



EXECUTIVE COMMITTEE MEETING MINUTES

Wednesday, March 6, 2019
100 Cambridge St, 10th Floor
Boston, MA 02114

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

Other Attendees: Marie Abdou, JoAnn Bodemer, Gretchen Calcagni (via phone), Maggie Downey, Rachel Evans, Ian Finlayson, Jonathan Goldberg, Craig Johnson, Margie Lynch, Jerrold Oppenheim, Alex Pollard, Emily Powers

1. Call to Order

McCarey, as Chair, called the meeting to order at 2:36 PM.

2. General Updates

McCarey noted that there were two motions for reconsiderations on the Department of Public Utilities' (DPU) dockets for the 2019-2021 Three Year Energy Efficiency Plans ("the Plan") and asked the program administrators (PAs) to give an update.

Goldberg noted that the PAs submitted a motion for reconsideration related to the performance incentive. He noted that the DPU's Order instituted additional requirements that would require that the performance incentive associated with any programs that were not cost-effective be removed from the overall performance incentive pool. Goldberg indicated that the PAs were seeking clarification on three points made in that additional requirement. First, the PAs wanted to know whether the requirement for cost-effectiveness needed to be over the full three-year term or on an annual basis. Goldberg indicated that the PAs put forth an argument for it to be over the full three-year term. Second, the PAs wanted to know if the removal of the performance incentive would be for the planned amount or the actual amount. Goldberg indicated that the PAs were requesting that it be for the actual performance incentive amount and not the planned amount. Finally, the PAs wanted clarification on what they should do with the value component of the performance incentive in cases where they have a program that is not cost-effective.

McCarey asked if the PAs had a sense of when they would hear back from the DPU on their motion for reconsideration. Goldberg indicated that while there is technically no time requirement for when the DPU has to respond, he expected that they would respond by the end of the year.

Bodemer noted that the Cape Light Compact (CLC) submitted a motion for reconsideration to seek clarifications on four items in the DPU's Order for their Plan. First, the CLC was looking for clarification on the process for implementing demonstration offerings for daily dispatch of batteries. Second, the CLC was looking for clarification on the appropriate use of their active demand response budget. Bodemer noted that one section of the Order indicated that they could keep it for demonstration offerings while another section said they had to remove it from their budget entirely. Third, Bodemer noted that the Order directed the CLC to stop administration of all active demand activities. She indicated that the CLC would like the DPU to reconsider that given that they have successfully run active demand activities since 2016. Finally, she noted that the Order mentioned reporting of information related to power supply, energy efficiency, and consumer advocacy for the purpose of record keeping. Bodemer indicated that the CLC was seeking clarification on whether those reporting requirements were intended to begin for the last term or the current one.

3. Key Performance Indicators and New Reporting

Current Draft - Residential Key Performance Indicators

Lynch noted that three key performance indicators (KPIs) had been developed for the residential programs and that each would be reported by PA. The first KPI would be for the recommendation to installation conversion rate and the total number of air sealing, insulation, duct sealing, and duct insulation measures installed. The second KPI would be for the count of measures by end use, including air sealing, insulation, heating systems, air conditioners, hot water, thermostats, and lighting. The third KPI would be for heating system recommendations by fuel and type.

Lynch indicated that the Department of Energy Resources (DOER) and the PAs are in close agreement for two of the KPIs. She added that there is collective agreement for the third KPI to be crafted around energy optimization, but that they were still working to come to agreement on what that would be. She also noted that there has been some discussion about reporting of the age of heating systems from the home energy audits. Lynch noted that that was not the PA's preference, but that it sounded like they might be willing to do that. Finally, Lynch noted that there was an acknowledgement that the data was likely easy to secure from lead vendors, but less so from the home performance contractors, which make up about forty percent of audit activity.

Lyne noted that he had not been actively involved in the discussions but agreed that it sounded like the PAs and DOER were close to agreement on the proposed KPIs.

Jacobson noted that he would want to make sure that he would be capable of collecting the data. McCarey noted that low-income was not included in the conversation about the KPIs.

Oppenheim added that the first and third KPIs did not apply to the low-income program and that they could probably report on most items in the second KPI. Lynch noted that there have been

discussions about the low-income program having a greater emphasis on new measures such as exploration of WiFi thermostats and heat pumps. She added that the proposed KPIs would help the PAs understand how that was progressing.

Current Draft - Commercial & Industrial KPIs

Calcagni noted that three KPIs had been developed for the commercial and industrial (C&I) programs. The first KPI would be for the ratio of projects that include lighting controls to the total number of lighting projects. The second KPI would be for the electric and gas gross savings from custom heating, ventilation, and air conditioning (HVAC) projects and number of projects. The third KPI would be for the percentage of savings from non-lighting measures in the electric turnkey initiative and the percentage of savings from non-aerators in the gas turnkey initiative.

Lyne indicated that he had spoke with DOER and the consultant team (C-Team) about the KPIs and added that the PAs would be providing feedback shortly. Pollard added that the conversations had been going well and that he would not expect any significant changes from the proposed KPIs.

