



STATE OF RHODE ISLAND

## ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

### EERMC FULL COUNCIL MEETING MINUTES

Thursday, October 3, 2019 | 3:30 - 5:30 PM

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

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**Members in attendance:** Chris Powell, Anthony Hubbard, Karen Verrengia, Rachel Henschel, Butch Roberts, Kurt Teichert, Peter Gill Case, Joe Garlick, Bob White, Roberta Fagan, Bill Riccio.

**Others Present:** Carol Grant, Nick Ucci, Mike Guerard, Mark Kravatz, Sam Ross, Becca Trietch, Nathan Cleveland, Matt Ray, Matt Chase, Chris Porter, Linda George, Jonathan Schrag, Joel Munoz, Sydney Usatine, John Richards, Chris Porter, Kai Salem, Erika Niedowski, Daniel Tukey, John Tortorella, Yasmin Yacoby, Marisa Desautel.

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-october-2019/>

#### 1. Call to Order

Chairman Powell called the meeting to order at 3:32PM.

#### 2. Approval of Council Meeting Minutes

Chairman Powell requested a motion to approve the September meeting minutes. Ms. Verrengia made a motion to approve minutes as written, and Mr. White seconded it. All Approved.

#### 3. Executive Director Report

##### a) General Update

Commissioner Grant congratulated everyone in the room - RI ranked #3 again on the ACEEE annual scorecard of State Efficiency - CA is #1, and MA is #2. RI has been in the top 5 for a long time, and this was the 5<sup>th</sup> year in a row that RI achieved a perfect score on utility efficiency programs, to which the EERMC plays a major role.

Commissioner Grant also made a couple of quick introductions:

- Linda George: she will be the "Acting Administrator" for the DPUC for now - Mr. Lynch has taken a new position.
- Yasmin Yacoby: she is going to be working at OER on energy justice issues, especially focused on bringing EE to all communities.

#### 4. Chairperson Report

##### a) General Update

Chairman Powell reported that during today's meeting the Council will vote on the 2020 EE and SRP Plans - to do this the Council will:

1. Hear from National Grid about the latest drafts of their EE and SRP Plans. All members received these versions via email this morning. However, a memo explaining the changes from the third drafts was sent earlier this week.
2. Hear from the Consultant Team about their recommendations on our votes.
3. Lastly, there will be time for public comments and Council discussion to help inform the Council's votes.

Chairman Powell stated that as usual, for anyone who wants to make a public comment at today's meeting please sign-up near the food and drinks. We have specific public comment periods during the EE and SRP portions of the agenda. There is also general comment period at the end of the meeting for any comments unrelated to the EE or SRP Plans.

He noted that at the end of our meeting, we will need to vote on the Cost-Effectiveness report drafted by the Consultant-Team. This report needs to be filed with the Public Utilities Commission by the EERMC. Marisa Desautel, the Council attorney, will be doing this for us.

Chairman Powell reported that for Council members specifically – in the left-hand pocket of your folders, you'll find the final invite to our Annual Public Energy Education Event. This year our event is focused on workforce development and will be held on Oct 29<sup>th</sup>. The University of Rhode Island's Outreach Center is helping to pull this event together for us. Please help to get the word out through your networks. If you need any additional printed invitations, please see Becca.

- Also, all official council members have been invited to attend Senator Whitehouse's Energy & Environment Day which is tomorrow at the RI Convention Center. Becca re-sent the invitation to Council members this morning in case the original invitation was blocked by your email filters. Please let Becca know before the end of our meeting if you will be attending so she can make sure you are on the attendee list.

## **5. System Reliability Procurement Oversight**

### *a) National Grid Presentation on the 2020 System Reliability Procurement Plan*

Please refer to [2020 System Reliability Procurement Plan](#) presentation.

Mr. Chase reported that not much has changed since the previous draft- two major changes include:

- Section 1: Executive Summary – Added commitment for section 8.1 on developing an NWA RFP for the East Bay opportunity
- Section 4: Funding Request for SRP – SRP Charge Adjustment detail

Mr. Chase went over the SRP Charge Adjustment (accounting error) – Mr. Riccio asked a few questions about this accounting error, including if customers got overcharged as a result to this error, how the company missed this for over three years, and if it accrued interest over the years. Ms. Henschel explained that the “money is technically going back to customers because the charge will be lower next year”; also the reporting group responsible for this, caught the error and it will be corrected for the 2020 programs.

