Working Group III
Evaluation and Monitoring

Co-Conveners:
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EPS Collaborative Meeting
Albany, NY- November 5, 2007

Original 6 Questions from NYC Kick-off Meeting

1. Define projected baseline annual energy usage and efficiency through 2015 (assuming continuance of existing programs).
   - segregate data for NYPA and LIPA
   - segregate gas data for generation and non-firm customers

Question Two

2. Define projected additional annual efficiency reductions (MWhs & therms) needed to get to “15 by 15” goal.

   - consider whether 15 by 15 is appropriate for gas

   - segregate data for NYPA and LIPA

   - segregate gas data for generation and non-firm customers

Questions 3-4

3. In coordination with Working Group I, define contribution “wedges” for NYSERDA, NYPA, LIPA, each utility, appliance standards efficiencies, generation efficiencies, building code efficiencies, and transmission efficiencies.

4. Consider method of on-going monitoring of performance/target review.

Questions 5-6

5. Define measurement and verification criteria and create practices and procedures manual.

6. Consider who should conduct measurement and verification.

WG III -- Primary Objectives

- Define 15 X 15 energy savings goals for electric and natural gas.
- Establish guidelines, roles and responsibilities for measurement and evaluation.
- Benefit cost test guidelines.

The WG III Process

- Weekly two hour teleconferences.
- Meeting notes posted.
- Extensive use of e-mail for sharing data, draft documents and reports.
- In–person meetings are an option.
- Sharing of links to relevant reports, studies and orders.

Examples of reports:

- California Public Utility web page featuring links to seven major measurement and verification (M&V) documents.

http://www.cpuc.ca.gov/static/Energy/Electric/energy+efficiency/em+and+v/index.htm

Accomplishments to Date

- “A problem is a chance for you to do your best.” -- Duke Ellington
- Outline of report for 12/5 meeting.
- Detailed outlines of specific report sections.
- Significant progress in analytical work.

Define 15 X 15 energy savings goals

- Baselines using forecasts provided by EPS participants.
- Target goals -- including natural gas, energy and demand, statewide/service territory specific and source goals (e.g., customer end use, codes and standards, T&D efficiency).
- Process for measuring progress toward achieving these goals.

Goal Issues

- What savings count toward the 15 X15 goal?
- Cutoff date between historical achievement already in baseline forecasts and accomplishments that count toward the 15 X 15 goal.
- Using utility load forecasts, we need to break out NYPA loads so we don't double count and qualify System Benefits Charge (SBC) program impact. (NYPA doesn't pay into SBC.)

More Goal Issues

- Accurately reflecting impact of T&D efficiencies.
- Primary goal is energy efficiency, but peak demand is also relevant.
- NYISO data at the service territory level is confidential.

Monitoring and Evaluation Objectives

- Impact evaluation– quantify energy and demand savings.
- Process evaluation—assess effectiveness of program design, delivery and implementation. Identify opportunities for improvement.
- Report results at the service territory and statewide levels.

More Objectives

- Statewide evaluation for certain areas (e.g., impact of Codes and Standards).
- Provide both long and short term evaluation. Critical to have an “early warning system” to identify program deficiencies.

Even More Objectives

- Consistent evaluation terms and measurement techniques to accurately track statewide progress.
- Establish statewide protocols. How do we effectively quantify the impacts **attributable** to the programs?
- Establish statewide evaluation group to help guide the process over the long term and coordinate statewide studies, as needed.

Monitoring and Evaluation Issues

- General agreement on concepts and goals.
- The “devil is in the details.”
- Questions related to evaluation budgets, the role and composition of the statewide evaluation group and who should actually perform the evaluations is generating debate.
- How do we assess impacts of Codes and Standards? R&D?

Benefit cost (B/C) test

- Review B/C test options for 15 X 15.
- B/C test definitions seem straightforward, but implementation can differ among the states.
- What is a benefit? (e.g., some include environmental benefits....others don't)

B/C Issues

- Like many issues in evaluation there is science, but “a whole lot of art.”
- Discussion relative to details (e.g., “correct” discount rate.
- Determining valid input data for key parameters such as avoided costs and participant measure cost.

Next Steps

- "I don't need time. What I need is a deadline." – Duke Ellington
- We are targeting 12/5 for completion of our report.
- Questions ? Comments ?

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