

Notes from Energy Efficiency Coordinating Committee Meeting #12  
11/16/2016 9:30AM to 5:00PM

Location: SDG&E's Energy Innovation Center, 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](http://www.CAEECC.org) website for context. Lack of attribution for meeting participant comments is intentional by agreement of Coordinating Committee.*

### **Welcome and Background – Brandi Turner and Ted Pope**

Brandi Turner: Welcome to SDG&E Energy Innovation Center and Safety Announcement

Facilitator: Welcome.

- Our job is to help CC Co-Chairs maintain a fair and transparent process that is not overly-dominated by any one interest group.
- We have no authority to make decisions. We just provide input to PAs as they develop BPs.
- Please feel free to provide input on meetings.
- CC Members and ED staff have priority for speaking during meetings, then open to public comments.
- To the extent stakeholders want to provide anonymous comments, instructions for doing so are posted on the website.
- Introductions around the room
- Agenda review

### **Session 1: Draft Policy Letter & Comparison Document Review – Lara Ettenson**

Review of [draft Policy Letter](#)

- We have questions about process.
- We also want to discuss content.
- This is meant to address issues that PAs have no control over now – either outside scope, designated for Phase III, or questions for Commission
- [Issues identified so far:](#)
  - Conflict of Interest Discussion – TBD today
  - Incremental Measure Cost – delays in getting IMC updated: This issue has been brought up several times during CC meetings. Is this still an issue for members? If so, who can help draft the issue? Or, is it redundant with new scope?
  - Retrocommissioning, controls, meter-based, O&M: Are these still relevant now that we have AB 802?
  - Studies (example, CEUS so old): Are we still interested in this issue?

- Baseline information for goals: How do we know how far we have come?
- Potential has been combined with public and industrial end use
- Hard to Reach – definition in policy manual was changed by staff without public review and notice. Many asked for clarification. CPUC staff replied that it should be in the scope of R.13-11-005 but it is not in the scope
- Unintended consequences of rolling portfolio approach

### ***Incremental Measure Costs***

Co-Chair: Is this still an issue that people are interested in bringing to Commission attention?

Response from several members: Yes.

Co-Chair: I'd like a PA to draft this issue for the letter.

Comment (from PA): IMC is one of the biggest drivers in cost effectiveness. When IMC includes things outside scope, it really affects cost effectiveness. It is now very hard to get a 1.0. We need to make sure that other costs are not included. We need to address flaws.

Comment: This is especially an issue when talking about deferred maintenance, dealing with dry-rot, etc. When homeowners have to repair their homes it adds to the costs of a project. Things can get crazy due to additional costs due to the state of the building.

Comment: ORA's concern with this item is we are not clear it is appropriate for the Commission to review. It seems like it is more appropriate for ED staff. We'd like clarification about whether this is a policy issue versus just a measurement that needs to be clarified.

Comment (from PA): Great point. I'd ask people to think about it. If this is a staff issue, and we are not able to work this out with the staff, then what is the next step? Seems like maybe it becomes a policy issue. We need to figure out how to frame it that way.

Co-Chair: We want the Commission to pay attention and do something about it. Maybe we need to divide issues in the letter between policy and things that need to be addressed by staff.

Comment: ORA is concerned that this letter is going to the assigned Commissioner and ALJ which is unusual and maybe inappropriate. We think it is more appropriate to send letter to ED staff.

Co-Chair: We could not address the letter to anyone in particular. Maybe we could just submit it with the applications.

Comment: ORA won't sign on to something that raises this as a policy issue. We do not think that it belongs in an application to the Commission.

Question: Is the CAEECC a body of the Commission?

Co-Chair: No, it is authorized by but not a part of the Commission. We are trying to address issues that have come up that are issues for all PAs and their applications so that each PA does not have to address separately. I see a couple options:

- 1) Some of items may need to be brought into scope. We could do this through a letter or meeting with office of the Commission. NRDC could do it and others could sign on if they want.
- 2) PAs identify those items that need clarification for IPs to be done effectively. If you submit application, you can get guidance.

We can include these things in the Comparison Document instead.

Comment: I'm not clear what issues are being brought up. ORA doesn't think these issues are appropriate for a Commission proceeding.

Co-Chair: Okay, sounds like this issue is more appropriate for the Comparison Document. Sounds like there is a fundamental difference in how we think this issue should be handled. We can write it up and ORA can determine if it stays in policy letter or is moved to the Comparison Document.

Comment: I agree with this approach. We've discussed this and we need to let them know that it is an issue. However, they want to deal with it is up to them.

Comment: I agree with ORA. It is premature to send this to the Commission at this point. I second what he said.

Co-Chair: Sounds like we need to include this issue in the Comparison Document. Sounds like majority of CAEECC agrees that this is an issue that needs further clarification.

Comment: I think you might be moving to the Comparison Document prematurely. This seems like a process issue. Another solution might be a letter to ED.

Comment: I'm putting a letter to ED out there as an alternative option. I think that is appropriate for non-substantive policy issue. I can't sign on for anything where I haven't seen the text. There is not much to weigh in on at this point, other than to say this doesn't seem like the type of issue to be submitted to Commission.

Comment: It does seem premature to send this issue to the Comparison Document, based on comments just made. I think you should still consider a letter to ED staff.

Co-Chair: We will address this further at December 7 CC meeting.

### ***RCx, controls, meter-based, Operation and Maintenance (O&M)***

Co-Chair: Given AB 802, I don't see how this is still policy issue that goes to the Commission.

Comment: While AB 802 does take care of some issues, there are still a bunch of things in it that need to be clarified. The Commission will need to rule on how to interpret some of those things to get better IPs.

