

Memo

To: **EEAC**
From: **Eric Belliveau and the EEAC Consultant Team**
Date: **9 October 2014**
Subject: **September Monthly Report**

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

SUMMARY OF MAIN TASKS COVERED IN EACH SECTION OF THE REPORT

EM&V

- Processing approximately 15 new study proposals.
- Advancing toward completion roughly 35-40 studies identified in the 2013-2014 EM&V plan currently in the implementation stage.
- Briefing the Council at its September 9 meeting on EM&V status, issues, and recent findings and collaborating with the PAs to present a public EM&V webinar on the results of the 2012 C&I Customer Profile study.
- Processing approximately 12-14 EM&V reports in various stages of completion, including interim, draft, and final reports.
- Providing EM&V-focused input on the Implementation Update, Mid-Term Modification, and Statewide Database processes, as well as the EM&V Forum's reporting templates and net-to-gross protocols projects.

PLANNING & ANALYSIS

- Preparing for, attending, and providing technical support during the EEAC meeting on September 9, and for the Executive Committee meeting on September 24.
- Completing the review and analysis of the 2014 Implementation Update, and preparing and providing a wrap-up presentation for the September 9 EEAC meeting.
- Reviewing and analyzing Mid-Term Modification (MTM) proposals from three PAs.
- Reviewing and commenting on RFP bid review issues regarding the 2015 regional avoided costs (AESC) study.
- Coordinating with the PAs on topics through the Planning and Analysis Group (PAG) discussions.

RESIDENTIAL AND LOW INCOME SECTORS

- Developing a depth of savings opportunity analysis to inform PA consideration of a new deeper savings offering.
- Continuing lighting analysis as part of the Implementation Update Deeper Dive and Mid-Term Modification (MTM) request.
- Preparing for a presentation to the Council on innovative approaches and technologies.

COMMERCIAL AND INDUSTRIAL

- Promoting the adoption of best practices, focusing on a systematic process.
- Interviewing and analyzing information for the health care best practice research.
- Developing program ideas and technology solutions to include in next three0year plan.

MONITORING, COORDINATION, AND CROSS-CUTTING TASKS

- Coordinating with DOER staff on various EM&V related issues.
- Focusing on development of a summary matrix of statewide database inputs required to provide full transparency and to support optimization of cost-effective program delivery.
- Helping to develop the first use and presentation of a year-end and three-year forecast as a systematic component of the quarterly reports in coordination with the PAs staffing the Planning and Analysis Group (PAG).
- Exploring with the PAs during the Planning and Analysis Group (PAG) meeting on August 15 how best to address several forward-looking strategic planning topics for the upcoming 2016-2018 Plan.
- Helping to develop the year-end and three-year forecasts as systematic components of the quarterly reports in coordination with the PAs staffing the Planning and Analysis Group (PAG).
- Exploring how best to address several forward-looking planning topics for the upcoming 2016-2018 Plan with the PAs during the Planning and Analysis Group (PAG) meeting on September 19.

TECHNICAL SERVICES

- Producing draft minutes for the September 9, 2014 EEAC meeting.
- Completing the upgraded EEAC website.
- Revising the Annual Report to the DPU and Legislature for Council approval.

EVALUATION, MEASUREMENT & VERIFICATION

In September, the EM&V Advisory Group continued its full range of ongoing activities related to EM&V planning, implementation, reporting, policy, and outreach issues.

Oversee EM&V Planning

In mid-September, the Group began processing approximately 15 new study proposals spanning all three major research areas (Residential, Non-Residential, and Cross-Cutting). These proposals include the last of the studies contained in the 2013-2014 Evaluation Plan to near the implementation stage as well as a wave of new studies conceived in recent months. The new studies seek to either advance existing research agendas, address stakeholder information needs, or follow-up on recently completed studies. These 15 new studies will generally go through the standard 3-stage planning process followed for new EM&V projects (an initial short concept piece, followed by a more detailed write-up, culminating in a detailed workplan) before reaching the implementation stage. We anticipate that most of the new studies that were not in the 2013-2014 Evaluation Plan will reach the implementation stage around the time many in-progress studies are wrapping up, leaving the overall EM&V study portfolio in roughly a steady state.

Oversee EM&V Study Implementation

The Group advanced toward completion roughly 35-40 studies identified in the 2013-2014 EM&V plan that are currently in the implementation stage. A few examples include the following studies: HES Program Delivery, HEAT Loan, LED Market Effects, Top-Down NTG, and Market Effects Framework. Many studies are expected to wrap up within the next few months.

