STATE OF VERMONT
PUBLIC SERVICE BOARD

EEU-2010-06

In re: EEU Demand Resources Plan)

Order entered: 7/3/2012

Order Determining Quantifiable Performance Indicators For Efficiency Vermont And BED

I. Introduction

In this Order, the Public Service Board ("Board") approves electric quantifiable performance indicators ("QPIs") for the 2012-2014 performance period for Efficiency Vermont ("EVT") that address annual incremental MWh savings, total resource benefits ("TRB"), and summer peak demand savings, summer peak demand savings in geographic areas, and comprehensiveness of savings. In addition, we approve heating-and-process-fuels ("HPF") QPIs for EVT as well as a process to modify the QPIs in the event that the available HPF funds change over the 2012-2014 period. Finally, we approve an electric QPI for the City of Burlington Electric Department ("BED") that addresses comprehensiveness of savings and also HPF QPIs for BED.

II. Background

Pursuant to Vermont Energy Investment Corporation's ("VEIC") Order of Appointment,[1] performance compensation is to be paid based on the attainment of three-year QPIs that are established as part of the Demand Resources Plan ("DRP") process. The DRP process is used to determine the QPI targets, including corresponding incentive amounts attached to each and the financial consequences for under-performance.

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1. VEIC serves as Vermont's statewide Energy Efficiency Utility ("EEU"), known as Efficiency Vermont, under an Order of Appointment issued by the Board on 12/20/10, in Docket 7466.

Pursuant to BED's Order of Appointment,[2] three-year QPI targets for BED are to be determined as part of the DRP process. In addition, pursuant to BED's Order of Appointment, by September 1, 2012, and every year three years thereafter, the Board will make a final determination regarding verified savings results achieved by BED with respect to QPIs for the recently completed three-year performance period.

On December 10, 2010, the Board issued an Order approving the framework for HPF QPIs for EVT and BED.

On January 11, 2011, the Department and VEIC submitted a joint proposed HPF plan that included four QPIs: (1) incremental net MMBtu savings (three-year total); (2) Residential Single Family Comprehensiveness; (3) Minimum level of spending in the residential sector; and (4) Minimum level of spending on low-moderate income customers.

On March 4, 2011, BED filed a proposal for its HPF programs. BED proposed to utilize up to $175,000 of BED's HPF funds to capitalize Property Assessed Clean Energy ("PACE")[3] projects in Burlington.

In a December 27, 2011, Order, the Board approved the electric QPIs for EVT that address the following elements: annual incremental MWh savings; TRB; cumulative summer peak demand savings; long-term market transformation; equity for all electric ratepayers; equity for residential ratepayers; equity for low-income customers; small non-residential customer size equity; geographic equity; and administrative efficiency. In addition, the Board established a process for the development of QPIs that address summer peak demand savings in geographic areas and comprehensiveness of savings.

On December 28, 2011, the Board issued an Order approving the general framework of VEIC's proposed HPF QPIs but required VEIC to file revised QPI targets to reflect updates in the available HPF budget. In addition, the Board directed VEIC to file a proposal for making adjustments to the QPI targets in the likely event that the actual HPF budget available differs

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2. BED provides Energy Efficiency Utility ("EEU") services in its service territory, under an Order of Appointment issued by the Board on 4/19/11, in Docket 7466.

3. PACE is a mechanism for funding clean-energy-related improvements to a property whereby the municipality provides a loan to residential or commercial customers to conduct the improvements, with the loans repaid through an assessment on the property tax bill.

from the estimated budget.[4] The December 28 Order also approved BED's proposal to utilize HPF funds for a pilot PACE program.

In a January 24, 2012, Order, the Board approved electric QPIs for BED that address the following elements: annual incremental MWh savings; TRB; cumulative summer peak demand savings; long-term market transformation; equity for all electric ratepayers; equity for residential ratepayers; equity for low-income customers; small non-residential customer size equity; and administrative efficiency. In addition, the Board established a process for the development of a QPI to address comprehensiveness of savings.

