

**ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL**  
**Minutes-January 19, 2010**  
**Executive Dining Room, Ground Floor, DOA**

**Call to Order**

Chairman Ryan called the meeting to order at 3:50 PM

**Members Present:** Paul Ryan, Chris Powell, Joe Newsome, Ken Payne, Joe Cirillo, and Sam Krasnow

**Staff Present:** Charles Hawkins and Matt Guglielmetti

**Consultants:** Scudder Parker and Mike Guerard

**Others Present:** Karina Lutz, Tom Teehan and Jeremy Newberger

**Acceptance of Minutes:** A motion was made by Joe Newsome to accept the December meeting minutes as presented, Joe Cirillo seconded and it passed unanimously.

**Executive Director's Report and ARRA Update**

All ARRA programs are moving forward.

- A successful workshop on EECBG was held on 1/13 and LOIs are due from municipalities by 1/22 with applications for planning assistance due on 1/29.
- Draft regs on SEP C&I will be complete by the end of the month.
- Applications are being accepted for the Non-Utility Scale Renewable Program.
- The MOU on SEP Utility Scale Renewables with the Governor's Office and EDC and the OER should be done by the end of the month.
- \$12 million has been committed to the CAPs for weatherization and they can now enter into contracts with their vendors. A MOU to transfer \$6 million to RI Housing to weatherize large complexes is being executed.

A discussion then ensued about Ken P.'s new role as Administrator of the OER and Larry Kunkel's role as Senior Advisor for Renewable Energy to the Governor. It was explained that Ken P. reports to Interim Commissioner Ron Renaud who needs to sign off on any rule making activity. It was suggested that Larry K. be invited to the next council meeting. Ken P. said there is no formal role for Larry K. in ARRA funding but as the Governor's energy advisor he can opine on anything he would like.

**Report on Work Plan Sub-Committee Meeting**

Emphasis was placed on the demanding nature of 2010 in planning for future LCP with the DSM expiring on 1/1/13. By March 2011 the EERMC needs to make recommendations to both the PUC and the Assembly about the future of LCP.

Sam K. gave a report on the Work Plan Subcommittee Meeting that was held prior to the council meeting. A one-pager gave the major tasks before the Council in 2010.

**During that meeting, Joe N. suggested, and others in attendance agreed, that the Council convene an educational seminar in the near future to educate both the council and the public on energy supply and use in RI.** Joe C. liked the idea and suggested URI's Alton Jones Campus as a possible site because it would be a more comfortable setting for the general public than the DOA.

It was also decided that the Annual Report to the Assembly due in April be a vibrant document that tells a story and sets the stage for 2011.

### **Discussion and Vote on 2010 EERMC Work Plan**

Paul R. said that the idea was to vote on a brief summary type work plan and that the consultant job description for the RFP will be more detailed. Ken P. said the outline work plan reflects the Council's statutory requirements and also what is going on in the outside world. With this in mind he came up with an outline of what the council should be working on. Chris P. commented that the EERMC needs a pro-active long term work plan. He wanted the work plan to include the following **"to identify and report on alternative methods of delivering and financing optimum energy efficiency and assist in developing future programs for RI"**.

**A motion was made to adopt the draft work plan developed by the OER with the addition of the above comment by Chris P. It was seconded and passed unanimously.**

A discussion ensued about whether VEIC should provide quarterly or monthly reports. It was decided that quarterly reports made more sense. **Action item: to have VEIC have a Quarterly Work Plan to present at the February EERMC meeting.**

The budget and the impact of the DSM settlement rejection was then discussed. The OER recognized the need for the council to have better financial reporting and have hired auditors, who can better provide the Council with this administrative support in this area. OER has also hired an environmental engineer with expertise in air quality who can help with environmental metrics. Legal council has also been added.

The OER hours on the second work sheet reflect the work time necessary to provide the administrative support needed to implement the work plan.

Jeremy N. mentioned that the Council had spent more than was budgeted in 2009. Bills from the 2008 KEMA Opportunity Report were cited.

Sam K. mentioned a conference call meeting on Thursday on delays to Phase 2 of the Opportunity Report.

### **PUC Rejection of 2010 DSM Settlement**

Paul R.'s understanding is that when a settlement is rejected it has to be appealed to the Supreme Court within 10 days or it is dead. Tom T. said that the PUC did not reject the settlement as much as they rejected the increase in the DSM with other potential funding sources like RGGI & ARRA available. They want NGrid to come back on 2/1 with a different plan.

