



First Quarter 2013 Performance and Enhancements to Report Format

Presentation to the EEAC by the PAs

May 16, 2013



Enhancements to Quarterly Report Format





EEAC Quarterly Reports- Quantitative Report Overview

- Quarterly report provides best available information for each quarter
- Quarterly reports incorporate updated evaluation studies -- new studies filed with the previous year's Annual Report are applied in Q3
- Data for each quarter is presented in a cumulative manner in order to provide the most accurate current information each quarter
 - Thus, the Q3 report includes new studies filed with the Annual Report as applied to the entire year-to-date



EEAC Quarterly Reports- Quantitative New Elements

- Report has been reformatted as pivot tables to allow for additional outputs, a cleaner look and feel, and greater ease of compiling and review
- Budgets, savings, and benefits are displayed as separate tables, and also in a summary chart
- New and revised bar charts show information graphically



EEAC Quarterly Report- Qualitative Report Format

- Per Council request, the narrative report includes a discussion of progress on the February 13, 2013 Council Priorities
- Council Priorities and Three-Year Plan Action Plans are also addressed throughout the Report
- Report continues to include updates on program information, EM&V, and statewide marketing
- PAs will highlight special focus topics each quarter
- Reporting on performance metrics will occur in Q2 and Q4, as previously agreed upon

Update on Q1 2013- Quantitative Review





First Quarter Statewide Overview

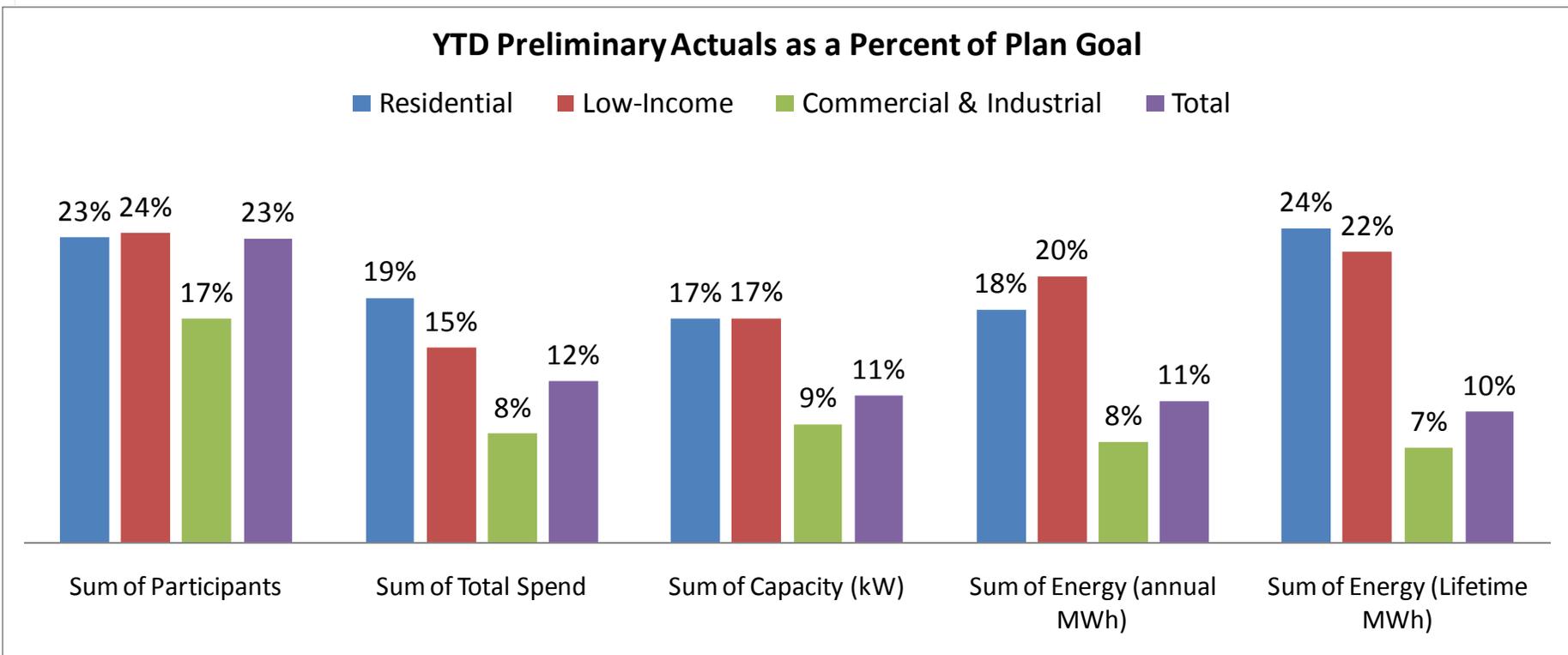
- Electric and gas annual savings are at 11% and 13% of goal, respectively
- Overall program performance is consistent across fuels and across sectors
- Savings and spending tracking closely
- Residential savings levels higher than C&I- consistent with typical “hockey stick”



