

ENERGY EFFICIENCY AND RESOURCE MANGEMENT COUNCIL

Minutes-April 12, 2012

Conference Room B, Second Floor DOA

Call to Order: Chairman Ryan called the meeting to order at 3:00 PM

Members Present: Paul Ryan, Abigail Anthony, Marion Gold, Joe Newsome, Christopher Powell and Joe Cirillo

Consultants Present: Scudder Parker and Mike Guerard

Staff Present: Pat McCarthy and Charles Hawkins

Others Present: Rachel Sholley, Michael McAteer, Angela Li, Christopher Kearns, and Jeremy Newberger

Acceptance of the Minutes: Chris P. wanted to note that on page 3 paragraph 3 he said “that RGGI funding is already going to this purpose” instead of “funding can go to this purpose”. This was changed for the record. Joe C. made a motion to approve the amended minutes. It was seconded by Joe N. and passed unanimously.

Discussion & Vote on the 2012 Annual Report (AR)

Abigail A. e-mailed members a copy of the AR to give them a chance to review it and offer final edits. It needs to be voted on because it is due to the Assembly on Monday. Abigail A. felt that the Council could vote on it today pending any final edits.

Joe N. wanted to know how low income (LI) energy efficiency (EE) was depicted in the AR. Abigail A. said that the LI section was drafted by NGrid. Joe N. wanted to emphasize the challenges of LI EE and cited missed savings goals. He feels in his four years on the council it has been an ongoing problem. First it was OER & NGrid not getting their act together; this year it is ProCap. The fourth quarter LI EE results were dismal. He sees no clear remedy to get to this year’s LI EE savings goals and the AR does not reflect this.

Abigail A. pointed to page 29 which mentions the challenges for LI EE and cites decreased federal funding. She does not think it can be fixed in such a short time. She agrees there should have been more mention of the ProCap situation. Marion G. asked if there was room to add some new sentences to the AR that reflect Joe N.’s concern. Scudder P. suggested drafting a letter to attach to the AR that can get into more detail than what is on page 29. Chris P. felt the Assembly members would be more likely to read it, if it is in a letter form. Joe N. said he was OK with that solution but wanted to discuss the matter further.

Pat M. said that with ProCap out of the mix there was a capacity problem. They do not have the personnel to achieve their EE goals. His recommended solution would be to backfill with the remaining CAPs that abut Providence. They have the capacity. The OER will divide the city up to achieve this goal. At the same time efforts will be made to get ProCap off the ground. OER is stall waiting for ProCap's remediation plan. Paul R. asked who at ProCap was supposed to provide this plan. ProCap's CEO Frank Shea, working in concert with Gary Bliss.

Abigail A. felt the cover letter was a good idea. Who should draft it? It was agreed that Scudder P. & Mike G. would work with Joe N. to draft the letter. Mike G. said that the key info he will need is the percent of the state Providence represents. Pat M. said he would provide that. **Paul R. asked for a motion to approve the AR for approval and dissemination. It was moved by Marion G., seconded by Chris P. and passed unanimously with Paul R. abstaining.**

General Assembly Legislation impacting the EERMC

The first bill discussed was H7911 which adds two voting members to the Council and one ex-officio member. One of the voting members would represent workforce development and job creation and the other municipal energy users. The ex-officio member would be the Director of the Department of Labor and Training. A new reporting requirement would task the EERMC to document the jobs created by EE in RI each year in the AR. It also requires the EERMC have two joint meetings annually with the new Renewable Energy (RE) Coordinating Board on system reliability (SR).

This legislation has cleared the Senate Environment & Agriculture Committee last week and will be heard in the House next week. Abigail A. feels it will probably pass. She has been asked by the Governor's office to have Council members weigh in on who they feel would be good fits for the two voting positions. She feels the council should think hard about who to recommend.

