



**REGIONAL EVALUATION,  
MEASUREMENT & VERIFICATION FORUM**

**Quarterly Steering Committee Meeting  
December 16, 2010, Teleconference Notes and Action Items**

**Participants:**

Name	Organization
Cindy Jacobs	Connecticut Department of Public Utility Control
Phil Cherry	Delaware Energy Office
Dan Cleverdon	District of Columbia Public Service Commission
Rick Morgan	District of Columbia Public Service Commission
Chris Neme	Energy Futures Group
David Littell	Maine Public Utilities Commission
Dennis Hartline	Maryland Energy Administration
Calvin Timmerman	Maryland Public Service Commission
Marilyn Ross	Massachusetts Department of Public Utilities
Tim Woolf	Massachusetts Department of Public Utilities
Dave Jacobson	National Grid
Sue Coakley	NEEP
Josh Craft	NEEP
Cecily McChalicher	NEEP
Julie Michals	NEEP
Jim O'Reilly	NEEP
Elizabeth Titus	NEEP
Arthur Marin	NESCAUM
Bill Saxonis	New York Department of Public Service
Rich Sedano	Regulatory Assistance Project
Paul Roberti	Rhode Island Public Utilities Commission
Pam Stonier	Vermont Public Service Board

*This meeting was digitally recorded.*

**Meeting Action Items:**

1. Steering Committee members who would like to serve as a Steering Committee co-chair or would like to nominate someone to contact Rich Sedano at [rsedano@raponline.org](mailto:rsedano@raponline.org).
2. NEEP to keep the 'Reporting of Job Impacts' section in the *Statewide Energy Efficiency Reporting Guidelines*, but will revise to identify ARRA guidelines as one method for reporting direct job impacts rather than the recommended method. NEEP will also add a

recommendation that efforts be made by the Forum in the future to move towards greater consistency in methods used to estimate job impacts.

3. The *Common Statewide Energy Efficiency Reporting Guidelines* were adopted as a Forum product (with changes to the Jobs Impact section as noted above). A final version of the Guidelines will be circulated to all Forum participants in early January, and posted to the Forum website.
4. The 2011 EM&V Forum Agenda & Budget Option B was adopted by the Steering Committee, with NEEP to provide some additional language on initial set of projects approved with other projects to be further considered in early 2011. Steering Committee members to review proposed revised language (below) and provide NEEP with any feedback.

*The Steering Committee recommends an initial set of proposed 2011 Forum projects including:*

- *PD11-1: Emerging Technologies Savings Assumptions*
- *PD11-3: Statewide EE Reporting Guidelines Implementation*
- *PD11-5: Mid-Atlantic TRM Phase 3*
- *RE11-1: Loadshape research*
- *RE11-3: Add on research (to support continued 2010 research)*
- *Forum Evaluation*

*with an estimated budget of \$1.9 million to the NEEP Board of Directors, and agrees to further consider in the first quarter of 2011 other projects proposed that otherwise may be deferred to 2012 including:*

- *2010-PD1 Net Savings Project: Carry-over project from 2010 (scope and budget to first be informed by new Policy Committee in late January)*
- *PD11-2: Guidelines for Incorporating EE in System Planning (to be further discussed with interested states)*
- *PD11-4: Calculating Effective Useful Life in Early Replacement Program*
- *RE11-2: Estimate EE Impact on Building Codes & Standards (depends on US DOE co-funding)*

*The states will subsequently contemplate their support and financial commitment of the 2011 projects in a manner appropriate to each, understanding that:*

- *This is a statement of interest and does not bind any state to fund any particular project; and*
- *The Project Committees will develop further project details to the satisfaction of project funders, including scopes, costs, and value of the regional approach.*

5. NEEP to provide each state with the estimated amount that will be invoiced in 2011 under the approved 2011 budget.
6. Steering Committee members to email NEEP with any comments about the 2011 Evaluation of the Forum.
7. The *Guidelines for Requesting and Approving Forum Project Cost Modifications and Use of Contingency Funds* were approved.
8. The cost modification request to pay NMR Group \$20,000 over and above the contracted amount for the Net Savings Scoping Paper project was approved.
9. Reminder that the Forum will hold its first Policy Committee call on January 27 at 3-4pm. If interested in joining please contact Julie Michals at [jmichals@neep.org](mailto:jmichals@neep.org)
10. Steering Committee members to contact NEEP by December 23 if they have a conflict with any of the proposed 2011 quarterly Steering Committee meeting dates (March 29, June 24, September 22, December 8).

