



Engaging Stakeholders to Improve Energy Efficiency Programs

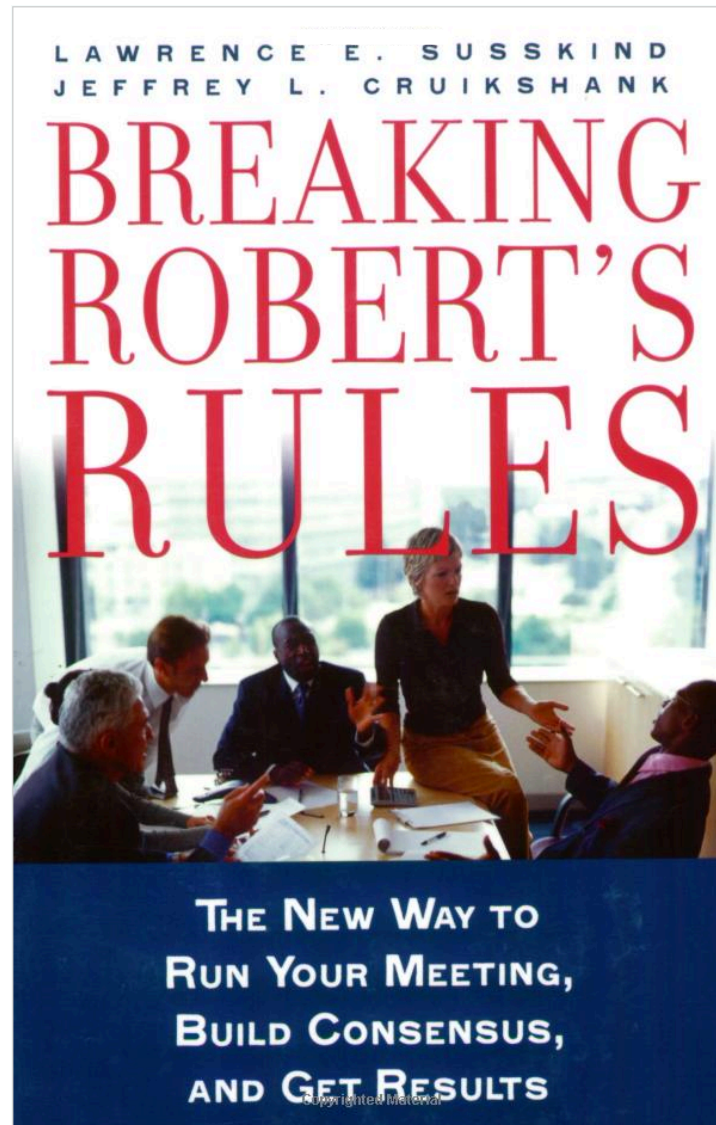
Energy Efficiency Strategy Webinar Series

MIT CoLab
Green Economic Development Initiative
May 6 2013

Agenda

- **Larry Susskind** - Ford Professor of Urban and Environmental Planning, MIT; Director of the Public Disputes Program on Negotiation at Harvard Law School; Founder and Senior Advisor at the Consensus Building Institute.
- **John Cleveland** - Executive Director, Boston Green Ribbon Commission; President, Innovation Network for Communities
- **Michael Little** - Energy Planning Supervisor, Seattle City Light Conservation Resources Division.
- **Questions.**

Larry Susskind



BOSTON

The logo for the Boston Green Ribbon Commission. It features the word "BOSTON" in a teal, sans-serif font at the top. Below it, the words "Green Ribbon" are written in a large, green, serif font. A green ribbon graphic, consisting of two parallel lines, curves around the text, starting from the left, passing behind "Green", arching over "Ribbon", and ending on the right. Below "Green Ribbon", the word "COMMISSION" is written in a teal, sans-serif font.

