

Massachusetts Energy Efficiency Advisory Council
 Meeting Minutes
 Tuesday, August 10, 2012

Councilors Present:

Voting	Present (designee)	Non-Voting	Present (designee)
Nancy Seidman	X	Elizabeth Cellucci	X
Martha Coakley	Matt Saunders	James Carey	X
Penn Loh	Larry Chretien	Penni Conner	Tilak Subrahmanian
Mark Sylvia	Mark S. & Tina H.	Michael Ferrante	
Debra Hall	X	Alisha Frazee	
Charles Harak	X	Maggie Downey	X
Elliot Jacobson	X	Cindy L. Carroll	X
Jeremy McDiarmid	X	John Ghiloni	
Rick Mattila	X	Paul Gromer	X
Robert Rio	X	Andrew Newman	
Deirdre Manning		Richard Oswald	X
		Michael Sommer	Emmett Lyne
		Carol White	X

DOER: Sue Kaplan, Lyn Huckabee, Katie O'Rourke
 Consultants: Jeff Schlegel, Phil Mosenthal, John Livermore

Present:

JoAnn Bodemer	Marc Breslow	Geoff Chapin
Jodi Hanover	Loie Hayes	Natalie Hildt
Tom Regh	Jennifer Turnbull	Erin Malone
Meredith Miller	Cara Mottola	Ed Schmidt
Tom Palma	Jeremy Shenk	Margaret Song
Jayden Wilson	Scott Veggeberg	Ben Pignatelli
Lynn Westerlind	Monica Cohen	Marie Abdou
Melanie Coen	Mary Downes	Staci Rubin
Sam Nutter	Emily Graham	Emily Norton
Monica Kachru		

Sylvia called the meeting to order at 1:04 and welcomed everybody.

Public comment

Several interested parties commented on the PAs draft plan during the public comment period, including Scott Veggeburg (Homeworks Energy) and Paul Johnson (Greentek).

General Updates

EEAC Meeting Minutes

Sylvia noted that the EEAC meeting minutes for the July 10th and July 23rd meetings had been distributed. Two edits to the July 10th meeting minutes were discussed and noted. McDiarmid motioned to approve July 10th minutes; Harak seconded. Council voted and

approved. McDiarmid motioned to approve July 23rd minutes as amended; Harak seconded. Council voted and approved.

Executive Committee

Sylvia noted that the minutes had been distributed for the July 18th and July 31st Executive Committee meetings. One common edit on each of the meeting minutes was discussed and noted. Saunders motioned to approve July 18th minutes; Halfpenny seconded. Council voted and approved. McDiarmid motioned to approve July 31st minutes; Jacobson seconded. Council voted and approved.

Energy Bill

Sylvia informed the Council that Governor Patrick had just signed the energy bill, with a number of provisions to continue the Massachusetts clean energy revolution. He noted that the summary is on the legislators' website. Sylvia noted some of the new items in the bill including: new rebate pilot program for 5 largest C&I users in each utility service territory; adding councilors to the EEAC; creation of a commission to look at energy costs; and State study of benefits/barriers of starting a PACE-type financing program.

DPU 11-120 Technical Session & Bill Impacts Working Group

Sylvia noted the DPU 11-120 technical session scheduled for August 16th, 1-4pm, and the Bill Impacts working group meeting also on August 16th, 10am-noon. He noted that DOER would be actively participating.

Adding September meeting

Sylvia discussed the need to add another EEAC meeting in September, with 3-Year Plan drafts coming out on September 6th, and a Council meeting the following Tuesday. He explained the need to give the Council and consultants enough time to review and provide analysis. The Council agreed to add a meeting on September 27th, and to reschedule the October meeting for October 16th.

Quick PA update on 2012

Lyne introduced Abdou to give the PA update. Abdou presented a set of slides outlining C&I, residential, and low income program performance YTD through June 30th. She noted that gas and electric savings are ahead of last year's pace. Halfpenny noted that 2012 savings tracking ahead of 2011 is a positive indication of program success. She asked when EM&V results would be applied; Abdou indicated next quarter.

