

## ENERGY EFFICIENCY & RESOURCE MANGEMENT COUNCIL

**Minutes-January 10, 2013**

**Conference Room B, Second Floor, DOA**

**Call to Order:** Chairman Ryan called the meeting to order at 3:30 PM

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

**Consultants Present:** Mike Guerard

**Staff Present:** Danny Musher, Lewis Babbitt, Ryan Cote, Chris Kearns and Charles Hawkins

**Others Present:** Jeremy Newberger, Michael McAteer, Rele Abiade-Ritter, and Kim Ziegelmayer

**Acceptance of Minutes: Joe Newsome made a motion to accept the December minutes. It was seconded by Abigail Anthony and passed unanimously.**

### **Executive Director's Report**

Marion G. opened by saying that much of the Office of Energy Resources (OER) staff had been working on low income (LI) energy issues recently to ensure that the LIHEAP season opens on time. Applications have been sent out and the Community Action Agencies (CAPs) are now processing them. The move of the LI programs from the OER to the Department of Human Services (DHS) looks to be on scheduled for February. Terry Brooks, OER's Chief Financial Officer, will also be going over to DHS.

Marion G. said that Rachel Sholly will be joining the OER staff on January 13th and will take the lead in the RI Public Energy Partnership (RIPEP) USDOE competitive grant. She is familiar with municipal energy issues from her work with the EPA Climate Showcase Grant. She will be working with the OER's Ryan Cote who also has experience working with cities & towns through his work with the Energy Efficiency Conservation Block Grant Program. Rachel S. will also be working with RI Code Commissioner, Jack Leyden, and Department of Administration Policy Director Allison Rogers on building code and other green building initiatives.

Marion G. then passed out an article that suggested that although states had passed green building legislation, the ability to track the results of these efforts have been stymied. OER is participating in the USDOE Better Buildings Challenge to reduce energy use in public buildings by 20%. This is an unfunded mandate.

Danny Musher is working with URI Energy Fellows to refine the energy data base RIenergy.org. URI Energy Fellows will be responsible for maintaining the site. She is

also utilizing URI students to assist in benchmarking municipal and state buildings. Chris P. asked about LED certification for public buildings. Marion G. said that URI has been very clear in its intention to have all new campus buildings be LED certified. Joe N. asked if any progress was being made on nominating the residential ratepayer position on the Council that was vacated when Marion G. resigned to become Administrator of the OER. She said that progress was being made and the person nominated should be versed in both distribution system issues as well as residential ratepayer issues. Joe N. asked who was being considered. Marion G. mentioned four names and said that she has asked the state's diversity leader to participate in the process in an active way. She then introduced OER's Program Manager for LI Programs, Lewis Babbitt, to give an update.

Lewis B. said that the delay in beginning the LIHEAP Program was caused by a longer than anticipated migration of the new data system. The XML data file took longer to develop than originally planned because additional data files had to be included, edited and tested, due to the change in software platforms. This delay cost about 1.5 months, but milder than normal weather has helped mitigate the impacts. OER staff chipped in to assist the CAPs with printing, mailing and processing applications to help expedite the certification of clients. CAPs have been prioritizing the application process based on greatest need; which includes deliverable (oil & propane) clients whose tanks are less than 1/8<sup>th</sup> full and any utility shut offs. During the winter, gas/electric clients can not be shut off, so OER is prioritizing processing the applications of deliverable customers. The Henry Shelton legislation has resulted in a sharp drop in utility shutoffs. In this program clients need to stay current for three years and if they miss two payments they are removed from the program.

Last year LIHEAP assisted about 12,000 deliverable households. The average primary grant has gone from \$390 last year to \$590 this year. Confirmations and checks for the full amount of the grant awards are being mailed to vendors together; which speeds up the fuel deliveries and lowers overall cost. Chris P. asked if propane was part of the mix. He mentioned that industry is looking at propane as a by-product of natural gas and this is driving the price of propane lower. He feels that propane might be utilized in the future as a strategy for areas where you can't get natural gas. Vic A. said that more heating oil companies are taking on propane. They are building bigger storage facilities and bringing more propane into the State. He wondered if this is something that should be evaluated in the RI State Energy Plan (RISEP) that the OER is developing. Abigail A. said that Environment Northeast was doing the forecasting for the RISEP and propane prices, availability, and green house gas (GHG) emissions will be considered in the RISEP forecasting.

