California Energy Efficiency Coordinating Committee
Meeting #17
August 2, 2018 10:00 to 4:00
Bay Area Metro Center (hosted by BayREN), 375 Beale Street, S.F.
Final Meeting Summary
Facilitator: Dr. Jonathan Raab, Raab Associates

On August 2, 2018, the California Energy Efficiency Coordinating Committee (CAEECC) convened a quarterly meeting of the full CAEECC at the Bay Area Metro Center (hosted by BayREN) in San Francisco. Over 60 individuals participated in-person, and over 35 more participated via WebEx. A full list of meeting registrants is provided in Appendix A.

Meeting facilitation was provided by Dr. Jonathan Raab (Raab Associates Ltd.) and Meredith Cowart (CONCUR Inc). Meeting materials, including presentations, are provided on the CAEECC website at https://www.caeecc.org/8-2-18-caeecc-working-group-meeting.

In this document, the majority of the discussion is captured without attribution. In some cases, the affiliation of the speaker is identified, because their affiliation is relevant to the comment.

In this document, presentations are summarized only if the presenter's PowerPoint is not available on the CAEECC website (see link above). 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. Next Steps, at the end of this document, list all next steps discussed at the meeting.

SESSION 1: INTRODUCTIONS

The CAEECC Facilitator J. Raab opened the meeting and reviewed the agenda. He explained that the primary focus of the meeting is for stakeholders to receive presentations on the Program Administrator's (PA's) Annual Budget Advice Letters (ABALs), ask clarifying questions, and provide feedback. CAEECC members and proxies sitting around the table then introduced themselves.

SESSION 2: IMPORTANT UPDATES

Erin Brooks (SCG and CAEECC Co-Chair) provided several updates on recent PA activities as follows:

1. *Metrics Filings:* The PAs will submit a metrics compliance filing Monday, August 6, 2018. PAs expect this metrics to be a "living document" that they will continue to be refined and updated over time.
2. *Joint Cooperation Memo Filings:* Yesterday, August 1, 2018, many of the IOUs/PAs filed Joint Cooperation Memos (JCMs), which are available on the CPUC website, PA regulatory websites, and on the CAEECC website (go to https://www.caeecc.org/cpuc-documents and scroll down to "Joint Cooperation Memos").
3. *Independent Evaluator and 3rd Party RFPs:* The PAs are preparing for the upcoming solicitations, which require the establishment of a Procurement Review Group (PRG) and

Independent Evaluator (IE) in order to oversee the solicitation process from start to finish. The PRGs were solicited earlier this year, and have just received approval from Director of the Energy Division. Utilities are finalizing the IE solicitations, and they expect to have the IEs on board by the end of Q3 so that RFPs can be launched according to the schedule.

Clarifying Question on Solicitations:

- Are the schedules for solicitation posted online accurate? *Yes, the solicitation schedules posted online are current (and will be updated if changed).*

Meredith Cowart (CAEECC Facilitation Team) provided an update on the July 26, 2018 Ad Hoc Workshop on Local Government Partnerships Terms and Conditions. Over 100 CAEECC members, proxies, CAEECC member organizations, and other stakeholders participated in this webinar. IOUs presented their proposed LGP T&Cs, responded to clarifying questions, and received feedback. The majority of feedback focused on areas in which LGPs differ from 3rd parties, and so specific edits to the terms are needed - the IOUs requested that stakeholders provide specific examples or redline edits to the proposed T&Cs in writing by August 3, 2018 (along with any additional questions or feedback). IOUs will post answers to the CAEECC website by August 10, 2018, and will submit a revised proposal to the CPUC on August 31, 2018. A draft meeting summary is now available on the CAEECC website: https://www.caeecc.org/7-28-18-ad-hoc-workshop.

SESSION 3A: ANNUAL BUDGET ADVICE LETTERS (ABALS) & COST-EFFECTIVENESS

Presentation: Cost Effectiveness in Energy Efficiency (EE), Adam Scheer, PG&E

A. Scheer provided a presentation on the current cost-effectiveness (C/E) requirements, and challenges that IOUs/MCE face in addressing these C/E requirements in their ABALs. This presentation is available on the CAEECC website (see link above).

