



Memorandum

To EEAC
From Eric Belliveau and the EEAC Consultant Team
Date 7 March 2013
Subject February Monthly Report

The Consultant Team is pleased to provide this update to the Council on our recent activities.

Highlights from the Advisory Groups

Planning & Analysis Advisory Group

- Attended the EEAC meeting on February 12 and the Executive Committee meeting on February 27. Briefed several individual Councilors in advance of the EEAC meeting.
- Reviewed the DPU order on the 2013-2015 Three-Year Plan and briefed the Council on the DPU order dated January 31 and the outcome of the DPU proceeding. In early February, prepared summary tables and confirmed or reconciled final numbers based on the DPU order and its appendices. Presented a summary of the DPU order jointly with the PAs to the Council at its February 12 meeting.
- Reviewed and analyzed the final 2013-2015 Three-Year Plan, resulting from the DPU proceeding and the DPU order dated January 31. Analyzed final savings, benefits, costs and bill impacts, statewide and across the individual PAs. Compared the goals and values in earlier plans to the goals and numbers in the final DPU-approved Plan per the DPU order. Reviewed key program enhancements and strategies to achieve the Council's priorities included in the Plan and addressed in the DPU order, as well as other program priorities and strategies set forth in the DPU order.
- Reviewed and analyzed the numerical compliance filings on the 2013-2015 Plan, filed by the PAs on February 21. Prepared summary tables and confirmed or reconciled final numbers in the compliance filings, including through review of statewide roll-up tables, either provided by the PAs or developed by the consulting team.
- Assisted the Council in developing its Priorities Resolution for 2013, which was discussed and approved at the February 12 EEAC meeting.
- Answered questions and inquiries on the proposed 2013 performance incentive metrics, in preparation for Council action on its Performance Metrics resolution, which was approved at the February 12 EEAC meeting.

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- Reviewed the DPU order on the DPU NOI Phase II proceeding, regarding the regulatory review and approval of performance reports, performance incentives, energy efficiency surcharges, and mid-term modifications. Reviewed the DPU-approved revisions to the DPU EE Guidelines. Presented a summary of the DPU NOI Phase II order jointly with the PAs to the Council at its February 12 meeting.
- Interacted with the PAs and management committees in February to discuss and ensure the early and effective implementation of the key components of the 2013-2015 Three-Year Plan, including the key program enhancements, strategies, and action plans, in order to achieve the savings and benefits goals, maximize the use of best practices, serve all segments of MA customers, and support the Council's priorities, while also ensuring the cost-efficient use of ratepayer funding.
- Continued the analysis of the bill impacts associated with the final 2013-2015 Plan, based on the final values and surcharges included in the PA compliance filings in late February/early March.
- Reviewed and analyzed the Non-Energy Impacts (NEIs), including analysis of the revised NEI values set forth in the DPU order on the 2013-2015 Plan (with the deletion of three NEIs) and the NEI values included in the February 21 compliance filing for 2013-2015.
- Continued work on the regional avoided costs study (also known as the Avoided Energy Supply Component or AESC study). Reviewed the single proposal received in February, and participated in the study group conference calls to select the vendor and proceed with the avoided cost study.
- Reviewed and analyzed the 2010-2012 Three-Year results and the preliminary year-end data summarizing the performance of the 2012 programs, including through review of the 2012 Q4 quarterly report (year-end) and the 2012 dashboard monthly reports from the PAs.
- Provided technical assistance and support for the development of summaries of the 2013-2015 Plan, including summary data for tables and charts, to be used for summary documents, presentations, and press releases.
- Provided updates and briefings to new and sitting Councilors.
- Assisted the Council in the process of identifying and selecting a contractor to be nominated to become a Council member, consistent with the recent legislation.

