

RHODE ISLAND ENERGY EFFICIENCY AND RESOURCE MANGEMENT COUNCIL

Minutes-October 15, 2009, 3:30 PM
Conference Room B, DOA

Call to Order:

Chairmen Ryan called the meeting to order at 4:00 PM

Members Present: Paul Ryan, Chris Powell, Joe Newsome, Vic Allienello, Sam Krasnow, Joe Cirillo, Timothy Stout, and Dan Justynski

Staff Present: Ron Renaud, David Cordeiro, Charles Hawkins, Matt Guglielmetti and Ken Payne

Consultants: Scudder Parker and Mike Guerard

Others Present: Connie McGreavy, David Brown, Jerry Elmer, Justin Disilva, Josh Lantzy, Rosemary Bock, Nick Tomlin, Josh Craft, Tim Teehan, John Farley, and Karina Lutz.

Acceptance of Minutes: A motion to accept the minutes of the August 20th EERMC Meeting as presented was made and accepted.

RIOER Update

Ron Renaud, the RIOER's Acting Commissioner, gave a brief update on developments in the office. His goal was to release the first ARRA RFP by October and that was accomplished. He said the OER is going to ramp up operations and several FTEs will be aboard as soon as possible. He confirmed that Janet Keller will work into December. He responded to Paul Ryan that OER is capable of effectively dispersing ARRA funds.

RIOER and EERMC Roles

Paul Ryan and Ken Payne explained the role of the EERMC. The EERMC is meant to advise RI government on energy policy representing various stakeholder groups and it can appear before the PUC including LCP issues. At this point each member present introduced himself and explained what constituency he represented.

Paul Ryan and Sam Krasnow said that EERMC has done a good job on broad issues but needs to work better with OER, especially in monitoring the budget. Ron Renaud said it is a new paradigm at OER and he is in the process of adding high quality personnel to get the job done. Sam Krasnow said we also have a good consultant group.

ARRA Update

Ken Payne stated that it is good to work at OER now. Activities have been ramped up and solicitations are being processed. He then comprehensively described activities on all ARRA programs, SEP, WAP, EECB&G and the order of their processing. Mike Guerard described Davis Bacon requirements on WAP programs and its effect on the cost of weatherization. The

process is open and transparent and public input is welcomed. Problems that were apparent during the summer have been resolved and ARRA funding solicitations are moving along.

Dan Justynski said small towns don't have the resources to implement EECBG and asked if OER is helping them. Ken Payne said OER is sensitive to the issue and encourages towns to work together in groups such as the Washington County Planning Council.

RGGI Update

Ken Payne described how OER expedited the process of filing the RGGI Allocation Plan. It is done, but there will need to be some changes made on the innovative projects portion.

Joe Newsome asked for clarification of previous minutes where NGRID asks what is going to happen with the 40% of RGGI funds that is supposed to be allocated to innovative projects. Can it be used to fill the gap on the low-income gas side? Jeremy asked if part of the 40% could be used to pay back NGRID for energy efficiency programs. Scudder Parker said now that OER has the RGGI funds out, EERMC must discuss how they are to be used.

Teleconference Low-Income Heating Assistance Plans

Dianna Duffy of NGRID, via telephone, described NGRID's 2010 Low Income Energy Efficiency plans. Joe Newsome said EERMC should determine the universe of low-income homes in RI so that it can measure milestones of how many and what percentage of homes are being weatherized each year. Matt Guglielmetti commented that not only is the quantity of weatherization increasing but also the quality. Ken Payne said that OER would prepare an assessment of the numbers of dwelling units needing weatherization and the current and projected levels of weatherization. The assessment would be targeted for the December meeting.

Joe Newsome observed that NGRID wants to budget less for Low Income Energy Efficiency in 2010. Jeremy Newberger said NGRID had to make tough choices. NGRID is carrying a deficit and it has to assess the gas side by statute and there has been huge demand. Joe Newsome said it comes across as a 50% deduction. Jeremy said it is 10% on the gas side and the same on the electric side. Matt Guglielmetti thanked Dianna saying that when OER lost its staff, Dianna and Mike took on much of the administration of LIHEAP programs. Dan Justynski asked if the average of \$3200 per weatherization causes deficit spending. No definitive answer was stated.

Review of the NGRID 2010 Energy Efficiency Program Plan

Jeremy Newberger reviewed the 2010 NGRID EE Plan and gave statistical details that are available in the plan.

Scudder Parker commented on the improved integration of gas and electric programs. The single point of contact has made them more user-friendly. He commented that FCM, RGGI and ARRA funds could be integrated with the plan. Mike Guerard said the topic would be discussed at the 10/22 DSM meeting and noted that 11/2 is the filing deadline. VEIC will work closely with NGRID and the EERMC to refine the plan.

Chris Powell said integration of gas and electric is important and described the benefits of retro commissioning. He then defined the concept. Scudder Parker commented that an RFP would be needed for light commercial. Tim Stout commented that policy changes are needed at the PUC to do programs today. Policies developed in the 1970s need to be upgraded.

