

Black = PA BP outline

Purple = CPUC checklist (xls)

Maroon = excerpts from CPUC guidance document

Green = CPUC D.15-10-028

Grey = updates/modifications/additions not captured in the above colors (e.g., references to previous decisions, modifications to be consistent throughout the compilation, etc.)

Comment bubbles represent additional relevant text

Background

D.14-10-046 approved 10-years of funding through 2025.

“Program Administrators’ existing energy efficiency program funding shall be extended annually through 2015, at the 2015 annually spending levels by program administrators as approved in this Decision until the earlier of 2025 or when the Commission issues a superseding decision on funding levels.” (OP 21, p.166)

“What Information Should the Business Plans Include?”

A Business Plan is a “roadmap” that explains how PAs will achieve energy efficiency savings from their efficiency efforts, in general and for each customer sector (i.e. commercial, residential and industrial sectors among others), in a manner consistent with the CPUC’s Energy Efficiency Strategic Plan.

Consistent with Commission direction, and particularly in light of the conflict of interest concern raised herein, the Business Plans should contain high-level information about the PAs’ portfolios. However, this high-level structure should not come at the expense of omitting *useful and essential* information that will allow the Coordinating Committee, sub-committees, stakeholders, Commission staff, and the Commission to clearly understand what will be accomplished if the Business Plan proposals are implemented.” (p.3 of 5/23 version)

PA and stakeholder developed, PAs file periodically via application for Commission review; explains at a high level of abstraction how PAs will achieve the goals of the Commission’s strategic plan; leads to a Commission guidance decision adopting the business plan and setting budget expectations to be more fully developed in annual budget filings. (p.43 D.15-10-028)

Program administrators shall follow the Business Plan Outline, as posted on the California Energy Efficiency Coordinating Committee (CAEECC) website (<http://www.caeec.org/#!business-plan-guidance/dzlus>), in order to ensure layout uniformity and facilitate stakeholder review. (p.10 of 5/23 version)

Items for Follow up:

- Terminology in checklist
- Redundancy/organization of sections of BP to be revisited once a draft is reviewed

0. Executive Summary

- a. Company description, definition of market, mission statement

1. Overview & Approach [high level/concise]/Portfolio Summary

A. Overview

- 1. About EE/DSM, Calif. energy needs, legislation and/or regulatory requirements, IOUs/PAs/CPUC/etc. overall role, etc.
- 2. Broad socioeconomic trends relevant to PA's EE programs (population, economics and markets, technology, environment/climate)

B. Vision and Goals: "What & why" [High Level and Concise]

- 1. Vision: How it thinks about and uses EE
- 2. PA's goals (state and saving goals)

C. PA's high level strategies and approaches for period under consideration. Description and discussion, including:

- 1. PA's overall range of intervention strategies and tools/description of pilots /
- 2. Budgets & Cost-effectiveness (for whole portfolio)/Proposed Portfolio Budget, Projected savings (resource programs) and Cost effectiveness
 - a. How budgets/savings/CE are derived at portfolio, sector and in some cases program level
 - b. Explanation of Admin Budgets: Direct/Indirect Labor, Professional/Admin personnel
 - c. Explanation of accounting practices /In addition to sector and program information, the plans will identify how their administrative budgets were derived, based on findings from the UAFCB Auditors Report recommendations and LAJ Ruling for comments on the November 19, 2015 Energy Efficiency Accounting Workshop (p.5 of the 5/23 version).
 - d. Discussion of Cost Effectiveness parameters (addressed for portfolio, sector and special programs)
- 3. Key overall issues/challenges/anticipations, and potential responses (if known/ready to discuss)
 - a. Ensure that intervention strategies are linked to barriers that will be addressed
- 4. Intervention Strategies/Portfolio summary and description of applicable intervention strategies (p.47 D.15-10-028)
 - a. Lessons learned about intervention strategies from past cycles/The Business Plans should describe how the overall portfolio and specific sectors will leverage prior programmatic efforts
 - b. Future expectations for intervention strategies
 - c. Reasons for any intervention strategy changes (additions/subtractions to portfolio strategy.)

