

Massachusetts Energy Efficiency Advisory Council
 Council Meeting Minutes (DRAFT)
 Tuesday, July 14, 2009

Councilors Present:

Voting	Present (designee)	Non-Voting	Present (designee)
Heather Clark	2:09	Derek Buchler	X
Martha Coakley	Danielle Rathbun/ Jed Nosal at 2:30	James Carey	X
Paul Deare		Penni Conner	X
Lucy Edmondson	X	Alisha Frazee	
Philip Giudice	Frank Gorke	Kevin Galligan	X
Debra Hall	X	George Gantz	2:18
Charles Harak	X	John Ghiloni	
Elliot Jacobson	X	Paul Gromer	2:25
Samuel Krasnow	X	Andrew Newman	
Rick Mattila	X	Richard Oswald	X
Robert Rio	Bob Ruddick	Michael Sommer	X
		Timothy Stout	X

DOER: Michael Sherman, Steven Venezia

Consultants: Paul Horowitz, Jeff Schlegel, John Livermore, Tom Franks, Doug Baston

Attending:

Nancy Banks	Tina Halfpenny	David Miller	Peter Stein
Steve Bonanno	Loie Hayes	Jeremy Newberger	Patrick Tarmey
Geoff Chapin	Pam Howland	Kevin Penders	Danah Tench
Jeanne Cherry	Margie Izzo	Stephanie Pollack	Gena Tsakiris
Larry Chretien	David Landman	John Puc	John Walsh
MaryJo Connelly	Emmett Lyne	Karen Ribeiro	John Wells
Nat Cooper	Melissa Makofske	Marianne Schuster	Yingxia Yey
Jill Falk	Erin Malone	Lori Segall	Matt Zenni
Kara Gray	Noah Maskan	Lisa Shea	
Tina Haggerty	Jeremy McDiarmid	Margaret Song	

I. Introduction

Gorke convened the meeting at 2:06pm and distributed the agenda and related documents. He noted that a public comment period has been scheduled after the meeting at 5pm and requested that the public submit comments in writing.

II. PA Efficiency Program Presentation

The PAs distributed program descriptions to the Council prior to the meeting. Tina Haggerty of NSTAR presented an overview of the multi-family retrofit program designed with reference to the Council's stated priorities and focused on overcoming the barriers in this market. Key components of the program include cross-functional design, cooperative administration by PA steering committee, and integration through adoption of a "Program Expediter" model. The Program Expediter is a single point of contact for customers and coordinates services, measure installation is by vendors and other market actors, and quality assurance/quality control (QA/QC) are provided by an independent third party. The PAs have developed a road map to implementation by January of 2010.

Harak asked for a description of program marketing and was answered that it would be coordinated with the statewide program and an issue for further study. Clark asked about QA/QC and was answered that it would be consistent statewide. Clark asked if the new construction segment was on same schedule and was answered yes. Schlegel asked how many expeditor firms the PAs are currently working with and Haggerty answered none. Schlegel asked if it would be possible to issue an RFP pending regulatory approval and Haggerty said they would explore this. Clark asked if there would be training in parallel with multiple vendors and Haggerty responded yes, that standardized and consistent training is essential. Mattila asked about efforts to identify customers and Haggerty responded that target outreach will be done, but the issue is not identification, but participation.

Deidra Hall presented on the low income multi-family program, noting it is synchronous with the market-rate segment with specific barriers, e.g. the intermittent flow of funding to public housing, and that there will be no customer co-payment required for audit and measures. The administrative structure is being designed to reduce confusion in the customer population and simplify access.

Clark asked about how mixed income projects would be treated and Hall responded that the PAs are working to assure that there are not gaps in service. Oswald raised the issue of federal stimulus funds and Harak noted that the federal funds are more restricted and that it is easier to design ideal programs using utility funds.

Gorke noted that designs for other program sectors have been distributed and asked the PAs if there is additional information. Lyne responded that there were no material changes and noted that the program designs are the results of collaborative effort between the PAs, council members, other stakeholders, and the consultant team.

Nosal requested a brief presentation on changes since the April submission and McAteer and Gundal provided an overview of improvements in the C&I sector programs, including tighter integration, refined marketing and communication, additional financial mechanisms, leading to an enhanced ability to reach the goals. Galligan presented an overview of similar advances for the residential sector programs, and noted that all residential working groups would be meeting in the near future to resolve outstanding

issues. Nosal followed up asking for more detail on budget and savings and Conner responded that program level detail will be provided in the filing on July 16.

Schlegel asked the Council to communicate issues of particular concern to the consultant team and noted that it will be paying particular attention to integration issues toward a seamless customer experience; assuring that technology is offered across programs as appropriate (avoiding “stovepiping”); coordination and administrative cost; statewide consistency; and, deeper and broader savings including whole building approaches.

