



EXECUTIVE COMMITTEE MEETING MINUTES

Wednesday, July 11, 2018
100 Cambridge St, 10th Floor
Boston, MA 02114

Executive Committee Members Present: Don Boecke, Amy Boyd, Maggie McCarey (designee for Judith Judson), Emmett Lyne, Rick Malmstrom

Other Attendees: Marie Abdou, Eric Belliveau, JoAnn Bodemer, Joe Dorfler, Rachel Evans, Ian Finlayson, Jonathan Goldberg, Frank Gundal, Charlie Harak, Craig Johnson, Paul Johnson, Audrey Penna (via phone), Alex Pollard, Emily Powers

1. Call to Order

McCarey, as Chair, called the meeting to order at 2:45 PM.

2. Berkshire Gas Mid-Term Modification

Penna reviewed Berkshire Gas' Mid-Term Modification (MTM) request. She indicated that their MTM had two requests – one for a 32% decrease in the Residential Products program budget and another for a 40% decrease in the Low-Income Hard-to-Measure (HTM) program.

McCarey noted that the consultant team (C-Team) would review Berkshire Gas' MTM and update their recommendations memo for the July Council meeting.

3. Overview and Discussion – Draft July Council Resolution

Boyd began by introducing the resolution as the Council's response to the PA's Draft Three-Year Plan ("the Plan"). She noted that it covers the larger savings goals, costs, and indicators that the Council looks to in establishing the idea that the PAs can pursue and achieve additional savings and benefits. Boyd added that the resolution also included an in-depth discussion on the Council's nine priorities as well as a place holder for the performance incentive, which the Council had not formally discussed.

General and Overarching Comments

Belliveau recommended that page numbers be added to the resolution.

Boecke noted that the Attorney General's office felt that the draft was well done and that it carried the Council's themes appropriately. He suggested that the executive committee (ExCom) refrain from micromanaging the review process too much.

Lyne noted that the PAs do not have detailed comments yet but that they would get back to the drafters once they have had a chance to review it. At a high level, Lyne noted that the PAs felt it would be important for the resolution to be clear about the gap in savings goals between the PAs and the Council's expectations. From a process standpoint, he noted that the PAs could probably provide an updated draft of the Plan by mid-September. Paul Johnson recommended that they aim for the end of August, at least for the narrative.

Boyd requested that the PAs include in their comments any thoughts about key indicators that may not be feasible. Abdou asked if the Council expected the PAs to include all or some of the key indicators under each of the priorities and whether they would be prioritized. Boyd indicated that they would look to answer that question at the Council's extraordinary meeting in July where they would be moving to finalize the resolution.

The following captures discussions that were held on each of the sections of the draft resolution.

Section 2 – Savings Goals and Program Costs

Boyd noted that the description of the benefit cost ratio conflicted with a discussion later in the resolution about cost to achieve being high. She suggested removing the word "strong" from the description of the benefit cost ratio in this section.

Section 3a – Underserved Populations and Geographies

Harak asked if it were possible for the PAs to track the number of participants for the 60-120% State Median Income (SMI) in a manner other than using census tracts. Lyne indicated that the PAs would share specific comments on that item at a later date.

Section 3b – Active Demand Management

Johnson suggested that the resolution recommend that the Plan include new demonstration projects. Belliveau indicated that the C-Team felt that the demonstrations have provided enough information for the PAs to fully implement a program and that demonstrations would no longer be necessary.

Section 3c – Fuel Switching

Boecke asked if the language around fuel switching was meant to include incentives for residential and C&I. He indicated that the state would likely not support incentives for fuel switching in the C&I sector. Abdou noted that there was language in the plan that did not exclude C&I but that they did not have any numbers tied to that.

Belliveau asked if the PAs intended to not budget for it but that if it happened they would want to claim savings. Abdou indicate that they would like to claim savings if a customer is fuel switching to the most efficient equipment.

McCarey asked how they would distinguish between customers they incentivize and free-riders who were going to fuel switch anyway. Abdou indicated that that would be taken care of through evaluations.

Goldberg noted that right now the PAs are only claiming savings as the difference from the baseline efficiency and not from the delivered fuel efficiency. He added that they would like to be able to claim some of that benefit for switching away from carbon-intensive fuels.

Gundal asked if the resolution would provide any discussion on gas PAs doing fuel switching from delivered fuels to natural gas. Boyd noted that delivered fuels are only covered by electric PAs and that she was unsure how the gas PAs would do that. Belliveau agreed and noted that if the gas PAs are intending to do that it is unclear how they would given that it was not in the Plan. Lyne agreed and indicated that the PAs would provide more information on that. Harak indicated that he hoped to see fuel switching from delivered fuels to gas for low-income customers regardless of the savings being claimed.

Section 3d – Integrated Residential Program Design

Johnson noted that not being able to do bulbs is going to make home energy audits very expensive. He requested that the PAs provide some indication of how many audits and weatherization jobs are being planned. He also recommended that the resolution include a request to the PAs to include some information about how many trainings they would be planning for sales effectiveness.

Harak asked if the PAs are projecting that home energy audits will decrease. Abdou indicated that the goal of the residential program redesign is to not require an audit so that customers can do everything in the program regardless of their pathway to participation. Boyd suggested that if the in-home audit requirement is being removed that the PAs provide an explanation of how they plan to influence customers to get weatherization.

Section 3e – C&I Sector Savings Measures

Malmstrom suggested that the key indicators should have something around commercial real estate efforts. Boyd suggested that the language include something about lighting and HVAC controls.

Section 3j – Performance Incentives

Boecke and Hark both expressed appreciation that performance incentives was included as a placeholder. Belliveau agreed and added that the Plan could include a commitment to getting to a decision by a certain year and not right away.

Lyne indicated that the PAs would provide comment on the topic, but that they would not be supportive of changes to the performance metrics. Abdou added that they tried key performance indicators before and they did not work. Belliveau noted that some did not work, but that they did in the case of combined heat and power (CHP).

4. Upcoming Meeting Agendas

July 19th Extraordinary Council Meeting Agenda

McCarey noted that this meeting was scheduled for the purpose of finalizing the resolution. She added that there would be no time for Council business or public comment. Boyd recommended that DOER send out another e-mail noting that there would be no public comment.

July 31st EEAC Meeting

McCarey noted that the July EEAC meeting would include an update on the Global Warming Solutions Act Avoided Cost Study, a review of 2017 year-end results, a report out on the key drivers process, a review and vote on the Council's July resolution, and a review and vote on Berkshire Gas' MTM request.

5. Adjournment

McCarey, as Chair, adjourned the Executive Committee at 4:05 PM.