Annual 2023 Portfolio Performance Report Review Summary

At Full Quarterly CAEECC Meeting #42[[1]](#footnote-1) on May 14-15, 2024

On May 14-15, 2024, representatives from CAEECC Member organizations presented their 2023 Annual Portfolio Performance Report Review at the California Energy Efficiency Coordinating Committee's forty-second quarterly meeting via Zoom.

* On May 14, there were 86 attendees, including 22 representatives from 20 CAEECC Member organizations and two CAEECC Ex-Officio agencies as well as 64 Members of the Public.
* On May 15, there were 72 attendees, including 20 representatives from 20 CAEECC Member organizations and one CAEECC Ex-Officio agency as well as 52 members of the Public. *(See* [*Appendix A*](#_1ci93xb) *for a full list of meeting registrants)*.

This meeting was facilitated by Katie Abrams (Abrams) of Birch Road Consulting and supported by Michelle Vigen Ralston (Ralston), Sooji Yang (Yang), and Suhaila Sikand (Sikand) of Common Spark Consulting, as well as Susan Rivo (Rivo) of Raab Associates. Portfolio Administrator (PA) presenters and Questions & Input support included:

* Pacific Gas & Electric (PG&E): Lisa Hunter, Billy Roderick, Michelle van Tijen, Jake Richardson, Kelly Cunningham, Matt Coffman and Jeff McDowell
* Marin Clean Energy (MCE) Jenn Green, Qua Vallery, Alex Valenti, and Alice Havenar-Daughton
* Bay Area Regional Energy Network (BayREN): Jane Elias, Cara Bautista-Rao, and Tim Olsen
* Tri-County Regional Energy Network (3C-REN): Alejandra Tellez, Erica Helson and Casey Carnes
* Inland Regional Energy Network (I-REN): Benjamin Druyon, Tyler Masters and Margaret Marchant
* Southern California Edison (SCE): Nicole Di Jerlando and Marissa Barrera
* SoCalGas: Darren Hanway
* San Diego Gas & Electric (SDGE): Kelvin Valenzuela
* Southern California Regional Energy Network (SoCalREN): Lujuana Medina

Relevant materials include the Agenda, the Slide Deck, PA Annual Reports, a link to [CEDARS](https://cedars.sound-data.com/claims/all-confirmed-dashboard/2023/) for additional data on energy savings, and the CAEECC Consensus EE Filing Process Proposal. Supporting meeting materials are available at <https://www.caeecc.org/5-14-24-5-15-24-full-caeecc-perf-rev>. In addition, the Facilitation Team shared additional resources for further comprehension of technical topics including an overview of [Total System Benefit](https://pda.energydataweb.com/api/view/2530/DRAFT%20TSB%20Tech%20Guidance%20081621.pdf) (TSB), [Cost-Effectiveness](https://www.cpuc.ca.gov/-/media/cpuc-website/files/legacyfiles/c/7764-costeffectivenessandcostbenefitbasicsapril2014.pdf), and [Avoided Cost Calculator](https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/der-cost-effectiveness) (ACC), as well as key definitions in the [Energy Efficiency (EE) Policy Manual](https://www.cpuc.ca.gov/-/media/cpuc-website/files/legacyfiles/e/6442465683-eepolicymanualrevised-march-20-2020-b.pdf) and the [Annual Reports to the Legislature](https://www.cpuc.ca.gov/about-cpuc/divisions/office-of-governmental-affairs/2023-reports-to-the-legislature).

# Overview

Key Themes from the Annual 2023 Portfolio Performance Report Review (“\*” marks ones for possible further conversation or research):

* \*Categorization of Equity
* \*Total System Benefit (TSB) for electrification and implementation of TSB
* \*Contracting and solicitation challenges
* Multifamily participation challenges:
* Agricultural deemed savings
* Normalized meter energy consumption (NMEC) and contractor impacts
* Public Sector Timeline
* Communities of Concern within all Segments
* Low Residential Savings

*This meeting summary is intended to capture the overarching discussion of ideas, thoughts, and concerns; it is a high-level summary and not a transcript.*

**Part I: May 14, 2024**

# Introductions and Background

*Slides 2 - 14*

CAEECC Members were asked to introduce themselves through the chat. Members from ED shared opening remarks to introduce the purpose, background context, and 2023 highlights of the portfolio performance reviews.

Abrams presented the Annual 2023 Portfolio Performance Review Report objectives, which included:

1. Identify challenges & opportunities
2. Identify who might problem solve (CAEECC, PA, or other) in a timely fashion
3. Ensure transparent review, tracking, and dialogue of portfolios to maximize cost-effectiveness

To achieve meeting objectives, the facilitation team, in consultation with Co-Chairs and Energy Division, and based on CAEECC Member feedback, developed the following agenda:

* Introduction and Background
* [Session 1](#_l3fw2x7eit5e): Annual Performance Overview
* [Session 2](#_4d34og8): NorCal Performance Review (PG&E, MCE, & BayREN)
* [Session 3](#_z337ya): Central CA Performance Review (3C-REN & I-REN)
* Wrap Up

Sikand provided general reminders, Zoom etiquette, meeting logistics, and instructions on how CAEECC Members and members of the public can ask questions and provide input on the Portfolio Performance Reviews.

# Session 1: Annual Performance Overview

*Slides 15 - 21*

Abrams provided a brief summary of the PAs’ 2023 portfolio performance reviews, separated by the RENs, CCAs, and IOUs.

CAEECC Co-chair Ettenson provided the purpose and context to the CAEECC Engagement in Portfolio Review Process. She walked through slides that provide regulatory references for the aspects that would be presented over the next two days.

# Session 2: NorCal Performance Review (PG&E, MCE, & BayREN)

*Slides 22 - 85*

PG&E, MCE, and BayREN presented their respective PA’s 2023 portfolio performance. Each presentation was followed by Questions & Input from CAEECC Members and then by Members of the Public via Slido.

## Summary of Discussion on PG&E’s 2023 Portfolio Performance Report Review

*Slides 24 - 36*

* Members discussed context around Deemed and Custom Measures: *Deemed* is a prescriptive energy efficiency measure with predefined savings calculations, cost, eligibility, and other measure attributes and *Custom* is a site-specific energy efficiency project that requires unique calculations for each project.
* Members discussed ramp up time for relationship building in third party program contracts in the Multifamily programs. PG&E noted that more time may be needed for relationship building but is conflicted to use ratepayer funds for the minimal savings associated with it.
* Members discussed the TSB value for electrification is less than the TSB value for gas and how PG&E balances the values for TSBs in recognition that the TSB isn’t properly accounting for the benefits of healthy and resilient communities through electrification. PG&E noted that they balance a formulated mix of electrification and gas measures to deliver a cost effective Resource Adequacy (RA) portfolio and make updates to the evolving Avoided Cost Calculator (ACC) accordingly. A Member of ED noted that PG&E has a new ACC that delivers higher TSB for fuel substitution measures that reduce summer peak usage or have off-peak usage.
* A Member of ED discussed with PG&E how they are getting deep savings through BROs (behavioral, retrofit, operational savings). PG&E noted that achieving deep energy savings in the residential sector is costly and generally deep retrofit projects have lower Total Resource Cost (TRC) ratios. TRC ratios of 0.4 or less were not uncommon in the past due to relatively high measure costs and costs to serve residential customers. Given the requirement to achieve a cost effective Resource Acquisition segment (TRC ratio greater than 1.0) it is difficult to offer deep retrofit residential programs in the Resource Acquisition segment.
  + PG&E noted that the Statewide Residential All-Electric New Construction (CA Energy Smart Homes Program)—a market support program—has a certain number of retrofit projects that fall under the alterations portion of the building code so this program is able to offer deep retrofits for residential customers. The Statewide Residential All-Electric New Construction Program supports customers who are transitioning homes completely from mixed fuels to all-electric.
  + PG&E noted that in non-residential programs, they have deeper savings in food processing and manufacturing programs for Strategic Energy Management (SEM). PG&E noted that in the residential sector, achieving deep EE retrofits is expensive both from a measure, cost, perspective or a participant cost perspective and has high administrative costs with little big picture savings from TRC.

