



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

EERMC FULL COUNCIL MEETING MINUTES

Thursday, September 16, 2021 | 3:00 - 5:00 PM

Conference Room A, 2nd Floor Department of Administration One Capitol Hill Providence, RI 02908

Members in attendance: Tim Roughan, Commissioner Nicholas Ucci, Joe Garlick, Karen Verrengia, Chair Anthony Hubbard, Kurt Teichert, Peter Gill Case

Others Present: Nathan Cleveland, Dr. Carrie Gill, Chris Porter, Sam Ross, Adrian Caesar, Rachel Sholly, Joel Munoz, Angela Li, Hank Webster

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

1. Call to Order

Acting Chair Hubbard called the meeting to order at 3:01pm.

2. Executive Director Report

Commissioner Ucci updated council members that the proposed technical session with the Public Utilities Commission has been postponed to early 2022 to allow for the present additional EERMC meeting. Commissioner Ucci also noted two open positions for which OER is hiring.

3. Acting Chairperson Report

Acting Chair Hubbard framed the objective of the meeting to discuss National Grid's 2022 Energy Efficiency Annual Plan (henceforth, "2022 Plan"). Acting Chair Hubbard encouraged all council members to join the discussion and reminded council members that they will be expected to vote on the 2022 Plan at the EERMC meeting on September 23. He then directed attendees who would like to make public comment to sign up.

4. Program Oversight

a) 2022 Energy Efficiency Annual Plan Final Draft review and discussion

Please refer to the Consultant Team [Presentation on the 2022 Energy Efficiency Plan Final Draft](#)

Mr. Ross presented the Consultant Team's analysis of the 2022 Plan, which summarized the final draft with a focus on areas flagged for improvement from the first draft. In his presentation, Mr. Ross reminded council members about the 2022 Plan development process; covered considerations of all savings, savings trends, and responsiveness to comments; and discussed voting options for September 23.

Acting Chair Hubbard asked about the 5% budget constraint and what the PUC order implied for the 2022 budget. Mr. Ross explained his understanding of the order and recounted his memory of Chair Gerwatowski's comment at the EERMC retreat that suggested a larger budget may be proposed if it is justified.

Mr. Teichert asked how the EERMC could clarify the order. Commissioner Ucci suggested that the PUC will clarify as part of the normal filing process, and the EERMC will need to take a position based on National Grid's current proposal, due to time constraints.

Mr. Teichert asked clarifying questions about the energy savings goals proposed in the 2022 Plan in relation to the energy savings estimated in the [Market Potential Study](#).

Mr. Porter recounted the targets docket and ensuing Three-Year Plan development process, specifically noting that the Commission rejected the originally proposed Three-Year Plan and ordered National Grid to resubmit a compliance filing subject to a budget growth limitation. Mr. Porter asked how the EERMC is interpreting the bindingness of the compliance filing targets. Mr. Ross declined to speak for the EERMC. No council members commented.

Mr. Porter asked about the impacts of evaluation measurement and verification (EM&V) on previously filed targets. Mr. Ross explained the consultants analysis and that the consultants do not recommend negative savings adjustments from EM&V as being a justifiable downward adjustment to the filed targets.

Mr. Gill Case requested Mr. Ross provide additional detail on 'rate and bill impacts review opportunity' and 'concerns with RI Growers CHP project'. Mr. Ross provided additional description of these items in the context of 'responsiveness to comments'. Specifically, Mr. Ross noted a meeting between the Consultant Team and National Grid to discuss specific questions and concerns about the bill impacts model to occur on 9/20.

Mr. Ross then summarized the combined heat and power (CHP) project and its development timeline. Mr. Ross noted a concern about uncertainty over contingency plans in the event the project is either not approved or is not completed in the planned timeframe, and specifically described an assessment of the equivalent level of customers that could otherwise be supported with the funding allocated to the CHP Project. Mr. Gill Case followed up with a question about the current status of the farm building and infrastructure. Mr. Roughan clarified that the building and infrastructure has yet to be built. Mr. Porter clarified that new gas supply infrastructure is not needed as part of the project.

Mr. Garlick asked whether there was an existing waiting list of alternative projects. Mr. Ross noted the allusion to a contingency plan suggests there are other customers who could benefit from this funding. Mr. Porter described the LCP law's directive to incentivize CHP projects and National Grid's perspective is that the proposed project conforms to the law and therefore is

justified for an incentive in accordance with the law. Mr. Porter also noted the process of review of any incentive that exceeds a threshold. Mr. Porter clarified that no other CHP projects are in the pipeline ready for funding. Mr. Porter said that if not for the CHP project then National Grid would plan to do other electric C&I energy efficiency projects, but that those projects are likely to produce less savings than the one CHP project. In other words, if the CHP project were not to move forward, then expected energy savings would decrease. Mr. Roughan commented on the oversight process for incentives that exceed a threshold, provided some history on past CHP projects, and opined on the benefits of promoting CHP projects. Mr. Porter further noted that National Grid is carrying the project risk within the current performance incentive mechanism (PIM) structure.

