

ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL

Minutes-June 9, 2011

Conference Room B, Second Floor, DOA

Call to Order: The meeting was called to order by Chairman Ryan at 3:40 PM

Members Present: Paul Ryan, Joe Newsome, Joe Cirillo, Marion Gold, and Abigail Anthony

Consultants Present: Scudder Parker and Mike Guerard

Staff Present: Charles Hawkins

Others Present: Michael McAteer, Rachel Henschel, Karl Munzel, Peter Asen, Jarret Katz, Bill Ferguson, Ellen Winsor

Acceptance of Minutes: Abigail A. made a motion to accept the May minutes. It was seconded by Marion G. and passed unanimously.

Update of EERMC's Coming Outreach Events:

Marion G. introduced Jarret Katz, an undergraduate intern at the URI energy center who is interested in assisting the council. Marion G. said he could assist with tasks council members deem appropriate.

The Energy Source column in the ProJo has begun. Dan J. & Marion G. participated in a conference call with Janet Raymond of the Greater Providence Chamber of Commerce where it was agreed to sponsor a Business After Hours event with the Chamber to highlight EE opportunities for business. This is primarily a networking event. Another upcoming Chamber event will be a "Breakfast Over Easy" forum which may include a panel discussion. These events will be promoted in the monthly newsletter sent out by the Chamber. The Chamber has offered use of the RI Foundation offices for these sessions. They are reserved for July 7-8th and the morning of July 12th.

Abigail A. said the Low Income (LI) Best Practices Working Group will gather a list of stakeholders and try to meet in July. She also mentioned a June 17th event at the RI Foundation for Multi-Family units with RI Housing and NGrid that will be a follow up to the EnergyWise RFP. It will brainstorm the barriers towards delivery and how to address them in the NGrid's RFP process.

Update on June 7th PUC hearing on Standards and EE Targets

In September of 2010 the EERMC filed EE savings targets with the PUC. In March they filed a revision of the EE Procurement Standards. The Council also filed a complete rewrite of the System Reliability Standards with the assistance of NGrid's Doug Smith that provides better guidance and non-wire solutions. The June 7th open meeting was a technical session on all 3 filings with the PUC quickly approving them. These savings targets project to 2.5% of electric demand by 2014 and 1.2% on the gas side. They also approved the EE standards which clarify the fully reconciling funding mechanism language and remove the reference to distribution rates. PUC also approve a full rewriting of the System Reliability Standards.

The next step is to start working on the 3-Year EE Plan. The newly approved standards will provide guidance. The 3-year plan is due on 9/1 with the Annual EE Plan due on 11/1. Abigail A. also said that the Council has a statutory requirement to provide a plan to show how they will develop the 3-Year Plan which is due

by July 15th.

Distribution of the Annual Plan

The report was distributed to all town administrators, town councils, the congressional delegation, state Office holders, libraries, CAPs and all RI colleges. Abigail A. distributed 2 boxes at the NEEP Summit and there is currently one box left at the OER. That will be needed at the outreach events. The final postal count was 105 with a lot of reports being sent via the RI intergovernmental delivery system.

VEIC Monthly Report

Scudder P. wanted to emphasize the positive role the EERMC is playing in shaping RI energy policy, citing the passage of the gas DSM legislation, and said this was bucking a national trend. He also wanted to praise the leadership of Marion G. & Abigail A. in the PUC regulatory proceedings.

VEIC's has begun the process of developing a 3-year plan and will look closely at NGrid's performance incentives. They have reached out to the DPUC and have engaged them in this discussion. Bill Ferguson & TECHRI have also been involved. They are also working with The Washington County Regional Planning Council on a municipal lighting project and a meeting has been scheduled for June 23rd. The key question is should the towns acquire streetlights from NGrid. The Towns were looking to the EERMC & WCRPC for guidance on whether this could save money. It has been tried in Maine & Vermont.

Mike G. has been working with Abigail A. & Marion G. on the LI Listening Sessions and also on the outreach sessions for small & large C&I. VEIC are now working on the budget for the second half of the year. Mike G. has been working with NGrid's Brian K. on the EnergyWise RFP.

Joe N. asked when the RFP will be released. Oct. 1st would be the latest possible date because it needs to be out on the street for at least 3 months before the Jan. 1st start. They are also working on a focused marketing plan for EE. Mike M. of NGrid said that the company would be focusing on a very local marketing campaign. Going forward, work will include the three-year plan, especially performance incentives.

NGrid's Natural Gas DSM Refiling with the PUC

Legislation, sponsored by Rep. Ruggiero & Sen. Miller, passed the Assembly and was transmitted to the Governor. This bill removes the statutory cap on the gas DSM. There is a talk of a bill signing event at the State House with the Governor.

