

**Massachusetts Energy Efficiency Advisory Council**  
 Meeting Minutes  
 Tuesday, September 10<sup>th</sup>, 2013

**Councilors Present:**

<b>Voting</b>	<b>Present (designee)</b>	<b>Non-Voting</b>	<b>Present (designee)</b>
Nancy Seidman	X	Elizabeth Cellucci	X
Martha Coakley	Matthew Saunders	James Carey	Matthew Zenni
Penn Loh	X	Tilak Subrahmanian	X
Mark Sylvia	Tina Halfpenny	Michael Ferrante	
Debra Hall	X	Maggie Downey	X
Charles Harak	X	Cindy L. Carroll	X
Elliot Jacobson	X	John Ghiloni	
Christina Dietrich	X	Paul Gromer	X
Rick Mattila	X	Andrew Newman	
Robert Rio	X	Michael Sommer	Robert Gyurjan
Deirdre Manning	X	Carol White	X
Brian Swett	Brad Swing	Eric Winkler	X
Michael McDonagh	X		
Paul Johnson	X		
Larry Chretien	X		

DOER: Steve Venezia

Consultants: Eric Belliveau, Jeff Schlegel, Sam Huntington

**Present:**

Jack Habib	Dave Gibbons	Ian Springsteel
Frank Gundal	Ezra McCarthy	Sam Nutter
Lisa Shea	Dinesh Patel	Travis Sheehan
Jodi Hanover	Shaela Lollins	Pat Coleman
Matt Nelson	JoAnn Bodemer	Melanie Coen
Margaret Song	Katelyn Mazuera	Marie Abdou
Meredith Miller	Amy Vavak	John Ballan
Pat Crowe	Monica Cohen	Lynn Westerlind
Monica Kachru	Leo Steidel	Mike Myser

Halfpenny called the meeting to order at 1:07pm and welcomed everybody.

**Public Comment**

Dennis Pasqualino, of A.A. Arden, LLC, read a statement about the Home Performance Contractor (HPC) initiative. He noted that he was there to speak about next year's goals for HPC coming out of the best practices working group. The first goal, he said, was to have QC inspections completed by an independent third party so as to remove the conflict of interest of having the inspections done by the lead vendor of the Home Energy Services program, who, he pointed out, are really his competitors. The second goal, he noted, was to have customers who call in to the call center evenly distributed among the lead vendor and the HPCs. The third goal, he stated, was to sort out issues around the use of the MassSave logo. As it stands the HPCs

cannot use the logo which puts them at a disadvantage when it comes to marketing compared to the lead vendor. The final goal, he noted, was to create a third party dispute resolution board. He pointed out that the current program offers no way for the HPCs to raise an issue about the lead vendor.

Rick Taglienti, of Rogers Insulation, read a statement about his experience with the MassSave program. He described how some of his colleagues had been working in the state for over 30 years which has given them a good perspective on the program and the industry. He explained that in their business the customer's perspective is very important, and that customers appreciate the incentives offered by the program. They also appreciate the high quality installation required by the program. He concluded by noting that he feels fortunate to be part of the program and looks forward to working with the PAs to make the program even better.

## **General Updates**

### *EEAC meeting minutes from August 22<sup>nd</sup>*

Halfpenny introduced the minutes from the August 22<sup>nd</sup> EEAC meeting. Winkler suggested a modification to the text, as did Dietrich. Dietrich motioned to approve, with Saunders seconding the motion. The minutes were approved as amended with no one opposing and no one abstaining, though Loh was not present at the time of the vote.

### *Executive Committee meeting minutes from August 28<sup>th</sup>*

Halfpenny introduced the minutes from the August 28<sup>th</sup> executive committee meeting. Seidman and Carol White each noted a revision in the minutes. Dietrich motioned to approve the minutes as amended. All were in favor, and no one opposed, though Loh was absent at the time of the vote.

### *Database subcommittee update*

Halfpenny explained that there are no minutes for the recent database subcommittee meeting, but that she would deliver a verbal update. She introduced Leo Steidel of Energy Platforms – the firm chosen to complete the scoping phase of statewide database project. Halfpenny briefly reviewed the project timeline. She noted that Energy Platforms would be spending the next six weeks conducting in depth interviews with key stakeholders, including all the members of the database subcommittee. After the interviews, stakeholders would be invited to participate in a working group that would also work with Energy Platforms on the more technical aspects of the project. She reminded the council that if they were interested in being part of the working group they should contact Mike Myser.

