Councilors Present:

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<th>Voting</th>
<th>Present (designee)</th>
<th>Non-Voting</th>
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<tr>
<td>Nancy Seidman</td>
<td>X</td>
<td>Elizabeth Cellucci</td>
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<td>Martha Coakley</td>
<td>Matthew Saunders</td>
<td>James Carey</td>
<td>Trish Walker</td>
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<td>Penn Loh</td>
<td>X</td>
<td>Tilak Subrahmanian</td>
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<td>Mark Sylvia</td>
<td>Tina Halfpenny</td>
<td>Michael Ferrante</td>
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<td>Debra Hall</td>
<td>X</td>
<td>Maggie Downey</td>
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<td>Charles Harak</td>
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<td>Cindy L. Carroll</td>
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<td>Elliot Jacobson</td>
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<td>John Ghiloni</td>
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<td>Christina Dietrich</td>
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<td>Paul Gromer</td>
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<td>Robert Rio</td>
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<td>Andrew Newman</td>
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<td>Richard Malmstrom</td>
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<td>Michael Sommer</td>
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<td>Deirdre Manning</td>
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<td>Carol White</td>
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<td>Brian Swett</td>
<td>Brad Swing</td>
<td>Eric Winkler</td>
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<td>Michael McDonagh</td>
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<td>Paul Johnson</td>
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<td>Larry Chretien</td>
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DOER: Steve Venezia
Consultants: Eric Belliveau, Jeff Schlegel, Jennifer Chiodo, Sam Huntington

Present:

Jodi Hanover                Riley Hastings             Lawrence Masland
Natalie Hildt-Treat        Steven Griffith           Rita Carvalho
Lisa Shea                  Wendy Todd                 Kim Dragoo
Jeff Leupold               Noel Stevens              Ellen Pfeiffer
Margaret Song              Clayton Hale              Sharon Weber
Shaela Collins             Greg Krantz               Meredith Miller
JoAnn Bodemer              Brian Kearney             Amy Vavak

Halfpenny called the meeting to order at 1:08 pm and welcomed everybody.

Public Comment
Paul Lipke of Healthcare Without Harm, and on behalf of the Green Ribbon Commission, spoke about the ways efficiency programs have impacted the healthcare industry. He described an initiative to improve efficiency in laboratories, noting that it would not have been possible without support from the utilities. He also described an upcoming event on CHP and pointed out that these were good examples of effective market segmentation.
General Updates
Halfpenny introduced Rick Malmstrom, the new Councilor representing large business. She noted his history working at Dana Farber, his experience in facilities management, and especially his experience implementing various efficiency projects. She noted he was also the co-chair of the Longwood Energy Medical Collaborative.

February 25th EEAC Meeting Minutes
Halfpenny introduced the minutes from the February Council meeting. There were no comments or edits. Saunders motioned to approve. The final vote count was 11-0 in favor of approval (Johnson and Harak were absent at the time).

March 26th Executive Committee Meeting Minutes
Halfpenny introduced the minutes from the March Executive Committee meeting. There were no comments or edits. Saunders motioned to approve. The final vote count was 4-0 in favor of approval.

Consultant Team Monthly Report
Belliveau noted two recent changes in the consulting team – Gabe Arnold was replaced by Jennifer Chiodo as C&I lead, and Michael Blasnik left the team but had yet to be replaced. Belliveau said much of the Consulting Team’s recent work had been focused on the implementation updates, performance indicators, and topics from the Council’s schedule of focus subjects.

DPU Updates
Venezia described recent events at the DPU, noting that they recently concluded annual report proceedings for 2011 and 2012. He explained that the DPU had requested an updated filing of the 08-50 tables using the latest avoided costs, and that the PAs had complied. In addition, the PAs submitted recommendations on performance metrics, and a number of parties, including the MA DOER, the AG and ENE also filed comments.

Database Update
Halfpenny described the latest progress on the statewide database. She noted that the subcommittee reconvened last Friday and spent most of time discussing how other states had dealt with privacy issues. The experiences of Vermont and California were particularly relevant because their databases tracked savings at the measure level and included usage data. She noted that the PAs recently submitted a memo clarifying their concerns regarding privacy. She described recent meetings concerning the draft requirements specification and the database vision document, which outlines the purpose of the database. Finally, Halfpenny noted that the subcommittee was in agreement that the DPU should determine what party becomes the arbiter of data-access issues, which could include the DPU itself.

Seidman asked for clarification on the Council’s role with regards to the vision document. Halfpenny said she would like feedback from the Councilors on the document’s content, and added that the vision document should be seen as the Council’s endorsement of the database’s value.
McDonagh asked for clarification on the role of the DPU, specifically whether the Council requires its approval. Halfpenny responded that they were still trying to figure that out, but that both the subcommittee and the DPU were in agreement that an appropriate role for the DPU would be to broker the use of and access to the database. Loh asked if the DPU would oversee a process to determine what data was made available, or if they would just decide themselves. Halfpenny said it could depend on the ask. Dietrich asked if the Council would vote on the draft specification before the DPU’s decision on data access. Halfpenny said she thought that would be appropriate.

Johnson asked how these issues related to the interim data solution, and what the database would offer that the interim solution would not. Halfpenny explained that the interim solution should be thought of as a data dashboard with limited data to query whereas the full database would provide deeper and more flexible data and access to more meaningful information through underlying data. Johnson asked for details on the timeframe of the project. Halfpenny explained why the database was so time-intensive, and said her best guess was to issue an RFP to build the database by the end of 2014. Belliveau added that actual construction of the database should not preclude access to the underlying data.

