

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

Minutes-May 10, 2012

Conference Room B, Second Floor DOA

Call to Order: Chairman Ryan called the meeting to order at 3:35 PM

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

Consultants Present: Scudder Parker & Mike Guerard

Staff Present: Barbara Cesaro, Lewis Babbitt, Pat McCarthy, Julie Capobianco and Charles Hawkins

Others Present: Keith Miller, Angela Li, Jeremy Newberger, Dave Jacobson, Rachel Henschel, Christopher Kearns, Cheryl Mattson, Michael McAteer and Puja Vohra

Acceptance of Minutes: Joe Newsome made a motion to approve the April minutes. It was seconded by Chris Powell and passed unanimously.

RGGI Spending Plan Update

OER's Barbara Cesaro was introduced to give this presentation. According to the 2011 RGGI Spending Plan 80% of the proceeds would go to NGrid for Least Cost Procurement (LCP) and a check for over \$4M was issued on 12/30/11. 15% (756,502) of the proceeds will be allocated for renewable energy (RE) & energy-efficiency (EE) projects at schools. A letter of intent has been drafted by OER to be submitted to state purchasing by 5/15. The last 5% (252,167) is for low income (LI) education and a flyer and a bag with CFL light bulbs is being prepared to distribute to the CAPS and community health centers.

Joe N. felt that the \$252,167 for LI education could be better spent on something other than light bulb bags. He wondered where this idea came from. Barbara C. said that the plan was vetted with the Council at a meeting last May and then went out for public comment. Chris P. said that the percentages were vetted, but not how the 5% will be used. He also said the some of the 80% for LCP goes to LI EE. Joe N. thought it was just something to appease the LI sector.

Barbara C. said that a meeting with the EERMC, DEM & OER is being set up on May 21st to discuss a spending plan for the proceeds (\$2,402,406) from Auctions 1-14. She hopes to have a plan ready for public comment by June and a final plan in the late summer. Joe C. wanted to know if there was any way to track the effectiveness of the education mailings. When he gets such materials they usually go into the trash. Is it worthwhile? Barbara C. said the thinking was to give out something tangible, like light

bulbs. Chris P. said that he had a program at Brown that used students to educate ratepayers.

Abigail A. said that ideas should be solicited at the May 21st meeting for how to spend the 5% bucket in the 2012 plan to make sure it is spent right. Chris P. opined that May 21st may be too soon to have this meeting. The Council could form a Sub-Committee to lay out the best way to spend the 2012 proceeds. Abigail A. mentioned training for building commissioners. Marion G. mentioned the eight day Building Operator Certification (BOC) training that was pending, as a good opportunity to educate municipal officials.

Paul R. asked how long the percentages stay the same. They change every year, and this is what will be discussed at the May 21st meeting. He then said if that was the case then May 21st is too soon to have such an important meeting. Chris P. said that the EERMC, OER & DEM will decide in consultation what to do with the proceeds. Abigail A. said it had to be spent in accordance with the legislation.

Update on NGrid's Pilots

NGrid's Keith Miller was introduced to give this presentation. The pilots that NGrid has been working on include: heat pump water heaters, Wi-Fi thermostats, solar thermal systems, variable speed pumps, boiler load control, a behavioral pilot, and whole house monitoring. Every pilot is evaluated for cost effectiveness. Keith wanted to emphasize that 14% of a home's energy use is for hot water.

NGrid has installed 6 heat pump water heaters in RI. The preliminary results indicate that these heat pumps are cost effective and operate reliably in RI climate. NGrid is offering a \$1,000 rebate for these units. Savings were 50-60%. The prices of these units are going down. Chris P. asked if it was going to be one of the RISE measures. Yes, RISE can recommend it during their whole house assessments and their auditors have been trained. NGrid will not rebate this unit if it is installed in a small area like a closet.

