



Memorandum

To EEAC
From Eric Belliveau and the EEAC Consultant Team
Date 4 April 2013
Subject March 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 March 12 and participated in the Executive Committee meeting on March 27. Briefed several individual Councilors in advance of the EEAC meeting. Provided special briefings for or met with new councilors around the time of the EEAC meeting.
- Reviewed and analyzed the final 2013-2015 Three-Year Plan per the final DPU Order. Prepared summary tables and confirmed/reconciled final numbers based on the final DPU Order and the February 21 and March 1 compliance filings of the PAs, including through review of statewide rolled-up tables. Analyzed final savings, benefits, costs and bill impacts, statewide and across the individual PAs. Reviewed the goals and values in the final DPU-approved Plan per the DPU Order and compliance filings.
- Analyzed and answered inquiries regarding the proposed 2013 performance incentives and incentive thresholds, and the DPU calculation of one consistent threshold (76.72%) across the three years in place of the Plan- and Term Sheet-proposed 75%, 75%, and 80% thresholds in 2013-2015.
- Reviewed the 2013 performance incentive metrics and the three-year metric calculation issues, in preparation for the DPU Technical Session on performance incentive metrics, scheduled for April 2.
- Based on the DPU Order in the DPU NOI Phase II proceeding (January 2013), regarding the regulatory review and approval of performance reports, performance incentives, energy efficiency surcharges, and mid-term modifications, prepared some initial thoughts on potential enhancements and improvements for energy efficiency program reporting.
- 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. Analyzed incremental and total bill impacts for electric and gas customers.

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- 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 associated data tables from the PAs. Prepared summary tables and charts, and presented a summary of the 2010-2012 preliminary year-end data and key insights on the performance of the 2010-2012 EE program portfolio to the Council at its March 12 meeting.
- Continued work on the regional avoided costs study (also known as the Avoided Energy Supply Component or AESC study). Participated in the study kick-off meeting on March 7. Reviewed the gas forecast, DRIPE, and other priority issues in the avoided cost study, reviewed the initial draft materials prepared by the consultant (Synapse), and participated in the March 21 “check-in” call and discussion on the priority issues.
- Interacted with the PAs and management committees in March 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 encouraging the cost-efficient use of ratepayer funding.
- Reviewed 2011 actual performance reported and performance incentives claimed as set forth in the 2011 Annual Reports, with a focus on the treatment of Non-Energy Impacts (NEIs) in the Plan vs. the Annual Reports.
- Outlined an effective and systematic approach to data and data management, to ensure reliable and internally-consistent data in the interim while the statewide database is being developed. Discussed the approach at the March 27 Executive Committee.

C&I Advisory Group

- Continued to work with PAs to support completion of near term Three-Year Plan Commitments and associated Action Plans. A status summary of near-term plan commitments follows:
 - Process for Stakeholder Input – Based on national best practice research and input from stakeholders, PAs have developed a new process for stakeholder engagement, fulfilling the plan commitment to complete this by Q2 2013.
 - New Consistent Dedicated Approach to Municipalities – National Grid and NSTAR continue to work out issues in development of a consistent municipal model. 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 have made progress in developing 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 continue to make 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. PAs are on track to complete Pro Forma by



Q2 2013. PAs continue to explore how best to use new Pro Forma to assist in completing more projects at lower cost.

- Continued to work on development of an evaluation-based approach to identify and understand PA implementation best practices. This approach will be presented to the Evaluation Management Committee on April 16.
- Participated in Commercial Real Estate Working Group webinar. Continued research into national best practices.
- Provided technical review of C&I Custom Retrofit EMV site reports. Identified initial concerns with PA practices regarding baseline documentation for miscellaneous custom electric measures and reviewed with PAs. As this evaluation completes we will ensure that any baseline issues are documented in the report and addressed by the PAs.
- Continued to work with PAs and stakeholders to advance more efficient street lighting.
- Presented economic Pro Forma to PAs for consideration, per plan commitment.

Residential and Low Income 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 working with the RMC group toward a successful and productive 2013. Further developed best practices research areas for 2013. Performed national best practice research on tenant-landlord barriers and produced draft paper for RMC in support of the Efficient Neighborhoods+ initiative and the Residential Barriers working group scope. Monitored PA progress on new initiative enhancements and action plans. Communicated and coordinated with the DOER Residential Team liaison regarding residential sector issues. Participated in TRM working group calls.
- **Lighting:** Reviewed and commented on first 2013 lighting and appliance program activity report. Noted that PAs have already exceeded their 2013 LED A-lamp goal by 3/20. Continued to monitor and comment on proposed lighting market lift activities. Monitored continued progress of both regional (all homes) and MA-specific low income lighting hours of use studies (cross billed to CT, RI and NYSEDA). Reviewed and commented on proposed LED market effects research plan. Reviewed and provided high level comments on draft lighting survey findings.
- **Products:** Participated in EMC call to discuss PAs' TV gross savings assumptions. Determined that a follow-on call was needed (scheduled for April). Check-in call with Ellen Pfeiffer (National Grid) to review progress to date and near term plans of PAs' Efficient Products Initiative efforts.
- **HVAC:** Completed analysis, at the request of DOER, estimating savings from MA pursuing a potential state furnace standard given likely delay in May 2013 federal standard. Benchmarked estimated state



standards savings to the PAs' gas annual 2013-2015 residential savings goals. Continued to work with NEEP, Appliance Standards Awareness Project (ASAP) and others to obtain industry shipment data of efficient furnaces to MA and received "confidential" data. Reviewed and commented on proposed revisions to MA EEAC website. Participated in two stakeholder calls on revisions to federal gas and oil boiler standards. Reviewed revised Cool Smart 2012 year end reporting and followed up with Dick Moran (NSTAR). Participated in webinar on presentation of draft findings from market effects study of gas high efficiency heating and hot water equipment initiative.

