

Memo

To: **EEAC**
From: **Eric Belliveau and the EEAC Consultant Team**
Date: **August 13, 2015**
Subject: **July Monthly Report**

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

SUMMARY OF MAIN TASKS COVERED IN EACH SECTION OF THE REPORT

EM&V

- Refining the first draft of a Strategic Evaluation Plan (SEP) for 2016-2018
- Advancing toward completion 25-30 studies currently in the implementation stage
- Providing EM&V input on processes and deliverables including review of the April 30 Three-Year Plan filing, the goal setting process, the cost drivers analysis, and the savings accounting methodology for codes and standards support efforts in 2016-2018
- Working on a new Residential EM&V RFP to select one or more new residential EM&V contractor teams for the next three years

PLANNING & ANALYSIS

- Preparing for, attending, and providing technical support for the EEAC and ExCom meetings
- Reviewing and analyzing the PAs' April 30 Draft Plan for 2016-2018
- Reviewing and analyzing the "key drivers" of the differences in savings and costs between the PA Draft Plan and the Consultant analysis, and making adjustments to the Consultant savings analysis
- Reviewing the actual results in the 2014 Plan-Year Reports, and assessing the implications for the inputs and assumptions for the 2016-2018 Plan
- Drafting EEAC comments and resolutions on the PA-proposed Mid-Term Modifications (MTMs)

RESIDENTIAL AND LOW INCOME

- Reviewing key drivers for the 2016-2018 Plan, including meeting with PAs, continuing research and analysis, preparing and revising savings and cost assumptions, and preparing updates to DOER and the Council
- Coordinating with EM&V Advisory Group members to provide input on and determine implications for implementation of a variety of EM&V research efforts, including those related to HES and HEAT Loans, boilers, behavior, lighting, and ductless minisplit heat pumps

COMMERCIAL AND INDUSTRIAL

- Reviewing key drivers for the 2016-2018 Plan, which is focused on understanding and resolving the differences between the PAs and the Council/Consultants with respect to savings and costs
- Participating in a feedback session with Associated Industries of Massachusetts and members
- Providing some lessons learned and highlights from a Canadian C&I gas program
- Researching content for and writing a memo on improving energy productivity

TECHNICAL SERVICES

- Continuing regular administrative functions, including EEAC meeting minutes and website maintenance and document uploads

EVALUATION, MEASUREMENT & VERIFICATION

Oversee EM&V Planning

The Group continued to work with the PAs on the final draft of the 2016-2018 Strategic Evaluation Plan (SEP). Activity in July focused on reaching consensus and finalizing the details for a large number of individual studies that have been proposed for the first half of the 2016-2018 program cycle. Write-ups on many of these individual studies will be included in the final draft of the SEP. Because the SEP is primarily an overall strategic document, it is not the intention that all individual studies to be performed in the 2016-2018 period will be specifically written up in the plan. Rather, individual study write-ups are expected to focus on those studies to be performed early in the cycle.

The Group also worked with the PAs on the detailed scoping of several studies that are about to move into the implementation stage, including a third phase of the PA Differences study and a study of C&I lighting market effects.

Oversee EM&V Study Implementation

The Group advanced toward completion roughly 25-30 studies currently in the implementation stage. A few examples include the following studies: C&I On-Site and Market Share; C&I Custom Gas impact; Minisplit Field Monitoring; and Residential Single-Family New Construction Baseline and Code Compliance study.

Oversee EM&V Reporting

July proved to be another active month for final EM&V reports. Reports were finalized for the following projects: C&I code compliance study, C&I gas NTG study, behavioral programs process evaluation, EN+ incremental cost study, top-down NTG tire-kicking study, CoolSmart incremental cost study, and HES program delivery study. In addition, the Group reviewed and commented on the following draft reports in July: C&I compressed air measures impact evaluation, C&I chiller impact evaluation, C&I custom gas impact evaluation, C&I gas setback thermostat impact evaluation, residential lighting overall net-to-gross report, LED incremental cost study, and residential lighting market adoption model. Finally, the group also reviewed and commented on a draft evaluation report on the results of DOER's NEST Seasonal Savings pilot.

