

July 08, 2015 EEAC Executive Committee DRAFT Notes

Executive Committee Attendees: Judith Judson (DOER), Amy Boyd (Acadia), Betsy Glynn (Residential Customers), Don Boeke (AG), Emmett Lyne (PAs)

Non-Executive Committee Attendees: Eliot Jacobson (LEAN), Paul Johnson (Small Business), Shaela Collins (PAs), Carol White (National Grid), Lisa Shea (Eversource), Joanne Bodemer (CLC), Jerry Oppenheim (LEAN), Tom Palma (Unitil), Ian Finlayson (DOER), Lyn Huckabee (DOER), Maggie McCarey (DOER), Alex Pollard (DOER), Steven Venezia (DOER)

Agenda:

- **MTMs**
- **RESOLUTION**
- **COUNCIL AGENDAS AND PLANNING**

MEETING CAME TO ORDER AT 3:10 PM

MTMs

The Mid-Term Modifications proposed at the last EC meeting were reviewed in more detail.

- With the National Grid Electric Products program increase addressed in the June meeting, White focused on the company's other requests. She discussed increases in gas Residential Whole House (NC/HES), HEHE, Low Income Whole House (MF). They are petitioning the DPU for a decrease in the C&I retrofit budget. They also request a small increase in C&I Hard to Measure and a small decrease in Residential Hard to Measure, neither of which requires DPU attention.
- White reminded the EC that the increases reflect high demand from customers, cost effective savings, and savings proportionally larger than the increased cost.
- Finlayson read an email from the Consultant team (who were not able to participate) which detailed their analysis of the MTM requests. They recommended that the Council treat Grid's C&I Retrofit budget reduction like they previously treated a similar request from Eversource (a statement taking notice of the request, but not supporting a budget decrease).
- Eversource's MTM proposal hasn't changed since last month's memo.
- Palma updated the EC on the Unitil proposal which included a \$700k increase in C&I Electric NC driven by high demand in upstream lighting. This change doesn't need to go to the DPU.
- Lyne explained that there was no change in the current proposal from Liberty Utilities which included an \$800k increase for the Residential Whole House program.
- Judson outlined the schedule for MTM discussion and voting, including consultant drafts of Resolutions by 7/9 for review so the Council can vote on them for the 7/14 meeting.

RESOLUTION

- At Lyne’s request, Finlayson agreed to distribute the individual Councilors’ comments for PA reference
- Judson clarified that during today’s meeting, the EC was reviewing the identified comments and focusing on major points/differences of opinion rather than language and minor changes. See identified discussion points below (pages 4-17).
 - A1 – “voting members” the EC discussed the purpose of the Resolution document and what role PAs as Councilors had in approving and/or editing the language. The PAs want to ensure that the official record shows their perspective on the plan and the EC agreed that the PAs are part of the audience for the Resolution and that their perspective is reflected in the draft plan itself. Structurally, the EC decided to incorporate this comment in to the body of the document rather than a footnote. There was also discussion about the date of the next submission where PAs expressed worry about being able to deliver early and EC expressed concern about the ability to comment on the final draft before DPU filing. No date was agreed upon but the PAs committed to proposing a date.
 - A2 – “savings too low” Most agreed that the current language was appropriate because it was clear about a reference point for the judgment. PAs took issue with the assessment because of the reasons stated in their presentations on savings but, recalling the discussion about comment A1, the EC reiterated that the document is the view of voting Councilors and their Consultants. Judson acknowledged that all parties were hard at work determining why the savings gap exists between PAs and Consultants but approved of the language. Lyne will send the PA version of the language to the EC. Finlayson also noted that the DOER moved the sentence beginning with “Consistent…”
 - A3 - “reasonable justification required” The word required was added to ensure that the language was strong enough. Lyne expressed concern that the Council didn’t have the authority to require anything of the PAs. Judson clarified that the Council can require justification in order to get their approval. This topic spurred discussion on propane savings.
 - A4 – “substantial” All agreed with the addition of the word “substantial”
 - A5 – sentence added “innovate…lower%” The DOER added this sense to stress the need to innovate in non-lighting areas. The EC approved of the change.
 - A6 – Report on time varying rates – EC agreed that this is an important issue with an impact on EE but that it was not appropriate in the context of the Resolution. All agreed to remove the clause.

- A7 – Renewables – After a brief discussion, EC agreed to remove the language in this section about a “working group” in response to a request from the PAs.
- A8 - C&I budgets required for non-initiative sectors – Boyd identified this issue as an editing error and all agreed to remove the budget reference from the items that aren’t initiatives.
- A9 – Oil/Propane in Whole House programs – DOER added this section in response to a Councilor comment that the Resolution and Draft Plan should better address oil savings. EC agreed to the addition.
- A10 – Study of loan loss reserve – EC agreed to the added language. LEAN requested that its language about income considerations be added also and EC agreed.
- Boyd requested some sort of prioritization. Finlayson agreed to organize the points in to program changes, reporting requirements, and information requests, as a separate exercise.
- Judson assured all that DOER staff would review the whole document with discussed changes to ensure clarity and consider feedback.

