



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

MEETING MINUTES

Thursday, October 1, 2015

3:30 - 5:30 PM

Conference Room B, 2nd Floor

Department of Administration, One Capitol Hill, Providence, RI

- Members Present:** Abigail Anthony, H. Robert Bacon, Joe Cirillo, Marion Gold, Jennifer Hutchinson, Michael McAteer, Shigeru Osada, Chris Powell, Betsy Stubblefield Loucks, Karen Verrengia
- Members Absent:** Roberta Fagan, Joe Newsome, Diane Williamson
- Consultants Present:** Mike Guerard, Scudder Parker
- OER Staff Present:** Ryan Crowley, Chris Kearns, Danny Musher, Rachel Sholly
- Others Present:** Leah Bamberger, Karen Bradbury, Kat Burnham, Lindsay Foley, Doug Gablinske, Rachel Henschel, Courtney Lane, Angela Li, Leslie Malone, Terry Martesian, Sam Milton, Celia O'Brien, Fred Paine, Matthew Ray, Ben Rivers, Tim Roughtan, Brigid Ryan, Raquel Webster, Chon Wong, Belinda Wong, Muxi Yang

1. Call to Order

Chairman Chris Powell called the meeting to order at 3:34 PM.

2. Approval of August Meeting Minutes

Bob Bacon made a motion to approve the September meeting minutes. Joe Cirillo seconded and all approved.

3. Executive Director Report

Commissioner Marion Gold of the Office of Energy Resources (OER) reported she recently toured Toray Plastics in Quonset. She also mentioned her attendance of a sustainability working group meeting that she attended at Brown University. The event was a great way to bring large energy users. She said Chris Powell gave a presentation on the strategic energy management plan. Commissioner Gold suggested that the OER team and perhaps the Governor's Office could benefit from such a presentation. Commissioner Gold also met with Roberta Fagan to discuss way to improve service for clients that are reliant on heating oil.

4. Policy & Planning Issues

a) Update and Vote on Expert Finance Consultant

Mike Guerard asked the Council to refer to the memo provided on Monday. He recommended that the Council select a finance expert at this meeting. Mr. Guerard outlined the process used to determine which company should be selected. The initial RFP list of candidates was used as a starting point. Went back to initial RFP for candidates to develop a report. Based on list the team then determined if any would be suitable for the finance consultant. There were 6 candidates that were interviewed at 45 minutes. 4 candidates were then asked to submit additional documentation on the approach that would be used. Dunsky was identified as the best. The company had RI experience with landscape and stakeholders, strong financing expertise and clear qualifications, good experience in energy efficiency program strategy and implementation and demonstrated the ability to deliver a good work product in a timely manner. Scudder Parker added that it was a close decision that followed a very thorough process.

Jeremy Newberger, Danny Musher and two representatives of VEIC lead the recommendation process. Michael McAteer added that the expertise identified in the lead candidate will be helpful with the launch of the infrastructure bank.

Mr. Guerard added that the selected finance consultant would begin as soon as they are under contract and would continue through 2016 as needed or until funding runs out. A retainer and escrow gives them the ability to move as the Council moves forward.

Mr. Bacon made a motion to to select Dunsky to serve as an expert finance consultant to the EERMC and authorize the Consultant Team to draft a contract. The \$70,000 authorized budget for these services should be transferred to the EERMC Legal Counsel's client fund account to fund activities upon contract execution through 2016. Karen Verrengia seconded. All approved.

b) Update on PUC Rate Design Proceeding Vote on Upcoming Activities

Scudder Parker provided an outline of how to approach the docket and also presented an outline of the kind of testimony he would propose to provide during the docket proceeding itself. He noted that there was a lengthy technical session which he and Marisa Desautel participated in. He said an informal group has discussed how to approach the docket. Commissioner Gold stated that it is appropriate for the EERMC to weigh in because of the significant ramifications from the rate-design and that OER hopes to work collaboratively with the utility and others to address concerns.

Shigeru Osada asked what the logic behind the motion to end the docket regarding the access fee is. Marisa said the argument is the PUC should not consider the issues brought forth because the PUC would be precluded from rendering a decision. Abigail Anthony said the outline is through and she would support the testimony being used by Scudder Parker and Marisa Desautel during the proceeding.

Jennifer Hutchinson offered observations on what was submitted. The rate design is revenue neutral. She said it intentionally has a narrow scope. It's the first incremental step toward the evolution of the electric industry. Anything beyond that scope would be more appropriately discussed on another day. She also noted that National Grid took into account the concerns parties have expressed.

Mr. Parker argued that the points made in his outline go to the fact that this is a rate design that is revenue neutral and they are not arguing that. He said he is concerned about negative impacts on efficiency measures and believes going to fixed charges is the wrong direction to go. Betsy Stubblefield Loucks stated that the structure does not appear to achieve the Council's goals of cost procurement and that she supports the testimony presented to the Council. Ms. Anthony added that the Council is in a position to offer that perspective.

Mr. Bacon made a motion to direct the Consultant Team and Legal Counsel to finalize testimony based on the outline and submit it to the PUC according to the deadline. Ms. Stubblefield Loucks seconded. All approved.

Ms. Desautel recommended that the council should either support or remain silent on other motions that have been filed with the PUC against the rate design. She said the Council should decide at the meeting whether or not to file a motion to support and that open meetings law does not prohibit votes not included on the agenda. Commissioner Gold announced that she was informed that Commissioner Curran has extended the procedure schedule.

Chairman Powell asked the council if there was a motion to intervene. No Council members made a motion to proceed with a decision.

c) Review and Vote on Final Drafts of the 2016 Energy Efficiency Program Plan (EEPP) and the 2016 System Reliability Plan (SRP)

Rachel Henschel and Courtney Lane made a presentation updating the Council on the Final Drafts of the 2016 Energy Efficiency Program Plan and the 2016 System Reliability Plan. Mr. McAteer noted that the plan has had substantial stakeholder engagement in the plan that has allowed National Grid to thoroughly go through it and make adjustments. 70% of 700 jobs in the energy efficiency sector were created in Rhode Island. Ms. Anthony asked how the 2016 Energy Efficiency Plan expands participation. Rachel H. said participation is increasing primarily in the residential sector and but is not growing as much as National Grid has hoped. She used the residential lighting program as an example of expansion. National Grid was cognizant of costs and tried to keep them as low as possible. Expansion is occurring in programs that can be expanded less expensively.

Mr. Osada asked if National Grid got an incentive from ISO-NE and if it is built into the new revenues. Ms. Henschel said yes.

Lindsay Foley present the system reliability plan to the council. Mr. Parker said this section is where National Grid, EERMC, and OER are learning about the energy system of the future.

Motion to approve the final drafts of the 2016 Energy Efficiency Program Plan and the 2016 System Reliability Plan for submittal to the PUC by the October 15, 2015 deadline made by Karen Verrengia. Joe Cirillo seconded. All favored with the exception of Mr. Osada. Mr. Osada provided a handout with graphs illustrating his reasons for opposing. All remaining council members approved.

d) Update on Cost-Effectiveness (C-E) Memo

Mr. Guerard said the council is required to provide the PUC a memo in support of the EE program. He suggested the Council vote to assign executive committee to meet prior to October 30 to approve the memo or approve the provisions of the cost-effectiveness memo included in meeting materials. He

recommended the Executive Committee meet to finalize the memo. Bob Bacon made a motion to Executive Committee to schedule a meeting after the 10/15 EEP and SRP filing date and before the 10/30 deadline to submit the C-E Memo, and to authorize the Executive Committee to vote to approve the final C-E Memo on behalf of the full Council. Karen Verrengia seconded. All approved. The Executive Committee members decided the new meeting date would be October 15.

5. Other Business

Mr. Osada asked for clarification on the requirement of members and presenters to supply meeting information to the council before the meeting. Chairman Powell explained that factual data needs to be supplied before the meeting so members have a chance to review the material. Votes in favor or in objection to an agenda item must be made only during the meeting time.

6. Public Comment

Brigid Ryan asked if the plan was open to the public. Jennifer Hutchinson explained that the plan is not a filing and therefore it is not distributed to the public. The plan would be made public if filed with the Public Utilities Commission. Ms. Ryan stated her concern about meeting the state goals for carbon reduction.

7. Adjournment

Joe Cirillo made a motion to adjourn the meeting. Bob Bacon seconded and all approved. Chairman Powell adjourned the meeting at 5:38 PM.

Next Meeting: Thursday, November 12th; 3:30-5:30 PM; Conference Room B

ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL

Minutes-October 18, 2012

Conference Room B, Second Floor DOA

Call to Order: Chairman Ryan called the meeting to order at 3:00 PM.

Members Present: Dan Justynski, Chris Powell, Marion Gold, Abigail Anthony, Paul Ryan, Vic Alienello, Joe Newsome and Joe Cirillo

Consultants Present: Scudder Parker and Mike Guerard

Staff Present: Chris Kearns, Barbara Cesaro and Charles Hawkins

Others Present: Shigeru Osada, Josh Croft, Puja Vohra, Frank Gorke, Mark DePetrillo, Matthew Schweich, Brian Kearney, Kim Ziegelmayr, Ian Springsteel, Sean Murphy, Rachel Henschel, Tim Roughan, Bill Ferguson, Jennifer Brooks Hutchinson, Wendy Waller, John Isberg, Matthew Banoub, Angela Li, David Jacobson, Danny Musher, Jeremy Newberger, Michel McAteer, and Jon Hagopian

Acceptance of Minutes: Joe Cirillo made a motion to accept the September minutes: it was seconded by Joe Newsome and passed unanimously.

Executive Director's Report

Marion G. began by thanking the consultant team, the Council, the DSM Collaborative (DSMC) and the Division of Public Utilities (DPUC) for their hard work on the 2013 Energy Efficiency Program Plan (EPP). She went on to say that the Office of Energy Resources (OER) is hoping to post three new positions, two are eminent and the other will come later. She also said that the transfer of the Low Income Energy Assistance Program (LIHEAP) to the Department of Health & Human Services (HHS) is proceeding.

