



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 Roughan, 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 EEPP 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