

Notes from Energy Efficiency Public Subcommittee Meeting #1

3/16/2016 9:00AM to 3:30pm

Location: PG&E Pacific Energy Center, San Francisco

Meeting Co-Chairs: Courtney Kalashian, SJCEO and Mike Nguyen, SoCalREN

Facilitator/Notes: NRDC

Notes: Presentations are generally not summarized in these notes. Please see presentation slides on www.CAEECC.org website for context. Lack of attribution for meeting participant comments is intentional by agreement of Coordinating Committee.

Welcome – Meghan Dewey and Sam Jensen Augustine (PG&E)

Meeting Opening – Facilitator Ted Pope

- Facilitators help the Coordinating Committee (also “CC”) Co-Chairs lead and document the CC process
- Goal is for an impartial, transparent process which is not unreasonably influenced by one or more interest group
- Ground Rules
- Decisions of CC require full consensus of all 20 members. We are looking for as much consensus as possible but it is okay if agreement is not reached on issues. Plan is to submit a Comparison Document to the CPUC documenting open issues.
- Program Administrators (“PAs”) are required to prepare Business Plans for filing with CPUC
- Non-PAs need to provide input and constructive comments
- Introductions around the room

Session 1: SDG&E presentation on Public Sector gaps

See slides.

SDG&E intro:

- a. Never looked at data this way, as a comprehensive sector. Looking at best available data, sometimes commercial is used to inform Public. Trying to correlate, but need more data as the potential doesn't break it down in this manner. Also used internal data and NICS data. Similar for other PAs.
- b. The CPUC CA EE strategic plan does not have a chapter on the general public sector, rather it is focused on local government efforts.
- c. PAs discussed how to define chapter. They grouped customers somewhat similarly.

SDG&E Slide 14: note custom breakdown will likely be lower in the future due to the direction that much of the measures will need to go through the deemed approach.

SDG&E Slide 18: Many public customers say on-bill financing (OBF) is the reason they were able to do projects, but that the cap limits the size of their projects.

Question and Comments

Question: What is the magnitude of this effort?

Answer: Public is 10% of overall consumption, therefore the percentages in the presentation add up to 10% of the consumption.

Question: Why is future OBF so large?

Response: A number of projects were in the queue or were working on getting a commitment. Also, a number of cities adopted a Climate Action Plan and therefore look to OBF to support that effort.

Question: Is OBF replacing other financing options?

Answer: Don't think so. If OBF is the best fit, it's chosen. Doesn't believe it is replacing anything, rather filling a gap.

Session 1 cont: SoCalGas presentation on Public Sector gaps

See slides.

Slide 4 – Military is in federal government

Slide 20 – clarification: SoCalREN is a possible solution to implementation challenges, not a barrier.

No Questions.

Session 2: SCE presentation on Public Sector gaps

See slides.

Question: Explain more about the revolving loan fund. How does it connect to the CEC revolving loan fund for local governments?

Answer: It's not a fund like the OBF, rather a way to help the municipality use the savings from the upgrades to start its own revolving fund.

Session 2 cont: SoCalREN presentation on Public Sector gaps

See slides.

Session 3: Discussion re: SoCal presentations (some questions on SoCalREN's presentation mixed in)

Question: How should we be valuing EE in this sector as they have so many other procurement options (like going solar)?

Answer: This is better addressed in the integrated demand energy resources (IDER) proceeding, but could put it in the business plan to raise as an issue.

Question: The SCE RFO seems good, can the PAs also look at TIERED incentives for locational needs (e.g., \$30 kicker for KW)? Or other designs for increased incentives for targeted areas.

Answer: Should be included in the BPs as one of the strategies for getting at savings. BP should also include/highlight customer challenges (e.g., too complex. The process of getting an extra solar panel is preferable to going through the EE programs)

Question: Can we add an acronym list to the caeccc website?

Answer: Yes

Question: Municipalities need to think of resiliency, is there an in here?

Answer: Can explore as part of the business plan whether there is a rationale for EE as part of the resiliency effort.

