



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

MEETING MINUTES

Thursday, February 12, 2015

3:30 - 5:30 PM

Director's Office Conference Room
Department of Administration
One Capitol Hill, Providence, RI

- Members Present:** Abigail Anthony, Marion Gold, Dan Justynski, Michael McAteer, Joe Newsome, Chris Powell, Paul Ryan
- Members Absent:** Joe Cirillo, Jennifer Hutchinson
- Consultants Present:** Mike Guerard, Craig Johnson
- OER Staff Present:** Ryan Crowley, Chris Kearns, Danny Musher, Rachel Sholly, Nick Ucci
- Others Present:** Karen Bradbury, Jeremy Newberger, Michael Larocque, Ben Rivers, Kelly Rogers, Brigid Ryan, Tom Sgouros, Rob Sherwood, Belinda Wong, Chon Wong

1. Call to Order

Chair Paul Ryan called the meeting to order at 3:31 PM.

2. Approval of January Meeting Minutes

Chris Powell made a motion to approve the January meeting minutes as submitted. Dan Justynski seconded and all approved.

3. Executive Director Report

New Member Appointments

Commissioner Gold from the Office of Energy Resources (OER) reported that new candidates for the Council have been sent to the Governor's Office. New candidate Michael Daly has been nominated as the workforce development representative. He is also in on the Building Commissions meeting.

Vote on Intern Hire

Becca Trietch has been working for the OER on a farm energy survey and a delivered fuels efficiency program for the farm sector. The OER would like to continue to employ her at 10 hours per week through the winter at a total cost of \$5,000. The Executive Committee had previously approved this expense.

Mr. Powell motioned to approve \$5,000 for the energy intern through Optimal Energy. The motion was seconded by Mr. Justynski and approved by the Council.

Commissioner Gold introduced Ryan Crowley, the OER's new Principal Public Relations Specialist who will now be taking minutes for the Council.

4. Executive Committee Report

Mr. Powell stated that Marisa Desautel has a local background and experience and believes she has the right credentials for the Council. He said that she worked with the Rhode Island Department of Environmental Management (DEM). Commissioner Gold noted that she comes highly recommended from DEM. Abigail Anthony added that Ms. Desautel would be able to provide solid, practical legal advice.

Mr. Powell motioned to select Marisa Desautel to serve as legal counsel to the EERMC. Ms. Anthony seconded and all were in favor.

Jeremy Newberger said that it should be discussed how her services will be procured. The OER will work on getting a contract into place. It was noted that she would begin as soon as the contract is signed. Ms. Anthony recommended sending a thank you letter to the current attorney.

Commissioner Gold noted that Tom Sgouros and Kelly Rogers from Treasury were in attendance, as was Mike Larocque from the Clean Water Finance Agency.

5. Policy & Planning Issues

Danny Musher from the OER introduced Alex Hill from Dunsky via teleconference. Mr. Musher reminded the Council that they had released a request for proposals (RFP) for a consultant to explore and recommend innovative clean energy financing mechanisms for Rhode Island. Dunsky Consulting, based out of Canada, was selected. A steering committee, including representatives from the Public Utilities Commission (PUC), Treasury, National Grid, the EERMC and the OER, met regularly to discuss Dunsky's progress. Dunsky will deliver a memo next week that will include high-level findings from their research. The memo will also provide observations that may highlight opportunities for the Council to consider.

Alex Hill presented for Dunsky (*see attached*). After the presentation, Mr. Newberger asked if Dunsky had considered using any state funds. Mr. Hill said that beyond bonds, tax options were not considered. Mr. Newberger asked about using pension funds, and Mr. Hill did not believe that it would be different. Michael McAteer mentioned that at the last gathering they discussed a green bank or funder of capital but they were not able to dive in to it any deeper. Leveraging secondary markets may be something to explore. Mr. Hill stated that Dunsky prepared lots of information about the green banks (CT, NY) but steered away from offering a specific recommendation on them. Green bank models require that a significant portion of the system benefit fund is diverted from the utility to fund the green bank. Mr. Hill stated that it is a bigger, deeper discussion for the future.

Mr. Musher said the final report will be delivered sometime next week and will then be distributed to Council members and stakeholders involved. Next steps should be on the agenda for the next Executive Committee meeting and the next Council meeting. Mr. McAteer said the study is about making these programs more affordable. Commissioner Gold noted that there is an interest within the state in exploring more of the renewable side. An item has been identified in the Council budget for possible future next steps. Commissioner Gold also mentioned that it was helpful to have the idea of bringing Property Assessed Clean Energy (PACE) and the HEAT loan closer together. Mr. Hill offered to help with evaluation frame work if the Council chooses. Commissioner Gold emphasized that there is \$20,000 and \$50,000 in the budget for additional work if there is a need. Ms. Anthony noted that it was a thoughtful process - they looked at what RI needs in terms of Least Cost Procurement (LCP). Mr. Powell said it moved fairly quickly. Mr. Justynski questioned if timing outside of 10 years is necessary.

