



MEETING MINUTES

Tuesday, July 14, 2015

100 Cambridge St, 2nd Floor
Conference Rooms C and D
Boston, MA 02114

Councilors Present: Donald Boecke, Amy Boyd, Cindy Carroll, Larry Chretien, Monica Cohen (for Elizabeth Cellucci), Fran Cummings (for Paul Gromer), Maggie Downey, Betsy Glynn, Robert Gyurjan (for Michael Sommer), Charles Harak, Elliott Jacobson, Paul Johnson, Judith Judson, Joseph LaRusso (for Brad Swing), Richard Malmstrom, Deirdre Manning, Nancy Seidman, Tilak Subrahmanian, Trish Walker, Carol White, Eric Winkler

Councilors Absent: Michael Ferrante, Michael McDonagh, Alana Murphy, Andrew Newman, Robert Rio

Consultants Present: Eric Belliveau, Jeff Schlegel, Margie Lynch, Craig Johnson

DOER Staff Present: Ian Finlayson, Lyn Huckabee, Susan Kaplan, Maggie McCarey, Alex Pollard, Steve Venezia

Others Present: Marie Abdou, JoAnn Bodemer, Melanie Coen, Harrison Grubbs, Riley Hastings, Chris Long, Lourdes Lopez, Steve Menges, Cara Mottola, Matthew Nelson, Laurie Pereira, Ellen Pfeffer, Lisa Shea, Amy Vavak, Tabitha Vigliotti

1. Call to Order

Judson called the meeting to order at 1:10 PM.

Winkler asked for time to discuss something with the Council. Seidman suggested more time be allocated to discussion on the key drivers analysis.

2. Public Comment

No public comment was received.

3. General Updates

Commercial & Industrial Workshop Meeting Summary – June 9, 2015

The meeting summary was amended from the version previously presented at the June 29 EEAC meeting per discussion at that meeting. Boyd motioned to approve the meeting summary as amended. Seidman seconded. All were in favor, with no opposed. Glynn and Harak abstained. The meeting summary was approved as amended, by the Council.

EEAC Meeting Minutes – June 29, 2015

Glynn motioned to approve the minutes as submitted. Boyd seconded. All were in favor, with no opposed. Boecke, Harak, and LaRusso abstained. The minutes were approved as submitted, by the Council.

4. Mid-Term Modifications

Eversource Electric, Liberty Utilities, and Unitil Electric

Request for Mid-Term Modifications (MTMs) were made by Eversource Electric, Liberty Utilities, and Unitil Electric. Lisa Shea (Eversource) noted that their MTM was for an increase in the residential products program budget. Trish Walker (Liberty Utilities) noted that their MTM was for an increase in the residential whole house program budget. Carroll (Unitil Electric) noted that their MTM was for an increase in the commercial and industrial (C&I) new construction program budget. Shea, Walker, and Carroll all indicated that their requests for increased program budgets were driven by the need to meet customer demand.

Schlegel noted that the consultant team (C-Team) reviewed the three MTMs and recommended that the council approve the resolution concerning them. He noted that the resolution supports each of the MTM requests.

Harak motioned to approve the resolution regarding the proposed MTMs of Eversource Electric, Liberty Utilities, and Unitil Electric. Malmstrom seconded. All were in favor, with no opposed. LaRusso abstained. The resolution was approved by the Council.

National Grid Gas

A request for seven MTMs was also made by National Grid Gas. White (National Grid) noted that three of the MTMs were seeking support from the Council and would need to be approved by the Department of Public Utilities (DPU), while the other four were seeking support from the Council and would not need to be approved by the DPU. The three MTMs that require DPU approval are for an increase in the budget to the residential whole house program, an increase in budget to the residential products program, and a decrease in budget to the C&I retrofit program. The four MTMs that do not require DPU approval are for an increase in the low-income whole house program, a notice to the EEAC regarding an under-expenditure in the residential and low-income hard-to-measure programs, and a notice to the EEAC regard an over-expenditure in the C&I hard-to-measure program.

Schlegel noted that the C-Team reviewed the MTMs and recommended the council approve the resolution concerning them. Schlegel noted that the resolution supports each of the MTM requests, excluding the C&I retrofit MTM. He noted that the recommendation for this MTM is for the Council to take notice of it and not oppose it, but also decline to support it.

Jacobson motioned to approve the resolution. Harak seconded. All were in favor, with no opposed or abstaining. The resolution was approved by the Council.

5. Data Dashboard

Melanie Cohen and Steve Menges (National Grid) presented on the PAs recent performance. For electric and gas, they highlighted year-to-date and three-year plan accomplishments as a percentage of the plan by sector and for participants, spending, capacity savings, annual energy savings, and lifetime energy savings. They also presented and compared 2015 progress year-to-date to progress made by this time last year.

Judson noted that the fact that the PAs are ahead of where they were at this time last year is great news considering that they exceeded goals in 2014.

