



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, March 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, Bill Riccio, Nick Ucci, Joe Garlick, Kurt Teichert, Tim Roughan, Tom Magliocchetti, Peter Gill Case, Roberta Fagan

Others Present: Nathan Cleveland, Dr. Becca Trietch, Sam Ross, Mike Guerard, Maggie Hogan, Sydney Usatine, Daniel Tukey, Joel Munoz, John Richards, Kai Salem, Adrian Caesar, Josh Kessler, Sue AnderBois, Ben Rivers, Dr. Carrie Gill, John Tortorella, Romilee Emerick, Rachel Sholly, Jessica Darling, Laura Rodormer, Mark Kravatz, Matt Chase, Angela Li, Erin Crafts, Kevin Rose, Laura Schauer, Lynn Roy, Steve Morris, Jesse Smith, Mary Hall-Johnson

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

1. Call to Order

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

2. Approval of Council Meeting Minutes

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

3. Executive Director Report

Commissioner Ucci briefly discussed the announced sale of National Grid's Rhode Island business unit - the Narragansett Electric Company - to Pennsylvania based PPL. The sale still needs to get regulatory approval and that could take as long as a year and there aren't many other details at this time regarding the process and next steps, particularly what impacts, if any, this may have on efficiency work given that the sale was just announced this morning.

4. Acting Chairperson Report

Acting Chair Hubbard reviewed the agenda for today's meeting, including highlighting the focus on finalizing the comments on the Energy Efficiency Performance Incentive Mechanism proposal. He also noted that there will be a special public comment period specific to that topic earlier in the agenda for stakeholders and the public to share their thoughts before the Council acts.

Acting Chair Hubbard also flagged several requests of Council members, including a last call for volunteers to review and score the several proposals received as a result of recent public education Requests for Proposals (RFPs). He also urged those who hadn't yet to please fill out the survey on the Council retreat that was circulated this afternoon to inform development of that meeting this summer.

Acting Chair Hubbard then recognized Mr. Guerard from the Consultant team to discuss any updates to pending Least Cost Procurement (LCP) legislation. Mr. Guerard indicated that the initial legislation for LCP was introduced with some significant amendments. That version of the legislation has since been withdrawn by the sponsor and a new piece of LCP legislation was introduced yesterday with limited amendments. The new version primarily seeks to extend the existing law.

He also noted that there will be an update and significant focus later in the meeting on the recent energy efficiency performance incentive mechanism proposal that is still under discussion with the Public Utilities Commission (PUC) and stakeholders. The consultant team has drafted recommend comments to submit to the PUC on this topic. Council discussion and vote on these draft comments will occur later in today's agenda.

5. Council Business

a) Discussion & Possible Vote on 2022 Council Energy Efficiency (EE) and System Reliability Procurement (SRP) Priorities

Please refer to the [Consultant Team Presentation on 2022 Energy Efficiency \(EE\) and System Reliability Procurement \(SRP\) Priorities](#)

Mr. Guerard noted that this topic and others in today's meeting serve as the first activities in the 2022 planning process. He hopes that these priorities will serve as a start to a smooth and gradual process of engaging the Council on important planning topics throughout the year.

To start, he reviewed some of the recent priorities coming out of Connecticut and Massachusetts state Councils as a point of comparison. Mr. Guerard also reviewed the policy recommendations that the Council had made in previous years. He then compared those proposed priorities with the five key priorities that National Grid included in their Three-Year Plan filing, which were:

- Deepen Customer Relationships
- Drive Adoption of Comprehensive Measures
- Expand Active Demand Response
- Achieve Cost Optimization & Efficiency
- A Deeper Equity Lens Across Program Planning & Delivery

Mr. Guerard then shared a list of themes and specific items for consideration and discussion from the Council as potential Energy Efficiency priorities. The themes presented for discussion were:

- Least Cost Procurement & Savings Targets
- Planning & Stakeholder Engagement
- Equity & Access
- Economy & Workforce

- State Goals & Coordination

Mr. Gill Case observed that other states' priorities were more high-level whereas ours are a bit more into the weeds, which he liked. He wants to highlight the impact of peak demand management and its relationship with consumer costs and overall wants to elevate demand response, peak load management, and energy storage as a priority area.

