

THE ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL

Minutes—February 12, 2009

Department of Administration Conference Room B

Chairman Ryan called the meeting to order at 4:00 PM

Members Present: Paul Ryan, Joe Newsome and Sam Krasnow

Others Present: Thomas Teehan, Jeremy Newberger, Karina Lutz, Jerry Elmer

Staff Present: Janet Keller, Charles Hawkins

Consultants Present: Scudder Parker, Mike Guerard.

Minutes: The minutes of the January 15th meeting were approved without amendment

Executive Director's Report: Andy D. was ill so there was no executive director's report.

Utility Scale Renewable Procurement

Sam K. reported that the specified PUC in Section 1.1-C of the Standards approved July 2009, that the council should report to the PUC on whether future standards and future LCP reports should include supply resources as well as demand side resources and provide comments by Nov. 1st. The council wrote to the PUC saying it would get public input on this question and report back to the PUC with a resolution, which had been delayed due to time constraints.

Paul R. noted for the record that Dan P.'s conclusion as EERMC attorney is that: **Supply procurement, although an issue for the EERMC to address from a long range planning standpoint was not a requirement as far as an official position on LCP and SR.** Paul asked for discussion on the resolution.

Sam offered the following resolution:

WHEREAS, the PUC's July 2008 Standards Section 1.1.C. direct the Council to report to the Commission regarding the question as to if supply-side sources, in addition to the demand-side sources in this version of the standards, should be incorporated into future versions of the standards and procurement plans.

WHEREAS, the current version of the 3-year high-level Energy Efficiency Procurement Plan runs from 2009-2011, with detailed Annual Efficiency Program Plans in 2009, 2010, and 2011.

WHEREAS, the current version of the proposed 3-year System Reliability Procurement Plan runs from 2009 through 2011.

WHEREAS, the current triennial Standards are operative from July 2008 through June 2011.

BE IT RESOLVED THAT the Council will continue to monitor the results of the following: (1) the performance of Least Cost Efficiency Procurement; (2) the evolution of system reliability procurement and its impact; and (3) supply procurement processes identified by National Grid such as the March 1, 2009 Supply Procurement Plan, and the operation of the current triennial Standards in order to determine by September 2010 if supply-side sources, in addition to the demand-side sources in this version of the standards, should be incorporated and integrated into future versions of the standards and procurement plans.

The group determined that the EERMC would be monitoring the EE Plan and the SR plans to determine whether supply procurement needs to be addressed to enable the council to concentrate on energy efficiency and to get a better idea of how supply procurement integrates with system reliability over the next 2 years. PUC has jurisdiction over supply procurement.

Karina L. asked whether the council considered distributed generation supply or distributed generation or both? Sam said he wrote it that way to reflect the language of the PUC in 1.1 C. Paul said supply procurement referred to the supply procurement designed by NGrid.

Sam K. made a motion to approve the resolution, which was seconded by Joe N. Janet will prepare the resolution in a form that can be signed and sent to the PUC.

Federal Economic Stimulus Plan

Janet reported that all of the energy funding provisions but LIHEAP made it to the final stimulus bill, with a substantial increase in funding for the State Energy Plan (SEP) which could net \$26 million for the State. OER will also administer the EE Conservation Block Grant to 29 RI towns with populations under 35,000 as well over \$20 million in low income weatherization funds.

The group discussed using the SEP funds to provide an equitable energy efficiency program that included those who use oil fired heating systems, and noted the need for more OER staff to administer the fund. Stimulus funds may be used to add staff.

Jeremy N. said that the stimulus could allow Grid to perform EE at the scope they intended three years from now during this year. It has the potential to really accelerate the EE Program Plan.

Sam K. worked with NASEO on an amendment to insure the SEP funds go to state energy offices to expand existing EE programs. Scudder P. said that this is another funding source for LCP to deliver innovative EE programs.

Joe N. asked whether there is a document called the SEP. Janet said it was funding from the USDOE to the OER that is flexible. With only \$256,000 annually it has funded smaller projects such as the Trinity Project, NEEP and NEED.

2009 VEIC/Optimal Work Plan, EERMC Priorities,

VEIC 2009 Work Plan

Chris P., Sam K., and Joe N. worked on the VEIC 2009 Work Plan.

Paul R. sought clarification on the following points:

- He wanted to stress economical delivery and efficiency in the final bullet point in Section II B instead of emphasizing the ramp up part of the bullet. Scudder said that the ramp up language is from the Standards and refers to a ramp up in NGrid's EE programs.

The group concluded that EERMC shared a responsibility to monitor the stimulus money with the OER, which is the agency that administers the funds. Paul R. wants to have the EERMC discuss a formal document that states that the EERMC will monitor the spending of the energy stimulus money in accordance with the 2006 energy statutes.

Sam K. suggested adding two bullet points to Section III 1. of the VEIC Work Plan

- Support the Council in partnering with OER to develop a plan to expand the federal SEP with the stimulus money to help meet the established energy goals of the state including LCP.
- Support the Council and provide guidance and oversight to the expenditure of the federal SEP stimulus money to meet the established energy goals of the state.

Paul R. suggested simplifying paragraph 3 on page 3 of the VEIC work plan to make the cost effectiveness of DSM easier for the layperson to understand. Scudder suggested removing that paragraph, saying it was not needed.

Paul noted that No. 5 on Page three regarding tax policy and land use was very ambitious.

Scudder P. commented that it is difficult to separate tax policy from the implementation of solar and other renewable energy technologies.

Jeremy N. said that all of the components in this section of the work plan are related to energy efficiency programs. This paragraph offers a way to measure progress. It does not anticipate that the Council will take a lead role on tax and land use policy.

Bullet No 2 on Page 5 concerning coordination of consultants means that VEIC helps the council manage other consultants like Phil Mossenthal and URI.

EERMC Work Plan Priorities and EERMC Processes

The group discussed work plan priorities, and the work plan processes for VEIC:

- Annual reports of VEIC work with a paragraph on each activity.
- Quarterly report to the Council by VEIC.
- Ten minute presentations by VEIC at each meeting.
- A 90 day priority list of council activities such as PUC filings and the stimulus
- Top three priorities:
 - The stimulus
 - RGGI
 - The Three Year NGrid System Reliability and EE Plans.

Sam K. made a motion, seconded by Joe N., to approve the VEIC 2009 work plan as amended with changes coming in 14 days.

EERMC Meeting and Subcommittee Process

Paul would like to have all meeting materials emailed to committee members one week before the meeting. He would also like to establish two person sub-committees designated to one issue. This would conserve the time of members who are not on the subcommittee by having the two-member committees send out the results of their work to the rest of the EERMC rather than having all members see all preliminary drafts.

Paul suggested that the Council have meetings in other parts of the state such as Save the Bay, URI and Brown to give the Council greater visibility.

Joe N. requested that the following quote from the UK be included in the meeting summary:

This year has been finance-led capitalism's 1989. It is now as broken as the old Soviet Union. It didn't work for the real economy. It put people in rich and poor countries alike into debt for short-term profit. It was uncontrolled and grew in power until the tail was wagging the dog.

Now there is an huge opportunity to develop a new model to build a real economy that does work for people and the planet. The challenge is to take short-term action to stabilize the situation, together with a measured program to build a diverse, localized, sustainable economy which puts finance in its place as a servant of society and values people and the environment.

Sam K. made a motion to adjourn the meeting and was seconded by Joe N. The meeting was adjourned at 5:30 PM