On the first KPI, Malmstrom noted that he had noticed that more light manufacturers are putting controls right in their fixtures. He added that he would want to make sure that that KPI would break out fixtures with imbedded controls as opposed to fixtures with added controls. Pollard indicated that the PAs should already be tracking that information.

On the third KPI, Pollard noted that the main intent was to see how much savings are coming from the non-major measures.

Additional Discussion and Next Steps

McCarey indicated that she would like to see the KPIs presented at the March meeting once the language has been finalized and agreed upon. She added that she would be asking the C-Team to report on all new reporting activities in addition to the KPIs.

Boyd asked if all new reporting would include an update on renter and moderate-income specific questions that were raised at the last Council meeting. She noted that the DPU language suggested that the PAs report on income as available. She asked if the PAs would expand their efforts to make it available or if they would only report on it if they had it available. Lyne indicated that the PAs were looking into it.

4. Progress of Cape Light Compact and Eversource Agreement

McCarey noted that the DPU Order required that the Cape Light Compact (CLC) and Eversource reach an agreement by September. She added that the Order required that the Council provide its recommendations to the DPU within sixty days if no agreement is reached. McCarey noted that if the Council waits until September then it likely will not have enough time to formulate recommendations and so she requested that the CLC and Eversource give updates on the negotiations at every Executive Committee meeting. She added that she would like for the CLC and Eversource to determine whether they think they will reach an agreement by July so that the

Council can spend time in August and September to come up with a recommendation. The Executive Committee members agreed that that was a good idea.

Lyne indicated that he would relay McCarey's suggestion to the PAs. He added that he did not see the Council's role to be the arbitrator in the negotiations, rather that they should be prepared to recommend alternatives.

Downey indicated that she was in favor of McCarey's proposed timeline. She added that Eversource had sent the CLC a memorandum of understanding at the end of 2018 and the CLC was waiting for the DPU's Order to come out before they provided feedback. She added that the CLC has since provided feedback to Eversource and are currently waiting to hear back from them.

Boyd suggested that the CLC and Eversource present on what has taken place in the negotiations and why the parties have either reached an agreement or not.

5. Executive Committee Feedback for EEAC Presentations

McCarey noted that the next Council meeting would feature presentations on energy optimization and active demand response. She asked the C-Team to give an update on what they were planning on presenting for energy optimization.

Lynch indicated that the residential team has talked with the Residential Management Committee and that they had identified the following list of topics to be presented on:

- An explanation as to what energy optimization is given that it's a new term and a bit unclear. The explanation would include some information about how energy optimization is different from what the PAs have been doing to date.
- Review the type of information that will be provided to customers as part of the energy optimization process. There is strong interest in the PAs developing a decision tree or logic model for what that would look like in an assessment. Also, provide the Council with information of inputs and outputs of a calculator that the PAs are developing, as well as how it would be used.
- Discuss how various pieces of information will be integrated into the customer intake process and how that information would play into the selection of a contractor for installation.
- Information on how comprehensive the solutions being provided to customers will be. For example, would customers receive information on things the PAs do not currently offer incentives for.
- What level of training would be planned for industry professionals such as energy specialists and home performance contractors.
- Review the major milestones involved with rolling out the energy optimization framework and what customers are receiving in the interim while the framework is being developed.
- An explanation of how the PAs will assess the impact of energy optimization on customer fuel choice, as well as what data will be collected and tracked.

Lynch noted that the PAs would present on most of the items and that the C-Team would do a short presentation about expectations.

Oppenheim suggested that the presentations stick to the residential sector and not focus at all on low-income. He recommended that these items could be discussed in the low-income dedicated Council meeting.

Lyne indicated that the PAs agreed with the C-Team's presented list of discussion points, and added that they would plan to have a slide or two on C&I.

6. 2019 EEAC Consultant Procurement

Powers reviewed the proposed calendar for the upcoming consultant procurement. She noted that the initial bid would aim to be released on April 29, 2019, the question and answer period would occur in May 2019, the deadline for bid responses would be around June 19, 2019, the notification of the winning bid would take place by July 17, 2019, and the contract would start on September 1, 2019.

Malmstrom asked what the term of the contract would be. McCarey noted that it is typically a three-year contract, but that they were thinking about having it end at the end of the calendar year of the first year of the next three-year plan. She added that it would then be a three year and four-month contract, ending in 2022.

Lyne asked if DOER had a target date for sharing the scope of work. McCarey said she was not sure, but that they would be seeking the Executive Committee's feedback.

Boyd asked if the proposal would be discussed at the Executive Committee or the Council. McCarey noted that the Executive Committee would provide comments on the request for responses, evaluate the bids, and then provide feedback to the Council.

7. March EEAC Meeting Draft Agenda

McCarey reviewed the draft agenda for the March EEAC meeting.

Lyne recommended that as much time as possible be dedicated to active demand, noting that there has been a lot of interest in that area.

8. Adjournment

McCarey, as Chair, adjourned the Executive Committee at 4:01 PM.