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| **Track 2 Working Group (T2WG)**  **Meeting Notes**  **Meeting 5** | Tuesday, June 6, 2017  10 am to 4:00 pm  Arup Offices  12777 W Jefferson Blvd  Los Angeles, CA 90066 |

*These draft meeting notes have been distributed to T2WG participants for review and are subject to change. Final meeting notes will be posted on the T2WG web page.*

Find T2WG materials at: <http://t2wg.cadmusweb.com/>

Email [t2wg@cadmusgroup.com](mailto:t2wg@cadmusgroup.com) to join the T2WG mail list.

## Attendees

See last page for the list of attendees who participated in-person or over the phone.

## Action Items

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| **Tasks 1-4** | | |
| 1 | Skim draft report and send any immediate suggestions on layout and clarity | All – Due COB Tuesday, 6/13 |
| 2 | Host phone calls to discuss task-specific proposals | Week of 6/12 |
| 3 | Provide comments and positions on each proposal/recommendation in the [Draft-v1 report](http://t2wg.cadmusweb.com/Documents/DRAFT%20REPORTS/T2WG_Report1_DRAFT-v1_20170606.docx) – Cadmus will send a template for this OR you may send comments directly in the report (use tracked changes please!) | All – Due COB Thursday, 6/15 |
| **Task 5** | | |
| 4 | Host phone calls to discuss task-specific proposals | Cadmus |
| **Task 6** | | |
| 5 | Provide any additional goals, vision, or recommendations to our brainstorm by COB on Monday 6/12. Compiled notes from these brainstorms are in the “Task 6 – Custom Streamlining Materials” folder on the T2WG website. | All – Due COB Monday, 6/12 |
| 6 | Send any additional material you have on the Custom EAR process such as previous analysis or proposals, that you think are relevant and helpful to improving the Custom EAR process | All – Due COB Thursday, 6/15 |

## Next Meetings

**Ad Hoc Phone Meetings**

*Stay tuned for task-specific phone meetings*

**Meeting #6**

Monday, July 10, 2017

10 a.m. – 4 p.m.

PG&E Pacific Energy Center

851 Howard St, San Francisco CA

*\*\* PG&E will cater lunch for in-person attendees*

## Meeting Notes

Meeting agenda: [T2WG\_20170606\_MeetingAgenda](http://t2wg.cadmusweb.com/Documents/Meeting%205%20-%20June%206/T2WG_20170602_MeetingAgenda_Final.pdf)

***Preliminary DRAFT T2WG Report on Tasks 1-4***

The [draft report](http://t2wg.cadmusweb.com/Documents/DRAFT%20REPORTS/T2WG_Report1_DRAFT-v1_20170606.docx) is in the “DRAFT REPORTS” folder at <http://t2wg.cadmusweb.com/>

This initial draft is a compilation of comments and proposals discussed for Tasks 1-4. For each task, the report includes four sections:

* **Background** includes the
* **Discussion** summarizes the comments and issues discussed during working group meetings
* **Recommendation** presents the
* Stakeholder Comments is a placeholder for the stakeholder responses to the T2WG recommendation(s).

Yellow highlighted indicates areas where we still need input or discussion – reviewers should pay special attention to these areas.

The goal of T2WG is to provide a single shared recommendation for each tasks, but where we have not and cannot reach consensus on a single recommendation, the report will present the multiple recommendations and stakeholder reasons for and against each recommendation.

The report is intended to share the voices of stakeholders, so we encourage your feedback on the format, organization, and clarity of the content.

Staff clarified they will not filter any of the content, but will clarify their own recommendations, which should be consistent with what has been discussed through the T2WG process.

[ACTION 1] Skim draft report and send any immediate suggestions on layout and clarity.

[ACTION 2] We also ask stakeholders to review the existing proposals and provide comments and positions on each proposal/recommendation in the Draft-v1 report – Cadmus will send a template for this OR you may send comments directly in the report (use tracked changes please!)

[ACTION 3] Cadmus will organize task-specific phone calls in the next week to clarify concerns, develop recommendations, and try to close the gap on key issues.

***Staff Presentation on Task 6***

Meeting presentation slides: [T2WG\_20170606\_MeetingPPT](http://t2wg.cadmusweb.com/Documents/Meeting%205%20-%20June%206/T2WG_20170606_MeetingPresentation_ExAnteReview.pdf)

On the length of review time – Peter noted that the review team is understaffed

On expected time for review for a particular project – Peter noted that review time depends on the complexity of the project. In the past there were problems collecting all project documentation, so the team implemented a checklist to ensure project submissions included all the necessary documentation. Keith added that review can be anywhere from a few hours to a few days. Jeff added that there is a required timframe, but nobody meets it. The target timeframe is 2 weeks. Keith noted that CPUC had changed the protocol to ask IOUs to prioritize specific projects.

