

Massachusetts Energy Efficiency Advisory Council
Meeting Minutes (DRAFT)
Tuesday, July 12, 2011

Councilors Present:

Voting	Present (designee)	Non-Voting	Present (designee)
James Colman	Nancy Seidman	Derek Buchler	X
Martha Coakley	Danielle Rathbun	James Carey	X
Penn Loh	X	Penni Conner	X
Mark Sylvia	Tina Halfpenny	Alisha Frazee	
Debra Hall	X	Kevin Galligan	X
Charles Harak		George Gantz	X
Elliot Jacobson	X	John Ghiloni	
Jeremy McDiarmid	X	Paul Gromer	X
Rick Mattila	X	Andrew Newman	X
Robert Rio	X	Richard Oswald	X
Deirdre Manning		Michael Sommer	Robert Gyurjan
		Carol White	X

DOER: Steve Venezia

Consultants: Jeff Schlegel, Eric Belliveau, Ralph Prah, Phil Mosenthal, John Livermore

Present:

Don Wells	Lisa Shea	Jodi Hanover
Jenn Kallay	Jeremy Newberger	Bob O'Brien
Lyn Huckabee	Sue Kaplan	Karl Munzol
Joy Spezeski	Ed Schmidt	Leah Daniels
Rob Calnan	Tom Regh	Paul Johnson
Josh Craft	Doug Cahill	Marie Harb
Theresa Lavoie	Phil Moffitt	Romain Strecker
Hannah Kane	Matt Beaton	Patricia Walker
Frank Gundal	Sam Nutter	Monica Ibrahim
David Minasian	Jeffery Pollock	Tilak Subrahmanian

I. General Updates

Halfpenny called the meeting to order at 2:04pm and announced that public comment will be 10 minutes. She noted that the August meeting will be cancelled, and that the September meeting has been moved to Sept 20. She mentioned that the annual reports are scheduled to be filed at DPU on August 15th.

Schlegel reviewed the proposed MTM timeline/schedule, and mentioned that the MOA is at DPU. He noted that the AG has made comments and that replies are due back soon. Halfpenny noted that the 2012 MTMs are due at DPU at the end of October.

Note: The Council Consultants then left the meeting room briefly during the discussion of the Council Consultant RFR.

Halfpenny acknowledged Kaplan, ENE, and PAs for their efforts in creating the 2010 Legislative report.

II. Public Comment

Seven speakers spoke during the 10 minute public comment period: Matt Beaton, Tom Regh, Rob Callahan, Paul Johnson, Leah Daniels, Marshall Morris, Sam Nutter. The six contractors spoke about their concerns about the HES program set pricing, which has been a part of the electric program for many years, but which is new for the gas program contractors. Several contractors mentioned struggling financially in the current economy, and two have decided not to participate and are contemplating legal action. Nutter (CSG) updated the council on on-boarding contractors for NSTAR and NGRID into the new market model. He reported that 55 independent insulation contractors (IICs) have signed up, 40 IICs are ready to go to work, and 15 home performance contractors (HPCs) have submitted participation agreements and will be in the field by August 1st. He noted that the 15 HPCs have declared that they will be able to perform over 2,000 assessments per month. Nutter also reported that CSG has 68 energy specialists trained, with a current class of another 14 being trained, and 15 more coming in August.

Halfpenny thanked the speakers and noted that written comments are also welcomed. Rathbun encouraged councilors to read the NSTAR letter on set pricing in its entirety, as they reference the Sherman anti-trust act, which is based on a large body of case law. She noted that NGRID is working on similar letter.

III. Statewide Data Dashboard as Monthly Report

Halfpenny praised the new statewide data dashboard and noted that now the Council will be getting an indication of what's happening on a monthly basis. Shea lead the PA presentation and noted that one of the core goals of 2011 has been trying to approve PA processes. She said that the 1-page snapshot would provide the Council with more transparency on a monthly basis. Shea noted that, based on May data, electric is at 13% of goal, and gas is at 30% of goal. It was noted that C&I is far below total annual goal, and that there has traditionally been a hockey stick completion curve to the business cycle, with numerous project completions occurring in the 4th quarter.

Schlegel reported on an analysis comparing C&I 2011 to date to 2010 to date. He pointed out that the 7-8% on C&I electric is lower than the trend last year, and that the amount that needs to come back through the hockey stick this year is significant. He noted that the PAs are working hard to close the gap. Jacobson explained that low income also has a hockey stick completion curve, and that after next year there won't be ARRA money, and there will potentially be less federal money. He noted that last year the low income programs got 70-80% of funding from Federal money, and that next year 90% of funding will come from PAs. Gundal asked the Council to keep in mind that we are in a major program ramp-up to meet the higher savings goals in 2011.

