



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, September 17, 2020 | 3:30 - 5:30 PM

Meeting conducted virtually using GoToMeeting with additional audio conference capabilities

Members in attendance: Nick Ucci, Karen Verrengia, Bill Riccio, Tom Magliocchetti, Kurt Teichert, Anthony Hubbard, Joe Garlick, Peter Gill Case, Matt Ray, Tim Roughan

Others Present: Nathan Cleveland, Becca Trietch, Mona Chandra, Margaret Hogan, Josh Duckwall, Sydney Usatine, Jill Goodman, Marisa Desautel, Michael Baer, Sam Ross, Andrew Marcaccio, Rachel Calabro, John Tortorella, Katherine Johnson, Joel Munoz, Chris Porter, Adrian Caesar, Kevin Rose, Mike Guerard, Daniel Tukey, Craig Johnson, Angela Li, Sarah Schumann, Jeff Diehl, John Richards, Seth Handy, Ali Grippo, Kai Salem, Karen Bradbury, Chris Vitale, Hank Webster, Toben Galvin

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

1. Call to Order

Acting Chairman Hubbard called the meeting to order at 3:33pm

2. Approval of Council Meeting Minutes

Mr. Riccio made a motion to approve the August meeting minutes as written, Mr. Garlick seconded. All approved by roll call vote.

3. Executive Director Report

a) General Update

Commissioner Ucci reminded the group that the Office of Energy Resources (OER) 100% Renewables by 2030 initiative will be having its second public workshop on September 29th. All are welcome to attend and details are available on the OER website if you are interested in registering. The second workshop will feature the consulting team walking through some of the analytical process that's been undertaken, discussing some early results with the public, and getting feedback to inform the future pathways for this effort.

4. Acting Chairperson Report

a) General Update

Acting Chair Hubbard reviewed the agenda for today's meeting, highlighting a Council vote later in the agenda and two opportunities for public comment for the Energy Efficiency Annual plan

specifically, and then general public comments on any other matters later in the meeting. All meeting materials are available on the Energy Efficiency and Resource Management Council (EERMC) website, including several written public comments provided in advance of this meeting.

Acting Chair Hubbard also highlighted the upcoming EERMC Public Forum to be held on September 24th via Zoom. Details were sent to council members and the event is open to all with specific registration information available on the EERMC website. He also noted that the EERMC Retreat will be held on Monday, via Zoom, and that it is open to public but no council business will be conducted during the retreat.

Before starting the rest of the meeting agenda, Ms. Verrengia made a motion to adjust the schedule for today's meeting by having agenda item six (6) - *Discussion & Vote on Council's Consultant Services RFP* – moved up to allow for enough time for discussion on this important topic. Mr. Riccio seconded the motion and all approved by roll call vote.

5. Council Business (formerly agenda item 6)

a) Discussion & Vote on Council's Consultant Services RFP

Mr. Riccio made a motion to move into Executive Session for the discussion of the Consultant Services Request for Proposal responses due to the sensitive nature of conversation around consultant services, pursuant to Rhode Island General Laws 42.46.5.a.(7) Mr. Teichert seconded the motion to move to executive session. All approved by roll call vote and the Council entered into Executive Session

The Council returned from Executive Session and Acting Chair Hubbard reported that the Council had voted unanimously to table discussion on this matter and resume the conversation on Monday, September 21st after the Council Retreat with a public meeting and executive session to make a final determination on the award for this Request for Proposals.

6. Program Oversight (formerly agenda item 5)

a) Update on COVID-19 from National Grid

Mr. Porter indicated that National Grid's energy efficiency services are fully back in the market, that health and safety protocols are being followed, and no COVID-19 infections have occurred through program activity. He noted that virtual home energy assessments continue to gain market traction with customers as well.

He did note that while their programs were fully back in the market for customers to engage with, that many vendors are still monitoring COVID-19 case numbers and being somewhat cautious in getting back to full staffing in light of these ongoing concerns. Despite less than a full workforce, the pipeline of work to implement is robust given the success of the virtual home energy assessments, but wait times are longer than desired and National Grid is working with its vendors and contractors to address that as best they can.

b) National Grid Review of the First Draft 2021 Annual Energy Efficiency Plan

Please refer to the [National Grid Presentation on the First Draft 2021 Annual Energy Efficiency Plan](#).

Mr. Tortorella reviewed the high level savings and benefit numbers expected from the 2021 Annual energy efficiency plan as currently written, including the workforce benefits included in those numbers.

He reiterated some of National Grid's key points of emphasis that carried over from the Three-Year Plan draft to Annual Plan draft, which include:

Integrating equity across the portfolio of programs including commitments to develop an equity working group, start collecting data to inform renter specific program metrics, and undertake a non-participant study.

