CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

Monthly Member Readout

December 1, 2023

REC

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Today's Agenda

Council News

- Fall Conference Recap
- What's Coming Up
- Solicitations

Issues/Topics

- IOUs Demand Response Programs, Pilots, and Budgets for the Years 2024-2027 (A.22-05-002) - Proposed Decision (277pp.)
- Ruling Inviting Comments on NMEC Consumption Rulebook (R.13-11-005)
- U.S. Department of the Treasury, IRS Propose New Rules to Drive Clean Energy Investments
- Guidance to clarify underlying Investment Tax Credit critical for companies planning clean energy projects

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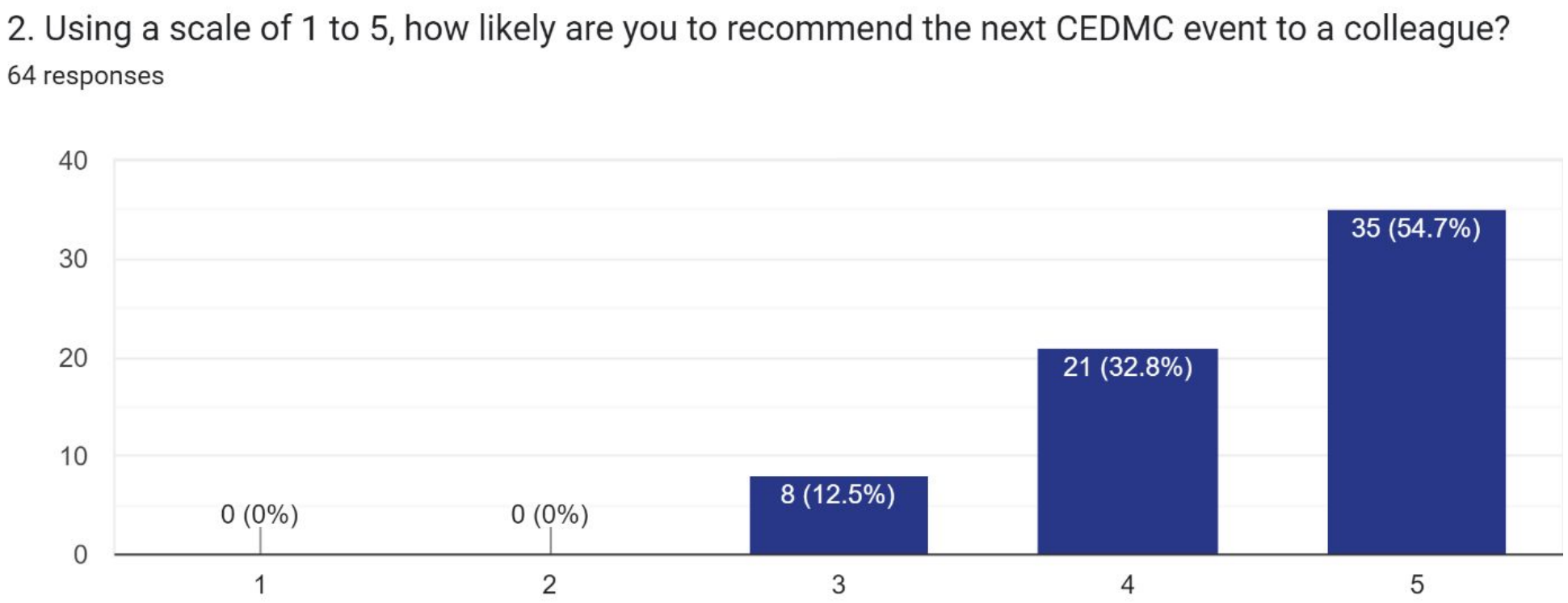
Fall Conference Survey Feedback

Registration: 227 tickets - 194 in-person, 29 online, 4 kickoff reception only



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Fall Conference Highlights

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Fall Conference Survey Highlights

- Great networking opportunity
- Good overview of efficiency & DR and I made industry contacts.
- Vision meets strategy meets execution in advancing a decarbonized grid. I love hearing context and varied points of view.
- Good quality speakers
- Quality presentations and attendees connecting with colleagues, getting actionable industry insights
- Networking and staying informed on new and emerging topics
- Smart, nice people
- Want to collaborate on California-focused energy topics with other industry stakeholders
- It's a good overview of latest issues and good networking event.
- Connection to Community & Insight into the Values at IOUs
- Bringing industry professionals together to hear relevant updates and perspectives.

