



Memorandum

To EEAC
From Eric Belliveau and the EEAC Consultant Team
Date 15 September 2011
Subject Monthly Report – July and August 2011

The Consultant Team is pleased to provide this update to the Council on our recent activities. Please note that this report covers activity for both July and August. Please contact me for clarifications or questions.

Planning Activities

- Conducted initial planning for the 2012 Mid-Term Modifications process, including working with the PAs on improving the MTM process, and developing a proposed schedule (also included modifications to the initial schedule in discussions with the PAs).
- Conducted initial analysis and developed preliminary indications of the programs to be impacted through the 2012 Mid-Term Modifications and related issues (such as MTM triggers, informational notifications, performance incentives, and outside funding); compared notes with the PAs.
- Reviewed the PAs' 2010 Annual Reports and prepared a statewide summary of the 2010 data, for presentation to the EEAC in September. Reviewed the dashboard monthly reports and commented to the EEAC on the reports.
- Reviewed the Second Quarter (Q2) quantitative reports on 2011 program performance to date, and prepared summary charts for presentation to the EEAC in September.
- Reviewed and commented on interim deliverables including energy price forecasts, energy avoided costs, capacity avoided costs, and other values developed during the Regional Avoided Cost Study, and reviewed and commented on draft chapters of the final report. The study was finalized in mid-July. Briefed DOER on the study results and compared notes on the study results with the PAs. Identified MA-specific values and issues that needed to be addressed.
- Reviewed and commented on materials developed to address the key issues during the July EEAC meeting, including deeper savings (C&I analysis of deeper savings) and EM&V activities and results.
- Coordinated with DOER regarding the DPU proceeding on the Memorandum of Agreement (settlement) for the 2011 MTM issues.



Highlights from the Implementation Oversight Groups and EM&V Group

The sections below highlight activity in each of the major oversight areas.

C&I Team

The Team worked on several issues over the past two months, covering a wide variety of topics.

- Reviewed and analyzed second quarter reports and engaged with PAs on concerns about low accomplishments to date on C&I savings. Resolved that pipeline is robust, hockey stick seems particularly steep this year for a number of reasons, but virtually all PAs expect to be in the 75%-90% range by year end. Our experience is that they generally estimate conservative and when they estimate in this range they meet goals.
- Raised concerns with PAs about low Small C&I DI savings, which generally closely track monthly goals. Resolved that vendors had some problems in the first few months of year, so are behind, but now ramped up and anticipate no problems meeting the Small C&I DI goal.
- Continued to work closely with PAs on development and anticipated 3rd quarter launch of the new high performance upstream lighting program. This has included analysis; review, comments and agreements on hiring of third party program manager and contractual terms with manufacturers and distributors, EM&V issues around double counting and data monitoring, and other program design issues.
- Met with outside unsolicited proposers and PAs to negotiate and work out a program plan for community-based projects in Northhampton and Pittsfield. Also worked with PAs to solidify agreements on how to move forward with future unsolicited proposals.
- Continued to monitor and reinforce PAs' unsolicited proposal process, articulating our position that it applies to all unsolicited proposals arriving at a company and requesting ratepayer funding support – not simply those directed to the attention of the C&I (or residential) managers group.
- Engaged with PAs and their codes & standards consultant on program designs and strategies for improving code compliance and enhancing state standards.
- Continued to engage PAs on issues around database and resource barriers and encouraged PAs to resolve them with additional resources. No resolution at this point, but will be monitoring resource levels and accomplishments and continue to assess needs in this area.
- Began process of engagement on negotiating performance metrics for 2012. Reached agreement on preserving 2011 metrics. Worked with PAs on edits to metrics, and began process of negotiating targets.
- Reviewed a number of evaluation reports. Continue to recommend enhancements to PA programs as a result of findings and recommendations



Residential Team

The Residential Team covered key program areas by engaging with several working groups. High level developments by PAs in these areas include the following.

- General: Engaged the PAs on high level Residential Sector issues at the bi-weekly Residential Management Committee (RMC) meetings, including on the 2012 MTM and TRM processes. Developed 'Idea-Issue' tracker to consolidate and organize consultant ideas and input to the RMC. Communicated with the DOER Residential Team, at their weekly call, about residential sector issues. Participated in weekly EEAC Consulting Team calls and weekly RES Consulting Team check-in calls. Reviewed the 2010 annual report and performed a Q2 data review.
- Products: Discussed NTG and lighting measure lifetime considerations with lead Council evaluation consultant. Assessed impact of revised federal refrigerator standards on Appliance program. Reviewed monthly Lighting and Appliance Program activity reporting.
- HVAC: Participated in discussions with PA staff to discuss results of on-going heat pump water heater (HPWH) pilot and assess whether HPWHs should be offered as a measure in 2012, and if so, what installation criteria should be required. Engaged High Efficiency Heating and Hot Water Program sponsors to determine impact of revised ENERGY STAR furnace specifications and federal boiler standard on the program. Conducted preliminary research and stakeholder outreach to investigate opportunity for possible PA involvement to establish a state boiler standard.
- Residential New Construction: Participated in 2012 program planning and Joint Management Committee (JMC) meetings to review enhanced program options and modifications for 2012. Reviewed 2010 RNC Progress Report. Engaged in savings calculation discussions with PAs and their implementation contractor. Populated Consultant Team (CT) "Issue Tracker" with residential issues for CT/PA consideration. Attended code savings presentation from contractor and reviewed supporting materials. Discussed possible residential metrics for 2012. Engaged with CT evaluators regarding possible adoption of behavior programs across RNC and MassSave programs.
- Multifamily: Reviewed and commented on draft marketing brochure. Reviewed PAs current and planned MF incentive offerings and worked with Council C&I consultants to ensure consistency across sectors.
- Home Energy Services: Worked with PAs and Paul Gromer to set up first HES Contractor Best Practices meeting. Assisted Marc Breslow in development of DOER Pre-Weatherization proposal.
- Deep Energy Retrofit Pilot: Communicated with PAs on ideas for future directions for the Deep Energy Retrofit pilot that are cost-effective and integrate more closely with the HES program.
- Low Income: Worked with LEAN and PAs to address LEAN's concerns about 3rd party QA/QC activities. Coordinated with LEAN on involvement with RMC.



