

Memo

To: **EEAC**
From: **Eric Belliveau and the EEAC Consultant Team**
Date: **6 November 2014**
Subject: **October 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 30-40 studies identified in the 2013-2014 EM&V plan currently in the implementation stage.
- Working on roughly 20 final reports in various stages of completion.
- Providing EM&V-focused input on the Implementation Update, Mid-Term Modification, and Statewide Database processes, as well as the EM&V Forum's reporting templates and net-to-gross protocols projects.
- Fifteen recent completed studies were posted to the EEAC website.

PLANNING & ANALYSIS

- Preparing for, attending, and providing technical support during the EEAC meeting on October 15, and for the Executive Committee meeting on October 29.
- Preparing and providing a wrap-up presentation for the October 15 EEAC meeting, with a major focus on the findings and recommendations for Council Action resulting from the Deeper Dives.
- Reporting on Mid-Term Modification (MTM) proposals from three PAs in advance of the EEAC meeting.
- Reviewing and commenting on proposals regarding the 2015 regional avoided costs (AESC) study.

RESIDENTIAL AND LOW INCOME SECTORS

- Continuing internal discussions on next steps for advancing its recommendation that the Council charge the PAs and consultants to pursue a fully integrated and distinct multifamily effort.
- Preparing for an anticipated November presentation to the Council on innovative approaches and technologies.
- Reviewing and compiling a summary of the impacts of revised federal efficiency standards and ENERGY STAR® specification updates on many appliances and HVAC/DHW equipment supported by the PAs.

COMMERCIAL AND INDUSTRIAL

- Promoting the adoption of best practices, focusing on a systematic process.
- Interviewing and analyzing information for the health care best practice research.
- Advancing market understanding through cross-pollination of EMV and CIMC.

MONITORING, COORDINATION, AND CROSS-CUTTING TASKS

- Coordinating with DOER staff on various EM&V related issues.
- Exploring with the PAs how best to address several forward-looking planning topics for the upcoming

2016-2018 Plan and the schedule for the planning topics.

TECHNICAL SERVICES

- Producing draft minutes for the October 15, 2014 EEAC meeting.
- Managing the updated website on a day-to-day basis
- Submitting the Annual Report to the DPU and Legislature for Council approval.

EVALUATION, MEASUREMENT & VERIFICATION

In October, 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 processing approximately 15 new study proposals spanning all three major research areas (Residential, Non-Residential, and Cross-Cutting). These proposals include the last of the studies contained in the 2013-2014 Evaluation Plan to near the implementation stage as well as a wave of new studies conceived in recent months. The new studies seek to either advance existing research agendas, address stakeholder information needs, or follow-up on recently completed studies. These 15 new studies 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. We anticipate that most of the new studies that were not in the 2013-2014 Evaluation Plan will 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 30-40 studies identified in the 2013-2014 EM&V plan that are currently in the implementation stage. A few examples include the following studies: HES Program Delivery, HEAT Loan, LED Market Effects, Top-Down NTG, and Market Effects Framework. Many studies are expected to wrap up within the next several months.

Oversee EM&V Reporting

As the majority of the studies contained in the 2013-2014 Evaluation Plan near completion, the group has entered a heavy reporting period, with some 20 final reports in various stages of completion in October. Draft final reports on major studies first received in October include the following: Residential Lighting On-site and Upstream Interview Studies, HEHE Gross Savings Impact Evaluation, C&I Electric Self-Reporting NTG Study, Top-Down NTG study (methods review and results of municipal model), Impact Evaluation of C&I Prescriptive Pre-Rinse Spray Valves, Residential Furnace Baseline Memo, and HVAC Market Actors Data Collection Report.

EM&V Policy Issues

The Group provided EM&V-focused input on the Implementation Update, Mid-Term Modification, and Statewide Database processes, as well as the EM&V Forum's reporting templates, net-to-gross protocols, and benefit/cost analysis projects. Via the Forum, we also provided input on EM&V issues associated with EPA's 111(d) Rule. We also continued to work with the PAs to attempt to resolve different views on the appropriate baseline to claim for residential furnaces in program year 2013. Finally, in a related process, we held the first meeting of the new Baseline Subcommittee with the PAs.

