



## **CONSULTING SERVICES AGREEMENT**

This RHODE ISLAND POLICY AND PROGRAM CONSULTING AGREEMENT (“Agreement”) is executed by and between Optimal Energy, Inc. with a main office in Hinesburg, Vermont (“Optimal”), the Rhode Island Office of Energy Resources, an agency created by R.I. Gen. Laws §42-140-2, and the Rhode Island Energy Efficiency and Resource Management Council (“EERMC”), a council created by R.I. Gen. Laws §42-140.1-3, for consulting services to be provided by Optimal for the benefit of the EERMC and for the EERMC’s payment therefor.

WHEREAS, pursuant to R.I. Gen. Laws §42-140.1-6(b), EERMC is authorized "to engage consultants and professional services as necessary and appropriate to fulfill its purposes;"

WHEREAS, on August 31, 2017, the EERMC issued request for proposals #2017-01 entitled “Public Education in Energy Issues Including Efficiency, Conservation, and Resource Diversification and Management” (the "RFP") to solicit proposals from qualified offerors to conduct public energy education in Rhode Island;

WHEREAS, EERMC selected Optimal as the successful bidder for the RFP on November 16, 2017;

WHEREAS, EERMC voted to approve a Scope of Work prepared by Optimal on January 18, 2018, which Scope of Work is attached hereto, and;

NOW THEREFORE, in consideration of the foregoing recitals and the covenants contained herein, the EERMC and Optimal hereby agree as follows:

### **ARTICLE 1 – SCOPE OF SERVICES**

Optimal hereby agrees to provide all materials, equipment, apparatus, tools, labor, services and facilities and everything incidental, requisite and proper to perform the activities and obligations as described in the attached Scope of Work.

### **ARTICLE 2 – SCHEDULE**

Any work to be performed under this Agreement shall be commenced on the date specified in the attached Scope of Work, and shall be completed in accordance with the schedule specified in the attached Scope of Work. Optimal shall prepare and provide updated schedules as requested by the EERMC.



### ARTICLE 3 – CONTRACT PRICE

The contract price for the work shall be as specified in the attached Scope of Work. The contract price shall be all-inclusive for the work required by the relevant project cost and schedule in accordance with the Scope of Work.

Pricing shall be firm through December 31, 2018 (“Term”). The EERMC reserves the right to renegotiate pricing if there is a significant change in program activity. Any new pricing will be negotiated and mutually agreed to by the parties. This Agreement must then be modified in writing accordingly.

### ARTICLE 4 – PAYMENTS

Optimal shall submit invoices for work completed during monthly billing periods or in accordance with the payment milestones otherwise stipulated in the attached Scope of Services. All invoices shall be submitted to OER and payments made in accordance with and subject to OER review.

### ARTICLE 5 – NOTICES

Notices required or permitted under this Agreement shall be addressed to:

Optimal: Mike Guerard, Managing Consultant  
Optimal Energy, Inc., 460 Harris Avenue, Unit 101, Providence, RI 02909  
(401) 378-7422 (mobile) (802) 482-5616

EERMC: Becca Trietch, Chief, Program Development  
Rhode Island Office of Energy Resources, One Capitol Hill, 4th Floor  
Providence, RI 02908  
(401) 574-9106

### ARTICLE 6 – ENTIRE AGREEMENT

This Agreement, including attachments, constitutes the entire Agreement between the EERMC and Optimal, with respect to the services specified, and all previous representations relative thereto, either written or oral, are hereby annulled and superseded. No modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of each party hereto.





ARTICLE 7 - JURISDICTION AND VENUE

This Agreement shall be exclusively governed by and construed in accordance with the laws of the State of Rhode Island. If either party to this Agreement brings against the other party any proceeding arising out of this Agreement, that party shall bring that proceeding only in the United States District Court for the District of Rhode Island or, only if there is no federal subject matter jurisdiction, in any Rhode Island Superior Court, and each party hereby submits to the exclusive jurisdiction of those courts for purposes of any such proceeding. Optimal hereby consents to personal jurisdiction under the terms of this Paragraph for resolution of any dispute arising hereunder.

