



Memorandum

To EEAC
From Eric Belliveau and the EEAC Consultant Team
Date 7 November 2013
Subject October Monthly Report

The Consultant Team is pleased to provide this update to the Council on our recent activities. As requested, we have revised the format of this memo; we now keep the past highlights and future activities for each of the four Advisory Groups together in order to better convey progress and trends in each area.

Planning & Analysis Advisory Group

- Prepared for and attended the EEAC meeting on October 8 and participated in the Executive Committee meeting on October 31. Briefed individual Councilors in advance of the EEAC meeting on substantive issues and outcomes as summarized in the bullets below.
- Supported the design and development of the statewide database, as directed by the Council and the Council's Statewide Database Subcommittee. Participated in the Statewide Database Working Group and the Council Database Subcommittee as assigned, and attended the two meetings on October 29. Explained and reviewed the Plan and Report documents, the current data systems, and the Council and regulatory forums, in meetings with the statewide database consultant.
- Continued the review of 2010-2012 program performance, coordinating with the PAs, focusing on the C&I energy savings shortfalls in 2011-2012 and the C&I underinvestment in the same years. Worked with the C&I team to prepare the consultant summary presentation about how to achieve the C&I goals in 2013 and future years, which was presented at the October 8 EEAC meeting.
- Reviewed the PAs' 2011 and 2012 Annual Reports, in preparation for the DPU proceeding reviewing the Annual Reports, with a focus on the reliability of the reported impacts and costs, the use of the evaluation results, non-energy impacts (NEIs), and the PA performance incentive claims and documentation. Completed a draft memo with the findings of our review, which was distributed to the Executive Committee on October 28. Reviewed the draft procedural schedule prepared by the PAs.
- Continued work related to the regional avoided costs study (also known as the Avoided Energy Supply Cost or AESC study) conducted in 2013. Reviewed options for applying the study results in MA for the 2014 and 2015 program years, and discussed options with councilors in advance of the DPU 11-120 working group meeting scheduled for November 8. Suggested and then reviewed scenario runs performed by the PAs, to analyze and assess the implications of the new avoided cost values for the



2014 and 2015 program years. Contributed to an update presentation provided to the Council on October 8.

- Discussed the historical analysis of DRIPE price suppression effects with the PAs and the Attorney General Office (AGO), including the degree to which the historical data analysis in the 2013 AESC report provides additional information about the actual DRIPE effects in the recent past, which could help to address the DRIPE historical analysis requirement in the Term Sheets for the 2013-2015 Plan.
- Reviewed options for an avoided cost of compliance with GWSA, as an avoided cost for the cost-effectiveness analysis of energy efficiency programs, and also reviewed options for carbon avoided costs, including some options set forth in the 2013 AESC study. Prepared for and participated in the DPU 11-120 technical session on avoided costs of GWSA compliance and carbon avoided costs on October 30. Briefed individual councilors on the analysis and derivation of the avoided cost of compliance with GWSA in the 2013 AESC study.
- Continued work on DPU 11-120 reporting streamlining regarding the regulatory review, reporting, and approval of performance reports, performance incentives, energy efficiency surcharges, and mid-term modifications. Worked on reporting issues, needs, and priorities related to the DPU 11-120 working group with individual Councilors. Reviewed the PA-proposed template for future Plan-Year Reports, which the PAs distributed in September. Prepared for the DPU working group subcommittee meeting scheduled for November 8, which will focus on the Plan-Year Report template.
- Continued working with the PAs on the template for the Annual Implementation Update intended for the 2014 program year, as part of the Council review process (the Annual Implementation Update is not intended for DPU regulatory review purposes since the DPU has decided to review the Three-Year Plan performance and results on a three-year basis, in 2016). Assisted the Executive Committee with the preparation of a draft resolution for consideration by the Executive Committee in late October, and for Council consideration at the November 12 meeting.
- Met with the PAs in the new Planning and Analysis group on October 11 to revise and complete the template for the numerical analysis and summary presentation of the Implementation Update.
- Reviewed the monthly dashboard for the October 8 meeting.
- Continued making progress with DOER and the PAs on the consultant-recommended *interim* approach to data and data management, focused on improving effectiveness and efficiency, to ensure reliable and internally-consistent data in the interim while the statewide database is being developed. Discussed web-based file storage, versioning and version control (logs), PA data manager(s) responsible for data quality and internal consistency, and the importance of QA and consistent data for all users.
- Interacted with the PAs and the management committees to discuss and ensure the early and effective implementation of the key components of the 2013-2015 Three-Year Plan, including the key program enhancements, strategies, and action plans, in order to achieve the savings and benefits goals, maximize the use of best practices, serve all segments of MA customers, and support the Council's priorities, while also encouraging the cost-efficient use of ratepayer funding.



