STATE OF RHODE ISLAND
ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

MEETING MINUTES

Thursday, July 9, 2015

3:30 - 5:30 PM

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

Members Present:	Abigail Anthony, H. Robert Bacon, Marion Gold, Jennifer Hutchinson, Michael McAteer, Joe Newsome, Shigeru Osada, Chris Powell, Karen Verrengia
Members Absent:	Joe Cirillo, Diane Williamson, Roberta Fagan
Consultants Present:	Mike Guerard
OER Staff Present:	Chris Kearns, Danny Musher, George Sfinarolakis, Rachel Sholly, Nicholas Ucci
Others Present:	Leah Bamberger, David DeCost, Marisa Desautel, Tim Faulkner, Connor Fiske, Linda George, Vin Graziano, Andrew Hintlian, Brian Kearney, Dalton Kell, John King, Angela Li, Leslie Malone, Stephen McShane, Marissa Pereira, Rachel Pinnons, Matthew Reinhardt, Brigid Ryan, Angela Tuoni, Belinda Wong, Chon Wong

1. Call to Order

Chairman Chris Powell called the meeting to order at 3:36 PM.

2. Approval of June Meeting Minutes

Joe Newsome made a motion to approve the June minutes. Abigail Anthony seconded and all approved.

3. Executive Director Report

General Updates

Shigeru Osada asked why the 2015 meeting minutes had not yet been posted to the EERMC website. Rachel Sholly explained that there was a technical delay with the Department of Administration's IT department, but they would be posted as soon as possible.

CHP Update

Commission Marion Gold explained that the EERMC is required by statute to hold a public meeting each year to review National Grid's plan for combined heat and power which is to be included in the 2016 Energy Efficiency Plan. August 24 and 26 are two proposed dates for the meeting. Michael McAteer said that National Grid found the previous meetings were beneficial and they look forward to the upcoming meeting.

RGGI Update

Commissioner Gold reported that the Office of Energy Resources (OER) has shared the proposed 2015 Regional Greenhouse Gas Initiative (RGGI) Allocation Plan with the Department of Environmental Management, the Public Utilities Commission and the Division of Public Utilities and Carriers. Nick Ucci presented the plan *(see attached)*. The plan supports the state's existing energy efficiency goals and more importantly fills gaps. Not all of helps lower the SBC, but it does help spur economic activity and reduces budget strains. The 2014 plan allocated approximately $7 million of 2013 proceeds. The 2015 plan allocates about $10 million in 2014 proceeds plus about $4 million in proceeds from the first two auctions of 2015.

4. Executive Committee Report

Vote to authorize Executive Committee to finalize and submit RGGI letter

Chairman Powell explained that the Committee recommends that the EERMC submit a letter *(see attached)* to the OER to ask that the RGGI funds be deployed in a cost-effective manner. Ms. Anthony further explained that the recommendation is that the Total Resource Cost test be applied to use of RGGI funds as it is for the National Grid efficiency programs. **Bob Bacon moved to authorize the Executive Committee to finalize and submit the RGGI letter to the OER. A note will be made on the letter that Commissioner Gold abstains.**

Vote on Energy Expo sponsorship

Chairman Powell explained that for the past two years, the Energy Expo as part of the Rhode Island Home Show has been successful. This year, the Rhode Island Builders Association (RIBA) has offered to take on the management and planning of the event on behalf of the state and National Grid for the same level of sponsorship. Ms. Anthony questioned whether the OER felt confident that RIBA could execute the event to the same level of quality as the previous years. Commissioner Gold added that RIBA plans to hire additional event planning staff to handle this and there would be a contract to ensure that they are held accountable. Ms. Sholly added that RIBA understands that they will be expected to communicate regularly and seek guidance and approval from the EERMC, National Grid and OER have been successful in bringing in the trade schools to build energy demonstrations. Basically getting a lot more than we did in the past. Angela Li from National Grid felt that we should ask for a better location in the show. Karen Verrengia expressed concern about the process for selecting which career and technical schools would be invited to participate in the workforce development component. **Ms. Anthony made a motion to accept RIBA's proposal to manage and plan the 2016 Energy Expo on behalf of the Council using the $50,000 sponsorship funds which were allocated in the 2015 EERMC budget with the understanding that the Council will have the opportunity to review the contract before it is signed. Joe Newsome seconded and all approved.**

Interim Executive Committee member proposal

Chairman Powell explained that the Executive Committee meets the week before the Council meetings to discuss issues that need more in-depth attention and bring informed recommendations to the full Council. The Committee has asked Mr. Newsome to temporarily, for a minimum of three months, take Paul Ryan's seat on the Committee until the new members get a chance to learn more about it and for the Council to better understand who the right person would be.

