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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of Energy Efficiency Rolling Portfolio Business Plan.	Application 17-01-013 (Filed January 17, 2017)
And Related Matters.	Application 17-01-014 Application 17-01-015 Application 17-01-016 Application 17-01-017

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGES

This ruling determines the scope, schedule, and need for hearing in this proceeding in accordance with Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules).[1] In addition, this ruling seeks supplemental information from all proponents of energy efficiency rolling portfolio business plans for the 2018-2025 period, including the four large electricity and natural gas Investor-Owned Utilities (IOUs), two existing and one potential regional energy network (REN), and one community choice aggregator (CCA). Finally, the ruling invites responses to the request for supplemental information and additional comments on issues of concern from all interested parties.

[1] Rule 7.3 requires the assigned Commissioner to determine the scope and schedule of a proceeding.

1. Background

In October 2015, the Commission adopted Decision (D.) 15-10-028, which established a "Rolling Portfolio" process for regularly reviewing and revising energy efficiency program administrators' portfolios. D.15-10-028 provided guidance to energy efficiency program administrators (PAs) regarding: the general schedule and required contents of business plans, implementation plans, and annual budget advice letter filings; the collaborative process for developing business and implementation plans through a stakeholder-led coordinating committee; and other details regarding the structure of this new process.

In August 2016, the Commission adopted D.16-08-019, providing further guidance on rolling portfolio elements including regional energy network program proposals; baseline and meter-based measurement of energy savings; changes to statewide and third-party programs and their administration; and changes to the framework for evaluation, measurement, and verification and the energy savings performance incentive structure.

D.16-08-019 directed the IOU energy efficiency PAs, Marin Clean Energy (MCE), and existing or new RENs to file business plan proposals for the 2018-2025 period by January 15, 2017. Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SoCalGas), and MCE all filed timely business plan applications; and the San Francisco Bay Area REN (BayREN), Southern California REN (SoCalREN), and Tri-County REN filed timely motions for approval of their REN business plan proposals.[2]

[2] All five applications and three motions were timely filed pursuant to Rule 1.15.

On January 30, 2017, a Chief Administrative Law Judge's ruling consolidated all eight business plan applications and motions and set deadlines for parties to file protests or responses to the applications or motions, and for applicants and REN proponents to file replies to any protests or responses.

On February 10, 2017, SCE filed an amended business plan application. On February 14, 2017 the California State Labor Management Cooperation Committee filed a motion for extension of time to protest or respond to all business plan filings. Assigned Administrative Law Judge (ALJ) Fitch's February 15, 2017 e-mail ruling partially granted the motion, revising the response or protest deadline to March 3, 2017 and the deadline to reply to responses or protests to March 10, 2017.

On March 3, 2017, protests were filed by: the City and County of San Francisco (CCSF); Coalition for Energy Efficiency; County of Los Angeles on behalf of Local Government Sustainable Energy Coalition (LGSEC); Office of Ratepayer Advocates (ORA); Rural Hard to Reach Local Government Partnerships' Working Group; The Utility Reform Network (TURN); MCE; PG&E and SoCalGas.[3] Also on March 3, 2017, responses to the applications were filed by California Energy Efficiency Industry Council (CEEIC); California Housing Partnership Corporation, Natural Resources Defense Council and Association for Energy Affordability (jointly); CodeCycle LLC; Energy Producers and Users Coalition; City of Lancaster; National Association of Energy Service Companies; Natural Resources Defense Council; Center for Sustainable Energy;

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[3] CCSF and MCE filed protests of PG&E's application; PG&E and SoCalGas filed protests of MCE's application; all other protests were not specific to one application or motion.

BayREN; PG&E; SCE; SDG&E; and SoCalGas.[4] On March 10, 2017, all applicants and REN proponents filed replies to responses and protests of their applications and motions.

On March 16, 2017, the Commission held a prehearing conference (PHC) in this consolidated proceeding wherein a draft of the scope and schedule was discussed which had been distributed to the service list ahead of time by the ALJs. This Scoping Memo and Ruling finalizes the scope of the issues for the Commission's determination and sets a preliminarily schedule.

2. The Scope of the Proceeding

In general, the scope of this proceeding is to evaluate the reasonableness of the utility, REN, and CCA proposals for energy efficiency business plans and budgets for 2018 through 2025. This includes analyzing the reasonableness of the programmatic aspects of the proposals, as well as the budgets, savings estimates, and cost-effectiveness calculations. The proposals of all program proponents will also be evaluated for compliance with the directives in D.15-10-028 and D.16-08-019.

2.1 Summary of Issues in Scope

A high level summary of the scope of issues in this proceeding can be summarized as follows:

[4] City of Lancaster filed a response to SCE's application; PG&E filed a response to each REN motion; SCE filed responses to the Counties of Los Angeles and Ventura, and specifically to the LGSEC Local Government Partnerships Statewide administration proposal; SDG&E filed a response to SoCalREN; and SoCalGas filed responses to Tri-County REN and SoCalREN and the LGSEC Local Government Partnerships Statewide administration proposal. All other responses were not specific to a single application or motion.

<u>Overall:</u>

1. Should the Commission adopt, modify, or deny the Business Plan applications?
2. Should the Commission adopt or modify the proposed budgets?
3. Are the costs and benefits of the proposed business plans reasonable and justifiable?
4. Do the business plan proposals put the overall energy efficiency portfolio of the Commission on a path to contribute substantially to the goal of doubling the amount of energy efficiency in buildings by 2030?

<u>General:</u>

5. Conformance with guidance provided in D.16-08-019, including with respect to:
    a. administration of statewide programs
    b. third party programs
    c. baseline policy
6. Relationship between business plans and implementation plans
    a. Posting and review process for implementation plans
7. Relationship between business plan approval and annual budget advice letters
8. Reasonableness of priorities and strategies identified in the business plans to achieve energy efficiency savings goals
9. Reasonableness and sufficiency of sector-level targets and metrics
10. Cost-effectiveness threshold and showings
    a. Includes applicability to RENs
11. Reasonableness of costs
12. Coordination between energy efficiency and demand response portfolios (also being evaluated concurrently by the Commission in separate applications)

13. Relationship to Commission's Distributed Energy Resource Action Plan
14. Reflection of disadvantaged communities mandates
    a. Includes definition of "hard to reach"

Specific policy and/or implementation issues:

15. Third party solicitation process and timing, including whether or how to utilize procurement review group and/or independent evaluator structure, parties' eligibility for intervenor compensation, etc.
16. Workforce development, training, and inclusion issues
17. Finance program issues, including plans by several IOUs to modify on-bill financing eligibility or terms
18. CCA proposals to utilize natural gas funding and create natural gas energy savings
19. Utility retention of selected portfolio functions
    a. justification for not bidding out to third parties
    b. potential cost implications
20. How to handle real or perceived overlap between CCA and REN proposals and IOU proposals
21. Though safety issues are not central to this proceeding, there are safety implications of all activities designed to install equipment in homes and businesses in California, and we will be mindful of this during this proceeding

Issues specific to individual PA business plans:

22. PG&E: Relationship of business plan proposals to Diablo Canyon replacement proposals for energy efficiency
23. SCE: Relationship of business plan proposals to procurement of energy efficiency outside of business plans (e.g., Preferred Resources Pilot, etc.)
24. RENs:
    a. Should a new REN be created?

b. Should existing RENs' programs and budgets be expanded? Using what criteria?

c. Are the existing RENs meeting the objectives laid out in D.12-11-015 and D.06-08-019?

d. Are the REN proposals cost-effective and targeted at activities appropriately achieved by RENs?

25. LGSEC: Proposal for statewide administration of local government partnerships

26. MCE: Single point of contact proposal for all programs offered in service area

In general, all aspects of the applications and testimony filed and served by program proponents, and issues identified in protests, responses and comments to the applications and motions, are included in the scope of this proceeding even if not specifically listed above, with the exceptions discussed below.

We plan to proceed with a focus on three separate sets of parallel activities, related to the following issues:

1. Request for supplemental information;
2. Sector-level metrics; and
3. Third party solicitation process.

The request for supplemental information is covered in more detail in Section 3 of this ruling. We will require the PAs to provide answers to the supplemental questions within approximately a month, and then allow all parties (including the PAs) to comment on the entirety of the applications, additional information provided by the PAs in response to the supplemental questions attached to this ruling, and any other information obtained through informal discussions or discovery activities in the proceeding.

For sector level metrics, we will issue, via separate ALJ ruling, a staff proposal with suggested metrics that may need further refinement in consultation with PAs and all other parties. Commission staff will also host a workshop to discuss the staff proposal. At the workshop, we expect parties will discuss the most appropriate next steps for finalizing the sector-level metrics. Among the options may be: additional workshops, subcommittee meetings of the California Energy Efficiency Coordinating Council (CAEECC), perhaps at the individual sector level, or other options proposed by parties. We will ask that PAs file a revised set of sector-level metrics after these activities. Then, we will also take a round of comments and reply comments on the record in the proceeding.

For the third-party solicitation process issues, we also expect that Commission staff will host a workshop to explore at least the following issues: how much and what type of regulatory oversight is appropriate for third-party solicitations; the purpose of Commission involvement to the extent it is proposed by any party; the PA proposals for peer review groups and/or independent evaluators; experience with other models for solicitation oversight, including from supply-side solicitations; whether individual or batches of contracts should require Commission approval; and any other aspects of the third-party solicitation processes requiring Commission decision-making. Then we will ask the PAs and any other parties wishing to make proposals to lay out their comprehensive proposals, allowing for a round of comments and reply comments on these proposals.