C&I Advisory Group

- Presented and discussed 2013 C&I Consultant Team roles and responsibilities, proposed engagement strategy with PAs, and Council/Consultant Team Priorities for 2013 to PAs.
- Engaged PAs in discussion to review near term Three-Year Plan Commitments and associated Action Plans. Reviewed progress to date, clarified expectations of Council and stakeholders, revised plans as necessary to ensure completion by plan commitment date, developed action items. A status summary of near-term plan commitments follows:

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- Process for Stakeholder Input – PAs have engaged an industry association to research national best practices in stakeholder engagement. This research is complete. A straw proposal is in development for internal PA and Consultant Team review and discussion. PAs are on track to share proposed stakeholder process with Council in early Q2 2013.
- New Consistent Dedicated Approach to Municipalities – National Grid and NSTAR coordinated to develop a more consistent municipal model. The new model is now in place for both companies and some minor issues are being addressed before it is finalized. Once finalized, the model will be considered for adoption by all PAs in Q2 2013.
- Community Mobilization – PAs are working to design new community based delivery model that will target “Main Street” areas of municipalities. PAs are currently working to develop list of communities to initially target for this new approach in each PAs respective territory. The PAs are on track to meet plan commitments and implement new model in Q4 2013.
- Improved Financial Tools – PAs have made progress in developing an enhanced spreadsheet financial tool to assist customers in evaluating efficiency investments. The goal of this effort is to develop a standardized and more effective pro forma for presenting the economics and benefits of projects to customers.
- Analyzed PA 2012 performance. Discussed with PAs. Prepared spreadsheet summary of all PAs 2012 achievement towards goals and shared with PA C&I Management.
- Worked with PAs to develop list of key EM&V Priorities for 2013 that will best support C&I implementation. Discussed new opportunities to use EM&V methods to better understand and identify best practices that can be adopted by all PAs.
- Responded to Council member requests on proposed 2013 priorities and street lighting.
- Discussed potential options for utility-owned street lighting with PAs and stakeholders.
- Participated in EM&V Strategic Planning Meetings. Advocated for:
 - Greater engagement with PA implementation staff in development of EM&V process and impact studies.
 - The need to develop a well-defined purpose for each type of evaluation as part of strategic planning.
 - The need for cross PA research to better understand reasons for differences, identify best practices, and improve programs at the statewide level.
 - The need for better tracking of measures at customer sites to improve the ability to evaluate depth of savings.
 - The need for market research on financial institutions/appraisers to support a Commercial Real Estate strategy.

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- The need for market research on identifying and closing the work force EE knowledge gaps.
- Participated in NEEP Multifamily Leadership Summit
- Discussed and provided clarification to PA concern with C&I Metrics requirement that modeling must be done in accordance with ASHRAE 90.1-Appendix G.
- Investigated PA question of gas PAs claiming electric savings as benefits.

Residential Advisory Group

The Residential Advisory Group covered key program areas by engaging with several working groups and on several topics.

- **General:** Engaged the PAs on high level Residential Sector issues at the Residential Management Committee (RMC) meetings, and through individual communications with RMC members, with a primary focus on preparing the RMC group for a successful and productive 2013, revising the RMC charter, and developing best practices research areas for 2013. Performed national best practice research on tenant-landlord barriers. Reviewed DPU orders on Three-Year Plan. Reviewed 2012 Q4 program reporting. Communicated and coordinated with the DOER Residential Team regarding residential sector issues. Participated in weekly EEAC Consulting Team call and bi-weekly RES Consulting Team coordination calls. Participated in C&I Management Committee meeting to help foster cross-sector management group communication and consistency.
- **Lighting:** Reviewed and commented on proposed lighting market lift program design. Monitored continued progress of both regional (all homes) and MA-specific low income lighting hours of use studies. All loggers have been installed in low income study homes (264 sites) and are nearly completed in regional study of all homes (133 of 137 sites as of 3/1).
- **Products:** Continued to engage internally and with PAs on resolving questions on TV and refrigerator gross and net savings estimates.
- **HVAC:** Continued to work with NEEP, Appliance Standards Awareness Project (ASAP) and others to ascertain probability and likely impact of delayed federal furnace standard. Participated in ASAP furnace settlement call. Sought current information on condensing furnace shipments to MA to help inform possible state standards effort. Obtained and performed preliminary review and analysis of 2012 Cool Smart data. PAs showed considerable progress with heat pump water heaters, duct sealing and ductless mini-split heat pumps. Continued discussions with PAs and Consultant Team members on proposed upstream incentives for residential HVAC. Reviewed Mass Save website to determine availability of information on renewed federal tax credits for efficient heating, cooling, and hot water equipment.
- **HES:** Participated in HES working group meeting. Monitored progress of the Best Practices Working Group; reviewed agenda and meeting minutes.