AGENDAS

July 14th

- MTMS – VOTE (25)
- CRE Working Group (30)
- Key Drivers (short) Update (20)
- Resolution (90)

July 21st

- Key Drivers (60)
- Resolution – VOTE (40)
- Data Dashboard (10)
- Demand Response (40)

MEETING ADJOURNED AT 4:53 PM

Massachusetts Energy Efficiency Advisory Council

Comments regarding the April 30th Draft 2016-2018 Energy Efficiency Plan

Draft Resolution for EEAC Comment

Council comments due to Executive Committee by July 7th at 5:00pm

Email comments to Maggie.McCarey@state.ma.us

I. Introduction

Under the Green Communities Act (“GCA”), the Energy Efficiency Advisory Council (“EEAC” or “Council”) is charged with reviewing the Massachusetts Program Administrators’ (“PAs”) draft Statewide Electric and Gas Energy Efficiency Plan (“the Draft Plan”), submitted to the EEAC on April 30, 2015. Having reviewed the Draft Plan, the EEAC provides the following comments to the Department of Public Utilities (“the Department”) and the PAs.

The EEAC recognizes and commends the PAs on the significant achievements made during the first two years of the current 2013-2015 Plan, in particular surpassing the 2014 Plan savings goals on a state-wide level. The Council looks forward to building on that success by leveraging the collective experiences and shared commitment to design and deliver programs to achieve all available, cost-effective energy efficiency savings consistent with the GCA goals. The EEAC also recognizes and appreciates the significant hard work that the PAs have put into the development of the Draft Plan, and encourage the continuing cooperation among PAs, the EEAC and its consultants, and interested stakeholders through the planning process.

The following comments represent input from councilors, stakeholders, legislators, and EEAC consultants, gathered through EEAC meetings, two public comment sessions and nine workshops to engage councilors and PAs in discussion¹. The EEAC notes and appreciates the PAs’ contributions to engage fully in these workshops.

Comment [A1]: Discussion point

The Council looks forward to continuing collaboration and the exchange of information among the PAs, the EEAC and its consultants, and interested stakeholders throughout the summer and fall. It is the EEAC’s expectation that the PAs will work with the EEAC and its consultants to continue to refine and improve the Draft Plan, through timely interim updates on program design that respond to this resolution with a Revised Plan to the Council no later than September 1st, leading to filing a Final Plan with the Department in October. In this spirit of collaboration, the Council provides the following comments on the Draft Plan as the next step in its role in shaping the 2016-2018 Final Plan.

A. Savings Goals and Program Costs

¹ Only voting members of the EEAC may vote to approve this resolution, therefore this resolution does not necessarily represent the views of all parties who have participated in the 2016-2018 Draft Plan development.

The EEAC's first priority in evaluating the Draft Plan is to consider the level of targeted lifetime savings and benefits achieved by the programs. The EEAC resolved on March 31, 2015 that it "shall only approve 2016-2018 Plans that include savings goals that build on the achievement of the prior Three-Year Plans and conform with and support the successful attainment of all available cost-effective energy efficiency." The Draft Plan falls short of both objectives: to build on the programs' prior savings and benefits achievement and to meet the GCA's mandate to achieve all available cost-effective energy efficiency. **The PAs' proposed savings goals for gas and electric in the Draft Plan are too low and are below the level of current achieved savings.** Consistent with the GCA, the PAs must take advantage of all cost-effective innovations on the demand side, especially at a time when other energy sources are constrained.

Comment [A2]: Discussion point

The EEAC sees many indications that the PAs can pursue and achieve additional energy savings and benefits, beyond those reflected in the Draft Plan. Among the more significant indications are:

- The historical PA achievements, including the evaluated level of savings in 2014 (for electric: 2.76% of annual savings as a percentage of retail sales, and 13,554,964 megawatt hours (MWh) of lifetime savings; and for gas: 1.35% of annual savings as a percentage of retail sales, and 382,857,716 therms of lifetime savings);
- The EEAC Consultants' March 10th Assessment of Potential for energy efficiency savings (3% of annual sales for electric and 1.5% for gas);
- The EEAC Consultants' April 30th recommendation on savings goals (on average, across the 3 years of the 2016-2108 Plan) of 3.04% of annual savings as a percentage of retail sales for electric; 1.47% of annual savings as a percentage of retail sales for gas; with 44,259,424 MWh of lifetime electric savings and 1,348,630,693 therms of lifetime gas savings);
- The energy efficiency savings goals in line with the Massachusetts Clean Energy and Climate Plan for 2020; and
- The robust benefit/cost ratios for the electric programs in the PAs' Draft Plan (2.38 overall and increasing across the three years).

