

California Energy Efficiency Coordinating Committee
Meeting #16
June 6, 2018 10:00 to 4:00
SDG&E Energy Innovation Center, 4760 Clairemont Mesa Blvd, San Diego
Facilitator: Dr. Jonathan Raab, Raab Associates

On June 6, 2018, the California Energy Efficiency Coordinating Committee (CAEECC) convened a quarterly meeting at the San Diego Gas and Electric (SDG&E) Energy Innovation Center in San Diego. Over 50 individuals participated in-person, and over 30 more participated via Skype. A full list of meeting participants is provided in Appendix A.

Meeting facilitation was provided by Dr. Jonathan Raab (Raab Associates Ltd.) and Meredith Cowart (CONCUR Inc). Meeting materials, including presentations, are provided on the CAEECC website at <https://www.caecc.org/6-6-18-coordinating-committee-mtg>.

In this document, the majority of the discussion is captured without attribution. In some cases, the name and/or affiliation of the speaker are identified, because (1) they are presenting on a specific subject or (2) their affiliation is relevant to the comment.

In this document, presentations are summarized only if the presenter's PowerPoint is not available on the CAEECC website (see link above). Following the presentations, key clarifying questions or comments are listed and relevant *responses to questions* are noted in *italics*. Key Decisions and Next Steps, at the end of this document, lists all next steps discussed at the meeting.

SESSION 1: INTRODUCTIONS

J. Raab welcomed participants, reviewed the agenda for today's meeting, and opened the floor for CAEECC Member introductions.

SESSION 2: DEBRIEF OF CAEECC WORKING GROUP/AD HOC WORKSHOPS, AND CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC) FINAL DECISION ON BUSINESS PLANS

J. Raab provided an overview of the CAEECC Working Group and Ad Hoc Workshops held in 2018, and on key accomplishments of each meeting. The presentation titled "Review of CAEECC Working Groups and Ad Hoc Workshops" is available on the CAEECC website (see link above).

Comments and Clarifying Questions on CAEECC WGs and Workshops:

- (SDG&E) We appreciate that the CAEECC provides a useful venue for the PAs to communicate with and get input from stakeholders, as we are often directed to do by the CPUC.
- (CPUC Office of Ratepayer Advocates [ORA]) I agree that the CAEECC provides an appropriate and useful venue for stakeholder work, but as topics are delegated to the CAEECC moving forward we need to be careful to draw a distinction between a formal participation process (which is a formal proceeding which becomes part of the record) and the CAEECC process.
- The fact that unanimity was achieved in one of the workshops underscores the value of this forum in helping us to understand the issues, and allowing us to provide useful feedback to the CPUC.

L. Ettenson and E. Brooks (CAEECC Co-Chairs) reported that the CPUC Decision Addressing Energy Efficiency Business Plans (Decision), which approved the 2018-2020 energy efficiency business plans for the eight program administrators, was approved on May 31, 2018. The Decision lays out several compliance items, many of which will be addressed by the CAEECC in the coming months, including Annual Budget Advice Letters (ABALs), Joint Cooperation Memos, metrics filings, contract terms and conditions, and others. The CAEECC Co-Chairs developed a 6-page document summarizing the Decision, titled “A1701013 et al. Business Plan Decision Summary” and posted on the CAEECC website (see link above). L. Ettenson also developed a more simplified summary available as a blog on the NRDC website.¹

Comments and Clarifying Questions on Business Plan Decision:

- There were no clarifying questions or comments

SESSION 3: METRICS

J. Tagnipes (CPUC) provided background on the metrics and indicators for evaluating Business Plans outlined in Appendix A of the CPUC Decision Addressing Energy Efficiency Business Plans (Decision). The purpose of the metrics is to demonstrate how the portfolio is progressing in a given sector. He stated that the Decision has been adopted through 2025 and the new metrics are fairly stable, although there is an opportunity to “review, revise and finalize” the metrics in the next 60 days. J. Raab then opened the floor for questions on the process for finalizing and the purpose of the metrics.

