beginning in 2020, to help support BIUD's DSM programming in conjunction with annual, collected efficiency surcharge monies.

### 3. Detailed Program Descriptions

#### A. Residential Offerings<sup>17</sup>:

Refer to Table 2.1 for full program budget; residential subsection reproduced below.

Table 3.1 — Assessment and Installation Category — Residential Programs <sup>18</sup>		
Program	Proposed Budget	Estimated Quantities & Notes
Residential Assessments and Weatherization	\$4548,350.00	36-40 Energy Assessments & 8 Weatherization
Residential HVAC	\$75,700500.00	36 Programmable Thermostats; 6 Heat Pump Water Heaters; 6-3 Heat Pump Heating & Cooling Systems; 2 Weatherization Bonus

#### i. Home Energy Assessments

Residential energy assessments with no-cost direct install measures are critical for households to reduce energy use, lower their energy costs, and identify opportunities for additional, deeper savings. The home energy assessment is a focal point of the proposed DSM program as it allows for

the comprehensive evaluation of the residential building stock, direct installation of energy saving measures (e.g., LED light bulbs, smart power strips) and the opportunity to identify deeper savings opportunities such as weatherization or HVAC equipment upgrades. Assessments often serve as the initial contact point for customers and what the District hopes is the start of an ongoing, beneficial relationship with the customer as they become more aware of their energy use and seek to make continual energy improvements to their home.

Each home energy assessment, conducted by a BPI-certified energy assessor, will include a whole-home evaluation, a blower door test to check for proper air sealing, a heating system safety test to check the health and safety of the equipment, and a number of direct install measures (outlined in the following section) that the assessor will install during the visit. At the conclusion of the assessment, the customer will receive a home energy action plan outlining additional energy savings measures they can implement, the estimated costs, and BIUD incentives associated with those measures, as well as information and tips on how to better manage their energy use and reduce costs. These comprehensive assessments are provided to the customer free of charge and are open to all residential BIUD customers.

## ii. Direct Install Measures

As part of the Home Energy Assessments, each energy assessor will install a number of energy saving measures in each home, as needed, at no cost to the customer. The proposed ~~2020~~ 2021 DSM plan proposes the following direct install measures:

Table 3.2 — Proposed Direct Install Measures and Incentives			
Measure	Estimated Quantities	Incentive Level	Notes
LED Lightbulbs	<del>432</del> <u>480</u>	Free	No limit; expect 12 per assessment
Smart Power Strips	<del>80</del> <u>72</u>	Free	Maximum of 2 per assessment
Low-Flow Shower Heads	<del>40</del> <u>36</u>	Free	Expect 1 per assessment <sup>[20]</sup>
Aerator faucets	<del>60</del> <u>50</u>	<del>Free</del> <u>Free</u>	Expect 1.5 per assessment

**LED Lightbulbs** — installed in place of existing incandescent or CFL bulbs throughout the home, any number of bulbs can be replaced during the assessment.

**Smart Power Strips** — up to two (2) smart power strips that help reduce electricity usage of devices that would otherwise be constantly using electricity.

**Faucets and Showerheads** — Low-flow showerheads and aerator faucets that help reduce water and energy usage, any number can be installed throughout the home during the assessment.

These low-cost measures are proven energy saving devices that provide immediate benefits to customers who have a home energy assessment completed.

### iii. Weatherization Measures

One of the outcomes BIUD expects to achieve with its proposed DSM program is to educate customers about the benefits of weatherization and to properly incentivize them to undertake these measures. Residential customers with weatherization opportunities will learn of these opportunities through the home energy action plan provided at the conclusion of the assessment, as well as given information about potential costs and incentive levels that BIUD offers.

Weatherization benefits include increased comfort to occupants year-round - warmer in the winter and cooler in the summer - as well as reduced energy usage and costs. Many homeowners deal with high energy bills year-round without realizing that proper weatherization techniques can meaningfully reduce their bills. The proposed DSM plan offers the following options as part of the weatherization program:

Table 3.3 — Proposed Weatherization Measures and Incentive Levels		
Measure	Incentive Level	Notes
Air Sealing	Up to 10 labor hours free (\$800 value) plus 40% off further sealing, up to \$2,000 in total weatherization costs	Based on pilot rebate levels and expected home energy assessment numbers
Duct Sealing		
Insulation		
Pipe Insulation		
Weatherization Bonus	\$250	For customers who insulate and install a heat pump system

**Air Sealing** — Sealing air leaks in and around windows and doors to reduce the loss of heated or conditioned air.

**Duct Sealing** — Sealing of leaks around ductwork to ensure that all heated or conditioned air enters the living spaces and is not lost in the walls/ceilings or to the outside.

