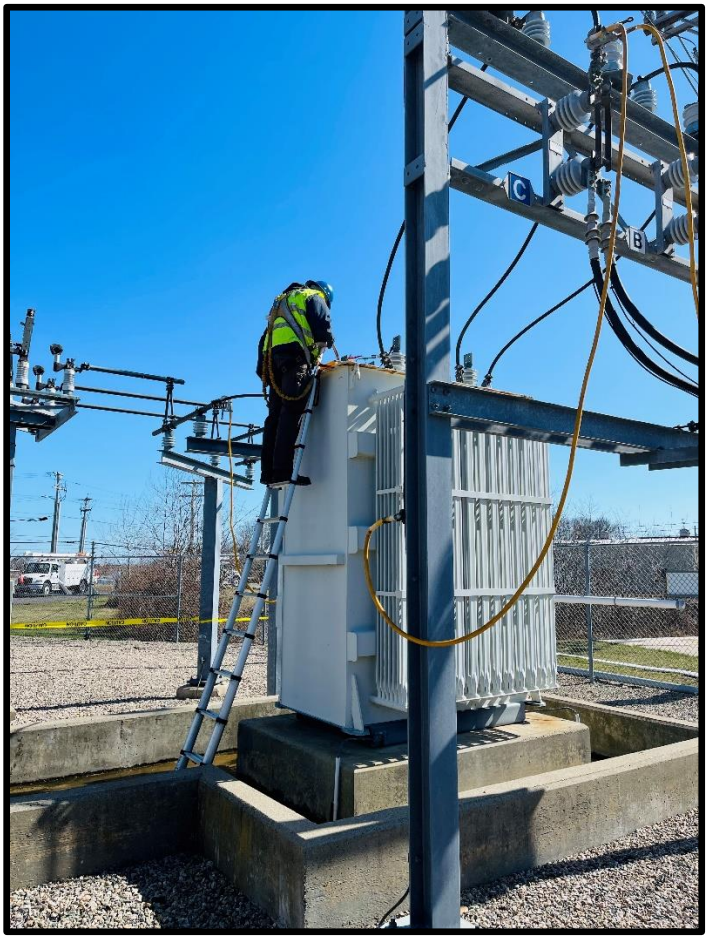
BLOCK ISLAND UTILITY DISTRICT



One critical step in the Voltage Conversion Project is rewiring all transformers to modify their input from 2,400 Delta to 4,160 Wye. This includes the National Grid transformer and the two power transformers in the BIPCO substation that connect the generators. Ray Brown from UPG contact testing services is performing dielectric testing on the two units and will rewire one to 4,160 Wye so that it is ready for the day of the conversion.

BOARD OF COMMISSIONERS MEETING
MARCH 24, 2022
4:00 PM

Block Island Utility District
Regular Meeting of Board of Commissioners
Thursday, March 24, 2022 @ 4:00 PM

THE MEETING WILL BE HELD AT THE BIUD POWER PLANT

1. Public Input

2. Correspondence (Entech Engineering re: Community Solar)

3. Commissioner's Report

4. Approve Regular Meeting Minutes: February 24, 2022

5. Treasurer's Report
   a. CFC Loans Update
   b. 2021 Audit Update

6. Review and Act Upon Reconciled Power Supply and Transmission Rate Adjustment (Effective June 1, 2022)

7. Review and Act Upon Efficiency Plan Rate Adjustment (Effective June 1, 2022)

8. President's Report
   a. Voltage Conversion Update
   b. Net Metering (Docket 5192) Update
   c. National Grid Cable Reburial Update
   d. EV Charger Update
   e. Strategic Planning with CFC

9. Legislative Update
   a. S2277 - BIUD Board of Commissioners Reimbursement of Expenses
   b. S2276 – Time of Use Rate Plans
   c. S2274 – Rhode Island Renewable Portfolio Standard – 100% by 2030
   d. S2691 – 2022 Energy Storage Act (NEW)
   e. H7844 – Duties of Utilities and Carriers (NEW)
   f. H7775 – Excavation near Underground Utility Facilities (NEW)

10. Discuss and Act Upon Proposal to Modify By-Laws: BIUD Commissioner Reimbursement of Actual Travel Expenses for External Meetings and Trainings (to be voted on no sooner than 30 days following a public hearing).

11. Review and Act Upon Sale of BIUD Real Estate to the Town of New Shoreham *

* This item may be held in Closed Session pursuant to 2-46-5(a)(5) Any discussions or considerations related to the acquisition or lease of real property for public purposes, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

Individuals requesting services for the deaf and hard of hearing must call (401) 466-5851 forty-eight hours in advance of the meeting date.

Posted: March 21, 2022 10:00 AM

Secretary of State Website
BIBB
Town Hall
BIUD Website www.blockislandpowercompany.com

AGENDA ITEM 1

PUBLIC INPUT

AGENDA ITEM 2

CORRESPONDENCE

(ENTECH ENGINEERING)

Jeffery Wright

From: Christopher Warfel <cwarfel@entech-engineering.com>
Sent: Saturday, February 26, 2022 10:06 AM
To: Barbara MacMullan; Elliot Taubman; maryjanelogan@aol.com; John Warfel; Jeffery Wright
Subject: Community Solar
Attachments: Community Solar.pdf

This is an article on Community Solar. It discusses the issues I have brought to your attention, and the PUC's recently. There is also a short article on charging stations. Would you please accept this as correspondence? A well administered Community Solar program makes sense on Block Island in my opinion for the reasons previously presented. Thank you, Chris Warfel

--

Christopher Warfel
ENTECH Engineering, Inc.
PO Box 871, Block Island, RI 02807
401-466-8978

COMMUNITY SOLAR POLICY GETS GREEN LIGHT IN MANY STATES

Community solar is a unique market segment that requires state policy for development, and 2021 was a watershed year for community solar policymaking.

The passage of enabling policy is necessary due to the structure of community solar projects. Instead of having one off-taker, community solar arrays can have many subscribers, from organizations to individuals. Community solar developers typically set up agreements with utilities, governed by state policy, that allow subscribers to receive monthly utility bill credits for electricity generated by their share of the solar project.

In 2021 alone, four states in the Midwest and Rust Belt introduced community solar-enabling legislation, while other states from coast to coast passed bills or expansions of existing programs.

- Ohio: HB 450 under consideration, would open community solar market.
- Wisconsin: LRB 1902 under consideration, would open community solar market.
- Michigan: HB 4715-16 under consideration, would open community solar market.
- Pennsylvania: SB 472 under consideration, would open community solar market.
- New Mexico: SB 84 signed into law, opened the state's community solar market.
- New Jersey: The New Jersey Board of Public Utilities is converting its Community Solar Energy Pilot Program into a permanent program by February 2022.
- Maryland: The Maryland Public Service Commission voted to expand the capacity of the state's community solar program as well as improve access for low- and moderate-income (LMI) customer participation.
- Delaware: SB 2 updated the existing community solar statute to require that each community solar project serves at least 15% LMI customers.

States are enacting policy provisions to guarantee a certain amount of community solar subscriptions are dedicated to LMI communities that could most benefit from lower electric bills and clean energy. Last year, Vote Solar released a guide to increasing community solar access and adoption in low-income communities, including instituting automatic enrollment in community solar programs through qualification for another government program, such as the Low-Income Home Energy Assistance Program.

"Policymakers and the solar industry must think critically about solutions like these to ensure low-wealth communities do not get left behind in the clean energy transition," said Olivia Nedd, Vote Solar's policy director of the Access & Equity Program, in a press release.

Community solar is a fast-growing segment with unique governmental oversight that can help ensure it's available to everyone. According to

SEIA and Wood Mackenzie's latest Solar Insight Report, 3.4 GW of community solar was installed cumulatively through Q2 2021. That number is expected to increase to 8.3 GW by 2026.

