

ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL

Minutes-April 14, 2011

Conference Room B, Second Floor DOA

Call to Order: The meeting was called to order by Chairman Ryan at 3:35 PM

Members Present: Joe Cirillo, Paul Ryan, Chris Powell, Joe Newsome, Marion Gold, Abigail Anthony, Ken Payne and Ed White

Staff Present: Charles Hawkins

Consultants: Mike Guerard

Others Present: Karl Munzel, Peter Asen, Brian Kearney, Jeremy Newberger, Rachel Henschel, Katie O'Rourke, and Elaine Phiefer

Status of Reappointments to the EERMC

Abigail A. said that a package has been filed with the Governor recommending that Joe N., Marion G. and Abigail A. be reappointed to their positions. The point of contact in the Governor's office is Steve Hourahan and Senate staff is also aware. Abigail A. will keep the council posted. Joe C. asked if his term was up. Abigail A. said no.

Annual Report

Abigail A. circulated a color printed copy of the Annual Report (AR). A draft copy was sent to council members before the meeting and revisions are being made to presentation and format. An e-version will be sent to House and Senate leadership and staff by the 4/15 deadline. Hard copies of the report will be available in late April and will be sent to the whole Assembly. VEIC has sourced out an affordable printer in Vermont that will do the work quickly.

Marion G. made a motion to approve the Annual Report. It was seconded by Joe N. and passed unanimously.

VEIC Monthly Report

- VEIC's spent considerable time this month compiling the AR.**
- They also participated in the PUC technical session on the Three Year Plan where Scudder P. answered questions on the savings targets especially on the gas side.**
- They also participated in the 4/5 DSM Collaborative Meeting and coordinated a meeting on the EnergyWise MOU at the NGrid offices.**
- In response to Joe N.'s motion at the March meeting VEIC has been preparing low income best practices next steps to be presented at the May meeting.**
- Mike G. met before the meeting with Abigail A., Marion G. and Joe N.**

to get further guidance on next steps for low income best practices.

Joe N. asked if minutes from the DSM Collaborative meetings and the Low Income Best Practices Working Group meetings NGrid have held could be shared with Council members. Rachel H. said she would distribute them to members. Ed W. said that NGrid would like to be included in discussions on low income issues that the Council holds.

Executive Director's Report/RGGI Update

There is a considerable amount of energy legislation pending in the Assembly. There has been a misconception that the EERMC has considerable responsibility for renewable energy (RE) as well as EE. A Senate bill, sponsored by leadership, would create an RE Council similar to the EERMC. It was reported out of committee unanimously. A similar House bill has been heard.

There is also RE financing legislation which would expand net metering (NM) to any fraction of the owners load. This bill has been heard in committee. Although there has been some controversy most witnesses have been in favor. Another approach being considered is long term distributing generation contracting. It has received a tepid response but not opposition from NGrid. Issues relating to interconnections have also been raised.

On the House side, there is a bill that would establish statutory

standards for the location of wind turbines. It deals with set backs and other siting issues. There is no companion bill in the Senate, so passage is not assured.

PIPP legislation is also gaining traction this year with bills in both the House & Senate. This would establish a fixed percent of a low income household's income for energy and caps the amount. There is a provision for arrearages. It would establish a fund to pay for the supplemental amount of 1% of the utility's revenues (about \$1.3B). The Senate bill is sponsored by Sen. Miller and is in his committee (Senate Corporations). In the House it is sponsored by Rep. Handy and is in the Finance Committee.

Chris P. asks if oil customers were included. The bill does not touch oil. This gives a powerful incentive for customers to migrate to gas and even electric and could invite adverse selection. There is no incentive for making good energy choices. The bill was heard in Sen. Miller's committee. Miller wants to see progress this session. The Chafee administration has asked the OER to support progress on issues that give rise to PIPP legislation. The council needs to take this issue seriously.

OER is getting ready to shut down the LIHEAP program for the season. Next year sharp LIHEAP reductions are anticipated with the best case a 40% cut and the worst a 60% cut. The bigger cut would come if Congress changes the formula from energy burden to

poverty. NE has a higher energy burden, but higher income than southern states.

Marion G. asked who was pushing the PIPP bill. The Wiley Center has been vocal but the Assembly's interest runs deeper. Paul R. asked if the PIPP bill would increase the rate for all. Ken P. said it is a minimum of a 1% increase to ratepayers.

Joe C. feels it is too expensive to form a new RE council in this fiscal environment and thought it should be folded into the EERMC. Ken P. felt that the risk would be that the EERMC would be diluted with 50% of the DSM money going to renewables. Right now \$40M of the Least cost Procurement goes to EE and \$2M of the DSM to RE. RE advocates want this rebalanced to aid RE. Ed W. agreed that adding RE to the EERMC would dilute it.

On other OER issues, the NGrid WAP contracts are going forward and the OER should be able to sustain its rate of 170 homes a month. The USDOE SEP monitoring visit went well and the OER will be reprogramming about \$4M from projects that can't be completed by the March ARRA deadline. Projects that can be done quickly like LED lighting and wastewater treatment plants will be funded.

RGGI Update

DEM is prepared to join in a joint consultation meeting with EERMC &

OER on draft RGGI regulations so a full set of proposals can be ready for the May meeting. First a body of regulations will be established and then an annual spending plan will be incorporated into these regulations. Finally a hearing will be held to finalize the regs and the spending plan. Ken P. has recently been appointed to the RGGI Bo. of Directors.

