



The Council's Policy Call

September 18, 2020



Advancing Our Clean Economy

→ Today's Agenda

Council News

- Upcoming Council Events
- IOU Business Forums
- Member Working Group Report
- What's Coming Up
- Capitol Update

Issues/Topics

- CAEECC Filing Cycle ED Discussion + Reply Comments
- IOU Business Forum Discussion Topics
- Decarbonization Workshop
- Status of CAEECC Market Transformation Working Group:
MT and EE Overlap (SPECIAL GUEST!)

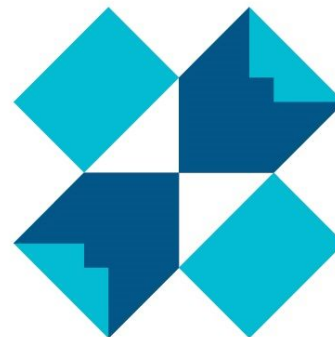
➤ Upcoming Council Events



- Mark your calendars for November 12th Noon-5pm followed by a Happy Hour 5-6pm
- Agenda includes:
 - Keynote speech by a California energy leader
 - Opening plenary panel: The State of EE & DR in the New Era
 - Two theme-based panels followed by topic-focused breakout sessions. Themes include:
 - Pushing ahead on decarbonization policies
 - Advancing DERs for resiliency and economic renewal
- For more information, please visit the Events page on our website at <https://cedmc.org/events/>

➤ IOU Business Forums

- Hear about new developments/plans from your utility clients, explore future opportunities, and participate in engaging dialogue
- Here's the general agenda for each Forum:
 - EE/DR/DER organizational structures
 - EE focus
 - IOU vision for future of EE
 - Portfolio development update
 - DR/DER focus
 - IOU vision for future of DR
 - Integrating DR/DERs into grid ops
- Dates and registration links:
 - PG&E Forum – Thursday September 24, 2020 10:00 AM to 12 Noon ([Register here](#))
 - SCE Forum – Thursday October 1, 2020 10:00 AM to 12 Noon ([Register here](#))
 - SDG&E Forum – Thursday October 8, 2020 10:00 AM to 11:00 AM ([Register here](#))
 - SoCalGas Forum – Thursday October 15, 2020 10:00 AM to 12 Noon ([Register here](#))



Business
Forum

Note: Everyone must register to participate! Visit our website for more information: <https://cedmc.org/events/member-forums/>

➤ What's Coming Up?

- **Disadvantaged Communities Advisory Group (DACAG) Meeting**
 - September 18th, 1 – 3 pm
 - <https://www.cpuc.ca.gov/calEvent.aspx?id=6442466057>
 - Telephone: 877-853-5257 (Access Code: 965 5361 6816)
- **Evaluation, Measurement and Verification (EM&V) Stakeholder Quarterly Meeting**
 - September 22nd, 9 am – 1 pm
 - <https://cpuc.webex.com/cpuc/j.php?MTID=m2c6d40d9916f9aa33f6ed3154a141a9a>
 - Meeting number: 146 478 6140; Password: 20aMX20
 - Agenda: <https://drive.google.com/file/d/109sLoqqBGSaUzDM4YQDWmky81O-S4ZQd/view>
- **CEC California Flexible Load Research and Deployment Hub Pre-Application Workshop**
 - September 22nd, 2 pm
 - Zoom Meeting ID: 925 8112 0085 and Password: meeting@2
 - Telephone: 888-475-4499 (Access Code: 925 8112 0085)
 - More information on the Workshop and RFO can be found here:
<https://www.energy.ca.gov/event/funding-workshop/2020-09/pre-application-workshop-gfo-19-309-california-flexible-load>
- **Nancy Skinner's Birthday + Final Reelection Campaign Kickoff**
 - September 30th, 5 – 6 pm
 - To RSVP and for Zoom Meeting information, please e-mail RSVP@bertalina.com.
- **Electric Program Investment Charge (EPIC) Symposium**
 - October 19th– 21st, 5 – 6 pm
 - Save the date:
http://img03.en25.com/Web/GNA/%7Bcb0de9ba-316c-4ae5-84cd-c62347ab56ed%7D_EPIC_Symposium.ics

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

→ What's Coming Up?

