Notes from Energy Efficiency Coordinating Committee Meeting #7

7/13/2016 9:00AM to 5:00PM Location: CPUC’s Golden Gate Room

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

Facilitator/Notes: 2050 Partners, Inc.

Meeting materials can be found at this location: [http://www.caeecc.org/ - !blank-38/lrfjs](http://www.caeecc.org/#!blank-38/lrfjs)

*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 – Ted Pope**

* Thank you to CPUC for hosting meeting.
* Function of Coordinating Committee (CC) is to allow fair, balanced and transparent process. CC provides input and information to Program Administrators (PAs) who are working on Business Plans (BPs) now. BPs are currently due November 1. We are just about at Stage 3 of process.
* Safety message – Hazlyn Fortune
* CC meeting procedure: Only CC members participate in discussions until public comments period. We will try to provide public comments periods throughout the day.
* Introductions
* Objectives for the day – agenda review

**Standing Topics – Ted Pope**

No comments.

**Announcements – Ted Pope**

For those with interest in intervenor compensation, ED staff is aware of importance of this issue and is working on addressing it.

Status of Conflict of Interest Guidance: This issue is pending for PA legal teams which have been backed up with other issues. Facilitator and CC Co-Chairs intend to propose draft meeting protocols to address issues to keep the process moving toward resolution.

Reminder that this is a public input forum. We get feedback from all over the spectrum, from experts to bystanders. Some comments are inaccurate, misunderstand issues, or include incorrect information which creates some concern among PAs. There should be no presumption that feedback posted on the CAEECC website is accurate. PAs may not respond to every piece of input when it’s outside the scope, inaccurate or beyond their authority.

AB 802 and Statewide/Third Party Programs are not on the agenda because we are expecting proposed decision in August. We are standing by and waiting to see what happens for now.

Comment: Maybe you could add a disclaimer on website.

Facilitator: We will do that.

Comment: Conflict of Interest is a high priority issue. We do not want to disqualify our consultants. We can’t put them in this position. This issue keeps coming up at our meetings. We also don’t want to submit subpar materials to the CPUC if experienced implementers are disqualified.

Comment: PG&E seconds that.

Comment: Can we hire a lawyer to get this written up if there isn’t time to deal with this? It is important to deal with this soon. Maybe a conflicts lawyer could be retained as a subcontractor to the Facilitator to at least provide a first draft.

Facilitator: We are working on an operational draft that will put these issues back in focus.

Comment: We were supposed to get a draft today. We need to get this resolved.

Comment: IOU attorneys are actually already talking about this issue; there was a meeting the other day. We have had some changes in staff attorneys. SDG&E and SoCal Gas did provide comments to Energy Division. Everyone is trying to get up to speed.

Comment: CPUC legal team is totally available to review anything provided.

Facilitator: I have already started a draft on CAEECC event operating procedures, which is the operational component to developing a plan for the ED.

Comment: We will continue the dialogue with the attorneys.

Comment: I’m happy to help move the process along.

Public comments: [none]

**Session 1A: AB 793 IOU Presentations**

Facilitator: PAs have been ordered to include energy management technologies in their programs as part of AB 793 legislation. PAs are required to file advice letters August 1 explaining how they will incorporate EMTs in their programs. They also need to get public input so CAEECC provides forum for that effort. This is nothing to do with the BP drafting process; but it is our first exercise as a forum dealing with Implementation Plan level discussions Comments must be submitted directly to PAs by July 20. [Please see [instructions](http://www.caeecc.org/#!793-plans/mqv8b) for commenting.]

*SoCalGas AB 793 Presentation (and Statewide Marketing Plan for AB 793) – Lujuanna Medina*

[[*See slides*](http://media.wix.com/ugd/0c9650_d655dfaa7b2e45428b371a87d1ff92cb.pdf)*.*]

Question: Are you including offerings in programs for multifamily?

Answer: No, not yet. We are looking at it. Our hope is to expand offerings later.

Question: Can you post presentation on CAEECC website?

Answer: Yes, we will.

Question: This looks like Implementation Plan. Is this a potential conflict for implementer being in the room?

Facilitator Answer: I don’t think we can answer that concretely today. We encourage people to avoid making pitches that could raise a conflict.

Question: Listening to a presentation is okay?

Response: Presumably an implementer cannot influence a PA if he or she is not talking. Furthermore, this is a CC meeting, whereas the ED was more concerned about Subcommittee meetings.

Response: This is a public process. We will post all presentations and public comments.

