**CAEECC-Hosted EE Portfolio Filing Processes Working Group**

**Goals:** To develop updated and improved EE Portfolio filing processes that include a clear understanding of what information is needed to enable sufficient oversight.

**Brief Background/History:**

The objective of the 2015 Rolling Portfolio Joint Parties’ proposal was to simplify the filing of program applications and the review process by spreading regulatory filings over time.[[1]](#footnote-1) The Commission integrated the joint proposal and Energy Division’s whitepaper[[2]](#footnote-2) on the matter in Decision 15-10-028[[3]](#footnote-3) to require each Program Administrator to file an application with a detailed Business Plan.

“Each PA will file an initial business plan in 2016, as an application. Business plans will explain at a relatively high level of generality how PAs will effectuate the strategic plan….After the initial filing, PAs *must* file revised business plans only when a “trigger” event happens; PAs *may* also file revised business plans whenever they choose to do so. Business plan filings will generally be untethered to the calendar except that PAs will need to apply for an extension of funding – that is, a restarting of the ten-year clock -- no less than one year before funding is set to end.” D.15-10-028, p.46

The decision also established annual budget advice letters, which required a portfolio cost-effectiveness statement and application summary tables each September.

“The annual budget filings and their associated review should be relatively ministerial. The question for Commission Staff in reviewing a budget advice letter should be “does this conform to the approved business plan?” The annual budget filings are *not* designed to create a forum for debating the merits of particular programs; that is for the business plan proceeding.” D.15-10-028, p.62

In August of 2016, the Commission provided guidance on filing Business Plans in Decision 16-08-019[[4]](#footnote-4) and approved all PA Business Plans in May of 2018 through Decision 18-05-041.[[5]](#footnote-5)

**Problem:**

* Current BP/ABAL process is ineffective in balancing meaningful oversight with timely, predictable portfolio authorization
  + Constant regulatory churn
  + Failure to timely resolve factual and policy disputes
  + Frequency of authorization filings may limit portfolio planning time horizon
* Key impediment is non-ministerial ABALs
  + BP application contains limited supporting information (e.g., testimony) on basis of forecasted budgets, savings, and cost-effectiveness
  + Lack of BP detail means ABAL review includes non-ministerial factual and policy questions that are difficult for ED staff to timely resolve
  + ABALs routinely take six months or more before being resolved, followed almost immediately by the submission of another round of ABALs

**Scope:**

* In scope:
  + Changes to EE application and ABAL frequency, timing, scope, content, criteria, and approval processes
  + Additions to and/or elimination of requirements in BPs, ABALs, and implementation plans
  + Changes to the CAEECC’s role in BP and ABAL review
  + Closely-related policy changes (e.g. accounting or reporting changes) important to improving the process
  + Closely-related bus stops important to improving the process (i.e., aligning bus stops to new process)
* Out of scope:
  + Policy changes not directly connected to process improvements or oversight requirements.[Note: At outset of the working group process we will (quickly) list the various related policies and discuss whether any should be in scope],
  + Reporting requirements,
  + Bus stops [Note: Similar to policy issues, we will (quickly) list current stops and discuss whether any should be in scope],
  + Procurement process,
  + Other stakeholder processes (such as Procurement Review Groups), and
  + Current policy that allows budget authorizations to “roll forward” by specifying that the most recent funding authorization will stay in place until the Commission approves a subsequent budget application

**Key Questions to Address:**

1. What parts of the current processes and procedures should remain the same (if anything)?
2. What part of the current processes and procedures should change and how? Specifically:
   1. What should be the frequency and duration of EE budget application filings?
   2. What should be the frequency and duration of informal budget filings (advice letters, petitions for modification, etc.)?
   3. What should be included in any budget application or informal budget filing, including any supporting testimony?
   4. What should be the review and/or approval requirements?
   5. Etc?
3. When should any recommended changes be implemented (e.g., as soon as possible (2021) or once the transition/3rd party roll-out is further along (2022 or 2023)?
4. What CPUC related guidance or policies (e.g., accounting or reporting changes) might need to be addressed prior to or in conjunction with implementing any new framework (e.g., in a CPUC rulemaking)? And do any of these need to be addressed before a new framework should or can be finalized?
5. To the extent applicable, are there any improvments that should and could be made informally during the transition to new processes (e.g., in any refiling of business plans under the current regime)?
6. What should be the role of the CAEECC, if any?
7. Etc.?

**Deliverables:**

1. A Report from the Working Group delineating recommendations related to the scope and questions above?
   1. Any such recommendations would be made by consensus of the Working Group where possible. Where consensus is not reached, the Report would delineate two or more alternatives including their rationales and which WG Members support each alternative.
2. Put in a motion on the record for CPUC consideration

**Timeframe/Meetings:**

October-December/January [2-3 Working Group Meetings (one day during Week of October 21 (not 24th); November 20 day before next Full CAEECC mtg; and likely 3rd meeting in January/February) plus sub-WGs between meetings as needed]

**Working Group Members:**

Open to representatives from any CAEECC Member (plus other parties from efficiency proceedings) interested in fully participating in the Working Group; open to public to observe. Add criteria on knowledge and experience with BP/ABAL processes

**CAEECC Team:**

Jonathan Raab and Meredith Cowart (Facilitation Team); Co-Chairs and Dan Buch, Public Advocates Office as start-up advisors

1. <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M146/K375/146375755.PDF> [↑](#footnote-ref-1)
2. <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M151/K794/151794292.PDF> [↑](#footnote-ref-2)
3. <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M155/K511/155511942.pdf> [↑](#footnote-ref-3)
4. <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M166/K232/166232537.PDF> [↑](#footnote-ref-4)
5. <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M215/K706/215706139.PDF> [↑](#footnote-ref-5)