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# 1.0 Introduction

CPUC Staff developed this proposed custom project ex ante review timing protocol as one element of input to Task 6 (streamlining of the custom project ex ante review process) of the Track 2 Working Group (T2WG). This protocol covers the timing of the exchange of Program Administrators (PA) project documentation and CPUC staff notifications and dispositions on projects[[1]](#footnote-2). Thus this protocol only covers the review exchanges between CPUC staff and the PAs. Some procedural changes to the existing process are recommended.

CPUC Staff note that the T2WG, under Task 6, has identified numerous areas for improvement to facilitate streamlining the custom projects ex ante review process. A summary of many concepts for improvement was prepared by CADMUS in a document titled “Task6\_CustomStreamline\_Brainstorm\_20160606.docx”[[2]](#footnote-3) following the June 6, 2017 T2WG meeting number 5. This proposal addresses only the timing protocol aspect of “streamlining”. Although CPUC Staff understands that implementation of this proposal will not address all ideas proposed for streamlining the review process, it is believed that improving the timing of the exchange process of documents between the PA and CPUC is a key and first element that needs to be addressed. CPUC Staff expect that the other aspects of streamlining will be discussed and lead to further process enhancements to be implemented during 2018.

The CPUC Staff proposal includes an event due date tracking simplification to facilitate the practical execution of the proposed process. All post initial project selection due dates will be set to a Tuesday except for due dates falling on State of California observed holidays or due dates occurring in the period that includes Christmas day through the week including New Year’s Day. The process will require that responses be posted in the Custom Measure Project Archive (CMPA) directories assigned to each project, and that uploaded documents be correctly categorized. The proposed process outlines submission and response deadlines and the significance of not meeting deadlines. The successful implementation of these proposed changes will require the commitment of all parties to work together in a spirit of continuous improvement.

**Proposed Effective date of this Proposed Protocol:** **TBD but ASAP in 2018**

# 2.0 Response Due Date Simplification

In order to simplify the tracking of any required response due dates for all parties, all submissions will be reviewed, categorized and accounted for on a weekly basis and any subsequent response required will be given a due date as if the submission happened on Tuesday. A submission that is received after Tuesday will utilize the following Tuesday as the starting date for establishing the due date for the response to that submission. Thus, all submission dates on Wednesday through Monday are rounded forward to the following Tuesday when establishing the due date of any required response to that submission. Submissions on Tuesday will be considered submitted that day. All CMPA file uploads, message postings, etc. will be summarized on a weekly basis and segregated by PA (CPUC Staff expect this may take two months to automate once the fields that will be summarized are agreed upon). This will allow each party to organize and prioritize their workload on a weekly basis.

For example, on Friday December 15, 2017 CPUC staff notify the PA that a project has been selected for ex ante review by uploading a document to the PA’s “2017 CPUC Selected Projects” directory. That submission will be considered to have happened Tuesday December 19, 2017. Although the CPUC selection was submitted to the CMPA directory on Friday December 15, 2017and thus PA personnel could have retrieved the selection information from the PA’s “2017 CPUC Selected Projects” on the 15th, this project’s simplified date of selection for tracking response due dates described below is set at Tuesday December 19, 2017.

For any State of California observed annual holidays[[3]](#footnote-4) that happen to fall on a Tuesday, the Tuesday due date moves to the next business day, Wednesday. Additionally, due dates occurring in the period of the work week that includes Christmas Day through the work week that includes New Year’s Day, any due date moves to the Tuesday of the next work week in January. For example, Christmas Day in 2017 was on Monday December 25th and New Year’s Day in 2018 was on Monday January 1. Any due date that would have fallen on Tuesday December 26th, 2017 through Tuesday January 2, 2018 is automatically moved to Tuesday January 9, 2018.

CPUC Staff intends to implement an automated notification system on the CMPA to create a weekly list for each PA and CPUC Staff that summarizes by project directory all submissions by type and the resulting response date required by each party for that project. It may take a couple months to get this automated notification system in place and it will require each upload or posting to be categorized correctly (i.e., categories that cover project selection, initial project documentation, post install documentation packages, any additional information request or disposition, a full or partial response to additional information request, a comment only, etc.).