EM&V Policy Issues

The Group provided EM&V input into a number of broader processes and deliverables, including review of the April 30 Three-Year Plan filing, the cost drivers analysis, and the savings accounting methodology for codes and standards support efforts in 2016-2018. The Group also continued working with the PAs on the development of savings parameter assumptions to be included in the next draft of the Three-Year Plan. Lastly, the Group continued to work with the PAs and the EM&V Forum on a pilot effort aimed at eventual regional standardization of summary impact reporting for regulatory agencies.

Miscellaneous Activities

The PAs and the EEAC EM&V Consultants neared the completion of work on a new Residential EM&V RFP. This RFP, which is expected to be released soon, will be used to select one or more new residential EM&V contractor teams for the next three years.

PLANNING AND ANALYSIS

In July 2015, the Planning and Analysis (P&A) Advisory Group focused on the primary tasks described below to support the effective implementation of the key components of the 2013-2015 Three-Year Plan, and to assist with the development of the next Three-Year Plan. The Group's primary tasks were the continued review of the PAs' April 30 Draft Plan, analysis of the "key drivers" of the differences in the savings goals and costs between the PA Draft Plan and the Consultant analysis, and drafting EEAC resolutions on several PA-proposed Mid-Term Modifications (MTMs).

Participate in EEAC Meetings; Brief and Support the Council

The P&A Advisory Group prepared for, attended, and provided technical support during the meetings of the EEAC and ExCom during the month. The Group coordinated with DOER as chair of the Council on a weekly basis, and briefed individual Councilors in advance of the EEAC meeting and during the month. The substantive issues and outcomes are summarized in the task descriptions below. EEAC Meeting and Council support is on-going and is a regular monthly task area.

Support the Council on Regulatory Issues and DPU Proceedings

The P&A Advisory Group reviewed ten proposed MTMs from three PAs – seven from National Grid Gas and one each from Eversource, Liberty, and Unitil. The Group analyzed the MTMs, clarified issues with the PAs as necessary, and drafted the EEAC comments and two resolutions on the MTMs, which were reviewed and supported by the EEAC at the July 14th meeting.

Provide Technical Analysis

The P&A Advisory Group continued review of the final 2014 actual results reported in the 2014 Plan-Year Reports, filed by the PAs in early June, and assessed the effects and implications of the final results for the inputs and assumptions to be used in the 2016-2018 Plan. Overall, as summarized at the July EEAC meetings, the final evaluated savings for 2014 were higher than the Q4 quarterly report preliminary savings reviewed in February, which resulted in increased savings in the Consultant analysis of savings goals for the 2016-2018 Plan. Note that the 2014 achieved savings, as actual in-the-field achieved results, were a primary input to the Consultant analysis.

The P&A Advisory Group reviewed and commented on PA analysis of net vs adjusted gross savings, and the strengths and limitations of each, for potential use in reporting for the Clean Energy and Climate Plan (CECP).

Input and Analysis for the 2016-2018 Three-Year Plan

The P&A Advisory Group continued the review and analysis of the Draft 2016-2018 Plan prepared by the PAs and received on April 30. As part of the review, and collaborating with the PAs, the Group analyzed the “key drivers” that account for and cause the differences in savings and costs between the PA Draft Plan and the Consultant analysis. The Consultants made adjustments to the inputs and assumptions in the Consultant savings estimates due to the key drivers analysis including through coordinated analysis with the PAs, and the final results for 2014 in the Plan-Year Reports plus other recent evaluations or field results. Much of the key drivers work in July was focused on the savings. The key drivers analysis in August will focus more on the costs and cost to achieve. This collaborative work with the PAs on key drivers is expected to identify and hopefully close or at least narrow the differences. The Consultants presented updates and results to date during the July 14th and 21st EEAC meetings.

The Group coordinated and compared notes with the PAs on other cross-cutting Plan topics, including demand savings, demand response, and costing periods for cost-effectiveness analysis (winter and summer, on and off peak), and compared notes through the AESC work group on the alternative costing periods. The P&A Group considered peak demand reductions for possible inclusion in the savings framework and future Term Sheets for the 2016-2018 Plan. The Group also reviewed past effectiveness performance incentives of and explored options for performance incentives for the 2016-2018 Plan.

