

Notes from Energy Efficiency Coordinating Committee Meeting #10
10/19/2016 10:00AM to 4:30PM Location: Center for Sustainable Energy, San Diego
Meeting Co-Chairs: Lara Ettenson, NRDC, Meghan Dewey, PG&E
Facilitator/Notes: 2050 Partners, Inc.

Notes: Presentations are generally not summarized in these notes. Please see presentation slides and other meeting materials on www.CAEECC.org website for context. Lack of attribution for meeting participant comments is intentional by agreement of Coordinating Committee.

Welcome and Background – Hanna Grene, Ted Pope

- Thank you to everyone for getting BPs in yesterday.
- Thank you to Hanna Grene and Center for Sustainable Energy for hosting today.
- Safety message and Intro – Hanna
- CAEECC is an informal forum authorized by the CPUC for discussing operation of California’s EE portfolio, providing strategy solutions for PAs, and addressing new discussions and topics not necessarily related to BPs. CAEECC is not a decision-making organization. Its members share opinions, but it no authority. PAs make final decisions about what they will include in their BPs and IPs.
- Standard rules: members have priority for speaking; ED staff also have priority; then we open to public comments. There will also be an open opportunity for public comments at the end of the day. Webinar participants can send questions. Forms are set out in the back of the room if you want to write a comment. Meeting feedback is also appreciated – [form](#) in back of the room and on the CAEECC website.
- CC New Members/Changes:
 - Howard Choy – will be representing SoCalREN
 - Alejandra Tellez -- new member representing Venture, Santa Barbara, and San Luis Obispo Counties
 - Lena Luna is no longer a member
- Introductions around the room
- Objectives for the day - Ted
 - Agenda review

Session 1: Year 2 Scope: Implementation Plan Process Conceptualization and Annual Performance Reporting – Ted Pope and Lara Ettenson

- We foresee three potential categories of future Implementation Plans.
 1. Third Party Led IP: Open ended, PA doesn’t know what they will get back
 2. PA/Implementer Lead IP: mixed, lots of flexibility in design so that still qualifies as third party
 3. PA led: PA has full design control, and implementer bids to work on specified services
- We didn’t include Statewide as separate type of IP, but we think that fits in categories 1 and 2.

- See [presentation slides](#) for IP Plan Types, Review Process Flow, and “Food for Thought” issues.
- Once BPs are approved by the Commission, PAs will move to working on IPs or placeholder plans – called “IP Scope Documents”, if PA doesn’t have all details yet

Co-Chair: This is first pass for discussion purposes so we want to gather input. We will circle back with a revised plan. We expect Implementation Plans won’t be developed until BPs are approved. We have more time to talk about this in January/February 2017.

Facilitator: [Appendix 4](#) to CPUC Decision 15-10-028 from October 2015 includes very specific requirements for IPs. Requirements are very detailed. PAs need to really know what their program is before they can include all requirements from the appendix.

Comment: Thank you for starting to work on this. My understanding of IP is to give details of how the program will work “on the street.” I feel like categories 1 and 2 are not really IPs. CAEECC can provide input and guidance into scope of work that can be bid out, but this is not really an IP. If we call something an IP, we have to upload it. Then if we make changes, we have to amend. I think an IP is something for a real program. IPs have to have all the information for the program.

Facilitator: We have proposed two different types of documents. The IP and the “IP Scope” document. We agree that you don’t need to treat such scope documents as IPs because they are not final IPs.

Comment: SCE is considering having open, year-round solicitation. In that case, the BP is expected to be the IP Scope document. We may describe everything we think we need to meet State goals in our BP and then open up to bidding from implementers. My concern is that maybe IP will require duplicating something that may already exist.

Comment: I’m assuming SCE BP will have intervention strategies and describe tools that SCE will use for continuous solicitation?

Response: Yes, and successful implementation bidder would develop full IP.

Comment: So a contract would be signed and SCE would report, “these are the RFPs we are doing”? If that is acceptable, then maybe that would be acceptable for other scenarios. This is important for my members. This is sensitive. It would be great to figure out how to close the loop of putting information out and then changing it.

Comment: ORA agrees that it makes sense that IP would not be completed until contract is mostly done. It makes sense to protect implementers. Most of work for IP should be completed for program before IP is prepared and posted.

Co-Chair: To the extent a BP already has information required for IP, no duplication is necessary. We may need to test some options on timing.

Comment: We need to balance need for information with protecting implementers.

Facilitator: How will we track performance in the portfolio in the context of CAEECC? There has been some discussion about creating some sort of dashboard for simplified sector level performance against BPs. We have also discussed having standing one-hour monthly webinar meetings for each subcommittee. Every quarter, one of the meetings is designated to discussing performance of BPs. Subcommittees can cancel meeting if there is nothing to report.

Comment (ED staff): CEDARS should help with tracking.

