California Energy Efficiency Coordinating Committee

Full Quarterly CAEECC Meeting #28

March 17, 2021 9:00 – 12:00

Teleconference

Draft Meeting Summary

Facilitators: Dr. Jonathan Raab, Raab Associates, Ltd.; Dr. Scott McCreary, CONCUR Inc.; & Katie Abrams, CONCUR

On March 17, 2021, the California Energy Efficiency Coordinating Committee (CAEECC) convened a quarterly meeting of the full CAEECC via WebEx. Over 130 individuals participated, including 39 Full CAEECC Members, Proxies and Ex Officio. A full list of meeting registrants is provided in Appendix A.

Meeting facilitation was provided by Dr. Jonathan Raab (Raab Associates Ltd.), Dr. Scott McCreary (CONCUR Inc.) and Katie Abrams (CONCUR Inc.). Meeting materials, including presentations, are provided on the CAEECC website here: <https://www.caeecc.org/3-17-21-full-caeecc-mtg>

While CAEECC meeting summaries typically focus more on summarizing key takeaways, areas of consensus and disagreement, and next steps, some topics in this meeting summary include a level of detail more like a transcript.

Following the presentations, key clarifying questions or comments are listed and relevant *responses to questions* are noted in *italics*. Where multiple responses were given, these responses are listed as sub-bullets. Public comment, and any responses given, is included following these discussion sections. Next Steps, at the end of this document, list all next steps discussed at the meeting.

**Introductions**

At the beginning of the meeting, CAEECC facilitator J. Raab opened the meeting, reviewed the agenda and WebEx “housekeeping” protocols. The focus of the meeting is for Members to receive information on the Market Transformation Administrator RFP; receive and discuss Working Group Updates and the Third-Party Solicitation Process; receive and discuss the CAEECC 2021 Workplan, Potential New Member Updates, Annual Evaluation Survey Results, Proposed Groundrule Changes, and Conflict of Interest Policies and Enforcement; and EE Portfolio Reform discussion with Energy Division.

**SESSION 1: IMPORTANT UPDATES & CAEECC DISCUSSION**

***Market Transformation Working Group (MTWG) Report & Evaluation***

Jonathan Raab, facilitator, provided an update on the MTWG report and evaluation. This presentation is available on the CAEECC website (see link above to Meeting Materials, *3.17.21 Full Quarterly CAEECC Presentation (3.16.21),* under “Documents Posted Before the Meeting”).

Here is a high-level summary of the update – see slides for details:

* **Market Transformation WG: Phase II Report**
	+ Reached consensus on most principles and many recommendations, with four non-consensus issues
	+ Report posted to meeting page on 2/1/2021: <https://www.caeecc.org/1-22-21-mtwg-mtg>
* **MTWG Phase II Evaluation Key Points**
	+ The overall evaluation results were mixed with overall success at only 4.5, but the process having created more value than if it had remained at CPUC (5.2)
	+ Notably all the scores were lower than Phase I MTWG (from 0.1 to 0.8), with the overall success dropping from 5.3 to 4.5. Several reasons for this elaborated in comments and facilitation observations:
		- CPUC decision mid-way to not have results filed formally
		- More non-consensus issues
		- Process concerns early-on by some, WebEx vs. in-person meetings, narrower and more allocative issues, etc.

Clarifying Questions and Comments (facilitated by Scott McCreary):

* D. Suyeyasu, CodeCycle: During the Codes and Standards (C&S) conversation I presented a slide and verbally asked PG&E and SCE if they were looking for a solution that optimizes an accounting solution/answer for the utilities or for the broader ratepayer collective interest. PG&E and SCE didn’t answer then or at a later date. Fundamentally there are two different groups, and I can’t assure you of anyone’s intent including my own, but some entities optimized accounting for themselves and others for a broader collective. So, it’s not surprising we didn’t come to agreement because we were all answering different questions.
* R. Young, SMW Local 104: There is not a fair comparison between Phase I and Phase II evaluation results because 1/3 of the participants did not respond to the second survey whereas 18 of 18 responded in Phase I. I’m curious why 5 members didn’t fill out the survey in Phase II; it’s incumbent on members to stay engaged, and by not filling out the survey, we cannot have accurate results or comparisons.
	+ *J. Raab, Facilitator: The facilitation team and Co-Chairs sent numerous reminders.*
	+ *J. Berg, Co-Chair, BayREN: Some participants informed me that they had declined to take the survey because they had not fully participated/stayed engaged in the process*
	+ L. Ettenson, Co-Chair, NRDC, Co-Chair, NRDC: Echo the importance of survey completion.
* C. Torok, CPUC: There was never a plan to have a Decision filed after this WG, so maybe that was an assumption that the CPUC course-changed mid-way. The CPUC’s intent was always to move some of these big thorny issues forward and create something to hand off to the Market Transformation Administrator (MTA). So, I wanted to state and correct that for the record. Also, to provide background, our first MTWG took the Staff Proposal and added detail and consensus on certain items; it was adopted, but the Judge recommended (not directed) that the WG continue to meet and discuss some of the more difficult issues such as overlap and goals. A careful read of the Decision suggests that the first application for MTIs may address further policy questions like these, but there was never a plan for another decision in this phase before the MTA request-for-proposal (RFP)
	+ *L. Ettenson, Co-Chair, NRDC:* *NRDC is less interested in engaging in policy issues that will not be formally adopted. Suggest adding explicit language in CAEECC Prospectuses and CPUC Decisions that reference CAEECC to avoid such miscommunication in the future.*