SOLICITATION NOTIFICATION

- **SoCalGas Behavioral RFA**
 - Released August 21
 - Bidders RFA Abstracts are due on September 25th
 - Details available on <https://w3.poweradvocate.com/>
 - Once Power Advocate registration is complete, applicants can apply to the event through the “Opportunities” portal; search for the SoCalGas event, click the key to request access to the event.
- **Energy efficiency program third-party solicitation information and links found on the CAEECC [Website](#).**

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

→ Capitol Update from Our Lobbyists



Erin Niemela

Tiffany Phan

➤ IOU Business Forum Questions

EE Focus

- **IOU vision for future of EE in the era of COVID and grid stress**
 - e.g. Do you anticipate a slowing of the market for EE due to COVID and its effects? How does EE rank in your organization's priorities during these difficult times?
- **Update on portfolio development process**
 - e.g. How do you view your role in portfolio development going forward, in light of the increasing role of third-party implementers?
- **Broader discussion**
 - e.g. What are the biggest challenges/opportunities for EE in the next 10 years?

DR/DER Focus

- **IOU vision for future of DR/DER resources in the era of COVID, grid stress**
 - e.g. How do you see DR and DERs playing an increasingly-important role during COVID and grid stress?
- **Integrating DR/DERs with grid operations**
 - e.g. How do you see integrating DR/DERs, other BTM resources into the broader grid operations? How do you see CAISO making use of DR/DERs in grid planning?
- **You can suggest questions now, or via this document:**
<https://docs.google.com/document/d/10aMdVe3gxqRH9njinRbvOd5N2448IW4wPvl1nZnpYb-o/edit?usp=sharing>
- **Please note opportunity to ask additional questions during the forum**

CAEECC Filing Cycle Discussion with CPUC ED + Reply Comments

- **The Council filed Opening Comments endorsing 4-year proposal**
 - Rolling portfolio process did not solve “start-stop” issues with previous multi-year cycles
 - Proposal can increase stability, reduce market uncertainty through continued funding
 - Will fix current (unintended) practice of 1-year contracts under Rolling Portfolios
 - Freezes technical inputs (DEER, workpaper, EM&V) for at least two years
 - Provides an opportunity for the Commission to re-examine cost-effectiveness writ large
- **Energy Division requested discussion of our position on Filing Cycle Report**
 - Did not appear to have fully digested CAEECC Working Group Report
 - They had not read Council Opening Comments filed one week before meeting
 - Expressed reservations about any significant changes to Rolling Portfolios
 - Noted they did not believe workpapers were included in freezing technical inputs
 - Heard directly from implementers on challenges around changing inputs
- **The Council filed Reply Comments on Tuesday, September 15th**
 - Highlighted incredibly broad support for four-year proposal across all parties
 - Endorsed NRDC’s approach to freezing technical inputs for two years at a time
 - Opposed PAO desire to provide refund to ratepayers from poorly-performing programs

Final report: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M336/K058/336058397.PDF>

Summary of party comments: https://docs.google.com/document/d/19degU87GeCpkULTC_Bi2aM0ASrnNyQFM6i--luQlneo/edit?usp=sharing

