



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

## **MEETING MINUTES**

**Thursday, April 9, 2015**

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

Conference Room B, 2<sup>nd</sup> Floor  
Department of Administration  
One Capitol Hill, Providence, RI

- Members Present:** Joe Cirillo, Marion Gold, Jennifer Hutchinson, Dan Justynski, Michael McAteer, Joe Newsome, Chris Powell, Paul Ryan
- Members Absent:** Abigail Anthony
- Consultants Present:** Mike Guerard, Scudder Parker
- OER Staff Present:** Chris Kearns, Danny Musher, Rachel Sholly, Nick Ucci
- Others Present:** Marisa Desautel, Craig Johnson, Courtney Lane, Fred Paine, Brigid Ryan, Rob Sherwood, Belinda Wong

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

Chair Ryan called the meeting to order at 3:36 PM

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

Joe Cirillo made a motion to approve the March minutes. Dan Justynski seconded and all approved.

### **3. Policy & Planning Issues**

*Vote on 2015 Annual Report Final Draft*

**Dan Justynski made a motion to approve the final draft of the 2015 EERMC Annual Report as submitted. Joe Cirillo seconded and all approved.**

*Legislative Update*

Chris Kearns of the Office of Energy Resources (OER) reported that the previous evening Commissioner Marion Gold testified in support of legislation to extend Least Cost Procurement. There was no opposition. National Grid, IBEW, RI Builders Association were there to support. Budget Article 24 is evolving and a "Sub A" amendment will likely be introduced soon. The OER has shared its comments

with the Governor's and Treasurer's Offices. The General Assembly is scheduled to be on recess next week but that may not happen. The hearings on Article 24 will happen toward the end of April, but the exact dates will not be announced until a couple days in advance.

*Vote on draft letter to General Assembly on performance incentive cap*

Rachel Sholly explained that Abigail Anthony drafted a letter to the Senate in opposition of legislation that would cap the utility performance incentive. Commissioner Gold added that since there is no companion bill on the House side, it is not expected that this will pass this year, but it is a good opportunity to inform legislators on this topic. **Mr. Cirillo made a motion to authorize the Executive Committee to finalize the letter and submit to the Senate. Chris Powell seconded and all approved.**

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

Michael McAteer took the opportunity to commend The Energy Council of Rhode Island (TEC-RI) on the recent event they hosted, which provided a forum to discuss energy issues that affect the large commercial and industrial sector. Chair Ryan questioned Rhode Island's efforts around the impact that insufficient supply and transmission capacity has on electric rates. Nick Ucci of the OER explained that the State is doing a lot of good work on this issue, but not "in front of the camera".

#### **5. Executive Director Report**

*Regional Greenhouse Gas Initiative Update*

Mr. Ucci reported that the OER is working to finalize an Allocation Plan which will likely include proceeds from all four of the 2014 as well as the first auction of 2015. The OER is working with the consultant team and National Grid to advance energy efficiency projects on Block Island, which pays upwards of \$0.50/kWh. More will be reported as the plan gets fleshed out.

*Finance Update*

Commissioner Gold reported that the OER is waiting for the details of the Sub A to be finalized before acting on the recommendations of the finance study. She encouraged everyone to submit comments to the Treasury, noting that this is a good opportunity to work together and build on existing programs.

#### **6. General Updates on Energy Efficiency Programs and System Reliability Procurement**

*Preliminary National Grid Jobs Study Update*

Courtney Lane of National Grid reported preliminary results of the National Grid 2014 Jobs Study (*see attached*). She explained that Peregrine Energy was contracted to collect data. Results were compiled from phone surveys to vendors and detailed reports of measure-level data and presumed assumptions from consultants. Preliminary results show that 84 additional full time equivalents (FTE's) were supported by National Grid efficiency programs, for a total of 618 FTEs. An additional 85 companies were supported, for a total of 899 companies (77% in RI) including contractors, sub-contractors, community action program agencies (CAPs), low-income program vendors, etc. Analysis is still being done to determine why some of the numbers have changed.

Mr. Powell asked if the report includes the jobs supported by the customer portion. Ms. Lane said that this report only includes jobs directly created from the utility-run program. Ms. Lane added that last year National Grid did do a REMI analysis on the number of jobs that the 2015 plan would create. Commissioner Gold reported that the OER is conducting a companion study to capture the broader scope of clean energy jobs, beyond those related to National Grid.

