

ENERGY EFFICIENCY AND RESOURCES MANGEMENT COUNCIL

Minutes-February 11, 2010
Conference Room C, Second Floor, DOA

Call to Order: Chairman Ryan called the meeting to order at 3:40 PM.

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

Staff Present: Charles Hawkins and Matt Guglielmetti

Consultants: Scudder Parker

Others Present: Jeremy Newberger and David Brown

Acceptance of Minutes: A motion was made to accept the January 19, 2010 minutes. It was seconded by Joe Cirillo and passed unanimously. Joe N. wanted to note that his suggestion to invite Larry Kunkel to a council meeting was omitted from the minutes.

Executive Director Report and ARRA Update

The ARRA process continues to move from program design to program implementation:

- All 39 cities and towns have signed letters of intent to participate in the EECBG program. Only one other state has such unanimous participation.
- The first round of the Non-Utility Scale Renewable Energy Program resulted in over 80 applications, which shows a high level of interest.
- There is huge interest in the Appliance Rebate Program and the OER is petitioning USDOE to allow more funding for kitchen appliances.

RI is no longer behind other states with only 4% of ARRA funds obligated nationwide. Ken P. also is pleased about the addition of an air quality expert, Barbara Cesaro to the OER staff. This is important because of the nexus between energy and air quality.

The Governor's Office still has not released the RGGI funds. Paul R. offered to write a letter from the Council to the Governor. Ken P. thought that was a good idea and he noted that the RGGI money is not discretionary but must be used to benefit RI ratepayers. Any spending plan that is offered must reflect this. Paul R. complimented the OER on it progress on ARRA.

Joe N. asked about the nexus between the EERMC, the OER and EDC now that EDC has the REF. Ken P. felt that the EDC is a relatively late comer to energy issues. He mentioned that throughout RI history each stage of economic development has been defined by energy. He also said that energy is not just economic development, there are also social equity, and a how to pay for systems components.

Joe N. asked if the EDC should have seat on the council. Ken P. noted this recommendation and it could be included in the annual report.

Old Business:

Review of Settlement Agreement for LCP/DSM 2010

Jeremy N. stated that NGrid resubmitted its plan to the PUC on Monday, 2/8. He feels it is responsive to the concerns expressed at the PUC rejection. He is optimistic they will approve it. It keeps the DSM charge at 3.2 mils and makes use of funding from other sources like RGGI & ARRA.

In the rate case the PUC did not adopt NGrid's decoupling proposal. Paul R.'s sense was that if only Part One of the proposal was in front of the PUC, dealing with the concept of decoupling, it had a chance. The inclusion of Part 2-4, however, made it too complicated. Jeremy N. said that this should not impact the settlement plan because decoupling was never a part of it. It could be an issue getting to the next tier of energy efficiency (EE).

VEIC Quarterly Work Plan Report/EERMC Budget

Scudder P. proposed a budget of \$78,440 for the first three months of the year. Sam K. said that he put together a proposed work plan and a budget that reflects the council's upcoming work schedule. Sam K. suggested putting System Reliability (SR) on the next agenda with a report from the sub-committee. Scudder said that it needs to be demonstrated to SR people that the EE alternative is as reliable as building new lines. Paul R. felt this should go into the annual report and be put in layman's terms. VEIC's plan to work with Ken P. on the annual report with Ken P. taking the lead. Another thing VEIC would like to work on is a definition of smart grid and have Betsey Harper of Efficiency Vermont report on financing smart grid in the residential sector.

Dan J. asked about the EECBG and whether towns were asking about setting up residential loan programs. Ken P. said that towns were engaging in planning activities at present and did not know where that would lead.

Joe N. asked who the players were in the SR Collaborative. Who else needs to be a part of that discussion? Chris P. represents the EERMC, there is TecRI, E-NE, and NGrid Staff. Scudder P. cited the DPU and People's Power and Light as potential players. DSM Collaborative members are also invited.

Chris P. mentioned the Al Dalberg's "Project Get Ready". He also said smart grid and real time pricing is a hard sell to consumers.

EERMC Budget

Sam K. asked the members to review VEIC's proposed First Quarterly Activities with 424 total billable hours at a total of \$78,440. He recommended a motion to approve.

Paul R. asked if there was enough money in budget for it. Sam K. responded that there was currently \$592,000 available to the Council for this year.

Paul R. offered a motion to approve the VEIC Quarterly Repot, Dan J. seconded it and it passed unanimously.

In calculating the EERMC budget he took the \$78,440 from the 1st Quarter, doubled it for the first half estimate; and then added more hours for the second half of the year for a quarterly average of \$90,000 and came up with a rough estimate of \$336,000 for the year for planning purposes.

