



Track 2 Working Group 2nd Meeting



Energy Division Staff and Contractors Energy Efficiency Industrial/Agricultural Programs and Portfolio Forecasting **California Public Utilities Commission**

April 26, 2017



Welcome

- Introductions
- Agenda
- Goals



50,000 Feet

- WG constructive feedback
- What is the process for CPUC staff/Commission to respond to T2WG Report?
- What is 'success' for this group?
- T2WG Report draft outline
- Overall T2WG Schedule
- Communication Channels



Overview of Baseline Assignment Process

New policy from E-4818 requires that Attachment B Appendix I of D.11-07-030 (most recently updated per D.12-05-015) be updated .

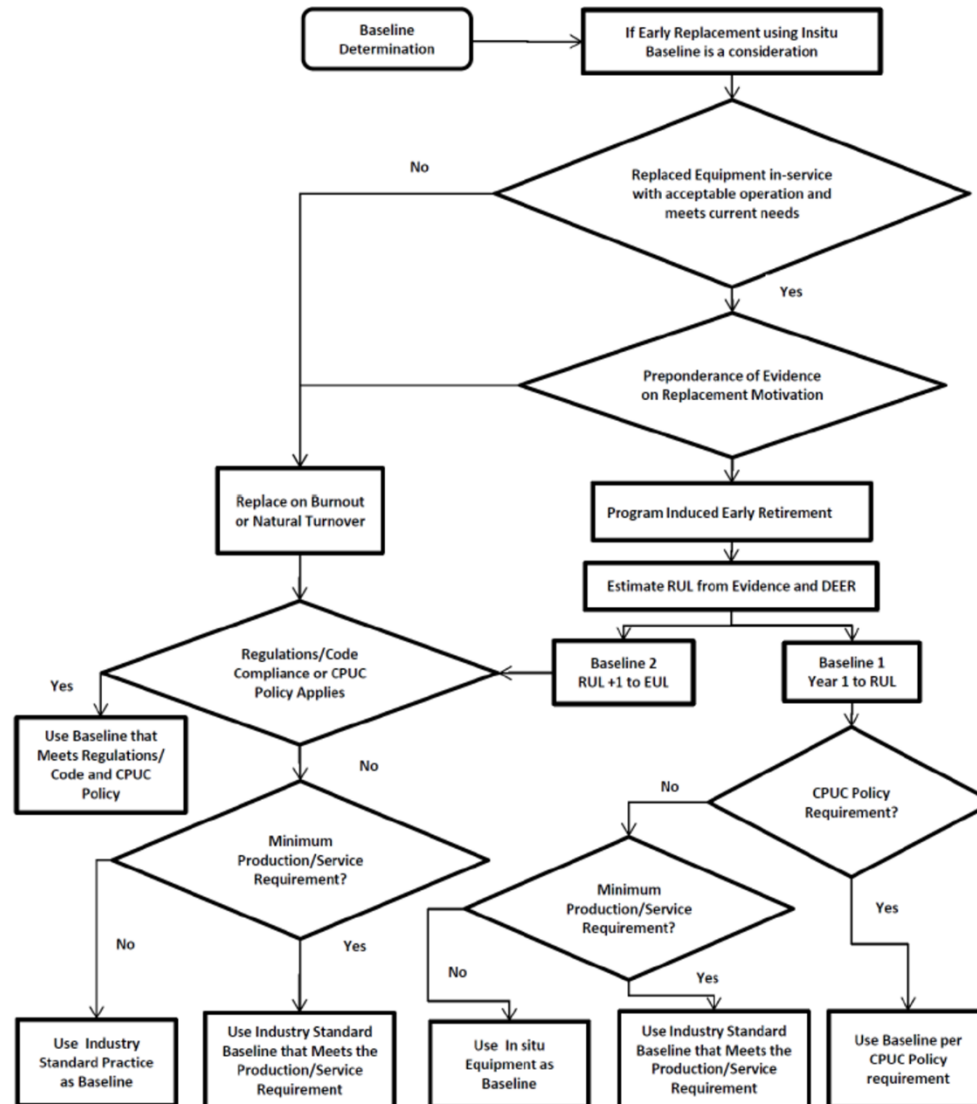


Resolution E-4818 Adopted

Alteration Type	Delivery	Savings Determination	Customer Class	Installation Type		
				Weatherization / Add On / BRO	Efficient Equipment	
					AR	NR
No Existing Condition	All		Code			
Existing Buildings	Upstream/ midstream	All		Code		
	Downstream	NMEC, RCT, exp. design		Existing		
		Calculated		Existing	Direct-to-Decision/ Direct-to-Default POE**	Code
		Deemed		Existing	Deemed POE	Code
Non-Building projects including industrial and agricultural processes	SEM* programs	NMEC	All	Existing		
	Other (not-SEM) programs	All		Existing	Direct-to-Decision/ Direct-to-Default POE**	Code



