



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, January 21, 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, Nick Ucci, Roberta Fagan

Others Present: Nathan Cleveland, Dr. Becca Trietch, Sam Ross, Mike Guerard, John Tortorella, Hank Webster, Ben Rivers, Matt Chase, Daniel Tukey, Mark Kravatz, Kevin Rose, Kai Salem, Jessica Darling, Ezra McCarthy, Samantha Caputo, Dr. Carrie Gill, Sue AnderBois, Laura Rodormer, Rachel Sholly, Max Halik

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

1. Call to Order

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

2. Approval of Council Meeting Minutes

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

3. Executive Director Report

a) General Update

Ms. Trietch, filling in for Commissioner Ucci, noted to the Council that the 100% Renewable by 2030 report has been released and is available on the [Office of Energy Resources website](#). Strong policy recommendations were included and continuing investment in energy efficiency through the extension of Least Cost Procurement (LCP) legislation was a central recommendation. The report also calls for a 100% Renewable Energy Standard (RES) by 2030 through legislative action. Ms. Trietch also noted that there are a number of other recommendations in the report and encouraged everyone to read through it.

Ms. Trietch reminded everyone that Governor Raimondo has been appointed to serve in President Biden's administration, which means that Lieutenant Governor McKee will be taking over for the remainder of the existing term and the Office of Energy Resources will be working closely with the transition team on a number of matters, including appointments and re-appointments for this board.

Lastly, Ms. Trietch highlighted the \$1.5 million dollar storage incentive available through the Renewable Energy Fund (REF), which has supported forty-five residential and one commercial installation through the first two rounds of funding. Given that only one hundred storage projects had been implemented prior to this funding, this incentive program is driving a substantial increase in the adoption of this technology.

Ms. Verrengia asked Ms. Trietch if she had any information about the Lieutenant Governor's policy positions, especially relating to energy efficiency?

Ms. Trietch indicated that the Office of Energy Resources (OER) has a good working relationship with him and the whole Governor's team and conversations are ongoing given the active transition period as to what the future may hold. OER will have more information in February and/or March once the transition begins to move forward.

4. Acting Chairperson Report

Acting Chair Hubbard reviewed the agenda for today's meeting, including highlighting potential Council votes scheduled later in the meeting.

He also noted that Council would need to appoint several members to serve on the Executive Committee because there is currently not an appointed Chair or Vice-Chair, who would normally serve on that committee. He asked that any interested Council members please email Ms. Trietch by February 1st if interested in serving and the Council will vote at the February meeting on those appointments. Once those have been made the Executive Committee meeting will be scheduled shortly thereafter.

5. Program Oversight

a) Update on COVID-19

Mr. Ray provided an update on the Community Action Program (CAP) service suspension that was mentioned at the December meeting, reporting that all CAP agencies are active in the field at this time. He did note that COVID-19 has been slowing service down due to health and safety precautions but he feels that the programs are in a good place operationally at this time.

Mr. Ray also noted that 3,840 virtual home energy audits have been conducted in the market rate programs and 1,247 have been conducted in the income eligible program to date, indicating continuing market traction for this service.

b) System Reliability Procurement 2020 Year-End Summary

Please refer to the [Consultant Team & National Grid System Reliability Procurement Year in Review](#) presentation.

Mr. Chase reviewed the 2020 System Reliability Procurement (SRP) program, by quarter, with the major achievements and milestones from each quarter being highlighted. Quarter one included stakeholder priorities for SRP being discussed and shared with National Grid and four Request for Proposals (RFP) went to market for discrete market opportunities. Quarter two involved numerous stakeholder conversations around the transmission benefits of Non-Wires Alternatives (NWA), the grid deferral valuation & methodology for NWA projects, and reviewing NWA experiences from New York.

