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**EERMC FULL COUNCIL MEETING MINUTES**

****Thursday, May 21, 2020 | 3:30 - 5:30 PM****

Meeting conducted virtually using GoToMeeting with additional audio conference capabilities

**Members in attendance:** Chris Powell, Nick Ucci, Kurt Teichert, Karen Verrengia, Anthony Hubbard, Tom Magliocchetti, Peter Gill Case, Joe Garlick, Roberta Fagan, Bob White, Bill Riccio

**Others Present:** Nathan Cleveland, Becca Trietch, Adrian Caesar, Angela Li, Sam Ross, Mike Guerard, Matt Ray, Craig Johnson, Sydney Usatine, Mona Chandra, Kevin Rose, John Richards, Joel Munoz, Hank Webster, Jack Miniati, Matt Chase, Karen Bradbury, Kai Salem, Samantha Caputo, Puja Vohra, Rachel Sholly, Laura Rodormer,

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-may-2020/>

1. **Call to Order**

Chairman Powell called the meeting to order at 3:33pm

1. **Approval of Council Meeting Minutes**

Chairman Powell requested a motion to approve the April meeting minutes. Ms. Verrengia made a motion to approve the April meeting minutes as written and Mr. Gill Case seconded. All approved.

1. **Executive Director Report** 
   1. *General Update*

Commissioner Ucci informed the Council that Council member Roberts has requested to step down from his seat and thanked him for his service on this Council. We will look to fill that vacancy as soon as possible, though it may be next legislative session given the COVID-19 impact on legislative matters.

1. **Chairperson Report**
2. *General Update*

Chairman Powell let the Council know that, as he had indicated some time ago, he will be stepping down after the June meeting this year. He thanked everyone for their support and participation over his tenure on the Council. He feels that he is leaving it in good hands.

He then reviewed the agenda for the upcoming meeting and let the Council know that the PUC has ruled on the Targets. The PUC ruled in favor of the proposed electric and gas targets the Council put forward, but did not adopt the proposed delivered fuels targets.

Chairman Powell finally flagged several meeting materials that were provided but will not be discuss during today’s meeting, including a memo from the EERMC attorney on Council member participation in public meetings as it relates to rolling quorum rules as well as a summary of the CHP annual meeting held on May 14th.

1. **Program Oversight**
2. *Update on COVID-19 from National Grid*

Mr. Ray provided a brief update on COVID related activities and adjustments that the Company has been making.

National Grid is continuing to support virtualization where possible – 222 Virtual Audits completed and over 80 vendors have registered for the training opportunities National Grid has put forward. Targeted marketing investments have been deployed to help build a robust pipeline of work for once restrictions lift. Also, National Grid has boosted incentive levels to 100% with a maximum incentive cap to $15,000 for weatherization measures during COVID.

The Company continues to work on the development and deployment of protocols for safe restoration of services as soon as able, working regionally with a number of different vendors and other stakeholders. National Grid will be holding trainings on these protocols – two May trainings on exterior work, and two June trainings on interior work. As a result of these trainings on new protocols, National Grid is hoping for exterior work to start in the next couple of weeks, with a target for interior work to follow a few weeks after that with safety remaining a key priority for all operations.

1. *National Grid Updates on Three-Year Plans – Energy Efficiency (EE) & System Reliability Procurement (SRP)*

Please refer to the [National Grid 2021-2023 Energy Efficiency Plan Update](http://rieermc.ri.gov/wp-content/uploads/2020/05/ngrid_eermc_draft-2021-23-3yp-planning-update-presentation_20200521.pdf) presentation and the [National Grid 2021-2023 SRP Three-Year Plan Outline Memo](http://rieermc.ri.gov/wp-content/uploads/2020/05/ngrid_2021-2023-srp-3yp-plan-outline.pdf).

Mr. Tortorella shared some updates on the three-year planning process for EE. The feedback received on the Plan Outline memorandum circulated at the past EERMC meeting from all stakeholders will be incorporated into the initial first draft coming for the June meeting.

