

ENERGY EFFICIENCY & RESOURCE MANGEMENT COUNCIL

Minutes-February 14, 2013

Narragansett Room. First Floor, RIEDC

Call to Order: Chairman Ryan called the meeting to order at 3:45 PM

Members Present: Joe Newsome, Joe Cirillo, Abigail Anthony, Paul Ryan, Marion Gold, Dan Justynski, and Chris Powell

Consultants Present: Mike Guerard and Scudder Parker

Staff Present: Danny Musher, Lewis Babbitt, Rachel Sholly, Chris Kearns, Hannah Morini and Charles Hawkins

Others Present: Jeremy Newberger, Rele Abiade-Ritter, and Karina Lutz, Vito Buonomano, Steve Pattek and Gary Whitman

Acceptance of Minutes: Joe Newsome made a motion to accept the January minutes. It was seconded by Joe Cirillo and passed unanimously.

Public Comment

Paul R. suggested, with meetings occasionally running long, it may be a good idea to move public comment to the beginning of the

meeting with a three minute time limit. In order to make this change he said it needed to be voted on. Abigail A. made a motion to move the public comment to the beginning of the meeting. It was seconded by Paul R. and passed unanimously.

Vito Buonomano, from Northeast Solar and Wind Power, said that he is PUC certified to do the type of energy audits Rhode Islanders Saving Energy (RISE) does. However, he feels that for two years he has been stonewalled by NGrid in his attempts to submit a RFP to do energy audits. He feels it is deplorable that NGrid and the PUC are supporting an illegal monopoly. He has e-mailed both NGrid and PUC, with CCs to the OER, and has not received an answer. He also can't believe the Council is supporting natural gas which he feels has no future because he feels the prices of it will go through the roof. He would like the Council to answer his question as to why NGrid and the PUC will not allow him to submit an RFP to do energy audits.

Karina Lutz said she was representing People's Power & Light and she was here to observe. Gary Whitman of PPlus Lighting, whose technology replaces incandescent and CFL light with LEDs, wanted to make the Council aware of what his company did.

Executive Director's Report

The OER's Marion Gold began by saying that the Property Accessed Clean Energy (PACE) residential legislation has been given the go-ahead by Governor Chafee. This was one of the EERMC's Annual Report (AR) policy recommendations. A team from the OER and the Department of Administration is working with Peter Adamczyk of the VEIC consultant team (C-Team) on this legislation. They were initially going to use the Vermont program as a framework, but found out that differences in state law made this difficult. Instead, they have started from scratch and are trying to keep the legislation very simple and just iron out the fundamentals and work to clarify the complexities during the rules and regulation stage. Peter A. is helping with what needs to be in the bill and what can be worked out in the regulation phase. By the weekend, OER hopes to have a version ready for Council review.

In Vermont there are three buckets that are eligible for PACE funding: the first is for energy audits like RISE does in RI; the second is for renewable energy (RE) projects and the third is for energy efficiency (EE) projects that do not pass the cost effectiveness test. Like in Vermont, the OER will manage the program for the municipalities with a goal of keeping it as simple as possible. It is being funded with \$2M from the ARRA State Energy Plan. She is cautiously optimistic that it will pass the General Assembly (GA) but it may be an uphill battle to explain it in simple terms to the legislators.

As a backup, if PACE is not approved, the OER is working on a revolving loan fund, which is going to be set up in any case, with another \$1.4 M in ARRA funding. If PACE is not approved the \$2M earmarked for that program will go into the revolving loan.

Joe N. asked if OER has anticipated the objections to PACE in the GA. Marion G. said legislators are very leery of loans after the 38 Studios controversy. She said that the complexities of the program could have an impact and it is important to make the law as simple as possible. Setting up the program is the first step, then it has to be aggressively marketed. OER will be calling on the Council for assistance and may need members to testify. Paul R. asked about the PACE legislation that was introduced previously in the GA. Joe N. said Art Handy introduced it in the House and Josh Miller in the Senate. Paul R. felt they should be asked to sponsor this new legislation.

Scudder P. commented that the program can be used by deliverable fuel customers which was an AR policy recommendation. It also allows for an integrated approach that includes RE. Marion G. said that this was an innovative program and that other states are using PACE for commercial applications but not residential. Joe N. asked why this program requires legislation. Marion G. said you need enabling legislation for the municipalities to establish a special assessment district. Joe C. wanted to know if there was a way to tie this into the town building codes so each town does not have to

reduplicate the work done by the energy code people. He would like to avoid every town council having to take an action. Marion G. said that sixty towns in Vermont have moved on the PACE legislation.

Marion G. said that OER staff recently attended the National Association of State Energy Offices (NASEO) Conference in Washington, DC where they attended a congressional briefing before the Senate Energy & Natural Resources Committee. Other states represented at the briefing were Nebraska, Oklahoma and Minnesota. RI highlighted their EE work through Least Cost Procurement and Rachel S. prepared a fact sheet for the committee that is in the briefing package.