Electric Summary % of Goal

YTD Preliminary Actuals as a Percent of Plan Goal

■ Residential ■ Low-Income ■ Commercial & Industrial ■ Total

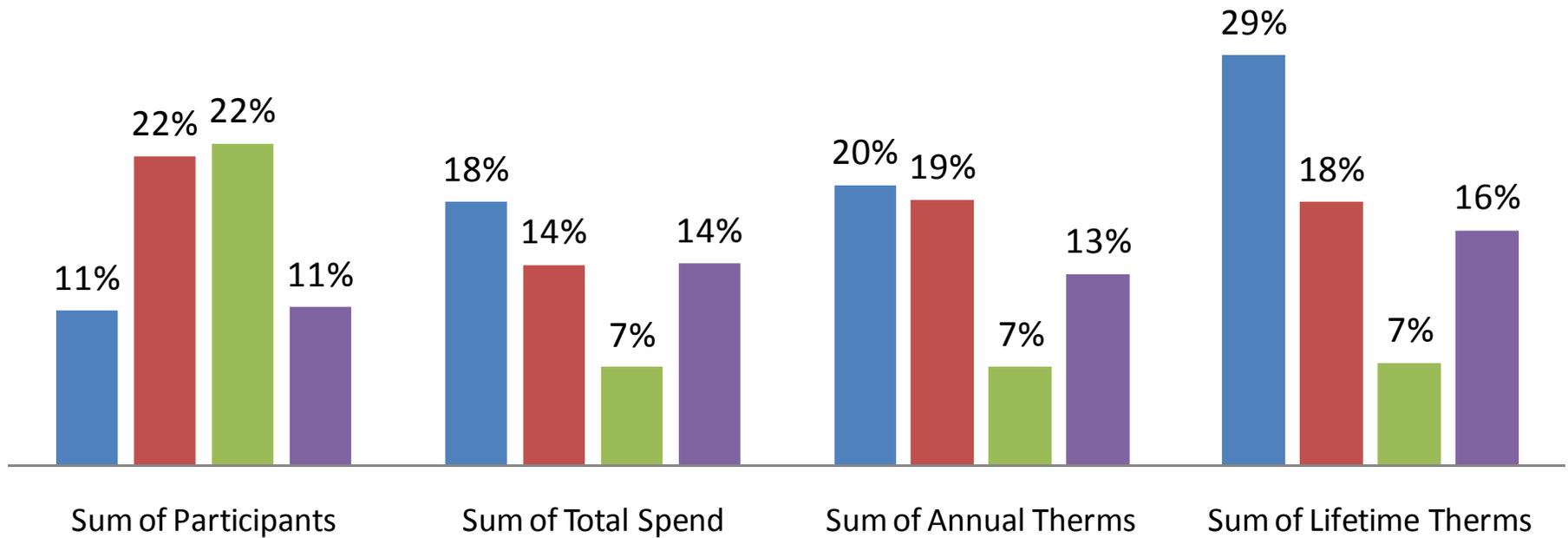




Gas Summary % of Goal

YTD Preliminary Actuals as a Percent of Plan Goal

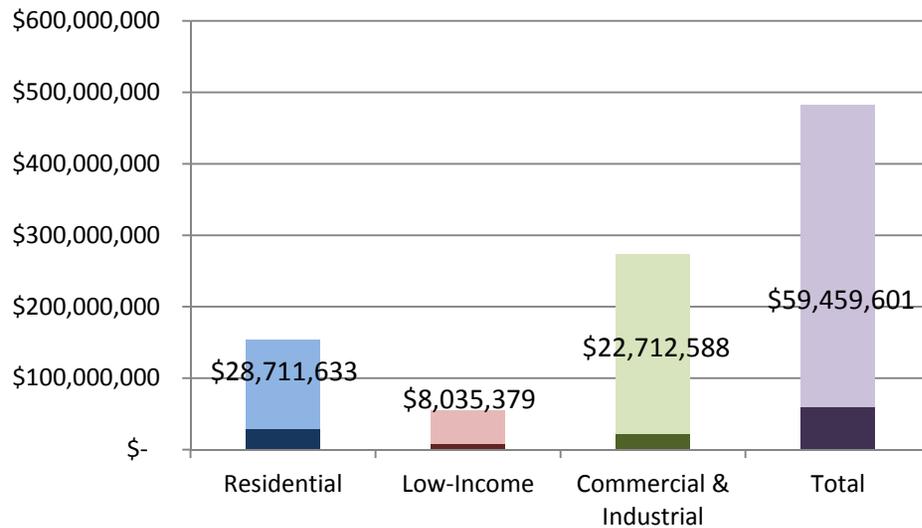
■ Residential ■ Low-Income ■ Commercial & Industrial ■ Total



