



DEMAND REDUCTION SUBCOMMITTEE MEETING MINUTES

Wednesday June 1, 2016
100 Cambridge St., 10th Floor
Boston, MA 02114

Attendees: Eric Belliveau, Donald Boecke, Austin Brandt, Brian Buckley, Jonathan Goldberg, Michael Goldman, Lyn Huckabee, Paul Johnson, Craig Johnson, Emmett Lyne, Richard Malmstrom, Ezra McCarthy, Jerrold Oppenheim, Matt Rusteika, Jeff Schlegel (via phone), Arah Schuur, Peter Shattuck, Eric Winkler (via phone)

1. Call to Order

Schuur called the meeting to order at 1:04 PM.

2. Schedule

Huckabee noted that they are planning on holding future demand reduction subcommittee (DR subcommittee) meetings on a quarterly basis and that they are tentatively thinking October 5th and December 7th for the next two meetings. Johnson indicated that he would like it if the DR subcommittee met more frequently on a bi-monthly basis. Malmstrom and Boecke indicated that they thought quarterly would be sufficient. Shattuck noted that it is important to see progress so maybe some middle ground could work. Goldberg noted that the PAs would likely not have meaningful results in the next couple of months but that they could give some sort of update on how things were going. McCarthy added that the reassess timeline in the original timeline chart was set for October so he thought that that made sense for the next meeting of the DR subcommittee.

3. Demand Savings Group Update

Goldman began by noting that their first step in identifying solutions was to develop customer personas that are scalable. He indicated that personas are customer types that are representative of a particular load shape. He then noted that they talked to vendors and customers within each persona to start to develop potential solutions. For each persona, Goldman highlighted their load shapes on an average weekday, on their individual peak day, and on the system peak day. Also for each persona, Goldman noted that they came up with a corresponding approach and that their next step was to narrow them down and to then get something in the field.

Schuur asked which personas they are or are thinking they will prioritize. Goldman noted that they are currently prioritizing the small and mid sized customer and mid and large sized customer personas. For the small and mid size customer persona, Goldman indicated that they

are trying to figure out what the tipping point is for when energy management software (EMS) will interfere with a customer's business operations. For the mid and large sized customer personas, he indicated that they are already moving on this and that they have a RFQ for a site-specific training on energy efficiency and demand.

Johnson indicated that he was disappointed that there was not enough time allocated for the PAs to present on the approaches for all of the identified personas. Schuur recommended that the PAs should plan to present on demonstration projects that have a definite timeline and to have some additional information with the rest of the strategies.

Johnson asked why the PAs can not start with some of these programs this summer. Goldman indicated that they do not have anything in the field yet and that even if they were ready to start right away that it would take some time to get everything operating in the field.

Johnson asked how the PAs decide what exactly what to do. Goldman noted that there is a lot of analytical work that goes into the thought process of decided what strategies to pursue.

4. Demonstration Projects Update

McCarthy updated the DR subcommittee on National Grid's residential direct load control demonstration project. He noted that it went live on May 23rd and that they had 70 customers sign up in three days. He indicated that National Grid was planning to go live with their first response on June 6th.

Johnson asked how many customers National Grid was trying to sign up. McCarthy indicated that the goal was to eventually have about 3,000 or so customers involved. Johnson also asked how much they were paying the customers to participate. McCarthy noted that they were paying customers \$25 per year.

Brandt updated the DR subcommittee on Cape Light Compact's demonstration project. He noted that everything is moving along as planned and that they will be focused on targeting central air customers this summer. He indicated that the number of participants would be smaller than originally anticipated due to a lower rate of central air customers in the behavior group that they are rolling the effort out in. Brandt also noted that the recruitment is underway and that they are planning on calling their first event sometime in July.

Johnson asked how much they were paying customers to participate. Brandt indicated that they are still working out the details of that, but did noted that they were thinking that they would be making payments on a once per month or a per event basis.

Schuur noted that she was encouraged that the PAs are doing different types of demonstrations and that there is no overlap between them.

5. Considerations for Cost Effectiveness of Active Demand Reduction

McCarthy presented to the subcommittee on considerations for determining cost effectiveness for active demand reduction. He noted that there is already a precedent set by the DPU as to what can be calculated as costs and benefits for energy efficiency programs. He also noted that the PAs are doing additional analysis to determine if and how they can seize additional benefits. McCarthy also presented a diagram of benefits and costs, as well as challenges in determining cost effectiveness.

Winkler indicated that he was not convinced that they should be considering the avoided capacity as revenue, or at least not 100% of it. He noted that because ISO reconstitutes loads on the system peak in the market, someone has to pay for it and therefore it is not necessarily revenue. Schlegel suggested that that should be an item further discussed offline.

Johnson asked where they get their values for costs. McCarthy indicated that they come from forward capacity auction (FCA) 8 which is what the market thinks the cost should be.

Schuur noted that a lot of the numbers presented were averages. She asked how differences in customer level benefits would be incorporated. McCarthy agreed that benefits may differ at the customer level and that they would have to look into that. Goldman added that if the PAs were to go down that path and find that such differences led to measures screening for one area of segment but not for others, they would have to think about whether or not it is okay to offer something to only that subset of customers.

6. Adjournment

Schuur adjourned the subcommittee at 2:25 PM.