*Slido/Chat Questions, Responses, and Input are available in* [*Appendix B: PG&E Q&A and Input*](#_gd6db6qmcq1v)*.*

## Summary of Discussion on MCEs 2023 Portfolio Performance Report Review

*Slides 38 - 59*

*This notice is to inform all stakeholders that Marin Clean Energy ("MCE") will be filing a Tier 2 Advice Letter requesting approval to launch its Commercial Equity Program - the Small Business Energy Advantage Program (Program ID MCE02e). MCE will share additional program information and provide an opportunity to submit stakeholder input during a public webinar scheduled for May 31, 2024 at 10:00am Pacific Standard Time. MCE looks forward to addressing any questions and feedback at that time. MCE invites all interested stakeholders to attend and participate. Webinar Registration:* [*https://us02web.zoom.us/webinar/register/WN\_vJlXoj8uQ9S5tGLLWTbKcA*](https://us02web.zoom.us/webinar/register/WN_vJlXoj8uQ9S5tGLLWTbKcA)

* Members discussed the segmentation of RA program cost-effectiveness and a potential inherent problem if RA programs are serving equity customers. Members of CAEECC and the Public pointed out that inconsistent categorization of programs due to vague guidance from the Commission on segmentation primary purpose could be causing missed opportunities to reach equity customers. MCE noted that the Overview of Portfolio Performance slides 16-17 showcase the percent of expenditure by segment. Facilitators noted to include MCE with investor-owned utilities (IOUs) instead of with RENs since MCE has a budget cap like the IOUs for segments.
* Members discussed how MCE collaborates with other PAs. MCE noted that BayREN and MCE collaborate with the same implementer who delivers technical support for each PA program and serves as a single point of contact. MCE also included a program coordination diagram in its implementation plan and joint cooperation memos located on CEDARs. In response to a Member question, MCE described the overlapping of PA territories and how customers select to work with one PA over another (based on financial criteria), highlighting efforts to avoid double dipping of EE programs. MCE explained that it serves deed-restricted low income properties that stack with non-EE portfolio incentives; however, if a customer property in an MCE territory is not deed restricted, the customer will participate in BayREN programs. BayREN clarified that they offer deed-restricted programs in non-MCE territory. MCE assured that participants in MCE programs are not participating in BayREN programs. In response to a Member question, MCE clarified that the 2023 deed restricted program was a market-rate program that leveraged the Energy Savings Assistance Program (ESAP), but for 2024, this program will be an equity program.
* Members discussed limitations to single family home programs and the impact of cost-effectiveness on portfolio optimization. MCE noted the program was an equity program and therefore not limited by cost-effectiveness, only limited by the 30% budget cap for the equity segment.
* Members discussed the types of contractors fit for programs where there’s contractor-worker matching. MCE noted they strive to work with a mix of smaller and larger contractors and offer 160 hours of paid experience to conduct matching. MCE noted they have various ways contractors are paid, bigger contractors can be the employer of record but smaller contractors need additional assistance; in one case, the implementer offered to be an employer of record to facilitate training and payment. MCE noted all contractors have distinct needs and they all need additional staff.

*Slido/Chat Questions, Responses, and Input are available in* [*Appendix B: MCE Q&A and Input*](#_xmvzq0eqwkfe)*.*

## Summary of Discussion on BayREN’s 2023 Portfolio Performance Report Review

*Slides 60 - 85*

* Members discussed updates and customer/contractor reactions to the business flex market program targeting small businesses from the summer of 2023. BayREN noted they had 69 projects, nearly all Hard-to-reach (HTR) and five participating aggregators with project submissions, of which three aggregators are continuing to be active in 2024. BayREN indicated they are sending out a customer survey soon and will share findings.
* Members discussed the high kWh savings and low TSB values. BayREN noted that fuel substitution was not generating high TSB due to the ACC, but upcoming changes to ACC could change this in 2024 thus further aligning energy savings for fuel substitution and TSB.
* Members discussed the Single Family program redesign to better serve the target population. BayREN noted that there were a series of studies, reports, and surveys conducted in 2022 and 2023 that resulted in a process for BayREN to work with the 9 Bay Area counties to better serve customers. BayREN coordinated a lot with MCE and PG&E and have been transitioning from single measure rebates to direct install programs (note, RFP expected in Q3). BayREN also noted there are a lot of projects that need remediation work prior to EE measures and hope to take budget to do that remediation needed for EE. BayREN clarified that direct install helps the targeting issue because direct install offers no or low upfront costs. BayREN further explained that leveraging outside funding like Inflation Reduction Act (IRA) and CEC Equitable Building Decarbonization (EBD) program funds and making comprehensive programs to help with paperwork and navigating other rebates will make them more attractive to medium income households that are interested in EE but don’t have the spendable income for it.
* Members discussed the incentive pathway for the BayREN Refrigerant Replacement Program (BRRR). BayREN clarified it’s a direct install program with deemed measures and incentives and that the new CPUC Refrigerant Avoided Cost Calculator (RACC) and fuel substitution calculator (FSC) will be used to estimate impacts from low GWP and then separately for EE measures using deemed (in relation to greenhouse gas emissions and low global warming potential (GWP) refrigerants.
* Members discussed the need to think about RENs differently as they have different requirements. BayREN noted that the Unique Value Metrics is a measurement displaying the benefit of RENs to identify gaps and customer groups the that IOUs cannot or will not address. BayREN clarified that RENs have more flexibility than other PAs because they’re not held to the same TRC and cost-effectiveness baselines. BayREN shared that two examples advancing equity and climate justice goals are BayREN Resilient Libraries and Climate Careers. Specifically in Multifamily housing programs, BayREN finds niche aspects that are challenging to address by a non-REN PA and addresses them.
* BayREN clarified its customers are not exclusive to equity customers in 2023 programs. BayREN noted that in the redesign process for the single family program, they are considering whether it should be exclusive to equity customers. BayREN also noted the BRRR program eligibility criteria is still being finalized but the intended audience is food-service sector businesses in Disadvantaged Community (DAC), Hard-to-Reach (HTR), and businesses in low-income communities.

*Slido/Chat Questions, Responses, and Input are available in* [*Appendix B: BayREN Q&A and Input*](#_hdmq4kmpc7cm)*.*

# Session 3: Central CA Performance Review (3C-REN & I-REN)

*Slides 87 - 139*

Representatives from 3C-REN and I-REN presented on their respective PA’s 2023 portfolio performance. Each presentation was followed by Questions & Input from CAEECC members and then by members of the public.

## Summary of Discussion on 3C-REN’s 2023 Portfolio Performance Report Review

*Slides 88 - 111*

* Members discussed with 3C-REN why the savings are less with Codes & Standards (C&S) programs versus without (generally, it’s the opposite). 3C-REN noted that they don’t claim savings with C&S programs so it's an added cost without the savings.
* Energy Division and 3C-REN discussed the Sealed Aggregator’s role to enable more contractor and custom participation as well as lessons learned and impacts on TRC with their involvement. 3C-REN noted that Sealed helps with calculations and energy savings forecasting and their projects have additional incentives if partnering with local contractors. 3C-REN noted they expect to be fully committed to their incentive budgets by the end of June and expect improvements to TRC.
* 3C-REN provided clarity that the photo in slide 104 is a contractor applying a rigid foam board for exterior insulation, perhaps for a passive house project.
* Members discussed which programs are open to non-equity customers. 3C-REN clarified that they target DAC and HTR customers for the E programs, but it’s not exclusive. 3C-REN noted they’ve been tweaking incentives to drive HTR participation. 3C-REN clarified their incentive programs are exclusively in the Equity Segment.
* 3C-REN provided a high-level breakdown of their target participants. For single-family programs, only 5% were HTR customers so 3C-REN is modifying incentive levels. 3C-REN noted that in 2023, their incentives were triple the incentive for HTR customers but noticed it didn’t drive up adoption rates. 3C-REN noted in 2024, they’re lowering the market rate incentive and seeing an uptick in HTR customers (noting that the market-rate incentives were too high in an effort to attract new contractors, but now that contractors are engaged, the focus should be shifted to HTR customers). 3C-REN highlighted that their Multifamily program had 67% HTR customers.
* Energy Division and 3C-REN discussed whether 3C-REN anticipates TRC and PAC values in the future and whether there is a directional internal target for both TSB and customer bill savings in comparison to expenditures for the single-family program. 3C-REN noted that TRC and TSB are expected to rise with the upcoming modifications to the ACC. 3C-REN is also expecting to get data from IOUs to help examine the impact and develop internal targets to improve the program.
* 3C-REN clarified that like MCE, there will be a delay in the spend because of a year of monitoring projects prior to incentive payouts.
* 3C-REN discussed how they collaborate with other PAs and the benefits and challenges. In the beginning, 3C-REN was doing a lot of coordination and monthly invoicing, but have now moved to a Joint Cooperation Memo (JCM) and share calendars/events. 3C-REN anticipates communications can go from minimal communication to targeted and formalized for various topics. 3C-REN noted that in residential programs, there’s a lot of coordination to ensure there’s no double dipping of funding. 3C-REN expects to have formalized recurring meetings in the future. 3C-REN also noted that it's a lot to coordinate to have 3 IOUs; 3C-REN directs customers to the right utility and program and communicates offerings for contractor awareness.

## Summary of Discussion on I-REN’s 2023 Portfolio Performance Report Review

*Slides 112 - 139*

* Energy Division and I-REN discussed the fellowship workforce program. I-REN noted that the I-REN Energy Fellowship’s goal is to get essentially half of member agencies (27 fellows and host cities) enrolled. I-REN is currently partnering with 3 local universities (UC Riverside, Cal Baptist University, and California State San Bernardino) and 12 community colleges to identify folks that have a minimum of an associates, bachelors, masters, or doctorate degrees. Last year, I-REN placed 11 fellows and hopes to place 27 fellows in 2024 and beyond. To track progress, I-REN does outreach to colleges at career fairs and gathers job interest slips for interest in EE (currently over 500 people have noted interest in the program). I-REN noted that there was more success in the second year and that they’re currently partnering with CivicSpark to merge efforts with their statewide fellowship programs.

