Memorandum

To: EEAC
From: The Consultant Team
Date: 9 November 2012
Subject: Draft Residential and C&I Performance Metrics for 2013

Introduction

This document provides a new, more simplified set of performance metrics for 2013-2015. The focus for both the C&I and Residential/Low-income sectors was to tie activities to quantifiable outcomes of participation and/or program savings.

The proposed metrics for C&I will stay in place for all years of the Three Year plan with targets in 2014 and 2015 to be set based on actual performance in the immediately preceding year. Consideration of any changes in the structure will be based on any material new conditions, if any, based upon actual in the field implementation experience, code changes, or other factors.

The C&I metrics largely reflect the same metrics that exist in 2012, with some adjustments to targets. We have eliminated the Combined Heat and Power metric to reduce the total number of metrics and focus more broadly on depth of savings, a key EEAC priority. We have also attempted to both simplify the metrics and reduce PA risk by dropping the current requirement that at least 75% of past project commitments be completed in the present year in order for a PA to be eligible for a metric award. Note we have added a proposed minimum qualifying criteria related to tracking and documentation for all metrics.

Each metric has a standalone section. These follow a consistent format, and include purpose, a general description of the intent of the metric, the specific rule for electric and gas PAs, the targets, and then any notes, definitions, or details. A significant change from past practice is to explicitly list how each C&I metric works separately for both electric and gas PAs. In the past, this was unclear and in some cases gas metric targets were not really based on things under control of the gas PAs, or it was unclear exactly how a gas PA could determine if it met the metric.

Last, we note that for any PA to qualify for an incentive under a performance metric, the PA must report on their progress toward meeting that metric in each of their 2013 quarterly reports. This is an important change for 2013 that will help the PAs, the Consultant Team, and the Council monitor progress towards metrics in advance of year-end reporting.

C&I Large Retrofit Depth of Savings

Purpose: Continuous improvement in capturing deep savings among medium to large existing buildings.

General Intent Description: Increase the number of Large Retrofit Program projects that achieve the savings depth target. To meet the depth target, projects for customers that use gas must include both gas and electric savings.
Detailed Description:

For Electric PAs:
To qualify projects with customers that use gas must achieve a minimum of 15% building electric savings AND at least 5% gas savings. For those that do not use gas, projects can qualify if they meet EITHER a minimum of 15% electric savings and 5% other fuel savings, OR a minimum of 20% electric savings alone.

For Gas PAs:
To qualify, projects with customers that use electricity delivered by a PA offering MassSave programs must achieve a minimum of 15% building gas savings, plus at least 5% electric savings. For those that do not use electricity delivered by a PA offering MassSave programs (e.g., a municipal utility), projects can qualify if they meet a minimum of 20% gas savings alone.

A single project can be counted by both an electric and a gas PA so long as it meets each of their depth criteria (e.g., it met or exceeded BOTH 15% electric savings AND 15% gas savings).

2013 Targets
- Threshold level: 5% more qualifying projects than were achieved in 2012
- Design level: 10% more qualifying projects than were achieved in 2012
- Exemplary level: 20% more qualifying projects than were achieved in 2012
- “Projects achieved in 2012” are defined as the actual number of projects achieved in 2012.
- Standard rounding technique applies to 2013 targets with a minimum of one whole number increase.
- This metric would continue in 2014 and 2015 based on prior year actual achievements and the same percentage increases. However, in future years “projects achieved in prior year” would be limited to no greater than the prior year’s design level.

Definitions and Details
“Qualifying projects” can include either completed or committed projects in 2013. However, projects completed in 2013 that had been committed prior to 2013 and counted toward a prior year’s metric cannot count.

“Commitment” is a signed application or Memorandum of Understanding. A single commitment can cover multiple buildings and, if so, each building may be counted as a separate commitment.

“Building Energy Savings” is defined as the percentage estimated reduction in total building annual energy usage. Customer electrical use is defined as the previous 12 months of billing data. Customer gas (or other fuel) use is defined as one half of the previous 24 months of billing/usage data.

