



EXECUTIVE COMMITTEE MEETING MINUTES

Wednesday, February 5, 2020
100 Cambridge St, 10th Floor
Boston, MA 02114

Executive Committee Members Present: Don Boecke, Amy Boyd, Jonathan Goldberg (for Emmett Lyne), Elliott Jacobson, Rick Malmstrom, Maggie McCarey

Other Attendees: Eric Belliveau (via phone), Austin Brandt (for Maggie Downey), Adrian Caesar, Audrey Eidelman, Rachel Evans, Ian Finlayson, Jerrold Oppenheim, Emily Powers, Jeff Schlegel (via phone)

1. Call to Order

McCarey, as Chair, called the meeting to order at 10:04 AM.

2. Executive Committee Updates and Business

February EEAC Meeting Start Time

McCarey announced that the February 12th Council meeting would be extended by 30 minutes in order to get through all required voting. She added that a venue in Fall River, Massachusetts has been secured for the March 18th Council meeting.

3. 2020 Budget Request to the DPU

Powers reviewed the Draft 2020 EEAC Budget Request table, which included the proposed budget, and the actual 2019 spending.

Boecke asked if the five percent projected budget increase between 2019 and 2020 was comparable to anticipated year over year increases. McCarey replied that the underspending in 2019 might cause the increase to exceed typical projected increases, but the budgets are comparable to previous years. Belliveau indicated that during the last contract period, the Consultant Team was directed to avoid overspending so they planned to operate below the budget limit to avoid the need to request for additional funding throughout the contract term.

Jacobson suggested that if there is an explanation for the percentage increases, then Council members should not have any reservations. McCarey said that the primary focus is staying under the cap for consultant spending; the Council will vote on the budget during the February 12th meeting and submit the formal request to the DPU.

4. 2020 Council Priorities - Discussion

McCarey discussed the updated 2020 Council Priorities document, which included feedback from Council members and program administrators (PA's). The changes to the Priorities were as follows:

- For Priority #1: 2019-2021 Plan Goals, language about aligning Council priorities and efforts with existing programs in Massachusetts was added. Regarding the 50% penetration rate for lighting projects that include controls, sources referenced in the Consultant Team (C-Team) C&I Lighting whitepaper presented during the October Council meeting.
- For Priority #3: 2019-2021 Plan New Program Initiatives, McCarey modified the language to clarify that an evaluation plan for Strategic Energy Management will be developed, but a full evaluation is not ready.
- For Priority #4: Equitable Customer Participation and Savings, the phrase “harder to reach customers” was omitted, as this seemed to place the onus of being underserved on customers as opposed to programs. A line regarding the scaling of municipal partnerships in 2021 was also added.
- For Priority #6: Strategic Planning for 2022-2024, specific dates tied to objectives and deliverables were added; some timelines were still subject to change, so not all objectives were assigned dates. Planning beyond Residential and C&I lighting, meeting long-term climate goals, and the potential for additional PA staffing resources were also included in the edits.

Jacobson wanted to ensure that the Residential and low-income calculator and customer decision tree roll-out were not conflated, since the low-income roll-out is connected to the Department of Energy and will be carried out differently than the market rate roll-out; these items were described under Priority #3.

Goldberg discussed the feedback on the Council Priorities from the PA's. The PA's felt “harder to reach customers” was an appropriate term since programs are voluntary and the final decision to participate falls on the customers. Boecke indicated that low-income residents and renters often complain about barriers to participation, so they often lack decision-making power. McCarey said that the March Non-participant Study might explain the issue in more depth. Boecke added that if “underserved customers” implies a slight on behalf of the PA's, they can find more suitable terminology. McCarey recommended that any descriptor used should be appropriate and actionable.

Goldberg indicated that it is premature to assume the scaling up of municipal partnerships, as the performance results are still pending, and it would not be beneficial to expand an unsuccessful

strategy. Boyd stated that the initial cohort of the municipal partnership strategy was intended to grow. Goldberg responded that this would only be the case if the first cohort was successful.

