



**REGIONAL EVALUATION,  
MEASUREMENT & VERIFICATION FORUM**

**Project Committees Teleconference  
February 11, 2010, Teleconference Notes and Action Items**

**Participants:**

Name	Organization	Name	Organization
Dan Barbieri	KEMA	Lynn Hoefgen	NMR
Denis Bergeron	Efficiency Maine	Dave Jacobson	National Grid
Mary Cahill	NYPA	Laura Magee	PEPCO
Dottie Conant	Consultant	Cecily McChalicher	NEEP
Helen Eisenfeld	NYPA	Jennifer Meissner	NYSERDA
Victoria Engel	NYSERDA	Julie Michals	NEEP
Frank Felder	Rutgers University - for NJ BPU	Kim Oswald	Consultant to CT ECMB
Brian Gallagher	Consultant to DE SEU	Ralph Prah	Consultant to MA EEAC
Lisa Glover	Unutil	Allison Reilly-Guerette	NESCAUM
Crissy Godfrey	MD Public Service Commission	Sheldon Switzer	Baltimore Gas & Electric
Paul Gray	United Illuminating	Earle Taylor	Consultant to CT Light & Power
Dennis Hartline	Maryland Energy Administration	Elizabeth Titus	NEEP
Liz Hicks	KEMA		

*This meeting was digitally recorded*

**Meeting Action Items:**

1. NEEP to pursue strategies to encourage more high-quality bids in response to Forum RFPs.
2. Forum participants to submit comments on the Project A2: EM&V Methods Part A and Part B draft reports by Friday, February 19.
3. NEEP and KEMA to consolidate comments on Project A2: EM&V Methods Part A and Part B draft reports and provide Forum participants with a manageable document that shows the changes that have been made.
4. KEMA to add more text to the Project A2: EM&V Methods Part A report on savings certainty/validity issues.
5. NEEP to revise language regarding the Project Committees recommendation to the Steering Committee to adopt the Project A2: EM&V Methods Guidelines, with the help of Forum participants.

**Meeting Overview:**

Julie Michals (NEEP) opened the meeting at 9:30am and reviewed the meeting agenda: 1) Forum operational updates, 2) Project A2: Common EM&V Methods Guidelines - Parts A and B of project,

status, schedule, and next steps, and 3) brief updates about other Forum projects. She added that NEEP is looking for feedback from Forum participants on Project A2 and the operational updates.

Julie Michals welcomed the new 2010 Project Committees Co-chairs:

- 1) Sheldon Switzer, Baltimore Gas & Electric - Protocol Development Co-chair
- 2) Dave Jacobson, National Grid - Research and Evaluation Co-chair
- 3) Dan Cleverdon, District of Columbia Public Service Commission - Education & Information Access Co-chair

She also thanked departing co-chairs Carol White and Jeremy Newberger, National Grid; and Colleen Orsburn, VEIC. The new co-chairs join Larry Pakenas & Jennifer Meissner, NYSERDA; Chris Neme, VEIC; and Mike Sherman, MA DOER, who served as co-chairs in 2009 and will continue as co-chairs through the end of June. She reminded participants that NEEP will replace the co-chairs who have served for more than a year in July and will seek nominations to fill those positions.

#### A. Forum Operational Updates

##### *Forum Terms and Conditions*

Julie Michals stated that the latest version of the Forum's Terms and Conditions and Non-Disclosure Agreement is now posted to the Forum's public website and will be shared with contractors. She thanked participants for their legal review of the documents. NEEP may still receive additional feedback on the Terms and Conditions, for example in New Jersey where utilities may need to get involved.

##### *Forum Website*

Julie Michals shared that NEEP is now posting all materials to the Forum's private website and welcomed feedback about how the site is working for participants.

Dave Jacobson (National Grid) stated that he would prefer to receive materials via email.

Laura Magee (PEPCO) stated that the links on the private website are helpful for those who cannot access the drop down menus on the site.

Julie Michals added that all comments on draft materials received via email are posted to the website.

##### *3<sup>rd</sup> Party Contractor Solicitations*

Julie Michals stated that the following issues have surfaced with the last few Forum RFPs: conflicts of interest, low-quality bids, a limited number of bids, and the perception that it is not a competitive process.

Julie Michals shared that NEEP is addressing the conflict of interest issue by asking the subcommittee to preview the list of bidders that receives the RFP. There is also language in the RFP that asks the bidder to identify any conflict of interest issues. RFPs are posted to the public website, so conflict of interest issues may still arise and will be addressed on case by case basis.

Julie Michals added that NEEP has only received two bids each for the last three RFPs that have been issued, and that the quality of those bids has been uneven. NEEP is addressing this by providing feedback on poor quality proposals to contractors after bid review.