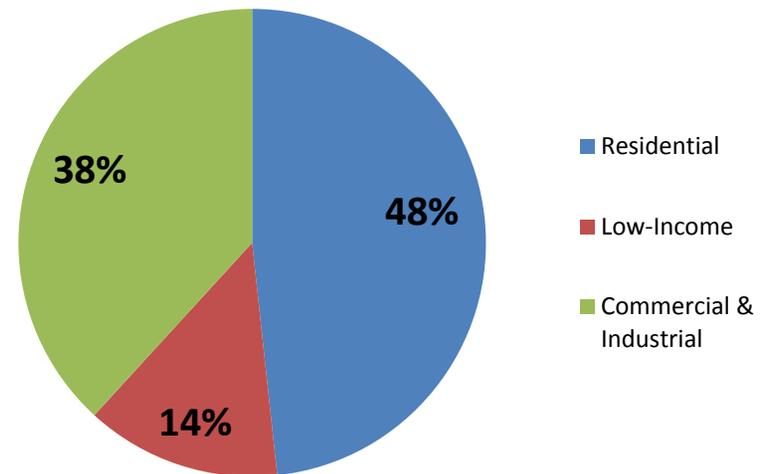


Electric Statewide Budgets

Electric Statewide Spend Compared to Goal



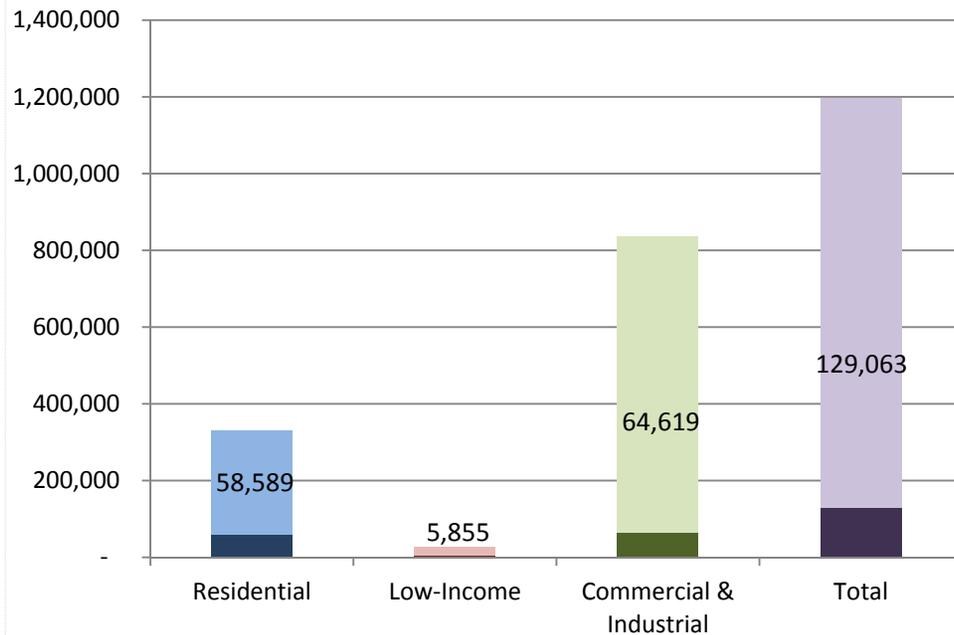
Electric Statewide Percentage Spent by Sector