Commented [EL1]: "In this section, program administrators shall summarize the portfolio of programs they intend to field including:

- 1. Why specific intervention strategies have been selected
- 2. how each strategy will be supported by what each program administrator has learned overall about portfolio performance in prior cycles
- 3. how the selected strategies will continue or augment program approaches that are working
- 4. identified market or intervention weaknesses.

PA's will also provide evidence to support the inclusion of under-performing programs in the portfolio when and where that is the case." (p.4 or 5/23 version)

NRDC comment: this seems more appropriate to chapter summaries vs. a portfolio summary. Propose instead a high level summary of the interventions with the details of why and how in each chapter or perhaps sector summary instead

Commented [EL2]: From Appendix 3 D.15-10-028

Portfolio Budget and Savings Tables

Data inputs will include:

- a) Program level proposed budgets that meet portfolio savings and cost effectiveness requirements (Placemats)
- b) Cost effectiveness showing outputs, with cost calculator submittals posted in EE Stats
- c) Program Performance Metrics

Commented [EL3]: NRDC comment: What does "how" mean? Does this just mean summary of? Or is there expected to be prose as well?

Commented [EL4]: NRDC comment: What does this mean? Does "discussion" mean what assumptions were used? Or does this mean a table of the cost-effectiveness results, without prose?

Commented [EL5]: NRDC comment: Similar to note above, this seems redundant to the chapter/sector summary requirements. Would this be different or repeat?

5. Compare/contrast this portfolio with past cycles/Narrative description of changes from existing portfolio, including (1) budget changes; (2) program/intervention strategy changes; (3) justifications for the above. (D.15-10-028, Appendix 3) – This should be at Portfolio level, with the details of such a compare/contrast below in Sector chapters.
 6. How portfolio meets portfolio guidance from Commission and EM&V studies
 7. Performance Metrics Summary (Resource and Non-resource programs)
- D. Description of and justification for significant changes from existing portfolio/Description of how the portfolio meets portfolio guidance
- E. Inclusion, as relevant, of previous findings and experiences, especially if strategies & programs differ from how they've been conducted in past
- II. Sector: [suggested 20 page per sector] [Outline is for each sector other than Cross-Cutting]
- A. Summary Table for cost effectiveness w/TRC, PAC, Emissions, Savings as well as budget and metrics/Portfolio and sector level metrics for regulatory oversight (GWh, MW, therms, cost-effectiveness and other parameters where applicable), including performance metrics for non-resource programs, (also p.47 D.15-10-028)/Portfolio and sector-level budgets that meet portfolio savings and cost effectiveness requirements (p.48 D.15-10-028)
 - B. Compare/contrast this proposal with past program cycles
 - C. How this proposal addresses performance issues within the sector/Narrative description of changes from existing portfolio, including (1) budget changes; (2) program/intervention strategy changes; (3) justifications for the above. (from D.15-10-028, Appendix 3; included here to be consistent with 7/5/16 discussion with ED, but is not in the sector description of the Appendix)
 - D. Market Characterization (Overview and market/gap & other analysis)
 1. Electricity/natural gas consumption, GHG emissions, costs, etc.
 2. State goals, strategies and objectives e.g. strategic plan, SB350, AB758, etc. and other Commission policy guidance
 - a. Descriptions of overarching goals, strategies, and approaches for each sector, as well as near-, mid-, and long-term strategic initiatives and sector-specific intervention strategies. A description of each PA's overarching goals, strategies, and approaches; near-, mid- and long-term strategic initiatives and Sector-specific intervention strategies; (p.46 D.15-10-028) and how the sector approach(es) advances the goals, strategies and objectives of the strategic plan and other Commission policy guidance (Appendix 3, D.15-10-028)/Overarching goals, strategies, approaches for sector: How the sector approach advances the goals, strategies and objectives of the Strategic Plans and other Commission policy guidance/This includes specific references to how program administrators are addressing legislative mandates from AB 802, SB350, and AB 793, as well as other Commission directives.

