



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

## **MEETING MINUTES**

**Thursday, December 11, 2014**

**3:30 - 5:30 PM**

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

- Members Present:** Abigail Anthony, Marion Gold, Dan Justynski, Jennifer Hutchinson, Jeremy Newberger (for Michael McAteer), Joe Newsome, Paul Ryan
- Members Absent:** Joe Cirillo, Marsha Garcia, Julie Gill, Michael McAteer, Chris Powell
- Consultants Present:** Mike Guerard, Craig Johnson
- OER Staff Present:** Chris Kearns, Danny Musher, Rachel Sholly, Nick Ucci
- Others Present:** Lesley Malone, Laura Rodormer, Brigid Ryan, Rob Sherwood, Jessica Smith

### **1. Call to Order**

Chairman Paul Ryan called the meeting to order at 3:37 PM.

### **2. Approval of November Meeting Minutes**

Abigail Anthony made a motion to approve the November meeting minutes as submitted. Dan Justynski seconded and all approved.

### **3. Executive Director Report**

#### *Upcoming Public Utilities Commission Hearings*

Commissioner Marion Gold of the Office of Energy Resources (OER) reported that the Standard Offer hearing will be held on Tuesday, December 16<sup>th</sup> and the Technical Session for the 2015 Energy Efficiency Program Plan will be held the following day, Wednesday, December 17<sup>th</sup> at 9:30 AM. Jeremy Newberger reported that National Grid will be responding to comments on the Plan. National Grid will make a brief opening statement, followed by the Council consultant team, the OER, Acadia Center and the Division of

Public Utilities and Carriers (Division). Neither The Energy Council of Rhode Island (TEC-RI) nor People's Power & Light (PP&L) will present, but they have submitted letters of support among others. The context to be conveyed is that, in light of increasing energy prices, this energy efficiency plan is of utmost importance. Grid is preparing for a line of questioning regarding the budget, in particular, the impact on rates and shareholder incentives.

Ms. Anthony asked about showing how the energy savings of a participant in the 2015 plan could impact their bills in light of the rate increase. Nick Ucci suggested using data from a memo just released by the Division of Public Utilities and Carriers. He added that, as challenging as the rate filing is, it is shedding light on underlying causes of rate volatility and the impacts of the extensive energy efficiency work being done. Per Abigail's point, Mr. Newberger asked if the consultant team could work on calculations.

#### **4. Executive Committee Report**

##### *Vote on Legal Counsel RFP*

Chairman Ryan reported that the legal services request for proposals (RFP) has been emailed out, discussed several times, and has had no changes other than creating an evaluation rubric for scoring proposals. Mr. Ucci said that the scoring aspects must be added to the proposal itself, informing proposers of how they will be evaluated. The OER will post and promote the RFP as soon as possible with a response date of January 31, 2015.

**Joe Newsome made a motion to authorize the RFP to be issued with the correction suggested by Mr. Ucci. Mr. Justynski seconded and all approved.**

##### *EERMC Bylaws*

Chairman Ryan questioned whether the Council should ever go into executive session, which is addressed in section 9. The bylaws will be up for a vote in January. Council members should provide comments before that meeting so the document can be finalized. Mr. Ucci cited the statute purposely trying to avoid establishing new powers.

##### *New Member Appointments*

Commissioner Gold reported that she is working to identify recommended candidates for the new or replacement appointees. She added that she would like to send a list of names to the Governor's office early in the New Year.

#### **5. Vote on Consultant Team 2015 Scope of Work**

Mike Guerard said that this scope of work (*see attached*) is less detailed than past scopes because the team had recently completed the full proposal for the new EERMC consultant contract. Ms. Anthony asked if the other bidder has been notified. The OER will notify them.

**Mr. Newsome made a motion to approve the consultant team 2015 scope of work as submitted. Ms. Anthony seconded and motion passed unanimously.**

## 6. Vote on EERMC 2015 Budget

Rachel Sholly of the OER presented the draft 2015 budget and 2014 expenses. Commissioner Gold explained that the communications budget came out of a discussion during the December Executive Committee meeting. In addition to producing the Annual Report, the group discussed developing an educational display for events like the Energy Expo, potentially taking action on the branding study done earlier in the year, and using professional services to convey our message in different formats. For example, a one-page memo for legislators on extending least cost procurement.

Ms. Sholly also outlined the new line items of OER staff support. Mr. Newberger felt that the OER's proposal was good, but he will need to figure out how to move the money.

Mr. Guerard pointed out that 70% of the allocated \$60,000 for the Dunsky finance study will also be taken out of the 2014 budget, which is not reflected in the expense report. He also pointed out that unless VEIC invoices for the full \$10,000 approved for the Energy Expo interns in 2014, the remainder will have to come out of the 2015 budget. Mr. Justynski suggested adding \$10,000 for "EERMC interns" which would cover the current Energy Expo interns into 2015 and would also leave room for additional interns as needed, not necessarily for the Energy Expo.

**Mr. Justynski made a motion to approve the 2015 EERMC proposed budget with the amendment of adding \$10,000 for EERMC interns as needed, reducing the total balance to \$116,044. Mr. Newsome seconded and the motion passed unanimously.**

## 7. Policy/Planning Issues

### *Thermal Working Group Presentation*

Danny Musher and Mr. Guerard presented an update on the Thermal Working Group (*see attached*). Mr. Justynski asked about the idea of shrinking the gas sector given the current gas constraints. Commissioner Gold replied that this conversation is happening in a different forum. We do not want to convert completely to natural gas; we want a more diversified fuel portfolio. Biodiesel may provide new business opportunities for delivered fuel companies. Ms. Anthony noted that natural gas is not the only alternative to oil and that it is important to give consumers a choice. Efficiency measures for delivered fuel customers address multiple objectives and we do not want to be promoting gas when we can take action to help people lower bills for the future. Mr. Guerard said that this concept is exactly what the renewable thermal working group is working on.

Mr. Newsome asked about the residential versus commercial breakdown of the 37%-40% using heating oil in Rhode Island. Mr. Musher explained that the residential sector represents about two thirds while commercial is about one third. Mr. Newberger felt that it would be good to look at different possible trajectories. Mr. Musher said that the purpose is to raise the profile of this issue. If there is an agreement among the groups involved that there are a lot of benefits to pursuing this option, then a more detailed analysis can be considered.

Mr. Justynski felt that electric ratepayers are going to say that the option of supporting delivered fuel measures with system benefit funds is a transfer of customer impact and their bill impact will not change if the funds are sent to do projects on a different fuel. This cross-subsidization is a problem. Mr.

Musher noted that weatherization in delivered fuel buildings does provide electric savings, but it is not appropriate to take electric ratepayer funds to pay for a new oil boiler. Commissioner Gold added that the fact that oil prices are so low right now allows some oil dealers to be more open to the idea of an oil surcharge.

Ms. Anthony felt that a precedent is created of doing large scale delivered fuels weatherization, does that reduce the incentive for that community to come to the table if the problem will get solved by someone else. This discussion has been going on for several years and she does not see their position changing. Commissioner Gold was more optimistic about the potential. Mr. Musher noted that Rhode Island will not be able to meet its economic and environmental goals without addressing this. Mr. Guerard added that this erodes their business model – with more efficiency comes lower sales and revenues – and they could be encouraged to become energy service providers.

Commissioner Gold commended the team for their good work on this. Mr. Newsome asked if there are counterparts to this study group in MA and CT. If you are going to tax people at the distribution level in RI, they can just drive to MA or CT to get around it. Ms. Anthony thought that both states are also doing this work, but MA funds oil measures through the system benefit fund. Ms. Anthony reported that MA got quite far in the legislative process on creating an oil system benefit charge, but the national organization came in and ended the conversation.