Mr. Ross reviewed the quarter three achievements in SRP, which was focused largely on the Three-Year Plan process, with first and second drafts of that plan being circulated and reviewed. Quarter four included finalization of the Three-Year Plan and review of the benefit-cost model for evaluating NWA opportunities, with several updates being made to the prior version. The Three-Year Plan is currently filed with the Public Utilities Commission for consideration and all involved stakeholders intend to be settling parties to that plan.

Mr. Ross summarized the key takeaways from 2020 as being the first stand alone Three-Year Plan for SRP, which lead to many improvements in the plan structure, a more robust RFP process, improvements to the benefit-cost model, and incorporation of stakeholder priorities including a Non-Pipes Alternative (NPA) program.

c) Summary of Energy Efficiency Plan Rulings from the Public Utilities Commission

Please refer to the [Consultant Team Energy Efficiency Plan Rulings from the Public Utilities Commission](#) presentation.

Mr. Guerard provided an overview of the process leading into the Public Utilities Commission (PUC) rulings on the Annual Plan and Three-Year Plan for energy efficiency, and provided a summary of the rulings and their impacts on the programs as well as key next steps.

The key rulings from the PUC over the course of the three open meetings held at the end of December fall into three buckets – lower impact, higher impact, and impact to be determined.

Mr. Guerard stated that the lower impact rulings were as follows: an adjusted electric sales forecast to the higher end of the presented range, which, coupled with budget cuts resulted in a system benefit charge (SBC) adjustment from \$0.01323/kWh down to \$0.01113/kWh; the removal of funding for an electric vehicle demand response program; a request to provide an updated definition and income verification plan for moderate income customers before action is taken in that sector.

Mr. Tortorella reviewed the higher impact rulings from the PUC, which were: rejection of funding for the Energy Management Framework software platform (budgeted at \$1 million), which was designed to increase data availability and insight into customer equipment and decision-making to better target program offerings to Commercial & Industrial customers; rejection of incremental investment into workforce development (budgeted at \$1.05 million) that would have been focused on “upskilling” the workforce, particularly for new and emerging technologies like heat pump installations; maintaining the 2020 budget levels for most of the residential and income eligible programs, which resulted in both budgetary and energy savings decreases of 3%-29%, depending on program for the electric portfolio and 10-13%, depending on program for gas portfolio.

Mr. Tortorella then reviewed the rulings in the impact to be determined category, which were: a deferred decision on the performance incentive mechanism that determines National Grid’s incentive payout for the energy efficiency program; a suspended release of funds for the Efficient Buildings Fund (EBF) to the Rhode Island Infrastructure Bank pending additional discovery; and re-filing of the Three-Year Plan that holds budgets for 2022 and 2023 to a 5% maximum increase over the prior year based on the final 2021 budget numbers.

For the performance incentive mechanism, the PUC proposed a different mechanism during the open meetings on which they solicited public comment from stakeholders. This led to the decision

that additional proceedings were needed to discuss these approaches further, which may include technical sessions, hearings, and/or open meetings.

Mr. Tortorella then discussed the decision around the transfer of funds for the Efficient Buildings Fund. National Grid is permitted to collect the funds outlined in the plan (budgeted at \$5 million) but they cannot transfer those funds to the Infrastructure Bank until post-decision discovery is completed by the PUC. He indicated that discovery would be focused on the allocation of funding, comparison of incremental costs versus total costs, and the recycling of funds.

Regarding the budget adjustments in the Three-Year Plan for 2022 and 2023, Mr. Tortorella reviewed what the 2021 budgets were ultimately set at and how that impacted the 2022 and 2023 budget numbers. The 2021 budgets were \$116.7 million for electric and \$34.9 million for gas, which then leads to budgets increasing 5% over those numbers in both 2022 and 2023. The result of that adjustment was reductions of proposed budgets ~10% lower for each of those years than the original Three-Year Plan. As a result, National Grid is recalculating the savings they are able to achieve based on these updated budget numbers and will submit a compliance filing with the PUC by the end of the month.

