

Energy Policy Review Commission - Unofficial Minutes

Wednesday May 22, 2013

2:00pm – 4:00pm

Executive Office of Energy and Environmental Affairs

2nd Floor Conference Room D

Members in Attendance:

Bob Rio	A.I.M
Sandra Merrick	AGO
Robert Kaufmann	Boston University
Elliot Jacobson	Action, Inc.
Rob Calnan	Calnan's Energy Systems, Inc.

Others in Attendance:

Barbara Kates-Garnick	EEA
Kevin Galligan	Cape Light Compact
Andrew Goldberg	AGO
Stolle Singleton	Office of the House Minority Leader
Rita Carvalho	Action Inc.
Pat Crowe	National Grid
Matt Saunders	AGO
Paul Johnson	Greentek
Jessica Bardi	EEA
Hinna Upal	EEA
Lauren Farrell	EEA
Mark Sylvia	DOER
Jodi Hanover	Rich May, P.C.
Christina Halfpenny	DOER
Liam Holland	Committee on Telecomm, Utilities and Energy

Documents Discussed:

- Agenda
- Draft report objectives and metrics

Undersecretary Kates-Garnick called the meeting to order at 2:06pm.

Introduction

Undersecretary Kates-Garnick welcomed the Commission members and meeting attendees and start the introductions around the room. She stated that each Commission member was given a copy of all the public comments and to let her know if there is anything the members feel is important to highlight in the report. She reminded the Commission that the minutes that are taken during meetings are unofficial and therefore not word for word, but she hopes they generally reflect the sense of the meetings. The Undersecretary asked for each member to go over the meeting minutes to ensure they feel they were accurately reflected. She continued that the members will vote on the minutes at the next meeting and EEA is happy to make amendments, but in a timely way.

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Undersecretary Kates-Garnick said that the Commission had started their discussion on Renewables and each member needs to submit a 1-2 paragraph position on the topic by the next meeting. She said that while Tom Regh is not in attendance at the meeting, she hopes to get the Energy Efficiency topic started at the end of this meeting. The Undersecretary stated that it is important for the Commission to start thinking of general recommendations and to start writing down their recommendations for each topic. She then asked the Commission for thoughts on extending the meeting time as the decision must be voted on as a group. She said that if the Commission decides to extend the time, they must write a letter on behalf of the group asking the Legislature to grant an extension of time. Mr. Rio responded that he thinks the Commission should ask for an extension as he feels the group has a lot of work to do, especially once the comments on the report come in. He continued that as summers are busy for everyone to reconvene in September or October. Mr. Calnan stated that agreed with Mr. Rio but also thinks the meeting time should be extended to 3 hours. Professor Kaufmann said he also agreed with Mr. Rio on extending to late September but does not think the meeting times should be lengthened to 3 hours. He said that each meeting needs to be clearly focused and there should be a clear end goal. Mr. Jacobson said he does not mind the time extension but is not enthusiastic about it; perhaps an October extension is fine. Mr. Rio reminded the group that there are more reports to be released after the Commission's June 30 deadline. Undersecretary Kates-Garnick asked Elliot to clarify his view on the time extension. Mr. Jacobson replied that if there is a vote, he would vote no. Ms. Merrick responded that she has put it in writing that she wishes to ask for more time. She continued that as Mr. Rio pointed out, there are more reports coming out this summer and October 30 seems like a reasonable time extension.

Professor Kaufmann asked about the public comment as when he takes public comment for the IPCC, the responses are very specific on the material. Ms. Upal replied that the statute said to open a general public comment period; for this comment period, there were at least 26 people engaged so the Commission is getting the ball rolling. Undersecretary Kates-Garnick added that the Commission does not have to respond to the public comments as it is not a traditional public comment period.

Undersecretary Kates-Garnick asked the Legislative representatives if they had positions on the extension topic. Stolle Singleton stated that the House Minority Leader is an advocate for the extension. She continued that what is outlined in the statute has not accurately been discussed, not that what has been discussed isn't important, but there are some topics that have yet to be discussed extensively, such as net job creation. Undersecretary Kates-Garnick responded that the MassCEC Job Report was discussion and the Commission has had some pretty intense conversation on the topic. Ms. Upal stated that Dan Burgess has broken the statute down into topics for the draft outline. Liam Holland said that Chairman Keenan does not feel strongly either way but he would be receptive to a letter from the Commission as always. Undersecretary Kates-Garnick suggested some members get together to draft a letter so as not to use meeting time to write a letter. Mr. Rio asked Ms. Merrick if she would be interested in drafting a letter together. The Undersecretary said that Mr. Rio and Ms. Merrick will draft a letter and send it to Lauren Farrell and the Commission can discuss it at the next meeting. Ms. Halfpenny said that with respect to the extension, there has been mention of reports but wonders if the Commission has considered how dense and complex the reports are. She continued that reviewing these reports makes sense on the surface but the Commission should consider how much analysis and time it would take to go through the reports extensively. Ms. Upal added that the Commission would not do an in-depth analysis, rather cite the reports. Professor Kaufmann suggested the members invite the authors into a meeting to give an executive summary presentation on the relative data for the Commission. Undersecretary Kates-Garnick replied that someone from the State would most likely be the one to present on the reports, not a consultant. Professor Kaufmann added that the group could at

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least offer as it buys goodwill. The Undersecretary said that the Commission can extend an offer but it will most likely be the State reporting back but they can work on getting the necessary information to the Commission. She continued that a vote to extend would be taken once the Commission reviews the draft letter.