Seidman noted that the PAs are at about 60% of the commercial and industrial (C&I) goal and had suggested that they were on track to meet the goal. Matthew Nelson clarified that they expect to fall short on the C&I sector goal, but that they are on track to meet the portfolio goal.

6. Key Drivers

Belliveau updated the Council on the key drivers analysis. He explained that it is an ongoing process and that he wanted to talk about progress that has been made so far. He noted that the savings side of the analysis was wrapping up and that they were starting to work on the costs side of the analysis. In the update, Belliveau noted that he did not believe that the analysis would close the savings gap between the consultant team's (C-Team) recommendations and the PA's proposed plan.

Judson noted that she appreciated that the C-Team updated their numbers based on year-end 2014 results and asked the PAs if they had made any adjustment to their numbers in light of updated results for 2014. White indicated that the PAs had not made adjustments yet but that they have identified areas where they expect to increase savings and decrease costs. White also wanted others to keep in mind that past performance is not necessarily an indicator of future potential.

Walker noted that four of the PAs submitted potential studies. Belliveau noted that the C-Team and PAs have had some disagreement with respect to those. Boyd asked the C-Team if their updated numbers are indication of their recommendation being strengthened. Belliveau confirmed this. Johnson expressed disappointment in the progress that has been made and indicated that it would be helpful to see more granular data so that the Council can understand why there is a difference. Winkler added that the C-Team should be more transparent with their assumptions if the Council is to follow their recommendations. Harak added that it might be

helpful if the C-Team picked five of the key differences and discussed them in a little more detail. Chretien noted that the difference between the C-Team and the PAs is concerning, especially as the gap has grown. Winkler noted that this is something the Council should be concerned about. Judson indicated that her high-level concern is that the PAs exceeded goals in 2014 and so far in 2015 and yet they are projecting decreasing savings through the next three years. Winkler indicated that from the grid perspective there is a reality in the line of savings leveling off.

Boyd asked what the timeline is for the cost portion of the key drivers analysis and noted that it would be good to see if completed before the August meeting. Belliveau indicated that that was their intent. Winkler noted that from a process standpoint, posting documents the night before a Council meeting is not practical for most Councilors and that everyone should make their best effort to get materials out earlier.

The Council adjourned for a break from 2:44 to 2:57 PM.

7. Resolution

Judson noted that they received several comments and edits from Councilors and that they did their best to incorporate them in a track changes draft of the resolution. She indicated that individual versions of Councilors comments and edits were posted to the website. Judson also noted that the goal would be to have the final draft of the resolution posted to the website by July 17th so that the Council could vote on it at the following meeting on July 21st. Finlayson reiterated his appreciation to the members of the executive committee (ExCom) who put this together.

Boyd started by proposing that in light of the C-Teams strengthened recommendation, the resolution should update the numbers in the third bullet point on the second page and pull it out to call attention to it specifically. Several Councilors, including Glynn, Johnson, Chretien, and Boecke, indicated that they supported this idea.

White indicated concern about locking in on numbers that are based on opinions and that she would encourage the Council to think about how strongly they want to provide support for those specific values. Carroll seconded this. Lyne also agreed with this point and noted that the PAs preferred the earlier draft that did not call out specific budgets or savings goals.

Seidman suggested that the language could be amended to indicate that the numbers included in the resolution are the Council's view as of this date, and that it could be updated should new numbers become available. Judson noted that this resolution is a reflection of where the Council stands as of the PAs first draft of the Plan and does not reflect final numbers. Boecke noted that resolution is simply giving feedback to the PAs as to where the Council thinks they should be in their final draft of the Plan. Malmstrom added that it has been clear that the PAs and C-Team have been working collaboratively and that this is just a step in the process of getting to the final draft of the Plan.

Downey referenced the small PAs potential study and expressed concern that the small PAs may or may not be able to comply with goals and savings. Gyurjan also expressed this concern and noted that what the resolution recommends is more than double what the small PAs study suggested is possible. Schlegel noted that the recommended targets are statewide and are not directed at specific PAs.

From a process standpoint, Lyne expressed concern that the comments submitted by the PAs were largely dismissed. Winkler added that it would be good to see some sort of justification as to why some comments were accepted while others were not.

After a lengthy discussion, the Council collectively amended the draft resolution by removing the third bullet on page two and called it out as its own paragraph following the first paragraph of section A.

Chretien motioned to approve the amendment. Malmstrom seconded. All were in favor, with no opposed or abstaining. The motion passed.

Finlayson proposed adjourning the meetings and to continue to work through comments and edits at the following meeting. Seidman recommended that there be a list of specific items that need to be addressed during that meeting so that reaching the final resolution will be done so efficiently. Malmstrom also encouraged everyone to keep in mind that as with any resolution, it will always have some language that not everyone will agree with.

8. Adjournment

Judson thanked everyone and adjourned the meeting at 4:32 PM.