Elizabeth Titus stated that she has had several discussions with potential bidders about why they have not bid on projects. Contractors have said that they are too busy and are often turned off by the Forum's aggressive project schedules. She suggested several strategies to encourage bidders to respond: 1) add language to the RFPs stating that revisions to the project schedule are possible, 2) call potential bidders before issuing an RFP to see if they will be able to respond, and defer issuing the RFP if it is a bad time, and 3) check with Forum participants to see what their situation is - i.e. Massachusetts recently issued six RFPs that have flooded the market.

Frank Felder (Rutgers University - for NJ BPU) asked if NEEP would be willing to hold off on issuing a contract if it receives less than three satisfactory bids without conflict of interest issues. He also asked if NEEP has a policy that dictates the number of bids that must be received before a contract can be issued.

Julie Michals replied that there is no such policy. She added that the subcommittees review bids using a scoring sheet that includes selection criteria. The subcommittees take this seriously and can suggest rebidding an RFP if appropriate.

Dave Jacobson added that National Grid often receives only one or two bids for their RFPs since the field of contractors is small.

Elizabeth Titus stated that NEEP and the subcommittees try to develop a large bidders list for all projects. She also asked Forum participants to spread the word that Forum subcommittees review all bids fairly through a competitive process.

Frank Felder stated that the lack of quality bids is related to low quality reports, for example the A2 EM&V Methods draft Part A report. He warned that bidders that are not held to a high standard with their proposals may produce unsatisfactory reports.

Dave Jacobson suggested that it is a difficult time for bidders since the Massachusetts RFPs were just issued. He suggested regrouping once the Massachusetts bids have been received.

Ralph Prah (Consultant to MA EEAC) stated that California is finishing up its three year evaluation cycle, so contractors that have been working for California will now be available.

Elizabeth Titus stated that we should be pleased that quality contractors have bid for Forum projects given the overwhelming amount of work going on right now.

Frank Felder cautioned against feeling positive about receiving proposals that are low quality and high cost. He suggested implementing a different business model in which Forum participants leverage their own resources instead of hiring contractors.

Julie Michals recognized that this suggestion has already been incorporated into the Forum's approach to the 2010 projects. For each project, Forum participants will determine what needs to be achieved and whether it can be done through a facilitated process with NEEP rather than through a 3<sup>rd</sup> party contractor.

*Action Item:*

1. NEEP to pursue strategies to encourage more high-quality bids in response to Forum RFPs.

**2010 Forum Funding Confirmation Letters**

Julie Michals stated that NEEP will be sending out 2010 Forum Funding Confirmation letters in the next couple of weeks. For states that issue purchase orders, NEEP will ask for purchase orders as soon as possible so NEEP can start invoicing for base costs. She reminded participants that invoices for 2010 projects will not be issued until project scopes are developed and approved by those who are participating in each project.

**B. Project A2 - Common EM&V Methods**

Julie Michals stated that this project was originally scheduled to be completed by the end of 2009, but it is several months behind schedule. The purpose of this project is to develop common EM&V methods and savings input assumptions (where warranted), in order to support a common currency for energy efficiency across the region that will increase the credibility of energy efficiency as a resource to meet multiple state and regional energy and environmental policy and market goals and objectives.

Julie Michals added that KEMA recently completed the Part A draft report and appendices that are now posted for review on the Forum website. Some who have reviewed the Part A draft felt that the report is incomplete and needs work. KEMA has agreed to rewrite the executive summary and better organize the main report. She reminded participants that the Part A report will be combined with the Part B report on savings assumptions to create a final report that will cover both Part A and Part B recommendations.

Julie Michals presented a table listing the Forum participants that she has received comments from and asked those who have not commented to submit comments on the Part A and Part B draft reports by Friday, February 19. She added that several Forum participants have already communicated that they are in the process of reviewing the documents.

Dave Jacobson asked if KEMA will have one version of the A2: Common EM&V Methods draft reports that has all of the comments in one place and identifies the person who made them.

Julie Michals replied that all comments on the draft reports received thus far have been sent to KEMA. NEEP and KEMA will work to consolidate comments appropriately and provide Forum participants with a manageable document that shows the changes that have been made. This may come in the form of a table that will show how the substantive comments have been incorporated into the final documents.

*Action Item:*

2. Forum participants to submit comments on the Project A2: EM&V Methods Part A and Part B draft reports by Friday, February 19.
3. NEEP and KEMA to consolidate comments on Project A2: EM&V Methods Part A and Part B draft reports and provide Forum participants with a manageable document that shows the changes that have been made.

*Sampling Precision*

Julie Michals stated that two main issues with the Part A draft report were discussed at the most recent subcommittee meeting: sampling precision and references to IPMVP.

