

ENERGY EFFICIENCY & RESOURCE MANGEMENT COUNCIL

Minutes-December 13, 2012

Conference Room B, Second Floor, DOA

Call to Order: Chairman Ryan called the meeting to order at 3:30 PM

Members Present: Joe Newsome, Joe Cirillo, Abigail Anthony, Paul Ryan, Marion Gold, Vic Allienello, Chris Powell, Paul Ryan

Consultants Present: Scudder Parker and Mike Guerard

Staff Present: Danny Musher, Chris Kearns and Charles Hawkins

Others Present: Jeremy Newberger, Rachel Henschel, Michael McAteer, Angela Li, Charity Pennock, Sam Huntington, Kim Ziegelmayr, Brian Kearney, Sam Nutter, Bob Chew and Carolyn Sarno

Acceptance of Minutes: Joe Newsome made a motion to accept the November minutes. It was seconded by Abigail Anthony and passed unanimously.

NGrid Presentation on Codes & Standards

Puja Vohra of NGrid was introduced to give this power point presentation (attached). This presentation is a follow up to one given last year to the Council. Paul R. asked if the code was mandatory or voluntary. Puja V. said that the base code, which is mandatory, is adopted every three years according to International Energy Conservation Code (IECC) requirements. Results of recent code compliance studies, using NGrid and stimulus funding, have found that RI buildings only met 70% of commercial code and no RI building is 100% compliant with code. On the residential side, the average home only received 58% of possible points.

What can the Energy Efficiency Program Plan (EPPP) do to get the compliance up to 100% of the base code? RI Code Commissioner Jack Leyden has shown interest in developing language for a stretch code similar to Massachusetts. It would be voluntary, but go beyond the requirements of the IECC code. What are the gaps in today's compliance and what steps can be taken to improve it? Paul R. said he was not surprised by the non-compliance. He asked if any RI municipality was at 100%. Northeast Energy Efficiency Partnership's (NEEP) Carolyn Sarno said that no town in the Northeast is 100% compliant. The range was 55-75%. USDOE is undertaking an effort to establish a national checklist on code compliance that states can use. Mike M said that code compliance is a low cost energy efficiency (EE) strategy.

Joe C. said that commercial buildings only meeting 70% of code compliance is not acceptable. If 30% of the buildings are not up to code, the people in charge of enforcement did not do their jobs. He feels it is a legal issue. Chris P. wanted to know

why they weren't compliant and what areas were non-compliant. Puja V. said it was a complicated issue to determine who is legally responsible. This is not clear. Surveys were taken during the compliance studies to try to get to these answers. Paul R. said in Massachusetts enforcers have statutory immunity. Chris P. said that at Brown they used their commissioning agent to ensure compliance. Bob C. asked about code compliance for LED certified buildings. Have they been better than 70%? According to the DOE checklist none were at 100%. Danny M. asked if some residential buildings were so old they can't come up to compliance. Puja V. said that the study only included new construction. Joe N. asked if the survey included re-habs. No, it was just new construction. Paul R. said that if the study only included new construction the numbers look even worse.

Puja V. then explained the voluntary stretch code, which goes beyond the IECC base code. NGrid can assist in research & development, technical assistance, and cost analysis to help develop this code. A compliance mechanism for the stretch code needs to be developed because there will be two different codes. In 2013 NGrid will work in collaboration with NEEP and the RI Code Commission on compliance training, circuit rider technical assistance, and other documentation tools.

Carolyn Sarno, NEEP's Project Manager for High Performance Buildings, was introduced to present a brief power point. NEEP is one of six regional EE organizations funded by USDOE to assist states in energy code compliance. NEEP works within the twelve State Northeast Region to overcome barriers to EE through collaboration, education and advocacy. NEEP, working with the OER, NGrid & the RI Code Commission, wants RI to have a comprehensive codes program with effective enforcement mechanisms. NEEP is working to develop a benefit cost analysis tool for this purpose. They are also working on a model stretch code that states in the region can use. They have also done several code compliance training sessions and are looking to refine them by making them smaller and doing them on-site.

