NYSEG RG&E

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April 7, 2011

VIA ELECTRONIC SERVICE

Honorable Jaclyn A. Brilling
Secretary
New York State Public Service Commission
Three Empire State Plaza.
Albany, NY 12223-1350

Re: Case 08-E-1129 -Petition of New York State Electric & Gas Corporation for Approval of an Energy Efficiency Portfolio Standard (EEPS) Utility-Administered Electric Energy Efficiency Program

Case 08-E-1130 - Petition of Rochester Gas and Electric Corporation for Approval of an Energy Efficiency Portfolio Standard (EEPS) Utility-Administered Electric Energy Efficiency Program

Dear Secretary Brilling:

Enclosed for filing in the above-referenced cases, please find New York State Electric & Gas Corporation's and Rochester Gas and Electric Corporation's jointly submitted Residential/Non-Residential Multifamily Implementation Plan as required by item 4, page 51 of the July 27, 2009 *Order Approving Multifamily Electric Energy Efficiency Programs With Modifications.* This modified Implementation Plan has been previously submitted on September 24, 2009, updated on October 26, 2009 and again on November 20, 2009.

Please direct any questions regarding this filing to Joni Fish-Gertz at (607) 725-3936 or jjfishgertz@nyseg.com.

Respectfully submitted,

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Enclosure

cc: Active Parties via ListServ

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IBERDROLA USA

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Petition of New York State Electric & Gas Corporation For Approval of an Energy Efficiency Portfolio Standard (EEPS) Utility-Administered Electric Energy Efficiency Program	:	Case 08-E-1129
Petition of Rochester Gas and Electric Corporation For Approval of an Energy Efficiency Portfolio Standard (EEPS) Utility-Administered Electric Energy Efficiency Program	:	Case 08-E-1130

NEW YORK STATE ELECTRIC & GAS CORPORATION
AND
ROCHESTER GAS AND ELECTRIC CORPORATION

RESIDENTIAL/NON-RESIDENTIAL MULTIFAMILY PROGRAM
IMPLEMENTATION PLAN UPDATE

Dated: April 7, 2011

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I. Introduction

This Residential/Non-residential Multifamily Program Implementation Plan Update ("Plan") is submitted by New York State Electric & Gas Corporation ("NYSEG") and Rochester Gas and Electric Corporation ("RG&E"; together, "the Companies") in response to the New York State Public Service Commission's ("Commission") July 24, 2009 *Order Approving Multifamily Energy Efficiency Programs with Modifications* ("July 2009 Order") at Ordering Clause 4. This Plan covers the period 2010-2011 and generally describes activities that will be conducted jointly by the Companies. It provides an update to the Implementation Plan originally filed on September 24, 2009 and updated on October 26, 2009 and again on November 20, 2009.

This Plan incorporates the approved costs and savings targets specified in Table 1 of Appendix 1 of the July 2009 Order. Additionally, this Plan conforms to the requirements of the January 19, 2010 letter ("January 2010 Letter"), provided by DPS Staff, specifying guidelines for preparing and submitting Implementation Plans.

The NYSEG and RG&E Multifamily Program is a direct installation program, with one minor exception under specific circumstances discussed herein. The program applies to multifamily buildings with 5-50 dwelling units, both rental or owned (condominium) property, and both low/limited income or market rate.

Program direct installation measures now include compact fluorescent light ("CFL") bulbs and common area lighting ("CAL") replacements[1]. As a result of the relatively few refrigerators being installed during the initial months of the program, increased emphasis was placed on achieving the program's energy savings objectives from lighting, primarily from the direct installation of compact fluorescent bulbs. Due to the energy savings cost effectiveness of CFLs and successful recruitment efforts, the Companies project significantly exceeding the 2010/2011 energy savings targets, while spending up to the approved program budget amounts.

The Companies have selected RISE Engineering, A Division of Thielsch Engineering, Inc. as the Implementation Contractor for the program. RISE will be responsible for customer recruitment, determining customer eligibility, performing on-site assessments, direct installations, recording and reporting energy savings to the Companies, and overall customer satisfaction. The program will be jointly managed and implemented for the two utilities.

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[1] Refrigerators were initially included in the program but were dropped due to 10/15/2010 Technical Manual changes which caused refrigerator TRC levels to be below 1, and due to DPS Staff guidance on 11/5/2010 indicating that the maximum incentive level is equal to the difference in cost between new Energy Star units and new minimally compliant NAECA units, estimated to be approximately $75. The Companies believe that this amount is insufficient to cause multifamily facility owners to replace existing units. The Companies provided confirmation of this program modification in a letter to Floyd Barwig dated 12/20/2010.

II. Cumulative and Annual Program Budgets, Energy Savings and Customer Participation Goals

Tables 1a and 1b summarize the annual and cumulative budgets and energy savings for the Multifamily Program. Tables 1a and 1b also provide an estimated number of buildings and dwellings expected to participate in the program.