February 14th Executive Committee Meeting Minutes
With Johnson and Harak now in attendance, Halfpenny introduced the minutes from the February Executive Committee meeting. There were no edits or comments. Jacobson motioned to approve and Saunders seconded the motion. The final vote count was 4-0 in favor of approval.

Implementation Updates
Consultant Team Perspective
Belliveau introduced the Implementation Updates, and explained that the Consultant Team’s presentation would focus on the facts of the Updates, especially the five key findings, and provide some suggestions for the Council. Schlegel explained that the Updates have two parts: the summary tables and the “drivers of change”. He proceeded to review the five findings:
1. The PAs can meet or exceed 3 year goals. Schlegel added that it will take significant effort to do so.
2. The PAs are planning on falling short on C&I goals. Schlegel explained that Grid’s strategy requires a 59% increase in C&I large retrofit savings between 2014 and 2015. Harak asked if the Consultant Team believed the increase could be achieved, and Belliveau confirmed that, despite the concerning numbers, he did in fact believe the PAs could succeed with their revised strategy.
3. Savings are shifted to residential and contractor-driven programs. Schlegel noted that the goals for the Commercial Small Business and the Residential Lighting programs in particular were increasing.
4. Residential strategies vary. Belliveau showed a slide illustrating the divergence in strategy between National Grid’s and NU’s Residential Lighting programs. He then posed the question of whether higher achievement in one service territory implied that additional savings potential were available in other service territories. Subrahmanian objected to the discussion on the grounds that the PAs had committed to three-year
goals. Schlegel noted that the language in the three-year plan suggested the goals merely “put them on the road” to all cost effective energy efficiency, and did not themselves represent all cost effective. Halfpenny said she viewed the finding as illustrative of the fact that there were lessons to be learned between PAs. White agreed that there were lessons to be learned, but also noted that there were significant differences between the PAs’ service territories which accounted for the differences in strategy.

5. The implementation update results in higher total portfolio costs. Schlegel explained that the additional expenses were due to the higher cost of savings in the Small Business and Residential programs compared to the Large C&I Retrofit. He concluded the presentation by asking the Council for feedback on the five findings. Chretien asked that progress on oil savings be included in the next presentation.

**PA Perspective**
Shea delivered a presentation on the Implementation Update from the PAs’ perspective, noting that the Update was designed to allow the Council the monitor achievement against goals and to review forward looking strategies. She added that the Update reflected a shift in strategy, and that the goals were not recast.

Halfpenny noted that the new goal was 98% of the original, and asked how that fit with her previous statement. Shea responded that, directionally, the PA’s were on target to hit their goals, but that the exact estimate was indeed 98%. Gromer questioned whether 98% was equivalent to “reaching goal”.

Shea reviewed the high-level numbers behind the Update, as well as recent EM&V results, notable 2013 achievements, and strategic enhancements to C&I. She concluded by describing potential deep dive areas for further review.

Johnson questioned the shift in strategy to Residential Lighting given the high free-ridership and declining savings deltas. Shea noted that those uncertainties were precisely the reason they were focusing on it for a deep dive.

**National Grid Perspective**
Sean Mongan delivered a presentation on recent and ongoing structural changes at National Grid. He described how the company went through significant restructuring at the corporate level to better align with individual jurisdictions, and attempted to build in an efficiency model that was scalable. He also described how the sales team had been restructured to focus more on small and medium sized customers, and how they had shifted to a “channel” model.

Harak asked if members of the sales team had a specific market focus. Mongan explained that every sales rep had a certain level of technical knowledge, but that, in general, the deeper expertise was found on the strategy teams. Johnson asked if the sales team was paid on commission, and if so, how did those commissions compare to ESCOs. Mongan replied that the sales was partially paid through commission, but that it was much smaller than ESCOs.
Ezra McCarthy continued National Grid’s presentation by describing the C&I program strategy, and how it differed depending on the size of the customer. He noted that larger customers generally received more attention and had higher participation rates, while the opposite was true for smaller customers.

Ellen Pfeiffer continued National Grid’s presentation by describing the Residential program strategy. She reviewed tactics for achieving higher savings, including specific technologies, big data analytics, contractor partnerships, and new marketing campaigns.

**Energy Markets Overview**
Birud Jhaveri, Deputy Commissioner for Energy Markets of the DOER, presented on recent activity in wholesale energy markets and the implications for energy efficiency. He described how wholesale electricity prices had increased 50% since 2013 and were likely to increase further. He described the link between natural gas and electricity prices, and how the winter constraint drives up costs. He further described how the low capacity factor of renewables results in a peak generation mix with greater carbon emissions. He concluded by noting that New England will face higher prices and reliability challenges over the next several years, adding that additional infrastructure was necessary, but that efficiency was still important and should be geotargeted to maximize impact.

Chretien noted that infrastructure needs had been quantified, but that efficiency potential had not. He asked why the state wasn’t doing more to promote efficiency if it was the lowest cost resource. Winkler replied that peak demand drives infrastructure investment projects, not energy. Halfpenny asked how the winter gas constraint would affect avoided costs, and Schlegel explained that the framework was in place to appropriately value the “cross-DRIPE” effect.

Schlegel asked Winkler if efficiency could be bid into the next Winter Reliability Program. Winkler noted that the program was under development and thus he was unable to comment.

**Adjournment**
Halfpenny adjourned the meeting at 4:18 pm.