

# The Council's Policy Call

March 18, 2022



*Advancing Our Clean Economy*

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# → Today's Agenda

## Council News

- Upcoming Events
- Member Working Group Report
- What's Coming Up?
- Upcoming Solicitations
- Capitol Update

## Issues/Topics

- 2024-31 EE Strategic Business Plans
- CPUC Interim Guidance on Discount Rates to be used for Financing Programs

# → Be Sure to Participate in our Upcoming Business Forums

- These member-only virtual Forums are focused on recently-filed PA EE Business Plans
- We have completed two Forums (MCE and SCE)
- Dates of remaining Forums (with links to register):
  - [PG&E](#): Mon 3/21 10:30 am - 12 noon
  - [SoCalGas](#): Thurs 3/24 10:30 am - 12 noon
  - [SDG&E](#): Tues 3/29 10:30 am - 12 noon
- This is a great opportunity for your company to hear directly from your clients and have an opportunity for a more open and frank dialogue with them
- There is no limit to the number of staff that you can send but we do request that all members register in advance



**Business  
Forums**

CALIFORNIA  
Efficiency + Demand  
Management  
COUNCIL

Advancing Our Clean Economy



# → Spring Symposium: Be sure to Register!

- Don't miss our first in-person event for 2022 – Thursday April 21 tentatively at the City Club in Downtown LA
- The Events Committee is now working hard to develop a thoughtful and relevant program
  - We are building on our industry's most pressing themes: decarbonization, grid resilience and emerging technologies
  - We are focusing on pragmatic solutions with a focus toward innovation and optimism



## [Registration Link](#)

- Sponsorships are still available; check out our [sponsor prospectus](#)



# ➤ Member Working Group Report

Member Working Group	Meeting Cadence	Update
Capitol	Biweekly	3/16: Recap of DR questions developed by the Council directed to CPUC during Senate and Assembly hearings; Recap of Council meeting with CEC Commissioner McAllister on 3/14; Status update on key bills of interest to the Council (SB839, SB1026, SB1068, SB2667)
Cost-Effectiveness	Monthly	
Custom Review	Monthly	
DR Policy	Monthly	
DR Regulatory	As Needed	
Federal	Monthly	3/9: Reviewed joint proposal to develop national EE trade association advocacy blueprint; updates on various federal agency and legislative developments
Market Transformation	Monthly	<i>Note: This working group is on hold and will resume once the MTA is on board</i>
NMEC	Monthly	3/7: Reviewed and discussed recommendations made as part of stakeholder process aimed at modifying NMEC Rulebook and policies pertaining to population- and site-based procedures
Solicitations	Monthly	

# > What's Coming Up?

- **NAESCO Webinar: Sustainable Energy as a Service for the Public Sector**
  - March 21, 11 am – 12 pm; [Registration](#)
  - The webinar will detail the structure of the as-a-service solution and how it allows ESCOs and customers to do larger projects.
- **2nd Low-Income Universal Application System (UAS) Sub-Working Group (SWG) Meeting**
  - March 22, 3 pm – 5 pm; [Microsoft Teams](#)
- **TECH Webinar: Second Stakeholder meeting for TECH Permitting Pilot (hosted by BayREN and Energy Solutions)**
  - March 24, 9 am – 10:30 am; [Registration](#)
- **ACEEE Climate-Forward Efficiency Symposium: Day 2 — Moving into Action**
  - March 24, 11:30 am – 1:00 pm; [Registration](#); More information can be found [here](#)
- **Clean Tech Party Virtual Briefing on California's New State Legislature Maps**
  - March 24, 2 pm – 3 pm; [Registration](#); for more information, reach out to [shanil@envirovoters.org](mailto:shanil@envirovoters.org)
- **Workshop on Proposals for New Financing Programs**
  - March 25, 9:30 am – 4 pm; [Registration](#)
- **PANC Monthly Meeting: Affordability, DERs & Other Priorities at the CPUC with Commissioner Darcie Houck**
  - March 25, 12 pm – 1 pm; [Registration](#)
- **Joint Utilities' Public Workshop on Energization Timelines Associated with the Utilities' Electric Vehicle (EV) Infrastructure Tariffs**
  - March 28, 9 am – 4 pm; For more information contact Melodee Black at [Melodee.Black@sce.com](mailto:Melodee.Black@sce.com)
- **Equity Workshop in Track 2 of the Long-Term Gas Planning Proceeding (R.20-01-007)**
  - March 29, 9:30 am – 1 pm; [Webex](#); Telephone: (415) 655-0002 / Access Code: 249 739 08390
- **CPUC Webinar: Evaluation, Measurement, and Verification (EM&V) Quarterly Stakeholder**
  - March 29, 9:45 am – 4:15 pm; [Webex](#); Telephone: (415) 655-0002 / Access Code: 22489 523 8233 / Passcode: meDZhbPE433
- **Energy Savings Assistance (ESA) Working Group Meeting**
  - April 7, 1 pm – 3:30 pm; [Microsoft Teams](#); Telephone: (415) 906-0873 / Access Code: 816756754#

# ➤ What's Coming Up?

## Notable Regulatory Documents

- [BayREN and 3C-REN EE Business Plan](#) recording from 3/16 public webinar introducing their respective plans; BayREN-specific presentation [here](#); 3C-REN presentation [here](#).
- [SoCalRen's EE Business Plan](#) slides and recording from 3/9 public webinar introducing their plan
- [Clean Energy Financing Plan](#) from CAEAFTA for the expansion of the California Hub for Energy Efficiency Financing (CHEEF) Programs per track 2 of R.20-08-022
- [NMEC Working Group Consolidated Doc](#)
  - Consolidated working group document soliciting input on key NMEC issues ahead of next working group meeting, which took place just this week on 3/2
  - March 21: Estimated Final Report release
- [SDG&E Grid Modernization Plan](#) presented at 3/15 public workshop as required per D.18-03-023