# 3.0 Correct Categorization of CMPA Uploads

As noted in the previous section, when documents are uploaded or messages are posted to the CMPA directory for a specific project, it will be necessary to have an accurate classification for that item. CPUC Staff envisions this will be done via a pop-up window during the upload process which prompts the user to choose a file category (one of the Section 2 submission types described above). CPUC Staff will provide a proposed list of categories such as noted above for the menu selection for review and comment by the PAs. The initial list of categories will be finalized based on follow-on discussions of this proposal. It is very important that each upload be correctly categorized so that the tracking summary is accurate.

# 4.0 Initial Selection and Response Upload Timing

Attachment 1 provides an example of the proposed custom projects timeline for CPUC Staff and PAs interactions described below.

The response time for a PA’s initial project documentation upload is calculated from the simplified date of CPUC Staff notification of project selection described above. Normally, the selection of a project for review occurs upon the CMPA list status being “Ready for Review” or a later status for prospective reviews. Projects selected with a status point earlier than “Ready for Review” shall not have timing requirements for complete documentation until the status becomes “Ready for Review”. CPUC Staff may issue, at any time, a prospective disposition affecting projects as described in Section 8 (Prospective Reviews and Dispositions).

CPUC staff notification to a PA of a project being selected for ex ante review shall follow the timing guidelines set forth in the subsections below:

## 4.1 PA Responds and Uploads to the CMPA the Project Documentation Package Within Three Weeks After Being Notified of Project Selection:

If the PA uploads complete documentation[[4]](#footnote-5) including all requirements listed on the “Ready for Review” checklist within three weeks, then CPUC Staff shall provide a first response for the project within three weeks of the simplified date of the PA’s complete documentation upload. If CPUC Staff does not provide a first response within three weeks of the simplified date of the PA’s upload, the project is waived (released) from any CPUC Staff review affecting the ex ante values for the selected project; however, all requirements of Section 6 (Waived Projects) shall apply.

## 4.2 PA Responds and Uploads to the CMPA the Project Documentation Package More Than Three Weeks After Being Notified of Project Selection:

If a PA fails to upload the project documentation package for a selected project within three weeks after being notified of Project selection, then after the PA uploads the project documentation package submission, CPUC Staff shall provide a first response for the project within five weeks of the simplified date of the PA’s complete documentation upload. Additionally, the PA’s late response will be reflected as a negative on the “Timely Response” Efficiency Savings and Performance Incentive (ESPI) metric for the project. If CPUC Staff does not provide a first response within five weeks of the simplified date of the PA’s upload, the project is waived from any CPUC Staff review affecting the ex ante values for the selected project, however the PA will continue to upload all documents to the CMPA folder for the project as they become available.

## 4.3 PA Failure to Provide Complete Documentation[[5]](#footnote-6)

If a PA project submission is found not to provide all the documentation required on the “Ready for Review” checklist in its initial documentation submittal, then CPUC staff may at its discretion take one or more of the following actions:

* Continue the project review issuing a disposition using the available documents and require the application of a gross and/or net savings adjustment factor to mitigate the added uncertainty due to missing documentation;
* Request the PA provide the missing documentation and restart the response time as if it is a new submission, and require the PA to notify the implementer and customer that the documentation package was incomplete;
* Reject the project and require the PA re-start the project review and approval process by providing the project on a future bi-weekly CMPA list as “Ready for Review”.

If CPUC Staff determines that a PA has provided incomplete documentation uploads more than 5 times in a calendar year by not supplying all the documentation required on the “Ready for Review” checklist in its initial documentation submittal, the PA shall be required to take the following actions:

* PA management will formally address the issue by providing CPUC staff and management with a written 1) explanation of the causes of the problem, 2) the mitigation plan including steps being taken to alleviate the problem, and 3) a timeline for the implementation of the mitigation plan;
* If the incomplete documentation problem has been exhibited for a specific subset of programs, the PA shall 1) undertake a more detailed review of the identified programs project review and approval process to identify the underlying deficiencies that are allowing incomplete submissions, 2) take immediate corrective action to alleviate the problem, 3) require every project in the program pipeline to undergo a documentation review to ensure all project documentation has been obtained and archived for all projects, 4) consider every new project to be selected for CPUC staff review until the problem is determined by Commission staff to be adequately resolved.

