Center for Sustainable Energy®
1 Broadway, 14th Floor
Cambridge, MA 02142
Tel: (857) 243-2021 · Fax: (858) 244-1178
www.energycenter.org · info@energycenter.org

# MEMO

TO: **EEAC Consultant Team, via calcagni@optenergy.com**

FROM: **Elizabeth Glynn, EEAC Councilor, Residential Consumers**

CC:

Date: **October 14, 2015**

Subject: **Comments on the September draft of the Three-Year Efficiency Plan**

The EEAC received a second comprehensive draft of the Three-Year Plan from the Program Administrators on September 25, 2015 (the September Plan). The September Plan's term sheet, including savings goals, annual savings levels, Performance Incentive, and language, was negotiated between DOER, the Attorney General's office, and the Utility PAs separate from open meetings with the EEAC Executive Committee and the full Council. The September Plan includes saving goals that increased from the April draft, and lower – more reasonable – budget figures.

The September Plan represents the diligence of many people, and I appreciate that diligence as the representative of residential consumers, who will be beneficiaries of this hard work for the next three years and beyond, as savings from projects implemented during this Plan term will continue beyond 2018. I want to emphasize that all consumers benefit from the energy savings resulting from ratepayer-funded programs, not just the consumers who actively participate in the programming.

In the September Plan, the three-year savings goals approach the expectations this Council set forth in its July resolution. Despite the difference in goals in the July Resolution and the September Plan, the three-year savings goals of 2.93% for electric and 1.24% for gas, with the accompanying updated budgets, represent a business and planning decision on behalf of the PAs. I appreciate their efforts to get to this significant level of savings goals, which are an acceptable basis for finalizing a Three-Year Plan for a Council vote.

The decline in annual electric savings levels from 2016 to 2018 is unacceptable. It is my understanding from the October 7 Executive Committee meeting that the PAs plan to adjust the annual electric savings levels before a Council vote on a Resolution to approve the Plan, such that they will not decrease over time and will not require an exception or special note in the Council's Resolution. My biggest priority for the Plan is that no annual savings decrease over time, and that we simultaneously maintain or build upon the goals of 2.93% for electric and 1.24% for gas (and the annual and lifetime savings those percentages represent).

Through the EEAC, I look forward to working on ways to shrink or eliminate the savings differences that persist between the individual PAs. The savings differences between PAs represent an opportunity to improve overall performance of the programs and to provide more even and equitable service for consumers across the

Commonwealth. I encourage the PAs to continue the effort to eliminate PA savings differences until no differences exist and all our programs are performing at the highest possible level.

In the September Plan, some of the programmatic ideas resulting from many stakeholder sessions throughout months of engagement and outreach efforts were specified. I appreciate that the PAs participated in that process, and then took the input into consideration when drafting the September Plan by including a portion of the ideas generated. To the extent that the PAs did not include programmatic ideas generated through the workshops, provided via public comment, and included in the March and July Council Resolutions, I intend to work with them through the EEAC to understand ways we can maximize the programs' impacts on energy savings through continued collaboration and vetting of ideas.

Because the September Plan's term sheet was negotiated separately from open meetings with the EEAC Executive Committee and the full Council, Councilors did not have an opportunity to provide input to the structure of the Performance Incentive. Several Councilors asked me, as an Executive Committee Member, early in 2015 when the Council would discuss Performance Incentives. It is my understanding that some Councilors wanted to provide input on the structure of the Performance Incentive, and were not provided that opportunity. The negotiated term sheet was discussed for the first time at the September 30 Council meeting, when a Councilor proposed changes to the Performance Incentive. It is my understanding from the Executive Committee meeting on October 7 that if the proposed changes to the Performance Incentive are sought, then the PAs will not adjust the annual electric savings so that they do not decline.