Boyd asked if the goal was to improve participation or savings in Lawrence. McCarey indicated that increasing participation would improve savings, so the goal should be to boost participation rates there.

Boyd and Malmstrom expressed reservations about evaluation of PA staffing plans, since that crossed into the territory of micromanagement. McCarey said that they needed to portray support for additional staff if necessary.

Boecke thought that planning beyond lighting was an important addition to include, but the phrasing was dramatic. Goldberg agreed that there will be a decrease in claimable lighting savings, but not a complete diminution. McCarey believed that the wording should still emphasize a significant change in the lighting market.

Goldberg felt the concept of balancing implementation and strategic planning as described on the last page of the Priorities document was accurately described; those who implement current plans also need to be well versed in strategizing for the future and vice versa.

Goldberg said the PA's cannot commit to the New Construction program design progress report deadlines described in Priority #6, especially since the proposed deadline is prior to the stakeholder workshops. McCarey suggested that the intent should be to show they are considering program designs well in advance of April 2021 when designs must be submitted. She agreed that the workshops should occur first, and proposed that program design approaches should be discussed closer to the end of the year. Boyd viewed this as a means of ensuring the New Construction program designs committed to achieving climate goals and transcending lighting savings. Goldberg agreed, but felt that the PA's would benefit from receiving program design recommendations and feedback from stakeholders prior to reporting on the designs.

Boyd believed the potential study deadline should ensure the results are finalized before April 2021; this would provide sufficient time for the potential study results to inform the draft Plan. Goldberg acknowledged the concern of disseminating results too late, but asserted the December 2020 potential study deadline was too early, according to the PA's. He indicated they are planning to share draft results in early January and finalize results at the beginning of March. McCarey asked what data could be provided incrementally if full results could not be produced until after December. Belliveau stated the PA's should not assume the December deadline is unachievable if they have not spoken to contractors. Goldberg said that certain studies relevant to potential studies that will delay the timeline, such as the Avoided Energy Supply Cost (AESC) Study. Schlegel said that full potential study reports are not necessary for planning purposes, as there are key data tables and charts that can be sufficient.

5. Daily Dispatch Resolution - Review

Schlegel announced that the C-Team and PA's have been working on a Daily Dispatch Resolution draft, and the final C&I evaluation has been posted on the Council website, but the

Residential evaluation will be posted prior to the February 12th Council meeting. The C-Team recommended Council approval of the proposed Daily Dispatch Resolution and full-scale implementation of the program.

Boyd asked why the DPU originally opposed scaling up Daily Dispatch. Goldberg responded that the DPU felt it had not been adequately tested in the field and evaluated. McCarey noted the C&I sample size was small, but the five-year incentive lock is necessary to drive C&I projects and the overall storage market. Schlegel said that the strategy for daily dispatch has done demonstrably well and the evaluation was positive. Finlayson wondered if Eversource and Unitil would overperform since they originally set low capacity savings goals. Goldberg replied that storage projects take a long time to develop, so if projects are not underway entering the summer, they will likely not be available for the entire summer. However, Goldberg observed that developers are interested, and they will likely exceed the original planned targets. McCarey said that overperformance would be welcomed, given the program's benefits.

6. Columbia Gas Greater Lawrence Proposal – Proposal and Resolution Drafting

McCarey indicated that the Council broadly supported extension of the enhanced incentives in Lawrence, Andover, and North Andover; many Councilors prioritized increasing participation rates in Lawrence.

Jacobson thought that Cellucci's plan was on the right track for identifying participation barriers in Lawrence; he noted that the performance in Andover and North Andover raised the overall performance standard. This further exacerbated the lower observed participation rates in Lawrence.

