

The Rhode Island Energy Efficiency and Resource Management Council

Voting Members

Mr. Anthony L. Hubbard, Acting Chair
Mr. Peter Gill Case
Mr. Joe Garlick
Mr. Thomas Magliocchetti
Mr. Bill Riccio
Mr. Kurt Teichert
Ms. Karen Verrengia
Mr. Bob White

Non-Voting Members

Mr. Nicholas Ucci, Executive Director
Ms. Roberta Fagan

November 27, 2019

VIA ELECTRONIC MAIL

Luly E. Massaro
Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket #5076 - Responses to Rhode Island Public Utilities Commission's
First Set of Data Requests**

Dear Luly,

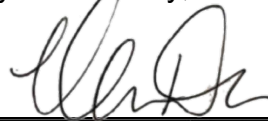
The Energy Efficiency and Resource Management Council ("EERMC") is pleased to submit this cover letter and attached responses to the Public Utility Commission's ("PUC") first set of data requests in the above-referenced docket for the PUC's review and consideration.

The appended documents are responsive to the PUC's request for "copies of the minutes of all Rhode Island Energy Efficiency Resource Management Council meetings that involved the 2021-23 Energy Efficiency Program Plan or the 2021 Annual Energy Efficiency Program Plan" dated November 20, 2020.

Please be advised that the documents submitted herewith do not include the EERMC's November meeting minutes, as those minutes have not yet been approved by the EERMC.

Please do not hesitate to contact me should you have any questions in this regard.

Respectfully submitted,
Rhode Island Energy Efficiency
Resource Management Council,
By its Attorney,



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Desautel Law
38 Bellevue Ave, Unit H
Newport, RI 02840
Tel: (401) 477-0023

CERTIFICATION

I hereby certify that I filed a true electronic copy of the within response, via electronic mail, on this 27th day of November, 2020, to the Service List for Docket #5076 and to:

Luly.massaro@puc.ri.gov
Luly E. Massaro, Commission Clerk
Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888



Marisa Desautel



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, April 30, 2020 | 3:30 - 5:30 PM

Meeting conducted virtually using GoToMeeting with additional audio conference capabilities

Members in attendance: Bob White, Chris Powell, Tim Roughan, Nick Ucci, Kurt Teichert, Karen Verrengia, Anthony Hubbard, Butch Roberts, Roberta Fagan, Tom Magliocchetti, Peter Gill Case, Joe Garlick, Bill Riccio

Others Present: Nathan Cleveland, Becca Trietch, Joel Munoz, Adrian Caesar, Angela Li, Kerry Schlichting, Rachel Sholly, Sam Ross, Mike Guerard, Matt Chase, Matt Ray, Craig Johnson, Yasmin Yacoby, Chris Porter, Sydney Usatine, Laura Rodormer, Ben Rivers, Mona Chandra, Kevin Rose, Daniel Tukey, Kai Salem, Seth Handy

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-april-2020/>

1. Call to Order

Chairman Powell called the meeting to order at 3:33pm

2. Approval of Council Meeting Minutes

Chairman Powell requested a motion to approve the March meeting minutes. Ms. Verrengia made a motion to approve March meeting minutes as written and Mr. White seconded. Mr. Riccio abstained from voting, as he was not present at the March meeting, all others approved.

3. Executive Director Report

a) General Update

Commissioner Ucci commended National Grid and other stakeholders for working to minimize workforce impacts so far from COVID-19 as well as working to ramp back up as quickly as possible to continue serving customers and deploying efficiency once able.

He also announced the Earth Day release of the Heating Sector Transformation report - which is available on the [OER website](#) and will be discussed in more detail at a future meeting – and provided some brief highlights to the group:

- Efficiency is a key solution in any decarbonization effort but cannot get us to 100% alone
- Decarbonized fuels will potentially play a part in getting to 100% carbon-free by 2050, though the full impact of costs, benefits, and scaling of these fuels is presently unclear
- Higher heating costs in 2050 may be offset by transportation costs decreasing and a customer's "energy wallet" may be similar in total costs in a decarbonized 2050 to today's

carbon intensive energy wallet. In order to achieve this though, we will need to work together to capitalize on natural replacement cycles of heating equipment and think critically on how to finance and deploy these upgrade to the benefit of all Rhode Islanders.

4. Chairperson Report

a) General Update

Chairman Powell reviewed the agenda for today's meeting with the group. He noted that as a brief update on the Potential Study, the final report is forthcoming in mid-May and that the May meeting will also have updates on the targets and standards which are under review by the PUC now. Chairman Powell also provided a clarifying note that on the EERMC website, anything listed as "other meeting materials" will not be covered at today's meeting but are made available for your information and any questions can be directed to Ms. Trietch at OER or the consultant team.

5. Program Oversight

a) Update on COVID-19 from National Grid

Please refer to the [Update on Program Implementation During COVID-19 Pandemic](#) presentation.

Mr. Porter presented the Company's four main priorities during the pandemic:

Health & Safety – a big driver in all Company activities

Transparency - important to keep everyone informed in a timely manner of all the efforts being made by the Company, resources available to customers and vendors, and any changes in program status

Contractor Support & Impact Mitigation – Implementation of virtual delivery opportunities to keep safe work moving forward and development of risk mitigation strategies to support safe delivery

Preparation for the future – The Company is working to build an active pipeline of work through near-term demand generation and support in order to ensure vendors are well positioned to meet demand once suspension of work is lifted.

Mr. Porter also highlighted that while on-site work is suspended, there is ongoing work still occurring such as: online assessment/audits, upstream incentive offerings, demand response programming, retail rebates, and also adjustments to some other programs like curbside refrigerator recycling efforts and the suspension of energy assessment requirement for HEAT loans.

He also made clear that the Company is not using EE customer dollars as social support fund (e.g. expanded unemployment insurance or other business continuity efforts). They are focused on communicating with and supporting contractors/vendors and developing a project pipeline for once work resumes (e.g. marketing, enhanced incentives). To that end, they have developed and are offering online training and learning modules at no cost to maintain engagement and increase workforce skills during downtime.

Lastly, Mr. Porter spoke briefly to the impacts of COVID-19 on the system benefit charge fund balances. While it is still too early to tell about yearlong impact to the numbers, energy

consumption is down so the Company is not collecting as much revenue currently. However, program expenditures are also down as well because of the suspension of work. It is also unclear to the Company what customer appetite/psychology will be towards engaging with efficiency vendors and allowing others into their buildings even once work is able to resume, which leads to lots of uncertainty in the present.

As the Company is safely able to resume services, they will focus on un-suspending those with the biggest impact on savings without good virtual alternatives and reasonable risk-mitigation (e.g. external weatherization, basement-only HVAC work, unoccupied buildings like schools etc.). National Grid is also working regionally with other utilities to develop best practices for vendors to follow for safely delivering services moving forward.

b) Discussion on National Grid's Three-Year Plan Outline Memorandum

Please refer to the [National Grid's 2021-2023 Energy Efficiency Plan Outline Memorandum](#) presentation.

Mr. Ray began by stating that the Company wants this document to provide as early a view into what is coming in the three-year plan for all stakeholders. This document is meant to serve as a high-level preview for everyone to react to, especially key priorities from the Company and stakeholders, and allow for additional time for stakeholder review and comment throughout the process. He also noted that forthcoming Public Utilities Commission guidance on the three-year plan through the standards and targets impact the plan documents.

Mr. Ray then shared the six focus areas the Company is focusing on in the three-year plan development:

Increase participation/customer engagement

Focus on comprehensive measures

Expand demand response programming

Explore cutting-edge technologies (including heat pumps, as allowable)

Across all programs the Company will additionally be focused on:

Workforce emphasis especially in light of COVID-19

Seeking alternative funding/financing opportunities to support program development to minimize surcharge impact to customers.

Mr. Guerard then presented the consultant team's thoughts and reactions to the memorandum. He noted that the outline is consistent with prior three-year plans, while also recognizing we are still waiting on PUC guidance. He thanked National Grid for getting us this early preview of their priorities and thought processes and explained that both the Residential and Commercial and Industrial sector teams are meeting next week, as is the Technical Working Group, which will provide multiple opportunities to really begin working from this document to develop the plan and its strategies in earnest. Before opening the floor for Council discussion and input, he noted that the memorandum did not contain much mention of the potential study and targets.

Mr. Teichert commented that more lead time is certainly appreciated and inquired that the potential study was supposed to really inform this plan in a way that we haven't been able to

recently to really move past incremental adjustments, and asked if section four was supposed to be the area where that gets addressed in detail?

Mr. Ray responded that the Company intends to address this in more detail in the plan itself and that section four will be robust to include and interpret the potential study results as well as the Least Cost Procurement law and Targets.

Mr. Gill Case stated that he wants to ensure that fingerprints of potential study and target setting discussion are prevalent in the plan to provide context and represent all the work that went into this to date. He noted that he looks forward to seeing more development of the details in these key areas as we move forward.

Mr. Teichert had questions relating to Section 7, Page 15 where the qualitative description of bill impacts will be inserted. He asked if the combined effect of EE measures and a focus on deeper measures in the programs with our switch to lifetime savings would lead to lower kWh used and if it is this something the company can portray in a three-year plan document?

Mr. Ray indicated that timeline limitations (e.g. Gas bill impacts model not likely to be ready until annual plan) so quantitative aspects on this topic likely not to be robust in three-year plan primarily for those reasons.

NOTE: Council Member Riccio had to leave the meeting at this stage, and was not involved in subsequent votes.

c) System Reliability Procurement (SRP) Update

Please refer to the [System Reliability Procurement Update](#) presentation.

Mr. Chase provided an update on National Grid's 2019 SRP activities, of which four related to the system data portal and one was related to marketing and outreach targeting 3rd party solution providers. All of these objectives were completed in 2019, though he noted that marketing efforts remain ongoing.

Mr. Chase noted that National Grid created a Non-Wires Alternatives (NWA) website in November 2019 to centralize data and promote the opportunities available. He also reminded the Council that while three NWA opportunities were put out for competitive bid in 2019, no viable proposals were received, but that two of the three opportunities are still being investigated for NWA options, as the window of opportunity is still open to address those grid needs.

He also announced that the SRP Accounting errors identified in the annual planning process last year have been rectified and error resolution testing was completed in March of 2020, so those errors will be avoided moving forward by the new processes and protocols put in place.

Mr. Chase also updated the Council on the marketing efforts and noted that Google Ads and Rankings remain strong and had the Company has an in-person marketing meeting in quarter one of 2020. Additionally, the System Data Portal has been significantly enhanced and will serve as a key tool for 3rd party solution providers with robust data to support bids and hopefully enable more bids for future opportunities. Moving into 2020, the data portal will stay in alignment with the Company's Grid Modernization Plan and the eventual inclusion of hourly data to the portal, though that is not going to be completed in 2020.

Lastly Mr. Chase highlighted their 2020 SRP commitments (12 in total) and noted that all are in-progress at this time, including exploration of alternative solutions (e.g. non-pipe alternatives) on the gas side of the business and the integration of SRP work with other areas of the Company's work (such as Infrastructure, Safety, and Reliability; Energy Efficiency; Advanced Metering Functionality, etc.).

6. Council Business

a) Review and Discuss Draft Sections of the Council's Annual Report to the General Assembly

Please refer to the [2020 EERMC Annual Report to the General Assembly](#) presentation.

Ms. Sholly provided an overview of the draft report in preparation for a vote on it at next month's meeting. She noted that the structure of the document remains largely the same however there are a couple of changes to note:

- Added the ACEEE scorecard as an Appendix of the report to showcase Rhode Island's national leadership in EE
- Consolidated the vendor list and a few other areas to decrease overall document size as requested.
- Policy recommendations are for the general assembly, not programmatic related improvements which we would focus on in the planning process.

She also highlighted two new graphs added to the report – on page 11, the cumulative impact of efficiency investments over time (almost 19% of load in 2019) and on page 12, the cumulative value of EE program benefits, by category, compared to total program costs (over \$3B in benefits vs. \$1B in costs).

She closed by asked that any feedback on the report be provided to her by May 7th, as she'll then finalize and circulate the final version in advance of the next meeting for a vote by the Council.

b) Discussion and Vote on Recommended Education Funding Proposals

Please refer to the [Printing of the Farm Energy Guide](#), the [URI Energy Literacy Proposal](#), and the [NEED Project Proposal](#), respectively.

Ms. Trietch reviews the proposals for the Council.

Printing Farmer's Guides – print guides created by EERMC's 2019 intern to use as a resource to promote and educate farmers on efficiency and renewables as well as the grant/programmatic opportunities available to support those efforts.

URI Proposal – EERMC Public Forum and Lecture Series:

As they did last year, URI wants to organize and host an education event on behalf of the EERMC for the public (with contingency in case COVID-19 prevents in-person gathering) alongside an energy lecture series for a total ask of \$20,000

NEED Curriculum Proposal – Expanded climate science and energy justice modules within existing work already being done with NEED and in Rhode Island schools. This proposals looks

to expand the work being done through this program and add in a focus on adjacent issues of health and energy burden.

Option 1 – \$37,225 for 75 students

Option 2 - \$29,600 for 50 students

Chairman Powell asked if the education proposal was assumed to be conducted in person or of remote learning possible?

Ms. Trietch indicated that NEED will ensure that curriculum is distance learning accessible and approved, noting that they included a paragraph speaking to that in the proposal they submitted.

Ms. Verrengia commented that the Education Committee felt that the second option, for fifty education kits, might be the better approach to allow for some additional money in the education budget and also her experience indicates that seventy-five people may not be actively engaged and so the second option is her suggestion.

Ms. Trietch highlighted the total education budget available - \$62,500 – so there is plenty of budget available should the Council want to adopt all three proposals.

Mr. Hubbard asked if the NEED contract would be written so that if a portion of work is not delivered that the EERMC would not be obligated to pay for those undelivered services?

Ms. Verrengia commented that we should write contracts to ensure that is the case.

Ms. Verrengia then made a motion to approve Farm Energy Guide printing, as proposed. Mr. Roberts seconded the motion. Chairman Powell then called for a vote by roll call and all approved.

Ms. Verrengia then made a motion to approve URI's Public Forum and Lecture Series proposal as written and to have OER contract with URI as soon as possible; Mr. Roberts seconded the motion and Chairman Powell called for a roll call vote. All approved.

Ms. Verrengia then made a motion to approve the NEED funding proposal with amendments to allow for the final contract to include language ensuring that money is not spent for kits or trainings if in-person trainings are not conducted. Mr. Hubbard seconded the motion and Chairman Powell called for a roll call vote. All Approved.

7. Public Comment

There was no public comment.

8. Adjournment

Chairman Powell called for a motion to adjourn the meeting. Ms. Verrengia made a motion to adjourn, which Mr. White seconded. All Approved and the meeting was adjourned at 5:38pm.

