



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

MEETING MINUTES

Thursday, January 18, 2018 | 3:30 - 5:30 PM

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

Members in Attendance: Chris Powell, Carol Grant, Michael McAteer, Joe Cirillo, Bob Bacon, Karen Verrengia, Jennifer Hutchinson, Anthony Hubbard and Joe Garlick.

Others Present: Mike Guerard, Rachel Henschel, Sara Canabarro, Becca Trietch, Erika Niedowski, John Thoms, Belinda Wong, Brigid Ryan, Angela Li, Mona Chandra and May Moy.

All meeting materials can be viewed at: <https://rieermc.ri.gov/meeting/eermc-meeting-january-2018/>

1. Call to Order

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

2. Approval of Meeting Minutes

Chairman Powell requested a motion to approve the minutes for December. Mr. Cirillo made a motion, and Ms. Verrengia seconded it. All approved.

3. Executive Director Report

a) General Update

Commissioner Grant reported that the 2018 Energy Efficiency Plan has been approved by the PUC, and Mike Guerard will cover the details during his update. Commissioner Grant noted that the DPUC is taking the lead on the National Grid's Rate Case, and as of today, there are no new updates. She also gave a brief update on Clean Energy, stating that there is a lot of interest in having different clean energy programs available to the public, which will contribute to the Governor's Goal of 1,000MW by 2020.

Commissioner Grant emphasized how important the work the Council does is, and how everyone worked together during the cold snap.

4. Chairperson Report

a) General Update

Chairman Powell stated that the majority of time today will focus on Council business. This includes an update from the C-Team on PUC's approval of the 2018 Energy Efficiency Plan; an update to the Council's 2018 budget; votes on specific fund allocations; and discussions on the Council's 2018 Annual Report and other strategies for public education. He also stated that the Executive Committee had met last week, the first meeting after seven months.

Chairman Powell also reported that today's presentation will be provided by National Grid and is focused on the strategies used by the Company to innovate and improve its Energy Efficiency programs. He noted that there is a document stapled to the Council Members agendas, that shows recommended discussion questions and vote language options.

5. Council Business

a) Update on the PUC approval of the 2018 EE plan

Mr. Guerard reported that on December 20th at the PUC Open Meeting, the PUC deferred approving the 2018 Energy Efficiency Program Plan. The deferment was not due to any PUC concerns on the design and objectives of the EE Plan, and the requested changes had no impact on the overall program budget, savings and benefits approved by the EERMC at the October 19, 2017 meeting. National Grid subsequently filed an Amended 2018 Energy Efficiency Program Plan with Revised Tables. The PUC held an Open meeting on January 9, 2018, and voted to approve the EE Plan with the revised tables. They also stipulated that the resulting Energy Efficiency Charge go into effect on January 11, 2018.

The changes in the tables stemmed from two specific areas of modification requested by the PUC. The first required change was to update the electric and gas fund balances that were included in the November 1 filing. Traditionally, National Grid has used an estimate of fund balances as of September in order to have final drafts reviewed by the Collaborative and submitted to EERMC in October. This year, the PUC requested a more recent value to apply in order to assure a more accurate projected fund balance is used to inform the resulting EE Charge.

Based on that change, the updated fund balance for the electric side increased from an estimate of \$8,895,800 to \$10,898,350.

On the gas side, the updated fund balance moved from (\$2,260,100) to (\$701,100). For commercial and industrial customers, the EE Program Charge has decreased from the original proposal of \$0.727 per Dth by \$0.056 per Dth and is now \$0.67. Since the EERMC and OER budgets are based on a 2% allocation of the collected EE Charge (each gets 1%), the lowering of that charge resulted in budget cuts for the EERMC and OER of \$35,367 each, for a total decrease of \$70,734.

The second area for modification directed by the PUC involved the Demonstration Research and Development (pilots) portion of the EE Plan. While the PUC supported inclusion of these pilots in the EE Plan, they felt they should not be in the portion of the budget used to calculate National Grid's performance incentive. This resulted in Grid's planned shareholder incentive being decreased by \$111,778 for electric and gas combined. In approving the refiled EE Plan on January 9, 2018, the PUC did make a specific requirement for National Grid to submit reports on the pilots regarding results of the projects.

By using more up-to-date collection values and removing National Grid's stakeholder incentive for pilots, \$185,512 was freed up for reinvestment into EE programs. The final outcome leaves the total budget in the 2018 EE Plan consistent with the General Assembly's legislated Budget Cap.