ED Response: Until we clarify COI rules, it will not be an issue. ED “will not retroactively ding you” when issue is unresolved.

Question: Did legislation define energy management systems or are you interpreting it?

Answer: Legislation says “products, services or software.”

Comment: It seems like you took a narrow interpretation of legislation requirements.

Response: The idea is to leverage current systems in-house with outside products. These new products are costly. We want to partner as much as we can and leverage internal systems so that we keep costs down.

Question: What size budget is contemplated by IOUs? Is funding coming from DR or EE budgets?

Answer: SoCalGas is using EE funds. No idea how big overall budget is.

*SCE AB 793 Presentation – Randy Robinson*

[[*See slides*](http://media.wix.com/ugd/0c9650_89738983c45b42ed99c614ae5379d671.pdf).]

SCE has a multifamily offering. We are working with EmberTech to expand to multifamily programs.

Initial funding will come from existing programs that we are extending.

SCE is committed to also targeting low income segment and small and medium businesses.

Comment: I understand the challenges of Wifi (not being in all homes especially low income) and deploying intent of bill to low income sector, but you can still communicate with low income customers by text.

Response: I totally agree with you.

Question: Who gets credit for energy savings?

Answer: When we partner with electric utility, electric savings are given to electric utility and gas savings are given to gas company. Savings are divvied up depending on the HVAC equipment. If dual fuel unit, division will be based on deemed accounting principles.

Question: Are any of measures for low income segment new and not already included in energy assistant program?

Answer: All of them.

Question: Are you looking into fault detection at all?

Answer: I am not currently aware of that effort.

Comment: It would be very good to look into this.

Comment: SCE emerging technologies group is looking into it.

Question: The text in the legislation recommends that energy savings also be measured by meter, not just deemed. Can either PA address metered savings?

Comment: I’m not sure metered savings are called out in the legislation.

Comment: Meter-based savings are not required by bill. Underlying intention of bill was for meter-based path eventually.

Question: In initial round of technologies, has there been consideration of HAN (home area network)-based and green button connect technologies that leverage AMI?

Answer: SCE is planning to use green button connect technologies.

Comment: A lot of these technologies are free to download, but information without insights is useless.

Comment: There are tools out there using AMI data. They should be considered.

Comment: PG&E is considering these tools.

Comment: It is important not to conflate this bill with all things involving communication. Bill is about information feedback and control. Some of these issues such as fault detection may be outside AB 793 intent, though they are good ideas.

*PG&E – Susan Norris*

[[*See slides*](http://media.wix.com/ugd/0c9650_d13941a2a4e8414388068d17e1af706d.pdf)*.*]

Question: It looks like utilities have already picked “winners.” How do you keep the process open to allow all applicable vendors into the space?

Answer: We bring all vendors into the space. This allows us to determine what works with those who understand and those who don’t. Vendors in circle on slide are those we work with today.

Question: Is there an open bidder opportunity?

Answer: Yes. Often smaller startups aren’t very experience in how to work with utilities. Emerging technology forums teach vendors about how to get involved with utilities.

Question: This is presented as a standalone effort. Do you intend to leverage other programs with customers or is this an add on?

Answer: Yes, we see big opportunity to bundle. We would leverage programs like time of use programs.

Question: Who are your partners in reaching your customers to teach them and motivate them to learn?

Answer: Some of it requires figuring out where customers are buying the products. Retail partners are important to give customers the opportunity to touch and feel the products. HVAC contractors are important for introducing new technologies to customers. Energy Savings Assistance Program is also a huge opportunity.

*SDG&E – Chad Ihrig*

[[*See slides*](http://media.wix.com/ugd/0c9650_dabf9e38762342eb86ffaee5d93733bb.pdf).]

Question: Do you have minimum standards for rebates?

Answer: Yes, we do. We are working on it.

Question: How does heat pump water heater work?

Answer: When you use it you would be able to load shift. Heater would heat water during low demand times.

Question: Messages from the market show a lot of movement toward instant/on-demand electric water heating. Do you see complications with promoting those technologies in the marketplace given gas water heating stock?

Answer: About 10% of our service territory is all electric. We would target customers who already have electric water heating.

Question: Can’t they just put smart controls on electric water heater without pushing heat pumps?

Answer: We are looking at efficiency of the device, as well.

Comment: We are looking toward getting off gas entirely. An added complication to pushing heat pump water heaters is fuel switching but this may not be an issue if targeting all electric customers.