Mr. Teichert commented that the Massachusetts plan includes “demonstrate equitable programs” as a priority whereas our priorities suggest that we “innovate and adopt” and “use an equity lens”. He feels that the key difference there is that the Massachusetts priorities are more outcome oriented and he would like to focus on making our efforts in this area more action-oriented to ensure we deliver on this important topic.

Mr. Garlick commented that he liked the equity lens language used in the Three-Year Plan priorities put forward by National Grid and wants to make sure there is also ongoing data collection and evaluation to ensure that progress is continuing to be made on equity and we aren't just spinning our wheels.

Ms. Verrengia noted that Connecticut has sustainable workforce as a priority and wants to make sure we are making a better/stronger argument for workforce development in our programs. How do we encourage more new ways to engage/grow/train the workforce to meet shifting needs of energy efficiency?

Mr. Teichert asked if there was a specific reason in the draft priorities listed “clean energy jobs” and the later referenced “energy efficiency jobs” – aren't they related and shouldn't we be encouraging both?

Mr. Magliocchetti commented that we should continue to look for alignment with what is happening and/or being prioritized in other jurisdictions.

Ms. Verrengia asked what is being done to promote certain programs and is there a focus to support particularly important sectors? She also asked if there is a way to get better transparency from National Grid on what their awareness efforts are?

After this discussion, Mr. Ross from the consultant team, then reviewed some proposed System Reliability Procurement priorities for the Council's consideration and discussion. These priorities focused on two high level categories: Responsiveness and Stakeholder Engagement.

Mr. Teichert made a motion to adopt the proposed System Reliability Procurement priorities for 2022 as proposed, and to title them as “Recommended EERMC priorities for 2022 System Reliability Procurement”. Ms. Verrengia seconded the motion and all approved by roll call vote.

b) Review & Discussion of the Council's Draft Report to the General Assembly

Please refer to the [Consultant Team Presentation on to 2021 EERMC Annual Report to the General Assembly](#)

Mr. Guerard gave a high-level overview of the Council's annual report to the General Assembly, including flagging the new additions for this year's report, which are:

- Updated Priorities for 2022 from the Council
- Energy Justice & Equity Programming
- Energy Training for K-12 Teachers
- Highlights from Pilots, Demonstrations, and Assessments

He emphasized that feedback is requested from the Council by March 25th with any edits/concerns/comments before the report is finalized for a Council vote at the April meeting.

6. Program Oversight

a) Update on COVID-19

Mr. Ray provided a brief update on current activities, noting that no service interruptions are currently being experienced as a result of COVID-19 and that the Company continues to offer virtual assessment opportunities to customers, with roughly 40% of customers opting to have a virtual assessment.

Mr. Teichert asked, rather than how many assessments (either virtual or in-person) have been completed, does National Grid have information on how many assessments are in the queue still to be performed?

Mr. Ray indicated that the Company does have that information, and that it comes from a few channels, but he is happy to work with the consultant team to provide that data.

b) Discussion on Comments to the Public Utilities Commission on the Energy Efficiency Performance Incentive Mechanism

Please refer the [Recommended Comments from the Consultant Team](#) and the [Consultant Team Presentation on Comments to the Public Utilities Commission on the Energy Efficiency Performance Incentive Mechanism](#).

Mr. Ross provided a status update on the Performance Incentive Mechanism (PIM) process leading up to today's discussion and vote to ensure everyone had the full context. The next steps in the process are to submit comments to the Public Utilities Commission (PUC) by tomorrow. Once all comments have been received and reviewed the PUC will determine if additional technical sessions and open meetings are needed or if they will schedule a vote.

Mr. Ross noted an overarching concern the consultant team had with the PUC PIM proposal, which is that it introduces a disconnect between the Rhode Island Test for screening programs and what is considered an eligible benefit for which the Company can get paid. Mr. Ross then summarized the responses the consultant team drafted to specific PUC questions.