Outstanding Council Member Questions Requiring a Written Response:

None



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, May 21, 2020 | 3:30 - 5:30 PM

Meeting conducted virtually using GoToMeeting with additional audio conference capabilities

Members in attendance: Chris Powell, Nick Ucci, Kurt Teichert, Karen Verrengia, Anthony Hubbard, Tom Magliocchetti, Peter Gill Case, Joe Garlick, Roberta Fagan, Bob White, Bill Riccio

Others Present: Nathan Cleveland, Becca Trietch, Adrian Caesar, Angela Li, Sam Ross, Mike Guerard, Matt Ray, Craig Johnson, Sydney Usatine, Mona Chandra, Kevin Rose, John Richards, Joel Munoz, Hank Webster, Jack Miniati, Matt Chase, Karen Bradbury, Kai Salem, Smantha Caputo, Puja Vohra, Rachel Sholly, Laura Rodormer,

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-may-2020/>

1. Call to Order

Chairman Powell called the meeting to order at 3:33pm

2. Approval of Council Meeting Minutes

Chairman Powell requested a motion to approve the April meeting minutes. Ms. Verrengia made a motion to approve April meeting minutes as written and Mr. Gill Case seconded. All approved.

3. Executive Director Report

a) General Update

Commissioner Ucci informed the Council that Councilmember Roberts has requested to step down from his seat and thanked him for his service on this Council. We will look to fill that vacancy as soon as possible, though it may be next legislative session given the COVID-19 impact on legislative matters.

4. Chairperson Report

a) General Update

Chairman Powell let the Council know that as he had indicated some time ago, he will be stepping down after the June meeting this year. He thanked everyone for their support and participation over his tenure on the Council and feels that he is leaving it in good hands.

He then reviewed the agenda for the upcoming meeting and let the Council know that the PUC has ruled on the Targets and has ruled in favor of the proposed electric and

gas targets the Council put forward, but did not rule on delivered fuels as they felt that was not in their jurisdiction.

Chairman Powell finally flagged several meeting materials that were provided but will not be discussed during today's meeting, including a memo from the EERMC attorney on Councilmember participation in public meetings as it relates to rolling quorum rules as well as a summary of the CHP annual meeting held on May 14th.

5. Program Oversight

a) Update on COVID-19 from National Grid

Mr. Ray provided a brief update on COVID related activities and adjustments that the Company has been making.

National Grid is continuing to support virtualization where possible – 222 Virtual Audits completed and over 80 vendors have registered for training opportunities they have put forward. Targeted marketing investment has been deployed to help build a robust pipeline of work for once restrictions lift. Also boosted incentive levels to 100% and the maximum incentive cap to \$15,000 for weatherization measures during COVID.

The Company continues to work on the development and deployment of protocols for safe restoration of services as soon as able, working regionally with a number of different vendors and other stakeholders. National Grid will be holding trainings on these protocols – two May trainings on exterior work, and two June trainings on interior work.

As a result of these trainings on new protocols they are hoping for exterior work to start in the next couple of weeks, with a target for Weatherization work to follow a few weeks after that with safety remaining a key priority for all operations.

b) National Grid Updates on Three-Year Plans – EE & SRP

Please refer to the [National Grid 2021-2023 Energy Efficiency Plan Update](#) presentation and the [National Grid 2021-2023 SRP Three-Year Plan Outline Memo](#).

Mr. Tortorella shared some updates on the three-year planning process for EE. The feedback received on the Plan Outline memorandum circulated at the past EERMC meeting from all stakeholders will be incorporated into the initial first draft coming for the June meeting.

He noted that the memorandum was a high-level outline with more details to be expected in the first draft, similar to previous drafts of three-year plans. He also noted that pending PUC guidance on Least Cost Procurement (LCP) standards might have some impacts on the three-year plan depending on what they come back with.

Mr. Tortorella then covered at a high level what inputs go into the three-year plan. Those include: Stakeholder priorities, potential study results, 2019 program history/performance; project pipeline and program implementation changes; strategic improvements and best practices – then after the first draft they will incorporate additional feedback from stakeholders, conduct additional analysis, incorporate EM&V work, take into COVID-19 impacts, and LCP Standards revisions that may come forward.

Regarding COVID-19, Mr. Tortorella noted that the first draft will represent a base case with no COVID impacts, then research and data gathering will occur through the summer to try and quantify COVID impacts for the efficiency programs – specifically: economics, workforce considerations and recovery, customer appetite for efficiency work, customer tolerance for allowing in-person work, business impacts in capital investing, as well as customer sign-up and conversion rates.

He then covered the current status surround the development of the Company’s performance incentive mechanism (PIM). National Grid is currently in ongoing conversations with OER, the C-Team, and the DPUC on a new mechanism for performance earnings and that is anticipated to be in place for the final plan later this summer, but not the first draft coming next month.

Mr. Tortorella also mentioned that for the EM&V section, there will be subsequent updates to come for future drafts of the plan once studies are completed this summer. He noted that many were delayed because of COVID and so those will have to be incorporated after draft one.

Mr. Gill Case commented that it is important for him to understand difference between three-year plan vs. annual plan content so he can properly address what may be missing relative to expectations as he reviews the upcoming first draft of the three-year plan. He appreciates continued support and guidance for what Council members should be expecting and timely distribution of materials to allow for sufficient review.

Mr. Chase then provided an update on the SRP three-year plan development process.

He began by noting that the SRP timeline is staggered in its development process a few months behind EE, so a draft outline memo was circulated yesterday, May 20th, to give a high level outline of their thinking. Notably, it includes a proposal for non-pipe alternatives (NPA) in their system planning. June 1st will mark the start of the three-year plan text development after feedback is collected on the outline memo.

Mr. White asked if the NPAs would impact customers primarily served by delivered fuels?

Mr. Chase replied that NPAs are typically looking at National Grid natural gas pipeline capacity and service, and so unlikely to have significant impacts on delivered fuels customers, but work is very preliminary and so no clear definitions have been set around what could be considered an NPA, which may change the scope of impact.

Ms. Verrengia asked if there was a recording or archive of past SRP technical working group meetings?

Mr. Chase indicated those are not recorded but that slide decks from the meetings are circulated so she could refer to those and always follow up with him with specific questions.

Ms. Trietch also indicated that the C-Team is at all of these meetings and provides quarterly summaries to the EERMC. Mr. Johnson noted that the consultant team are also happy to field specific questions from Council members on meeting content as needed, so they don’t have to wait for quarterly reporting.

Please refer to the [National Grid 2019 Year-End Report presentation](#) and the [Consultant Team 2019 Year-End Report presentation](#).

Mr. Richards from National Grid summarized the 2019 year-end results for the EE programs. They were ranked #1 for Utility Programs nationally for 3rd year in a row and 3rd overall for 3rd year running on the American Council for an Energy Efficient Economy's (ACEEE) State Scorecard. He then provide a high-level overview of the program savings numbers, GDP impact, and job creation info.

Ms. Rodormer then provided some residential sector highlights from 2019's EE programs. Specifically:

- Largest number of customers served in a program year.
- Zero Net Energy (ZNE) Pilot – 1st Zero Energy Ready Neighborhood project; and Sheridan Small Homes Passive House Community came online with 100 homes in the pipeline for 2020, a significant increase over past year.

Ms. Li talked about the launch of online home energy assessments in Q4 of 2019 and noted that the Connected Solutions program exceeded its annual reduction goal and began to bring on battery participants in addition to smart thermostats.

Ms. Chandra then presented Commercial & Industrial (C&I) highlights from 2019's EE programs. Specifically:

- The Company's market sector approach allowed for more customization of service that was better aligned with customers needs in the grocery, K-12, higher education, hospital, and manufacturing spaces.
- Offered a number of training opportunities throughout the year and 18 people completed Building Operator Certification training that was held in Providence.
- Their Community Initiative has 5 participants and 2 held "Main Street" efforts targeting Small Businesses specifically, which was very successful in getting traction and participation from this market segment.

Ms. Verrengia asked for clarification on the scope and logisitics of battery participation in Connected Solutions.

Ms. Li clarified that there is a daily dispatch program for home batteries where customers can enroll those in the program, and the Company is working with 4 participating manufacturers currently.

Mr. Gill Case asked how the correlation between workshops/trainings and net zero buildings is measured to quantify impact?

Ms. Rodormer indicated that they have not done a survey to determine a straight-line relationship between those and ZNE projects, but the enrollment and participation in trainings has been going up and in turn projects have been increasing in the marketplace, but again, no quantified relationship.

Mr. Gill Case is hoping for upcoming plans to focus on ways to quantify the impacts of these workshops/trainings more specifically in our evaluations to see how these, versus market forces, are driving changes.

Ms. Chandra replied that enrollment in pilot program offerings on C&I side has been fueled specifically through workshop attendance, so there is some information to support a correlation.

Representing the Consultant Team, Mr. Guerard indicated that the slide decks distributed to Councilmembers include individual program level data that Mr. Johnson won't cover here, but emphasized that the C-Team will be reaching out to schedule 1-on-1 meetings on to receive three-year plan feedback and can go over more specific data on 2019 results if desired.

Mr. Johnson then presented the consultant team's analysis of the 2019 year-end results from National Grid at the portfolio level and compared it to historical results of the portfolio since 2015.

One thing he wanted to highlight across sectors is the higher spend (especially in C&I) relative to achievement isn't necessarily alarming and indicates that Grid is working on doing deeper (more expensive) work to offset decline in lighting savings.

Mr. Gill Case asked if these numbers change in a lifetime savings approach, given more clarity in the costs vs. savings achieved?

Mr. Johnson indicated that was a fair assumption, and that lifetime targets being approved should help drive that deeper work. Mr. Ross indicated that Mr. Gill Case is partly right, but that PUC guidance on balancing both near-term and long-term impacts (time-wise) may impact how these numbers bear out the relationship between lifetime savings and costs as those factors are weighed.

Mr. White inquired if there were going to be differences in year one of lifetime vs. annual savings because of workforce considerations? More specifically, does the time of year when a measure is installed matter for these calculations?

Mr. Johnson indicated that savings are calculated based on the measure life of the equipment and when it was installed, and so it's year one impact will still be the same and so time of installation isn't a huge impact in how we currently assess measures. Mr. Ross also indicated that exploring this relationship in EM&V work would be taken on moving forward.

Mr. Johnson then returned to the portfolio level analysis and indicated that the residential program in particular did well in 2019, exceeding its goal and coming in under planned budget.

For the gas programs, all sectors performed well relative to their goals, and while spending was up so were the associated savings and that is how the programs are designed to operate in order to ensure the Company continues to pursue savings past goal.

Chairman Powell noted that on the electric side, income eligible customers are not getting the services/savings we are hoping for and that we are falling short of goal AND not spending all our money. He noted that this has been a continual challenge and hope we can make progress on this for future plans.

d) National Grid Presentation on Jobs Study

Please refer to the [2019 Energy Efficiency Jobs Presentation](#).

Mr. Richards shared the results on the RI jobs study done to characterize the workforce that supports EE programs, which is legislative mandated work. The 2019 survey was conducted by Guidehouse, Inc. and he emphasized that results for 2019 do not include any COVID-19 impacts.

Of note, 877 full-time equivalent workers were employed by EE programs in 2019, and these are often local jobs (71% located in RI), and 1,151 companies and contractors involved in EE programming. These numbers have been increasing year over year for RI EE workforce for the past handful of years as the EE workforce has continued to grow with the programs.

Mr. Rose gave an overview of the workforce development strategy for the three-year plan. The Company wants to identify barriers in the workforce to achieving plan goals and then upscale and up-skill that workforce. They are working to quantify current and future gaps in the workforce to get a scope of workforce needs, offer trainings to meet these current and future needs working with existing agencies/stakeholders, and engaging schools and communities to address systemic barriers that may impact pipeline of EE talent.

Mr. Teichert asked if National Grid could provide any indicators for growth – e.g. double digit growth of the workforce?

Mr. Rose said it would be hard to say definitively at this point given the early stage of the strategy development and the impact of COVID-19 on workforce.

Ms. Fagan asked if the Company was looking at all different types of workforce needs (e.g. service vs. installation, licensures needed, across sectors)?

Mr. Rose replied that they are taking a portfolio wide approach, building off some existing training efforts but also looking at a wide variety of opportunities across all sectors and trades.

Ms. Verrengia commented that the presentation slides indicated that current needs in the workforce have been identified and inquired if the Company was going to start addressing these in the near term?

Mr. Rose replied that the Company would be addressing workforce needs both over the term of the three-year plan but also more immediately and discretely in the 2021 annual plan, alongside efforts outlined and ongoing in the 2020 plan.

Mr. Gill Case asked if National Grid could include any wage information with this jobs data to combat arguments that these are low wage jobs and also help with recruitment? Mr. White agreed and indicated he would also like to see associated wage information in the plans and or marketing materials around workforce.

Mr. Rose indicated they would look to see what data they had to support that and if it would be able to be included in a subsequent plan draft.

6. Council Business

a) Review and Vote on Final Council Report to the General Assembly

Please refer to the [2020 EERMC Annual Report to the General Assembly](#).

Ms. Sholly reviewed the final version of EERMC Annual Report, incorporating some of the feedback from last meeting and adding in the final data and numbers. Also added in some COVID-19 related language in the letters from the Chairman and Executive Director to properly frame those impacts, but otherwise the changes were minor.

Mr. Hubbard asked for clarification regarding printing since the Council voted on a budget for printing at the last meeting.

Ms. Sholly indicated that last month's vote was for printing Farm Energy Guides and not the Annual Report to which Ms. Trietch replied that the Council set aside money (\$1000) in the overall budget for printing these reports.

Mr. Teichert made motion to approve the report as written and authorize OER to print and distribute to the General Assembly and Councilmembers. Ms. Verrengia seconded.

Roll call vote: all approved.

b) Review of Draft Request for Proposals for Legal and Consultant Services for the Council

Please refer to the [Draft Legal Services RFP](#) and the [Draft Consultant Services RFP](#).

Ms. Trietch reviewed the RFPs circulated to Council members for legal services and consultant services.

For consultant services the Council has historically issued a one year contract with two options to renew, but can modify that length moving forward. It is suggested that a two-year contract, with two additional two-year options could be a more efficient structure that aligns with potential study timing as well and she asked for any thoughts from Council on this suggestion.

Mr. White felt that a longer contract is favorable given the complex nature of the services.

Mr. Gill Case asked how would aligning potential study timelines and the consultant contract work in practice?

Ms. Trietch gave example using current timeline: a new consultant would come online in 2021, just as the implementation of the recently completed potential study begins and would give them experience over 5 years before leading their own potential study development and analysis.

Mr. Magliocchetti asked for clarification on the proposed contract length.

Ms. Trietch explained the proposal was for a two-year contract with two renewal options, not a full 6-year contract. She also indicated the majority of the RFP is a template following state purchasing laws that we won't likely change. She asked Council members to please review the Scope of Work section as that is where we would make most of the changes. Any feedback should be sent directly to her by end of next week, with the expectation of a vote on the proposals at the next meeting.

