



Memorandum

To EEAC
From Eric Belliveau and the EEAC Consultant Team
Date 7 September 2012
Subject Monthly Report – August 2012

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

Highlights from the Advisory Groups

Planning & Analysis Advisory Group

- Continued the review and analysis of the PA-proposed July 2nd Draft Three-Year Plan for 2013-2015. Analyzed PA-proposed savings, benefits, and costs across the PAs, reviewed best practices and best-performing PAs based on the data in the Plan, and reviewed PA responses to Council priorities. Provided additional review comments and briefing information to the Council for its consideration at the August 10th EEAC meeting.
- Continued to meet with the PAs to discuss and consider the key components of the next Three-Year Plans, including savings and benefit goals, key program enhancements and strategies to address the Council's priorities, program costs and cost drivers, customer bill impacts, and performance incentives, with a focus on narrowing remaining differences between the PA proposals and the Council's stated priorities and Resolution. Continued analysis of PA vs. consultant estimates of savings, benefits, program costs, and costs per unit savings for the 2013-2015 Plan.
- Analyzed cost drivers and their impact on 2013-2015 proposed program costs in a joint analytical effort with the PAs. The joint cost driver analysis is expected to be completed in early September, in time to inform the final Three-Year Plans.
- Reviewed and analyzed the 2011 Annual Reports (submitted by the PAs in early August) and 2011 results, based on review of extensive statewide (rolled up) and individual PA data. Compared the 2011 results to the PA-proposed Three-Year Plan for 2013-2015 and to the 2012 MTMs. Prepared summary tables for Council review, and provided a summary briefing on the 2011 Annual Reports and 2011 results to the Council during the August 10th EEAC meeting. This work was more challenging than expected due to late data from one PA and several errors in data provided by the PAs.
- Analyzed the target and earned performance incentives in 2011, based on the results communicated in the 2011 Annual Reports, and considered potential revisions to performance incentives and metrics for 2013-2015. Presented an initial briefing on performance incentive modifications to the Executive Committee, and presented a supplemental briefing focused on potential modifications to the performance incentive mechanism and metrics during the August 10th meeting. Continued analysis and consideration of performance incentive metrics for 2013-2015.
- Reviewed and commented on the PA responses to the EEAC Resolution regarding the July 2nd Draft Three-Year Plan for 2013-2015, which were discussed during the August 10th EEAC meeting.



- Provided analysis and review of issues addressed in the DPU NOI Phase II proceeding, in advance of and following up on the DPU Technical Session on August 16th, regarding the DPU's straw proposal on the regulatory review and approval of performance reports, performance incentives, energy efficiency surcharges, and mid-term modifications.
- Continued analysis of bill impacts for the Three-Year Plan, and participated in the DPU 08-50 bill impacts working group meeting (by phone) on August 16th.
- Reviewed the 2012 dashboard monthly reports from the PAs.
- Provided data, technical assistance, and support for the development of the 2011 Annual Report to the Legislature, including incorporation of the summary results of the PAs' 2011 Annual Reports (submitted by the PAs in early August 2012). The PA data errors noted above also made the completion and final updating of the Annual Report more challenging than expected..

C&I Advisory Group

- Continued analysis of PAs' Three-Year Plan draft and associated screening files.
- Developed template, calculations, and supporting documentation for PAs to use to analyze cost driver impacts on Three-Year Plan costs to achieve. Worked with PAs to analyze cost drivers.
- Teamed with National Grid to develop summary presentation of evaluation results that impact implementation. Presented to PAs at C&I Management Committee meeting.
- Attended Municipal Solid-State Street Lighting Workshop in Boston to advance Street Lighting Efficiency. Met with NSTAR, DOER, and other MA stakeholders to discuss barriers and strategies to overcome them.
- Refined C&I Metrics and created new simplified descriptions for DOER and Council.
- Supported DOER with response to PAs on Codes and Standards Plan.
- Continued to work with Multifamily Working Group to develop seamless integrated delivery model. Provided detailed feedback on lit. review report, recommended focus on whole building and system optimization. .

