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**Re: Additional items to include in the scope of R.13-11-005 Phase 3**

Dear Commissioner Peterman and Judge Fitch:

The California Energy Efficiency Coordinating Committee (CAEECC) has been meeting over the past year to provide meaningful and useful input to the Program Administrators (PAs) throughout the design of their business plans to support the development and expansion of high-quality energy efficiency programs.<sup>1</sup> To help achieve this and related goals, CAEECC has [insert stats—number of meetings, comments received, etc.].

During that process, CAEECC Members<sup>2</sup> identified a number of issues that require additional Commission guidance to inform the PAs' future Business Plans and/or Implementation Plans. To help enable a scaling up of energy efficiency in line with Senate Bill 350, we recommend that the Commission include the following key items within the scope of Phase 3.

1. Conflict of interest policy

*[if we are unable to resolve the COI issue to the point where implementers feel comfortable continuing to participate, we will bring it up here]*

2. Incremental Measure Cost

*[need summary of this issue: discussion to date has identified that the IMC values are not accurate for a number of items, especially for items whose prices evolve quickly, making it difficult – if not impossible – to incorporate the very types of measures the Commission wants to see (e.g., LEDs).]*

3. RCx, controls, meter based, O&M

*[Before AB 802, the PAs and implementers could not claim savings so had not been using these techniques. With the passage of AB 802, there were CAEECC conversations that yielded broad agreement that these items are good program approaches and could be referenced as options in the business plans, but would be more appropriately described in detail as part of the implementation planning stage. Question: Do we still need to include this in the letter?]*

4. Data needs

*[A number of stakeholders raised the issue that the data was incomplete or old and a number of critical baseline data are not available. The key items that came up included: CEUS,*

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<sup>1</sup> The full goals of CAEECC include: (1) Support the development and expansion of high-quality energy efficiency programs that reduce greenhouse gas emissions in line with state climate and energy goals while responding to customer needs and market dynamics; (2) Improve collaboration and communication among parties and with Commission staff; (3) Reduce differences in positions through informal discussions, narrowing the issues that need to be addressed by the Commission; (4) Increase speed of Commission review of filings; (5) Provide greater opportunities to leverage industry expertise (broader than parties); (6) Increase transparency and enable a deeper understanding of energy efficiency offerings and long-term strategic vision, and (7) Provide meaningful and useful input to the Program Administrators in the early stages of initial design as well as during augmentation of efficiency business plans and other relevant planning documents (e.g., implementation plans).

<sup>2</sup> CAEECC Members include representatives from the seven PAs, one prospective PA, consumer advocates, environmental groups, social justice groups, labor, industry (e.g., implementers both companies and non-profit), and local governments. For a full list of members, see: <http://www.caeccc.org/members>.

*RASS, baseline information for CPUC Strategic Plan goals, soup-to-nuts market analysis, and lack of public sector specific potential data. The request would be to prioritize collection of this data]*

5. Hard-to-Reach (HTR)

*[On September 2015, PG&E identified a subtle but impactful change made by CPUC staff to the Policy Manual v5 definition of hard-to-reach customers. The definition was not revised with public input and as a result NRDC, Brightline Defense, CSE, Greenlining, Efficiency Council, LGSEC, MCE, Rising Sun, BayREN, SoCalREN, and TURN requested that the Commission clarify that the updated definition does not completely prohibit classification of hard-to-reach customers in the identified geographic regions or alternatively indicate that the definition should be modified to ensure programs are available for all hard-to-reach customers while maintaining prudent use of customer efficiency funds. In response to PG&E's advice letter, the CPUC staff indicated this would be addressed within the larger R.13-11-005 proceeding but it has yet to be discussed and is not in the Phase 3 scope.]*

6. Identify and address real and perceived unintended consequences of the Rolling Portfolio approach

*[A number of stakeholders (local governments and implementers) raised the issue that even though there is a 10-year funding stream, the annual budget advice letter requirement has made things more uncertain than before. In Phase 3, the Commission should explore potential unintended consequences and clarify policies and procedures to correct the real and/or perceived uncertainties.]*

We appreciate your attention to these critical issues and look forward to working with you, Commission staff, and stakeholders to resolve these and other items to enable programs to scale up to capture all cost-effective energy efficiency to reduce customer bills, support a strong efficiency industry, and achieve the state's ambitious climate and energy goals.

Sincerely,

**SIGNATORIES**