



MEETING MINUTES

Thursday, August 13, 2015

3:30 - 5:30 PM

Conference Room B, 2nd Floor

Department of Administration, One Capitol Hill, Providence, RI

Members Present: H. Robert Bacon, Joe Cirillo, Jennifer Hutchinson, Michael McAteer, Shigeru Osada, Chris Powell, Betsy Stubblefield Loucks, Karen Verrengia, Diane Williamson

Members Absent: Roberta Fagan, Marion Gold, Joe Newsome

Consultants Present: Mike Guerard, Scudder Parker

OER Staff Present: Ryan Crowley, Danny Musher, Nicholas Ucci

Others Present: Michael Baer, Mary Coleman, Marisa Desautel, Angela Li, Nikka Malakooti, Leslie Malone, Stephen McShane, Fred Paine, Ben Rivers, Brigid Ryan, Tim Spillane, Emily Tradd, Puja Vohra, Belinda Wong, Chon Wong

1. Call to Order

Chairman Chris Powell called the meeting to order at 3:31 PM.

2. Approval of July Meeting Minutes

Bob Bacon made a motion to approve the July meeting minutes. Joe Cirillo seconded and all approved.

3. Executive Director Report

Rhode Island Infrastructure Bank Update

Nick Ucci informed the Council that the process has begun for establishing working groups on residential and commercial PACE and the efficient buildings fund. The Council will be represented at minimum by the consultants. Michael McAteer added that National Grid and Commissioner Gold had a meeting with Bill Sequino and his team to lay out what programs are currently available and to determine how the programs and policy will fit into the Rhode Island Infrastructure Bank (RIIB). Betsy Stubblefield Loucks asked if the stakeholder teams had been finalized. Mr. Ucci stated that the teams have not been finalized and any Council members interested in participating should notify Commissioner Gold. Ms. Stubblefield Loucks noted her interest in knowing who is making the decisions for the RIIB and wants to be sure they are paying attention to the sector she represents on the Council and the needs of her organization.

Danny Musher notified the Council that two public hearings on the State Energy Plan are scheduled for August 25 from 11am to 1pm and from 6pm to 8pm. All public input will be responded to with anticipation of the plan being adopted in October.

PUC Rate Design Proceeding Update

Mr. Parker shared that he, Marisa Desautel, Leslie Malone and Danny Musher attended the PUC Rate Design Proceeding. He said it will be a big proceeding that is expected to move fairly quickly. There is a hearing on September 17 on this matter. A motion to intervene has been filed by the EERMC, but the Council needs to consider to what degree it will intervene. Mr. Parker said the proposal is to recover more of the costs for the distribution system from fixed charges rather than variable charges. Chairman Powell noted that the EERMC needs to consider the impact the docket could have on efficiency programs. Mr. Parker stated that Grid has tried to moderate the impact by developing four tiers that apply to usage. Shigeru Osada asked who will represent the EERMC in the objection and what point will EERMC focus on in its objections. Chairman Powell said next month's meeting will be the time to decide how to move forward. Marisa Desautel reported the motion to intervene was filed today (August 13). She spoke with PUC's attorney, who described the September 17 meeting as a roundtable discussion from those who are objecting or voicing concerns. Mr. Parker stated that some of the issues that might be of interest to the Council include: does it reduce/increase the incentives; and metering. The Commissioners noted that they were pleased to hear EERMC's viewpoint on the rate design proposal. Chairman Powell suggested that Mr. Parker and Ms. Desautel meet before the next Council meeting to determine how to best move forward.

4. Executive Committee Report

Vote to Appoint Alternate Executive Committee Member

Chairman Powell notified the Council that there is an issue with attendance at the Executive Committee meetings. Because Abigail Anthony is out and Joe Newsome has limited availability, the Committee needs an alternate member. The Committee determines the Council's agenda based on the relevant issues of the month. Mr. Parker added that the Executive Committee provides great guidance to the consultant team about what they should be working on. Mr. Osada volunteered to be an alternate Executive Committee member. **Chairman Powell nominated Shigeru Osada as an alternate member for the Executive Committee. All members voted in favor.** Mr. Powell noted that it will be OER's responsibility to reach out to Executive Committee members to determine who will attend. Mr. Osada asked for a week's notice to fill in if needed. Mr. Powell noted that the meeting announcement needs to be changed to 2-3:30pm and some invitees need to be removed.

