

# Memorandum

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To: Energy Efficiency & Resource Management Council  
From: Mike Guerard, Optimal Energy  
Date: December 17, 2020  
Subject: Proposed 2021 Scope of Work content, objectives and budget

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## I. Background

Optimal Energy, Inc. (Optimal) and its partners (collectively the Consultant Team, or C-Team) appreciate the opportunity to continue serving the Rhode Island Energy Efficiency and Resources Management Council (EERMC) with high quality policy and program consultant services. Based on our recent proposal, the C-Team provides the following proposed Scope of Work (SOW) for its services to the EERMC in 2021.

## II. Work Plan

A key condition of being able to deliver all these activities efficiently and in a timely fashion depends on the EERMC's expectation that all parties<sup>1</sup> will commit to effectively implementing the enhancements to the overall development process of the 2022 Energy Efficiency (EE) and System Reliability Procurement (SRP) Plans. This also extends to improving processes to track and report on 2021 program performance to fulfill the Council's Implementation Oversight responsibilities. Initial groundwork on timelines and processes are being developed now, and we plan to devote the first month of 2021 to finalize consensus agreement and commitments from the parties to achieve all elements contained in Least Cost Procurement (LCP) Law<sup>2</sup>, the LCP Standards, and other relevant documents prescribing legal and regulatory expectations of the parties. We expect this level of coordination will be critical in the future to align efforts; build consistent approaches to planning; streamline delivery; and foster effective collaboration and partnership as the clean energy industry enters a new phase of rapid evolution.

Our Work Plan addresses all activities in the Request for Proposals (RFP). The presentation of this SOW starts with a high-level summary of the objectives of the four tasks listed in the RFP, followed by more detailed listing of responsibilities and deliverables associated with each task in table format.

### Task 1 - Responsibilities Related to EERMC Oversight

The primary objective of Task 1 is to support Council members as they perform their assigned roles and responsibilities. This includes providing substantive, clear, and timely information for Council members. This will be more important than ever in the upcoming program cycle, as Rhode Island begins the transition toward reliance on more comprehensive efficiency measures like HVAC and hot water. With rapid change in the energy landscape, up-to-date data and information on industry, technology, policy, and regulatory advances is vital for the Council to guide and drive the evolution of Rhode Island's energy efficiency efforts. In 2021 and beyond, we

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<sup>1</sup> The primary "parties" in the process are National Grid, OER, the Division, the EERMC and by extension the C-Team, and the Energy Efficiency (EE) and System Reliability Procurement (SRP) Technical Working Groups.

<sup>2</sup> <http://webserver.rilin.state.ri.us/Statutes/title39/39-1/39-1-27.7.HTM>

anticipate that Council members will seek support to build knowledge of emerging program strategies to ensure that the State can continue to maximize efficiency savings and benefits. Our essential role is to ensure that individual EERMC members are supported and empowered to provide strong leadership on both energy efficiency and system reliability, and as a collective body, to serve as stewards of Rhode Island's LCP law.

### **Task 2 - Development of Work Products and Representation of the EERMC**

The Optimal team's focus will be on effective communication and representation of the results of the EERMC's successful work with key stakeholders, institutions, and agencies impacting or being impacted by LCP. Part of this responsibility is to inform and advise decisionmakers and participants in the broader energy efficiency market to build support for continued efforts that will maintain Rhode Island's national leadership in energy efficiency.

### **Task 3 - Energy Efficiency and System Reliability Program Design and Delivery**

This task includes the activities necessary to meet the EERMC's fundamental objectives, which are oversee the design and successfully deliver system reliability and energy efficiency programs and services that maximize the resulting benefits for all Rhode Islanders. The next years will be very different: the loss of most claimable lighting savings, the current and pending impacts of COVID, and expiration of the standing LCP statute are among the EERMC's future challenges. Our approach will ensure that the EERMC continues to achieve the clearly documented objectives for Plan development and delivery codified by the PUC in the LCP Standards, including detailed review of plans to ensure that proposed costs are reasonable and justified and to assure cost-efficiency as well as cost-effectiveness.

