



## EEAC EXTRAORDINARY MEETING MEETING MINUTES

**Thursday, October 25, 2018**

50 Milk St., 20<sup>th</sup> Floor  
Lighthouse Event Space  
Boston, MA 02110

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- Councilors Present:** Marie Abdou (for Chris Porter), Cindy Arcate, Eric Beaton (for Janelle Chan), Don Boecke (for Maura Healey), Amy Boyd, Cindy Carroll, Elizabeth Cellucci, Steve Cowell (for Paul Gromer), Justin Davidson, Frank Gundal (for Tilak Subrahmanian), Charlie Harak, Elliott Jacobson, Paul Johnson, Judith Judson, Emmett Lyne (for Maggie Downey), Richard Malmstrom, Deirdre Manning, Laurie Pereira, Cammy Peterson (for Rebecca Davis), Robert Rio, Mary Wambui, Sharon Weber (for Martin Suuberg)
- Councilors Absent:** Michael Ferrante, Andrew Newman, Victoria Rojo, Michael Sommer
- Consultants Present:** Eric Belliveau, Craig Johnson, Margie Lynch, Jeff Schlegel
- DOER Staff Present:** Rachel Evans, Ian Finlayson, Emily Powers, Maggie McCarey, Alex Pollard
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### 1. Call to Order

Commissioner Judson, as Chair, called the meeting to order at 1:10 PM.

### 2. 2019-2021 Plan and Term Sheet Overview

Commissioner Judson began by highlighting features of the 2019-2021 Plan (“the Plan). She noted that attributable savings would be decreasing in the later years of the Plan and that that means that the Plan needed to think about how to deliver the programs differently. She added that the Plan needed to do things differently in order to meet the Commonwealth’s aggressive energy and climate goals. Commissioner Judson also noted that she was excited about new initiatives such as strategic electrification, fuel switching, and active demand.

Commissioner Judson continued by noting that the gas program would feature a target of 1.25% of sales and that the planned annual therm savings would be 14% higher compared to the previous plan. On the electric side, she noted that the savings target was down to 2.7% and that the decrease from the previous plan was largely due to lighting impacts. She also highlighted key features of the electric programs, including heat pumps, active demand management, new incentives for passive house, commitments to do home energy scorecards, and targeted efforts for municipalities. Commissioner Judson also noted that electric and gas programs would both have a portion of their performance incentive tied to a renter metrics. Lastly, she noted that the Plan would deliver more greenhouse gas (GHG) emission reductions than the previous plan.

McCarey gave a high-level overview of the term sheet. She noted that the electric term sheet would include goals for MWh and MMBtu savings, summer and winter active demand management MW savings, and GHG reductions. McCarey added that the gas term sheet would include goals for therms, MMBtu savings, and GHG reductions.

### **3. Council Priorities**

Belliveau, Lynch, and Schlegel of the Consultant Team (C-Team) gave a presentation that reviewed how each of the Council's priorities was addressed in the Plan. For each of the priorities, the C-Team highlighted how it was addressed, and to the extent it was not fully addressed, what would be needed for it to be considered addressed.

A key point in the C-Team's presentation was that they felt the Council's priority for a new integrated residential program redesign was not met. They recommended that as part of the final draft of the Plan, the PAs include a list and estimated timeline for planned enhancements and a commitment to provide a revised program plan in 2019 with quantitative participation, costs, and energy savings projections for 2020 and 2021. In response, Amy Vavak, on behalf of the PAs, gave a short presentation that provided a timeline for completion of all planned residential program enhancements.

The C-Team concluded their presentation by noting that the Plan represented a significant improvement over what was filed in April and what was delivered as an interim update in September.

#### ***Council Discussion***

Boyd began by echoing the C-Team in noting that the Plan represented a significant improvement over previous iterations. She added that her four most significant issues from the September draft had largely been addressed. Those issues included savings targets that were too low, inclusion of incentives for fuel switching from oil to gas, exclusion of the Massachusetts avoided cost of compliance for the Global Warming Solutions Act (GWSA), and the lack of a performance metric for active demand management and renters. Boyd also expressed some concerns, including the increase in costs and the lack of clarity on the residential program redesign. She also noted that she was disappointed to see differences in savings goals across PAs and added that she did not feel it was fair to customers in small PA districts who might have less opportunity to participate in the program.

Wambui noted that the plan was significantly improved from previous drafts and that she appreciated the work that went into the term sheet. Wambui added that she hoped that the agreement on the performance incentive for serving renters would not silence the voice of those ratepayers. She noted three things that should be kept in mind when arriving at a number for the performance incentive metrics. First, Wambui suggested that the agreed upon number would not leave moderate income customers in the same position that they were before. She added that the PAs could become comfortable and slow their efforts once they reach the metric. Second, she noted that the size of the metric needed to reflect as closely as possible the number of low-income customers who are locked out of the program and cannot afford energy efficiency. Finally, she noted that no one should fear disapproval and so the Plan would need to move away from easy and familiar territory.

