



MEETING MINUTES

Wednesday, March 20, 2019

100 Cambridge St, 2nd Floor

Conference Rooms C & D

Boston, MA 02114

Councilors Present: Cindy Arcate, Don Boecke (for Maura Healey), Amy Boyd, Austin Brandt (for Maggie Downey), Cindy Carroll, Elizabeth Cellucci, Justin Davidson, Michael Ferrante, Paul Gromer, Frank Gundal (for Tilak Subrahmanian), Elliott Jacobson, Judith Judson, Shan Li (for Janelle Chan), Rick Malmstrom, Deirdre Manning, Ezra McCarthy (for Chris Porter), Laurie Pereira, Cammy Peterson (for Rebecca Davis), Robert Rio, Victoria Rojo, Michael Sommer, Mary Wambui, Sharon Weber (for Martin Suuberg)

Councilors Absent: Charlie Harak, Paul Johnson, Andrew Newman

Consultants Present: Eric Belliveau, Craig Johnson, Margie Lynch, Jeff Schlegel

DOER Staff Present: Rachel Evans, Ian Finlayson, Maggie McCarey

1. Call to Order

Commissioner Judson, as Chair, called the meeting to order at 1:08 PM.

2. Public Comment

Steve Cowell – E4TheFuture

Cowell began by noting that the 2019-2021 Plan has some fantastic new things in it but that there are still some challenges that need to be addressed. He noted that one major challenge with heat pumps is to ensure that the PAs are identifying the right technology to offer to customers. He noted that shell efficiency and heating and cooling operation are a major driver of what technology should be offered. He added that customers who have already taken steps to making their home energy efficient should be targeted as possible candidates for heat pumps. Cowell also noted that he felt there exists a challenge in securing the value of active demand management for the customer and that he hopes that is addressed moving forward. Lastly, he

noted that he would like to see if solar can be moved directly into the programs without overwhelming the process. He indicated that he was working with the solar industry to identify ways to do that.

3. Council Updates and Business

January 23, 2019 EEAC Meeting Minutes

Malmstrom motioned to approve the minutes as submitted. Boyd seconded. All were in favor, with none opposed or abstaining. The minutes were approved, as submitted, by the Council.

January 9, 2019 Executive Committee Meeting Minutes

Boecke motioned to approve the minutes as submitted. Malmstrom seconded. All were in favor, with none opposed or abstaining. The minutes were approved, as submitted, by the Council.

February 6, 2019 Executive Committee Meeting Minutes

Boecke motioned to approve the minutes as submitted. Malmstrom seconded. All were in favor, with none opposed. Boyd abstained. The minutes were approved, as submitted, by the Council.

Columbia Gas Greater Lawrence Update

Cellucci gave an update to the Council on the expanded energy efficiency efforts in the Greater Lawrence area. In her update, she reviewed the number of energy assessments, total participants, incentives, and associated savings that had occurred through the end of February.

Commissioner Judson asked if the incentive amounts referenced in the update were above the normal amount or inclusive of the traditional amounts. Cellucci indicated that it was inclusive and added that approximately seventy five percent of the incentive amounts would have been spent anyway.

Boyd noted that out of the 646 assessments that had taken place, 131 of those were for small businesses. She asked how that ratio compared to typical years. Cellucci indicated that she did not have the number readily available but noted that it was higher than what they would normally have seen.

Peterson noted that the ratio of small business incentives paid to total incentives appeared to be smaller than the ratio of small business audits to total audits. She asked if there was a reason for this. Cellucci indicated that many of the small businesses that had participated did not have a lot of savings potential. Peterson asked about the jobs completed ratio being lower as well. Cellucci indicated that that was expected given that it takes longer for small businesses to complete work than it does for residential customers.

Jacobson thanked Cellucci for including LEAN in their efforts and added that they were working hard to make sure that all low-income customers that were affected get their work done as quickly as practical.

4. Active Demand Reduction

Program Administrators Presentation

Members of the program administrators (PAs), including Ezra McCarthy, Austin Brandt, Tracy Dyke-Redmond, Roshan Bhatka, and Michael Goldman, gave an in-depth update on their collective active demand reduction programs. In their update, they began by noting that they are transitioning their active demand reduction efforts from demonstrations that took place during the 2016-2018 Plan to full program offerings in the 2019-2021 Plan. They then reviewed the 2018 demonstration activities and associated findings and their 2019-2021 program design for both residential and commercial and industrial (C&I) offerings. They also gave an update on ongoing C&I demonstrations and highlighted the results of Eversource's impact and process evaluations. They concluded by reviewing the 2019-2021 active demand reduction plan, the Department of Public Utilities (DPU) Order on their plans, and their near- and long-term evaluation plan.

Malmstrom asked if the PAs had any plan to incorporate any vehicle to grid strategies in their residential offerings. McCarthy indicated that they have some people looking into it but that at present there was no intention to include it in program offerings.

Weber asked why their electric vehicle charger control offering was listed as a research and design activity. Goldman indicated that the PAs have a lot of questions about when cars are charging. He added that they wanted to make sure that they would be able to push schedules directly to chargers and so it made sense to do it in research and design. He also noted that the savings would still be real.

Boyd asked for clarification on the thirty to sixty planned events for summer battery dispatch. McCarthy noted that they would be daily dispatch events which would allow for the largest stream of benefits. Boecke asked if that meant that the PAs would be dispatching the batteries remotely. McCarthy indicated that they would use a platform that signals the original equipment manufacturer similar to what they do with WiFi thermostats. He added that this would utilize a pay-for-performance model.

