

Massachusetts Energy Efficiency Advisory Council
 Meeting Minutes Approved February 14th, 2012
 Tuesday, January 10, 2012

Councilors Present:

Voting	Present (designee)	Non-Voting	Present (designee)
James Colman	Nancy Seidman	Elizabeth Cellucci	X
Martha Coakley	Danielle Rathbun	James Carey	X
Penn Loh	X	Penni Conner	X
Mark Sylvia	Tina Halfpenny	Alisha Frazee	
Debra Hall	X	Kevin Galligan	X
Charles Harak	X	George Gantz	Tom Palma
Elliot Jacobson	X	John Ghiloni	
Jeremy McDiarmid	X	Paul Gromer	X
Rick Mattila	X	Andrew Newman	
Robert Rio	X	Richard Oswald	X
Deirdre Manning	X	Michael Sommer	X
		Carol White	X

DOER: Steve Venezia

Consultants: Mike Guerard, Eric Belliveau, John Livermore, Gabe Arnold

Present:

See sign-in sheet

I. General Updates

Halfpenny convened the meeting at 2:06pm. She explained that, after concluding council business, the forum would be turned over to the public meeting. She noted that people who had RSVP-ed would speak first, and she encouraged others to use the sign-up sheet.

II. Council Consultant Contract

Halfpenny provided the Council with an update on the council consultant contract. She explained that the EEAC Executive Committee had met the previous Wednesday to review and approve the Optimal Energy contract for consulting services to the Council. She noted that the committee would receive a draft of Optimal's work scope for 2012 on January 17th. Halfpenny noted that Synapse attended the meeting and discussed the work plan for the economic forecast project.

Venezia thanked Rathbun and Diarmid for drafting the resolution on approving Optimal Energy as the Council consultant team. He explained that the Council resolution empowers DOER to enter into the contract with Optimal Energy. Harak motioned to vote on the resolution; Rio seconded. All voting members present unanimously approved the resolution.

Note: In a follow-up communication between Venezia, Halfpenny and Loh, both Halfpenny and Loh, who were not present for the vote, indicated their intention to vote in favor of the resolution.

III. Public Comment

Venezia explained that the first half of the public comment session would be devoted to C&I, and the second half to residential. He noted that there were many respondents.

Note: Many of the speakers during the public comment period submitted written comments which are posted on the Council's website.

COMMERCIAL

Cindy Arcate spoke on behalf of Power Options, Inc, a non-profit energy buying consortium with 500 members, representing 1 billion kWh and 13 million dekatherms annually. The organization created a green loan program and has lots of experience with C&I customers, including with renewable and CHP. Three primary points: 1. C&I budgets should be lower for next 3-year plan – PAs spending 20% less than budgeted. Rate impact to consumers is significant. 2. Assumptions of value too high – DRIPE and T&D. ISO says price of electricity is still set by gas. 3. Avoided costs – don't believe it's fair to assume costs are avoided. C&I programs are still cost-effective even removing these assumptions.

Christopher Schaper spoke on behalf of the Western Massachusetts Industrial Group, an organization of large manufacturers who are big power users. Their members support the concept of energy efficiency, however they face a number of challenges implementing projects at their facilities. One of the main hurdles is obtaining a capital match. There are administrative challenges - could be some simplification in program participation process. Would like to see improved transparency – rate payers may not understand benefits. Suggest mechanism for industrial stakeholder input to PAs, and would like to see improved program flexibility.

David Strauss spoke on behalf of A Better City, a Boston-based organization focused on sustainability issues, which represents building owners and building energy managers. Over 30 stakeholders are represented. Hope to provide Council with real world perspective. ABC working with Barr Foundation to reduce energy usage by 25% in Boston. Programs are driver of economic competitiveness. All stakeholders were happy with programs. What gets measured gets managed. Building owners need more data – especially for tenants, who use 60% of energy in large buildings. Recommend utility sub-metering program. Improve customer experience: have a dedicated account rep for all C&I customers – single point of contact. Some frustration with complexity of program application forms, and complexity of program marketing materials. Suggest consolidated program materials. Owners think that deeper savings can be obtained if greater flexibility is allowed. Incentives are inadequate to drive early retirement. Recommend improved training programs, and commercial behavioral pilots. Hope to help guide the 3-year plan.