Key Comments and Clarifying Questions on the Compliance Filing/Process for Finalizing Metrics:

- The PAs filed metrics in July 2017, and included detailed explanations of what data the PAs have available to support metrics, what is not available/problematic, and also included the PAs proposals for metrics that

¹ Ettenson, Lara. June 6, 2018. California Sets Off on Another Bold Path to Save Energy. Available online at: <https://www.nrdc.org/experts/lara-ettenson/california-sets-another-bold-path-save-energy>

would be workable. The PAs have not received feedback from ED or the Commission on these filings. Is the assumption that the filings were acceptable? *None of the work you have done is lost - you can use that filing as the basis of August filing, but be sure that the wording is consistent with Appendix A of the Business Plan Decision.*

- Is there an opportunity to modify the way a metric is worded, or to remove a metric, in the next 60 days? *New or modified metrics (on wording or value) can be submitted in ABALs. The appropriate avenue for requesting removal of metrics is through a petition for modification.*
- Do stakeholders have the ability to comment on the compliance filing? *This CAEECC meetings is considered the window for broader stakeholder comment, moving forward PA reps will be working with J. Tagnipes and his staff (CPUC) over the next few weeks to work out specific metrics issues.*

Following J. Tagnipes presentation and CAEECC discussion, several CPUC staff, who worked to develop metrics for a specific sector, reviewed the new metrics for those sectors, and discussed the purpose and rationale of the metrics. CPUC staff focused on metrics that PAs had previously highlighted as new and needing further explanation. The sectors discussed and the CPUC staff lead included:

- Residential/Multi-Family, Peter Franzese
- Commercial, Mona Dzvova
- Workforce Education and Training, Reese Rodgers
- Emerging Technologies Program, Sasha Merigan
- Codes and Standards, Peter Biermayer

J. Tagnipes explained that the CPUC staff who developed the Industrial and Agriculture sector metrics have retired, and CPUC staff Public Sector lead was not available. Following each sector's presentation, CAEECC members posed follow up clarifying questions and comments. Several cross-cutting/key themes emerged from these discussion periods, which are captured below.

Key Comments and Clarifying Questions on the Purpose and Rationale of Metrics:

- Some items are classified as metrics, but likely should be classified as indicators (e.g. Residential, Emerging Technologies Program and Codes and Standards). Is it still possible to change metrics to indicators? *Procedurally, to reclassify indicators as metrics, there are two options: 1. An order correcting error or 2. A petition for modification. A metric is not a compliance target, but a yardstick for us all to understand whether the program is succeeding. In the case of Codes and Standards (Number of CEC Standards Adopted), we think it is appropriate that these remain as metrics.*
- Some of the metrics rely on data that's expensive and not necessarily useful. This is why we want the opportunity to remove metrics down the line. *Please show us the estimate of cost so that the CPUC can make that determination.*
- For some metrics (Residential, Workforce Education and Training), we may need to approximate data until will have a better tracking system in place.

How do we note this in our compliance filings? *In the view of the CPUC, all measures have available data, although it may take time to access the data (e.g. property managers may have residential data, other PAs may have data on WETs, data sharing could be formalized through Joint Cooperative Memos).*

- In some cases (e.g. commercial), determining baseline is difficult because of limited data. *The objective was to be consistent across sectors, but that's a good point and we will discuss that. It may be possible to use a proxy for commercial population. This can be discussed further in the working groups.*
- Customers may not want to share some information (e.g. use of private capital information). *This is the type of clarification that we need in the next 60 days.*
- There is no CPUC staff available to present on public sector metrics today, but it is critical that public sector metrics aren't glossed over –stakeholders need a forum to discuss these metrics with the appropriate CPUC representative(s).
- New tracking will be a new cost to our programs – would it be reasonable to use EM&V funding for applicable metrics? *(CPUC) That seems reasonable.*
- Common approaches and terms should be adopted across PAs so can compare apples to apples. Approaches and terms should be defined in the ABALs so that future filings also rely on the same approaches.
- (BayREN) In terms of polling permits for Codes and Standards, connecting activity to compliance can be difficult. *That's a good point, CPUC and BayREN should have an offline conversation to discuss that.*
- As the response to the joint motion on the disadvantaged worker definition has not yet been issued – in the interest of time can we move forward with the definition as is? *Yes.*
- Please note that many of these tracking requirements will be passed down to implementers, absorbed into programs, and affect the cost effectiveness of the programs.