On the Regional Greenhouse Gas Initiative (RGGI) front, RI joined other northeast states to lower the greenhouse gas (GHG) emissions cap. This will help air quality and generate more EE funding. For RI, because we now have natural gas power plants that operate 24/7 instead of being peaking facilities, RI now generates 3.4 % instead of 1.6% of the region's electricity and could give us a higher allocation. There is talk of RI receiving 3.4% of the \$2.2 billion pot instead of 1.4%.

Marion G. announced that URI's Campus Sustainability Office, Marsha Garcia, has accepted an offer to put her name in for nomination for the residential seat on the EERMC. She has held various influential positions and is well spoken, a collaborator and

team player. Joe N., whose term was up in April 2012, has agreed to be reappointed. Mike McAteer will be put up as one of the ex-officio representative from NGrid.

All NGrid EE RFPs are now on the OER website and work is being done on a logo for both the OER & the EERMC so they will have a more consistent look. There is a fact sheet in the briefing package on the RI Public Energy Partnership (RIPEP) and a kickoff meeting is being planned in March with the Governor and the Congressional Delegation. Senator Whitehouse staffer, Rele A., said that Monday morning or Friday afternoon would be the best time for the delegation. Marion G. said that RI has saved a lot of money through the Demand Response Program and it may be a good event to present a check to the Governor. Jeremy N. asked who NGrid should contact to include RI President Tim Horan in the event. Marion G. said they should contact Rachel S. The first showcase projects that will kick off the RIPEP will be with the Cumberland Water Supply Board

Marion G. then introduced Department of Human Services (DHS) staffer Lewis Babbitt to give an update on the Low Income (LI) Energy Programs. These programs were recently transferred to the DHS from the OER. Lewis B. said that DHS was still making upgrades to the new software system to improve service. All deliverable fuels primary base grants have been distributed and now DHS is working on processing crisis grants for deliverable clients. This allows clients

to receive an additional 100 gallons of fuel. To get a crisis grant your tank has to be at least 1/8th empty and you could not have received a delivery in at least four weeks. The next step is to get utility payments to NGrid. Files from the new software system have been sent to NGrid to indicate who will be receiving grants. With 56% of RI now on gas heat the cost of this is \$8-10 million. The total number of clients processed to date is around 18,000. Despite the fact that the LI programs have moved to DHS, Lewis B. will still be doing updates for the Council.

Vito B. asked about the LIHEAP & Weatherization programs. He said he sees a LIHEAP charge on his bill. Lewis B. said that is an enhancement charge that goes to offset some of the charges on the utility side. Vito B. asked if LIHEAP clients were required to have an energy audit. Lewis B. said that all LIHEAP clients are eligible for Weatherization and they are asked if they want weatherization services when they apply for LIHEAP. If they opt for the weatherization then an energy audit is done. The goal for the program is to get as many LIHEAP clients weatherized as possible because it reduces the heating burden. It is not mandatory, however. Getting weatherization to renters can be a burden, however. Vito B. asked if the feds required weatherization. Marion G. said they do not require it, however, RI is one of the states that uses 15% of its LIHEAP funding for weatherization. In other states the relationship between LIHEAP and weatherization can be contentious.

Joe N. mentioned developing LI program metrics that will allow Council members to keep up to speed without needing monthly updates. Marion G. said that it will still be important for the Council to be kept up to date and she would like to continue these updates to keep the communications opened. She would also like to have DHS Director Sandra Powell brief the Council at a future meeting.

Discussion of a Possible Energy Expo

Marion G. passed out a handout and said that OER's Rachel S. has been doing preliminary research on possible venues. She cited the success of the 2008 Energy Expo held at URI's Ryan Center that drew over 4,000. They would use Council funding to kick off the event but the goal is to make it a self-sustaining event in the future. OER is looking at October of 2013 to hold the expo and will be looking for an event consultant to run and organize it. The revenue will come from sponsors, exhibiter fees and admissions. Paul R. asked if OER will be going out to bid for the organizer. Marion G. said that if she gets the go-ahead for the expo at this meeting OER can have an RFP ready for Council review at the next meeting.

