Massachusetts Energy Efficiency Advisory Council  
Meeting Minutes  
Wednesday October 15, 2014

Councilors Present:

<table>
<thead>
<tr>
<th>Voting</th>
<th>Present (designee)</th>
<th>Non-Voting</th>
<th>Present (designee)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martha Coakley</td>
<td>Matthew Saunders</td>
<td>James Carey</td>
<td>Patricia Walker</td>
</tr>
<tr>
<td>David Cash</td>
<td>Nancy Seidman</td>
<td>Cindy Carrol</td>
<td>Thomas Palma</td>
</tr>
<tr>
<td>Betsy Glynn</td>
<td>X</td>
<td>Elizabeth Cellucci</td>
<td>Monica Cohen</td>
</tr>
<tr>
<td>Charles Harak</td>
<td>X</td>
<td>Maggie Downey</td>
<td>JoAnn Bodemer</td>
</tr>
<tr>
<td>Elliott Jacobson</td>
<td>X</td>
<td>Michael Ferrante</td>
<td></td>
</tr>
<tr>
<td>Deirdre Manning</td>
<td>X</td>
<td>Paul Gromer</td>
<td>X</td>
</tr>
<tr>
<td>Richard Malmstrom</td>
<td>X</td>
<td>Andrew Newman</td>
<td>Robert Gyurjan</td>
</tr>
<tr>
<td>Amy Boyd</td>
<td>X</td>
<td>Michael Sommer</td>
<td>X</td>
</tr>
<tr>
<td>Robert Rio</td>
<td>X</td>
<td>Tilak Subrahmanian</td>
<td>X</td>
</tr>
<tr>
<td>Larry Chretien</td>
<td>X</td>
<td>Carol White</td>
<td></td>
</tr>
<tr>
<td>Paul Johnson</td>
<td>X</td>
<td>Eric Winkler</td>
<td></td>
</tr>
<tr>
<td>Michael McDonagh</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brian Swett</td>
<td>Brad Swing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meg Lusardi</td>
<td>Tina Halfpenny</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Consultants: Eric Belliveau, Jeff Schlegel, Craig Johnson  
DOER: Steve Venezia

Present:

| Joseph Bocanegra    | Jodi Hanover             | Cara Mottola            |
| Grayson Bryant      | Riley Hastings           | Joseph Murphy           |
| Jessica Bruno       | Natalie Hildt Treat      | Alex Papali             |
| Brandy Chambers     | Lyn Huckabee             | Nathan Peyton           |
| Shaela Collins      | Richard Kazaman          | Alex Pollard            |
| Sarah Eckstein      | Paul Lipke               | Jeff Pollock            |
| Amy Eischen         | Beth Lonergan            | Aimee Powelka           |
| Joe Fiori           | Emmett Lyne              | Kavita Ravi             |
| Matt Foran          | Maggie McCarey           | Ed Schmidt              |
| David Gibbons       | Ezra McCarthy            | Patrick Wallace         |
| Jonathan Goldberg   | Jeremy McDiarmid         | Bonni Widdoes           |
| Mike Goldman        | Erik Mellen              | Jayden Wilson           |
| Frank Gundal        | Steve Menges             |                          |
Halfpenny called the meeting to order at 1:08 pm and welcomed everybody.

Halfpenny began the meeting by handing out citations from Governor Patrick in recognition of the Council’s efforts to support energy efficiency in the Commonwealth.

**General Updates:**

*September 9th EEAC Meeting Minutes*

Lyne noted that the PAs did not have time to review the minutes.

Saunders noted that the year for the section on AESC was wrong and that it should be 2015 instead of 2014.

Saunders motioned to approve the minutes as amended. All were in favor, with no opposed or abstaining. The minutes were approved as amended.

*September 16th Executive Committee Minutes*

Halfpenny noted that the EC evaluated the two proposals that were received on the process review.

Saunders motioned to approve the minutes. Boyd seconded the motion. All were in favor, with no opposed or abstaining. The minutes were approved by the EC.

*September 17th Executive Committee Minutes*

Halfpenny noted that the EC brought in the two proposal groups, Hamel Environmental Consulting along with Meister Consultant Group and Raab Associates along with the Consensus Building Institute. Through the interview process, the EC determined that Raab Associates and the Consensus Building Institute were the most appropriate candidates.