**Pipe Insulation** — Improving insulation around water pipes to reduce heat loss and protect against pipe freezing during the winter months.

**Insulation** — Installing improved insulation in the walls, ceilings, and floors of the home to improve the building envelope, leading to increased comfort as heated or conditioned air remains in the home rather than escaping outside.

An additional feature for residential customers is a weatherization bonus. Customers can receive an additional \$250 rebate if they bundle insulation work alongside the installation of a heat pump heating and cooling system. BIUD is proposing to offer this bonus incentive because of the benefits that come from weatherizing a home properly, especially in conjunction with efficient operation of a heat pump system.



#### iv. HVAC Measures

The home energy action plan will also provide information to customers about opportunities to upgrade inefficient heating and cooling equipment in the home. The HVAC offerings aim to promote the adoption of high-efficiency heat pump systems for heating and cooling as well as heat pump water heaters. Electrifying heating and cooling is an important step in reducing greenhouse gas emissions and is supported by the District's recently proposed three-tier rate structure, which includes a lower winter electricity price that makes the adoption of electric heating measures more cost effective for customers. Additionally, the adoption of programmable thermostats gives residents the ability to better control and monitor their energy usage and save money.

It is proposed that incentives for the following equipment, at the following level, be offered as part of the Residential HVAC program:

Table 3.4 - Proposed HYAC and Water Heater Measures and Incentives				
Equipment	Rating	Estimated Quantity	Proposed Rebate	Notes
Central Heat Pump	<b>SEER &gt;15;</b> <b>HSPF <del>14</del> 9</b>	<del>21</del>	\$250 per ton	Seasonal Energy Efficiency Rating (SEER) measures air conditioning and heat pump cooling efficiency. A <del>SEER</del> <b>SEER</b> rating is a maximum efficiency rating, similar to the miles per gallon for a car. Heating Seasonal Performance Factor (HSPF) is used to measure the efficiency of heat pumps and the higher the HSPF the more efficient the system.
Ducted or Mixed Ducted Mini-Split Heat Pump	<b>SEER &gt;15;</b> <b>HSPF 9</b>	<del>21</del>	\$250 per ton	
Ductless Mini-Split Heat Pump	<b>SEER 15;</b> <b>HSPF <del>10</del> 10</b>	<del>21</del>	\$150 per ton	
Heat Pump Water Heaters	ENERGY STAR < 55 gallon; should have a minimum UEF of 2.00	4	\$300 rebate	Uniform Energy Factor (UEF) is a new metric for determining the energy efficiency of a water heater utilized by the Department of Energy. The higher the UEF, the greater the equipment's efficiency and the lower the energy bill.
	ENERGY STAR >55 gallon should have a <u>minimum</u> UEF of 2.70	2	\$150 rebate	Uniform Energy Factor (UEF) is a new metric for determining the energy efficiency of a water heater utilized by the Department of Energy. The higher the UEF, the greater the equipment's efficiency and the lower the energy bill.
Programmable Thermostats		36	\$25 Rebate	
*Rebate not to exceed \$750 per customer for this program (excluding thermostats).				

Block Island Utility District wants to promote the adoption of high-efficiency electric heat pumps through an incentive structure that will be based on a per-ton amount. This structure is more flexible than a flat rate amount and allows the incentive to vary appropriately with the proper sizing of heat pump systems to various home configurations and sizes. Additionally, if the newly proposed three-tier rate structure with lower winter electric rates is approved by the Commission, BIUD anticipates that the combined new rate structure and DSM incentives will drive adoption of heat pump technologies which will save customers energy and money.

Qualifying units must meet the SEER and/or HSPF ratings specified for each system type, which align with the efficiency ratings contained in the Northeast Energy Efficiency Partnerships (NEEP) cold climate heat pump specification list and is considered the industry standard for this technology.

Since the 2020 program was designed, BIUD has learned of a local philanthropist offering grants for installing residential heat pumps. Given the common goals between this offering and BIUD's program, BIUD will attempt to collaborate with this individual and support the grant offering with energy assessments and inspection activities. The program expects to be able to claim savings from this collaboration through these support services as well as encouraging trade allies that there is a critical mass of heat pump installation projects on the island to make trips cost-effective.