The Public Energy Partnership (PEP), whose goal it is to reduce energy usage in RI public buildings by 20%, is moving along. NGrid has pledged \$500,000 in in-kind support. Water supply facilities will be the first priority. Marion G. has met with RI Building Commissioner Jack Leyden & Facilities Manager Marco Schiappa to look at low hanging EE opportunities in state buildings.

Marion G. passed out a written report from OER Low Income Manager Lewis Babbitt that shows that OER is close to reaching their weatherization goals. She said she would like to have HHS's Director Sandra Powell as a guest for a future Council meeting. She will also meet with the Green & Healthy Home Initiative team and has reached out to the Capitol Good Group who have some good ideas on financing residential EE. She also mentioned the Strategic Energy Plan where OER is partnering with the Division of Planning to look at long range energy planning. An MOU has designated the OER as the

lead agency to work with the URI Renewable Energy Siting Partnership (RESP) team to take a broad view of the energy system in RI. There will a presentation of this plan at the November 27th joint meeting between the EERMC & the Renewable Energy Coordinating Board (RECB). A twenty-three person advisory council has been chosen to work on the plan. She also mentioned a recent briefing OER staff received on the ARRA funded Energy Assurance Plan which deals with the security of energy systems. She suggested the team that did the plan may want to brief the Council.

Discussion & Vote on the 2013 Energy Efficiency Program Plan (EPPP)

Jeremy N. of NGrid was introduced to give this power point (attached). NGrid feels this plan meets the statutory requirement for LCP and meets or exceed the savings targets in the Three Year Plan. It is also cost effective, creates \$462 million in lifetime economic benefits, and is cheaper than supply. The savings are consistent with the Three Year Plan with electric the same and gas slightly higher. The overall electric budget is also the same as the Three Year Plan with gas slightly higher.

Chris P. asked what the trends were for the TRC from previous years. What is the cost for KWh past & present. He would like to see some charts that reflect this. Jeremy N. said it was lower than for the 2012 EPPP. Scudder P. said that when you drive the savings into the marketplace you do not get to claim the savings. Chris P. feels it is important to see where the program has been and where it is going. It is important to see where the TRC is headed to get support for the next Three Year Plan.

Jeremy N. then gave highlights of both the residential and C&I plans that were discussed during the September meeting. Dan J. asked about how commitments will be timed over the implementation period. If a commitment is made to a CHP project in 2013 it will be under the rules adopted in the 2013 plan. Jeremy N. said if a CHP project is committed to in 2013 but it will not come on-line until 2015, NGrid would like to fund that commitment over a two year period. NGrid has a commitment budget of \$7 million for next year for projects that will be coming on-line in 2014. Dan J. asked what would happen if the demand for incentives outstripped the supply. Jeremy N. said that NGrid has the flexibility to spend more than the budget if the demand for incentives is greater than expected. Dan J. said that he would like to see the marketplace fund projects customers would do on their own. If ratepayers are willing to do the EE work on their own, incentives are not needed.

The electric implementation budget is less than projected in the Three Year Plan and the EE charge is the same. The gas implementation budget is slightly higher, because of the multifamily element, and the EE charge is significant lower than projected. There have been two changes to the shareholder incentive: the incentive mechanism has been altered to provide greater incentive to the company to meet goals; and the elimination of the incentive related to securing outside funding. The incentive will be lower if you get to a less percent of the goals but higher if the company gets to 100% of savings goals.

VEIC Presentation on the 2013 EEPP

Mike G. & Scudder P. were introduced to give this power point presentation (attached). Scudder P. began by saying the Council was pushing the limit on what other jurisdictions are doing about EE. Over the last four years the levels of engagement have been remarkable with DPUC, the DSMC, the Council and other groups like Tec-RI contributing. NGrid has become a leader in this field. It has been a scramble in the last three months to get this accomplished but it's been a very productive process

Mike G. said that the two key statutory requirements are cost effectiveness and having EE measures that are lower than the cost of the acquisition of additional supply. The program design has to meet the objectives of Least Cost Procurement (LCP) by identifying and capturing savings, prudently and reliably. The process to determine cost effectiveness begins with the Technical Reference Manual, which feeds into the benefit/cost model, which generates the data that is included in the EEPP appendix tables for the PUC filing. After the filing VEIC then does a cost effectiveness memo to be presented to the council at the November meeting before it is filed at the PUC.

As a result of this review VEIC has determined that the EEPP appears to be cost effective. Some minor adjustments may be required but should not bring the BCR below 1.0. Next VEIC reviewed the costs to determine if were appropriate and less than the cost of supply. The EEPP is consistent with the Three Year Plan and lower in some areas. Chris P. asked what VEIC was using for cost of supply. NGrid takes it off the tariff sheets and compares it to standard offer. The total electric budget is slightly higher than projected and this is driven by the on-bill financing.

On the LCP side, the EEPP hits the key themes. Scudder P. feels that the C&I financing plan hits on the theme of innovation. The code work done by NGrid also is innovative as well as the new Home Energy Report program, which is behavioral savings.

Mike G. said that this is a strong plan but there are some things that are missing. Some programs are lacking in detail like CHP, Codes & Standards, the Home Energy Reports Program and On-bill Repayment Program. These programs are new and positive but lack a track record. On-bill repayment represents an industry leading innovation but VEIC does not have the data on it yet. Scudder P. said that the Home Energy Report Program is not well established, but it represents 30% of the residential savings. It has not been piloted in RI. The savings are only for one year, and other EE measures have lifetime savings. It is a different approach that deserves attention. The savings are cheaper but you need to get them every year. Behavioral programs need to be integrated with advanced metering to get deeper savings.

VEIC recommends provisional approval of the 2013 EEPP with the condition that the parties involved agree to effectively resolve the final issues raised today by October 25th. They also recommend delaying voting on the CHP provisions pending further discussion among key stakeholders.

Other recommendations about the process going forward are to start the 2014 process much earlier than this year. The second one is having a clear policy and process for selecting vendors that is transparent and allows for Council & stakeholder input. The last point is a need to monitor the performance of the 2013 EEPP in real time with monthly updates. Next steps are finalizing details by October 25th for a November 1st filing to the PUC. At the November Council meeting VIC will present a draft cost effectiveness memo for their review to be filed with the PUC during the week of November 12th.

Jeremy N was confident that these issues can be resolved. He said that NGrid has been running a Home Energy Report Program in Massachusetts since 2010, that has been evaluated through studies, so there is not as much of a learning curve. The CHP issue is very narrow and is a rate and tariff issue.

Jon Hagopian of the DPUC said that the remaining unresolved issues in the EEPP are important to the DPUC. They have made data requests of NGrid on CHP and they are not ready to sign off on the plan until they digest this information. They would like to have more time before they sign on. As far as the incentive is concerned, they have worked with the company in order to see how that incentive will be performed over years. Jon H. is cautiously optimistic they can work through these issues. Mike M said the DPUC showed great leadership in addressing the incentive issue and they worked together collaboratively. Chris P. said that DPUC's involvement in the CHP debate is critical because of the separate rate impacts. Scudder P. said that in other jurisdictions VEIC has worked, if the DPUC is not on board it is a hard road for LCP.

Abigail A. was prepared to make a motion but Paul R. said he wanted to pin down some loose ends before the council votes. He said that the DPUC has not signed on; and CHP is still a major loose end. Abigail A. said that the Council is in the same position it is in every year, they are about 97% of the way there. The DPUC always signs on separately. She said the Council has two choices: Vote to approve the 2013 EEPP conditionally with the subcommittee continuing to work through outstanding issues; or we vote to approve the 2013 plan excluding the CHP components and authorize the subcommittee to finalize outstanding issues and sign off on the CHP part. She wanted Chris P.'s take on this. He likes the second option better. It gives the subcommittee the ability to take the time needed to really vet these issues. It has a significant impact on C&I ratepayers.

Abigail A. made the following motion: **The EERMC will vote to approve the 2013 Energy Efficiency Program Plan, excluding the CHP section, and authorize the planning subcommittee to continue to work with the stakeholders to resolve any outstanding issues. The EERMC will also authorize the CHP subcommittee to resolve outstanding issues related to CHP and approve the CHP plan upon resolution. The EERMC will ratify the CHP subcommittee decision at the November meeting. It was seconded by Paul R. and approved unanimously.**

Joe N. asked who is on the subcommittee who will approve this. VEIC, Marion G., Abigail A. and anybody else who would like to be involved like Bill F. of Tec-RI.

Discussion & Vote on the 2013 System Reliability (SR) Plan

NGrid's Lindsey Perry was introduced to give this power point presentation (attached). The 2013 SR Plan does not propose a new non wire alternative (NWA) project this year. Wires projects were screened in 2012 to determine if they met criteria for a NWA analysis and one qualified but the customer pool was deemed to small to support load reduction. The 2013 SRP proposes continuing with the Tiverton/Little Compton Pilot. In the 2012 pilot NGrid expects to reach 40% of the demand savings target. The pilot started late so NGrid did not have the full twelve months.

2013 incentives include free wi-fi thermostats to customers with central AC and rebates of up to \$50 for energy star window ACs. They also want to broaden their marketing outreach and increase touch points. The pilot is on track to meet deferral requirements which is the main objective. The budget of \$343,500 is higher than projected in the 2012 SRP Report. This is because of increased marketing, more in-depth evaluations and increased incentives.

Paul R. said that Tiverton is a hard town to write ordinances for because of the difference in makeup of sectors of the town. Vic A. asked if there was a target number for participation. Lindsey said that in 2012 NGrid hopes to replace 250 window ACs in the target area. Scudder P. said that VEIC recommends that the council support the SRP.

Abigail A. made a motion to vote to approve the 2012 System Reliability Plan. It was seconded by Dan J. and passed unanimously.

Presentation of NGrid's Organizational Chart for RI EEPP

Jeremy N. said that both the Council & the DSMC have expressed interest in NGrid's RI EE presence. To date, there are 35.5 FTEs currently working in RI. These include 60 people actively working on RI EE with more than 15% of their time. Of these, 34 are physically located in RI. Jim Mattie heads up the Customer Organization which includes Customer & Business Strategy which has 11.9 FTEs; Marketing & Customer Experience which has 1.7 FTEs; Sales and Program Operation which has 19 FTEs; and Customer & Market Analytics with 2.9 FTEs.