Optimizing the portfolio of energy efficiency offerings through measure-level planning, specifically seeking out as much cost-efficient savings as possible.

Making budget reallocations to support areas of significant opportunity for program and savings growth as illuminated through the Market Potential Study. He also noted that surcharge impacts were a strong consideration for 2021's plan.

Ms. Li then reviewed the residential portfolio for 2021 which has an emphasis on driving more weatherization, efficient heating, and hot water measures, particularly through the use of bundled incentives. National Grid is also working hard on reducing barriers to participation – barriers to being able to implement weatherization work chief among them - and increasing the adoption of comprehensive measures.

Ms. Li. also indicated that the plan expands the 100% incentive for weatherization to moderate income customers in the market rate Energy Wise program, as well as making enhancements to the Income Eligible program, and looking to do more workforce training initiatives.

Mr. Tukey reviewed the Commercial and Industrial portfolio for 2021 and highlighted the program adjustments and enhancements made to drive more engagement and savings, which include an Energy Management Platform, a revamped New Construction program, a new telecommunications initiative, and significant investment in small business customers for both gas and electric savings via weatherization and lighting controls. Mr. Tukey also mentioned that National Grid did significant work to identify barriers to achievement of higher savings goals and will be including stronger documentation of what those barriers are and how they are going to address them in the final version of the plan to fully reflect the work done on those.

Mr. Tortorella than shared the changes between what was proposed in the Three-Year Plan draft and what is represented in the 2021 Annual Plan draft for the savings goals. He explained that Evaluation, Measurement and Verification work has been almost fully completed and incorporated in this version (with a few studies still outstanding), the results of which affected claimable savings relative to the Three-Year Plan draft, both positively and negatively depending on the measure.

He showcased that the current savings goals come in between the “low” and “mid” scenarios from the Market Potential Study for the electric portfolio in 2021 on both annual and lifetime dimensions, even with keeping the system benefit charge flat for 2021.

For the active demand response portfolio he noted there was a reduction of almost 10 megawatts resulting from an evaluation change affecting the savings claimable from Commercial and Industrial Demand Response.

For the gas portfolio, Mr. Tortorella demonstrated that the goals came in below those in the Three-Year Plan number for both annual and lifetime and both are also below the “low” scenario in the Market Potential Study. He stated that this is mostly driven by evaluation results reducing claimable savings for gas measures.

Mr. Richards then reviewed the 2021 Annual Plan budget and system benefit charge numbers. He showcased that the 2021 budget is 8% above 2020 planned budget levels and is roughly flat from budget numbers included in the Three-Year Plan draft. He then explained the three main factors drive the system benefit charge (SBC), which are: the year end fund balances for the electric and gas efficiency programs (positive balances drive down SBC and negative balances drives up SBC); Energy sales forecasts for 2021 (lower sales forecasts drive up SBC and higher sales forecasts drive down SBC); and program budgets relative to prior year, with higher budgets leading to an increasing SBC. Mr. Richards noted that these proposed budgets represent an increase of \$8.2 million for electric programs and an increase of \$3.5 million for the gas programs.

Mr. Richards also clarified that all fund balances will continue to be updated as 2020 moves along, and that National Grid does not expect to spend 100% of their budget for 2020 and their performance incentive earnings for 2020 will also be updated, which will influence the final SBC number. He closed by informing the Council that the 2021 electric sales forecast is coming next week and they will update the budget numbers once that is in for the final draft, while also making sure the system benefit charge remains flat for 2021.

Mr. Tortorella then covered the next steps in the process before sharing the final draft next month, which include factoring in COVID-19 impacts, making final tweaks to budgets and savings numbers, finalizing and incorporating remaining evaluation studies and sales forecast updates, and finally adjusting budgets as needed to ensure a flat 2021 system benefit charge.

Mr. Riccio referenced the written public comment from the Rhode Island Infrastructure Bank regarding the 2021 funding for the Efficient Buildings Fund (EBF) program being totally cut from the draft plan. He was concerned about this removal of funding for that program and asked National Grid to address how much was cut and why?

Mr. Ray replied that EBF is still an important part of the program and this was a draft plan and was an initial decision to deal with budget concerns to optimize their spending and savings number. He noted that they are still working with the Bank and others to get the right amount of funding to this program as they further refine budgets for the final plan.

c) Consultant Team Presentation on the First Draft 2021 Annual Energy Efficiency Plan

Please refer to the [Consultant Team Presentation on the First Draft 2021 Annual Energy Efficiency Plan](#).

