



MINUTES

Energy Efficiency Policy Committee
February 5, 2015

Participants:

Jen Rosser, Dana Boudreau, Jody London, Anna Lowe, Angie Hacker, Marilyn Lyon, Elisabeth Russell, Jerry Lahr, Anna Lowe, Cal Broomhead

1. CPUC Energy Efficiency Proceeding (R.13-11-005)

The group discussed the January 28 prehearing conference for Phase 2 (see attached summary). Phase 2 will focus on implementation of the Rolling Portfolio. Even though the notice for the Prehearing Conference invited parties to propose topics that, if taken up in Phase 2, could advance the Governor's recently stated goal of big increases in efficiency of existing buildings, the ALJ did not appear very open to addressing much else at this time. The ALJ expects to issue a Scoping Memo with dates, issues, and activities by February 13.

The group discussed concerns that in a Rolling Portfolio, local government partnerships would not be part of the ten-year funding cycle, and rather would be subject to a portfolio management process that is more internal to the utilities. This may be an area of focus for LGSEC advocacy. The LGSEC's intent in advocating many years ago for an "evergreen" or "Rolling Portfolio" was to bring stability in program funding.

The group also discussed how energy savings are being measured for the current year, whether they will be counted only for this year, or whether they will be included with 2013-2014. There is some confusion over the CPUC determining in the October decision on Phase 1 (D.14-10-046) that 2015 would be Year Zero of the Rolling Portfolio and 2015 also being an extension of the 2013-2014 transition period.

Jody reported that the Coordinating Committee that's been working to develop the Rolling Portfolio concept is working to have its proposal ready for a workshop that could occur in early March. The draft schedule presented by the ALJ at the prehearing conference calls for many workshops this spring.

2. "Baseline" Definition

The question of how baseline is measured for purposes of evaluating energy efficiency program performance continues to be an issue for Phase 3 of the energy efficiency proceeding. The LGSEC convened a working group on this issue last May, after the quarterly meeting in San Luis Obispo. Marc Costa, on behalf of the County of Los Angeles, will be leading this effort. If you are interested in participating, please contact Jody or Marc.

3. Integrated Demand Side Management Proceeding (R.14-10-003)

The group discussed a ruling issued the previous day which sets a “Learning Session” for February 20 (same day as LGSEC quarterly meeting) and a two-day workshop on March 11-12. On January 22, the CPUC hosted a first “learning session” in this case, which focused on the current programs in California. The upcoming sessions will focus on experiences with IDSM outside of California. The ALJ also has directed the utilities to “work together to summarize and present a recent residential customer segmentation profile overview. The four utilities are also directed to work together to develop a presentation on commercial sub-markets or “verticals” and their different customer profiles and needs.”

Anyone with ideas on speakers for the CPUC sessions should send that information to Jody.

4. Next Meeting
Thursday, March 5, 2015, 3:30 – 4:30.



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Summary of Prehearing Conference in CPUC Energy Efficiency Proceeding, R.13-11-005 January 28, 2015

ALJ Edmister and Commissioner Peterman presided. The ALJ had put together a draft document that will form the basis for the official Scoping Memo. I only have hard copy, and the scanned document is quite large (3+ MB), so if you want to see the document, let me know and I'll send it to you.

The ALJ has identified issues that he suggests be included in Phase 2, and others that he thinks should wait for Phase 3. Phase 2 he proposes should include:

- Rolling Portfolio mechanics
- Reporting requirements for program administrators
- How to update savings numbers (ex ante) and incorporate in to portfolio planning
- How to deal with fund shifting, program changes, pilots
- How to accommodate big changes
- Safety issues

There are certain things that will keep rolling along while Phases 2 and 3 are pending. For changes to the 2016 portfolio, the ALJ wants to see “evaluations from unbiased reviewers in support of proposed changes.” He also will want to see changes in response to new goals, change to maintain the portfolio at a TRC greater than 1, changes to third party programs, standardizing statewide programs across program administrators, changes to water-energy nexus and behavioral programs.

The ALJ recommends including in Phase 3, but not Phase 2, market transformation, the revisiting of the utility as implementer and administrator, the baseline/to code policies, cost-effectiveness, standard practice manual tests, EM&V, data issues, and fuel switching.

There also is a reference to “adapting CCA and REN policies to reflect “Rolling Portfolios” (deferred pending review of RENs).” I asked the ALJ to elaborate on this reference to the RENs. He said the RENs are pilots and until the CPUC has reviewed the EM&V studies in progress, they will remain pilots. Yes, they are able to continue under the Rolling Portfolio funding guarantee, but the Commission has yet to speak on whether they will move out of pilot status. So, there's a lot riding on the EM&V (see above note about “unbiased reviewers”). The ALJ clarified that means the independent review by the CPUC.

Parties argued their cases for including other things. The ALJ thinks that there are ongoing pilots and work by the Demand Analysis Working Group to address the baseline issues. Both Commissioner Peterman and the ALJ talked about the value of a metric that can be applied across the board, to all Integrated Demand Side Management programs as well as resource procurement. That could definitely bring us to a metric of reductions in greenhouse gases, of



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which energy is a subset. It may be more appropriate for that work to occur in the IDSM rulemaking (R.14-10-003).

The ALJ and Commissioner Peterman will issue a final Scoping Memo by February 13. If the ALJ's proposed schedule holds, there will be lots of workshops and webinars and white papers and comments. Their goal is a Proposed Decision on goals and potential in July, with a final in late August. Then they expect a Proposed Decision on further guidance for 2016 in October, with a November decision. So it doesn't look like they'll be taking applications for 2016 until very late this year or early next year.

More to follow, this is all new and evolving.