

Notes from Energy Efficiency Coordinating Committee Meeting #4

3/30/2016 1:00PM to 5:00PM

Location: Energy Solutions, 449 15th Street, Oakland

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

Facilitator/Notes: 2050 Partners

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 and Background – Chris Burmester (Energy Solutions) and Ted Pope (Facilitator)

Facilitator makes sure process is impartial, transparent, no undue influence from any interest group.

Introductions around the room.

Reminder that Coordinating Committee (“CC”) meetings follow different rules for engagement. Priority given to committee members to speak and respond to issues. Public comments period scheduled at end of meeting.

Sector subcommittees meetings are open to everyone to speak at any time.

Interested participants are encouraged to to the website (<http://www.caeecc.org>) to sign up for subcommittee email lists.

CC is an “advisory” group; we are here to give advice.

Program Administrators (“PAs”) decide what they put in Business Plans (“BPs”).

Background on Discussion Process – Lara Ettenson

Process developed so we can be more efficient in conversations while still allowing discussion in this forum. See presentation for details.

Question: How do people get notification of how their issue is disposed?

Response: We are still trying to figure out how best to do this but here will be some sort of communication. We may post updated spreadsheet on website each week. Feel free to follow up directly with Facilitator or Co-Chairs if want to know status of issue raised.

Question: What happens next?

Answer: Documentation - draft notes for review and comment will be posted on website. After review period (5 business days), final notes will be posted. Unresolved issues for further discussion are put in queue for next meeting. Unresolved issues for no further discussion are put in Comparison Document. We are committed to providing due diligence and transparency, but at a certain point, we have to move to next issue.

Question: Can you provide clarification on what we mean by “consensus driven”?

Response: “Consensus driven” means that we aim toward end goal of consensus for every issue. This means that no CC Members object to the consensus position. This entire process is working toward achieving consensus on issues where that is possible. With regard to logistical

issues, CC decides the process for resolution (e.g., do we need a taskforce for more discussion or do we capture the issue in the comparison document and move on).

In terms of deciding what is discussed, it will be pretty clear when we have reached an impasse. Facilitator will decide how to move forward from there.

Presentation from Bernie Kotler on behalf of Coalition for Energy Efficiency

Provided a quick overview of key points as summarized below.

Follows up on presentation at last CC meeting (3/15/2016). Presentation posted on CAEECC website.

Presentation by Coalition

To date, Coalition is comprised of 13 interested parties.

Coalitions' concerns are many.

Proposal is comprehensive.

Main issue is simplifying the portfolio. We have had a lot of feedback that there are too many programs. We want to simplify the process and increase participation rates.

We are concerned about documentation of safety on projects. All incentive programs that need permits should follow law by obtaining permits and passing inspections.

We want to shift metrics on savings to metered savings. We recognize this is out of scope for now.

We want to increase EE portfolio on controls. We feel it is critical to meeting State policy goals to have more controls. Utilities have done a great job in meeting goals up to this point, but going forward we need more controls to meet goals.

We believe there is a lot of duplication in statewide programs. We think it would be more efficient if many of programs were organized and delivered as statewide programs with one administrator. This would make programs easier to understand, decrease costs, and increase participation.

With regard to WE&T, we feel that a better trained workforce will result in better energy savings. This is a behavioral issue.

We want more MUSH programs, but realize this is currently out of scope. Issue with free-riding – if there is in fact free ridership, it should be less of a concern for the CPUC when using public money to support projects for public infrastructure projects.

After many years of using calculated savings we think it is incredibly important to switch to meter-based savings.

We want to require use of workers and contractors who are better trained.

We want to address disadvantaged communities and the need to give these communities access to projects and provide better opportunities to do the work.

We think there should be a bright line between administration and implementation of programs. We think this will bring more innovation to incentive programs.

We are very committed to this process and we will continue to be involved in the process. We want it to be an inclusive and integrated process. We are also committed to our proposal.

Coalition thanks Co-Chairs and Facilitator for accommodating us and giving us an opportunity to work on these issues.

Questions and Comments:

Question: Is there a 1-2 page document of Coalition issues?

Response: We have a word document that we can provide. Original presentation is posted on the CAEECC website.

Comment for clarification: Not everything set forth in Coalition proposal is necessarily under control of PAs.

Response: Good point. We agree there are some issues that are not within PA control to implement. We intend to take those issues not within scope of PAs to the Commission for review.

Session 2 - Key Issues Discussion

Issue 1: Simplification/consistency of portfolio offerings

Facilitator overview: This is a complex issue. Various stakeholders have raised this issue over the years. They say that that 150+ programs is too many. The portfolio is too complicated and we need to simplify program offerings.