#### *Combined Heat and Power Program*

Mr. McAteer reported that the Narragansett Bay Commission has requested incentives for a biomass combined heat and power (CHP) system (*see attached*). The project would produce significant savings, creates about \$1.5 million in economic benefits, and is cost-effective. Mr. Powell expressed concern over whether a project can receive incentives under both the energy efficiency program and the renewable energy growth program. Danny Musher of the OER agreed that this question should be addressed and added that in Massachusetts CHP qualifies under its Alternative Portfolio Standard (APS), which is separate from its Renewable Portfolio Standard (RPS). In MA, CHP projects are eligible for incentives under the energy efficiency program and then can also receive on-going credits under the APS. Scudder Parker suggested that the consultant team sit down with National Grid and go through the project and the way the plan is written. Mr. Powell also recommended a legal review of the language. If a Council vote is needed, it would not be able to happen before the May meeting. Ms. Lane pointed out that waste-to-energy projects are included in the 2015 Plan, which is part of why National Grid decided to move forward with this project.

## **7. Other Business**

#### *Conflict of Interest Discussion*

Mr. Parker explained that his intention is to initiate a discussion about establishing a process for addressing potential conflict of interest issues. As an example, not something the Council should not try to resolve today, Efficiency Vermont, which is run by VEIC, was invited to contract with National Grid Massachusetts. The consultant team is looking for a forum in which to address this type of issue. Marisa Desautel, EERMC legal counsel, noted that the consultant is not her client, but she would recommend submitting an "opinion letter" to the Rhode Island Ethics Commission, which would then provide an opinion on how to handle the matter. The letter would have to come from "a public official or employee". The Council agreed that potential conflicts should be introduced to the Executive Committee, which can then recommend next steps as needed.

#### *Legal Counsel Meeting Attendance*

Mr. Powell felt that it would make sense for Ms. Desautel to attend all of the Executive Committee meetings and then attend the full Council meetings as needed.

Jennifer Hutchinson of National Grid followed up on a question raised at the last Council meeting in regards to the procedural process on the rate design docket. Per the legislation, this will be a Public Utilities Commission (PUC) docket and must be opened on or after July 1 to give the Renewable Energy Growth program some time to get up and running before undertaking the rate design piece. Docket 4545 has been opened and sets up a series of open meetings to gather information and identify what the scope of the rate design would look like. The next of these meetings on April 16<sup>th</sup> at 10:00 AM. All of

this information can be found on the PUC website. The key meeting will be in June and will discuss the process in more detail.

Mr. Powell recommended that this issue be put a future Council agenda to determine whether or not the Council should intervene and/or how it should provide comment, etc. Ms. Hutchinson clarified that for the open meetings related to Docket 4545, they are public and any Council members could participate without formally intervening. This may be something to consider once the rate design docket opens. Commissioner Gold added that the systems integration work being done relates to this and the working group has been trying to figure out where to go next.

## **8. Public Comment**

There was no public comment.

## **9. Adjournment**

Mr. Cirillo made a motion to adjourn the meeting. Mr. Newsome seconded. The meeting was adjourned at 5:07 PM.

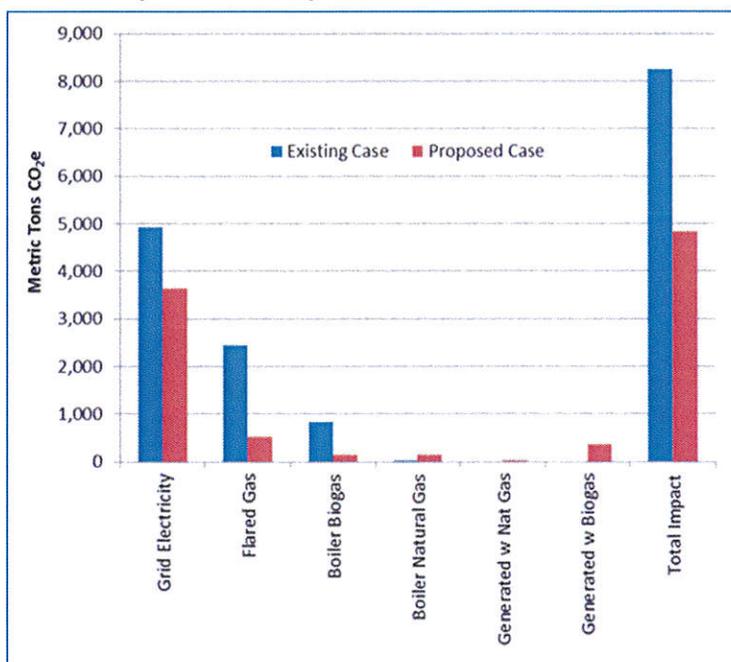
**Next Meeting:** Thursday, May 14<sup>th</sup>; 3:30-5:30 PM; Conference Room B

