



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, June 18, 2020 | 3:30 - 5:30 PM

Meeting conducted virtually using GoToMeeting with additional audio conference capabilities

Members in attendance: Chris Powell, Nick Ucci, Kurt Teichert, Karen Verrengia, Anthony Hubbard, Peter Gill Case, Roberta Fagan, Bill Riccio, Joe Garlick, Tom Magliochetti, Bob White

Others Present: Nathan Cleveland, Becca Trietch, Angela Li, Sam Ross, Mike Guerard, Craig Johnson, Sydney Usatine, Joel Munoz, Hank Webster, Jack Miniati, Kai Salem, Daniel Tukey, John Tortorella, Dr. Carrie Gill, Mona Chandra, Laura Rodormer, Matt Chase, Tim Roughan, Chris Porter, John Richards, Kevin Rose, Amanda Formica

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-may-2020/>

1. Call to Order

Chairman Powell called the meeting to order at 3:33pm

2. Approval of Council Meeting Minutes

Chairman Powell requested a motion to approve the May meeting minutes. Mr. Teichert made a motion to approve May meeting minutes as written and Ms. Verrengia seconded. All approved.

3. Executive Director Report

a) General Update

Commissioner Ucci thanked the Council for their patience and participation in all of the virtual meetings, as we have had to adjust our efforts in light of COVID-19.

He also thanked Chairman Powell for his nearly 13 years of service to the Council and applauded him for his leadership as Rhode Island has accelerated its efficiency work and become a national leader in this space.

Commissioner Ucci also recommended Council members look over the Heating Sector Transformation report as it is getting significant traction and attention as well as mentioning the July 9th date for the 1st public workshop on OER's 100% Renewable Electricity by 2030 efforts.

He closed by reiterating the Council and OER's commitment to environmental justice and delivering the benefits of efficiency and clean energy to all Rhode Islanders, especially those who bear the highest energy burdens and the low and moderate income populations.

Chairman Powell asked about the press release from TEC-RI and RIMA calling for a suspension of energy efficiency programs. Commissioner Ucci indicated that he is only aware of what has been reported in the press, as there has not been any sort of proposal put forward, just a verbal suggestion to suspend energy efficiency collections for a year. Mr. Porter also mentioned that National Grid has heard nothing additional on this matter and remains steadfastly committed to energy efficiency and is committed to making sure the legislature is aware of the benefits of the EE programs, alongside other stakeholders.

4. Chairperson Report

a) General Update

Chairman Powell addressed the Council for the final time before stepping down and issued sincere thanks to those who have played a significant role in the Council and his role in being a part of the Council, including the Governor, fellow Council members past and present, and all the stakeholders who contribute to our excellent work.

Vice-Chair Hubbard will be stepping up to the role of Acting Chair beginning with the July meeting.

Chairman Powell reviewed the agenda for today's meeting and reminded everyone they can access all meeting materials on the EERMC website.

5. Program Oversight

a) Update on COVID-19 from National Grid

Ms. Li provided a brief update on COVID related activities. Contractors are back in the field on the residential side, and 37 weatherization jobs have been completed as of June 17. She noted that some contractors are waiting to bring their workforce back online until early July in order to adhere to stricter guidelines and complete training and acquire PPE to safely perform work. Once back in the field, contractors are subject to a quality control process to ensure adherence to these new safety requirements.

Ms. Li also indicated that 501 virtual home energy assessments have been performed in the Energy Wise program and 50 in the Income Eligible program to date. She also indicated they have approximately a 1.5 month pipeline of weatherization work at present and that will help ensure that contractors coming back have work ready for them.

b) Discussion & Vote on Comments to be Submitted to the Public Utilities Commission on the Least-Cost Procurement Standards

Please refer to the [Review of LCP Standards](#) presentation and the [Draft Memo to the Public Utilities Commission on LCP Standards](#).

Mr. Guerard updated the Council on the latest developments regarding the updates to the Least Cost Procurement Standards, including reviewing the EERMC recommendations sent to the PUC and how they were or were not included.

After the technical sessions in March and April, the PUC released a version of the Standards for public comment at the end of May and those comments are due tomorrow, which Marisa will submit tomorrow based on today's discussion and vote.

Changes Summary:

Some changes were made to the format and structure, like the expansion from two to six chapters but many of the comments from stakeholders asking for specificity and clarification were not adopted instead leaning towards more general/flexible language.

