



August 13, 2010

**VIA EMAIL**

Honorable Jaclyn A. Brillling  
Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223

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 Brillling:

Pursuant to the New York State Public Service Commission's January 4, 2010 Order Approving Certain Commercial and Industrial; Residential; and Low-Income Residential Customer Energy Efficiency Programs with Modifications in Cases 08-E-1129 and 08-E-1130<sup>1</sup>, New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation hereby file the "Monthly Scorecard Report" of key Residential Block Bidding Program achievements for the month ending July 31, 2010.

Please direct any questions to me at telephone number 607-725-3936 or via email at [jjfishgertz@nyseg.com](mailto:jjfishgertz@nyseg.com).

Respectfully Submitted,

Joni Fish-Gertz  
Manager, Programs

Enclosure

xc: Floyd Barwig, PSC, Director – Office of Energy Efficiency and Environment

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<sup>1</sup> Cases 08-E-1129 and 08-E-1130 - Petitions of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation for Approval of an Energy Efficiency Portfolio Standard Utility-Administered Electric Energy Efficiency Program, Order Approving Certain Commercial and Industrial; Residential; and Low-Income Residential Customer Energy Efficiency Programs with Modifications, at 86 (January 4, 2010).

**Combined Report for  
New York State Electric & Gas Corporation  
&  
Rochester Gas and Electric Corporation**

Non-Residential Block Bidding Program

**Savings from New York Standard Approach for Estimating  
Energy Savings from Energy Efficiency Programs**

Monthly Program Report

**August 13, 2010**

Prepared for

**New York State Department of Public Service**

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## Introduction

In its June 23, 2008 Order Establishing Energy Efficiency Portfolio Standard (“EEPS”) and Approving Programs<sup>1</sup> the New York State Public Service Commission (“NYSPSC”) recognized the importance of developing a uniform data tracking system to measure and evaluate progress toward the State’s energy efficiency goals. To that end, the January 4, 2010 Order Approving Certain Commercial and Industrial; Residential; and Low-Income Residential Customer Energy Efficiency Programs with Modifications directed each program administrator (“PA”) to incorporate reports on the programs approved in this order into the periodic quarterly program and evaluation reports, annual program reports and evaluations, and monthly scorecard reports already required for the other EEPS programs they administer. New York State Electric & Gas Corporation (“NYSEG”) and Rochester Gas and Electric Corporation (“RG&E”) (together, “the Companies”) respectfully submit this report in compliance with the January 4, 2010 Order.

While the Companies operate energy efficiency programs jointly, information is collected and maintained separately for NYSEG and RG&E. This report provides narrative data for the Companies and where appropriate provides specific program statistical data for RG&E separately from NYSEG.

This report is structured to address the four main sections outlined by New York State Department of Public Service Staff (“Staff”) in their data reporting manual. An overview of each section follows.

Section I: Basic program information for the Companies’ Non-Residential Block Bidding Program is provided in Section I.

Section II: Participant-level data for evaluation purposes for midstream programs is contained in the information collected from the contracted Bidders, augmented by data contained in the Companies’ customer information systems.

Section III: Monthly and quarterly midstream program results based on data provided by the contracted Bidders are provided in Section III. The standardized template includes key data elements which support program reporting, management oversight, and planning for the Companies.

Section IV: Additional information is provided in Section IV that is not captured in the required spreadsheet and which may include, but is not limited to: 1) significant variances from program goals/results; 2) potential problems; and 3) progress in critical areas not covered in the spreadsheet, such as marketing activity and progress with evaluations.

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<sup>1</sup> Case 07-M-0548 - Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard, Order Establishing Energy Efficiency Portfolio Standard (“EEPS”) and Approving Programs (Jun. 23, 2008).

This report will be generated by the Companies monthly (14<sup>th</sup> of the month), quarterly (forty-five (45) days after the end of the quarter) and annually (sixty (60) days after the end of the year). Reports will be submitted to the Director of the Office of Energy Efficiency and the Environment and filed with the Secretary of the Commission. In addition, copies of associated data files will be provided via email as requested by DPS Staff. Section I and II will be provided with the initial monthly Scorecard submission and thereafter will be provided only when relevant information changes.

