Request No.: NIMO-1

Requested By: Debra LaBelle, Chief, Energy Efficiency Programs

Date of Request: 9/1/2015

Reply Due Date: 9/16/2015

Directed To: Phil Austen, Director, New York Program Strategy

Topic: Niagara Mohawk Power Corporation d/b/a National Grid 2016-2018 Budgets and Metrics (BAM) Plan and Energy Efficiency Transition Implementation Plan (ETIP)

Question(s):

ELECTRIC & GAS PORTFOLIOS:

1. Please quantify the specific cost categories included in the Portfolio Administration budget. To the extent possible map those categories to the existing EEPS budget categories.
2. By program, please describe and quantify the specific cost categories included in the Program Implementation budget. To the extent possible, map those categories to the existing EEPS budget categories.
3. Please clarify whether the proposed savings targets are net or gross values with supporting rationale. If net, please provide the net to gross factors applied.
4. Although the company states it will monitor greenhouse gas (GHG) emission reductions, peak demand reduction, lifetime energy savings and customer engagement metrics the company does not set any targets – please explain why no explicit secondary targets were set.
5. Please list the GHGs the company intends to monitor.
6. Does the company plan on proposing secondary targets in future BAM Plans and ETIPs?
    a. If the company does plan on proposing secondary targets in future BAM Plans and ETIPs, please provide the metrics the company anticipates proposing?
    b. If the company does not plan on proposing secondary targets in future BAM Plans and ETIPS, please provide a justification for not including secondary targets.
7. By portfolio, please describe the information and historical data the company used to develop its forecasted expenditures and achievements. Please provide the work papers.
8. By portfolio, please provide the work papers supporting the calculation of unspent EEPS funds, with citations to relevant Commission orders.
9. The Evaluation Measurement and Verification (EM&V) activities and schedule are too general and do not link a particular activity (or information gathered through the activity) to a specific year, instead providing ongoing activities and two or three-year periods that will be informed.

For each EM&V activity, please provide a more detailed timeline that describes the information that the company expects from the activity and the intended use of the information, when that information would be available, and the program year by which the company anticipates incorporating the information into the program design, implementation, savings calculations, etc.

10. Please provide the work papers for program and portfolio benefit cost analyses (BCA). Please ensure that costs such as Portfolio Administration, Portfolio EM&V, and costs recovered through base rates and customer contributions/costs are disaggregated.

11. What, if anything, has the company done or planned to do to coordinate with the New York State Energy Research and Development Authority (NYSERDA) to ensure the Electric and Gas C&I New Construction and Major Retrofit Programs work collaboratively rather than competitively with NYSERDA's Commercial and Industrial Initiatives in the Clean Energy Fund?

12. Please explain the company's rationale for allowing participants in the Residential Engagement Program to use program points for gift cards and charitable donations rather than limiting the use of those points to energy efficiency measures?

13. The company is eliminating the dwelling unit cap in the Multifamily Program, what, if anything, has the company done or planned to do to coordinate with NYSERDA to ensure the Electric and Gas Multifamily programs work collaboratively rather than competitively with NYSERDA's Multifamily Performance Program, which is continuing under the Clean Energy Fund?

14. Given the expectation that energy efficiency programs will become more innovative and aligned with a REV environment, please describe how the continuation of programs run under EEPS satisfies this expectation beyond a transitional period.

15. To the extent possible, please provide additional detail regarding specific modifications planned for 2017 and 2018 to make programs more aligned with REV principles.

16. Are any of the programs being offered in coordination with other initiatives (e.g. Demand Response programs, REV Demonstration Projects, gas conversion programs, state and federal initiatives, etc.)? If so, describe the relationship and what, if anything is being done to avoid duplicative incentives and double-counting of savings.

17. Please provide a list of programs where, due to system constraint or other reasons, the company intends to offer higher incentives to certain customers.

18. Please provide the assumed install rate for each program/program component that relies on the customers to install the efficiency measures.

19. For each program, please provide the expected timeframe for the project pipeline (i.e., how long it will take an average project to be completed). Include separate expectations for providing final payment and acquiring savings, if different.

ELECTRIC PORTFOLIO:

1. Please provide the company's rationale for allocating approximately 5% of the total annual Electric ETIP budgets to EM&V when, historically, EEPS electric EM&V has accounted for approximately 2% of the company's total electric expenditures and encumbrances and the company is estimating total unspent EEPS electric EM&V funds to be approximately $3.8 million (Expected Sources of Funds for Future Programs table, page 11), which is approximately 22% of the company's total EEPS electric EM&V budget.

