



## MEETING MINUTES

**Wednesday, March 16, 2016**

100 Cambridge St, 2<sup>nd</sup> Floor

Conference Room B

Boston, MA 02114

**Councilors Present:** Donald Boecke (for Maura Healey), Larry Chretien, Maggie Downey, Betsy Glynn, Paul Gromer, Betsy Harper (for Chrystal Kornegay), Paul Johnson, Judith Judson, Joseph LaRusso (for Austin Blackmon), Emmett Lyne (for Elizabeth Cellucci), Richard Malmstrom, Deirdre Manning, Jerrold Oppenheim (for Elliott Jacobson), Thomas Palma (for Cindy Carroll), Robert Rio, Nancy Seidman (for Martin Suuberg), Peter Shattuck (for Amy Boyd), Michael Sommer, Tilak Subrahmanian, Carol White, Eric Winkler, Danielle Winter (for Trish Walker)

**Councilors Absent:** Michael Ferrante, Charles Harak, Michael McDonagh, Andrew Newman

**Consultants Present:** Eric Belliveau, Jeff Schlegel, George Lawrence, Craig Johnson

**DOER Staff Present:** John Ballam, Ian Finlayson, Lyn Huckabee, Alex Pollard, Matt Rusteika, Arah Schuur, Steve Venezia

**Others Present:** Marie Abdou, JoAnn Bodemer, Jessica Buno, Caroline Conti, Joeseph Dorfler, Erin Engstrom, Gerald Ferris, Greg Gellar, David Gibbons, Jonathan Goldberg, Michael Goldman, Jon Gordon, Frank Gundal, Jodi Hanover, Riley Hastings, Amit Kulkarni, Deborah Lebl, Paul Lipke, Vince Maraventano, Ezra McCarthy, Erik Mellen, Sam Milton, Cara Mottola, Matt Nelson, Alex Papali, Audrey Penna, Bill Ravanese, James Ruberti, Ed Schmidt, Larry Simpson, Margaret Song, Natalie Treat, Tabitha Vigliotti, Sharon Weber

### **1. C-Team Memo's and Combined Heat and Power – Informal Brownbag Discussion**

Prior to the start of the full Council meeting, George Lawrence gave attendees an update on the recent memos that the consultant team (C-Team) has produced. The updates included memos on commercial and industrial (C&I) training and education offerings, improving C&I customer savings estimates, energy productivity and strategic energy management programs, and C&I upstream offerings. Lawrence noted that all of the memos are available on the Council's website.

Nelson Medeiros, on behalf of the PAs, gave a presentation on combined heat and power (CHP) to the attendees. His presentation described what CHP is, how it fits into the PA's plans, historical installations by size category, considerations that are made during a CHP project, the market flow of CHP from inquiry to implementation, benefit-cost ratio challenges to CHP, future plans for CHP, and CHP process evaluation. John Ballam also presented some background information on what CHP is.

## **2. Call to Order**

Judson called the meeting to order at 1:07 PM.

## **3. Public Comment**

Vince Maraventano, on behalf of Massachusetts Interfaith Power and Light, gave public comment to the Council on Mass Save services for houses of worship. He thanked National Grid for committing to developing a prototype for serving houses of worship and urged the other PAs to join National Grid in this effort or develop their own program based on it. He also suggested that National Grid incorporate the following items into their prototype program:

1. The availability of zero or low-interest loans up to \$500,000 and ten years, for the full cost of replacing electrical or gas equipment;
2. Financial incentives greater than the 50% to 70% currently offered and at least 90%;
3. The preparation of a comprehensive energy assessment report identifying all electric and gas energy savings opportunities including upgrades to HVAC systems, kitchen equipment, the building thermal envelope, and hot water heating equipment; and
4. The use of technical assistance consultants to examine all savings potentials from both gas and electric savings opportunities including those measures now requiring Custom Retrofit Application.

Maraventano's full comments were submitted to the Council and posted on its website.

Natalie Treat, on behalf of NEEP, made a couple of announcements to the Council. First, she noted that NEEP is excited to know that the Council, its C-Team, and the PAs are looking at ways to move forward with strategic energy management. She noted that NEEP recently received a grant from the DOE to work on related issues and that they would be convening workshops and providing guidance materials on those matters in the coming year. Second, she noted that NEEP recently completed their Regional Roundup of Energy Efficiency Policy report and that they would be hosting a webinar on March 29, 2016 to review its results.

## **4. General Updates**

### *Website Update*

Belliveau, on behalf of the C-Team, gave the Council an update on their website. He noted that there is now a direct link to public comments that the Council has received. He also highlighted some statistics that showed that the website was being used by a lot of people from across the world.

Winkler asked if it would be possible to have a direct link to the MassSave Data website on the Council's website. Belliveau indicated that that should not be a problem.

*EEAC Meeting Minutes – February 17, 2016*

Glynn motioned to approve the minutes as submitted. Malmstrom seconded. Of those present and voting, all were in favor, with no opposed or abstaining. The minutes were approved, as submitted, by the Council.

*Executive Committee Meeting Minutes – March 2, 2016*

Malmstrom motioned to approve the minutes as submitted. Shattuck seconded. All were in favor with no opposed. Glynn and Boecke abstained. The minutes were approved, as submitted, by the executive committee (EC).

*Demand Response Subcommittee Meeting Minutes – February 18, 2016*

Belliveau noted a few proposed changes that were submitted by DOER. Boecke motioned to approve the minutes as amended. Malmstrom seconded. All were in favor, with no opposed or abstaining. The minutes were approved, as amended, by the subcommittee.