Comments that perhaps discussion of some of the other issues on agenda could lead to resolving or improving the complexity of the portfolio. Recommendation made to defer this issue until some of the other issues on agenda are discussed as that may help resolve this issue.

Question: Could you break down this issue even further? Are you looking to simplify for customer? If so, what does that mean? Do you want to simplify for contractors? If so, what does that mean?

Response: Yes, we would like to simplify for both customer and contractor, but we also want simplification of the whole program from PA point of view regarding total cost and involvement.

Comment made that when PAs start talking about solutions, they should be mindful of pointing out where they are addressing simplification issues in their Stage 2 and Stage 3 presentations and Coalition can respond accordingly.

Next Step: General resolution here was to table issue for later in the day.

Issue 2: Metered savings approach

Facilitator overview: AB 802 was put in place to address this issue. Commission is working on describing existing baseline and net metering energy consumption. White paper on these issues expected soon.

Coalition wants to respond to question raised at 3/15 CC meeting about whether an impact analysis has been done for metered savings. Response is that this is out of scope since it has been legislated. We won't do an impact analysis on something that has been codified in legislation.

Question: Is Coalition proposing to require meter-based saving for everything?

Response: Coalition proposal does not include residential. Proposal requires meter-based approach for medium and large-sized commercial facilities, only.

Question: Why doesn't the Coalition include residential in its proposal?

Comment that PG&E would want to be as open-minded about using metered savings for all sectors.

Response: Coalition has not taken a position yet on residential. We are trying to figure out where we can be most cost effective which is why we left out small commercial and residential. We want meter-based approach integrated into medium and large buildings in relevant sectors.

Comment that ORA would not want to preclude residential sector from use of meter-based savings.

Request made for up front discussion in BPs about meter-based savings. Commenter would like to see expression of commitment to use metered savings approaches with description of what a meter-based approach would include. Note that the PAs are already committed to trying this out as seen in their High-Opportunity Program Proposals currently under review by the CPUC.

Facilitator: There are programs that serve those markets that incent measures that can't easily be associated with a particular customer site. Is Coalition open to discussing nuances?

Response: Coalition needs to discuss further.

Co-Chair: I want to clarify what we mean by "out of scope." That just means we are waiting for a policy decision before the PAs could proceed. It doesn't mean we won't discuss. Once we have what we are waiting for, we can discuss further.

Facilitator: Sounds like we can't do that much about meter-based saving requirement right now because of status of 802 guidance expected from CPUC.

Comment that as PAs start working out problems and solutions, they will provide information to Coalition so they can get Coalition feedback. PAs want to make sure that they get feedback on these issues as we move into stages 2 and 3.

Comment that we can't discuss this issue further here today.

Proposal for consensus that CC agrees that meter-based savings should be an important part of the portfolio moving forward and we'll revisit once the white paper comes out and further when the decision comes out. Regardless, this approach should be part of the Stage 2 and Stage 3 discussion. If agreement, we could scratch off list now.

Comment supporting further discussion. Coalition has agreed that this is not about what the Commission requires. It should be about whether this group wants to do it. Commission won't say we can't do it if all parties ask for it.

Comment disputing prior statement. We don't know what rules will look like. We can't promise something without Commission position. Comment disputing Coalition position that if the parties want it, the CPUC would do it. For example, the Commission - in response to a group of interested parties proposed changes to the Custom program – stated that the issues were a “red-herring.” It's not automatic that the Commission will follow the CC.

Comment made that CC can still take a position even if we don't know where Commission is going to come out on it.

Question: Does that mean we will put things in BPs that do not comply? Where PAs have permission to include, we can include and be creative, but we need guidance before we commit to anything.

Facilitator: Sounds like most of PAs conceptually agree with using metered savings in a big way. There is opportunity for PAs to include something in BPs about metered savings being attractive. PAs do not need to come up with solution in BPs. PAs will raise issues with Commission. Do we have consensus?

Comment expressing discomfort requiring all PAs to include a discussion of the issues around metered savings in their BPs.

Facilitator: It is correct that we cannot require PAs to address an issue in BPs per se.

Comment re-enforcing need to address metered savings in BPs. Maybe issue is whether it should be counted toward goal? It might still be useful as counterfactual data point for further analysis of this approach in the future.

Comment from PA expressing general agreement. This issue will be addressed in BP or Implementation Plan. Level of detail will depend on outline. We are waiting for Energy Division to give guidance. There will be programs that will include metered savings. We agree that business sectors offered up by Coalition are best places to start. I hope Coalition is not saying that if we offer other programs not covered by specific preferences that they will not be acceptable to Coalition. I hope Coalition will not object to portfolio having more than what Coalition is proposing.