Marion G. felt it would good to get someone who could help with the metrics. Apeiron, CCRI, and NE Tech were mentioned. Jeremy N. mentioned the Green and Healthy Homes Initiative (GHHI) as a possibility. He also sees the reporting requirement as being more limited. The number of businesses is what is important. What you want to do is establish a baseline. How many businesses do you have today? As the businesses are growing-what is the impact? How many more businesses are involved in EE? Do a survey every year and see what has changed. The Legislature will expect to see an increase in EE businesses every year and how it has benefited the RI economy. Chris P. thinks adding a job training person to the Council is a good idea.

Abigail A. asked if the Council is allowed to have an e-mail conversation among members to brainstorm this. Paul R. didn't see any quorum problems. Chris P. said that EE job training has been discussed at RGGI meetings. Marion G. suggested the council members start an e-mail discussion about people who will bring new ideas to the table.

Joe N. said he was asked by some small contractors to bring to the Council's attention that they had not been paid for work done for the GHFI. They have had to ramp up quickly to do the work but they have not been paid because of the City's financial stress. Marion G. asked if it had to do with federal funding. Pat M. said he met with Gary Bliss recently to clear up confusion about various public and private funding sources and what is considered weatherization. Joe N. asked Pat M. to let Gary B. know that there is a lot of angst in the small contracting community. They have committed equipment and become pre-certified and are now cash strapped and close to the edge.

Another relevant bill, introduced by Rep. Handy, would require NGrid to develop an on-bill re-payment system for residential EE financing. He is looking to get a different funding mechanism to reach vulnerable populations. Mike M. met with him to make him aware of other NGrid initiatives that are already in place like the Heat Loan Program. Rep. Handy cited on-bill financing initiatives in other states.

The last bill was an initiative from the Governor's office on Combined Heat & Power (CHP). It is looking at a 20MW investment in CHP annually with 15% of the EE Program Plan (PP) budget go to investment in CHP and would direct the PUC to revise standards to make that investment allowable. Because it is not consistent with LCP several Council members testified against it. The Governor's office did reach out and convened a meeting with Abigail A., Chris P., Marion G., Bill Ferguson, Julian Dash, and House & Senate policy people to look at how to amend the bill to achieve the above goals. Abigail A. would like to sharpen the CHP focus and redesign it for the 2013 EE PP with a goal of cost effective CHP projects.

Chris P. is concerned about having a third of the PP budget going from C&I EE to CHP. The concern is balancing this with the BCR calculation. CHP has a lower cost benefit and you have to be careful when CHP takes up so much of the PP budget. It will impact all of the EE PP programs. You have to be careful and be looking at good CHP projects now to see if they will work. Joe N. wanted to know why this requires legislation when the Council would seem to have jurisdiction. Scudder P. said that this is an instance where it is important for the EERMC to get involved. It is an instance of well intended legislation trying to solve a problem with a solution that actually creates a problem. CHP is a good idea but it has to fall under the LCP mandate. Chris P. said that there are now some good incentives to move CHP projects forward. The Council needs to get input from potential CHP customers. Scudder P. said that some CHP projects are more EE than others. Paul R. said that this type of legislation takes more than one year to develop. The key is to get good legislation without rushing through it. Scudder P. felt this was an example of the EERMC's fulfilling its role to provide guidance to the Legislature.

Update on the State Energy Plan (SEP) Competitive Grant

VEIC, the EERMC & OER have been working collaboratively on the above ARRA USDOE SEP grant submission. Its purpose would support a strategy that would focus first on water treatment and supply facilities and then use a similar account management strategy to support the implementation of NGrid's EE programs in a large segment of

municipal and state buildings. The grant max is \$750,000 over three years. Other partners are DEM, the Narragansett Bay Commission, the RI Manufacturing Extension, URI & NGrid. Experienced VEIC grant writers have been working on this project from Vermont with OER's Barbara Cesaro. The goal is a strong partnership between NGrid and as many public facilities as possible.

Paul R. asked if this funding can be leveraged. There is a 20% match requirement which NGrid will provide. The goal is to have an NGrid account manager for both wastewater facilities and municipal facilities. In addition, the funding will provide for an OER staffer who will be the point of contact with NGrid to get the maximum savings from state buildings. URI will also receive funding to help develop capacity. The key is to overcome the barriers to municipal EE. It is consistent with LCP and that should be beneficial. VEIC feels the best way of winning the grant is to have a focus on building capacity. Paul R. suggested interacting with the Executive Director of the Clean Water Finance Board who has a lot of experience in leveraging and grant writing.

