

**Massachusetts Energy Efficiency Advisory Council**  
Meeting Minutes  
Tuesday, April 10, 2012

**Councilors Present:**

<b>Voting</b>	<b>Present (designee)</b>	<b>Non-Voting</b>	<b>Present (designee)</b>
Nancy Seidman	X	Elizabeth Cellucci	Monica Cohen
Martha Coakley	Danielle Rathbun	James Carey	X
Penn Loh	X	Penni Conner	X
Mark Sylvia	MS/Tina Halfpenny	Michael Ferrante	
Debra Hall	X	Alisha Frazee	
Charles Harak	X	Kevin Galligan	Maggie Downey
Elliot Jacobson	X	Cindy L. Carroll	X
Jeremy McDiarmid	X	John Ghiloni	
Rick Mattila	X	Paul Gromer	X
Robert Rio	X	Andrew Newman	
Deirdre Manning	X	Richard Oswald	X
		Michael Sommer	Emmett Lyne
		Carol White	X

DOER: Tina Halfpenny

Consultants: Jeff Schlegel, Eric Belliveau, John Livermore

**Present:**

General public sign in sheet not returned

Halfpenny called the meeting to order at 2:06 and began the public comment period.

**Public comment**

Tom Regh (Progressive Energy Services) and Rob Calnan (Calnan Energy) spoke as contractors who have chosen not to participate in the Home Energy Services program. They both expressed that they feel that the current playing field isn't level, and that they would like to see some changes to the current program. They indicated that they had submitted a proposal to Paul Gromer, and thanked him for his involvement.

Stacy Ruben (ACE), member of the GJC, indicated that the members recognize the challenges of living in older housing, and would like to see access, transparency and equity reflected in next 3-year plan. He thanked Conner and Olsson for their work in incorporating CBOs into the next 3 Year plan. He introduced 'Chilly Willy', a fictional character who earns 61% of median income, and who had an energy assessment but could not afford pre-weatherization remediation. Ruben asked the Councilors and PAs to meet with the GJC about developing a publically accessible data system.

Augustina Matos (member of Lynn Neighbor to Neighbor chapter), just finishing the CMI community jobs campaign. The program helped families to access reduced bill rates

and rebates, as well as to overcome barriers to accessing services. He suggested streamlining between the audit and retrofit so there is one contact for the customers.

Alex Papelli (Clean Water Action & GJC) emphasized the need to take aggressive measures to serve underserved communities in order to achieve the goals of the GCA. He recognized the efforts of the Council, Conner, Olsson, and others, and noted that the GJC proposal, in response to the results of the CMIs, addresses the next 3 year plan.

Halfpenny thanked the speakers for their comments and reminded everyone that many changes have taken place based on stakeholder input.

## **General Updates**

### ***Executive Committee Meeting update***

Halfpenny updated the Council on the Executive Committee meeting that took place on March 26<sup>th</sup>, and noted that minutes were included in the Councilor's information package. She noted the key topics covered in the meeting as: Update on EEAC budget – have since received DPU approval for 2012; Looked at goals and cost proposals for next 3-year plan. She noted that there is a lot to vet and submit between now and October 30<sup>th</sup>, and that the timeline will be reviewed. McDiarmid motioned to approve the meeting minutes, Jacobson seconded. Council voted and unanimously approved.

### ***March EEAC Meeting Minutes***

Jacobson motioned to approve the meeting minutes, McDiarmid seconded. Council voted and unanimously approved.

### ***Legislative Update***

Halfpenny updated the Council on energy bill 22-14, which proposes a pilot for the largest five commercial customers in each PA territory to directly access SBC funding. Rio explained that it is a voluntary accelerated rebate program that would allow these large customers to access the EE fund for 100% of rebates, up to 90% of the money that they put in. Customers could opt-in at the beginning of the year, he explained, and up to 15% of the money could be used for non-EE measures (e.g. sub-meters). He said that PAs could recalibrate goals if the pilot had a big affect on overall savings. Harak asked what percentage of total C&I funding the pilot would represent, and Rio responded that it would probably be just a few hundred thousand dollars. Harak suggested that any proposal should also address smaller customers. Rio noted that the legislation includes a proposal to expand the EEAC to include additional representatives (e.g. real estate industry, cities/towns, small EE industry, etc.) Rathbun asked if the legislature was aware of how much funding this would be by PA. No clear answer was presented. White noted that C&I customers contribute to the Low Income programs, and that any reduction in funding would shrink the budget available to serve Low Income customers. Conner explained that to take the five largest customers out of the mix would be significant, and expressed the concern that if large customers are not contributing as much funding, the programs will not be getting as much savings.

