

2010-2012
Energy Efficiency Plans:
Update on Analysis of
Savings, Benefits, and Costs

Council Consultants

MA EE Advisory Council Working Session
June 23, 2009

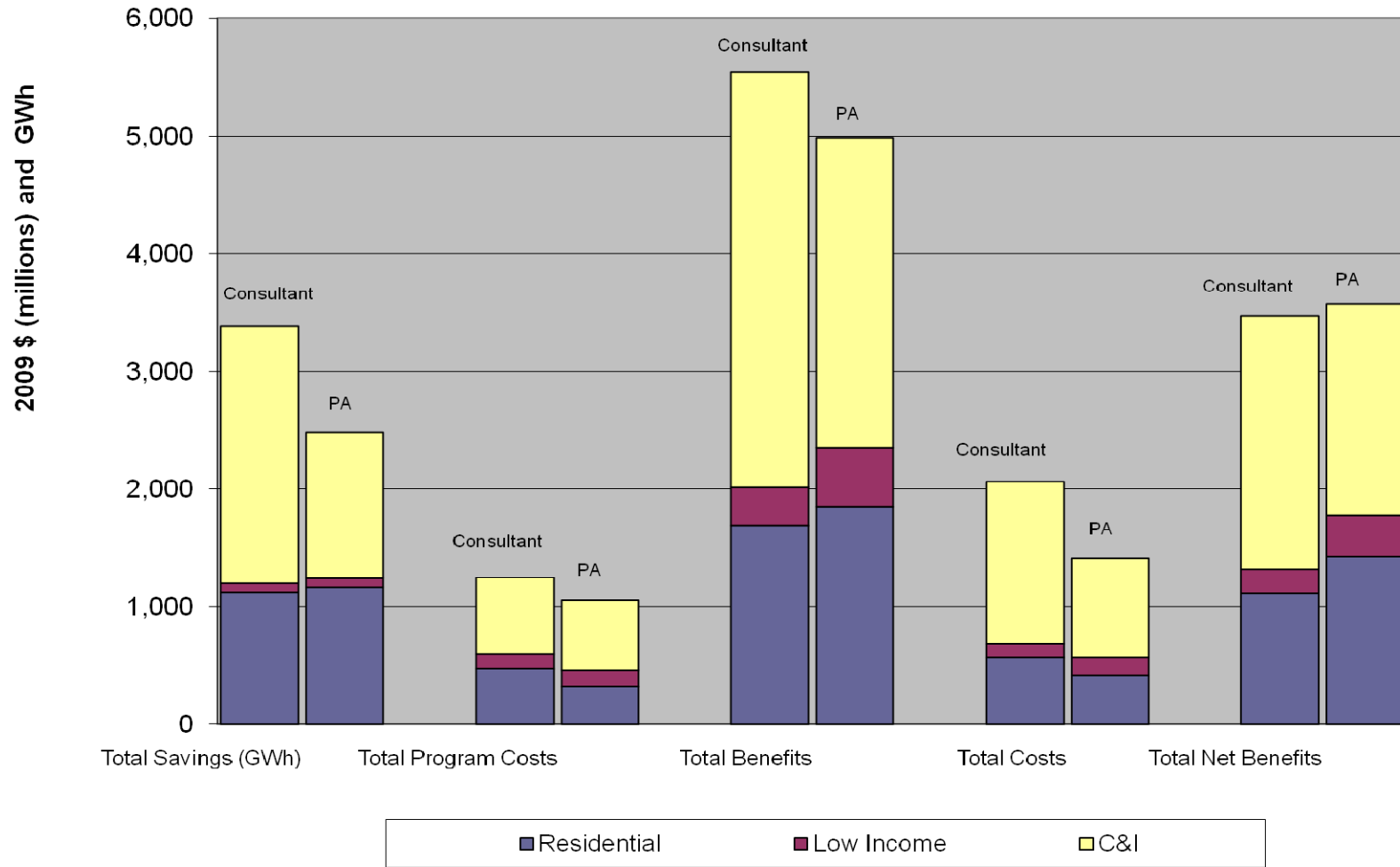
Requirements of the Green Communities Act

- Electric and natural gas resource needs shall first be met through all available energy efficiency and demand reduction resources that are cost effective or less expensive than supply. [Section 21 (a)]
- Each plan shall provide for the acquisition of all available energy efficiency and demand reduction resources that are cost effective or less expensive than supply. [Section 21 (b)(1)]
- Green Communities Act (GCA)
Chapter 169 of the Acts of 2008