Table 1a - NYSEG Multifamily Electric Program Costs & Savings Targets

	2010	**2011**	**Total 2010-2011**	**% of Budget**
Estimated Number of Buildings	187	230	417	
Estimated Number of Dwelling Units (10 per Building)	1,879	2,304	4,183	
Cumulative Savings (MWh)	872	872	1,744	
Program & Administrative Costs	$695,803	$695,803	$1,391,606	95%
Evaluation/M&V Costs	$36,621	$36,621	$73,242	5%
Total Costs	$732,424	$732,424	$1,464,848	

Table 1b – RG&E Multifamily Electric Program Costs & Savings Targets

	2010	**2011**	**Total 2010-2011**	**% of Budget**
Estimated Number of Buildings	169	223	392	
Estimated Number of Dwelling Units (10 per Building)	1,695	2,238	3,933	
Cumulative Savings (MWh)	805	805	1,610	
Program & Administrative Costs	$615,952	$615,952	$1,231,903	95%
Evaluation/M&V Costs	$32,419	$32,419	$64,837	5%
Total Costs	$648,370	$648,370	$1,296,740	

III. Multifamily Program Components

A. Total Resource Cost ("TRC") Benefit Cost Testing

1. <u>Refrigerators</u>

As indicated in footnote #1 above, refrigerators are no longer included in the program. Prior to being eliminated from the program, the standard for refrigerators selected for replacement was that they must yield an average TRC ratio of 1.0 or higher. The Companies used the inputs specified by DPS Staff and the inputs and protocol in the technical manual entitled "New York Standard Approach for Estimating Energy Savings from Energy Efficiency Measures in Multifamily Programs" dated July 9, 2009 ("Multifamily Technical Manual") to standardize energy savings estimation approaches, calculations, and assumptions on a project-by-project[2] basis.

2. Compact Fluorescent Lights (CFL)

CFLs are assumed to yield a TRC ratio of 5.6 as specified in the July 2009 Order. The number and location of CFLs installed in the dwelling units will be selected to provide the greatest opportunity for savings consistent with user acceptance. CFLs will be replaced in up to six fixtures, in accordance with discussions with DPS Staff on August 5, 2010. The Companies and RISE agree that if CFLs are installed in locations unacceptable to the customer, they are likely to be removed by the customer, thereby eliminating the potential savings. During 2010, the Companies used the inputs specified by DPS Staff and the inputs and protocol in the technical manual entitled "New York Standard Approach for Estimating Energy Savings from Energy Efficiency Measures in Multifamily Programs" dated July 9, 2009 ("Multifamily Technical Manual") to standardize energy savings estimation approaches, calculations, and assumptions. Beginning 1/1/2011, the Companies will use the inputs and protocol in the technical manual entitled "New York Standard Approach for Estimating Energy Savings from Energy Efficiency Programs – Residential, Multi-Family and Commercial/Industrial Measures" dated October 15, 2010.

3. Common Area Lighting (CAL)

Common area lighting will be evaluated to ensure a TRC ratio of 1.0 or higher. During 2010, the Companies used the inputs specified by DPS Staff and the inputs and protocol in the technical manual entitled "New York Standard Approach for Estimating Energy Savings from Energy Efficiency Measures in Commercial and Industrial Programs" dated September 1, 2009 ("C&I Technical Manual") to standardize energy savings estimation approaches, calculations, and assumptions for CAL since the Multifamily Technical Manual does not address this measure. Beginning 1/1/2011, the Companies will use the inputs and protocol in the technical manual entitled "New York Standard Approach for Estimating Energy Savings from Energy Efficiency Programs – Residential, Multi-Family and Commercial/Industrial Measures" dated October 15, 2010. The Companies will be responsible for notifying RISE of updated inputs specified by DPS Staff and the updated Technical Manual, and working with RISE to update TRC calculation assumptions. Inputs and protocols will be modified on a prospective basis only.

B. Annual Budgets by Spending Category

Annual budgets by spending category are provided on Tables 2a and 2b. Budget categories are as specified in the August 2009 Letter. The cash flow in Tables 2a and 2b is consistent with the cash flow in Tables 1a and 1b. The actual cash flow will vary somewhat based on the actual level of achieved savings achieved each year.

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[2] For purposes of this program, a "project" is defined as all work actually performed at a 5-50 unit building multifamily complex, including CFL installation, refrigerator testing, refrigerator replacement, common area lighting assessment, and common area lighting replacement. An individual project may involve all or a subset of those activities (in the case, for example, of a building where CFLs and refrigerators are installed but not common area lighting). In the case of multiple 5-50 multifamily buildings on a single campus or owned by a single person or firm, all 5-50 unit buildings within the complex will be considered a project.

All costs in Tables 2a and 2b will be recovered through the SBC surcharge.

Table 2a. NYSEG Program Budget by Category

NYSEG	**Internal Accounting**	**2010**	**2011**	**Total**
General Admin		Portfolio[3]	Portfolio[3]	Portfolio[3]
Program Planning		Portfolio[3]	Portfolio[3]	Portfolio[3]
Program Marketing	25410141	$10,820	$10,820	$21,640
Trade Ally Training	25410144	$0	$0	$0
Direct Program Implementation	25410142	$152,414	$152,414	$304,828
Travel Expenses/Meetings/Site Visits	25410142	$6,360	$6,360	$12,720
Incentives/Services	25410146	$526,209	$526,209	$1,052,418
Program Evaluation	25410143	$36,621	$36,621	$73,242
Total		$732,424	$732,424	$1,464,848

Table 2b. RG&E Program Budget by Category

RG&E	**Internal Accounting**	**2010**	**2011**	**Total**
General Admin		Portfolio[3]	Portfolio[3]	Portfolio[3]
Program Planning		Portfolio[3]	Portfolio[3]	Portfolio[3]
Program Marketing	12410141	$9,580	$9,580	$19,160
Trade Ally Training	12410144	$0	$0	$0
Direct Program Implementation	12410142	$113,405	$113,405	$226,810
Travel Expenses/Meetings/Site Visits	12410142	$5,640	$5,640	$11,280
Incentives/Services	12410146	$487,326	$487,326	$974,652
Program Evaluation	12410143	$32,419	$32,419	$64,838
Total		$648,370	$648,370	$1,296,740

Marketing will be largely the responsibility of RISE. Outreach and customer recruiting activities that would be well-suited to rebate programs are less suitable for this project, where managing workflow is critical, as discussed in Section VI below.

