

# UPDATE ON 2016-2018 PLAN KEY DRIVERS ANALYSIS

► July 14, 2015

# INTRODUCTION



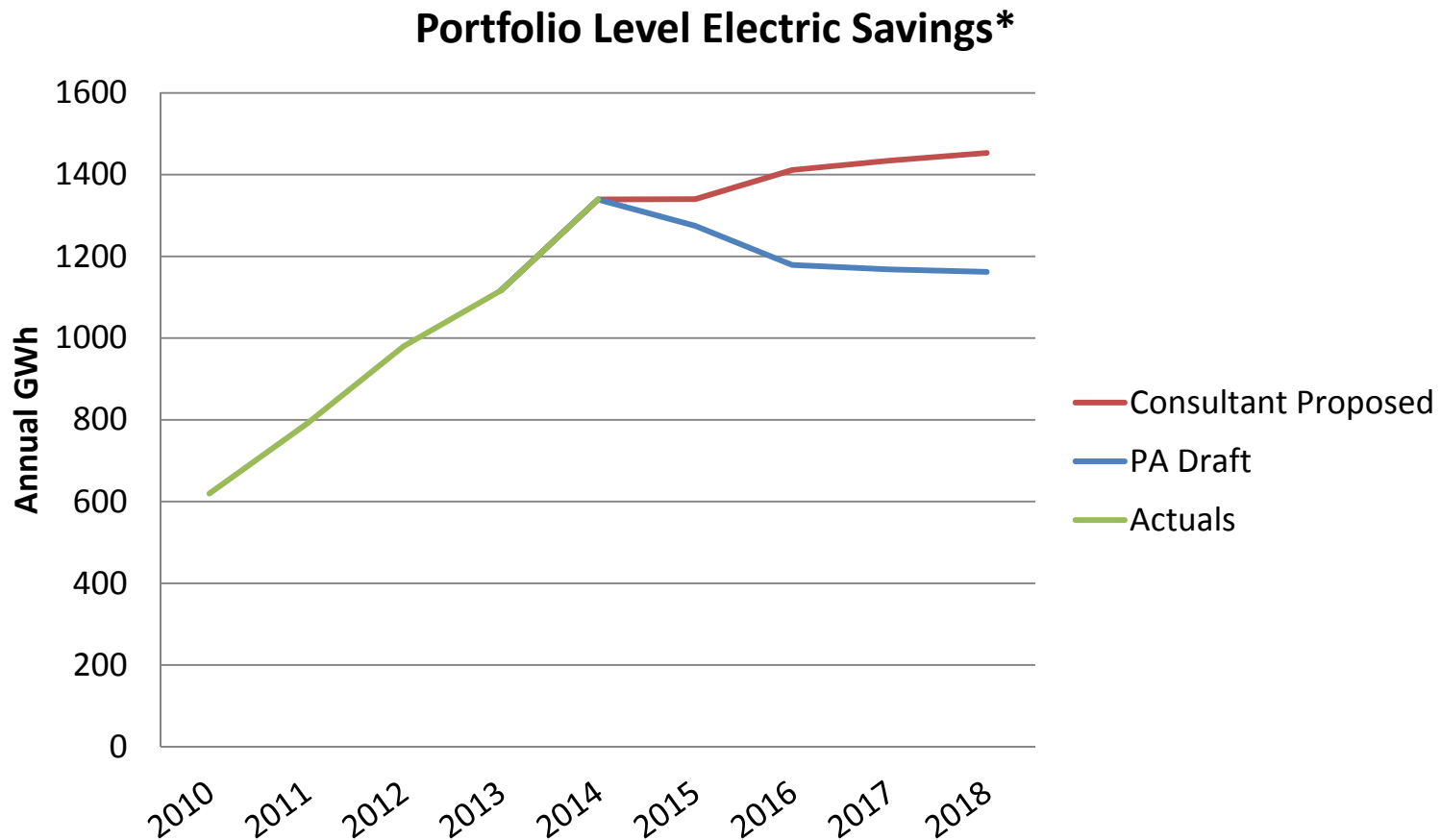
- ▶ **A comparison of the PA Draft Plan and Consultant goal projections identified significant differences**
- ▶ **Consultant Team has been working with the PAs and other stakeholders to explore the main differences**
- ▶ **Consultant Team revised our analysis to reflect updated assumptions and 2014 PYR results**
- ▶ **Additional analysis and conversations are on-going**