### *Consultant report and update*

Belliveau updated the council on the consultant team's activities since the last council meeting. He explained that the team had completed some trend analysis on the last three year plan over the past few weeks. He added that the team had been working with the PAs on interim solutions to the database data. On C&I, he commented, the commercial real estate working group continues to move forward, as does a streetlighting initiative. Courtney Moriarta, one of the new residential team members, had been working on the multifamily best practices paper. The EM&V group, Belliveau explained, was working on a strategic plan, which they were hoping to have complete by the end of the month.

Halfpenny commented that it would be useful for councilors to hear what came out of the management committee meetings, which includes representatives from the PAs and the consultant team. Belliveau responded that they could talk more about that in future updates to the council

### *IEPEC conference*

Halfpenny introduced the topic of the International Energy Program Evaluation Conference (IEPEC), noting that council member Johnson as well as evaluation staff of the PAs had attended. She ceded the floor to Johnson to describe the event. He began by describing the event as a group of economists and accountants attempting to measure something invisible – energy that is not used. He then offered a list of reasons why he attended, including wanting to see how programs were working elsewhere, and a desire to see how evaluation studies affected program design. He noted that the most interesting talk he attended was hosted by Carol White and concerned the disconnect between current public policy objectives and the BCR tests imposed on efficiency programs by regulators.

### **Vote on Resolution to Increase EEAC Consultant budget for 2013**

Halfpenny explained that Belliveau had requested an increase in the Residential budget at a meeting with the executive committee meeting two weeks ago. She introduced a memo from the consultant team which Belliveau summarized for the council. He explained how it had been a relatively flat year in terms of spending, but that they had also brought in several new residential team members. Massachusetts, he explained, was a complicated place – for people to do their best work they needed time to get up to speed. He requested from the council additional budget equivalent to four months at forty hours a week for Margie Lynch, Courtney Moriarta, and Michael Blasnik to develop a stronger understanding of the Massachusetts landscape. He added that the consultant team had gone over their allocation on several tasks this year, including the website, the AESC study, and the statewide database.

Halfpenny asked what the new residential team would spend the additional budget on. Belliveau responded that it would not be an even spread. Moriarta, he said, would largely use it working on the multifamily best practices paper. Blasnik's budget would mostly go toward a large data analysis task in October. Saunders asked for clarification on a particular line in the memo - "rebuild the relationship with the PAs". Belliveau explained how he had heard from the PAs that the residential team wasn't working, prompting him to make the staffing change. Lyne added that the PAs had thus far enjoyed working with Lynch, and that it had been a positive adjustment. Cellucci also expressed her support for working with Lynch.

Halfpenny asked for the councilors' thoughts on approving the budget resolution. Swing asked if the consultant team had ever asked for money before. Halfpenny responded that the consultant team had indeed asked for more money a few years ago. Chretien commented that he liked Blasnik's work and supported the budget request. Johnson asked what the requested increase represented as a percentage of the total budget. Belliveau responded that it was roughly two percent. Johnson commented that the request seemed reasonable considering the amount of work associated with it in the resolution. Loh said he agreed with both Johnson and Chretien and supported the request. Halfpenny reread the resolution for clarity. Seidman motioned to approve the resolution. All were in favor with no one opposing and no one abstaining. Belliveau thanked the council.

### **Monthly Dashboard**

Melanie Coen gave the monthly dashboard presentation for the PAs. Starting with electric, she reviewed key performance metrics for the programs through July 31<sup>st</sup>, 2013. She noted that participation was closer to goal than last month because of upstream lighting. In general, she noted, the programs were tracking very closely to the previous two years.

Halfpenny interjected to ask how the savings through July compared to quarter two. Schlegel responded that total savings in quarter two were 25%, and now they are 31%. Total spending was 31%, now it is 38%.

Coen moved on to Gas where she again reviewed key performance metrics and noted that in general they were tracking very close to the previous two years. Halfpenny commented that the numbers were making her anxious.

### **2010-2012 Three-Year Review**

Nelson and Abdou presented a review of the 2010 through 2012 three year plan. They showed slides comparing a variety of performance metrics across the PAs and emphasized the fact that between gas and electric the programs had achieved 92% of target benefits while driving down costs lower than planned. On a slide showing lifetime savings, Nelson pointed out that 2011 was the biggest year for C&I savings, as well as the best year in terms of cost of savings. On a slide showing the lifetime cost of savings, Abdou pointed out that the trend they expected – costs to rise with goals – was not the trend that played out. The point of these slides, Abdou explained, was to reinforce the importance of looking at a three year range, rather than any one year. Nelson went on to explain how they had managed to double savings between 2009 and 2012, including new measures such as LEDs and heat pump water heaters, and new initiatives such as behavior and Renew Boston.