Comment that CC has an opportunity to re-define the portfolio and correct past mistakes. There is no argument that meter-based savings are an important part of the portfolios moving forward. As we move forward with this opportunity with metered programs -- however broad they are -- we need to consider how this will simplify programs and allow us to defend savings.

Facilitator: Sounds like overall agreement to put this issue in the “needs more discussion” bin.

Comment expressing frustration with not continuing discussion further.

Question: What do we need to discuss further if, for the sake of discussion, PAs agree to address metered approach for whole building projects in their BPs?

Question: What does it mean when we say we are done with this discussion?

Facilitator: We can agree to disagree now. I hear everyone generally supporting the desire to incorporate meter-based savings in their BPs. I also hear them saying they don't want requirement that every one of their programs include meter measuring issues. Does this create an issue that can't be resolved?

Co-Chair: Every one has confirmed interest in meter-based programs. Now all PAs should address this further in their stage 2 presentations.

Comment from PA: I don't want to be compelled to use meter-based approach if it doesn't make sense in certain situations, but we will address this in our BP.

Co-Chair: Once we have gotten to a point where we can't agree, issue will go into Comparison Document.

Comment that Coalition is not arguing about whether meter-based approach is going to be 90% vs 100% of PA BP. We want the overall principle addressed for a large majority of applications. We don't want this dressed as pilot programs.

Comment from non-IOU PA that it can't commit to this being a predominant approach in its portfolio.

Coalition confirmed current status of issue as agreement to disagree. We are not 100% in agreement so we need to move on.

Co-Chair confirmed that the Comparison Document will not be anonymous. CPUC needs to see who is taking what positions.

Facilitator asked whether Coalition might be able to revise its position.

Non-IOU PA confirmed that its position was "not a final no," and that it had "something to think about."

Coalition confirmed its position that essentially all buildings in its proposed categories should be required to use meter-based approaches, with maybe a few exceptions.

Comments that confirming meter-based is best practice, but recognizing that this is not a "one-size fits all" solution.

City and County of San Francisco supports meter-based savings but in high density urban environment, wants to ensure that small and medium-sized business sector is included, and not precluded from using, as well.

Facilitator suggested addressing this issue again after white paper is issued and PAs make their stage 2 presentations. Can we leave it open or do we need to close now?

Comment praising great discussion on this complicated issue. Confirmed agreement that this is not a one size fits all solution. There are areas where metered based savings can be a challenge.

Next Step: We're putting this in "needs more discussion" bin with an opportunity to discuss after the white paper comes out and then again when the proposed decision comes out;

Question: When can we expect CPUC guidance for BPs?

Response from Co-Chair: BP guidance is expected some time next week. They have been aiming to provide guidance before April 20 meetings so we can discuss then.

Question (from chat): What does consensus mean? Can we have "majority consensus?"

Facilitator: We can't have majority consensus. All 20 members need to agree for there to be consensus. If consensus not reached, issue will be moved into Comparison Document.

Public Comments and Questions

Question: Why wasn't disadvantaged community workers on the agenda?

Response: This issue is in queue for next meeting.

Stationary operating engineers of Southern California supports meter-based approach. Meter-based savings is not new to our profession. Currently not enough in high rise buildings, hotels, and hospitals because technology was lacking and not seen as feasible investment. With today's technology, we see a lot of this at implementation or technical level. Controls are already being set up in buildings.

Break (2:30-2:40)

Issue 3: Supporting behavioral and operational measures through WE&T

Facilitator overview: Coalition has clarified this is focused on WE&T aspects, not on traditional behavior programs (e.g., OPOWER or other)

Coalition confirmed its concern for this issue is limited to its relationship with WE&T.

Suggestion made to use same clarification going forward when this issue is included in written documents.

Question: What about building operator certification?

Response: BOC is fine but inadequate to serve all needs. Behavioral and operational issues are in one phrase, but we are really only addressing operational here. A higher level of training is necessary.

Facilitator asked if there was general agreement on this issue?

Question: Is Coalition suggesting there are holes in WE&T programs that need to be filled?

Response: Jim Caldwell, a member of the Coalition, has very strong feelings about this ... excerpts from Jim Caldwell statement read at meeting.