PLANNING AND ANALYSIS

Participate in EEAC Meetings; Brief and Support the Council

In October, 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. This included reporting on the 2014 Implementation Update recommendations; providing technical support for DPU proceedings focused on our review of the Mid-Term Modification proposals from several PAs; and conducting technical analysis and review primarily on the regional avoided cost study.

Participate in EEAC Meetings; Brief and Support the Council

The Group prepared for, attended, and provided technical support during the EEAC meeting on October 15 and the Executive Committee meeting on October 29. 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.

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

The review, analysis, and assessment of the 2014 Implementation Update (originally provided by the PAs in mid-March) continued to be a major task of the Planning and Analysis Group in October. The Implementation Update is a combination of looking back at past performance (2013) and looking forward at PA projections of future performance (2014-2015), which supports the Council in reviewing progress towards achieving the three-year goals of the 2013-2015 Plan.

In October, the Consultants created a summary document of four recommendations stemming from the Implementation Update process. They also worked with the Executive Committee and other Councilors on crafting a “Key Actions” document that reflects the findings and potential actions from the consultant recommendations memo.

Support the Council on Regulatory Issues and DPU Proceedings

In October, the Consultants completed our review and analysis of proposed Mid-Term Modifications (MTMs) from three PAs—National Grid, Unitol, and Cape Light Compact. These MTMs will apply to the balance of the 2013-2015 Three-Year Plan period. The Consultants reported on our review of the three draft MTMs, and the EEAC approved the proposed MTMs in October.

Future work on other regulatory issues and DPU proceedings will depend on the nature and timing of DPU activities and actions in the future.

Provide Technical Analysis

In October, 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, rather than being conducted every two years. The Group coordinated with the multi-state study group on RFP proposals. The Group participated in the study group conference calls on RFP proposals and scheduling, and a final contractor was selected. 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 October, 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. A main focus in October included preparing for an anticipated November presentation to the Council on innovative approaches and technologies. The Group also reviewed and compiled a summary of the impacts of revised federal efficiency standards and ENERGY STAR® specifications on many appliances and HVAC/DHW equipment supported by the PAs.

Residential Whole House and Low Income Programs

The Residential Advisory Group continued internal discussions on next steps for its recommendation that the Council charge the PAs and consultants to pursue a fully integrated and distinct multifamily effort. In November, the Group will review and provide comments on the draft multifamily process evaluation and prepare a more detailed assessment to support its multifamily recommendation.

The Group requested, received, and reviewed information about three additional measures the PAs are planning to offer this winter to support achievement of deeper savings. There has not yet been additional discussion with the Residential Management Committee about the consultants' depth of savings opportunity analysis for the Home Energy Service Initiative. The analysis suggested the PAs consider comprehensive, performance based approaches to achieving deeper savings by specifically targeting homes with deeper savings potential. There are plans for both the PAs and Residential Advisory Group to present to the Council on deeper savings and deep retrofit.

Residential Products Program

The Group reviewed and compiled a summary of the impacts of revised federal efficiency standards and ENERGY STAR® specification updates on many appliances and HVAC/DHW equipment supported by the PAs. This analysis will inform planned discussions with the PAs to assess appropriate 2015 initiative changes and 2016-2018 plan efforts. The Group also participated in discussion with supporters of the Super-Efficient Dryer Initiative to inform proposed expansion of support for efficient dryers by the PAs in 2015. As part of the continued Implementation Update Lighting Deeper Dive, the Group continued review of market data to assess whether support for specific CFL products can be directed to the LED equivalent in 2015.

The Residential Advisory Group also provided support to the EM&V Group through review and comment on two lighting evaluation draft reports and several planned products evaluation activities.

Innovative Strategies

The Group prepared for an anticipated November presentation to the Council on innovative approaches and technologies that is not on the final November agenda. This work included speaking with representatives of Northeast Utilities, the Consortium for Energy Efficiency, and National Grid about their work on WiFi communicating thermostats, connected devices, and smart grid, respectively. Group members will continue their work in this area and provide a summary of research and findings to the Council in either a presentation or memorandum before year's end.