He noted that the memorandum was a high-level outline with more details to be expected in the first draft, similar to previous drafts of three-year plans. He also noted that pending PUC guidance on Least Cost Procurement (LCP) Standards might have some impacts on the three-year plan depending on what they come back with.

Mr. Tortorella then covered at a high level what inputs go into the three-year plan. Those include: Stakeholder priorities, potential study results, 2019 program history/performance; project pipeline and program implementation changes; strategic improvements and best practices – then after the first draft they will incorporate additional feedback from stakeholders, conduct additional analysis, incorporate EM&V work, and take into consideration COVID-19 impacts and LCP Standards revisions that may come forward.

Regarding COVID-19, Mr. Tortorella noted that the first draft will represent a base case with no COVID impacts, then research and data gathering will occur through the summer to try and quantify COVID impacts for the efficiency programs – specifically: economic, workforce considerations and recovery, customer appetite for efficiency work, customer tolerance for allowing in-person work, business impacts in capital investing, as well as customer sign-up and conversion rates.

He then covered the current status surround the development of the Company’s performance incentive mechanism (PIM). National Grid is currently in on-going conversations with the Office of Energy Resources (OER), the Council’s Consultant-Team (C-Team), and the Division of Public Utilities & Carriers (DPUC) on a new mechanism for performance earnings. A proposed new structure is anticipated to be in place for the final plan later this summer, but not the first draft coming next month.

Mr. Tortorella also mentioned that for the EM&V section, there will be subsequent updates to come for future drafts of the plan once studies are completed this summer. He noted that many were delayed because of COVID and so those will have to be incorporated after draft one.

Mr. Gill Case commented that it is important for him to understand the differences between three-year plan vs. annual plan content so he can properly address what may be missing relative to expectations as he reviews the upcoming first draft of the three-year plan. He appreciates continued support and guidance for what Council members should be expecting and timely distribution of materials to allow for sufficient review.

Mr. Chase then provided an update on the SRP three-year plan development process.

He began by noting that the SRP timeline is staggered in its development process a few months behind EE, so a draft outline memo was circulated yesterday, May 20th, to give a high level outline of their thinking. Notably, it includes a proposal for non-pipe alternatives (NPA) in their system planning. June 1st will mark the start of the three-year plan text development after feedback is collected on the outline memo.

Mr. White asked if the NPAs would impact customers primarily served by delivered fuels?

Mr. Chase replied that NPAs are typically looking at National Grid natural gas pipeline capacity and service, and so they are unlikely to have significant impacts on delivered fuels customers, but work is very preliminary and so no clear definitions have been set around what could be considered an NPA, which may change the scope of impact.

Ms. Verrengia asked if there was a recording or archive of past SRP technical working group meetings?

Mr. Chase indicated those are not recorded but that slide decks from the meetings are circulated so she could refer to those and always follow up with him with specific questions.

Ms. Trietch also indicated that the C-Team is at all of the SRP technical working group meetings and provides quarterly written summaries to the EERMC. Mr. Johnson noted that the consultant team is also happy to field specific questions from Council members on meeting content as needed, so they don’t have to wait for quarterly reporting.

1. *National Grid and Consultant Team Presentation on 2019 Year-End Report*

Please refer to the [National Grid 2019 Year-End Report presentation](http://rieermc.ri.gov/wp-content/uploads/2020/05/national-grid-year-end-2019-presentation-eermc.pdf) and the [Consultant Team 2019 Year-End Report presentation](http://rieermc.ri.gov/wp-content/uploads/2020/05/c-team_2019-results-presentation-2020.05.18.pdf).

Mr. Richards from National Grid summarized the 2019 year-end results for the EE programs. They were ranked #1 for Utility Programs nationally for the 3rd year in a row and 3rd overall for the 3rd year running on the American Council for an Energy Efficient Economy’s (ACEEE) State Scorecard. He then provide a high-level overview of the program savings numbers, GDP impact, and job creation info.

