



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, March 17, 2022

Full Council Meeting | 3:00 - 5:00 PM

Meeting conducted virtually using Zoom with additional audio conference capabilities

Members in Attendance: Commissioner Nick Ucci, Anthony Hubbard, Sue AnderBois, Peter Gill Case, Karen Verrengia, Joe Garlick, Tom Magliocchetti

Others Present: Steven Chybowski, Nathan Cleveland, Sam Ross, Angela Li, Adrian Caesar, Brett Feldman, Joe M., Craig Johnson, Jessica Darling, Nelson DiBiase, Josh Kessler, Diane Quesnelle, Hank Webster, Eric Belliveau, Pumee Rod, Greg Caggiano, Anika Kreckel, John Richards, Margaret Hogan, David Moreira, Ben Rivers

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-march-2022/>.

1. Call to Order

Acting Chair Hubbard called the meeting to order at 3:04 p.m.

2. Legal Update on Council Procedures

Commissioner Ucci provided an update clarifying that the Council can discuss matters and hold public meetings without a quorum, but decisions and votes cannot be made. This is the protocol that we've followed in the past and was confirmed through conversations with the Council's legal counsel and the Attorney General's office.

Councilmember Gill Case asked for clarification as to what constitutes a quorum. Commissioner Ucci responded that a quorum is understood as a majority of those who are appointed as long as we are taking all necessary steps to fill vacant seats. We have provided the Governor with names for consideration and that process is underway.

Councilmember AnderBois asked for a timeline regarding the filling of vacant seats and if Councilors can get a copy of who is being recommended. Commissioner Ucci stated that it is our practice not to provide information on who has been recommended as it is a part of internal deliberation for the Governor, but thanked Councilmember AnderBois and all others for the suggestions for candidates they have provided. There is no timeline at this time, but there should be more information in the coming months.

3. Executive Director Report

Commissioner Ucci provided an update on the DRIVE EV Program which will provide electric vehicle rebates to consumers in Rhode Island with \$1.25 million in Office of Energy Resources (OER) funds. OER is contemplating additional incentives for income-qualified Rhode Islanders and the program has incentives for fleet purchases as well. OER is exploring opportunities to provide additional fleet incentives in the neighborhoods with the highest asthma rates as well in an effort to potentially also address health inequities. The program will be brought to the April Executive Climate Change Coordinating Council (EC4) meeting and the program will be open for public comment before being implemented.

Commissioner Ucci noted that there will also be three EC4 meetings on how the state measures and tracks its climate goals at the end of the month. More information on these events can be found at climatechange.ri.gov.

4. Meeting Minutes – January 20, 2022 and February 17, 2022

Councilmember Verrengia motioned to approve the January and February Meeting Minutes as written. Councilmember Garlick seconded. There was no discussion. All voted in favor with none opposed through a roll call vote. The motion passes and meeting minutes for both January and February 2022 are approved.

5. Acting Chairperson Report (items 1-4: 5 min, 3:05 - 3:10pm)

Acting Chair Hubbard gave updates, reminding Councilors of virtual meeting etiquette, summarized the agenda, and provided instructions for participants to make public comments.

6. Program Oversight (20 min, 3:10 – 3:30 p.m.)

- a) *Review results of 2021 Energy Efficiency Programs Q4 Report (20 minutes, 3:10 – 3:30 p.m.)*

Please refer to the [Consultant Team and National Grid Joint Presentation on 2021 Energy Efficiency Programs Q4 Report \(Revised 3-16-2022\)](#)

Mr. Caesar and Mr. Johnson of Optimal Energy presented on the fourth quarter results of the 2021 energy efficiency programs. Overall, there was strong performance on the electric market rate residential side, but underachievement on the income-eligible and commercial and industrial segments. There was a high amount of program activity between Q3 and Q4. On the gas side, the market rate residential performance was strong, but the income-eligible and commercial and industrial segments also underperformed. They each noted that 2021 performance exceeded 2020 program performance, which is a promising trend given relatively low achievement across the board in the COVID impacted 2020 program year.

Mr. Johnson stated that on the residential side, 3 out of 4 programs fell short of their goals. Mr. Caesar noted strong commercial performance on both gas and electric segments for the small business programs. Supply chain interruptions and equipment delays contributed to some of the missed goals and pre-stocking equipment may be able to help with some of the supply chain issues. Ms. Li of National Grid presented on residential program highlights which includes a Regional Greenhouse Gas Initiative moderate-income single-family weatherization offering in partnership with OER which has a lot of interest from customers. With multifamily programming, steps will be taken to make sure communications are reaching customers. With heating, ventilation, and air

conditioning programming, National Grid has launched updates with reporting, more virtual training offerings and a weekly newsletter for updates.