***Market Transformation Administrator RFP***

Christie Torok (ED) provided the following update (no slides provided):

* RFP was released last Wednesday; sent to service list and to list of organizations developed by the stakeholder committee charged with scoring.
* RFP is due June 30; bidders conference in about 3 weeks. In order to bid, applicants need to register on Power Advocates. No one involved with the RFP can discuss it in any forum with any actual or potential bidder, so cannot take questions on this call
* PG&E is the contract administrator and fiscal agent for the solicitation
* The scoring committee, which includes some participants on this call, weighed in on RFP documents. The scoring group is comprised of PAs, public interest groups, and regulatory agencies.

***Underserved WG***

Scott McCreary, co-facilitator, provided an update on the Underserved Working Group. This presentation is available on the CAEECC website (see link above to Meeting Materials, *3.17.21 Full Quarterly CAEECC Presentation (3.16.21),* under “Documents Posted Before the Meeting”).

Here is a high-level summary of the update:

* Status of 3 sub-WGs as of 2/24/2021 UWG meeting:
	+ Residential (UC Davis): analysis/report completed Dec 2020
	+ Small-medium business (SMB) (UC Irvine and Green Love Economics): analysis in-progress; report spring 2021
	+ Public sector (UCSB): workplan completed; analysis summer 2021
* Illustrative findings are emerging, but are not yet sufficiently developed or definitive to form the basis for compelling policy recommendations
* Research teams will continue their respective focus on gathering sufficiently complete datasets with appropriate granularity, conducting regression analysis and spatial analysis, and reporting on whether results clearly point to robust identification of and reasons for underserved sectors
* Anticipate final analysis completed summer 2021
* WG report to Energy Division upon completion of analyses

Clarifying Questions and Comments:

* A. LaBonte, CPUC: To ensure the CPUC is setting clear expectations, I want to remind participants that the charter changed significantly before the WG launched. The charter was revised into two phases. First identify, quantify, and characterize whether there is a group that is underserved. Then, if there is sufficient data to support such a claim, the WG would make policy recommendations (in a 2nd phase). So, while the WG’s final deliverable might be a policy recommendation, the CPUC has never said it would include those recommendations in a Decision. What I’m hearing from today’s update is that the WG is not ready for policy recommendations because the data is not definitive enough at this point, so the next steps may be characterizing what additional data would be necessary for future analysis.
	+ *L. Ettenson, Co-Chair, NRDC: For the UWG, there is clarity on phases and the WG understands the CPUC’s expectations. The biggest value of this WG may be analyzing general trends but it’s also informative to recognize that we don’t have granular enough data to answer this question in a meaningful way. This issue has also come up on the Environmental Social Justice Action Workshop, so may be something to address in another forum.*

***3rd Party Solicitation Process – Amri Christianto, Southern California Edison (SCE)***

Amri Christianto, SCE, provided an update on the investor-owned utility (IOU) third party (3P) solicitation process. This presentation is available on the CAEECC website (see link above to Meeting Materials, *3.17.21 Full Quarterly CAEECC Presentation (3.16.21),* under “Documents Posted Before the Meeting”).

Clarifying Questions and Comments on SCE’s presentation:

* D. Suyeyasu, CodeCycle: For PG&E’s Compliance Improvement programs, I sent questions in advance: does PG&E have plans to release Compliance Improvements solicitations, or will you keep that work in-house? Would the programs be local?
	+ *M. Braunwarth, PG&E: Initial solicitations were focused on the statewide suite of programs outlined in CPUC Decisions; compliance programs are continuing as local utility-led programs. PG&E has been focused on closing out statewide solicitations currently on our plate. The programs could be local or statewide; it hasn’t been decided.*
* D. Suyeyasu, CodeCycle: I heard there is a consensus agreement amongst IOUs for C&S programs. Does that agreement impact what RFPs get released? Is it one collective decision or four individual decisions?
	+ *L. Morris, PG&E: I’m not aware of the consensus agreement you’re referring to; perhaps we can either take this offline or add it as an agenda item for the next full CAEECC meeting?*
	+ *D. Suyeyasu, CodeCycle: I have a few followup questions; I will followup with L. Morris offline*

J. Raab requested D. Suyeyasu circle back after reaching out to PG&E and let the Facilitation team know if this would be a proposed future agenda item.

**SESSION 2: CAEECC 2021 Planning Session**

Note, for each of the session 2 topics, the presentation is available on the CAEECC website (see link above to Meeting Materials, *3.17.21 Full Quarterly CAEECC Presentation (3.16.21),* under “Documents Posted Before the Meeting”).

***Workplan & Proposed Quarterly CC Dates***

J. Raab noted that the four full CAEECC Quarterly Meetings will be held March 17 (today), June 24, either August 5 (if CAEECC needs to review ABALs) or September 2 (if not), and December 2. He urged CAEECC members and interested stakeholders to hold August 5th and September 2nd until the final date is decided based on guidance from the CPUC on whether CAEECC will be reviewing ABALs.