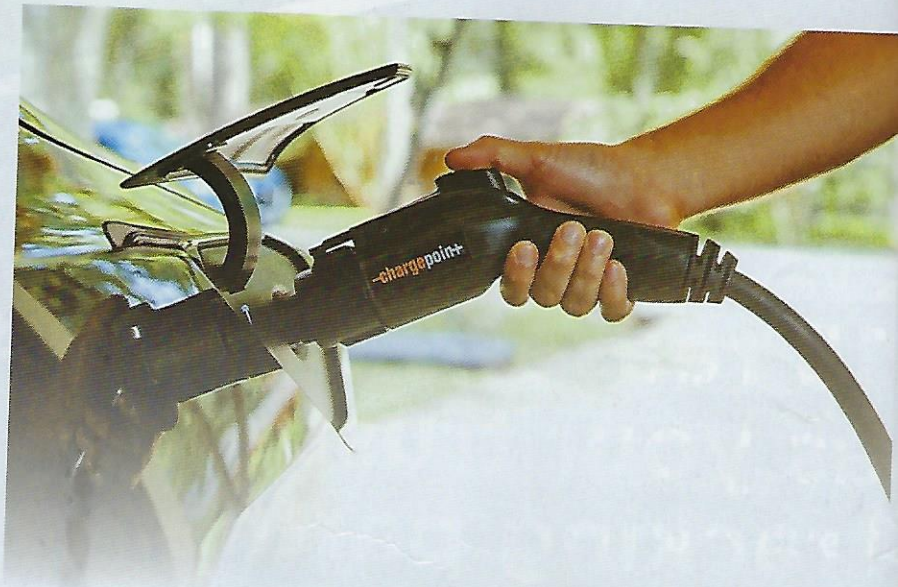
This boom was made possible in part by the recent flourishing of bipartisan support for community solar. Across the Midwest and elsewhere, conservative Republican leaders are supporting and even introducing this type of enabling legislation, in conjunction with groups like the Coalition for Community Solar Access (CCSA).

"There's a lot of learning that's taking place with Republicans on this issue. As the landscape changes and prices come down, this technology becomes more competitive on its own as trends start to move and states want to create homegrown industries that are going to endure for the next decades," said Matt Hargarten, campaigns director for CCSA.

The federal government sees great value in community solar too. An NREL report found community solar can lead to substantial bill savings, from 5 to 25%. In October 2021, the Dept. of Energy set a target of community solar powering the equivalent of 5 million households by 2025.

To reach this federal goal, DOE is offering free technical assistance to community solar stakeholders, such as state, local and Tribal governments, solar developers and other organizations working to grow this market.

"Community solar is one of the most powerful tools we have to provide affordable solar energy to all American households, regardless of whether they own a home or have a roof suitable for solar panels," said Sec. Jennifer Granholm, in a statement. "Achieving these ambitious targets will lead to meaningful energy cost savings, create jobs in these communities, and make our clean energy transition more equitable."



RESIDENTIAL SOLAR INSTALLERS GET VERSED IN EV CHARGERS

Residential solar paired with smart home offerings has become ubiquitous over the years for many national solar installers. If homeowners can access their pet's automatic feeders through an app, then they of course expect to see their solar generation on a small screen, and be able to actively interact with it in conjunction with their smart electronics and home battery systems. Solar installers can set up those processes for the homeowner, so it makes sense for them to jump on the next smart energy product: electric vehicle chargers.

EV ownership is expected to accelerate with the inclusion of tax breaks in the Build Back Better Act. Households that purchase a new electric car would receive a $3,500 tax credit ($4,500 if the vehicle is made in the United States). Used EVs (at least two years old) get a $2,000 credit. Of course, this is if the BBB Act passes as written.

Various surveys have found that solar owners are more likely to have an EV and vice versa. That's why many national solar installers are getting into the EV charger market now; either to upsell solar customers or encourage those wanting EV chargers to consider going solar.

SunPower has formed a strategic alliance with Wallbox, where SunPower customers can install a Wallbox EV charger at the same time as their solar and/or storage system, and SunPower acts as the preferred solar, storage and EV charger installer for Wallbox customers.

Sunrun also worked out an exclusive deal with Ford when the motor company announced its all-electric F-150 Lightning truck in May 2021.

AGENDA ITEM 3

COMMISSIONER'S REPORT

AGENDA ITEM 4

APPROVAL OF MINUTES

Block Island Utility District

Regular Meeting of Board of Commissioners
Thursday, February 24, 2022 @ 4:00 PM

Location: Block Island Utility District 100 Ocean Ave

In attendance: Barbara MacMullan, Board Chair, Tom Risom, Treasurer, John Warfel, Secretary, Elliot Taubman
Jeffrey Wright, President, Tracy Fredericks, Rene Myer.

Barbara MacMullan called the meeting to order at 4:06 pm.

1. **Public Input**

   John Warfel spoke with the office of energy, he suggested we talk with them at some point. There may be USDA grants available for us since we are the only town in the state considered "rural".

   Jeff Wright said The Island Institute has some funding available and the office of energy, has a $250,000 grant. Barbara said she will speak with Heidi Tarbox about investigating these opportunities.

   John Warfel suggested we investigate renting small car chargers.

2. **Correspondence**
   none

3. **Commissioner's Report**
   none

4. **Approve Regular Meeting Minutes: January 27, 2022**
   Barbara asked that the minutes be amended, item #2, the last sentence changed to: Jeff said he will talk with other vendors

   Tom made a motion to approve the meeting minutes from January 27, 2022, the

motion was seconded by John Warfel, the motion passed unanimously.

5. **Treasurer's Report**
   a. Tom reviewed the Year-End Financial Statements.

   b. Tom reported that he met with Jeff to review the credit card statements, payroll summary and check run report and all was in compliance with the BIUD financial policies.

Jeff reported that cash reserves down due to voltage conversion, but we are in good financial standing.

Jeff pointed out - Land valuation increased due to the value of the company increasing as a result of the contingent liability settlement of $300,000. Also, Distribution was up significantly due to work we have done over the past year.

Jeff added that kWh sales are up (pg. 12.)

c. Audit Update

Audit is on track for presentation to the board.

Rooftop solar, (pg 10.) Transfer funds to capital fund decommission 5%-10% maintenance and decommissioning funds. It was agreed on 10%

Eliott made a motion to take 10% for a decommissioning and maintenance fund. The motion was seconded by Tom. Motion approved unanimously.

Barbara made motion to approve treasurers report, the motion was seconded by John, the motion was approved unanimously.

6. **Review and Act Upon NRUCFC $670K Annual Revolving Line of Credit Renewal**

Tom Risom made a motion to approve the $670,000 CFC line of credit resolution and certificate of incumbency (included in the BOD packet). The motion was seconded by Barbara MacMullan. The motion passed unanimously.

7. **Appoint NRECA Annual Meeting Voting Delegate and Alternate**

Jeff described the purpose of having a RI voting delegate participate in the NRECA annual meeting and further explained that Barbara was the most recent voting delegate for the NRECA Region 1 meeting in the fall and that it would make sense for Barbara to be the voting delegate for the annual meeting.

John made a motion to appoint Barbara as the delegate and Eliot as the alternate. motion was seconded by Tom, motion passed unanimously.

8. **President's Report**

a. Power Supply and Transmission Rate Filing Update
Jeff reported that next month the filing after March meeting-will bring new rates to the board.

b. Efficiency Plan and Rate Adjustment Update
There are no proposed changes to the plan, except for a rate adjustment based on unspent carry over funds.

c. Voltage Conversion Update
Jeff reported that we are making good progress, no material concerns, more work in the next few months, planning 2 outages in the next few months. Looking at last week of April for actual conversion, this will be dependent on National Grid.
We are hoping to get line loss down to 6%-7%
The project is still on budget

d. Utility-Scale Battery Analysis
ENE is going to facilitate a utility scale battery RFP process for all of their members.

e. Employee Housing Update
Town has appraisal for the corner lot and will soon share the value and their offer with us.

f. Net Metering (Docket 5192) Update
The PUC has not yet set an open meeting to approve the net metering tariff, we anticipate being on the next meeting.

g. National Grid Cable Reburial Update
They are planning on trying again this April.

h. Strategic Planning with CFC
Committed through June, may come back out in the fall.

Jeff commented that we have done all the Sertex work.

Motion to approve the President's report made by Barbara MacMullan, seconded by Tom Risom, motion passed unanimously.

9. **Legislative Update**

a. S2277 - BIUD Board of Commissioners Reimbursement of Expenses
changes in packet- will put in bylaws if passed. Barbara asked to talk about bylaws at the next meeting.

b. S2276 - Time of Use Rate Plans
S2276 mandates every utility come up with a time of use plan, the deadline is June. There is question about how it gets implemented. Jeff will follow the bill with the help of the Mayforth Group.

c. S2274 — Rhode Island Renewable Portfolio Standard — 100% by 2030
Have Mike looking into this, may not apply to us. Modifies the current bill to a new deadline. Jeff will follow the bill with the help of the Mayforth Group.