Alongside the incentive for heat pump-based heating and cooling systems, the District also proposes incentives for heat pump water heaters. Given the smaller variation in equipment size, associated energy savings expected, and to align closely with other Rhode Island efficiency programs, BIUD will be offering flat rate incentives of \$300 and \$150 for heat pump water heaters, based on size. Units 55 gallons and smaller use less energy than larger units and thus provide a greater opportunity for energy savings. Therefore, BIUD proposes to provide a higher incentive for these units compared to units over 55 gallons in size. Qualifying units will have a minimum uniform energy factor (UEF) of 2.0 for the smaller units and a minimum UEF of 2.7 for the larger systems. ENERGY STAR heat pump water heaters can save the average household \$330 per year and 2,690 kwh compared to a standard electric hot water heater, so these units represent a great opportunity for savings [KJ21][JM22].

Because heat pump technology is still new and because the pilot program on Block Island did not include heating and cooling heat pump systems as part of the incentive structure, the District ~~is proposing capping~~ ~~proposing to cap~~ the incentive level at \$750 per customer for these measures initially. BIUD wants to strike a balance between providing a reasonable incentive to drive adoption of this technology alongside the ability to provide some incentive to a larger number of customers who may be interested in taking advantage of this opportunity. Because there is not reliable historical data from the pilot program for these measures, setting a cap will help the District to serve both of these goals.

The District will also incentivize programmable thermostats through the residential HVAC and water heater program. Programmable thermostats are a useful piece of technology to help manage a home's energy usage efficiently and conveniently. BIUD is proposing a \$25 rebate to customers who purchase a programmable thermostat.

Customers who install weatherization or HVAC measures will be given their rebate after work has been completed and inspected. BIUD will offer rebate forms to customers both online and in person at the BIUD office and will require customers to provide proper documentation from ~~mfr~~ the contractor who performed the job, in the form of a receipt or work order. Customers submitting rebates for eligible thermostats need only provide a purchase receipt as proper documentation with their rebate form. If a customer has any problems or questions regarding a rebate form, their contractor may be able to help complete relevant fields, and customers can always reach out to BIUD staff for assistance during business hours.

B. Business Offerings:

Refer to Table 2.1 for full program budget; business subsection reproduced below.

Table 3.5 — Assessment and Installation — Business Budgets		
Program	Proposed Budget	Notes
Business Assessments, Lighting, and Weatherization	\$27,600.00	Energy Assessments , Additional Lighting Measures, and Weatherization
Business HVAC & Water Heating	<u>4,900.00</u>	Programmable Thermostats; Heat Pump Water Heaters; Heat Pump Heating & Cooling Systems

i. Business Energy Assessments

As with the residential offerings, the initial no-cost energy assessment for business and commercial customers is a foundational focus of the proposed business DSM programs. Comprehensive evaluations of the commercial spaces of New Shoreham will be conducted by a qualified energy assessor who will also directly install measures that provide immediate savings and deliver a comprehensive energy action plan to the customer with recommendations for additional savings measures. Providing these free, no-obligation energy assessments also allows BIUD to establish an ongoing relationship with business customers as they pursue energy efficiency improvements.

Each business energy assessment, conducted by an energy assessor, will include a whole-business evaluation of the electrical equipment and thermal systems as well as directly installing screw-in LED lightbulbs, as appropriate. At the conclusion of the assessment, the customer will receive a business energy action plan outlining additional energy savings measures they can implement, the estimated costs, and BIUD incentives or rebates associated with those measures, as well as information and tips on how to better manage their energy use and reduce costs. These comprehensive assessments are provided to the customer free of charge and are open to all BIUD business customers.

~~Because the number of business participants in the *Block Island Saves* pilot was small, and the business community on the Island is limited, it makes accurately estimating demand for specific measures more challenging than the residential program.~~ The District ~~is estimating~~ estimates six business assessments will be conducted in the initial program year and that from those assessments' customers will pursue some additional deeper efficiency measures, be that additional lighting, weatherization, or HVAC upgrades. The District has set a budget that anticipates that half of the business customers will pursue additional measures of some kind.

ii. Direct Install and Other Lighting Measures

Table 3.6 — Proposed Business Direct Install and Other Lighting Measures and Incentives			
Measure	Estimated Quantities	Incentive Level	Notes
Screw-in LED Lightbulbs	60	Free	No limit; expect 10 per assessment
LED fixture upgrades	12	75% of costs covered	Expect an average of 2 per assessment
Lighting controls	6		Expect an average of 1 per assessment
Occupancy sensors	12		Expect an average of 2 per assessment

