



Memorandum

To EEAC
From Eric Belliveau and the EEAC Consultant Team
Date 3 November 2011
Subject Monthly Report – October 2011

The Consultant Team is pleased to provide this monthly update to the Council on our recent and planned activities. October was a busy month with many accomplishments and important topics under discussion and review.

Planning & Analysis Activities

- Coordinated with the PAs and the Council regarding planning and scheduling for the 2012 Mid-Term Modifications process, including jointly developing a proposed schedule of interim deliverables and working templates for the MTM documents to be provided to the Council.
- Reviewed and conducted analysis of the draft 2012 Mid-Term Modifications, the programs impacted by the MTMs, and related issues (such as MTM triggers, informational notifications, impacts on savings goals and benefits, impacts on budgets, performance incentives and metrics, and outside funding). Discussed and coordinated with the PAs on MTM issues including through conference calls and joint meetings. Developed an interim report on the 2012 MTMs, which was distributed to the Council for review at the October EEAC meeting. Developed and presented a slide summary of the consulting team analysis of the draft MTMs at the October meeting. Conducted additional analysis of the revised MTMs provided by the PAs in late October (including the MTM benefits data received on Oct. 19, and the draft filings reviewed prior to the Oct. 28 filing deadline).
- Reviewed the dashboard monthly reports, compiled four months of dashboard reports to show the trend lines, and commented to the EEAC on the dashboard reports and the trends during a presentation to the Council at the October meeting. Also reviewed the Third Quarter (Q3) qualitative reports on 2011 program performance to date, and reviewed the PA slides for presentation to the EEAC at the October meeting.
- Discussed initial planning and analysis activities for the early stages of the development of the next Three-Year Plans (2013-2015), including options and opportunities for market and economic analysis.
- Participated in discussions of approaches for documenting energy savings and baselines.



Highlights from the Implementation Oversight Groups and EM&V Group

The sections below highlight activity in each of the major oversight areas.

C&I Team

The Team worked on several issues over the past month, covering a wide variety of topics.

- Continued on-going engagement with PAs on all C&I planning and implementation issues. Specific focus in October included: finalizing negotiations of 2012 metrics; major 2012 MTM changes; monitoring the early-October launch of the upstream HPT8 lighting initiative; finalizing estimated savings and costs and other plan detail for the launch of LED products to the upstream lighting initiative; engagement on planning and strategies for codes & standards plans for 2012; and coordination with DOER on municipal efforts.
- Attended (by phone) a meeting of PAs and DOER to discuss first draft of a codes & standards initiative plan developed by PA consultants Heschong Mahone Group, and better understand concerns of both parties and assist with resolving. Following this initial meeting, continued engagement with PAs and DOER occurred to better understand outstanding issues and guide the PAs in a direction that better matches DOER's expectations and concerns. This was followed by email memos to the PAs with direction on the shifts in strategies we and the DOER would like to pursue. These include: 1) prioritization of code compliance and enforcement facilitation (e.g., things PAs could do the spearhead different enforcement strategies by localities or state entities, but not establishing an enforcement role for PAs); 2) explicitly identifying the actions and services PAs would undertake or offer, and the logic model behind how these will impact compliance; 3) slow down focus on PA support for standards, but continue to consider if there are very specific barriers to adoption of a specific standard (either state or federal) that cannot be met by the various other entities involved in these, and if so, propose specific actions and budgets, along with the logic model of why they are important; and 4) suspend discussions about what savings credit PAs would receive or how to measure it until we have reached some preliminary consensus on what the efforts would be and why. We expect the PAs will "hit the reset button" and bring to Consultants and EEAC a more fully thought-out strategy.
- Continued to provide high level assistance and advice to PAs related to the upstream lighting initiative launched in October, including assistance in understanding the distributor market in MA, developing goals and budgets, vetting LED technologies, and related issues.
- Reviewed and commented on various versions of the PA 2012 MTM filings, and completed negotiation of C&I 2012 Metrics with PAs.
- Continued engagement with PAs that started in September about the best approach to restructure various C&I working groups.
- Discussed with DOER staff priority issues for future engagement with PAs, including: 1) expansion of project expediter model, and other appropriate strategies, to open up participation in programs to a much wider group of market actors; 2) addressing concerns about confusing and competing marketing



and branding messages in the market; 3) discussing concerns about PA resources; and 4) addressing concerns coming from CHP developers about program barriers and opportunities to streamline the process and ensure it is consistent across PAs.

