



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

**EXECUTIVE COMMITTEE
MEETING MINUTES**

Thursday, September 4, 2014

2:00 - 3:00 PM

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

Members Present: Abigail Anthony, Marion Gold, Jeremy Newberger (for Michael McAteer), Chris Powell, Paul Ryan

Members Absent: Michael McAteer

Consultants Present: Mike Guerard, Scudder Parker

OER Staff Present: Chris Kearns, Danny Musher, Rachel Sholly

Others Present: No others were present

1. Call to Order

Chairman Paul Ryan called the meeting to order at 2:04 PM.

2. Approval of Executive Committee August Meeting Minutes

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

3. Review of EERMC September Meeting Agenda

Ms. Anthony suggested that the Council vote to formalize effort to extend least cost procurement legislation. Jeremy Newberger pointed out that, because this is included in the Annual Report, the Council has already voted to support the extension. Danny Musher felt that it would be prudent to explain what the extension is and if the Council is advocating for changes other than the date. Chris Kearns replied that the cleanest path is to simply extend the date. This will be added to the Council agenda as item #5. Ms. Anthony offered her official vote of supporting this move. System Integration

will be moved to the October. The group should discuss moving the Executive Committee meeting to October 9th.

4. Discussion of EERMC New Member Nomination Process

The OER will send the draft job descriptions and rules of procedure to the full Council. Then these will be sent to Dan Prentiss for feedback. The two new positions could be filled immediately, since they are vacant now.

5. Consultant Team Update

Delivered Fuels Memo

Mr. Guerard explained that as a follow-up to the discussion in the last meeting, the Consultant Team agreed to put together a memo on the delivered fuels energy efficiency funding issue. One issue is identifying a sustainable, more robust (potentially up to the least cost procurement level) funding source for delivered fuels energy efficiency. This issue is partly the focus of the delivered fuels working group, which is led by Danny Musher of the Office of Energy Resources (OER) and includes members of National Grid's residential team, People's Power and Light, the Oil Heat Alliance, CommerceRI, a couple oil dealers, and the EERMC. This work will not result in solutions for 2015 or 2014, however, which is the other issue. The \$800,000 that the OER made available to National Grid for delivered fuels energy efficiency measures in 2014 has been completely depleted. In order to maintain the status quo, the Consultant Team suggests building it back into programs, which is really the only option in the short term.

Mr. Powell noted that Regional Greenhouse Gas Initiative (RGGI) funding, which has been used for these initiatives, is growing. He felt that if it sounds like gas customers are paying for delivered fuels through the system benefit charge, we could get pushback, so we might want to use RGGI funds. Mr. Guerard noted that the Department of Environmental Management (DEM) agreed to allow RGGI funds to be used for delivered fuels as a one-time allocation. Perhaps it is time to go back to DEM, especially given the winter gas price spikes. Mr. Powell noted that the OER has to consult with DEM and the EERMC, but has final authority on how the funds get spent. If RGGI dollars were allocated to National Grid's electric budget, it is being spent on electric and the National Grid is directed to fund delivered fuel homes out of that electric budget. Ms. Anthony noted that RGGI is a year-to-year decision and cannot be depended on.

Mr. Newberger asked Commissioner Gold if the OER has considered the idea of allocating RGGI proceeds on a quarterly basis, to get funds out the door more quickly as they come in. Commissioner Gold will discuss with OER staff and decide how to move forward.

Mr. Guerard summarized by saying that the point of this memo is to ascertain if the Council feels it is important to make sure there is at least some funding for delivered fuels customers and to engage in a stakeholder effort to figure out the best solution. Mr. Newberger said that National Grid will continue its discussions on this, including during next week's Demand Collaborative meeting. Mr. Guerard also mentioned that the delivered fuels working group is aiming to have a paper done in October. There will likely be a November or December Council presentation on the longer term delivered fuels funding issue.

Mr. Musher asked how the timing would work with developing a RGGI allocation plan for January 2015. Mr. Newberger suggested allocating the first three auctions of 2014 and then developing another plan for after the second auction next year, going annual after that. The key is the timing of distribution, since the current model introduces a significant lag in getting funds out the door. MA does it quarterly.

Cost-Effectiveness Memo

Mr. Guerard reported that the Three-Year Plan Cost-Effectiveness memo is due within two weeks of the Plan filing. We need to get this in front of the Council for vote next Thursday and must submit on the following Monday. Mr. Newberger confirmed that the Three-Year Plan was submitted on time. The approval of the targets is not on the Public Utilities Commission (PUC) website. Ms. Sholly will send note to PUC to check on this.

Mr. Guerard asked Mr. Powell if he could continue to represent The Energy Council of Rhode Island (TEC-RI). Mr. Powell replied that Brown University is resigning from TEC-RI. Mr. Guerard will remove the mention of TEC-RI from the memo.

Mr. Newberger explained that the Three-Year Plan is submitted by the Company and other parties submit letters of support. Ms. Anthony recommended that the Consultant Team draft a cover note on behalf of the EERMC that says that the Council finds the Plan cost-effective and encourages the PUC to approve it. The cover letter should note that the Council approved it on August 18th instead of August 15th.

Mr. Powell suggested that the Consultant Team reach out to Doug Gablinsky, the new TEC-RI executive director, to educate them on the issues and request a letter of support. Ms. Anthony felt that the Council may want to find other partners who are more likely to work with us.

Bill Messaging Memo

Mr. Parker reviewed the memo and supporting documents (see attached). Commissioner Gold felt that this does not get to the goal of demonstrating to the customer that energy efficiency is cheaper than supply. There is a power sources list that shows what percentage of the mix different things are, which could include energy efficiency. Mr. Powell noted that this does not show the cost per kWh. Ms. Anthony asked if there are any good examples of other investments that people make that have a lifetime stream of benefits, like health care. Mr. Musher asked if it would be better to communicate this message in words or a graphic, rather than trying to convey it by adjusting numbers.

6. Discussion of Impending Rate Increases & Communications Approach

A communications firm is developing draft strategy for the region, which will be rolled out December.

7. Discussion of Energy Expo Planning Assistance Proposal

Ms. Sholly posed the idea of requesting \$5,000 to hire a URI Energy Fellow to assist with Energy Expo planning. The Committee suggested asking for \$10,000 to potentially cover two students.

8. Selection Process for Consultant Team

Two proposals were received. The OER will distribute the proposals and scoring sheet to the Executive Committee for discussion at the next Executive Committee meeting.

9. Public Comment

There was no public comment.

10. Adjournment

Chairman Ryan adjourned the meeting at 3:15 PM.

Full EERMC Meeting: Thursday, September 11th 3:30-5:30 PM; Conf. Room B

Next Exec. Comm. Meeting: Thursday, October 2nd 2:00-3:00 PM; Conf. Room B