



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL DRAFT MEETING MINUTES

Thursday, September 14, 2023

Full Council Meeting | 3:00 - 5:00 PM

Department of Administration Conference Room 2A, Providence, RI 02908 with remote participation via zoom

Members in Attendance: Harry Oakley, Brett Feldman, Kate Grant, Sue AnderBois (departed at 4:10 p.m.), Peter Gill Case, Bob Izzo, Kurt Teichert, Thomas Magglochetti

Others in Attendance: Sam Ross, Rachel Sholly, Chris Hunter, Michael O'Brien Crayne, Toby Ast, Mark Siegal, Carrie Gill, Emily Koo, Brenden Dagher, Jessica Reno, Spencer Lawrence, Mark Kravatz, Brian Kealona, Rebecca Foster, Steven Chybowski, Danielle Jameson, Sarah Doherty, Karen Bradbury, William Owen, Craig Johnson (virtual), Adrian Caesar (virtual), Nelson DiBiase (virtual), Ann Clarke (virtual), Marion Gold (virtual), Jordan Galluzzo (virtual), Kathryn Cleary (virtual), Kyle Nagel (virtual), Jeremy Newberger (virtual)

1. Call to Order -

Chairperson Oakley called the meeting to order at 3:05 p.m.

2. Chair Report -

Chairperson Oakley delivered the Chair Report, providing an overview of the meeting agenda and noting that during the next meeting on September 28th, the Council will vote on approval of Rhode Island Energy's (RIE) Annual and Three-Year Efficiency Plans. He also reminded Council Members that the first URI PIER lecture sponsored by the Council would be held on September 19th from 6:00 to 7:30 p.m. and that Council members were encouraged to register on the URI Cooperative Extension website and attend or view the live stream, with additional lectures on October 8th and October 18th. Lastly, he provided space for Council Member Grant to announce that she will be resigning her Council position Friday, September 15th as she is leaving her position at RIE and that RIE is working to fill the seat.

3. Executive Director Report -

Mr. Chybowski presented the Executive Director report on behalf of Acting Commissioner Kearns. First, Sarah Doherty introduced herself to the Council and attendees as the new thermal sector lead for the Rhode Island Office of Energy Resources (OER). Next, Mr. Chybowski provided additional programmatic updates noting that Greg Ohadoma from OER

and Chris Gaynor from the Department of Environmental Management will host a Climate Justice Hour on Oct 21st focusing on environmental and climate literacy and that the fall round of the Efficient Buildings Fund, a program offered in partnership with the Rhode Island Infrastructure Bank, is open for applications from municipalities and public entities.

4. Meeting Minutes –

Chairperson Oakley motioned to approve the August 17, 2023, Meeting Minutes. Vice Chair Gill Case seconded. Council Members Oakley, Gill Case, Izzo, Teichert, and Maggliochetti voted in favor, none opposed, and Council Member AnderBois abstained.

5. Council Business (35 minutes, 3:10 – 3:45 p.m.)

a. Branding and Communications Development Updates and Discussion (20 min, 3:10 – 3:30 p.m.)

Mr. Hunter of Advocacy Solutions presented on the progress to date toward the Council's branding initiative and next steps, commenting that he believes the effort is 75 percent complete. He presented the rebranding suggestions to the Council in the hope of narrowing down to three potential final options. Once a logo is selected the update would then happen quickly to refresh the website. Chairman Oakley provided some background on the reasons for updating and refreshing the Council's branding which is in part to define the Council's identity as distinctive from OER, and he solicited feedback on the effort at this point in the process. Mr. Hunter presented the recommendation to rebrand the Council as the "Energy Efficiency Council". Council Member Grant noted this was a rebrand akin to a "doing-business-as" appellation, as the Council's official and legal name is set by statute.

Mr. Hunter then presented the revised mission for the Council and the potential logo redesigns for consideration. Council discussion focused on what the visual elements consisted of, and how to represent the Council's efforts to both create benefits for people as well as the ability to upgrade and enhance buildings and structures within the state. Ms. Sholly noted that the abstract design could be further refined if Members had any alternative suggestions and Mr. Hunter requested that Members share their preferences ahead of the September 28th Council meeting.

b. Office of Energy Resources Presentation on Clean Heat RI (15 minutes, 3:30 – 3:45 p.m.)