[Jim Caldwell statement:]

- *The IOUs' approach to WE&T doesn't address the scale of training needed to meet the Strategic Plan goal of a "qualified and fully engaged workforce by 2020". Extrapolating data from a 2014 Advanced Energy Economy workforce study, 9,000 new EE workers are needed every year. Additionally, several studies show that at least 220,000 incumbent EE workers have not been trained to do quality installation and quality maintenance.*
- *IOU engagement with the community colleges and Apprenticeship programs has been on a very limited one-off project basis. Deeper integration with postsecondary education and training institutions is necessary to approach the scale that will support AB 32, AB 758, AB 802, and SB 350.*
- *The community colleges just completed a study with IFMA that showed the need for 3,200 additional Facility Managers over the next 12 months in LA, Orange, Riverside, and San Bernardino counties alone, with similar requirements over each of the next 5 years. There are NO Facility Management education or training programs in California at the moment, although the community colleges are working on it. Gaps like this probably aren't even on the IOUs' radar.*

Facilitator: Can we kick this issue to WE&T subcommittee because this gets granular very quickly?

Co-Chair: Sounds like there is an issue here. Can the Coalition clarify what it is asking for?

Response: Coalition wants more resources devoted to training, greater integration with current programs (community colleges, training programs), and support for training programs that are raising the bar on these skills. Community colleges would like to see more support from PAs to implement training programs.

Co-Chair: Why can't we kick this issue to WE&T subcommittee for vetting?

Response: This raises a critical issue about the function of subcommittees. Coalition position is that subcommittees should carry out what has been decided by the CC. The CC should determine what subcommittees should work on and not the other way around.

Co-Chair response: The CC does not have expertise to decide how these issues can be implemented and furthermore D.15-10-028 specifically outlines the CC authority and it is not to tell the subcommittees (and the PAs) what to do. The subcommittees are the place to talk about the weeds of the issues with the key people in the room, like this issue. The PAs ultimately take (or don't take) that information into account when they draft their plans. The CC can say "Subcommittee, issue "x" is of interest to the CC and we strongly urge you to look at it and respond to it." Hopefully they would do so and report back on the progress of the issue, but the structure isn't to have the CC dictate.

Coalition confirmed this is a critical issue.

Facilitator: It is so hard to not get in the weeds on this issue. To sum up, Coalition wants more money for training, more integration, and more support for programs that raise the bar.

Question: Does CC want to send this to the subcommittee?

Co-Chair: See above response

Suggestion that CC needs to give broader direction to subcommittee, ensuring they are following what D.15-10-028 laid out (e.g., address goals of strategic plan as directed by the CPUC October decision). This issue is relevant to the strategic plan.

Question: Has this issue already been taken to WE&T subcommittee?

Facilitator: It sounds like it is on the radar, but WE&T subcommittee has only completed stage 1 so far.

WE&T Subcommittee Co-Chair confirmed stage 1 presentations were provided last week and this issue is related to what they looked at. We evaluated entire WE&T portfolio. We had great participation. Jim Caldwell was there and complementary. We are looking at how we can improve and reach strategic goals. Subcommittees are the right venue to further this discussion. I encourage anyone who wants to discuss to come to next meeting.

Co-Chair: Our authority need to be explicitly clear in this process. It is just to advise the PAs and ensure the process is working. The issue is whether this is a topic that we want to be further addressed by subcommittee. We can't tell PAs what they will include in their BPs (but hope they'll seriously consider the interests of the participants otherwise they'll get protests).

Comment from Public Sector Co-Chair that Coalition's presentation has lots of strong points, but there are issues that should be addressed in subcommittees so that the experts can work through the problem before they go to CC level. Suggestion that many of the issues raised by the Coalition should start at the subcommittee level.

Facilitator: I highly recommend these issues are raised in subcommittees.

Follow up comments from Coalition: This is such a foundational, structural, critical issue. The problem is that there are a lot of subcommittees. It is not realistic to expect that any interested organization can attend all the subcommittee meetings. Comment from the phone disagreeing.

Co-Chair: We are talking about sending this specific issue to the WET subcommittee for further discussion. Not every single one. This is relevant to the WET plan.

Facilitator: I think there is enough interest in the room that we can look at the issue and make progress.

Comment confirming agreement that PAs have to prepare their BPs and hopefully there will be less disagreement on issues at the end of this process. Confirmed ability to participate in CC meetings, but not all subcommittee meetings. CC is the right group to help propose agendas for what subcommittee should work on. Expressed need for feedback from subcommittees on what it decides to do with issues that are sent for discussion by CC.

Co-Chair: We can send issues to subcommittees for further vetting when no consensus and issue is in line with strategic plan. We cannot tell PAs that they must include "x" issue in BP. PAs will present draft BPs in stage 3 at which time PAs have to defend why they did or did not include certain issues.

Comment from subcommittee Co-Chair that they are trying to use data to drive decisions. Please provide data supporting specific requests so subcommittee can understand from where recommendation comes.

