



## MEETING MINUTES

**Wednesday, March 15, 2017**

100 Cambridge St, 2<sup>nd</sup> Floor

Conference Rooms B & C

Boston, MA 02114

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**Councilors Present:** Eric Beaton (for Chrystal Kornegay), Donald Boecke (for Maura Healey), Amy Boyd, Elizabeth Cellucci, Larry Chretien, Maggie Downey, Betsy Glynn, Paul Gromer, Frank Gundal (for Tilak Subrahmanian), Charles Harak, Paul Johnson, Emmett Lyne (for Michael Sommer), Richard Malmstrom, Deirdre Manning, Michael McDonagh, Jeremy Newberger, Jerrold Oppenheim (for Elliott Jacobson), Thomas Palma (for Cindy Carroll), Laurie Pereira (for Trish Walker), Robert Rio, Victoria Rojo, Arah Schuur (for Judith Judson), Sharon Weber (for Martin Suuberg)

**Councilors Absent:** Michael Ferrante, Andrew Newman, Brad Swing (for Austin Blackmon)

**Consultants Present:** Eric Belliveau, Craig Johnson, Jeff Schlegel

**DOER Staff Present:** Rachel Evans, Matt Rusteika

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### 1. Call to Order

Schuur, as Chair, called the meeting to order at 1:05 PM.

### 2. Public Comment

No public comment was received.

### 3. Council Updates and Business

#### *EEAC Meeting Minutes – January 18, 2017*

Malmstrom motioned to approve the minutes as submitted. Boyd seconded. All were in favor, with none opposed or abstaining. Johnson, McDonagh, Oppenheim, and Rio were not present at the time of the vote. The minutes were approved, as submitted, by the Council.

***EEAC Meeting Minutes – February 15, 2017***

Glynn motioned to approve the minutes as submitted. Malmstrom seconded. All were in favor, with none opposed. Manning abstained. McDonagh and Oppenheim were not present at the time of the vote. The minutes were approved, as submitted, by the Council.

***EEAC Executive Committee Meeting Minutes – February 1, 2017***

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

***EEAC Executive Committee Meeting Minutes – March 1, 2017***

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

***EEAC Demand Reduction Subcommittee Meeting Minutes – February 23, 2017***

Boyd motioned to approve the minutes as submitted. Boecke seconded. All were in favor, with none opposed. Malmstrom abstained. The minutes were approved, as submitted, by the Demand Reduction Subcommittee.

***General Announcements***

Rojo was introduced as the new representative of ISO-NE on the Council.

Belliveau noted that the consultant team (C-Team) had recently completed a memo on industrial process and that it was posted to the Council website. He added that the C-Team is in the process of writing other papers on similar topics that would also be posted to the Council website.

Johnson noted that DOER would be doing a presentation on their pilot program for expanding residential energy efficiency on Thursday March 23, 2017.

Schuur reminded the Council that the April Council meeting had been rescheduled from April 19, 2017 to April 26, 2017.

**4. 2016 Year End Results**

***Program Administrator Presentation***

Melanie Coen and Steve Menges, on behalf of the Program Administrators (PAs), presented their 2016 year end results. They began by noting that the results are preliminary and that final results would be filed with the Department of Public Utilities (DPU) on May 1, 2017. In their presentation, they gave a statewide overview of lifetime savings, benefits and spending, as well as electric and gas actuals compared to plan for participants, spending, capacity, and annual and lifetime savings. They also gave their thoughts on various aspects of sector-specific performance, including topics such as the effect of combined heat and power (CHP) on commercial and industrial (C&I) savings and the impacts of lighting changes to the trend of portfolio savings.

Glynn noted that the PAs referred to their performance on residential lifetime savings as not being an indication of under performance. She indicated that she understood what they were trying to convey, but that the language they used was not accurate. She recommended that they rework the language. Coen agreed, and reiterated that the point was to emphasize that the PAs under performance was not a result of a lack of effort and was primarily due to changes in standards for lighting measure lives.

Chretien noted that the PAs had indicated that sales to low-income customers had decreased. He asked if the PAs could share supporting data. Menges indicated that they could provide them with that information. Harak asked if the PAs could also provide data on decreasing sales in other sectors, to the extent that that is occurring.

### ***Consultant Team Presentation***

Schlegel, on behalf of the C-Team, presented their evaluation of the PAs 2016 year end results. Their presentation included portfolio level results, high-level results for electric and gas, trends in savings, key drivers of savings, savings by PA, and cost to achieve savings information. Like the PAs, the C-Team also shared their thoughts on the impact of CHP on C&I savings and the impacts of lighting changes to the lifetime savings goals.

Boyd asked why the impact of the changing measure lives on residential lighting did not have a noticeable impact on the low-income lifetime savings results. Coen noted that the upstream lighting program is counted as part of the residential sector, and therefore there is a greater volume of lighting in that sector, making the impact more evident than it is for the low-income sector.

### ***Council Discussion***

Johnson noted that the PAs have consistently achieved a lower cost to achieve than what is planned. He asked if the PAs get an incentive for achieving lower cost to achieve than plan. Schlegel indicated that the PAs get incentives based on performance compared to plan for savings and net benefits. Abdou noted that net benefits is driven more by the achievement of benefits than it is on total PA spending.