Ms. Jameson of OER presented on the Clean Heat RI (CHRI) heat pump program administered by the State, noting the timeline of program development and the official launch of the program hosted by Governor McKee. Response to the program has been significant with 270 consultations already scheduled at the time of the Council meeting, 18 heat pumps quotes submitted, and 98 applications received. OER will host a launch webinar on September 21st at 6:30 p.m. to answer key questions on the program and heat pumps more generally. Council Member AnderBois asked if the webinar would be recorded, and Ms. Jameson confirmed that it would.

Next, Ms. Jameson explained the incentives available in the program including the Residential, Income Eligible, and Commercial incentives and application requirements, and noted that low and moderate income (LMI) customers will be able to provide income verification via the website. Council Member Grant asked if

schools would qualify. Mr. Owen noted that OER's Lead by Example program works extensively with schools and had just begun to deploy a new round of funding to help those entities make efficiency and energy upgrades.

Next Ms. Jameson provided the program requirements, noting all Rhode Island residents in all utility territories were eligible, and went through the incentive program requirements for each category. Council Member AnderBois asked what a "ton" meant, and Vice Chair Gill Case noted that it was a measure of cooling power. Council Member Teichert asked if the \$25M of funding was steered toward specific program categories. Ms. Jameson noted OER was targeting alignment with the Justice 40 Federal Initiative so that at least 40 percent of the benefits go to households and entities located in Environmental Justice communities. The Council noted interest in hearing from OER in 12 months for an update on program outcomes, specifically in the low and moderate income and environmental justice communities, and Ms. Jameson noted there are marketing and outreach efforts underway to help uptake within those communities.

Ms. Jameson then gave an overview of the heat pump installer resources, what the application portal consisted of, and how errors in the application were noticed to applicants as well as the CHRI team, what the application summary shows to applicants, and how applicants gain their rebates once the work is completed. Applications can be completed by building owners or contractors. Initial feedback from contractors shows enthusiasm for the streamlined nature of the process, and there is a quote comparison tool available for customers as well. Council Member Feldman noted RIE's coordination with OER in the lead up to the program launch and noted work to cross-check needed weatherization upgrades. Mr. Teichert confirmed with Ms. Jameson that installers must do a full Manual J, and asked whether there was a trigger for when weatherization was being recommended.? Council Member Grant inquired about the rationale behind the incentive allocations across the applicant categories, and Ms. Jameson noted that this was to align with the state's utility rebates and create level, per-ton rebates across the state covering roughly 15 percent of the cost. Chairperson Oakley asked whether OER would be willing to present the program details to other organizations and OER is open to those opportunities.

6. Program Oversight (70 Minutes, 3:45 – 4:50 p.m.)

a. Rhode Island Energy Presentation and Discussion of the Updated Draft of the 2024 and 2024-2026 Energy Efficiency Plans (20 minutes, 3:45 – 4:05)

Council Member Feldman and Mr. O'Brien Crayne from Rhode Island Energy presented on the 2024 and 2024-2026 Energy Efficiency Program Plans. They briefly commented on RIE's preparations ahead of Hurricane Lee and began with a note on the hundreds of comments received and the hard work and effort of the RIE team in drafting this first Three-Year Plan under Rhode Island Energy. Council Member Feldman also provided an update that Forbes has ranked Rhode Island the second most sustainable state and lowest in energy use. He stated that there are some pending updates on residential incentives, changes in lighting, and reviewed the plan priorities including delivery, advancement of technologies, enabling customer access, equitable access and increasing workforce capacity.

The plan detail overview began on gas incentives, and looked at measure-level cost effectiveness, which removed gas appliances which were not cost effective, including residential HVAC. Council Member Feldman discussed whether multifamily furnaces would need to be continued as an entry point to open discussions with building owners about greater efficiency measures, noting the range of builders and the potential for a future discussion around the Future of Gas docket. Council Member AnderBois commented that Sam Ross of the EERMC's consultant team is serving on the Future of Gas Technical Working Group to conduct the analysis of modeled scenarios.

Next, Council Member Feldman shared the status of the Equity Working Group, adding that the group's efforts had started late, and that the 2024 effort would consist of at least six meetings. Chairperson Oakley asked why six had been chosen to which Council Member Feldman responded should allow for nearly one meeting per month ahead of the September Plan development deadline.