Clarifying Questions and Comments on Cost Effectiveness in EE:

- How is free ridership determined in the TRC – is it assumed or measured? *Free ridership is determined differently for each program and sector. In some cases free ridership is based on evaluation and in others on projection.*
- My understanding was that EM&V is excluded from the TRC test. Can you confirm that it is included? *Yes, EM&V is included, on the portfolio level (not program by program).*
- Almost all public sector projects have to pay a prevailing wage, so it has higher costs than other sectors, lowering the cost effectiveness. As those costs included in the TRC?
    - *Yes, those costs are included.*
    - *There may be a provision that energy efficiency projects in the public sector are exempt from these requirements, we should look into this, and publicize it if so. However, they may not want to do this for other local government reasons.*
- It seems as if the TRC incentivizes programs that provide energy efficiency savings during peak periods, which creates a sector shift towards residential programs and away from commercial programs. *That's correct, and the Potential and Goals study reflects that shift. PG&E's goals in the residential sector have risen by 20-30% in the residential sector because of this phenomenon.*

- Follow-up to above: Does the shift to residential offset the higher cost of getting to Hard-to-Reach (HTR) customers and Disadvantaged Communities (DACs)? *No, because DACs are not only in the residential sector, and because the cost of these programs is not offset by the increase.*
- You refer to another problem on your graphs, that actual peak and DEER peak are misaligned – is there a plan to align these? *A CAEECC working group proposed a shift in DEER Peak to later in the day, to more closely align with the actual peak.*
- This presentation seems geared towards broader policy changes, which seems inappropriate for this meeting. In addition, I disagree with some of your assertions. For example, the shift toward peak period when residential savings are more valuable seems like a positive shift. Also, it doesn't make sense to raise the specter of low-income populations, when the programs subject to the TRC don't actually fund low-income populations because they get free measures through the Energy Savings Assistance Program (ESA). What's more, you mention low gas prices, but there is some compensation for the low value of gas through the GHG adder in the TRC. Finally, this leads to a broader question – are we seeing low TRCs because we are over-procured across the board and requiring more EE than we should?
    - *The point of the presentation was not to debate changing the TRC test here, but to illustrate the challenges of reaching the TRC 1.0 and 1.25 thresholds.*
        - *The purpose of presenting this up front was so that when PAs present their ABALs, they can refer back to the presentation in explaining the reasons why they have not met the TRC.*
        - *CEE: CEE agrees that this should not be a policy discussion.*
    - *Regarding the comment on low-income residents, that's correct that these programs don't serve low income, but they serve HTR and DACs, which are subject to many of the same constraints, which incur greater costs.*
        - *MCE: MCE has a pilot that uses ESA funds, but it's an add-on to our existing programs, which do serve low-income customers.*
        - *BayREN: In our multifamily program, for example, we serve 50% low-income customers and 50% market rate customers, using EE dollars.*
        - *NRDC: There is a huge population between what qualifies as low income and what qualifies as middle income that is still relatively low income, and may be hard to reach because of lack education or language barriers. It costs much more to reach these populations than it does to reach middle-income customers.*
        - *SJCVEO: It's not disingenuous to include low income, HTR and DACs in a single group. Low income is not just residential, it's a whole community. Lower income communities with a low tax base mean the local government can't afford to serve that population. If contracting costs keep rising, this problem will worsen.*
    - *Regarding the shift to residential, this shift is healthy, but will create a group of stakeholders that feel their needs are not being met.*
    - *Right now the rules require PAs to develop programs with certain characteristics, but then those programs are not able to meet TRC C/E requirements because of the very low AC during the middle of the day.*
- You noted that high quality programs cost more, and so lower the TRC. Low costs for installed installations are simply not sustainable. How can me move towards a system

that values the fact that good installation and equipment are more sustainable? *Agreed, we need evaluation that supports longer persistence for measures that support longer term savings.*

- On slide 13, you noted the need for more holistic programs. *We've seen a lot of changes to code that have raised the bar and changed the emphasis of our programs. Our emphasis now should be getting into buildings (e.g. those that were built before energy code even existed) and doing more holistic programs that solve the problem permanently.*
- CEE: Until effective workforce standards are adopted, CEE does not think PG&E's concerns regarding C/E should be addressed.
- Why were the TRC and PAC requirements included, from a policy perspective? *The TRC represents the total cost of the resource itself, so it excludes the benefits to free riders as well as the non-energy benefits that don't accrue to ratepayers. PAC represents the total cost on the supply side.*
- In the TRC calculation, where is the GHG adder included, and where are the locational benefits? *The GHG adder is included in the numerator of the TRC. Regarding locational value, you can look at the AC by climate zone. If EE is going to compete as an integrated resource, we need to value EE more granularly on a locational basis.*
- Association of Monterey Bay Area Governments: I represent several EE programs that would flunk the TRC test because we are running comprehensive programs. I can't simply cut these programs now, I'm mission driven.

