

Memo

To: **EEAC**
From: **Eric Belliveau and the EEAC Consultant Team**
Date: **5 March 2015**
Subject: **February 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

- Continued full range of ongoing activities related to EM&V planning, implementation, reporting, policy, and outreach issues.
- Conducted a three-day series of all-hands planning meetings in Boston to kick off the process of developing a Strategic Evaluation Plan (SEP) for 2016-2018.

PLANNING & ANALYSIS

- Preparing for, attending, and providing technical support during the EEAC meeting on February 25, and the Executive Committee meeting on February 18.
- Preparing and presenting an orientation webinar for Councilors on February 3.
- Assisting with 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, including the cross-cutting topics.
- Performing significant technical work with the multi-state study group on study tasks each week for the 2015 regional avoided costs (AESC) study.
- Preparing the assessment of potential analysis, which will be used to help inform the savings goals and budgets for the 2016-2018 Plan.
- Reviewing and analyzing the 2014 Q4/year-end quarterly report results, and preparing and presenting a summary of the 2014 results to the EEAC.
- Assisting with the program strategy/stakeholder engagement workshops.

RESIDENTIAL AND LOW INCOME SECTORS

- Completed a report with recommendations for multi-family retrofit
- Prepared for and participated in the Council's residential workshops for the 2016-2018 Plan
- Reviewed and provided comments on residential EM&V studies and provided input on residential evaluation needs for the 2016-2018 evaluation plan
- Determined residential program priorities, residential demand reduction issues, and relevant residential sector issues for assessment of potential in support of 2016-2018 planning

COMMERCIAL AND INDUSTRIAL

- Continued work with the PAs on commissioning and researched behavioral and Strategic Energy Management/Continuous Energy Improvement programs
- Researched geotargeting and other demand issues and opportunities
- Reviewed EM&V reports and other reports and assessments to gain insight into the programs in order to provide recommendations
- Prepared for and participated in the Council's C&I workshops for the 2016-2018 Plan. Analyzed the

four small PA estimates of potential to help inform the setting of goals for 2016-18.

TECHNICAL SERVICES

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

EVALUATION, MEASUREMENT & VERIFICATION

Oversee EM&V Planning

Working with the PAs, the Group kicked off the development of an overall EM&V plan for 2016-2018 with three days of all-hands planning meetings held in Boston in early February. Attendees included PA evaluators, the EEAC consultants, all EM&V contractor teams, and other interested parties. The February meetings are expected to lead into a first draft of 2016-2018 EM&V plan to be included with the first draft of the overall three-year plans due in April. Stakeholders will be invited to comment on this first draft of the EM&V plan, after which a meeting to solicit stakeholder may be held during the summer. A second draft of the plan will be included with the second draft of the overall three-year plans.

Detailed planning for the wave of approximately 20 new studies recently added to the EM&V study portfolio is now essentially complete, with most of the new studies now in the implementation stage.

Oversee EM&V Study Implementation

The Group advanced toward completion roughly 30 studies currently in the implementation stage. A few examples include the following studies: HES Program Delivery, HEAT Loan, C&I On-Sites, and C&I Market Share.

Oversee EM&V Reporting

The Group remained in a heavy reporting period in February, with some 10-15 final reports in various stages of completion. EM&V reports are now typically going through 3-4 drafts before being finalized, with input from a wide range of stakeholders on each draft, with the result that the overall final reporting process for each study is taking roughly 3-4 months on average. Final reports currently in progress include the following: C&I PA Differences Study; C&I Successful Projects Study; SBDI Process Evaluation; Umbrella Marketing study; Commercial Real Estate Study; Top-Down NTG study; LED Prospective Market Effects study; Multifamily Process Evaluation; and HEHE Gross Savings Impact Evaluation. Many of these reports are expected to be finalized in March, in time for inclusion in the 2014 Annual Reports.

The Group also worked with the PAs to pin down a number of issues regarding application of impact evaluation results to the 2014 annual reports.

Lastly, the Group 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.

EM&V Policy Issues

The Group provided EM&V input into a number of broader processes and deliverables, including briefing papers on program and policy issues developed by the EEAC Consultant Team, the series of program and policy workshops being led by DOER, and the statewide analysis of savings potential. Through the EMC Baseline Subcommittee, the Group also continued working with the PAs on challenging issues surrounding the development and refinement of measure baseline assumptions. Lastly, the Group continued working with the PAs on what is expected to be a lengthy process of developing savings parameter assumptions to be included in the three-year plans.

