

September 24th, 2015 EEAC Executive Committee DRAFT Notes

Council Attendees: Judith Judson (DOER), Arah Schuur (DOER), Amy Boyd (Acadia), Betsy Glynn (Res Customers), Don Boeke (AG), Rick Malmstrom (C&I Customers), Eliot Jacobson (LEAN), Paul Johnson (Small Biz), Emmett Lyne (PAs), Carol White (National Grid), Lisa Shea (Eversource), Joanne Bodemer (CLC), Jerry Oppenheim (LEAN), Eric Belliveau (Consultant)

Non-Council Attendees: Ian Finlayson (DOER), Lyn Huckabee (DOER), Alex Pollard (DOER), Steven Venezia (DOER), Amanda Helwig (Conservation Law Foundation), Shaun Callahan (Home Performance Contractor), Alex Papali (Clean Water Action)

Agenda:

- **INTRODUCTIONS**
- **LIMITED REMARKS ON TERM SHEET**
- **TERM SHEET DISCUSSION**
- **EEAC PRE-FILING CALENDAR**
- **2015 CONSULTANT BUDGET AMENDMENT**
- **2016 CONSULTANT CONTRACT PROCUREMENT**
- **AGENDA FOR 9/30 EEAC MEETING**

MEETING CAME TO ORDER AT 10:06 AM

INTRODUCTIONS/UPDATES

Judson introduced the newly-appointed DOER Director of the Energy Efficiency Division, Arah Schuur. She and Schuur reviewed her background in multi-state/national energy efficiency and real estate. The EC attendees then introduced themselves to Schuur.

TERM SHEET REMARKS

Judson reviewed the highlights of the 2016-2018 term sheets which support the Administration's key priority of achieving the highest level of cost-effective energy efficiency savings possible in the next three years. She acknowledged that there are net cost increases from the April draft, however, these weren't significant relative to the greatly increased savings levels negotiated in the term sheet, and that these high savings levels will keep Massachusetts at the forefront as a state in energy efficiency.

The electric savings as a percentage of sales increased from 2.5% in April to 2.93% (an increase of 22%) and gas savings as a percentage of sales increased from 1.08% in April to 1.24% (an increase of 14-15%). At the same time the budget for the electric plan increased by only 2% and the gas plan increased by 7.5%. Her qualitative thoughts on the draft included the need to ensure that summer and winter peak are adequately addressed, that PAs demonstrate a commitment to

innovation and emerging technology, and that EE contractors have a stronger voice in their business.

She commended the PAs on the September draft and reaching agreement on savings goals which allowed for the Council to have a careful and detailed review of the draft plans in the spirit of full transparency. She reiterated that the Council still has work to do in reviewing the plans, and that the term sheet was negotiated with the expectation that a majority of requests from the Council's July resolution could be incorporated consistent with the term sheet.

The Attorney General's office supports the basic framework of the term sheet and appreciates the results' sensitivity toward forthcoming bill impact analysis. Boeke suggested that the term sheet deserves the unanimous support of the Council.

The PA representative thanked everyone involved for their work reaching an agreement. Lyne assured everyone that the goals are extremely aggressive while balancing competing goals. The September draft marked a major increase in energy savings and GHG reduction with a minimal increase in budget.

Boyd and Lyne engaged in a discussion about the cumulative presentation of data on the term sheet prompted by the DPU's desire to make this a true 3 year plan. Boyd expressed concern about the declining annual electric savings over each of the 3 years. Lyne explained that this is driven by changing baseline impacts, most significantly EISA residential lighting standards and the fact that load is projected to decrease over the 3 years. White reminded Boyd that baseline issues mean that PAs can take credit for less energy savings even though the equipment saves the same amount of energy. Lyne suggested that a more nuanced analysis of the final plan, including the bill impacts, will put the plan in to more focus. Judson agreed that the term sheet as a whole was sound even though there is still an opportunity to tweak details in the programs. Discussion then moved to the overall energy savings without considering baselines and Lyne indicated that the PAs are currently trying to quantify GHG savings associated with gross savings activity. He said that, until that analysis happens, Councilors can assume that the GHG savings estimates are extremely conservative.

Judson then solicited feedback from other EC members:

- Glynn was generally pleased with the savings percentages and the addition of milestone dates. She is still concerned about commitment to the statewide database and the decreasing trend in annual electric savings.
- Johnson (not an EC member) expressed concern about the cost to achieve which increased 30% over 4 years. He also expressed disappointment in the level of detail in the plan. He doesn't consider the described renter visit is a measurable change from how renters are currently treated, does not believe that mid-size commercial customers were adequately addressed, or that contractor issues were considered in the revised plan. He

would like more specifics and expressed disappointment that he requested meetings with PAs all summer long but was denied. Lyne agreed to bring that concern back to the PAs.

- Malmstrom cautioned against picking apart the plan. He reasoned that no one knows exactly what will happen in 3 years so an overly detailed analysis is not a good use of time.

PRE-FILING CALENDAR

Pollard distributed the proposed Council schedule between now and November and reviewed the proposed dates with the group. The schedule includes time for all players to present on the proposed plan and the EC to write a proposed Resolution which will need approval by the full Council. The vote is planned for 10/21 so the filing can include the Council Resolution.

The EC will meet on 10/7 and 10/14 to process Council feedback and generate a proposed Resolution.

CONSULTANT BUDGET AMENDMENT

Belliveau recalled his presentation in June when he flagged consultant budget issues to the Council. He is asking that the Council make \$160k available to the DOER to spend on consulting because he thinks that is how much they will need by the end of the year.

Finlayson added that the money is available in the Council budget but that any funds not spent this year will go in to the next year's budget. Further, than next year's Council budget may need to be amended to replenish funds spent this year on the extensive public outreach process.

The EC recommends that the consultant budget amendment goes to the Council for a vote.

CONSULTANT CONTRACT

After Belliveau left the room, Finlayson explained that the Consultant's 2 year contract ends on 12/31 although there is an option to extend it. The DOER would like to rebid the contract to ensure competitive procurement but doubts there is time by the deadline. He proposed that the Council extend the Consultant's contract until the final term report has been submitted and reviewed before entertaining a change in Consultants although the process of procurement can begin as early as January 2016 to allow time to develop a scope of work.

The EC recommends that the Council vote to extend the consultant contract with plans to rebid in 2016. The issues will be raised in September but not likely voted upon until November. There are DPU deadlines for the term report to be finalized that will need to be considered.

SEPTEMBER EEAC AGENDA

The proposed agenda was distributed and Schuur reviewed. Most time was planned for presentations and discussion of the plan. EC members expressed concern that 3 hours wasn't

enough time to adequately discuss the plan (the Council's top priority overall) so much of the discussion focused on the possibility of extending the length of the meeting. (agreed)

Boyd asked for a quick update on winter peak decline from ISO and Judson agreed to a quick update. Lyne questioned whether the PAs would need to present their data dashboard and Finlayson agreed to try to fit it in.

ADJOURNED AT 11:48 AM

DRAFT