Customer & Business Strategy develops, communicates, delivers and evaluates long-term customer strategy, energy solutions and technology for customers & regulators. They develop the EEPP. This group is headed by Ed White and includes: Jeremy N., and Rachel H. Forty people work in this sector with a total of 11.88 FTEs. Some are physically located in RI, some in Massachusetts.

Marketing & Customer Experience delivers core marketing communications and activities. It also develops strategies that improve the customer experience through customer insights learned from outreach. The recent public forum was coordinated by this group. There are 30 people in this group that totals 1.72 FTEs.

Sales & Program Operations manages all sales support function across the business and focuses on trend analysis that supports systemic problem resolution. They are in charge of vendor management and are the ones who process the rebates. The VP of this group is Terence Sobolewski and the Director is Sean Mongan, who presented at a recent EERMC meeting. About 50 people work in this group for a total of 19 FTEs. Joe N. asked how NGrid got to 15% when listing the 60 people actively working in RI for 15% of the time. Jeremy N. said that they thought 15% was a substantial chunk of someone's in a matrix operation of people support other people.

The Customer and Market Analytics group researches and analyzes data to support growth and increase customer satisfaction. They also support all teams with customer insights, annual budgeting processes, sales forecasts and monthly variance analysis. It also includes NGrid's tracking system. About 40 people work in this group with a total of 2.90 FTEs. Other resources include jurisdiction, legal, regulatory strategy and media relations. Scudder P. said that NGrid sub-contract a lot of EE work to vendors and if they were included in the Org Chart it would look like NGrid had a lot more employees working on EE. Abigail A. wanted to thank NGrid for the presentation and said this was what the council was looking for. Marion G. agreed. **At this point Paul R. needed to leave the meeting and turned the gavel over to Chris P.**

NGrid's Data Dashboard with Year to Date Data

Mike M. said this dashboard was in response to the Council request for more real time EEPP data. He passed out a chart that reflected both the gas & electric 2012 forecasts by sectors. The two major bits of information are the total budget spend and the KW savings. On the residential electric side they are to 49% of the spend and are forecasting 84% of goal. On the savings side they are at 51% of spend but forecast 92%. In Low Income (LI) electric programs they are at 80% of the spend and at 100% forecast. On C&I electric NGrid is at 32% of the spend but forecast 80%. On the savings they are at 32% with a forecast of 77%.

On the gas side residential is at 65% of spend and forecast 94%. On the savings side they are at 25% with a forecast of 74%. On C&I gas they are at 40% of spend and forecast 83%. On the gas savings they are at 32% of goal with a forecast of 97%. Some observations include the goals being more challenging than originally thought. C&I new construction has lagged because there are no new buildings being build. The C&I Retro-fit Program has been slowed because many companies simply do not have the capitol to invest in large EE projects. That is why the on-bill financing package in the 2013 EEPP is so important. The goals of the High Efficiency Heating Equipment (HEHE) Program were not set to the market potential.

Mike M. said that if you look at the goals from last year and compare to this year NGrid is farther ahead. They have done more but the trajectory of the EEPP demand they do more. This dashboard also does not reflect the gap closers discussed at the last meeting. NGrid is also planning for the 25% increase savings goals embedded in the 2013 EEPP.

NGrid is also committing resources to the DOE PEP grant with a full time dedicated staffer. They will also be committing resources to the Strategic Energy Plan that is being developed by OER in conjunction with URI and State Wide Planning. They also want to dedicate a full time person to the Codes & Standards Initiative.

Mark D. said that other savings will come from the summer kicker programs like the Providence Place Mall LED project. Some of this data is just being recorded now. On the residential side, NGrid has a lot of invoices that have not been paid yet. He expects the "Hockey Stick Effect" will result in a strong end of the year finish. Mike M. wanted to emphasize how seriously NGrid was taking their EE mission. He feels they have the right people in the right places they just have to get the alignment straight.

Vic A. asked if there was a way to measure oil to gas heating conversions to determine if those switching are switching to the most EE gas units. Mark D. said a rough calculation would be about 24% on the gas side but he does not know on the residential. Mark said it took about 18 months of vendor training for the contractors to catch on to trying to sell the more EE units. Marion G. said that both the dash board and the Org Chart were fabulous. The Data Dashboard is not in the EEPP because the concept was developed after the plan was drafted. NGrid will now include it in the 2013 EEPP and continue to provide this information to the Council going forward. Chris P. appreciates this data, but he would like to see bullet points that summarize key issues included.

Discussion of the EERMC Budget/Evaluations on the EERMC Website/Open House

Abigail A. reminded the council that at the end of 2011 the council set aside \$180,000 to do a Gas Opportunity Report and it only cost \$100,000. So the EERMC has \$80,000 that they need to figure out what to do with. She would like to have the budget subcommittee (Chris P., Abigail A., & Marion G.) come up with recommendations for the November meeting.

Abigail A. also suggested having all of the EE evaluations & studies on the EERMC website. The Massachusetts website has them organized by year and by sector. She would to try the same thing. Does OER have the capability to do that website work? Marion G. said that they did.

Abigail A. also suggested having the EERMC host an open house event to showcase their activities. They could provide EE guidance to RI policy makers and ratepayers and highlight the policy recommendations in the Annual Report. She thought early winter was an appropriate time. Abigail A. said she would be happy to take the lead. Dan J. not only thought it was a good idea, he volunteered to help and offered Citizen's Bank as a venue so people could see Citizens' EE initiatives. He said the 870 Westminster Street. building would be a good location because EE work has recently been there.

Public Comment

Marion G. said that she is looking to schedule a RGGI subcommittee meeting soon to talk about OER's spending plan. She also wanted to announce that OER was using \$2.4 million in unused ARRA funding to begin a residential PACE Program and establish a loan loss reserve. Chris P. asked if the Fanny Mae PACE problem been resolved. Marion G. said there has been a lot of forward progress and cited Vermont's successful PACE program. She will be looking to the Council for assistance with this.

Another important issue is benchmarking for the PEP. OER would like to assist towns in documenting their energy use but it is a huge task. OER has a small amount of ARRA funding (\$500,000) to do this and would like to work with a Council subcommittee to develop this.

Joe C. said that the Council needs to talk to the architects, engineers and builders who do the physical EE work. He would like to see funding for a state- sponsored training program. The builders are broke and they need assistance. He talked about a 1% surcharge on every building permit in RI and he would like to use this funding for this purpose. There is over \$1 million in this fund.

Chris P. made a motion to adjourn. It was seconded by Dan J. and passed unanimously.

The meeting was adjourned at 5:40 PM.

Respectfully submitted
Charles Hawkins
Secretary Pro-tempore



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

EERMC FULL COUNCIL MEETING MINUTES

Thursday, January 17, 2019 | 3:30 - 5:30 PM

Conference Room B, 2nd Floor, Department of Administration, Providence, RI

Members in Attendance: Chris Powell, Carol Grant, Joseph Cirillo, Karen Verrengia, Betsy Stubblefield Loucks, Joseph Garlick, Tom Magliocchetti, Anthony Hubbard, Jennifer Hutchinson.

Others Present: Rachel Henschel, Mike Guerard, Mark Kravatz, Becca Trietch, Sara Canabarro, Dr. Carrie Gill, Erika Niedowski, Kai Salem, Matt Ray, Matt Chase, Jonathan Schrag, Charlene Cirillo, Phil Kazlauskas.

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-january-2018-2/>

1. Call to Order

Chairman Powell called the meeting to order at 3:36PM.

Chairman Powell thanked Mr. Cirillo for all his service, quickly noting he's been working on Rhode Island energy codes since 1975.

Commissioner Grant also spoke on Mr. Cirillo's resignation and thanked him for his hard-work throughout all these years – the Council will not be the same without him.

2. Approval of Council Meeting Minutes

Chairman Powell requested a motion to vote to approve December's meeting minutes. Ms. Verrengia made a motion to approve December's meeting minutes and Mr. Garlick seconded this motion. All approved.

3. Executive Director Report

Commissioner Grant spoke on the Council's vacancies and stated that they have a few nominations already and have been meeting with possible candidates. She noted that the candidates she has met with so far are extremely excited and looking forward to doing the work and being part of the Council.

Commissioner Grant reported that there are (2) major energy procurements happening at the moment:

- 400MW Offshore Wind
- Up to 400MW of other Clean Energy projects – bids are online, and so far, they have a variety of solar, onshore, offshore and possible hydro projects.

Commissioner Grant stated that she will keep the Council informed as these procurements continue to develop.

4. Chairperson Report

Chairman Powell reported that today the Council will hear about the Public Utilities' rulings on the Energy Efficiency and System Reliability Procurements Plans, followed by the first quarter 2019 priorities for the

C-Team. National Grid will then talk about their perspective on preliminary 2018 results and 2019 priorities.

Chairman Powell stated that the rest of the meeting will primarily be focused on completing council business. He noted that as the Council members know, they are likely to have an on-going quorum issue until new members are able to be confirmed by the Senate in 2019. Therefore, we are attempting to complete necessary council business today and provide specific authority to the Executive Committee as appropriate.

Chairman Powell also noted that for those that would like to provide public comments during today's meeting, the public comment period was moved to early in the agenda so those who need to leave early can do so.

Energy Efficiency Program Oversight

a) Update on Public Utility Commission (PUC) Rulings

Mr. Guerard reported that the PUC met at the end of December and approved the Energy Efficiency and System Reliability Procurement Plans with some significant alterations.

Mr. Guerard stated that there was a lot of discussion on the Energy Efficiency Plan. The PUC flagged two main items related to Performance Incentives:

1) Pilots, Initiatives, and Assessments. He noted that under these three categories, some efforts are expected to create savings, others might create savings, and, others have estimated savings. The PUC wants to be careful to give performance incentives to the utility only for elements that are going to save quantified, measurable amounts of energy.

2) The Efficient Buildings Fund (EBF) which is administered by the Rhode Island Infrastructure Bank, will receive a contribution of \$5Million dollars through the 2019 Energy Efficiency Plan. The PUC felt that this allocation did not have enough clarity regarding the amount of energy savings it would support in 2019. The PUC therefore, approved conditionally the \$5Million allocation, but requested further reporting from the RI Infrastructure Bank about the exact savings that will be achieved in 2019, versus future years, with these funds.