Evaluation, Measurement & Verification

- Oversaw the completion of 36 round 1 EM&V studies in time for inclusion in the 2010 annual reports, and posted all completed studies on the EEAC web-site.
- Negotiated agreements with the PAs on a number of complex and/or ambiguous issues regarding the application of completed impact evaluations to savings claims in the annual reports.
- Briefed the Council on new EM&V results at its July meeting.
- Saw the Residential Non-Energy Impacts study through to completion in time for inclusion in the MTM process.
- Continued to oversee the implementation of in-progress studies, including both round 2 studies and a few remaining round 1 studies.
- Oversaw the launching of a number of new round 2 studies, including a C&I code compliance study, a Large C&I process evaluation, impact evaluations of Large C&I lighting and process measures, impact and process evaluations of low-income programs, an impact evaluation of Home Energy Services, and a baseline study of residential new construction.
- Oversaw the development of a high-level evaluation plan for the remainder of 2011-2012 for inclusion in the Annual Reports, and continued more detailed research planning for the same period in each of the six statewide research areas.
- Worked with the C&I team to lay the groundwork for the future evaluation of impacts from the new C&I upstream lighting program.
- Participated in several EM&V Forum activities, including the scoping of a new study of emerging technologies.

Upcoming Activities

The Planning group will undertake several tasks in the next few months.

- Review and analysis of the 2012 Mid-Term Modifications, including following up on energy savings, cost-effectiveness, and planning issues for the 2012 MTMs. Also will include review of related issues, such as MTM triggers, informational notifications, performance incentives, and outside funding.
- Analyze progress towards full incorporation of the key building blocks for accomplishing the goals of the Three-Year Plans to achieve deeper savings and other key priorities.
- Participate in DPU 08-50 processes including the Energy Efficiency Guidelines, reporting, and bill impacts, as scheduled. May include review, development, and analysis of options for adjusted gross savings and improved baselines.

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- Track progress towards achievement of the savings goals and other Council priorities by reviewing and analyzing future qualitative and quantitative quarterly reports (in October and November) and by reporting on the Second Quarter (Q2) quantitative quarterly reports at the September EEAC meeting. Review and comment on dashboard monthly reports.
- Follow up on any issues regarding the Regional Avoided Cost Study and related issues.
- Initial preparation for the development of the 2013-2015 Three Year Plans.

For September, the C&I Team plans to continue working on the following issues:

- Resolving MTM filing issues, including review, comment and negotiation with PAs on informational filings (no formal electric MTM triggers expected) for presentation to Council. This may include detailed review and analysis of PA screening analysis, especially if gas PAs propose significant changes in budgets and goals driven by lower avoided costs. We have not gotten clear information from PAs yet on whether this will be the case because they are just starting their analysis.
- Negotiate aggressive but achievable performance metrics targets and finalize language.
- Review, comment, and negotiate on any outstanding MTM issues.
- Continue to monitor EM&V studies and plans, particularly plans for upcoming new construction baseline and code compliance study.
- Monitor PA implementation of "Office of the Future" pilots
- Support implementation of a PA Grid/NSTAR proposal to contract for a single point of contact representative for the Advanced Buildings new construction program for the entire Commonwealth.
- Continue to advocate with PAs for improvements in gas-electric integration and cross-PA services to achieve better customer service and economies in admin costs to maintain lowest cost capture of resources.

The Residential Team will:

- Continue to engage the PAs, through the RMC, on the 2012 MTMs, program enhancements, performance metrics, and the TRM. Review the MTMs, analyze the results and critique.
- Continue 2012 program planning discussions as the JMC moves to lock down new program enhancements (e.g. lighting design component) and modifications (e.g. prescriptive checklist approach).
- Review PA analysis of the disparity of savings results between PAs to better understand why such variations exist between PAs (up to two times per customer) and attempt to coordinate efforts to unify savings calculation approaches.

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- Resolve the roles that the RNC and C&I New Construction programs should play with multifamily buildings regarding master-metered buildings, common spaces and residential units, which program should serve which projects and how savings are claimed.
- Explore how to redesign the "Major Renovation Pilot" to address customer needs for a program, to capture the potential savings, while making the program cost-effective.
- Explore how to redesign the "Deep Energy Retrofit Pilot" to provide a more cost-effective avenue to deeper residential energy savings.

The EM&V Team will:

- Continue the implementation and reporting of in-progress studies, and detailed planning for additional round 2 studies.
- Participate in the development of the 2012 TRM plan version, focusing on revisions stemming from EM&V results.
- Finalize several additional studies for inclusion in the MTM filings.
- Develop data collection process for collecting and storing program data from HES and LI contractors.