

Massachusetts Energy Efficiency Advisory Council
Meeting Minutes
Tuesday, September 11, 2012

Councilors Present:

Voting	Present (designee)	Non-Voting	Present (designee)
Nancy Seidman	X	Elizabeth Cellucci	X
Martha Coakley	Matt Saunders	James Carey	X
Penn Loh	Staci Rubin	Penni Conner	Tilak Subrahmanian
Mark Sylvia	X	Michael Ferrante	
Debra Hall	X	Alisha Frazee	
Charles Harak	X	Maggie Downey	X
Elliot Jacobson		Cindy L. Carroll	X
Jeremy McDiarmid	Emily Norton	John Ghiloni	
Rick Mattila	X	Paul Gromer	X
Robert Rio	X	Andrew Newman	
Deirdre Manning	X	Richard Oswald	
		Michael Sommer	Robert Gyurian
		Carol White	X

DOER: Sue Kaplan, Lyn Huckabee

Consultants: Jeff Schlegel, Eric Belliveau, John Livermore

Present:

Emmett Lyne	Paul Johnson	Frank Gundal
Marie Abdou	JoAnn Bodemer	Geoff Chapin
Larry Chretien	Jack Habib	Lisa Shea
Jodi Hanover	Loie Hayes	Natalie Hildt
Jeff Leupold	Meredith Miller	Cara Mottola
Matthew Nelson	Barry Perlmutter	Jeremy Shenk
Margaret Song	Judy Stasack	Trish Walker
Jayden Wilson	Ken Rauseo	Lynn Westerlind
Annette Tran	Robert Bitman	Andrew Derrig
Petra Hall	Clayton Hale	Joe Fiori
Thomas Piper		

Sylvia called the meeting to order at 2:06 and welcomed everybody. He recognized Staci Rubin sitting in for Penn Loh, and Emily Norton sitting in for Jeremy McDiarmid.

Public comment

Several interested parties commented on the PAs' draft plan during the public comment period, including David Minasian (GJC), Cindy Luppe (GJC), and Paul Johnson (GreenTek).

General Updates

Consultant monthly update

Belliveau gave the Council an update, highlighting the in-depth analysis being performed on costs and cost drivers. He noted that the Consultants did an analysis on performance metrics, are working on EE guidelines, are working on the TRC update, and are launching a third wave of EM&V studies. He also noted the extensive Consultant review of the 3-Year Plan, and reporting to the Council, that will begin next Monday and continue through October.

DPU 11-120 Net Savings

Schlegel informed the Council that the DPU proposed a working group, and agreed with the concept of looking forward on a multi-year basis on net savings. He noted that the DPU will schedule a working group session at a time to be determined.

DPU Bill Impacts Comments

Sylvia updated the Council on the recent DPU session and a joint letter on concerns about incorporating benefits into the impact model. He noted the deadline of September 14th for comments, and that DOER is preparing a letter emphasizing the importance of including benefits along with costs.

September Draft Plan

Sylvia said that the next draft of the 3-Year Plan is scheduled to be submitted by the PAs on September 17th.

Update on new Councilors

Sylvia explained that the new Energy Bill creates five new Council positions (four voting, one non-voting). Within 90 days (on or about November 1st) certain aspects of the law become effective, he explained, and we need to make sure these Councilors are appointed by this date. He noted that DOER is reaching out to organizations for names, and DPU will need to approve the appointments. For the EE business representative, he said, DOER has directed the Consultants to put together the structure and process to identify candidates.

August EEAC Meeting Minutes

Sylvia presented the August 10th EEAC meeting minutes. Downey suggested a minor edit. Harak motioned for a vote, Hall seconded. The Council voted and approved the minutes.

Executive Committee meeting minutes

Sylvia presented the August 24th EC meeting minutes. Saunders suggested a minor edit. Saunders motioned for a vote, Rio seconded. The Council voted and approved the minutes

Sylvia introduced the August 30th EC meeting minutes. Saunders motioned for a vote, Rio seconded. The Council voted and approved the minutes.

Executive Committee Budget update – Consultant budget

Sylvia referenced the memo from the EC on the Consultant team request to increase their budget. He noted that the EC is recommending increasing the 2012 budget by \$85k. Seidman motioned for a vote, Rio seconded. The Council voted and approved the request.