Miscellaneous Activities

Working with the PAs, the Group continued to review proposals from EM&V contractors in response to an RFP that was released in December to select a new C&I EM&V contractor team. A winning team or teams will be

selected in March.

PLANNING AND ANALYSIS

In February 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 begin development of the next Three-Year Plan. The Group continued work on the early stages of development of the 2016-2018 Three-Year Plan including the cross-cutting tasks, continued work on the Assessment of Potential to Inform Savings Goals, reviewed and analyzed many technical documents for the regional avoided cost study (AESC), provided an orientation webinar for Councilors, and assisted with the development of briefing materials for the program stakeholder engagement workshops.

Participate in EEAC Meetings; Brief and Support the Council

The P&A Group prepared for the EEAC meeting on February 10 (canceled due to weather) and the all-day meeting on February 25, and attended and provided technical support during the EEAC meeting on February 25 and the Executive Committee meeting on February 18. 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.

The Group prepared and presented an orientation webinar for Councilors for approximately 90 minutes on February 3.

Support the Council on Regulatory Issues and DPU Proceedings

The Consultant Team is supporting the Council in DPU 14-141, related to the Energy Efficiency Database. The Group reviewed the hearing officer ruling issued on February 20.

Provide Technical Analysis

In February, the Group continued work on the 2015 regional avoided cost study (also known as the AESC study). The study will now be completed every three years (aligned with the Three-Year Plan schedule) with potential annual updates when necessary. The study is being performed by a new contractor – Tabors, Caramanis, Rudkevich (TCR) – with new market models and new approaches to the data and analysis. Significant technical review and analysis work was performed in February. The Group coordinated with the multi-state study group on study tasks each week, and prepared for and participated in four multi-hour study group calls. The Group reviewed the proposed inputs, assumptions, and methods for the natural gas, oil, energy market, capacity market, and DRIPE (demand-reduction induced price effects) models and forecasts, reviewed more than 15 technical analyses and draft documents, and provided questions and comments during weekly study group meetings and briefings. The Group also reviewed and discussed draft documents and analyses with other study group participants, including with DOER Energy Markets staff. The 2015 AESC study will determine the avoided costs applied to electric, gas, and oil savings for all of the 2016-2018 programs, and therefore is a major technical priority. The study is scheduled to be completed by March 31, 2015, in time for the avoided cost values to be used in the 2016-2018 Three-Year Plan being developed during 2015.

The Group reviewed the 2014 Q4/year-end quarterly report data and results provided by the PAs on February 13. The Group analyzed the 2014 Q4 report data for two purposes: to review and assess program performance in 2014, and to use the 2014 data (the most recent actual data available) to help inform the initial planning for the 2016-2018 Plan. Savings, benefits, and costs were reviewed at the portfolio, sector, program, initiative, and individual PA levels. The Group prepared and presented a summary of the 2014 results at the February 25 EEAC meeting, and reviewed the PA presentation developed for presentation at the same meeting.

Support the 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. These topics included cross-cutting issues such as program penetration/market share; better indicators for and accounting of program participants; organization of

programs and initiatives; the framework for savings goals; the level of savings goals; the importance and role of peak demand reductions; components of the term sheets; and other Plan components. We expect to continue working with Councilors and the PAs on these and other planning topics in future months.

The Group worked extensively on preparing the Assessment of Potential analysis to set the stage for the Council goal-setting and term sheet processes. The Assessment of Potential is due in March 2015.

The Group assisted with the program strategy/stakeholder engagement workshops, including contributing to the development of briefing materials.

RESIDENTIAL AND LOW INCOME SECTORS

Multi-Family Retrofit

The Residential Advisory Group completed its [report on achieving a fully integrated multi-family program effort in Massachusetts](#), which was posted on the Council's website on February 4. The report includes recommendations (for both 2015 and for the 2016-2018 Plan) in three main sections: 1) deepening integration of the multi-family offer, 2) conducting benchmarking, and 3) serving buildings heated by delivered fuels. The report provided the basis for the briefing document for councilors for the February 26, 2015 workshop and will support ongoing discussions with the Council and PAs about continued enhancements to this initiative. The Group also contacted ACEEE to discuss possible synergies with Massachusetts' proposed enhancements to the Mass Save Multi-Family Retrofit Initiative and ACEEE's [Multifamily Energy Savings Project](#), and is in the process of assessing opportunities for the Massachusetts PAs to leverage and/or participate in that effort.