Given the differences in savings goals and program costs between the Council's consultants and the Draft Plan, it is clear that some of the planning assumptions made by the PAs in the Draft Plan differ from those assumptions made by the EEAC consultants in their April 30th recommendation. The EEAC appreciates the collaborative effort that the PAs and Consultants have expended in recent weeks exploring the main assumptions that account for these differences and expects that the results of this "key drivers" analysis will be reported to the EEAC for consideration at its August EEAC meeting.

The EEAC also notes that, in 2014, the PAs achieved savings significantly above plan year goals while spending close to budgeted costs. Notwithstanding the potential for assumptions to change through the "key drivers" analysis, the PAs' most recent results indicate that the steep increase in levels of program costs in the Draft Plan is not merited without a commensurate increase in savings. Where budget increases are proposed above 2014 actual levels, **the EEAC requires a detailed and reasonable justification of any higher costs in the Revised Plan,** with factual support linked to program redesign,

Comment [A3]: Discussion point

specific baseline changes, new initiatives, deeper savings, incorporation of the EEAC's informed recommendations, or other rationale(s).

The EEAC expects that the Revised Plan will provide significantly higher savings goals at similar or lower program costs, while clearly demonstrating that the PAs seek to achieve all available cost-effective energy efficiency consistent with GCA. The EEAC requires that the next draft provide more specificity and back-up data for the proposed goals in general, and, more specifically, complete and updated cost-benefit screening tool data by PA. If any PAs propose goals below 2014 evaluated levels of lifetime savings in MWh, therms, gallons of oil, or British thermal units (BTUs) achieved by any sector for any year within 2016-2018, the Revised Plan must include detailed and specific relevant data that informed the decision to reduce the savings goal, including any independent market assessments of achievable savings goals.

B. Other EEAC Priorities

The EEAC reiterates its priority of continuous improvement in lifetime savings, benefits, and customer experience for the 2016-2018 Plan expressed in the March 31, 2015 Resolution. In refining the plan, the EEAC encourages the PAs to maintain an emphasis on lifetime savings and benefits. The Council further supports greater integration of gas and electric programs and additional winter and summer peak demand savings. Although there are line items in the EEAC reviewed term sheet template for summer and winter electric demand savings, the EEAC does not see much emphasis in the Draft Plan on demand reduction. The Council encourages additional efforts to realize electric demand savings.

The EEAC also appreciates the PAs' creation in the Draft Plan of offerings that target historically underserved segments of businesses and residents statewide, such as renters, moderate income customers, and small businesses. These efforts are the type of market segmentation and targeting that will enable the programs to continue to grow, capture further savings, and equitably serve ratepayers throughout the Commonwealth. The Council expects the PAs to include much more detail in the Revised Plan about these offerings and additional offerings that target other customer segments.

The EEAC thinks the Mass Save Data website is a useful tool and greatly appreciates the PAs' continual improvement to this website. However, the Council continues to request a comprehensive statewide database with sufficiently granular inputs and this website should not be framed as such. Instead, the Revised Plan should more accurately reference the status of the EEAC stakeholder process, including the Department's December 2014 decision. A comprehensive database is still seen by the Council as a significant aid in: identifying untapped opportunities for savings, enabling better comparisons between PAs and incorporating best practices across territories, streamlining and reducing costs of EM&V, and addressing many of the EEAC's requests for additional reporting.

Finally, the EEAC recognizes that performance incentives are an integral part of the planning process and of program implementation. The Council does not provide any comments on the performance incentives proposed in the Draft Plan at this stage. Before October, the EEAC will review the overall framework of the current performance incentive model with the PAs and EEAC consultants, in order to

optimize and calibrate the performance incentive structure to reflect the priorities of the EEAC and ensure the best results.

C. Major Overarching Comments

The Draft Plan describes in detail the existing programs already established and underway, but provides little specificity regarding changes or enhancements proposed by the PAs to these programs for 2016-2018. The EEAC requires that the Revised Plan include additional detail and clarity regarding the program elements being newly introduced for the 2016-2018 timeframe, elements being continued from previous years, and elements the PAs propose to continue with specific improvements. The Council expects additional details in any revised Draft Plan including implementation strategies, budgets, and timelines for all substantial changes the PAs plan to introduce.

Comment [A4]: Discussion point

The Draft Plan provides few firm commitments, specifics, or dates by which program enhancements and new initiatives will be introduced. Similarly there are only rarely descriptions of action plans or timeframes for deciding on and implementing the various options the PAs are exploring.² Taken as a whole, the lack of specificity in the Draft Plan is such that the EEAC cannot, at this stage, determine whether it can support the programmatic changes the PAs propose. The EEAC requests dates, milestones and additional detail for all changes to programs and initiatives be included in the Revised Plan.

