

Responses to the IOU Comments on the IDSM Research Plan

The IDSM evaluation team submitted a draft research plan to the CPUC and the ED consultants in early May. The team received and incorporated the CPUC, and their consultant comments. The evaluation team provided the research plan to the IOUs and the IDSM Task Force to review. The following are the comments from the Task Force and the evaluation team's responses to the comments.

1. We should keep the scope of this process evaluation focused on looking at enhancing and improving the process of the IDSM statewide program only and not dealing with ALL integrated activities. That way we do not have to get into the weeds of each of the programs and this will help us be a more effective Task Force.
 - = *The direction provided to us by the Commission/Energy Division and its advisors is to undertake an overarching process evaluation that looks at both the IDSM statewide Task force program and to review other programs within the portfolio of programs offering integrated solutions. The evaluation is tasked with reviewing the Pilots, the ET integrated measures, and comparing strategies and outcomes across other programs incorporating integrated energy solutions.*

2. The team should continue provide regular updates to the PCG throughout the evaluation process (as discussed at the last Task Force meeting).
 - = *The evaluation team plans to provide regular updates to the PCG and to attend Task Force meetings. Please include Peter Franzese, Jean Shelton, Christina Torok, Rick Ridge, and Valerie Richardson to the distribution list for these meetings. If there are other meetings or calls that we should be participating in, please include us. We found the Task Force meeting very informative.*

Jean.Shelton@itron.com; Christina.Torok@itron.com; peter.franzese@cpuc.ca.gov; rsridge@comcast.net; Valerie.Richardson@kema.com

3. This is a two part evaluation. We need to phase this as the first step dealing with the task force activities (the Eight Tasks, then perhaps later look at how these activities of the task force are meeting the IDSM metrics)
 - = *The first eight tasks discussed in the PIP focus considerable attention on the Pilots. The Task Force previously stated that while the Pilots were integrated, integration*

was not the primary focus of many of the Pilots. The Task Force requested that we look into additional programs to find integration efforts. Given that integration is listed in the PIPs for many, if not all, programs, incorporating a review of the integration progress and the process toward integration is within the scope of this project.

4. During an earlier phone call, we ran the idea of doing a meta-evaluation by Lisa and she really liked it. The way we conceptualize it, the meta-evaluation approach essentially evaluates the process and not the end product. This approach seemed better because we're all breaking new ground and we're all learning, and therefore there are no "standards" against which we can objectively measure end products. The meta-evaluation would be about whether the IOUs did their due diligence in developing cost-effectiveness and evaluation frameworks, or "Could anyone else have done it better? If so, what would they have done differently?" We give some examples of possible meta-evaluation questions below, but if the evaluation team has other thoughts, please let's discuss them at a PCG meeting!

= We believe that the evaluation can learn from evaluating the process and the end product. The combination and comparison of the process with the resultant end product is the best methodology to use when undertaking any type of evaluation, process or impact evaluations.

= While this is a ground breaking effort to integrate different forms of DSM, success at the end product is not overly difficult to describe for some of the tasks outlined in the PIP. For example, if the ET program has reviewed technologies that will facilitate IDSM and if the Task Force has produced a road map for their integration in the larger programs, this is an outcome that can be labeled a success. The process by which the success happened should be reviewed to ensure that components that are applicable can be applied to other programs. If, on the other hand, the ET integration activities are not being undertaken, the outcome is not a success. The process by which the non-successful outcome has occurred should be reviewed to try to determine the barriers that need to be overcome, or the reasons why the ET integration activities are not being undertaken.

= The Evaluation Team also believes that combining information on the level of program integration from the Integration Effectiveness evaluations (WO012 and WO011) with interviews of the Pilot and ET PMs and field personnel from other programs, will provide the evaluation with extensive information on both the process toward integration and the outcomes in the field. This information will be very useful to understand the processes that led to successful outcomes and those that are having more difficulty overcoming existing barriers. The interview information, in combination with information from the Task Force, the Program Characterization

Database (WO012 and WO011), the PIPs and the program logic models will help explain what needs to be done to overcome some of the remaining barriers.

= In conclusion, it is important to document the process and to describe the current state of outcomes and to determine the influence of the process on the outcomes.