Upcoming Activities

The Planning & Analysis group will undertake several tasks in the next few months.

- Continue meeting with the PAs and management committees to discuss and ensure the early and effective implementation of the key components of the 2013-2015 Three-Year Plan, including program enhancements, strategies, and action plans, in order to achieve the savings and benefits goals, maximize the use of best practices, serve all segments of MA customers, and support the Council's priorities, while also ensuring the cost-efficient use of ratepayer funding. Significant focus continues to be on the C&I programs and how to achieve the C&I goals.
- Support the design and development of the statewide database, and participate in the Statewide Database Working Group, as directed by the Council and the Council's Statewide Database Subcommittee. Coordinate with the database consultant and facilitator to assist in the design and scoping of the statewide database, including through interviews.
- Continue working with the PAs on developing and implementing a more effective and efficient *interim* approach to data and data management, to ensure reliable and internally-consistent data in the interim while the statewide database is being developed.
- Review, analyze, and comment on the 2013 quarterly reports and the dashboard monthly reports and trends. Also, working with the PAs, complete the new template for the quarterly reports, focusing on the reporting of benefits and GHG emissions reductions (Q2 and Q4 reporting), consider how best to report on oil savings, and implement any additional revisions identified and directed by the Council as a result of EEAC review of the revised template for the quarterly reports.
- Support the Council, as directed, in its review and analysis of the DPU NOI Phase II order and the EE Guidelines, through the DPU 11-120 reporting streamlining process regarding the regulatory review, reporting, and approval of performance reports, performance incentives, energy efficiency surcharges, and mid-term modifications. Review and comment on the PA-proposed template for future Plan-Year Reports, and meet with the PAs to discuss the comments and suggestions. Participate in the DPU 11-120 reporting streamlining working group and subcommittee as directed by the Council.
- Complete work on the template and summary narrative for an Annual Implementation Update to be used for the 2014 program year, to be considered by the Council (including a Council resolution) at the November 12 meeting.
- Coordinating with the PAs, analyze and assess the implications of the new 2013 AESC avoided cost values for 2014 and 2015 programs. Review options for applying the study results in MA for the 2014 and 2015 program years, and discuss options with councilors in advance of the DPU 11-120 working group meeting scheduled for November 8. Participate in the DPU working group as assigned.

MA EEAC



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- Participate in the DPU 11-120 technical session on avoided costs of GWSA compliance and carbon avoided costs, as assigned. Provide technical assistance for councilors participating in the DPU 11-120 process.
- Support the Council with continuing analysis and work on the DPU EE Guidelines Phase I NOI regarding net savings and environmental/carbon compliance costs, as directed by the Council. Participate in additional discussions or follow up as directed, including in future technical sessions or in meetings with the PAs and others.
- Complete the review of the PAs' 2011 and 2012 Annual Reports, provide the consultant findings and recommendations to the Council, and provide technical support during the DPU review proceeding.
- Continue to work on future tasks related to the Technical Reference Manual (TRM), per the TRM schedule and process.
- Participate on behalf of the Council in any other DPU 08-50 or DPU 11-120 processes, as scheduled and as assigned by the Council.

