



MEETING MINUTES

Wednesday, September 30, 2015

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

Councilors Present: Donald Boecke, Amy Boyd, Cindy Carroll, Elizabeth Cellucci, Larry Chretien, Maggie Downey, Betsy Glynn, Paul Gromer, Charles Harak, Elliott Jacobson, Paul Johnson, Judith Judson, Richard Malmstrom, Deirdre Manning, Michael McDonagh, Alana Murphy, Robert Rio, Nancy Seidman, Michael Sommer, Tilak Subrahmanian, Brad Swing, Trish Walker, Carol White, Eric Winkler

Councilors Absent: Michael Ferrante, Andrew Newman

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

DOER Staff Present: Ian Finlayson, Steve Venezia, Alex Pollard

Others Present: Marie Abdou, Yessenia Alfano, Wesley Couture, Mike Davis, David Gibbons, Paul Lipke, Mark Liu, Darlene Lombos, Emmett Lyne, Cate Maas, Steve Menges, Matt Nelson, Alex Papali, Dennis Pasquilino, Laurie Pereira, Rick Taglienti, Amy Vavak

1. Call to Order

Judson called the meeting to order at 12:41 PM.

2. Public Comment

Judson began by asking those giving public comment to limit their comments to three minutes each.

Mike Davis, representing LISC Boston, noted that he submitted [comments](#) to the Council. He noted that he was pleased with the draft but that he was concerned with the level of detail in the market-rate and low-income multifamily program sectors. He noted that he would like to see more commitment for the PAs to work with the housing corporations so that no opportunities are left on the table.

Rick Taglienti of Rogers Insulation, representing independent installation contractors (IICs) noted that he submitted [comments](#) to the Council. He noted that the IICs are concerned that the home performance contractors (HPCs) submitted a letter that suggests significant changes to the HES Program that would have impacts on customers and all stakeholders without consulting other contractors. He noted that the IICs are committed to working collaboratively with the HPCs on any changes to the HES Program. He asked that the EEAC reject the initiatives put forth by the HPCs until this issue is discussed further.

Darlene Lombos, Mark Liu, Yessenia Alfano, Cate Maas, and Alex Papali submitted [comments](#) on behalf of the Green Justice Coalition (GJC). Lombos began by noting that the GJC represents the boots on the ground and that they have collectively worked with the utilities to expand opportunities to the working class communities by doing outreach, signing customers up for audits, and leveraging financing. Liu added that the GJC wants to make sure that all savings opportunities are being sought after and that no communities are being left behind. He noted that people respond when they are spoken to in their own language. He also noted that they want to make sure data is transparent with zip-code level data so that they can be assured that no one is being left behind. Alfano added that the PAs should strive to make it easier to participate in the program and that doing so would help spread the word and the success of the programs. Maas noted that as a renter she is pleased to see the new renter initiative, but she stressed that it needs to be more specific with strategies and benchmarks for success. Papali added that there are a lot of people who are waiting to see what the best efficiency program in the country is going to do with their next Plan. He strongly urged everyone involved in the process to not see the most recent draft as complete.

Wesley Couture of American Installations noted that the program does not have a vehicle to present the different paths that customers have to choose from when participating in the HES program. He noted that HPCs are currently forced to shield their customers from MassSave so that they do not lose their opportunities for work and that MassSave should clearly present the different options that they have.

Dennis Pasquilino of AA Arden also expressed concern about how the HPCs currently work within the HES program. He noted that the HPCs often lose customers in the process of qualifying them by the lead vendors.

Paul Lipke submitted [comments](#) on behalf of Healthcare Without Harm. He noted that the current draft of the Plan represents a tremendous improvement from the April draft version. He noted that it would be helpful to understand more about strategies, timelines and targets as it relates to co-funded resource conservation managers, advancing strategic energy management, CHP, and C&I behavioral program development. He also recommended that incentive amounts be raised for small and medium sized facilities to achieve higher savings and increased participation. He also noted that Massachusetts would be better served if the performance incentive was split between the C&I and residential sectors and if the higher savings goals proposed by the Council's consultants are adopted.

3. General Updates

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Winkler suggested an edit to the second sentence of the third paragraph on page four to delete the last part of the sentence about ISO considering a value for winter peak. Boecke motioned to approve the minutes as amended. Rio seconded. All were in favor, with no opposed. Harak and Manning abstained. The minutes were approved as amended by the Council.

4. Monthly Data Dashboard

Steve Menges presented the statewide data dashboard through July of 2015 on behalf of the PAs. The presentation included updates on the electric and gas year-to-date achievements as a percent of the annual plan, as a percent of the three-year plan goal, and in comparison to 2014 by month.

5. Consultant Budget

Belliveau noted that the consultant team (C-Team) modeled the 2015 budget based on the three-year planning process that they had in 2012. He indicated that the process this time around has been much different and has required a variety of efforts that were not included in the 2015 budget. He requested an additional budget for the C-Team of \$160,000.