The EEAC encourages more innovation by the PAs through pilots and/or demonstration projects and programmatic changes. The Council urges the PAs to take advantage of opportunities to introduce new approaches to advance the energy efficiency market further. In particular, the PAs have the opportunity to continue driving the light emitting diode (LED lighting) market and the related phase-out of compact fluorescent lightbulbs (CFLs), rather than simply reacting to current market trends as described in the Draft Plan.

The EEAC recognizes that lighting baselines and certain building code provisions are changing in the coming years that affect the level of claimed savings. However, the EEAC remains confident that the PAs can deliver new and improved programs that continue to grow cost-effective and deeper savings by leveraging increasing customer awareness, reaching historically underserved sectors, and taking advantage of rapid changes in technologies such as lighting, controls, and heat pumps, aligned with decreasing capital and installation costs of these and other technologies.

² The PAs have included such detail in their past draft plans. As an example, compare the PA's action plan for Efficient Neighborhoods+ in the July 2012 draft "Projected Milestones: 1. PAs intend to define target neighborhoods and finalize initiative design (including incentive structure) by the end of Q1 2013. 2. PAs plan to test this initiative in May-August, 2013. ... 4. PAs will assess results and report to EEAC in Q1 2014" (at 37) with language describing the next stage of this moderate income offering in 2015, "Continue to seek to understand and delineate moderate income and renter markets and explore solutions for clearly defined segments. The residential customer profile study currently underway, as well as the lessons learned from Efficient Neighborhoods+ and the Renew Boston Whole Building Incentive initiatives will offer significant insight for planning." (at 53-54)

Finally, the EEAC has prepared detailed comments regarding the PAs' responses to the informed recommendations the Council provided in its March 31, 2015 resolution. The Council's more specific comments are included below in Section II.

The EEAC re-emphasizes its appreciation for the hard work and efforts of the PAs in developing the Draft Plan and implementing the current nation-leading and award-winning programs. The EEAC recognizes that the planning process is an ongoing one and the PAs are continually working on further refinements. The Council is ready and willing to work with the PAs, prior to the October filing with the Department, to improve the Draft Plan and align the details of the Revised and Final Plan with the GCA and the Council comments and recommendations.

II. EEAC Recommendations

In support of the priorities articulated above, and in order to achieve the high levels of benefits, lifetime electric and natural gas savings, and demand reduction consistent with the GCA, the Council makes the following recommendations. The EEAC appreciates that some of these recommendations have cost-effectiveness, budgeting, and bill impact implications that the PAs will consider alongside benefits. At the same time the EEAC thinks that the Revised Plan must innovate in order to set the stage for future plans where lighting is expected to contribute a lower percentage of overall savings and benefits.

Comment [A5]: Discussion point

Cross-Cutting Recommendations

- a. The PAs, in coordination with the EEAC, should develop a methodology for reporting accurate program penetration and participation numbers that will be reported regularly to the EEAC. The EEAC appreciates the difficulty of reporting on upstream programs. As such, it is appropriate for the PAs to develop building-level tracking with zip-code level reporting³ for building level measures and to report on upstream programs at a measure level by PA territory.
- b. The PAs should support products and practices that reduce winter and summer peak demand by taking the following actions:
 - i. Design, implement, and evaluate a demand reduction or demand response offering in each PA's service territory.
 - ii. Detail the results of the PAs' ad hoc group that is exploring demand reduction strategies, including a description of subsequent actions to be taken, and a timeline for implementation of such strategies in the Revised Plan.
 - iii. Collaborate with the EEAC consultants in investigating the potential impact on efficiency savings from a greater emphasis in program design on demand savings or peak demand savings, including reviewing whether changes to the cost-benefit screening tools are appropriate.
 - iv. Present to the EEAC a report in consultation with the EEAC consultants on the impacts, opportunities and challenges of time varying rates on the energy efficiency

Comment [A6]: Flag for discussion

³ Reporting at higher aggregations than a single zip-code may be warranted on a case-by-case basis for certain C&I measures, but the default should be to provide geographic information while maintaining client confidentiality.

- programs, to be undertaken within 6 months of any Department order approving such rates. Such report shall also include an analysis of incorporation of technologies like advanced metering in the efficiency programs, demand response offerings and any potential adverse impacts of new technologies and changes in rate designs on impacts on particular customer segments, such as low-income.
- c. The PAs should work with the Department of Energy Resources (DOER) to coordinate and participate in a working group to identify appropriate incentives in the Mass Save programs for renewable thermal technologies.
 - i. The working group shall develop a methodology to claim savings associated with the installation of renewable thermal equipment and fully account for savings where appropriate associated with the reduction in use of the prior fuel source.
 - ii. The PAs should provide rebates and incentives for renewable thermal technologies, where deemed appropriate and cost-effective at the sector level pursuant to the above methodology, not later than Q3 2016.
 - iii. The PAs should continue to coordinate with the Massachusetts Clean Energy Center and DOER to provide information to customers and promote coordinated rebates and incentives for renewable thermal technologies.

