

Massachusetts Energy Efficiency Advisory Council
Meeting Minutes (DRAFT)
Tuesday, October 19, 2010

Councilors Present:

Voting	Present (designee)	Non-Voting	Present (designee)
James Colman	X	Derek Buchler	X
Martha Coakley	Danielle Rathbun	James Carey	X
Penn Loh	X	Penni Conner	Tilak S.
Lucy Edmondson	X	Alisha Frazee	
Philip Guidice	Frank Gorke	Kevin Galligan	X
Debra Hall	X	George Gantz	X
Charles Harak		John Ghiloni	
Elliot Jacobson	X	Paul Gromer	X
Jeremy McDiarmid	X	Andrew Newman	
Rick Mattila	X	Richard Oswald	X
Robert Rio	X	Michael Sommer	X
		Carol White	X

DOER: Steven Venezia

Consultants: Paul Horowitz, Jeff Schlegel, John Livermore

Present:

Paul Tammaro	Kerry Britland	Frank Gundal
Loie Hayes	Josh Craft	Birud Jhaveri
Jenn Kallay	Briana Kane	Sue Kaplan
Lyn Huckabee	Jeff Leupold	Darlene Lombos
Erin Malone	Michael McAteer	Danah Tench
Jeremy Newberger	Sam Nutter	Charlie Olsson
Meera Rehnolds	Lisa Shea	Monica Cohen
Trish Walker	Tom Franks	Staci Rubin
Alex Papali	Micaelah Marill	Christine Clarke
Marie Harb		

I. Introduction

Gorke convened the meeting at 2:05pm. He indicated that the meeting would lead off with public comments and that comments would be limited to 2 minutes per person. He said that most of the meeting will be devoted to focusing on the MTM proposals.

II. Public Comments

Several members of the public make comments, including: Isabel Lopez (MA Coalition for Occupation Safety and Health), Christina Jones (Coalition Against Poverty), Carey Ann Richard (Coop Power), Alex Patali (Clean Water Action), and Jeremy Shank (GJC).

III. 2011 Mid-Term Modifications - Introduction

Gorke indicated that ACEEE has ranked Massachusetts #2 of 50 states for energy efficiency programs. He said there was a lot to be proud of but a lot more that needed to get done, and that he did not expect that action would be taken on any resolutions at the meeting. He noted that everyone ought to be proud of the 2009 annual report results, and emphasized that it was very important for the PAs to stick to the plans. Gorke said that the electric savings goals are at 99% of plan for 2011, and gas goals are at 96% of plan. He noted the important progress that has been made on financing, with key leaders having spent a lot of time working with the MA Bankers Association and others. Gorke indicated that, while there are still some areas of disagreement (PI, Metrics, Threshold for changes in DPU plans), there have been some productive conversations to date. He emphasized that the goal was to be ready to take action on the MTMs at the next Council meeting.

Schlegel asked the Council to consider whether the DPU guidelines are the appropriate thresholds for issues the Council, and noted that the Consultants propose that the Council may want to have additional guidelines beyond the DPU (20%) threshold. He asked the Council to clarify EEAC criteria for what/when materials are reviewed, at a future meeting. Today, he said, there is good news, there are data yet to be coming, and resolutions to come in November.

Lyne introduced the PAs' four comment themes: EM&V, HEHE, Low-Income MF, Financing & Funding. He thanked DOER, consultants, and others - a lot of work went into this. He indicated that a common template was used to make review easier, and acknowledged that there is a lot of material to digest. Lyne said the big headlines are that the electric PAs are at 99% of savings goal for 2011, and the gas PAs are at 96%, with the PAs very committed to implementing the plans as originally filed for year two. A councilor asked if Council will have a chance to review materials after the Oct 29th deadline, with Gorke responding that the Council would be able to take action in November that we hoped the DPU would take into consideration. DPU has not yet announced a calendar.

Shea gave an update on the common EM&V proposal, and noted that there are 39 studies in 6 research areas, with another 36 studies planned for 2011 and 2012. She noted the good cooperation among all electric and gas PAs.