As part of the business energy assessments, each energy assessor will install screw-in LED lightbulbs in as many fixtures as needed throughout the property. BIUD recognizes that many business environments have different lighting needs from residential customers, and screw-in LED lightbulbs may not upgrade the entirety of the lighting for a given business, and therefore it is proposed that incentives for additional lighting measures be offered as well. Upgraded fixtures, lighting controls, and lighting sensor (such as occupancy sensors) will be listed on the energy action plan as an additional energy saving measure that customers can pursue, and approved equipment will be incentivized at 75% of total cost.

iii. Weatherization Measures

One of the outcomes BIUD expects to achieve with its proposed DSM plan is to educate customers about the benefits of weatherization and to properly incentivize them to undertake these measures. Business customers with weatherization opportunities will learn of these opportunities through the energy action plan provided at the conclusion of the energy assessment.

Weatherization benefits include increased comfort to occupants year-round - warmer in the winter and cooler in the summer - as well as reduced energy usage and costs. Many business owners deal with high energy bills year-round without realizing that proper weatherization techniques can meaningfully reduce their bills. The proposed DSM plan offers the following options as part of the business weatherization **program**:

Table 3.7 — Proposed Business Weatherization Measures and Incentive Levels		
Measure	Incentive Level	Notes
Air Sealing	Up to \$1,200 in free air sealing plus 40% off further sealing, up to \$4,200 in total weatherization costs or up to \$3,000 in insulation costs	Based on prior rebate levels and expected business energy assessment numbers
Duct Sealing		
Insulation		
Pipe Insulation		

Air Sealing — Sealing air leaks in and around windows and doors to reduce the loss of heated or conditioned air to the outside.

Duct Sealing — Sealing leaks around ductwork to ensure that all heated or conditioned air enters the living spaces and is not lost in the walls/ceilings or outside.

Pipe Insulation — Improving insulation around water pipes to reduce heat loss and protect against pipe freezing during the winter months.

Insulation — Installing improved insulation in the walls, ceilings, and floors of the home to improve the building envelope, leading to increased comfort as heated or conditioned air remains in the home rather than escaping outside.

#### iv. Business HVAC Measures

Business customers have more varied building uses and often utilize larger equipment to support their operations. In order to ensure that the business customers of BIUD have opportunities to upgrade to more efficient equipment where appropriate, incentives for the following measures are proposed:

[KJ23]

<b>Table 3.8 — Proposed Business BVAC and Water Heater Measures and Incentives</b>			
<b>Equipment</b>	<b>Rating</b>	<b>Proposed Rebate</b>	<b>Notes</b>
Central Heat Pump	<b>SEER ≥15; HSPF ≥9</b>	\$250 per ton	Seasonal Energy Efficiency Rating (SEER) measures air conditioning and heat pump cooling efficiency. A SEER rating is a maximum efficiency rating, similar to the miles per gallon for a car.  Heating Seasonal Performance Factor (HSPF) is used to measure the efficiency of heat pumps and the higher the HSPF the more efficient the system.
Ducted or Mixed Ducted Mini-Split Heat Pump	SEER >15; HSPF E9	\$250 per ton	
Ductless Mini-Split Heat Pump	<b>SEER &gt;15; HSPF E10</b>	\$150 per ton	
Heat Pump Water Heaters	ENERGY STAR E55 gallon; should have a minimum UEF of 2.00	\$300 rebate	Uniform Energy Factor (UEF) is a new metric for determining the energy efficiency of a water heater utilized by the Department of Energy. The higher the UEF, the greater the equipment's efficiency and the lower the energy bill.
	ENERGY STAR >55 gallon should have a minimum UEF of 2.70	\$150 rebate	Uniform Energy Factor (UEF) is a new metric for determining the energy efficiency of a water heater utilized by the Department of Energy. The higher the UEF, the greater the equipment's efficiency and the lower the energy bill.
Programmable Thermostats		\$25 Rebate	
*Rebate not to exceed \$1000 per customer for this program (excluding thermostats).			

Programmable Thermostats — programmable thermostats allow for better control of, and reduced operating costs from, heating and cooling systems. Therefore, programmable thermostats help manage a business's energy usage efficiently and conveniently. BIUD is proposing a \$25 rebate to customers who purchase a programmable thermostat.