Dan Barbieri (KEMA) shared that sampling precision recommendations were originally imbedded in each measure, but the subcommittee decided to take out the measure-specific recommendations in favor of a general discussion of sampling precision that touches on key issues. He added that the measure-specific recommendations were inappropriate because they made presumptions about the proportion of a particular measure in a portfolio. KEMA also added a table that has a range of confidence/precision levels and associated sample size.

Earle Taylor (for NU) and Ralph Prah (for MA EEAC) stated that they approve of KEMA's changes.

Helen Eisenfeld (NYPA) asked how the table with precision levels and sample sizes might be used. Dan Barbieri replied that the table helps users understand the differences in sampling precision requirements between ISO-NE and PJM. He added that it is not intended to be a look-up table for sample size, but it puts precision and sample size in perspective.

After some discussion, participants agreed that there should be more information in the Part A report on savings certainty, bias and validity issues so that the guidelines are more comprehensive. KEMA will add language to the report that addresses these issues.

*Action Item:*

4. KEMA to add more text to the Project A2: EM&V Methods Part A report on savings certainty/validity issues.

*References to IPMVP*

Julie Michals stated that the original Part A report referenced IPMVP "Options" as the recommended M&V Method, but the IPMVP Options are different than the "Options" in the ISO-NE and PJM manuals.

KEMA has now added language to the report stating that the “recommendations correspond to the “Options” defined in either the ISO-NE or PJM M&V manual. These regional capacity market M&V requirements are the prevailing compliance concern, not the IPMVP guidelines upon which the ISO/PJM manuals were based.” The ISO-NE and PJM manuals allow for more flexibility.

Julie Michals asked to what extent the report should reference ISO-NE and PJM guidelines versus incorporating language directly into the Forum’s guidelines that describe the methods.

Frank Felder stated that he does not want the Forum’s guidelines to differ from the ISO-NE and PJM guidelines since there is no need for three sets of regional guidelines.

Julie Michals agreed that the Forum’s guidelines should support the ISO-NE and PJM guidelines. She added that the NAESB process will look at the ISO-NE and PJM guidelines, and the recommended methods may be revisited or changed in the future.

Frank Felder asked if PJM and ISO-NE have compared their policies and want to align them.

Dan Barbieri stated that the M&V sections in ISO-NE and PJM are nearly verbatim.

Frank Felder asked why NEEP wants its own guidelines when there are existing guidelines.

Julie Michals replied that the ISO-NE and PJM guidelines focus on demand, but the Forum guidelines will be broader. She acknowledged that there are some overlapping elements.

Dave Jacobson stated that National Grid needs to comply with the ISO-NE guidelines, so he agrees with just referencing the ISO-NE Options.

Dan Barbieri stated that he is somewhat concerned about including the ISO-NE and PJM Options verbatim because the Options are not clearly defined and are subject to some interpretation as they include broad language and are not as rigid as IPMVP. He added that ISO-NE audits begin this year, which will test how well certain interpretations align with ISO-NE.

Julie Michals reminded participants that the Forum guidelines are a living document, so the Forum can determine how to handle any future changes to the ISO-NE and PJM guidelines if/when they occur. For now, the guidelines will refer to the ISO-NE and PJM guidelines.

#### *Quality of Part A Report*

Julie Michals shared that KEMA will improve the quality of the Part A report and will more clearly tie the interview findings to the recommendations.

Frank Felder stated that the Part A report was unreadable and not useful. He asked KEMA if they agree that it is unreadable and questioned if anyone read it before it went out. He added that the report needs to be written for a broad range of audiences rather than just for those with technical expertise.

Liz Hicks (KEMA) agreed that the report needs work and welcomed comments to help reshape it. She added that KEMA did read through the report before it was sent out, but they were under deadline pressure and could not make further changes.

Dan Barbieri added that he understands Frank Felder’s concerns, and KEMA will revamp the report.

Dave Jacobson stated that a definition of gross savings needs to be included at the beginning of the report. He added that some of the survey percentages should be changed, for example the percent of people who care about the ISO capacity market should be refined to include only those for which the ISO capacity market is relevant. He also questioned the vague definition of “M&V Method” and asked for a better definition as to what is meant by “M&V Method.”

Liz Hicks replied that "M&V Method" was a choice on the survey, so KEMA cannot refine it at this point. She admitted that KEMA did not get the level of detail that they should have for that question.

#### *Deemed or Stipulated Savings*

Julie Michals asked if more information referencing deemed or stipulated savings needs to be added to the report. She added that the northwest is probing what is an appropriate approach to using deemed or stipulated values. Many states use deemed values, and it may be appropriate to provide guidance on the use of deemed or stipulated values.