Mr. Guerard then summarized the process for oversight of the 2021 annual plan, including a summary of commitments made in the plan that will be used during sector team meetings and other meetings each month between National Grid and stakeholders. He made clear that work on implementing the 2021 plan will continue in earnest while decisions are pending on the performance incentive mechanism and the other outstanding items.

Ms. Verrengia expressed concern with the removal of both the energy management framework and the workforce development additional funding and worries about its impact on the success of these programs, both in the short and long term. She wanted to know if the budget cuts were related to trying to keep budget in line with prior Three-Year Plans or if they were COVID-19 related?

Mr. Guerard indicated that the budget for this Three-Year Plan was significantly larger than past Three-Year Plans, but as markets transform and as the potential study indicates, deeper savings achievement is needed and stakeholders understood costs to achieve those savings would need to go up.

Mr. Ray also suggested that the focus seemed to be on limiting budgetary impacts of the program in 2021 as a result of the COVID-19 crisis, but noted that we can use the forthcoming annual plans to re-introduce some of those rejected elements with additional supporting information and justification, if desired.

Acting Chair Hubbard asked how National Grid would be addressing the impact to the income eligible sector as a result of these decisions and budget cuts?

Mr. Ray indicated that the equity working group will be an important vehicle for engaging stakeholders and serving the income eligible population, while also needing to recognize the budgets constraints imposed on the program as a result of these rulings.

Mr. Teichert asked about the rationale the PUC might have used for some of their decisions on reducing the income eligible programs in particular? And how can we ensure the programs hit 100%+ savings achievement in 2021?

Mr. Guerard indicated he felt the effects of COVID-19 and the lingering economic impacts may have influenced the PUC thinking on prudence and reliability elements of the plan we all proposed. Additionally, the impact of COVID-19 may have lingering impacts on implementation and given that the 2020 budgets for many programs were not fully spent the PUC likely felt comfortable bringing the budgets back to those levels for 2021.

Ms. Verrengia also encouraged all stakeholders to be engaged in these and other meetings to share your thoughts and use your voice to support what is important to you, as it helps Council members in thinking through prioritization.

Mr. Gill Case said he was very discouraged in reading the decisions, as he felt the proposal we all reached was reasonable and a strong path forward. He reiterated the importance of having really successful achievement in 2021, to set us up for a strong case to make growth in 2022. He also asked if the PUC is typically so far afield from the Council's position?

Mr. Guerard indicated this is likely the most significant deviation from the plan as filed and supported by the Council that he can recall.

Ms. Fagan expressed her disappointment with the viewpoint from the PUC that workforce development belonged with the Department of Labor and Training, as she feels we are all aware and have made clear that they may not have the resources or expertise needed to serve the workforce needs of the energy sector.

Mr. Ucci commented that recent decisions from the PUC have left many stakeholders confused about the significant stakeholder process, which had been a decade long staple of successful energy programs in Rhode Island, being deviated from so significantly. He suggested that we all think creatively about how to proactively address concerns or supplement this process to better satisfy potential concerns. These strategies could include adding more witnesses from third parties, more regular engagement with the PUC, or other avenues as appropriate. Commissioner Ucci concluded that regardless of these decisions, we'd all continue to work hard and work together to deliver energy savings to Rhode Island residents.

6. Council Business

- a) *Council Review, Discussion and Potential Vote on 2021 Energy Efficiency Planning Timeline & Meeting Material Submission Process*

Please refer to the [Proposed 2021 Energy Efficiency Planning Timeline](#) presentation.

Mr. Guerard reviewed the proposed timeline for the 2021 energy efficiency Annual Plan development and approval process for the Council, highlighting key dates that impact the Council's review and approval of the documents. He noted that this timeline had been updated based on feedback from the prior meeting and comments from National Grid.

Acting Chair Hubbard noted that the Council could choose to vote on this timeline and make it official in order to hold parties accountable, should they so choose.

Ms. Verrengia asked if they needed to vote on this, or could we simply work together in good faith with the Company to meet the deadlines on the timeline proposed?