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11. NEEP to send out meeting notices for the 2011 quarterly Steering Committee meeting dates.

**Meeting Overview:**

***A. Introductions***

Julie Michals (NEEP) opened the meeting, reviewed the meeting attendees, and introduced the meeting agenda.

Julie Michals introduced the new Steering Committee member, Commissioner David Littell from the Maine Public Utilities Commission. He is replacing former Commissioner Sharon Reishus from Maine.

Julie Michals added that Tim Woolf's term as Steering Committee co-chair will end at the end of February. Rich Sedano will continue as co-chair for one more year. She asked anyone who is interested in serving as a Steering Committee co-chair or who would like to nominate someone to contact Rich Sedano at [rsedano@raponline.org](mailto:rsedano@raponline.org).

Julie Michals explained that we do not have a representative from New Hampshire on the phone today, but she will be following up with New Hampshire after the call.

**Action Item:**

1. Steering Committee members who would like to serve as a Steering Committee co-chair or would like to nominate someone to contact Rich Sedano at [rsedano@raponline.org](mailto:rsedano@raponline.org).

***B. Common Statewide Energy Efficiency Reporting Guidelines***

Julie Michals provided an overview of the *Common Statewide Energy Efficiency Reporting Guidelines* and showed a diagram of how the Guidelines fit into the overall energy efficiency reporting framework. The desired outcome of the Guidelines is consistent reporting that improves the understanding, credibility, and transparency of energy efficiency as a resource to support future investments. She added that the Guidelines are considered a living document, as directed by the Steering Committee in September, and will be modified in the future on an as-needed basis.

Julie Michals reviewed the reporting templates in the Guidelines and explained the process of developing the guidelines. Three versions of the Guidelines have been reviewed since the Steering Committee's May 2010 meeting. The Steering Committee provided feedback in September, which has been incorporated into this version. In addition to the reporting templates, the Guidelines also include process recommendations that focus on improving coordination between key stakeholders, including air quality regulators, program administrators, and ISOs.

Arthur Marin (NESCAUM) thanked NEEP for the assistance it has provided to help NESCAUM address how to account for energy efficiency benefits. He added that quantifying the benefits of energy efficiency to accurately reflect avoided air emissions is a challenge. For this reason, he questioned if the data that will be used in *Table 3: Avoided Emissions* in the near term will be accurate. Julie Michals replied that NEEP has been asked by some to be more prescriptive about underlying methodologies for the avoided emissions section. She shared that John Moskal at US EPA has said that US EPA will work with states on a process to develop a common methodology that can be incorporated into the Guidelines in the future. NEEP will monitor EPA's efforts.

Julie Michals added that the Guidelines have been shared with both US EPA and US DOE, and are being considered in the development of national reporting template developed through the State Energy Efficiency Action (SEE Action) project led by US DOE and EPA. Kathleen Hogan from the US DOE spoke

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at the Forum's Annual Public Meeting and said that US DOE is very supportive of the Forum's Guidelines.

#### ***Discussion about Reporting of Job Impacts***

Julie Michals described the Job Impacts section of the Guidelines. This section now recommends that direct and indirect jobs be reported using American Recovery and Reinvestment Act (ARRA) Guidelines. At the Project Committees meeting on November 12, it was suggested that the Guidelines should not recommend the ARRA Guidelines since ARRA funding and reporting is a short term effort. She asked if the job impacts section should be included in the Guidelines. The Guidelines currently recommend that states report their current practice and indicate the methodology they use.

Tim Woolf (Massachusetts DPU) stated that job impacts are interesting and useful to report, but they are not as important as the other elements in the Guidelines. He supports the Guidelines' current approach to job impacts and suggested that more consistent and meaningful job impact numbers can be produced over time across the states.

David Littell (Maine PUC) stated that Maine does not have a large Systems Benefit Charge, and the job impact piece is crucial when trying to allocate resources. It is important to show the economic and job impacts of energy efficiency programs. He would like to keep the Job Impacts section in the Guidelines and added that the ARRA Guidelines may be appropriate.

Bill Saxonis (New York DPS) stated that New York has not developed a formal policy to address job impacts, so job impact estimates are not particularly accurate. NYSERDA reports job impacts due to ARRA requirements. He has spoken with economists at NYSERDA and has found that there are many ways to calculate job impacts. Many different assumptions are used, which leads to different results.