Co-Chair: I think the Commission tried to do that in last decision. Do PAs agree?

Comment: The Commission is working on measurement issues right now so I don't think there is much we can add.

Co-Chair: I think this is already on the Commission's radar so there is not much we can add right now.

### ***Data issues***

Co-Chair: This is also on the Commission's radar. Also these issues are more for staff than assigned Commissioner. These items are potential issues that should be prioritized on EM&V level, but not in policy letter to Commission. We can include in Comparison Document to capture what was discussed during CC meetings. The intent of the policy letter and Comparison Document is to consolidate the issues for staff. Where should be put data?

Comment (from PA): In many of PAs' chapters in EM&V section, we have included overview of data we think we need. In last decision, the Commission gave PAs more data. PAs have done a good job of stating data that they think they need and point to discussions in BPs. We need to come back to this in EM&V planning.

Co-Chair: I agree.

Co-Chair: Circling back to controls, do we feel like controls are covered by AB 802 guidance or is this still a policy issue to raise for the Commission?

Comment: AB 802 guidance is not as clear as it could be. There are conflicts between AB 802 and what the CEC is doing regarding Title 24. There is a lot more that we can do with controls.

Co-Chair: Will you write it up?

Response: Yes. When do you need it?

Co-Chair: We will come up with a time line.

Comment: I encourage interested stakeholders to participate in working groups. They are slowing making progress. That is good opportunity to provide input.

Comment: I'm part of the T1WG (Task One Working Group). Control issues raised in Decision are getting decided right now. If you really care, you should get involved with this working group. Working group was set up with the Decision. We're looking at the table of how to use

baseline. We are also addressing what is required to determine preponderance of the evidence. Issue 3 will be standard of the industry. Issue 4 will be custom review process.

Comment: This is great. Where do I find out more about this?

Co-Chair: We'll find out and make more information available on the CAEECC website.

### ***Hard To Reach***

Co-Chair: Is this something that we want to raise? The staff definition has been interpreted to cut out a lot of people from HTR.

Comment (from PA): What are we asking for here? What has changed is being able to apply HTR natural gross value. What do we want the Commission to do?

Comment: The majority of our res portfolio is not cost effective. This issue needs more work. What are you asking for in terms of policy and what do you hope to achieve?

Comment: The policy manual is done by ED staff (rather than the Commission). That is why they were able to make the change without notice and public input. This issue should be raised to staff.

Co-Chair: I'll go back to those who signed the advice letter raising this issue last fall to see if it is still interested in this issue. Sounds like we do not have a lot of issues on this policy letter after all. Maybe we will just include HTR in the Comparison Document.

Comment: This is a huge issue. It is particularly difficult for RENs and CCAs that are pushed into these areas and then need to have good TRCs. This is a policy issue. The Commission says you need to have TRC but some entities are required to work on HTR areas.

Co-Chair: I'm going to ask you to help me draft this issue.

Comment: If I recall, the Commission said HTR issue would be discussed later in phase.

Comment: I would appreciate if I can provide more thoughts on this off line

Co-Chair: That is great. We will discuss further December 7 CC meeting.

Comment: I think this issue could be teed up for a proceeding before the Commission. ORA would want the framing to be broad. We'd like to address the Commission's broader policies around HTR, not just definition. Issues include approaches to reach HTR, definition, policies to address HTR market, etc.

Comment: Going back to IMC, I think it is a policy issue. This is an ongoing topic. The real problem here is for third parties who will be proposing programs. Measures either can't be delivered or programs are not cost effective. Next year will be very difficult if this issue is not resolved. It also needs to be resolved consistent with IDER proceedings.

Co-Chair: We'll think about how to manage this going forward.

Facilitator: Is November 29 reasonable to get draft paragraphs submitted? Then we can put in draft letter and allow a little time to review and analyze before next meeting.

Comment: I'd like to raise another issue: PRG and independent evaluator.

Co-Chair: If we can get consensus on a proposal, we can submit it as part of application. We will proceed if we can get consensus. What about emerging technology? Are there issues that should be raised?

Comment: SCE is considering these issues and possibly raising in our BP. New technologies are not cost effective. Policy ask is to exempt emerging technology programs from cost effectiveness requirements. More analysis has been done.

Co-Chair: We need to consider further whether this fits within market transformation.

Comment: There is precedent for this. SMUD uses a similar approach.

### [Comparison Document](#)

Co-Chair: I'd like to see if we have come as far as I think we have. Does this document reflect where we are now? This is an assessment of how far we have come to date on various issues.

Organization:

- Item raised
- Proposal
- Rationale
- Discussion/Alternate Position
- Rational for Alternate Position
- Does anyone object to this?

Comment: I thought the Comparison Document was something we did after the BPs are finalized. Why are we comparing something that is not done yet?

Co-Chair: You raise a good point. We don't know the final product.

Comment: This doesn't seem right to me. This seems very rushed. Business Plans are not done. We can't compare them yet.

Co-Chair: I'm open to discussion. We can wait for BPs to be filed and do Comparison Document during the 30 day comments period. But then the Commission will not have the Comparison Document while they review the BPs.

Comment: My suggestion is that we do it twice. We don't want to miss the opportunity to comment on these issues. First will be a partial document, and then we can do a complete document after BPs are filed.

Co-Chair: I'm worried it will confuse the Commission if we do it twice.

Comment: These are very important issues. We need to do it right.

Comment: This industry has always been about managing amidst chaos in times of change. It seems that we should give the Commission as much guidance as we can. We can offer issues that came up while we discussed draft BPs, and then we can follow up once we see final BPs. Information is how you manage through the chaos. I understand the feeling with being uncomfortable with this.

