



MEETING MINUTES

Monday, June 29, 2015

MassHousing Board Room
One Beacon Street, 4th Floor
Boston, MA 02108

- Councilors Present:** JoAnn Bodemer (for Maggie Downey), Amy Boyd, Elizabeth Cellucci, Betsy Glynn, Paul Gromer, Elliott Jacobson, Paul Johnson, Judith Judson, Richard Malmstrom, Deirdre Manning, Michael McDonagh, Matt Nelson (for Tilak Subrahmanian), Thomas Palma (for Cindy Carroll), Robert Rio, Matt Saunders (for Donald Boecke), Nancy Seidman, Michael Sommer, Trish Walker, Carol White, Eric Winkler
- Councilors Absent:** Michael Ferrante, Charles Harak, Alana Murphy, Andrew Newman, Brad Swing
- Consultants Present:** Eric Belliveau, Craig Johnson, Ralph Prah, Jeff Schlegel
- DOER Staff Present:** John Ballam, Ian Finlayson, Lyn Huckabee, Maggie McCarey, Alex Pollard
- Others Present:** Marie Abdou, Lucy Alexander, Tony Barnes, Sean Burke, Rita Carvalho, Melanie Coen, Monica Cohen, David Gibbons, Jonathan Goldberg, Michael Goldman, Jack Habib, Jodi Hanover, Riley Hastings, Joseph LaRusso, Jeff Leupold, Chris Long, Emmett Lyne, Kristin Mahnke, Ezra McCarthy, Steve Menges, Sam Milts, Cara Mottola, Phil Moffitt, Jerrold Oppenheim, Ben Pignatelli, Brenda Pike, Tabitha Vigliotti, Jayden Wilson, David Withrow, Kathryn Write

1. EM&V Brownbag Discussion

Prior to the start of the full Council meeting, Prah held a session to go over any questions or comments that Councilors might have had following the EM&V webinars on May 27th and June 1st. Topics of discussion included the current status of various studies, the advancement of the LED market as it relates to three-year planning, and advanced metering infrastructure.

2. Call to Order

Judson called the meeting to order at 1:09 PM.

3. Public Comment

No public comment was received.

4. General Updates

EEAC Meeting Minutes – May 19, 2015

Winkler submitted an edit to replace “proposed goals” with “FCM Commitments” to the last sentence of the final paragraph in section 6 – Council Discussion on the First Draft of the Three-Year Plan.

Glynn motioned to approve the minutes as amended. McDonagh seconded. All were in favor, with no opposed. Saunders abstained. The minutes were approved as amended by the Council.

EEAC Meeting Minutes – May 28, 2015

Malmstrom motioned to approve the minutes as submitted. Seidman seconded. All were in favor, with no opposed. Manning and Saunders abstained. The minutes were approved as submitted by the Council.

EEAC Executive Committee Minutes – June 17, 2015

Boyd motioned to approve the minutes as submitted. Glynn seconded. All were in favor, with no opposed. Saunders abstained. The minutes were approved as submitted by the Executive Committee (EC).

Residential Workshop Meeting Summary – June 4, 2015

Glynn motioned to approve the minutes as submitted. Boyd seconded. All were in favor, with no opposed. Manning, McDonagh, Saunders, and Seidman abstained. The minutes were approved as submitted by the Council.

Commercial & Industrial Workshop Meeting Summary – June 9, 2015

Winkler suggested several edits to the summary under the combined heat and power section. First, Winkler noted that the fifth bullet was misleading as it gave the impression that many municipalities are planning district energy zones whereas only the city of Boston and one or two other municipalities are doing so. The suggested edit for this was to include “A Councilor stated that...” to the beginning of the bullet point. Second, Winkler suggested that the sixth bullet was not entirely correct and noted that it is not that it is difficult for customers to participate, but that only a few are participating. The suggested edit for this point was to reword the first sentence of this bullet to read “Only a few customers that participate in the forward capacity market utilize CHP.” Lastly, Winkler suggested that the seventh bullet was also misleading in that it gave the impression that MIT is moving forward with a new project, whereas it is actually a replacement

project. The suggested edit for this point was to reword the third sentence of this bullet to read “It was stated that MIT is progressing with a 20MW project.”

These edits were unable to be incorporated in real-time at the meeting and so the Council decided to push approval of the meeting summary to the next scheduled Council meeting on July 14, 2015.

5. 2014 Plan Year Results

Riley Hastings (Eversource) presented the PA’s 2014 Plan-Year Report Performance. Topics in the presentation included progress toward three-year statewide goals, annual and lifetime savings for electric and gas, changes from 4th Quarter results to the plan-year report, and significant evaluation studies. At a high-level, Hastings emphasized that 2014 was the best year yet for annual and lifetime savings and benefits. She also noted that gas savings are projected to exceed three-year goals while electric savings are on a strong track to meet three-year goals.

Johnson asked what the market adoption model does. Nelson indicated that it creates minor adjustments based on market conditions. Winkler asked about measure life for lighting. Nelson indicated that measure life decreased for CFLs and LEDs and that that was incorporated in the 4th Quarter results. Glynn asked the PAs if they could explain why the growth in annual savings appeared to outpace the growth in lifetime savings. Nelson noted a few reasons for this including expansion of behavioral programs, better performance in Western Massachusetts in 2014 compared to 2013, and reduced measure life for lighting measures.