Executive Director's Report

Marion G. said that OER has been working on benchmarking buildings in conjunction with the Public Energy Partnership (PEP) and will be bringing on staff shortly to assist in this process. The State has also hired a project manager for the EE rehab of the State House. She would like to have him talk to the Council & the Consultant Team (C-Team) ASAP.

She then mentioned the first joint meeting of the Renewable Energy Coordinating Board (RECB) & the EERMC on November 27th which attracted over 30 people. Topics discussed included: the intersection of EE & renewable energy (RE); a presentation of the new State Energy Plan (SEP) process; an initiative to integrate small scale RE into the System Reliability planning, utilizing RGGI funding; and a presentation on overhauling RI RE procurement laws. The next joint meeting will be in the spring. Marion G. then asked OER's Danny Musher, who is the project manager for the SEP, to explain the process.

Danny M brought the Council's attention to a fact sheet and power point (attached) included in their briefing package, which explains the process. OER is working with the Statewide Planning Program (SPP) to update the SEP which was last updated in 2002. The plan will do a deep data analysis of the electric, heating and transportation sectors. The three steps that will be taken will be to: gather data; set goals; and recommend action. To set goals, OER is working with the SEP Advisory Council (AC), which includes about twenty members who represent different energy stakeholder interests. An RFP is being issued for a consultant to do scenario modeling. The next AC meeting is scheduled for December 20th. Jeremy N. asked if NGrid was represented on the AC. Marion G. said that Mike Ryan was the official point person and John Gilbrook was NGrid's transportation representative.

Marion G. said that OER was issuing an RFP to install 30 electric vehicle (EV) charging stations in RI. The State has also broadened its Master Price Agreement to include about 100 hybrids and EVs that will be available for the state to purchase. Citing the PEP, she said that the OER has joined USDOE's Better Building Challenge that looks to benchmark energy use in public buildings and has a 20% energy reduction as its goal.

OER is also working with Environment Northeast (ENE) & People's Power & Light on a plan to institute an oil EE surcharge. Jeremy N. asked if this proposal needed legislative approval. Marion G. said that it would involve legislation. Marion G. then pointed out that almost all RI sectors were converting to gas but the low income (LI) community. They can't afford to make the conversion. This means that Low Income Home Energy Assistance Program (LIHEAP) funding does not go as far.

OER is committed to putting stimulus funding into a Property Accessed Clean Energy (PACE) financing program. They will be using a Vermont model for implementation. If PACE does not pass this session, Plan B. is to establish a revolving loan program. She has met with Senator Whitehouse on this initiative and has a meeting scheduled with Senator Reed. Chris K. is working on a clean energy jobs report to document the economic benefits of clean energy. OER is also working with NGrid's Mike M. on a DOA office of the future.

Joe N. asked Marion G. about the delays in starting the LIHEAP program. She said that OER has been working on a smooth transition of LIHEAP from OER to the Department of Health & Human Service (HHS) as mandated by statute. She wants to have HHS's Sandra Powell meet with the Council.

A problem arose, however, when she discovered the soft-ware transition, which OER undertook to improve the system, was several months behind schedule. This resulted in a delay in sending out LIHEAP applications. To expedite the process, OER put all hands on deck and send staff out to assist the CAPS in getting out the applications. They also held twice daily conference call with the CAPS. They also gave the CAPs extra emergency administrative funds so they could work overtime on the problems. The program is now up and running and the upside is that she has now established a much

closer relationship with the CAPs. There will also more funding available when the weather gets really cold

Joe N. asked is the LIHEAP Project Manager is still Lewis Babbitt. He is, working under Financial Management Administrator Terry Brooks. Joe N. said that, in the past, Lewis B. had provided him with updates on the program. Marion G. thought it was an excellent idea to keep the Council updated on LIHEAP, even when Lewis B. goes over to HHS. OER will have a report prepared for the January meeting.