Concerns were raised by the consultant team in four priority areas, which Mr. Ross covered in detail:

- Equity
- GHG Emission Reductions
- Collaborative Process
- All Cost-Effective Energy Efficiency

In each of these areas, Mr. Ross laid out why the consultant team feels the Commission's proposal provides barriers or disincentives for full and robust program achievement. He then explained in more depth why these categories present areas of concern based on the proposed PUC PIM as compared to the stakeholder PIM that was initially filed in the settlement. Most of the concerns stem from the disconnect created between the Rhode Island test and the eligible benefits used to calculate National Grid's earnings.

Mr. Teichert asked if under the more restrictive interpretation of benefits used in the Commission's proposal, the potential earnings for the Company were reduced compared to prior years?

Mr. Ross indicated that the programs as designed only provide positive net benefits in the Commercial and Industrial Sector under the Commission's definition of benefits and so the full payout pool was allocated to that sector in their proposal. It also introduces a service quality metric designed to encourage access and service for the Residential and Income Eligible sectors otherwise earnings can be eroded. Overall, the Commission proposal provides a similar or potentially greater earning opportunity in this year compared to prior years.

Restated and reviewed the specific recommendations for the Council to vote on were:

- Adopt a Performance Incentive Mechanism for only one year, regardless of the final structure
- Align the Performance Incentive Mechanism with the Rhode Island Test

c) Public Comment on the Energy Efficiency Performance Incentive Mechanism

Kai Salem, Green Energy Consumers Alliance:

Ms. Salem indicated that the Green Energy Consumers Alliance supports the proposed comments and observations presented today and their potential impacts on equity and greenhouse gas emissions reductions in particular. Further, Green Energy Consumers Alliance likes the focus on putting emphasis on where the most savings might be accrued from and ensuring that consumers get the most bang for their buck from these programs.

d) Further Discussion & Vote on Comments to the Public Utilities Commission on the Energy Efficiency Performance Incentive Mechanism

Mr. Teichert advocated that the Council include a strong recommendation that any performance incentive structure is for only one year to allow everyone to optimize and adjust in subsequent

years as needed. He still has concerns about the goal and incentive structure putting in place an emphasis on setting lower goals and exceeding them, rather than setting aggressive goals to push the boundaries of the programs. He feels that this proposed structure not only does not address that concern, but likely exacerbates it.

Mr. Gill Case stated that he agrees with Mr. Teichert and also expressed a sense of demoralization since not only are we not better supporting the income eligible population through this proposed performance incentive mechanism, but the proposal may in fact be harming them. He feels that this is unacceptable and needs to be avoided. He also noted that he feels there is a bit of a disconnect from shareholder's original proposal which allowed the Company to earn a dollar from any sector. He believes this original proposal better aligned with the Council's specific charge to address all sectors and ensure all customers are benefitting.

Acting Chair Hubbard stated his agreement with the income eligible sector's challenges and concerns and notes that he has had concerns about the performance in that sector for years and does not feel this proposal helps to alleviate those concerns.

Mr. Ray commented that National Grid will be putting forward their own comments and thoughts on the Commission's PIM proposal and he felt that Dr. Bianco's perspective from the last meeting on how the Commission was viewing the benefits of energy efficiency from their perspective was useful to consider.

Mr. Teichert recognized the challenge the Commission faces with near term concerns facing ratepayers but did not agree with the thought process or recommended potential solutions to address income eligible customer energy burdens presented by Dr. Bianco.

Dr. Trietch shared that the Office of Energy Resources will also be putting comments forward that are much in line with what the consultant team has discussed here.

Mr. Riccio made a motion to file the proposed memo of Council comments dated March 19th to the Commission as written. Mr. Garlick seconded the motion and all approved by roll call vote.

e) *Presentation on Findings from a Study on National Grid's Energy Efficiency Evaluation, Measurement & Verification (EM&V) Processes*

Please refer to the [Brightline Group Presentation on the Energy Efficiency Programs Evaluation Study](#)

Ms. Roy from the Brightline Group presented their findings from a study they conducted on National Grid's Energy Efficiency program evaluations. This study was undertaken due to a 2018 amendment to the Least Cost Procurement law requiring that an energy savings verification study be conducted. The study was delayed by the COVID-19 pandemic but is now complete. There were three defined tasks of the study:

- Review Evaluation, Measurement & Verification (EM&V) process and ensure it is in line with best practices
- Savings review & verification of the programs
- Billing analysis and customer experience

Ms. Schauer reviewed the process undertaken to review the EM&V process and discussed the results from the study, which was a process evaluation of the evaluation process. Rhode Island exhibits many best practices in their EM&V work and ensures the results gained are sound and defensible. Some suggested opportunities for improvement centered around ensuring that sufficient time is given to adequately conduct studies and ensure sufficient feedback can be collected and incorporated, which can also be supported by more proactive planning.