Rachel S. has called the Ryan Center and the Dunkin Donuts Center (DDC) for price quotes. The Ryan Center came in at around \$13,000 and the DDC. \$15,000. Both have Saturday October dates open. The rest of the budget depends on how much the Council wants to spend on advertising. In 2008, URI spent around \$40,000 on promotion and

it really paid off. She will work on getting more budget details for the next meeting. Another draw in 2008 was a free energy kit that was paid for by the OER. Rele A. asked if the 2008 event was free. Marion G. said there was a nominal charge but a lot of free coupons were distributed. Abigail A. asked if any funds in 2008 came from the Council budget. Rachel S. said she was not able to dig up an exact budget. She remembers the total expenses being around \$50-75,000 with revenue of about \$50,000. Some of the start-up funding came from the grant from the URI Outreach Center, and URI staffed it all themselves. They also received \$20,000 from OER in addition to the funding for the EE kits. NGrid also gave \$5,000 and then made about \$20,000 from vendors. The lead speaker also gave URI a reduced rate.

Scudder P. said that Vermont has done the same thing and he thinks it is important to know what you want to accomplish. Will it be a contractor event, or a mix of contractors and the general public? You should think about what the purpose of the event should be and size it accordingly. Paul R. said that you need one great business person to manage and watch the numbers. He said the sources of funding are important. Jeremy N. said that in this year's budget there is funding for an expo. Abigail A. said this was talked about at the last meeting but the budget needs to be amended to allow for it. Marion G. said that OER will work on the budget before the next meeting. Abigail A. and Dan J. said they would be happy to work with OER on this. Scudder P. said that in 2008 one of the dynamics was the

amount of free time put in by volunteers and URI.

Marion G. asked the Council if they preferred URI or Providence. With Paul R. leading the charge, the Council overwhelmingly preferred Providence. Hannah M.

acknowledged that it was good to have it in a more densely part of the state, however, one of the reasons that the 2008 event was so well attended was that in South County things are more personal and it was easier to interact with the community. She thinks it will take more work to get people to come to Providence. Dan J. suggested getting the word out by having NGrid put in on their bills. Jeremy N. said all they need is adequate notice to do that. Rele A. agreed to join in on the planning meeting.

Jeremy N. suggested including system reliability (SR) into the expo agenda. Dan J. would like to see smart grid incorporated. Jeremy N. said there is a SR filing on the EERMC website which compliments EE. Marion G. said that the Ocean State Clean Cities Coalition is interested and they would like to dovetail it with their Alt Wheels Conference. They would also like to display alternative vehicles at the expo. Rachel S. asked the DDC and they said that they have vehicles displays all the time. Next steps will be an organizational meeting with OER, Dan J., Abigail A., and Rele A.

Discussion of Policy/Regulatory Recommendations for the 2013 Annual Report

Scudder P. was introduced to give this presentation. He said that Abigail A. has volunteered her services and VEIC will help do the design production for the AR and do it within the C-Team's 2013 budget. He would like to see a Council sub-committee formed to help with this task. In the future he would like the OER be the lead for this because it does not make sense for the AR to be produced in Vermont. The AR is due April 15th so today he would like to offer the Council a range of possible policy recommendations which is a mandated part of the AR. For the first time the Council will include a cost effective report on the EE programs which is mandated in the EERMC standards. Scudder P. then reviewed last years AR policy recommendations to see how they have progressed.

The first was to recommend that the EERMC work to establish and support disclosure strategies for home and businesses and benchmarking requirements for public buildings and facilities. This did not make much progress this year, so is it a priority for the Council? Paul R. said that, now that the Council is a mature agency, policy recommendations should be tight and the Council should only recommend things that they know they are going to work on. He cited the PACE legislation saying that it was as a recommendation and now it is being worked on. Abigail A. cited the RIPEP as an example of benchmarking. She said we could amend this recommendation to make it more in line with the codes and standards work. Scudder P. said the goal with this recommendation is to come

back in March with action language.

Policy Recommendation 3 called for a deployment of RGGI funds to support EE programs and lower ratepayer cost. Does the EERMC want to weigh in with guidance on how the money should be spent? Chris P. said that the bucket is going to get bigger and he would like to lock down the spending guidance to support the above policy.

Marion G. said that some states mix RGGI with RE funds to create more green jobs. Marion G. cited the East Bay Met School, which is being built and designed with an eye towards being the first net zero energy school in the state. They are integrating solar panels into the project to drive it to net zero. This is a good example of integrating RE & EE. Scudder P. said the issue here is should RGGI funding go to reduce the total EE budget to provide ratepayer relief. If so, how much of the RGGI funding should be used for innovative projects.

Chris P. said that the Council needs an objective RGGI spending plan so there is no argument about where the funding should go. Scudder P. said there could be a structured allocation that split the pots between EE and innovative projects. That recommendation is something that should come from Council members not the C-Team. Abigail A. said that the Council's principal has been very consistent in wanting to use RGGI funds to lower the Service Benefit Charge (SBC) and utilizing EE to reduce the cost of RGGI to ratepayers. However, she said that the Council has never used the AR to spell out what those allocations should be. Dan J. felt that a sub-committee

was needed to give the

C-Team input and he volunteered to be part of it. Marion G. said that the 2012 RGGI report is in the briefing package. Paul R. said that the Council will need NGrid's help on these policy issues. Abigail A. feels that we should state the Council's principals and work with Marion G. on the actual allocation plan.