Paul Ryan said the EERMC should make a motion to approve the NGRID plan. A discussion ensued where Chris Powell, Sam Krasnow and Joe Newsome became a subcommittee to work with Jeremy and VEIC on the Energy Efficiency Plan. Scudder suggested that the EERMC give preliminary approval to the Plan but have VEIC work together with Jeremy at Grid and have Sam Krasnow be the single point of contact. Paul Ryan suggested adopting Scudder's suggestion as a motion. Chris Powell made a motion and Joe Newsome seconded it and the motion carried.

Decoupling and the Expert Witness

Dan Prentiss brought the council up to date on the timetable for the rate hearing where expert witness Mark Lowry will be expected to testify. He noted that this was a complicated rate case and that NGRID has already taken a number of 'hits' including hits from TECRI and the DPU. He also noted that parties really define their positions in the post hearing briefs to the PUC. This is the best chance for the EERMC to make an impact. Dan Prentiss suggested members closely read Mark Lowry's testimony to become informed about decoupling.

Joe Newsome said he felt he was being dragged along in an area he does not know that much about. He questioned paying \$30,000 to a witness he had not met. He said he is not comfortable endorsing an issue he does not fully understand.

Chris Powell said the Council has to back up a little on this issue. He said there are a lot of gray areas in the filing. He has not seen how ratepayers benefit. He asked if there is something in the decoupling process that creates value for everyone. He wants the EERMC to be objective in this process.

Dan Justynski said anything the Council does to increase energy efficiency is good but this means less growth revenue for NGRID. More success in energy efficiency means fewer resources for energy efficiency and he wants to increase these resources.

Paul Ryan suggested that Chris Powell and he take over the management of the expert witness. Paul Ryan said that decoupling is not an issue the council will get its hands around in a month. The EERMC will need to be educated as it goes through this docket. EERMC is an intervener so it can be dynamic in its decoupling position at the hearing.

Paul Ryan mentioned that his rationale for having the EERMC intervene in the decoupling docket was to support energy efficiency but he also felt that the time was ripe for the EERMC to flex its muscle and try to effect positive change.

Other Business

Joe Newsome wants EERMC to focus on issues other than decoupling. He asked if VEIC has a work plan for the next year. He would like to have VEIC set up priorities and time lines for the

things the Council needs to accomplish. He would like more emphasis on what other states in the region are doing. He would also like to inform the public on EERMC issues. Joe also stated that he thought there was a perception that RI is behind the region on renewable issues. He said he feels that RI seems to be always trying to catch up.

Scudder mentioned that VEIC did not know if its contract was going to be renewed. Paul Ryan said he wants to get these bookkeeping items under control. In the past, he has asked for all the invoices from the RIOER, but has not been able to obtain them. He wants to work with Ron Renaud on this. Sam Krasnow volunteered to work on this. Paul Ryan said he will meet with Ron Renaud to try to get the EERMC budget under control.

Ken Payne stated that, under RI law, the RIOER has an obligation to provide staff support to the EERMC. That is why the Commissioner of the RIOER is Executive Secretary of the Council. So, it is important that a conversation with Ron Renaud occur concerning administrative support. Ken noted that since the matter was not placed on the agenda, action on it would have to take place at a future meeting.

Public Comment:

Karina Lutz of People's Power and Light decried the Council's lack of a residential representative. She would also like to include "New Business" on future agendas. On decoupling, she said she feels that decoupling is a good idea in concept, but it just does not work in this economy with declining revenues and is fraught with problems for consumers. She noted that if the PUC does approve decoupling, that NGRID's ROI should be decreased. She said that there is an essential problem with the rate structure and it needs to be fundamentally rethought. The budget for energy efficiency programs with the SBC charge is actually a detriment to energy efficiency. If revenue goes down they have to cut back the budget.

John Farley of TEC-RI said the Council is only as good as the information it receives. He regretted that the only people that the EERMC heard from during the EE Program Plan discussion were from the Company. He said the Council needs to hear more diverse views. Sam Krasnow agreed with John and noted that the EERMC will have to pay close attention in the next two weeks to the issues concerning the plan. He urged members to attend the 10/28 DSM meeting where these issues will be discussed. John mentioned a national study done on residential lighting. This study concluded that the current design the utilities use to encourage CLFs actually produces no savings because what is being done would have been done anyway without the incentives. He was surprised NGRID did not bring up this study. Paul Ryan expressed disappointment that some groups have never attended an EERMC meeting.

Ken Payne said that when there is an issue like decoupling before the Council, members could convene a panel of experts as standard operating procedure. NGRID could present its position and others could present different views. This would not take any longer than was it going on now and would ensure a diversity of views. The RIOER could be tasked with the administrative logistics needed to set up such forums. Paul Ryan thought this was an excellent idea.

David Brown, of Peoples' Power & Light, added some comments on the lack of a residential representative on the Council. He said C&I are well represented but residential is not. Paul

Ryan said that the Council has a hard time getting on the ‘radar screen’ at the State house. It was agreed to talk with Ron Renaud about this.

Next Meetings

The Decoupling Work session was scheduled for Monday, November 9 at 4:30 PM at DOA. The next full meeting of the EERMC was scheduled for Thursday, November 12 at 3:30 PM at DOA.

Adjournment

A motion was made and approved to adjourn at 7:00 PM.

Respectfully submitted

Charles Hawkins
Secretary Pro-tempore