On January 31, 2012, VEIC filed a proposed electric QPI to address comprehensiveness of savings. On February 3, 2012, BED filed a proposed electric QPI to address comprehensiveness of savings.

Participants in the DRP process were provided an opportunity to file written comments on the proposed QPIs to address comprehensiveness of savings. On February 9, 2012, the Department of Public Service ("Department") filed comments in support of the proposed QPIs for EVT and BED. No other participants filed written comments.

On April 3, 2012, BED filed an HPF Addendum to its Annual Plan that included updated HPF budget estimates. BED stated that "the revised revenue projects will not impact BED's original program delivery budgets, savings goals or QPIs for the 2012-2014 period."

On April 16, 2012, VEIC filed updated QPI targets based upon the revised HPF budget estimates.

On April 23, 2012, VEIC filed an updated 20-year forecast of savings and proposed QPIs to address summer peak demand savings in geographic areas and revised proposed QPI targets addressing annual incremental MWh savings, TRB, and summer peak demand savings. On April 23, 2012, the Department filed comments in support of the proposed QPIs and proposed limits to earnings potential for certain QPIs.

On April 23, 2012, the Department filed a letter supporting VEIC's proposed HPF QPI targets.

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4. EEU-2010-06 (Demand Resources Plan proceeding), Order of 12/28/11 at 10-11.

On June 11, 2012, VEIC filed a letter stating that it had made an error in the spreadsheet containing the available performance incentive amount and that the amount available for a performance incentive is less than depicted in its April 16 filing.

Participants in the DRP process were provided an opportunity to file written comments on the proposed QPIs and updated forecast of savings. On April 30, 2012, VEIC filed comments in support of the Department's proposal to limit earnings potential for certain QPIs. No other participants filed written comments.

III. Proposed Electric QPIs for Efficiency Vermont

As required by the December 27 Order, VEIC filed proposed QPIs to address summer peak demand savings in geographic areas (QPIs 4.a and 4.b) and comprehensiveness of savings (QPI 5), along with updated QPI tables to reflect the addition of the proposed QPIs. In addition, VEIC filed revised proposed QPI targets addressing annual incremental MWh savings (QPI 1), TRB (QPI 2), and summer peak demand savings (QPI 3) to reflect corrections associated with VEIC's modeling of a 20-year forecast of savings and the addition of QPI targets addressing geographic areas. (Appendix A to this Order contains the revised proposed QPIs, as well as the additional QPIs approved in the December 27 Order.)

Pursuant to VEIC's Order of Appointment, performance compensation is to be paid based on the attainment of the three-year QPI targets. QPIs 1-7 have a positive performance award associated with them and include 100% target levels, "super-stretch" targets, corresponding incentive amounts attached to each (reflecting weighting), scaling calculations, and the financial consequences for under-performance.[5]

The 100% targets proposed by VEIC are intended to be "stretch" targets that will push EVT to innovate while responsibly using ratepayer resources to encourage adoption of efficient technologies. The proposed "stretch" targets are determined through VEIC's modeling of an updated 20-year forecast of savings for EVT based on budgets approved by the Board – the "expected" savings. The 100% target level or "stretch" target represents a goal of 10 percent

5. The December 27 Order also approved minimum performance requirements (QPIs 8-14) where the impact for failure to meet the proposed QPI target is the forfeiture of the opportunity to meet a portion of the performance goal.

above the "expected" savings. The "super stretch" target represents a goal of 5 percent beyond the 100% target level. These concepts of "stretch" and "super stretch" targets apply to all QPIs (QPIs 1-7) that have a positive performance award associated with them.

a. Annual Incremental MWh Savings (QPI 1), Total Resource Benefits (QPI 2), and Summer Peak Demand Savings (QPI 3)

