

Regional EMV Forum and NEEP Public Policy Workshop; Roadmap to Claiming Savings from Building Energy Codes and Appliance Standards September 28, 2010

Maintaining the Momentum: Workshop Recap and Next Steps

Workshop materials, Slide presentations and Additional resources including regional codes and standards summaries available on NEEP's Website:
<http://neep.org/emv-forum/forum-products-and-guidelines>

Introduction

On September 28, the EM&V Forum and the NEEP policy team hosted a one-day workshop in Marlborough, Massachusetts: "Roadmap to Claiming Energy Savings from Building Codes and Appliance Standards." The workshop drew over 90 participants and provided an opportunity for regulators, energy efficiency program administrators, and other energy efficiency stakeholders in the Northeast and mid-Atlantic to discuss the concept of rate-payer energy efficiency programs playing a larger role in promoting codes and standards, and the potential mechanisms for savings attribution associated with such activities.

Genesis of Workshop

In many parts of this region, and at the national level, stakeholders have begun to consider the concept of building code and appliance standards activities being incorporated into rate-payer efficiency programs. NEEP's EM&V Forum Members recognized a number of disconnected efforts occurring in the region and believed the best way forward would be to organize a forum for the various groups of interested stakeholders to learn, share and discuss the associated opportunities, challenges and implications.

Goals of Workshop

- Learn about and discuss emerging policies, programs and practices related to the incorporation of building codes and appliance standards into efficiency programs
- Create a forum for dialogue
- Share perspectives from a broad range of stakeholders
- Inform development of future EM&V Forum and other projects

Panel Summaries with key take-aways

The workshop included four separate sessions featuring several engaging presentations and lively question and answer periods that helped meet the workshop's main objectives.

The sessions throughout the day stressed that codes and standards have significant benefits, but that there are also some issues and drawbacks that need to be addressed if programs are to be involved. Codes and standards have the potential to affect the entire market and minimize lost opportunities for efficiency, their scale decreases the costs of energy efficiency, the effects are persistent, and ongoing incentives are not required like they are for demand side management programs. But they require an authority/enforcer and they also raise the baseline against which efficiency program impacts are measured.

The workshop began with an introduction by Jeff Schlegel, a consultant to Massachusetts, Connecticut, and Arizona, about the opportunity to realize significant energy savings from Codes and Standards programs, as well as the issues, uncertainties, and barriers associated with these types of programs. He emphasized that codes and standards are a hot topic of discussion; he commended NEEP for bringing together a wide variety of stakeholders to discuss this timely issue, and noted that NEEP and the EM&V Forum may be able to assist with next steps to maintain momentum in the region.

Session 1

Claiming Savings from Codes and Standards Activities - Learning From California and Arizona

Allen Lee from Cadmus Group presented the approaches to claiming savings from Codes and Standards activities in California and Arizona, two states that have developed attribution frameworks for Codes and Standards programs. The California model rewards program administrators' codes and standards activities based on demonstrated energy savings, while the Arizona model incorporates a deemed savings element and rewards program administrators based on intent and effort. He also noted that the Northwest Power Planning Council incorporates efficiency gains from codes and savings into its forecasting, and also works both to help ensure compliance and to validate forecast estimates. Thus, all of these approaches require some level of evaluation effort.

Activities undertaken by the efficiency programs in California;

- CASE Reports (technical R&D) to guide standard proposals
- Host workshops with stakeholders to inform product priorities
- Advocate at state and federal levels
- Support compliance through trainings/manual resources/staff funding
- Enforcement support

Session 2

Developing Protocols for Codes and Standards Activities in Massachusetts: A Work in Progress

In the last morning session, Betty Tolkin from NMR Group, Inc. discussed the process underway to develop protocols for codes and standards activities in Massachusetts. She also shared preliminary draft results from an NMR study to estimate potential energy savings from enhanced code compliance. The analyses done to date reveal sizeable benefits from codes and standards work—the full enhanced compliance potential savings alone may be 20 to 30 percent of the 2011 Massachusetts residential new construction savings goal. While the benefits of codes and standards activities are considerable, Ms. Tolkin also noted that the cost of the activities and related EM&V are significant.