Old Policy Baseline Flowchart



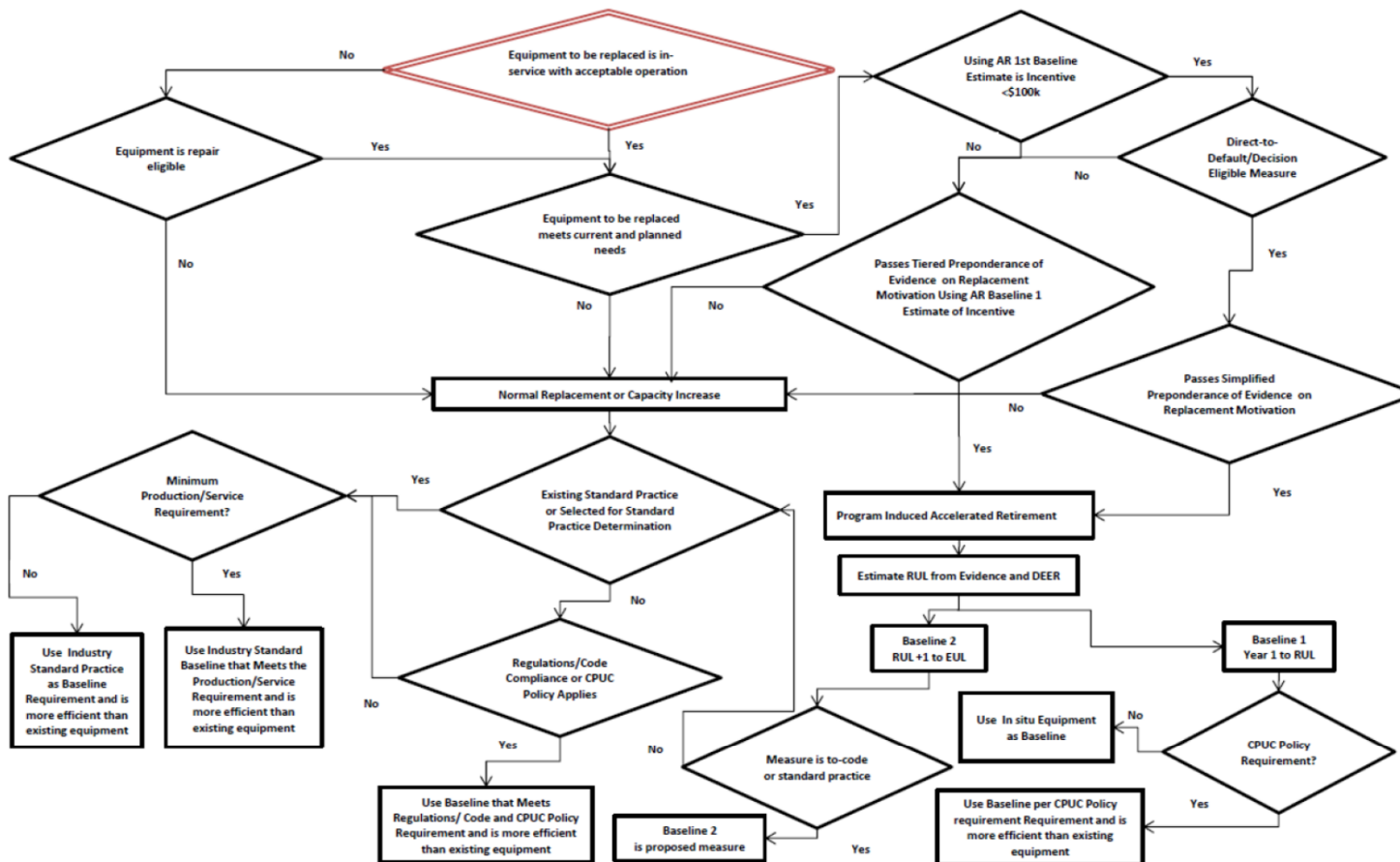


New Policy Has More Complexity

- For Normal versus Accelerated Replacement
 - Three subcategories of AR
 - “Plain” AR (similar to previous)
 - Repair-Eligible and Repair-indefinitely (these add new process with decision points on compliance)
- Preponderance of Evidence (POE) has two pathways and three tiers in main pathway
 - Direct-to-Decision and Direct-to-Default simplified
 - Later is where small business definition comes into play
 - Three tiers based on incentive implies iterative approach
 - Estimating AR savings and incentive (requires baseline selection) to get to the baseline assignment



New Policy Has More Complexity





Task 4: Small Business Definition

This definition is used for the Direct-to-Decision simplified POE pathway

- Parameters that could be used:
 - Business revenue, employee count, energy use and demand
 - Business type, location, ownership
- Existing definitions – CPUC HRT, State of Calif. Micro and small business (revenue and employees)



Task 5: ISP Guidance Document Revisions

Keith Rothenberg

Energy Metrics

Commission Staff Consultant



D. 16-08-019

- “Another issue to be addressed is the development and application of (ISP) determinations.”
- “We decline to stop reliance on ISP determinations.”
- “The current ISP Guidance Document should be revised.”