SESSION 3B: INDIVIDUAL PA (DRAFT) ABALS

Each PA provided a short presentation on their draft ABALs, including preliminary findings from running the CPUC's updated cost-effectiveness tool and a discussion of the implications regarding any proposed portfolio change strategies. Each presentation was followed by clarifying questions from CAEECC Members and other stakeholders, with responses from the PAs. The CAEECC Members and other stakeholders also provided feedback to each PA. Below, the key clarifying questions or comments are listed and relevant *responses to questions* by the individual PA are noted in *italics*. Where multiple responses were given, these responses are listed as sub-bullets. Some questions centered on cross-cutting themes that apply to all PAs, and are listed in the section "*Cross-Cutting Themes*" following all the individual PA presentations.

SoCalREN 2019 ABAL Overview, Lujuana Medina

This presentation is available on the CAEECC website (see link above).

<u>Clarifying Questions and Comments on SoCalREN's presentation:</u>

- TURN: How will your portfolio address the requirements in D.18-05-041? *Regarding P4P, we'll be introducing a public sector NMEC program, and instead of incentives will offer an in-kind incentive program (technical assistance instead of cash) to lessen the cost burden. Regarding tiered incentive, we've been examining P4P in the multi-family sector and hope to roll out that program soon. Regarding leveraging existing resources to help overcome barriers, we are introducing a residential community coordinator, to help implement programs to overcome barriers to HTR customers (e.g. non-native English speakers).*
- Does the PA requirement to do a budget true-up apply to RENS? *Yes.*

- Do you have the budget for each individual year? This helps the CPUC understand the long-term outlook. *We're putting it together, and it will be in our ABAL.*
- Are the strategies to make your programs more C/E for the long term or for 2019 only? *They will be implemented in 2019, although many are also long term.*

BayREN 2019 ABAL Overview, Jenny Berg, BayREN; Miya Kitahara, StopWaste; and Lowell Chu, San Francisco Department of Environment

This presentation is available on the CAEECC website (see link above).

<u>Clarifying Questions and Comments on BayREN's presentation:</u>

- When you're using ex ante measures up front and metered at the back end, do you true up the results? Also, do you use actual savings or do you go by code? *We will true it up. We'll share the methodology once we have it available. We use actual savings, not code.*
- In the ABALs will multi-family be separated out, or will it be included in residential? *We will follow the template, so multi-family will be included in residential. In CEDARs the data will be shown in finer granularity, including a separate category for multi-family.*
- Do you have the eight-year budget table? This should be included in the ABAL. *Yes, we provided that to CEDARs a few weeks ago. This should be in the draft ABAL.*
- With regard to commercial business programs, do you largely see those risks as being born by implementers or customers, or do you leave the decision up to implementers and customers? *Ideally we'd like the implementer to bear the majority of the risk and not the participant or the ratepayer.*
- Do you expect major changes to this filing or is it fairly stable? *We won't likely change the numbers, but there will be more narrative.*
- You mentioned tiered incentives – are they less than the core incentive programs and what prevents customers from going direct to the core incentive programs, i.e. "double dipping"? *There's a contractual requirement that for any incentive we provide, there is a check with PG&E that there is no "double dipping".*
- CPUC: We intended for the true up tables to be included alongside the 2019 tables in this presentation – we expect that to be included no later than August 21, 2018. *That was an error. We can do a second version of the draft to be sure it is included.*

3C REN 2019 ABAL Overview, Allejandra Tellez

This presentation is available on the CAEECC website (see link above).

<u>Clarifying Questions and Comments on 3C REN's Presentation:</u>

- How do you expect to increase your Total Resource Cost test related cost-effectiveness (TRC C/E)? *Our focus is on the residential sector, so simply increasing participation will lower TRC C/E. We also expect to become more efficient over time.*
- On slide 2, you don't list any savings from Codes and Standards (C&S), can you clarify that there are no savings from C&S? *Correct.*

MCE 2019 ABAL Overview, Michael Callahan

This presentation is available on the CAEECC website (see link above).

