

IMPLEMENTATION UPDATE WRAP-UP

Findings and Requested Council Actions

September 9, 2014

OVERVIEW



- ▶ **Summarize results and recommendations for Council action for each of the “Deeper Dives”**
 - Residential Lighting (including some additional review and analysis since June, based on additional data received)
 - C&I Large Retrofit
 - Multifamily

- ▶ **Review key findings, overall recommendations, and requested Council actions**
 - As a “wrap up” of the 2014 Implementation Update effort

RESIDENTIAL LIGHTING DEEPER DIVE: STATUS AND OVERVIEW

- ▶ **June Lighting Implementation Update Findings**
 - LED adoption growing, and stronger than expected
 - LED prices and incentives will continue to decline while efficacy and savings increase
 - LEDs very soon may be less expensive than CFLs on a lifetime savings basis
- ▶ **Recent review and analysis has led to higher Retail Lighting initiative savings (see slides below)**
- ▶ **Drivers of higher Residential Retail Lighting savings**
 - Higher unit numbers
 - More LEDs compared to the Plan
 - Higher Hours of Use (HOU) than estimated in the Plan and in the initial Implementation Update files
- ▶ **Increased consistency in LED direct installation (DI)**
 - Budget constraints in some initiatives

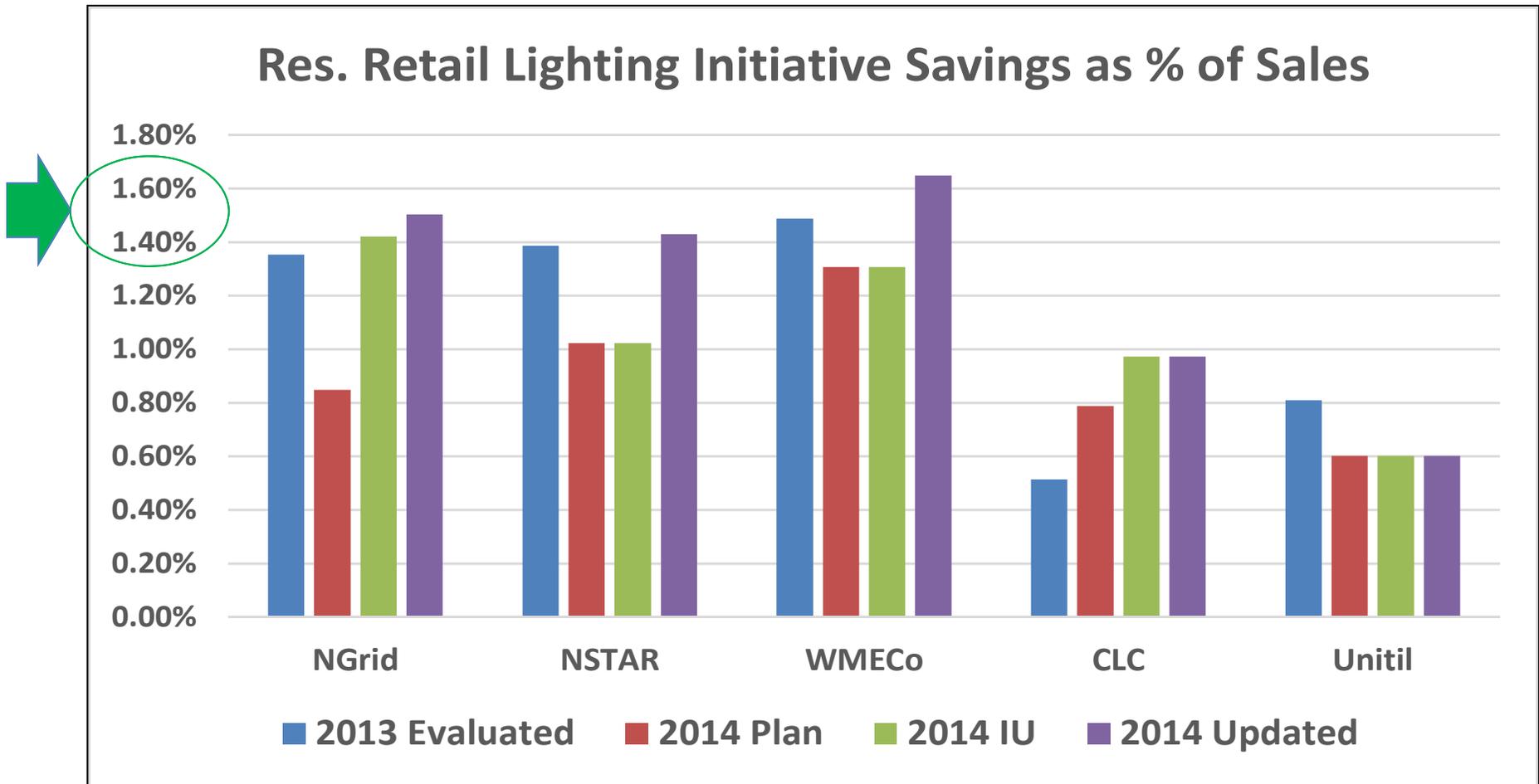
RESIDENTIAL LIGHTING FINDINGS

- ▶ **NGrid, NSTAR, and WMECO are now proposing similar levels of lighting savings (due to the recent adjustments made by these PAs as a result of review).**
 - Residential Lighting initiative savings for these three PAs are now at about 1.4%-1.6% of Residential retail electric sales
 - NGrid savings 77% above 2014 Plan; 5% above original IU
 - NU savings 36% above 2014 Plan; 36% above original IU
 - Three PAs at similar levels of savings and program activity
- ▶ **Adjustments have resulted in an increase in residential lighting savings overall.**
- ▶ **Cost implications of increasing adoption of LED lighting are likely to be small.**
- ▶ **Retail Lighting currently ~20% LEDs.**