Trade ally training will be the responsibility of RISE, and the associated costs are included in the RISE program management charge.

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[3] NYSEG and RG&E are implementing an integrated portfolio of gas and electric programs. Portfolio Costs enable the Companies to provide jointly efficient support for the complete suite of energy efficiency programs. They are generally fixed and are not expected to vary materially as a result of fluctuations in either the number of approved energy efficiency programs or the number of customers utilizing those programs. Portfolio Costs, are non-program-specific (e.g., administrative and management activities, planning and development, portfolio-level promotion, data management and tracking, and collaborative and regulatory) costs to support the entire ultimate portfolio of electric and gas energy efficiency programs.

Direct program implementation costs include specific program implementation coordination, field inspections, and RISE monthly management fees. Program implementation coordination involves monitoring all aspects of the specific program to ensure compliance of the Commission order and the Services Agreement with RISE and includes tracking customer eligibility and participation by service territory, monitoring energy savings and associated reporting, quality assurance audit tracking, ensuring program costs remain within budgeted amounts, addressing customer concerns, addressing delays or failures to deliver direct installations, and maintaining program records and producing reports.

Incentives and services costs include the installed costs of CFLs, the costs to conduct common area lighting assessments, and the Company share of the installed costs of replacement common area lighting.

Costs of incentives and services will be closely tracked through RISE invoices and compared to the number of measures directly installed. Invoiced amounts along with the number of direct installs will be carefully monitored against allocated budget amounts to ensure overall spending amounts are within established guidelines of the program.

IV. Target Customer Market and Energy End Uses

The target customer market for this program is multifamily housing with 5 to 50 dwelling units in each building. The housing may be rental or owned (condominiums). The target energy end uses are dwelling unit lighting and common area lighting.

V. Eligible Energy Efficiency Measures and Associated Customer Incentives

All new equipment (CFLs, CAL) will be premium quality, proven, brand-name equipment, to encourage customer acceptance. Equipment choices will be sufficiently limited to enable cost-effective program implementation, while providing enough options to encourage customer participation.

Dwelling unit CFLs, their installation, and common area lighting assessments will be provided free of charge.

Dwelling unit CFLs will be matched to the comparable existing incandescent bulbs to the extent options permit. Options are currently expected to include 15, 20, and 30 watt spirals; 20 watt A lamps, 14 watt R-20, 15 watt R-30, and 26 watt R-40 non-dimmables; 14 watt G-25s; and 5 watt flame tip candelabra bases. These specific options may change as customer demand and available technologies warrant. The Companies will consult with Staff prior to making changes in the equipment offered in this program.

Existing bulbs will be removed from the dwelling units and properly disposed of or recycled.

CAL equipment will be matched to existing functionality. Building owners will be charged for the increment above the Companies' contribution, which on average will be approximately 50 percent of the installed cost of replacement CAL. The Companies' contributions are based on the assumption that CAL replacements are early replacements, rather than end of life replacements. Customers may utilize their own installation labor within the cost and reimbursement structure of the program. RISE shall submit these labor reimbursement requests to the Companies for approval prior to the actual lighting installation.

CAL equipment may include, but is not limited to:

- Relamp/reballast existing 1-lamp 4 foot fluorescent fixture with HPT8 ballasts and lamps*
- Relamp/reballast existing 2-lamp 4 foot fluorescent fixture with HPT8 ballasts and lamps*
- Relamp/reballast existing 4-lamp 4 foot fluorescent fixture with HPT8 ballasts and lamps*
- Relamp/reballast existing 2-lamp 4 foot fluorescent U-tube fixture with HPT8 ballasts and lamps*
- Install 2-lamp 4' fluorescent wrap fixture with HPT8 LBF ballasts and reduced wattage lamps
- Install 4-lamp 8' fluorescent wrap fixture with HPT8 LBF ballasts and 4 reduced wattage lamps
- Install new 2x4 2-lamp prismatic troffer with HPT8 LBF ballasts and reduced wattage lamps
- Install new 2x2 3-lamp prismatic troffer with HPT8 LBF ballasts and FO17 lamps
- Install 2x2 3-lamp conversion kit with HPT8 LBF ballasts and FO17 lamps
- Install 2-watt LED exit sign retrofit kit
- Install LED exit sign with battery backup
- Install LED exit sign with emergency heads
- Install wall switch passive infrared occupancy sensor
- Install ceiling mount occupancy sensor with power pack
- Install wall switch dual technology occupancy sensor
- Install 70 watt metal halide flood with Photocontrol
- Install 100 watt metal halide flood with Photocontrol
- Install 70 watt metal halide canopy with Photocontrol
- Install 100 watt HPS flood with Photocontrol

*All 4' lamps and all ballasts installed must be listed on the Consortium for Energy Efficiency ("CEE") HPT8 and Reduced Wattage Qualifying Lists.