- **HES:** Monitored progress of the Best Practices Working Group; reviewed agenda and meeting minutes. Discussions with various Councilors on topics related to HES. Reviewed and commented on Pre-weatherization pilot evaluation. Participated in Residential Barriers Stakeholder meeting on the Efficient Neighborhoods+ initiative proposed design. Communicated with Marie Meehan on status of deep energy retrofit (DER) activities.
- **Low Income:** Communicated with Jerry Oppenheim on 2013 priorities for the low income program.

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: residential lighting consumer survey; prescriptive VSD impact evaluation; interim results on HEHE/Coolsmart NTG study; pre-weatherization pilot; and CLC Lighting Controls Pilot.
- **EM&V Planning.** Began process of scoping out new studies agreed upon in the late-February C&I and Cross-Cutting evaluation planning meetings. Established a new subcommittee of the EMC to work on longer-term strategic planning issues raised at the same meetings. Worked with PA evaluators and D&R to design a residential lighting market lift pilot program with a second retailer.
- **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. Collaborated with Residential Advisory Group to assess potential effects of change in federal furnace standards. Coordinated with C&I Advisory Group to help develop a detailed approach for a comparative process evaluation focused on depth of savings, cost effectiveness and best practices. Began discussing with PAs and EEAC Consultant Planning and Analysis team how to approach meeting the DPU order that the smaller PAs analyze savings potential in their service territories. Worked with PA evaluators to refine assumptions regarding the valuation of benefits from low-income participants avoiding the need to replace their refrigerators. Continued work with the PAs and EM&V contractors to analyze the issue of possible effects of Green Communities on NTG studies.
- **EM&V Contractor Recruitment.** Neared completion of the RFQ process for selection of a new contractor team for the Residential Research Area.



- **Miscellaneous.** Arranged for the EM&V contractor covering community-based programs (ODC) to provide analytic support to program planners in developing the Efficient Neighborhoods program. Worked with the other Consultant Advisory Groups to refine the process for revising the TRM for the 2012 Report and 2014 Plan versions.

Upcoming Activities

The sections below detail expected project efforts in the coming month. The calendar view of upcoming events has been discontinued.

Planning & Analysis Advisory Group

The Planning & Analysis group will undertake several tasks in the next few months.

- 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.
- 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.
- 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. Review the work products/deliverables and participate in study group conference calls on the study approach (and any revisions to the approach), interim work products, and draft deliverables. This regional avoided cost study is the single most important analysis for the EE programs in MA, because it will affect all EE programs, electric and gas, for several years.
- Follow up on the Council consultant analysis of the 2010-2012 results and preliminary year-end data summarizing the performance of the 2012 EE program portfolio. Prepare highlights of 2010-2012 Three-Year Plan performance (i.e., for sectors, programs, or PAs) for review.
- Review, analyze, and comment on 2013 quarterly reports and the dashboard monthly reports and trends. In particular, review the 2013 Q1 report to be presented to the Council in May.
- Work with the PAs to develop and implement an effective and systematic approach to data and data management, to ensure reliable and internally-consistent data in the interim while the statewide database is being developed. Ensure/confirm that there is a complete set of accurate 08-50 data tables that are 100% consistent with the final DPU Order and compliance filings on the 2013-2015 Plan.
- Support the design and development of the statewide database, as directed by the Council.

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- Participate in the DPU Technical Session on performance incentive metrics on April 2.
- Support the Council, as directed, 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. Develop some initial thoughts on potential enhancements and improvements for energy efficiency program reporting, in advance of the upcoming DPU 11-120 reporting working group (to be scheduled).
- 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.
- Continue participation in the DPU 08-50 bill impacts working group, and recommend potential improvements for the bill impact model developed by the DPU.
- Participate on behalf of the Council in any other DPU 08-50 or 11-120 processes, as scheduled and as assigned by the Council.
- Continue collaborating with the PAs on planning and analysis tasks, as assigned by the Council.
- 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 and studies.
- Continuing to work with EM&V to finalize 2013 EM&V plans that provide high value to C&I implementation.
- Preparing and delivering a presentation on national Best Practices for the Commercial Real Estate sector to the Commercial Real Estate Working Group.
- Developing plan for best practice areas of research.



Residential and Low Income 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.

- 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, reviewing and summarizing current PA initiative-level reporting provided to Council consultants, and researching and drafting a best practices paper on tenant-landlord barriers in multifamily buildings.
- Continue to refine list and scope of upcoming best practice research, including on LED transition, upstream residential HVAC, continued progress toward deeper residential savings, and exploring new opportunities for electric, gas, oil and propane savings
- Continue engaging with individual working groups on several topics
 - Monitor progress and potential near-term roll out of PAs' market lift lighting pilot
 - 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.
 - 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 support possible state standards option if federal furnace standard is vacated.
 - Continue to review high efficiency heating and hot water (HEHE) program evaluation results as these findings may inform subsequent DOER actions on state standards.
 - Participate in regional stakeholder efforts to assess opportunities to pursue updated federal boiler standard opportunities.
 - Monitor progress of regional residential lighting hours of use study.

EM&V Advisory Group

- Move toward the finish line the large number of 2012-2013 studies now in the implementation process and scheduled for completion by June.
- Complete selection of a new Residential EM&V contractor team and schedule a Residential EM&V planning meeting similar to those held for C&I and Cross-Cutting at the end of February.
- Work on longer-term strategic planning issues raised at the EM&V summit meetings.

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

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