<u>Clarifying Questions and Comments on MCE's Presentation:</u>

- Will you be posting the solicitation schedule for the programs that you indicated? *Yes, although I'm not sure when it will come out. There will be a lot of transparency and a wide reach for the solicitations.*
- As you added in the large commercial programs, did you increase the budget for commercial programs, or does that mean the money that used to go to small commercial programs will be used? *Additional budget.*
- Regarding the PRG process, what are the opportunities to be involved? *Local Government PAs such as MCE don't have the same PRG requirement as the utilities, but we are interested in getting the most we can from the solicitations, and setting ourselves up for success in the long term. We're trying to explore what kinds of resources might be helpful to us in building out our process and possibly reviewing bids. Anyone who is interested, please get in touch.*
- MCE's C/E forecasts are higher than they have been in recent years. What has changed and how can we have confidence that those will occur? *We aren't seeing higher C/E across the board, in fact Commercial C/E has gone down, but some new programs are helping raise C/E.*
- How final is this ABAL and what would you expect to change between now and September? *The TRC will not likely change, the PAC may fluctuate slightly. We'll tweak savings in the budget a bit more, and see if we can find more measures to add.*

2019 ABAL Overview PG&E Meghan Dewey
This presentation is available on the CAEECC website (see link above).

<u>Clarifying Questions and Comments on PG&E's presentation:</u>
- You state that there are no more savings in lighting, but in fact we have a tremendous building stock that hasn't been touched, and a great deal can be done with lighting controls.
    - *The problem is not just that there aren't savings in lighting measures [due to lighting measure baselines increasing], but that the avoided costs aren't there. Lighting controls do provide an opportunity to get those savings when we need them.*
    - *If implementers see an opportunity in lighting, please provide us with programs that we can include in our portfolio.*
    - *In some instances lighting savings can be claimed, e.g. in a P4P scenario where NMEC is being used. But there are no deemed measures that allow that kind of swap out. For those entering the RFA process, don't let that scare you, but provide us with ideas on how programs can function given the new Business Plan regulations.*
- Is the residential HVAC upstream program being moved into the statewide effort? *Yes.*
- I see you're discontinuing a number of programs, but I assume many of these have current commitments, how do you anticipate handling programs that are still committed? *On case-by-case basis, there will be a transition process. Keep in mind that this was a first draft, and those programs may change.*
- Regarding the shift of DEER peak to align with actual peak – is there an opportunity to delay the residential solicitation until the cost updates get calculated? *I'm not interested in delaying the solicitation for residential, but it would be useful to develop an approach to retroactively apply new measures once the DEER updates occur.*
- SB350 clearly says that automated demand response (DR) is a priority for renewables. We cannot have automated DR without controls in our buildings. In addition, the

University of California Lighting Technology Program at UC Davis has conducted studies demonstrating that lighting controls will provide an additional 40 – 60% savings over (uncontrolled) LEDs. *Lighting controls do provide a large opportunity, as you can target savings at times when ACs are at their peak. The challenge is, how do we measure it? We're very excited about NMEC where we can have targeted real-time load shapes as opposed to those available in DEER.*

- I noted that your targets are quite aggressive and much higher than your 2019 goals, but what you predict elsewhere is that you won't meet the goals, can you address that? *We are predicting that we will meet the goals. We are currently meeting the program goals with ESA. We anticipate meeting the program goals but not the savings goals.*
- Is your CE projection realistic? *Yes. That is a commitment that I'm making and that's why it was very important for us to go out to the market to see what they would bring us. We don't have a portfolio that looks like we'll hit 1.25.*
- You've discussed budget cuts for the 3Ps, but what will PG&E do in it's own house to trim the fat? *We are committed to budget cuts on our end as well, and we will have more information on this by August 21, 2018. We're looking at a 10% reduction over a couple of years.*
- Could you provide more detail regarding how you'll work with LGPs? *We have been working with LGPs, and we'll continue to do so. Ultimately as portfolio managers and designers we need to determine what programs meet our needs.*
- City and County of San Francisco: D.18-05-041 is clear about the need for IOUs to work closely with LGPs to improve their TRC C/E, and this 2-3 weeks exercise was a steep learning curve - the timeline provided was too short, and the process lacked transparency. The way it was conducted was not in the spirit of the decision to work with local governments to help improve their TRC C/E.
    - *PG&E: If you could provide specific examples that would be really helpful.*
    - *SJVCEO: It's frustrating to have a short time period to work with, but the issue is not with the IOUs, it's that the framework is too compressed.*
- CPUC feedback on PG&E ABAL:
    - Integrated Demand Side Management (IDSM) was not in the template for the presentation deck, but it's in the template for what we want to see in the paper ABAL filing.
    - We'll be sending an updated table layout where it will be clear that we're comparing program goals with program savings for 2019, and C&S will be pulled out separately.
    - As you noted, your ESA savings do count towards meeting your program goals.
    - You're hitting all the goals aside from the therms goals. Do you see an opportunity to actually meet those goals? *I do – that's where the OBF non-incentive pathway becomes more important for us. In large projects we use investor confidence rather than the ex ante process. To do that we need the caps for our ex ante program increased. We'll be filing a Petition for Modification to the finance decision, hopefully the caps will be raised and we can do these larger customer projects.*
- I see you are cutting commercial deemed programs and eliminating lighting for direct install programs. *The commercial deemed budget is reduced because there are no more measures or because the savings are reduced. Regarding direct install, there are less lighting opportunities, so these are reduced, but there will still be offerings.*
- Given that, how will you meet the 5% penetration target the CPUC set?