Response: We will consider this as we move forward.

Comment: Seems like you would want to use third party vendors to help with marketing and incorporate training. There is very little time to sit with customer and staff to provide training regarding use of product.

Response: These vendors have to be incorporated and co-exist.

Comment: When you add a substantial training element to a program, you move TRC down. We need to figure out how to deal with this.

Comment: Big cities want small businesses to participate in the deployment. We need to make sure that smaller retailers and vendors are part of network so that PAs are not just relying on big box stores.

Response: Agree. Those stores [Cole Hardware and ACE Hardware] are part of the effort.

Question: What is the plan to coordinate for marketing outreach campaign?

Response: AB 793 requires PAs to coordinate with statewide marketing efforts.

Comment: We want to bundle messages and programs when we have time to do this. There will be ways to leverage local and statewide campaigns as we move forward.

Comment: There are opportunities to educate people to decrease confusion.

Comment: Contractors and local governments working in this space present a huge opportunity to sell programs and provide information.

Response: We will discuss that opportunity in our filing because we haven’t worked that out just yet.

Comment: PG&E has a trade pro network and we are coordinating with customers through that program. We need to coordinate everything to leverage getting information to customer. It is a

challenge to reach larger stakeholders to get their assistance in spreading the word.

Comment: Underlying all this, is the technology itself. What we are controlling? It makes a difference in EE as to what you are controlling—is it an old inefficient piece of equipment or something with low demand.

Comment: One of challenges is that we don’t know what consumers will connect to this technology.

Comment: Education to customer needs to be embedded more.

Question: What do you have in mind about single delivery channel and how will you implement that?

[*No time for response*.]

**Session 2: BPs v IPs – Lara Ettenson**

[[*See slides*](http://media.wix.com/ugd/0c9650_741a33327deb4628b8b86664ed4ff37a.pdf).]

We continue to get comments/input about things that are more appropriate for implementation plans (IP) (more detail) rather than business plans (high level) which is what we are working on now. Implementation plans are for specific offerings and provide more details.

Eventually we need to replace PIPs with IPs. New IP template will replace PIP over time. We need to work out the schedule for replacement of these templates.

We merged all BP guidance into a [compilation document](http://media.wix.com/ugd/0c9650_7303ec4042be401f8224a48b15e446dd.pdf) which is posted on the CAEECC website. The [current IP template](http://media.wix.com/ugd/0c9650_7174a7ebc32542208f857e847df3690a.pdf) is also on the CAEECC website.

**Session 3a: Business Plan Metrics – Jennifer Mitchell-Jackson and Mary Sutter, Grounded Research**

[*See presentation* [*slides*](http://media.wix.com/ugd/0c9650_6993096a35b242ae8608f6fa6022e527.pdf) *and* [*Conceptual Discussion*](http://media.wix.com/ugd/0c9650_56c36799bd624b0ba355e5a8b0575e76.pdf) *document*.]

We will provide an overview of the document and introduce language in the document to see if we can come to consensus or common understanding about terms.

Comments are due by July 20 to Facilitator [facilitator@caeecc.org]

“Intervention Strategies”: describes categories of activities used within a market sector; can be at a customer level or market level depending on which group you are trying to impact. At BP level, the discussion is mostly about the intervention strategy level, not program level tactics

Question: How do you define a “program”?

Answer: We consider a “program” as traditionally defined: a group of activities that you use and fund to intervene and make a specific change. Program may use a mix of intervention strategies.

Comment: The question of defining a “program” is always interesting. I use “program” as a bundle of activities for which I have a specific budget, and a specific set of activities or measures. It doesn’t necessarily connect to how I deal with the customer. Program is a regulatory construct.

“Tactics”: detailed, carefully planned activities in intervention strategies; solutions. Tactics should be marked as existing, modified or new. Tactics should also include time frame.

[*Lunch*]

**Session 3b: Business Plan Metrics – Jennifer Mitchell-Jackson and Mary Sutter, Grounded Research**

Metrics for BPs will be at a very high level.

“Metrics and Success Criteria” table captures the type of information one would need to have to understand if one’s intervention strategy is working over time.

Question: Does the “time frame” column refer to how often or when? I would like to see regular check ins with CC going forward. Specificity as to when you actually look at data is what I’m asking about. I’m looking for hard dates; frequency isn’t sufficient.

Answer: When you know the information about the percentage of customers using a tool, at end of year 2, for example, you would have information to say, “Here’s the baseline,” and we know this information from this data. And these are only examples, but they are meant to show both hard dates and an indication of frequency.

