

### Considerations for reviewing and providing comments on PA Business Plan Chapters

Please consider the following questions as you review the Business Plan chapters. The second page provides a template into which your feedback may be captured.

Prior to reviewing and commenting on the Business Plan drafts, a reviewer may wish to review the updated “NRDC Compilation of CPUC Business Plan Guidance and PA Consensus Outline” found on the CAEECC [Guidance webpage](#). That document merges a number of sources of guidance to PAs into a convenient outline format that the PAs have collectively agreed to leverage as they draft their documents. The following areas of review are intended to highlight those items that would be helpful in updating the business plans before the next draft. We do not expect stakeholders to answer all questions. Please choose those that are relevant to your interests. There is also an open row for additional comments that might not fit into the following format.

#### 1. Structural Review

- a. Do the chapter layout and order of topics comply with NRDC compiled guidance document “outline”?
- b. Does the stylistic/visual presentation allow for easy navigation through the chapter (i.e., allowing easy comparison of the chapter against the NRDC compilation)?
- c. What examples from other PA chapters (whether same PA different sector or different PA all together) would you suggest be considered for this document

#### 2. Content-Related Review

- a. Are all key pieces of information, tables, graphics, and supporting documents called for in the NRDC Compiled guidance document present in the Chapter?
- b. Are your previous comments and input addressed in the document?
- c. Is the overall sector plan coherent and clear?
- d. Are proposed activities (intervention strategies) sufficiently justified by the market assessment and other data analyses presented?
- e. Are substantive assertions and conclusions supported with clear reasoning and adequate citations?
- f. Are metrics relevant, representative, and associable with future IPs and PIPs?
- g. Is material presented at the right level of detail for a Business Plan?

On the next page, please find the comment template in which substantive comments can be recorded and then submitted to [facilitator@caeec.org](mailto:facilitator@caeec.org). If you have any questions about using this form or the review process, please contact the facilitator by phone or email. Caution: this form is set up as an 8.5 X 14 inch document and will not properly print on 8.5 X 11 paper.

Instructions: Please make comments specific, reference pages where appropriate, and be focused on Business Plan level strategies.

Commenter: Please Fill In This Part Of The Form					For PA Use	
Comment #	Sector	Page #	Comment	Rationale for Comment (include references to evaluations, studies, etc., if applicable)	Integrated (Y/N)	Rationale for Y/N
TURN-1	Industrial	p. 5 (focus on micro/small segment)	Observations <ul style="list-style-type: none"> <li>SCG’s industrial sector BP chapter focuses on on the micro/small industrial segment. TURN finds SCG’s basis for focusing on the micro/small industrial segment (p. 5) confusing. SCG’s industrial sector usage is dominated by a few, very large customers that consume nearly 90% of the natural gas within the industrial sector.<sup>1</sup> 63% of SCG natural gas consumed by a few, very large customers; refineries 34% of total SCG’s total gas. Per Figure 1.6 below, even though the refineries, metals/minerals, and food/beverage industrial segments have realized energy savings in excess of estimated market achievable potential, the additional unrealized economic potential dwarfs the savings potential in all other segments (excluding mining).</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>		

<sup>1</sup> SCG’s industrial sector represents nearly 70% of the natural gas consumed by all customers.

		<p><b>EE Potential &amp; Realized EE Savings</b></p> <p>A comparison of market potential with realized energy savings, by NAICS segment, is shown in Figure 1.6. The realized energy savings are considerably higher than market potential for the Refineries segment and Food/Beverage segment indicating there still exists obtainable economic EE potential in these segments. In contrast, many other segments such as Aerospace/Machinery, Mining, and the Wood/Paper/Printing have a high potential for energy savings, but still have low participation rates.</p> <p>Figure 1.6: 2010-2015 Industrial EE Potential vs. Energy Savings by Segment</p> <table><thead><tr><th>Segment</th><th>Economic</th><th>Market</th><th>Energy Savings</th></tr></thead><tbody><tr><td>Refineries</td><td>48</td><td>1</td><td>32</td></tr><tr><td>Metals/Minerals</td><td>42</td><td>1</td><td>13</td></tr><tr><td>Food/Beverage</td><td>22</td><td>1</td><td>14</td></tr><tr><td>Mining</td><td>31</td><td>1</td><td>1</td></tr><tr><td>Wood/Paper/Printing</td><td>5</td><td>1</td><td>2</td></tr><tr><td>Aerospace/Machinery</td><td>2</td><td>1</td><td>1</td></tr><tr><td>Textiles</td><td>9</td><td>1</td><td>3</td></tr><tr><td>Asphalt/Cement</td><td>1</td><td>1</td><td>1</td></tr><tr><td>Other</td><td>13</td><td>1</td><td>3</td></tr></tbody></table> <p><b>Recommended Action</b></p> <ul style="list-style-type: none"><li>Given the Aliso Canyon crisis (not mentioned in the BP), and other related regional energy constraints and challenges, TURN believes SCG should have a more comprehensive approach to its industrial sector. Certainly address the micro/small industrial segment, while ensuring that reasonable additional efficiency and distributed resource opportunities with the refineries, metals/minerals, and food/beverage industrial segments are not being overlooked.</li></ul>	Segment	Economic	Market	Energy Savings	Refineries	48	1	32	Metals/Minerals	42	1	13	Food/Beverage	22	1	14	Mining	31	1	1	Wood/Paper/Printing	5	1	2	Aerospace/Machinery	2	1	1	Textiles	9	1	3	Asphalt/Cement	1	1	1	Other	13	1	3			
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TURN-2	Industrial	p. 24 (proposed CDI)	<p><b>Observations</b></p> <ul style="list-style-type: none"><li>SCG proposes to offer a standard direct install (DI) strategy targeted primarily at small/medium-sized customers that will deliver natural</li></ul>																																										

