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January 13, 2017

Ms. Judith Whitney, Clerk
Vermont Public Service Board
112 State Street
Montpelier, VT 05620-2701

Re: EEU 2013-01 DPS Status Update on BED Program Implementation Efficiency QPI

Dear Ms. Whitney:

The Public Service Board ("Board") Order of October 10, 2014 in EEU-2013-01 (Appendix C) determined electric Quantitative Performance Indicators ("QPI's") for the Energy Efficiency Utility of City of Burlington Electric Department ("BED") for the 2015-2017 performance period, one of which was a Program Implementation Efficiency ("PIE") QPI with associated milestones and reporting requirements. Pursuant to that Order, the Department of Public Service ("Department") and BED are responsible for filing status updates within two weeks of the respective milestone completion dates. The status updates are to indicate if milestones were achieved on time and also to report relevant results. This letter is intended to fulfill that obligation.

On behalf of itself and BED, the Department files the following status update regarding Milestone 2 of the QPI which pertains to Key Business Processes (KPBs) and requires that[1]:

> *By December 31st of each year in the 2015-2017 performance period BED will report baseline performance and target levels for improvement to the Department. BED will report on the performance of the KPB's identified in the annual PIE plan including both new KBP's and those that are in maintenance and (or) monitoring mode*

BED Milestone 2 Status Update for 2016

The Department confirms BED submitted a report of 2016 KBP work on time including summaries of analysis, discussion of activities, improvement targets, and trending information for metrics of processes in the monitoring and maintenance program. Upon review of these reports and activities they describe and information provided, the Department's assessment is that BED has met the requirements for Milestone 2.

[1] [1] Appendix C of Demand Resource Plan Proceeding QPI order in EEU 2013-01 dated 10/10/14.

The following is a summary report provided by BED to the Department.

Throughout 2016, BED assessed and measured two KBP's important to the operation of its energy services area. First, BED assessed the staff time devoted to processing the Smartlight upstream vendor data into the savings database. This upstream lighting vendor program continues to be very popular and requires a good amount of staff time to process the sales information. Second, BED assessed the overall processing of prescriptive rebate forms. These are forms sent in by individual customers or contractors for a host of lighting, HVAC and refrigeration measures.

1. **Smartlight "upstream" Program Savings Claim Processing**
   Background

   The Smartlight program allows customers and contractors to purchase eligible replacement lamps (screw-in and linear) directly from lighting distributors. A BED/EVT buy-down incentive is applied to the purchase cost at the counter to encourage the selection of the most efficient eligible products. BED and EVT reimburse the distributors for the incentives plus pay a small administrative fee for tracking and reporting sales by customer and location. The lighting distributors report sales data monthly via an Excel spreadsheet template tool.

   The administrative time needed to support the program has grown over time as the programs' popularity has grown. For example, a single monthly vendor spreadsheet can include dozens of individual customer purchases that include hundreds of different styles of lamps. Whenever possible, BED attaches individual efficiency measures to the customer meter. This process helps to more accurately assign savings, allows BED to inspect larger projects and follow-up with customers as needed. Assigning the lighting measures to the correct customer location also helps with the annual measurement and verification process.

   The table below shows BED's assessment of the major aspects of the process:

	Focus Area	Issues
1	Mapped the steps required to process a vendor Smartlight invoice	Historically, a manual process that requires matching customer address information provided by vendors to BED's database.
2	Assessed if the vendor spreadsheet template tool is adequate or if alterations could improve the process.	The template seems adequate. The problem is that the counterperson does not always fill in the data correctly.
3	Assessed if the vendor spreadsheet, with customer name/address data, can be uploaded into the database to automatically locate the correct customer location.	Not having to manually search for the correct location ID can be a significant timesaver. This is especially true for customers with multiple meters like UVM and Champlain college

BED developed a baseline and a target level for improvement shown in the table below.

Focus Area	Metric	Measurement Baseline Range	Target Level for Improvement
Smartlight "upstream" Program Savings Claim Processing	Reduce ES^2 staff time required to transfer large quantities of monthly lamp sales from participating vendor's spreadsheets into BED's savings claim database..	8 to 10 hours per week	5 to 7.5 hours per week

Smartlight 2016 Results to Date-

As the results table below indicates, BED has made some improvement with this KBP but has not been consistently achieving the target improvement level in 2016. Part of the issue has to do with an overall increase in upstream program activity. It also took BED and EVT a bit more time than planned to get the vendors to completely fill out the data forms. Several missing service addresses in a given invoice can slow the process significantly. Developing an automatic linking tool that linked the customer address from the vendor spreadsheet to a BED meter took longer than expected as well. The tool is operational now and the benefits of these efforts should start to show in 2017. BED will continue to examine and refine this process in 2017.

