MA ENERGY EFFICIENCY ADVISORY COUNCIL

→ CONSULTANT TEAM

COMPLEMENTARY AND ALTERNATIVE IMPLEMENTATION MODELS BACKGROUND

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DEFINING THIRD PARTY

- **"Third Party" often describes a delivery model where ratepayer funded efficiency programs are administered/implemented by entities other than utilities**
- **However, PAs regularly rely on third parties to support program design and management**
- **Examples:**
  - Competitive procurement
  - Market segmentation
    - Grocery stores
    - Manufacturing

EXAMPLE: COMPETITIVE PROCUREMENT

- **Per legislation, DPU charged with ensuring efficiency programs utilize "competitive procurement processes to the fullest extent practicable"**
- **PAs use competitive procurement to retain contractors/vendors to perform activities such as:**
  - Assessment/audit Delivery
  - Quality Control
  - Rebate processing
  - Monitoring and evaluation
  - Potential Studies
  - Marketing
  - Engage particular verticals or segments - grocery

EXAMPLE: CUSTOMER SEGMENTATION

- **C&I Customers span the entire spectrum of business types**
- **Serving a diverse and large population requires targeted strategies for reaching certain segments**
- **~2013-2015, NGrid started using a 3rd party program manager to reach grocery customers**
  - EnergySmart Grocer serves national, regional and independent grocers
  - Provides free audits, targeted marketing, and a team of specialized engineering and sales personnel
  - In 2014, total grocer savings was nearly three times the level prior to launching ESG

EXAMPLE: CUSTOMER SEGMENTATION

- **Leidos provides sector-specific services to NGrid and Eversource's largest manufacturer customers**
  - Leidos is a large engineering firm offering specialization in industrial energy efficiency
  - Leidos helps customers identify energy efficiency opportunities and provides project management to support implementation

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THANK YOU

Questions?