Notes from Energy Efficiency Coordinating Committee Meeting #3

3/15/2016 10:00AM to 12:15PM

Location: PG&E Pacific Energy Center, San Francisco

Meeting Co-Chairs: Lara Ettenson, NRDC; Meghan Dewey, PG&E

Facilitator/Notes: 2050 Partners, Inc.

*Notes: Presentations are generally not summarized in these notes. Please see presentation slides on* [*www.CAEECC.org*](http://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: Non-PA CC Member Presentation - Doug Avery

*See slides.*

*Question and Comments*

Question: How would the proposal apply to non-IOU PAs?

Answer: Current REN and CCA programs are great and we want to expand current successful programs. Proposal addresses IOUs.

Several CC members complimented the presentation and expressed general approval of the proposed plan.

Question: Can you give a better description of how the Independent Evaluator would work?

Response: The Independent Evaluator would be a third party, hired to oversee the solicitation processes. There would probably be more than one. Details need to be worked out.

CC Co-Chair Lara Ettenson noted that we are still trying to figure out how the whole process is going to unfold and how to properly address these important issues. Anyone can bring up issues that haven’t been addressed in later meetings. Intent is to develop a list for tracking issues and whether they have been resolved or require further discussion.

Support for fewer, but more versatile, programs expressed.

Question: Should we have a single statewide administrator for programs?

Response: Instead of having four IOUs running same programs, proposal is for one IOU handling each particular program as administrator and other IOUs would co-fund and support the programs.

Comment made that the issue of delay on paying for incentive programs needs to be addressed and resolved. More contractors participate in programs where the PA pays incentives quickly. Delay in payment may result in less participation.

Comment that contractors abandon programs if they are too complex. This should also be considered and addressed.

Comment made that there should be quality control of equipment. It is a real issue when systems die too soon.

Comment about greenhouse gas emissions becoming greater — suggestion to consider converting program metrics to carbon reduction.

Question: Can you share data supporting assertions that IOU programs have not met goals in the past and will not meet goals in the future?

Answer: Not that IOUs haven’t made their goals, but that they won’t make the climate goals at current rate.

Question: How do you define “innovation” outside of meter-based savings?

Question: With regard to meter-based savings, have you done an impact analysis on actual cost of programs?

Question: With regard to qualification requirements, have you done an impact analysis? Would qualifications process slow down the process affecting customer choice?

Response to remaining questions: All good questions. We have data to share to support claims.

Comment supporting proposal for distinction between administrators and implementers.

Comment supporting proposal for measured savings, but confirmed need for protocols for measurements. This needs to be worked out. Noted that IOUs do a good job at getting best price in procurement.

Suggestion to ensure end to end alignment of strategy. Problem statements defined in BPs need to be specifically connected to programs that address them, and these problem statements or strategies need to identified in the program RFPs for implementers, and impacts addressing these problem statements need to be addressed in incentives to implementers and program administrator.

Comment supporting “innovation” through this process to remove constraints on programs. Suggestion to allow implementers to come up with new solutions.

Question: What are barriers to Municipal Universities Schools and Hospital (MUSH)market and what are programs offering gaps in this market?

Response: MUSH market is underserved. Generally public institutions have not had a lot of resources to provide programs. Public buildings are underserved because budgets are tight in all public institutions. These buildings still have T12s and old HVAC systems. Goal is to get more resources to public institutions to upgrade.

Question: In proposed model, would recommending PA be responsible for particular statewide program and thus handle bidding for entire state?

Response: Correct.

Comment that in the past statewide programs run by one administrator have been done before in California as is now being proposed. Not sure whether evaluation performed on them to see if that worked better than statewide coordinated programs run concurrently by each IOU. There were often local quality issues when administrator and implementer not in a particular service territory ran the statewide program there. Suggestion to think about how much administration is created when an administrator has to expand its operations to cover the whole state given California is such a big state rather than relying on local Administrators and implementation teams. Appropriate infrastructure is required to effectively run statewide programs in all service territories. Statewide implementers do not really exist.

Question: How much of the State’s workforce has benefited from Prop. 39?