    - *We'll continue to rely heavily on our trade network, our government partners, and our direct install partners until we get new programs in place through the solicitation process.* 5*% penetration does not necessarily mean that 5% of customers need to get a check in the mail for participating. There are other interventions including behavioral programs, and the online marketplace.*
    - Follow up: Are you proposing that in reaching the 5% market penetration, anyone who goes through your portal to the online marketplace would be counted as having been reached? *We haven't determined the penetration definition yet.*
- Could you explain the difference between trade pro allies and a 3P provider? *Trade pros are contractors, who can access rebates and incentives directly, have close relationships with customers, and can apply directly through PG&E deemed or calculated programs. We have folks at PG&E that support the network of trade pros, and provide training to them. They are a very important and very cost effective delivery channel for us.*
- As your draft ABAL points out, reaching DACs and HTR incurs an increased cost - what if we don't get bids back that adequately serve the DACs because of TRC - are we walking away from those communities? *If we don't get bids that will serve DACs or HTR we have an opportunity to work as a collective to design bids that make sense. PG&E would not design a program without stakeholder input.*
- Using the term “rationalizing” is not appropriate – it is not rational to impose costs for larger customers on less wealthy customers.
- It’s important that each component program be as cost effective as possible. Rate recovery is done by rate class - if you run a lot of cost ineffective residential programs, all res customers end up bearing the costs. If some programs are cost ineffective, people who didn’t benefit from the program bear the costs. *Implementer: If you include participant costs in TRC analysis, this is not true.*
- Why are the projected savings from the OBF loan pool not higher? *Because we don’t have the regulatory authority to increase caps for large customers.*
    - Follow up: Then how do you expect to get more savings from the loan pool? *Because of the custom parallel review process, and because it has NMEC.*
- It looks like your budget request is substantially lower than what was in the Business Plan. Is that indicative of a future trend, and if so, where is the money that you are not requesting going, is it going back to ratepayers? *That's correct. We wouldn’t collect it from ratepayers. Yes, it is a trend for future years.*
- TURN: How will your portfolio address the requirements in D.18-05-041?
    - *Regarding tying incentives to life cycle savings, PG&E thinks this is worth exploring, but until we update Expected Useful Lifespans (EULs) with the best available data, it will be challenging to put this into practice.*
    - *Regarding tiered incentives, we currently have incentives for above and below code. We don’t currently have any tiers above code, although that’s an interesting proposition. However, note that the current rules require that we cap incentives at measure cost, so that’s a consideration as well.*
        - *We need to balance tiered incentives with making programs too complex.*
    - *Regarding targeting incentives at commercially available high efficiency products, we generally agree, however in practice this isn’t always the easiest thing to do, in part because of the incentive cap I just mentioned.*
        - *The highest quality and best installed equipment is not always the most cost effective, often because outdated Net-to-Gross (NTG) and EULs don’t*

recognize these products. We need to see policies that reward rather than inhibit these measures.
  - *Regarding an incentive structure that takes into consideration the barriers to customer segments, PG&E does offer kickers for harder to reach customers. Moving forward, we're open to other ideas, and would like to move away from the traditional incentive model (exchange $ for kWh savings).*
  - *Regarding the P4P model and tying customer incentives to independently verified savings performance estimates, we agree, and we are exploring this in our Residential P4P and will explore this in our NMEC P4P programs.*

SoCalGas 2019 Annual Budget Advice Letter Overview, Darren Hamway, SoCalGas
This presentation is available on the CAEECC website (see link above).