## **Section I. Basic Program Information**

### **I A1) Program Description**

The Block Bidding Program was implemented in response to the New York State Public Service Commission's ("Commission") January 4, 2010 *Order Approving Certain Commercial and Industrial; Residential; and Low-Income Residential Customer Energy Efficiency Programs with Modifications* ("January 2010 Order"). The Program covers the period 2010-2012 and incorporates the approved costs and savings targets specified in Table 1a of Appendix 3 of the January 2010 Order. Additionally, the Program is being implemented in accordance with the March 5, 2010 Implementation Plan provided to the NYS Department of Public Service Commission.

The purpose of NYSEG and RG&E (the "Companies") Electric Block Bidding Program is to (a) create additional ways for customers to achieve electric energy savings, and (b) allow interested suppliers to offer energy efficiency reductions that would increase total electric savings above the levels expected from the programs otherwise approved by the Commission for implementation prior to the Block Bidding solicitation. Specifically, the Block Bidding Program offers opportunities for Energy Services Companies ("ESCOs"), performance contractors, management companies and even customers to submit proposals that show significant reductions in energy use and increase the efficiency of any electric end use in one or more commercial, municipal, or industrial facilities, in either or both of the Companies' service territories.

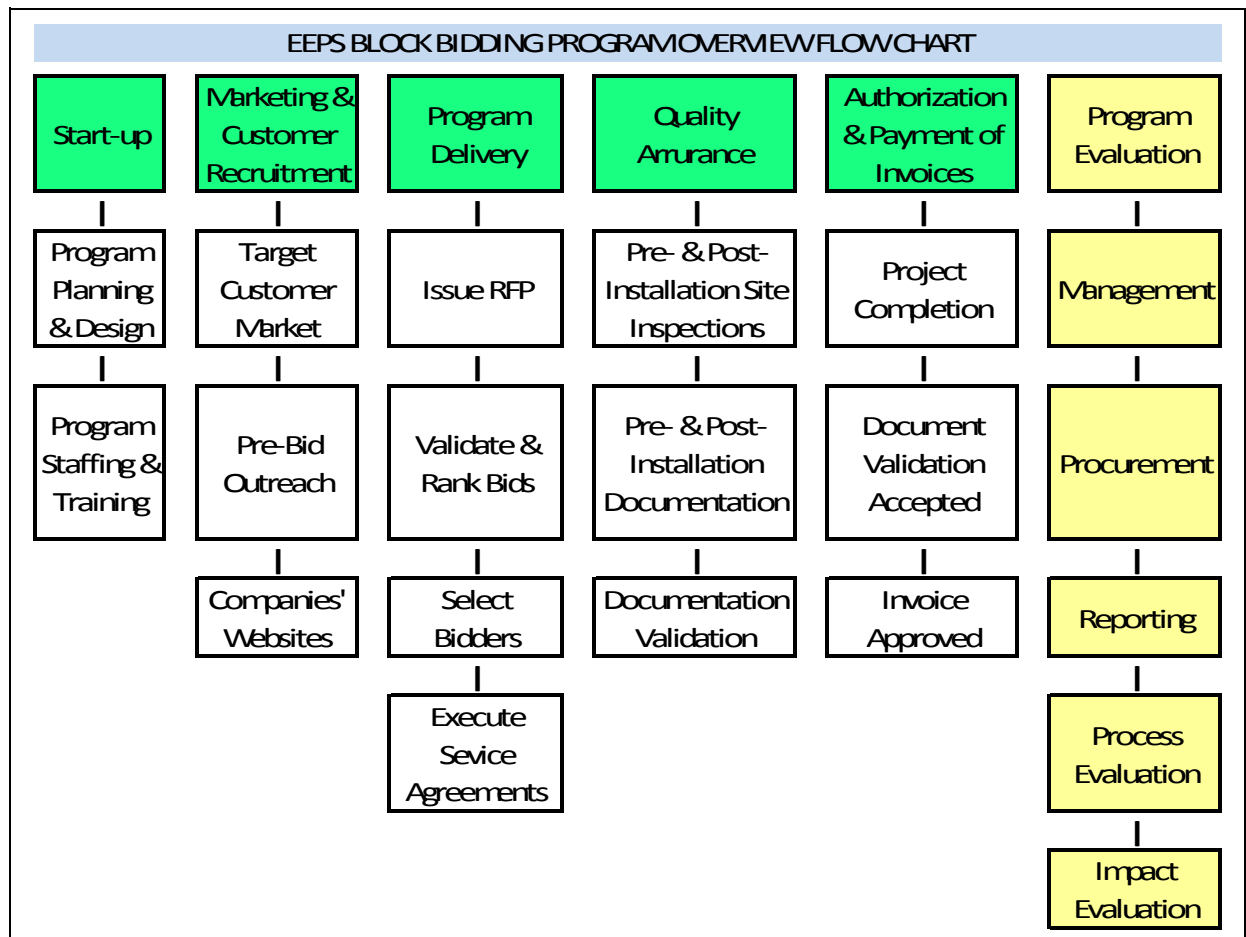
The NYSEG and RG&E Electric Block Bidding Program is a unique opportunity for the Companies to competitively procure electric energy savings from nonresidential electric customers acting as savings suppliers, and third party savings suppliers acting on behalf of nonresidential host customers. The Companies will conduct one or more competitive offerings where customers and third parties may submit bids in response to a competitive request for proposals ("RFP"). The Companies will select successful bidders using a percent resource benefit test, further discussed below, and execute Service Agreements ("SAs") with the successful bidders. The successful suppliers will be accountable for delivering the savings as bid.