- Performed an analysis requested by DOER to analyze the impacts on CHP cost-effectiveness from changes in avoided costs.
- Coordinated with EM&V Consultant Team on review of draft evaluation results and better integration between EM&V and the PA's planning and implementation staff through the C&I Management Committee. PAs agreed to assign an "evaluation analyst" to attend the CIMC and play this coordination role.

Residential Team

The Residential Team covered key program areas by engaging with several working groups. High level developments by PAs in these areas include the following.

- **General:** Engaged the PAs on high level Residential Sector issues at the bi-weekly Residential Management Committee (RMC) meetings, including on the 2012 MTMs and addressing Pre-Weatherization. Coordinated with EM&V team and the PAs to provide a PA EM&V liaison to the RMC, to enhance communication with the Residential program implementation staff on EM&V planning and study results. Communicated with the DOER Residential Team, at their weekly calls, about residential sector issues. Participated in weekly EEAC Consulting Team calls and weekly RES Consulting Team coordination calls. Reviewed all final MTM documentation submitted by each of the PA's, and prepared comparison matrix and overall feedback. Finalized 2012 performance metrics with the PAs.
- **Products:** Identified additional 2012 lighting savings and worked with National Grid and CLC staff to increase their 2012 lighting savings by over 18,000 MWh from previous draft MTM submittal. Reviewed PAs lighting program website and encouraged PAs to update and expand content in anticipation of 2012 federal lamp standards and new FTC lamp labels. Reviewed and commented on retail products evaluation work plan and interview guide. Reviewed monthly Lighting and Appliance Program activity reporting.
- **HVAC:** Continued to work with MA PAs and others in the region to develop common installation requirements, contractor training and QA/QC protocols for heat pump water heaters which will be a new measure in 2012. Reviewed draft installation protocols. Recommended to PAs to adjust their 2012 mini-split heat pump incentive levels to better align with other Cool Smart HVAC equipment rebates. Reviewed CoolSmart program reporting. Met with NEEP staff to discuss opportunity for state/regional boiler standard that would better align with recently approved federal gas furnace standard
- **Residential New Construction:** Reviewed MTM filing submissions from PAs. Answered the AG's questions from the September monthly report on savings and lighting issues. Attended the PA's codes and standards presentation to DOER and followed up with the PAs on standards questions and issues.
- **Home Energy Services:** Communicated with PAs and DOER on the continued success of the HES Contractor Best Practices working group. Finalized 2012 HES 'Deeper Savings' metric with the PAs.



- Deep Energy Retrofit Pilot: Met with DOER et al to discuss ideas for a future direction of the Deep Energy Retrofit pilot that is cost-effective and integrates more closely with the HES program.
- MA Technical Advisory Committee (MTAC): Attended presentation on AeroSeal duct sealing technology.
- Low Income: Worked with LEAN and PAs to finalize 2012 metrics. Worked with LEAN and PAs to facilitate communication on 3rd party QA/QC inspections.

