

MINUTES FOR THE MEETING OF THE ENERGY EFFICIENCY ADVISORY COUNCIL

A meeting of the Energy Efficiency Advisory Council (“EEAC”) was held in Boston, Massachusetts on November 24, 2009.

The following voting members were present:

Heather Clark, Danielle Rathbun, designee for Martha Coakley, Penn Loh, Frank Gorke, designee for Philip Giudice, Debra Hall, Charles Harak, Elliott Jacobson, Jeremy McDiarmid for Samuel Krasnow, Richard Mattila, Robert Rio.

The following non-voting members were present:

Derek Buchler representing Bay State Gas; Tina Haggerty, NSTAR Gas & Electric; Kevin Galligan, Cape Light Compact, a municipal aggregator; Kevin Penders, Esq. for Unitil; Paul Gromer, Energy Efficiency Businesses; Emmett Lyne, Esq. for both New England Gas and Berkshire Gas; and Michael McAteer, National Grid Electric & Gas Divisions.

Mr. Harak and Mr. Gromer arrived with the meeting in progress. Ms. Edmondson contacted the Council to inform the members that she was ill and could not attend. Mr. Rio called to say that he had a conflicting commitment and would be fairly late. Mr. Rio arrived at 4:05 pm. Mr. Gorke commenced the meeting at 2:10 pm and gave a brief update of the EEIP review process begun at the DPU. Gorke stated that he would shuffle some of the more pressing agenda items around so that Mr. Rio could participate in those discussions. Consequently, he skipped to the fourth agenda item concerning the discussion of an Equity Committee. Gorke then turned the meeting over to Mr. Loh to present the councilors with a proposal about establishing an EEAC Equity Committee. Mr. Loh then led a discussion expressing his desire to create a committee with both voting and non-voting members’ participating wherein the committee’s work would then be taken to the full Council for any recommendations that may be made or votes that might be required consistent with 4.02 of the Council’s by-laws. The principal focus of the committee would be to consider issues surrounding community mobilization and job access, particularly with regard to lower income and working class communities and communities of color. He saw it as a task of this proposed committee to track data to monitor equity concerns as regards the implementation of the 3-Year Plans. Danielle Rathbun received assurances that any documents produced from the committee’s work would then be available on the EEAC’s website pursuant to Open Meeting Law norms. Mr. Gorke acknowledged the presentation as helpful and confirmed that there was a sense of the Council that the proposed committee be established and then announced its creation.

Mr. Gorke then welcomed a discussion of agenda item #7 pertaining to Residential Programs. Paul Horowitz, one of the Council’s consultants, led a broad conversation about these programs touching upon critical implementation issues that would affect program success. Mr. Horowitz narrated a PowerPoint presentation of several minutes’ duration. Charles Harak questioned Horowitz about the marketing of rebates, generally, and about Solid State Lighting and LED products, more specifically. Mr. Harak inquired further about the likelihood of future state statutes and regulations expanding coverage of Massachusetts appliance efficiency standards to encompass additional products. Mr. Gorke responded by noting that televisions and other

appliances were under Administration consideration and that the DOER and EEA staff were currently looking at the possibility of filing future legislation to add to the list of covered products. The discussion then led to a review of the RCS/MassSave program, the chief delivery vehicle for many residential efficiency retrofit measures. The focus on RCS going forward is to go deeper with the program to elicit greater energy savings with each visit. The eventual goal is to get to Net Zero energy use in homes. There was a colloquy by the Council as to what mix of measures will work to get customer to install the more comprehensive efficiency measures. The conversation then turned briefly to one addressing the unequal relationship between Lead Vendors and Self Contractors in performing full installations and what might be done to increase the universe of contractors. Horowitz and Gorke, alternatively, led general discussions concerning the following aspects of Residential EE Programs: the new construction program, the revamped and expanded Multi-Family New Construction program, the Multi-Family Retrofit program the OPower Pilot Program proposed jointly by NSTAR & National Grid where residential customers will be allowed to compare their electricity usage against the average usage of their neighbors. The Council was apprised of a medley of residential programs, including the Residential Managers Working Group, the Low-Income 1-4 and Multi-Family programs, residential metrics for 2010, residential/low-income evaluation activities foreseen for 2010. Mr. Horowitz ended his presentation of residential sector activities at approximately 2:50 pm with the conclusion, echoed by Mr. Gorke, that there was “lots going on”.

Continuing to take up enumerated agenda items out of order, Frank Gorke then opened a discussion of the Council Work Plan and priorities for 2010/Schedule and Next Steps. He also expressed a desire to take up consideration of the EEAC Consultant Contract at the December meeting. Heather Clark said that she wanted to see the Council re-direct its attention to some of the details of programs once implementation of the 3-Year Plans has begun. She underscored the need for the Members to get beyond a passing familiarity of Program Descriptions in the EEIPs. Discussion of Council Work Plan tasks then prompted Mr. Harak to return to an earlier discussion concerning treatment of community mobilization efforts in 2010 and the challenges to expanding the pool of eligible/available contractors. Harak wanted a report back to the Council on these initiatives. He cited the identification of lead vendors and subcontractors, contractor terms and prospective scopes of service as items that Council should be examining. Mr. Harak also stated that he wanted this information to be compiled with respect to each PA's set of vendors.

