MEMO

Date: August 16, 2012

To: Phil Precht

From: Eric Winkler, ISO NE

Subject: Summary of REQ EE MBPs Development

The following summarizes the record of the development of the REQ Energy Efficiency M&V Model Business Practices. It is being submitted to inform the REQ EC with the activities that have occurred over three years. Information is provided for reference without comment and was developed from notes posted to the DSM/EE subcommittee web page.

* The DSM/EE subcommittee accepted a scoping taskforce recommendation for a WEQ working group to address the development of M&V standards for Energy Efficeincy in wholesale markets on September 30, 2009.
* On January 27, 2010 the scoping paper was reintroduced on a DSM/EE conference call with the intention of directing both wholesale and retail development of standards and model business practices. It was suggested that efforts to develop both, should begin with using standards currently adopted by stakeholders in existing wholesale markets. In addition, at that meeting, it was agreed that the focus of the two documents were to be on the technical aspects of measuring reductions from EE measures and that program performance was not in scope. Lastly it was agreed that it was important that the wholesale and retail efforts were coordinated and that there be consistency as directed by the NAESB Board.
* On July 1, 2010 a new REQ scoping paper was put forward specifically for the Retail EE work group. That meeting accepted the new scoping document and assignments were made to develop draft working documents. The scope contained additional emphasis on program design and evaluation to address what was perceived to be a need in the retail space in contract to wholesale markets.
* On December 1, 2010 a draft REQ recommendation was presented to the DSM/EE subcommittee, as discussed during this meeting, the work group identified that there were still outstanding unresolved issues regarding scope of the retail effort. This meeting also included a unanimous acceptance of the WEQ-021 EE standards recommendation.
* On April 29, 2011 the work group was still grappling with scope (primarily M&V versus EM&V) and the issue was referred to the Retail EC.
* At the May 4, 2011 meeting of the REQ EC the EC heard the issues related to conflict in broadening the scope. It was concluded that the work group will develop a set of high level model business practices. It was further suggested by the EC that a listing of objective of the various jurisdictions could be developed, presumably to address the concern that a high level set of MBPs may not offer enough guidance to states with limited experience.
* In the July 19, 2011 meeting of the work group the recommendation discussed continued refinements on the draft without incorporating the any changes to scope as discussed at the REQ EC.
* At the August 22, 2011 meeting of the taskforce, comments were received and concerns were raised regarding scope and consistency between retail and wholesale EE standards. At this time a smaller group agreed to merge the latest REQ draft with a structure and scope that is more consistent with the WEQ-021 ratified standards. There was no objection to drafting a MBP that was more consistent with the WEQ version with a narrower scope.
* On November 7, 2011, the work group reviewed a revised MBP that more closely aligned with the level of detail and scope as presented in the WEQ-021 standards. Comments giving include concern about lack of context, but not issue regarding the content. The former as it was suggested raised concern that users would not know how the MBP “fit in the process”.
* On December 21, 2011, the work group met to address the informal comments. A number of changes both editorial and content were addressed in the comment matrix. The revised scope and content to more closely align with the wholesale standards was accepted.
* On January 26, 2012, the work group held a conference call to review the comments prior to vetting the recommendation to the DSM/EE subcommittee. During the meeting a motion to reject the informal comments and accept the November 7, 2011 draft failed. The work group agreed to consult with the DSM-EE co-chairs on what appeared to be a stalemate in progress.
* On March 7, 2012, the work group met face to face to review a revised November 7, 2011 draft based on a joint effort from both sides of the failed January 26, 2012 motion.
* On April 19, 2012, the work group met to vote the recommendation out of the work group to be given to the DSM/EE subcommittee. Comments were discussed and minor changes were made to the working recommendation. Notable comments included the manner in which reference to IPMVP as concern, specifically regarding the difference in language used in the MBPs and the actual IPMVP guidelines. A recommendation to change the entire MBP language for the methodological options was withdrawn. A suggestion that this issue could be dealt with at a later phase if needed, and the potential to remove any reference to IPMVP was posited. The motion to accept the recommendation with the minor modification passed unanimously.
* On May 30, 2012, the DSM/EE subcommittee met to discuss informal comments and vote out the REQ EE MBPs. A primary motion was made to accept the work group recommendation. Amendments to the recommendation included removing reference to IPMVP. Discussion of this motion included preference to include the reference to IPMVP and alternatively a suggestion to include a footnote indicating IPMVP as the basis for the methodological options. The original motion was modified to include removal of the reference and inclusion in the supporting documentation language that documents the role of IPMVP in the MBPs. The motion passed without objection unanimously. Two minor editorial motions were accepted unanimously. A motion to add language modifying meter accuracy failed unanimously. The final question was called and the MBPs with all accepted amendments passed unanimously with 5 abstentions.