Mr. Musher concluded by saying that over the next month a final report will be developed that synthesizes the research completed and provides clear next steps for the parties that have been involved. The recommendation is that, now that the discussion has been initiated, for the parties to recognize that in the interim this is an important investment to be made and that really the only current options are RGGI and SBC.

Mr. Newsome asked to be added to the Thermal Working Group.

#### *System Integration Working Group Update*

Ms. Anthony reminded the System Integration Working Group is a Council group consisting of Ms. Anthony, Charity Pennock of the New England Clean Energy Council, Scudder Park and Mike Guerard of the consultant team, Mr. Newberger of National Grid and the OER. The purpose is to discuss and flesh out emerging issues and new opportunities to create a more affordable and sustainable electric grid and to determine if actions should be taken. The primary example is system reliability and non-wires alternatives or how we use new customer-side resources to improve the affordability and sustainability of the grid.

No decisions have been made, but the group has identified opportunities to have a more affordable energy system in the future that provides more choices and control to consumers and is cleaner in that people have more access to technologies and information. The group has had presentations by a distribution engineer and a load forecaster to better understand how these issues fit into the National Grid's annual capital planning process.

The group has determined that system reliability planning – using non-wires alternative to defer transmission and distribution upgrades – has the potential to be more in-sync with the utility's annual capital planning process. Strategies are being examined to close the gaps between those two planning processes. Mr. Newberger emphasized that this work should build on the existing platforms. Ms.

Anthony added that the group is looking at short-term actions and making sure that anything done now is part of a long-term strategic plan.

### *Finance Study Update*

Mr. Musher reminded the Council that it issued an RFP for a consultant team to look at potential financing models for energy in Rhode Island. A Council subgroup, including about 15 people from a variety of bodies, has had three meetings to date. Now that the information gathering is complete, the consultants will move on to the recommendation phase. Commissioner Gold added that the team is trying to build on successes and identify opportunities and barriers before implementing anything. The third workshop will be held sometime in January and the findings and next steps will be presented at the Council's February meeting.

Mr. Musher said that a portion of the 2015 Council budget has been earmarked for a potential phase two of this work. Ms. Anthony felt that it is important for the Council to review the recommendations report before it is finalized and to think about how it would like to use the recommendations.

## **8. Other Business**

Ms. Sholly noted that the members' packets include the EERMC 2015 Annual Meeting Calendar, which has been posted to the Secretary of State website. Mr. Newberger mentioned that the National Grid dashboard is also in the packets and forecasts meeting 97% of electric goals and slightly higher on gas goals. An unprecedented amount of savings were achieved because of the Toray project.

## **9. Public Comment**

There was no public comment.

## **10. Adjournment**

Mr. Justynski made a motion to adjourn. Somebody seconded. The meeting was adjourned the meeting at 5:31 PM.

**Next Meeting:** Thursday, January 15<sup>th</sup>; 3:30-5:30 PM; Conference Room B

## Memorandum



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

**To:**

**From: Scudder Parker, Mike Guerard**

**Date: December 11, 2014**

**RE: Draft 2015 scope of work for C-Team**

### **Proposed 2015 Scope of Work**

The VEIC/Optimal Energy Consultant Team (Consultant Team) is pleased to present this Policy & Program Planning Consultant Scope of Work for 2015 to the Energy Efficiency and Resource Management Council (EERMC).

The Consultant Team is appreciative of the Council's decision to renew our team's contract to continue our support of your objectives. The EERMC has helped position-- and will continue to advance-- Rhode Island's success in providing benefits to its residents, businesses and economy through Least Cost Procurement (LCP) and innovative energy policy generally. Rhode Island is a recognized national leader in energy efficiency as evidenced by its ranking as third in the nation in energy efficiency achievements based on the ACEEE Scorecard. We particularly appreciate the ability to work with the EERMC in a partnership that reflects the underlying values of the VEIC and Optimal Energy firms and our partners. We are privileged to have worked with a remarkable team of advocates, community leaders, legislators, regulators, state officials, utility staff, and customers in Rhode Island.

The base of work will continue to be the general support of the EERMC in the tasks identified in the recent request for proposal:

#### **1. Facilitate EERMC Oversight Responsibilities**

- Coordinate EERMC interpretation and understanding of key issues
- Fully participate in the development of EERMC priorities
- Develop and review policies germane to the EERMC's duties
- Actively participate and provide expertise in key meetings and hearings
- Assume overall responsibility for any additional EERMC consultants
- Evaluate past and potential legislation on efficiency and system reliability

To support these tasks, the Consultant Team proposes to continue delivering the following core functions:

- Support the scheduling of relevant Council meeting topics -- creating and delivering presentations ourselves, in coordination with other stakeholders, and reviewing the content of other presentations to assure relevance to the Council
- Engage with Council Subcommittees and participate in ad hoc meetings with individual Council members or in small groups, as requested, and in regular meetings with the OER Commissioner in her role as Council Executive Director and Secretary
- Document key issues through memoranda and other written or verbal summaries
- Provide documentation tailored to intended audiences and a forum for supporting effective communication -- presentations, memoranda, and white papers for the Council, its Collaborative Subcommittee, the PUC, and National Grid—in service to improving stakeholder knowledge and input
- Support the addition and oversight of other consultants -- although this has historically not been a significant role, the Consultant Team supports the EERMC's recent decisions to solicit services for unique specialties (for example, branding and financing)
- Monitor and advise on key legislation

## **2. EERMC work product development and representation**

- Develop work products for relevant PUC dockets
- Provide technical support and representation to state and regional entities
- Support the Annual Report to the General Assembly
- Represent the EERMC's priorities in relevant forums
- Oversee National Grid's investment of ratepayer funds

## **3. Energy Efficiency / System Reliability Design & Delivery**

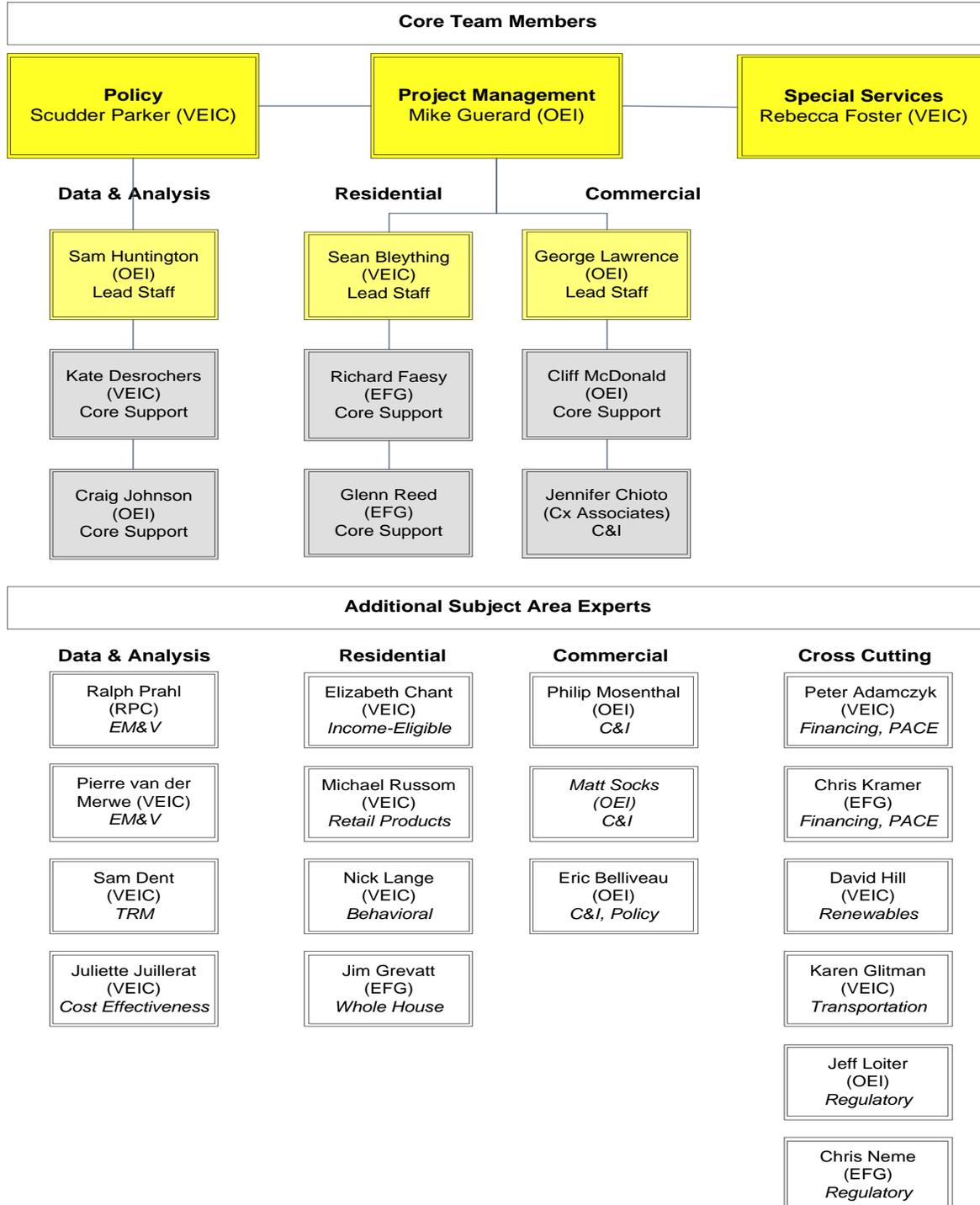
- Ensure EERMC priorities are represented in annual plans and that program design and implementation maximize benefits to ratepayers
- Monitor and report on progress toward goals
- Work with National Grid on improved data exchanges
- Advocate for excellent data reporting, transparency, and access
- Advocate for program improvements, including to underserved sectors
- Review cost-effectiveness of the annual plans
- Keep EERMC apprised of developments in other states
- Monitor all energy efficiency funding in Rhode Island to advance coordination and integration

