

May 14, 2015 EEAC Executive Committee DRAFT Notes

Attendees: Judith Judson (DOER), Dan Burgess (DOER), Amy Boyd (Acadia) - phone, Rick Malmstrom (Business Customers), Betsy Glynn (Residential customers) - phone, Don Boeke (AG), John Wells (LEAN), Paul Johnson (Small Business), Eugenia Gibbons (Non-Profit), Sharon Weber (DEP), Paul Gromer (EE Business), Emmett Lyne (PAs), Shaela Collins (PAs), Marie Abdou (National Grid), Cindy Carrol (Unitil), Joann Bodemer (CLC) Jeff Schlegel (Consult), Ian Finlayson (DOER), Lyn Huckabee (DOER), Maggie McCarey (DOER), Alex Pollard (DOER), Steven Venezia (DOER),

Agenda:

- Introductions
- Updates – Schedule, workshop planning
- Discussion of draft Plan
- Unitil Electric proposed MTM
- EEAC Agenda

MEETING CAME TO ORDER AT 9:32 AM

INTRODUCTIONS

New DOER Commissioner and EEAC Chair, Judith Judson, introduced herself and discussed her background with the EC.

UPDATES

Maggie McCarey distributed the EEAC schedule now through July. She confirmed the June Council meeting would be rescheduled to accommodate a special event for Eversource and new date will be confirmed by Tuesday's Council meeting. She reviewed the rest of the schedule and reminded the EC that the June workshops are currently being planned.

Amy Boyd informed the EC of the Acadia Center's recently released study on the impact of energy efficiency during the exceptionally cold winter of 2014 ("Polar Vortex"). She summarized that EE played a crucial role in managing a serious peak demand event. She will send a link to the study to the Council and will update the full group Tuesday.

DRAFT PLAN

The EC expressed appreciation for the PAs' collective effort in putting together the April draft of the plan. Commissioner Judson kicked off the discussion by assuring the group that EE is a high priority for both the Secretary and Governor. The Administration is proud of the accomplishments to date and is committed to building upon where we are and maintaining

Massachusetts' leadership moving forward. She then highlighted some of the key items that DOER was excited to see in the draft plan, including:

- Electronic TRL
- Website access for Spanish and Portuguese speakers
- Residential efforts for renters and moderate income customers
- Single point of contact for multifamily customers
- Improved C&I reporting – more granularity
- Expansion of upstream initiatives
- Small business offerings

Commissioner Judson then discussed some of DOER's areas of concern related to the draft plan. Specifically, she highlighted disappointment that goals decrease from 2014 and 2015 levels and costs increase over 3 years for less savings. Given the consultants analysis, DOER does not see why goals would not continue to increase over the next three years.

Commissioner Judson agreed with the PAs that baselines may affect the level of savings claimed for residential measures going forward, but suggested that the PAs need to work with the consultants, DOER, and the Council to ensure appropriate ramp up and inclusion of LEDs in the residential programs. Commissioner Judson also requested more detail on the renter and moderate income initiatives that are referenced in the plan, including structure of the programs and dates by which they will be rolled out.

Commissioner Judson commented that within the C&I sector, the PAs should work the consultants to determine where the difference of savings opportunities are and how to incorporate the CHP pipeline, streetlights, and increased small business initiatives in the plan and reflected in the C&I savings goals.

Commissioner Judson concluded by reiterating that DOER appreciates the work of the PAs to date and that this draft plan does contain more detail than the previous April version in 2012. However, the Plan is lacking commitments and concrete milestones/dates by which new program enhancements will be implemented.