Joe N. wanted to know what the nexus was between LIHEAP and energy efficiency (EE). He wanted to know if LIHEAP homes were being touched by EE & weatherization. Lewis B. said the policy is to get as much weatherization as possible into LI homes to reduce fuel consumption. However, USDOE is cutting weatherization funding in their base programs. Going forward, the NGrid DSM programs will be the most secure weatherization funding. He said that OER uses 15% of the LIHEAP funding for weatherization. The funding sources for the OER Weatherization Program are: NGrid

EEPP funding-\$7 million; LIHEAP 15% Weatherization funding-\$3.4M; USDOE formula weatherization funding-\$1 million. This indicates a shift from federal to private DSM funding sources.

Joe N. mentioned a LI family he talked with, who after receiving LIHEAP assistance, had an energy audit done and they found out they could only afford light bulb replacement. Lewis B. said they should be able to access the Weatherization Assistance Program (WAP). LI families can access EE improvements, boiler replacement, and appliance replacement funding through their participation in LIHEAP for no charge. Joe N. said they were renters. Lewis B. said getting permission for weatherization work from landlords is one of the biggest challenges of the WAP.

The next step is to get NGrid gas grants to customers. With the winter moratorium in place on shut-offs, they are less of a priority than deliverable customers. However, it is the policy of the OER, to make sure that gas clients receive approximately the same assistance as deliverable customers.

After oil customers receive their primary grant they can access up to 100 gallons more as a crisis grant. The limit is two such grants. Other next steps include upgrades to the new software with a goal of easy use for CAP staff; and quicker processing of applications to meet demand. Long term steps include possible margin over rack for oil vendors and the possibility of the OER paying oil vendors directly.

Vic A. said that for twenty-five years he has advocated for the K-Factor which is the number of degree days in a given period divided by the number of gallons of fuel oil used in a given period. He feels this system benefits smaller vendors. You can serve more clients and it is more equitable to every client. Lewis B. said the new software system does have this ability build into it; but the hardest thing is getting accurate consumption data. Vic A. said this isn't true, every customer has consumption data. He can calculate consumption with all his customers. Lewis B. said LIHEAP has a lot of customers who frequently change vendors. That is where the difficulty comes in. Joe N. asked how many OER employees were going over to DHS. Lewis B. said the FTE count was seven. He said that he would be available to give the Council LI energy updates after he moves to DHS.

### **Key Takeaways from the PUC EEPP & System Reliability Technical Session**

On December 18<sup>th</sup> the PUC held a Technical Session on the 2013 Energy Efficiency Program Plan (EEPP) and the 2013 System Reliability Plan. After a short morning session, the PUC unanimously approved both plans. It was the first bench decision on an EEPP in a decade. The EEPP increased the State's EE budget from \$66 million to \$84 million.

Abigail A. came away with a few clear messages the PUC wanted to communicate to the group. One is that it is of the utmost importance to maintain the credibility of the EEPP if sustained support for the EE plans is to continue in the future. There is concern about

where the service benefit charge (SBC) is headed and the commissioners feel the ratepayers need to receive benefits for this increased spending. She also heard concern about NGrid staffing and whether they have the ability to spend the full EEPP budget. Overall she felt it was a good session and the PUC expressed enthusiasm for the plans.

Paul R. had two takeaways from the session. He observed that two of the three commissioners were lawyers, and his impression is that they feel the Council, by statute, has been given most of the power relating to EE and the PUC has become more of a rubber stamp for these EE plans. If the DPUC is OK with the plan, the PUC does not feel they can mess with it as long as it meets the statute's intent. He feels the PUC relies on the EERMC to evaluate EE.