### ***Synapse Economic Assessment Report***

Tim Wolff (Synapse) gave a brief update on the completed economic assessment report. He pointed out a couple of minor changes to the slides he had previously presented to the EEAC. He noted that there were 35, not 36, interviews, and that the term 'limitations' was not well-defined, and thus eliminated from the list of categories. Wolff noted that the general themes and findings have not changed since last month. Halfpenny commented that the report has been very helpful, and that she would like to see a process with the Consultants and PAs to ensure that key findings are reflected in the next 3-year plans.

### ***DPU technical session***

Schlegel updated the Council on the 'savings basis' technical session at DPU in March. He noted that there were presentations from DOER, ENE and others, and that DPU was interested and had good questions. He explained that DPU asked participants to continue discussion and to bring forth a more fleshed out proposal, with examples. Schlegel noted that reply comments are due by April 25<sup>th</sup>, and that the PAs and consultants are working on some materials that will be presented for consideration at the next Council meeting.

### ***ISO NE***

Halfpenny noted that ISO NE has formed an energy efficiency working group, and has recently issued a regional forecast that includes EE. She noted that the projected forecast with and without EE is dramatically different, and that ISO is trying to work through some of the criticisms, and differences between how different New England states handle EE. She suggested that potential avoided costs from ISO would be a possible agenda for the May EEAC meeting. Harak noted that billions of dollars of transmission projects are currently on the books, and that it will be great to learn more about what ISO is thinking. McDiarmid mentioned that he sent around an issue brief from ENE noting the huge opportunity to have EE considered alongside with transmission. Schlegel commented that it is great that ISO is doing this, and that it will help address the current challenge for MA about how EE is valued, and the ability to work across multiple years with stable funding.

### ***Pre-weatherization update***

Lyne commended the PAs for working with the consultants, AG and stakeholders to develop a pre-weatherization pilot for 2012. Olsson updated the Council on the specifics of the pilot: a limited period of time (May-July); \$300,000 budget – broken out proportional to PA size; addresses knob & tube inspections, combustion safety, dryer venting; incentives added on top of base program incentive. He also discussed an additional HEAT Loan provision to allow up to \$1,000 for remediation of knob & tube or moisture issues. Olsson confirmed that the pilot will kick off in May. McDiarmid called out the great collaboration between GJC, PAs and AG. Rathbun commented that the collaborative meeting among stakeholders was a nice model to use to address thorny issues.

### ***Consultant Report***

Belliveau provided the Council with a brief overview of the Consultant report. He noted that the consultants are working with the PAs with a more bottoms up approach to get everybody on the same page about how to build the 3-Year Plan. An example, he said, is the work that is happening to figure out how to include Codes & Standards in the plan. He noted that the success with finalizing the pre-weatherization pilot was a result of on-

going collaboration with the PAs and stakeholders. Belliveau said that there will be a big push into the 3-Year Plan next month, and that the consultants will continue to meet the PAs at all levels of engagement: PA leadership, management groups, working groups. Harak noted that he would like to see minutes of Codes & Standards meetings.

### **HES Program/BP working group Update**

Gromer reminded the Council that he has been facilitating the HES Best Practices working group, consisting of PAs, lead vendors, and contractors. He noted two important questions: 1) are these programs working for contractors?, and 2) are the PAs being responsive to contractors' concerns? Gromer expressed astonishment at how responsive the PAs have been in the Best Practices working group, with an open-minded and proactive approach to problem solving. He expressed appreciation for their work, and optimism for the future of the group and the program.

