SESSION 8D

BENCHMARKING PROGRAM ADMINISTRATOR AND STATE LEVEL ENERGY EFFICIENCY EFFORTS

Moderator: Jennifer Kallay, Synapse Energy Economics

PANELISTS:

Carol White, Director of Program Strategy - Massachusetts, National Grid: As Director of Program Strategy for Massachusetts, Carol oversees National Grid's Massachusetts electric and natural gas energy efficiency program planning and evaluation efforts. She is also responsible for providing strategic direction and support of these efforts. Prior to assuming her current position, Carol was responsible for overseeing National Grid's electric and natural gas energy efficiency program evaluation, market assessment, and energy efficiency program planning activities in MA, RI, NH, and NY giving her a unique perspective on jurisdictional differences and data limitations associated with benchmarking studies.

Julie Michals, Director of the Regional EM&V Forum, Northeast Energy Efficiency Partnerships, Inc. (NEEP): Julie currently directs NEEP's Regional EM&V Forum, which supports the development and use of common and/or consistent protocols across 10 states to evaluate measure, verify, and report the savings, costs, and emission impacts of energy efficiency. Julie recently facilitated the development of two Regional EM&V Forum's guidance documents. The Regional EM&V Methods and Savings Assumptions Guidelines, adopted by the Forum Steering Committee in May 2010, which provide guidance on conducting comprehensive impact evaluations to determine the savings from energy efficiency program. The Common Statewide Energy Efficiency Reporting Guidelines, which provide for consistent definitions and the reporting of electric and natural gas energy efficiency program energy and demand savings and associated costs, and their emission and job impacts across the region, were adopted by the Forum Steering Committee in December 2010.

Carla Frisch, Office of Energy Efficiency and Renewable Energy, Department of Energy (DOE): Carla currently facilitates a stakeholder effort on behalf of DOE and EPA known as the State Energy Efficiency Action Network Evaluation, Measurement and Verification Working Group. The Working Group is addressing cross-jurisdiction comparability of results, through foundational evaluation activities as well as more targeted, specific outreach. Carla also works on a DOE effort to create uniform methods to calculate efficiency savings.

SESSION SUMMARY:

This session will further discuss how inter- and intra-state energy efficiency performance benchmarking efforts can be improved such that more meaningful conclusions can be drawn from energy efficiency data in both the short-term and longer-term.

There is agreement among panelists that there is value to making benchmarking more meaningful. Panelists also agree that greater standardization and additional context are appropriate near-term goals, but recognize that this effort will take time and resources to achieve and that the benefits of this effort must be carefully balanced by the costs. As a result, this discussion will focus on how we can best balance the benefits with the costs of benchmarking efforts. The following are some of the specific questions of interest that this panel will discuss within the areas of 1) prioritization, 2) roadmap and 3) roles and responsibilities.

Prioritization

How do we prioritize the benchmarking needs of various stakeholders? The panelists identified a broad group of stakeholders that could benefit from benchmarking including: program administrators, state public utility commissions (PUCs), state energy offices, regional and national NGOs, EIA, EPA, DOE, consumer advocates, air quality regulators, system planners, policy makers, and grantors. These stakeholders have varied needs and priorities, though there are likely areas of overlap. Also, the priorities for the short-term may focus on optimization of program design and implementation across program administrators and states. However, the priorities for the longer-term may focus on compliance with a national energy efficiency policy.

What are the most important metrics? The panelists identified a number of key metrics that, in many cases, are not currently reported in program administrator energy efficiency annual reports. The key metrics identified by the panelists include, but are not limited to, costs, gross energy savings, net energy savings, cost per participant, cost of energy saved, energy saved per participant, percent of energy saved per participant relative to consumption, carbon reductions from energy savings, and level of certainty in the energy savings.

What types of standardization are most important to achieve in the short-term and longer-term? The panelists identified several types of standardization including, but not limited to: standardization of key metrics, including definitions and calculations; standardization of EM&V approaches; standardization of savings assumptions and calculations; and standardization of program design and implementation.

Roadmap

Is benchmarking best achieved using a bottom-up or top-down approach, or both? A bottom-up approach leverages program administrator level inputs to build to state, regional and national level datasets. A top-down approach uses macro-level data rather than micro-level data to estimate efficiency savings at larger scales using econometric techniques.

How should stakeholders leverage benchmarking results? A relatively straightforward use of benchmarking is to facilitate and inform program improvements. But, benchmarking could also be used to support energy efficiency funding decisions, inform a national energy efficiency policy and reward program administrators and states for their efforts.

Roles & Responsibilities

What role do state, regional, and national level entities have in facilitating more meaningful benchmarking? What role should regulators play? What role should evaluators play?