Comment quoting page 76 of CPUC D.15-10-028:

- First, PAs, not the Coordinating Committee, are responsible for the content of what PAs file with the Commission (i.e., applications and advice letters). PAs also bear responsibility for what PAs post to Commission-maintained web sites pursuant to this decision (e.g., implementation plans). This means that PAs, not the Coordinating Committee, will have the final say in what PAs file and/or post with the Commission.
- The Coordinating Committee's role is to advise the PAs. The Coordinating Committee therefore needs both stakeholder and PA participants, but *PAs must not dominate Coordinating Committee proceedings*. PAs must provide the Coordinating Committee with information in a form and on a timeline that allows for meaningful stakeholder input. In addition, PAs must be willing to take Coordinating Committee advice. If the Coordinating Committee becomes a "forum[] for the utilities to present decisions already made rather than to seek input in a collaborative manner," rather than a source of useful input, then we will be back to the drawing board.

Comment from PA confirming they need to respond to advice from CC. PAs may not be able to commit yet since they don't know what their portfolios will look like. Give PAs the data that supports your recommendations. Just because we don't necessarily agree at this point, doesn't mean that we won't do it. We are taking all this under advisement. We also want to minimize the issues so we can get authority sooner (i.e., fewer protests).

Next Step: Sounds like most people agree it's appropriate to suggest this as a topic to the subcommittee. However, ultimately it's up to the PAs to decide what goes in it. This issue is deferred to the WET subcommittee for further discussion.

Issue 4: Disposition of MCE Default Administration proposal

MCE: Our understanding is that the ALJ asked CC to address overall default administration position. This issue is about MCE getting control over how programs are administered in its territory. Primary issue is overlap, but also about efficiency of programs.

Note: MCE [Default Administration Presentation](#) and [Business Plan](#) are posted on the CAEECC website.

Questions and Comments

Question: Within context of statewide programs, does MCE proposal mean statewide program for schools would have separate administrators across the state so there could be 50 different administrators across the state for the programs?

Response: MCE proposal is that MCE and only MCE would have default administrator status for the next 10 years in California. MCE proposal does not specifically include other CCAs. There are some upstream statewide programs for which MCE does not want to be involved.

Further response: MCE spells out how this would look in its March 15 presentation. Specifically, MCE has suggested a set of sectors for which it would administer programs. MCE also sug-

gested certain programs for which it should get attribution. If it is not allowed to play in a certain space, it wants the opportunity to fund and get attribution.

Comment that this sounds like local offices for statewide programs would result.

MCE encourages everyone to read its Business Plan and March 15 presentation for clarification.

Facilitator: Are there organizations that can't agree with MCE's default administration proposal?

Comment that PG&E will not support this position.

Question: Does MCE have any concern of the precedent it is possibly setting? With multiple counties in this State, there is a potential we could be looking at 20+ PAs in next program cycle. This will create more confusion.

Response: CCAs have statutory rights as program implementers and this wouldn't impact that. Current authority could yield numerous administrators regardless of how this issue is ruled on.

Further response: There are other CCAs that are currently exploring EE program administration.

Facilitator: CC is not to establish State policy. This committee can no longer move this proposal forward.

MCE request: So far not a lot on record about this issue. Can people please state why they don't support MCE's position?

Response from PA: Our current position on default administration is set forth in our pre-hearing conference statement. We have not worked on this issue enough to have moved from this position.

Further PA response: Pre-hearing conference statement sets record on this issue.

Co-Chair: This is not really what CC was intended to be dealing with and is not within the scope in D.15-10-028. However because the Judge wanted to see if any progress could be made on this issue before considering additional testimony, we brought the issue here. However, we have now determined that there will not be agreement on this issue.

Next Steps: Confirmed that there will be no further CC discussion on this issue, though ad hoc groups are welcome to split off to further discuss it. This issue is closed for the purpose of discussion at the CC level.

Issue 5: Increasing portfolio focus on controls

Facilitator overview: Technology has changed. There are a lot more controls and they are easier to install. Coalition would like to see a lot more use of controls.

Comment that studies on building controls show we get improved energy efficiency by 60-80% by using better controls. With a trained labor force and better understanding of control systems, we are able to make it work. There are a lot of advantages to using advanced controls. Most people don't want to use them because they don't understand them. We are losing a lot of opportunity for EE by not installing controls. We need to use controls to hit goals.

See etcc-ca.com/reports for the following studies:

- ET09SCE1210 Office of the Future Federal Building Demonstration

- [ET09SCE1200 Office of the Future Executive Suite Demonstration](#)
- [Office of the Future - Landmark Square Building](#)
- [West Coast Medium Market Assessment](#)

Facilitator: Probably all of us here agree that controls are good. Can Coalition clarify what it wants?

Answer: significantly larger budgets for controls and fault detection. Full paradigm shift to controls away from just widgets.

