

Massachusetts Energy Efficiency Advisory Council
 Meeting Minutes (DRAFT)
 Tuesday, November 15, 2010

Councilors Present:

Voting	Present (designee)	Non-Voting	Present (designee)
James Colman	X	Derek Buchler	X
Martha Coakley	Danielle Rathbun	James Carey	X
Penn Loh	X	Penni Conner	X
Philip Giudice	Frank Gorke	Alisha Frazee	
Debra Hall	X	Kevin Galligan	X
Charles Harak	X	George Gantz	X
Elliot Jacobson	X	John Ghiloni	
Jeremy McDiarmid	X	Paul Gromer	X
Rick Mattila	X	Andrew Newman	
Robert Rio	X	Richard Oswald	X
TBA [EE Experts]		Michael Sommer	X
		Carol White	X

DOER: Steven Venezia

Consultants: Paul Horowitz, Jeff Schlegel, John Livermore

Present:

Zachary Arnold	Geoff Chapin	Daniel Ramage
Fran Cummings	Tom Darling	Jeremy Hill
Vin McLaughlin	Tom Franks	Kara Gray
Lyn Huckabee	Paul Johnson	Jenn Kallay
Susan Kaplan	Jeff Leupold	Theresa Lavoie
Erin Malone	Adin Maynard	Michael McAteer
Danah Tench	Cara Mottola	Matthew Nelson
Jeremy Newberger	Sam Nutter	Bob O'Brien
Meera Reynolds	Marie Harb	Monica Cohen
Robert Gyurjan	David Jacobson	Josh Lynch
Arlis Reynolds	Suzanne Bowls	Laurie Leyshon
Katherine Friedrich	Soledad Boyd	Paul Johnson

I. Introduction

Gorke convened the meeting at 2:11pm. He indicated that the meeting would concentrate on discussing the mid-term modifications.

II. Public Comment

Harak explained the major reduction in national LIHEAP funding from (\$2.7 billion this year, compared with \$5.1 billion last year). With average oil heating costs per household

at \$2,700 per year, the reduction in funding will hurt low-income families. Jacobson urged PAs and oil industry to get involved and visit their congress-people about this.

Five members of the public offered comments to the Council. Comments ranged from appreciation for the new HES model opening up the market to home performance contractors, to concern about how the new market model will work, to discussion of the successes of the current MA program compared with other states.

III. 2011 Mid-Term Modifications (MTMs) – Introduction and Discussion

Gorke acknowledged how hard everyone had been working. He stated the DOER was pleased with what they were seeing in 2010, and the process was headed in the right direction. Gorke circulated the proposed MTM resolution and the consultant report, which he indicated had been updated that morning. He said that there were 6-7 issues to look at during the meeting, including: 1) goals/ savings/benefits, 2) evaluation, 3) TRM, 4) performance incentives, 5) hard to reach customers, and 6) thresholds for MTMs. Lyne reflected the PAs' concern that they had not had time to digest the consultant report, but that they would like to get a resolution during the meeting. Jacobson commented that his staff at ACTION (and at ABCD) had been spending more time with evaluators than they are implementing program, and he stressed that the challenge was getting the work done. McDiarmid commented that the draft resolution did a good job of striking a balance between the great work that has happening and the areas where more work needed to be done.

IV. 2011 Mid-Term Modifications – Council Resolution

Schlegel presented several charts showing the Council the 3 Year Plan savings and goals numbers versus those in the MTMs. He explained that the \$6 billion in benefits are mostly there in the MTMs, but that there are variations across the individual PAs. Schlegel said that he was not concerned at the statewide electric level, but that the PAs should do a cross-PA check of data. For gas results statewide, he pointed to reductions in both annual savings and benefits. Gorke said that the Council could stop here and say “we are getting basically what the plan laid out for savings and benefits.” He noted that DOER had issues that it wanted to dig into more deeply, and he asked that the Council put the ‘next set’ of subjects into context.

Lyne indicated that the PAs would present some slides on several topics, including a presentation by Harb and Shea on declining benefits. He noted that the PAs want to do a cross-check on some of the numbers.

Benefits

Harb presented slides on ‘2011 Gas MTM Changes to Lifetime Benefits.’ She noted that savings decreased at a lower rate than net benefits decreased, and that the PAs are working on how to maintain benefits. Shea noted that non-energy benefits (NEBs) were being studied in 2010, and that some PAs used NEBs in their 3-Year plans while some did not. She noted the potential for quantifying energy savings from trainings.

