



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-june-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. He also mentioned the July 9<sup>th</sup> date for the 1<sup>st</sup> public workshop on OER's 100% Renewable Electricity by 2030 initiative.

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.

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 as his retirement from the Council would begin after today's meeting. He issued a sincere thanks to those who have played a significant role in the Council, including the Governor, fellow Council members past and present, and all the stakeholders who continue to contribute to the excellent work. He described the importance of the Council and the opportunity all Council members have to improve program equity and outcomes.

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

Chairman Powell then 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 an updated version of the Standards for public comment at the end of May. Comments on the updated Standards are due tomorrow. Ms. Desautel, the Council's attorney, is ready to submit a memo tomorrow based on today's discussion and vote.

Mr. Guerard first provided a summary of what had changed in the updated Standards compared to the first draft.

### **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 provided a specific role of the Council for SRP review, which was not previously included 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 first associated Annual Plan for the first year in the three-year cycle. To do so, the Company must notify the Council by July 1 of their intention to combine the filings.

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 previous EERMC recommendations and their inclusion (or exclusion) in the updated Standards:**

Mr. Guerard then reviewed the recommendations put forth by the Council and indicated if they had been adopted (Green highlight), reasonably represented (Yellow highlight), or not addressed at all (Red highlight) within the updated Standards.

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

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

- Including location specific energy efficiency and demand response: efficiency was covered through an explicit addition to the text while demand response text was unchanged.

- Requiring more details on accounting procedures and practices: The Division’s requirements on reporting are now in place, but are not mentioned in the updated Standards.
- Including equitable access as a standard: the Income Eligible as a sector is not specifically referenced in the updated Standards; a new requirement for programs to be cost-effective may hinder this goal as well, but some language about program equity generally was added under “Prudency”.
- More clearly specify the definition of prudency: the updated Standards included some reference to all ratepayers and the impacts/benefits they bear from programs.
- Include a clear definition of equity: slight modification was made to include “equitable opportunities” but the language did not go as far as the EERMC and other stakeholders asked in their comments.
- Addition of an explicit requirement to have potential studies every 6 years to inform the targets every three years: This was not specifically included, but the document generally references this time period and process.
- Describing System Reliability Procurement as primarily a mapping effort for system reliability investments: The updated Standards covered this in general terms, though not as explicitly as suggested by the Council.

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

- Requiring ongoing review of the Rhode Island Test: New document reinforces referencing Docket 4600.
- Expanding the definition of reliable: Workforce was added as criteria for reliability
- Clearly outlining what goes in Three-Year Plan and Annual Plan filings: Explicit instructions for content to be covered in each of these plans was included.
- Coordinating Performance Incentives with other company earning opportunities: This is now referenced in the new document.
- Coordinating Energy Efficiency with other dockets, especially System Reliability Procurement (SRP): New System Reliability Procurement chapters make this requirement clearer.
- Specifying the EERMC’s role in SRP: This was included explicitly in the new chapters.
- Aligning the System Reliability Procurement filing date with the annual Infrastructure, Safety, and Reliability filing: Within the updated Standards, the deadline is still a few weeks ahead of the ISR docket with a late November filing deadline, but this is close enough to promote alignment with ISR.

### **Recommendations/Discussion:**

After providing the summary above, Mr. Guerard 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 response, all fuels efficiency, including a definition of equity, and requiring that all programs be cost-effective – could have undesirable outcomes. Therefore, the memo should encourage additional consideration on these topics by the PUC.

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

Mr. Guerard indicated that the consultant's take-away from the document was that more detail was not required but not as much as the Council had recommended. Mr. Teichert expressed concern with how the absence of more specific equity language in the Standards contributes to this issue. Rather than specifying equity as a specific focus of the work, the Council would now need to ensure its inclusion 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 statement.

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

Chairman Powell also stated that he felt it was important for the Council to be forceful about changing the requirement that all programs be cost-effective. He stated that such a requirement should cause legitimate concerns about detrimental impacts to some key constituents like Income Eligible – and he suggested that an example may be helpful to illustrate this point.

Mr. Teichert 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, and Mr. Riccio all were supportive of this addition as a good solution.