The next pilot is for Wi-Fi thermostats. 25 units were installed in RI as a gas measure pilot. Customers can control their temperature through their computer with a goal of providing gas savings. Another pilot was for solar thermal hot water. NGrid is measuring the cost effectiveness of this measure in 60 sites in NY, Mass. & RI. The pay back is not as good as with the heat pump water heater.

Variable speed circular pumps are another pilot that has sensors within the pump to determine the amount of pumping capacity needed. It can have from 5-100% pumping capacity and can be installed in both new & retrofit installations. NGrid is working with Gem Plumbing and when they install new boilers customers were offered one of these pumps and NGrid gave them a rebate. They then put monitors on them to determine energy savings. Mike M. said it was a good way to bundle pumps in a house. NGrid will not put this unit into the EE PP unless it is cost effective. You do not have the spike you

have with other pumps because it only pumps the water that is required. Old systems that ran at 100% now can run at 8-10%.

The next pilot tested boiler load controls on oil, propane and gas units. They have wireless sensors that vary the water temperatures and can be retrofitted on all existing boilers. It can do a hot water reset without having to run wires. Savings are in the 10% range. Vic A. said that his technology has been around for 30 years. The problem was that push back thermostats were being pushed then. NGrid is also doing a behavioral pilot that brings awareness to electric energy use and encourages customers to alter habits. It is being tested in 50 homes in Tiverton & Little Compton. It tells people how to save energy. The last pilot is whole house monitoring which lets customers know how much power they are using. This is done utilizing smart grid technology that supplies real time electric usage. It also looks at your building envelope. This will be launched in RI during the late summer.

Providence Low Income Weatherization Plan

Paul R. asked if Pat M.'s team will still be coming to council meeting after their move to the Department of Human Services (DHS). Pat. M. said that the June meeting will be his last as Interim Executive Director, and that the new Commissioner of Energy would likely be taking his seat.

Pat M. submitted for the record a memo from Weatherization Assistance Program (WAP) Manager Julie Capobianco that gives a status of the ProCap situation. Pat M. said that the rebuilding of ProCap is not going fast enough to accommodate Providence's WAP needs. Paul R. asked if that meant other CAPs will take up the slack. Pat M. said that the plan to backfill ProCap would be with the geographic abutting CAPs as a potential fix has been discussed internally for at least a year. CCAP has stepped up to help Providence and BVCAP has provided technical assistance. Paul R. asked if this could make up for lost time. Pat M. said that was unknown at this point.

Vic A. said that oil vendors have been told by ProCap that a second signature is needed before they can release emergency delivery checks. Lewis B. said that because ProCap has a receiver they need a dual signature from him and the interim CEO. Lewis B. said he was aware that this has slowed down payments and plans to meet with ProCap to speed up the process. Lewis said that changes to a reimbursement system have caused some delays. Lewis B. said he plans to meet with the Oil Heat Institute in May with the goal of improving the relationship with the oil vendors.

Joe N. asked if ProCap will be up and running in a year. Pat M. said that ProCap needs on the ground leadership in a full time, not part time manner. His goal is to incorporate process improvement in the WAP. Scudder P. said that the Council should try to maintain a full time relationship with the state's LI programs. Pat M. said that the most important consideration is the health and safety of all involved. Joe N. asked if 50% of the 2012 EE PP LI goals can be reached with this system. If not, can other methods,

other than the CAPs be used to get to these goals. Pat M. said that he would have a better estimate at the next council meeting.

LIHEAP Update

Lewis B. said that the LIHEAP season has ended with 31,640 clients served which is a 12% decrease from last winter. The mild winter and ProCap's problems contributed to the decline. 40% of the clients were gas, 9% electric and 42% oil. 11,294 of the clients were elderly, 8,144 were disabled and 6,000 households had children. Crisis grants to restore service numbered 5,874.

Going forward, the President's 2013 LIHEAP budget for next year is \$18M. However, last winter, the President's budget called for \$13M but the Senate pushed that up to \$23M. However, the LIHEAP enhancement funds from the Henry Sheldon legislation will also help off-set potential federal budget cuts. WAP funding is projected to be cut by 50% for 2013. USHHS & NGrid will still be providing most of the funding for WAP.