National Grid  
CHP Update to RI EERMC  
April 9, 2015

Narragansett Bay Commission (NBC) Waste Water Treatment CHP Update:

- NBC proposes 630kW CHP at Bucklin Point Waste Water Treatment Plant in East Providence
  - Proposes saving ~3,700 MWh, 30% of which are on-peak
  - Will reduce air pollutants, create environmental benefits (see illustration below)
  - Will create \$1.5 million in economic benefits
- National Grid believes this is a good, qualifying project that meets the intent of the 2015 Plan and the CHP Legislation
  - The 2015 Plan mistakenly includes ‘waste to energy systems’ under criteria designed for natural gas systems –system efficiency should not be the same for the different fuels
  - National Grid conferred with the Collaborative on 3/31/15 and will clarify the Plan in 2016
- National Grid is continuing to screen the CHP project
  - Screening includes energy savings, economic benefits, GHG reduction, system reliability, (see attached TRC Description for CHP from 2015 Plan)
  - Screening anticipated to be well over 1.05 BC
  - May qualify for renewable energy credits
  - National Grid will investigate DG opportunities and renewable energy contracting

**Proposed CO2 Impact of NBC CHP – From NBC**



Attachments

1. 2015 EE Plan – C&I Program Description for CHP (pages 31-33)
2. 2015 EE Plan – Total Resource Test Description Benefits for CHP (pages 10-12)
  - a. Describes the breadth of benefits considered in CHP cost effectiveness screening

Draft

## Introduction

The Energy Efficiency and Resource Management Council (EERMC) respectfully urges the reconsideration of the proposed amendment to R.I.G.L. 39-1-27.7 (2)(iv)(e) made in SB-0409, specifically, to cap the performance incentive the utility is allowed to earn for successful implementation of Least Cost Procurement to 2 percent of total funding. The performance incentive is among the strongest tools the EERMC and Rhode Island consumers have to drive excellent energy efficiency program design and delivery. A meaningful performance incentive provides the utility with a constant motivation to improve energy efficiency program implementation and focus on exceeding established savings targets. The EERMC is concerned that capping the performance incentive at 2 percent will significantly weaken stakeholders' ability to compel utility performance that maximizes benefits to consumers, the economy, and the environment.

## What are Performance Incentives for Energy Efficiency?

There is an inherent conflict between the traditional utility business model and Rhode Island's Least Cost Procurement policy to reduce the state's energy costs by investing in all cost-effective energy efficiency. Under the traditional business model, the utility earns revenue when it sells electricity (or natural gas) – energy efficiency directly undermines the utility's bottom line by reducing sales. Rhode Island adopted a policy of "decoupling" in order to address this conflict. Decoupling keeps a utility from over or under-collecting an approved revenue cap due to increases or decreases in sales. However, decoupling only removes the *disincentive* for energy efficiency; it does not provide an *incentive* for the utility to be a full partner in implementing Least Cost Procurement. Performance incentives are a key tool to motivate the utility to achieve high levels of energy efficiency savings by:

- Allowing energy efficiency activity by the utility to be a source of earnings, rather than just a pass-through expense.
- Putting energy efficiency investments on a more comparable footing with other types of utility investments, such as in new power plants or transmission and distribution, which are allowed to earn a rate of return.
- Offering a financial reward and motivation directly tied to achieving measurable successes in saving energy.

## Rhode Island's Performance Incentive for Energy Efficiency

In 2013, the Division of Public Utilities proposed restructuring Rhode Island's performance incentive for energy efficiency to focus the utility's attention on achieving the state's approved energy savings goals. The other stakeholder members of the EERMC and Collaborative supported the Division's proposal and it was approved by the Public Utilities Commission. The performance incentive mechanism establishes an incentive of 1.25% of the annual energy efficiency budget for achieving 75% of the savings goals. The utility must achieve at least 75% of the targeted performance to begin earning any incentive. This increases linearly to 5% of the annual budget for achievement of 100%, and to 6.25% of the annual budget for achieving 125% of the savings goals. It is worth noting that Rhode Island offers one of the lowest performance incentives for energy efficiency in the country, while achieving highest-in-the-nation energy savings goals.