Council and Stakeholder Engagement

The Group briefed the Council at its September 9 meeting on EM&V status, issues, and recent findings. We also collaborated with the PAs to present a public EM&V webinar on the results of the 2012 C&I Customer Profile study.

Oversee EM&V Reporting

The group processed approximately 12-14 EM&V reports in various stages of completion, including interim, draft, and final reports. Results from a number of these reports were presented at the September 9 Council meeting.

EM&V Policy Issues

The Group provided EM&V-focused input on the Implementation Update, Mid-Term Modification, and Statewide

Database processes, as well as the EM&V Forum's reporting templates and net-to-gross protocols projects. We also worked with the PAs to attempt to resolve differences in views regarding the appropriate baseline to claim for residential furnaces in program year 2013.

PLANNING AND ANALYSIS

In September, the Planning and Analysis Advisory Group focused on the primary tasks described below to support and push for the effective implementation of the key components of the 2013-2015 Three-Year Plan. This included reviewing and analyzing the 2014 Implementation Update, with significant work in September on wrapping up the review and reporting recommendations to the EEAC; providing technical support for DPU proceedings focused on the review of Mid-Term Modification proposals from several PAs; and conducting technical analysis and review primarily focused on the regional avoided cost study and bill impacts.

Participate in EEAC Meetings; Brief and Support the Council

The Group prepared for, attended, and provided technical support during the EEAC meeting on September 9, and for the Executive Committee meeting on September 24. The Group coordinated with DOER as chair of the Council on a weekly basis, and briefed individual Councilors in advance of the EEAC meeting and during the month (the substantive issues and outcomes are summarized in the task descriptions below). EEAC Meeting and Council support is on-going and is a regular monthly task area.

Track, Analyze, and Report on the Implementation Update and “Deeper Dives”

The review, analysis, and assessment of the 2014 Implementation Update (originally provided by the PAs in mid-March) continued to be a major task of the Planning and Analysis Group in September. The Implementation Update is a combination of looking back at past performance (2013) and looking forward at PA projections of future performance (2014-2015), which supports the Council in reviewing progress towards achieving the three-year goals of the 2013-2015 Plan.

In September, the Consultants prepared the Implementation Update wrap-up presentation, and developed and clarified the key recommendations for Council action resulting from each of the Deeper Dives. The Implementation Update wrap-up and recommendations were presented to the EEAC on September 9. Following the EEAC meeting, the Consultants had additional discussions with the PAs about the recommendations for Council action. The Consultants contributed to a draft EEAC Resolution or Position on the recommendations, which was forwarded to the Executive Committee and is expected to be discussed at the EEAC meeting in October.

Support the Council on Regulatory Issues and DPU Proceedings

In September, the Consultants reviewed and analyzed proposed Mid-Term Modifications (MTMs) from three PAs. If approved by the Council, these MTMs will apply to the balance of the 2013-2015 Three-Year Plan period. Specifically, the DPU EE Guidelines state: “If the Council passes a resolution supporting the proposed modification, the Program Administrator may implement the modification” (EE Guidelines, Section 3.8.1.1. Three PAs requested MTMs: National Grid, Unitil, and Cape Light Compact. The Consultants reviewed and commented on the three draft MTMs, and the PAs made revisions to the MTMs in response to the Consultant review. The EEAC is expected to act on the proposed MTMs in October, and the Consultants will present their final recommendations at the October meetings of the Executive Committee and the EEAC.

Future work on other regulatory issues and DPU proceedings will depend on the nature and timing of DPU activities and actions in the future.

Provide Technical Analysis

In September, the Group continued work on the 2015 regional avoided cost study (also known as the AESC study). The study will now be completed every three years (aligned with the Three-Year Plan schedule) with potential annual updates when necessary, rather than being conducted every two years. The Group coordinated with the multi-state study group on the development of the final RFP for the contractor and on bid review issues. The Group participated in the study group conference calls on RFP bid review issues and scheduling.

The RFP was issued in early September (three bids were received on October 2). The 2015 AESC study is scheduled to be completed by March 31, 2015, in time for the avoided cost values to be used in the 2016-2018 Three-Year Plan being developed during 2015.

