

Energy Policy Review Commission - Unofficial Minutes

Wednesday May 29, 2013

1:00pm – 3:00pm

Executive Office of Energy and Environmental Affairs

2nd Floor Conference Room A

Members in Attendance:

Bob Rio	A.I.M
Sandra Merrick	AGO
Elliot Jacobson	Action, Inc.
Rob Calnan	Calnan's Energy Systems, Inc.
Tom Regh	Progressive Energy Services

Others in Attendance:

Dan Burgess	EEA
Kevin Galligan	Cape Light Compact
Hinna Upal	EEA
Lauren Farrell	EEA
Martha Broad	MassCEC
Jessica Bardi	EEA
Nathan Phelps	DPU
Peter Shattuck	ENE
Rita Carvalho	Action Inc.
Jodi Hanover	Rich May, P.C.
George Chapman	Committee on Telecomm, Utilities and Energy
Andrew Goldberg	AGO
Dwayne Breger	DOER
Pat Crowe	National Grid
Tabitha Vigliotti	Committee on Telecomm, Utilities and Energy
Christina Halfpenny	DOER

Documents Discussed:

- Agenda
- Renewable Energy Metrics memo
- Draft extension letter to Legislation
- Draft report objectives and metrics
- Elliot Jacobson's statements on "renewable energy" and "energy efficiency"
- AGO draft outline edits
- Tom Regh's statement on "energy efficiency"
- Bob Rio's statement on "renewable energy" and "energy efficiency"

Dan Burgess called the meeting to order at 1:03pm.

Disclaimer: These minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion which took place; nor does this document attest to the completeness, reliability, or suitability of this information.

Introduction

Mr. Burgess welcomed the Commission members and meeting attendees and started the introductions around the room. He noted that the Commission members were given a packet of the materials that are up for discussion at the meeting. He also noted that members are encouraged to look over the posted minutes and submit any suggested changes. Sandra Merrick noted that she had sent in suggestions already. Mr. Burgess asked if she could describe those changes. Ms. Merrick stated that at the last meeting it was written that she said “no” in response to Undersecretary Kates-Garnick’s discussion on current reports and task forces. She also pointed out that in the May-1 minutes, it is written that she said utilities don’t contract with the state and “utilities” should be changed to “lead vendors”. Mr. Burgess said the revisions would be made and sent out again for review. Tom Regh asked if presentations are a part of minutes. Hinna Upal responded that they are not, rather a part of the documents shared. Mr. Burgess asked if Ms. Upal would discuss the Open Meeting Law. Ms. Upal stated that as discussed in the beginning of the Commission, members must sign the *certificate of receipt* confirming they received materials on the Open Meeting Law. She asked the members to sign this form and return to her at the end of the meeting.

Mr. Burgess stated that Bob Rio and Sandra Merrick wrote a draft letter on behalf of the Commission asked for an extension. He asked for each member to read the draft letter and provide edits, and the Commission will take a vote on it at the next meeting. Mr. Rio said that the letter is a restatement of the law and the work done by the Commission and also references the reports mentioned in the meetings. He continued that he and Sandy collectively thought the deadline should be extended to January-1 as it never hurts to have more time. Ms. Merrick added that the Commission can still write the report early but work towards the January-1 date. Mr. Rio noted that due to holidays in the fall, January-1 seemed like a better date. Mr. Burgess stated that the letter is being sent on behalf of the entire Commission so each member should make sure to provide input and all can vote at the next meeting. Elliot Jacobson noted that he had reservations about the time extension as he is still unsure about the mission of the Commission. He noted that he is also concerned about the rewriting of policy/legislation. Mr. Rio agreed that he wants the Commission to stay focused. Ms. Merrick noted that the Commission is not writing new policy but should be talking about what policy is doing. Mr. Jacobson noted that there is no report but the Commission is already giving recommendations. Mr. Regh said that he supports the extension as he does not see how the report will get done and he sees Mr. Rio’s point that there is no harm in asking for an extension. Rob Calnan asked if the Commission would work through the summer if there was an extension as there would be the probability of a lot of people missing. If so, there should be less of a schedule during the summer. Peter Shattuck noted that this has been a lot of time for the Commission to devote. Ms. Upal noted that there are limited circumstances for the conference call issue and the last time members were allowed to call in was due to a winter storm. Mr. Regh replied that there are five instances where members can call in and one is due to hardship, which he believes he qualifies for as he lives far away and is not being paid to be on the Commission.