Participants had no comments. Julie Michals stated that KEMA will address this in the report and ask for feedback from Forum participants.

#### *Sample Part C Guideline*

Julie Michals shared a sample Part C guideline for Residential Central Air Conditioning. The first section of the guideline is drawn from the Part B report and provides the prevailing algorithm for energy and demand, notes on the algorithm, a description of inputs and opportunities for improved consistency. The second section of the guideline is drawn from the Part A report and provides a detailed summary of the recommended EM&V method.

Several participants stated that they think the sample guidelines is appropriate and provides clear information.

Julie Michals stated that any comments received on the Part A and Part B reports will help shape the Part C guidelines that will be completed in March. The schedule is to complete the project by the end of March and bring the guidelines to the Steering Committee at its quarterly meeting in May. NEEP and the Project Committees Co-chairs will provide a project briefing to the Steering Committee at their upcoming meeting on February 24.

#### *Nature of Recommendation from Project Committees to Steering Committee*

Julie Michals reminded participants that the nature of the recommendation from the Project Committees to the Steering Committee regarding Project A2: EM&V Methods was first discussed at the December quarterly meeting. She shared the following draft language for the recommendation:

*"The Project Committees recommend that the Steering Committee adopt these Guidelines as a Forum product, whereby such adoption indicates the Forum states' intent to seriously consider adoption and use of the Guidelines in their evaluation activities, including the use of the guidelines in conducting impact evaluation studies, and incorporating recommended savings algorithms/assumptions in state updates of their technical reference manuals (or equivalent) to the extent practicable and appropriate."*

Earle Taylor (Consultant to CL&P) asked for clarification about the intended audience.

Julie Michals replied that the Steering Committee includes commissioners from the participating states. She added that the audience includes the range of stakeholders in each state, including regulators and program administrators.

Kim Oswald (Consultant to CT ECMB) stated that she has concerns about suggesting that commissions adopt the set of guidelines since they do not have technical expertise. She added that the evaluation field is not fully developed and still needs new approaches and innovation, which may be limited by adopting the guidelines.

Gail Azulay (NSTAR) added that she understood that these would be suggested/voluntary guidelines, and expressed concern that the guidelines would be requirements.

Participants discussed whether the proposed recommendation language is appropriate. After some discussion, Julie Michals asked for several Forum participants to help her develop revised language that

could be shared with Forum participants. Kim Oswald and Gail Azulay offered to participate in this effort.

*Action Item:*

5. NEEP to revise language regarding the Project Committees recommendation to the Steering Committee to adopt the Project A2: EM&V Methods Guidelines, with the help of Forum participants.

*Integrating Guidelines into NAESB and NAPEE Projects*

Julie Michals stated that NEEP is monitoring the NAESB and NAPEE/SEE Action projects, and leaders of these efforts know that the Forum's EM&V Methods guidelines will be coming out soon.

Frank Felder asked if the national efforts are addressing net-to-gross and attribution issues.

Julie Michals replied that there is strong interest in addressing these issues, but how they will be addressed is uncertain. She added that the Forum is currently engaged in a net savings scoping paper and may be initiating a more comprehensive net savings project in the future.

**C. Other Forum Project Updates**

*Project A3: Common Reporting Guidelines*

Julie Michals described the main tasks that NMR, Dottie Conant, and Cadmus are completing for Project A3: Common Reporting Guidelines. The contractors have researched existing energy efficiency reporting practices and completed the air regulator interviews. They are now working on the system planner interviews and will develop the report, common reporting guidelines, and reporting template in March.

Julie Michals shared an energy efficiency reporting flow chart that showed where the guidelines fit into the scheme of reported data. The flow chart shows where the data that program administrators currently report feeds into other processes, plans and reports. She added that the common reporting guidelines will not cover all of the detailed data that program administrators currently report.

Julie Michals shared an energy efficiency policy priority reporting table that includes subcommittee comments and a table that shows what data is reported in each state. She added that all of this information will be compiled and integrated with the interview results from system planners and air regulators. The final report will cover major reporting differences, identify commonalities, and provide a recommended set of reporting guidelines.

Julie Michals added that the draft outline for the project A3 Common Reporting Guidelines report is being reviewed by the subcommittee, and a draft report will be ready in mid-March.

*Other Forum Projects/Upcoming Events*

With the scheduled meeting time running short, Julie Michals stated that the remaining slides provide brief updates about the other Forum projects and information about upcoming meetings and events. She reminded participants that NEEP's annual Summit is taking place from March 30-31 in Boston. The Summit events on March 30 will include an all-day residential lighting workshop to address changes in program strategy and evaluation, particularly with regard to the CFL and LED markets.

Julie Michals closed the meeting at 11:30am and asked Forum participants to direct any further questions to NEEP staff.