As part of the Planning and Analysis Group (PAG) meeting on September 19, the Consultants discussed with the PAs the value of and process for updating the “typical customer” summaries of EE bill impacts and how different packages of EE measures offset the bill impacts to significant degrees. This will be useful to have available as customer energy bills increase during 2014. The PAs presented several drafts of bill impact analyses they developed. Other planning and analysis issues and coordination activities were also discussed at the PAG meeting.

RESIDENTIAL AND LOW INCOME SECTORS

In September, the Residential Advisory Group worked on the tasks described below to support the PAs in their work to meet the 2013-2015 Three-Year Plan Residential and Low Income goals. The main focus for September included developing a depth of savings opportunity analysis to inform PA consideration of a new deeper savings offering, continuing lighting analysis as part of the Implementation Update Deeper Dive and Mid-Term Modification (MTM) request, and preparing for a presentation to the Council on innovative approaches and technologies.

Residential Whole House and Low Income Programs

The Residential Advisory Group continued the depth of savings opportunity analysis for the Home Energy Service Initiative by conducting additional research and analysis to respond to RMC questions from the August discussion with the Group. This research provided additional support for a potential initiative design approach, which was presented and discussed with the PAs at the RMC’s September 17 meeting. The focus of the Group’s work was on comprehensive, performance based approaches to achieving deeper savings by specifically targeting homes with deeper savings potential. The Group also shared recommended steps to launch such an initiative and plans to work with the PAs to continue to assess this approach. There are plans for both the PAs and Residential Advisory Group to present to the Council on deeper savings and deep retrofit, though the schedule for these presentations has not been finalized.

The Group developed recommended Council action for the multifamily Deeper Dive component of the Implementation Update, which was presented to the Council on September 9. The Group plans to begin discussions with the PAs this month or next on how best to achieve a fully distinct and integrated multifamily effort and has started internal discussions about the primary objectives and process for this work.

The Group also coordinated with the Evaluation Group on the status of in-process evaluations related to residential retrofit. This included participating in a webinar presentation on HES key performance indicators for the HES Program Delivery Assessment evaluation and reviewing and discussing the results of the Ductless Minisplit Heat Pump contractor results memo with National Grid and Northeast Utilities.

Residential Products Program

The Group continued work on the lighting Implementation Update Deeper Dive. This work covered both the Residential and Low Income sectors and was discussed with the RMC at its September 3 meeting. The Group prepared information and requested Council actions that were presented to the Council at its September 9 meeting. We continue discussions with the PAs to assess whether support for specific CFL products can be ceased in 2015 with all program support directed to the LED equivalent.

The Residential Advisory Group also provided support to the EM&V Group through review and comment of planned products evaluation activities.

Innovative Strategies

The Group prepared for a scheduled October presentation to the Council on innovative approaches and technologies, now planned for November. This work included assessing which content to present and the crosscutting area of controls was selected for more focused treatment in coordination with the C&I Advisory

Group the. The Group worked to identify and begin initial characterization of control opportunities to achieve broader and deeper savings and prepared an outline to share with the Executive Committee and PAs for review and comment. October work will include additional research to include in the presentation.

In response to concerns about upcoming winter peak and resulting pricing issues, the Group continued its work to support DOER with an assessment of various winter peak mitigation strategies including the Nest WiFi communicating thermostat.

COMMERCIAL AND INDUSTRIAL

Deeper Savings in All Programs

In September, the Consulting Team discussed the upcoming PA presentations to the Council on deeper savings. The CIMC was brought in the loop to identify depth of savings as a potential presentation topic to the Council. This was subsequently determined to be of Council interest only relative to residential savings. The PAs recognize that deeper savings is important and we are working toward the next Three-Year Plan including a theme of achievement of deeper and more comprehensive savings at each site

Comprehensive Segment Strategies

The C&I Advisory Group participated in Commercial Real Estate Working Group discussions as well as reviewed and commented on a report completed by Weller & Michal Architects. The Group started the process of scheduling focus groups to ground-truth program ideas and concepts specially designed to increase penetration of program outreach into the medium size commercial real estate. The Group reviewed and commented on focus group survey materials.

The C&I Advisory Group encountered an unexpected glitch in the execution of the Health Care Best Practice study. At the project kick-off, the Group detailed the project process and developed a detailed timeline. That process included PA review and ranking of program elements against a set of mutually agreed upon criteria in order to identify the most potentially effective practices from the research—this step is still not complete. In addition, the outreach to health care stakeholder had resulted in only three interviews and the PAs requested that additional completes be pursued. The Group worked with DOER and the PAs to resolve these delays during the month of September. The outcome of that work was PA engagement in stakeholder outreach with a focused push to complete 2-5 additional interviews by mid-October. The Group also identified additional information that would be provided in the matrix to support ranking. The completion date of the study is dependent on the completion of the stakeholder interviews and the PA ranking of the practices.