Renewable Energy Discussion

Ms. Merrick said that she feels there needs to be more discussion and recommendations. Undersecretary Kates-Garnick said that she is unsure if the Commission will ever get to a point where they agree on recommendations, hence the importance of each member succinctly stating their position on each topic. Ms. Upal said that the Renewables topic was discussed last week and that conversation could be continued at this meeting. The Undersecretary said she would like to go back to the Renewables conversation and went to the white board at the front of the room to write down the Commission's recommendations and metrics. Ms. Upal said that draft metrics were handed out previously and to keep in mind the metrics the Attorney General's Office also submitted.

Undersecretary Kates-Garnick asked the Commission to suggest metrics for the Renewable Energy topic. Ms. The group referenced the outline of six objectives and draft metrics EEA drafted. Merrick suggested "Carbon Reduction". Ms. Upal asked the Commission to remember where in previous conversations, carbon reduction has been discussed so they can go back for that data. Undersecretary Kates-Garnick said that Commissioner Cash had a graph to show carbon reduction. Ms. Upal responded that the metric should be more complex than carbon reduction; the Commission agreed and changed the metric to "GHG Reduction". Ms. Merrick suggested "Diversity of Renewables" as another metric. The Undersecretary responded that is a timely metric as hydro has just come into view along with wind and solar. The Undersecretary added that Dwayne Breger had submitted information on this topic and it was distributed to the Commission. Ms. Merrick suggested "Jobs Created" as a metric. Mr. Rio added "Costs" such as installation costs, rates impacts, cross subsidies and subsidies. Professor Kaufmann stated that price reducing impact of renewables is a benefit versus a cost and suggested price suppression. Undersecretary Kates-Garnick asked Elliot Jacobson if there were any low-income metrics he would like to add. Mr. Jacobson noted that he is looking to see environmental impacts, but to see it done affordably and low-income customers should not be excluded from the benefits of renewables. He said he understands that renewables should eventually lower prices, but pointed out that lower income people are putting money into the fund now. Ms. Merrick noted that this is the same for residential, and Mr. Rio agreed for C&I as well, but Undersecretary Kates-Garnick pointed out that low-income should have special consideration. Commissioner Sylvia asked what the measurement of progress is. Paul Johnson suggested looking at the percent of the market served and Ms. Halfpenny said to look at the percent of funding. Professor Kaufmann raised the concern of conflating equity in general with renewables. Ms. Merrick stated that there are some generic topics (e.g., jobs, costs) that fall under each topic. Professor Kaufmann suggested that affordability fits into Section 5 of the outline. Mr. Rio agreed that affordability should go under cost analysis on item 5. Mr. Jacobson stated that it is important to keep this in mind generally, but also specifically with respect to renewables (Section 1 of the outline). Ms. Singleton asked about installed/intermittent capacity. Professor Kaufmann stated that he was fully satisfied with his data request and the information on hourly generation. He continued that he is looking to put together an analysis and will send Ms. Farrell the information.

Kevin Galligan noted that Section 6(d) relates to ease of implementation; there should be ease of implementation on the customer side, and the questions should be raised if there is ease for all customers. Undersecretary Kates-Garnick asked how that would be measured to which Mr. Galligan

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responded that it is difficult, but could be done by measuring days after calling for services. Professor Kaufmann stated that, in his personal experience with solar panels, it took NSTAR a long time to approve the project, and then it took the city of Newton a long time to approve it; perhaps the Commission can make recommendations on time to serve. Commissioner Sylvia stated that there is an investigation on interconnection for this very issue, and that there is a working group established that needs to continue to work on this. Ms. Singleton asked if there is a metric on how to measure job creation. She proposes using net job creation, and then also looking within that at full time/part time positions. Commissioner Sylvia suggested using the definitions from the *Clean Energy Industry Report* as both full-time and part-time employment were looked at as well as jobs by category. Ms. Singleton pointed out that Rep. Beaton had some apprehension regarding how FTE/PTE were defined and wanted to raise the concern.

Energy Efficiency Discussion

Ms. Upal directed the conversation toward the next topic of the report, Energy Efficiency. She asked about the metric of reduced demand from the list of draft metrics. Mr. Galligan stated that for reduced demand, there is data by looking at the ISO-NE forecast, as well as data on reduced usage. Mr. Rio agrees that data is available and the Commission doesn't need to delve too deeply into it. Mr. Galligan stated that for reduction in GHG, there is data in the D.P.U. 08-50 tables filed by the energy efficiency Program Administrators. For return on investment, Mr. Galligan notes that benefit/cost information is available in the Program Administrator BCR models. Mr. Rio said he is interested in comparing the MA investments in energy efficiency with that of other states. Ms. Halfpenny noted that this information is available through ISO-NE and the Consortium of Energy Efficiency.

