

# Cost Effectiveness and Evaluation Advisory Committee Meeting



**DATE:** October 16, 2018

**TIME:** 12:00 pm – 4:30 pm

**LOCATION:** NEEA's Office - 421 SW 6th Ave. #600, Portland, OR 97204

**REMOTE OPTION:** Webinar: <https://neea.adobeconnect.com/ceacoc2018/>  
 Teleconference: 1-877-890-9502, Participant Code: 7702378329

**MEETING GOALS:**

- Provide committee members with key assumption updates and prepare for 2018 annual reporting
- Review recent market, research and evaluation work with committee members

**AGENDA:**

| TIME             | TOPIC   | PRESENTER(S)                            | PACKET PG #          |
|------------------|---|---|----------------------|
| 12:00pm (15 min) | <b>Lunch served</b>   |   |                      |
| 12:15pm (30 min) | <b>Welcome/Agenda Review</b>  | Jonathan Belais, NEEA Staff             |                      |
| 12:45pm          | <b>Round Robin</b> <ul style="list-style-type: none"> <li>• What's on your plate?</li> </ul>  | Full Committee                          |                      |
| 1:15pm (15 min)  | <b>Timeline for 2018 Annual Reporting</b>   | Stephanie Rider                         |                      |
| 1:30 (30 min)    | <b>Key Assumptions Update</b> <ul style="list-style-type: none"> <li>• Key assumption updates for Ductless Heat Pumps, Heat Pump Water Heaters, Commercial Codes, and Non-residential Standards</li> <li>• Residential lighting conversation from RTF subcommittee and decision for continued tracking</li> </ul> | Greg Kaleka, and Ryan Brown, NEEA Staff | <a href="#">Link</a> |
| 2:00pm (15 min)  | <b>Break</b>  |   |                      |
| 2:15pm (60 min)  | <b>Review of recent MRE work</b> <ul style="list-style-type: none"> <li>• A review of methods and key findings from the HPWH MPER #4</li> <li>• A share out of the results of the Dryers Initiative's recent literature review on trends in the washer market</li> </ul>  | Amy Webb, NEEA Staff                    | 3                    |
| 3:15 (30 min)    | <b>RPP Test Procedures Update</b> <ul style="list-style-type: none"> <li>• NEEA staff will review RPP measures flagged for test procedure updates and answer any questions from the committee</li> </ul>  | Nick Leritz, NEEA Staff                 | 5                    |
| 3:45 (30 min)    | <b>MRE Plans for 2019</b>   | Dulane Moran, NEEA Staff                | 6                    |
| 4:15 (15 min)    | <b>Wrap up and Feedback</b>   | Jonathan Belais, NEEA Staff             |                      |



# Memorandum – *Agenda item (Tier 1)*

October 16, 2018

TO: Cost Effectiveness and Evaluation Advisory Committee (CEAC)

FROM: Jonathan Belais, Stakeholder Relations Specialist, NEEA

SUBJECT: Meeting Packet, Informational Updates, Additional Details

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## **MEETING PACKET APPROACH**

This packet continues the “tiered” approach:

- Tier-1 memos for current agenda items;
- Tier-2 memos for informational updates on items not currently requiring agenda time;
- Tier-3 materials provided as additional detail for those interested, accessible via links in the Tier-1 and Tier-2 memos.

This approach helps keep packets concise and digestible. Input appreciated on room for improvement.

## **INFORMATIONAL UPDATES**

- Residential Lighting Data Update – pg 7
- Commercial Building Stock Assessment Status – pg 8
- Natural Gas Cost Effectiveness Work Group Update – pg 9
- Draft 2019 CEAC dates – pg 10
- [2018 Q4 NEEA MRE Newsletter](#)
- [2018 Q4 NEEA Key Assumptions Update](#)

## **ADDITIONAL DETAILS (Tier 3)**

Tier-3 materials related to the agenda items and informational updates listed above will be accessible through links in those memos. Additional Tier-3 details are available here:

- August 1, 2018 [CEAC](#) slides

# Memorandum – *Agenda item (Tier 1)*

October 2, 2018

TO: Cost-effectiveness and Evaluation Advisory Committee (CEAC)

FROM: Amy Webb, MRE Project Manager

SUBJECT: Clothes Washer Research for the Super-Efficient Dryers Initiative’s Strategic Planning Around a Possible Shift to a Laundry Initiative

NEEA’s Super-Efficient Dryers Initiative recently launched a quick turnaround research project to investigate market trends in the clothes washer market. A key question is to understand the shift in market share from front load washers to top load washers since front loaders peaked in sales in about 2009. Other research questions include:

- Within the top load category, what factors influence the split between agitator and impeller?
- What other market events coincide with any shifts in the past ten years?
- What has other research concluded about the energy consumption interactions between washers and dryers?
- What are current industry average attachment rates for laundry equipment?

