



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, February 18, 2021 | 3:30 - 5:30 PM

Meeting conducted virtually using Zoom with additional audio conference capabilities

Members in attendance: Anthony Hubbard, Karen Verrengia, Matt Ray, Kurt Teichert, Tom Magliocchetti, Peter Gill Case, Bill Riccio, Tim Roughan, Roberta Fagan

Others Present: Nathan Cleveland, Dr. Becca Trietch, Sam Ross, Mike Guerard, John Tortorella, Ben Rivers, Matt Chase, Daniel Tukey, Kevin Rose, Kai Salem, Jessica Darling, Samantha Caputo, Dr. Carrie Gill, Sue AnderBois, Rachel Sholly, Angela Li, Sydney Usatine, Joel Munoz, Craig Johnson, John Richards, Justin Somelofske, Todd Bianco

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-february-2021/>

1. Call to Order

Acting Chairman Hubbard called the meeting to order at 3:32pm

2. Approval of Council Meeting Minutes

Acting Chairman Hubbard asked for a motion to approve the January Meeting minutes. Mr. Riccio made a motion to approve the minutes from the January meeting as written. Mr. Gill Case seconded and all approved by roll call vote.

3. Acting Chairperson Report

Acting Chair Hubbard reviewed the agenda for today's meeting, including highlighting a number of Council votes that need to be completed at today's meeting.

He also noted that there will be an update and significant focus placed on the recent performance incentive mechanism (PIM) proposal for the energy efficiency programs that is still under discussion by the Public Utilities Commission. The Council will be asked to submit comments on this PIM next month.

4. Council Business

a) *Discussion and Vote on Executive Committee Members*

Dr. Trietch updated the Council on the call for volunteers to formally serve on the Executive Committee until such time as the Governor and Senate consider and approve new appointments.

Acting Chair Hubbard, Mr. Gill Case, and Ms. Verrengia volunteered to serve, but if other Council members would like to serve they should indicate that now. No additional Council members expressed interest and Mr. Riccio made a motion to appoint Anthony Hubbard, Peter Gill Case, and Karen Verrengia to the EERMC Executive Committee until official appointments from the Governor are completed. Mr. Teichert seconded the motion and all approved by roll call vote.

b) Discussion & Vote on 2020 Legal Services Budget Allocation

Please refer to the [Legal Services Budget Memo](#).

Dr. Trietch reviewed the memo submitted by Council attorney Marisa Desautel reviewing the reasons for a budget overage in 2020, including the higher than anticipated number of meetings and technical sessions called by the Public Utilities Commission relating to the energy efficiency program review. The memo seeks approval for raising the 2020 budget allocation to cover the exact overage costs incurred.

Mr. Riccio made a motion to approve a \$4,198.23 increase to the 2021 Legal Services budget allocation in order to cover larger than expected costs incurred at the end of 2020. Mr. Gill Case seconded and all approved by roll call vote.

c) Discussion & Vote on Council Public Education Proposal

Please refer to the [Farm Energy Fellow Funding Justification](#) memo.

Dr. Trietch quickly reviewed the justification memo asking for the Council to support, in partnership with the Office of Energy Resources, a Farm Energy Fellow from URI for 2021. The effort would continue to build on the work of previous Farm Energy Fellows in this same structure to support the agricultural community in pursuing energy efficiency projects.

Mr. Riccio made a motion to allocate up to \$7,500.00 from the Council's 2021 Public Education funds to support a Farm Energy Fellow this year. Mr. Gill Case seconded the motion and all approved by roll call vote.

d) Discussion & Vote on Proposed System Reliability Procurement Comments to the Public Utilities Commission

Please refer to the [Recommended System Reliability Procurement Comments to the Public Utilities Commission](#) memo.

Mr. Ross reviewed the draft memo, which ultimately recommends approving the plan as filed, and outlined the six (6) implementation priorities included in the comment letter, which are:

- Prioritize location-targeted outreach for energy efficiency (EE) and demand response (DR)
- Broaden opportunities for methodological review and input from stakeholders
- Continued transparency and stakeholder engagement in non-pipes alternatives (NPA) program development
- Enhanced transparency and stakeholder engagement in non-wires alternative project selection methodology and process
- Build & share concrete timelines with specific deliverables

- Continued responsiveness to stakeholder priorities

Mr. Riccio asked if there was any connection between this plan and associated comment letter and the ongoing discussion and modification of the performance incentive mechanism happening in the energy efficiency docket?

Mr. Ross responded that these are completely separate plans and that the System Reliability Procurement efforts are distinct from the conversation around the energy efficiency program's performance incentive that is still ongoing.