Session 1.5: Upstream/Midstream Statewide Program Update – Lisa Davidson (SDG&E), Vincent Davis (PG&E), Darren Hanway (SoCalGas), Mark Wallenrod (SCE)

Lisa: Thank you for accommodating us on the agenda today. Thank you for all stakeholder feedback. We've taken a hard look at it and hope new proposal reflects the feedback. You wanted us to look at past experience and qualifications to handle sectors. We have also looked at bundling what makes sense. We also considered the vision and infrastructure each utility has in place.

[See presentation](#) for revisions to Statewide lead assignments. Organized based on end-use:

- SDG&E – HVAC
- SCE – Lighting
- PG&E – Codes and Standards
- SCG – Residential

Mark: We have run these proposals through the highest levels of our companies. We have taken this very seriously. We heard the messages. You want singular representation, bundling, and bases for designations.

Lisa: SDG&E will handle HVAC. We have been lead for statewide HVAC for the past few years. We have developed strong relationships with customers. We can commit to staff based on expertise. We are excited to move technology forward. We look forward to seeing bids from implementers.

Mark: We are looking for best balance -- Edison wanted areas that we are currently leading or have been leading for a long time; we are a single fuel utility; areas where we have been leading efforts in the State and have a proven track record in cost efficiency. Lighting is one upstream intervention bundle where we can leverage our existing relationships with every lighting manufacturer and distributor in the world. We are also taking on New Construction – commercial, savings by design. We have been leading this area for some time. We want to help builders achieve ZNE goals. Government partnerships is another area we have been leading.

Vincent: We have taken this very seriously. A lot of our thinking is reflected in our BPs. With regard to Codes & Standards, PG&E has been in leadership role at state and federal level for past 10 years. We are well positioned to leverage relationships effectively. We are well on path to meet goals. We feel strongly about our ability to lead this area. With regard to government partnerships, we have strong track record of building strong relationships with our partners. Our BPs explain how we will expand these programs. PG&E has also demonstrated strong leadership in finance, particularly with on-bill finance. We will help customers move forward with EE programs. We believe we bring expertise to WE&T too. We see this bear out with our staff that includes professional educators, and experience working with disadvantaged communities. BPs explain how PG&E will meet state savings goals.

Darren: SoCalGas is definitely excited about this plan. We have a long history of working with municipal utilities in our service area. Our focus is particularly on plug load and appliance, and new construction. We have infrastructure and capabilities to lead in these areas. SoCalGas will co-lead emerging technologies with Edison (electric). We have a history of a close relationship with Edison. We have worked closely and well with them.

Question: For single fuel utilities, will you be working with each other on electric and gas programs?

Answer: Yes. We have developed guiding principles for collaborating together and we want to leverage each other's expertise.

Question: How did you come up with the programs in the bullets?

Answer: Bullets are programs that were identified in the Commission's Decision for upstream and midstream.

Question: Thank you for providing high level, general discussions about how each utility is a leader. What can you provide about the real analysis that you shared with each other in reaching these decisions? Is that something you can share?

Answer: We don't have any promises built into BPs regarding dollars. When we made these assignments, cost performance was included in overall plan. We are embodying cost performance when we take these roles. More discussion will be included in BPs. A lot of this depends on vendors. Expectation is that we will get some level of efficiency on Statewide platform.

Further Answer: We looked back on cost effectiveness. Statewide leads are based on past cost effectiveness.

Question: Can you provide more information about administrative cost savings? How are you planning on making sure there is efficiency with other utilities?

Answer: That is the necessary next step. This is something we are looking at rolling out for 2018. We all run different programs. We strive not to duplicate work, but we recognize that under Statewide model, work is shifting from one IOU to another right now. Net effect will be delivered when we get details of BPs.

Further Answer: Next step is to look at our organizations and analyze shifts in organization that we need to do.

Further Answer: I concur. PG&E believes that there is opportunity to drive efficiencies. I have no doubt that we will see that once we start implementing through the entire state.

Facilitator: This is a really important topic. We need to spend more time on this but also need to keep moving.

Question: When discussing C&S implementers, is this basically going to be consultants doing case studies?

Answer: We have not yet determined who Statewide implementers will be but we expect a similar cast of workers. I think we can get efficiencies here.

Question: Who will lead the IDEEA 356 program?

Answer: That is more of a downstream program. We have kicked around a lot of ideas for the IDEEA 365 program. Right now it is very valuable but based on types of bids we get, it may be something that we discontinue. This is dependent on the types of new opportunities we see.

Question: As for SoCalGas residential, can you say more about scope of new construction?

Answer: This will be addressed in our BP. We will touch upon achievement of ZNE. How do we continue to push builders with interim steps imbedded in code to reach ZNE?

Question: With regard to consolidation of midstream/upstream, have you come up with idea or potential response so that not duplicating work?

