



SPECIAL MEETING MINUTES

Wednesday, July 28, 2021
Virtual Meeting via Zoom

Councilors Present: Greg Abbe (for Jennifer D Maddox), Cindy Arcate, Jo Ann Bodemer (for Maura Healey), Cindy Carroll, Tim Costa, Justin Davidson, Maggie Downey, Michael Ferrante, Paul Gromer, Frank Gundal, Elliott Jacobson, Paul Johnson, Deirdre Manning, Cammy Peterson, Chris Porter, Robert Rio, Stephanie Terach, Dennis Villanueva, Mary Wambui, Sharon Weber, Commissioner Patrick Woodcock

Councilors Absent: Amy Boyd, Charlie Harak, Andrew Newman

Consultants Present: Eric Belliveau, Adrian Caesar, Gretchen Calcagni, Griffith Keating

DOER Staff Present: Rachel Evans, Maggie McCarey, Emily Webb

1. Call to Order

McCarey, as Chair, called the meeting to order at 1:04 PM.

2. Council Updates & Business

Virtual Meeting Procedure Review

McCarey reviewed the virtual EEAC meeting procedures, which included the following:

1. The Council meetings would be recorded.
2. All attendees except for Councilors and presenters would remain muted for the duration of the meeting.
3. Councilors would hold comments until the end of presentations, but Councilors and other participants should speak instead of using any chat functionality.
4. Councilors who disconnect from meetings need to announce when they rejoin.
5. All Council votes would be taken by a roll call for accuracy.

3. Secretary's Greenhouse Gas Reduction Goal for Three-Year Plan

Department of Energy Resources Overview

Commissioner Woodcock, on behalf of the Department of Energy Resources (DOER), provided a presentation on the greenhouse gas (GHG) emissions reduction goal for the 2022-2024 Plan. Commissioner Woodcock reviewed the Climate Act requirements related to the GHG reduction goal, projected emissions reductions requirements through 2030, stakeholder priorities, and GHG emissions tracking methodology.

Council Discussion

Johnson asked why retrocommissioning and behavioral measures savings would count toward 2025 GHG savings, but not toward the 2030 target. Commissioner Woodcock replied that only benefits that persist through 2030 count towards the 2030 goal, and the measure lives for retrocommissioning and behavior are short. McCarey added that predetermined measure lives as reported in the Plan would be used for measurement and reporting purposes. Commissioner Woodcock said the GHG goals are important, but all cost-effective savings would still be pursued regardless of measure life.

Wambui commented that the presentation did not address the historical inequal distribution of program benefits when mapping a path to a decarbonized future. Wambui cited Acton and Fall River as examples of towns that will not start at equal points in the clean energy transition. Commissioner Woodcock said the focus of this presentation was on the aggregate GHG reduction target, but the corresponding letter from the Secretary of the Office of Energy and Environmental Affairs (EEA) highlights that this all needs to be done equitably. Commissioner Woodcock suggested that the target is not contrary to the equity priorities. Wambui responded that the letter inadequately addressed equity considerations.

Abbe asked if emissions caused by the transition to clean energy, such as refrigerant leaks from heat pumps, were included in the GHG goal analysis. Abbe added that properly maintained systems are less likely to have these issues, so GHG reductions might be appropriate to claim from proper maintenance. Weber said incentivizing refrigerants with low global warming potential has been explored at the federal level, so there may be developments on claiming reductions here.

Johnson asked if methane emissions reductions were included in the GHG goal. Johnson also asked for the program administrator (PA) stance on the GHG goal. Commissioner Woodcock indicated the PAs released public comment on the GHG targets, and had discussions about creating an achievable Plan that is consistent with 2030 emissions reductions requirements. Porter indicated the PAs would engage in an offline process to understand the assumptions behind the GHG goal, but it is higher than would result from the April Draft Plan assuming all savings goals were achieved. Commissioner Woodcock said methane emissions are accounted for in the GHG inventory. Weber said Department of Public Utilities (DPU) has a Gas System Enhancement Plan (GSEP) to replace leaking pipes, but from an efficiency standpoint, there may not be a direct link between gas efficiency and methane reductions. Commissioner Woodcock said offsetting additional natural gas infrastructure through energy efficiency is being explored.

Villanueva argued that persistent HVAC savings could be through controls, but these savings would only persist with continuous retrocommissioning. Villanueva recommended a consistent

metric of controls equipment performance, such as energy use intensity, should be used as a benchmark.

Manning noted that individual staff in larger building environments might complain about building conditions and override controls meant to provide savings. Manning said continuous commissioning could help avoid savings losses from tuning adjustments to some extent.

Consultant Team Recommendations on Savings Goals

Calcagni and Keating, on behalf of the Consultant Team (C-Team), presented 2022-2024 Plan recommendations for achieving GHG emissions reduction targets established by the Climate Act. Keating summarized the methodology behind the C-Team's proposed Plan modifications, as well as sector-specific suggestions for increasing GHG emissions reductions.

