



**REGIONAL EVALUATION,
MEASUREMENT & VERIFICATION FORUM**

**Regional EM&V Forum Steering Committee
May 27, 2010 Quarterly Teleconference Notes and Action Items**

Participants:

Name	Organization	Name	Organization
Jack Betkoski	Connecticut Department of Public Utility Control	Clifton Below	New Hampshire Public Utilities Commission
Cindy Jacobs	Connecticut Department of Public Utility Control	Tom Frantz	New Hampshire Public Utilities Commission
Philip Cherry	Delaware Energy Office	Elizabeth Randall	New Jersey Board of Public Utilities
Dan Cleverdon	District of Columbia Public Service Commission	Mike Townsley	New York Department of Public Service
Rick Morgan	District of Columbia Public Service Commission	Jennifer Meissner	NYSERDA
Taresa Lawrence	District Department of the Environment	Larry Pakenas	NYSERDA
Sharon Reishus	Maine Public Utilities Commission	Paul Roberti	Rhode Island Public Utilities Commission
Tim Vrabel	Maine Public Utilities Commission	Pam Stonier	Vermont Public Service Board
Dennis Hartline	Maryland Energy Administration	Chris Neme	Energy Futures Group/VEIC
Crissy Godfrey	Maryland Public Service Commission	Rich Sedano	Regulatory Assistance Project
Calvin Timmerman	Maryland Public Service Commission	Arthur Marin	NESCAUM
Sheldon Switzer	Baltimore Gas and Electric	Sue Coakley	NEEP
Tim Woolf	Massachusetts Department of Public Utilities	Cecily McChalicher	NEEP
Marilyn Ross	Massachusetts Department of Public Utilities	Julie Michals	NEEP
Nancy Seidman	Massachusetts Department of Environmental Protection	Elizabeth Titus	NEEP
David Jacobson	National Grid		

Meeting Action Items:

1. The *Regional EM&V Methods and Savings Assumptions Guidelines* were adopted by consensus (with agreed to changes in Preface proposed by Vermont). NEEP will post final guidelines to Forum website and circulate/distribute to Forum participants and other interested parties.
2. The Mid-Atlantic Technical Reference Manual (for MD, DE, DC) was accepted as a Forum product, and will be posted to the Forum website.
3. The proposed use of contingency funds and revised 2010 Forum budget were approved, with the understanding that NEEP and the co-chairs will develop guidelines on how to deal with any future project cost overruns.

4. NEEP to extend comment period for A3 *Common Statewide EE Reporting Guidelines* (to end of June), and in particular solicit further input from PUC staff and subcommittee. NEEP will bring recommended Guidelines to the Steering Committee to its September quarterly meeting for adoption.
5. NEEP, with co-chair and subcommittee input, to develop proposed options/considerations regarding processes for state use and implementation of *Common Statewide EE Reporting Guidelines*, and send to Steering Committee members in late June, with Steering Committee feedback in early July (specific dates TBD once process proposal is circulated).
6. Steering Committee members to send NEEP, **by June 21**, suggestions for topics to cover at the EM&V Forum Annual Public Meeting (which will take place in mid October).
7. Steering Committee members interested in serving as a planning co-chair for the Annual Public Meeting Planning to contact NEEP **by June 21**.
8. The next quarterly Steering Committee meeting/teleconference/webinar is tentatively scheduled for September 15 in Baltimore, Maryland.

Meeting Overview:

Julie Michals (NEEP) opened the meeting at 1:00pm. She introduced and welcomed new Steering Committee members Commissioner Paul Roberti, representing the Rhode Island Public Utilities Commission, and Commissioner Elizabeth Randall, representing the New Jersey Board of Public Utilities.

Steering Committee Co-chair Rich Sedano (Regulatory Assistance Project) introduced the meeting topics and objectives. The meeting will cover the Regional EM&V Methods and Savings Assumptions Guidelines project, the Mid-Atlantic Technical Reference Manual project, the revised 2010 Forum agenda and budget, the Common Statewide Energy Efficiency Reporting Guidelines project, and the Forum Annual Public Meeting.

1. Regional EM&V Methods and Savings Assumptions Guidelines

Julie Michals provided an overview of Project A2: Regional EM&V Methods and Savings Assumptions Guidelines. The purpose of the project is to develop a common and transparent currency for energy efficiency across the region that will increase its credibility as a resource. The guidelines provide EM&V methods and saving assumptions for 14 priority measures/program types, selected in part based on the percent of savings each measure provides. The guidelines are directed to utility and air regulators, ARRA grantees, energy efficiency providers, and energy efficiency markets. The project deliverables include a full report and executive summary by KEMA, and a final Forum document that includes a preface and guidelines. She clarified that the Steering Committee will be voting to adopt the Forum document, not the KEMA full report.

