



Memorandum

To EEAC
From Eric Belliveau and the EEAC Consultant Team
Date 20 February 2014
Subject January Monthly Report

The Consultant Team is pleased to provide this update to the Council on our recent activities.

Planning & Analysis Advisory Group

In January, the EEAC consultant Planning and Analysis Group focused on seven primary tasks described below to support and push for the effective implementation of the key components of the 2013-2015 Three-Year Plan. This included providing input on key program enhancements and strategies; maintaining team attention on achieving the savings and benefits goals; maximizing the use of best practices information; serving all segments of MA customers; and supporting the Council's priorities; while also encouraging the cost-efficient use of ratepayer funding:

- **Council Meetings** - Prepared for, attended, and provided technical support during the EEAC meeting on January 14, and during the Executive Committee meeting on January 29th. Reviewed the PA-produced slides on the 2013 year-end projections, and conducted additional analysis and prepared additional slides on annual savings projections vs. goals by sector for presentation to the Council. Briefed individual councilors in advance of the EEAC meeting.
- **Statewide Database** - Provided technical support for the design and development of the statewide database, as directed by the Council and the Council's Statewide Database Subcommittee. Reviewed and discussed the database consultant proposals for the statewide database. Identified crucial data needs and provided some examples of how deeper data on projects and measures would be used. Provided written comments on PA response to Energy Platform's conceptual proposal. Provided written comments/feedback on EP's initial requirements document. Attended and provided technical support during the meetings of the Council's Statewide Database Subcommittee and the Statewide Database Working Group on January 13th.
- **Achieving Savings and Benefit Goals** - Continued the review of program performance, coordinating with the PAs, with a special focus on the C&I energy savings shortfalls relative to goals in 2011-2012, the C&I under-investments in the same years, C&I performance year-to-date in 2013 (based on PA year-end projections), and the C&I "hockey stick" of project completions. Reviewed C&I progress in 2013 year-to-date and the year-end forecast to prepare for the discussion at the January EEAC meeting.
- **DPU Proceedings Support** - Provided technical support for DPU proceedings and regulatory processes. Continued work on DPU 11-120 reporting streamlining regarding the regulatory review,



reporting, and approval of performance reports, performance incentives, and energy efficiency surcharges. Worked on reporting issues, needs, and priorities related to the DPU 11-120 working group with individual councilors. Prepared for and participated in the DPU working group subcommittee meeting on January 28, which focused on the timing of EM&V studies, Plan-Year Reports, and other documents, and on the format and content of future Plan-Year reports--these will replace the annual reports of the past. Reviewed the PA-proposed template for the Plan-Year Reports and provided written comments to the PAs and oral comments during the working group meeting. Met with the PAs in the Planning & Analysis Group (PAG) to coordinate on the development of data tables appropriate for the three-year period, and prepared for the DPU working group subcommittee discussion. Also provided technical support and recommendations regarding the implementation and timing of the 2013 AESC (regional avoided costs study) in Massachusetts to councilors and the DPU 11-120 working group.

- **Annual Report Review** - Continued the review of the PAs' 2011 and 2012 Annual Reports, and provided technical assistance 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), the PA performance incentive claims, and the performance incentive metrics claims and documentation. Coordinated with individual councilors involved in the DPU proceeding and provided technical assistance on discovery items and review of many PA responses to discovery questions. The discovery phase of the DPU proceeding will conclude in February.
- **Implementation Update** - Worked with the PAs on preparation for the Annual Implementation Update for the 2014 program year, for the Council review process in March/April. Collaborated with the PAs on some details and clarifications (e.g., applying the new avoided costs in the Implementation Update tables, and the process and schedule for the Implementation Update work in March and April).
- **Interim Data Management** - Reviewed PA progress on the consultant-recommended interim approach to data and data management, focused on improving effectiveness and efficiency of current data management, to ensure reliable and internally-consistent data in the interim while the statewide database is being developed. Continued to recommend 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. Reviewed a summary of the interim system being developed by the PAs, and reiterated the importance of these interim data system improvements, data quality procedures, and data management processes in discussions with the PAs and DOER. Recommended that the interim system be in place in time for use during the 2014 Implementation Update process (originally we recommended that the interim system should be in place by August 2012).

