

ENERGY EFFICIENCY & RESOURCE MANGEMENT COUNCIL

Minutes—May 14, 2009

Conference room B, Department of Administration

Chairman Ryan called the meeting to order at 3:40 PM

Members Present: Paul Ryan, Chris Powell, Sam Krasnow, Vic Allienello, Tim Stout, Dan Justynski, Joe Newsome, and Andy Dzykewicz

Others Present: Libby Kimsey, Elizabeth DiLucia and Tom Teehan

Staff Present: Janet Keller, Matt Guglielmetti, and Charles Hawkins

Consultants: Scudder Parker and Mike Guerard

Executive Director Report:

Andy D. introduced Scudder Parker to give an update on VEIC's work with NGrid to address target areas such as: gas/electric integration; regional and national best practices; Phase II Opportunity Report; monitoring and verification; and innovative delivery mechanisms such as the Aquidneck Island EE pilot project.

In best practices, NGRID now has one person working on residential gas & electric programs and one person on commercial and industrial gas and electric. Scudder said that it helps with integration of gas & electric delivery. NGrid staff has added new staff for the ramp up.

Dan J. asked who the new NGrid contacts were? They are Mark DiPetrillo on Commercial & Industrial, John Sarnia on residential.

VEIC is also working closely on Aquidneck Island with NGrid and People's Power & Light to develop "social marketing" in an area with gas & electric constraints. Jeremy N. put together a meeting with stakeholders such as Karina Lutz to develop community based targeted delivery. The goal is to develop a "cutting edge partnership".

Andy D. expressed concern about the ability to get the work done. Paul R. wondered about the ability of NGrid to get work done.

Scudder says it is an issue in Massachusetts.

A discussion then ensued about having a separate council meeting to address the supply issue. Paul R. felt an extra meeting in June may be needed.

Tim S. was concerned about getting the word to contractors that there is money available.

Scudder P. thought it was a good opportunity to train contractors to do the job right. Quality the key to get to EE goals.

Sam K. said it made sense to have two meetings and to include the supply and contractor issue. A discussion was then held about meeting logistics.

Sam K. wanted to focus on the data that needs to be gathered for such a meeting. Andy D. again mentioned resource availability as a prime concern. Andy wanted to talk to RIDLT about training for EE contractors and get it up and running quickly. Should a DLT rep be invited on 6/4?

Paul R. mentioned CCRI Weatherization training. Janet K. said that the class part has been completed but a written and field test still needs to be taken. There may be a disconnect between BPI & CCRI.

Andy D. wanted the 6/4 meeting to focus on supply. He cited time constraints. He talked about the Wiley Center's interest in getting some of their people trained to be contractors.

VEIC will gather data for the meeting and do interviews. Talk with CAPs, talk with DLT people especially Sandra Powell. Andy said the DLT has ARRA training money for the stimulus that can be used instead of SEP & EECBG funding.

Joe N. brought up a seminar that was held by Council of Churches that highlighted the problems churches are having with energy issue. He mentioned that he would like to make sure the council does not lose sight of special populations like this. Scudder suggested putting it into innovative partnerships.

Paul R. then mentioned a Renewable Energy Conference in Boston on 6/25 & 6/26 that he felt would be something helpful for Council member to attend. He said it should be paid for out of the EERMC budget which is administered by NGrid. He asked if he could get a head count from members as soon as possible.

Janet K. said 6/25 was the day the EECBG grant submittal was due to the USDOE.

Dan J. suggested moving the meeting if members would be going to Boston. Monday 6/29 was decided to be a better date for the second meeting. The next meeting of the EERMC would then be Thursday June 4th, with ARRA supply as the main topic and then a regular EERMC meeting will be held on Monday June 29th.

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ARRA UPDATE

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The 23.9M of the SEP was split with \$8 M going to EE projects \$13 M to renewable energy projects. The rest went to mandatory energy code training and administrative costs. More funding went to renewable energy because other EE funding will be available from other programs like EECEBG.

OER is now going through a process with cities & town about EECEBG. They will be encouraged to use it for revolving loans or performance contracting to stretch the money. The ERT will put out a solicitation for specific projects and the team will decide.

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mentioned a conference call where other states seemed to be focusing on three areas: Performance contracting; revolving loans; and incentives for leveraging funding for multiply towns to join together in a performance contract.

Paul R. cited Providence's \$1.7 in EECBG and already contacting Ameresco. He said that the big companies will be getting the business. N.Y is spending millions just on lighting only three companies were qualified to bid. This is a problem for the little guys. Tim S. mentioned staffing problems in cities and towns.