A third request was also made by the PUC at the December 20 PUC meeting. While accepting the revised and enhanced method to calculate the cost of energy efficiency and cost of supply, they directed the parties to update the Standards for Energy Efficiency to include a section spelling out the specific methodology and rationale. The EERMC will need to drive this process in 2018, sufficiently in advance of the 2019 EE Plan being filed.

Chairman Powell asked if there were any questions about the changes. No questions or comments were made.

b) Discussion & Vote on the Updated 2018 EERMC Budget

Ms. Trietch stated that the Council had previously voted on the approval of the 2018 EERMC Budget at the December meeting, but due to PUC changes, some of the funding has decreased. She stated that the total income decreased \$35,400 for the EERMC. She added that because of the PUC changes, National Grid will now invest \$129,000 more in evaluation in 2018 in the area of residential and C&I primary data collection which supports Potential Study work. Therefore, the EERMC contribution can be reduced from \$200,000 to \$71,000 for that element of the preliminary Potential Study task. Ms. Trietch reported that the total unallocated amount in the EERMC budget therefore changed.

Chairman Powell requested a motion to approve the Updated 2018 EERMC Budget. Ms. Verrengia made a motion to approve the changes to the 2018 Budget as shown. Mr. Cirillo seconded this motion. All approved.

c) Discussion & Vote on 2018 EERMC Consultant Team Scope of Work

Mr. Guerard reported that this version of the Scope of Work is very similar to the one reviewed at the December's meeting. He clarified that the cost of the scope of work represents all of the basics and they were very conservative with that number. Mr. Guerard noted that the optional tasks they put forward represent areas that the Council would benefit from. There are three optional tasks they would like to focus on: Innovation and 2019 target true up; Broaden educational opportunities to be spearheaded by a 2018 "Settlement of the Parties" group; and Expanding finance and product offerings.

Chairman Powell asked if the Council is voting in all three of these optional tasks, or if they can approve these at a later time. Ms. Trietch replied that it is the Council's decision to approve everything, or decide to approve the optional tasks at a later time. Ms. Trietch noted that she is going to ask the C-Team to come back during the next Council's meeting and provide more information about these optional items. Mr. Guerard reported that the "broaden educational opportunities" task should be considered a priority. Commissioner Grant expressed her support to have this topic as a priority, especially as Legislation heads into a very difficult budget year. Chairman Powell requested to have more discussion on the optional items added to the agenda for the next Council meeting.

Chairman Powell requested a motion to approve the Scope of Work. Ms. Verrengia made a motion to approve the 2018 Scope of Work with the Optional Tasks to be kept as optional and reviewed further at a later date. Mr. Cirillo seconded this motion. All approved.

d) Discussion & Vote on the 2018 Energy Expo Sponsorship.

Ms. Trietch quickly highlighted the 2018 Energy Expo Sponsorship Package. Like last year, the Rhode Island Builders Association (RIBA) is coordinating the RI Home Show, in which the Energy Expo resides through an EERMC and National Grid sponsorship. The total sponsorship fee is \$80,000 which is split equally between the EERMC and National Grid.

Chairman Powell asked if National Grid's Hub will be open for the public to check out. Ms. Trietch stated that tours of National Grid's Energy Innovation Hub will be available.

Mr. Cirillo asked Ms. Trietch to provide the dates of the expo. Ms. Trietch will send out an email to the Council Members with the Expo dates.

Chairman Powell requested a motion to approve the 2018 Energy Expo Sponsorship Proposal. Mr. Bacon made a motion to approve the 2018 Energy Expo Sponsorship as is. Mr. Cirillo seconded this motion. All approved.

e) Discussion & Vote on Public Education Funds

Ms. Trietch gave a summary of the Farm Energy Fellow Justification and Details. Ms. Gill provided a quick overview of the Appraisal Education Funding Justification and Details, including a breakdown of the cost. Ms. Verrengia asked Ms. Gill to be involved with this event. She suggested using Save the Bay as a location, and to provide the attendees with tickets for the Home Show Expo. Karen also asked who was in charge of developing the training? Carrie responded that she was working closely with Elevate Energy and Brad Hevenor at the Appraisal Institute: Rhode Island Chapter.

