

To: Sarah J. Parrot, Attorney Examiner, Legal Department

From: Raymond W. Strom, Chief, Efficiency & Renewables Division

Date: 12-May-2014

Subject: Extension of Evergreen Economics Performance as Statewide Evaluator

On January 27, 2010, in Case No. 09-0512-GE-UNC, the Commission issued RFP No. EE-10-PES-01, for selection of a statewide Independent Program Evaluator (Evaluator). The role of the Evaluator, as further delineated in 4901:1-39 O.A.C. and the RFP, was to monitor, verify and evaluate energy savings and peak demand reductions resulting from the EDUs' portfolio programs and mercantile customer activities. The RFP provided, among other things, that the chosen Evaluator would be authorized to conduct work from 2010 to 2013 for evaluation of the 2009 through 2012 program years. The RFP also provided an option for extension, assuming satisfactory work and budget performance.

On March 17, 2010, the Commission selected ECONorthwest to function as the statewide Evaluator. The Evaluator was to work at the direction of Staff, during the calendar years 2010 through 2013, to evaluate Ohio EDUs' performance during the program years of 2009 through 2012. In response to personnel changes between ECONorthwest and Evergreen Economics, the Commission, in case 12-0665-EL-UNC, authorized Evergreen Economics to assume ECONorthwest's role as Evaluator.

Staff has discussed with Evergreen Economics the potential to extend its role as Evaluator for the 2013 program year. Staff believes that Evergreen Economics has satisfactorily performed its functions as Evaluator, and recommends that its role as Evaluator be continued. Further, Evergreen Economics has expressed its interest in continuing its role as Evaluator, and has agreed to perform the function with no increase in their hourly rates. The cost proposed by Evergreen Economics to conduct the evaluation of the 2013 program year is \$271,000, plus actual expenses associated with providing expert testimony, should it become necessary. The scope of work to be performed as program year 2013 evaluator would include:

- Review the Program Year 2013 (PY2013) Portfolio Status Reports and all associated evaluation reports
- Replicate the savings number for each utility
- Conduct 25 on sites of mercantile projects
- Review the evaluation plans and survey instruments throughout the year from each utility
- Produce a final written Independent Evaluator report for the PY2013 utility programs

Accordingly, Staff recommends that the Commission extend its authorization for Evergreen Economics to perform the Evaluator functions for the Commission for the 2013 program year.

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Summary: Memorandum - Staff Memorandum to Examiner electronically filed by Raymond W. Strom on behalf of PUCO Staff