

Memorandum – *Agenda item (Tier 1)*



September 21, 2017

TO: Commercial Advisory Committee (CAC)

FROM: NEEA Commercial Team

SUBJECT: Commercial Portfolio Updates

In the CAC webinar on September 21st, NEEA staff will provide a broad review and update on the commercial program portfolio. Below are key highlights from each program. This is meant to provide basic context for the 2018 Operations Plan, which will be shared in the October 10th all-advisory committee webinar.

ASK: In preparation for the September 21st webinar, please read the brief summary below and come prepared to discuss:

- What questions do you have?
- Which programs do you feel you need more information on?
- Looking forward, what programs or activities do you feel most excited about, or want to ensure your utility is plugged into?

PROGRAM HIGHLIGHTS

Lighting

Reduced Wattage Lamp Replacement (RWLR)

- There is a continued increase in low wattage (LW) market penetration, largely driven by our largest market partners. July hit a record high of 27% LW market share relative to 32W lamps.
- This trend has continued into August with our largest partner, Platt, making a corporate-wide decision to only allow branches to stock a majority LW lamps. They hit a record high in August, which will pull the entire LW market share higher.
- CED Big Sky Division (24 branches) recently started the program, joining CED Cascade and CED Columbia Division for a total of 56 branches now enrolled in the program. CED as an organization has seen the fastest uptake in LW market.
- The team is working with lamp manufacturers to better understand their likely response to Federal Standard that will go into effect in January 2018, as well as how each distributor will push their supplier towards more LW SKUs.
- Despite the recent success of the program, TLEDs with their rapid price decline continue to erode the fluorescent lamp market. The current rate of decline in 2017 is trending towards 22% a year. The RWLR program is planning to transition to long-term monitoring and tracking (LTMT) in late 2018/early 2019.

Luminaire Level Lighting Controls (LLLC)

- Rollout of training focused on strengthening awareness and capabilities for trade allies will be a key focus for 2018. The LLLC program will require collaboration from utilities to host these events for their trade allies.
- The LLLC program will expand activities to engaging midstream market actors to influence sales. In addition to leveraging the Distributor Platform to collaborate with distributors on sales data and marketing activities, plans are under development to engage manufacturer representatives, designers, and specifiers in 2018.

- It will be critical to build on progress made to incorporate downstream LLLC incentives in funder programs. In 2017, PSE, BPA and Seattle City Light either have in place or plan to offer incentives. The LLLC program seeks to understand how we can support funder efforts to get downstream incentives in place more broadly throughout the region in 2018 and 2019.
- Preliminary results from Energy Trust of Oregon's New Construction pilot for LLLC will become available in 2018.

Top Tier Trade Ally (TTTA)

- To date, 89 individuals have earned NXT Level 1 designation. The TTTA program plans to continue to partner with funders to increase the number of NXT Level 1 trade allies.
- To prepare for a successful NXT Level 2 rollout, the TTTA program and funders will need to work collaboratively in 2018 to bolster value proposition for trade allies to invest in taking Level 2.

Lighting Resources

- This program is comprised of Northwest Lighting Network, Design Lights Consortium membership, and Online Lighting Basics training. In 2018, it will continue without significant change to support regional lighting strategy.

C+I Lighting Regional Strategic Market Plan Implementation

- Primarily through engagement with the Lighting Program Manager Work Group, progress is being made in each of the four focus areas of the [2017 Plan](#) and associated [Implementation Plans](#). Updates are available in the [C+I Lighting Quarterly Newsletter](#).

Commercial HVAC

Very High Efficiency Dedicated Outside Air Systems (VHE DOAS)

- This is a new initiative focusing on separating heating and cooling from ventilation using a very high efficiency heating/cooling system coupled with a very high efficiency heat recovery ventilator (HRV).
- VHE DOAS is ramping up for Initiative Start (IS) in Q1 2018. NEEA staff will provide pre-IS program overview at the Q4 CAC meeting.
- **ASK:** We'd like to begin outreach to get your input into program development. *Who would you like to represent your organization?*

Building Envelope

Window Attachments

- The Market Characterization and Baseline for Secondary Glazing Systems (SGS), or Commercial Window Attachments, is complete. The baseline for SGS is estimated to be at or near zero.
- In July 2017, the Window Attachments program team delivered the SGS savings calculator to the Regional Technical Forum (RTF) as the first step toward an approved SGS protocol.
- The program team is working closely with the Attachments Energy Ratings Council (AERC) and the EPA to release Version 1.0 of the new ENERGY STAR Spec for Low-e Storm Windows (LES).

Pumps and Motors

Extended Motor Products (XMP)

- This is a new initiative aiming to shift the NW pump market toward the top energy performance tiers for pumps and circulators in order to help customers make better pump selections. NEEA will work in close coordination with NW utilities and leverage the existing value exchange platform with NW distributors set up for low-wattage T8 lamps.
- In Q4, XMP will be brought to CAC for an Initiative Start (IS) review and then to RPAC for a vote.
- **ASK:** As we begin to allocate resources and staff toward this exciting new effort, we will need your feedback and advice. *Who from your organization should be our primary point of contact for XMP?*

Commercial New Construction

Commercial Code Enhancement (CCE)

- CCE is focusing on the 2018 WA code process by assessing and ranking 3-5 technologies/practices and developing market interventions to support code proposals.
- The first bi-annual Utility design group meeting will be scheduled in November. Agenda items will provide updates on the WA code process, development of State Coordination Plans, and lessons learned.
- State Coordination Plan development will kick-off in Q4 2017 with the goal of finishing all four by the end of Q1 2018.

Cross-cutting Infrastructure

Distributor (Upstream) Platform

- The Distributor Platform, established by the RWLR Initiative, fosters mutually beneficial relationships between distributors and NEEA that:
 1. Motivate distributors to stock and sell targeted energy efficient products; and
 2. Incentivize and facilitate secure delivery of branch-level sales data from distributors to NEEA for targeted product categories.
- NEEA is actively exploring ways the platform might be leveraged for the benefit of other initiatives and our funders, independent of RWLR. In 2018 we aim to:
 - Secure data transfer to ensure data access for RWLR long term monitoring and tracking.
 - Establish data reporting and engage distributors on marketing and sales practices for LLLC.
 - Utilize platform components (e.g. contracts, data infrastructure, interventions) to bring new distributors on board for non-lighting efficiency opportunities, such as motor products.
 - In response to funder requests, collaborate on market tests that leverage the platform.

Commercial Real Estate (CRE)

- The program has engaged with 15 industry groups and 30 CRE firms, representing 66 million square feet of commercial real estate property in the NW.
- The Navigator tool, which will provide easier access to commercial energy efficiency practices for the built environment, is on-track to launch Q4 2017.
- To date, the CRE program has worked with 157 registered Spark users that have created 143 Spark projects. Unico Properties, a major property owner and manager in the NW, successfully input 30 properties into Spark.
- The City of Seattle Building Tune-Up Accelerator Program is using Spark as part of its 2-Day, mandatory training. Additionally, as part of the Accelerator Program the University of Washington Integrated Design Lab has trained 60 engineering service providers in the use of Spark.

Strategic Energy Management (SEM)

- Current activities include: Exploring evolution of NW SEM Collaborative into a North American wide SEM Collaborative; Integrating NEEA's existing Energy Management Assessment tool with the SEM Hub; and using DOE grant dollars to assist DOE's efforts to raise awareness of their 50001 Ready in the region.