### **Task 4 – Advancing Integrated Approaches and Addressing Emerging Issues**

The Optimal team has been an early voice in many jurisdictions highlighting the imperative to work across areas of energy policy and programs that have historically existed in silos. The process of developing and managing plans that address the integration of cross-cutting solutions and approaches requires a team able to draw on experts across the spectrum of clean energy resources and policies. We will apply in support Rhode Island's continuing leadership in the evolving energy landscape our engagement in a range of jurisdictions on issues including workforce development, heating decarbonization, equity in efficiency programs, locational valuation, and distributed energy resources. Our proposed approach to this key work area directs support and assistance to the Office of Energy Resources (OER) as it delivers its key function as the agency charged with leading critical activities addressing climate change and resiliency. The Optimal team is prepared to provide the necessary expertise to assist OER in leading Rhode Island to a secure, cost-effective, and sustainable energy future.

## TASK 1: EERMC Oversight

12 Subtasks  
103+ In-person Meetings

<p><b>1.1 EERMC Meetings</b></p> <ul style="list-style-type: none"> <li>• Develop required meeting materials to ensure all legislated objectives are met</li> <li>• Present on critical topics and key points for deliberation</li> </ul> <p><i>In-person Meetings: 12</i></p>	<p><b>1.2 EERMC Executive Committee Meetings</b></p> <ul style="list-style-type: none"> <li>• Support at least one Executive Committee meeting per year, per Council By-laws</li> </ul> <p><i>In-person Meetings: 1</i></p>	<p><b>1.3 Councilor Briefings</b></p> <ul style="list-style-type: none"> <li>• Individually brief each voting Councilor and the non-voting representative for delivered fuels</li> <li>• Target at least two per Councilor</li> </ul> <p><i>In-person Meetings: 24</i></p>
<p><b>1.4 Councilor Retreat &amp; Orientation</b></p> <ul style="list-style-type: none"> <li>• Educate all Councilors</li> <li>• Orient new Councilors</li> <li>• Cover roles, responsibilities, evolving efficiency issues and innovations and clean energy developments</li> </ul> <p><i>In-person Meetings: 4</i></p>	<p><b>1.5 EE &amp; SRP Technical Working Groups</b></p> <ul style="list-style-type: none"> <li>• Participate in separate monthly EE &amp; SRP meetings of core stakeholders</li> <li>• Inform development, implementation and evaluation of EE &amp; SRP Plans</li> </ul> <p><i>In-person Meetings: 24</i></p>	<p><b>1.6 Equity Working Group</b></p> <ul style="list-style-type: none"> <li>• Represent EERMC in newly formed Equity Working Group</li> <li>• Ensure EERMC's equity priorities are reflected in National Grid's EE Plans</li> </ul> <p><i>In-person Meetings: 4-12</i></p>
<p><b>1.7 EERMC Education Working Group</b></p> <ul style="list-style-type: none"> <li>• Help implement Council education objectives</li> <li>• Organize Annual EERMC Public Forum</li> <li>• Coordinate members of EERMC, OER &amp; National Grid</li> </ul> <p><i>In-person Meetings: 4</i></p>	<p><b>1.8 OER / Division / Consultant Team Meetings</b></p> <ul style="list-style-type: none"> <li>• Discuss and coordinate EERMC-related activities</li> <li>• Prepare for upcoming Council meetings</li> </ul> <p><i>In-person Meetings: 24</i></p>	<p><b>1.9 OER / National Grid / Consultant Team Meetings</b></p> <ul style="list-style-type: none"> <li>• Coordinate timing and deliverables required to meet all deadlines</li> <li>• Provide feedback based on review of National Grid deliverables</li> </ul> <p><i>In-person Meetings: 6</i></p>
<p><b>1.10 Refresh &amp; Maintain Website</b></p> <ul style="list-style-type: none"> <li>• Refresh EERMC website to improve useability &amp; value</li> <li>• Post monthly meeting notices and materials</li> <li>• Promote educational events</li> </ul>	<p><b>1.11 Educational Tools</b></p> <ul style="list-style-type: none"> <li>• Further develop EERMC educational tools, including the EERMC educational handbook and white papers</li> </ul>	<p><b>1.12 Manage Consultants as Needed</b></p> <ul style="list-style-type: none"> <li>• Assist with RFP development, issuance, and selection</li> <li>• Onboard and oversee activities of vendors</li> <li>• Ensure deliverables are met on time</li> </ul>