ARTICLE 8 – INDEMNIFICATION

The Parties shall be solely responsible for the payment of all their employees, agents, servants, and independent contractors, in furtherance of this Agreement. Optimal hereby agrees to indemnify and hold EERMC harmless from and against any and all claims, damages, penalties, or expenses, including attorneys’ fees, incurred on account of any claim made by any employee, agent, servant, or independent contractor of Optimal with respect to services provided or work performed in connection with this Agreement.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed by its duly authorized representative on the day and year set forth below.

RI ENERGY AND EFFICIENCY & RESOURCE  
MANAGEMENT COUNCIL

OPTIMAL ENERGY, INC.

By: [Signature]

By: [Signature]

Title: Chairman, EERMC

Title: V. President

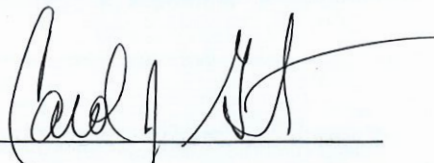
Date: March 6, 2018

Date: March 3, 2018



STATE OF RHODE ISLAND  
ENERGY EFFICIENCY &  
RESOURCE MANAGEMENT COUNCIL

RI OFFICE OF ENERGY RESOURCES

By: 

Title: CAROL J. GRANT, COMMISSIONER

Date: March 5, 2018

# Memorandum

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To: Energy Efficiency & Resource Management Council  
From: Mike Guerard, Optimal Energy  
Date: January 15, 2017  
Subject: Updated draft of 2018 Proposed Scope of Work

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## I. Background

Optimal Energy, Inc. (Optimal) and its partners (collectively the Consultant Team, or C-Team) appreciate the opportunity to continue serving the Rhode Island Energy Efficiency and Resources Management Council (EERMC) with high quality policy and program consultant services. Based on our recent proposal, the C-Team provides the following proposed Scope of Work (SOW) for its services to the EERMC in 2018. As we responded to the Request for Proposal, our approach to the requested tasks was to organize them into three major work areas:

- EERMC oversight (day-to-day activities)
- Cyclical planning and reporting activities
- Policy and strategy

Collectively, these work areas address the varied roles that the C-Team plays over the course of the year as part of the three year planning and implementation cycle to support the EERMC and the Office of Energy Resources (OER). This scope of work emphasizes new approaches, new individuals, and new challenges for 2018, and sets the stage for 2019 and 2020.

Our management approach to the work will provide the EERMC with a small group of trusted advisors who develop and maintain close working relationships with Council Members and key stakeholders. The team will be led by Mike Guerard from Optimal Energy. He is based in Optimal's Providence office along with four additional Optimal staff assigned to this project, as well as being the base for our intern(s). To meet the requirements of the work, we have organized our work in three primary concentrations:

- Our Program Strategy and Innovation team will provide day-to-day oversight of LCP and system reliability programs and help National Grid identify innovative strategies to position programs for long-term success.
- The Policy and Regulatory team will supply the EERMC and other stakeholders with a sharp, consistent perspective on all energy issues that interface with LCP and the EERMC's charge, while listening carefully to input from all parties.
- The Evaluation, Measurement & Verification (EM&V), Education, and Stakeholder Coordination team will support critical EM&V efforts that validate savings and help to continually improve program delivery, and will also provide Councilor, stakeholder, and public education on the process and value of LCP.

In each of the three work areas below, our scope is keyed to a short paraphrasing of the many aspects of this contract spelled out in the RFP. The full task descriptions appear in the detailed budget table in Section III.

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### Work Area 1 - EERMC oversight; day-to-day activities

Our first work area consists of the many related and integrated tasks that are necessary to maintain a consistent and efficient flow of information to and decisive action from the EERMC.

#### **Enhance EERMC member interpretation and understanding...**

#### **Document and/or conduct research and analysis, and create recommendations...**

#### **Fully participate in the development of EERMC priorities...**

Educating Council members ties directly to the task of developing EERMC priorities. We believe that an essential role of the Optimal Team is to ensure that individual EERMC members feel supported and empowered to provide strong energy efficiency leadership and, as a collective body, to serve as stewards of Rhode Island's LCP law. The Optimal Team will work continuously to advance the EERMC's knowledge of the LCP standards and EERMC responsibilities, energy efficiency (EE) technologies and programs, and key energy policy issues affecting the State through three distinct activities:

- Organizing the annual retreat, building on the success of the 2016 and 2017 retreats
- Further developing EERMC educational tools, including an EERMC educational handbook, video tutorials, webinars, and field trips
- Delivering presentations in EERMC meetings tailored to address Council members' information needs on relevant topics.