# Wrap Up

*Slides 140 - 144*

## Themes from May 14

* Members raised the following themes across PA Presentations on May 14:
  + Categorization:
    - Is the equity segment benefiting or hurting an effort to incorporate equity?
    - Are there characterization issues that are affecting the way equity is being reported?
  + Implementation of TSB for electrification
  + Multifamily participation challenges: Despite 2 year lead, this is still a challenge
  + Contracting and Solicitation Challenges: challenges in request for proposal (RFP) processes and getting new programs into the market.
  + Reporting in 2025: many 2024 programs have yet to launch and how this may impact 2025 reporting

## Next Steps

Abrams summarized the next steps:

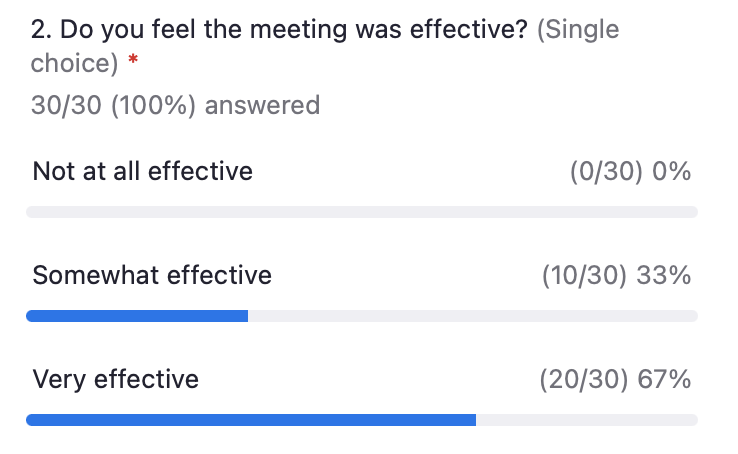
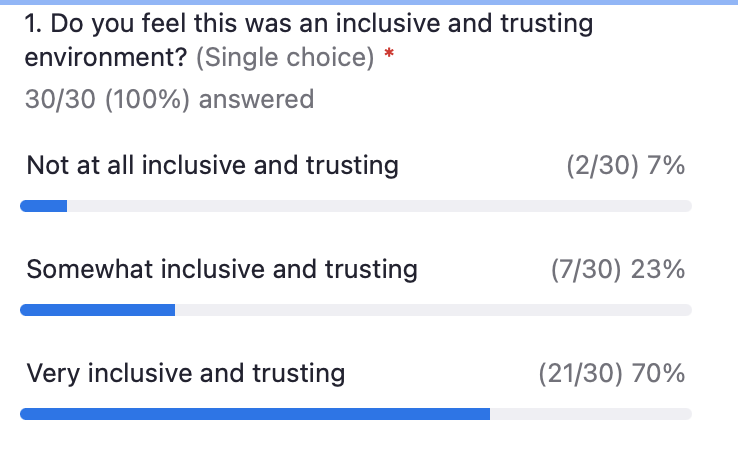
* Meeting summary will be posted within 5 business days
* Meeting Evaluation: due 5/22/24 (required for Members and encouraged for everyone else). Facilitators to incorporate feedback in meeting design

## 5/14 Live Meeting Evaluation

A live meeting evaluation was conducted among all participants who noted that the meeting was inclusive and trusting and effective.

* Members and Members of the Public shared positive notes on the utilization of Slido as well as the PA presentations. One member of the public was disappointed by the inability of attendees to see the participant list.

**Live Meeting Evaluation**

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**Part II: May 15, 2024**

# Introductions and Background

*Slides 2 - 16*

Abrams presented the agenda for Day 2, which includes the portfolio performance review presentations from SoCal PAs and CAEECC agenda items (the latter is included in a separate meeting summary available on the [Meeting Webpage](https://www.caeecc.org/5-14-24-5-15-24-full-caeecc-perf-rev)).

* Introduction and Background
* [Session 1](#_1myirk3tsywn): SoCal Performance Review I (SCE & SoCalGas)
* [Session 2](#_ofqir7qg9ce): SoCal Performance Review II (SDGE & SoCalREN)
* Wrap Up

CAEECC Members were asked to introduce themselves through the chat. Members from ED provided remarks to welcome folks, summarizing the CPUC’s hopes and expectations of these sessions.

Abrams presented the Annual 2023 Portfolio Performance Review Report objectives, which included:

1. Identify challenges & opportunities
2. Identify who might problem solve (CAEECC, PA, or other) in a timely fashion
3. Ensure transparent review, tracking, and dialogue of portfolios to maximize cost-effectiveness

Abrams provided a quick recap of the NorCal and Central PA portfolio performance presentations from Day 1 and shared that the slides for the CAEECC meeting will be reposted before the meeting begins.

Sikand provided general reminders, Zoom etiquette, meeting logistics, and instructions on how CAEECC Members and members of the public can ask questions and provide input on the Portfolio Performance Report Reviews.

# Session 1: SoCal Performance Review I (SCE & SoCalGas)

*Slides 17 - 54*

Representatives from SCE and SoCalGas presented on their respective PA’s 2023 portfolio performance. Each presentation was followed by Questions & Input from CAEECC members and then by Members of the public.

## Summary of Discussion on SCE’s 2023 Portfolio Performance Report Review

*Slides 18 - 36*

* Members discussed how SCE is stimulating competition from all potential implementers, including small diverse businesses. SCE noted their solicitations team has made continuous improvements to implementer outreach processes, including communicating with more market notices and reminders to encourage more participation. In addition SCE has conducted conversations to understand implementer barriers in participation in the solicitation process and have seen turnaround in commercial solicitations indicating that outreach is helping. SCE noted they are also encouraging awards in the sector and looking for multiple and smaller contracts, which the latter Members noted have been helpful in stimulating implementer engagement and removing barriers for smaller implementers.
* Energy Division inquired about the underperformance of TSB in the residential advisor program. SCE noted that Home Energy Reports are a one-time value and don’t include the extended life therefore does not allow for significant benefits despite energy rich savings and that they’ve been working with implementers to understand how to make this program successful with TSB. Energy Division suggested to learn about any lessons or ideas from other PAs to help with the issue.
* SCE confirmed that the net to gross ratio was .85 changed to .60 for the statewide WISE program related to water pump upgrade measures. Noted that these numbers can throw off someone's forecast as it relates to how they intend to deliver and implement the program. Members inquired about implementer reactions, and SCE responded that the change in numbers causes contractors to limit what they can offer given contractual obligations, which Members noted could cause implementers to feel less inclined to enter these contracts. SCE also noted that the annual Database for Energy Efficiency Resources (DEER) resolution process compiles Evaluation, Measurement, and Verification (EM&V) studies to inform any program cycle changes (with at least a 2 year lead time to changes) and may be the most proactive mechanism to make program changes. SCE also noted that errors might be identified in the DEER resolution process and addressed on an ad-hoc basis.
* Energy Division and SCE discussed the challenges of contracting and timing. SCE noted they’ve entered into contracts with third parties to deliver EE savings to customers and that at the time of contracting, implementers make a set of assumptions that allow for them to deliver on those savings. SCE noted that if any one of those assumptions don’t come to fruition, they can present a significant flaw that hinders savings with what SCE forecasted it to be and what is included in their performance. SCE noted challenges in execution of contracts and the time it takes to launch or realize savings. SCE indicated that they’ve had success with legacy programs (LEDs and higher education), but haven’t seen such success on the third party side, which was marketed as a program that offered deemed, customer, SEM, and NMEC and recognize the need to shift the model to deeper energy savings as well as testing the assumptions being made. Energy Divisions questioned if there be a cap to getting something going on the ground, perhaps a threshold or performance metric given this issue’s persistent nature.
* Energy Division inquired about the Advice Letter (AL) approval of the implementation plan and any launch dates, particularly requesting insight into the challenges of a narrow set of measures in the procurement process and bidding process. Energy Division also suggested to look at market access programs. SCE noted that program launch gets to a metric and that programs may soft launch and then hit headwinds that impact the way they deliver. SCE shared an example that an implementer may enter into a contract where program design doesn’t have a data element and there’s no data tracking implemented; in these instances, an implementer could come back and say they need the data. SCE noted that the change is an investment and that one change to an assumption can put the timeline array. SCE noted they’ve tried a lot of things in solicitation processes in the last year and targeting where there are opportunities. SCE noted they have a solicitation structure based on what specific measures would be and design a program around them. SCE also noted that more solicitations are in waiting and that a possibility is to create open or rolling solicitations which could take off 2-3 months of the solicitation process.
* Members discussed how SCE plans to utilize a greater portion of available funds. SCE noticed that their spend was lower in 2023 so did a rapid round of solicitations to generate additional programs while being mindful about maintaining 60% third-party run programs.
* The Facilitator noted key themes of measure mix challenges, and cycle and predictability of changes to net to gross values being disruptive to contracts and impacting timelines, and therefore an issue for portfolio planning and contractor partnerships.

