

PUC 2-1

Request:

Please provide a copy of the EERMC's 2022 annual budget. Please ensure that the budget submitted to the Commission in response to this request adequately explains the expected use of the funds.

In addition, referencing the 2021 and 2022 budgets cited in footnotes 8 and 9 of the EERMC's responses to the PUC's 1st set of data requests, please provide an explanation of any significant year-over-year increases from 2021 to 2022 (for example, the increase in consultant services), and an explanation of any changes to the draft 2022 draft budget referenced in footnote 8.

Response:

This response was primarily authored by the Rhode Island Office of Energy Resources, with input and final review from the EERMC Consultant Team.

The EERMC has not yet voted to adopt a budget for 2022. The EERMC has, however, developed a draft budget¹ based on its expected income as stated in the Provisional Plan filed with the PUC on October 8, 2021. This draft budget was reviewed and discussed by the Council at its November and December Council meetings, where additional ideas and priority areas of investment were discussed to ensure adequate deliberation and input went into allocating Council funds. At its December Council meeting, the EERMC did vote to approve the Consultant Team's 2022 Scope of Work and associated budget.

An explanation of any significant year-over-year increases from 2021 to 2022 is provided below.

Consultant Services: An explanation of the increases for the consultant services budget is provided in the Consultant Team's Scope of Work and Budget for 2022² which was presented to and approved by the EERMC at its December meeting. The approved budget of \$922,976 represents an increase of \$30,000 compared to the current draft EERMC budget, which reflects the Council's decision to include funding for the Mike Guerard Energy Fellow in 2022.

Legal Counsel: While the draft budget document does not reflect an increase in the legal services budget for 2022, at its November meeting the EERMC did vote to increase the contracted amount for 2021 legal services to \$46,400. This increase was driven primarily by the contested filing in Docket 5189 requiring more legal support than has traditionally been the case in a settlement proceeding. Given that Docket

¹ http://rieermc.ri.gov/wp-content/uploads/2021/12/2022-eermc-budget_draft.pdf

² http://rieermc.ri.gov/wp-content/uploads/2021/12/2022-eermc-c-team-proposed-sow_2021.12.02.pdf

5189 will continue into 2022 and not knowing how next year's planning process will unfold, it was recommended by one of the Council members that the legal services budget be increased for 2022, though a set budget number has not yet been agreed upon for 2022.

Potential Study Data Refresh: The EERMC sponsored a Market Potential Study for the State of Rhode Island which was completed in 2020 and covered a six-year period from January 1, 2021 through December 31, 2026. The EERMC has expressed interest in providing budget in 2022 to refresh the data for the second three-year period (2024-2026) of that study so that the Council may have the most up-to-date and relevant estimates of available energy efficiency potential to inform the development of the 2024-2026 energy efficiency targets to be filed with the PUC for its consideration in 2023.

OER and the EERMC Consultant Team note that this response constitutes an initial assessment of known budgetary impacts. Matters involving the EERMC's budget, including future budget allocations, are subject to Council review and approval. In the coming months, the Council intends to deliberate on potential data and market gaps, and determine whether investment in those areas is warranted, and in what amounts. We believe this approach to be consistent with the intent of the General Assembly when they authorized an increase in the total available allocation of funds to be split between the Office of Energy Resources and the EERMC during the 2021 legislative session.

PUC 2-2

Request:

Please provide the expected year-end balances in any EERMC accounts for 2021, and indicate whether any of those balances are funds held in reserve for future expenses, and provide those amounts and explain the future expenses. In addition, if any reserves for future expenses are held in non-EERMC accounts, please provide the same information.

Response:

The response to this request is provided by the Rhode Island Office of Energy Resources, who in its role as Executive Director of the EERMC, is responsible for managing the Council's accounts and budgets.

The EERMC has two funding accounts, the Main Fund which is maintained by National Grid and is where current year SBC income from the Council is held, and the Client Fund, which is an interest-bearing account managed by the EERMC's legal counsel for future allocations, such as market potential studies.

Subject to year-end reconciliation, the expected year-end balance for 2021 in the Main Fund is \$0. See table 1 below.

Table 1 – 2021 EERMC Main Fund

2021 SBC Income (from electric & gas)	\$1,013,572.00
2021 Consultant Services	-\$700,000.00
2021 Legal Services	-\$46,400.00
Savings towards future potential study	-\$100,000.00
Energy Education Videos	-\$31,250.00
Subtotal	\$135,922.00
Roll over to Client Fund	-\$135,922.00
2021 Main Fund Year-End Balance	\$0

Subject to year-end reconciliation, the expected year-end balance for 2021 in the Client Fund is \$200,512.60. See table 2 below.

Table 2 – 2021 EERMC Client Fund

2021 Client Fund Starting Balance	\$312,218.51
2021 Contribution to Future Potential Study	+\$100,000.00
2021 Interest Earned to-date	+\$42.57
2021 Public Education Contracted Expenses	-\$92,390.00
Council Retreat	-\$650.00

Rhode Island Energy Efficiency and Resource Management Council
RIPUC Docket No. 5189
In Re: 2022 Annual Energy Efficiency Plan
Responses to the Commission's Second Set of Data Requests
Issued: December 3, 2021

Council Website	-\$350.00
Payment of 2020 Contractual Expenses	-\$118,358.48
2021 Client Fund Year-End Balance*	\$200,512.60

*\$200,000 of the expected year-end balance for 2021 in the Client Fund is being held in reserve for a future potential study.