Council Discussion

Villanueva proposed reevaluating emissions reductions calculations given the high emissions from marginal generation sources. Commissioner Woodcock said marginal generation sources are looked at during clean energy procurements, but measures that yield marginal benefits in peak or shoulder seasons could yield higher GHG benefits.

Johnson supported the C-Team recommendation to increase the Income Eligible budget by \$15 million. Johnson said water heating electrification should be a priority since heat pump water heaters are a good introduction to electrification for customers. Johnson also suggested the 65% proposed increase in Residential envelope measures should be even higher, and asked the PAs what percentage of homes in Massachusetts have been weatherized. Porter replied that the PAs could follow up with an estimate, but the weatherization goal was based on modeling and previous performance.

McCarey indicated the Department of Energy Resources (DOER) opted to maintain the increase in Income Eligible weatherization in the Plan.

Johnson asked how the PAs interpreted the Residential potential studies. Porter said the market potential studies are one input that inform Plans, but do not address all participation barriers. Porter added that the Plan must strike a balance between aggressive goals to maximize participation, implementation barriers, and bill impacts.

Jacobson indicated that customers should receive, to extent practical, suitable work that avoids bill increases. Jacobson said heat pumps are a good solution in many places, but they should not be forced in all situations, and budget constraints must be considered.

Peterson thanked the C-Team for presenting an alternative Plan scenario that would meet the GHG reduction goal. Peterson said the C-Team placed appropriate emphasis on electrification, envelope measures, and the shift away from delivered fuels and gas incentives. With GHG reductions in mind, Peterson stressed the need to consider impacts on all customer segments. Peterson also noted the importance of water heating and pre-weatherization barrier mitigation as it relates to the increase in weatherization investment. Peterson said the Equity Working Group would benefit from seeing how moderate-income, renters, and language isolated customers

would be impacted from proposed budget shifts. McCarey indicated the C-Team was working on a moderate-income analysis that they could share.

Arcate asked how the C-Team recommendation addressed C&I oil use. Keating responded that a number of sources were referenced to estimate what portion of C&I fuel oil consumption was captured, so as to not overestimate in the recommendation set forth. McCarey asked if commercial fuel oil within Massachusetts was used. Keating indicated total state delivered fuel use was considered, and reduced by a large amount through the analysis. Arcate suggested allocating budget to support oil use reductions in non-electric distribution company service territories. Arcate acknowledged rate impact and cross-subsidization concerns, but given the GHG goal, this budget allocation might benefit all customers.

Wambui noted that the PAs and C-Team may disagree on strategy to meet GHG goals. McCarey said the PAs will consider C-Team recommendations and factor the analysis into next Draft Plan.

Arcate asked the degree to which lighting investment would be reduced. Keating said the recommendation was to reduce lighting budget by 50 percent and invest in higher impact measures. Wambui said lighting project savings are important to affordable housing owners as the saved money is often used for social services.

Commissioner Woodcock cautioned against enacting a Plan with detrimental bill impacts that prevent people from adopting electric measures and benefitting from electric programs.

4. Council Resolution on 2022-2024 Plan

Draft Resolution Review and Feedback

McCarey reviewed changes to the Draft Resolution since the July 14th Council meeting, which largely involved incorporating Council feedback and the GHG emissions reduction targets. McCarey also highlighted additional Councilor comments received after the July 14th Council meeting, which were added to the Draft Resolution. Commissioner Woodcock stated the document was strengthened by Council feedback.

Council Discussion

Jacobson wanted to understand how realistic the carbon reduction goals would be to achieve. Bodemer said the \$15 million shift was proposed by the C-Team to reach climate goals, so changing the language to clarify it was a proposal might be suitable.

Wambui asked if pre-electrification work counted in the spending on electrification, since LEAN will perform substantial building insulation to prepare for heat pump installation. Jacobson noted that homes would receive weatherization services prior to heat pump installation unless there are barriers. Jacobson added that pre-weatherization barrier mitigation would come from a separate fund.

Peterson asked if the language implied the savings and spending figures would be explored further, as they were largely based on initial C-Team recommendations. McCarey was hesitant to remove proposed Income Eligible budget numbers, because equitable investment in

electrification is needed. McCarey clarified that the GHG targets are the only non-negotiable figures in the Resolution, but the other numbers are meant to signal initial recommendations for the next Draft Plan.