Mr. Guerard stated that in addition, the PUC required National Grid to file definitions for terms like assessments, demonstrations, initiatives, etc. for use in future EE Plans. These terms need to be filed for review and approval by the PUC by March 31st and are meant to provide greater clarity within the 2019 Annual EE Plan and future Plans.

Mr. Guerard reported that there were many changes to the System Reliability Plan, and what is left is a Marketing Assessment and budget. National Grid is refilling the SRP Plan by next Wednesday and will be taking a re-look at the proposed budget. Mr. Guerard stated that no action is required by the Council because this a refilling based on requests by the PUC – nothing new needs to be approved, only performance incentive elements need to be removed.

Lastly, Mr. Guerard noted that the PUC also indicated that they are going to initiate a process to possibly change the timing for filing the Annual EE Plan and SRP Plans – they are interested trying to make the deadlines for these two Plans different. The PUC stated that they are going to start a stakeholder process to get feedback on this possible change.

b) Consultant- Team Quarter 1 Update

Mr. Guerard stated that at the beginning of each quarter, the C-Team is going to try to give the Council an update as to what activities/projects or work the Consultant-Team is focusing on.

Mr. Guerard highlighted two items they are currently working on:

1) The Annual Report: Rachel Sholly is taking the lead on working on the Annual Report for the General Assembly – it needs to be submitted by April 15th. For this report, the Council weighs in heavily on the Policy Recommendations (these have been drafted and the Council will be going over them at subsequent meetings). Other portions of the report are drafted by the Consultant Team, OER and National Grid based on available data.

2) Network of Energy Efficiency: In addition to the Collaborative, the C-Team is working on educating a broader array of stakeholders on how they can participate in the energy efficiency planning and program feedback processes. This work is being undertaken as part of the Council's responsibility to educate the public on energy efficiency.

Chairman Powell asked if this networking group is part of the Collaborative. Mr. Guerard replied that the group is going to be related to the Collaborative, but it won't be going into depth on the issues, instead it will be focused on bringing others to the table either at Collaborative or at the Council meetings.

Mr. Guerard also reported that the Council had voted last time to allow the Consultant Team to issue an RFP for the Potential Study in conjunction with OER and National Grid. Therefore, the C-Team is working with the Office of Energy Resources and National Group to put a draft out soon. By the next Council meeting, they will have key aspects and the scope of work done to get additional feedback and input from the Council members. Mr. Guerard noted that the goal is to get the RFP out, reviewed, and voted on by July of this year.

Mr. Kravatz stated that the C-Team coordinates monthly Sector Team (C-Team, OER, DPUC, National Grid) meetings that are focused on innovation for the energy efficiency programs. To jumpstart the year, the primary strategy is to host two full-day workshops February (one for C&I programs and one for Residential program) to make sure everyone is on the same page and to present the current programs. Mr. Kravatz noted that the C-Team will have a lot to report back to the Council from these workshops and will keep everyone informed.

Mr. Kravatz reported that he and Ms. Trietch will start to reach out to the Council members to schedule the council member 1:1 meetings prior to the retreat in May.

Chairman Powell asked if it would be possible to reach out to future Council members to set up 1:1's with them ahead of their official appointments. Mr. Kravatz replied that he will work with Ms. Trietch to find out more about that possibility. He noted that Rachel Sholly is actively working on the Council's Handout which will be extremely useful to the current and future Council members.

Mr. Kravatz spoke on the 2019 Retreat – the C-Team is starting to plan and work on the agenda.

c) National Grid: Preliminary 2018 Results & 2019 Priorities

Ms. Henschel gave a preliminary glimpse of the 2018 results:

On the Electric Side: they hit 108% of their targets (mostly driven by the residential sector and lighting).

The Income-Eligible Sector came in at 95% due to some projects not moving forward.

The Gas Side hit 118% of their goal – the home energy report savings came in higher than expected at 140% in that sector.

Ms. Henschel stated that all this information will be included in next month's full report.

Chairman Powell asked about the budget – if National Grid could provide a presentation/more info on the budget. Ms. Henschel replied that she can have the team come in to give a presentation on the numbers since she does not have exact numbers today. Commissioner Grant also requested to have year-over-year trends included in the presentation. Ms. Henschel agreed.

Ms. Henschel stated that National Grid is also trying to align topics across Energy Efficiency meetings (EERMC, Collaborative, C-Team, OER, etc). She suggested the following topics for future EERMC meetings:

- K-12 school retrofits/programs
- Efficient Buildings Fund (EBF)
- Electrification of heat
- Restaurant initiatives
- More customized ways of working with Small C&I customers
- Residential lighting
- Smart Home technologies
- Income-Eligible implementation
- Test Performance Incentive Mechanisms (PIMs)
- Better coordination with their customer call center

Ms. Henschel asked the Council members to brainstorm on other topics that might interest them and reach out to her.

Mr. Hubbard asked why they are still pushing on residential lighting – he thought they had reached the cap for claimable lighting savings. Ms. Henschel stated that the federal lighting standards have not yet (and may not be) ramped up as expected. In addition, 2018 and 2019 will show an incredible push for energy efficiency programs to take advantage of all remaining lighting opportunities.

Mr. Hubbard asked about the Income-Eligibility process evaluation and what this would entail. Ms. Henschel explained that the Income-eligible program goes through the CAP Agencies, and they are going to have surveys from different parties to go over experience, process, and how the program is working. Chairman Powell asked if Ms. Henschel can share the information/results with the Council. Ms. Henschel replied that she can share both the before and after details.

Ms. Verrengia asked if the Council could see a written list of topics suggested by Ms. Henschel, so the members can see them and keep track of them. Ms. Henschel replied they can pick which topics they would like information/knowledge on and National Grid is happy to present on them. Ms. Verrengia noted she would still like to see the list first to then decide which topics to have presentations on.

Chairman Powell spoke on Connecticut's sustainable business initiatives. He would like to learn more about SEM in Rhode Island – can it be done in hospitals?; what is National Grid finding about this program from other jurisdictions?; etc. Ms. Henschel replied that she can have a team come in and bring more information on SEM – National Grid just started working with industrial customers on this.

5. Public Comment

a) Public Comment

None.

6. Council Business

a) Council Review of Final 2018 EERMC Budget

Ms. Trietch apologized for last meeting's confusion with the budget, and explained that the numbers did not add up because all of 2018's invoices were not in. Ms. Trietch gave a brief overview of the expenses for 2018. With the exception of the Building Operator Education line item, all other 2018 invoices are now final values (rather than estimated values shown during last month's meeting). Please refer to EERMC 2018 Year-End Budget Table.

b) Council Review, Discussion, & Vote on EERMC 2019 Budget

Ms. Trietch went over the EERMC 2019 Budget in contrast with the EERMC 2018 Budget expenditures. She briefly highlighted that the C-Team budget is expected to be higher in 2019, Legal Council services are lower, and they added a line for the Potential Study- that's why the current expenditures budget is very close to the overall EERMC budget.

Chairman Powell reported that the Council members are only voting on the expenditures in 2019. He stated that Becca is working with Marisa to verify the balance in the client fund. They believe there are additional funds in the account not shown on the 2019 Draft budget document - The amount shown on the 2019 Draft Budget document is the minimum amount available in the client fund.

Chairman Powell noted that a full update will be given in February once they have gone back and audited all client fund balances over the past 5 years. There are likely additional funds available. Chairman Powell stated that due to the on-going quorum issue, it is recommended that the Council give the Executive Committee the authority to allocate an appropriate amount of any additional funds found in the Client Fund to the Potential Study. Chairman Powell noted that this time, the Council knows they can allocate \$250,000 to the Potential Study but they are expecting this study to cost closer to \$500,000. Therefore, it is recommended that any additional funds, if they are found through the audit process, be allocated to the Potential Study, which is currently a severely under-funded directive.

Ms. Verrengia asked if this discrepancy was found during an internal audit. Ms. Trietch replied yes.

Chairman Powell requested a motion to approve the 2019 expenditures and to give the Executive Committee the authority to allocate any funds available found during the audit.

Mr. Garlick made a motion to approve the 2019 expenditures as shown and to give the Executive Committee the authority to determine, at their Jan 31, 2019 meeting, an appropriate amount of any identified additional funds to be allocated to the 2019 Potential Study.

Ms. Stubblefield Loucks seconded this motion. All Approved.

c) Review, Discussion & Vote on Draft Public Education Fund Allocations

Ms. Trietch went over the proposed allocations for 2019 Public Education funds, which included:

- The RI Home Show: Energy Efficiency & Resource Management Council/National Grid 2019 Energy Expo Sponsorship Package (Please refer to 2019 Energy Expo).
- Farm Energy Fellow Education (Please refer to Farm Energy Fellow).
- URI: Increasing Energy Efficiency Literacy Amongst RI Decision- Makers Through Educational Outreach Events (Please refer to URI Project).

Ms. Trietch spoke to the RI Home Show, stating that it was similar to what they did last year, and the cost is the same at \$40,000.

Ms. Verrengia asked Ms. Trietch if she could get the tickets earlier this year so they have enough time to share/give to others.

Ms. Trietch stated that for the Farm Energy Fellow opportunity, the cost is going to be split almost 50/50 with National Grid.

Ms. Trietch reported that for the URI project, historically, URI used to host an energy lecture series: 2-3 events which tended to reach a broad array of people. She noted that the URI project is a sponsorship opportunity that would bring back those lectures for \$10,000. Ms. Trietch stated that she also asked them to help with the Annual Energy Efficiency event, to which they replied they would help with speakers, food and engagement for an additional \$5,000 – a total of \$15,000 for their proposal.

Ms. Stubblefield Loucks asked if by accepting these proposals the Council could make the EERMC go over budget. Ms. Trietch replied that their education budget is \$70,000 and they would only be using \$20,000 for these proposals (the Energy Expo's \$40,000 line item is shown separately in the EERMC budget).

Ms. Trietch noted that the Council will be looking over the recommendations from Energy Education Needs Assessment later in February and will have a presentation on the final results later in the year.