Rachel H. asked if NGrid can provide info on their LED lighting programs so it can compliment OER's SEP LED program. Ken P. said yes. She then asked if any more funding would be put into the ARRA Deliverable Fuels Program which will run out of money by the summer. Ken P. asked if she would get him info on the program and that he was unable to commit to refunding it at this time.

Jeremy N. asked for further clarification of the RGGI process that will occur before the May meeting. Ken P. hoped the EERMC would choose 1 or 2 members who were not going to be recipients of RGGI funding to meet with OER & DEM, then report back to the whole Council. NGrid would be happy to review the regs, especially focusing on the administrative process. Ken P. said the overarching aim of RGGI is ratepayer benefit.

Abigail A. made a motion to convene a RGGI sub-committee to consult with OER & DEM on draft regulations. It was seconded by Marion G. and passed unanimously.

It was agreed that Abigail A. and Chris P. would participate in a meeting to be held at 10:00 AM on Thursday April 21st at the OER.

NGrid Update on 2011 EE Plan Implementation

Katie O'Rourke was introduced to give an update of NGrid 2011 C&I EE. With the gas budget fully committed emphasis has been on electric EE. On the financing end, NGrid has been working with EDC to create a revolving loan program. NGrid is also providing enhanced incentives for LED lighting.

NGrid & RI has been working collaboratively to improve the compliance of energy codes. This has led to NGrid co-funding the ongoing Baseline Code Compliance Study with the Building Code Comm. They are also working to simplify and integrate the program process to make it easier for customers.

Brian Kearney was then introduced to give an update on NGrid's Residential EE. NGrid has been meeting with RI banks to prepare for the launch of the zero interest Heat Loan Program. This will offer loans of between \$15,000-\$25,000 for EE improvement and heating system replacements. However, due to constrained funding, the Gas EE Program may need to shut down as early as June. Abigail A. said

that if the Gas DSM legislation passes, it has been heard by committees in both Houses, NGrid needs to go back to the PUC and have the Gas EE Plan reheard.

NGrid has been working with the EnergyWise RFP sub-committee with a goal of distribution in the third quarter. They will be marketing it to contractors through a series of breakfasts. They are also launching a statewide marketing program with radio and bus shelter ads with the message that EE is for everyone. NGrid's marketing plans will be presented at next month's meeting. Chris P. wanted to know if there would be a website link. Yes, it will be called Power of Action. Jeremy N. said that NGrid would appreciate Council feedback on the EE plans and the marketing campaign. Ed W. said that NGrid was going back to a more local approach with a president for each state. Tim Horan has been chosen as the new RI President for NGrid.

NGrid Report on the Aquidneck Island Pilot

Elaine Phiefer was introduced to give a presentation on this pilot (Power Point Attached). NGrid worked with community leaders to increase EE awareness across residential and commercial sectors with a goal of creating a community engagement model that can be shared across NE.

It was cost effective with a return of \$2.26 per \$1. NGrid used a mixed delivery model with participation from RISE, the Towns, AIPC, the

Navy and the Chambers of C. The most effective outreach was newspapers and magazines. A Newport Gulls ticket giveaway was also successful.

On the small business side, NGrid developed a tactic called Main St. which is going town by town to businesses encouraging audits. The average number of audits increased from 8.6 per month to 33.8. NGrid is going to expand this program statewide, beginning with Pfred's Drug in Cranston. NGrid is issuing a RFI for up to 5 organizations to perform geographically targeted grassroots marketing and outreach. It will run from June through December. There will be tiered goals for each community. The advantages are that it allows NGrid to engage more communities in a streamline, fair and transparent process. It also allows communities to tie education and outreach to actual EE savings. Marion G. mentioned how grassroots organization is driving EE in some RI towns.

Report on the EERMC Outreach Subcommittee

This subcommittee, consisting of Marion G., Abigail A., Mike G., and Rachel Sholly, presented a power point (attached) on EERMC outreach goals. Marion G. mentioned that two of the four statutory goals of the Council concern stakeholder involvement and promoting public awareness. The Council needs to reinforce NGrid's marketing efforts

The first step is to update the EERMC website. OER has been working on the website with DoIT and now can post all EERMC documents. The next step is to have targeted outreach events in May & June with Council stakeholders. This could include residential EE, low income energy issues and large and small C&I EE.

To satisfy the public awareness goals, the subcommittee suggested developing a short presentation on EE which could be delivered to groups by individual Council members. This would take place at different venues to various stakeholder groups like: NESEA, chambers of commerce. business expos and the URI Master Energy Training. She also mentioned the NEEP conference in June as a chance for council involvement.

Other suggestions were a regular column in the ProJo and a telephone and e-mail hotline at URI to answer general energy questions. The Council could also help underwrite an Energy Expo at URI similar to the event in November 2008 that drew over 4,000 people.

Abigail A. asked about next steps for the May events. For the low income sector, a high level working session led by Ken P. was proposed. The goal would be to develop a plan for a focused WAP effort dealing with 100-200 homes in one neighborhood coupled with an educational effort. Marion G. did not think that will be ready for May. Instead the idea is to have large and small C&I forums.

Location was debated. Chris P. offered to host the large C&I at Brown's building at 3 Davol Sq. For the Small C&I, URI & the Crown Plaza were suggested. Marion G. will have a proposal for these forums at the May meeting. Ed W. mentioned a major RI energy convention to be held in May.

Paul R. made a motion to adjourn the meeting, it was seconded by Joe N. and passed unanimously. The meeting was adjourned at 5:50 PM.

Respectfully submitted

Charles Hawkins

Secretary Pro-tempore