Customers may not receive incentives from both NYSERDA and the Companies for the same energy efficiency measure ("double-dipping").

VI. Customer Outreach and Education (O&E)/Marketing

A. O&E/Marketing Strategy and Components

The goals of the O&E/marketing strategy for this program are to (a) encourage a diverse mix of customer participants by type (own vs. rent, low/limited vs. higher income) and geographic location, and (b) to encourage a level implementation workload, thereby avoiding both gaps in delivering savings and long waits between expressions of customer interest and availability of resources to conduct fieldwork.

Annual reports of each calendar year's O&E/Marketing program achievements as available to date, and updated plans for the upcoming calendar year, will be submitted in November each year with the third quarter status report. They will also be included with the Companies' annual outreach filings.

B. Outreach Budget

The budget for each element of the outreach and education plan is provided on Tables 4a and 4b.

Table 4a. NYSEG O&E/Marketing Budget

Year	Implementation Contractor Marketing[4]	Website / Internal Marketing[5]	Total
2010	$10,820	$0	$10,820
2011	$10,820	$0	$10,820
Total	$21,640	$0	$21,640

In order to maximize achieved energy savings, plans are being discussed to increase recruitment efforts to particularly focus on generating leads in NYSEG territory which is fragmented into many separate market areas. Although the figures in tables 4a and 4b do not yet reflect this additional cost, the total program budget will not be exceeded.

Table 4b. RG&E O&E/Marketing Budget

Year	Implementation Contractor Marketing[4]	Website / Internal Marketing[5]	Total
2010	$9,580	$0	$9,580
2011	$9,580	$0	$9,580
Total	$19,160	$0	$19,160

C. Vehicles and Target Audiences

RISE will have primary responsibility for customer recruitment. Prospects will be identified through personal contact, e-mail and direct mail, as well as through real estate and landlord organizations, government agencies and community organizations.

Information about the program will also appear on the Companies' energy efficiency Web pages as well as a section of the Companies' Web sites dedicated to property owners and agents.

4 Implementation Contractor marketing budgeted amounts are based on estimates. Actual implementation contractor marketing expenses are included their program management fees.

5 The Companies' websites are updated and other marketing materials are completed using internal company resources and are not funded through the multifamily program budget.

The primary target audience for these communications will be owners of multifamily buildings (landlords) and condominiums.

The Companies will also accept expressions of customer interest on their toll-free energy efficiency hotline. The Companies will pre-screen interested customers and provide eligible leads to RISE, and will also explore for additional prospects as requested by RISE. The Companies will only market this program through bill inserts, advertising or general community presentations if these vehicles are requested or approved by RISE, to ensure that Company outreach efforts are consistent with and supportive of the RISE customer recruitment activities.

D. Timeline

Table 5 summarizes the O&E/Marketing timeline.

Company employees and the individuals staffing the energy efficiency hotline will be trained during the startup period to answer customer questions about the program.

A news release announced the formal program start. Material appeared on the Companies' Web sites at that time and employees were prepared to answer questions about the program as of that date as well. The Companies and RISE launched the program on February 1, 2010.

Importantly, all savings for 2011 must be committed no later than October 2011 to ensure that the 2011 achieved savings goals are met. This means that no further customers will be allowed to sign up for the program after October 2011.

Table 5. O&E/Marketing Timeline

Method	Q1-Q4 2010	Q1-Q3 2011
Implementation Contractor Marketing	Ongoing	Ongoing
Website	Ongoing	Ongoing

E. Relationship to Companies' General O&E/Marketing Plans

Multifamily Program O&E/Marketing will be conducted independently of the NYSEG and RG&E general O&E/marketing activities, except to the extent that information will be provided about the program on rge.com and nyseg.com. On the Web sites' energy use section, landlords, homeowners and tenants have been provided with tips regarding wise energy use. Residential customers are reminded that a few simple touch-ups can make their home more efficient and thereby reduce energy bills. A room-by-room list of tips for making a home more energy efficient is available. In addition, a downloadable home energy use reference guide is available that shows how much energy appliances require. At the rental property section, information is provided regarding applying for service, third party coding of accounts, online account access and residential rebate programs.

F. Efforts to Minimize Overlap and/or Customer Confusion

Customers who contact the NYSEG and RG&E energy efficiency hotline will be informed about the available programs to meet their needs. The Companies will do their best to address any questions they may have about those programs, resolve any sources of confusion, and refer the customers appropriately to other sources of information, including RISE, NYSERDA, and other utilities. (For example, customers who purchase electricity or gas from NYSEG or RG&E, and who purchase gas or electricity from another utility, will be directed to that utility for information about additional programs.) The Companies are working collaboratively with NYSERDA and the other utilities to make this information available to their respective call centers and hotlines.

Consistent with the July 2009 Order, the Companies will not formally market or promote the NYSERDA multifamily program to this set of customers. However, if it becomes apparent to RISE that the Companies' program will not meet the needs of specific multifamily buildings and that the NYSERDA multifamily program would do so, RISE will refer the customers to NYSERDA.

