



MEETING MINUTES

Wednesday, June 20, 2018
100 Cambridge St, 2nd Floor
Conference Rooms B & C
Boston, MA 02114

Councilors Present: Marie Abdou (for Jeremy Newberger), Cindy Arcate, Eric Beaton (for Chrystal Kornegay), Don Boecke (for Maura Healey), Amy Boyd, Cindy Carroll, Elizabeth Cellucci, Maggie Downey, Paul Gromer, Frank Gundal (for Tilak Subrahmanian), Charlie Harak, Elliott Jacobson, Paul Johnson, Judith Judson, Richard Malmstrom, Deirdre Manning, Laurie Pereira (for Trish Walker), Cammy Peterson (for Rebecca Davis), Bob Rio, Victoria Rojo, Mary Wambui, Sharon Weber (for Martin Suuberg)

Councilors Absent: Michael Ferrante, Michael McDonagh, Andrew Newman, Michael Sommer

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

DOER Staff Present: Rachel Evans, Ian Finlayson, Emily Powers, Maggie McCarey

1. Call to Order

Commissioner Judson, as Chair, called the meeting to order at 1:08 PM.

2. Public Comment

Khalida Smalls – Community Labor United

Smalls noted that a real effort was made ten years ago to work towards an agreement on how underserved communities could be better served. She added that it was sad to see that little progress had been made since then. Smalls noted that she felt like the PAs were not putting enough effort into reaching underserved communities and that she would like to see higher standards in the next plan. She concluded by recommending that concrete metrics in this area be developed and for them to be tied to the PA's performance incentive.

Maria Fortes – Coalition for Social Justice

Fortes began by speaking to the Council in two non-English languages and then asked if the Council understood what she had said. She used that demonstration to point out that the language barrier is a real issue with programs and their ability to reach non-English speaking populations. She recommended that the next plan have concrete metrics to address that issue and for those metrics to be tied to the PA's performance incentive.

Mariama White-Hammond – Bethel AME Church

White-Hammond began by noting that she was speaking on behalf of members of her community and congregation that did not realize they were paying into the programs. She indicated that she did not see any details in the draft plan that indicated that anything would be different from past plans. She added that it is crucial that underserved communities can take advantage of the programs. White-Hammond recommended that performance incentives be tied to metrics that drive better service in the underserved communities.

Steve Cowell – E4TheFuture

Cowell noted that there is a piece of legislation being considered that would expand the scope of what the PAs could do with the energy efficiency program money. He added that if it passed, he would be standing ready to work with the Council and the PAs to determine broader options that could be included in the plan.

Sofia Owen – Toxics Action Center

Owen noted that the Conservation Law Foundation has produced data that showed a correlation between income and access to the programs. She stressed that that needed to be addressed in the next plan. Owen also asked for concrete metrics, data transparency, and associated performance metrics to hold the PAs accountable.

Amy Laura Cahn – Conservation Law Foundation

Cahn began by saying that the next plan needs to make progress so that "hard to reach" customers are no longer considered as such. She added that more information is needed, including updates to the PA's potential studies, AESC, and EM&V studies. She suggested at the very least, a date for when that information would be available is necessary. She expressed concern that the draft plan did not do enough to give anyone confidence about the direction that the programs are going in.

3. Council Updates and Business

Commissioner Judson began by introducing Maggie McCarey as the new Energy Efficiency Division Director at DOER. Commissioner Judson also introduced and welcomed Cindy Arcate as the new non-profit representative on the Council. Finlayson reminded Councilors of the upcoming dedicated public comment meeting. Powers noted that all upcoming meetings were posted and up-to-date on the Council's website. Lastly, Commissioner Judson noted that approval of meeting minutes would be moved to the July Council meeting.

4. Key Driver Analysis Update

Belliveau, Lynch, and Schlegel of the consultant team (C-Team) gave an update to the Council on the ongoing key drivers process. Belliveau began by noting that no conclusions have been reached and that the presentation is aimed at updating the Council where the discussions are currently at. In their presentation, the C-Team began by reviewing the historical and projected electric and gas savings, including evaluated results, planned savings, the C-Team's assessment of potential, and the PA's draft plans for the periods of 2016-2018 and 2019-2021. The C-Team then noted that the key drivers process includes discussions on market trends and opportunities, a look at potential data, historical savings, example projects, and evaluation impacts, all in an effort to reconcile the gap in projected savings.

