

Session 4: Notes

- Mike Campbell/ORAs:
 - This is follow-up to a conversation from *ad hoc* meeting last month. Presentation provided relevant decision language from proceedings. From ORA's perspective, there are inconsistencies between these rulings and issues about what the Commission is saying.
 - The Commission gets to change its mind. It is our opinion that the most recent decision provides better indication of what is currently on the Commission's agenda.
 - A lot of what is in the '15 Decision breaks down with the current decision. There are issues with the Business Plan set up in the '16 Decision.
 - ORA's perspective: Framework for the contracting process should follow more closely to utility side generation procurement process. Independent Evaluator would help review major steps of RFPs and provide meaningful input at all major steps along the process. At the end, when utility is thinking about signing the contract with the implementer, there would be an opportunity for stakeholder input. Contracts would be submitted to the Commission for approval. Process would move smoothly because there would be discussion early and consistently through the process.
 - Mike Campbell/ORAs: Any response to issues between '15 and '16 decisions?
 - [General agreement]
- Jenny Berg/BayREN: Independent Evaluator would review RFP, but what would utilities go out to bid on?
- Mike Campbell/ORAs: That is getting into the details that need to get worked out. ORA would like to see that the BPs that will be approved will spell out what is getting bid and why. Evaluator will look to see if bids align with BPs. Independent Evaluator would look at long term process. Independent Evaluator would be knowledgeable about the business. Utility and intervenor incentives may start to align down the road. Issues would be addressed and explained through the process. The process would run smoother because there would be more dialogue throughout the process.
- Beckie Menten/MCE: I would caution against putting too much in the hands of an Independent Evaluator. It would be best if limited to a set of regulatory principles and rulings of the Commission. We should keep program design in the hands of the implementers and standards set by the Commission.
- Mike Campbell/ORAs: I see the Independent Evaluator as a double check. Independent Evaluator will have some expertise as well and can ask questions. This process will help the stakeholders have a more substantial understanding of how the process works.
- Beckie Menten/MCE: Having checks and balances is important so not too much authority in the hands of one role. I'd be nervous about developing that kind of system again.
- Lara Ettenson/NRDC: This has been raised in our ad hoc discussions. We don't want one individual to run things, it would be a pool of IEs so that wouldn't be possible.

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- Meghan Dewey/PG&E: I am generally supportive of the idea of an Independent Evaluator and Procurement Review Group, especially if we have a pool of evaluators. My issue is with submitting contracts to the CPUC for approval. I understand the issue about where in the process can stakeholders address issues. If Independent Evaluator filed a report on the record, that would give stakeholders the opportunity to speak up. I have a concern with requiring every contract to be submitted to the CPUC for approval. I'm not sure the CPUC can handle it.
- Mike Campbell/ORA: I hadn't thought about Independent Evaluator putting report on record with chance to respond. That might be good. I have a concern about privacy of the response, but that is not in insurmountable issues. It may work. I am open to flexibility regarding the number of contracts that will have to be submitted to the CPUC for approval. Since we don't know how this process is going to work when it actually happens, it is hard to know. I'm under the assumption that most contracts will be approved without contention. There will be a small number that will be contentious for CPUC review.
- Meghan Dewey/PG&E: My concern is more around what ED will feel responsible for in approving advice letters and approving those contracts. If your team was required to approve contract ...
- Hazlyn Fortune/CPUC: ED Legal would need to be involved.
- Meghan Dewey/PG&E: We have challenges now in delay of approval of advice letters. It will be an issue if legal team needs to get involved with review of contracts as well.
- Mike Campbell/ORA: There needs to be some place where stakeholders can argue and advocate to decision-makers. The CPUC has to make ultimate call if we don't think IOUs are being consistent with their BPs.
- Lara Ettenson/NRDC: There are two different camps but this is addressed in the scoping memo. There is a place for parties to put their positions on paper, due June 5.
- Mike Campbell/ORA: If there is another creative way that could allow for full review of contracts, including ED review and amendment ... If there was some mechanism outside of advice letter, then I'd be okay with it. I'm assuming ED will be re-tooling from program design side to analyzing whether policy is being properly administered.
- Margie Gardner/CEEIC: By and large, is this is what you've been saying all along?
- Mike Campbell/ORA: Yes
- Margie Gardner/CEEIC: I agree with the proposition that the language of the '15 decision is not consistent with going to the market. Maybe there is something else beyond PRG...
- Mike Campbell/ORA: We are interested in having programs being designed by implementers. We want best value for ratepayers. This process is our ability to trust and verify. How do we make sure the process will work?
- Margie Gardner/CEEIC: I think it would be good to have a discussion on this before comments are filed on June 5. This process is about compliance rather than designing.
- Lara Ettenson/NRDC: I think that is great. One of the things I am wondering is if we should resurrect our ad hoc discussion or make it a CAEECC meeting. There are questions that we have not addressed.

