

## **Resolution by the Energy Efficiency Advisory Council Concerning Revised Performance Metrics**

Adopted by the EEAC on March 9, 2010

**Background.** The Performance Incentive mechanism proposed by electric and gas Program Administrators in the three year energy efficiency plans for the period 2010-2012 included several performance metrics. While the overall performance incentive mechanism, including the savings and value components, was reviewed and approved by the EEAC on December 15, 2009, the individual performance metrics were not specifically reviewed or endorsed by the Council in that resolution.

The Department of Public Utilities (DPU) ruled on the individual electric and gas plans on January 28, 2010. In that ruling the DPU found that most performance metrics did not conform to the guidelines on performance incentives the DPU set forth in its Order 08-50A, and directed the PAs, with input from the EEAC, to recraft the original metrics so they would conform. The DPU rejected outright a metric regarding EMV and also directed the PAs to construct a new metric related to outside funding. The DPU further ordered the PAs to submit the new and revised performance metrics within 45 days (March 14, 2010).

The EEAC consultants engaged with the PAs and have recommended that the new and revised performance metrics be approved by the EEAC. The consultants have made some additional recommendations with respect to the other funding and CHP metrics.

**Resolved:** The EEAC approves the new and revised performance metrics, which support the Council's priorities for 2010 and appear to be in compliance with the guidelines required by the DPU as directed in its order on the 2010-2012 plans.

With regard to the new performance metrics on other program funding and other financing capital, developed to address the DPU order to propose a metric to "encourage the aggressive pursuit" of other funding, the EEAC endorses the concept proposed by the EEAC consultants attached to this resolution, and agreed to by the PAs on March 9, 2010.

With regard to the performance metric on combined heat and power (CHP), the EEAC endorses the revised CHP metric proposed by the EEAC consultants, which is attached to this resolution, pending confirmation of the appropriate 2009 baseline numbers and accompanying adjustments to the 2010 targets.

**[Note re web-posted version: attachments are found among the EEAC 3-9-10 meeting documents]**