Clarifying Questions and Comments on SoCalGas' presentation:
- CPUC: On slide 2, the number you have listed as your authorized budget cap for 2019 is not what we see as what was approved from 2019 for your business plan. *For planning purposes we have the correct number, we'll change the number up there for the August 21, 2019 presentation.*
- It's looks as if you're opening 13 new programs, are those 3P programs or SoCalGas programs, and can you explain how that fits with the CPUC's decision about 3P solicitations? *Several of these programs are existing programs that fit under new categories for this effort. There aren't any specific new activities excepting one program we're doing w/SCE. We'll be sure to adequately explain that in our portfolio.*
- Can you confirm that your projection meets the program savings goals, the resource savings goals, and the C&S goals? Here they appear to be lumped together. *Yes, we do have a plan to meet the C&S goals.*
- Your C&S budget looks somewhat lower than last year, will you be changing your C&S funding, and how will it be used? *Our budget between last year and this year is in fact comparable. This is an area that all four IOUs are grappling with – how does the load share definition in terms of splitting the statewide program apply to a program like C&S. For now we are complying with the CPUC Decision on local spend v. providing the statewide implementer with the statewide advocacy spend. But we are looking at those issues, and we may need to increase our spending in that area.*
- You C&S spend looks to be an order of magnitude lower than the other utilities. *That's true, but it's consistent with our spending for the past several years. This may increase over the next month, since we're still figuring out how to implement the load share definition into programs such as C&S.*
- Please provide more detail about solicitation activities in 2019 in your filing.
- Slide 3 lists Strategic Energy Management – please explain your planned activities in more detail. *The program kicked off this year, SCE is the contracting manager. We are currently filling the first cohort of customers, with a 2-year commitment for each cohort. We'll include more details on the program structure in our advice letter.*

SDG&E 2019 Annual Budget Advice Letter Overview, Athena Besa, SDG&E
This presentation is available on the CAEECC website (see link above).

Clarifying Questions and Comments on SDG&E's presentation:

- CPUC: You've added a "cross-cutting" line item. Please [all PAs] don't add new items/lines or change formulas. *This table was developed for the presentation, not the filing. The cross-cutting line represents administrative costs that we weren't able to yet allocate, but we will in the filing.*
- Regarding your OBF loan pool, other PAs listed zero here, but you are collecting $26 million, what is the difference? *We're not collecting an additional $26 million, the CPUC has authorized a total of $26 million which is the full value of the revolving fund.*
- It looks as if you are planning to hold budget in reserve for future years. Will you be fully allocating the authorized funds from the Business Plans in 2019 and future years, or do you intend to allocate less than the full budget and hold some in reserve?
    - *The reserve listed is only relative to 2019, since we don't expect to fully budget the $116 million we've been authorized. So if we don't fully budget it, we will move $10 million to the next program year to make sure we have funds to support a new award/solicitation.*
- The budget each year is only a one-time authorization, you cannot carry over unspent funds. My read of D.18-05-041 is that the PAs need to report the revenue requirement for each year, but that you cannot reserve funds. Our position is that we will bring evidence to bear that PAs have had pots of ratepayer funds for years that are unspent and that those funds should go back to ratepayers.
    - *MCE: Our read of D.18-05-041 is that the PAs cannot actually receive funds that they have not budgeted in a given year, but if in a subsequent year their budget is higher than the authorized budget, they can draw from unspent funds in previous years.*

SCE 2019 Annual Budget Advice Letter Overview, Tory Weber SCE
This presentation is available on the CAEECC website (see link above).

Clarifying Questions and Comments on SCE's presentation:

- Please confirm that you will not accept any new commitments in 2019 for existing programs. *For existing programs, we will not be accepting new commitments, but that's not a blanket statement.*
- Are you looking at cutting some lighting programs? *Lighting should stay alive, and we will follow what implementers like CALCTP are doing.*
- Regarding oil refinement and enhanced retrocommissioning – is the idea to transition to other sectors or are you finding that you've saturated opportunity? *Those will continue for a couple of years, so we're setting aside funding, and hope to receive 3P solicitation.*
- You are showing a significant cut in administrative costs – how did you achieve this? *Not backfilling, using existing personnel internally, and not budgeting for vacancies. We'll continue to look for further savings.*
- In terms of the seven-year budget, do you expect to stay at the current budget or will you re-allocate the cap? *We're not sure yet, we'll have more information by August 21, 2018.*
- TURN: How will your portfolio address the requirements in D.18-05-041? *We have incentive levels for below code and code. Tiered residential rebates are no longer as cost effective as the ones we used to have.*
- How are you interpreting the metrics? If you can't meet them, oh well? *The key is to work within the bounds of the TRC.*

Cross-Cutting Themes:

- Several presentations were not posted five days in advance, as required under D.15-10-08. It's critical that CPUC and other stakeholders have adequate preparation time in order to provide useful feedback at these meetings. *PAs: Late posting of the JCM and ACs made it difficult for PAs to meet these deadlines.*
- All PAs - please be careful not to blur the terms for energy upgrade and Energy Upgrade California. *PAs: PAs are not proposing to cut the statewide program.*
- So much of the value in TRCs is from T&D deferral, which is very locational and temporal. How does that show up in everybody's calculations? *PG&E: Yes, a lot of the ACs come from very high avoided capacity, primarily those that occur during peak hours in the summer. The capacity costs associated with these peak hours are very high.*
- When cash is associated with a program and energy savings, is that just the savings for that year in 2019 or is that programmatic and include savings generated in future years (i.e. over the life of the measures)? *These demonstrate first year savings, but they are associated with savings that will last into the future.*
- To improve the C/E of programs, was the CPUC's intention to cut programs that do not meet the C/E threshold, or to try to figure out how to make them more cost effective? Because we are starting to see the former, and it may not have been the intention. *CPUC: What we'd like to see is for the PAs to work with LGPs to make them more C/E, and focus on areas where they can provide benefits to the portfolio overall. We don't want to see a portfolio where the brunt of the cuts affect LGPs.*
- The PAs are showing significant reductions in budget, and an increase in TRC while meeting your savings goals. It's hard for me to understand how you're reconciling those changes (i.e., how are you cutting your budgets while still meeting savings goals)?
    - *SCE: What you're seeing is an elimination of less productive programs, and reductions in other areas.*
    - *PG&E: Over the course of several years we've gotten closer to the TRC threshold. In past years we have breathing room, and that allowed us to maintain more well-rounded programs. But there are hard choices to be made now.*

SESSION 4: NEXT STEPS & PLANNING FOR AUGUST 21 CAEECC MEETING

- Member application process: J. Raab stated that the CAEECC facilitation team has received four new member applications, and an additional two individuals expressed interest at the meeting today. He proposed that the CAEECC facilitation team receive any new member application by cob Thursday, August 9, 2018. ***The facilitation team will then review the applications, and develop a memo to the CAEECC regarding the balance and representation on the CAEECC, the desired CAEECC group size, and the skills, expertise and relevance of the proposed member applicants, prior to the next meeting. The CAEECC will then discuss and determine new members at the next meeting.***
- In addition, J. Raab proposed that the group adopt a decision rule at this meeting regarding the acceptance of new members. ***CAEECC members agreed that the group will strive to reach consensus, but if this is not possible within the designated allowable time that a supermajority approval (defined as 75% or more of then current CAEECC Members) is required to elect a new member.***
- CAEECC members discussed the proposed agenda topics for the August 21 CAEECC

meetings, including ABALs, CAEECC Workplan & Evaluation Plan, and new member applications. No significant changes were made to the draft agenda.
- A member proposed that a CAEECC meeting(s) be held to review and discuss the implementation plans for any new PA programs (that are transitioning from pilot programs), which are due to the CPUC by October 3, 2018, per D.18-05-041, and which require stakeholder input. ***The facilitation team will discuss this with BayREN, SCE, SCG, and any other similarly situated PA—likely holding one or more Ad Hoc CAECCC workshop via webinar.***
- The next CAEECC meeting will be held on August 21, 2018 from 10:00 a.m. – 4:00 p.m. at the Natural Resources Defense Council (NRDC) office at 111 Sutter St, San Francisco

NEXT STEPS:

- CAEECC Members:
  - Submit any additional comments on PA ABALs directly to appropriate PAs by August 7, 2018
  - Review and comment on (this) draft meeting summary in redline by August 16th
  - Decide on the new member applications at the next CAEECC meeting on August 21, 2018
- Program Administrators:
  - Post revised ABALs by August 14, 2018
  - Present revised (near final) ABALs at the next CAEECC meeting (see below).
- Facilitation Team:
  - Post a near final meeting summary (this document) to the CAEECC website (see link above) by August 9, 2018 COB
  - Post a revised CAEECC membership criteria and process to the CAEECC website (https://www.caeecc.org/8-21-18-coordinating-committee-mtg-) on August 3, 2018.
  - Review CAEECC membership applications and develop a memorandum/analysis of group size and balance, and appropriateness of each proposed member and distribute to the CAEECC before the next CAEECC meeting on August 21, 2018.
  - Discuss w/PAs who need to hold workshops on their implementation plans (BayREN, SCE, SCG), and then schedule/notice
- Interested Stakeholders:
  - Submit Member application by COB Thursday, August 9th directly to Jonathan Raab, CAEECC facilitator (raab@raabassociates.org).

Appendix A: Registration List

Note: The list below reflects registration, and although it closely reflects actual participation, it has not been corrected or updated based on actual participation. If individuals participated but didn't register, or registered but didn't participate, these last minute changes are not reflected here.