Motion to adjourn the meeting was made by Barbara MacMullan, the motion was seconded by Tom Risom, the meeting was adjourned at 5:42 pm.

Approved: _____
Posted: _____

AGENDA ITEM 5

TREASURER'S REPORT

Treasurer's Update – March 24, 2022

I am unable to attend this BOD meeting but Jeff has agreed to present this update in my absence.

1. I have reviewed the February billing summary, credit card statements and receipts, payroll summary and check run report and all is in accordance with the BIUD Financial Policies.

2. Jeff will provide an update on the CFC loans we recently closed on, but it is my understanding that we closed on the $1.5M voltage conversion and the $300K contingent liability loan at the following rates. The 27-year term for the contingent liability loan lines up the payoff date with the $5.8M mortgage. The voltage conversion loan term of 30 years is based on the life of the assets and depreciation schedules for distribution plant. Due to rising interest rates, BIUD drew down the entire $1.5M voltage conversion loan to avoid going back for a second disbursement at a higher rate. Anything not used for the project can be paid back at the end of the project or used to fund upcoming phases.

CFC Long Term Interest Rates as of:						3/11/2022
Rate Term	Loan Term (Yrs)	Stated Rate	Eligible Discounts	Rate after Discounts	Estimated Pat Cap	Effective Rate
27	27	4.50%	0.25%	4.25%	0.25%	4.00%
30	30	4.66%	0.25%	4.41%	0.25%	4.16%

3. Operating Line of Credit: Prior to closing on the loans discussed above, BIUD took an advance of $370K to serve as a bridge until the construction loans were closed on. BIUD normally draws done this line in late March or early April for cash flow reasons.

4. It is my understanding that the 2021 audit will be done on schedule and will be ready for approval at the April BOD meeting. As soon as it is available Jeff will e-mail it to the BOD to solicit feedback and questions.

Respectfully submitted,

Tom Risom
Treasurer, Block Island Utility District

AGENDA ITEM 6

POWER SUPPLY AND TRANSMISSION RATE ADJUSTMENT

POWER SUPPLY AND TRANSMISSION RECONCILIATION FILING
RATES EFFECTIVE JUNE 1, 2022 – MAY 30, 2023

There is good news and bad news in this reconciliation filing that we will discuss during the meeting.

GOOD NEWS

The proposed rates that I am asking the BOD to approve are essentially flat from last year. There is a slight increase, but it will essentially go unnoticed by the members. Shown below are the current rates, the proposed rates, and the change.

	Current	Proposed	Difference
Power Supply	$0.0852	$0.0877	$0.0025
Transmission	$0.0740	$0.0733	($0.0007)
Fuel Adjustment	$0.0000	$0.0000	$0.0000
Total	$0.1592	$0.1611	$0.0019

The impacts to a member who uses 500 kWh per month are shown below:

	Peak	Shoulder	Off-Peak
Customer Charge	$10.00	$10.00	$10.00
Plant & Distribution	$142.50	$71.25	$44.75
Power Supply & Transmission	$80.53	$80.53	$80.53
Totals	$233.03	$161.78	$135.28
Increase	**$0.93**	**$0.93**	**$0.93**

BAD NEWS

BIUD's energy costs have increased due to recent natural gas prices increases in the past 18-24 months in New England by 35%. Our 1st load following contract was priced at $36.77. Our last contract was priced at $49.90. The same 18-month contract is purchased today would be _____ (ENE is getting me a price today).

The reason we are not seeing the increase in this reconciliation filing is that our interconnection has been fully amortized and has been removed from the costs, offsetting what would have been a noticeable increase in the Power Supply rate.

We will discuss the various cost drivers during the meeting but if energy prices continue to rise, we will need to begin communication with our members now.

For purposes of discussion, I have included ENE's Attachment 1 from last year in addition to the one being proposed.

Forecast Purchase Power Costs
Block Island Power Company

Attachment 1
2022 Reconciliation
12 month Recalculation for
Rates Effective June 1, 2022

Purchase Power Projections

	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	Totals	
Load (Energy Purchased)	1,052	1,477	2,525	2,647	1,642	1,077	958	995	1,070	876	937	882	**16,138**	*
													-	
MWH													-	
Bilateral Purchase	621	1,152	1,969	2,065	1,281	635	565	587	631	517	553	520	**11,096**	
NYPA Purchase	128	136	144	156	144	133	125	117	137	131	139	146	**1,637**	
BIUD Solar (Project)	14	15	10	10	9	8	6	3	4	6	10	12	**107**	
Gravel Pit Solar II	-	-	-	-	-	-	-	-	10	12	17	21	**61**	
Gravel Pit Solar III	-	-	-	-	-	-	-	-	12	16	24	30	**81**	
Cabot/Tuners (First Light)	161	124	95	81	67	113	134	141	100	79	108	123	**1,327**	
ISO Adjusted net Interchange	127	50	306	335	140	188	127	147	176	114	87	30	**1,829**	
Total Net Purchases MWH	**1,052**	**1,477**	**2,525**	**2,647**	**1,642**	**1,077**	**958**	**995**	**1,070**	**876**	**937**	**882**	16,138	
Energy Costs	**See Attachment-3**													
Shell	$ 49.90	$ 49.90	$ 49.90	$ 49.90	$ 49.90	$ 49.90	$ 49.90	$ 49.90	$ 49.90	$ 49.90	$ 49.90	$ 49.90		
py BIUD SO rate	$ 159.20	$ 159.20	$ 159.20	$ 159.20	$ 159.20	$ 159.20	$ 159.20	$ 159.20	$ 159.20	$ 159.20	$ 159.20	$ 159.20		
Bilateral Purchase	$ 30,964	$ 57,480	$ 98,271	$ 103,036	$ 63,897	$ 31,702	$ 28,205	$ 29,292	$ 31,506	$ 25,797	$ 27,587	$ 25,972	**$ 553,709**	
NYPA Purchase	$ 632	$ 668	$ 710	$ 769	$ 711	$ 655	$ 617	$ 573	$ 673	$ 646	$ 682	$ 717	**$ 8,052**	
BIUD Solar (Project)	$ 2,229	$ 2,388	$ 1,592	$ 1,592	$ 1,490	$ 1,202	$ 955	$ 478	$ 637	$ 996	$ 1,592	$ 1,910	**$ 17,061**	
Gravel Pit Solar II	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 518	$ 644	$ 917	$ 1,127	**$ 3,206**	
Gravel Pit Solar III	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 637	$ 834	$ 1,224	$ 1,537	**$ 4,232**	
Cabot/Tuners (First Light)	$ 6,864	$ 5,291	$ 4,067	$ 3,502	$ 2,901	$ 4,811	$ 5,715	$ 5,963	$ 4,536	$ 3,593	$ 4,862	$ 5,430	**$ 57,536**	
Cabot/Tuners REC	[redacted]	$ -	[redacted]	[redacted]	$ (1,931)	[redacted]	[redacted]	$ (2,260)	[redacted]	[redacted]	$ (1,217)	[redacted]	**$ (5,409)**	
ISO Net Position	$ 5,284	$ 2,219	$ 16,757	$ 19,131	$ 6,284	$ 9,401	$ 9,837	$ 23,308	$ 32,067	$ 20,544	$ 8,302	$ 1,023	**$ 154,156**	
Total Energy Costs	**$ 45,972**	**$ 68,047**	**$ 121,396**	**$ 128,029**	**$ 73,351**	**$ 47,770**	**$ 45,329**	**$ 57,354**	**$ 70,574**	**$ 53,055**	**$ 43,948**	**$ 37,718**	**$ 792,544**	
Capacity/Other Costs														
ISO FCM Charges net of NYPA CAP credit	$ 34,984	$ 20,599	$ 20,599	$ 20,599	$ 20,599	$ 20,599	$ 20,599	$ 20,599	$ 20,599	$ 20,599	$ 20,599	$ 20,599	**$ 261,571**	
NYPA Fixed Costs	$ 1,266	$ 1,266	$ 1,266	$ 1,266	$ 1,266	$ 1,266	$ 1,266	$ 1,266	$ 1,266	$ 1,266	$ 1,266	$ 1,266	**$ 15,189**	
ISO Ancillary/Schedule Charges	$ 3,905	$ 5,483	$ 9,375	$ 9,829	$ 6,096	$ 3,998	$ 3,557	$ 3,694	$ 4,073	$ 3,335	$ 3,566	$ 3,357	**$ 60,269**	
ISO Annual Fee	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 500	$ -	$ -	$ -	**$ 500**	
Projected ENE Fees	$ 6,000	$ 7,100	$ 9,000	$ 9,000	$ 7,500	$ 6,000	$ 5,700	$ 5,800	$ 7,100	$ 7,100	$ 7,100	$ 7,100	**$ 84,500**	
Total Capacity/Other Costs	**$ 46,155**	**$ 34,448**	**$ 40,239**	**$ 40,694**	**$ 35,460**	**$ 31,863**	**$ 31,122**	**$ 31,359**	**$ 33,537**	**$ 32,299**	**$ 32,531**	**$ 32,322**	**$ 422,029**	
Transmission Costs														
ISO Transmission Charges	$ 20,330	$ 28,332	$ 48,122	$ 59,310	$ 62,680	$ 48,710	$ 25,464	$ 20,648	$ 23,050	$ 27,634	$ 23,894	$ 23,595	**$ 411,769**	
NYPA Transmission Costs	$ 1,733	$ 2,280	$ 2,256	$ 1,924	$ 1,656	$ 1,800	$ 1,773	$ 2,921	$ 3,744	$ 3,505	$ 2,825	$ 2,568	**$ 28,985**	
National Grid Connection DAF Charges	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	**$ 338,136**	
National Grid Cable Surcharges	$ 3,900	$ 3,900	$ 3,900	$ 3,900	$ 3,900	$ 3,900	$ 3,900	$ 3,900	$ 3,900	$ 3,900	$ 3,900	$ 3,900	**$ 46,800**	
National Grid Transformer Surcharges	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	**$ 24,000**	
National Grid Meter Surcharge	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	**$ 775**	
National Grid Rolled in Distribution	$ 13,250	$ 13,250	$ 13,250	$ 13,250	$ 13,250	$ 13,250	$ 13,250	$ 13,250	$ 13,250	$ 13,250	$ 13,250	$ 13,250	**$ 159,000**	
National Grid PTF, Non-PTF and Load Dispatch Charges	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	**$ 63,300**	
Total Transmission Costs	**$ 74,730**	**$ 83,279**	**$ 103,046**	**$ 113,902**	**$ 117,004**	**$ 103,178**	**$ 79,905**	**$ 76,236**	**$ 79,462**	**$ 83,806**	**$ 79,387**	**$ 78,831**	**$ 1,072,764**	
Total All-In Costs	$ 166,857	$ 185,774	$ 264,682	$ 282,625	$ 225,815	$ 182,811	$ 156,356	$ 164,949	$ 183,573	$ 169,160	$ 155,865	$ 148,871	**$ 2,287,337**	

