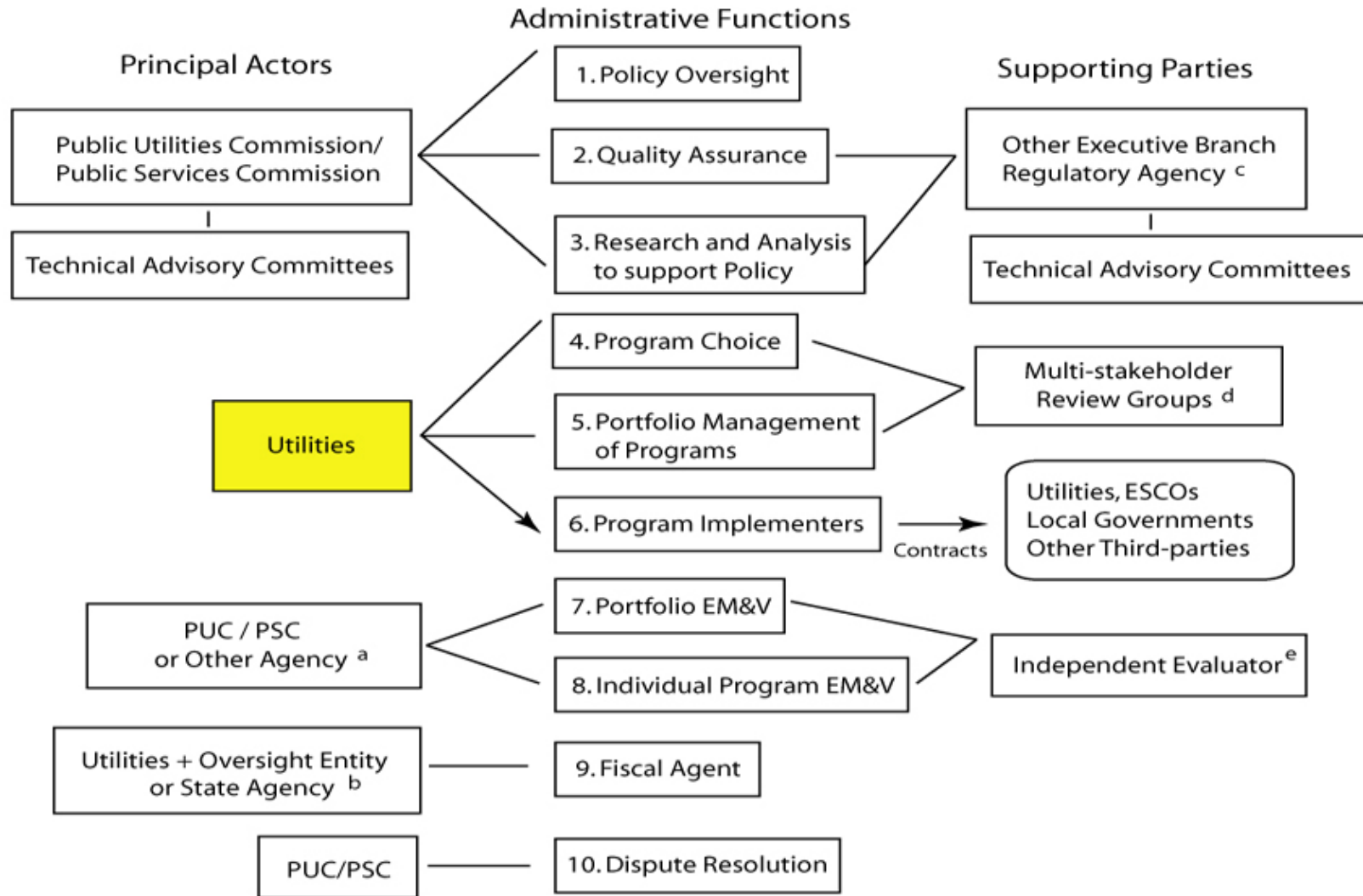


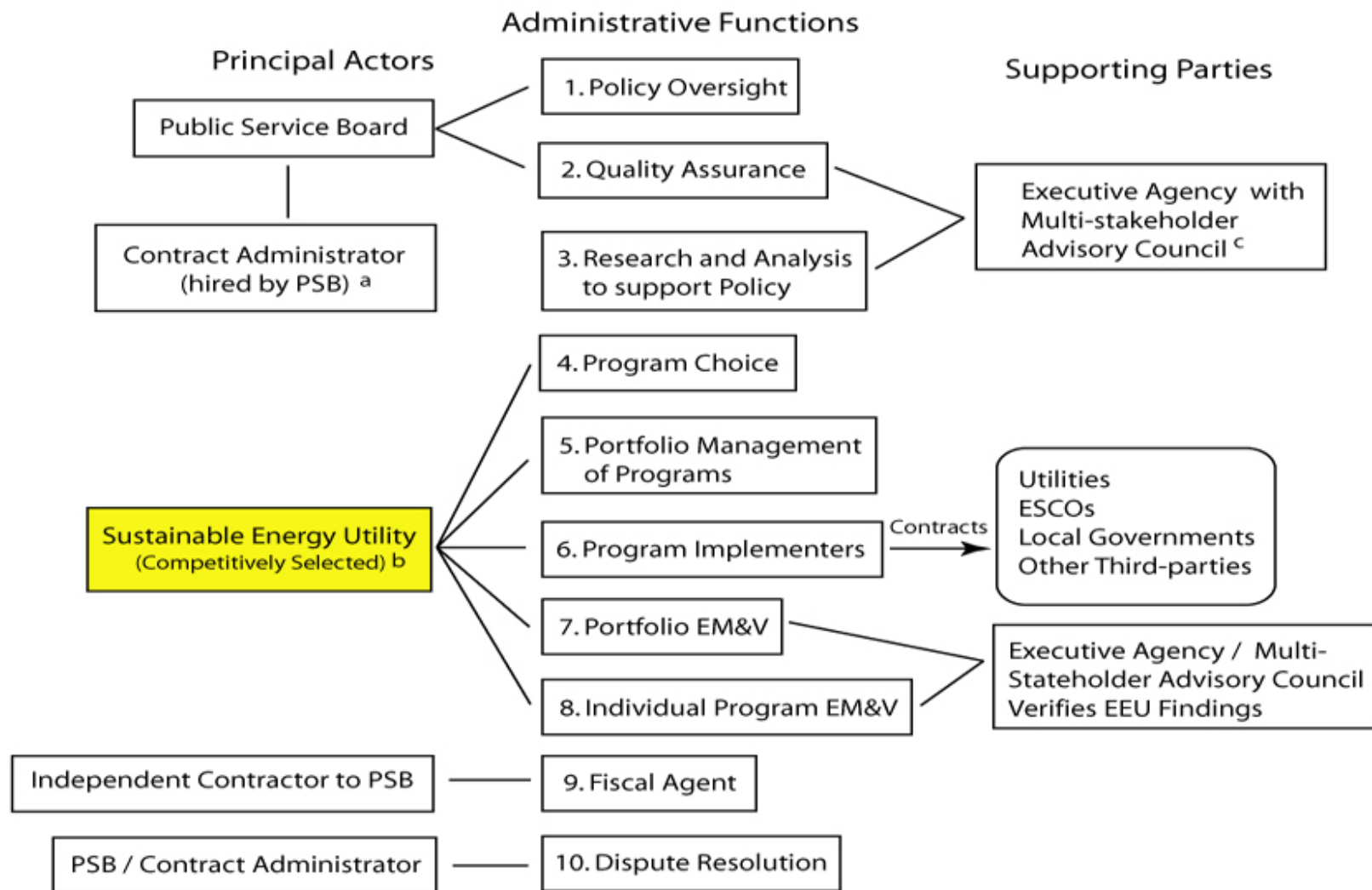
Government - IOU Model for Sustainable Energy Services
 (Based on CA, CT, MA, NY)



Notes on Government – IOU Administrative Model

- a) CA: CPUC selects contractor for portfolio EM&V. NY: NYSERDA performs in-house w/ third-parties. MA: Dept. of Telecom. and Energy
- b) CA: Utilities and the Board of Equalization, overseen by the CPUC. NY: PSC directs utilities to transfer funds to NYSERDA.
- c) For example, the California Energy Commission, the NY Public Services Commission, the Massachusetts Division of Energy Resources
- d). CA: Regional Working Groups and Peer Review Groups (members appointed by PUC). NY: Expert panels review all program proposals and then recommend prospective proposals to NYSERDA (members appointed by PSC). NJ's previous program: Clean Energy Council
- e) CA: Utilities hold contracts for program EM&V and may contract to third-parties. NY: The System Benefits charge Advisory Group is the independent program evaluator (membership appointed by PSC).

Government - Third-Party Model for Sustainable Energy Services (Based on NJ and VT)



Notes on Government – Third-Party Administrative Model

- a) The contract administrator reviews EEU contract compliance, EEU invoices, reports from EEU and fiscal agent; mediates disputes; reviews implementation procedures; negotiates contract with winning EEU bidder; organizes technical advisory groups.
- b) VT: The Energy Efficiency Utility (EEU) is called Efficiency Vermont, which is currently administered by the Vermont Energy Investment Corporation (VEIC). In New Jersey, which is currently soliciting RFPs, the EEU will coordinate three market managers: one for the residential sector, one for the C&I sectors, and one for renewable energy.
- c) NJ: The Clean Energy Council advises the BPU regarding budgets, objectives, goals, administration, and evaluation of NJ Clean Energy Program. VT: The Dept. of Public Service represents the public interest in utility cases before the PSB, provides long-range energy planning,