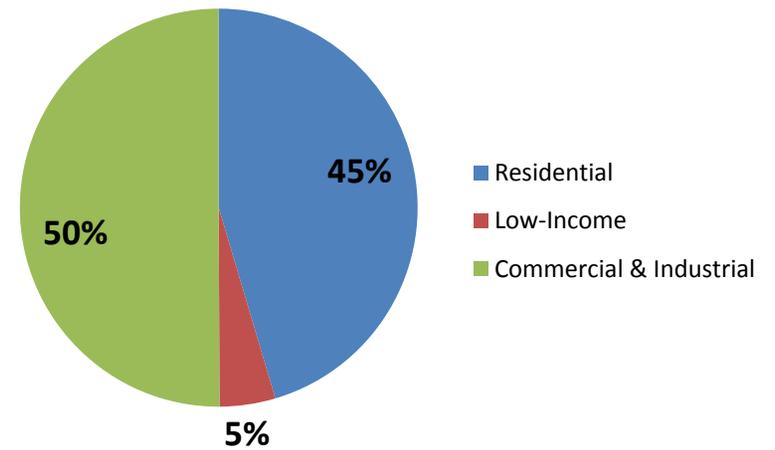


Electric Statewide Annual Savings

**Electric Statewide Annual Savings (MWh)
Compared to Goal**



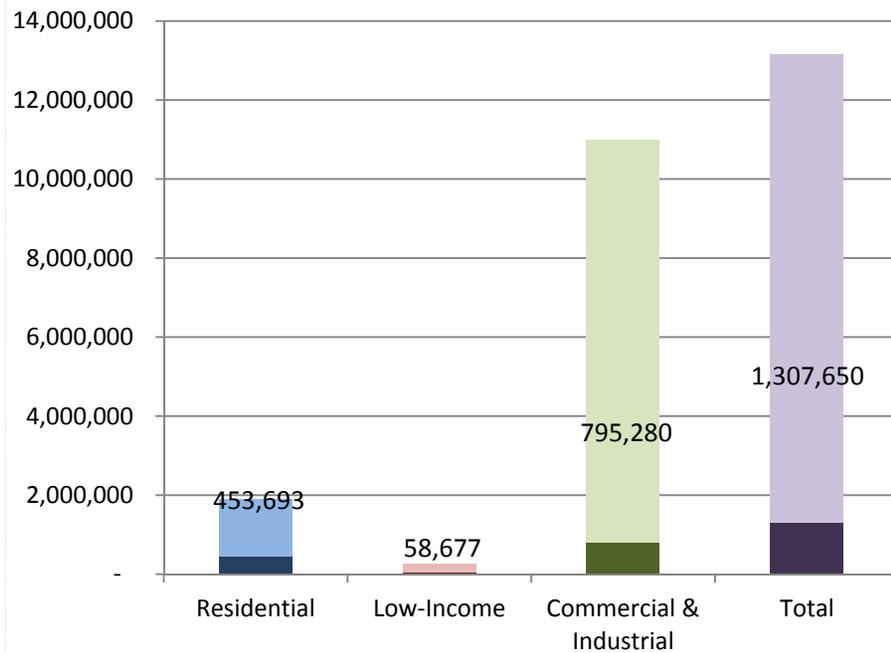
**Electric Statewide Annual Savings Percentage
by Sector**



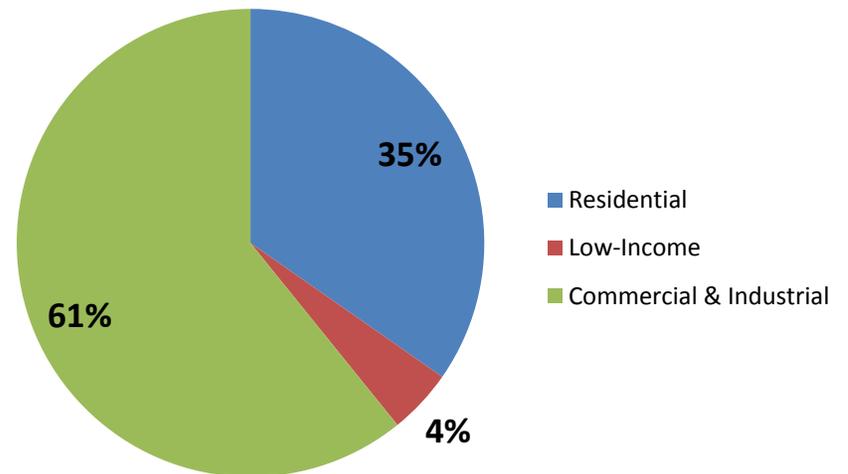


Electric Statewide Lifetime Savings

**Electric Statewide Lifetime Savings (MWh)
Compared to Goal**



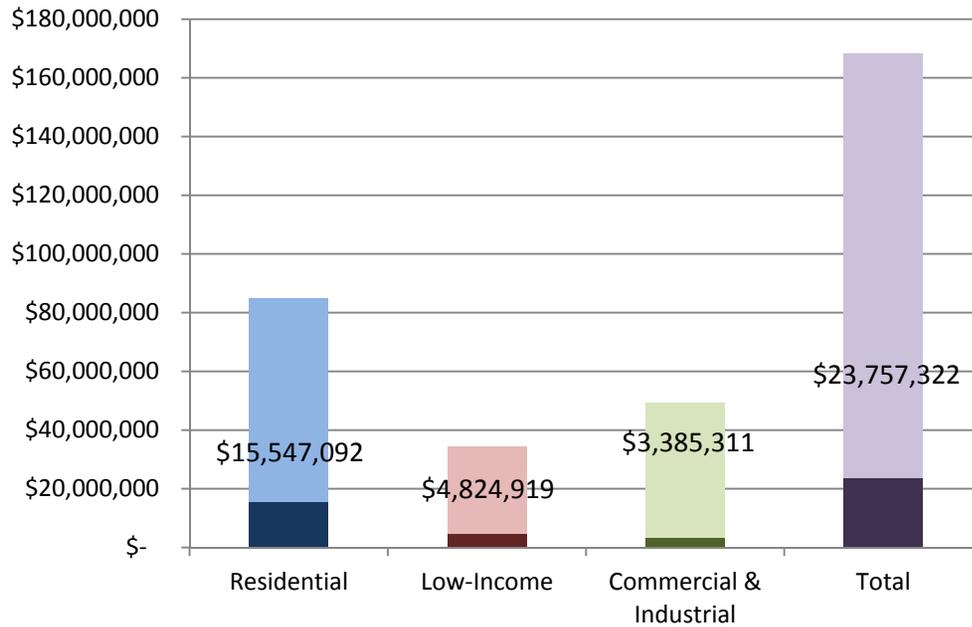
**Electric Statewide Lifetime Savings Percentage
by Sector**



