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Importance of Data in Pay-for-Performance

May 22, 2018

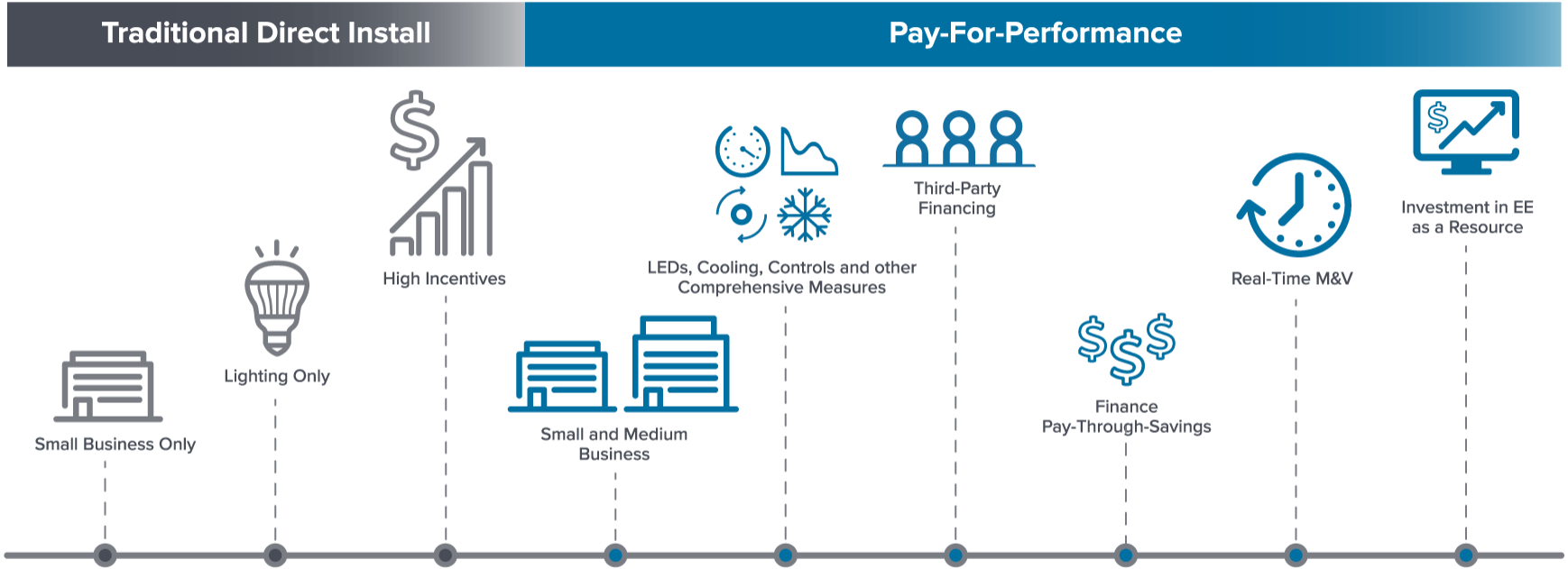
What is Pay-for-Performance?

Pay for Performance (P4P) is an innovative and flexible approach that will invest in ***measured energy efficiency savings*** at the ***portfolio level*** using a market-based program design.

The P4P Pilot will be:

- Directed upstream at aggregators/large contractors
- Initially focused on small/medium commercial and single family residential sectors
- Designed and implemented in partnership with utilities
- Designed to allow solutions providers to innovate, reduce costs, and increase customer value
- Utilizing utility, project, and weather data to assess performance

The P4P Pilot is currently under development and subject to DPS approval.


Traditional Direct Install
Pay-For-Performance
Small Business Only
Lighting Only
High Incentives
Small and Medium Business
LEDs, Cooling, Controls and other Comprehensive Measures
Third-Party Financing
Finance Pay-Through-Savings
Real-Time M&V
Investment in EE as a Resource

Who will be involved?

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Phase 1 Eligible Sectors

Initially targeting mass market customers:

Small-to-medium commercial ($30 million)

- Utility partner: Con Edison
- Initial territories: Westchester County & Staten Island
- Target customers: ~89,000 (under 300 kW)

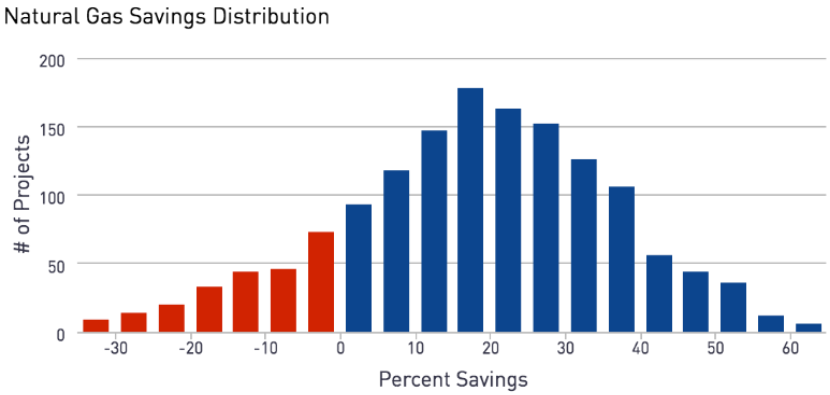
Single-family residential ($20 Million)

- Utility partner: National Grid
- Initial territories: Onondaga, Oneida, and Oswego counties
- Target customers: ~138,000

- Must be willing to release utility consumption data
- Must have one year of electric and gas account history

Investment Approach

- Payment will flow to aggregators based on contracted bid price
- Individual project savings (positive and negative) will be rolled up and aggregators will be paid on portfolio performance
- Paying for the lifetime benefits of energy efficiency over multiple years
- Aiming for quarterly payments



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Advanced Measurement & Verification Solution

NYSERDA will be procuring enterprise software to implement the CalTRACK methodology.

CalTRACK:

- A set of tested and accepted methods that determine energy savings by comparing weather normalized pre- and post-retrofit energy use for a given customer or portfolio of customers.
- The full set of CalTRACK methods and code are available online.
- Three types of data files are required to run the CalTRACK methods: project data, energy consumption data, and weather data. Data will be integrated by the solution. *The P4P Pilot is reliant on these three types of data.*

Recent data-related orders and recommendations

Recent orders:

- 4/19/18 Order Adopting Whole Building Energy Data Aggregation Standard
- 4/19/18 Order Adopting Utility Energy Registry (UER)
- 3/15/18 Utility EE Order
  - Upcoming staff proposal for the release of anonymized energy efficiency project data on a going-forward basis

April 2018 White Paper *New Efficiency: New York*

- More robust access to and uses of data hold great promise to support significant growth in the energy efficiency market and achievement of the State's clean energy policy objectives.

New Efficiency: New York Data Recommendations

Section	Recommendation
5.2	Leverage data and customer/asset information to reduce soft costs
6.1	Approaches to expedite third-party access - potentially in advance of AMI deployment - should be developed. Assess the benefits and costs associated with accelerated deployment of Green Button Connect
6.1	The Commission should clearly define basic versus enhanced data for the purposes of clarifying what data should be made readily available by utilities
6.4	Expand use of GJGNY financing by streamlining program and pushing loan performance data on OpenNY, or other similar suitable future platforms
6.5	Consider advancing a legislative proposal for annual benchmarking and disclosure of private buildings energy performance data for buildings greater than 50,000 square feet