In response to concerns about upcoming winter peak and resulting pricing issues, the Group continued its work to support DOER with an assessment of various winter peak mitigation strategies including the Nest WiFi communicating thermostat.

COMMERCIAL AND INDUSTRIAL

In October, the C&I Advisory Group worked on the tasks described below to support the PAs in their work to meet the 2013-2015 Three-Year Plan C&I goals. These tasks included continued focus on promoting the adoption of best practices, focusing on a systematic process; interviewing and analyzing information for the health care best practice research; and advancing market understanding through cross-pollination of EMV and CIMC.

Deeper Savings in All Programs

The C&I Advisory Group reengaged in the Small Business Retrofit Program research discussed in the workplan. The Group began scoping the research to support a memo summarizing effective and recommended practices for advancing deeper and more comprehensive savings as well as addressing very small customers. This memo will be developed over the next two months. The Group held exploratory conversations with one PA regarding interest in the study and expect feedback from other PAs in November or December.

Comprehensive Segment Strategies

The Group reviewed the Commercial Real Estate Working Group focus group survey instrument, providing valuable feedback which supported a successful first round stakeholder input session.

The Group continued work on the Health Care Best Practice study, which included conducting additional stakeholder interviews, scheduled with the support of the PAs. The Group distributed a matrix of effective practices to be ranked by the PAs. The Group also developed its own rankings of these practices. PA rankings and a draft study report are expected to be completed in November.

The Group reinvigorated its work on Hospitality Segmentation in order to prepare a memo on effective practices by year end. PA engagement is expected to be limited due to their focus on meeting 2014 goals at this point in the year and the fact that that work is still needed on the Health Care Study. The Group will work to obtain PA input where feasible. It will plan to use the initial investigation to lay the groundwork for additional research that may be needed to advance best practices in Hospitality for the next Three-Year Plan.

Coordination and Partnerships

The C&I Advisory Group facilitated EPA and DEP participation in the October CIMC to review status and opportunities to advance audits and implement upgrades for large boiler plants. In general, audits have been conducted for many plants and DEP asked PAs to identify specific barriers with which DEP could provide assistance such as funding. The PAs sought more information on what DEP could provide, which is difficult to know without more information about specific needs. Both parties agreed to continue the discussion.

Innovative Strategies

The PAs presented research findings on upstream gas water heaters at the CIMC. The research indicated that market barriers beyond equipment availability may prevent an upstream solution from being the best approach.

MONITORING, COORDINATION, AND CROSS-CUTTING TASKS

Monitor and Advise Current Programs

Residential Group members monitored the work of various residential and low income working groups to stay abreast of current PA activities and assess progress towards achieving Three-Year Plan goals.

Coordinate with the Council on Programs and EM&V Results

The Residential and C&I Advisory Groups continued their coordination with DOER staff on various residential and C&I issues.

Prepare for the 2016-2018 Plan

The Consultants identified several potential forward-looking planning topics for the upcoming 2016-2018 Plan, including: the overall schedule for Plan development; informing the next Plan through insights gained from the Implementation Update, Deeper Dives, findings of recent evaluation studies, and results of the 2013 programs and recent MTMs; and ways to consider some key technical topics such as market effects, appropriate baselines, and net savings. We expect to continue discussions with the PAs and the EEAC in future months. We also reviewed 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 October 15, 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 November 12, 2014. The EEAC approved the September meeting minutes during their

October meeting. These minutes along with all documents and presentations distributed at the October EEAC meeting have been posted on the EEAC website at <http://ma-eeac.org/latest-council-meetings-materials/>.

Develop EEAC Logo and EEAC Website Upgrade

Optimal staff is now managing the updated website on a day-to-day basis. In October, this included posting materials from the October 15 EEAC meeting, updating the Results and Reporting page, and setting up a new page to hold the 2013-2015 Mid-Term Modification documents.

For the month of October 2014 there were:

- 993 sessions
- 541 unique users
- 3,847 page views with an average of 3.87 page view per session
- 42% new visitors; 58% returning visitors

Produce the Annual Report to the DPU and Legislature

The draft annual report to the DPU and Legislature was submitted to the Council for review in October. The Council approved the draft annual report at the October 15 meeting. The report will be reviewed by the Governor's Office before being finalized and distributed.