Commented [EL6]: NRDC comment: Is this checklist item (purple) intended to be the same as the "Narrative description of changes from existing portfolio" language provided here from Appendix 3 of the decision (green)?

Commented [EL7]: "Business Plans should contain quantitative information in tables, graphics and narrative, to support predictions or conclusions at a level that makes sense for the portfolio and/or sector overall. For example, NTG cannot, nor should not, be aggregated to the sector level; nor should other parameters like EUL, rapidly-changing TechTypes, and installation counts." (p.5 of 5/23 version)

Commented [EL8]: The Business Plans should make liberal, accurate, and well-reasoned use of data sources such as:

1. Past evaluation report data, including recommendations
2. Explanations of how cost effectiveness and other parameters have been considered and calculated,
3. Justification for how the overall budget forecast is derived and accounted for in the near-, mid- and long-term. (p.5 of 5/23 version)

NRDC comment: What "explanations" are you seeking? E.g., assumptions used? Savings assumed? Isn't that in the calculator? Not clear what would be included in the actual BP.

Commented [EL9]: NRDC comment: Similar to note above, what exactly should be compared and contrasted.

Commented [EL10]: "These descriptions shall be informed by PA- and Commission-led evaluations conducted over the past 10-12 years within each sector, with program administrators demonstrating an understanding of that research and

- how their sector-specific strategies are shaped by this work,
- evidence as to why strategies were selected
- how they will address and achieve specific goals based on what PAs have learned from past programmatic efforts.

While high-level, the descriptions will include:

- what has worked
- what has not,
- how the proposed Business Plan strategies bridge that divide.

This will include a discussion of and evidence for, as relevant, why any underperforming programs remain in the portfolio." (p.4 of 5/23 version)

3. EE potential & goals (quantitative and/or qualitative)
 4. Include any EMV recommendations and how they are being addressed/[Historical sector performance and evaluation takeaways/ Analysis of PA and CPUC evaluation reports for this sector within context of this proposal](#)
 5. Customer landscape
 6. Major future trends in the above that are key for the PA and its customers
 7. Barriers to EE and other challenges to heightened EE (ie regulatory; market; data)
- E. PA's approach to achieve goals in this sector
1. Products and services, and customer service activities/[Resource Program Strategies; Non-Resource Program Strategies; Pilot Program Strategies/develop new strategies to achieve the state's energy efficiency goals in the future/](#)
 - a. How does it advance goals discussed above
 - b. One metric or more as appropriate for each intervention strategy/[PAs will still need to set more granular metrics than just sector-level metrics, but they will do so in implementation plans, not business plans. \(p.53 D.15-10-028\) Performance Metrics \(Non-resource programs\); Near-term \(year one\) strategic initiatives and expected outcomes; mid-term \(years 2-3\) strategic initiatives and expected outcomes; long-term \(years 4-5+\) strategic initiatives and expected outcomes/ Commission clearly states that program administrators "must establish up-front expectations for their activities" and that "business plans shall contain sector-level metrics". These metrics should be "appropriate benchmarks against which to measure program/strategy/intervention performance and should be designed to improve the chances of the metric and associated perspective of measuring it over time."/ Short and Long Term goals and milestones. may simply be stated as "for investment of Y dollars, we can expect to achieve X towards Strategic Plan objectives from Z programs/strategies/interventions..."](#), there is an expectation the metrics will be related to achieving the goals of the strategic plan and specific legislative mandates described earlier (p.6 of 5/23 version and [p.54 D.15-10-028](#))/[Separate milestones with associated timelines to track PA programs in a sector, that are not formally reported \(p.48 D.15-10-028\)](#)
 - c. Projected savings/(resource programs) Near-term (year one) strategic initiatives and expected outcomes; mid-term (years 2-3) strategic initiatives and expected outcomes; long-term (years 4-5+) strategic initiatives and expected outcomes
 2. Description of PA's local marketing and integration with SWMEO if applicable/[Marketing and Outreach: Strategies, approaches and outcomes](#)
 3. Whether items are near-, mid-, long-term strategic initiatives/[Near-term \(year one\) strategic initiatives and expected outcomes; mid-term \(years 2-3\) strategic](#)