### **I A2) Operation and Procedures Manual**

The Companies' Non-Residential Block Bidding Admin Service Manual is dated March 2010. Updates and revisions will be on-going as the program evolves. At any time, the most current version of this manual may be obtained with thirty (30) days written notice.

### I A3) Activities Descriptions

The following process flow chart depicts the major business processes and activities related to the implementation of the Companies' Non-Residential Block Bidding Program.



### I A4) Description of the Program Service Territory

This program is available to all of the Companies' non-residential electric customers who pay a System Benefit Charge. The most current NYSEG and RG&E franchise maps can be found at the following internet sites:

<http://www.nyseg.com/OurCompany/servicearea.html>

<http://www.rge.com/OurCompany/servicearea.html>

## **I B) Detailed Description of Customer Data Tracking System and Customer Data Tracking System Operations, Including Data Dictionaries**

The Companies will create files using data from the executed service agreements and project completion documentation provided by the bidders to calculate and report herein the current month, program-to-date, and lifecycle energy savings data for all contracted measures based on the formulas provided in the September 1, 2009 version of the New York Standard Approach for Estimating Energy Savings from Energy Efficiency Measures in Commercial and Industrial Programs manual (the “Technical Manual”). Energy savings calculations for installed measures are accomplished through the net utility savings [adjusted for free ridership etc.] in terms of summer coincident peak demand [kw] and annual energy [kwh].

These files are also used to calculate participation data as reported herein for the number of program measure bids received, accepted and completed to date. Additionally, various operational reports and analysis are generated to identify trends and patterns, produce various program statistics, identify possible areas for future improvement, and to identify differences in participation rates by geographic region, etc.

## **I C) Description of How Data in the Tracking System Contributes to the Monthly Report**

The Companies will use an Excel spreadsheet for data tracking. The spreadsheet will capture information about all aspects of the program including execution of the service agreements, Pre- and Post-installation inspections, installation documentation, energy savings verification and project invoicing. The spreadsheet will provide for program performance tracking and reporting.

## **I D) Program Management**

Non-Residential Block Bidding Program

Gary B. Freeland  
Block Bidding Program - Implementation Manager  
NYSEG and RG&E  
Rochester, NY  
(585) 794-9182  
gfreeland@appliedenergygroup.com

## I E) Program Savings Objectives

The primary objective of NYSEG and RG&E (the “Companies”) Electric Block Bidding Program is to (a) create additional ways for customers to achieve electric energy savings, and (b) allow interested suppliers to offer energy efficiency reductions that would increase total electric savings above the levels expected from the programs otherwise approved by the Commission for implementation prior to the Block Bidding solicitation.

### NYSEG and RG&E Annual Energy Savings

Year	NYSEG Goal	RG&E Goal
2010	1,387	1,387
2011	4,289	4,289
2012	2,594	2,594

*Source: NYSEG & RG&E Non-Residential Block Bidding Program Implementation Plan, March 5, 2010*

## I F) Program Theory and Logic

The Companies’ Block Bidding Program is described in the January 4, 2010 Order. The Program savings targets are as specified on Table 1a Appendix 3 in the January 4, 2010 Order. The allowed budget for this Program is also specified on Table 1a Appendix 3 in the January 4, 2010 Order.