“Building” is defined as the whole space under management and control of the customer, which can include tenant space in a larger building.

C&I New Construction Depth of Savings

Purpose: Continuous improvement in capturing deep savings in the new construction and major renovation market.
General Intent Description: Each year, increase the percentage of new construction and major renovation projects that achieve the savings depth target.

Detailed Description:

For Electric PAs:
- For projects that use gas, to qualify they must achieve a minimum of 20% whole building savings for both gas and electric usage.
- For projects that do not use gas, projects can qualify if they meet EITHER a minimum of 20% whole building savings for both electric and other non-gas fuel usage, OR a minimum of 25% electric savings alone.

For Gas PAs:
- For projects that use electricity delivered by a PA that offers a MassSave program, to qualify projects must achieve a minimum of 20% whole building savings for both gas and electric usage.
- For projects that do not use electricity delivered by a PA offering a MassSave program, projects can qualify if they meet a minimum of 25% gas savings alone.

A single project can be counted by both an electric and a gas PA so long as it meets each of their depth criteria (e.g., it met or exceeded 20% whole building savings for both electric and gas).

2013 Targets
- Threshold level: 5% increase in the percentage of qualifying projects than was achieved in 2012
- Design level: 10% increase in the percentage of qualifying projects than was achieved in 2012
- Exemplary level: 20% increase in the percentage of qualifying projects than was achieved in 2012
- “Percentage of projects achieved in 2012” is defined as the actual percentage of projects achieved in 2012, but no greater than the 2012 design level.
- This metric would continue in 2014 and 2015 based on prior year achievements and the same percentage increases.

Definitions and Details

“Qualifying projects” can include either completed or committed projects in 2013. However, projects completed in 2013 that had been committed prior to 2013 and counted toward a prior year’s metric cannot count.

Qualifying projects can include:

- Core Performance Projects that include at least three Enhanced Strategies qualify as meeting the depth targets for either electric and/or gas PAs.
- New construction or major renovation projects that undergo simulation modeling and for which the PAs have a baseline energy usage estimate from the model.

“Commitment” is a signed application or Memorandum of Understanding. A single commitment can cover multiple buildings and, if so, each building may be counted as a separate commitment.
“Building Energy Savings” is defined as the percentage estimated reduction in total building annual usage. Baseline building energy usage is based on simulation modeling for those buildings participating in a whole building approach and undergoing modeling. Core Performance projects can also count as qualifying projects, as described below, and it is not necessary to estimate Core performance project baseline energy usage.

“Building” is defined as the whole space under management and control of the customer, which can include tenant space in a larger building.

Other new construction or major renovation (NC/MR) projects where the PA does not have an estimate of baseline consumption and have not undergone modeling cannot count as qualifying projects, but would still be included in the denominator as NC/MR projects when calculating the percentage of qualifying NC/MR projects. This approach simplifies the need for a reasonable and consistent way to track baseline energy usage, while encouraging PAs to strive for moving smaller prescriptive NC/MR projects into a custom, more comprehensive systems-based approach.

Small Business Direct Install Depth of Savings

Purpose: Continuous improvement in capturing deep savings in existing small business facilities.

General Intent Description: Each year, increase the average depth of savings of all SBDI projects. Savings depth will be measured as a percentage of electric and/or gas usage.

Detailed Description:

For Electric PAs:
For all PA SBDI projects completed in 2013 the metric is met by achieving an average depth of savings as a percent of building electric annual usage that meets the target.

For Gas PAs:
For all PA SBDI projects completed in 2013 the metric is met by achieving an average depth of savings as a percent of building gas annual usage that meets the target.

2013 Targets

- Threshold level: 5% increase in average percentage depth achieved in 2012
- Design level: 10% increase in average percentage depth achieved in 2012
- Exemplary level: 20% increase in average percentage depth achieved in 2012

“Average percentage depth achieved in 2012” is defined as the actual average percentage depth achieved in 2012, but no greater than the 2012 design level.

This metric would continue in 2014 and 2015 based on prior year achievements and the same percentage increases.