2.2 Issues Not Within the Scope of the Proceeding

MCE's application requests that the Commission direct PG&E to work with them to provide comparative rate structure information, particularly related to time of use rates and associated analysis of billing impacts. Since this issue does not directly implicate energy efficiency programs or the use of ratepayer funds for the purpose of energy efficiency portfolios, we decline to address this particular issue in this proceeding at this time.

Next, although not explicitly called out as an issue to be resolved within this proceeding, the City of Lancaster's response to SCE's application raises the potential need for further Commission guidance regarding rules for CCAs who elect to administer energy efficiency programs under Public Utilities Code Section 381.1(e). That issue is more appropriately addressed in the energy efficiency rulemaking, rulemaking (R.) 13-11-005, since it does not relate to the specific business plan proposals at issue in this proceeding. Thus, it will not be addressed in this proceeding.

Further, CEEIC raised in its comments on the applications and at the PHC the need to find a procedural venue to determine how to treat conservation voltage reduction as an energy savings strategy. Upon reflection, we believe this is a more appropriate topic for discussion in the energy efficiency rulemaking (R.13-11-005) where issues of energy savings potential can be fully explored in that context. Thus, we will not address this issue in this proceeding.

Finally, similarly, we are aware that in the integrated distributed energy resources rulemaking (R.14-10-003) several parties filed a motion requesting that the Commission address changes to the three-prong fuel-substitution test and stating that the issue could be resolved in either that proceeding or the energy efficiency rulemaking (R.13-11-005). We clarify that the venue for that issue will be one of those two rulemakings and not this Business Plan proceeding.

3. Request for Supplemental Information and Party Comments

This ruling has two attachments.

Attachment A contains a series of questions to which all existing and prospective program administrators are required to respond. The supplemental information requested in Attachment A should be filed and served by the responding parties by no later than May 15, 2017.

Attachment B contains a list of questions to which all parties are invited to respond. All parties may also respond to any information contained in the supplemental information filed in response to Attachment A by the existing or prospective program administrators. In addition, all parties may raise other issues in response to the original applications or information learned during discovery. Comments by any party on any of the above issues (original applications, discovery, responses to supplemental information questions) may be filed and served by no later than June 5, 2017. Reply comments to any of these comments by other parties may be filed and served by no later than June 19, 2017.

4. Schedule

Several parties, in their initial protests and responses to the business plan proposals, requested an opportunity to discuss a standardized template for supplemental information to justify the costs reflected in each PA's proposed budget.[5] We find merit in this request and will direct the business plan proponents to meet and confer with interested parties to develop a standardized template for PAs' proposed budgets. Attachment A to this ruling asks that additional information be provided on budgets; this question may be used as a

[5] TURN Protest, at 9, and ORA Protest at 14.

starting point for those additional party discussions, or may be a substitute for the same information that may have been requested by other parties. We leave that to the parties to determine amongst themselves.

We encourage all parties to work collaboratively in good faith to seek common ground on both procedural and policy matters, and in that process forestall any unnecessary delays to advancing successful, cost-effective energy efficiency programs for ratepayers.

Further, we note that there is a concurrent schedule of related work in the energy efficiency rulemaking (R.13-11-005). Among other things, activities in that proceeding may impact the need for updated business plan filings from PAs in 2018. While the instant applications are not consolidated with the rulemaking, the assigned Administrative Law Judges and assigned Commissioner's office will consider the schedule and activities between these proceedings to help ensure that issues are efficiently and effectively addressed.

To the extent that material factual disputes persist, the schedule we adopt includes an opportunity for parties to request evidentiary hearings and/or to submit testimony. Parties that request evidentiary hearings must file a motion by the deadline given below, in which they specifically identify any material disputed issues of fact they believe the Commission must resolve through evidentiary hearings. Mere reiteration of arguments previously made will not be sufficient. Parties requesting hearings must explain why hearings are required on these specific issues. All factual assertions must be verified; unverified factual assertions will be given only the weight of argument.

The schedule below is adopted, with options with or without testimony and/or evidentiary hearings, and may be modified by the assigned Commissioner or ALJs in the future.

Date	Item/Event
April 14, 2017	Scoping memo issued, along with request for supplemental information
Supplemental information and overall proceeding issues	
Late April 2017	Meet and confer session on supplemental budget filings (at discretion of parties, especially PAs and TURN and ORA)
May 15, 2017	Responses to supplemental questions due from PAs, including any supplemental budget information agreed upon in meet and confer session
June 5, 2017	Comments on supplemental information, and any other key issues identified by parties
June 19, 2017	Reply comments on supplemental information, and other key issues identified by parties
June 19, 2017	Deadline for parties to file motions requesting evidentiary hearings and/or opportunity to submit testimony
Sector level metrics issues	
Early May 2017	ALJ ruling with staff proposed metrics issued for comment
May 2017	Workshop: Sector-level business plan metrics
May, June 2017	Additional informal workshops, meetings at CAEEC, etc. to discuss sector-level metrics
June 26, 2017	PAs file revised sector-level metric proposals
July 10, 2017	Parties comment on revised sector-level metrics
July 17, 2017	Reply comments on revised sector-level metrics
Third party solicitation process issues	
May/June 2017	Workshop: Purpose, experience from elsewhere, PA proposals
June 2017	Further workshops or informal discussion among parties and Pas
June 14, 2017	PAs file comprehensive solicitation process proposal; other parties may also file their own comprehensive proposals
July 3, 2017	Parties comment on solicitation process proposals
July 14, 2017	Reply comments on solicitation process proposals

Date	Item/Event
Further schedule if no evidentiary hearings are conducted and no testimony submitted	
September 2017	Proposed decision issued for comment
October 2017	Decision on Commission agenda
January 2, 2018	Annual budget advice letters submitted
TBD	Implementation plans posted
TBD	Solicitations for third party and statewide programs completed and contracts executed
TBD	New and extended programs under business plan guidance commence
Further schedule if no evidentiary hearings are conducted but testimony submitted	
August 4, 2017	Opening Testimony: Applications, REN Motions, supplemental budget information
August 18, 2017	Rebuttal Testimony: Applications, REN Motions, supplemental budget information
October 2017	Proposed decision issued for comment
November 2017	Decision on Commission agenda
February 1, 2018	Annual budget advice letters submitted
TBD	Implementation plans posted
TBD	Solicitations for third party and statewide programs completed and contracts executed
TBD	New and extended programs under business plan guidance commence
Further schedule if evidentiary hearings will be held	
July 7, 2017	Opening Testimony: Applications, REN Motions, supplemental budget information
July 21, 2017	Rebuttal Testimony: Applications, REN Motions, supplemental budget information
August 7-11, 2017	Evidentiary Hearings: Applications, REN Motions, supplemental budget information
September 1, 2017	Concurrent Opening Briefs: Applications, REN Motions,

Date	Item/Event
	supplemental budget information
September 18, 2017	Concurrent Reply Briefs: Applications, REN Motions, supplemental budget information
November 2017	Proposed decision issued for comment
December 2017	Decision on Commission agenda
March 1, 2018	Annual budget advice letters submitted
TBD	Implementation plans posted
TBD	Solicitations for third party and statewide programs completed and contracts executed
TBD	New and extended programs under business plan guidance commence

Workshops conducted in this proceeding will be posted on the Commission's Daily Calendar to inform the public that decision makers, including Commissioners or advisors and administrative law judges may attend the workshops or meetings. Parties shall check the Daily Calendar regularly for notices of such workshops or meetings.

5. Categorization and Need for Evidentiary Hearings

Resolution ALJ 176-3392, issued on February 9, 2017, preliminarily determined that this proceeding is categorized as ratesetting, as defined by Rule 1.3(e). This determination is subject to appeal as specified in Rule 7.6.

Resolution ALJ 176-3392 also determined that evidentiary hearings may be necessary. As discussed above in Section 4, we will reserve time for evidentiary hearings in the event that any party requesting hearings timely files a motion demonstrating the need for hearings and that we concur that hearings are needed.

Thus, this Scoping Memo affirms the preliminary determinations that the proceeding is categorized as ratesetting and may require hearings.

6. Presiding Officer

Carla J. Peterman is the assigned Commissioner. The assigned ALJ is Julie A. Fitch, who will act as the presiding officer in this proceeding. Valerie U. Kao is the co-assigned ALJ.

7. *Ex Parte* Communications

In accordance with Rule 8.2, *ex parte* communications in this ratesetting proceeding are allowed, only as described in Public Utilities Code Section 1701.3(h) and Article 8 of the Rules, and subject to the reporting requirements in Rule 8.3 and the restrictions contained in Rule 8.2.

8. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process Office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocols set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Parties are reminded, when serving copies of documents, the document format must be consistent with the requirements set forth in Rules 1.5 and 1.6. Commissioner Peterman's Office and both ALJ Fitch and ALJ Kao request only electronic service.

Rules 1.9 and 1.10 govern service of documents only and do not change the Rules regarding the tendering of documents for filing. Parties can find information about electronic filing of documents at the Commission's Docket

Office at www.cpuc.ca.gov/PUC/efiling. All documents formally filed with the Commission's Docket Office must include the caption approved by the Docket Office and this caption must be accurate.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

9. Outreach Effort

Cal. Pub. Util. Code § 1711(a) states:

> Where feasible and appropriate, except for adjudication cases, before determining the scope of the proceeding, the commission shall seek the participation of those who are likely to be affected, including those who are likely to benefit from, and those who are potentially subject to, a decision in that proceeding. The commission shall demonstrate its efforts to comply with this section in the text of the initial scoping memo of the proceeding.

The News and Outreach Office conducted outreach for A.17-01-013 et al. to a number of local government associations, including the California State Association of Counties, all California League of Cities representatives, and Southern and Northern California Association of Governments.

