

DEER Peak Period Refresh

Implementation of Updated Ex Ante Values

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Decision 15-10-028

DECISION RE ENERGY EFFICIENCY (EE) GOALS FOR 2016 AND BEYOND AND EE ROLLING PORTFOLIO MECHANICS

A change in the DEER peak period methodology would require updates to ex ante values which inform energy efficiency program design and operations.

- “Ex ante values are savings values established before (hence, *ex ante*) a program or project is completed; often before a project even begins.”
- Ex ante values are “DEER values, workpaper values, and custom values.”
- DEER
 - “DEER updates (available via on line datasets and documentation on DEEResource.com) flow into the portfolio development process by providing new savings estimates from which to design programs. New savings estimates, including baseline assumptions, inform where a current program may need to shift to continue to capture savings cost effectively.”
- Workpapers
 - CPUC “adopt[s] a ‘bus stop’ approach to submissions and reviews of both new and updated workpapers.”
 - Workpapers leverage DEER for “predictions of typical operating conditions and baseline usage”.

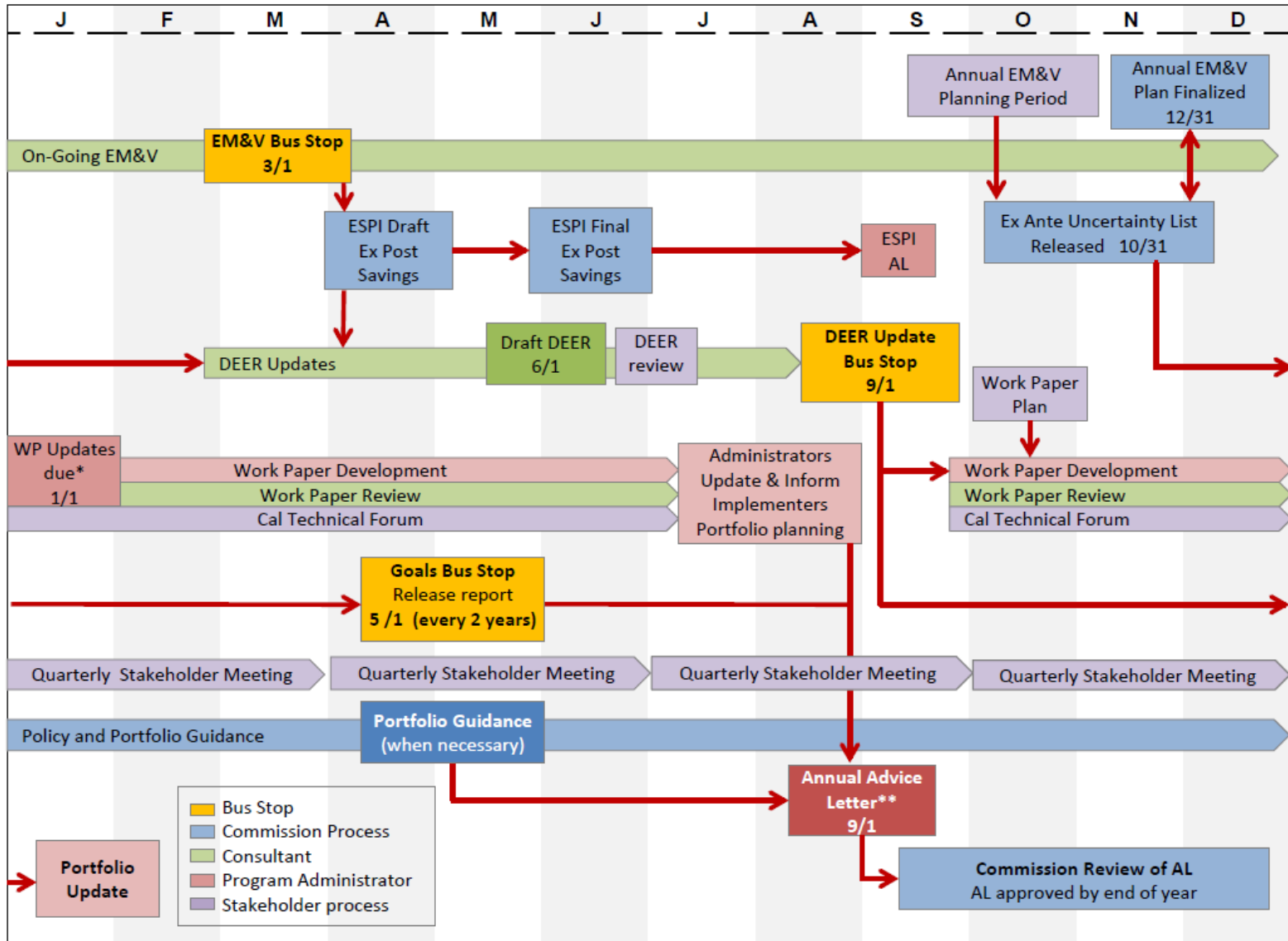
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DECISION RE ENERGY EFFICIENCY (EE) GOALS FOR 2016 AND BEYOND AND EE ROLLING PORTFOLIO MECHANICS

