

Rhode Island RE Growth

SolarWise Program Development Update

Rhode Island Distributed Generation Board Meeting

Sept. 21, 2015



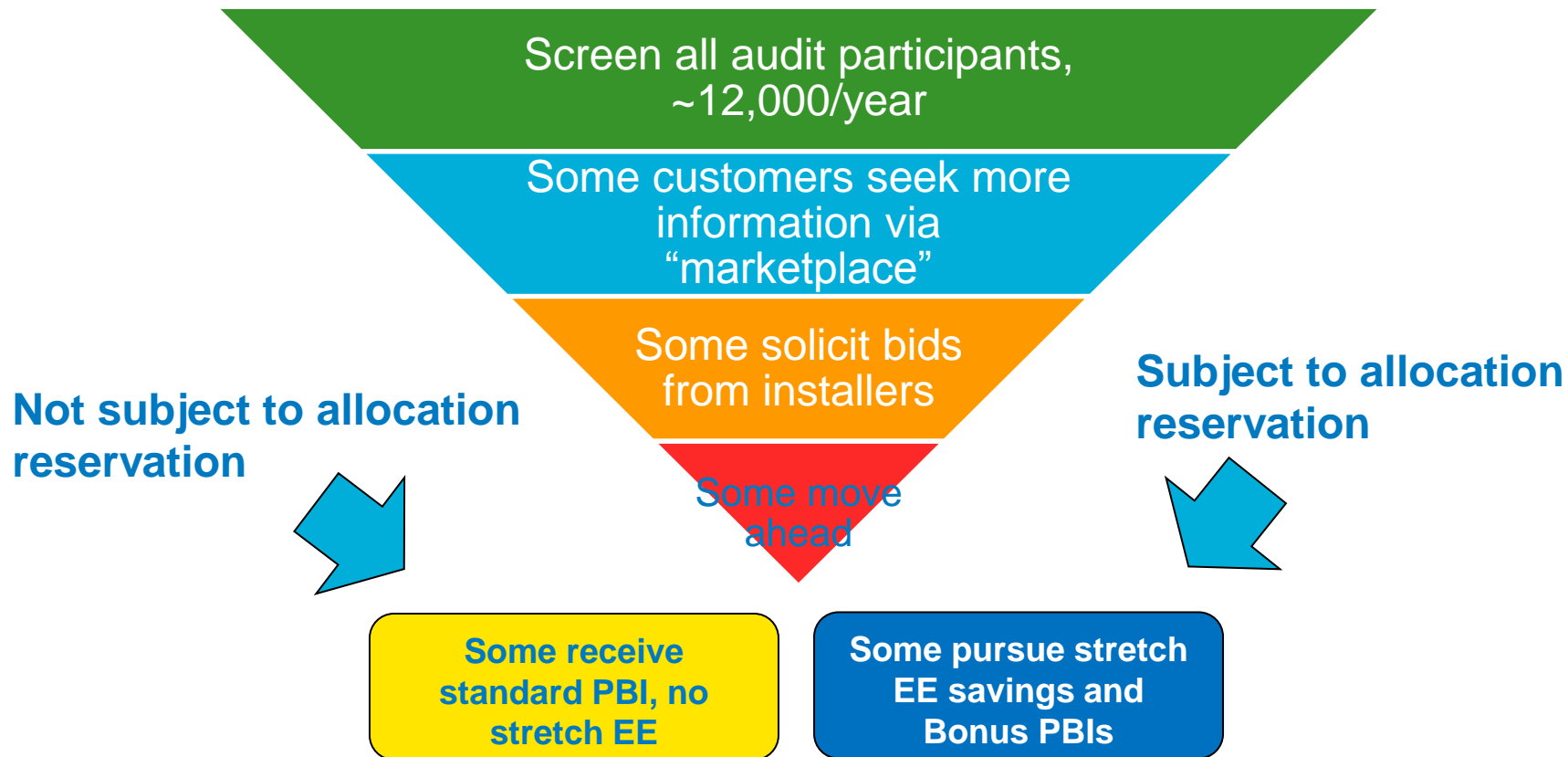
Origins and Limitations

- The current statewide residential EE audit program is branded “EnergyWise” and this addition of solar promotion is by extension proposed to be called “SolarWise”
 - Also a play on “Solarize” programs
- RE Growth law allows National Grid to request up to half of the Small and Medium classes for SolarWise
 - Amount of request not determined yet, to be based on bottom up analysis with vendor and final allocations to Small and Medium
- No cross payments of solar funds for EE measures, or EE funds for solar payments, would be proposed
 - All costs and fee income would be attributed to RE Growth