Mr. Kessler presented on the Commercial and industrial program highlights which includes a new construction four-pathway structure for that program, as well as the completion of 89 electric and 30 gas projects.

Mr. Rivers provided updates on grocer and small business programs. The grocer initiative failed to meet expectations, as there was turnover at the vendor, staffing shortages at customer locations and emphasis on supply chain issues from grocers. Throughout this, the vendor remained in contact with customers about next steps and the small business segment did very well, exceeding its goal on the electric side and achieving nearly 100 percent on gas side as well. There was expanded participation with minority business enterprises, and programming is off to a very strong start for 2022.

Mr. Johnson stated that most commitments made in the 2021 plan were completed and that the consultant team will be compiling a list of commitments made in the 2022 Energy Efficiency plan and tracking those.

7. Council Business (80 Minutes, 3:30 – 4:50 p.m.)

- a) Review, Discussion, & Vote on Consultant Team Recommendations and 2022 Scope of Work (15 minutes, 3:30 - 3:45 p.m.)*

Please refer to the [Update on Recent PUC Rulings – Consultant Team Presentation](#)

Mr. Ross of Optimal Energy led the discussion of the Consultant Team's recommendations and proposed scope of work. He noted that the meeting materials were also shared at the February meeting. Mr. Ross provided a summary of the Public Utility Commission rulings and how the Consultant Team is planning to be responsive to the rulings. He also noted that the 2022 energy efficiency planning timeline meeting material will be provided at each Council meeting for easy reference by the Councilors. If any Councilors have legal questions regarding the PUC's rulings, the Council's legal Counsel is available to answer those questions, either in a one-on-one meeting or the consultant team can pass those along to her. Mr. Ross explained that the Consultant Team's proposed scope of work uses an adaptive approach, listing all possible areas of consultant work and allowing flexibility based on the priorities of the Council throughout the year.

Acting Chair Hubbard shared comments and questions regarding the newly proposed scope of work and noted that his response is based on what he heard at the PUC hearings. Acting Chair Hubbard first noted that he has requested a tracked changes version of the scope of work so that he can gauge what is being lost or gained and asked if it is the expectation of the PUC that the Council renegotiate the 2022 scope of work.

Councilmember Verrengia would also appreciate a tracked changes version of the scope of work and requested that it be shared with the full Council.

Mr. Ross apologized for not sending the tracked changes scope of work sooner. Mr. Ross stated that the PUC's only formal ruling for the Council is the cap on the overall budget, and that he does not

believe that the PUC ruled that the Council must renegotiate the Consultant Team services. Mr. Ross noted that the 2022 Consultant Team budget is slightly higher than 2021.

Ms. Li of National Grid stated that she has seen that the Consultant Team has been doing more presentations at Council meetings than in the past and that the utility can take on more of that to alleviate the budget if needed.

Acting Chair Hubbard expressed concern about the notion of going back to the PUC for additional funding based on the tone of the PUC commissioners in their ruling and deliberations and wants to make sure whatever budget limit is set is both responsive to that conversation as well as ensuring that core Council business can be supported.

Commissioner Ucci stated that the Office of Energy Resources (OER) has reviewed and evaluated the proposed scope of work and that the PUC hearings were a good learning opportunity for different perspectives and insights on consultant services. He stated that OER cannot support the scope of work as is, as it doesn't reflect the overall tenor of the PUC hearings, though he does appreciate the changes that have been made so far. Commissioner Ucci noted that this scope of work represents approximately 80% of the EERMC budget and that there is no further refinement of subtasks to track hours for each subtask. He recommended that the Consultant Team hone in on the required items to support critical Council business, with everything else provided as a la carte service with specific budget numbers assigned to those additional work areas as a potential revision. Commissioner Ucci expressed that he does not think the scope of work does enough to reflect the concerns of the PUC, and a "not to exceed" amount could be put in place by the Council if needed to help refine the scope of work and budget for 2022.

Councilmember AnderBois is supportive of the scope of work as proposed from the Consultant Team. She stated that the increase in budget was reflective of the increased work being asked of the consultants with the contested energy efficiency case. She shared concern about reflecting the tone of the PUC hearings, but noted that this consultant team performs at a higher level than other consultants she has worked with and thinks there may be room for just cutting around the edges with the budget. She expressed that she sees energy efficiency work as under attack and that she gets a lot of value from the work of the Consultant Team.

