

Table A-1: 2012-2014 Electric EEU Funds Performance Indicators and Awards

PI#	Title	Performance Indicator	Target	Period	Incentive Weight	Form of Verification	Entity Responsible	Incentive Amount (100%)
1	Electricity Savings	Annual incremental net MWh savings	331,000 MWh (See Note 1)	2012-2014 cumulative	34%	Annual Verification Process	Department of Public Service	\$826,666
2	Total Resource Benefits	Present worth of lifetime electric, fossil, and water benefits	\$270,589,000 (See Note 2)	2012-2014 cumulative	25%	Annual Verification Process	Department of Public Service	\$607,842
3	Summer Peak Demand Savings	Cumulative net summer peak demand savings	55,900 kW (See Note 3)	2012-2014 cumulative	20%	Annual Verification Process	Department of Public Service	\$486,274
4.a.	Summer Peak Demand Savings in Geographic Areas	Cumulative net summer net peak demand savings in the St Albans geographic area	1,800 kW (See Note 4.a.)	2012-2014 cumulative	6%	Annual Verification Process	Department of Public Service	\$136,765
4.b.	Summer Peak Demand Savings in Geographic Areas	Cumulative net summer net peak demand savings in the Chittenden geographic areas	1,400 kW (See Note 4.b.)	2012-2014 cumulative	4%	Annual Verification Process	Department of Public Service	\$106,372
5	Business Comprehensiveness	Custom, Business Retrofit or Equipment Replacement Projects with multiple end-uses	400 Projects (See Note 5)	2012-2014 cumulative	5%	Annual Verification Process	Department of Public Service	\$121,568
6	Market Transformation Residential	Residential new construction program participation in 2014 as % market share of total residential new construction permits in 2013	40% of Vermont 1-4 unit building permits (See Note 6)	2014	3%	Annual Verification Process	Department of Public Service	\$72,941
7	Market Transformation Business	Instances where an energy efficiency measure supply chain partner is attached to completed business project	7,360 instances where a supply chain partner is linked to a business project (See Note 7)	2012-2014 cumulative	3%	Annual Verification Process	Department of Public Service	\$72,941
				TOTALS	100%			\$2,431,370

DPS = Department of Public Service

Notes

- Note 1 The award is scaled as follows. Below 264,800 MWh (80% of the 100% Target Level) , VEIC earns no incentive. At 264,800 MWh VEIC earns 50% of the total incentive. The award shall be scaled linearly between 50% and 100% of the incentive amount for performance between 264,800 and 331,000 MWh. For performance greater than 331,000 MWh, VEIC can earn a set amount per MWh as provided for in Table A-3. However, VEIC's total performance incentive for Electric EEU Funds performance indicators may not exceed \$2,931,370.
- Note 2 The award is scaled as follows. Below \$202,941,750 (75% of the 100% Target Level) of TRB, VEIC earns no incentive. At \$202,941,750 of TRB VEIC earns 50% of the total incentive. The award shall be scaled linearly between 50% and 100% of the incentive amount for performance between \$202,941,750 and \$270,589,000 of TRB. For performance greater than \$270,589,000 of TRB, VEIC can earn a set amount per \$1 of TRB as provided for in Table A-3. However, VEIC's total performance incentive for Electric EEU Funds performance indicators may not exceed \$2,931,370.
- Note 3 The award is scaled as follows. Below 41,925 kW (75% of the 100% Target Level), VEIC earns no incentive. At 41,925 kW VEIC earns 50% of the total incentive. The award shall be scaled linearly between 50% and 100% of the incentive amount for performance between 41,925 and 55,900 kW. For performance greater than 55,900 kW, VEIC can earn a set amount per kW as provided for in Table A-3. However, VEIC's total performance incentive for Electric EEU Funds performance indicators may not exceed \$2,931,370.
- Note 4.a. The award is scaled as follows. Below 1,350 kW (75% of the 100% Target Level), VEIC earns no incentive. At 1,350 kW VEIC earns 50% of the total incentive. The award shall be scaled linearly between 50% and 100% of the incentive amount for performance between 1,350 and 1,800 kW. For performance greater than 1,800 kW, VEIC can earn a set amount per kW as provided for in Table A-3. However, VEIC's total performance incentive for Electric EEU Funds performance indicators may not exceed \$2,931,370.
- Note 4.b. The award is scaled as follows. Below 1,050 kW (75% of the 100% Target Level), VEIC earns no incentive. At 1,050 kW VEIC earns 50% of the total incentive. The award shall be scaled linearly between 50% and 100% of the incentive amount for performance between 1,050 and 1,400 kW. For performance greater than 1,400 kW, VEIC can earn a set amount per kW as provided for in Table A-3. However, VEIC's total performance incentive for Electric EEU Funds performance indicators may not exceed \$2,931,370.
- Note 5 The award is scaled as follows. Below 320 (80% of the 100% Target Level), VEIC earns no incentive. At 320 VEIC earns 50% of the total incentive. The award shall be scaled linearly between 320 and 400. For performance greater than 400 VEIC can earn a set amount per project as provided for in Table A-3. However, VEIC's total performance incentive for Electric EEU Funds performance indicators may not exceed \$2,931,370.
- Note 6 The award is scaled as follows. Below 32% (80% of the 100% Target Level), VEIC earns no incentive. At 32% market share VEIC earns 50% of the total incentive. The award shall be scaled linearly between 32% and 40% market share. For performance greater than 40% market share VEIC can earn a set amount per 1% as provided for in Table A-3. However, VEIC's total performance incentive for Electric EEU Funds performance indicators may not exceed \$2,931,370.
- Note 7 The award is scaled as follows. Below 5,890 instances (80% of the 100% Target Level), VEIC earns no incentive. At 5,890 instances VEIC earns 50% of the total incentive. The award shall be scaled linearly between 50% and 100% of the incentive amount for performance between 5,890 and 7,360 instances. For performance greater than 7,360 instances, VEIC can earn a set amount per instance as provided for in Table A-3. However, VEIC's total performance incentive for Electric EEU Funds performance indicators may not exceed \$2,931,370.