Upcoming Activities

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

- **Focus on Successful Implementation of the Three-Year Plan** - 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. Significant focus in the near term will continue to be on the C&I programs and how to achieve the C&I goals, which will be informed by the 2014 Implementation Update process in March and April.



- **Statewide Database** - Support the design and development of the statewide database, and participate in the Statewide Database Working Group and the Council's Statewide Database Subcommittee, as directed by the Council. Coordinate with the database consultant/facilitator to assist in the design and scoping of the statewide database, including through interviews. Review and comment on the draft database specifications.
- **Interim Data Collection and Management** - Encourage the PAs to complete work on the development and implementation of 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. Continue to focus on improvements to the interim data system, procedures to increase and ensure data quality, and data management processes in discussions with the PAs and DOER. Review a draft of the interim data system when it is provided by the PAs. We recommend that the interim data system should be in place in time for the 2014 Implementation Update in March.
- **Implementation Update** - Working with the PAs, begin early implementation of the template and summary narrative for the 2014 Implementation Update to be considered and reviewed by the Council in March and April 2014. Review, analyze, and assess the 2014 Implementation Updates when they are provided by the PAs in March 2014.
- **Review and Comment on PA reporting** - Review, analyze, and comment on the quarterly reports and the dashboard monthly reports and trends, with special focus on the achievement of the goals. Improve the reporting of trends and the comparison to similar time periods in prior years in the monthly report dashboards. 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 (continuing discussions), 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. Enhance the reporting on the Council's priorities in response to councilor comments.
- **Provide technical support for DPU proceedings/processes** - Support the Council, as directed, in its review and analysis of the DPU NOI Phase II order and the EE Guidelines; Review and comment on the revised PA-proposed template for future Plan-Year Reports and data tables; provide support on proceedings related to the PAs' 2011 and 2012 Annual Reports; support the Council by continuing analysis and work on the Phase I NOI regarding net savings and environmental/carbon compliance costs; participate in any other DPU 08-50 or DPU 11-120 processes or technical sessions, as scheduled and as assigned by the Council
- **Strategic Planning** - Assist the Council in strategic planning efforts, including advance planning and identification of information and analysis needs for the development of the 2016-2018 Plan.
- **TRM** - Continue to work on future tasks related to the Technical Reference Manual (TRM), per the TRM schedule and process.

C&I Advisory Group

In January, the C&I Advisory Group focused on the following primary objectives/tasks

1. **Supporting the development of the statewide database:** The statewide database will be a very important tool that can be used to improve the design and performance of C&I programs. The C&I Advisory Group has been closely involved in identifying data needs that can be met through the database, the justification for



them, and the benefits they can bring to the Council, PAs, and ratepayers. In January we provided input to Energy Platforms draft specification, data structure, and developed a response Memo to PAs' Comments on Energy Platforms' Conceptual Proposal.

