



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL DRAFT MEETING MINUTES

Thursday, September 28, 2023

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

Department of Administration Conference Room 2A, Providence, RI 02908
with remote participation via Zoom

Members in Attendance: Harry Oakley, Kurt Teichert, Sue AnderBois, Brett Feldman, Carrie Gill (interim RIE representative), Peter Gill Case, Priscilla De La Cruz, Tom Magliochetti, Joe Garlick, Bob Izzo, Chris Kearns

Others in Attendance: Toby Ast, Emily Koo, Michael O'Brien Crayne, Mark Siegal, Brendan Dagher, Spencer Lawrence, Rachel Sholly, Sam Ross, Craig Johnson, Adrian Caesar, Rebecca Foster, Robert Stephenson, Jennifer Mortenson, Angela Li, Emma Rodvien, Steven Chybowski, William Owen, August Bogner (virtual), Kallie Longval (virtual), Rachel Dortin (virtual), Nelson DiBiase (virtual), Daniel Tukey (virtual), John Harrington (virtual), Kathryn Cleary (virtual), Sara Sultan (virtual), Samantha Caputo (virtual), Claire Kokoska (virtual), Jordan Galluzzo (virtual)

1. Call to Order

Chairperson Oakley called the meeting to order at 3:05 p.m.

2. Chair Report

Chairperson Oakley delivered the chair report, noting meeting materials posted online, instructions for virtual attendance via Zoom, submission of public comments, and that Carrie Gill had taken an interim Rhode Island Energy Council seat vacated by Kate Grant until a formal replacement can be appointed. He summarized the agenda for the meeting, including the goal of completing review and voting on the RIE 2024-2026 Three Year and 2024 Annual Energy Efficiency plans.

3. Executive Director Report

Acting Commissioner Kearns delivered the Executive Director report noting Clean Heat Rhode Island's progress in delivering heat pump incentives, including 168 applications underway and 300 energy consultations booked through the end of November. He also commented on the tentative approval of the \$1.6 million Energy Efficiency Conservation Block Grant for municipal energy efficiency improvements which will be supplemented with \$1 million of Regional Greenhouse Gas Initiative (RGGI) funding for an expected program launch in late October or early November. Applications for the Efficient Buildings fund are due Oct. 6th as additional municipal energy support. Lastly, Rhode Island Energy is expected

to put out a new request for proposals (RFP) for up to 1,200 MW of offshore wind, which will coincide with procurements from Massachusetts and Connecticut.

4. Meeting Minutes – September 14, 2023

Chairperson Oakley motioned to approve the September 14th minutes. Councilmember Teichert seconded. Council Members Oakley, Teichert, AnderBois, Gill Case, Magliochetti, Garlick, and Izzo voted in favor. Council Member De La Cruz abstained, and the meeting minutes were approved.

5. Program Oversight (85 minutes, 3:10 – 4:35 p.m.)

a. Rhode Island Energy Presentation on the Final Drafts of the 2024-2026 Three-Year Energy Efficiency Plan and the 2024 Annual Plan (25 minutes, 3:10 – 3:35 p.m.)

Council Member Feldman, Mr. Ast and Mr. O'Brien Crayne presented Rhode Island Energy's changes to the final draft of the 2024-2026 Three-Year Energy Efficiency (EE) Plan and the 2024 EE Program Plan. Mr. Feldman noted the effort put in over the year to develop the plan, the timing of the delivery of the Equity Working Group's (EWG) recommendations to the plan, and his personal history in working to advance equity considerations. Mr. Ast noted the addition of language toward finding opportunities to align subsequent plan drafts with the goals and targets, the potential impacts to Evaluation Measurement & Verification studies due to code changes, and additional changes to some program incentives around appliances, lighting, street lighting, CAP agency engagement in energy auditing, and combined heat and power projects.