He reviewed the workplan, accomplishments to date, and meeting strategy for the Underserved WG. For the New Portfolio Filing (aka Business Plan) Working Group, he noted that the topic may be addressed through a WG or the full CAEECC, that the workplan assumes 2.5 days’ worth of meetings (assuming 2 major issues), and a half day for reviewing draft PA Filings (regarding 2 major issues). He noted that this element of the workplan depends on the timing and final CPUC decisions on the EE Filing WG Process recommendations. Finally, he noted that the workplan includes budget for 2 unspecified workshops and 2 unspecified WG meetings.

Clarifying Questions and Comments on Workplan:

* G. Wikler, CEDMC: Might CAEECC engage in the upcoming Proposed Decision on Potential & Goals?
	+ *J. Raab, Facilitator:* *Originally, we had a placeholder in today’s meeting if the Proposed Decision had come out before this meeting, but it didn’t come out before this meeting, so we transitioned to a preparatory discussion leading up to the Proposed Decision.*

***Potential New CAEECC Members***

J. Raab provided the following update:

* Received one inquiry, but they didn’t complete the application process
* CAEECC to evaluate member composition and identify if any important related stakeholder groups are missing by the end of 2021

Clarifying Questions and Comments on Potential New CAEECC Members:

* L. Ettenson, Co-Chair, NRDC: Does it make sense to evaluate the CAEECC membership sooner depending on what comes out of the Decision? If there is a clear gap in the environmental and social justice groups, and the decision calls for an equity assessment of the portfolio, then perhaps we can move up the initial review?
* J. Raab, Facilitator: To clarify, are you suggesting waiting until after the Decision to do the analysis and also to fill the gaps?
* L. Ettenson, Co-Chair, NRDC: Yes to both

***CAEECC Groundrule Compliance Survey Key Results***

J. Raab reminded CAEECC members that it conducts an annual survey, which focused this year on groundrule compliance. Here is a high-level update:

* Members generally feel that Member (5.2); Facilitation Team (5.3); and Co-chair (5.1) compliance with their respective roles and responsibilities was fairly high
* Members also generally feel that groundrules related to Substance (4.8) and process (4.7) were being adhered to
* Almost all Members feel that CAEECC fosters open & honest dialogue (5.2), although one Member gave this a 1
* The lowest score was whether there’s clarity for who’s responsible for groundrule enforcement (4.5), with two Members giving this a 1 – based on this result, the Facilitator and Co-Chairs put together an interlocking set of proposed groundrules (to be presented in the next meeting topic)
* Note: *Scores are 1-6 scale, where 1 is "strongly disagree" and 6 is "strongly agree”; and 3.5 is mid-point of 1-6 scale. Scores based on responses from 17 of 21 members*

Clarifying Questions and Comments on Groundrule Compliance Survey Results (facilitated by Scott McCreary):

* L. Morris, PG&E: Was this the survey where some of the answer scales were wrong, and if so, did that bring down or skew the averaging?
	+ - *J. Raab, Facilitator: There aren’t numbers in the survey; on the backend, the Facilitation team created a 1-6 scale, where 1 is "strongly disagree" and 6 is "strongly agree”. There were a few questions where we inadvertently flipped the sequence of “slightly agree” and “agree”; we could not tell whether people realized the wording change, so we kept the 1-6 scale.*
* D. Suyeyasu, CodeCycle: Mentioned this in my responses; average and median doesn’t illustrate where things are breaking down; they are useful but not determinative.

***Proposed Groundrule Changes***

J. Raab explained that, based on the Groundrule Compliance survey results, the Co-Chairs and Facilitation Team proposed a set of groundrules related to clarifying groundrule enforcement. He shared the “Proposed New Enforcement Groundrules”, posted to the meeting page (linked above), and requested feedback on the document.

Clarifying Questions and Comments on Proposed Groundrule Changes

* D. Suyeyasu, CodeCycle: Would this new rule be applicable to historical issues or just to issues going forward?
	+ - *J. Raab (with Co-Chair concurrence): Good and fair question. Propose that if there are lingering issues, this could be the framework for addressing those, too.*
* D. Suyeyasu, CodeCycle: In the spirit of transparency, suggest adding a global statement to the effect of: “Information relevant to the issue/complaint shall be shared between the parties”.
* A. LaBonte, CPUC: For Section VII “Commission Staff”, the language is vague because the specifics may change. We think the process will be for letters to be sent to the Director of Efficiency, Electrification and Procurement (could be changed to be someone higher or lower). These specifics are subject to change, and thus doesn’t need to be spelled out in this document but wanted to verbally state our intended starting point. To that end, the last sentence in the document notes that issues will be handled on a case-by-case basis. Note that Pete Skala is the Director of Efficiency, Electrification and Procurement.

J. Raab reminded members of the groundrule for changing groundrules (Section IV. B.i): to first seek consensus, and if consensus is not achieved in a timely fashion, a decision can be made if a quorum is present and 2/3 or more of the CAEECC Members (or their Proxies) present agree. He asked members to raise their hand if they did not support the proposed new rules as written. No hands were raised. Seeing no objections, he noted that the Facilitation team will post both clean and redline versions and consider this the updated document going forward.

