

Memo

To: **EEAC**
From: **Eric Belliveau and the EEAC Consultant Team**
Date: **4 December 2014**
Subject: **November 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

- Continuing to process approximately 15 new study proposals.
- Advancing toward completion roughly 30 studies currently in the implementation stage.
- Working on roughly 15-20 final reports in various stages of completion.
- Providing EM&V-focused input on issues associated with EPA's 111(d) Rule as well as EM&V handling of baseline assumptions.
- Providing input on an RFP being developed by the PAs to select a new C&I EM&V contractor team.

PLANNING & ANALYSIS

- Preparing for, attending, and providing technical support during the EEAC meeting on November 12, and for the Executive Committee meeting on November 19.
- Reviewing the Process Assessment and Engagement Plan.
- Coordinating with the multi-state study group on the early tasks for the 2015 regional avoided costs (AESC) study, including reviewing the revised schedule, and reviewing and commenting on the new gas and electric models to be used in the study.

RESIDENTIAL AND LOW INCOME SECTORS

- Reviewing and commenting on the PAs' draft deeper savings presentation to the Council.
- Working on additional analysis in support of its recommendation for a fully integrated and distinct multifamily effort.
- Discussing the impacts of revised federal efficiency standards and ENERGY STAR® specification updates on many appliances and HVAC/DHW equipment supported by the PAs.
- Supporting the EM&V Group through review and comment on the draft HEHE impact evaluation report and participating in a discussion of the studies' findings.

COMMERCIAL AND INDUSTRIAL

- Interviewing and analyzing information for the health care best practice research and developing a draft report.
- Advancing market understanding through cross-pollination of EMV and CIMC.
- Providing input on PA concepts under consideration for the Three Year Plan.
- Researching hospitality and small commercial program practices.

MONITORING, COORDINATION, AND CROSS-CUTTING TASKS

- Discussing several potential planning topics for the upcoming 2016-2018 Plan during the Planning and Analysis Group and EM&V meetings.

TECHNICAL SERVICES

- Producing draft minutes for the December 9, 2014 EEAC meeting.
- Managing the updated website on a day-to-day basis.
- Making final edits to the Annual Report to the DPU and Legislature.

EVALUATION, MEASUREMENT & VERIFICATION

In November, the EM&V Advisory Group continued its full range of ongoing activities related to EM&V planning, implementation, reporting, policy, and outreach issues.

Oversee EM&V Planning

The Group continued advancing plans for approximately 15 new studies. These consist primarily of a wave of new studies conceived of in recent months, but also include a handful of the final studies in the 2013-2014 Evaluation Plan. The new studies seek to either advance existing research agendas, address stakeholder information needs, or follow-up on recently completed studies. They are generally going through the standard 3-stage planning process followed for new EM&V projects (an initial short concept piece, followed by a more detailed write-up, culminating in a detailed workplan) before reaching the implementation stage. Most of these new studies are expected to reach the implementation stage around the time many in-progress studies are wrapping up, leaving the overall EM&V study portfolio in a roughly steady state.

The Group also advised DOER on planning for an evaluation of the NEST Seasonal Savings Program, helped to represent Massachusetts in planning for the EM&V Forum's 2015 activities, and worked with the PAs to establish a framework for ex-ante EM&V review of savings estimates for some large C&I projects.

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. Many studies are expected to wrap up within the next several months.

Oversee EM&V Reporting

As the majority of the studies in the 2013-2014 Evaluation Plan near completion, the group remained in a heavy reporting period in November, with some 15-20 final reports in various stages of completion. Draft final reports on major studies first received in November include the following: C&I PA Differences Study; Commercial Real Estate Study; Top-Down NTG study (results of PA model); LED Prospective Market Effects Study; Multifamily Process Evaluation; Residential Lighting Point-of-Sale Modeling NTG study; and Residential Lighting Upstream Supplier Interview Study.

