

ENERGY EFFICIENCY & RESOURCE MANGEMENT COUNCIL

Minutes-July 12, 2012

Conference Room B, Second Floor DOA

Call to Order: Chairman called this meeting to order at 3:30 PM

**Members Present: Chris Powell, Vic Allienello, Joe Cirillo, Abigail Anthony,
Joe Newsome, and Paul Ryan**

Consultants Present: Scudder Parker, Mike Guerard, Jeff Loiter and Erin Carroll

Staff Present: Charles Hawkins, Chris Kearns & Patrick McCarthy

Others Present: Chris Caisse, Alexis Miles, Erin Killoran, Jeremy Newberger, Mark DiPetrillo, Michael McAteer, Danny Musher, Kim Ziegelmayr, Eric Kretsch, Nick Corretti, Jarret Katz, Sarah Martin, Puja Vohra, Rachel Henschel, Kate Ringe Welch, and Rachel Sholly

Acceptance of Minutes: Paul Ryan made a motion to accept the June minutes. It was seconded by Chris Powell and passed unanimously.

Update on the Natural Gas Opportunity Report (power point attached)

Jeff Loiter from VEIC was introduced to give this presentation. The objective of the Natural Gas Opportunity Report (OR) was to identify opportunities to support the more aggressive savings goals that have resulted from the increase in the gas DSM. This is not an exhaustive list and is not intended to be definitive or prescriptive. VEIC looked at technologies & measures that could provide new strategies for getting to deeper energy efficiency (EE) in gas and unregulated fuels. They did research by talking to experts in gas EE.

Some of the promising opportunities include: process steam retrofits; DCV for kitchen exhausts; commercial laundries; upstream heating and kitchen equipment; large multi-family initiatives; and expansion of direct install measures. These 6 have high level potential and all could work with unregulated fuels. Even if you only get a 2% sample penetration, these opportunities can still make a substantial contribution to the annual savings goals. These opportunities are there now. Joe N. said that the numbers on his handout were different in the sample penetrations and annual savings characterizations than the numbers Jeff L. was presenting. Jeff L. said that the numbers on his presentation are the ones that are in the final report. Chris P. asked if the estimated cost was at the incentive level or was it a total measurement cost. It is a total measure cost.

The multi-family opportunity is a large market but it is complex and better addressed programmatically. The goal is to engage this market place. Gas fired heat pumps have potential but are expensive.

Residential opportunities include zoning controls in homes and liquid pool covers. Next steps include working with the EERMC, the DSM Collaborative and NGrid to translate potential into on the ground programs.

Paul R. asked if the cost of natural gas was considered in interviews with industry experts. The focus of the discussions were based on what strategies and technologies worked for industry experts. There were no questions about financial considerations like pay back times.

Jeremy N. said that before NGrid could pursue a gas EE opportunity it must pass a cost effectiveness (CE) test. Abigail A. wanted to look at next steps and how these opportunities can be worked into the 2013 EE PP. Will this happen at the DSM collaborative level? She does not want this information to go to waste. Jeremy N. said that NGrid is happy to have this information and the company will look at what strategies are ready to be implemented. They may not pursue all of them in 2013, some may take a few more years. But they all must pass the TRM CE test. They will share that assessment with the EERMC and the collaborative.

Chris P. asked if fuel switching was looked at as a strategy with gas costing less than oil. Jeff L. said that fuel switching was not looked at as an opportunity. Chris P. asked if the Collaborative would in its review of the opportunities. Jeremy N. said that NGrid does not offer fuel switching as an incentive. That is not what the program supports.

Update on NGrid's Marketing Campaign (Power Point Attached)

The objective of the residential marketing campaign is to generate leads that will drive participation and then optimize the results to come up with the best EE strategies. Direct mail to contractors and telemarketing to the hard to reach segment (HTR) will be followed up with target mailings and door hangers. The telemarketing to the HTR segment received a good 4% response rate. They also targeted grocery & hardware stores with ads on shopping carts, floors and selves.

The refrigerator recycling program highlights include a broad base media exposure campaign and a promotion to find RI's oldest refrigerator. The vendor, Jayco, will determine the oldest and give a \$1,000 gift certificate. Jayco is also distributing promotional magnets to place on fridges that promotes the \$50 rebate and the \$150 in energy savings. Joe N. mentioned that he has heard the Pandora promotion ad constantly.

In the lighting program, NGrid is doing co-op advertising with manufacturers and retailers. They are also have a Spanish speaking web banner promoting the La Feria event in Providence. They are also doing lumen education. NGrid will be doing a promotion highlighting EnergyStar's 20th anniversary which will promote these products.

The EnergyWise campaign features e-mail blasts that will continue through June. NGrid wants to reach customers in the summer months for their “Get House Fit” program. RISE will have a mobile billboard on their vans for this program. A direct mailing will go out on July 2nd. They are also using social medial to promote this program and the zero percent loan program. They are also doing a pilot program on non wires alternatives. Joe N. asked what the total annual budget was for marketing. Rachel H. said that it is in the EE PP and she believes it is around \$1.5 million.

The business universe among C&I customers includes: 20,000 electric & gas customers; 38,000 are electric only; and 4,000 are gas only. Customer participation consists of about 37,000 on the electric side and 508 on the gas side. NGrid has been doing customer targeted research and found that the 5 largest C&I potential segments for energy savings are health, groceries, colleges, lodging and retail. These need to be prioritized.

They are also doing research on on-bill financing. They did bill inserts to all RI small businesses and followed with direct mailing to customers in Narragansett & Pawtucket.