Answer: Midstream lighting is not the primary way we achieve savings. The way we achieve savings in that market is to deal directly with off shore manufacturers. We underwrite the cost of equipment. Some goes to big box stores, but most of it goes to other retailers. It is not the same relationship, market and activity as we see in HVAC and other appliances. There is a drip of overlap because some product shows up on shelves. There will be a lot of Statewide level coordination in many of these activities.

Further response: These programs reach out to completely separate retailers. We have defined our plan around synergies to hit certain customers.

Further response: SoCalGas and SDG&E share a supply management organization so we can make sure that we are not overlapping in management fees.

Question: SoCalGas has appliances in its territory, but not clear how many plugs. Why didn't things with plugs end up with SDG&E?

Answer: Part of it was due to the fact that SoCalGas is the low cost provider. We plan to collaborate together. SDG&E activities in midstream are not significant.

Further response: With regard to Edison and plug load appliances, most of our activity is downstream (pool pumps) which we will still be able to do as downstream.

Further response: It is more than plug loads. We are the low cost leader in this area. We have capability of working with electric utilities and water utilities in our territory and being the leader in this area.

Question: How does the gas company assign the right people to evaluate electric program?

Answer: We have relationships to leverage those capabilities. We also have leaders to manage electric programs.

Question: Is there a formal definition regarding roles and responsibilities for lead PAs?

Answer: We have had a lot of discussion about this and we are still working on it. We have idea of high level roles and responsibilities. These are evolving concepts. Then there will be nuts and bolts of every transactions. We have discussed having a guidance team. This is a work in progress because it is a new model and a new way of doing business. We are all responsible for delivering on goals within our service territory.

Comment: We are very committed to making it work.

Facilitator: Thank you to PAs for making progress on this.

Session 2: Business Plan Program Budget Baselines – Mike Campbell/ORA

[See document.](#)

Facilitator: ORA has provided a list of hot issues. For now, we will focus on the top two issues: demonstration of cost effectiveness and what level of resolution is required for BP.

Mike Campbell:

- We have been thinking about how the framework set up by the Commission lines up and matches what we are doing here. How can there be the right level of review without uncertainty in the market place?
- Although there was a lot submitted in previous application process, I never felt like ORA had a lot of oversight. How do we re-balance what is the right level of review?
- Where do we get budget and annual advice letter – started to look like an annual GRC process.
- Commissioners need to approve. Stakeholders need to be comfortable with it.
- We haven't reviewed budgets since 2012.
- I think without bottom up budget, we are headed down a very challenging path that will cause more problems.
- BP applications need to have companion budget that goes along with BP and includes basis for budget. BPs need bottom up budgets that are aligned with BP.
- Annual advice letter process should be consistent with BPs. Process should include a meaningful review focused on how things have changed. We recommend a shorter review time.

- Oversight of procurement process requires use of an independent evaluator who is a non-interested party. We are looking for meaningful oversight. Process would require check-in and Commission approval at some point. Are utilities following their BPs?
- I think that it creates more certainty to have Commission sign off on contracts (similar to procurement process). It is better to know up front (during advice letter process) if there are issues.
- Overall, it makes sense to make sure there is meaningful oversight but not overly burdensome requirements.
- We are looking for feedback. We think there is a way to make the process work. We want to see if there is feedback regarding having there be a comprehensive justification for budget that goes with BPs.

Question: A group of us are meeting to discuss Independent Evaluator on October 25. Could we start with this in that discussion?

Answer: Sounds good to me.

Co-Chair: I'm sending out information about that meeting tomorrow.

Question: What is it in the procurement process or Independent Evaluator process that should be independent of CAEECC?

Answer: This is similar to procurement. Independent Evaluator would be looking at process of contracts, details, shaping and scoring bids. It would be a separate process.

Co-Chair: I appreciate the document and understand the justification for what you want. I'd like to suggest an alternative on a slightly different time line. I am concerned about time line for you to get what you want and your request for bottom up budget is not in direction from Commission for BPs. It seems like ED guidance was for strategic level budget and cost-effectiveness. I have similar assumption. I presume that to do more detail level budget makes more sense after BPs are submitted. What if there was a commitment to doing a deeper dive after BPs? So BPs would include strategic level budget which would be approved. Then 2017 Advice letter would include Tier 2 budget. Would that give you enough opportunity to comment? It would still be off the record but gives you opportunity to comment.

Response: I know PAs are working hard on BPs, but we are a year out and not that much has been produced yet. So I don't feel very positive about setting further deadlines through this process.

Co-Chair: I'm talking about the Commission setting the deadline ...