10. Intervenor Compensation

A party who intends to seek an award of compensation pursuant to Public Utilities Code Sections 1801-1812 should file and serve a notice of intent to claim compensation no later than 30 days after the March 16, 2017 PHC. Under the Commission's Rules of Practice and Procedure, future opportunities may arise for such filings but such an opportunity is not guaranteed.

Parties intending to seek an award of intervenor compensation must maintain daily records for all hours charged and a sufficient description for each time entry. Sufficient means more detail than just "review correspondence" or "research" or "attend meeting." In addition, intervenors must classify time by issue. When submitting a request for compensation, the hourly data should be presented in an Excel spreadsheet.

As reflected in the provisions set forth in Public Utilities Code Sections 1801.3(f) and 1802.4, all parties seeking an award of intervenor compensation must coordinate their analysis and presentation with other parties to avoid duplication.

11. Discovery

Discovery may be conducted by the parties consistent with Article 10 of the Commission's Rules. Motions to compel or limit discovery shall comply with Rule 11.3.

We encourage the parties to develop, through the CAEECC website (http://www.caeecc.org/), as discussed at the PHC, a means for publishing both discovery requests and responses to discovery requests, in order to economize time and resources, advance transparency, and facilitate a collaborative stakeholder process for resolving substantive issues.

12. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the electronic filing procedures is encouraged to obtain more information at http://consumers.cpuc.ca.gov/pao or contact the Commission's Public Advisor at 866-849-8390 or 415-703-2074 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

13. Schedule for Completion

It is the Commission's intent to complete this proceeding within 18 months of the date this proceeding was initiated. This deadline may be extended by order of the Commission pursuant to Pub. Util. Code § 1701.5(a).

IT IS RULED:

1. The category of this proceeding is ratesetting. Appeals as to category, if any, must be filed and served within ten days from the date of this Scoping Memo.
2. Administrative Law Judge Julie A. Fitch is designated as the Presiding Officer in this proceeding.
3. The scope of the issues for this proceeding is as stated in Section 2, "Scope" of this ruling.
4. Hearings may be necessary. Parties requesting hearings must timely file a motion demonstrating the need for hearings on particular issues by June 19, 2017.
5. The schedule for the proceeding is set in Section 4, "Schedule" of this ruling. The assigned Commissioner or Administrative Law Judges may adjust this schedule as necessary for efficient management and fair resolution of this proceeding.
6. Parties shall comply with *ex parte* rules set forth in Rule 8.2 and 8.3 and Public Utilities Code Section 1701.3(h).
7. Parties serving documents in this proceeding shall serve only electronic copies to Commissioner Peterman's office and to ALJs Fitch and Kao.
8. Parties intending to seek an award of compensation pursuant to Public Utilities Code Sections 1801-1812 shall file and serve a notice of intent to claim

compensation no later than 30 days after the March 16, 2017 prehearing conference.

9. Parties shall adhere to the instructions provided in Appendix A of this ruling for submitting supporting documents (i.e., testimony, workshop reports, etc.)

10. Energy efficiency business plan proponents shall file and serve responses to the request for supplemental information requested in Attachment A of this ruling by no later than May 15, 2017.

11. All parties may file and serve responses to the questions in Attachment B of this ruling, as well as responses to the supplemental information filed by business plan proponents in response to ordering paragraph 10 above, and raise any other issues in relation to the applications or information obtained during discovery, by no later than June 5, 2017.

12. All parties may file and serve reply comments to the comments provided for in Ordering Paragraph 11 above by no later than June 19, 2017.

13. This scoping memo shall be served on the service list for Application 16-08-006 related to the proposed closure of Diablo Canyon.

Dated April 14, 2017, at San Francisco, California.

/s/ CARLA J. PETERMAN
Carla J. Peterman
Assigned Commissioner

/s/ JULIE A. FITCH
Julie A. Fitch
Administrative Law Judge

/s/ VALERIE U. KAO
Valerie U. Kao
Administrative Law Judge

APPENDIX A

Electronic Submission and Format of Supporting Documents

The Commission's web site now allows electronic submittal of supporting documents (such as testimony and work papers).

Parties shall submit their testimony or workpapers in this proceeding through the Commission's electronic filing system. [1] Parties must adhere to the following:

- The Instructions for Using the "Supporting Documents" Feature, (http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=158653546) and
- The Naming Convention for Electronic Submission of Supporting Documents (http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=100902765).
- The Supporting Document feature does not change or replace the Commission's Rules of Practice and Procedure. Parties must continue to adhere to all rules and guidelines in the Commission's Rules of Practice and Procedures including but not limited to rules for participating in a formal proceeding, filing and serving formal documents and rules for written and oral communications with Commissioners and advisors (i.e. "*ex parte* communications") or other matters related to a proceeding.

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[1] These instructions are for submitting supporting documents such as testimony and work papers in formal proceedings through the Commission's electronic filing system. Parties must follow all other rules regarding serving testimony.

Any document that needs to be formally filed such as motions, briefs, comments, etc., should be submitted using Tabs 1 through 4 in the electronic filing screen.

- The Supporting Document feature is intended to be solely for the purpose of parties submitting electronic public copies of testimony, work papers and workshop reports (unless instructed otherwise by the Administrative Law Judge), and does not replace the requirement to serve documents to other parties in a proceeding.
- Unauthorized or improper use of the Supporting Document feature will result in the removal of the submitted document by the CPUC.
- Supporting Documents should not be construed as the formal files of the proceeding. The documents submitted through the Supporting Document feature are for information only and are not part of the formal file (i.e. "record") unless accepted into the record by the Administrative Law Judge.

All documents submitted through the "Supporting Documents" Feature shall be in PDF/A format. The reasons for requiring PDF/A format are:

- Security – PDF/A prohibits the use of programming or links to external executable files. Therefore, it does not allow malicious codes in the document.
- Retention – The Commission is required by Resolution L-204, dated September 20, 1978, to retain documents in formal proceedings for 30 years. PDF/A is an independent standard and the Commission staff anticipates that programs will remain available in 30 years to read PDF/A.
- Accessibility – PDF/A requires text behind the PDF graphics so the files can be read by devices designed for those with limited sight. PDF/A is also searchable.

Until further notice, the "Supporting Documents" do not appear on the "Docket Card". In order to find the supporting documents that are submitted electronically, go to:

- Online documents, choose: "E-filed Documents ",

- Select “Supporting Document” as the document type, (do not choose testimony)
- Type in the proceeding number and hit search.

Please refer all technical questions regarding submitting supporting documents to:

- Kale Williams (kale.williams@cpuc.ca.gov) 415 703- 3251 and
- Ryan Cayabyab (ryan.cayabyab@cpuc.ca.gov) 415 703-5999

Attachment A - Questions for Business Plan Proponents

Note: Responses to the questions in Attachment A are due from the business plan proponents, which include existing program administrators and prospective program administrators, to be filed and served no later than May 15, 2017.

Table of contents:

I. Questions applicable to all prospective Program Administrators (PAs)

A. *Business plans overall*

1. Present a single table summarizing by sector (for the six specified sectors) their energy efficiency market potential, annual savings targets through 2025, and key metrics. This table should enable / facilitate assessment of how (well) the business plans go after efficiency potential, and of progress toward this potential.
2. What evaluation studies or other research did you rely upon to inform your proposed intervention strategies and tactics for each sector, and how did those studies/research demonstrate the efficacy of the strategies and tactics in delivering the targeted savings?

B. *Management and administrative strategies*

3. Please justify administrative budgets, and describe primary determinants of budget. What are the drivers of administrative and implementation (non-incentive) cost categories?
4. How are administrative costs and implementation (non-incentive) costs expected to vary over time, either by sector or portfolio-wide?
5. As PAs transition to a role largely composed of administration, what are the best practices in administration the PAs will adopt (in order to maximize budgetary and administrative efficiency)? Describe any other internal approaches, metrics, or strategies that will be implemented by the PAs to ensure budgetary efficiency.
6. What metrics will PAs use to determine administrative effectiveness and efficiency specifically?
7. How often and what information will the PAs report to the Commission reflecting PA administrative spending and efficiency?

C. *Proposed budgets*

8. Present a single table summarizing energy savings targets, and expenditures by sector (for the six specified sectors). This table should enable / facilitate assessment of relative contributions of the sectors to savings targets, and relative cost-effectiveness.
9. Using a common budget template developed in consultation with interested stakeholders (hopefully agreed upon at a "meet and confer" session), display how much of each year's budget each PA anticipates spending "in-house" (e.g., for administration, non-outsourced direct implementation, other non-incentive costs, marketing), by sector and by cross-cutting program.
10. Present a table akin to PG&E's Figure 1.9 (Portfolio Overview, p 37) or SDG&E's Figure 1.10 (p. 23) that not only shows anticipated solicitation schedule of "statewide programs" by calendar year and quarter, but also expected solicitation schedule of local third-party solicitations, by sector, and program area (latter to extent known, and/or by intervention strategy if that is more applicable). For both tables, and for each program entry on the calendar, give an approximate size of budget likely to be available for each solicitation (can be a range).

D. *Proposed solicitation structure and schedule*

11. How long does each PA anticipate the solicitation, contract negotiation, and mobilization period will take for third-party contracts? Describe the timetable for the entire process.

II. Questions applicable to all investor owned utilities (IOUs)

Important note: for this section only (Section II), one jointly-developed common response to be submitted by all IOUs is required.