C&I Advisory Group

Highlights from the Past Month

The C&I Group continues to maintain focus on achieving the 2013 goals, informed by past experience and research.

- Developed and delivered presentation at October Council meeting on achieving C&I goals. Held follow-up meetings with PAs on strategies and next steps. Initial focus will be on segmentation strategies for important market segments critical to achieving future goals, including Commercial Real Estate, Healthcare, and Industrial/Manufacturing.
- Finalized policy with PAs and DOER on when and how to adopt new Energy Code baseline.
- Finalized workplan with PAs and began work on Retro-commissioning Best Practice research report. The goal of this research is to provide recommendations for strategic enhancements to programs to support achievement of Three-Year Plan commitments and targets.
- Reviewed PA 2011 and 2012 C&I metrics achievement level and supporting documentation for performance incentives. Prepared Memo to be sent to Council in November.
- Provided input to evaluation contractor for forthcoming small business process evaluation. Focused on issues related to depth of savings, gas/electric integration, and participation rates of very small (micro) businesses.



- Provided input and reviewed findings of various recent evaluation studies including lighting controls and custom HVAC with an emphasis on how findings can support better program design and implementation.

Upcoming Activities

The C&I Advisory Group will continue to support the implementation of the Plan. Specific areas of focus in coming months will include:

- Continuing discussions with PAs on strategies and next steps to achieve 2013/14 C&I goals.
- Continuing to monitor PA achievement towards goals and spending. Continuing to work with PAs on planning and strategy to address any goal shortfalls.
- Providing input to the statewide database consultant with a focus on how the data can be used to identify individual PA best practices and raise the bar for statewide performance.
- Working on Retro-commissioning Best Practice Research. Once complete, we will work with PAs to develop and implement resulting recommendations and enhancements to programs. This work is expected to be complete in Q4 2013.
- Developing a workplan for Healthcare Best Practice Research. Once workplan is complete, research will begin. Once research is complete, we will work with PAs to develop and implement resulting recommendations and enhancements to programs. This work is expected to be complete in Q1 2014
- Continuing to work with PAs, stakeholders, Council, and others to develop an integrated solution for customer-owned and utility-owned street lights.
- Continuing to work with PAs and DEP on Water/Wastewater strategy.
- Continuing to work with PAs to make a stronger connection and feedback loop between evaluation and implementation.
- Continuing to support the Commercial Real Estate Working Group and development of a PA roadmap to address the segment.

Residential and Low Income Advisory Group

Highlights from the Past Month

The Residential Advisory Group covered key program areas by engaging with the Residential Management Committee (RMC) and key initiative working groups and on several topics.

MA EEAC



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- Engaged the PAs on high-level Residential Sector issues at the Residential Management Committee (RMC) meetings, the quarterly meeting with the PA leads, and through individual communications with RMC members. Monitored PA progress on new initiative enhancements and action plans.
- Gathered information about PAs' contractor performance concerns and on 16 October presented RMC with information about methods PAs in other states use to address them. PAs indicated they would discuss the info the consultants had provided at a 17 October Best Practices Working Group subgroup meeting on contractor performance. Also shared national and Massachusetts-specific information on the Home Performance with ENERGY STAR program.
- Reviewed PAs' 30 September report to the DPU on their work to overcome residential barriers and discussed with PAs their ability to separately track implementation costs of the EN+ initiative for purposes of evaluation. Participated in Res Barriers Working Group meeting on 30 October, asking questions about information presented about the Renew Boston initiative.
- Analyzed PAs' 2011 and 2012 annual reports to support review by the Council, including 1) reviewed and summarized residential and low income metric documentation, assessing claimed levels of compliance and highlighting areas for follow-up and clarification with the PAs; and 2) reviewed the contribution of non-resource benefits (NRBs) to residential benefits, compared NRB benefits as a percentage of total initiative benefits, and noted possible inconsistencies in the calculation of residential NRBs.
- Reviewed draft of Energy Policy Review Commission draft report and stakeholder dialog re: same. Noted HES program-related issues for future consideration on database and other work with Council and PAs.
- Conducted residential team planning call on database priorities.
- Maintained ongoing dialogue with evaluation team to coordinate evaluation and residential consulting team activities, including revising baseline furnace efficiency and development of proposed residential evaluation plans.
- Supported residential lighting initiative by continuing to monitor YTD lighting activity relative to goals, participating in PNNL webinar on LED efficacy and pricing, responding to PA inquiry on savings potential for residential lighting controls, and monitoring continued progress of regional lighting hours of use study.
- Revised residential content for 2012 report to the Legislature.
- Participated in webinar regarding revision of the MA stretch code to understand implications of timing and scope for PAs residential new construction initiative.
- Communicated and coordinated with DOER staff regarding residential sector issues, including Residential Conservation Services guidelines, residential barriers, multifamily retrofit issues, and HEAT Loan criteria.
- Reviewed minutes and agendas of working group meetings.