We are also excited to support OER's efforts to educate Rhode Islanders on the benefits of clean energy. The Optimal Team will continue to offer *ad hoc* email, phone, or in-person communications to support individual Council members.

#### **Actively participate and provide expertise in meetings...**

The C-Team will provide in-person representation by at least one member of the core leadership group at all key meetings with the EERMC, EERMC Executive Committee, OER, Division, PUC, and Demand Collaborative. We expect that, as in the past, most months will see us distributing or presenting information to support discussions on relevant topics. We will also participate in preparatory and debrief sessions with other participants and provide input that is representative of the EERMC's priorities. We estimate that approximately 50 meetings each year will need in-person support.

#### **Assume responsibility for managing additional consultants...**

Given there is the potential of only one confirmed subcontractor to oversee (Dunsky Energy Consulting as Finance Expert through March 30, 2018), we allocated only 6 hours to this task. If this service is required to a more significant degree, one of the core leadership group will be available for supplemental requests to coordinate activities related to the tasks, including monitoring deadlines, deliverables, and budget.

#### **Assist with oversight of National Grid's investment of ratepayer funds...**

#### **Verify that energy efficiency program design and implementation are delivering excellent service...**

#### **Advocate for program design and delivery improvements...**

#### **Monitor, facilitate, and report on implementation and progress towards goals...**

To maximize benefits to ratepayers, the Optimal Team works on behalf of the EERMC to oversee EE and SRP activities. We manage monthly residential, C&I, and EM&V team strategy and best practice meetings that include OER and

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National Grid staff. We hold programs accountable by reviewing monthly data and quarterly reports to monitor progress towards program and savings goals. When we recognize potential underperformance, we disclose it at Council meetings or in memoranda and work closely with National Grid to better understand its nature and cause.

We will continue our efforts in 2018 to properly calibrate the number of consultant participants in the residential and C&I sector teams to a consultant team lead and two sector experts. This group offers substantive input with the team lead coordinating cross-cutting activities and issues. Second, we will prioritize actionable conversations and use our ongoing review of National Grid plans and monthly and quarterly reports to identify key program challenges, such as the impact of rapid residential lighting market transformation on the EnergyWise and Retail Lighting programs, as well as opportunities to improve program savings through new program models and emerging technologies. As needed, we can draw on our deep “bench” of subject matter experts for content-specific conversations designed to inform and support National Grid.

### **Provide independent assessment of utility data reports and information...**

#### **Advocate for excellent data reporting...**

#### **Work with National Grid to receive more comprehensive and timely exchanges of relevant data...**

To establish achievable savings targets and reach consensus on annual and three-year plan outcomes, a data-driven, fact-based approach is required. Data are also a vital element in the Optimal Team’s oversight of program implementation and tracking progress towards goals. To that end, we propose to start the year with a full review of current datasets, identify additional needs, and engage in discussions with National Grid on supporting data access and sharing. A key part of the process will be seeking input from Councilors to confirm that their individual needs are met relative to their broader role as well as for their specific constituencies.

### **Apprise the EERMC of developments in other jurisdictions...**

We will leverage our team’s many engagements in other jurisdictions, including many of the leading states, to facilitate rapid and thorough information-sharing of best practices and “lessons learned.” We expect to bring forward timely and valuable information to support Rhode Island objectives with minimal additional effort.

### **Work to ensure that all programs are effectively coordinated and integrated with other state clean energy initiatives...**

We will collaborate with the EERMC, Collaborative, OER, Rhode Island Infrastructure Bank (RIIB), and other stakeholders to address key topics as they arise. In recent months, such topics have included legislative action to cap the budget for efficiency programs, the PST process convened by OER and the Division, and coordination with RIIB on new financing mechanisms. Coordination across State energy initiatives will be supported by new team-member Rachel Sholly, who successfully identified creative funding and partnership opportunities while directing the URI Outreach Center.

