

Energy Division Staff Guidance: NMEC Reporting

This staff document outlines a reporting structure to capture reported savings claims for NMEC projects and programs. Staff has incorporated the outcomes of the reporting PCG meetings, as well as feedback to PA information responses pertaining to NMEC program details.

The objectives in this process were to meet certain requirements for NMEC reporting:

- Do not change the 2019 savings claims reporting specification
- Create annual cohorts for population programs
- Adjust 2020 specification to accommodate NMEC needs for multi-year tracking
- Conform to existing Commission policy regarding Custom claims
- Align with the Commission's EM&V needs
- Create transparency in tracking and data access

Staff realizes that irregularities might appear at first, which are expected to even-out once the reporting cycle is more underway. PAs may work with Energy Division staff, if necessary, to identify transition solutions specific to their 2019 annual report. The efficacy of this NMEC reporting process will remain a standing item in future PCG meetings and may be modified as the NMEC programs and policies evolve.

1. 2019 Guidance

Despite some procedures that are new for NMEC reporting, which are presented for final feedback in this document, there are no changes to the 2019 reporting specification. This means that 2019 claims will not have the `PriorYearClaimID` field that is being introduced with the 2020 specification in order to facilitate multi-year reporting. However, performance period claims will be referenced in the 2020 annual report true-up using the 2019 ClaimID as the `PriorYearClaimID`.

The reporting guidance still agrees with Commission policy that expenditures are reported in the year they occur. Therefore, some 2019 claims might show only expenditures without savings to report. These claims will utilize the `PartialPaymentPercent` field, as discussed below and will provide an incentive amount without savings. These will catch-up in 2020 when project is installed, using the new `PriorYearClaimID` to make the expenditures and savings whole.

2. Site-Level NMEC Claims

Site-level NMEC claims will be reported in the `Claim Yr_Qtr` that measures are installed. Each site must have a *persistent and unique* `ProjectID` to associate with claims over multiple reporting years, and there is a one-to-one relationship between a project and a site. Site-level NMEC Claims are identified via the `MeasImpactType` field. In the post-M&V year's annual report PAs will claim an update record for the project, referencing the original claim using the new

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field PriorYearClaimID. Generally, site-level NMEC claims will be reported like multi-year custom projects, with a few differences addressed below.

2.1. Claimed Savings for Site-Level NMEC

PAs will claim the total estimated First Year savings for the site in the Claim Yr_Qtr of the project installation, applying the appropriate ex ante Gross Realization Rate and Net to Gross Ratio.

PAs shall report a claim in the quarter that a project completes its performance period, using the PriorYearClaimID field to true-up actual costs and savings achievements. The true-up values will be the positive or negative difference between the original claim and post-M&V values for both costs and savings.

2.2. Claimed Measure Costs, Incentives and Rebates for Site-Level NMEC

Full Gross Measure Costs are to be reported once, in the project's installation quarter. In any future update records, Gross Measure Costs must be reported as zero to avoid double-counting.

Rebates and Incentives must be reported in the quarter the payments were made, consistent with other Claims reporting. All future update records must reflect actual incentives paid. As with other multi-payment Custom projects, the PartialPaymentPercent field should be employed to reflect the estimated payment percentage each quarter, and the PartialPaymentFinal_Flag should be set to 1 when the incentives and rebates are finalized in the post-M&V period update record.

2.3. Program Costs for Site-Level NMEC

Full Program Administration, Marketing, and Direct Implementation Non-Incentive (DINI) costs associated with a project should be reported in the installation quarter. In the future year(s), there should be a small percentage of DINI costs included to account for the M&V costs associated with calculation of final savings.

2.4. Measure Categorization and Reporting for Site-Level NMEC

In an effort to standardize reporting of NMEC measures, please implement the following measure categorization scheme:

- MeasImpactType: Cust-NMEC-Site
- UseCategory: WhlBldg
- UseSubCategory: WBUpgrade
- TechGroup: WhlBldg
- TechType: WBldgImpSite

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3. Population-Level NMEC Claims

In the first year of implementation of a Population-level NMEC program, the program will have a single ClaimID/record updated quarterly with best-available current year program savings estimates. This record represents a running total best estimate of full-year savings for the entire customer population in the program as of the reporting Claim Yr_Qtr, and it may include updated estimates based on actual customer usage and improved model characteristics.

As program participation increases over the course of that year best-available savings, costs, and actual incentives are updated quarterly using the same ClaimID. Each quarter's claim overwrites the prior quarter to avoid double counting.

To true-up first year program estimates with final post-M&V values, subsequent year Annual True-up reports (May 1st)¹ must include a claim that provides the positive or negative difference between the post-M&V values and the original claim, which is referenced using the PriorYearClaimID. Each Annual True-up report will include multiple records: the current year program estimates, and a prior period's post-M&V update.

Similar to Site-level NMEC Claims, Population-level Claims are identified via the MeasImpactType field with measure categorization fields listed below.

3.1. Savings for Population NMEC

PAs will claim the total estimated First Year savings for the population program in each Claim Yr_Qtr and apply the appropriate ex ante Gross Realization Rate and Net to Gross Ratio.

Each quarter's claim will overwrite the previous quarter to avoid double counting. Thus, each quarter reports total, best-available program estimated savings, not incremental savings. As previously mentioned, this record represents a running total best estimate of full-year savings for all the customers enrolled in the program as of the reporting Claim Yr_Qtr, and it may include updated estimates based on actual customer usage and improved model characteristics. Subsequent year claims shall reflect final post-M&V results for the year, reported as new update records using the PriorYearClaimID field, indicating the positive or negative difference between the post-M&V value and the original program claim for a given year.²

¹¹ Energy Division staff plan to issue a standing data request with a due date of January 31st of every year for preliminary True-up values in order to facilitate the evaluation cycle.

² Note that this establishes annual "cohorts" for tracking and evaluation purposes.

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3.2. Measure Costs, Incentives and Rebates for Population NMEC

As with Site-level NMEC Claims, full Gross Measure Costs should be reported with the installation estimates. In the future update records, Gross Measure Costs must be reported as zero to avoid double-counting, unless the records are being corrected.

Rebates and Incentives paid to the customer or implementer at the time of project installation should be reported in the installation quarter, and all subsequent payments reported in the Claim Yr_Qtr paid. These incentive costs may be trued up to reflect the actual final incentives and rebates paid.

3.3. Program Costs for Population NMEC

Full program admin, marketing, and direct implementation non-incentive (DINI) costs should be reported in the installation year. In the future year(s), there is expected to be a small percentage of DINI costs included to account for the M&V costs associated with calculation of final savings.

3.4. Measure Categorization and Reporting for Population NMEC

In an effort to standardize reporting of NMEC measures, please implement the following measure categorization scheme:

- MeasImpactType: Cust-NMEC-Pop
- UseCategory: WhlBldg
- UseSubCategory: WBUpgrade
- TechGroup: WhlBldg
- TechType: WBldgImpSite