Pam Stonier (Vermont PSB) stated that Vermont is not doing job impact analysis right now, but they look at the job impacts section in the Guidelines as a learning opportunity. Vermont supports including job impacts in the Guidelines.

Paul Roberti (Rhode Island PUC) stated that job impacts are outside the scope of the Rhode Island Commission, but job impacts are at the center of the clean energy debate. He agrees with Bill Saxonis that it is difficult to accurately assess job impacts. He added that the diversion of discretionary income is an important issue when considering job impacts and suggested that more attempts to analyze this issue would be helpful.

Dennis Hartline (Maryland Energy Administration) stated that he is representing Malcolm Woolf on this call. Maryland is only looking at job impacts as a result of ARRA. He is not sure what the expectations for job impact analysis will be after the initial round of reporting for ARRA purposes.

Julie Michals suggested that in this version, the Guidelines can support the reporting of job impacts recognizing differences in underlying methodologies. She suggested that the Forum could hold a future workshop to discuss whether/how to move towards greater consistency in methods used for analyzing job impacts. The Steering Committee generally agreed with this suggestion.

It was decided that NEEP will keep the 'Reporting of Job Impacts' section in the *Statewide Energy Efficiency Reporting Guidelines*, but will revise it to identify ARRA guidelines as one method for reporting direct job impacts rather than the recommended method. NEEP will also add a recommendation that efforts be made by the Forum in the future to move towards greater consistency in methods used to estimate job impacts.

#### ***Decision to Adopt the Reporting Guidelines***

Tim Woolf reviewed the criteria for adopting a Forum product:

- 1) The Forum product is reviewed and recommended by the relevant Forum Project Committee through a transparent and timely process based on consensus (per Operational Guidelines)
- 2) 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, and Help to improve the credibility of EE resources*

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

Tim Woolf asked if the Steering Committee agrees to adopt the *Common Statewide Energy Efficiency Reporting Guidelines*, recognizing that they are a living document. Hearing nothing, he asked if anyone does not support the Guidelines.

Bill Saxonis stated that New York supports the Guidelines, but New York has invested a considerable amount of time and effort in its own reporting system and will continue with it. New York will also contribute data to the regional reporting system.

Tim Woolf shared that Massachusetts is putting together an automated database of energy efficiency activities, and hopes that the statewide reports can be incorporated into the Massachusetts database with very little effort.

Paul Roberti stated that Rhode Island supports the Guidelines.

Rick Morgan (District of Columbia PSC) stated that D.C. supports the Guidelines, which are a great product.

Calvin Timmerman (Maryland PSC) stated that Maryland is comfortable with the current version of the Guidelines and is happy to vote to adopt the Guidelines.

Hearing no dissenting opinion, Tim Woolf confirmed that there is a consensus decision to adopt the *Common Statewide Energy Efficiency Reporting Guidelines*.

Julie Michals reviewed the follow up steps now that the Guidelines have been adopted. The goal is to provide a report in 2012 on 2011 energy efficiency program impacts. Each jurisdiction will determine how it will complete the reporting templates. The Forum has a proposed 2011 project to develop an online spreadsheet tool for the reporting templates, and to support the states' use of the Guidelines. The Forum will explore how best to link regional reporting with state reporting efforts.

Julie Michals thanked the Steering Committee members for their support and stated that she looks forward to implementing the Guidelines. She also thanked the Project Committees co-chairs for providing leadership and the Forum participants for their important role in the project.

#### Action Items:

2. NEEP to keep the 'Reporting of Job Impacts' section in the *Statewide Energy Efficiency Reporting Guidelines*, but will revise to identify ARRA guidelines as one method for reporting direct job impacts rather than the recommended method. NEEP will also add a recommendation that efforts be made by the Forum in the future to move towards greater consistency in methods used to estimate job impacts.
3. The *Common Statewide Energy Efficiency Reporting Guidelines* were adopted as a Forum product (with changes to the Jobs Impact section as noted above). A final version of the Guidelines will be circulated to all Forum participants in early January, and posted to the Forum website.