## **Work Area 2 - Cyclical planning and reporting activities**

Our second work area is focused on the annual and three-year planning and reporting cycles that form the basis for EE and SRP goals, program design, budgets, and National Grid’s performance incentives. We understand the cyclical nature of these activities; our scope and budget reflects the fact that no direct activities related to three-year planning will occur in 2018.

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### **Support the development of Annual Report to the General Assembly**

We anticipate that OER will lead this process again and are prepared to provide input and editing, primarily in sections related to EERMC-recommended policies and strategic directions for the future. We will develop a range of options for EERMC review and discussion, and then provide content for the report to accurately reflect EERMC positions.

### **Represent the EERMC's priorities in the development of annual and triennial energy efficiency and system reliability plans.**

The EERMC's responsibilities for annual and triennial planning are established in the LCP Standards. In 2018, we will work closely with OER and National Grid to lay the groundwork for the next three-year planning cycle by identifying ways to improve this process. We will explore whether it may be possible to reduce effort on the three-year plan by focusing on qualitative content instead of establishing savings targets and budgets that are only illustrative. We are also working with OER and National Grid to identify enhancements to the annual planning process, to ensure that the EERMC and other stakeholders have the opportunity to provide meaningful and timely input.

During the annual planning cycle, the C-Team will work on behalf of the EERMC to ensure that National Grid is capturing all cost-effective energy savings, comprehensively serving all customer segments, and innovating to address emerging opportunities and policy priorities.

### **Conduct a detailed review and report on the cost-effectiveness of efficiency plans...**

In 2018 we will continue to invest substantial effort on behalf of the EERMC in coordinating with National Grid on the annual planning effort. We will use rigorous analysis and seek robust consensus in doing so. Our goal is to have the 2019 Annual Plan approved by the EERMC and recommended to the PUC, who in turn will provide final approval of the annual plan. This task involves detailed review of the Technical Reference Manual and the Benefit/Cost Models. We then work with EERMC legal counsel to complete the submittal of the report within required deadlines.

## **Work Area 3 - Policy and strategy**

Our third work area is broadly defined to cover all EERMC activities and needs related to policy and strategy decisions. We expect that much of our work here will address the following issues: revising the performance incentive framework for EE programs to better align with the activities and outcomes of the PST proceeding and the National Grid rate case; strengthening focus on integrating electric, gas, and delivered fuels EE; leveraging EE capabilities to advance renewables integration and load management efforts; developing a sustainable program and funding model for delivered fuel and moderate income customers; and creating a regulatory and program framework to support strategic electrification.

### **Develop and review policies on a range of issues germane to the EERMC's duties...**

#### **Evaluate the impacts of past and potential legislation and/or PUC directives...**

#### **Provide technical support relevant to state and regional policies...**

We see a need for both the strategic and operational level guidance we describe in Work Area 1 and a longer-term, "big-picture" view of policy issues and priorities. The targets for 2019 include a presumption of significant savings from innovative programs and technologies that are not yet defined. A key element to help realize these savings will be policy considerations, such as establishing appropriate guidelines to shape strategic electrification (including the potential impact on gas utilities) and increase the availability of financing. At a broader level, continuing to support Rhode Island's



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modernization of the grid via the PST initiative will be critical to align planning on EE and demand management. Our team will build on involvement in SIRC and Docket 4600 and continue to provide key expertise on SRP and distribution system issues going forward. Our local team members are poised to support the General Assembly and executive branch in interactions with the many entities involved in Rhode Island energy policy.

### **Develop work products for relevant PUC dockets...**

Testimony before the PUC is an important component of supporting the EERMC and its recommendations, including National Grid's 2019 annual plan filing later in 2018. We understand that—unlike whitepapers or internal memos—testimony must provide a clear and direct statement about analyses and policies rather than a detailed and nuanced consideration of all factors. We expect that Jeffrey Loiter will be the expert witness in most proceedings, and will provide unambiguous, robust, and documented arguments on behalf of the EERMC.