Vote:

Mr. Teichert made a motion to approve the memo to the Public Utilities Commission with 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 the 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 the most recent ones. A written memo will be prepared and included for next month.

Mr. Guerard summarized the recent energy efficiency technical group meeting for the Council. He mentioned that OER and the Consultant 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 draft Three-Year EE Plan in detail. A quick review of the first draft Three-Year Plan makes clear there are substantial gaps between the Council's Targets and the Plan's proposed savings goals, and explanations put forth by the Company don't sufficiently identify and address these gaps. 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 a lot of stakeholder engagement around the recent RFP issued for the Bristol NWA opportunity. Also, stakeholders presented their goals and priorities for the upcoming 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 would cover in today’s presentation, including sector specifics, savings, goals, benefits, budgets, and then next steps. He also reviewed the timeline for plan development thus far this year.

Mr. Tukey covered the top 10 drivers and trends within the Commercial and Industrial (C+I) portfolio – these big projects are comprising less of the portfolio and the savings achieved are getting more expensive as claimable lighting savings go 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. The Company will 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 that the Company put forward in the first draft 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. Because of the decline in claimable lighting savings, costs will likely increase, given the size of the portfolio and the relatively low-cost lighting historically represented.

Ms. Li also indicated that they have identified the split incentive between renters and landlords as a barrier to achieving savings and noted that the potential study did not highlight significant new technologies for this sector. She then presented 4 key strategies to begin addressing these issues.

Mr. Tortorella reviewed the numbers for the electric and gas portfolios as proposed in the first draft Three-Year Energy Efficiency Plan (3YP) and how those compare to the three Potential Study scenarios. The savings goals all come in between 90-105% of low potential study 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 goals, 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 the recent history of achievement through the SEMP initiative 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 claimable lighting savings go away.

Mr. Tortorella then summarized some key considerations for 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 due to COVID-19 and those results are expected later this summer. This first draft also doesn’t include the performance incentive, as that is a work in progress with OER, the Council’s Consultant Team, and the Division. This draft also doesn’t provide any significant accounting for COVID-19 impacts which may become clearer as the planning process continues. He concluded by noting that stakeholder comments are due on July 3<sup>rd</sup>, with an EE TWG meeting on July 10<sup>th</sup> to review feedback. The Council is then expected to vote in August for a September filing.

Mr. Teichert asked if the significant deviation from the potential study/targets could be attributed to the study not appropriately accounting for the drop off in lighting savings? He continued to ask, why there was such a large delta between this draft and the targets and why the goals did not increase significantly over the Three-Year timeframe?

Ms. Li responded that lighting savings decreases were appropriately considered in the potential study, but that potential study also included a more aggressive ramp-up of weatherization and HVAC measures than the Company is proposing.

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 them. 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 are unlikely to move customers to pursue significant early replacement investments.

*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 the Council’s targets was expected and the first draft came in closer to the low range of the potential study results which map well to historical program achievement. He noted that the biggest deltas between the goals in the draft Plan and the Targets in both the 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 between measures and potential study results.

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 then presented a series of barriers that showcases some of the challenges that need to be overcome to increase savings achievement. There are often overlapping barriers for some customers.

Mr. Johnson then reviewed the cost components of the draft three-year EE plan – including the cost to achieve savings compared to previous plans. He demonstrated that the cost to achieve is close to historical levels, though increasing over three-years. He also compared the cost to achieve savings to National Grid in Massachusetts. For the 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 has volunteered to serve as the review committee for proposals received. No additional comments/feedback was provided from the 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)

Kai thanked Chairman Powell for his years of service to the Council. She also thanked the whole Council for the discussion on the LCP Standards today. She indicated that GECA was not pleased with the current Standards draft and feels that fuel neutrality and equity need to be better addressed. GECA views the EE programs as fuel neutral and including delivered fuels customers, as they do not have other mechanisms to support procuring EE measures, is a priority. They also believe it is within the role of the EERMC and the PUC to advocate for this change. She concluded by noting that she was pleased to see that EERMC discussing equity as an important standard for the EE programs.



Hank Webster, Acadia Center

Mr. Webster thanked Chairman Powell for his 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 the ISO-NE liaison group on Rhode Island's 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.