



MINUTES
Energy Efficiency Policy Committee
November 7, 2013
4:00 – 4:30 p.m.

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Issues

❖ CPUC Draft rulemaking on energy efficiency

The group discussed the [draft order instituting rulemaking \(OIR\) on energy efficiency policy](#). The CPUC is expected to vote on this OIR on November 14. Shortly thereafter, there will be a prehearing conference (PHC), at which scheduling issues will be discussed. The PHC also should provide an opportunity to highlight content concerns.

The draft OIR would adopt three phases:

- Phase I: Issues that need to be resolved to ensure funding is in place for energy efficiency programs through 2015. CPUC intends to issue a decision in Phase I by the end of April, 2014.
- Phase II: How to put rolling portfolios in place for 2016 and beyond. Phase II will trail Phase I. CPUC intends to resolve the issues in Phase II by the end of September, 2014.
- Phase III: Policy issues that are not necessarily tied to the move to “Rolling Portfolios.” Phase III will trail Phases I and II. CPUC intends to resolve Phase III by the end of June, 2015.

The draft OIR also names 2015 as a bridge year. The group discussed whether it would be better to have a bridge year, which the draft OIR claims the CPUC needs in order to review the rolling cycle proposals, or to move immediately to a rolling cycle. The reason for this is a bridge year could be viewed as freezing things where they are, with no ability to modify the program offerings. The CPUC could say that the rolling cycle is beginning now, and all current programs will continue without having to worry that at the end of 2015 they will stop and presumably be required to move to a new contract. Proponents of the immediate move to a rolling cycle suggest this is exactly the process we have argued against. As part of the framework, the CPUC should single out what will be reviewed, and when.

The group also discussed the many issues identified in Section 3.3.3.3 of the draft OIR (p. 21), including:

- Whether to continue to set aside a certain percentage of each administrator’s portfolio for third party implementers (i.e., require each administrator to devote at least 20% of its portfolio budget to third party contracts)?
- If such a set-aside is continued, what should the set-aside amount be?
- Should the CPUC direct administrators to target particular program categories for greater third party involvement? Should we make non-IOUs the sole “implementers;” that is, should IOUs be barred from the “implementer” role?
- If the CPUC continues to allow IOUs to act as “implementers,” should it give priority to

non-IOU implementers?

- Should the CPUC allow for third-party aggregation and sale to IOUs of savings from energy efficiency measures? If so, how would this type of savings aggregation program comport with / be accounted for in the ESPI mechanism?
- For governmental entities that are implementing programs (e.g., local governmental partnerships), the OIR states that the CPUC will explore their cost-effectiveness. As part of that effort, the CPUC may benchmark their performance against that of other implementers of similar programs.

❖ Long-Term Energy Efficiency Collaborative

The group noted that the collaborative group is continuing to develop a proposal, and the LGSEC will continue to engage in that work.

❖ Update to *Energy Efficiency Strategic Plan*

The group discussed upcoming workshops to develop metrics for the local government activities that will likely be included in the update to the *Energy Efficiency Strategic Plan*. It sounds like there will be several LGSEC members participating in this work. We will coordinate in advance of the workshops as needed.

Meeting #1: Nov 21, 2013, 2:00pm – 4:30pm, Webex and PG&E Pacific Energy Center (851 Howard Street, San Francisco)

- Provide an overview and context for Local Government Strategic Plan chapter and current revision process
- Review consultant team methodology for developing quantitative targets for Local Government Goals 1 (reducing energy use), 2 (enhanced energy savings from energy management), and 3 (code compliance)
- Provide preliminary results for Goals 1 and 2
- This meeting will include a technical discussion of an existing EE potential model will be applied to assign the quantitative values to the goals outlined in the LG chapter of the Strategic Plan update

Meeting #2: Dec 5, 2013, 1:30 pm -- 3:00 pm (90 Minutes), Webex Only

- Present preliminary results on Goal 3 (code compliance)
- Technical discussion of codes and standards (Focus on Goals 2 and 3)
- Discuss LG comments on Goals 1 (reducing energy use), 2 (enhanced energy savings from energy management), and 3 (codes compliance)

Meeting #3: Dec 16, 2013, 1:30pm – 3:00pm, Webex and SCG Site in Downey, CA

Drawing from the earlier workshops, this meeting will have participants coordinate closely with the consultant team to review revisions and receive a technical briefing on the quantitative goals established for Goals 1 (reducing energy use), 2 (enhanced energy savings from energy management), and 3 (code compliance)

Next Steps

The LGSEC Energy Efficiency Committee will meet in person on Thursday, November 21, 10:00 – 12:00 to discuss the new OIR and begin to work through our positions on the many issues identified. The meeting is tentatively scheduled to be at the offices of the San Francisco Department of the Environment, with a call-in link.

Next Monthly Meeting

Thursday, December 5, 3:30 – 4:30