She concluded by mentioning that we will also need 3 Council members to volunteer to review and score those proposals – if interested please let her know, can be done virtually but will require at least one meeting of that sub-group to score proposals.

c) Consultant Team Presentation on Energy Efficiency Bill Impacts

Please refer to the [Consultant Team Rate & Bill Impact Presentation](#).

Mr. Ross reviewed the consultant teams analysis of rate and bill impacts from efficiency programs, which was broadly outlined in a memo circulated in last month's meeting materials. At a high level, bill impacts are money in (or out) of ratepayer's pockets and utility rates directly influence these bill impacts. Additionally, energy efficiency also affects participant's energy consumption and thus the bill impact for them.

He stated that the electric bill impact model used by National Grid is robust and uses standard analysis and commonly considered key impacts and can serve as a good guide for the currently in development gas bill impact model.

Mr. Ross explained that EE programs have bill impacts over numerous years as measures save energy for ~10 years, whereas the System Benefit Charge (SBC) impact is constrained to first year, while other rate impacts and energy savings persist. Their analysis indicated that there are sizeable lifetime saving for average customers in all sectors and that a simple payback is achieved within 1-2 years, typically. Also, savings exist for non-participants as well, and those are especially sizeable for large C&I customer non-participants.

Mr. Teichert asked for large C&I customers who have taken lots of actions already, do these numbers apply to those who have previously participated?

Mr. Ross indicated that those savings do accrue, as this is only based on participating in program year 2020, so anyone who feels they don't have additional opportunity is a non-participant and still generate benefits.

Mr. Ross then discussed how EE programs put upward pressure on rate through SBC collection and lost revenue recovery but put significant downward pressure on rates through impacts on distribution charges and price suppression, with all expect SBC lasting multiple years.

He stated that the key takeaway is that EE affects participant's energy consumption and that RI programs significantly reduce average bills.

He then went on to tie this analysis into the three-year planning process. Specifically, the goals should be to:

- Increase participants and value to rate-payers.
- Enhance programs to include more measures/services and deeper measures
- Promote equity by utilizing unique approaches for unique customers and look to spread the bill savings around
- Environmental benefits realized by capturing deep, longer-lived savings to reduce carbon emissions
- Economic benefits through the development of a robust, skilled workforce that keeps more money in the RI economy

Mr. Tiechert asked a question regarding equity and if there is a way to focus more specifically on rate impacts/energy burden for that class of customer?

Mr. Ross replied that, in bill impact context, driving more participation in that sector is a key driver as participants see significant savings vs. non-participants.

7. Public Comment

Hank Webster, Acadia Center:

Thanked Chairman Powell for his long service to EERMC and thanked National Grid for information on enhanced incentives for weatherization during COVID pandemic and noted that he has shared that news widely.

He also expressed that he was glad to see NPAs in consideration for SRP and views this as a potential opportunity to address equity issues based on where fuels are burned/health impacts as well as efficiency needs.

8. Adjournment

Chairman Powell called for a motion to adjourn the meeting. Mr. White made a motion to adjourn, which Ms. Verrengia seconded. All Approved and the meeting was adjourned at 5:38pm.

Outstanding Council Member Questions Requiring a Written Response:

None.



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, June 18, 2020 | 3:30 - 5:30 PM

Meeting conducted virtually using GoToMeeting with additional audio conference capabilities

Members in attendance: Chris Powell, Nick Ucci, Kurt Teichert, Karen Verrengia, Anthony Hubbard, Peter Gill Case, Roberta Fagan, Bill Riccio, Joe Garlick, Tom Magliochetti, Bob White

Others Present: Nathan Cleveland, Becca Trietch, Angela Li, Sam Ross, Mike Guerard, Craig Johnson, Sydney Usatine, Joel Munoz, Hank Webster, Jack Miniati, Kai Salem, Daniel Tukey, John Tortorella, Dr. Carrie Gill, Mona Chandra, Laura Rodormer, Matt Chase, Tim Roughan, Chris Porter, John Richards, Kevin Rose, Amanda Formica

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-may-2020/>

1. Call to Order

Chairman Powell called the meeting to order at 3:33pm

2. Approval of Council Meeting Minutes

Chairman Powell requested a motion to approve the May meeting minutes. Mr. Teichert made a motion to approve May meeting minutes as written and Ms. Verrengia seconded. All approved.

3. Executive Director Report

a) General Update

Commissioner Ucci thanked the Council for their patience and participation in all of the virtual meetings, as we have had to adjust our efforts in light of COVID-19.

He also thanked Chairman Powell for his nearly 13 years of service to the Council and applauded him for his leadership as Rhode Island has accelerated its efficiency work and become a national leader in this space.

Commissioner Ucci also recommended Council members look over the Heating Sector Transformation report as it is getting significant traction and attention as well as mentioning the July 9th date for the 1st public workshop on OER's 100% Renewable Electricity by 2030 efforts.

He closed by reiterating the Council and OER's commitment to environmental justice and delivering the benefits of efficiency and clean energy to all Rhode Islanders, especially those who bear the highest energy burdens and the low and moderate income populations.

Chairman Powell asked about the press release from TEC-RI and RIMA calling for a suspension of energy efficiency programs. Commissioner Ucci indicated that he is only aware of what has been reported in the press, as there has not been any sort of proposal put forward, just a verbal suggestion to suspend energy efficiency collections for a year. Mr. Porter also mentioned that National Grid has heard nothing additional on this matter and remains steadfastly committed to energy efficiency and is committed to making sure the legislature is aware of the benefits of the EE programs, alongside other stakeholders.

4. Chairperson Report

a) General Update

Chairman Powell addressed the Council for the final time before stepping down and issued sincere thanks to those who have played a significant role in the Council and his role in being a part of the Council, including the Governor, fellow Council members past and present, and all the stakeholders who contribute to our excellent work.

Vice-Chair Hubbard will be stepping up to the role of Acting Chair beginning with the July meeting.

Chairman Powell reviewed the agenda for today's meeting and reminded everyone they can access all meeting materials on the EERMC website.

5. Program Oversight

a) Update on COVID-19 from National Grid

Ms. Li provided a brief update on COVID related activities. Contractors are back in the field on the residential side, and 37 weatherization jobs have been completed as of June 17. She noted that some contractors are waiting to bring their workforce back online until early July in order to adhere to stricter guidelines and complete training and acquire PPE to safely perform work. Once back in the field, contractors are subject to a quality control process to ensure adherence to these new safety requirements.

Ms. Li also indicated that 501 virtual home energy assessments have been performed in the Energy Wise program and 50 in the Income Eligible program to date. She also indicated they have approximately a 1.5 month pipeline of weatherization work at present and that will help ensure that contractors coming back have work ready for them.

b) Discussion & Vote on Comments to be Submitted to the Public Utilities Commission on the Least-Cost Procurement Standards

Please refer to the [Review of LCP Standards](#) presentation and the [Draft Memo to the Public Utilities Commission on LCP Standards](#).

Mr. Guerard updated the Council on the latest developments regarding the updates to the Least Cost Procurement Standards, including reviewing the EERMC recommendations sent to the PUC and how they were or were not included.

After the technical sessions in March and April, the PUC released a version of the Standards for public comment at the end of May and those comments are due tomorrow, which Marisa will submit tomorrow based on today's discussion and vote.

Changes Summary:

Some changes were made to the format and structure, like the expansion from two to six chapters but many of the comments from stakeholders asking for specificity and clarification were not adopted instead leaning towards more general/flexible language.

The updates did clarify the Council's role in the Target setting process, including the application of reliable, prudent, environmentally responsible and less than cost of supply filters. The new document also provides a specific role of the Council for SRP review, which was previously not explicit in the Standards.

Mr. Guerard noted that there was a significant change in how cost-effectiveness would be evaluated. Programs now must be cost-effective, rather than should, as was previously the case.

National Grid also now has an option to combine the filing for the Three-Year Plan and the associated Annual Plan for the first of those three years into a single docket – must notify Council by July 1 of their intention.

Finally, Mr. Guerard highlighted that the new standards document includes the addition of multi-year strategies and budgets as a potential content area. Also the setting of the performance incentive structure has been incorporated into the Three-Year Plan filing, rather than the Annual Plans.

Review of EERMC recommendations and their inclusion:

Mr. Guerard then reviewed the recommendations put forth by the Council and indicated if those were adopted (Green highlight), reasonably represented (Yellow highlight), or not addressed at all (Red highlight).

Only one recommendation not adopted. "Active" demand not specified (though demand is considered generally) and all fuels consideration/heating electrification was not included.

A number of the Council recommendations were partially addressed, including:

- Location specific energy efficiency and demand response: efficiency is covered through an explicit addition to the text while demand response text was unchanged.
- More details on accounting procedures and practice: The Divisions requirements on reporting now in place, but not mentioned in standards.
- Equitable access: Income Eligible as a sector is not specifically referenced; new requirement for programs to be cost-effective may hinder this goal as well, but some language about program equity generally was added.
- Expand prudence definition: Document included some reference to all ratepayers and the impacts/benefits they bear from programs.

- Clear definition of equity: slight modification was made to include “equitable opportunities” but does not go as far as EERMC and other stakeholders asked in their comments.
- Explicit ask to have potential studies every 6 years and inform targets each three years: This was not specifically included, but document generally references this time period and process as appropriate.
- Focus System Reliability Procurement docket being a mapping effort: Covered in general terms, though not as explicit as suggested.

A number of Council recommendations were also adopted in the updated standards document, including:

- Require ongoing review of Rhode Island Test: New document reinforces Docket 4600 reference.
- Expand definition of reliable: Workforce added in as a criteria for reliability
- Clearly outline what goes in a Three-Year Plan and Annual Plan filing: Explicit instructions for content to be covered in each of these plans.
- Coordination of Performance Incentive with other company earning opportunities: Referenced in the new document.
- Coordinate Energy Efficiency with other dockets, especially System Reliability Procurement: New System Reliability Procurement chapters make this much more clear.
- EERMC role in SRP: Included explicitly in the new chapters.
- Align System Reliability Procurement filing date with Infrastructure, Safety, and Reliability docket: still a few weeks ahead of the ISR docket with a late November filing deadline, but close enough to December’s filing deadline for ISR.

Recommendations/Discussion:

Mr. Guerard, having reviewed the new document and the Council’s recommendation’s being adopted or not, opened the floor for discussion amongst the Council as to what should be included in the memo to the Public Utilities Commission.

The Council suggested that a number of the topics either not adopted or only partially addressed – such as, active demand, heating electrification, all fuels efficiency, income eligible customers; definition of equity; requirement that programs must be cost-effective – could have undesirable outcomes and encouraged additional consideration on this topic by the PUC.

Mr. Teichert asked if based on this version of the Standards, did the PUC generally feel more specificity/granularity was better housed in Three-Year and/or Annual Plans?

Mr. Guearard indicated that was the consultant’s take-away from the document and Mr. Teichert expressed concern with how the absence of more specific equity language in the Standards contributes to that issue as a specific focus of the work, versus needing to include it in every subsequent plan on a case by case basis. He suggested including the equity language the Council wanted to have in the memo, rather than linking to it, in order to make a stronger argument.

Chairman Powell and Vice-Chair Hubbard felt that was a good modification to the memo to better emphasize the point.

Chairman Powell stated that he felt it was important for the Council to be forceful here, given legitimate concerns about detrimental impacts to some of key constituents like Income Eligible. – and he suggested that an example may be helpful to illustrate their point.

Mr. Tiechert commented that it is likely that the income eligible and income eligible multifamily sectors would be most impacted by this change and suggested simply including additional language that said “for example, this would put Income Eligible programs at higher risk”, rather than a specific example. Mr. Gill Case, Chairman Powell, Mr. Riccio all were supportive of this addition as a good solution.

Vote:

Mr. Tiechert made a motion to approve the memo to the Public Utilities Commission with the amendments to the equity recommendation in bullet 3 and references to the services provided to the income eligible sector in bullet 4, as just discussed. Mr. White seconded the motion and all approved by roll call vote.

c) Consultant Team Presentation on Stakeholder Feedback

Mr. Guerard indicated that consultant team usually provides memos on the EE and SRP Technical Working Groups for the Council, but this month, in lieu of those, they will provide a brief verbal update on most recent ones. A written memo will be prepared and included for next month as well.

Mr. Guearad summarized the recent energy efficiency technical group meeting for the Council. He mentioned that OER and C-Team are going to have some 1-on-1 meetings with stakeholders in attendance to discuss their thoughts once everyone has had a chance to read the plan in detail. A quick review of the first draft Three-Year Plan makes clear there are gaps between Targets and proposed savings goals, and explanations put forth by company don’t sufficiently identify and address these. He also noted that there were a number of commitments to “explore” and “investigate” and many stakeholders would like more weight behind those statements with timelines and deliverables.

Mr. Ross provided a summary of the recent system reliability procurement technical working group, held the day prior. There was lots of stakeholder engagement around the recent RFP issued for the Bristol NWA opportunity and that stakeholders presented goals of each group for the SRP plan. National Grid also discussed their New York NWA programs, as more projects have gone through the evaluation process there. Mr. Ross reported that National Grid feels that cost effectiveness can be a hurdle, as is ensuring robust market awareness/engagement for these opportunities.

d) National Grid Presentation on the First Draft Three-Year EE Plan

Please refer to the [National Grid Presentation on the First Draft Three-Year EE Plan](#).

Mr. Tortorella reviewed what the Company will cover in today’s presentation, including sector focus, savings, goals, benefits, budgets, and then next steps. He also reviewed the timeline of plan development thus far this year.

Mr. Tukey covered the top 10 drivers and trends in C+I portfolio – these big projects are comprising less of the portfolio and the savings achieved are getting more expensive as lighting goes away. He indicated that there are two possible strategies to address this, increase project applications or increase the savings per application to make up ground and that in all likelihood they would need to do both. Mr. Tukey then review the 8 strategies for the C+I sector on how the Company will identify, engage with, and support C+I customers better and increase efficiency projects being completed.

Ms. Li then covered some of the residential strategies the Company put forth in the Three-Year Plan. A significant trend is that lighting is being phased out after 2021 and so the residential portfolio will need to incorporate other measures and areas to drive savings, though costs will likely increase, given the size of the portfolio and the relatively low cost lighting represented. She indicated that they have identified the split incentive between meters and landlords as a barrier to achieving savings and noted that the potential study did not highlight significant new technologies for this sector; which is especially true with delivered fuels not eligible for SBC incentives at this time. She then presented 4 key strategies to address these issues.

Mr. Tortorella reviewed the numbers for the electric and gas portfolios as proposed in the 3YP and how those compare to the three Potential Study scenarios. The savings goals all come in between 90-105% of low scenario, depending on year, for each fuel type. However, he noted that electric demand response is projected to outpace the Max scenario in each year of the plan. Mr. Tortorella also highlighted that even at these savings goal levels, budgets for each program will increase relative to 2020, and expenses are expected to go up year over year. Despite all this, significant benefits are being delivered through these programs to RI customers.