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- Mike Campbell/ORA: To move the ball forward, I expect ORA to be writing something like what I just described. To the extent we have a discussion, I would expect all parties who have a position on this to provide.
 - How does process ensure that contracts that are signed are consistent with BPs?
 - What needs to be in BPs to assure this?
 - Understand tradeoffs of faster process versus more comprehensive
 - I'd like to see things written down so they can be placed before the Commission and it can make an informed decision.
- Lara Ettenson/NRDC: Maybe at the end of May or after, June?
- Mike Campbell/ORA: This is the kind of thing that ORA and a few parties might be able to make a potential settlement on and propose that to the Commission. ORA might be in a position to be more candid and less concerned about consequences if I'm having protected settlement discussion. ED would not be there. ORA is always willing to engage in settlement discussions.
- Margie Garden/CEEIC: Do IOUs have any idea how many proposals they might get in in the first round?
- Lara Ettenson/NRDC: Proposals will be in the hundreds.
- Margie Gardner/CEEIC: I'm guessing 300-500. This is a slightly different frame. Out of this, do any IOUs have a rough estimate of how many contracts you will be writing? It matters how you process them.
- Meghan Dewey/PG&E: One of the tenants of our Business Plan was to streamline our portfolio. Right now we have 100 programs, and even more contracts. I imagine we will have less in the future. Our strategy is sub-sector. I imagine there will be less than 50 contracts for sectors. There might be a selection of vendors supporting the cross-cutting sectors like Codes & Standards.
- Matt Evans/SCE: I don't have a lot of detail on that issue. We've had several thoughts. It depends on what the market brings to us. I can't speculate today on how many contracts we will have.
- Lara Ettenson/NRDC: What should we do about D.15 versus D.16? Maybe raise in comments. Maybe wait until D.17 on BPs? One of the real benefits of this conversation is understanding what problem the solution is trying to address. At settlement, maybe we could ask everyone to come to the table with a proposed solution. We don't need to address D.15 versus D.16 again for now.
- Lara Ettenson/NRDC: Can we talk a little about what Erin raised regarding solicitations bound by current directives? At the pre-hearing conference, the Commission acknowledged that there may be an issue. Do we need to get clarification?
- Erin Palermo/SCG: There are several issues: directive; policy decision: 20% going forward under new definition; smooth transition into rolling portfolio; process decision (contracts expiring October 2018); and normal course of business (some programs not achieving results).
- Lara Ettenson/NRDC: Do we agree they are bound by these things? Are there any disputes around the first three issues?

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- Mike Campbell/ORCA: We are talking about the same thing. We understand where SCG is coming from. We don't agree with the position but we understand. We need a referee to jump in. We will live with the decision.
- Lara Ettenson/NRDC: Do we need to suggest to the Commission that we need a decision on the inconsistencies?
- Mike Campbell/OTA: We are open to that but absent that, we should wait until the Business Plan decision is voted out. We don't see a tension there but understand we are not walking in their shoes.
- Erin Palermo/SCG: Also 60% by the end of 2020.
- Lara Ettenson/NRDC: In these questions that you have to do, maybe you can raise these issues discreetly and we can start to work on resolution. Judge won't do anything without something in the record that people are interested in getting resolution of issues.
- Mike Campbell/ORCA: We think you [SCG/SCE] don't have authority to do this. I think there is risk to the utility and implementer communities if you continue down this path without resolution of issues. I hope you think about that.
- Lara Ettenson/NRDC: Without a referee we continue to circle.
- Erin Palermo/SCG: We are required to have an AB 793 program this year. We are not experts in designing programs. Resolution requires us to use EE funds and incorporate into our portfolio. We need to go out to bid to meet the directive.
- Matt Evans/SCE: In our Business Plan application, we said that if our Business Plan cannot be approved by June, we will need 2018 to be a transition year. The 20% requirement can't be reached this year with a late decision. It is in our Business Plan application.
- Lara Ettenson/NRDC: Are you going to go out for just a one year contract? That is not great for the market, but compliant with what you need to do without going outside the Business Plans.
- Margie Gardner/CEEIC: If there were a way to get this clear before we spend a lot of money, that has a huge benefit to the implementers. Maybe we should make a recommendation to clarify this before bidders spend money bidding. ORCA has shut down bidding in prior processes. Maybe the group could prepare a letter to ask for clarification. This is just churn if we can't move forward.
- Lara Ettenson/NRDC: Can a ruling clarify this?
- Mike Campbell/ORCA: It did in PG&E's case. I think that a ruling can be considered operative here.
- Lara Ettenson/NRDC: Do we wait until you put something on the record on May 15? We need a decision on this before SCG goes out. Can we [CAEECC] come up with a letter highlighting issue at hand and asking for a ruling?
- Mike Campbell/ORCA: As a general principle, this seems okay. I want to hold on endorsement until I see a draft. I would recommend that the parties do it independently.
- Lara Ettenson/NRDC: I won't be writing something if there is no interest.

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- Margie Gardner/CEEIC: I think it is worth it to get folks to come forward on this issue. The issue has been raised but we need to elevate the issue. It is important to not waste money.
- Jenny Berg/BayREN: I would be in support of Lara drafting something. There are cost impacts for lots of stakeholder groups. Thank you, Lara.
- Bernie Kotler/LMCC: I will withhold judgement until we see a draft. The coalition would like to have some influence on drafting. The Coalition would like to send its own letter.
- Lara Ettenson/NRDC: Yes, of course. I'm just trying to narrow what goes to the Commission for consideration. I'll write it and ask for input. They will not make any decisions before comments are due but they will be priming their thinking on these issues.