* This line item represents the Purchased KHW.
The difference between this line item and the estimated kwh sales on DGB-2 represents the estimated KWH line losses & KWH Plant Use.

Power Supply Service & Transmission Cost Rate Calculation
Block Island Power Company

Schedule DGB-1
2022 Reconciliation
12 month Recalculation for
Rates Effective June 1, 2022

Power Supply Service

Total Energy Costs		792,544	See Attachment-1
Total Capacity/Other Costs		422,029	See Attachment-1
Total Other Costs		-	See Attachment-2
Less Over Collections			
April 2020 Reconciliation estimates to actual variance		22,980	See Attachment-5
April 2021 Reconciliation (net of Reserve request)		(1,635)	See Schedule DGB-4
Subtotal		1,193,228	
Subtotal to recover (No Gross Receipts Tax)		1,193,228	
Estimated Sales (MWH) to Customers		13,601	See Schedule DGB-2
Cost per MWH	$	87.73	
Cost per KWH	$	0.0877	

Transmission Charges

Transmission costs		1,072,764	See Attachment-1
Less Over Collections			
April 2020 Reconciliation estimates to actual variance		9,743	See Attachment-5
April 2021 Reconciliation (net of Reserve request)		65,746	See Schedule DGB-4
Subtotal		997,275	
Subtotal to recover (No Gross Receipts Tax)		997,275	
Estimated Sales (MWH) to Customers		13,601	See Schedule DGB-2
Cost per MWH	$	73.32	
Cost per KWH	$	0.0733	

Total

Cost per MWH	$	161.05
Cost per KWH	$	0.1611

Estimated Sales (KWH) to All Customers
Block Island Power Company

Schedule DGB-2
2022 Reconciliation
12 month Recalculation for
Rates Effective June 1, 2022

Estimated Sales (Two year average by month)

(A)	(B)	(C)	(B+C)/2	
917,814	717,926	969,895	843,911	May-21
1,239,142	1,169,207	1,348,806	1,259,007	Jun-21
2,122,121	2,092,246	2,155,158	2,123,702	Jul-21
2,076,264	2,180,015	2,197,610	2,188,813	Aug-21
1,318,244	1,362,964	1,510,833	1,436,899	Sep-21
866,772	927,514	909,765	918,640	Oct-21
713,995	752,681	748,430	750,556	Nov-21
827,218	846,344	789,801	818,073	Dec-21
699,609	878,879	923,494	901,187	Jan-22
664,244	839,233	768,270	803,752	Feb-22
700,625	777,962	777,962	777,962	Mar-22
662,419	778,866	778,866	778,866	Apr-22
12,808,467	13,323,837	13,878,890	13,601,364	