# ➤ Upcoming Solicitations

- **CEC RFP-21-801: Technical Support to SB 100 Modeling**
  - Released March 11, 2022; Responses due 3/25/22 5pm Pacific
  - The purpose of this Request for Proposals is to select a contractor team with experience and expertise in market research and analytic methods that can provide technical assistance to the Energy Assessment Division
  - Optional pre-bid conference March 16 ([Zoom Link](#); Webinar ID: 937 010 631 76; Password: 298584)
  - More information [here](#)
- **SoCalGas Energy Savings Assistance Program (Basic/Plus) – RFQ**
  - Released February 25, 2022; Responses due 3/25/22
  - All bidders are required to register in [PowerAdvocate](#) to access the RFQ documents, submit questions, and submit the response to the RFQ “#131064 – SoCalGas Energy Savings Assistance Program (Basic/Plus) - Request for Qualification (RFQ)”
- **IOU ESA [solicitation schedule](#) released**
  - Additional details available on the [CAEECC website](#)
- **EE program third-party solicitation information and links found on the CAEECC [Website](#).**



# → Capitol Update from Our Lobbyists



Erin Niemela



Tiffany Phan

# ➤ 2024-31 EE Strategic Business Plans

- **A significant investment is on tap for California’s EE industry!**
  - A budget total of almost \$9B over the 8 year timeframe (2024-2031)
  - Average annual expenditure will be well over \$1.1B
  - Budgets include nearly 70% allocated to *Resource Acquisition* with the remainder going to *Market Support* and *Equity* segments

	Portfolio Budgets (\$Million)				Other Metrics 2024-2031	
	Average Annual	Total 2024-27	Total 2028-31	Total 2024-31	TSB 2024-31 (\$M)	% TPI
PG&E	\$277.8	\$1,095	\$1,127	\$2,222	\$2,122	61%
SCE	\$403.0	\$1,560	\$1,664	\$3,224	\$3,021	71%
SoCalGas	\$160.2	\$612	\$670	\$1,281	\$1,452	60%
SDG&E	\$84.5	\$332	\$344	\$676	\$2,533	74%
SoCalREN	\$72.8	\$226	\$356	\$582	\$340	na
BayREN	\$42.3	\$162	\$177	\$339	\$61	na
RCEA	\$22.2	\$84	\$93	\$177	\$12	na
MCE	\$19.8	\$78	\$80	\$158	\$148	na
3C-REN	\$19.4	\$71	\$84	\$155	\$95	na
<b>Total</b>	<b>\$1,101.9</b>	<b>\$4,221</b>	<b>\$4,595</b>	<b>\$8,815</b>		

Note: The Budgets include C&S and EM&V while the TSB numbers do not.

- **Some of the key policy recommendations:**
  - *Data Tools/Policies:* Revise data access rules (many RENs), bolster CET/CEDARS funding (MCE/PG&E), revise CET to count for time-based benefits (MCE), allow more granular benefits for TSB (PG&E)
  - *Equity/MS Policies:* Increase 30% cap (SCG), exclude from Custom Review Process (BayREN), reconvene CAEECC working groups to develop methods for baselines and targets (SDG&E)
  - *Procedures:* De-silo EE funding to allow for integration of other DER programs (BayREN/3C-REN), allow NMEC to apply to non-buildings (SoCalRen)
  - *Solicitation Process:* Eliminate RFA stage to save time (SCE)
  - *Gas EE/Fuel Switching Policies:* Eliminate incentives for gas appliances (SCE), incorporate methane reductions into benefit streams (SCG)
- **We need your help in order to formulate our comments! Tell us what you liked and what you didn’t like by taking this [Survey](#); Responses due by next Wednesday 3/23**
- **SAVE THE DATE!** We will convene a special working group meeting to discuss our comments on March 30th at 2-3pm; More information about this will be provided in our next Newsletter on March 25th

# ➤ Temporary Guidance on an Interim Discount Rate for EE Programs

- **On March 4, the CPUC issued some temporary guidance on an interim discount rate to be used for EE-based financing programs**
  - The need for a discount rate has been surfaced by the PAs to enable their calculation of the time value of money when they are doing effectiveness assessments associated with clean energy finance upgrades and projects
- **As an interim measure, CPUC approved an SCE AL #4355 that directs IOUs to include the customer costs of interest payments and fees on financed energy efficiency projects in TRC cost effectiveness calculations**
- **Potential discount rate options being considered by CPUC include:**
  - Option 1: Current or forecast inflation rate. The current or forecast inflation rate or other base rate such as 10-year Treasury bill rate;
  - Option 2: Weighted Average Cost of Capital (WACC). The WACC calculation that is already used in the regular energy efficiency cost effectiveness tool for non-financed projects;
  - Option 3: Customer cost of capital rate. A customer cost of capital discount rate based on what customers pay in the market;
  - Option 4: Utility discount rate. A utility discount rate based on what energy efficiency Program Administrators pay to access capital in the market;
  - Option 5: Different discount rate. A different discount rate if a stakeholder would like to add to this list.
- **These rates would not apply to any OBF or CAEATFA-based financing programs**
- **Informal comments are due today**
  - The Council has opted to monitor developments for now, gauge member feedback, and potentially offer comments down the road

## → Discussion and Q&A

# Thank You!

*Please contact us if you have any questions.*

*Greg Wikler - [gwikler@cedmc.org](mailto:gwikler@cedmc.org)*

*Kira Kimick - [admin@cedmc.org](mailto:admin@cedmc.org)*