### **Represent the priorities of the EERMC in stakeholder fora...**

The Optimal Team will advance the EERMC's priorities with all of the stakeholders engaged with the Council, and will collaborate with OER on strategies to expand efficiency services to income-eligible and delivered fuel customers, as well as other market sectors that have been traditionally underserved.

### **Identify innovative approaches and improvements to program delivery...**

#### **Research and support planning initiatives on broader energy issues...**

The 2018 to 2020 period is a crucial timeframe to position Rhode Island's LCP framework and efficiency programs for the future. Therefore, we have begun working with National Grid to establish a more rigorous process to develop and review pilots and demonstration projects. National Grid has provided a schedule of planned pilot activities, and the Optimal Team will incorporate opportunities to provide input on pilot plans and review results into the scheduled sector team meetings.

More so than in Work Areas 1 and 2, success in the areas of policy and strategy will require collaboration and cooperation with other entities, with both state government (e.g., OER and the Division) and external stakeholders. Innovation in policies and programs will be an important part of realizing the potential benefits of integrating different energy sector activities and leveraging the capabilities developed by the EE programs to serve a broader range of DERs, including combined heat and power, demand response (DR), and distributed generation (DG). In the area of demand response, we believe there is a substantial opportunity to explore how new demand management technologies and program strategies (e.g., integrated demand-side management systems with HVAC, lighting system controls, and training and organizational strategies) can be more cost-effective when combined with EE. We will also explore how to use open communication standards to lower the cost of DR. And in the rapidly evolving DG area, we are carefully monitoring both technology developments (e.g., storage) and new policy arrangements (e.g., New York State's REV initiative).

### **Document research and recommendations in the most appropriate format...**

When the EERMC needs guidance, we will guide them in defining the question it needs answered, answer it efficiently, and communicate the results effectively. By clearly stating expectations, producing interim deliverables, and clearly defining the audience, we have reduced the effort and turn-around time to complete high-quality deliverables.

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### **Provide direct support to OER on renewable integration...**

For ongoing projects and new initiatives, the Optimal Team is prepared to continue providing support in this area via analysis, research and engagement with working groups, as needed.

### **Provide direct support to OER...and relevant specialized expertise to assist OER...**

The Optimal Team has demonstrated our readiness to address any issues or needs brought to us by the EERMC. If requested, we will work with the EERMC to define the scope and objectives of any additional work requested.

### **Provide any additional work on special projects...**

To support budgeting of only required items, we noted in our bid that only expected project areas with tasks that can be reasonably estimated were included, and as such this task was left without any assumed budget. Please see the following section on proposed optional items that are examples of issues that have recently evolved that warrant consideration of additional funding.

## **Optional Tasks**

As we noted in our bid proposal, our experience in this role enables us to provide the EERMC with all of the core responsibilities and tasks requested of its consultant. We will continue to seek opportunities to streamline processes, with the goal of ensuring that all consultant effort and activities are adding value. Furthermore, we noted that the comprehensive scope in the RFP included a fair number of tasks that were at least partially unknown or variable in the level of effort needed. Accordingly, our cost proposal was based on meeting all of the core requirements of the RFP and did not include unnecessary budget for effort substantially beyond that which has typically been required. If we assumed maximum for all tasks, the required commitment for the consultant budget may have resulted in a commitment of funds ultimately not needed. The proposed core budget of \$615,000 is approximately two-thirds of the 2017 budget. Since submitting our bid, a few areas have developed that may require additional support to the EERMC; we are offering these additional services as an option now. And although there are some other areas we feel have the potential to expand, it is premature to estimate the scale of those efforts. They are included in the following list:

### **Innovation and 2019 target true-up**

As noted in Work Area 2, we will work with National Grid at levels consistent with past efforts, largely in the forums of the monthly sector check-ins and Collaborative meetings. However, given the expected need to fully vet innovative opportunities tied to seeking to maximize the 25,000 MWh “innovation” line item in the 2019 targets, additional efforts will likely be required. Although the possibility of a significant allocation of 2017 funding to conduct a “potential study” aimed at recalibrating the 2019 targets was deemed premature and unnecessary, another process is required to identify innovation savings. The C-Team proposes to coordinate with National Grid and stakeholders to revisit the “bottom-up” planning approach used to develop the three-year targets, and to closely review and analyze the pending finalization of potential studies being conducted in Massachusetts. Optimal team members are already closely engaged with the utilities conducting this work in Massachusetts in our roles as the C-Team there, and will be able to leverage these analyses. Additionally, supplemental funding will allow the C-Team to access more of its deep bench of team members who are already engaged in research and pilots of cutting-edge systems, equipment, and program designs in multiple jurisdictions nationally to identify innovative technologies and program models for consideration in Rhode Island.