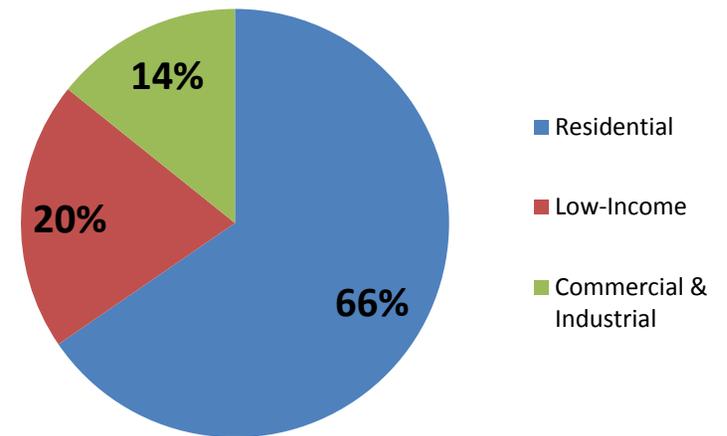


Gas Statewide Budgets

Statewide Gas Spend Compared to Goal



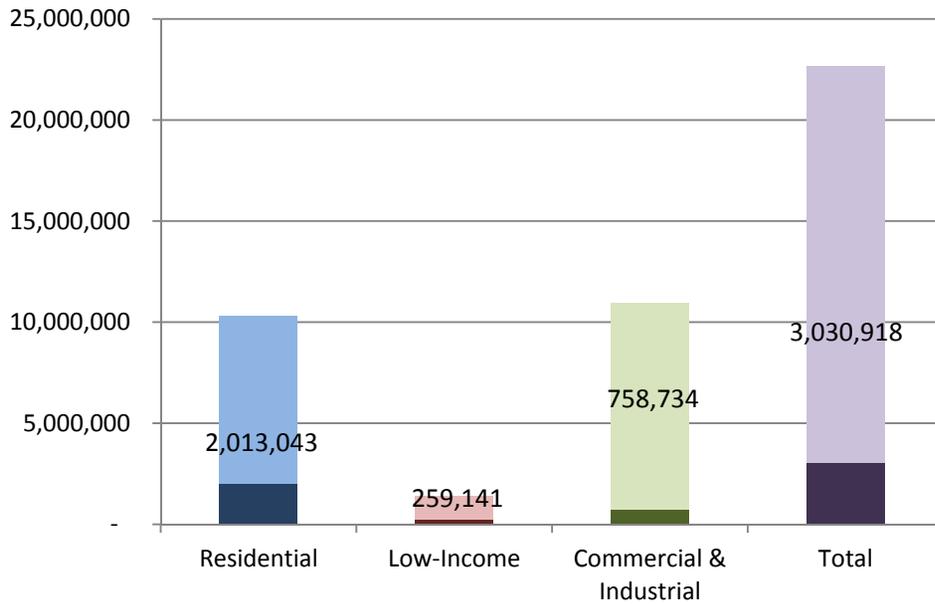
Statewide Gas Percentage Spent by Sector



