

October 7, 2015 EEAC Executive Committee Minutes

Executive Committee Attendees: Judith Judson (DOER), Arah Schuur (DOER), Amy Boyd (Acadia), Betsy Glynn (Residential Customers), Don Boeke (AG), Emmett Lyne (PAs), Rick Malmstrom (Commercial Real Estate-phone)

Non-Executive Committee Attendees: Paul Johnson (Small Business), Carol White (National Grid), Lisa Shea (Eversource), Joanne Bodemer (CLC), Jerry Oppenheim (LEAN), Alex Papali (Clean Water Action), Eric Belliveau (EEAC consultants), Ian Finlayson (DOER), Alissa Whiteman (DOER), Alex Pollard (DOER), Elizabeth Mahony (DOER)

AGENDA

1. Introductions and updates (10:30-10:40)
2. EEAC Sep 30 meeting review topics (10:40-11:15)
3. Process going forward (11:15-11:25)
4. Resolution Discussion (11:25-11:50)
5. Agenda for October 16th meeting (11:50-12:00)

Introductions & updates

Meeting began at 10:34am

Judson expressed appreciation for collaboration and hard work on everyone's part. She was pleased to hear feedback from the public and Councilors on the PA's plan at the EEAC meeting last week.

EEAC Sept. 30 meeting review topics: Judson noted the record level of savings proposed in the plan and that Councilors were supportive of these levels. Finalizing the goals and budgets early means the Councilors can focus on the program elements. Judson raised the declining trend in year over year annual electric savings. This started a broad discussion about topics raised by Councilors at the Sept 30 EEAC meeting and individual comments are grouped by topic below:

Declining annual electric savings goals

Lyne:

- PAs are hoping for unanimous support for the historic term sheet and Plan by the Council.
- DOER and AG pushed hard on this issue during term sheet negotiations.
- PAs are facing declining measure lives and increasing standards, while trying to maintain strong environmental benefits. Everything in the plans is interrelated.

- PAs listened carefully and with some caveats they are going to be able to address annual savings. Don't have an exact proposal of what the slope would be. Want to maintain benefits levels or close to benefits levels and cost to achieve.
- Need to do this with just Eversource and National Grid, Cape Light Compact can't change their numbers at this point due to separate review process, and Unitil already has year over year increase.
- Lyne update Schuur by end of week regarding progress on different scenarios.

Boeke: Emphasized that process has been collaborative and expressed appreciation

Malmstrom: The upward trend in annual electric savings would be nice, but it is fine as is.

Bodemer: DPU-ordered PA specific studies help explain PA differences & why smaller PAs may have lower savings goals.

Performance Incentives(PI)

Lyne:

- PAs do not support a performance incentive split between residential and commercial/industrial (C/I) sectors. Hadn't heard this idea prior to the Sept 30 meeting, instead working hard to honor the commitments at the portfolio level in the term sheet at the negotiated cost to achieve.
- Splitting the PI would remove flexibility for the PAs; National Grid would not have had an incentive to meet portfolio goals by reallocating savings to the residential sector two years ago when it was clear they would not meet C&I goals.
- PAs are willing to engage in program design discussions but believe that the current September Plan is responsive to Council input/feedback regarding program design.
- In addition, PAs are listening and there are some things that are ongoing considerations informed by Sept 30 meeting. Ongoing discussions with DHCD around refinance opportunity in multi-family.
- PAs are willing to explore ways to ensure that the EEAC receives sufficient information regarding performance but note that they are already providing measure-level benefit-cost ratios. PAs could provide information through "deep dive" presentations at EEAC meetings. CHP data available annually in BCR models but would be happy to provide deep dive presentations on this topic.
- PAs want to keep working/collaborating and are looking for that from others as well.

Judson:

- Split PI idea is a new idea and interesting but realistically it's late in the process to fully explore this idea.
- Progress is needed on ways to ensure that the EEAC receives information regarding sector-specific goals.

Glynn:

- There was no opportunity prior to now to discuss PIs even though some ExCom members raised it in May/June timeframe and requested discussion at the August meeting.
- A lot of interesting ideas out there about PI, however, recognize that PI went up, but goals went up too. Support overall PI levels and using PIs appropriately.

Malmstrom:

- Expressed understanding for it being to “late in the process” for the split PI idea to be implemented as well as for Glynn’s point that there hasn’t been a prior opportunity to discuss PIs.
- Believes that PAs won’t be able to achieve savings needed to receive the performance incentive w/o “doing well” in terms of achieving C/I goals.

Other topics:

Boyd: High level topics that should be covered in resolution based on Sept 30 EEAC meeting discussion:

- Support for the higher savings goal
- Split PI: most councilors were intrigued or supportive and the initial draft resolution should reflect this
- Differences between individual PA savings goals, benefits & costs and that the Council should be attentive to this
- Hearing for Councilors on shortlist of priorities on programmatic changes to the plan. Curious if council will get a chance to see changes to the plan prior to voting on it.
- Data
 - Data quality
 - What Metrics are being used particularly for new initiatives or initiatives that are changing significantly such as multi-family
 - Reporting
 - Using information to update programs, especially new initiatives
 - Data transparency around C&I particularly CHP
- Innovation
 - Resolution should make clear that given changing baselines, it is necessary to innovate and to engage in demonstration projects that EEAC has already recommended, especially those demo projects that can lead to significant savings.
 - Demonstration project ideas include: integrating efficiency into refinancing for multi-family buildings in partnership with housing agencies, benchmarking/pay for performance, home energy scorecards, strategic energy management, small nonprofit pilot (like Grid is running for houses of worship)

White:

- Innovation is called out in the plan, but not all areas of innovation are specified in the Plan.
- PAs continue to innovate even after Plan is finalized.