Ms. Chandra provided some additional context on the C+I budgets and savings targets noting that in this proposed Plan investments in 2021 are being made to drive savings in 2022 and 2023.

Mr. Magliochetti asked about recent history of achievement through the SEMP initiatives as a means to drive savings? Ms. Chandra indicated they are looking to expand those efforts, as they have been successful in the past, as well as looking to engage with communities through the Community Initiative (like including technology/industrial parks as a “community”).

Ms. Li reviewed some additional charts depicting the change in the residential portfolio over the three years as lighting goes away.

Mr. Tortorella then gave some key considerations to the Council as they review the draft. Firstly, EM&V results haven't been included in this draft as many studies were delayed or paused because of COVID-19 and those results are expected later this summer. This also doesn't include the performance incentive, as that is a work in progress in consultation with OER, C-Team and others. This also doesn't provide any significant accounting for any COVID-19 impacts that may become clearer as the planning process continues. He concluded by noting that stakeholder comments are due on July 3rd, with TWG on July 10th reviewing that feedback, gearing up for an August vote and September filing.

Mr. Tiechert asked if significant deviation from potential study/targets because that study didn't account for drop off in lighting? Why is there such a delta between this draft and those targets and why are those numbers not increasing significantly over 3YP?

Ms. Li responded that lighting does go away in the potential study modeling, but that report included a more aggressive ramp up of weatherization and HVAC measures/adoption than the Company would.

The Council then discussed the importance of really identifying and calling out barriers to reaching these targets so we can come up with strategies to overcome those. Additionally, deeper measures are more expensive and so the need to align with natural equipment replacement cycles will be even more critical as economics alone aren't moving customers into significant early replacements.

e) Consultant Team Presentation on the First Draft Three-Year EE Plan & Council Discussion

Please refer to the [Consultant Team Presentation on the First Draft Three-Year EE Plan](#).

Mr. Ross indicated that the Plan coming in below targets was expected and the first draft came in closer to low range of potential study and historical program achievement. He noted that the biggest deltas in both electric and gas portfolios are in HVAC, Envelope and Hot Water measures. He also noted that the consultant team's gaps analysis was done in concert with National Grid staff and both teams feel comfortable with this analysis even though it was not possible to do a perfect mapping.

He then reviewed a series of charts displaying the results of the gaps analysis and the degree to which those three categories make up the majority of the difference between the Targets and the proposed savings goals.

Mr. Gill Case asked if the HVAC bar for the gas portfolio included any potential electrification or if it was simply opportunities represented by more efficient gas equipment?

Mr. Ross responded that potential electrification was not included here, as this was simply representing the EE opportunities within that fuel type, and the potential study had a separate module dealing with electrification.

Mr. Ross than presented a series of barriers that begins to showcase some challenges that need to be overcome to increase savings achievement, and that there are often overlapping barriers for some customers.

Mr. Johnson reviewed the cost components of the draft plan – including the cost to achieve savings to look at cost-efficiency compared to previous plans. He demonstrated that the cost to achieve is close to historical levels, though increasing over three-years. He also compared to cost to achieve for National Grid in Massachusetts as a relevant comparison point. For gas portfolio, costs in year one are higher, before decreasing in years two and three closer to historical levels.

6. Council Business

a) *Review and Vote on Final Request for Proposals for Legal and Consultant Services for the Council*

Please refer to the [Consultant Services](#) and [Legal Services](#) RFPs.

Ms. Trietch reviewed the RFPs presented to the Council at the prior meeting and asked if there was any additional feedback from Council members on those documents. She also noted that Mr. Garlick, Mr. Riccio, and Mr. White will serve as the review committee for proposals received. No additional comments/feedback from Council.

Vote:

Mr. Teichert made a motion to approve both RFPs as presented and to direct OER to post the RFPs and direct the scoring with the review committee. Ms. Verrengia seconded the motion. Vote taken by roll call and all approved.

7. Public Comment

Kai Salem, Green Energy Consumers Alliance (GECA)

Thanks to Chairman Powell for his years of service to the Council. Also thank the whole Council for discussion on LCP Standards today and GECA not pleased with current draft and feels fuel neutrality and equity not being addressed is problematic. GECA views EE programs to be fuel neutral and include delivered fuels customers, as they do not have other mechanisms to support procuring EE measures, which is a problem. They believe it is within the role of EERMC and PUC to advocate for this change. She concluded by noting that she was pleased to see that EERMC takes issues of equity as seriously as they do.

Hank Webster, Acadia Center

Thanked Chairman Powell for many years of service and also noted that Commissioner Ucci was also up for confirmation on the Senate floor soon. He also thanked Ms. Trietch for presenting to ISO-NE liaison group on COVID-19 response in EE, which was very well received and appreciated.

8. Adjournment

Chairman Powell called for a motion to adjourn the meeting. Ms. Verrengia made a motion to adjourn, which Mr. Hubbard seconded. All Approved and the meeting was adjourned at 5:53pm.

Outstanding Council Member Questions Requiring a Written Response:

None.



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, July 16, 2020 | 3:30 - 5:30 PM

Meeting conducted virtually using GoToMeeting with additional audio conference capabilities

Members in attendance: Nick Ucci, Kurt Teichert, Karen Verrengia, Anthony Hubbard, Peter Gill Case, Roberta Fagan, Bill Riccio, Joe Garlick, Tom Magliochetti, Bob White

Others Present: Nathan Cleveland, Becca Trietch, Angela Li, Sam Ross, Mike Guerard, Craig Johnson, Sydney Usatine, Joel Munoz, Hank Webster, Jack Miniati, Kai Salem, Daniel Tukey, John Tortorella, Dr. Carrie Gill, Mona Chandra, Laura Rodormer, Tim Roughan, Chris Porter, Kevin Rose, Adrian Caesar, Yasmin Yacoby, Matt Ray, Adam Jacobs, Mike Rossacci, John Richards, Seth Handy, Rachel Calabro, Jennifer Amatore, Eric Belliveau

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-july-2020/>

1. Call to Order

Acting Chairman Hubbard called the meeting to order at 3:31pm

2. Approval of Council Meeting Minutes

Acting Chairman Hubbard requested a motion to approve the June meeting minutes. Mr. Gill Case made a motion to approve June meeting minutes as written and Ms. Verrengia seconded. All approved by roll call vote.

3. Executive Director Report

a) General Update

Commissioner Ucci thanked Acting Chair Hubbard for stepping up to run the Council meetings, especially as formal appointments/title changes are likely on hold until the next legislative session in 2021.

The first public workshop was held by the Office of Energy Resources (OER) for the 100% Renewable Electricity by 2030 initiative last week and was very well attended by the public. The Brattle Group is the consulting firm working with OER on this effort and Commissioner Ucci noted that energy efficiency will be a foundational part of that work.

He also noted that Ron Gerwatowski was formally appointed by the legislature as the new Public Utilities Commission (PUC) Chairperson, and they also formally appointed Linda George as Administrator of the Division of Public Utilities & Carriers (DPUC) and we are looking forward to working with them moving forward.

He closed by noting that both OER and Consultant team are involved with other stakeholders in the development of the latest Avoided Energy Supply Costs (AESC) study, which has impacts on the reporting and calculations for the energy efficiency programs.

4. Acting Chairperson Report

a) General Update

Acting Chair Hubbard welcomed everyone to the meeting and let everyone know that he attended the first 100% renewable workshop and found it very informative and encouraged other council members to attend future ones if they are able.

He then reviewed the agenda for today's meeting and stressed the importance of staying on schedule. As part of that agenda he highlighted a discussion and vote regarding rescheduling the October meeting to accommodate an adjusted filing timeline for a combined Three-Year and Annual Plan for the energy efficiency program and asked Council members to have their calendars ready to decide on this matter.

Lastly, Acting Chair Hubbard reminded everyone of the location of meeting materials on the EERMC website and noted that not all materials will be discussed at today's meeting. He encouraged anyone looking to make public comment to please make that desire known in the chat and we will call on you during the public comment sessions and public comment is always welcome through the EERMC website.

5. Program Oversight

a) Update on COVID-19 from National Grid

Ms. Li provided a brief update on COVID-19 response efforts. The multi-state collaboration on health & safety protocols is ongoing and has led to a series of tests contractors need to take and pass before being able to go back in the field. 86 participated and 34 passed so far; 95% of companies that work in the EnergyWise program are cleared and back in the field, but not all of their crews came back due to furloughs/layoffs and so they are only at 60-65% of prior capacity. The expectation is that as work ramps back up the workforce will continue to increase in the coming months.

Ms. Li also stated that 294 Weatherization projects have been completed so far, mostly since July 1, and 780 Virtual Home Energy Audits completed in the market rate program and 510 in the Income Eligible Services program. Importantly, the first weatherization project scoped entirely through a virtual audit has been completed and the contractor was able to inform National Grid that the scope from virtual assessment was spot on, which is good news.

Ms. Chandra noted that the health & Safety protocols developed for the residential sector also apply to the Commercial & Industrial (C&I) side of the business. She let the Council know that 57 Large C&I virtual pre-inspections and 48 virtual post-inspections had been completed as of July 10th. Furthermore, 17 Small business virtual audits had been conducted and 113 contracts for additional work were signed in the May-July period so the project pipeline is beginning to ramp up again in this sector as well.

b) National Grid Presentation on Income Eligible Programs

Please refer to the [National Grid Income Eligible Program Update](#) presentation.

Ms. Rodormer began by providing an overview of what she would provide updates on, which includes COVID-19 impacts to the program, as well as the Single Family and Multi-Family Income Eligible Programs, providing program status relative to 2020 goals and work being undertaken to close gaps in program performance.

Ms. Rodormer began by reminding everyone that COVID-19 is impacting this sector like all others. The Income Eligible program's virtual audit process began in mid-May with a few agencies before a Statewide roll out in June across all agencies. This was because they needed more time to ramp up since some staff had been either furloughed or laid off during the pandemic. All Community Action agencies have been through the required health and safety training and weatherization jobs have been assigned to implement. In-home assessments will begin again soon (~end of July) as health & safety protocols tests are passed and personal protective equipment is acquired.

She mentioned that 510 Virtual Energy Assessments have been completed, as Ms. Li alluded to and that 443 instant savings measures (e.g. LED light bulbs and smart power strips) have been sent to customers. Only 2 customers took advantage of the Face-Time like video feature as part of Virtual Energy Assessment process. From the 510 virtual assessments, 329 weatherization opportunities and 211 heating system opportunities have been identified but they have yet to implement any of those opportunities derived from a virtual assessment yet. She noted that National Grid will be paying close attention to efficacy/accuracy of virtual audits to actual conditions once more move forward.

Ms. Rodormer then touched on the Process Evaluation Recommendations from 2019; COVID-19 has paused several of those initiatives, for various reasons, including: difficulty with landlord engagement, delays in implementation of new Key Performance Indicators as part of the new Weatherization process (mostly around timing), and the capacity of assessors at the Community Action agencies.

She also discussed that National Grid is working on a new delivery model for this program that will provide other auditor/staff support from a 3rd party agency as needed to these agencies in order to ensure both equity of access as well as to remove delays in service as they staff back up.

Lastly, she provided a status update on the program numbers so far. Of the \$12 million Single Family budget, they are projecting to come in significantly under that for 2020 based on invoiced work, current pipeline of projects, and projections through the end of the year for a spend amount of ~ \$3.5 million.

Ms. Amatore then discussed the number for the Multi-Family Program. Of the \$6.5 million budget there is a much larger gap projected for the end of the year based on invoiced work, current pipeline of projects, and contracts presented to customers, as they are anticipating a spend of ~\$2 million. An important note for this program is that it did not move forward with Virtual Assessments, so not as much as a projected potential work as you saw in the Single Family program.

Ms. Rodormer then covered the next steps for these Income Eligible Programs with the Council. First, they have a meeting with executive directors from the Community Action agencies next week to discuss strategies for improvement like bringing on more auditors and targeting renters more heavily. There is also a quarterly best practices meeting with the weatherization and appliance management program managers and National Grid will solicit feedback and ideas from them at that meeting for new strategies to reach customers (and do so safely).

She also noted that they are developing an iPad enabled feature for the audit process to speed up data entry and collection from audits. Targeted marketing is planned for this as well, especially around health and safety protocols, to try and generate new leads.

Ms. Amatore then discussed next steps for the Multi-Family Program. National Grid is looking to have a meeting with housing authorities to discuss providing air conditioning solutions for those buildings, particularly heat pump opportunities, given the especially hot summer this year.

Ms. Verrengia asked if there were any plans to target the trailer housing communities across the State for potential energy efficiency opportunities?

Ms. Rodormer replied that weatherization of mobile homes can be tricky but they will look into reaching out to these communities.

Mr. Gill Case asked if there was any information, across sectors, on how the Income Eligible Virtual Assessment numbers stack up compared to market rate sector etc.? He would like to see those comparisons and track progress.

Acting Chair Hubbard asked if any contingency plans were being made to try and do as much in-person/in-home work now in case of a second COVID-19 wave that precipitates another shutdown? Ms. Rodormer mentioned that this very question was on the agenda for the executive director meeting next week and was another strong reason for bringing on a 3rd party entity to support all of this work now rather than waiting for a longer ramp up using just the existing capacity of these agencies.

c) Consultant Team Presentation on Three-Year Energy Efficiency Plan Comments

Please refer to the [Consultant Team Three-Year Energy Efficiency Plan Comments](#) presentation.

Mr. Guerard gave an overview of the comments presented by the consultant team to National Grid on July 3rd regarding the Three-year Plan first draft, which are also covered in the memo prepared for this meeting detailing each of them. Mr. Guerard wants to ensure these comments are indeed the areas the Council wants their consultants to be focusing on with National Grid and stakeholders in the rest of the plan development process.

Mr. Guerard made clear that significant enhancement is needed to first draft to meet high level objectives of identifying barriers to success, developing a roadmap for overcoming those barriers, and demonstrating program growth year over year. This includes a focus on raising savings overall, particularly through several major end use categories where the potential study showed significant opportunity for additional savings relative to the first draft, specifically: Heating, Ventilation & Air Conditioning (HVAC), hot water, and envelope.

He also indicated that there needs to be more justification and quantification of barriers and what strategies will be used, including timelines and milestones, for overcoming those. Additionally, should next year's program be impacted by the economic impacts of COVID-19 (either in the overall budget, or a desire to minimize the System Benefit Charge), we need to ensure special consideration is made to those most affected by these economic impacts – including small business customers, Income Eligible customers, and community-based non-profits.

Mr. Gill Case added that COVID-19's economic impacts make the emphasis on ensuring equity and service to most vulnerable even more critical.