Co-Chair: We could draft something collectively after BPs are filed or individual comment. You will have opportunity to file your own comments after BPs are filed.

Comment: I see three issues:

- 1) There is a timing issue. We don't know whether some of these issues will be included in BPs and we don't know responses from PAs so this is premature.
- 2) That might be okay if folks would go on the record saying whether they support each issue and what their rationales are. We want folks to be on the record if they have a position. This information should be included in the Comparison Document. If goal is to get positions out there for the Commission, people need to sign on. Otherwise, it will be too vague.
- 3) I'm concerned by the list of issues in Comparison Document. I know there are many other issues. It seems like these were only raised by proposals. Examples of other issues: codes and standards, AB 802 and baselines. There has been no resolution on that issue. Why does Comparison Document raise only these specific issues and not all?

Co-Chair: Comparison Document includes issues that CC members raised. Tracker has all other issues, and not both sides. I hear you on attribution to positions, but there has been a lot of discussion that has been useful regardless who said it. I'm uncertain who will be willing to add their name to these issues for a filing.

Comment: If you aren't willing to put your name on a position, it should not be going to filing. Every organization should provide alternative position if it can't agree to a position.

Co-Chair: We have struggled with this issue.

Comment: Coalition for Energy Efficiency is about to file comments. There is still a great lack of consensus. We will file comments and not anonymously. Maybe this discussion would move forward if we understand better what the time line is.

Co-Chair: It would be helpful for the Commission to understand what has been discussed. Maybe we can provide a summary of what has been discussed. We also want the Commission to understand the positions, who held them and what other positions were presented. The competing consideration is timing of comments.

Comment: Your last characterization was good: giving the Commission an idea of what has been discussed. At this point, I don't think we can characterize consensus. Once that happens, it needs to be clear what issues are and who has taken positions.

Co-Chair: Maybe we just give the Commission an assessment of issues that have been raised. Then we can do a real Comparison Document later once all BPs have been filed.

Question: What is the time line?

Co-Chair: I am thinking we will file issues that came up during CC meetings at same time as applications filed with final BPs. Then everyone has 30 days to review BPs and Comparison Document would be filed. I don't know how we can prepare a Comparison Document in 30 days.

Comment: Remember that RENs file 10 days later.

Comment: I think this is kind of like a voter education guide. It gives positions and helps reader form opinion. It would be a useful document if it is a complete document.

Co-Chair: But we don't have the final documents ...

Comment: We know the issues and we know peoples' positions on the issues.

Co-Chair: Yes, we know the issues, we know where we are leaning, and when final BPs come in we can use this to track.

Comment: From a timing perspective, we may not get a complete Comparison Document. But a tool that helps with review of BPs might be good.

Comment: Names should be included to positions. ORA is not interested in this unless names are attached. There are also some issues that are not included, like meaningful oversight. We submitted a document on this issue. We want this addressed and we want to know who supports it.



Comment: Thank you for coming up with this solution. It will be tough to get every position to sign on depending on how politically sensitive a position is. Things have to be cleared by higher levels before we can sign on.

Co-Chair: We only have until January 15.

Comment: Even a couple weeks will help.

Comment: Thank you for working through this. We also think this is important because it transparently shows people what we have done. Transparency for people outside this room is very nice.

Comment: I think we are making progress. Coalition's major concern is that we don't rush. We should not reach conclusions before BPs are final. I like this two-step process.

Co-Chair: Our compromise is that we won't try to come to consensus. Instead, we will take issues where there has been enough discussion and we will put together a "voter guide" for the Commission.

Comment: As long as we have enough time to do this, I think it is fine. Is there enough time to do this in a meaningful way?

Co-Chair: Can stakeholders put their positions together? The idea is to create a voter guide. We know the issues on the table. People have voiced the opinions in our meetings. We will translate positions for organizations. What does each organization think about the issues right now? This will give the Commission guidance of what has been discussed while it reviews the BPs.

Comment: Is this an extension of the issue tracker? PAs are responding to the issues raised in issue tracker.

Co-Chair: These are overarching issues raised by CC members. The tracker has issues raised by other stakeholders. That is the biggest difference.

Facilitator: MCE has a proposal for elements regarding statewide programs. Do you want that to be included on a document like this?

Comment: Adding this document where we need to state a formal policy position seems redundant to MCE. Maybe the tracker is better.

Co-Chair: But then you don't get the benefit of knowing what the rest of the CC members thought about the issues.

Comment: I'm not sure using this document is the best way to respond to issues.

Co-Chair: But you are not responding. You are just stating your position.

Facilitator: The tracker has so many issues. Not everything in the tracker are issues that raise to the Commission level.

Comment: If you want to curate this document, I don't really oppose that. Or maybe provide this in place of issue tracker for all stakeholder to provide further comments.

Comment: I've heard and read that there are PAs who intend to make policy proposals in their BPs. If that is accurate, they should be raised in CC meetings and allow for vetting through this process.

Co-Chair: December 7 is our last CC meeting before the filing. Sounds like we are going to proceed with "vote guide" approach to the Comparison Document and we'll see what that looks like. We may vet a draft with some stakeholders. We will discuss this further at the December 7 meeting.

Facilitator: On December 7, we will discuss process and we will review the draft document.

Co-Chair: We will provide a draft document in line with this process on December 7.

## **Session 2: Introductory Chapters of the Draft Business Plan**

Facilitator: We are talking about PA portfolio summary chapters in draft BPs. Sector chapters were pretty well developed. Portfolio summary chapters haven't really been addressed. SoCalGas seemed to have a fairly complete draft. Checklist includes what should be in this chapter.

Co-Chair: [Updated Business Plan Checklist](#) has been approved by ED so it is final. It includes everything that you have already seen but organized better. This is the checklist that PAs should use in mapping.

