



## PUBLIC COMMENT MEETING MINUTES

Wednesday, June 6, 2018

100 Cambridge St, 10th Floor  
Boston, MA 02114

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**Councilors Present:** Don Boecke, Amy Boyd, Judith Judson, Emmett Lyne, Elliot Jacobson, Richard Malmstrom

**Other Attendees:** Frank Gundal, Emily Powers, Alex Pollard, Joanne Bodemer (phone), Laurie Pereira (phone), Michael Sommer (phone), Lyn Huckabee, Judith Judson, Rachel Evans, Ian Finlayson, Eric Belliveau (phone), Jonathan Goldberg, Eugene Gibbons, Jeremy Newberger, Marie Abdou, Ricardo Sagal

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### 1. Call to Order

Commissioner Judson, as Chair, called the meeting to order at 2:38 PM.

### 2. Berkshire Gas Mid-Term Modifications

Sommer, on behalf of Berkshire Gas, introduced a Mid-Term Modification (“MTM”) for its Residential Products and Low-Income Hard-to-Measure programs. He outlined the request submitted on May 16th, 2018.

#### *Berkshire Residential Products MTM*

Berkshire is requesting a decrease in the residential products budget by \$756,000 dollars. Sommer stated that the proposed budget decrease is driven by lower than anticipated demand for heating system rebates. He noted that projections from 2014 for residential products performance was based on the expectation that the east side moratorium would be lifted before the 2016-2018 term. Sommer noted that while the moratorium remains in effect, the only measures that can be offered are weatherization and new equipment replacement measures. Sommer also referenced several marketing approaches that still did not amount to the number of conversions needed to stay on target.

Finlayson asked for more details about the effect of the moratorium on the east side. He inquired about the demand for products as new equipment replaced on failure compared to early replacement.

Sommer mentioned that about 30% of heating equipment through the residential products program is for an oil to gas conversion. The remainder of cases are from gas to high efficiency gas and early boiler replacement. Sommer noted that customers who want to hook up to gas are not able to do so because of the moratorium. He added that the plan for conversions from oil to gas expected 7.5% of conversions to occur within the moratorium area. He also referenced low natural gas prices as a deterrent for customers who are considering an upgrade to higher efficiency equipment, as the low gas prices result in a payback period of 15 years.

Belliveau noted that only about 50% of the marketing budget has been spent, suggesting that more can be done on program marketing and outreach.

*Berkshire Low-Income Hard-to-Measure MTM*

Sommer also reviewed the low income proposed 40% decrease in budget. He stated that the low-income Hard-to-Measure program was over budgeted for LEAN and DOER.

Finlayson asked if this money could be spent elsewhere within the low-income sector, noting that there are no savings attached to Hard-to-Measure programs.

Sommer responded that Berkshire is planning to get more funding for HEARTWAP in Pittsfield, but it would not be enough to shift the low-income budget.

Boecke noted that for the residential products program, Berkshire is likely to hit about 60% of planned annual and lifetime savings. He questioned the impact of this change on the residential sector goals overall.

Goldberg responded that the residential whole house program is seeing an increase for Berkshire, which is equalizing savings goals for the sector overall.

Belliveau spoke about a past MTM for a budget reduction put forth by Eversource. He noted that there is no reason why the council must act to give money back, as action has no effect on the continuity of the program.

Commissioner Judson summarized that there were options for how the Council could respond to Berkshire's MTM. She anticipates that the MTM would be accepted by the DPU, as usually the Department likes to return money to ratepayers if a company does not decide to spend it. She countered that the budget reduction is troubling because there is a real need to get greater efficiency savings. The Commissioner highlighted challenges with the strain on the current system, pointing to issues of increased energy costs and greenhouse gas emissions. She added that Berkshire would need to provide lessons learned and include them in the next three-year plan to avoid future budget reductions.

### **3. Liberty Utilities Mid-Term Modification**

Pereira, on behalf of Liberty Utilities, proposed a 32% increase in budget for its residential whole-house program. Drivers behind the need for the adjustment include an uptick in new construction units, multifamily units, larger than anticipated job size, and vendor changes to maximize cost efficiencies. Pereira also noted that 1,700 home energy assessments were planned for the three-year term, but the actual figure is closer to 2,500 assessments. Additionally, lifting the \$2,000 incentive cap on insulation measures has resulted in increased incentive costs for weatherization projects. Pereira summarized that Liberty is happy with the higher than expected demand and savings per participant that they are seeing. She also noted that one contributor to this uptick is the increase demand for early replacement measures through the home energy services program, which had previously been captured in the residential products program.

Belliveau noted that the consultants believe this is an appropriate MTM.

Boyd expressed satisfaction with the higher annual and lifetime savings projected.

### **3. National Grid Mid-Term Modifications – Electric and Gas Presentation**

Abdou, on behalf of National Grid, presented MTMs for several programs:

#### *National Grid Gas C&I New Construction Program MTM:*

Abdou explained the request for increased budget to accommodate overspending in the C&I Initial Purchase and End of Useful Life program, primarily because higher than anticipated demand for upstream water heater measures. Abdou noted that Grid has approved \$27.4 million dollars but is projecting \$33 million for the New Construction program.