Chairman Powell requested a motion to approve the Public Education funding allocations for 2019. Mr. Garlick made a motion to approve the three 2019 Public Education funding allocations as shown, and to direct the Communications Subgroup, in collaboration with the Office of Energy Resources, to move forward with any necessary event planning, sponsorships and/or procurements in a timely manner. Ms. Verrengia seconded this motion. All Approved.

d) Discussion Potential Policy Recommendations for the 2019 Annual Council Report to the General Assembly

Ms. Trietch gave a brief introduction on the 2019 Policy Recommendations (Please refer to 2019 Policy Recommendations). She noted that if anyone had any questions/comments about these to please email her.

Ms. Stubblefield Loucks stated that Recommendation #2 should be split into two different issues. Both Ms. Stubblefield Loucks and Mr. Garlick would like more explanation on the energy financing options. Mr. Garlick is also not sure about the RI Schools financing portion. Ms. Trietch replied that she will do more research about the financing options. Chairman Powell stated that Dunsky did some work/research on financing for the Council last year, Ms. Trietch should review those materials in case they are relevant. Ms. Trietch stated that she will connect with the C-Team to review Dunsky's findings.

Ms. Stubblefield Loucks asked if it would be appropriate to give a presentation to the General Assembly. Ms. Trietch replied that a presentation would need to be requested by the General Assembly or scheduled for a committee hearing for that to happen.

Ms. Verrengia stated that she believes recommendation #7 is super important- they should definitely focus on workforce development. Mr. Guerard agreed with Ms. Verrengia's comment stating that workforce development is going to be a crucial topic in the future.

Commissioner Grant stated that they will come back with more input/information for recommendation #8.

Ms. Trietch quickly went over the Progress Report: Previous Policy Recommendations. She noted that #1 and #2 are the same as last years, but #3 is new.

Ms. Trietch asked the Council members to take another look at the recommendations document and to send any comments/feedback to her within a week to allow enough time to finalize the document prior to the next EERMC meeting.

7. Adjournment

Chairman Powell requested a motion to adjourn the meeting. Mr. Cirillo made a motion to adjourn, and Mr. Garlick seconded it. All approved.

The meeting was adjourned at 5:14pm.



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

EERMC FULL COUNCIL MEETING MINUTES

Thursday, February 21, 2019 | 3:30 - 5:30 PM

Conference Room B, 2nd Floor, Department of Administration, Providence, RI

Members in Attendance: Betsy Stubblefield Loucks, Carol Grant, Anthony Hubbard, Jennifer Hutchinson, Roberta Fagan, Karen Verrengia

Others Present: Rachel Henschel, Mike Guerard, Mark Kravatz, Becca Trietch, Sara Canabarro, Dr. Carrie Gill, Ron Gerwatowski, Sam Ross, Erika Niedowski, Kai Salem, Matt Chase, Angela Li, Michael O'Brien, Chris Porter, Raquel Webster, Stefan Nagy, Alice Hourihan, John Richards, Peter Gill Case, Tim Roughan, Craig Johnson, Jon Hagopian

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-february-2019/>

1. Call to Order

Vice Chair Stubblefield Loucks called the meeting to order at 3:41PM.

2. Approval of Council Meeting Minutes

Ms. Stubblefield Loucks requested to postpone the approval of January's meeting minutes since they did not have a quorum at this time.

3. Executive Director Report

Commissioner Grant reported that the Revolution Wind offshore wind contract has been filed with the Public Utilities Commission, and they should have a decision by mid-June. She also noted that the bids were closed for the other 400MW Procurement Class 1 Renewables procurement and she will keep the Council informed as things move along. Commissioner Grant stated that the Governor's 1000MW Goal is going well and they are making great progress with the help of these large-scale procurements.

Commissioner Grant also informed the Council members that Ms. Stubblefield Loucks is stepping down as EERMC Vice Chair but will continue to be a member of the Council. She announced that Mr. Hubbard has stepped up to take the Vice Chair role and this change will be effective starting the next Council meeting in March.

4. Vice Chair Report

Ms. Stubblefield Loucks stated that the Council members name tents have been reformatted to indicate their seats on one side and to list the four (4) EERMC responsibilities on the other – hopefully this helps all members to remember their objectives as they work.

Ms. Stubblefield Loucks reported that during today's meeting the Council will hear from National Grid about their 2018 Quarter 4 report – although not all of the programs met their energy savings goals, the overall portfolio of programs did achieve more savings than expected.

After National Grid's presentation, time was allocated to brainstorm about Council priorities for the 2020 EE and SRP Plans. However, with such few Council members present, that may need to be postponed.

Ms. Stubblefield Loucks stated that after they learn a bit more about SRP and the timeline for this year's Plan development, the Council will receive an update from the C-Team about the Potential Study. She reported that they will need three Council members to participate in the evaluation of the Potential Study proposals when they are submitted. She noted that OER will be reaching out to Council members individually to create an evaluation team of at least three Council members and the C-Team since not enough members are present today to volunteer.

The special topic presentation for today is focused on energy storage, and then the Council will round out the meeting with some Council business about the budget and annual report to the general assembly.

Ms. Stubblefield Loucks noted that due to no quorum today, they cannot vote on the meeting minutes, and no other votes are scheduled for today. Like last time, for those that would like to provide public comment, the comment period has been moved to early in the agenda this month, so those that need to leave early can do so – the sign-up sheet is near the food and drinks.

Lastly, as a reminder for Council members, Ms. Stubblefield Loucks noted that when Council members are scheduling their one-on-ones with the C-Team and OER, they can have a skype or phone call if that is the easiest for their schedule.

5. Program Oversight

a) Preliminary Results from 2018 Energy Efficiency Programs

Mr. Richards gave a brief summary on the Savings Goals, highlighting the overperformances of: EnergyStar Lighting, Multifamily, and Home Energy reports.

Ms. Li went over the Residential Q4 Overview stating that under Market Rate they reached: 118.2% of the annual electric goal and 143.3% of the annual gas goal. She stated that under Income- Eligible they reached 89.0% of the annual electric goal, and 127.8% of the annual gas goal.

Commissioner Grant noted that she is disappointed with the Income-Eligible results – this really needs to be a focus for this upcoming year. Mr. Hubbard agreed with this statement.

Ms. Stubblefield Loucks added that she is confused about National Grid wanting to expand their lighting efforts when they are struggling to find locations that don't already have LEDs or CFLs installed.

Ms. Li then covered some additional Quarter 4 highlights focused on the following programs/initiatives: EnergyStar HVAC, Lighting, and Income Eligible Services. She also went over the Residential Pilots overview, and the Zero Energy Pilot.

Ms. Hourihan went over the Quarter 4 Commercial highlights, and gave a brief overview of the New Construction, Retrofit, and Small Business Goals. She spoke to the Small Business Direct Install, Large Commercial Retrofit, Large Commercial New Construction, and Finance programs as well.

(Please refer to [Fourth Quarter 2018 Results Presentation](#) and [Fourth Quarter 2018 Highlights](#) document).

b) Initial Discussion of Council Priorities for the 2020 Energy Efficiency Plan

Ms. Stubblefield Loucks stated that due to the small number of Council members present they will postpone this discussion until the next Council meeting in March.

c) Presentation on System Reliability Procurement (SRP)

Dr. Gill quickly introduced herself and the other presenters – she gave a brief introduction to the Presentation focused on System Reliability Procurement (Please refer to SRP 101 presentation). She then provided an overview of Non-Wires Alternatives, how they help to support grid management, and provided some examples.

Mr. Gerwatowski from the Division of Public Utilities and Carriers (DPUC) then went over how Non-Wires Alternatives (NWAs) support the DPUC's mission and the Power Sector Transformation goals. Mr. Gerwatowski also reported that National Grid has an online Distribution System Data Portal which is publicly available and is helping to share relevant information for NWA developers. The portal can be accessed here: <https://ngrid.apps.esri.com/NGSysDataPortal/RI/index.html>

Mr. Chase covered National Grid's Non-Wire Alternatives Pilots, the RI System Data Portal, and the Company's plan for implementing the 2019 SRP Plan.

Mr. Kravatz went over the EERMC's responsibility and role regarding SRP Plans. He also noted that the C-Team will be pushing more into this topic and is happy to answer questions Council members may have during their 1-on-1 meetings.

d) 2019 Timeline Summary & 2020/2021 Timeline Discussion

Mr. Kravatz quickly went over the RI 2019 Annual Energy Efficiency Plan Timeline (Please refer to 2019 Timeline document). He noted that he's hopeful this timeline will be adopted starting this year and be replicated through 2021 as much as possible.

e) Potential Study Update

Mr. Ross provided a brief update on the Potential Study. He reported that they are on track to deliver a Scope of Work document by late March- the rough draft has been developed and reviewed and the Working Group (C-Team, National Grid and OER) has begun meeting.

Mr. Ross then highlighted key events in the Potential Study process which involve the Council. He also went over C-Team Responsibilities and the overall Potential Study timeline (Please refer to Potential Study Update presentation).

Mr. Ross stated that the Council needs to have an Evaluation Team identified prior to April 18th.

6. Special Topic

a) Presentation on Battery Storage Initiatives

Mr. Nagy from National Grid provided a presentation on Energy Storage initiatives within Energy Efficiency. He also went over the Case for Energy Storage in RI and the Avoided Cost of Capacity (please refer to RI Energy Storage Initiative presentation).

Commissioner Grant and Ms. Henschel asked for better clarification on why Battery Storage Initiatives are important for Rhode Island. Mr. Nagy responded that battery storage can support electric load management which is important for the grid.

7. Public Comment

a) Public Comment

Ms. Salem on behalf of the Green Energy Consumers Alliance thanked the Council members and everyone for their continuous hard-work.

Ms. Salem stated that she has a few comments/suggestions about the Council's 2019 Policy Recommendations to the General Assembly:

1. She believes that the Appliance Standard Bill should be one of the top priorities for the Council and should therefore not be near the bottom of the priority list.
2. There should be more specification/details put into every recommendation – including what is currently good/bad in energy efficiency today
3. There should be a recommendation that explicitly requests no scoops, or budget caps on the energy efficiency programs – she would like to see more detail in the current recommendation.

To conclude, Ms. Salem believes that the Council should rearrange the order of the current 2019 Policy Recommendations according to what's most important/ higher priority and add more detail for the General Assembly.