12 month estimated KWH Sales for Rate period **13,601,364**

Project Load (See Attachment 1) 16,137,588

% of Line Loss and Plant Use 18.65%

(A) See Attachment-4
(B) See Attachment-4
(C) See Attachment-4

Forecast Purchase Power Costs
Block Island Power Company

Attachment 1

Docket No. 4690
Twelve month Recalculation for
Rates Effective May 1, 2021

Purchase Power Projections	**May-21**	**Jun-21**	**Jul-21**	**Aug-21**	**Sep-21**	**Oct-21**	**Nov-21**	**Dec-21**	**Jan-22**	**Feb-22**	**Mar-22**	**Apr-22**	**Totals**
Load (Energy Purchased)	1,090	1,447	2,415	2,560	1,539	1,025	891	886	955	770	856	831	**15,264** *
													-
MWH													-
Bilateral Purchase	981	1,302	2,177	2,301	1,385	924	677	674	564	454	505	490	**12,433**
NYPA Purchase	127	136	146	155	144	133	125	120	137	131	139	148	**1,640**
BIUD Solar (Project)	12	9	15	12	9	8	5	4	4	6	9	10	**102**
Cabot/Tuners	-	-	-	-	-	-	-	-	134	106	145	167	**553**
ISO Adjusted net Interchange	(29)	(0)	78	93	0	(39)	84	88	116	72	58	16	**537**
Total Net Purchases MWH	**1,090**	**1,447**	**2,415**	**2,560**	**1,539**	**1,025**	**891**	**886**	**955**	**770**	**856**	**831**	**15,264**
Energy Costs	**See Attachment-3**												
Shell	34.85	34.85	34.85	34.85	34.85	34.85	40.23	40.23	40.23	40.23	40.23	40.23	
py BIUD SO rate	167.25	167.25	167.25	167.25	167.25	167.25	167.25	167.25	167.25	167.25	167.25	167.25	
Bilateral Purchase	$ 34,175	$ 45,370	$ 75,854	$ 80,179	$ 48,277	$ 32,189	$ 27,224	$ 27,099	$ 22,691	$ 18,279	$ 20,323	$ 19,712	**$ 451,372**
NYPA Purchase	$ 622	$ 668	$ 717	$ 761	$ 711	$ 655	$ 617	$ 589	$ 673	$ 646	$ 682	$ 726	**$ 8,067**
BIUD Solar (Project)	$ 1,924	$ 1,547	$ 2,439	$ 1,956	$ 1,565	$ 1,263	$ 861	$ 694	$ 635	$ 1,047	$ 1,458	$ 1,668	**$ 17,057**
Cabot/Tuners	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,762	$ 4,563	$ 6,184	$ 7,020	**$ 23,529**
ISO Net Position	$ (828)	$ (138)	$ 2,402	$ 2,645	$ (130)	$ (1,135)	$ 3,170	$ 4,435	$ 6,972	$ 4,184	$ 2,189	$ 185	**$ 23,951**
Total Energy Costs	**$ 35,894**	**$ 47,447**	**$ 81,411**	**$ 85,541**	**$ 50,423**	**$ 32,972**	**$ 31,872**	**$ 32,817**	**$ 36,731**	**$ 28,719**	**$ 30,835**	**$ 29,312**	**$ 523,975**
Capacity/Other Costs													
ISO FCM Charges net of NYPA CAP credit	$ 42,742	$ 33,940	$ 33,940	$ 33,940	$ 33,940	$ 33,940	$ 33,940	$ 33,940	$ 33,940	$ 33,940	$ 33,940	$ 33,940	**$ 416,077**
NYPA Fixed Costs	$ 1,222	$ 1,222	$ 1,222	$ 1,222	$ 1,222	$ 1,222	$ 1,222	$ 1,222	$ 1,222	$ 1,222	$ 1,222	$ 1,222	**$ 14,663**
ISO Ancillary/Schedule Charges	$ 3,947	$ 5,240	$ 8,761	$ 9,260	$ 5,576	$ 3,718	$ 3,225	$ 3,211	$ 3,636	$ 2,929	$ 3,257	$ 3,159	**$ 55,919**
ISO Annual Fee	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 500	$ -	$ -	$ -	**$ 500**
Projected ENE Fees	$ 6,079	$ 6,793	$ 8,737	$ 9,013	$ 6,978	$ 5,953	$ 5,681	$ 5,673	$ 5,912	$ 5,540	$ 5,712	$ 5,661	**$ 77,732**
Total Capacity/Other Costs	**$ 53,990**	**$ 47,194**	**$ 52,659**	**$ 53,434**	**$ 47,716**	**$ 44,832**	**$ 44,068**	**$ 44,045**	**$ 45,210**	**$ 43,631**	**$ 44,131**	**$ 43,981**	**$ 564,890**
Transmission Costs													
ISO Transmission Charges	$ 24,623	$ 42,711	$ 56,694	$ 56,764	$ 46,706	$ 24,088	$ 20,633	$ 22,102	$ 21,902	$ 18,801	$ 18,954	$ 17,096	**$ 371,074**
NYPA Transmission Costs	$ 1,513	$ 2,066	$ 1,863	$ 1,210	$ 1,324	$ 1,518	$ 1,761	$ 2,104	$ 3,818	$ 3,237	$ 1,715	$ 1,997	**$ 24,126**
National Grid Connection DAF Charges	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	$ 28,178	**$ 338,136**
National Grid Cable Surcharges	$ 4,250	$ 4,250	$ 4,250	$ 4,250	$ 4,250	$ 4,250	$ 4,250	$ 4,250	$ 4,250	$ 4,250	$ 4,250	$ 4,250	**$ 51,000**
National Grid Transformer Surcharges	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	**$ 24,000**
National Grid Meter Surcharge	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	$ 65	**$ 775**
National Grid Rolled in Distribution	$ 14,078	$ 14,078	$ 14,078	$ 14,078	$ 14,078	$ 14,078	$ 14,078	$ 14,078	$ 14,078	$ 14,078	$ 14,078	$ 14,078	**$ 168,936**
National Grid PTF, Non-PTF and Load Dispatch Charges	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	$ 5,275	**$ 63,300**
Total Transmission Costs	**$ 79,981**	**$ 98,623**	**$ 112,402**	**$ 111,820**	**$ 101,876**	**$ 79,451**	**$ 76,239**	**$ 78,051**	**$ 79,566**	**$ 75,884**	**$ 74,515**	**$ 72,939**	**$ 1,041,346**
Total All-In Costs	**$ 169,866**	**$ 193,264**	**$ 246,472**	**$ 250,795**	**$ 200,014**	**$ 157,255**	**$ 152,179**	**$ 154,913**	**$ 161,507**	**$ 148,234**	**$ 149,480**	**$ 146,232**	**$ 2,130,211**

* This line item represents the Purchased KHW.
The difference between this line item and the estimated kwh sales on DGB-2 represents the estimated KWH line losses.

AGENDA ITEM 7

EFFICIENCY PLAN RATE ADJUSTMENT

Block Island UtilityDistrict
dba Block Island Power Company

Demand Side Management 2022 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 – 2022 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 February 2022, the program completed a total of 36 home audits, including direct installations of energy-savings measures in 32 homes, and six audits in commercial buildings. These direct installations accounted for a total of annual savings of more than 10.3 MWh. This represents an equivalent of 8.1 tons of carbon dioxide or over 18,000 miles driven by an average car. Of the audits performed, all were conducted in person except for one, which was conducted virtually via video conference application. To date, BIUD has not received any applications for energy efficient equipment or weatherization incentives in PY2021.

Summary of Program Activity in 2021-2022

Energy Audits

BIUD worked with its implementation contractor, ENE, to schedule and conduct audits throughout 2021. In PY2021, the program completed 29 residential audits and six commercial audits. Overall, the number of completed residential audits nearly doubled in 2021 compared to 2020 (n=13) and the business audits increased five-fold. The program achieved 64% of its residential goal and 42% of its business goals for conducting energy audits in 2021. The program is well-positioned to continue this upward trajectory in the next program year.

Due to staff turnover at ENE, only one audit was conducted each month from June through August and no audits were completed in September. After discussions with BIUD and their hiring of dedicated DSM support staff, ENE was able to increase the frequency of audits in October to

December completing a total of 12 residential and six commercial audits during this three-month period.

As a way to increase participation among both residential and commercial customers, ENE worked with BIUD and its energy efficiency consultant, Johnson Consulting Group, to identify additional ways to boost program participation, both in PY2021 and beyond. These activities included the following:

- Reconfigure BIUD website's landing page to prominently feature audit sign up via a highly visible button linking to ENE's audit intake survey
- Create a bill stuffer advertising the residential audits on one side and the commercial audits on the other
- Began development of a program material packet to be distributed by Real Estate brokers after a property sale
- On-island visit from ENE representative to meet business owners for potential commercial audits and to spread the word about the offering
- Launch a referral program via high-traffic businesses that are popular with islands residents

ENE staff visited Block Island on October 18 for a ride-along with the program manager. The goal was to meet civic-minded business owners and generate leads for both commercial and industrial audits. The BIUD General Manager and ENE representative visited multiple businesses, including an island business owner who served on a town board, the President of the Chamber of Commerce, and the Editor in Chief of the island's newspaper. The business owner targeted for partnership on the referral program was off-island. The visit generated the bulk of commercial and residential audits for the remainder of 2021. In November, ENE dedicated two days to audits and three days in December to accommodate the surge in inquiries.

Technical Adjustments

ENE worked with BIUD and Johnson Consulting Group staff to successfully resolve the technical issues associated with calculating the energy savings estimates using the home audit software tool, SnuggPro. The external consultant identified that the SnuggPro tool was using deemed savings values from the Massachusetts Technical Reference Manual (TRM). ENE subsequently updated these savings estimates based on the deemed values from the Rhode Island Technical Reference Manual (TRM) and will continue to use those savings values going forward.

Concurrently, ENE also updated the SnuggPro rebate offerings listed on the "Rebate & Incentives" website for Block Island customers to include the independently-run, high-dollar rebate heat pump program sponsored by an island philanthropist. The BIUD team will continue to collaborate with these efforts during the next program cycle. These efforts will include contacting customers who installed heat pumps to also complete an energy audit, as a way to identify additional energy savings opportunities. BIUD will also look for ways to claim the energy savings from these heat pump installations in the next program year.

Program Plans Going Forward

As a way to address the seasonality of this program, the team will conduct more frequent check-ins with ENE to assess the program progress during the critical months before and after high season in Block Island. During these months February through May, and September through November, we will work with ENE to conduct multi-day site visits targeting critical business owners and influential Island residents. We will also increase the number of days spent on the Island as needed to accommodate a surge in energy audit requests and capitalize on resident and business owner availability, which we have identified as the shoulder seasons given the seasonality of the island.

Ultimately, our goal is to encourage customers to complete these audits and apply for program rebates. Since there are no local HVAC or weatherization contractors on the Island, the stakeholders will work on a strategy to schedule heat pump installations and/or weatherization work in "batches" to encourage more mainland contractors to bid on these projects and complete them in a timely manner.

Increasing the frequency of activities during the off-season and developing working relationships with contractors off-island should lead to increased audits and equipment installations in the next program year. Moreover, many customers use the audit report to serve as a "road map" to future energy investment in their property over a multi-year time period to allow them to save and plan for these upgrades. As the program matures and the pipeline of work grows through increased audit volume, we expect a higher number of weatherization and HVAC upgrades to be completed – especially if we can help attract contractors to the island to service this growing demand.