The updates did clarify the Council's role in the Target setting process, including the application of reliable, prudent, environmentally responsible and less than cost of supply filters. The new document also provides a specific role of the Council for SRP review, which was previously not explicit in the Standards.

Mr. Guerard noted that there was a significant change in how cost-effectiveness would be evaluated. Programs now must be cost-effective, rather than should, as was previously the case.

National Grid also now has an option to combine the filing for the Three-Year Plan and the associated Annual Plan for the first of those three years into a single docket – must notify Council by July 1 of their intention.

Finally, Mr. Guerard highlighted that the new standards document includes the addition of multi-year strategies and budgets as a potential content area. Also the setting of the performance incentive structure has been incorporated into the Three-Year Plan filing, rather than the Annual Plans.

Review of EERMC recommendations and their inclusion:

Mr. Guerard then reviewed the recommendations put forth by the Council and indicated if those were adopted (Green highlight), reasonably represented (Yellow highlight), or not addressed at all (Red highlight).

Only one recommendation not adopted. "Active" demand not specified (though demand is considered generally) and all fuels consideration/heating electrification was not included.

A number of the Council recommendations were partially addressed, including:

- Location specific energy efficiency and demand response: efficiency is covered through an explicit addition to the text while demand response text was unchanged.
- More details on accounting procedures and practice: The Divisions requirements on reporting now in place, but not mentioned in standards.
- Equitable access: Income Eligible as a sector is not specifically referenced; new requirement for programs to be cost-effective may hinder this goal as well, but some language about program equity generally was added.
- Expand prudence definition: Document included some reference to all ratepayers and the impacts/benefits they bear from programs.

- Clear definition of equity: slight modification was made to include “equitable opportunities” but does not go as far as EERMC and other stakeholders asked in their comments.
- Explicit ask to have potential studies every 6 years and inform targets each three years: This was not specifically included, but document generally references this time period and process as appropriate.
- Focus System Reliability Procurement docket being a mapping effort: Covered in general terms, though not as explicit as suggested.

A number of Council recommendations were also adopted in the updated standards document, including:

- Require ongoing review of Rhode Island Test: New document reinforces Docket 4600 reference.
- Expand definition of reliable: Workforce added in as a criteria for reliability
- Clearly outline what goes in a Three-Year Plan and Annual Plan filing: Explicit instructions for content to be covered in each of these plans.
- Coordination of Performance Incentive with other company earning opportunities: Referenced in the new document.
- Coordinate Energy Efficiency with other dockets, especially System Reliability Procurement: New System Reliability Procurement chapters make this much more clear.
- EERMC role in SRP: Included explicitly in the new chapters.
- Align System Reliability Procurement filing date with Infrastructure, Safety, and Reliability docket: still a few weeks ahead of the ISR docket with a late November filing deadline, but close enough to December’s filing deadline for ISR.

Recommendations/Discussion:

Mr. Guerard, having reviewed the new document and the Council’s recommendation’s being adopted or not, opened the floor for discussion amongst the Council as to what should be included in the memo to the Public Utilities Commission.

The Council suggested that a number of the topics either not adopted or only partially addressed – such as, active demand, heating electrification, all fuels efficiency, income eligible customers; definition of equity; requirement that programs must be cost-effective – could have undesirable outcomes and encouraged additional consideration on this topic by the PUC.

Mr. Teichert asked if based on this version of the Standards, did the PUC generally feel more specificity/granularity was better housed in Three-Year and/or Annual Plans?

Mr. Guearard indicated that was the consultant’s take-away from the document and Mr. Teichert expressed concern with how the absence of more specific equity language in the Standards contributes to that issue as a specific focus of the work, versus needing to include it in every subsequent plan on a case by case basis. He suggested including the equity language the Council wanted to have in the memo, rather than linking to it, in order to make a stronger argument.

Chairman Powell and Vice-Chair Hubbard felt that was a good modification to the memo to better emphasize the point.

Chairman Powell stated that he felt it was important for the Council to be forceful here, given legitimate concerns about detrimental impacts to some of key constituents like Income Eligible. – and he suggested that an example may be helpful to illustrate their point.

