

Massachusetts Energy Efficiency Advisory Council
Meeting Minutes (DRAFT)
Tuesday, November 8, 2011

Councilors Present:

Voting	Present (designee)	Non-Voting	Present (designee)
James Colman	Nancy Seidman	Derek Buchler	X
Martha Coakley	Danielle Rathbun	James Carey	Trish Walker
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, Katie O'Rourke, Sue Kaplan, Lyn Huckabee
Consultants: Jeff Schlegel, Eric Belliveau, Paul Horowitz, John Livermore

I. Public Comment

Halfpenny convened the meeting at 2:09pm. Two representatives from the Cape Light Compact board spoke requesting Council support of CLC's MTM filing.

II. Executive Session

Halfpenny led an executive session of the Council, during which time the consultants were asked to leave the room.

III. General Updates

Halfpenny provided a series of updates for the Council. She reported that Massachusetts has just been named #1 in the country on the ACEEE State Scorecard. She noted that MA has the right policies in place (GCA, GWSA) and effective implementation of those policies. She emphasized that this is a big accomplishment, and a round of applause ensued.

Halfpenny reported that the EEAC Executive Committee met last week and talked about MTMs, planning for the 3-year plans, and the consultant RFR. She noted that the vote on consultant selection would not happen during the meeting, and would be postponed. She noted that committee meeting minutes are available on the Council website.

Halfpenny commented on the Proposal for Council Funding of Market and Economic Analysis. She explained that the MA PAs are doing a market characterization study, and that the Council has proposed to do a forecast through 2015, with a focus on the

commercial sector, identifying trends in growth industries. She noted that there would be a survey component of the study to get baseline information. Halfpenny explained that the Executive Committee has agreed to do this and will issue an RFP for the services, to be ready by next week. She noted that the Executive Committee will come back to the Council to vote on funding approval.

Halfpenny informed the Councilors of the Green Communities Act Oversight Hearing on November 9. She noted that stakeholders can come and testify to the legislature on their experiences with the GCA. DOER has a very good story to tell.

Venezia updated the Council on the DPU Proceeding status of the 2011 Mid-Term Modifications (MTMs). He noted that he is cautiously optimistic awaiting a formal DPU decision.

Halfpenny gave an update on Avoided Costs and Avoided Carbon Compliance Costs. She noted that DOER is working to hire a facilitator who is not involved in the EE programs. She explained that the working group will convene once the facilitator is hired.

Commissioner Silvia spoke briefly about accompanying Governor Patrick to Washington DC to accept the ACEEE award. Secretary Sullivan then gave a brief statement thanking the Council for all of the work they've done over the past several years. He noted that the success rests on the shoulders of all of those present. He noted that the Council's work is starting to make a big difference, and asked everyone to keep up the great work.

IV. 2012 Mid-Term Modifications (MTMs), Council Review of PA-Proposed MTMs
Halfpenny reported that a draft resolution has been circulated for review. Schlegel explained that the Council's consultants have been working with the PAs on outstanding MTM issues. He noted that the PAs are seeking Council support and approval of the 2012 MTMs, and some action by the Council. He explained that, assuming the Council approves a resolution; it will go to the DPU and become part of the process.

Lyne thanked everyone for the huge amount of work on the MTMs. He noted that each PA will give the highlights of their MTM filing, and that the key themes are: 1) a good story to tell on savings (99% and 95% of goal for electric and gas respectively), 2) applied EM&V results and in-the-field lessons learned, 3) consolidation of Low Income retrofit programs, and 4) statewide costs are lower than planned.

Shea gave the NSTAR report, noting that their electric savings are 2% higher than the filed 2012 goal and 1.4% higher over the 3-year period. She noted that benefits increase 7% over 3-year period. Shea indicated that gas savings have been more challenging, with 2.7% lower savings and a 15% benefits decrease over 3-years. Proposed savings for 2012 increase 0.5%.

White gave a brief NGRID report, noting increased electric savings while decreasing budgets. Proposed savings, she noted, are 2.4% higher than 2012 goal and 1.4% higher

over 3 years. She reported decreased gas savings, due to evaluation study results, and a 14% decrease in benefits, due primarily to evaluation results and less avoided costs.

Halfpenny recognized and thanked NSTAR and NGRID for increasing their electric savings goals for 2012. White explained that they listened carefully to the input from the consultant team, which led to an increase in proposed goals.

Palma spoke briefly about Unitil's MTM filing.

