



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, May 20, 2021 | 3:30 - 5:30 PM

Meeting conducted virtually using Zoom with additional audio conference capabilities

Members in attendance: Anthony Hubbard, Karen Verrengia, Matt Ray, Bill Riccio, Nick Ucci, Peter Gill Case, Kurt Teichert, Tom Magliocchetti,

Others Present: Nathan Cleveland, Dr. Becca Trietch, Mike Guerard, Sam Ross, John Tortorella, Dick Fay, Rachel Sholly, Craig Johnson, Dr. Carrie Gill, Matt Chase, Joel Munoz, Kevin Rose, Sydney Usatine, Adrian Caesar, Laura Rodormer, Adam Jacobs, Sue AnderBois, Angela Li, Daniel Tukey, Karen Bradbury, Lance Waranis, Josh Kessler

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-may-2021/>

1. Call to Order

Acting Chairman Hubbard called the meeting to order at 3:32pm

2. Approval of Council Meeting Minutes

Acting Chair Hubbard asked for a motion to approve the April Meeting minutes. Mr. Teichert made a motion to approve the minutes from the April meeting, to include the grammatical corrections provided in the updated version circulated and posted prior to the meeting. Mr. Riccio seconded and all approved by roll call vote.

3. Executive Director Report

Commissioner Ucci provided an update on the appointments process for the Council, noting that names of potential appointees have been floated to Senate but at this time it is unclear if those will move forward to actual votes this session. Should there be any updates, Commissioner Ucci promised to keep the Council informed.

He also provided an update about a forthcoming Request for Proposals (RFP) – a second Zero Energy for the Ocean State (ZEOS) RFP – for affordable housing developments in partnership with Rhode Island Housing that will lead to more affordable zero net energy homes in Rhode Island.

Lastly, Commissioner Ucci informed the Council that a bid protest has been received on the energy video RFP the Council issued and awarded. As Chief Purchasing Officer, Commissioner

Ucci is reviewing that protest at this time and once that has been resolved and the vendor notified the Council would be updated accordingly.

4. Acting Chairperson Report

Acting Chair Hubbard reviewed the agenda for today's meeting, including the vote taking place at today's meeting, and highlighted the materials that will not be discussed during the course of today's meeting but were made available for Council review.

He reminded everyone that the first virtual retreat is set for Friday May 28th, and calendar invites were sent to Council members by the consultant team. He noted that this meeting is open to the public as well for those interested in joining, though no Council business will be conducted.

Acting Chair Hubbard also reminded everyone of the June meeting schedule change to a 3pm start time, so please update your calendars and plan accordingly for next month's meeting will mark the beginning of this schedule change.

Lastly, he noted that the Combined Heat and Power (CHP) annual meeting announcement has been circulated and it will be a virtual meeting this year with all Council members having received invites already, with an agenda forthcoming.

5. Council Business

a) Discussion & Vote on System Reliability Procurement (SRP) Letter

Please refer to the [Comment Letter on 2020 System Reliability Procurement Year-End Report](#)

Mr. Ross reviewed the memo circulated by the consultant team summarizing the 2020 System Reliability Procurement (SRP) Year-End report. There were no comments or concerns regarding the updating screening criteria for the non-wires alternatives (NWA) included in the year-end report, and while the consultant team did have some comments and areas for suggested improvement around the non-pipes alternative (NPA) program discussed in the year-end report, since that is an ongoing, in-development program they are confident we will be able to discuss and address those items as the program development process continues. As such, Mr. Ross indicated that the consultant team recommends approving the comment letter as written.

Mr. Riccio asked for clarification around the open-endedness of the memo and the timing of when it would be submitted and the reference to comments from other stakeholders.

Mr. Ross confirmed the intent of that open-endedness was to acknowledge that the NPA process was ongoing and so as that process moves forward, in other dockets, there may be additional comments made on program development that warrant consideration.

Mr. Teichert made a motion to approve the SRP 2020 Year-End Report Comment Letter with the amendment to strike "and other stakeholders" from the end of memo in the recommendations paragraph and to direct the Consultant Team to work with the EEMRC's attorney to file the letter with the Public Utilities Commission on or before May 20, 2021. Ms. Verrengia seconded the motion.

Mr. Riccio asked for clarification regarding the inclusion of reference to other comments in the comment letter, and whether the Council's recommendation is contingent on comments from other parties, which is how he read it.

Mr. Ross replied that the intent was not to make the Council's recommendation contingent on comments from other parties and that bullet four in the comment letter is simply meant to acknowledge that the non-pipes alternatives (NPA) program is still in development and as that process continues there may be other comments made on that subject given that there are expected areas of uncertainty still to be resolved.