Commented [EL11]: "A key aspect of this Commission direction is the term "benchmarking", which links to prior ratepayer-funded research and how program administrators will incorporate what they already know into the information presented in the Business Plans. Benchmarking is a logical component of a Business Plan; it allows measurement against industry standards and practices. For program administrators, benchmarking provides a pathway to establishing clear (and, where appropriate, directional) baselines and related metrics for their specific programmatic efforts against which they can reliably measure actual program performance.

These baselines and metrics are to be informed by what the program administrators already know about each sector, which would be included in the Business Plans. The Business Plans should clearly identify the sector-level metrics that are proposed for regulatory oversight associated with this recommendation, versus the more detailed metrics related to strategic plan and/or legislative mandates discussed in recommendation #4 below that will not be formally reported by program administrators." (p.6 of 5/23 version with additional information on metrics on p.6-7, not included here)

- initiatives and expected outcomes; long-term (years 4-5+) strategic initiatives and expected outcomes
4. Description of how each sector approach advances the goals, strategies and objectives of the strategic plan (p.46 D.15-10-028)
 5. Workforce Development, Education and Training: Strategies, approaches and outcomes
 6. A description of any pilots contemplated or underway for each sector./ A description of any pilots contemplated or underway for the sector (p.46 D15-10-028)/ Describe any unique or innovative aspects of program not previously discussed, and describe any pilots contemplated or underway for the sector. (Appendix 3, D.15-10-028)
- F. Key partners (committed and/or potential)
- G. Program/PA Coordination: Description of which and how strategies are coordinated regionally among PAs and/or other demand-side options. (IOU/REN programs; statewide programs; coordination with other state/local government activities.)/ Coordination with other state agencies and initiatives/Description of which and how strategies are coordinated statewide and regionally among PAs and/or with other demand-side options; (p.46 and Appendix 3 D.15-10-028)
- H. Cross-Cutting Coordination: Description of how cross cutting activities are addressed in customer sector strategies/ Statewide Coordination and cross-cutting efforts/Description of how cross-cutting "sectors" are addressed. (p.46 D.15-10-028)/Cross-Sector Coordination: Description of how cross cutting activities are addressed in customer sectors strategies. Include as applicable: i) Emerging Technologies program ii) Codes and Standards program iii) WE&T efforts iv) Program-specific marketing and outreach efforts (provide budget) – Appendix 3, D.15-10-028
- I. EM&V Considerations: Statement of evaluation needs "preparedness" (i.e., data collection strategies and internal performance analysis)/Anticipated study needs/Internal performance analysis/feed-through during program deployment/(p.47-48 and Appendix 3 of D.15-10-028)
- J. Demand Response
- K. Residential Rate Reform
- L. Integrated Demand Side Resources
- M. Zero-Emission Vehicles (EVs)
- N. Energy Savings Assistance (Multi-family Focused)

Commented [EL12]: "In their pilot descriptions, PAs shall support the selection of each pilot with references to prior research and programmatic efforts that support why a pilot or pilots are the best approach to address broader sector efforts and achieving sector, portfolio and strategic plan goals as well as legislative mandates included in AB802, SB350 and AB793. This would also include information on how completed emerging technology pilots inform future efforts outlined in the Business Plans." (p.5 of 5/23 version)

Commented [EL13]: "program administrators shall describe which and how strategies are coordinated statewide and regionally, as well as how cross-cutting efforts are addressed. Again, in these descriptions, program administrators should demonstrate a clear understanding of what has worked in the past, what remains to be achieved, and why these efforts were selected to minimize redundancy and achieve specific state efficiency goals, including those related to the strategic plan and legislative mandates." (p.5 of 5/23 version)