*Slido/Chat Questions, Responses, and Input are available in* [*Appendix B: SCE Q&A and Input*](#_m30yjxcmvejr)*.*

## Summary of Discussion on SoCalGas’ 2023 Portfolio Performance Report Review

*Slides 37 - 54*

* Members discussed the 365 Program (encouraging new bidders, small bidders, and reduced prices) and the Market Access Program and opportunities to leverage the Inflation Reduction Act (IRA) and Greenhouse Gas Reduction Fund as they focus on DAC and Low-income customers. SoCalGas noted they are active in the grantmaking process for both federal and California opportunities. SoCalGass noted that they spend 85% of their budget and that there’s room to grow but that a major barrier is access to capital. SoCalGas is looking into opportunities to supplement ratepayer funds with taxpayer funds and are actively working towards grant opportunities.
* Members discussed the ramp up in public sector programs and the impact of direct install and single measures on savings. SoCalGas noted that these are low-cost measures provided at no cost to consumers (i.e. pipe insulation, tank insulation, shower heads, aerators, etc), but have struggled to find decision maker opportunities to upgrade boilers or water heaters due to the capital investment required. SoCalGas clarified that these measure help take pressure off of gas burning equipment.
* Energy Division requested the TSB for the Residential Behavioral Program. SoCalGas noted they send out monthly behavior reports to almost 2M customers and target higher gas users with greater opportunities to save. SoCalGas highlighted that customers receive 4 physical reports in winter peak months and digital reports for the rest of the year. SoCalGas noted they also provide personalization to customers through advanced data analysis and AI. SoCalGas noted that through the reports, they engage with customers to raise awareness about rebate offerings, direct consult programs, and other opportunities to lower monthly bills. A Member showed support for AI in this context.
* Energy Division inquired how SoCalGas generates a lot of TSB from measures that are mostly deemed vs. custom. SoCalGas noted they have two reasons: 1) they endeavor to have a diversity of program offerings to ensure there are programs that are designed to how a customer wants to engage (i.e. replace a dryer or solve a specific issue) and that SoCalGas engages with big box retailers to increase awareness and ease; 2) the TSB for measures like water heaters have a longer effective useful life (EUL). Energy Division inquired about the high TSB from residential kits and if customers use the kits or if there’s a waste problem with them. SoCalGas noted that customers request a kit on their website or by a targeted mass distribution in partnership with the water utility. SoCalGal noted they include surveys in the kit and assume that some will not get used or returned for redistribution, which is factored into their workpapers as an assumed non-installation rate. SoCalGas noted they also ensure customers have not previously requested a kit and that they’ve built into their process a way to ensure that customers receiving the kit would benefit from efficiency. Energy Division noted they would take the conversation offline to dig in more to this issue.
* Members discussed the TSB for electrification and how the trend is that TSB is struggling in electrification, except for SoCalGas, and wondered if its a mathematical consequence or a flaw in the policy. Energy Division noted that the amended ACC will be used in 2024 program analysis, noting that the amended ACC can provide additional benefit to fuel substitution. Energy Division also highlighted that both TSB and TRC in 2024 will be important to review. Energy Division clarified equipment interventions are more challenging than non-equipement interventions with TRC and the potential impacts on fuel substitution costs. The Facilitator noted that looking at the new ACC for 2024 programs during the Semi Annual Portfolio Performance Report Review sessions. SoCalREN noted they do constant analysis on TSB and TRC for their programs and even consider gas to gas retrofit values versus gas to electric retrofit values for TSB and TRC.
* A Member discussed with SoCalGas how they intend to navigate the new paradigm of decarbonization and electrification. SoCalGas noted they are providing gas and water EE through partnerships and provided opportunities for electric heat pumps through LADWP (Los Angeles Department of Water and Power) as well as statewide fuel substitution programs. SoCalGas noted their role is to provide the option of gas to customers who want it and also provide objective analysis to customers for efficient options.
* A Member shared the link to SoCalGas’s programs in CEDARS: <https://cedars.sound-data.com/claims/confirmed-dashboard/SCG/2023/programs/>

*Slido/Chat Questions, Responses, and Input are available in* [*Appendix B: SoCalGas Q&A and Input*](#_xs5hc9x80vi5)*.*

# Session 2: SoCal Performance Review II (SDGE & SoCalREN)

*Slides 56 - 109*

Representatives from SDGE and SoCalREN presented on their respective PA’s 2023 portfolio performance. Each presentation was followed by Questions & Input from CAEECC members and then by members of the public.

## Summary of Discussion on SDGE’s 2023 Portfolio Performance Report Review

*Slides 57 - 84*

* Energy Division raised the theme of TSB achievements, cost-effectiveness and budget management and whether the PA sees that they have the responsibility to effectively manage ratepayer funds or to CPUC’s cost-effectiveness (i.e., TRC) requirements. SDGE responded that they are balancing the portfolio in both ways, complying to state goals and resource acquisition 1.0 TRC regulation as well as with their own goals and forecasted values in addition to being good stewards to ratepayer funds. Energy Division clarified, asking about the effort to gain higher TSB and its relation to balancing program expenditures, noting that achieving higher TSB might outweigh program expenses. SDGE noted that they are monitoring or deploying measures, they will have a TRC to TSB ratio and this is being driven by fuel substitution which is costly and thus bringing down the TSB. SDGE noted their desire to manage cost effectiveness expectations of customers statewide.
* Members discussed SDGE’s programs use more diverse suppliers and smaller suppliers, program status, and lessons learned. SDGE noted they broke out the commercial sector into four targeted areas to attract different types of implementers. A Member noted these suppliers have unique challenges that door-to-door visits might be insightful for albeit expensive.
* Energy Division inquired about the barrier in agricultural programs. SDGE noted the challenge pertains to the limited variety of measures and that there’s more custom measures than deemed measures (the latter of which are less desired due to their limitations). SDGE noted that custom measures are more challenging and more time consuming. SDGE noted that other PAs have other customer bases in the agricultural sector and will continue to look into other PA lessons for insight.
* Energy Division inquired about the long launch time for the industrial program and lessons learned. SDGE noted they had a transition from the SEM program space to the third-party space. SDGE noted that customers were used to the old program design and it took time to onboard those customers who preferred SEM due to its comprehensiveness and guiding of customers.

*Slido/Chat Questions, Responses, and Input are available in* [*Appendix B: SDGE Q&A and Input*](#_w9tdgurqt3ax)*.*

## Summary of Discussion on SoCalREN’s 2023 Portfolio Performance Report Review

*Slides 85 - 109*

* A Member and SoCalREN discussed how customers are or are not claimed if being channeled to an IOU. SoCalREN noted they don’t get TSB savings, and rather track what is sent to the IOUs and what is sent to the RA portfolio. SoCalREN noted they always tract non-resource savings since it’s a unique-value metric because although they aren’t claiming it, they contribute to it. SoCalREN noted this is relationship based.
* A Member inquired how, if SoCalREN is, reaching their target audience and if there’s room for improvement. SoCalREN provided an example that with multifamily housing, they met their goal by splitting their programs into the Whole Building Comprehensive Program where they work with large campus customers and a direct install program exclusive to equity properties (under fifty units, non-English speaking, etc) to capture hard-to-reach customers. SoCalREN noted they’d share their decision trees (which are a living document) and coordination efforts with SCE.
* Energy Division inquired about the nesting of four programs within one workforce, education, and training (WE&T) program and whether it would be beneficial to split those out. SoCalREN noted that for 2024, they are split and there will be 5 programs moving forward, which also helps with data collection effectiveness.
* Energy Division inquired how SoCalREN coordinates with 3C-REN and I-REN and across sectors. SoCalREN noted that while I-REN has a Climate Fellows program, SoCalREN does not, although LA County leverages this program and regional partners. SoCalREN noted that the three RENs have collectively concentrated in different areas to best complement each other (I-REN public sector focuses on member agencies, for example, and 3C-REN’s agricultural is focused on cannabis) as well as assessing gaps to be filled; all of this is located in the decision tree shared by I-REN.
* Energy Division inquired about the the decisions behind program changes and portfolio allocations as well as and the process to optimize portfolios for budget cycles, noting that there are regulatory differences between RENs, IOUs, and Community Choice Aggregatorrs (CCAs). SoCalREN noted they optimize on a quarterly basis and have a measure working group which together allows them to analyze measure mix on a quarterly basis and reanalyze how to meet TSB goals, which is a specific SoCalREN goal and they aim to maintain that for accountability. SoCalREN noted they utilize monthly dashboards that are data driven. SoCalREN noted that as a REN, they can pivot and maneuver more than IOU portfolios.
* Energy Division inquired about staff capacity given the 19 new programs SoCalREN will start. SoCalREN noted there’s currently 5 staff and soon to be 9, but as a local government, SoCalREN is limited to the number of people they are able to hire. SoCalREN did note that they are ensuring this entire portfolio is properly managed with oversight. SoCalREN will also leverage 3rd party implementers which are treated like an extension of their staff. SoCalREN noted that the entire team meets on a quarterly basis. SoCalREN also noted that they’re able to run RFPs within 3 months and that contracts are for time and material but they don’t impact the way programs are delivered. SoCalREN raised that in contracting and supporting the industry, EE should consider hybrid options.

*Slido/Chat Questions, Responses, and Input are available in* [*Appendix B: SoCalREN Q&A and Input*](#_hsua4mcvvxex)*.*

# Wrap Up Annual 2023 Portfolio Performance Report Review

## Key Themes

*Slides 110 - 111*

Ralston shared key themes observed across all the PA portfolio performance review presentations and CAEECC Members elevated (noted with an “\*”) ones for further discussion.

