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Presentation Title: Should M&V Be Required for Grid Modernization Investments?

Abstract: Evaluation has historically been used to determine various dimensions of success for demand side energy programs. Sophisticated statistical and regression approaches have been developed to perform Measurement and Verification (M&V) of energy efficiency programs. Various common measurement approaches are used to determine the cost effectiveness of demand response programs as well as to determine performance fees settlement. Common, agreed techniques are used throughout the industry across many jurisdictions.

However, M&V techniques have not been broadly developed for grid modernization investments, nor has evaluation of these investments been required historically. But many billions of dollars are being proposed and spent across the country on grid modernization in the face of growing DER penetration and the need for a more resilient and robust grid.

How do ratepayers and regulators know that these programs perform as promised once implemented? Should M&V be required for these types of grid investments? If so, how can it be successfully approached? This paper will review a brief history of past attempts at M&V for grid modernization investments and examine what is happening in the industry today (for example, the recent requirement by MA DPU for IOUs to perform ex post measurement of grid modernization investments). It will then explore the path forward for measuring these investments and discuss the challenges and implications for the Evaluation business overall.