Project Committee Co-chair Dave Jacobson (National Grid) reviewed the preface to the guidelines, which describes the basis and use of guidelines. He stated that the guidelines recognize that program administrators throughout the region are in different places in their program implementation processes. He explained that adopting the guidelines does not mean that the guidelines have to be immediately implemented. The guidelines are voluntary, and the expectation is that the guidelines will be implemented over time in the normal cycle of evaluation. He added that the guidelines are specific enough to be meaningful yet not overly stringent.

Julie Michals indicated that Vermont has proposed additional language to include in the *Use of the Guidelines* section of the preface. She reviewed Vermont's proposed additional language:

"The Guidelines are intended **only** to guide the design of comprehensive studies that estimate multiple impact parameters for one of the fourteen measures addressed in this report - **once a determination has been made to conduct such a comprehensive study. The Guidelines should not be interpreted as suggesting that such comprehensive studies are always desirable, should be conducted with any particular frequency or should be routinely integrated into annual**

savings verification procedures. Decisions on when such comprehensive studies should be conducted will necessarily be based on local factors, including local trade-offs between the benefits of additional accuracy of savings estimates and the cost of such studies.

The Guidelines are ~~also not necessarily applicable to~~ ~~are intended for comprehensive impact evaluation studies that estimate multiple parameters for the fourteen measures analyzed.~~ ~~As such, they are not necessarily applicable~~ studies intended to focus only on individual parameters or subsets of parameters. Further, the Guidelines do not make recommendations regarding transferability of evaluated results from one service territory to another within a state or region. While use of secondary data is generally accepted within the Forum region as a means to reduce evaluation costs (including for certain Forum projects e.g., commercial lighting loadshape study), validity implications of data transferability have yet to be explicitly and consistently addressed. It is recommended that the Forum develop guidelines on transferability of evaluation results and review evaluation cycles to help ensure that the results are valid, appropriate and reasonable."

Chris Neme (Energy Future Group) stated that a smaller state like Vermont cannot justify the extra work involved in comprehensive studies given the relatively small amount of savings. He added that the guidelines are good when considering comprehensive studies, but the determination of when you need to do a comprehensive study should be a local decision based on the tradeoff of costs or benefits. Vermont would like to clarify the preface so that the expectation is not that comprehensive studies are always needed.

Julie Michals asked if there was any opposition to adding Vermont's suggested language to the preface. No objections were raised; Vermont's proposed language will be added to the preface.

Julie Michals showed the rest of the guidelines document which includes measure specific guidelines. She asked the subcommittee if this document should evolve in the future to address EM&V processes other than comprehensive studies.

Chris Neme suggested that a useful addition to the guidelines may be the analysis of one parameter, such as hours of use. He added that he sees value in developing a common approach to estimating hours of use. Julie Michals added that a future task for the Project Committees will be to better define the scope of work for the next phase of the A2 project.

Julie Michals reported that the Forum has received extensive input on the draft and final Project A2 materials, all of which has been compiled, shared, and posted to Forum's private website. She added that she reached out to every jurisdiction about the guidelines and has received feedback that there is general support to adopt the guidelines.

Steering Committee Co-chair Tim Woolf (MA DPU) reviewed the criteria for adoption of a Forum product and recommendation language and asked if Steering Committee members are comfortable with the following language:

Criteria:

- The Forum product is reviewed and recommended by the relevant Forum Project Committee through a transparent and timely process based on consensus.
- The Forum product, if ultimately adopted and practiced by the states, serves the Forum goals and objectives to:
 - *Increase consistency in EM&V practices*
 - *Reduce EM&V costs for the states*
 - *Help to improve the credibility of EE resources*

Resolution: By recommending adoption of this Forum product, the Steering Committee: encourages the product be used or implemented by and in the participating Forum states; and acknowledges the criteria for adopting the Forum product.

Cindy Jacobs (CT DPUC) stated that she has not gone through Connecticut's Program Savings Documentation to cross-check and see if the Forum's methods are close to what Connecticut is using already. She asked if program administrators have been part of the process. Julie Michals explained that there has been active participation from Forum participants. She added that the consultant to the CT ECMB, Kim Oswald, has provided extensive input, as well as from Connecticut Light & Power.

