

ENERGY EFFICIENCY AND RESOURCES MANGEMENT COUNCIL

Minutes-September 12, 2013

Conference Room B., Second Floor DOA

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

Members Present: Paul Ryan, Julie Gill, Joe Cirillo, Joe Newsome, Dan Justynski, Jennifer Hutchinson, Chris Powell, Marsha Garcia, and Marion Gold

Staff Present: Charles Hawkins, Chris Kearns, and Rachel Sholly

Consultants: Mike Guerard, Scudder Parker, and Sam Huntington

Others Present: Rachel Henschel, Jeremy Newberger, Nick Corsetti, Puja Vohra, Seth Handy, Jeff Broadhead, Dan Beardsley, Sam Nutter, John Hays, Courtney Lane, Michael McAteer, Angela Li, Belinda Wong, Chon Meng Wong, and Craig Johnson

Acceptance of Minutes: Dan Justynski made a motion to approve the August minutes. It was seconded by Marsha Garcia and passed unanimously.

Executive Director's Report

Marion G. said she accompanied Governor Chafee to Quebec for the 37th New England Governors and Eastern Canadian Premiers Conference. The Governors and Premiers received an award recognizing the region's leadership on climate change. During a presentation by the Executive Director of the Climate Group, energy efficiency (EE) was cited as the first fuel of the region and it is good to get that message across. They also passed a resolution to work on EE as they continue to grapple with other energy issues.

OER met with the Northeast Energy Efficiency Partnership's (NEEP) policy team to discuss ways to support RI EE efforts. Rachel Sholly has been invited to serve on the Regional Evaluation, Measurement & Verification Forum. This forum consists of program administrators, public utility commissioners and state energy officials. Its goal is to establish cost effectiveness (CE) testing and research guidance for states. The RI Public Utility Commission's (PUC) Paul Roberti is one of the co-chairs and Jeremy N. is also involved. OER would like NEEP and the C-Team to give a presentation in November talking about how cost benefit test adjustments can help contain the system benefit charge (SBC).

Paul R. said that the Council needs to think about scheduling another joint meeting with the Renewable Energy Coordinating Board which is mandated by statute. Marion G. said she would work to coordinate that meeting.

NGrid Update on the Municipal Street Lighting Tariff

NGrid's Jeremy Newberger was introduced to give this presentation. NGrid is planning on filing the tariff for customer owned street lights on September 16th as required by statute. A draft has been shared with the OER and they have responded with comments that the company is now reviewing. The tariff will be addressing both technologies and controls. It appears as if the higher wattage conversion will be the most CE. However, the company does not know what the potential is or how the municipalities will respond. Towns will make their own plans depending on what makes sense for them. In the 2014 EEPP, about \$150,000 in incentives have been budgeted for this initiative. NGrid is also working on a tariff for company owned LED streetlights for customers who want the LED technology but don't want to purchase the equipment.

Marion G. said that the OER was working with the C-Team to analyze the proposed tariff. It appears that in order to achieve some of the more progressive opportunities of the tariff, the OER will need to intervene in the docket. NGrid does not have the time to go through the complexities of designing a rate that will capture some of the innovative EE aspects of the tariff. This includes dimming controls, which have never been included in legislation before. This process will take six months and the company may not do it if there is not sufficient support for it. She would like to work in partnership with the EERMC on this. She is thinking of using the OER legal staff along with the C-Team if the Council will authorize it.

Paul R. asked if this was going to be a separate docket. Jeremy N. said yes, especially if it is going to be contested. Paul R. said that for the EERMC to intervene they need to take a vote to intervene in the filing and then authorize Dan Prentiss to do the legal work. OER can piggyback on this effort, but it is something the Council will need to vote on. He feels the Council should get involved. Chris P. said for the Council to intervene that would mean that they have a disagreement and don't support the tariff. Paul R. said that you can be a supporter of the docket and still intervene. He said if you don't participate you don't have a voice either way.

Marion G. wanted to reiterate that the OER is mostly in agreement with the tariff but there are areas that need to be worked out. She feels it is important to engage NGrid during the docket process. Jeremy N. asked, once the tariff is filed, if there is a time limit in which the PUC needs to act. Marion G. said it was sixty days. She said that the company wants to meet the deadline and does not want to ask for an extension. NGrid's John Walters told her it would take six months to make the necessary IT adjustments. She did not realize that streetlights are not metered so it is not possible to capture all of the actual EE savings.

Paul R. said that the Council had not spent all of Dan P.'s budget so no additional money will need to be authorized. He also said he does not want to use the OER lawyers. He then asked for a motion to formally intervene in the September 16th filing. Dan J. wanted

clarification that the intent was to intervene as a placeholder so they can review the docket and participate.