➤ CPUC Decarbonization workshop

- **Staff Report Content focuses on three main objectives**
 - Incentive layering to lower appliance cost in order to facilitate fuel substitution
 - Post-wildfire reconstruction via the creation of a new Wildfire and Natural Disaster Resiliency Rebuild (WNDRR) program to incentivize all-electric residential rebuilds
 - Require electric IOUs to introduce baseline allowance modifications for customers who install electric water heating equipment
- **CPUC Decarb Workshop held Sept. 15 focused on post-fire electrification**
 - Major focus on WNDRR in light of recent fires, funded at \$50m for 10 years from C&T
 - IOUs administer program, using BUILD & TECH model, with SCE as the fund admin.
 - Potential to use NMEC data to calculate GHG reductions
 - Programs provide incentives (up to ~\$13k per home) to rebuild all-electric post fire
 - Some decarb programs are achieving 25% savings over Title 24 standards
 - Growing mobile home park sector represents a unique challenge/opportunity
 - IOUs expanding infrastructure capacity to serve MHPs, TRC using efficiency!
 - Electric water heating baseline allowance adjustment aims to avoid bill shock
 - Essential usage study scoped under PG&E GRC will examine all-electric baseline
 - Gas cost spiral due to declining gas sales will raise rates for remaining gas customers
 - Need to ensure decarb programs focus on equity, particularly in wake of fires
 - Ruling in decarb proceeding due by Sept. 25th requesting responses to questions

Status of CAEECC MT Working Group: MT and EE Overlap

MARGIE GARDNER, SENIOR ADVISOR
SEPTEMBER 17, 2020

Background

- CPUC MT Decision (D.19-12-021) asked CAEECC to reconvene the MT Working Group to discuss issues of savings and goals overlap between the new MTA and existing EE Efforts
- Update on Status of:
 - Accounting MT and RA Savings
 - Accounting for MT and C&S Savings
 - Setting Goals
- No decisions yet
 - Everything is still percolating in work groups (WG) and sub-WG
 - MT/C&S has been the most difficult

“ MT Theory Umbrella”

FILL THE GAPS

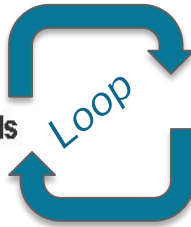
Emerging Technology

Pilots and prep
(e.g., spec development)

**Market research
and assessment**

Implementation
*(including supply chain/
customer incentives, marketing,
training, strategic partnerships,
etc.)*