Mr. Gill Case made a motion to approve the SRP comments as currently written and to direct the consultant team to work with Marisa Desautel to file the comments with the Public Utilities Commission by the required deadline. Mr. Teichert seconded the motion and all approved by a roll call vote.

e) Presentation & Discussion on Comments to the Public Utilities Commission Regarding the Energy Efficiency Performance Incentive Mechanism

Please refer to the [Consultant Team Public Utilities Commission Deliberations on the Energy Efficiency Performance Incentive Mechanism](#) presentation.

Mr. Ross reviewed the process that led to the development of the proposed performance incentive mechanism (PIM); the introduction of the Public Utilities Commission (PUC) modification to that proposal; and the subsequent and ongoing engagement and discussion among the PUC and stakeholders. Recently the PUC led a technical session where they presented and reviewed a revised proposal and answered clarifying questions from stakeholders.

Mr. Ross informed the Council that following that technical session, the PUC has solicited stakeholders for formal comments on the revised proposal, with a workshop on February 25th for any remaining clarifying questions, and a comment submission deadline of March 19th (after the March Council meeting). The consultant team will be preparing draft comments for discussion and vote at the March meeting, which will be informed in part by today's discussion on the matter.

Mr. Ross then went into more detail on the differences between what was originally proposed and what is in the PUC proposal. The PUC proposal emphasizes power sector benefits, excluding most societal benefits, though societal benefits are still used in the Rhode Island Test when screening for cost-effectiveness.

As a result of that change in emphasis, the Residential and Income Eligible (IE) sectors have negative net benefits in the PIM (by design) and therefore National Grid would not earn incentive here, but would experience reduced earnings in the Commercial & Industrial (C&I) sector if these two sectors underperform.

Mr. Ross noted that this revised proposal does a better job than the original PUC proposal at ensuring that Residential and IE performance is still important to the company, which was achieved through graduated adjustments based on service quality metric achievement. The latest

proposal also makes updates to provide greater cost controls and improved clarity based on stakeholder questions.

Mr. Ross made clear that they have some remaining concerns on the proposal, such as the incentive to shift program mix away from that which was approved by the Council due to differences between Rhode Island Test cost and benefit categories and PIM net benefit cost and benefits categories. He noted that this risks pushing back against stakeholder priorities like equity and deeper, comprehensive savings -- essentially if programs are likely to focus more heavily on a subset of all cost effective options given the emphasis of this PIM on power sector benefits. Furthermore, in the Residential and IE sectors, future program design is incentivized towards more conservative goals to avoid the earning penalties, or to enable exceeding more modest goals in order to earn a higher payout.

Mr. Teichert expressed his disappointment in the direction/signal being given by the PUC and also frustrated that it feels the Council doesn't have a lot of agency to change the direction here. He is concerned about how we ensure those who need these services the most get access to them.

Mr. Ray stated that National Grid very much wants company interests and stakeholder priorities to be aligned in both PIM and program design and as Mr. Ross mentioned, there are some areas where the new proposal may introduce some tensions. He acknowledged that this modified proposal does improve on the original version with some smoothing features that reduce some of the "performance cliffs" originally presented.

He also flagged for everyone that the workshop scheduled for February 25th conflicts with the previously scheduled energy efficiency technical working group so as a result that meeting will be adjusted to accommodate the PUC proceeding.

Mr. Gill Case echoed and supported Mr. Teichert's comment and expressed that he feels the same way.

f) Public Comment on the 2021 Energy Efficiency Performance Incentive Mechanism

Kai Salem, Green Energy Consumers Alliance:

"GECA has been following the PIM proceedings and as a settling party we strongly supported these plans in part because of the strides made to address equity in delivering energy efficiency benefits. We were particularly disappointed to see essentially a budgetary cap put on these programs, which is something we have been working against for years. We also invite Council members, either individually or as a full Council to consider supporting the extensions and modification of Least Cost Procurement legislation being introduced this session."

Dr. Todd Bianco, Public Utilities Commission Staff:

"As Commission staff, I wanted to let the Council know that the Commission did not put any caps on the programs and renewable energy was not part of this docket and so not any part of these

deliberations. Additionally, the Commission in its decision did not deny anything that was cost effective and less than the cost of supply. I just wanted to put that on the record since it sounded like other folks may have that impression based on other comments and discussion.”

g) Council Vote on Comments to the Public Utilities Commission on the Energy Efficiency Performance Incentive Mechanism

Mr. Riccio made a motion to continue this agenda item in the March meeting. Ms. Verrengia seconded the motion and all approved by roll call vote.

