



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

**EXECUTIVE COMMITTEE
MEETING MINUTES**

Thursday, October 2, 2014

2:00 - 3:00 PM

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

Members Present: Abigail Anthony, Marion Gold, Jeremy Newberger, Chris Powell, Paul Ryan
Members Absent: None
Consultants Present: Mike Guerard
OER Staff Present: Sue AnderBois, Chris Kearns, Danny Musher, Rachel Sholly, Nick Ucci
Others Present: None

1. Call to Order

Chairman Paul Ryan called the meeting to order at 2:05 PM.

2. Approval of Executive Committee September Meeting Minutes

Chris Powell made a motion to approve the September meeting minutes. Abigail Anthony seconded and all approved.

3. Review of Draft EERMC October Meeting Agenda

A vote on extending Least Cost Procurement legislation will be added to the agenda. "System Integration Team Update" and "Executive Committee Report" will be removed. Nick Ucci brought up the issue of legal counsel and encouraged the Council to go to bid for these services. This will be added to the November Executive Committee agenda. Chairman Ryan felt that the Council should aim to get a request for proposals (RFP) out by the end of the year for services beginning in 2015. The OER will draft an RFP for discussion at the November Executive Committee meeting. The contract will be directly with National Grid.

4. Update on 2015 Energy Efficiency Program Plan

Jeremy Newberger reported that the Company is on target to distribute the final draft of the plan to the council a week from today. The Council will have one week to review before the vote at the October 16th Council meeting. Mike Guerard added that the Consultant Team has been doing in-depth work reviewing and commenting on the narratives and budgets, including reviewing the Benefit Cost model.

5. Review of Response to PUC Information Request

Mr. Guerard summarized a working draft of responses to the Public Utilities Commission (PUC) information request on the Consultant Team's cost-effectiveness memo (see attached). Mr. Powell asked how measure life is calculated. Mr. Newberger explained that they start with rated measure life and then hired someone to validate those assumptions. They also looked at measure persistence and tended to be conservative.

6. Winter Peak Communication & Mitigation Efforts

Sue AnderBois reported that the Northeast Energy Efficiency Partnerships and the National Association of State Energy Officials put together a group including representatives of each of the New England states to discuss joint messaging around winter price spikes. The group hired a communications firm which interviewed the different states and utilities in all states and then created shared overarching messaging and document for individual sectors. They are relatively generic so each state should put their own messages on top. She offered to circulate these documents to the Committee.

Commission Marion Gold added that National Grid shared their strategy for addressing this. They plan to use press releases and traditional media to explain this issue to customers and help them mitigate the impacts. In Massachusetts, rates have already been filed, which was a 94% increase on the electric supply side for a total bill impact of 44% for residents. In Rhode Island, rates will not change until January 2015. Mr. Powell mentioned that EmPower, a Brown University student organization, plans to do an outreach campaign. The OER will work on this and coordinate efforts.

This issue might come up at the PUC hearing on the Three-Year Plan on October 15th. The OER has been meeting with the PUC on these issues. Mr. Newberger implored the Committee to think about this and share any thoughts in preparation for the hearing.

7. Discussion of Using Discretionary Funds for VEIC Design Work on RI State Energy Plan

Commissioner Gold proposed using some of the EERMC's discretionary funds to support the design of the State Energy Plan by VEIC. Mr. Guerard explained that the Council approved the core budget plus an additional \$60,000 for discretionary use. About \$45,000 of the discretionary went to the branding study. The remaining \$15,000 could be used for this.

Ms. Anthony made a motion to authorize the use of up to \$10,000 for VEIC to do a thorough review of the RI State Energy Plan and help the OER with finalizing the document. Mr. Powell seconded all approved.

8. Least Cost Procurement Legislation Renewal

Mr. Kearns reported that the OER is recommending a simple 12-year extension of the legislation. It would then be possible to go back and make modifications along the way. He reported that he has been working with stakeholders that might be interested in this issue. He recently met with the Rhode Island Builders Association and will meet with the International Brotherhood of Electric Workers' legislative liaison next week. He is also working with the Senate President to get a letter of support. He will begin working with National Grid, which will need to take it to the UK side of the Company. Mr. Kearns is working on a draft now. The OER's legislative package is due at the end of October, so the team is moving quickly on this.

9. Discuss Consultant Team Proposals

Mr. Powell felt that cost and large commercial and industrial expertise are important considerations. He felt that Johnson's experience out of the region was a benefit. Ms. Anthony felt that Johnson's technical skills were impressive but lacked a deep understanding of the EERMC's policy approach and Least Cost Procurement. She felt that costs are important, but the amount that ratepayers save as a result of this investment are significant.

Chairman Ryan gave Johnson a better score on the technical side, but noted that Rhode Island is a different place. Personal relationships are very valuable, in addition to rapport with regulatory bodies. Recommends retaining VEIC, but laying out clear explanation for.

Ms. Anthony reminded the group that an anonymous survey was conducted a couple years ago to gather feedback from the Council on VEIC's performance. If VEIC is retained, this could be done again. Perhaps this should be done annually. Jamie is conducting a rate comparison for ENE, so he could potentially share the results with the Council for reference. Ms. Anthony suggested looking at actual hours billed on invoices. Ms. Sholly will add the hours billed for the last two years.

The Committee agreed that it favored the VEIC proposal but would like to discuss a larger Rhode Island, ways of reducing costs, and more C&I depth locally.

Chairman Ryan made a motion to authorize the Executive Committee to negotiate with VEIC on a final consulting contract and report back at the next meeting. Mr. Powell seconded and the motion passed unanimously.

10. Adjournment

Chairman Ryan adjourned the meeting at 3:35 PM.

Full EERMC Meeting: Thursday, October 16th 3:30-5:30 PM; Conf. Room B

Next Exec. Comm. Meeting: Thursday, November 6th 2:00-3:00 PM; Conf. Room B