■ Core Scope Activities

■ Additional Activities Identified

## TASK 2: Development of Work Products and Representation of the EERMC

5 Subtasks  
32+ In-person Meetings

<p><b>2.1 EERMC Annual Report</b></p> <ul style="list-style-type: none"> <li>• Develop the statutorily required Annual Report</li> <li>• Coordinate with National Grid and OER to source and assemble content</li> </ul> <p><i>In-person Meetings: 2</i></p>	<p><b>2.2 State &amp; Regional Policy</b></p> <ul style="list-style-type: none"> <li>• Represent EERMC in meetings with:               <ul style="list-style-type: none"> <li>- General Assembly</li> <li>- Executive branch agencies</li> <li>- ISO-New England</li> <li>- Avoided Cost Study Group</li> </ul> </li> </ul> <p><i>In-person Meetings: 6-12</i></p>	<p><b>2.3 Stakeholder Forums</b></p> <ul style="list-style-type: none"> <li>• Meet individually with:               <ul style="list-style-type: none"> <li>- Active EE stakeholders</li> <li>- Local groups on program designs and strategies</li> </ul> </li> <li>• Engage in regional initiatives coordinated by NEEP</li> </ul> <p><i>In-person Meetings: 24-36</i></p>
<p><b>2.4 Annual Timeline</b></p> <ul style="list-style-type: none"> <li>• Create an annual timeline for all major events and activities for each month</li> <li>• Adjust as needed based on new developments</li> </ul>	<p><b>2.5 Quarterly Written Progress Reports</b></p> <ul style="list-style-type: none"> <li>• Provide quarterly written progress reports on all deliverables, activities, and events and any scope additions or revisions</li> </ul>	
<p>■ Core Scope Activities      ■ Additional Activities Identified</p>		

## TASK 3: Energy Efficiency and System Reliability Program Design and Delivery

9 Subtasks  
30+ In-person Meetings

<p><b>3.1 Residential &amp; Income Eligible Sector Monthly Meetings</b></p> <ul style="list-style-type: none"> <li>• Provide recommendations on optimizing program performance</li> <li>• Review program data and optimize program performance</li> </ul> <p><b><i>In-person Meetings: 4</i></b></p>	<p><b>3.2 Commercial &amp; Industrial Sector Monthly Meetings</b></p> <ul style="list-style-type: none"> <li>• Provide recommendations on optimizing program performance</li> <li>• Review program data and optimize program performance</li> </ul> <p><b><i>In-person Meetings: 4</i></b></p>	<p><b>3.3 EM&amp;V: C&amp;I and Residential Studies</b></p> <ul style="list-style-type: none"> <li>• Meet monthly with National Grid, OER and Division</li> <li>• Review current studies &amp; SOW's</li> <li>• Ensure consistency of study development, review, and approval</li> </ul> <p><b><i>In-person Meetings: 2</i></b></p>
<p><b>3.4 2022 Annual Plan Development</b></p> <ul style="list-style-type: none"> <li>• Meet monthly with sector strategy groups on 2022 Annual Plan development between April and October</li> <li>• Additional meetings with National Grid, OER, Division</li> </ul> <p><b><i>In-person Meetings: 12-24</i></b></p>	<p><b>3.5 CHP Annual Public Meeting</b></p> <ul style="list-style-type: none"> <li>• Per legislation, gather stakeholders to discuss opportunities and strategies around CHP in Rhode Island</li> </ul> <p><b><i>In-person Meetings: 2</i></b></p>	<p><b>3.6 PUC Technical Sessions &amp; Open Meeting on 2022 EE and SRP Plans</b></p> <ul style="list-style-type: none"> <li>• Represent EERMC in at least two pre-filing and two post-filing technical sessions</li> <li>• Participate in open meetings for PUC ruling on Plans</li> </ul> <p><b><i>In-person Meetings: 6-8</i></b></p>
<p><b>3.7 Cost-Effectiveness Analysis &amp; Report</b></p> <ul style="list-style-type: none"> <li>• Conduct detailed analysis on proposed EE &amp; SRP Plans to determine cost-effectiveness and adherence to TRM standards</li> <li>• Submit report to PUC</li> </ul>	<p><b>3.8 Quarterly Memos</b></p> <ul style="list-style-type: none"> <li>• Provide quarterly memos and/or presentations on EE &amp; SRP progress</li> </ul>	<p><b>3.9 Oversight of Third-Party Studies</b></p> <ul style="list-style-type: none"> <li>• Provide oversight of any analyses or studies commissioned by EERMC</li> <li>• Ensure they are effectively used to support related processes and objectives</li> </ul>