Table A-2: 2012-2014 VEIC Electric EEU Funds Threshold and Scaling Up to 100% Target Level

PI #1: ELECTRICITY SAVINGS (MWh)

	Minimum	100% Target Level	Increase Rate
Achievement	264,800	331,000	\$6.24
% of target	80%	100%	Per MWh between 264,800 and 331,000
% of award	50%	100%	
Award amount	\$413,333	\$826,666	

PI #2: TOTAL RESOURCE BENEFITS

	Minimum	100% Target Level	Increase Rate
Achievement	\$202,941,750	\$270,589,000	\$0.0045
% of target	75%	100%	Per TRB Dollar between \$202,941,750 and \$270,589,000
% of award	50%	100%	
Award amount	\$303,921	\$607,842	

PI #3: SUMMER PEAK DEMAND SAVINGS (kW)

	Minimum	100% Target Level	Increase Rate
Achievement	41,925	55,900	\$17.40
% of target	75%	100%	Per kW between 41,925 and 55,900
% of award	50%	100%	
Award amount	\$243,137	\$486,274	

PI #4.a.: SUMMER PEAK DEMAND SAVINGS IN THE ST ALBANS GEOGRAPHIC AREA (kW)

	Minimum	100% Target Level	Increase Rate
Achievement	1,350	1,800	\$151.96
% of target	75%	100%	Per kW between 1,350 and 1,800
% of award	50%	100%	
Award amount	\$68,382	\$136,765	

PI #4.b.: SUMMER PEAK DEMAND SAVINGS IN THE CHITTENDEN GEOGRAPHIC AREA (kW)

	Minimum	100% Target Level	Increase Rate
Achievement	1,050	1,400	\$151.96
% of target	75%	100%	Per kW between 1,050 and 1,400
% of award	50%	100%	
Award amount	\$53,186	\$106,372	

PI #5: BUSINESS COMPREHENSIVENESS

	Minimum	100% Target Level	Increase Rate
Achievement	320	400	\$759.80
% of target	80%	100%	Per project between 320 and 400
% of award	50%	100%	
Award amount	\$60,784	\$121,568	

PI #6: MARKET TRANSFORMATION RESIDENTIAL

	Minimum	100% Target Level	Increase Rate
Achievement	32%	40%	\$4,558.82
% of target	80%	100%	Per % between 32% and 40%
% of award	50%	100%	
Award amount	\$36,471	\$72,941	