Ms. Rodormer then provided some residential sector highlights from 2019’s EE programs. Specifically:

* Largest number of customers served in a program year.
* Zero Net Energy (ZNE) Pilot – 1st Zero Energy Ready Neighborhood project; and Sheridan Small Homes Passive House Community came online with 100 homes in the pipeline for 2020, a significant increase over past year.

Ms. Li talked about the launch of online home energy assessments in Q4 of 2019 and noted that the Connected Solutions program exceeded its annual reduction goal and began to bring on battery participants in addition to smart thermostats.

Ms. Chandra then presented Commercial & Industrial (C&I) highlights from 2019’s EE programs. Specifically:

* The Company’s market sector approach allowed for more customization of service that was better aligned with customers’ needs in the grocery, K-12, higher education, hospital, and manufacturing spaces.
* Offered a number of training opportunities throughout the year and 18 people completed a Building Operator Certification training that was held in Providence.
* Their Community Initiative has 5 municipalities and 2 “Main Street” efforts targeting Small Businesses specifically, which was very successful in getting traction and participation from this market segment.

Ms. Verrengia asked for clarification on the scope and logistics of battery participation in Connected Solutions.

Ms. Li clarified that there is a daily dispatch program for home batteries where customers can enroll those in the program, and the Company is working with 4 participating manufacturers currently.

Mr. Gill Case asked how the correlation between workshops/trainings and net zero buildings is measured to quantify impact?

Ms. Rodormer indicated that they have not done a survey to determine a straight-line relationship between those and ZNE projects, but the enrollment and participation in trainings has been going up and in turn projects have been increasing in the marketplace, but again, no quantified relationship.

Mr. Gill Case is hoping for upcoming plans to focus on ways to quantify the impacts of these workshops/trainings more specifically to see how these, versus market forces, are driving changes.

Ms. Chandra replied that enrollment in pilot program offerings on the C&I side has been fueled specifically through workshop attendance, so there is some information to support a correlation.

Representing the Consultant Team, Mr. Guerard indicated that the slide decks distributed to Council members include individual program level data that Mr. Johnson won’t cover here, but emphasized that the C-Team will be reaching out to schedule 1-on-1 meetings to receive three-year plan feedback and to go over more specific data on 2019 results, if desired by Council members.

Mr. Johnson then presented the consultant team’s analysis of the 2019 year-end results from National Grid at the portfolio level and compared it to historical results of the portfolio since 2015.

One thing he wanted to highlight across sectors is the higher spend (especially in C&I) relative to achievement isn’t necessarily alarming and indicates that Grid is working on doing deeper work to offset the decline in lighting savings.

Mr. Gill Case asked if these numbers change in a lifetime savings approach, given more clarity in the costs vs. savings achieved?

Mr. Johnson indicated that was a fair assumption, and that lifetime targets being approved should help drive that deeper work. Mr. Ross also indicated that PUC guidance on balancing both near-term and long-term impacts (time-wise) may impact how these numbers bear out. The relationship between lifetime savings and costs in both the near- and long-term must be weighed.

Mr. White inquired if there was going to be differences in year one of lifetime vs. annual savings because of workforce considerations? More specifically, does the time of year when a measure is installed matter for these calculations?

Mr. Johnson indicated that savings are calculated based on the measure life of the equipment, and so it’s year one impact will still be the same. Therefore, time of installation isn’t a huge impact in how we currently assess measures. Mr. Ross also indicated that exploring this relationship in EM&V work would be taken on moving forward.

Mr. Johnson then returned to the portfolio level analysis and indicated that the residential program in particular did well in 2019, exceeding its goal and coming in under planned budget.

For the gas programs, all sectors performed well relative to their goals, and while spending was up so were the associated savings and that is how the programs are designed to operate in order to ensure the Company continues to pursue savings past goal.

Chairman Powell noted that on the electric side, income eligible customers are not getting the services/savings we are hoping for and that we are falling short of goal AND not spending all our money. He noted that this has been a continual challenge and he hopes we can make progress on this for future plans.

1. *National Grid Presentation on Jobs Study*

Please refer to the [2019 Energy Efficiency Jobs Presentation](http://rieermc.ri.gov/wp-content/uploads/2020/05/ngrid_2019-workforce-study-presentation.pdf).