Question: Are you suggesting that all BPs would have a table like this?

Answer: Yes; we are working with PG&E to include tables like this in its BP.

“Success Criteria”: conservative, mid and high; these are the things you judge your performance by.

Preparing Metrics and Success Criteria table forces you to consider up front where you will get the information that you need to determine success of your intervention strategy and how often you can capture that information.

If you put this together for your BP, you should have a pretty good understanding of how your strategies will work.

Metrics (e.g., percentage of customers using tools) and Success Criteria tell the whole story. PAs can have same metrics but different Success Criteria.

Question: Are you suggesting a table for each program?

Answer: This is at the sector level.

“Strategy Related Metrics”: allows CPUC and stakeholders to monitor sector at Intervention Strategy level.

“Savings Related Metrics”: high level energy saving goals and savings expected.

Question: For non-resource benefits, is it possible to add different line item metrics?

Answer: We need more examples for that but we expect that this will work across sectors, including cross-cutting, like WE&T, which is non-resource.

Question: Are savings metrics illustrative or strategy related?

Answer: Illustrative.

Comment: Cost effectiveness would be helpful at sector level. Also levelized costs would be important to include.

“Outputs”: things that program tracking databases usually capture; what we do or who we reach.

“Outcomes”: what has happened due to that intervention or activity taking place; often evaluations look at outcomes; data you need to look at criteria and determine how you are doing.

Comment: It also makes sense to specify what the criteria are for determining that a program is not being successful. We are interested in having a plan to make the program work, as well as plans for fixing program, and how we determine if program is not working and needs to stop. We want this specified up front.

Comment: We need goals of metrics to tell you success as well as when you ramp up and ramp down. We need to be able to decide what to do once we have reviewed the outcomes.

Comment: You need a mix of outputs and outcomes to understand if program is successful.

Comment: It would be useful if PAs can identify up front in their BPs what they think will show that a program is working and where they would determine that the program is not working. We would like to see PAs to set expectations out up front.

Facilitator: That makes sense for programs, but may not make sense at the strategy level.

Comment: There at least should be a point where we agree that we will all sit down and discuss whether a program is working or not.

Comment: Maybe if we don’t even hit “conservative” criteria, then we can say discussion warranted about whether program working or not. There needs to be sufficient time for program to work.

Comment: I support this discussion where it gives us a warning to look at the success of a program. PAs have control to look at programs and tweak them if criteria not being met.

Comment: As we are in stakeholder process, PAs get to monitor information. They can determine when they want to check data, but I’d like to see that others can also monitor the data. Information should be available to allow PAs and stakeholders to review programs. This needs to be set up and agreed upon by all parties.

Comment: Metrics are supposed to tell you what to do next: continue, adjust, end. We should have some type of recording process so that stakeholders can monitor as well and intervene if necessary. We need to think about reporting mechanism to allow transparency to public.

Response: One task on the CAEECC to do list is to propose the process for this opportunity.

Comment: CPUC team is busy with suite of online reporting tools (i.e., CEDARs platform). We don’t have any intention of changing claims specifications. Maybe we can do some sort of informal reporting BP metrics, like self-reporting similar to other elements of filing module. We don’t have intention of changing specification to track these items unless stakeholders think we need to create new specifications for reporting.

Comment: Issue raised as to what should BP reporting look like. This should be addressed further.

Comment: Next year we are working on automating reporting. By 2018, we may have something in place online to track softer metrics in BPs.

Question: Are you intending to remove EE-stats?

Answer: No, we do not intend to remove it.

Question: Does the reporting of outcome-type metrics overlap or intersect with EM&V work?

Answer: That is not totally understood yet. Issue will be part of next conversation. This metrics construct we’re discussing works well with EM&V.

Facilitator: Time frame for process: comments due on July 20. Where will PAs be regarding metrics in last week of July? When can we get to an end point?

Comment: PAs are meeting for 3-day meeting later this month (July 26, 27, 28) to address metrics and framework. Meeting before next CC meeting, but common metrics will not be included in next chapters. By November 1, when PAs file BPs, metrics will be aligned and we will be using common terms.

Comment: It will be best for ED staff review if PAs come to consensus on this issue. If PA wants to include incremental metrics to go above and the standard PA approach, that is fine. Please put together one format that will help ED review BPs. It will slow the process for our review if we get 7 different approaches to metrics. No date at this time that ED staff will meet again with Grounded Research.