A policy recommendation that is long standing is to work with the General Assembly (GA) to develop a sustainable, cost effective EE program for deliverable fuels. It was agreed to keep this recommendation in the AR. The next recommendation discussed concerned the PACE legislation and the C-Team will put in language endorsing the new legislation. Scudder P. opined that the Council has been very successful at getting their legislative recommendations passed by the GA. He asked if they want to include any other legislative recommendations like a Green Communities Act or perhaps alternative code compliance. Paul R. cautioned about putting too much on the municipalities in terms of enforcement. Although it sounds good, many towns do not have the staff to do it. The reality is that local governments are overextended. He said let's not create legislation that creates more problems then it solves. Jeremy N. cited NGrid's new Codes Initiative to help energy code enforcers with compliance. They have started training programs and building tools to make code enforcer's jobs easier. This is the first year of a four year initiative. Scudder P. said it may be better to not address this issue in this year's AR.

Joe C. cited success in having residential inspections of homes when they are sold by making a code compliance evaluation part of every sales transaction. Have the home evaluated looking at code compliance. It is paid for by the buyer or the seller depending on the town you live in. Paul R. suggested having the AR Policy sub-committee do the rest of the policy recommendations. Joe N. asked Scudder P. if there was one thing the Council should be thinking about. Scudder P. wanted to quickly bring up two recommendations: look at the NGrid incentive structure with an eye to having a performance incentive; and establish a performance metric for SR. Dan J. cited how distributed generation (DG) could have helped during the power outages from the recent blizzard yet there is no incentive for that type of SR. With more people having DG this could make an impact. He would like something on SR in the AR. Abigail A. asked whether we need fundamental regulatory reform with SR. That will not happen in a year. There are already discussions about this in Massachusetts.

Jeremy N. said that he wanted to put an item on the agenda-distribution of the 4th Quarter Energy Efficiency Program Plan (EEPP) results. Paul R. said he would take that up after the final scheduled agenda item is discussed

Consultant Team Evaluations

Abigail A. passed out copies of the survey which was distributed to Council members. It was completed by eight of the ten possible responders. She said that overall the C-Team received high marks. They had at least 3.6 out of a possible 5 on all of the categories. They received very high marks for objectivity and understanding of RI EE goals. There was also a feeling that, although RI needs to learn from what other states are doing, some of these examples may not work in RI.

Most responders felt that the C-Team did a good of facilitating learning. Another theme was communications and the C-Team received mixed reviews. Some felt they were receiving all the info they needed from the C-Team; others were not so sure the C-Team was soliciting feedback from all the members. Some felt the C-Team should keep all members in the loop on a more regular basis. The theme of C-Team cooperation with the utilities and other stakeholders received a lot of constructive feedback. Members also like the idea that the C-Team ideas were data driven. On the theme of trust there were some very favorable remarks. Abigail A. wrapped it up by saying she hoped this was a useful experience for the members. Paul R. said he would like to do this once a year.

Scudder P. said that the C-Team was glad the Council did the survey and they appreciated the feedback. He said that sometimes it is not perfectly clear if e-mails should go to the full Council or to the members who are working on a specific issue. He would like further

guidance from the Council on this. Abigail A. said a good next step would be for the C-Team to pose such questions as they review the survey.

Marion G. suggested having sub-committees that include people who are stakeholders but not members so you would get more viewpoints on some big energy issues. Chris P agreed. He felt Council members should be talking to the constituencies that they represent. Stakeholders in areas like residential EE should know what the Council doing. This includes groups like the Green & Health Homes Initiative. Marion G. thought it may be helpful if each member gave a report on the sector they represent at monthly meetings. Chris P. suggested NGrid & the C-Team come to the Tech-RI meeting that will be held in March at the Radisson Hotel to explain what is happening with the

Three-Tear EEPP and explain what the impact of the SBC will be on the C&I sector. He gets questions on the EEPP from Tech-RI members but he does not have the answers to them. He feels the Council needs to do outreach by sector to have a broader impact.

Paul R. then asked for a motion to include NGrid's distribution of the Fourth Quarter EEPP results to the agenda. Abigail A. made a motion to add NGrid's Fourth Quarter results to the agenda. It was seconded by Dan J. and passed unanimously. Jeremy N. then distributed the Fourth Quarter results but said that some of the data could be limited because of the recent storms. Scudder P. cited the presence of Mike

G. in RI as an example of the C-Team working hard to build relationships.

Paul R. made a motion to adjourn. It was seconded by Dan J. and passed unanimously. The meeting was adjourned at 5:25 PM.

Respectfully submitted

Charles Hawkins

Secretary Pro-tempore