Notes from Energy Efficiency Commercial Sector Subcommittee
4/15/2016 9:00am-4:30pm
Location: Pacific Energy Center (SF), Energy Resources Center (LA), and by Webcast
Meeting Co-Chairs: Alex Porteshawver; Harry Charalambides
Facilitator/Notes: 2050 Partners/NRDC
Click here for meeting documents

Notes: Presentations are generally not summarized in these notes. Please see presentation slides on www.CAEECC.org website for context. Lack of attribution for meeting participant comments is intentional by agreement of Coordinating Committee.

Welcome and Background – Alex P., Harry C., Ted P.

- Introductions around the room in ERC (SCG Energy Resources Center) and PEC.
- Discussion of process (we're in Stage 2 of 4 stages)
- Role of the Coordinating Committee (CC) and Subcommittees (SC)
  - early opportunities to weigh into BPs
  - stay high level

PG&E Vision (graphic will be online when finalized) – presented by Meghan Dewey

PG&E Commercial Stage 2 – presented by Jane Kruse

Question: re: Figure 1 on p.5 – can you describe EE/DR/DG offering thinking?
Response: Conceptually, we want to do integration better but will need to use this forum to discuss how best to do that, including incorporating input from the IDER proceeding.

Question: Re: the comment in the presentation that monetary incentives are not sustainable, can you discuss successes, challenges, and why PG&E is considering changing what it offers to customers?
Response: Paying $$ to customers is not sustainable if we need to dramatically scale up efforts as it would dramatically raise the cost of delivering EE. Want to be responsible with billpayer funding and therefore looking to other opportunities to support customers and double efficiency. Will still need to figure out with CPUC how those offerings are reviewed, measured, evaluated, etc.

Question: Can you speak to simplifying the portfolio while providing more customized services?
Response: A lot of this is how we speak to the customer. PG&E realigned the account reps to be around segment lines to better interact with the customer where they need. Reps will be dedicated to large customers and other organizational improvements to be better aligned. Same for medium and small to help enable the personalization of the messages and program opportunities from a sales perspective. Second, PG&E hasn't yet identified specific programs, etc. b/c trying to leave it open to think about new strategies and ways to engage in the future.

Question: Were there no end use problem statements? Or where do end uses come into play?
Response: No end-use specific problem statement, rather it is more about how the end uses are addressed within the larger problem statements. The end uses will be specifically addressed in implementation plan programs. The bigger issue is why the customers aren't doing efficiency. Solutions to get more of those savings is the next step.

Follow up: May work this way, but there is clearly a problem within HVAC, how will PG&E (other PAs) address that specific end use challenge embedded within the other problem statements?

MCE Commercial Stage 2 (see CAEECC for links to MCE BP) – presented by Katie Elliot

Question: What are the specific problem statements that these programs/implementation plans address?
Response: MCE wasn't prepared to discuss specific problem statements, the barriers are identified in the business plans that are linked on the MCE one-pager.

BayREN Commercial Stage 2 (see CAEECC) – presented by Rich Chien

Observation: Haven't seen as a problem statement, "how do programs manage the difference between comprehensive once vs. sequence/path to comprehensive retrofit."

Question: Has BayREN considered integrated demand side?
Response: Not at the moment. Looking at SMB as underserved and meeting them where their needs are is the first foot forward to get at that segment. Interested in thinking more about that in the future.

Question: Good to see focus on "customer." Does the customer approach help or complicate overlap areas of service territories?
Response: Remains to be seen how that gets worked out. But going through the current structure and will discuss how to address that issue.

SDG&E Commercial Stage 2 – presented by Michelle Costello

Question: Did you parse out the large commercial/small chains in small biz?
Response: Didn't, but could pull that out. Need to remember that large commercial customers have small buildings as well.

Question: Clarify HVAC slide on p.8?
Response: 30% of commercial market only

Question: The term "value proposition" was used a lot. Many members of WHPA (including PAs, Industries in and out of CA, and state agencies), struggling with value proposition for systems. Large systems may be easier, but the vast majority that has packaged/roof units don't have a value for the operations of those systems. How do you get proof for that value proposition. What efforts do the IOUs have to advance that proof? Need a foundational protocol.
Response: Value proposition is different depending on which decision maker and the size of the HVAC but agree need that data for the customer.

SCE Commercial Stage 2 – presented by Marissa Barrera

Question: How do these measures play out? Are they limited to Deemed?
Response: To be determined, it's an implementation plan level discussion and some policies also need to be addressed.

Question: Is there going to be one metric only?
Response: SCE just identified one metric, but yet to be determined (see metric discussion later in the notes).

SCG Commercial Stage 2 – presented by Shawn Fife

Question: Noted there were few examples of commercial ZNE, but when google searched it showed a number of examples across the country. Including New Buildings Institute (NBI).
Response: SCG checked with NBI and noted there are a variety of categories, but yes they are working with that group to look at examples.

DISCUSSION

Business Plan vs. Implementation Plan
   • BPs are high level, strategic approaches to identified problems. These are filed in an application and approved by the Commission.
   • IPs are details of HOW those strategies will be accomplished.
   • Concept being that BPs will be developed first, for approval, then the subcommittees will vet new IPs after BP approval.