In the December 27 Order, QPI targets were approved addressing annual incremental MWh savings (QPI 1), TRB[6] (QPI 2), and summer peak demand savings (QPI 3). VEIC filed revised proposed QPI targets addressing annual incremental MWh savings, TRB, and summer peak demand savings. VEIC identified errors in its modeling of the 20-year forecast of savings associated with the commercial and industrial sector peak savings that resulted in the QPI targets addressing summer peak savings being reduced by 11 percent (6.9 MW) and TRB being reduced by 3.9 percent ($10,985,000). To reflect the addition of QPI targets addressing geographic areas (discussed in Section III.b), the proposed QPI target addressing annual incremental MWh savings was increased by 11,000 MWh; the proposed QPI target addressing TRB was increased by $10,486,000; and the proposed QPI addressing cumulative summer peak demand savings was increased by 1.8 MW (*see* Section III.b, below).

The revised proposed three-year QPI target for annual incremental MWh savings is 331,000 MWh; for TRB is $270,589,000; and for cumulative summer peak demand savings is 55.9 MW. Progress toward achieving QPI targets will be measured through the annual savings verification process identified in VEIC's Order of Appointment.

The Department supported the proposed revisions to the QPI targets. The Department contends the corrections made to the modeling of the 20-year forecast of savings were warranted and represents that it is persuaded that the errors were unintentional given the complex assumptions involved in the modeling of the 20-year forecast of savings.

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6. The QPI to address TRB is intended to encourage EEUs to design and implement efficiency initiatives that will maximize the lifetime electric, fossil-fuel, and water benefits. This metric will measure the cumulative three-year total resource benefits achieved in a performance period.

b. Summer Peak Demand Savings in Geographic Areas (QPIs 4.a and 4.b)

The December 27 Order established a process for the development of QPIs that address summer peak demand savings in geographic areas. Two geographic areas were identified for summer peak demand savings: St. Albans and the Susie Wilson Road area in Essex.[7]

VEIC filed proposed QPI targets addressing summer peak demand savings in St. Albans and the Susie Wilson Road area. The proposed QPI targets represent the "expected" savings and equal estimates of the maximum achievable incremental demand savings in these geographic areas. VEIC and the Department recommend that the 100% target levels or "stretch" targets for these QPIs be established based on EVT securing the targeted amount of summer peak demand savings in these areas with only 95 percent of the EEU budget approved for geographic targeting ($6.7 million). Under the proposed "stretch" scenario, five percent of the EEU budget approved for geographic targeting ($335,000) will be made available to statewide programs, and thus the proposed QPI targets addressing annual incremental MWh savings, TRB, and cumulative summer peak demand savings were increased accordingly (as discussed in Section III.a, above).

The proposed QPI target for summer peak demand savings in St. Albans is 1,800 kW (QPI 4.a) and 1,400 kW in the Susie Wilson Road area (QPI 4.b). Progress toward achieving QPI targets will be measured through the annual savings verification process identified in VEIC's Order of Appointment.

b. Comprehensiveness of Savings (QPI 5)

The QPI to address comprehensiveness of savings is intended to ensure an increase in the depth of savings at the project and/or customer level and reduce lost opportunities by providing safeguards against only targeting easily attainable savings. The proposed QPI is intended to focus on the business sector by increasing the number of custom, business retrofit or equipment replacement projects to include more than one of the fifteen established "DPS End Use"

7. EEU-2010-06, Order of 2/16/12.

categories such as lighting, motors, and refrigeration.[8] By focusing on increasing the number of "DPS End Uses" in custom business projects, the proposed QPI is intended to move beyond single measure projects and work with customers to increase their knowledge of various efficiency opportunities, along with the benefits of implementing those opportunities. VEIC represents that encouraging implementation of multiple measures during a custom business project will help to optimize transaction costs, both for the customer and for EVT.