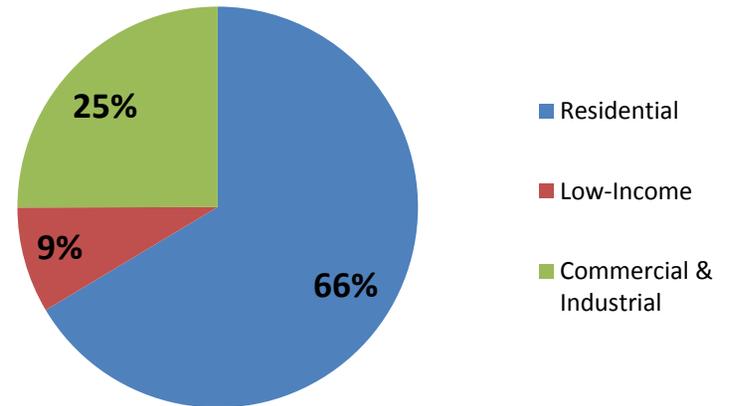


Gas Statewide Annual Savings

**Gas Statewide Annual Savings (Therms)
Compared to Goal**



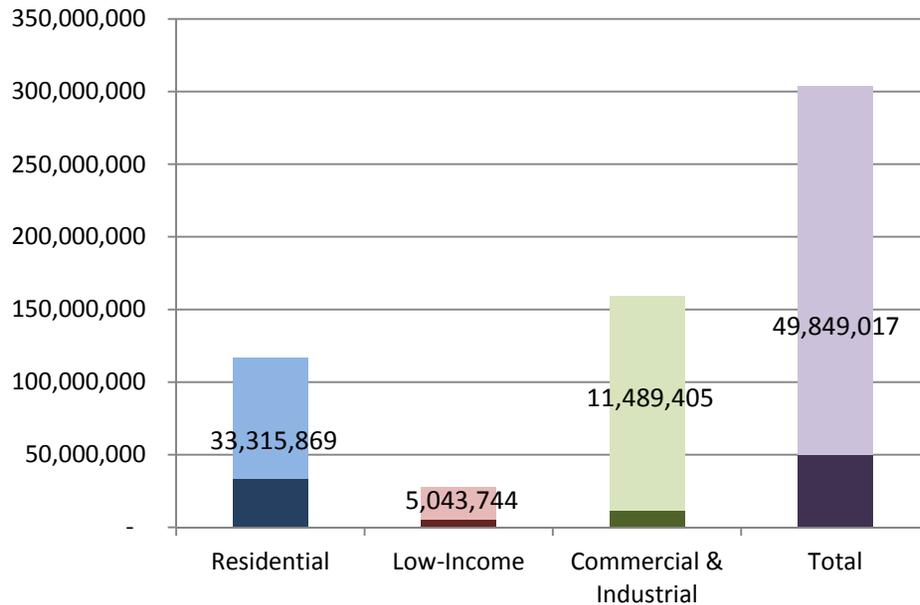
**Gas Statewide Annual Savings
Percentage by Sector**



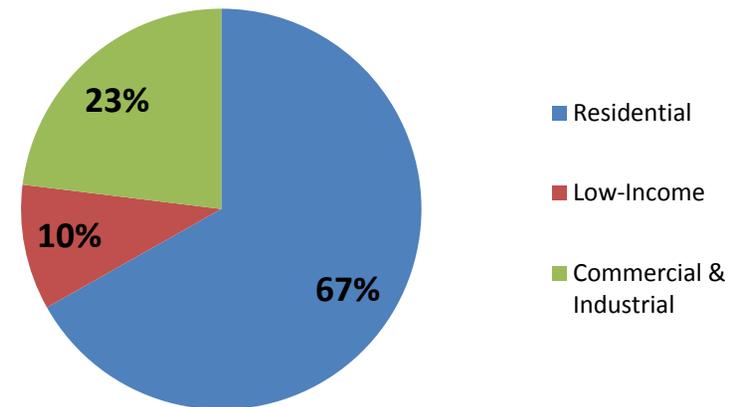


Gas Statewide Lifetime Savings

Gas Statewide Lifetime Savings (Therms) Compared to Goal



Gas Statewide Lifetime Savings Percentage by Sector





Comparison to 2011 and 2012 Q1

Electric

	2011	2012	2013
Spending	9%	11%	12%
Annual MWh	14%	11%	11%
Lifetime MWh	8%	11%	10%

Gas

	2011	2012	2013
Spending	16%	14%	14%
Annual therms	28%	11%	13%
Lifetime therms	18%	12%	16%

Note: percentages from year to year reflect increasing overall goals; thus, equal or lower percentages do not necessary translate to equivalent or lower savings

Update on Q1 2013- Qualitative Review





Council Priorities- Introduction

- Each Council Priority, as set forth in the February 2013 Resolution, is addressed in detail in the quarterly report submitted to EEAC on May 13
- For the purposes of this presentation, the PAs have highlighted two priorities to discuss
- Additional information may be found in the Council Priorities and other sections of the quarterly report



Council Priorities- Highlight on Priority 3

- Priority 3: Support Key Program Development and Implementation Needs, with a Focus on Achieving Deeper Savings and Reaching All Customer Segments. Continuously Improve the Programs and Initiatives.
 - PAs are actively leading and involved in the Commercial Real Estate (“CRE”) Working Group, Multi-Family initiative, Residential Barriers Working Group, and Low-Income Best Practices Group, all aimed at achieving deeper savings and reaching all customer segments through continuously improving programs
 - PAs continue to integrate the electric and gas programs in the C&I sector; PAs conducted five jointly held Trade Ally Open houses this year
 - Gas and electric PAs have jointly developed a statewide MOU with the Division of Capital Asset Management and Maintenance to support the energy efficiency projects scheduled during the remaining term of the Accelerated Energy Program
 - PAs worked with stakeholders on the design of the residential Efficient Neighborhoods+ initiative to address neighborhoods in a whole-house fashion, where incentives are designed to motivate customers to go deeper
 - The PAs continue efforts on the C&I Main Streets Delivery Model
 - The Residential and C&I MTAC have joined efforts to share information aimed at introducing new measures to assist in achieving greenhouse gas emission goals