Response: The guidance decision from October 2015 described high level review, but also sets out process. The last time we did a deep dive on budget was 2012. There are trigger events when you file a BP. For example, PA needs to stay within parameters of old budgets. That requires that you know what old budget was. I don't expect new contract will be signed in the first year. PAs will be largely doing same activities next year. PAs should know what their budgets are and they should be able to provide this information. We are expecting improved

efficiencies and costs to decline. Without detail, we won't be able to analyze if things are getting better or are different.

Co-Chair: What you just described is different from GRC.

Response: PAs need to analyze and justify their costs and budgets from time to time. There are other options:

- ORA will do a deep dive on budgets.
- 6 month or longer review of advice letters.
- We could stop CAEECC process, and go back to submitting full applications every 3 years

Without having a deep dive with level of detail from bottom up review, how does ED follow through on its audit? How would it scope audit without detailed budget included and annually updated? I don't know how they would do it in a meaningful way. ORA wants meaningful oversight by stakeholders like ORA, NRDC and ED/Commission.

Comment: Some of this came up at last meeting in SF. Many EE Coalition members are extremely concerned about this issue. We need this level of review. We need the public process to be heavily involved. It is unacceptable for 10 year programs without public review process.

Comment (from ED staff): I want to let the group know that the CEDARS team is ready to work on bringing in various cost detail. We think that some high-level detail is warranted in BPs, but the real cost tracking will be found in annual Advice filings. We want to work with this group including ORA on user requirements and the specification in general. Timeline = 2017.

Question: What kind of detail does ORA want to see for Statewide programs?

Response: Our expectation is that everything gets put out to bid immediately. For budgeting, PAs should provide a forecast of spending (labor and non-labor), vision of long term expectations of what will get changed by putting things out to bid. PAs should have a sense of the value of their projects (\$2M vs \$200M). Jumping off point for annual advice letters should be how things are being changed and updated.

Facilitator: Does the expected documentation require 2 or 10 pages of analysis? Do you want to see more cost justification for product or more about labor forecast?

Answer: I think it is both. This is why it is important to understand up front bidding strategy. Either way PAs must have a plan for what they will be spending.

Comment: I see a couple of approaches for budgets. With small program, you can really understand costs. Once you start talking about large programs, building something from the bottom up is an intensive process. More likely you will be working from current budgets. That is a more rational way of putting together a budget.

Response: You are generally right. You often look at existing budgets to build budgets for new projects.

Further comment: In the context of what we are talking about, it is hard to do in this dynamic marketplace. I look at whether the budget passes the laugh test. I don't have the tools to really analyze budgets. I can make general comments, but nothing detailed. I'm talking about reviewing budgets. The more detail we get, the less ability I will have to provide a good review.

Response: With regard to the challenges of preparing budget, I hope that PAs have expertise in managing their programs, that they know their markets, and that they keep their eyes on costs. PAs should have reasonable ideas of forecasts and should be able to adjust budgets accordingly. Regarding review of budgets, PAs should provide justification for what goes into their budgets. That is the kind of thing that there may be data requests or digging into and asking questions.

Comment (from PA): I think that we will need to continue talking about this and I'm happy to do that. We are in agreement with the spirit of this. We have the ability to do bottom up budget and top down review. But it is not easy to match bottom up with top down. It will be challenging to provide an "at a glance" description of how things work. It will be challenging for a reviewer to do a comparison across the PAs. One possible idea is for a dashboard for reviewer to have an easy, at a glance look at how things change. That might help us get closer to easing the process. I see challenges, but I'm happy to continue to discuss.

Response: I am also happy to keep discussing. Please provide input directly to me or ORA.

Comment: One of the problem with "mongo" Tier 2 budget in advice letter is the limited time for review -- only 20 days for review and comments. I agree that detailed budgets need to be included through the applications. We need to have at least Tier 3 budgets because 20 days is not sufficient time for to review whole budget.

Session 3: COI Document Discussion – Evelyn Lee and Ellen Berman

- IOUs issued first draft at last CAEECC meeting.
- We received two sets of comments. We conferred about one of the comments.
- IOUs re-drafted policy taking into account comments and our understanding of ED's direction. We tried to incorporate what we could. [See draft Conflict of Interest Plan, version 2.](#)
- Now we need some guidance from ED on how to move further.

Comment (from ED staff): Input from the Commission will come from Legal Division, not ED staff. Attorney who handles COI issues is out of office now. We will give you feedback as soon as possible.

Response: Maybe we need to re-visit at next meeting.

Question: I appreciate that you have taken some steps to simplify the proposal. I have some basic questions. What is the legal basis for Energy Division guidance? CAEECC is not a decision making body. How can you limit free speech in a public meeting? We have no decision maker here. What is the legal basis for why this level is needed in this process?

Comment: I get that perception is important so I think we should work openly. I think we should avoid certain discussions. Certain discussions would not be part of CAEECC, such as contractor selection and other non-public information. The proposal steps too far where it says conversations need to be kept at a “high level”. Why? There is no definition of high level. Implementers cannot discuss products unless they pledge that it has no financial benefit and is in the public interest. That is too far to push stakeholders.