Response: Good point. There is a difference between regions. If we set statewide standards for workforce certification and skills development, it will level the playing field.

Comment confirming importance of workforce education. Commissioning takes too long and the process does not optimize efficiency. Training doesn't line up with programs and customer time lines.

Question: How do you see efforts working at the same time? Will there be an interruption of existing programs so we can train new workforce?

Response: Expects training and current programs to move in parallel. There is a trained workforce out there right now. Doesn’t expect a slow down in customer participation. Needs more study.

Concern expressed about the amount of incentive dollars paid by customer funds without permit requirements or inspections. We spend so much money on incentive programs for which there is no oversight. There is a difference between getting things done quickly and getting them done right. There were CPUC studies prepared by UC Berkeley Don Vial Center on Employment in the Green Economy two years ago. Recommendations came out of those studies but they have not been followed. Prop 39 is not a test of workforce standards. Prop 39 provides funding for projects but did not address workforce certification or skills development at all.

Comment confirming need for continuing education and certification as technology advances.

Comment following up on MUSH market opportunities and confirming 3 major opportunities:

* Prop 39 funding: huge opportunity.
* CA Dept. of General Services (DGS) building stock: New approach to buildings coming soon, hoping to get authorized soon, opportunity for $500million - $1 billion in improvements.
* Two big university systems: The universities have master plans for EE programs, approximately $500M per system in plans which have not been acted upon yet.

Comments that California Community Colleges trained 13,000 students with $11M from Prop 39 funds. These students are now better prepared to do prop 39 work. IOUs were helpful in this training program. Community Colleges would like to have more integrated partnerships with IOUs in the future.

Session 2: MCE Default Administration Proposal — Rebecca Menten

*See slides.*

*Questions and Comments*

Question: Where MCE would be default administrator, would it administer program for non-MCE customers in the region?

Response: Yes, because programs are funded from all customer accounts.

Question: Is MCE’s application for MCE only or is it seeking to have precedential value?

Response: MCE’s plan was not submitted with intent to set precedent but questions have been raised as to whether this may become precedential.

Question: Can you clarify definition of “majority of cities”?

Response: MCE proposal would apply to a county where all cities in county have MCE customers. Contra Costa County is not included in our proposal. Napa County would be the next after Marin under proposal.

Question: How do you reconcile that MCE customers are still PG&E customers?

Response: We are not concerned about that.

Question: How do you reconcile the need for customer choice in the market?

Response: We are not playing on a level playing field. MCE wants access to data to level the playing field. It is very difficult to compete with utilities. MCE has a very innovative program.

Question: What is solution to TRC and related issues?

Response: Default administrator status would help MCE develop a balanced portfolio to address TRC/cost effectiveness issues.

Question: With over 150 programs in the State, what are your thoughts on how this might resolve customer confusion?

Response: Fundamentally, MCE’s proposed approach is to rely on single point of contact at the back end. Not too different from current regional and statewide programs but consolidate regional programs under one umbrella. MCE wants to be the regional administrator for statewide programs. More details are in MCE’s application and BP.

Facilitator: Any thoughts on how to move this conversation forward?

Suggestion for an *ad hoc* committee of motivated and affected stakeholders.

Comment supporting proposal, noted challenge addressing such a big proposal and extremely limited timeframe.

Request made to address overlap of IOU territories with RENS.

Request made for as much detail as possible on paper. Some interested parties cannot attend additional subcommittee meetings. Request for document that stitches together different presentations and sets forth a plan for resolution of issues. Suggestion that Facilitator tee-up smaller issues for discussion and resolution, if possible. Interested parties can discuss issues and each parties’ positions will be stated to other side before sending to CPUC.

Support expressed for narrowing issues and addressing them in CC without adding more subcommittees.

Comment that MCE has not provided enough data to support its claims. MCE asked what data is missing. Parties agreed to discuss further outside meeting.

Facilitator proposed *ad hoc* smaller group charged with defining proposals into smaller issues and working with proposers and others to see if issues can be resolved. Asked if there were objections to this proposed process. PG&E noted that it could not commit to working on another group to address ideas presented in this proposal.

