

MINUTES, FOR THE FIRST MEETING OF THE ENERGY EFFICIENCY ADVISORY COUNCIL

The first meeting of the Energy Efficiency Advisory Council (“EEAC”) was held in Boston, Massachusetts on November 20, 2008.

The following voting members were present:

Heather Clark, Jed Nosal, designee for Martha Coakley, Paul Deare, Lucy Edmondson, Debra Hall, Charles Harak, Elliott Jacobson, Sam Krasnow, Rick Mattila, Robert Rio, and Phil Giudice, Chairman.

The following non-voting members were present:

Derek Buchler representing Bay State Gas; Penni Conner, NSTAR Gas & Electric; Michael Ferrante, Heating Oil industry; Kevin Galligan, Cape Light Compact, a municipal aggregator; George Gantz, Unitil; Paul Gromer, Energy Efficiency service businesses; Andrew Newman, Blackstone Gas; Dick Oswald, WMECO; Michael Sommer, Berkshire Gas; Jody Stiefel, New England Gas; and Tim Stout, National Grid Electric & Gas Divisions.

Frank Gorke, the Director of Energy Efficiency for the Massachusetts Department of Energy Resources (DOER) greeted the assembly shortly after 3:00 pm and gave opening remarks welcoming all to the first meeting of the Council. Mr. Gorke informed all present that Ian Bowles, Secretary of Energy & Environmental Affairs was unable to attend the meeting and that the chair, Phil Giudice, Commissioner of DOER was en route from another commitment. DOER representatives sent around an attendance sheet for all voting and non-voting members to initial and for all other attendees to sign. A few minutes into the meeting Chairman Giudice arrived and made opening remarks to participants expressing his excitement for the work of the Council and stating that he had “high expectations” for the collective efforts upon which the Council would soon embark. Chairman Giudice then turned over the meeting to Frank Gorke.

Gorke briefly addressed the imminent deliberations for the future Three-Year Plans and discussed anticipated challenges. He stated that the DOER envisioned a goal of 20-30% energy savings in every building “touched”. He also raised expected issues with respect to how cost-effectiveness would be measured and how much Measurement & Verification (“M & V”) would be required as well as how much money would be spent on M & V. Mr. Harak raised a point regarding workforce development and the need to train additional folks in the green energy field stating that despite present economic conditions, the Council was presented with a great opportunity.

A brief discussion ensued regarding the Zero Energy Challenge and the Arlington super-insulation pilot project.

Prompted by a Powerpoint slide, Mr. Gorke led a more detailed discussion of the Three Year Energy Efficiency Investment Plans for 2010-2012. The Council has jurisdiction

over these Plans beginning with 2010. Mr. Gorke presented a timeline of approaching deadlines in the collaboration, design, and eventual submission of the Gas & Electric Statewide Plans for Council deliberation and approval and subsequent referral, examination, and approval by the Department of Public Utilities.

The discussion shifted to future Council meetings, their frequency, scheduling. DOER officials informally proposed monthly meetings of the EEAC to be held on the second Tuesday at 3:00 pm. The next meeting is to be held on December 9 and the following meeting proposed for January 13, 2009. Conversation then turned to the need for the Council to hire a consultant or team of consultants as soon as possible to assist with the design and evaluation of the Three-Year Plans.

During a discussion concerning various procedural constraints facing the Council, the designee for the Attorney General, Mr. Nosal, raised a reminder to all attendees that these meetings are governed by the open meeting law and that Voting Members must be physically present to vote on any agenda item put to vote. He asserted that telephonic voting would not comply with those requirements. Mr. Nosal voiced a question to all concerned regarding how formal the body needed to be in its actions. He inquired whether formal guidelines or procedures were necessary for the Council to adopt. At one point, Mr. Jacobson raised the question whether alternates for Voting Members would be eligible to vote in lieu of the appointed Voting Member if that Member could not be present but arranged for a proxy to be present?

More detailed discussion ensued with respect to the hiring of consultants to assist the Council. Mr. Stout raised a point of clarification that the existing Non-Utility Parties' (NUP) process and the consultants they hire will expire with the onset of the Three-Year Plan pursuant to the Green Communities Act. Both Ms. Conner and Mr. Krasnow expressed the view that they envisioned a team of consultants would be hired to assist the Council in its planning and deliberations. This resembled existing practice with the NUPs, they said. Ms. Conner stated that she hoped the Council would "own the Plans" instead of the consultants driving the planning process. A couple of questions were raised by members whether there would be One Statewide plan or plans submitted by each Program Administrator (PA). The response echoed by several participants was that there is to be a single Statewide Plan. Whether various Program Administrator-specific attachments would be joined to the Statewide Plan was a matter to be discussed by the Members at a later date. Mr. Nosal discussed funding sources, noting that a majority of the state's energy efficiency programs are funded by ratepayers and that the Council has an important responsibility as "stewards of this funding" to ensure that these funds are spent in the most cost-effective manner. Nosal also noted the importance of the Avoided Cost Study in not only determining cost-effectiveness but also setting spending amounts in the absence of the SBC cap.

Various speakers expressed a desire for some form of brief presentation explaining the historic positions of various parties along with a desire for a "10 x 10" presentation detailing the 2009 Energy Efficiency Plans for several of the electric and gas PAs and Cape Light, the municipal aggregator. There appeared to be general agreement that such

presentations would be helpful to provide all Members significant background education as to the past operation of such Energy Efficiency Plans as a prelude to the future Three-Year Plans. There being no additional comments after a final invitation to the general public to speak, Chairman Giudice adjourned the meeting at 4:20 pm.