Katelyn Mazuera presented a set of slides updating the Council on the HES program: Contractor participation; 2011 pricing overview; Best Practices working group (BPWG); BPWG achievements; and insights from McEachern Insulation. She noted the following: there are 107 unique contractors statewide (90 IIDs, 17 HPCs) working in the HES program; the PAs exceeded their participant goal while staying under budget in 2011; NSTAR & NGRID increased prices over 9% in 2011 and included new measures. Mazuera explained that the BPWG has met 7 times since its establishment in September 2011, and that participating contractors are elected, representing a variety of company sizes and experience. She noted some of the group's successes, including: addressing permit fees, development of streamlined contractor pricing adjustment suggestion process, establishment of customer acquisition incentive for contractors, and lead vendor process enhancements (eased travel requirements, expedited payments for invoices, customer eligibility/scheduling portal for HPCs). Mazuera also noted numerous programmatic and software trainings, marketing support, and workforce development support.

Christine McEachern (McEachern Insulation), a member of the BPWG with 23 years of industry experience, spoke briefly on her experience with the BPWG. She noted her company having a record year in 2011, and that they have also been involved with the Low Income program. She commented that the customer feedback they have received about the redesigned HES program has been excellent, with customers appreciating set program pricing. McEachern noted the good communication flow and collaborative dynamic in the BPWG, with all contractor feedback, both positive and negative, sent by email to formulate meeting agendas. She commented on the productive process for resolution of issues, including meeting minutes sent to all contractors and posted to the contractor portal. McEachern concluded that the BPWG is a great group, and that contractors with issues need to be reasonable, rational and realistic in their approach. Rathbun emphasized that customers like set pricing, and that Martha Coakley (AG) wants to make sure customers are paying consistent pricing across the state. McEachern noted that her customers used to run into contractors that charged wildly variable pricing, but now with set pricing customers feel more comfortable that they are getting fair Mass Save pricing. Halfpenny congratulated the PAs for their good work in addressing the long

laundry list of things to deal with, and for fostering a productive stakeholder process. White thanked Gromer for his leadership.

**Consultant Presentation: Assessment Report (2013-2015)**

(Review of 2013-2015 Savings goals, Benefits and Budgets)

Belliveau presented a set of slides and discussed the key inputs for the assessment report: Potential studies (RI, CT, VT), Point 380, Completed EM&V studies, etc. He indicated that the consultants took the potential studies, added important elements that were missing, and then developed a range of 3-year savings potential for both electric and gas: Electric - 2.5%, 2.6%, 2.7%; Gas - 1.3%, 1.5%, 1.7%. He noted that in the consultants' estimation, over the longer horizon, these levels are sustainable. Belliveau explained that the consultants took the savings ranges and projected costs to develop draft budgets, taking into account declining 2009-2011 proposed vs. actual \$/kWh. He noted that small differences in \$/kWh have big effects on total portfolio budgets. Schlegel explained that as you do more volume, fixed costs are spread across more customers; and integration of electric and gas may be helping to reduce costs/kwh. Belliveau noted that the cost to achieve for gas is less certain, due to evaluated results. Oswald asked if CHP projects, big savings at low cost, have been factored in, and Belliveau indicated that they are included in the analysis.

Schlegel discussed the consultants' initial thoughts on cost ranges for suggested 2013-2015 budgets: Electric - \$.035-0.42/kWh; Gas - \$5.50-6.35/therm. Good things tend to lead to more costs, he explained, and you need to determine what you want to achieve. He explained that the likely reality will be some mix of the cost-streamlining initiatives (e.g. upstream engagement) and forward-looking initiatives (e.g. deeper savings, Harder to Reach/Serve, Comprehensive, Investment in future). Schlegel noted that electric budgets don't increase much over time, stabilizing at 2012 levels (depending on what you choose to do). He noted some upward pressure on gas budgets.

McDiarmid noted that this is a good starting point, and that 1) it's great that PAs have achieved goals for less than plan – and great that consultants have put this in front of us, 2) ranges seem reasonable – we're learning how to keep cost per unit of energy saved under control. White noted the PA efforts underway to take a bottom up look at building plan savings and costs, and said that addressing key Council priorities (e.g. HTR) is going to be more expensive. Halfpenny expressed confidence in the bottom up approach to developing aggressive, achievable and sustainable 3-year goals. She reminded the Council that we also have a mandate to pursue all cost-effective efficiency, and asked the PAs, if they have different ideas about savings and cost ranges, to bring forth the relevant data. Schlegel noted that the discussions with the PAs have been very open and informative, and will continue, leading up to the April 30<sup>th</sup> filing.