VEIC proposes that the comprehensiveness of savings QPI target will consist of Efficiency Vermont achieving at least 400 custom, business retrofit or equipment replacement projects where measure installations are completed in more than one "DPS End Use" category. VEIC represents that achieving 400 projects over the 2012-2014 performance period represents a 100% target level or "stretch" goal and a significant increase over that achieved in the 2009-2011 period, where 215 projects were completed with greater than one DPS End Use. The QPI is proposed to be weighted at 5% of the total electric QPI award or $121,568.

In order to more accurately track achievement of this QPI, it is important that EVT's tracking system be able to account for projects that may occur during different years within the performance period, however, because they are completed by the same customer, should be counted toward achievement of the QPI. Due to certain limitations in EVT's data system that only allow tracking savings by project end-use category, the proposed QPI is likely to under-estimate comprehensiveness at the customer level. EVT's database cannot track savings at the customer level and cumulative savings cannot be tracked by individual customer over time. Under the QPI reporting, it is possible that a customer could complete three different projects over three different years, each of which has only one end use category. In this case, none of these individual projects would reflect "comprehensiveness," although the customer is achieving comprehensiveness over time by pursuing a variety of end uses.

VEIC, in consultation with the Department, proposes to evaluate the costs and benefits of a tracking database upgrade which would allow savings data to be aggregated over time at the

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8. "DPS End Use" categories are identified as a data field in the EVT screening tool and the EVT database of projects. The data field is based on a list of end use categories provided by the Department at the establishment of EVT.

project, customer and meter levels. VEIC plans to file a status report identifying the outcomes of its analysis and discussion with the Department regarding EVT's data systems by December 12, 2012. If the outcome of that process is a recommendation to implement structural changes to the database system, the December 31 status update will include the specifics of that recommendation, including the timing for implementation and a description of the estimated costs and benefits.

The Department supports the proposed QPI because it promotes implementation of multiple measures during the completion of a project and will encourage EVT to move beyond single-measure projects. The Department commits to working with EVT to upgrade its data tracking system because a data tracking system that can operate at the customer and meter level would likely yield additional benefits to ratepayers and allow "comprehensiveness of savings" to be tracked and measured consistently statewide.

d. Limits to "Super-Stretch" Compensation

The Department recommends limits to "super-stretch" earnings potential for certain QPIs. During past performance periods, VEIC's earning potential for any one QPI was limited by the maximum performance award amount. However, the Department is particularly concerned about QPIs that are set with a relatively higher level of uncertainty and/or those that have small nominal values could have a significant impact for ratepayers.[9] Given the participants' experience with developing and setting QPI targets addressing annual incremental MWh savings, TRB, and cumulative summer peak demand savings, and the nominal size of those targets, the Department does not find it appropriate to place earnings caps on those indicators (beyond the maximum performance award amount).[10]

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9. An example using the comprehensiveness QPI illustrates this concern. Achievement of the 100% target level of completing 400 projects with measures in multiple end uses earns $121,568. If there were no limits to super-stretch earning, then the achievement of an additional 100 projects with multiple end uses would earn VEIC another $125,000. The earnings could quickly add up and result in a weighting of the comprehensiveness QPI that was disproportionate from the original intent.

10. VEIC's total performance award for electric QPIs may not exceed $2,931,370 for the 2012-2014 period.

The Department recommends that the QPIs addressing geographic targeting, market transformation, and comprehensiveness of savings should have limits to earning capability. The Department proposes that the earnings capability of the performance award for QPIs addressing summer peak demand savings in the two geographic areas (QPIs 4.a and 4.b) be limited to 130 percent of the 100% target incentive amount (or caps of $168,750 and $131,250). The Department also proposes that the earnings capability for the QPI addressing comprehensiveness of savings (QPI 5) be limited to 108 percent of the 100% target incentive amount (or cap of $40,000) and the earnings capability for the QPIs addressing market transformation (QPI 6 and 7) be limited to 100% target incentive amount (or caps of $75,000 each).