Mr. O'Brien on behalf of EcoMetric Consulting offered two suggestions for Council members as they begin to consider priorities for the 2020 EE and SPR Plans:

1. He recommends that new construction programs for both commercial and residential buildings support making buildings "ready" for solar, storage and electric vehicle charging. By prepping the buildings during their construction phase a lot of cost savings can be achieved.
2. He recommends looking to streamline any commercial new construction program so that it does not cause delays for developers. He notes that developers are trying to juggle a lot of different priorities so as soon as energy efficiency becomes a burden or slows down their development, it is often dropped.

8. Council Business

a) Council Review of EERMC 2019 Budget

Ms. Trietch reported that after conducting an internal audit of the EERMC Client Fund, OER was able to correct the amount of funds reported within the Council's Client Fund. She stated that through the audit process, it was discovered that a combination of at least two errors types resulted in an underestimation of the client fund balance:

1. A human error in transitioning from one spreadsheet to the next was identified in one case.
2. Budgeted values rather than actual, contracted amounts were used in some cases when calculating client fund balances. This resulted in balance values that differed from the actual client fund account.

Ms. Trietch noted that to remedy these errors going forward, the following process changes are being implemented:

1. Quarterly check-ins will be conducted in collaboration with the Client Fund manager (the EERMC's attorney), to verify not only the deposits and withdrawals from the Client Fund but also the total remaining dollar amount.

2. The Excel spreadsheet used to track the Client Fund balance will contain distinct fields that separately track approved budgeted amounts, contracted amounts, and expenses paid-to-date.

Mr. Hubbard asked Ms. Trietch what amount was found during the audit. Ms. Trietch replied they found \$116,233.80 which will be added to the \$250,000 for the Potential Study (please refer to Audit Result/Budget document).

- b) Discussion to finalize Policy Recommendations for the 2019 Annual Council Report to the General Assembly

Ms. Trietch went over the 2019 Policy Recommendations document. She noted that the Council will not be voting on this today – it is simply for discussion. However, they will need to vote on the final draft of the EERMC Annual Report to the General Assembly (which includes these recommendations) in April.

Ms. Stubblefield Loucks asked Ms. Trietch if these policies are in order of priority. Ms. Trietch replied that all of these policies are equally important/same priority – no specific order.

Commissioner Grant stated that these policies are all priorities – the order shouldn't specify a prioritization. However, if Council members feel strongly about changing the order of these recommendations to prioritize them, then OER can execute the request.

Mr. Hubbard noted that he would like to spend some time during his 1:1 with the C-Team to go into more details about these priorities and then give his feedback. Ms. Trietch stated that Council members have two more meetings to go over these policies and discuss/amend them prior to finalizing the report to the General Assembly.

Ms. Stubblefield Loucks thanked the public for sharing their comments/feedback.

9. Adjournment

Vice Chair Ms. Stubblefield Loucks adjured the meeting at 5:14PM.



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

MEETING MINUTES

Thursday, December 14, 2017 | 3:30 - 5:30 PM

Conference Room B, 2nd Floor, Department of Administration, Providence, RI

Members in Attendance: Chris Powell, Carol Grant, Michael McAteer, Joe Cirillo, Shigeru Osada, Betsy Stubblefield Loucks, Bob Bacon, Karen Verrengia, Roberta Fagan and Tom Magliocchetti.

Others Present: Mike Guerard, Emily Levin, Nick Ucci, Sara Canabarro, Becca Trietch, Rachel Henschel, Kate Desrochers, Danny Musher, Jonathan Schrag, Erika Niedowski, Kat Burnham, Carrie Gill, Brigid Ryan, Belinda Wong, Angela Li.

All meeting materials can be viewed at: <https://rieermc.ri.gov/meeting/eermc-meeting-december-2017/>

Call to Order

Chairman Powell called the meeting to order at 3:36PM.

1. Approval of Meeting Minutes

Chairman Powell requested a motion to approve the minutes for November. Mr. Cirillo made a motion, and Ms. Verrengia seconded it. All approved.

2. Executive Director Report

a) General Update

Commissioner Grant reported that National Grid filed a rate case, which is generally a 9-month process, and the DPUC is taking the lead on this. Commissioner Grant stated that if the Council members had any questions, to please let her know.

Commissioner Grant thanked all the Council members for their efforts throughout this challenging year.

3. Chairperson Report

a) General Update

Chairman Powell stated that the majority of time today will focus on Council business. He noted that there is a special public comment period in the agenda to accommodate comments specific to the memo on the cost of supply vs cost energy efficiency (EE) methodology. There were also two public comment letters received prior to this meeting, and have been included in everyone's packets; one is related to the cost of supply vs cost of EE methodology, and the other one will be noted during the public comment period at the end of the meeting.

Chairman Powell reported that to help with discussion questions and votes, there is a document stapled to the agendas that shows recommended discussion questions and vote language options. He also noted that the change to the methodology for comparing cost of supply to the cost of EE has already been approved by the Council through previous votes. Today the Council is voting to make the presented memo describing the methodology change a part of the EERMC's official record. If there are further concerns about the methodology, the topic can be revisited next year during the 2019 Annual Plan filing.

Chairman Powell also informed the council that today's special topic presentation is focused on Rhode Island's Power Sector Transformation Initiative.

4. Council Business

a) Discussion & Vote on EERMC 2018 Meeting Calendar.

Becca gave a quick overview of the 2018 Meeting Calendar. She stated that all meetings will occur every third Thursday on a monthly basis, with the exception of August, October and December's meetings.

Chairman Powell requested a motion to approve the EERMC 2018 Meeting Calendar. Mr. Cirillo made a motion, and Ms. Verrengia seconded it. All approved.

b) Review Draft 2018 Consultant Services Scope of Work

Mr. Guerard quickly highlighted the memo, which summarizes the response to the RFP, and the is the basis for the scope of work for 2018. Mr. Guerard reported that the chart on page 9 highlights three important areas, which include the Policy Regulatory Work, Program Strategy and Innovation, and Education & Stakeholder Coordination. The response to the RFP only provided basic services, so the scope of work does include optional items that need to be reviewed by the Council. Nevertheless, the proposed budget is only about 2/3rds of the 2017 budget because 2017 included both a Three-Year Plan and an Annual Plan.

Chairman Powell asked if the Potential Study description starting on page 8, was included in the current budget for the consultant work, and if it is an optional item. Mr. Guerard answered that this study is not included in the budget shown in the scope of work since it is an optional item, and they are not sure of the exact amount of work that would be required to complete the study. Ms. Trietch stated that under consultant services, in the EERMC 2018 budget, there is a core budget and there is a supplemental work budget which is called 'as needed expert services'. Ms. Stubblefield Loucks asked what the focus of the study is; Mr. Guerard explained that data would be collected to help with the setting of the 2021-2023 targets.

Mr. Osada reported that he has no concerns with the Scope of Work proposed by the C-Team, but he wants clarifying language added to the scope of work describing the authority of the C-Team to speak for the EERMC. Ms. Levin said she would have this change ready by the time the Council needs to vote on the Scope of Work.

c) Discussion & Vote on Dunsky Contract Extension

Mr. Guerard reported that due to other challenges and priorities in 2017, Dunsky wasn't able to use their total number of hours allocated to financing review and assistance. Therefore, Dunsky is asking the Council to move a \$9,000 retainer from 2017 to the 1st quarter of 2018, to use the approximately 180 remaining hours. Mr. Guerard believes this would be a beneficial time to use these hours as it would help to set the stage for a successful 2018.

Chairman Powell clarified for the Council that this vote is to approve the \$9,000 retainer to be moved from the 2017 to the 2018 budget, and at another meeting they would review and approve the scope of work for the 180 hours.

Ms. Trietch stated that the Council's attorney, Marisa Desautel, had also drafted a contract extension letter. Chairman Powell requested a motion to extend Dunsky Contract to March 2018. Ms. Verrengia made a motion to approve the execution of the contract extension letter drafted by Ms. Desautel, and Ms. Stubblefield Loucks seconded this motion. All approved.

d) Discussion & Vote on Legal 2017 Budget Increase.

Becca stated that the Ms. Desautel sent an email requesting a budget increase for her contract. Her current contract is \$25,000, and she requested an increase of \$3,000. Becca requested the Council to approve the highlighted changes of the 2018 Budget with the new number of \$28,000 for her contract.

Chairman Powell requested a motion to approve the highlighted changes to the 2017 budget. Ms. Verrengia made a motion, and Mr. Magliocchetti seconded it. All approved.

e) Discussion & Vote on EERMC 2018 Budget

Ms. Trietch reported that she updated the 2018 budget and has further clarification on the three line items that raised questions at the last Council meeting: Consultant Services, Public Education, and Potential Study. Ms. Trietch stated that the budget for the legal counsel services had also been updated to the \$28,000 amount just approved.

Regarding the Consultant Services line item, she believed the C-Team's review of their proposed Scope of Work answered the questions raised during the last meeting. Council members had no further questions. Regarding the \$200,000 budget for a potential study, Ms. Trietch referenced a memo included in Council member packets. Mr. Guerard also explained that by having this study done early, it would help provide a report by the Spring of 2020 to help inform 2021-2023 targets. It would also lessen the burden of doing this work closer to 2021 and would reduce budget uncertainty. Mr. Guerard explained that the Council would have to agree and vote on the Scope of Work for the potential study data collection, and then the scope of work could be put out to bid. Ms. Henschel stated that she agrees with everything Mr. Guerard explained about the amount of work that goes into the study, and why it is so important to start doing this early- it is in the Council's best interest to have this done.

Ms. Trietch added that the third item that required more information for the Council was the Public Education line item. There are no concrete proposals on how to spend those funds right now, but some ideas currently being discuss by the Communications subgroup were included in the Council member packets. Before any of the Public Education funds could be spent, the council would need to approve specific allocations.

Mr. Osada asked Mr. Guerard how he came up with the budget of \$200,000 for the potential study, to which Mr. Guerard explained that it was an estimate, and if the Council decided to approve it later on, then they would have a more concrete number from the bidding process.