The goal is to get the submission to OER by the end of the week so Barbara C. can upload it to the USDOE. Joe N. asked when the decision on the grant will be made. It looks to be around June 1st. Chris P. said that the Emerald Cities Initiative has used the Peregrine Group to collect data on Providence city buildings which could help with this effort. Pat M. said that he has just authorized the City to use EECBG funding to get investment grade audits on these buildings.

Abigail A. wanted to go on record as complementing VEIC for stepping up to assist with this grant with little advanced notice. It was a very complicated proposal and VEIC did it within their existing budget. Lots of extra hours were put into this proposal and the AR. They raise the bar every year.

VEIC Monthly Report

During the last month VEIC's Mike G. met with John Jacobson of Amos House to discuss EE improvements & EE training for in-house personnel. He also met with Andy Posner of the Capitol Good fund about residential EE for people who don't qualify for WAP. These efforts are working towards the goal of building EE capacity using creative solutions. Marion G. said that VEIC has been very helpful during her outreach to the RI farming community and municipalities. Mike G. said that there is already a lot of EE capacity in the state. A lot of people are interested in EE and want to be mobilized. The Council's outreach efforts have enabled them to plug into the EE PP.

Pat M. wanted to know the definition of EE capacity. Scudder P. said that it was the infrastructure, knowledge and delivery that make EE more than a good idea. Chris P. said that it was having people who know how to make EE work. It is organizational capacity. Partnering with the URI Energy Center is building capacity.

Pat M. then asked for CHP was another name for co-generation. Yes, they are really the same thing. He mention the EECBG funded East Providence fire station CHP project

and said the Council could use it to measure CHP cost effectiveness. Chris P. said it would be good to look at the economics of it.

Joe N. wanted to bring the Council's attention back to the pre-meeting that was held to discuss the ProCap WAP problem. He feels it is an urgent problem and would like more data on the subject. He would like a definitive plan to address this issue and have this plan presented to the Council at the May meeting. Mike M. said it would be helpful if we take a hold of this problem and move ahead. What is the best way to do it? NGrid's Angela Li said she supported OER's plan to have the other CAPs cover for ProCap. The sooner this plan gets going the sooner we will have a solution. Angela L. offered NGrid help in writing this plan. Pat M. said the whole OER team was behind the idea of backfilling ProCap with the other CAPs. Joe N. said that the target date for a plan should be the May meeting. OER & NGrid have to bring something to the table that can be implemented quickly. Joe N. said we need to have confidence in the data.

Update on the Regional Greenhouse Gas Initiative (RGGI) Allowance Allocation Process

Abigail A. said that Barbara C. was expected to have a plan to spend the remaining 20% of the RGGI funding at this meeting. According to Abigail A., in early January, Barbara C. set up a meeting with Chris P., Abigail A., DEM's Terry Gray, Doug McVay & Frank Stevensen, to discuss Auction 6-10 and getting that money out the door. The 80% for EE & LCP has already gone to NGrid. However, the other 20% (5% for Low Income education and 15% for K-12 education) still needs a spending plan. Barbara C. plans to put out an RFP for the K-12 section. Abigail does not know what is happening with the 5% for LI education. Barbara also mentioned scheduling a meeting to discuss Auctions 11-14 and what the allocation plan was going to be for these auctions. This process has not begun. Barbara had hoped the whole plan could be done by June. Pat M. offered to move the RGGI agenda item to the next meeting & have Barbara produce a written report on the latest developments. Abigail A. would like to have the meeting for auctions 1-14 before the May meeting so she would have something to report on.

Public comment

The OER Commissioner Position was posted right before the meeting

Chris P. asked for a motion to adjourn, it was seconded by Marion G. and passed unanimously. The meeting was adjourned at 4:30 PM.

Respectfully submitted
Charles Hawkins
Secretary Pro-tempore