A. Besa, SDG&E, closed the metrics discussion, noting that the issues discussed today cannot all be addressed in the next 60 days before the compliance filing. She stated that, in the short term, the PAs would like to meet with CPUC staff to discuss those metrics that can be revised. In the medium term, the PAs would like to get to a common understanding (between the PAs and CPUC) of the definition and objective of each metric, so that PAs can begin to recommend tracking methods/strategies and making the necessary program recommendations.

SESSION 4: JOINT COOPERATION MEMOS BETWEEN THE INVESTOR OWNED UTILITIES (IOUs) AND THE COMMUNITY CHOICE AGGREGATION (CCAs)/REGIONAL ENERGY NETWORKS (RENS)

A. LaBonte (CPUC) presented on the purpose, content and expectation for the Joint Cooperation Memos between IOUs and the relevant CCAs/RENS, due on August 1, 2018 for 2019 to the CPUC and on June 15 annually for 2020 to 2025. The presentation titled “Joint Cooperation Memos” and supporting document titled “ED JOINT COOPERATION MEMO (Outline Draft)” are available on the CAEECC website (see link above).

Comments and Clarifying Questions on Joint Cooperation Memos:

- Should Joint Cooperation Memos include all of the programs that the IOUs offer or only the programs that overlap with CCA/REN programs? We would prefer to highlight all of our programs using a link to an annual report, and include a comprehensive description of programs that overlap only. *Agreed, the draft template says that the memos should include a shorter form summary of all programs and a link to the annual report that more fully summarizes those programs. The CPUC wants to review all programs, be sure that all overlaps have been identified.*
- The Total Resource Cost (TRC) and Program Administrator Cost (PAC) were removed from the Joint Cooperation Memo, but they show up in your outline, we hope that those will be removed. *The TRC and PAC will not be included in the filing for this year. It may be included in later years however, when the Cost Effectiveness Tool has been updated.*
- Is it necessary to involve the Energy Division in drafting of the Joint Cooperation Memos if the IOU and REN/CCA are not at an impasse? *It is not necessary to involve the ED in this situation. If the IOU and REN/CCA are not at an impasse, you should communicate with Nils Strindberg (CPUC).*
- How will PAs define program overlap if they have not yet solicited programs?
 - *(SCG) We plan to include the elements we plan to go out to bid on.*
 - *(CPUC) It is relevant to develop the Joint Cooperation Memo first, as this process will help determine the design of the solicitation.*
- BayREN and SoCalREN claim our savings through the IOUs. We provide numbers that they rollup into their savings. The Joint Cooperation Memos will include line items that indicate where the savings come from, so there is not duplication.

CAEECC Member/Proxy comments and CPUC response on draft template provided and the questions posed by the CPUC in the document “ED JOINT COOPERATION MEMO (Outline Draft)” (available on the CAEECC website at link above):

- Regarding CPUC Comment 2, the Annual budget does not need to be subdivided into the categories proposed in Table 2 of the Joint Cooperation memo Outline (provided on CAEECC website; see link above), but should only be one annual budget. *(CPUC) The purpose of subdividing is to ensure that there is not an overlap between, for example, marketing of programs.*

(SoCalREN): When SoCalREN scaled back our marketing, we found a reduction in effectiveness – scaling back without intelligent adjustments will have adverse impacts.

- Regarding CPUC Comment 3, for the purposes of this filing, the budget needs to be provided on the program level so that comparisons can be made across the IOUS. *(CPUC) Everyone seems to agree, so we will go with program-based.*
- Regarding CPUC Comment 4, add “non-resource programs” as a bullet under the program. Regarding the overall template layout, rather than organizing the template by listing of REN/CCA programs, listing of IOU programs, and discussion of how the REN/CCA and IOU are coordinating, I’d suggest a discussion of each program that has overlap, followed by a discussion of how the REN/CCA and IOU are coordinating.
 - *The CPUC will strategize on another version of the template that tries to address that suggestion. We may also give you the template and allow you to reorganize it.*
 - *Follow up (BayREN): The PAs have also been working together on a template, which we can share with the CPUC if that would be helpful.*
 - *Follow up (SCG): It would be best for ease of CPUC review if all memos use the same template*
- Given that IOUs have a lot of uncertainty in their portfolios, it would serve to highlight that there are anticipated or potential IOU/REN pilots that haven’t yet been determined but will be in the future. *(SCE): We don’t expect to have much in the way of pilot offerings for 2019*