NGrid Data Dashboard

NGrid's Mike M. was introduced to give this presentation on the progress and projections for the EEPP through October. He cited the hockey stick effect where many transactions get closed at the end of the year. As a result, the November and December numbers should be higher. On the electric data dashboard: the residential sector is at 60% of savings goal; the LI sector is at 56%; and the Commercial & Industrial (C&I) sector is at 43% for a total aggregate of 49%. On the gas side: residential is at 38% of savings goals; LI is at 48%; and C&I at 56% for a total aggregate of 48%. It takes around two months to compile all the data so you will see a January dashboard in March.

Paul R. asked if it was realistic to go from 38% to 100%. Mike M. said the projections are looking at about 86% of the electric goals and 80% of the gas goals. The conditions that impacted this shortfall are RI's current economic situation, the substantial drop in natural gas prices and the impact of recent storms on NGrid EE staff. Another factor is that the 2008 economic downturn has made potential customers wary of spending because of the uncertainty of the markets. This puts emphasis on the larger savings goals of the 2013 EEPP. Joe N. asked if this was like the Christmas syndrome for retailers where they do 50% of their business at the end of the year. Jeremy N. said that a lot of EE work gets processed at the end of the year. Chris P. says he sees this in the projects he has done at Brown. He also said that extra funding can come available at the end of the year for EE projects.

Consultant Team Scope of Work (SOW) & Budget

Paul R. wanted Abigail A. to give a report on where the EERMC budget stood at the moment before the C-Team made their presentation. In 2013, the EERMC's 1.2% allocation of the 2% set aside for administrative costs from the Demand Side Management (DSM) Fund, will give the Council a budget of just over \$1 million. In addition, there is also \$80,000 left over from the 2012 Natural Gas Opportunity Report (OR).

Other non-C-Team expenses include: Dan Prentiss's legal fees, he has \$9,000 remaining in a retainer fund which should cover his expenses for 2013; the cost for printing and assembling the Annual Report; funding for members to participate in workshops; and possible funding for EE & SR studies the Council may commission. The \$90,000 line item for OER staffing will go away because they will receive .8% of the DSM

administrative funds as mandated by last year's legislation. Last year the EERMC budget was \$805,000. The C-Team looks like they will close out the year spending about \$627,000 out of their budget of \$700,000.

Marion G. said it was decided that the easiest way to deal with this is to follow the precedent set by the Renewable Energy Fund where NGrid wires the appropriate amount to the OER on a monthly basis. Abigail A. said that the budget subcommittee talked about conducting an evaluation of the C-Team. It would be a full Council evaluation using a survey form. This would occur in January.

Scudder P. said that the C-Team has prepared a work plan with two components, their regular work and two new pieces of work which are one-time transition tasks. He then passed out a ten page description of their SOW (attached). The 2013 work plan puts a big focus on Least Cost Procurement (LCP) and the oversight relationship with NGrid. They want to continue to support partnerships that have been developed in the community. They also want to provide training & resources to OER as it builds its team.

They will also work to build a stronger relationship between NGrid & OER in a collaborative process that is not antagonistic. The OER will have stronger oversight in the collaborative process, utilizing leverage and coordination to build EE capacity in RI. Scudder P. then displayed an organizational chart showing C-Team personnel. Mike G. said that the C-Team wants to have a strong core of experienced people to maximize individual expertise. C-Team members are adopting their expertise to RI to get a better understanding of local conditions. He then introduced Sam Huntington who will be joining the C-Team in RI. They also have a deep bench of experienced staff that can be brought in to address specific subject areas that concern the Council.

2013 C-Team tasks include: setting savings targets for the next three years, which is legislatively mandated; helping to train the new OER team; meeting with NGrid on a regular basis on 2013 EEPP implementation; and getting a early start to developing the 2014 EEPP. The total proposed budget is \$775,000 as compared to their 2012 budget of \$700,000.