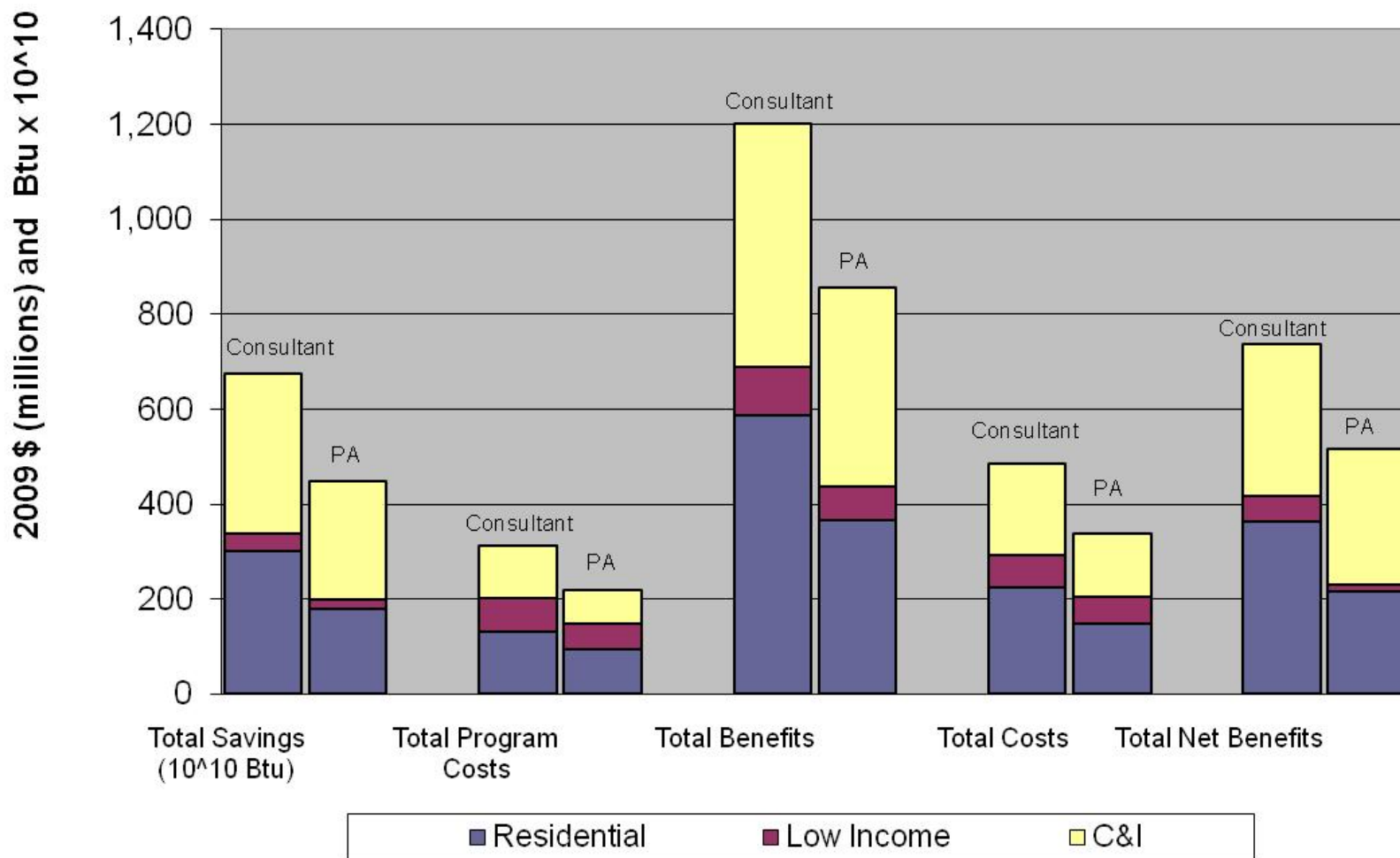
Initial Consultant Analysis

- Initial technical analysis of Electric and Gas Statewide Plans by the EEAC consultants
- Comparison to earlier consultant analysis of savings (and benefits and costs) necessary to meet MA energy statutes and other policies
- Focus on deeper savings first, then broader
- Analysis limited by the data provided in the Plans (sector level only, no program level data)
- Electric charts and gas charts in prior presentations (summary on next two slides)

Electric 3-Year Summaries by Sector



Gas 3-Year Summaries by Sector



Update: Calls with PAs

- Update on Analysis of Data on Savings, Benefits, and Costs
 - C&I and Residential calls with PAs on their approach to savings and inputs in the Plans; helped to identify drivers of the differences between PA Plans and Consultant analysis
 - Planned conference calls on forward looking input assumptions, at least for key inputs (could be part of program working group discussions, or in smaller group calls for the planners)

PA Approach in April 30 Plans

- The PA statewide plans' savings and costs were developed by summing information provided from each electric or gas PA into a single sector level set of savings and associated costs.
- The PAs prepared their individual savings and cost levels in different ways
 - Top down, focusing on overall sector level savings and costs
 - Bottoms up, based on examination on savings and costs associated with each program and opportunities
- The PAs did not, for the most part, include any external monies to support the programs (no outside capital)

Key Drivers of Savings

- Drivers of savings in general; some of these are also drivers of the *differences*, PAs vs Consultant
- Res. Lighting, CFLs vs. specialty bulbs, federal lighting standards, net-to-gross ratio
- How deep in Residential Retrofit, what will it cost, and resulting cost-effectiveness
- Degree of financing, and source of capital (outside capital vs. program funding)
- Mix of rebate vs. financing (30/70 or 70/30?)
- Depth of C&I savings, electric and gas

Next Steps and Key Dates

- July 14 – Next Council meeting
 - Program descriptions/designs for all programs
 - Savings numbers and savings goals for 2010-2012
 - Program costs and proposed budgets
 - Savings, benefits, and costs for cost-effectiveness analysis
 - Bill impact analysis
 - (And assessment of all available cost-effective EE & CHP)
- July 16 – Revised statewide Plans from PAs (snapshot)
- July 28 – Council action on the revised statewide Plans, e.g., comments, approval, conditional approval, approval of portions of Plans