Codes and standards



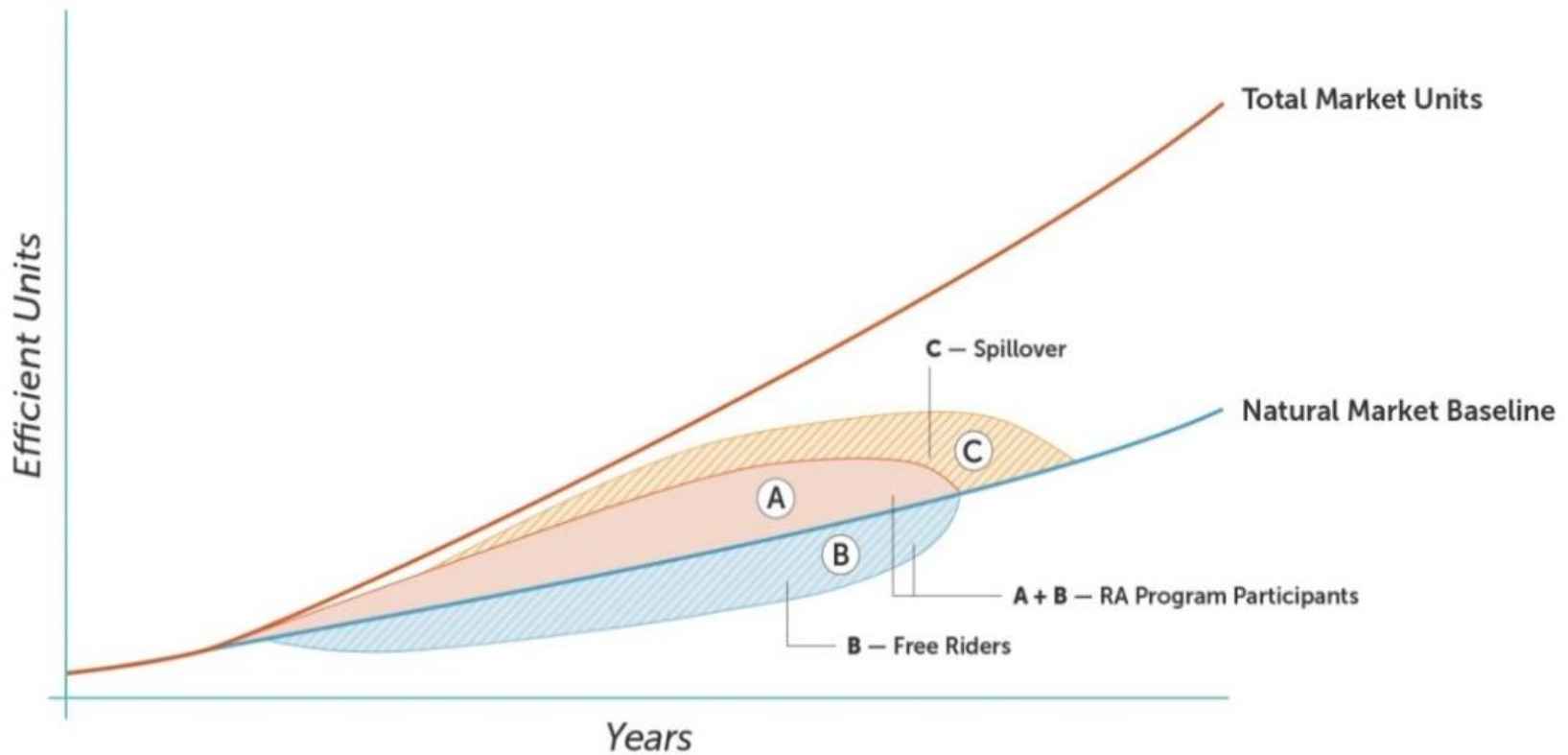
- MT serves as a “theory umbrella”, combining multiple activities to drive market change per the initiative’s logic model

- Activities are often funded from multiple areas within utility/agency/partner budgets

1

Accounting for MT and Resource Acquisition (RA) Savings

MT and RA Savings



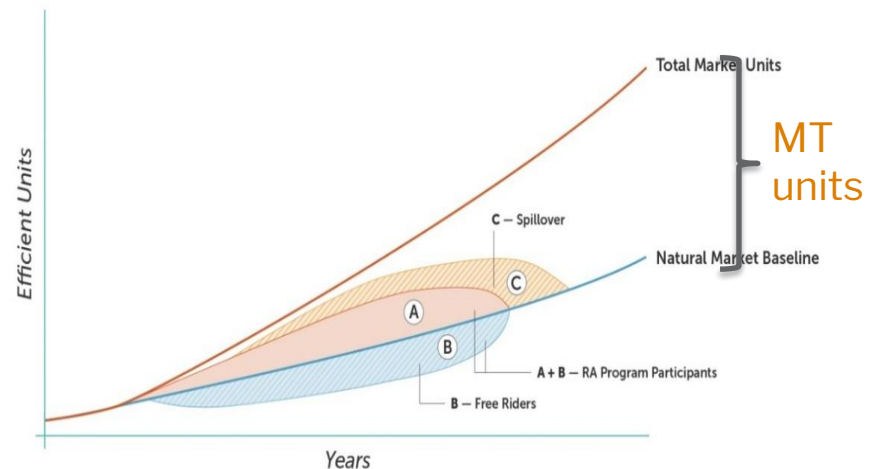
Purpose: Avoid double counting

Proposal: Remove net RA Savings from the MT Savings

Total MT Savings = (MT Units x Savings per unit) – RA Net Savings;

Where:

- *MT Units = Total Market Units – Natural Market Baseline Units*
- *Savings/Unit = Developed in MTI Plan*
- *RA Net Savings = Savings reported in CEDARS*
for the same market (measures) targeted
by the MT initiative
 - *Likely a combination of A, B, C*



