



MEETING MINUTES

Tuesday, June 21, 2016

1 Ashburton Place

Ashburton Cafe

Boston, MA 02108

Councilors Present: Toby Ast (for Betsy Glynn), Donald Boecke (for Maura Healey), Amy Boyd, Cindy Carroll, Elizabeth Cellucci, Larry Chretien, Maggie Downey, Paul Gromer, Frank Gundal (for Tilak Subrahmanian), Charles Harak, Elliott Jacobson, Judith Judson, Richard Malmstrom, Laurie Pereira (for Trish Walker), Robert Rio, Nancy Seidman (for Martin Suuberg), Michael Sommer, Brad Swing (for Austin Blackmon), Carol White, Eric Winkler

Councilors Absent: Michael Ferrante, Paul Johnson, Deirdre Manning, Michael McDonagh, Alana Murphy (for Chrystal Kornegay), Andrew Newman

Consultants Present: Eric Belliveau, Craig Johnson, Jeff Schlegel

DOER Staff Present: Ian Finlayson, Alex Pollard, Matt Rusteika, Arah Schuur, Steve Venezia

Others Present: Marie Abdou, Ryan Barry, JoAnn Bodemer, Austin Brandt, Jessica Buno, Brandy Chambers, Caroline Conti, Ben Crosby, Tracy Dyke-Redmond, Greg Geller, Eugenia Gibbons, Jonathan Goldberg, Michael Goldman, Lyn Huckabee, Jeff Leupold, Ezra McCarthy, Nelson Medeiros, Erik Mellen, Naomi Mermin, Cara Mottola, Matthew Nelson, Jerrold Oppenheim, Thomas Palma, Aimee Powelka, Lisa Shea, Wendy Todd, Christine Vaughn, Amy Vavak, Jayden Wilson

1. Informal Session – Demand Reduction Resources Introduction

Prior to the start of the full Council meeting, Jeff Schlegel gave attendees an introduction to demand resources, demand reductions, and demand response. As part of his presentation, Schlegel began by reviewing definitions and terminology and highlighting the focus of the Demand Savings Group. Schlegel went on to discuss why demand and peak demand is important, opportunities at the state- and system-levels, the multiple objectives that demand resources and demand reductions can help achieve, and new opportunities and how they can be leveraged by or layered on top of existing energy efficiency efforts.

2. Call to Order

Judson called the meeting to order at 1:40 PM.

3. Council Updates and Business

EEAC Meeting Minutes – May 25, 2016

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

Executive Committee Meeting Minutes – June 1, 2016

Boecke motioned to approve the minutes as submitted. Malmstrom seconded. All were in favor, with no opposed. Boyd abstained. The minutes were approved, as submitted, by the Executive Committee.

Demand Reduction Subcommittee Meeting Minutes – June 1, 2016

Winkler noted that the word “loans” in the second paragraph of item five should read “loads.” The minutes were amended to reflect this change of language.

Boecke motioned to approve the minutes as amended. Malmstrom seconded. All were in favor, with no opposed. Boyd abstained. The minutes were approved, as amended, by the Subcommittee.

4. Monthly Data Dashboard

Abdou presented the statewide data dashboard through the end of April 2016 on behalf of the PAs. The presentation included updates on the electric and gas year-to-day achievements as a percent of the annual plan; as a percent of the three-year plan goal; and in comparison to 2015 by month. She noted that in general residential is a little behind and commercial is a little ahead of where they usually are, but overall at the portfolio level they are where they expect to be.

Schuur asked why the residential participation numbers were high in comparison to savings achieved. Abdou noted that there is a lag between when participants in the behavior program are counted and when savings are achieved.

5. System-Level Market Perspective of Peak Demand Resources

Winkler gave the Council a presentation on the impacts of peak load reductions in the markets and on long-range planning. His presentation was broken up into three sections: a) installed capacity requirements and the forward capacity market (FCM); b) impacts of forecasts on long-range planning; and c) opportunities and challenges for peak demand reduction and on-going ISO efforts to integrate energy efficiency and demand response planning in markets.

a) Installed Capacity Requirements and the Forward Capacity Markets

In the first section, Winkler gave an overview of the FCM, highlighted the objectives and results of the FCM, discussed the installed capacity requirement (ICR) and the annual process and inputs associated with it, and how capacity prices fluctuate as supply resources change.

Seidman asked what makes up the cleared passive demand response. Winkler indicated that it is made up mostly of energy efficiency from regulated utilities and that nearly everything that they are delivering is being offered in the market. He also noted that they use utility plans as the basis for projections, but that the numbers in utility plans might not always line up. White added that that is typically a result of efforts, such as behavioral programs, that ISO-NE does not accept as a resource.

Judson asked if IOUs are primarily responsible for active demand response. Winkler indicated that some of it is from IOUs, but that it is mostly made up of private sector initiatives.

b) Impacts of Forecasts on Long-Range Planning

In the second section, Winkler gave an overview of transmission planning and highlighted the forecasted impact of energy efficiency and solar on peak demand and energy use.

Harak asked if the ratepayer benefit of the solar impact has been quantified. Winkler noted that there is definitely a benefit but that he was unsure of what it was off the top of his head.

c) Opportunities and Challenges for Peak Demand Response and On-Going ISO Efforts

In the final section, Winkler discussed the impacts of peak demand reduction on bulk power and distribution systems, the potential technical and financial challenges from peak load reduction, and on-going efforts at ISO-NE to manage future system changes.

