

MINUTES, FOR THE MEETING OF THE ENERGY EFFICIENCY ADVISORY COUNCIL

A meeting of the Energy Efficiency Advisory Council (“EEAC”) was held in Boston, Massachusetts on January 30, 2009.

The following voting members were present:

Heather Clark, Jed Nosal, designee for Martha Coakley, Paul Deare, Debra Hall, Charles Harak, Elliott Jacobson, Samuel Krasnow, Robert Rio.

The following non-voting members were present:

Derek Buchler representing Bay State Gas; James Carey, New England Gas; Lisa Shea, NSTAR Gas & Electric; Alisha Frazee, Heating Oil industry; Kevin Galligan, Cape Light Compact, a municipal aggregator; Cindy Carroll, Unitil; Richard Oswald, WMECO; and Timothy Stout, National Grid Electric & Gas Divisions.

Frank Gorke, DOER Division of Energy Efficiency Director, opened the meeting at 3:00 p.m. Mr. Gorke began by reminding the Council of subcommittee meetings, one past, one future and the next meeting of the full Council on February 10. He notified the members of work done by the By-Laws subcommittee and a goal to have a draft proposal of by-laws before the next meeting of the full Council. Gorke then turned the meeting over to Steven Venezia, DOER’s Deputy General Counsel, for some “housekeeping duties” concerning Members’ questions about conflict of interest laws. Mr. Venezia apprised the Council that he had spoken with the Ethics Commission on this topic to obtain educational materials for the Members. The Ethics Commission no longer provides hard copy materials but had an extensive series of instructional materials and FAQs on its website: www.mass.gov/ethics. Venezia distributed several documents downloaded from that site that represented certain core sets of principles that should inform Members’ actions and provide guidance to Members as they serve on the Council. He encouraged them to access these resources and to contact the Commission’s Lawyer of the Day, should they encounter a situation that leaves them uncertain as to whether a conflict exists. He also informed them that the Ethics Commission conducts free periodic seminars for state employees and that the next two seminars were scheduled for March 18 and April 23, each at 10:00 am. He encouraged them to attend if they felt the need. After distributing the guidance documents, Venezia turned the meeting over to Mr. Gorke.

Mr. Gorke then led a discussion regarding programs that Members would like to see incorporated into the Three-Year Plans. Heather Clark volunteered to coordinate councilors in developing a resolution to set priorities for Program Administrators to be reviewed at the next meeting.

Gorke then reminded all of DPU 08-50 docket and joint DPU/DOER efforts to create an EE Plan template. Gorke then directed Emmett Lyne, attorney for GasNetworks, to present the work of the Plan Template Working Group arising in that proceeding. Mr. Lyne then led a lengthy and wide-ranging discussion about the degree of detail in the template. A recurring theme during the discussion concerned the mandate and the

terminology of “all available cost-effective energy efficiency”. Shanna Cleveland of CLF stated that part of the answer as to the meaning of the phrase is expected to come from the anticipated DPU Order in 08-50, while other parts of the answer will come in response to the Council’s direction. Timothy Stout of NGrid stated that the definition of this phrase is as much art as science, when nobody actually knows yet what that is. Mr. Stout raised the question whether “achievable” meant economically achievable or that which is politically achievable? Jed Nosal noted that in the past much of this discussion was academic as how much money spent on energy efficiency was capped by either statute or regulation. Mr. Nosal asserted that the advent of the Green Communities Act created a different dynamic.

In discussing portions of Mr. Lyne’s template presentation, Samuel Krasnow offered a suggestion that perhaps one very incisive executive summary table broken out by customer sector might best capture in a snapshot the total story of what the template depicts. Debra Hall expressed a desire to insert placeholders for gas and electric integration, indicators for social equity issues, and other system transformation issues and wondered aloud whether it was practicable to insert such data points in the template. Ms. Clark spoke of her struggle with the Green Communities Act’s command to integrate gas and electric plans and programs and the evident challenges presented in trying to make more uniform two distinct industries with different territories, service delivery platforms and revenue mechanisms. She expressed her wish to see an offering of seamless programs for the end-user. Mr. Stout responded that it is the intent to combine gas and electric programs so that they will be seamless in the Plan but will be broken out for measurement of those end-uses. However, the program design would be integrated, he said. Ms. Clark answered Mr. Stout’s assurance with a call to incorporate “a plan in the Plans” to integrate the gas and electric measures.

Mr. Gorke brought that discussion to an end and turned to the Planning Process Working Groups. A dialogue between Gorke and Richard Oswald ensued regarding the volume of email traffic and expectations about the completeness and accuracy of the Three-Year Plans to be submitted on April 30, 2009. The essence of the exchange reinforced the idea that this process is an iterative one until October 30 when the Plans are submitted to the DPU. Jed Nosal then made a clarifying comment that the statute *did* envision Council review of *both* statewide and individual Program Administrator filings. Mr. Gorke asked the body for reaction and there was no disagreement with this assertion. Mr. Nosal went on to say that the Attorney General advocated for a procedural schedule to track progress for initial filings with the Council of the individual Program Administrator Three-Year Plans along with the statewide Three-year Plan on April 30 and the final submissions of both to the DPU on October 30. Charles Harak asked whether the Program Administrators could collectively compose a timetable to demark for the Council their progress on the Plans. Mr. Lyne stated that the Program Administrators would take this feedback and try to put together some rough dates for the Council in time for the next EEAC meeting on February 10.

Mr. Gorke then reminded the Council that there would be a meeting next Wednesday, February 4th, of the Council’s subcommittee for review of responses to its solicitation of

bids for a consultant to assist the work of the Council. He also reminded the EEAC that it will need to send its proposed budget to the DPU soon. Gorke stated that the Council would need to approve its final budget and then submit its budget request to the DPU for approval. There was additional mention of a meeting on Combined Heat & Power at the offices of EPA on February 4th for those Members interested. Before its conclusion of Council business, Robert Rio stated that he wants to see a running account of expenditures of RGGI auction proceeds. Alisha Frazee concurred with Mr. Rio's remarks.

Mr. Gorke then opened the meeting to comments from the public at which point Paul Johnson, a private citizen, raised a question regarding the potential for redesigning energy efficiency retrofit reimbursement processes. Mr. Johnson specifically cited problems he perceived with current efforts wherein customers must pay up front their full share of the cost of efficiency home improvements in order to qualify for the 75% rebate. He said that there usually was a six week wait for the reimbursement to arrive in the hands of the consumer and that this lag time was too lengthy and created too much financial strain for the customer. He advocated a re-thinking over how this 75% reimbursement could be structured. Others offered responses by stating that the Cape Light Compact and Bay State Gas do, in fact, structure their reimbursement differently; in a manner that was more customer-friendly from a financial perspective. There being no additional comments, Mr. Gorke brought the Council meeting to a close at 3:56 p.m.