



NON-QUALIFIED EQUIPMENT REQUEST FOR GUIDANCE

NAVIGANT

November 12, 2019

AGENDA

1. Overview of request
2. Background on scenarios
3. Q&A
4. Discuss next steps

BACKGROUND ON REQUEST

There appears to be a gap in Policy Document guidance on how evaluation should consider program requirements during verification of non-TRM measures.

Savings occur, but the projects shouldn't have been in the program.

Request

How should evaluators treat these scenarios when verifying savings?

THE POLICY DOCUMENT DOES NOT ADDRESS FAILURE TO MEET PROGRAM CRITERIA

Policy Document (glossary)

Savings Verification: An evaluation process that independently verifies program savings achieved through prescriptive measures. This process verifies that the TRM was applied correctly and consistently by the program being investigated, that the measure level inputs to the algorithm were correct, and that the quantity of measures claimed through the program are correct and in place and operating. The results of savings verification may be expressed as a program savings realization rate (verified ex post savings / ex ante savings). Savings verification may also result in recommendations for further evaluation research and/or field (metering) studies to increase the accuracy of the TRM savings estimate going forward.

THE POLICY DOCUMENT DOES NOT ADDRESS FAILURE TO MEET PROGRAM CRITERIA

Policy Document (3.2 Using the TRM to Calculate Savings)

3. *The measure does not yet exist in the TRM*

In this case, the Program Administrator is free to use algorithms and/or input values that do not yet appear in the TRM after discussing the new prescriptive measure with the TAC. At least ten (10) business days prior to presenting this case to the TAC, the Program Administrator shall provide to the TAC the “Components of the TRM Measure Characterization” for the new measure, and work papers in the approved format, so that the TAC has adequate time to meaningfully review and comment on the new prescriptive measure. This documentation will also be used for the TRM Update Process. The Program Administrator is at risk for retroactive evaluation adjustments to savings in this case. If consensus is reached regarding the components for the new measure characterization, then the TRM Administrator shall inform the Evaluators to also calculate savings using the agreed new measure characterization components, in addition to performing an evaluation of the new prescriptive measure. If such components are stipulated for acceptance by all the parties in the Program Administrator’s savings docket, the Evaluator’s savings calculations performed using the new measure characterization components may be used in measuring savings toward compliance with the Program Administrator’s savings goals.

BACKGROUND ON REQUEST

This occurs infrequently but regularly, occasionally involving large projects.

It is important for us to be able to reach agreement on this because the issue will arise in the CY2019 evaluation.

THE FOLLOWING SCENARIOS SHARE CERTAIN CHARACTERISTICS

1. All involved non-TRM measures.
2. The customer has received an incentive for the project and had a typical program participant experience.
3. The program should have rejected the project, based on program requirements.
4. The measure is generating some amount of energy savings.

SCENARIO A:

A TECHNOLOGY THAT IS NOT INCENTED THROUGH THE PROGRAM

A customer installs an injection molding machine with a VSD on pump to reduce energy consumption.

The unit is neither a hybrid-electric nor all-electric, which the program requires for incentive.

SCENARIO B:

AN INELIGIBLE APPLICATION OF A PROGRAM TECHNOLOGY

A customer installs floating head pressure control on their industrial refrigeration system.

The program has this measure but requires it be installed in grocery store (i.e., commercial) applications.

SCENARIO C:

EQUIPMENT FAILS TO MEET SAVINGS-RELATED CRITERIA

A customer installs a transformer (97%) that is above federal minimum efficiency (96%) standards but below program requirement (97.5%).

The program requires a minimum transformer efficiency.

SCENARIO D:

EQUIPMENT FAILS TO MEET CRITERIA INCONSEQUENTIAL TO ENERGY SAVINGS

A customer installs a universal power supply (UPS) that is not ENERGY STAR rated.

The program requires that the UPS be ENERGY STAR rated to qualify for incentives.

Upon review, the installed UPS meets all relevant ENERGY STAR criteria but is not identified on the qualified products list.

QUESTIONS?

Savings occur, but the projects shouldn't have been in the program?

How should evaluators treat these scenarios when verifying savings?

NEXT STEPS

Ideally, Navigant would like to work with the stakeholders to establish formal guidance on this issue.

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