Now the Council, the DSM Collaborative, TechRI, NGrid and the DPUC need to refile a new gas EE plan that reflects the rise in the DSM from .15 per decaterm to .41. It needs to be revised quickly to take into account the new higher EE goals for gas. It will be a smaller budget than planned because the DSM was only collected at the .15 rate for the first half of the year.

Bill F. commented that in the original filing 43% of the funds come out of C&I, but in the EE budget only 35% was allocated for C&I. At the last DSM Collaborative meeting this was brought more into balance with C&I receiving 40% and the other 3% going to LI residential. There is a backlog of gas C&I projects and NGrid's Rachel H. said the company will have to work hard to meet the gas EE savings goals. Abigail A. asked if NGrid would have problems ramping up the gas EE programs and if vendors are ready to go. Rachel H. said that EnergyWise residential gas has been scaled down. The funding almost ran out in June and without the new funding a wait list would have been necessary. The High EE Heating Program has just reopened. Abigail A.

said that the Council need to set aggressive goals and move fast to refile quickly. She said the goal was for RI to move up from # 7 on the ACEEE list of EE states.

The timetable is to get comments by Monday and file it on Tuesday. Dan P. will sign the cover letter for the EERMC. The PUC is aware that an expedited filing is pending. The assumption is that the process will take about 30 days. The new DSM charge goes into effect on August 1st. Marion G. was impressed by the amount of work that went into this effort, including with Rep. Ruggiero on the importance of the Council's EE efforts.

Consultant Team Contract Extension

Paul R. said that DOA attorneys want the EERMC to rebid the consultant contract. Therefore, a RFP for consultant services is being prepared with a goal of an August release. Paul R. wanted to keep the RFP for attorney services separate. Abigail said that in December the council approved a 6 month work plan & budget, for VEIC with an option to renew.

Mike G. then presented a work plan & budget for the remainder of 2011. For 2011 the VEIC budget was established at \$600,000 for the year, with a first half estimate of \$240,000, of which \$200,000 has been spent. The second half will be more challenging with additional work required in the gas EE plan refiling and assisting with the Council's technical, policy and planning needs in developing the three-year EE Plan. They also need to do a technical manual on cost effectiveness. They are also urging NGrid to increase the transparency of it EE efforts. Therefore a budget of \$400,000 was proposed.

Paul R. said the Council needs to know the current state of their budget. Rachel will e-mail Jeremy N. for an update. Abigail believes there are funds to be carried over from last year. She also said that as the EERMC budget goes up due to DSM increases they will be held to a higher standard and may need deeper work from VEIC on issues like transparency. PUC had made it clear to the DPUC that with more rate payer money being invested EERMC needs to closely monitor these EE programs.

Joe N. wanted to know who was doing 3rd party verification of these energy savings. Scudder P. said that part of the VEIC team was Ralph Poor who takes a look at the evaluation process. VEIC has proposed that verification be a part of the performance incentive process. They are also willing to do a technical report on NGrid's EE work. Mike M. said that NGrid takes its measurement & verification protocol very seriously. They would welcome VEIC looking into this process. Scudder P. asked if a presentation to the Council on how verification works would be helpful. Mike M said NGrid would be pleased to do a presentation on the depth of their verification efforts. Marion G. said an important step is to establish the metrics that will be used in verification in the technical manual.

Abigail A. made a motion to extend the VEIC/Optimal consultant contract through December 31st, 2011. it was seconded by Joe N. and passed unanimously.

Abigail A. suggested one of the summer council meetings be held in a more fun place than DOA.

Public Comment

Joe C. mentioned his friends from England who said their government was promoting river turbines to generate electricity. He mentioned an article that illustrates how this is being accomplished. Abigail A. said that Ken P. was using some ARRA money to look into streamlining the permitting process for small scale hydro projects in RI. Joe C. also mentioned talking up the RI Ocean SAMP process to the President of Cape Verde.

Bill F. had a concern about financing large C&I projects. With increased EE goals this funding needs to come together. Mike M. of NGrid agreed and said financing is the key to getting to savings goals in that segment and promised action.

Ellen Winslow of the Jamestown Town Council mentioned a Naval Underwater War College's Strategy Forum on energy that featured a company developing sugarbeet fuel for jets. Paul R. mentioned that the whole seven hour forum is available on the Naval War college website.

A motion was made by Marion G. to adjourn. It was seconded by Abigail A. and passed unanimously. The meeting was adjourned at 5:10.

Respectfully submitted
Charles Hawkins
Secretary Pro-tempore