



MEETING MINUTES

Wednesday, April 25, 2018
100 Cambridge St, 2nd Floor
Conference Rooms B & C
Boston, MA 02114

Councilors Present: Eric Beaton (for Chrystal Kornegay), Don Boecke (for Maura Healey), Amy Boyd, Cindy Carroll, Elizabeth Cellucci, Larry Chretien, Paul Gromer, Frank Gundal (for Tilak Subrahmanian), Charlie Harak, Elliott Jacobson, Paul Johnson, Judith Judson, Richard Malmstrom, Deirdre Manning, Jeremy Newberger, Laurie Pereira (for Trish Walker), Cammy Patterson (for Rebecca Davis), Bob Rio, Victoria Rojo, Michael Sommer, Margaret Song (for Maggie Downey), Mary Wambui, Sharon Weber (for Martin Suuberg)

Councilors Absent: Michael Ferrante, Michael McDonagh, Andrew Newman

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

DOER Staff Present: Rachel Evans, Ian Finlayson, Emily Powers

1. Call to Order

Commissioner Judson, as Chair, called the meeting to order at 1:00 PM.

2. Public Comment

Several members of the public gave comment to the Council to express their thoughts and recommendations on how passive house efforts should be incorporated into the programs. These members of the public included Hank Keating of Trinity Financial, Andee Krasner of Mothers Out Front, Henrietta Davis of the Massachusetts Chapter of the United States Green Business Council, Carol Oldham of the Massachusetts Climate Action Network, Michael Duclus of DEAP Energy Group, Frank Gordon of Second Street Associates LLC, Emily Jones and Mike Davis of the Local Initiatives Support Corporation, and Don Bianchi of the Massachusetts Association of Community Development Corporations.

They noted that passive house homes use much less energy than traditional homes and have even reported usage as much as 80% less than comparable LEED Gold certified buildings. They noted that its relatively easy to design and build new, low-load homes but that its remarkably difficult to do deep retrofits on existing homes, or even new homes built to code. They stressed that it is critical for Massachusetts to move aggressively on promoting passive house homes and that the state could never meet its energy goals without it. Collectively, they ask that the next Plan devote significant resources to promote passive house incentives through training and pilot programs.

For training, they noted that passive house is relatively easy to build but that it would never happen at the rate that is needed if there is not a knowledgeable and capable workforce. It was noted that NYSERDA recently allocated funding for passive house training for over 500 people over a three-year period and that they now have a pipeline of over 20 projects. They recommended that the next Plan devote one million dollars towards training for contractors, developers, and builders. It was also requested that as part of that funding, \$7,500 per multifamily affordable project in incentives be made available to development teams.

For pilots, they noted that initial investments would drive down construction costs when going to scale. It was noted that Pennsylvania had recently allocated resources to passive house pilot projects and that as a result construction costs were less than traditional homes after the second year. Specifically, they asked that between two and five million dollars be allocated towards passive house pilot projects.

Speaking not on passive house, Emily Jones also asked that properties with a majority of households at or below the 80% area median income (AMI) should be able to access the LEAN program as standard policy. She added that LEAN's budget should be proportionally increased by up to 20% to make sure all are served equitably.

3. Council Updates and Business

Public Listening Sessions

Powers noted that the public listening sessions had concluded and that all public comment received is posted on the Council's website. She added that a summary document would be crafted to highlight what came out of the listening sessions.

EEAC Seat for Small Contractors

Finlayson noted that the small contractor seat on the Council, currently held by Paul Johnson, was up for election. He added that there are three people running in the election including Paul Johnson. Finlayson also noted that the link for voting could be found on the Council's website and that an email was sent out to all of the contractors who had participated in voting in the past. He concluded by noting that any contractor that has participated in the programs would be eligible to vote and that each company would receive one vote.

4. C&I Updates and Main Streets Case Study

Melissa DeValles and Margaret Song, on behalf of the PAs, updated the Council on various commercial and industrial (C&I) energy efficiency program efforts. In their presentation, they

talked about strategic energy management (SEM), industrial initiatives, commercial real estate, the Mass Save Application Portal, and their Main Streets initiative.

Rojo asked if they had an estimates on savings potential for the SEM cohort approach. DeValles indicated that it would be based on participation and that the cohort would be comprised of ten customers. She added that she did not have any estimates but that they could look into it and follow up later on. Weber asked why the cohort would be limited to ten customers. DeValles noted that participating customers in the cohort must all agree on the same things with regard to elements such as time and design. She added that a larger cohort would be difficult to coordinate. Lastly, she indicated that they are expensive efforts for both the PAs and the customer, so limiting the size is necessary.

Johnson referenced their strategic framework for commercial real estate and suggested that they focus more on opportunities rather than barriers. He added that it might be more productive to talk about why people do participate rather than spending time on why they do not participate. DeValles indicated that that is part of their approach, but that barriers to program participation is a piece of their overall framework.