Facilitator: There are a number of overarching issues that apply to all sector chapters. What do you think about what you have seen in summary introductory chapters? What needs to be included in this overview chapter?

Co-Chair: How energy efficiency fits into the broader picture now that there is a trend toward more RFOs, etc.? Vision? How does PA see this for next 10 years? It would help to see how this fits in the bigger picture.

Comment: Also how this fits within regulatory requirements.

Comment: Cost effectiveness needs to be shown at portfolio level not sector level. The checklist may need to be tweaked.

Co-Chair: The checklist came from guidance, although you may be right about what the Decision says. We need to confirm this. The checklist follows the Decision and guidance that they have provided and checklist they provided in appendix.

Comment: We think that if you are running procurement in all source or all demand framework outside BP, this is the place to introduce that and how it relates to your in-source procurement. PG&E has an outside procurement that is not mentioned yet. Others may also and they should be addressed in BPs.

Comment: SCE has not included that yet but we think it is important that those be included and discussed in relation to goals.

Facilitator: Everyone has until November 21 to provide further comments.

Comment: The way people have titled things changes drastically between BPs. It would be better if there was some standardization of titles. That would help with comparisons of BPs.

Facilitator: I think PAs were planning to develop maps that connect the dots.

Co-Chair: I agree from the reviewing standpoint. A map would be helpful.

Facilitator: This is the first time for this process. It has been a big undertaking. Over time, things will be more standardized. We can't insist on perfection right now.

Comment: For someone who has not participated in this process, definitions are different in BPs. It would be best to have same definitions for each BP. There should be one glossary of terms. That would make it easier for people to review.

Facilitator: We may have offered to provide a glossary of terms at some time, but that fell off the list of things to do. We did start something. It is posted. We can also work on developing a common glossary sheet for stakeholders.

Co-Chair: The policy manual has a good glossary of terms. But we can work on something else. We need to get agreement on terms sheets.

Facilitator: A summary of all acronyms might be a convenience to PAs. Defining all terms may be too difficult to do at this time. I worry about how much energy we have for perfecting a definitions sheet.

Comment: There may be some definitions that are not that important. But upstream/midstream/downstream, for example, is very important. PAs all use different definitions. It is difficult for stakeholders to review with all these different terms.

Comment: I would advocate that Facilitator and Co-Chair work on putting this together.

Facilitator: Maybe there will be easy ways to answer this. I can take a crack at this.

Comment (from PA): If you see something that is out of alignment with draft plans, please put it in your comments or email draft authors and point it out. We welcome this feedback.

Co-Chair: Can someone remind me about midstream definition?

Comment: The Decision clarifies midstream = distributors; upstream = manufacturers; downstream = customers.

Comment: ORA would like to see strategies and discussions regarding solicitation process. What is approach to the market? How are you going out? We want a real discussion on this. Time line is not sufficient.

Facilitator: Update on ALJ clarification: We had 4 interpretive questions about the Decision, particularly August 19 guidance. ED staff suggested that we reach out to ALJ for clarification. [See response.](#)

- End date for BP timeframe: 2025
- Outsourcing of Statewide programs: not all need to be outsourced
- LGSEC proposal: alternative process available
- Can PA have locally implemented midstream or upstream program: don't want to discourage PAs from filing a midstream that is not statewide, but if you do it you better have a good rationale for doing so

Comment (from PA): If PA receives proposal for midstream program, can we move forward with that program? What is obligation of other PAs in the state?

Co-Chair: If that were to happen you probably need to have good rationale. I'm not sure how that would happen. Could be in solicitation strategy.

Comment: ORA noticed that ALJ strongly desires rationale for solicitation strategy and any activities that PA proposes to keep in house. We have not seen those to date.

Comment (from PA): My understanding is just that the mid and upstream don't necessarily need to be statewide. If that's proposed, there needs to be support for it.

### **Session 3: Additional Discussion on Draft Business Plan Content**

Facilitator: This is a follow up from discussion at last meeting now that stakeholders have had more time to review draft BPs. We will start with clarifying questions; then consistency between plans; and finally general questions and comments. Reminder that PAs have worked really hard on these drafts. Comments often feel negative. As we talk to each other, please be gentle and kind and respectful to PAs. PAs are not obligated to do everything that stakeholders ask, but they are required to thoughtfully consider input.

#### ***Clarifying questions***

Co-Chair: I am confused about SDG&E's goal 2 in WE&T section. It looked like it was more marketing education and outreach. Some of the items where goal was about reaching customers in a sector, some of the goals did not make sense to me. It was helpful to have a crosswalk (like PG&E). Can SDG&E you provide more explanation of why in WE&T?

Comment: SDG&E looks at this program as cross-cutting. We want to show how WE&T affects every sector. Because we took that approach, we needed to wait for drafts from other sectors to be finalized so our WE&T chapter is a real draft. We want education component removed from ME&O. A lot of what we have identified in these BPs is a deeper level of education and training for customer. We can put a sharper point on difference between ME&O and WE&T.

Co-Chair: That helps clarify. Helps connect the story.

Comment: We want to make it as easy as possible for people to engage in our programs. In San Diego, we have great opportunities to engage in the process to make the most impact. Our customers often need a deeper level of education. We want to make sure we have those offerings available. We want to try something new.

Co-Chair: Just make connection to WE&T (as opposed to something else).

Comment: On page 185, SDG&E WE&T first paragraph ("SDG&E will continue to facilitate a market that doesn't restrict participation for qualified workers ..."), can you explain further?

Comment: SDG&E wants to make sure we are creating opportunity for everyone to have access to our programs. We don't want to exclude anyone. Everyone can participate in programs because they have access to our trainings.