#### 4. Advance Integrated Approaches and Emerging Issues

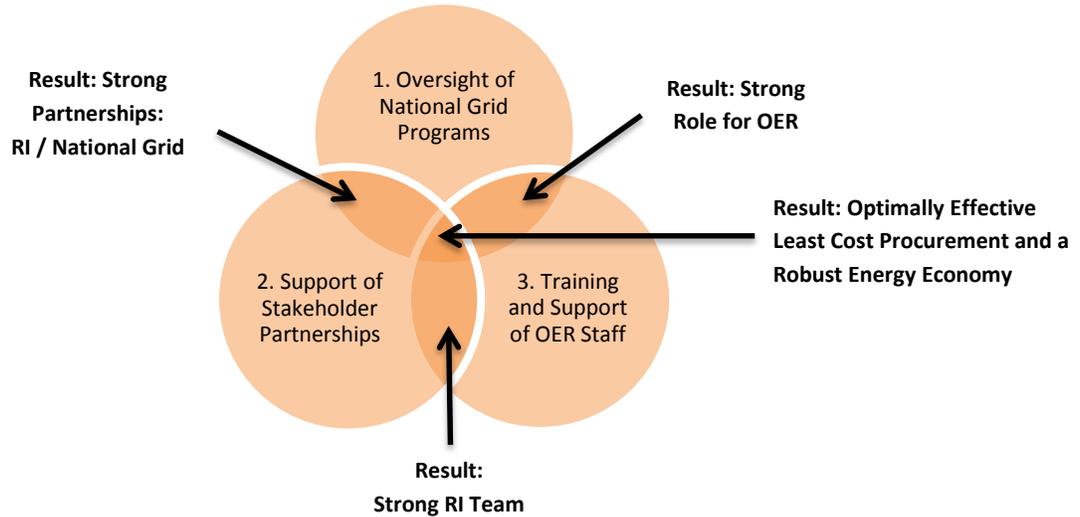
- Identify innovative approaches and improvements to program delivery, at a minimum for these five major areas of concern and opportunity that will need to be addressed over the next three years:
  - Increasing prices for energy. New England is already a high-cost energy region, and the recent winter gas price spikes affected gas and electricity prices, affecting Rhode Island's homeowners, businesses, and economy
  - New carbon mitigation requirements. The U.S. Environmental Protection Agency (EPA) is commencing what is likely to be a lengthy, but important, process to address climate emissions in the electric sector via a proposed regulation under section 111(d) of the Clean Air Act
  - All-fuels strategies. As LCP planning and practice mature in Rhode Island, it becomes increasingly clear that although LCP is based in the regulated electric and gas utility industry, it is not inherently limited to regulated energy sources.
  - Intelligent use of the grid. Traditionally, except for work in system reliability, LCP has not significantly emphasized load and demand management strategies.
  - Financing. An issue under research and analysis through EERMC-funded project, with the expectation of key information being provided for 2015 decision-making.
- Appropriately document research and recommendations
- Provide direct support to the OER on new and existing initiatives
- Provide direct support to the OER on renewables and efficiency integration
- Integrate and leverage broader energy issues with ratepayer funded efforts

## Organizational Chart

The organizational chart below reflects the Consultant Team’s ongoing commitment to providing high quality service and resources.



Our efforts, on behalf of the EERMC, are based on this proven three-pronged approach:



This will frame our activities in 2015, featuring: collaboration, applying our strength as content experts, and providing consistency in programming and policy. The Consultant Team places high value on its relationships throughout the state. The Team especially values the reciprocity with all of the Rhode Island utility, government, and industry partners and other stakeholders in building an affordable, cleaner, sustainable, and dynamic energy economy in the state.

## Budget

The table below presents the broad subject areas and budget categories as anticipated areas of activity. The proposed core budget is in line with the EERMC approved amount of \$702,000, with an additional discretionary amount of \$80,000 for special projects as needed, identified and approved by the Council. We believe that 4,000 hours is sufficient to support the primary services required to allow the Council to meet its statutory obligations. However, as has been the case in most years, unforeseen or unexpectedly more labor intensive issues may arise requiring increased funding to support satisfactory coverage of the issue(s). We look forward to establishing an effective process with the Executive Committee and full EERMC that effectively identifies when these needs arise, and facilitates appropriate funding commitments in a timely manner to expedite necessary activities/services.

	<b>TOTAL HOURS</b>	<b>TOTAL AMOUNT</b>
<b>Facilitate EERMC oversight responsibilities</b>	<b>1887</b>	<b>\$338,790</b>
Support the scheduling of relevant Council meeting topics		
Engage with Council Subcommittees		
Document key issues		
Attend key meetings		
Continue to support the creation of annual work plans		
Monitor and advise on key legislation		
<b>EERMC work product development and representation</b>	<b>359</b>	<b>\$68,020</b>
Develop work products for relevant PUC dockets		
Provide technical support and representation to state and regional entities		
Support the Annual Report to the General Assembly		
Represent the EERMC's priorities in relevant forums		
Oversee National Grid's investment of ratepayer funds		
<b>Energy efficiency / system reliability program design and delivery</b>	<b>731</b>	<b>\$129,890</b>
Ensure EERMC priorities are represented in annual and triennial plans		
Advocate for program improvements, including to underserved sectors		
Review cost-effectiveness of the annual and triennial plans		
Keep EERMC apprised of developments in other states		
Monitor all energy efficiency funding to advance coordination and integration		
<b>Advance integrated approaches and emerging issues</b>	<b>881</b>	<b>\$161,335</b>
Identify innovative approaches and improvements to program delivery		
Appropriately document research and recommendations		
Provide direct support to the OER on new and existing initiatives		
Provide direct support to the OER on renewables and efficiency integration		
Integrate and leverage broader energy issues with ratepayer funded efforts		
Provide additional work on an as-needed basis		
CORE LABOR	3858	\$698,035
TRAVEL AND OTHER EXPENSES		\$3,965
<b>CORE WORK TOTAL</b>		<b>\$702,000</b>
SUPPLEMENTAL HOURS FOR COUNCIL-DIRECTED SPECIAL PROJECTS, AS NEEDED		\$80,000
<b>TOTAL PROJECT BUDGET</b>		<b>\$782,000</b>

**DRAFT**



**THE BY-LAWS  
of the  
RHODE ISLAND ENERGY EFFICIENCY AND  
RESOURCE MANAGEMENT COUNCIL**

**Adopted xxxxx, xx, xxxx  
Pursuant to RIGL §42-140.1-6(b)**

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## Article I -The Council

**Section 1.** **Name:** The Rhode Island Energy Efficiency and Resource Management Council – hereinafter referred to as “the EERMC” or “the Council” – is authorized, created, and established pursuant to Rhode Island General Law (RIGL) §42-140.1.