Cochair clarifications:

1. Locational information is being address at the CEC as part of the integrated energy policy report.
2. The PAs can include similar statewide testimony about the challenges up front to indicate issues that need to be addressed to unlock more efficiency.
3. Can also discuss how EE integrates with the other efforts, even if it doesn't go into detail about integrated programs since PAs are waiting on direction in IDER/Distributed resources proceeding (DRP)

Question: If we're relying on Prop 39 to address public schools, what will happen when that money runs out?

Answer: Need to address it as a gap. Can offer technical assistance in addition to rebates to help minimize the cliff.

Question: How will the BPs be developed? E.g., local governments have authority for enforcing codes and standards, but that's another sector. How will these be integrated?

Answer: Need to ensure cross-pollination and a crosswalk to ensure clarity across sector chapters

Question: What's up with the strategic plan update?

Answer: Was told that the SP won't be updated before this filing but the June decision will have strategic guidance.

Question: How does this interact with AB 758? Wasn't any notes on that.

Answer: PAs have AB 758 and all the other bills on the radar.

Question: 10 years is great, but the savings estimates seem to change on a whim and therefore not a lot of certainty.

Answer: Will need to have better consistency and certainty in numbers. Also, the California Technical Forum (a forum of 30 technical experts) would be a great place to discuss modifications of assumptions so it's transparent and not unexpected. Part of the proposal adopted by the CPUC includes a "bus stop" where values that aren't ready at a drop-dead date will be frozen for the year.

Question/Comment: Contracts for third parties/LGs are now 1-2 years, less certainty despite having 10 years of funding. Need long term consistency to ensure long term programs, as indicated as a goal by the CPUC. Longer term projects are still subject to the annual budget review and approval of the CPUC, which creates uncertainty.

Answer: Similar to above. Follow up with solutions to this problem with the CC. Also, the CC post BP filings will be used to vet the advice letters, which should illustrate any concerns and deal with them prior to filing. Therefore, while the budget needs to be approved each year, the

process should enable a more predictable process that resolves any issues before the budget is requested.

Question: AB 802 has a data provision; can you provide input in the BPs about how the IOUs are going to provide data to the local government (CPUC process turned into performance based pilot, but not about data). For example, “Here’s where we are at automating these offerings, here is when/how folks can gain access.”

Answer: There’s a workshop at the CEC on 3/25 as they are the ones who are implementing the rulemaking re: the data provision in AB 802. PAs should consider including a section re: data access (similar to request in the commercial subcommittee meeting).

Question: Is financing in the toolbox at SoCalREN?

Answer: OBF is the most popular. There are leasing options as well.

Question: Can PAs offer new financing options or would that trigger the other EE financing effort (e.g., CA treasurer’s process)

Answer: Could put it in if it makes sense. If you have additional ideas, PAs can consider it. The law requires January 1, 2017 for data availability for whole building energy usage data.

Question: Have you run into the problem that if something is bonded, can’t also have financing b/c can’t have 2 forms of financing on one project?

Answer: Yes, county of LA has that as well. OBF can be defined as operating/maintenance expense so not formal debt obligation. That allows it not to trigger prop 218 or other restrictions.

Question: How does street light retrofits and the bill a few years ago play in especially in view of changing peak periods (“duck curve”)?

Answer: Street lights retrofits are still fairly expensive and they tended to save energy off peak, so they hadn’t been a big offering. However, now the cost is coming down and possible for PAs to take another look and put in a workpaper for an updated value.

Question: Are there reasons why certain jurisdictions are NOT partnerships? Is that an area to follow up on in the BP?

Answer: SJ Clean Energy Organization has a memo that was sent to the PAs re: how to address these underserved groups. (see public meeting documents). Programs are also trying to meet cities where they are. Can work with the cities to support what they need without becoming a full-fledged partnership. May not be the right option for all municipalities.

Session 4: presentation on Public Sector gaps

See slides.