Johnson asked if the PAs had a plan or strategy for dealing with the lower than expected measure life issue. Glynn added that she was also hopeful that the PAs were working to address the issue. Coen noted that the PAs had planned for decreasing lighting measure lives, but not to the extent that it has happened. She added that they are discussing innovative ways to achieve their lifetime savings goals. Gundal also noted that from the customer perspective, annual savings are more important than lifetime savings and that annual savings have been increasing.

Gromer asked if others thought that the Council should have a conversation about whether it wants the PAs to be focused on spending up to budget or hitting savings and benefits goals. Schuur indicated that that discussion would likely happen when the Council begins to plan for the next Three Year Plan.

Several Councilors thanked the PAs and C-Team for their presentations and congratulated the PAs on their overall performance in 2016.

## **5. Updates on Peak Demand Activities**

### ***Cape Light Compact***

Austin Brandt, on behalf of the Cape Light Compact (CLC), updated the Council on their peak demand activities. In his presentation, Brandt highlighted the 2016 results of their demonstration offerings, as well as a preview of what their plan was for 2017. He also noted that they were planning to do a new demonstration for C&I thermal storage. Brandt discussed the new offering extensively with the Council and gave an overview of their mid-term modification (MTM) associated with it.

Schuur noted that CLC had presented the information at the Executive Committee (ExCom) meeting and that there were a lot of questions raised there. Members of the ExCom expressed their appreciation to CLC for responding to those questions and for updating their presentation.

Rio asked if it were possible for some of the increase in customer costs to C&I customers as a result of the proposed demonstrations to be covered through other financial avenues. He cited DOER grant programs as an example. Brandt indicated that part of the increase is associated with a reduction in their RGGI allocations. Schuur added that DOER worked closely with the PAs to ensure that there was very little, if any, overlap between their demand reduction grant efforts and the PA's demonstration projects.

Boyd asked if the technology in the thermal storage demonstration would be customer or utility controlled. Brandt indicated that they would be working with customers on a site-by-site basis to determine the optimal run hours for the units.

Malmstrom noted that he was actually encouraged that one of the PAs had a demonstration project that they were looking to move away from. He noted that it showed that the demonstration projects are doing their job in determining what will and will not work in a larger program.

### ***Cape Light Compact Resolution***

Schlegel noted that the C-Team was actively engaged in recent conversations about CLC's proposed new offering. He added that they had reviewed the slides and the narrative in the MTM resolution. He concluded by noting that the C-Team would recommend that the Council support and approve CLC's MTM request.

Manning motioned to approve the resolution of the Council regarding the Mid-Term Modification to the Cape Light Compact's 2016-2018 Three Year Plan. Johnson seconded. All were in favor, with none opposed or abstaining. Harak was not present at the time of the vote. The Council voted in favor of approving the resolution 13-0. The resolution was approved.

### ***National Grid***

Ezra McCarthy, on behalf of National Grid, updated the Council on their peak demand activities. His presentation included 2016 results and key findings as well as information about how they were planning to modify and scale the 2016 demonstration for 2017. He also discussed their C&I

active demand response project which included information about what they accomplished in 2016 and what their plans were for enrolling and calling events in 2017 and beyond.

Oppenheim asked if they had been or had planned to recruit low-income people. He indicated that he would be curious to hear what, if any, feedback they might have with engaging in the demonstration project. McCarthy indicated that he had not heard from his team if any low-income customers had signed up, but that they were looking into it.

Glynn asked if there were any limits to participating based on customers current or typical thermostat set points. Mona Chandra noted that they did not in 2016 but that they were evaluating that as an improvement for 2017. She noted that it would likely make sense to have a cutoff for people who signed up for a participant incentive but that are not reducing their demand because of already high set points.

### ***Eversource***

Michael Goldman, on behalf of Eversource, updated the Council on their peak demand activities. He highlighted the DPU schedule for their proceeding as well as what they are working on while they wait for approval.

Johnson asked if they would be able to do any heating season projects if they are not able to get anything up and running for the upcoming summer. Goldman noted that there might be some opportunities and that they have those on their radar.

### ***Unitil***

Thomas Palma, on behalf of Unitil, updated the Council on their peak demand activities. He also highlighted the DPU schedule for their proceeding as well as what they thought was a reasonable timeline for getting their demonstration offerings up and running.

### ***C-Team Update***

Schlegel updated the Council on the status of key work areas regarding peak demand reduction in the 2016-2018 Plan. His presentation included information about the analytical framework, the cost-effectiveness framework and the avoided energy supply cost study, the demonstrations, evaluation of the demonstrations, and planning for the 2019-2021 Plan.

Johnson asked if there were any considerations about whether or not the PAs should bid their resource into the forward capacity market. Schlegel indicated that it was on the table for discussion when planning for the 2019-2021 Plan occurs.

Boyd noted that it looked like the schedule indicated that evaluation results for the demonstration projects would not be finalized until after the PAs have to submit the 2019-2021 Plan to the DPU. Schlegel noted that that was correct and that the PAs were in good faith trying to get everything up and running for the summer of 2017.

## **6. Adjournment**

Schuur, as Chair, adjourned the meeting at 4:04 PM.