



MEETING MINUTES

Wednesday, May 16, 2018
100 Cambridge St, 2nd Floor
Conference Rooms B & C
Boston, MA 02114

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

Councilors Absent: Michael Ferrante, Michael McDonagh, Andrew Newman, Victoria Rojo

Consultants Present: Eric Belliveau, Gretchen Calcagni, Craig Johnson, Jeff Schlegel

DOER Staff Present: Rachel Evans, Ian Finlayson

1. Call to Order

Commissioner Judson, as Chair, called the meeting to order at 1:03 PM.

2. Public Comment

Audrey Schulman – Home Energy Efficiency Team (HEET)

Schulman noted that the first step in the plan forward should be to know where we are now. She noted that the PAs had not yet reported on the previous three years. She added that it is problematic that there is not enough data available and that studies showing progress are not yet available. She also noted that the upcoming plan has no information about active demand management, storage, or how the PAs will improve service to renters with language barriers. Lastly, she noted that the PAs performance incentive should be tied to performance.

Caitlin Peale Sloan – Conservation Law Foundation (CLF)

Peale Sloan noted that it was difficult to review the draft when the imbedded cost of carbon was not included. She also indicated that it was difficult to review it on the basis that it was in such an unfinished form. She added that she expected the Council to hold the PAs accountable in getting to a completed plan.

Deb Pasternak – Sierra Club

Pasternak strongly urged that the PAs increase their transparency and reporting of data and noted that doing so would allow customers to be served better. She also suggested that the programs invest in grid modernizing technology, including WiFi submeters for energy savings verification, so that they can enter ISO-New England's Forward Capacity Market.

Steve Cowell – E4TheFuture

Cowell submitted a written letter of public comment which is available on the Council's website¹. Cowell shared nine recommendations from his letter which referenced data issues and access to data, inclusion of time of savings impact, time varying rates, increased focus on natural gas heating efficiency, addressing barriers for micro-businesses, introducing a system to expedite new technology into the programs, inclusion of the Home Energy Score as part of the energy assessment, inclusion of solar installations as part of the HEAT Loan program, and expansion of relationships with community based partners.

Julie Klump – Preservation of Affordable Housing (POAH)

Klump noted that passive house is the most concise set of requirements for building energy efficient affordable housing. She added that projects built to the passive house standard can be done at the same or lower cost than tradition new construction. Lastly, she noted that training for contractors is key and funds should be allocated toward that effort.

Carol Oldham – Mass Climate Action Network

Oldham submitted a written letter of public comment which is available on the Council's website². Oldham noted that the letter she submitted had signatures from forty-two organizations in Massachusetts. Oldham noted that the letter included concerns about the lack of the cost of carbon and data accessibility.

Hank Keating – PASSIVEhouse Massachusetts

Keating reiterated his prior support for proposed incentives for passive house, including funding for design charrettes. He also suggested that the plans consider additional funding for market rate multi-family housing.

Emily Jones – Local Initiatives Support Corporation

Jones submitted a written letter of public comment which is available on the Council's website³. Jones noted that the letter is an updated version of a letter that was previously submitted. She indicated that the letter supports passive house training, pilot projects, green design charrettes,

¹ http://ma-eeac.org/wordpress/wp-content/uploads/E4TheFuture-Public-Comment_5.16.2018.pdf

² <http://ma-eeac.org/wordpress/wp-content/uploads/MA-Climate-Action-Network-Sign-on-Letter.pdf>

³ <http://ma-eeac.org/wordpress/wp-content/uploads/LISC-MACDC-and-CHAPA-Memo-on-EEAC-Three-Year-Plan-2018-05-15.pdf>

and expansion of the LEAN Multifamily Program to 80% of State Median Income (SMI) to better align with the U.S. Department of Housing and Urban Development's (HUD) definition of low-income.

3. Council Updates and Business

Public Comment

Commissioner Judson noted that the Executive Committee (ExCom) discussed the process for public comment at their last meeting. She noted that they decided to schedule a Council meeting specifically for public comment on the upcoming plan. She indicated that it would be held on June 27, 2018 from 1:00 – 4:00 PM at Mass Housing. She also noted that moving forward, public comment would be limited to three minutes per commenter and that the public comment period would not exceed twenty minutes. Commissioner Judson indicated that any extra time at the end of the agenda could also be used for public comment. Lastly, she noted that the Council does accept written comments which are then posted on the Council's website.

March 29 EEAC Meeting Minutes

Boyd noted that the names of a couple public commenters were spelt incorrectly and asked that they be revised. The minutes were amended accordingly.

Commissioner Judson motioned to approve the meeting minutes as amended. Boyd seconded. All were in favor, with none opposed. Beaton abstained. The minutes were approved as amended, by the Council.

April 25 EEAC Meeting Minutes

Boyd motioned to approve the minutes as submitted. Malmstrom seconded. All were in favor, with none opposed or abstaining. The minutes were approved as submitted, by the Council.

