## **Task 2 – T2WG Discussion**

Staff clarified its expectation that POE include three categories of evidence or documentation requirements, for which the level of rigor for each component should scale with the tier level:

1. Evidence of equipment operation
2. Survey, questionnaire, or interview to establish influence
   1. Evidence
   2. Administration (collection of evidence)
3. “Affidavit” to ensure the project documentation is accurate

**Resolution:**

Despite agreement on using a tiered approach and in defining them with the incentives values in the bullets above, …

* the working group was not able to agree on what would constitute sufficient documentation standards for the lower rigor tiers (i.e. Tier 1 and Tier 2). [Task 2-2 Equipment Viability and 2-3 Influence / Survey Content]
* Parties could not agree as to whether the lowest rigor tier would involve an interview conducted by an independent third party, or program administrator, or implementer. [Task 2-4 Survey Administration]
* There were also differing perspectives on whether the questionnaire should be program specific or general, [Task 2-3 Influence / Survey Content]
* whether the language in the questionnaire should indicate there would be consequences for misrepresenting facts [Task 2-5 Affidavit]
* even whether an interview should be conducted at all. [Task 2-4 Survey Administration]

Working group facilitators present their best approximation of a ”middle ground” solution, representing no one perspective nor a negotiated compromise.

## **Task 2-2: Equipment Operation – Evidence of equipment operation**

The first requirement from staff is that the POE include evidence of equipment operation and ability to remain in service meeting customer requirements for its RUL. Staff suggested the following examples of evidence:

* Photos/Videos
* Current and past maintenance and repairs history/records and costs
* Operating data
* Reliability history and issues
* Information on current plans or budgeting for expansions, remodels, replacements

**[Q]** What would constitute sufficient documentation standards to demonstrate equipment viability/operation?

[Q] How should this evidence be collected for Tier 0/1/2?

Table . Summary of POE Proposals – Equipment Operation

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Med Rigor (“Tier 1”)** | **Low Rigor (“Tier 2”)** | **“Tier 0” (potential option)** |
| **T1WG Proposal** | Photograph or short video showing the pre-existing equipment in place and operating in the condition described in the application, to establish pre-retrofit functionality. Photos of gauges indicating a system running at elevated temperature or current draw are options. If such visual evidence is not practical other alternatives such as operational data may be permissible. | Same as for Tier 1 except that the photo/video evidence is optional… | n/a |
| **Issues** |  |  |  |
| **T2WG Proposal** |  | **Proposal 2-2A** The evidence requirement for equipment condition may be met through the questionnaire (to be designed) with an associated picture. |  |
| **Position on T2WG Proposal** | | | |
| Staff |  | Peter/CPUC agreed to this for Tier 2 projects, but did not commit for larger projects. |  |
| IOU |  |  |  |
| Implementers |  |  |  |
| ORA |  |  |  |
| Other |  |  |  |

### Categories of Evidence Used in the Full Rigor POE – Equipment Operation

|  |  |  |
| --- | --- | --- |
|  | **Proof Point** |  |
| **For** | Equipment serves its current load |  |
| The load served is expected to remain the same through the RUL period. |  |
| Equipment age is less than its expected useful life |  |
|  |  |
| **Against** | Equipment is not operating or is poorly operating. |  |
| The load served is changing within the RUL period |  |
|  |  |

## **Task 2-3: Survey/Questionnaire/Interview Content – Survey, questionnaire, or interview to establish influence**

Staff/Consultants stated their expectation that the survey, questionnaire, or interview collect information on the customer’s decision-making process and demonstrate how the program influenced the customer to participate in the energy-efficiency program. Staff/Consultants provided the following examples of documentation:

* Documentation establishing customer choice of a lower efficiency lower cost alternative prior to program intervention; and/or
* Survey, questionnaire, or interview to reveal the customer decision process and how the activities program influenced a change in choice either by information on alternate choices or financial support (or both)

Staff provided an example questionnaire for HVAC projects, but indicated that the types of questions depend on variables including the measure, market, and project size.

**[Q]** What would constitute sufficient documentation standards to demonstrate program influence?

[Q] Should the questionnaire should be program specific or general?

[Q] Should a survey even be conducted?

Table 1. Summary of POE Proposals – Evidence of Program Influence

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Med Rigor (“Tier 1”)** | **Low Rigor (“Tier 2”)** | **“Tier 0” (potential option)** |
| **T1WG Proposal** | Completion of a short (nominally eight questions or less) interview conducted with a facility operator or other technical equivalent that determines prior intent to continue operation in the pre-retrofit condition for at least one year. **A general “core” questionnaire will be developed.** It is recommended that this is pre-approved by CPUC staff prior to use. If there are concerns for individual measures, a customized questionnaire tailored to the specific measures or target market may be addressed. | Same as for Tier 1… | n/a |
| **Issues** |  |  |  |
| **T2WG Proposal** |  | **Proposal 2-2A** The evidence requirement for equipment condition may be met through the questionnaire (to be designed) with an associated picture.  **Proposal 2-3A & B** – See sample questionnaires provided in Appendix B of T2WG Draft Report. |  |
| **Position** |  |  |  |
| Staff |  | Peter/CPUC agreed to this for Tier 2 projects, but did not commit for larger projects. |  |
| IOU |  |  |  |
| Implementers |  |  |  |
| ORA |  |  |  |
| Other |  |  |  |