SESSION 5: ANNUAL BUDGET ADVICE LETTERS (ABALS) – LEVEL SETTING AND PLANNING

A. LaBonte (CPUC) presented an overview of the ABAL review process and required ABAL content, which are due to the CPUC on September 4th. A. Reardon (CPUC) then presented additional information on the Budget Filing Detail Report (BFDR), additional filing data and cost effectiveness tool updates. The two presentations were combined into a single PowerPoint presentation, titled “Annual Budget Advice Letter”, and provided on the CAEECC website (see link above).

At the close of the joint presentation, A. LaBonte noted that slide 20 of the presentation lists items still under consideration by the CPUC, and for which the CPUC would like PA input. The CPUC requested that PAs send clear suggestions on these items, as well as the other items discussed at today’s meeting, with regard to the ABAL review process and content by June 18, 2018. She stated that the CPUC will develop the next straw version of the ABAL requirements in time for the July 10, 2018 PCG meeting.

Comments and Clarifying Questions on the ABAL review process and content by CAEECC Members (responses in italics by CPUC):

- Should every item listed on slide 6 be included in the filing? *No, only the following items: (1) Forecast TRC and PAC (2) Budget for the relevant program year (3) Forecast energy savings and goals (4) Sector-level metrics and (5) Discussion of proposed program and portfolio changes*
- Regarding slide 3, how will ex post results be used to evaluate the filings generally? *The intent is to do due diligence to verify that forecast savings are based on accurate projections. A. Reardon will present a slide on this later as well.*
- The items listed on slide 6 should all be included in the ABAL, so that it becomes part of the Decision record, and stakeholders can make use of it in writing protests. *I’ll talk to our team about running a report on the electronic filing data in CEDARs and other systems, so that this information is available to stakeholders. A. Reardon will present a slide on this later as well.*
- Is it correct that PA budgets are not limited to the amount approved for that year? *This is an ABAL to request cost recovery, so PAs are still limited to the budget that they proposed for the year. You do have a budget cap for an 8-year period. If you underspend for a given year, the extra funds roll over to the next year.*
- The evaluated portion of the ABAL will take a lot of work, and that creates a timing issue that we all need to be aware of.
- On slide 6, does “% of goal” mean percentage of the total forecast or just the % for that year? *This is a true forecast, and not a look back at what the forecast was. Yes, you can forecast over the goals you were given by the CPUC.*

- Regarding slides 6 and 9, as far as Cost Effectiveness, we typically footnote cost items such as pensions and benefits, although they are recovered elsewhere, should we continue to follow this approach? *Thank you for pointing that out.*
- The table on slides 6 and 9 is also missing statewide ME&O and the new IDSM requirement. *We need to clarify where you put that, since the PAs each do that differently.*
- Regarding budget caps and targets, do you want us to demonstrate target cap and compliance? *I'll need to go back to the team on that, and get back to you.*
- Typically SCE includes a line item for SoCalREN, do you want that broken out? *That needs to be included, so that you can demonstrate cost recovery.*
- CPUC commits to having the updated cost-effectiveness calculator ready by July 15th instead of August 1st so that the PAs can run their cost-effectiveness calculations ahead of the August 2nd CAEECC meeting.

SESSION 6: IMPORTANT UPDATES

Progress/Preparation for the 3rd Party Requests for Proposals (RFPs) including the Independent Evaluator (IE) RFPs

A. Besa (SDG&E) presented a short update on 3rd Party RFP, including IE RFPs. Her presentation titled "Progress and Preparation for 3rd Party Solicitations" is available on the CAEECC website (see link above).

Comments and Clarifying Questions on 3rd Party RFPs:

- How are the independent evaluators being chosen? *Each utility is conducting its own RFP process. When utilities receive RFPs, they score each one and present results to their own Peer Review Group (PRG), if the PRG disagrees with the score it is sent to the Energy Division.*
- When can we expect action on the IOU's Motion for Approval of Standard and Modifiable Contract Terms? *(SCG) Decision 18-01-004 requires that the motion be approved before we issue an RFA.*

New CAEECC Member Process

J. Raab queried the group as to when the process for proposing/evaluating potential new CAEECC members should begin.

Key Decisions on New CAEECC Member Process:

- Members agreed that the process for new Member applications should be considered final for now, and opened on an ongoing basis following this meeting. Once new Member proposals are received, they will be reviewed periodically at full quarterly CAEECC meetings.

