

**Massachusetts Energy Efficiency Advisory Council**  
Meeting Minutes (DRAFT)  
Tuesday, August 10, 2010

**Councilors Present:**

<b>Voting</b>	<b>Present (designee)</b>	<b>Non-Voting</b>	<b>Present (designee)</b>
Martha Coakley	Danielle Rathbun	Derek Buchler	X
Penn Loh	Lisa Clauson	James Carey	X
Jim Colman	Nancy Seidman	Penni Conner	X
Philip Guidice	Frank Gorke	Alisha Frazee	
Debra Hall	X	Kevin Galligan	X
Charles Harak	X	George Gantz	X
Elliot Jacobson	X	John Ghiloni	
Jeremy McDiarmid	X	Paul Gromer	X
Rick Mattila	X	Andrew Newman	
Robert Rio	X	Richard Oswald	X
		Michael Sommer	X
		Edward White	Jeremy Newberger

DOER: Steven Venezia

Consultants: Paul Horowitz, Jeff Schlegel

**Present:**

Sue Kaplan	Emmett Lyne	Frank Gundal
Jack Habib	Birud Jhaveri	Christine Vaughan
Danah Tench	Don Wells	Thomas Darling
Tilak Subrahmanian	Monica Cohen	Theresa Lavoie
Marc Breslow	Maggie Downey	Geoff Chapin
Bart Bales	Tom Russmassler	Pavel Gavrilov
Karina Lutz	Sam Nutter	Bob O'Brien
Aimee Powelka	Lisa Shea	Tina Halfpenny
Crystal Beauregard	John Carlton-Foss	Patrick Coleman
Courtney Moriarta	Gene Guiliano	Keith Wrightson
Marc Goormastio	Monica Ibrahim	Brad Swing
Adin Maynard	Geoff Chapin	Paul Johnson

## I. Introduction

Gorke convened the meeting at 2:05pm. He noted that Nancy Seidman was attending on behalf of Jim Colman, and that Lisa Clauson was attending on behalf of Penn Loh.

## II. PA Quarterly Reports, Second Quarter 2010 -- Part 2, Quantitative

Dick Oswald presented slides showing the results of the 2<sup>nd</sup> quarter (“Q2”) electric program activities. Overall the portfolio of programs is in the 30% range relative to annual goals on a variety of savings and benefits indicators; the percentage of goal is significantly higher for number of participants (66%), which is skewed upward by program participation in OPower for the PAs offering the pilot.

The residential sector is on track to meet annual targets, with MassSave HES, New Construction, and Lighting reporting savings and cost-related indicators ahead of or in line to meet goals. The low income sector results are lagging a bit. The focus has been on spending ARRA monies, so PA expenditures have been less than anticipated. Jacobson noted that expenditures of federal funds is ahead of pace, and that additional federal funds may become available to Massachusetts.

Oswald noted that the C&I savings and cost-related indicators are in the 20 percent range, not where the PAs would like to be at this point in the year. The participant result (58% of target) is skewed by the participant numbers in the Small Business program. Large C&I savings are lagging behind targets, and while the PAs are expecting the typical “hockey stick” effect to occur in late Q3/Q4, the project pipelines are not where the PAs would like them to be. Gromer suggested the PAs create quarter-by-quarter graphics based on historical data and set quarterly targets based on those results. Buchler noted that such work has been done at Bay State Gas and that the company’s 2010 experience is tracking historical curves. Small C&I Q2 results suggesting that the annual goals will be attained. Oswald noted that integration of gas measures into the programs remains a challenge.

He also noted that there has been strong interest in CHP and that the PAs have done a lot of outreach to customers and vendors. A lot of studies have been conducted, and these projects have long lead times; results are expected in 2011 or 2012. Typically these projects are 75kW in size.

Oswald provided an update on the status of the performance metrics, noting that it is difficult to project the year-end results as each is in process and results are not often known until year end. Preliminary estimates show a mix of anticipated results.

Buchler reported on the second quarter gas program results, referring to the slide presentation. Focusing on therm savings, he noted that the programs are on target to meet year-end goals. Year-to-date results through the second quarter for Residential and C&I savings are in the 50% of goal range, while the low income results are lagging. The latter is due to the availability of federal funds for the low income programs. It is expected that more program funds will be spent on savings acquisition in the last two quarters of the year.

Schlegel provided a consultant review of the quarter results. He indicated cautious optimism about the PAs' attainment of the year end goals. He noted the uncertainty of the C&I "hockey stick" effect, given the results of the first half of the year. He noted that a look at the electric data suggest that some residential programs are moving to deeper savings, though there is less evidence among the C&I program results. A review of the gas data through the second quarter suggests that there is movement toward deeper savings in both the residential and C&I sectors. He noted a wide variation in indicator results across the PAs, which the consultants would be examining further.