Example

	Calculation
<i>Given: Total Market Units</i>	2,000
<i>Given: Natural Market Baseline</i>	200
MT Units	1800 (2,000-200 = 1,800)
<i>Given: Unit Energy Savings (UES)</i>	150 kWh/yr
<i>Given: Net RA Savings (kWh/year)</i>	Reported by Utility in CEDARS Example assumes 100,000 kWh
TOTAL MT Savings (kWh/yr)	(150*1800) – 100,000 = 170,000

Questions on “net” RA savings

- Is CEDARS the best source for net savings?
- Will “free rider” RA calculations be biased by the MT activities? If so, what can be done?
 - Keep FR rate static so less penalty to RA from a moving market?
 - Other ideas?

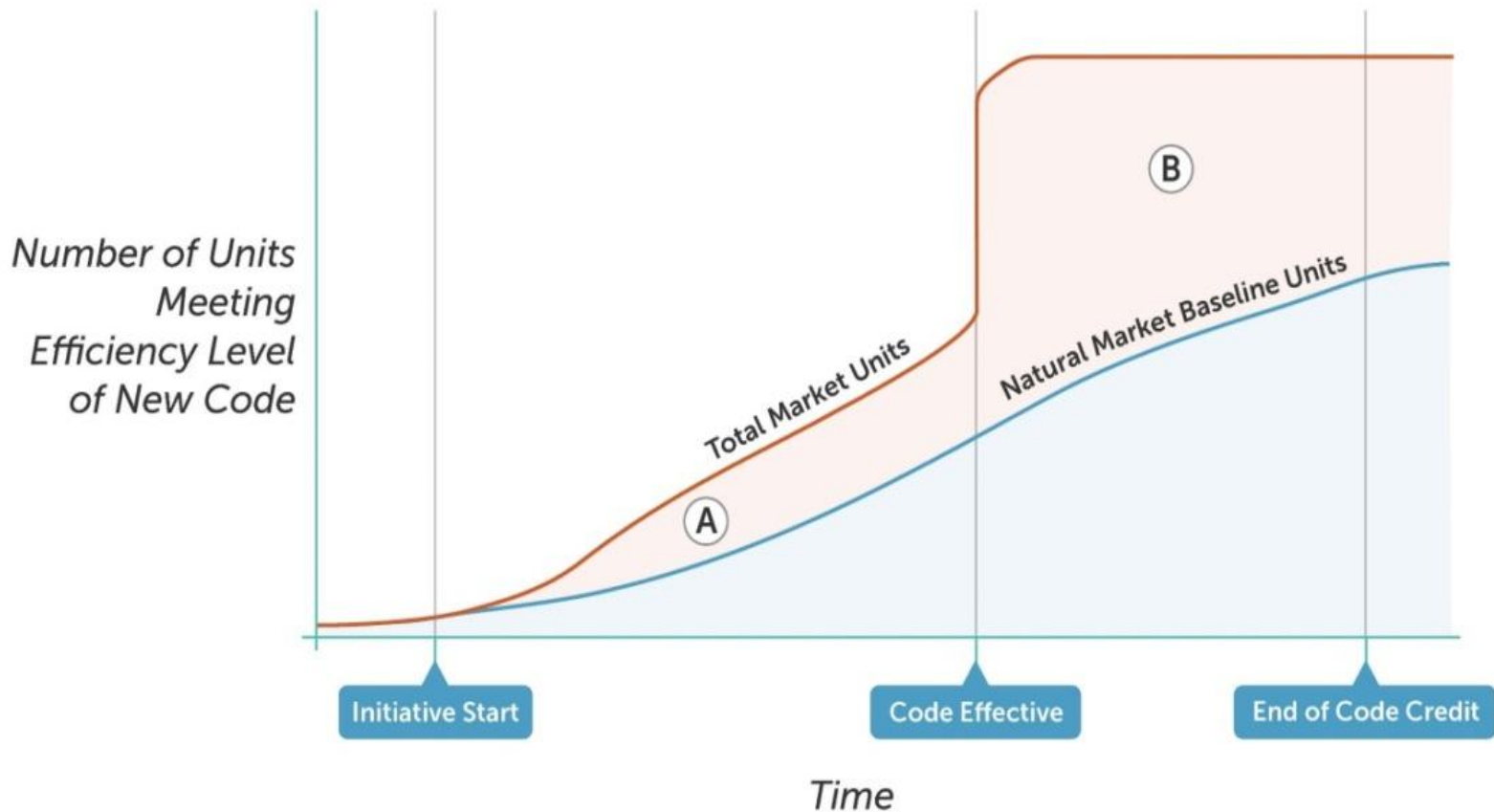
Most important: Collaboration

- These are functional equations to avoid double counting
- Actual MT success will depend on significant collaboration among MT and RA
 - The whole can be greater than the sum of the parts
- MT, RA, and C&S coordination in Decision: starts p 131
 - CEDMC may want to look at Dispute Resolution – p 135
 - RA coordination plan required in the MTI Plan – p 159
 - Problematic language that probably needs clarification on “phasing out RA over the longer term”
 - Clarify whether it’s simply documentation of best guess phasing (like a code comes into play) or there’s some authority (unlikely).