Schlegel commented that the consultant team had also completed analysis on the previous three year plan and had some slides to share. He showed a slide depicting the cumulative savings shortfall over the three years. The key point, he said, is that once you miss your annual goal one year, it is very difficult to get back on track. Thus, it is crucial that the PAs keep up with their goals. The cumulative underinvestment, Schlegel added, represented over \$100 million – ratepayer monies that were collected but not spent. Schlegel then showed analysis the team had conducted to determine the portion of the underinvestment it would have taken to achieve the goal. His analysis, he explained, showed that an additional \$41 million in spending, mostly in C&I, would have achieved the three year goal.

Winkler asked if the additional savings were estimated to cost the same as the rest of the portfolio. Schlegel responded that he used a cost of savings slightly above that of the rest of the portfolio. Winkler asked if that made sense given that deeper savings were more expensive. Schlegel responded that deeper savings were not necessarily more expensive, and directed Winkler to analysis the consultant team had completed on the subject. Winkler said the analysis was too simplistic in that it suggested the PAs could simply spend \$41 million and achieve their goals. Schlegel denied the assertion. Multiple PA representatives concurred with Winkler that Schlegel's slides were misleading. Rio suggested it could be time for further legislative direction to help hit goals. He explained that he wasn't as concerned about hitting the GWSA goals, but rather about delivering the benefits of efficiency to his constituents. His constituents, he added, seemed less excited about efficiency recently. Seidman disagreed with Rio, saying that she was persuaded from the data she saw that there was further room for efficiency to expand. Johnson asked why the monies weren't spent. Schlegel responded that he didn't believe the PAs had stopped working, but suggested that hitting the goals may require more resources.

*At this point the Council took a 10 minute break*

### **Achieving the 2013 Goals**

Matt Zenni delivered a presentation on the PAs' plan to achieve the 2013 goals, with emphasis on the C&I sector. The C&I, Res, and EM&V management teams, he explained were all working closely with PAs to tweak and makes changes to the programs to hit the goals. He reviewed what the PAs were currently working on, and showed an example of the change in a customer's economics due to project caps being removed. Zenni showed a slide that listed the policy and program changes that should encourage CHP. Halfpenny asked who paid for the ASHREA audits associated with the CHP program. Zenni responded that he vendor who brought in the project paid the audit fee. Winkler asked how gas availability throughout the state affected CHP. Gyurjan

explained that it could be a problem, but that they worked closely with the sales team in those situations. Moving on from CHP, Zenni described the targeted marketing strategies the PAs were deploying for medium sized grocery and convenience stores. In the small business program, he cited one of the goals as being to move from easy opportunities to deeper ones. Finally, the main street initiative would be targeting microbusinesses.

Dave Gibbons took over the presentation to give further detail on National Grid's initiatives. He noted that most of the examples of program design changes would be about going 'broader', not 'deeper'. The general approach, he continued, was on increasing customer engagement and relationship building through targeted approaches. He described how the SEMP program was ramping up and the small business program was operating in new delivery channels. He explained that National Grid had dedicated internal resources to work on CHP and they had developed a pipeline of projects. Gibbons also noted that they were in the midst of a capacity building effort – they had recently hired fifteen new staff, half of which are in the field.

Halfpenny asked why the procurement schedule for PA-specific RFPs was not being updated. Shea responded that it would be updated this week. Loh asked how the increase in FTEs compared to the baseline. Gibbons said he didn't know and would get back to Loh with a figure.

Gundal took over presenting to describe some of the specific challenges the utilities are facing meeting goals. He noted that there were several large critical projects. 7-10% of their goal this year is represented by a single project that is slated to come in in December. If that project slips, he explained, meeting the goal would be very difficult. Gundal shifted the discussion to WMECO, which he explained was in the midst of revamping their relationship with vendors. He noted that MOUs had been signed and that upstream initiatives were delivering huge savings. Johnson commented that it was an impressive list of ideas and initiatives, but that didn't necessarily mean things were getting better. What exactly is the problem in C&I, Johnson asked. Gundal responded that there were many issues, multiple barriers to any given sale.

Halfpenny said next month she'd like to hear a response from the consultants as well as an update on GWSA from Seidman.

Halfpenny adjourned the meeting at 4:14pm