**Session 4: C&S Program Compliance Factors – Pat Eilert**

[[*See slides*](http://media.wix.com/ugd/0c9650_73302886f7574c9ea84a89725b0a7068.pdf)*.*]

Facilitator’s Note: Several CC members expressed surprise during the July 13 CC meeting that this item was on the agenda. In response to these questions - and acknowledging there needed to be more context setting - we are embedding this response into these notes. This topic was included on the agenda because a number of CC members and stakeholders had made a variety of assertions, in some cases based on anecdotes, about how poor C&S compliance is and that C&S EM&V savings evaluations were based on compliance adjustment factors that were likely significantly incorrect. Further, to address these points, stakeholders recommended that PA activities address the perceived shortcomings in the current C&S programs, such as focusing substantially on compliance improvement. Prior to filing a BP draft, the C&S Team asked for the opportunity to clarify various issues and provide data for discussion, including putting the level of savings in perspective to have a conversation about where best PA efforts should be focused. Because of its relevance to the BP planning process, and that the presentation was intended to be an interactive response to the numerous stakeholder comments, the Facilitator and Co-Chairs agreed that the topic would be relevant and informative. This agenda item was placed on the preliminary topic list sent to CC members on June 21 and the draft agenda noticed on July 6. No inquiries or comments were received about that topic.

*Slide: CPUC (DNV GL) Res HVAC Retrofit Study Phase 1*

Comment: These numbers are based on what we know of. Non-licensed contractors are not included.

Response: Sample includes non-permitted vs. permitted. Information came from RASS.

Response: Sample was randomly drawn for RASS. It includes licensed and non-licensed contractors.

Comment: Study not yet finalized.

Comment: There are a lot of questions about the validity of this study. About 270K units are replaced each year in California, but the study looked at only 100.

Response: Study provides some data so let’s look at it.

Comment: A lot of non-permitted work is being done.

Comment: This is a very political issue. SB1414 addresses this very issue. I think presenting this study with its flaws is an inappropriate process to allow for this issue. It is unfair to influence everyone in this room with this information.

Comment: A lot of work still needs to be done on this and this study shows that more work needs to be done.

Response: This study is not anecdotal. They went to this sample of 100 different buildings and found out whether contractor got a permit or not. A lot of times there is spill over from code requirements. Maybe permitting is not necessarily the path for getting more energy savings

Comment: This is not a good study; we need to move on.

*Slide: Segmented Codes & Standards Savings*

Question: What does the circle represent?

Answer: Total added savings from four code cycles at CPUC. A little over ½ of savings are from appliance standards, and a little less than ½ of savings are from building standards. Residential is a very small piece of the pie.

Answer: The whole pie represents total codes and standards savings; a composite profile of savings. Mostly CPUC net evaluated savings.

Comment: Appliance savings are actually understated. They probably should be a slightly larger share given how standards are calculated.

*Slide: DOE’s Residential Energy Code Field Study*

Question: Is the federal study of new construction or alterations?

Answer: Single family new construction.

Comment: There are some things that are confused here. First, code compliance is about safety. Safety is the number one issue for code compliance. Electrical is the number one cause of fires. Should we be using public money to do jobs that do not comply with code? Same with electrical – should we be using public money for the number one cause of fires? Second, it is a red herring that permitting is onerous. We have spent millions of dollars for incentives without permits. Only one piece of paper is required to confirm permit was pulled and passed inspection.

Facilitator: We now appear to be discussing the issue of requiring permits for incentive program participation. As a committee, we have reached a stalemate on the permit issue. It will be in the Comparison Document.

Question: What do you mean when you say “before we go off and spend X million dollars”?

Answer: At CAEECC meetings we have discussed whether we should fund FTEs for building officials, etc. A bunch of issues have been raised in these meetings. The issue is what are the most cost-effective ways to spend the money.

Comment: Code is the law. Why would anyone want to give ratepayer funds to someone who breaks the law?

Comment: PAs require self-certification on incentive applications. Nobody is breaking the law at this point. Homeowner and contractor certify they are complying with all applicable laws.

Comment: I am baffled as to why we are using CC time on this today. I thought we were going to be discussing something other than this.

Comment: Same comment. This is appropriate for codes subcommittee. A lot of energy and emotion should have been directed at another forum.

Comment: It is important to make decisions on data. Millions of dollars are spent on EM&V studies so we can use resulting data.