Comment: I appreciate SDG&E's approach. WE&T has been leaned on. For homeowner who is finally doing kitchen remodel, retrofit is something they do once. Workforce training is really important so contractors learn what they can bring to their customers in retrofit.

Comment: You are right. SDG&E is trying to incorporate more sales training. How can we segment different types of people who interact with customers and how can we leverage that?

We are also looking at different ways to get education to customers on how to hire the right contractor. This is out mindset as we head to implementation process.

Comment: Make sure qualified work is always included in your programs. Workers still need to be qualified.

Comment: SDG&E is including that in our plans.

Comment: This is a wonderful opportunity for utilities to establish minimum qualifications across the board for skill set requested for all programs.

Comment: This is not a WE&T issue. This is a program issue for everyone to consider. We have to have data to showcase what trainings are appropriate. We will work with programs to make sure requirements are met. I am only speaking on behalf of SDG&E.

Facilitator: Are there comments for another sector?

Comment: I have question for all PAs regarding two barriers to energy efficiency: 1) question about competent work and poor energy outcomes, and 2) question of stranded savings and ED concern about free-ridership. Barriers are not addressed in great detail in BPs. How are PAs dealing with issue of free-ridership and issue of outcomes? In this last phase, are PAs going to be addressing those barriers to a greater extent?

Comment: Have you read PG&E's Industrial sector chapter? We have references to free-ridership and we have proposed solutions. Does our chapter address your issue?

Comment: Overall we don't see a lot of specific concern about how all of us with all these programs are going to overcome ED's concern about free-ridership.

Comment: Please review PG&E's Industrial sector chapter again. Maybe it could be used as an example of how this should be addressed by PAs. It would be helpful to get feedback from those in the field about how to address. Free-ridership is an issue but it is hard to address when you are in the thick of it.

Comment: If you are looking at free-riders, you should look at it as a program. Maybe this is a philosophy to talk about more at the right time.

Co-Chair: Will you please clarify the first issue you raised?

Comment: I was talking about quality of the workforce, quality of training and quality of education and not getting all of the savings that we should be getting.

Comment (from PA): We are trying to use studies. Please send us data that supports your position.

Co-Chair: Evaluations show a big difference between what is expected and what comes out. But challenge is what is the causing factor: estimated useful life, poor quality installation, overuse? We don't know what is happening. If we don't have the data, we should note that for the Commission.

Comment: There is an issue that the data all comes up with different numbers. If you are supposed to save X amount, programs all say different things about what you will save.

Co-Chair: This is data we need from the Commission.

Facilitator: What do you want with regard to these issues?

Comment: There are always requests for more data. But this goes on and on and nothing changes. If you don't actually make a call to do something, it is a policy. Lowest bidder will not be training its workforce. There have been two studies over three years from UC Berkeley which specifically call for more training. We want to see workforce certifications in BPs. We will not give up until we get it. The other part of this is issue of free-ridership. We work very hard to convince the legislature so that PAs should get credit below code. The CPUC is not convinced. They don't want to implement the legislative requirements. If we are to overcome, this issue needs to be included in BPs. We need more MUSH programs – using public money for public good (not private projects). I think it would be helpful to convince the Commission because free-ridership shouldn't matter as much in the public sector.

Co-Chair: I'd love to have a conversation with the CPUC because I don't think they view it the same way.

Comment: I strongly agree on certifications issue. This also connects with investor confidence project. Maybe this can be set up as a protocol, managing quality across the portfolio rather than for every project. It needs to be dealt with on policy level.

Comment: We are always trying to bring people into programs. Working in small business community and single family market, they are not participating. I don't know how they come up with net to gross numbers, except below code issue.

Co-Chair: This is not really a BP issue.

Facilitator: Certification issue may be more appropriate for IPs. Are you looking for commitment on sector by sector basis?

Co-Chair: What are you looking for?

Comment: We are not looking for specific certification. We are looking for clear statement at BP level that there will be commitment to certifications.

Comment (from PA): There is conflicting evidence on this. We need data that confirms this is the right thing to do. This is not an easy solve.

Comment: To Edison, BP proposes to shift a considerable amount of downstream to midstream and upstream. How much?

Comment: I'm not sure I can say how much. This is Edison's overall general business strategy. We want to make programs as cost effective as we can. We are looking for ways to make goals and do it in most cost effective manner.

Comment: It sounds like it will be a significant shift away from downstream.

Response: I anticipate that.

Comment: This is a big deal with a lot of ramifications. I haven't heard this in the CAEECC discussions. Has this been discussed?

Comment: We discussed at subcommittee level.

Co-Chair: It is also included in Edison's September 1 filing.

Comment: This is a big deal. It has a lot of implications on things that Coalition members are concerned about. Frankly I think that something of this magnitude should have been discussed here. We are not happy about seeing this in the BP. What is the basis and authority that PAs can just move something out of a category to a new level?

Comment: This was discussed in commercial and industrial stage 1 and stage 2 subcommittee meetings. I have specific recollection of discussions.

Comment: This was discussed at subcommittee level.

Comment: In terms of our authority, we have it. We are PAs and we determine need as part of our authority. We will look to implementers to help with design. We believe that midstream and upstream strategies are the way to go. We will bring IPs to CAEECC for discussion. Studies show that upstream and midstream programs are very effective and help transform the market. Downstream programs are going away. We need to have most cost effective programs.

Comment: This is a good example of some of the issues that the CAEECC process has to address. Earlier in this process we had a robust discussion about how PAs were the only ones that could go to all the meetings. This was never reported back to the CAEECC. Just because it was addressed in a subcommittee does not mean that it was aired in CAEECC. This was supposed to be addressed by reports back to CAEECC meetings.



