



MEETING MINUTES

Thursday, December 10, 2015

3:30 PM - 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, Roberta Fagan, Marion Gold, Jennifer Hutchinson, Michael McAteer, Shigeru Osada, Chris Powell, Betsy Stubblefield Loucks, Karen Verrengia, Diane Williamson
- Members Absent:** Joe Newsome
- Consultants Present:** Mike Guerard, Rebecca Foster
- OER Staff Present:** Chris Kearns, Danny Musher, Rachel Sholly
- Others Present:** Sam Milton, Jeremy Newberger, Celia O'Brien, Fred Paine, Brigid Ryan, Belinda Wong, Chon Wong

1. Call to Order

Chairman Chris Powell called the meeting to order at 3:33 PM.

2. Approval of November Meeting Minutes

Bob Bacon made a motion to approve the November minutes as submitted. Karen Verrengia seconded and all approved.

Chairman Powell asked for a motion to move agenda item #8 (the SIRI presentation) to item #5 so that Jennifer and item. Ms. Verrengia made the motion, Joe Cirillo seconded and all approved.

3. Executive Director Report

Commissioner Marion Gold reported that the Governor held a press event on Tuesday where she signed an Executive Order to launch the State Lead by Example program. The Order outlines goals for the state sector to lead by example in energy efficiency and renewable energy within its facilities. A successful kickoff meeting was held to launch the Efficient Buildings Fund, a program of the new Rhode Island Infrastructure Bank. The Rhode Island Builders Association has been working on the Energy Expo at the Home Show and John Marcantonio will be invited to present at the January meeting to update the Council on planning progress. The consultant team, Danny Musher and the thermal working group did a lot of work during the past few months to explore how to best expand cost-effective efficiency services to the delivered fuels sector. The Oil Heat Institute, the American Petroleum Institute and the Propane Institute are at the table. Briefed the Governor's Office and the State House today and the OER is optimistic about making progress this year.

4. Executive Committee Report

Chairman Powell reported that most of what the Committee discussed will be covered in subsequent agenda items. There was a discussion of the consultant team rate escalation and what was agreed upon in the contract. This will be finalized at the next Executive Committee meeting. The Committee also began a discussion about energy efficiency data management, including a process for vetting information that is presented to the Council as well as a process for responding to data requests that come through the Council. There has been some discussion of creating a website to make data available to the public.

5. Presentation on Systems Integration Working Group Recommendations

Danny Musher from the Office of Energy Resources (OER) presented a summary of the recent recommendations developed by the Systems Integration Rhode Island (SIRI) working group. Betsy Stubblefield Loucks asked if there was a definition of “grid modernization” and how will we know when it has been achieved. Mr. Musher referenced goals established in the State Energy Plan, but noted that goal-setting was not the purpose of this effort. Jeremy Newberger added that the end has not yet been defined but forward progress is being made. Ms. Stubblefield Loucks clarified that her concern is related to equity issues and making sure that urgent needs, to which solutions already exist, are being addressed. Abigail Anthony said that if the goal is to extend benefits to all sectors equitably, the fundamentals of how the grid operates and is planned and how the company gets compensated have to change. Otherwise, the goals of consumers and the state will keep going one way, while the utility will be stuck in a regulatory environment that is outdated. It is critical to align the utility’s incentives with consumer goals. Mr. Musher added that no policy recommendations are being proposed at this time. Rather, SIRI is working to identify opportunities and remove barriers.

The next steps are to assign and prioritize the action items that have been identified. Ms. Stubblefield Loucks asked how the action items will be prioritized. Ms. Anthony said that one approach will be looking at how to make near-term decisions so future opportunities are not cut off. Ms. Stubblefield Loucks felt that it is important to be very intentional about decision-making and that there is an opportunity to be a bigger service and maximize non-energy benefits. Chairman Powell asked about the role of the EERMC in SIRI work. Mr. Musher responded that some of the recommendations fall into discussions happening at EERMC meetings or at Demand Collaborative meetings. Also, topics being discussed in various groups are starting to converge.

Once there is a plan on how to implement the recommendations, there will be various strategies and points at which to engage stakeholders. The OER will report back in the near future on next steps. Shigeru Osada asked about the time frame given the large scope of work. Mr. Musher replied that all the action items identified currently are first steps and intended to be implemented within 1-2 years.

6. Consultant Scope of Work

The Consultant Team will present its proposed scope of work for activities in 2016. The scope of work was reviewed by the Executive Committee and has been updated to reflect initial comments. Mr. Osada said that the three-year planning task is very big and wondered if the number hours allotted in the scope would be enough. He also expressed concern about variability and uncertainty in costs over these years. Mr. Guerard explained that others would be working on the savings targets as well, including the Demand Collaborative and the OER. Information from other jurisdictions will be considered so as not to reinvent the wheel. If there are gaps in understanding, the consultant team may recommend that the Council invest in an additional study to ensure that the targets are based on complete information.

7. Review of Draft EERMC 2016 Budget

The Council reviewed the draft 2016 budget, which had not changed since the November meeting. Chairman Powell invited Council members to propose additional items that the Council might want to fund. Appropriate uses of funds include consultants to conduct studies or evaluations to fill information gaps or needs in the sectors represented around the table.

8. Policy & Planning Issues

a) Update on PUC Rate Design Docket Proceeding

Chairman Powell noted that Marisa Desautel, legal counsel, provided a memo with updates related to the rate design docket proceeding. Rebecca Foster of VEIC reported that once National Grid submits its rebuttal, Scudder Parker will determine whether a surrebuttal is needed and bring that recommendation to the Council. The dates in the memo have been changed. Rebuttal testimony must be filed on December 16th and the intervenor testimony must be filed on January 6th.

b) Update on Finance Consultant Activities

Mr. Guerard reported on Dunsky's preliminary activities and noted that the consultant team has been helping them get grounded on how things are going in Rhode Island. The kick-off meeting for these efforts will be held next Tuesday afternoon and it is there where the team will get a better sense of where can they best apply their efforts to support good financing decisions. Alex Hill is planning on coming to the January Council meeting to give the Council to meet the group and get a better sense of priorities from the Council.

c) Discussion on Preparing for 2018-2020 Savings Targets

As a follow-up to last month's overview, Mr. Guerard updated the Council on recent and upcoming activity related to the development of energy savings targets. The EERMC must submit the targets to the PUC by September 1, 2016. The consultant team has been building a catalog of resources to inform the targets including potential studies done by National Grid in their other territories and studies and evaluations done in other states. Mr. Guerard emphasized that it is important to be starting now as it is a big undertaking and will involve a lot of discussion.

Ms. Osada said that other state targets may not be right for Rhode Island. Mr. Guerard replied that while that is true, they will still be considered in analysis to see if it is applicable. Diane Williamson asked if the Public Utilities Commission (PUC) has to accept the EERMC's target recommendations or if there is negotiation. Ms. Anthony said that the PUC will want to understand the data and analysis that is supporting the recommendation, which they can challenge. They have done this in the past and will likely do again. Mr. Guerard added that there may be additional complexity, such as how SIRI recommendations will influence targets.

9. Other Business

a) 2016 EERMC Meeting Calendar

The October meeting will be pushed back to September 29th to ensure that National Grid has sufficient time to submit its annual plan by the filing date is November 15th. The Council decided to keep the regular October meetings for the full Council and the Executive Committee. The Council discussed holding another retreat and also meeting at and touring Taco.

Mr. McAteer recommended that Council members read the Governor's new Executive Order on Leading by Example, which is very forward-thinking.

10. Public Comment

There was no public comment.

11. Adjournment

The meeting was adjourned at 5:50 PM.