



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

**EXECUTIVE COMMITTEE
MEETING MINUTES**

Thursday, November 5, 2015

2:00 PM - 3:30 PM

Conference Room B, 2nd Floor
Department of Administration
One Capitol Hill, Providence, RI

Attendance: Abigail Anthony, Marisa Desautel, Mike Guerard, Michael McAteer, Danny Musher, Joe Newsome, Scudder Parker, Chris Powell, Nicholas Ucci

1. Call to Order

Chairman Chris Powell called the meeting to order at 2:00 PM.

2. Approval of Executive Committee October Meeting Minutes

Upon review of the minutes, the Chair motioned to approve the October meeting minutes. Joe Newsome seconded. The minutes were approved unanimously with no opposition noted.

3. Executive Director Report

No report was given and the time was dedicated to remaining agenda items.

4. Review of Finance Expert Contract

The Chair requested that this agenda item be moved to later in the agenda to allow full participation by EERMC legal counsel. No opposition was noted.

5. Update on Rate Design Docket

The Chair requested that this agenda item be moved to later in the agenda to allow full participation by EERMC legal counsel. No opposition was noted.

6. Discussion on Preparing for Three-Year Savings Targets Work

Consultant Team member Mr. Guerard reviewed a memorandum developed for Committee members regarding the planning and required processes to develop savings targets for the 2018-2020 Least Cost

Procurement Planning period. Mr. Guerard explained that proposed energy savings targets would need to be submitted to the Public Utilities Commission (PUC) by September 2017, necessitating a complete and Council-approved document by July of that year. He also noted that previous three-year targets document benefited from current opportunities reports, citing KEMA and a Gas Opportunity Report. Mr. Guerard explained that the development of the Savings Target report would be time and resource intensive, and encouraged the Committee and EERMC to begin the planning process now by considering its work plan and funding resources. Additional recommendations by the Consultant Team were detailed in their memorandum.

Ms. Anthony noted that Massachusetts recently approved its upcoming savings targets, which could provide information to draw upon in Rhode Island. She also stated that this work was not unanticipated and questioned whether or not additional funds would be required to support development beyond those funds committed to the Consultant Team budget. Chairman Powell concurred.

The Committee had a discussion on the types of activities and veins of savings which might impact the 2018-2020 Savings Targets Report, but for which little practical or analytical research and experience had been developed. Such topics included strategic electrification, distributed generation expansion, and integration of private capital to help achieve least cost procurement goals.

7. Revision to EERMC 2015 Budget

Mr. Ucci reviewed the EERMC's 2015 budget and recommended several items for consideration by the full Council at their next meeting. These included re-allocating funds to support Legal expenses through the end of the year and placing \$50,000 and \$70,000 into a Counsel-administered client fund to support Energy Expo and Finance Study work, respectively, in 2016. A recommendation was also made for the Council to consider moving unexpended funds from their 2015 budget into the same client fund to support unanticipated work products throughout 2016; specific work products and supporting funds would be subject to Council consideration and vote on an as-needed basis.

Ms. Anthony stated that legal expenses to date were an outlier in the budget. She suggested that the Executive Committee should have a mechanism to ensure that the EERMC is receiving the level of services it expects and pays for. Ms. Anthony also stated that it was important to educate new council members on the budget to help inform and engage. The Committee had a discussion on how to implement additional educational opportunities for Council members.

8. Review of Draft EERMC 2016 Budget

Mr. Ucci reviewed a draft 2016 EERMC Budget with the committee. The 2016 budget will need to be voted on by the full Council at their December meeting.

With the Council's Legal Counsel in attendance, the Chair requested that the Committee revisit agenda items 4 (finance expert contract) and 5 (rate design docket) be revisited. No opposition was noted.

9. Review of Finance Expert Contract

Ms. Desautel reviewed a revised finance expert contract to engage Dunskey, consistent with the Council's October 2015 vote. The Committee agreed to recommend full Council approval at its November meeting.

10. Update on Rate Design Docket

Mr. Parker stated that the Council's testimony had been successfully filed with the PUC, along with that of other parties. He noted coordination among the parties on substantive issues and a collective interest to present on matters jointly at an upcoming PUC Technical Session. Mr. Parker explained the major components of National Grid's rate design proposal, including a proposed access fee on generation and a shift toward tiered fixed charges; the EERMC's testimony has been focused on the potential impacts of the latter.

Ms. Desautel stated that she ensured all testimony was properly filed, and that she attended all relevant meetings on behalf of the EERMC. She noted that the testimony is available on the PUC website. Finally, Ms. Desautel explained that two PUC Commissioners specifically voiced their gratefulness for EERMC's testimony and viewpoints on these issues.

At this point in the meeting, Mr. Guerard provided information on the Consultant Team's request for the EERMC to release up to \$30,000 in previously-allocated funds to support consultant expenses incurred through the end of the year. The Consultant Team provided a memorandum to the Committee on this issue. He noted that the work associated with National Grid's rate design proposal was largely unanticipated. Also, he explained that the Consultant Team had unexpectedly covered approximately \$10,000 in Intern-related expenses earlier in the year. It was noted that the EERMC budget had a separate Intern-related line item in their budget (\$10,000) which was left unexpended throughout the year.

After review of the 2015 and draft 2016 EERMC budgets, and in consideration of the Consultant Team's recommendations, the Executive Committee agreed to recommend to the full Council the following 2015 budget changes: transfer \$50,000 to a client fund by the end of 2015 to support the 2016 Energy Expo, consistent with an existing budget allocation; transfer \$70,000 to a client fund by the end of 2015 to support finance study work in 2016, consistent with an existing budget allocation; release \$30,000 of previously-allocated funds to support expenses related to consultant services; allow the Consultant Team to request payment for Intern-related services; and direct that any remaining funds in 2015 be transferred to a client fund to support Council initiatives in 2016, at their discretion.

11. Discussion on Protocol Requests for Funding

The Committee discussed how to address funding requests from third-party organizations. The Consultant Team noted that considering such requests could be a difficult and resource-intensive undertaking, particularly when ensuring value to the ratepayer. Mr. Ucci expressed strong agreement on behalf of OER. The Committee agreed to table the issue and update the full Council at its November meeting.

12. Discussion on New Executive Committee Members

The Committee continued its discussion on Executive Committee membership. The Chair will ask for volunteers at the next Council meeting.

13. Adjournment

Chairman Powell motioned to adjourn the meeting at 3:35 pm. Joe Newsome seconded. The meeting was adjourned.