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We estimate that efforts to revisit and redo the bottom-up target approach, collaborate extensively with National Grid to vet innovation ideas, closely evaluate the Massachusetts studies, and engage staff on additional research would average 24 hours per month over the 10 months between January and the October 15 filing of the 2019 Annual EE/SRP plan, for a total of \$45,000. This task may be “front-loaded” with more of the work occurring in the first quarter of 2018.

### **Broaden educational opportunities to be spearheaded by 2018 “Settlement of the Parties” group**

Discussions in preparation for December PUC technical sessions on the 2019 EE and SRP Plan during a November meeting of the stakeholders who have signed on to the Plan (Acadia Center, People’s Power & Light; OER, the Division; and EERMC) have led to a proposal to create a standing group to continue working to help broaden education and awareness of the benefits of the Plan to the General Assembly, residents, and businesses. If the EERMC so desires, our EMV/Education group would spearhead the organization and coordination of this effort, with Mark Kravatz, Rachel Sholly, and Mike Guerard providing key support based on established relationships and full understanding of the Rhode Island landscape. We estimate this would require an average of 18 hours per month, totaling \$40,000.

### **Expanding finance product offerings**

Subsequent to our bid proposal, the Rhode Island Infrastructure Bank (RIIB) confirmed the imminent launch of a residential loan program. Our proposal assumed baseline oversight of existing programs, but the need to integrate the RIIB residential program with National Grid’s existing HEAT loan will likely require additional effort to facilitate effective integration and avoid market confusion. Additionally, National Grid is proposing additional C&I loan options and pilots that will require closer monitoring and coordination. Accordingly, we estimate an additional 16 hours per month for internal finance experts and other team members, totaling \$35,000.

In addition to these three tasks that have more immediate need for consideration, we would also like to flag some other areas that may warrant additional EERMC investment:

- **Potential study preliminary work** – The EERMC’s proposed overall budget for 2018 includes a line item for \$200,000 to start developing the research and analysis that would result in an effective Achievable Potential Study to inform 2021-2023 targets. If this activity is approved by the EERMC, the resulting need to develop scopes of work and RFP, and subsequent selection and oversight of a vendor will likely require C-Team support. As noted above, our bid assumed some moderate oversight of the only current vendor, Dunsky Energy Consulting (providing expertise in financing), so additional funding may be required to support this effort. A proposed supplemental budget will follow EERMC decisions on if, or how, that task proceeds.
- **National Grid Rate Case, Docket #4770** – The EERMC has directed the C-Team to engage in multiple activities (SIRI; Docket #4600; Power Sector Transformation) leading up to the recent rate case filing by National Grid. Much of the previous activity around rates was tied to the potential impacts on LCP. With the rate case filed just a few weeks ago, we are not yet prepared to report on the potential needs for support. However, preliminary input suggests that the following considerations will ultimately inform the degree to which the EERMC may choose to engage:
  - The rate case may be the first application of the goals, principles, and the Rhode Island Benefit-Cost Framework, which has been adopted by the PUC at the recommendation of the Docket 4600 report.
  - Based on the recommendations of the Power Sector Transformation Phase One report (November 2017), the rate case will consider performance-based regulation and associated performance incentives

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for desired outcomes, as well as opportunities to develop new value-streams from the distribution grid to generate third-party revenue. Given that system efficiency and distributed energy resources are desired outcomes, the performance framework that emerges from the rate case will have implications for how performance incentives should be structured for EE and SRP activities.

- Given the focus on low-income rates, customers, and arrearage management programs in the rate case, the C-Team believes there will be an opportunity to develop best practice recommendations for linking those programs more directly to the EE programs. This could improve program service to low income customers and improve the efficiency offerings overall.