Heat Pump Heating and Cooling, and Heat Pump Water Heaters: As in the residential program, it is proposed to incentivize business adoption of high-efficiency heat pump systems for heating and cooling, as well as heat pump water heaters. The recently proposed three-tier rate structure with an attractive winter electricity price, if approved by the Commission, is expected to make the adoption of electric heating measures even more cost effective for customers. By offering the



incentives proposed above, BIUD aims to encourage the installation of the most efficient electric heating or cooling systems.

Customers who install weatherization, additional lighting, or HVAC measures will be given their rebate after work has been completed and inspected. BIUD will offer rebate forms to customers both online and in person at the BIUD office and will require customers to provide proper documentation from the contractor who performed the job, in the form of a receipt or work order. Customers submitting rebates for eligible thermostats need only provide a purchase receipt as proper documentation with their rebate form. If a customer has any problems or questions regarding a rebate form, their contractor may be able to help complete relevant fields, and customers can always reach out to BIUD staff for assistance during business hours<sup>[24]</sup>.

#### 4. Program Administration and Management

The proposed management structure has been designed to ensure successful program delivery and implementation, effective customer outreach, timely customer service and rebate processing, and insightful data collection and reporting. Specifically, to achieve these outcomes, the District proposes a strong on-going collaboration with the Office of Energy Resources and proposes to hire an efficiency consultant to help administer the program and conduct program reporting.

##### i. ~~Vendor~~ Vendor Engagement<sup>[KJ25]</sup>

One of the critical elements to the success of the proposed DSM plan is the engagement of knowledgeable and reliable vendors. BIUD ~~will be soliciting one~~ has contracted with a vendor to provide energy assessments, direct install services and, if desired by the customer, weatherization measures to residential and business customers. This vendor will also provide post-installation inspections of all residential non-direct install (e.g., weatherization and HVAC) measures. To maximize efficiency and minimize the number of vendors, post-installation inspections of business measures and residential direct install measures will be conducted by the efficiency consultant discussed below.

~~The District will also be seeking a separate vendor to provide post-installation inspections for business customers and all residential non-direct install (e.g., weatherization and HVAC) measures. BIUD proposes issuing two competitive RFPs to hire a lead energy assessment vendor and a lead inspection services vendor, respectively.~~

The scope of work for these vendors will be designed to require comprehensive scheduling, high-quality in-person services, and coordination with BIUD staff. Selected vendors will be responsible for delivering efficient and effective services to customers, ensuring proper deployment and installation of incentivized energy efficiency measures, processing invoices and rebates in a timely fashion, and creating insightful program data reports.<sup>[26]</sup>

##### ii. Program Management and Oversight

The District, recognizing the importance of robust oversight, data reporting, and program administration, will ensure staff will be trained and knowledgeable about the proposed program offerings and rebate process in order to effectively work with vendors, consultants, and

customers in the delivery of the proposed DSM plan. BIUD also proposes several means of securing additional resources to support its management and oversight of the proposed plan. For example, the District plans to continue its ongoing engagement with the Office of Energy

Resources (OER) in order to leverage lessons learned and best practices from *Block Island Saves* and will also tap into the diverse set of efficiency expertise that OER can provide. Additionally, BIUD has hired an efficiency consultant BIUD proposes hiring will to help manage the program and its implementation, including the processing of rebates, the collection of data, and reporting on program performance, as well as to support the post-installation inspections.

Block Island Utility District ~~will has created~~make rebate forms, including a listing of measure eligibility requirements, available both in person and online for customers to access. Once customers complete and submit rebate applications — either by mail or via email - the District’s rebate processing vendor will review them for accuracy and eligibility. All eligible applications received and reviewed will then be processed for payment to the customer, funds permitting, and customers should expect to receive their rebate in four to six weeks.

BIUD recognizes the importance of scheduling efficiency for the cost-efficiency of the proposed programs, since vendor travel to and from Block Island creates additional expenses compared to mainland efficiency programs. In order to minimize vendor trips to the Island, BIUD and its vendor will maximize the number of opportunities (assessments, weatherization, HVAC installations, etc.) completed in a day. The RFP the District will use to procure vendors will be explicit about the importance of scheduling efficiency and will ask respondents to explicitly address this important cost-barrier.