Mr. Guerard then reviewed the next steps in the plan development process, including a series of follow up meetings for each sector, specific meetings on workforce development and the end use categories identified by the consultants, and technical working group conversations.

d) National Grid Presentation on Comments on the First Draft Three-Year Energy Efficiency Plan

Please refer to the [National Grid Three-Year Energy Efficiency Plan Update](#) presentation.

Mr. Ray reviewed the stakeholder comments presented on the first draft of the Three-Year Plan, both via email and in the Technical Working Group meetings. He noted that each sector team would provide an update on the planning process within their sector since the last Council meeting.

Mr. Ray shared that the comments received hit on some similar themes, including identifying and addressing barriers that prevent reaching the savings targets; a strong justification for why the savings goals are lower than the targets approved; focusing on end uses other than lighting (like HVAC, hot water, and envelope) to increase savings; increased focus on equity and how that will be achieved; also reframing some of the messaging about the transformation of the lighting market (a success story and not a negative), Heating Sector Transformation work, and rate impacts.

Ms. Rodormer reviewed some of the residential sector engagement that's happened since the draft was released, including meeting with stakeholders to review barriers and discuss solutions as well as discuss the HVAC program and suggest enhancements to the program at those meetings. Additionally, a matrix was developed and shared by the consultants with some program design and program enhancements for each sector that are being discussed and reviewed for the next draft. Ms. Rodormer noted that all of this was done with the goal of closing the savings gap between first draft numbers and the targets. National Grid will be working to better illuminate barriers and provide solutions to overcome those over the life of the Three-Year Plan as well as increasing the savings goals proposed in the coming weeks. She closed by noting that the Company is planning to provide a rationale for why certain ideas/suggestions may not make it into this plan to ensure transparency with stakeholders on the Company's thinking.

Ms. Chandra discussed the commercial and industrial sector's engagement since the first draft was released, which included numerous meetings with stakeholders to discuss barriers and strategies to overcome those. The consultant team matrix with program design and program enhancement

suggestions was reviewed and identified a number of barriers and how they can be overcome through creative solutions to enhance program savings goals. She also noted that the sector team is working with their vendors to discuss some of the proposed solutions and to refine program goals and plan content to be responsive to comments and suggestions.

Mr. Ray then reviewed the updated timeline for the plan development in light of the Three-Year Plan and Annual Plan combined filing and what will be done with Council and stakeholders between now and then.

Mr. Teichert commented that the Annual Plan process last year had an incremental approach and the final draft is where the numbers (for both budgets and savings) really took shape against what our expectations were. He then asked if the next draft of this plan would demonstrate significant changes from draft one?

Mr. Ray responded that National Grid is going to take this seriously but they want to be clear that hitting Max targets, especially in year one and two, is not going to be possible, and they are weighing the economic/budgetary impacts of reaching higher goals very heavily. He stated that they are not intentionally holding back information, but that they want to use time afforded to them to ensure we get it right.

Mr. Teichert then stated that it seems highly unlikely, due to COVID-19 and other factors, that we will spend all our budget in the Income Eligible sector and perhaps others. He asked if and how that impacts budgets for next year and over the Three-Year plan?

Mr. Ray responded that National Grid haven't factored any COVID-19 impacts into the plan yet, and that they intend to do this in the next draft as they get more information, but that the fully reconciling funding mechanism will reflect any unspent monies.

Ms. Verrengia commented that she hopes to see more focus on the three primary end-use areas the consultants identified significant opportunities in future drafts, especially to show increase in performance year over year.

Mr. Gill Case noted that the Targets are the goalposts and that he feels we need to do everything we can to reach those, or at least clearly communicate why we aren't getting there. Additionally, he is expecting to see progress in savings achievement over the three years since a significant ramp in year one was always going to be a challenge, but need to be moving ever upwards. He also asked if he could be included in future conversation surrounding the identification and overcoming of barriers moving forward, if possible.

e) Consultant Team and National Grid Presentation on Performance Incentives and Codes & Standards.

Please refer to the [Consultant Team and National Grid Performance Incentives and Codes & Standards](#) presentation.

Mr. Tortorella gave an overview of the Performance Incentive Mechanism (PIM) development process so far with stakeholders for both the Energy Efficiency Program as well as the Codes & Standards program, which has been ongoing for most of 2020.

Mr. Porter gave a brief overview of how National Grid earns across all of its activities, including investment in infrastructure to deliver energy and earn a return on those investments and then operating costs, which are returned through rates and have a built in a profit opportunity. For energy efficiency, the fully reconciling funding mechanism allows for the collection of funds to run the programs but does not include any built in profit like operating costs and so performance incentives align company incentives with the public interest to help ensure and guide optimal performance and maximize benefits to the public.

Mr. Tortorella reviewed the establishment of these performance incentives through the Least Cost Procurement statute and standards, which is set up to achieve the goals outlined by Mr. Porter for those earnings. The current incentive structure for 2020 and the prior few years has been an opportunity to earn 5% of the eligible program budget upon meeting savings goals. Mr. Tortorella noted that the earning opportunity begins once 75% of savings goal has been achieved and National Grid can continue to earn up to a cap of 125% of the savings goals. The earning rate is steeper from 75-100% then it is from 100-125% and budget rules are in place to govern underspend/over save situations.

Mr. Belliveau discussed the current incentive proposal for Rhode Island's efficiency program moving forward, which is different than current structure.

He noted that there are a number of areas of shared agreement on the new structure among the parties, as well as some areas for continued discussion/negotiation. The areas of agreement include the following:

- Move to a shared benefits model, which would emphasize deeper/longer-lasting measures, with performance and earnings determined on an annual basis and not cumulative over a Three-Year Plan.
- Proposing to lock much of the incentive structure in the Three-Year Plan but maintain the flexibility to set payout rate based on the binding annual savings goals.
- Set a 125% incentive cap at 125% of target outcomes, with long-term thresholds at 75% of target outcomes and more "straight-line" performance and payment curves between threshold and capped earnings, compared to steeper and more gradual rates currently in place.

Areas for further discussion include:

- The specific payout rates (and resulting design level earning opportunity)
- The granularity of performance and earning calculations (program vs. sector vs. portfolio level)
- The exact split between total and net benefits
- Incentive mechanisms to account for other specific priorities
- A near term earnings threshold to include considerations for COVID-19 related uncertainties.

Mr. Teichert asked if there is any precedent or proposal to have variable incentive structure for specific sectors, i.e. Income Eligible having a higher return on success than others?

Mr. Belliveau responded that it is possible to do this. Often this is achieved through a specific, additional metric on a singular goal with a pool of funds to earn for hitting that specific goal. For example, Massachusetts has included a goal specific to renters.

NOTE: At this time, the meeting agenda was adjusted to accommodate Council voting while a quorum was present. Ms. Verrengia made a motion to adjust the meeting agenda to move items 6a & 6b forward for immediate consideration. Mr. Gill Case seconded the motion and all approved by roll call vote.

6. Council Business

a) Discussion and Vote on Letter to the Public Utilities Commission on the Demand Response Potential Study Update

Please refer to the [Letter to the Public Utilities Commission on the Demand Response Potential Study Update](#)

Mr. Ross reviewed the content of the memo and the reasoning behind providing this update to the Public Utilities Commission (PUC). There was a minor change to the Demand Response module based on feedback received on the final report, which came after the vote on the Targets was made. As a result of this module adjustment, there were reductions of ~ 1 Megawatt of potential in each of the three years, and so the memo recommends that the targets not be re-filed as a result of the minimal changes, and that this memo notifies the public and the PUC of that change, since the material impact on the plans and program design would be negligible.

Mr. Teichert made a motion to submit the letter as written to the Public Utilities Commission, Mr. White seconded the motion and all approved by roll call vote.

b) Discussion and Vote on Moving the October Meeting Date

Ms. Trietch notified the Council that as a result of National Grid's intention to file the Three-Year and Annual Plans jointly, the new filing deadline is earlier than our scheduled October meeting. As a result, the suggestion is to move the October meeting to October 8th, rather than October 22nd. The Council members present all indicated the new date worked for them.

Ms. Verrengia made a motion to move the October Council meeting date from October 22nd to October 8th to accommodate a vote on the efficiency plans, which Mr. White seconded and all approved by roll call vote.

5e. Consultant Team and National Grid Presentation on Performance Incentives and Codes & Standards - Continued

Mr. Guerard gave an overview of what work is covered when we discuss codes (Rhode Island State building codes for fire, electrical, and energy) and standards (minimum efficiency requirements of appliances). National Grid has been working on supporting codes and standards development for a number of years, by providing training on codes to code officials, engineers, and architects to make sure they are aware of changes and are working towards those. They receive credit for some energy savings attributed to this work. Similarly, they have been doing some work to help advance appliance standards through the legislature over the past year.

Mr. Guerard informed the Council that codes & standards are important because they are highly cost-effective savings, have a large potential for energy savings, contribute to significant greenhouse gas reductions, and is a fast way to transform markets. Also, it is a category in the American Council for and Energy Efficient Economy's State scorecard where Rhode Island is currently lacking due to inaction on appliance standards.

He noted that a performance incentive for this work is different because these things are highly political and harder to quantify, especially since other entities support this work as well so how much of credit should go to National Grid? Having an incentive mechanism provides an incentive for the Company to do this work because higher codes and standards reduce their opportunities in the energy efficiency program to make improvements and this important to reward this work to offset that disincentive.

Mr. Guerard closed by reviewing the current proposal for a performance incentive, which is to limit work funded by efficiency program dollars to technical assistance and only pay National Grid for successful achievement of a code amendment or new standards, which reduces the disincentive for the company to engage.

Mr. Rose expanded on Mr. Guerard's comments to discuss why a new codes & standards proposal is being considered for the three-year plan, recognizing the broad stakeholder support for this work, but also the fact that this work is not easily tied into the existing (or proposed) incentive structure.

He noted that the proposed model is to provide a financial adder for codes & standards work that covers the lost opportunity (plus a bit more) that results from increasing baselines, which would financially incent the company to support this work, rather than do nothing and continue to accrue savings from traditional, lower baseline, opportunities. Their earnings would be determined at time of implementation but applied towards the period when benefits are actually realized.

Ms. Verrengia expressed interest in revisiting this topic in a future meeting to allow for further discussion and for other council members to hear the conversation.

Mr. Gill Case stated that he is very supportive of codes and standards adoption as a cost-effective means of driving savings and improving baselines.

f) Public Comment on First Draft Three-Year Energy Efficiency Plan and/or Codes & Standards and/or Performance Incentives

None.

7. Public Comment

None.

8. Adjournment

Acting Chairman Hubbard called for a motion to adjourn the meeting. Ms. Verrengia made a motion to adjourn, which Mr. Gill Case seconded. All approved and the meeting was adjourned at 5:49pm.

Outstanding Council Member Questions Requiring a Written Response:

None.



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, August 20, 2020 | 3:30 - 5:30 PM

Meeting conducted virtually using GoToMeeting with additional audio conference capabilities

Members in attendance: Nick Ucci, Anthony Hubbard, Bill Ricco, Joe Garlick, Peter Gill Case, Kurt Teichert, Bob White (joined at 4:15pm)

Others Present: Nathan Cleveland, Becca Trietch, Mike Guerard, Craig Johnson, Matt Ray, Chris Porter, Sam Ross, Angela Li, Tim Roughan, Sydney Usatine, James Truslow, Jack Miniati, Adrian Caesar, Melissa DeValles, Laura Rodormer, Matt Chase, Erin Crafts, Whitney Brougher, Joel Munoz, John Tortorella, Kevin Rose, Mona Chandra, Kai Salem, Hank Webster, Daniel Tukey, Romilee Emerick, Ezra McCarthy

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-august-2020/>

1. Call to Order

Acting Chairman Hubbard called the meeting to order at 3:37pm

2. Approval of Council Meeting Minutes

Mr. Riccio made a motion to approve the July meeting minutes as written, Mr. Garlick seconded. All approved by roll call vote

3. Executive Director Report

a) General Update

Commissioner Ucci provided an update on the current Regional Greenhouse Gas Initiative (RGGI) auction proceeds allocation. The Office of Energy Resources (OER) published the most recent plan for public comment on their website with the intended allocations for the next plan, totaling \$3.6MM. The specific allocation breakdown can be found on OER's website here:

<http://www.energy.ri.gov/documents/rggi/2020%20Plan%20Items/2020-B%20PROPOSED%20RGGI%20Allocation%20Plan%208-6-20.pdf>

Anyone interested in making public comment can do so in writing or via email to OER; Sept 8th at 11am will be the public hearing on Zoom for this allocation plan and instructions to join on this meeting and comment are on the Secretary of State's website.

4. Acting Chairperson Report

a) General Update

Acting Chair Hubbard reviewed today's agenda for the meeting, including several items to be voted on by the Council. He noted that all meeting materials are available on the EERMC website for those who want to see those and/or follow along.

He also noted the Quarter 2 report on National Grid's EE program is posted on the EERMC website and will be covered in more detail at a future meeting. Acting Chair Hubbard asked the Consultant Team if there was anything in the Quarter 2 report that should be flagged for the Council at this time, to which Mr. Guerard replied that he is intending to have a more in depth conversation on some of the issues in the 2nd quarter report at the forthcoming Council retreat.

Acting Chair Hubbard encouraged Council members who have not responded to the poll trying to set a date in September for this retreat to please respond promptly, and noted that the poll will be re-circulated via email today.

Lastly, he informed everyone that the Public Utilities Commission (PUC) adopted the new Least Cost Procurement (LCP) standards on July 23rd but a final version of that document has not been posted. As soon as it is available, it will be shared with Council and posted on the EERMC website once available. As a result, the Council's October meeting will be held on October 8th pursuant to the vote taken at our last meeting.

5. Program Oversight

a) Update on COVID-19 from National Grid

Mr. Porter highlighted that National Grid is pleased with the continued traction of remote audits and highlighted that 2500 Virtual Home Energy Audits (VHEAs) have been delivered across both the market rate and income eligible programs to date. Relatedly, the 100% incentive for weatherization upgrades has been extended, which is helping drive customers to action in this area. This has helped lead a strong recovery of the efficiency workforce as a pipeline of projects has been developed as a result of the VHEAs and contractors feel confident bringing furloughed or laid-off staff back as a result of this pipeline. National Grid is considering continuing to offer virtual assessments post-COVID as an additional option for customers given how well it has worked in 2020.

Lastly, Mr. Porter noted that Massachusetts recently put into place travel restrictions for Rhode Island, which caused concern as many contractors work in both jurisdictions. Fortunately, Massachusetts's officials and National Grid were able to make clear that as long as safety guidelines are followed contractors will not be precluded from doing work in both jurisdictions or be required to quarantine, which allows for work to continue unrestricted in both states.

b) Review & Vote on National Grid's Request to Move the November Council Meeting

Ms. Trietch updated the Council that because of newly adopted Least Cost Procurement standards the filing dates for the energy efficiency and system reliability procurement plans have been adjusted. As a result, National Grid has requested that the November Council meeting be moved up one week to allow for a vote as close to this new filing deadline as possible.

