



STATE OF RHODE ISLAND

## ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

### EERMC FULL COUNCIL MEETING MINUTES

Thursday, September 19, 2019 | 3:30 - 5:30 PM

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

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**Members in attendance:** Chris Powell, Anthony Hubbard, Karen Verrengia, Tim Roughan, Rachel Henschel, Butch Roberts, Kurt Teichert, Peter Gill Case, Tom Magliocchetti, Joe Garlick, Bob White, Roberta Fagan

**Others Present:** Nick Ucci, Mike Guerard, Mark Kravatz, Becca Trietch, Nathan Cleveland, Matt Ray, Joel Munoz, Sydney Usatine, John Richards, Chris Porter, Kai Salem, Erika Niedowski, Ben Rivers, Mona Chandra, Laura Rodormer, Dave Sungarian, Sam Ross, Matt Chase

#### 1. Call to Order

Chairman Powell called the meeting to order at 3:34PM.

#### 2. Approval of Council Meeting Minutes

Chairman Powell requested a motion to approve August meeting minutes. Mr. Roberts made a motion, and Mr. White seconded it. All Approved.

#### 3. Executive Director Report

##### a) General Update

Mr. Ucci reported that Commissioner Grant is out of the State this week, so he will be giving a brief update on her behalf.

Mr. Ucci stated that Rhode Island is part of the Regional Greenhouse Gas Initiative (RGGI), and that twice a year, OER allocates the funds that RI receives for the Clean Energy programs and investments. OER just put forward the proposed allocation program for the fall round:

- Municipal LED Streetlight Incentives \$600,000.00: OER will continue supporting municipalities seeking to purchase their streetlights and convert to LED's.
- Muni-Centric NWA (PUD & BIPCO) \$500,000.00: Continuing engagement with Pascoag Utility District and Block Island Power; OER will create an incentive program to support municipally-owned utility investment in non-wires alternatives (e.g. storage) to relieve stresses on local distribution systems.
- REF Storage \$1,500,000.00: Funding for the Renewable Energy Fund (REF) to establish an incentive program for storage deployment. OER will work with Commerce to develop and implement this program.
- REF Microgrid \$1,500,000.00: OER will work to establish a grant program through REF for microgrids
- REF Small Solar \$419,758.69: OER continues its support for smaller solar projects awarded through REF

Mr. Ucci noted that all this information is available on OER's website and that Public Hearing on the RGGI plan is October 3<sup>rd</sup> at 9:00AM at the Department of Administration, Conference Room C.

Mr. Ucci offered to touch base offline if any council member has questions/ concerns.

#### **4. Chairperson Report**

##### *a) General Update*

Chairman Powell reported that during today's meeting the Council will:

1. Hear from National Grid about the 3<sup>rd</sup> drafts of their EE and SRP Plans. These third drafts were released this morning, so there is no expectation that anyone has read them.
2. The Council will also hear from the Consultant Team about responses to stakeholder feedback provided on the 2<sup>nd</sup> draft Plans; and
3. There will be plenty of time for public comments and Council discussion

He stated 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.

Chairman Powell noted that the C-Team has provided each Council member with a memo to point you to sections of the Plan that are likely important to the ratepayers you represent. If you have any questions on the Plans, please don't hesitate to reach out to the C-Team or OER.

As a reminder, the Council will vote on the final plans (both EE and SRP) at our October meeting which is scheduled for October 3<sup>rd</sup>. Therefore, if you have any questions please reach out sooner rather than later. October 3<sup>rd</sup> is only 2 weeks away.

Lastly, in the left-hand pocket of your folders, please note two materials:

1. A Save the Date for 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; and
2. The C-Team has provided a list of energy acronyms in your folders. Hopefully this list will help everyone. However, please don't hesitate to continue calling people out for using too many acronyms!

#### **5. Energy Efficiency Program Oversight**

##### *a) Consultant Team Presentation the 2020 Energy Efficiency Plan Drafts*

Please refer to [C-Team 2020 EE Plan Drafts](#) presentation and [2020 Annual Plan - Summary on Budget Issues](#) Memo.

Mr. Guerard stated that they only received the third draft about an hour ago and haven't had any time to process it yet- so they are only going to focus on the results between the 1<sup>st</sup> and 2<sup>nd</sup> draft.

Mr. Guerard went over the Status of Key 2020 Plan issues:

1. Savings and Budget – still believe there is a gap here (e.g. acquisition costs)
2. Bill Impacts & Cross Program attachments – received for 1<sup>st</sup> time with third draft

3. Unanswered questions
  - C-Team: A few outstanding BC Model questions; overarching data transparency
  - Stakeholders: The Division and TEC-RI have outstanding questions as well
4. EBF - data and language supporting funding; determine funding source
5. Program Incentive Mechanisms (PIMs) – confirm in 3<sup>rd</sup> draft
6. Combined Heat and Power (CHP) – confirm in 3<sup>rd</sup> draft

Mr. Ross went over the charts, electric and gas portfolio savings (annual MMBtus), and saving benefit charge charts, highlight changes in the drafts of the 2020 plan and providing comparison to historical numbers.

