

*OFFICE OF CLEAN ENERGY  
CLEAN ENERGY GUIDANCE*

# Utility Energy Efficiency Program Cycle

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## Version History Log:

Version	Date Issued	Approval	Changes
1.0	2015-05-01	Colleen Gerwitz, Director	N/A
2.0	2016-07-28		Revised BAM and ETIP filing and approval dates.

## Purpose:

The purpose of this Clean Energy Guidance Document is to establish a utility energy efficiency Program Cycle and provide the tasks and associated due dates required to implement a three-year rolling cycle, whereby on an annual basis, utilities will file evaluation studies of programs in previous cycles, an updated Technical Resources Manual (TRM), energy efficiency transition implementation plans (ETIPs) to inform Commission authorization of utility proposed budget and metrics, a Budgets and Metrics Plan for the next three-year program cycle as well as a target date for Commission authorization of the proposed budgets and metrics.

Clean Energy Guidance documents are in effect until revised, rescinded or superseded.

## Background:

In an order issued February 26, 2015 (the February Order),<sup>1</sup> the Commission authorized electric utilities to provide energy efficiency programs in 2016 and established a new framework within which energy efficiency portfolios in subsequent years would be proposed, authorized, and implemented. Under the new energy efficiency framework, the Commission provides utilities with more flexibility to achieve their targets in innovative and cost-effective ways. Utilities will have more responsibility in designing and managing their portfolios while driving toward more market-based approaches to energy efficiency. The utilities will plan energy efficiency programs using a three-year rolling cycle, whereby on an annual basis, the addition of a third year of energy efficiency funding and metrics will be established well in advance of the final year of authorization, thereby avoiding “cliff” years while providing at least two years of certainty for various market actors. The Commission directed the E<sup>2</sup> Working Group to file, by May 1, 2015, a program cycle that sets forth the annual due dates for the deliverables required to implement a three-year rolling program cycle. The Commission specified that the Program Cycle filing must set forth:

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<sup>1</sup> Case 14-M-0101, Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision, Order Adopting Regulatory Policy Framework and Implementation Plan (issued February 26, 2015).

- An annual date by which Evaluation Studies of programs in previous cycles shall be filed in order to inform overall program design/operation;<sup>2</sup>
- An annual date by which an updated TRM will be filed to inform the preparation of utility ETIP filings;
- An annual date by which utility ETIPs will be filed to inform Commission authorization of utility proposed budgets and metrics;
- An annual date by which utilities will file proposed budgets and metrics for the next three-year program cycle;
- An annual target date for Commission authorization of utility portfolio budgets and metrics for a three-year cycle.

## Program Cycle:

The E<sup>2</sup> Working Group<sup>3</sup> establishes the following program cycle elements and schedule.

### EVALUATION STUDIES

The utilities are expected to design and implement evaluation, measurement and verification (EM&V) activities to yield timely information to support the upcoming program cycles. Utility EM&V activities should be planned to yield results in support of a specified program cycle. The Joint Utilities are responsible for ensuring results affecting measure savings are incorporated into the TRM within the timeframes established below. Such EM&V activities should be complementary, not duplicative of NYSERDA EM&V activities, must inform improvement to individual utility energy efficiency efforts, must be shared to facilitate the identification of best practices, where applicable, and be integrated to improve the accuracy and reliability of foundational tools, such as the TRM.

### TECHNICAL RESOURCE MANUAL (TRM)

The Commission directed the utilities to work collectively to maintain a New York State TRM, while allowing for utility territory specific inputs, as appropriate. Each year, the utilities must submit an updated TRM that reflects the best available information and incorporates the findings from the previously filed EM&V studies.

### ENERGY EFFICIENCY TRANSITION IMPLEMENTATION PLANS (ETIPs)

The Commission required the utilities to file, on an annual basis, an ETIP which must be consistent with the ETIP Guidance developed by Staff, in consultation with the E<sup>2</sup> Working Group, and filed with the Secretary.<sup>4</sup> The utility four-year ETIP will include descriptions of current and proposed programs and

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<sup>2</sup> Recommendations from evaluation activities may be implemented prior to the program cycle that the evaluation activity is intended to inform according to the applicable process (e.g. ETIP revision process, TRM revision process).

<sup>3</sup> In its January 21, 2016 Clean Energy Fund Order (Case 14-M-0094), the Commission established the Clean Energy Advisory Council (CEAC), which subsumed the E<sup>2</sup> Working Group. Staff will consult with the CEAC on all future revisions to this guidance document.

<sup>4</sup> Case 14-M-0101, Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision, Order Adopting Regulatory Policy Framework and Implementation Plan (issued February 26, 2015).

initiatives, a plan and schedule for EM&V activities and intended use, as well as a benefit cost analysis for each program and the overall portfolio. The utility ETIPs will be filed as a companion to the Budgets and Metrics Plan filing. Utilities will also maintain ETIPs consistent with the revision process described in the ETIP Guidance and the schedule outlined below.

## BUDGET AND METRICS PLAN

The Commission also required the utilities to file, on an annual basis, a three-year Budgets and Metrics Plan. Within the Budgets and Metrics Plan, each utility will propose portfolio-level performance metrics and corresponding budgets for the upcoming three-year cycle. The Budgets and Metrics Plans will be issued for public comment and presented to the Commission for consideration.

## SCHEDULE<sup>5</sup>

The E<sup>2</sup> Working Group sets forth the following annual filing and target approval deadlines for the Program Cycle elements set forth by the Commission. In order to provide sufficient time for incorporation of best available information into the upcoming program year (i.e., a calendar year during which specific programs are implemented in accordance with an approved budget and metric plan and filed ETIP), the program cycle begins a year and a quarter prior to program implementation with the filing of evaluation studies. The dates below are presented in chronological order.

<b>201(X) Program Cycle Activity</b>	<b>Date</b>
Evaluation Studies	September 15, 201X-2
Annual TRM Filing	April 15, 201X-1
Utility ETIP Filing w/ current year and proposed upcoming three-year cycle	June 1, 201X-1
Utility Budgets & Metrics Plan Filing	June 1, 201X-1
ETIP Revision Letter	September 1, 201X-1
Commission Budgets & Metrics Plan Approval	November 15, 201X-1
Utility ETIP Filing w/ current year and planned upcoming three-year cycle	December 1, 201X-1
ETIP Revision Letter	March 1, 201X

<sup>5</sup> The February Order established filing dates for the 2016 program-year, the dates set forth in this schedule are effective for program-year 2017 and every year thereafter. Staff may, upon request, modify the dates in the annual cycle.