**Session 5: Discussion Topics Presentation & Input**

*Workforce Skills Requirements – Bernie Kotlier*

[[*See proposal*](http://media.wix.com/ugd/0c9650_d4cfaf7786d64695a00b8c2a8984d69a.pdf).]

Question: We already have two residential programs with existing contractor requirements. How do you envision this working with current programs that already have a contractor base?

Answer: Nothing happens in this State quickly. Response depends on the length of the programs. It would be unrealistic to require new standards to program that ends in 6 months, for example.

Comment: This is a matter of public policy and provides a societal benefit. Including societal benefit and incorporating that on the benefits side of total resource calculation might actually help a program absorb added costs; makes it easier to incorporate added costs.

Response: That will be in the letter from the CC as it is a policy change that is needed.

Question: Can some of these certifications be incorporated in investor confidence process? They could more easily aggregate projects into secondary financing market. This will attract more capital in EE market as a possible additional benefit.

Response: That is an interesting point. Financers always ask about risks. To the extent we have more safety/risk management, that may result in more investor confidence.

Comment: High level training requirements might disproportionately affect low density, rural areas.

Response: Access to training is provided and available across the board. I don’t see this as an issue.

Comment: CALTCP (lighting controls program) offers a 60-hour training course which has a high failure rate because the program is so hard. Not only is there societal benefit (low income and workers) to proposed workforce standards, but energy savings benefit as well because the appliances will work.

Comment: People expect appliances to be installed correctly so we need to train contractors.

Question: Does SB 350 require Commission to look at responsible contractor policy? What is CEC already planning to do in this area?

Comment: MCE is interested in contractor and workforce standards. One of our concerns is cost associated with them and what needs to be done to get this done. Are you planning to provide model training programs?

Response: We have not provided very specific examples yet because we want everyone to agree first that work force standards are important.

Comment: We need to remind ourselves that we are here for energy savings. There are many things we need to do to get energy savings. There is a limited amount of money. We can’t do everything. We need to figure out how we will divvy up the work. Who will partner with PAs and other stakeholders? There is a whole issue of cost-effectiveness. There are many things that are related. We can’t be the solution to everything because we have a limited amount of money. At the end of the day, the main issue is energy savings. Maybe the market will handle the issue.

Comment: Regarding partnerships, experts who work with disadvantaged communities and those who work with contractors are seeing these issues. There is a partnership opportunity.

Comment: We can’t tie only to cost-effectiveness. There are bigger issues.

Comment: From ORA perspective, the next step is that workforce standards to some degree be included in Business Plans. There is enough support that some type of workforce standards should be included in BPs.

Question: What additional studies should we look at? What studies should we prioritize? We need to look at cost-effectiveness.

Answer: Com Ed in Chicago. The reason we focused on DVC study is that it is so comprehensive.

Comment: There are numerous directives from CPUC to set workforce standards.

Comment: As a program implementer, I couldn’t agree more that we see issues with installation. We almost never see proper installation the first time. We try to transform markets by training installers. We spend a lot of time fixing mistakes. We don’t get paid until saving are evident.

Comment: We’d like to see a preferred contractor list as a possible solution to this issue.

Comment: Disadvantaged community is not asking PAs to solve everything. The legislature has required CPUC to address this issue. This will help connect disadvantaged workers to jobs. PAs have already promised to do this.

Comment: I’m trying to understand what this will look like. Are you looking for acknowledgement of importance in BPs and commitment to figure it out? Where would this be in a strategy? What do we do next? Appendix 2B has a comprehensive list of studies, but it also notes that teasing out reduced energy savings due to worker standards is not possible. Could we do some testing such as designing a program with and without standards and see how each performs? Seems like this is an implementation issue. What would be sufficient for BPs?

Comment: ORA would like to see a commitment from PAs to include workforce standards in BPs. Maybe it is an overarching issue or maybe limited to tactics. I’d like to see in BPs. How that happens, I don’t know yet.

Response: EE Coalition wants acknowledgement in BPs that CPUC has directed PAs to do this and provide clear plan about what PAs intend to do to implement and when. PAs should include a time table showing that it will be done soon. We would like to see this at a high level, not program by program.

Question: Should this discussion happen here or at subcommittee level?

Answer: The majority of this proposal covers all sectors but for implementation it would need to go to subcommittee.

Comment: We need to be cautious when we talk about WE&T versus the role of other programs. Sometimes a standard is not a WE&T decision. WE&T works very closely with CALTCP. We see out role as being able to work and partner with other organizations and to be very open to everyone. We need to work to get the word out better and get people to come to trainings. There are a lot of great opportunities to enhance these programs, but it is not just WE&T. Let’s have more discussions and find common ground.