RIE continues to coordinate with OER on Clean Heat RI, RGGI, Inflation Reduction Act (IRA) planning, and with Rewiring America on a RI incentive calculator. RIE is also working with NEEP and ACEEE to understand the appropriate attribution of benefits as federal funding comes to the states, and will look to work with Industrial Access Centers to perform industrial audits through collegiate programs as a workforce development opportunity, if the grant applications are funded. RIE is pursuing a C&I Weatherization Demo as an opportunity to expand commercial weatherization to new types of buildings and customer types, new efforts to engage community organizations to provide funding directly to access landlord and community networks, and multifamily financing with Block Power to build up utility promotion and enhance multifamily access to pre-weatherization and efficiency upgrades beyond what Heat Loans can currently offer. RIE continues to refine data review, IRA funding resources to address pre-weatherization barriers, outside funding sources, and cost-effective paths to overcome constraints. The State's adoption of the 2024 IECC will require additional code trainers, setting up reimbursement programs for trainers, hosting full day workshops and online learning tools, and increased coordination with the HERS training center.

Mr. O'Brien Crayne presented the Plan's portfolio numbers. The EE plan fund balance from the portfolio is down from the 2023 year, but as a result there is an attendant increase in the system benefit charge, and the revised Least-Cost Procurement (LCP) standards require additional reporting which will be reflected within the 2024 plan. Chairperson Oakley commented that IRA and additional federal funding sources should be additive to RIE's programming, and Council Member Feldman confirmed that it is intended to be supplement, not supplant. Chairperson Oakley also expressed concern over the timing of the equity facets of the plan coming after the Council's vote and the need to see a robust equity plan at the next meeting. Council Member Feldman noted that they would try to provide updates from the equity working group ahead of that meeting. Council Member Teichert questioned whether the Three-Year Plan and projected plan savings were reflective of the IRA and outside funding in energy savings, and Council Member Feldman replied that was not expected to have a significant impact in 2024, but should be reflected in both the 2025 and 2026 plans.

b. *Consultant Team Presentation and Discussion of the Updated Draft of the 2024 and 2024-2026 Energy Efficiency Program Plans (20 minutes, 4:00 – 4:20)*

Mr. Ross from the Council's Consultant Team presented their high-level takeaways on the updated draft of the 2024 and 2024-2026 Energy Efficiency Program Plans. He noted the Council's appreciation that the second draft was significantly expanded and that RIE had provided additional responses to some questions right before the meeting. Mr. Ross raised that expectations were not met with the proposed decrease in spending levels when the need for action considering the Act on Climate suggested additional spending needed, addressing the momentum from the IRA, and that there remained room for growth and acceleration within EE planning. Mr. Ross noted a potential need to further discuss the idea of an equity Performance Incentive Mechanism. He also commented that RIE's pilot program to engage landlord's is welcome, but does not align with the scope or urgency of the State's climate goals.

Finally, Mr. Ross laid out the priority for the second September Council meeting where the Council will need to vote on the plan, and the context for the Council's obligations. A summary of the Council's vote options was outlined, and Chairperson Oakley asked how Members should raise questions and feedback, which Mr. Ross said should either be directed to RIE directly or to the Consultant Team.

c. *Council Discussion on Program Oversight (30 minutes, 4:20 – 4:50)*

Council discussion began focused on the efficiency targets and the EE Plan budget. Mr. Feldman noted that the EERMC's EE targets had not been formally approved which Mr. Ross confirmed, noting the PUC could take up the filing at their discretion. Council Member Feldman raised how associated costs were or were not reflected in the targets and Mr. Ross explained that potential studies assume a 100 percent cost incentive, but that actual costs are due to plan design and execution, not necessarily the incentive levels and the targets show additional room to increase plan spending.

Vice Chair Gill Case commented on the pressure between respecting the effort of RIE in assuming the planning effort and producing a viable plan set against the rate pressure caused by the energy market in New England. Council Member Teichert noted concern for overly ascribing cost concerns by the PUC as a justification for moderating program spending when a Three-Year Plan should signal and justify more aggressive action to meet the state's energy goals. Mr. Ross noted the value of clearer data points from a bottom-up planning tool would be useful to understand how spending and plan targets can be dialed in to maintain robust outcomes. Vice Chair Gill Case expressed enthusiasm for the plan's benefit-cost ratios.

7. Public Comment

Emily Koo – Acadia Center

Ms. Koo echoed comments previously made regarding equity and setting expectations for equity metrics and targets. She highlighted the need for equity metrics to be focused on outcomes, not just outputs.

Before adjournment, Chairperson Oakley commended Ms. Sholly from the consultant team for her work on the Council's branding and communications effort.

8. Adjournment -

Chairperson Oakley motioned to adjourn the meeting at 4:59 p.m. Vice Chair Gill Case seconded. All in favor, none opposed.

DRAFT