A. *Statewide programs proposal*

12. Please provide supporting information/evidence (including a scoring and/or comparison across/among IOUs) for each of the six criteria used to determine that each IOU should be the statewide lead for each program, as proposed in the IOUs' Statewide Administration Approach proposal.[7] In particular, it appears that progress toward the Strategic Plan objective of Residential Zero Net Energy (ZNE) will be pursued through four different statewide programs, under the leads of four different IOUs (Residential New Construction (SoCalGas), Building Codes Advocacy (PG&E), Residential Upstream HVAC (SDG&E), Lighting (SCE)). Provide a rationale for this approach.
13. Explain how the following concerns are anticipated to be addressed, and/or what models from California or elsewhere were reviewed to anticipate how to address these, or what next steps might be required to arrive at a clear and cost-efficient method for administering the statewide programs:
    a. Clarify the role of all PAs, and not just IOUs, in the anticipated governance/ oversight/communication structure and processes. How will anticipated cost efficiencies and uniform participation terms be achieved?
    b. Clarify the anticipated participation or input, if any, of external non-PA (e.g., end user and market actor) representatives or participants in statewide governance assigned to the "Statewide Program Council."
    c. The Statewide Administration Approach proposal describes informal dispute/concern resolution among the PAs themselves, with resort to

[7] Appendix A in PG&E's business plan.

formal Commission dispute resolution only if the informal route does not succeed. Specifically, if a non-lead PA objects to the design/implementation of a statewide program, or budgetary obligation, what recourse do they have, if any?

14. What are the statewide aggregate budgets for each statewide program?
15. How are statewide program budgets determined?
16. If budgets are not finalized, what is the process for finalizing them?
17. Will administrative budgets vary across statewide programs, as a percent of program budget? If so, why?
18. Clarify how the statewide budgeting / budget reporting will work with respect to the following:
    a. Will non-lead IOUs provide the lead IOU with funding?
    b. How much program budget are the non-lead IOUs required to offer, and how much administrative budget?
19. How will statewide programs support complementary efforts across the PAs?
20. How will the PAs reconcile their expectations of savings and costs for shared programs (e.g., Plug Load Appliances)?
21. Describe the management and procedural policy/process/strategy for ensuring third party implementation performance, specifically:
    a. determining length(s) of initial contracts.
    b. Will contract lengths be consistent across all statewide programs? Why or why not?
    c. Will PAs have discretion to extend current third party contracts at will?
    d. determining whether an expiring contract can be extended and when it must go to bid.
    e. determining how many contracts /third parties would be retained for a statewide effort that calls for diverse skill sets not held by a single entity.
    f. determining statewide funding and the funding contributed by each PA.
    g. determining an administrative budget.
    h. monitoring third party performance and ensuring appropriate accountability to stakeholders.

i) Who will determine whether performance indicators have been met?
ii) How will these be tracked and vetted by the lead PA and the co-funding PAs?
iii) What role will stakeholders have in assessing third party performance?

j. ensuring that PAs provide adequate support to third parties and facilitate coordination with other portfolio activities.
k. facilitating communication and coordination across various portfolio activities and third party implementers within and across service territories.

22. How will the Statewide Emerging Technology leads interact with the other IOUs in implementation of the business plans and technology priority maps? Explain in detail.

B. *Proposed solicitation structure and schedule*

23. What considerations or factors did the IOUs account for in their strategy for bidding out the various programs / sectors?

C. *Industrial and Agricultural sectors*

24. Given decline in market potential in the industrial sector and drop-off in participation, explain whether and how each IOU intends to increase participation.

D. *Finance*

25. Specify whether each IOU considers finance a resource or a non-resource program, and why.
26. If any IOU considers finance as a resource, how does/will it measure the savings?

E. *Codes and standards*

27. How were the codes and standards goals in the business plans determined?

28. Do the statewide goals listed include federal standards, reach codes or only statewide goals attributable to advocacy?
29. Are the IOUs coordinating on federal standards advocacy? If yes, how?

III. Questions applicable to San Francisco Bay Area Regional Energy Network (BayREN)

A. *Overall portfolio*

30. There is a 50 percent increase in BayREN's budget from 2017 to 2018, mostly due to the steep rise in implementation costs. Please explain the reason for such high implementation costs while incentives appear to be somewhat stable at similar levels throughout the business plan.
31. BayREN's business plan proposes an alternative approach to evaluating REN cost-effectiveness. The proposal includes only a high-level qualitative description. Provide details on the methodology used to derive values for the proposed approach.
32. Describe or provide a breakdown between the program elements for which BayREN member agencies will retain oversight, management and/or operation, and the program elements that BayREN intends/proposes to be bid out to third parties/external consultants.
33. Provide the division of labor and budgeting breakdown for Statewide programs in which BayREN proposes to participate.

B. *Residential sector*

34. BayREN describes housing vintage as a key aspect of its target market. How will BayREN target these homes? Describe how BayREN will target these specific homes within the Hard-to-Reach market.
35. BayREN cites a 23 percent drop in savings per home (to 444 kWh and 56 therms) from the 2016 Home Upgrade Program performance and a corresponding need to significantly ramp up program volume to meet savings goals. Average electric savings per participant remain below 300 kWh for the first seven years of the plan and do not reach the forecast of 444 kWh per participant until program year 2025. However, starting in 2025, when savings are forecast to be five times higher and participation is forecast to be three times higher than in 2018-2020, budgets remain the same.
    a. What factors contribute to the anticipated increase in savings and participation? Are early years under-performing? Or is the last year of the plan over-performing? Describe the underlying basis for these projections.

b. In Table 2.3 (Residential Sector Metrics) on Page 2.9, for Multifamily S.1 -"Provide Wrap-Around Services and Support"- present the total baseline number of eligible units in BayREN's service territory.
c. Provide California or national evaluation citations that support the valuation of green labeling / energy efficiency for prospective multi-family tenants.

C. *Commercial (small and medium) sector*

36. How will BayREN align the proposed goals, intervention strategies and long-term outcomes?
37. BayREN presents a 10-year vision, but its existence is dependent on partnerships; are those partnerships contracted? Explain.
38. How will BayREN increase scalability to a broader geographic span?
39. Regarding the multi-level strategic approach (Introduction section page 3.1) in the commercial sector, how exactly will the financing models integrate with incentive structures?

D. *Public sector*

40. In what ways does "BayREN's unique organizational structure as a collaboration of the nine Bay Area counties" allow it to implement programs and projects that the IOUs cannot?
41. Does BayREN believe the two intervention strategies listed (provide wrap-around services, support, and financing; and test and demonstrate innovative deployment methods) will be successful in the diverse range of public sector facilities?
    a. Are building energy management systems the ideal solution for all building types and uses?
42. Why is BayREN considering only non-resource programs?
43. Why are no long-term approaches discussed?

E. *Codes and standards*

44. How will BayREN coordinate with PG&E and local government partnerships on reach codes?

45. How does BayREN plan to coordinate with the IOUs on its stated goal to make the compliance and permit process simpler?
46. How will BayREN's codes and standards efforts be leveraged by and coordinated with the residential, commercial and public sector programs as BayREN has stated?
47. Table 5.7 shows strategies 1 and 3. What and where is strategy 2?

F. *Finance*

48. For the purpose of its business plan, specify whether BayREN considers finance a resource or a non-resource program, and why.
49. If BayREN considers finance as a resource, provide methodologies for measuring the savings.
50. Confirm whether all of BayREN's financing programs within different sectors are properly categorized under financing programs (i.e., Multifamily: Bay Area Multifamily Capital Advance or BAMCAP program; Commercial: Co-pay Financing /Microloans; and Cross-Cutting: Water-Energy Nexus (On Bill program)).
51. The Water-Energy Nexus program seems to provide On Bill Financing for water bills (current participants are municipal water utilities). Explain how the benefits relate to the energy efficiency electric ratepayer funded budget.

G. *Workforce, education, and training (WE&T)*

52. Describe how BayREN will coordinate its workforce, education, and training efforts with existing IOU programs, specifically.

IV. Questions applicable to Local Government Sustainable Energy Coalition (LGSEC)

53. What is the disadvantage, from an energy savings perspective, of having inconsistency among the local government partnerships throughout the State, as indicated in row 1 of Table 1.0 (page 5)?
54. How will a statewide administration of local government partnerships address barriers resulting from disparate contracting schedules and terms as indicated in table 1.0 (page 6)?
55. In what ways has LGSEC observed IOUs' leadership in developing programs, implementation systems, and measurement methodologies negatively impacting predictability in program administration, as indicated in row 2 of Table 1.0 (page 6)?
56. What specific "co-benefits" are envisioned, as referenced in Table 4 (page 18)?
57. What kind of "capacity-building in local government staff" is meant in Table 4 (page 19)?
58. What is meant by "building spectrum participation" as used in Table 4 (page 19)?
59. What constitutes a "streamlined admin cost" as used in Table 4 (page 20), and how will it be used to measure the success of the stated desired market effects of preemptive vendor and contractor qualification, and state and local diversity as procurement standards?

V. Questions applicable to Marin Clean Energy (MCE)

60. MCE requests authority to be the sole PA in areas where it overlaps with PG&E. In its 2017 Budget advice letter, MCE forecast 2 GWh savings for its entire portfolio. Under this new proposed structure, MCE projects that it will save 120 GWh from all program savings in their territories over 10 years. That projection equates to an average of 12 GWh/year in total portfolio savings.
    - Years 1-2 would see an average 500 percent increase from current annual portfolio savings.
    - Years 3-4 would see an average 550 percent increase from current annual portfolio savings.
    - Years 5-10 would see an average 400 percent increase from current annual portfolio savings.

    Provide evidence that supports these energy savings projections within the overlapping PG&E/MCE areas.
61. Provide evidence supporting gas energy savings projections.