The Companies continue to support collaborative efforts to minimize double-counting of program funding or energy savings. To be consistent with requirements of the July 2009 Order while still providing sufficient clarity to program participants, the Companies support inclusion of the following common element in the individual enrollment forms developed by each program administrator:

> *Customers are not eligible to receive financial incentives/rebates for the same eligible measure from NYSERDA and an electric or natural gas utility.*

VII. Descriptions of Roles and Responsibilities of Program Administrator and Program Contractors

RISE will be responsible for customer recruitment and eligibility verification, obtaining all customer permissions and approvals, and conducting dwelling unit CFL installations, and CAL assessments and installations. RISE will also be the primary point of contact for active customer participants in the program; resolve customer concerns; invoice customers for their share of CAL costs, and be responsible for all associated collections activities. RISE will maintain an electronic database with project and measure information and provide access to that database to the Companies, and will provide quantitative input into the monthly scorecards and quarterly and annual PSC reports.

The Companies will be responsible for working with RISE to develop a Procedures Manual; identifying data management and test requirements, including tools and inputs used to conduct CAL assessments, and produce recommendations for CAL replacements; providing oversight and guidance to RISE; setting branding and Company identification requirements; approving all forms and materials; approving the implementation of individual projects; monitoring program performance, identifying performance issues and opportunities, and addressing those matters; producing internal and Commission reports; responding to interrogatories; addressing escalated customer issues; and working with RISE to resolve implementation matters.

Quality Assurance will be the joint responsibility of RISE and the Companies. The Companies will be responsible for program evaluation.

VIII. Procedures for Customer Enrollment

To initiate customer awareness of the program a press release was issued at the launch of the program. Program information is also posted on the Companies energy efficiency pages of their websites. Both mechanisms will direct customers to call the Companies' Energy Efficiency Hotline for more information regarding the program.

Direct Marketing and outreach will be undertaken by RISE. The primary mechanism for generating demand for program services after start up will rest with direct mail, and follow up direct contact with targeted customers.

The program delivery model described above maximizes program efficiencies because RISE targets the most appropriate customers for service provision. While customer inquiries are accepted and reviewed for eligibility, this model does not require mass market enrollment or application forms. In place of enrollment/application forms from general customer contact, once targeted, building owners (rental property) and dwelling unit owners (condominiums) will provide written permission for RISE to access the premises, replace CFLs, and conduct lighting assessments. Written authorizations will be obtained from building owners for the replacement of CAL.

RISE will use their best efforts to obtain written permission from the customers of record for the use of their consumption history for evaluation purposes.

IX. Contact Information for Customer Inquiries and Complaints

Customers with general inquiries relating to the Multifamily Program will be directed to the Companies' Energy Efficiency program hotline number: 800.995.9525. Program participants will be provided a toll-free number to contact RISE directly.

Customer complaints will be handled as they occur in the most efficient manner for resolution. Program participant complaints will be handled by RISE with adherence to the Companies' customer service procedures. Non-participant customer complaints will be handled through the Companies' Energy Efficiency program hotline. Escalated complaints will be handled by the Companies' Multifamily Implementation Coordinator, and if appropriate, EEPS program management.

X. Training for Appropriate Trade Allies

Because this program is primarily a direct installation program, most of the work to be completed will be accomplished by the implementation contractor or their subcontractors, and not by independent trade allies, as would be the case with a rebate program. The few exceptions are noted below. For this reason, a general trade ally training program is not warranted, although the exceptions noted below will receive the individual training described.

In a limited number of installations, a multifamily building owner may utilize their own contractor to install CAL retrofits. In these exceptions, these contractors may be considered “trade allies” and will be educated by Rise in the CAL replacement requirements to be met to enable the owner to qualify for the incentive. These requirements will include installation and the proper removal and disposal of existing CAL to prevent reuse. Information will be provided to these trade allies by direct mail as needed.

The subcontractors and suppliers that RISE uses to provide installation services are specifically chosen based on their experience and track record with the technologies offered by the program. This means that little or no training is required in the application of the products – each firm is already knowledgeable in its field.

Training occurs prior to execution of purchase orders and delivery of services to ensure that suppliers and subcontractors are fully aware of RISE business practices, especially as they relate to all interactions with customers of NYSEG/RG&E. Among the items addressed include:

- The paramount importance of safety – both as it relates to workers and to interactions with customers. Applicable work safe practices are discussed prior to engaging each subcontractor, and reinforced by the RISE project manager(s) on site during installations;

- The critical need to represent NYSEG/RG&E and RISE in a professional manner at all times. This extends to the dress and behavior of staff while on site; the need to insure that advance notice is offered and confirmed with appropriate site personnel prior to starting any work; and the need to restore work sites to original condition upon completion of assigned tasks;

- The essential requirement to provide products and services in strict accordance with authorized procedures and processes. This includes the need to accurately track and report all measures installed; the need to supply only requested materials (no substitutes or “or-equals” without prior written consent); and the need to properly package and dispose of materials removed from service in accordance with program requirements; and,

- The opportunity to help address customer concerns that arise during installation will be addressed by insuring that all subcontractor site personnel are instructed on proper procedures for referring customer inquiries to the appropriate RISE staff.

As mentioned above, the in-progress supervision and inspection practices of RISE are designed to reinforce these concepts. In progress and final inspection of 100% of subcontractor installation of common area lighting will offer excellent opportunities to monitor and reinforce quality work practices.