Sensing general support of the members in various conversations, Mr. Gorke proposed December 15 as a preferable date for the next meeting of the Council in substitution for December 8th, as presently set. There was support. He had earlier directed DOER staff to make inquiries regarding room availabilities. Mr. Venezia reported back that the room in which the Council was currently meeting was available and reserved if the Council chose to shift its meeting date. Mr. Venezia was asked to file the appropriate notices pursuant to Open Meeting Law requirements. Gorke then addressed the possibility of making each second Tuesday of the month, the sole monthly meeting date of the Council starting in January 2010. There was brief discussion followed by Mr. Gorke's confirmation that the Council would return to its earlier schedule of once-monthly meetings held on the second Tuesday of each month.

Mr. Gorke then turned to the resumption of the Council's ad hoc Budget Committee for the purpose of reviewing the Optimal consultancy contract. The committee would make recommendations to the full Council. The Voting Members representing the Attorney General, the DOER and the Environmental Community comprise the Budget Committee.

Mr. Horowitz then gave a short slide presentation providing the full Council with an overview of the Optimal Consulting Group's previous year's work. He showed an itemization of tasks performed by Optimal by consultant grouping as well as the hours tabulated by consultants according to broad issue categories. Mr. Gorke summed up the presentation with a reminder that the Council looked to fully discuss and potentially, to authorize continued work by the Consultants at the December meeting, now tentatively set for December 15th.

This engendered further discussion about the current status of the Consultant contract and the recognized need for them to continue work while expenditure and contract amendment issues were being addressed by the DOER. Rick Mattila made a motion to authorize continued work by the consultants through December 15. Debra Hall seconded the motion. There was additional discussion. The Voting Members gave unanimous approval. The Resolution read as follows:

“Be it Resolved

That the EEAC approves consultant expenditures under the direction of the DOER and consistent with EEAC priorities through its next meeting on December 15th; provided that such interim work shall also be consistent with the expectations of the council's budget committee.”

The Council took a 10 minute break at approximately 3:35 pm and then resumed to hear a discussion regarding Performance Incentives, led by Jeff Schlegel, a Council consultant.

Mr. Schlegel stated that the consultants recommended a consideration of a Resolution that would address the PI model and the specific metrics required. His expectation was that this Resolution could be presented to the Council at the December 15 meeting. He shared the view of Emmett Lyne, counsel for the PA s working collectively, that it would help to narrow a number of issues before the Department of Public Utilities as concerns the DPU's administrative review and approval pursuant to the Green Communities Act. General clarification and narrowing of issues between the consultants and the PA s and further progress particularly with respect to comparative gas costs between PA s would significantly advance the prospects of a consensus Resolution and, in turn, provide greater guidance to the DPU during its deliberations on the individual Three-Year Energy Efficiency Investment Plans (EEIPs). Mr. Rio arrived at 4:05 pm during this discussion.

Kevin Galligan then gave a presentation regarding the planned Marketing and Public Education Campaign. His briefing to the Council prompted 15 minutes of questions and answers principally directed at Susan Kaplan of DOER and Margaret Song of Cape Light Compact regarding web-site development in advance of the statewide marketing effort. A statewide marketing RFP is “in process” that will propel the marketing and education of consumers so that the statewide EEIP goals are achieved. The issuance of the solicitation is expected to occur in December 2009. Mr. Schlegel gave some consultant feedback to this solicitation effort by calling for additional attitudinal and motivational research to be done to ascertain how to better

reach the desired customers. He also stressed the importance of creating a program delivery platform that is changeable and one that can combine gas and electric measures in a seamless fashion. He cited the OPower Pilot program as one envisioned to produce much needed data to advance knowledge of customer segmentation so that marketing efforts can be more successfully targeted at specific segments to elicit desired results.

Mr. Schlegel then gave a 5 minute presentation of Three-Year Plan Highlights in a list of Talking Points along the lines originally suggested by Mr. Rio at an earlier meeting. At the conclusion, he asked the Members to get their comments and questions to him as quickly as possible with respect to the Talking Points.

At approximately 4:58, Ms. Rathbun asked that after the meeting, two earlier PowerPoint presentations be electronically sent to all Council Members for closer review. Mike Sherman of the DOER then apprised the full Council that the next meeting of the On-bill Repayment Working Group would convene its next meeting on Wednesday, December 16, 2009 at 10:00 am until 12 Noon at the offices of the Conservation Law Foundation at 62 Summer Street in Boston, Massachusetts.

Mr. Gorke then opened the meeting to Public Comment. Paul Johnson rose and stated that the statewide marketing campaign must emphasize dollar savings to customers in its outreach. He stated that his experience showed that customers never ask how much kWh of energy they will save. He asserted that customers are not interested in energy efficiency per se but rather monetary savings in their family budgets. He cautioned those persons tasked with the marketing RFP to keep this in mind before awarding the contract. There was no additional public commentary.

Mr. Gorke adjourned the meeting at approximately 5:10 pm.