The Group continued to drive discussion with PAs regarding a Massachusetts-specific adoption process for effective and best practices.

Coordination and Partnerships

The C&I Advisory Group's work with Health Care Without Harm on outreach for the Health Care Best Practice study continued. The Group reviewed a large planned National Grid project that extends beyond PA boundaries and provided feedback on the approach to estimating savings.

MONITORING, COORDINATION, AND CROSS-CUTTING TASKS

Monitor and Advise Current Programs

Residential Group members monitored the work of various residential and low income working groups to stay abreast of current PA activities and assess progress in achieving three-year plan goals. This included attending the Low Income Best Practices Working Group meeting on September 30 and reviewing agendas, presentations, and minutes for the Contractor Best Practices and Multifamily Retrofit Working Groups.

Coordinate with the Council on Programs and EM&V Results

The Residential Advisory Group continued its coordination with DOER staff on various residential issues,

including the Group's recommendations to the Council for HES and Multifamily Retrofit, deeper savings approaches, and winter peak.

Review and Assess PA Reports and Data

The Residential Advisory Group worked with the Planning and Analysis Group to review and comment on several PAs' Mid Term Modification (MTM) requests, which were all residentially focused. The Group primarily focused on National Grid's request and analyzing its assumptions regarding increased savings from residential lighting both at retail and through direct install efforts.

In coordination with the PAs staffing the Planning and Analysis Group (PAG), the Consultants advocated for and helped develop the year-end and three-year forecasts as systematic components of the quarterly reports. The forecasts were provided for the first time in the 2014 Q2 report and presented to the EEAC at the September 9 meeting.

Support the Statewide Database

The Planning and Analysis Group provided written, conference call, and in-person support for the Council in the DPU database technical session.

Prepare for the 2016-2018 Plan

During the Planning and Analysis Group (PAG) meeting on September 19, the Consultants identified several potential forward-looking planning topics for the upcoming 2016-2018 Plan, including: the overall schedule for Plan development; how some of the insights gained from the Implementation Update, Deeper Dives, findings of recent evaluation studies, and results of the 2013 programs and recent MTMs will inform the next Plan; and how to consider some key technical topics such as market effects, appropriate baselines, and net savings. We expect to continue discussions with the PAs and the EEAC in future months.

TECHNICAL SERVICES

Produce Minutes from all EEAC Meetings

The Consultant Team is charged with producing draft and final meeting minutes for each EEAC monthly meeting. The Team produced draft minutes for the September 9, 2014 EEAC meeting and forwarded them to the EEAC Chair. The EEAC Chair will review the minutes and distribute them directly to the EEAC prior to the next EEAC meeting to be held on October 15, 2014. The EEAC approved the August meeting minutes during their September meeting. These minutes along with all documents and presentations distributed at the September EEAC meeting have been posted on the EEAC website at <http://ma-eeac.org/ma-eeac-meeting-49/>.

Develop EEAC Logo and EEAC Website Upgrade

The upgraded EEAC website was completed in August. Optimal administrative staff uploaded, linked, and tested all of the various files and reports (over 1,200) during the first week of September. The website contains archival meeting materials all the way back to the first EEAC meeting held on November 20, 2008. The updated website seamlessly went live on September 8, 2014. The address for the updated website did not change – ma-eeac.org. Cahoots Design's website redesign scope of work is now complete. Cahoots Design trained Optimal staff who are now managing the updated website on a day-to-day basis. In addition to posting EEAC meeting materials, reports, and studies, Optimal staff has been trained to be able to add new menus, pages, and other basic website architecture. Word Press is the content management software being used for the website.

Google Analytics was added to the updated website. For the period of September 8, 2014 to September 30, 2014 there were:

- 1,137 sessions
- 599 unique users
- 6,627 page views with an average of 5.83 page view per session
- 52% new visitors; 48% returning visitors

Produce the Annual Report to the DPU and Legislature

In September, the Team continued editing and revising the draft annual report based on feedback from the Executive Committee, PAs, and DOER. The Team provided Cahoots with revisions to the draft and expects a final draft to be ready for Council approval at the October meeting.