

ED- IOU Workpaper Collaboration Process

Background:

Workpapers function as the basis in assessing energy savings from all resource programs and measures that are not custom projects and not fully contained within DEER 2005 or DEER 2008 V 2.05. The Workpaper Process includes the creation and approval process of DEER and non-DEER workpapers. Utilities and Energy Division are expected to work together collaboratively in the creation and approval of workpapers per D. 10-04-029, OP 4.¹

Workpapers fall into two primary categories, HIM (High Impact Measure, >1% of portfolio savings) and non-HIM. Non-HIM's may be submitted and approved without undergoing thorough ED review per the Phase 2 non-DEER Workpaper Review Process dated November 15, 2010. This is due to their low overall impact on the portfolio and the desire to prioritize resources to focus on the most impactful measures. It is important to note that ED reserves the right to review and approve all workpapers if it deems it necessary per the Phase 2 non-DEER Workpaper Review Process.

Workpapers are to be reviewed and approved by ED (Energy Division) according to the Phase 2 workpaper review process and as set forth in the ALJ ruling of November 18, 2009 in Application 08-07-021. If a workpaper was originally a non-HIM and is later determined to be a HIM ED can then review that workpaper to verify or change assumptions as laid out in the workpaper review process.

D.10-04-029 states that the ED and the IOUs should work collaboratively in the creation of the workpapers prior to the Phase 2 approval process. This memo lays out the proposed collaborative process that is not addressed in the ALJ ruling of November 18, 2009.

ED-IOU Collaboration Meetings:

The IOU's (Investor Owned Utilities) and ED are to hold monthly meetings with each groups' respective workpaper creation and review teams to discuss upcoming workpapers, workpaper process issues, and as a general touch basis. The purpose of these meetings is to take a high level, proactive approach to managing workpaper collaboration, approval, coordination, and maintenance. IOUs will provide a list of known upcoming new workpapers and revisions prior to the meeting. ED will indicate if they wish to: (1) collaborate in the creation of and updates to these workpapers, or (2) if the workpaper and/or revision should proceed directly through the Phase 2 review process. TBD will transcribe decisions made at the meeting. ED will track status of all of the workpapers submitted to basecamp.

Meetings to discuss individual workpapers are to be arranged on an as-needed basis and should involve all involved stakeholders including ED, IOUs, and any third parties or consultants that are working on the workpaper. These meetings can occur during any stage of the Workpaper Process. TBD will transcribe the meeting decisions.

Workpaper Development/Revision Stages:

The workpaper process follows two main steps:

1. Workpaper Collaboration
2. Workpaper Approval

1. Workpaper Collaboration Process

The Workpaper Collaboration Process starts at the beginning of workpaper creation before a significant amount of work has been completed. It applies for all new workpapers and for revisions to existing workpapers where major changes are made. It does not apply to simple updates for work papers that include additional similar measures, building types, climate zones, etc. The goal of the Collaboration Process is to give ED the opportunity to provide early feedback on the planned workpaper development/revision. This is a largely conceptual process that involves Utilities communicating, at a high level, the workpaper approach with ED on an informal basis to determine what content/approach ED may think are necessary to include in a potential workpaper, what data would be useful, and to provide ED notice that a workpaper is in the pipeline.

The Workpaper Collaboration Process may involve several brief meetings but ultimately should not delay the creation of the workpaper. It should be noted that while Utilities are collaborating with ED they are also interacting with multiple internal clients as well as potential third parties or governments that may be running the impacted programs or serve as stakeholders in the workpaper creation process. Given this, IOU's may be unable to comply with all ED requests as stakeholder interactions must be balanced in the collaboration process and are the reason for a conceptual focus.

As the Commission stated in D. 10-04-029, "ED contends that its involvement at this stage will streamline the review of final workpapers and will ensure greater reliability of workpaper savings estimates."² The purpose of early involvement is to ensure greater reliability and a streamlined approval process.

The conceptual conversations between the IOU's and ED during the Collaboration phase should focus on the following:

- Defined measure(s) and baseline(s)
- Target market(s)
- Delivery Method(s) of impacted Program (s)
- Discussion of whether the measure will be used statewide and what differences should be allowed for different IOUs
- Any specific program eligibility requirements that impact how the workpaper is developed
- Expected "install type" for the measures (RET/NEW/ROB)
- Expected Methodology to Calculate Savings
- Source or expected NTG, EUL, RUL, load shape, ISR, IMC and other factors
- Expected Data sources to be used in workpaper. These must be identifiable, readily available existing sources. In order to meet deadlines and control costs, IOUs do not have the time

and resources to perform additional studies. Coordination with EM&V work can be used to initiate studies for future updates to the workpaper if existing data is limited.

- Early Calculations Review

While the Workpaper Collaboration Process is an ongoing process, for those projects that ED intends to review during this process, ED will initiate discussions with the IOUs within 5 business days of receiving the Workpaper Collaboration submission so that the IOUs have an adequate amount of time to complete the workpaper, while taking ED's comments into account. ED will provide specific direction within 15 business days of receiving the collaboration request. It is expected that the Collaboration Process will speed up the overall approval of workpapers by informing ED of upcoming workpapers before the final Workpaper Approval Process and streamlining that process.

2. Workpaper Approval Process

The final step is the Workpaper approval process. This process is laid out in the Phase 2 non-DEER Workpaper Review Process dated November 15, 2010 and in Administrative Law Judge Ruling of November 18, 2009 in Application 08-07-021.

¹ Review of completed IOU workpapers regarding ex-ante savings estimates are subject to Energy Division review and approval, as set forth in an Administrative Law Judge Ruling of November 18, 2009 in Application 08-07-021, et al. Each IOU shall cooperate with Energy Division to allow upfront consultation regarding such workpapers.

² D. 10-04-029, page 20.