Downey asked if ISO-NE had any plans to incorporate storage into their efforts. Winkler noted that it is a new and interesting topic that they have discussed how it would participate in the market, but not much beyond that. He also noted that they are still trying to determine how to quantify the reliability/capacity value of storage.

6. Panel Discussion: Semi-Annual Update on Peak Demand Reduction

Schlegel began by introducing the panel, which included Michael Goldman (Eversource), Ezra McCarthy (National Grid), Austin Brandt (Cape Light Compact), and Thomas Palma (Unitil) updated the Council on their peak demand reduction efforts.

Goldman and McCarthy began by introducing the demand savings group and highlighting what the PAs are trying to accomplish through the group. He also noted how the PAs plan to achieve the goals of the group, their progress to date, and some initial conclusions and lessons learned.

Seidman asked if the PAs would discuss goals as part of their updates. Goldman noted that some of the PAs have set goals while others have not. He also noted that the PAs want to make sure that they are doing things that are cost-effective so that they can be successful in the next three-year plan.

Eversource Update

Goldman began by highlighting the approach that they have taken in coming up with a strategy. He noted that they reviewed customer classes, reviewed specific customers, developed hypotheses, and then made plans for field deployment and testing. Goldman also discussed the two demonstration projects that are furthest along in their planning. The first is using an EMS software and lighting controls approach for small retail customers. The second is to offer on-site training for facility managers and/or sub-metering and EMS to raise awareness and develop specific opportunities for mid- and large-sized customers.

Boyd asked if Goldman could give a scale of the anticipated enrollment in each of the projects. Goldman noted that for the first project, they are looking to enroll in the hundreds of customers and that they are aiming to do that as soon as possible. He noted that for the second project, they are taking a slower and more phased approach to enroll about 10 customers to start and to add a few more each month as things progress. Boyd also asked if they were targeting the same or different types of customers for the first project. Goldman indicated that they are targeting the same kinds of customers, and noted that they believe the results should be scalable because of their approach to identify unique personas. Boyd indicated that she thought it would be helpful if there was an approach to target all customer classes.

Judson asked if they had metrics for evaluating the benefits to customers and the system. Goldman noted that they are examining all costs and benefits that incur in Massachusetts.

National Grid Update

McCarthy began by highlighting the approach that they have taken in coming up with their strategy. He also highlighted the demonstration project that they have planned and are moving forward with. He noted that the project consists of direct load control using existing WiFi thermostats that have been installed through the energy efficiency programs. He also noted what they are planning on offering for incentives and when they plan to call events.

Boyd asked if McCarthy could give a sense of what level of load their project would be covering. McCarthy noted that they estimate about 0.5kW per thermostat.

Winkler asked how they developed their events structure with regards to the price points referenced in the slide deck. McCarthy indicated that they came from their Worcester pilot. He also noted that they have a sense of how much customers are willing to be inconvenienced. Schlegel added that the consultant team supports National Grid's approach.

Cape Light Compact Update

Austin Brandt gave an overview of their demonstration project, which has the goal of learning about how to engage residential customers in demand response. As part of this overview, Brandt discussed incentive levels, the data collection process, and the planned analysis. He also highlighted the planned next steps for the project.

Schlegel noted that they were planning on making adjustments that are four hours long. He asked Brandt if that meant they were making one adjustment for that period or multiple adjustments throughout that period. Brandt indicated that they would be making one adjustment for the entire four hour period.

Winkler asked if they were planning on calling events during different times of the day and not just a set four hour period. Brandt indicated that they are telling enrolled customers to expect the adjustment to occur for a total of four hours, and that that adjustment could occur anytime between 1PM and 9PM.

Unitil Update

Thomas Palma began by discussing the questions that they are hoping to answer through demonstration projects and their timeframe for getting a project into the field. He indicated that one possible strategy that they are looking at is to couple residential solar PV with battery storage. He also highlighted a few other areas that they are researching.

Boyd asked if there is significant penetration of storage in their territory. Palma indicated that there has not been much yet. Boyd also asked if they had built in time they would need to get DPU approval into their plan. Palma said that they may not have to worry about it if it does not trigger a mid-term modification.

Active Demand Reduction Cost-Effectiveness Considerations

McCarthy discussed the research that the group has done to date on considerations for evaluating cost-effectiveness of active demand reduction strategies. He began by highlighting that there is precedent from the energy efficiency programs on what they can and can not capture in evaluating cost-effectiveness. He also gave examples of the cost and benefits that would be evaluated for commercial and industrial load curtailment and residential direct load control. He concluded by reviewing some of the challenges that they have to consider with evaluating cost-effectiveness for active demand reduction.

Judson recommended that as the PAs run their pilots that they think about what would be appropriate in terms of measure life for these types of programs.

Winkler noted that if they are incorporating these efforts in the FCM then they would be getting paid the locational marginal price (LMP). He noted that if that is higher than the retail rate then there would be some amount of money that would need to be made up. He indicated that he believed that the payment rate at the LMP is in some sense a double payment. He asked the PAs to think more about that possible issue as they continue to evaluate the cost-effective framework.

Next Steps

McCarthy concluded the panel by reviewing the PAs next steps. He indicated that the PAs will continue to work towards answering questions in the analytical framework, review current cost-effectiveness models and consider alternatives, implement and evaluate demonstration projects and determine if and where modifications are needed, and work on developing appropriate funding approaches.

Boyd indicated that it would be helpful if the PAs provided a list that contained all the questions that they are trying to answer and which demonstration projects those questions pertained to.

7. Adjournment

Judson adjourned the meeting at 4:32 PM.