

Considerations for reviewing and providing comments on PA Business Plan Chapters

Please consider the following questions as you review the Business Plan chapters. The second page provides a template into which your feedback may be captured.

Prior to reviewing and commenting on the Business Plan drafts, a reviewer may wish to review the updated “NRDC Compilation of CPUC Business Plan Guidance and PA Consensus Outline” found on the CAEECC [Guidance webpage](#). That document merges a number of sources of guidance to PAs into a convenient outline format that the PAs have collectively agreed to leverage as they draft their documents. The following areas of review are intended to highlight those items that would be helpful in updating the business plans before the next draft. We do not expect stakeholders to answer all questions. Please choose those that are relevant to your interests. There is also an open row for additional comments that might not fit into the following format.

1. Structural Review

- a. Do the chapter layout and order of topics comply with NRDC compiled guidance document “outline”?
- b. Does the stylistic/visual presentation allow for easy navigation through the chapter (i.e., allowing easy comparison of the chapter against the NRDC compilation)?
- c. What examples from other PA chapters (whether same PA different sector or different PA all together) would you suggest be considered for this document

2. Content-Related Review

- a. Are all key pieces of information, tables, graphics, and supporting documents called for in the NRDC Compiled guidance document present in the Chapter?
- b. Are your previous comments and input addressed in the document?
- c. Is the overall sector plan coherent and clear?
- d. Are proposed activities (intervention strategies) sufficiently justified by the market assessment and other data analyses presented?
- e. Are substantive assertions and conclusions supported with clear reasoning and adequate citations?
- f. Are metrics relevant, representative, and associable with future IPs and PIPs?
- g. Is material presented at the right level of detail for a Business Plan?

On the next page, please find the comment template in which substantive comments can be recorded and then submitted to facilitator@caecc.org. If you have any questions about using this form or the review process, please contact the facilitator by phone or email. Caution: this form is set up as an 8.5 X 14 inch document and will not properly print on 8.5 X 11 paper.

Instructions: Please make comments specific, reference pages where appropriate, and be focused on Business Plan level strategies.

Commenter: Please Fill In This Part Of The Form					For PA Use	
Comment #	Sector	Page #	Comment	Rationale for Comment (include references to evaluations, studies, etc., if applicable)	Integrated (Y/N)	Rationale for Y/N
TURN-1	Residential	p. 2 (expansion into Advanced HUP)	<p>Observations</p> <ul style="list-style-type: none"> BayREN indicates, “Additions to the BayREN Single Family program include the possibility of taking on an expanded role in the implementation of the Advanced Home Upgrade Program as PG&E transitions out of this program.” Adding a discussion of the possible benefits / value to BayREN of this expanded role would be helpful / useful, including key goals, strategies to improve and further optimize Advanced HUP, possible challenges relative to BayREN’s current HUP, and transition logistics. <p>Recommended Action</p> <ul style="list-style-type: none"> TURN recommends that BayREN expand its discussion of Advanced HUP to include this type of information. 	<ul style="list-style-type: none"> Adding PG&E’s current Advanced HUP to BayREN’s portfolio provides possible significant synergistic opportunities and possible challenges. TURN appreciates that BayREN may be in the early stages of planning on this matter. Some discussion is warranted given the possible significant impact to BayREN’s current portfolio. 		
TURN-2	Residential	p. 17, R4 (consideration of new business models and approaches to the whole house and MF market)	<p>Observations</p> <ul style="list-style-type: none"> BayREN indicates that it will increase the number of trained whole-house, building performance contractors by “further develop[ing] the skills and business models of the current contractor base so that they are making whole home retrofits a central part of their business models. In addition, BayREN will work with participating contractors who have satisfied program requirements to determine how they can deliver a greater number of jobs and deeper savings.” Is BayREN considering something similar to PG&E’s Residential Pay for Performance HOPPs approach that steps out of the measure criteria and instead focuses on overall consumption reduction through efficiency and other DERs, with meter-based performance? 			

			<p>Recommended Action</p> <ul style="list-style-type: none"> TURN recommends that BayREN provide more information regarding its plans for increasing the number of trained, whole-house, building performance contractors serving the residential market, and specifically whether this training is intended to support participation in NMEC-based program strategies. 			
TURN-3	Residential	(HUP)	<p>Observations</p> <ul style="list-style-type: none"> There is nothing in the draft BP regarding projected cost effectiveness or improvements thereto. There has been a long standing concern that the HUP costs reflected in the TRC are overinclusive because they include some non-energy costs, as recognized by the Commission in D.14-10-046. The Commission invited stakeholders to develop an “empirically-supported” proposal for removing these non-energy costs, but to TURN’s knowledge, no party has developed such a proposal. Does BayREN intend to propose adjustments to the HUP cost-effectiveness methodology along these lines, or at least indicate in its BP that current methods overestimate project costs, which presents an ongoing regulatory barrier to HUP’s success? <p>Recommended Action</p> <ul style="list-style-type: none"> TURN recommends that BayREN at least flag this cost-effectiveness bias. 			
TURN-4	Residential	p. 3 and p. 24, Strategy R8 (Multifamily - transitioning out of ratepayer incentives)	<p>Observations</p> <ul style="list-style-type: none"> BayREN indicates a mid- to long- term plan to “add strategies targeting a suite of diverse market drivers that will eventually replace resource-intensive financial incentives. Throughout, the BayREN will focus on fostering long-term relationships with the market. Strategies build upon the EBEE Action Plan for long-term engagement include customer-oriented program design, engage large property owners at the portfolio level, upfront investment planning of multiple upgrade phases to 			