J. Raab then invited L. Ettenson, who was the only person who proposed a new groundrule in the Groundrule survey, to share her proposal. L. Ettenson referenced Section IV.A.v (CAEECC Ground-rules on Substantive Issues): “*All the above ground-rules apply to all Full CAEECC, Working Group, Workshops, and Subcommittee meetings. However, unless the CAEECC previously agreed at a Full CAEECC meeting that the particular Working Group, Workshops, or Subcommittee was delegated to complete the deliberations on behalf of the Full CAEECC on those specific issues, any options devised or consensus agreement - if any - would come back to the full CAEECC to review, refine if need be, and finalize*”. She noted that the existing groundrule references a process for delegation to WGs, and that CAEECC has essentially not followed that process but delegated by default.

She asked if members thought it would be valuable to clarify this groundrule, or more carefully enforce it? J. Raab invited clarifying questions and comments on the proposal:

* M. Campbell, CalAdvocates: I don’t have a strong opinion but want to ensure CAEECC is doing things that are broadly desired by the Commission. Can you give an example of how this would play out?
* L. Ettenson, Co-Chair, NRDC: For example, in the EE Rolling Portfolio WG, members collaboratively made decisions without first seeking formal delegation authority from the full CAEECC.
* A. LaBonte, CPUC: About a year ago, members asked about how to work on topics outside the rulemaking process. Part of the charter includes how WGs are formed. CAEECC uses ratepayer funds, so CAEECC priorities should align with those of the Commission. Does the proposed groundrule relate to that?
	+ - *L. Ettenson, Co-Chair, NRDC: I believe this groundrule is separate since it focuses on topics that have already been approved by the CPUC.*
	+ J. Raab, Facilitator: Going forward, we can add to each WG Prospectus/Charter whether issues go to the full CAEECC or are delegated to WGs for decision making.
	+ R. Murali, CSE: Agree with the proposal.

As a next step, the Facilitation team will update Groundrules Section IV.A.v (CAEECC Ground-rules on Substantive Issues) to include language about noting in each Prospectus whether the full CAEECC will retain final recommendation-making authority or delegate it to a WG.

***CAEECC Conflict of Interest (COI) Policies/Enforcement/Updating***

Lara Ettenson provided the historical context (business planning process) that gave rise to the COI policy. The IOUs developed the policies (since they were leading the 3P solicitation process) with ED and CPUC legal counsel; it went through many iterations before being adopted. This document is available on the CAEECC website (see link above to Meeting Materials, *CAEECC Conflict of Interest Policy (2.10.21),* under “Documents Posted Before the Meeting”).

J. Raab presented three questions for CAEECC member discussion.

1. Is a CAEECC COI policy/set of groundrules still necessary?
2. If so how, if at all, should it be updated, and by whom?
3. How should it be enforced, and by whom?

CAEECC Discussion:

* J. Berg, Co-Chair, BayREN: I don’t think there’s harm in keeping it because while 3P solicitation is close to completion, the intent was to ensure third parties and implementers are comfortable and continue to be involved in CAEECC.
* L. Ettenson, Co-Chair, NRDC: If we wait to see the Decision, the future of the planning process might create clarity on what needs to be updated and how. The question is what IOUs and 3Ps are doing with conflicts of interest
* D. Suyeyasu, CodeCycle: I’m concerned about conflicts. I would vote for removing the policy because it creates ambiguity. There are conflicts with not just 3Ps, but also IOU PAs. CodeCycle has evaluated state regulations and laws on these topics and feel safe that what happens within CAEECC doesn’t go afoul of state laws, but welcome opinions to the contrary. So it’s a matter of how CAEECC wants to go about its business. Recommend removing it because everyone knows what position everyone is representing. More collective voice is helpful rather than ambiguity potentially shutting down voices.
* C. Malotte, SCE: Second the notion of revisiting this after seeing the Decision.
* M. Campbell, CalAdvocates: There should be a general expectation or requirement that everyone disclose who they represent. It’s obvious for some members like my organization and NRDC, but less so for consultants, who I believe should clearly disclose which clients they represent
* R. Murali, CSE: Agnostic as to whether this COI exists.
* LaBonte, CPUC: What are people flagging as problematic?
	+ - *L. Ettenson, Co-Chair, NRDC: I’m hearing concerns about the Business Plan process. If there is a new application process, and we want third parties involved, we want to spell out 3P involvement and ambiguity on enforcement*.
* J. Kalafut, CPUC: The COI policy is probably worth a relook after the Proposed Decision, and then decide what changes and timeline make sense for any needed updates
* B. Kotlier, CEE: Agree with proposal to wait for upcoming Decision. Strongly in favor of having a COI policy. It’s important that we understand there are vying commercial interests; thus, we should be disclosing who we represent, and in certain instances, we should consider recusing ourselves if commercial interests are in conflict with overall objectives of CAEECC
* D. Suyeyasu, CodeCycle: I’ve been conscious of this policy though have not reread it recently. What I’m responding to is the discussions about Energy Division’s concerns about implementers participating in discussions at the sub- or sub-sub group level where there is less transparency. The policy doesn’t explicitly forbid implementers from participating in sub-subgroups. That said, I recommend revisions because it’s useful to have discussions, but need transparency. So, I recommend we focus the policy on transparency not on forbidding actions.
* J. Raab, Facilitator: Policy put in place before Raab and CONCUR joined as facilitators. The document focuses heavily on sector-based work, which is not how we currently organize WGs.
* M. Campbell, CalAdvocates: Supports beneficial COI policy. Bias should be towards expectation that something could be waived not which elements would be imposed. Transparency would illustrate which entities would be prohibited from participating not just noting that they have a particular interest
* S. Berelson, CEDMC: I have significant reservations about excluding implementers or other members from discussions.