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Fall Conference Survey Highlights

- Utility program update was valuable.
- Learning of the larger statewide efforts and work accomplished.
- Informative sessions. Great leadership & content
- Updates on industry progress, wide range of perspectives
- Panels were insightful on a variety of subjects on reaching clean energy goals.
- Broad overview of the state of the industry in CA that is hard to get elsewhere
- Great content; great venue; great networking opportunity
- High level topics require a lot of industry knowledge to follow
- Networking, industry knowledge, learning opportunities.
- Great way to catch up on CA EE, high quality speakers
- Great Knowledge Base and Industry Expertise
- Highly informed sessions on the issues facing the California energy sector.
- Direct contact to Policymakers
- Best DSM networking in California!

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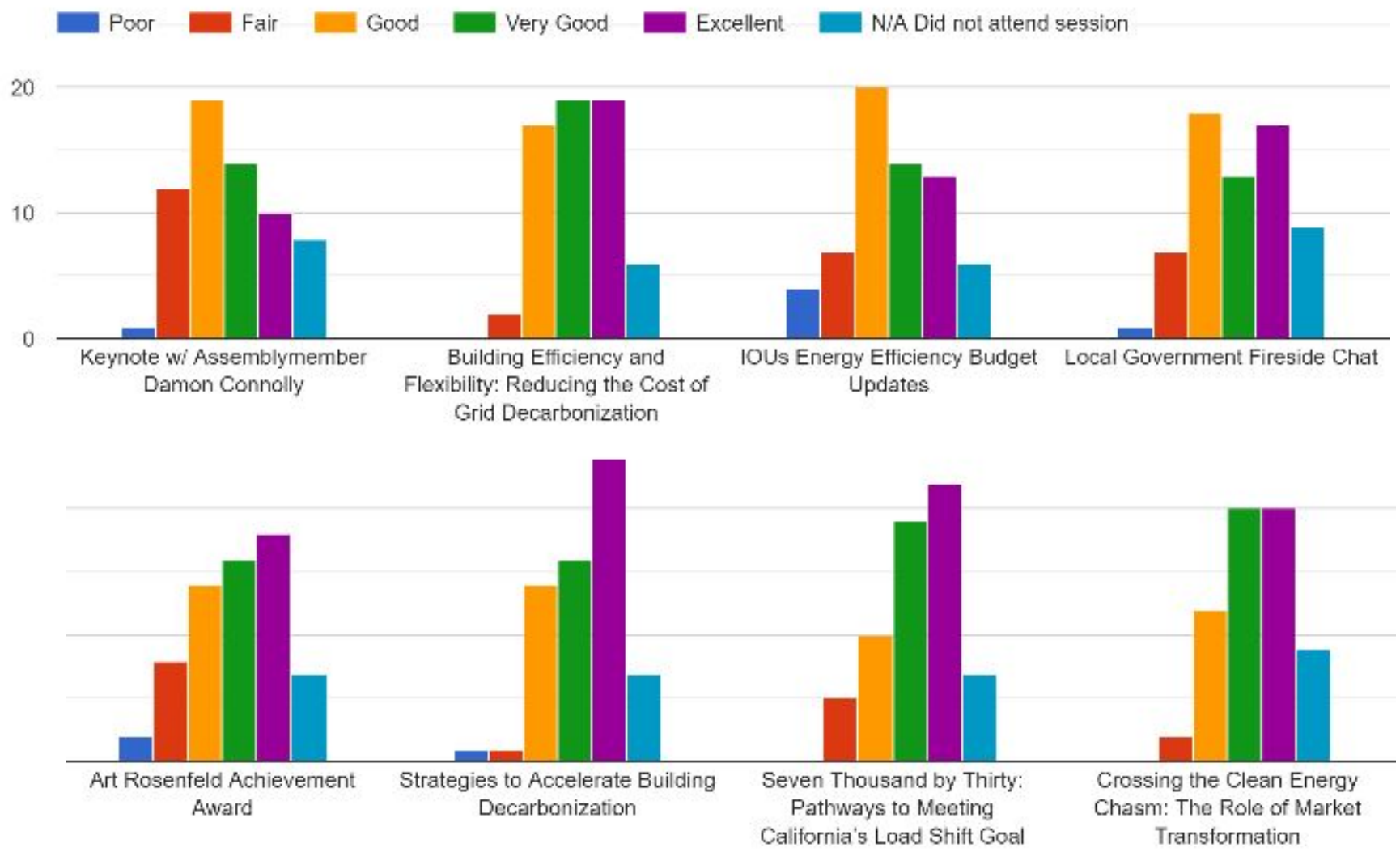
Fall Conference Session Feedback