VEIC indicates that it does not object to the Department's proposal to limit "super-stretch" earnings potential.

e. Updated Forecast of Savings

VEIC provided an updated 20-year forecast of savings that reflects the new proposed QPIs addressing summer peak demand savings in geographic areas and the revisions to the QPIs addressing annual incremental MWh savings, TRB, and cumulative summer peak demand savings. The updated forecast provides the expected MWH and MW savings given Board-approved budgets. (Appendix C to this Order contains the updated 20-year forecast of savings for Efficiency Vermont.)

IV. Proposed Electric QPI for BED

As required by the January 24 Order, BED filed a proposed QPI to address comprehensiveness of savings (QPI 5) along with an updated QPI table to reflect the addition of the proposed QPI. (Appendix B to this Order contains the proposed QPI to address comprehensiveness of savings, as well as the other electric QPIs for BED approved in the January 24 Order.)

QPIs 1-5 represent positive performance goals based on "stretch" target levels and include corresponding weighting factors to direct the focus of BED's efficiency efforts.[11]

The QPI to address comprehensiveness of savings is intended to ensure that more than just the easily attainable savings are targeted in the attempt to meet QPI targets that address total electricity savings and total summer peak savings, a practice that could create "lost opportunities" at the customer level. In addition, the QPI is intended to encourage BED to develop strategies to increase customer level "depth of savings" over the agreed baseline by encouraging a customer to invest in more cost-effective opportunities in one project or encouraging a customer to participate multiple times within the performance period.

BED proposes to calculate a savings baseline using 2009-2011 database information from the business sector, specifically BED's Business Existing Facilities ("BEF") service which includes commercial retrofit and market opportunity measures (both prescriptive and custom) and excludes new construction, residential, and upstream measures. The BEF database links projects and savings to individual customers, which allows BED to identify depth of savings by measuring total savings over time for each individual business customer. In 2009-2011, the BEF average savings per participant was 24,000 kWh.

BED proposes a QPI target for comprehensiveness of savings that would require an average savings per BEF customer of 26,400 kWh over the 2012-2014 performance period, which represents a 10 percent increase over the 2009-2011 baseline. BED contends that the QPI target represents a reasonable goal given the recent relatively depressed customer participation rates in BED's service territory ascribed to economic conditions and given that some customer classes included in BEF have fewer than average remaining opportunities due to high levels of past participation.

The Department supports the proposed QPI target and contends the target is appropriate given BED's limited service territory. The Department represents that the QPI target encourages BED to achieve an additional 2,400 kWh per BEF customer on average over the three-year period.

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11. The January 24 Order also approved minimum performance requirements (QPIs 6-10) for overall efficiency efforts.

V. PROPOSED HPF QPIS FOR EFFICIENCY VERMONT

VEIC proposed two QPIs related to acquisition of savings and two QPIs, related to total spending on residential and low-income customers, that act as minimum performance standards.

HPF QPI 1 sets a target for annual incremental net MMBTU savings, with the majority of the potential performance payments (75%) available for this QPI. HPF QPI 2 sets a goal for comprehensive savings in residential single-family homes by setting targets for average air leakage reductions per project, the percentage of projects with significant insulation installed, and the percentage of projects that include both shell and heating system measures. Both QPIs include a provision that allows EVT to receive additional performance incentives for savings achieved beyond the 100% target level, up to the total performance award available for HPF services.

HPF QPI 3 requires EVT to spend at least 62.5% of HPF funds in the residential sector, while HPF QPI 4 requires EVT to spend at least 17% of HPF funds in low-income residences.

The QPIs are set forth in Appendix D to this Order.

In our December 28, 2011, we required VEIC to file a proposal for making adjustments to HPF QPIs in the likely event that the available HPF budget differs from the estimated budget.