2. **Drafting a definition and performance indicators for deeper savings as possible alternatives to the performance metrics in place for 2013:** Achieving deeper savings continues to be a Council Priority and a key consultant team objective. The PAs have expressed interest in eliminating performance metrics in 2014, but it will continue to be important to track and measure progress towards the deeper savings priority. In January, we developed draft C&I deeper savings definitions and indicators for internal discussion. These indicators will be further vetted within our team, the PAs, and the Council before finalizing and determining how they will be used. Final deliverable by April 1, 2014.
3. **Advancing statewide strategic planning concepts including segmentation:** The use of segmentation analysis and development of corresponding comprehensive segment strategies is an important evolution in C&I programs needed to meet current and future goals. The Consulting Team believes there are fundamental issues that need to be addressed if this this important strategy is to be implemented on a statewide level. Specifically, we have observed that there is no statewide forum to advance high level strategic planning concepts such as segmentation. The subset of PAs that are using and developing segmentation strategies are doing so within their own companies. This has the potential to delay and/or negate the benefits that a statewide segmentation approach can provide. Furthermore, we have observed that there is no agreed upon definition of what a comprehensive segmentation strategy includes, and the segment strategies that have been put into place by some PAs are done so in a piecemeal and incomplete fashion. In January, the Consulting Team met with Senior Management at the PAs to bring these issues forward and obtained conceptual agreement to test a new statewide strategic planning forum potentially in the April timeframe. As an example of providing best practice input, we delivered a presentation on segmentation concepts, and then provided PAs with examples of manufacturing segment approaches from other jurisdictions. The PAs have agreed to develop a new segment strategy for Industrial Manufacturing. Planning of this new segment strategy will begin in earnest in late February. Our team will work closely with the PAs in development of this strategy.
4. **Identifying and implementing strategies to achieve greater savings earlier in the year to reduce the "hockey stick" effect of C&I programs:** The very large percentage of C&I portfolio savings occurring in the last 1-2 months of the year increases the uncertainty of achievement and creates a "firestorm" at the end of the year that strains resources, sets bad precedents with customers, inhibits the ability of programs to plan and manage in a balanced and strategic way, and leaves the programs in a poor position leading into the following year. This is an issue the consulting team plans to bring forward at the proposed statewide strategic planning forum described in #3 above. In the meantime, the Consulting Team has been leading an effort within the Management Committee to come up with strategies to reduce the hockey stick effect. In January, the Consulting Team presented the most recent data and led a brainstorm with PAs to develop high level strategies that could be implemented at a statewide level. The next step to occur in February is to develop 3 specific ideas based on the list of high level strategies that will be implemented.
5. **Identifying and Advancing Best Practices:** Identifying and advancing Best Practices from both in-state and out-of-state is important to achieve current and future savings goals. Our team is working on many



fronts to advance this objective. One of these is in the area of Best Practices for Retro-Commissioning (RCx) programs. Some jurisdictions have developed highly successful and cost-effective RCx programs that deliver significant savings beyond what is seen with the Massachusetts RCx Offering. To address this, our team proposed to the PAs to lead a collaborative Best Practice Research project aimed at identifying National Best Practices that can be considered for adoption in Massachusetts to increase C&I savings and participation. This work will be complete, and a report shared with the Council, by April 1, 2014. In January, we developed and prioritized the criteria and proposed a scoring system that will be used to identify best practices. We developed an interview guide for PAs outside the state with programs that have been recognized by independent third parties (ACEEE and CEE) as having best practices. Additionally held two meetings with the Massachusetts PAs to review the guide and the most important barriers to ensure that our research focuses on practices to overcome them. Additional Best Practice studies proposed by our team as part of our 2014 Workplan and already agreed to by PAs including Healthcare Sector Best Practices, Hospitality Sector Best Practices, and Depth of Savings Best Practices in in Small Business Programs.

6. **Enhancing the feedback loop between implementation and EM&V:** EM&V serves an important role in assessing the effectiveness of the programs. It is critical that this feedback loop between EM&V and program implementation is strong to ensure PAs are developing and offering the best programs possible. In the past, this feedback loop has not been as strong as it should be and our team continues to work to improve it. Specific activities in January have included active engagement in the MFHR Baseline Study planning process as well as in-depth review of C&I EMV plans and reports providing technical input as well as communication and coordination with C&I Implementation.

In addition, the C&I advisory group completed the following activities in January:

- Provided support to DOER's new C&I lead to bring him up to speed on C&I programs.
- Provided input to EEAC Meeting Topics list to identify and frame C&I topics for 2014 Council Meetings
- Continued work on developing a strong workplan for 2014

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 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 Retrocommissioning 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.