Vice Chair Gill Case asked to clarify downstream to midstream, and it was noted downstream is at the retail level and midstream is at the product distribution level. Vice Chair Gill Case inquired that greenhouse gas calculations would be lifetime measures for both saving and gas usage which Mr. Ast confirmed. Mr. Ast noted refinement of equity metrics, small business participation metrics and the additional budget for the Green and Healthy Homes Initiative budget for the EWG in 2024. Council Member Teichert asked for clarification around the 1.5-million-kilowatt hours (kWh) consumption threshold with the small business program, and Mr. Ast noted this was an increase from the previous threshold of 1 million kWh.

Mr. O'Brien Crayne presented on changes to the in the final draft which showed a slightly higher benefit-cost analysis (BCA) for the gas program. Vice Chair Gill Case asked how the results of the Future of Gas docket will be incorporated in the Company's planning going forward. Mr. O'Brien Crayne noted that they continue to work with the gas sector team and that Lee Gresham from RIE serves on the Stakeholder Committee and Technical Working Group for that docket. Mr. Ross also noted that the Council's Consultant Team had been selected to participate in the Technical Working Group and would be working to ensure a sound, effective, analysis of the scenarios developed by the Stakeholder Committee. Council Member Feldman commented on the approval of RIE's Advance Meter Functionality (AMF) proposal and expressed enthusiasm for that deployment to enhance offerings with next generation program design. Council Members expressed interest in hearing more about AMF.

Chairperson Oakley took a moment to address the timing of the Equity Working Group recommendations given the Council's considerations of the plans during the meeting, and he set the expectation that the October Council meeting would begin with a review and discussion of the final EWG recommendations.

2024-2026 Three-Year Energy Efficiency Plan

b. Consultant Team Presentation on the Final Draft 2024-2026 Three-Year Energy Efficiency Plan (10 minutes, 3:35 – 3:45 p.m.)

Mr. Ross, Mr. Johnson, and Mr. Caesar from the Council's Consultant Team summarized comments and feedback on the final draft 2024-2026 Three-Year Energy Efficiency Plan. Mr. Ross began with a high-level assessment that the plan was cost-effective and lowers bills for Rhode Islanders. Mr. Ross continued that the Council's concern with alignment of the plan with targets and goals was balanced against recent year's under-delivery of programming. The Council's desire for an equity-based service quality adjustment in the EE performance incentive mechanism was not adopted, but RIE has engaged in continued discussion on equity metrics and how to prioritize equity going forward. Mr. Ross commented that measures were updated with a greater emphasis on council priorities.

Mr. Caesar presented visuals of the BCA to show the Plan's lifetime savings potential, slight decreases between the previous plan review and final draft review, and the actual delivery of program savings. Vice Chair Gill Case commented on the Council desire to see gas savings drop as gas usage drops. Mr. Ross noted the opportunity for efficiency will lower potential savings as gas usage decreases, but that there are savings opportunities through weatherization and efficiency to achieve savings without investing in gas services.

Mr. Caesar covered the Commercial and Industrial (C&I) changes in the final draft, and how additional savings could be pursued more deeply within the plan. He expressed encouragement for the pilot demonstration for C&I weatherization and the prioritization of workforce development.

Mr. Johnson outlined the Residential and Income Eligible changes, noting the encouraging assessment of how to serve historically underserved customers, scaling back of gas equipment incentives, the transition from electric resistance heating to heat pumps and coordination with the State, and highlighting the move toward an all-electric transition for new construction. Mr. Ross provided the Consultant Team's summary that the Plan meets the requirements and primary objectives of the Council, and presented the Council's options for endorsement and vote language on the plan.

Chairperson Oakley solicited discussion from the Council. Council Member AnderBois shared concern that obstacles to implementation capacity should not restrain plan goals and that they should be solved in order to meet the goals. She also noted the importance of EE to meet the goals of the 2021 Act on Climate and the

need for exploring additional pathways to connect with small businesses, especially BIPOC owned businesses, and that gas service should not be funded with program funds in new buildings, but overall, the plan is sound and is confident the plan can be improved and delivered at a higher level. Council Member De La Cruz noted her hesitation with the plan goals and equity considerations and seeking an opportunity to endorse the plan while providing concerns for plan direction.