Schlegel noted that he corrected a number of errors in the consultants' calculations, and that the consultants found a number of errors in the PA data, but that the consultants had to go ahead and do the best they could with the data they were presented with. Loh expressed surprise that the HEHE hard to reach component was not included in the MTMs. The PAs responded that this component is still in development.

White noted that the most important issue she was hearing was that of adjusting net-to-gross ratios to accurately reflect savings attribution. She suggested that it would be helpful to reprioritize some of the EM&V work to focus on issues that are more aligned with policy objectives, such as how to go deeper, and de-emphasize activities that are focused more on an 'audit' of what happened in a program.

Gromer summed up the lower savings/benefits discussion and clarified that a main driver was that the PAs, in order to make up benefits, shifted some saving to other programs with different benefit levels.

TRM

Horowitz updated the Council on the status of the Technical Reference Manual (TRM) which details the algorithms used for calculating savings. He explained that it was very nearly done, 90% on the C&I side. On residential, he noted, the primary area of disagreement was the specific input factors that the PAs planned to use to calculate savings for 2011, especially on the gas side. Horowitz specifically pointed to the assumption of 1.0 NTG for measures, such as thermostats, that have been on the market for years, and the high likelihood that upcoming evaluations will reduce actual savings from these assumed levels. Two PAs voiced concern that reducing NTGs now would driving savings lower, and mentioned that some measures have NTG numbers higher than 1.0. Gorke summed up that the TRM is an incredible product that represents a tremendous amount of work and cooperation. He expressed optimism that the details would be worked out among the PAs and Consultants.

Resolution

Gorke indicated that he wanted to move ahead with a resolution, and said that there were a few additional subjects that the Council had wanted to look at: data and hard to reach customers. He suggested and that the Council could table 'performance incentives' and get into it at a later date. Regarding data, Gorke mentioned that DOER, Loh, and the Consultants have been asking for more and better data, and language had been put in resolution addressing this. White noted to be mindful of the cost associated with expanded data requirements, and that research may be a more cost-effective approach, instead of expanding data requirements. Harak posited that there were low-cost data solutions such as examining projects by zip code. If we can do this, he said, we should do this, as it will tell where the dollars are going. Loh reinforced Harak's call for implementing low-cost data strategies as an important next step. Lyne asked what socio-economic data was being sought. Gorke responded that figuring out who the programs were reaching should be the first step for figuring out if the right program marketing strategies were in place to reach all sectors.

Hard to Reach Customers

Gorke noted the good work done in planning to better reach hard-to-reach customers, such as multifamily and rental housing. He also proposed a change to the resolution language indicating that, based on the timing of the consultant report, the Council would be just ‘forwarding’ and not ‘endorsing’ the consultant report. A discussion ensued on how to represent the consultant report in the MTM filing. Gorke mentioned that, had the Council had sufficient information six months ago, according to the consultants’ timeline, there would have been plenty of time for the consultant to review the MTMs and prepare their report. Lyne responded that the PAs were not comfortable with the characterization of when the PAs supplied materials, and that the PAs would be supportive of not taking a vote today. He noted the terrific progress made on the MTMs, and that the PAs had sent over some suggested edits on the consultant report. Schlegel cautioned that waiting for a resolution would involve some risk, and that it would be better to communicate with the DPU sooner than later. Another option, he proposed, would be to forward the consultant report when it was finalized. Horowitz noted that most of the issues in the consultant report were not new, that the consultants had been bringing them up for months (e.g. NTG issue).

Gorke expressed that the Council would take up the resolution at the December meeting, and that the work should continue to get to that point.

V. Mass Save HES Update

Galligan explained that the drafting of the Mass Save HES lead vendor RFP template was nearly done, guided by Conner, Derek, and the Steering Committee. He noted that the PAs would be staggering issuance of the RFPs in December to give vendors quality time to respond, and that the PAs were still looking at an April 2011 start of the revised program model with the new lead vendors. Galligan noted that Tina Halfpenny deserved a lot of credit as liaison between the RMC and the Steering Committee. Horowitz noted that the consultants were waiting for the non-disclosure agreement (NDA) as they still haven’t had access to the RFP draft. Conner responded that the NDA was ready to go, and Habib said it would be available to the consultants the following morning. Conner said she felt very confident that the agreed upon market model was reflected in the RFP, and noted that it had been a collaborative process to develop the model.

VI. Gorke said that he looked forward to a well-considered resolution in December. He noted that we were still heading in the right direction and expressed appreciation for the efforts of all the PAs. Gorke adjourned the meeting at 5:20pm.