#### *National Grid Gas Residential Hard-to-Measure, Low Income Hard-to-Measure, C&I Hard-to-Measure MTMs:*

Abdou clarified that National Grid wants to redirect funds from Hard-to-Measure areas towards the New Construction program. For the residential Hard-to-Measure program, underspending occurred for all initiatives within the program. This included underspending on database costs, R&D and demonstrations, and the residential education initiative. While program underspending was 36% lower than plan, the effect on the overall sector results in a 1% decrease in budget overall.

Belliveau noted concern about the Hard-to-Measure underspending in areas of research development, database, workforce development, which are all within National Grid's control. He added that all these Hard-to-Measure initiatives help to make the transition of plans easier and underspending in this area should be viewed as a lost opportunity. Belliveau also pointed to the lack of a real online portal. He summarized that movement of this money out of this category is hard for the consultant team to swallow.

#### *National Grid Electric C&I New Construction Program MTM:*

Abdou summarized a request to shift the C&I New Construction budget from \$85.5 million to \$60.5 million, which is 29% decrease from planned budget for the program, and a 7% decrease from electric C&I budget overall. The cause of this adjustment is primarily driven by lower

participation in the new buildings and renovation initiative. Abdou added that this effect on savings is lessened due to the initial purchase and end of useful life initiative coming in at 120% of savings while underbudget.

Boyd clarified that the MTM is asking the Council to approve shifting money from the New Construction program to the Retrofit program.

Pollard pointed to high efficiency buildings and passive house projects, acknowledging that these projects are customer driven, but noting that Grid could do more in these areas within new construction.

*C&I Electric Low-Income and C&I Hard-to-Measure:*

Abdou added that the Low-Income Hard-to-Measure program underspending of \$0.8 million would be shifted for use in other programs within the sector. She also noted underspending in the C&I Hard-to-Measure program of \$2.1 million dollars.

Pollard echoed previous comments about Hard-to-Measure initiative spending being entirely in control of National Grid. He stated that this area drives innovation and thought leadership. He pointed specifically to workforce development efforts, noting that it would be good to hear why only 50% of this budget is being spent.

Belliveau added that there is more research needed through the hard to measure program to figure out how to make sense of upgrading streetlights on the National Grid streetlight tariff. He also mentioned the need for update on C&I customer portal, and in classifying customers to streamline future customer profile studies.

Jacobson noted that National Grid is still on track to meet its three-year goal.

## **5. July Resolution on Draft Plan**

*Upcoming Schedule*

Powers noted that they would be pushing back both EEAC and ExCom meetings by one week from August to October.

For the July resolution on the draft plan, Powers noted that the draft will be ready for comment and edits for the July 11th ExCom meeting.

Belliveau provided an update on the progress with the draft Resolution, noting conversations with Boyd and DOER to work towards identifying major categories to direct the conversation, with some discussion about goals framework.

Commissioner Judson noted the addition of performance incentives as a topic to discuss in the resolution.

## **7. Avoided Cost of Compliance with the GWSA (Global Warming Solutions Act)**

Finlayson provided an update on the avoided cost of GWSA compliance study for Massachusetts. He noted that many PAs have expressed interest in being involved, including National Grid and Cape Light Compact. He added that Eversource is not fully involved in study. Fully supportive PAs will be working to discuss the methodology with the vendor, and results are expected in August.

Commissioner Judson and Boyd expressed concern that not all PAs are involved in this study. Both noted that PAs who are not involved may not accept the results of the study. Commissioner Judson added that this number will be used in the plans, and it is important to acknowledge that energy efficiency is a means to compliance with the GWSA, and if ratepayers are not paying through energy efficiency surcharges, they will be seeing the impacts on their wallet somewhere else.

Lyne added that every PA is committed to looking at what the results of the study are, and everyone is interested in getting the avoided costs right. He also noted that the scope was issues without PAs comment.

Finlayson confirmed that the scope was shared with PAs without taking comment.

Commissioner Judson noted that DOER would be happy to take input on the scope if that would mean all PAs would take an active role in the study. She emphasized the importance of PA input on this study.

Boeke stated that the study would only have a marginal impact on avoided costs and would help measures with more greenhouse gas savings move forward.

Finlayson added that Multifamily has been struggling to be cost-effective and this study would help make this initiative easier to move forward. In addition, the study would likely support the already cost-effective conversion of oil to heat pump heating equipment.

Evans give an update on the status of councilors. Cindy Arcate is confirmed to replace Larry Chretien as the new councilor representing the non-profit network.

Finlayson added that before Chretien was replaced, he proposed a resolution asking the EEAC to provide an avoided cost of compliance with GWSA.

Commissioner Judson noted that DOER should follow up with Arcate on how to proceed with the resolution.

## **8. June EEAC Draft Agenda**

- Public comment and introduce new guidelines
- Councilor updates
- Upcoming meeting schedule
- Key drivers analysis

- Mid-term modification presentations

The ExCom also agreed to a separate meeting discussing the draft resolution.

## **9. Adjournment**

Finlayson, as Chair, adjourned the meeting at 4:36 PM.