The purpose of this option is to discourage the PA from providing incomplete submissions which lead to requests for additional information that can add significant time to the review process as well as the added expenditure of resources by the customer, any implementer, the PA and review contractors, and CPUC staff and contractors.

## 4.4 Complex, Complex and Low Occurrence, or Unique Measures

Some projects include complex measures or complex measures with low frequency of occurrence in the portfolio. The PA or CPUC Staff may designate a selected project as “complex, low occurrence, or unique” and request additional response time by posting a message in the root directory of the project’s CMPA directory. This designation, by a PA must be made within 3 weeks after the simplified date of CPUC Staff notification of project selection described above by posting a message in the root directory of the project’s CMPA directory. This designation, by CPUC staff must be made within 3 weeks after the simplified date of initial project documentation package submission by the PA described above by posting a message in the root directory of the project’s CMPA directory. Posting of the request will cause the time frames listed above to be doubled. Following such a notification by either party the PA and CPUC staff will, within one week, discuss and agree upon new due date time periods for the project if doubling the default is not adequate for either party. The PA and CPUC staff will discuss the timeline on the next weekly PA-CPUC staff check-in call (or the following call if the notification occurs in less than 3 days before the next call) and notify the customer and implementer of the new timeline.

# 5.0 Follow-up Submissions

This section applies to the period after the PA’s initial project documentation upload. Where follow-up responses are required, each party shall make a reasonable effort to respond within 2 weeks from the simplified date of upload. Responses normally include: CPUC staff review notification of missing or incomplete documentation; CPUC staff disposition that includes action items, PA upload of post installation documentation. A response may also be required to a PA response to staff disposition action items or notifications. When a party expects that it will not be able to fully respond within 2 weeks, a message must be posted in the root CMPA directory for the project indicating the expected additional time needed (time in number of weeks with a new due date provided) for a response and a reason why it cannot meet the initial due date. The acknowledging party will respond accordingly with a message in the root CMPA directory for the project. This process is a courtesy so that each party knows what to expect and can plan their workload accordingly. The expected response dates should be periodically updated, if needed, at least one week prior to the previously noticed due date for long lead responses. These types of requests are normally only expected for situations such as when additional post installation measurement and verification (M&V) true-up documents are expected to be available for a project or when an ISP study may be required.

# 6.0 Waived Projects

CPUC Staff may designate that a project is “waived” from further review at any stage. A project waiver notification from Commission staff may optionally include specific terms of the waiver that shall be treated as disposition requirements. Also, as described above, if CPUC Staff do not respond to the initial project upload within the specified timeframe, the project is waived by default. A waiver by default shall not have any additional requirements other than those previously issued that apply to the project or elements of the project. A waived project may, at the PA’s discretion, proceed through the PA’s normal processes and any subsequent new review direction for the project by CPUC Staff will only be prospective (see Section 8, Prospective Reviews and Dispositions) and thus will not affect that specific project’s ex ante values determined by the PA. However, the PA is required to follow any direction given via written disposition (including memos posted in the project CMPA directory) for that project prior to the project being waived from further review and follow any other previously issued dispositions or guidance from CPUC staff that specifically covers elements included in the project. The PA is required to continue to upload to the CMPA project directory all project documents as they become available. CPUC Staff may, at its discretion, review the project documents uploaded after the waiver, including a claim review as outlined in D.11-07-030, Attachment B[[6]](#footnote-7), to ensure previous dispositions and directions applicable to the project was followed and require or implement changes to meet those requirements moving forward.

# 7.0 Notification of Project Claims

For all projects selected for review, the PA shall upload to the project CMPA directory a document indicating any project claim ID including the year and quarter in which the project is first included or later updated or augmented in any PA claims filings with the CPUC.