Chris Neme thanked Julie Michals for reaching out to all states that participate in the Forum to make sure that they had reviewed the guidelines. He added that Vermont found that the algorithms and tracking recommendations in the guidelines made sense, but there were a few M&V issues of concern, which have now been addressed by the added language to the preface.

Tim Woolf stated that the goal for adopting the guidelines is consensus and asked if anyone on the phone is opposed to adopting the guidelines.

Elizabeth Randall (NJ BPU) stated that New Jersey would like to abstain from the vote since they are not participating in the Forum in 2010. She added that she appreciates being part of the call and receiving information about the projects. Rich Sedano stated that a vote to abstain does not interfere with a consensus vote to adopt the guidelines.

No objections were raised to adopting the Regional EM&V Methods and Savings Assumptions Guidelines; the Guidelines were adopted by consensus.

Julie Michals stated that the decision to adopt the guidelines speaks to the spirit of the region to work together. She thanked everyone for being a part of the process, including those who participated in the Project Committees and Project Subcommittees and are not on the call. She added that NEEP will now consider this a final Forum product and will post and distribute the Guidelines. She listed several venues where the guidelines may be referenced, such as energy efficiency and evaluation plans, PUC orders, ARRA projects, and state air regulatory agency documents. She asked if there are any other processes where the guidelines could be used.

A participant suggested ISO-NE and asked if the guidelines will be used as a basis for verification in the Forward Capacity Market (FCM). Julie Michals stated that the guidelines reference the PJM and ISO-NE M&V standards, and are consistent with them. She added that the Guidelines are not intended to be used for FCM purposes directly, but are consistent and provide more detail than the ISO-NE and PJM standards in certain areas.

Action Items:

1. The *Regional EM&V Methods and Savings Assumptions Guidelines* were adopted by consensus (with agreed to changes in Preface proposed by Vermont). NEEP will post final guidelines to Forum website and circulate/distribute to Forum participants and other interested parties.

2. Mid-Atlantic Technical Reference Manual

Julie Michals introduced Project A5: the Mid-Atlantic Technical Reference Manual (TRM). She stated that the Steering Committee will not be asked to vote to adopt the TRM, but to accept it as a Forum product. Elizabeth Titus (NEEP) stated that the project was managed similarly to the Common EM&V Methods Guidelines project and introduced Chris Neme, who worked on this project for VEIC, to present the project.

Chris Neme explained that the purpose of the Mid-Atlantic TRM project is to provide common assumptions for thirty prescriptive residential and commercial/industrial electric energy efficiency measure savings recommended for use by energy efficiency providers in Maryland, Delaware, and the District of Columbia, and to document these clearly and thoroughly in a TRM. He added that the key considerations throughout project were credibility, accuracy, transparency, cost-efficiency, obtaining consensus amongst stakeholders, and coordinating with other Forum projects, including the Glossary of Terms and the Regional EM&V Methods and Savings Assumptions Guidelines.

Chris Neme presented the list of measures that are included in the TRM and added that they focused on prescriptive measures that were relevant to states in the Mid-Atlantic. He thanked Baltimore Gas and Electric in particular for their data contributions. He stated that most of the information in the TRM was transferred from outside the Mid-Atlantic region since there was not much locally available data. He closed by reviewing the suggested TRM update process and schedule recommendations that are included as an appendix to the TRM.

Elizabeth Titus explained that the product is complete and asked the Steering Committee if there are any objections to accepting the TRM as an EM&V Forum product.

No objections were raised to accepting the Mid-Atlantic TRM as a Forum product; the TRM was accepted as a Forum product. Elizabeth Titus stated that this project will continue in 2010 with a planned expansion of the TRM. Chris Neme added that the process of developing this TRM was really good. He stated that the subcommittee members were very helpful and provided constructive feedback throughout the process.

Julie Michals stated that the Mid-Atlantic TRM is the second multi-state document in the country, along with a document in the northwest region. She added that New Jersey was initially planning to participate in this project, but it began its own TRM update process and decided not to participate. New Jersey may still work with these states in the future.

Action Item:

2. The Mid-Atlantic Technical Reference Manual (for MD, DE, DC) was accepted as a Forum product, and will be posted to the Forum website.

3. Review and Adopt Revised 2010 Forum Agenda and Budget

Julie Michals introduced a memo that describes proposed changes to the Forum's 2010 budget without New Jersey's participation. She stated that the proposed changes are supported by the Steering Committee and Project Committee Co-chairs. She explained that New Jersey's funding for 2010 was \$298,000. To account for the shortfall, the proposal is to move two 2010 projects to 2011: PD2 - Common EM&V Methods for Emerging Technologies (\$200,000) and PD3 - Incorporate Energy Efficiency into System Planning Guidelines (\$85,000), and reduce the 2010 Net Savings project budget by \$50,000. The revised budget also proposes using contingency funds for 2010 to cover the loss of New Jersey's base costs, and to cap the 2010 project cost share for New York at 35%.