Buchler gave an update on Residential Heating and Water Heating (HEHE), and noted that the recent evaluation study results showed high free-ridership numbers, over 60% for some measures. He explained that this significantly reduces the ability of PAs to claim savings in 2011, even through the participants are still realizing savings. Buchler noted that the program will explore a "hard-to-reach" component in 2011, and that this is in discussion. Loh expressed interest in this component; Buchler responded that there are not many specifics yet.

Halfpenny gave an update on the Low-Income Multifamily program, and noted that 2010 was the first year of the program, with outstanding participation. She indicated that LEAN has told the PAs that more funding is needed, as the current project pipeline is up

to 3 years. Halfpenny noted that the greatest need is heating systems, which tend to be very large and very expensive. She said the PAs recognize this gap in the market that needs to be addressed, and they have increased budgets to treat buildings more comprehensively, looking at high use buildings first. She noted that the PAs have proposed increases in gas budgets to ensure whole building enhancements. Jacobson said that this will help for the next few months, and a more long-term solution needed to be developed.

Subrahmanian gave an update on outside funding, and noted that a big piece of the \$60 million had not yet materialized. He explained that the PAs have expanded loans to new segments – Residential and C&I – and leveraged local banks and lending institution for capital, expertise and customer relationships. He thanked Bob Rio for the PA introduction to the MA Bankers Association reps, and reviewed the principles of the discussed products: 1) Accessible, 2) Streamlined, 3) Flexibility. He noted that the HEAT Loan is, in conjunction with program incentives, now being expanded to Landlords/Investment property, with PAs buying down interest rates to 0%. He said that the PAs are working toward a common application form, with a turnaround time of 24-48 hours. Several Councilors and Gorke commented on the great work and important progress made on financing by the PAs.

IV. 2011 Mid-Term Modifications – PA Proposals

Schlegel explained a 20% variance over 3-years (savings, budgets) triggers MTM filing in the PAs interpretation, and if there is a 20% variance in 1-year, the PAs interpretation is that they will notify the Council and DPU but not file formal proposals for DPU approval. He noted the importance for the Council to clarify what they want to see going forward (e.g. Council see reductions in savings goals that are less than 20%), and said that this could be clarified after the November meeting. Schlegel noted that it may be reasonable for the Council to have different guidelines than the DPU. Gorke noted the importance of finding the right balance point between micro-managing and looking at the big items.

Each PA gave a very brief overview of their company's proposed mid-term modifications. Gorke thanked the PAs on behalf of DOER and noted that the consultants will soon start their conversation with the PAs to go over questions in preparation for the Oct 29th deadline and the November Council meeting.

V. TRM Update

Horowitz explained that the TRM document has been in the works for some time, and is intended to capture the calculations that go into deriving prescriptive measure savings. He noted that the Consultant team, with PA input, worked on developing a draft, and that the draft was delivered to the PAs in early August. Horowitz said that the Consultants need to receive the 'final' draft of the TRM so they can start their final review. Newberger noted that a final draft would be circulated on Friday, and will be ready on Oct 29th for the filing. He said the PAs need to plug in MTM numbers. Gorke noted that the TRM had been a colossal effort, that a lot of good work had been accomplished, and anticipated that it would be completed soon.

After some discussion, it was decided to move the November Council meeting back a week, to November 15th, to allow more time for review and preparation of materials prior to meeting.

Loh noted that the Council's concerns may extend beyond those of the DPU and suggested that it would be good to have an overall Council statement indicating that the PAs have all worked hard, but we still have a ways to go. He noted several priorities for 2011: to look at the data reporting issue; to establish a requirement that the PAs report to the Council on data that exist in Census block groups; and to think about ways to move forward on some of the 'hard-to-reach' items. White responded that all of the PAs want to understand if they are missing any market segments, but that reporting may not be the answer. She suggested thinking about alternative strategies to get a better understanding of the situation.

Hall expressed thanks for the millions of dollars added to the Multi-family low-income program, which will provide funding to address buildings and measures that were previously falling through the cracks.

VI. Discussion of Proposed Council Resolutions on Mid-Term Modifications
Tabled until November meeting.

VII. Consultant team report and expenditure report
In the Councilors' packages for review.

VIII. Gorke commented that it looked as if 2010 has been successful year, and he expressed appreciation for all the efforts folks have put in on the MTMs. He adjourned the meeting at 5:04pm.