* **Categorization of Equity:**
  1. Is the equity segment benefiting or hurting an effort to incorporate equity?
  2. Are there characterization issues that are affecting the way equity is being reported?
  3. Is the Primary Purpose of segments also impacting how equity gets reported?
* **\*TSB for electrification implementation:**
  1. How might TSB help or hinder efforts around electrification, especially implementation?
  2. Comparing TSB to budgets is rough especially for electric or dual fuel utilities
  3. The amended ACC are not in 2023 programs and may be seen in 2024 program reporting
  4. Should TSB surface benefits and TRC surface anything hindering investment in fuel substitution or electrification?
  5. How do EULs impact TSB?
  6. TSB should apply the same to single and dual fuel utilities
  7. TSB is not designed to focus on equity, but rather the monetary benefit to the grid
* **Multifamily participation challenges:**
* **\*Contracting and solicitation challenges**
  1. Challenges in request for proposal (RFP) processes and getting new programs into the market
  2. Many 2024 programs have yet to launch and how this may impact 2025 reporting
  3. Issues with contracting with changing measure mix given the upcoming DEER updates and amended ACC. Implementers are challenged to know what that process is and as those changes land, they can have some pretty big impacts on the implementers themselves, the plans and the assumptions that they put in place, and the investments that they've made for those programs.
  4. Stacie: wondering if there are other types of changes that the commission could make to make solicitations faster and make improvements on the IOUS side.
* **Agricultural deemed savings**
  1. What are the opportunities to expand?
  2. Ensure consistency in availability and implementation across PA and contractors
* **NMEC and contractor impacts**
* **Public Sector Timeline**
  1. Long equipment lead times
* **Communities of Concern[[2]](#footnote-2) within all Segments**
  1. Challenges in reaching and serving underserved[[3]](#footnote-3), DAC, HTR customers, small business diverse businesses
  2. Possibly expanding categories (ESJ 2.0 is suggesting potentially adding more categories)
  3. Newer programs have a greater focus on underserved communities that can lead to lower prices in the long term.
  4. Is there a role for CAEECC to evaluate and think through policy structures that inhibit these challenges and offer solutions for the Commission to consider?
  5. Charles Reed: Could we recognize 'underservered’ as Communities of Concern? We as those living in Communities of Concern would like to be identified by the urgency of our situation. Thank you.
  6. Lara and Stacie
* **Low Residential Savings:**
  1. Relationship between fairly low persistent savings and benefits happening in residential and how that’s exacerbated or the result of how we apply TRC.

### Summary of Member Discussion on Key Themes

* Members discussed whether there is CPUC direction on categorization for each PA, and there is not, rather PAs seek disposition in the BBALs. Members raised that to find inconsistencies, it would mean combing through each PA’s categorization, and this raises more questions to the categorization theme. The Facilitator noted that this conversation is to elevate themes, but that discussion will be at a later time, and noted that there’s more questions associated with this theme and invited CAEECC Members to explore this question prior to the next meeting.
* A Member raised that these themes need to be in a container for discussion that’s within CAEECC’s purview. They provided the example that to address the TSB dilemma, CAEECC can come up with programmatic solutions and for Multifamily Programs, CAEECC can discuss programmatic market impacts.
* A Member elevated solicitations and contracting challenges, and raised ideas for the commission to explore additional changes to help make this process faster (recalled that the commission provided flexibility to move from a two-stage to one-stage solicitation process).
* A Member shared that PAs owe a justification for for program segmentation along with their Q2 claims per D.23-06-055 Ordering Paragraph 21, “Portfolio administrators shall complete and submit the Program Segmentation Justification, included in Attachment A, as a functional Excel spreadsheet in the California Energy Data and Reporting System “Documents” page alongside their Quarter 2 2024 Quarterly Claims reports.”
* A Member noted that there was an attachment in the Decision authorizing the Business Plans with the segment justification form that will be completed and submitted with the mid-cycle True Up Advice Letter.

*Public discussion is available in* [*Appendix B: Key Themes*](#_v2gpz96hc0bb)*.*

## Wrap Up

* Meeting summary will be posted with responses from PAs for outstanding questions.
* A Live Meeting Evaluation was conducted *after* the CAEECC Meeting Agenda.
* CAEECC Members noted appreciation for the open dialogue and the comprehensive presentations.

# Appendix A: Attendees

| **Organization** | **Name** | **May 14** | **May 15** |
| --- | --- | --- | --- |
| **CAEECC Members** |  |  |  |
| 3C-REN | Alejandra Tellez | x | x |
| BayREN | Jane Elias | x | x |
| Code Cycle | Dan Suyeyasu | x | x |
| CSE | Rocky Fernandez | x | x |
| I-REN/WRCOG | Benjamin Druyon | x | x |
| MCE | Alice Havenar-Daughton | x | x |
| NRDC | Lara Ettenson | x | x |
| PG&E | Lisa Hunter | x | x |
| RCEA | Stephen Kullmann/Patricia Terry | x | x |
| SBUA | Ted Howard | x | x |
| SCE | Jessica Lau | x | x |
| SDGE | Stacie Risley | x | x |
| SF Dept of Environment | Cara Bautista-Rao | x |  |
| SJVCEO | Courtney Kalashian | x | x |
| SMW Local | Randy Young | x | x |
| SoCalGas | Darren Hanway/Carlo Gavina | x | x |
| SoCalREN | Lujuana Medina | x | x |
| The Energy Coalition | Laurel Rothschild | x | x |
| **Ex-Officio** |  |  |  |
| CARB | Emma Tome | x |  |
| CPUC Energy Division | Ely Jacobsohn | x | x |
| CPUC Energy Division | Pamela Rittelmeyer | x | x |
| CPUC Energy Division | Coby Rudolph | x | x |
| **Other Interested Stakeholders** | | | |
| 3C-REN | Erica Helson | x | x |
| Acterra | Lauren Weston |  | x |
| AMBAG | Amaury Berteaud |  | x |
| American Eco Services | Nicole Milner | x | x |
| Ava Community Energy | Allison Lopez | x |  |
| Bruder Consulting | David Bruder | x | x |
| Cadmus Group | Andrea Marr | x |  |
| CalMTA/RI | Nils Strindberg | x |  |
| Cal PA | James Ahlstedt | x |  |
| Cascade Energy | Emily Lange |  | x |
| County of SLO/3C-REN | Jordan Garbayo | x |  |
| CPUC | Pui-wa Li | x |  |
| CPUC | Gillian Weaver | x | x |
| CPUC E&A Grant Program | Karina Patwardhan |  | x |
| DNV | Lindsay Keane | x |  |
| ECWG/Greenbank Associates | Alice Sung | x | x |
| Energy Solutions | Greg Barker |  | x |
| Energy Solutions | Michael Greco |  | x |
| Energy Solutions | Tobyn Smith | x | x |
| Evergreen Economics | Jesse Emge | x |  |
| Frontier Energy | Nancy Barba | x | x |
| Frontier Energy | Casey Carnes | x |  |
| Frontier Energy | Jesse Farber-Eger | x |  |
| Frontier Energy | Aaron Jones | x |  |
| Frontier Energy | Margaret Marchant | x | x |
| Google | Chad Ihrig |  | x |
| ICF | Scott Broten |  | x |
| ICF | Heather Schulte |  | x |
| I-REN/WRCOG | Casey Dailey | x |  |
| I-REN/WRCOG | Tyler Masters | x | x |
| Lincus | Patrick Ngo | x | x |
| MCE | Jenn Green | x |  |
| MCE | Alex Valenti | x |  |
| MCE | Qua Vallery | x |  |
| MW Consulting | Mark Wallenrod | x | x |
| Ortiz Group | Melinda Lopez | x |  |
| Okapi Architecture | Debbie Ebel | x | x |
| PG&E | Rob Bohn | x |  |
| PG&E | Claire Braico | x |  |
| PG&E | Mananya Chansanchai | x |  |
| PG&E | Matt Coffman | x |  |
| PG&E | Sebastien Csapo | x |  |
| PG&E | Kelly Cunningham | x |  |
| PG&E | Sonia Manrique | x |  |
| PG&E | Angela McDonald | x |  |
| PG&E | Jeff McDowell | x |  |
| PG&E | Roopa Reddy | x | x |
| PG&E | Jake Richardson | x |  |
| PG&E | Billy Roderick | x |  |
| PG&E | Michelle van Tijen | x |  |
| PG&E | Lindsay Tillisch | x | x |
| PG&E | Michelle van Tijen | x |  |
| RCEA | Faith Yakovleva |  | x |
| Resource Innovations/CalMTA | Nils Strindberg | x |  |
| SCE | Marissa Barrera | x | x |
| SCE | Justine Chao |  | x |
| SCE | Nicole DiJerlando |  | x |
| SCE | Carlo Gavina | x | x |
| SCE | Christopher Malotte |  | x |
| SCE | Cassie Rauss |  | x |
| SCE | Larry Tabizon | x | x |
| SCE | Desiree Villalobos |  | x |
| SCE/OC Power | Nataly Morales | x | x |
| SD Community Power | Aisha Cervantes Cissna | x | x |
| SD Community Power | Sheena Tran | x | x |
| SDGE | Stephanie Gutierrez | x | x |
| SDGE | Alton Kwok |  | x |
| SDGE | Kelvin Valenzuela | x |  |
| Silent Running | James Dodenhoff | x | x |
| SoCalGas | Roy Christian |  | x |
| SoCalGas | Kevin Ehsani |  | x |
| SoCalGas | Carlo Gavina | x | x |
| SoCalGas | Sandra Gonzales |  | x |
| SoCalGas | Elizabeth Medrano | x |  |
| SoCalGas | Gustavo Sevilla | x | x |
| SoCalGas | Laura Verduzco |  | x |
| SoCalREN | Tessa Charnofsky | x | x |
| The Energy Coalition | Natalie Espinoza | x | x |
| The Energy Coalition | Rebecca Hausheer | x | x |
| The Energy Coalition | Tim Olsen | x | x |
| Timber Cove Energy Solutions | Spencer Lipp | x | x |
| TRC | Sophia Hartkopf | x | x |
| Willdan | Lou Jacobson | x | x |
| Willdan | Craig Owens | x | x |
| **Facilitators** |  |  |  |
| Katie Abrams | Birch Road Consulting | x | x |
| Michelle Vigen Ralston | Common Spark Consulting | x | x |
| Suhaila Sikand | Common Spark Consulting | x | x |
| Sooji Yang | Common Spark Consulting | x | x |
| Susan Rivo | Raab Associates | x | x |

# Appendix B:

Note this section includes questions & input provided both verbally and via chat.