Facilitator agreed to follow up with Co-Chairs to discuss how to move forward.

Further comment that some interested parties do not have resources to participate in more subcommittee meetings.

Session 3: Business Plan Template – Lara Ettenson

Energy Division is creating its own template for BPs that it will provide as guidance. Input and questions from CC have been forwarded to ED for review as it works on this template. In the meantime, PAs should continue to focus on high level issues.

Question: Clarification of the process?

Response: ED will provide guidance. It is developing a template for BPs. Comments from CC have been provided to ED for review. Timeline for release of draft template and development process are unknown.

Comment that current BP template is good. Although the CPUC will provide higher level guidance, PAs can start work now without getting too bogged down and reinventing the wheel. CC and stakeholders can work together for unified criteria to keep discussion in reasonable scope.

Session 4: Resolving Elements of Cross-Cutting – Ted Pope and Meghan Dewey

* Looking for resolution on what should be included in cross-cutting sector?
* So far, Codes & Standards, ET and WE&T are included, based on CPUC Decision.
* What about ME&O and financing?
* PAs met and recommend the following:
* *ME&O*: Statewide ME&O is currently being addressed in a separate proceeding. PD should be voted on shortly. Winning bidder will develop a 5 year plan for statewide ME&O. PAs believe it is premature to develop separate ME&O chapter today because it will result in double work. ME&O for local markets should be woven into various market sectors.
* *Financing*: PAs recommend a hybrid approach: separate chapter in BPs but more limited (addressing pilots, etc.). Financing solutions and strategies for each market sector would be woven into those chapters.

*Questions and Comments*

Question: Is there a marketing RFP on the street?

Response: It has not been issued yet. Will be issued after PD is voted out on the 15th.

Question: There has been discussion today about several different programs and administrative procedures. Are they talking about doing a Marketing RFP before the client is known? It would be a different situation if RFP for four IOUs versus RFP for IOUS, CCAs and RENS.

Response: It depends who the client is. For statewide marketing and outreach, the client is the CPUC. Statewide marketing needs to be coordinated with local ME&O. Each PA needs to talk about how it is working to promote marketing education and outreach to its customers, stakeholders, and implementers. We need to work together to ensure no duplication and not at cross-purposes when talking to customers. Important that PA BPs are in synch so not duplicating

Comment that finance piece will be difficult to weave through. Some approaches to structuring incentives will require new financing programs.

Question: Do we have consensus to this proposed approach for cross-cutting?

Facilitator confirmed need to reach consensus if possible. Further noted requirement to express disagreement so CC does proceed down the path of consensus.

Conclusion of consensus since no objection raised, pending comments on the notes and meetings.

Wrap Up and Next Steps – Ted Pope and Lara Ettenson

* Request made that all interested parties continue to participate in discussion of proposals, and that parties avoid factionalizing. Commitment to continue to attend CC meetings made in response.
* Reminder to email comments to cochair@caeecc.org
* Next formal CC meeting is April 20 in Southern California.
* Looking for agenda items and suggestions on how to resolve large issues.
* Hoping ED will issue template for BP by then.
* Residential and Commercial Subcommittee meetings will be week of April 11.
* Rest of subcommittees will meet mid-April.
* Those meetings will be to discuss problems statements, data support for the statements, proposed strategies to address those problem statements, as well as metrics to measure progress and inclusion of proposed industry and other partners to carry out those proposed solutions.
* Trying to work out how we can get input on high level strategies for BPs before those meetings.
* Also working on standardizing communications through website and coming soon: Constant Contact. [update – sign up [HERE](http://visitor.r20.constantcontact.com/manage/optin?v=0019Ct9cyWGOGnkgTVjBVqNyxt0Sp7lcGRcuoh1GhkEVEZlEzRXz5AlnQEFR9KVeXo-uZnk5ulQhkEgAGGTgRxzl4GuGG4dNXPHTAXF6myupKg%3D) for subcommittee listservs]
* Please submit meeting comments (will load on website); deadline for presentation comments: by Friday, March 25.
* Suggestion made to come up with criteria for defining terms for issues being discussed. Mike Nguyen offered to prepare first draft.