SPECIAL MEETING: PERFORMANCE INCENTIVES MEETING MINUTES

Monday, June 29th, 2020
Virtual Meeting via GoToWebinar

Councilors Present: Greg Abbe (for Jennifer Maddox), Cindy Arcate, Amy Boyd, Joseph Dorfler (for Don Boecke), Charlie Harak, Elliott Jacobson, Paul Johnson, Deirdre Manning, Maggie McCarey (Chair), Cammy Peterson, Robert Rio, Mary Wambui, Sharon Weber (for Martin Suuberg)

Councilors Absent: Justin Davidson, Paul Gromer, Charlie Harak, Elliott Jacobson, Robert Rio

Consultants Present: Eric Belliveau, Adrian Caesar, Jeff Schlegel, Gretchen Calcagni

DOER Staff Present: Emily Powers, Rachel Evans

1. Introduction

McCarey noted this special EEAC meeting on Performance Incentive Mechanisms was a public meeting and subject to the following virtual meeting procedures:

1. The meeting would be recorded.
2. All attendees except for presenters and Councilors would remain muted for the duration of the meeting.
3. Non-Councilors attending the meeting could use the GoToWebinar chat functionality to pose questions or comments, but should not actually engage in discussion within the chat box.

2. Performance Incentive Mechanisms

Program Administrator and Consultant Team Presentation
Abdou on behalf of the Program Administrators (PAs) and Schlegel, on behalf of the Consultant Team respectively, presented an overview of the performance incentive mechanisms implemented in the 2019-2021 plan, as well as performance incentives earned during the 2016-2018 term.

Discussion on Performance Incentive Presentation

Weber asked why the different performance incentive components on Slide 6 did not equate to 100% for Electric or Gas. Abdou said these were typing errors that could be corrected. Weber also asked how the total performance incentive pool amount and performance threshold for earning an incentive are determined. Schlegel replied the pool amount is essentially a negotiated value that has historically been around 5% of program costs. McCarey added that the performance incentive pool and performance threshold are deliberated during the Three-Year Planning process.

Arcate commented that the Massachusetts performance incentive mechanism was designed not only to incentivize utilities to capture additional savings, but also to make up for their lost revenues. Arcate noted that regulatory context is important since there are other rate mechanisms in place that help utilities cover revenue losses. Without considering the wider context, Arcate believed the performance incentive design in Massachusetts would look unfair relative to other jurisdictions.

Given the growing prevalence of microgrids and distributed energy resources, Abbe hypothesized utilities may also become renewable energy, distributed generation, demand reduction, and energy efficiency service providers. Abbe thought that energy efficiency as a service might be included in utility business models, but was unsure how performance incentive mechanisms would be connected.

Johnson asked why the Department of Public Utilities (DPU) did not support a performance incentive component based on achieved savings for renters, especially since renters are a historically underserved population that have paid for programs but received less benefits. McCarey said the goal of the presentation was to give context around performance incentives, but the Council should consider how to incentivize providing better service to renters and other underserved groups. Johnson said the Council needs to act on their considerations and push the DPU to support different performance incentive mechanisms.

3. Adjournment

McCarey concluded the special meeting at 2:37 PM.