5. Program Oversight

a) Update on COVID-19

Mr. Ray indicated that there were no new updates relating to COVID-19 since the last meeting. He reiterated that all the Community Action Program staff are back in field and a best practices meeting was held this morning with that group and he promised to share any relevant items that may have come out of that meeting with the Council.

b) National Grid Presentation on 2020 Energy Efficiency Quarter 4 Report

Please refer to [National Grid's 2020 Energy Efficiency Quarter 4 Presentation](#).

Mr. Richards reviewed the 2020 Quarter 4 performance for the electric program which was down relative to prior years. The Commercial & Industrial (C&I) sector was closest to reaching its goal and Residential was a bit further behind, with the Income Eligible (IE) sector performing worst. He noted that the Energy Star lighting and Home Energy Report programs saw strong performance due to their remote/upstream nature and their in-home programming did not perform as well.

Mr. Richard stated that IE was particularly hard hit due to a longer shutdown of service in that sector from COVID-19 and lag in providing remote audits; he did note that IE sector was also served by the Home Energy Report and Energy Star lighting programs as well, though those savings are counted in the Residential sector.

Ms. Verrengia stated that Carrie Gill from the Office of Energy Resources gave a presentation on Home Energy Reports a few years ago and she wondered if National Grid would give a short briefing or presentation on that program and how those operate and generate savings? She also highlighted that she is working on a program for training the auditors in the Income Eligible program in partnership with the Rhode Island Builders Association that she hopes will help boost those savings numbers in the future.

Acting Chair Hubbard asked if there is a way to determine how many Income Eligible customers are served in the Home Energy Reports and Energy Star lighting categories that are reported in the Residential achievement?

Mr. Richards replied that there are some ways to estimate that, but he can't put a hard number on these in real time. He stated that he can review prior participation studies to see if there has been any breakdown of Income Eligible participation in those programs and report back.

Mr. Richards highlighted that there was a similar trajectory for the gas program as we saw in electric, with slightly lower achievement in gas Commercial & Industrial goals, because gas projects have longer lead times than electric projects. He did point out that the New Construction and Small Business programs did exceed their goals within the sector with the 100% weatherization incentive being a big driver of that. Income Eligible again was the weakest performing sector and COVID-19 limiting in unit programs a big reason for that.

Ms. Li commented that lighting was not included in the last participation study, but they may be able to breakout Income Eligible customers for the Home Energy Reports program and they also have a "hard to reach" category that may provide some context for Income Eligible participation in some programs.

She then went on to reviewed highlights from quarter 4 of the residential program, such as engaging freelance auditors to supplement services offered by the Community Action Programs and doing targeted outreach to landlords.

Ms. Verrengia said that she gets lots of question on landlord engagement/renter access for energy efficiency and was not aware of the webinars mentioned. She asked if she could get on the access list for those and share those with everyone in advance? Ms. Li Indicated that she would include her on the distribution list.

Mr. Tukey reviewed some highlights from the Commercial & Industrial (C&I) sector for quarter 4, which included a large project through their Energy Smart Grocer initiative and another large energy efficiency equipment upgrade at a local manufacturer, both saving hundreds of thousands of kWh per year.

Mr. Gill Case asked if National Grid has or will develop, any case studies on the highlighted projects that he could look at and/or share with folks? He wants to promote the exciting work whenever possible and aggregate numbers don't always tell the full story. Mr. Tukey indicated that he would provide some project details to Mr. Gill Case on those two projects and discuss a case study. Mr. Ray indicated that National Grid will work on producing additional case studies, potentially including these projects.

Acting Chair Hubbard noted that it was great to see outreach and programming focused on renters and accessing landlords as that population is often hard to reach and encouraged the Company to continue to focus on those efforts.

c) *Consultant Team Presentation on 2020 Energy Efficiency Quarter 4 Report & Summary of Priority Setting Process for the 2022 Energy Efficiency Plan and 2022 System Reliability Procurement*

Please refer to the [Consultant Team's 2020 Energy Efficiency Quarter 4](#) presentation and the [Consultant Team's Priority Setting](#) presentation.

Mr. Johnson gave a high-level overview of electric and gas portfolio performance, both savings achievement and total spending, for 2020 and compared that to annual performance dating back to 2016. An important note he wanted to flag was the recent engagement of RISE Engineering to provide supplemental audit support to ensure more Income Eligible customers can be served.

Ms. Sholly then gave a presentation on priority setting where she reviewed why we develop priorities and how those influence both the Energy Efficiency (EE) and System Reliability Procurement (SRP) plans as well as how those are shared with National Grid and other stakeholders.