In the event that there is overcollection of ratepayer funds that are not spent on DSM programs in a given year, BIUD will roll those funds over into the next year. The subsequent DSM plan will indicate the exact budget category or categories those funds will be allocated to. Every effort will be made through careful planning, oversight, and budget tracking to ensure that there are not budget overages in a given year. In the event that a budget overage becomes a possibility within a given year, the District will close specific program(s) prior to an overage until the following year when funds become available again. As the District’s DSM plan evolves, participation rates will help inform budget setting for future years to ensure funds are allocated as accurately as possible to meet customer demand.

### iii. Customer Engagement

Table 4.1 — <b>Proposed Customer Outreach Channels and Budget Allocation</b> <sup>[KJ27]</sup>		
<u>Customer Outreach</u>		
<b>Total</b>	<del>\$5,250.00</del> <u>2,000</u>	Outreach through Local Publications, Bill Inserts, Online, and Community Bulletin

~~While the *Block Island Saves* pilot program was very successful, it did conclude over two years prior to this proposed DSM plan. Therefore,~~ BIUD will ~~continue need~~ to strategically engage customers in order to promote the return of efficiency programming to Block Island. In order to ensure customers are aware of the program and its offerings, as well as provide instructions on how to participate, BIUD will be promoting the DSM programs through the following channels:

1. Bill inserts will be included with customer bills at four different times during the year to advertise the DSM programs, provide information about how customers can participate, and highlight incentive opportunities.
2. BIUD will take out quarter page advertisements in the local publications for multiple weeks during both peak and off-peak seasons in order to reach as many customers as possible. These advertisements will provide information on the programs and have seasonal calls to action to encourage customer participation.
3. BIUD will also utilize several no-cost engagement channels, like the community bulletin and the District's Facebook page to spread the word about the DSM program to customers throughout the year.
4. Lastly, BIUD office staff will also be trained on the programs, available offerings, and ways customers can engage with energy efficiency in order to provide accurate information to customers coming into and/or calling the office with questions.
5. If other outreach opportunities arise, the District may pursue other channels of communication with customers if budget allows.

#### iv. Program Reporting

As was discussed in section 4.ii, *Program Management and Oversight*, BIUD ~~proposes to~~ hire an efficiency consultant to help oversee and manage the DSM programs. In addition to helping oversee the programs and assisting with the **Plan's** implementation, the efficiency consultant will assist the District with quarterly progress reports, which will help inform a mid-year and year-end report as well as provides guideposts for program performance throughout the year. The data that will be included in quarterly reports as well as the year-end report are as follows<sup>[KJ28]</sup>:

- Number of participants per sector (Residential vs. Business)
- Costs incurred to date and percent of budgeted spend (by budget category)
- Detailed accounting of what measures have been installed, both direct install and other measures incentivized by the DSM programs
- Number of rebates processed, by measure type
- Number of inspections completed out of number of inspections required, and associated costs.
- kWh and delivered fuel (oil, propane) savings, both annual and lifetime, resulting from the program
- Peak demand reduction resulting from the program
- Other data as required, or as deemed necessary by the District or the Commission

## 5. Conclusion

The Block Island Utility District believes that the proposed DSM plan describes and establishes an energy efficiency program that will provide considerable benefits to customers and the local grid throughout its implementation. There are significant energy savings opportunities in New

Shoreham, which will be clearly highlighted in a forthcoming market potential study being conducted for all of Rhode Island. While this market potential study is underway, this plan offers effective strategies to realize immediate energy savings on the Island. The plan provides opportunities for no-cost assessments and direct-install measures that all customers can access free of charge, as well as guidance and further incentives for deeper energy saving measures.

~~The proposed 2020 DSM plan iterates on the *Block Island Saves* pilot program to provide BIUD customers will access to a variety of energy saving measures.~~ The Plan, if approved by the Commission, would provide heat pump incentives that are likely to help smooth New Shoreham's annual demand curve and enhance the benefits of BIUD's proposed new rate structure. Additionally, through weatherization, lighting controls, and programmable thermostat incentives, BIUD aims to drive additional customer investment in insulation and demand side management technologies.

~~In sum, this proposed DSM plan provides a strong foundation for efficiency programming on Block Island and is structured to deliver significant benefits to customers and the local grid.~~

Block Island Utility District respectfully requests that the Public Utilities Commission (PUC) approve this 2020 Demand Side Management plan, and its associated budgets, in their entirety. Specifically, the District requests that the PUC approve the following:

The proposed total budget amount and the budget categories contained therein.

The proposed program offerings.

**AGENDA ITEM 10**  
**REVIEW AND ACT UPON NATIONAL GRID FUEL REIMBURSEMENT**  
**OFFER**