

Massachusetts Energy Efficiency Advisory Council
 Meeting Minutes (DRAFT)
 Tuesday, October 11, 2011
 Smith College, Northampton

Councilors Present:

Voting	Present (designee)	Non-Voting	Present (designee)
James Colman	Nancy Seidman	Derek Buchler	X
Martha Coakley		James Carey	Trish Walker
Penn Loh	David Minasian	Penni Conner	X
Mark Sylvia	Tina Halfpenny	Alisha Frazee	
Debra Hall	X	Kevin Galligan	X
Charles Harak	Peter Wingate	George Gantz	X
Elliot Jacobson	Peter Wingate	John Ghiloni	
Jeremy McDiarmid	Danah Tench	Paul Gromer	X
Rick Mattila		Andrew Newman	
Robert Rio		Richard Oswald	X
Deirdre Manning	X	Michael Sommer	Robert Gyurjan
		Carol White	X

DOER: Steve Venezia, Katie O'Rourke, Sue Kaplan, Lyn Huckabee
 Consultants: Jeff Schlegel, Eric Belliveau, Paul Horowitz, John Livermore

Present:

Briana Kane	Fran Cummings	Frank Gundal
Chris Mason	Jack Habib	Margie Izzo
Kara Gray	Sam Nutter	Bill Stack
Ed Schmidt	Charlie Olsson	Lisa Shea
Aiden Maynard	Jerry Oppenheim	Charlie Olsson
Emmett Lyne	Jodi Hanover	Brandon Jordan
Phil Moffitt	Michael Townsley	Stu Weiner
Wendy P.	Bill Stack	Lynn Westerlind
Shaela Collins		

Tina H: "I have set up meetings with the PAs for the week after each Council meeting. I hope you can capture the questions asked in the meetings where the responses are "to be followed up/homework".

"To be followed up on" Items from Oct 11th EEAC Meeting:

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I. Public Comment

Tina convened the meeting at 2:07pm. She thanked Manning for hosting the meeting, and asked if anyone had any public comments. There were no hands.

II. General Updates

Halfpenny noted the jam packed agenda and gave a brief update on the EEAC Executive Committee. She explained that the committee met 1½ weeks ago, has four members (DOER, AG, LEAN, and ENE), and has developed a charter. Among the main responsibilities of the committee, she said, is to manage the consultants. Halfpenny noted that any Council member can participate in the meetings, and that the meeting notes are already on the EEAC website. Seidman moved to vote on approval of the charter; Tench seconded. Vote proceeded with unanimous approval.

The consultants were asked to leave the room for the update on the Council Consultant RFR.

Halfpenny touched briefly on the Proposal for Council Funding of Market and Economic Analysis, to look at the economic climate in which the energy efficiency programs operate. She asked to hear from the Council on the concept of spending some of the Council's funds on this. White and Halfpenny agreed that as a work scope is developed, the in-process work that the PAs are doing on this (e.g. NGRID/NSTAR study) and be leveraged. Tench noted that ENE thinks this is an important study to get a statewide picture and gauge the market for efficiency. Halfpenny indicated the study would be require about \$150k. Hall said she can check to see who has some existing info that builds on others' information. Connor explained that the in-process PA analysis is focused on NSTAR and NGRID being able to deliver and penetrate markets, to inform the 3-year planning process. Minasian asked if it would be useful to see how residential weatherization is doing? Halfpenny noted that the reason to focus on C&I is because such a high portion of savings coming from this sector. She suggested looking at residential factors when developing the scope of work. White recommended that, if study is going to inform the next 3-year plan, that results arrive no later than February 2012. She also suggested sole sourcing the work, or if needing to go out to bid, to do it through one of the PAs as opposed to through the state procurement process. Halfpenny noting appreciation for the great suggestions, and said they will pick up the discussion at the next Executive Committee meeting.

Venezia gave a brief update on the 2011 Mid-Term Modifications (MTMs) and DPU Proceeding. He noted that there is not a lot to report – DPU is still deliberating, and there have been no orders issued yet by the department.

Halfpenny gave an Avoided Costs and Avoided Carbon Compliance Costs update. She indicated that when the MTMs are completed, the Carbon Compliance Costs working group will begin meeting.

III. 2011 Reporting and Status Updates

Stack presented a set of slides updating the Council on the residential portion of the Q3 Quarterly Reports (slides posted on EEAC website). Gundal presented slides highlighting C&I program progress. He focused primarily on program and economic challenges. Gundal reminded the Council of the hockey stick curve, with many projects completing in Q4. He noted that the programs are faced with economic uncertainties outside of the PAs' control, including:

- Access to capital is not the problem, taking on debt is.
- New construction has yet to rebound.
- Uncertainty causes customers to retain cash-strong balance sheets.

Gundal noted that consumer confidence in the economy numbers continue to decline, and that unemployment remains high statewide. He pointed out that manufacturing continues to decrease as an industry in MA, primarily in the Fall River and Western Mass areas. In Small C&I, Gundal noted, the economy has a greater impact both emotionally as well as financially on smaller customers. He pointed out that the restaurants/retail sector remains unreceptive to CFLs, but that LED and high performance T-8 products looking very promising. Oswald added that Yankee Candle is now 100% LED for their display lighting, and that this is what's coming down the pike.

