

Energy Policy Review Commission - Unofficial Minutes

Wednesday August 7, 2013

2:00pm – 4:00pm

Executive Office of Energy and Environmental Affairs

2nd Floor Conference Room D

Members in Attendance:

Elliott Jacobson	Action, Inc.
Bob Rio	A.I.M
Tom Regh	Progressive Energy Services
Sandra Merrick	AGO

Others in Attendance:

Bobbi Kates-Garnick	EEA
Dan Burgess	EEA
Nathan Phelps	DPU
Rita Carvalho	Action Inc.
Andrew Goldberg	AGO
Lauren Farrell	EEA
Hinna Upal	EEA
Tina Halfpenny	DOER
Jodi Hanover	Rich May, P.C.
Justin Lukoff	EEA

Documents Discussed:

- Agenda
- Draft Report

Undersecretary Kates-Garnick called the meeting to order at 2:08pm.

Introduction

Undersecretary Kates-Garnick welcomed the Commission members and meeting attendees. She said the Commission needs to get started with the discussion regarding the draft report and where attention needs to be paid. She noted that Mr. Jacobson has organizational suggestions. Mr. Jacobson said his suggestions are not specific to editing but that he found the report confusing and believes the member opinions should go into the appendix. Mr. Rio said he agreed because he noticed when reading, the report would go from metrics to several pages of opinions. Undersecretary Kates-Garnick noted there is also considerable difference in length for each Commission member. Mr. Rio said he felt Mr. Jacobson had a point and that there should be a standard order for the opinions. Undersecretary Kates-Garnick said she wants to make sure all members agree on this issue.

Mr. Regh said that he has not had much time to read the draft, but he does have some general comments. He said as a positive comment, the report flows well and it does a good job of giving a snapshot on what is currently going on. However, Mr. Regh pointed how that he did not see any monetary values that show what the cost is to ratepayers. He noted that one charter of the Commission is to make recommendations, such as reducing the cost of programs, which cannot be done without knowing what the cost of a program is. He also said he did not see many recommendations and could go

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either way on the idea of moving the opinions to the appendix. Mr. Regh said he feels the report is not an accurate depiction of what happened at the meetings, but more a summary written by DOER and not by the Commission. He said the Commission was tasked with making recommendations and there are no recommendations in the report that the Commission has vetted or voted on. Undersecretary Kates-Garnick said that a lot of work has been done and the Commission needs to now come to recommendations and clear action items. Mr. Regh said the draft is a good start but the only other thing that he noticed was that his opinions weren't cut and paste fully in the draft. Ms. Upal replied that nothing was edited or added to the member opinions.

Ms. Hanover asked if the extension was granted. Undersecretary Kates-Garnick replied that it was granted to the Commission. Ms. Merrick joined the meeting. Mr. Jacobson told Ms. Merrick that the current discussion was around whether or not to put the individual member opinions in the body or appendix of the report. Mr. Rio added that keeping the opinions in the body might make the report too bulky to read. Ms. Merrick said she does not have anything ready to share today and that she does not mind if the opinions are in the appendix. However, she said she thinks the language regarding hiring a consultant and the lack of money should be moved up further in the beginning of the report. Undersecretary Kates-Garnick said that is fair and to show that suggestion in the AGO's edits. Ms. Upal asked if Ms. Merrick would mind drafting that language.

Mr. Regh asked what the other members felt about moving the member comments to the appendix. He said the Commission charter is broad, they are volunteer members, and that things need to be changed and improved; something which the Commission can propose. Undersecretary Kates-Garnick said for the members to send in their edits and they will be incorporated into the report. Ms. Merrick noted that the ultimate position may be that the report does not provide anything the legislature can use to make a recommendation. Undersecretary Kates-Garnick said the Commission needs to see language so they can vote on what goes in the report. Mr. Jacobson said that he is not speaking for the Legislature, but he thinks the Commission shouldn't cost any money. He continued that working with a consultant can be a slippery slope and very expensive. He noted that the Commission would have more meat of a report if a consultant was hired, but that means there would also be more for people to judge; it's a fine line. Ms. Merrick replied that the Commission wasn't full able to perform, as constituted. Mr. Rio said he agrees and that the report should acknowledge that issue, however if the Commission wants a report done with real answers, it will cost money. Undersecretary Kates-Garnick also noted that this entire Commission and report was done on volunteer time. Mr. Rio agreed, adding that every member came in to the Commission full of opinions, so they are not the right people to write a full report.

Discussion of the Draft

Undersecretary Kates-Garnick asked the members to draft substantive comments and EEA will take the responsibility to put it all together for the Commission. She noted that the Commission needs to go over the recommendations and next steps, which can be done either as a general conversation now or every member can write their own. Mr. Jacobson said the discussion should be had so the members have clarity or everyone will talk over each other.