NGrid will propose a two part plan:

Plan A: with funding that currently exists; this results in cuts of about 15%

Plan B: that includes the 40% RGGI funding pot for innovative projects; this plan would allow NGrid to achieve its savings goal.

There is about \$4.4M available in the RGGI pot and to access it NGrid has to submit a plan to the OER who will then consult with DEM and the EERMC. A public hearing is not required. This plan must adhere to the criteria of RGGI.

Chris P. asked about timing. He is worried about the process to put plans in place. It could be July before the RGGI plan is Ok'd and you are half way through the year.

A discussion ensued about the DSM and funding of LCP. Sam K. suggested a cover letter to the PUC upon the submission of a plan that cites concerns about the future of LCP especially with the possible phasing out of the DSM. Ken P. said there was a statutory expectation that the council would do these types of things.

Until 2013 the PUC is mandated to have an SBC, after that the PUC could decide on its own to maintain the DSM. It is discretionary on PUC's part. It was emphasized that it is essential to constantly upgrade LCP efforts. Chris P. feels that the council should be providing the strategy to the PUC on how RI can reach LCP. NGrid has a teleconference with the DSM Sub-Committee scheduled. Jeremy questioned whether the EERMC should vote on the plan before subcommittee officially writes off on it. Sam K. said the sense of the meeting was to support the two tiered approach.

Sam K. thought the best route would to submit one plan with two scenarios. Paul R. asked if NGrid had ever submitted a similar plan to the PUC. Jeremy N. said this would be the first time. **Ken P. suggested a single integrated submission that has overall goals intact. Within that submission there would be two tiers of activities; Plan A without RGGI, and Version B. with the RGGI 40% that has a second tier necessary to achieve the savings goals.**

Joe N. asked about the impact of a delay until November. Jeremy N. said that the company could run a deficit. He did cite uncertainty about the OER approving NGrid's RGGI plan. Paul R. worried about potential applications for RGGI pilot funding battling over the plan. Scudder noted that innovation pilot projects are not always cost effective.

Paul R. asked for a motion to adopt Ken P.'s above recommendation. Sam K. presented the following motion: **The Council support NGrid's submission of a single integrated refiled program plan for 2010 where the overall savings goals for the second year**

**are met and contains two different tiers of activities; Version A: generally specified, and Version B: being necessary to achieve savings goals. The motion was seconded and passed unanimously.**

### **Brief for PUC Decoupling Filing**

Paul R. asked members if they were comfortable with the brief prepared by council Attorney Dan Prentiss. Chris P. thought more information about ratepayer impact was needed and cited his concerns at previous meetings and at the 1/5/09 technical work session. Sam K. wanted to authorize any members who are interested to work on the final drafting of the reply brief and comment on it before the deadline on Friday. Paul R. felt it would make it legal if the Council voted to authorize him as the Chairman so he can take all the changes that are made and run them by Dan Prentiss and make it a final administrative filing. Joe N. asked if the council approves the brief what can be done to get a greater understanding from NGrid about what it all means.

Sam K. thought that one of the things the counsel do better in the brief is to articulate that NGrid's plan has four elements and only one of those elements "the true-up" really concerns the council. The second thing would be to present a little of the history of the dialogue with NGrid including the technical session and the questions that were posed as a result of that session. Those questions are reflective of the concerns of the council. The third piece would be to cull out the back-up rates a little more.

Sam K. made the following motion; **members would continue to work together to get a final product and authorize the Chair to submit it by the deadline on Friday. Joe N. seconded the motion and it passed unanimously.**

### **OER Scope of Work on Low Income Weatherization**

Ken P. gave an update on ARRA weatherization. He cited a constructive meeting between NGrid and the OER about integrating the 5 Weatherization revenue streams into a coherent overall purpose. He also brought up a new Weekly WAP Tracing Plan that the OER was initiating. The 5 WAP revenue streams were then briefly discussed.

OER does not want households to have to sort through all these programs. The goal is to have a program where everyone is treated fairly and be able to quantify the results. He cited the example of the health benefits of including ventilation in Weatherization. Joe asked if he could get something explaining all 5 programs.

**A motion was made to adjourn the meeting it was seconded and passed unanimously.**