Upcoming Meetings

Commissioner Judson noted that they ExCom would be meeting twice in July. She noted that those meetings would take place at the usual place and time on July 11th and July 19th. She added that because of the extra ExCom meeting, the July Council meeting would have to be pushed back. The Commissioner suggested that the meeting could be held the week of July 23rd or on July 30th or 31st. She suggested that DOER would work on scheduling that meeting and asked that Councilors share any possible scheduling conflicts with them as soon as possible.

EEAC Seat for Small Contractors

Finlayson updated the Council on the results of the voting for the small contractor seat. He noted that there were three candidates and that none of the candidates received a majority vote in the first round. He added that they held a run-off election of the top two candidates from the first round. Finlayson noted that the run-off election resulted in Paul Johnson being re-elected to the seat.

4. Unitil Gas Mid-Term Modification

Cindy Carrol reviewed Unitil Gas' Mid-Term Modification (MTM) request with the Council. She noted that it is a category one MTM under the DPU's guidelines and therefore needs the Council's approval. She noted that they have been consistently experiencing higher demand in the retrofit program than they had planned for and that additional funding is required to meet that demand through the remainder of the term. She added that the new construction program has experience lower demand than they had planned for and so they requested that funds be transferred from that program. Lastly, she requested that the Council approve a reallocation of funding from the New Construction program to the Retrofit program in the amount of \$190,000.

Belliveau indicated that the Consultant Team (C-Team) reviewed the MTM and put together a memo for the Council. He noted that the C-Team recommends that the Council approve the MTM request.

Boecke motioned to approve the resolution regarding the proposed MTM of Unitil Gas. Boyd seconded. All were in favor with none opposed or abstaining. The resolution regarding Unitil Gas' proposed MTM was approved.

5. Program Administrator Presentation on the Draft Plan

Jeremy Newberger, Elizabeth Cellucci, Ezra McCarthy, and Amy Vavak, on behalf of the PAs, presented on their April 30, 2018 Draft of the 2019-2021 Three-Year Plan ("the Draft Plan"). Newberger began by indicating that the PAs view the Draft Plan as a starting point and added that it shows where they are and where they are going. As an introduction to the Draft Plan, Newberger gave a high-level overview of it including its objectives, key elements, and its savings and spending commitments. He also highlighted its focus on customer engagement, its challenges, and its shift to an MMBtu metric.

Cellucci gave an overview of the gas portion of the Draft Plan. She reviewed the PAs customer-centric approach and its components. She also noted that the gas programs would continue to be aligned with the electric programs through collaborative efforts.

McCarthy gave an overview of the commercial and industrial (C&I) programs. He noted that the C&I programs and pathways to participation would be aligned with the customers' building state or activity. McCarthy also highlighted some of the expanded services and offerings, including the new buildings program, the existing buildings program, and hard-to-serve populations such as small businesses and non-profits.

Vavak gave an overview of the residential programs. She noted that the residential programs would be realigned to best service the customers' needs. Vavak also highlighted strategic enhancements to the programs and reviewed updates to the hard-to-serve populations including moderate income and renters. She also presented information on increased facilitation of services and improved and expanded self-service options. She concluded by reviewing planned enhancements to the income eligible program.

Newberger concluded the PAs' presentation by reviewing how the Draft Plan goals and numbers were developed. He discussed factors that went into developing the goals, reviewed budgets, savings, and benefits by fuel, and noted items in the Draft Plan that were not fully developed but would be included in future iterations of the Plan.

Discussion

Boyd commended the PAs for developing a Draft Plan that was readable and that had good rhetoric about program design and data. She did say, however, that none of those things went far enough and savings were much lower than she had anticipated. She added that the Draft Plan would not achieve all cost-effective energy efficiency savings and that if the Council were voting on it as is she would vote against it. Boyd also noted that the Council and the energy efficiency plans are unique in that they are not budget capped and it is on the DPU, not the PAs, to consider budget impacts. Lastly, she expressed concern that the savings in the Draft Plan were lower than each of the PA's individual maximum achievable potential studies.

Wambui noted that the Draft Plan made no mention of how the PAs plan to address energy equity and suggested that it would be a great opportunity to lead and address on that issue. She also indicated that she felt it did not provide enough details on implementation strategy and that it relied too heavily on the use of buzz words. She added that the use of buzz words or phrases such as "customer-centric" and "continue and expand" is not an appropriate way to address the issues of energy equity. Wambui also expressed concerns with higher costs to achieve lower benefits.

Harak noted that he felt the PAs were sincere in their opening statement that the Draft Plan is a work in progress. He also noted that he would like to see higher savings goals, particularly in the C&I sector. He added that he would like to see the cost of carbon that goes beyond RGGI and DEP compliance and that he wanted more detail on how the PAs are going to do a better job with the renter and moderate-income sectors. Harak also noted that the things the Council cares the most about are not tied to any type of performance metrics and that he would like to see that happen in the next Plan.