## General Questions & *Input* across all PAs

* *Lara Ettenson, NRDC: From Energy Division earlier: FYI – for more context on Deemed vs Custom Measures: Deemed measure = A prescriptive energy efficiency measure. Energy efficiency measures with predefined savings calculations, cost, eligibility, and other measure attributes in Database for Energy Efficiency Resources (DEER) or workpaper values. Custom measures and projects = site-specific energy efficiency projects. Custom Projects require unique calculations for each project, as they do not rely on fixed DEER or workpaper values.*
* *Lara Ettenson, NRDC: TSB (total system benefit) it's a goal in value of grid in terms of $$ to account for location and time vs. currently it's kw/kwh/therms, without consideration of time/location of savings*
* *Lara Ettenson, NRDC: Include compiled data on TSB/TRC/etc for the 2024 mid year reports.*
* Alice Sung, Individual: for each of the line item budgets or expenditures, are we also to assume that 15% (please clarify if not 15%) of that dollar amount needs to be assumed to be "Administrative costs" that go to the PA?
  + **PG&E Response:** It is not a consistent percentage for each line item. PG&E provides full details of expenditures by cost category and program ID, in Sheet T-4 of our annual report excel appendix that can be found on CEDARS: Documents - CEDARS (sound-data.com)
  + **I-REN Response:** Allowable admin costs are capped at 10% according to the CPUC Energy Efficiency Policy Manual, and the exact percentage of each program budget that is admin varies. I-REN program budgets are broken out by cost category in the 2023 Annual Report spreadsheet which is available in the CEDARS Documents area.
  + **SoCalGas Response:** SoCalGas strives to minimize administrative costs in program delivery. There is no "average" administrative cost, but the portfolios do have a 10% cap on administrative costs per Decision D.09-09-047. Please refer to SoCalGas’ 2023 Annual Report in CEDARS.
  + **MCE, BayREN, 3C-REN, SCE, SDGE, SoCalREN Response:** *No response provided*
* Alice Sung, Individual: Can you ask PA ' to tell us their goals $ vs expenditures by sector and by segment? *(please list out versus referring to CEDARS)*
  + **PG&E Response:** This is shown in table 5 of each PA’s excel attachment to our annual report and is not reasonable to list out here. The attachment is accessible on the CEDARS website for all PAs: <https://cedars.sound-data.com/documents/standalone/list/>
  + **I-REN Response:** Please refer to 5/14/2024 slide 138 (I-REN Appendix) of the Slide Deck.
  + **SCE Response:** *Response pending clarification from question author.*
  + **SoCalGas Response:** Please refer to SoCalGas’s 2023 Annual Report in CEDARS for a breakdown of savings per sector and segment (Sheet-T5) and our EE Quarterly Cap and Target Expenditure Performance (Sheet-T9).
  + **MCE, BayREN, 3C-REN, SDGE, SoCalREN Response:** *No response provided.*
* *Spencer Lipp, Timber Cove Energy: Another observation regarding the TSB issue......which somehow appears to "favor" gas savings over electricity savings......SCE is electric-only, PG&E is electric/gas, SDGE is electric/gas.....not to be answered now, but possibly to be considered for the future. Is there an unintended skewing here?*
* Jim Dodenhoff, Silent Running: another observation regarding the TSB issue......which somehow appears to "favor" gas savings over electricity savings......SCE is electric-only, PG&E is electric/gas, SDGE is electric/gas.....not to be answered now, but possibly to be considered for the future. Is there an unintended skewing here?
  + **SoCalGas Response:** TSB isn’t necessarily a gas vs electric issue, TSB favors measures that are in service longer and gas measures are less complicated and rely on less computer technology, which seems to be more of the driver for higher TSB values.
  + **Energy Division Response**: Recently completed an updated EUL study of a few kinds of measures on fuel substitution (i.e. hot water heaters), and the study found that EULs were decently higher than the EUL we’ve been using for the last 20+ years. This update in measure packages can have a big impact on the benefit of these measures. Clarified that the TSB calculation should apply no matter if the IOU is single fuel or mixed fuel utility for the same customer.
* Aisha Cervantes Cissna, San Diego Community Power: Will all the Q&A from Slido (and any that may appear on Zoom) be included in the meeting summary/notes posted on the CAEECC website?
  + **Facilitator Response:** Yes - all Slido and chat questions and comments will be included in the Portfolio Performance Report Review Meeting Summary which will be posted on the CAEECC website.
* *Laurel Rothschild, TEC: Overall comment: great presentations from all PAs today! A lot of information and insights were shared.*

## PG&E Q&A and *Input*

* Lara Ettenson, NRDC: From experience, it's also not easy to participate as a res customer. Happy to share my experience with PG&E.
  + **PG&E Response:** Hi Lara- I'm happy to hear about your experience. I'm sorry to hear your experience. I'd like to hear about it so we can learn and improve. We always want to look for continuous improvement opportunities and give feedback to vendors
* Alex Valenti, MCE: Could you describe the strategy and design of the Home Intel program. What types of measures were included?
  + **PG&E Response**: Home Intel is a behavioral program – customers enroll, supply their data through the Green Button download and customers begin to receive disaggregated reports with top tips to save and personalized energy coach for customers who request. Through virtual coaching, a live person talks them through strategies and updates – strategies are mostly behavioral like turning off the lights and others are more long term like setting the thermostat or water heater temperature.
* Jim Dodenhoff, Silent Running: If not provided already, could PG&E provide breakdown of Program Year Spend vs Program Year Spend by sector (e.g. Residential, Commercial, etc.)
  + **Facilitator Response**: is this answered in 5/14/2024 Slides 25-26.
* David Bruder: Can you elaborate on the performance of the multifamily program, addressing why it was unable to enroll customers, complete projects, and achieve energy and demand savings?
  + **PG&E Response**: Multifamily Energy Savings Program (MESP) did not achieve its program savings goals since the start of the program in 2021. In PY2022, MESP achieved less than 1% kWh savings goal and 0% of its kW savings goal. It achieved 130% of its therm savings through installations of one measure domestic hot water loop. MESP has struggled to find leads; attempts to generate new leads included PG&E granting permission to serve exceptions for multiple projects outside of the multifamily space, after confirming that these sites are not being served by any other program. I do recommend reading the [Advice Letter](https://www.pge.com/tariffs/assets/pdf/adviceletter/GAS_4754-G.pdf) for additional details.
* Jim Dodenhoff, Silent Running: Could you provide a bit more detail on how the new electrification programs will enhance energy efficiency? Is the energy efficiency benefit from fuel switching? Or do these programs focus on energy efficient electric measures?
  + **PG&E Response:** The vision for the RFPs is that electrification programs will layer energy efficiency as a foundation to the program to support energy efficiency and decarbonization goals. Once the negotiations are complete, we will be able to share more details about the 3rd party designed programs.
  + Jim Dodenhoff, Silent Running: Could you elaborate? This seems contrary to what was just mentioned regarding gas to gas efficiency vs electricity to electricity efficiency
  + **PG&E Response:** Can’t get into the specifics about the program will offer, and this is a general response about claiming benefits. If a program is designed to be a Resource Adequacy program that we’re claiming TSB from the program, then the TSB can occur from traditional EE measures or fuel substitution measures (retrofits moving from natural gas baselines to all electric baselines). In addition, PAs can offer Market Support or Equity electrification programs where there could be additional benefits that align to that segment (i.e. providing equity benefits that are outside the TSB goals).
* Jim Dodenhoff, Silent Running: What were the enhancements to OBF that enabled greater uptake by all IOU's?
  + **PG&E Response:** With statewide programs, each IOU has its own OBF offering. We were able to work with our IOU counterparts to utilize their OBF offering for these customers while participating in PG&E's Statewide State of CA program.
  + Jim Dodenhoff, Silent Running: Does this mean you (PG&E) funded OBF loans for non PG&E customers?
  + **PG&E Response:** Each IOU funds their own OBF programs so PG&E does not provide OBF loans to non-PG&E customers. PG&E facilitated the participation in a PG&E program, with an SCE loan
  + Jim Dodenhoff, Silent Running: I'm still not clear on OBF. Perhaps it could be addressed off line.
  + **PG&E Response:** Another IOU's OBF Program was only allowing loans to be paid to the customer and not the contractor. This made it difficult for State of CA Agencies to participate as it was much easier if the IOU paid the contractor directly. After discussing the issue with the IOU, they were then able to modify the program to pay the loan to the contractor.
* Alice Sung, Individual: According to Slides 16-17, PG&E was only "targeting to spend" 1.7% of $202,931,538 =$ 3,449,836. How does that translate to the equity line on slide 26 : "Equity $9,787,292 35% $36,097" which is >100% "
  + **PG&E Response:** Slides 16-17 refer to how much PG&E spent as a percentage of its entire portfolio. In 2023, PG&E spent $3.39M out of a total of $202.93M, or 1.7%, in the equity segment. Slide 26 is referring to PG&E spending as a percentage of our budget from the Biennial Business Advice Letter (BBAL) filing. In 2023, PG&E spent $3.39M against a BBAL forecast of $9.79M, or 35%, in the equity segment. Further details on segment and sector level expenditures and achievements can be found in sheet T-5 of our annual report excel appendix: Documents - CEDARS (sound-data.com)
* Alice Sung, Individual: Was $36,097 the actual expenditure attributable to Equity of the total PG&E portfolio budget? , which is considerably less than even a target of 1.7 % of portfolio budget
  + **PG&E Response**: $36,097 is how much TSB was claimed in 2023, and is not related to the expenditures. PG&E expended $3.39M in 2023. Further details on segment and sector level expenditures and achievements can be found in sheet T-5 of our annual report excel appendix: Documents - CEDARS (sound-data.com)
* *Spencer Lipp, Timber Cove Energy: In regards to the Overview of Portfolio Performance Report Review Slides 18-21 on equity customers and cost effectiveness: she is correct that there is an additional cost to serve equity customers. The policy that Equity programs do not have cost effectiveness requirements but Resource Acquisition (RA) programs that serve those same customers do is an inequitable policy. What this policy means is that the same project for an equity customer impacts portfolio cost effectiveness is dependent on the program that serves that project. All RA programs do have equity goals or KPIs. They also have cost effectiveness goals. This policy is one of the things preventing RA programs from serving equity customers. The impact of a project's cost effectiveness should not be based on which program claims the savings but on the customer. This would require a policy change and I understand this is likely out of CAEECC's current scope.*
* *Spencer Lipp, Timber Cove Energy: To Lujuana's point about TSB not driving electrification is an issue with the TSB metric and what is actually included or how those TSB dollars are weighted. TSB and the associated TRC do not align with the State's goals.*
* *Spencer Lipp, Timber Cove Energy: To Coby's point about strategies not to use during the peak hours, I'm not sure we have a way to claim those savings. We use defined load shapes and we do not have a HPWH with peak demand controls, as an example. There was a discussion on this point at the last Cal TF meeting. Starts at* [*slide*](https://static1.squarespace.com/static/53c96e16e4b003bdba4f4fee/t/66340f735b225c69444099ae/1714687860913/Cal+TF+Meeting_2024-25-25+Presentation+%28updated%29.pdf) *52.*