To explore these questions, our research team at Weave Insights is reviewing available data and literature (including RPP sales data and other category sales data, government agency reports, syndicated data and published reports, etc). The team is also conducting informal consumer interviews. These results will be synthesized within the context of broader trends happening in the home care and laundry markets. Early results are interesting, and suggest that the strong early adoption of front loaders has precipitated a dramatic shift back to top-loaders now that many first-generation front-load machines are reaching the end of their useful life.

During this discussion, we will share more details about some of the early themes that are emerging from this research. Next, we’ll solicit your comments specifically about the implications of these market trends and characteristics on the energy efficiency of washers and dryers, separately, and as laundry systems. **Please come prepared to discuss your organization’s current thinking on these shifts in the market. What strategies are you considering to mitigate effects of these market trends in the washer category or to leverage improvements in dryers and top load washers?**

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**Contact for questions or further information:**

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503-688-5448

# Memorandum – *Agenda item (Tier 1)*

October 2, 2018

TO: Cost-effectiveness and Evaluation Advisory Committee (CEAC)

FROM: Amy Webb, MRE Project Manager

SUBJECT: Heat Pump Water Heater Market Progress Evaluation – Past and Present

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NEEA has published its fourth Market Progress Evaluation Report (MPER) for the Heat Pump Water Heaters (HPWH) initiative. Find a link to the report [here](#).

Evaluation activities for MPER #4 included telephone interviews with distributors and installers, an online customer satisfaction survey of recent HPWH purchasers who received a utility rebate, and an analysis of sales and pricing data from multiple sources, including tax rebate data for HPWH purchases. A short list of results from the study include:

- New construction installations are driving a large share of HPWH sales.
- Overall market share of HPWHs remains low at 9%.
- HPWH purchaser satisfaction remains high at 93%.
- More than half of HPWH purchasers surveyed also considered tankless water heaters, even though tankless may not have been a viable option for many of them.
- Supply chain resistance to installing HPWHs is a persistent barrier to more widespread market adoption.
- However, when installers recommend HPWHs, their customers choose them 30-50% of the time.

As we look to the next MPER, we are thinking more about the role of the installer’s recommendation. Why are consumers so much more likely to choose HPWHs if their installer recommends it? What causes the other 50% – 70% of consumers to reject the recommendation? What would influence installers to recommend HPWHs more? We’ve asked similar questions in previous MPERs, but this year, we are hoping to target a more diverse sample of the ever “hard-to-reach” installer. In addition, we are considering research questions that would get at the unique qualities of HPWH installers (besides the well understood “early adopter” characteristic).

In this discussion, we’ll talk briefly about the recently published HPWH MPER (MPER #4). Please come prepared with any questions you have about the report. The second part of the discussion will focus on the research scope for MPER #5. Specifically, we are interested in hearing your opinions and experiences related to installers in your trade networks. What do you think influences their decision-making on whether or not to recommend HPWHs? How compelling would survey results that show high satisfaction rates amongst HPWH purchasers be to installers that are “on the fence”?

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**Contact for questions or further information:**

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# Memorandum – Agenda item (Tier 1)

Oct 3, 2018

TO: Cost-effectiveness and Evaluation Advisory Committee (CEAC)

FROM: Nick Leritz, Sr. Product Manager

SUBJECT: Retail Products Platform (RPP) Product Test Procedure Overview

In addition to incentivizing products, NEEA's work as part of RPP includes individual product focused strategies based on the results of sales data analysis and market research. The results of the analysis often provide insight into test procedures (test methods) that have gaps or are outdated and therefore do not represent the real-world energy consumption of the product. The test procedures work is often completed in conjunction with ENERGY STAR specification revisions and helps ensure accurate reporting of product unit energy consumption. It also directly supports defensible savings opportunities once the new test procedure (and related specification) are effective and in use by manufacturers. This memo is to inform CEAC members on product test procedure work as it relates to RPP's intervention activities. To date this product focused work as part of RPP has led to NEEA and its collaboration partners involvement in 3 test procedure efforts as follows:

| RPP Product              | Issues Identified  | Description of Work   | Expected effective data                   |
|--------------------------|--|---|---|
| Televisions              | Alleged gaming of eco features, no testing of high dynamic range (HDR)   | Support updates to US DOE Test Method and IEC standard dynamic range (SDR) IEC test clip to address alleged gaming. Support development of HDR IEC test clip.             | Test method - TBD<br>Test clips - Q2 2019 |
| Sound bars (Audio/video) | No active mode power consumption criteria requirement, ineffective test signal and test setup specified in procedure | Support Consumer Technology Association (CTA) technical committee to develop a revised test procedure to measure active mode power using effective test signal and setup. | Q1 2019                                   |
| Room air cleaners        | Size dependency of efficiency and filtration type are not addressed by test procedure                                | Support updates to ENERGY STAR test procedure as part of upcoming specification revision.   | Q1 2020                                   |

NEEA and its collaboration partners believe test procedures are an important aspect of driving structural changes in the individual product markets and are a key strategic goal of RPP to ensure long term savings.

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# Memorandum – *Agenda item (Tier 1)*

October 2, 2018

TO: Cost-effectiveness and Evaluation Advisory Committee (CEAC)

FROM: Dulane Moran & Corinne McCarthy, Market Research and Evaluation

SUBJECT: 2019 Market Research and Evaluation Research Plan

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## **Background**

NEEA’s Market Research and Evaluation (MRE) Team prepares a quarterly newsletter (available [here](#)) that describes the research currently underway and provides links to recent reports. To provide more visibility into our anticipated research schedule for 2019, we provide the table below. Please review prior to the October CEAC meeting—we will discuss it briefly during the meeting.

## **2019: Anticipated Market Research & Evaluation Projects by Program**

| <b>Program</b>                   | <b>Anticipated 2019 Research</b>           |
|----------------------------------|--|
| Heat Pump Water Heaters          | Market Progress Evaluation Report (MPER) 5 |
| Ductless Heat Pumps              | Retrospective MPER                         |
| Retail Products Portfolio        | Complete current scope                     |
| Next Step Homes                  |  |
| Manufactured Homes               |  |
| Luminaire Level Lighting Control | MPER 1                                     |
| Super-Efficient Dryers           |  |
| Window Attachments               | Market Characterization                    |
| High Performance HVAC (DOAS)     |  |
| Extended Motor Products (XMP)    | Baseline Research                          |
| Commercial Codes                 | Washington Codes Evaluation                |

# Memorandum – *Not an Agenda item (Tier 2)*

October 16, 2018

TO: Cost-effectiveness and Evaluation Advisory Committee (CEAC)

FROM: Ryan Brown, NEEA Planning Analyst

SUBJECT: Residential Lighting Data Update

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Since 2016 NEEA has contracted with Cadeo Group to conduct an analysis of the residential lighting market using the “Chain Logic Method.” The Chain Logic Method is an analytical framework used to combine shelf stocking survey data collected by NEEA with purchased sales data from Nielsen to estimate various attributes of the market’s lamp sales mix. For the analysis of 2017 data we built in an expert review period that uncovered a potential bias towards more efficient product in the results as compared to available comparison data points. NEEA and Cadeo then developed some potential adjustments that might reduce that bias.

NEEA then brought these adjustments to the CEAC in August and then the RTF Market Analysis Subcommittee in September. In these meetings NEEA received feedback and ultimately support for making these adjustments to the analysis. NEEA and Cadeo will finalize the dataset in early October that will then be available to stakeholders including the RTF.

**For more information please contact:**

Ryan Brown, NEEA Planning Analyst

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503.688.5426

# Memorandum – Tier 2

October 2, 2018

TO: Cost-effectiveness and Evaluation Advisory Committee (CEAC)

FROM: Dulane Moran, Market Research & Evaluation

SUBJECT: Commercial Building Stock Assessment Status

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## Status

The CBSA team is turning toward the daunting task of site contact and recruitment. To support the most successful execution of the CBSA, we will be actively engaging with many of you to access support at whatever level each organization can commit to, given our shared desire to meet study objectives on time and on budget.