They are doing outreach with the Northern RI Chamber of Commerce using direct mailing to the Chamber’s e-mail list. They are now reaching out to the Central RI Chamber of Commerce.

Large C&I is looking at previous participants. They are also using the Engage Strategy which engages high value customers like hospitals, schools and nursing homes. They send out a package to 45 customers with a Ben Franklin save energy theme. They are looking for a 50% realization rate. Joe C. said he was pleased with the graphics in the power point and felt they looked very professional.

Rachel H. mentioned a one day Planning Charette tentatively scheduled for mid-September with a goal of seventy-five or more participants. The object of this exercise is to engage customers and stakeholders in a collaborative effort that will gather feedback to include in the 2013 EE PP. One of the goals is to increase EE PP transparency. NGrid has done this previously in Worcester, Massachusetts. They are looking for customer friendly strategies. NGrid is looking for council support & participation in this charette. Mike M. said it will be similar to the community outreach event that was hosted by Ken P. last August.

Abigail A. thought it was a good idea and would like to incorporate what is learned in the 2013 plan

Preliminary Combine Heat & Power (CHP) Research (Power Point Attached)

NGrid Sales Manager for CHP, Mark DiPetrillo, was introduced to give this presentation. There are currently about 46 MW of CHP operating in RI; with NGrid involved in 20 MW. Due to the passage of recent

CHP legislation, NGrid wanted to give an update as to what was happening in RI and how CHP can fit into the 2013 EE PP. The Narragansett Bay Commission is currently involved in a new CHPs opportunity-methane recovery. This could impact the CHP plan.

There are three CHP technologies: Micro-turbines, Large Turbines and Reciprocating Engines. Micro-turbines can work well with public housing complexes. Toray Plastics has a gas –fired large turbine. The best market segments for CHP in RI are large users of hot water/steam & electricity that are coincidentally used. Examples are hospitals, colleges and nursing homes. Vendor training is critical so that CHPs projects are correctly sited.

The key barriers to CHPs are always economic. This is reflected in the inactive projects on in Slide 12 of the power point. Lessons learned include companies who where selling CHP just to sell the equipment and not properly siting it. Requiring service contracts can help. Changes in fuel prices can also impact pay back. Ongoing challenges include economics and the need to overcome CHPs projects being a low priority on customer's radar.

Erin Carroll of VEIC was introduced to talk about the 2008 CHP Opportunities Report that commissioned by the council. Limitations of the report include looking at only natural gas and using Massachusetts data that may not applicable to RI. It estimated technical potential at 350 MW-714 MW, however, the estimated

economic potential (what can be achieved) was at 200-330 MW.

Best practices do not limit the technology type and are not limited to natural gas and include biomass, bio gas, and landfill gas among potential fuels. Low local energy prices can be a negative factor in CHP development. ACEEE has reported that the CHP market in RI is currently unfavorable, however, RI is on an upward trend in state policies for CHP and seems poised to increase its CHP development.

Chris P. mentioned the offshore wind development's impact on their bills as having an impact on how Tech-RI's members look at avoided cost. Pat M. mentioned the CHP project at the East Providence police station that is being funded with EECBG. Chris P. added that maintenance has to be included in a CHP contract so it can be sustainable. He cited maintenance problems with micro-turbines.

Paul R. left at 5:30 so the meeting no longer has quorum

Jeremy N. said that the 2012 EE PP already has a lot of CHP elements in it. The intent of the new law is to promote CHP in the 2013 EE PP. He further stated that the plan has to balance CHP with Least Cost Procurement (LCP). Scudder P. said that large CHP projects use a lot of money but generate a lot of savings that can change the dynamics of the EE PP incentive and program budget. Chris P. talked about the challenge of equity to all ratepayers if so much of the budget goes to

one project. He also cited the BCR challenge, these projects have to pass a CE test if they are LCP. A bad BCR project can take down the whole EE program. Jeremy N. said that the legislation makes it clear that lawmakers want more CHP technology and the NGrid & the Council need to make it happen. Mike M. said the idea is to blend these large projects with smaller ones.

Abigail A. said that the idea is to implement this over time, so one big project does not sink the whole budget.

The timeline calls for NGrid to propose new CHP elements at the 7/25 Collaborative meeting. They will have the first draft of the plan by 9/7 and will review it with the council at its September meeting. They hope to have the required Community Review Session the 3rd week in September and incorporate this feedback in a second draft of the plan.

VEIC Monthly Report

Mike G. has been working on key target areas for the EE PP, developing a top ten list, and will follow up individually with council members. Scudder P. mentioned that RI won the USDOE competitive grant that VEIC helped to prepare. It is for \$700,000 for three years. It is exciting because it builds EE capacity in RI. It will be a strong partnership between the State & NGrid.

Public comment

Joe C. cited recent weather related large power outages and asked if any thought has been given to burying power lines in RI. He remembers a previous report that recommended adding a 2% surcharge to ratepayer's bills to pay for this. He wondered if there has been any recent research on this issue. It was suggested that Joe C. talk to PUC Commissioner Paul Roberti who worked on this issue when he was in the Attorney General's office. Chris P. said that other jurisdictions have been talking about it but it will cost a lot more than 2%. Joe C. said he would like to see a study on how expensive it is to repair power lines that have been buried. Chris P. said that there are cities in New England who have done it, but they found out that it takes longer to repair them underground and it is more expensive to install & repair.

Chris P. made a motion to adjourn. It was seconded by Abigail A. and passed unanimously. The meeting was adjourned at 6:00 PM.

**Respectfully submitted
Charles Hawkins
Secretary Pro-tempore**