



MEETING MINUTES

Thursday, March 29, 2018
100 Cambridge St, 2nd Floor
Conference Rooms B & C
Boston, MA 02114

Councilors Present: Brian Beote (for Elliott Jacobson), Don Boecke (for Maura Healey), Amy Boyd, Cindy Carroll, Elizabeth Cellucci, Larry Chretien, Rebecca Davis, Maggie Downey, Paul Gromer, Frank Gundal (for Tilak Subrahmanian), Charlie Harak, Paul Johnson, Richard Malmstrom, Deirdre Manning, Michael McDonagh, Marie Abdou (for Jeremy Newberger), Maureen O'Rourke (for Chrystal Kornegay), Laurie Pereira (for Trish Walker), Bob Rio, Michael Sommer, Victoria Rojo, Mary Wambui, Sharon Weber (for Martin Suuberg)

Councilors Absent: Michael Ferrante, Andrew Newman

Consultants Present: Eric Belliveau, Gretchen Calcagni, Jeff Schlegel, Margie Lynch, Roo Harcourt

DOER Staff Present: Judith Judson, Ian Finlayson, Matt Rusteika, Rachel Evans

1. Call to Order

Commissioner Judson, as Chair, called the meeting to order at 1: 07 PM.

2. Public Comment

Steve Cowell of E4TheFuture

Cowell noted efforts to expand the vision for the 2019-2021 energy efficiency plan to include new technologies, renewables, and beneficial electrification measures. He expressed support of expanding the plan recommended that the PAs put together a packaged plan that can be approved by the DPU. Cowell also recommended that the DOER and EEAC investigate where the cannabis industry is headed in Massachusetts and suggested coming up with technical standards for indoor agriculture in anticipation of growth in this sector.

Caitlin Feale Sloan of Conservation Law Foundation (CLF)

Feale Sloan provided a handout of comments summarizing efforts to examine and broaden energy efficiency in Massachusetts and noted a lack of consistent data and transparency with some of the PAs.

Alex Papali of the Green Justice Coalition (GJC) and Clean Water Action

Papali commented that the GJC represents those who do not share same benefits from energy efficiency programs as other ratepayers. Papali noted that specific groups have been underserved for some time and recommended that the next plan should address and meet the needs of these groups. He also recommended tying utility incentives to performance as an accountability mechanism for efforts to reach underserved groups across all regions of the state.

Rachel Mulroy of the Coalition of Social Justice

Mulroy gave a public comment about the need to improve program access to renters in next 3-year plan. She noted that the special rental visit in the current plan has not reached enough renters and could be improved by expanding the program to include deep retrofits. Mulroy recommended that the next plan expand service to renters and provides renters with more substantial measures.

Andrea Nyamekye of Neighbor2neighbor

Nyamekye gave a public comment about the need to improve program access to the working class, people of color, renters, moderate income, and non-English speakers. She commended the PAs for translating main efficiency program documents but noted that many other resources still need to be translated. Nyamekye recommended that the MassSave website be translated into other languages and noted that the site should at least be available in Spanish. She also recommended that the PAs should expand specific renter specific advertising and information for programs. She added that the PAs should partner with grassroots organizations to better serve moderate income and non-English speakers.

Jen Wishnie of Youth on Board

Wishnie gave a public comment about the need to improve program access to moderate income customers. She recommended the use of higher incentives and lower copays to better serve this group. She also opposed income qualification for participation in the low-income program and recommended that the low-income program be expanded to cover 60-80 percent of the SMI segment. This would help meet needs of moderate income customers. Wishnie also recommended that the upper limit of a moderate-income customer be redefined to 120 percent of SMI.

Dr. Elizabeth Stanton of Tufts Applied Economics Clinic

Dr. Stanton passed out a report reviewing how energy savings vary by income to the Council. She expressed a need for more data to elaborate on areas of need, including how savings, income, and race vary within a town.

Sue Stofferd and Zeyneb Magavi of Mothers Out Front/HEET

Stofferd told a story illustrating her call to action to preserve the planet for future generations. She applauded the Council for their work in energy efficiency. Stofferd recommended that fuel

switching from oil to gas be removed from the plan, stating that this measure was inconsistent with emissions reduction goals.

