

The Energy Efficiency and Resource Management Council

Minutes – February 14, 2008

Department Of Administration

Conference RM (A)

Opening Remarks :

Andrew Dzykewicz serving as Chairman and Vice Chairman started the meeting at approximately 4:35pm.by stating that we were waiting for one voting member to arrive to have a quorm. In the meantime, we can get started on matters that don't require a vote by starting with the my Executive Directors/Executive Secretary Report.

Executive Directors/Executive Secretary Report

Andrew Dzykewicz provided the council with a update/progress on the Governors Five Point Energy Plan.

Natural Gas Supply – No change from last months report.

Reforming the Wholesale Electric Market – No change or progress from last month.

Wind Power Initiative – Block Island Power is very excited about the project as it will bring their rate payer cost down.They are prepared to

provide a letter of support and offer land for a sub-station. This is the same information reported last month.

Low Income Assistance- Matt Guglielmetti who heads up low income programs for the Office of Energy Resources is here today and will provide the update.

State Wide Energy Efficiency/Education

Mr. Dzykewicz informed the group that the state has signed a contract with EnerNock which is a organization that aggregates energy efficiency for bidding into the Forward Capacity Market (FCM) that is operated by ISO New England. Mr. Dzykewicz informed the group that this process will not only produce energy savings but will produce dollar savings for the tax payer. Mr. Dzykewicz further stated that Power Authority Legislation will be introduced again this year. However, he indicated that getting legislation through will be more complicated because of a bill that has been drafted by Conservation Law Foundation, Cape Wind, National Grid and others. Mr. Dzykewicz stated this concludes my executive directors report. At this point Mr. Dzykewicz introduced Matt Guglieimetti to the group for the purpose of providing a update on low income assistance.

Low Income Home Energy Assistance Program-LIHEAP

Matt Guglieimetti began the discussion by informing the council

members that OER anticipates serving 29,000 families this year through Primary grants for both Gas/Oil customers/clients. Matt further explained that in addition to primary grants that the office also operates an emergency program that provides a 100 gallon delivery to families in a crisis situation. So far this year, 5500 families have received assistance from this program. Matt explained that because the appropriation for LiHeap takes place in the summer we never have a firm dollar amount as we begin the program in the fall. This hinders our ability to spend the money as efficiently as we could if we knew the total amount during the planning process. Matt noted that last year, the program provided primary grants in the amount of \$450.00 to 28,000 families with 19,000.000 as a total budget. This year, as stated earlier, the program anticipates serving 29,000 families with close to 20,000.000 at the \$325.00 level.

Matt then provided an overview of the weatherization program which has been operating in the state for over 30 years and has helped weatherize approx 30,000 homes . The program is designed to assist homeowners and renters which currently reports savings between 20-25% per home. Matt explained that funding for this program comes from Department of Energy, LiHeap, and DSM dollars. The average amount spent on a home is \$3500.00.

The next program Matt spoke about is the appliance management program which is funded by National Grid and operated for the most part by the community action programs throughout the state. Through

this program inefficient refrigerators are removed and replaced with energystar rated units.It was reported that in 60% of the homes visited the units require replacement.Based on funding,1000 units are metered each year.

Matt also spoke about the boiler replacement program which is funded through LiHeap dollars. Through this program, heating systems that are to costly to repair are generally replaced at no charge to eligible homeowners providing funding is available. On average 300 heating systems are replaced each year.

Call to Order

Andrew Dzykewicz called the meeting to order at 5:05pm when voting member Paul Ryan arrived.In attendance starting at 4:30pm were Sam Krasnow,Joe Cirillo,Alfred Degan,Vic Allienello,Laura Olson, Jeremy Newberger.Others present-Joseph Newsome,Ken Payne, Jerry Elmer, Steve Majkut,Marion Gold.Staff-Pat Condon, Tim Howe, Julie Capobianco, and Lydia Cruz.

Acceptance of Minutes

The minutes of the February 14, 2008 Energy Efficiency and Resource Management Council were presented. A motion to accept the minutes as presented was made by Paul Ryan, and seconded by Joe Cirrillo.

