



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

EERMC FULL COUNCIL MEETING MINUTES

Thursday, April 19, 2018 | 3:30 - 5:30 PM

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

Members in Attendance: Chris Powell, Carol Grant, Karen Verrengia, Tom Magliocchetti, Roberta Fagan, Diane Williamson, Shigeru Osada and Anthony Hubbard.

Others Present: Mike Guerard, Becca Trietch, Ben Rivers, Angela Li, John Richards, Courtney Lane, Jeff Loiter, Kat Burnham, Erika Niedowski, Chris Kearns, Michael Baer, Dilip Shah, Doug Gablinske and Andrew Zech.

1. Call to Order

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

2. Approval of Meeting Minutes

Chairman Powell requested to postpone the approval of March's meeting minutes and changed the order of items #5 and #7 in the agenda, since they did not have a quorum at this time.

3. Executive Director Report

a) General Update

Commissioner Grant stated she had a few items to go over. First, there will be a legislative hearing next Thursday, April 24th on two bills that are of interest to the Council. One of the bills requires OER to conduct a study on the energy savings achieved by National Grid's energy efficiency programs. OER is aware of this bill and will be working with key stakeholders to make it a cost-effective and valuable study. The second bill is seeking to cap the system benefit charge which funds Rhode Island's energy efficiency programs. Chris Kearns from OER is available to answer any questions you may have about these bills.

Secondly, Commissioner Grant thanked everyone for such a great turnout at the EERMC Public event, she was not able to make it, but heard it was great.

Thirdly, she reported that the Efficient Building Fund (EBF) applications are under review with Rhode Island Infrastructure Bank and the Office of Energy Resources.

Lastly, Commissioner Grant noted that the Second Annual Lead by Example Energy Awards Ceremony will be held on April 27th during Earth week. She added that starting on April 23rd, OER's social media will be heavily focused on energy topics such as energy efficiency, renewable energy and clean transportation.

4. Chairperson Report

a) General Update

Chairman Powell stated that during today's meeting the Council is going to discuss proposed updates to the Standards. As a reminder, the PUC requested that the EERMC update the Standards to reflect the change made to the "cost of EE versus cost of supply" test during the approval of the 2018 EE Plan last

year. Chairman Powell added that for those who would like to provide public comment in advance of Council discussion of the proposed Standards update, please sign-up on the Public Comment sign-in sheet.

Charmain Powell stated that in addition to the Standards update, the Council will vote on the 2018 Draft EERMC Annual report, hear brief summaries about some of our education initiatives, get an update from National Grid on the Collaborative, and listen to a presentation from GreenWorks Lending (a C-PACE provider in Rhode Island).

Lastly, Chairman Powell mentioned two other updates for the Council:

- In response to the proposed legislation mentioned by Carol, Chairman Powell asked the Consultant Team to pull together a few facts about the impacts of a budget cap on the EE programs. Before the next meeting they will have created a short one-pager for the public. As the Council that oversees RI's EE programs, the Council is in a good position to provide facts to help inform the discussions in the Statehouse.
- It is official, the EERMC can now start receiving public comments through the council website. Go to www.riermc.ri.gov/submit-public-comment to check it out. If you go to our "Meeting & Materials" page you can also easily locate where to submit a public comment. Any public comments received through the website will be shared as meeting materials at the next Council meeting.

5. C-PACE Financing Presentation

a) Presentation on C-PACE Financing Efforts

Mr. Zech gave an overview of C-Pace financing efforts by GreenWorks lending in Rhode Island. Mr. Zech went over the benefits of C-PACE, the cost savings, how C-PACE works, and how C-PACE can help support Rhode Island's energy efficiency goals.

6. Council Business

Chairman Powell requested a motion to approve March's meeting minutes now that another council member had arrived and there was a quorum. Ms. Verrengia made a motion to approve the meeting minutes, and Mr. Magliocchetti seconded it. All approved.

a) Presentation on Standards Language Update

Mr. Guerard gave a quick intro, and restated that the reason they are updating the Standards Language is because the PUC requested that the EERMC update the Standards to reflect the change made to the "cost of EE versus cost of supply" test during the approval of the 2018 EE Plan last year.