Mr. Riccio suggested an amendment to the comment letter to clarify the Council's recommendation, indicating that the recommendation should read "acknowledging that additional comments may be provided by the consultant team and other stakeholders as part of the continued development of the NPA program" which strikes "can be addressed" from the proposed language.

Mr. Teichert updated his motion based on Mr. Riccio's comments. He made a motion to approve the SRP 2020 Year-End Report Comment Letter as drafted by the consultant team with the following amendments: to modify the recommendation to read "The Council recommends approval of the SRP 2020 year-end report acknowledging that additional comments may be provided by the Consultant Team and other stakeholders as part of the continued development of the NPA program" and to direct the Consultant Team to work with the EEMRC's attorney to file the letter with the Public Utilities Commission on or before May 20, 2021. Mr. Gill Case seconded the amended motion. All approved by roll call vote

6. Program Oversight

a) Public Utilities Commission Energy Efficiency Ruling Summary

Please refer to the [Consultant Team Memo on the Public Utilities Commission Energy Efficiency Rulings](#)

Mr. Ross reviewed the rulings coming out of the April 29th Open meeting of the Rhode Island Public Utilities Commission (PUC). He provided a summary of what the two rulings were:

1. Approved the allocation of \$5 Million dollars from National Grid to the Rhode Island Infrastructure Bank (RIIB) for support of the Efficient Buildings Fund with some additional reporting requirements made of National Grid for inclusion in their year-end report.
2. Approved the Commission's proposed Performance Incentive Mechanism (PIM) with 5 modifications, all relatively minor in nature.
 - a. Adopt typographical error changes identified in Rules 2 & 3 by National Grid.
 - b. Define the undefined space in quadrant 4 identified by the EEMRC by applying Rule 1 in the vertical space up to the horizontal axis and rule 3 in the remaining horizontal space
 - c. Remove Step 2 on slide 8

- d. Adopt the numbers provided by National Grid identified in revised Table 7 and revised Table 9 in post-hearing data request 2-1
- e. Adopt a service quality adjustment for the market rate residential gas sector and set the Design Service Achievement equal to the cost of the program in this sector

Mr. Ross reminded everyone that the Council provided comments on the Performance Incentive Mechanism (PIM) as part of this proceeding and only one, around the undefined performance space, was addressed directly. With these rulings in place, the 2021 plan is now final.

Now that the plan is finalized, the Council via the consultant team, will continue to provide oversight and support during program implementation of the 2021 plan, as they have already begun to do. As the 2022 and 2023 plans are developed, the consultant team will have a focus on monitoring the concerns raised by the Council in their comments on the PIM structure, and will be working to support and encourage plans to pursue the Council-approved targets.

Mr. Gill Case asked if Mr. Ross could discuss a bit more the impact of the switch in units to lifetime?

Mr. Ross replied that it is important to align the way programs are measured with the benefits that are being provided over the lifetime of the effective useful life of installed equipment. Also, by going to net benefits and having common units (\$ in this case) allows for better comparison across fuel types with different energy units and also allows for incorporation of non-energy impacts more easily as well.

Mr. Teichert asked if this ruling was just for the 2021 program year or does the now-approved performance incentive apply to future years as well?

Mr. Ross stated that the Commissioners approved this performance incentive for 2021 in one motion, and then approved in a separate motion the same performance incentive structure for 2022 and 2023, noting the opportunity for stakeholders to provide evidence in future dockets of why this structure should be continued or ways in which it may need to be modified.

b) 2020 & 2021 Program Results Presentation

Please refer to the [Consultant Team Program Results Presentation](#)

Mr. Ross reviewed the 2020 summary of System Reliability Procurement (SRP) activity, with all commitments either completed or part of ongoing processes. The development of the first Three-Year Plan for SRP was a big focus in 2020.

Mr. Johnson reviewed some high level Energy Efficiency portfolio takeaways from the full scope of 2020 results, which showed underachievement in both the electric and gas sectors and coupled with meeting participation goals means that fewer savings are being achieved per participant.

He then reviewed the performance of the residential and income eligible sectors in more depth for 2020 and compared that to quarter one of 2021. In the residential sector, the Heating, Ventilation & Air Conditioning (HVAC), Lighting, Home Energy Reports, and New Construction programs all performed well in the electric sector and the EnergyWise program performed well in the gas sector. Conversely, the EnergyWise Multi-Family, Income Eligible Single and Multi-Family programs all underperformed in the electric sector, while the HVAC and New Construction programs were laggards in the gas sector in 2020.