Mr. Richards shared the results on the RI jobs study done to characterize the workforce that supports National Grid’s EE programs. The 2019 survey was conducted by Guidehouse, Inc. and he emphasized that results for 2019 do not include any COVID-19 impacts.

Of note, 877 full-time equivalent workers were employed by EE programs in 2019, and these are often local jobs (71% located in RI), and 1,151 companies and contractors were involved in EE programming. These numbers have been increasing year over year for Rhode Island’s EE workforce for the past handful of years.

Mr. Rose gave an overview of the workforce development strategy for the three-year plan.

The Company wants to identify barriers in the workforce to achieving plan goals and then upscale and up-skill that workforce. They are working to quantify current and future gaps in the workforce to get a scope of workforce needs, offer trainings to meet these current and future needs by working with existing agencies/stakeholders, and engaging schools and communities to address systemic barriers that may impact the pipeline of EE talent.

Mr. Teichert asked if National Grid could provide any indicators for growth – e.g. double digit growth of the workforce?

Mr. Rose said it would be hard to say definitively at this point given the early stage of the strategy development and the impact of COVID-19 on workforce.

Ms. Fagan asked if the Company was looking at all different types of workforce needs (e.g. service vs. installation, licensures needed, across sectors)?

Mr. Rose replied that they are taking a portfolio wide approach, building off some existing training efforts but also looking at a wide variety of opportunities across all sectors and trades.

Ms. Verrengia commented that the presentation slides indicated that current needs in the workforce have been identified and inquired if the Company was going to start addressing these in the near term?

Mr. Rose replied that the Company would be addressing workforce needs both over the term of the three-year plan but also more immediately and discretely in the 2021 annual plan, alongside efforts outlined and ongoing in the 2020 plan.

Mr. Gill Case asked if National Grid could include any wage information with this jobs data to combat arguments that these are low wage jobs and also help with recruitment? Mr. White agreed and indicated he would also like to see associated wage information in the plans and/or marketing materials around workforce.

Mr. Rose indicated they would look to see what data they had to support that and if it would be able to be included in a subsequent plan draft.

1. **Council Business**
2. *Review and Vote on Final Council Report to the General Assembly*

Please refer to the [2020 EERMC Annual Report to the General Assembly](http://rieermc.ri.gov/wp-content/uploads/2020/05/eermc-2020-annual-report-final-5-21-20.pdf).

Ms. Sholly reviewed the final version of the EERMC Annual Report, incorporating some of the feedback from last meeting and adding in the final data and numbers. Also added in was some COVID-19 related language in the letters from the Chairman and Executive Director to properly frame those impacts, but otherwise the changes were minor.

Mr. Hubbard asked for clarification regarding printing since the Council voted on a budget for printing at the last meeting.

Ms. Sholly indicated that last month’s vote was for printing Farm Energy Guides and not the Annual Report to which Ms. Trietch replied that the Council set aside money ($1000) in the overall budget for printing these reports for the General Assembly.

Mr. Teichert made motion to approve the report as written and authorize OER to print and distribute to the General Assembly and Council members. Ms. Verrengia seconded.

Roll call vote: all approved.

1. *Review of Draft Request for Proposals for Legal and Consultant Services for the Council*

Please refer to the [Draft Legal Services RFP](http://rieermc.ri.gov/wp-content/uploads/2020/05/eermc-2020-rfp-legal-services_draft_5.18.2020_clean.pdf) and the [Draft Consultant Services RFP](http://rieermc.ri.gov/wp-content/uploads/2020/05/eermc-rfp-consultant-services-draft_5.18.2020_clean.pdf).

Ms. Trietch reviewed the RFPs circulated to Council members for legal services and consultant services.

For consultant services the Council has historically issued a one year contract with two options for annual renewals, but she recommended modify that length moving forward. It was suggested that a two-year contract, with two additional two-year options could be a more efficient structure that aligns with potential studies. She asked for any thoughts from Council on this suggestion.

Mr. White felt that a longer contract is favorable given the complex nature of the services.

