

Massachusetts Energy Efficiency Advisory Council 2016 Priorities

January 20, 2016

2016 is the first year of implementation of the 2016-2018 Three-Year Plan, and the Energy Efficiency Advisory Council (“Council”) has set specific priorities that support its overarching interest that Massachusetts’ energy efficiency and demand reduction goals are met equitably and cost-effectively. Additional priorities and focus areas may arise throughout the year, but the Council has set the following key priorities for 2016.

1. Monitor progress and provide input into priority commitments and new program initiatives included in the October 26, 2015 Council Resolution and the 2016-2018 Three-Year Plan.

The Council recognizes that the 2016-2018 plan calls for continuation and improvement upon existing offerings, as well as new initiatives and program delivery strategies, including several that were highlighted in the October 26, 2015 Council resolution. To ensure that these programs are successful in meeting savings and benefits goals, and to learn from the experiences of the Program Administrators (“PAs”), the Council will ask that the PAs share regular updates with the Council about successes, challenges, barriers, and lessons learned from the design and implementation of those initiatives, including:

- Demand savings and peak demand reduction;
- Home Energy Services expansions including the renter initiative and the moderate income initiative;
- Multifamily initiative;
- Commercial and Industrial (“C&I”) program approaches for Combined Heat and Power installation, segment-specific approaches (especially for small and mid-size commercial), LED streetlight conversions and strategic energy management.

2. Assess results of the 2013-2015 Three-Year Plan and integrate lessons learned into the execution of the 2016-2018 Three-Year Plan.

Meeting the savings goals in all sectors in the 2016-2018 Three-Year Plan is of paramount importance to the Council. The PAs’ implementation of the 2013-2015 Plan is projected to be successful in meeting or exceeding the three-year portfolio level goals, and in the goals for the residential and low income sectors. However, the statewide C&I savings targets have not been met in 2011-2014 and are not projected to be met in 2015. It is a priority of the Council for the PAs to assess any missed opportunities and take lessons learned from the previous plans’ implementation to continue the success in meeting the goals in the residential and low income sectors and meet or exceed the C&I goals in 2016-2018.

3. Encourage innovation in technology and program models to capture additional opportunities for savings and cost-effectiveness while improving equitable customer access to energy efficiency programs.

In order for the PAs to capture additional savings, enhancing program cost-effectiveness, meet the goals of the 2016-2018 three year plan, advance programmatic consistency and equivalency, provide equitable service for customers across the Commonwealth and continue providing nation-leading energy efficiency programs, the PAs will have to continue to focus on innovation and improvement in the programs. In 2016, the Council will work with the PAs to focus on innovations including but not limited to:

- Segment-specific approaches for small business and mid-size commercial customers;

- Potential enhancements to program approaches such as pay-for-performance and strategic energy management;
- Demand savings and peak demand reduction;
- New technology integration.

4. Advance transparency, availability and effectiveness of data and information to assess and improve Energy Efficiency Programs.

The Council reconfirms the need for comprehensive statewide data on the PAs' energy efficiency programs. The Council will work with the PAs to ensure that publicly available data on the implementation of the three-year plan can be used to support continuous program improvement. In 2016, the Council will focus on:

- Specific metrics as called out in the October 26 Council resolution needed to assess new program offerings, including initiative participation rates;
- The timely release of the online Technical Resource Library that reflects the existing Technical Reference Manual
- Complementary reporting of data and evaluation factors in the various PA reports, including consistent accounting for all participant incentives at the measure level and C+I reporting that includes measure names and quantities for each reported measure, including LED streetlight conversion, so that more consistent review of program implementation is possible
- The format and content of the Quarterly Reports and presentations provided by the PAs to ensure that the report is presented concisely and is useful for the PAs and Council;
- EM&V studies and how the feedback from EM&V reports is feeding back into program implementation efforts.

5. Identify opportunities for the Council to anticipate a changing grid that supports distributed resource investment, active demand response and planning in a manner that decreases costs, increases resilience and reliability, supports innovation, and improves both the environment and the economy.

The Council will, within its statutory mandate, assess potential ways that energy efficiency is impacted by larger energy systems issues, some of which are currently being addressed in other forums and dockets. In early 2016, the Council will call upon its consultants to develop a research plan, grounded in energy efficiency matters consistent with the Council's mandate, covering timely and appropriate areas for the Council to address, such as:

- The intersection of energy efficiency with other customer-side resources occurring on the grid, such as distributed energy resources and energy storage, and the resulting challenges and opportunities for energy efficiency planning;
- The impact of expanding uses for electricity that benefit customers and society but may increase electric use;
- The impacts of "grid modernization" components, such as microgrids, district energy systems, advanced metering infrastructure and the value of the timing of energy use on energy efficiency and energy efficiency equity;
- The potential for geographically targeted deployment of efficiency and other customer-side resources and how this can address local needs, produce system benefits and avoided costs;
- Optimizing Massachusetts' grid and energy system through integrated energy efficiency and district planning.