Question: Can you also confirm if you are thinking about more than lighting controls?

Response: We are talking about whole buildings: plug load is important, ability to do ADR (automate demand response), HVAC, lighting, mechanical, smart meters.

Question: How do you measure this in the portfolio? How do you describe the portfolio with more controls in it?

Response: Let's start with putting money into controls. We could measure by budget for controls.

Comment confirming definite need more controls. This issue is tied to operator training. All of these questions tie back to how we measure and qualify savings. However, with existing M&V, we can't make them cost effective. If we can claim actual savings from implementation of controls, they will automatically become cost effective. The existing verification requirements prohibit cost effectiveness.

Comment that detectors that tell consumer when their systems, such as economizers, aren't working are necessary. If customers don't know their systems are not working, they won't fix them. This will lead to savings.

Comment confirming use of meter-based savings will solve many of the challenges of promoting controls we see in this area.

Comment confirming issue of meter-based analysis to understand impacts of code has already been discussed and CC needs 802 guidance to address further.

Suggestions to review also [Final Report Lighting Controls Training Assessment](#).

Facilitator: Does anyone object to proposal to increase funding/resources spent on controls?

Comment from PA conceptually agreeing that PAs want to include controls as part of whole building approach but they don't want to be tied to specific requirements.

Concurring comment from another PA: Controls are very important to achieving goals on the operational level. People operating buildings are going to help us reach our goals.

Further comment supporting controls but noting that PAs can substantially shift their emphasis until policy guidance changes. If administrators can't claim savings as part of the programs, they will not spend money on them. This issue comes back to M&V requirements and how we determine savings.

Co-Chair: If 802 guidance does not address this issue sufficiently, we can highlight the issue and come up with what we think the solution should be. This group can collectively agree what we can do in the future about these issues.

Facilitator: Summary is that controls is an important tool but not the only good solution. Do PAs concur that this should be addressed in BP?

Comment from PA: This is a policy issue. If we want to bring up issues like this to the Commission, we need to work through how best to address them to make it easy for the Commission to respond.

Co-Chair: PAs should include this issue in their BPs if they can.
BP will be filed 9/1 as an “application” which includes testimony, which can include request to Commission to review issues in phase 3.

Facilitator: Does anyone object to a statement that controls are important and PAs need to raise this issue in their applications?

Comment from PA agreeing PAs can address this issue in their applications but not that they have to.

Facilitator: Confirming consensus that controls are good, but can we agree that more money has to be spent on controls?

Comment confirming policy issues prevent further resolution of this issue at this time.

Comment from Coalition expressing frustration because AB 802 was passed by legislature and signed by Governor. As current legislation, it should not be such a grey issue.

Comment confirming words like “as determined” or “as determined by the Commission” in the legislation leave room for further interpretation. This is why everyone is concerned that the Commission may come up with something that does not allow for significant change when it issues its white paper.

Comment suggesting that before parties do anything further on this issue, they need to figure out what they are seeking and the reasons why it hasn’t already been done. Suggestion to send issue to commercial and industrial subcommittees for further discussion and clarification.

Comment that currently programs are being blocked in retro-commissioning. We are losing engineers in retro-commissioning because these programs are being blocked. Programs are having great savings, but we can’t claim them because they are being blocked.

Comment that this process offers an opportunity to identify to the CPUC where the problems are. Parties can confirm they are aware of the reasons why the Commission developed its policy about controls in a certain way, but need to provide facts and data about why certain programs are not working. CC probably won’t work this issue out here because it is a policy issue that needs to be changed at the CPUC.

Facilitator: How do we move forward at CC level? The essence of the issue from the Coalition is that it wants more resources spent for controls. Can we reach consensus that we would also like to see more resources for controls?

Question: Would it be possible for a report out from subcommittees about policy barriers? It would be good to get feedback from subcommittees.

Facilitator: We could ask for that since we are already hung up by 802.

Co-Chair: We can address these issues again after stage 2 presentations.

Next step: there is consensus that controls are critical. PAs agree they should be a large part of the portfolio but (a) PAs cannot substantially shift their emphasis or add more money until policy guidance changes and (b) controls may not be appropriate for every single program/project. Agreement that this is important but that we need to wait for 802 guidance to see if it addresses some of the policy issues. If not, this group can discuss further and consider advancing the issue in testimony.

Facilitator: We have meeting evaluation forms and forms for public input. Please fill out and email to facilitator@caeec.org

Issue 6: Workforce certification

Coalition clarification: This encompasses codes and standards but limited to application of codes and standards in the workplace. Basis for proposal is quality of the work. Concern is that there is a lot of work being done and savings being calculated but, if you look closely, the work is not being done as well as it should be. We need to require more and better training, more application of industry standards to projects, and more certifications to make sure work is being done so everyone gets the return on investment they expect for qualified savings.