# SUMMARY



- ▶ **Completing the *savings* side of the key drivers analysis, turning attention to the *costs***
- ▶ **A significant gap exists although some narrowing of the gap is probable**
- ▶ **PAs--no formal position changes yet**
- ▶ **Few discrepancies on measure level attributes—unit savings, TRM values**
- ▶ **Difference is in the number and mix of installations**
- ▶ **Final memo for the August EEAC meeting**

# PA VS. CONSULTANT ELECTRIC SAVINGS TRAJECTORIES



\* Graph represents 2014 PYR data and Consultant 2016-18 savings trajectory as of June 29

# CONSULTANT TEAM RESIDENTIAL SAVINGS GOALS

## ► Electric

Year	Annual Savings as a % of Sales (Original)	Annual Savings as a % of Sales (Revised)
2016	3.38%	3.64%
2017	3.47%	3.73%
2018	3.55%	3.83%

## ► Gas

Year	Annual Savings as a % of Sales (Original)	Annual Savings as a % of Sales (Revised)
2016	1.52%	1.56%
2017	1.71%	1.74%
2018	1.82%	1.82%

# CONSULTANT TEAM C&I SAVINGS GOALS

## ► Electric

Year	Annual Savings as a % of Sales (Original)	Annual Savings as a % of Sales (Revised)
2016	2.82%	2.56%
2017	2.86%	2.81%
2018	2.91%	3.08%

## ► Gas

Year	Annual Savings as a % of Sales (Original)	Annual Savings as a % of Sales (Revised)
2016	1.13%	1.06%
2017	1.12%	1.05%
2018	1.14%	1.05%

# CONSULTANT TEAM PORTFOLIO SAVINGS GOALS

## ► Electric

Year	Annual Savings as a % of Sales (Original)	Annual Savings as a % of Sales (Revised)
2016	2.98%	2.90%
2017	3.03%	3.09%
2018	3.09%	3.29%

## ► Gas

Year	Annual Savings as a % of Sales (Original)	Annual Savings as a % of Sales (Revised)
2016	1.38%	1.37%
2017	1.47%	1.46%
2018	1.54%	1.49%

# SAVINGS GAP FROM KEY DRIVERS ANALYSIS TO DATE

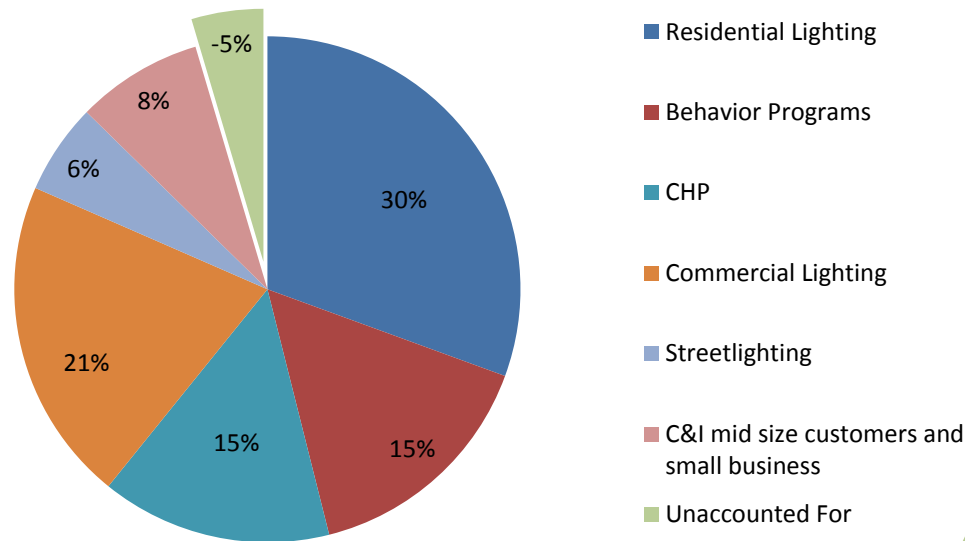
Driver	Difference (GWh)	% of Total GWh Difference*	Difference (Million Therms)	% of Total Therm Difference*
Residential Lighting	280	34%		
Behavior Programs	142	17%	7	28%
Home Energy Services (Gas)			4	16%
Res Heating/Water Heating (Gas)			1	4%
CHP	135	16%		
Commercial Lighting	190	23%		
Streetlighting	53	6%		
Mid size and Small Business Customers	74	9%	2	8%
<b>Total</b>	<b>874</b>	<b>105%</b>	<b>14</b>	<b>56%</b>