XI. Contractor Training and Program Orientation Plan

RISE will be accountable for training its personnel, subcontractors, and vendors about program objectives and operations so they can effectively deliver equipment and services in the program. The Companies will review and approve these training materials. RISE initially became familiar with the program through the Companies' procurement process and later through working with the Companies to develop procedures, data elements for software, required forms and manuals. They have hired personnel for this program who will receive detailed on-the-job training from experienced RISE personnel based on the procedures and tools which have been developed with the Companies for this program. RISE subcontractors will work under the direct supervision of RISE personnel. A key component of this training will be the program procedures manual, being developed jointly by Company and RISE personnel, which will serve as a consistent operations and training tool.

The RISE process for training in-house employees includes all aspects listed above for subcontractor training: safety, professionalism, program procedures, and complementary programs.

- As part of each employee's orientation, the need to operate in a safe manner is emphasized as an imperative aspect of every part of the work day. Training in work safe practices is conducted by the full-time safety officer employed by RISE's parent company, and is supplemented by extensive on-line training curricula that is customized to the specific requirements of each position. Regular staff meetings and monthly safety committee meetings also serve to reinforce the message and introduce applicable safety concepts;

- RISE draws on the experience of its own staff, supplemented by resources from manufacturers and rep agencies with whom they do business, in the application of technologies and products offered by the program. These resources include factory/training center sessions at off-site facilities, special presentations made to RISE staff in their offices, and in-field assistance as necessary to address special applications. Since RISE has the benefit of extensive in-house installation crews, feedback from that resource often serves as the single most useful source of input and training as application issues are identified as a direct result of work performed;

- Additionally, RISE will also use the comprehensive Program Manual that fully documents every process, form, and procedure that will be deployed in every aspect of the program. This single dynamic reference will be the basis for extensive training of all RISE staff to be involved in the delivery of program services (management, field, installation and support). It represents a useful and valuable tool for insuring program consistency at all levels;

XII. Quality Assurance Plan

The Companies will utilize internal resources or retain the services of a third-party to perform quality control (QA) review or work performed by the Companies' implementation contractor. QA activities will include both file reviews at the implementation contractor's office and actual site inspections where installations were performed. The Companies will review a minimum of 15% of all program participation files to ensure record keeping is within full adherence to the program and accurate completion of all applicable program forms. Review of forms will include data assessments, customer proposals, customer sign ups, income verifications, customer contracts, usage data attempts, and certificates of completion.

In addition to the field-office reviews the Companies or their agent will review approximately 10% of all installations completed. Program administrators will obtain a listing of scheduled installations from the implementation contractor, randomly select facilities to inspect, and use a standard post installation checklist to verify the installed measures. The inspector will visually verify and document the location of all installed lighting, fixture types, # of fixtures, lamp types, and wattage.

Should any field office or site inspection indicate any deficiencies either with application data or actual equipment installed, the implementation contractor will be required to remedy any and all deficiencies. The Companies' contract with the implementation contractor contains language which governs quality assurance and mitigation actions required to cure any flaws in the implementation contractor's work.

In addition to the Companies' QA activities, the implementation contractor will be responsible for ensuring their own quality control measures. RISE will provide onsite supervision for and oversight for all CAL installations conducted by its vendors and subcontractors, and will conduct post-inspections of CAL installations conducted by landlords directly. RISE will inform the Companies of the dates when tests, assessments, and installations will be conducted, to enable the Companies to observe those activities on-site.

RISE will also conduct post-installation customer satisfaction surveys.

RISE will keep the Companies informed of scheduled field work, to enable the Companies to visit projects as desired to monitor onsite activities. The Companies will pre-approve all initial CAL assessments and RISE CAL replacement analyses and recommendations before proposals for CAL replacements are provided to customers for approval. Based on these initial reviews, the Companies will subsequently determine whether some analyses, assessments, and recommendations will be allowed to proceed without pre-approval. The Companies will conduct periodic audits of RISE project documentation, including documentation to support any CAL replacements which the Companies did not pre-approve.

XIII. Coordination with Other New York Energy Efficiency Programs and Program Administrators

The Companies are coordinating with other utilities and NYSERDA to develop and implement procedures for safeguards designed to prevent more than one incentive payment across administrators for an individual energy efficiency measure, as well as avoiding counting energy savings for the same measure in more than one program.

XIV. Multifamily Efficiency Program Evaluation Plan

A. Evaluation Management, Procurement and Reporting

The evaluation plans presented by the Companies have been written to conform to the requirements of the June 23, 2008 Order in Case 07-M-0548 "Order Establishing Energy Efficiency Portfolio Standard and Approving Programs."

These plans also follow guidelines issued by Staff on August 7, 2008 in "Evaluation Plan Guidance for EEPS (Energy Efficiency Portfolio Standard) Program Administrators" and incorporate critical elements highlighted in the "New York Evaluation Plan Review Scoring Criteria," also issued by Staff. The evaluation plans address the comments of, and follow guidance from, Staff and the EEPS Evaluation Advisory Group.

The Companies anticipate that their efforts in the evaluation of energy efficiency programs will continue to be informed on an on-going basis by Staff and the Evaluation Advisory Group and by collaboration with other NY utilities implementing similar programs.

Principles underlying the Companies' evaluation plan include:

- Document the energy savings for gas programs and the energy and demand savings for electric programs,
- Maintain the independence of evaluation from the program implementation function,
- Consider program evaluation early in the program design process to identify evaluation data collection requirements, priorities and budgets,
- Provide enhanced evaluation for programs or measures with the greatest savings, largest performance uncertainties or significant impacts on program cost,
- Use industry standard approaches and protocols, such as the International Performance Measurement and Verification Protocols (IPMVP), for transparency and reproducibility, and
- Provide ongoing, systematic feedback on program performance.