Mr. Burgess stated that the extension letter would be voted on at the next meeting and asked if there were any other housekeeping issues the Commission wanted to address. Mr. Regh said that one of his presentations was taken off the website; he was explained the issue and sent a new presentation and is wondering why the new presentation is not posted. Lauren Farrell responded that the presentation was sent to IT and is probably in the queue of items to be posted.

Disclaimer: These minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion which took place; nor does this document attest to the completeness, reliability, or suitability of this information.

Draft Report

Mr. Burgess noted that he brought a computer to show an overview of the work on the draft report. He said the Commission should review the metrics for renewables and members can go over their positions. Mr. Rio suggested “cost/ton reduced” as a metric. Ms. Merrick suggested “cross subsidies/subsidies” and “reduction of GHG”. Mr. Rio suggested “Capacity Factors, installed vs. actual”. Dwayne Breger clarified that it should be installed capacity and actual generation. Peter Shattuck asked for clarification on the metric “The Price of Renewable Project Installments and the Progress to Grid Parity”. Ms. Upal noted that this might be in reference to solar and how solar is approaching the grid. Mr. Breger said that it is easier to assess this with solar as there is more data.

Martha Broad asked for clarity on metric #5 “Industry and job development in renewable energy sector” in regards to what “net” refers to. Mr. Rio responded that it means “net jobs”. He said that he does not want to look at all gains but acknowledge the money transfer. Ms. Broad noted that this is tough to measure and perhaps say it’s a qualitative measure as it is challenging to get a real number. Mr. Burgess asked if this metric belongs in this category, or if it should be moved to the Jobs Section. Ms. Upal responded that one benefit of expanding renewable energy is job creation. Ms. Broad agreed but reiterated that it is difficult to come up with a net measurement. Mr. Breger asked if that was because it is hard to parse out which jobs are renewables. Mr. Burgess said that this metric can remain in the draft outline as a placeholder for now.

Renewable Energy Metrics

Mr. Burgess asked Mr. Breger if he would to go through the renewable metrics DOER submitted. Mr. Breger said that at the memo he created lays out what is reported and then a set of metrics. He continued that DOER feels they have been very transparent with the RPS program. Mr. Breger said there are two issues. The first is that that DOER issues a comprehensive report that contains all of the data of interest to the market and the public but it is on an annual cycle. He noted that this is one of the best comprehensive reports in New England. The second issue is understanding how the RPS program works. Mr. Breger said that it is a direct cost that ratepayers see and the transaction of certificates happens in private, a process DOER is not privy to. He continued that the direct costs can be estimated; markets are long and only a portion of renewable certificates are traded in a spot market. Mr. Breger also included that exact pricing numbers are not known but he did provide a table of metrics on the back of the memo and a list of qualifying projects can be provided. Mr. Rio asked if includes every project. Mr. Breger answered that it could as there is a database, however it is too much information to provide in a table but he could provide a hot link. He continued that they can tell capacity but there is not information about generation from individual units. Nathan Phelps clarified that the qualification does not mean the facility is selling certificates. Mr. Breger said that 5 out of 6 New England states have RPS so there are many qualified facilities and they have the option to sell certificates to whichever state they like, depending on the price. He stated that MW/Hour Generated is private info and through the annual compliance filing, the number of certificates settled in Massachusetts can be known. Mr. Breger cautioned that this is only on an annual basis and there is a 9-12 month lag. He stated that there is a formal analysis through GWSA that accounts for GHG reduction from RPS, but it is still a work in progress, and again this is done on an annual basis. For the last metric, “Cost and Price Trends” Mr. Breger said that it is more qualitative and is a manner of estimations as DOER is not privy to cost RECS transact at.

