

**Massachusetts Energy Efficiency Advisory Council**  
 Meeting Minutes (DRAFT)  
 Tuesday, October 13, 2009

**Councilors Present:**

<b>Voting</b>	<b>Present (designee)</b>	<b>Non-Voting</b>	<b>Present (designee)</b>
Heather Clark		Derek Buchler	X
Martha Coakley	Jed Nosal	James Carey	X
Penn Loh	X	Penni Conner	X
Lucy Edmondson	X	Alisha Frazee	
Philip Guidice	Frank Gorke	Kevin Galligan	X
Debra Hall	X	George Gantz	X
Charles Harak	X	John Ghiloni	
Elliot Jacobson	X	Paul Gromer	X
Samuel Krasnow	X	Andrew Newman	
Rick Mattila	X	Richard Oswald	X
Robert Rio	X	Michael Sommer	X
		Timothy Stout	X

DOER: Mike Sherman

Consultants: Paul Horowitz, Jeff Schlegel

**Present:**

Marc Breslow	Max Chang	Jeanne Cherry
MaryJo Connelly	Fran Cummings	Christina Dietrich
Michael Donlan	Scott Durke	Birud Jhaveri
Sue Kaplan	Erin Malone	Jeremy Newberger
Stephanie Pollack	Dilip Shah	Lisa Shea
Tilak Subrahmanian	Danah Tench	Christine Vaughan
Trish Walker	Crystal Beauregard	Don Wells
Josh Craft	Katie O'Rourke	

I. Introduction

Meeting convened at approximately 2:00pm

II. Key Issues for the 2010-2012 Natural Gas Plans

Proposal on statewide savings targets for gas from DOER and AG

- a. Spirit of electric agreement
- b. .6%/.9%/1.15%
- c. In hand-out

Proportional proposal to electric agreement (AG); aggressive but achievable goals without causing shock to customers. Strong goals that could still use some more work.

Comments: NSTAR - very balanced approach. Strong plan, aggressive goals; holistic package; gives us the performance incentives we need to develop the programs. Very positive process. Kudos to DOER and Bay State Gas/Derek Buchler. Open discussion facilitated process.

National Grid: Thank everyone who's come up with these numbers; the challenge is going to work to deliver the numbers

EM&V proposal: similar to electric, with the exception of 2010. Gas doesn't have as much to draw on in terms of EM&V toolkit.

Questions:

- (Charlie Harak's?)
- Will decoupling impact incentives? (Rio)
- (FG) H2 get something like the EM&V regime up and running right away in 2010 even if DPU hasn't ruled on plans?
- (DEP): costs are higher than expected, could be higher...how much impact will the levels have on the effectiveness?
- (AG): cost issues: higher costs with higher levels

Derek: highlights on costs. Traditionally, gas hasn't spent much on EM&V. Allocations impact costs. Aggressive goals for low income. Prescriptive rebates are much larger. New construction integration means from 200K to 3 million. Budgets didn't used to include RCS, but now they're rolled in the program. Also includes apportionment for consultants.

~30% increase in savings and ~60% increase in spending" (Jeff)  
Is marketing a fixed or variable cost? Does it change along the way?  
Volume and economy of scale will exist.

Penn: how does proposal match history of gas savings?  
1.25, 1.15 were proposed; ended up at 1.15%

Three year plan for gas is just part of the way to the goal  
Lifetime MMBTU?? .25 for lifetime therm; 4.0 for annual therm;

FG asks for consideration of proposal

FG asks the Council to suspend the rule requiring advance notice of any vote by the Council

Charlie Harak moves the motion and Lucy Edmondson seconds. It passes by unanimous consent.

Bob Rio proposed that the Council entertain the motion and second by Elliot; passed by unanimous consent.

### III. Key Issues for the 2010-2012 Electric Plans

#### 2. Consultants on Electric summary tables: the initial look before you get the Benefit Cost analysis

- a. What is the Council's expectation about this on the gas side?
  - Summary tables would be prepared over the next several days and shared in advance of meetings with Council. (Emmett)
  - Format reviewed by Council (costs, savings, total BCR, etc.) in advance of receiving the spreadsheets

Plans to date are slightly lower than the savings targets, but close.

Costs will soon be available; distribution is needed only

(For 2012 there are 2.4 billion of benefits, 1.5 of net benefits?) 3.6 billion of benefits over the three years

So far, we are close to what was expected on the varied elements.

Cents per lifetime kwh saved: 4 -4.8 cents in general

Looks like there are some pretty significant differences in lifetime savings amongst PAs. (Jeff)

Higher and more variable program costs than expected: Jeff

The gap is significant.

“Why” is as important as numbers for the program cost numbers

Does Council need to approve each PA's pilot proposals?

CLC will most likely have amounts of 2-3%, rather than 1%. NSTAR expects to be around 1% and National Grid may perhaps be slightly higher than 1% in 2010.

DOER is in favor of trying new things. EEAC will need to see more information, along the lines that CLC presented for itself, to make any decisions on these things.

Questions raised:

- Pilots – should they be bonus savings?
- Should all PAs test the same stuff?
- Is it the Council's job to decide the 1% by PA or by the statewide plan?

### IV. Performance Incentive Mechanism, Additional Development

What's the status of this agenda item?...

PAs proposal on Flexible Process for setting incentive

Council entertained a proposal on threshold flexibility for individual PAs (e.g., Unutil) to deal with differences in customers and circumstances.

New England Gas offered a view of a highly impacted region and the difficulty of meeting targets when businesses are being lost and jobs are being lost.

AG: how will customers think about different rules for different utilities?

## V. Bill Impacts and Scenario Analysis

### Bill Impacts

Presentation on bill impacts with and without outside funding for residential customers and large C&I customers

The presentation assumes that residential customer participates in year one only and C&I customer is participating each year.

There was a request from Debra Hall for multi-family scenarios in the future.

Notice and transparency about rate changes will be very important. There's an important opportunity for education about the costs and benefits. Savings goals will live and die on whether large C&I customers are engaged and get savings (AG)

## VI. Program Descriptions

What's happened to PAs responses to Councilors who've submitted specific comments?

Heather Clarke, Charlie Harak, AGs office – comments circulating for review prior to sending to Council. Answers to Penn's submission are still being developed.

## VII. Council Work Plan/Schedule and Next Steps

Sequential and in parallel items amount to "heavy lift"

### Comments by PAs

Getting costs down is job #1, according to Emmett.

Need statewide filing with tables for the 30<sup>th</sup>, not filings for individual PAs; 08-50 tables and statewide plans is what he sees as the deliverables.

Are there issues that haven't been aired of concern?

Behavior based programs are in program descriptions, not pilot list

Council can expect status report on Friday, October 16 from Program Administrators.

Answer by Tuesday. (What answer?)

## VIII. Public Comment

EJC comment through CLU research director.  
42 organizations across the state

Chair alerted the Council that consultant spending is proceeding at a higher rate than expected; more than originally allocated. Update will be forthcoming.