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 under the Act on Climate 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 2022 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 four major categories — Assessment and Installation; Inspection and Program Administration; 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 efficient 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, 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 participating BIUD customer saved 2.84 MWh of electricity, 2.46 MMBtu of oil, and 1.24 MMBtu of propane annually through that program.[1] Based on the estimated participation numbers for the proposed 2022 DSM plan, the District estimates that this plan could deliver approximate annual savings of 128 MWh of electricity, 111 MMBtu of oil, and 56 MMBtu of propane. Actual savings numbers will 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 2022 Budget Allocations

Table 2.1 Proposed 2022 DSM Plan Budget Allocations

Budget Category	Proposed Budget	Notes
Assessment & Installation		
Residential Assessments and Weatherization	$51,425.00	Energy Assessments & Weatherization
Residential HVAC & Water Heating	$5,675.00	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	$4,900.00	Programmable Thermostats; Heat Pump Water Heaters; Heat Pump Heating & Cooling Systems
Total	**$89,600.00**	
Inspection and Program Administration		
Inspection Services	$8,100.00	Inspections for Residential Weatherization; Business Direct Install Measures; Lighting, and Weatherization
Program Administration	$19,840.00	Efficiency Consultant Services
Total	**$27,940.00**	
Customer Outreach		
Total	**$2,000.00**	Advertising in Local Publications, Bill Inserts, Online, and in Community Bulletin
Total Budget	**$119,540.00**	

BIUD would like to continue the budget flexibility by being able to adjust our budget, if needed, during a program year. BIUD recognizes the Commission's authority in reviewing and approving the

[1] The 2022 plan is based on savings estimates from the *Block Island Saves* pilot, given the limited participation in PY2021. While the program installed many direct installation measures in PY2021, no participants implemented HVAC or weatherization measures, which would account for substantial program savings. Because of this, the results from the pilot remain the best estimate of likely savings once the program is running as planned.

incentive levels and budgets for the DSM program each year. We will make these modifications to increase program flexibility and customer outcomes without eroding that authority in any way.

BIUD would like to continue the using the following budget transfer procedures:

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

As outlined in that 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 2022. The breakdown of efficiency surcharge collection provided in Docket # 4975 remains unchanged and estimates collections as follows:

Estimated remaining funds- $32,286.1
(subtract actuals and estimated costs through May) + May revenues
Rationale for continuation of this budget at $60,000 and adjusting the rates accordingly

The Office of Energy Resources (OER) remains committed to supporting the BIUD DSM program with Regional Greenhouse Gas Initiative (RGGI) proceeds. For program year 2022, $60,000 of RGGI support will be provided to BIUD to support the deployment of its DSM program and supplement the ratepayer collections.

C. Rollover Funding

BIUD faced an unexpected challenge that negatively affected overall program participation in PY2021. The staff turnover at ENE halted program operations during the critical Spring months. Therefore, the program participation was lower than anticipated in the Spring of 2021.

There is now a surplus of $36,811. BIUD has established a new budget line item, "Rollover Funds," and these funds will be used to reduce the rates in the 2022-23 program year. We feel the current budget will allow us to increase program participation in several ways. These strategies may include: increasing the incentive level to complete weatherization projects; increasing rebate or incentive levels to encourage program participation; increasing the ENE program budget to increase the number of days spent on the Island during the critical shoulder months or providing contractor bonuses to encourage them to install the rebated measures for BIUD customers. BIUD will identify and implement those approaches that are most likely to increase overall program participation, are responsive to customer demand, and create a project pipeline for subsequent program years.

BIUD is not proposing any changes to the rate structure. The proposed rates for the 2022-23 program year are shown below:

MAY	JUN	JUL	AUG	SEP	OCT

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	$51,425.00	45 Energy Assessments & 8 Weatherization
Residential HVAC	$5,675.00	45 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 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 2022 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	540	Free	No limit; expect 12 per assessment
Smart Power Strips	90	Free	Maximum of 2 per assessment
Low-Flow Shower Heads	45	Free	Expect 1 per assessment
Aerator Faucets	68	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:

Table 3.4 Proposed HVAC and Water Heater Measures and Incentives

Equipment	Rating	Estimated Quantity	Proposed Rebate	Notes
Central Heat Pump	SEER >l5; HSPF 9	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	SEER >15; HSPF 9	1	$250 per ton	
Ductless Mini-Split Heat Pump	SEER 15; HSPF l0	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 minimum 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		45	$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, in conjunction with BIUD's three-tier rate structure with lower winter electric rates, the District 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.

As mentioned previously, there is a local philanthropist who is offering grants for installing residential heat pumps. Given the common goals between this offering and BIUD's program, BIUD is trying to collaborate with this individual and support the grant offering with energy assessments and inspection activities. Moreover, given the geographic isolation of the island and the lack of local contractors able to perform this work, the District intends to work alongside its vendors and the philanthropist's team to engage with contractors on the mainland in an effort to broaden the network of providers who are aware of and can service energy efficiency demand on Block Island. As of February 2022, the philanthropist has helped support 52 heat pump installations via a cash payment of up to $6000 per installation, and with closer collaboration moving forward, BIUD anticipates being able to provide energy audits, inspection services, and rebates to future beneficiaries of this service. 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 unites represent a great opportunity for savings.

Because heat pump technology is still new for many customers 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 rebate of up to $25 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 next.

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 sensors (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 Duct Sealing Insulation Pipe Insulation	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

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 business 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:

Table 3.8 Proposed Business HVAC and Water Heater Measures and Incentives

Equipment	Rating	Proposed Rebate	Notes
Central Heat Pump	SEER >15; HSPF >9	$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 >l5; HSPF >9	$250 per ton	
Ductless Mini-Split Heat Pump	SEER >15; HSPF >10	$150 per ton	
Heat Pump Water Heaters	ENERGY STAR ≤ 55 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 rebate of up to $25 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 approved three-tier rate structure with an attractive winter electricity price, 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.

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 continue working with their hired 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 are designed to require comprehensive scheduling, high-quality in-person services, and coordination with BIUD staff. Selected vendors are 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 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) 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. BIUD hired an efficiency consultant to help manage the program and its implementation, including program planning, the collection of data, reporting on program performance, as well as to support some of the post-installation inspections.

Block Island Utility District 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 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 District was explicit about the importance of scheduling efficiency in its vendor solicitations and the selected vendors have been successful in working to address this important cost-barrier, which include the ability to provide virtual energy assessments if desired.

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 amount being rolled over and the strategies being employed to allocate those funds. 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 Proposed Customer Outreach Channels and Budget Allocation

Customer Outreach		
Total	**$2,000**	Outreach through Local Publications, Bill Inserts, Online, and Community Bulletin

BIUD will continue to strategically engage customers to promote the return of efficiency programming to Block Island residents and businesses. 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 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 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

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, evidenced in part by a recent market potential study conducted for all of Rhode Island,[2] and 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 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 2022 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.

[2] Dunsky Energy Consulting's *Rhode Island Energy Efficiency Market Potential Study*, http://rieermc.ri.gov/wp-content/uploads/2020/06/ri-study-final-report-volume-i-main-report-2020-06-10.pdf

AGENDA ITEM 8

PRESIDENT'S REPORT

PRESIDENT'S UPDATE
MARCH 24, 2022

Voltage Conversion Update

We are on track with preparations leading up to the various outages required to complete the project. The following outage dates will be widely published. The associated work listed will be completed during the following three outages:

Saturday 4/9 1:00 AM – 5:00 AM: Island wide outage to replace substation disconnects, maintain switch T-1, reconfigure bus work and install new metering equipment.

Sunday 4/10 1:00 AM – 5:00 AM: Island wide outage to replace substation disconnects, maintain switch T-1, reconfigure bus work and install new metering equipment.

Saturday 5/7 5:00 AM – 11:00 AM Island Wide - Voltage Conversion Outage
- 4A High Street Circuit ON by 7:00 AM
- 5A Old Harbor Circuit ON by 8:00 Am
- 3A New Harbor Circuit ON by 9:00 AM
- 1A Airport Circuit ON by 9:30 AM
- 2A West Side Circuit ON by 10:00 AM
- 6A Corn Neck Circuit ON by 11:00 AM

Our plans have changed slightly for the sequence of conversions. We are now planning to convert the entire 5A circuit this year. As a result, we will schedule the following outages to finish converting all of the 5A Old Harbor Circuit the day after the big outage:

Sunday 5/8 5:00 AM – 9:00 AM
- 5A from National Hotel to Amy Dodge Lane

Sunday 5/8 10:00 AM – 2:00 PM
- 5A from Amy Dodge Lane to Hull Corner

YTD, we have spent $967,193 on the project. Of that, $527,311 has been spent on materials, $440,105 on contractor charges and the remaining on internal labor.