Saunders motioned to approve the minutes. Boyd seconded the motion. All were in favor, with no opposed or abstaining. The minutes were approved by the EC.

Jacobson noted that the scores were close and Halfpenny noted that the PAs also participated in this process.

*October 1st Executive Committee Minutes*

Boyd noted that she disagreed with a proposed edit that suggested that it was decided that there would not be a vote or sense of the Council on the Implementation Update (IU) Recommendations. Rather, Boyd suggested that there was no decision as to whether or not there would be a vote. Belliveau, Halfpenny, and Schlegel also recalled this being the case. Saunders and Lyne disagreed and noted that their takeaway from the meeting was that there would be no vote or sense of the Council.
Halfpenny suggested changing the wording to indicate that it was decided that there would be no Council resolution at the October meeting and that the Consultants may submit a memo with their IU recommendations. Boyd indicated she would approve of that amendment.

Chretien noted that he had concerns about the Council not having a vote on the IU as it has been an on-going process for several months with no resolution. Saunders responded that it would have been premature to put forward a vote for a resolution without having first heard from the PAs.

Lyne noted the addition of a bullet point to the minutes under the Mid-term Modifications (MTM) to indicate that the EC and the Consultants support the MTMs, subjected to a request for more information from CLC on sponsorships.

Boyd motioned to approve the minutes as amended. Saunders seconded the motion. All were in favor, with no opposed or abstaining. The minutes were approved by the EC.

*Winter Pricing Strategies*

Halfpenny noted that there was a press event and press release that discussed winter pricing strategies. It announced an additional $5 million that the Commonwealth is distributing to help some of the populations that will be hardest hit with the winter price spike. The funds will be targeted towards electric heat and lower income customers.

Halfpenny also noted that an effort is underway with the PAs to provide a bonus incentive for the highest tiered gas heating equipment.

Harak noted that there is an effort being made to acquire $30 million from the state for fuel assistance to help low income customers who will be hit the hardest.

*AESC 2015*

Schlegel gave an update on the AESC study. He noted that this study is planned to be completed by the end of March 2015 and that the results will be used to convert savings values into economic value. He further noted that there were three bidders in response to the RFP and that a study group is currently evaluating these bidders. Lastly he noted that a bidder is expected to be chosen by the end of the month at which point the study will begin on an aggressive schedule so that the findings can be used in the next 3-Year Plan.

*Consultant Monthly Report*

Belliveau reviewed the highlights from the monthly report. In regards to planning and analysis he noted that much of their time was spent on the IU recommendations. He also noted that the team began preparing for an innovative approaches presentation at the next meeting and began thinking about what types of data and information would be needed to begin the process of working with the PAs on the 3-Year Plan planning process. He also mentioned the 15 EM&V studies that are launching now as well as the 50 or so that are currently in progress. Lastly,
Belliveau highlighted the success of the new website by informing the Council that over a 3-week period in September, the website had 600 unique users, 52-percent of which were new and 6,700 page views.

Halfpenny noted that Belliveau sent out a near-final draft of the legislative report. She requested that any comments on that report be received by Thursday so that it can be sent to the Governor’s office for approval before going to the legislature.

*Process Assessment*

Halfpenny noted that six interviews were conducted and that more were scheduled within the next week. She indicated that so far the interviews had been helpful and that this process is set to wrap up by the first week of December.

Seidman asked if there would be a presentation in December on the process assessment. Halfpenny indicated that there would be.

*Council Comment Period*

Johnson informed the Council that he is organizing a field trip to some industrial facilities that are doing great work in energy efficiency. He noted that these trips would present an excellent opportunity for Council members to learn more about what is going on with energy efficiency. He encouraged Council members to reach out to him if they were interested in taking part.

Halfpenny mentioned to Johnson to keep in mind open meeting requirements and to talk with the attorney to ensure compliance.

*Implementation Update Response by PAs*

Prior to the start of the presentation, Halfpenny requested that all questions towards the PAs be addressed through her so that the time set aside would be used as efficiently as possible. Belliveau asked the PAs to note on slides whether it is a state-wide view or an individual utilities view.