### *C. 2011 Proposed Forum Agenda and Budget*

#### *Overview of Proposed 2011 Agenda and Budget Options*

Julie Michals described the 2011 Forum agenda building process. It is a participant driven process that begins in June with the development of an initial list of projects. Then, Forum participants complete a survey to prioritize the projects. Further review of the potential projects takes place throughout the fall. At this meeting, NEEP will present the proposed portfolio of projects that indicates state interest in the projects to the Steering Committee for adoption. After the agenda is adopted, NEEP will convene project subcommittees that inform full scope development, but RFPs are not issued until funding commitments are made by interested states.

Julie Michals reviewed the criteria for selecting Forum projects:

- 1) The project makes sense to do regionally, as it is a topical issue for many/most states, and it saves states money compared to the alternative of state by state efforts/projects, while helping meet state needs
- 2) If adopted by states, the results of project will improve the credibility of energy efficiency savings, reduce barriers to the participation of energy efficiency resources in wholesale capacity markets, and improve state and regional demand-side resource and energy planning, implementation and evaluation by having readily available and consistent inputs, protocols and reporting.

Julie Michals provided an overview of the proposed budget. At \$2.2 million, it is about 10% higher than the 2010 budget. The budget is higher due to higher base costs (the fiscal fee is now included in base costs, not in project costs), a higher technical advisor budget, and a larger portfolio of projects. She stated that ten states will participate in the Forum in 2011. This does not include New Jersey or Pennsylvania. She thanked Commissioner Larry Brenner from Maryland and Commissioner Rick Morgan from D.C. for their outreach to Pennsylvania. The lack of New Jersey participation has an impact in particular on the budget for smaller states and Maryland. The same cost allocation factors are being used as were used in 2010: 7% minimum on base costs, and 35% maximum on project costs. Most 2011 revenue will be from the states, with some funding from US EPA and US DOE assumed. A 10% contingency is built into each budget. Some projects are carrying over into 2011 from 2009 and 2010.

Julie Michals explained that the proposed agenda captures state interest in projects, with the caveat that NEEP received feedback from multiple stakeholders in some states, so there may be differences of opinion within states. The \$2.21 million agenda is a bigger increase from the 2010 budget than the anticipated 5% increase that was communicated last summer. She asked if the states can afford the \$2.21 million budget, both from a monetary perspective and considering staff resources needed to support the agenda. The \$2.2 million full budget is one option (Option A), and NEEP has also developed an Option B agenda at \$1.9 million. The Option B agenda would cut projects for which there was mixed feedback or questions about funding.

Under Option B, the projects that had the strongest state support and remain on the agenda are: PD11-1: Emerging Technologies & Savings Assumptions, PD11-3: Statewide EE Reporting Guidelines Implementation Support, PD11-5: Mid-Atlantic TRM Phase 3, RE11-1: Loadshape research, RE11-3: Add on research (to support continued 2010 research), and the Forum Evaluation.

Projects that would be deferred to 2012 are: PD11-2: Guidelines for Incorporating EE into System Planning, PD11-4: Calculating Effective Useful Life in Early Replacement Program, RE11-2: Estimate EE Impact on Building Codes & Standards, and 2010-PD1 Net Savings Project.

Julie Michals stated that the Forum projects started in earnest in Q2-Q3 of 2009, so projects are being carried over into the subsequent year's budget. She presented a Gantt chart that showed the timeline for each Forum project. Under either Option A or Option B, some projects would carry over into 2012.

Sue Coakley (NEEP) noted that Option A is the recommended approach that was developed based on feedback from Forum participants. NEEP developed Option B since it was uncertain if the recommended Option A approach is financially feasible. She added that it is important to note that 2011 funding is unsure for some states. For example, Maryland only has secured funding for the first half of 2011.

***Discussion about Proposed 2011 Agenda and Budget Options***

Calvin Timmerman stated that the Maryland Commission would consider allowing the utilities to fund the Forum in 2011, but this has not been formally discussed yet.

Rick Morgan stated that funding for the Forum from the utilities in D.C. has been diverted to the general budget, but there is still funding available from the DDOE/SEU. He is concerned that both the Option A and Option B budgets represent a significant increase from the 2010 budget for D.C. He suggested it will be a stretch for D.C. to even fund Option B. He supports the overall agenda, but is unsure how much of it D.C. can fund.

Julie Michals replied that she understands that the D.C. Sustainable Energy Utility will have funding for the Forum, but she has not talked to them about specific budget levels. She added that the amount invoiced in 2011 will be less than the Options A or B budgets for DC, since pre-paid funds from prior years would be applied to the 2011 budget, and D.C. would actually pay less than what it paid in 2010.