Mr. Teichert summarized his understanding of comments from Mr. Roughan and Mr. Porter, namely that there is greater timing risk to the company than to rate payers. Mr. Ross clarified that unspent collections are actually a cost to ratepayers (though Mr. Porter noted that those unspent funds accrue interest and Mr. Roughan asked a clarifying question). Mr. Ross explained the difference between the time value of money for customers versus the value of accrued interest. Mr. Ross also questioned the comparison of benefits between the one CHP project and the suite of alternative projects that would otherwise move forward (i.e. because the CHP project is less cost effective than the aggregate cost effectiveness of the remainder of projects in that program and sector).

Mr. Porter asked what the EERMC is asking the company to do (e.g. not propose this project).

Mr. Ross clarified that they do not suggest not proposing the CHP project but rather that the company provide information about the alternative projects that would be pursued if the CHP project does not move forward. Mr. Roughan and Mr. Porter pointed to the Market Potential Study and subsequent Three Year Plan and its associated compliance filing as being that analysis.

Mr. Gill Case noted his dissatisfaction with the process of developing the three-year plan, and stated concern over the potential projects that are being left on the table. Mr. Gill Case suggested he would prefer a 'both and' approach to the 2022 EE programs. Mr. Porter appreciates Mr. Gill Case's frustration of the process and noted the company did their best to defend the three-year plan but ultimately must comply with their understanding of commission orders, including the budget growth limitation. Mr. Gill Case appreciates Mr. Porter's remarks, summarized each organization's missions, and noted that he doesn't feel like the transparency has been sufficient and the process hasn't been effective or timely and he's not seeing what he wants to see.

Mr. Roughan discussed his experience defending previous filings with the commission and put the energy efficiency Three Year Plan filing in the context of other filings requesting additional funding, and posited that the commission may be looking at energy efficiency as it interacts with everything else in their purview. Mr. Porter reiterated points and noted the company is in a difficult position to relitigate when they feel they got clear direction on an acceptable approach.

Commissioner Ucci asked Mr. Munoz from the Division of Public Utilities and Carriers to provide a status update on their review and positioning regarding the CHP project. Mr. Munoz stated that by 9/24 the Division will either support, oppose, or say nothing, and that they are waiting for outstanding data responses and continuing to vet the project.

Acting Chair Hubbard asked for more discussion on the 'moderate income offering'. Mr. Ross summarized this concern. Mr. Garlick and Mr. Teichert both asked for additional discussion on 'equity commitments'. Mr. Ross noted that the outcomes of the Equity Working Group were not incorporated into the plan until the final draft, which resulted in a limited opportunity to review

and iterate. Mr. Ross also expressed dissatisfaction with the company's integration of those recommendations and skepticism that the company's response is likely to effectively mitigate prior challenges these programs have faced. Mr. Teichert, Mr. Porter, and Mr. Ross discussed some clarifying details on this topic.

Acting Chair Hubbard asked where in the plan the Equity Working Group's recommendations are noted. Angela Li, Mr. Ross, and Mr. Cleveland pointed Chair Hubbard to Table 7 in the Main Text and to Attachment 11. Regarding whether the equity working group report had been revised, Mr. Porter encouraged the council to consider that report to be a working document that will be updated to encourage continuous improvement. Mr. Porter asked Mr. Ross to clarify the concern over 'process for determining eligibility' as it relates to moderate income customers and noted the company has committed to put in place a process for this but has not yet gone to market for a vendor to determine income eligibility and therefore the company did not want to prescribe a mechanism without understanding vendor proposals and costs. Mr. Ross reiterated the council's motivation for asking for the additional information. Mr. Porter suggested that the company could be able to speak to income verification methods and their approach at a future EERMC meeting.

Acting Chair Hubbard noted the current process to verify customers for income eligible services and asked why this existing process couldn't be used for determining moderate-income eligibility. Mr. Porter explained that in its income eligible programs, the Company doesn't actually verify income but rather determines eligibility for their offerings through a customer's qualification for other programs/services, such as SNAP or LIHEAP. Mr. Porter explained that this current method protects customer privacy, is less intrusive, and avoids duplication of efforts; therefore, verifying income that does not line up with other programs' income eligibility criteria is more difficult and requires a different mechanism. Mr. Teichert connected the question of income verification to ongoing studies (e.g. non-participant study). Mr. Porter clarified the objectives of those studies as being distinct from developing an income verification mechanism. Mr. Teichert asked when the insights from the non-participant study would be implemented. Mr. Ross and Mr. Porter clarified the non-participant study is likely to be complete in 2021 and the actionable recommendations would be implemented in 2022 or proposed in the 2023 Plan, as appropriate. Acting Chair Hubbard questioned what the non-participant study will tell us that we don't already know because we know both multi family and income eligible programs are traditionally underperforming and summarized past efforts which he characterized as unsuccessful to improve those numbers. Ms. Verrengia expressed frustration about feeling no closer to a solution for improving performance in these same programs, and mentioned declining energy savings from lighting. Mr. Porter and Ms. Verrengia discussed lighting savings trends. Mr. Gill Case brought up building codes eroding energy savings attributable to utility programs and noted program incentives are negligible in comparison to other development incentives, and recommended the need for higher program incentives. Ms. Verrengia provided other examples. Mr. Porter acknowledged and echoed Acting Chair Hubbard's frustration with their recent performance in the multi family and income eligible sectors. Mr. Porter explained that the barriers to participation are not economic (given 100% cost coverage incentives) and that the non-participant study is intended to uncover the non-economic barriers and identify strategies to address them. Mr. Porter suggested a future presentation and discussion on the findings of the non-participant study and strategies to improve participation and performance.