Facilitator: In reality this is the point of vetting draft BPs. This is the process to address issues in BPs. We are at draft BP stage. It is good to raise issue now. Don't feel like it is too late. The process is working because you are raising this issue.

Co-Chair: We didn't do report outs but we can in year 2.

Comment: PAs have discussed that we should do a study of CAEECC process and what can be improved.

Co-Chair: Before we do anything in year 2, we need to assess how it went (either survey monkey or interviews).

Comment: Suggestions for all BPs: all PAs should strongly consider a pilot project that incorporates chain of certifications and quality control in some aspect so we can collect the data. We can look at before and after meter readings. If we could get the full show, we can move forward with this.

Comment: There are reports from Opinion Dynamics on CAEECC website that address this.

### ***Consistency issues***

Co-Chair: To Edison regarding public section chapter:

- It was hard for me to understand tables because they are too detailed but at same time you are planning to bid everything out. I suggest that you say what is going to bid out and what is existing.
- Overarching strategy looks like is to provide financial solutions (even though you list a number of details options). By stating it like that (e.g., financial solutions) you are not predetermining what is coming out of the bids. Tactics can stay the same. That wouldn't be as restrictive when you bid out.
- Trends section was really good!
- Good description of barriers. You need to include barriers in your table.
- You may have all the information but it is scattered so hard to get the full story. Need to make it easy for ED to connect the dots.

Comment: Reading through draft BPs, PG&E's was the easiest to read. It flowed.

Co-Chair: Edison's was easy to read as well.

Facilitator: I saw a lot of good stuff everywhere.

Comment: Coalition for Energy Efficiency would like to make a point of clarification. We are concerned with SDG&E's statement on page 185 of the WE&T chapter that "Mandatory certifications and licenses can set standards of competency and creates value for workers, but can decrease access, including for disadvantaged workers." SDG&E cites the 2011 U.C. Berkeley

Don Vial Center Needs Assessment in support of this statement, but misrepresents the Center's conclusion by only partially quoting its finding. The DVC finding says in whole: "Mandatory certifications and licenses set standards of competency in a particular occupation, which often lead to a market-determined higher wage. This creates value for workers who invest in training. For disadvantaged workers, mandatory licensing *can increase the number of good jobs*, but can decrease access *unless accompanied by specific inclusion strategies*." (Emphasis provided.) By only partially quoting the DVC finding, SDG&E supports a myth that contractor and workforce standards are a barrier to access for disadvantaged workers.

While this partial and out of context quote came from a WE&T section, our concern is much greater than WE&T. The workforce standards/barrier to access for disadvantaged workers issue applies to many incentive programs in numerous business plans.

Comment: I'm sure it was an oversight. SDG&E will look into making a correction.

Comment: How are PAs going to make a showing for activities that you are keeping in-house? How will you revise BPs to highlight activities that you are not bidding out? Maybe those discussions go in solicitation strategy. We'd like to know what you are doing.

Comment (from PA): PG&E is looking at its solicitation strategy. Once that is decided, we will provide what we will keep in house. We will need some flexibility as we progress through the process because some things might change.

Comment: That's a good start. We'd like to hear about activities that can't be performed by third parties. For example, where there is a conflict of interest or where you think you can perform an activity more cost effectively than third parties. We'd like to see a showing of why you are more cost effective. We'd look forward to seeing similar justifications from all PAs.

Comment: PG&E hopes to have gaps filled before mid-December. We won't confuse everyone. We'll send a separate document for ease of review so you will have a chance to review before we file.

Comment: All PAs have been talking about what makes the most sense. We are trying to coordinate. We are trying to better connect the dots between solicitation strategies and sector chapters. We are trying to get closer to what you want. We would like to know more about what level of detail you are looking for regarding functions versus program activity.

Comment: Engineering review, for example, is part of custom programs. You would need to justify why some part of that custom program is being kept in house, rather than putting out to bid. Or if you want to retain an entire program, you would need to justify why you are the most cost effective, most productive supplier to handle the program.

Comment: I think a lot of that detail might be in how we craft solicitations for IPs for sectors.

Comment: From the language of the Decision, PAs have an obligation to be explicit in BPs. You should be very clear on classes of programs and activities you intend to keep in house in order to be compliant.

Co-Chair: This is not an application for funding.

Comment: PAs are applying for authority for programs, not cost recovery. Unless you prefer to do this in annual advice letters. ORA prefers that you do it here. Better than doing in Advice letters. We think it would be better to do it here and advice letters could be closer to being ministerial.

Co-Chair: To Edison regarding WE&T: I am concerned about eliminating K-12 outreach. It seems like that has been a pretty consistent statewide effort in WE&T. To see Edison going rogue, it seems out of step with statewide. We are you not thinking about that as future workforce, etc. I understand your rationale but it misses the longer term effort and opportunity to build what is coming in later. Why?

Comment: This reflects back to annual budget advice letter for 2017. Edison had to make hard choices from cost effectiveness standpoint to meet goals. This is a non-resource program. We were barely cost effective in 2016. Next year will be brutal. We have challenges and hard decisions to make.

Co-Chair: I understand regarding cost effectiveness. This also goes to free-ridership. It is still a hard pill to swallow. Maybe this will help us fix hard problems.

Comment: SDG&E has not figured it out yet. Because of tough issue Edison is facing, other IOU BPs include connections and new workforce readiness program. We want to tighten up boundaries between programs so there is a flow.

Co-Chair: Is SCE including the table that all the other IOUs included?

Response: I believe so. We'll take a look at that.

