

Memorandum



Date: September 28, 2016

To: CAEECC Facilitator and SCE Staff

From: Jeremy Battis, Energy Division

COMMENTS ON REQUESTED ITEMS MISSING FROM SCE DRAFT PUBLIC SECTOR CHAPTER OF BUSINESS PLAN⁸

The objective of the business plan exercise is, ostensibly, to increase transparency and ensure a well-vetted pipeline of actions and projects that are justifiable and tied to the EE Strategic Plan.

In undertaking this exercise, there lies the risk that LGP (partnership) budgets and goals will be less apparent as they are enfolded into the general public sector. This appears to be the case with SCE's submittal.

ED suggests that SCE revise the document to reduce it by half the length (25 pp. max), with a new Overview chapter at the top that describes the LGPs, State Institutional Partnerships, K-12, and any other programs related programs such as SEEC. Budgets, savings goals, gaps, solutions, transition plans, etc. should be specified for each and then rolled up into an overall tally.

CPUC decision makers have recently confirmed that they are looking to have the IOUs demonstrate that they are working to address large variations in LGP opportunities and approaches that exist from one IOU territory to another. Simply put, the CPUC has asked that the IOUs demonstrate that they are moving the LGPs in the direction of greater statewide consistency.

SCE fails to provide any indication in its submittal that it is addressing this CPUC request. SCE could have explained that it is moving to adopt effective approaches used by other IOUs and that it is working to replicate its own highly-successful programs with other IOUs. Instead, SCE indicates that it is proposing to reduce its LGP budgets, a move that would further distance SCE's LGPs from those of PG&E and SDG&E.

SCE also fails to account for notable changes since 2012, notably the new PA actors operating in the local government space — RENs and CCAs.

SCE proposes to maintain its LGPs for another decade before phasing them out. This is an interesting idea and SCE should support its position and justify it.

For the ten years to come, SCE should explain how its LGPs will stay relevant alongside RENs and CCAs, and whether it supports market segmentation or competition. The LGPs today are the sole source of Strategic Plan support funds and incentives paid to local agencies. Should these be an exclusive benefit of the LGPs? And if, is it appropriate that LGPs be held to a higher standard of performance and commitment than those communities serviced by RENs and CCAs, but which are not bound to deliver according to any specified EE performance standards.

Thus, SCE in this chapter should explain how they propose that their LGPs fit within the EE space alongside RENs and CCAs.

Similarly, SCE should define what constitutes a partner and a partnership, minimal LGP member expectations and rewards, and whether some higher minimal threshold for LGP performance is warranted.

There exists a vast EE achievement gap between the top 25 percent of local agency partners and the bottom 25 percent. A lot of this has to do with wealth, resources, and commitment by local elected officials. But a good deal of this spread could be mediated by effective LGP implementer talent, peer-to-peer sharing of knowledge and resources, and being plugged into the Statewide EE conversation, including CAEECC.

Therefore, the SCE chapter should specify proposed strategies to link qualifying local agencies with an effective LGP implementer; how such an implementer would be allowed to make decisions on behalf of its members to motivate and reward them and carry out a coordinated regional vision; and how the implementer would (or would not) serve as conduit for IOU communication and directives.

Similarly, SCE and the other three IOUs have a tool of enormous potential for elevating the capacity of the LGPs, but whose potential has not been captured fully due to constant staff turnover. The tool is SEEC and the best practices coordinator. SCE should provide a plan for stabilizing and growing SEEC so that, among other things, local agencies have an impartial source of expertise for matters that would include the CAECC, responding to regulatory filings, questions about the service list, filing a protest, becoming a party, and so on.

Thank you.