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- Developing 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 Q2 2014
- Working with PAs to develop a definition, process, and structure to support development of formalized segmentation strategies.
- Working with PAs to develop formal, comprehensive segment approaches for the most important segments including Commercial Real Estate, Healthcare, Hospitality, and Industrial/Manufacturing based on industry best practices.
- Continue to work with PAs to identify and implement strategies to reduce the “hockey stick” effect on C&I savings.
- 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 to make a stronger connection and feedback loop between evaluation, and implementation and planning.
- 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

In January, the Residential Advisory Group focused on four primary tasks:

1. **2014 work planning:** This is an important effort that frames the Group’s work for the year. Members engaged in development of the 2014 work plan, including discussions with Advisory Group leads on Council priorities and drafting a preliminary list of residential objectives.
2. **Supporting the development of the database:** This is a Council priority and the Residential Advisory Group has worked with the other members of the consulting team to identify data needs that will ideally be met through the database and develop the supporting justification. Michael Blasnik continued to participate in the database development project, including attending meetings on January 13, 16, and 23 to share and advance his expertise and the consulting team’s perspective and priorities with stakeholders.
3. **Continuing multifamily best practices work:** This effort continues as the consulting team tries to make incremental progress with the PAs in understanding the program design and operation and identifying both short-term continuous improvements and new strategies for consideration in the longer term. Team members attended the January 8 RMC meeting and presented multifamily (“MF”) retrofit peer program comparison chart listing key characteristics and results of MA’s peer programs across the country. Courtney Moriarta prepared an internal summary of MF program best practices from national resources (ACEEE and others) to review MA progress to date on MF program enhancements and identify future strategies for near-, mid-, and long-term program improvements. She also participated in the multifamily retrofit working group meeting to learn about 2014 plans.
4. **Drafting a deeper savings performance indicator(s) as a possible alternative to the performance metrics in place for 2013:** The PAs have expressed interested in eliminating performance metrics in 2014 which currently provide the only measure of achieving the Council’s priority of deeper savings. Courtney



Moriarta developed a strawman proposal for PA deeper savings performance indicators to use in 2014 in lieu of prior year's performance metrics for internal discussion with the Residential Advisory Group.

In addition to these tasks, the Group covered key program areas by engaging with the Residential Management Committee (RMC) and key initiative working groups on several topics.

- 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, including participation in select working group meetings and review of working group agendas and minutes and PA's data dashboard.
- Met with NYSERDA staff to obtain additional detail on contractor performance metrics as a follow up to October's presentation to the RMC
- Reviewed PA responses to information requests from the DPU, DOER and Attorney General related to the team's priority objectives
- Provided Evaluation Advisory Group members with input on residential evaluation plans, including lighting net-to-gross, multifamily retrofit, and residential customer profile studies. Maintained ongoing dialogue with Evaluation Group to coordinate evaluation and residential Advisory Group activities
- Compiled and transmitted high-level research for DOER to support contemplated revisions to Residential Conservation Services guidelines.
- Supported residential products program by continuing to monitor YTD lighting activity relative to goals, discussing opportunities posed by PA's lighting bulk procurement for their direct install programs, and reviewing and preparing comments on the regional lighting hours of use study.