D. 16-08-019

- Low rigor or informal ISP “studies can still be helpful in determining whether an implementer has achieved incremental energy savings by convincing the customer to go beyond the usual type of equipment purchased in that customer’s sub-segment.”
- The low rigor/informal studies also can be used to “identifying larger ISP market studies that should be carried out by the program administrators.”
- Additionally, “broader ISP studies should be used as an approach to market assessment.”



D. 16-08-019

“How these studies should be designed and carried out should be clarified in the revision to the existing ISP Guidance Document and any associated EM&V plans.”



Scope for ISP Guide Update

- A. Implementation issues:
 1. When is an ISP study needed or required?
 2. When does an ISP study impact project pipeline?
 3. Are ISP studies statewide activities, individual PA activities? Implementer activities? CPUC staff activities? All of these? Which under what circumstances?
 4. What timing is required when an ISP study is determined to be needed?



ISP Revision Scope

- B. Unclear language
 1. Definition of ISP under various market conditions.
 2. Rigor level and sampling required for various types of ISP studies.



ISP Revision Scope

- C. Missing Information to be developed and added:
 1. Requirements
 2. Guidance or other clarifications
 3. Design of an ISP Study
 4. Execution of an ISP Study



Implementing the ISP Update

- Process for collecting input (via T2WG)
- Updating document and public comment
- Final document and effective date



Working Lunch

12:00-12:30

Please pick up your lunch
and come back for
continuing discussion



Task 1: Clarifying code baseline

- Interaction between Codes, standards, regulations and standard practice – most stringent applies.
- Like-for-like and regressive baselines not allowed.
- Must provide near equivalent service as proposed measure (meet current/planned needs)
- Must accommodate new standard practice determinations for measures without an existing approved one.



Task 2: repair-eligible/indefinitely

- Equipment that is older than its effective useful life may qualify for an accelerated replacement baseline treatment where it is determined the equipment is either repair eligible or repair indefinitely.
 - Recent history and current repair cost
 - Replacement cost
 - Energy savings (needed for all claims)
 - Effective useful life of installed equipment
 - Remaining useful life of existing equipment



Task 3: POE Evidence for Tier 1-2

- Equipment condition
 - Photo/Video, past maintenance and repairs records, operating data
- Survey, questionnaire or interview to establish influence
 - Decision process and how program influenced
 - Done by interested or independent party
- “Affidavit” legal language and “consequences” of inappropriate findings



Break

15 minutes



Task 6: Streamlining the EAR Process

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D. 16-08-019

“As noted in D.15-10-028, the current custom review process was adopted to address important quality assurance concerns with respect to projects submitted for program administrator approval. Thus, for custom projects, the *ex ante* review process, *ex post* evaluation, and net-to-gross assessment will continue.”



D. 16-08-019

“We appreciate the difficulties that the custom project review process presents for project implementers. We direct that Commission staff form a working group and that facilitated meetings be held to allow stakeholder input on the custom review process, and the development of a streamlined approach”



Streamlining Defined

“To improve the efficiency of a process, business or organization by simplifying or eliminating unnecessary steps, using modernizing techniques, or taking other approaches.”



Scope- Delays

- Delays in initial project proposal review.
- Delays of initial submissions.
- Delays of CPUC staff turn-around.
- Multiple requests for added information.
- Delays of secondary submissions.
- Requests for reconsideration.
- All the above leading to difficulty in bringing some reviews to closure.



Scope- QA/QC Issues

- Quality and completeness of documentation.
- Program influence documentation.
- Quality of proposed (pre-implementation) and performed (post-implementation) calculations methodology.
- Quality and appropriateness of M&V plan and actual collected data.
- Technical reviewer issues: qualifications and expertise requirements as well as conflict-of-interest; training and ongoing education and information updates.



Scope- Implementer Difficulties

- EAR process affects project development.
- Challenges with establishing program influence early in the process.
- Challenges with appropriateness of measure classification.
- Challenges with undertaking appropriate baseline research or providing evidence to support baseline selection.



Next Steps

- Review meeting outcomes and action items
- Take input on Meeting #3
 - Secure dates for the next two meetings in May.



Thank you.