Bill Saxonis stated that he has had several discussions about specific projects with NEEP. New York finds the project areas to be of interest, but there is concern that the Forum projects might be duplicative of New York's existing projects. He is not opposed to any of the projects, but he needs more detail about how the projects will be scoped.

David Littell stated that he needs to check with Maine staff about where they stand on the projects.

Tim Woolf pointed out that the net savings project will carry over from the 2010 agenda and asked if the Policy Committee will decide whether to move forward with it. He would like to make sure this project is conducted since a lot of effort has already been put into it, but the project budget could be reduced.

Julie Michals replied that the Policy Committee will help to inform the project's scope, guided by the recently completed Net Savings Scoping Paper.

Rich Sedano (Regulatory Assistance Project) summarized that some states are concerned about the amount of money needed to fund Option A and Option B. He asked for states that cannot support Option A to speak up; silence is interpreted as comfort with Option A.

***Discussion about PD11-2: Incorporating EE into System Planning***

Calvin Timmerman stated that the total budget is in question in Maryland. Looking at specific projects, Maryland does not want to participate in *PD11-2: Guidelines for Incorporating EE into System Planning* and, unless NEEP receives federal funding for it. Maryland also has low interest in *PD11-3: Statewide EE Reporting Guidelines Implementation*, but they will support it since there will be federal funding.

Julie Michals stated that NEEP has talked with the ISOs about the PD11-2 project, but some Forum participants have questioned if the Forum should take on this project.

Calvin Timmerman stated that PJM already has a process in place to incorporate energy efficiency into system planning. It is hard for Maryland to keep up with everything that PJM is doing, and there would

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be even more to keep up with if PJM also addresses the energy efficiency issue. He reiterated that Maryland is not interested in this project, particularly if New Jersey and Pennsylvania are not involved.

Paul Roberti stated that ISO-NE is working to address the energy efficiency issue, and he suggested that more resources should be devoted to this issue. He believes there is value in analyzing how energy efficiency affects system planning, and it is important to push the ISOs to address energy efficiency. Rhode Island strongly supports the PD11-2 project.

Pam Stonier stated that she is speaking for Commissioner Volz, and Vermont also strongly supports moving forward with the PD11-2 project.

Tim Woolf stated that NEEP provides value by: 1) creating consistency and transparency across the region, and 2) advancing the cause of energy efficiency in general across the region. The first point is unique to NEEP, but the second can be done by others. The PD11-2 project fits into the second point. NEEP is not the only one who can do it, and may not be the best one to do it. He believes this project is very important, but he is less inclined to support this as a Forum project since budgets are so tight.

Bill Saxonis stated that he works regularly with NYISO, and this issue is often discussed. He is not sure where this project would fit into their efforts. He added that all of the proposed projects have merit, including PD11-2, but he needs to further probe their value for New York.

David Littell stated that Maine agrees with Vermont and Rhode Island that PD11-2 is an important project. He asked who would work on this if the Forum does not.

Tim Woolf suggested that the ISOs work with program administrators and states, through an effort organized through NECPUC. This effort could look at the ISOs' current methodologies and see how they are flawed and chart a path forward.

Pam Stonier stated that the northeast has been trying to figure out how to integrate non-transmission alternatives for five or six years, but a solution has not been developed. Putting more heads together would be beneficial and could spark creativity.

Rich Sedano summarized that there is interest in the PD11-2 project, but perhaps not a critical mass. He suggested moving this project to 2012.

Julie Michals replied that there is a fundamental issue with this project if Maryland and New York do not want to engage their ISOs. At the Forum's Annual Public Meeting, the panel participants from ISO-NE, PJM and NYISO all agreed that they would be interested in working with the Forum on integrating energy efficiency.

#### ***Discussion and Approval of 2011 Agenda Option B***

Rick Morgan asked if it would be possible to have a "wish list" of projects and do what is possible based on the available funding.

Dennis Hartline suggested deferring part of the loadshape research project to 2012 since it's an expensive project.

Sue Coakley summarized the prevailing sentiment that this is a good agenda, but there are concerns about the cost impact in 2011. She suggested that the Option A agenda could be pursued, but it could be staggered in time to reduce the cost impact in 2011.