Glynn:

- Plan should state what PAs are doing, even if only “exploring” ideas
- This facilitates EEAC follow-up with PAs regarding ideas mentioned.

Judson:

- Baker Administration supports innovation.

- Where PAs are doing something innovative they should document it in the Plan. Plan should include language regarding innovation, PAs should provide regular updates on progress and a process for innovative ideas.

Boyd:

- Plan should specify a process whereby EEAC receives regular updates on innovation.
- Need to ensure that lessons learned are fed back into program design/implementation.
- Agreed with Glynn on PI not being discussed at Council
- Noted that Councilors are struggling to come up with a suggested list of programmatic changes
- Would want to see proposed changes from PAs in advance of voting on plan

White:

- It's important to avoid micromanagement; expressed concern that implementation could be slowed if PAs have to report to EEAC on innovative efforts before they can implement on a wider scale.
- Supports including general language (in the Plan) regarding innovation and information-sharing on innovation.
- Effective information-sharing may mean using a different process for setting EEAC agendas.

Lyne:

- PAs have responded to EEAC and have specified how they are addressing EEAC recommendations, issues, and concerns. If councilors have remaining concerns PAs need to hear them and they need to be specific.
- Things like differences between PAs are how we get to the high goals in the plan, they are appropriate.
- Trying to get to closure on a plan, but worried that continually adding issues will make it hard to reach consensus. PAs have said they are not going to be able to do scorecards. Willing to engage if there are discrete items like housing refinance.
- PAs need to prioritize finalizing the Plan and responding to recent questions from the DPU.
- Agreed that Plan can include language regarding innovation and updates (if it doesn't already)

Judson: Noted that there is agreement that the Plan can include language around innovation and a process for updating the EEAC on innovation efforts.

Malmstrom: Resolution should include language to the effect that "not all Councilors agree with everything".

Process going forward: There was a discussion about the application of the Open Meeting Law to the resolution-drafting process.

Schuur and Mahony:

- Open Meeting Law applies to resolution-drafting and may constrain the resolution-drafting process. The key concept is ‘deliberation by the public body’.
- The current plan is that the resolution will be crafted at the 10/16/15 EEAC meeting. DOER plans to develop a draft resolution for use as a starting point at the 10/16 meeting.
- Individual council members comments can’t be posted online while the deliberation is ongoing.
- Can post minutes of meetings.

All: there was a general discussion regarding Open Meeting Law and its application to the resolution-drafting process, including meaning of “deliberation”. DOER will get additional clarification from the AG, specifically whether DOER can post a draft resolution prior to 10/16 EEAC meeting or if written comments/ideas from Councilors regarding the resolution can be posted on the EEAC website prior to the 10/16 meeting.

Resolution discussion: There was a discussion about what topics should be covered in the resolution.

Glynn:

- Support for overall 3 year savings goals and cost to achieve.
- Support for 44% of EEAC recommendations that are included in the Plan.
- People o.k. with overall PI levels; split PI idea should also be mentioned.
- Need to discuss decreasing annual savings and program ideas that were not included
- September Plan draft is not the document we will vote on, will councilors see document before voting?

Boeke says he heard the following topics mentioned in the 9/30 meeting and the 10/7 meeting:

- Annual electric savings goals decrease.
- Split PI idea.
- Variation in PA goals, benefits, savings, costs.
- A way for councilors to express different views.

Bodemer: DPU-ordered PA specific studies help explain PA differences & why smaller PAs may have lower savings goals.

Johnson:

- Questioned whether the EEAC could have two votes—1 vote on the term sheet, another vote on the Plan.
- Expressed belief that the Council wants to see PA/Plan recognition of equity, technology, goals, energy management, CHP, cost effectiveness, and that the workshop process and EEAC recommendations were seriously considered by the PAs.

Lyne: Expressed preference for a shorter resolution. Changing how the PAs got to the goals there is no flexibility on, but can address language on innovation, multifamily refinance.

Malmstrom:

- Noted the advisory role of the EEAC.
- Expressed belief that the Plan is responsible & reasonable.

Boyd:

- Expressed belief that the Council supports statewide goals
- Expressed belief that the term sheet should avoid language regarding whether something is or isn't appropriate. In particular, the reference to Appendix A should not use this type of language.

White:

- Urged the group to recognize the PAs' efforts as expressed in the Plan.
- Explained that the PAs considered all EEAC recommendations, even those that are not incorporated into the Plan.

Next Steps/October 16 meeting:

- DOER will get clarification regarding Open Meeting Law and how it applies to resolution-drafting.
- Extraordinary meeting of the EEAC 10/16 meeting to develop the resolution.