EM&V Policy Issues

The Group provided input on EM&V issues associated with EPA's 111(d) Rule. We also held the second meeting of the new Baseline Subcommittee with the PAs, which is making progress on clarifying some complicated issues regarding EM&V handling of baseline assumptions.

Miscellaneous Activities

The Group provided input on an RFP being developed by the PAs to select a new C&I EM&V contractor team. The RFP is nearing completion, and is expected to be released in December or January.

PLANNING AND ANALYSIS

In November, the Planning and Analysis Advisory Group focused on the primary tasks described below to support and push for the effective implementation of the key components of the 2013-2015 Three-Year Plan. The Group worked on the new avoided cost study (AESC), and reviewed the Process Assessment and Engagement Plan.

Participate in EEAC Meetings; Brief and Support the Council

The Group prepared for, attended, and provided technical support during the EEAC meeting on November 12 and the Executive Committee meeting on November 19. 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 of these meetings and briefings are summarized in the task descriptions below. EEAC Meeting and Council support is on-going and is a regular monthly task area.

Track, Analyze, and Report on the Implementation Update and “Deeper Dives”

In November, the Consultants reviewed and provided technical support for the EEAC’s “key actions” summary document, wrapping up the Implementation Update process, which was approved by the EEAC on November 12.

Support the Council on Regulatory Issues and DPU Proceedings

The Group briefly reviewed the DPU order on prior Mid-Term Modification (MTM) filings. Future work on other regulatory issues and DPU proceedings will depend on the nature and timing of DPU activities and actions.

Provide Technical Analysis

In November, the Group continued work on the 2015 regional avoided cost study (also known as the AESC study), which will now be completed every three years (aligned with the Three-Year Plan schedule) with potential annual updates when necessary. The contractor was selected and work is underway. The Group coordinated with the multi-state study group on the early tasks, including the development and review of a revised schedule, and the review and comment on the new gas and electric models to be used in the study. The 2015 AESC 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.

RESIDENTIAL AND LOW INCOME SECTORS

In November, the Residential Advisory Group worked on the tasks described below to support the PAs in their work to meet the 2013-2015 Three-Year Plan Residential and Low Income goals. The Group is strongly focused on planning for a strong finish for 2015 and identifying priorities for 2016-18.

Residential Whole House and Low Income Programs

The Residential Advisory Group reviewed and commented on the PAs’ draft deeper savings presentation to the Council in November. The PAs are offering additional deeper savings insulation measures to customers starting in late fall. The Group feels this is a strong start and that additional opportunities to achieve deeper savings, including a performance-based approach, merit further consideration. We intend to include this additional work in the workplan for 2015.

The Group worked on additional analysis in support of its recommendation for a fully integrated and distinct multifamily effort. This work was initially discussed with the PAs at the November 19 RMC meeting, and the Group supplied them with a more detailed outline of its analysis for review and comment the following week. In December we will conduct additional discussions with the PAs and include that input in a white paper to the Council by month’s end. The analysis, findings and recommendations are intended to support 2015 work efforts and planning for 2016-18. The Group also reviewed the draft report of the multifamily process evaluation in partnership with evaluation and C&I team members. The team collectively felt the draft report needed significant improvements to provide appropriate program insights and recommendations and submitted detailed comments to be addressed in a revised draft.

Residential Products Program

The Residential Advisory Group had a discussion with the PAs on the impacts of revised federal efficiency standards and ENERGY STAR® specification updates on many appliances and HVAC/DHW equipment supported by the PAs. The PAs are still assessing final program requirements for several of the covered measures. The Group also continued to engage with the Super-Efficient Dryer Initiative and with ENERGY STAR to inform proposed expansion of support for efficient dryers by the PAs in 2015. The Group also had discussions

with Enervee, the organization taking over responsibility for TopTen, to assess its possible role as a complement to the PAs' appliance and consumer electronics efforts. As part of the continued Implementation Update Lighting Deeper Dive, the Group continued review of market data, including LED pricing, to assess whether support for specific CFL products can be directed to the LED equivalent in 2015. These matters and others will be addressed in a white paper to the Council on the residential products program by the end of the year. As with the multifamily paper, this paper will be discussed with the PAs and reflect their input.