CAEECC Members/Proxies Joining in Person:

Douglas	Avery	CALCTP
Jenny	Berg	BayREN
Athena	Besa	SDG&E
Erin	Brooks	SoCalGas
Kathleen	Bryan	City and County of San Francisco
Dan	Buch	ORA
Michael	Callahan	Marin Clean Energy
Ryan	Chan	PG&E
Cody	Coeckelenbergh	Lincus, Inc.
David	Dias	Sheet Metal Workers Local 104
Lara	Ettenson	NRDC
Matt	Evans	SCE
Courtney	Kalashian	SJVCEO
Bernie	Kotlier	LMCC
Kathryn	Kriozere	Small Business Utility Advocates
Minh	Le	LA County/SoCalREN
Beckie	Menten	CSE
Brian	Samuelson	Californina Energy Commission
Alejandra	Tellez	3C-REN/County of Ventura
Michelle	Vigen	California Efficiency + Demand Management Council

Representatives of CAEECC Member Organizations Joining in Person:

Elizabeth	Baires	Southern California Gas Company
Meghan	Dewey	PG&E
Becky	Estrella	Southern California Gas Company
Joey	Lande	MCE Clean Energy
Lujuana	Medina	SoCalREN
Pamela	Molsick	Energy Solutions

CPUC Staff Joining in Person:

Alison	LaBonte	CPUC
Peter	Biermayer	CPUC

Mona	Dzvova	CPUC
Peter	Franzese	CPUC
Amy	Reardon	CPUC
Nils	Strindberg	CPUC
Christina	Torok	CPUC

Other Stakeholders Joining in Person:

Nancy	Barba	Frontier Energy
Serj	Berelson	Nest
Elisabeth	Bertrand	Association of Monterey Bay Area Governments
Martin	Bond	CESC
Nick	Brod	CLEAResult
David	Bruder	Lockheed Martin
David	Bruder	ICF
Rachel	DiFranco	City of Fremont
Maria	Fields	JouleSmart Solutions
Elsia	Galawish	WHPA Inc.
Corey	Grace	Resource Innovations
Alfredo	Gutierrez	ICF/SoCalREN
Demian	Hardman	County of Contra Costa
Matthew	Haro	California Energy Commission
Floyd	Keneipp	Tierra
Spencer	Lipp	Lockheed Martin
Mark	Matousek	Bidgely
Stephen	Miller	Strategic Energy Innovations (SEI)
Mabell Garcia	Paine	ICF
Aaron	Panzer	ENGIE Services US
Dennis	Quinn	JouleSmart Solutions
Arjun	Saroya	Lime Energy
Lisa	Schmidt	Home Energy Analytics
Siva	Sethuraman	Cascade Energy
Brad	Simcox	Nexant
Dan	Suyeyasu	CodeCycle
Jordana	Temlock	Bidgely
Denise	Tyrrell	Tyrrell & Associates
Quashaun	Vallery	Frontier Energy
Jennifer	West	Stop Waste

CAEECC Members/Proxies Joining via Webinar:

Jon	Griesser	County of San Luis Obispo
Elliott	Henry	SoCalGas

Hob	Issa	Lincus, Inc.

Representatives of CAEECC Member Organizations Joining via Webinar:

Esther	Chen	SDG&E
Joe	Cruz	SoCalGas
Jesse	Feinberg	SCE
Sara	Moore	California Energy Commission
Veronica	Padilla	Southern California Gas Company
Kimberly	Rodriguez	Southern California Edison
Marisa	Rojas	SoCalGas

Other Stakeholders Joining via Webinar:

Josiah	Adams	ecology action
Steffanie	Agerkop	FESS Energy
Paul	Ahrns	Sierra Business Council
Don	Arambula	DAC
Dave	Backen	Evergreen Consulting Group
Christine	Baginski	Baginski Consulting, LLC
Matthew	Clark	Synergy Companies
David	Clark	Synergy companies
Tony	Coonce	Lime Energy
Susan	Davison	HHEA
Johnathon	Fata	Waypoint Energy
Donald	Gilligan	NAESCO
Sormeh	Konjkav	Waypoint Energy
Michelle	Lewis	FESS Energy
Anna	Lowe	SANDAG
Tyler	Masters	Western Riverside Council of Govts
Cynthia	Mitchell	Economic Consulting Inc
Katie	Moore	TEAA Inc
Joanne	O'Neill	CLEAResult
Craig	Perkins	The Energy Coalition
Ted	Pope	2050 Partners
Judie	Porter	NORESCO
Ruzan	Soloyan	Anaheim Public Utilities
Alice	Sung	Greenbank Associates
Winnie	Tran	SoCalGas
Patricia	Watts	FCI Management