## **5. Demand Response Report to the DPU**

Judson and Schuur opened the discussion by noting that there has been a tremendous amount of work done on developing the report in a relatively short amount of time. Schuur noted that the demand response (DR) subcommittee saw and responded to an earlier draft during the previous week and that there are still two more weeks before the report is finalized.

Schlegel noted that the draft of the report did go through subcommittee review and that there has been a collaborative effort to work through and make progress on it. He also reiterated Schuur's point that the PAs are still working on the report and that some items that the subcommittee had raised would be fleshed out in the report leading up to the March 31 filing date. Schlegel also noted that the process is not sequential and that there are several things going on in parallel with one another, including a strategic assessment, demonstration projects, the analytical framework, determining the value streams, and deciding whether or not to participate in the regional market. Winkler noted that each of those items is complex on its own and that there is another layer of complexity in that each of the items varies by sector. Johnson agreed with Winkler and added that his primary concern at the moment is that the report does not indicate how the PAs plan to go from the framework to the decision to actually go forward with a project. Goldman noted that the PAs are still in the process of figuring out what their criteria should be.

Goldman, on behalf of the PAs, referenced the last two sentences from the draft of the report to highlight the PAs current thoughts on the process, which read "The PAs anticipate continuing to bring the unique expertise, teamwork, and stakeholder collaboration from the nation-leading energy efficiency programs to this demand reduction effort. The PAs are confident that with a strategic and deliberate approach, we can achieve success as these efforts continue."

Malmstrom indicated that he has been pleased with the process so far and that he feels that the group is on the right track. Boecke and Oppenheim agreed. Malmstrom also noted that he was impressed that the timeline of implementation chart has definitive timeframes.

Shattuck asked if Goldman could elaborate on their interpretation of the plan with regard to distribution. Goldman noted that they are looking at the value streams of delaying system upgrades at the ISO-NE, distribution, and customer levels.

Boecke asked where DR for natural gas fits into this effort. Goldman indicated that the natural gas side is not being overlooked, but that the PAs are focusing on the electric side first because there is more precedent for them to draw from. Malmstrom added that the PAs efforts on electric DR will likely have co-benefits on the natural gas side because of the region's reliance on natural gas for electric generation. Winkler added that some implementation methods, such as WiFi thermostats, may be applicable to both electric and natural gas.

Seidman asked if the PAs could provide more detail on what the demonstration projects would look like. Goldman noted that the demonstration projects that were approved have lengthy descriptions about them in the three year plan. Seidman asked if the PAs could give a short presentation at the April meeting on National Grid's Smart Grid pilot in Worcester. White indicated that they would be happy to do so.

LaRusso asked if the PAs are looking at what other jurisdictions are doing for DR. Goldman noted that the PAs have looked at what others have done and that their goal is to not reinvent the wheel. He also noted that a list of programs and reports that the PAs examined is included in the appendix of the report. Winkler added that while a lot of projects have been done over the last several years, it is important for Councilors to keep in mind that the conditions are not the same everywhere and that a successful project in one location does not mean it would be successful in Massachusetts.

Judson wrapped the discussion up by noting that the next step would be for the PAs to take the feedback and integrate it into their final report.

## **6. Quarterly Report Format**

Jodi Hanover, on behalf of the PAs, gave a preview of what the new quarterly report format would look like. She highlighted the different sections of the report as well as its new features.

## **7. C&I Customer Profile Study**

George Lawrence, on behalf of the C-Team, presented on the results of the 2014 C&I Customer Profile Study. His overview included an analysis on the programs, end uses and measures, participants and industry sectors, and new types of analyses. It also highlighted the reports multi-year repetitive findings, new findings, and recommendations on reporting and implementation. Lawrence noted that the key takeaways from the study are that the PAs are serving all identified market segments, are achieving savings in all customer size classes, and that the breadth of savings is increasing.

Dave Gibbons, on behalf of the PAs, gave an overview on the mid-sized customer class. His presentation included a description of what defines a mid-sized customer, what their needs and considerations are, and how the PAs serve them. He also highlighted some metrics, including percent participating and savings achieved, compared to the small and large sized customers.

Johnson asked what has been driving the increase in the contribution ratio of mid-sized customers and what the cost was of the change that drove the increase. Matt Nelson noted that the PAs are scoping a process evaluation on mid-sized customers that should address that question.

Gromer noted that the Council has in the past voiced concern about the mid-sized customer segment being underserved, and that these results indicate that the programs are doing a better job at that.

## **8. Upstream Presentation**

Dave Gibbons and Nate Strong, on behalf of the PAs, gave a presentation on the upstream delivery model. Their presentation discussed why upstream programs are relevant, how they are designed, how they are delivered, and the evolution and performance of the programs. They also discussed the PAs future plans for the upstream program.

Lawrence, on behalf of the C-Team, referenced the memo that they produced on upstream offerings. He noted that the memo looked at what the PAs are currently offering as well as other programs that are being offered across the country. He noted that the PAs are doing very well in this area and are following best practices.

Johnson asked if the lighting share of the upstream program is increasing. Margaret Song indicated that it is both increase and changing. Johnson asked if the phasing out of lighting over the next few years would cause a problem. Song noted that they are spending more time doing market characterizations for other potential upstream products and that they are not spending a lot of time trying to grow the upstream lighting program.

Pollard noted that the upstream program is the result of a collaborative process. He noted that from the time the C-Team introduced it and the PAs implemented it to present day, the program has grown from not existing to representing about a quarter of the portfolio savings in just about five years.

## **9. Adjournment**

Judson adjourned the meeting at 3:53 PM.