J. Raab summarized the next step as a need for CAEECC to review the COI policy after the Proposed Decision and look for ways to make it less ambiguous and more helpful. He noted that CAEECC may convene a volunteer group to review and propose revisions of the policy to full CAEECC.

**SESSION 3: EE Portfolio Reform – *Jen Kalafut, Alison LaBonte, and Jessica Allison (Energy Division, CPUC)***

J. Raab provided context, noting that CAEECC members participated in an EE Filing WG process and subsequently two technical sessions with Commission staff that included some, but not all the questions posed today. He further noted that these questions were provided to CAEECC two days before the meeting, so there have not been internal WG meetings to prepare for or align on responses to the CPUC’s questions.

Jen Kalafut provided some background and opening remarks on the CPUC’s followup questions from the EE Filing WG. She welcomed feedback both during the meeting and offline on these topics. The CPUC will be addressing three primary topics in a forthcoming Proposed Decision – 1) possible new metrics for goals, 2) portfolio segmentation, and 3) rolling portfolio process reform. On the last point, the CPUC continues to review the CAEECC proposal. The CPUC is considering when the new portfolio would take effect – currently Business Plans are slated to be due in September 2021, with 2022-2023 review, for a 2024 program start. With that in mind, the CPUC is considering what the 2022-2023 transition years would look like.

Jessica Allison presented a few slides on background and timeline. This presentation is available on the CAEECC website (see link above to Meeting Materials*, EE Portfolio Reform CPUC (3-15-21),* under “Documents Posted Before the Meeting”).

The presentation, questions, and subsequent CAEECC discussion, is organized into three topic areas: timing for Business Plan Filing, managing 2022 and 2023 ABALs during “transition” period, and program closures. In each of the three sections below, we present the Background and Questions provided by the CPUC, followed by clarifying questions and comments from CAEECC members.

***Business Plan Filing***

CPUC Background: The PAs are required to file new business plans in September of 2021. The proposed decision addressing the energy efficiency portfolios is in progress.

CPUC Questions:

* Assuming changes to the EE portfolio structure and process, is there sufficient time for the PAs to file business plans incorporating those changes?
* If the CPUC was to consider postponing the due date, what should the revised due date be?
* Are there any other topics related to the business plans which have not yet been addressed?

CAEECC Member Clarifying Questions and Comments

* L. Ettenson, Co-Chair, NRDC: In April 2020, CAEECC asked for at least 9 months for an inclusive and productive planning process. NRDC’s comments reiterated that request. That said, if the Goals & Potential Decision proposes dramatic changes, then we suggest at least 9 months after that Decision, so it’s clear what the PAs are planning for.
	+ *J. Allison, CPUC: If we wait 9 months after a Decision that will come later in the year, waiting will have ramifications. Is there flexibility?*
	+ *A. Havenar-Daughton, MCE: There is uncertainty around the scale of potential changes, so the timeline depends on that. We need to leave sufficient time for tool updates like Cost Effectiveness Tool that are used in the planning process.*
* M. Campbell, CalAdvocates: A key driver in the timeline is allowing adequate stakeholder review of budgets. Does the ED agree with a four-year Business Plan cycle, as agreed upon by CAEECC members?
	+ *J. Kalafut, CPUC: Yes to four years. We need long term planning for reliability purposes.*
* B. Sanders, SCE: Timing depends on ED Guidance; the amount of work required could be significant. SCE would like a minimum of 6 months, though recognize we got a head-start [from some of the other PAs].
* L. Medina, SoCalREN: If there are significant policy changes, that would necessitate more time. Many market sectors are plagued by COVID-19 impacts, so any delay would exacerbate impacts. Understanding how long it took us last time, it behooves us to start early – especially considering possible holiday impacts. Providing transparency on programs and budgets takes time. We were anticipating a June 1st CAEECC deadline, but understand our portfolio is much smaller than the IOUs.
* L. Rothschild, The Energy Coalition: What’s the latest date the CPUC would want to review in advance of the January 2024 cycle start? – 18 months was the previous timeframe.
	+ *J. Kalafut, CPUC: 18 months is our benchmark as a reasonable timeframe for reviewing 8 applications.*
* L. Morris, PG&E: The critical unknown is Goals and metrics. For PAs with a larger portfolio, there is a lot that needs to be done to update programs, budgets, and tools.
* D. White, SDG&E: We still feel strongly that 9 months is the minimum for building out a portfolio. We didn’t have the initial head start that SCE had.