Mr. Guerard concluded by going over the next steps and timeline:

#### 2020 Plan

- Resolution on key 2020 plan issues by October 3 meeting
  - E.g. budget, savings, outstanding questions, EBF, PIMs, CHP

There was discussion amongst Ms. Henschel, Chairman Powell, and Mr. Porter regarding OBR/EBF funds and the proper balance of reserves vs. new ratepayer collections. Mr. Powell indicated that the Company is working on revised language to be shared with stakeholders on September 26.

- Prompt delivery of 3<sup>rd</sup> draft BC Model
  - Need to review text & BC Model, ask questions, receive & assess answers
- Vote on 2020 plan (3<sup>rd</sup> draft + final changes) at EERMC October 3 meeting

#### Future Planning Cycles

- Prompt and comprehensive deliverables (drafts, BC Models, responses to questions)
- More transparency into details of changes from prior year
  - Data granularity in BC models (especially C&I), clarity on forecasting methods
  - Explanation of changes – **why** there are changes, not just **what** they are
- Year-End Report must have a BC Model version delivered

*b) National Grid Presentation on the Third (Final) Draft of the 2020 Energy Efficiency Plan*

Please refer to [National Grid 2020 EE Plan Third Draft](#) presentation.

Mr. Porter and Mr. Richards went over the presentation.

Mr. Porter gave a brief overview, which highlights:

- In 2020, serving more customers, with more energy efficiency products and services, at lower costs
- Seeing that this plan does more with less is complicated:
  - Highest number of unique participants than ever before yet lower savings goals than previous years because that's the nature of market transformation
  - Lower customer rebates and costs are hard to see when the Company is delivering more products and services, and when the Company increases efforts to serve Income Eligible customers
- Company has responded to ~1,700 comments through drafting process
- Measure savings and costs have been reviewed line-by-line with external subject matter experts

Mr. Richards went over the 2020 Plan Third Draft by the Numbers and went over the charts displaying budgets, savings targets, and the associated goals.

Mr. Porter highlighted some important dates:

September 26<sup>th</sup> – Company deadline for additional responses to stakeholder comments

October 3<sup>rd</sup> – EERMC Votes on 2020 Plan

October 15<sup>th</sup> – Plan Filed with PUC

*c) Council Discussion on the Third (final) Draft of the 2020 Energy Efficiency Plan*

Mr. Teichert indicated that the electric goal for 2020 was about 6% below the 3 Year Plan target and he wanted to know how that impacts the Company's performance incentive.

Mr. Porter responded that if the Company is below 100% of its goal, its roughly a 2-3x change for each percentage point below that threshold.

The National Grid team then reviewed the Three-Year planning Process in some detail to differentiate 2020 targets and goals from the cumulative 3 year plan totals that were included on the same slides, as there was some confusion about how three year targets are set versus annual targets.

Chairman Powell also gave a brief overview of the development of the three year planning process in Rhode Island and indicated that having these longer range target makes it easier to plan annually.

Mr. Kravatz then asked when responses to the outstanding stakeholder questions (DPUC, TEC-RI) should be expected from the Company.

Mr. Powell committed National Grid to getting them out to stakeholders no later than Thursday, September 26<sup>th</sup> and indicated they would send responses out earlier if they were able.

*d) Consultant Team Presentation on the Draft 2020 Cost-Effectiveness Reports*

Please refer to [C-Team Draft 2020 Cost - Effectiveness Report](#)

Mr. Guerard gave a brief overview of the report and asked Council members to let him know if they have any questions/comments/concerns.

He noted that they will have a final report by the October 3<sup>rd</sup> meeting, and will make adjustments based on the Council's vote – this report needs to be submitted to the PUC.

Chairman Powell stated that he wants to make sure all Council members understand what TRC Test and RI Test (ref. page 5) are and its importance.

Mr. Guerard gave a quick explanation of what these tests stand for; Chairman Powell asked the C-Team to add a paragraph explaining what both tests stand for to the document.

*e) Public Comment on the Third (final) Draft 2020 Annual Energy Efficiency Plan & the Council's Draft Cost-Effectiveness Report*

Joel Munoz (Division of Public Utilities) thanked all parties and stakeholders for their hard-work and dedication during this process.