Pat M. said that process improvement is need to better track the Henry Sheldon funding. He is reaching out to NGrid to accomplish this. Lewis B. said that LI software is being upgraded and the RFP has been issued to improve the computer system. A new vendor has been chosen and vast improvement is anticipated. It will do both LIHEAP & WAP. Joe N. asked how much the new system will cost. It cost over \$300,000.

Right now most of the WAP funding is still coming from ARRA, which is leveraged with NGrid & USHHS money. The ARRA WAP funding is almost gone. Pat M. said that as of June 2012 the only ARRA initiative left will be six SEP projects, with an assortment of various market titles, and the rest of the EECBG which should be at 90% drawdown by that time. NGrid LI funding is at 15% of the goal. Joe N. felt that OER was doing well under difficult circumstances but he is concerned with falling short of goals. He wants to make sure people can get through the winter without freezing. He finds that the multiple funding sources can be complicated. He would like Lewis B. to come up with a system to keep the Council informed. Pat M. said he will brief HHS's Sandra Powell on the Council's interest in LI issues.

Update & Discussion of NGrid's First Quarter EE PP Results

Abigail A. wanted to make sure that VEIC has an opportunity to respond to NGrid's presentation. She suggested having NGrid present for 15 minutes and then have VEIC present for 15 minutes and then have an open discussion.

NGrid's presentation began with Mike M. citing the NGrid transition and the bad economy as challenges in getting to EE goals. Last year the programs started slowly and unfortunately this year is even slower. NGrid needs to think of new deployment strategies to get to their goals. Some of the programs are working well but there are some "red light" programs.

NGrid's Puja Vohra was introduced to report on the C&I programs. Starting on 5/1 and running through 9/1 NGrid will offer 25% increases in incentives for the Large C&I Retrofit Program. NGrid is looking to have a focused approach to each market sector. They will be having an initiative with RI grocery stores with a dedicated vendor which will kick off on 5/15. They have had some bumps in getting the upstream lighting program off the ground. For the long term, NGrid has met with Brown University to establish a multiyear MOU as part of the Strategic Energy Management Plan (SEMP). This is the way to go in the future for large customers like Brown & URI. NGrid is also working with the state on codes and standards. NGrid wants to streamline the transaction process. Joe N. asked what he meant by the transaction process. Mike M. said that this was an effort to compress the time required for a transaction so the steps move quicker.

NGrid's Angela Li was introduced to give a residential update. She said that NGrid was doing a comprehensive marketing campaign to engage hard to reach customers. Red flag programs include residential HVAC on the gas side. They have been doing e-mail targeting and going door to door. They will be doing a vendor meet and greet to make them aware of the EE programs. LI has been another area of concern and focus and they have been talking to OER about how to reach the EE PP savings goals.

Joe N. senses the programs are way behind and he wondered if it was because of all the changes at NGrid. Mike M. said that things are behind but they are not behind in all areas. Joe N. asked if it was a person capacity problem. Mike M. said he did not think so, he felt it was a question of better deployment and strategies. The High Efficiency heating program changed rebate processors and the transition did not go as smoothly as expected. Chris P. said that it was important to get long term program like the SEMP in place and that can take time. Joe C. cited the expense in dehumidifying homes and he would like NGrid to provide some information on this at a future meeting.

VEIC Monthly Report

VEIC has been building on local contacts; meeting with the Capitol Good Fund on financing options for non-LI residents; attending a forum on hard to reach communities and meeting with the Washington County Regional Planning Council on municipal lighting issues. They are also working on the gas opportunity report and helped OER with the SEP competitive grant. The Annual Report has been completed and URI is doing the printing of the hard copies.