Mr. Riccio made a motion to move the November Council meeting from November 19 to November 12 and Mr. White seconded. All Approved by roll call vote.

c) National Grid Presentation on First Draft Three-Year System Reliability Procurement (SRP) Plan

Please refer to the [National Grid Presentation on the First Draft Three-Year System Reliability Procurement Plan presentation](#).

Mr. Chase noted for the Council that this year is the first time System Reliability Procurement (SRP) will have its own three-year plan separate from the energy efficiency plan, where it was traditionally housed.

SRP's main objectives, at present, are through the scoping, sourcing, and implementation of non-wires alternative (NWA) projects that reduces or defers traditional infrastructure investments in the electric grid. Non-pipe alternatives (NPA) are being researched and explored as part of this upcoming three-year plan as well.

Mr. Chase highlighted for the Council the difference between the Infrastructure, Safety, and Reliability (ISR), System Reliability Procurement (SRP), and Energy Efficiency (EE) dockets and the reasoning for why certain projects are moved forward in the different dockets, as well as who all the stakeholders are and in what arenas they participate in the SRP plan development process.

Mr. Chase noted that the Company is currently reviewing recently submitted stakeholder comments on the first draft and the second draft will be circulated on September 11th. After the second draft all stakeholders will have until October 1st to provide comments that will then inform the final draft for filing that will be circulated on October 19th and voted on at the November Council meeting.

Mr. Chase then described that there is a \$0 funding request for SRP in this plan, as they are in a maintenance phase and National Grid covers the current costs for marketing and system data portal maintenance. He did note that as discrete individual projects move forward, if funding is required as a result of those proposals, they will be considered at that time and funding sourced as needed.

He then reviewed the five specific asks that the SRP plan contains of the Public Utilities Commission (PUC) and described in a bit more detail what they each entail as it relates to how National Grid would receive funding or incentive payments for those tasks.

d) Consultant Team Presentation on First Draft Three-Year System Reliability Procurement (SRP) Plan

Please refer to the [Consultant Team Presentation on the First Draft Three-Year System Reliability Procurement Plan](#).

Mr. Ross reviewed the comments that stakeholders provided on the System Reliability Procurement (SRP) Three-Year Plan. Some key takeaways were the need for additional details aligning the plan as written with the Least Cost Procurement (LCP) standards and providing additional information for in the non-wires alternatives (NWA) chapter around the identified needs and how the new LCP standards will be applied to those.

Additionally, Mr. Ross noted that some of the key calculations included in the plan need additional information and/or context on how they were derived in order to allow for thorough evaluation by stakeholders. He let everyone know that the Consultant Team and other stakeholders will be continuing to provide feedback and oversight as the next draft(s) of this plan are developed prior to the November vote.

Mr. Teichert asked how the proposed performance incentive structure for SRP differs from the previous versions and if the questions posed by the Consultant Team explored that at all. Mr. Ross replied that their questions were more about how the savings were calculated from specific projects and what level of certainty the Company had regarding the grid needs and constraints identified, as well as how validation of estimated savings will be decided. All of which will have impacts on what their earning opportunity will be in the current performance incentive structure.

e) National Grid & Consultant Team Presentation Evaluation, Measurement & Verification (EM&V) Update

Please refer to the [Evaluation, Measurement, & Verification](#) presentation.

Mr. Johnson reviewed what Evaluation, Measurement, & Verification (EM&V) is and why it is important, as well as who participates in this process. EM&V is the practice of measuring and verifying that the efficiency program is delivering the benefits that it is claiming to provide as well as providing suggestions for program design, effectiveness, and enhancement as the market changes.

He noted that the Oversight team is for this work is comprised of representatives from the Office of Energy Resources (OER) and Consultant Team. They work collaboratively with National Grid and independent evaluation vendors that are selected by Request for Proposals to conduct various studies and analyses and monitor program performance. This oversight group meets twice per month to review updates associated with all ongoing studies and Mr. Johnson noted that Rhode Island is often able to leverage results from studies conducted in Massachusetts, rather than conduct their own, given the similarity in the markets.

Mr. Johnson then described how study results are incorporated into the energy efficiency programs and plans, through updates to the Rhode Island Technical Reference Manual, which are the numerical values that get incorporated into the program benefit-cost models to develop plans and shows up in the costs and benefit tables in the annual and three-year plans.

Ms. Crafts discussed some of the recently completed Commercial and Industrial studies that will inform the 2021 and three-year plans. Based on the results of these impact studies, realization rates for certain programs are adjusted, which serves to either increase or decrease the claimable savings, and thus the calculations made in plan development for what future programs can be expected to achieve.

Ms. Emerick then discussed some of the recently completed residential sector studies that will inform upcoming plan development. As with the Commercial and Industrial sector, the impact studies adjust the realization rates for a number of programs and both decreases and increases in

claimable savings were found. Those adjustments will be incorporated into the final version of the plans. Additionally, process evaluations for certain programs identify areas of improvement in the delivery of specific programs, which don't impact savings or goals, but do inform and improve the delivery of the programs to customers.

Acting Chair Hubbard asked about the usage and leveraging of Massachusetts studies in certain areas of EM&V, whereas the non-participant study Massachusetts did couldn't be leveraged for Rhode Island and was curious why that was.

Mr. Ray indicated that it was because the non-participant study looked at specific demographics unique to Massachusetts and those areas being studied and because of those unique differences that isn't translatable to Rhode Island in the same way an impact study for a specific measure would be.

f) National Grid Update on Energy Efficiency Three-Year and Annual Plan

Please refer to [National Grid's Update on Energy Efficiency Three-Year and Annual Plan](#) presentation

Mr. Ray went over some updates to the plan and planning process in advance of the next draft of the plan to be distributed next week. He noted that there will still be differences between savings goals and targets for each of the three years as prudence and budget considerations are now being factored in. Also COVID-19 impacts have not yet been factored into these numbers yet, which may bring further changes.

He mentioned that National Grid has been working to engage with its vendor network, stakeholders, and other experts to identify key barriers to reaching higher savings goals and discuss strategies that are being considered to overcome those.

Ms. Li then discussed residential envelope barriers, where much insight has been provided on this issue and more information is coming to light as conversation continues. Pre-Weatherization barriers are more significant than anticipated and completely prevent the implementation of efficiency measures without mitigation (things like mold, knob & tube wiring, and asbestos). Almost 50% of customers have some sort pre-weatherization barrier and only 25% of those customers address those issues and move on to complete weatherization work. Of those with no existing barriers, almost 60% do not move forward to implement the weatherization work. Determining why that is and what factors contribute to that is a key consideration being investigated to improve conversation rate here. Ms. Li also reiterated that budget is a big issue for many of these customers and National Grid is also looking into what other issues besides pre-weatherization and budget hold customers back, as this may be as much as 20% of customers.

She did that additional work is being done to identify ways to provide support to clear/mitigate these pre-weatherization barriers in consultation with other stakeholders. Regional Greenhouse Gas Initiative (RGGI) funding will be providing some enhanced incentives for moderate income customers in 2021, for example.

Ms. Li also discussed the relationship of workforce across the energy sector and the ramp up of numerous measures/programs. Since the energy workforce aging National Grid is working to

establish relationships with technical schools to develop the future energy efficiency workforce pipeline to help replenish labor supply.

Additionally, she mentioned that the Heating, Ventilation, and Air Conditioning (HVAC) program will need to ramp up the number of customers served considerably to hit potential study targets, which will take time. Also timing that intervention from National Grid before/near end of useful equipment life is critical, as most of work is done on equipment failure and efficiency programs need to be a part of that calculus to achieve maximum results.

Mr. White asked what a moderate income customer is? Ms. Li replied that they are defining it as customers with an Area Median Income of 60-80%.

Mr. White also asked if propane customers were counted as part of the assessment of gas heating customer potential. Ms. Li replied that this assessment was specific to natural gas and that propane customers would have their own set of barriers to overcome that may be different than these. She also indicated she can share customer numbers currently using propane to the Council after the meeting.

Lastly, Ms. Li discussed hot water heating, which was the other main category flagged for improvement in planning meetings. She noted that the majority of the identified potential is with low-flow showerheads and faucet aerators, whereas the program has traditionally been focused on hot water heating equipment specifically. Codes & Standards work is looking to address this issue by raising baselines where more efficient showerhead and faucet equipment becomes standard and they are choosing to address that opportunity through that channel rather than drastically reworking the program to deploy more of this equipment. The company is also looking to make sure as many qualified customers are signed up for the discount rate as possible, both to receive the 25% bill savings and to qualify for 100% incentive on equipment upgrades.

Ms. Chandra reviewed the process that has been undertaken for the Commercial and Industrial sector to identify and overcome barriers to reaching higher targets. As has been mentioned before, as lighting savings dissipate, the measure mix changes to deeper, more expensive and complex measures to implement and thus have a higher cost per unit of savings achieved. She noted that the main barrier categories are similar to the residential sector, such as costs, access to financing, workforce limitations, and customer awareness and operational expertise. National Grid is looking to increase financing options available to customers, provide behavioral incentives and training to ensure continued efficient operations and lasting savings, as well as market education and marketing to attract more customers to the programs. Similarly, Ms. Chandra noted that the jump from recent program performance numbers to potential study quantities required to hit the mid or max scenarios require significant ramp up in volume and will take time to achieve.

Mr. Rose briefly discussed National Grid's focus on workforce development, given that it is a key barrier and area of focus for the Company to understand the needs to hit potential study numbers and to address the shifting labor force. National Grid is looking to quantify current and future workforce gaps, help to upskill and upsize the workforce to meet shifting needs, and work to build the energy efficiency workforce pipeline through partnerships with educational entities and other training related groups.

Mr. Ray closed by highlighting that for the newly incorporated equity strategic priority there would be a dual track for progress. There will be both an evaluation and analysis through non-participant study and collection of more equity specific data/metrics as well as a programmatic approach to having an equity working group established that works alongside stakeholders and community members to further program achievement on this dimension.

6. Council Business

- a) *Update on the Council's Legal Services and Consultant Services Request for Proposals (RFPs)*

Ms. Trietch indicated that the consultant services Request for Proposals (RFP) has closed and interviews will be taking place next Friday. All Council members have invites to those meetings if interested in participating and Council members with questions on this process, or progress, can reach out to Ms. Trietch at any time.

7. Public Comment

None.

8. Adjournment

Acting Chairman Hubbard called for a motion to adjourn the meeting. Mr. Riccio made a motion to adjourn, which Mr. Garlick seconded. All approved and the meeting was adjourned at 5:37pm.

Outstanding Council Member Questions Requiring a Written Response:

None.



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, September 17, 2020 | 3:30 - 5:30 PM

Meeting conducted virtually using GoToMeeting with additional audio conference capabilities

Members in attendance: Nick Ucci, Karen Verrengia, Bill Riccio, Tom Magliocchetti, Kurt Teichert, Anthony Hubbard, Joe Garlick, Peter Gill Case, Matt Ray, Tim Roughan

Others Present: Nathan Cleveland, Becca Trietch, Mona Chandra, Margaret Hogan, Josh Duckwall, Sydney Usatine, Jill Goodman, Marisa Desautel, Michael Baer, Sam Ross, Andrew Marcaccio, Rachel Calabro, John Tortorella, Katherine Johnson, Joel Munoz, Chris Porter, Adrian Caesar, Kevin Rose, Mike Guerard, Daniel Tukey, Craig Johnson, Angela Li, Sarah Schumann, Jeff Diehl, John Richards, Seth Handy, Ali Grippo, Kai Salem, Karen Bradbury, Chris Vitale, Hank Webster, Toben Galvin

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-september-2020/>

1. Call to Order

Acting Chairman Hubbard called the meeting to order at 3:33pm

2. Approval of Council Meeting Minutes

Mr. Riccio made a motion to approve the August meeting minutes as written, Mr. Garlick seconded. All approved by roll call vote.

3. Executive Director Report

a) General Update

Commissioner Ucci reminded the group that the Office of Energy Resources (OER) 100% Renewables by 2030 initiative would be having its second public workshop on September 29th. All are welcome to attend and details are available on the OER website if you are interested in registering. The second workshop will feature the consulting team walking through some of the analytical process that's been undertaken, discussing some early results with the public, and getting feedback to inform the future pathways of this effort.

4. Acting Chairperson Report

a) General Update

Acting Chair Hubbard reviewed the agenda for today's meeting, highlighting a Council vote later in the agenda and two opportunities for public comment for the Energy Efficiency Annual plan

specifically, and then general public comments on any other matters later in the meeting. All meeting materials are available on the Energy Efficiency and Resource Management Council (EERMC) website, including several written public comments provided in advance of this meeting.

Acting Chair Hubbard also highlighted the upcoming EERMC Public Forum to be held on September 24th via Zoom. Details were sent to council members and the event is open to all with specific registration information available on the EERMC website. He also noted that the EERMC Retreat will be held on Monday, via Zoom, and that it is open to public but no council business will be conducted during the retreat.

Before starting the rest of the meeting agenda, Ms. Verrengia made a motion to adjust the schedule for today's meeting by having agenda item six (6) - *Discussion & Vote on Council's Consultant Services RFP* – moved up to allow for enough time for discussion on this important topic. Mr. Riccio seconded the motion and all approved by roll call vote.

5. Council Business (formerly agenda item 6)

a) Discussion & Vote on Council's Consultant Services RFP

Mr. Riccio made a motion to move into Executive Session for the discussion of the Consultant Services Request for Proposal responses due to the sensitive nature of conversation around consultant services, pursuant to Rhode Island General Laws 42.46.5.a.(7) Mr. Teichert seconded the motion to move to executive session. All approved by roll call vote and the Council entered into Executive Session

The Council returned from Executive Session and Acting Chair Hubbard reported that the Council had voted unanimously to table discussion on this matter and resume the conversation on Monday, September 21st after the Council Retreat with a public meeting and executive session to make a final determination on the award for this Request for Proposals.

6. Program Oversight (formerly agenda item 5)

a) Update on COVID-19 from National Grid

Mr. Porter indicated that National Grid's energy efficiency services are fully back in the market, that health and safety protocols are being followed, and no COVID-19 infections have occurred through program activity. He noted that virtual home energy assessments continue to gain market traction with customers as well.

He did note that while their programs were fully back in the market for customers to engage with, that many vendors are still monitoring COVID-19 case numbers and being somewhat cautious in getting back to full staffing in light of these ongoing concerns. Despite less than a full workforce, the pipeline of work to implement is robust given the success of the virtual home energy assessments, but wait times are longer than desired and National Grid is working with its vendors and contractors to address that as best they can.

b) National Grid Review of the First Draft 2021 Annual Energy Efficiency Plan

Please refer to the [National Grid Presentation on the First Draft 2021 Annual Energy Efficiency Plan](#).

Mr. Tortorella reviewed the high level savings and benefit numbers expected from the 2021 Annual energy efficiency plan as currently written, including the workforce benefits included in those numbers.