**Section 2.** **Authority:** The EERMC shall its powers and duties pursuant to RIGL §42-140.1-5.

**Section 3.** **Purposes and General Powers:** Pursuant to RIGL §42-140.1-3, the purposes of the EERMC are:

- (1) Evaluate and make recommendations, including, but not limited to, plans and programs, with regard to the optimization of energy efficiency, energy conservation, energy resource development; and the development of a plan for least-cost procurement for Rhode Island; and
- (2) Provide consistent, comprehensive, informed and publicly accountable stake-holder involvement in energy efficiency, energy conservation, and energy resource management; and
- (3) Monitor and evaluate the effectiveness of programs to achieve energy efficiency, energy conservation, and diversification of energy resources; and
- (4) Promote public understanding of energy issues and of ways in which energy efficiency, energy conservation, and energy resource diversification and management can be effectuated.

The EERMC has additional general powers, pursuant to RIGL §42-140.1-6, which include:

- (1) To make any studies of conditions, activities, or problems related to the state's energy needs, usage, and supplies to carry out its responsibilities.
- (2) To adopt amend bylaws, to establish committees, to elect and/or appoint officers and agents, and to engage consultants and professional services as necessary and appropriate to fulfill its purposes.
- (3) To accept and administer grants from the federal government and from other sources, public or private, for the carrying out of any of its functions, which loans or grants shall not be expended for other than the purposes for which provided.
- (4) To work with the appropriate federal, regional, and state agencies, and private entities.
- (5) To apply for, accept and expend allocations, grants and bequests of funds, for the purpose of carrying out the lawful responsibilities of the council.

**Section 4.** **Seal:** The seal shall include the words "State of Rhode Island Energy Efficiency & Resource Management Council" positioned around a graphical representation of the sun, land, and sea.

**Commented [JJN1]:** I don't know citation off hand, but shouldn't this list also include April 15 annual report, and roles in Triennial and annual LCP filings?

**Commented [JJN2]:** Not my call, but if I were EERMC, I would want my seal to look different than OER's

**Section 5. Office:** The administrative office of the Council shall be located at the offices of its executive director at the Rhode Island Office of Energy Resources, One Capitol Hill – 4<sup>th</sup> Floor, Providence, Rhode Island 02908.

**Section 6. Fiscal/Program Year:** The fiscal/program year of the Council shall be on calendar year basis beginning on the first day of January and ending on the thirty-first day of December.

**Section 7. Nondiscrimination:** The members, officers, employees, service-providers and other persons or organizations selected and/or served by and for the Council shall be treated and considered entirely on a nondiscriminatory basis with regard to sex, marital status, sexual preference, race, religion, disability, national origin or age, except as applicable to federal or state mandated eligibility criteria for specific programs or services.

## Article II - Council Membership

**Section 1. Composition of the Council:** The membership of the Council shall be governed by RIGL §42-140.1-4. The Council shall consist of thirteen (13) members appointed by the governor with the advice and consent of the senate.

- A. Nine (9) members shall be voting members, and the governor shall give due consideration to appointing persons with knowledge of:
  - 1. energy regulation and law;
  - 2. large commercial/industrial users;
  - 3. small commercial/industrial users;
  - 4. residential users;
  - 5. low income users;
  - 6. environmental issues pertaining to energy;
  - 7. energy design and codes;
  - 8. energy efficiency education and employment tracking; and
  - 9. municipal energy users.
- B. Four (4) members shall be ex-officio, non-voting members, representing:
  - 1. an electric distribution entity;
  - 2. a gas distribution entity;
  - 3. fuel oil or heating fuel industry; and
  - 4. the commissioner of the office of energy resources.
- C. From the nine (9) voting members, the governor shall appoint one person to be chairperson of the council and one person to be vice chairperson of the council.
- D. The commissioner of the office of energy resources shall be the executive secretary and executive director of the council.

**Section 2. Term of Office:** Pursuant to RIGL §42-140.1-4(b), with the exception of the commissioner of the office of energy resources;

- A. Voting members. Voting members of the council shall be appointed for a term of five (5) years and may be reappointed. The following are the terms of office for each voting member: of the initial appointments; three (3) members shall be appointed for a term of three (3) years, three (3) members shall

be appointed for a term of four (4) years, and ~~four (4)~~ members shall be appointed for a term of five (5) years; thereafter members of the council shall be appointed for a term of five (5) years and may be reappointed.

1. energy regulation and law; term expires XX
2. large commercial/industrial users; term expires
3. small commercial/industrial users; term expires
4. residential users; term expires
5. low income users; term expires
6. environmental issues pertaining to energy; term expires
7. energy design and codes; term expires
8. energy efficiency education and employment tracking; term expires
9. municipal energy users. Term expires

B. Non voting members. The terms of the non-voting members shall be ?????

1. an electric distribution entity;
2. a gas distribution entity;
3. fuel oil or heating fuel industry; and
4. the commissioner of the office of energy resources.

**Section 3. Vacancies:** Pursuant to RIGL §42-140.1-4(d), A vacancy other than by expiration shall be filled in the manner of the original appointment but only for the unexpired portion of the term. The appointing authority shall have the power to remove its appointee for just cause.

**Section 4. Resignations:** A member may resign at any time by submitting written notice to the Governor and Chairperson. The resignation shall take effect at the time specified in such notice, and unless otherwise specified in such notice, and acceptance shall not be necessary to make it effective.

**Section 5. Removal:** The Executive Committee of the Council may recommend to the Governor the removal of any member who (a) fails to attend at least two-thirds (2/3) of the regularly scheduled meetings of the Council during a twelve (12) month period, (b) fails to attend three (3) consecutive meetings of the Council or (c) fails to perform his/her duties in a manner consistent with the Council's mission and/or these by-laws; and/or any authorizing or companion legislation pertinent to the Council.

**Section 6. Prohibition of Compensation of Members:** Pursuant to RIGL §42-140.1-4(e), the members of the council shall not be compensated for their service but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties. The provisions of this section shall not apply to the executive secretary/executive director.

### Article III - Officers

**Section 1. Number and Title:** Pursuant to RIGL §42-140.1-4(a), the governor shall appoint one person to be chairperson of the council and one person to be vice chairperson of the council.

Commented [JJN3]: Doesn't add up to 9 voting members

Commented [JJN4]: Since we are beyond initial appointment period, it would be helpful if this instead were to say when the term of each sector's representative would expire, and that the terms are for five years, all pursuant to the RIGL citation

**Section 2. Duties of the Chairperson:** The Chairperson of the Council shall:

- A. Preside at all meetings of the Council, if present;
- B. Execute instruments, as authorized by the Council, in the name of the Council;
- C. Call special meetings of the Council, or reschedule a regular meeting of the Council;
- D. Appoint ad-hoc committees, workgroups or task forces to assist the Council;
- E. Appoint Chairpersons of committees;
- F. Appoint members of the Council to committees;
- G. Be an ex-officio member of all committees, and shall be Chairperson of the Executive Committee;
- H. Exercise and perform such other powers and duties as may from time to time be assigned by the Governor, or the Council, or prescribed by these by-laws; and, in general, to perform all the duties incident to the office of the Chairperson.