We have approximately $160,000 of remaining materials to be delivered and billed which leaves us with a balance of $372,000 to fund the remaining contract labor and expenses.

I estimate we will finish the project at approximately $1.4M.

In contrast, we have only spent $23,749 on pole replacements in 2022. Most years we would've spent $200-$300K so far.

Net Metering Update
I expect to hear soon that a PUC open meeting has been scheduled to approve our new tariff.

National Grid Cable Outage
A verbal report will be given at the meeting to prevent confidential scheduling information to be shared publicly.

EV Charger Update
Will Young has procured a Level III EV Charger after he and the BI Solar Initiative issued RFPs to various manufacturers. The lead time from all the vendors was extremely long. This charger won't be delivered until the fall of 2022.

The EV School Bus Charger is on-site and BIUD crews, with the help of Chris Reeves, have installed the conduits, vault and nearly completed the site work necessary to install the charger.

Strategic Planning with CFC
See the e-mail (with suggested dates) from Jim Mieres on the following page.

Rising Costs
I want to make everyone aware of some of the price increases we are seeing and some extremely long lead-times we are experiencing. On October 26th of last year, BIUD purchased two 225 kVA pad-mount transformers for $13,384 each. The lead time was 8-10 weeks which is longer than normal due to covid. Less than 6 months later we asked for pricing to purchase two more. The current price is $28,200 each (more than double the cost) and lead times are 24-26 weeks. This drastic price increase is due to several factors including demand for steel and copper, labor shortages and fuel. I wanted to share this as this increase cost will begin affecting all of our members either directly or indirectly.

Again, as we think about rising costs and fuel prices, lets be thankful we are not burning a million gallons of fuel per year still!

Jeffery Wright

From: Jim Meiers <Jim.Meiers@nrucfc.coop>
Sent: Tuesday, March 15, 2022 11:49 AM
To: Jeffery Wright
Subject: RE: Board Reports

Jeff,

Let's consider the following:

1. The week of October 10th (with planning session on Tues and Wed or Wed and Thurs … we would travel around those dates, or possibly stay an extra and use M and F to travel)
2. The week of October 17th (with planning session on Tues and Wed or Wed and Thurs … we would travel around those dates, or possibly stay an extra and use M and F to travel)

We can tailor the session however best would work for the board. But you're onto our typical full session – 1.5 days. Usually the full day is first (so we cover all the major topics, exercises and the commissioners would have the night to sleep on things and the following half day is targeted to developing the strategic goals) but we can also change things around. Or both days could be full since this is the first time. For co-ops that have done this several times, we can squeeze everything in to one full day since the directors are familiar with the process – hard to do everything in one day, otherwise, and I definitely discourage that.

Prior to the session we would survey everyone to get their thoughts on:

- Strengths, weaknesses, opportunities and threats
- Key concerns and what topics are most important

That way, we do a few exercises in advance in a confidential manner and then tabulate the results for the whole group to review. We also include a few short presentations in advance to encourage creative thought – talk about the changing industry with disruptive trends and opportunities, changing technology, etc. Can also cover a few KRTA metrics. We will provide a number of breaks.

I already have a facilitator in mind, and the head of the group – Ryan Thomas – would likely join us as well, making it a CFC party of three.

Thoughts?

Jim

James R. Meiers, II
Regional Vice President

Service. Integrity. Excellence.

AGENDA ITEM 9

LEGISLATIVE UPDATE

2022 -- S 2691

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LC004954
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S T A T E O F R H O D E I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- 2022 ENERGY STORAGE ACT

Introduced By: Senators Euer, DiPalma, Burke, Murray, Seveney, Miller, Coyne, Kallman, Ruggerio, and Quezada
Date Introduced: March 17, 2022

Referred To: Senate Environment & Agriculture

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 33

2022 ENERGY STORAGE ACT

39-33-1. Energy storage target.

It shall be the policy of the State of Rhode Island to meet the following energy storage deployment goals:

(1) One hundred fifty megawatts (150 MW) by December 31, 2026; and

(2) Five hundred megawatts (500 MW) by December 31, 2032.

39-33-2. Energy storage compensation program.

(a) On or before July 1, 2023, the office of energy resources shall initiate a process to develop one or more programs, and associated funding mechanisms, for electric energy storage resources connected to the electric distribution system, including the incorporation of electric energy storage into existing programs. The office of energy resources shall develop:

(1) One or more programs for the residential class of electric customers;

(2) One or more programs for commercial and industrial classes of electric customers; and

(3) A program for energy storage systems connected to the distribution system in front of the meter and not located at a customer premises.

(b) In undertaking the actions described in subsection (a) of this section, the office shall

consider one or more programs to incentivize the deployment of energy storage technologies connected to the electric distribution system that most effectively leverage the value of such technologies to achieve objectives including, but not limited to:

(1) Providing positive net present value to all ratepayers, or a subset of ratepayers paying for the benefits that accrue to that subset of ratepayers;

(2) Providing multiple types of benefits to the electric grid, including, but not limited to, customer, local, or community resilience, ancillary services, leveling out peaks in electricity use or that support the deployment of other distributed energy resources;

(3) Fostering the sustained, orderly development of a state-based energy storage industry; and

(4) Maximizing the value from the participation of energy storage systems in capacity markets. The office of energy resources shall include consideration of all energy storage configurations that are connected to the distribution system, including systems connected in front of the meter and not located at a customer premises.

(c) The office of energy resources may select the electric distribution company, a third party it deems appropriate, or any combination thereof, to implement one or more programs for electric energy storage resources connected to the electric distribution system.

(d) The office of energy resources shall file the proposed program with the public utilities commission for review and supervision. The public utilities commission shall issue a final decision on the proposed program within one hundred twenty (120) days of the filing by the office of energy resources.

39-33-3. Energy storage rate design.

(a) The electric distribution company shall complete and file with the public utilities commission a cost-of-service study for energy storage systems connected to the distribution system in front of the meter not later than March 31, 2023. On or before July 31, 2023, the electric distribution company shall file with the public utilities commission electric rate tariffs to apply to energy storage systems interconnected and providing retail service to their distribution system. The filing shall include at least one rate tariff that is applicable to front of the meter energy storage. The tariff shall not include costs that are otherwise recouped via project sponsor-funded interconnection upgrades or otherwise paid directly by the project sponsor, and shall include rates designed to reflect cost causation and ensure that energy storage systems are incentivized to charge and discharge at times that benefit the system.

SECTION 2. Chapter 39-26.1 of the General Laws entitled "Long-Term Contracting Standard for Renewable Energy" is hereby amended by adding thereto the following section:

39-26.1-10. Energy storage procurement.

(a) The electric distribution company shall issue and, subject to review and approval of the commission, select a reasonable, open, and competitive method of soliciting proposals from third parties for energy storage projects connected to the transmission or distribution system in front of the meter, including, but not limited to, long-duration energy storage projects, that would achieve the goals in chapter 33 of title 39.

(b) The solicitation method shall be informed by a request for information on potential contract structures between electric distribution companies and third-party operators of energy storage projects, and products or services that may be procured.

(c) The solicitation process shall permit a reasonable amount of negotiating discretion for the parties to engage in arms-length negotiations over final contract terms.

(d) Each contract entered into pursuant to this section shall contain a condition that it shall not be effective without commission review and approval.

(e) Any agreement entered into pursuant to this section shall be subject to review and approval by the public utilities commission, which review shall be completed not later than one hundred twenty (120) days after the date on which such agreement is filed with the authority. The commission shall approve any such agreement if it determines that:

(1) The contract is commercially reasonable as defined in § 39-31-3;

(2) The requirements for the solicitation have been met;

(3) The contract is consistent with the state's greenhouse gas reduction targets; and

(4) The contract is consistent with the purposes of this chapter and contributes to the achievement of the energy storage goals established in § 39-33-1.

(f) The net costs of any such agreement, including costs incurred by the electric distribution companies under the agreement and reasonable costs incurred by the electric distribution companies in connection with the agreement, shall be recovered through a fully reconciling component of electric rates for all customers of electric distribution companies. Any net revenues from the sale of products purchased in accordance with long-term contracts entered into pursuant to this section shall be credited to customers through the same fully reconciling rate component for all customers of the contracting electric distribution company.

SECTION 3. This act shall take effect upon passage.