Mr. Teichert asked how council members can be in the best possible position to discuss and vote at next week's meeting. Ms. Verrengia asked for insight about what happens if the Council does not endorse the plan. Acting Chair Hubbard concurred.

Mr. Ross described the council's roles and responsibilities in potentially endorsing the 2022 Plan, and provided four options for action developed in collaboration with the Council's legal counsel. Notably, Mr. Ross described a distinction between endorsing the 2022 Plan and endorsing but not joining the 'Settlement of the Parties'. Mr. Ross also provided a distinction between a contingent endorsement (not endorse unless a specific condition(s) is met) and a vote to not endorse the plan altogether.

Commissioner Ucci explained that the Commission's process would be identical regardless of how the Council votes. Commissioner Ucci further explained that in the event the Council does not endorse the plan, the onus will be on the Council (and their expert consultants) to use the Commission's process to solicit the information needed to build a case for why the plan is deficient. Commissioner Ucci noted the Council's participation in the Commission's proceedings would be markedly different from prior years if the plan is not endorsed; this will require additional work and will be more intense than previous dockets. Mr. Gill Case asked whether the additional work would cost the Council more money. Commissioner Ucci noted that the consultant team would need to do additional analysis, respond to and issue data requests, and that these items may need legal review or interpretation as well. Ms. Verrengia asked for a clarification to endorse but not join a settlement. Commissioner Ucci and Mr. Ross provided additional clarification. Commissioner Ucci clarified that National Grid will file the plan regardless of how the Council votes. Mr. Roughan concurred with Commissioner Ucci's assessment but reminded the Council of the historical trend of joining a settlement and noted a concern over optics of the Council not joining a settlement and how that might result in unintended consequences for the energy efficiency market.

Ms. Verrengia asked for positions of other stakeholders. Commissioner Ucci noted that while the Office of Energy Resources (OER) had not determined a position yet, he is not particularly pleased by the lack of transparency about opportunity costs of the present plan. Mr. Porter responded that the company's perspective is that they had provided the necessary information regarding the alternative scenario (i.e. the savings goals proposed in the three-year plan prior to the compliance filing adjustments responding to the Commission's order). Mr. Ross provided some additional detail about why the information Mr. Porter referenced was not sufficient for analysis or responsive to the process concerns being raised.

Mr. Gill Case asked about process for how the Council would develop, prioritize, and vote on a list of reasons in the event of non-endorsement. Mr. Ross suggested the vote is one step and developing and submitting those reasons is a second distinct step that does not need to occur concurrently. Commissioner Ucci provided additional clarification and explanation of the expectations for the vote on September 23, the timing and process of developing the list of reasons why the EERMC does not endorse the plan, and the roles and responsibilities of participation in a contested docket. Mr. Cleveland noted that public comment will be in advance of the vote at the September 23 meeting. Commissioner Ucci likened a contested docket to opening the sandbox for the Commission, which may send a signal of disruption but may also

provide benefit to programs and vendors. Commissioner Ucci concluded with encouraging Council members to recognize the risk involved with not endorsing the plan.

5. Public Comment

Hank Webster, Acadia Center:

Mr. Webster highlighted two issues: (1) identifying the ‘but-for’ energy savings. Not identifying the but-for savings precludes the Commission and the Council from understanding tradeoffs and giving stakeholders a chance to fight for the investments they feel should be prioritized. (2) Mr. Webster noted a concern over reaching non-participants. He suggested some strategies are likely similar to those being deployed in Massachusetts and elsewhere. Mr. Webster implored the company to not wait until the non-participant study is complete to implement these strategies.

Joel Munoz, Division of Public Utilities and Carriers:

Mr. Munoz commented on the 5% budget growth limitation. He suggested council members watch the [video archive of the December 22, 2020](#) open meeting (video with more views, minute 53) where the commission discussed the budget growth limitation. Mr. Munoz summarized some of the thoughts and statement of Chair Gerwatowski and Commissioner Anthony from this meeting. Mr. Munoz summarized that the objective of his comment is to help put the Council members in the best position to discuss and vote on the plan.

As follow up to Mr. Munoz’s comment, Mr. Teichert reiterated his note that the Council may fundamentally disagree with the prudence of limiting budget growth. Mr. Teichert further acknowledged the deaths that had occurred since the cited open meeting due to power outages caused by extreme weather events in numerous locations across the Country.

6. Adjournment

Mr. Teichert made a motion to adjourn. Mr. Garlick seconded the motion. Acting Chair Hubbard adjourned the meeting at 4:58pm.

Outstanding Council Member Questions Requiring a Written Response:

None