Mr. Johnson concluded with some comparisons between the market rate and income eligible programs, noting that Market Rate programs outperformed the Income Eligible ones across the board in both fuels and key metrics. Therefore, income eligible performance is a key topic to address in 2022 planning. Similarly, both the Market Rate and Income Eligible Multi-Family programs struggled in 2020 and both programs will be areas of focus in 2022 planning as a result.

Mr. Jacobs provided an overview of the Commercial & Industrial programs for 2020 and quarter 1 of 2021. He highlighted that the Small Business Direct Install & New Construction programs performed well in 2020 and we are hoping to build on that success moving forward, with 2021 off to a good start for those programs. However, the retrofit program for both electric and gas, which is most of the planned electric savings (~75%) and gas savings (~64%), did not perform up to expectations. Mr. Jacobs noted that for the electric sector, the program underachieved and has been hard to diversify beyond lighting even though lighting is only ~20% of commercial energy load. For the gas sector, he flagged that we underspent the budget in addition to underachieving the savings so many savings opportunities remain in play.

As mentioned earlier, Mr. Jacobs highlighted that so far in 2021, both electric and gas portfolios are at or ahead of past performance through quarter 1, which is a promising start as we look to improve on 2020 performance in this sector. He also sees opportunities to work with re-opening businesses given the new heightened focus on ventilation – which happened to be the largest source of untapped savings from the potential study.

Mr. Johnson then reviewed all the commitments made by National Grid in their 2021 plan (120 total commitments) and of those to be reported on in quarter 1, 8 are complete, 37 are in progress/on track, and 21 have not been started. He reiterated that the consultant team will be providing updates on these commitments throughout the year.

c) National Grid Update on 2022 Energy Efficiency Program Planning

Please refer to the [National Grid 2022 Energy Efficiency Program Planning Presentation](#)

Mr. Tortorella reviewed the process National Grid has taken in the development of the 2022 plan to date. At the March and April Technical Working Group (TWG) meetings, National Grid had stakeholders present their priorities for the upcoming plan and National Grid is synthesizing those priorities. He mentioned that a memo will be circulated the first week of June outlining the themes of the plan with a full first draft scheduled to be shared on July 15th. There will be a two week comment period on that first draft and then the final draft will be delivered on September 8th in preparation for the October 1 filing deadline.

Mr. Tortorella shared an initial priority matrix of what was heard from stakeholders, showing both a wide range of categories being put forward, as well as a number of areas (like equity) that have strong consensus. He also mentioned that the recent Public Utilities Commission rulings will be informing their planning –specifically learning the new Performance Incentive Mechanism structure and how that informs program design as well as the 5% max increase in annual budget for 2022 and 2023.

He closed by reiterating that deep dive meetings are happening now with stakeholders on key topics, with the start of what will likely be bi-weekly meetings of the Equity Working Group starting soon.

7. Special Topic

a. Presentation on Purpose & Process of Deep Dive Meetings with National Grid

Please refer to the [Consultant Team Presentation on Deep Dive Meetings with National Grid](#)

Mr. Johnson provided some details and context around what the 2022 deep dive planning meetings are and how they will help drive the 2022 planning process forward.

He explained that these are dedicated meetings on specific topics that represent key areas of focus for the upcoming plan, but not a comprehensive list of focus areas that will be in the plan when drafted. These meetings were set up to allow implementation meetings on the 2021 plan to not be derailed with 2022 planning discussions and allow the stakeholders to collaborate and set expectations as we get into the initial draft of the plan.

Mr. Johnson shared that the topics scheduled for deep dive conversations are as follows: Income Eligible, Small Business, Active Demand, Multifamily, New Construction, Workforce Development, Residential Retrofit, Equipment System Performance Optimization (ESPO).

Mr. Johnson then reviewed the several deep dive meetings that have happened so far, on Small Business, Income Eligible Single-Family, and Active Demand. Each of these meetings has been productive and has led to both strong discussion, exchange of ideas, and next steps that will advance program planning for 2022.

Mr. Teichert noted that the Income Eligible topic discussed additional funding sources and asked if there are identified sources currently or something that is going to be explored moving forward?

Mr. Johnson replied that this came up in the meeting as something to explore moving forward, and so our collective next step is to explore what specific opportunities or sources may exist to provide additional financial support to this work.

8. Public Comment

None

9. Adjournment

Acting Chairman Hubbard called for a motion to adjourn the meeting. Mr. Riccio moved to adjourn the meeting. Mr. Teichert seconded the motion and all approved. Meeting adjourned at 5:13pm.

Outstanding Council Member Questions Requiring a Written Response:

None