Glynn motioned to approve the budget as requested by the C-Team. Johnson seconded. All were in favor, with no opposed or abstaining. The C-Team budget increase request was approved unanimously by the Council.

6. Consultant Contract

Judson noted that the C-Team's contract was scheduled to expire at the end of 2015 and that the Executive Committee (EC) is currently reviewing the process for the next bid. She indicated that no action would be necessary at the current meeting but that she just wanted to provide an update.

7. Introduction to the Plan and Term Sheet Presentations

Judson reinforced that energy efficiency is a high priority for the administration and that the DOER, EEA, the AG, and PA Leads have been actively engaged in a term sheet negotiation. She noted that the term sheets were negotiated ahead of time so that the Council and the PAs can focus on the details of the three-year plan ("the Plan") up until the filing date. Judson noted that the negotiated term sheets will deliver significantly higher savings goals (2.93% for electric and 1.24% for gas) than what the PAs proposed in their April draft of the Plan and the last three-year plan.

Judson also noted that as part of the term sheet agreement, the PAs provided year-by-year, PA-by-PA, and sector-level achievement goals. She also indicated that the PAs would implement enhanced demand response programs and a special initiative that addresses issues in the

contractor community. Judson concluded by noting that the EEAC would like to see more technological innovation to continue to provide sustained savings levels.

8. PA Plan Presentation

Lyne began by noting the PA's appreciation to DOER, the AG, and the C-Team for their hard work during the term sheet negotiation process. He noted that it was a multi-stakeholder process and that everyone's opinions and inputs over the summer were considered.

Matt Nelson and Marie Abdou presented a high-level overview of the Plan. This included an overview of the term sheets and a comparison of lifetime goals, annual savings, budgets, and summer kW to 2013-15 and 2010-12. They emphasized that this Plan is doing more with less. They also discussed and compared the GHG emissions reductions as a result of the Plan to 2013-15 and 2010-12.

Laurie Pereira and Amy Vavak presented an overview of the residential part of the Plan. They discussed residential innovations which included renter visits and moderate income and new construction efforts. They also discussed enhancements to the residential sector programs which included a redesign of the multi-family program, improved customer engagement, and a focus on new technology and approaches.

David Gibbons presented an overview of the commercial and industrial (C&I) part of the Plan. He discussed C&I innovations which included on-line incentive applications, expanded upstream offerings, and advanced lighting efforts. He also discussed enhancements to the C&I sector programs which included expanded efforts on emerging technologies, zero net energy, and retro-commissioning.

9. Consultant Preliminary Review of the Plan

The C-Team presented the findings of their preliminary review of the Plan. Belliveau presented the C-Team's high-level overview of the Plan. This included a portfolio-level term sheet summary for electric and gas, lifetime and annual savings trajectories for electric and gas, PA-specific annual savings as a percent of sales for electric and gas, PA-specific lifetime costs per kWh (electric) and per therm (gas), and sector-level annual benefit/cost ratios for electric and gas. Belliveau emphasized concern that the PAs plan to reach the term sheet electric savings target included a downward annual savings trend that was not supported by the findings they presented to the Council.

Lynch presented the C-Team's review of the residential part of the Plan. This included their thoughts on the PA's renter initiative, moderate income customers and multi-family efforts, and residential lighting.

Lawrence presented the C-Team's review of the C&I part of the Plan. This included information on the C&I resolution matrix and plan additions, combined heat and power, C&I lighting, potential innovations, and differences between PA efforts.

Schlegel concluded the C-Team's review by discussing the evaluation measurement and verification components of the Plan.

The Council adjourned for a break from 3:00 to 3:18 PM.

10. Plan Discussion

Johnson noted that he scored the PAs on how well they incorporated the Council's recommendations and found that they did a poor job. He also noted several concerns he had with the Plan which included a lack of specific goals and reporting for CHP, no behavioral programs for C&I, and a lack of detail for addressing renter/landlord issues. He also put out the question as to why costs to achieve savings have increased significantly in both the electric and gas portfolios.

Chretien noted that he was disappointed to see that ideas put forward with respect to non-profits were not picked up in the Plan. Overall, he noted that he thought the Plan was strong on the residential side. He also suggested that he thought the renter's piece would have a strong effect and that the PA's should track this effort as much as possible. He added that he thinks over time they will find that there is a limit on what the PAs can do with renters with the split incentive issue but that this would hopefully inform policy changes. Chretien also noted that he is concerned about the continued under-performance on the C&I side and suggested that the PAs might realize a stronger performance if the performance incentive were split between the C&I and Residential sectors. He concluded by noting that he was not satisfied with the declining annual savings through the three years of the plan and that he would need to see some changes to the term sheet to be able to support the Plan.

Swing noted that he thought the PAs efforts to improve the Plan were overall positive. With respect to the residential sector he echoed Chretien's concern regarding the renter initiative. He added that help would be needed from the state with respect to the whole building initiative, noting that it is difficult to coordinate triple-decker apartments when some of the units are not low to moderate income and others are. Swing also noted that he is concerned with the term sheet as it relates to the decline of annual electric savings and that he would like to see better tracking for CHP. He also noted that he was intrigued by Chretien's idea to split up the performance incentive and that it should be seriously considered.