5. (Originally) Assess the completeness and compatibility of the cost effectiveness and evaluation methodologies. (Proposed) Assess the process for determining the scope of work and determining the consultant selected for the study.(Comment) This effort as originally proposed is duplicative of the efforts of the IDSM Task Force

= A process evaluation to determine the completeness and compatibility of the proposed methodologies will look into the process by which the scope and consultant were selected, but it will also look at the outcome of the process. Combining these two efforts, and reviewing the work of the Task Force with the product that was produced can provide insight into successful methodologies and provide a better understanding of what could be done better next time.

6. Review the IDSM best practices developed from the pilot programs (Comment) Pilot programs will take a long time to be at a point where best practices are evident. Is this an appropriate goal?

= The PIP stated that the Task Force will be developing best practices through the evaluation of the Pilot integration projects. If the Task Force doesn't feel that this is the best place to determine the current understanding of best practices for IDSM, the evaluation team will look elsewhere. The evaluation team feels that for the successful continuation of IDSM into the next program cycle some information on what works and what doesn't needs to be provided to the PMs and field staff. This information should be memorialized into the current understanding of best practices. Given the ground breaking nature of the integration efforts, the description of best practices will evolve. Providing the next cycle with some information on what is working, however, will help formulate programs and processes. If the Pilots are not the best places for the Task Force to be developing a current understanding of best practices, are there specific programs that could be used to help develop best practices?

7. Review the Task Force's roadmap for incorporating emerging technologies into the IDSM pilots and programs. (comment) Suggest the study focus on the barriers to integrating ET. – funding, ED staff focus, regulatory gaps.

= The study would like to review the Task Force's roadmap for incorporating ET measures into mass market programs and to talk to members of the ET program staff

about their understanding of, involvement in, and successes and barriers associated with the effort to help develop the data that would help to champion ET measures for incorporation into mass market programs. It is likely that the staff interview will lead to a better understanding of the barriers that exist both within the IOUs and the regulatory bodies.

8. Review the IOUs pilot and integration tracking databases to provide a better understanding of the degree of integration observed within the pilots and programs. (comment) These are provided in the Quarterly Reports.

= The evaluation team will be reviewing the Quarterly Reports. The team will be looking to these reports to get a better understanding of Pilot integration objectives and the degree of integration. The team will be looking to determine if the information provided includes the necessary information to track the progress on integration within pilots and programs. Using the information provided in the Quarterly Reports and the tracking databases, for example, will it be possible to determine the number and share of program participants undertaking integrated projects?

Obviously this is only one of the objectives of this task. I think that we know that we are not going to be able to do this. Do we want to let them know that we are interested in this information? It is one of the PIPs.

9. Assess the marketing staffs' understanding of the integrated marketing objectives. (Comment) This should be less about staff understanding and more about what is happening with integrated marketing efforts and what the barriers are – regulatory, funding, what works for the customer, etc

= Agreed. The primary focus should be on the marketing efforts, apparent successes and barriers. This process evaluation will not be interviewing the customer, but the PM and program staff interviews will help to assess what works for the customer.

10. The study will also assist with the development of survey questions designed to determine the current level of knowledge and awareness of integration activities and technologies among energy efficiency participants. (comment) May duplicate IOU efforts around PPMs. This is an IOU task.

= The development of customer survey questions will be coordinated between the IOU process evaluations and the Integration Effectiveness work under WO012 and WO011.

11. There are general problems with this task (Evaluating the Cost Effectiveness

Whitepaper) in that is an evaluation of what to do with the paper. The consultant can simply see if the scope of work was met as a compliance issue rather than interview everyone again to figure out for ED what to do with it. We suggested that ED set up a cost effectiveness workshop to discuss this issue. The consultant should simply see how the Task One process is going and provide suggestions rather than give an assessment on the “success” of the white paper. This should be a review of the “process” not a grading of the product.

= *We agree that the outcome of this task should not be a grading of the product. However, the approach suggested, to look at whether the scope of work was met as a compliance issue, may result in something close to that. We believe a far more useful product for this task is to recommend the next steps in integrated cost effectiveness methodologies can be accomplished.*

12. Evaluation of Cost Effectiveness Whitepaper. (comment) This duplicates the Task Force’s work, maybe delete or revise?