Comment: Teachers and others are affected by this. They can't keep going through ups and downs. When you combine all facts that are going together, we are crashing our programs. We have to re-think this if we are not getting the results we want. We want to expand programs and keep these things going forward. We know what education delivers even if we can't measure it. The thinking is backwards. We need to fix it.

Co-Chair: To SoCalGas regarding WE&T, I didn't see a goal to increase number of skilled workforce.

Comment: My recollection is that it is there but SCG needs to do a better job tying things together from beginning to end. We will address your feedback.

Facilitator: Any other feedback on inconsistencies? Regarding input management, deadline is November 21 for comments on all draft BPs, except Edison which are due December 1. I'm not sure I can get everything into input tracker before end of day on Wednesday.

Discussion about how stakeholders are submitting their comments.

Facilitator: It is probably easiest to separate comments by PA.

Comment (from PA): Please make it easy for us to read your feedback. The clearer you can make it for us the better.

Facilitator: Start by providing separate documents for each PA.

[Review of website page](#)

Comment: We will have a lot of overarching comments that will apply to all PAs.

Comment: After you get all the input in the tracker, and PAs review, does that mean that PAs have to change anything?

Co-Chair: PAs don't have to do anything but they may decide to incorporate feedback. PAs are going to indicate what input they included and what they did not include with rationale. Response to comments will be included in BPs. Stakeholders will have 30 days after BPs are submitted to provide further comments.

Comment: PAs would like to provide an update on statewide administrative leads and upstream/midstream/ downstream pilots.

Comment: PAs have agreed to the following changes:

- PLA (plug load and appliances) program will go to SDG&E so now it will have HVAC and PLA;
- Downstream pilots -- three are the same: indoor ag and waste water pumping to Edison, career and workforce readiness to PG&E; SEM off the table; HVAC/QIQM (quality installation/quality maintenance) for residential contractors to SDG&E

Comment: MCE is still interested in other approach it proposed regarding elements. They have been involved in all discussions. MCE will provide alternatives in writing.

Question: Will we see changes on statewide programs in writing?

Response: Yes.

#### **Session 4: Revised Conflict of Interest Plan Document – Ellen Berman**

- [Third draft is posted](#)
- We have made quite a few changes based on comments.
- We are reviewing most recent comments from CEEIC.

- Our plan is to consider those comments and provide a fourth draft ASAP, and then if there are still issues, you will need to take it up with the Commission.
- We will take last set of comments into account. We can talk directly to Margie if necessary.

Are there any other comments?

Co-Chair: Thank you for working on this with our comments. I'd like to have a few more days to process this and comment. What is timing you are looking for?

Response: We didn't ask for this. This is taking a lot of resources. We would like to finish as quickly as possible. Because we accepted the bulk of comments we don't want a lot more comments. We need to close this out soon.

Co-Chair: Getting this right is really important. If we don't get the balance right and we lose implementers from participating, then the CAEECC process is no longer viable. I should be able to give you any comments by the end of the week.

Facilitator: It seems reasonable to allow comments by close of business on Friday, November 18.

Response: Then we can get fourth draft out before Thanksgiving. That would be final. If people still have issue, then should take directly to CPUC Legal. I think we have a good plan. We'll wait until Friday for comments.

Comment: I think there has been progress. I refrained from commenting on smaller issues earlier because I thought they would get resolved. Regarding implementer participation (on page 5, no. 5), would it really be just implementers? Either allow that content to be discussed or no one should discuss it. It is not just implementers who can violate COI.

Response: Yes, I understand.

Comment: I haven't seen an indication of how policy will be enforced.

Response: This is part of where IOUs gave in. We had more teeth in the policy, and at request of comments, we took some of that out. COI is focused on the way the meetings are run. We really rely on facilitation team to make sure meetings don't allow these issues to be raised. Other participants can raise perceived conflicts but there are no specific actions that would be taken. That would get quite complicated to include. If something does come up and there is a blatant conflict, then it will be referred to ED. We removed the participation barring provision. Now it is quite vague. Person running meeting has obligation to stop that from happening. Will be referred to ED if egregious breach.

Comment: If there is a conflict, there should be a staged warning because people will inadvertently slip. It is different for an egregious breach.

## **Session 5: IP Planning Process – Facilitator**

[See slides](#)

Comment: I get most of this. PIPs are carried forward for current programs. IPs for new programs. What are revised program IPs?

Comment (from PA): Currently we are in an interim period. 2017 is waiting for BPs. We will need to update 2016 programs for 2017. Everything has to be updated using old PIP process.

Co-Chair: On October 19 we presented an order of operations. If minimum of 60% is being bid out where can non-financially interested parties provide input? And how much feedback can these parties provide on IP?

Facilitator: How do we balance the tensions? What do we need to have a minimum during IP process?

Co-Chair: NRDC does not have expertise. There may be boundaries around how much input is based on bidding process. But we may be more likely to have input on metrics and measuring how things go.

Comment: We need to think about who will weigh in on program design after it has been bid and won by implementer. It doesn't seem out of line to ask Commission about what is appropriate for public input after solicitation process.

Comment: IPs are living documents. Instead of getting perfection up front, it would be good to move as quickly as possible to get programs in place. They can be reviewed on a different schedule on a different basis and then brought before the CC.

Comment: ORA has been thinking about this. I have a straw proposal. Advice letter filing after solicitation has been run is needed for contract approval. Once you have contract approved by the Commission that should set boundaries around things that cannot be altered. If substantially altered, then may trigger requirement for re-bid. Maybe some pieces of the plan would be included in advice letter filing. That would allow for public response. Two phases: 1) some details of program in advice letter to allow public review protest before contract is approved, then 2) other pieces that wouldn't alter contract, like metrics.