Chairperson Oakley echoed confidence in the RIE EE team, the challenges inherent in the transition owing from the sale of company, and that work on this plan can help to further the Council's role in educating the public on the importance of efficiency. Council Member Magliochetti expressed agreement with the discussed sentiments.

c. Council Discussion & Vote on the 2024-2026 Three-Year Energy Efficiency Plan (10 minutes, 3:45 – 3:55 p.m.)

Vice Chair Gill Case motioned to endorse the 2024-2026 Three-Year Energy Efficiency Plan as presented by Rhode Island Energy to the Council on September 28, 2023, allowing for non-substantive changes (typos, etc.) to be done prior to filing. Council Member AnderBois seconded. All in favor, none opposed.

2024 Annual Energy Efficiency Plan

d. Consultant Team Presentation of the Final Draft of the 2024 Energy Efficiency Program Plan (15 minutes, 3:55 – 4:10 p.m.)

The Council's Consultant Team summarized comments and feedback on the final draft of the 2024 Energy Efficiency Program Plan, including the final memo the Consultant Team provided to RIE to refine the final draft of the plan, how quantitative details were resolved, electric and gas portfolio changes compared to the 2022 actual results and the 2023 program plan, and how the annual plan aligned with Council EE priorities. Mr. Caesar noted how workforce development efforts needed more focus on delivery and execution, citing Massachusetts utilization of the Mass Clean Energy Center. Vice Chair Gill Case commented on the level of effort needed to meet the energy transition requirements and the need for equity and workforce development in that change.

Mr. Caesar presented C&I sector highlights from the plan including the new data tracking system, which will add additional reporting capabilities and trend insights. Mr. Caesar and Mr. Ross noted how those reports could drive new insights into how programs can be refined and enhanced, such as being able to identify underperforming measures which could benefit from increased incentive levels. Chairperson Oakley asked if this tool would be utilized as a tracking tool for stakeholder analysis and reporting or as customer facing tool. Mr. Caesar noted this was part a tracking tool, and Council Member Feldman commented on RIE's excitement for enhanced capacity. Mr. Ross noted the MA program portal had portfolio level statistics available as a reference.

Mr. Caesar noted the improved technical uptake through savings calculators for targeted measures, the increase in the Small Business Direct Install threshold and how different consumption classes participation rates were reported. Council Member AnderBois asked if the energy consumption ratio could be included and the Consultant Team explained how energy usage was allocated across those customer classes, and the dedicated resources large consumers possessed to pursue energy savings measures and turn-key solutions available to them. The Council discussed the allocation of potential savings across classes and the utilization of incentives commensurate with their energy usage. Mr. Feldman noted RIE's reporting and market analysis efforts to help increase visibility into these metrics. Mr. Feldman noted that the data was based on a specific analysis and Mr. Ross said the Consultant Team could retrieve that information for a longer conversation later. Next, Mr. Caesar noted areas for improvement including a C&I customer working group or recurring forum for discussion and delivery of program details and how to better understand how State and Federal offerings can supplement EE programming.

Mr. Johnson detailed the updates for the Residential and Income Eligible sectors in the final annual plan, including changes to enhancements to multifamily financing and vendor metrics, combined home energy assessment and equity outreach, reduced gas incentives, and new construction program redesign. Mr. Johnson expressed interest in seeing how the new data dashboard could be used to provide informative reports for program design how new approaches for residential customers could improve results by factoring in the different requirements, and whether programs could better support pre-weatherization funding and enhanced incentives for certain customer classes related to high-entry cost incentives.

e. Council Discussion and Vote on the 2024 Annual Energy Efficiency Plan (20 minutes, 4:10 – 4:30 p.m.)