Residential 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) meeting, with a primary focus on Three-year planning. Provided further comments and recommended edits on draft plans. Developed 'Deeper Savings' tool to assist PAs in planning for and quantifying deeper average savings in residential programs. Communicated with the DOER Residential Team regarding residential sector issues. Participated in weekly EEAC Consulting Team calls and bi-weekly RES Consulting Team coordination calls. Reviewed TRM draft. Developed metrics ideas for 2013. Explored "customer engagement" IT system opportunities as a platform for achieving savings in existing homes.
- **Products:** Provided input into on-going cost driver analysis and reviewed key lighting and appliance measures in the PAs' draft TRM. Participated in conference call with Council Evaluation Consultant (R. Prah) and PA planning staff to reach



agreement on key lighting planning assumptions: gross savings, lifetime, etc. given significant federal lighting standards impacts on lighting savings. Attended Lighting and Appliance Working Group meeting on August 23 (cross-billed with clients in RI). Discussed PAs' plans to participate in TopTen in 2013 and provided feedback on PAs' 2013-2015 program planning assumptions: incentive levels, unit numbers, etc. Reviewed ENERGY STAR's recently released clothes dryer specification and engaged Super-Efficient Dryer Initiative (SEDI) on possible participation by PAs in southern New England. Continued to provide input on soon to be completed onsite lighting evaluation that showed little net gain in CFL socket saturation despite fairly aggressive PA program efforts.

- **HVAC:** Provided input into on-going cost driver analysis and reviewed key HVAC and DHW measures in the PAs' draft TRM. Reviewed draft HES impact evaluation report, focusing on lighting and HVAC measures. Discussed with PAs whether the proposed significantly reduced thermostat savings should also apply to this same measure in HEHE program. Provided input on this to inform cost driver analysis. Participated in NEEP HPWH webinar and provided feedback on draft NEEP HPWH Strategies report (HPWH efforts cross-billed with clients in CT and RI).
- **RNC:** Participated in the Residential New Construction working group meeting and discussions on 2013 program set-up and launch.
- **Codes & Standards:** Reviewed and discussed PA's most recent codes and standards proposal. Provided feedback to DOER (through Optimal) on recommendations for next steps.
- **Low Income:** Reviewed and commented on proposed initiative design for the Three Year Plan. Participated in the Low Income Best Practices working group meeting and Three Year planning discussions

Evaluation, Measurement & Verification Advisory Group

- **EM&V Reports:** Advanced a number of studies in the reporting stage toward finalization, including: residential lighting on-site study; electronics saturation study; HES impact evaluation; C&I whole system literature review; impact evaluation of CLC behavioral phase 2 pilot; job creation study; and EM&V Forum net savings study.
- **EM&V Implementation:** Moved forward a number of newer studies in the detailed planning and/or implementation stage including: C&I Upstream Lighting impact evaluation; Fall 2012 Umbrella Marketing follow-up surveys; Residential Lighting Upstream interviews; Small C&I Billing Analysis; Residential New Construction NTG study; Assessment of Home Performance Contractors in the HES Program memo; HES Net-To-Gross impact evaluation; Large C&I Custom Motors, Refrigeration and Other Measures impact evaluation; C&I Boiler Baseline Study; C&I Gas Custom and Prescriptive Impact Evaluations.
- **EM&V Planning:** Worked with the PAs on the development of several potential new studies in the Residential Retrofit research area. Worked with EM&V Forum staff on initial 2013 planning activities. Attended August EMC mtg.
- **TRM:** Reviewed and critiqued PAs' application of EM&V results to the 2013-2015 plan version of the TRM.
- **EM&V Policy Issue:** Monitored and provided input into EM&V-related policy issues such as the DPU savings basis process and order 11-120; codes and standards attribution process; 2013-2015 plan cost-drivers analysis; recent direction from FERC regarding FCM precision requirements; and the issue of retrospective application of residential NEBS results in the 2011 Annual Reports.



- **EM&V Forum Studies:** Provided input into ongoing EM&V Forum studies, including the incremental cost and VSD load shape studies.

Upcoming Activities

The sections below detail expected project efforts in the coming month. A two-month calendar of significant milestones and events appears after the Advisory Group summaries.

Planning & Analysis Advisory Group

Three-Year Plan activities continue to be the major focus of nearly the entire Consultant Team, including the Planning & Analysis Advisory Group. Some of the specific tasks we anticipate are:

- Continue analysis for the development of the 2013-2015 Three-Year Plan. Conduct additional analysis and draft additional comments for review and consideration by the Council. Prepare briefings and presentations for Council consideration at the September 11th, September 27th, and October 16th EEAC meetings. This will be the primary Planning & Analysis task during September through mid-October.
- Continue meeting with the PAs to discuss and consider the key components of the next Three-Year Plan, including savings and benefit goals, key program enhancements and strategies to support the Council's priorities, program costs and cost drivers, bill impacts, and performance incentives. Focus on narrowing remaining differences between the PA proposals and the Council's stated priorities and Resolution.
- Complete the analysis of the key drivers of program costs in a joint effort with the PAs (expected to be completed in early September), and report the results of the cost driver analysis to the Council.
- Analyze options and approaches for performance incentives, the overall incentive amount, the performance incentive mechanism details, and potential performance incentive metrics for the next Three-Year Plan. Provide a supplemental briefing to the Council in September on performance incentives and potential options for modifications.
- Follow up on the analysis of the 2011 Annual Reports and 2011 results, as one source of information on actual performance, to inform the 2013-2015 Plan.
- 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 any additional discussions or follow up as directed, including in future technical sessions or in meetings with the PAs and others. (The DPU Technical Session on the implementation of multi-year, market-focused approaches to determining net savings, originally scheduled for September 7th, was postponed and will be rescheduled.)
- Support the EEAC, as directed by the Council, in its review and analysis of the DPU NOI Phase II order, regarding the DPU's straw proposal on the regulatory review and approval of performance reports, performance incentives, energy efficiency surcharges, and mid-term modifications.
- Continue participation in the DPU 08-50 bill impacts working group.
- Participate on behalf of the Council in any other DPU 08-50 processes, as scheduled and as assigned.
- Review, compile, and comment on 2012 quarterly reports and the dashboard monthly reports and trends.



- Analyze progress towards full incorporation of the key building blocks for accomplishing the goals of the Three-Year Plans to achieve deeper savings and other key Council priorities.

C&I Advisory Group

The C&I Advisory Group remains focused on working with the PAs on revising the Three-Year Plan drafts to support advancement of Council Priorities and achievement of proposed goals. In addition, the Group will be working with PAs to address several recent issues identified by the Council and/or Stakeholders, including:

- Continued work with DOER and the PAs on a process to apply and claim savings from codes and standards
- Outlining a process that standardizes the collection of stakeholder input across markets and from a variety of market actors
- Working with the PAs on finalizing and applying performance metrics to the Three-Year plan targets
- Continued work on ascertaining the effects of codes and standards, evaluation results, and market maturity on sector level costs in the Three-Year plan horizon
- Continued work with the PAs on the design of the Multifamily program to improve integration and seamless delivery

Residential Advisory Group

The Residential Advisory Group will continue to work with the PAs on Three-Year Planning efforts and to provide feedback on proposed initiative designs, savings and budgets. Additional market-specific efforts will include the following.

MA EEAC



CONSULTANT TEAM

- **General:** Continue important planning discussions with the PAs at the Residential Management Committee (RMC), including on 2013 metrics, deeper savings, LED lighting, and Behavior-Feedback strategy in preparation for final draft of Three Year Plan.
- **Products:** Review of September draft plan. Continue work with Council Evaluation (R. Prah) and C&I (G. Arnold) Consultants to develop Three-year Plan lighting measure and program assumptions that fully address federal lighting standard impacts. Continue work with Council evaluation consultant to better understand the smaller than expected increase in CFL socket saturation derived from recent onsite surveys and develop appropriate three-year Plan program response. Continue to work with PAs, NEEP, D&R, and Council evaluation consultant (R. Prah) to implement market lift model (implementation date delayed until late 2012/early 2013).
- **HVAC:** Review of September draft plan. Continue to work with the PAs, NEEP and other regional stakeholders on build the market for HPWHs. Continue to work with C&I Consultants and PAs to develop upstream HVAC implementation model and to further residential gas-electric integration.
- **HVAC Training:** The PAs are assessing the need for additional Cool Smart QIV training in September as well as possible duct design classes in October. The demand for the additional QIV classes is being driven in part by HEAT Loan requirements that financed central air conditioner and heat pump installations receive QIV. GasNetworks is holding their 12th Annual Heating Professionals Fall Conference on September 20 in Randolph. There will be classes on ducts and ECM fans.
- **Codes & Standards:** On-going dialogue and review of PA's proposed options, plans and next steps.

EM&V Advisory Group

- In September we expect to be increasingly focused on implementing in-progress Wave 3 studies (those being performed between mid-2012 and mid-2013), and on developing some additional Wave 3 studies. We also expect to finalize the last few Wave 2 studies scheduled for inclusion in the Three-Year Plan filing. We also anticipate working on needed follow-up to the DPU 11-120 order. Lastly, we expect to largely complete work on the 2013-2015 Plan version of the TRM.



September 2012

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3	4	5	6	7	8 Cooling Equipment Sizing Training for contractors
9	10	11 EEAC Meeting	12	13	14	15
16 Cooling Equipment Sizing Training for contractors	17 Draft Three-year Plan Due	18	19	20 RNC HERS meeting, Cambridge	21	22 Cooling Equipment Sizing Training for contractors
23	24	25	26	27 EEAC Meeting	28	29
30						



October 2012

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
1	2	3	4	5
8	9	10 EEAC Executive Committee Meeting	11	12
15	16 EEAC Meeting	17	18	19
22	23	24	25	26
29	30	31		