Lyne commented that the PAs are collecting as much information as they can, and will have evidence for their documented approach in their April 30<sup>th</sup> plan. Rathbun expressed that it is imperative that we have information from both Consultants and PAs, and that the final result will likely be a blend. Seidman noted that, since the consultants work for the Council, she is inclined to accept their proposed value ranges. If PAs are expecting to come in outside of these ranges, she said, it would be helpful to hear this now. Lyne

responded that the PAs are looking at doing their own plan, not a counter to the Consultants' numbers, and noted that they are working very closely with the Consultant team. Downey noted that there are other benefits besides electric and gas savings (Oil, Propane, etc), which are particularly important on the Cape in towns where there is no gas. Conner said it is important for the Council to support the interactions/discussions between the Consultants and PAs. She noted the productive dialog and positive overall process. She further noted that there are huge differences in PA services territories, and that we need to understand these differences. Loh expressed support for the concept of a specific proposal to address oil heat customers.

Mark Sylvia said that it's critically important that we have aggressive goals, and best serve customers. This is a very important time for this Council, he noted, where we all have to be innovative and think outside of the box. Halfpenny reminded the Council that the final 3-year plans are due in October, and that we want to make sure the schedule is in line with what we have to produce between now and then.

#### **August EEAC Meeting – change of date**

Halfpenny pointed out that the August meeting is currently cancelled. She asked that the Council convene a meeting on August 7<sup>th</sup>, and noted that the November 13<sup>th</sup> meeting will most likely be cancelled.

#### **Review of 2013-2015 planning process and critical path**

##### *Strategies to address Council program development and implementation priorities*

Lyne informed the Council that the critical path for the 2013-2015 planning process is flowing out of the Executive Committee discussions. Halfpenny emphasized the importance of having Council priorities front and center in the draft plans. Lyne noted that the PAs are adding a 'Council Priorities' section right up front.

##### *Performance Incentives*

Lyne explained that the PAs will make a PI proposal in the April 30<sup>th</sup> filing, and that they are not trying to reinvent the wheel. He noted that the PAs are having a good exchange with the consultant team. Halfpenny commented that it will be good to inform the Council on how the new proposal differs from the existing agreement.

##### *Outside funding & financing/leveraging*

Lyne noted that discussions are on-going on outside funding, and that, while there is no separate line item in the budget, the PAs expect to continue with financing initiatives (e.g. HEAT loan). He noted the goal of determining the sweet spot in terms of rebate money, and that the Residential and C&I working groups are doing work to optimize rebate levels.

##### *Bill impacts*

Lyne explained that the PAs have done a lot of work with DPU on the new bill impacts model, and that the model is being shared with the consultant team. He noted the expectation that DPU will convene a session on the new model, and that the April 30<sup>th</sup> plan will have some bill impact analysis.

### **CHP review**

Gundal presented several slides reviewing the CHP program offering, program results to date, lessons learned, technical aspects of projects, example NYSERDA results, and conclusions. He noted that the presentation was in response to a request for more visibility into C&I programs. Offering: Up to 50% technical assistance for Qualified Projects; Up to \$750/kW for projects. Gundal noted that BCRs are significantly lower than for traditional efficiency, with lots of good kWh, but not a lot of net benefits. He explained that screening a project carefully is essential, because if the facility is not using the waste heat, the CHP is simply an inefficient generator (and there's an increase in greenhouse gas emissions). He noted that a constant heat load is the first screen for potential projects - need 4,000 hours/year of heat load to make it work. He further noted that NYSERDA's CHP experience was disappointing, as they were putting in units without doing energy efficiency. Halfpenny thanked everyone in the room for all of the hard work they are doing.

### **Data dashboards**

Marie Abdou presented results of the data dashboards through the end of February 2012: Electric - Residential participation at 3% of goal, Low Income at 10%, and C&I at 20%. Gas - Residential participation at 2% of goal, Low Income at 8%, and C&I at 3%. Halfpenny asked if the PAs are coordinating on how to define a 'participant' for the next 3-year plan; Abdou indicated, yes.

### **Adjourn**

Halfpenny adjourned the meeting at 5:03.