***ABALs in a Transition Period***

CPUC Background: In the CAEECC proposal ruling and Potential and Goals ruling, the CPUC considered changes which would impact the energy efficiency portfolio structure and filing process. Even after a decision is released, we will still need to dispose of ABALs between now and the proposed effective date of 2024 or 2026.

CPUC Questions:

1. What challenges to do you anticipate in disposing of ABALs after the release of the Decision but prior to the effective date?
2. Is it feasible to retain the current ABAL approval process and standards, given the challenges of the transition period and COVID-19?
3. If the CPUC were to consider adjusting the ABAL approval process for the transition years, what kind of adjustments would be recommended?
4. Would approving multiple budget years in a single ABAL reduce the administrative burden and allow more time for transition planning? Are there drawbacks to this approach?
5. Are there any other topics you’d like to address regarding ABALs in a transition period?

CAEECC Member Clarifying Questions and Comments

* J. Berg, Co-Chair, BayREN: Support 2-year ABALs (2022-2023) given the likelihood of significant change required to resubmit Business Plans; two years would reduce administrative burden for PAs, stakeholders, and CPUC. Some of the current processes may become obsolete so annual ABALs may be less important
* S. Berelson, CEDMC: Can you say more about possible changes to the cost-effectiveness threshold?
	+ *J. Allison, CPUC: We are curious about the challenges the COVID-19 pandemic may have created, and the likelihood of meeting a 1.25 threshold.*
	+ *J. Kalafut, CPUC: ALJ Fitch ruled after the pandemic and before the last ABALs, noting the challenges of cost-effectiveness and ability to meet goals. There are new proposals on portfolio segmentation that the Proposed Decision will address. There’s a question on whether and how those rulings should play into that.*
* M. Campbell, CalAdvocates: No objection on the two-year process, especially if stakeholders will have a better opportunity to review budgets in detail. Reducing one potential cycle may create additional challenges. We probably should also include a provision for PAs to eliminate or change to accommodate 3Ps; presumably PAs can file Advice Letters for things that aren’t cost-effective or are redundant. Also, for two-year planning, cost-effectiveness is required by statue. COVID was a disruption in the past year that provides reasonable justification, but CalAdvocates expects PAs to have credible expectations on the market for the coming years, rather than setting a low bar.
	+ *J. Kalafut, CPUC: We will have a second Proposed Decision this summer with the results of our Potential & Goals study; the draft will come out in the coming months. Potential will do one of three things: go down, stay the same, or increase.*
* B. Sanders, SCE: Need to consider 2-year ABAL process; seems like a good way to balance planning and oversight with workload. As far as cost-effectiveness planning, COVID wasn’t the only challenge – some PAs experienced challenges prior to COVID, and not all issues have been resolved and won’t be until new applications are in place. This doesn’t mean PAs are setting a low bar.
* L. Rothschild, The Energy Coalition: Consider the date of when Business Plan applications are due, so it doesn’t coincide with ABALs
* E. Brooks, SoCalGas: If ABALs are required for 2022-2023, may need to address cost-effectiveness threshold and any other requirements for standalone 1-year ABALs
* L. Ettenson, Co-Chair, NRDC: NRDC is a proponent of not requiring CAEECC to review ABALs
	+ *J. Berg, Co-Chair, BayREN: Supportive of removing the requirement of CAEECC review; it’s challenging for PAs to make reliable projections by the June CAEECC deadline*
	+ *M. Campbell, CalAdvocates: Supportive of removing the requirement of CAEECC review; it’s helpful to have a preview, but don’t feel strongly that it be required*
* L. Morris, PG&E: Supportive of 2-year ABALs, though this may leave outstanding questions that will need to be addressed. It’s challenging to present reliable ABALs to CAEECC in June, which is why we removed the pre-application presentation in the CAEECC proposal – because we may not have reliable information that early. Want to be responsive to stakeholder review, the question is timing.
* S. Berelson, CEDMC: To confirm, will there be one Proposed Decision on Metrics & Goals, Portfolio Segmentation, and Rolling Portfolio Process Reform that comes out before summer 2021; and another Proposed Decision on Potential & Goals that comes out summer 2021?
	+ *J. Kalafut, CPUC: Yes, that’s correct.*

***Program Changes/Closures process***

CPUC Background: Comments received in response to Feb. 17th Ruling on R. 13-11-005 generally proposed advice letters for program closures. The Ruling “invites parties to file comments, no later than March 17, 2021, on whether and what criteria the Commission should adopt for delineating between (1) program changes that require staff approval via advice letter submission, and (2) program changes that only require an Implementation Plan (IP) addendum.”

CPUC Questions:

1. What are the drivers for recommending advice letter approval for canceling or launching new programs?
2. What are the counter points for recommending only IP updates are required from canceling or launching new programs?
3. Are there any other factors to consider when setting the process option 1 or 2 for closing a program, or an alternative process option?