Ex ante values are generally updated on an annual schedule, called “Rolling Portfolio Schedule”, to set a reliable, regular schedule for new or adjusted ex ante values.

- “Commission Staff shall propose changes to DEER once annually via resolution, with the associated comment/protest period provided by General Order 96-B. However, Commission staff may make changes at any time without a resolution to fix errors or to change documentation.”
- “The schedule we adopt here provides for DEER updates to be completed by Commission Staff by September 1. A January 1 deadline allows PAs four months (September through December) to make corresponding changes to their workpapers.”

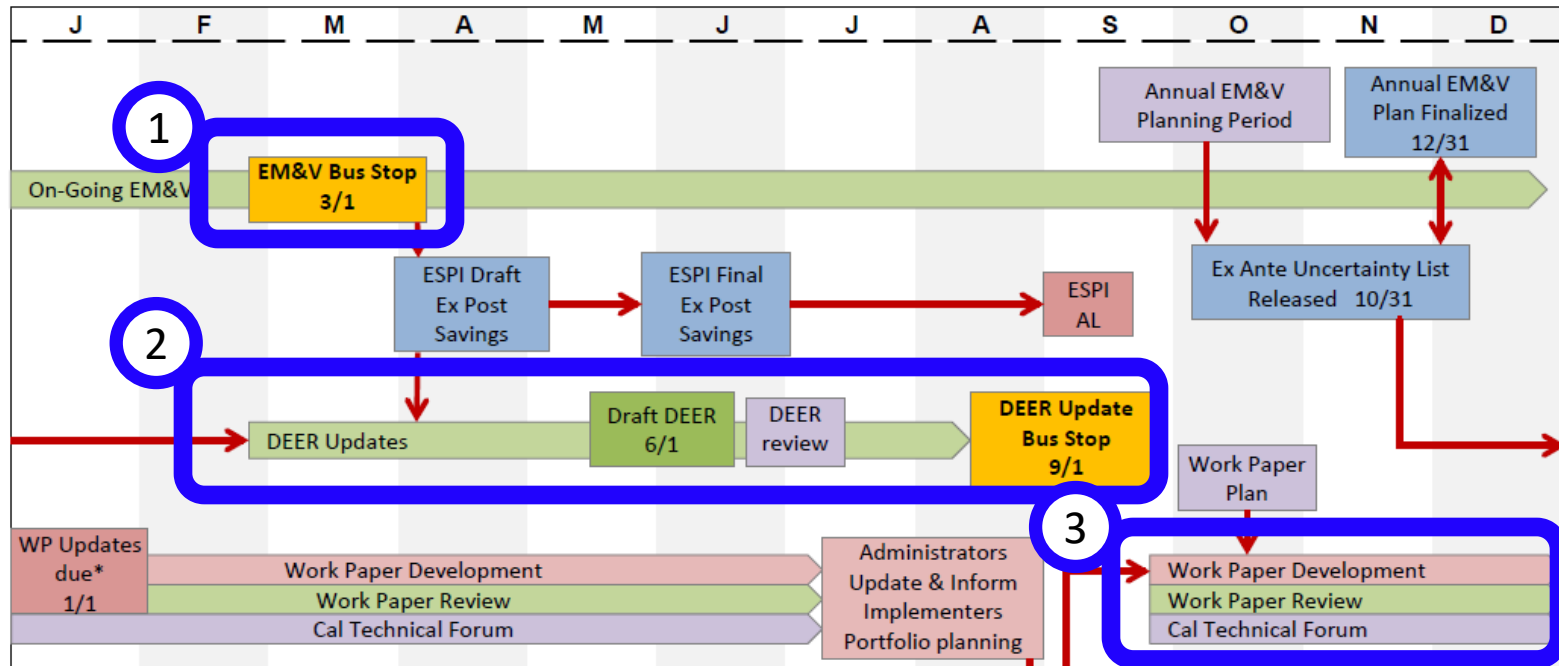
Rolling Portfolio Cycle Schedule



*Work papers for existing measures that are impacted by DEER updates shall be submitted by 1/1, to provide sufficient time for review