Harak requested that the PAs provide more information on economic benefits including job growth and job development and Lyne responded that this is a separate section in the plan. Conner noted that the PAs will address need for training and coordination with trades and the State on training programs. Rathbun asked about use of the HeatLoan program. Gorke requested that comments be submitted to both him and Horowitz as soon as possible.

III. On Bill Financing Presentation

J. & N. Schlegel gave a presentation of “On Bill Financing” (OBF), noting that there are two main components, process from the customer perspective and the source of funds. They conclude that third-party funding sources (“outside capital”) is critical to increasing participation while reducing upward pressure on utility rates.

Rathbun asked what level of financing customers will accept and J. Schlegel responded that the range has been from 30% to 50% and that different approaches may increase willingness to finance. Nosal asked about default rates and Stout responded that they have been very low in their small C&I program. Gorke asked about inclusion of OBF in PA plans and Conner said it was included and that the PAs are supportive of the concept, but until there is a more robust and established market outside capital is not included in financial calculations.

IV. Education and Marketing

Sommer provided an overview of the PA proposal, noting that the goal is to change behavior, not just communicate information. The PAs have been working closely with DOER staff to expand and reinvent the educational approach, develop a consistent branding message, explore targeted marketing to unique communities (e.g. to overcome language barriers and utilize community marketing), determine needed market research, and collaborate with the University of Massachusetts on curriculum development. Next steps including optimizing the budget for a statewide effort, continue the branding effort, developing requests for proposals for market research and exploring rules on funding, i.e. Docket 08-50 guidance.

Harak asked about branding and Song responded that there will be a statewide brand with existing brands continuing. Jacobson noted that the low income sector requires outreach, not marketing and recommends low income representatives participate in branding exercise. Rathbun asked about the training program and if it includes specific targets for new jobs created. Galligan noted that the PAs have developed schedules with specific targets. Rathbun asked if federal stimulus money can leverage job creation through this effort and Gorke responded that DOER has yet to adopt a position on this question. Rathbun asked about accounting for the “take-back effect” and Sherman responded that it is regular consideration in research. Rathbun asked about demographic disaggregation and Conner responded that the PAs will do so based on their knowledge of their customer bases.

V. Assessment of All Available Cost-Effective Energy Efficiency

Edmondson moved and Ruddick second to accept the draft resolution on the assessment of all available cost-effective energy efficiency. After brief discussion, the Council adopted the resolution by unanimous vote.

VI. PA Statewide Plan

Conner presented an overview of the PAs current statewide plan. She noted that the numbers have not changed significantly since the April filing and that differences include increase program detail, a closer link between program design and savings estimate, a fully vetted set of assumptions, inclusion of CHP as a component of the C&I Retrofit instead of as a separate program.

Horowitz asked how numerical data will be included in the 7/16 submission and noted that this data may be revised during preparation of the October filing. Clark asked why costs went up and savings down. Conner responded that some is attributable to a changed estimate of the impact of lighting measures. Nosal asked if the Council’s consultants and the PAs have agreed on all assumptions. Schlegel responded that differences remain in some categories, in particular incentive rates, inclusion of OBF and outside capital. Nosal asked if the Council will be asked to decide between the proposals. Horowitz responded that the consultants will identify key drivers of the differences so that the Council can make a decision. Krasnow asked if the PAs program is achieving the maximum benefits, and encouraged this effort. Edmondson noted that the Dept of Environmental Protection interprets the Global Warming Solutions Act as encouraging broader opportunities for peak and pre-peak shaving to reduce ozone emissions. Clark asked if the consultants could determine what options have not been included (“left on the table”). Nosal responded that some options will be left on the table due to cost constraints. Stout noted that the PAs have already capture a “huge amount of the potential” and that the portion that remains is more costly. Clark stated that she is not sure higher savings will result in higher costs. Krasnow noted that the benefit cost ratio is still significant and that increased costs might not have a significant impact on this ratio. Hall asked to see analysis of the effort required to achieve higher benefits. Nosal urged that councilors consider all of the upward drivers on rates. Edmondson recommended that the Council take advantage of the current economic downturn to build the foundation for a change in

the State's economy. Gorke noted time constraints for this meeting and requested that councilors communicate information requirements to him and Horowitz.

VII. Bill and rate impact

Sherman, Jhaveri and Buchler presented a brief overview of the working group's effort to establish a methodology for determine the rate and bill impacts. This methodology will be used to determine rate and bill impacts by PA and by rate class. Clark requested a full presentation at the next meeting.

VIII. Wrap Up

Gorke noted that the next meeting is the Council's last within the statutory 90-day review period. He state that the consultant team and DOER will work closely with council members to determine supplemental information necessary for Council action at the next meeting. Schlegel noted that many issues will be resolved prior to the October filing and asks that the Council provide guidance as to its priorities between July 1 and October.

The meeting adjourned at 5:20pm with intent to reconvene in a public comment session in 15 minutes.

[NOTE: Public Comments are recorded in a separate document.]