Emmett Lyne then responded to the Chair's initial reaction. Highlights:

- Huge effort for more comprehensive draft than in 2012
- Plan demonstrates PAs' plan for sustained excellence in the future which gives the business community the certainty to plan, maintains Massachusetts' status as the best in the nation, and avoids overpromising and underdelivering.
- In addition to the highlights of innovation mentioned by the Chair, including efforts around renters and moderate income customers, he also stressed continuing efforts of note:
 - Partnership with LEAN to deliver to low income customers

- Nation-leading EM&V framework
- Social media dominance (Mass Save has more Facebook followers than Energy Star)

Emmett also described some of the factors that contribute to the Chair's concern about lower savings and higher costs, including changing baselines. He then described what analyses are forthcoming, including an assessment of bill impacts and further program design in the June workshops. Finally, he acknowledged that there are differences in ideas about costs and savings that need to be bridged over the next few months.

Jeff Schlegel then reviewed the timeline and tasks of planning which include:

- Consultants comparison memo
- May-June Key Drivers analysis
- Collaborative review of savings and costs
- 2014 Plan Year Report released on June 5th – used as a touchstone for prospective analysis
- Council response to Draft Plan –July 31st (or earlier)
- PAs respond to comments for final plan in September, for filing with the DPU on 10/31.

Jeff then outlined the major areas of concern between the PA draft plan and the Council and Consultant documents. These included:

- A large difference in savings and budgets
- Getting additional information on program strategies
- Getting all PAs to succeed the way the most successful PAs do

The DOER suggested cancelling the August EEAC meeting in light of two meetings in July. Emmett agreed to take the idea to the PAs but some Councilors expressed concern. They tabled the idea for now.

The EC then discussed the Draft Plan. Many of the points made by the Chair and the Consultants were echoed. New points included:

- Malmstrom believes the PAs are selling themselves short because he knows that there are plenty of savings to be found from the most active C&I customers, even outside of CHP.
- Glynn wanted to see more specifics on moderate income customers seeing how not all of them are renters.
- Boyd questioned whether the proposed savings would comply the GCA in the absence of proof that BCRs were below 1 or if the portfolio was more expensive than supply. If their obligation is to acquire all cost effective efficiency, reducing goals does not meet that obligation.

- Wells wanted to see the planned vs. achieved numbers of the past graphed with the proposed numbers for the future to understand how the PAs historical have matched results.
- Abdou cautioned the EC from confusing lower savings with lower effort, reminding them how much harder the same results will be to achieve moving forward. She also reminded the EC that the quantitative analysis will be more complete after the 2014 Plan Year Report is finalized and the EM&V is finalized for consideration in the plan.
- Finlayson asked that the issue of moving baselines be framed more specifically.
- Lyne assured the EC that the analyses acknowledged as missing in the Draft Plan or requested by the Council will be provided as addenda to the Draft. They will not be publishing another complete draft before the fall.
- Johnson questioned how the PAs can innovate if they have no planned pilots. He would also like a more in-depth conversation about performance incentives.
- The EC agreed that the data exchange between this draft and filing in the fall will ideally be informal and that they will reassess the need for a Council action, such as a Sense of the Council, to request data or other specific information as needed in order for the Council to formalize comments in July.

UNITIL ELECTRIC MTM PROPOSAL

Emmett distributed copies of the MTM memo.

Cindy Carroll then provided the EC with an overview of the request. She explained that they already requested a budget increase on the gas side but have seen the same demand issues arise for electric, primarily due to increase program participation as a result of the transition to the lead vendor model. They need this in order to continue working in 2015. They will also amend the memo before the Tuesday Council meeting to include C&I New Construction which is also overperforming.

The EC questioned the timing of the change relating to C&I. The DOER committed to investigating by the end of the day exactly what needed to happen to vote on the issue by Tuesday. In the meantime, Unitil agreed to add placeholder language to the memo by COB for distribution to Councilors.

Emmett then informed the EC that Eversource is filing their MTM to decrease C&I budgets with the DPU even though the Council declined to endorse the proposal. There was also an indication that other PAs might have the same issue.

EEAC MEETING AGENDA

Maggie McCarey distributed and reviewed the proposed agenda for Tuesday. She will add the update from Acadia and 10 minutes on MTMs. EC agreed with the agenda.

MEETING ADJOURNED AT 11:11 AM

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