Glynn noted that she was appreciative of the renter and moderate income programs and that they included dates of commitments by the PAs. She also suggested that she was surprised by the decrease in annual electric savings and that she did not think this was possible considering the nature of the conversation in July.

Gromer noted that he thought the term sheet represented an aggressive plan and he thanked all parties involved for their effort in achieving that.

Murphy reiterated the Administration's commitment to capture all cost-effective energy efficiency available. She noted that one way to accomplish this is through recognizing and capturing all savings opportunities through multi-family efforts. She suggested that capturing

opportunities at the time of refinance could be huge and she asked that the Plan communicates a stronger commitment to multi-family efforts with deadlines and goals. She also noted that she shared Chretien's concern about C&I underperformance and that she thinks the idea to split up the performance incentive should be explored further.

Harak noted that renters and low/moderate income populations are largely overlapping and that there needs to be better and more regular reporting on who is being serviced and how much service they are receiving. He also suggested that the Plan needs to do a better job at serving the small and medium sized hospitals. He added that he was also intrigued by Chretien's idea of splitting up the performance incentive.

Seidman noted that she had three primary comments on the Plan. First, she noted that the small business sector is similar to renters in that they all pay into the Plan but are not served as well as other groups. Second, she noted she would like to see the gap in savings goals between PAs closed. Lastly, she noted that the transition and implementation of LED roll-out is a key part of the Plan and that significant attention should be paid to make sure that the Plan does not over or under pay for them.

Boyd began her comments by emphasizing that this version of the Plan and the term sheet are much better than what was drafted in April. She noted that the Plan is so close to being good and that she was excited to help in getting it to that point. She noted, however, that she had two problems with the term sheet. First, she noted that the PA's reasoning that there are less cost-effective savings available and therefore declining annual savings goals is not true. She said that the Plan as it stands is not all cost-effective energy efficiency, and that the PAs should communicate that the declining annual savings goals is a business choice. Second, she noted that she was concerned about the differences in savings goals between PAs. She noted that this affects overall savings goals and that it is an issue of equity where customers who pay into the programs are served differently depending on what utility service territory they are in. Boyd also expressed support for Chretien's idea to split up the performance incentive.

Winkler noted that the Plan's focus on demand is good. He also clarified the winter peak issue by noting that it is not an electrical issue because the electric peak in winter is not coincident with the thermal demand peak. He noted that any discussion about winter peak should be talking about gas efficiency. Judson suggested that there is still a need to figure out how winter peak demand is affected by electric usage. Chretien added that a number of experts would argue that winter peak demand is both an issue of electric and thermal usage and that both should be addressed if possible. Winkler also expressed some concern about the idea of splitting the performance incentive, noting that doing so could reduce the PAs ability to be flexible and meet overall portfolio goals.

Malmstrom noted that the term "all cost-effective energy efficiency" implies a large ceiling. Regardless, he suggested that ratepayer impacts needs to be carefully considered. He also noted that he was intrigued by the idea of splitting up the performance incentive, but that he would like more time to explore what this would look like and whether or not this would impinge the PAs flexibility.

McDonagh began by noting that he would like to hear some response from the PAs on everything that Council members had brought up during the meeting. He also noted that splitting up the performance incentive sounded like a logical idea, but that he was unsure of how it would actually work. He also expressed support for efforts related to the landlord/tenant issue and suggested that a subgroup be created to focus on this issue.

Rio noted that the ratepayer impact is a real issue that needs to be considered. He noted that the lack of gas is a big concern and that it acts as a cap on some customer's ability to do energy efficiency. He also noted that the renter/landlord issue is a big deal and that he was pleased to see an effort being made to address it. Rio also expressed support for further exploration into the difference in savings by PAs issue. Lastly, he noted that splitting the performance incentive is a great idea and that it would be helpful to start discussing possible legislature changes through a subcommittee.

With respect to bill-impacts, Boyd noted that she disagreed with Malmstrom's comment about all available cost-effective energy efficiency. She noted that bill impacts are not a question of what energy efficiency is out there and available, but that it is about how quickly they can be achieved. She stressed that bill impacts should not be seen as a constraint. Boecke added that his interpretation is that there is some level of bill impact at which customers can no longer afford to pay more into the programs. Swing suggested that the Council devote some time to discussing bill impacts at the next meeting.

Judson concluded by reviewing the next steps of the process. She noted that the goal of the discussion at this meeting was to give the PAs some things to consider as they finalize the Plan. Finlayson added that the EC would draft a resolution at their upcoming meetings on October 7th and 14th. He noted that there would be a Council meeting on the 21st and asked that Councilor's hold their schedules for an additional Council meeting on the 26th should it be necessary for finalizing the resolution.

11. Adjournment

Judson thanked everyone and adjourned the meeting at 4:31 PM.