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Thank you Fall Conference Sponsors!

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Now through the end of December, we are offering a **25% discount** if your organization commits to sponsoring all three of our 2023 events at any sponsor level, and a **15% discount** for two events at any level.

PRICING

	Platinum	Gold	Silver	Bronze
EM&V Forum	$5,000	$3,500	$2,000	$1,250
Spring Symposium	$7,500	$5,000	$2,500	$1,750
Fall Conference	$10,000	$7,500	$5,000	$2,500

To sign up, email kkimick@cedmc.org

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Upcoming CEDMC Schedule

- Today's Newsletter has been canceled. We will send one Holiday issue this month, on 12/8. We will resume the regular Newsletter schedule on 1/12.

- The calendar events for the Council Member Committees are expiring on December 31. We will send an updated schedule and calendar invite in the coming weeks. If you have any Council meetings in your calendar in 2024, please delete them now, they are leftover ghosts and are not valid.

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Thank you!

- If you have any questions about member services, events, have a staff change, would like to learn about and be added to a member call, for information on our Member Portal, and more, please reach out!

Kira Kimick

Events, Marketing, Member Services

kkimick@cedmc.org

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What's Coming Up

- **December 5, 2023: SDG&E Program Webinar – Small Business Outreach to present a draft version of the Implementation plan for its EE Small Business Outreach Third-Party Contract**
  - 3:00 p.m. to 4:00 p.m.
  - Microsoft Teams **(858) 284-1506 / Access Code: 944552793**

- **December 7, 2023: 2023 Workforce Education and Training Stakeholder Engagement Forum**
  - The IOUs Energy Efficiency Workforce Education and Training (WE&T) program teams will host the 2023 WE&T Stakeholder Engagement Forum.
  - ***Registration***

- **December 7, 2023: Clean Energy Hall of Fame Award**
  - 3:00 p.m. to 5:00 p.m.
  - In-Person: California Natural Resources Agency, 715 P Street, Sacramento, CA 95814
  - ***Remote Registration***

- **December 12, 2023: Evaluation, Measurement, and Verification (EM&V) Stakeholder Webinar**
  - 10:00 a.m. to 3:15 p.m.
  - CPUC Staff is hosting an EM&V Quarterly Stakeholder Webinar which will give updates on the progress of completed and ongoing EM&V studies, allow for feedback, and provide an opportunity to hear from various stakeholders.
  - ***Webex*** **(855) 282-6330 / Access Code: 2498 682 5359**

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Open Solicitations

IOU UPDATED SOLICITATIONS SCHEDULE EXCEL DOWNLOAD (current as of Dec. 1, 2023)