Abigail A. wanted to make sure the Council was aware that last years total hours for the C-Team was 4,000 hours and this year it is 4,290 hours. She pointed out that all but 82 hours of the increase is going to OER transition. She asked if that was an accurate assessment. In the line item, 208 hours were going to train and support OER staff, and it is the primary driver for the increase in the C-Team budget. She wanted to make sure all Council members were OK with that. She does feel it is critical for OER to have a strong staff but she want to make sure that is the Council's goal for that piece of the budget.

Chris P. felt the Council should discuss it. The training of staff is important if the Council's goal is building EE organizational capacity in RI over the long term. It is an investment and the Council should maximize its benefits. We should make sure that all of the staff has this expertise. Let's develop this knowledge base in RI so VEIC won't

have to come down here so often. Chris P. wanted to make sure this investment in training happens.

Joe N. asked what is meant by .8% of the budget moving to OER. Chris P. said it was the percent of DSM administrative funds that the General Assembly allocated to the OER in last year's legislation. Abigail A. wanted to make sure everyone is aware of what is being proposed and that the budget is higher this year. Jeremy N. said that in addition to the budget there is also \$80,000 left over from the Natural Gas OR that is going to OER. Abigail A. reiterated that OER support is an issue that should not just be rubber-stamped and the discussion should be part of the record. This is something new the Council is doing. Joe N. said he did not have a problem with it. He just wanted to understand what was happening.

Abigail A. also thought there should be a discussion of the attachments which contain two additional budget pieces. The first task is to provide technical assistance on the RE side. The second task is to provide technical assistance for the implementation of the PACE program, which is an EERMC priority. Abigail A. said that he Council has endorsed commercial PACE and this is residential; but that they still support the concept an have supported it in the past. Mike G. then showed slides of the new RI C-Team office.

Abigail A. made a motion to approve the 2013 C-Team scope of work and budget contingent on Public Utility Commission (PUC) approval of the 2012 EEPP. It was seconded by Paul R. and passed unanimously.

Preparation for the PUC Technical Session on the 2013 EEPP

Abigail A. said that the hearing will be held on December 18th at 9:30 AM at the PUC headquarters. It will be a Q&A session on the 2013 EEPP. Abigail said that parties spent the morning working on their presentation. It will be SR in the morning and EE for the rest of the day. Scudder P. plans on attending. Jeremy N. said the format is that NGrid makes a presentation first and then each party to the settlement can make a statement. The commissioners will be asking question during the entire process. He expects stakeholders like Tec-RI and ENE will make statements.

Scudder P. said that the DPUC has become more actively engaged in the process and it has been a real step forward. He said that in some jurisdictions the regulators have been strong opponents of EE. In RI, with LCP, it is really important that they stay involved. Abigail A. opined that many of the commissioner's questions will revolve around the Combined Heat & Power (CHP) Plan and the new shareholder incentive package. Marion G., Chris P., Paul R., and Abigail A. plan on attending. Mike M. said it was great to have the support of all the stakeholders in the process because it shows RI is unified behind the plan.

Public Comment

Charity Pennock of the New England Clean Energy Council introduced herself as the RI coordinator for this council. She will be working towards organizing RI companies to take advantage of her council's activities.

Jeremy N. asked if there will be any movement towards appointing the residential council member to replace Marion G when the legislature reconvenes in January. Marion G. said that there was movement on this front.

Paul R. said he believes the Council has a requirement to testify before the Senate Environment & Energy Committee sometime in February. He remembers doing it for two years in a row with Ken Payne. This is not the Annual Report. Marion G. said she would look into it. Chris K. said he does not believe that is still a requirement. Paul R. wanted to make sure it was not a requirement. Abigail A. said it would be good if the Council had an invitation, but she feels the Council should be proactive about this. They should ask to get on Committee Chairman Senator Sosnowski's agenda.

Joe C. made a motion to adjourn. It was seconded by Abigail A. and passed unanimously. The meeting was adjourned at 5:15 PM.

Respectfully submitted
Charles Hawkins
Secretary Pro-tempore