Mr. Riccio asked if this was a responsibility of the Council - to audit the company's financial reports. Chairman Powell replied that that the EERMC is responsible for making recommendations, but the DPUC as well as the PUC should probably lead an audit for this situation. Mr. White made a motion that the Council be given the outcome of any audit being done on the company's finances that impacts EE or SRP accounts/programs in the future. This motion was tabled for further discussion at an upcoming meeting.

Chairman Powell requested an analysis/report-out as to how this happened to this charge and how its being solved as soon as possible.

*b) Consultant Team Presentation the 2020 System Reliability Procurement Plan & Cost-Effectiveness Analysis*

Please refer to [C- Team 2020 System Reliability Procurement Plan](#) presentation.

Mr. Guerard noted that the commitment by the Company to explore Non-Pipe Alternatives for Gas is really important and that the future is going to have roles for both Non-Wire Alternatives (NWA's) and Non-Pipe Alternatives.

*c) Public Comment on the 2020 System Reliability Procurement Plan*

Linda George (DPUC) reported that the Division supports the SRP Plan.

She stated that the Division exercises a "CPA" like oversight function based on reports generated by the company – in other words, the Division works with information that the company provides (more comments about reporting to follow during EE comments). In regards to Mr. Riccio's concerns about the interest due to the accounting error, she noted that when there is an over-collection of EE/SRP funds, interest flows back to the ratepayers – when there is an under-collection of EE/SRP funds, interest flows back to the company. To clarify, interest goes both ways.

Kai Salem (Green Energy Consumers Alliance) stated that there are a few items she would like to mention:

1. NWA's are an increasingly important part of the future of our electric grid and natural gas system. Rather than looking immediately at building traditional infrastructure to serve our growing energy needs, we need to be growing into approaches that are less expensive, lower emissions and better for our energy system.
2. We need to find ways to make NWA's more central to our energy system planning process; unfortunately, our current standards and statute does not allow for that to be as robust as necessary, but this is one of the reasons why Green Energy Consumers Alliance supports this SRP Plan- because it shows good faith from National Grid and stakeholders to work within our framework to maximize possibilities of system reliability.
3. We believe this plan fulfills the Statute & Standards despite uncertainty resulting from last years PUC's process which deeply changed last years proposed SRP plan. Despite ongoing questions about NWA projects, National Grid has been very responsive throughout this process and Green Energy Consumers Alliance appreciates the creation of the technical working group for SRP. Especially supportive of the commitment to explore Non-Pipe Alternatives as well.

Ms. Salem stated that this plan points towards a better future for SRP – Green Energy Consumers Alliance supports this plan.

*d) Council Discussion & Vote on the 2020 System Reliability Procurement Plan*

Commissioner Grant reported that OER supports the SRP Plans for many of the same reasons others have stated.

Chairman Powell requested a motion to approve the System Reliability Plan. Mr. White made a motion to approve the version of the 2020 System Reliability Procurement Plan presented today by National Grid to the Council. Furthermore, the Council directed Marisa Desautel to provide a signature page to National Grid prior to October 15th as part of the Settlement of Parties for the PUC (Public Utilities Commission) filing. Mr. Garlick seconded this motion. All Approved.

## 6. Energy Efficiency Program Oversight

### *a) National Grid Presentation on the 2020 Energy Efficiency Plan*

Please refer to [2020 Energy Efficiency Plan](#) presentation.

Mr. Porter went over the following presentation categories – five areas of updates since the 3<sup>rd</sup> Draft Presentation:

- PIM Changes
- Right-Sizing of OBR Funding
- Further Budget Reductions
- Additional Clarity on Specific Process Issues
  - CHP
  - RIIB EBF
  - EM&V Oversight
- Bill Impacts Analysis

Mr. Porter concluded the presentation with the ACEEE Scorecard Ranking overview which described Rhode Island's EE programs as nation-leading.