12/1/23: SCE RFO - Green Tariff Shared Renewables
12/8/23: SVCE RFO - Long-Term Carbon Free Energy & Standalone Storage Projects
12/12/23: CEC Grant Golden State Priority Project: Northern & Southern Regions (CALeVIP 2.0)
12/18/21: CPA RPF - Electric Fleet Transition Services
12/21/23: SVCE RFP - Service Optimization Guides for Building Officials and Contractors
12/22/23: SDCP RFO - Local Distributed Renewable Energy and Energy Storage
1/04/23: CEC GFO-23-605 - Zero-Emission School Bus Charging and Fueling
1/12/24: SDGE RFA 204837 - Private Institutions and Healthcare
1/15/24: SDGE RFA 202497 - Lodging Hotels/Motels Program
1/19/24: CEC GFO-23-604 - Improvements in Maintenance Processes for Reliable Operations that are Verifiable and Effective for Hydrogen Refueling Stations (IMPROVE for H2)
1/19/23: CEC GFO-23-302 - Power Electronics for Zero-Emission Residential Resilience (PEZERR)
1/26/24: CEC GFO-23-601 - California's National Electric Vehicle Infrastructure Formula Program
1/31/24: CEC GFO-23-501 - Quantifying Exposures to Indoor Air Pollutants in Multifamily Homes that Cook with Gas or Alternatives
2/02/24: CEC GFO-23-301 - Energy Efficiency and Load Flexibility in Industrial and Commercial Cold Storage Facilities
2/13/24 CEC RFI - Commercial Food Service Equipment (i.e. Commercial Steam Cookers, Commercial Convection Ovens, Commercial Dishwashers, and Commercial Fryer)
2/24/24: SDCP RFO - Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff

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Open Solicitations (cont.)

Ongoing:

- EE program 3P solicitation information and links found on the CAEECC Website
- CEC: GFO-21-901 - Cost Share for Federal Clean Energy Funding Opportunities
- CEC: GFO-22-902 - Cost Share for Federal Funding Opportunities Industrial Decarbonization and Improvement of Grid Operations Program, Food Production Investment Program (released March 24)
- CEC: GFO-22-301 - Commercialization Industrial Decarbonization (2022 CID Program
- CARB: GFO - Clean Off-Road Equipment Voucher
- CARB: GFO - Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

DOE: Funding Opportunity Exchange

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Issues/Topics

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IOUs Demand Response Programs, Pilots, and Budgets for the Years 2024-2027(A.22-05-002)

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Joint Parties: CEDMC, Leal Frog Power, OhmConnect

Proposed Decision: 277 pp.

1. THE PROPOSED DEFINITION OF A “QUALIFIED” DR PROGRAM SHOULD BE ADOPTED WITH A MINOR ADJUSTMENT
2. ELIMINATING THE DR ENROLLMENT REQUIREMENT FOR CUSTOMERS PARTICIPATING IN A TECHNOLOGY INCENTIVE PROGRAM IS UNSUPPORTED BY THE EVIDENCE
3. ELIMINATING THE JOINT IOU STATUS REPORTS ON PROGRESS TOWARDS INTERIM DR GOAL IGNORES THE CEC’S LOAD SHIFT GOAL
4. THE PD ERRS IN NOT APPROVING A 10-DISPATCH LIMIT WITHIN A ROLLING 30-DAY WINDOW
5. SUNSETTING PG&E’S SMARTAC PROGRAM IS PREMATURE AND AT A MINIMUM, NEEDS A BETTER TRANSITION PLAN
6. THE TRANSITION PLAN AND BUDGET FOR PG&E’S AUTOMATED RESPONSE TECHNOLOGY SHOULD BE REVISED
7. THE PD IS CORRECT TO REJECT IOU EFFORTS TO TRANSITION THEIR PROGRAMS TO RDRRS AND LOAD MODIFYING DR IN THE ABSENCE OF AN EQUITABLE POLICY THAT INCLUDES THIRD- PARTY DR PROVIDERS

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IOUs Demand Response Programs, Pilots, and Budgets for the Years 2024-2027(A.22-05-002) (Cont.)

Joint Parties: CEDMC, Leal Frog Power, OhmConnect

8. THE CBP PENALTY STRUCTURE SHOULD BE TIED TO THE NOMINATION TIMELINE
9. PG&E'S CBP ELECT BID CAP IS INCONSISTENT WITH THE $949/MWH BID CAP ADOPTED IN D.23-06-029
10. THE CPUC SHOULD DIRECT ENERGY DIVISION TO CONVENE AN ELECTRIC RULE 24/32 WORKING GROUP
11. POWER SAVER REWARDS SHOULD BE DISCONTINUED IMMEDIATELY
12. THE PD SHOULD ALLOW FOR COMPENSATION TO BIP CUSTOMERS DURING ELRP-ONLY EVENTS
13. THE PD ERRS IN REJECTING SDG&E'S AC SAVER PROGRAM TRANSITION TO THE SMART ENERGY PROGRAM
14. THE BASIS FOR REJECTING OHMCONNECT'S PROPOSAL FOR MARKETING SUPPLY SIDE DR PROGRAMS IS FLAWED