Peterson noted that she was appreciative of the attention paid to municipalities but felt that there was still more room for innovation and improvement. She added that municipalities would like to sit down with the PAs in a working group to talk about needs and priorities. Peterson also noted that she would like to see more information on active demand management and storage, more substance on passive house and how that would be scaled up, and updates on the cost of carbon.

Johnson referenced the PAs emphasis on a customer-centric approach in the Draft Plan and asked why that was not already the case. Newberger noted that the PAs have always been focused on their customers and that the difference with this Plan is that they want to make it easier for them to participate. Johnson noted that there was not much detail on how all the money would be spent and that he was disappointed about that. He concluded by noting that he would expect to get more details on the Plan in July and that if he did not that he would likely not support the Plan in October.

Chretien expressed concern that the Plan included efforts to switch oil and propane customers to gas and noted that the Council was clear about that they did not wish to have that in the Plan. He also noted that he was disappointed to see the cost to achieve savings as high as it was. Lastly, Chretien noted that the performance incentive is not enough and that the Plan needs to include more performance metrics.

Malmstrom noted that he liked a lot of the language in the Plan but that he did not approve of the budget. He also expressed concern about the lack of information on active demand response and storage.

Rio expressed concern with regards to the cost to achieve savings and asked why it increased so much. He also asked why savings are much lower than in years past. Rio suggested that there be more language to describe how the new MMBtu metric would compare with the previous kWh and therms metrics.

Weber indicated that she understood there was more CHP in the pipeline than what was presented in the Draft Plan and that she would like to hear more about that. She also requested that the PAs provide an interim update on the Plan before they bring it to the Council for a vote.

Commissioner Judson noted that she would like to see higher savings, particularly in the areas of gas and C&I electric. She added that the Draft Plan is too expensive for the savings being planned. The Commissioner also noted that there was not enough information on innovation and peak demand reduction. Lastly, she noted that the Council would need to see a big improvement in the Plan before it would support it in October.

Newberger, on behalf of the PAs, thanked the Council for their comments and feedback.

6. Consultant Team Presentation on the Draft Plan

Eric Belliveau, Jeff Schlegel, and Gretchen Calcagni presented on the C-Team's review of the PA's Draft Plan. Belliveau began by reviewing the C-Team's high-level observations of the Draft Plan and a summary of the portfolio. Schlegel reviewed the electric program savings and costs while Calcagni reviewed the gas program savings and costs. Calcagni also presented on the C-Team's plan summary and key considerations for each of the C&I, residential, and low-income sectors. Schlegel concluded by reviewing cross-cutting key considerations and next steps.

Discussion

Commissioner Judson noted that the C-Team's conclusions and next steps are spot on in terms of what needs to happen. She added that there is not much time to make it happen and so it is critical to stay on track.

Boyd noted that the spreadsheet models associated with the Draft Plan have only values and not formulas. She requested that for transparency purposes, it is important that the files have live formulas. Harak and Weber seconded this request.

Harak asked when the Council might expect to see a proposal on performance metrics. Schlegel indicated that the intent was to have that as a point of discussion at the Council's July meeting. Schlegel added that the C-Team's recommendation would be to pursue changes to the DPU guidelines with a focus on including a metric on active demand management as part of the performance incentive.

Boecke thanked the C-Team for their presentation and materials and noted that he found it necessary as part of his review of the PA's Draft Plan. He noted that the electric lifetime cost per kWh increased by about fifty percent and asked what the reasoning was for that. Schlegel indicated that it can be impacted by shorter or longer measure lives as well as the phase out of residential lighting. Boecke asked how the inclusion of non-imbedded cost of carbon in the Plan would improve delivery of the programs. Schlegel noted that measures that were just failing a cost-effectiveness screening would be more likely to pass.

Beaton indicated that he felt the Draft Plan lacked detail on the implementation side. He asked how individual Councilors can relay comments to the PAs going forward. Belliveau suggested that Councilors put their formal comments in writing. Finlayson added that the Council would be formally responding to the Draft Plan through a resolution that would be voted on in July.

Chretien noted that he felt the Plan is deficient if it does not include proper accounting of greenhouse gas (GHG) emissions. He added that Massachusetts-specific GHG avoided costs are not a part of the Avoided Energy Supply Cost (AESC) study and that he would like to see that done. He proceeded to pass out a resolution that he requested be voted on at the June meeting if progress is not made on developing Massachusetts-specific avoided costs for GHG emissions. Lastly, Chretien noted that he would not support the Plan if those avoided costs were not incorporated.

Finlayson noted that conversations with the firm that developed the AESC study to include Massachusetts-specific avoided costs of GHG were underway. He added that they were hoping to make progress on a joint proposal with them and the PAs.

Abdou noted that the PAs were looking forward to having the key drivers discussion with the C-Team.

Commissioner Judson thanked the PAs for their time and effort in preparing the Draft Plan and that she looks forward to working together towards a final Plan that everyone can be proud of.

7. Adjournment

Commissioner Judson, as Chair, adjourned the meeting at 4:15 PM.