Finance report

This item was postponed to next month.

5. Policy & Planning Issues

Vote on filing a motion to intervene on rate design docket

Ms. Anthony explained that the PUC earlier this month formally opened a docket to explore electric distribution rate design in light of our changing energy system, primarily focused on high levels of distributed generation that we might see under the new Renewable Energy Growth program. The PUC was required by law to open this docket solely for the delivery portion of the rate. National Grid filed an executive summary of their proposal today and will be submitting a formal proposal on July 31st as to how they propose to change delivery rates. She explained that all ratepayers pay a fixed charged to have the electricity delivered as well as a variable charge which is the cost of the electricity. If the fixed part increases and the variable rate decreases, customers save less by engaging in energy efficiency. Basically, scenarios could be proposed that could devalue energy efficiency.

It is important for the EERMC to be involved in this proceeding, but the question is at what level. It would take a small amount of time for the EERMC's legal counsel to file a motion to intervene on the docket, which could be revoked at any time. Any changes would be revenue neutral for National Grid.

Mr. Osada asked what the timeframe was. Ms. Anthony said it opened on July 1st and is expected to run until January or February. There is a pre-hearing conference next week to outline the schedule. A formal proposal is filed on July 31. The PUC has to render a decision in March of 2016 and any rate adjustments would go into effect on or soon after April 1, 2016. Ms. Desautel explained that the motion should be filed before the pre-hearing conference. Once the proceedings move forward, Ms. Desautel would be required to attend on behalf of the Council, which would significantly increase her hours.

Karen Verrengia moved that the EERMC intervene in the rate design docket 4568. Mr. Osada seconded and all approved.

Finance update and vote to represent finance memo principles in RIIB working group

Mike Guerard explained that the purpose of the memo is to ensure that when the Rhode Island Infrastructure Bank (RIIB) steering committee group gets going, the consultant team represents the Council's principles and objectives properly. Additionally, a fair amount of follow-up will likely be needed to continue working with the Council and Grid on financing outside of the RIIB. The Council's 2015 budget includes up to $70,000 allocated to any additional finance study activities needed. Mr. Newsome asked if it was clear from the legislation how broadly defined "infrastructure" is going to be. Mr. Musher explained that for energy purposes, renewable energy and energy efficiency are defined in the statute

as they are under the renewable energy standard. Additional details will be fleshed out over the next few months as rules and regulations are developed, which will have associated public hearings. Ms. Desautel recommended that the memo be amended to say that the just the EERMC asked the consultant team. **Mr. Newsome made a motion to approve the finance memo principles and authorize the consultant team to represent the EERMC in the RIIB implementation process. Joe Cirillo seconded and all approved.**

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

EnergyWise cost comparison between MA & RI

Ms. Li and Rachel Henschel presented on behalf of National Grid in response to a question from the last meeting regarding the difference in contractor rates in Massachusetts compared to Rhode Island *(see attached).* Ms. Li felt that a positive indicator is that Grid has enough contractors to meet its obligations and continue to onboard them at a rate of two per quarter. Mr. Newsome felt that the Council should take a principled position on whether the Rhode Island contractors are being treated equitably. He reported on some numbers that had been given to him. Chairman Powell asked the consultant team to review the information and report back to the Council. George Constantinides from Calyx, a Rhode Island contractor, spoke in support of RI's programs and noted that they are in many ways different than the MA programs. He said that the customer bears the cost of the contractor expense and they need to know that they are getting a competitive price. Mr. Guerard added that this is a consideration of every program because that is how to get the savings as cost-efficiently as possible.

7. Other Business

There was no other business.

8. Public Comment

Brian Kearney of RISE Engineering explained that, as the lead vendor, there is a big difference in contractor pricing even within different regions of MA. Every contractor has access to the pricing list and there are more contractors asking for more work at these rates than saying they cannot make it work. National Grid is hosting a meeting on July 17th, which will be a forum for contractors to air these kinds of concerns. He invited the Council to attend. Vin Graziano from RISE added that the presence of the Boston market skews the overall MA numbers.

Brigid Ryan from Emerald Cities Providence encouraged the Council to look at where the money is going and who is getting paid. Of all the energy efficiency funds, look at what is spent in RI and make sure that RI gets prioritized to support job growth. With regard to the discussion of electric distribution rates, she cautioned the Council that if the argument is made that electric rates are more of a burden on the low-income population, she can bring resources to help combat that argument.

9. Adjournment

Mr. Bacon made a motion to adjourn the meeting. Chairman Powell seconded and all approved. Chairman Powell adjourned the meeting at 5:37 PM.

Next Meeting: Thursday, August13th; 3:30-5:30 PM; Conference Room B