Comment [A7]: Discussion point

Commercial and Industrial (C&I) Recommendations

A. Segment Specific Approaches

The Draft Plan includes several examples of existing segment-specific approaches such as coordination with municipalities, and it is clear that these are an important part of the PAs' C&I strategies.

- a. The PAs should provide more specifics about segment-specific approaches in the Revised Plan, including:
 - i. Which segments will be and are being served with segment-specific approaches, and the timeframes and strategies for introducing new approaches.
 - ii. The PAs' forthcoming on-line application and energy conservation measure portal.
 - iii. How the PAs are leveraging industry, professional and Councilor associations and networks.
 - iv. More details and timeframes on staff and vendor training to better communicate with customers the value proposition of energy efficiency, address concerns, and stimulate interest in moving forward with recommendations.
 - v. How the PAs are addressing demand and peak load reduction through segment-specific approaches.
 - vi. How the PAs are addressing the topic of statewide consistency and best practice sharing for segment-specific approaches.
 - vii. More information about targeted communication materials for sectors as well as improvements to the Mass Save website to provide these materials

- b. The EEAC requests that the PAs to regularly report on progress and innovations in how the PAs are implementing segment specific approaches. The PAs should propose a format and schedule in the Revised Plan for these less formal updates.
- c. *Healthcare* - The PAs shall provide information about how recommendations from the joint PA/EEAC Consultant Healthcare Best Practices study will be implemented, including commitments specific timelines for adoption.
- d. *Mid-Size Customers* - The PAs shall provide a timeline, details for new mid-size customer strategies.
- e. *Non-Profits* – The PAs shall provide a timeline, details of strategic outreach, for serving non-profits beyond what is included in the Draft Plan.
- f. *Commercial Real Estate (CRE)* - The CRE sections were not included in the Draft Plan. The EEAC requests that the PAs develop a CRE section of the Plan, informed by the findings of the CRE Working Group before August 1st, if not sooner.
 - i. This section should include the following information:
 - 1. Plans for evaluating submetering for the CRE sector, whether it will be considered as part of PAs’ offerings, and by when that determination and/or implementation will be made.
 - 2. An evaluation of all recommendations for CRE from the EEAC’s March resolution, and a specific response to each.

Comment [A8]: Discussion point (inc. non-profits)

B. Continuous Technology Improvement

The PAs did not propose in the Draft Plan any pilot programs, as the EEAC recommended in March, but note they will undertake a “consolidated research and development (‘R&D’) effort to (a) support the work of the Massachusetts Technology Assessment Committee (MTAC), and (b) pursue technologies of interest in order to remain at the top of the ‘innovation curve.’” However, there is little detail on how this work will be undertaken. New for the Draft Plan is the PA inclusion of a budget line item for “C&I R&D and Demonstration”. The Revised Plan should include the following information:

- a. More details about the scope and operation of R&D projects, especially as it relates to areas the EEAC recommended (“...products that reflect rapid innovations in the marketplace, are of high customer interest, and/or have dependence on the customer for persistent savings...”). This will include work performed at the MTAC and PA innovations outside the MTAC.
- b. Mechanisms to advance innovation (joint PA/EEAC effort), e.g. through demonstration projects.
- c. Regular updates to the EEAC on emerging technology/process/approach research. The PAs should propose a format and schedule for these less formal updates in the Revised Plan.

C. C&I Reporting

The PA Draft Plan has included more initiatives in the C&I programs, largely in line with the Council recommendations. These initiatives will have their own goals and budgets associated with them and

will be part of the regular PA tracking data. The PAs should include the following information in the Revised Plan:

- a. Establish a three-year Combined Heat and Power (CHP) goal (not necessarily as a separate initiative in C&I Retrofit) and track/report on this CHP-specific goal as part of the PAs' annual reports to the EEAC/Department.
- b. Consider adding an Upstream Products break-out for New Construction that includes products beyond lighting, such as water heaters.
- c. Continue to report annually on C&I segment-specific approaches (e.g. CRE, healthcare, mid-size, industrial, etc.).
- d. Increase goals for LED lighting, and C&I Retrofit in accordance with the results of the key drivers analysis.
- e. Semi-annual reporting to the EEAC on LED streetlight conversions.