The Consultant Team presented the Council's obligations and vote options. Council Member Teichert asked whether residential visualizations similar to the C&I graphs presented was available. The Consultant Team and the RIE team noted how the residential usage data was currently and could potentially be organized to provide greater insight along rate class, housing type, and income levels. Council Member Magliochetti inquired whether the new data portal would provide access to data at a more relevant level to enable discussion. Mr. Ross recommended this topic be reserved for the upcoming LEAD session to allow the C-team and the Company to work through a fuller understanding of the scope and depth of the potential inquiries available.

Vice Chair Gill Case asked if there was anything in the PIM structure that incentivized the Company to target a lower level of plan performance. Mr. Ross noted the challenge in performance mechanism design drives toward either planning or implementation and not both, adding the RI process was implementation-focused and the how the RI structure is influenced by the bottom-up stakeholder process, as well as noting other potential mechanism structures. Mr.

Feldman noted the incentive cap for the PIM, and Chairperson Oakley commented on the complexity of the PIM and SQR and the Council desire to better understand the RI PIM structure at a future Council or LEAD session. Council Member Teichert agreed that the added metrics potential from the new system designs could add to the capacity to address equity related target concerns. Vice Chair Gill Case called out the skew of the data due to lighting acceleration and deceleration within the portfolio as well as the impact of Covid on performance over the first three years of the PIM.

Vice Chair Gill Case motioned to endorse the 2024 Energy Efficiency Plan as presented by Rhode Island Energy to the Council on September 28, 2023, allowing for non-substantive changes (typos, etc.) to be done prior to filing. Council Member Teichert seconded. All in favor, none opposed.

f. Consultant Team Presentation on the Cost-Effectiveness Report for the 2024 Annual Energy Efficiency Plan (5 minutes, 4:30 – 4:35 p.m.)

Mr. Johnson from the Council's Consultant Team gave a brief overview of the cost-effectiveness reports which the Council will review and vote on at the October Council meeting. The report will need to be submitted within two weeks of the company filing the final version of the Plans with the Public Utilities Commission and Mr. Chybowski noted the need to have a quorum of the Council for the October meeting to vote on that report.

6. Council Business (15 minutes, 4:35 – 4:50 p.m.)

a. Review and Discussion of Council Logo Designs (10 minutes, 4:35 – 4:45 p.m.)

Ms. Sholly of the Council's Consultant Team presented on the latest drafts of the Council's new logo design options and solicited feedback from the Council for final design guidance. Council Members discussed how effectively the logos represented the Council, lent itself to the intended streamlining of the Council's appellation, and aligned with the Council's goals the rebranding effort.

b. Discussion of Potential LEAD Session Topics (5 minutes, 4:45 – 4:50 p.m.)

Ms. Sholly of the Council's Consultant Team solicited feedback on potential discussion topics for the Fall LEAD Session on Monday October 30th. She presented an overview of the LEAD session purpose, and presented a potential agenda which would be shared again at the October Council meeting.

7. Public Comment

Jennifer Martinson

Ms. Martinson inquired and requested that outdoor power equipment be included in energy efficiency programming.

Emily Koo, The Acadia Center

Ms. Koo expressed appreciation for the continued discussion around equity metrics and mentioned how energy efficiency could be leveraged into rental registries and the potential for energy efficiency to inform a performance income payment plan.

Mr. Chybowski read an online submission of Jennifer Martenson's comment:

"Gas-powered landscaping equipment is very inefficient and produces large amounts of dangerous air pollution. Many states already offer trade-ins, rebates, and information to help people cut down on fossil fuel use in the yard. Rhode Island should include lawn equipment in programs aimed at improving energy efficiency and reducing fossil fuel use at home. Utah, Colorado, and California are among states that have provided rebates for homeowners to trade in their gas lawn tools, with programs like "Mow Down Pollution" and "Charge Your Yard." It's time for Rhode Island to include outdoor space in calculations of energy use at home."

Chairperson Oakley noted the role of the Council in receiving and responding to comments like those and expressed appreciation for the comment.

8. Adjournment

Chairman Oakley motioned to adjourn at 5:04 p.m. Council Member Izzo seconded. All in favor, none opposed.