2015 Annual Report & Policy Recommendations

Rachel Sholly discussed the EERMC 2015 annual report. The aim is to have the first draft sent to the Council by March 5, a second draft by March 23, and a final draft by April 1 for a vote on April 9. Mr. Newberger asked why there needs to be 3 drafts and requests more time to process the drafts. Ms. Sholly will send the Council a first draft and a final draft

Ms. Sholly noted the policy recommendations from the past 4 years of Annual Reports and suggested that an update be included on these recommendations. Ms. Anthony informed the Council that the Senate is interested in how Rhode Island can move from 3rd to 1st in the American Council for an Energy Efficient Economy (ACEEE) rankings and suggested including policy recommendations that address the areas where Rhode Island may be missing the mark. Ms. Sholly listed LCP, financing, health impacts, and workforce development as proposed policy directions and suggested that there only be 2-4 recommendations. The OER also considered delivered fuels. Chair Ryan suggested moving workforce development higher up the list.

Ms. Anthony asked for clarification on the health impacts policy recommendation. Commissioner Gold clarified that the recommendation is to include health impacts more broadly in the cost-effectiveness screening tool. Right now it forms the basis for estimating the energy savings achieved through efficiency measures. The tool considers financial savings, peak energy savings, energy savings and greenhouse gas savings. However, at present, the tool is not equipped to fully capture the benefits associated with efficiency gains achieved through fuel switching (e.g. heat pumps and electric vehicles), demand response programs, time of use rates, and measures reducing environmental pollution which may improve health outcomes. Commissioner Gold said this would not need the help of the General Assembly through legislation.

Ms. Anthony noted the recommendation could be simpler; all health benefits should be included. Commissioner Gold stated that the Health Department has a strong interest in such information. Ms. Anthony said some portions of the health impacts section should be moved to LCP. Ms. Anthony stated that the system reliability pilot in Tiverton and Little Compton demonstrates a demand response program that is evaluated for cost-effectiveness.

Mr. Parker noted that transportation health benefits have become a big deal. Mr. McAteer suggested bundling the policy recommendation subject matter together and relating it to the modernization of the Grid.

Mr. Musher noted that he did not understand the relationship between EERMC policy recommendations and the State Energy Plan. Chair Ryan stated that the EERMC is not constricted by the State Energy Plan in terms of what can be done. Mr. Musher offered to provide recommendations that overlap with those in the State Energy Plan and suggested that the OER and the EERMC be cognizant of what each entity's objectives may be. Mr. Newberger suggested that the EERMC take some policy information out of State Energy Plan or add points of emphasis. Commissioner Gold said the Council should focus on some goals that can be accomplished in the coming year. Ms. Anthony suggested moving the recommendations to the front of the document.

Ms. Sholly asked if there were any other policy recommendations that the Council would like to see in its report. Mr. McAteer mentioned the integration of efficiency and distributed generation as a possible section.

6. General Updates on Energy Efficiency Programs and System Reliability Procurement

Mr. Newberger summarized the National Grid's preliminary 2014 year-end report (*see attached*). He explained that National Grid held back 20% of Toray's combined heat and power project incentive because the project was not fully completed in 2014. Grid wanted to make sure that spending and savings come in at 100% in 2015. The issue with Toray creates a small deficit to start the year. Mr. Parker noted that no other jurisdiction in the country has achieved the level of savings that National Grid has achieved this year as a percentage of sales.

Ben Rivers from National Grid reported that the small business program missed its goal for the first time in quite some time. It is clear that the small business electric market has been impacted by the upstream lighting program; a high percentage of businesses are participating in the upstream program. In terms of gas, the direct install program is contributing much less than in previous years. To make sure small business achieves its goal, Grid will be batching data more frequently.

National Grid is also working on two regeneration projects with Opower and EnergySavvy. The Opower segment can provide value on money spent in 2014. National Grid also expects that the comprehensive portion of the small business program will produce more than last year. With assistance from Regional Greenhouse Gas Initiative (RGGI) funds, Grid was able to help dozens of nonprofits across the state. The South County YMCA is estimated to reduce its electric bill by \$18,000 annually. Mr. Newberger said the RGGI report is forthcoming. He also noted that, on residential side, the income eligible program had a great year. Multifamily had a good year as well. Mr. Newberger further stated that the lesson for Grid is that the landscape shifts in terms of where the demand is.

Commissioner Gold noted that a RGGI allocation plan is being worked on and will be provided to the Council. Mr. McAteer said the company is focusing on moving money into underperforming areas from higher performing areas.

7. Other Business

Vote on Bylaws

Joe Newsome motioned to approve the bylaws as edited. Mr. Justynski seconded. All approved.

Vote to Move Next Meeting to March 19

Mr. Justynski motioned to move the March Council meeting from March 12th to March 19th. Ms. Anthony seconded the motion and all approved.

Energy Expo Update

Ms. Sholly gave a brief overview of the upcoming Energy Expo (*see attached*). She stated that the Clean Energy Future Awards ceremony is tentatively scheduled for March 6th at 6:30 PM. She outlined the activities and educational events that will be at the Energy Expo and noted that radio advertisements will begin soon.

8. Public Comment

There was no public comment.

9. Adjournment

A motion to adjourn was made by Mr. Justynski and seconded by Ms. Anthony. The meeting adjourned at 5:46 PM