



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

MEETING MINUTES

Thursday, April 9, 2015

3:30 - 5:30 PM

Conference Room B, 2nd Floor
Department of Administration
One Capitol Hill, Providence, RI

- Members Present:** Joe Cirillo, Marion Gold, Jennifer Hutchinson, Dan Justynski, Michael McAteer, Joe Newsome, Chris Powell, Paul Ryan
- Members Absent:** Abigail Anthony
- Consultants Present:** Mike Guerard, Scudder Parker
- OER Staff Present:** Chris Kearns, Danny Musher, Rachel Sholly, Nick Ucci
- Others Present:** Marisa Desautel, Craig Johnson, Courtney Lane, Fred Paine, Brigid Ryan, Rob Sherwood, Belinda Wong

1. Call to Order

Chair Ryan called the meeting to order at 3:36 PM

2. Approval of March Meeting Minutes

Joe Cirillo made a motion to approve the March minutes. Dan Justynski seconded and all approved.

3. Policy & Planning Issues

Vote on 2015 Annual Report Final Draft

Dan Justynski made a motion to approve the final draft of the 2015 EERMC Annual Report as submitted. Joe Cirillo seconded and all approved.

Legislative Update

Chris Kearns of the Office of Energy Resources (OER) reported that the previous evening Commissioner Marion Gold testified in support of legislation to extend Least Cost Procurement. There was no opposition. National Grid, IBEW, RI Builders Association were there to support. Budget Article 24 is evolving and a "Sub A" amendment will likely be introduced soon. The OER has shared its comments

with the Governor's and Treasurer's Offices. The General Assembly is scheduled to be on recess next week but that may not happen. The hearings on Article 24 will happen toward the end of April, but the exact dates will not be announced until a couple days in advance.

Vote on draft letter to General Assembly on performance incentive cap

Rachel Sholly explained that Abigail Anthony drafted a letter to the Senate in opposition of legislation that would cap the utility performance incentive. Commissioner Gold added that since there is no companion bill on the House side, it is not expected that this will pass this year, but it is a good opportunity to inform legislators on this topic. **Mr. Cirillo made a motion to authorize the Executive Committee to finalize the letter and submit to the Senate. Chris Powell seconded and all approved.**

4. Executive Committee Report

Michael McAteer took the opportunity to commend The Energy Council of Rhode Island (TEC-RI) on the recent event they hosted, which provided a forum to discuss energy issues that affect the large commercial and industrial sector. Chair Ryan questioned Rhode Island's efforts around the impact that insufficient supply and transmission capacity has on electric rates. Nick Ucci of the OER explained that the State is doing a lot of good work on this issue, but not "in front of the camera".

5. Executive Director Report

Regional Greenhouse Gas Initiative Update

Mr. Ucci reported that the OER is working to finalize an Allocation Plan which will likely include proceeds from all four of the 2014 as well as the first auction of 2015. The OER is working with the consultant team and National Grid to advance energy efficiency projects on Block Island, which pays upwards of \$0.50/kWh. More will be reported as the plan gets fleshed out.

Finance Update

Commissioner Gold reported that the OER is waiting for the details of the Sub A to be finalized before acting on the recommendations of the finance study. She encouraged everyone to submit comments to the Treasury, noting that this is a good opportunity to work together and build on existing programs.

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

Preliminary National Grid Jobs Study Update

Courtney Lane of National Grid reported preliminary results of the National Grid 2014 Jobs Study (*see attached*). She explained that Peregrine Energy was contracted to collect data. Results were compiled from phone surveys to vendors and detailed reports of measure-level data and presumed assumptions from consultants. Preliminary results show that 84 additional full time equivalents (FTE's) were supported by National Grid efficiency programs, for a total of 618 FTEs. An additional 85 companies were supported, for a total of 899 companies (77% in RI) including contractors, sub-contractors, community action program agencies (CAPs), low-income program vendors, etc. Analysis is still being done to determine why some of the numbers have changed.

Mr. Powell asked if the report includes the jobs supported by the customer portion. Ms. Lane said that this report only includes jobs directly created from the utility-run program. Ms. Lane added that last year National Grid did do a REMI analysis on the number of jobs that the 2015 plan would create. Commissioner Gold reported that the OER is conducting a companion study to capture the broader scope of clean energy jobs, beyond those related to National Grid.

Combined Heat and Power Program

Mr. McAteer reported that the Narragansett Bay Commission has requested incentives for a biomass combined heat and power (CHP) system (*see attached*). The project would produce significant savings, creates about \$1.5 million in economic benefits, and is cost-effective. Mr. Powell expressed concern over whether a project can receive incentives under both the energy efficiency program and the renewable energy growth program. Danny Musher of the OER agreed that this question should be addressed and added that in Massachusetts CHP qualifies under its Alternative Portfolio Standard (APS), which is separate from its Renewable Portfolio Standard (RPS). In MA, CHP projects are eligible for incentives under the energy efficiency program and then can also receive on-going credits under the APS. Scudder Parker suggested that the consultant team sit down with National Grid and go through the project and the way the plan is written. Mr. Powell also recommended a legal review of the language. If a Council vote is needed, it would not be able to happen before the May meeting. Ms. Lane pointed out that waste-to-energy projects are included in the 2015 Plan, which is part of why National Grid decided to move forward with this project.

7. Other Business

Conflict of Interest Discussion

Mr. Parker explained that his intention is to initiate a discussion about establishing a process for addressing potential conflict of interest issues. As an example, not something the Council should not try to resolve today, Efficiency Vermont, which is run by VEIC, was invited to contract with National Grid Massachusetts. The consultant team is looking for a forum in which to address this type of issue. Marisa Desautel, EERMC legal counsel, noted that the consultant is not her client, but she would recommend submitting an "opinion letter" to the Rhode Island Ethics Commission, which would then provide an opinion on how to handle the matter. The letter would have to come from "a public official or employee". The Council agreed that potential conflicts should be introduced to the Executive Committee, which can then recommend next steps as needed.

Legal Counsel Meeting Attendance

Mr. Powell felt that it would make sense for Ms. Desautel to attend all of the Executive Committee meetings and then attend the full Council meetings as needed.

Jennifer Hutchinson of National Grid followed up on a question raised at the last Council meeting in regards to the procedural process on the rate design docket. Per the legislation, this will be a Public Utilities Commission (PUC) docket and must be opened on or after July 1 to give the Renewable Energy Growth program some time to get up and running before undertaking the rate design piece. Docket 4545 has been opened and sets up a series of open meetings to gather information and identify what the scope of the rate design would look like. The next of these meetings on April 16th at 10:00 AM. All of

this information can be found on the PUC website. The key meeting will be in June and will discuss the process in more detail.

Mr. Powell recommended that this issue be put a future Council agenda to determine whether or not the Council should intervene and/or how it should provide comment, etc. Ms. Hutchinson clarified that for the open meetings related to Docket 4545, they are public and any Council members could participate without formally intervening. This may be something to consider once the rate design docket opens. Commissioner Gold added that the systems integration work being done relates to this and the working group has been trying to figure out where to go next.

8. Public Comment

There was no public comment.

9. Adjournment

Mr. Cirillo made a motion to adjourn the meeting. Mr. Newsome seconded. The meeting was adjourned at 5:07 PM.

Next Meeting: Thursday, May 14th; 3:30-5:30 PM; Conference Room B