



The Council's Policy Call

March 20, 2020



Advancing Our Clean Economy

→ Today's Agenda

- Council News/Discussion
 - Welcome to our newest member Okapi Architecture
 - Spring Symposium update
 - Member working groups
 - What's coming up
 - Capitol update
 - COVID-19 discussion
- Issues/Topics (Time Permitting)
 - ABAL workshops (Serj)
 - Solicitations update (Greg)
 - Custom Review workshop (Greg)
 - Potential & Goals ruling (Greg)
 - IDER PD on Avoided Cost Calculator (Serj)

→ Welcome to the Council's Newest Member!

Okapi is a small and minority-owned company, managed by recognized leaders in architecture, engineering and sustainability

- They integrate sustainability with architecture and bring leading edge and proven technology to design solutions
- Their services include Savings by Design program implementation, third-party implementation support for SCG and LADWP, codes and standards support to end-users, LEED design and review services, and Prop39 support to end-users



Okapi is based in La Cañada (Southern California)

- Ying Wang, President
- Jessica Mack, Partner of Program Development
- David Holly, Senior Engineer
- Kim Perez, Architectural Associate
- Vanessa Sanchez, Architectural Associate

➤ Spring Symposium Update

- Due to the COVID-19 crisis, we have postponed the Spring Symposium
 - As more information about the crisis unfolds, we will announce a revised date... but note that we're currently thinking about dates that would be no sooner than mid-June.
- In the meantime, staff is working on the program
 - We are recruiting speakers and preparing for these important topic areas:
 - Cost-effectiveness reform
 - DER deployment efforts
 - Decarbonization pathways (buildings, transportation, natural gas and grid resiliency)



➤ Member Working Groups

- Working groups are where members come together to share their perspectives and shape consensus positions that we can take into various advocacy initiatives.
 - We have established 7 working groups:
- On Wednesday 3/18, we sent out an email blast to members providing more details about our two newest working groups:
 - Cost-Effectiveness/Potential & Goals (first meeting will be on Weds 3/26 10:30-12 Noon)
 - Market Transformation (first meeting will be scheduled soon)
- If you are interested in joining any of our working groups, please email to admin@cedmc.org and we'll add you to the various lists and send all calendar invites

➤ What's Coming Up

- **CPUC EPIC Policy and Innovation Webinar**
 - Date: March 23, 2020: 1:00pm to 3:00pm
 - Dial-in number: +14083179253,,280000000#
 - Webinar Link: <https://bluejeans.com/280000000/2800>
 - Purpose is to broadly discuss CPUC electricity policies and programs as they relate to the CPUC's Electric Program Investment Charge (EPIC) research, development, and deployment program.
 - For more information: <https://www.cpuc.ca.gov/energyrdd/>
- **CAEECC Working Group Meeting**
 - Date: March 23, 2020: 11:00am to 1:00pm
 - Dial-in number: +16465588656,,203099576#
 - Webinar Link: <https://zoom.us/j/203099576>
 - Purpose of the meeting is to develop updated and improved EE Portfolio filing processes that include a clear understanding of what information is needed to enable sufficient oversight.
 - For more information: <https://www.caeec.org/3-23-20-ee-wg-mtg>
- **Potential & Goals ALJ Ruling**
 - Released March 12, 2020
 - For more information: <http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=329232450>
 - Comments on Ruling due April 8th; Reply comments due April 22nd
 - Slide reviewing P&G Ruling later in this presentation
- **Avoided Cost Calculator Proposed Decision**
 - Released March 13, 2020
 - For more information: <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M329/K382/329382100.PDF>
 - Comments on PD due April 1st; Reply comments due April 6th
 - Slide reviewing ACC PD later in this presentation
- **ESPI Proposed Decision**
 - Released March 18, 2020
 - For more information: <http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=329484363>
 - Comments on PD due April 29th; Reply comments due May 15th

More details on events are available from the [Most Recent Council Newsletter](#)

→ Capitol Update from Our Lobbyists



Erin Niemela

Tiffany Phan

➤ COVID-19 Discussion

In light of current events, we thought it would be important to facilitate a discussion about the effect this crisis is having on us all. Here are some leading questions to get the conversation started:

- **How is your business being affected?**
- **How is your staff being affected?**
- **What risks and opportunities does shelter-in-place present?**
- **What are the key items that can be improved during shelter-in-place?**
 - Are there specific objectives that can be better-accomplished with everyone at home? e.g. Accelerating review of certain projects?
- **How are you and your staff approaching mental health during this challenging time?**
- **How can the Council support you?**

→ Today's Agenda (continued)

- Issues/Topics (Time Permitting)
 - ABAL workshops (Serj)
 - Solicitations update (Greg)
 - Custom Review workshop (Greg)
 - Potential & Goals ruling (Greg)
 - IDER PD on Avoided Cost Calculator (Serj)

Note that we can stay on the call beyond 11:30 if folks have the time to continue through all these items