Zeyneb emphasized the concern expressed by Stofferd over the fuel switching oil to gas rebate and elaborated on climate impacts of natural gas and technological advancements of electric heating. She concluded that fuel switching oil to gas is no longer a viable bridge to the future.

Emily Jones of Local Initiative Support Collaboration (LISC) Boston

Jones gave a public comment recommending the EEAC and DOER to work towards increased passive house construction in Massachusetts. Specifically, she cited several aspects of NYSERDA's effort to promote Passive housing, including increased training and resources, that could be applied in the Commonwealth.

3. Council Updates and Business

General Updates:

Commissioner Judson announced that initial results are in from the DOER renewable thermal program. She stated that DOER would put together a presentation on program incentives. DOER will also provide an update about the recent climate bond bill announced by the Governor on March 15th 2018.

Meeting Minutes

EEAC Meeting Minutes – January 17, 2018

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

EEAC Executive Committee Meeting Minutes – February 7, 2018

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

EEAC Meeting Minutes – February 28th, 2018

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

EEAC Executive Committee Meeting Minutes – March 14, 2018

Boyd requested that the minutes be amended to reflect that the meeting was conducted by teleconference due to weather. Boecke noted that some members did attend in person. Boecke motioned to approve the minutes without amendments. Boyd seconded. All were in favor, with none opposed. The minutes were approved, as submitted, by the Executive Committee.

Councilor Terms Update

Finlayson noted that most councilor terms are up for renewal in 2018, but due to the demands of the current planning year, the Department of Public Utilities (DPU) agreed to prolong terms up for renewal later in 2018. The Non-Profit and Small Businesses seats are up for renewal in early 2018 and are in the process of being reappointed. Larry Chretien, representing non-profits, is up for reappointment. The non-profit network helping to reappoint this position. Paul Johnson, representing small businesses, is up for reappointment. He and two others are running for the position. Rusteika and Commissioner Judson are working to set up a voting process to eligible

contractors through MassSave. Johnson inquired about the necessity of the upcoming reappointments, asking whether they could also be postponed. Rusteika noted that reappointments are determined by the guidance, and dates on record of the DPU.

Public Listening Sessions Recap

Rusteika noted that public listening sessions had been scheduled at eight locations across the Commonwealth including Boston, Fall River, Salem, Mashpee, Pittsfield, Worcester, Springfield, and Lowell. He added that more details for each of the meetings could be found on the Council's website. The three sessions that have already taken place, in Boston, Mashpee, and Pittsfield, were well attended. Comments from the sessions are expected to be posted on the Mass Save website. There are five remaining public listening sessions, two of which were rescheduled due to snow. Evans added that the EEAC is accepting comments for the public listening sessions online.

4. Consultant Team Assessment of Potential

Introduction

Belliveau introduced the presentation by reviewing the resources, methodology, and key takeaways used to quantify potential savings in Massachusetts. Savings as a percent of sales were reviewed from 2010 through 2017 and compared to weighted average maximum achievable potential (MAP) identified by the potential studies. Belliveau summarized that there is still potential to support robust programs and achieve annual savings in excess of three percent of sales in 2019-2021.

Residential Electric Potential

Lynch discussed the potential for residential electric savings. This was an area where the consultants deemed that the potential studies overestimated savings, which was almost entirely due to a change in NTG for lighting from 80% to 35%. Lynch noted that fuel switching from oil to heat pumps was an opportunity for the residential sector not addressed in the PA potential studies. Another opportunity that the Lynch noted was not adequately reflected in the potential studies was a program redesign.

Chretien asked if Eversource thought they could find more savings compared to other PAs, noting Eversource's steeper lighting decline and higher annual savings for residential electric potential compared to National Grid.

Abdou clarified that National Grid's lower potential estimate is due to the exclusion of behavior program savings from the study. She noted that neither behavior or CHP measures were included in the potential study as they are not modeled well.

Chretien also noted that switching from electric resistance to heat pumps should be included in the assessment of potential. He emphasized his interest in achieving all cost-effective efficiency and proposed a higher number of fuel switching units.

Lynch noted that customer economics are a barrier to increased participation in fuel switching programs.

C&I Electric Potential

Belliveau discussed the potential for C&I electric savings. He noted that significant potential remains for C&I lighting, which is largely attributable to linear lighting and controls. Other opportunities on the C&I electric side included CHP, SEM, and upstream programs. Belliveau

noted that evaluations and upcoming baseline changes are predicted to decrease both electric and gas savings. The consultant team determined that potential savings as percent of sales for the C&I sector would be higher than the weighted average MAP identified in PA potential studies.