VEIC Presentation on the NGrid's Quarterly Report

VEIC reports that while some programs and initiatives are progressing and achieving EE savings, other key areas are experiencing significant delays and underperformance. It appears that the current implementation trajectory is not on track to achieve the 2012 EE goals. VEIC is really focusing on the red lights in the EE PP that need to be addressed. It is also important to realize how big a jump the 2012 goals are from 2011. Gas is a

huge jump, it is doubling. Although the gas goal was reached in 2011, it was really one really large project that drove those numbers. This is a huge challenge for NGrid

The key red lights are large C&I new construction which can be related to the economy. Large C&I retrofits which were strong for gas (29%) but weak for electric (6.9%). A factor in this weakness was lack of rebate forms online. Chris P. asked about why this program set such large goals. Introduction of the upstream lighting initiative was cited.

The residential Energy Star HVAC has only achieved 1.9% of the savings goals with 1.3% participation. Lack of incentive applications on the NGrid website could have driven these numbers for much of the 1st quarter. How can this lack of progress be made up to put it back on its trajectory?

LI was also a red flag. Last year only 2/3 of the goals were achieved and this year it is even farther behind. There is a sense that the CAPs can not move the \$7.3M in LI funding. Are there other vehicles to get it done?

Mike G. questioned Mike M on what can be done about data collection. In order to get a good sense of the progress of programs NGrid has to have the data. How do you translate this to actual savings? There is a need for monthly data sets which show real time progress.

Abigail A. is very concerned about where the programs stand. She is glad to hear that NGrid is committed to achieving these goals. The next few months are critical to EE PP savings goals. More data transparency is warranted. A solution may be to get regular updates on the red flag programs in real time. Scudder P. said the message is that VEIC is concerned about this big challenge and more data would be helpful.

Pat M. cited the two bullets on page 5 of the report that questions the CAPS ability to deliver on the LI EE goals. He wanted to remind members that the 38,000 LIHEAP clients are the portal to the WAP. He feels that the process of CAP delivery system can be improved to meet the LI goals. Mike G. said that the key is to make sure all of the DSM LI money gets spend. Multi-family is an area that needs big improvement. NGrid is working on eight multi-family pilots. With an increased DSM, multi-family EE is no longer a budget buster.

Abigail A. asked if it made sense to set some interim goals with an eye to getting the red flag programs back on track by August. Rachel H. said that last year in August they were only at 50% but by the end of the year they had reached their goals. If it is a capacity issue with the utility, then do what is needed to get the capacity? Dan J. asked if the Council can get a forecast for the next two quarters to see if the goals can be achieved. He would also like a one-pager monthly to see how things are progressing. Jeremy N. said that NGrid would be more comfortable with quarterly reports. He said that there will be 2 DSM Collaborative Meetings before August to hash this out and then see the second quarter report. He thinks a quarterly forecast would be more meaningful.

Scudder P. said the Council is not asking for ponderous reports, just a quick update monthly. Mike G. said that RISE, in order to be paid on a monthly basis, submits the number of jobs to NGrid. These are key numbers that have to be known quickly, not quarterly. Chris P. wants more real time communication. Joe N. likes Mike M.'s optimism, however, NGrid needs to be more up front about the progress in meeting their goals. His question is what does the Council want to see between now and the June meeting. Chris P. said having VEIC & NGrid meet to prepare a plan for getting the red flags moving. Joe N. likes the idea of preparing a plan for the June meeting on how to redirect the LI money to other programs. Can this be teed up for the next meeting? Rachel H. that that will be done by the June meeting. Scudder P. said that they will work with NGrid to try and get at the key indicators on how the EE PP is doing. **It was agreed that VEIC & NGrid would prepare a report for the June Meeting on the key EE indicators for achieving the 2012 EE PP savings goals.**

Public Comment

Cheryl Matteson who works on EE program for Northeast Utilities wanted to introduce herself and offered possible assistance to the Council. Joe N. mentioned that he had seen her at a recent meeting of the Connecticut Energy Efficiency Council.

Adjournment.

Chris P. made a motion to adjourn, it was seconded by Joe c. and Passed unanimously. The meeting was adjourned at 6:165 PM.

Respectfully submitted
Charles Hawkins
Secretary Pro-tempore