1. While the cost-effectiveness framework and some of the assumptions remain a concern for many parties, it is not within scope of this conversation.
2. It is important to understand a few assumptions that will have a direct impact on the ABAL conversation:
   1. Traditional lighting savings are no longer eligible, although limited lighting measures will still be available for inclusion in the progams (e.g., above code or controls (with appropriate workpapers). Therefore, lighting, which has been one of the largest sources of savings, will no longer be at the same level in the 2020 ABAL.
   2. Natural Gas avoided costs continue to decline
3. The IOUs and MCE have a requirement to meet a forecast 1.25 TRC in their ABALs. If they don’t:
   1. They need to host a workshop within 45 days of ABAL approval to explain why its forecasted TRC does not meet or exceed 1.25, and proposed how it will transition to a forecasted TRC of 1.25.
   2. Within 15 days after the workshop they need to produce a report summarizing the workshop and serve the report to the energy efficiency rolling portfolios service list.
   3. They need to include updated information in the following year’s ABAL describing how the PA will address the portfolio challenges that caused it to propose a portfolio forecast TRC below 1.25.
4. ABAL forecasts of < 1.0 TRC are considered to have not met review criteria and are subject to the following[[1]](#footnote-1):
   1. PA’s ABAL submitted for program year 2020 that fails the ABAL review criteria, are subject to rejection by Energy Division Staff.
   2. ED Staff should direct the PA to hold a workshop to explain why it failed to meet the approval criteria. The main purpose of this workshop would be to provide transparency of the challenges in meeting the ABAL review criteria and potentially to aid the PA in revising its business plan.
   3. Pursuant to D.15-10-028, the PA will need to file a revised business plan for Commission approval.
5. The Potential & Goals proposed decision provided guidance for the development of the 2020 ABAL:
   1. **Savings Goals**: The ABALs will use the PY 2020 EE goals adopted in the final Decision Adopting EE for 2020-2030. The decision is expected to be adopted by for PY 2020 adopted in August.
   2. **Avoided Cost Calculator Values & CET**: PAs have the following options:
      1. A program administrator may choose to use the draft changes to the Avoided Cost Calculator when planning their PY 2020 ABAL submission, in anticipation that the proposed changes will be adopted by the Commission prior to the due date of the ABALs in September.
      2. If a program administrator uses the existing Avoided Cost Calculator inputs and expects significant changes to their 2020 portfolio forecasts as a result of the currently pending Avoided Cost Calculator update, the program administrator shall note instances in its portfolio in which forecasts may be either adversely or positively affected by the 2019 Avoided Cost Calculator update.
   3. **Forecasted Deemed Savings Values**: Staff will provide additional guidance on the remaining workpapers that may be less controversial and likely to have approval by September 1, 2019, and whether or how program administrators should use these workpaper values in their PY 2020 planning.
   4. **Forecasting Third Party Programs**: The PAs are working through various solicitations at this time with final assumptions still unknown by the ABAL filing.
      1. The IOUs shall align these third-party program forecasts pending from solicitations as much as possible with the forecasting methods used for custom projects (in terms of measures and measure mix being “unknown” prior to a program year), as they develop PY 2020 third-party program savings forecasts.
      2. After the contracts are signed and, if applicable, approved by the Commission, final program assumptions will be known and used for actual reporting and claims to the Commission.

1. D.18-05-041, page 135. [↑](#footnote-ref-1)