CAEECC Evaluation Process

J. Raab informed the CAEECC that the CPUC has asked the facilitation team to conduct an evaluation of the CAEECC process. The facilitation team is currently developing an evaluation framework, and hopes to conduct an evaluation following each CAEECC meeting, each Working Group, and Ad Hoc Workshop series, and periodically. An evaluation approach will be reviewed with the CAEECC at the August 2nd CAEECC meeting, and filed with the CPUC by the end of March 31, 2019.

SESSION 7: NEXT STEPS & PLANNING FOR AUGUST CAEECC MEETINGS

Candidate Topics for Working Groups or Ad Hoc Workshops

J. Raab presented the following list of candidate topics for Working Groups or Ad Hoc Workshops for the CAEECC.

- Cost-Effectiveness
- Market Transformation
- Workpaper Process
- Three-Pronged Test
- Accounting & Funding Issues
- Other Reporting Requirements

Key Decisions on Candidate Topics for Working Groups or Ad Hoc Workshops:

- No additional working group or ad hoc workshop topics were suggested

Potential Agenda Topics for August CAEECC Meetings:

J. Raab described the gameplan for the August 2, 2018 and August 21, 2018 CAEECC meetings, which would focus primarily on the ABALs due at the CPUC in early September, and members provided additional feedback.

Comments on Potential Agenda Topics for August CAEECC Meetings:

- At the August 2, 2018 CAEECC meeting the PAs will provide the major components of the draft ABALs including cost effectiveness, and a sense of potential program/portfolio changes.
- At the August 21, 2018 CAEECC meeting the PAs will have complete draft ABALs ready, and will describe changes made since August 2nd.
- Solicitation updates should be a standing agenda item for all quarterly CAEECC meetings

KEY DECISIONS AND NEXT STEPS:

- CAEECC Members:
 - Send suggestions to the CPUC for the items “still under consideration” listed on slide 20, as well as the other items discussed at today’s meeting, with regard to the ABAL review process and content by June 18, 2018.
 - Possibly convene a Working Group in the next few weeks on Public Sector metrics.

- Review and comment on draft meeting summary within 5 business days of posting.
- Review and comment on draft agendas (and other documents) as requested.
- CPUC
 - Strategize on another version of the Joint Cooperation Memo template to address the suggestion made by Pacific Gas and Electric representative.
 - Develop the next straw version of the ABAL requirements for the July 10, 2018 PCG meeting.
 - Provide the PAs with updated cost calculator by July 15th.
- Facilitators:
 - Develop meeting summary and post w/in 5 business days
 - Develop and circulate draft agenda for August 2nd (at SoCalRen, 375 Beale St San Francisco) and August 21st (in Northern CA TBD)
 - Include updates on IE and 3rd party solicitations
 - Open up new CAEECC Member applications process.
 - Develop a CAEECC evaluation framework, and present at August 2nd meeting

Appendix A: Participant List

CAEECC facilitation team present:

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| Jonathan | Raab | Raab Associates Ltd. |
| Meredith | Cowart | CONCUR, Inc. |

CAEECC Members and Proxies present:

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|-----------|----------------|----------------------------------|
| Jenny | Berg | MTC (BayREN) |
| Athena | Besa | SDG&E |
| Erin | Brooks | SoCalGas |
| Dan | Buch | ORA |
| Cody | Coeckelenbergh | Lincus, Inc. |
| Dave | Dias | Sheet Metal Workers Local 104 |
| Lara | Ettenson | NRDC |
| Matthew | Evans | Southern California Edison |
| Megan | Gibney | Center for Sustainable Energy |
| Chris | Kato | PG&E |
| Bernie | Kotlier | LMCC |
| Kathryn | Kriozere | Small Business Utility Advocates |
| Minh | Le | SoCalREN |
| Lujuana | Medina | Consultant to SoCalREN |
| Alice | Stover | MCE |
| Alejandra | Tellez | County of Ventura |