Villanueva asked if the calculation methodology for emissions reductions could be revisited. Or if that was beyond the Council purview. Arcate said the Council should verify first that the calculation does not already include marginal reductions. McCarey indicated average emissions rates are applied to energy efficiency measures. Arcate agreed with Villanueva that marginal more accurately reflect real emissions impacts, but it would have to be done in terms of hourly dispatch. Weber suggested that the convergence of marginal and average emissions rates, and analytical burden for including hourly dispatch mitigate the value of using marginal generation. Commissioner Woodcock was concerned that scarcity events were the cause of higher marginal rates, so measure calculations would need to be coincident to those periods, but exploring more precise measurement methodologies might be worthwhile. McCarey said measure characterization across planning and goal setting needs to be consistent, which is done more clearly using 2030 emissions factors.

Wambui recommended maintaining the Income Eligible fossil fuel budget since funding is often inadequate for Income Eligible programs. McCarey said changing the language to recommend an estimated \$15 million shift would be appropriate.

Johnson said it would be good to estimate how many battery units would equate to 80 MW of Residential storage. Jacobson said they can follow up on the exact calculation.

Rio asked when findings on third-party program implementation models might be released in 2022. McCarey replied that the language was left vague to allow flexibility, but realistically the findings would be disseminated later in 2022.

Gundal indicated PAs are opposed to third party implementation. Gundal commented that the Massachusetts PAs have led nation-leading programs and would work with the Council to achieve GHG goals. Villanueva said the desire to explore third-party implementation models is not an aspersion on the PAs, but an attempt to further improve program performance. Gundal said there was no basis behind the suggestion.

Bodemer was undecided on third-party implementation, but felt it was inappropriate to include in the Resolution since the document is the Council's response to the Draft Plan. Commissioner Woodcock agreed that the Resolution's purpose is to improve the Plan, and the language ties the third-party implementation issue to that purpose.

Rio supported exploring alternative program implementation models, but concurred with Bodemer that it should be discussed outside the Resolution.

Johnson suggested the planning process is the best method through which to shape programs. Johnson cited Efficiency Vermont as a good example of an alternative implementation model, and recommended third-party implementation to achieve equity goals where the PAs have historically struggled.

Wambui believed it was sensible to include alternative implementation models in the Resolution since programs will need to be more innovative and enhance what can be achieved in the Commonwealth.

Jacobson felt that programs have been successful overall, and a delicate balance has been established between all parties that third-party implementation might ruin.

Villanueva asked what the appropriate venue for discussion of third-party implementation, and what the timeline would be to accelerate action. McCarey said this could be included in Council Priorities for 2022. Bodemer noted that if it was included in the 2022 Priorities, then findings could be disseminated by the end of 2022.

Arcate said the Council should not delay exploring alternate implementation models since the GHG goal has already been set. Arcate said the Council is obligated to see that the Three-Year Plan complies with the law, and anything to that end should be done as soon as possible. Bodemer felt that the language did not belong in the Resolution because it begets action on the Council's behalf and not the PAs. McCarey made clear that if language on third-party implementation was removed from the Resolution, it could proceed through a process similar to what established the Equity Working Group. Rio agreed with Bodemer, and suggested that exploring third-party implementation separately from the Resolution would result in a more focused effort.

Bodemer suggested making a motion to form a working group to explore third-party implementation at the next Council meeting, as opposed to addressing it in the Resolution.

Johnson did not believe including Council directives in the Resolution was problematic, as there are other places in the document include Council directives.

Gromer thought Council actions should be addressed separately from the Resolution.

Commissioner Woodcock noted there was not unanimity on the third-party implementation topic, so if there was consensus to discuss outside the Resolution, then it could be moved to the August Council meeting agenda. Arcate motioned to have the Council review and evaluate complementary and alternative implementation models, including third-party implementation of program areas such as heat pumps and C&I deep energy retrofits, to help achieve the Commonwealth's decarbonization targets, and issue its findings in 2022 to inform the out years of the 2022-2024 Plan and the work of the Massachusetts Clean Peak Commission. Villanueva seconded. Abbe, Arcate, Bodemer, Davidson, Commissioner Woodcock, Peterson, Rio, Wambui, Villanueva, and Weber were in favor. Jacobson abstained, Johnson was opposed, and Manning was unable to vote due to technical issues. The motion was approved by the Council.

Johnson did not support the workforce development section of the Plan, due to the lack of support for contractors. Johnson said expert contractors will be lost given the state of virtual audits, personal protective equipment (PPE) costs, and material price increases. In order to

support form an acceptable Plan, Johnson said the PAs need to implement workforce retainment efforts.

Johnson also appreciated the language on designing programs to address past inequity, and suggested to further emphasize these recommendations.

Council Resolution on 2022-2024 Plan - Vote

Arcate motioned to approve the Draft Resolution as amended. Rio seconded. All were in favor, with none opposed or abstaining. Manning was unable to vote due to technical issues. The Council Resolution on the 2022-2024 Plan was approved, as amended, by the Council.

5. Adjournment

McCarey, as chair, adjourned the meeting at 4:24 PM.