Commented [JJN5]: OK with me, but this had been a power of the council as a whole

**Section 3. Duties of the Vice-Chairperson:** The Vice-Chairperson shall, in the absence of the Chairperson, perform all the duties of the Chairperson, and, when so acting, shall have all the powers of, and be subject to all the restrictions, upon the Chairperson. The Vice-Chairperson shall also have such other powers, and perform such other duties, as, from time to time, may be prescribed by the Chairperson, Council, or these by-laws.

**Section 4. Executive Director:** The commissioner of the office of energy resources shall be the executive secretary and executive director of the council.

**Section 5. Duties of the Executive Director:** The Executive Director shall be responsible for:

- A. Informing the Council of pertinent local, statewide, regional, and national developments in the field of energy efficiency, renewable energy, and other energy-related matters;
- B. Seeing that all orders and resolutions of the Council are effected;
- C. Other duties and responsibilities as assigned and/or required.
- ~~C.~~ D. Keep and maintain all of the Council's minutes, financial records, and other reports in hard copy or electronically, and maintain the Council's public website

## Article IV - Committees

**Section 1. Executive Committee:** The Council shall have an Executive Committee comprised of officers and any other members designated by the Council. The Committee shall be responsible for:

- A. Establishing and reviewing Council member performance standards and codes of conduct consistent with mission of the Council;
- B. Evaluating the performance of members annually;
- C. Reviewing these by-laws annually and recommend changes to the full Council;
- D. Exercising any of the powers and authority of the Council that the Council may delegate to the Committee, subject to the control of the Council, except the power to amend or repeal these by-laws and any matter required by law to be exercised by the Council;
- E. The recruitment of potential members and education of existing members;
- F. Developing and recommending annual budgets to the full Council;
- ~~F.~~ G. Developing the agendas for meetings of the Council

Commented [JJN6]: Can non-voting members have a vote at the executive committee meeting?

Commented [JJN7]: What are these?

Commented [JJN8]: In practice, the executive committee has not exercised any authority. It has done the groundwork and made recommendations for full council approval. Does the council want to take the next step and empower the exec comm to make decisions on its behalf?

Another question is whether these by laws ought to define what general areas are delegated to the exec comm.

**Section 2.** Energy Efficiency Collaborative Subcommittee (“The Collaborative”). The Collaborative shall consist of Council members and/or their representatives, representatives of the electric and gas distribution utility company program administrator, and other interveners in PUC energy efficiency dockets. The Collaborative will meet regularly throughout the year to analyze and inform the distribution utility’s energy efficiency programs, prepare plans for Council approval, and periodically develop presentation on topics of interest to the Council.

Commented [JJN9]: Does the Council want to codify this relationship, or leave it informal?

**Section 3. Other Committees:** The Council may create other committees that shall have, and may exercise, such powers as shall be conferred or authorized by resolution of the Council. Such other committees will have such name or names as may be determined from time to time by resolution adopted by the voting members of the Council. The Council, by such affirmative vote, shall have power, at any time, to change the powers, and to dispose of, any such committee.

**Section 4. Task Forces and Other Non-Member Committees:** The Council may recommend to the Chairperson the creation of one or more ad-hoc committees, work groups or task forces, solely to make recommendations to the Council, which may consist of one or more persons who may but need not be Council members. No such task force or committee shall have or exercise any of the authority of the Council in the management of the affairs of the Council.

**Section 5. Committee Meetings:** At all Council committee meetings, the majority of the membership of said committee shall, at any meeting, constitute a quorum for the transaction of business. Each committee will comply with RIGL §42-46, Open Meetings, accessible to the general public, keep regular minutes of its proceedings and report the same to the Council when required.

## Article V – Council Meetings

**Section 1. Meetings:** The Council shall meet monthly at a place, date and time to be designated by the Chairperson. The meetings shall be open, accessible to the general public, and keep regular minutes of its proceedings and report the same to the Council when required in accordance with RIGL §42-46, Open Meetings.

**Section 2. Notice of Meetings:** Notice of all meetings shall be given to any member either in writing, personally, by telephone, by facsimile or email to his or her house or office either directly or by leaving a message. Notice of any meeting of the Council shall be sent to each Council member not less than seven (7) days before the meeting; this may be waived, consistent with the Open Meetings Law and other applicable provisions, if circumstances warrant.

**Section 3. Specification of Business:** Notice of any meeting of the Council shall specify the place, the day, and the hour of the meeting, and, where practicable, an agenda of the business to be conducted at said meeting. In the case of a special meeting, the notice shall contain the general nature of the business to be transacted.

**Section 4. Notice of Cancelled Meeting:** When a scheduled Council meeting is cancelled, notice of the cancellation shall be given consistent with Section 2 of this Section.

**Section 5. Special Meetings:** The Chairperson of the Council, a majority of the members of the Council, or a majority of the Executive Committee shall have the authority to call a special meeting of the Council.

**Commented [JJN10]:** Differs from Article III, Section 2. Should be reconciled?

**Section 6. Quorum:** Pursuant to RIGL §42-140.1-4(c), a simple majority of the total number of voting members shall constitute a quorum. If, however, such quorum shall not be present at any meeting, the members shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

**Commented [JJN11]:** What if there is a vacancy. According to this, a quorum today would be five, even though there are two vacancies

**Section 7. Voting:** Each voting member shall be entitled to one vote. Voting by proxy, by mail or any other means where the member is not in attendance is not permitted.

**Section 9. Executive Session:** The Council, upon an affirmative vote of a majority of its members, may vote to go into executive session, and hold a meeting closed to the public. At the discretion of the Council, such executive session may also be closed to the Executive Director. The vote of each Council member on the question of holding a meeting closed to the public, and the reasons for holding such a meeting, shall be recorded and entered in the minutes of the meeting. A meeting or executive session so closed to the public shall be limited to the following matters:

- A. Sessions pertaining to litigation, or work sessions pertaining to the same;
- B. Any discussions or considerations related to the contracting of energy consulting services or other contracted services wherein advance public information would be detrimental to the interest of the public; and
- C. Any and all matters which may be contained in RIGL §42-46-5, or any amendment thereof.

**Section 10. Conflict of Interest:** Council members shall not engage in any conduct resulting in a real, potential, or apparent conflict of interest. A conflict of interest may arise when any action by a Council member or staff, whether isolated, recurring, or continuous, is to the direct financial advantage of a Council member or staff and their family defined as a spouse and dependent children as well as any person related to such Council member or staff whether by blood, marriage or adoption. Council members shall not participate in the selection, evaluation, choice, or management of a proposal, application or contract, covered by state and/or federal funds, if a real, potential, or apparent conflict of interest would be involved. Such a conflict of interest would arise when any Council member or staff or any member of their family, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm/organization selected for a contract.

The attendance of any member at a meeting of the Council or committee, in which the member has an interest, shall be counted in determining the presence of a quorum and shall not prohibit the Council or committee from authorizing, approving or ratifying a contract or award made by an affirmative vote of the Council or committee. However, the member shall recuse from any discussion and shall abstain from voting on any matter in which the member has interest.

Council members shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, sub-recipients, parties of project contractors, or entities associated with such.

## **Article VI - Amendments to By-Laws**

**Section 1. Amendments:** These by-laws shall not be amended except by a two-thirds (2/3) affirmative vote of the members constituting the Council at a properly called and noticed Council meeting. No vote to amend the by-laws shall be taken unless notice, in writing, and a copy of the proposed changes, has been given to the Council membership at least two (2) weeks prior to the Council meeting at which the vote on said amendment is to be taken.