Ms. Roy then reviewed the process used to evaluate the savings calculations and verify the program results. 30 measures were prioritized and compared to 22 other programs across the country. The results indicate that National Grid is continually evaluating and updating their measures and only two measures were out of alignment with the rest of the industry. These two measures were Commercial & Industrial upstream lighting and Single Family Light Emitting Diode (LED) screw-in bulbs, with Rhode Island's savings values being higher than industry standards for both those programs. The evaluation reports being generated from EM&V were found to be consistently high quality and they provide useful and actionable feedback for improvement to the programs.

Ms. Roy then reviewed the billing analysis that was conducted. The billing analysis was supplemented with customer interviews to ascertain where there may be misalignment between the expected and realized impacts of the programs. The results indicate that the electric sector savings claimed by National Grid were positively correlated with realized savings, whereas for the gas sector the savings claimed by National Grid were largely not correlated, though the small natural gas sample size severely limited the gas portfolio finding.

Mr. Teichert asked about the gas analysis, where the small sample of 34 projects seemed to be a big factor in the lack of correlation of results, what was the limiting factor that led to the small sample result for gas versus electric?

Ms. Roy indicated that a lot fewer gas projects were completed to review and then the filtering conducted as part of their analysis - especially filters that looked for strong data quality - further limited the sample size as well for gas.

f) Consultant Team & National Grid Joint Presentation on 2021 Evaluation, Measurement & Verification (EM&V) Studies & Process for 2021

Please refer to the [Consultant Team Presentation on 2021 EM&V pending impacts](#)

Mr. Guerard reviewed the core factors that influence 2022 planning for energy efficiency and highlighted how and where Evaluation, Measurement & Verification (EM&V) results fit into that process. For 2022, the study completion deadline is August 2021 to ensure incorporation of results into the 2022 energy efficiency program plan. He also covered some of the variable factors that will impact the 2022 planning process (and beyond), including Public Utilities Commission rulings and state policy objectives like the 100% renewable electricity by 2030 effort.

Mr. Ross then reviewed the pending EM&V studies being undertaken in Rhode Island in 2021 and the common impacts those studies will have on the plans, including a couple of specific highlights for ongoing studies.

7. Special Topics

a. Presentation on Rhode Island's 100% Renewable Electricity Initiative

Please refer to the [OER Presentation on Rhode Island's 100% Renewable Electricity Initiative](#)

Motion made by Mr. Riccio to move this agenda item to a future meeting. Mr. Gill Case seconded and all approved by roll call vote.

8. Public Comment

Kai Salem, Green Energy Consumers Alliance:

Ms. Salem discussed several pieces of legislation introduced in this session, including a Least Cost Procurement extension bill, and hoped the Council as a whole or as individuals would engage and/or support that legislation. She noted that Green Energy Consumers Alliance also supports many of the amendments that were in the original bill that was filed, and subsequently revoked.

She also noted that a bill on implementing stronger appliance standards has a hearing tonight in the Rhode Island legislature, and a similar bill passed the Massachusetts House today, again she encouraged Council members to engage and support as appropriate.

Ms. Salem closed by noting that all these pieces of legislation demonstrate the need and importance of robust energy efficiency programs and the need to be more, not less, aggressive in future plans to reach the goals and targets we all have for our climate and environment.

9. Adjournment

Acting Chairman Hubbard called for a motion to adjourn the meeting. Mr. Gill Case moved to adjourn the meeting. Mr. Teichert seconded the motion and all approved. Meeting adjourned at 5:44pm.

Outstanding Council Member Questions Requiring a Written Response:

Mr. Teichert asked, rather than how many assessments (either virtual or in-person) have been completed, does National Grid have information on how many assessments are in the queue still to be performed?