Acting Chair Hubbard reiterated that his comments are not about the Consultant Team staff and their work products, but are a reflection based on the results of the PUC hearings.

Councilmember Verrengia agreed with Councilmember AnderBois and thanked her for recognizing the value of the Consultant Team work. Councilmember Verrengia stated that she feels fortunate to have this team behind us, but that she also agrees with Commissioner Ucci that the Council should try to free up more wiggle room in the budget and table the vote for another month as this proposal cuts the budget too close.

Councilmember Garlick agreed that we should hold off on this vote for another month.

Mr. Ross stated that he appreciates the feedback and that he didn't want to take anything out of the scope of work without the Councilors input, hence the adaptive approach they put forward in this document. He said that the Consultant Team will look to create space for additional flexibility and could adjust the top line budget.

Councilmember Verrengia agreed with Ms. Li's previous statement that the Consultant team has taken on more presentations from National Grid and that work may be able to be shifted to relieve the budget.

Commissioner Ucci also reiterated that his comments were not reflective of the work or staff of the Consultant Team, but that they are reflective of PUC hearings and that Commissioner Ucci is supportive of going out for an RFP for consulting services in this new paradigm.

Councilmember Verrengia motioned to table consideration of the 2022 scope of work for the Consultant Team until next month's meeting, pending revisions. Councilmember Garlick seconded the motion. All voted in favor with none opposed via a roll call vote. The motion was approved.

b) Discussion & Vote on Legal Services (15 minutes, 3:45 - 4:00 p.m.)

Mr. Cleveland began this conversation and noted that legal Counsel Desautel couldn't be here today because of a family emergency. Mr. Cleveland explained that the current legal services contract runs through the end of April 2022 and that there is the option in the current contract to renew legal services with Desautel Law for another 12 months at the same rates, or the Council can develop an RFP and bid for legal services for the remainder of 2022, noting that if the RFP option is chosen, current counsel is welcome to respond to the RFP.

Commissioner Ucci stated that he believes this, and the consultant services, can be approached in the same light. He stated that it's prudent this year to issue an RFP and use competitive pressures to ensure reasonable, competitive costs.

Councilmember Verrengia noted that the RFP process takes a while, and her immediate reaction is to continue with existing legal services as the current firm has history with the EERMC, but she does agree with Commissioner Ucci's thoughts that going out to bid could be a good idea, and asked about a procurement timeline.

Commissioner Ucci stated that procurements have been relatively streamlined and efficient, but that there would need to be consideration of extension of current services.

Commissioner Ucci stated that the process could be done by the summer and that current legal counsel could respond to the RFP.

Councilmember Gill Case spoke in favor of consistency and is supportive of current legal services. He said that the earth is moving under our feet and that legal services is relatively low in expenses compared to consultant services and that the reason the budget went up for legal services was due to the contested case.

Councilmember Garlick added that as one of the RFP reviewers, Ms. Desautel was by far the most responsive bidder, and she brought strong experience to the table.

Councilmember Verrengia motioned to authorize the Council's extension option under its existing contract and to extend services with Desautel Law for an additional 12 months with the same terms. Councilmember AnderBois seconded the motion. Councilmembers AnderBois, Garlick, Gill Case, Magglicchetti, and Verrengia voted in favor with Acting Chair Hubbard opposed via a roll call vote. The motion was approved.

c) Discussion & Vote on 2022 EERMC Budget and Review 2023 Budget Timeline (20 minutes, 4:00 – 4:20 p.m.)

Please refer to the [2022 EERMC Budget Proposal and 2023 EERMC Budget Planning Timeline](#)

Mr. Cleveland led the discussion on the proposed Council budget. The Council has just over one million dollars for a budget, and the proposed legal counsel budget for 2022 is lower than what was spent on legal services in 2021. The budget numbers are for calendar year 2022 and the approved January legal invoice was for approximately \$20,000.

Acting Chair Hubbard asked if only ~\$35,000 would be left for legal services for the remainder of the year.

Mr. Cleveland replied that yes, Acting Chair Hubbard is correct if the 2022 budget for legal services is approved as currently proposed.

Mr. Cleveland explained that the public education investment would be in line with the allocation of the past few years, and that once approved, OER can prepare RFPs for education opportunities as directed by the Council. In addition, the Council can seek free spaces for the EERMC retreat to keep costs low.

Councilmember Verrengia likes the budget the way it is, and asked if the Council were to approve the budget as is and things don't get spent as listed, would that tie the Council's hands?