Lyne opened by thanking the EC for giving the PAs a chance to present to the Council. He noted that based on feedback it seemed like the focus needed to be on commercial and industrial (C&I) efforts and so the presentation was tailored to that.

Frank Gundal, with input from Jeff Pollock, Dave Gibbons and Ezra McCarthy, presented on behalf of the PAs on a variety of topics related to C&I efforts. These topics included projections, customer insights, the technology mix, and channels.

*Projections*

During this portion of the presentation, Gundal noted the savings projections for 2014 against 2013 and the cumulative projections for the three-year cycle. His key takeaway from the
projections was that the entire portfolio is on track to meet its goal and that the question should not be about how to fix C&I, rather it should be about how to accelerate its successes.

**Customer Insights**

There were several topics discussed within this portion of the presentation. Gundal began by presenting on market opportunity, trends by quartile, and usage versus savings for segmented indexes in 2013 and 2014 for Northeast Utilities and National Grid. Gundal noted that these topics highlight the PAs hypothesis, which was that more savings could be achieved from C&I sector than the residential sector. He further noted that the market data and trends by quartile indicate that they are not far off from their hypothesis and that they are still on the right path.

Seidman noted that it is difficult to compare results between utilities when the way in which segmentations are being determined is different between companies. Matthew Nelson of NSTAR indicated that there was a C&I customer profile study that looked to address this point and was just completed for 2012 with scoping for 2013 beginning now.

The remainder of the customer insights topics included examples of what the PAs are doing to address C&I needs. These topics include results from a commercial real estate segmentation study, sustainable office design, building energy reporting and disclosure ordinances (BERDO) for the cities of Boston and Cambridge, a commercial real estate working group, and an example of a customized approach for grocery stores. Gundal noted that these examples highlight the many ways in which the PAs are pushing to better serve the C&I market.

Swing thanked National Grid and Northeast Utilities for their help on setting up BERDO and that so far it has been successful with about 70-percent reporting at the first deadline. Glynn expressed support for BERDO, noting that many of the multifamily groups she works with have found these tools and data to be extremely useful.

**Technology Mix**

Gundal noted that usage is a good proxy for where the opportunities for savings might be. He indicated that while lighting will always be a big part of their savings portfolio, the future is in volume and controls.

**Channels**

Gundal began this section of the presentation by noting that vendors are very important for large C&I, much more so than for residential and small C&I. This is because large customers want to have control over finding vendors for their work.

Ezra McCarthy noted that in order to reach more customers and drive volume, the PAs deploy along channels. He noted that based on their analysis they are able to target the top market segments by highest end use of the channel where the top market segments are municipal, distribution supply, hospitality and property owners, and national accounts. White added that the
channel type of strategy is a way to focus on one-to-many relationships so that they can get more customers and have greater success.

Winkler commented that it is really interesting that it has come to the point where utilities have to take the lead in getting people to know how to work with their customers. Gundal noted that the utilities should not have to do this, but without this effort they would not be where they are.

The PAs concluded this portion of the presentation by discussing two examples of how they have worked with Grundfos and Munro Lighting to transform how they do business so that they can sell more of their products.

Conclusion

Gundal concluded by reminding everyone that it is important to recognize that the PAs have the most aggressive goals in the nation and that while gaps exist for C&I, they have strategies to close those gaps and keep C&I going in a positive trend.

Discussion

Following the presentation there was a period of time for discussion. Chretien began by thanking the PAs for the presentation and that he would just add that there is a huge opportunity to do so much more. Malmstrom noted that he learned a lot from the presentation and that going forward it would be great to know more about what the PAs think they need to do more of. Gundal indicated that they need more resources and that they need to work with manufacturers to help them understand how they can transform the market with more efficient products. Subrahmanian added that at end of the day they need to drive customers to the table.

Johnson asked if the PAs target customers that are using too much energy and if they use data analytics to know how customers are using energy. Subrahmanian responded that the short answer is yes.

Halfpenny thanked the PAs for the presentation and commended them on the amount of work that went into it. She also noted that it would be great to get similar feedback from all utilities. She then turned it over the consultant team for their input.