## **Article VII - Parliamentary Authority and Other Operating Procedures**

**Section 1. Parliamentary Procedure:** Roberts Rules of Order shall govern the proceedings of Council meetings, insofar as they are not inconsistent with these by-laws. These rules may be relaxed at the discretion of the Chairperson, in view of the nature of the discussion, should there be no objection from the membership.

**Section 2. Roll Call Vote:** The Chairperson, at his/her discretion, may request a roll call vote. A request for a roll call vote by any member is subject to a majority vote of the Council.

**2015 EERMC Proposed Budget 12/9/14**

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**2015 EERMC SBC ALLOCATION\***

SBC - Gas (2015)	\$ 318,800
SBC - Electric (2015)	\$ 846,100
<b>Total SBC Allocation</b>	<b>\$ 1,164,900</b>

**PLANNED EXPENSES**

Consulting Services	\$ 782,000
Finance Study Optional Phase 1 Supplement	\$ 20,000
Finance Study Optional Phase 2	\$ 50,000
Legal Counsel	\$ 15,000
Communications, Design & Annual Report	\$ 50,000
EERMC Travel	\$ 3,000
Energy Expo 2016	\$ 50,000
OER Staff Support	
Continuation of RI Public Energy Partnership	\$ 36,282
Residential & income eligible EE; Integration of EE & RE	\$ 36,140
State energy benchmarking & project implementation	\$ 23,094
Total Proposed OER Staff Support	\$ 95,516
<b>Total Planned Expenses</b>	<b>\$ 1,065,516</b>

<b>BALANCE</b>	<b>\$ 99,384</b>
Carried Over Prentiss Trust Fund	\$ 26,660
<b>Total Balance</b>	<b>\$ 126,044</b>

<b>BALANCE</b>	<b>\$ 30,528</b>
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EERMCM 2014 Expense Detail

12/11/2014

Month	CORE CONSULTING CONTRACT VEIC (4104)										EERMCM EXPENSES					
	VEIC	Optimal	Travel/ Phone	Other	Total C-Team	Quarters	Dan Prentiss	4001 RE-Hill	EERMCM Travel	Annual Report	Reserve Fund	Total EERMCM				
Jan-2014	\$ 30,466.25		\$ 78.71	\$ (12,917.69)	\$ 17,627.27		\$ 228.00					\$ 17,855.27				
Feb-2014	\$ 26,276.25	\$ 62,463.75	\$ 210.94		\$ 88,950.94	\$ 158,757.76	\$ -					\$ 88,950.94				
Mar-2014	\$ 24,137.50	\$ 27,458.75	\$ 583.30		\$ 52,179.55		\$ 1,710.00					\$ 53,889.55				
Apr-2014	\$ 25,337.50	\$ 29,358.75	\$ 568.39		\$ 55,264.64		\$ 455.12					\$ 55,719.76				
May-2014	\$ 27,885.00	\$ 54,617.50	\$ 6,179.20		\$ 88,681.70	\$ 202,466.46	\$ 85.50		\$ 106.05			\$ 88,873.25				
Jun-2014	\$ 23,440.00	\$ 34,093.75	\$ 986.37		\$ 58,520.12		\$ 171.00					\$ 58,691.12				
Jul-2014	\$ 45,625.00	\$ 60,840.74	\$ 972.07		\$ 107,437.81		\$ 290.32	\$ 190.00	\$ 912.44	\$ 3,648.00		\$ 112,478.57				
Aug-2014	\$ 14,898.38				\$ 14,898.38	\$ 220,615.35	\$ 997.50	\$ 190.00	\$ 106.05			\$ 16,001.93				
Sep-2014	\$ 25,080.00	\$ 74,907.50	\$ 224.16	\$ (1,932.50)	\$ 98,279.16		\$ 712.50					\$ 99,181.66				
Oct-2014	\$ 23,040.00	\$ 38,913.75	\$ 2,041.51		\$ 63,995.26		\$ 399.00					\$ 64,394.26				
Nov-2014					\$ -	\$ 63,995.26	\$ 1,368.00					\$ 1,368.00				
Dec-2014					\$ -		\$ 199.50			\$ 50,000.00		\$ 50,199.50				
<b>TOTALS</b>	<b>\$ 266,185.88</b>	<b>\$ 382,654.49</b>	<b>\$ 11,844.65</b>	<b>\$ (14,850.19)</b>	<b>\$ 645,834.83</b>	<b>\$ 645,834.83</b>	<b>\$ 6,616.44</b>	<b>\$ 380.00</b>	<b>\$ 1,124.54</b>	<b>\$ 3,648.00</b>	<b>\$ 50,000.00</b>	<b>\$ 707,603.81</b>				
BUDGETED					\$ 849,810.00	\$ 849,810.00	\$ 10,000.00	\$ 6,965.22	\$ 3,000.00	\$ 3,000.00	\$ 231,090.00	\$ 1,103,865.22				
REMAINING					\$ 203,975.17	\$ 203,975.17	\$ 3,383.56	\$ 6,585.22	\$ 1,875.46	\$ (648.00)	\$ 181,090.00	\$ 396,261.41				
% REMAINING					24%	24%	34%	95%	63%	-22%	78%	36%				



STATE OF RHODE ISLAND

# ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

## Thermal Working Group Update

Presented by:

Danny Musher / RI Office of Energy Resources  
Mike Guerard / EERMC Consultant Team

December 11, 2014



STATE OF RHODE ISLAND

OFFICE OF  
ENERGY RESOURCES





# Presentation Disclaimer

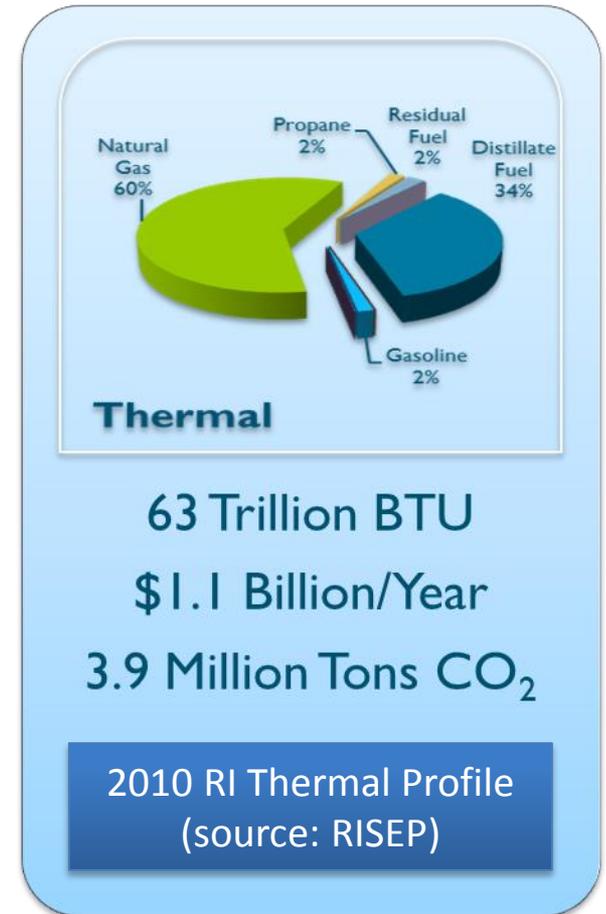
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- All data and results are still in draft form and have not been finalized. Charts, figures, and analysis are subject to change.