EXISTING SUSTAINABLE ENERGY SERVICES PROGRAMS

Summary of Sustainable Energy Services Administrative Functions by State							
Admin Function	CA	CT	MA	NJ	NY	VT	
Structure Type:	Government: CPUC	Distribution Utilities Only	Distribution Utilities Only	Utilities: Distribution Only	Government: NYSERDA	Independent Energy Efficiency Utility	
1 Policy Oversight	CPUC	Dept. of Public Utility Control (PUC)	Division of Energy Resources, Dept. of Telecom and Energy	Board of Public Utilities	PSC	Public Service Board	
2 Quality Assurance	CPUC; Energy Division staff lead in coordination with the CEC; CPUC convenes ad hoc policy or technical advisory committees as needed.	PUC	Division of Energy Resources, Dept. of Telecom and Energy	Office of Clean Energy, Clean Energy Advisory Council, Utilities and NRDC	PSC; NYSERDA hires contractors to evaluate structure	Public Service Board	
3 Research and Analysis in Support of Policy Oversight	CPUC; Energy Division staff lead in coordination with the CEC; CPUC convenes ad hoc policy or technical advisory committees as needed.	Energy Conservation Management Board	Collaborative Group; Utilities	Utilities and NRDC	Department of Public Service; NYSERDA	Advisory Committee	
4 Program Choice	Utilities with input from regional working groups (PAGs) and Peer Review Group assessments. 20% minimum open bidding requirement	Utilities	Utilities	Utilities	NYSERDA	Energy Efficiency Utility	
5 Portfolio Management of Programs	Utilities with input from regional working groups (PAGs) and Peer Review Group assessments.	Utilities	Utilities	Utilities	NYSERDA, Advisory Group	Energy Efficiency Utility	

Summary of Sustainable Energy Services Administrative Functions by State (cont'd)

Admin Function	CA	CT	MA	NJ	NY	VT
6 Program Implementers	Utilities and non-utilities	Utilities and their contractors	Utilities	Utilities	NYSERDA contracts with utilities and non-utilities	Energy Efficiency Utility contracts with utility and non-utility providers
7 Portfolio EM&V	CPUC Energy Division selects contractor with input from ad hoc technical committee. Utilities manage and hold contracts. (SCE holds contract for portfolio EM&V)	Energy Conservation Management Board	Utilities with Collaborative Group's Input	Utilities contract out, (or Office of Clean Energy?)	NYSERDA and/or third-parties; advisory groups verify findings	Dept of Public Service verifies EEU's findings
8 Individual Program EM&V	CPUC Energy Division manages studies and holds contracts; obtains input from ad hoc technical committees; each study team includes relevant program administrator and implementer.	Utilities and/or contractors	Utilities with Collaborative Group's Input	Utilities Contract out	NYSERDA	Dept of Public Service verifies EEU's findings
9 Fiscal Agent	Utilities and Board of Equalization	Utilities (but funds have been raided in the past)	Utilities	Utilities	PSC directs IOUs to send quarterly payments to NYSERDA	An independent contractor to the PSB; primary responsibility is to receive funds from utilities and to disburse them as directed by the PSB
10 Dispute Resolution	CPUC	PUC			PSC	Contract Administrator; Public Service Board

Energy Efficiency Administrator Functions¹

1. Policy oversight
 - a. Policy direction and goals (MW and therm savings)
 - b. Approve funding for programs and EM&V
2. Quality assurance
 - a. Methods to evaluate program performance
 - b. Evaluate effectiveness of overall program structure and admin
3. Research and Analysis to Support Policy Oversight
 - a. Research to develop policy goals, priorities, funding levels, and market potential (e.g. remaining cost-effective EE/RE potential)
 - b. Other research as needed
4. Program Choice
 - a. Portfolio programs to meet short and long-term goals
 - b. Develops program mix and budget for approval
5. Portfolio Management
 - a. Administers and coordinates programs
 - b. Reports on program performance
 - c. Propose program and funding changes based on experiences
 - d. Oversees contracts
 - e. Quality assurance tracking
6. Program Implementers (Administrators)
 - a. Implement program based on contracts/agreements with portfolio manager
 - b. Recruits customers
 - c. Collects data on program milestones; reports on progress
 - d. Delivers program directly or sub-contracts
7. Management of Portfolio-Level EM&V
 - a. Establish EM&V plan for portfolio programs and select evaluation firms
 - b. Feedback on objectivity and accuracy of EM&V results
 - c. Portfolio-level EM&V studies
8. Management of Individual Program EM&V
 - a. Select evaluation firms consistent with protocols
 - b. Oversee verification of program milestones, load impacts, cost-effectiveness
9. Fiscal Agent
 - a. Holds and disburses funds
10. Dispute resolution
 - a. Resolves disputes among administrators, implementers, and third-party contractor

¹ Adapted from California PUC R.01-08-028, Attachment 1: Administrative Functions and Areas of Responsibility