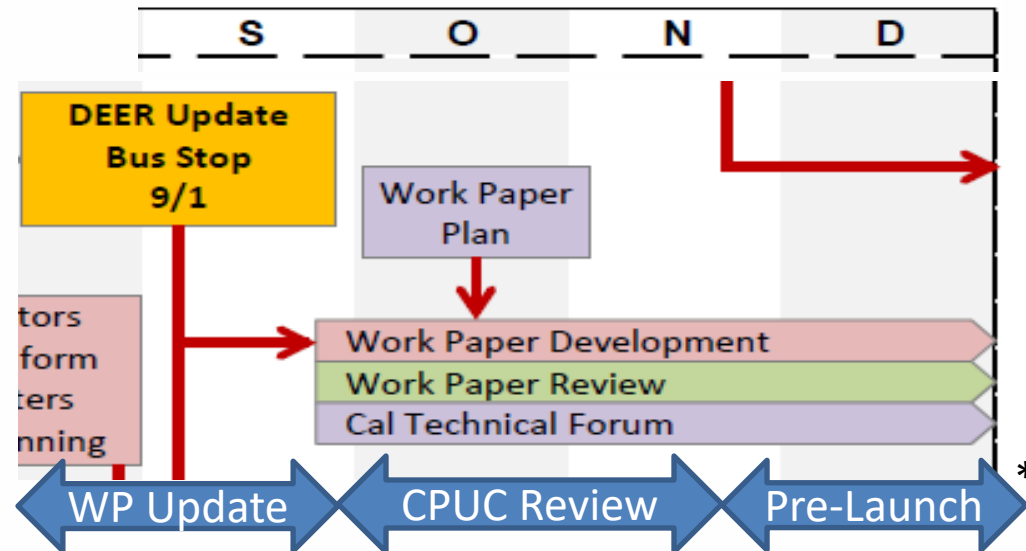
**In years that business plan is filed, advice letter filing should be filed concurrently for budget review. Portfolio guidance and business plans are not defined by a set schedule

Rolling Portfolio Cycle Schedule



- ① **3/1/2019:** Since 3/1/2018 “bus stop” has surpassed, new DEER Peak Period enters next EM&V “bus stop” on 3/1/2019.
- ② **3/1/2019 – 9/1/2019:** DEER values and load shapes are updated and shared with Program Administrators (PAs).
- ③ **9/1/2019 – 1/1/2020:** PAs update workpapers and adjust custom project calculation requirements. PAs also conduct pre-launch activities to deliver programs to customers by 1/1/2020. New DEER Peak Period is effective on 1/1/2020.

Rolling Portfolio Timing Challenges



- IOUs recognize a timing challenge to update workpapers (WP), gain CPUC WP approval, and conduct pre-launch activities within a 4 month timeframe.
 - CPUC WP review periods are up to 60 days, leaving 2 months for WP development and pre-launch activities.
 - If WPs require revisions per CPUC guidance, this leaves less time for program planning.
 - CPUC guidance on WP revisions can be delivered to IOUs 3 months after the start of a program year, potentially causing retroactive edits to ex ante values.

*For illustrative purposes only

Rolling Portfolio Timing Improvements

- CPUC Energy Division has encouraged earlier statewide planning of workpapers to allow sufficient timing for development and CPUC reviews.
- Recent DEER Resolutions have provided guidance for future, multi-year ex ante value updates, allowing PAs to plan and update workpapers earlier in the year.
 - 2016 RESOLUTION E-4795: DEER 2017 & 2018 updates
 - 2017 RESOLUTION E-4867: DEER 2019 updates and DEER 2017 & 2018 revisions
- IOUs are soon launching RFPs for 3rd Party Programs (60% of all programs); early notice of ex ante values updates will help inform 3rd Party bids.

Key Takeaways

- The Rolling Portfolio schedule allows proper planning to develop ex ante values to set goals and execute EE programs with our customers.
- Per the Rolling Portfolio “bus stop”, the next time to input changes to update ex ante values is 3/1/2019, resulting with a DEER Peak Period adjustment effective on 1/1/2020.
- Earlier and predictable schedule of ex ante value updates for portfolio planning and development will be critical for 2020 due to increase in Third Party EE programs.