Mr. Gill Case asked how aligning potential study timelines and the consultant contract would work in practice?

Ms. Trietch gave an example using the current timeline: a new consultant would come online in 2021, just as the implementation of the recently completed potential study begins. With the new contract structure, the consultant could then have up to 5 years of experience with the programs before leading their own potential study development and analysis in the 6th year.

Mr. Magliocchetti asked for clarification on the proposed contract length.

Ms. Trietch explained the proposal was for a two-year contract with two renewal options, not a full 6-year contract. She also indicated the majority of the RFP is a template following state purchasing laws. She asked Council members to please review the Scope of Work section. Any feedback should be sent directly to her by the end of next week, with the expectation of a vote on the proposals at the next meeting.

She concluded by mentioning that we will also need 3 Council members to volunteer to review and score the proposals – if interested please let her know. Scoring can be done virtually but will require at least one meeting of the review committee.

1. *Consultant Team Presentation on Energy Efficiency Bill Impacts*

Please refer to the [Consultant Team Rate & Bill Impact Presentation](http://rieermc.ri.gov/wp-content/uploads/2020/05/eermc-rate-and-bill-impacts_2020.05.21_v2.pdf).

Mr. Ross reviewed the consultant teams analysis of rate and bill impacts from efficiency programs, which was broadly outlined in a memo circulated in last month’s meeting materials.

At a high level, bill impacts are money in (or out) of ratepayer’s pockets and utility rates directly influence these bill impacts. Additionally, energy efficiency also affects participant’s energy consumption and thus bill impacts.

He stated that the electric bill impact model used by National Grid is robust and uses standard analysis and commonly considered key impacts. He believes it can serve as a good guide for the currently in development gas bill impact model.

Mr. Ross explained that EE programs have bill impacts over numerous years as measures save energy for ~10 years, whereas the System Benefit Charge (SBC) impact is constrained to the program year. Their analysis indicated that there are sizeable lifetime savings for average customers in all sectors and that a simple payback is achieved within 1-2 years, typically. Also, savings exist for non-participants as well, and those are especially sizeable for large C&I non-participants.

Mr. Teichert asked for large C&I customers who have taken lots of actions already, do these numbers apply to those who have previously participated in the EE programs?

Mr. Ross indicated that savings do accrue for both C&I participants and non-participants. This is because benefits accrue overtime and help to drive down multiple parts of the bill.

Mr. Ross then discussed how EE programs put upward pressure on rates through SBC collection and lost revenue recovery but also put significant downward pressure on rates through impacts on distribution charges and price suppression.

He stated that the key takeaway is that EE affects participant’s energy consumption and that RI programs significantly reduce average bills.

He then went on to tie this analysis into the three-year planning process. Specifically, the goals should be to:

* Increase participants and value to ratepayers
* Enhance programs to include more measures/services and deeper measures
* Promote equity by utilizing unique approaches for unique customers and look to spread the bill savings around
* Environmental benefits realized by capturing deep, longer-lived savings to reduce carbon emissions
* Economic benefits through the development of a robust, skilled workforce that keeps more money in the RI economy

Mr. Teichert asked a question regarding equity and if there is a way to focus more specifically on rate impacts/energy burden for that class of customer?

Mr. Ross replied that, in the bill impact context, driving more participation in that sector is a key driver as participants see significantly more savings vs. non-participants.

1. **Public Comment**

Hank Webster, Acadia Center:

Thanked Chairman Powell for his long service to EERMC and thanked National Grid for information on enhanced incentives for weatherization during the COVID pandemic and noted that he has shared that news widely.

He also expressed that he was glad to see NPAs in consideration in SRP and views this as a potential opportunity to address equity issues based on where fuels are burned/health impacts as well as efficiency needs.

1. **Adjournment**

Chairman Powell called for a motion to adjourn the meeting. Mr. White made a motion to adjourn, which Ms. Verrengia seconded. All Approved and the meeting was adjourned at 5:38pm.

***Outstanding Council Member Questions Requiring a Written Response:***

None.