

Massachusetts Energy Efficiency Advisory Council

Meeting Minutes (DRAFT)

Tuesday, April 14, 2009

Councilors Present:

Voting	Present (designee)	Non-Voting	Present (designee)
Heather Clark	X	Derek Buchler	X
Martha Coakley	Jed Nosal	James Carey	X
Paul Deare	X	Penni Conner	X
Lucy Edmondson	X	Alisha Frazee	X
Philip Giudice	Frank Gorke	Kevin Galligan	(unk)
Debra Hall	X	George Gantz	Cindy Carroll
Charles Harak	X	John Ghiloni	
Elliot Jacobson	X	Paul Gromer	X
Samuel Krasnow	Jeremy McDiarmid	Andrew Newman	
Rick Mattila	X	Richard Oswald	X
Robert Rio	X	Michael Sommer	
		Timothy Stout	X

For DOER: Michael Sherman, Steven Venezia, Alissa Whiteman

Consultant Team: Paul Horowitz, Jeff Schlegel, Tom Franks

Commisioner Tim Woolf, DPU

Public:

Jen Acetie	Jacquelyn	Susan Kaplan	Stephanie
Scott Albert	Dadakis	Pat Kelly	Pollack
Gerry Bingham	Ben Davis	Jeff Leopold	Danielle
Patricia Burke	Michael Donlon	Emmett Lyne	Rathbun
Marc Beslaw	Eric Dubin	Erin Malone	Karen Ribeiro
Jeanne Cherry	Mike Duclos	Andrea Mitter-	Lori Segall
Larry Chretien	Tina Halfpenny	Burke	Lisa Shea
Mary Jo	Lyn Huckabee	Cara Mottola	Danah Tench
Connelly	Jenn Kallay	Matthew Nelson	

I. Preliminary Matters & Introduction

Gorke convened the meeting at 3:03 pm and noted that the next meeting will be on April 21, one week from the present date. Minutes of the March 10 and 24 meetings were distributed. He announced that a memo was sent on Friday to electric utility program administrators (PAs) about the distribution of the Regional Greenhouse Gas Initiative (RGGI) auction proceeds. He noted that the Council website is live and contains agendas, minutes, and presentations from Council meetings. The agenda was accepted as presented.

II. Presentation of the Order in Docket 08-50

Commissioner Woolf presented an overview of the order in Docket # 08-50A. The docket was opened with the intent of assuring that the DPU reviews matters before it in a means consistent with the requirements of the Green Communities Act (GCA). The DPU determined that the Total Resource Cost test (TRC) is the appropriate measure for cost-effectiveness. It also developed a set of principles for reviewing shareholder incentive mechanisms that may the Council and PAs are enabled to propose under the GCA. He also described the DPU's approach to evaluating bill and rate impacts, noting that comprehensive and long-term analysis is appropriate. Council members asked questions about the degree to which environmental costs are incorporated and the impact of EE on wholesale prices.

III. Environmental Benefits

Schlegel presented on the environmental costs included in the avoided cost calculation. The order specifies that these are the costs of compliance with environmental requirements, either existing or reasonably foreseeable. It is anticipated that the Council and the PAs will provide estimates based on the regional avoided cost study for DPU review. Participants discussed the possibility of review in a generic docket.

IV. Rate and Bill Impacts

Schlegel noted that the intent of this presentation is to provide a conceptual overview and that the consultant team will provide estimates at later time. The analysis will be based on a stream of savings and costs of program year measures over time, for the entire customer base and disaggregated by class. It will display the impacts in absolute and proportional terms, and will not include the RGGI or FCM values. It will show the impact on distribution and bill totals. The next step will be a Council-sponsored working group as part of integrated iterative analysis with a goal of having a product before the Council by mid-May. Gorke asked those interested in participating in this working group to contact him and anticipated preparing a proposal for consideration in a few days.

V. Three-year plan schedule template.

Representatives of DOER and the Program Administrators described the process of plan development, noting that it has been an intensive process of close cooperation between the parties involved over the last four months. There are multiple groups working on parallel tracks. The PAs have been working with the consultant team and striving to assimilate recommendations from the Council in their efforts. The focus needs to be to develop consensus among the PAs to meet the April 30th filing deadline.

Schlegel raised the issues of a process and schedule for the Council between May 1 and July 29. He said that the consultants will develop a proposal for review at the next meeting. He raised the issue of meeting on May 5th and proposed that there be working sessions with presentations from PAs on the filed plans. The schedule will be discussed at the April 21 meeting.

VI. Gas Saving Estimates

Schlegel presented preliminary results of potential gas savings analysis, showing roughly three and four times the current level of savings, or 1.5% and 2 % of load. The results anticipated net benefits of approximately \$700 million equaling approximately 18% of total resource needs in 2020. He noted that the bill and rate impact analysis will be forthcoming. Hall asked where multi-family fit in and was informed that a two-day multi-family forum begins on April 15. Nosal noted the complexity of accounting for fuel switching, combined heat and power, and other factors that require the ability to net out increases and decreases in gas consumption attributable to program efforts.

VII. Program Strategies

Gorke noted that the GCA “puts a heavy thumb” on integration of electric and gas efficiency programs and queried PAs on progress towards this goal. Lyne responded that the PAs are working with the consultant team to make significant progress on this challenging issue. Nosal asked for an estimated time line and Lyne responded that the PAs anticipate a phased integration. Horowitz noted that the first goal is to integrate the customer interface and that integrating PA systems and delivery make take more time and may vary by program.

Gorke noted that the PAs and participants are seeking strategies to enable more customers to participate and take pressure off ratepayers through mechanisms such as on bill financing or external funding sources. A discussion of the pay-as-you-save mechanisms and private investment opportunities ensued.

VIII. Performance Incentives

Gorke introduced the topic noting that this is as significant issue for Council input and that today’s conceptual presentation will be supplemented by the consultants at a subsequent meeting. Horowitz described the authorization for this discussion and the structure of the current incentive mechanisms, composed of savings metrics, value metrics, and performance metrics. Councilors asked about the relationship between performance incentives and decoupling and other issues. Gorke suggested a process of soliciting input and consultant draft development. The scope and process of this effort were deferred to the next meeting.

IX. Public comments

Paul Johnson asked about public education.

X. Wrap Up

Gorke provided a brief update on the stimulus package, solicited volunteers for a working group to study bill and rate impacts, and offered suggestions for the next agenda. Meeting adjourned at 5:08PM