Comment: I’d love to have a conversation with CPUC lawyer so we could understand why and how this process works. This is important for implementers. We would like to have more opportunity to discuss with decision-makers.

Response: I agree we need more discussion on this. We understand issue with how to define terms. Let’s give legal division time to review and address these questions. We left this in draft because it was from direction of ED. We need to come to solution that is workable. Maybe we need to set up another meeting to discuss.

Facilitator: Yes, let’s schedule another meeting once everyone has had a chance to review. Then we can sit down with all interested parties.

Comment (from ED staff): I agree that we need to have process for public input. Laura Gassler is supervisor. I suggest that IOUs and Legal Division meet first to get on same page.

Facilitator: What about public comments?

Response (from ED staff): It’s too messy right now to debate issue without resolution by experts first.

Facilitator: For the record, non-PA Co-Chairs of subcommittees are particularly concerned about taking these roles due to potential for conflict of interest.

Comment: Implementers have asked since the beginning to be part of the discussion and we have a legal person on staff. I’d like to offer our legal person to be in the room with the other experts for discussions.

Response: Let’s defer until CPUC legal department can provide input on how to proceed. IOUs would like input from ED on its direction so we can understand where it is coming from.

Comment: Implementers also need to understand where legal decision is coming from. I’m afraid that nobody has captured where implementers are coming from. We want a seat at the table. It feels like you are only listening to CPUC Legal.

Facilitator: Certainly, IOUs can talk to Legal Division separately. But the point is that they should not come to final decision without including implementers in the discussion.

Comment: I think PAs understand where implementers are coming from.

Response: Yes.

Comment: IOUs will discuss with Legal. Then we can set up a meeting and review again.

Co-Chair: I support implementers' concerns. I'm wondering if it would be helpful to red-line. There may be language in here that others don't see as quite as restrictive. Can we provide additional feedback?

Facilitator: How about a week from today? Stakeholder comments on the revised draft COI should be submitted to facilitator@caeec.org by end of day Wednesday.

Co-Chair: Can we get a word version of the revised COI document?

Response: Yes, it will be posted on CAEECC website.

Session 4: LGSEC Statewide Local Government Program Proposal – Margaret Bruce

See [presentation slides](#).

Facilitator: There are a few different pathways for this proposal, some of which do not require consensus.

Margaret: I am new program manager for Local Government Commission. We are providing an offer to propose statewide administration. I'd like to give a shout out to the many people who have contributed to this. Most of you have not had a chance to review. How is this important to local governments? Local governments are on the hook for a lot of energy and climate mandates – for climate and energy related goals. But local governments are also constrained. They have to get funding from smaller pockets. Local governments are often fraught. Difficulties are characterized by difficult relationships. Systemic changes are needed to help everyone meet their mandates and goals. Local governments and the State are all trying to reach goals. Our proposal is a step toward an integrated climate fund. We'd like to streamline multiple funds into one comprehensive plan – an integrated funding mechanism. Local governments experience a number of difficulties and challenges. Local governments do not have access to uniform data about customers' energy use. We need to think about how to make data consistent statewide. Local government funding can be capricious. Local government programs are not coordinated with other programs.

Comment: I'm not really understanding what you are proposing.

Response: The goal is an Integrated Climate Funding Market. Local government partnership funds would be part of statewide pot under one administrator. Funds would be EE funds and we would have to follow EE funding requirements for IOUs. Money is combined with all of other funding pots so local governments can propose multi-functional GHC programs in buildings. At end of the day, a single statewide administrator will be needed to manage this program.

Question: So the Local Government Commission would be the administrator?

Answer: The proposal puts out that LGC would be an independent administrator like the RENs.

Facilitator: If LGC becomes a PA ...?

Answer: Since we are not an existing PA, we need to go through an existing PA to make this proposal.

Further response: SoCalREN's only role is to submit the proposal if consensus among all PAs is not reached.

Further answer: We could bring in additional funds that are not under ED and CPUC rules. We could help fund more comprehensive programs.

Question: How does current process work? How is LGP currently accessing the money?

Answer: Please review proposal we submitted. Appendix B has budgets for local government programs. LGPs were allocated money by utilities for certain programs. When IOUs change their budgets, they are not necessarily done in consultation with local governments. So there is not an equal partnership between IOUs and local governments.

Further answer: To be clear these would be still be local programs but they would be run by one statewide administrator. Through phasing we would hope to establish the best of what is working across all local government programs by establishing a statewide view on what is now local government programs being run through four separate utilities.