Mr. Riccio asked what defines transportation and Appliance Standards efficiency policies which were included in ACEEE's scorecard. Commissioner Grant stated that OER puts all this information together, Nathan Cleveland specifically, and we can take a deep dive into ACEEE's scoring at a later meeting.

### *b) Consultant Team Presentation on the 2020 Energy Efficiency Plan & Cost- Effectiveness Analysis*

Please refer to [C-Team 2020 Energy Efficiency Plan](#) presentation.

Mr. Guerard, Mr. Ross, and Mr. Kravatz covered the presentation linked above.

Chairman Powell asked for Mr. Ucci to give a presentation on the state of energy markets to explain how energy cost matters, affects what we do, and how we do it. Specifically, he requested a look at the effects of efficiency and how its helping drive down the cost of capacity.

Mr. Guerard spoke to the last slide of the presentation, which covers the C-Team's recommendations and reasoning behind it and recommended the Council approve the 2020 EE plan.

Ms. Verrengia thanked the C-Team for explaining all the details about both SRP and EE plans. She thanked all parties for their professionalism and the C-Team for having all the hard-discussions to get to where they are now.

### *c) Public Comment*

Acting Administrator Linda George stated that the Division supports the programs in this plan; they were designed by the company with input from various stakeholders and the Plan lays out the foundation for continuous success in State Leading EE programs.

She noted that the Division still has questions about the budget. The company did respond to the Division's questions sent last week; however, the responses were not sufficiently detailed to allow the Division to say they support the funding budget – The Division will follow up with the company and work with them over then next few weeks.

Ms. George added that the Division intends to propose more detailed reporting requirements regarding the spending budget- they are still developing reporting requirements that will be used and submitted by the company.

She noted that her most important comment, is to not delay the vote today based on these ongoing inquiries from the DPUC. The questions about reporting requirements should not delay the Council's vote, in fact the Division urges the Council to approve this plan. The Division looks forward to working with the company, C-Team, OER and others to define the appropriate reporting requirements over the next few weeks, prior to the PUC hearing in December.

Ms. Niedowski (Acadia Center) congratulated everyone on the ACEEE rankings. She was very excited to hear the interest of Council members on Appliance Standards and encourages the Council members to tell the Governor's office to support the legislation for appliance standards next year.

She stated that this Plan is a good plan, it is strongly cost-effective, and Energy Efficiency is a great deal for Rhode Islanders – she urges the Council to vote to approve this plan.

Ms. Niedowski mentioned that the increase in savings with the decrease in budget over the course of the drafts was good to see but added that a continued over-reliance on lighting is a concern. Increased deployment of heat pumps, workforce investments, active demand response programs, and goals to improve income eligible programs were described as positives of the Plan; Acadia Center also supports the PIM change to better align with state policy goals.

She concluded by stating that Acadia is looking forward to the Three- Year Plan to keep driving towards the future of energy efficiency and looks forward to working with everyone.

Ms. Salem gave a brief background on what the Green Energy Consumers Alliance does.

She stated that over the years, their comments tend to hit the same notes:

- Prioritize deep sustained carbon emission reductions – there should be a bigger focus on lifetime targets rather than annual targets.
- Need to be investing more, not less, on the EE programs; given the demonstrated cost-effectiveness of measures in efficiency, additional investment would continue to get even more savings both on emissions and cost of energy overall.
- Need to focus on equity – for Income- Eligible, Demand Response and renters; Demand response and Heating electrification will be the future of EE.

Ms. Salem added that looking at the plan, they see some progress on most priorities – the 2020 Plan proposes improvements to the LMI programs in particular.

She noted that the process and format of this plan has also improved significantly – it was great to present their priorities in early Spring, and the new structure of the plan is a big improvement.

Ms. Salem urges the Council to approve this plan because it is cost- effective. However, she also noted that appliance standards and more EE is needed to get our GHG reduction goals as it clearly shows on the ACEEE ranking. GECA is excited about the Three- Year Plan process and views the Plan as an incremental step forward.

