Efficiency Vermont

www.efficiencyvermont.com
888-921-5990 | 802-860-4095

July 10, 2020

To: Energy Savings Account (ESA) Pilot Program Participants

Re: ESA Energy Management Plan (EMP) Guidance

Dear ESA Pilot Program Participants:

This letter, jointly sent from the Department of Public Service (Department), Efficiency Vermont, and the Agency of Commerce and Community Development (ACCD) is intended to provide clarification on process and content related to the development and submittal of an Energy Management Plan (EMP) pursuant to the requirements of your participation in the ESA Pilot program.

Since the time of the original Request for Proposals for ESA Pilot Program participation, two Commission Orders have been issued (Track 1 Order on May 16, 2019 and Track 2 Order on December 20, 2019), which establish certain requirements for participation in the ESA Pilot. Based on these Orders, we are providing a template that we encourage all participants to use for development of an EMP, and steps to take for development and submittal of the plan.

EMP Development and Submittal

Section 2(e) of Act 150 requires that each customer selected for the ESA pilot program work with Efficiency Vermont to "develop an energy management plan for the three-year period of the pilot with projects to be implemented, energy savings targets, and a timeline for projects and investments." As a participant in this pilot, we strongly recommend the following steps to ensure the requirements are satisfied and your projects can be a success:

Step 1 - Project Development and Analysis: Develop estimates for project(s) design and implementation costs, and savings estimates for both energy and non-energy savings. Efficiency Vermont may be used as a resource to assist with this work.

Step 2 - Project Screening: Provide project(s) cost and savings estimates to Efficiency Vermont. Efficiency Vermont will perform societal cost-effectiveness screening. Only projects that pass societal cost-effectiveness screening based on screening criteria established by the Public Utility Commission under the terms of this ESA Pilot may be included in a Participant's EMP.

Step 3 - Project Selection: Make final decision regarding which projects of those that are societally cost-effective to include in the EMP.

Step 4 - EMP Development: Develop a Draft EMP based on the template attached to this letter. (Participants may use a different format for an EMP provided all required information is included in it.) Efficiency Vermont may be used as a resource to assist with this work. Please note:

- EMP must include estimates for project(s) costs, savings, and timeline.
- EMP must include a description of information and data to be collected for project EM&V, as well as estimated costs for EM&V. The Department may be consulted for estimating EM&V costs.
- For customers with Natural Gas savings, EMP must include estimates regarding costs and savings share across ESA and Vermont Gas.

Step 5 - Draft EMP Review/Comment. Submit a Draft EMP to the Department and Efficiency Vermont for review and feedback. For customers with Natural Gas savings, the draft EMP should also be submitted to Vermont Gas. At this point, the Department will be able to provide feedback on necessary EM&V activities.

- The Department and Efficiency Vermont are available to discuss EM&V needs related to savings verification and/or Forward Capacity Market (FCM) requirements. The Department may reach out as needed to your organization to for more information to better understand the scope and of proposed projects.

Step 6 - EMP Submittal: After incorporating feedback from Efficiency Vermont and the Department, the EMP must be filed with the Commission, and a copy of the final plan sent to the Department, Efficiency Vermont, ACCD, and Vermont Gas (if applicable).

Please note that any work performed by Efficiency Vermont in support of project analysis, screening, and EMP development will be billed to the Participant. All costs will be in accordance with the ESA Pilot Program Memorandum of Understanding (MOU) with Efficiency Vermont and are eligible for payment from the balance of the Participant's ESA account.

Should you have any questions, please feel free to contact Efficiency Vermont at ESAInfo@efficiencyvermont.com.

We look forward to continuing to work together toward successful project planning and implementation.

Best Regards,

Michael Crowley
Efficiency Vermont

Kelly Launder
Vermont Public Service Department

Kenneth Jones
Vermont Agency of Commerce and Community Development

Efficiency Vermont

Energy Savings Account (ESA) Pilot Program
Energy Management Plan [Template]

7/9/2020

Business Name:
Lead Contact Name:
Lead Contact email:
Lead Contact phone:

Overarching ESA Objectives:

Please describe the overarching objectives for the work you intend to undertake within the ESA Pilot Program.

1.
2.
3.

Metrics to measure progress towards objectives:

Please list the metrics by which you will determine if you've met your overarching objectives. Metrics may be energy related or non-energy related. Please also provide a description of what you intend to measure to assess success of your project(s). The Department may reach out to your organization as needed for more information to better understand the scope and requirements of proposed projects.

Metric	Baseline	Target

Action Plan to Achieve Targets

Project #1:

Project Description:

Please provide a short description of the project you will undertake.

Key Results:

Key results should indicate the data and information to be collected for the project and include estimates for both energy-related results/metric (e.g., electric energy, electric demand, fossil fuel savings, etc.) and non-energy related results/metrics (e.g., job creation, productivity improvements, maintenance cost savings, etc.). Examples of information and data that may be collected was provided by the Department as part of Case 19-0302; please see the attachment at the end of this template.

Estimated Costs:

Estimated costs should include anticipated amounts for project planning work, implementation activities, and evaluation, measurement & verification (EM&V).

Milestones	Date	Estimated Cost	Estimated Results

Project #2:

Project Description:

Key Results:

Estimated Costs:

Milestones	Date	Estimated Cost	Estimated Results

ATTACHMENT A:
Examples of Information and Data to be collected for evaluation and verification of projects, as presented in Department comments and included in the Commission's Track 2 Order of December 20, 2019 (pp 14-15).

Criterion	Evaluation to Include	Data Examples
Job Creation/ Retention	– Interviews to help determine jobs created and retained, and determine what might have happened otherwise Estimate of indirect job creation (service or supply resulting from company growth)	– Capital investment – Capital avoidance – Resource (energy, water) savings – O&M net benefits – Output information (e.g. production figures) – Customer labor and employment data (e.g., number of full-time equivalents) – Average compensation for created jobs
Energy Savings, Total Energy Cost Reductions	– Engineering analysis of the completed projects – Analysis should use approved avoided costs – Reduced on- or off-peak demands and associated charges	– Baselines (e.g., existing conditions, nameplate information, operating hours) – Invoices for purchase and installation of equipment Detailed project summaries including equipment cut sheets – Historical peak demand times, demands, and charges
Energy Productivity	– Measurement by MMBtu/$ – output or unit of output – (machine or facility specific) Examples of these metrics include: MMBtu/dry ton (per day/week/month); MMBtu/ton of paper (per day/week/month) MMBtu/per silicon wafer (or multiples thereof) – Metrics should be normalized for weather and then converted into a percentage of energy saved to allow some comparison across industry types	– Baseline: Average amount of energy required to make one unit of the same product (or total output) in the two years preceding implementation of the measure, or average amount of energy required to make one unit of the same product (or total output) for an appropriate reference period given the nature of the product Average amount of energy required – to make a similar product, extrapolated from the reference product that was being made – Equipment availability data pre- and post-project implementation, and energy use pre- and post-project implementation (accounting for energy use differences in the production and idle modes, if applicable) – Throughput data for equipment for a specific product from the reference period, or for current product output extrapolated from earlier production

Capital Applied and Leveraged	– Invoice/capital expenditure – review – Capital avoided	– Invoices and costs related to participation in self-managed programs – Program expenditures versus capital expenditures
Greenhouse Gas Reductions	– Analysis of net energy savings by fuel to be multiplied by greenhouse gas coefficients	– Net energy savings

.