Tim Woolf asked for clarification on how the elimination of the two projects affects the 2010 budget. He stated that removing the two projects and reducing one project's budget by \$50,000 is more than New Jersey's \$298,000 share, but he knows it not that simple because we need to ensure that no one pays more.

Julie Michals explained the attachments to the memo that show the changes to each state's cost share given the original budget and proposed budget revisions.

Crissy Godfrey (MD PSC) asked for an explanation about how the proposed revised budget addresses the two projects that had cost overruns.

Julie Michals explained that the 2010 contingency funds are supported by undesignated 2009 project costs, which originally totaled \$180,000. \$100,000 was undesignated project costs for Project A2: Regional EM&V Methods and \$80,000 was undesignated project costs from A3: Common Reporting Guidelines. The proposal is for the cost overruns for Projects A2 and A3 to be split 50/50 with the contractor. This is reflected in Table 1 of the memo. The use of the contingency funds as proposed leaves a balance of about \$60,000. NEEP believes that this level of contingency, while on the low side, will be adequate. She added that it may not be a good approach in the future to carry over funds from prior years to serve as current year contingency funds given the impact of NJ not funding the Forum.

Rich Sedano added that NEEP bills participants as funds are needed, and the carry forward amount has not been billed. He would like to make sure everyone is aware that NEEP will request these contingency funds from states. He added that NEEP needs to be sure it has expected revenues ready to offset expenditures, and stated that the goal is to be sure states treat each other with respect and fairness with respect to their participation.

Crissy Godfrey stated that Maryland does not have an issue with the budget revisions, but the Project A2 and A3 cost overruns are an issue. She would like a process established for addressing cost overruns. Maryland is concerned with contractor quality issues and does not want to set a precedent that a poor quality product will be paid for through the contingency fund.

Julie Michals explained that KEMA delivered a sloppy draft product for Part A (EMV Methods review) of Project A2, and KEMA was asked to rewrite the report. She added KEMA did a very solid job on Part B (Savings Assumptions) and that KEMA staff was extremely helpful in incorporating and addressing participant comments. NEEP has informed the project contractors for A2 and A3, KEMA and NMR, that the 50/50 split is being proposed to the Steering Committee, but the Steering Committee needs to approve it.

Crissy Godfrey stated that Maryland felt it was not heard as much as it should have been for the methods part of the report, and she wants to make sure that Maryland is considered as much as any other state. She does not want to set a precedent for covering cost overruns with the contingency fund unless there is a good reason.

Julie Michals noted that NEEP has learned that the time and effort involved in getting 11 jurisdictions to review project materials was more extensive than anticipated. Efficiency was lost because KEMA needed to integrate several rounds of new comments. NEEP will try to improve the review process going forward to increase efficiency.

Tim Woolf stated it would be valuable to develop a process for handling cost overruns. He suggested that the Steering Committee should make a decision on how to deal with cost overruns after NEEP identifies reasons for cost overruns that are attributable to the contractor versus the Forum process. Julie Michals stated that NEEP has applied that reasoning to a certain extent, but it has been an informal approach to this point. She added that NEEP will work with the Project Committee Co-chairs to develop a set of guidelines to deal with cost overruns (not just dollar amount but percentage), and bring it to the next Project Committees meeting for review.

Tim Woolf clarified that the Steering Committee will decide on how to handle cost overruns based on a recommendation from the Project Committees.

Julie Michals asked for approval of the proposed use of contingency funds and revisions to the 2010 budget, with the understanding that NEEP and the Project Committee Co-chairs will develop guidelines that address how to deal with cost overruns.

Clifton Below (NH PUC) stated that he believes a 50/50 split is a reasonable solution to this problem. He added that we do not want to just "roll over", but we do not want to upset/alienate contractors either, especially given the small number of contractors in the field. Rick Morgan (DC PSC) agreed that the cost overrun proposal is reasonable.

Tim Woolf asked if there are any objections to the proposed use of contingency funds and revisions to the 2010 budget. No objections were raised; the proposed use of contingency funds and revised 2010 Forum budget were approved, with the understanding that NEEP and the co-chairs will develop guidelines on how to deal with any future cost overruns.

Julie Michals noted that she has received confirmation from Pennsylvania that it will not be involved in the Forum in 2010, but it may choose to participate in 2011.