Mr. Tiechert commented that it is likely that the income eligible and income eligible multifamily sectors would be most impacted by this change and suggested simply including additional language that said “for example, this would put Income Eligible programs at higher risk”, rather than a specific example. Mr. Gill Case, Chairman Powell, Mr. Riccio all were supportive of this addition as a good solution.

Vote:

Mr. Tiechert made a motion to approve the memo to the Public Utilities Commission with the amendments to the equity recommendation in bullet 3 and references to the services provided to the income eligible sector in bullet 4, as just discussed. Mr. White seconded the motion and all approved by roll call vote.

c) Consultant Team Presentation on Stakeholder Feedback

Mr. Guerard indicated that consultant team usually provides memos on the EE and SRP Technical Working Groups for the Council, but this month, in lieu of those, they will provide a brief verbal update on most recent ones. A written memo will be prepared and included for next month as well.

Mr. Guearad summarized the recent energy efficiency technical group meeting for the Council. He mentioned that OER and C-Team are going to have some 1-on-1 meetings with stakeholders in attendance to discuss their thoughts once everyone has had a chance to read the plan in detail. A quick review of the first draft Three-Year Plan makes clear there are gaps between Targets and proposed savings goals, and explanations put forth by company don’t sufficiently identify and address these. He also noted that there were a number of commitments to “explore” and “investigate” and many stakeholders would like more weight behind those statements with timelines and deliverables.

Mr. Ross provided a summary of the recent system reliability procurement technical working group, held the day prior. There was lots of stakeholder engagement around the recent RFP issued for the Bristol NWA opportunity and that stakeholders presented goals of each group for the SRP plan. National Grid also discussed their New York NWA programs, as more projects have gone through the evaluation process there. Mr. Ross reported that National Grid feels that cost effectiveness can be a hurdle, as is ensuring robust market awareness/engagement for these opportunities.

d) National Grid Presentation on the First Draft Three-Year EE Plan

Please refer to the [National Grid Presentation on the First Draft Three-Year EE Plan](#).

Mr. Tortorella reviewed what the Company will cover in today’s presentation, including sector focus, savings, goals, benefits, budgets, and then next steps. He also reviewed the timeline of plan development thus far this year.

Mr. Tukey covered the top 10 drivers and trends in C+I portfolio – these big projects are comprising less of the portfolio and the savings achieved are getting more expensive as lighting goes away. He indicated that there are two possible strategies to address this, increase project applications or increase the savings per application to make up ground and that in all likelihood they would need to do both. Mr. Tukey then review the 8 strategies for the C+I sector on how the Company will identify, engage with, and support C+I customers better and increase efficiency projects being completed.

Ms. Li then covered some of the residential strategies the Company put forth in the Three-Year Plan. A significant trend is that lighting is being phased out after 2021 and so the residential portfolio will need to incorporate other measures and areas to drive savings, though costs will likely increase, given the size of the portfolio and the relatively low cost lighting represented. She indicated that they have identified the split incentive between meters and landlords as a barrier to achieving savings and noted that the potential study did not highlight significant new technologies for this sector; which is especially true with delivered fuels not eligible for SBC incentives at this time. She then presented 4 key strategies to address these issues.

Mr. Tortorella reviewed the numbers for the electric and gas portfolios as proposed in the 3YP and how those compare to the three Potential Study scenarios. The savings goals all come in between 90-105% of low scenario, depending on year, for each fuel type. However, he noted that electric demand response is projected to outpace the Max scenario in each year of the plan. Mr. Tortorella also highlighted that even at these savings goal levels, budgets for each program will increase relative to 2020, and expenses are expected to go up year over year. Despite all this, significant benefits are being delivered through these programs to RI customers.

Ms. Chandra provided some additional context on the C+I budgets and savings targets noting that in this proposed Plan investments in 2021 are being made to drive savings in 2022 and 2023.

Mr. Magliochetti asked about recent history of achievement through the SEMP initiatives as a means to drive savings? Ms. Chandra indicated they are looking to expand those efforts, as they have been successful in the past, as well as looking to engage with communities through the Community Initiative (like including technology/industrial parks as a “community”).

Ms. Li reviewed some additional charts depicting the change in the residential portfolio over the three years as lighting goes away.