Definitions and Details

“Average percentage depth of building energy usage” is defined as the overall average (mean) percentage estimated reduction in total building annual energy usage of all projects completed in 2013. Customer electrical use is defined as the previous 12 months of billing data. Customer gas (or other fuel) use is defined as one half of the previous 24 months of billing/usage data.
Residential - Home Energy Services (HES) Depth of Savings

**Purpose**: Documentation of and continuous improvement in capturing deep savings in homes.

**General Intent Description**: In 2013, increase the percentage overall close rate of Full Assessments in Home Energy Services (HES) compared with 2012. Close rate will be calculated as total completed major measure projects divided by total full assessments performed.

**Detailed Description:**

**For All PAs:**

PAs generate overall close rate data in the following manner:

- Report Total audits completed (January-December 2012) in two buckets, Full Audits and Special Home Visits (SHVs).
- Report Total completed jobs (January-December 2012) for which customer contracts were signed for major measures (e.g. Air Sealing, Insulation, or both), regardless of when the audit was performed. Note: Do not include incomplete jobs with only a signed contract.

**2013 Targets**

- Threshold: 6% increase in **overall close rate** achieved in 2012.
- Design: 10% increase in **overall close rate** achieved in 2012
- Exemplary: 12.5% increase in **overall close rate** achieved in 2012

**Definitions and Details**

“**Full Assessment**” is defined as comprehensive HES audit, as distinct from a ‘Special Home Visit (SHV)’ which is a home visit targeted to a specific purpose (e.g. direct-install measures; verification of information prior to HVAC installation).

“**Major measure**” is defined as air sealing, envelope insulation, or both.

PAs agree to tee up, through statewide database discussions, developing a reporting mechanism crossing-tracking, at the initiative level, all PA-program residential energy installations (e.g. high efficiency qualified heating, hot water, and CAC equipment; brushless fan motors; secondary recycled refrigerators/freezers) with HES energy assessments, so that installations/savings resulting from an assessment can be referenced back to HES.

PAs agree to track renter data in HES and Multifamily initiatives in 2013

**Low Income Metric**

**Purpose**: The purpose of this metric is to increase program participation through targeting Gateway as well as other identified challenged communities across the State, as well as other hard-to-reach communities, through development and implementation of a strategic marketing plan. The intent is to educate consumers within these communities about available low-income program offerings they can benefit from to help reduce their energy bills and
improve their quality of life as a secondary benefit. Targeting may include both single and multi-family housing types but is not meant to reduce funding to communities now served. This metric will also support efforts to encourage landlord participation and is anticipated to include a bilingual component as an additional method of reaching out to many of the hard(er) to reach within these communities.

2013 Targets

Threshold

In coordination with LEAN, Program Administrators to develop a marketing strategy/plan to target Gateway cities and/or identified challenged and/or hard-to-reach communities across the State. Each PA will target at least one (1) city or hard-to-reach community within their service territory. Gas and Electric PAs will cooperate, as appropriate, on efforts in shared towns. A shared PA effort will be counted as one (1) community for both PAs. Program Administrators to submit marketing plan to EEAC Consultants and DOER by May 1, 2013.

Design

In coordination with LEAN, each Program Administrator to implement its marketing plan within its respective territory no later than August 1, 2013. Program Administrators will submit notification to the EEAC Consultants that the plans are underway along with a list of the communities in which they are being deployed. The PAs agree to track participation uptake, including kWh and/or therm savings, at the on-set of deployment. Each PA to increase program participation in this (these) communities by 2.5% in Q3/Q4 compared to equivalent 2012 baseline.

Exemplary

Each PA to increase program participation in this (these) communities by 5% in Q3/Q4 compared to equivalent 2012 baseline. By February 1, 2014 PAs to present a report to the EEAC Consultants and DOER that includes individual Program Administrator’s participation rates, a summary document of Program Administrator’s production, lessons learned, and recommendations for future marketing strategies. Each PA to submit a memo to EEAC consultants and DOER by February 15, 2014 detailing their distinct and clear role in accomplishing this activity.