D. C&I Updates

The PAs deliver significant energy savings and benefits through the programs through hard work and innovation. Updates from the PAs help inform the EEAC of these efforts and innovations. In the March 31, 2015 resolution, the EEAC asked for regular PA updates on a number of topics. For some topics, like the CHP potential analysis, these requests will require formal reports. Other areas, like the updates on sector-specific approaches or small business program innovations, will not necessarily require regular formal written reports. The EEAC would like the PAs to commit to a less formal reporting method to keep the Council informed of these and other efforts through means such as presentations to the EEAC or periodic (quarterly) PA C&I webinars. The PAs should propose a format and schedule for these updates in the Revised Plan. The Council thinks these less formal program updates will also provide checkpoints for the PAs to share program success.

E. Retro-Commissioning, Building Controls, and Sub-metering

The Draft Plan notes the PAs will align the PAs' retro-commissioning (RCx) programs with the recommendations from the "Retro-commissioning Best Practices Study" completed by the PAs and the EEAC Consultants. Existing building operator training programs are discussed, but no new training programs are proposed. The Draft Plan does not address benchmarking, in the context of commissioning or legacy controls. In the Revised Plan, the PAs should:

- a. Address issues of persistence of savings from RCx projects. Monitoring-based commissioning can increase and ensure persistence of savings and should be further explored and demonstrated.
- b. How legacy controls will be included in the PAs' retrofit and RCx programs.
- c. Address how the use of benchmarking, sub-metering and pre/post metering will be integrated into programs.
- d. Commit to a strategy that expands building operator training programs, beyond the Draft Plan and traditional Building Operator Certification (BOC) offerings, including soliciting input from customers.
- e. Commit to specific program enhancements and timelines for adoption of best practices identified in the RCx Best Practices Study.

- f. Commit to increasing the availability of qualified RCx providers.

F. Behavioral and Engagement

The PAs note that they engage in Strategic Energy Management (SEM) in the context of existing programs and will consider expanding SEM offerings by engaging with early SEM adopters from the Pacific Northwest. The Draft Plan contains little information about behavioral programs and does not commit to deliver reports on either SEM or behavioral programs as requested by the Council.

The PAs should include the following information in the Revised Plan:

- a. Commitment to assess cost effectiveness of SEM projects in line with the EEAC March 31, 2015 Resolution and, if deemed cost-effective, develop and evaluate an SEM demonstration project.
- b. More detail on behavior approaches outside of memoranda of understanding (MOUs) and how and whether savings are claimed from customer behavior changes.
- c. More detail on direct load control and methods for how the PAs could engage customers in demand response.
- d. Commitment to using the Consortium for Energy Efficiency (CEE) Minimum Elements document as a reference when discussing SEM programs, in order to ensure a common understanding of what is included.

G. Small Business

The Council appreciates the PAs' commitment to the Small Business program. The Draft Plan addresses a number of Council recommendations including realizing deeper savings, expanding gas measures, and expanded sector-specific approaches. The PAs intend to make program enhancements through a series of incremental improvements. Using building analytics is under consideration by the PAs and web-based customer engagement portals will be implemented by the PAs. The PAs should include the following information in the Revised Plan:

- a. Specific commitments to program enhancements for the Small Business program, and a timeline for these enhancements. Some of the enhancements the EEAC thinks are important include: expanding offerings for gas measures, more comprehensive marketing/outreach/awareness programs, and more customized approaches for Small Business customers (by size and segment).
- b. A timeline for evaluating potential and cost effectiveness of building analytics and portals for small business customers (EEAC Councilors discussed a Q3 2016 deadline).
- c. An action plan, including timelines, for using the data collected by online portals to analyze and benchmark energy use to effectively target small businesses.

H. Combined Heat and Power

The PA Commitment to CHP is clear and the PAs largely incorporated the Council's recommendations. The PAs should include the following information in the Revised Plan:

- a. A firm commitment to complete the CHP potential report and implement findings including:
 - i. Deliverable dates for a best practices review and potential study (EEAC suggested end of 2016)

- ii. Specific mention of pre-packaged and third party CHP options
- b. A clear CHP goal and a schedule for annual reporting on the progress toward the three-year goal, even if this is not a separate initiative outside of C&I Retrofit.
- c. Higher goals for CHP, in accordance with the results of the key drivers analysis.

I. LED Streetlights

LED Streetlights represent a significant source of savings in the Commonwealth. The Draft Plan notes success with streetlight retrofits by Cape Light Compact and other PAs. However the Draft Plan does not commit to any innovations around streetlights, or to the EEAC-requested goal of retrofitting the majority of utility owned streetlights and all municipal owned streetlights by 2018. The PAs should include the following information in the Revised Plan:

- a. An action plan for stimulating rapid conversion for municipally-owned street lights; for example:
 - i. Cape Light Compact managed a joint conversion process for all of its municipalities, providing technical assistance and project management through the entire process.
 - ii. Upstream or bulk purchase pricing for municipalities.
- b. A strategy and timeline to retrofit the majority of utility-owned street lights to LEDs within this Plan's timeframe (including a timeframe and commitment for filing of an appropriate tariff for utility-owned LED streetlights at the Department). The EEAC intends to support such a tariff at the Department, to aid in removing this barrier for the PAs.
- c. Higher savings goals attributable to LED streetlights in accordance with the results of the key drivers analysis.