Professor Kaufmann asked if the Commission is just looking at electricity or at oil, gas, and other fuels. Ms. Upal pointed out that the statute just says energy efficiency, so gas would be reviewed with the same metrics. Ms. Halfpenny said that ISO-NE just has electric data, but CEE would have both. Mr. Rio asked if there was also comparative investment data available for renewables in New England. Regarding oil, Mr. Galligan stated that there is no direct pot of money for oil efficiency, but there are benefits through the electric programs; heating oil is rolled in with electric, but there is no direct oil energy efficiency. Professor Kaufmann asked if the Commission would want to measure the gain of efficiency from insulation of oil heated homes. Ms. Halfpenny informed the group that this is counted as a resource benefit by electric Program Administrators. Professor Kaufmann asked if these benefits are understated and Ms. Halfpenny said not necessarily. Ms. Merrick asked if the Commission should make a recommendation that oil be looked at separately. Mr. Galligan noted that oil heat boilers are captured in rebates. He also noted that deliverable fuels are often used in remote areas, which could show some equity issues because connections to gas are not available. Rob Calnan noted that many people are afraid of gas explosions.

Ms. Upal asked what specific recommendations the Commission could make. Mr. Calnan believes that there is efficiency that we are not taking credit for including renters and people who hire non MassSave contractors. It was pointed out that renters do in fact participate in the energy efficiency programs and their savings are counted. Mr. Calnan suggests allowing non MassSave contractors to offer the 0% loan and then measure that. Ms. Halfpenny explained that spillover is captured as part of evaluation, measurement, and verification (EM&V); spillover (indirect benefit of someone taking an efficient action without using the program resources) and free-ridership are opposites. Mr. Calnan asked about savings for window replacement. Ms. Halfpenny noted that this was discussed at the EM&V summit. Mr. Calnan wants to be able to offer the 0% loan and states that his customers may be okay with not receiving the rebates as long as they get the loan. Mr. Calnan also noted that he was not willing to

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change his business model to work within the common pricing mechanism established by the energy efficiency Program Administrators. He says that he has customers who want to do bigger jobs. Mr. Galligan stated that the Program Administrators need to be able to serve all customers, not just customers who can afford big jobs and that energy efficiency is required by law to be cost-effective. Ms. Halfpenny noted that the Program Administrators are stewards of ratepayer funds and that common pricing got rid of large pricing variances (up to 300% differences for the exact same service). Mr. Galligan noted that all customers get the same benefits. Commission Sylvia stated that this was taken up by the Energy Efficiency Advisory Council (EEAC) and the EEAC voted on the program. Jodi Hanover noted that there are many presentations available on the EEAC website on this topic. Mr. Calnan noted that he is not against common pricing but wants other pricing options, such as tying it to the square foot. Mr. Galligan discussed the system benefits from the energy efficiency programs.

Professor Kaufmann stated that calculations on GHG reductions should look at CO₂ and methane. He notes that the pipe system is very leaky. Ms. Upal noted that CLF did a report on gas leaks. Professor Kaufmann also discussed “nudges”, which are low-cost ways to change energy behavior, such as signs on building energy usage. He mentioned Building Asset Ratings and the OPower program that Massachusetts energy efficiency uses. Regarding gas leakage, Pat Crowe asked if Professor Kaufmann was talking about pipes in the ground. Professor Kaufmann clarified that he is talking about a whole system relation to leakage, because if end use is reduced, less gas is pushed through the pipes and therefore resulting in less leakage. Mr. Galligan noted that studying this could be a very long path. Professor Kaufmann suggested that it could just be a recommendation of the Commission. Ms. Merrick stated that this is looked at in all rate cases and reviewed in other venues. Professor Kaufmann mentioned a gas leaks report done in his department at Boston University. Ms. Merrick stated that gas sources can’t be differentiated. Professor Kaufmann responded that some can and also noted that these gas leaks are known to kill trees. Ms. Merrick replied that Rep. Ehrlich has looked into that. Mr. Goldberg stated that he is aware of Boston University Professor Nathan Phillips who did the report on gas leaks and Professor Phillips showed that source can be differentiated. Mr. Calnan stated that he is concerned about the supply. Ms. Farrell noted that she has Professor Phillips paper and can distribute it to the Commission.

Ms. Singleton noted that Rep. Beaton wanted to talk about Return on Investment. She said Rep. Beaton had asked whether we are just weatherizing the low hanging fruit and if weatherization is going as deep and broad as possible. Mr. Jacobson noted that there is a EEAC meeting on June 12 that conflicts with the Commission meeting. Ms. Upal replied that the conflict would be noted. She reminded the Commission members to send their positions on Renewables and Energy Efficiency to Lauren Farrell for discussion at the next meeting.

The meeting adjourned at 3:59pm.

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