There are several options, and utilities are welcome to engage at whatever level they are comfortable:

1. Support by providing contact information for a given site, which facilitates contact and speeds recruitment.
2. Allowing the CBSA team to reference the associated utility in site recruitment scripts – the legitimacy of this association also speeds recruitment and reduces fear
3. Actively disseminating information about the study in customer materials, via email, or any other mechanism that can help speed recruitment and establish regional legitimacy
4. Direct participation in recruitment to help us with sites or building types that are proving to be a challenge

## Project Timeline

| Task                            | Year    | 2018 |   |   |   | 2019 |   |   |   |
|---------------------------------|---------|------|---|---|---|------|---|---|---|
|                                 | Quarter | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 |
| Prepare Virtual Catalog         |         |      |   |   |   |      |   |   |   |
| Develop Data Collection Tool    |         |      |   |   |   |      |   |   |   |
| Customer Contact Protocols      |         |      |   |   |   |      |   |   |   |
| Customer Contact Workgroup      |         |      |   |   |   |      |   |   |   |
| Study Integrity Workgroup       |         |      |   |   |   |      |   |   |   |
| Final Sample Design             |         |      |   |   |   |      |   |   |   |
| Train Assessors                 |         |      |   |   |   |      |   |   |   |
| Notify Utilities of Pre-Test    |         |      |   |   |   |      |   |   |   |
| Collect Pre-Test Data           |         |      |   |   |   |      |   |   |   |
| Notify Utilities of Full Sample |         |      |   |   |   |      |   |   |   |
| Recruit Sample Sites            |         |      |   |   |   |      |   |   |   |
| Conduct On-Site Assessments     |         |      |   |   |   |      |   |   |   |
| Analyze Data                    |         |      |   |   |   |      |   |   |   |
| Finalize CBSA Database          |         |      |   |   |   |      |   |   |   |

# Memorandum – *Not an Agenda item (Tier 2)*

October 16, 2018

TO: Cost-effectiveness and Evaluation Advisory Committee (CEAC)

FROM: Ryan Brown, NEEA Planning Analyst

SUBJECT: Natural Gas Cost Effectiveness Work Group Update

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This workgroup was formed to get focused stakeholder input on NEEA's calculation approach and governance regarding Natural Gas cost effectiveness. The stated objectives of the work group are:

- Finalize a cost-effectiveness calculation approach and appropriate benchmark to assess the investment in individual initiatives as well as the portfolio as a whole;
- Develop a recommendation on whether NG should be incorporated into the current CEAC, with additional membership, or handled in some other way;
- Present a recommendation to the CEAC and NGAC for a cost effectiveness metric and approach for review; and
- Present a recommendation and new or revised charter to the CEAC and NGAC with regard to advisory responsibility for NG cost effectiveness and energy savings metrics and methodology.

The work group had its third meeting on September 5<sup>th</sup>, in which NEEA staff received feedback on a strawman proposal for NEEA's cost effectiveness calculation for natural gas market transformation programs. NEEA staff will be delivering a first draft of the policy documentation to work group members the first week of October and receiving written feedback 3 weeks later. If needed, the work group will meet again on Nov. 9<sup>th</sup> to provide guidance to NEEA staff on incorporating feedback. It is NEEA staff's intention to bring the final proposal before the NGAC at the Dec. 5<sup>th</sup> meeting.

**For more information please contact:**

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# Memorandum – *Informational (Tier 2)*

October 16, 2018

TO: Cost-effectiveness and Evaluation Advisory Committee (CEAC)

FROM: Jonathan Belais, Stakeholder Relations Specialist, NEEA Staff

SUBJECT: Proposed CEAC Meeting Dates for 2019

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## **Our Ask of You:**

Please review the proposed CEAC meeting dates for 2019 below and let us know of any conflicts and any proposed alternative dates, by Wednesday, October 31, 2018. Bring any questions, feedback, or concerns to the Q4 CEAC meeting on October 16.

## **Proposed CEAC Meeting Dates for 2019**

| <b>Q1 2019</b>      | <b>Q2 2019</b>      | <b>Q3 2019</b>  | <b>Q4 2019</b>        |
|---------------------|---------------------|-----------------|-----------------------|
| Wednesday, March 20 | Wednesday, April 24 | Monday, July 22 | Wednesday, October 23 |

Note: All CEAC meetings will be tentatively scheduled as half day meetings beginning at 12PM. We will extend or consolidate these meetings as dictated by meeting content.

Please contact [Jonathan Belais](#) if you have immediate questions about this memo.