Council Priorities- Highlight on Priority 6

- **Priority 6: Evaluation Efforts**
 - EMC held a strategic stakeholder planning meeting that was attended by 71 people, including PAs, Department and DOER representatives, EEAC Consultants, key representatives from the evaluation contractor(s) from the respective research areas, and stakeholders
 - Over the course of three days at this meeting, this group discussed planning for the next round of C&I program and special & cross sector evaluation studies to take place between 2013 and 2014
 - As a result of discussions at the strategic planning meeting, a strategic planning subcommittee of the EMC was formed in the first quarter of 2013. The PAs, in cooperation with other regional stakeholders, also issued an RFP and awarded the contract for the 2013 Avoided Energy Supply Cost (“AESCS”) Study. The PAs continue to actively lead and participate in the working group for this study



Program Highlights- Residential HES and HEAT Loan

- High demand in Q1 for Home Energy Assessments and the HEAT Loan
- Specific efforts focused on the Pre-Weatherization Barrier Offer, Early Boiler Replacement Rebate and Efficient Neighborhoods+ Initiative
- PAs have been working to incorporate LEDs and advanced power strips into the instant savings measures customers receive at the time of assessment
- The Contractors Best Practices Working Group held three meetings in Q1 of 2013 and continues to collaborate on possible program enhancements
- New contractor marketing materials have been incorporated into the suite of subsidized materials PAs have made available to contractors. New co-branded offerings include lawn signs and post cards
- Implementation of weatherization work is trending well in Q1, with Independent Installation Contractors (“IIC”) and Home Performance Contractors (“HPC”) providing weatherization services to customers
- PAs continue their commitment to workforce development in 2013, offering subsidies for various trainings, including weatherization boot camps and combustion safety testing



Program Highlights- Residential Rebate Programs

- PAs actively participated in many conferences, trainings, and events in the first quarter, including:
 - Annual Plumbing and Heating Contractor conference in Marlboro, MA, first annual ACCA/Cool Smart Conference and Trade Show in Westboro, MA, South Shore Plumbing and Gas Inspectors association in Middleboro, MA, Navien Service Training at Supply New England, West Yarmouth, Cape Cod Plumbing and Gasfitting Association in West Yarmouth, MA, F.W. Webbs St. Patrick's Day Celebration in Brockton, MA, annual Bay Colony Master Plumber's Association "Code Review" with the Board of State Examiners of Plumbers and Gasfitters in Rockland, MA, Fluid Industrial Associates in Woburn, Board of State Examiners of Plumbers and Gasfitters in Hyannis, MA
- Heat Pump Water Heater rebate volume for 2013 has been robust
- PAs continued direct outreach to various manufacturers, supply houses and big box stores in sales training and rebate distribution over the course of the quarter



Program Highlights- Residential Products

- In Q1, the PAs introduced new tiered incentives for TopTen USA ranked products; Massachusetts retailers have been invited to post their store information on the TopTen website
- In March, the PAs' Mass Save Facebook page grew to over 20,000 followers, more than ENERGY STAR's national Facebook page. This is a result of the PAs' innovative marketing campaign, "Like to Save," which sponsors monthly contests and giveaways of efficient products through the page
- The PAs and their vendors worked closely with manufacturers and retailers to be able to offer all contest products at no cost to the PAs while also promoting and educating customers about current Products program offerings



Program Highlights- Low-Income

- **LI New Construction**
 - During the first quarter of 2013 the new construction initiative held meetings with several low-income agencies including the Department of Housing and Community Development, MassHousing, WegoWise and New Ecology; meetings were held to train staff on the 2013 program offerings and recruit new projects into the program
- **LI Single-Family**
 - Due to less Federal funding available, PAs have noticed a higher average per unit cost for weatherization jobs and heating system replacements
 - PAs continue to work together within the Best Practices Working Group on standard client education materials to be used statewide by the various Community Action Program (“CAP”) agencies
- **LI Multi-Family**
 - PAs have several projects currently in the pipeline and anticipate a very productive second and third quarter in 2013
 - PAs have been using the WEGOWise Multi-Family Benchmarking tool and have been able to identify the least-efficient buildings among all those eligible for funding and prioritize energy efficiency projects to make the most of the budgets



Program Highlights- C&I Upstream

- **Upstream HVAC Program**
 - The PAs finalized plans to expand the Upstream channel to include HVAC measures in 2013. The PAs reviewed proposals for the 3rd party Program Manager and awarded the contract to Energy Federation, Inc. (“EFI”) in Q1. Program launch is scheduled for Q2.
- **Upstream Program Manager**
 - To support the future success of the growing Upstream portfolio, the PAs are seeking an individual to act as the statewide Program Manager ensuring effective implementation and performance of upstream initiatives. A job description was finalized and the position was posted in Q1.



Program Highlights- C&I Misc.