PI #7: MARKET TRANSFORMATION BUSINESS

	Minimum	100% Target Level	Increase Rate
Achievement	5,890	7,360	\$24.81
% of target	80%	100%	Per Instance between 5,890 and 7,360
% of award	50%	100%	
Award amount	\$36,471	\$72,941	

Table A-3 2012-2014 VEIC Electric EEU Funds Scaling Above 100% Target Level

Performance Indicator	100% Target Level	Increase Rate	Units	Cap \$
PI #1: ELECTRICITY SAVINGS (MWh)	331,000	\$10.272	per MWh above 100% Target Level	N/A
PI #2: TOTAL RESOURCE BENEFITS	\$270,589,000	\$0.009	per \$ above 100% Target Level	N/A
PI #3: SUMMER PEAK DEMAND SAVINGS (kW)	55,900	\$35.778	per kW above 100% Target Level	N/A
PI #4.a.: SUMMER PEAK DEMAND SAVINGS IN THE ST ALBANS GEOGRAPHIC AREA (kW)	1,800	\$312.500	per kW above 100% Target Level	\$168,750
PI #4.b.: SUMMER PEAK DEMAND SAVINGS IN THE CHITTENDEN GEOGRAPHIC AREA (kW)	1,400	\$312.500	per kW above 100% Target Level	\$131,250
PI #5: BUSINESS COMPREHENSIVENESS	400	\$1,250.000	per project above 100% Target Level	\$40,000
PI #6: MARKET TRANSFORMATION RESIDENTIAL	40%	\$7,500.002	per % above 100% Target Level	\$75,000
PI #7: MARKET TRANSFORMATION BUSINESS	7,360	\$40.761	per unit above 100% Target Level	\$75,000

Table A-4: 2012-2014 VEIC Electric EEU Funds Minimum Performance Requirements

MPR#	Title	Minimum Requirement	Policy Goal Advanced	Form of Verification	Entity Responsible	Performance Incentive Award Reduction %	Financial Impact
8	Minimum Electric Benefits	Total electric benefits divided by total costs is greater than 1.2	Equity for all Vermont electric customers as a group by assuring that the overall electric benefits are greater than the costs incurred to implement and evaluate the <i>EEU</i> and the <i>EEC</i>	Tracking System	Department of Public Service	Eliminates 100% of performance incentive award	\$2,931,370
9	Threshold (or minimum acceptable) Level of Participation by Residential Customers	Total residential sector spending is greater than \$22,000,000	Equity for residential customers by assuring that a minimum level of overall efficiency efforts, as reflected in spending, will be dedicated to residential customers	Accounting System	Department of Public Service	Reduces total performance incentive award at 100% Target Level by 18%	\$437,647
10	Threshold (or minimum acceptable) Level of Participation by Low-Income Households	Total low-income single and multifamily services spending is greater than \$7,500,000	Equity for low-income customers by assuring that a minimum level of overall efficiency efforts, as reflected in spending, will be dedicated to low-income households	Accounting System	Department of Public Service	Reduces total performance incentive award at 100% Target Level by 18%	\$437,647
11	Threshold (or minimum acceptable) Level of Participation by Small Business Customers	Number of total non-residential premises with annual electric use of 40,000 kWh/yr or less that acquire kwh savings is greater than 1,950	Equity for small business customers by assuring that a minimum level of overall efficiency efforts, as reflected in participation, will be dedicated to small business accounts	Tracking System	Department of Public Service	Reduces total performance incentive award at 100% Target Level by 18%	\$437,647
12	Geographic Equity	TRB for each geographic area is greater than values shown on Table A-5	Geographic equity for all Vermont electric customers by assuring that energy efficiency benefits are geographically distributed on an equitable basis	Tracking System	Department of Public Service	Reduces total performance incentive award at 100% Target Level by 6%	\$145,882
13	Administrative Efficiency - Management Span of Control	Maintaining a supervisor-to-staff FTE ratio of 8.5-to-1 or greater	Maintaining an appropriate supervisor-to-staff ratio allows Efficiency Vermont management to efficiently assess and evaluate departmental and individual performance.	Quarterly Report of Staffing Ratios	Department of Public Service	Reduces total performance incentive award at 100% Target Level by 2%	\$48,627
14	Administrative Efficiency - Key Process Improvements	Meet all pre-determined milestones on schedule	To clearly identify, document, and measure key business processes associated with Efficiency Vermont's delivery of services under the Order of Appointment	Tracking Report	Department of Public Service	Reduces total performance incentive award at 100% Target Level by 2%	\$48,627
15	Service Quality	Achieve 92 or more metric points in the Service Quality and Reliability Plan over the course of the Performance Period	To establish Quality Performance Standards and associated reporting requirements for energy efficiency services provided by Efficiency Vermont	Quarterly, Annual and Performance Period Reports	Department of Public Service	Reduces total performance incentive award by \$1,630 per point lost (beyond 16) with a potential total reduction at 100% Target Level by 6%	\$150,000

