

Massachusetts Energy Efficiency Advisory Council
Meeting Minutes (DRAFT)
Tuesday, March 9, 2009

Councilors Present:

Voting	Present (designee)	Non-Voting	Present (designee)
Heather Clark	?	Derek Buchler	X
Martha Coakley	Danielle Rathbun	James Carey	X
Penn Loh	X	Penni Conner	X
Lucy Edmondson	Arrived 2:44	Alisha Frazee	
Philip Guidice	Frank Gorke	Kevin Galligan	X
Debra Hall	X	George Gantz	
Charles Harak	X	John Ghiloni	X
Elliot Jacobson	X	Paul Gromer	
Jeremy McDiarmid	X	Andrew Newman	X
Rick Mattila	X	Richard Oswald	Robert Gyurjan
Robert Rio	X	Michael Sommer	and Ed White
		Timothy Stout	

DOER: Steven Venezia

Consultants: Paul Horowitz, Jeff Schlegel, John Livermore

Present:

List to be posted shortly.

I. Introduction

Gorke convened the meeting at 2:07pm and welcomed Jesse Reyes, the new head of the Office of Ratepayer Advocacy at the Office of the Attorney General. Gorke offered congratulations on the DPU decision and advised that the Council needed to think about their role in relation to the programs to best ensure delivery on 2010-2012 plans. He stressed that we want to be sure that customers are excited about the programs.

II. Council Priorities and 2010-2012 Plan Highlights: Follow up on Council Documents

The Council incorporated Harak’s comments on economic development from the last meeting into the Council Priorities and Key Actions for 2010 document.

III. 2009 preliminary Performance and Goals in the Three-Year Plans

Schlegel reported that the consultants had just received the preliminary 2009 performance data from the PAs, and he recommended deferring this topic until the next Council meeting. He indicated that the Consultants will prepare a summary for the Council of 2009 results compared to where we are going in the three-year plan.

IV. Quarterly reporting

A discussion took place on the reporting that the Green Communities Act requires the PAs to provide to the Council each quarter. Horowitz outlined the Consultant proposal to bifurcate the

report, with qualitative data coming in at first meeting after the end of the quarter, and quantitative data provided at the second Council meeting after the end of the quarter. He indicated that there is mostly agreement between PAs and Consultants with only substantial difference being timing. With regard to the first quarter report, Horowitz recommended that, until the issue is resolved, PAs that have their data should provide it to the Consultants. Gorke stressed that the goal should be reporting on programs as soon as possible so we have real time information that can be used to refine our program strategies.

V. Performance Metrics/Council Resolution

A discussion took place on the Council resolution to support the revised performance metrics. Gorke indicated that the DPU in their order rejected some of the metrics that the PAs had filed, and that the Council had not had an opportunity to review and comment on them formally due to time constraints during the last stages before the PAs' filing of the 3-Year plans. He noted that a number of Councilors and Consultants have worked with the PAs to redesign the metrics, and he expressed confidence that the metrics represented good work and merited Council support. Lyne explained that the PAs worked to address the three DPU requirements on each of the metrics. He indicated that Residential and Low-income metrics were complete and, with a caveat of a PA data check on the CHP metric, the C&I metrics were complete. A lengthy discussion ensued on the Outside Funding metric which, at the time of the meeting, was still unresolved. Schlegel introduced the two outside funding metric concepts that had been developed in response to the DPU's request. Lyne indicated that the only unresolved piece was that the PAs believed the Threshold dollar level to be too aggressive. It was agreed that the PAs would caucus at the break and this topic would be revisited later in the meeting. When revisited, Lyne indicated that, in the spirit of working together, the PAs would agree to the higher threshold level on the outside funding metric. Gorke thanked the PAs and asked for a motion to approve the proposed Performance Metric resolution. McDiarmid motioned, Matilla seconded. Harak expressed concern about voting on something that could change, and Schlegel suggested amending the proposal with clarifications on: 1) the meaning of "attractive," and 2) the CHP baseline data. Edmondson motioned to approve resolution as amended, Hall seconded. Resolution approved by unanimous consent.

VI. Other Funding, Financing, and On-Bill Repayment

Three presentations were given to update the Council on financing, on-bill repayment, and other funding. The first, 'Other Funding and Financing for Energy Efficiency Programs,' was delivered by Gorke and Schlegel. The two primary objectives for other funding are: 1) additional monies which substitute for ratepayer funding, and 2) other financing capital which supports the financing for deeper and broader savings. These two funding types are split 60%/40% in the three-year plans. The primary objective of obtaining outside funding is to achieve the much higher 2010-2012 savings goals (20-50%) per customer. Second was a PA presentation delivered by Subrahmanian. He indicated that the PAs are taking a more segmented view of the financing needs of the market. Subrahmanian noted that the PAs are actively engaged in discussions on expanding financing options. Third was a presentation by Tom Darling, a Clean Energy Fellow with DOER. He outlined a model for a Massachusetts Energy Efficiency Fund for financing energy efficiency improvements. Darling noted that the 2010-2012 plans call for \$360 million in outside capital, and that what is needed is a new low-cost scalable capital source. He explained that the EE Fund would attract investors who would pay into it, along with public funds,

producing lower cost capital. The residential loan product, similar to the HEAT loan, would be \$5,000-15,000 at 0-3% interest with a loan term of 8 years, with eligibility based on past utility bill payment history. Several Councilors asked clarifying questions. Lyne indicated that a standing financing call with the PAs and Tom Darling would soon be scheduled.

VII. Contractor Process

Connor presented the Council with some of the changes that have taken place in the residential programs' interactions with contractors. She noted the driving motivations of increasing market growth and achieving deeper savings, and highlighted the NGrid and NSTAR gas weatherization programs as seeing the most changes. The changes mentioned included requiring energy assessments, requiring air sealing, and requiring contractors to be trained. Connor noted the expectation that all interested contractors would be trained in air sealing by April and that independent energy assessment providers would be included in the program by May. She emphasized that these changes are positive and are being implemented through a controlled change management process. Several Councilors asked follow up questions.

VIII. Marketing and Education

Gorke indicated that, in the interest of time, this agenda item would be skipped but that those interested could stay after the meeting for a presentation (none occurred).

IX. Consultant Reports

Gorke noted that the February consultant report is in the Councilors' packets. He noted that the 'Observations and Analysis' section is new, and he suggested that Councilors read it and offer any comments.

X. Public Comment

Johnson asked the Council to consider how to get some of the energy assessment work to independent contractors and not just the primary vendors; Buchler responded that not all PAs operate under this model, and that the new model has independent auditors providing services under the umbrella of the primary vendor. Maynard expressed satisfaction with the progress toward integrating independents in the residential retrofit program. He asked that the program consider supporting contractors who do both audits and installations.

Harak said he hopes that we are working toward a model that is completely open to new contractors through a transparent process. Galligan reminded the Council of the difference between the changes in the gas programs and the electric programs, and of the fact that PAs had only six weeks earlier received approval of all of their programs. Loh suggested having a calendar of process that each PA is going through on transitioning to the new independent model. Chapin thanked the utilities for working through some big issues since January, and said he looked forward to the May 1st date for plugging in independent auditors.

XI. Gorke thanked everyone for their time and adjourned the meeting at 5:09 pm.