The goal of this program is to offer opportunities for Energy Services Companies (“ESCOs”), performance contractors, management companies and even customers to achieve significant reductions in energy use and increase the efficiency of any electric end use in one or more commercial, municipal, or industrial facilities in either or both of the Companies’ service territories which may not be available with other energy efficiency programs.

All non-residential NYSEG and RG&E electric customers that pay the EEPS SBC charge are eligible to participate in the Block Bidding Program as savings suppliers or as host customers for third party suppliers. Any electric end-uses, usage behaviors, or usage processes may be targeted by these proposals, unless specifically prohibited by the Commission.

Excluded from the program are:

- Demand response activities that produce reductions in electric peak loads but little energy savings.
- Savings in natural gas, fuel oil, or other forms of energy.
- Residential customers.
- New construction.

The program is expected to produce incremental energy savings of about 16,540 MWh for the Companies during the program term from 2010 to 2012 at a total cost of approximately \$6.4 million for NYSEG and RG&E combined.



In addition, to the extent practical and possible, the Companies will coordinate the delivery of this program with planned future programs. As appropriate, the Companies will coordinate with NYSERDA to make appropriate referrals between existing programs.

**I G) Listing and Description of, and Contact Information for, the Market Actors, Trade Allies, and Other Stakeholders on Which the Program will Rely for Program Delivery and Support**

This information will be determined when the service agreements are executed with the successful bidders.

**I H) Name of Firms under Contract to Program Administrators, Formally Participating in the Delivery of the Program or Program Component(s)**

The following firm(s) are under contract with the Companies:

Applied Energy Group, Inc. (AEG)  
1377 Motor Parkway, Suite 401  
Hauppauge, NY 11788  
631-434-1414

**I I) Inter-organizational Relationships and Activities Explained and Reported**

The Companies, with most other New York investor-owned utilities, NYSERDA, NYPA and LIPA, participate in a working cooperative organization between the participating EEPS program administrators. The organization, known formally as Energy Efficiency Program Administrator Collaborative (“EEPAC”) hosts a number of issue-oriented working groups or communities that are exploring program implementation issues common to EEPS program administrators. EEPAC is directed by a Steering Committee, appointed by the member organizations. The Companies have supported EEPAC through membership in working groups/communities as well as through participation in the Steering Committee.

**Section II. Evaluation Support Information**

**II A) Midstream Program Information**

The Companies’ will collect and store the program data in Table 1 of the “New York Department of Public Service Energy Efficiency Program Information Reporting Manual,” June 29, 2009, as required and appropriate for midstream programs. These will be made available to the Staff and evaluation contractors within thirty (30) days written notice.

### Section III. Reporting Template for Monthly Non-Residential Block Bidding Program Report

Table 2a below, represents NYSEG's Monthly Program Statistics for July 2010.

**Table 2a.** Variables Reported Monthly for July 2010

<b>Program Administrator(PA) and Program ID<sup>1</sup></b>	<b>NYSEG Non-Residential Block Bidding Program</b>
<b>Program Name</b>	<b>NYSEG Non-Residential Block Bidding Program Electric</b>
<b>Program Type<sup>2</sup></b>	Block Bidding
<b>Total Acquired First-Year Impacts This Month<sup>3, 13</sup></b>	
Net first-year annual kWh acquired this Month <sup>4</sup>	0
Monthly Net kWh Goal (based on net first-year annual <sup>5</sup> kWh Goal)	0
Percent of Monthly Net kWh Goal Acquired	0%
<b>Net Peak<sup>6</sup> kW acquired this Month</b>	0
Monthly Net Peak kW Goal	N/A
Percent of Monthly Peak kW Goal Acquired	N/A
<b>Net First-year annual therms acquired this month</b>	N/A
Monthly Net Therm Goal	N/A
Percent of Monthly Therm Goal Acquired	N/A
<b>Net Lifecycle kWh acquired this month</b>	0
<b>Net Lifecycle therms acquired this month</b>	N/A
<b>Total Acquired Net First-Year Impacts To Date<sup>13</sup></b>	
Net first-year annual kWh acquired to date	0
Net first-year annual kWh acquired to date as a percent of annual goal	0
Net first-year annual kWh acquired to date as a percent of 8-year goal	N/A
Net cumulative kWh acquired to date	0
<b>Net utility peak kW reductions acquired to date</b>	0
Net utility peak kW reductions acquired to date as a percent of utility annual goal	N/A
Net utility peak kW reductions acquired to date as a percent of 8-year goal	N/A
Net NYISO peak kW reductions acquired to date	N/A