Mr. Ross reviewed the Consultant team’s process for reviewing and evaluating the annual plan. He noted that COVID impacts are a factor and those impacts are still being evaluated and understood and the resulting desire to hold flat the system benefit charge for 2021 as a countermeasure has gotten some broad consensus.

Mr. Ross indicated that the Consultant Team's focus has been on maximizing savings given these economic limitations and ensuring appropriate investment in infrastructure and other areas to support barrier reduction to drive future savings (e.g. workforce, financing) as well as making sure cost-efficiency is maximized given budget constraints.

Their next steps will be to review comment responses from National Grid on the benefit-cost model (expected tomorrow), engage with National Grid in a series of meetings next week to work on final adjustments and modifications in preparation for the final draft and then they will prepare a draft recommendation for the Council for the October meeting.

d) Public Comment on the Draft 2021 Annual Energy Efficiency Plan

Public Comments made in writing in advance of the meeting can be reviewed on the EERMC's website: <https://rieermc.ri.gov/meeting/eermc-meeting-september-2020/>

Jeff Diehl, Rhode Island Infrastructure Bank

Mr. Diehl reiterated the critical importance of a funding allocation to the Efficient Buildings Fund in order to move forward municipal energy efficiency projects in 2021. He noted that their office has been working with the Office of Energy Resources and National Grid to build out a pipeline of projects to support future work both for 2021 and beyond. Schools are a key component of that investment in the future as well. He closed by asking that the \$5 million allocation from the Three-Year Plan draft be included in the final 2021 annual plan.

e) National Grid Presentation on the Energy Efficiency 2020 Quarter 2 Report

Please refer to the [National Grid Presentation on the Energy Efficiency 2020 Quarter 2 Report](#).

Mr. Richards provided a high level overview of energy efficiency program performance through quarter 2 of 2020. National Grid is currently behind 2019 achievement levels a bit and significantly behind quarter 2 achievements from 2018. He shared that their electric program forecast for year-end achievement is between 60-90% of goal for the Residential and Commercial and Industrial Sectors and is 40-70% of goal for the Income Eligible Programs. These values are lower than past achievement through Q2. Mr. Richards note that quarter 2 was the time when the programs experienced a complete shutdown as a result of the pandemic before virtual options and other workarounds could be developed and implemented.

Mr. Richards than provided an update on the gas programs, with performance about on par with 2019 through quarter 2, or slightly behind depending on the sector. National Grid's year-end forecasts are 30-60% of goal for Commercial and Industrial sector, 60-90% of goal for the Residential sector. He explained that the Income Eligible sector was significantly impacted by the pandemic shutdown and was well behind goal through quarter 2, with year-end projections of 35-65% of goal achievement.

f) Consultant Team Presentation on the Energy Efficiency 2020 Quarter 2 Report

Please refer to the [Consultant Team Presentation on the Energy Efficiency 2020 Quarter 2 Report](#).

Mr. Johnson reviewed National Grid's historical performance compared against current quarter 2 performance on both savings and spending performance and all sectors are behind in savings achievement and on spending at this point of the year for the electric portfolio.

The gas portfolio mirrors the electric portfolio, with decreased savings and spending through quarter 2 as well. He noted that the COVID-19 shutdown has drastically impacted energy efficiency programming across the board and he said the consultants would be closely tracking performance through the rest of the year as energy efficiency programming ramps back up and we all work to achieve as much energy savings as possible.

g) Consultant Team Presentation on Draft Cost-Effectiveness Report

Please refer to the [Consultant Team Presentation on Draft Cost-Effectiveness Report](#) presentation.

Mr. Ross reviewed the draft cost-effectiveness memo, which is based on the 2021 draft plan and will be updated in key areas as the final plan is released to be submitted to the PUC as part of the filing.

Mr. Ross noted, importantly, that given the combined nature of the filing (Three-Year and 2021 Annual Plans filed jointly) the memo has been updated to incorporate a review of both those plans in the same document, which is a deviation from years past. Mr. Ross explained that the Consultant team has reviewed the benefit-cost models and has submitted questions to National Grid, the responses to which will help ensure accuracy. He closed by noting that the draft cost-effectiveness report is available as a meeting material, areas likely to be updated are highlighted for clarity in that report, and any feedback from the Council is welcome.

7. Public Comment on Other Topics

None.

8. Adjournment

Acting Chairman Hubbard called for a motion to adjourn the meeting. Mr. Garlick made a motion to adjourn, which Ms. Verrengia seconded. All approved and the meeting was adjourned at 5:32pm.

Outstanding Council Member Questions Requiring a Written Response:

None.