Peterson noted that she was pleased to see the Massachusetts avoided cost of GWSA compliance and the renter and active demand management performance metrics included in the Plan. She also noted that she was pleased to see that fuel switching, air source heat pump, and distinct reporting for multi-family would all be reported on. She added that she was somewhat concerned about individual PAs having lower savings targets and what the impact of that might be for its customers. Peterson also noted that she would like to see stakeholder engagement be deepened with commitments to scaling up over time.

Johnson began by thanking the PAs for providing an updated timeline for completion of the planned residential program enhancements. Johnson noted that what he felt was the best paragraph in the Plan contained the exact language as the 2016-2018 Plan and suggested that that was an indication that the Plan was not innovative. He added that he felt that the Plan gave no indication that the PAs planned to dedicate additional resources to the ideas that were put forth in the Plan. Johnson noted that the moderate-income initiative in the current 2016-2018 Plan was failing and that it was doing so because there were no details about how they were going to do that initiative. He expressed his concern that the same would happen with the proposed Plan. Lastly, he suggested that the Council's resolution require quarterly reporting on progress of the residential program enhancements mentioned in the Plan.

Cowell noted several specific items to add to the Plan. First, he noted that solar should be included in the Plan since it is now allowed under the new legislation. Second, he noted that the Plan should do more to facilitate new technology such as water and ground source heat pumps where available. Third, he suggested that the Plan should also include active demand management for gas in winter. Cowell's fourth suggestion was for the PAs to look at what Rhode Island was doing in terms of packaging energy efficiency work at the time of heat pump installation so that the size of the heat pump being installed can be reduced. Finally, the recommendation was to expand targeted participation for geographic areas with historically low participation levels.

Harak began by thanking the C-Team, the Attorney General's office, DOER, and the PAs for all the work they do on the Plan. Speaking about the renter metric, Harak noted that the low-income renters should not be included in that metric since they already receive low-cost assistance. He added that include low-income renters in the metric would distort and undermine the intent of the

target. Harak suggested that 2019 should be the year where all the stakeholders agree on how renters are counted and served. He added that that agreement could then be appropriately used to come up with a suitable metric to be used in 2020 and 2021.

Jacobson noted that he felt the renter metrics really needed to use a baseline to determine where the programs really are at with that group. He added that participation should not be emphasizing the number of houses that are served, but rather the number of materials that are being installed.

Arcate noted that the Council priorities categorized non-profits as an underserved community but that non-profits were not included in the term sheet as part of strategies for serving those communities. She asked that that be updated to be consistent with the Council priorities. She also noted that she was concerned with the increase in the Plan's budget. She recommended cutting the commercial and industrial (C&I) budget by ten to fifteen percent to align with the PAs pattern of over budgeting and underspending in that area. She noted that if the PAs did that and ran out of money, they could always come back to the Council via a mid-term modification.

Rio seconded Arcate's thoughts about the Plan's budget. He also reiterated his comment from previous Council meetings with regards to the Plan coordinating with other state programs. He noted that if there are other state programs that are offering rebates and incentives for things like solar, then the Plan should not also offer those.

Boecke noted that the Attorney General's perspective is that the programs should get the highest savings for the lowest cost. That said, he noted that higher budgets may be warranted given the increased focus on things like active demand management, heat pumps, and fuel switching which all cost more and cut into the electric savings. On the renter metric, Boecke noted that the Council has heard anecdotal evidence from public comment that people have been underserved. He noted that simply having a metric at all that pays the [PasPAs an incentive](#) to improve its service is a big step in addressing the issue. He added that he did not have a strong opinion on what the metric should be and that he supports it.

Weber noted that she appreciated seeing the Massachusetts avoided cost of GWSA compliance included in the Plan. Weber then expressed three concerns she still had with the Plan. First, she noted that the Plan proposed that the PAs would present annually on integrated program design. She indicated that she was hoping that that reporting would be more regular, such as monthly until the program gets rolling in the new direction. Second, she noted that she was concerned about the lower savings numbers for the small PAs. She indicated that she would be in favor of the small PAs having to reach some percentage of the statewide average in order to get their performance incentive. Finally, she indicated that the Plan was not clear who the PAs would be working with on evaluation, measurement, and verification of their passive house initiatives.

Davidson indicated that he would like to see more details on what would be included in the residential scorecard. Commissioner Judson noted that the scorecards would be developed in 2019 and that she would welcome his participation in that conversation.

Commissioner Judson noted that the next step would be for the Council to develop and approve its resolution on the Plan. She noted that a draft was in progress and that it would be circulated to the Council as soon as possible.

#### **4. Performance Incentive**

McCarey gave an overview of the performance incentive as its spelt out in the term sheet. She noted that the mechanism maintains the same value and benefit component from the previous plan, but that it would be split up between passive and active demand. She also noted the addition of the renter metric on both the electric and gas portfolios and added that that metric was currently being negotiated on.

Lyne noted that the performance incentive pool is allocated based on benefits achieved which meant that the smaller PAs receive less of that pool.

#### **5. Adjournment**

Commissioner Judson, as Chair, adjourned the meeting at 3:26 PM.