Net first-year annual therms acquired to date	N/A
Net first-year annual therms acquired to date as a percent of annual goal	N/A
Net first-year annual therms acquired to date as a percent of 8-year goal	N/A
Net cumulative therms acquired to date	N/A
<b>Total Acquired Lifecycle Impacts To Date<sup>7, 13</sup></b>	
Net Lifecycle kWh acquired to date	0
Net Lifecycle therms acquired to date	N/A
<b>Committed<sup>8</sup> Impacts (not yet acquired) This Month</b>	
Net First-year annual kWh committed this month	0
Net Lifecycle kWh committed this month	0
Net Utility Peak kW committed this month	0
Net first-year annual therms committed this month	N/A
Net Lifecycle therms committed this month	N/A
Funds committed at this point in time	\$0
<b>Overall Impacts (Acquired &amp; Committed)</b>	
Net first-year annual kWh acquired & committed this month	0
Net utility peak kW acquired & committed this month	0
Net First-year annual therms acquired & committed this month	N/A
<b>Costs<sup>9</sup></b>	
Total program budget	\$3,181,000
General Administration <sup>14</sup>	0
Program Planning	0
Program Marketing	0
Trade Ally Training	0
Incentives and Services <sup>15</sup>	0
Direct Program Implementation <sup>16</sup>	\$48,070
Program Evaluation	0
Total expenditures to date	\$48,070
Percent of total budget spent to date	1.51%
<b>Participation</b>	
Number of measures <sup>17</sup> offered on customer proposals to date	16
Number of measures on signed customer contracts to date	0
Number of measures installed to date	0
Percent of proposed measures in signed customer contracts	0.00%

<b>Quarterly Carbon Emission Reductions (in tons)</b>	N/A
Total Acquired Net First-year Carbon Emission Reductions To Date <sup>12</sup>	N/A
Total Acquired Cumulative Net Carbon Emission Reductions To Date <sup>12</sup>	N/A
<b>DPS Staff Notes:</b>	
<p><sup>1</sup>DPS Staff needs to work with utilities to develop a Program ID naming convention. However, a Program ID number is not required for the first report. Note that when developing program ID naming conventions, utilities would like to minimize computer programming/reporting costs that they might incur if the proposed naming conventions are complex or the utility's current naming conventions require modification to Staff's proposed format.</p> <p><sup>2</sup>There is not currently a consistent list of program types but individual categories for common use by administrators could be developed.</p> <p><sup>3</sup>First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year. <b>Acquired</b> kWh savings are defined as those savings that reported by the program administrator in program tracking databases and for which a rebate check has been sent to the participant on a specific date.</p> <p><sup>4</sup>Regardless of the month in which a measure is installed within a given calendar year, the program is credited with the associated savings for the entire year.</p> <p><sup>5</sup>Program Administrators should make best estimate of the annual goal even though the goal might in some cases cover two calendar years. Also, Staff wants administrators to try to be as accurate as possible in determining the <i>monthly</i> goals but does not want to mandate monthly goals, at least initially.</p> <p><sup>6</sup>Peak is defined uniquely for each utility.</p> <p><sup>7</sup>The lifecycle savings are tracked beginning in the <i>year</i> in which a given measure was installed. Over the period 2008-2015, PA's must take into account the fact that savings from measures installed early in the period will vanish at the end of their useful life before the end of 2015. Thus, the lifecycle impacts acquired to date will be different for each month as a function of adding savings from measures installed in a given month and subtracting savings from measures installed earlier in the funding cycle that have reached the end of their useful life.</p> <p><sup>8</sup>Committed savings are defined as those for which funds have been encumbered but not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired." Staff would like to see the program administrator's best <i>estimate</i> of what they have committed. There should be some assumptions on how the administrator does that. Program administrators should forecast as accurately as possible and it should get more precise with program experience, e.g., the difference between achieved and committed should get closer over time.</p> <p><sup>9</sup>These are the budget categories to be used by companies when submitting the required energy efficiency program implementation plans. In its January 16, 2009 Order, the Commission directed Staff to provide definitions for the budget categories to be used in the preparation of these plans (See Order Approving "Fast Track" Utility-Administered Electric Energy Efficiency Program With Modification, at page 11). These categories are provided to promote consistency in budget construction and reporting among the utility plans.</p> <p><sup>10</sup>An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated energy and demand impacts become "Committed."</p> <p><sup>11</sup>The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made. Also note that for programs in which there are cases in which an application could be received, processed, and approved all in one day, then a "1" would be counted for each step in the tracking lifecycle.</p> <p><sup>12</sup>See CO<sub>2</sub> Reduction Values tab in Data Reporting Template 6-26-09.Xls (quarterly and annual reports only).</p>	