Commented [EL14]: See ED guidance document for more information

III. **Sector: Cross-Cutting (will be the same unless otherwise noted) (Emerging Technologies, Codes & Standards, WE&T, Financing (hybrid))**

- A. Market Characterization
 - a. Customer landscape (who they are, what are their needs)
 - b. Trends
 - c. Gaps/Barriers
- B. Value
 - a. Discussion of roles for cross-cutting sector
 - b. How does it support portfolio
 - c. How does it benefit customers
 - d. External impacts and benefits (community/economic benefits)
- C. Vision
 - a. Discussion of opportunities
 - b. Whether items are near-, mid-, long-term strategic initiatives
- D. Metrics
 - a. One metric or more as appropriate for each intervention strategy
- E. Program/PA Coordination: Description of which and how strategies are coordinated regionally among PAs and/or other demand-side options. (IOU/REN programs; statewide programs; coordination with other state/local government activities.)
- F. EM&V Considerations: Statement of evaluation needs "preparedness" (i.e., data collection strategies and internal performance analysis)

end of compilation

APPENDIX – PA Consensus Outline with Stakeholder Comments

Outline of Energy Efficiency Business Plans¹

1. Executive Summary

1. Company description, definition of market, time period covered, mission statement

IV. Overview & Approach [high level/concise]

A. Overview

1. About EE/DSM, Calif. energy needs, legislation and/or regulatory requirements, IOUs/PAs/CPUC/etc. overall role, etc.
2. Broad socioeconomic trends relevant to PA's EE programs (population, economics and markets, technology, environment/climate)

B. Vision and Goals: "What & why" [High Level and Concise]

1. Vision: How it thinks about and uses EE
2. PA's goals (state and saving goals) including metrics (see Efficiency Council 3-4 letter on suggestions for additional BP level metrics)

C. PA's high level strategies and approaches for period under consideration. Description and discussion, including:

1. PA's overall range of intervention strategies and tools
2. Budgets (shown by in-house and outsourced) & Cost-effectiveness (for whole portfolio)
3. Key overall issues/challenges/anticipations, and potential responses (if known/ready to discuss)
 - a. Ensure that intervention strategies are linked to barriers that will be addressed
4. How portfolio meets portfolio guidance from Commission and EM&V studies

D. Description of and justification for significant changes from existing portfolio

1. Inclusion, as relevant, of previous findings and experiences, especially if strategies & programs differ from how they've been conducted in past

V. Sector: [suggested 20 page per sector] [Outline is for each sector other than Cross-Cutting]

A. Market Characterization (Overview and market/gap & other analysis)

1. Electricity/natural gas consumption, GHG emissions, costs, etc.
2. State goals, strategies and objectives e.g. strategic plan, SB350, AB758, etc. and other Commission policy guidance
3. EE potential & goals (quantitative and/or qualitative)
- 3-4. Market data: how much of the existing market is already efficient? What is the sales share of efficient equipment already moving into this market? What other players are already acting in this space? (So describe any knowledge of the whole market, not solely PA programs.)

Commented [MN15]: Program Administration Description instead of Company description.

We recommend that the exec summary should provide a high-level guide to the program in a 2-4 page fact sheet format, answering the questions of:

- Who (PA and target customer sector)
- What (program overview including definition of each market sector the BP covers)
- When (program period)
- Where (geographical markets)
- Why (purpose of program), and
- How (high-level overview of program strategies and operation, including the required investment levels)

Commented [MN16]: Recommend this section contains a concise outline of the business purpose and goals. Linked to the program vision and the roadmap for the target market sector as articulated in the LTEESP.

- Identify long-term goals that support the realization of the sector vision.
- Break down the long-term goals into mid-term goals and short-term objectives.
- Include key milestones for goals and objectives
- Include program's energy goals with appropriate timeline for these energy goals.

Maintain consistent business focus and market specific areas that the program can impact in a measurable / quantifiable way.