On February 15, 2012, VEIC filed a proposal for adjusting HPF QPIs. VEIC proposes a two-tiered, time-variable adjustment mechanism. If the three-year HPF resource acquisition budget changes by less than $1,200,000 (prorated to account for the number of months remaining in the performance period from the time of the Board-ordered implementation) then the MMBTU QPI will be prorated at the same rate as the change in the HPF resource acquisition budget. The remaining QPIs are stated as a percentage of the budget or completed projects and therefore would not need to be readjusted. If the three-year HPF resource acquisition budget changes by more than $1,200,000 (prorated to account for the number of months remaining in the performance period from the time of the Board-ordered implementation), then VEIC will make a recommendation to the Board as to whether the QPIs should be adjusted using the prorated process described above or whether updated program planning is necessary to evaluate the overall impact on potential savings based on collective yield rates resulting from the new budget.

Under this second adjustment mechanism there is the possibility of altering all HPF QPIs, and interested stakeholders would have the opportunity to comment on VEIC's recommendation.

On April 23, 2012, the Department filed a letter supporting VEIC's proposal.

VI. Proposed HPF QPIs for BED

BED proposed two QPIs related to acquisition of savings and one QPI, related to total spending on residential customers, that acts as a minimum performance standard.

HPF QPI 1 sets a target for annual incremental net MMBTU savings. HPF QPI 2 sets a goal for comprehensive savings in residential single family homes by setting targets for average air leakage reductions per project, the percentage of projects with significant insulation installed, and the percentage of projects that include both shell and heating system measures. HPF QPI 3 requires BED to spend at least 65% of HPF funds in the residential sector.

The QPIs are set forth in Appendix E to this Order.

VII. Discussion And Conclusion

Efficiency Vermont Electric QPIs

We approve the proposed electric QPIs for EVT that address annual incremental MWh savings, TRB, and summer peak demand savings, summer peak savings in geographic areas, and comprehensiveness of savings, including 100% target levels, super-stretch targets, corresponding incentive amounts attached to each (reflecting weighting), scaling calculations, and the financial consequences for under-performance. (Appendix A to this Order sets forth the QPIs that we approve today, along with additional QPIs approved in the December 27 Order and the April 25, 2012, Order in EEU-2011-05 regarding VEIC's Service Quality and Reliability Plan.) Pursuant to VEIC's Order of Appointment, performance compensation is to be paid based on the attainment of these three-year QPI targets.

We are persuaded that the proposed QPI targets addressing summer peak demand savings in St. Albans and the Susie Wilson Road area represent the maximum achievable incremental demand savings in these geographic areas. We accept VEIC's and the Department's recommendation that the 100% target levels or "stretch" targets for these QPIs be established based on EVT securing the targeted amount of summer peak demand savings in these areas with only 95 percent of the EEU budget approved for geographic targeting of $6.7 million. We therefore approve the proposal that five percent of the EEU budget approved for geographic targeting ($335,000) be made available to statewide programs.

We are persuaded that the identified errors in the modeling of the 20-year forecast of savings required revisions to the electric QPI targets addressing summer peak savings and TRB. We are also persuaded that the establishment of QPI targets addressing geographic targeting and the reduction of the EEU budget for geographic targeting should result in revisions to the QPI targets addressing annual incremental MWh savings, TRB, and cumulative summer peak demand savings.

We are persuaded that the QPI target to address comprehensiveness of savings is intended to ensure an increase in the depth of savings at the project and/or customer level and reduce lost opportunities by providing safeguards against only targeting easily attainable savings. VEIC, in consultation with the Department, has agreed to file a status report on its efforts to upgrade EVT's project tracking database by December 31, 2012. We accept VEIC's proposal and will require this filing deadline in today's Order. We direct Board staff to conduct any additional proceedings necessary to review this filing and to determine any schedule changes to this deadline.

We accept the Department's recommendation to limit "super-stretch" earnings potential for the QPIs addressing geographic targeting, comprehensiveness of savings, and market transformation. We are persuaded that the lack of an established limit on the earnings for these QPIs could result in a weighting of the QPI that is disproportionate from the original intent.

We accept VEIC's updated 20-year forecast of savings. (A copy of the updated forecast is found in Appendix C of this Order.) We are persuaded that the forecast is consistent with the Board-approved EEU budgets and QPI targets.