Note:

- Similar concerns as southern CA PAs, not the right data. Some of the industrial/commercial information is being used to infer status in public buildings.
- Need to ensure we value these retrofits right as public is different than the other sectors in the likely length of time the equipment will be in place.

Questions and Comments

Question: What about paying incentive on carbon vs. kWh?

Answer: Open to discussing, but something that would need CPUC direction.

Comment: BayREN currently doesn't have a public sector program, but may in the future. If they did do something, it would be LG programs vs. public buildings in general.

Question: How is the TRC tracking?

Answer: Didn't do that for this sector. Would be interested to see how that plays out and how this group could work on that issues in Phase 3 of the R1311005 proceeding.

Question: There has clearly been good work done on public buildings, but there's no information on how public buildings are upgrading in different cities. E.g., what is the potential in Richmond vs. other areas in PG&E's territory? Would be helpful to inform the program and how they go about for implementation.

Answer: Agreed it could be interesting to help inform the plans, but some public buildings have participated in only some measures, but not a full building. Don't want to call them "done." Will take a bit of culling of the information to see which buildings have done what and therefore what potential is out there for the public building stock.

Question: What is the status of gas metering effort? What about multi-metered campuses, etc?

Answer: There is a policy at the CPUC that each IOU interprets differently, therefore different campuses in different territories are treated differently.

Question: Are the PAs doing all they can for addressing the gap "risk aversion"

Answer: PAs try to find champion, it's the best solution. But more to do.

Question: Do all 22 local gov partnerships have a focus on municipal buildings?

Answer: Yes, but some areas in PG&E's territory is on hetch hetchy power, so can't touch those.

Question: Is there a trend to move LG programs to resource only (like East Bay Energy Watch)

Answer: That is still considered a resource program but it's structured differently than before, using the partnership as an umbrella.

Question: Why are programs going to be moving to the deemed approach?

Answer: It was a CPUC disposition. If there is a deemed measure in the custom approach, needs to go through deemed process.

Question: Relating to TRC, how do we move this sector forward, in particular the LGs b/c the strategic plan is all about non-resource. How do you have a meaningful 5 year BP with the current TRC?

Answer: Agreed, it's a challenge. But that's a Phase 3 issue for discussion.

Question: Can we put these issues in the BP?

Answer: Yes, but mainly to highlight the issue and set forth a proposed process.

Question: Again, how are we going to ensure the appropriate chapters are consistent re: cross over, like with C&S compliance efforts.

Answer: Agreed, important and complicated and the review process should help highlight where these crossovers are not occurring as we'd like.

Question: Should we explore using EE for a FTE?

Answer: Could be discussed (Previously not accepted by the CPUC). Also, need to create capacity vs. dependence on the money. Then again, the C&S is essentially an unfunded mandate, needs funding to succeed.

Question: To address the rural communities, could there be "rural adders" where companies get an added bump when they serve that community? Also need contractors who are certified to do the work well. How can we address this?

Answer: Worth considering, although again this would bring down the TRC unless it could be shown that by doing so these regions would yield more savings.

Wrap Up and Next Steps

Participants encourage to provide input on meeting forms and submit any additional comments via email or the [CAEECC website](#).

Appendix

From: Bali, Vandana [mailto:V1BG@pge.com]
Sent: Thursday, March 17, 2016 12:11 PM
To: tedpope@2050partners.com; Ettenson, Lara; Kalashian, Courtney; Dewey, Meghan
Cc: Christiansen, Leif; Waggoner, Jessica; Bali, Vandana
Subject: Information requested during Leif's 3/16/16 Presentation

Hi Ted, Lara, Courtney, Meghan,

During Leif's presentation yesterday, he was asked to clarify what "cross portfolio" and "remaining" meant (slide 10).

Cross portfolio refers to cross cutting.

Remaining includes the following technologies:

FOOD SERVICE TECHNOLOGY

REFRIGERATION

INDUSTRIAL SYSTEMS

PUMPS AND FANS

MOTORS

ELECTRONICS AND IT

BUILDING ENVELOPE

LIGHTING

Please let me know if you have any questions.

Thank you,

Vandana

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