Mr. Osada asked if any changes had been made to the definition. Mr. Guerard replied that no changes had been made to the definition; this change was to simply update the Standards document for a clearer definition of the cost-efficiency versus cost-supply test used in the 2018 Annual EE Plan.

Mr. Loiter gave a brief presentation on the proposed revisions to the Least Cost Procurement Standards.

Mr. Osada does not agree with how the test was changed last year. He also questioned what changes had been done to the Standards and if the changes clearly indicated that the customer cost was not included in the cost of energy efficiency definition. After a brief discussion amongst Mr. Osada, Mr. Loiter, Mr. Guerard and Chairman Powell, it was agreed that the Consultant Team would clarify in the Standards that the cost of energy efficiency does not include the customer's contribution.

b) Public Comment on Standards Language Update

No Public Comment.

c) Discussion on Updated Standards Language

This item was discussed during item a) Presentation on Standards Language Update. No additional discussion occurred.

d) Discussion & Vote on 2018 EERMC Annual Report

Ms. Trietch informed the Council that the Annual Report is almost finish; they are waiting for National Grid to provide the necessary data (which doesn't happen until mid-April/early-May). She is asking the Council to vote on the approval to print and publish once all the data is verified and final.

Chairman Powell stated that someone still needs to review the final version before publishing. It was suggested that the Council vote to give authority to someone to read it over and finalize it, before it is printed and published. Chairman Powell suggested that the Executive Committee should be the one to review and finalize once all the data is provided and verified. He noted that all information would still go out to all Council members, and they would still be able to provide comments, but that the Executive Committee will be the ones to finalize the Annual Report.

Mr. Osada asked why the report isn't final. Ms. Trietch explained that she is still waiting for National Grid to provide their data, and today's vote would be to give the authority to the Executive Committee to review and finalize the report.

Ms. Verrengia asked Ms. Trietch to change the order of the list of vendors (at the end of the report) and to put Rhode Island vendors first since it is a Rhode Island Council. All agreed.

Mr. Osada requested to modify the language on page 11 under Environmental Benefits to "7 million metric tons of avoided greenhouse gas (GHG) emissions over the lifetime of the measures". All agreed.

Chairman Powell requested a motion to authorize the Executive Committee to review and finalize the 2018 EERMC Annual Report. Ms. Verrengia made a motion to give the Executive Committee the authority to review and finalize the 2018 EERMC Annual Report with the two previously described edits. Mr. Hubbard seconded this motion. All approved.

e) Summary of Public Education Efforts

Ms. Trietch gave a brief overview of some recent EERMC public education efforts.

First, she went over the Energy Expo at the RI Home Show, which occurred April 5th- 8th. Ms. Trietch reported that over 250 students from 24 Rhode Island career tech schools helped to construct a demonstration project that showcased the components of a home energy assessment. She noted that Energy Fellows from the University of Rhode Island helped explain the demonstration displays, sign people up for free energy assessments, and direct visitors to tours of the Innovation Hub. Ms. Trietch added that 270 energy audit sign-ups were completed and that 24,794 LEDs were sold as part of 1,771 energy efficiency kits (14 LEDs per kit). She also shared pictures from the Expo.

Ms. Verrengia asked if Ms. Trietch had a slide comparing the Energy Expo numbers over the years. Ms. Trietch replied that at a later council meeting RIBA will be presenting more information about the Expo to the council. She'll make sure that that larger presentation contains comparisons to previous years.

Secondly, Ms. Trietch gave an overview of the EERMC's 2018 Public Education Event: "Energy Efficiency: How It's Paying Off for Rhode Islanders", which occurred April 11th.

Ms. Trietch stated that there were about thirty people in attendance, and the agenda and speakers included: The Benefits of Energy Efficiency - Scott Johnstone, Northeast Energy Efficiency Partnerships (NEEP); How Energy Efficiency Supports State Goals - Nick Ucci, RI Office of Energy Resources; How Rhode Island Businesses Benefit from Efficiency Programs - J Jerue, Rhode Island College; Local Economic Benefits- Vin Graziano, RISE Engineering & Jim Mixner, Restivo's HVAC; What More Can We All Do?- Christopher Powell, Chair, RI EERMC. Ms. Trietch also shared several pictures from the event.