IV. 2011 Q2 Quarterly Reports, Part 1 (Qualitative)

Halfpenny noted that it is important and helpful for the Council to understand how aggressive the MA programs are. She noted that MA is leading the country in energy efficiency programs, and that we need to understand what the challenges are. Walker presented a series of slides reporting on the 2011 Q2 qualitative results. Her presentation covered: program highlights, promotion of energy efficiency financing program, implementation and rollout of marketing campaign, EM&V studies, and tornado recover efforts. Schlegel noted that it would be good to get an update on how community projects are going – early feedback – as a number of other communities are interested. He asked if there will there be a process to assimilate what we’ve learned from the Behavioral Feedback lessons learned in time for 2012 MTM and 3-Year planning process. Galligan said that the hope is to have results by next year to inform the 3-year planning process. Lyne noted that there is an upcoming PA-only meeting for the next 3-year plan cycle at which they will talk about cross-pollination on what different PAs are doing. Schlegel encouraged incorporating lessons learned into planning as soon as possible.

Walker noted that there are over 40 lending institutions participating in PA financing programs, and that the PAs have arranged financing of \$11 million to residential customers since the beginning of the year.

Belliveau asked how the GasNetworks brand is being used in conjunction with Mass Save. Walker noted that the PAs are working through this issue in order to avoid customer confusion. Carey noted that the GasNetworks brand targets contractors. White said that the GasNetworks effort spans many states, and the challenge is to not create confusion in the marketplace. Halfpenny concluded that this topic deserves some more attention. One of the goals of the 3-year plans, she noted, was Gas-Electric integration, and she expressed that the Council needs to revisit this.

V. Commercial and Industrial (C&I) Depth of Energy Savings Analysis

Mosenthal presented the Council with the results of the consultants’ investigation of PA project data to gauge depth of savings. He noted that ‘deeper savings’ is a priority of the Council, and that the programs can’t achieve the savings goals simply by going broader. Mosenthal acknowledged the numerous data challenges, with gas and electric projects not linked, and PA systems that are PA-specific. He noted that the results, with gas percentages higher than electric, are just a snapshot to give a flavor of how the C&I programs are performing with regard to deeper savings. White commented on how daunting it is to do this type of analysis, and noted that the PAs overall goal is kWh saved, not deeper savings. Jacobson noted that emphasizing deeper savings in program design is such a big decision that it should be the basis for discussion for the next 3-year plan.

Mosenthal highlighted the importance of understanding what the characteristics are of ‘deeper’ projects: Are there certain delivery services or incentive designs? Certain customer sectors or strategies? He suggested that the next step is to use this information to modify strategies a bit to get more deeper savings projects, while noting that the data difficulties create some issues around monitoring and managing the integration process.

Halfpenny commented that to be able to document going deeper is one indication of how sophisticated these programs have become, and that it's a great starting point. McDiarmid asked if councilors, consultants, and PAs need to take a look at best practices and get customers to do more. Galligan noted the really great working going on at the PA management committee on deeper savings. Subrahmanian explained that 'deeper' doesn't factor into the PAs' day to day discussions about the programs/customers. He noted that what's need are the 3-4 indicators that can serve as a proxy for deeper. Conner said that the first draft of the upcoming 3-year plan is where we'll see a lot of this discussion playing out. Gundal noted that the PAs hired a consultant to look across the country to see how 'deep' is defined, with the result that it hasn't really been defined yet, and percent of energy reduction may not be the best measure. Schlegel noted that some customers have achieved 30/40/50% savings largely with their own money. Rathbun said it doesn't seem likely that there are a lot of C&I customers that will achieve this level of savings. Halfpenny noted the great discussion and moved to recess for a 10 minute break.

VI. Evaluation, Measurement, and Verification (EM&V) Update

EM&V team lead, Pahl, presented highlights of the 36 evaluation studies. He explained that 30 have completed over the last month, which represents the single largest surge of studies in the industry, outside of California. He noted that most studies will be filed with the 2010 annual report. Pahl explained that EM&V is a big tent, with many different kinds of studies and stakeholders, and many different applications for results. The studies, he said, fall into three major categories: Impact evaluations, Process Evaluations, and Market Assessments. Some of the overarching issues and take-aways include:

- The PAs generally appear to be doing a good job of accurately forecasting savings, with some provisos.
- Newer programs/measures are being evaluated for the first time.
- There are some potential issues regarding forecasting of demand savings.
- Not all key programs/measure categories have received impact evaluations yet.
- Net to Gross ratios vary widely (43% to 112%).
- Pilot programs, not surprisingly, often need fine-tuning.
- Developing a much better understanding of many target markets.
- Need a better understanding of the specific effect of behavioral programs.
- It is important to consider market effects (on the way markets function).

Pahl noted some of the issues and challenges with performing the studies, including:

- Lack of methodological precedent: some of the studies are breaking new ground nationally.
- Differences in tracking systems across PAs.
- Many complications arise in applying the results.

VII. Consultant Monthly Report

Belliveau noted the highlights of the consultant monthly report, including the section on what's coming up: annual report, MTM, 3-year planning. He noted that this is a monumental task going through the Fall. McDiarmid mentioned that the Technical Review Committee is an important structural component, and that he is happy to see this referenced in the report.

VIII. Halfpenny adjourned the meeting at 5:00pm.