Dan J. made a motion to intervene in the September 16th streetlight tariff filing. It was seconded by Joe C. and passed unanimously.

Jeremy N. said he did not know if there was sufficient funding in the C-Team budget for this task. Paul R. said we can look into that at next month's meeting. Marion G. said that was a very good point, and OER would look into it, but she thinks there are sufficient funds to allow additional C-Team time on this task.

Seth H. said he was glad the OER and the EERMC plan to intervene in the docket and that they will be at the table during discussions. He said the towns will have more input into the tariff and would be presenting their thoughts during the process. Jeff Broadhead said that the Washington County Regional Planning Council will be intervening. Dan Beardsley said that the League of Cities and Towns will also be intervening.

DHS Low Income Programs Update

Lewis Babbitt of the Department of Human Services (DHS) was introduced to give this presentation. The DHS's Low Income Energy Assistance Program (LIHEAP) served 28,000 low income (LI) clients in 2013 which is a decrease of 10%. 10,797 of the clients were elderly and 7,301 were disabled. 58% were gas customers and 33% were oil. A total of 5,000 crisis grants were distributed which is down from a total of 7,000 in 2012. There is some concern about the declining numbers of clients served. DHS always uses the lowest number for their budget, which is in the President's budget at \$20 million. Last year this number was \$23 million. However, the House and Senate usually bump up this total in the annual appropriations bill.

DOE weatherization funding is down drastically. RI is scheduled to receive \$250,000 which is down from \$880,000 last year. Last year this funding was able to do 217 households. The new budget will only allow for 35-40 houses. Scudder P. said he was very disappointed at this news and asked what the level of investment in weatherization was four years ago. It was at about \$1-1.2 million. Lewis B. said it is very difficult to run a program on \$250,000. He also said that DHS budgeted with the sequestration in mind. DHS plans on using 15% of its LIHEAP funds, from the US Department of Health and Human Services (HHS), for Weatherization to help get over this funding shortfall.

New contracts have been sent out to the Community Action Programs (CAPs) in the new DHS format. Now agencies will get one contract for Weatherization, boiler replacement, administrative fees & LIHEAP that will span two years. Chris P. asked if the LI programs, run by NGrid, will now have to do less. Lewis B. said no, the SBC utility funds are set in stone. DHS also has carry-over funds. The heavy lifting will now have to be done by HHS LIHEAP and utility EE funding. Scudder P. asked if the HHS funds were the 15% allowed to be used from LIHEAP for Weatherization. Yes, and this will help run the program so he does not expect a drop-off in weatherization work.

Julie G. asked about the breakdown of household fuel sources. Is that the percent of households or the percent of dollars? It is percent of households. She said that oil has lost a lot of customers to NG. She wanted to know how it is determined which households get the assistance. It is based on need, applications are fuel source blind. It is first come first serve. The goal is to keep the cost of gas and oil the same so all fuel source clients get the same benefit.

To avoid last season's late start to the LIHEAP season, vendor agreements have already been sent out. The goal for mailing applications to clients is two weeks from today with an early October start to the season. Lewis B. said that other states he has talked to are also down in number of clients served and no one know the reason. The primary grant award has risen from \$400 to \$600. Joe N. asked who sets the average grant award. The DHS does; it is based on a matrix of the household income and their fuel type. Crisis grants are different and are meant to restore service for gas and electric and to provide 100 gallons of oil to deliverable clients.

Joe N. said that for fifteen straight years there was an increase in utility cutoffs. Is that still the case? Lewis B. has seen it dip this year, not increase. Mike M. asked how hard it is for clients to apply. New clients have to have an appointment with an intake worker and the amount of documentation can be daunting. If you don't bring the correct documentation you need to come back. Marion G. said this is because the fraud level has been so high; but the goal is to keep the process as streamlined as possible and not overburden the CAPs. A new wrinkle in the system is data sharing with the utility which looks at new client usage data. With this data DHS can tailor the grant award based on usage. Other states are doing this as well. Oil data may be hard to get, especially for the small vendors so this will have to be worked out.

The new software system has been fully integrated and we are looking for a December implementation. Now Weatherization & LIHEAP will be in the same computer data system. This will make it easier for intake workers and will speed up the process.

One big issue for CAPS is the Henry Shelton Act (LIHEAP enhancement). This calls for a reduced payment for reinstatement with a forgiveness program on the back end. They do not receive administrative funding for this so it is a burden. DHS is looking for ways to support the CAPs, especially in the summer when they are short staffed. Another issue is client participation, especially in Weatherization. Landlords are a hard sell and DHS is trying to break this barrier and educate them on the benefits of weatherization.