2. Prescriptive Rebate Form Savings Claim Processing –

Background

Prescriptive rebate forms are popular with customers and contractors as it is a fairly easy way to receive incentives for eligible measures. The forms require basic information about the customer, building details and copies of contractor invoices or receipts.

Prescriptive rebate forms continue to play an important role in program delivery as they help to capture customers that want an easy path to participation. The purpose of this KBP assessment was to explore methods to make the customer experience better while also reducing administrative program costs.

BED has assessed and measured the process for handling the forms and entering the measure data into the savings claim database. BED has explored an on-line option that could also upload to the database, which would help to reduce the administrative time required to process the forms each month.

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[2] ES stands for Energy Services, which is the division at Burlington Electric Department that performs EEU functions.

The table below shows BED assessment of the major aspects of the process:

	Focus Area	Issues
1	Assessed the current steps and time required to process prescriptive rebate forms manually.	An on-line option, with database linking capabilities, will be a major IT undertaking.
2	Assessed the changes necessary to the current website to accommodate an on-line option.	Assessed the time and costs of any upgrades.
3	Assessed the development of a linking process from the website to the database.	Assessed the time and costs of any upgrades.

BED developed a baseline and potential target level for improvement shown in the table below.

Focus Area	Metric	Measurement Baseline Range	Target Level for Improvement
Prescriptive Rebate Form Savings Claim Processing	Reduce ES staff time required to process prescriptive rebate forms and enter the savings into the database.	4 to 6 hours per week	2 to 3 hours per week

<u>Prescriptive Rebate Form 2016 Results to Date</u>

As the results table below describes, BED has not achieved the target improvement level in 2016 and remains in the 4 to 6 hour per week range. This KPB was based on BED developing an on-line option with automatic database linking capabilities. BED learned that this would be a large IT undertaking and it competed with too many other IT 2016 priorities. BED is currently assessing a number of software upgrades and adding this functionality is part of the overall plan. In the meantime, BED will continue to examine and refine the manual process in 2017.

2016 Summary

BED's 2016 and 2015 KBP performance is summarized and reported as follows.

See table on the following two pages for relevant results.

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BED 2016 Key Business Processes Assessment Results				
KBPs New in 2016				
Key Business Process	**Metric**	**Baseline**	**Target level of improvement**	**Monitoring & Maintenance**
Smartlight "upstream" Program Savings Claim Processing	Reduce ES staff time required to transfer large quantities of monthly lamp sales from participating vendor's spreadsheets into BED's savings claim database.	8 to 10 hours per week	5 to 7.5 hours per week	BED has not been consistently achieving the target improvement level in 2016 but has shown some improvement with a reduction to about 8 hours/week. Part of the issue has to do with an overall increase in upstream program activity. Also, BED and EVT continued to refine the data transfer process throughout 2016 where the benefits of these efforts should start to show in 2017. As long as BED tries to assign all upstream product sales to the correct customer meter, there will administrative processing time required. BED will continue to examine and refine this process in 2017.
Prescriptive Rebate Form Savings Claim Processing	Reduce ES staff time required to process prescriptive rebate forms and enter the savings into the database	4 to 6 hours per week	2 to 3 hours per week	BED has not achieved the target improvement level in 2016 and remains in the 4 to 6 hour per week range. The KPB was based on BED developing an on-line option with automatic database linking capabilities. BED learned that this would be a large IT undertaking and it competed with too many other IT 2016 priorities. BED is currently assessing a number of software upgrade and adding this functionality is part of the overall plan. In the meantime, BED will continue to examine and refine the manual process in 2017.
KBPs in monitoring and maintenance mode (i.e. KBPs assessed previously)				
Energy Consumption Data Analysis	labor hours spent on data analysis per project	4 to 6 hours per project (using spreadsheet tool)	1 to 2 hours per project (using software tool)	BED has been achieving the target improvement level in 2016 with a 2 hour per project average analysis time. The AMI data tools are incredibly helpful at reducing analysis time and graphing the results. After using the tools for over a year now, BED anticipates that 2 hours is about the time it takes to complete the analysis but will certainly look for potential refinements in 2017.
Processing High Bill Concerns	Energy Services staff hours on high bill calls per month	12 hours/month	6 hours/month	BED has not been achieving the target improvement level in 2016 but has shown good improvement with a reduction to about 8 hours/month. Part of the issue has to do with staff turnover in the Customer Care Area so there has been extra time spent on training new staff. BED will continue to examine and refine this process as needed in 2017.