

**Massachusetts Energy Efficiency Advisory Council**  
 Meeting Minutes (DRAFT)  
 Tuesday, January 12, 2009

**Councilors Present:**

<b>Voting</b>	<b>Present (designee)</b>	<b>Non-Voting</b>	<b>Present (designee)</b>
Heather Clark	Mark Price	Derek Buchler	X
Martha Coakley	Danielle Rathbun	James Carey	X
Penn Loh	X	Penni Conner	X
Lucy Edmondson	Arrived 2:47pm	Alisha Frazee	
Philip Guidice	Mike Sherman	Kevin Galligan	X
Debra Hall	X	George Gantz	X
Charles Harak		John Ghiloni	
Elliot Jacobson	X	Paul Gromer	Fran Cummings
Samuel Krasnow	Jeremy McDiarmid	Andrew Newman	
Rick Mattila	X	Richard Oswald	X
Robert Rio		Michael Sommer	Emmett Lyne
		Timothy Stout	X

DOER: Frank Gorke, Mike Sherman, Steven Venezia

Consultants: Paul Horowitz, Jeff Schlegel, Glenn Reed, John Livermore

**Present:**

Jeanne Cherry	Danah Tench	Josh Craft
Dan Broderick	Dave Legg	Lyn Huckabee
Emmett Lyne	Briana Kane	John Walsh
Birud Jhaveri	Paul Johnson	

I. Introduction

Gorke convened the meeting at 2:07 pm. Jeremy McDiarmid of Environment Northeast was presented as the permanent replacement for Sam Krasnow, and Mark Price of Steven Winter Associates as the temporary replacement for Heather Clark. Gorke expressed appreciation for the hard work and late nights that all have put in to get to this point in the process, and indicated that there is still a lot more work to do and that it is now time to shift to implementation.

II. Update on DPU proceedings

Gorke explained that the DPU review process ends on January 31<sup>st</sup> and that a decision on the 3 year plans was expected by then. He noted that the PAs made a motion to continue existing programs into January.

### III. Summary of Statewide 3-year Plan Data, Updated in DPU Proceedings.

Schlegel presented slides summarizing the statewide 3-year plan data. The most recent 08-50 gas and electric tables were analyzed. He observed that savings in the electric plans are at 99% of the Council target, while savings in the gas plans exceed Council targets in each of the 3 years. Schlegel also pointed out that between the October 30 plans and the December 22 data tables both the electric and gas benefits decreased somewhat, while electric costs increased and gas costs declined slightly. The PAs, (Lyne, Jhaveri) explained that the primary driver of the reduction in benefits was an adjustment to the discount rate used in the preparation of the data, to correct an inconsistent application of nominal and real discount rates. The PAs indicated that this was brought to the DPU's attention during the proceedings as soon as it was discovered. It was noted that not one measure or program dropped out as a result of this adjustment. Schlegel explained that the Council consultants were not part of the DPU proceedings and found out about this in late December. He emphasized that total benefits are still very robust and all programs are cost-effective. Schlegel agreed to update the 2 page plan summary and distribute it to the Council.

### IV. Deeper Retrofit Program Strategies and Analysis

Livermore introduced the two presentations on deeper retrofits: The first a PA presentation given by Dave Legg focusing on the context, benefits, and challenges of deep energy retrofits, and specifically on the 2009 and 2010 pilots; The second, given by Glenn Reed, summarizing the results of a cost-effectiveness analysis performed by VEIC that looked at deeper measure packages for multiple housing types. Livermore asked the Council to consider the importance of valuing non-energy benefits when pursuing deeper energy savings.

Legg introduced other present members of the Deep Energy Retrofit working group, including Kane, Walsh, Carey, and Sommer. He presented an overview of deep energy retrofits, the DER pilot, and he emphasized the importance of the three Rs, Retrofits, Reductions, and Renewables, to achieving dramatic energy savings. Other themes included the importance of rethinking measure lives and the importance of developing effective financing options in order to maximize the success of the pilot. Matilla asked if there are any barriers to doing a comprehensive retrofit over a period of time. Legg indicated that the pilot will be addressing partial and staged projects, and that the goal is to remove barriers to participation. Price pointed out that one of the obstacles to doing 1 or 2 measures at a time is that you won't see the best return on investment. He emphasized the importance of incentivizing customers so you don't miss opportunities.

Reed presented the consultant modeling analysis of cost-effectiveness of deeper measure packages for several different building types. He noted the challenge of obtaining accurate cost estimate data for deeper retrofits, as these types of energy retrofit treatments are new to the marketplace and the building industry. Reed noted that nearly all optimized measure packages pass the TRC test when Federal tax incentives are included, and he emphasized the importance of valuing other benefits when pursuing deeper levels

of home performance and energy savings. Edmonson commented that if we're going to go deep we need to spend some time on strategies for financing. Gorke indicated that this is on the priority list for 2010.