**Utility Notes:**

<sup>13</sup>There are no acquired savings for this program since the program is currently in a ramp-up period. Bids have been selected and Service Agreements for the agreed-to energy savings are being drafted.

<sup>14</sup> Portfolio Costs are not included in the program budget or actual costs. Consistent with the Companies' July 9, 2009 letter to the Secretary in Cases 07-M-0548 et al. ("July 9 letter") and the Companies' prior energy efficiency program submittals, Portfolio Costs are incremental and are incurred as a result of the Companies' ongoing active participation in the New York State Public Service Commission's ("Commission") energy efficiency proceedings. Portfolio Costs allow the Companies to jointly provide efficient support for the complete suite of specific energy efficiency programs ultimately approved by the Commission. Although an estimate of the total Portfolio Costs was provided to the Commission on June 8, 2009 in the New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation Residential Gas HVAC Program Implementation Plan, these costs were not included in the program budget, and are not included in this report of actual program expenditures.

<sup>15</sup>Incentives and services costs are reported based on Company payment of invoices received from program contractors and/or Bidders/Suppliers.

<sup>16</sup>Since this is the first Scorecard Report for Block Bid Program, this amount includes all expenditures to-date. Future expenditures will be reported as monthly.

<sup>17</sup>The number of measures represents the number of customer host locations proposed by the accepted bidders.

Table 2b below, represents RG&E's Monthly Program Statistics for July 2010.

**Table 2b. Variables Reported Monthly for July 2010**

<b>Program Administrator(PA) and Program ID<sup>1</sup></b>	<b>RG&amp;E Non-Residential Block Bidding Program</b>
<b>Program Name</b>	<b>RG&amp;E Non-Residential Block Bidding Program Electric</b>
<b>Program Type<sup>2</sup></b>	Block Bidding
<b>Total Acquired First-Year Impacts This Month<sup>3, 13</sup></b>	
Net first-year annual kWh acquired this Month <sup>4</sup>	0
Monthly Net kWh Goal (based on net first-year annual <sup>5</sup> kWh Goal)	0
Percent of Monthly Net kWh Goal Acquired	0%
Net Peak <sup>6</sup> kW acquired this Month	0
Monthly Net Peak kW Goal	N/A
Percent of Monthly Peak kW Goal Acquired	N/A
Net First-year annual therms acquired this month	N/A
Monthly Net Therm Goal	N/A
Percent of Monthly Therm Goal Acquired	N/A
Net Lifecycle kWh acquired this month	0
Net Lifecycle therms acquired this month	N/A

<b>Total Acquired Net First-Year Impacts To Date<sup>13</sup></b>	
Net first-year annual kWh acquired to date	0
Net first-year annual kWh acquired to date as a percent of annual goal	0
Net first-year annual kWh acquired to date as a percent of 8-year goal	N/A
Net cumulative kWh acquired to date	0
Net utility peak kW reductions acquired to date	0
Net utility peak kW reductions acquired to date as a percent of utility annual goal	N/A
Net utility peak kW reductions acquired to date as a percent of 8-year goal	N/A
Net NYISO peak kW reductions acquired to date	N/A
Net first-year annual therms acquired to date	N/A
Net first-year annual therms acquired to date as a percent of annual goal	N/A
Net first-year annual therms acquired to date as a percent of 8-year goal	N/A
Net cumulative therms acquired to date	N/A
<b>Total Acquired Lifecycle Impacts To Date<sup>7, 13</sup></b>	
Net Lifecycle kWh acquired to date	0
Net Lifecycle therms acquired to date	N/A
<b>Committed<sup>8</sup> Impacts (not yet acquired) This Month</b>	
Net First-year annual kWh committed this month	0
Net Lifecycle kWh committed this month	0
Net Utility Peak kW committed this month	0
Net first-year annual therms committed this month	N/A
Net Lifecycle therms committed this month	N/A
Funds committed at this point in time	\$0
<b>Overall Impacts (Acquired &amp; Committed)</b>	
Net first-year annual kWh acquired & committed this month	0
Net utility peak kW acquired & committed this month	0
Net First-year annual therms acquired & committed this month	N/A
<b>Costs<sup>9</sup></b>	
Total program budget	\$3,280,000
General Administration <sup>14</sup>	0
Program Planning	0
Program Marketing	0