1. Management

The Companies understand the importance of and are committed to independent and transparent program evaluations. Independence is achieved through our internal structure and the use of external contractors to conduct evaluations.

To achieve independence internally the Companies have assigned full-time responsibility for evaluation of all programs to an internal Evaluation Manager. The Evaluation Manager is responsible for overseeing all evaluation activities and coordinating between external program evaluators and program implementers. The Evaluation Manager also serves as the Companies' representative on the Evaluation Advisory Group. The Evaluation Manager is in a different physical location from program implementation personnel, and interaction with implementation staff is limited to what is necessary to plan and conduct thorough evaluations. The Evaluation Manager reports to the Companies' manager of the Energy Efficiency project team.

In order to insure transparency of the evaluation process, Staff will be kept up-to-date on evaluation activities each month through the Companies' monthly scorecard reports.

2. Procurement

Both detailed evaluation planning and in-field EM&V activities will be performed by independent evaluation contractors retained through competitive request for proposal ("RFP") processes. Management and oversight of these independent evaluation contractors is the direct responsibility of the Evaluation Manager. Further review and oversight of the Companies' evaluation plans and reports is provided by the Evaluation Advisory Group and Staff.

The Companies will be conducting an RFP process to select an independent evaluation contractor to write a detailed evaluation plan for the Multifamily Program and, based on that detailed plan, to conduct the evaluation. Staff has reviewed the technical scope of the multifamily evaluation RFP and their comments have been incorporated into the document. To the extent that it makes sense and the timing is appropriate, the multifamily evaluation RFP may be issued jointly with evaluation RFPs for other company programs. This may delay selection of an evaluation contractor for the Multifamily program until January or February 2010, with submission of a detailed Multifamily evaluation plan by the end of the first quarter of 2010.

The Companies and the independent evaluation contractor will work closely with Staff in developing the evaluation plan, giving Staff the option of reviewing the draft plan and associated customer surveys, statistical approaches and modeling techniques. The Companies anticipate review of the final evaluation plan by the Evaluation Advisory Group, and will provide regular updates on the progress of the evaluation at Evaluation Advisory Group meetings and through the monthly scorecard report. It is anticipated that Staff will be part of the kick-off meeting with the selected contractor.

3. Reporting

Data collection, tracking and reporting will be as required in the guidance from PSC Staff and in the Multifamily Order. Data will be submitted using standard naming conventions and protocols, as determined by PSC Staff and the Evaluation Advisory Group. A monthly scorecard report will be submitted within 14 days of the end of the month reporting on the month's activities. Quarterly reports will be filed within 45 days of the end of the quarter and annual reports within 60 days of the end of the year.

B. Roles and Responsibilities

As Program Administrators, NYSEG and RG&E will be responsible for hiring independent evaluation contractors to conduct program evaluations, providing access to program records and databases, providing access to company and implementation contractor staff, and providing consumption histories of participants and non-participants as necessary and in conformance with Staff guidelines on data confidentiality.

The evaluation contractor will follow all guidelines set by the Staff and the Evaluation Advisory Group, and based on those guidelines, design and conduct an evaluation of the Multifamily Program that provides statistically valid results that meet the Commission's requirements. The evaluation consultant will identify all data collection needs and assist the

Companies in ensuring that the appropriate data is collected. The evaluation plan will allow for flexibility in the event that additional analysis needs to be completed in the future.

C. Program Summary – Description and Theory

The Companies' Multifamily Program is described in the July 2009 Order (see Section 1.2) on pages 24-26 and 43. The discussion on pages 28-35, particularly but not exclusively the energy savings principles and additional modifications to programs, also applies to the Companies' program. The program savings targets are as specified on Table 1 of Appendix 1 in the July 2009 Order. The allowed budget for this program is also specified on Table 1 of Appendix 1 in the July 2009 Order.

The purpose of this program is to reduce electric usage in multifamily buildings (5 to 50 dwelling units) in NYSEG's and RG&E's service areas by making lighting improvements. The lighting improvements will include replacing incandescent lamps with CFLs where appropriate, identifying potential for improvements to common area lighting, and providing incentives for the installation of these improvements. Although the program was originally proposed to include potential natural gas savings opportunities identified while performing the electricity savings measures, the Multifamily Order on page 43 specifically omitted that component of the program.

CFLs in up to six fixtures will be installed in each dwelling unit at no cost to the building owner, unit owner or tenant. If additional building system lighting efficiency measures are identified, the program will pay up to 50% of the cost of those measures.

Customers must be residential customers of NYSEG or RG&E, or landlords of residential dwellings served by NYSEG or RG&E. Buildings must be multifamily buildings (5-50 dwelling units). In addition, the program offers incentives which are targeted to the residents' income levels.

The Companies will maintain a customer-facing, interactive Web site with specific program information and downloadable application forms, and a dedicated energy efficiency hotline for customer use. However, primary responsibility for identifying and recruiting program participants will be the responsibility of the implementation contractor.

D. Budget and Overview of Multifamily Program Evaluation

The evaluation plan will include evaluation activities to address key process and impact evaluation issues. The evaluation budget, 5% of the total electric multifamily program budget, is limited and will require careful planning for completing an evaluation of a program of this type.