While it is premature to estimate the level of engagement that may be required, this is another issue to flag for the EERMC's consideration.

### **Representation of EERMC**

In the fulfillment of this SOW, the C-Team will engage in public forums, such as the Collaborative and PUC meetings, that are related to discussions and activities that support Least Cost Procurement and other EERMC objectives. Given that developments in these forum don't always align with the cycle of Council meetings, the C-Team will, as we have in past, provide review, analysis, reports and communications in these forum on behalf of the EERMC based on the direction and expectations embedded in this SOW. Additionally, the primary operating position will be that our statements and representations must be grounded in our knowledge of the EERMC's legislated roles and responsibilities as detailed in the clear documentation and expectations set in the "Least Cost Procurement Law" (LCP Law<sup>1</sup>). Additionally, we fully support any process with EERMC counsel, Executive Committee and/or full EERMC on additional mechanisms to assure we act fully in support of EERMC roles, responsibilities and objectives.

## **II. Staffing & Budget**

Optimal will utilize a strong internal team and key subcontractor partners to fully and effectively deliver all elements of this scope of work. Work assignments and roles will remain flexible to assure that the right staff, skill sets and availability are in place on all core tasks, as well as to address evolving issues. The proposed core hours and budget are what was included in our bid proposal. Subsequent to the submittal, some areas for potential additional EERMC service needs evolved, and our proposed budget includes estimates of what would be required for additional services from the C-Team. The proposed core budget amount is \$615,000 for the C-Team services, as detailed on the table on the following page. The three optional items described above (not including the potential study and the rate case) are estimated at \$120,000. The total proposed budget is \$735,000 and is broken down as follows:

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<sup>1</sup> <http://webserver.rilin.state.ri.us/Statutes/title39/39-1/39-1-27.7.HTM>