Mr. Goldberg asked if there is a place for the reflection of pollutants/particulates in terms of reduction that are not GHG. Mr. Breger answered that there are average/marginal emission factors but DEP would

Disclaimer: These minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion which took place; nor does this document attest to the completeness, reliability, or suitability of this information.

ultimately know the answer to that question. Mr. Phelps noted there is general information on the emission estimates for certificates. Mr. Davis noted that pursuant to GWSA, DEP has enacted an emission reporting system and to be aware that RPS is considered clean.

Mr. Burgess asked if Mr. Jacobson would like to discuss his position on renewables. Mr. Jacobson stated that his recommendations are focused on the low-income community; the principle of equitable low-income funding should apply to all current and future renewable funding. Mr. Burgess said that the Commission is starting to piece together the report and the discussion of metrics will continue with each topic.

Energy Efficiency

Mr. Burgess asked if Mr. Regh wanted to discuss the information he submitted. Mr. Regh said that he had started piecing together his position a while ago. He created a list of metrics some of which include: number of blower door tests; number of unique inquiries; and how many audits result in major measures; the total price of weatherization projects. Mr. Burgess asked where Mr. Regh thought these metrics fit under, ROI or somewhere else. Mr. Regh replied that he felt one reason there are not as many weatherization projects is because there is too much focus on return on investment. He said there are national studies that have shown that ROI is lower on the list of reasons people do weatherization. He recommended getting away from straight ROI especially in this economy and to change the sales approach. Mr. Shattuck noted that the Commission should be cautious about getting overly specific, rather have general principles to guide Massachusetts efficiency. Mr. Burgess reminded the Commission to look at what they have been specifically charged with and fit in a set of metrics. Mr. Regh responded that the Commission has been charged with promoting Energy Efficiency and the things he has been suggested do promote more Energy Efficiency. Ms. Upal said that ROI is only a subsection but could go under its own category. Mr. Jacobson said he is not arguing against the recommendations but wants to make sure they are done in the best way possible for everyone. He said he believes ROI should continue to be a focus and if Mr. Regh is focused on MassSave, he should take it up with them. Mr. Regh said he is not only focused on MassSave and welcomes the Commission to vote on any recommendation. Mr. Jacobson said there is a process and venue to do this and if there are any issues, to take them up with the utilities. Mr. Regh responded that he is on the Commission on behalf of ratepayers and wants to make sure the money is being spent judiciously and effectively. Mr. Jacobson stated that he is there for the same reason. Mr. Regh said he is not objecting to ROI but believes maximizing benefits and reducing costs should be included.

Mr. Shattuck asked for clarification on "Oil SBC" metric that was listed. Ms. Merrick said that there has been legislation filed on SBC for oil. Mr. Shattuck asked why it was on the list. Ms. Upal stated that the topic was brought up at the last meeting as general discussion. Mr. Shattuck noted that ENE has been advocating for an oil SBC for awhile now. Ms. Merrick said she doesn't think the Commission should recommend an oil SBC and that it is not fair to take positions on it as it goes beyond the scope of the Commission. The Commission agreed to strike "oil SBC" from the list.

Mr. Burgess asked if the Commission had any other metrics to discuss. Ms. Merrick asked if Mr. Burgess had the AGO's positions. She said they are not separated like Mr. Jacobson's but they have been submitted.

Disclaimer: These minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion which took place; nor does this document attest to the completeness, reliability, or suitability of this information.

