

**State of Hawaii Public Utilities Commission**  
Public Benefits Fee (“PBF”)  
Technical Advisory Group (“TAG”)

**Meeting Notes**

October 8, 2020

1:00 – 2:00 PM Hawaii Time

Via Zoom Video and Phone Conference

**1:00 – Welcome and Meeting Objectives**

- The Energy Efficiency Manager (“EEM”) welcomed 43 attendees and advised that the meeting was being recorded.
- The Commission gave an introduction to the meeting addressing market supply and demand side changes, COVID impacts, and the value of demand side programs and services.
- The EEM reminded attendees of the role that the EEM plays in supporting the Commission and PBF work and shared the meeting agenda.

**1:10 – PBF Program Updates**

- Hawai'i Energy provided a Program Year 2019 (“PY19”) Recap.
  - They laid out three pillars of the Hawai'i Energy Triennial Program Goals for the three-year performance period:
    - Clean Energy Technologies address behind-the-meter opportunities.
    - Accessibility & Affordability ensure that everyone has access to programs.
    - Economic Development & Market Transformation fast-track workforce development and boost Hawai'i's economy.
  - Within Clean Energy Technologies, at the end of PY19, Hawai'i Energy was successful in meeting or coming close to most of their goals but struggled with Business Hard-to-Reach (“HTR”) goals. In residential, the team drove hard to focus on areas where people could buy products – ensuring equipment availability and promotions.
  - In Accessibility & Affordability, at the end of PY19, their program met its goals in some areas, but fell short in others.
    - Hawai'i Energy offered an Appliance Trade Up program and they took extra precautions to get this going. For businesses, this was revenue they would not normally have, and residents were excited about new refrigerators.
    - Community Pilots moved forward, and it was important to have the right messaging so that potential participants understood the credibility of the program and drove a deeper impact in the community.

- In Market Transformation & Economic Development, at the end of PY19, Hawai'i Energy successfully met the majority of targeted metrics, except in two areas.
  - They had to shift to online trainings and found that there is a much larger appetite for efficiency actions because people had the time for it. They had much higher participation as a result of moving to an online format.
  - Their Realtors Program reached over 113 realtors across Maui, Oahu and Hawaii Island.
  - In Policy, Honolulu City Council Bill 25, regarding county amendments to the state energy conservation code, was a big step forward. It allowed them to continue offering training to engineers, architects and construction professionals.
    - It was a good partnership with the State Energy Office.
- In Energy Optimization Initiatives, they made progress on demand response ready, energy storage and electric vehicle charging stations (“EVCS”).
  - Demand Response Ready grid-integrated water heater (“GIWH”) installs with Shifted Energy were halted throughout April, May and June.
  - Energy Storage approval took some time, but they made a lot of progress in talking to the industry about what is going to be valuable and where to focus solutions.
  - EVCS Incentive Program launched the state’s incentive program, and the current pipeline looks to expend all allotted funds.
- Hawai'i Energy provided a look ahead to Program Year 2020.
  - Hawai'i Energy produced a Recovery Plan that addresses their response to COVID-19 and help for Hawaii’s economic recovery.
    - They heard loud and clear from Clean Energy Allies (“CEAs”) that they needed an increase in incentives and investment to help them succeed.
    - In the residential sector, they provided a lot more information and tips, along with materials and activities for keiki to help relieve the burden on parents. They also increased incentives at the customer and contractor level to reduce up-front costs during these challenging times.
    - In the commercial sector, they increased education and training because there was an active audience. This level will continue throughout the program year.
  - The Energy Relief Grant was very successful. They put forward nearly \$1M in grants, and the first round received nearly \$3M in applications. They are trying to find ways to get all of these projects through even without enough funding to go around.
  - Indoor Air Quality (“IAQ”) remains top of mind due to COVID, so they are offering additional incentives and resources to address IAQ through retro-commissioning and energy audits.
  - They provided new incentives, such as an additional hotel room energy management system incentive, because the low occupancy presented a great opportunity to get the work done.