## Benefits for Rhode Islanders

The performance incentive is one effective tool for delivering economic benefits and cost savings to Rhode Islanders that far exceed the amount invested. Following two years of declined performance, National Grid's electric energy efficiency programs saw significant improvements in 2013 and 2014.

Over the 4 years cited in Table 1 below, Rhode Island has invested about \$140 million in cost-effective energy efficiency and National Grid has been rewarded approximately \$11 million for achieving those

energy savings. As a result, Rhode Island consumers have realized \$745 million in net economic benefits- an amount 66 times greater than the total performance incentive reward.

Year	Energy Efficiency Budget	Annual MWh Savings	Performance Incentive	% of Energy Savings Achieved	Total Economic Benefits to Rhode Islanders
2011	\$ 32,972,679	96,009	\$ 1,929,273	93.5%	\$150,292,000
2012	\$ 46,725,700	119,666	\$ 2,469,411	93.0%	\$140,103,700
2013	\$ 59,763,600	157,121	\$ 2,997,700	98.9%	\$177,662,100
2014	\$ 82,038,900	255,314	~\$3,867,000	105.4%	~\$277,886,000

The American Council for an Energy Efficient Economy (ACEEE) recently surveyed Rhode Island stakeholders on the effectiveness of the utility performance incentive for energy efficiency. In the pre-release draft report, ACEEE finds that “[t]he unanimous response from the interviews...was the incentives have been effective in encouraging National Grid to achieve greater results with its energy efficiency programs.” The report goes on to note that: “[o]ne of the strengths of the Rhode Island performance incentive mechanism is the stakeholders have the opportunity to modify the incentive structure on an annual basis. This allows the incentive to be nimble and change as circumstances change.” To that end, in light of very high peak energy prices during the winter of 2013-2014, the EERMC and Collaborative again revised the electric performance incentive to focus the utility’s efforts on reducing peak electricity demand. This year, 30% of the performance incentive will be rewarded for achievement of peak reduction goals (megawatts) and 70% will be rewarded for overall energy efficiency savings (megawatt-hours).

## Conclusion

The utility performance incentive for energy efficiency is a critical tool used by stakeholders to motivate the utility and compel excellent program design and delivery. The performance incentive signals that utility executives must take energy efficiency seriously in Rhode Island, and devote the necessary resources to achieving the energy savings goals set by the Public Utilities Commission. The benefits to Rhode Island consumers far outweigh the cost of both the energy efficiency investment and the performance incentive reward. The EERMC urges the Senate Committee on Environment and Natural Resources to maintain the existing legal provisions regarding the performance incentive and ensure that stakeholders have this effective tool available.

To Rhode Island Energy Efficiency & Resource Management Council (EERMC)  
From VEIC/Optimal Energy Consultant Team (C-Team)  
Date April 9, 2015  
Subject 2015 First Quarter Activity Report to the EERMC (December 2014 – April 9, 2015)

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## Highlights from the Consultant Team

The C-Team provided a wide range of services between the close of last year through the beginning of April. Starting from final review of the successful 2014 implementation results that exceeded goals and the final Commission approval of the 2015 Energy Efficiency Program Plan (EEPP) in December, the C-Team primarily focused on the many cross-cutting, overarching energy issues affecting Rhode Island during the first few months of 2015. These included extensive work on Financing issues; delivered fuels; federal funding of income eligible housing; system integration; and building asset rating. To support these efforts, the C-Team coordinated with Office of Energy Resources (OER) staff on many of these issues, in addition to our general support and guidance to OER staff.

Core activities relating to monitoring and oversight on the 2015 EEPP continued, with a more standardized process for data transfer and monthly meeting schedules with National Grid Strategy groups being established.

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## EERMC Work Product Development and Representation

The C-Team provided support and guidance on a wide variety of overarching energy issues with council members, OER staff and on behalf of the council in multiple forums. These activities included:

- Supported and provided input into the development of the Annual Report to the General Assembly due on April 15, 2015.
- Continued work and research with the System Integration Rhode Island (SIRI) Committee on a potential vision for what Least Cost Procurement would look like across utility system and energy types in RI and drafting a memo summarizing key questions. Participated in interviews for facilitator/subject expert to support upcoming SIRI activities.