Upcoming Activities

The Residential Advisory Group will continue to work with the PAs on planning tasks and preparation activities toward the successful implementation of the 2013-2015 statewide plan.

- Continue program planning discussions with the PAs at the Residential Management Committee (RMC), including on monitoring progress on the key Three Year Plan implementation tasks.
- Complete analysis of 2011 and 2012 annual reports and report of same to Council
- Review residential content of PAs' Third Quarter report
- Consider additional strategic directions for PAs to pursue to maintain current savings levels
- Continue discussion of contractor performance with RMC, including best practices and data-based approaches to same
- Continue work to assess available sources of residential data, including PARIS
- Compile additional information on peer multifamily programs as follow up to September memorandum and discussion with RMC
- Discuss goals for residential database content with database facilitation consultant
- Provide input on stage 3 residential evaluation plans
- Review television savings estimates against updated ENERGY STAR savings calculator

Evaluation, Measurement & Verification Advisory Group

Highlights from the Past Month

The EM&V Group worked with the PAs to develop a comprehensive 2013-2014 evaluation plan, advanced studies that are currently in progress toward completion, and moved studies that are in the planning stage toward the implementation stage.

- Advanced toward completion approximately 14 studies currently in the implementation stage. These represent a combination of the handful of remaining studies begun in late 2012 that are expected to be completed over the next few months, and several new studies begun within the past few months.
- Working with the PAs and evaluation contractors, completed, distributed and presented to Councilors and other parties a comprehensive 2013-2014 Evaluation Plan. The plan includes a global overview of important issues such as the EM&V framework and planning principles and processes and short write-ups on some 45 new studies to be implemented by the end of 2014



- Moved many of the new studies described in the 2013-2014 Evaluation Plan through the three planning stages and toward the starting gate for implementation.
- Received and reviewed draft reports on two completed EM&V studies: Impact Evaluation of 2011-2012 CHP installations; and the Serrafix CMI process evaluation.
- Initiated discussions with the PAs about handling of baseline assumptions for residential gas furnaces in light of the rescinding of the new Federal standard. Worked with staff from DOER, the DPU and NEEP to refine the approach to the EM&V Forum's proposed model state guidelines. Provided input on several ongoing EM&V Forum projects, as well as development of the Forum's 2014 research agenda. Contributed to the development of a memo for the Council regarding DPU review of 2011-2012 annual reports.
- Working with the PAs, completed development of the RFP for recruitment of a new EM&V contractor team for the Cross-Cutting Research Area.

Upcoming Activities

- In November we expect a key focus to be on continuing to advance a large number of new studies that are currently in planning stages 1, 2 or 3 toward the implementation stage.
- We also anticipate reacting to stakeholder input into the 2013-2014 evaluation plan.
- We expect a few more in-progress studies to produce draft final reports.
- Continue to advance toward completion those studies that are already in the implementation stage.
- The RFP for EM&V contractor is expected to be released in November, with contractor selection in December, and a new contractor team or teams on board in the first or second quarter of 2014.