- Hawai'i Energy shared that they are perplexed that they have not seen the bottom fall out of the pipeline yet, because we are in a COVID situation for the long haul, but so far it has been a great start to PY20.
- Attendees were invited to ask questions.
  - *Question: What is Hawai'i Energy hearing from both consumers and contractors about what they are facing, and what would help for more energy efficiency?*
    - *Answer: Cash is king right now, so incentives that cover the cost of installation is really important. Getting the word out is difficult right now because contractors cannot go door to door. On the residential side, the supply chain is constrained so they need to address that issue.*
  - *Question: Does Hawai'i Energy have any strategies to help CEAs transition marketing and sales to more online methods, as opposed to door-to-door or in person? This is an issue for smaller contractors.*
    - *Answer: Hawai'i Energy has done sales trainings in the past to help contractors sell differently or sell better. If there are recommendations for tools they can bring to the marketplace, they are open to input.*
      - *Another participant from Hawai'i Energy responded in the chat that they have a co-op advertising programing that has been well-utilized during the shutdown.*
      - *A participant from Honeywell added in the chat that on a related note, they are starting a round of digital marketing to promote solar water heating installations prior to year-end to take advantage of the higher Federal tax credit in 2020.*

### **1:30 – EM&V Activities**

- The EEM transitioned the discussion to evaluation, measurement and verification (“EM&V”) activities by reminding attendees of the update on the Market Potential Study (“MPS”) that was shared last week in the Technical Working Group (“TWG”) meeting, and that the following work builds off of the MPS.
- The EEM defined the period being addressed as July 1, 2020 to June 30, 2021, and shared studies that use past data to inform the future (prospective), and studies that address what happened in the past (retrospective).
- The EEM shared that the MPS influences future EM&V studies. The MPS showed that:
  - The PBFA program portfolio is a significant component of meeting EEPs goals,
  - Its data can be used to support ongoing program design and strategic planning, and
  - There are measures and interventions that can significantly support grid services.
- The EEM provided a deeper dive into the proposed, prospective EM&V studies.<sup>1</sup> These include:
  - An Expanded MPS Analysis, which would illustrate hourly costs and benefits of EE or the program costs associated with market potential.

---

<sup>1</sup> Given the lower PBF surcharge collections in PY20, the Commission determined in November that the first three studies listed below would be deferred.

- Integrated Grid Service Program Research, which would assess which current or new measures would be good targets for a PBFA program.
- An Evaluation of Collaboration, which would address potential approaches to evaluating the effectiveness of collaboration.
- Estimates of New Metrics for Technical Reference Manual (TRM) Integration Impacts Tracking, which would look at values of cumulative persistent energy savings, barrels of oil avoided, and CO<sub>2</sub> emission reductions from Hawai'i Energy's efforts.
- A Solar Water Heater Net to Gross Study to understand how much customers are influenced by Hawai'i Energy when they buy a solar water heater.
- A TRM mid-year PY20 update to identify new and modified measures in the TRM since the Commission last accepted the TRM in June of 2020.
- A TRM PY21 update to identify new and modified measures in the TRM.
- A Phase II Codes & Standards Attribution Study to understand much Hawai'i Energy influenced new Hawaii standards.
- A Peer Stoppage Analysis to assess whether stopping home energy reports caused households to consume more energy, on average, than households that continued receiving the reports.
- The EEM provided a deeper dive into the retrospective EM&V studies. These include:
  - PY19 Verification to understand if Hawai'i Energy met their multiple performance indicator targets and identify what was learned and how the programs can be improved.
    - This report will differ from those of the past in that there will be no onsite data collection (due to COVID-19), and there are more PBF performance indicators to verify.
  - The CY20 Annual EM&V Report, which identifies the key findings from each of the 2020 EM&V studies.
  - The CY20 History Report, which addresses the EM&V that has occurred since 2009.
- The EEM shared an illustration of the relative EM&V study costs, which make up 1.6% of PY20 program costs.
- The EEM shared that while the timing of when these final reports is not exactly determined at this time, they will be completed by June 30, 2021.
- The EEM invited participants to provide ideas and thoughts about the proposed EM&V studies by sending an email to EEM team members.
- The attendees were invited to ask questions.
  - *Question: How and when would the decision be made to conduct some of the suggested prospective studies?*
    - *Answer: The EEM is currently working with Commission Staff on all of these, and is hoping that the decision is made prior to end of year so that they can be kicked off by January. While they may make decisions prior to end of year, there is still time to provide input.*