Action Item:

3. The proposed use of contingency funds and revised 2010 Forum budget were approved, with the understanding that NEEP and the co-chairs will develop guidelines on how to deal with any future project cost overruns.

4. Draft Common Statewide Energy Efficiency Reporting Guidelines

Julie Michals provided an overview of Project A3: Common Energy Efficiency Reporting Guidelines. She stated that the original goal was to bring the guidelines to this meeting for adoption, but it became clear that there has not been enough input yet. NEEP is particularly in need of feedback from regulatory staff. She explained that this project is structured similarly to the EM&V Methods project, with a Forum document that includes a preface and the guidelines, and a final report and executive summary from the contractor.

Julie Michals stated that the purpose of the project is to increase the transparency, credibility and comparability of energy efficiency as a resource. The scope of the project is to develop reporting guidelines for energy and demand savings, energy efficiency program costs, avoided emissions and job impacts. The project results will be used by utility and air regulators, program administrators, state and federal agencies, NGOs, and system planners. She presented a diagram that shows how the common reporting guidelines fit in to the overall reporting framework.

Julie Michals explained that the project also produced process recommendations including: making statewide reports available on one website (excel format) and increasing collaboration between US EPA, state DEPs, PUCs, PAs and ISOs to develop avoided emission estimates and emission factors, share raw data to support air quality and climate change planning, and remove barriers to incorporating EE into SIPs (e.g., ozone attainment) as a SIP credit. The guidelines also suggest continuing the dialogue with system planners regarding data needs and coordinating with US DOE EIA Form 861 Reporting.

Julie Michals stated that a few issues that have come up during participants' review of the report and guidelines:

- Are the guidelines proposing consistent reporting or are they too flexible by providing spaces to define things and not moving in direction of common definitions?
- Certain reporting parameters should be included such as weighted average measure life.
- Who actually fills out these state reports?

Nancy Seidman (MA DEP) stated that a lot of work has been done on this report. In the process, she learned about how to explain SIP criteria and what air regulators need. She added that the EM&V Methods project that was just adopted is very important and valuable for air regulators so they can be sure that reported MW saved are common across the region.

Clifton Below stated that some open-endedness is needed for gathering and reporting data. He added that some issues, such as administrative cost definitions, are in contention across utilities within a state, and it will be an iterative process to develop common definitions. He stated it may be appropriate to suggest definitions and allow people to say how their process deviates and why.

Crissy Godfrey asked how the Forum will proceed forward with this project given the lack of funding for more contractor work. Julie Michals replied that NEEP will reach out to each state to get further comment/input, especially from PUC staff, which the subcommittee will consider in a future meeting/call to determine if the changes require more contractor work or if they can be completed by NEEP and the subcommittee. Crissy Godfrey replied that this is not an ideal situation but makes sense.

Tim Woolf suggested that the Steering Committee think about who should fill out the statewide energy efficiency reports and bring feedback/proposals to the Steering Committee meeting in September.

Action Item:

4. NEEP to extend comment period for A3 *Common Statewide EE Reporting Guidelines* (to end of June), and in particular solicit further input from PUC staff and subcommittee. NEEP will bring recommended Guidelines to the Steering Committee to its September quarterly meeting for adoption.
5. NEEP, with co-chair and subcommittee input, to develop proposed options/considerations regarding processes for state use and implementation of *Common Statewide EE Reporting Guidelines*, and send to Steering Committee members in late June, with Steering Committee feedback in early July (specific dates TBD once process proposal is circulated).

5. EM&V Forum Annual Public Meeting

Julie Michals stated that the EM&V Forum Annual Public Meeting will take place in early-mid October. She would like input from Steering Committee members on what topics should be covered. She would also like to recruit a couple of Steering Committee members to serve as planning co-chairs who would help line up speakers and panel sessions.

Sue Coakley (NEEP) added that Steering Committee members who are interested in serving as planning co-chairs should contact NEEP.

Julie Michals stated that the next quarterly Steering Committee meeting/teleconference/webinar is tentatively scheduled for September 15 in Baltimore, after the MACRUC meetings.

Julie Michals closed the meeting at 3:00pm.

Action Items:

6. Steering Committee members to send NEEP, **by June 21**, suggestions for topics to cover at the EM&V Forum Annual Public Meeting (which will take place in mid October).
7. Steering Committee members interested in serving as a planning co-chair for the Annual Public Meeting Planning to contact NEEP **by June 21**.
8. The next quarterly Steering Committee meeting/teleconference/webinar is tentatively scheduled for September 15 in Baltimore, Maryland.