CAEECC Member Clarifying Questions and Comments

* M. Campbell, CalAdvocates: The proposal provided an example of where the Implementation Plan (IP) update method didn’t provide stakeholders adequate opportunity to review PA plans for modifying existing programs. Stakeholders need an opportunity to review things that are “significant”, which may need to be better defined. We would be concerned that if changes are made through the IP that it doesn’t provide sufficient opportunity for stakeholders to be aware of changes, and to then comment. There needs to be guardrails for adding and closing programs in a 4-year cycle.
	+ *L. Medina, SoCalREN: PAs have the responsibility to manage programs in the most cost-effective way, so allowing flexibility to open and close programs is important. It doesn’t behoove an administrator to keep underperforming programs open. There needs to be some form of accountability or transparency. The proposal included a mid-year review to address potential closures. The pandemic showed us anything can happen.*
* B. Sanders, SCE: The primary driver for recommending Advice Letter approval for launching new programs is obtaining stakeholder input, and the same holds for program closure. If we had gone through recent years without stakeholder input, maybe we’d take a different position. We received lots of feedback and it doesn’t seem appropriate to do away with it. If changes are minor, the IP may suffice – but if changes are drastic, then need something akin to a Tier 1 Advice Letter so stakeholders can weigh in. We don’t want to end up with motions filed to handle disputes.
	+ *M. Campbell, CalAdvocates: It could be helpful for the CPUC to flesh out definition of “significance”, so we all know when things are addressed through the IP versus an Advice Letter or other means.*

In closing, J. Kalafut reiterated her appreciation for the discussion, especially recognizing the time constraints in preparing for this meeting. She emphasized her concern regarding the CPUC receiving an Advice Letter (AL) to close or launch a new program. She noted the CPUC is looking at market metrics and program performance as ways to make a reasonable review of ALs. Lastly, she reiterated the offer for stakeholders and CAEECC Members to reach out to her or J. Allison with additional comments.

J. Raab asked that if a WG session would be helpful to flesh out specific points, ED should let us know, especially considering there is not another full CAEECC meeting until June. J. Kalafut left it open based on CAEECC Member needs.

**WRAP UP/ next Steps**

J. Raab thanked participants for attending and encouraged all participants to fill out the CAEECC Evaluation. Next steps are as follows:

**CAEECC Members:**

* Fill out the [CAEECC Evaluation](https://www.surveymonkey.com/r/2GPFDXQ) of the meeting (as required by our CAEECC groundrules) no later than COB Monday March 22, 2021
* Hold dates for remaining full CAEECC Quarterly Meetings: June 24, either August 5 (if CAEECC needs to review ABALs) or September 2 (if not), and December 2.
* D. Suyeyasu to circle back after reaching out to PG&E and let the facilitation team know if this would be a proposed future agenda item.
* Work on/review updated COI policies after Proposed Decisions are out

**Facilitation Team:**

* **Meeting Facilitation:**
	+ Develop, post and notice draft meeting summary (this document) to the meeting webpages by Wednesday March 24, 2021, COB.
	+ Review and analyze survey evaluations of 3/17 Full CAEECC meeting for continuous improvement opportunities
	+ Confirm scheduling and prepare for next Full CAEECC meeting (June 24, 2021)
* **Working Group and Workshop Prospectuses:**
	+ Add explicit language in CAEECC Prospectuses that reference whether a WG’s deliverable is expected to be addressed in a CPUC Decision
* **CAEECC Membership Review**:
	+ Review forthcoming CPUC Decision (with Co-Chairs) to decide whether CAEECC membership should be evaluated sooner than the original plan of December 2021
* **Groundrules Review/Update**:
	+ Integrate the new Enforcement Groundrule, including member feedback made during the CAEECC meeting, into the Groundrules document (March 31, 2021)
	+ Update Groundrules Section IV.A.v (CAEECC Ground-rules on Substantive Issues) to include language about noting in each Prospectus whether the full CAEECC will retain final recommendation-making authority or delegate it to a WG (March 31, 2021)
	+ Post and notice the updated Groundrules document (March 31, 2021)
* **Conflict of Interest (COI) Policies**
	+ Revisit the COI (with Co-Chairs and full CAEECC) after the Proposed Decision, and then decide what changes and timeline make sense for any needed updates to make it less ambiguous and more helpful.