2. Please expand the forecasted expenditures and achievements tables on pages 13-14 to account for the total 2017 and 2018 budgets and targets.

3. Please explain why total EM&V expenditures provided in the Electric Three-Year EM&V Expenditures table (pages 17-18) only account for approximately 75% of the total three-year Portfolio EM&V Budget proposed in the Three-year Electric Budgets table (page 8-10).

4. The 2017 and 2018 benefit cost ratios for the Electric Commercial & Industrial (C&I) New Construction and Major Retrofit Program are 0.76 and 0.79, respectively. Please explain what is driving the ratios to be less than 1.0 and provide the company's rationale for offering the program despite its low benefit cost ratio.

5. The 2017 benefit cost ratio for the Electric Small Business Engagement & Efficiency Platform is 0.99. Please explain what is driving the ratio to be less than 1.0 and provide the company's rationale for offering the program.

6. The 2017 and 2018 benefit cost ratios for the LED Street Lighting Program are 0.77 and 0.81, respectively. Please explain what is driving the ratios to be less than 1.0 and provide the company's rationale for offering this program despite its low benefit cost ratio.

7. The 2017 benefit cost ratio for the Electric Residential Engagement Program is 0.94. Please explain what is driving the ratio to be less than 1.0 and provide the company's rationale for offering the program.

8. The 2016, 2017, and 2018 benefit cost ratios for the Electric Residential Efficiency Platform are 0.82, 0.83, and 0.85, respectively. Please explain what is driving the ratios to be less than 1.0 and provide the company's rationale for offering this program despite its low benefit cost ratio.

9. Please clarify the relationships between and expected integration of the new enhancements outlined in the Electric C&I Program description. Are these related initiatives to be funded through other sources or are these initiatives that will be integrated into the program and funded with the money associated with ETIP programs?

10. Please clarify the relationship between the Non-Residential Market and Technical Potential Study and the Technology and Market Potential and Cost and Savings Analyses described in the EM&V activities section (page 18 and 19), and the National Renewable Energy Laboratory (NREL) Market Potential Study included as a new enhancement to the C&I Program (page 27-28).

11. With no budget in 2016 to support development of the Small Business Engagement and Efficiency Platform, when in 2017 does the company anticipate launching the platform?

GAS PORTFOLIO:

1. Please provide the company's rationale for allocating approximately 5% of the total annual gas ETIP budgets to EM&V when, historically, EEPS gas EM&V has accounted for approximately 3% of the company's total gas expenditures and encumbrances and the company is estimating total unspent EEPS gas EM&V funds to be approximately $1.2 million (Expected Sources of Funds for Future Gas Programs table, page 69), which is approximately 39% of the company's total EEPS gas EM&V budget.

2. Please expand the forecasted expenditures and achievements table on page 68 to account for the total 2017 and 2018 budgets and targets.

3. Please explain why total EM&V expenditures provided in the Gas Three-Year EM&V Expenditures table (page 71-72) only account for approximately 83% of the total three-year Portfolio EM&V Budget proposed in the Three-year Gas Budgets table (page 64-66).

4. The 2016 benefit cost ratio for the Gas Commercial & Industrial (C&I) Program is 0.96. Please explain what is driving the ratio to be less than 1.0 and provide the company's rationale for offering the program.

5. The 2017 and 2018 benefit cost ratios for the Non-Residential Engagement & Efficiency Platform are 0.27 and 0.68, respectively. Please explain what is driving the ratios to be less than 1.0 and provide the company's rationale for offering this program despite its low benefit cost ratio.

6. Please clarify the relationships between and expected integration of the new enhancements outlined in the Gas C&I Program description. Are these related initiatives to be funded through other sources or are these initiatives that will be integrated into the program and funded with the money associated with ETIP programs?

7. The three-year strategy for the C&I Program (page 83) includes an expansion of the Boiler Tune-Up Pilot in 2016. Please describe the Boiler Tune-Up Pilot and the company's rationale for expanding the pilot to become a permanent component of the C&I Program.

8. Please clarify the relationship between the Non-Residential Market Assessment, Market Effects and Market Potential Study described in the EM&V activities section (page 72), and the National Renewable Energy Laboratory (NREL) Market Potential Study included as a new enhancement to the C&I Program (page 79-80).

9. With no budget in 2016 to support development of the Non-Residential Engagement and Efficiency Platform, when in 2017 does the company anticipate launching the platform?