

Memo

To: **EEAC**
From: **Eric Belliveau and the EEAC Consultant Team**
Date: **May 14, 2015**
Subject: **April 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

- Working on three public presentations to disseminate results of recent EM&V final reports
- Completing the first draft of a Strategic Evaluation Plan (SEP) for 2016-2018
- Advancing 25-30 studies currently in the implementation stage and finalizing and posting approximately 28 reports on the Council's website
- Providing EM&V input on processes and deliverables including the goal setting process, the statewide analysis of savings potential, and review of the April 30 Three-Year Plan filing

PLANNING & ANALYSIS

- Preparing for, attending, and providing technical support for the "Extraordinary" EEAC meeting on April 23
- Developing and analyzing preliminary savings goals, estimated costs, and bill impacts for the 2016-2018 Plan and preparing a memo based on preliminary analysis by the Consultants
- Analyzing and applying the final results of the 2015 regional avoided costs (AESC) study for the Massachusetts programs in 2016-2018, coordinating with the PAs
- Reviewing the PAs' April 30 Draft Plan

RESIDENTIAL AND LOW INCOME

- Conducting various activities in support of the Consultant Team's residential and low income sector goal recommendations
- Providing comments on the draft HES/HEAT Loan evaluation
- Supporting Council recommendations to increase services for renters and moderate income customers by researching innovative approaches from other program administrators

COMMERCIAL AND INDUSTRIAL

- Conducting various activities in support of setting and documenting potential C&I goals for the 2016-18 Three Year Plan
- Researching a number of topics to inform forthcoming memos about increasing energy productivity and innovation

TECHNICAL SERVICES

- Continuing regular administrative functions, including EEAC meeting minutes and website maintenance and document uploads
- Beginning work on the 2014 annual report to the legislature

EVALUATION, MEASUREMENT & VERIFICATION

In April, the EM&V Advisory Group continued its full range of ongoing activities related to EM&V planning, implementation, reporting, policy, and outreach issues. One particularly noteworthy activity this month was the initiation of work on three public presentations intended to disseminate the results from 28 EM&V reports recently finalized and posted on the Council's website. A second highlight was completion of the first draft of a Strategic Evaluation Plan (SEP) for 2016-2018, which was included as an appendix to the April 30 filings.

Oversee EM&V Planning

Working with the PAs, the Group completed development of the first draft of a 2016-2018 Strategic Evaluation Plan (SEP), which was included as an appendix to the April 30 Three-Year Plan filing. Councilors and stakeholders are invited to comment on the draft SEP, and a meeting to solicit stakeholder input may be held if called for. A final draft of the plan will be included with the final draft of the overall three-year plans to be filed in October.

The Group also worked with the PAs on the detailed scoping of several new studies to be initiated in the near-term, including one on the health-related non-energy benefits of low-income programs, one on LED spillover effects in the commercial sector, and one to support ongoing collection of EM&V-related data from HVAC manufacturers.

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; Minisplit Field Monitoring; C&I Gas NTG Self-Report; C&I Code Compliance Follow-Up; and LED Incremental Cost study.

Oversee EM&V Reporting

In the previous month, the group emerged from a heavy reporting period that had been in effect for the past several months, finalizing and posting approximately 28 EM&V reports on the Council's website. In April, acting on directions from DOER, the group began work on three public presentations intended to disseminate the results of this recent wave of final reports. The presentations are expected to include a public webinar on residential results, a public webinar on non-residential results, and an in-person overall presentation at the June Council meeting. Discussions of the timing of the two webinars are underway.

Roughly 6-8 studies remain in the reporting stage, with most expected to be finalized over the next month. However, the bulk of the Group's current attention has now shifted to the evaluation planning and implementation functions.

The Group also provided EM&V-focused input into the review of final reports on the Remaining Savings Potential studies conducted by GDS on behalf of four separate Massachusetts PAs. These studies are not part of the statewide EM&V framework.

Finally, the group responded to several queries from individual Councilors and DOER regarding new evaluation results and potential implications thereof.

EM&V Policy Issues

The Group provided EM&V input into a number of broader processes and deliverables, including the goal setting process, the statewide analysis of savings potential, and review of the April 30 Three-Year Plan filing. The Group also continued working with the PAs on the development of savings parameter assumptions that were ultimately included in the April 30 filing. Refinement of savings parameter assumptions based on EM&V results is expected to be ongoing through the Fall of 2015, when the final draft of the Three-Year Plan filing is due.

Finally, the group continued discussing with the PAs the effects of NGRID's residential electric EM&V budget situation. In March, we received word from NGRID that higher-than-expected levels of program activity in the residential electric program area had led the Company to file a mid-term modification (MTM) request to the DPU.

In order to help find additional funds to continue operating residential electric programs, NGRID has proposed to defer any new, currently unplanned residential electric EM&V studies to 2016. This issue is now affecting EM&V's ability to move new residential electric studies forward.

PLANNING AND ANALYSIS

In April 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 early stages of the development of the next Three-Year Plan. The Group's primary task in April was the initial development of the 2016-2018 Three-Year Plan components including work on the preliminary draft savings goals, budgets, and bill impacts.

Participate in EEAC Meetings; Brief and Support the Council

The P&A Advisory Group prepared for, attended, and provided technical support during the "Extraordinary" EEAC meeting on April 23. 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 the DPU Order approving the National Grid Electric MTM, which was reviewed and approved initially by the EEAC in October 2014.