**Appendix A: Meeting Attendants**

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| **CAEECC Members/Proxies, Presenters and Ex Officio** |
| **Organization** | **First Name** |  **Last Name** |
| 3C-REN | Alejandra |   Tellez |
| Avery Energy | Douglas |   Avery |
| BayREN | Jenny |   Berg |
| CEC | Brian |   Samuelson |
| CEDMC | Greg |   Wikler |
| CEDMC | Serj |   Berelson |
| CEE | Bernie |   Kotlier |
| CSE | Raghav |   Murali |
| CSE | Stephen |  Gunther |
| City of SF | Lowell |   Chu |
| Code Cycle | Dan |   Suyeyasu |
| CPUC | Jessica |   Allison |
| CPUC | Peter |   Franzese |
| CPUC | Paula |   Gruendling |
| CPUC | Jennifer |  Kalafut |
| CPUC | Alison |   LaBonte |
| CPUC | Nils |   Strindberg |
| CPUC | Christie |   Torok |
| LGSEC | Lou |   Jacobson |
| MCE | Alice |   Havenar-Daughton |
| NRDC | Lara |   Ettenson |
| PG&E | Lucy |   Morris |
| PG&E | Matthew |   Braunwarth |
| Cal Advocates | Mike |   Campbell |
| Cal Advocates | Ashlyn |  Kong |
| SBUA | Ted |   Howard |
| SCE | Amri |   Christianto |
| SCE | Christopher |   Malotte |
| SCE | Brandon |  Sanders |
| SDG&E | Doug |   White |
| SDG&E | Mike |  McConnell |
| SJVCEO | Courtney |   Kalashian |
| SMW Local 104 | Randy |   Young |
| SoCalGas | Erin |  Brooks |
| SoCalGas | Benjamin |   Piiru |
| SoCalREN | Lujuana |  Medina |
| SoCalREN | Minh |  Le |
| The Energy Coalition | Laurel |  Rothchild |
| The Energy Coalition | Marc |   Costa |
| **Other Participants** |
| **Organization** | **First Name** |  **Last Name** |
| 2050 Partners | Sarah |   Crowe |
| 3ce | Susan |   Davison |
| Amelect | Kathy |   Mastrianni |
| CA Treasurer's Office | Kaylee |   D'Amico |
| Cadmus Group | Karen |   Horkitz |
| Cadmus Group | Priya |   Sathe |
| C. Segerstrom, EE Consultant | Charles |   Segerstrom |
| City of Santa Barbara | Alelia |   Parenteau |
| Clearesult | Joanne |   O'Neill |
| Clearesult | Laura |   Slate |
| Clearesult | Stanford |   Wiley  |
| CONCUR | Katie |   Abrams |
| CONCUR | Scott |   McCreary |
| CPUC | Brendan |   Burns |
| CPUC | Mona |   Dzvova |
| CPUC | Travis  |  Holtby |
| CPUC | Scott |   Kjorlien |
| CPUC | Asia |   Powell |
| Daikin Comfort | Matt |   Baker |
| DNV | Nick |   Brod |
| DNV | Nick |   Brod |
| Don Arambula Consulting | Frank |   Spasaro |
| Don Arambula Consulting | Frank |   Spasaro |
| EBCE | Feby |   Boediarto |
| EBCE | Beckie |   Menten |
| EEM Advisors | Brian |   Haines |
| Energy Solutions | Teddy |   Kisch |
| Enervee | Anne |   Niederberger |
| Engie | Vicent |   Llorens |
| Eripacific | Eric |   Noller |
| ESP Labs | Mike |   Myser |
| Franklin Energy | Brett |   Bishop |
| Franklin Energy | Jonathan |   Budner |
| Franklin Energy | Leonel |   Campoy |
| Franklin Energy | Chad |   Ihrig |
| Franklin Energy | Justin |   Kjeldsen |
| Frontier Energy | Nancy |   Barba |
| Frontier Energy | Lacey |  Tan |
| Greennet | Eric |   Taylor |
| High Sierra Energy | Pam |   Bold |
| HVAC MEA | Sam |   Beeson |
| HVAC MEA | Bruce |   Severance |
| icast USA | Kristen |   Cheriegate |
| icast USA | James |   Quish |
| InTechEnergy | Ashish |   Goel |
| Jay Luboff Consulting | Jay |   Luboff |
| Joulesmart | Maria |   Fields |
| Lincus | Cody |   Coeckelenbergh |
| Lincus | Hob |   Issa |
| Mark Wallenrod Consulting | Mark |   Wallenrod |
| MCE | Jennifer |   Green |
| Mendota Group | Grey |   Staples |
| NEEA | Jeff |   Harris |
| Pacific Corp | Nancy |   Goddard |
| PG&E | Ben |   Brown |
| PG&E | Michael |   Burger |
| PG&E | Jonathan |  Burrows |
| PG&E | Mananya |   Chansanchai |
| PG&E | Jill |  Marver |
| PG&E | Caroline |   Massad Francis |
| PG&E | Kate |   Schulenberg |
| PG&E | Lindsey |   Tillisch |
| PPC | John |   Busch |
| Public Advocates | Shelly |   Lyser |
| Quality Conservation Services | Richard |   Esteves |
| Raab Associates | Jonathan |   Raab |
| Redwood Energy | Stephen |   Kullmann |
| Resource Innovations | Margie |   Gardner |
| Resource Innovations | Corey |   Grace |
| Rising Sun Opportunities | Darren |   Kumar |
| RMS Energy Consulting | Jeremy |   Sasse |
| SCE | Paul  |  Kubasek |
| SCE | Mark |   Martinez |
| SCE | Patricia |   Neri |
| SCE | Larry |   Tabizon |
| SDG&E | Dominique |   Michaud |
| SDG&E | Rama |   Moorthy |
| SDG&E | Kate |   Zeng |
| SEI, Inc | Stephen |   Miller |
| Silent Running, LLC | James |   Dodenhoff |
| SoCalGas | Becky |  Estrella |
| SoCalGas | Regina |  Lugani |
| SoCalGas | Paulo |   Morais |
| SoCalGas | Laurie |   Rudzinski |
| Staples Energy | Dennis |   Guido |
| TEEA | Ross |   Colley |
| The Energy Coalition | Craig |   Perkins |
| TRC Companies | Nic |   Dunfee |
| USGBC | Edmund |  Novy |
| WRCOG | Anthony |   Segura |
| Yinsight | Carol |   Yin |