Schlegel noted that the presentation by the PAs was useful and that it was appreciative to hear the information from the perspective of the PAs. He highlighted the four key recommendations that have come out of the IU process and deeper dives. In doing so, Schlegel noted that each of the recommendations has substance, specifies a proposed way for the consultants to work with the PAs, and has a deliverable and a schedule. Schlegel further noted that he thought the presentation was essentially a C&I update and did not respond to the four recommendations. As such, the recommendations remain unchanged. Schlegel noted that the Consultant team would appreciate council action on the recommendations. In summary, Schlegel indicated that they are concerned but not worried.
Glynn inquired why the Council cannot be stronger and have this document be a resolution instead of a sense of the Council. Halfpenny noted that EC members have noted that the issues on the IU are big issues and that the sense of the council document is not going to address what it is the Council is looking for.

Boyd noted the larger problem of having good information flow between the PAs and Consultants so that the Council gets what it believes it needs. She noted that if this requires a vote to move forward then that is what should happen.

Chretien added that he is concerned that all energy efficient savings are not being captured and that he would like to have on record in the November meeting that he voted on something that has been in discussion for several months.

Johnson noted that there needs to be more transparency and that just because the PAs are doing well with their goals does not mean that they cannot do better.

Seidman noted that she would also be in favor of voting on something in the November meeting. Halfpenny noted that there is a process out there and that it is clearly not the right one. As a result she wondered how the group gets to the point where the Council is not having to facilitate the data exchange between the PAs and the consultants.

Gundal noted that the PAs are mostly in agreement with the last two recommendations but that they did have some objection to the first two recommendations.

Jacobson noted that he does not mind voting on a resolution or a sense of the council but that he did not want to necessarily be locked in to doing so. Rio noted that he would be hesitant to vote and that it would make more sense for the Council to just give general guidance and let the PAs do what they need to do. Saunders indicated that he does not believe the document will not resolve the data issues between the Consultants and the PAs.

Swing noted that he was concerned about the working relationship between the PAs and the consultants. He noted that he is further concerned whether or not the recommendations are going to result in any increase in productivity if voted on.

Halfpenny suggested that there should be more conversation and to hear from the PAs on their responses to the recommendations.

Chretien motioned to bring the sense of the Council 2014 IU update and key actions document or an update of it to a vote in the November meeting. Glynn seconded the motion. Seidman, Manning, Malmstrom, Boyd, Johnson, and Swing were in favor. Halfpenny, Saunders, Rio, and Jacobson abstained.

**Clean Energy Center Jobs Report**

Jeremy McDiarmid gave a brief presentation discussing the results of the 2013 report. He noted that this is the most in-depth report that they have done so far. He noted that they have seen
double-digit job growth in the past three years and that this is projected to continue in the future. He further noted that marketplace in Massachusetts is attractive as a result of market-supporting policies and leadership.

Rio inquired about how money from Green Jobs Act is allocated. McDiarmid noted that it is used to place college students and recent graduates and also to train workers in areas such as weatherization and sales to help fill the pipeline of clean energy jobs.

Subrahmanian asked what is classified as clean energy jobs. McDiarmid noted that it is not every employee that works for a clean energy company, rather workers who are deemed to be working specifically on clean energy related tasks.

Johnson asked if there are any other challenges that they face. McDiarmid noted that there are always challenges with policy and a lack of investment dollars for early innovation companies.

McDiarmid concluded by thanking the Council for its time.

**Mid-Term Modifications Request and Vote**

Lyne noted that Cape Light Compact, Unitil and National Grid requested MTMs and that information had been shared with no questions received from the Councilors. He further noted that there is an affirmative recommendation of support from the EC and that there is a resolution that has been proposed that is vetted with the EC.

Saunders motioned to approve the MTMs. Rio seconded the motion. All present were in favor, with no opposed or abstaining. The MTMs were approved.

**Optimal Budget Request and Vote**

Belliveau noted that they made a request to increase the Optimal budget by $50,000 to provide additional resources for expenses that are unforeseen at the beginning of the year.

Halfpenny suggested that the motion to approve the budget increase be noted as up to $50,000 with the request that the consultant team try to avoid spending that additional amount.

Rio motioned to approve the budget request of up to an additional $50,000. Johnson seconded the motion. All were in favor, with no opposed or abstaining. The budget request was approved.

**Adjournment**

Halfpenny adjourned the meeting at 4:07 pm.