

April 1, 2015

**E<sup>2</sup> Working Group Meeting Minutes**

The E<sup>2</sup> Working Group met on April 1, 2015. The meeting was held in the 19th Floor Hearing Room at 3 Empire State Plaza and via conference call. The following organizations participated in the call.

<b>E<sup>2</sup> Working Group Members</b>	<b>Ex-Officio Participants</b>
Central Hudson	PSEG-LI
Con Edison	
DPS	
National Fuel Gas	
National Grid	
NYSEG	<b>Parties</b>
NYSERDA	Energy Savvy
Orange and Rockland	
RG&E	

**1. Introductions.**

**2. Review of 3/20/15 minutes.**

PAs suggested editorial changes to the 3/20/15 minutes. Staff agreed and will make the changes to the minutes.

**ACTION ITEM: Staff will make revisions to the 3/20/15 minutes and post them to the webpage.**

**PAs proposed revision to EE-05: Setting and Revision Customer Incentive Levels.**

At the March 20, 2015 Working Group meeting PAs asked Staff to revise the guidance document for setting and revising incentive levels to eliminate the requirement for a PA to send a separate notification to other PAs when its sets or revises an incentive level since the PAs receive notice through DMM.

- Staff stated that the December 26, 2013 Order requires that PA notification of incentive level changes include, at a minimum, that some level of collaboration w/other PAs has occurred. Staff stated that the requirement in the Guidance for a separate notification is the way in which this requirement is satisfied and it will not be eliminated.

**Request for E<sup>2</sup> Working Group members contact information.**

Staff stated that it has been receiving an increased number of requests from outside parties for utility contact information. Staff informed E<sup>2</sup> Working Group members of its intention to post limited contact information on the E<sup>2</sup> Working Group webpage.

- PAs requested the most recent list of E<sup>2</sup> Working Group members and stated that they may wish to designate another company representative be listed for this purpose.

**ACTION ITEM: PAs will send any revisions to the current list of E<sup>2</sup> Working Group members and Staff will post a revised list to the webpage.**

### **3. Subcommittee Housekeeping**

Staff stated that subcommittee templates for the Self -Direct Program, Data Tracking, and ETIP Guidance Subcommittees formed at the March 20, 2015 E<sup>2</sup> Work Group meeting were emailed to the respective Chairs of the subcommittees and posted to the web page.

Staff stated that revised subcommittee templates for the Post 2015 TRM Transition and EEPS 2 Wind Down Subcommittees to reflect in PA and Staff representation have also been emailed to the Chairs of the respective subcommittees and posted to the webpage.

Staff acknowledged that the April Subcommittee Update incorrectly stated that a Market Transformation Metrics Subcommittee had been formed with Peggie Neville serving as the Chair. Staff stated the document will be corrected to reflect that the subcommittee will be formed at a later date with a utility chair.

Staff noted that Task 4 of the TRM Subcommittee was not included in the April Subcommittee Update that was distributed with the meeting materials. The document will be corrected and posted to the webpage. The TRM Subcommittee template was distributed to the E<sup>2</sup> group listing Task 4.

Staff suggested two subcommittees be folded:

- As the work of the Guidance Document Subcommittee required by the December 2013 Order was completed in March 2014, Staff recommended the subcommittee be folded. The PAs agreed with Staff's recommendation and the subcommittee was folded. The updated subcommittee template will be posted to the webpage.

PAs asked if these Guidance Documents will be different from the Guidance Documents developed in Track 1.

- Staff replied that these guidance documents only apply to EEPS and Track 1 guidance documents apply to January 1, 2016 and beyond. Staff noted that the guidance documents developed for post 2015 will be in the same format but instead of being called EE-XX, they will be named CE-XX to reflect our new office name: the Office of Clean Energy.
- The Evaluation Assessment Subcommittee was formed in response to a December 2013 Order requiring Staff to work with the E<sup>2</sup> Working Group to conduct a review and assessment of current EM&V activities, and report on its findings as part of an Action Plan to be filed by June 1, 2014. In a May 8, 2014 order, the Commission eliminated the requirement to file an Action Plan. Staff stated that although the work of this subcommittee has been useful as it can serve to inform future EM&V activities, the original scope of the subcommittee has been completed. Staff recommended that the subcommittee be folded. The PAs agreed with Staff's recommendation and the subcommittee was folded. The updated subcommittee template will be posted to the web page.

PAs raised concerns about recently circulated changes to the Tech Manual that have an effective date prior to January 1, 2016.

- Staff clarified that although the Tech Manual changes prioritized to be completed by June 1, 2015 as outlined in the TRM Subcommittee Template will not be effective until January 1, 2016, the recently circulated changes were corrections to the Tech Manual to reflect current NYC and State Energy codes, and should become effective within 90 days from the date of the record of revision filed with the Secretary.