J. Zero Net Energy (ZNE) Ready Buildings

In the Draft Plan, the PAs propose to establish a basis of technical knowledge and expertise, and framework for program support for ZNE ready buildings. However there is no timeline or commitment to implement a Zero Net Energy Buildings (ZNEB) program. The PAs should commit to assessing a ZNE ready building tier and include a timeline for a new construction offering in the Revised Plan.

K. Delivered Fuels and Thermal Efficiency

There is no mention of the PAs' marketing comprehensive assessments to non-gas C&I customers. The PAs should include the following information in the Revised Plan:

- a. A strategic plan for marketing, in-print, online, and in-person, a non-gas customer's ability to self-fund the thermal portion of a comprehensive energy assessment using a PA auditor.
- b. A timeline for assessing any barriers or limitations to implementing the strategic plan, and a commitment to work with EEAC to seek ways to address any barriers/limitations.

Residential Recommendations

A. New Initiatives

Moderate Income Initiative

The EEAC supports the Draft Plan proposal to develop a new moderate income offering within the Home Energy Services (HES) core initiative and the PAs' proposal to initially focus on households earning 61-80% of state median income (SMI). This initial offering should be developed further into an initiative to attract new participants to the HES and multi-family retrofit programs, as well as support follow-through of existing customers with deeper savings opportunities. Therefore, the Revised Plan should include:

- a. Detail on the proposed scope of measures and program marketing plan, including plans to leverage partnerships with community groups, possible points of entry, and qualification for eligible customers.
- b. Detail about the customers in this income range, including number and proportion of residential customers in the 61-80% SMI in each PA territory and the number of those customers that the PAs expect to serve.
- c. Commitment to provide and incorporate, as appropriate, lessons learned from the Efficient Neighborhoods +[®] (EN+) evaluation and other pilots, demonstrations, or applicable programs by Q1 2016.
- d. Commitment to assess by Q2 2017 the potential for serving customers at 81-100% and 101-120% of state median income as part of an expanded moderate income offering.

Renter-Specific Initiative

The EEAC supports the PAs' inclusion of a renter-specific initiative in the Draft Plan that recognizes a large and relatively underserved customer base. In order for the EEAC to fully comment on and understand this initiative, the PAs should include the following clarifying details in the Revised Plan:

- a. The implementation strategy and schedule for the renter-specific offering, providing dates, milestones, and when in 2016 the offering will be available to qualified HES and multi-family customers. The PAs should provide details on program marketing, including plans to leverage partnerships with community groups.
- b. The PAs' proposed engagement strategy to ensure immediate benefits to renters, with a plan for securing landlord buy-in and follow-through with whole-house/building measures.
- c. The savings measures that will be offered to renters and how those differ from the measures currently provided under the HES and multi-family retrofit initiatives.

B. Whole House Program

The Council recognizes the great need for deeper and diversified savings in the Whole House Program, which was not fully addressed in the Draft Plan. The EEAC supports the PAs' plan to conduct an extensive review of the customer experience through HES, to streamline, simplify and maximize opportunities to influence customers to pursue deeper savings. The Revised Plan should include:

- a. A commitment to household-level tracking of all non-upstream measures, where technically feasible.
 - i. Include a proposal, with dates and milestones, for linking rebates and incentives provided to the same household across programs and PAs, together with a plan for reporting this whole house coordinated information at a zip-code level.

- b. Dates for the completion of the extensive review of the HES program, a plan for implementation of identified opportunities and a report back to Council.
- c. Details, dates, and milestones regarding improvement of the integrated “one-stop shop” customer experience, including providing customers with both Mass Save and non-Mass Save incentive/rebate information, regardless of heating fuel source, consistent with the proposed Residential Conservation Services (RCS) regulations.
- d. Details of the expected oil and propane savings by PA based on an analysis of their service territory.
- e. Commitment to collaborating with DOER and the EEAC consultants to identify the actions and implementation steps needed to provide customers with an asset-based “home energy scorecard”, including cost estimates for each step.
- f. Strategies (including continuation of existing strategies) tailored to specific customer groups or segments, such as targeted approaches, technical assistance, or offerings (e.g., homes undergoing remodeling work, high energy users, and customers using electric resistance heat).
- g. A description of efforts to ensure equitable treatment of Home Performance Contractors (HPCs) compared to lead vendors, including 3rd party quality control inspections and regular opportunities to engage and present to the Residential Management Committee (RMC).