She covered how the Council priorities support stakeholder communication and the plan review process and that they are shared with the public on the Council website and are often cited in comment letters/testimony/regulatory proceedings.

Then Ms. Sholly reviewed last year's priorities, which were in four categories: Savings Targets; Stakeholder Engagement; State Objectives; Access and Coordination. She then opened the floor for discussion as the Consultant Team wants Council opinions for what priorities they have for the 2022 plan process - and how have recent events or recent decisions potentially impacted areas the Council wants to focus on?

Ms. Verrengia mentioned that the Massachusetts Council went really in depth on dissecting programs at a recent meeting she sat in on and that perhaps we should consider picking apart some of the lower performing programs in Rhode Island in more detail at our meetings.

Regarding legislation, she feels that appliance standards are incredibly important to ensure these products start to transform like the lighting market has.

She also felt like despite the poor results in 2020 that the Income Eligible program feels like it is getting better and while this won't happen overnight, she feels like it is trending in the right direction. She also asked whether there were other touchpoints for customers to engage with the energy efficiency programs, such as a combined health & weatherization questionnaire at doctor's offices as one example.

Mr. Teichert stated that in light of the current Public Utilities Commission (PUC) approach, he feels it's important that we are clear and strong with setting high standards and expectations so that any pull back still leads to good results. Other than the performance incentive mechanism, are there other ways or mechanisms the Council can or has at its disposal to focus efforts and ensure good incentives for the company, particularly for Income Eligible programs?

Mr. Guerard replied that one idea is to invite the PUC or other regulatory personnel to the Council retreat to have more discussion on recent shifts in how these proceedings have been received and ruled upon. Mr. Gill Case commented that he would love to have a dialogue with the PUC to better understand their thoughts and considerations to better inform Council members of how they review these dockets. We should also look to coordinate with the State Energy 2030 plan and should also be aware of growing environmental justice constituency/coalition and try to incorporate those considerations in our priorities.

Mr. Magliocchetti asked if there was any way to look at other Council's like ours around the country and see if there are things we might be able to learn from how they operate and manage programming in their jurisdictions?

Mr. Guerard indicated that Optimal Energy is also the consultant to the Massachusetts council, so they are always getting information on how things are operating there. Additionally, the American Council for an Energy Efficient Economy (ACEEE) also continues to rate Rhode Island and Massachusetts a 20 out of 20 on utility operations, so we are still at the forefront nationally.

6. Public Comment

Dr. Todd Bianco, Public Utilities Commission Staff:

Today was a very interesting conversation and he hopes that this comment is useful input for the Council and others. To hear everyone discuss that they are detecting a change with the Commission, but also recognizing that the programs themselves have changed, he feels that the Commission hasn't changed as it may seem, but that the programs (and costs) have changed more than the Commission has.

As an example, in looking at the gas system the efficiency programs don't provide positive benefits on customer bills, as most accrued benefits from that work are societal. It is his opinion that the Commission feels that cash benefits or in-system benefits are most valuable as they are realized immediately and quantifiably. He also notes that Income Eligible customers can't monetize the benefits of increased home value if they are renters. These programs used to be net cost-effective in-system and that hasn't been the case since 2019 and he feels this is the fundamental change and not a shifting viewpoint of the Commission. He closed by encouraging a strong focus on system savings moving forward to align customer bill savings with National Grid's energy efficiency earnings.

Sam Ross, Consultant Team:

Mr. Ross appreciated Dr. Bianco sharing a Commission adjacent perspective and in his mind the alignment between the Rhode Island Test and the performance incentive mechanism (PIM) has been key in developing programs because those incentives are aligned. As programs and markets change, programs will need to evolve and the PIM focusing on something not in lockstep with the Rhode Island Test is simply a shift that stakeholders are still digesting. He would argue that this

lack of alignment represents a shift that stakeholders are noticing alongside the changing programs themselves.

7. Adjournment

Acting Chairman Hubbard called for a motion to adjourn the meeting. Mr. Gill Case moved to adjourn the meeting. Ms. Verrengia seconded the motion and all approved. Meeting adjourned at 5:43pm.

Outstanding Council Member Questions Requiring a Written Response:

Acting Chair Hubbard asked if there is a way to determine how many Income Eligible customers are served in the Home Energy Reports and Energy Star lighting categories that are reported in the Residential achievement?

Mr. Richards replied that there are some ways to estimate that, but he can't put a hard number on these in real time. He stated that he can review prior participation studies to see if there has been any breakdown of Income Eligible participation in those programs and report back.