### III . 2009 Annual Reports

Lyne noted that the PAs' annual report filings with the DPU have been docketed and that public hearings are scheduled for early September. Gorke noted that the reports are not part of EEAC jurisdiction and responsibilities, other than the information included in the filings regarding several specific 2010 topics, requested by the DPU.

Newberger discussed the PAs' presentation on the annual reports. He noted that the filings were prepared under previous formats, by individual PAs, not under the current DPU 08-50 working group format. He discussed the slides which reported on the 2010 topics. He indicated that any PA specific fixes to the calculation of avoided T&D values would be used in the 2011 mid-term modifications if benefit-cost runs were necessary.

### IV. CLC Mid-Year Modification Proposal

Gorke noted that DOER and the consultants had reviewed CLC's proposal and recommend Council adoption. Galligan noted that CLC was proposing to reallocate program funds within the residential and C&I sectors to address lessened and increased program funding needs, and were not seeking approval from the DPU for additional funds. Gorke recommended adoption of CLC's proposal as proposed. Harak moved, Hall seconded. The motion was approved with one abstention (Rathbun).

Gantz noted DPU's recent approval of Unitil's request for interim continuation in its previously filed mid-year modification proposal.

### V. 2011 Mid-Term Modifications

Schlegel noted that with the filing date of October 29, there were now 2 ½ meetings to consider the PA proposals for 2011 mid-term modifications. He noted the calendar for each month's process, and the systematic framework that had been presented for those activities.

Schlegel highlighted the list of potential topics for the MTM filings; Gorke encouraged the Councilors to review it. Schlegel noted that not all the topics were of the same kind – some were already underway, others would need to be negotiated, and not all would need to be addressed by directly by the Council. Gorke noted that these were topics the PAs should take the lead on, and that the consultants should continue to be involved with the PAs on these matters. Schlegel

indicated that the consultants would do so, and would work with the PAs to bring topics to the Council at the September and October meetings.

Marc Breslow gave an oral presentation on a landlord/tenant strategy that has been presented to and discussed within the residential management committee (RMC). He noted that this strategy was intended to capture whole building savings in leased space (1-4 units). He noted that meetings with a landlord rental housing association had both been held and were scheduled with the RMC. Gorke commented on the challenging nature of this work, and looked forward to more progress.

Jacobson provided an update on the low income comprehensive multifamily non-profit funding. He noted the imbalance of gas and electric program funding, which prevented the delivery of comprehensive savings to all projects. He suggested several approaches, which would continue to be discussed with the PAs.

## BREAK

### VI. 2011 Performance Incentives

Schlegel indicated that the consultants would provide a proposal on performance incentives (PI) to the PAs and expected to have results by the next Council meeting. He noted that the consultants recommend that the allocations of PI across the PAs be based on the dollar value of benefits and net benefits, which was not possible during the preparation of the October 2009 filings. He also noted that performance metrics were expected to be proposed at the next council meeting. Lyne noted that the PAs have been working on this issue, had been sharing the results with AG and consultants, and that a proposed solution was still under discussion.

### VII. Financing and On-Bill Repayment: Rental Task Force Report

Tom Darling gave an update on the task report on financing and on-bill repayment for rental properties. He noted that the document was still a draft and that he was receiving comments. The task force was not able to resolve the long-standing split incentive between landlords and tenants though the strategies discussed. He indicated that the task force was not recommending a separate rental financing approach, and that a landlord approach would be substantially like the homeowner or small business strategies. He expected the report to be completed in the near future, and that it would be brought to Council for action. Lyne thanked Darling for the careful review of the PAs' comments.

### VIII. Calendar and Council Priorities for 2010 -- Nine Month Calendar

Schlegel noted the calendar and encouraged all to review it.

### IX. Consultant Monthly Team Report and Expenditure Report

Rathbun commented on a portion of the EM&V section of the consultant. Horowitz agreed to follow up.

## X. Mass Save Home Energy Update

Conner commented on slides presented to the Council. She described the roles of and relationship between the Steering Committee and the RMC. Gromer noted the challenge of addressing these issues in order to issue timely RFPs.

## XI. Public Comments

Comments on the 2011 Mass Save ES program were made by a number of contractors. While offering different specific suggestions and proposals, all encouraged the overall market model for the program to be more open to different contractor delivery approaches, to be less restrictive in market entry, and that the roles of the lead vendors be less all-encompassing.

Gorke adjourned the meeting at 5:05pm.