## EERMC CONSULTANT TEAM

<b>Task 1: EERMC Oversight</b>	<b>Hours</b>	<b>Total Cost</b>
Enhance EERMC interpretation and understanding of utility efficiency, DG and SRP program planning, policy development and implementation, and facilitate EERMC participation in the planning and oversight process. Educate EERMC regarding relevant, energy topics.	230	\$35,120
Actively participate and provide expertise in all EERMC mtngs (including any Sub-Committee); Collaborative mtngs (including any Sub-committee); SRP Subcommittee mtngs; mtngs with OER and other state agencies engaged in the implementation of LCP initiatives; relevant PUC meetings, tech sessions; and any other stakeholder meetings that may be important to the successful advancement of LCP mandates.	396	\$65,560
Document and/or conduct research/analysis, and create recommendations for stakeholder reps can make decisions based on sound info. Provide policy summaries, analysis, and whitepapers, as needed, to inform, guide, and empower stakeholder reps.	202	\$29,760
Fully participate in the development of EERMC priorities and provide technical inputs, analyses, and other efforts as necessary to advance the EERMC's priorities within the development, implementation, and evaluation of utility plans and programs for least cost procurement.	300	\$44,140
Assume overall responsibility for managing and coordinating the work of any additional consultants hired by the EERMC to support its objectives.	6	\$1,170
Assist with oversight of National Grid's investment of ratepayer funds, including by participating in monthly meetings with the company's strategy groups.	318	\$54,280
Verify that EE program design and implementation are delivering excellent service and maximizing benefits of EE for all ratepayers. Provide techsupport and recommendations to the utility and other stakeholders to continually enhance program design/implementation.	110	\$17,350
Advocate for program design and delivery improvements, including, but not limited to, providing recommendations for increasing the benefits of efficiency to underserved sectors.	28	\$1,960
Provide independent assessment of utility data reports and information, including monthly data dashboards, quarterly data, and year-end performance results. Make recommendations for improvements.	84	\$10,980
Advocate for excellent data reporting, transparency, and access to data when appropriate.	46	\$6,920
Apprise the EERMC of developments in other jurisdictions that could improve the quality and delivery of energy efficiency programs and system reliability investments in Rhode Island.	62	\$8,110
Monitor, facilitate, and report on the implementation and progress towards the goals of the annual EE Program Plan, including regular meetings with National Grid program managers and other affected stakeholders.	28	\$1,960
Work with National Grid to receive more comprehensive and timely exchanges of relevant data as needed by the EERMC and/or OER.	50	\$6,150
Work with National Grid and other stakeholders to ensure that all utility-administered EE programs are effectively coordinated and integrated with other state clean energy initiatives, including, programs funded through RGGI and implemented by OER and financing mechanisms through the RIIB.	58	\$7,350
<b>Task 2: Cyclical Planning &amp; Reporting Activities</b>	<b>Hours</b>	<b>Total Cost</b>
Support the development of the required Annual Report on EERMC activities due on April 15 of each year to the General Assembly.	60	\$4,580
Represent the EERMC's priorities in the dev of annual/triennial EE & SRP plans.	572	\$72,480
Conduct a detailed review and report on the cost-effectiveness of the annual and triennial natural gas and electric efficiency plans for submittal to the PUC.	368	\$51,740
<b>Task 3: Policy &amp; Strategy</b>	<b>Hours</b>	<b>Total Cost</b>
Develop and review policies on issues germane to the EERMC's duties including, triennial and annual EE and SRP development and implementation; EE and SRP standards development; EE savings targets; program budget and financing; c-e; EMV; financing; and PIs	196	\$29,720
Evaluate the impacts of past and potential legislation and/or PUC directives on EE and SRP, including legislation or PUC orders related to decoupling, and (SBC) collections and allocations. Educate key stakeholder on such legislation and associated impacts.	140	\$18,440
Develop work products for relevant PUC dockets (e.g. annual plans), including direct testimony on behalf of the EERMC upon its request.	161	\$22,495
Provide technical support from, and representation of, the EERMC with respect to relevant state and regional policies before entities including, the General Assembly and Executive branch agencies, ISO-New England, RGGI, and FCM.	96	\$11,120
Represent priorities of the EERMC in various relevant stakeholder forums, including: C&S; the Alliance for Healthy Homes; PST; bldng energy labeling; regional/local EMV; and efforts to improve efficiency delivery to MF buildings, the agriculture sector, BI residents and businesses, IE consumers, and identified, underserved market sector.	157	\$22,320
Identify innovative approaches and improvements to energy efficiency program delivery, including, but not limited to: Gas/elec integration; Infrastructure dev; BP and emerging tech; Statewide Ed/Marketing; Deep/Broad program designs; EMV; Financing; DF; Innovation; Strategic Elec; DM	353	\$56,680
Document research and recommendations in the format most appropriate for the audience and purpose.	72	\$6,500
Provide direct support to OER in the form of training, planning, technical analysis, and guidance for new initiatives, and relevant specialized expertise to assist OER with existing programs and pilot programs, including programs identified in OER's RGGI Allocation Plans.	116	\$13,690
Provide direct support to OER on renewable integration with energy efficiency (e.g. PACE	84	\$8,680
Research and support planning initiatives for the integration and leveraging of broader energy issues, such as strategic electrification and resiliency, with ratepayer funded efforts.	68	\$5,680
Provide any add'l work on special projects directed by the EERMC on an as-needed basis.	0	\$0
<b>CORE WORK AREAS TOTAL</b>	<b>4,361</b>	<b>\$615,000</b>

## EERMC CONSULTANT TEAM

<b>Optional Tasks</b>	<b>Hours</b>	<b>Task Total</b>
Innovation and 2019 Target True-up	278	\$45,000
Broaden educational opportunities to be spearheaded by 2018 "Settlement of the Parties" group	280	\$40,000
Expand finance product offerings	222	\$35,000
<b>CORE WORK AREAS TOTAL</b>	<b>780</b>	<b>\$120,000</b>

Per vote at the February 15, 2018 EERMC meeting, the optional tasks were updated and approved as follows:

	Est. Hrs	Avg. rate	Total cap
Support Education & Awareness of benefits of EE	198	\$180	\$ 35,640
Innovation / 2019 targets "true-up"	192	\$180	\$ 34,560
Expanding finance product offerings	96	\$170	\$ 16,320
Potential study preliminary work	96	\$170	\$ 16,320
National Grid Rate & PST Cases, Dockets #4770 & 4780	96	\$180	\$ 17,280
	678		\$ 120,120