

Memo

→ CONSULTANT TEAM

To: Executive Committee of the Energy Efficiency Advisory Council
From: Eric Belliveau and David Bardaglio
Date: October 10, 2014
Subject: EEAC Consultant Team Budget Update and Request for Additional Funds

PROPOSED BUDGET RE-ALLOCATION AND REQUEST FOR ADDITIONAL FUNDS

As we noted in our work plan for 2014, the work of the Consultant Team is never fully defined at the beginning of each contract year. We constantly adjust our efforts to respond to the needs of the Council and outside factors. To facilitate this and to ensure we can continue to exceed the Council's expectations, we have recently conducted a review of year-to-date efforts and progress. Based on a careful review of both hours expended to date and an assessment of work remaining over the final four months of this contract year, the Consultant Team is requesting a budget increase of \$50,000, or 3.3 percent. These funds are needed to provide additional resources for work by the C&I and Planning & Analysis Groups.

All of our Group leads contributed to this assessment and are confident that these revised budgets will support the necessary work through the end of the year. The results of this analysis are summarized in the table below; details are provided in the following sections.

	Cross Cutting	Planning & Analysis	C&I	Residential	EM&V	Technical Services	Totals
Budget for Current Contract Period of March to December 2014	\$480,425	\$241,337	\$81,158	\$135,866	\$213,729	\$111,890	\$1,264,405
Actual March to August 2014	\$245,207	\$177,788	\$110,092	\$59,932	\$106,295	\$76,131	\$775,446
Anticipated September to December 2014	\$195,825	\$73,406	\$50,601	\$75,934	\$107,434	\$35,759	\$538,959
Revised Total Budget	\$441,033	\$251,194	\$160,693	\$135,866	\$213,729	\$111,890	\$1,314,405
Budget Increase/(Decrease)	(\$39,393)	\$9,857	\$79,536	\$0	\$0	\$0	\$50,000

ADVISORY GROUP SPECIFIC BUDGET ADJUSTMENTS

Cross Cutting

The Consultant Team is able to shift substantial resources from this category to the C&I Group, resulting in a proposed decrease of \$39,393. The Team is comfortable that there is ample Cross Cutting Budget remaining to complete the remaining Year 2014 tasks.

Planning & Analysis

The scope of work and associated budget for work in the areas of Planning and Analysis are perhaps more difficult to project than in other work areas. For example, it is never clear what issues the DPU may engage in and

to what extent Council and Consultant Team attention will be required. This year we believe the following items required effort beyond our initial budgeting and work planning.

- 2012 Annual Report review
- Acceleration of the AESC regional avoided cost study
- Implementation Update “deeper dive” analyses, particularly the two residential deeper dives
- MTM review, analysis, and comments, which was included in our work plan but not budgeted for specifically. (At the time we were creating our workplan, we did not think an MTM would be triggered but were not sure.)

We propose to increase the P&A budget by just under \$10,000 to cover these additional tasks.

C&I

In January of 2014, the Consultant Team provided an estimate of the number of hours by individual consultant to complete the submitted work plan. At the time of submittal, several Councilors asked if we had allocated enough time and effort to C&I in light of it being an area of underachievement in 2013. We responded by increasing the budget for C&I. Our work plan was also based in part on the assumption that the PAs would provide data and resources to support our planned “best practices” work and the Implementation Update—an entirely new process for all. Both of these efforts require detailed understanding of the PAs’ performance, supported by data and qualitative information. While there was never an agreement from the PAs to provide such data, we assumed that more and more detailed data would be available to support these efforts. As we have pointed out consistently in our monthly reports to the Council, we have not received what we consider the necessary information from the PAs to conduct a thorough review. The resulting more iterative process has required additional work on the part of our Team to provide our promised deliverables.

It has also become clear that the PAs do not have a formal process through which our collective work products are reviewed, refined, and decided upon—the important process of vetting what is to be implemented or not. We have spent an inordinate amount of time trying to gather data, conducting interviews with individual PAs to acquire information where data have not been available, and meeting with the PAs in various fora to create forward momentum to implement ideas. What had been contemplated as a collaborative process supported by robust data became a somewhat harder exercise operating with limited concrete information. While we talk about this theme in the context of C&I, it has affected our Team’s productivity, and therefore budget, in all work areas.

In addition to the funds reallocated from the Cross Cutting work area, we request an additional \$40,000 for the C&I work area. The following table compares the original budgeted hours to our anticipated total effort for this year, which includes actual expenditures from March to August and revised budget for September to December.

Work Plan Task	Activity	Revised March to December	Original Budget	Notes
Segment Strategies	Segmentation Planning & Development (includes Healthcare Best Practices Study)	370	160	Presentation, follow-up with PAs, PA interviews - developing a new process with PAs for processing outside ideas
Innovative Approaches	Retro-Commissioning Report	80	60	Additional reviews and presentations that were not planned - follow-up to get PAs to implement
Innovative Approaches	Codes & Standards	18	0	Not in original scope of work
Coordination & Partnerships	Transition	40	0	Jen Chiodo getting up to speed and taking over lead
Coordination & Partnerships	Increased Role in Coordination	190	110	Reallocating tasks - Jen/Eric participation in some meetings. Eric strategic role to focus on advancing best practice. through new process for outside input.
Deeper Savings	Deeper Savings Memo & Follow-up	100	80	More than originally estimated
Achieve Early Savings	Achieve Early Savings	40	25	More than originally estimated. Mostly Jen's analysis of mitigating the hockey stick.
Total		838	435	

Residential

After consideration of a budget request for the residential team, and review of the work load through the end of the year, we decided to rebalance the residential budget to accommodate the out-of scope tasks we have worked on so far this year rather than ask for an increase. The tasks we completed that were not in our original plan are as follows:

- Revisions and consultation to the RCS Guideline
- Research related to the implementation of the Nest residential thermostat
- Analysis and support for the review of 2014 MTM process, which fell largely to the residential team

We will carefully track our team spending through the end of the year and manage to the original residential team budget estimate.

EM&V

No changes are proposed to the EM&V budget. We feel there is sufficient budget remaining to complete all remaining tasks

Technical Services

No changes are proposed to the Technical Services budget. The launch of the new EEAC website took place on September 8, 2014. In addition, the Annual Report to the Legislature is nearly complete. The remaining budget will go towards completing the Annual Report; maintaining the EEAC website; and producing EEAC meeting minutes.

CONCLUSION

Based on the above analysis the Consultant Team is requesting a \$50,000 budget increase. This increase is needed to provide additional resources for the C&I and Planning & Analysis budgets. We also propose to reallocate resources to provide additional funding to C&I.