

Decision Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plan Filings

September 21, 2016

Lucas Patzek

Government & Community Partnerships

LJPL@PGE.COM - (415) 973-4022





Energy Efficiency Rolling Portfolio Business Plan Guidance

A Business Plan is a 5-year “roadmap”

It should:

- Explain at a high level how the Program Administrators (PAs) will achieve objectives of the CPUC’s Energy Efficiency Strategic Plan;
- Include strategy interventions and approaches (not programs) with associated general budget, and portfolio and sector level metrics for regulatory oversight;
- Show what the PA intends to accomplish in a given sector (i.e., residential, commercial, industrial, agriculture, public, and cross-cutting) in the short-term and long-term; and
- Have general information regarding the expected levels of annual spending for the duration of the business plan.

Implementation Plans will then be developed with stakeholder input to provide the details of programs that will implement the Business Plan strategies.



Decision Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plan Filings

Proceeding Background

- **January – July 2016:** Several rulings and workshops explored multiple topics that informed the Decision, including:
 - Regional Energy Network (REN) program effectiveness
 - Community Choice Aggregator (CCA) default program administration
 - Existing condition baseline policies (AB802)
 - Statewide and third party programs
 - Evaluation, measurement and verification (EM&V) and Energy Savings Performance Incentive (ESPI) updates
- **July 19:** The Commission issued the Proposed Decision (PD) Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plan Filings
- **August 8:** Opening comments submitted on the PD
- **August 15:** Reply comments submitted on the PD
- **August 18:** Decision voted on by the Commission



Guidance on Specific Topics

Decision Overview

- Next steps for regional energy networks (RENs)
- Appropriate baselines to be used to measure energy savings for specific programs and measures
- Direction on statewide program administration and third party programs
- Changes to the evaluation and shareholder incentive frameworks

Key Highlights

- Enables flexibility by providing high-level guidance
- Delays submittal of Business Plans until January 15, 2017
- Recognizes the Coordinating Committee (CAEECC) successes, requesting Program Administrators (PAs) to use process to finalize portfolio and program approaches
- Adopts many of PG&E's baseline recommendations including allowances for all customer segments (e.g., industrial and agricultural)
- Maintains the current ESPI mechanism
- RENs will remain pilots and are requested to submit business plans in coordination with other PAs



Most Relevant for Government Partnership Programs

Statewide (SW) Administration

- Requires SW administration for all up/midstream programs and proposes pilots for select downstream programs.
 - Includes Institutional Partnerships (e.g., UC/CSU, Dept. of Corrections)
- Administered by one lead SW administrator. Programs to be designed and delivered by SW Implementer(s). PAs are allowed a limited program design role
- PAs determine lead with stakeholder input. RENS and CCAs can act as leads.
- A resolution process is to be developed via CAEECC to address potential disagreements. Commission will be final arbiter if consensus can not be reached via CAEECC
- “Local Government Programs may be, but should not be required to be, handled in a statewide manner. We will consider LGSEC’s proposal in the context of the business plans, if brought forward through the CAEECC process. Regardless of the LGSEC proposal, all business plans should also include strategies for improving the consistency of LGP administration statewide.” (Conclusion of Law 53)
- At least 25% of total program portfolio budget must be Statewide

Third Party (3P) Programs

- 3P programs are proposed, designed and delivered by a third party.
- 60% of IOU portfolio budget transitioned to 3P model by 2020 (20% current threshold)
- IOUs can provide targeted guidance via solicitations and make a business case for program design and delivery

Next Steps

- 9/13 “Draft Voluntary Chapters” from each IOU will be uploaded to the CAEECC website for review.
 - SDG&E: Commercial
 - SoCal Gas: Industrial
 - SCE: Public
 - SoCal REN: Public
 - BayREN: Res
 - MCE: No volunteer chapter
 - PG&E: Agriculture
- 9/21: “Draft Voluntary Chapter” will be shared via CAEECC and discussed at the September 21 meeting
- 9/27: Last day for comments on single chapters
- 10/18: Full draft business plans made available via CAEECC
- 11/2: CAEECC Meeting to discuss full drafts
- 11/21: Last day for written feedback on Business Plan drafts
- Filed January 15, 2017



Guiding Principles

To support a cohesive statewide approach, the Program Administrators (PAs) have established the following key guiding principles to be followed by all PAs:

1. **Support the State's Energy Efficiency Policy goals.** Orient portfolio design around State and Regulatory objectives and act in the best interests of all customers.
2. **Do no harm.** Make decisions that preserve our collective ability to meet energy savings goals, achieve cost-effectiveness goals, and minimize impacts to existing local and downstream programs.
3. **Advocate for all PAs.** Recognize that the whole is greater than the sum of its parts. Be willing to collaborate with other PAs in planning and decision-making efforts.
4. **Assume best intentions.** In an environment of shared goals and shared directives, be humble in the approach and ambitious for the broader group's success.
5. **Be good listeners.** Take responsibility for the environment by which decisions are made such that all participants have the opportunity to participate.
6. **Take a stand for customers.** Take into consideration the customer experience and strive for simplicity, clarity, and ease.
7. **Wisely pursue change.** Demonstrate open-mindedness to changes in design, delivery and administration.



Links

- [PROPOSED DECISION PROVIDING GUIDANCE FOR INITIAL ENERGY EFFICIENCY ROLLING PORTFOLIO BUSINESS PLAN FILINGS](#)
- [California Energy Efficiency Coordinating Committee Website](#)
- [Join CAEECC mailing list](#)

Resources

CAEECC Facilitator Email: facilitator@caeccc.org