Consultant Sub – Committee

Sam Krasnow began the discussion by recognizing that a sub-committee on least cost procurement and consultants was formed comprised of myself, Tim Stout and Pat Condon. We were charged with selecting a consultant asap to meet the March 1st deadline of submitting recommendations on least cost procurement rules to the Public Utilities Commission. Sam informed the members that we set up a scoring criteria which resulted in the same priority order of consultant selection. The winning proposal was from VEIC which has extensive experience on these issues. Their team put together a very strong proposal consisting of 120 pages of detail. Sam further explained that the committee has concentrated on the overall management of the consultant work to help insure its on track. Sam extended the invitation to all members to be part of the sub-committee. In addition, Sam reported that the sub-committee also concluded that Energetics should be invited to do the demand response piece of the opportunity report. At this point, Sam introduced Jeremy Newberger from National Grid who is here today in place of Tim Stout .

Jeremy stated the legislation specifies that the opportunity report be completed by July 15, 2008 and here we are today on February 14th and the RFP has not even gone out yet. Were thinking of breaking up the report in two pieces that dovetail the expected rules for energy

efficiency procurement by June 1st and the plan that National Grid has to do by September 1st. Jeremy stated that the idea for one piece would be taking a look at the technical potential to see what remaining technologies or delivery mechanisms that are out there relative to what National Grid has been offering for the last 20 years. Once the rules come out that define procurement standards we would ask the consultant to apply the rules to the opportunity which is called economic potential. We would also ask the consultant to take a look at what we call the achieve ability of the economic potential as to whether rebate levels were too low or how customers are responding to the programs. This will help provide the needed information as we go forward. The second piece of this report, we would ask the consultant to provide some on site work with customers to see what measures they are installing, and at the same time, this provides confirmation that the work is being done.

In addition to what Jeremy spoke about, Sam reiterated to the members of the other exciting piece of this legislation which is the presentation that URI gave to this group. Sam stated that it is his recommendation that URI provide the small scale renewables evaluation. Andrew Dzykewicz informed the group that OER convened a stakeholder group for distributed generation last year and it was less than definitive with results. Therefore, I welcome URI to get involved in this piece of the opportunity report and take it to a higher level. Sam then suggested that we make this part of the budget and a motion was made by Alfred Degen and seconded by Paul

Ryan.Sam then talked about main piece of the opportunity report as combined heat and power (CHP) and indicated that some modeling information may be available through Northeast State Coordinated area management (NSCAM) which could provide data on efficiency potential and cost..Sam suggested that the council empower the sub-committee to explore this option.Sam made a motion and it was seconded by Paul Ryan.Sam then stated that this concludes the major piece of what the sub-committee has been doing.At this point, Sam introduced Scudder Parker our consultant from VEIC which is a non profit corporation that provides efficiency programs in Vermont. Scudder explained that he works for Efficient Vermont which is a consulting division within VEIC that works all over the Country including 25 States, China and Canada.Scudder further explained that the group works in a variety of roles from planning, evaluating and implementing energy efficiency programs. The core team for the RI project will consist of myself who will be responsible for the overall coordination of the team, John Livermore who will work on the residential end, and Doug Baston on commercial.John Livermore was also present for the meeting and provided the members with an overview of his experience and involvement for the last 20 years in the energy field.At this juncture, Sam suggested that the council have a special meeting and that the consultant send out a draft on the least cost procurement rules to members one week in advance of our meeting. This would allow people to get familiar and provide comment. prior to the special council meeting.Paul Ryan and Sam suggested that we meet two weeks from today which would be

February 28th. The group agreed and set the meeting time of 2:30 pm in the DOA building.

Steve Majkut was in the audience and provided the group with a brief update on REGGI. Steve stated the draft rules are on our web site on cap/trade and allowances. Steve reported that we are getting good comments and we will be ready to propose regulations by mid April. We have had two stakeholder meeting and are planning on one more.

Sam provided an overview of the budget that he prepared for the council describing the roles and responsibility of each organization. The budget breakdown was provided to all members in advance of the meeting for their review. A total of 615,000 is estimated for the period of July 07 through December 08. Sam moved approval for the budget and it was seconded by Paul Ryan.

Andrew Dzykewicz provided the group with a update on the remaining appointments which are pending approval from the Governors office. A motion was made by Alfred Degen and seconded by Joe Cirillo to have Andrew draft a letter that would be submitted by the council urging approval of the appointments.

A motion to adjourn was called by Alfred Degen and seconded by Joe Cirillo at 6:45pm.