VI. Questions applicable to Pacific Gas and Electric Company (PG&E)

A. *Overall portfolio*

62. PG&E's cost-effectiveness projections cover only the short-term (2018-2020). What are PG&E's cost-effectiveness projections for years 4-8 of the business plan?
63. PG&E forecasts, for 2018-2020, that it will exceed savings goals by 168 percent for GWh and MW, and 174 percent for therms. Much of these savings are projected to come from significant increases in codes and standards savings (approximately 100 percent for GWh, 80 percent for MW and 30 percent for Therms). Explain with supporting evidence how PG&E intends to achieve these significantly larger targets with codes and standards work.
64. PG&E does not offer any net annual projected savings impacts for 2021-2025 (Table 1.7). However, if PG&E reaches its three-year projected savings target that is associated with maintaining cost-effectiveness, it will have achieved 66 percent of the total sector potential with five years remaining. Do these short-term savings projections apply through 2025, or does PG&E expect a decrease in savings over the remaining years of the business plan to align total savings with the potential study? Explain.
65. PG&E presents many different savings "targets" (programs and codes and standards) for the life of the business plan (2018-2025). Net market potential (Table 1.4) is 6,011 GWh. PG&E states that it will achieve "at least" 7,428 GWh over the life of the business plan (page 26). PG&E's short-term cost-effectiveness projections, carried out over the life of the business plan, would result in savings of 10,696 GWh. Which savings target is applicable and also ensures that PG&E's portfolio will remain cost-effective over the life of the business plan?
66. PG&E states that it will reach "a greater proportion of customers without proportional budget increases." However, PG&E also states that it will "target customers with high-savings potential," which suggests a smaller participant base delivering greater savings.
    1. How many customers does PG&E reach under current budget allocations and how will the reach increase annually over the life of the business plan?
    2. Under what scenario of customer reach are the budget and savings projections, presented in the business plan, derived?

67. PG&E plans to spend disproportionately more funding for disproportionately lower savings in the public sector, compared to the residential sector. As a result PG&E shows a residential 1.01 Total Resource Cost (TRC) and 1.21 Program Administrator Cost (PAC) compared to the public sector's 0.84 TRC and 0.94 PAC.
    1. What explanation can PG&E offer for this, and are there strategy improvements that merit consideration in the public sector?
    2. Similarly, it appears the public sector would see spending that is approximately 70 percent of the commercial sector, while yielding only 40 percent of the electricity savings and only ten percent of the gas savings. Provide a justification for the spending to savings relationship in the public sector.
68. PG&E plans a 30 percent budget reduction in the commercial sector from 2016 to 2020. Even so, PG&E expects to spend about 20 percent more on the commercial sector compared to residential, but with both sectors delivering close to equivalent savings levels for electricity and gas (Application Table 5.2, BP Table 1.11). What factors lead to the commercial sector set of strategies costing more in terms of budget, but with significantly higher cost-effectiveness results (1.50 TRC and 1.89 PAC), than the residential sector (1.01 TRC and 1.21 PAC)?
69. Explain whether and how PG&E will coordinate its energy efficiency business plan with its energy efficiency procurement proposal in Application 16-08-006 (Retirement of Diablo Canyon Power Plant).

B. *Residential sector*

70. In the residential chapter, PG&E presents five different GWh savings "goals," listed below. Describe the source of each of these projections, how and why they differ, and which projection is PG&E's single, consistent residential sector savings goal.
    1. On page 3, the sector savings goal of 817 GWh goal is presented as an 8 year goal (by 2025) within a 10-year period.
    - On page 9, savings potential in table 2.3 totals 1,355 GWh (net) through 2025 (8 years)
    - In discussion on page 9 regarding TRC achievement, sector savings goal to achieve a TRC of 1.01 is listed as 184 GWh/year for 2018-2020. (It is not clear whether this target applies to 2019-2024 as well, or whether savings precipitously decline.)
    - Testimony on page AG-2 says savings will be 1,455 GWh for 10 years

- Table 2.22 header states a sector savings goal of 817 GWh for 8 years (by 2025)
- Table 2.22 contents, however, show net kWh savings potential of 1,018 GWh through 2025 (8 years)

71. Provide the percentage of residential gross energy consumption (therms and kWh) represented by the multifamily sector (master metered and submetered) in PG&E’s service territory.

C. *Commercial sector*

72. When will the online benchmarking portal be launched (e.g., in the short term)?
73. When will the online benchmarking portal be available for third parties’ use?
74. Explain whether and how the process for providing data access to third party contractors is integrated with the process for the third party solicitation process.
75. Provide more details regarding the new approach supporting financing structures that facilitate meter-based savings.
76. What are the new commercial program models and how do they capture stranded potential?
77. Does the approach to focusing on the small and medium businesses include any new or different elements than in prior portfolios? If so, what are those new or different elements?

D. *Public sector*

78. Regarding Intervention 2 (page 28), how will PG&E improve data access to customers where data collection is aggregated across multiple buildings, for instance at colleges and universities?

E. *Emerging technologies*

79. Provide a breakdown of, and rationale for, the emerging technologies budget.

F. *Codes and standards / statewide coordination*

80. How will PG&E structure its data collection and reporting in order to timely inform impact evaluation by the Commission?
81. How will PG&E determine energy savings in the future? With a whole building analysis or measure by measure?
82. How will PG&E coordinate with the RENs (and local government partnerships) on reach codes?
83. How will the permit closure requirements in Senate Bill 1414 be implemented?

G. *Finance*

84. PG&E views finance as one of the critical strategies needed to mobilize both residential and commercial EE uptake, and as such the financing strategies need to be viewed more concretely in the context of how financing strategies would be deployed by sector. For the Table 10.1 Finance Budget Summary, explain how this budget might be incurred by sector, and for what initiatives now shown in Tables 10.2- 10.4. Specifically indicate to what extent the anticipated budget will be spent beyond on-bill financing.
85. What total value of energy efficiency investment is estimated to be associated with the financing strategies?
86. The plan anticipates "expanding" on-bill financing loan parameters, and possibly seeking third-party capital. Current capital comes from ratepayer funds and is loaned under policy direction of the Commission to manage risk of those ratepayer funds. Further, State banking oversight originally authorized utility on-bill financing loans on the condition these were not "consumer loans" and that zero interest were charged, as evidence these were not (traditional) consumer loans subject to banking regulations. What specific changes in Commission policy, state banking oversight, and/or statutory actions does PG&E anticipate it might require, on what timeframe, and in what venues?
87. PG&E indicates that "streamlining the process of applying for and obtaining financing is important" (Chapter 10 Finance, p. 3). What programmatic or market changes has PG&E incorporated into the sector chapters of its business plan to accomplish such streamlining?
88. In the short-term PG&E anticipates continuing to offer both rebates/incentives alongside assistance to use financing structures (with

differing amounts of ratepayer funding support for administration, marketing, or credit support). How does the addition of sector-specific finance budgets affect the sector cost-effectiveness presented in the sector chapters? Have financing costs been allocated to and incorporated already into the sector cost-effectiveness calculations?

89. PG&E shows its 2017-2019 budgets for financing to be about $18 million per year, but then dropping for 2020-2025 to $9 million per year, primarily from significantly reduced funding of the on-bill financing loan pool. Does this imply that on-bill financing reaches a steady-state and/or that any expansion shifts to outside funds? Is the lower projected cost of administration and implementation consistent with the myriad of new finance structures and pilots the business plan discusses?
90. Table 10.4 shows strategy and tactics to increase the supply and access to affordable capital. It refers to "tariffed financing option" as an example tactic. Indicate what process (e.g., implementation plan posting, Advice Letter for new tariff proposal) PG&E would employ to move forward with any such future tariff.

H. *Workforce, education and training (WE&T)*

91. Provide mid-term and long-term targets for all WE&T intervention strategies.
92. The short-term targets are to set up tracking systems and identify data needs. Does this indicate that it could take up to three years before measurement begins? Is more detailed information available regarding these targets / this timeline?
93. Why does the WE&T Marketing budget drop from 2016 to 2017, while the Administration budget doubles? Provide a rationale for why the 2017 numbers are then carried forward throughout the business plan timeline.

VII. Questions applicable to San Diego Gas & Electric Company (SDG&E)

A. *Third party programs / solicitation plan*

94. Two of the 2017 third party programs are high opportunity programs and projects (HOPPs) s. Have implementers been retained for these programs already? If not, why are these solicitations not addressed in the solicitation plan?
95. Out of the 2017 third party programs, aside from the three that will be bid out to statewide implementation and the three that are industrial/agricultural (and so will be bid out in solicitation tranche 2), how many of the remaining third party programs will be re-bid? Where are these in the solicitation plan? If they are not included, why not?
96. The Midstream Plug Load and Appliance Program description calls for Point-of-Sale and Retail Products Platform, as well as advocating for energy management system communication standards and protocols. Each of these seem separate tracks, with possibly separate expertise. Does SDG&E envision multiple third parties? If so, how many?

B. *Statewide Downstream Residential Quality Installation/Quality Maintenance (QI/QM) Pilot*

97. SDG&E proposes a downstream QI/QM Residential pilot that will use pay-for-performance. How does SDG&E view this pilot in relation to the current SDG&E Residential QI/QM Third Party Program (SDGE3212)?
98. What does pay-for-performance mean for the residential pilot context? Who would receive payment, and for what?
99. One of SCE's HOPPs proposals is a commercial QI/QM HOPPs pay-for-performance program. Does SDG&E have a plan to coordinate with this effort?
100. Why does it make sense to have a downstream statewide QI/QM pilot for the residential sector but not for commercial?

