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A Non-Profit Organization

PEOPLE'S Power & Light

To: **Gretchen Calgani, Optimal Energy Consultants**
From: **Larry Chretien**
Date: **October 13, 2015 ---- revised on October 15, 2015**
Re: **Comments for EEAC Resolution Discussion**

First of all, I remain greatly disappointed that the Department of Energy Resources (DOER) and Attorney General's Office (AGO) negotiated a term sheet that is significantly at odds with the resolution passed unanimously by the EEAC on July 21. Most importantly, DOER and AGO negotiated savings levels below that supported by the EEAC. Furthermore, DOER and AGO negotiated a $20 million or 25 percent increase in the electricity performance incentive (PI) without consulting with members of the EEAC at all – not through the workshop process , at EEAC meetings, or in executive committee meetings. The October resolution must address these concerns as well as the following

Higher/More Substantial C&I Savings Goals: The PA performance in the C & I sector has been poor in recent years. It must be improved and yet the 3YP goes in the wrong direction. The plan submitted by the PAs on September 23 included the following C & I goals which are far too low given that C & I efficiency is, by far, the most cost-effective energy resource available. As shown below, the annual savings in 2016-2018 average six percent (6%) less than the projected figure for 2015. The lifetime savings are twenty-one percent less (21%). The goals in the 3YP are even less than what was accomplished in 2014:

C&I Electric Savings	2014 Actual	2015 Planned	2015 Projected	2016 Planned	2017 Planned	2018 Planned
Annual (MWh)	773,144	867,405	789,339	740,631	750,579	754,036
Lifetime (MWh)	9,310,037	11,623,911	10,810,237	8,359,985	8,579,132	8,870,470

As I stated at the last EEAC meeting, I would support separating the residential PI from the C & I PI. There was interest and support from a number of other councilors to explore this proposal further, particularly in light of the lower proposed savings goals and consistent underperformance in the C&I sector. I think we should also consider raising the threshold from 75% to 80%. This would help to ensure that the PAs would capture the most cost-effective resource available.

C&I Data Reporting: Also relating to the C & I sector, the EEAC needs to receive quarterly reports with pertinent information on progress with respect to:

- Combined heat and power
- Street light conversions
- Small businesses, including nonprofits

Residential Data Reporting: The draft plan submitted by the PAs on September 23 was much stronger on the residential side. The resolution should reflect EEAC support for the Renter-Specific Initiative and the new program for Moderate-Income people. However, we still need to see data such as: the number and residency, by town, of renters participating in Mass Save at various levels of participation – special visits, weatherization, etc. We also need to see data on the new trial program for Moderate-Income.

Market Segmentation Focused on Nonprofits: Finally, as a representative of the Massachusetts Nonprofit Network, I was disappointed to see such little recognition of the importance of serving nonprofit energy consumers. Most nonprofits are small C & I customers and evaluations have shown that small C & I customers are generally able to save a higher percentage of their energy usage when they participate. A market segmentation strategy explicitly focused on nonprofits would yield strong results.

Thank you.