



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

**EXECUTIVE COMMITTEE
MEETING MINUTES**

Monday, March 16, 2015

11:00 - 12:00 PM

Bureau of Audits Conference Room, 4th Floor
Department of Administration
One Capitol Hill, Providence, RI

In Attendance: Abigail Anthony, Marisa Desautel, Mike Guerard, Chris Kearns, Jeremy Newberger, Chris Powell, Paul Ryan, Rachel Sholly, Nick Ucci

1. Call to Order

Chairman Paul Ryan called the meeting to order at 11:05 AM.

2. Approval of Executive Committee February Meeting Minutes

Abigail Anthony made a motion to approve the February minutes. Chairman Ryan seconded and the motioned passed.

3. Review of Draft EERMC March Meeting Agenda

The March agenda will include the following items: vote on legal contract, 2015 annual report update, National Grid budget transfer, legislative update, Energy Expo debriefing, System Integration Working Group update.

4. Executive Director Report

Legal Contract Update

Marisa Desautel, the EERMC's new legal counsel, introduced herself to the Executive Committee. Nick Ucci will look at the draft legal contract and said that if everyone who is needed has reviewed the contract, then the vote should take place on Thursday. The final language will be circulated. Jeremy Newberger mentioned that Ms. Desautel will need to be set up on the Council's payment system.

Mr. Ucci noted separately that Connecticut, Massachusetts and Rhode Island have put out a draft request for proposals (RFP) for public comment, designed to meet renewable energy procurement standards. Rhode Island has a long-term contract in its statute which will be at capacity this year and fulfill the 90 megawatt requirement. The OER is interested in transmission projects facilitating the delivery of renewable energy into

New England load centers and to explore with Massachusetts and Connecticut and available opportunities. The OER is strongly supportive of the effort, as is the Division of Public Utilities and Carriers. The RFP can be found and commented on at www.cleanenergyrfp.com through the end of the month. The utilities and agencies involved will review the comments. Chairman Ryan said the mandate from the legislature to have joint meetings with renewable and energy efficiency board is a concern. Mr. Ucci noted that the Renewable Energy Coordinating Board has not been meeting and is essentially defunct.

Dunsky Finance Study Update

Mike Guerard said National Grid and OER tried to flag next steps and longer term items that should shape what the Council does with the report. There needs to be discussion of a finance subgroup that would work on refining the list, making sure actions are taken, and report to the EERMC. Abigail Anthony asked if the Executive Committee could address the issues instead of a finance working group and others agreed. Ms. Anthony noted that the Executive Committee could reach out to the rest of the Council for input as needed. She also noted that it would be helpful to list next steps the group should take and asked how coordinated the plan is with the budget. Mr. Guerard noticed that state procurement might be an issue. The hope was that Dunsky would be approved for an additional \$20,000 and, although the money is there, it may have to go out to bid.

Mr. Newberger spoke with Dunsky on their recommendations and wants to try and prioritize them. It would be helpful to have the total potential for financing in Rhode Island and then prioritize the recommendations. It was something that Dunsky was unable to do as part of the study. He suggested the Council should consider what the amount is that is needed to get additional services from Dunsky. Mr. Guerard said an issue for Dunsky was that, at the time, they were unsure what was happening legislatively. Mr. Newberger said he would like to determine how much money is needed to support the financing by customers. Ms. Anthony noted it should be determined by what the cost-effective efficiency savings would be and also asked if potential studies been similarly done in other jurisdictions. Mr. Newberger did not know about other jurisdictions but said a study was done in about 2011 that determined that 40% more customers would have completed projects if financing was available. Ms. Anthony said effort should not be put into modifying the heat loan if the savings are marginal. Mr. Newberger asked how much the infrastructure bank might cost. Ms. Anthony noted it was in the range of \$15-\$23 million.