Question: What needs to be uploaded in September? Are the BPs supposed to have all the new Implementation Plans uploaded?
Response: Unlikely the PAs will spend time on new IPs until they get approval by the CPUC for the BPs. However, they can reference/include the existing strategies that are helping these approaches (seen a lot of "existing" programs). Can indicate the need for additional IPs in the BP. Also, still unclear how much detail they need for budgets (e.g., if it's "commercial budget" vs. "each program in commercial budget" then don't need the IPs). Waiting for CPUC guidance on this.

Response: Suggestion that the PAs include a timeline to clarify what is anticipated in 2017, 2018 and beyond. For example, to give industry a sense of when things will be bid, this timeline could indicate proposed approach.

Question: How do we address the challenges with T24 updates and the impact on the portfolio. Where do we address that in the proposed timeline? This needs immediate attention, could it be included in the BPs?

Question: Appreciated barriers and strategies and existing vs. new approaches. Have you considered whether or not the audits need to be changed from energy audits vs. other value to motivate. E.g., can you audit for noise reduction and then tie EE to how to help improve that? The energy audit would be relevant for the cost-effectiveness and the other parts of the audit would be relevant for the customer.
Response: If PAs agree with this idea, the concept should be in the strategies of the BP, but what specifically goes in that audit would be in the IPs.

Question: How can topics (e.g., generation for ZNE) be raised in this effort?
Response: Current rules, you can't comingle funds but can market IDSM. Depends on what it is, but with the collision of all of these proceedings it's hoped that all these different things will

become rationalized. The CC could raise it as an issue for consideration, but this wouldn't necessarily be something for the BPs as there are currently other efforts.

Question: How are we getting to the difference in what local governments have for incentives vs. that additional step they want to do? Is that implementation or BP?
Response: Fits in the broader financing strategy (e.g., PG&E #4) but then the specifics of that strategy would be in IP.

Question: How do these relate to AB 758/Strategic plan? How do the PA strategies track with those documents? Maybe these proposals align well, but many folks don't know so should have a bridge to be clear.
Response: Happy to note it in the BP, but PAs want to be clear what exactly we're talking about so there's not duplication and the information is relevant.

Question: Can you elaborate on the code readiness concept?
Response: PG&E referenced their last page of the draft document (timeline). There are pilots in process to get customers ready for the next code. Need to get the market/customers prepared for the updated codes so there is less stranded potential moving forward.

Question: For the PAs, looking forward to IDERs. How can these business plans reflect that it is coming? And the need to be prepared with integration and procurement approaches? Current approach is to bid incremental to the portfolio, what about a more systematic procurement approach?
Response: Interested in looking at this. Need some policy issues addressed prior to addressing some of these potential approaches (e.g., what is incremental and how are these efforts being measured, etc.).

Question: Can we consider a contingency budget approach? Meaning, can we have part of the budget for things that are approved and so those can go forward while also having a separate path for those programs that are not yet approved.
Answer: TBD. This is a CPUC question. Can explore it with ED, but can't do much about it here.

Question: Thoughts from the utilities on how to provide more data to vendors to better be able target the locational approach? How can vendors who are not specific 3rd party vendors get access to that information. Not necessarily for right now, but suggest to look forward to that approach as the new realm.
Response: Currently, implementers who are vendors are allotted access to data. What about for those who are not vendors, b/c they are looking at more procurement options. Local governments have access to some of that data. Need security/privacy protocols to have a certain level of access.

Question: Now that there are reorientations toward going to the customer, whole portfolio options, etc., there is an implication to help early commercialization (e.g., those types of programs that . Does that hurt or help the process to the commercialization? Beyond
Response: No answer at the moment, but agree it is something to look at. Suggestion to work with other sectors and ET x-cutting to ensure this question is addressed where appropriate.

Question: List of potential partners, but what exactly do you mean? What will you be doing with them?
Response: Could say a bit more on how these partners would be integral to the process in the BP, such as creating partnerships and leveraging existing folks on the group. However, the specifics of WHAT they would do would be more described in IPs.

Question: Should get on the same page about what metrics, how many, at what level. The decision notes some, but what are the PAs planning to do?
Response: Not a one size fits all, but citations in D.15-10-028.
- p.47 D.15-10-028: "Portfolio and sector level metrics for regulatory oversight (gWh, MW, therms, cost-effectiveness, and other metrics where applicable), including performance metrics for nonresource programs;
- p.48 D.15-10-028: "Separate milestones with associated timelines to track PA programs in a sector, that are not formally reported."
- p.53 D.15-10-028: "PAs must establish up-front expectations for their activities. To that end, business plans shall contain sector-level metrics (not necessarily PPMs or MTIs)."
- p.53 D.15-10-028: "PAs will still need to set more granular metrics than just sector-level metrics, but they will do so in implementation plans, not business plans. It is in the implementation plans that we want to see *at least* one metric for each program/strategy/sub-sector/intervention strategy; more than one where appropriate. The business plan is not the place for that additional level of detail."