Bob Wirtshafter, an Advisor to the Massachusetts Energy Efficiency Advisory Council suggested a number of next steps for Massachusetts' Program Administrators;

- Develop Activity Plans
- Tracking Mechanisms of Activities
- Establish Baseline Definitions and Potential Code Impacts
- Develop Logic Model (to identify and link activities with evaluation approach and impacts)
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The discussion following Ms. Tolkin's presentation highlighted the importance of communication between regulators and program administrators in developing Codes and Standards programs. Commissioner Tim Woolf of the Massachusetts DPU stressed the importance of involving regulators early in the process of program development so that regulators can help shape programs well before they are presented to the DPU for approval. Ian Finlayson of the MA DOER underscored the value of sharing information and of state and program administrator efforts working together to achieve the common goal.

Another observation from this session was that since these kinds of exercises will likely be required in other states, it may make sense for NEEP to be involved with MA PA's in their efforts to develop logic model (Could be shared as model to others). Clear methods to assign credit is essential

Session 3

Looking Around: An Overview of Building Codes Policy in the EM&V Forum Region

In the first afternoon session, Jim O'Reilly from NEEP provided an overview of building codes policy in the EM&V Forum region. This session also included a panel of discussants representing the District of Columbia, New York, Connecticut and Vermont, who commented on the potential for and issues related to establishing Codes and Standards programs in their respective jurisdictions. The discussion demonstrated that there is considerable diversity in states' current activities and approaches to codes and standards support.¹ Three main themes were raised in this discussion: 1) communication and cooperation within the region is extremely important, 2) evaluation of program activities is an extremely high priority with regulator that needs to be carefully considered and 3) it is timely/urgent to move Codes and Standards programs forward.

Session 4

Overview of Appliance Standards Activities: Can Programs Participate and Be Rewarded?

The final workshop session focused on appliance standards. Allen Lee provided an overview of the history and growth of appliance standards activities. Following Mr. Lee's presentation, Andrew deLaski from Appliance Standards Awareness Project commented on the huge opportunity to establish and/or enhance appliance standards given the high level of support from the Obama administration for these efforts. He suggested that programs would be best suited to engage at a technical level in federal rulemakings and state standards opportunities, focus on research and development, and address compliance.

The large amount of activity at the federal level will mean higher baselines for many consumer products, clearly affecting programs. This could be seen as an opportunity or threat. Northeast stakeholders and programs could benefit by increasing their influence on federal standard-setting.

Key Issues identified with potential strategies to move forward

Key issues identified	Ideas to address these challenges
1) Establishing broad stakeholder support	In general, stakeholders recognize there is a role for efficiency programs
2) Raising baselines effect on rate-payer efficiency programs	Align incentives for rate-payer efficiency to drive advocacy/action
3) Defining activities programs will undertake	NMR report for Massachusetts New construction program identified host of activities
4) Attribution; how is credit allocated?	Consider existing models in California, Arizona, Northwest and Vermont (Verified, deemed, other?)
5) Evaluation; can existing cost	Program evaluators must find appropriate path

¹ For example, the District of Columbia has legislation requiring building benchmarking, while any role for efficiency programs will be determined once the new Sustainable Energy Utility is implemented; Connecticut utilities are responding to an order directing them to develop a program and evaluation framework similar to Massachusetts' effort; the New York PSC supports having codes and standards work included in program designs, and the NY Department of State occasionally experiences challenges in the process of supporting code and standard efforts under one office; Vermont has proposed an evaluation strategy that is an alternative to the CA, AZ, and MA options, in which building code activity is measured as spillover within a market transformation context.



effectiveness tests be used for these activities?	
6) Gaining regulatory approval	Early program engagement with advisory groups and regulators is crucial. This will be a very new approach and time to work together through issues will be important
7) Relationship with ARRA code covenants	Must be factored into savings models
8) Potential for duplicative efforts across region	NEEP is well positioned to facilitate communication and collaboration across region.

Next Steps

Near term

- Making Workshop materials available
 - Materials from workshop (slide presentations, meeting notes, workshop introduction text, resource links, etc) are posted on [NEEP's website](#)
- Attendee Survey (accompanying this overview. Please take a moment to provide your thoughts)

Long Term

- NEEP and the EM&V Forum are committed to supporting stakeholders navigate this important issue. The attendee survey and workshop sub-committee will help inform the role of NEEP/EM&V Forum in the weeks and months ahead

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