Co-Chair: Regarding order of operations, NRDC is interested in seeing scope of IP, wherever that might be. Intent of request is to bring more clarity. PAs cut and paste what they have in BPs to set stage for what will be addressed. Since BPs are approved, PAs cannot go wildly off of what was approved in BPs. This would be presented in subcommittee before going to the Commission.

Facilitator: I'm not convinced that there is nothing between the BP and the IP.

Comment: To clarify, the material you are discussing is before the bid.

Facilitator: We have BPs with big picture and they suggest what will be included in IPs. There still needs to be some high level picture of the solicitation scope to facilitate input before a contract is signed...as this advanced input helps protect PAs and implementers late process changes. Even if you allow metrics to be addressed after contract has been awarded, seems like it may be too late.

Co-Chair: Originally we didn't think that the majority would be bid out. Now it seems like we need to develop best process we can and see if the Commission agrees with us or gives us better guidance. This forum is helpful for thinking about new, creative solutions. PRG task force is looking at several proposals for dealing with some of these issues.

Comment: I have heard a few options.

- When RFP is basically ready, but before it goes out to the street, maybe review scope, then some type of information provided for review;
- Or another point is when there has been a winning bid; or
- After contract is signed and approved.

Comment: Putting certain language requiring consistency in proposals would be helpful for review. PRG/NRDC/ORR/TURN will likely be involved in the review process before proposals get out to the public. Some groups have greater opportunity to review proposals. Not everyone in this room is equal.

Co-Chair: How do we leverage subcommittees as part of review process? Ted and I will present more on that on December 7.

Facilitator: We can't get too far into that discussion until we know better how the process will work.

Comment: When this topic comes back, it would be helpful to include knowable schedule for ongoing PIPs. It would be great if we could understand what is being renewed next year to understand the time line.

Comment: Advice letters have to be approved. Then it is just updating PIPs to reflect budgets and details.

Comment: There is no specific time frame when they need to be done.

Comment: I have a suggestion regarding PRG and independent evaluator. This would benefit from a few stages that are major stages. So we have stages and then roles that each party would play during each stage, including role of CAEECC. You could lay it out and it would help you to deal with this to think about what role each player has in each stage of the process.

Facilitator: Ultimately there will be hundreds of contracts. Good idea to have visual process flow.

### **Session 6: Phase III Scoping Ruling – Lara**

[See slides](#)

Potential gaps from 2013 scope  
Lack of EM&V for non-resource programs

Comment: There is a study, conducted on PG&E tool-lending library, to see if it can connect energy savings to that part of the program.

Comment: One of the issues is attribution. There is no question about the value of educational offerings but there is an issue about cost effectiveness of attributing energy savings to educational offerings.

Co-Chair: There are two ways to go:

- If this is valuable to look at, we can request that this be added to scope;
- Or PAs can add to BPs.

Comment: PG&E has considered including this as a metric for us and it would be survey-based. We are having an internal debate about what is best use of our resources in EM&V.

Comment: Some of this type of evaluation is very costly. There are ways to measure lots of issues but we always need to look at whether it is worth the cost.

Comment: Grounded Research did impact evaluation lead by CPUC and ODC. When you are dealing with measurement that becomes attributable here, it becomes a question of scope versus costs. We can look at a large data set and it will be very costly. This is one of the reasons why our education classes are not required to do EM&V because of cost of effectiveness.

Comment: I'd like to offer a set of criteria for framing the discussion. Is there a dispute that requires Commission resolution and some lack of policy clarity that Commission needs to weigh in on? If so, that would involve need to send to the Commission for clarification. I don't really see this as a policy dispute that requires Commission involvement.

Comment (from 2 PAs): Agree.

### ***Fuel Switching Rules***

Comment: The City of San Francisco has strong concerns about issue of fuel switching. Natural gas is not really cheaper. There are a lot of other costs not included in consideration.



Co-Chair: NRDC wants to even the playing field with regard to this issue.

Comment: MCE would like to see this in phase III.

Comment: The Decision also provides an exception for anything that is being done in direct support of California energy efficiency goals, specifically ZNE. This should be taken into consideration.

Comment: ORA is not prepared to take a position on fuel switching at this time. We'd like more time to review. This probably fits as an issue for the Commission. The question is timing and when we want to put this before the Commission.

Co-Chair: NRDC will put it before the Commission. We are asking if it should be in phase III.

Comment: Do we want to take this on in the next 18 months while other important issues are moving forward?

Comment: Coalition for Energy Efficiency strongly support comments on behalf of City and County of San Francisco.

***Data and access rules not addressed in pervious rulemakings (e.g., R.08-12-009)***

Comment: I think this issue is already being addressed in EDAC, but it might be good to confirm with EDAC.

Comment: I'd like to talk to members about this issue.

Comment: It would be good for the Commission to address data issues in phase III. Two areas of concern:

1. access to data for statewide implementers and how that data is housed. There are compelling policy reasons to house it in one place. The Commission should consider that.
2. access to data between PAs. Opportunities to share participation data and other data to identify opportunities.

There are benefits that would be found from sharing data. I understand EDAC is not about providing data to PAs, but more about providing data to retailers, etc.

Comment (from PA): It would be good to have a matrix of data issues and how they are being addressed. Making folks aware of building owner access to data is being addressed through AB 802. A matrix of the various data sharing issues would help us to find the gaps.

Comment (from PA): I want to second that. We do not want to lose privacy.

Comment: I would encourage the Commission to look at data issues. EDAC is working on this issue, but mostly focused on greenhouse gas data issues. It is not really looking at program design issues. It is complicated. It will be easier for everyone down the road if this addressed.

Co-Chair: We will discuss these issues further on December 7.

*[Adjourn.]*