- **New Construction:** Monitored progress of the Joint Management Committee (JMC); reviewed agenda and meeting minutes.
- **Multifamily:** Participated in Multifamily Working Group meeting and NEEP Regional Multi-family leadership group meeting via phone.

Evaluation, Measurement & Verification Advisory Group

- **EM&V Implementation.** Moved toward the finish line approximately thirty (30) 2012-2013 studies in the implementation stage, including a variety of impact evaluations, market assessment studies, and process evaluations. Many of these studies are expected to be completed by June 2013.
- **EM&V Reports:** Reviewed and/or finalized several reports, including: interim results of the LCI lighting controls study; interim results of the RNC net-to-gross study; CLC behavioral pilot Phase 2 impact evaluation report; and interim results on the LCI boiler baseline study.
- **EM&V Planning Summit Meetings.** Worked with a small group of PA evaluators to organize and facilitate 2 ½ days of in-person meetings focused on planning future EM&V activities. The meetings included a half-day session to solicit stakeholder input; a day focused on the C&I research area; and a day focused on the Cross-Cutting research area. A session focused on the Residential research area is to be scheduled soon after a new Residential EM&V contractor team is selected. Attendees included PA evaluators and implementers; EEAC consultants; numerous EM&V contractor staff; several representatives of the DPU and DOER; and miscellaneous stakeholders. Much progress was made on developing new studies to be performed in the remainder of 2013, and agreement was reached on longer-term strategic planning issues needing to be resolved in the coming months.
- **Additional EM&V Planning Activities.** Continued working with PA evaluators and program staff to develop approaches to the handling of Green Communities in the estimation of net-to-gross and baseline values for new construction. Finalized research plan for new Large C&I Whole Systems study. Began to scope out new Low-Income Health NEBs study. Advanced the Large C&I Existing Buildings Study to the implementation phase. Finalized design of residential lighting market lift pilot. Reviewed draft plans for a number of follow-up analyses to C&I codes and standards compliance study. Reached agreement with PAs on the development of a study to measure the market baseline for LEDs, to lay the groundwork for potential claiming of savings from market effects several years from now. Initiated advance work on impact accounting and evaluation for planned upstream HVAC program.
- **EM&V Policy Issues.** Worked with PAs and EEAC Consultant Residential team to attempt to resolve issues regarding appropriate net-to-gross and baseline assumptions for residential TV and refrigerator incentives. Worked with EEAC Consultant Residential team to assess potential effects of change in federal furnace standards. Worked with EEAC Consultant C&I team to help develop new proposal for comparative process evaluation approach focused on depth of savings, cost effectiveness and best practices.
- **EM&V Contractor Recruitment.** Worked with PAs to recruit standing teams of EM&V contractors for the 2013-2015 period. For the Residential Research Area, an RFQ for new contractor teams was



released, with proposals due on March 5. For the Non-Residential and Cross-Cutting Research Areas, neared completion of negotiations to extend existing contracts through 2015 and 2014 respectively.

Upcoming Activities

The sections below detail expected project efforts in the coming month. A two-month calendar of significant milestones and events appears after the Advisory Group summaries.

Planning & Analysis Advisory Group

The Planning & Analysis group will undertake several tasks in the next few months. The work on the Avoided Cost Study is particular critical, as it is the single most important analysis for the EE programs in MA, because it will impact all EE programs, electric and gas, for several years.