CAEECC Members and Proxies joining via webinar:

| | | |
|----------|-----------|---|
| Doug | Avery | California Advanced Lighting Controls Training Program (CALCTP) |
| Jessie | Denver | CCSF/SFE/SF CCA |
| Brian | Samuelson | CEC |
| Michelle | Vigen | CEDMC |

Participants from CAEECC Member organizations present:

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|-----------|--------|----------|
| Elizabeth | Baires | SoCalGas |
| Rodney | Davis | SoCalGas |
| Jesse | Emge | SDG&E |

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|--------|----------|------------------------------|
| Becky | Estrella | SoCalGas |
| Sara | Moore | California Energy Commission |
| Paul | Thomas | SDG&E |
| Brandi | Turner | SDG&E |

CPUC staff present:

| | | |
|--------|----------|------|
| Alison | LaBonte | CPUC |
| Chris | Moore | CPUC |
| Jeorge | Tagnipes | CPUC |
| Agatha | Wein | CPUC |

CPUC staff joining via webinar:

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|-------|-----------|------|
| Peter | Biermayer | CPUC |
| Mona | Dzvova | CPUC |
| Peter | Franzese | CPUC |
| Sarah | Lerhaupt | CPUC |
| Sasha | Merigan | CPUC |
| Amy | Reardon | CPUC |
| Reese | Rodgers | CPUC |

Other participants joining in person:

| | | |
|-----------|-------------|---------------------------------|
| Christine | Baginski | Baginski Consulting, LLC |
| Caroline | Bartolome | County of San Diego Parks & Rec |
| Allison | Bially | AESC |
| Dave | Bruder | Lockhead Martin |
| David | Clark | Synergy Companies |
| Daniel | Cornejo | Energy Solutions |
| Marc | Costa | The Energy Coalition |
| Susan | Davison | HHEA |
| Marc | Esser | NegaWatt Consulting |
| Liz | Fitzpatrick | Strategic Energy Innovations |
| Barbara | Hernesman | WHPA Inc. |
| David | Holly | Okapi Architecture Inc. |
| Anna | Lowe | SANDAG |
| Stephen | Miller | Strategic Energy Innovations |
| Aaron | Panzer | ENGIE Services US |

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| Dennis | Quinn | JouleSmart Solutions |
| Bob | Ramirez | DNV GL |
| Cesar | Rios | Rio Solutions |
| Laurel | Rothschild | The Energy Coalition |
| Brad | Simcox | Nexant |
| Dan | Suyeyasu | CodeCycle |
| Quashaun | Vallery | Frontier Energy |
| Bo | White | NegaWatt Consulting |
| Ken | Williams | Franklin Energy |

Other participants (including CAEECC member organizations) registered to join via webinar:

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|----------|--------------|---------------------------------------|
| Paul | Ahrns | Sierra Business Council |
| Don | Arambula | DAC |
| Drew | Brauer | Frontier Energy |
| Tony | Coonce | Lime Energy |
| Eric | Eberhardt | UC Office of the President |
| Donald | Gilligan | NAESCO |
| Ranjiv | Goonetilleke | SoCalGas Company |
| Corey | Grace | Resource Innovations |
| Julia | Hatton | Rising Sun Energy Center |
| Leanna | Huynh | City of San Jose |
| Michael | Kenney | California Energy Commission |
| Andrew | Martin | SANDAG |
| Pamela | Molsick | Energy Solutions |
| Katie | Moore | The Energy Alliance Association, Inc. |
| Kelly | Morris | City of San Jose |
| Lillie | Mozaffari | Matrix Energy Services |
| Joanne | O'Neill | CLEAResult |
| Veronica | Padilla | Southern California Gas Company |
| Craig | Perkins | The Energy Coalition |
| Ted | Pope | 2050 Partners, Inc. |
| Judie | Porter | NORESCO |
| Alice | Sung | Greenbank Associates |
| Lacey | Tan | Frontier Energy |
| Ashley | Watkins | County of Santa Barbara |

Note: Several dozen participants joined via webinar but their names were not recorded. The names above represent participants who previously registered as intending to join via webinar, but their attendance was not confirmed.