EERMC Budget Report

Chairman Powell noted that 2% of the energy program budget is allocated for administrative costs. The legislation was changed during Director Licht's tenure to a 60/40 split between EERMC and OER. Starting next year there will be a 50/50 split and there will be less money in the consultant bucket next year. In December the Council will rework the budget for next year. Mr. Osada requested a monthly budget and Chairman Powell noted that it will have to be worked on with OER. Mr. Parker noted that the EERMC has never come out over budget and that the consultant team scrutinizes its budget monthly. Chairman Powell added that any changes in allocation of funds must be approved by the Council. He also added

that further discussion about OER providing additional details in the expense detail will happen at the next Executive Committee meeting.

5. Policy & Planning Issues

RFP for Next Phase of Finance Study

Danny Musher and Mike Guerard made a presentation on the RFP for next phase of finance work. The presentation identified the tasks that may be needed by the Council to explore new issues related to financing. Ms. Stubblefield-Loucks asked who the target audience is for the outcome of the study. Mr. Parker said the money being discussed would be used to determine finance strategies in most sectors where it could provide a benefit. Ms. Stubblefield-Loucks asked if there is an assumption that all sectors have an interest. Mr. Parker said it may be discovered that some sectors that do not fit but the goal is to figure out how to get a deeper investment in efficiency. Mr. McAteer said that National Grid finds that there are technical, operational and financing barriers but the biggest barrier is affordability. In the commercial sector there is a shortage of funds. Evoking far more participation in the commercial area is key. Mr. Musher noted that the selected consultant would be on a retainer basis. Mr. Guerard clarified that the selection process might not necessarily be an RFP but could also be a sole source contract.

Mr. Powell asked for clarification of Phase 1 and 2 budget figures. It was determined that \$46,660 was spent and \$23,310 was remaining. The funding had been previously approved, the vote being outlined in the language in the RFP. Mr. Musher noted that the procurement rules for EERMC are different in that the Council will have more flexibility than state agencies do in regards to how to choose the consultant. Mr. Guerard said it would be ideal to find a candidate for the Executive Committee's consideration and then seek approval by the full Council. Mr. Osada asked what is next after Phase 2 is complete. Mr. Ucci said having the consultant on retainer will allow the EERMC to answer questions that are already being posed. Mr. Guerard clarified that this would not be a new study. Karen Verrengia stated that putting the money in an escrow account is a good idea as there are new programs beginning and many existing programs and the Council needs to determine how the different pieces fit together. She also noted that the bidding process can be rather lengthy. Diane Williamson asked if it is a qualifications based bid or a budget based bid. Mr. Musher said that the method of choosing needs to be discussed with the Executive Council.

Mr. Osada asked that future agendas include the language for proposed votes for the Council. Chairman Powell said agenda1s need to be more specific moving forward so Council members are more prepared.

Mr. Osada asked who finds the bidders. Mr. Musher noted that during the bid that Dunsky was chosen for, OER managed the bidders list with suggestions from the consultant team, National Grid and Acadia Center. Mr. Bacon asked if it would delay the process if the money was taken out of escrow and the Executive Committee was given the authority to go forward with the RFP or sole source. Chairman Powell said the escrow would not delay progress. Ms. Williamson expressed support for doing an RFP. Mr. Guerard said using the language "selection process" will allow the process to be expedited if necessary by using a sole source process rather than an RFP. Mr. Musher said having that option is important. Ms. Verrengia expressed support for having the option of a sole source and/or RFP.

Ms. Stubblefield-Loucks made a motion to approve the finalization and release of a selection process under the direction of the Executive Committee to secure the services of an expert consultant for technical and policy support related to energy efficiency financing for an amount up to \$70,000, as

needed, to be held in an escrow account of Council's legal counsel. Karen Verrengia seconded and all approved.

2016 Energy Efficiency Program Plan Update

Mr. Guerard outlined what has been completed and what is upcoming. All important dates and deadlines are included in meeting materials. Chairman Powell asked that presentation be sent to the Council via email. Angela Li, Ben Rivers and Puja Vohra presented an update on the 2016 Energy Efficiency Program Plan for the residential and commercial/industrial sectors. Mr. Rivers reported that residential numbers are where they were expected and that commercial numbers are slightly lower than expected in the second quarter report.

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

There was no update.

7. Other Business

Mr. McAteer reminded Council members to review National Grid's second quarter report. Mr. Osada asked to see the budgeted price of each segment so Council members have a better understanding of where matters stand.

8. Public Comment

Mr. McAteer added that the Commissioners toured the Toray facilities to understand how policy translates to customers and the kinds of decisions customers make. National Grid noted that a public meeting on combined heat and power will be held at DOA on August 24 at 3:30pm.

9. Adjournment

Mr. Cirillo made a motion to adjourn the meeting. Mr. Bacon seconded and all approved. Chairman Powell adjourned the meeting at 5:52 PM.

Next Meeting: Thursday, September 10th; 3:30-5:30 PM; Conference Room B