- Review, analyze, and comment on all interim work products and deliverables for the regional avoided costs study (the Avoided Energy Supply Component or AESC study) being conducted in 2013. Participate in the study kick-off meeting in March. Review and participate in study group conference calls on the study approach (and any revisions to the approach), interim work products, and draft deliverables.
- Continue analysis and review of the final 2013-2015 Three-Year Plan. Provide summaries and information on the Plan or aspects of it, as directed by the Council.
- Work with the PAs to ensure and confirm that there is a complete set of accurate 08-50 data tables that are 100% consistent with the final DPU order on the 2013-2015 Plan.
- Continue meeting with the PAs to discuss and ensure the early and effective implementation of the key components of the 2013-2015 Three-Year Plan, including the key program enhancements, strategies, and action plans, in order to achieve the savings and benefits goals, maximize the use of best practices, serve all segments of MA customers, and support the Council's priorities, while also ensuring the cost-efficient use of ratepayer funding.
- Continue collaborating with the PAs on planning and analysis tasks, as assigned by the Council.
- Review and analyze the 2010-2012 results and preliminary year-end data summarizing the performance of the 2012 programs. Prepare a summary of 2010-2012 Three-Year Plan performance for presentation to the Council.
- Review, analyze, and comment on 2013 quarterly reports and the dashboard monthly reports and trends.
- Support the design and development of the statewide database, as directed by the Council.

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- Support the EEAC by continuing analysis and work on the DPU EE Guidelines Phase I NOI regarding net savings and environmental/carbon compliance costs, as directed by the Council. Participate in additional discussions or follow up as directed, including in future technical sessions or in meetings with the PAs and others.
- Support the EEAC, as directed by the Council, in its review and analysis of the DPU NOI Phase II order and the EE Guidelines, regarding the regulatory review and approval of performance reports, performance incentives, energy efficiency surcharges, and mid-term modifications. Participate in the working group on reporting and performance reports, as directed by the Council.
- Continue participation in the DPU 08-50 bill impacts working group, and recommend potential improvements for the bill impact model developed by the DPU.
- Analyze progress towards full incorporation of the key building blocks for accomplishing the goals of the 2013-2015 Three-Year Plans to achieve the Council's priorities.

C&I Advisory Group

The C&I Advisory Group will continue to support the implementation of the Plan. Specific areas of focus in coming months will include:

- Continuing to work with the PAs to support achievement of Three-Year Plan Commitments .
- Continuing to work with PAs, stakeholders, Council, and others to develop an integrated solution for utility-owned street lights.
- Continuing to work with PAs to define evaluation needs.
- Continuing to work with EM&V to finalize 2013 EM&V plans that provide high value to C&I implementation.
- Participating in first meeting of Commercial Real Estate Working Group facilitated by DOER and NSTAR.
- Developing plan for best practice areas of research.



Residential Advisory Group

The Residential Advisory Group will continue to work with the PAs on planning tasks and preparation activities toward the successful implementation of the 2013-2015 statewide plan.

- **General:** Continue important program planning discussions with the PAs at the Residential Management Committee (RMC), including on monitoring progress on the key Three-Year Plan implementation tasks, pursuing best practices, design of Efficient Neighborhoods+ initiative, upstream residential HVAC, LED transition, continued progress toward deeper savings, and exploring new opportunities for electric and gas savings.
- **HES/Multifamily:** On-going dialogue and review of PA's proposed strategy and next steps on addressing and increasing Tenant/Landlord participation.
- **Lighting:** Monitor progress and potential near-term roll out of PAs' market lift lighting pilot. Monitor progress of regional residential lighting hours of use.
- **HVAC:** Monitor status of proposed court settlement that would negate May 2013 federal furnace standard. Work with PAs, DOER and others to determine appropriate program response. Assist DOER and others as requested to assess need to pursue state standards option if federal furnace standard is vacated. Review and comment on expected preliminary gas furnace market share numbers from on-going high efficiency heating and hot water (HEHE) program evaluation as these findings may inform subsequent DOER actions on state standards. Participate in regional stakeholder call to assess opportunities to pursue state boiler standard opportunities. Facilitate communications with HVAC and DHW program administrators in CT and RI to discuss possible coordination on HVAC and DHW upstream activities. Monitor progress of C&I HVAC upstream efforts.

EM&V Advisory Group

- Biggest single focus will be on moving toward the finish line the large number of 2012-2013 studies now in the implementation process and scheduled for completion by June.
- Devote attention to the selection of a new Residential EM&V contractor team.
- Work on the development of a number of planned new studies discussed in this month's report, and on longer-term strategic planning issues raised by the EM&V summit meetings.

The calendar that has been part of this report has been discontinued.