Job Creation

Mr. Burgess asked the Commission what metrics they would like to consider for the job creation objective. Mr. Rio suggested “source of funds that create jobs (federal, grants, state programs, etc.)”. He said he is also interested in knowing if the jobs would have been created anyways without policies. Mr. Regh stated he would like to see “Cost/Job Created” as a metric. He is interested in seeing which programs have budgets and how many jobs were created from those budgets. Ms. Broad asked if Mr. Rio could clarify his metric. Mr. Rio responded that he is interested in knowing what jobs were there if nothing was done, for example academic research would probably be there without policies. Ms. Broad noted that job calculations can be difficult and there is no money for these calculations to be done. Mr. Rio replied that he agrees but the claim that policies are responsible for all jobs is wrong. Ms. Broad asked if Mr. Rio was references the report because it does not say that. Mr. Rio responded that he wants to know if the State has created jobs and how many. Mr. Regh said that important things like FTE should be included. Ms. Broad clarified that in the upcoming report, both 50% and 100% employment will be looked at. Mr. Burgess changed the objective to “Have policies led to job creation and job maintenance, new business, and industry growth”.

Ms. Merrick suggested “price volatility” as a metric. Mr. Burgess added looking at businesses who have gone elsewhere to that suggestion. Mr. Rio asked if any other New England states have done a similar report. Ms. Broad replied that other States have done a report but they are not the same. Mr. Shattuck suggested looking at jobs that have come to Massachusetts. Ms. Broad noted that is already covered in one of the metrics. She continued that she is confused by the generic term “clean energy sector”. Mr. Jacobson suggested “Jobs Maintained” as a metric. Mr. Rio stated that he agrees that is important. Kevin Galligan noted that Jodi Hanover brought the 3-Year Plan and there is a chapter devoted in the plan for the council to consider job retention. He continued that the Plan does not capture all jobs but does give a minimum number for 2011 (2300 jobs). Mr. Galligan also noted that the plan has gotten better over the years and warns the Commission to be cautious about redundancy; all of the information is available and no more work is needed. Ms. Merrick stated that “types of jobs” should be added to the second objective (“Have policies led to job creation and job maintenance, new business, and industry growth”). Mr. Burgess suggested changing that to include types of businesses as well. Mr. Regh noted that “quality of jobs” should be included as it is important to know if workers are making a living wage or are receiving benefits. Tina Halfpenny noted that the Department of Labor has defined job characteristics and categories. Mr. Regh asked if there was any information through the Department of Labor on unemployment or payroll records. Ms. Merrick noted that she can contact Secretary Goldstein at the Department of Labor to get this data, if available. Mr. Jacobson said he is sympathetic to the work “quality” and what is meant by it. He noted that for a quality job in Massachusetts, the worker should be paid \$18/hour. Ms. Broad noted that the Clean Energy Industry Report survey does capture how many positions require a degree. Ms. Halfpenny stated that trying to quantify money spent of jobs can be hard to do. Mr. Rio replied that the Commission can acknowledge that it is a difficult undertaking.

Mr. Regh said that he is interested in knowing more about training money and the placement rate of people who graduated from training programs. Mr. Rio agreed and asked who tracked training money. Mr. Jacobson said that he thinks the money is a mix of federal and other sources. Ms. Broad replied that there is a workforce training person at MassCEC who works with that data. Mr. Regh noted that he would also like to know how many people graduated from these programs and found jobs in that field.

Disclaimer: These minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion which took place; nor does this document attest to the completeness, reliability, or suitability of this information.

Next Steps

Mr. Burgess noted that the Commission has covered 3 of the report topics to date and hopes to cover the subsequent topics at the next meeting. He said that meeting minutes and the final draft of the extension letter would also be voted on at the next meeting. Mr. Jacobson noted there is an EEAC meeting on June-12 that coincides with the scheduled Commission meeting. Ms. Upal reminded the Commission members to submit their positions on the covered topics.

The meeting adjourned at 2:58pm.

Disclaimer: These minutes are not intended as a verbatim transcript of comments at the meeting, but a summary of the discussion which took place; nor does this document attest to the completeness, reliability, or suitability of this information.