Roger Borghesani spoke on behalf of The Energy Consortium on seven subjects informed by his member surveys. 1. FCM payments: Recommending that large energy users over 1 MW get direct FCM payments; 2. N-gas energy charge: Current SBC charge is somewhat prohibitive (could be up to 25% of the bill?); 3. Tariff transparency: EERF is buried in distribution rates. Should be clearly identified on bills; 4. 3-Year plans: Appears PAs have difficult time spending the EE money. Low-hanging fruit has already been eaten. Possibly freeze rates going forward; 5. EE adds to high energy rates: MA electric rate is high. For every penny of increased rate you have to eliminate 13 jobs (large customer). May be providing jobs for conservationists, but denying jobs to industry. 6. Self funded programs for large C&I: Senate bill 2768 apparently says this. Companies would keep the monies that are collected, and use internally; 7. Performance incentives: Need to continue to look at this.

Mark Lukitsch spoke on behalf of Brigham & Women's Hospital, a member of an alliance of major Boston hospitals. Health care is and will continue to be on the front lines of energy efficiency. To reach 25% in emissions by 2020 is a daunting task. We are Boston and the commonwealth's largest employer, and a large consumer of energy – equivalent to 100,000 homes.

Jim Turner spoke on behalf of Brigham & Women's Hospital. The health care sector supports driving DSM and greenhouse gas usage reductions. We think we are the most forward-thinking group – we want to drive innovation. Four proposals: 1. Program should develop prescriptive specifications for EE system sequences to insure persistence of savings, 2. Program should support better metering and monitoring. Brigham is 2 million SF and we have 1 electric meter. Need electric, water and steam sub-metering. 3. Recommend better financing, especially for cash strapped institutions. Joint strategic MOA will broaden hospital participation and achieved benefits. 4. Programs should support deep-dive into EE behavior change – there are about 450,000 employees statewide. Need strong protocols for benchmarking. Physicians and others can promote EE in their homes and communities.

Paul Lipke spoke on behalf of Health Care Without Harm. 15 years ago they eliminated medical waste incinerators, which eliminated dioxins and other pollutants. A few recommendations: 1. Development of prescriptive specifications for EE system sequences. 2. Support of better metering and monitoring. 3. Need better deeper financing. 4. Support deep dive into EE behavior change (some experience in CA). 5. Need renewable energy – 1st reduce energy use. Two recommendations on the health benefits of EE: 1. It is time to develop a measure of externalities (quantify it – it's not zero!). 2. There needs to be a statewide effort to benchmark health care on their performance on gas and electric usage. What we do here gets heard around the world. Took 2009-2011 goals (see chart handout) and ran through software that calculates health events. We're saving thousands of lives and millions of dollars in health care costs. Health care is the most cohesive sector with the most at stake. Think the TRC should include these positive health impacts. Will be submitting comments to DPU.

Natalie Hildt spoke on behalf of NEEP, a regional energy efficiency non-profit. General 3-year plan suggestions: 1. EEAC engage with DPU on C/E. Urge EEAC to participate in DPU proceeding 11-120. 2. Revise study of bill impacts on various rate classes. 3. Allow PAs to claim savings from Codes & Standards and building energy labeling. 4. Target outreach to municipal customers. 5. Continued efforts to move projects to implementation. Use MOU for smaller C&I, and perhaps Residential customers. 6. Partner with trade allies. 7. Lighting represents significant source of savings – PAs have been participating with NEEP on regional lighting strategy. Encourage Council to support.

Adin Maynard spoke on behalf of Cozy Home Performance, a home performance contracting company in Western Massachusetts. Have done a handful of Multifamily and C&I projects, with a focus on thermal boundary improvement measures. Our experience – it's very difficult to understand how the Multifamily program operates – it's mysterious. Recommend: Set standards; more independent contractors get involved. Program sometimes limit deeper savings, due to limited measures recommended by auditors. Northampton is working on a PACE project. PAs should start planning for PACE.

Halfpenny noted appreciation for the well thought-out comments, and indicated that the meeting would reconvene at 3:20pm.

RESIDENTIAL

Halfpenny noted that, due to the longer list of residential speakers, each speaker would be limited to 5 minutes.