Ms. Trietch stated that today's vote was to approve the draft invoice located in the Council's packets – it moves any remaining EERMC funds in the Main Account at the end of 2017 to the Client Fund for use in 2018 – and to approve the 2018 budget with the three items that were just discussed.

Chairman Powell requested a motion to approve EERMC 2018 Budget. Ms. Verrengia made a motion to approve, but then withdrew her motion to clarify the voting language. Ms. Verrengia then made a motion to approve the EERMC 2018 budget as is and to approve the invoice to move any remaining funds in the Main Account at the end of 2018 to the Client Fund. As is, the budget will require additional council votes to approve spending plans for line items titled: As-needed Expert Services, Public Education and Potential Study-data collection. Ms. Stubblefield Loucks seconded this motion. All approved

f) Summary of Memo on Changes to the Comparison of Cost of Supply and Cost of Energy Efficiency

Ms. Levin gave a brief overview of the memo. She stated that the methodology for comparing the cost of supply to the cost of energy efficiency has already been approved by the Council through previous votes. Ms. Levin added that they are providing this memo as additional information to better explain why the changes to the methodology were made, and the rationale behind it. Ms. Levin reported that the changes were made after the first draft of the annual Plan because Council members had questioned the previous method. The two changes that were made affect the calculation of the cost of energy efficiency and the calculation of the cost of supply. For the calculation of the cost of energy efficiency, the new method only includes the utility's contribution, while the previous method included both the utility's contribution and the customer's. The new methodology is in line with best practices put forward by the Lawrence Berkeley National Laboratory (LBNL) and the American Council for an Energy Efficient Economy (ACEEE). The Cost of Supply calculation was previously based on residential customers only. The new definition includes not only residential customers, but also commercial, and industrial customers. A weighted average of these different customer supply costs is used. Ms. Levin stated that even with the previous methodology, the portfolio was still cost effective and less than the cost of supply. This new methodology has been reviewed extensively with OER and the Division of Public Utilities, and it is strongly supported by the DPUC Consultants; she added that this is truly the best practice, and the entire C-Team will continue to improve methods as necessary.

Mr. Osada stated that he has continuously expressed his opinion that he is against this change. He also noted that the EERMC never discussed, in depth, this new method like the C-Team discussed with OER and the DPUC. Mr. Osada agrees with the new Cost of Supply definition, but disagrees with the Energy Efficiency Cost definition. Chairman Powell reported that the memo explaining the definition change is included in the Council's packets, as well as Mr. Osada's public comment letter explaining his thoughts. Ms. Levin noted that the customer's costs are included in the RI Test, and that the RI Test also includes all the benefits. So it is the combination of the RI Test and the cost of supply versus cost of EE test that ensure overall compliance with the law. Mr. Osada expressed that in his perspective, the new definition for the cost of EE is not accurate.

g) Public Comment on the Changes to the Comparison of Cost of Supply and Cost of Energy Efficiency Calculations

No public comment was made.

h) Vote on the approval of the Memo on Changes to the Comparison of Cost of Supply and Cost Energy Efficiency

Ms. Trietch informed the Council that the vote today is not to approve the methodology. The methodology has already been approved in previous meetings. Instead, the vote today is to approve that this memo is finalized and that it should be posted on the EERMC website as an official document highlighting the changes and explaining the methodology. Mr. Osada asked if the PUC had to approve this memo, and Chairman Powell answered that the PUC does not need to vote to approve this memo since it is to be kept as a Council's Official Document.

Chairman Powell requested a motion to approve the Memo on changes to the comparison of cost of supply and cost energy efficiency. Ms. Verrengia made a motion to approve the memo as a final EERMC document and to make the document publicly available by posting it to the EERMC Website; Mr. Cirillo seconded this motion. All, but Mr. Osada approved.

i) Review of Draft RFPs" Energy Education Needs Assessment & Legal Services

Ms. Trietch reported that there are two RFPs included in the Council's packets. The first RFP is for the Energy Education Needs Assessment, which the Communications Sub-Group has already reviewed. Ms. Trietch asked all the Council members to please review it, especially pages 9-13 which contain the scope of work, and submit any changes, edits or comments to her before December 19th.

Ms. Trietch stated that the second RFP is for EERMC Legal Services. Pages 10 through 12 contain the scope of work. Ms. Trietch asked the Council members to submit any revisions, comments or edits by December 31st via email. Chairman Powell asked if the budget was still \$25,000, to which Ms. Trietch replied yes- everything is the same as the previous year. Ms. Trietch also noted that she will be reaching out to the members, to be part of the Evaluation Teams for these RFPs.

5. Special Topic

a) Power Sector Transformation Presentation

Kate Desrochers framed the presentation by explaining how portions of the Power Sector Transformation (PST) initiative are related to the regulation of utilities and the utility business model. She also explained that PST is focused on data availability and cost-effectiveness. She concluded that this presentation shows a lot of exciting opportunities for energy efficiency.

Danny Musher from OER, and Jonathan Schrag from Division of Public Utilities gave a presentation on the Power Sector Transformation. (Please see slides).

Throughout the presentation there was a brief discussion between Mr. Magliocchetti and Mr. Schrag regarding how some of the information provided could help RI hospitals.

Mr. Osada stated that he is unsure as to how the Power Sector Transformation correlates with the 1,000MW goal by 2020. Commissioner Grant replied stating that the 1,000MW goal is related to the Power Sector Transformation work because PST and other initiatives are working on how to make it more cost effective to integrate renewables with the grid- and that both increased grid flexibility and information from the PST initiative will be useful for moving forward and strategically building renewable energy systems. Mr. Magliocchetti asked how many MWs RI currently has in comparison to the 1000MW goal. Commissioner Grant stated that as of Quarter 3, RI has 230MW, and she is very confident we will reach the 1,000MW goal by the end of 2020.

Mr. Cirillo asked about the possibilities of building underground systems, to which Mr. Schrag answered that it would be extremely expensive to do a system like that, but they are constantly considering other alternatives.

6. Other Public Comment

Ms. Trietch reported that there is a public letter in the Council's packets, and that it is also upload on the EERMC website. Mr. Magliocchetti asked if it is common for these letters to be directed to the EERMC, or if they usually go to National Grid. Mr. McAteer stated that National Grid does receive many letters with similar issues to this one. Mr. Magliocchetti expressed his concerns about the language and information provided on this letter, and asked for the EERMC to respond. Chairman Powell stated that the EERMC will address this letter.

Mr. Osada asked Ms. Trietch about the meeting minutes, stating that he did not find the last meeting's minutes uploaded to the website, as previously promised. Ms. Trietch replied that the minutes are only uploaded to the EERMC website once the Council votes and approves them. So, there will always be about

a one month delay. However, now that they have been approved, they will be posted as quickly as possible.

Ms. Levin shared poems that a former Council member, Scudder Parker, wrote about Least Cost Procurement.

7. Adjournment

Chairman Powell requested a motion to adjourn the meeting. Mr. Bacon made a motion to adjourn; Mr. Cirillo seconded the motion. All approved.

The meeting was adjourned at 5:34PM.



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

**EXECUTIVE COMMITTEE
MEETING MINUTES**

Thursday, February 5, 2015

2:00 - 3:00 PM

Bureau of Audits Conference Room, 4th Floor
Department of Administration
One Capitol Hill, Providence, RI

In Attendance: Abigail Anthony, Marion Gold, Chris Kearns, Danny Musher, Jeremy Newberger, Chris Powell, Paul Ryan, Rachel Sholly

1. Call to Order

Chairman Paul Ryan called the meeting to order at 2:10 PM.

2. Approval of Executive Committee January Meeting Minutes

Chris Powell made a motion to approve the January meeting minutes, with two minor corrections. Chairman Ryan seconded and the motion passed unanimously. Mr. Powell made a motion to approve the December meeting minutes. Abigail Anthony seconded and the motion passed unanimously.

3. Review of Draft EERMC February Meeting Agenda

The February agenda will include the following items: vote on bylaws, legal request update, vote on new intern, high-level finance study update, Energy Expo update, discussion on Annual Report policy recommendation, and preliminary 2014 energy efficiency program results.

4. Executive Director Report

Legal Request for Proposals

Commissioner Marion Gold reported that the Council received four responses to the legal services request for proposals. Dan Prentiss did not bid but was aware of the solicitation. Rachel Sholly will send the proposals to Executive Committee members to make a recommendation for a vote at next Thursday's full Council meeting. A call was scheduled for Wednesday 2/11 at 11:00 AM to review the Committee's evaluations. Mike Guerard recommended that the Council make sure to allocate the remaining ~\$26,000 being held in an account with Dan Prentiss. Dunsy should be billing around \$30,000, which will be used exhaust to the fund.

New Member Appointments

Commissioner Gold reported that she now has a full roster of recommendations to send to the Governor's office, which she plans to send this week. Jeremy Newberger suggested that the Council plan an out-of-meeting orientation session for the new members and begin pulling together some informational materials. Commissioner Gold reported that Ryan Crowley, the Office of Energy Resources' (OER) new communications staff person, will take the lead on pulling together the Annual Report and will also start taking minutes for Council meetings, so he can also put together new member orientation materials. The Consultant Team offered to help with the materials as well. The Governor makes the decision on who to appoint as chair. Mr. Powell confirmed that he would like to be reappointed for another term. Recommendations for the oil heat position still need to be identified.

Hiring Proposal

Commissioner Gold requested that the EERMC allocate \$5,000 to hire Becca Trietch as an intern so she can continue her work to establish a farm energy incentive program. Mr. Powell felt that the Council should make internships available every year. This will be brought to the full Council for a vote next week.

5. Dunsky Finance Study Update

Danny Musher reported that Dunsky's final meeting was this past Thursday, at which they presented findings and recommendations. Dunsky was originally to submit a 10-page memo and annotated slide deck, but will now submit a 30-page report and unannotated slide deck. The group discussed ensuring that Council feedback can be incorporated before the vote. Dunsky will be asked to video conference into the EERMC meeting next week to present recommendations and then to present in person any updates and engage the Council in a discussion on actionable next steps at the March meeting. This will be a good opportunity to engage the Governor, her team, and others on these efforts and also to discuss the Council's policy recommendations. Mr. Kearns pointed out that the State of the State address will be held on March 12th, the night of the Council meeting. A vote to move the March 12th meeting to March 19th will be added to the February agenda.

