

Proposal for Meaningful Oversight of EE Programs in New Structure

Business Plan Applications

- Business Plans by Sector, including:
 - Vision for how to effectively deliver savings (including Statewide PA role, plan, metrics/budget)
 - Description of how it implements state and CPUC policy directives
 - Statewide PA role, plan, metrics, and budget.
 - Timeline and rationale for bidding strategy
 - Budget and metrics that align with timeline and bidding strategy
- Comprehensive budget and justification
 - Includes all elements that are expected to be recorded to EE balancing account (Using a GRC-type forecast with basis for forecast, with labor and non-labor separately presented, for each of the budget categories previously specified by the Commission for EE)
 - Budget proposal should align with business plan objectives, vision, and strategies.

Annual Budget Authority Advice Letters

- Advice letters to justify annual budget, consistent with business plans and the implementation plans.
 - How have program changes or administrative activities changed the budget?
 - How have new contracts changed the role of the administrator, and the associated budget?

Implementation of Business Plans

- Meaningful oversight of procurement process – INDEPENDENT from the CAEECC
 - Utilization of Independent Evaluator with regular stakeholder meetings to review bidding plans, RFPs, bid evaluations, and final selection. Non-financially interested stakeholders would participate.
 - PAs to submit proposed contracts to CPUC for approval. Benefits include:
 - Stakeholder process should reduce party protests, or at least expedite the protest period (no need for extensive data requests).
 - CPUC approval reduces PA and implementer community uncertainty about contracts.
- Regular status updates at CAEECC of PA activities using Business Plans as review point, as described in D.15-10-028. These updates would include activities such as:
 - Examination of PA achievements vs. metrics
 - Implementation of Commission's direction to put programs out to bid
 - Achievement of savings vs spending
 - Identification of additional needed programs/RFPs, and modifications to existing programs/contracts.
 - Conduct annual reviews of PA activities to assess overall program consistency with state energy goals and policies and to identify any changes that may be necessary to Business Plans, implementation plans, budgets or programs to comply with changes or updates to state energy goals and policies.
 - PA's to prepare annual report demonstrating performance.
 - Stakeholders and staff review report and assess program consistency.
 - Staff may request any additional information needed for assessment.
 - PA's must propose any necessary amendments to Business Plans, implementation plans, budgets or programs to address issues identified by the annual review.

Implementation Plan Review Process

- Implementation plans should be aligned with terms of signed contracts (e.g., pay-for-performance) with implementers and provide metrics that roll up to the metrics in the business plans.
- Implementation plans should be developed with early stakeholder input in a process similar to the use of the CAEECC in the Business Plan adoption process.
 - Stakeholders and energy division staff should be consulted early on for input on general proposal design and its consistency with Business Plans and applicable state guidance documents and decisions.
 - Stakeholders and energy division staff should have an opportunity to review and comment on Implementation Plans before they are finalized. PAs must provide response to any written comments.
 - Formal disputes should be reserved for disputes that cannot be informally resolved.