Issues resulting in project delays include:

* CPUC is understaffed due to budget constraints
* Incomplete documentation
* Requests for additional information
* Back and forth communication between CPUC and IOUs
* Some project files are well organized – some projects include a spreadsheet that describes all the 20+ documents in the project file
* Disorganized or not-well-labeled documentation takes time for Staff to sort through

Slide 12 – Staff have been keeping track of the number and type of corrective actions issues during Custom EAR – since they just started collecting these data in 2015, they cannot compare directly to past year; Keith noted that reviewers keep seeing the same issues over and over.

Jeff noted that the number of projects has gone down; the number of corrective actions per project is stable the same over years; CPUC is “waiving” more projects, but the problems per project has not changed much. The number of problems went down in the first couple years because the documentation improved, but then more problems arose.

Paden noted that the first three types of issues (energy savings impacts, process, policy) have been prominent throughout, but that program influence and documentation is a new part of the review.

Staff/consultants noted that the types of problems observed depends on the types of projects reviewed. Jeff suggested that, if we focused on a particular programmatic area (combination of program, then we can make some progress (e.g., focus on a lighting-focused program) – there is an information flow problem. It’s difficult when there are thousands of people involved in the activity.

Sasha noted that it’s interesting that there are thousands of players in this complex policy; asked whether Staff’s report is consistent with what the IOUs are seeing in their own internal processes (for which the IOUs are reviewing at a much higher volume).

Rod – we see projects that we cancel immediately; others where they request more information for the project package. Sasha asked what percentage of projects are total reject; IOUs indicated that there are a lot of projects that never make the CMPA list; a lot of screening by the AEs.

Sasha clarified that the issues Staff identified (slide 12) are issues observed after the PA internal review.

Keith – at the beginning of ex ante review, there were a lot of documentation problems; CPUC said it would not initiate review until the PAs had reviewed. “Our job is to review the PAs technical due diligence, not to perform the technical review.”

Rich – do you have the total time from CMPA to final disposition. Peter confirmed that we has that data. What is the average timeframe for CMPA review? <<follow up on this Q>>

Peter – they track the start and end of the process, but not all the steps in the middle. Shawn commented that the information is available because the back and forth is documented, but the steps aren’t tracked.

Jeff noted that CPUC has timestamps on all its own transactions; Keith noted that there are phone calls on projects (which may resolve discussions) that may not be timestamped.

Rich – of the 70 projects; how many projects are “in the hopper”; Peter clarified that the last time they looked there were about 38 projects in progress.

Cody – asked for definition of “corrective actions” – asked whether this included requests that weren’t necessarily corrections. E.g., Is CPUC request for contact information considered a corrective action? Staff clarified that these are actually corrective actions, which are different from notes.

Jeff noted that the 24 corrective actions are summarized in a document. <<follow up>>

*Ex Ante Review Reality*

Perception from Staff is that the PAs put more effort into the projects selected for EAR; concerned that the selected projects therefore are not representative of the full project population.

IOUs agreed that this happens:

* Paden – aggregating the data takes a long time; there are many people involved in the process; additional effort required because there are special requirements EAR
* Mark – there are confidentiality requirements that require additional review; these requirements are very burdensome; it takes a few additional hours to review that project documentation meets the confidentiality requirements.
* Ryan – PG&E definitely puts more effort; we do a policy review upfront, then send for technical review; once the 3rd part review approved the document PG&E doesn’t review the project again. When a project is selected, then PG&E will review the project for any glaring technical issues. PG&E as part of its process, conducts an additional review for selected projects

Kay – it’s clear to the *ex post* evaluators that projects not selected do not get the same attention. An evaluator noted that there seems to be no impact on projects that do not go through *ex ante* review.

*Custom Project Overall Process [see figure]*

Keith mentioned some Tim Xu did surveys and found that the majority of work is performed in the initial part of the process.

Peter confirmed that he is frustrated by the process and is hopeful that the group can make improvements on all sides.

Rich expressed frustration that the implementer is not part of the review loops. Athena commented that the IOUs do follow-up with the necessary communications (e.g., deal with the implemented if needed) even if those stakeholders are not explicitly listed as part of the process.

Spencer – the actual process is a serial review process; there is nothing happening simultaneously

***CPUC & IOUs Present Custom Workflow Processes***

CPUC and IOUs presented their procedures for the custom review process, referencing the workflow diagrams available in the “Task 6 – Custom Streamlining Materials” folder. The folder contains:

* Workflows for SCE, SCG, SDG&E, and PG&E
* Custom Project Process Overview developed by Staff
* Custom Workflow Diagram developed by Staff

*SoCal Gas – Shawn Fife*

* “PA” is the output of the Engineering/Technical Review
* CPUC has 30(?) days to selected a project once it’s “Ready for Review” on CMPA
* If a project is selected for Ex Ante Review, SCG team completes additional QC Review

Sasha – impressed by the amount of work SCG does, especially when a project is selected for review; concerned by the reasons for the additional review for selected projects – does this mean that SCG is not doing full review or doesn’t have the staff for full review on all projects?