			<p>approach ZNE, and addressing operational savings” BayREN later notes the “potential to leverage financial trigger events, such as refinancing and recapitalization events, and insert energy efficiency scopes” in discussing its Capital Advance Program (BAMCAP). TURN agrees that trying to insert EE scopes in refinance and recapitalization events is a good strategy. This may help building owners balance efficiency investments with other competing capital needs. Even so, this does not resolve the split incentive issue. Has BayREN considered using AMI data and innovative meter-measured performance strategies for site-specific whole building programs to stimulate broader market interest in NMEC-based pay-for-performance programs? Such an approach could be used to attempt to spur private sector innovation and capital markets investment vs consumer and bldg. owner financing, thus building a market for efficiency, creating transparent and real time accounting for savings using smart meter data, increasing quality installations by making contractors accountable to measured performance, and ultimately reducing program administration and evaluation costs by making the industry (and not just the program) responsible for performance risk.</p> <ul style="list-style-type: none"> • TURN does not see any discussion of financing opportunities for the SF market. Please explain. <p>Recommended Action</p> <ul style="list-style-type: none"> • TURN recommends that BayREN consider explaining its discussion of the program design innovations that might be incorporated during the BP period as part of transitioning away from measure-based incentives in the future. • TURN recommends that BayREN address the presence or absence of SF financing. 			
TURN-5	Residential	p. 8 (Metrics – projected SF	<p>Observations</p> <ul style="list-style-type: none"> • BayREN projects a 10-year SF participation rate of 10%, up from 			

		and MF participation and savings)	<p>the current 5% rate, with a corresponding increase in savings from 11% to 20%, and an increase in the MF participation rate from 5% to 50% with no metric for energy savings. Some discussion of the basis for these projections would be really helpful. The SF participation rate increase seems low, while the MF participation rate of 50% seems optimistic. Even so, BayREN may have good reasons for these projections. We note that missing from the MF metric is projected improvements in savings. MF savings have generally been shallow, focused on common area lighting. How does BayREN intend to improve savings yield?</p> <p>Recommended Action</p> <ul style="list-style-type: none"> TURN recommends that BayREN explain the basis for its projections for increased SF and MF participation rates, and also add a discussion of improved savings yield from MF. 			
TURN-6	Residential	p. 11 (Contractor Market); p. 11 (Shifting focus to increased energy savings); p. 12 (HUA)	<p>Observations</p> <ul style="list-style-type: none"> These are good examples of using data and information for strategy development and targeting. 			
TURN-7	Residential	p. 14 (expanding Home Upgrade program eligibility to a 3-year time	<p>Observations</p> <ul style="list-style-type: none"> Good possible solution to increasing program uptake. 			

	period)			
TURN-8	<p><u>OVERVIEW</u></p> <p>TURN’s review and comment on BayREN’s draft residential business plan chapter focuses on Item 2. Content-Related Review, items d – g, of the CAEECC’s suggested guidance review.</p> <ul style="list-style-type: none"> d. Are proposed activities (intervention strategies) sufficiently justified by the market assessment and other data analyses presented? e. Are substantive assertions and conclusions supported with clear reasoning and adequate citations? f. Are metrics relevant, representative, and associable with future IPs and PIPs? g. Is material presented at the right level of detail for a Business Plan? <p>TURN also considered the extent to which the draft BP chapter addresses customer sector market barriers to greater participation and deeper savings through innovations and synergies via existing and possibly new customer- and market-based strategies and tactics. TURN’s overall assessment of the BayREN residential BP chapter is that it is a thoughtful and earnest plan that has several elements of good strategic thinking. The plan could possibly benefit from consideration of our specific comments in TURN-1 through TURN-4 above.</p>			
TURN-9	<p><u>GENERAL COMMENT</u></p> <p>Observations</p> <ul style="list-style-type: none"> • Customer sector goals and program savings, budgets, and cost-effectiveness are forward looking. The BPs are intended to be integral to California moving the current generally flat or stagnant needle on energy efficiency. Some quantitative context to the current portfolios and programs would be very helpful. <p>Recommended Action</p> <ul style="list-style-type: none"> • We recommend that all data on projected customer sector goals and program savings, budgets, and cost-effectiveness be given some context relative to ongoing customer sector activities and accomplishments. There needs to be some demonstration as to how the BP will advance savings and improve cost-effectiveness. 			
TURN-10	<p><u>GENERAL COMMENT</u></p> <p>Observations</p> <ul style="list-style-type: none"> • It is not clear whether projected savings are gross annual. In D.16-08-019 (at p. 21), the Commission directed a return to net goals and the development of cumulative goals for application in 2018 to support the State’s SB 350 efforts. <p>Recommended Action</p> <ul style="list-style-type: none"> • If not already included, we recommend that BayREN provide projected customer sector goals and program savings in net annual and net cumulative form, with the basis for net provided, and cumulative specified by the estimated average EUL by customer 			

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Date: **Sept. 28, 2016**

	sector and key programs. Indicate the basis (ie end use, measures) for the estimated average EUL(s).		
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Commenter—please replace **red text** with the information you wish to provide. Please submit completed comments to **facilitator@caecc.org**