Trade Ally Training	0
Incentives and Services <sup>15</sup>	0
Direct Program Implementation <sup>16</sup>	\$91,535
Program Evaluation	0
Total expenditures to date	\$91,535
Percent of total budget spent to date	2.88%
<b>Participation</b>	
Number of measures <sup>17</sup> offered on customer proposals to date	24
Number of measures on signed customer contracts to date	0
Number of measures installed to date	0
Percent of proposed measures in signed customer contracts	0.00%
<b>Quarterly Carbon Emission Reductions (in tons)</b>	N/A
Total Acquired Net First-year Carbon Emission Reductions To Date <sup>12</sup>	N/A
Total Acquired Cumulative Net Carbon Emission Reductions To Date <sup>12</sup>	N/A
<b>DPS Staff Notes:</b>	
<p><sup>1</sup>DPS Staff needs to work with utilities to develop a Program ID naming convention. However, a Program ID number is not required for the first report. Note that when developing program ID naming conventions, utilities would like to minimize computer programming/reporting costs that they might incur if the proposed naming conventions are complex or the utility's current naming conventions require modification to Staff's proposed format.</p> <p><sup>2</sup>There is not currently a consistent list of program types but individual categories for common use by administrators could be developed.</p> <p><sup>3</sup>First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year. <b>Acquired</b> kWh savings are defined as those savings that reported by the program administrator in program tracking databases and for which a rebate check has been sent to the participant on a specific date.</p> <p><sup>4</sup>Regardless of the month in which a measure is installed within a given calendar year, the program is credited with the associated savings for the entire year.</p> <p><sup>5</sup>Program Administrators should make best estimate of the annual goal even though the goal might in some cases cover two calendar years. Also, Staff wants administrators to try to be as accurate as possible in determining the <i>monthly</i> goals but does not want to mandate monthly goals, at least initially.</p> <p><sup>6</sup>Peak is defined uniquely for each utility.</p> <p><sup>7</sup>The lifecycle savings are tracked beginning in the <i>year</i> in which a given measure was installed. Over the period 2008-2015, PA's must take into account the fact that savings from measures installed early in the period will vanish at the end of their useful life before the end of 2015. Thus, the lifecycle impacts acquired to date will be different for each month as a function of adding savings from measures installed in a given month and subtracting savings from measures installed earlier in the funding cycle that have reached the end of their useful life.</p>	

<sup>8</sup>Committed savings are defined as those for which funds have been encumbered but not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired." Staff would like to see the program administrator's best *estimate* of what they have committed. There should be some assumptions on how the administrator does that. Program administrators should forecast as accurately as possible and it should get more precise with program experience, e.g., the difference between achieved and committed should get closer over time.

<sup>9</sup>These are the budget categories to be used by companies when submitting the required energy efficiency program implementation plans. In its January 16, 2009 Order, the Commission directed Staff to provide definitions for the budget categories to be used in the preparation of these plans (See Order Approving "Fast Track" Utility-Administered Electric Energy Efficiency Program With Modification, at page 11). These categories are provided to promote consistency in budget construction and reporting among the utility plans.

<sup>10</sup>An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated energy and demand impacts become "Committed."

<sup>11</sup>The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made. Also note that for programs in which there are cases in which an application could be received, processed, and approved all in one day, then a "1" would be counted for each step in the tracking lifecycle.

<sup>12</sup>See CO<sub>2</sub> Reduction Values tab in Data Reporting Template 6-26-09.Xls (quarterly and annual reports only).

