



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

**EXECUTIVE COMMITTEE
MEETING MINUTES**

Thursday, August 7, 2014

3:00 - 4:00 PM

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

- Members Present:** Abigail Anthony, Marion Gold, Jeremy Newberger (for Michael McAteer), Paul Ryan
- Members Absent:** Michael McAteer, Chris Powell
- Consultants Present:** Peter Adamczyk, Sean Bleything, Mike Guerard, Scudder Parker
- OER Staff Present:** Sue AnderBois, Danny Musher, Rachel Sholly
- Others Present:** No others were present

1. Call to Order

Chairman Paul Ryan called the meeting to order at 3:13 PM.

2. Approval of Executive Committee July Meeting Minutes

Abigail Anthony made a motion to approve the July meeting minutes as submitted. Chairman Ryan seconded and all approved.

3. Review of EERMC August Meeting Agenda

Due to lack of a quorum, the August EERMC meeting was rescheduled to Monday, August 18th from 2:00-4:00 PM. Ms. Anthony suggested adding to the agenda a discussion of legislative priorities, in particular extending the Least Cost Procurement (LCP) Act beyond 2018. This update will be added to the Executive Director report in addition to an update on recent energy legislation. The discussion will include how the Council should organize itself to advance legislative priorities. Chris Kearns noted that

although the LCP Act extends through 2018, but the electricity and gas system benefit charges expire on January 1, 2018. The Utilidata presentation will be pushed back to the September meeting.

4. Discussion of EERMC October Meeting Date

National Grid has requested that the October Council meeting be moved from October 9th to October 16th. Chairman Ryan asked if this should be a standing date in the annual calendar. Mr. Newberger explained that next year will be filing annual plan on October 15th according to changes in Standards. Mike Guerard noted that the LCP Standards say that the Council will vote on the by August 15th, but this year the vote will be on August 18th. The Committee agreed that it should not be a big deal since it is only one working day, but should be acknowledged in the cover letter. The October meeting change request will be placed on the full Council agenda for a vote.

5. Update on Delivered Fuels Funding Issue

Commissioner Marion Gold reported that it had been the hope that we would have arrived at an alternative funding plan for providing efficiency services to delivered fuels homes before the development of the 2015 Annual Energy Efficiency Program Plan (EEPP), however, we have not arrived at an alternative funding source. She called for a discussion on following the Massachusetts model and using ratepayer funds for oil measures. Mr. Newberger said that National Grid is concerned about how much higher the system benefit charge (SBC) would have to be to put oil on equal footing with regulated fuels and if that level is realistic. Grid has not had that conversation because they are looking for others to come up with alternative solutions.

Mr. Newberger read a letter from National Grid's Michael McAteer to the Executive Committee. National Grid is very appreciative of Regional Greenhouse Gas Initiative (RGGI) funds made available to rescue the program this year, however, very high demand for oil weatherization services in 2014 mean funds will likely be depleted by September. For the remainder of 2014, Grid plans to implement one or more of the following options: decrease the weatherization incentive from 25% of project cost up to \$2,000 to a flat rate of \$500 per home; delay weatherization work with the hope that more funds will be available then; or drop all air sealing measures, which is about \$750. None of these is an ideal solution. In the 3-Year Plan and 2015 EEPP, Grid is willing to contribute something, but oil measures do not deliver electric savings and incur administrative costs. Grid is planning to use the same level of funding (\$800,000) as this year, but this will not be enough, and it strongly supportive of sustainable funding source. Grid is also willing to consider other options, RGGI, policy changes, SBC for delivered fuel homes, etc. Mr. Newberger will forward the letter to the Council.

Ms. Anthony asked if the Division has ever been asked how they would react to a higher SBC to be able to serve more delivered fuels customers. Mr. Guerard did not believe so and he felt that it is necessary to point out that there is no sustainable funding and everyone will have to take a stand on record. Ms. Anthony noted that it may turn out that there is more resistance from oil dealers than the Division and the PUC. Mr. Newberger said that it would be a useful exercise to calculate how much of an increase. Mr. Musher said that the Thermal Working group is currently working on a draft analysis. Commissioner Gold noted that the Division and the PUC is responsive to stakeholder need. Mr. Guerard noted that there are, in fact, associated electric savings from things like fans, pumps, motors, and cooling load.

MA can do this because their goals are based on total benefits, which could be a legislative change in RI. Mr. Parker noted that this discussion is happening in many different forums and volunteered the Consultant Team to put together an outline of the issues to help further the discussion.

6. Update on EERMC Marketing Study & System Benefit Charge Project

Sue AnderBois reported that a full presentation of the study results were presented by VEIC after the last EERMC meeting. After the presentation, the group discussed how to continue the conversation and begin utilizing the results. Ms. AnderBois and Rachel Sholly will flesh out three overarching goals that were articulated in the discussion: 1) continue to attain significant cost-effective energy savings for Rhode Islanders and continue increasing savings and benefits as opportunities arise to do so; 2) successfully mobilize resources and support to acquire these savings and continue and grow real incentives for National Grid to continue achieving its savings goals; and 3) providing recognition and appropriate credit to key stakeholders who support this resource acquisition and convey the value clear and widely acknowledged. Jerry, one of the consultants, went through the full report and pulled out some key takeaways, which Ms. AnderBois and Ms. Sholly will use to provide recommendations on next steps.

Illiana Williams, from National Grid's marketing team, offered to continue to update the group on Grid's key performance indicators so that evaluation work is not duplicated. Commissioner Gold added that the team is considering the use of the State Master Price Agreement system to hire a marketing firm. Ms. AnderBois' and Ms. Sholly's intent is to develop a potential scope of work for such a firm.

Mr. Parker noted that this information could inform the discussion on potentially adjusting how the system benefit charge is presented on the utility bill, and the

7. Discussion of Finance Study Proposals

Danny Musher thanked members for reviewing proposals received. The committee discussed the proposals and the process for making a recommendation to the full Council. Mr. Parker said that it is important to select a company that can produce a coherent, well-thought-out, and well-written report that builds on what Rhode Island is already doing. The full Council will vote on the recommendation at the August 18th meeting.

8. Other Business

Ms. Anthony reported that she, Mr. Guerard, Mr. Scudder, and Chris Powell met with Dan Prentiss, legal counsel to the Council, and developed a process for better communication going forward. She also reported that there does not seem to be a contract with Dan Prentiss, or, if there is, it is very old. Chairman Ryan said that there was originally a Request for Proposals (RFP) to select Mr. Prentiss and suggested that the Council allow him to continue through the end of 2014 and begin RFP process next year. Mr. Newberger will locate the RFP or contract. Mr. Kearns will bring this question to Dan Majcher, the OER's legal counsel.

9. Update on Consultant Team Request for Proposals

Ms. Sholly reported that the RFP has been posted in the Providence Journal and on the EERMC website and has been emailed to a long list of vendors provided by Ms. Anthony. The deadline for submissions is September 1st and no questions have been received.

10. Public Comment

There was no public comment.

11. Adjournment

Chairman Ryan adjourned the meeting at 4:49 PM.

Full EERMC Meeting: Thursday, August 18th 2:00-4:00 PM; Location TBD

Next Exec. Comm. Meeting: Thursday, September 4th 2:00-3:00 PM; Conference Room B