

Massachusetts Energy Efficiency Advisory Council
 Meeting Minutes
 Tuesday, November 5, 2012

Councilors Present:

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

DOER: Steve Venezia

Consultants: Jeff Schlegel, John Livermore

Present:

JoAnn Bodemer	Larry Chretien	Marc Breslow
Jack Habib	Suzanne Farrington	Frank Gundal
Lisa Shea	Jodi Hanover	Loie Hayes
Natalie Hildt	Lyn Huckabee	Meredith Miller
Matthew Nelson	Jeremy Shenk	Margaret Song
Petra Hall	Joel Wool	James Norton
Sharon Weber	Becky Smith	Alex Papali
Constance Schere	Chris Goulding	Monica Kachru
Melanie Coen	Lynn Westerlind	Tung Huynh
Ian Finlayson	Pat Coleman	Sue Kaplan

Sylvia called the meeting to order at 2:10pm and welcomed everybody.

Public comment

Several interested parties commented on the PAs' draft plan during the public comment period, including James Norton (Energy/Green Officer, City of Malden), who presented a letter of support for the Three Year Plan signed by a number of mayors; and Alex Papali and Joel Wool (Green Justice Coalition), who highlighted the need to target renters and to provide adequate access to data. Sylvia noted that energy data is a priority.

General Updates

Timeline Moving forward

Sylvia provided some historical context on the Three Year Plan process: at the last meeting the Council weighed in with their comments; at the prior meeting the Council passed a resolution for the PAs and Consultants to continue working together to resolve outstanding differences. He noted that DOER has been working with the PAs and Consultants, and thought it was important to have term sheets to reflect what the Council wanted to see in plans. Sylvia explained the goal of giving the Council time to review the statewide plans and then come back to the next meeting in November to consider a resolution weighing in on the Plans. He noted the letter sent to the DPU, a companion to the plans, notified them of term sheets, process, and schedule.

Approve EEAC minutes

Saunders motioned for a vote to approve the September 11th EEAC meeting minutes; Rio seconded. Voted and approved.

Saunders motioned for a vote to approve the September 27th EEAC meeting minutes; Rio seconded. Voted and approved.

Approve Executive Committee minutes

The Council discussed some edits to the October 25th Executive Committee meeting minutes.

- Jeff Schlegel's name is spelled wrong.
- Change 6th bullet: "incentives" to 'Metrics'
- Last bullet: Correct spelling of Matt Saunders' name

Saunders motioned for a vote to approve the meeting minutes; Rio seconded. Voted and approved.

Council vote to extend Optimal Consultant Team Contract through 2013 (15)

Sylvia explained that the Executive Committee voted to recommend extending the Optimal Consultant Team contract for one year. McDiarmid noted that Halfpenny suggested that there may be a more formal review of the consultants, and that that may be part of the process. Saunders motioned for a vote to extend the consultant team contract; Seidman seconded. Voted and approved.

Joint Consultant and PA Comparison Analysis Presentation of Sept Draft Plans

Sylvia highlighted the hard work of the PAs and the Consultants on this very involved set of negotiations. He noted that DOER and the AG were very engaged throughout in developing the term sheets. Sylvia thanked everyone for their efforts and noted that we can all be proud of the outcome, and of where this places MA in continuing to lead the nation with aggressive and achievable energy savings and emission reductions. He noting appreciation to each of the Councilors for providing input, and emphasized that there is a good story to tell.

Presentation on Three-Year Plan term sheets

Schlegel and White introduced the electric and gas term sheets, and jointly presented a set of slides describing the substantive agreement achieved on major aspects of the plan. They noted that the details of the plans will be saved for the next EEAC meeting. Schlegel explained to the Councilors that the Consultants worked on their behalf, taking

their priorities and coming up with a package of terms that best met those priorities. He noted that the Consultants are recommending these term sheets and the draft resolution to the Council. Schlegel laid out the electric goals for the three years of the Plan: 2.5%, 2.55%, and 2.6%, with a total of 2.55% of retail sales. The total savings of 3.7 million MWh is the equivalent of about what 500,000 homes would use in 10 years. Benefits are estimated at \$7.5 billion, with a budget of \$1.495 billion, and a cost per annual kWh saved of \$0.4037. White enumerated the gas goals: 1.07%, 1.13%, and 1.14%, with a total of 1.11% of retail sales. The total three year savings are 72,000,000 annual therms, with benefits estimated at \$1.27 billion, a budget of \$525 million, and a cost per annual therm saved of \$7.292.