Green Ribbon

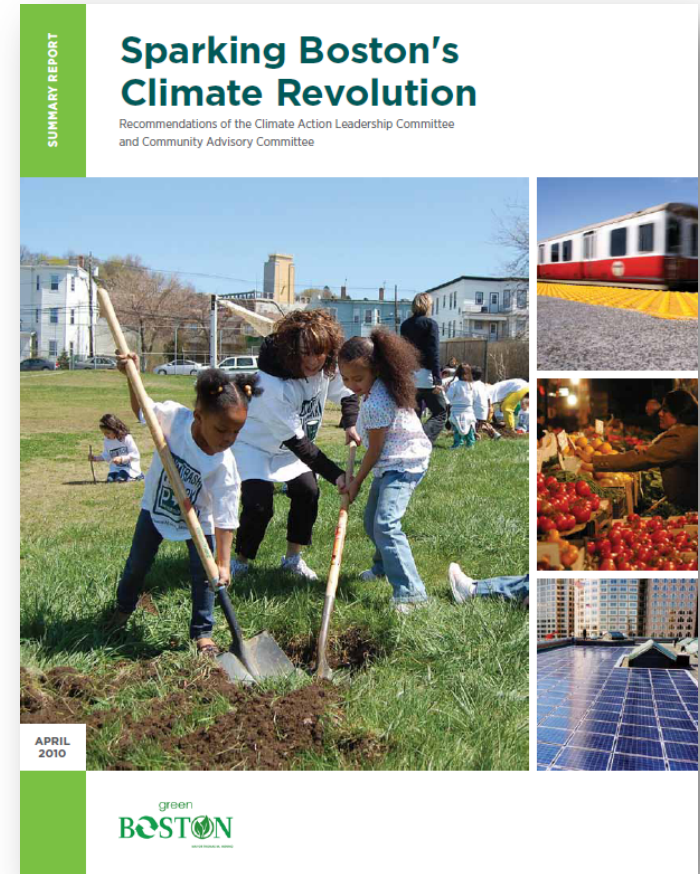
COMMISSION

John Cleveland, Executive Director

www.greenribboncommission.org

BOSTON'S CLIMATE ACTION PLAN

- Goal: 25 percent greenhouse gas reduction by 2020 from 2008 baseline
- Savings in the Commercial and Industrial sector are 51 percent of goal
- Recommends 23 policies to meet target goal

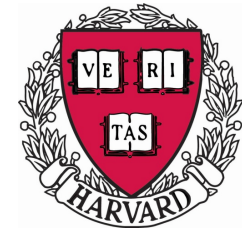


BOSTON GREEN RIBBON COMMISSION

Mission: Convene leaders from Boston's key sectors to support the City's Climate Action Plan.

- **Advise** Boston on the implementation of its Climate Action Plan
- **Advocate** within key sectors to align sector strategies with Climate Plan goals
- **Highlight** best practices within and across sectors

LEADERS IN THE BUSINESS & CIVIC SECTORS



A FOCUS ON THE LARGE C/I SECTORS

Total Boston Greenhouse Gas (GHG) Emissions (100%)



Commercial/Industrial Sources (55%)



**Top 150 C/I
Organizations (25%)**



GOAL:

All top 150 accounts are on target to exceed the City goal of 25% GHG emissions reductions by 2020.

GREEN RIBBON COMMISSION STRUCTURE

Green Ribbon Commission

Sector Working Groups

Issue Working Groups

Health Care

Higher Education

Commercial Real Estate and Hospitality

Transportation

Climate Preparedness

Greenovate Boston

PART OF THE GREENOVATE BOSTON BRAND



GREENOVATE
BOSTON

ENGAGEMENT OF STAKEHOLDERS ON POLICY

Three-Year Utility Plans

- Represented the C/I sector at all EEAC meetings
- Held stakeholder focus groups
- Provided detailed recommendations for the C/I sector



- Sub-metering and monitoring
- Automated Portfolio Manager uploads
- Tenant fit-out programs
- Improved electric/thermal coordination
- Increased incentives for large infrastructure projects
- Improve customer services and coordination
- Implement pilots on behavior change and building manager training

City Disclosure Ordinance

- Developed benchmark study on other cities
- Held stakeholder focus groups
- Provided detailed recommendations on the ordinance



- Implementation timing
- Treatment of multi-building campuses
- Alternative reporting formats
- Audit requirement exceptions
- Compliance with tenant reporting
- Owner review prior to public reporting
- Creation of an advisory task force



Pay-for-Performance Pilot Program

Engaging Stakeholders to Improve Energy Efficiency Programs Michael Little

Conservation Resources Marketing

www.seattle.gov/light/conserve



MIT CoLab Green Economic Development Initiative

Presentation Outline

- Introduction to Seattle City Light and its energy efficiency programs
- Pay-for-Performance Pilot Program overview
- Stakeholder engagement for the Pilot Program