6. Consultant Budget Update

Belliveau updated the Council on consultant team’s (C-Team) current budget and highlighted their actual versus planned budget to date. He noted several efforts and tasks that were either unforeseen or required a higher level of effort than anticipated when they planned the budget. These items included mid-term modifications (MTMs), preparation of materials and participation in the 2016-2018 Plan workshops, the Avoided Energy Supply Cost study, and the assessment of potential. He noted that the C-Team would update the Council later in the summer and that it would likely request a budget increase in September.

7. Key Drivers Analysis

Judson noted that there has been a lot of coordination on this effort and that she hopes the PAs and C-Team would be able to work through their differences as soon as possible.

Belliveau highlighted the key components of the Plan identified by the C-Team and PAs that account for significant differences between each of their projected goals. These components, or “key drivers,” included residential lighting, behavior programs, home energy services for gas, residential gas heating and water heating, combined heat and power, commercial lighting, street lighting, commercial and industrial (C&I) retrofit, cost per kWh and cost per therm by sector, EM&V results, small PA potential studies, and a National Grid C&I study. For each of these

drivers, Belliveau discussed and compared the C-Team's and PA's assumptions and the impact the assumption has on the goals.

Winkler asked why the analysis did not include demand savings. Schlegel noted that demand is not the key difference, but rather that it is a result of the key drivers. Boyd asked where the large gap between the C-Team and PA projections for behavioral savings came from. Schlegel noted that some PAs are not doing behavioral programs. Johnson indicated that he was disappointed and that there seemed to be very little progress in addressing differences between the C-Team and PA projections. White disagreed with this comment and noted that they are in the early stages of very complex issues that take time to resolve. She further noted that she is confident that the PAs and C-Team will get closer to agreement on many of the issues. Chretien added that the PAs should be trying to capture everything that is cost-effective and that it would be helpful for the Council to see any data that shows why the PAs cannot reach the level of savings proposed by the C-Team.

Judson adjourned the Council for a brief break from 2:42 PM to 2:52 PM.

8. EEAC July Council Resolution

Outline and Process

McCarey began by noting that the draft introduction and cross-cutting recommendations were posted on the website for review. She added that the full draft of the resolution, including the residential and C&I sections, would be posted on the Council website by July 2nd at the latest. She asked that Councilors wishing to submit written feedback to do so by July 7th so that it may be incorporated during the EC meeting on July 8th. She noted that this feedback would be posted on July 10th and then the Council would be able to provide additional feedback at the full Council meeting on July 14th before finalizing the resolution at the July 21st Council meeting.

Boyd noted that this is a resolution that covers Council comments regarding the April 30th Draft of the 2016-2018 Energy Efficiency Plan. She described the contents of the resolution.

Council Discussion

Winkler asked how the goals are tied to legislative mandates. Schlegel indicated that from the C-Team's perspective, the goals are mostly focused on the Green Communities Act (GCA), which mandates all cost-effective energy efficiency. Chretien indicated strong support for the resolution and that he would submit some suggestive edits once the full draft was complete. Gromer indicated that it would be helpful to include some type of prioritization of the recommendations in the resolution.

Nelson indicated that the PAs found the language in the draft resolution to be positive. Lyne added that the PAs appreciate the effort that went into the draft resolution and that there is no specific budget or savings number. He also noted that the PAs would likely be making an ask to submit the next draft a little bit later than the current date of September 1st. Johnson indicated that he would like to have some type of interim information to answer some of the Council's

questions that were not addressed in the April draft before the completion of the next draft in September.

9. EM&V Presentation

Prahl presented on EM&V reports and what they mean for the 2016-2018 program cycle. His presentation focused on the following four major themes.

1. Lighting savings will remain critical in both sectors, and that rapid technological change will create major risks that need to be managed
2. Smaller C&I customers will need more attention if the goals are to be met
3. Statewide integration remains a holy grail
4. Residential gas equipment savings will be harder to achieve

Johnson noted that some thought should be given to do plans every year, rather than every three years since lighting makes up a significant percentage of planned savings and is a rapidly evolving market. Rio noted that everyone should be mindful going forward that people are doing energy efficiency outside of the programs and suggested it would be helpful to have a study that looks at whether or not some measures would be cheaper to do with or without incentives. Winkler added that market transformation does not have to come through a program in order to have impacts. Seidman requested that the EC take up some of Prahl's recommendations in the form of a resolution.

10. Mid-Term Modifications

White noted that National Grid Electric submitted a request for approval of an MTM. The MTM includes an increase in budget for the residential products program, a reallocation of C&I sector budget dollars from the C&I Retrofit program budget to the C&I New Construction program budget, and a notification to the Council on under-expenditure for the Low Income Hard-to-Measure program. Schlegel noted that the C-Team reviewed National Grid Electric's MTM and recommended that the Council approve the resolution concerning it. Gromer encouraged Councilors to approve the request as it will allow for programs to run efficiently and that it is in everyone's interest for the PAs to be responsive to customer demand.

Malmstrom motioned to approve the resolution regarding the proposed MTM of National Grid Electric. Glynn seconded. All were in favor, with no opposed. Saunders abstained. The resolution was approved by the Council.

Lyne noted that National Grid Gas, Liberty Utilities, and Eversource would be seeking approval for MTMs at the next Council meeting. He stressed that there is clear directive from the Department of Public Utilities to have them acted on before August 1st. He also added that there is potential for a MTM from Unitil and that the Council may hear more about that soon.

11. Adjournment

Judson adjourned the meeting at 4:22 PM.