Issue One: Expanding Renewable Energy in the Commonwealth

Mr. Rio said his only recommendation would be to implement the metrics and that DOER should publish that data and keep it updated in one place. Mr. Regh said he agreed. Undersecretary Kates-Garnick said that published accounting is a good recommendation and asked if there were any other suggestions. Mr. Regh said he thinks the money and cost piece should go into the report. Undersecretary Kates-Garnick

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noted that the GWSA team is currently working with Abt Associates to create a performance management system that measures GHG reductions and whether the State is meeting its goals; it will be available publicly, however there is not cost data yet. Mr. Rio said the cost component is what is more important. Ms. Upal said it is a good recommendation as the agencies have different data. Mr. Rio asked if the GWSA system has the ability to capture cost per GHG reduction. Ms. Farrell responded that the performance management system does not have that ability yet, but it is being looked into. Ms. Merrick asked about the GWSA report required by the Legislature. Undersecretary Kates-Garnick said there are two reports, an accompanying report with the performance management system and a 5 year report required by GWSA Legislation.

Mr. Regh said budgets and how they are used should be included in the report. Mr. Rio said he just wants to look at spending and what the money is getting us. He said the State needs to get to a 25% reduction, and an 80% reduction after that, and it would be nice to see what is costing the most money and what can get us to those reduction goals. Mr. Jacobson noted there is only six weeks left and numbers can be hard to agree on. Mr. Rio responded that numbers aren't necessarily needed, but more importantly there needs to be one place where all of the information can be kept so it can be determined where the right place is to spend money.

Issue Two: Promoting Energy Efficiency in the Commonwealth

Undersecretary Kates-Garnick noted that as the draft has been circulated, several people have noted they felt the draft did not reflect or give justice to what the State already has been doing. Mr. Rio said he didn't feel that way and more data can be referenced in the appendix.

Ms. Halfpenny said she had a question about metric-2, saying that data is measured but there is a Supreme Court order that prohibits health care costs to be looked at in that manner. Mr. Regh asked how that metric was even included in the first place as it is a whole different issue in itself. He suggested striking the metric out all together. Mr. Rio also said he does not know where that metric came from and it would be tough to measure it from a clean energy aspect. Mr. Jacobson asked if it was a health and safety issue. Ms. Halfpenny said benefits from combustion safety for low-income, such as asthma rates, are taken. Mr. Rio said he doesn't know if energy efficiency would help that, as it's not as big of a reduction and there aren't that many coal plants anyways. As a representative for the Pl's, Ms. Hanover said there is a large amount of evaluation through the EEAC consultant and that considering benefits and costs is required in Massachusetts. Mr. Jacobson said it is an interesting point and it shouldn't be ignored. Mr. Regh asked if anyone remembers where it came from and if it should be removed from the report all together. Ms. Upal said that the best way to remove it from the report would be for each member to strike it in their edits.

Mr. Rio said an idea would be to eliminate the energy efficiency program but instead, just incorporate energy efficiency into everything. Mr. Jacobson said that enforcement of codes is a huge issue. Mr. Rio said it would be for new construction in general, transition energy efficiency into everything. Undersecretary Kates-Garnick said the Commission may not have the force of implementation but it can be a consideration in the report.

Undersecretary Kates-Garnick noted that Mr. Jacobson's low-income constituents aren't necessarily being represented in the metrics and that he should include recommendations for the Commission to consider. Ms. Merrick said this is something that should be said to the Legislature. Ms. Upal said that if

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this issue doesn't exist, then it should go into the recommendations of the report. Mr. Phelps suggested the Commission should add they did not have a legal consultant as well.

Undersecretary Kates-Garnick asked what in terms of action items, should the Commission request to come out of the metrics. She noted that the State does not want to lose the #1 Energy Efficiency spot. Mr. Rio said he does not have any further recommendations. Mr. Regh said in he has many recommendations in his individual section. He said the EEAC follows the do-and-learn approach where they are constantly tweaking and observing. Regarding Mr. Regh's recommendation on the resource cost tool, Ms. Halfpenny noted that it is still reliant on fuel cost and asked if it is time to rethink it altogether. If so, the Commission may be the place to do so. She said she could write something up for the report. Mr. Regh said there is a national discussion with cost effectiveness testing and Massachusetts should be engaged and leading the discussion.