- Main Streets Delivery Model - Two towns/cities have been identified to initiate the pilot and PAs have met with the towns/cities' economic development groups and chamber of commerce to discuss the pilot and the work flow
- Efficiency Project Pro Forma - PAs created a multi-measure Lifecycle Cost Project Analysis Model (Proforma) to provide large customers with financial information (beyond simple payback) so they can make more informed decisions regarding the economics associated with installation of energy efficiency measures
- Utility Owned LED Streetlights - A meeting attended by DOER and all PAs was held in the first quarter to review opportunities to utilize Mass Save energy efficiency funding on the conversion of existing utility owned street lights to LED technology
- Division of Capital Asset Management and Maintenance - Gas and electric PAs have jointly developed a statewide MOU with DCAMM to support the energy efficiency projects scheduled during the remaining term of the AEP program



Marketing

- Statewide Marketing Team and KSV developed a multi-media advertising campaign targeted at both residential and C&I audiences, including radio, outdoor advertising, digital banner ads, paid search and Facebook advertising; the campaign kicked off on March 29 and will run through November 2013
- Pre-campaign awareness survey was conducted by the EM&V working group prior to the campaign launch to establish a baseline for measurement of the 2013 campaign
- Continual improvements to Mass Save website

- Research areas consolidated from six to three per Plan
- Evaluation activities occurred in all research areas in Q1
- During the first quarter of 2013, the EMC issued an RFQ for evaluation of all residential electric and gas programs in Massachusetts for the 2013-2015 program years
- 71 people, including representatives of the PAs, EEAC Consultants, DOER, DPU, NEEP and evaluation contractors, attended the 2013 strategic evaluation planning meeting on 2/25-2/27
- Strategic planning subcommittee of the EMC was formed



Special Focus Topics

- Awards
 - ACEEE Recognizes Exemplary Energy Efficiency Programs, including all PAs in various categories
- Residential Barriers Working Group
 - RBWG met for the first time on March 27, 2013 with representatives from various stakeholders
 - Meeting was held to discuss the proposed methodology to choose towns for Efficient Neighborhood+ (with a focus on 1-4 family homes that are not qualified for low-income services) as well as the proposed incentive structure among other program design considerations
- Community Activities
 - Many new and ongoing community activities all throughout the Commonwealth

Special Focus Topic: Stakeholder Engagement Process





Stakeholder Engagement- Goal

- Goal of development of Stakeholder Process was to provide clear and defined avenues for customers and stakeholders to:
 - put forth new program concepts that they wish the PAs to consider
 - provide comments and suggestions based on their experience with existing programs
 - make tangible proposals for contracting or partnering with the PAs in program delivery



Stakeholder Engagement - Overview

- **Historic Channels of Communication**
 - PAs have historically had several channels through which third party stakeholders and the PAs could interact (open houses, informal speaking engagements, and ad hoc communications, MTAC, EEAC)
- **Updated, Formalized Channels of Communication**
 - Stakeholders have sought additional, more formalized channels of communication with the PAs, leading PAs to review current channels and best practices in other states
- **New Formal Unsolicited Proposal Process**
 - Based on review, PAs have now developed a common process and guidelines for stakeholder feedback that ensures consistent and effective responses from the PAs as a collective
 - The new Process sets out a prescribed process for third party feedback and PA response



Stakeholder Engagement- Background Review

- PA review of current and out of state processes intended to determine best practices and to:
 - assess whether MA policies are consistent with those of other leading jurisdictions
 - gain any insights on other approaches to public input and contracting
- PAs conducted independent research and also contracted with E Source
- PAs reviewed historical and recent improvement methods including the market (customers and trade allies), other states, program evaluation, EEAC, Appreciative Inquiry
- Research showed that new Massachusetts Process is similar to requirements in other, comparable jurisdictions and is in keeping with best practices



Stakeholder Engagement- General Process

- Specific, detailed process developed to allow for third-party input and a timeline for review and response
- Process applies to proposals/inquiries from stakeholders, private companies or individuals, non-profits, community groups, associations, local government, etc. that require “significant” PA commitment of funds or personnel
- Stepped procedure to filters applicants and prepare finalists for the quality and content expected in their ultimate work plan
- Process imposes requirement that initiator must address gaps in approved programs and project quantifiable savings
- Project Coordinators selected for each management committee
- Proposal letters will be reviewed quarterly with a pre-set time for PA response



Stakeholder Engagement- Detailed Process

- Applicants develop a “letter proposal” that outlines how their proposed concept might complement the existing PA portfolio of programs. PAs look for concepts that:
 - Demonstrate the potential to acquire verifiable, cost-effective savings at a lesser or commensurate cost compared to program delivery models currently approved by regulators
 - Improve the approved program delivery models, either in market uptake, depth of savings, or cost-effectiveness
 - Fill a market not adequately served by current programs
 - Improve penetration of projects in sub-markets that are of priority to the PAs
 - Test emerging technology that has the likelihood of being reliable and cost-effective in a manner that is complementary to PA priorities
- If proposal includes a request for funding exclusively for one organization (sole sourcing), applicant must provide justification
- Under most circumstances, technology-based proposals are expected to follow the existing MTAC process for evaluating new technologies
- Applicants whose letter proposals are accepted will be asked to develop a full proposal