Comment [A9]: Discussion point

C. HEAT Loans and Financing

The Council appreciates the success of the HEAT Loan program to date. The Draft Plan proposes no changes to the HEAT loan or other financing initiatives. In the Revised Plan, the PAs should include:

- a. Strategy, dates, and milestones to assess how moderate income customers are currently served and could be better served by the HEAT Loan program, including assessment of the cost and effectiveness of a loan loss reserve.
- b. A date by which the PAs will finalize additional measures to be financed through the HEAT loan, including those currently funded through DOER’s Expanded HEAT Loan Program.

Comment [A10]: Discussion point

D. Multifamily Retrofit

The EEAC understands the complexity of the multifamily sector, including the dual residential-commercial meters that may serve them, the diversity of building types, ownership entities, and resident profiles. The Council is supportive of improving the customer experience through the PAs’ proposed single point of contact for multifamily projects. The PA C&I team should be engaged in refinements to the multi-family program. In the Revised Plan, the PAs should:

- a. Provide detail on the PAs’ proposed single point of contact and commit to assessing what changes are necessary to integrate commercial and residential rate codes into a whole building approach.
- b. Commit to developing and providing targeted offerings to different segments of the multifamily building market.
- c. Provide plans for improving the integration of efficiency into refinancing events, such as through a proposed partnership with the state’s housing finance agencies or commercial lending institutions.

- d. Commit to providing multi-family customers with user-friendly benchmarking tools to track unit-level energy usage and comparisons against peers.
- e. Implement a pay-for-performance demonstration program.

E. Behavior

The PAs include consideration of positive additions to behavior programs in the Draft Plan, including home automation, near real-time feedback, smart appliances and controls. In addition to these enhancements, in the Revised Plan the PAs should:

- a. Commit to expand behavior program participation and include dates and milestones to implement this expansion. PAs not implementing behavior programs should document why these measures are not cost-effective and why the PA is not partering with other PAs that are implementing behavior programs.

F. New Construction

The Draft Plan does not address the initial Council recommendations on New Construction. The Council supports the Draft Plan's inclusion of marketing and education efforts around zero net energy (ZNE) homes. In the Revised Plan, the PAs should:

- a. By Q4 2016, commit to working with the EEAC consultants to explore how to claim savings for renewable energy systems in the cost/benefit analysis.
- b. Add a performance path for multi-family housing.
- c. Implement a renewable-ready requirement in the highest two performance tiers and the top prescriptive tier.
- d. By Q4 2016, commit to working with the EEAC consultants to assess the impact of creating a ZNE incentive top performance tier and report findings to the Council. Use findings to inform implementation of a ZNE top performance tier.

G. Renewable Thermal

The Draft Plan does not explicitly address the growing market for renewable thermal technologies, though it references the expected updates to the RCS regulations that allow fuel switching away from pre-existing heating fuels.

- a. The PAs should actively collaborate with DOER on the development and implementation of RCS guidelines, and update and maintain the cost-benefit screening tools for renewable thermal technologies by Q4 2016.

H. Products Program

Lighting

The EEAC supports the commitment in the Draft Plan to phase out incentives for specialty CFLs by 2016. However, the Draft Plan does not fully address the Council's recommendations on LEDs and appears to use inconsistent and overly conservative volume and cost projections for 2016-2018. In the Revised Plan, the PAs should:

- a. Increase savings projections to reflect a growing market share of LEDs and increasing sales volumes for retail lighting.

- b. Commit to quarterly reporting to the EEAC on progress of LEDs during Plan implementation.

Heating and Hot Water

The PAs did not propose residential upstream incentives for hot water heaters in the Draft Plan, although this is being implemented for C&I customers. The Council recognizes that the PAs need to understand the market potential for this incentive and the effects of implementing an upstream program on savings. In the Revised Plan, the PAs should:

- a. Include an assessment of implementing upstream incentives for residential tankless water heaters and other potential HVAC measures and report back to the Council by Q3 2016.

Low-Income Recommendations

The EEAC acknowledges the establishment of the income guideline for Low Income programs at 60% of state median income (SMI) in the Green Communities Act, and the PAs' inclusion of a moderate income offering within the residential Whole House programs in the Draft Plan. The Council recognizes the need for flexibility in programs that serve buildings with high tenant turnover or families living on the margin of eligibility in the Low Income programs. In addition, the Council recognizes the variety of organizations that hold nonprofit status and that some of those organizations own buildings that serve low income populations and may have opportunities for energy savings. The Revised Plan should commit to:

- a. Explore ways to flexibly serve low-income multi-family buildings with at least 50% of residents earning up to 80% SMI.
- b. Explore alternative incentives or service approaches for non-profit organizations that primarily serve low income customers.