Larry Chretien spoke on behalf of the Energy Consumer Alliance of New England. Working closely with Renew Boston. All about aggregating consumers to participate in Energy Efficiency. We think that an early strong investment in EE is in the long-term best interests of the ratepayer. We support the next 3-year plan - we will do whatever we can to assist you. We fully support the concept of incorporating carbon emission costs. The Global Warming Solutions Act says that carbon needs to be put into the TRC. We support \$80/ton. If we get ahead, that's a good problem to have. How do we achieve 80% cut in carbon most cost-effectively? We need better data collection and reporting. The Council has this responsibility. We support DOER's proposal on pre-weatherization. The DOER proposal should be established statewide. Success in Renew Boston says you should be involving community organizations. Have reached a number of renters. Have a list of ideas about how to improve programs.

Kalila Barnett spoke on behalf of Alternatives for Community and Environment (ACE), whose mission includes empowering communities and eliminating environmental racism. We work with the Green Justice Coalition (GJC). Higher asthma and unemployment rates in these communities. Have worked closely with the EEAC. GJC has been working to engage working-class residents about EE opportunities. Working in communities of color to develop green jobs – good jobs with sustainable wages. GJC thinks the GCA has

empowered our work. Several recommendations (aimed at residents, 60-120%), including marketing that includes community outreach, for Hard to Reach areas, including tenants.

Richard Rogers spoke on behalf of the Greater Boston Labor Council, a group of 24 communities in the greater Boston area. Also Community Labor United. GJC has developed strategies that address PAs' privacy concerns.

Gladys Vega spoke on behalf of the Chelsea Collaborative. The pilot benefitted Chelsea and offered Green Jobs in the community. Extremely impressed with the result of the pilot. Recommendations: 1. Low-cost Pre-Weatherization measures should be funded. GJC high-lighted this barrier almost 3 years ago. 2. Current rebate structure should be re-evaluated with an eye toward equity. Moderate income residents have trouble with the 75/25 co-pay structure. Sliding scale rebate structure would eliminate co-payment barrier. Develop tiered rebate structure. 3. Develop data to show which rate-payers are receiving services (by income). We are extremely grateful for the opportunity and we want to continue to work with you.

Elizabeth Glynn spoke on behalf of the Local Initiatives Support Corporation (LISC) who supports sustainable affordable housing in the Boston area. Work closely with LEAN and CDCs to make affordable housing greener. Three comments: 1. Please eliminate the separate gas and electric budgets in order to provide a fuel-blind program that includes oil-heated buildings, 2. Adjust TRC rules to allow owners to contribute their own money toward incremental costs. 3. All PAs use a single low-income administrator – single point of contact to make program simpler and more consistent.

Donald Bianci spoke on behalf of the Massachusetts Association of Community Development Corporations. We support much of the testimony of other environmental organizations. Speaking about the LEAN Multifamily program – it is very successful. Some ideas: 1. Increase impact of program – make funds fuel-blind (currently insufficient funding for gas measures). 2. Can owners use LEAN funds and then use their own money? 3. Use 3rd party administrative infrastructure.

Jeremy Shenk spoke on behalf of Community Labor United, convener of the GJC. Grateful to be engaged in this process. GJC has 5 recommendations for the 3-year plans: 1. Marketing should include community outreach (all PAs adopt). 2. Low-cost pre-Wz should be included. 3. Current rebate structure should be revisited with an eye toward equity (some good productive conversations w/AG). 4. Good green jobs. 5. Incorporate lessons learned from Res programs into C&I when possible. Excited to continue working with Council.

Elijah Hutchinson spoke about his MIT masters thesis – research on how to improve access to EE programs. Some initial findings that retailers have been more effective than PAs at: 1. Getting deeper energy savings. 2. Getting better participation. 3. Getting to Hard to Reach customers. 4. Providing information. 5. Taking advantage of evolving product offering. Around country, retailers partnering with EE programs. EE is not that interesting to people. Recommend to the EEAC - look into partnerships with Retailers.

Thomas Regh spoke on behalf of Progressive Energy Services, a home performance contracting company. Just coming from senate chairs of Telecommunications group. Would like to share some observations. Data from 08-50 says Home Energy Services (HES) not an efficient program. 58% of money returned to rate-payers. Contractor training and certification requirements are getting more and more rigorous every year. Contractor compensation is not adequate. Inspections went from 10% last year to 100% this year. EEAC resolution from March 2009 - a program that gives utilities monopoly control over home performance industry. Numerous anomalies with price list – need to review price list. Fixed price policy doesn't apply to C&I or to plumbers. We don't understand. Many customers are frustrated with HES program. Some have to wait three months for work. Program delivers a one size fits all solution. Example: Small cape in Acton with 4,400 cfm50 air leakage. Auditor made no shell recommendations - big missed opportunity. Would be interested in participating in the 3-year planning process.