PA Response to July Resolution – discussion

Sylvia reminded the Council that they had adopted a resolution in response to the last draft of the 3-Year Plans outlining a number of things they would like to see in the next draft plan, including increasing savings goals and decreasing budgets. White presented a set of slides updating the Council on the PAs' response to the items in the resolution. She thanked the Council for comments on the July 2nd draft, and noted that a key area of focus for the PAs has been on increasing savings and reducing costs. She noted the PAs continued commitment to integrated electric and gas efforts, and to deeper and broader. White highlighted specific areas of PA focus, including: planning to overcome landlord-rental split incentive barrier, targeting 60-80% median income customer through Efficient Neighborhoods+, support of Green Communities with direct install initiatives, building on on-going partnership with DEP, assessing CHP opportunities, targeting the property management/real estate sector, and engaging stakeholders. The Council engaged in a discussion about the PA response to the resolution. Seidman suggested that there is a link between supporting municipalities and looking at Green Communities holistically. Hall said she would like to see the Efficient Neighborhoods+ program expanded to include multifamily. Song commented that everything is on the table now as the initiative is being developed. Sylvia thanked the PAs for keeping the momentum on increasing savings goals and reducing costs. He said the Council will want to see a comprehensive package in the next draft that addresses these issues.

Variations among PAs – presentation, discussion

Sylvia noted that BCRs and costs to achieve have been quite different between the PAs, and that Westerlind would be giving a presentation. Westerlind presented a set of slides addressing the issue of PA key indicator differences. She noted that some variations are appropriate, and that variations between PAs prior to 2012 were greater (before TRM, common assumptions, etc). She highlighted the key developing trend of fewer variances between PAs going forward, due in part to common program designs and on-going discussions with stakeholders, DOER, and the Consultant team. She noted that participant incentives are the main cost driver for C&I for both MWh and therms. Westerlind noted that the PAs will look at the September 17th numbers to see if there are still variances, and then dig a little deeper into the variance analysis if needed.

Saunders asked the PAs, based on prior years' experience, what has been done to reduce the overestimation of costs going forward? White responded that the 2010-2012 plan was the first time PAs did this and they did a poor job of budgeting. She expressed not wanting to have budget impacts larger than needed, and said the PAs are working through the major cost drivers with the Consultant team. Sylvia said that the Council wants to see more consistency in the next plan draft. Schlegel noted that the Consultants highlighted the issue of consistency across PAs to help identify opportunities to increase individual performance to the level of the highest performers, in order to achieve more benefits for ratepayers.

Performance Incentive Model - Performance Metrics

Schlegel presented a set of slides on the performance incentive model and performance metrics. He noted that the Consultants had distributed a memo addressing building on the current approach, and proposing a set of simplified metrics for 2013. Schlegel explained that the main reason to have performance metrics is to target certain components not directly addressed by savings/benefits goals. He said that, if the decision is made to have performance metrics, they should be clear, effective and meaningful, and fewer in number than in the past. He noted that the Consultant proposal includes six performance metrics focused on deeper savings (5) and renters (1). Schlegel asked the Council to give feedback: Do we want to continue to do metrics, and are these six the right ones? He presented a table of potential modifications to the existing performance incentive mechanism, including: Increase the threshold (minimum performance level for which an incentive is offered), scale the incentive by offering higher incentive for performance above 100%, and increase the percentage weight on the savings component.

Sylvia asked to hear from Council members. Rubin expressed support for having metrics and suggested expanding the rental metric to include 1-4 family homes, and oil. She said she would need baseline data to know whether or not 7.5% is the right target. Gundal noted that, if the metric target is too high, it's a distraction from the primary goals, and that the target needs to be within striking distance. Gromer asked if there is something that really motivates the PAs? White noted that DPU is not excited about performance metrics and that, if there is a strong desire to have performance metrics, it would be better to develop them at the management working groups, as opposed to at the Council. Sylvia explained that the intent is not to set performance metrics, but to give Councilors a chance to weigh in on some ideas. Gyurian noted that the low income program may be going to a deemed savings per home approach, so it could be difficult to measure improvements in capturing deeper savings. Sylvia noted that the PAs have now heard some of the Council feedback and they can incorporate this into their next draft plan.

Critical Path Update

Schlegel said that the PAs are working on a revised critical path schedule, including the next draft plan on September 17th and the next EEAC meeting on September 27th at the DPU. Lyne noted that the PAs are looking at October 5th as the target date to do a revised draft after the September 27th meeting, and he said that the PAs will be in touch with the Council to confirm this. Sylvia noted that the next EC meeting is September 20th.

Adjourn

Sylvia adjourned the meeting at 4:16pm.