Rick Morgan replied that it would be very helpful to see what the cost impact would be with a staggered approach. He added that the D.C. Commission has no resources for the Forum, so he cannot commit D.C. to a certain funding level before discussing it with the DDOE/SEU.

Julie Michals stated that NEEP will provide information about the cost incurred for every state in 2011 under the Option A and Option B budget scenarios, given projects staggered in time. NEEP will also follow up with Maryland about its 2011 funding situation.

Sue Coakley suggested that NEEP can come back to the Steering Committee with a revised picture, showing how the projects could be staggered, and determine if this agenda is possible and who can participate. She asked if the Steering Committee would approve a staggered approach to projects, recognizing this approach is contingent on Maryland funding.

Tim Woolf suggested asking the Steering Committee to approve Option B today, with further discussion in 2011 about whether and when we can conduct the projects that are deferred. He motioned to adopt the Option B agenda with the following language: "the Steering Committee adopts the \$1.9 million dollar budget, with further consideration in Q1 of 2011 of the deferred projects..."

Julie Michals reviewed the language for Steering Committee adoption of the agenda and budget, and clarified that adoption is not a binding agreement for funding:

*Does the Steering Committee recommend the set of proposed 2011 Forum projects and an estimated budget of \$1.9 million to the NEEP Board of Directors, and for subsequent consideration by the states for their support and financial commitment in a manner appropriate to each understanding that:*

- *This is a statement of interest and does not bind any state to fund any particular project; and*
- *The Project Committees will develop further project details to the satisfaction of project funders, including scopes, costs, and value of the regional approach.*

Rick Morgan stated that D.C. supports it, but it does not address what happens if a state contributes less than their expected share or nothing. D.C. could be in a situation where they cannot fund Option B.

Sue Coakley recommended moving forward with Option B. NEEP confirms project funding before a project begins, so we will not be in a situation where we have a commitment for a project but do not have funding.

Calvin Timmerman stated that it is important for Maryland staff to be able to show the Commission exactly what the money will be used for. He agreed that Option B is the best choice.

Rich Sedano asked if anyone has objections to adopting the Option B agenda. Hearing none, he stated that Option B is adopted. He asked NEEP to follow up with clean approval language since it is different than what was presented in the meeting presentation. He also asked states to contact NEEP with any issues related to the agenda and budget.

#### ***Overview of 2011 Forum Evaluation Project***

Julie Michals provided an overview of the Forum Evaluation project. The Forum's 3-Year Plan states that an evaluation of the Forum must take place in 2011 to inform the Forum's future. This will be an independent, third party evaluation with Forum participant oversight that will be conducted in Q2 of 2011. NEEP will help develop the RFP, but there will be a discrete committee to manage the project.

Sue Coakley stated that it will be important for Steering Committee members to participate in this project. NEEP welcomes any comments about the evaluation by email.

**Action Items:**

4. The 2011 EM&V Forum Agenda & Budget Option B was adopted by the Steering Committee, with NEEP to provide some additional language on initial set of projects approved with other projects to be further considered in early 2011. Steering Committee members to review proposed revised language (below) and provide NEEP with any feedback.

*The Steering Committee recommends an initial set of proposed 2011 Forum projects including:*

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- *Forum Evaluation*

*with an estimated budget of \$1.9 million to the NEEP Board of Directors, and agrees to further consider in the first quarter of 2011 other projects proposed that otherwise may be deferred to 2012 including:*

- *2010-PD1 Net Savings Project: Carry-over project from 2010 (scope and budget to first be informed by new Policy Committee in late January)*
- *PD11-2: Guidelines for Incorporating EE in System Planning (to be further discussed with interested states)*
- *PD11-4: Calculating Effective Useful Life in Early Replacement Program*
- *RE11-2: Estimate EE Impact on Building Codes & Standards (depends on US DOE co-funding)*

*The states will subsequently contemplate their support and financial commitment of the 2011 projects in a manner appropriate to each, understanding that:*

- *This is a statement of interest and does not bind any state to fund any particular project; and*
- *The Project Committees will develop further project details to the satisfaction of project funders, including scopes, costs, and value of the regional approach.*

5. NEEP to provide each state with the estimated amount that will be invoiced in 2011 under the approved 2011 budget.
6. Steering Committee members to email NEEP with any comments about the 2011 Evaluation of the Forum.