Darien Crimin spoke on behalf of the Wing Companies. Several comments about the LEAN program - could use a few tweaks. Fundamentally, program is not serving all clients' owners as intended. Intent was to open up funds for for-profit organization (from just non-profits in 2010) in 2011 and 2012. Also, Council should review on bill financing. CA is doing some good work on a model.

Paul Eldrenkamp spoke on behalf of the Byggmeister company. Advocating for the Deep Energy Retrofit (DER) program. It raises the ceiling - raises the awareness of what's possible in terms of energy performance. Renovated a home 10 years ago – regret my choices every time the heating bill comes. The Pilot program has created entry level jobs that make a big impact. DER creates 50-80% energy and greenhouse gas savings. Some recommendations: 1. Performance standards should be revisited – 4” to 2” of rigid insulation on exterior walls – would make program more accessible to customers; 2. Should do more outreach to building officials; 3. Partial retrofits should be bigger part of program; 4. Should be funding for more thorough post-project monitoring; 5. Expand training opportunities into Continuing Education requirements.

Edith Buhs spoke as a homeowner who participated in the Deep Energy Retrofit pilot program. Paul Eldrenkamp was my builder. Bought 100 year old multi-family house. Was spending \$6,000 to heat. Now after DER it will be \$1,500. Toaster and body heat keeps house warm. Used need to re-side the exterior walls as the opportunity to do the deep renovation. Can see project on 'This New House'. Hope you will continue support for the DER effort. Need to capture these opportunities. Has been incredibly motivating for me. Added benefit: Energy security.

Rob Calnan spoke on behalf of Calnan's Energy Systems Inc, an insulation company. Just came from meeting with Senator Downing and Tom Regh. I'm no longer a Mass Save contractor. Most sales calls take 1 hour now, as opposed to 20 minutes before. Many of my customers are frustrated with the wait. Customers are using me and are forgoing the rebate and subsidized air sealing. I had a great Fall last year. I still have all

of my employees at this point. Mass Save does lots of Fall advertising. Suggestion: Study the cycle – know when it's best to invest advertising dollars. I'm still in business for now.

Geoff Chapin spoke on behalf of Next Step Living, a home performance contracting company. We're adding green jobs every day. We're partners in Renew Boston. See a lot of upside over next few years. HPC outreach is working. There is the demand. Keep pushing. Some recommendations: 1. Urge Council/PAs to revisit PACE; 2. Encourage to fund HTR programs; 3. Pre-Wz issues can be addressed with short money; 4. TRC – this is not the forum; 5. HEAT Loan is very helpful - streamline the process. Let's put the pedal to the metal. Let's grow it- scale it.

Jay Walter spoke on behalf of the Newton Eco project, promoting sustainable living in Newton. Groups of 5-8 homeowners to reduce carbon footprint – based on 'low carbon diet workbook'. Behavior based. We are promoting the Mass Save program – most effective way to reduce energy. Working with NSTAR and Next Step Living. Also, working through local community groups can help to achieve success (schools, churches, etc). Recommend that Council continue and increase this approach.

Adin Maynard spoke on behalf of Cozy Home Performance, a home performance contracting company. Very grateful and excited. Some major successes at the HES Best Practices group: 10% higher group pricing. Path to pursue non-program measures. There are some challenges: 1. Consider common software tool. Confusing to use 2-3 software tools; 2. See report 'Getting to fair cost-effectiveness testing' – TRC needs to be redesigned to get deeper savings (e.g. Use utility cost test; Use TRC at the sector level, not at the measure level.)

Some other suggestions: 1. Allow more measures (e.g. Spray foam); 2. Address fixed pricing; 3. Remove permit fees from TRC; 4. Improve customer wait times - scheduling delays are real. Also, what I've heard about the 2013 per measure approach for the DER program is great. Very excited about this program. Concerned that there is not a Middle Energy Retrofit program. Not a clear path for this in MA right now. Thanks everybody. Look forward to the future.

Brad Swing spoke on behalf of the Renew Boston program. Thank the utility partners – we really appreciate the hard work to launch the program. We believe that Renew Boston can help inform the 3-year plan. The block grant helped. Big questions: How do we continue at this pace?

IV. McDiarmid, standing in for Halfpenny, thanked everyone and moved to adjourn the meeting at 4:50pm.