

Rule 460.246. Energy Optimization Program Evaluations

Rule 46. (1) Energy optimization program evaluation requirements for plan proceedings shall include all of the following:

- (a) A description of the request for proposal process used to select an independent evaluation contractor.
- (b) Proposed evaluation budget.
- (c) Proposed evaluation scope, schedule/timeline, and objectives for implemented programs.
- (e) Evaluation methodology including a description of the evaluation approaches selected for calculating gross and net energy savings.
- (f) When relevant and practicable, market effects evaluations and process evaluations for each energy optimization program implemented in a plan year.

2) Energy optimization program evaluation requirements for reconciliation proceedings shall include all of the following:

(a) The use of an independent evaluation contractor selected through a request for proposal process.

(b) The use of annual per-measure energy savings values irrespective of when measures were actually implemented by customers, in identifying the gross energy savings achieved, unless otherwise determined by the commission in a previous plan proceeding.

(c) The use of the most current MEMD values or most current engineering calculation for measures not included in the MEMD as the source for gross energy savings. Current is defined as the most recent MEMD or calculation method prior to the start of a specific program year. Program year is defined as a calendar year.

(d) Independent validation of gross energy savings achieved by the providers' energy optimization program. A recommendation concerning the process for making adjustments to gross energy savings will be developed by the Evaluation Collaborative and submitted to the Collaborative Steering Committee for approval and will include:

(i) An audit of EO program savings that ensures accurate counts of installed end-uses, proper application of program incentives, and proper transfer of MEMD values.

(ii) Measure verification which includes verification of actual installation, invalid installations outside of service territories, improper installation and removal of installed equipment.

(e) Independent validation of net energy savings achieved by the providers' energy optimization program. A recommendation concerning the process for making adjustments to identify net energy savings will be developed by the Evaluation Collaborative and submitted to the Collaborative Steering Committee for approval and will include:

(i) The identification of provider-specific net to gross ratios for each program.

Providers may file a joint net to gross ratio analysis for programs

(ii) Determining the frequency with which net to gross ratios will be updated.

(iii) A recommendation regarding the deeming of net-to-gross ratios for programs or program components with low participation, as these may not warrant allocation of evaluation dollars.

(f) Independent validation of assumptions and calculations used to identify deemed savings values in the MEMD. Based on results from evaluation research, the Evaluation Collaborative will identify MEMD measures requiring review and possible adjustment. A recommendation concerning the process for altering or updating MEMD values will be developed by the Evaluation Collaborative and submitted to the Collaborative Steering Committee for approval.

(h) A review of the savings identified by self-directed customer plans and attributed to the provider's energy optimization program.

(i) This review shall be limited to the self-directed customer's savings calculations presented in plans and biennial reports described in section 93(8) and (9) of the act.

(ii) Where necessary, the review shall include recommended adjustments to the savings claimed by self-directed customers.

(iii) The commission staff may conduct field verification.

(3) Gross and net energy savings adjustments as identified in subrule (2) (d) and (2)(e) will be used to determine annual energy savings as part of statutory reporting requirements on the following time table:

(a) 2009 energy savings reconciliations will include the adjustment identified in subrule (2) (di). All other adjustment ratios will be assumed to be 1.0.

(b) 2010 energy savings reconciliations will include the adjustment identified in subrule (2) (di). All other adjustment ratios will be assumed to be 1.0.

(c) Energy savings for programs years 2011 and beyond will include all adjustments identified in subrules (2)(d) and (2)(e).

(d) Gross energy adjustments relating to verification of installations and net-to-gross adjustments for a program year, must be determined prior to the start of a program year.

(e) As new programs are added to a provider's portfolio, adjustments to those programs' savings values for their first two calendar years of operation will include the adjustment identified in subrule (2) (di). All other adjustment ratios will be assumed to be 1.0. For the purposes of identifying annual energy savings as part of statutory reporting requirements, a program's third year of operation will include all adjustments identified in subrules (2)(d) and (2)(e).

4) Independent expert evaluation, measurement and verification required by this rule shall not exceed 8% of the costs of implementing the energy optimization plan.