= *If we are attending the Task Force meetings, there will be minimal duplication. Some overlap is inevitable, and may be useful. Evaluation of the Cost Effectiveness Whitepaper is one of the eight tasks in the PIP. The development of a new cost effectiveness framework for a groundbreaking combination of DSM should be evaluated.*

13. The study will interview the principle authors of the Black and Veatch whitepaper, the Task Force members, and key staff of the CPUC to ascertain the steps that need to be undertaken to move forward on the implementation of an IDSM cost effectiveness methodology and to ascertain how this may impact cost effectiveness across all three disciplines going forward. (comment) B&V maybe should not be asked this question because it seems like consulting work they would and should charge for.

= *The principle authors of the Cost Effectiveness Whitepaper will not be asked to actually develop the “next steps” that are recommended, which we agree would require a separate endeavor. Black and Veatch consultants will be asked to give us their thoughts on what might be fruitful directions to pursue. The degree and level of inquiry will be limited.*

14. Do changes or modifications to the framework need to be discussed prior to moving forward on the framework? (comment) What do you mean by “need to be discussed.”

= *It may be a semantic issue, but we are simply trying to examine whether there are seminal issues that, in the Cost Effectiveness Whitepaper’s authors’ view or the view of the CPUC, would require changes or modifications to the proposed framework,*

before the framework itself is addressed. We think it's important to at least ask the question. There may be some fundamental issues that are important to understand before the next steps in the research are started.

15. If it is only applicable to integrated programs and projects, how much integration is required to trigger the integration cost effectiveness tests? (comment) These last two questions seem to be about the mechanics of the cost effectiveness calculations? Is that what the Omnibus report needs to contain? If Omnibus needs to contain details, then these questions are really not enough.

= The question of how much integration is needed to trigger the cost effectiveness tests is an important one for both the ED and the IOUs to discuss. It is important in developing a more rigorous definition of integration. A more rigorous definition will have to be developed over time. This evaluation will not be where the final definition of integration is developed, but the question of what qualifies as integration is a basic question that must be discussed during the evaluation process.

16. The key authors of the paper, as well as the Task Force members and key staff at the CPUC will be interviewed to get their feedback on the M&E protocols, and the final report will be evaluated to determine if it incorporates comments received in the public workshop which will be held after the draft M&E protocols whitepaper is released. (comment) The consultant should simply look at the process of the whitepaper development or this should be a meta evaluation, unless evaluators know of some objective standard of IDSM or have known expert on evaluating IDSM, or know of a good model of another utility that has dealt with this issue. Possible meta-evaluation questions could include: Which experts or what sources of expertise did the IOUs consult to create the IDSM evaluation framework? Why were they qualified to contribute? How well did IOUs gather public feedback/input and how well did IOUs address any concerns or ideas from the public? From stakeholders?

= At the current time, there are no experts on IDSM, there are no objective standards. Implementers, regulators, program planners and evaluators are working to develop a better understanding of IDSM given our extensive history with the individual components of IDSM. That does not imply that discussions with smart people who have been active in the DSM evaluation fields, interviews with the CPUC, and a review of the existing M&E protocols for EE and DR cannot inform a review of the proposed IDSM protocols. While the process of the development of the protocols will be reviewed, the output of the process will also receive attention.

17. Many of the items on the list of Integrated Pilots were deleted.

= The evaluation team would like to have a better understanding why the programs were eliminated from the table.

18. Develop a series of question to ask PMs to help determine the reasons behind their integration success and challenges. This task will be informed by the matrix of integration developed by the Integration Effectiveness Evaluation and the PM responses to integration questions proposed as part of the Overarching Process Evaluation (WO 12) PM interviews. (comment) Did these interviews include non-EE program managers? Since EE is first in the loading order, we should also be asking DR/DG program managers what they are doing to ensure that EE measures are being implemented.

= The interviews of PMs under WO 12 have been put on hold. The IDSM evaluation would still like to interview Pilot managers, ET personnel working on integration technologies, and EE program staff assigned to implement IDSM in the field. Our contract is for EE evaluation. The EE PIPs incorporate integration. Therefore we need to focus on how well EE program personnel are integrating with the non-EE options. We are not funded or authorized to examine the inner working of DG/DR programs.

19. Potential researchable questions. (comment) Are these appropriate questions for pilots? Seems like these are questions for core programs.