Comment: On behalf of SDG&E, we are full partners with our local governments. We negotiate contracts with our local governments. We let our local governments determine what is the purpose from their perspective. We have re-negotiated all of our contracts in 2016 with our local governments. I appreciate that you are trying to be a one-stop shop. But not clear to me what barriers you will fix with this proposal. We work together with our local governments, and we work with them on budgets. We have 5 year contracts. How will you determine who gets what?

Response: We don't know this yet. We want to have discussions with stakeholders about what works well and what doesn't work. When we develop an IP, we will be taking a look at all of those details. At this point, it is a high level conceptual framework.

Further response: There are a number of things that are working well. One example of inconsistencies: not all IOUs have 5 year contracts. Our hope is to grow the funding pie overall. We want to shift to a different paradigm.

Comment: I want to add that nearly all partnerships are looking at this proposal for the first time as well. Comments should be informed by this new proposal which includes partnerships. There is an absolute expectation that more money will be brought to local governments in this process. We almost got legislation authorized for carve-out local government cap and trade funds and put into general fund.

Question: With regard to the need for meaningful oversight,

- 1) How do you plan or propose making sure EE money is used for EE?
- 2) How do you handle the governance aspect of different counties/local governments and making sure money goes to the right place?

Answer: LGC is a non-profit made up of local governments. We are very cognizant of the need for a thoughtful governance structure. We don't have answers yet. We are clear on some of criteria.

Further response: Basics are that we would fall under current regulations. We would grandfather existing local government partnerships. As we add more funding sources and other state agencies, what does that look like? Not phase one but we will deal with this down the road.

Comment: San Joaquin Valley Clean Energy Organization has reviewed the proposal and is opposed. First, want to correct record: Appendix B only includes PG&E. We believe that local government programs are the essence of downstream programs. We believe that local government programs require local control. While we appreciate what you are trying to do, proposal is not sufficient to solve issues. Effort to get to integrated climate program is moving away from where we want to be. There is no commitment to have integrated fund, and we do not see this proposal as improving issues. We understand the issues raised, but this is a nuclear option. There are only two true utility partnerships in the State. We disagree with all barriers and challenges presented. Other IOUs have always worked with us to develop programs that support our needs. Contracting, hard work, and budgets are what we want. We are consulted with IOUs on budgets. We have had issues with data sharing but it has markedly improved over the past few years. Building a BP on anecdotal evidence is building a plan without facts. We cannot and do not support this proposal. We will submit comments in writing. In 5 years, there will be an entirely different administration. Public sector BPs from PAs will address remaining challenges. Issues are being considered and good faith efforts are being made to address them. We want programs to continue under utilities. Opportunities to improve challenges exist and will continue to move forward.

Comment (from PA): I acknowledge the clarity of vision on the proposed integrated climate fund. I agree with the challenges identified and we are open to creative solutions to deal with barriers. I read plan and I don't think there is a lot of clarity to overcome barriers. If your intention is to work with EE funding, you will need to work with same rules as PAs. You suggest that you will take the place of other well-established working programs. I would limit your entry to gap and complement the existing programs that are working. I encourage you to get more voices. Every relationship that IOUs have with their partners are local and close. I'm curious to see what you do in your workshops.

Co-Chair: Thank you. I share similar concerns. I do not understand how the propose plan solves the problems you see. How do you plan to assess those funds? I am really interested in seeing what we can leverage. Have you considered what commingling of funds means at the CPUC when they assess savings, attribution?

Comment: Based on past experience with statewide agencies or groups, our small, sort of out of the way city has had challenges being heard and providing input into activity.

Facilitator: We will add further discussion of this issue to meetings on our calendar. Written comments due November 21.

Session 5: New REN Proposal – Alejandra Tellez, Ventura County

[See presentation slides.](#)

Question: How does this proposal dovetail from a timing perspective with existing utility financing? What is your perspective about how this proposal correlates with existing framework particularly in light with new EM&V framework?

Answer: The timing does overlap. We do not yet have a final decision from CPUC on our funding. We don't want to wait for decision and perhaps lose this opportunity. We have to travel down two roads at the same time for now.

Facilitator: Have you coordinated with PAs about programs design?

Answer: We have been working with other PAs, mostly BayREN. We will keep working with different PAs and want to follow best practices on what has been working in the state.

Comment: MCE supports the REN and LGC proposals. They are very innovative proposals for local governments.

Question: Is residential the only proposal scope now?

Answer: Yes.

Question: Is this proposal about creation of a REN or is this BP just about programs for an existing REN? There is some ambiguity in the Decision about new RENs. Is this a proposal to become a REN?

Response (from ED staff): I think it is a bit of both. Decision could be interpreted as an opportunity for other programs as long as they are working well with IOUs and they conform with all requirements for PA.

Comment: Changes in funding without communication of same by PA to its local government partner provides strong support for creation of new RENs.

Comment (from ED staff): The Commission and staff will review all proposals.