Costs to Achieve

Schlegel discussed costs to achieve MAP savings. He noted that PA MAP costs to achieve are much higher than historical costs to achieve, and that projected costs are roughly double the costs in last three-year plan. The key drivers of these cost impacts still need to be assessed.

Wambui noted that past costs have consistently been lower than predicted, and that the process of forecasting costs should consider that tendency to overestimate costs.

Gas Potential

Calcagni presented the assessment of gas potential. She reviewed historical gas savings and 2019-2021 MAP gas savings as a percent of sales. Key opportunities for gas identified by the consultants include behavior programs and program redesign for the residential sector, and SEM for the C&I sector. The PA potential studies varied significantly in potential annual gas savings, with the weighted average indicating an upward trajectory from past savings.

Discussion

Abdou noted that MAP assumes that PAs pay 100% of all costs with no regard to how it impacts a customer's bill, and that the law requires that bill impacts are considered. She stated that for National Grid's study, the difference between the enhanced business as usual case and MAP was 20-30% more savings for double the costs.

Cellucci confirmed that there would be significant rate impacts associated with pursuing and achieving MAP identified from the potential study. She noted that all customer impacts need to be considered carefully, especially low-income customers.

Gundal also referred to past lighting potential estimates before the advancement of LEDs and pointed out that the MAP savings identified could be realized over a longer period depending on how different avenues progress within energy efficiency.

Rio noted that increasing energy efficiency costs significantly this late would be bad for the program. He stated that savings targets should strike a balance between maximizing savings and allowing for the natural market progression towards efficiency.

5. AESC Regional Avoided Cost Study

Jeff Schlegel and Stefan Nagy presented on the 2018 AESC Regional Avoided Cost Study that will be used in the plan for 2019-2021 programs. One key finding from a review of the draft AESC was that avoided costs were generally lower compared to AESC 2015. Drivers of these lower prices include lower overall demand for electricity, lower natural gas prices, lower RGGI prices, more renewables, and the addition of a new transmission line from Canada. Nagy discussed drivers of lower prices in detail, citing higher gas production due to shale gas and decreased costs of drilling. Additional relevant issues raised in the 2018 AESC study include avoided T&D costs and the value of improved reliability. AESC will also publish a user interface along with the 2018 report, which will allow users to view avoided costs according to the traditional AESC periods. Schlegel summarized that overall, programs and measures will still likely be cost effective even with lower avoided costs.

Commissioner Judson asked why the non-embedded costs were not included in the analysis of Massachusetts costs (slide 5), and strongly recommended that since ratepayers are having to pay

to reduce the cost of carbon, the non-embedded costs should be included in the avoided energy supply costs. Commissioner Judson emphasized the importance of including non-embedded costs, as Massachusetts would potentially pay for more expensive things than energy efficiency to comply with the Global Warming Solutions Act (GWSA).

Chretien (referring to slide 10) stated that the Council should be conscious of electricity resources and should work on developing a plan to included avoided carbon costs.

Boeke noted that there is a case that has been pending in the DPU since 2015 to include carbon costs in the avoided energy supply cost for Massachusetts.

Harak summarized that the issue of determining carbon and other non-embedded costs will not be resolved today, but the Council collectively needs to determine whether a number should be included and what that number should be.

6. 2019-2021 Plan Metrics Changes

Commissioner Judson postponed the metric changes presentation due to time constraints, but Schlegel provided a brief overview of the presentation. He introduced the topic by explaining that using MMBTU, the proposed universal metric, allows credit for delivered fuel savings that an electric only does not. The electric programs are currently spending money for all fuels but only counting electric savings (in kWh). He noted that in some cases, a universal metric does not make sense, such as for CHP projects, which would end up showing proportionally less MMBtu savings.

Abdou agrees that a universal metric should be used, and that the net impact of negative savings from projects like CHP should be incorporated into the metric. The benefits of the universal metric that shows the most complete picture of portfolio performance.

Schlegel summarized that the consultants are recommending use of MMBtu going forward.

7. Passive Design 101

Postponed

8. CIMC Update

Postponed

9. Adjournment

Commissioner Judson, as Chair, adjourned the meeting at 4:01PM.