Thirdly, Ms. Trietch stated she had not been to the Appraiser Training event, but she heard it was a great turnout. Ms. Verrengia reported that she had gone to the event, and it was phenomenal. She stated it was their most highly attended appraisal training they've had in the state of RI.

Lastly, Mr. Richards gave a brief overview of the EERMC council site visit to RI's first passive home. He highlighted the following facts from the 90-minute passive home tour: Cost for construction = \$163 per sqft, \$300,420 total; All electric heating, cooling, hot water; \$70-75 / month energy bills for 1st Year; PV Panels made the home a net-positive home. Mr. Richards informed the Council that the next visit will be to Bristol to see the RI Veterans Home Community Living Center on May 2nd. Mr. Osada asked for Mr. Richards to include energy savings and EE program incentive numbers in the next tour presentation.

7. National Grid

a) Update on Collaborative Enhancements

Ms. Lane stated that National Grid has been working on ways to improve the transparency and accessibility of the Collaborative. Ms. Lane quickly summarized what the Collaborative is, stating that the Collaborative is a stakeholder advisory group that really digs into detail on items like energy efficiency program planning, development, and implementation.

Ms. Lane reported that there are four areas in which they are working to improve:

1. First improvement is clarifying collaborative membership, which includes three levels: First, core level is for organizations that are committed to attending every meeting and choose to become settling parties, the second level is for those parties that attend every meeting to provide their feedback and technical insight, and the third level is for members that wish to attend only specific meetings related to their field of interest.
2. Second improvement is enhanced Communications with the Council. Ms. Lane would like to have an EERMC Council member attend every collaborative meeting. She noted that the Consultant Team is usually there to represent the Council. However, other council members are also welcome so they can share comments on behalf of the EERMC and facilitate communications.
3. The Third improvement is focused on collecting more customer feedback. -facing forums. In June, National Grid will be hosting a customer-facing forum, which last happened in 2013. This forum will invite stakeholders, vendors, Council members, and the public to voice their opinions about current EE programs and current and future EE plans.
4. Lastly, the fourth improvement is focused on the structure of the Collaborative meetings themselves. Ms. Lane stated that this year, each member gets twenty minutes to educate the rest of the group on their organization, their current projects, and what their expectations are for the next EE plan. Ms. Lane also noted that they are trying to layout agenda topics for the remainder of the calendar year to all Collaborative members can plan their attendance accordingly.

Ms. Lane also suggested adding information about the Collaborative such as membership details, how to get involved, etc. on the EERMC's website. This would be a temporary fix while National Grid worked to create their own Collaborative website.

Chairman Powell noted that any Council member can attend these meetings. However, if multiple council members want to attend, it may be important to coordinate so that no opening meeting rules are broken.

Mr. Osada requested for the meetings be held at a different location since he believes it is hard to find parking near National Grid's Innovation Hub in Providence. Ms. Lane explained that the Innovation Hub was actually considered to be more accessible than the previous meeting location at National Grid's offices where attendees have to be buzzed in and escorted to the conference room by National Grid employees.

Ms. Verrengia stated that she would like to see a link on the EERMC's website that goes directly to Collaborative information/materials so that the Council members, and the public are aware of these meetings and when/where they're taking place.

8. Public Comment

Doug Gablinske, in reference to the Appraiser training mentioned earlier in the meeting, noted that home appraisers have trouble getting data on a building's energy efficiency measures. He believes that the people building energy efficiency homes, are often building it themselves, which is not a fair market transaction, because appraisers can't use these properties to make comparisons. He added that appraisers are having trouble getting data on energy efficiency measures. This needs to be improved for the market.

Mr. Gablinske also stated that he is opposed to the Standards Update being considered this year. He noted that when the new definition of "cost of supply versus cost of energy efficiency" was introduced last year, it was done in the 2nd and 3rd drafts of the 2018 Annual EE Plan instead of the 1st draft. He added that there was very little to no time to discuss such a big change, especially after 10 years of using a different definition. He also noted that with the definition change he believes that the system benefit charge (SBC) can now increase significantly. Lastly, he applauded the legislature for their proposed cap bill on the SBC.