### 1:45 – TRM Measures

- AEG offered a brief reminder of the history of the Hawai'i TRM: the TRM provides methods, formulas, assumptions, data, etc. to assess savings.
  - They noted that developing new measures and updating existing measures relies on input from the TAG members and Hawai'i Energy. Therefore, they encourage input from participants to ensure that measures are relevant to current programs and are accurate.
- Regarding the PY20 TRM updates, AEG shared that there are three measures already in the queue: general service lamps, HVAC and commercial refrigeration.
- Regarding the PY21 TRM updates, AEG shared that the first step is to gather input and add it to an ongoing list from prior years.
  - Three were identified as top measures in the MPS: specialty bulbs (which are not currently separate in the TRM), TVs and power strips.
  - In addition, the inclusion of window films was suggested by a participant last year.
  - AEG invited participants to share comments and suggestions by emailing them or the EEM.
- The attendees were invited to ask questions.
  - *Question: What are the expected savings from non-preempted specialty lighting?*
    - *Answer: They could deliver on the order of 25% savings relative to the main LED product. The high-level estimate was a significant amount of savings.*
  - *Question: Is the TRM examining digital or analog water heater timers, especially for renters as an EE measure?*
    - *Answer: This has not yet been suggested as a measure, but AEG is seeking input from TAG members.*

### 1:50 – Q&A

- The attendees were invited to ask questions regarding any of the speakers' presentations.
  - *Question: Are there good examples of similar integrated grid services studies in other jurisdictions?*
    - *Answer: That is part of what AEG will be looking at, should that study be approved by HPUC. It will be more of a literature review, as there are good examples of other grid integrated services programs to look at.*
      - *An EEM team member added that Department of Energy Grid Integrated Efficient Buildings offers a lot of information and case studies.*
  - *Question: Is there an idea to create an avoided cost calculator similar to that used for California for grid services?*
    - *Answer: At the moment there is not a solution focused explicitly on grid services.*

- *Question: Is there sufficient data - in the absence of widespread interval meter data in the HECO Companies' service territories - that could be used by Hawai'i Energy and the HECO Companies to highlight the "best" areas for possible collaboration? Or, would proxy data or assumptions have to be used for the collaboration study?*
  - *Answer: Hawai'i Energy will need more data to effectively target the highest level of benefit. They try to focus programs and services on getting customers capable so that when the time comes, it will be useful to them to have that technology. If there can be other value streams (like resiliency in storage) Hawai'i Energy wants to consider those as well.*
    - *A participant from HECO added that they would be interested in metrics and data that would be used to help with collaboration and evaluating it. It might not always equate just to savings, but also the best areas have been low income customers and focusing on those that have been harder to reach.*
- *Question: Related to this sufficient data inquiry, if and what role will locational net benefit analysis play in providing useful data?*
  - *Answer: On a national level, folks are looking at this. The question is both how and the cost to get that data. HECO is looking at it, Hawai'i Energy is looking at it and it's the direction they want to move, but the cost to do it is the current challenge.*

#### **2:00 – Adjourn**

- The EEM shared that meeting materials will be posted on [www.HawaiiEEPS.org](http://www.HawaiiEEPS.org)
- The EEM concluded the meeting and welcomed follow up questions and comments from participants to Ted Pope at 510-462-0091 or [tedpope@2050partners.com](mailto:tedpope@2050partners.com).