Provide Technical Analysis

The P&A Advisory Group coordinated with the PAs on the application of the 2015 regional avoided cost study (also known as the AESC study) for Massachusetts programs. The Group also reviewed and analyzed the 2014 Q4/year-end quarterly report results in more detail to assist in the development of the 2016-2018 Plan (below).

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

The P&A Advisory Group worked on the initial development of the 2016-2018 Plan, with special focus on inputs and issues to be addressed in advance of the April 30 Draft Plan prepared by the PAs. The Group developed and analyzed preliminary savings goals, estimated costs, and draft bill impacts for the 2016-2018 Plan, through a spreadsheet analysis. The Group prepared and revised/expanded a summary memo regarding the 2016-2018 Plan savings, costs, bill impacts, and estimated program performance (with enhancements) based on preliminary analysis by the Consultants, for review and consideration by the EEAC.

The P&A Group also discussed/considered treatment of oil savings and a potential oil goal in the savings goals memo and analysis. Also, the Group revised/expanded the bill impact analysis and tables to include gas and electric bill impacts for five types of typical customers.

The P&A Group assisted with developing the planning process and schedule, in coordination with DOER as the Chair of the EEAC.

RESIDENTIAL AND LOW INCOME SECTORS

Multi-Family Retrofit

The work described below in the "Input and Recommendations for the 2016-2018 Plan" section included goals analysis for the Multi-Family Retrofit Initiative. Work in May will include review and assessment of the treatment of this Initiative in the Draft Plan.

Home Energy Services

The Group prepared detailed comments on the combined HES/HEAT Loan draft evaluation and discussed with members of the EM&V Advisory Group. The comments noted areas where additional information is needed,

where conclusions were not well supported, and where existing practices appear to be successful or need improvement. We expect the evaluation content will give rise to discussions with the PAs about the implications of the findings and potential program enhancements. A Group representative also attended the Best Practices Working Group meeting on April 16 to monitor ongoing discussions and understand future priorities and their relationship to the developing 2016-2018 Plan.

Residential Products

Much of the Group's products-related work in April was associated with the 2016-2018 goals development work. This included reviewing proposed 2016-2018 lighting net to gross projections, the PAs' lighting planning workbook (Market Adoption Model), and LED price projections. In addition, the Group reviewed year-to-date lighting and appliance invoice data and compared them to PA goals.

Innovation

The Residential Advisory Group is seeking to identify innovative approaches for serving renters and moderate income customers and began to compile information on how other program administrators from around the country are doing so. We plan to share this information with the Residential Management Committee and Council.

Input and Recommendations for the 2016-2018 Plan

This work area was the primary focus of the Residential Advisory Group's April work. Specifically, group members spent the bulk of their time this month contributing to the Consulting Team's goals recommendations to the Council. This work included conducting initiative-level analysis of electric, gas, and oil goals for the residential sector and development of the residential and low income content of the Team's April 21 memorandum to the Council and revised residential sector gas goals for the updated goals memorandum dated April 30. Group members also participated in presentation development and presentation of the goals to the Council at its April 23 meeting and associated discussions with individual councilors. The Group also participated in preliminary discussions regarding the agenda for the June 4 Council workshop.

COMMERCIAL AND INDUSTRIAL

Approaches for Increasing Energy Productivity

The C&I Advisory Group continued research on behavioral and Strategic Energy Management/Continuous Energy Improvement programs to inform the forthcoming memo on this topic. Additional research topics included sub-metering and controls.

Innovation

The Group continued research to develop a complete picture of what trainings are currently available in Massachusetts: who is sponsoring them, how frequently they are offered, and where in the state they take place. The goal of this effort is to identify potential gaps in the Massachusetts energy curriculum and make recommendations. In addition, we started research on upstream programs to determine best practices and what measures are currently being promoted through upstream incentives in North America.

Incorporate Feedback from EM&V into the Programs

The C&I Group did some planning with the EM&V Group to schedule two webinars, one focused on C&I and one on residential EM&V results.

Comprehensive Segment Strategies

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

Input and Recommendations for the 2016-2018 Plan

A significant amount of the Group's time in April was spent developing C&I oil goals, and writing a memo to recommend and support C&I goals for electricity and gas savings. The C&I Group attended an Extraordinary

Council meeting to explain the proposed goals. Additional time was spent revising the goals, program costs, and a memo in response to DOER and Council feedback.

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. In April, the regular EEAC meeting was cancelled. In its place there was an Extra-Ordinary Session that concentrated exclusively on the EEAC's goals for the Third Three-Year Energy Efficiency Investment Plans for 2016 through 2018. Minutes for this meeting were produced by DOER staff. They will be reviewed and approved at the May EEAC meeting along with the meeting minutes from the March 2015 EEAC meeting.

EEAC Website Upgrades, Revisions & Maintenance

Consultant Team staff continue to manage the updated website on a day-to-day basis. In April, this included posting materials for the April 23, 2015 meeting and revising the Plans & Update page to be able to hold the Draft 2016-2018 Three-Year Plan.

For the month of April 2015 there were:

- 1,656 sessions
- 938 unique users: 44% new visitors and 56% returning visitors
- 5,147 page views with an average of 3.11 page views per session

Produce the Annual Report to the DPU and Legislature

In April, the Consultant Team held initial discussions to begin development of the 2014 Annual Report. The Team reached out to the PAs with a request for information to include in the report, but have not yet received a response.