Paul R. commented that there was a vast improvement in the program. Joe N. feels there needs to be a better way to periodically update Council members on LI issues. It is good to step back and take a broader look at the programs over the last four or five years

NGrid Update on the 2014 Energy Efficiency Program Plan (EPPP)

Jeremy N. was introduced to give this power point presentation (attached). The object is to present highlights of the first draft of the plan and get feedback for the final draft that will be presented to the Council in October. NGrid is currently on track to meet 107% of its electric EPPP goal and 103% of its gas goal.

Chris P. asked if the \$13 million incentive for the Toray Combined Heat and Power (CHP) project was all coming out of the 2014 budget. Jeremy N. said it was funded partly out of the 2013 plan and partly out of 2014. Savings projections are 53% higher this year than in 2013 because of the Toray CHP project. Chris P. asked what the percent was if you pulled out Toray. It would be 28% higher than in the Three Year Plan.

Chris P. wanted to know how the EPPP was working with its increased budget. Are we getting CE EE? Where is the balance? Jeremy N. said that NGrid needs to generate those numbers; he does not have them off the top of his head but will provide them at the next meeting. Paul R. commented that EE will get more expensive when the long hanging fruit is no longer available and NGrid will need to go deeper with measures that are less CE. Marion G. said the challenge this year is keeping the momentum going. There is pressure from the DPUC to keep costs down. She also believes there is still low hanging fruit out there. Jeremy said that sometimes you have to overcome barriers to get to the low hanging fruit.

Chris P. asked if Regional Greenhouse Gas Initiative (RGGI) funding was part of the mix in the 2014 EPPP. Jeremy N. said it is not. NGrid does not know if they will be receiving RGGI finds. NGrid has asked the OER to allow them to use the RGGI funding on EE with no strings attached. Marion G. said it was the intent of the OER to establish some guiding principles for RGGI spending with a goal of lowering the SBC. Paul R. said that when last year's plan was approved Commissioner Roberti wanted NGrid to come back with adjusted numbers if RGGI funding was included in the EPPP. Marion G. said the goal was to use RGGI to supplement and not supplant. Jeremy N. cited the non-profits as a hard to reach market and he hopes RGGI could get at that segment to help reach new customers. Chris P. said that NGrid has had to tweak other programs because of Toray. What is taking a hit? Jeremy N. said that rebates for products are lower, because of increasing baselines, making it harder to get savings from products so there is a focus on the top ten most EE products.

In the gas programs the new plan calls for a 23% increase from 2013. Home Energy Reports (HER) has increased participation in the gas programs. The budgets are higher than anticipated because to go deeper in EE is more expensive, especially in C&I. The SBC charge is lower than projected because of increased gas sales. Chris P. asked how much of the sales percent is attributed to Toray. Rachel H. said it is a significant number, mainly because the economy is better now than when the numbers were originally projected in 2009. Scudder P. said the numbers were higher for Toray, however, he believes Toray will not pay into the gas SBC for the NG they will be consuming. Chris P. understands why they are not paying the electric SBC, because they are generating

their own electricity, but they should pay into the gas SBC. Jennifer H. said she is not sure what the gas Toray contract is but she will look into it.

Angela Li was introduced to give the 2014 residential highlights. One aspect of the plan hopes to triple the use of LED lighting in homes. In the EnergyWise program they are looking to test customer segmentation and streamline HVAC opportunities at the time of gas conversions. They are also looking to prioritize zero-net energy homes. Marion G. cited a project at the East Bay Met School which is looking to be zero-net energy as a CE model for EE. NGrid is also doing a lot of outreach to customers with the RI Energy Challenge. They will also be hosting two EE events in libraries in Narragansett & West Warwick. Paul R. said that the HER report card has been popular in Barrington.

Puja V. was introduced to give the C&I highlights. NGrid will be making enhancements to their new construction portfolio and introducing design team incentives. There will also be some tweaks in the C&I program because of changes in the energy code. Chris P. asked about these changes. Has anyone done an assessment of the new code compared to where it was before? Puja V. said the NGrid team was reviewing the changes that make the code 15% more stringent. It mirrors the Massachusetts stretch code. The upstream lighting program was successful in 2013 and they are looking to prioritize commercial kitchens. They will also be adding more products to the upstream package.

In the RIPEP collaboration with the OER, NGrid has added automated benchmarking services (ABS) using the EPA's Portfolio Manager energy data tracking tool. In the Strategic Energy Management Program (SEMP), NGrid has identified one additional university and industrial customer. Chris P. said that the SEMP program at Brown has made savings easier and cleared up barriers to EE. Marion G. would like to do a SEMP with the State. In the codes and standards initiative NGrid is looking to ramp up the training of building code officials in 2014. Joe C. cited a recall of dehumidifiers because of fires around the country. He feels that people should be made aware of this fire hazard.