# Overview & Background

- OER's 10-year update to the RI State Energy Plan helped illuminate gaps in RI's energy policies and programs, highlighting the thermal sector as a key area of opportunity for improvement.
- To help address this, the OER established a Thermal Working Group (TWG) in early 2014 as part of its RGGI initiatives.
- The TWG includes key stakeholders representing RI Oil Heat Institute, EERMC, People's Power & Light, National Grid, Commerce RI, Acadia Center and delivered fuel companies.

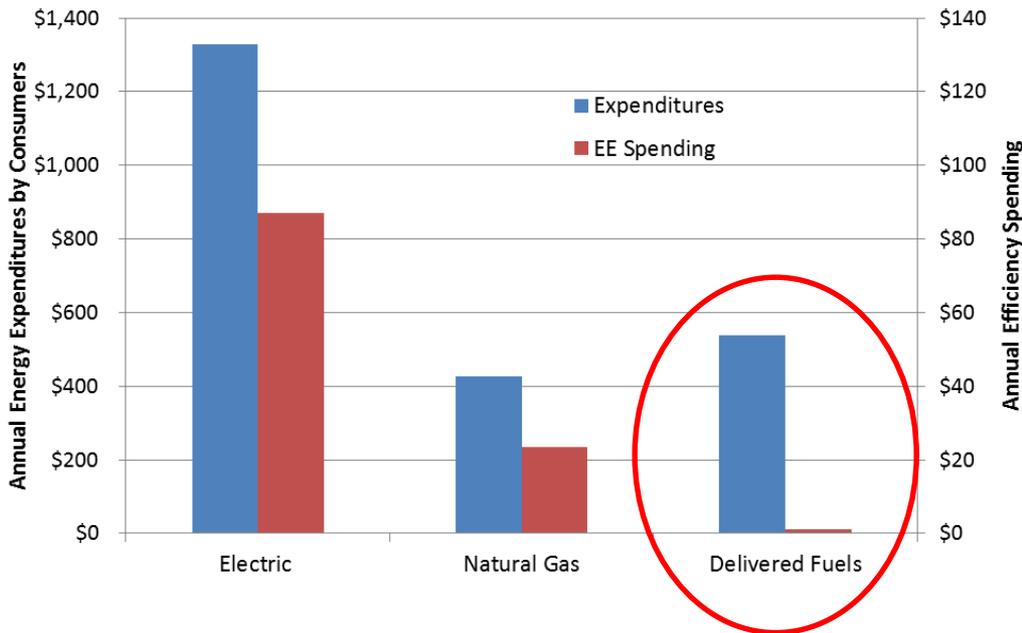




# Overview & Background

- **The context:** Energy efficiency services are lacking for delivered fuel customers, who account for almost 40% of Rhode Island heating customers and nearly a quarter of all energy spending

Energy Expenditures vs Energy Services, 2013 (millions)



- Energy efficiency services for delivered fuel customers provide the same types of vital benefits that electric and gas programs deliver (and to a likely greater degree):
  - Reduce customer costs and provide net economic benefits
  - Support local jobs and industry businesses
  - Advance important environmental goals



# Thermal Working Group Objectives

- Develop a roadmap for a “cleaner and more efficiency energy system for homes and businesses using delivered fuels for heat”, including:
  - Increased building efficiency (weatherization) to reduce the amount of energy needed for heating/cooling;
  - Higher efficiency delivered fuel equipment to require less fuel to create heating; and/or
  - A transition to cleaner burning delivered fuels (biofuels, ultra-low sulfur diesel)
- Support the creation of mechanism(s) to provide a robust, sustainable source of funding, especially necessary to achieve LCP levels.



# Thermal Working Group Deliverables

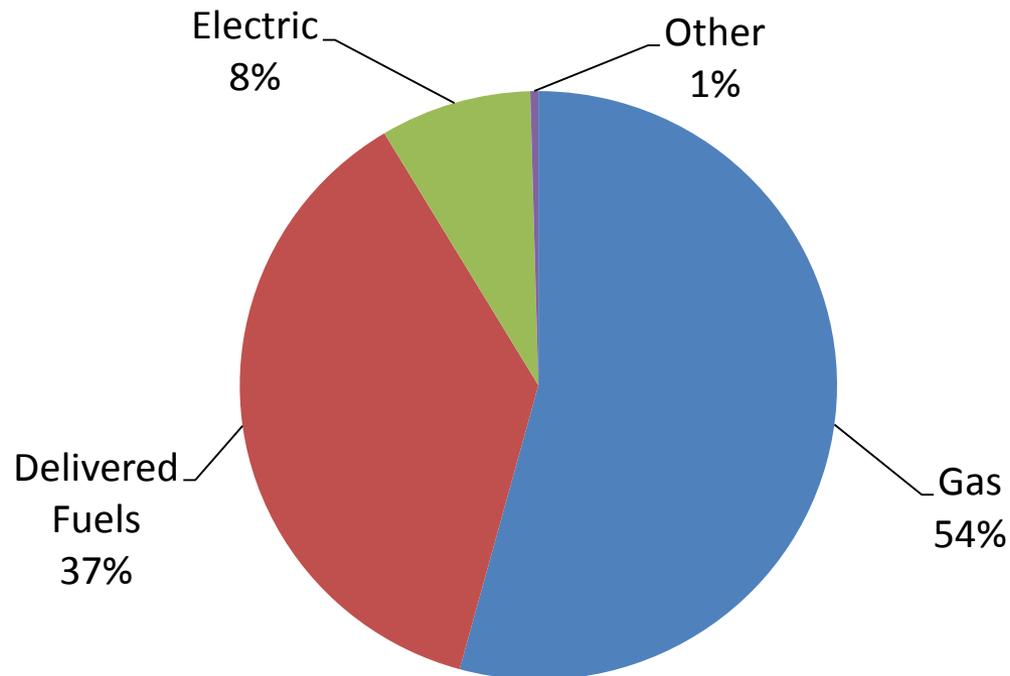
- **A series of bimonthly meetings** with the working group have been held to support information gathering and stakeholder input on tactics and strategies.
- **A summary report is being finalized** for release in early 2015 to support follow-up efforts by key stakeholders to create robust, sustainable funding for delivered fuel energy efficiency upgrades. It will include three key research appendices:
  - ***Delivered Fuel Market Assessment:*** to characterize the current profile of delivered fuel energy usage in RI & provide estimates of energy efficiency potential in the delivered fuel market.
  - ***Jurisdictional Comparison:*** to evaluate delivery and funding mechanisms planned or active in other states.
  - ***Policy and Funding Options:*** to vet Rhode Island's options for raising long-term funding to invest in delivered fuel energy efficiency.



# Delivered Fuel Market Assessment

- Delivered fuel customers account for almost 40% of Rhode Island heating customers

**Breakout of Rhode Island Households by Home Heating Fuel**





# Delivered Fuel Market Assessment

- A high-level estimate of delivered fuel energy efficiency potential suggests there could be 3.7 million MMBtus of potential, roughly 16% of the estimated annual consumption
- Estimated benefits of a five-year program exceed \$250 million, with a BCR of 2.9\*