C. *Statewide administration - budget transparency and administrative efficiency*

101. What is SDG&E's administrative strategy? SDG&E (at page 20 of business plan) states that as program administrators their goal will be to maximize cost-effectiveness, streamline business practices and "Partner with manufacturers and retailers."
    a. Does SDG&E see its own staff working with manufacturers and retailers, or will this be a function of a third party?
    b. How will SDG&E ensure effective communication and support with third parties?
    c. How will SDG&E facilitate third party coordination with complementary/related efforts taking place in other PA portfolios that are not managing the third party?
    d. How many full time equivalents (FTEs) does SDG&E anticipate will be needed to administer each Statewide program? Will this change over time?
    e. Are there targets for the percent of total program costs that are administrative? If not, why not?
102. Does SDG&E expect that administrative costs will vary over time (e.g., higher during solicitation)? On what basis are administrative costs expected to change?

D. *Budget and cost-effectiveness tool data*

103. SDG&E does not plan to change the size of staffing, but is moving from less than 30 percent outsourcing to 60 percent outsourcing without expanding budget. Explain how SDG&E intends to achieve the increased outsourcing target without increasing its staff size.
104. Which programs will be funded with Demand Response (DR) funds? (provide program IDs)
105. For each of these DR funded programs:
    a. What is the administration budget?
    b. What is the total DR budget?

c. What is the combined DR/EE budget? What is the combined DR/EE administration budget?

106. Page 4 says DR "behavior programs" and "audits" will be funded with DR budget of $4.6 million. The CET file shows program SDGE3261 Local-IDSM-ME&O-Behavioral Programs (EE) with cost of $3.3 million. How are these two budget items related? Is this one program with funding from two sources, or two programs?
107. In 2016 SDG&E spent about $84 million, out of which about $22 million was in the Residential sector – so roughly 25 percent of spending was Residential. The 2017 budget of $112 million includes $32 million of Residential spending, or 28 percent. The proposed 2018 budget is $116M, of which $48 million is Residential, or about 41 percent. Why is SDG&E transitioning to a much greater focus on residential spending, especially given commercial is more cost effective (commercial sector Total Resource Cost (TRC) is 1.4 versus 0.9 for residential) – and achieving cost-effectiveness is challenging given current avoided costs?
108. The cost effectiveness tool data (Excel workbook) and the budget in the body of the business plan are inconsistent. The difference between Program Administrator Cost (PAC)/TRC costs with and without administration is $65 million, or 55 percent of portfolio spending. This figure is well in excess of maximum administrative costs allowed by current policy. These figures do not match the administrative budget in the body of the business plan. Explain.
109. In the cost effectiveness tool (Excel workbook), the PAC and TRC costs by measure sum to $217 and $118 million by measure, but sum to $207 and $109 million by program. Why don't they match? Why do measure costs appear to exceed program costs? Also, the planned budget is $116 million, which doesn't match either figure. What is the source of the $116 million figure?
110. Why are first year gross kWh savings significantly greater than lifecycle gross savings? And why are first year gross therm savings significantly lower than lifecycle net therms?
111. Entries for first year net therms and lifecycle gross kWh are identical (see "program results" tab columns AH and AI). Confirm whether these figures are correct.
112. Why would a program (plug load and appliance) be close to a 1.0 TRC based on first year gross savings, and have lifecycle savings that are five times larger, but still have a negative lifecycle net benefit?

E. *Residential sector*

113. The multi-family savings goal (page 52 of the business plan) suggests the multi-family sector will provide electricity savings proportionate to its total consumption, but only half that or less for natural gas. (A similar situation exists for the commercial sector.) What explains the disproportionately lower yield of gas savings?
114. The problem statements in Figure 2.21 present "intervention strategies" that appear to fall substantially short of overcoming the stated barriers. By inference perhaps the utility is relying upon "black box" solutions to be proposed by third-party bidders, who in turn will further articulate logic models and intervention strategies to deliver savings. Is that a correct assessment? If so, on what basis has SDG&E estimated energy savings from this sector?
115. SDG&E's stated residential sector goals are:

    a. increase savings through an improved customer experience
    b. increase multi-family participation by going after tenants and owners
    c. continue to innovate by executing new approaches to the market

    Beyond benchmarking and promotional intervention strategies, what additional strategies will be drawn upon to overcome investment barriers?
116. Provide any information or intelligence that SDG&E has regarding its current customer experience. What area(s) require improvement, and what is the nature and magnitude of needed improvement? How are level(s) of improvement tied to program participation and energy savings?
117. SDG&E portfolio level savings are taken directly from the 2015 Potential and Goals Study. However, at the residential sector level, SDG&E proposes to almost double kWh savings from what's presented in the P&G study (36GWh/year to 68GWh/year). Explain and demonstrate why the sector budget remains static (to the dollar) over the life of the business plan.
118. SDG&E notes that the physical hub of energy management services and the virtual hub will be the cornerstone of residential energy management. The residential strategy includes development of a centralized web portal. Shouldn't energy management services technologies integrate with IOU

billing data and energy management software/tools that are on IOU websites? Why or why not?

F. *Commercial sector*

119. How will the new program models capture stranded potential for the hard-to reach small and medium business sector? In other words, looking at the Figure 3.6 presentation of sector intervention goals, strategies and tactics, what evidence supports SDG&E's belief that its approach will produce the indicated energy savings outcomes?
120. More details are needed in the plan on the new approach supporting financing structures that facilitate meter-based savings.
121. Was the existing benchmarking program modified for the small and medium business sector?
122. Where are the objectives for the commercial third-party programs (solicitations)?
123. Will the IDEEA 365 solicitation process be used to select all of the commercial programs?
124. The majority (85 percent under 20 kW) of SDG&E customers are small and medium; how will SDG&E achieve zero net energy readiness for this market?
125. How will SDG&E meet the two proposed metrics for the third-party solicitations?
126. See question in multi-family sector that is similar for commercial sector (page 67) – why are the electric savings proportionately high relative to consumption share, but far less so for natural gas savings? Specifically address the seemingly disparate statements that "gas potential is very small for the commercial sector" (page 75) with the chart on page 70 indicating that the commercial sector produces 58 percent of SDG&E's total gas savings.

G. *Public sector*

127. Does SDG&E observe a lack of access to or utilization of advanced metering infrastructure data to be a barrier to further energy savings among public sector customers within its territory? If so, how will the barrier be addressed?

128. What strategies will SDG&E pursue to address their observed market barriers of "B5: Current Processes and Tools Are Not Intuitive" and "B6: Mismatch between Public Sector Timing and Available Offerings?"
129. Why, according to Figure 4.2, does SDG&E's goal for annual gas savings remain constant at 0.5 MMTherms/year through 2025?

H. *Finance*

130. SDG&E reports unspecified changes in existing on-bill financing loan terms and limits for the public sector and possibly other non-residential sectors. (p. 219) Address the implied cost to ratepayers, and any potential increase in risk from these changes.
131. Is SDG&E specifically requesting these on-bill financing policy changes be authorized by the Commission in the business plan application, to be followed by appropriate advice letter tariff filings?
132. Provide an explanation for when on-bill financing is a reasonable source of funding and when other sources and mechanisms will be promoted to interested building owners or occupants in public, commercial, industrial, or agricultural sectors.
133. Expand upon the commercial sector strategy SDG&E has in mind for "streamlining in the application process and further integrating financing with the rebate and incentive programs" in order to "make financing programs easier to use" (p. 90)

VIII. Questions applicable to Southern California Edison (SCE)

A. *Residential sector*

SCE filed an amended business plan in order to meet cost-effectiveness thresholds. Provide information to support the following residential sector changes:

134. How did SCE determine the need to increase the entire residential sector budget by approximately $98 million from the initial filing?
135. Which program(s) see an increase/ decrease in funding, and why?
136. New administrative costs in 2018 are double the old costs. By 2025, new projected administrative costs are almost four times the old costs, and overall administrative costs increase by $43 million, old to new. Explain how and why SCE determined that this increase in residential sector administration costs was warranted based on the initial filing.
137. Explain why/how residential sector savings only increase approximately three percent with an approximately 14 percent increase in the residential sector budget (initial filing compared to amended filing)?

B. *Commercial sector*

138. In its Amended Application, SCE indicates that it will increase target commercial sector kWh savings by approximately 50 percent with virtually zero increase in budget, compared to the January original application (Application pages 87 (or I-14) and 112 (or I-16). Explain what changes in strategies will enable this to occur.

C. *Third party/commercial sector (small and medium business (SMB))*

139. Provide the "no-regrets" type of preparations for 2018.
140. The business plan states that solicitations will be conducted on "as needed basis"; define the "as needed basis" process. Will this process align with the IDEEA365 solicitation process? If so, how?
141. Provide the solicitation preparations for the 2017 solicitation. If the solicitation process is staggered, which sector will be bid out first?

142. Does SCE propose to use its portfolio budget for procurement of energy efficiency resources through alternative mechanisms? If so, explain.
143. How will SCE leverage and integrate current procurement with the new solicitation process?
144. Small commercial customers account for 92 percent of service accounts but only 27 percent of annual usage. This indicates low savings for this sector. Provide the specific strategies for increasing savings for this sector.
145. Table 29 (page105) lacks details on how SCE will increase awareness (approach) of energy efficiency programs for the SMB sub-sector. Provide specific information about how the SMB sub-sector will be targeted to align with other IOU plans, which specifically discuss the SMB sub-sector and strategies to increase savings and program participation.

