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The Energy Consortium, Inc.

*A non-profit Association of Industrial, Commercial, Institutional and Governmental Large
Energy Users*

April 7, 2015

By email to *dan.burgess@state.ma.us*

Dan Burgess, Acting Commissioner
100 Cambridge St. Suite 1020
Boston, MA 02114

Dear Commissioner:

As background information, The Energy Consortium, TEC, is a non-profit association that represents industrial, commercial and institutional large electricity and gas end-users in Massachusetts. It has been concerned with Massachusetts's energy policy and regulatory matters for over 40+ years. TEC advocates positions that promote fair cost-based energy and distribution rates, energy efficiency, diversified supplies and reliable service for its member organizations, their employees and all Massachusetts ratepayers.

TEC members met with Eric Belliveau and Jeff Scheelgal (EEAC Consultants) and Bob Rio (AIM Vice President and member of the EEAC) on March 9. They briefly described their role and provided some basic information on the energy efficiency programs. The incentives represent 75% of the money spent on programs, 15% goes to Technical assistance, ~5% pays for utility administration, and 5% is for utility incentives. We then launched into the concerns of TEC members. I will list them as they were discussed:

1. Yearly Reports of the Energy Efficiency programs

Partial List of Members: Acushnet Co., Brandeis University, Harvard University, Longwood Medical Energy Collaborative, MIT, MWRA, Partners Healthcare, P & G (Gillette), Saint Gobain, Tufts University, UMass Medical,, Whitehead Institute

- Detailing expenditures on various EE measures by customer class
 - Which measures were most effective by customer class
 - What was the average Payout per measure by customer class
 - Based on the above, identify the programs that show the max kWh reduction per dollar spent
2. There was some concern in the group that the confidentiality asked for in MOU's may in some instances lead to inequities among customers within the same class
 3. Have utilities assess program efficiency quarterly to avoid end of year rush, and avoid hasty implementation of measures. Significant time was spent on this in that most of the participants feel very rushed at year end. Many felt that the programs that are offered may lead to programs and expenditure that are not as effective as well thought out offerings. There are also some offerings which members would like to participate in but the rush of end-of-year demand does not allow them to organize and get the proper buy-in necessary to execute energy efficiency in their organization.
 4. Given the impact of the EERF payment on C&I customers we would request that a lower kWh payment (<1 cent/kWh) be considered Large customers have done significant amounts of energy efficiency at their facilities, perhaps the EEAC should look at lowering the amount of money that goes into energy efficiency per kWh. Increasingly electric bills are paying for implementing policy, it was suggested that this may be the time to cut back on the amount of money collected by the utilities for it. This was said 4 sources of income that we see in the retail rate, the EERF, DSM, Renewable Trust fund, the Net Metering increment, the RPS and decoupling.
 5. Approve longer pay back periods for customers that have implemented most of the low hanging fruit, and for smaller buildings that can't get the kind of energy savings needed for an incentive allow them to have longer payback periods.
 - Allow industrial customers to opt-in or opt-out of formal EE/DSM programs for natural gas and electricity, Duke Energy has done this.
 - Offer an option to access funds contributed by large customers to implement measures with a lower ROI than is currently available.
 6. Allow C&I customers to bank their payments for a number of years in order to pay for the longer payback items. This would permit more self-direction as mentioned above.

The consultants were interested in what we want, but indicated that it is important that as individuals or as a group we should write to the DPU and offer public comment. I believe we collectively felt that TEC would be the representative of us to do this.

TEC would welcome a meeting with you to discuss the EE issues presented. Please feel free to contact me with comments and/or questions, phone 781 862 0888.

Sincerely,

A handwritten signature in blue ink that reads "Roger Borghesani". The signature is written in a cursive style with a small flourish at the end.

Roger Borghesani, Chairman

The Energy Consortium

CC: Sharon Harris (sharon.harris@state.ma.us)