The C-Team then reviewed each of the key drivers which included commercial and industrial (C&I) lighting, C&I HVAC, C&I process, active demand management, residential retail lighting, combined heat and power (CHP), C&I and residential heat pumps, residential program realignment, small business, and low income. For each of these, the C-Team reviewed the high-level issue, how it was treated in the draft plan, and what is expected to come out of the process.

Council Discussion

Johnson asked if the PAs had an explanation for why they rolled programs like small business into the C&I program or multifamily into the home energy solutions (HES) program. Vavak indicated that the PAs heard from the Council that they wanted to focus more on weatherization and less on lighting as well as to improve on hard to reach customers. She added that programs were rolled up in an effort to respond to that request. Johnson disagreed that the Council suggested that idea. Schlegel indicated that the C-Team would recommend that the small business program remain separate and that they were unsure about multifamily. He added that they are open to having discussion about that.

Gromer asked what the C-Team meant by using innovative program design to minimize baseline erosion for C&I HVAC. Belliveau indicated that he would get back to Gromer on his question.

Harak asked what was meant by changes in realization rates impacting the analysis. Belliveau indicated that the realization rates were increase for some lighting technologies such as TLEDs but decreasing for others such as screw-in bulbs.

Arcate asked what the C-Team's assumptions were for assessing the potential of active demand management. Schlegel noted that they extrapolated the two PA potential studies on active demand management to the state-level. He added that they only assessed summer because that was the focus of those studies. Commissioner Judson added that the Council would like to see an active demand management plan for both summer and winter in the plan.

Weber asked if there was any possibility of receiving an updated version of the plan before the Council's resolution later in the summer. Schlegel indicated that the key drivers process would be wrapped up in July and that the C-Team would have a report for the Council at its July Council meeting. He added that the PAs would then consider revisions to the plan in August and would come back to the Council with some update in late August or early September. He noted that the update could be in the form of the full plan, or it could be updated tables or just direct responses to specific issues.

Abdou noted that in addition to the key drivers process, the PAs have working groups where they are discussions best practices across the PAs. She added that there is a significant amount of coordination and effort amongst and between the PAs.

Harak asked when the Council would receive categories of additional information that is needed for the Council's review. He asked if the C-Team could provide a date or dates when certain types of information would be needed in order to keep everything on track. Schlegel indicated that the C-Team could do that.

Boyd noted that the numbers in the residential realignment were based of the 2016-2018 plan and asked when the Council could expect an updated version that describes what the PAs are expecting to roll out. Vavak notes that they are busy working on the details of the realignment and that the PAs plan to transition the programs during the three year period. Boyd noted that she understood that the transition would be iterative and asked when the PAs would have a sense of when that transition would happen. Vavak indicated that the PAs are working hard to figure that piece out.

5. July Council Resolution

The C-Team led a discussion on Council priorities that could be included as part of its July resolution. In the discussion, the C-Team began by reviewing a set of nine priorities that the Council had previously had. For each of the priorities, the C-Team noted the Council's previous recommendation, whether and to what extent the recommendation was incorporated in the draft plan, and examples of key indicators that the Council could put forth in its July resolution. The sub-sections below capture the discussions that were had for each of the priorities.

Underserved Populations and Geographies

Harak noted that a recent market characterization study found that money was not a key barrier. He indicated that that did not seem accurate and that he found the language in that study to be too general. Harak also indicated that he would like to hear more about expanding the online assessment.

Boyd indicated that she felt it was important that this be the first recommendation, noting that its an issue that has been ongoing for several years. She added that without any indicators of what specific strategies the PAs will use to identify and serve traditionally underserved populations, the plan is unresponsive on the topic. Johnson agreed, noting that it will cost money to reach the population and that he needed to hear from the PAs what their ideas are for reaching them.

Arcate suggested that the plan represented a good opportunity to try dedicated channel partnerships. She added that working with a third party would help make greater in-roads to the underserved populations and that she would like to see specific targets for channel partnerships in the plan. Commissioner Judson agreed, noting that a customer who is struggling to pay their bills is more likely willing to talk to a third party than their utility.