BED Electric Comprehensiveness of Savings QPI

We approve BED's proposed QPI to address comprehensiveness of savings, including the identified "stretch" target levels and corresponding weighting factors to direct the focus of efficiency efforts. (Appendix B to this Order sets forth the electric QPI for BED that we approve today, along with the QPIs approved in the January 24 Order.) The proposed QPI will encourage comprehensiveness of savings by avoiding lost opportunities and increasing the depth of savings at the customer level.

Heating-and-Process-Fuels QPIs

EVT's HPF QPIs are consistent with the framework that the Board has previously approved in the December 28, 2011, Order and have been modified to reflect the revised budget estimates for HPF activities. We conclude that the proposed QPIs and associated targets are reasonable and we approve the QPIs as set forth in Appendix D of this Order.

We conclude that VEIC's proposal for adjusting HPF QPIs to reflect changes in HPF budgets is reasonable in that it is administratively efficient with respect to small adjustments in HPF budgets and allows a thorough review of QPIs in the event that the actual HPF budget differs significantly from the estimated HPF budgets.

BED's proposed HPF QPIs are consistent with the framework that the Board has previously approved in the December 28, 2011, Order and have been modified to reflect the revised budget estimates for HPF activities. We conclude that the HPF QPIs and associated targets are reasonable and we approve the QPIs as set forth in Appendix E of this Order.

The Board's December 28, 2011, Order did not require BED to file a proposal for adjusting HPF QPIs based upon changes to the estimated HPF budget. While BED does not have performance payments associated with the QPIs, they are useful in establishing goals for BED and also evaluating its performance with respect to provision of HPF services. Accordingly, we direct BED to file a proposal for adjusting HPF QPIs in the likely event that actual HPF budgets differ from estimated HPF budgets.

VIII. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board ("Board") of the State of Vermont that:

1. The electric quantifiable performance indicators ("QPIs") for Efficiency Vermont for the 2012-2014 performance period, including corresponding incentive amounts attached to each (reflecting weighting), 100% target levels, super-stretch target levels, and scaling calculations, and the financial consequences for under performance relative to QPIs shall be those shown in Appendix A to this Order.

2. The electric QPIs for the City of Burlington Electric Department for the 2012-2014 performance period, including identified "stretch" target levels and corresponding weighting factors to direct the focus of efficiency efforts, shall be those shown in Appendix B to this Order.

3. Vermont Energy Investment Corporation in consultation with the Department of Public Service shall file a status report on its efforts to upgrade Efficiency Vermont's project tracking database by December 31, 2012. We direct Board staff to conduct any additional proceedings necessary to review this filing and to determine any schedule changes to this deadline.

4. VEIC's updated 20-year forecast of savings is approved.

5. The heating-and-process-fuel ("HPF") QPIs for Efficiency Vermont for the 2012-2014 performance period, including corresponding incentive amounts attached to each (reflecting weighting), 100% target levels, super-stretch target levels, and scaling calculations, and the financial consequences for under performance relative to QPIs shall be those shown in Appendix D to this Order.

6. VEIC's February 15, 2012, proposal for adjusting HPF QPIs in the event that estimated HPF budgets differ from actual HPF budgets is approved.

7. The HPF QPIs for the City of Burlington Electric Department for the 2012-2014 performance period, including corresponding weighting factors to direct the focus of efficiency efforts, shall be those shown in Appendix E to this Order.

8. BED shall file a proposal, for Board approval, for adjusting HPF QPIs in the event that estimated HPF budgets differ from actual HPF budgets.

Dated at Montpelier, Vermont, this 3rd day of July, 2012.

s/ James Volz	)	
	)	PUBLIC SERVICE
	)	
s/ David C. Coen	)	BOARD
	)	
	)	OF VERMONT
s/ John D. Burke	)	

OFFICE OF THE CLERK

FILED: July 3, 2012

ATTEST: s/ Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)