Mr. Guerard noted that the desire in putting this forward was to set up a process and a timeline that works for the Council to ensure that they get the materials they need in a timely fashion, and whatever fashion the Council wants to go about that is fine with the consulting team.

Acting Chair Hubbard indicated that even if a calendar gets voted on, the Council still has the ability to work with Company to be flexible should something come up requiring a scheduling adjustment.

Mr. Gill Case felt that this didn't require a vote as long as the parties agree to work in good faith to stick to the schedule.

Ms. Trietch noted that the Council could also vote to approve a timeline for meeting materials submission separate from the planning timeline.

Council members felt that a vote was not necessary and indicated that simply working together in good faith to meet the deadlines and get materials in a timely fashion would be sufficient.

b) Consultant Team Workplan Summary

Please refer to the [Consultant Team 2021 Workplan](#) Summary

Mr. Guerard reviewed the new features of the consulting team's work plan compared to prior years, which include quarterly memos of progress on key deliverables. He provided a preview of the format those would take through an overview of upcoming quarter one activities. As part of that preview, Ms. Sholly reviewed the quarter one commitments that the public education subgroup of the Council would be working on. Those tasks include the drafting and posting of a series of Request for Proposals for the several education proposals the Council approved at their prior meeting.

Ms. Verrengia asked Ms. Sholly if there was an update on the 2021 Energy Expo?

Ms. Sholly indicated that the Rhode Island Builders Association (the group running the Expo) will decide by March 1 whether to hold it later in the year or simply focus on planning a 2022 event, as they are unable to use the convention center in April this year.

c) Council Discussion and Vote on Council Public Education Proposals

Please refer to the [Farm Energy Fellow Proposal](#)

Ms. Trietch reviewed the proposal for a Farm Energy Fellow to be cost shared with the Office of Energy Resources in 2021, with \$2,500 coming from OER and up to \$7,500 of funding coming from the Council.

Mr. Riccio made a motion to approve the Energy Fellow funding proposal as presented and Mr. Gill Case seconded the motion. However, as the Council no longer had a quorum at the time of the motion, the vote was moved until the February meeting for consideration.

7. Special Topics

a) Pilots, Demonstrations & Assessments Presentation

Please refer to the [National Grid Presentation on Pilots, Demonstrations, and Assessments](#)

Mr. McCarthy presented about National Grid's pilots, demonstrations, and assessments efforts, which are run by the Growth and Development team within National Grid's Customer Energy Management group. He highlighted some of the key evaluation criteria used for potential projects as fit, feasibility, need being served, and potential customer interest.

Mr. McCarthy stated that there were seven active Pilots, Demonstrations, and Assessments (PDA) in 2020 across the residential and commercial sectors, and several concluded in 2020, including: Accelerate Performance; Mechanical Power Transmission, Secure Lighting Specs, Small Business Heat Pumps; Absorption Air Cleaner; and Pathways to Zero Energy for both residential and commercial & industrial.

For 2021, Mr. McCarthy reviewed several of the numerous PDAs being deployed, including a demonstration focused on solar inverter power factor correction, which will engage these pieces of equipment in a similar fashion to other demand response offerings the company has. Another is a demonstration for sprayed-in air sealing for new construction and injection foam insulation for retrofits looking to test costs, customer adoption, and product efficacy for these technologies. There is also an assessment for shared laundry facilities in multi-family buildings trying to influence more efficient equipment purchases at these facilities. In closing, Mr. McCarthy reviewed a refrigerant leak detection and repair assessment in grocery stores looking to reduce refrigerant loss - a very potent greenhouse gas - and improve performance in these facilities.

8. Public Comment

None.

9. Adjournment

Acting Chairman Hubbard called for a motion to adjourn the meeting. Mr. Riccio moved to adjourn the meeting. Mr. Gill Case seconded the motion and all approved. Meeting adjourned at 5:29pm.

Outstanding Council Member Questions Requiring a Written Response:

None.