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Ruling Inviting Comments on NMEC Consumption Rulebook (R.13-11-005)

Background

- Rulebook is not a policy-setting document, but rather adheres to Commission policy and provides technical and process guidance to stakeholders on NMEC implementation.
- The March 23, 2018 ruling clarified that Commission staff will continue to update these rules as further developments become warranted to ensure continued appropriate implementation of ratepayer-funded programs, and invited interested parties to file comments on the requirements developed by Commission staff.
- The January 31, 2019 Ruling acknowledged two broad categories of NMEC approaches: “site-level,” where savings are calculated at an individual building, project, or site level; and “population-level,” where savings are measured based on the aggregation of many buildings.
- This ruling also confirmed that site-level NMEC will be classified as custom, and will follow a modified custom review process.
- The ruling also confirmed that measure-level analysis is necessary to inform lifecycle savings and program or project benefit calculations.
- Rulebook (Version 2.0) was issued January 7, 2020

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Ruling Inviting Comments on NMEC Consumption Rulebook (R.13-11-005) (Cont.)

Opening Comments originally due December 8, 2023

An extension request of San Diego Gas & Electric Company (SDG&E), supported by the Council, was granted yesterday afternoon. Comments to the draft revised Normalized Metered Energy Consumption Rulebook may be filed on or before **February 29, 2024** and reply comments on or before March 15, 2024.

Parties are seeking at least one webinar with Energy Division and applicable Parties/stakeholders in December 2023 (or early January 2024), prior to Opening Comments, to discuss the proposed changes in the revised Rulebook, and a second webinar after Reply Comments, to discuss the proposed revisions to the Rulebook.

Opportunity to comment on draft revised Rulebook (Version 2.1)

- The current draft revised Rulebook considers input from a Working Group as well as the Custom Project Review (CPR) team managed by Commission staff.
- Working Group was made up primarily of program administrators (PAs) and program and project implementers.
- Many of the recommendations identified by the Working Group were not agreed upon by all participants and were intended to offer a starting point for further consideration by stakeholders and Commission staff.
- Further review of recommendations was conducted by Commission staff in conjunction with input from the CPR team that is tasked with reviewing selected site-level NMEC projects as they are submitted or compliance.
- The CPR team provided insight into issues that have been unclear to project sponsors and PAs and would benefit from greater detail in the Rulebook.

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Ruling Inviting Comments on NMEC Consumption Rulebook (R.13-11-005) (Cont.)

NMEC Working Group Draft Report (Common Spark Consulting) April 2022

Report describes the issues and recommendations from a working group on normalized metered energy consumption (NMEC) (Working Group). The Working Group discussed both site-level and population-level NMEC issues.

The Working Group met seven times between December 2021 and March 2022 to identify a scope of issues for discussion, review issue descriptions and draft recommendations, and clarify issues and recommendations in more detail.

It should be noted that the recommendations presented in this report are not agreed upon by all Working Group participants and should not be considered consensus recommendations. The recommendations offer a starting point for further consideration by stakeholders and Commission staff.

Table 1. Site- vs. Population-Level NMEC

Site-Level	Population-Level
Program and projects meet the Site-level regulatory and filing requirements described in the NMEC Rulebook	Programs must meet the Population-level NMEC regulatory and filing requirements described in the NMEC Rulebook
Methods used to determine savings are customized to the particular site and project to conform to site-specific conditions and adjust for the particular drivers of savings pertinent to the customer site and project	Methods used to determine savings are applied consistently to all projects in the population.
NMEC-determined savings rely on a project-specific M&V plan, customized to the specific characteristics of the site and project	Measurement methods and calculation software are set before the program starts (and not subsequently changed) and apply to all sites in a uniform fashion
Energy savings claims and project estimates of savings are submitted for a specific site or project	Energy savings claims are made at the program level.