Jacobson noted that LEAN has spent all of its budget over the years and that they serve upwards of 25,000 homes a year. He indicated that he believe they were getting into every neighborhood, but that was not to say that they have not missed people. He added that he did not like the tendency of saying that low-income folks are not being served.

Wambui noted that reaching the underserved populations would demand new thinking. She suggested that the PAs diversify their teams and consider having more minority and women in business contractors would help.

Active Demand Management

Malmstrom asked if the active demand management priority would include storage and load shifting. He added that he felt it was important that the PAs do a lot more than just active demand management. Schlegel indicated that storage was considered under active demand management.

Johnson indicated that there was no mention of new demonstration projects in the plan. He added that he though the previous set of demonstration projects left a lot to be desired and recommend that the resolution contain an indicator around adding new projects.

Fuel Switching

Harak recommended that oil to gas fuel switching should be allowed, noting that doing so can be particularly helpful for low-income customers by cutting their energy bills in half.

Zero Energy Ready Buildings and Passivehouse

Beaton noted that he had expected to see something in the plan for pilot projects. Vavak indicated that they have a number of pilot projects going through their current program and that they plan to look at those.

General Comments

The C-Team also presented on integrated residential program design, C&I sector savings measures, integrated multi-family framework, low-income programs, and data management, however no substantive discussion was had on those topics.

Johnson indicated that he looked forward to working with the PAs in addressing its priorities. Weber thanked the C-Team for their presentation and noted that she was pleased to see key indicators included for all the priorities.

Schlegel concluded by noting that the next area of focus after its July resolution would be on addressing the PA's performance incentive.

6. Mid-Term Modifications

National Grid Electric and Gas

Melanie Cohen presented National Grid's proposed mid-term modifications (MTMs) to their electric programs. Cohen reviewed three modifications for review and approval by the Council that would not require Department approval. These modifications included: (1) Notification of

underspend in the C&I New Construction program and a reallocation of the underspend to the C&I retrofit program, (2) Notification of underspend in the Low Income Hard-to-Measure (HTM) program, and (3) Notification of underspend in the C&I HTM program.

Cohen also presented National Grid's proposed MTMs to their gas programs. She reviewed four modifications for review and approval by the Council that would not require Department approval. These modifications included: (1) Notification of overspend in the C&I New Construction Program, (2) Notification of underspend in the Residential HTM program, (3) Notification of underspend in the Low Income HTM program, and (4) Notification of underspend in the C&I HTM program.

Wambui indicated that she was not surprised to see the underspend but expressed disappointment that the funds would not be utilized. Abdou indicated that they are required to notify when HTM programs are expected to underspend by 20% over the term. She added that HTM program budgets are small and that it is very easy to trigger the 20% threshold. Lastly, she noted that they are not slowing down on their efforts in those programs.

Schlegel recommend that the Council approve only the MTM requests for the C&I electric and gas New Construction programs and to defer the HTM programs to later in the year. Lyne indicated that National Grid was okay with that suggestion.

Harak motioned to approve National Grid's MTM for notification of underspend in the electric C&I New Construction program with a reallocation of underspent funds to the C&I Retrofit program. Rio seconded. All were in favor, with none opposed or abstaining. The motion passed.

Harak motioned to approve National Grid's MTM for notification of overspend in the gas C&I New Construction program. Boyd seconded. All were in favor, with none opposed or abstaining. The motion passed.

Commissioner Judson recommended that the Council not put forth any motions on National Grid's MTM requests for electric and gas HTR programs.

Liberty Utilities

Pereira presented Liberty Utilities' proposed MTM to their Residential Whole House program. She indicated that the MTM request was for a 32% budget increase for the program in the amount of \$1,341,791.

Lynch indicated that the C-Team would recommend approval of Liberty Utilities' MTM request.

Harak motioned to approve Liberty Utilities' MTM request for a 32% budget increase to their Residential Whole House program. Weber seconded. All were in favor, with none opposed or abstaining. The motion passed.

7. Adjournment

Commissioner Judson, as Chair, adjourned the meeting at 4:06 PM.