Boyd asked if all of the PAs are involved in the Main Streets efforts. Song indicated that they were. Boyd followed up by asking how communities were chosen. Song noted that sometimes a town's chamber of commerce would come to them and other times the PAs would just find areas of high opportunity.

Peterson thanked the PAs for their Main Streets efforts and encouraged them to scale it up and to make connections with town energy managers. She added she could help disperse information to local communities if needed.

Johnson asked how many businesses participated in the Main Streets efforts. The PAs could not provide a number offhand. Commissioner Judson requested that the PAs follow up with that data.

5. Moderate Income Market

Bob Wirtshafter on behalf of the Council's consultant team (C-Team) and Tracy Dyke Redmond on behalf of the PAs, presented on some new data that could be used to inform the moderate-income market. In their presentation they highlighted the findings of two recently completed studies – the 2018 Moderate Income Characterization Report and the 2018 Home Energy Services Process Evaluation.

Wambui noted that the moderate-income market segment is a priority but that she did not feel that the PAs were making it a priority. She indicated that she felt the studies downplayed the significant needs of the market segment and that it absolved the PAs from taking the responsibility of reaching it. She added that the market is not difficult to reach and that other sectors have managed to reach it without major hurdles. Lastly, Wambui suggested that a paradigm shift might be needed and that perhaps the performance incentive should be tied to the moderate-income market.

Boyd agreed with Wambui's comments and added that she was looking forward to seeing stronger commitments and focused efforts for this market in the next plan. She also asked if the PAs have seen more participation in the program since they changed the incentive structure. Dyke Redmond indicated that she did not have that data readily available but that she could follow up on it in the future.

Commissioner Judson noted that the customer's availability is one of the largest barriers to program participation. She asked if they were running program efforts beyond the standard workday. Perreira indicated that they do offer service beyond the standards work day as well as on weekends.

Chretien indicated that he would be looking very closely at how the programs are going to address this market when the first draft of the next plan is available. He added that a better way to reach the market might be to just pick census tracts that have high percentages of moderate income residents and go after them instead of doing income verification. Chretien also asked if the PAs could report on how many moderate-income participants were served in the first quarter. Dyke Redmond indicated that that data would be available in the first quarter report.

Jacobson noted that they have begun the process of using the LEAN model on the moderate-income segment at the beginning of the second quarter. He added that they hope to have an interim report before the final draft of the next plan is submitted.

Malmstrom noted that the goal of the programs should be to serve all customers and that too much time is being spent on income verification before a project can even start. He suggested that it would make more sense to just give everyone audits to inform them what they can do, and then have three tiers of incentives depending on income verification after the fact.

6. April 30 Draft Plan: Issues and Process for Review

Schlegel, on behalf of the C-Team, presented to the Council on topics related to the April 30, 2018 draft of the next plan. Schlegel began by reviewing changes in program metrics and highlighting how the recently completed Avoided Energy Supply Cost (AESC) study might impact the programs in the next plan. He also discussed the C-Team's assessment of potential for active demand management. This included a review of the PA potential study results by sector and segment, potential for energy storage, and the C-Teams total estimate of active demand management potential.

Avoided Energy Supply Cost Study

Boyd indicated that she felt the Council should be a voice weighing in on whether Massachusetts should adopt Greenhouse Gas (GHG) reduction benefits as outlined in the latest version of the AESC study. Chretien agreed and asked what the process would be for making that happen. Schlegel indicated that there would need to be a supplemental study that estimates the costs for Massachusetts that are not defined in the AESC study. Commissioner Judson added that she has heard from the PAs that they would be willing to help fund that effort and that DOER would be willing as well. She added that it is crucial that avoided costs associated with the Global

Warming Solutions Act be included in the next plan. Newberger noted that the PAs would want to have a conversation about how the analysis would be done to make sure that it would be consistent with the rest of the AESC study. He added that the PAs would want to make sure that they are not exposed to a great amount of risk. Schlegel noted the C-Team recommends that the contractors who did the AESC study would do the supplemental work and have it available by August.

Active Demand Management Potential

Gromer asked why there was not more analysis from the PAs on behind the meter storage. Schlegel indicated that he was unsure, but noted that the PAs collectively only had two demand studies and that only one of them included storage at all.

Boyd asked how the C-Team extrapolated storage potential from Cape Light Compact's potential study results. Schlegel indicated that they extrapolated across both the residential and C&I sectors.

Schlegel concluded by noting that active demand management needs to be approached strategically. He added that the most important question is not to identify what the total potential is, but rather what, why, and how much active demand management is needed.

Commissioner Judson noted that she wanted to see actual programs for active demand management in the program. She added that Massachusetts has peak issues that need to be tackled to bring down costs.

7. Adjournment

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