# 8.0 Prospective Reviews and Dispositions

CPUC Staff may select any current or past project for a prospective review by notifying the PA. In such cases the PA will upload the complete project documentation to the CMPA directory designated by CPUC Staff in the same manner and time frame as if the project was selected for ex ante review. If CPUC Staff provides guidance on any measure described in the project documentation, that guidance shall apply to all similar projects in the PA’s pipeline. There shall be no time limits on a CPUC staff’s selection of projects for prospective reviews, however, D 15-10-028[[7]](#footnote-8) prescribes grandfathering of pipeline projects with signed project agreements or project applications within 60 days after the prospective review is posted. Grandfathered pipeline projects will not be impacted by the findings from the prospective review posted on the CMPA.

**Attachment 1: CPUC Staff Proposed Custom Projects EAR Timeline for CPUC Staff and PAs Example Timeline**

**Attachment 2**

1. Commission Decision 11-07-030 Attachment B



1. Commission Decision 11-07-030 Appendix 1 in Attachment B update issued July 17, 2014 per Decision 12-05-015.



1. Ready for CPUC Review Checklist 2015-12-01 FINAL



1. The exception to this process is for Proposition 39 project reviews. Proposition 39 project reviews adhere to the review timeline as described in Commission Decision 14-10-046 p50, “Commission Staff will select custom projects for review within 5 days of receipt of submittal, and will have an additional 10 days thereafter to complete review of a selected project, provided that all project information required for a review is included in the submittal.” [↑](#footnote-ref-2)
2. The document may be found under the “Task 6 - Custom Streamlining Materials” directory here: http://t2wg.cadmusweb.com/ [↑](#footnote-ref-3)
3. State of California Holidays are New Year's Day, Martin Luther King Jr. Day, Presidents’ Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day. [↑](#footnote-ref-4)
4. Note that the clarifying definition of “complete documentation” is a topic of future ex ante custom projects review process improvements discussions and will not be discussed in this document. At this time, complete documentation will be those project documentation that are required per D.11-07-030 Attachment B and items to be checked off for a project to be indicated as ready for CPUC staff review as described in the list ‘Ready for Review Documents Checklist 2015-12-01 FINAL.xlsx”(both are attached here in Attachment 2). To provide transparency and certainty, CPUC staff will establish a process for future updating and implementation of the ‘complete documentation’ clarifying definition and the ‘Ready for Review Documents Checklist’ to be shared at future ex ante custom projects review process improvements discussions. This living document will be updated to reflect any future updates. [↑](#footnote-ref-5)
5. Details for this section are not resolved at this time. CPUC staff attempted to address the PA comments in the revised section. The PAs suggestions/comments include a) no back and forth; review as it, b) this is what the ESPI scoring is for, c) get rid of the 5 times requirement but every incomplete project gets extra time. CPUC staff acknowledges that failure to provide complete documentation will be reflected in the ESPI performance scoring and memo, but we question what will result in motivating the implementers and PAs to provide complete documentation packages for each selected project versus simply uploading an incomplete documentation package to meet a deadline? [↑](#footnote-ref-6)
6. Decision 11-07-030, Attachment B p.B9. “Custom projects that were not reviewed by the Energy Division prior to appearing in a Quarterly claim may be further reviewed for the purpose of gaining new information and prospective improvements to ex ante estimates and planning, but IOU’s will not be held accountable for energy savings adjustments for such reviews for any projects covered by then existing customer agreements or already approved customer applications.” [↑](#footnote-ref-7)
7. Reference for D 15-10-028 Section 3.2.3.4, “…we will allow any similar projects with a signed project agreement or project application that occurs within 60 days of the staff disposition that modifies the ex ante value, to utilize the prior ex ante savings estimate for those qualifying projects. In other words, projects with signed project agreement or project application that occur within 60 days will be “grandfathered” and allowed to utilize prior ex ante savings estimates. Note that the customer agreement or application must be a project specific document that includes the project specific savings estimate that has been approved and agreed upon by the PA and accepted by the customer and signed by both party’s on or before the 60-day limit. A participation agreement does not qualify. [↑](#footnote-ref-8)