**D. Forum Operations**

**Project Cost Modification Guidelines**

Julie Michals provided an overview of the proposed Project Cost Modification Guidelines. She explained that an earlier version of the Guidelines had a \$40,000 threshold for Steering Committee approval of a cost modification, but it has been lowered to \$15,000 by request of the Maryland Public Service Commission. The redline version that was distributed to the Steering Committee includes this change. The Guidelines also now state that a request for a cost increase less than \$15,000 will be communicated to the Steering Committee and they would have a 7 day period to respond.

Bill Saxonis suggested that small projects could have a \$15,000 threshold for Steering Committee approval, and larger projects could have a \$40,000 threshold.

Cindy Jacobs (Connecticut DPUC) suggested using a percentage of the project budget as a threshold rather than a particular number.

Calvin Timmerman explained that Maryland recognizes that many Forum activities are exploratory and therefore may expand or change scope midstream. Maryland wants to make sure that Forum participants have an opportunity to properly reflect on any expansions to the scope of a project. On the fiscal side, if the threshold for Steering Committee approval of a cost modification is high, contractors might submit proposals lower than what the project will actually cost with the expectation that the Forum would provide more money later.

Elizabeth Titus (NEEP) explained that the Forum has considered the provisions raised by Bill Saxonis and Cindy Jacobs, but the current version is what NEEP believes will produce a consensus approval.

Cindy Jacobs and Bill Saxonis said they were fine with the current version of the Guidelines.

Sue Coakley asked if there is any opposition to proposed Project Cost Modification Guidelines. Hearing none, she stated that the Guidelines are approved.

#### ***Net Savings Scoping Paper Project Cost Modification***

Julie Michals provided an overview of the Net Savings Scoping Paper cost overrun. She explained that NMR is requesting \$20,000 above the contracted amount and described that the cost overrun occurred because there was a tight initial budget, the scope expanded midway through the project, and there was extensive Forum participant input that was incorporated into the final report. The contractor acknowledged that the project was over budget midstream, but they were committed to completing the paper regardless and did not disclose the full amount of the overrun until the revised draft was delivered.

Julie Michals stated that the end product is very good and will be used to inform the next net savings project. She added that the project subcommittee has reviewed NMR's proposal and supports it. The money paid to NMR would be from the Forum's contingency fund. For future projects, the status of the project budget will be discussed with the project subcommittee while the project is underway rather than after the project is complete.

Bill Saxonis stated that he was heavily involved with this project and attended the meeting at which the cost overrun was discussed. He would like to view this project as a learning opportunity about proper budgeting. He thanked Elizabeth Titus for reaching out to the project subcommittee to fully address and discuss the cost overrun issue.

Julie Michals stated that NEEP is being much more careful about project budgets now than it was in 2009.

Sue Coakley asked if there are any objections to using the contingency fund to pay NMR \$20,000 above the contracted amount for the net savings scoping paper project. Hearing none, she stated that the contingency fund will be used to pay NMR \$20,000.

#### **Action Items:**

7. The *Guidelines for Requesting and Approving Forum Project Cost Modifications and Use of Contingency Funds* were approved.
8. The cost modification request to pay NMR Group \$20,000 over and above the contracted amount for the Net Savings Scoping Paper project was approved.



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*E. Forum Project Briefings*

Julie Michals provided an overview of the Policy Committee. The first meeting has been scheduled for January 27 from 3-4pm. The Committee will address the following key issues: net savings project scope, impact of energy efficiency on codes and standards project scope, incorporating energy efficiency into system planning, cost-effectiveness testing and TRC challenges. If anyone is interested in joining, please contact Julie Michals at [jmichals@neep.org](mailto:jmichals@neep.org).

**Action Items:**

9. Reminder that the Forum will hold its first Policy Committee call on January 27 at 3-4pm. If interested in joining please contact Julie Michals at [jmichals@neep.org](mailto:jmichals@neep.org).

*F. Next Steps*

Julie Michals provided proposed dates for Steering Committee calls in 2011: March 29, June 24, September 22, and December 8. She asked Steering Committee members to contact NEEP if there are any conflicts with these dates by December 23. NEEP will send out meeting notices for all of the 2011 meeting dates.

**Action Items:**

10. Steering Committee members to contact NEEP by December 23 if they have a conflict with any of the proposed 2011 quarterly Steering Committee meeting dates (March 29, June 24, September 22, December 8).
11. NEEP to send out meeting notices for the 2011 quarterly Steering Committee meeting dates.