He reiterated some of National Grid's key points of emphasis that carried over from the Three-Year Plan draft to Annual Plan draft, which include:

Integrating equity across the portfolio of programs including commitments to develop an equity working group, start collecting data to inform renter specific program metrics, and undertaking a non-participant study.

Optimizing the portfolio of energy efficiency offerings through measure-level planning, specifically seeking out as much cost-efficient savings as possible.

Making budget reallocations to support areas of significant opportunity for program and savings growth as illuminated through the Market Potential Study. He also noted that surcharge impacts were a strong consideration for 2021's plan.

Ms. Li then reviewed residential portfolio for 2021, which has an emphasis on driving more weatherization, efficient heating, and hot water measures, particularly through the use of bundled incentives. National Grid is also working hard on reducing barriers to participation – barriers to being able to implement weatherization work chief among them - and increasing the adoption of comprehensive measures.

Ms. Li. also indicated that the plan expands the 100% incentive for weatherization to moderate income customers in the market rate Energy Wise program, as well as making enhancements to the Income Eligible program, and looking to do more workforce training initiatives.

Mr. Tukey reviewed the Commercial and Industrial portfolio for 2021 and highlighted the program adjustments and enhancements made to drive more engagement and savings, which include an Energy Management Platform, a revamped New Construction program, a new telecommunications initiative, and significant investment in small business customers for both gas and electric savings via weatherization and lighting controls. Mr. Tukey also mentioned that National Grid did significant work to identify barriers to achievement of higher savings goals and will be including stronger documentation of what those barriers are and how they are going to address them in the final version of the plan to fully reflect the work done on those.

Mr. Tortorella than shared the changes between what was proposed in the Three-Year Plan draft and what is represented in the 2021 Annual Plan draft for the savings goals. He explained that Evaluation, Measurement and Verification work has been almost fully completed and incorporated in this version (with a few studies still outstanding), the results of which affected claimable savings relative to the Three-Year Plan draft, both positively and negatively depending on the measure.

He showcased that the current savings goals come in between the “low” and “mid” scenarios from the Market Potential Study for the electric portfolio in 2021 on both annual and lifetime dimensions, even with the system benefit charge cap providing a budget limitation for 2021.

For the active demand response portfolio he noted there was a reduction of almost 10 megawatts resulting from an evaluation change affecting the savings claimable from Commercial and Industrial Demand Response.

For the gas portfolio, Mr. Tortorella demonstrated that the goals came in below those in the Three-Year Plan number for both annual and lifetime and both are also below the “low” scenario in the Market Potential Study. He stated that this is mostly driven by evaluation results reducing claimable savings for gas measures.

Mr. Richards then reviewed the 2021 Annual Plan budget and system benefit charge numbers. He showcased that the 2021 budget is 8% above 2020 planned budget levels and is roughly flat from budget numbers included in the Three-Year Plan draft. He then explained the three main factors drive the system benefit charge (SBC), which are: the year end fund balances for the electric and gas efficiency programs (positive balances drive down SBC and negative balances drives up SBC); Energy sales forecasts for 2021 (lower sales forecasts drive up SBC and higher sales forecasts drive down SBC); and program budgets relative to prior year, with higher budgets leading to an increasing SBC. Mr. Richards noted that these proposed budgets represent an increase of \$8.2 million for electric programs and an increase of \$3.5 million for the gas programs.

Mr. Richards also clarified that all fund balances will continue to be updated as 2020 moves along, and that National Grid does not expect to spend 100% of their budget for 2020 and their performance incentive earnings for 2020 will also be updated, which will influence the final SBC number. He closed by informing the Council that the 2021 electric sales forecast is coming next week and they will update the budget numbers once that is in for the final draft, while also making sure the system benefit charge remains flat for 2021.

Mr. Tortorella then covered the next steps in the process before sharing the final draft next month, which include factoring in COVID-19 impacts, making final tweaks to budgets and savings numbers, finalize and incorporate the remaining evaluation studies and sales forecast updates, and finally adjusting budgets as needed to ensure a flat 2021 system benefit charge.

Mr. Riccio referenced the written public comment from the Rhode Island Infrastructure Bank regarding the 2021 funding for Efficient Buildings Fund (EBF) program being totally cut from the draft plan. He was concerned about this removal of funding for that program and asked National Grid to address how much was cut and why?

Mr. Ray replied that EBF is still an important part of the program and this was a draft plan and was an initial decision to deal with budget concerns to optimize their spending and savings number. He noted that they are still working with the Bank and others to get the right amount of funding to this program as they further refine budgets for final plan.

c) Consultant Team Presentation on the First Draft 2021 Annual Energy Efficiency Plan

Please refer to the [Consultant Team Presentation on the First Draft 2021 Annual Energy Efficiency Plan](#).

Mr. Ross reviewed the Consultant team’s process for reviewing and evaluating this plan. He noted that COVID impacts are a factor and those impacts are still being evaluated and understood and the resulting desire to hold flat the system benefit charge for 2021 as a countermeasure has gotten some broad consensus.

Mr. Ross indicated their focus has been on maximizing savings given these economic limitations and ensuring appropriate investment in infrastructure and other areas to support barrier reduction to drive future savings (e.g. workforce, financing) as well as making sure cost-efficiency is maximized even more so than usual given budget constraints.

Their next steps will be to review comment response from National Grid on the benefit-cost model (expected tomorrow), engage with National Grid in a series of meetings next week to work on final adjustments and modifications in preparation for the final draft and then they will prepare a draft recommendation for the Council for the October meeting.

d) Public Comment on the Draft 2021 Annual Energy Efficiency Plan

Public Comments made in writing in advance of the meeting can be reviewed on the EERMC's website: <https://rieermc.ri.gov/meeting/eermc-meeting-september-2020/>

Jeff Diehl, Rhode Island Infrastructure Bank

Mr. Diehl reiterated the critical importance of a funding allocation to the Efficient Buildings Fund in order to move forward municipal energy efficiency projects in 2021. He noted that their office has been working with the Office of Energy Resources and National Grid to build out a pipeline of projects to support future work both for 2021 and beyond. Schools are a key component of that investment in the future as well. He closed by asking that the \$5 million allocation from the Three-Year Plan draft be included in the final 2021 annual plan.

e) National Grid Presentation on the Energy Efficiency 2020 Quarter 2 Report

Please refer to the [National Grid Presentation on the Energy Efficiency 2020 Quarter 2 Report](#).

Mr. Richards provided a high level overview of energy efficiency program performance through quarter 2 of 2020. National Grid is currently behind 2019 achievement levels a bit and significantly behind quarter 2 achievements from 2018. He shared that their electric program forecast for year-end achievement is between 60-90% of goal for the Residential and Commercial and Industrial Sectors and is 40-70% of goal for the Income Eligible Programs, and those are also behind past achievement through Q2. Mr. Richards note that quarter 2 was the time when the programs experienced a complete shutdown as a result of the pandemic before virtual options and other workarounds could be developed and implemented.

Mr. Richards than provided the update on the gas programming, with performance about on par with 2019 through quarter 2, or slightly behind depending on the sector. National Grid's year-end forecasts are 30-60% of goal for Commercial and Industrial sector, 60-90% of goal for the Residential sector. He explained that the Income Eligible sector was significantly impacted by the pandemic shutdown and was well behind goal through quarter 2, with year-end projections of 35-65% of goal achievement.

f) Consultant Team Presentation on the Energy Efficiency 2020 Quarter 2 Report

Please refer to the [Consultant Team Presentation on the Energy Efficiency 2020 Quarter 2 Report](#).

Mr. Johnson reviewed National Grid's historical performance compared against current quarter 2 performances on both savings and spending performance and all sectors are behind in savings achievement and on spending at this point of the year for the electric portfolio.

The gas portfolio mirrors the electric portfolio, with decreased savings and spending through quarter 2 as well. He noted that the COVID-19 shutdown has drastically impacted energy efficiency programming across the board and said the consultants would be closely tracking performance through the rest of the year as energy efficiency programming ramps back up and we all work to achieve as much savings in 2020 as possible.

g) Consultant Team Presentation on Draft Cost-Effectiveness Report

Please refer to the [Consultant Team Presentation on Draft Cost-Effectiveness Report](#) presentation.

Mr. Ross reviewed the draft cost-effectiveness memo, which is based on the 2021 draft plan and will be updated in key areas as the final plan is released, to be submitted to the PUC as part of the filing.

Mr. Ross noted, importantly, that given the combined nature of the filing (Three-Year and 2021 Annual Plans filed jointly) the memo has been updated to incorporate a review of both those plans in the same document, which is a deviation from years past.

Mr. Ross explained that the Consultant team has reviewed the benefit-cost models and questions submitted to National Grid, the responses to which will help ensure accuracy.

He closed by noting that the draft cost-effectiveness report is available as a meeting material, areas likely to be updated are highlighted for clarity in that report, and any feedback from the Council is welcome.

7. Public Comment on Other Topics

None.

8. Adjournment

Acting Chairman Hubbard called for a motion to adjourn the meeting. Mr. Garlick made a motion to adjourn, which Ms. Verrengia seconded. All approved and the meeting was adjourned at 5:32pm.

Outstanding Council Member Questions Requiring a Written Response:

None.



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, October 8, 2020 | 3:30 - 6:30 PM

Meeting conducted virtually using Zoom with additional audio conference capabilities

Members in attendance: Nick Ucci, Karen Verrengia, Bill Riccio, Tom Magliocchetti, Kurt Teichert, Anthony Hubbard, Joe Garlick, Peter Gill Case, Matt Ray, Bob White, Roberta Fagan

Others Present: Nathan Cleveland, Becca Trietch, Margaret Hogan, Sydney Usatine, Jill Goodman, Michael Baer, Sam Ross, John Tortorella, Joel Munoz, Chris Porter, Adrian Caesar, Mike Guerard, Daniel Tukey, Craig Johnson, John Richards, Kai Salem, Hank Webster, David MacLellan, Jack Miniati, Jeffrey Diehl, Sue AnderBois, Jessica Darling, Carinel LeGrand, Laura Rodormer, Ben Rivers, Matt Chase, Rachel Calabro, Angela Li, Julie Capobianco, Naomi Mermin, Mark Kravatz, Kevin Rose

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-october-2020/>

1. Call to Order

Acting Chairman Hubbard called the meeting to order at 3:35pm

2. Approval of Council Meeting Minutes

Mr. Riccio made a motion to approve the September 17th open meeting minutes as written, Ms. Verrengia seconded. All approved by roll call vote.

Mr. Riccio made a motion to seal draft Executive Session meeting minutes from September 17 and keep them at the Office of Energy Resources. Mr. Teichert seconded the motion. All approved by roll call vote, with Mr. White abstaining.

Mr. Riccio made a motion to approve the September 21 open meeting minutes as written, Mr. Teichert seconded. All approved by roll call vote.

Mr. Riccio made a motion to seal draft Executive Session meeting minutes from September 21 and keep them at the Office of Energy Resources. Mr. Teichert seconded the motion. All approved by roll call vote, with Mr. Gill Case and Mr. White abstaining.

3. Executive Director Report

a) General Update

Commissioner Ucci provided two quick updates. First, the second public workshop on the Office of Energy Resources 100% Renewable Electricity by 2030 initiative was held on September 29th,

with over 150 attendees, and covered some preliminary data from the project, discussed next steps, and solicited feedback from the public. A recording of the session and further project details are available on the OER website.

Second, he reported the sad news that a former colleague of many in the energy sector, Erika Neidowski, unexpectedly passed away on October 2nd. She was the former director of Acadia Center's Rhode Island office and most recently at was at the Coalition for Solar Access. A GoFundMe is available for those interested; please contact Ms. Trietch for details.

4. Acting Chairperson Report

a) General Update

Acting Chair Hubbard reviewed the agenda for today's meeting, highlighting a Council vote on the 2021 Annual Energy Efficiency Plan and 2021-2023 Three-Year Energy Efficiency Plan, and asked all presenters to please stick to their allotted time.

He also noted there would be three separate opportunities for public comment given the numerous important topics being voted on today. All meeting materials were posted on the EERMC website and noted that two written public comments were submitted in advance.

Acting Commissioner Hubbard also informed the public that last night the Council, with the URI outreach center, hosted the first of three events in the Plugged Into Energy Research (PIER) lecture series on Energy Efficiency, Human Health, and COVID-19 and two more are to come in October and November, respectively.

Lastly, he reiterated that three Council members are needed to be on review committee for the consultant services RFP and those interested can either volunteer now, or contact Ms. Trietch after the meeting, and no later than the end of the day Monday as the committee needs to be formed by next week.

5. Program Oversight (formerly agenda item 5)

1. Update on COVID-19 from National Grid

Mr. Ray indicated that National Grid's energy efficiency services are fully back in the market, that health and safety protocols are being followed, and no COVID-19 infections have occurred through program activity.

They have conducted 2,580 virtual home energy audits in EnergyWise market rate program and 950 in the income eligible program.

Ms. Verrengia asked if energy audits are currently getting 100% cost coverage and is that a change from normal?

Mr. Ray indicated that yes, National Grid increased incentives to 100% for weatherization due to COVID. That increased incentive is available for work completed through the end of the calendar year associated with audits that took place prior to September 30th.

2021 Annual Energy Efficiency Plan

2. National Grid Review of the 2021 Annual Energy Efficiency Plan

Please refer to the [National Grid Presentation on the 2021 Annual Energy Efficiency Plan](#).

Mr. Tortorella noted that this year the Annual Plan is being filed concurrently with the Three-Year Plan due to a change in the Least Cost Procurement Standards this summer. He noted that National Grid expects positive fund balances at year end due to lack of activity in 2020, which allows for program momentum to be maintained while not raising the system benefit charge. This plan also advances significant priorities of stakeholders, such as workforce development and equity.

Mr. Tortorella then reviewed the high-level numbers of energy savings, budgets, lifetime benefits, and job creation for both electric and gas portfolio. He noted the adjustments from last meeting to this version of plan, which included finalized savings goals and budgets, and the system benefit charge being held constant at the 2020 level. Additionally, this version of the plan includes \$5 million dollars in the budget to support the Efficient Buildings Fund (EBF). Mr. Tortorella also explained that this version of the plan is able to incorporate results of the few outstanding Evaluation, Measurement & Verification (EM&V) studies which impacted savings numbers in this version of the plan - largely negative effect on claimable savings. The Company also finalized the rate and bill impacts analysis.

Mr. Tortorella then reviewed the details of the performance incentive mechanism by which National Grid can earn based on its achievement of program performance goals. The structure of performance incentive mechanism is proposed in the Three-Year Plan, and the specific earning opportunity is based on annual plan achievement. This year's performance incentive is a new structure that is based on a net benefits framework, excluding economic benefits, and measured at the sector level (as it has been previously) less the cost of achieving those benefits. In 2021 achievement begins at 65% of goal with a linear slope up to an earnings cap at 125% of goal. This provides a total earning pool of \$7.2 million dollars in 2021 for full goal achievement, with \$1.7 million coming from the gas portfolio and \$5.5 million coming from the electric portfolio.