The second issue, it that he feels the PUC is not happy that Regional Greenhouse Gas Initiative (RGGI) funds are going to renewable energy (RE). This came up because RGGI funding had disappeared from the budget of the EEPP. The commissioners did not seem to feel that RE met the statutory scheme of the RGGI legislation. Abigail A. said that since there is not a final RGGI plan, there was no one at the table who could give a clear answer about RGGI. Joe N. asked if this was discussed in the actual session. Paul R. said it came up during the session. Chris P. said it is similar to questions the Council has received about cost effectiveness.

Chris P. emphasized that this is an indication that the PUC wants to ensure that the cost of EE is below supply. This is critical component of the EEPP. He hears the same comments from TEC-RI members. They want to know the rate impact of increases to the SBC. It is important for us to communicate with TEC-RI that the Council is meeting the statute and doing their jobs.

Paul R. said that this was the fifth EEPP presentation the Council has made since it was established. He said that the relationship between the PUC and the Council has been one of positive synergy and there is now a comfort zone. He feels the Council has made great progress in the five years it has been in existence.

Joe N. wanted to bring the Council's attention to a visit that NGrid's Marie Meehan was organizing. She plans on hosting RI PUC Commissioners at one of two of the Deep energy Retro-fit sites here in RI, preferably DER projects located in LI neighborhoods. The RI PUC, its commissioners and staff, want to better understand the DER Pilot Program, its costs/benefits and overall performance to date. He felt this would be a good chance for Council members to see these unique projects. He also felt it would be a good chance to get some media coverage. Mike M. said that the PUC's Paul Roberti is very interested in the deep retro-fit concept. Joe N. said the visit is tentatively scheduled for Thursday January 31<sup>st</sup> from 1-2:30 PM. Joe N. asked Jeremy N. to make sure members of the Council are invited.

Joe N. also wanted to introduce Rele Abiade-Ritter, a key staffer for Senator Whitehouse who is attending the meeting to see how the Council works. She is the Senator's in-state

policy director and wants to identify ways that the Senator can assist the Council in its efforts.

### **Preview of Revisions to the OER and EERMC Websites**

OER's Ryan Cote was introduced to give this presentation. He said that the OER was in the process of revamping their website to make energy information more accessible and less outdated. He then displayed some of the graphs that will be included in the new site. He would like to include an energy price graph that is similar to the kind AAA uses for gas prices. There will be information on programs the OER is working on like the RIPEP. The site will also include an OER mission statement. There will also be links to other useful websites like the NGrid energy efficiency programs. Chris P. asked if the Council has a website. He would like a link to the Council site on the OER site. Ryan C. said the OER website has a live link to the EERMC website, which is also being revamped. With the OER site completed, the focus will now be on the EERMC site. Marion G. said that one of the OER's goals is to have all NGrid EEPP evaluations on the websites. Jeremy N. said if the OER needs past evaluations presentations they should talk to Rachel Henschel. Abigail A. would also like to see the C-Team monthly report on the website. Marion G. said they could also put a link to Senator Whitehouse's website. The OER logo will also be changed for the new website.

Marion G. then introduced Danny Musher to discuss the energy data base RIenergy.org. Over the last 4-6 months, URI fellow have been putting this data base together. The three main components of the website are: mapping tools; data and graphs on energy prices and other consumption data; and general resources for the public. Much of the data comes from ISO-New England (ISO-NE) and the US Energy Information Agency (EIA). Danny M. said much of this information will feed the development of the RISEP.

Joe N. asked how a website like this stays current. Does someone enter new data once a month? Danny M. said that the info comes from various reports from entities like ISO-NE and the EIA which update data every year. He felt that RIenergy.org could be updated in concert with the RISEP. This website is like a mini state energy profile. Marion G. said that RIenergy.org was an idea of Ken Payne who wanted to have a public repository of available data to aid in energy research. Additional funding has been sent to URI to maintain the data base. An URI energy fellow has been assigned the task of maintaining the website. Chris P. said this data could be really helpful, especially if it is going to be updated on a regular basis.