			<p>gas energy efficiency solutions, with electric and water efficiency, where feasible, to achieve near-term measurable results. SCG claims that a comprehensive direct install (CDI) tactic will extend beyond the standard DI offering and achieve deeper, more comprehensive EE equipment retrofits. SCG proposes that the CDI will rely, in part, on ratepayer funds and leverage customer co-fund contributions and/or customer financing. TURN finds little if any analysis or basis for SCG's determination that direct install is the optimal approach to the small/medium-sized industrial customers. Also lacking are an explanation as to what constitutes "comprehensive" and projected cost-effectiveness.</p> <p><b>Recommended Action</b></p> <ul style="list-style-type: none"> <li>TURN recommends that SCG expand its discussion of CDI to provide the rationale for turning to this approach to reach the small/medium-sized industrial sector.</li> <li>TURN recommends SCG consider PG&amp;E's BP AG sector finance strategies for its industrial sector, including focus on project co-pays over the \$100,000 ceiling for OBF, extending OBF repayment periods beyond the current standard of five years up to ten, and new, lower risk financing structures for the sector as they become available.</li> </ul>			
TURN-3	Industrial	p. 25 (up- and mid-stream incentives)	<p><b>Observations</b></p> <ul style="list-style-type: none"> <li>SCG proposes to provide deemed incentives to manufacturers and distributors that will be used to reduce the retail cost of natural gas EE equipment (e.g., tankless water heating). This offering will be coupled with a comprehensive, co-pay direct install strategy that can effectively deliver on-demand installation by trained and qualified contractors. TURN supports extending the practice of up- and mid-stream incentives and promotions from residential equipment and appliances to commercial, industrial, and agricultural equipment and appliances. It would be very helpful to include additional information and data as to what products are being considered at the manufacture and/or distribution level.</li> </ul>			

			<div>Recommended Action</div> <ul style="list-style-type: none"><li>TURN recommends that SCG expand its discussion of up- and mid-stream incentives to provide additional information and data as to what products are being considered at the manufacturer and/or distributor level.</li></ul>		
TURN-4	<div>OVERVIEW</div> <p>TURN’s review and comment on SCG’s draft industrial business plan chapter focuses on Item 2. Content-Related Review, items d – g, of the CAEECC’s suggested guidance review.</p> <div><div>d.</div><div>Are proposed activities (intervention strategies) sufficiently justified by the market assessment and other data analyses presented?</div></div> <div><div>e.</div><div>Are substantive assertions and conclusions supported with clear reasoning and adequate citations?</div></div> <div><div>f.</div><div>Are metrics relevant, representative, and associable with future IPs and PIPs?</div></div> <div><div>g.</div><div>Is material presented at the right level of detail for a Business Plan?</div></div> <p>TURN also considered the extent to which the draft BP chapter addresses customer sector market barriers to greater participation and deeper savings through innovations and synergies via existing and possibly new customer- and market-based strategies and tactics. SCG fails to mention possible opportunities to further advance efficiency with its largest customers. TURN is concerned that proposed solutions to the small/medium segment such as comprehensive direct install may not be as productive or cost-effective as additional innovations in finance.</p>				
TURN-5	<div>GENERAL COMMENT</div> <div>Observations</div> <ul style="list-style-type: none"><li>Customer sector goals and program savings, budgets, and cost-effectiveness are forward looking. The BPs are intended to be integral to California moving the current generally flat or stagnant needle on energy efficiency. Some quantitative context to the current portfolios and programs would be very helpful.</li></ul> <div>Recommended Action</div> <ul style="list-style-type: none"><li>We recommend that all data on projected customer sector goals and program savings, budgets, and cost-effectiveness be given some context relative to ongoing customer sector activities and accomplishments. There needs to be some demonstration as to how the BP will advance savings and improve cost-effectiveness.</li></ul>				

TURN-6	<div>GENERAL COMMENT</div> <div>Observations</div> <ul style="list-style-type: none"><li>It is not clear whether projected savings are gross annual. In D.16-08-019 (at p. 21), the Commission directed a return to net goals and the development of cumulative goals for application in 2018 to support the State’s SB 350 efforts.</li></ul> <div>Recommended Action</div> <ul style="list-style-type: none"><li>If not already included, we recommend that SCG provide projected customer sector goals and program savings in net annual and net cumulative form, with the basis for net provided, and cumulative specified by the estimated average EUL by customer sector and key programs. Indicate the basis (ie end use, measures) for the estimated average EUL(s).</li></ul>		
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Commenter—please replace **red text** with the information you wish to provide. Please submit completed comments to **facilitator@caeccc.org**