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### **Presentation Title:** Policy Pathways to Meter-Based Pay for Performance

**Abstract:** The growing traction of performance-based efficiency has major implications for the role of measurement and verification in energy programs. However, the policies that have enabled meter-based pay for performance in three early adopting states have significant differences from each other. In this paper, we summarize the specific pathways of regulatory and market reform, legislation, and executive order that these three states have followed as means for adoption. Comparing the similarities and differences of these pathways offers insights for other states and jurisdictions considering such a transition. In addition, we will examine how the execution of these policies has also led to differences in the rules and guidelines for pay for performance adopted in each state.

The pathways will be reviewed in three generic categories. The “Paradigm Pivot” represents a significant transition to meter-based procurements with a large program budgets and authorization to scale enabled through regulatory and market reform. The “Pilot Programs” path begins with a small scale effort that is proposed and tested and allowed to expand to greater procurements, enabled through legislation that redefines energy savings. Finally the “Ramp on Existing Contractors and Vendors” path relies on the past performance and program designs of existing contractors to form the basis of an incremental launch into pay for performance, enabled through executive order.

The challenges and opportunities for each path will be presented based on experience in each state, and the rules and guidelines for evaluation, measurement and verification will be of particular focus.