2

Codes and Standards

The Effect of Energy Code Adoption



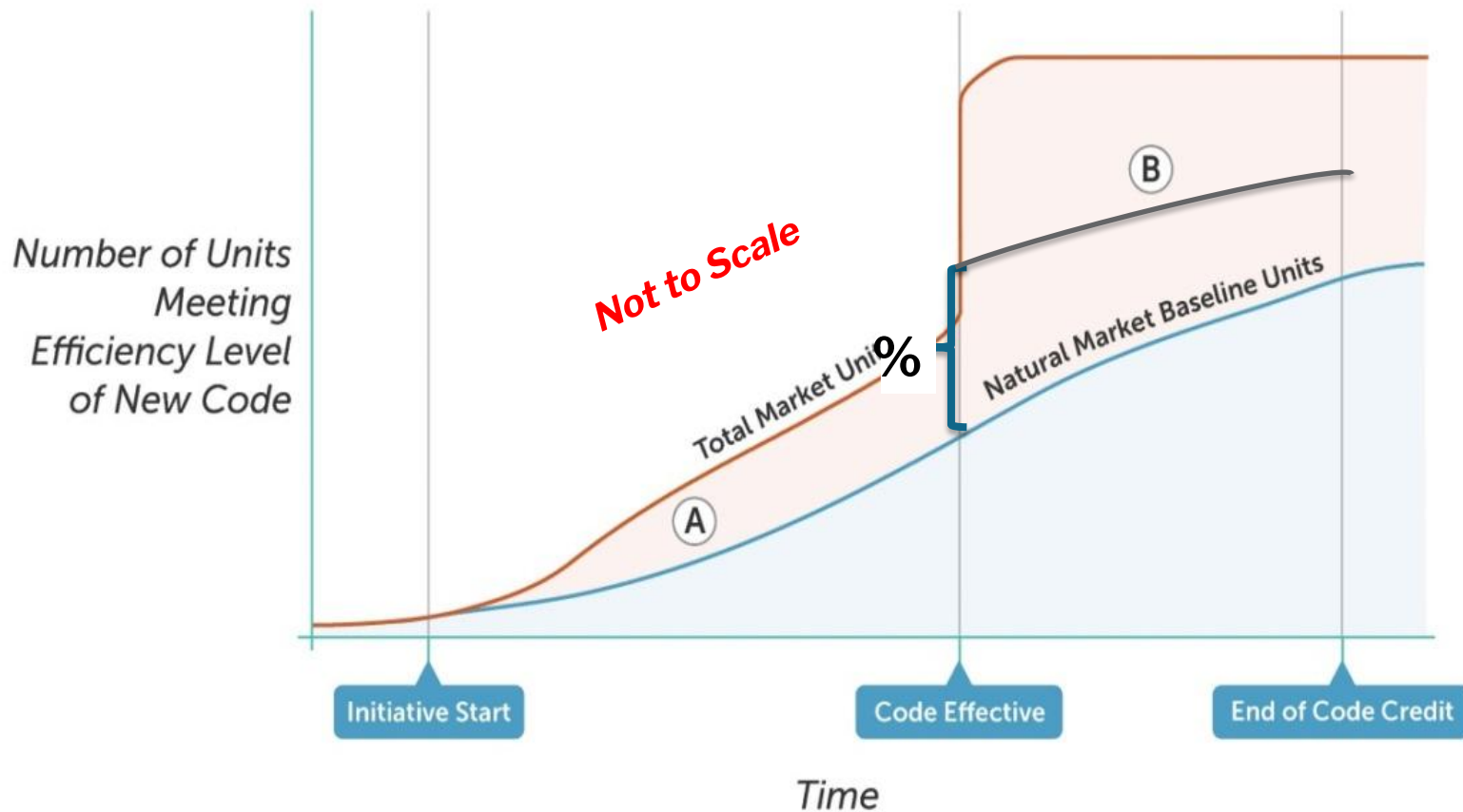
Many options in Review for MT/C&S

- So far, this is most controversial
 - MT and C&S have same/similar goal: LT permanent market change
- Cooperation during MTI and C&S development is essential/required (Decision p 131)
- Two most popular options so far:
 1. Evaluate savings share to MTI and C&S using current evaluation process
 - Likely 6-10 (or more) years out
 - So far, no proposal for what number to use in the meantime
 2. Decide on a savings share for the first 6-10 years; then evaluate
 - Saving share possibilities on next slide

If need a savings share now....

- A. Parties Agree at time of MTI development
- B. Savings is the basis of the split Forecast savings for MTI and C&S based on the work of each.
- C. Budget is the basis of the split
- D. Fixed percentage
- E. Fixed multiplier 3x is in the decision already

Example of percent share



3

Goals

MT Initiative Metrics/goals – already in the Decision

- Market indicators
 - Based on specific Initiative/market
 - Measurable outcomes based on logic model
 - Demonstrate progress toward market change
 - Part of consistent monitoring, usually in a “Market Progress Evaluation Report”
 - Serve as part of the “adaptive management” of the initiative
- Savings potential/forecast is also part of each Initiative – decision p 157/8
 - Recommend basing on “best estimate” possible at the time,