- Monitored the Avoided Cost working group on issues relevant to Rhode Island.
- Provided responses to PUC Information Requests directed to the EERMC regarding the 2015 EEPP.
- Participated in, and supported process and content for, the Delivered Fuels Working Group, resulting in a draft report released in March, 2015. This included multiple meetings and input from a variety of stakeholders.
- Provided input and support to OER on a range of issues relating to RGGI allocations, including municipal streetlights; agriculture sector incentives; Block Island/Pascoag supplemental incentives; and public buildings.
- Participated in a working group seeking to advance Building Asset Rating services in Rhode Island with RI stakeholders and through coordination with regional activities and partners also engaged in creating viable options for both residential and C&I properties. Conducted research and analysis to support the process.
- Provided guidance, research and participation in discussions with the Department of Human Services and OER on how to maximize deployment of federal funds available for supporting energy efficiency in affordable housing, and the optimal leveraging arrangements with the income eligible component of the 2015 EEPP.
- Participated in RI Alliance for Healthy Homes meetings in support of ongoing linkage with energy efficiency opportunities, and reviewed potential ongoing engagement with the EERMC Executive Committee and legal counsel.
- Researched emerging strategies for Demand Management and Demand Response.
- Provided support and input on the financing study and resulting report for Dunskey Energy Consulting, including working with OER to coordinate next steps and processes for EERMC consideration. Supported the data and information exchanges in support of potential development of the RI Infrastructure Bank with multiple stakeholders and internal strategy discussions.

C-Team members attended monthly EERMC, EERMC Executive Committee and Collaborative meetings, and supported agenda and presentation development as needed. Also, we supported processes to orient new prospective council members and the new EERMC legal counsel.

During the first quarter of the year, the C-Team finalized the 2015 scope of work for the C-Team and reviewed, negotiated and finalized the 2015 Prime Contract with National Grid, including coordinating and executing subcontracts with project team.

## Facilitating EERMC Oversight Responsibilities

The C-Team has both a Residential and C&I group of experts assigned to coordinate and communicate with National Grid's Strategy Groups in these two sectors. Standing monthly meetings for each group meeting with National Grid include established timeframes for data exchange, as well as internal preparatory discussions.

To support the efficient and appropriate amount of data exchange to allow for effective oversight, the C-Team developed data tracker reports for each sector group. This helped to organize for comprehensiveness and comparability with the preliminary monthly data provided by National Grid. This supported productive discussion of what key data is required and how it can be mutually viewed to assure progress and inform enhancements, in the most streamlined fashion manner possible for both the C-Team and National Grid staff.

In addition to the monthly meetings and preliminary data review, the C-Team also reviews and catalogues quarterly reports and monthly "dashboards" supplied by National Grid, as well as the draft of final year-end results for 2014.

Additional working group participation and specific areas of research and/or monitoring of industry developments were also undertaken in support of oversight and input on program performance enhancements. These included the following:

- Participated in RI Public Energy Partnership (RIPEP) Steering Committee meetings with OER and National Grid.
- Reviewed National Grid's Codes and Standards (C&S) report and attended the C&S working group meetings. To further C&S efforts, the Group supported the Institute for Market Transformation (IMT) and National Association of State Energy Officials (NASEO) in understanding and referencing Rhode Island's Energy Code Compliance Enhancement Initiative as a model for the Federal 111d Clean Power Plan for other jurisdictions to reference. This included discussing and providing documentation and reports. The Group also attended a NEEP regional energy codes conference call.
- Evaluated impacts of the ENERGY STAR Products Meeting and broader challenges and opportunities in lighting, appliances, and consumer electronics as they may impact 2015 implementation and 2016 planning. Relevant issues were brought to discussion in Strategy Group meetings.
- Reviewed and commented on National Grid's 2015 efficient dryer rebates, compared program offering to available ENERGY STAR dryers, and followed up with Super Efficiency Dryer Initiative staff.