Evaluation, Measurement & Verification

- Agreed with the PAs and with DOER to add two studies to the 2012 EM&V plan, focusing on: (1) market assessment of C&I customers with electric demand from 300-750 kW, and (2) the job creation effects of the Commonwealth's energy efficiency programs.
- Moved the C&I Non-Energy Impacts study into the implementation phase.
- In the retail products area, began the fielding of a market assessment study that includes a general population phone survey and on-site visits to 150 homes, focusing on lighting and consumer electronics issues.
- Moved forward approximately 25 Round 2 studies that were already in the implementation phase, including market assessment studies of the residential new construction, multifamily, and non-residential new construction markets.
- Communicated with ENE, the PAs, and evaluation contractors regarding potential further near-term evaluation efforts focusing on the CMI pilots.
- Wrapped up work on the 2012 TRM plan version.
- In order to enhance the feedback loops between EM&V and residential program planning within the PAs, agreed with the PAs to assign an evaluator as EM&V liaison to the RMC, supplemented by periodic attendance of the EEAC EM&V consultants at RMC meetings.
- Participated in the development of the EM&V Forum's 2012 research plan.
- Moved the CHP impact evaluation into the final reporting stage.

Upcoming Activities

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

- Complete the review and analysis of the PA-proposed 2012 Mid-Term Modifications, including review of the energy savings and benefits (relative to the EEAC-adopted goals), budgets, cost-effectiveness, and planning issues for the 2012 MTMs. Also will include a review of related issues, such as MTM triggers,

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informational notifications, performance incentives and metrics, and outside funding. Prepare a consultant report on the 2012 MTMs for the Council meeting in November.

- Analyze progress towards full incorporation of the key building blocks for accomplishing the goals of the Three-Year Plans to achieve deeper savings and other key priorities.
- Participate in DPU 08-50 processes including the Energy Efficiency Guidelines, reporting, and bill impacts, as scheduled and as assigned. May include review, development, and analysis of options for energy savings documentation, adjusted gross savings, and improved baselines.
- Track progress towards achievement of the savings and benefits goals and other Council priorities by reviewing and analyzing future qualitative and quantitative quarterly reports (in November and December). Review and comment on dashboard monthly reports.
- Initial preparation for the development of the 2013-2015 Three-Year Plans.

The C&I Team plans to continue working on the following issues:

- Continue to finalize 2012 MTMs, 2012 Metrics, and EM&V findings and applications.
- Review 3rd Quarter report(s) from PAs in November, provide a critique to PAs and possibly EEAC, and address any concerns related to meeting year end goals.
- Continue to engage with PAs and DOER on plans for codes & standards efforts.
- Continue to support the launch of the upstream lighting initiative, with particular focus on the addition of LED products that should be rolled out in November.
- Continue to monitor the PA pipeline of savings and expectations for meeting 2011 goals.
- Continue regular engagement with DOER and PAs to coordinate better integration of DOER staff efforts as part of the Green Communities initiative and the PA programs.
- Begin to engage PAs on some longer term (2012) priorities including: expanding engagement of upstream market actors; simplifying processes and resolving barriers to CHP participation; expanding PA internal resources or greater use of joint contractors; eliminating confusing and competing marketing messages through a more comprehensive strategy; and ensuring PAs continue to focus on going deeper with customers to maximum net benefits from every project.

The Residential Team will:

- Engage the PAs, through the RMC, in planning discussions on developing the next 3-Year plan. Continue to explore and communicate opportunities for programmatic synergies and additional energy savings.
- Coordinate with PAs, DOER and other stakeholders on strategy to address Pre-Weatherization in 2012.

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- Attend ENERGY STAR Partners meeting in early November. Ascertain opportunity for state standards or regulatory action to improve efficiency of set top boxes.
- Work with PAs to ensure adequate contractor notification and training on 2012 CoolSmart HVAC sizing requirement.
- Work with DOER and others to achieve greater integration of gas and electric HVAC programs.
- Plan for new ENERGY STAR Homes standards that go into effect in 2012. The Joint Management Committee will also discuss the options for designing an effective major renovation program and examine the results of the new construction baseline study to inform discussion regarding baselines for 2011 and 2012.

The EM&V Team will:

- Continue moving in-progress studies through the implementation process
- Oversee the finalization and reporting of several studies, including the multifamily potential study and the CHP impact evaluation.
- Begin implementation of the job creation and 300-750 kW studies.
- Seek to reach consensus on additional market assessment activities for residential retail products.
- Work on enhancing the feedback loops within between EM&V and non-residential program planning within the PAs.