DPS = Department of Public Service

**Table A-5: 2012-14 Minimum TRB per Geographic Area
for Minimum Performance Requirement #5
Electric EEU Funds**

Geographic Area	Required TRB per Geographic Area for MPR #5	% by County
Addison	\$8,690,000	5.9%
Bennington	\$8,761,000	6.0%
Caledonia	\$7,369,000	5.0%
Chittenden	\$30,302,000	20.7%
Essex/Orleans	\$7,915,000	5.4%
Franklin	\$16,561,000	11.3%
Grand Isle	\$1,645,000	1.1%
Lamoille	\$5,776,000	3.9%
Orange	\$6,829,000	4.7%
Rutland	\$14,547,000	9.9%
Washington	\$14,050,000	9.6%
Windham	\$10,505,000	7.2%
Windsor	\$13,374,000	9.1%
Total	\$146,324,000	100.0%

Note: All geographic names above refer to Vermont Counties.

Calculation of PI Payments Between Minimum Threshold and 100% Target

<u>PI#</u>	<u>Minimum</u>	<u>Incentive \$ 100% Target</u>	<u>Increase Rate To Be Spread</u>	<u>Per Unit</u>
1 MWh	264,800	331,000	\$413,333	\$6.2437
2 TRB	\$202,941,750	\$270,589,000	\$303,921	\$0.0045
3 Summer kW	41,925	55,900	\$243,137	\$17.3980
4.a. GT Summer kW-STAC	1,350	1,800	\$68,382	\$151.9606
4.b. GT Summer kW-CHIT	1,050	1,400	\$53,186	\$151.9606
5 Comprehensiveness	320	400	\$60,784	\$759.8031
6 MT-Residential	32%	40%	\$36,471	\$4,558.8184
7 MT-Business	5,890	7,360	\$36,471	\$24.8099

Calculation of Superstretch PI Payments if Targets Exceeded

Total Possible Incentive to be Earned = \$2,931,370
 Super Stretch Incentive = \$500,000
 Percent Increase for Superstretch = 5%

<u>PI#</u>	<u>100% Target</u>	<u>Super Stretch Target</u>	<u>Super Stretch Weighting, Based on Weighting in Table A-1</u>	<u>Award Available for Super Stretch Payments</u>	<u>Super Stretch Payment Rate per Unit Achieved above 100%</u>	<u>Super Stretch Cap % (% of 100% Target)</u>	<u>Super Stretch \$ Cap¹</u>
1	331,000	347,550	34%	\$170,000	\$10.2719	No Cap	No Cap
2	\$270,589,000	\$284,118,450	25%	\$125,000	\$0.0092	No Cap	No Cap
3	55,900	58,695	20%	\$100,000	\$35.7782	No Cap	No Cap
4.a.	1,800	1,890	6%	\$28,125	\$312.5001	130%	\$168,750
4.b.	1,400	1,470	4%	\$21,875	\$312.5001	130%	\$131,250
5	400	420	5%	\$25,000	\$1,250.0004	108%	\$40,000
6	40%	42%	3%	\$15,000	\$7,500.0024	125%	\$75,000
7	7,360	7,728	3%	\$15,000	\$40.7609	125%	\$75,000
			100%	\$500,000			

¹ VEIC's total performance incentive for Electric EEU Funds performance indicators may not exceed \$2,931,370.