



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

**EXECUTIVE COMMITTEE
MEETING MINUTES**

Thursday, November 6, 2014

2:00 - 3:00 PM

Conference Room B
Department of Administration
One Capitol Hill, Providence, RI

In Attendance: Abigail Anthony, Chris Kearns, Marion Gold, Mike Guerard, Jeremy Newberger, Chris Powell, Paul Ryan, Rachel Sholly, Jessica Smith, Nick Ucci

1. Call to Order

Chairman Paul Ryan called the meeting to order at 2:00 PM.

2. Approval of Executive Committee October Meeting Minutes

Chris Powell made a motion to approve the October minutes as submitted. Abigail Anthony seconded and all approved.

3. Review of Draft EERMC November Meeting Agenda

The Consultant Team contract should include a vote and it should be termed "negotiated contract". A presentation on the income eligible and multifamily programs should be added to the agenda. Jeremy Newberger reminded the Committee that the Council needs to develop a 2015 budget. Staff at the Office of Energy Resources (OER) will work on this with Mr. Newberger for vote in December.

4. Executive Director Report

Commissioner Marion Gold reported that currently the EERMC/OER ratepayer allocation is split 60% to the Council and 40% to OER. The EERMC budget on average leaves 20% of funds unspent. Shifting the split to 55%/45% or 50%/50% would allow the OER to continue adding staff and expertise and would still leave the Council with a big consulting contract and at least

\$100,000 of discretionary funds. Mr. Powell felt that the concept is good and asked to see the tasks or functions that those funds would go toward at a macro level so the EERMC can ensure the uses meet the intent of the funds. Ms. Anthony noted that one way to do this without a legislative change would be to allocate funds to the OER through the EERMC budget.

Nick Ucci of the OER felt that it would be much cleaner to do it through legislation. The other way makes things less certain, which would detract from the OER's stability and ability to plan. Every OER staff member works on energy efficiency to some extent. Ms. Anthony commented that the legislative solution would not go through until May, so using the EERMC budget would be a way of doing this more quickly. Chris Kearns of the OER noted that the OER needs to demonstrate three years of funding for each employee, which may be difficult to do if the budget needs to be approved by the Public Utilities Commission (PUC) each year. Additionally, with a newly Republican Senate, the OER is at risk of losing much of its annual State Energy Program funds. The OER has tried to get creative with funding but is running out of options.

5. Legal Counsel Request for Proposals Update

Rachel Sholly will email the draft request for proposals (RFP) to the full Council this afternoon for feedback. To distribute the RFP, the OER should contact the BAR Association's Energy and Environment Committee, which can send it to their comprehensive list of firms.

6. Review of Draft EERMC Rules of Procedure

Mr. Ucci proposed redesigning the rules of procedure document to be bylaws, including how the leadership structure works, how meeting notices get posted, etc. The document should create a structure for the Council to refer to and should be simple and not include the legislative language. The OER will send out a revised document. The Council was in favor of this direction for next Executive Committee meeting. The document should include a description of Council committees.

7. Consultant Team Negotiation Update

Ms. Anthony felt that we should not change for the sake of change and that there are many reasons not to change. This Team has taken Rhode Island to #3 in the country. Commissioner Gold agreed with Ms. Anthony's sentiments. Mr. Powell felt that the Council has a fiduciary responsibility to get a good package for Rhode Island ratepayers. He would like to see more focus on the commercial and industrial (C&I) sector, which the Consultant Team has addressed in its revised proposal.

Mr. Guerard talked about the memo submitted by the Consultant Team (*see attached*). He said that the Council's points were fair and the Team was glad to be able to respond to them. The Team will be hiring Jen Kyoto who owns a commissioning business, is part of the Consultant Team in Massachusetts, and adds more Rhode Island presence at a low cost. Mr. Parker thought that there may be some regulatory research and/or advocacy work that the Consultant Team could do to help the C&I sector.

The current VEIC/Optimal Consultant Team proposed a first option which included cutting the budget in two areas: rates and travel reimbursement. They did not want to reduce the number of hours proposed because in the last two years, they have put in 4200 and 4300 hours and the proposal is already decreasing that to 4000. Additionally, removing annual report development, which will now be done by the OER, further reduced the budget by \$10,000.

Chairman Ryan voted to keep the current Consultant Team but was looking for a 10-15% reduction and is not interested in micro-managing how these cuts are made. Ms. Anthony noted that Mr. Parker has always been disciplined and they have come in under budget consistently. She felt that the Council can be more cognizant of the scope of work and the burn rate. Additionally, the RFP may not have done a good job of conveying exactly what we expect – what the current Consultant Team does.

Commissioner Gold brought up the fact that last year the Council included an unassigned pool of money available as-needed if new project opportunities arose that needed Consultant Team assistance. Doing this again in 2015 would also require a full Council vote. Ms. Anthony added that the Council can survey members as it has done in the past to get more feedback on the Consultant Team's performance.

Ms. Anthony made a motion to approve the VEIC/Optimal proposal with a 10% price reduction. Additionally, \$75,000 of EERMC budget will be allocated to a special projects category under the VEIC contract. Mr. Powell seconded and all approved.

8. Other Business

Ms. Anthony felt that it would be a good use of the Consultant Team's time to look at the ACEEE State Scorecard and recommend initiatives that would help Rhode Island achieve more points. Mr. Parker and Mr. Guerard agreed.

9. Adjournment

Chairman Ryan adjourned the meeting at 3:10 PM.

Full EERMC Meeting: Thursday, November 13th 3:30-5:30 PM; Conf. Room B

Next Exec. Comm. Meeting: Thursday, December 4th 2:00-3:00 PM; Conf. Room B