Andy mentioned normal SEP grant is due this month. He also mentioned the appliance rebate program that is formula and going through the SEOs. RI would get about \$1.5 for Energy Star rebates. OER still has not received the guidance.

Chris P. asked about money for CHP in ARRA. Andy D. said there is nothing specific on CHP. Andy envisions 2 RFPs on SEP one on EE and one on renewables.

Jobs create and BTUs saved are the only metrics that seems to count. No carbon reduction.

Joe N. asked how you measure job retention and he wanted to know if the ARRA SEP supersedes the SEP already in place. Janet K. said the SEP now in effect was last updated in 2002. Grant guidance

requires states to have a conservation strategy. Ken P. was working to update the plan to do two things: get it properly updated and into the state guide plan; then do some serious measurement and modeling data.

Sam K. expressed admiration for Janet K's. efforts. Everyone applauded. Janet just learned that the \$450,000,000 in competitive EECBG funding will go to RFP in about 6 weeks. \$55M will go to smaller cities and the rest will be an open competition with everyone eligible. RI should try and go after some of this funding.

RGGI UPDATE

The hearing was held and the response was mostly positive. There were two things that needed to be addressed: enlarge the list of eligible entities to include large commercial and industrial users which was addressed by Tech-RI and to also include sewage treatment and drinking water plant which was expressed by the NBC; and secondly to give more clarity to the process that the 40% innovative pot will be allocated. Janet K. hopes this process will be simple and that the Plan will not have to go out to hearing again.

Sam K. mentioned a mark-up of Markey's Cap & trade bill in Waxman's U.S. House Committee next week. There is talk of preempting RGGI from 2012-2017. RI needs be make sure that when

the federal bill is done it has significant allowances going to EE so the 10 RGGI states can stay whole to insure LCP gets done. Sam K. worries about Cap & Trade funding going to the general fund. He wants 25% of federal funding go to EE. Right now in the House bill it is well below that.

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Andy D. cited NGRID's 4/2/09 letter to Beverly Narjarian which mentions innovative concepts such as on-bill financing and revolving loans that seemed to align with what will be solicited in the RGGI 40% innovative project pot .

Paul R. asked about the availability of RGGI funding. Janet answered that it depended on whether another public hearing can be avoided. The key is what constitutes a substantive change.

Joe N. brought up the report to the General Assembly on RGGI. In the powers and duties of the council it calls for the report to address three issues: 1. activities of the council, 2. assessment of energy issue status of System Reliability and EE conservation procurement and 3. recommendations to the legislature regarding improvements that may be necessary. He feels that the council failed to address the second two items and they may want to address them in next report

Sam K. said that the first two issues were raised in the report but that Joe N. is correct about failing to address item number 3. Scudder apologized for missing them. Paul R. suggested getting a draft of further reports to the council a month before they are addressed.

EERMC WEBSITE:

Paul asked if members received the colored version of the site. He said it was modeled after other state agencies like the OER. He wanted interaction with the public as soon as possible. The price is \$1850. Who would manage it? Paul R. said the consultants could add the changes. OER could post the minutes. Paul R. suggested a part time (10 hrs a week) person who could help OER staff the EERMC. They could be a bridge between the EERMC & OER. Chris P. mentioned an internship.

Joe N. asked if there was council consensus on putting up a website.

Dan J. mentioned that finding EERMC documents in the state data base is not easy. He asked if there were state rules about content. Paul R. said that council has to meet APA requirements anyway. People expect agencies and councils to have websites. Paul asked Karina if the public would expect the council to have a website. She said it was hugely important to have council procedures accessible to the public.

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Paul R. made a motion to expend \$1850 on a website. It was seconded by Dan J. and passed unanimously.

THESIS PRESENTATION ON OFFSHORE WIND DEVELOPMENT IN RI

Libby DeLucia, a Brown graduate student in the Environmental Studies Program gave a presentation on the cost Benefit Analysis of

the RI winds Offshore Wind project. The power point is attached below.

The conclusion reached where that the cost of energy is above it market value for the majority of project life. However, externalities may compensate for the premium cost of energy. For the next steps further study is needed to quantify externalities.

Dan J. asked about the source of the energy forecasts. It was based on EIA AEO 2009 forecast.

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Chris P. agrees that prices can rise. There is a lot of room for volatility. Andy cited long term contract methods that can be use. The point was for RI to use the wind project as a hedge against electricity price increases.

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