\*Percentages based on total remaining differences (832 GWh or 25 million therms as denominator). The original savings gap was 750 GWh and 26 million therms.

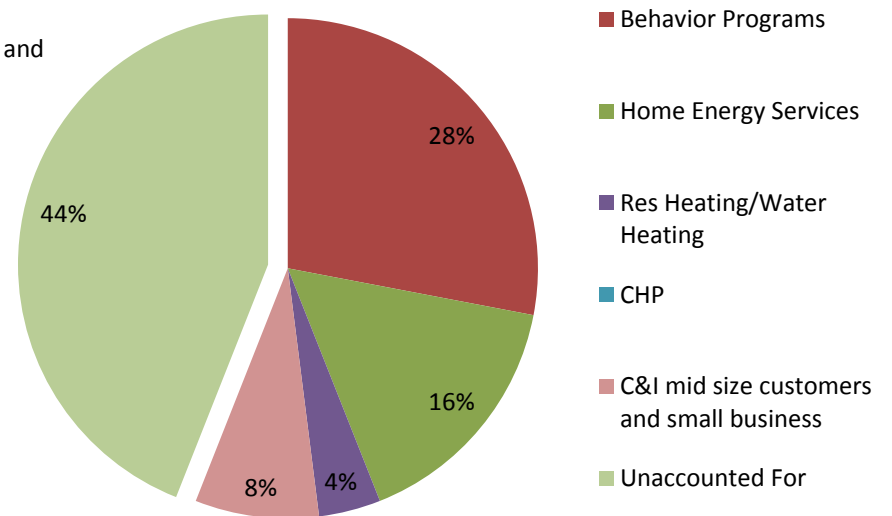


# SAVINGS GAP FROM KEY DRIVERS ANALYSIS TO DATE

## Electric Savings Gap



## Gas Savings Gap



# PORTFOLIO COSTS TO ACHIEVE 2016-2018 (AS OF APRIL 30)

	PA Program Budget (\$Millions)	Consultant Program Budget (\$Millions)	PA Cost/Annual kWh or therm	Consultant Cost/Annual kWh or therm	2013 Actual Cost to Achieve	2014 Actual Cost to Achieve
Electric	\$1,818	\$1,586	\$0.452	\$0.372	\$0.379	\$0.376
Gas	\$623	\$633	\$8.307	\$6.248	\$6.148	\$5.973

- ▶ **The PAs assumed higher costs to achieve than the Consultant Team**
- ▶ **To date, the Consultant Team and PAs have largely focused on the savings gap**
- ▶ **Additional analysis will be done to address differences between the PA and Consultant Team’s assumed costs to achieve**

# THANK YOU

## Questions?

► July 14, 2015

[www.ma-eeac.org](http://www.ma-eeac.org)