## MCE Q&A and *Input*

* Stacie Risley, SDGE: You mentioned collaboration with other PAs to decide which PA the customer should go with. Can you elaborate? How do you pick who goes where?
  + **MCE Response:** BayREN and MCE collaborate with the same implementer, who delivers technical support for each PAs programs and serves as a single point of contact. Additionally, MCE included a program coordination diagram in its implementation plan, which is accessible on CEDARS, and more details in the joint cooperation memos.
* Ely Jacobsohn, Energy Division: For Single Family home program, what was the limitation on that program? Could it have produced more than 352 projects? How was its cost-effectiveness and did it fit well into your portfolio optimization?
  + **MCE Response:** The Single Family program had the potential to exceed 352 projects. The main limitation was balancing the goal of targeting underserved communities while adhering to a 30% budget cap for the marker support and equity segments. Revisiting the 30% cap could be beneficial, perhaps allowing PAs to exceed this limit if their resource acquisition efficiency remains above 1.0. Regarding cost-effectiveness, the program achieved 0.14. This was an equity program so it wasn’t designed to hit cost-effectiveness targets, thus contributing to our portfolio optimization in that way. As such, it also had to stay within the 30% cap on our equity and market support budget.
* Lara Ettenson, NRDC: To be clear: For MCE, serving deed restricted properties would be paid out of the energy saving assistance program (ESAP) - not out of the market rate program that we're discussing today, correct?
  + **MCE Response:** The Multifamily program for deed-restricted properties, Multifamily Energy Savings (MFES), was an EE program in the Resource Acquisition Segment that leveraged funding from Low Income Families and Tenants (LIFT), a ESAP-funded program. In 2024, MFES will operate in the Equity Segment.
* Jim Dodenhoff, Silent Running: For MCE Multi-Family Energy Savings. Were these properties individually metered, master-metered, or both?
  + **MCE Response:** The properties that participate in MCE's MFES program are both individually and master-metered. This allows us to implement measures tailored to both the individual tenant and the shared common areas.

## BayREN Q&A and *Input*

* Stacie Risley, SDGE: On the Single Family program you mentioned a redesign to better serve the target population, and I'm wondering how that is accomplished in practice. Can you elaborate?
  + **BayREN Response:** Answered live on 5/14. To summarize, we have been performing a series of listening sessions and meetings with a number of stakeholders along with surveys to inform our redesign concept. We are getting ready to release our RFP and the relaunch will be in Q3, 2024.
  + Stacie Risley, SDGE: Thank you. I wasn't aware there was a workpaper for refrigeration replacements specifically.
* Rebecca Hausheer, TEC: What incentive pathway will the BRRR program leverage, if any? e.g. Deemed/Custom?
  + **BayREN Response:** BRRR will be a direct install program with deemed measures and incentives
* Lujuana Medina, SoCalREN: Are BayREN equity programs exclusive to equity customers? i.e DAC HTR, LI
  + **BayREN Response:** Answered live 5/14. Not all equity programs are exclusive to equity customers. Currently, single family allows non-equity customers. This may change once we finalize our redesign.
* Aisha Cervantes Cissna, San Diego Community Power: Jane mentioned "difficult to reach" customers. Are these distinct from "hard to reach" customers and if so, how?
  + **BayREN REsponse:** BayREN used "difficult to reach" in our business plan submission and when the CPUC offered a definition of HTR in D. 23-06-055, At the time BayREN used the difficult to reach description, it included moderate income residents and primary language spoken in the home was something other than English.
* Jim Dodenhoff, Silent Running: Did BayRen's Codes & Standards program claim energy efficiency savings? If so, how were these coordinated/allocated between BayRen and PG&E?
  + **BayREN Response:** Codes & Standards program did not claim savings, so allocation was not an issue.

## 3C-REN Q&A and *Input*

* Ely Jacobsohn, Energy Division: What has Sealed done to enable more contractor and customer participation? What kind of volume is expected in the future? Any lessons learned from their model? And do you anticipate an improvement in TRC?
  + **3C-REN Response:** 3C-REN is contracted with Recurve to implement the SF NMEC program, and Sealed is enrolled as an aggregator. To enable more local contractor and customer participation, 3C-REN provides an additional incentive when aggregators partner with a local contractor. 2023 saw a significant ramp-up in the number of projects completed, 319 households served compared to 16 in 2022, and 2024 has seen our highest participation yet. 3C-REN anticipates this growth to continue and we expect to fully commit our 2024 incentive budget by the end of June. We have reached out to Sealed for comment on lessons learned as a participating aggregator and will share once available. We also do anticipate improvements in TRC as the program continues to scale and as we are working with IOUs to share metered data.
* Sealed started in NY and is currently active in NY, NJ and CA. In addition to the programs below that Sealed is currently active in for CA, they are also currently working to participate in TECH and other CA-based programs.
* [3C-REN Residential FLEXmarket](https://www.demandflexmarket.com/3c-ren.html)
* [PCE (Peninsula Clean Energy) Residential FLEXmarket](https://urldefense.com/v3/__https:/www.demandflexmarket.com/pce.html__;!!Ifs0MJmijOm0!spEGXTswAf1TdrPWmz8gmULO8L_lvkTvespVdeeXWIKSWjM5fRF_O48x9xdfZgKoNPCkV3GUZT88TuhGF9_z2Qc$)
* [MCE Community Choice Energy's (MCE) Peak FLEXmarket Program](https://urldefense.com/v3/__https:/www.mcecleanenergy.org/flexmarket/__;!!Ifs0MJmijOm0!spEGXTswAf1TdrPWmz8gmULO8L_lvkTvespVdeeXWIKSWjM5fRF_O48x9xdfZgKoNPCkV3GUZT88TuhGRLRoIRU$)
* [PCE (Peninsula Clean Energy) Appliance Rebate Program](https://urldefense.com/v3/__https:/www.peninsulacleanenergy.com/wp-content/uploads/2022/09/Peninsula-Clean-Energy-Appliance-Rebates-Terms-Conditions_10.01.22.pdf__;!!Ifs0MJmijOm0!spEGXTswAf1TdrPWmz8gmULO8L_lvkTvespVdeeXWIKSWjM5fRF_O48x9xdfZgKoNPCkV3GUZT88TuhG7WLP2cU$)
* Ely Jacobsohn, Energy Division: Nice pics in your presentation! On Slide 102, what is the contractor applying to the wall? What kind of building?
  + **3C-REN Response:** It's a rigid foam board for exterior insulation, perhaps for a passive house project.
* Jim Dodenhoff, Silent Running: A clarifying question.....the summary slides show no budget or spend for Resource Acquisition programs, but 1.54 GWh net energy savings at the Portfolio.......?
  + Facilitator: Thanks Jim! I believe 3CREN can elaborate, but I confirmed that 3CREN did not have Resource Acquisition programs in 2023, hence a $0 expenditure. I don't know the latter part of your question, sorry!
  + **3C-REN Response**: Those savings were achieved under the Equity segment. Other program segments, such as Equity and Market Support, can claim energy savings in addition to the Resource Acquisition segment. Facilitators are correct, there are no Resource Acquisition segment programs in 3C-REN's portfolio. As a REN, they are not required to have Resource Acquisition segment programs.