Mr. Munoz stated that as it relates to the plan, the Division would like to express support for the program design and believe it's a great foundation for success. He noted the Division has always promised to, and continue to work with C- Team, OER, and stakeholders to approve many aspects of the current plan – “ we as a group are reaching reasonable compromises on many issues” – that being said, he added that there remains one major issue area of concern to the Division : Overall Spending Budget.

Mr. Munoz reported that the Division's opinion is that the company has not yet provided sufficient evidence to support the budget request. The Division shared informally, on August 10<sup>th</sup>, some questions, and then followed up formally on September 6<sup>th</sup> with additional, more detailed questions – the Division has yet to receive any answers to those questions. He added that the Division appreciates that the company is busy drafting and implementing thousands of comments from all parties involved, but still anxiously waits for the answers to those questions. Mr. Munoz noted that the Division also anticipates engaging in further questions in the coming weeks – “because we are anticipating all questions in the future, the Division does not expect to be able to support, nor oppose the Plan's Spending Budget by October 3<sup>rd</sup> meeting.”

## **6. System Reliability Procurement Oversight (35 min, 4:50 – 5:25 pm)**

### *a) National Grid Presentation on the Third (final) Draft of the 2020 System Reliability Procurement Plan*

Please refer to [Third \(Final\) Draft of 2020 SRP Plan](#) presentation.

Mr. Chase gave a brief background of the SRP plan objectives. He highlighted some major revisions to the third draft, which includes:

- Executive Summary now includes high-level proposal and funding request info and list of Company commitments
- Inclusion of commitment to perform background research on Non-Pipeline Alternatives (NPAs)
- Section 4 Funding Request table modified for deeper detail
- Section 6 Docket 4600 table now specific to 2020 proposals
- Section 8 NWAs in System Planning reworked for clarity on planning process
- Section 8.1 now details active area studies and reevaluated opportunities
- Section 9 updated to detail NWA opportunities status and path forward

Mr. Chase concluded the presentation by going over the Summary of the 2020 SRP Report:

- Funding Request: The funding request for the 2020 SRP is small
- Proposals: Formal proposals focus on action- based earnings and SRP Market Engagement
- Commitments: The Company makes several commitments for 2020
- NWA's: The Company commits to investigate alternate solution pathways for the Narragansett 42F1 and South Kingstown NWA opportunities.

Mr. Guerard asked for Mr. Chase to clarify what were the Actions associated with earning the \$11,865 (ref. to slide 7).

Mr. Chase stated he doesn't have the exact answer right now, but they are detailed on section 5.3 of the 2020 SRP Report – which are reiterated from the 2018 SRP Report. He noted he can circle back with Mr. Guerard if he has any additional questions/concerns about it.

### *b) Council Discussion*

None.

### *c) Public Comment on the Third (final) Draft 2020 System Reliability Procurement Plan*

None.

## **7. Council Business (5 min, 5:25 – 5:30 pm)**

a) *Process Summary for Council Voting on the 2020 Energy Efficiency & System Reliability Procurement Plans*

Please refer to [2020 EEPP & SRP Next Steps](#) timeline.

Mr. Guerard went over the timeline, highlighting that the most important date for the Council members will be September 30<sup>th</sup> – the members will have to review all changes to the third and final draft of the plan.

Mr. Gill Case asked if there was a “Plan B” – there is a lot to process within a couple of days before Voting takes place.

Chairman Powell stated that unfortunately, this year, it’s the first time the Council has such a tight timeline – which does not allow for more/extra time to vote on the plan. He noted that if anyone has any questions or major concerns now, or after going over the final draft, to please reach out to Mike/ C-Team. He also reiterated that the Council’s role is to ensure that the plan meets their needs and objectives as a body, and that it may not meet the needs of other stakeholders, and that each Council member will have the option to vote in favor of, in opposition to, or in favor with exceptions at the October 3 meeting.

Mr. Guerard added that the C- Team will work on putting together a Memo after they go over the Third Draft and will share with the Council as soon as possible to help inform their decision-making – so please reach out with any questions or concerns.

There was a brief discussion amongst all members about the Plan/ Budget and dates. Mr. Ucci indicated the before the Council will take their vote on October 3, OER and the public will be making comments at that meeting which may inform Council members as well.

Mr. Roberts asked what the process was if the Council doesn’t vote to approve the plan.

Mr. Ucci replied that in that case, the plan would be contested in front of the Public Utilities Commission and gets litigated there.

Chairman Powell indicated that the Public Utilities Commission needs to accept the EERMC recommendation but can still reject the plan and send back for revision. He also indicated that the Council’s legal representative should attend the October 3 meeting and be available to answer questions in the interim as needed.

**Public Comment on All Other Topics**

None.

**8. Adjournment**

Chairman Powell requested a motion to adjourn the meeting. Mr. Gill Case made a motion and Mr. Garlick seconded it. All Approved.

The meeting was adjourned at 5:45PM.