Annual Report to Legislature

Kaplan explained that the Annual Council Report to the Legislature is 90% to the final draft. She noted the report includes sector results, case studies, and comparisons to equivalent number of homes powered/heated, with a focus on making the report accessible to the general reader. Kaplan noted that the report will include evaluated results; Halfpenny noted that DOER has been waiting for the Annual Report roll up numbers to complete the report. Kaplan asked for Council approval of the nearly completed report. McDiarmid recognized Kaplan's efforts and the efforts of the Optimal team to pull the report together. McDiarmid motioned to approve the report, subject to the data updates; Seidman seconded. The Council voted and approved the report.

Annual Report Update

Schlegel presented a set of slides updating the Council on the 2011 Annual Reports (ARs) that were submitted by the PAs on August 1st. He reminded the councilors that the ARs go first to the Council for approval, and then to the DPU. He noted that there are individual PA reports and a statewide report, and that the numbers incorporate EM&V results. Schlegel noted that electric achieved 87% of the total annual MWh savings goal, while gas achieved 83% of the total annual therm savings goal. He noted that this is a good achievement in a year with very significant goals and some EM&V effects. The Council had a brief discussion on 2011 performance compared with 2012 YTD. Schlegel showed an updated 'cost range' slide, including 2011 performance. He noted that each \$.001/lifetime kWh saved equals about \$40 million, and each \$.001/lifetime therm saved equals about \$0.87 million statewide. He emphasized that it is important to get the costs right for the 2013-2015 plan, and that the consultants recommend funding adequate to achieve ambitious goals. Lyne gave a brief PA overview of the ARs, pointing out that 2011 represented a good achievement for the PAs. Schlegel noted that the effort assembling and reviewing the ARs pointed up the need for a statewide database, as a lot of data was needed at the last minute. He suggested that a database that would roll-up report data and do QA checks would be a big improvement over the current 08-50 table spreadsheets.

Updates from Resolution

Sylvia noted that the Council asked Lyne and the PA team to provide answers to questions posed in the Council resolution, including on statewide marketing and statewide database. White presented the PA response, walking through each core issue in the resolution. She presented a set of slides on benefits and goals, CECF goals, program costs, codes and standards, the energy bill, and other issues, and noted that the next draft of the plan is due September 6th. Schlegel noted that the consultants have identified a process to get a handle on the major cost drivers, and that the consultants and PAs expect to provide additional insight and information before the development of the September 6th plan. Halfpenny noted that the Council resolution asked for increasing goals over the next 3 years, on an upward trajectory. White responded that none of PAs have proposed changing their savings goals from the July plan, yet. McDiarmid thanked the PAs for putting together the presentation that responds to the points and questions in the resolution. Halfpenny noted that some follow up is needed by DOER and DEP on specific issues.

Performance Incentive Review with 2011 Results

Halfpenny explained that the Executive Committee (EC) has looked at the performance incentive (PI) model and some potential modifications. She noted that no wholesale changes are being suggested, but that some adjustments are needed to put the model more in alignment with the goals of the Council for the next 3 years. Schlegel presented a set of slides giving a historical context and outlining the ideas being considered by the EC. He noted that in most years the electric PAs have earned higher than planned PI levels, and he explained how PIs derive from Benefits, TRC Costs, and Net Benefits (Benefits minus TRC costs = Net Benefits). Schlegel suggested building on the current approach, which has mechanisms intended to do two things at the same time, set high goals and achieve high goals. He presented a table of potential modifications to the existing PIs, and the

Council had a brief discussion on each of the ideas, including increasing the threshold from 75% to 80% or 85%. Schlegel detailed some additional ideas, including:

- 1. Use two payout rates (higher at and above 100%, lower below 100%); 2. Scale the incentive across the performance range.
- Increase the % weight for savings (benefits) and decrease % weight for value component.
- Apply the threshold to the total incentive in addition to each component.
- Limit or cap the incentive at x% of program cost or based on a ratio to program cost.

He emphasized that these are ideas that the EC has considered, and are not recommendations. Halfpenny explained that the EC will continue their discussion on this, and she asked Councilors to please send their comments and ideas to the EC. She shared the expectation that a decision would be made on PIs at the September Council meeting.

Halfpenny explained that Sylvia will be chairing the September meetings. She noted that the November meeting is cancelled, and that a calendar of events for the next few months will be assembled and distributed to the Council.

Adjourn

Halfpenny adjourned the meeting at 4:04