Schlegel noted that the savings goals are on the path to satisfy the GCA mandate to capture all available cost-effective energy efficiency, while supporting the achievement of emissions reductions called for in the Clean Energy and Climate Plan. He called out NU and NGRID for their exceptional leadership, and noted that all PAs have contributed to committing to unprecedented statewide savings goals. Electric bill impacts are relatively flat, while there will be some analysis in the Plan of the increased gas bill impacts. Schlegel noted that the emissions reductions delivered through the Three-Year Plans accounts for 7.1% of the Clean Energy and Climate Plan reductions, toward the goal of reducing emissions, compared to 1990 level, 25% by 2020. White noted that the term sheets recognize that there will be some variability between PAs, and that this is reasonable, especially in light of the recently-passed accelerated incentive program. She explained the performance incentives: Electric - \$80 million; Gas - \$16 million; with 3 components - benefits (\$) [56%], value (net benefits) [35%], and specific performance metrics [9%].

Schlegel explained the 'other issues' section of the term sheet, including the PAs commitment to "the Mass Save mark as the statewide brand", and the agreement to, in collaboration with DOER and the EEAC, conduct an evaluation of the effectiveness of statewide marketing efforts by the end of 2013. He also noted the PAs commitment to perform a follow up study on the level and accuracy of DRIPE (demand reduction induced price effect) as set forth in the 2011 Avoided Energy Cost study. White noted that one of the budget reductions is in EM&V, however the PAs will maintain a total electric and gas EM&V budget of not less than \$69.2 million. Schlegel pointed out that the numbers in the term sheets are very close to the Council's original goals, and that, in the end, we have a package that includes high savings and reasonable costs. He indicated that the PAs have put forth a very impressive effort, and that the Consultants strongly recommend this package of term sheets to the Council.

McDiarmid commented that this is a big deal, and sets the tone for a great set of plans and continued leadership for MA - with a lot of credit due to DOER and the PAs. Mattila asked if the Consultants are satisfied with data from PAs justifying the cost drivers? Schlegel answered, yes, and noted that on the gas side there are two major drivers of costs: 1) evaluation results, 2) codes and standards (boiler and furnace standards). He noted that the Consultants updated their recommendations to the Council based on these, after a very detailed and deliberate analysis process. Seidman noted that it is important to acknowledge the work and the very impressive numbers. Loh noted appreciation for all

the hard work and asked, based on our experience with the first three-year plan, how confident do we feel about the savings goals? Sylvia responded that we have almost 3 years of experience, and it was extremely helpful to turn to the Council consultants for perspective to help inform the negotiations. He said we believe these are achievable goals. Saunders noted that he also was not here 3 years ago, and that the AG relied a lot on the Consultants' experience. He noted that the AG feels very comfortable recommending the term sheets, and they are satisfied with where the costs are – aggressive and sustainable. Hall noted that it's fabulous what's been accomplished here.

Council vote on Term Sheet Resolution

Sylvia explained that the purpose of the resolution is to reflect the position of the Council regarding the term sheets, and to inform the DPU about the EEAC's position. He noted that there will be a follow-up resolution specifically on the Plans. He asked for a motion to approve the resolution on the table. Saunders motioned, Rio seconded. Voted and approved unanimously.

Next Steps

Sylvia outlined next steps for the Council:

- a. Next Executive Committee meeting on November 8th at 3pm - to review the resolution on the full statewide plans.
- b. Next EEAC Council meeting on November 13th, 2-5pm with Tina Halfpenny chairing meeting.

Schlegel explained that there will be a Consultant team memo on the review of the plans which will go out no later than this Friday morning, November 9th.

Adjourn

Newman moved to adjourn the meeting, Loh seconded. Voted and approved. Sylvia adjourned the meeting at 3:16pm.