Session 6: Business Plan Review Checklist – Lara Ettenson

- Once this gets reviewed by ED and we get their comments, we will post on CAEECC website under Business Plan Guidance.
- Initial checklist was confusing, so I rearranged items.
 - Column B shows where tracked to original NRDC compilation
 - Column C – yellow highlight are larger headers,
 - Only thing that really changed is where items were placed.
 - Column E – notes where things are different
- Checklist is long.

- It would be really helpful for PAs to include a tracking of checklist as an Appendix to their BPs.

Comment: I've been using the ED Guidance checklist. It includes a very specific checklist. I want to make sure the review process is consistent so I've been using ED checklist as guideline. Am I using the correct document?

Co-Chair: NRDC put together an excel checklist with ED checklist from May + Decision + PA Consensus document. New checklist re-arranges all this information into hopefully a better flow. Nothing has been added. Once we have ED approval, we will post final version. NRDC proposes that all PAs use an appendix that includes this and ED can use this to track for review. This will be for final

Comment: We appreciate the checklist but you said that you and ED are working on it. Can it also include Mike Campbell/ORAs list of expectations? Can there be a deadline for when it gets locked down?

Co-Chair: That's fair to request a deadline.

Session 7: Key Terms Definitions – Ted Pope

[See document.](#)

The relevance of this document has dwindled. Different PAs might interpret terms differently we were initially motivated to develop the list. We can probably let this document sit for a while or we can work on it more. There is still some ambiguity in a couple of the terms when looking at the Draft Business Plans. For example, what is a "program" and what is a "subprogram"? Also, "intervention strategy" is used by some PAs at more practical level versus more conceptual interpretation used consistently by the IOUs. I recommend if anyone has comments, please let us know and we can pick it back up later.

[No comments.]

Session 8: Nonresidential Energy Efficiency Depth of Retrofit and Cost Effectiveness Analysis Report – Jeremy Eddy, Itron

- I want to give overview of the work we've done.
- Idea came from looking at 2013/2014 roadmap studies.
- We have created a tool that may be useful for CAEECC for BPs and potential IPs in assessing the following: How are my programs doing relative to other programs? How well are programs doing at getting to program savings? Can we create a metric or score that can provide insight into how California's EE programs are doing at achieving deep energy savings?
- Program scoring looks at cost effectiveness, depth of retrofit, and combo of both metrics.
- Depth of retrofit has two layers: how many technologies addressed as well as rank of savings.

[See presentation slides.](#)

Comment: This is an impressive study. Is there another level to look at: the customer level? Customer could participate in multiple programs.

Answer: That is a good question. Yes, we have looked at the number of programs participated in by a customer in a specific program. There are ways one could address that but it was beyond our scope. We see this approach as a process that is pretty open. We want to make something that is useful to implementers and PAs. We are open to suggestions that make it more workable.

Question: It would also be helpful to look at market potential. Are there programs that score well but just don't have overall big savings opportunities?

Answer: We completely agree with that.

Comment (from ED staff): This is a very interesting tool. As we move into more dynamic phase of portfolio, I'm wondering if this or something that would be a good tool for program planners to look at what level programs and technologies show effectiveness. This tool may be useful to more than one audience.

Response: In current construction, scores based on 163 programs in the data set. Weighting of score is based on the 163 programs in our dataset. The tool cannot be applied to programs not in our dataset right now, but there is room to do that later.

Question: It is interesting to look at the past and assume that is how we are moving forward. Programs are compartmentalized between resource and non-resource pieces. How do you build re-thinking of portfolio where programs are not compartmentalized? How do you build into the model without reinforcing compartmentalizing?

Answer: We see this offering an historical perspective, but it also shows what has happened when we tried to do X, for example, to get more savings. The program informs expectations for resource decision-making. We want to make metric as useful as possible.

Question: Did you actually do a chart applying all data points on x/y graphs?

Answer: Yes. We have done those charts. There are lots of dots all over the map. We found depth of retrofit and cost effectiveness are effectively non-correlated.

Comment: Savings by design is not a retrofit programs.

Response: Yes, I appreciate that. You are correct.

Question: I didn't understand some of the results. Small buildings have the most cost effective programs, but then certain larger buildings (colleges) also did well. Seems like definitions not consistent?

Answer: Small gets greatest depth of retrofit. Large is lower cost effectiveness than other three building types. They stand out after accounting for size.

Question: How can you have a statistically insignificant activity but still have a star?

Answer: Idea here is how closely and consistently the data agrees with each other.

Question (from chat): Would also like to hear about plans for sensitivity analysis on the weightings... Is a similar exercise planned for residential programs? Why did you combine scores for ex ante and ex post, instead of just using one or the other?