Comment: IOUs have done a great job of putting out trainings that serve the industry. The issues are getting the word out about trainings and getting people to participate. To get this work in the State, it can’t be just the IOUs. We need to tie workforce training to State school system. Schools need to produce a trained work force. Trade schools and universities need to develop better training programs.

Comment: WE&T spends about $30M for training, compared with the value of the portfolio. It is not enough. We need standards for contractors who participate. It would be great if we could have a natural experiment: low bar v. high bar and see how much savings you get from each. But the market doesn’t work that way. We have to try the policy and see what it does. It has worked in public sector and construction. We have seen what works because we can compare results from different states.

Comment: If you talk to Tom Steyer about Prop 39, he’ll tell you it is not about creating more jobs. It is about unlocking investment, and telling the world that California wants energy investments. This is seed money compared with the $1.2 - $1.5 billion portfolio. 2/3 of our workforce doesn’t have credentials. We looked at job postings for 1 year for HVAC contractors and the top qualification was a California driver’s license. We need to create real workforce standards that are valued by employers.

Comment: The issue is are we going to answer every societal question in developing our definitions? Is our focus saving energy or is it other issues? How broad do we draw the circle? Are we trying to cover impacts that save more energy or something else?

Question: What is preventing the higher skilled contractors from participating now?

Answer: Currently, when you have little standards, jobs go to lowest bidder because they spend the least amount of money on everything – facilities, benefits, training, etc. Contractors with highest trained people cost more and cannot compete.

Comment: There is a very negative opinion about controls in the world. The negative opinion results because the controls were put in wrong.

Comment: Stationary operators work in high rise buildings (hospitals, hotels, arenas). Our workers go through a demanding certified apprenticeship program through the State of California. There is a lack of skilled laborers working on these buildings. Skilled labor takes ownership of upgrades. Most of the time we end of having to tweak work already done by untrained contractors.

*Local Government Partnerships Program Contract Extensions – Jenny Berg*

[[*See proposal*](http://media.wix.com/ugd/0c9650_b4b6b884799c4aae9575fb7633b3b54a.pdf)*.*]

Question: Are there current programs that are not very long – intended to be only 1-2 years?

Answer: In my experience, yes.

Comment: We usually have contracts to address ongoing issues. One-year cycle creates lots of problems. Sometimes we can’t even provide work for customer because we hit the end of the contract period before the project can be installed when programs are short.

Question: Is proposal meant to address short-term issues? Or are you asking PAs to confirm that they will only do long-term contracts?

Answer: PAs have been asked to confirm our contracting plans in their BPs.

Comment: This is a historic issue/problem. I’m not clear how this affects evolution in the portfolio. Even though a contract can be pulled for cause, there is an issue with the psychology of this proposal. Sometimes a contract’s scope really is limited to one year’s worth of work.

Question: For clarification, is this something you plan on implementing December 12, 2017?

Answer: We want it this year, 2016. That would be before BPs are approved.

Comment: I support proposal on principle. Is this something we can address right now, or something we need to work on? Depends on what the program is offering. Implementers need to work with PAs on how to resolve in short term and what the long-term solution should be.

Comment: This is not just about cancelling contracts but also about amending contracts.

Comment: While it would be great to end the madness of our current process, there are legal issues involved with contracting. PAs need flexibility in contracting practices. PAs should be afforded flexibility. There are other criteria that should be considered, like program performance. We need to proceed with caution and understanding.

Comment: I totally understand the issue for implementers. Back in 1998, IOUs had to live on year by year contracts. For SDG&E, we have signed 5 year contracts. We have more metrics that we mutually agree to in deciding whether to cancel a contract.

Comment: Lack of consistency must be maddeningly frustrating to implementers. SDG&E is doing 5 year contracts. PG&E is doing 3 year contracts. SoCalGas and SCE do 1 year contracts. This causes significant difficulties for implementers. As we move forward, we need consistency and standards across the state.

Comment: This proposal is in line with the policy of the rolling portfolio.

Comment: MCE supports this proposal.

Comment: There is a difference with the RENS. RENS are part of the rolling portfolio until it is stated otherwise.

Comment: This is also an issue for LGPs.

Comment: These types of standards work well when they make their way into CPUC decisions.

Comment: CPUC expects to issue guidance in August. That could be a good time to address with CPUC.