➤ PG&E, SCE ABAL Workshops 3/16

- **Workshops required for non-cost-effective 2020 ABALs**
 - “Misalignment of avoided costs and DEERs”, “same portfolio would have higher TRC in the past”, “Schedule misalignment between forecasts and ex ante adjustments leads to outdated forecasting assumptions”
 - Focus across the board on eliminating non-resource programs
- **PG&E presented revised 2020 ABAL**
 - 53% average budget reduction for non-CE programs
 - Optimizing portfolio by holding solicitations encouraging innovative programs
 - Incorporating cost-effectiveness into performance payment terms
 - New ABAL significantly increases: Home Energy Reports, Commercial Deemed Incentives, Heavy Industry EE, Industrial Strategic Energy Management
 - “Early and often vendor communication” with 3P implementers
 - May extend budget/administration for c/e projects, even within non-c/e programs
- **SCE presented revised 2020 ABAL**
 - Closing 3P programs below 0.85 TRC, especially non-resource and LGP, including:
 - Primary lighting, School EE, Commercial direct install, LGP strategic planning pilot
 - Decreasing budget: MF EE rebate, PL&A, res. new const., comm. deemed incentives
 - Increasing budget: HERs, strategic energy management, Agriculture deemed EE
 - Has many placeholders for 3P programs that will come from solicitations

➤ Solicitations Update

- On 3/6, Greg and Gene met with ED staff (Jen Kalafut and her team) to discuss several issues, including:
 1. Highlight the industry's experience with multiple program scale backs/terminations, including the IOUs' lack of transparency regarding the rationale for budget reductions to various 3P programs
 2. Sharing industry experience and observations regarding harmful and inappropriate T&C's proposed in some recent RFPs
 3. Discuss root causes that we believe are the cause for the current reduction in the full use of the EE resource
- We came out of the meeting with guarded optimism:
 - They requested that we bring back specific examples of unreasonable program cutbacks
 - The ED has opened the door to talking with us further on these & other issues
 - But their perception is that the market for high efficiency is saturated
 - And they feel that they doing all they can do within their constraints as the guardian of the ratepayer funds

➤ Custom Review Workshop 3/16

- Workshop was a revival of the so-called T2WG for custom project implementation reform which ended up getting stalled in 2018
- The goals for the all-day workshop included:
 - Present updates to ED's efforts to operationalize SB 1131
 - Provide an update on the status of 3P solicitation process
 - Receive stakeholder input to streamline the overall Custom Projects review process
- Takeaways included:
 - Establish more training for Custom Program technical and policy issues
 - More focus on smaller custom projects and creating processes for streamlining POE requirements, etc.
 - Develop a hybrid path for deemed and custom projects
 - Establish a separate path for processes affecting large custom projects
- Next steps include working with ED to implement many of these suggestions and also push for further improvements to the process
- Notes and presentations will soon be available (we will post more information in the next newsletter)
 - Here's a link to the CPUC's Custom Projects webpage:
<https://www.cpuc.ca.gov/General.aspx?id=4133>

➤ Potential & Goals Ruling

- On 3/12, ALJ Kao issued a Ruling inviting responses to a number of questions related to the upcoming Potential & Goals (P&G) study.
- There will be two parallel tracks for stakeholder input:
 - Track 1 – P&G Study: The CPUC is looking to revamp how EE potential is assessed. The focus will be on methodological and technical issues related to the study.
 - Track 2 – Goals Adoption Policy: The CPUC is examining EE policy questions that will lead to 2021 goals adoption. The focus will be on optimizing EE in the IRP proceeding and issues related to EE portfolio cost-effectiveness.
- The Ruling poses a number of questions related to both tracks.
- We are convening the CE/P&G working group on 3/26 at 10:30-12 to discuss our response to each of the questions.
- Comments are due on April 8th; Reply comments due April 22nd.
- Link to [P&G Ruling](#).

➤ **Avoided Cost Calculator 2020 PD**

- **PD released in IDER proceeding 3/13 to update ACC for 2020**
 - Aligns ACC w/ IRP proceeding to reflect IRP modeling inputs, outputs
 - ED to issue Draft Resolution w/ final updated ACC 30 days after Decision
- **Staff proposal (Appendix A) makes many technical changes:**
 - Continue to use straight-line greenhouse gas adder w/ post-2030 values
 - 4-hour battery storage to determine avoided generation costs
 - Short- & long-term avoided GHG costs to align w/ Fuel Substitution Test
 - Avoided cost of “high” global warming potential gases
 - Natural Gas ACC revised, using forward market prices for 5 years, followed by 3-year transition to CEC IEPR
 - Expand outputs for DR, remove separate outputs for permanent load shifting
- **Workshop will be held following issuance of draft resolution**
 - Will review post-2030 greenhouse gas values, educate on GHG avoided cost measurement, discuss final values for system average approach
- Next major ACC update shall begin w/ staff workshop on 4/1/2021
- **Comments on PD due April 1, Reply Comments due April 6th**

→ Discussion and Q&A

Thank you!
Please stay safe!

Please contact us if you have any questions.

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