Two Main Elements to SolarWise

- Provide a solar screening and easy access to solar installation quotes to all audited customers
 - Aim to reduce soft costs and increase competition through an on-line marketplace for solar through existing vendors offering such platforms
- Establish a bonus schedule on the standard PBIs being offered for reaching “stretch” levels of energy efficiency
 - Incentivize uptake of solar with deep energy savings that will decrease the kW per customer, and increase participation
 - Create sense of urgency with limited time offer
 - Designed to be material but not create windfall profits

SolarWise Participation Funnel



SolarWise Services RFQ

- National Grid issued a Request for Qualifications on August 27 seeking services providers for batch screening of audit recipients and marketplace/bid comparison platform
- Received five responses from nationally recognized firms
- Currently undergoing review and additional discussions
- Seeking to finalize terms of a service agreement for one year plus extension options by early October

SolarWise Features

- Potential savings on installed cost from competition and volume
- Transparency of offers can enhance consumer confidence in the transaction
- Some financing would be included in offers, while portal/comparison information for direct finance is possible
- Customers would be free to choose any offer they receive, or offers outside the “marketplace”
- Aiming to provide advisory support by third-party for customers to help them understand different offers
- Integrate RE Growth PBI and bill credit values into comparison of all options provided, along with ownership options

SolarWise Bonus Incentives

- To incent customers to pursue both deep savings and solar generation, National Grid intends to propose a Bonus PBI structure
- Offers would be available to all customers for both new construction projects and retrofit opportunities, in both residential and C&I sectors
- Actual savings brackets and percentage bonus levels are being developed and will be included in draft filed in October
- Idea is to provide larger bonuses for greater savings at lower levels of energy intensity, lower bonuses for savings with higher intensity

Tiers and Savings Matrices

- Bonus Tiers will be proposed as adders to the baseline PBIs
- Tiers will then be identified in a matrix for each building type
- Tiers are being developed with an eye to provide a material but not overly lucrative increase in the owner's IRR, using the models from SEA as a guideline
- Each existing building matrix will have an Achieved Usage Reduction axis and a building Energy Intensity Measure axis
- Energy intensity data to be based on EIA 2012 survey with New England specific values for many building types
- New Construction will only have one axis, for “performance over code”

Sample SolarWise Matrix

EIM Levels > Audit Offered Savings %	Second Quartile, 5 kWh/sf	First Quartile, 3.8 kWh/Sf	Top 10%, 3.3 kWh/sf
> 3% to 8%	Tier 5	Tier 4	Tier 3
> 8% to 12%	Tier 4	Tier 3	Tier 2
>12%	Tier 3	Tier 2	Tier 1

Illustration of SolarWise Process

- Step One: Solar screening of customer premises is provided during routine EE audit in a one-page summary
- Step Two: One-pager invites customer to seek offers for installations through an on-line marketplace, with ability to fine tune system request to post-install level of EE savings being considered
- Step Three: Receive offers for solar installs at appropriate sizing and Bonus PBI levels, if applicable
- Step Four: Commit to EE work, apply for SolarWise bonus, receive approval for appropriate tier of bonus
- Step Five: Implement the EE measures and install solar PV

Next Steps in Development

- Revise current tariffs to spell out the parameters and rules of the program
- Develop a SolarWise Guide and Rules document for customers and installers
- Finalize terms of service with vendor
- Incorporate service needs from EE audit vendors into upcoming RFPs for audit services
- Finalize the EIM levels by building type, and savings level brackets
- Provide draft tariff and rules to DG Board on or before October 15, up to a two week extension on the standard filing date (45 days prior to PUC filing)