Lyne noted that the Data Dashboard is a snapshot of program performance. He expressed the hope that it is helpful to Councilors. Schlegel presented a set of slides summarizing the dashboard results, year to date. Halfpenny asked if low income generally has a hockey stick curve? Oppenheim responded, yes, but that this year it seems to be largely a paperwork timing (reporting) issue. Schlegel noted that for electric compared to 2010 at mid-year there are more savings in 2011, but lagging in terms of percentage of savings to goal. Gantz explained that, in the current environment, residential customers tend to conserve energy, and business customers tend to conserve cash. Seidman observed the pretty dramatic hockey stick and asked how confident the PAs are about the 2011 goals? Gundal noted that NSTAR expects to be at 70-85% of goal with the current information they have. He reminded the Council that we're building an entire industry. Halfpenny noted that today is a good example of how much is going on (quarterly report, monthly report, MTMs, consultant MTM feedback, etc) and she congratulated everyone on their work.

IV. 2012 Mid-Term Modifications (MTMs), Council Review of Draft MTM Materials
 Halfpenny thanked the consultants for the tremendous amount of work they have been doing to analyze and report to the Council in preparation for today's meeting. She also thanked the PAs for their hard work. Schlegel presented a slide that explained the MTM schedule, and he noted the expectation that the EEAC will take action on the MTMs at the November meeting.

Lyne presented a set of slide on the 2012 MTM trends. His main points were:

- Statewide: very close to 3 year goals (98% on electric, 92% on gas)
- Savings achievement reflects very strong commitment in challenging economic environment
- On a statewide basis, no common program proposed to be terminated (combining Low Income SF & MF programs)
- PA proposals reflect circumstances of each PA, including changes to certain unique programs and pilots.

He noted that the PAs believe that the 2012 MTM development and review process has been enhanced by lessons learned from 2011. He noted that NGRID may be able to squeeze more savings out of the lighting program – we are very close to the savings goals. Halfpenny expressed appreciation, and asked why we can't get that last 2%?

Lyne noted that Low Income, RES and C&I metrics are very close to completion, and that we are in good shape on the performance incentive model. He said the PAs hope to get favorable EEAC support at the November meeting, and noted that there's a lot of work still to do. Halfpenny asked at what point will consultants see the final version of MTMs? Lyne said the PAs are working with the consulting team on a critical path analysis, to come up with an exact date that both PAs and consulting team are comfortable with.

Seidman noted that three of the smaller company's goals are down. Galligan, Walker, Gantz and Oswald responded with explanations relative to their particular utility territories. The main themes were: small changes in projects cause bigger changes, manufacturing base erosion, and recalibrating expectations. Halfpenny asked if we should be looking at resource allocation for the C&I market to help to support the C&I goal? Gundal responded that the PAs think they have enough Account Executives, but that it varies from PA to PA. Halfpenny expressed appreciation for the clarifications, and acknowledged NGRID and NSTAR for being in the positive on 3-year savings goals.

Halfpenny noted that it is the consultants' job to connect the dots in analyzing the PAs' MTMs. Schlegel presented some slides on consulting team feedback to the MTM documents. He asked, where savings goals have been reduced, are there other areas where we could make up savings? Halfpenny asked if the MF program design is working? White responded yes, and that it's ramping up. Gyurjan noted that most of the leads from the MF MMI end up being master metered, so go C&I.

Tench expressed that we understand your challenges, and that we as a Council are very interested in meeting goals. Galligan indicated that PAs want to look at ways to simplify and combine programs in next 3-year plan. Schlegel explained that the consultants are working to get the Council the benefits numbers. He noted that the 2012 snapshot shows -6% electric benefits (very preliminary), and that increasing the savings will increase the benefits. Schlegel reminded the Council that the report to the legislature says "\$6 billion in benefits", and he encouraged the PAs to get as close to \$6 billion as possible.

Schlegel presented two MTM summary charts, RES & C&I, and referenced the EEAC Consultant memo of October 10th for additional information on Performance Incentives and Metrics, EM&V, and TRM. Belliveau noted 90%+ agreement between the consultants and PAs on the EM&V plan, while working through a few things to take a forward look. He also noted 90%+ agreement on the TRM. Wingate said that it sounds like the PAs are dealing with the new reality, and that's encouraging. Halfpenny echoed Gundal's earlier comment that we're building an industry, and everything's evolving now.

The Council had a robust discussion on the issue of pre-weatherization. Tench expressed that ENE would really like to see this issue addressed, looking at both the DOER proposal and the HEAT Loan proposal. Halfpenny explained that pre-weatherization is something we've been hearing about for a long time, and noted that there is enough expertise for the PAs to figure out how to address pre-weatherization in 2012. Olsson

explained that, with the HEAT Loan approach, the PAs were taking more of a hands off approach. Livermore noted that there are two good proposals on the table and that they will both be discussed at tomorrow RMC meeting, with the goal of coming up with a comprehensive strategy for 2012.

V. Consultant Monthly Report (5 min)

Belliveau alerted the Council to the consultant monthly report, and noted the tremendous amount of back and forth communication between the consultants and the PAs over the past month.

Halfpenny expressed that Massachusetts is leading the country in energy efficiency programs, through policy and personal commitment. She noted the consumer benefits and reduced costs, as reminded the Council that we are so close to meeting the three year goals.

VI. Halfpenny adjourned the meeting at 5:00pm.