D. *Public sector*

146. What information is included in "community usage data," part of the Energy Data Request Program, listed in row 2 of Table 50? Is the community grouped geographically by sector/subsector, by similar load shapes and usage patterns, or by some combination?
147. Will the second tactic listed to address the "community data access" strategy be fulfilled by SCE or by the Public sector customers?
148. Could SCE track information about the public sector customers who participate in energy efficiency financing programs, in addition to the metrics in the first row of Table 51, so that it can be determined whether financing options are being utilized by customers who would not likely be capable of self-financing energy efficiency projects?
149. How will permanent modification to customer practices help overcome technical resource barriers, as implied in row 2 of Table 51? If a measure is technically infeasible for a given customer, how would changes to practices within the customer's organization overcome the technical barrier?
150. Would it be appropriate to track intermediate levels of metered data utilization that fall short of whole building or Normalized Metered Energy

Consumption methodologies, but nevertheless represent greater access to data?

151. The public sector program by 2020 presents a TRC of 0.68 and a PAC of 0.83, both significantly lower (roughly half the level of cost-effectiveness) than the residential and commercial sectors. (See February 10, 2017 Amended Application, page 3.) Explain why this sector is so much less cost-effective, and what kinds of intervention strategies or changes in the market itself could see this investment profile improve.

E. *Codes and standards*

152. Existing Programs: Since it has been proposed that part of the codes and standards effort is statewide and that federal appliance standard advocacy will be administered separately, how are the costs for each apportioned?
153. Expanded Subprograms:
    a. Provide more detail on how SCE will coordinate with SoCalREN on compliance improvement. How / through what mechanism(s)?
    b. How will SCE collaborate with SoCalREN on the reach codes subprogram?
    c. How are SCE's non-advocacy efforts coordinated with the other IOUs?
154. New Subprograms
    a. How will the national and international Standards Advocacy program coordinate with the other IOUs?
    b. Or are coordinated efforts not required?

F. *Workforce, education and training*

155. If the Career Connections is a statewide program, how does SCE envision eliminating K-12 education activities when the other IOUs do not? Would this not violate the requirements that statewide programs be administered identically across service territories?
156. Provide more background on why K-12 education activities should be eliminated. (SCE Business Plan, page 284)

G. *Strategic energy management*

157. SCE's description of the Strategic Energy Management program is not aligned with the program developed jointly by the IOUs, and appears to refer to a prior Continuous Energy Improvement program. Was this intentional or an error? Explain.

IX. Questions Applicable to Southern California Gas Company (SoCalGas)

A. *Overall portfolio*

158. How will energy savings be doubled without any increase in budget?

B. *Statewide program solicitation*

159. Provide a solicitation strategy for emerging gas technologies or otherwise explain its absence.

C. *Residential sector*

160. Explain how the stated zero net energy goal will be reached by exceeding code by the stated five percent, and by the strategy of efficient gas usage.
161. Define Central Facility and Dual Facility, as referenced in Table 7 on Residential Sector (page 69).
162. Provide California or national evaluation citations that support the valuation of green labeling / energy efficiency for prospective multifamily tenants.
163. Whole House gas savings disappear starting in 2021, according to the Potential and Goals Study. How does SoCalGas have targets for "Whole House solutions" in the mid- and long-term?
164. SoCalGas's residential new construction gas savings goal remains constant for the short-, mid-, and long-term, at a 15 percent increase over 2015 baseline. Does SoCalGas not see a potential to increase gas savings from the residential new construction program over the course of the business plan, and if not, why not?

D. *Commercial sector*

165. Due to the limited natural gas usage within many of the customer segments, how will SoCalGas target the SMB sub-sector with local utility partnerships?
166. How will the direct install offering's new approach benefit the SMB customer segment?

167. Will the gross and net annual savings double by 2025? Explain the savings trajectory.
168. Phase I of the third party solicitation process states that the programs will be re-solicited; will SoCalGas include a re-solicitation of all existing commercial programs?
169. Does SoCalGas have a benchmarking program in place for the SMB sub-sector? If so, explain what exists or is envisioned.

E. *Industrial and Agricultural sectors*

170. How does fuel switching from diesel to natural gas meet energy efficiency goals?

F. *Public sector*

171. Is it possible to weigh policies enacted by public sector customers, as shown addressing Desired Outcome 2 in Table 9, such that effective policies (or those expected to be effective) are given greater value than, e.g., symbolic policies that don't tend to yield energy savings?
172. Is Desired Outcome 3 intended to mean that SoCalGas aims to promote accelerated energy efficiency uptake in disadvantaged communities? If so, will SoCalGas compare energy efficiency savings of public customers within disadvantaged communities to the general population of public sector customers?

G. *Emerging Technologies*

173. How will SoCalGas link Technology Priority Maps to energy savings activities such as programs or codes and standards?
174. Does "# of adoptions into C&S" include both technologies that move from emerging technologies programs to codes and standards, and technologies that move from emerging technologies through the portfolio into codes and standards? Or are both of these pathways into C&S going to be quantified separately?
175. Explain the methodology and attribution method behind "Gross first-year kWh and kW saved" in detail.

176. Does "(Desired) Estimated energy savings" refer to predicted energy savings (ex-ante) or realized energy savings (ex-post)? Explain.

H. *Codes and standards (C&S)*

177. The baseline average column in Table 6, C&S section (page 321) has no values entered. Please provide these values or explain their absence.
178. The values in Table 6 on the Codes & Standards section (page 321) are different than the values shown for SoCalGas's MMTherms savings share in Table 8.1 in the PG&E Business Plan. Explain the discrepancy.

I. *Finance*

179. The discussion of sector barriers and market challenges with regard to accessing capital for energy efficiency sets the expectation of an implied set of strategies. However these do not fully emerge in the sector business plans. Provide expanded explanation of how SoCalGas will use its portfolio activities to:
    a. secure greater use of financing by customer segments with energy efficiency potential but low current levels of energy efficiency uptake,
    b. ensure streamlined finance/rebate processes that attract contractor and customer/borrower participation, and
    c. overcome the barrier that on-bill financing (for non-residential and multi-family landlords) is unable to finance a common situation of gas efficiency projects with paybacks longer than five years.
180. For the commercial sector, Challenge 2 indicates the commercial sector is trending toward more leased properties, creating larger split-incentive barriers. Given this phenomenon, it is unclear how a combination of simplified financial incentives, direct installation (presumably in small properties), and/or on/off bill repayment financing will be attractive and overcome the split incentive barriers. Expand upon which market segments (relative to energy efficiency potential) are expected to take advantage of one or more of these financial support mechanisms, which segments are unlikely to see them as appealing, the relative energy efficiency potential represented by each, and what strategies will be developed to overcome the split incentive problem.
181. For the multi-family sector specifically, SoCalGas relies heavily on "Comprehensive Direct Install" that combines a co-pay requirement with the offer of on-bill financing. Clarify what types of common area versus in-

unit measures, and metering profiles (master versus dwelling unit gas meters) segments this strategy will tackle.

182. SoCalGas presents "an enhanced on-bill financing strategy" for the public sector (p. 280) that will
    - extend the loan period,
    - increase the eligible loan amount
    - possibly offer "construction" loan financing to cover installment payments, deposits, etc.

    a. Since these changes appear to alter current policies regarding the on-bill financing program, address the implied cost to ratepayers, potential increase in risk from these changes.
    b. Is SoCalGas specifically requesting these policy changes be authorized by the Commission in the Business Plan Application, to be followed by appropriate advice letter tariff filings?
    c. Why is the On Bill Repayment program, offered by the California Hub for Energy Efficiency Financing pilots and including public sector customers, not an appropriate mechanism for larger loans and longer loan periods?
183. Explain how the "Public Financing Assistance (PFA) tactic" for public customers to encourage self-sustaining funding of energy projects differs from the public sector technical assistance program implemented by SoCalREN through The Energy Coalition.

X. Questions Applicable to Southern California Regional Energy Network (SoCalREN)

A. *Overall portfolio*

184. Provide a further explanation of how SoCalREN intends to meet its proposed goals, particularly in the context of the intent to replace programs that SoCalREN has been implementing with a mostly new slate of programs.
185. For those programs or program elements that will be combined or run jointly with non-energy efficiency programs, define the funding source and financial and accounting structure for assigning and delineating the non-energy efficiency funded components.
186. How does SoCalREN intend to coordinate with IOUs and local government partnerships (and, if approved, a new REN with a potentially overlapping target market) to avoid duplication or contradiction of efforts?

B. *Residential sector*

187. SoCalREN's stated energy savings goal for the single family and multi-family sector combined is 30.3 million kWh. However, the sum of SoCalREN's average annual savings goals across the life of the business plan (Table 17) is 35.9 million kWh. Which projection is SoCalREN's actual sector goal? Which kWh number was used in determining cost-effectiveness?
188. SoCalREN's vision for the residential sector is "for all Southern California residents to live in homes that are ZNE or ZNE-ready". How many Southern California residents currently are in that position? How many more residents/homes need to be targeted? By when does SoCalREN propose to achieve this vision?

C. *Public sector*

189. How will 'commitment to energy efficiency' be determined as applied to the second row of Table 11?
190. What information will be stored in the Regional Energy Database, described in Section 4 (pages 25-28) and who is intended to use it? Is SoCalREN considering utilizing Energy Master Plans and Regional Energy Databases in other sectors?

191. Why are new construction zero net energy projects and other energy actions not tracked as part of tracking success in public agencies "[engaging] their communities in energy actions and ZNE strategies?"
192. What is SoCalREN's intended meaning of the term "ZNE community," and what is a public sector customer's role in it?

D. *Codes and standards*

193. Provide more specific program details for how SoCalREN intends to achieve an increase in code compliance.

E. *Financing*

194. Would SoCalREN classify the financing components of its proposed business plan as "resource" or "non-resource" activities?
195. For resource-classified financing programs or program elements, how will savings be estimated and measured?
196. For those financing programs/program elements classified as "non-resource," on what basis will SoCalREN evaluate their success or goal attainment?