*d) Council Discussion & Vote on the 2020 Energy Efficiency Plan*

Mr. Teichert echoed Ms. Salem's comments about needing to do more – need to lean budgets while finding more savings. He noted that he supports the plan but hopes to put forward more aggressive higher goals and more cost-effective measures moving forward in the next few years.

Mr. Roberts appreciates the C-Team and National Grid's hard-work and support – but when he looks at the increased charge in C&I on the electric and gas side it is too big of a shock. While he supports the plans, he defaults to what Mr. Teichert said, that we can do better with the budget and efficiencies in the programs. He noted that while he supports a lot of this plan, he cannot approve it because of the significant increase in the system benefit charge.

Ms. Fagan stated that even though she is a non-voting member she appreciates the commitment to help with workforce development in the delivered fuels community. She encouraged using the word displacement rather than switching when talking about heating electrification, because switching may leave many people/workers behind and we don't want to lose jobs while we do this.

Mr. Gill Case stated that since its his first time through this process, he appreciates the C-Team effort, professionalism, and all their hard-work. He noted that comparing changes from the 1<sup>st</sup> draft to this draft, he questions why the 1<sup>st</sup> draft didn't look like this from the start- it almost suggests that the negotiation process was what this was all about. While he admires what has happened and appreciates what the C-Team does and thanks them for helping the members see clearly, he believes that the process was unmanageable – too many documents received too late and too many unanswered questions. He added that he is going to be focusing on the process next year to try to improve it.

Ms. Verrengia quickly spoke on how the process was run over the past few years, and how this year a big change was that they had a lot of input from many different parties that they did not have the previous years.

Mr. Roberts added that there should be more focus on comparisons to previous years plans rather than all the comparisons between drafts of this plan.

Mr. Riccio echoed what Mr. Gill Case said – the process is burdensome, and it needs to be improved; It is too much to digest last minute before voting.

Chairman Powell thanked the C- Team and noted that they relied more on them this year due to the changes in schedule, process, and new council members.

Commissioner Grant noted that OER supports this plan – and recommends the Council to approve the plan and vote on a 'not to exceed' budget language.

Chairman Powell requested a motion to approve the 2020 EE plan. Mr. Hubbard made a motion to approve the version of the 2020 Energy Efficiency Plan presented today (10/3/2019) by National Grid to the Council – document dated Oct 15, 2019 – with a total electric budget not to exceed \$111,359,910 and a total natural gas budget not to exceed \$34,354,500. Furthermore, the Council directs Marisa Desautel to provide a signature page to National Grid prior to October 15th as part of the Settlement of Parties for the PUC (Public Utilities Commission) filing. Mr. Garlick seconded this motion. All approved, except Mr. Roberts who was opposed, and Ms. Verrengia, who recused herself from voting.

## **7. Council Business**

### *a) Consultant Team Summary of the Cost-Effectiveness Report on the 2020 Annual Plans*

Please refer to [Cost- Effectiveness report](#) document.

Mr. Guerard summarized the Cost-Effectiveness report. The report states that the proposed 2020 programs are cost effective and comply with the Least-Cost Procurement law.

*b) Council Discussion & Vote on the Cost-Effectiveness Report*

Chairman Powell requested a motion to approve the Cost-Effectiveness report.

Mr. Gill Case made a motion to approve the cost-effectiveness report and to direct the Consultant-Team to update the report, on behalf of the Council, if any grammatical or reference errors are found, any dates must be updated, or any relevant budget reductions occur within the 2020 EE Plan. Also, to direct the consultant team to work with Marisa Desautel to submit the report to the PUC prior to the November 5, 2019 deadline. Mr. White seconded this motion. All approved.

**8. Public Comment on All Other Topics**

Ms. Verrengia spoke to the EERMC public education event ( [EERMC Public Education Flyer](#)) that's taking place on October 29<sup>th</sup>, 3:00- 5:00PM at Iron Works Tavern, in Warwick.

No other public comment.

**9. Adjournment**

Chairman Powell requested a motion to adjourn the meeting. Mr. Riccio made a motion and Mr. Roberts seconded it. All Approved.

The meeting was adjourned at 5:54PM.