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Seattle City Light

- 10th largest public electric utility in the United States.
- It has some of the lowest cost customer rates of any urban utility, providing reliable, renewable and environmentally responsible power to nearly 1 million Seattle area residents.
- City Light has been greenhouse gas neutral since 2005, the first electric utility in the nation to achieve that distinction.
- Energy efficiency is the City's priority energy resource for meeting load growth
- The nation's longest continually operated energy conservation program.
- Conservation programs designed to serve all market sectors (residential, commercial, industrial, low-income)
- 2013 total budget is \$45 million; incentive budget is \$24 million
- 2013 energy savings target is 122,640,000 kWh

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Pay-for-Performance Pilot Program

- Three year pilot program with three downtown Seattle office buildings Text for bullet point two goes here.
- This pilot project is results driven – greater the results, the greater the reward
- Incentive paid annually based on measured energy savings against a single baseline versus a one-time incentive made on estimated energy savings
- Can provide for greater flexibility in delivering a wide-range of measures and strategies
- Reduces the utility' s risk of energy savings not being delivered
- If successful – could be expanded to other businesses

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Pay-for-Performance Pilot Program (continued)

- Original RFP released in November, 2012
 - SCL sought proposals with a fixed \$0.03/kWh incentive
 - Incentive rate based on our perception that proposals would be O&M or behavior oriented; not capital projects
- RFP was re-released in January, 2013
 - Received comments that proposed incentive would not be sufficient to compensate for longer-lived capital measures over a pilot limited to three years
 - Asked proposers to bid and incentive rate required for their participation, given their proposed mix of energy saving actions
 - Proposals are still being reviewed at this time

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Stakeholder Engagement

- A couple stakeholder engagements initiated the idea of a Pay-for-Performance Pilot.
- The City of Seattle's Green Ribbon Commission and the Northwest Energy Efficiency Council both examined the potential for this innovative approach to energy savings.
- Seattle City Light was involved in both processes, but the utility was not necessarily the driving force behind this idea.

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Stakeholder Engagement (continued)

- The City of Seattle's Green Ribbon Commission
 - o Established in 2005 to develop the Seattle Climate Action Plan to meet the Kyoto Protocol; intent was to develop local solutions to global climate disruption
 - o The Commission members represent Seattle's business, labor, non-profit, government and academic communities.
 - o Continual research, consultation with experts, a careful look at Seattle's emissions, and evaluation against criteria went into making recommendations.

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Stakeholder Engagement (continued)

- The City of Seattle's Green Ribbon Commission
 - o Reconvened in 2012 with the primary charge to “to recommend strategies that forward the climate action agenda while advancing the interdependent goals of job creation, affordable housing, public health, and social equity in ways that enhance our quality of life.” A couple notable recommendations:
 - o Maximize the City's conservation programs to promote cost-effective energy efficiency measures that will help meet much of the city's future electricity needs, reduce the need for new energy sources as Seattle grows, and reduce energy costs to residents and businesses. (Consistent with SCL's long-standing policy of meeting load growth with energy efficiency)
 - o Provide outcome-based incentives that are based on actual energy savings of an energy upgrade rather than projected energy savings of individual measures.

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Stakeholder Engagement (continued)

- The Northwest Energy Efficiency Council (Seattle-based)
 - o A non-profit trade association of the energy efficiency industry. Members provide energy efficiency products and services and assist in the development and implementation of energy efficiency programs.
 - o In mid-2012, brought Rocky Mountain Institute to Seattle for a one-day workshop on Pay-for-Performance. Participants included NEEC members, customers and utility representatives, including Seattle City Light.
 - o Intent was to address a number of implementation-related questions and issues with a Pay-for-Performance concept.
 - o The workshop provided insight into how these questions/issues might be addressed in the pilot program.

Contact Information

Pay-for-Performance Pilot Program

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The Seattle Climate Action Plan

<http://www.seattle.gov/archive/climate/>

The Green Ribbon Commission

<http://www.seattle.gov/environment/grc.htm>





OUR MISSION

Building on a legacy of clean hydro power, Seattle City Light partners with customers to secure a green energy future. We are leaders in providing innovative ways to conserve electricity and invest in renewable resources.

Next Webinar...

Emerging Energy Efficiency Analytic & Diagnostic Technologies

Monday May 20, 3:30-5pm EST

- **Eliot Crowe** – PEI
- **Mike Kaplan** – Retroefficiency
- **Tom McDougall** - The Weidt Group
- **Nick Gayeski** - KGS Buildings

Thanks!