Home Energy Services

In addition to the preparations for the HES discussion at the February 26 workshop (see below), the Group reviewed and provided comments on draft components of two HES-related evaluations: 1) the HES Program Delivery Process Assessment (specifically preliminary Home Performance Contractor/Lead Vendor interview results) and 2) the Massachusetts HEAT Loan Assessment (specifically findings from lender interviews and surveys). In coming months the Group expects to work on and discuss with the PAs several HES-related issues that arose during the Council's workshops, including enhanced services for moderate income customers and renters.

Residential Products

In addition to the preparations for the HES discussion at the February 12 workshop (see below), the Group researched, reviewed, and commented on the PAs' current dryer rebate offering relative to existing market opportunity. It also reviewed PA accomplishments relative to 2014 and 2015 lighting goals and provided an update to DOER regarding the same to inform 2016-2018 planning.

Input and Recommendations for the 2016-2018 Plan

This work area was the primary focus of the Residential Advisory Group's February work. Group members were significantly involved in supporting the residential Council workshops on February 12 (Residential Overview and Products Program) and February 26 (Whole House Program including HES and behavior, Multi-Family Retrofit Initiative, and Low Income Sector). This work included participating in workshop planning meetings, preparing briefing materials and presentations, interacting with Council members prior to the meeting, and participating in the workshops. This work will continue into March as the Group works with other members of the workshop planning team to compile the Council's recommendations and review them with the Council at the March 9 workshop.

In addition, in February the Group's work on the 2016-2018 Plan included developing internal program priorities, discussing priorities with DOER staff, identifying residential issues associated with demand response, discussing residential assessment of potential and providing input on residential issues at the EM&V planning workshops. The Group also participated in discussions related to lighting-related planning assumptions for the 2016-2018 Plan, including: 1) revision and modification of the PAs' lighting Market Adoption Model and 2) discussions with experts from NRDC, D&R International, and NEEP.

COMMERCIAL AND INDUSTRIAL

Approaches for Increasing Energy Productivity

The C&I Group continued working with the PAs in February with respect to commissioning, which is one way to improve energy productivity. The Consultants also continued research on behavioral and Strategic Energy Management/Continuous Energy Improvement programs to inform the forthcoming memo on this topic.

Innovation

The Group did some research into geotargeting and demand issues in support of the Council Workshops and the forthcoming memo on innovative methods and programs. In addition, 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.

Incorporate Feedback from EM&V into the Programs

The C&I Group reviewed a number of reports including the "PA Differences" report, C&I Mid-Sized Customer Needs Assessment, and the Successful Projects report to gain better insight into the programs. This is research necessary for the formulation of recommendations for the Council.

Comprehensive Segment Strategies

The C&I Group participated in CIMC meetings.

Input and Recommendations for the 2016-2018 Plan

A significant amount of the Group's time in February was spent preparing briefings and presentations for Council C&I workshop 2 and 3. We presented at Workshops 1 and 2 in February, with Workshop 3 scheduled for March 3.

The Group also reviewed and provided comments on four GDS potential studies for Unitil Electric, Unitil Gas, Liberty Gas, and Berkshire Gas. These four programs had set goals that were more than 20% less than the statewide goals, thus triggering these reports.

The Group prepared a memorandum regarding energy demand to define the terms associated with peak demand and provide some context around the issues and opportunities facing Massachusetts.

Leveraging the work done to prepare for the Council Workshops and the review of the GDS potential studies, the Group worked to identify the range of efficiency savings potential in Massachusetts in order to help provide context to setting goals for the 2016-18 plan, which will happen in March.

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 February 25, 2015 EEAC meeting and forwarded them to the Interim EEAC Chair. The Interim EEAC Chair will review the minutes and have them posted on the EEAC website prior to the next EEAC meeting to be held on March 10, 2015. The EEAC approved the January 2015 meeting minutes at their February 2015 meeting. These minutes along with all documents and presentations distributed at the February 2015 EEAC meeting have been posted on the EEAC website at <http://ma-eeac.org/february-25-2015-eeac-meeting-materials/>.

EEAC Website Upgrades, Revisions & Maintenance

Consultant Team staff continue to manage the updated website on a day-to-day basis. In February, this included posting materials for the February 2015 EEAC meeting; daily updates to the EEAC calendar given the numerous

cancelations and re-scheduled EEAC events due to Boston area snowstorms; creating pages and updating materials for the various February and March 2016-18 Three Year Plan Workshops; and creating a new section to house the 2016-18 Three Year Strategic Evaluation Plan materials.

For the month of February 2015 there were:

- 1,984 sessions
- 853 unique users: 30% new visitors and 70% returning visitors
- 6,812 page views with an average of 3.4 page views per session

Produce the Annual Report to the DPU and Legislature

Work on the Year 2014 Annual Report will begin later this year.