#### V. Financing and On-Bill Repayment (FOBR) Working Group Update

Sherman updated the Council on the progress of the FOBR working group. He explained the two-fold mission of the group: 1) to explore and work to acquire outside funding for 2011 and 2012 EE programs, and 2) to raise and answer the questions related to effective on-bill repayment. Sherman noted that the working group is composed of DOER, AG, PAs, and other interested parties, and that the group's notes and presentations are now available in the on-bill financing section of the website. Sherman reviewed the issues matrix, a comprehensive breakout of issues and barriers to on-bill financing, which also includes a straw proposal from the working group on how best to address each of the issues. He explained that the group is continuing to meet to address all of the issues, resolve differences, and to seek Council direction where differences are not resolved.

Jacobson noted that low-income people will be more exposed to termination, and he expressed concern about people over 60% of median area income who are not technically low-income, but are at risk. Penn echoed Jacobson's sentiments and added that there needs to be a solid track for opening up to rental tenants. Oswald asked if one of the charges for the working group was to look at getting more financing dollars in place. Schlegel explained that the group's mandate currently does not include identifying outside sources of funding, however this is very important. Gorke emphasized that obtaining outside funding is one of the 2010 priorities. He noted that DOER had put in a solicitation for tens of millions of dollar in ARRA money.

#### VI. Reporting

Gorke asked the PAs if they had a 2009 year end report to present to the Council. Lyne indicated that there is not a prepared report but that each PA could do a brief qualitative update. Each PA gave a brief broadbrush update on the results of their 2009 program year, with the general themes being: 1) electrics generally on target to meet goals on budget, 2) gas generally exceeded goals and budget, and 3) residential ahead on savings, while C&I behind due to the poor economy.

A discussion was held on quarterly reporting for the Council. Gorke noted that reporting will need to coordinate with DPU requests, and that would be discussed in greater detail at the February Council meeting. Lyne explained that the PAs have an ad hoc working group to develop a draft proposal of the quarterly report built off of the 08-50 tables. He agreed to share the latest draft with the Council next week. Schlegel reminded all that the GCA says the Council needs to review quarterly reports, and he encouraged the Council to forward along specific updates and data that they would like to see in the report. Venezia added that the Council has a statutory obligation to submit an annual report to DPU and Telecommunications and Energy, so the Council should think about what will need to be reported, as this will help to inform what information and data is requested

from the PAs. Sherman asked the electric PAs to populate the PARIS database numbers, as these data are needed urgently.

## VII. Priorities and Key Actions for Early 2010

Gorke presented the Council with a 2-page document outlining the key priorities and actions for early 2010. He explained that this is the Council's To Do list for 2010, and that it would help to inform the Consultant budget and work plan. Gorke initiated a discussion and asked for comments now and over the next few days. Some key comments included:

- We should put a timeline to each of the items because if we don't get this done soon in the year, it will make it difficult to achieve our goals.
- Marketing has to be strategically approached based on market segmentation and specific targeting to those market segments.
- Without customer participation we don't have successful programs.
- Think about how to ensure quality control as programs expand. Also focus on new pilots (e.g. community pilots).
- EM&V is very important for success of the programs, as it will provide some real time feedback.
- Figure out what customers need, and get customer feedback on costs.
- We need to focus on the things that will get us 'deeper', the things we have less experience with.

Gorke noted that each one of these priorities and key actions will involve a group of PAs, consultants, and the Council, since more brains at the table will produce a better result. He asked the Council to send DOER any additional thoughts on this.

## VIII. Council Budget and Consultant Work Plans

Gorke explained the budget subcommittee was not able to meet prior to this meeting and will be meeting tomorrow. He indicated that the subcommittee would be discussing the 2010 workplan and the Consultant proposal, with the intention to come to the Council with a final recommendation at the February meeting. Gorke indicated that there would need to be another continuing resolution about consultant costs to carry through to the next Council meeting. He indicated that the DPU authorization for Council funding for Consultant services, up to 1% of the PAs' funding, was expected by February 1<sup>st</sup>. He also indicated that once the Council approves a 2010 Consultant budget it would be sent to DPU. A motion in support of the proposed resolution was offered by Edmonson and seconded by Matilla. The budget resolution was unanimously approved.

## IX. Council Work Plan/Schedule and Next Steps

Gorke indicated that the next Council meeting would be on February 9<sup>th</sup>, 2-5pm. He mentioned that he and Loh have had discussions about the first meeting of the Equity Committee and have blocked out 1-5pm on Jan 26<sup>th</sup>. Horowitz indicated that the TRM discussions would resume in the next few weeks.

## X. Public Comment

Johnson passed around a paper outlining his thoughts on financing. A brief discussion ensued on outside funding. Conner indicated that the PAs have been working aggressively on this issue, especially on securing Federal monies.

Gorke suggested that we ought to organize an update on this important subject for an upcoming meeting. He commented on a coordinated response by DOER, NSTAR, NGRID, and the City of Boston to a DOE/CBGB \$400 million solicitation for public-private partnerships that will deliver community scale rapid ramp-up of efficiency. Gorke expects a response in the next few months.

Stout expressed appreciation to Johnson for his involvement with the Council.

XI. Gorke thanked everyone for their time and adjourned the meeting at 4:33pm.