Arcate asked if the PAs had communicated with their people who do basic service procurement to see if there might be a way to structure their procurements to reflect the ICAP tag reduction for the profiled load that the basic service providers are bidding on. She added that there is probably value that is not being captured and the basic service procurement might be a way to capture that value and then pay higher incentives to customers that participate. McCarthy indicated that they had not thought of that but indicated that they would take that under advisement.

Schlegel asked what the installed cost of a Tesla Powerwall would be and how much of that the PAs would incentivize. McCarthy indicated that the installation cost would likely be between \$10,000 and \$13,000 and that the incentive would vary by customer. He indicated that they are envisioning a six- to eight-year payback.

Boecke asked if the demonstration design tables would include columns for benefits and benefit cost ratios in the future, and if so, when. McCarthy indicated that they already do have those

pieces of information for completed demonstrations and that they could update the table in the future.

Weber asked for clarification on Eversource's challenges with their C&I WiFi thermostat efforts. Dyke-Redmond indicated that they experienced a couple barriers with trying to install new thermostats through their vendor. First, she indicated they had multiple levels of contracting occurring which delayed recruitment until August. Second, she noted that installing new thermostats was more challenging than using existing ones. She added that they have made changes for the 2019 program to address those barriers.

Boyd asked for clarification on the point about the potential for interaction between Eversource's demand response projects and ISO-NE's markets. She wanted to know if that meant that Eversource's and ISO-NE could be calling events that would overlap with each other. Dyke-Redmond noted that ISO-NE scarcity occurs when there is not enough supply and Eversource scarcity occurs when there is not enough demand. She added that those scenarios do not usually overlap but that they often occur close to one another. Dyke-Redmond also noted that if they were to overlap, Eversource would likely defer to ISO-NE's scarcity event.

Malmstrom indicated that there is a real push for people to do the right thing and suggested that the PAs not focus solely on the financial aspects of these programs. Arcate agreed and referenced a residential program that was offered in a wealthy community and got significant participation with only a \$25 per month incentive.

Boyd indicated that she felt it was unfair that these are largely statewide offerings but that customers in Cape Light Compact's (CLC) territory will be unable to participate in 2019. She encouraged the CLC and Eversource to work out the issues that are preventing those customers from participating.

Wambui asked if there were any low-income or renter populations participating in any of the residential offerings. McCarthy indicated that the residential thermostat offering was available to anyone with a connected thermostat and so it was possible that some people in those populations could be participating. Wambui asked if it was possible to find out if any are participating, and if so, how many? McCarthy indicated that the PAs would investigate it.

Consultant Team Presentation

Schlegel gave a presentation on the active demand management programs from the consultant team's (C-Team) perspective. In his presentation, he reviewed the Council's priorities for active demand management in the 2019-2021 Plan. For each priority, Schlegel highlighted if and how the PAs were meeting what the Council wanted to see happen.

Malmstrom referenced the DPU's approved active demand management plan for 2019-2021 and noted that over ninety percent of the expected progress is in the C&I sector. Boyd asked if that meant Malmstrom would like to see more done to develop residential programs to take some of the burden off the C&I sector. Malmstrom indicated that he would not like to see that and noted that the benefits are much higher in the C&I sector.

Arcate noted that the programs should not rely so heavily on the C&I sector given that the system peak is moving towards later hours when many businesses are closing for the day. She suggested that a major problem is residential cooling load from window air conditioning units. She recommended that the PAs put some effort into identifying ways to incorporate these units into their offerings in the future.

5. Energy Optimization and Contractor Training Update

Program Administrator Presentation

Stephan Wollenburg and Katelyn Mazuera gave an overview and update on energy optimization on behalf of the PAs. They began with a high level overview of energy optimization and described how heating equipment is treated in the programs compared to how it was treated in the past. They then reviewed fuel neutral opportunities for residential customers, including an online calculator, energy specialist and contractor training, recommendations to be provided during home energy assessments, and customer facing education materials. They also reviewed opportunities for C&I customers and noted that small businesses that were similar in size to residential customers would be able to take advantage of many of the residential opportunities. They concluded with timing of activities and next steps.

Boyd noted that she thought the concept of giving unbiased information about customer's options was a noble idea, however, she suggested that it did not align with the Commonwealth's climate goals. Wollenburg noted that the PAs are setting incentive levels roughly proportional to the associated benefits, so in that way they are aligning with the climate goals. Belliveau asked if those incentives would make sense to the customer. Wollenburg indicated that they would use the incentive levels to push customers in a certain direction while still having incentives across multiple fuels. Belliveau noted that customers might still not understand why cost-coverage varies across technologies.

Peterson agreed with Boyd and added that if a customer has a gas boiler, their thought is likely going to be to just replace it with a like product. She added that the PAs should assume that more education needs to be provided to the customer so that fuel neutral means something more to them. Peterson also noted that there needs to be some consideration beyond how information is presented in home energy assessments, such as when equipment breaks down in the middle of the night.

Boyd asked for clarification on how the calculator that the PAs were developing would be used. Mazuera indicated that they are still working through the details but that the intent was that it would be publicly available for both customers and energy specialists to use. She added that its being designed with the idea that an energy specialist would use it as a logic model to help identify what options to present to customers.

Consultant Team Presentation

Lynch gave a presentation on energy optimization from the C-Team's perspective. In her presentation, she gave a summary of the elements that the C-Team believes are most essential to the energy optimization framework and highlighted that the C-Team and the PAs agree on most

of those elements. She also identified questions that need to be addressed as the PAs continue their work towards a full rollout of the energy optimization framework.

Peterson noted that the next scheduled update on the rollout of energy optimization was not until September. She requested that there be an opportunity for an interim update. Belliveau, on behalf of the C-Team, agreed.

6. Adjournment

Commissioner Judson, as Chair, adjourned the meeting at 4:10 PM.