- Participated in discussions related to lighting savings claims and revisions to Market Adoption Model.
- Attended a NEEP Heat Pump Working Group webinar and presentation and had an internal heat pump strategy call. Completed a comparison and summary of ducted and ducted HP rebates in southern New England, and strategized on next steps for cold climate heat pump program and policy development and coordinated with regional entities.
- Participated in other NEEP efforts by attending a NEEP Appliance Standards Update call and industry Smart Home/Home Energy Management System Research webinar.
- Developed and presented to National Grid a proposed process for the upcoming 2016 TRM review engagement, leading to a final agreement to further enhance the process for this key issue for the 2016 EEPP development process.
- Participated in meetings regarding Strategic Energy Management Plans (SEMP) at Brown University, and general exploration of SEMP scalability
- Undertook general street light best practices research and provided an analysis of the potential for savings and the use of RGGI funds for supporting National Grid incentives for LED and controls upgrades to streetlights.



STATE OF RHODE ISLAND

## ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

### 2014 Annual Report Executive Summary

Since 2008, Rhode Island has invested \$558 million in energy efficiency and consumers have realized **\$1.99 billion in economic benefits**. Rhode Island has reduced its electric demand by 12% through low-cost efficiency and is on track to **meet 17% of its electricity consumption through efficiency by 2017**. Rhode Island's energy efficiency programs also create jobs and drive economic growth. **Every \$1 million invested in this sector leads to the creation**

**of 45 job-years of employment**, and every \$1 invested boosts Gross State Product by \$4.20. Economy-wide, the state's energy efficiency expenditures will create over 25,000 job-years of employment. Over the next three years, **energy efficiency will boost Rhode Island's Gross State Product by \$2.34 billion** and deliver more than \$2.70 in benefits to consumers for every \$1 spent.

Rhode Island is a nationally recognized leader in implementing high-quality energy efficiency programs. Since 2008, Rhode Island has risen in the rankings of the American Council for an Energy Efficient Economy's State Energy Scorecard, and continues to gain ground.

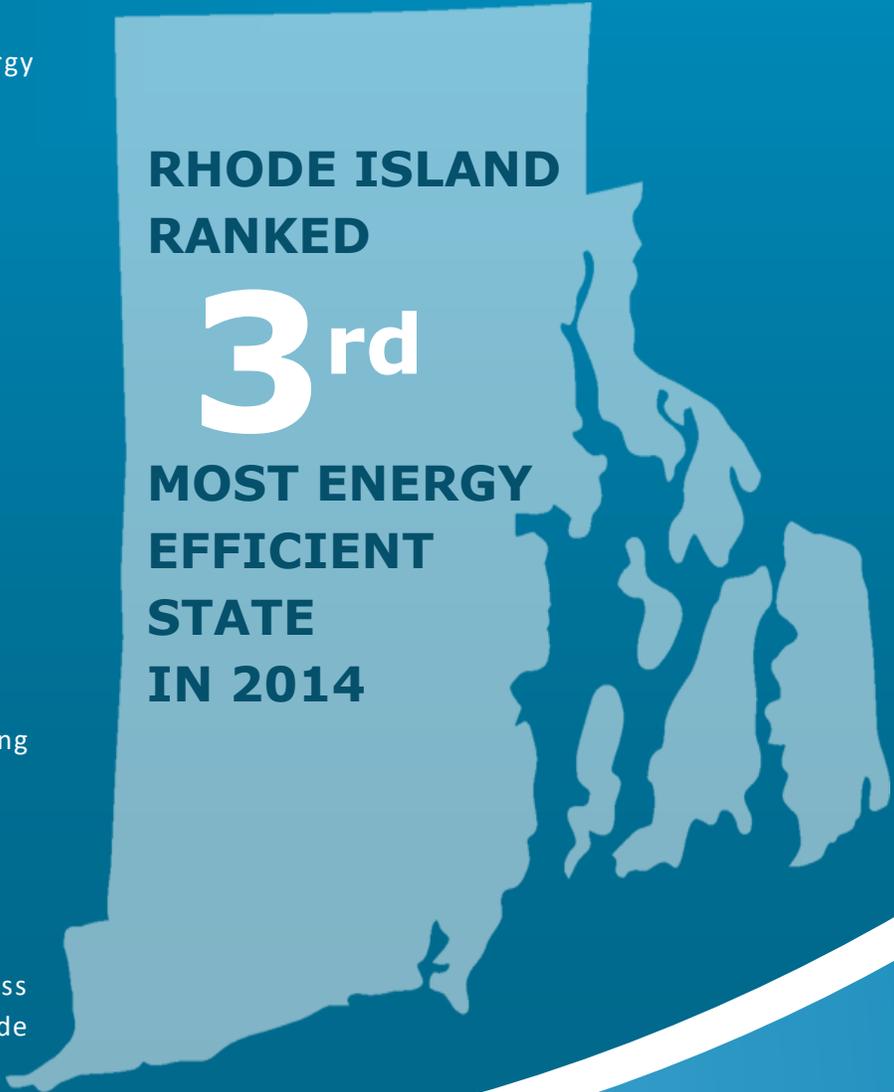
In 2014, *Rhode Island tied with Massachusetts for the #1 ranking in the category of utility energy efficiency programs and policies* and tied with Oregon and Vermont for the #3 overall ranking. Rhode Island, Arizona, and Massachusetts have the most aggressive energy savings targets in the nation.