Commented [MG17]: Somewhere in this section there needs to be a statement of how the PA intends to make room in the portfolio for new technologies or programs – innovation

Commented [EL18]: This may be inferred here, but unclear where the breakdown of the problem statements will be relayed. Is "other analysis" the same as the problem statement? Presume we'll need a clear breakdown of the market, where the issues are, what the data is to support it. Then what are the proposed solutions w/ metrics to solve the identified problems and who are key partners?

Commented [KC19]: National or Global strategies: This is a very CA specific planning process, which is understandable to a point, but should we have inclusion for market actors outside of the state? Are there good ideas occurring elsewhere that we could work with here?

¹ Note to internal reviewers: This outline includes direction and key recommendations provided by D. 15-10-028, the ED 5/4/15 Rolling Portfolios White Paper, the Jt. Parties' presentations & filings, and elsewhere. This outline does *not* summarize the direction and recommendations re: BP-related processes including BP filing, timing, triggers, review etc.

- 4-5. Include any EMV recommendations and how they are being addressed
- 5-6. Customer landscape—would be good to include segments based on the customer's decision-making; agreed. Also clearly delineate between what type of customers this sector has (e.g., res single fam renter, res single fam owner, MF, middle income if data is available, etc.)
- 6-7. Major future trends in the above that are key for the PA and its customers
- 7-8. Barriers to EE and other challenges to heightened EE (ie regulatory; market; data)

- B. PA's approach to solve problem statements/gaps/etc. and achieve goals in this sector
 - 1. Products and services, and customer service activities
 - a. How does it advance goals discussed above
 - b. One metric or more as appropriate for each intervention strategy
 - 2. Description of PA's local marketing and integration with SWMEO if applicable
 - 3. Whether items are near-, mid-, long-term strategic initiatives
 - 4. Description of what will be held in-house and what will be outsourced
 - a. Approximate timeline for when bidding will take place for outsourced activities
- C. Key partners (committed and/or potential)
- D. Program/PA Coordination: Description of which and how strategies are coordinated regionally among PAs and/or other demand-side options. (IOU/REN programs; statewide programs; coordination with other state/local government activities.)
- E. Cross-Cutting Coordination: Description of how cross cutting activities are addressed in customer sector strategies
- F. EM&V Considerations: Statement of evaluation needs "preparedness" (i.e. data collection strategies and internal performance analysis)

VI. **Sector: Cross-Cutting (will be the same unless otherwise noted) (Emerging Technologies, Codes & Standards, WE&T, Financing (hybrid))**

- A. Market Characterization
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- F. EM&V Considerations: Statement of evaluation needs "preparedness" (i.e. data collection strategies and internal performance analysis)

Commented [EL20]: Presuming barriers are different than problem statements? At this high level it's unclear what exactly will be included. From NRDC's perspective, we need a clear story of a particular issue. For example (made up example) "Commercial small and medium retail are not participating in our programs, as seen by the low participation rates (graphic, process eval, other sources). There is a lot of potential (as seen by this graph and these sources) and therefore we offer these program solutions with these partners that will address XYZ barrier. These offerings will be better than before because we learned in PDQ evaluations and surveys that this group prefers 123 type of approach. Here are the types of partners we'll work with to do this effort." Could also consider indicating why certain offerings are NOT in the list if the PA predicts push back. This could also be an appendix.

Commented [EL21]: Would be good to show this in a table for a summary. E.g., on the left hand side for commercial, there would be a # of rows for problem statements (likely at least 1 for each subsector if not 2), then in columns, what are the observations that led to that conclusion, what are the strategies to address that issue, who are the key partners, what are the metrics, and if it makes sense, what are the studies, data sources, etc. that led the PA to conclude this is the best approach to resolve the issue.

Commented [MN22]: These cross-cutting BPs or chapters need to articulate how each *cross-cutting dovetails into the overarching strategies for each market sector* in each region.

Avoid cross-cuttings operate in silos lacking strong integration and synergies with key intervention strategies of each regional market sector.

Avoid one-fit-all approach. These cross-cuttings must support the target outcomes of each market sector and the regional unique needs.