 - MTI Plan Includes (among other things):
 - Naturally occurring baseline projected over the life of the initiative
 - Forecast of savings over lifecycle of the initiative (and update intervals)
 - Budget and cost-effectiveness
- MTI Plans approved by the CPUC in a Tier-2 Advice Letter

MT Savings Goal

- WG Recommends CPUC sets MT savings goal at portfolio level for MT
 - Provides flexibility to the Administrator to adaptively manage the MT portfolio
 - Analogous to resource acquisition
- Portfolio savings goal is based on the set of initiatives in the portfolio
 - CPUC works with MT Admin. and MT Advisory Board to set goals
 - Based on best estimate of the sum of savings anticipated from all MTIs, which are then reviewed and updated if needed at key milestones
 - Can't forecast savings until you know the markets and activities – for example may be non-resource MT in the portfolio
 - Review with CAEECC
 - Goals set once a sizeable number of Initiatives pass Review #2 (Decision p. 103): Tier II advice Letter approval
 - Goals for the MTA likely net of RA savings projections (with C&S savings interaction pending)
 - May also want total market goal to encourage the “big picture view” of all EE in that market?
- Recommend savings goals be long term, w/ annual progress reporting

Questions?

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→ Discussion and Q&A

Thank you!

Please contact us if you have any questions.

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