Facilitator: I'm sorry, but we are going to have to move on. What is the next step on this with regard to filing of BPs on January 15? Parties can follow up in the side conversations. *Addendum to notes: At least two CC members did not think this should be applied to the 2017 BPs but would be interesting to explore moving forward.*

Session 9: Documenting Issue Resolution – Lara Ettenson

- Confirming what we have said before.
- Tracker has columns for comments.
- Ted added columns for PAs to include comments, "Here's what we added and why".
- We propose that you filter depending on your chapter, fill it out and then cut and paste as an Appendix.

Comment: There is a lot of really great input. At some point it might be good for PAs to have discussion about how to attack the input and how to maximize responses to input. Any ways we can streamline this process would be great.

Comment: There are many lines of input. Would it be too much to ask if those who provided comments to review and determine if you still care about those comments?

Co-Chair: Ted and I will process this more and get back to you.

Session 10: Approach to Remaining Stakeholder Input Opportunities and PA Updates, If Any - Ted Pope

- Basically, drafts are in hand.
- We have from now until October 25 – first scheduled deep dive for the residential sector.
- November 2 – CAEECC meeting for discussing drafts
- Two webinars – 11/7 and 11/9
- CAEECC meeting – November 16
- Comments due: November 21
- Issue is that it is hard to anticipate how much discussion required on November 2
- One approach is to attack the meatiest issues (probably residential, commercial, public sectors) at our November 2 meeting, and then webinars for remaining chapters.
- Another approach would be to slate all sectors for discussion on November 2, agree to focus on high level issues and save trickier issues for webinars. We would only be able to spend 45 minutes or so for each sector on November 2.

Any strong reactions?

Comment: I'd like to get into the drafts and see where we send up.

Comment: We want to phase discussions by sector.

Comment: I think it is important to break days up by sector so appropriate people will be there for allotted time.

Comment: When we hosted first round of CAEECC meetings, we offered option for everyone to get together. ½ day for res; ½ day commercial, and so on. We would like to get input so we can keep working on our draft.

Co-Chair: Time line is limited to October 25 to November 16. Seems like the most common input is to stage discussions. We will propose stages. I am reiterating that these are draft so please be kind in comments.

Comment (from ED staff): I am lost in the conversation because I'm aware that PAs will be continually updating drafts. At some date certain, we need a completed draft. Final written comments are due November 21. If there are things missing at that point, we won't see them until BPs are filed in January. Please identify what is missing and by when it will be provided.

Comment: SCE did not post a draft BP yesterday. We are delaying. We need more time to adequately address stakeholder input. We are targeting October 28 to post our draft BP. We want to be fair so written comments will be due 10 days later since we are filing late.

Co-Chair: I understand. I think everyone who submitted feels the same way. I am frustrated that you failed to comply with process that we all agreed to. This might put a wrench into everything.

Response: I can see if SCE can post its residential chapter before the meeting on Tuesday. That will provide opportunity for review on October 25.

Comment: I agree with ED staff. The decision came out a year ago. There is skepticism about the process working – quote from page 78 of Decision. PAs must not dominate proceeding and they must be responsive to stakeholder input. Based on the current plans expressed by some PAs, it isn't clear that there is a meaningful public input process. I know that parties are working in good faith, but at the end of the day if something is submitted that doesn't allow for meaningful input, maybe this process did not work.

Facilitator: I think it is nice to work on residential, but there is concern that not enough time to review before November 2.

Comment (from PA): Certainly, these are drafts that are provided a few months before filing requirement. I thank the heroic effort for SDG&E's team in getting them done. This is a great

first effort. There are areas that still need to be filled in: budget and savings, incorporating some of the Statewide programs need to be tightened up now that we have finalized leads, and we need to continue to think through and tighten up metrics.

Comment: PAs need feedback on downstream pilot programs.

Facilitator: Feedback is really important to proceed with pilot programs. Next Wednesday is deadline for feedback on downstream pilot programs.

Comment (from PA): PG&E is also not yet putting forth complete metrics. Areas we need to fill in include: tying to savings and budget, Statewide leads, some of plans that require Statewide coordination need to be completed, solicitation strategies. We will fill in our holes. One of the primary reasons we are remaining silent is there are implications to our staffing and we need to be sensitive.

Question: How will I know when plans have been changed? We need version control. We need to know what has been changed.

Response: In reviewing draft BPs, it might be most efficient to avoid areas where we said there are holes.

Comment: Some of the plans are very large. There is a lot of meaty content to review. We will find a way to handle revisions.

Comment: We have not put in the solicitation schedule yet because this topic is sensitive as there are implications for our internal staff, so we're waiting a bit longer to post that information external until we have our internal situation positioned to deal with this properly.

Co-Chair: Proposing path forward: PAs have a weekly meeting. Can Ted and I crash next week's (10/27) meeting so we can talk about how to identify changes to draft BPs?

Comment: Maybe we can track changes with the checklist, indicating what sections have been updated.

Meeting adjourned.