Joe C. felt that information on energy supply, inventory and capacity was missing. He cited the fuel tanks in the Port of Providence. He feels their capacity should be in the data base. Marion G. said that during the recent hurricane the OER, as part of their energy assurance duties, was responsible for inventory and supply of oil tanks and other deliverables. She said some of this capacity data is confidential. Joe C. said he does not want to lose inventory and cited a LNG tank in Exeter that many people are not aware of. This is not shown on any data base. Marion G said the nature of the industry has changed with more just in time inventory.

## **2013 EERMC Budget**

Abigail A. said that members were e-mailed a rough draft of the budget on Monday. She wanted to go through a few of the changes. The draft budget is consistent with the C-Team scope of work and budget that was approved at last month's meeting. Item one is the C-Team budget of \$774,720. Item two is \$30,000 for technical assistance for the Property Accessed Clean Energy (PACE) legislation which will come from the Prentiss Trust which is left over from last year's Natural Gas Opportunity Report (OR). This is work done by the C-Team for both the Council and the OER. Item 3 is for RE consulting services which will also be paid for from the Prentiss Trust but it will come out of the OER budget. There is \$80,000 still left in this trust fund and the budget proposes that \$30,000 be spend on the PACE Program and \$30,000 for RE consulting. That leaves \$20,000 in the account.

Item 4 is for staff resources that previously came from the Council budget but will now be paid for from the OER budget. Small edits will be made to this line item. The budget for legal service is \$8,980 and it is the balance of the \$12,000 refundable retainer which was a 2011 set-aside. Dan P. thinks that is enough to get through 2013.

Item 7 is a reserve fund of \$250,980 which will support additional needed expenditures. In every year but 2011, if the reserve fund was not totally spent it went back to the ratepayers to help lower the SBC. In 2011, the council saw the need for a Natural Gas Opportunity Report, so \$180,000 was put aside to do it and the money was put into a trust fund with Dan Prentiss. She thinks the Council should be looking about other things on the horizon that the council any want to do with this revenue. This could include further EE studies or an energy forum. She would like members to sent suggestions about reserve fund spending.

Joe N. asked if calling it a reserve fund has been a problem. Abigail A. said there has been no problem with calling it a reserve fund, but she does not want to spend the money just for the sake of spending it. Unspent money goes back to the ratepayer to lower bills. Jeremy N. said the reserve fund is a function of the increased SBC charge. More SBC means more administration money to pay staff and work on programs. Abigail A. said the Council could designate that unused funds go to the ratepayers and make it clear in the budget.

Marion G. liked the idea of doing an energy expo and cited the successful 2008 Energy Expo that was held at the Ryan Center at URI, although the Convention Center was also considered. She said that expos are very time consuming to run and can be expensive. She said two reasons for the success of the 2008 Expo were free EE kits that the OER provided and the extensive advertising that preceded the event. She thought it could be a valuable event that could raise the Council's visibility. It could also be a good way to get Senator Whitehouse involved. Abigail A. said they could put a line item in the budget to allow for this. Marion G. said if the Council wants to do it they need to start planning now. Mike M. said NGrid did a similar event at Gillette Stadium with the Governor that

was a great media event. Dan J. asked if the Council would need to do an RFP for a dedicated event manager. He said you need such a manager to organize volunteers. Abigail A. said that they could establish a public education line item and separate it out into two parts; one going to an energy expo and the other to pay for member involvement in educational conferences. She can make that change in the budget.

Marion G. suggested putting Twitter on the EERMC website. She said that during emergency storm situations they can be the best way to reach people and cited Mayor Bloomberg's use of it during Hurricane Sandy. Paul R. said Brown used Twitter to get 90% of the student body to a night football game.

**Abigail A. made a motion to approve the work plan & budget as presented. It was seconded by Dan J and approved unanimously.**

Abigail A. mentioned a C-Team evaluation, that will e-mailed to members, to allow all voting and non-voting member to provide feedback on the council's consulting services. A short survey has been developed that is anonymous and the results will be correlated and given to Scudder P. Members will have two weeks to complete this survey.

**Paul R. made a motion to adjourn. It was seconded by Dan J. and passed unanimously.**