The Residential Advisory Group also provided support to the EM&V Group through review and comment on the draft HEHE impact evaluation report. The Group also participated in a discussion with the evaluation contractor, the PAs, the EM&V group on the studies' findings.

Innovative Strategies

The Group's work on innovative strategies over the past several months, originally planned for a presentation to the Council, will be summarized in a white paper combined with the residential products work and provided to the Council by the end of this year. The PAs have been providing input along the way and we will continue to engage them as we work to finalize the paper.

The Group continued its work to support DOER in its effort to use the Nest WiFi communicating thermostat as a winter peak mitigation strategy and to revise the Residential Conservation Services regulations and guidelines.

COMMERCIAL AND INDUSTRIAL

In November, the C&I Advisory Group focused on completing the draft Health Care Best Practice study, initiating research on hospitality and small business program practices and providing input to the PAs as they considered concepts for potential inclusion in the 2016-18 Three Year Plan.

Deeper Savings in All Programs

The C&I Advisory Group reached out to the PAs for information regarding the existing MA Small Business Retrofit Programs. The PAs advised that they do not have the capacity to provide information during Q4 due to the "hockey stick" and high volume of project closures needed in late November and December. The study will be informed by the draft MA Small Business process evaluation expected in early December and will be designed as a starting point for advancing discussions on potential program enhancements with the PAs in Q1 2015.

Comprehensive Segment Strategies

The Group received an update on the manufacturing initiative from the PAs. The initiative is reported to be largely complete with ongoing engagement expected to monitor progress and identify additional opportunities on a quarterly basis.

The Group completed the first draft of the Health Care Best Practice study based on PA and EEAC CI Consultant team rankings. The draft is under review and the final work product is expected to be issued in December.

As noted above, the PAs lack the capacity to engage on the Hospitality study in Q4 2014. The study will largely focus on effective practices targeting this sector with the intent of engaging the MA PAs in consideration of these practices in Q2 2015.

Coordination and Partnerships

The Group coordinated and communicated with the CIMC, including attendance at the CIMC by OEI's new staff member, George Lawrence.

MONITORING, COORDINATION, AND CROSS-CUTTING TASKS

Prepare for the 2016-2018 Plan

The Consultants identified several potential planning topics for the upcoming 2016-2018 Plan, which were

discussed in the Planning and Analysis Group (PAG) and EM&V meetings during the month. These topics included the overall schedule for Plan development, the technical topics of market effects, appropriate baselines, net savings, bill impacts, and forward-looking organization of program and initiatives. We expect to continue discussions with the PAs and the EEAC in future months. We also reviewed and commented on a high-level planning schedule prepared by the PAs.

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 November 12, 2014 EEAC meeting and forwarded them to the EEAC Chair. The EEAC Chair will review the minutes and distribute them directly to the EEAC prior to the next EEAC meeting to be held on December 9, 2014. The EEAC approved the October meeting minutes at their November meeting. These minutes along with all documents and presentations distributed at the November EEAC meeting have been posted on the EEAC website at <http://ma-eeac.org/november-12-2014-eeac-meeting/>.

Develop EEAC Logo and EEAC Website Upgrade

Optimal staff continue to manage the updated website on a day-to-day basis. In November, this included posting materials from the 11/12/14 EEAC meeting; updating the EEAC member's page; updating the calendar with new Executive Committee meetings; updating the calendar with Year 2015 EEAC meetings; and posting 17 new EM&V studies.

For the month of November 2014 there were:

- 1,046 sessions
- 569 unique users
- 4,094 page views with an average of 3.91 page view per session
- 42% new visitors; 58% returning visitors

Produce the Annual Report to the DPU and Legislature

The report was reviewed by the Governor's Office in November and a few minor edits were requested. The Team is working with Cahoots to make those edits and expects the report to be finalized and distributed in December.