The scoring revealed several areas in which Rhode Island can do more, including improving the state's transportation efficiency, leading-by-example through state government initiatives, and more aggressive building and appliance efficiency standards. The EERMC Policy Recommendations are designed to address these important issues and advance Rhode Island's standing in these categories.

**RHODE ISLAND  
RANKED**

**3<sup>rd</sup>**

**MOST ENERGY  
EFFICIENT  
STATE  
IN 2014**



## 2014 ENERGY EFFICIENCY PROGRAM

Administered by National Grid



### Total Participants

790,899



### Cost Per Lifetime kWh of Electricity Saved

\$0.024



### Utility Program Cost

\$101.3 million



### Cost Per Lifetime MMBTU of Natural Gas Saved

\$3.43



### Total Economic Benefits

\$476.8 million



### Energy Savings as a Percent of 2009 Consumption

3.6% electric  
1.1% gas

### 2014 Residential Results

- 91,208 Annual MWh Saved
- 609,865 Lifetime MWh Saved
- 182,093 Annual MMBtu Saved
- 2,569,472 Lifetime MMBtu Saved
- 396,054 Metric Tons of Greenhouse Gas Emissions Avoided
- 771,372 Program Participants
- \$63.7 Million in Lifetime Electric Bill Savings
- \$23.3 Million in Lifetime Gas Bill Savings
- \$114.6 Million in Total Economic Benefits

### 2014 Income Eligible Results

- 8,186 Annual MWh Saved
- 94,393 Lifetime MWh Saved
- 29,090 Annual MMBtu Saved
- 508,345 Lifetime MMBtu Saved
- 67,164 Metric Tons of Greenhouse Gas Emissions Avoided
- 12,584 Program Participants
- \$9.07 Million in Lifetime Electric Bill Savings
- \$7.98 Million in Lifetime Gas Bill Savings
- \$27.8 Million in Total Economic Benefits

### 2014 Small Business Results

- 18,089 Annual MWh Saved
- 199,318 Lifetime MWh Saved
- 8,171 Annual MMBtu Saved
- 60,606 Lifetime MMBtu Saved
- 88,145 Metric Tons of Greenhouse Gas Emissions Avoided
- 2,338 Program Participants
- \$25.4 Million in Lifetime Electric Bill Savings
- \$444,763 in Lifetime Gas Bill Savings
- \$27.1 Million in Total Economic Benefits

### 2014 Large C&I Results

- 151,654 Annual MWh Saved
- 2,394,096 Lifetime MWh Saved
- 177,848 Annual MMBtu Saved
- 2,704,764 Lifetime MMBtu Saved
- 1,163,515 Metric Tons of Greenhouse Gas Emissions Avoided
- 4,605 Program Participants
- \$269.1 Million in Lifetime Electric Bill Savings
- \$21.0 Million in Lifetime Gas Bill Savings
- \$298.3 Million in Total Economic Benefits

**National Grid 2014 Jobs Study  
Preliminary Results**

- 618.85 direct full-time equivalent (FTE) employees were supported in 2014 by energy efficiency programs in Rhode Island. This is higher than the 2013 count of 534.78 FTEs.
  - One FTE equals 1,760 work hours, or the total of one person working 8 hours a day for 220 work days in an average year.
  
- 899 companies were involved in the 2014 programs with 77% (696) with a presence in RI. This is higher than the 2013 study with 814 companies with 78% in RI.
  - The companies include contractors and subcontractors performing work directly for National Grid programs that were counted in the FTE analysis and additional companies who assisted customers to secure equipment rebates, for example through the New Construction or High Efficiency HVAC programs. The list also includes the Community Action Program agencies and their subcontractors involved with the delivery of the low-income program, whether under National Grid funding or WAP/LIHEAP/ARRA funding.