Shawn clarified that the approach is more similar to the audit process, for which a person is always going to review the package before sending to the auditor. Mark added that there may be a misconception that we are going back to re-develop the report. The additional work and additional resources includes a policy review plus additional steps (e.g., confidentiality steps) that the PAs must do unique to the EAR process.

*SCE – Alok*

Reviewed process outlined in workflow documents:

* Every project that SCE reviews goes through an internal review process
  + Smaller projects – SCE randomly selected 15% of projects
  + Med/large projects – comprehensive reviews on all(?) projects
* Changed process in November 2015 based on EAR enhancement memo <<follow up>>
* Selected projects go through an additional process for packaging specific to CPUC EAR – The target timeframe is 2 weeks ---- SCE starts tracking from the data of project upload to CMPA, and then tracks the project on a weekly basis (during weekly calls with CPUC)
* SCE indicates that its generally meeting these timeframes indicated in the review process.

SDG&E (Rob) indicated their processes are similar to the SCG process flow described by Shawn; Ryan said PG&Es processes were similar as well.

*Goals and Reality*

* Alice – sometimes it feels like we have more than one master. We have goals based on a potential study, but not sure the potential study takes into consideration the policy rules and eligibility criteria; a fundamental disconnect.
* Jeff responded that there was a process for each potential & goals study; Jeff and other consultants reviewed preliminary reports on goals and potential study; in some cases the potential on which goals are based are not aligned with the program policies.
* Alice asked Jeff’s opinion on whether the goals are possible.
* Kay acknowledged that the industrial goals are not really based on good data.
* Sasha – it’s worth considering the actual costs of reaching these goals
* Spencer – questioned Navigant’s methods on use of ISP – Navigant using only the policy material available online (which is incomplete)
* Anuj – the rolling portfolio process is meant to align the goals and reality of policy and what is achievable… The process allows the goals to be adjusted over time. Said there is very little this group can do to inform what is going on. These problems are well known.

***Small group discussions and brainstorm on Task 5 – Custom Streamlining***

Attendees split into groups three times during the meeting to discuss these topics:

* What are our shared goals for the Custom Review process?
* What does the ideal Custom Review process look like?
* What

[Compiled notes](http://t2wg.cadmusweb.com/Documents/Task%206%20-%20Custom%20Streamlining%20Materials/Task6_CustomStreamline_Brainstorm_20160606.docx) from these brainstorms are in the “Task 6 – Custom Streamlining Materials” folder on the T2WG website.

[ACTION 5] Provide any additional goals, vision, or recommendations to our brainstorm by COB on Monday 6/12.

[ACTION 6] Send any additional material you have on the Custom EAR process such as previous analysis or proposals, that you think are relevant and helpful to improving the Custom EAR process

**ADJOURN – 4 PM**

## Meeting Participants

|  |  |  |
| --- | --- | --- |
| **Full Name** | **Organization** | **Meeting 5 June-6** |
| Ahmad Ganji | BASE Energy | X (phone) |
| Alfredo Gutierrez | SoCalREN/ICF | X |
| Alice Beltran | SoCal Gas | X |
| Alok Singh | SCE | X |
| Anuj Desai | SCE | X |
| Arlis Reynolds | T2WG Team (Cadmus) | X |
| Athena Besa | SDG&E | X |
| Ben Lipscomb | National Comfort Institue, Inc. | X (phone) |
| Bryan Pena | CPUC | X |
| Cody Coeckelenbergh | Lincus Energy | X |
| Hob Issa | Lincus Energy | X (phone) |
| Jeff Hirsch | CPUC Contractor (James J Hirsch & Associates) | X |
| Jeff Barned | SEMPRA | X (phone) |
| Jeorge Tagnipes | CPUC | X (phone) |
| Jesse Monn | Cascade Energy | X (phone) |
| Jim Hanna | Energy Solution | X (phone) |
| Katherine Hardy | CPUC | X |
| Kathryn F. Kriozere | Small Business Utility Advocates | X (phone) |
| Keith Rothenberg | CPUC Contractor (Energy Metrics) | X |
| Kevin Wood | SCE | X |
| Laura Cummins | CLEAResult | X |
| Leonel Campoy | Itron | X (phone) |
| Mark Reyna | SoCal Gas | X |
| Melanie Gillette | CEEIC | X |
| Milena Usabiaga | Nexant | X (phone) |
| Mohit Chhabra | NRDC | X (phone) |
| Paden Cast | SoCal Gas | X |
| Peter Lai | CPUC | X |
| Reggie Wilkins | SCE | X (phone) |
| Rich Sperberg | Onsite Energy | X |
| Rick Diamond | T2WG Team (LBL) | X |
| Rickson | SCE | X |
| Rod Houdyshel | SDG&E | X |
| Ryan Chan | PG&E | X |
| Sasha Cole | CPUC ORA | X |
| Scott Mitchell | SCE | X |
| Shawn Fife | SoCal Gas | X |
| Spencer Lipp | Lockheed Martin | X |
| Szilvia Doczi | Arup | X |
| Tim Xu | PG&E | X (phone) |