Galligan gave a brief CLC update, noting an increase in residential lighting savings goals for 2012, and a savings increase in C&I new construction from the new upstream lighting efforts that now include LEDs. Halfpenny noted that the multifamily program design is new, and asked why the savings targets seem to be reduced across all PAs. Buchler said the PAs are seeing owners not investing in more expensive MF retrofits. Halfpenny asked the PAs to take a closer look.

Oswald updated the Council on WMECO's MTM, noting a benefits increase of 7.3% over 3 years, and reduced savings mainly due to EM&V impacts. He noted that Efficiency 2.0 is moving from a pilot to a program.

Walker spoke about New England Gas and showed an unemployment rate comparison, Fall River vs. MA, to help illustrate the extraordinary circumstances that the Fall River region is experiencing.

Sommer gave the Berkshire Gas report, noting a 15% savings reduction in 2012 goals, and a decrease in benefits of 22%, and 19% over three years. He reported that there were some positive NEIs but not enough to overcome other savings reductions from evaluation study results. Sommer noted Berkshire Gas has a lot of seasonal customer, and also that gas prices are currently low.

Buchler spoke on behalf of Columbia Gas, noting their expectation to deliver 92.4% of the original 3-year plan savings. The savings reductions were, he said, due in large part to lack of new construction activity, and the benefits reduction of 17% at the portfolio level mostly from C&I programs. Halfpenny asked if there are still a lot of oil customers? Buchler said yes, but that they are not on the gas pipeline. Conner noted that NSTAR is doing a pilot on extending gas mains, since it is clearly a barrier, and encouraged the state to address this at a policy level.

Lyne concluded the PA presentation and reported that the PAs got some good ideas from the EEAC Consultant team.

Schlegel noted that the Consultant report and the draft MTM resolution were distributed prior to the meeting. He explained that the Consultants tried to provide a cross-walk for the Councilors; a statewide sum up. Schlegel reported that MA is on track to achieve \$6 billion in benefits - a huge accomplishment, and a feather in the cap of the Council and the PAs. Harak noted that this is equivalent to a big power plant. Schlegel presented a

chart showing how PAs stepped up to reduce the savings gap. A discussion ensued as to whether all the PAs are carrying their weight (savings proportional to # of customers). Schlegel presented further analysis and charts showing benefits, savings, and budgets. He noted that the 3 main drivers of the differences across the PAs are: 1. Service territory characteristics, 2. Input factors and assumptions, and 3. Decisions each individual PA make regarding what to emphasize and how to implement the programs (Which programs, Measure mix, Budget allocation).

Schlegel indicated that, as outlined in the Consultant report, the Consultants encourage the Council to support the MTMs and the resolution. A discussion ensued on the resolution. Venezia confirmed that the Consultant report should be submitted along with Council resolution. Gromer proposed a simple direct statement for a resolution: 1. DPU process is broken, 2. PAs' time is finite, and 3. This body owes it to itself to make a clear up or down recommendation. Halfpenny noted the extensive thought that has gone into drafting the resolution, and proposed the possibility of not listing out all the things that still need to be worked out. Schlegel explained that we wanted to make sure the positive things were also communicated in the resolution. He further clarified that the resolution is the vehicle with which the Council communicates with the DPU – in fact, 75% of the resolution is communication between Council and DPU. Halfpenny noted appreciation for Gromer's idea and expressed her sense that it would be best to review and vote on the resolution as drafted, and then work toward additional efficiencies. Gromer agreed, let's do it now.

White indicated support for more direct language encouraging DPU to adopt the MTMs. Harak suggested added language: "We encourage the DPU to act expeditiously on these filings." Language was added to resolution.

McDiarmid motioned to adopt amendments to resolution. Rio seconded.
All voted in favor, expect AG who abstained

McDiarmid motioned to adopt resolution as amended. Rio seconded.
All voted in favor, expect AG who abstained.

Seidman asked Lyne to check the emission figures in the MTMs.

V. 2011 Reporting and Status Updates

Schlegel presented a couple of summary slides (savings charts) on the PAs' Q3 Quarterly Reports, Part 2 (Quantitative). Halfpenny asked if the Council could get an update at the December meeting. Lyne indicated in the affirmative, saying that the PAs would also present the data dashboard.

VI. Consultant Monthly Report

The Consultants' monthly report was included in each of the Councilor's packet.

VII. Halfpenny thanked everyone and moved to adjourn the meeting at 4:37pm.