Oppenheim estimated there would be an additional \$5,000,000-\$7,000,000 of low-income funding on top of what is being budgeted, and this will be spent in Lawrence. McCarey said that the ability to spend these funds in Lawrence is contingent on the type of barriers that exist there.

In the event that many buildings in Lawrence have already received weatherization services in Lawrence, McCarey noted that extending the enhanced incentive deadline without modification would be acceptable. She reiterated that the extension would only pertain to no-cost services for market rate customers through 2020, since low-income residents already receive free weatherization services in Greater Lawrence.

Goldberg clarified that since the enhanced market rate incentives technically expired in December 2019, Columbia is looking for approval to continue these incentive offerings. Boecke asked if this would necessitate a new budget. Goldberg responded that this would be within their same budget, but it may require a mid-term modification due to increased participation across Columbia's territory.

Boyd felt that extending the market rate incentives might guide contractors away from moderate and low-income customers, so data sorted by income status would be helpful. Goldberg confirmed that no income verification has been conducted for enhanced incentive recipients.

Boyd also raised the point that the program is good for the environment, however is not maximizing cost efficiency since the incentives seem to be benefiting market rate customers more than moderate and low-income customers.

7. Cape and Vineyard Electrification Offering – Resolution Review

Brandt, on behalf of Cape Light Compact (CLC), updated the Executive Committee on the status of the Cape and Vineyard Electrification Offering (CVEO). The proposal still includes the same measures, but they changed the targeted customer segment to low- and moderate-income residents and increased leverage of existing incentives.

Boyd wondered how the removal of the federal income tax credit (ITC) would impact the program. Brandt stated that it will still be in effect for 2020 and 2021; if and when the ITC goes away, they would have to reevaluate the third-party ownership structure.

Malmstrom and Boecke thought the proposal was great and incorporated much stakeholder feedback, with which Brandt agreed. Boecke was concerned about using energy efficiency funds to support solar projects, and asked if participants are required to get rid of oil or propane heating systems. Brandt said they would replace oil or propane heating, but some customers may want to keep these systems in place in case of extreme weather events.

Finlayson was glad to see the leveraging of existing incentives before using energy efficiency funds. The CVEO demonstrated the ability of efficiency programs to simultaneously meet energy efficiency and climate goals. Brandt indicated there is evidence that low- and moderate-income people are underserved by solar, but they are yielding benefits from the incentives. Boecke said there are still many benefits from customers just converting to electric heating, so they need to keep assessing whether solar and batteries should be a spending priority.

Finlayson suggested the combination of heat pumps, solar power and storage systems increases cost effectiveness of these investments for the customer. Schlegel indicated the offering is reasonable, properly targeted, and beneficial from a benefit-cost analysis perspective; given the benefits per dollar spent, he indicated that the C-Team was prepared to support CVEO.

8. February EEAC Meeting – Agenda Finalization

McCarey announced it would be imperative for the Council to vote on the 2020 Budget, Daily Dispatch Resolution, and Columbia Gas Proposal during the February 12th Council meeting. In order to allow sufficient time for voting, presentations and discussion, McCarey proposed extending the meeting by 30 minutes. Executive Committee members agreed that they extension was a good idea.

9. March EEAC Meeting – Draft Agenda Topics

McCarey discussed potential agenda items for the Council's March meeting in Fall River. The items included discussion of the Non-participant Study, a status update on the Illume Limited English Proficiency (LEP) Customer Journey Study, Municipal Partnership Strategy update, DOER Grant Update, and Renter, Moderate Income and LEP customer reporting and progress.

10. Adjournment

Prior to the end of the meeting, Councilor Malmstrom announced that he would be submitting his resignation to the EEAC and that the February Council meeting would be his last. Malmstrom expressed that due to recently starting at a new position, he unfortunately did not have the time to fully dedicate to the Council. Malmstrom served as the Large C&I Customer representative seat.

McCarey, as Chair, adjourned the Executive Committee meeting at 12:03 PM.