Halfpenny called the meeting to order at 2:07 and welcomed everybody. She noted that this was a supplemental Council meeting, primarily to talk about the 2013-2015 draft plans.

Public comment
Several interested parties commented on the PAs draft plan during the public comment period, including: Natalie Hildt (NEEP), Paul Lipke (Health Care Without Harm), David...
Straus (A Better City), Loie Hayes (Boston Climate Action Network), and Paul Johnson (Greentek).

General Updates

Report to the legislature
Halfpenny explained that, while we have a draft of the report to the legislature, this year we are going to wait for the evaluated numbers in the 2011 annual report. She said the plan is to get a draft to councilors by August 3rd for a Council vote on August 10th.

DPU 11-120 Update - subcommittee
Venezia updated the Council, noting that with phase 1 everyone is awaiting further instructions. For phase 2, he noted, stakeholders have filed comments, and DPU may choose to hold a second technical session.

Annual Report
Lyne noted that the PAs’ annual reports are due on August 1st and that the PAs are on track to complete them.

Appreciative Inquiry report
White updated the Council that a draft of the AI report is being reviewed by the PA team. She noted that a draft report will ready for review by the Council in September, and that a final report will be attached to the 3-Year plan submitted to DPU in October.

Response to the July 2013-2015 Draft Plans
Halfpenny reminded Councilors that, per the GCA, the Council has to weigh in on the 3-Year draft plans 90 days after they were submitted, or by July 30th. She noted sending out the draft resolution the previous Friday, having received many comments, and working with the consultants to focus on the main messages. Halfpenny noted sending out the synthesized version just prior to the Council meeting, and commented that the resolution tries to emphasize the work that went into plan, and the success that we’ve achieved, while calling out the main topics where the Council would like to see more. She noted working with DEP to put together the chart comparing GCA 3-Year plans to CECP targets, as a point of reference. Seidman walked the Council through the chart.
White noted that the PAs made comments on the net savings proposal and, with the new net savings approach, we may be closer on savings targets that it appears. Halfpenny talked through the resolution language and asked for input from the Councilors. A robust discussion took place among the Councilors and the document was edited topic by topic in real time. Lyne noted a core concern of the PAs that the GCA can’t be supplanted with the CECP, but that they should be in alignment, with some language in the resolution referring back to the GCA. McDiarmid motioned to approve the resolution as edited, Jacobson seconded. Council voted and approved.

Performance Incentive Model
Schlegel presented a set of slides and walked the Council through how Performance Incentives work. He noted that PIs can be very effective in supporting achievement of goals and objectives. Oppenheim noted that, historically, low income performance
incentives have represented about 60% of overall incentives. Schlegel explained why it is important to get benefits, costs, and net benefits “right” in the plan.

• The “payout rates” (performance incentive earned per $ of benefits, and incentive earned per $ of net benefits) for the savings and value components are set based on the plan.
• For a given incentive level, lower benefits or higher costs (leading to higher net benefits) in the plan result in higher payout rates per unit. Then the higher payout rates are multiplied by actual results, resulting in higher total incentives for a given level of actual benefits or net benefits.
• (Potential) perverse incentive for PAs to use lower benefits or higher costs in the plan, resulting in higher payout rates, then multiplied by actual results → higher incentives and PA earnings.
• Possible change: payout rates determined before the plan is developed (but then the plan total incentive level would be determined by multiplying planned units times the payout rate)

Schlegel noted the ongoing discussions between PAs and EEAC consultants, with input from Councilors. He explained the consultant recommendation to have the Executive Committee continue working on the proposed performance incentives for the 2013-2015 Plan during August and early September. He asked for Councilors to please get their suggestions to the EC. Harak noted that it would be helpful to see some example numbers. Loh suggested maybe tying performance incentives to Action Plans in the plan. Halfpenny confirmed that the EC will take up this topic at their next meeting. She noted that she will send out an email to schedule the next EC meeting.

Data Dashboards
Abdou presented a set of slides on the PAs’ data dashboards, representing data through the end of May. She noted that the quarterly report will be ready in August. Abdou pointed out that the programs are ahead of last year’s pace at this time, for both electric and gas.

Adjourn
Halfpenny adjourned the meeting at 5:02.