■ Core Scope Activities

■ Additional Activities Identified

## TASK 4: Advancing Integrated Approaches and Addressing Emerging Issues

2 Subtasks  
6+ In-person Meetings

4.1

### Scoping Meetings with OER and/or EERMC

- Meet with Councilors and OER to define objectives and deliverables associated with necessary analyses, research, and documents to support all areas of integration and innovation listed in Task

***In-person Meetings: 6-12***

4.2

### Analysis, Research Papers, White Papers

- Develop timely analyses, research papers, white papers, etc. as requested

■ Core Scope Activities

■ Additional Activities Identified

### Representation of EERMC

As we have consistently done over the years in the fulfillment of SOW's, the C-Team will engage in public forums, such as the EE and SRP Technical Working Groups and PUC meetings, that are related to discussions and activities that support LCP and other EERMC objectives. Given that developments in these forum don't always align with the cycle of Council meetings, the C-Team will, as we have in past, provide review, analysis, reports and communications in these forum on behalf of the EERMC based on the direction and expectations embedded in this SOW. Additionally, the primary operating position will be that our statements and representations must be grounded in our knowledge of the EERMC's legislated roles and responsibilities as detailed in the clear documentation and expectations set in the LCP Law.

## II. Staffing & Budget

The Consultant Team will fully and effectively deliver all elements of this SOW. Work assignments and roles will remain flexible to assure that the right staff, skill set and availability are in place on all core tasks, as well as to address evolving issues. The proposed core hours and budget for this 2021 SOW are what was included in our bid proposal.

### Organizational Chart

Our staffing plan balances a core of members with proven track records, institutional knowledge, and well-established relationships while also enhancing and expanding the team to assure that evolving challenges and needs are addressed<sup>3</sup>. We organize our team into five groups covering the core roles and areas of focus, as

<sup>3</sup> As we have done in the past, Optimal may identify other staff from our subcontractor firms and/or industry experts uniquely suited to support this scope of work, and would seek OER approval before adding resources not specifically named in the organizational chart.

shown in our organizational chart below. While each member is listed only once in their primary area of concentration, many team members actively participate in multiple groups.



## Budget

The proposed hours are tied to our proposed billing rates that will be applicable for both 2021 and 2022:

Staff Title	Billing Rate (\$/hour)
Project Manager	\$198
Principal-in-Charge/CEO	\$212
Managing & Senior Consultant	\$198
Consultant	\$186
Senior Engineer	\$160
Independent Consultant	\$155
Analyst	\$135
Interns	\$35