Ms. Rodormer then provided the residential portfolio highlights of the plan, including an increased focus on equity and workforce development. She also gave an in-depth look at how National Grid was looking to drive increased savings in key areas from the potential study, such as weatherization, hot water, and heating, ventilation and air conditioning (HVAC).

Mr. Rivers then reviewed the commercial and industrial (C&I) sector highlights of the plan, including some new initiatives like Telecomm, new construction program modifications, as well as significant enhancement to the small business portfolio. He also discussed some of the innovations in the C&I portfolio, including an energy management platform that will provide greater visibility for the company into customer equipment and decision-making as well as continued work on barrier identification and reduction efforts.

Mr. Tortorella then reviewed the final savings goals and the changes between draft plans and this version. Adjustments were made throughout the planning process to account for evaluation results and portfolio changes shifting some focus to demand response and away from C&I on the electric side. Similarly for the gas portfolio, evaluation and programmatic changes adjusted savings goals from earlier drafts and budget constraints also inhibited progress toward the "low" savings scenario from the potential study. Mr. Tortorella noted the 2021 system benefit charge for both electric and gas would remain flat at 2020 levels, even though budgets are up about 10% for 2021. Finally, he reviewed rate and bill impacts analysis that demonstrate savings derived from

participants, average customers, and non-participants with participants seeing significant savings and average customers seeing some savings depending on portfolio.

3. Consultant Team Presentation on the 2021 Annual Energy Efficiency Plan

Please refer to the [Consultant Team Presentation on the 2021 Annual Energy Efficiency Plan](#).

Mr. Guerard gave an overview of the consultant team findings from the annual plan. COVID-19 impacted not only the delivery of the programs, which had to shutdown in quarter two of 2020, but also the planning process. Additionally, the updated Least Cost Procurement (LCP) Standards released by the Public Utilities Commission (PUC) in the summer, after a delay, allowed for a combined filing option that National Grid opted to take and further adjusted the schedule for plan development and review. He noted that the main impact has been the flat system benefit charge from 2020 to 2021 and a shift in focus from maximizing savings to maximizing cost-efficiency given this budget cap.

Mr. Guerard stated that this plan is consistent with the Standards and negotiations between stakeholders led to positive outcomes, including the updated performance incentive structure, the inclusion of an equity focus, improvements in barrier reduction identification and mitigation, and multi-year strategies for combined heat and power projects and the Efficient Buildings Fund. He did note that overall, the planning and review process would benefit in the future for allowing additional time between drafts and especially prior to voting on the final plan, both for the stakeholders and the Council members.

Mr. Ross covered the development of the savings goals and budgets during the planning process for the Annual and Three-Year Plans and indicated that the savings goals have decreased since the first draft of the Three-Year Plan (largely due to evaluation results and budget constraints) and the budgets have increased as much as possible to maximize savings achievement while maintaining a flat system benefit charge for 2021.

Mr. Johnson covered the sector highlights of the 2021 plan, noting that the lifetime savings achievement was flat throughout the planning process for the residential sector, though measurable progress was made to ramp up the heating, ventilation and air conditioning (HVAC) savings in planning. The commercial & industrial (C&I) sector saw a large decrease in savings goals, which was driven significantly by an evaluation study reducing claimable savings and the shifting of combined heat and power project savings to later years. The plan also contains a number of key commitments made by National Grid that address a number of key stakeholder priorities, like improvements in the Multifamily and Income Eligible programs, equity considerations, launching new initiatives, and addressing pre-weatherization barriers to name a few.

4. Public Comment on the 2021 Annual Energy Efficiency Plan

Public Comments made in writing in advance of the meeting can be reviewed on the EERMC's website: <https://rieermc.ri.gov/meeting/eermc-meeting-september-2020/>

Joel Munoz, Division of Public Utilities and Carriers:

Mr. Munoz stated that the Division recommends approval of both the Three-Year and 2021 Annual plans and they reflect a balance for ratepayers based on moving programs forward and managing short-term economic impacts for all ratepayers. The Division recognizes the long-term

benefit of energy efficiency, but also have concerns with economic landscape and cost of programming, which is why they consistently look to minimize the system benefit charge to mitigate those impacts. COVID is still having an impact on our economy and by extension, these programs, and we have the opportunity to reevaluate with subsequent annual plans as we have more information on long term outlook of economy and best interest of these important programs.

Kai Salem, Green Energy Consumers Alliance:

Ms. Salem said that their organization was pleased with the improvements in the second draft, especially with respect to equity considerations, given the importance of this issue to them and many other stakeholders. She noted that they had significant concerns about the declining performance in the Income Eligible sector over the recent years and views this plan as making progress to combat that trend. Also appreciated the innovation in finding new ways to connect with customers and focus on deeper measures.

Ms. Salem did state that they were frustrated that energy savings targets are so low and that the artificial cap on program spending is a big driver of that, and that Green Energy Consumers Alliance may not sign on as a settling party as a result. They feel this is a mistake given the importance of addressing the climate crisis head-on and cited recommendations from the recently released Heating Sector Transformation report and the Potential Study as one of many reasons as a need for increasing, not decreasing, investment in efficiency programming.

5. Council Discussion and vote on the 2021 Annual Energy Efficiency Plan

Ms. Verrengia led off by announcing that she would be recusing herself from the discussion and vote on these Plans.

Mr. Teichert asked Mr. Guerard regarding the performance incentive establishing a baseline in 2021 for one metric and not paying for that performance in 2021, specifically as it relates to equity.

Mr. Guerard replied that we are using 2021 to collect data and identify the appropriate metrics and targets for 2022 and beyond on how National Grid can earn an incentive by serving select groups, like renters, once we have a more informed baseline as a result of 2021 commitments.

Mr. Teichert also stated that while he understands the rationale for the 2021 plan targets, his expectation is that it will lead to an increase in achievements over the latter two years of the Three-Year Plan and hopes we will be more aggressive to make up lost ground.

Mr. Gill Case commented that he supports the plan as drafted given the limitations and challenges presented in 2020, though he emphasized that it is not ideal but merely acceptable. He looks forward to working on years two and three in particular to ramp up achievement and get us back on track and important for all us of to work collaboratively to meet lofty State goals. Additionally, Mr. Gill Case felt that the concerns about budget and system benefit charge levels going forward will need to be addressed. He feels that increases in later years of the plan, similar to recently approved rate increases for standard offer service, are appropriate. He concluded by stating that we need to take a more holistic view and energy efficiency is a worthwhile investment, especially relative to the investment versus benefits for customers and that he has high expectations for subsequent years of these programs.

Mr. Riccio thanked National Grid for reintroducing funds to support the Efficient Buildings Fund, as they are critical to allow energy efficiency to thrive in municipalities.

Mr. Riccio made a motion to approve the 2021 Energy Efficiency Plan as presented today by National Grid to the Council with a total electric budget of \$122.3M and a total natural gas budget of \$38.6M, and to allow for non-impactful and cosmetic changes (typos, etc.) to be done prior to filing. Furthermore, the Council directs Marisa Desautel to provide a signature page to National Grid prior to October 15th as part of the Settlement of Parties for the PUC (Public Utilities Commission) filing. Mr. White seconded the motion. All approved by roll call vote, with Ms. Verrengia recusing.

2021-2023 Three Year Energy Efficiency Plan

6. National Grid Presentation on the 2021-2023 Three-Year Energy Efficiency Plan

Please refer to the [National Grid Presentation on the 2021-2023 Energy Efficiency Plan](#).

Mr. Tortorella reviewed the objectives of the Three-Year Plan and the priorities and goals that it sets out for achievement over the ensuing annual plans. He noted that 2022 and 2023 provides both a “base case” and “high” scenario for energy savings, which is a first for the Company, as they don’t currently see a path to hitting those high scenarios but will re-evaluate in each subsequent annual plan process. This is similar to the “innovation adder” from the 2018-2020 Three-Year Plan, for those who were part of that process.

Mr. Rivers touched on some of the Three-Year Plan highlights for the Commercial & Industrial sector, which include: a new telecomm, hotels, and commercial real estate initiatives which they feel are important growth sectors, modifications to the new construction program to add zero net energy ready pathway, and incentives to facilitate comprehensive efficiency. He also noted that during all the planning processes to come, everyone would continue to identify, and mitigate or address, customer investment and adoption barriers, with a focus on equity.

Ms. Rodormer provides some residential sector highlights of the Three-Year Plan, which include: a focus on deeper measures outline in potential study (building envelope, hot water, and heating, ventilation and air conditioning), identification and addressing of barriers to participation and adoption of measures, a focus on enhancements to allow for more comprehensive measure adoption, and an increase in overall participation.

Mr. Tortorella reviewed the savings, budgets, and system benefit charges projected for 2022 and 2023, including discussion of the “base case” versus “high” achievement scenarios and how National Grid developed those. He noted that each of those scenarios is cost-effective and less than cost of supply in each of those years as well, even with higher budgets.

7. Consultant Team Presentation on 2021-2023 Three-Year Energy Efficiency Plan

Please refer to the [Consultant Team Presentation on 2021-2023 Three-Year Energy Efficiency Plan](#).

Mr. Guerard reviewed the key findings on the Three-Year Plan. National Grid was responsive to earlier draft targets being too low, which led to the “base case” and “high” scenarios development. National Grid also prioritized the identification of barriers and mitigation of those in pursuit of higher savings in 2022 and 2023, recognizing that the system benefit charge cap in 2021 is a significant barrier to savings achievement. He noted that the annual planning process for both 2022 and 2023 will be critical to escalating savings achievement and those will likely deviate from planned values.

Mr. Ross discussed the relationship between the Public Utilities Commission approved targets and the proposed savings throughout the Three-Year Plan. He also discussed the rationale behind why those numbers may have shifted from earlier plan drafts, which is primarily the system benefit charge cap for 2021, and then demonstrated the expected steady increase in 2022 and 2023. Mr. Ross also highlighted that the Commercial & Industrial sector is much closer to hitting Potential Study targets than the Residential sector in later years of the Three-Year Plan, and indicated the consultant team will be working to improve that achievement in the annual planning process. Lastly, he reviewed the budgets and anticipated system benefit charge for all three years of the plan and focused on the expected increases in budgets as more comprehensive and expensive measures take on a larger role in the subsequent plan years, with an accordant system benefit charge increase that goes along with that.

Mr. Johnson covered some high-level observations from each of the sectors in the Three-Year Plan. Lighting will be almost completely out of the residential program by 2023 and thus savings from other sectors will need to make up the difference, with most coming from heating, ventilation, and air conditioning and efficient products in this plan. The commercial & industrial sector is also seeing significant decline in lighting savings and the current portfolio’s savings achievement is weighted by the expectation of large combined heat and power projects in the 2022-2023 range, with negative impacts on goal achievement should those not come online then.

8. Public Comment on 2021-2023 Three-Year Energy Efficiency Plan

Jeff Diehl, Rhode Island Infrastructure Bank:

Mr. Diehl thanked the Council for approving the annual plan for 2021 with the \$5 million dollars in support of the Efficient Buildings Fund (EBF). He wanted to note how critical the continued capitalization of EBF in all three years of the plan is because it sends a strong signal to municipalities to take steps necessary, including lengthy municipal borrowing approval processes, to take on comprehensive energy projects and access the benefits of the low-interest financing. This not only drives municipal engagement but also allows for growth of the program and signals to rating and bond agencies the health of the program and the benefits that it helps unlock. The Bank appreciates your continued multi-year support of the EBF program.

Kai Salem, Green Energy Consumers Alliance:

Ms. Salem voiced her support for the performance incentive mechanism tied to net-benefits, calling it a big improvement over previous iterations and now feels it properly aligns utility and stakeholder goals.

The Green Energy Consumers Alliance wants to see higher savings, especially in 2022 and 2023, so we can continue to grow the infrastructure needed to meet our energy goals. She stated that rather than frame this as savings gradually increasing, they view it as missed opportunities of savings not achieved in each of those years by not getting close to the approved targets.

9. Council Discussion and Vote on 2021-2023 Three-Year Energy Efficiency Plan

Mr. Riccio made a motion to approve the 2021-2023 Three-Year Energy Efficiency Plan presented today by National Grid to the Council, and to allow for non-impactful and cosmetic changes (typos, etc.) to be done prior to filing. Furthermore, the Council directs Marisa Desautel to provide a signature page to National Grid prior to October 15th as part of the Settlement of Parties for the PUC (Public Utilities Commission) filing. Mr. Garlick seconded the motion. All approved via roll call vote, with Ms. Verrengia recusing.

10. Consultant Team Presentation on the Cost-Effectiveness Report for both the Annual and Three-Year Energy Efficiency Plans

Please refer to the [Consultant Team Presentation on the Cost-Effectiveness Report for both the Annual and Three-Year Energy Efficiency](#).

Mr. Ross covered the process undertaken by the Consultant team to review the Three-Year and Annual Plans to determine if they appropriately meet the legislative standards for Council approval, including the Rhode Island and Total Resource Cost tests and detailed review of the Benefit/Cost model. The Consultant Team is confident that the plans are cost-effective and less than cost of supply and meets the requirements.

11. Council Discussion & Vote on the Cost-Effectiveness Report

Mr. Teichert made a motion to approve the cost-effectiveness report as currently written and to direct the consultant team to update the highlighted sections prior to submitting the report to the Public Utilities Commission by the November 5, 2020 deadline. Mr. Riccio seconded the motion. All approved by roll call vote.

System Reliability Procurement

12. National Grid Presentation on the System Reliability Procurement Three-Year Plan

Please refer to the [National Grid Presentation on the System Reliability Procurement Three-Year Plan](#).

Mr. Chase reviewed the overarching objectives and motivations for System Reliability Procurement (SRP) and what the typical projects undertaken through that process are. He also reviewed the differences between work undertaken in SRP, versus the work done in the Infrastructure, Safety, and Reliability (ISR) and Energy Efficiency (EE) dockets, given their unique relationship to the electric or gas systems focusing on targeted needs.

Mr. Chase showcased the changes in the second draft, which include additional details on the Non-Pipe Alternatives (NPA) program in the body of the plan and the executive summary sections. There is significant additional detail on alignment with the Least Cost Procurement Standards and this draft provides much more information around the analysis of existing system needs. The Company will also be taking any additional comments from stakeholders at upcoming technical working group meetings and in writing after circulation of the final draft should anyone have any.

The third and final draft will be circulated on October 29th in preparation for a Council vote on November 12th and filing on November 20th to the Public Utilities Commission.

6. Public Comment on General Topics

None

7. Adjournment

Acting Chairman Hubbard called for a motion to adjourn the meeting. Mr. White made a motion to adjourn, which Ms. Verrengia seconded. All approved and the meeting was adjourned at 6:17pm.

Outstanding Council Member Questions Requiring a Written Response:

None.