= The integration evaluation team would like to interview personnel from the Integrated Pilots, the ET Integration efforts, and the mass market programs. The wording prior to the proposed researchable questions will be modified to indicate that these questions are intended for a wider audience. The final survey questions will be differ slightly for the different type of programs.

20. The following was inserted without a comment:

Pilots are by nature experimental, and under different constraints than regular utility programs. There are things that program managers need to do for pilot programs that would not be done for regular programs, such as suspend regular cost effectiveness calculations from IOU determination of the pilots successfulness. Also, pilots have a learning curve, during which time activity may be ramping up and not provide enough data points for rigorous statistical analyses. If this setof questions is intended for pilot program managers, we suggest questions such as:

1. Where there any challenges due to offering an integrated pilot, as opposed to a pure EE or DR

pilot? (I.e., should pilots first focus on EE or DR alone, determine that is successful with a single DSM approach, and then integrate?)

2. Logistics: What did you learn about offering integrated pilots? Separate question: What did your utility learn about offering integrated programs?

3. What programs are you integrating, how did you select these for integration

4. Were there any challenges for vendors implementing integrated programs?

5. What is the likelihood that this pilot will be implemented as a regular program, or within a regular program in the future? What lessons about integration will be transferred?

We agree that the researchable questions directed at Pilot PMs need to differ from interview questions for mass market PMs. We will incorporate some of the ideas expressed in the suggested questions listed above into the Pilot research.

21. Integration Teams and Communication or Training of Program Staff and Integration Teams (comment 1) All IOUs have training. It appears the focus here is integration training, so that should be specified. (comment 2) This section should be completed using a method and timeframe such that we can use the results to report on PPM 1.

= *The comment was that “All IOUs have training” We will change the name of the task to emphasize that we are addressing the degree of integration training that the program personnel have received. Possibly change the title to: “Integration Training of Program Teams”.*

= *The evaluation team should discuss the overlap between this effort and the IOU’s work for PPM 1. PPM 1 states that the IOUs need to track awareness and knowledge among relevant IOU program staff regarding how IDSM relates to and impacts their efforts and programs. These type of data could be gathered during IDSM staff surveys or the evaluation team could review the data collected by the IOUs.*

22. The integration teams are to help provide the program staff with training, knowledge, and awareness of the IOU’s integration goals, opportunities, and activities. (comment) This is not a requirement.

= *We do not agree. The Strategic Plan highlights integration as a priority and D. 09-09-047 stresses the importance of integration of demand-side activities as a means to a more cost effective delivery of DSM services. Training, knowledge and awareness of the IOU’s integration goals etc. are essential to the fulfillment of the Commission’s DSM integration objectives.*

23. If the utilities have already provided their PMs with formal integration training, the team will review the training material for content and completeness. (comment) This is not appropriate. Maybe they can review agendas and materials and survey results. How is the consultant team to determine “completeness”

= We agree that “completeness” may be difficult to evaluate, perhaps a better approach will be to compare and contrast the training materials for the three utilities for their inclusion and discussion of integrated DSM goals and practices.

24. Memo describing the set up/organizational structure of internal integration teams and the integration training of program staff, their perceptions of successes and remaining barriers. (comment) Where is the information on internal integration teams? This should be linked to the directive.

= Perhaps the issue here is wording. The PIP state that “The Task Force will facilitate IDSM planning and be the primary source of assistance to help inform internal IOU staff of integrated program activities, oversight, and coordination. The Task Force will not oversee the individual IOU Integration Teams, but will coordinate with these groups.” The PIP states that there are currently integration teams within EE and that these teams will be expanding to the additional DSM areas. We would like to interview members of the internal integration teams to better understand their mission, their perception of their successes and the barriers they have encountered.

25. Does each utility have both a residential integrated audit tool and a non-residential integrated audit approach? (comment) Audit approaches for small customers and large customers are VERY different. The tool that is focused on in the directive is for customers under 200 kW. Other customers are receiving onsite audits / reviews that don’t use a single tool for a deliverable with recommendations.

= We agree, but we think that the integration approaches for larger customers may prove a fertile field for inquiry, particularly with the integration of EE and DR, since they have been participating in such programs for many years. If it is possible to receive integrated audit recommendations associated with a sample of large commercial and residential sites that would facilitate the review. Will the on-site audit tool be capturing the audit information it provides the customer?