	HOURS	BUDGET
<b>Task 1: EERMC Oversight</b>	<b>898</b>	<b>\$ 154,864</b>
Enhance EERMC interpretation and understanding of EE and SRP program planning, policy development and implementation, and facilitate EERMC participation in process. Educate EERMC regarding relevant, energy topics.	180	\$ 32,340
Actively participate and provide expertise in all EERMC meetings (including any Sub-Committee or Ad-Hoc Committee meetings); all Technical Working Group meetings (including any Sub-committee or Ad-hoc meetings); System Reliability Subcommittee meetings; meetings with OER and other state agencies engaged in the implementation of least-cost procurement initiatives; all relevant PUC meetings, technical sessions, and proceedings; and any other stakeholder meetings that may be important to the successful advancement of Rhode Island's least-cost procurement mandates.	344	\$ 58,560
Develop and review policies on a range of issues germane to the EERMC's duties including, but not limited to, triennial and annual efficiency and system reliability plan development and implementation; efficiency and system reliability standards development; energy efficiency savings targets; program budget and financing; cost-effectiveness; evaluation, monitoring, and verification; financing; program and policy equity; and utility performance incentives.	120	\$ 21,688
Document and/or conduct research/analysis, and create recommendations for stakeholder reps can make decisions based on sound info. Provide policy summaries, analysis, and whitepapers, as needed, to inform, guide, and empower stakeholder reps.	104	\$ 17,324
Participate in the development of EERMC priorities and provide technical inputs, analyses, and tasks necessary to advance the EERMC's priorities in the development, implementation, and evaluation of plans and programs for LCP	36	\$ 6,840
Assume overall responsibility for managing and coordinating the work of any additional consultants hired by the EERMC to support its objectives.	6	\$ 1,188
Evaluate the impacts of past and potential legislation and/or PUC directives on EE and SRP, including legislation or PUC orders related to decoupling, and (SBC) collections and allocations. Educate key stakeholder on such legislation and associated impacts.	52	\$ 9,252
Manage EERMC website maintenance, updates, and monthly meeting materials uploads.	56	\$ 7,672
<b>Task 2: Work products and representation of the EERMC</b>	<b>808</b>	<b>\$ 116,606</b>
Develop work products for relevant PUC dockets (e.g. annual plans), including direct testimony on behalf of the EERMC upon its request.	80	\$ 10,656
Provide technical support from, and representation of, the EERMC with respect to relevant state and regional policies before entities including, the General Assembly and Executive branch agencies, ISO, RGGI, and FCM.	52	\$ 8,052
Support the development of the required Annual Report on EERMC activities due on April 15 of each year to the General Assembly.	82	\$ 10,778
Represent priorities of the EERMC in various relevant stakeholder forums	160	\$ 27,760
Assist with oversight of National Grid's investment of ratepayer funds, including by coordinating and participating in monthly meetings with the company's strategy groups.	346	\$ 49,968
Create an annual timeline of key deliverables, activities, and events to be presented at the beginning of year to the EERMC. Provide written, quarterly progress reports on all deliverables, activities, and events included in the timeline and any additions or revisions made throughout the year.	88	\$ 9,392
<b>Task 3: Energy Efficiency and SRP Program Design and Delivery</b>	<b>1,611</b>	<b>\$ 256,161</b>
Represent the EERMC's priorities in the dev of annual/triennial EE & SRP plans.	232	\$ 38,904
Verify that EE program design and implementation are delivering excellent service and maximizing benefits of EE for all ratepayers.	273	\$ 40,155
Advocate for program design and delivery improvements, including, but not limited to, providing recommendations for increasing the benefits of efficiency to underserved sectors.	208	\$ 32,128
Conduct a detailed review and report on the cost-effectiveness of the annual and triennial natural gas and electric efficiency plans for submittal to the PUC.	96	\$ 17,240
Provide independent assessment of utility data reports and information, including monthly data dashboards, quarterly data, and year-end performance results. Make recommendations for improvements.	290	\$ 41,530
Advocate for excellent data reporting, transparency, and access to data when appropriate	48	\$ 9,216
Provide oversight of third-party analyses and studies commissioned by the EERMC including, but not limited to, market potential studies. Once completed, ensure the appropriate use of study findings in energy efficiency and system reliability procurement implementation and planning.	80	\$ 14,100
Apprise the EERMC of developments in other jurisdictions that could improve the quality and delivery of EE programs and SRP investments in RI.	112	\$ 15,176
Monitor, facilitate, and report on the implementation and progress towards the goals of the annual EE Program Plan, including regular meetings with National Grid program managers and other affected stakeholders.	96	\$ 13,296
Evaluate the impacts of past and potential legislation and/or PUC directives on EE and SRP, including legislation or PUC orders related to decoupling, and (SBC) collections and allocations. Educate key stakeholder on such legislation and associated impacts.	72	\$ 13,968
Work with National Grid to receive more comprehensive and timely exchanges of relevant data as needed by the EERMC and/or OER.	32	\$ 6,144
Work with National Grid and other stakeholders to ensure that all utility-administered EE programs are effectively coordinated and integrated with other state clean energy initiatives	72	\$ 14,304
<b>Task 4: Advancing Integrated Approaches &amp; Addressing Emerging Issues</b>	<b>718</b>	<b>\$ 103,632</b>
Identify innovative approaches and improvements to energy efficiency program delivery, i.e. gas/electric integration, Program best practices, financing, strategic electrification, etc.	240	\$ 32,040
Document research and recommendations in the format most appropriate for the audience and purpose.	70	\$ 10,458
Provide direct support to OER in the form of training, planning, technical analysis, and guidance for new initiatives, and relevant specialized expertise to assist OER with existing programs and pilot programs	122	\$ 20,314
Provide direct support to OER on renewable integration with energy efficiency (e.g. PACE)	46	\$ 7,200
Research and support planning initiatives for the integration and leveraging of broader energy issues, such as strategic electrification and resiliency, with ratepayer funded efforts.	240	\$ 33,620
Provide any add'l work on special projects directed by the EERMC on an as-needed basis. (Estimated Hours/Budget not included)	0	\$ -
<b>CORE WORK AREAS TOTAL</b>	<b>4,035</b>	<b>\$ 631,263</b>