Issue Three: Encouraging Business Development and Job Creation in Massachusetts

Ms. Merrick asked if there will be numbers for the metrics, or if they will remain as questions. Undersecretary Kates-Garnick noted there are answers to a lot of the metrics already, including the answers to Mr. Rio's information request. Mr. Rio agreed, and said he recommends implementing the metrics. He also noted he would like better data and reporting, such as how jobs are created in the State. Undersecretary Kates-Garnick asked Mr. Rio to clarify what he meant by jobs created. Mr. Rio said he has continually heard that there were 71,000 jobs created in the clean energy sector. He wants to know if the enormous amount of money being spent is actually creating jobs. He noted there may be 71,000 jobs but they might not necessarily be created by the State. Undersecretary Kates-Garnick asked if Mr. Rio felt this was captured correctly in the metrics and Mr. Rio said that he felt it was. Ms. Halfpenny asked what that number says about sustainable jobs. Mr. Rio said he had that thought too and questioned whether the State is doing things just to keep these jobs. Undersecretary Kates-Garnick noted that a distinction should be made between rate payer and tax payer numbers. Ms. Halfpenny asked if Mr. Rio is looking for jobs to justify rate payer spending. Mr. Phelps noted that there should be something in the report that discusses the totality of all the data and the need for a more holistic perspective. Mr. Rio noted that is what he has been saying; the State needs to go into a direction where the money is being spent in the right way. Mr. Jacobson said the responsibility and data are all over the place so he doesn't know how the Commission can solve that. He noted that he would like to make an affordability statement rather than try to work affordability into each section. Undersecretary Kates-Garnick said she believes there is overarching consensus on affordability. Mr. Rio said he believes there is mention of affordability in the beginning of the report. Undersecretary Kates-Garnick said Massachusetts has core values on affordability and clean energy. Mr. Regh added that he does not think the data is there on jobs and thinks the quality of jobs should also be looked into. Ms. Merrick said time spent on the job should also be included.

Issue Four: Reducing Costs Associated with Energy Programs While Maximizing Benefits

Mr. Rio said he thinks there should be a holistic approach, and can work on writing something on that for the report. Ms. Halfpenny said the first metric is not fair to the work the Commission has already done as this group has done a lot of work. Ms. Merrick asked if program costs and benefits are measured. Undersecretary Kates-Garnick suggested editing the metric. Ms. Merrick said the metric could include language about ensuring costs and benefits are measure for all programs.

Ms. Halfpenny questioned the second metric, stating that not all customers are looking for simplicity. She continued that there are groups of residents who want to know everything and she has heard that

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some energy efficiency programs are not sophisticated enough. Mr. Regh noted that the metric could be to ensure a variety of programs exist that serve a variety of customers, not a one fits all situation. Ms. Merrick noted the need for more transparency metrics. Ms. Halfpenny asked if there was a way to measure awareness and engagement. Mr. Phelps suggested bill stuffers are one way to engage customers. Undersecretary Kates-Garnick agreed there needs to be better effective communication and bill stuffers or web interactions are a great way to do so. Mr. Regh suggested consumer education as a recommendation as he believes this communication should start in young minds. Undersecretary Kates-Garnick agreed with that suggestion.

Next Steps

Undersecretary Kates-Garnick asked when the Commission feels the next meeting should be. She said one thought would to use the remaining time to exchange drafts. Mr. Burgess noted that would complicate the Open Meeting Law. Ms. Hanover noted that the quorum issue should be considered, unless there is no deliberating. Ms. Halfpenny said that statements can be sent out but there cannot be discussion.

Mr. Jacobson said he doesn't always remember the assignment so it would be helpful if a message was sent out stating exactly what should be done by what exact date. Undersecretary Kates-Garnick said the members need to read the draft report, make any edits, and fill in the opinion sections. She said EEA will send out an email with instructions to everyone. Ms. Merrick asked if there was any consensus on the body of the report. Undersecretary Kates-Garnick said the Commission members need to make comments and edits and that will help determine the areas of consensus. She said edits are due the Friday before Labor Day. Ms. Merrick confirmed August 30 as the date.

Mr. Jacobson asked when the public comment period is. Mr. Burgess said the public comment period would occur after the report has been drafted. Undersecretary Kates-Garnick said she hopes to meet again on September 18 for the Commission to go through the draft edits. Mr. Regh asked if it would happen all at once and Undersecretary Kates-Garnick answered yes. Mr. Rio said the Commission members need to sit down and work on the draft. Mr. Burgess reminded everyone to submit their edits by August 30, using track changes, and EEA will then put together a combined draft by mid September. Mr. Phelps suggested having longer meetings to go over the drafts. Undersecretary Kates-Garnick said EEA will send a message stating what is needed and by when, along with a new schedule. She noted that Mr. Regh suggested sending out a new appendix with the opinions moved to the back, and EEA will also include that in the email to the Commission.

The meeting adjourned at 3:59pm.