26. Review New and Emerging Technologies (comment) Obviously we are not going to review the formal ETP activities but rather the Statewide Task Force integration activities – we should not be bothering the statewide EE and DR program managers but take a look at the processes on how the ETP is integrating EE and DR

= We agree that we are not going to be reviewing all of the ETP activities. But we need to talk with the ET program personnel and the Task Force about the Road Map that the Task Force is developing to assist the transition of emerging technologies from the technology assessment phase into the mass market program phase. The evaluation team would like to better understand the Task Force and its interaction with ETP and how this interaction has facilitated the future inclusion of technologies that facilitate IDSM within the mass market programs.

27. What is the process that leads to the development of successful technologies? What stage are these technologies in the timeline of moving from emerging technology pilot measures to potential program measures?(comment) We should be focused on understanding what the ETP “integration” process is ETP does not develop technologies, so cannot speak to the process that manufacturers use to develop technologies. ETP also does not conduct pilots (according to Decision’s definition of the word), they do assessments.

= We agree. The section should be re-written to focus on the ETP integration process and outcomes, and how the ETP assesses a technology for integration. The term development was not intended to imply manufacturing, it was intended to be the process that existing technologies undergo within the ETP to determine their viability for inclusion in IOU programs.

28. Development of Best Practices. (comment) This should be deleted since it is duplicative of other efforts of the Task Force or the tasks in the Pilots section. Maybe this should be part of evaluating the effectiveness of the IDSM Task Force?

= Studying the effectiveness of the IDSM Task Force requires that we evaluate the process that the Task Force takes to complete their assigned tasks and the associated outcome of their efforts. The development of Best Practices is a task assigned to the Task Force. Better understanding how they develop the Best Practices and reviewing the description of IDSM Best Practices is within the scope of the evaluation. Some duplication on this task may be inevitable, but our effort to review the development of Best Practices will look at the process and the outcome from a different point of view than the Task Force’s.

29. The Task Force is assigned to establish a regular review process for integrated pilot progress and ensure that integrated best practices are identified and shared with

portfolio managers for all DSM areas and Energy Division staff. This task will include a review of the energy savings (comment) a Will the utilities need to provide these numbers or will Itron develop them? If Itron develops the energy savings numbers, does this become part of an impact evaluation? (comment) Not sure of the point of this since it focuses only on Pilots. The Task Force is identifying best practices related to selling integrated projects to customers, marketing efforts and other areas that are significant now. A best practices review should be broader.

- = *This task will be rewritten. Itron is not developing savings estimates. The evaluation will review the best practices identified by the Task Force and the methodology used by the Task Force to inform individuals within and external to the IOUs about IDSM Best Practices.*
- = *The rewrite of the task will make it clear that Best Practices are being developed from all integrated projects.*

30. Memo describing the Task Force's Best Practices and the development of these practices. (Comment) We are already doing this and incorporating the best practices in the Quarterly Report.

- = *We will be reviewing the Quarterly Reports. It is also likely that we will interview Task Force members about the development of Best Practices and program personnel about the information they are receiving concerning Best Practices.*

31. Reporting Process for IDSM (comment) This seems unnecessary since the Task Force as a whole has developed the reporting process and format. It is a collaborative process currently.

- = *It will be useful to have feedback from the Commission on their views of the integration activities that is outside the normal utility regulatory channels. It will also be useful for the Task Force to have the input from evaluators on what is needed in the reporting process if IDSM is to be evaluated in future cycles.*

32. If there is a reporting process, has the Task Force informed interested parties about its existence? (comment) Who is this referring to?

- = *The section on the reporting process will be rewritten. Many of the suggestions provided by the Task Force are useful. The review of the Reporting Process should be a collaborative process where the evaluation team learns about the available*

information and the Task Force develops a better understanding of the type of information an evaluation of IDSM would require.

33. The consultant team will review the integrated marketing material and interview IOU marketing staff to understand integrated marketing approaches. (comment) What does this include? Where is collateral, case studies, web, campaigns? Different approaches are used for residential vs SMB vs Business.

= *This is a good question. If we attend the Task Force meetings, we could develop a more detailed list of the best integrated marketing materials to review for each program.*