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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- 2022 ENERGY STORAGE ACT

***

This act would require the office of energy resources to initiate the process of developing one or more programs, and associated funding mechanisms, for electric energy storage resources connected to the electric distribution system, including the incorporation of electric energy storage into existing programs.

This act would take effect upon passage.

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2022 -- H 7844

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S T A T E O F R H O D E I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

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

Introduced By: Representative Susan R. Donovan

Date Introduced: March 04, 2022

Referred To: House Corporations

(Division of Public Utilities and Carriers)

It is enacted by the General Assembly as follows:

SECTION 1. Section 39-2-8 of the General Laws in Chapter 39-2 entitled "Duties of Utilities and Carriers" is hereby amended to read as follows:

39-2-8. Penalty for violations.

Any public utility which shall violate any provision of chapters 1 -- 5 of this title, or shall do any act herein prohibited, or shall fail or refuse to perform any duty enjoined upon it for which a penalty has not been provided, shall be subject to a penalty of not less than ~~two hundred dollars ($200)~~ one thousand dollars ($1,000) nor more than ~~one thousand dollars ($1,000)~~ twenty-five thousand dollars ($25,000), and in the case of a continuing violation of any of the provisions of the chapters, every day's continuance thereof shall be deemed to be a separate and distinct offense.

SECTION 2. Section 39-4-22 of the General Laws in Chapter 39-4 entitled "Hearings and Investigations" is hereby amended to read as follows:

39-4-22. Penalties for violations.

~~Every public utility or water supplier pursuant to chapter 15.4 of title 46 [repealed], and all officers and agents thereof, shall obey, observe, and comply with every order of the division made under the authority of chapters 1 -- 5 of this title as long as the order shall be and remain in force. Every public utility or water supplier that shall violate any of the provisions of the chapters or that fails, omits, or neglects to obey, observe, or comply with any order of the division, shall be subject to a penalty of not less than two hundred dollars ($200) nor more than one thousand dollars ($1,000)~~

~~for each and every offense. Every violation of the order shall be a separate and distinct offense and, in case of a continuing violation, every day's continuance thereof shall be, and be deemed to be, a separate and distinct offense.~~

(a) Every officer, agent, or employee of a public utility ~~or water supplier~~ who shall ~~violate~~ fail to obey, observe, and comply with any of the provisions of ~~the~~ chapters 1 through 5 of this title or any division rule, regulation, or order, or who procures, aids, or abets any violation by any public utility ~~or water supplier~~, or who shall fail to obey, observe, or comply with any order of the division, or any provision of an order of the division, or who procures, aids, or abets any public utility ~~or water supplier~~ in its failure to obey, observe, or comply with any order or provision, shall be guilty of a misdemeanor and shall be fined not less than ~~one hundred dollars ($100) nor more than five hundred dollars ($500)~~ one thousand dollars ($1,000). In construing and enforcing the provisions of this section, the act, omission, or failure of any officer, agent, or other person acting for or employed by any public utility ~~or water supplier~~, acting within the scope of his or her employment, shall in every case be deemed to be also the act, omission, or failure of the public utility ~~or water supplier~~.

(b) The administrator may, in his or her discretion, in lieu of seeking criminal sanctions provided in subsection (a) of this section, impose upon each public utility an administrative civil penalty ("fine") for the failure to obey, observe, and comply with any of the provisions of chapters 1 through 5 of this title, or division rule, regulation or order.

(1) Any public utility determined by the division to have failed to reasonably comply with any provision of chapters 1 through 5 of this title, or division rule, regulation or order, shall forfeit a sum not exceeding twenty-five thousand ($25,000) constituting a civil penalty for each and every offense and, in the case of a continuing violation, each day shall be deemed a separate and distinct offense.

(2) Any payment made by a public utility as a result of an assessment as provided in this section, and the cost of litigation and investigation related to any such assessment, shall not be recoverable from ratepayers. All monies recovered pursuant to subsection (b) of this section, together with the costs thereof, shall be remitted to, or for the benefit of, the ratepayers in a manner to be determined by the division.

(3) In construing and enforcing the provisions of this section relating to penalties, the act of any director, officer, agent or employee of a public utility acting within the scope of his or her official duties or employment shall be deemed to be the act of such public utility.

(4) The penalties provided by this section are in addition to any other penalties or remedies provided in law.

SECTION 3. This act shall take effect upon passage.

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LC005244
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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

A N A C T

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

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This act would increase penalties for violations of the duties of the utilities and carriers chapter.

This act would take effect upon passage.

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LC005244
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2022 -- H 7775

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LC003870
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - EXCAVATION NEAR UNDERGROUND UTILITY FACILITIES

Introduced By: Representatives Casey, Solomon, Kennedy, Craven, and Edwards

Date Introduced: March 03, 2022

Referred To: House Corporations

It is enacted by the General Assembly as follows:

SECTION 1. Section 39-1.2-7 of the General Laws in Chapter 39-1.2 entitled "Excavation near Underground Utility Facilities" is hereby amended to read as follows:

39-1.2-7. Marking of underground utilities and excavations.

(a) A public utility served with the notice in accordance with § 39-1.2-5 shall, within seventy-two (72) hours, exclusive of Saturdays, Sundays, and legal holidays, of the receipt of the notice, unless otherwise agreed between the person or public agency performing the work and the public utility, mark the approximate location of the underground utility facilities.

(b) Prior to notifying the association, any excavator must premark the area of proposed excavation in a manner that will enable the owner of the public utility facilities to identify the boundaries of the proposed excavation activities, except that premarking shall not be required if the proposed excavation will be continuous and exceed five hundred feet (500') in length, or if such marks may reasonably interfere with traffic or pedestrian control or are misleading to the general public.

(c) A public utility shall mark any of its underground utility facilities that are located within fifteen feet (15') of the exterior limits of the premarked excavation area.

(d) For the purposes of this chapter, the approximate location of underground utility facilities shall be marked with stakes, paint, or other physical means as may be necessary to ensure a distinctive mark. The public utility shall follow the color coding prescribed in this section.

UTILITY AND TYPE OF PRODUCT SPECIFIC GROUP	IDENTIFYING COLOR
Electric power distribution and transmission	Safety Red
State and municipal electric systems	Safety Red
Gas distribution and transmission	High Visibility Safety Yellow
Dangerous materials, product line	High Visibility Safety Yellow
Telephone and telegraph systems	Safety Alert Orange
Water systems	Safety Precaution Blue
Cable antenna television	Safety Alert Orange
Premark	White

(e) In the event the excavator shall damage the underground public utility facilities as the result of an incorrect marking by the public utility, the excavator shall not be responsible for the resulting damage.

(f) In the event of an incorrect marking, the public utility or its contractor shall reimburse the excavator for the lost time expense incurred, inclusive of manpower and equipment, resulting from the incorrect marking.

SECTION 2. This act shall take effect upon passage.

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LC003870
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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - EXCAVATION NEAR UNDERGROUND UTILITY FACILITIES

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This act would require any public utility or its contractor to reimburse an excavator for lost time expense incurred, including manpower and equipment from the utility's incorrect marking of underground utilities.

This act would take effect upon passage.

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LC003870
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AGENDA ITEM 10

BIUD BYLAW AMENDMENT

PROPOSED

Expense Reimbursement

Commissioners are eligible for reimbursement for all reasonable and actual expenses incurred to attend professional meetings. To be eligible for reimbursement, attendance at the meeting must have prior approval by a majority of the board of commissioners. Any expense incurred to attend regular meetings of the board of commissions is not eligible for reimbursement.

Eligible expenses include:

- Travel expenses: Transportation to and from the meeting including mileage reimbursement at the standard IRS rate for use of a personal vehicle, public ground transportation and air travel. Air travel reimbursement will be for economy class only.
- Lodging: Basic hotel fees, including room rate, taxes and internet connection fees if any.
- Meals: Meals will be reimbursed for the lesser of actual amount spent or a per diem of $75/day.

Ineligible expenses include:

- Alcohol
- First or business class travel
- Companion expenses
- Incidental expense not related to the purpose of the travel (eg entertainment)

Commissioners seeking reimbursement must complete a Travel Reimbursement Request form provided by the BIUD President. The form must be fully and accurately completed and submitted to the BIUD Board Chair or Treasurer for approval. All receipts should be attached and submitted with the form. Approved Travel Reimbursement Request forms shall be sent to the BIUD President for payment.

AGENDA ITEM 11

REAL ESTATE SALE TO TOWN OF NEW SHOREHAM

PROPOSAL