KEMA Phase 2 Opportunity Report

Sam K. has had discussions with KEMA about going over budget on Phase II of the Opportunity Report (OR). He passed out an outline of KEMA's progress to date with a draft report due on 3/29. It also includes the additional work KEMA needed to do that put them over budget. Sam K. recommended approving an additional \$45,000 to finish the product but nothing more. This is conditioned on having KEMA at the next 2 meetings to update the council on progress.

Paul R. would give them the \$45,000 and get a release from any further obligation. Jeremy N. said that the KEMA contract calls for a payment of \$341,000 for Phase 1 & 2. Sam K. suggested agreeing to the extra \$45,000 but no more payments until the product is delivered. Joe N. asked why the OR was done. Sam K. said it is a statutory responsibility for the council every 3 years that was due on 7/15/08. Chris P. asked if there were any interveners to the PUC rejection of the EE Plan. He cannot understand the rejection of the plan and why EE advocates did not intervene.

Ken P. said there were 2 justifications for giving KEMA an increase: there was the additional work required that neither party anticipated; and the fact that we are getting more that we expected. There is additional value to the report. He said that the Council has to make sure they get this added value. He wants it on the record as to why there was an overrun.

Sam K. proposed a motion to give KEMA the additional \$45,000 contingent on being present at the next 3 meetings to give progress reports; that the product is more than expected and that they give justification in writing for the additional money. Jeremy wanted clarification on whether the \$45,000 was being added to the Purchase Order and that nothing will be paid on the larger purchase order until work is done. Paul R. said yes.

The third piece to the budget is the OER. Ken P. recommended \$60,000. Paul R. said that was reasonable.

A motion was made to pass the EERMC budget as discussed. It was seconded and passed unanimously.

Paul R. proposed the above motion to be voted on. Sam K. proposed a motion to increase the KEMA budget, with the above contingencies. It was seconded. Joe N. voted against giving the extra money to KEMA. The Chairman did not vote so the result was a 3-1-1 vote.

Ken P. said that KEMA data could be very valuable in drafting ARRA C&I regs which are more difficult than residential. OER needs that insight now.

Review of Senate Oversight Hearing

Ken P. gave a recap of RI energy legislation. Overall these legislative efforts have been successful. What he feels the Senators will want to hear is what is next for the EERMC. Joe C. felt there was a need to assist the 39 cities and towns in EE. RI is behind its neighbors in national EE ratings.

Chris P. wanted to know what RI is doing to keep EE resources in RI. Maybe RI needs a shift in policy with more incentives to keep businesses in RI. Dan J. cited EE in town comprehensive plans. A discussion was held about retro commissioning and retrofits.

Scudder P. listed three points to bring up with the Senate:

- The rejection of the EE settlement by NGrid;
- The fact that there is no LCP for gas;
- Create a document for them that graphically describes the difference between LCP and DSM.

A discussion about the expiration of the DSM ensued. Ken P. said that there will no longer be a legislative mandate on DSM, but the PUC could still use that mechanism. DSM does not necessarily go away; the hard obligation to do it goes away. Chris P. felt this may be a good thing; it provides the council with a chance to take a look at EE & LCP with fresh eyes.

Paul R. will emphasize, as Chairman, that the Residential member still has not been chosen and that there is still no vice-chair. He would deal with those types of issues and let Ken P. address the more technical stuff.

Annual Report

Ken P. suggested forming an annual report Sub-Committee with staff support from the OER. He passed out an outline he had prepared. Sam K. passed out an annual report from Connecticut's EE council. Ken P. suggested having the Sub-Committee meet and review the draft outline and agree to it in a rapid manner. OER Staff would then work with the Sub-Committee to draft a report to present to the council as a whole. It should be a similar process to the by-laws. The Sub-Committee members will be Sam K., Joe N., and Abigail Anthony.

Educational Seminar

It has to be decided whether the council wants a large public gathering or an invitation only gathering. Paul P. wants it to be public. Ken P. thinks we can get about 200 people. This means you need a larger venue with no food. That precludes Alton Jones. Paul R. liked the idea of CCRI/Warwick.

Joe N. asked how much prep time is needed. He wanted to be sure there was enough prep time to insure a first class event. Ken P. estimated 6-8 weeks.

Paul R. liked the idea of doing it in May. It would be approaching the third year anniversary of the Council's establishment. Ken P. feels it is an opportunity to get people engaged in a "can do" attitude about energy.

Adjournment

Paul Ryan made a motion to adjourn the meeting. It was seconded and passed unanimously. The meeting adjourned at 6:00 PM.

Respectfully submitted

Charles Hawkins
Secretary Pro-tempore