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. Activities we anticipate in February include:

- 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 2014 residential work plan
- Continue development of performance metrics and/or performance indicators for 2014
- Draft results from NYSERDA meeting regarding contractor performance results and on-going revisions to NY's QA systems to share with RMC
- Discuss direct install lighting RFP with RMC
- Continue work with interim data systems, e.g. PARIS and PA interim data system when available, and PA's annual reports to inform consultant recommendations for enhancements to the residential program portfolio
- Continue to support database development
- Participate and provide leadership in residential market effects workshop



- Continue to review and comment on PAs' responses to information requests from the DPU, DOER and Attorney General
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Evaluation, Measurement & Verification Advisory Group

Highlights from the Past Month

Much of the EM&V Group's focus over the past few months has been on working closely with the PAs to convert the ambitious mid-term research agenda contained in the overall 2013-2014 EM&V plan submitted to the Council last October into concrete studies in the field. This has entailed: (1) moving a large number of studies through three progressively more detailed stages of project-specific planning to reach the implementation phase; and (2) once studies reach the implementation phase, overseeing the performance of the study by participating in project management meetings and selectively reviewing and commenting on interim deliverables. As of mid-February, there were 53 active EM&V studies. Of these approximately 30 were in the implementation phase, 20 in the planning phase, and 3 in the reporting phase.

The EM&V Group continued its active involvement in a wide range of EM&V planning, implementation, reporting, and policy functions.

- **EM&V Planning.** Completed the planning process and entered the implementation stage for a number of new studies, including the following: HES Program Delivery, HEAT Loan, Minisplit, Residential Lighting Saturation Stagnation, Lighting Market Lift pilot, C&I PA Differences, and C&I Learning from Successful Projects studies. Moved a number of additional new studies that were identified in the 2013-2014 Evaluation Plan through the three planning stages and toward the starting gate for implementation, with particular emphasis on new Cross-Cutting studies.
- **EM&V Implementation.** Advanced toward completion a large number of studies currently in the implementation stage. These represent a combination of many new studies that were identified in the 2013-2014 Evaluation Plan and recently entered the implementation stage, and a handful of studies begun in late 2012 or early 2013 that are nearing finalization. These include (in addition to the studies listed above that entered the implementation stage for the first time in January): the C&I Existing Buildings study; LED Market Effects study; Boiler Market Characterization study; Lighting Controls study; Whole Systems Approach assessment; Custom HVAC Impact evaluation; C&I Prescriptive Electric Impact evaluation; C&I Customer Profile study; Residential Lighting Market Assessment study; Residential Customer Profile study; Low-Income HOU and Thermostat study; HEHE Impact evaluation; Umbrella Marketing study; Efficient Neighborhoods pilot study; and C&I NEBs marketing study.
- **EM&V Reporting.** Finalized reports on the Mid-Sized Customer Study and the Residential New Construction Net-to-Gross Study. Nearing finalization of the C&I Upstream Lighting Impact Evaluation report. Received and commented on the draft final report for the Residential Lighting Hours of Use study. Added study summaries to the EEAC web-site for studies completed in 2013.
- **EM&V Policy Issues.** Worked with both the EMC and other EEAC consultants to help develop recommendations regarding the new schedule for annual reports. Worked with other EEAC consultant Groups to help develop recommended specifications for the statewide database. Worked with the PAs

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to attempt to resolve differences in views regarding the approach to be taken to the PA Penetration and Remaining Cost-Effective Opportunities study mandated by the DPU for selected PAs. There are substantial remaining differences in the positions of the PAs and the EEAC consultants regarding a range of issues, including the technical approach to the study, the administrative approach, whether or not the study should be treated as part of the statewide EM&V framework, and the bucket from which funding for the study should be drawn.

- **Miscellaneous Activities.** Finalized selection of new teams of EM&V contractors for the Cross-Cutting Research Area. The EM&V work in this area over the next three years will be divided across three contractor teams, led by Tetrattech, ODC, and Navigant, respectively.

Upcoming Activities

- In February we expect key areas of focus to include:
- Overseeing implementation of the large numbers of studies currently in progress, continuing to advance towards studies currently in the planning stage towards the implementation stage, and finalizing studies currently in the reporting stage.
- Continuing to attempt to resolve the differences between the positions of the EEAC Consultants and the PAs regarding the PA Penetration and Remaining Cost-Effective Opportunities study.
- Updating the Council on EM&V issues at the February meeting.