Kat Burnham from People's Power & Light, thanked Commissioner Grant for acknowledging the hearings coming up on these two important bills on energy efficiency. She asked the Council members to take a stand and oppose any proposed caps, scoops, and limitations on our Energy Efficiency Programs. Furthermore, Ms. Burnham recommended that the EERMC Annual Report include information about the negative impacts from the \$12.5M scoop and budget cap that happened last year. She is disappointed that these negative impacts are not highlighted or even included in the Council's annual report.

In addition, Ms. Burnham applauded the recent EERMC Public Event that happened, but was once again disappointed that not one mention was made about the current legislation trying to cap the energy efficiency programs. She added that the collaborative is a great place to have public discussions on current issues.

Commissioner Grant briefly interjected to clarify that the public comments should only occur at the EERMC's meetings since the Collaborative is a different, not-public working group, separate from the EERMC. In response, Ms. Burnham asked the Council to keep adding more public comment opportunities throughout the agenda, not just at the end, so this way the public is more involved in discussions.

Erika Niedowski from Acadia Center stated that the Collaborative is a great working group, and that Acadia Center is always involved and engaged in their meetings. She agrees with Ms. Burnham's comments about the EERMC Annual Report not including information on the scoop or cap from last year. Ms. Niedowski reported that the Acadia Center had been asked to prepare an infographic about the benefits of energy efficiency for the EERMC Annual Report. The prepared graphic included information on the lost benefits resulting from last year's situation. However, the graphic was not included in the

EERMC Annual Report. Acadia Center strongly recommends that both the benefits and losses from 2017 Legislation and 2017 EE Programs to be shown in the 2018 EERMC Annual Report.

Ms. Verrengia stated that she went to the Senate Committee meeting on the Energy Efficiency bills, and asked other Council members to please attend these legislation hearings as well. Chairman Powell agreed with Ms. Verrengia comments, and noted it is extremely important to show support and commitment to the energy efficiency programs.

Jonathan Schrag from the Division of Public Utilities (DPUC) reported that the DPUC strongly supports Rhode Island's energy efficiency (EE) programs and is always working shoulder to shoulder with OER on EE topics. Mr. Schrag agrees with the previous comments about how great the Collaborative is, but he would like everyone to remember that the Collaborative is not a substitute for the oversight provided by the Council or the hearings at the Public Utilities Commission (PUC).

Mr. Schrag then gave a brief update on the Rate Case and Power Sector Transformation dockets (Dockets #4770 and 4780). Originally, in the rate case, National Grid had proposed a \$71M rate increase. This decreased to about \$45M after the Tax-Cut Jobs Act was released at the federal level. However, the DPUC provided testimony last week that supported an even smaller increase of only \$11M. The DPUC is still talking to colleagues about this matter, but it is expected to be sorted out between now and September.

In addition to the rate increase review, Mr. Schrag stated that the other big question is how the core functions of the distribution utility will or can build-off of the existing energy efficiency programs structure. There is a clear intersection with energy efficiency around performance incentives and how they can encourage the utility to change its core functions and evolve. However, the exact incentive structure has yet to be determined. The DPUC will be sure to keep the Council updated on progress made within both dockets. Lastly, Mr. Schrag added that there is a lot happening at the moment, and it is extremely important that on-going communication between the C-Team, OER, DPUC and National Grid be maintained.

Mr. Osada expressed his concern that the 2019 SBC price increase in the three year plan can equate to \$30 million which would offset the DPUC's \$30+ million reduction. Therefore, a reasonable cap on the SBC would be reasonable.

Chairman Powell stated that both dockets have a lot of cost-benefit considerations. However, the less energy we use (the more energy efficiency we do), the less we need to buy higher cost alternatives.

Ms. Lane closed the public comment period by added that the 2019 EE Program budget has not yet been created.

9. Adjournment

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

The meeting was adjourned at 6:01PM.