NGrid is also developing a long term strategy for higher EE appliance standards advocacy. On C&I financing, NGrid is reprogramming \$4.3 from a fund balance for C&I revolving loans and on-bill financing. They are also looking at an EE loan trust. Jeremy N. then asked the Council to provide their feedback on the EEPH highlights.

Chris P. said it was important that Toray pay into the gas SBC because they are consuming the gas. To him, this is a deal breaker, he won't vote for a plan that allows this to happen. This never came up in the discussion about Toray CHP incentives. Jennifer H. said she does not think that is the case. She believes Toray only gets the SBC waived on the electric side, but she will look into it and get back to him.

Chris P. said that he has had discussions with The Energy Council of RI's Bill Ferguson about financing tweaks that he plans on bring to the Demand Side Management (DSM) Collaborative. Jeremy N. said he would call Bill F. about his concerns. Paul R. wanted to remind members that the October EERMC meeting will be on the 17th, and not the

second Thursday, and that the EERMC CHP Public Hearing will take place on September 17th at the EDC. Rachel H. suggested moving the October meeting to a location that is convenient for Abigail A. who is on maternity leave. Marion G. suggested the URI Bay Campus. Other locations were suggested like the PUC or the URI Kingstown campus. It was agreed that Marsha G. will look into the Bay Campus for availability.

NGrid's Community Initiatives

Nick Corsetti was introduced to give this power point presentation. The highlight is the RI Energy Challenge, which is being built off of the HER. The goal is to plug it in EE at the grass roots level. They are targeting towns, businesses, non-profits and churches. They hosted an EE Awareness Night for Little Compton & Tiverton. The Warwick Beacon highlighted the RI Energy Challenge in a front page article. He then showed a video of Charlie Braun of Bannecker Industries, and High Peltz of Citizens Bank toting the RI Energy Challenge. This outreach has resulted in a big uptick in energy audits and NGrid has engaged over 1,000 people in the outreach process. RI Interfaith Power & Light has been a great partner.

VEIC Monthly Report

The C-Team has spent most of their time recently working on the analytical work needed to set the Three-year Savings Targets. They are now responding to PUC inquires about the filing. The Savings Targets Subcommittee will be getting the first draft of the C-Team's responses shortly. Scudder P. said it was a good process and it was great to have the subcommittee involved. He feels the hearing will be a good time to educate the two new PUC commissioners on the EE process. The C-Team also felt that the development of the EEPP was easier this year because the C-Team & NGrid meet regularly and exchanged ideas as a team.

The question that the C-Team has for the Council is the best way for them to get their feedback on the EEPP to the C-Team & NGrid. After completing the first red-line draft, the C-Team will develop a top ten topics list and will be looking for feedback. Paul R. suggested doing it by e-mail to each member. Mike G. said that in the past, the Council conditionally approves the EEPP at the October meeting, and then appoints a sub-committee to work out any last-minute changes in the plan before filing. He suggested setting up that sub-committee now so it will be in place for October. Chris P. said the sub-committee would have the authority to approve the changes. Paul R. asked who wanted to volunteer for this sub-committee. Chris P., Dan J., and Marion G., volunteered.

Paul R. proposed a motion to create a sub-committee to work with the C-Team to finalize the changes to the 2014 EEPP to be presented to the Council at the October meeting and then to work to finalize those changes before the November filing. It was seconded by Joe C. and passed unanimously.

Scudder P. asked if the Council wanted the changes e-mailed to the whole Council or to just the sub-committee. Chris P. said they should be mailed to all members and they can bring their concerns to the sub-committee. Paul R. said any member who has concerns about the plan should communicate it to the sub-committee and then they will relay those concerns to the C-Team and NGrid.

Jeremy N. asked for clarification on how the sub-committee will interact with the DSM Collaborative. He feels members of the sub-committee should come to the next DSM Collaborative Meeting. Marion G. said that the EERMC is an active member in the DSM Collaborative and at today's meeting no Council members were present. She suggested participating by phone. Scudder P. said that the Division of Public Utilities is represented at the Collaborative and this year they have expressed funding concerns. Chris P. said he would call in to the next meeting. Marion G. wanted to express thanks to the C-Team for their effort in developing the plan.

Paul R. made a motion to adjourn. It was seconded by Joe C. and passed unanimously. The meeting was adjourned at 6:05 PM.

Respectfully submitted
Charles Hawkins
Secretary Pro-tempore