Mr. Cleveland responded that if the Council wanted to move things after approving a budget, there would need to be a vote to adjust the budget.

Commissioner Ucci stated that it would be appropriate for there to be votes if one initiative is supported instead of another from the budget.

Councilmember Garlick shared that this agenda item could be postponed until the consultant services budget item is resolved.

Councilmember Verrengia stated that she believes that the PUC is okay with the education allocation.

Councilmember Gill Case, speaking as part of the education working group believes that the budget looks good and thinks it makes sense to wait to formalize it until the consultant services budget amount is finalized.

Mr. Cleveland clarified that the lecture series and videos from 2021 are not being paid by the 2022 budget, as those expenses were contracted for and will be aid from prior year funds. Ms. Li stated that she is in support of prioritizing tasks that increase net benefits.

Mr. Garlick agrees with the line-item budgets as listed and comments of previous Councilors.

Acting Chair Hubbard asked what other work the Council would like to see around k-12 education.

Mr. Cleveland responded that he believes the k-12 education is to fund additional trainings for teachers.

Acting Chair Hubbard asked if there are topics of environmental justice covered in the K-12 materials.

Councilmember Verrengia stated that she is a big supporter of this line item, and that the Council can include whatever requirements they might like to see from a vendor for future educational trainings, including environmental justice, as a new RFP hasn't gone out yet.

Councilmember Garlick motioned to table formal vote on the budget until next month with support indicated for the budget allocations as presented today, pending resolution of the Consultant Team's budgetary allocation. Councilmember Gill Case seconded. All voted in favor with none opposed via roll call vote. The motion was approved.

Mr. Chybowski then led a discussion about the proposed planning timeline for the 2023 EERMC budget, which must now be filed with the energy efficiency plan in the fall.

Ms. Li noted that the budget will need to be approved by August for it to be added to the plan filing which is due October 1st.

Councilmember Gill Case is supportive of an expedited budget approach and noted that the Council needs to know what to expect for expenses of the two primary contract services.

Commissioner Ucci stated that OER can bring a consultant services RFP draft to the April meeting to tie that to the 2023 budget planning.

Mr. Chybowski will adjust the 2023 budget planning timeline to plan for a final budget vote at an earlier Full Council meeting.

Mr. Belliveau of Optimal Energy noted that a target would make it easier for the Consultant Team to bring forward a proposal that is in line with expectations.

Acting Chair Hubbard and Councilmember Verrengia are supportive of discussing the 2023 budget and RFP at the next Executive Committee meeting.

Councilmember Gill Case stated that he assumes that all Councilors are taking advantage of 1 on 1s with Consultant Team, and that he is in favor of Councilors sharing priorities directly with the Consultant Team through those channels.

Acting Chair Hubbard, and Councilmembers AnderBois and Garlick expressed support with that plan.

d) Discussion of Priorities for 2023 Energy Efficiency Annual Plan (20 minutes, 4:20 – 4:40 p.m.)

The EERMC opted to table this agenda item until a future meeting and Acting Chair Hubbard noted that Councilmembers can provide their energy efficiency priorities directly to Optimal Energy if they have a one-on-one meeting with them.

e) Review Draft of 2022 EERMC Annual Report (10 minutes, 4:40 – 4:50 p.m.)

The EERMC opted to table this agenda item until a future meeting and Acting Chair Hubbard noted that the draft of the 2022 EERMC Annual Report is available as a meeting material. If Councilmembers have feedback that they would like to provide, they can share it directly with Optimal Energy if they have a one-on-one meeting with them.

8. Public Comment

Hank Webster, Acadia Center:

Mr. Webster spoke to provide an outside perspective on the value of the Consultant Team to energy efficiency in Rhode Island. He stated that the market potential study shows how much more energy efficiency could achieve, and that two years ago the systems benefit charge was threatened, and that this year the performance incentive mechanism and a scoop of the energy efficiency budget are being threatened. This past year had the first contested plan in the history of this program, and while Councilmembers and advocates asked for examples of savings opportunities beyond a five percent cap, the Consultant Team were ones to conduct a thorough review of the alternative energy efficiency plan. Mr. Webster believes that it would be an inopportune time with all the current changes to not have the Consultant Team and their advising to the Council and the State. Mr. Webster is concerned about a diminished role of the Consultant Team and values their independent presentations and evaluations of the annual energy efficiency plans.

9. Adjournment

Acting Chair Hubbard adjourned the meeting at 5:10 p.m.