#### **4. Program Cycle**

Staff discussed the Utility Energy Efficiency Program Cycle document distributed with the meeting materials. The document was developed to provide narrative to the Staff straw three-year rolling program cycle discussed at the March 20, 2015 meeting. At that meeting, the PAs expressed support for the program cycle but requested time to obtain feedback from program managers and other utility staff not present at the meeting, concerning specific dates in the cycle.

PAs expressed confusion with the dates outlined in the February 26, 2015 REV Order and the dates in the Program Cycle.

- Staff noted that the dates in the order are for the 2016 program year whereas the draft Program Cycle lays out filing dates for post 2016 program years.

PAs expressed reservations about establishing specific filing dates prior to having had experience working within a cycle.

PAs expressed concern with the target date for Commission approval of the Budget and Metrics Plans.

PAs expressed concern with the date by which evaluation studies must be filed in order to be used to inform the following planning year.

- Staff clarified that the evaluation studies are intended to provide a linkage in providing accurate information to feed into the TRM and program planning. Staff recognizes some studies may not be related to the TRM update, such as process evaluation and remain ongoing to improve program implementation.
- PAs suggested Staff memorialize that intention in the guidance document. Staff agreed.

PAs asked Staff to elaborate on the process for the Budget and Metric Plan and ETIP filing.

- Staff replied that utilities will file a Budget and Metrics Plan each year to propose budgets and metrics for the upcoming three program years. As a companion filing, utilities will file a draft ETIP to inform the Commission of the intended use of the proposed budgets to reach the proposed metrics. Staff noted that depending on the action of the Commission relative to the proposed Budget and Metric Plan, the final ETIP may be identical to the draft ETIP. Each year, the utilities will have the opportunity to change previously approved budgets and metrics based on experience with programs, emerging technologies and signals from the market.

PAs asked if each program year will be considered on its own, or a part of a program period, similar to what was done in EEPS 1 and EEPS 2.

- Staff responded that internal discussions are going on about that and other related issues, including a process for annual reconciliations. Staff added that future shareholder incentives will be part of a larger incentive framework to be developed in Track 2 of REV.

PAs asked that as EEPS 2 programs were designed to provide incentives for prescriptive measures and savings were calculated based on the parameters of the Tech Manual, how will savings from REV-type technologies be estimated when they do not fit into the framework or are not yet included in the Tech Manual.

- Staff reiterated that savings from technologies not included in the Tech Manual should be estimated based on the best available information, including but not limited to other States' TRMs, and M&V studies.

PAs asked Staff to clarify their new role as the PAs assume responsibility for the Tech Manual.

- Staff stated that it will participate in the process, but as an observer. Staff will not approve the Tech Manual, but expects the changes to be reasonable and the PAs are expected to have evaluation studies to support the changes.

As the Program Cycle must be filed by May 1, 2015, Staff asked the E<sup>2</sup> Working Group members if they supported filing the Program Cycle as proposed, adding that if the dates proved to be unworkable, they can be modified in the future. The PAs committed to providing substantive comments to Staff, and depending on the comments received Staff will schedule a call to discuss. It was agreed that a subcommittee was not necessary.

**ACTION ITEM: PAs to send substantive comments on the Program Cycle to Katie Mammen and cc: Carlene Pacholczak by April 8, 2015 COB.**

#### **Additional Comments**

Staff provided an update regarding the recovery of energy efficiency costs. In the Orange & Rockland rate case, Staff filed testimony proposing that energy efficiency costs be recovered through an Energy Efficiency Tracker, a surcharge separate from the SBC, designed to enable the identification of specific customer contributions to energy efficiency in order to be able to implement a Self-Direct program, as required in the February 26, 2015 Order. Testimony in the Central Hudson rate case, filed prior to the February 26, 2015 Order, proposed the recovery of energy efficiency costs through base rates. This was incorporated into a Joint Proposal filed by the Company, Staff and other parties. Staff anticipates the Joint Proposal will be revised to align with the treatment of energy efficiency costs in the Orange & Rockland case.

#### **5. Comments from Ex-Officio Participants and Parties**

No Comments.

#### **6. Next Meeting**

Staff suggested rescheduling the May meeting to April 29, 2015 due to the O&R Evidentiary Hearings and the requirement to file a Program Cycle and ETIP Guidance by May 1, 2015. PAs agreed with Staff's recommendation.

**The next meeting is April 29, 2015 in the 3<sup>rd</sup> Floor Hearing room from 10-12pm. The room will be available in the afternoon for subcommittees.**

In addition, Staff suggested rescheduling the June meeting to the end of May due to the requirement to file an updated TRM and a TRM Management Plan by June 1, 2015. PAs agreed with Staff's suggestion. Staff will circulate possible meeting dates available in May.

**ACTION ITEM: PAs to email availability date for June Working Group meeting to Carlene Pacholczak by April 6, 2015 COB.**

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