Facilitator: What is an acceptable certification program?

Response: There are a lot of different codes and standards and certifications. One significant example is permits. The Coalition position is that any job that involves work that falls under a code, the work needs to be permitted, the job needs to be inspected and passed, and the job needs a copy of building inspector's passed inspection before incentives paid. Buildings need to follow the law. We know there are a lot of jobs that are not following the law.

Comment confirming this is a serious issue. There are so many jobs that get installed improperly, especially mechanical codes (e.g., HVAC). It is ridiculous how badly these jobs are done. Training and certification are critical.

Facilitator: Can we make this proposition more actionable by PAs?

Comment that there is an opportunity to line up with current review process by utilities with code requirements. We see misalignment a lot, as well. A lot of the review process is focused more on verifying baselines. We spend a lot of time arguing about things that have nothing to do with savings.

Comment referring to recent report on study of a variety of trainings available for lighting and lighting controls, in which CALCTP was rated at top of programs reviewed because its electricians and contractors are better trained. We need to have people installing controls properly. Issues can be even more complicated where you have someone who isn't trained. It is very important to take advantage of training programs that train people and raise the bar.

Comment confirming general favor toward certification and permit requirements, but expressing concern that requiring proof of building inspection before paying incentive would result in a cost to the program.

Facilitator: Let's carve out permit requirement because it is a separate topic.

Question: Do you find certification increases cost, or just permit?

Response: It depends on what it is.

Comment that certification of contractors would slow down implementation of the program.

Comments that permits are required by laws. There is no way of getting around it.

Comment that PAs can decide whether they need to require permit to give incentive.

Coalition: This is exactly what the issue is. We object to using public money to pay incentives for jobs that have not been permitted. Public money should not be used for jobs that do not meet safety requirements.

Facilitator: Permits are a separate issue.

Further Coalition comment: We have a system in this State that job gets bid to lowest cost contractor. In many cases, those contractors shave to the barest qualifications. What is happening is that contractors can make lowest bid because they don't train their people. So we award projects to worst contractors. If we don't change this, we are losing savings.

Comment that in most cases, PAs do not choose the contractors. It is the customer who chooses their contractors. What is the Coalition's proposal? Do PAs mandate that customer pick contractor from a list? If PAs are not in charge of installation, how do they mandate all customers to do a certain thing?

Comment that the most effective way, while still allowing customers to choose who they want to use, is to require proof of building inspection. Contractors are already required to pull permits, so customers are already paying for benefit of inspection that building is built safely and to code.

Comment from PA requesting more data about customer behavior. What I heard you just say is that customers are signing applications fraudulently.

Comment confirming that applications do not require customer to show permit compliance.

Comment that it is often customer choice to not get permit. Contractors say they will do the job with or without the permit. Customer makes decision about whether to pull the permit.

Coalition comment expressing “outrage” at using public money for people who don’t comply with the law.

Comment that customers need to be part of the education process so they understand their obligation to comply with the process. PAs need to figure out how to get customers to comply.

Comment that a contractor is not reputable if it says decision to get a permit is at customer’s option.

Comment that PAs could be flexible in what format they accept building inspection and permit verifications.

Question: What would a PA need to verify a copy of a permit?

Comment that customers are required to pull permits but PAs don't require closing the loop on the process. However, if we require that it will cost more, delay programs, and result in less participation.

Comment that utilities are trusted advisors to their customers. Customers often go to utilities for advice when they have problems. Utilities can set minimum requirements for jobs.

Question: Who validates permits?

Response: The issuing authority, usually city or county.

Question: What does requiring certification look like in implementation for selecting contractors?

Coalition comment: This is simpler than we think. Permit has to be pulled from local jurisdiction. This is about safety. Inspector goes out and signs off on a document that building inspection has been met. This is one piece of paper. Utilities should not pay incentives without documentation. Customer can just scan this paper with all the other documentation it is required to submit for incentive.

Comment that requiring an additional document in the process will result in additional cost.

Response comment noting that measurement of savings really cannot be done until building inspector has gone in and said customer can use the building.

Facilitator: Public comments?

Comment that we are back to a question that dates to beginning for EE programs when there were certified contractor lists. Aren’t we talking about reinstating those kinds of lists? In terms of policing, the old approved contractor lists had blackball provisions. If we are worried about safety, we could institute blackball again.

Comment that it is very difficult to get inspections in San Francisco (as well as other places that don’t have the staffing to support timely inspections). That is a problem. PAs complain about holding up incentive payments which are important to the customer who may need the money to pay for the project.