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Ruling Inviting Comments on NMEC Consumption Rulebook (R.13-11-005) (Cont.)

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Issue 1: Calculation Rigor in Savings Estimates

Issue 2: Permissible Project Types

Issue 3: Project Approval Timelines

Issue 4: Modeling Acceptability Requirements

Issue 5: EUL-Related Items

Issue 6: Gas Models, including Goodness of Fit and Modeling Period Issues

Issue 7: Calculating Demand Impacts

Issue 8: Submetering Requirements

Issue 9: Technical Rulebook Corrections

Issue 10: reporting Requirements

Issue 11: Accounting for Exogenous Factors

Issue 12: Non-Routine and Eligibility Adjustments

Issue 13: Disaggregating Energy Efficiency and Demand Response Savings

Issue 14: NMEC Test Suite

Table 2: Working Group Initial Issue Set

Technical Issues	Policy and Process Issues	Population-Level Issues
Savings Forecast Estimates / Calculation Rigor	Distinguishing NMEC and Custom / Calculation Rigor	Use of Comparison Groups
Permissible Project Types (Measure Application Type)	Normal Replacement in NMEC	Accounting for Electric Vehicles and On-site Generation
Permissible Project Types (Industrial O&M, BRO savings)	Influence and Treatment of Early Opinions and Dispositions	Disaggregating Energy Efficiency and Demand Response Savings
Permissible Project Types (Non building Projects)	Differences in Project Approval Timelines across Administrators	NMEC Test Suite
Modeling Acceptability Requirements	Incentive Layering[5]	Data Access
Monitoring Periods and Maintenance Plans	Reporting Requirements	Customer Qualifications
EUL-related Issues		Project Withdrawal Criteria
Gas Models, including Goodness of Fit and Modeling Period Issues		Access to Savings Data and Results
Calculating Demand		
Submetering Requirements		
Rulebook Corrections		

[5]The Working Group ultimately determined that this is not a priority issue at this time.

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U.S. Department of the Treasury, IRS Propose New Rules to Drive Clean Energy Investments

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On November 17th, U.S. Department of the Treasury and Internal Revenue Service (IRS) released guidance on the Investment Tax Credit (ITC) under Section 48 to spur the investment boom ushered in by President Biden's Inflation Reduction Act. The guidance provides the private sector with additional clarity and certainty in making investment decisions for clean energy projects.

Although the list of examples of energy storage technologies that proposed §1.48-9(e)(10) would provide is nonexclusive, and therefore many other technologies that are not addressed would meet these functional definitions, there are some examples that do not meet the functional definition.

For example, some technologies are marketed as "**virtual batteries**," which are aggregations of controllable electricity demand providing similar electrical grid services to an electrical grid battery. Such "virtual batteries" receive energy in the form of electricity, but they do not store it for later discharge as electricity. The function of "virtual batteries" is to shift demand to different points in time.

Because such demand shifting is not a storage activity for purposes of section 48(c)(6), this technology is not an energy storage technology. There are other technologies for which the determination of whether they meet the statutory requirements of section 48(c)(6) is less clear.

The Treasury Department and the IRS request comments on whether these other types of technologies should be considered energy storage technologies.

The Council plans to submit comments to Treasury and the IRS supporting the eligibility of "virtual batteries", including thermal batteries.

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Quick Updates

- The Council submitted the following testimony since our last Readout:
  - November 28 – A.22-05-002 et al (DR Programs) Joint Parties Opening Comments on Phase II PD
  - November 20 – R.23-10-011 (RA) Joint Parties Reply Comments on OIR
  - November 16 – R.20-05-012 (SGIP) Council Opening Comments on Proposed Decision
  - November 8 – R.23-10-011 (RA) Joint Parties Opening Comments on OIR
  - November 3 – CPUC R.22-07-005 (Demand Flexibility) Track A Reply Briefs re: Income Graduated Fixed Charge (IGFC)

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Discussion & Q&A

Thank You!

Please contact us if you have any questions.

Joe Desmond – jdesmond@cedmc.org

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