Facilitator: Best solution is consensus concurrence. First, can PAs agree to provide contracts by December 12? Then, can they agree to multiyear contracts? We’ll come back with a proposal for moving this forward.

**Session 6: Revision to BP Draft Submittal & Review Plan – Ted**

[[*See proposal*](http://media.wix.com/ugd/0c9650_62bc7fd9245c4cd7a4e6c43bbc735d3f.pdf).]

PAs cannot meet initial schedule requiring BP chapters this month. I have drafted a proposed solution that balances the following:

* November 1 is deadline for BPs;
* PAs need time to produce BPs;
* Stakeholders need time to comment and PAs need to time to fold comments into their BPs;
* CPUC issuing guidance that may affect BPs in August.

Comment: MCE intends to provide updated and complete draft of BP on September 7. We are concerned about getting draft decision in August from CPUC. We want the final decision. We can ask CPUC to push November 1 date back if needed. It is a better use of resources to focus on the final decision as opposed to draft decision. Draft BPs should be due closer to September 21.

Comment: PG&E leadership has grave concerns with this proposal. The challenge is that we have already produced two documents for stakeholders to react to and we failed to meet stakeholder expectations. We need time to draft the best BP we can so that we meet stakeholder expectations. You may not see any draft from PG&E on July 29.

Question: Not even just one chapter?

Answer: Yes. We want to put forth the best work we can and July 29 is too early for us. Our counterproposal is September 7 for complete draft of BP. By September 7, metrics will be aligned. Intention is that by September 7 we will have solid metrics and we should be able to provide a very robust draft.

Facilitator: Are non-PA stakeholders comfortable with this?

Comment: I disagree that Stages were a failure, but I understand the frustration. It would be beneficial if other PAs might be able to produce chapters on July 29.

Comment: Unless November date slides, it seems like we are not doing our due diligence in terms of providing feedback. The Coordinating Committee not doing what it should if we continue to push these dates.

Comment: PAs will turn in BPs regardless of what I want, but it is my job to provide feedback. If CC wants to be something that CPUC will continue then we should facilitate that. Pushing deadlines will not allow this process to work. I like the proposed schedule. We can be flexible about feedback from PAs. We need timeline with dates that people are committed to.

Comment: Do all PAs agree with PG&E that they can complete their BPs by September 7? I don’t see how it is possible for PAs to complete chapters by July 29.

Facilitator: Where do other PAs stand?

Comment: SoCalGas agrees with PG&E. The issue is whether our draft needs to be changed significantly with CPUC final decision. CPUC’s proposed decision is at issue.

Comment: We want to get drafts so we can provide comments. I’d rather see something in draft – at whatever level of completion – so that I can provide comments and see where we are. It’s better to start getting the material to review. That will be helpful to everyone.

Comment: BayREN will submit a draft chapter (residential) by July 29. I can’t imagine decision will change everything. Final metrics will not be included. I’m concerned about delaying further and don’t want to send message to CPUC that we want to keep pushing deadlines.

Comment: Part of this is about using resources wisely. I’d propose setting November 1 deadline back by a month.

Comment: CPUC has September 1 as deadline to provide ruling on baseline.

Comment: EE Coalition would also like to start reviewing drafts as soon as possible.

Facilitator: We could stick with the plan but make it optional to produce draft chapter on July 29, and set September 7 as firm deadline for BPs. Even with a few draft chapters, it might be productive. Maybe overall product will be better if we proceed this way.

Comment: SoCalREN volunteered to do public sector chapter. If that would push the ball forward, we will stick to the date.

Comment: SDG&E is also willing to compromise and do the best we can. Voluntary exemplary chapter that we are going to put forward needs to be taken in that light. We need really constructive feedback. We don’t want to hear this is a failure. We want comments on what is missing and how to move forward.

Comment: PAs are getting together for 2-1/2 days in July. I’d like to see what the outcome of that discussion is. Can we target July 29, but adjust by a few days if we need it after metrics workshop?

Comment: If PAs are about to turn something in, and realize they need to change things, they can make notes of that in drafts.

Comment: This will all turn out great.

Comment: SCE supports proposal for working draft for July 29 or shortly thereafter.

Resolution: Participating PAs will produce draft BP chapters by August 2. Ted will re-draft the proposed schedule.

Facilitator: We didn’t get to two sessions on the agenda. We will provide revised meeting schedule in a couple weeks. Current schedule is August 9 – all day; August 10 – ½ day.

[*Adjourn*]