CHANGES IN PROPOSED 2014 RETAIL LIGHTING SAVINGS

Most PAs are at nation-leading levels for retail lighting



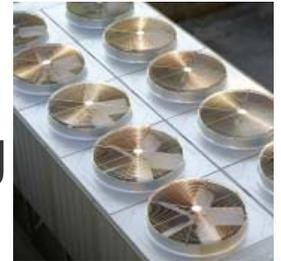
RESIDENTIAL LIGHTING: REQUESTED COUNCIL ACTION

Charge PAs/Consultant Team to:

- ▶ **Promote LEDs, and begin to exit CFL market, starting with certain specialty lamps. Assess a complete CFL exit in programs for the next Three-Year Plan.**
- ▶ **Increase direct installation of LEDs using consistent protocols across initiatives.**
- ▶ **Achieve (in all electric PAs territories) nation-leading Retail Lighting Initiative savings as a percentage of annual residential sales (about 1.4%-1.6% of sales).**
- ▶ **Report to the Council on these actions by November 30, 2014.**

C&I LARGE RETROFIT FINDINGS

- ▶ PA push toward higher C&I savings is good, but unlikely to support full achievement of 2013-2015 goals.
- ▶ New information will be available in late 2014 to refine our assessment of program approaches.
- ▶ PAs lack a systematic mechanism for assessing and adopting new and effective approaches.
- ▶ Without a clear instrument to assess PAs' project pipelines, Consultant Team can't estimate C&I performance relative to goal.
- ▶ Largest C&I projects have 2-3 year development timeframes and should be visible in pipeline data well before completion.



C&I LARGE RETROFIT: REQUESTED COUNCIL ACTION

- ▶ **Charge PAs/Consultant Team to develop and implement a systematic mechanism for assessing new and effective program approaches.**
 - Develop approach (for C&I, Residential, and Low Income).
 - Consultant Team report to DOER liaison monthly on progress.
 - PAs and Consultant Team present mechanism and update on implementation by November 30, 2014.

- ▶ **Charge PAs/Consultant Team to develop a report to provide key indicators on C&I pipeline progress.**
 - Include number of projects and projected savings/project.
 - Cover current and next two years, for all C&I initiatives.
 - Submit draft for the November 2014 Council meeting (parallel to the year-end forecast in the Q3 quarterly report). If Council approves, provide full data set in early December 2014.
 - Consider a variety of indicators.

MULTIFAMILY FINDINGS

- ▶ Program savings generally above goal.
- ▶ Benefits were down relative to planned savings, partly due to lack of funding for oil-heat measures.
- ▶ Oil and propane units not eligible for program funding; making them eligible would yield additional savings.
- ▶ Cross-cutting nature of multifamily retrofit poses unique challenges.
- ▶ Continuous improvements can enhance customer experience and achieve deeper savings.



MULTIFAMILY: REQUESTED COUNCIL ACTION

- ▶ **Charge PAs/Consultant Team to pursue a fully integrated and distinct multifamily effort, and explore establishment of a new multifamily program or sector**
 - Develop a strategy for this action.
 - Consider impact of such action on the Res and C&I program goals and implementation potential in the 2016-2018 Plan, and consider the regulatory and accounting implications.
 - Provide initial report to the Council on the progress and next steps by January 31, 2015.
 - Continue to make improvements to existing residential multifamily and C&I retrofit initiatives in the meantime.
 - Provide updates on such in-the-meantime efforts in the PAs' quarterly reporting to the Council and DPU.

KEY FINDINGS BASED ON INITIAL REVIEW OF IMPLEMENTATION UPDATE*

- ▶ PAs can meet or exceed 2013-2015 Three-Year Energy Efficiency Plan goals.
- ▶ Collectively, PAs are expecting to fall short of the 2013-2015 Three-Year Plan C&I sector goals.
- ▶ Some PAs propose reallocating C&I savings to the residential sector and Large C&I Retrofit to Small C&I.
- ▶ Residential and C&I forecasted achievements vary significantly across the PAs.
- ▶ Anticipated adjustments and reallocations proposed by the PAs result in higher total portfolio costs.

* From April 2014 EEAC Consultant presentation

KEY FINDINGS: REQUESTED COUNCIL ACTION AND SUPPORT

- ▶ **PAs should meet or exceed the 2013-2015 three-year goals.**
 - The programs are making important progress in some areas, which confirms that the goals are achievable
 - Some PAs are achieving or exceeding some of the goals, but all PAs should achieve the goals
- ▶ **Achieve Residential, Low Income, Small C&I, and C&I New Construction savings at or above the goals, and achieve C&I Large Retrofit savings at or closer to goals.**
 - Higher savings in these sectors, programs, and initiatives should be used to make up for past shortfalls toward the three-year goals, but not as a way to reduce expectations about C&I Large Retrofit performance
 - PAs need to reverse C&I underachievement and underspending to achieve at or closer to the C&I goals

WRAP-UP OF DEEPER DIVES: KEY REQUESTED COUNCIL ACTIONS

- ▶ **Increase direct installation of LEDs, and assess exit of CFLs from programs for 2016-2018**
- ▶ **Achieve nation-leading Retail Lighting initiative savings as a percentage of annual residential sales (about 1.4%-1.6%)**
- ▶ **Develop and implement a systematic mechanism for assessing new and effective program approaches by November 30, 2014**
- ▶ **Develop a report to provide key indicators on C&I pipeline progress by early November 2014**
- ▶ **Pursue a fully integrated & distinct multifamily effort, and explore establishment of a new multifamily program or sector by January 2015**

QUESTIONS?

▶ **September 9, 2014**

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