6. Annual Report Update and Discussion on Policy Recommendations

Ms. Sholly reported that the first Annual Report planning call was held yesterday. She briefly reviewed the draft table of contents and timeline. OER staff will put together a list of proposed policy recommendations for discussion at next week's Council meeting. Mr. Newberger suggested that previous recommendations be compiled to facilitate discussion. Ms. Anthony suggested including an update on prior policy recommendations in the 2015 Annual Report.

7. Other Business

There was no other business.

8. Adjournment

Chairman Ryan adjourned the meeting at 3:01 PM.

Full EERMC Meeting: Thursday, February 12th 3:30-5:30 PM; Conf. Room B

Next Exec. Comm. Meeting: Thursday, March 12th 2:00-3:00 PM; Conf. Room B

To: Energy Efficiency & Resource Management Council (EERMC)
From: Becca Trietch
Date: February 21, 2019
Subject: EERMC Client Fund Internal Audit Results

By conducting an internal audit of the EERMC client fund, the RI Office of Energy Resources was able to correct the amount of funds reported within the Council's Client Fund. The attached 2019 budget has a corrected Client fund amount, includes the additional funding allocation to the Council's Potential Study, and is up-to-date on all outstanding EERMC expenses.

Through the audit process, it was discovered that a combination of at least two error types resulted in an underestimation of the client fund balance:

1. A human error in transitioning from one spreadsheet to the next was identified in one case.
2. Budgeted values rather than actual, contracted amounts were used in some cases when calculating client fund balances. This resulted in balance values that differed from the actual client fund account.

To remedy these errors going forward, the following process changes are being implemented:

1. Quarterly check-ins will be conducted in collaboration with the Client Fund manager (the EERMC's attorney), to verify not only the deposits and withdrawals from the Client Fund but also the total remaining dollar amount.
2. The Excel spreadsheet used to track the Client Fund balance will contain distinct fields that separately track approved budgeted amounts, contracted amounts, and expenses paid-to-date.

In addition to these tracking changes, the Council's attorney is also working to move the Client Fund into an interest-bearing account so that a small amount of interest can be accrued on any existing fund balance.

EERMC 2019 Budget – FINAL 2/21/2019

| Income | |
|---|---------------------|
| Client Fund: Total Available in 2019 (includes 2018 Carry Over) | \$ 397,570 |
| SBC - Electric (2019) | \$ 783,600 |
| SBC - Gas (2019) | \$ 235,500 |
| TOTAL INCOME | \$ 1,416,670 |

| Expenses to Main Account | | Budget |
|---|--|------------------------|
| | | CY 2019 |
| Consultant Services | | \$ 876,260.00 |
| Legal Counsel | | \$ 30,000.00 |
| Annual Report Printing | | \$ 1,000.00 |
| Council Travel | | \$ 500.00 |
| Potential Study A (A+B+C Sum to \$366,233.80) | | \$ 111,340.00 |
| Subtotal | | \$ 1,019,100.00 |
| Unallocated in Main Account | | \$ - |

| Expenses to Client Fund | | Budget |
|---|--|----------------------|
| | | CY 2019 |
| 2018 Energy Expo | | \$ 40,000.00 |
| Public Education | | \$ 70,000.00 |
| EERMC Retreat | | \$ 2,000.00 |
| EERMC Website | | \$ 429.00 |
| Potential Study B (A+B+C Sum to \$366,233.80) | | \$ 138,660.00 |
| Potential Study C (A+B+C Sum to \$366,233.80) | | \$ 116,233.80 |
| Subtotal | | \$ 367,322.80 |
| Unallocated in Client Fund | | \$ 30,247.64 |

| | |
|--------------------------|------------------------|
| TOTAL Expenses | \$ 1,386,422.80 |
| TOTAL Unallocated | \$ 30,247.64 |



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

**EXECUTIVE COMMITTEE
MEETING MINUTES**

Thursday, November 5, 2015

2:00 PM – 3:30 PM

Conference Room B, 2nd Floor
Department of Administration
One Capitol Hill, Providence, RI

Attendance: Abigail Anthony, Marisa Desautel, Mike Guerard, Michael McAteer, Danny Musher, Joe Newsome, Scudder Parker, Chris Powell, Nicholas Ucci

1. Call to Order

Chairman Chris Powell called the meeting to order at 2:00 PM.

2. Approval of Executive Committee October Meeting Minutes

Upon review of the minutes, the Chair motioned to approve the October meeting minutes. Joe Newsome seconded. The minutes were approved unanimously with no opposition noted.

3. Executive Director Report

No report was given and the time was dedicated to remaining agenda items.

4. Review of Finance Expert Contract

The Chair requested that this agenda item be moved to later in the agenda to allow full participation by EERMC legal counsel. No opposition was noted.

5. Update on Rate Design Docket

The Chair requested that this agenda item be moved to later in the agenda to allow full participation by EERMC legal counsel. No opposition was noted.

6. Discussion on Preparing for Three-Year Savings Targets Work

Consultant Team member Mr. Guerard reviewed a memorandum developed for Committee members regarding the planning and required processes to develop savings targets for the 2018-2020 Least Cost

Procurement Planning period. Mr. Guerard explained that proposed energy savings targets would need to be submitted to the Public Utilities Commission (PUC) by September 2017, necessitating a complete and Council-approved document by July of that year. He also noted that previous three-year targets document benefited from current opportunities reports, citing KEMA and a Gas Opportunity Report. Mr. Guerard explained that the development of the Savings Target report would be time and resource intensive, and encouraged the Committee and EERMC to begin the planning process now by considering its work plan and funding resources. Additional recommendations by the Consultant Team were detailed in their memorandum.

Ms. Anthony noted that Massachusetts recently approved its upcoming savings targets, which could provide information to draw upon in Rhode Island. She also stated that this work was not unanticipated and questioned whether or not additional funds would be required to support development beyond those funds committed to the Consultant Team budget. Chairman Powell concurred.

The Committee had a discussion on the types of activities and veins of savings which might impact the 2018-2020 Savings Targets Report, but for which little practical or analytical research and experience had been developed. Such topics included strategic electrification, distributed generation expansion, and integration of private capital to help achieve least cost procurement goals.

7. Revision to EERMC 2015 Budget

Mr. Ucci reviewed the EERMC's 2015 budget and recommended several items for consideration by the full Council at their next meeting. These included re-allocating funds to support Legal expenses through the end of the year and placing \$50,000 and \$70,000 into a Counsel-administered client fund to support Energy Expo and Finance Study work, respectively, in 2016. A recommendation was also made for the Council to consider moving unexpended funds from their 2015 budget into the same client fund to support unanticipated work products throughout 2016; specific work products and supporting funds would be subject to Council consideration and vote on an as-needed basis.

Ms. Anthony stated that legal expenses to date were an outlier in the budget. She suggested that the Executive Committee should have a mechanism to ensure that the EERMC is receiving the level of services it expects and pays for. Ms. Anthony also stated that it was important to educate new council members on the budget to help inform and engage. The Committee had a discussion on how to implement additional educational opportunities for Council members.

8. Review of Draft EERMC 2016 Budget

Mr. Ucci reviewed a draft 2016 EERMC Budget with the committee. The 2016 budget will need to be voted on by the full Council at their December meeting.

With the Council's Legal Counsel in attendance, the Chair requested that the Committee revisit agenda items 4 (finance expert contract) and 5 (rate design docket) be revisited. No opposition was noted.

9. Review of Finance Expert Contract

Ms. Desautel reviewed a revised finance expert contract to engage Dunsky, consistent with the Council's October 2015 vote. The Committee agreed to recommend full Council approval at its November meeting.

10. Update on Rate Design Docket

Mr. Parker stated that the Council's testimony had been successfully filed with the PUC, along with that of other parties. He noted coordination among the parties on substantive issues and a collective interest to present on matters jointly at an upcoming PUC Technical Session. Mr. Parker explained the major components of National Grid's rate design proposal, including a proposed access fee on generation and a shift toward tiered fixed charges; the EERMC's testimony has been focused on the potential impacts of the latter.

Ms. Desautel stated that she ensured all testimony was properly filed, and that she attended all relevant meetings on behalf of the EERMC. She noted that the testimony is available on the PUC website. Finally, Ms. Desautel explained that two PUC Commissioners specifically voiced their gratefulness for EERMC's testimony and viewpoints on these issues.

At this point in the meeting, Mr. Guerard provided information on the Consultant Team's request for the EERMC to release up to \$30,000 in previously-allocated funds to support consultant expenses incurred through the end of the year. The Consultant Team provided a memorandum to the Committee on this issue. He noted that the work associated with National Grid's rate design proposal was largely unanticipated. Also, he explained that the Consultant Team had unexpectedly covered approximately \$10,000 in Intern-related expenses earlier in the year. It was noted that the EERMC budget had a separate Intern-related line item in their budget (\$10,000) which was left unexpended throughout the year.

After review of the 2015 and draft 2016 EERMC budgets, and in consideration of the Consultant Team's recommendations, the Executive Committee agreed to recommend to the full Council the following 2015 budget changes: transfer \$50,000 to a client fund by the end of 2015 to support the 2016 Energy Expo, consistent with an existing budget allocation; transfer \$70,000 to a client fund by the end of 2015 to support finance study work in 2016, consistent with an existing budget allocation; release \$30,000 of previously-allocated funds to support expenses related to consultant services; allow the Consultant Team to request payment for Intern-related services; and direct that any remaining funds in 2015 be transferred to a client fund to support Council initiatives in 2016, at their discretion.

11. Discussion on Protocol Requests for Funding

The Committee discussed how to address funding requests from third-party organizations. The Consultant Team noted that considering such requests could be a difficult and resource-intensive undertaking, particularly when ensuring value to the ratepayer. Mr. Ucci expressed strong agreement on behalf of OER. The Committee agreed to table the issue and update the full Council at its November meeting.

12. Discussion on New Executive Committee Members

The Committee continued its discussion on Executive Committee membership. The Chair will ask for volunteers at the next Council meeting.

13. Adjournment

Chairman Powell motioned to adjourn the meeting at 3:35 pm. Joe Newsome seconded. The meeting was adjourned.