The approved evaluation budget in the Multifamily Order is $36,621 at NYSEG in each year and $32,419 at RG&E in each year, for a total budget of $138,080 for the two year period. However, the Companies need to withhold $15,000 of the evaluation budget of this program for participation in statewide evaluation activities, so the two year total available for planning and conducting the evaluation is $123,080.

The detailed evaluation plan will be designed to incorporate steps to mitigate threats to data reliability. It will be based on prioritizing the evaluation needs for this program within the context of a limited evaluation budget. It will balance the need for both process and impact evaluation activities to improve program delivery and maximize savings.

The evaluation contractor will be expected to develop a detailed evaluation plan and schedule for this program acceptable to the Companies and the Commission; conduct employee and/or subcontractor training and ensure acceptable employee and/or subcontractor performance; after approval of the evaluation plan by the Companies and the Commission, conduct the evaluation as per the approved plan; identify and recruit survey participants for process and impact interviews; conduct database review, engineering calculations and / or site visits to verify program impacts; identify areas for program improvement; highlight program successes that could be used for other programs; validate deemed savings estimates in New York's EEPS technical manuals for CFLs and common area lighting against program results; produce periodic status reports and participate in periodic evaluation team conference calls; provide semi-annual memos with interim evaluation findings for early follow-up by the Companies; and produce an annual evaluation report suitable for filing with the Commission.

1. Net to Gross Analysis

The Companies will use a 10% net freeridership adjustment, as required in Multifamily Technical Manual. Results of the Impact Evaluation will be used to verify the accuracy of the net 10% freeridership adjustment for reporting purposes on a prospective basis.

2. Sampling Strategies, Design & Data Reliability Standards

Consistent with the Evaluation Plan Guidelines for EEPS Program Administrators, RG&E's and NYSEG's goal for estimating gross savings at the program level is at the 90 percent confidence interval, within +/- 10 percent precision. The Companies' independent evaluation contractor will develop sampling protocols for all of its evaluations based on this standard.

3. Steps to Identify and Mitigate Threats to Data Reliability

The evaluation plan prepared by the evaluation contractor will be consistent with the Evaluation Advisory Group guidelines, the requirement to maintain a 90% confidence interval within +/- 10 % precision and the overall need to identify and mitigate threats to reliability of the results. The evaluation contractor will be required to insure data reliability to the greatest practical extent, including methods for minimizing systematic and random error and techniques for reducing uncertainty introduced by necessary assumptions and adjustments to the data.

4. Data Collection and Management Process

The implementation contractor will collect and maintain data provided from customer application forms and surveys of participants. Additionally, the implementation contractor will capture and track details regarding all installed measures and will calculate the energy savings acquired for each installed measure. This program data is consistent with reporting requirements and evaluation needs and will be provided to NYSEG and RG&E to support program evaluation. Data captured by the implementation contractor includes such fields as the customer name, account, premise level and other non-program specific data. Measure specific data as appropriate for each program will also be captured.

5. Schedule and Deliverable Dates

Specific dates for commencing evaluation studies will depend on actual program launch date. However, a process assessment is scheduled to be completed in calendar year 2010 and an impact evaluation is scheduled for calendar year 2011.

E. Process Evaluation

In 2010, evaluation efforts will focus on identifying how the program is operating during the start-up phase, with the objective of identifying improvements that can be made to program implementation efforts.

A process evaluation will be required for this program to assess the effectiveness of the delivery mechanism and any barriers to participation. The process evaluation will compare the operation of the program with the approved program plan and identify differences and the reasons for those differences. The process evaluation will also identify lessons learned and any specific actionable recommendations for improvement and address:

- Level of customer satisfaction.
- Effectiveness of the program delivery mechanism from the position of the program delivery contractors, program customers and other key stakeholders. Did the delivery mechanism differ from the program plan? If yes, how and why?
- Effectiveness of program promotion.
- Remaining barriers to program participation including an assessment of why some customers choose to not participate in the program.
- A review of program tracking data bases to ensure that data that will likely be required to support future program evaluation efforts is being collected. The Process Evaluation must address quality assurance by verifying data in the Companies program tracking database through data checks.

As part of the process evaluation plan, the evaluation contractor will survey implementation staff and participating customers. Sampling plans will be provided to Staff.

The evaluation contractor will also include evaluation elements that meet the above requirements and highlight ways to build on program successes, while also providing specific cost-effective recommendations for improving the program within the program budget.

The desired result of this Process Evaluation is to identify and implement actionable improvement procedures for cost-effectively administering the Multifamily Electric Energy Efficiency Program in a manner that produces significant and cost-effective savings for RG&E's and NYSEG's customers.

F. Impact Evaluation

The Impact Evaluation will quantify the savings attributable to program efforts based on how the installed equipment is actually operating. The Companies anticipate beginning an impact evaluation of the Multifamily Program in 2011 using industry-accepted methods of analysis.

The evaluation contractor will design and conduct a detailed Impact Evaluation for this program. Verification of base case equipment efficiencies (through engineering review or other means) will be required. Impact Evaluation will include verifying measure installation. Energy savings will be documented through the most effective method for the program, which may include billing analysis, engineering review, review of metering records, review of participant records or other means.

Impact evaluation design will include a thorough discussion of Net-to-Gross analysis and effects such as free ridership, spillover, persistence and snapback used to calculate net impacts. Results of the Impact Evaluation will be used to refine expectations about future program savings, to assess cost-effectiveness prospectively, and may be used to update deemed savings in the Technical Manuals and to modify future programs.