Programs	2014 Total FTEs	2013 Total FTEs
<b>Electric Programs</b>		
Commercial and Industrial	205.69	158.88
Residential Income Eligible	37.51	19.87
Residential Non-Income Eligible	105.84	109.77
<b>Gas Programs</b>		
Commercial and Industrial	15.11	29.68
Residential Income Eligible	26.18	19.28
Residential Non-Income Eligible	157.10	128.13
<b>National Grid EE Staffing</b>	38.93	38.47
<b>WAP/LIHEAP Income Eligible Programs</b>	32.50	30.70
<b>Total all 2013 Rhode Island FTEs</b>	618.85	534.78



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## **Issues relative to Potential Conflict of Interest**

Vermont Energy Investment Corporation (VEIC), with its Partner, Optimal Energy (OEI) has been providing consulting services to the Energy Efficiency and Resources Management Council (EERMC) in Rhode Island since 2008. We are generally described as the “Consultant Team” (CT) and have also subcontracted with Energy Futures Group (EFG) and Ralph Prah. This year we have added Jennifer Chiodo of CX Consulting to our team as well.

As we begin our eighth year of work with the EERMC we want to propose a more formal process for addressing and resolving situations that might involve a real or perceived conflict of interest. We submit this memorandum to the Executive Committee of the EERMC as a way to get that discussion started.

VEIC, OEI and EFG all work extensively within New England, the Mid-Atlantic area, and the nation generally on a wide range of energy efficiency, least cost planning, renewable energy, and distributed resource issues. These efforts include policy, planning, program design, technology assessment, implementation efforts, and evaluation and verification efforts. We believe that this broad background and experience base has been very helpful to our work in Rhode Island. It has enabled us to bring a wide scope of services, expertise, and industry knowledge to bear for the EERMC and the Office of Energy Resources (OER) promptly and effectively. We often find that experience we have in other jurisdictions can provide helpful guidance and input to discussions under way in Rhode Island. We also recognize that constructive, well-intentioned work in other settings and jurisdictions can create potential, perceived or immediate conflicts of interest.

The service we have provided has been independent, professional, and unbiased. The trust we have developed over seven years is an essential ingredient of our relationship to the EERMC, OER and other Rhode Island partners. So it is important that we also be very clear about where our efforts in other settings or other efforts undertaken by our partner organizations might create a perceived, a potential, or an immediate conflict of interest.

Over the past seven years, there have been several times when we alerted members of the EERMC that one of the member organizations has had a potential or perceived conflict of interest. We have either addressed the issue ourselves or

proposed how to address the situation (usually informally) and our proposal has each time been considered appropriate. Now that we have a formal Executive Committee for the EERMC we believe there is an opportunity to have a clearer reporting, decision-making, and documentation process to address these circumstances.

We propose that it be the responsibility of the CT to identify and bring any potential conflict of interest (that cannot easily be addressed on our own)--whether it is considered a perceived conflict, a possible conflict, or an immediate conflict, to the EERMC Executive Committee:

- The CT should provide a written description of the relevant situation, a discussion of its perception of where the potential for perceived or actual conflict may lie, and a proposal for how to address it. The description should be presented at least three days before a scheduled EERMC Executive Committee meeting.
- The Executive Committee might choose to appoint a member or its attorney to explore the situation and work on a proposed resolution to the issue.
- At an appropriately noticed Executive Committee Meeting the Consultant Team should be available for a full discussion of the situation with the Executive Committee, and that discussion may be able to reach a resolution promptly.
- It may be that more information is requested, and the CT and/or Executive Committee members or the EERMC Counsel are assigned to address other aspects of the situation.
- It may be that the Executive Committee seeks to discuss the situation with the CT absent. That is of course, its prerogative.
- It may be that the Executive Committee seeks an evaluation of the situation from the Rhode Island ethics panel.
- The Executive Committee should document the request, record the decision, and direct any appropriate action to resolve the situation. The CT will, of course, abide by the decision of the EERMC.

The EERMC also recognizes that other EERMC members or other parties may believe there are potential or actual conflicts of interest, and may bring them to the attention of the Executive Committee as well.