XI. Questions applicable to Tri-County Regional Energy Network (3CREN)

A. *General to Portfolio*

197. Provide cost-effectiveness estimates, by program and portfolio, for those items as proposed in the 3CREN Business Plan. Also, provide 3CREN's work papers and calculation tool(s) and methodology.
198. Provide budget amounts for each sector and, to the extent possible, for each proposed program.
199. Describe 3CREN's plan for coordination and alignment with IOU programs.
200. For those programs or program elements that will be combined or run jointly with non-energy efficiency programs, define the funding source and financial and accounting structure for assigning and delineating the non-energy efficiency funded components.
201. 3CREN asserts that its constituents are "underserved" vis a vis IOU energy efficiency programs. Provide evidence that supports this claim for programs that 3CREN proposes to administer. This should include a comparison of participation rates within the three counties to those in other California counties, including for the hard-to-reach segment that 3CREN proposes to target.
202. 3CREN's assertion that its constituents are underserved is nonetheless premised on a baseline for current IOU program participation. It would seem that 3CREN must go beyond those in order to be addressing the "underserved" market. Related to Question 5, provide program participation baselines and describe how 3CREN will deploy new or more effective strategies to improve those participation rates (e.g., as would be measured in its proposed metrics):
    a. Number of property owners reached and conversion to projects
    b. Number of participating households, businesses and jurisdictions
    c. Number and percentage of hard-to-reach populations served
    d. Number of kWhs, kW and Therms saved by program activities)

B. *Financing*

203. Would 3CREN classify the financing components of its proposed business plan as "resource" or "non-resource" activities?

204. For resource-classified financing programs or program elements, how will savings be estimated and measured?
205. For those financing programs/program elements classified as "non-resource," on what basis will 3CREN evaluate their success or goal attainment?

(END OF ATTACHMENT A)

Attachment B - Questions for All Parties

Note: Responses to the questions in Attachment B may be filed and served no later than June 5, 2017 by any party. At the same time, parties may raise other issues in response to the original applications, responses provided by the PAs to the supplemental information requested in Attachment A, information obtained during discovery, or any other topics relevant to the Commission's review of the business plans. Reply comments may be filed and served no later than June 19, 2017.

I. General Questions Regarding Reasonableness of Business Plans

A. Overall portfolio

1. Do the business plans omit worthwhile/valuable activities that parties anticipated, either new or from previous portfolios? Identify and describe.
2. Should any of the activities in the business plans be augmented beyond what the PAs proposed?
3. Do the business plans include any activities or program elements that might depress market participation or otherwise have a negative impact on overall goals?
4. How do the business plans align with the (as yet not specifically defined by the California Energy Commission) goal of doubling of energy efficiency by 2030?
    a. Do the plans put us on a trajectory path toward this goal?
    b. If not, in what way(s) might the PAs need to modify their business plans, and how might budgets need to change, in furtherance of this goal?
5. What do the business plans' cost-effectiveness estimates indicate about the long-term trajectory of the portfolios, and about the potential need for policy changes in order to advance the 2030 goal of doubling energy efficiency, while maintaining long-term cost-effectiveness?
6. Are the costs of the portfolios reasonable relative to the benefits of the projected energy savings to be delivered?
7. Where might costs be minimized or reduced?
8. Are the administrative costs identified by the program administrators reasonable? Why or why not? Be as specific as possible.

B. Statewide programs

9. Do the business plans generally implement the letter and the spirit of the new definition of "statewide program" included in D.16-08-019?

C. Third party programs

10. Do the business plans generally implement the letter and spirit of the new parameters of "third party" programs as laid out in D.16-08-019?

D. Baseline

11. Do the business plans properly implement the baseline policy as summarized in Table 1 of D.16-08-019?
12. Do the business plans include reasonable proposals to incorporate normalized metered energy consumption and randomized control trials? Why or why not?
13. Do the business plans address HOPPs and how to transition them? Do those plans seem workable in practice?

E. REN proposals

14. Do the REN proposals meet the objectives laid out in D.12-11-015 and D.16-08-019?
15. Are they cost-effective and targeted at the types of gap-filling and value-added activities envisioned in those decisions?

F. Sectoral program approaches in general

16. Do the business plan proposals align with best practices based on most recent evaluation results?
17. Are the sector approaches identified generally reasonable?
18. Will the sector strategies help achieve the Commission's goals or at least put us on a path toward achieving those goals?

G. Coordination with publicly-owned utilities

19. Do the business plans adequately address how PAs will coordinate their activities with publicly-owned utilities?

H. Local Government Programs

20. Should the PAs move toward uniform treatment of local government partnerships? If so, how? Is LGSEC's proposal a reasonable approach?

I. Codes and Standards and Emerging Technologies

21. Are the PAs' proposals consistent and compatible with the California Energy Commission's approaches and with Commission-recommended best practices?

J. Industrial Programs

22. Are the PA proposals for strategic energy management moving in the right direction, relative to the direction given in D.16-08-019?

K. Financing

23. How do the business plans handle the California Hub for Energy Efficiency Financing pilots relative to the rest of the financing portfolio?
24. Are the proposals reasonable and should they be approved?

L. Workforce, Education, and Training

25. Do the WE&T strategies identified in the business plan proposals address the appropriate issues?
26. Are the proposals reasonable and should they be approved?

M. Pay for Performance

27. Do the business plans address pay for performance program designs in a reasonable manner?

N. Coordination between energy efficiency and demand response

28. Do the business plans represent reasonable coordination and common strategies to accomplish both energy efficiency and demand response where relevant?

29. What changes should be made to better integrate energy efficiency and demand response approaches?

O. Relationship to the Commission's Distributed Energy Resource Action Plan

30. Do the business plans align with the Commission's Distributed Energy Resource Action Plan?
31. What should be improved to ensure alignment with the DER Action Plan?

P. Coverage of disadvantaged communities and hard to reach markets

32. What should be improved to ensure that the business plans address the needs of hard to reach markets and disadvantaged communities?

II. Approval Process

33. Should cost-effectiveness thresholds be applicable to REN portfolios now or in the future? How should this be implemented?
34. Should the process for filing and reviewing future business plans and implementation plans be modified? Why or why not?
35. Should the process for filing and reviewing future Annual Budget advice letters be modified? Why or why not?
36. Should the CAEECC process be modified? If so, why and how?
37. How should the potential for overlap between CCA, REN, and utility programs be identified, planned for, and managed?

III. Statewide Programs - Solicitation Strategies

38. Although the Statewide/Third Party program designs are not developed yet, the solicitation process needs to be planned ahead. Articulate clearly the design and implementation components that should be developed

prior to bid, features that should be developed as part of the bid, and features that should be developed afterward.

39. Also, for each component: who (or what group) should be responsible for determining each of them?
40. Identify any best practices; if there are relevant models from supply or integrated distributed energy resource (IDER) procurement, cite any that are transferable.
41. Specifically, what procurement review or independent evaluation structure is needed for third party solicitation, bid review and approval?
42. How should PAs score the innovative programs submitted by third party contractors?
43. The three electric IOUs anticipate using a Procurement Review Group (PRG)/ Independent Evaluator (IE) model to oversee the solicitation process for competitive offerings of statewide and local programs for implementer bids. In such a framework:
    a. Who / which entity, or which type of entity, should be included in the PRG?
    b. Do proposed PRG members have the knowledge, experience, and skills to evaluate the likely effectiveness of energy efficiency bids?
    c. Who / which entity, or which type of entity, is best suited to serve in the IE role?
    d. What kind of workload can each individual IE handle?
    e. What parallel or equivalent process is needed by SCG and the RENs and MCE?
    f. Should there be a dispute resolution mechanism? If so, how should it function?
    g. Who / what entity is best suited to serve this dispute resolution function?
44. How should program administrators with either potentially or actually overlapping solicitations coordinate?
45. Which solicitations (i.e., for which sectors, programs or strategies) require, or would benefit significantly from, further Commission policy guidance? For what specific issues?

46. For what length of time should contracts be made? Include any recommendations for minimum and maximum length terms.
    a. Should PAs have discretion to extend contracts instead of re-bidding them?
    b. What events or circumstances should trigger a required re-bid (e.g., a certain period of time)? Should this be determined in the RFP or during contract negotiations? What recourse should be in place to remove a 'poor performer'?
47. For statewide programs, should contracts be made only between the statewide lead and implementer (i.e., not between implementer and non-lead PAs)?
48. If there are contractual or performance issues on statewide implementation contracts, what should be the role and obligation of non-lead PAs?
49. Should statewide contract terms be shared with the Commission? If so, when and through what mechanism?
50. When should key performance indicators be developed? Ahead of the request for proposals (RFP), so that bidders address them in proposals, or after the implementer is selected?
51. Who should propose performance metrics?
52. How should performance metrics be finalized?
53. Where should embedded measurement and verification (M&V) and the data collection component for metrics enter the design and development process?
    a. How should embedded M&V be included in the solicitation and program development process? Should this be part of the proposal (e.g., should it be a design requirement)?
    b. How should the planning and approach to embedded M&V be coordinated with data collection for metrics and the development of metrics?
54. Is there a strategy – or ideas for embedded M&V by program type? For instance, what are some embedded M&V strategies that should be considered for upstream programs?

55. How should the additional evaluation, measurement and verification (EM&V) funding allocated to program administrators (PAs) to support embedded M&V be managed for statewide programs?
56. Who should be responsible for collecting embedded M&V/performance data to compile and track metrics, with attention to designated funding amounts and priorities?
57. What should be the rules regarding intervener compensation in procurement review?
58. What other issues related to the solicitation structure, schedule and approach does the Commission need to consider?

(END OF ATTACHMENT B)