## I-REN Q&A and *Input*

* Jim Dodenhoff, Silent Running: Could you elaborate/detail the barriers that I-REN encountered in tracking certain CPUC required metrics?
  + **I-REN Response**: This is not a new issue. Asking for address, phone number, income feel invasive when engaging potential participants, even though this data is needed to identify for REN and equity prioritization–issues that came up in past REN evaluations. I-REN will continue to explore different methods of targeting and validating and are trying to find the balance between getting the data we need to show the efficacy of the program and not putting off people from the programs with these questions. Asked if other PA’s have solutions or ideas.
  + *Jim Dodenhoff, Silent Running: Helpful.....came up in a modest way as part of Equity and Market Support Working Group, guess i hadn't realized it formed such a barrier*

## SCE Q&A and *Input*

* Ely Jacobsohn, Energy Division: Can you confirm that a water pump measure Net to Gross ratio changed from .85 to .06? If so, it would be good to understand how impactful that change is since the water/wastewater program is a statewide program.
  + *Addressed Verbally and in Summary of Discussion*
  + **SCE Response:** The measure package is SWWP004 Water Pump Upgrade. The NTG changed from 0.85 to 0.60 from 2022 to 2023. This NTG change required an Amendment to reduce the energy saving goals and an adjustment to the forecasted measure mix to maintain cost effectiveness.
* Stacie Risley, SDGERelatedly, how are the 3P reacting to these abrupt/unexpected changes to the measure packages?
  + *Addressed Verbally and in Summary of Discussion*
  + **SCE Response:** The changes can cause third parties to adjust and, in some cases, limit what they ultimately offer to customers in an effort to meet and deliver on their contractual obligations, which can be disruptive to programs that are already in-flight. Moreover, as contracts may be multi-year, third party obligations committed at the initial contract issuance could warrant updates if measure packages require updates annually or every 2 years.
* Jim Dodenhoff, Silent Running: Can you confirm that the closed Lighting Program was the Statewide Lighting Program? If yes, what was the 2023 energy savings and TSB shortfall (the delta between budgeted vs actual) for each of the IOU's?
  + **SCE Response**: Yes, it is the Statewide Lighting program. The program had no savings in 2023, therefore the delta between budgeted and actual is the budget, the below table represents what is reported in CEDARS.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| IOU | Budget | TSB | KWh | KW |
| PG&E | $6,235,039 | $10,650,383 | 10,370,899 | 1,606 |
| SCE | $5,035,279 | $9,618,927 | 9,366,510 | 1,451 |
| SDGE | $2,176,646 | $3,704,443 | 3,620,471 | 561 |

* David Bruder, Bruder Consulting: Can you please show us the planned goals and metrics, and achievements to those goals and metrics at year-end for each of the programs you are discussing. Thank you.
  + **SCE Response**: Program level metrics from SCE's 2023 Annual Report can be found on CEDARS, please let us know if you have questions on a specific program: https://cedars.sound-data.com/claims/confirmed-dashboard/SCE/2023/programs/
* Jim Dodenhoff, Silent Running: The OBF funding level for 2023 seems low. What was the budgeted level of OBF funding in 2023 and what was the level of OBF funding in 2022? Was there something specific that impacted the SCE OBF program?
  + **SCE Response**: The OBF operational budget for 2022 was $643,334 and for 2023 it was $639,126, showing a decrease of $4,208 or 0.07%. The OBF loan pool budget for 2022 was $12,000,000 and for 2023 it was $14,000,000, showing an increase of $2,000,000 or 17%. It is relevant to note that SCE&#39;s OBF program does not rely on additional revenue to fund its loan pool but uses existing uncommitted funds and loan repayments instead. The budget changes between 2022 and 2023 were not significant, but OBF participation depends on customer participation in SCE incentive EE programs. Due to delays in EE incentive project approvals in 2022, OBF loan funding level was higher in 2023 than in 2022.
* *Spencer Lipp, Timber Cove Energy: Not enough time is given for the public to respond to the question responses. Also, slido has a character limit which limits the possible input from the public. I think there's more to the response to the impact on 3P implementers when deemed measure values change. Perhaps getting the implementers' perspective on this would lead to a full spectrum view of the issue.*
  + Facilitators recalled the 300 character limit and availability of chat for longer responses and noted the upcoming session to revisit the key themes noted in the responses and questions. Facilitators committed to spending a few more moments to allow the public to generate questions.
* *Spencer Lipp, Timber Cove Energy: To the point about the deemed values changing, Cassie is correct that the DEER resolution identifies the changes but for the most part an implementer cannot determine the impact of these changes. Changes to the avoided cost calculator also changes the TSB. Also, the update process is not transparent to the implementers.*
* Alice Sung, Individual: Sorry for joining in late, can you explain more about this ration, it's purpose, how this metric is applied or not over each of the program areas / segments, what the impacts are to each segment, category and programs as well as why the change (to reduce the ratio ) was made ? Thanks.
  + **SCE Response:** *No response provided.*

## SoCalGas Q&A and *Input*

* Pamela Rittelmeyer, Energy Division: Can you please provide the TSB for the Residential Behavioral Program?
  + *Addressed Verbally and in Summary of Discussion*
  + **SoCalGas Response**: TSB for SoCalGas's Residential Behavior Program is 13,499,614. Also listed in SoCalGas's 2023 Annual Report in CEDARS
* Ely Jacobsohn, Energy Division: Regarding your Residential Kits program, which makes up a sizable amount of TSB SCG generated in 2023, do you have an idea of installation rates? Assuming many people do not install them, what do you expect happens to the uninstalled kits or portions of kits? To what extent is that a waste problem?
  + *Addressed Verbally and in Summary of Discussion*

## SDGE Q&A and *Input*

* Kelvin, did you say the SDGE workforce program had participation by 100% of residential customers? Apologies if I misheard what you said.
  + **SDGE Response**: No, meant 100 residential customers participated in the home energy training.

## SoCalREN Q&A and *Input*

* Stacy Risely, SDGE: For the customers you channel to the IOUs, do you claim those savings (and the IOUs do not) or do you simply claim the number of customers?
  + *Addressed Verbally and in Summary of Discussion*
* Stacy Risely, SDGE: Do you track whether you are reaching your target audience? If so, are you successfully reaching your target audience? If there is room for improvement, any thoughts on better alignment?
  + *Addressed Verbally and in Summary of Discussion*
* David Bruder, Bruder Consulting: Is it possible to have the slides presented in full screen mode? The view is very small on my screen. Thanks.
  + The Facilitation team responded with technical advice.
* Emily Lange, Cascade Energy: Do you plan to add industrial sector programs to your portfolio in the future?
  + **SoCalREN Response:** We’ve been mostly focused on helping the most underserved and feel that industrial customers are the right target audience for SoCalREN and may be better served by IOUs instead.

## Key Themes Discussion

* Charles Reed, Individual: Could we recognize underserved as Communities of Concern? We as those living in Communities of Concern would like to be identified by the urgency of our situation. Thank you
* Alice Sung, Individual: How does the current definition of TSB and avoided costs and other metrics serve to benefit equity ? OR NOT?
  + Energy Division: California has moved from primary metrics of kWh or therms to a TSB metric that includes all kWh, therms, plus greenhouse gas emissions and other things is an advancement for the EE industry. The TSB benefit is to the reliability and sustainability of the overall electric grid. The extent to which it promotes improvements in equity is low because that wasn’t the intent. There are mechanisms related to TSB in regards to how HTR is defined and net to gross ratios are applicable to projects in HTR. TSB was not designed to focus on equity.
  + Lara Ettenson, NRDC: Total System Benefit = The sum of the benefit in $$ that an efficiency measure provides to the electric & natural gas systems] ([source](https://www.caeecc.org/_files/ugd/849f65_adba52c9680f4967aec98ace67976ee7.pdf))
  + Alice Sung, Individual: Thanks for clarifying/ naming that, Ely. I wonder what an equitable solution (developed by an equity body ) could be if the intent was to benefit reliable affordable energy to all Californians--not solely focused on the grid as the only monopoly alternative.... ?
  + Alice Sung, Individual: Thanks Lara^ the reference you cited is from 2014 on Cost effectiveness..... NOT any "Newer" TSB or TRC or even ACC.... where is the latest definitions as well as latest updates on Net to ratios etc.?
* Alice Sung, Individual: Also, can someone please identify "what or who" benefits in the metric" Total System Benefits" (TSB) ? by "system" do you actually mean only "the GRID?" who bears costs in the TRC--total resource cost? (is it the GRid/Utilities?" rather than ratepayers?
  + Energy Division: TRC is two-fold 1) how much does a program participant pay to upgrade their equipment (or another measure) which is program participation and 2) what is the program expense (all the progran and portfolio budgets are paid by ratepayers through the utilities as part of the Public Purpose Surcharge)
  + Alice: Thanks Coby-- exactly, our ratepayer public purpose charges are used for the GRID /utilities to bear THEIR costs/expenses--- which we the public do not have insight into.
* Alice Sung, Individual: How many +1's in the chat are from PA/IOUs? or from communities of concern, public members, CBOs? I wonder....
* Jim Dodenhoff, Silent Running: Re: the TSB Issue-are there modifications or enhancements to the ACC or the timing of the ACC that could better support Energy Efficiency? With escalating electricity costs in CA, the benefit of EE gets larger. Perhaps this is an area that CAEECC could address on a go-forward basis....

1. Note: this meeting also included the Full CAEECC Quarterly Meeting #42 agenda on May 15. A separate summary is available at: <https://www.caeecc.org/5-15-24-full-caeecc-meeting>. [↑](#footnote-ref-1)
2. A Member of the Public requested to rename “Underserved” with “Communities of Concern” so those living these realities can be identified by the urgency of the situation [↑](#footnote-ref-2)
3. Refers to the CPUC definition of underserved [↑](#footnote-ref-3)