Chairman Powell requested a motion to approve both expenditures and the allocation of a total of \$4,113 to be used from the Public Education Funds. Ms. Verrengia made a motion to approve both expenditures

as described in the Justification and Details documents and for the funds to be taken from the EERMC's 2018 Public Education Funds. Mr. Hubbard seconded this motion. All approved.

f) Discussion on Policy Recommendations for the EERMC 2018 Annual Report

Ms. Trietch briefly summarized the EERMC's 2017 Policy Recommendations to the General Assembly. She noted that 2018's recommendations should be similar to the ones from 2017, and include the same Four Priorities highlighted in 2017, which stated:

1. We should build on the successful creation of the Rhode Island Infrastructure Bank and facilitate new financing options for all sectors of the economy.
2. We need to address the funding and support for efficiency investment in unregulated fuels for consumers and businesses.
3. We should watch carefully what happens with federal appliance efficiency standards, and look for opportunities to secure savings by adopting and piggybacking on efficiency standards in other jurisdictions (such as California) if the federal standards efforts languish.
4. Rhode Island should constantly work to ensure that all customers and segments of the market have the opportunity to benefit from efficiency savings. There should be a concerted effort to include those who are economically vulnerable, and those who are currently above poverty guidelines, but need significant assistance to make efficiency investments.

Ms. Trietch also recommended that the Council add another recommendation that explains the importance of protecting and perpetuating the Least Cost Procurement law. Commissioner Grant stated that staying focused and having these four priorities in front of Policy Makers will be very beneficial for the Council. Chairman Powell added that he would like to see energy efficiency supporting strategic electrification and renewables added to the bullet points.

Ms. Trietch will have a written document for the next EERMC meeting in February with draft 2018 EERMC policy recommendations.

g) RFP Updates: Energy Education Needs Assessment & Legal Services

Ms. Trietch reported that the deadline for the Energy Education Needs Assessment RFP is January 31st. Ms. Trietch stated that the Evaluation Team will be reviewing all proposals, and if the Council doesn't agree with the RFP's submitted, they do not have to pick one. Ms. Trietch noted that the deadline for the Legal Services RFP is February 2nd. She will be requesting the 3 members of the council participate in an Evaluation Team for reviewing submitted legal services proposals.

h) Public Education Discussion & Vote

Ms. Gill went over the One-Pagers created by the Communications Sub-Group and designed by Robert Beadle from the Office of Energy Resources (see meeting materials).

Ms. Trietch stated that the sample Op-Eds included in the packets are not final versions. Commissioner Grant added that the concept behind this is to inform the public of the work the Council does. There was a brief discussion amongst the members about how some changes need to be done before they can vote to approve a final Op-Ed to be issued by the full council. Ms. Verrengia expressed she really likes the idea of the Op-Ed, but its information needs to be revised.

Chairman Powell asked Ms. Trietch to work with the Communications subgroup to bring a more final version of the Op-Ed back to the Council to vote on it. There was no vote on issuing the Op-Eds.

6. National Grid

a) National Grid Presentation on Program Innovation Strategies

Mona Chandra gave a quick overview of the presentation and introduced May Moy to the Council Members. Ms. Moy went over techniques and strategies employed by National Grid to spur innovation in their energy efficiency and demand response programs. Ms. May also went over active projects such as a clean transportation roadmap and a Sense Units pilot. For the Sense Units pilot, she reported that National Grid is partnering with Sense, which will help National Grid keep tabs on how customer's use energy in their homes. National Grid and Sense will focus on customers with High Bills, Low Moderate Income, Random Samples and opportunities for reducing high energy demand. Ms. May hopes by mid-March or early April they will have some of these units installed.

Mr. Cirillo stated that National Grid should focus on doing this pilot project on prominent buildings with multiple units. Ms. May replied that they are focused on demonstration projects, so they can test it out first, before rolling it out. Commissioner Grant added that there's a lot of Power Sector Transformation opportunities and innovations that will continue to support these types of collaborations.

7. Public Comment

Brigid Ryan from Rhode Island Housing shared that she has worked with Elevate Energy (the company helping with Appraiser trainings) in the past and recommends them to the Council. Ms. Ryan wants to encourage the Council Members and the public to look at the Division of Public Utilities website about 3rd party providers aside from National Grid. She noted that she would love to work together with National Grid on the Sense Pilot Project, on some of the Rhode Island Housing developments. Ms. May asked Ms. Ryan for her business card.

No additional public comments were made.

8. Adjournment

Chairman Powell requested a motion to adjourn the meeting. Ms. Verrengia made a motion to adjourn; Mr. Cirillo seconded the motion. All approved.

The meeting was adjourned at 5:34PM.