Comment that the issue here is about whether PAs should be policing code compliance.

Comment that safety is a very important issue for operating engineers. So often, especially in retro-commissioning, we are challenged with finding systems that are properly installed. Operating engineers concur with proposal requiring enforcement of permits.

Comment that this is a long time issue in this industry. On the surface it makes sense to require permits. The nuance is in enforcement. Is it the responsibility of PAs to enforce state law? Is requiring code compliance the best use of PA resources? We can make this part of the inspection process and have zero tolerance for failure to comply with permit requirements. However, data shows that permit requirements were the number one cost adder for programs. We should look at solving permit process issues statewide first.

Facilitator: Utilities do collect permits for solar programs.

Comment confirming that there is a statewide requirement for solar programs. However, to ensure consistency and to keep soft costs down, a statewide approach to streamlining permitting would be good.

Comment that mechanical acceptance testing was approved by CEC two years ago. Current permit process can require up to 18 permits for a building. Mechanical codes are minimum requirements for safety.

Comment suggesting maybe there are other strategies we can consider. Maybe there are other ways of streamlining the permitting process or simplifying the code.

Comment noting this is an interesting conversation which needs to be queued up for further discussion. Someone from the CEC should be in the room for next conversation.

Next Steps: No progress beyond “agree to disagree” at this point, for now.

Co-Chair: I think we should come back to this issue later.

Facilitator: do we have time to address MUSH issue? We will address disadvantaged communities at next meeting.

Coalition comment: attended WE&T subcommittee meeting and thought they did a great job.

Co-Chair: Next CC meeting is scheduled for April 20.

Facilitator: It is tough to get through these topics. Idea is to keep pushing through.

Coalition comment: It is critical to have these discussions. Maybe we need to have longer meetings.

Co-Chair: We can have longer meetings. What is the MUSH issue?

Coalition: MUSH is a cross cutting issue. Our concern is that CPUC is concerned about free-ridership related to 802. If more money is put into public sector, free-rider issue should be less

of a concern since the public is benefitting. Coalition proposal is for more money to be spent on MUSH market.

Comment that NRDC disagrees with the fundamental CPUC position that public buildings have the level of free ridership that is assumed.

Facilitator noted two different issues. (a) NRDC's disagreement with the fundamental application of free ridership to this section vs. (b) the Coalition position that the CPUC shouldn't worry about free ridership because it is in the Public sector.

Coalition concern is that the work gets done, not who gets credit for it. Coalition understands that the credit issue has to be solved. There should be less concern about free-ridership with MUSH. This should also help underserved communities.

Question: If we have data re MUSH issue, who do we send it to?

Response: facilitator@caeec.org

Further Coalition comment: We think that there is a lot of missed opportunity in class A office space and class B in particular. We understand there are tenant/owner issues. With more resources toward education and programs that are attractive to tenants and landlords, we should be able to break through the barrier.

Facilitator: So the Coalition's ask is for more resources and looking for PAs to resolve concern about free-rider? Let's put this on the burner for next meeting. What about simplicity?

Next steps: MUSH issue needs further discussion with data about what the specific problems are.

Comment that portfolios are moving toward a simpler approach with less programs.

Facilitator: When will this simpler approach become apparent...at what stage of this BP process?

Comment that MCE already has its BP on file.

Further PA comment: We want the same thing too which is why we drove toward BP approach. We are trying to figure out how to serve the customer best. We are working with commission staff regarding visibility. The 2010-2012 decision sets forth 12 programs, which we have. But then we have subprograms and we have to report on each program and in very specific detail. So we are also working toward simplification. We want to work on strategies that work toward meeting customer needs.

Facilitator: Reconfirming we are looking at simplification from customer perspective, from contractor perspective, and from PA perspective.

Comment that one of the key things ORA has advocated for is the distinction between program administrator and implementer. Programs need to be "chunked down." Need to identify where program lines are drawn so we can determine how PAs are performing. I would expect PAs to have bottoms up of how many hood vents they will put out there, for example, so results can be evaluated. Simplification doesn't mean PAs are collecting less data.

Comment from PA: Bottoms up will always be there. We are just looking for some administrative simplicity.

Further PA comment: I feel like a lot of us included in our gap analysis that we had “ah-ha” moments. A clear message is that we want to simplify. We are starting to address how we want to simplify. Feedback, like that being posted on the CAEECC website, is really valuable to us. We want to know if you feel like we are heading in the right direction or if there is an area that you really want us to work on.

Comment confirming hope that strategic vision portion of the Business Plans addresses issue of implementer vs administrator. The challenge with gap analysis is not just identification of issue and how do we work around it.

Facilitator: Thank you all for participating. Next meeting is April 20.