RESIDENTIAL AND LOW INCOME SECTORS

In July, the Residential Advisory Group’s continued primary focus was on 2016-2018 planning activities, particularly the key drivers process. This work is described more fully below.

Input and Recommendations for the 2016-2018 Plan

The key drivers process continued to be the main focus of the Residential Advisory Group’s work in July. Group members and the PAs met several times in July to continue discussions and exchange information. The Group used this information and additional research to develop detailed retail lighting savings, incentives, and program cost scenarios; updated Consultant Team savings estimates for the HES and Behavior initiatives; conducted

targeted discussions with and made information requests to individual PAs; reviewed PA cost drivers; and developed Consultant Team initiative and program level cost drivers and budgets. The Group contributed to the Consultant Team's memos and presentations to the Council in July, which included updates on savings goals and the status of discussions with the PAs. The key drivers work will continue into August, with increased focus on cost drivers and recommended cost rates.

Home Energy Services

Residential Advisory Group members met with EM&V group members to discuss issues raised in the HES and HEAT Loan Program Delivery Assessment evaluation and implications for program implementation. This evaluation was recently finalized and the Group intends to closely review the final document and conduct additional discussions with the PAs on the report's recommendations. The Group also began to investigate a revised interpretation of the building code regarding attic insulation that has significant implications on PA budgets with little savings benefit. The Group will continue this work in August.

Residential Products

In addition to the Products Program work associated with the key drivers process, the Group also met by telephone with representatives of DOER and the PAs to discuss support for ductless minisplit heat pumps, which will be informed by an in process evaluation including metering of this equipment. The Group also reviewed and commented on the PAs' Lighting Market Adoption Model and provided support to the EM&V Group on issues related to evaluation of gas boilers.

COMMERCIAL AND INDUSTRIAL

Input and Analysis for the 2016-2018 Three-Year Plan

This task accounted for most of the C&I focus in July. Significant time was spent working through the key driver process to refine assumptions about savings and costs. The Consultants did research in these areas, organized and led calls and meetings with the PAs, and kept the DOER informed through e-mails and calls. The Consultants also participated in a meeting organized by the Associated Industrial of Massachusetts to discuss issues with AIM members and receive feedback.

Approaches for Increasing Energy Productivity

The C&I Advisory Group continued research on behavioral and Strategic Energy Management/Continuous Energy Improvement programs, worked to better understand the SEMP/MOU process as implemented in Massachusetts, and continued writing a forthcoming memo on this topic.

Incorporate Feedback from EM&V into the Programs

The C&I Group provided an overview to the CIMC on a recent audit done by Optimal Energy of a Canadian C&I gas program. The intent of the overview was to provide information about how another successful gas program was achieving savings, to share innovative approaches to the market, and to highlight some successful measures and projects.

Comprehensive Segment Strategies

The C&I Group participated in CIMC meetings and calls.

TECHNICAL SERVICES

Produce Minutes from all EEAC Meetings

The Consultant Team is charged with producing draft and final meeting minutes for each EEAC monthly meeting. The Team produced draft minutes for the July 14 and July 21 EEAC meetings and forwarded them to the EEAC Chair. The EEAC Chair reviewed the minutes and had them posted on the EEAC website. The EEAC approved June 29 meeting minutes at their July 14 meeting. These minutes along with all documents and presentations

distributed at the July 14 and 21 meetings have been posted on the EEAC website at <http://ma-eeac.org/july-14-eeac-meeting/> and <http://ma-eeac.org/july-21-eeac-meeting/>.

EEAC Website Upgrades, Revisions & Maintenance

Consultant Team staff continue to manage the updated website on a day-to-day basis. In July, this included posting materials for the July 14 and July 21 EEAC meetings and other meetings that occurred during the month.

For the month of July 2015 there were:

- 2,640 sessions
- 1,686 unique users: 54.3% new visitors and 45.7% returning visitors
- 6,213 page views with an average of 2.3 page views per session

Produce the Annual Report to the DPU and Legislature

In July, the Consultant Team developed content and data tables for a draft of the 2014 Annual Report. The Team received several case studies from the PAs for inclusion in the report.