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March 4, 2016

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

2016 MAR 4 PM 4 12
VERMONT PUBLIC
SERVICE BOARD

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 Burlington Electric Department ("BED") for the 2015-2017 performance period. One of these QPIs 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 report relevant results. This letter is intended to fulfill that obligation.

Background

BED's PIE QPI requires that BED identify and map additional key business and program implementation processes for assessment.¹ The intent of these assessments is to fully understand BED's business and implementation processes in order to improve the operational efficiency of the organization, as well as its effectiveness to deliver energy efficiency services. Where appropriate, the QPI also requires BED to establish during the three-year performance period, internal monitoring mechanisms to measure the performance of key business processes that have already been assessed in order to prevent any deterioration in operational performance.

¹ In the 2012-2014 performance period, BED and the Department (with assistance from Navigant Consulting), conducted an initial assessment of five key BED KBPs.



Status Update

Milestone 1 of the QPI, which pertains to Key Business Processes (KBPs) requires that BED:

#	Milestone	Due Date
1	Identify and submit to the Department business processes for assessment	January 31st in each

On February 12, 2016, the Department filed a status update and requested, on behalf of BED, to extend BED's January 31, 2016 reporting deadline to February 19, 2016. With this letter, the Department confirms BED submitted its 2016 PIE plan to the Department on February 18, 2016. Upon review of this plan, improvement activities described, and information provided, the Department's assessment is that BED has met the requirements for Milestone 1.

Relevant Results

BED's 2016 PIE plan identifies two new KBPs related to the operation of BED's energy efficiency services including: 1) *Smartlight "Upstream" Program Savings Claim Processing*; and 2) *Prescriptive Rebate Form Savings Claim Processing*. Additionally, the plan establishes a quarterly review process to maintain and monitor KBPs that have been previously assessed in years past.

New KBPs for assessment in 2016

- Smartlight "Upstream" Program Savings Claim Process:** BED will assess staff time devoted to processing vendor data into the savings claim database, and potential efficiency solutions. The metric BED has selected to measure the performance of this process is: staff time required to transfer monthly lamp sales from participating vendor's spreadsheets into BED's savings claim database, for which BED developed a baseline performance measurement, as well as a target level for improvement (*see table on page 4*).
- Prescriptive Rebate Form Savings Claim Process:** BED will assess the process of handling prescriptive rebate forms and entering measure data into the savings claim database. BED will evaluate whether these forms could be processed more efficiently, and what methods may improve customer experience (ex. on-line option that uploads to the database) while reducing administrative program costs. The metric BED has selected to measure the performance of this process is: staff time required to process prescriptive rebate forms and enter the savings into the savings claim database, for which BED developed a baseline performance measurement, as well as a target level for improvement (*see table on page 4*).

Previously Assessed KBPs Undergoing Monitoring and/or Maintenance in 2016

As discussed, BED established a quarterly review process to monitor and/or maintain KBPs that have been previously assessed in years past. BED envisions, that over time, some of the more complex KBPs will require adjustment, maintenance and monitoring, while other KBPs can be placed in monitoring mode once a solid solution has been established. BED has identified KBPs that are in under monitoring and/or maintenance, for which BED has developed baseline performance measurements, as well as target levels for improvement (*see table on page 4*).

BED 2016 Key Business Processes - Metrics				
Key Business Process	Metric	Baseline	Target level of improvement	Notes
New KBPs for Assessment in 2016				
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	
Prescriptive Rebate Form Savings Claim Process	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	
Previously Assessed KBPs in Monitoring and/or Maintenance Mode in 2016				
Customer Incentive Check Production Process	Rebate check process time from Energy Services Administrator to Accounts Payable clerk	2 to 9 days	1.5 to 6.75 days	BED had been achieving the target improvement level up until early December of 2015. However, the production process has temporarily slowed back to the baseline range due to staff changes. BED's long-time Energy Services Administrator moved out of Vermont and they are in the process of training a replacement. The incentive check process is temporarily being handled by other staff members and they project they will be back to the target range during February.
Project Savings Data Entry in DSM Tracking Database for Complex Projects	PM entry time of complex projects (or like measures) in different location ID's	1 to 5 Hours Per Project	0.5 to 3.75 hours	BED continues to examine and refine this process as they have not been able to achieve the target levels for all large projects. They have seen improvement but not for all the larger multi-family new construction projects. They will continue to monitor and report on this process.

Next Steps

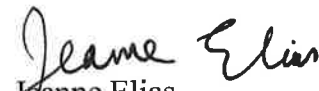
The Department and BED continue to work together to develop a standardized reporting structure for the milestone deliverables. The next milestone for the BED PIE QPI is Milestone 2 which requires that BED:

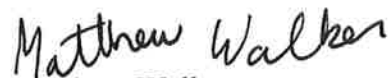
#	Milestone	Due Date
2	Report baseline performance and target levels for improvement to the Department	December 31st of each year in the 2015-2017

BED will report on the performance of the KBP's identified in the 2016 annual PIE plan including both new KBP's and those that are in maintenance and (or) monitoring mode. BED has been working with the Department to clarify milestone reporting components, as well as identify desired elements of the reporting deliverables which is intended to support the timeliness and efficacy of BED's continuous improvement efforts, as well as assist the Department's oversight and review of the QPI.

Please let us know if you have any questions.

For the Vermont Department of Public Service


 Jeanne Elias
 Special Counsel


 Matthew Walker
 Energy Program Specialist