Mr. Tortorella then gave some key considerations to the Council as they review the draft. Firstly, EM&V results haven't been included in this draft as many studies were delayed or paused because of COVID-19 and those results are expected later this summer. This also doesn't include the performance incentive, as that is a work in progress in consultation with OER, C-Team and others. This also doesn't provide any significant accounting for any COVID-19 impacts that may become clearer as the planning process continues. He concluded by noting that stakeholder comments are due on July 3rd, with TWG on July 10th reviewing that feedback, gearing up for an August vote and September filing.

Mr. Tiechert asked if significant deviation from potential study/targets because that study didn't account for drop off in lighting? Why is there such a delta between this draft and those targets and why are those numbers not increasing significantly over 3YP?

Ms. Li responded that lighting does go away in the potential study modeling, but that report included a more aggressive ramp up of weatherization and HVAC measures/adoption than the Company would.

The Council then discussed the importance of really identifying and calling out barriers to reaching these targets so we can come up with strategies to overcome those. Additionally, deeper measures are more expensive and so the need to align with natural equipment replacement cycles will be even more critical as economics alone aren't moving customers into significant early replacements.

e) Consultant Team Presentation on the First Draft Three-Year EE Plan & Council Discussion

Please refer to the [Consultant Team Presentation on the First Draft Three-Year EE Plan](#).

Mr. Ross indicated that the Plan coming in below targets was expected and the first draft came in closer to low range of potential study and historical program achievement. He noted that the biggest deltas in both electric and gas portfolios are in HVAC, Envelope and Hot Water measures. He also noted that the consultant team's gaps analysis was done in concert with National Grid staff and both teams feel comfortable with this analysis even though it was not possible to do a perfect mapping.

He then reviewed a series of charts displaying the results of the gaps analysis and the degree to which those three categories make up the majority of the difference between the Targets and the proposed savings goals.

Mr. Gill Case asked if the HVAC bar for the gas portfolio included any potential electrification or if it was simply opportunities represented by more efficient gas equipment?

Mr. Ross responded that potential electrification was not included here, as this was simply representing the EE opportunities within that fuel type, and the potential study had a separate module dealing with electrification.

Mr. Ross than presented a series of barriers that begins to showcase some challenges that need to be overcome to increase savings achievement, and that there are often overlapping barriers for some customers.

Mr. Johnson reviewed the cost components of the draft plan – including the cost to achieve savings to look at cost-efficiency compared to previous plans. He demonstrated that the cost to achieve is close to historical levels, though increasing over three-years. He also compared to cost to achieve for National Grid in Massachusetts as a relevant comparison point. For gas portfolio, costs in year one are higher, before decreasing in years two and three closer to historical levels.

6. Council Business

a) *Review and Vote on Final Request for Proposals for Legal and Consultant Services for the Council*

Please refer to the [Consultant Services](#) and [Legal Services](#) RFPs.

Ms. Trietch reviewed the RFPs presented to the Council at the prior meeting and asked if there was any additional feedback from Council members on those documents. She also noted that Mr. Garlick, Mr. Riccio, and Mr. White will serve as the review committee for proposals received. No additional comments/feedback from Council.

Vote:

Mr. Teichert made a motion to approve both RFPs as presented and to direct OER to post the RFPs and direct the scoring with the review committee. Ms. Verrengia seconded the motion. Vote taken by roll call and all approved.

7. Public Comment

Kai Salem, Green Energy Consumers Alliance (GECA)

Thanks to Chairman Powell for his years of service to the Council. Also thank the whole Council for discussion on LCP Standards today and GECA not pleased with current draft and feels fuel neutrality and equity not being addressed is problematic. GECA views EE programs to be fuel neutral and include delivered fuels customers, as they do not have other mechanisms to support procuring EE measures, which is a problem. They believe it is within the role of EERMC and PUC to advocate for this change. She concluded by noting that she was pleased to see that EERMC takes issues of equity as seriously as they do.

Hank Webster, Acadia Center

Thanked Chairman Powell for many years of service and also noted that Commissioner Ucci was also up for confirmation on the Senate floor soon. He also thanked Ms. Trietch for presenting to ISO-NE liaison group on COVID-19 response in EE, which was very well received and appreciated.

8. Adjournment

Chairman Powell called for a motion to adjourn the meeting. Ms. Verrengia made a motion to adjourn, which Mr. Hubbard seconded. All Approved and the meeting was adjourned at 5:53pm.

Outstanding Council Member Questions Requiring a Written Response:

None.