Annual Report

Ms. Sholly said the first draft was sent to the Council on Friday and comments are due on March 27, 2015. The second draft will be provided to Council on April 1st with comments due on April 8th. The final vote will be on April 9th at the full Council meeting. The second draft will include graphics and professional formatting. Policy recommendations have changed since last meeting based on comments received. Language was pulled directly from the State Energy Plan. Strategic principles were separated from the more specific policy recommendations. Ms. Anthony felt that recommendations 2 and 3 were too general and offered to draft more specific language.

5. Legislative Update

Chris Kearns said the proposed state budget was released on Thursday. Article 24 is regarding the Infrastructure Bank, which the OER has been working with Governor's Office and Treasure's Office. The Clean Water Finance Agency would be changed to the Infrastructure Bank and is being expanded to include energy related activities for both efficiency and renewable energy. PACE would be expanded to include commercial markets for energy efficiency and renewable energy and would also be expanded to include alternative fuel infrastructure (charging stations). Least Cost Procurement would be extended for a 20-year period starting at

the end of 2017. The System Benefit Charge (SBC) funds allocated to the OER and the EERMC would be split 50/50.

Mr. Powell asked if the SBC would be financing the Infrastructure Bank. Mr. Kearns said that the plan is that the bank would be issuing loans to municipalities for energy efficiency related projects. Clean Water Finance currently has a Double A rating and have been told the intercept language would result in an increase to a Triple A rating. The legislation also tweaks the Renewable Energy Fund (REF) to allow support of PACE related projects. The first 5-10 pages are most important to the Council. Chairman Ryan asked if the environmental community will support the expanding of Clean Water Finance Agency to do more than finance clean water initiatives. Mr. Kearns said overall the bill has had a positive reception. Mr. Powell asked how a surcharge would affect least cost procurement. Mr. Kearns reminded everyone that because the legislation is so new there are some aspects that may not be able to be addressed at the meeting on Thursday.

Mr. Newberger noted that at any given time the SBC fund would have \$2 million less than originally thought. The impact of having less in the fund is if the thought is to spend down to zero in a year, the fund would have a negative balance of \$2 million. He then asked if money is not repaid, then what. Mr. Powell asked if this conflicts with Least Cost Procurement legislation. Mr. Kearns said funding would be used if needed for energy efficiency related projects. Ms. Anthony said she recommended percentages to determine how the money is spent in a project, meaning 70% should be energy efficiency projects and 30% should go to allow for other issues that may enable the work. Mr. Ucci seconded Mr. Kearns and noted that the legislation will likely change over the next few months before becoming final. Chairman Ryan asked if the 50/50 budget split would affect consultant contracts. Ms. Anthony said no and asked if the Rhode Island Public Energy Partnership would get subsumed into the budget proposal. Mr. Kearns said the proposal includes a phase-out of the tax to commercial energy users. It was also noted that the Treasurer may be attending the EERMC meeting in April.

6. National Grid Budget Transfer

Mr. Newberger said that National Grid is moving money from one place to another and some changes require a vote and others require a notification due to the amount of money. The transfer between sectors of residential and commercial, \$135,000, requires EERMC approval. All other transfers just need notification. Mr. Guerard stated that the reason for this is that the Toray project is putting a large dent in the budget that was not anticipated and the codes initiative had less money than originally thought.

7. Rhode Island Alliance for Healthy Homes

Mr. Guerard reported that, since Marsha Garcia is no longer a Council member, there is no EERMC representation on the Rhode Island Alliance for Healthy Homes (RIAHH) working group. RIAHH will soon have two documents ready that will need partner signatories, of which the EERMC is one. Ms. Anthony requested a summary of RIAHH's work and the EERMC's role to date.

8. Other Business

There was no other business.

9. Adjournment

Chairman Ryan adjourned the meeting at 12:06 PM.

Full EERMC Meeting: Thursday, March 19th 3:30-5:30 PM; Conf. Room B

Next Exec. Comm. Meeting: Thursday, April 2nd 2:00-3:00 PM; Bureau of Audits Conference Room