#### **Utility Notes:**

<sup>13</sup>There are no acquired savings for this program since the program is currently in a ramp-up period. Bids have been selected and Service Agreements for the agreed-to energy savings are being drafted.

<sup>14</sup>Portfolio Costs are not included in the program budget or actual costs. Consistent with the Companies' July 9, 2009 letter to the Secretary in Cases 07-M-0548 et al. ("July 9 letter") and the Companies' prior energy efficiency program submittals, Portfolio Costs are incremental and are incurred as a result of the Companies' ongoing active participation in the New York State Public Service Commission's ("Commission") energy efficiency proceedings. Portfolio Costs allow the Companies to jointly provide efficient support for the complete suite of specific energy efficiency programs ultimately approved by the Commission. Although an estimate of the total Portfolio Costs was provided to the Commission on June 8, 2009 in the New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation Residential Gas HVAC Program Implementation Plan, these costs were not included in the program budget, and are not included in this report of actual program expenditure.

<sup>15</sup>Incentives and services costs are reported based on Company payment of invoices received from program contractors and/or Bidders/Suppliers.

<sup>16</sup>Since this is the first Scorecard Report for Block Bid Program, this amount includes all expenditures to-date. Future expenditures will be reported as monthly.

<sup>17</sup>The number of measures represents the number of customer host locations proposed by the accepted bidders.



## Section IV. Narrative Report to be Included with Spreadsheet

Program Administrator: NYSEG/RG&E  
Program/Project: Non-Residential Block Bidding Program  
Reporting Period: July 2010  
Report Contact Person: Gary B. Freeland, Block Bid Program Implementation Manager

### 1. Program Status

#### Program Performance Goals

**(a) Describe and discuss circumstances that may have an impact on the achievement of project performance goals (positive or negative).**

Block Bidding Program is in a ramp-up mode. The Companies completed the first competitive RFP, have selected bidders and are in the process of completing service agreements with these successful bidders. The achievement of project performance goals will commence pursuant to project schedules defined in the service agreements.

**(b) Describe and discuss other key aspects of program performance goals that were not discussed in (a).**

The initial RFP process, while successful, will likely not achieve the 2010 program savings targets. The Companies are planning a second competitive RFP process in the 4<sup>th</sup> Quarter of 2010.

**(c) Forecast of net energy impacts.**

**NYSEG and RG&E  
Annual Energy Savings (MWhs)**

Year	NYSEG Goal	RG&E Goal
2010	1,387	1,387
2011	4,289	4,289
2012	2,594	2,594

*Source: NYSEG & RG&E Non-Residential Block Bidding Program  
Implementation Plan, March 5, 2010*

### 2) Program Implementation Activities

#### **(a) Marketing Activities**

The January 4, 2010 Order required the Companies to require both specific host customer sites and specific measures to be identified in supplier proposals, and therefore required all customer hosts to be recruited by third-party suppliers *before* proposals were submitted, thus the Block Bidding Program did not utilize or require an outreach or marketing plan in the same way that an energy efficiency rebate or direct installation program would require such a plan. The customer hosts or third-party suppliers had recruited the participating customers by the time their bids were proposed to the Companies.

To ensure that the Block Bidding opportunity reached an appropriately inclusive potential audience, the Companies extended the pre-bid outreach which is part of their normal purchasing practices to create awareness of this competitive opportunity. Specifically:

- All firms that expressed interest in this opportunity and all firms on the bid list for other Company energy efficiency procurements were notified about this opportunity.
- The service list for Case 07-M-0548 was reviewed, and announcements were sent to parties considered likely to be interested in this opportunity.
- Key account customers were contacted individually by Company Key Account Representatives.
- Announcements were sent to ESCOs, trade allies, and performance contractors.
- A news release was issued to general and business media.
- This opportunity was announced on the NYSEG and RG&E websites.

The Companies are exploring additional methods of reaching potential bidders as well as additional bidder training in preparation for the next competitive bid cycle.

#### **(b) Evaluation Activities**

None at this time.

#### **(c) Other Activities**

There are none at this time.

### **3. Customer Complaints and/or Disputes**

No NYPSC complaints have been reported. No Bidder/Customer disputes have occurred.

### **4. Changes to Subcontractors or Staffing**

There are none at this time.

### **5. Additional Issues**

There are none at this time.