### Categories of Evidence Used in the Full Rigor POE – Program Influence

|  |  |  |
| --- | --- | --- |
|  | **Proof Point** |  |
| **For** | Explicit customer communications concerning measure options |  |
| Timing & Customer Communications Trail |  |
| History of Energy Efficiency Activity |  |
| Significant financial impact |  |
| **Against** | Incentive is a relatively small benefit | (Resolution directed not to use this as evidence against) |
| Equipment fulfills a regulatory mandate. |  |
| Corporate Sustainability Policy | (Resolution directed not to use this as evidence against) |
| Non-Program Energy Efficiency Investments |  |
| Proactive Replacement Scheduled |  |

## **Task 2-3: Survey/Questionnaire/Interview Administration – Survey, questionnaire, or interview to establish influence**

In the T1WG, stakeholders differed in their opinions on how and by whom the survey should be administered:

* Staff stated its preference that any survey, questionnaire, or interview be conducted by a “disinterested or independent” party.
* Stakeholders acknowledge Staff’s concern with a survey administered by an interested party (e.g., the project developer), but questioned the value that 3rd party administration of questionnaire adds to the process
* Sasha/ORA indicated a preference for 3rd-party administration, but also acknowledged the pragmatics of not doing this for lower tiers; he indicated a preference for independent survey for higher Tiers, but was willing to consider not requiring an independent auditor for the lower tiers.
* Mark/SCG suggested that, if we are accepting self-certification for the affidavit (Task 2-5) and small business qualification (Task 4), then it would be consistent to also self-certify on the POE.

One stakeholder asked whether the questionnaire was necessary as a separate activity if all relevant data are collected in the program audit (or other existing program process. Peter/CPUC responded that, for some size of projects, these data should be collected at the project level, but could be collected by the implementer. For even smaller projects, the questions should be part of program design.

[Q] How (and by whom) should this evidence (for program influence) be collected for Tier 0/1/2?

Table 1. Summary of POE Proposals – Administration of Program Influence Survey/Questionnaire/Interview

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Med Rigor (“Tier 1”)** | **Low Rigor (“Tier 2”)** | **“Tier 0” (potential option)** |
| **T1WG Proposal** | …Administration of this questionnaire should be conducted by an independent third party without financial interest in the outcome. | … questionnaire administrator is not required to be an independent third party. | n/a |
| **Issues** |  |  |  |
| **T2WG Proposal** | **Proposal 2-4A** - Survey administered by IOU (e.g., account rep)  **Proposal 2-4B** – No survey in project documentation. independent “ex post audit”, that would remove the program influence questionnaire from the standard process altogether, replacing it with an independent audit administered by an independent authority for a random sample of customers. | **Proposal 2-4A** - Survey administered by customer  **Proposal 2-4B** – No survey in project documentation. independent “ex post audit”, that would remove the program influence questionnaire from the standard process altogether, replacing it with an independent audit administered by an independent authority for a random sample of customers. |  |
| **Position** |  |  |  |
| Staff |  |  |  |
| IOU |  |  |  |
| Implementers |  |  |  |
| ORA |  |  |  |
| Other |  |  |  |

## **Task 2-5: Customer Affidavit - “Affidavit” to ensure the project documentation is accurate**

Staff/Consultants recommended that the customer affidavit:

1. Inform the customer that the treatment they are applying for involves requirements that exceed those of “standard” offerings and requires addition information to confirm eligibility, but that they may eligible for the “standard” offerings independent of their eligibility for this offering;
2. Include legal language confirming the accuracy of the information they supply that is used to make the determination of eligibility for AR treatment; and
3. Provide for “consequences” of contrary findings, such as eligibility for AR treatment on the subject project impacted.

The T2WG agreed that customers should be able to certify the accuracy if information they provided for a project application without the threat of criminal action or any references to “penalty of perjury.”

[Q] Should the language in the questionnaire should indicate there would be consequences for misrepresenting facts?

[Q] What is the appropriate format for the Affidavit language?

Table 1. Summary of POE Proposals – Customer Affidavit

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Med Rigor (“Tier 1”)** | **Low Rigor (“Tier 2”)** | **“Tier 0” (potential option)** |
| **T1WG Proposal** | An affidavit, optionally incorporated into the questionnaire, signed by an individual with authority to represent the company or institution and direct knowledge of the decision-making process associated with the measure’s approval or a pre-agreed affidavit template signed by that individual and the implementer that affirms the accelerated replacement decision in both the viability and influence aspects. The text also must acknowledge a specific consequence for misrepresentation, including customer suspension from IOU efficiency programs for three years, reimbursement of any measure-related incentives with a 3-year statute of limitations on claims to any clawback, and possibly include language indicating that willful misrepresentations by any party may be prosecutable offenses under state law. | Same as for Tier 1… | n/a |
| **Issues** |  |  |  |
| **T2WG Proposal** | See Proposals for Task 2-5 in report – also copied on next page. | Same as for Tier 1… |  |
| **Position** |  |  |  |
| Staff |  |  |  |
| IOU |  |  |  |
| Implementers |  |  |  |
| ORA |  |  |  |
| Other |  |  |  |

The T2WG proposed the following statement, to be signed by both the customer and the project developer, to be appended onto relevant project forms.

##### Proposal 2-5A

|  |
| --- |
| **Example 1: Example of “Affidavit” Language** |
| By signing below, I certify that the above is true and correct to the best of my knowledge. I acknowledge that misrepresentation will result in a rejection of the project as an Accelerated Replacement.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_  Customer Signature Customer Printed Name Date |

##### Proposal 2-5B

|  |
| --- |
| **Example 2: Example of “Affidavit” Language** |
| Participant certifies that the above measures have been completed by Participant's contractor to Participant's satisfaction and that the attached invoices are true and correct copies of that contractor's charges to Participant for the Measures. Participant agrees that Southern California Edison may perform an inspection of the installed measures prior to payment of the incentives if Southern California Edison in its sole discretion, so desires.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_  Customer Signature Customer Printed Name Date |