**Estimate of Cost-Effective Delivered Fuel Energy Efficiency Potential**

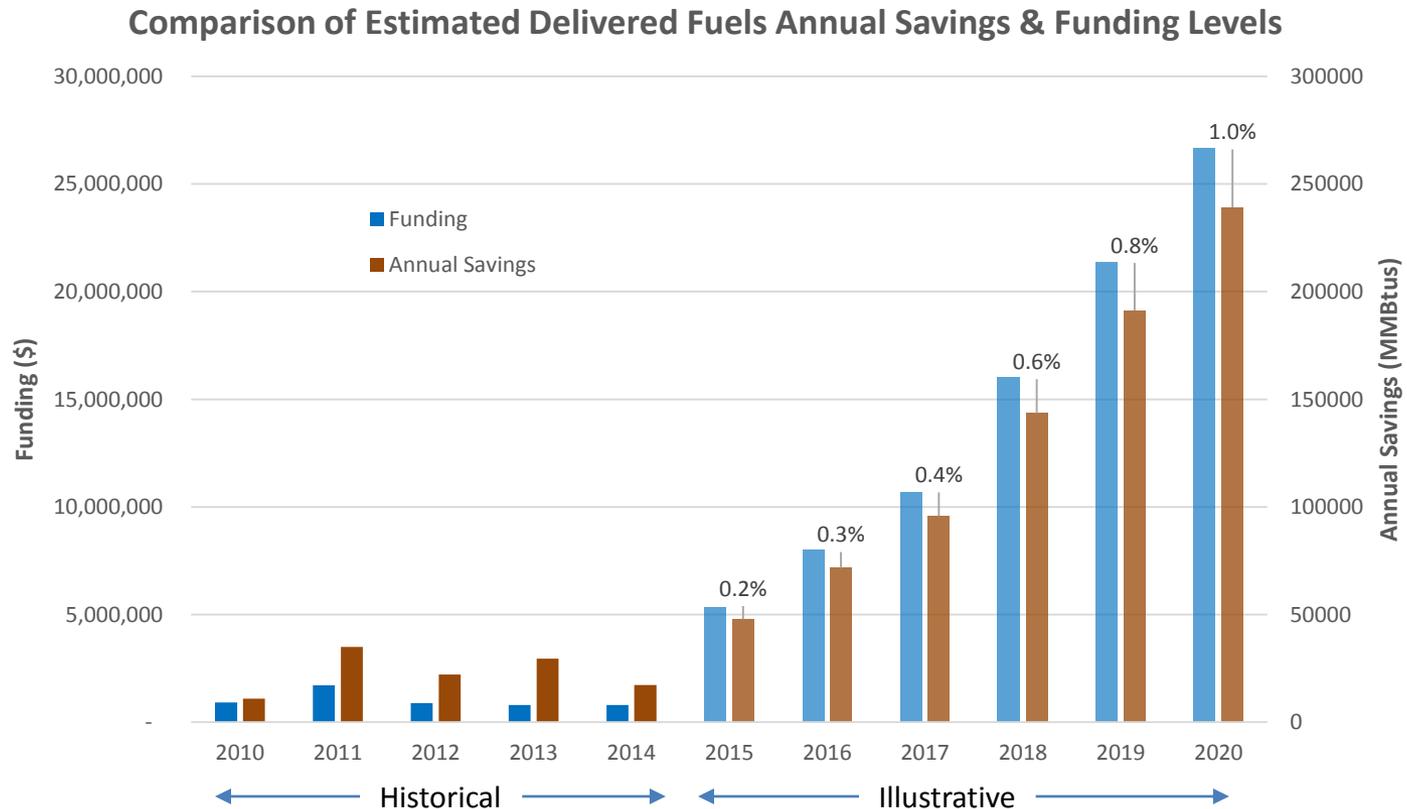
	Residential Market Rate	Residential Income Eligible	Commercial and Industrial	Total
A Total Consumption (MMBtu)	11,461,800	4,868,600	7,574,900	23,085,000
B % savings potential	20%	20%	20%	
C % applicable	80%	80%	80%	
D Already Complete (MMBtu)	74,795	39,851	0	114,646
<b>E Total Potential (MMBtu)</b>	<b>1,759,100</b>	<b>739,200</b>	<b>1,211,984</b>	<b>3,710,284</b>

\*Based on levelized avoided cost data for DFO from the AESC 2013, and actual cost of lifetime savings data from RI natural gas programs & VT



# Delivered Fuel Market Assessment

- Ramping up investments in delivered fuel energy efficiency to levels comparable with LCP electric and gas investments will require additional funding





# Jurisdictional Comparison

- What funding strategies have other Northeast states used to invest in energy efficiency for delivered fuel customers?
  - **Electric SBC funds:** used to a modest degree in Vermont for non-electric customers, and to a larger degree in New Hampshire, Massachusetts, Connecticut, and New York.
  - **RGGI and FCM revenues:** used specifically for delivered fuels customers in Vermont, and to increase the CORE efficiency program budgets in New Hampshire. It is not clear how these revenues are used in the remaining states.
  - **Gross receipts tax on heating fuels:** used for the Low Income Weatherization Trust Fund in Vermont.
  - **Federal WAP and LIHEAP funds for low income weatherization:** used in all states, with supplements from state and utility funds that vary with each state.



# Jurisdictional Comparison

- What has Rhode Island's strategy been to date? – a blend of different funding sources.
  - **2010 to 2012:** ARRA funded and delivered through EnergyWise (\$270k; \$1.2 million; \$1.1 million).
  - **2013:** Funded through the electric system benefit charge and delivered through EnergyWise program (\$1.1 million).
  - **2014:** Initial funding of \$800k through RGGI funds, with an additional ~\$600k through electric SBC after RGGI funds depleted.
  - **2015:** Proposed allocation of \$300k through electric SBC, with possible supplement from RGGI.
  - **2016:** ???



# Policy and Funding Options

- The TWG examined potential funding paths to help Rhode Island better invest in energy efficiency for delivered fuel customers, according to the following principles for public funding:
  1. Funding is **sustainable and sufficient** to meet the state's mandated goals
  2. Funding levels are also **dynamic** to ramp up and down over time as needed.
  3. The level of funding **balances short-term costs with the benefits of providing long-term affordability**
  4. Funding sources are **equitable across non-electric fuels and by customer**
  5. Mechanisms that are **administratively efficient**
  6. The collection mechanism, sources, and uses of public funding are **transparent**.
  7. **Price signals** should support state energy policy goals
  8. Support the vibrancy of Rhode Island **communities and competitiveness**
  9. Public funding is used in ways that **leverage private sources of capital**
  10. Public funding is used **only to the extent that it is needed**



# Policy and Funding Options

- Nine potential public funding strategies were identified and analyzed; ***only three are likely viable in the current RI market:***
  1. *Delivered Fuels System Benefits Charge*
  2. *Expand Electric System Benefit Charge to Cover Fossil Fuels*
  3. *RGGI Funds*
  4. *FCM Funds*
  5. *Gross Receipts Tax (GRT)*
  6. *Energy Efficiency Obligation*
  7. *111(d) Off-Sets*
  8. *Carbon Tax*
  9. *Tax Incentives*



# Policy and Funding Options

- Top three options:

- 1. *Delivered Fuels System Benefits Charge***

- Similar to electric or gas SBC, but on fossil fuels
- \$ per MMBtu or CO2
- Collected at the rack or distributor level
- Biomass and biofuels could be exempt

- 2. *Electric System Benefits Charge***

- Increase the current system benefit charge (SBC) imposed on electricity to provide more funding for DF

- 3. *RGGI Funds***

- Rhode Island has received about \$18 million in RGGI funds from 2008 – 2012
- Typically in the high \$2 millions per year, but more recently up substantially
- Adjustments to the cap and pricing could potentially increase this amount in future years
- All or a significant proportion of RGGI funds could be spent supporting DF



# Summary of Preliminary Key Findings

- There is significant delivered fuel energy efficiency market potential in Rhode Island.
  - Substantial consumer, economic, and environmental benefits are being left on the table by neglecting to fully serve this sector.
- Sustainable funding source options are likely currently limited to three options: **(1) Delivered Fuel SBC; (2) Electric SBC; and (3) RGGI.**
  - Of the 3 options, the electric SBC and/or RGGI are likely the only ways to support ongoing weatherization of oil-heated homes in the upcoming 3-year cycle (2015-2017). **Neither of these options address incentives for efficient equipment.**
  - While some combination of the 2 will provide “status quo” level of funding in 2015, planning for 2016’s blend of these will begin in summer 2015.
  - Developing a potential delivered fuel SBC will require significant development time; discussions are being initiated to explore this option.



# Questions?

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