

## Custom Projects Stakeholders Engagement Meeting

*Monday March 16, 2020, 10:30 a.m. to 4:00 p.m.*

### GOALS:

1. Present updates to the CPUC staff's custom projects review process to operationalize the Senate Bill 1131 review timeline and requirements.
2. Provide updated status on third-party solicitation process
3. Receive and address stakeholder input on additional improvements to streamline the overall Custom Projects Review process.

### ATTENDEES:

- CPUC Staff: Jennifer Kalafut, Paula Gruending, Peter Lai, Rashid Mir, Cheryl Wynn
- Consultant Staff: Faith DeBolt, Jeremy Stapp, Pete Jacobs, Sepideh Shahinfard, Margo Zlotnick
- Customers: Large Energy Users Consumer Association (CLECA), California League of Food Producers
- Implementers: DNVGL, Ecology Action, TRC, Energy Coalition, CEDMC, Willdan, Lincus, Nexant, Cascade, Resource Innovations, CLEAResult
- Non-Utility PAs: SoCalREN, BayREN, Cal TF
- PAs: SCE, SCG, PG&E and SDG&E

### MEETING NOTES (Capturing Questions and Feedback / Discussions not covered by slides):

*10:30 am: Introductions (name, affiliation), meeting goals/objective, and ground rules [Peter Lai, CPUC]*

- [See Slides]

*10:45 am: Welcome [Jennifer Kalafut, Program Manager, CPUC]*

- Q: Could you please repeat the recent decision or resolution number that you mentioned was recently posted?
  - A: Docket R.13-11-005.  
<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=329232450>

*10:55 am: Status update on the 3rd Party solicitation process. [Cheryl Wynn, CPUC]*

- Q: Can we get links to the dynamic scheduling tools?
  - A: Yes. Link to Dynamic Scheduling Tool on SDG&E's website:  
<https://www.sdge.com/node/11676> for the EE third-party solicitation process.

*11:25 am: CPUC staff's updates to its Custom Projects Review process to operationalize the Senate Bill 1131 review timeline and requirements [Rashid Mir, CPUC]*

- Q: is there a listing or aggregation of projects by status - e.g., rejected, approved, pending review?
  - A: The outcome is not listed on the public tracker. PAs track the outcome of their dispositions internally.

- CPUC: We can think about providing a monthly status that shows you at the aggregate level the number of projects rejected, approved and pending.
- Question (TRC): What should implementers do if it appears that the timelines are not being adhered to? Specifically, if after a data request is received, 30 days is added from the complete submission date for the disposition due date or the total project 30 review days has passed without a disposition.
  - A: The clock pauses when we issue a Supplemental Data Request. Best thing to do is follow-up with your PA.
  - Follow-up on my question...I've already tried getting responses from the PA.
  - Marked for follow-up in afternoon session.

*11:45 am: Stats on CPUC staff selected for review projects from July 1 thru December 31, 2019. [Faith DeBolt, SBW]*

- No projects selected for a full two years.
- Q: 6-12 weeks avg for 2019 projects. Is there a breakdown of time on a sector by sector basis?
  - A: Generally, it takes about the same amount of time regardless of the type of project. The 6 -12 weeks referred to the start of the process when we were getting our feet wet, but that number has come down
- Q: Do the different Sectors (Res vs Industrial, etc.) have different requirements for project document packages?
  - A: The Ready to Review checklist is used to define the project package requirements. The requirements don't vary by sector.
- Q: Criteria for selection?
  - A: We want to select a few for each PA. Sometimes PAs only have one or two per submission, so we select both. Where there is more, we do a sample and we try to get different types of projects and we always select projects with incentives larger than \$100,000.
- Q: Was there any pattern in what triggered the supplemental data requests over time? Are there lessons learned you can share so 'we' can reduce the need for potential supplemental requests?
  - Marked for follow-up in afternoon session.
- Q: Could you provide a breakdown at the IOU level on the stats provided? A: We could look into doing this in the monthly breakdown we provide.
- Q: For projects that are approved, what kind of follow-up is required and what could potentially hold up incentive payments?
  - A: There are some projects where we want to see M&V results, and that could take a little time before we approve incentive payment. This would not apply to all approved projects, just some of them. But when we do this, nothing else in the project is subject to our re-review. It would just be the M&V results and making sure those comply with the M&V plan.
- Q: Can you speak to some of the things you are seeing with SBD projects?
  - A: Proper transcription of information from plans into the model inputs has been an issue. More ubiquitous issue is that the modeling assumptions in Energy Pro do not

follow current project rules. We have convened a team to identify and resolve these issues and we are working on that currently

- Q: Can you elaborate on who is part of that group?
  - A: Group is just forming and its being led by SCE.
- Q: If we want to proactively improve our chances of compliance in the areas requiring further improvement, what would you recommend? Is there guidance we can consult?
  - A: Initial thoughts is to work with PA and see about getting an EO into review team but we can discuss this further in the afternoon. Marked for follow-up in afternoon session.
- Are there opportunities for Proactive Collaboration to include 3P Implementers and/or customers to improve response times to requests for more information?
  - Marked for follow-up in afternoon session.
- Q: Are the IOUs awaiting CPUC release after upload of the Installation Report Package to process the incentive of Ex Ante Selected and approved projects?
  - A: This varies by PA. Marked for follow-up in afternoon session surrounding better understanding of internal due diligence review process performed by PAs.
- Q: Is there a threshold IOU's can reach (say 80% of projects have all required documentation) that would allow them to operate with a revised CPUC review that doesn't require the 2-3 week CMPA wait period?
  - A: Revisit in the afternoon. This is partially a policy question and partially a process question

*12:00 pm: Feedback from stakeholders about their experiences with the current CPUC staff Custom Projects Review process since July 1, 2019. [Peter Lai, CPUC]*

- PG&E - This process has been working well from the PG&E perspective. I want to remind everyone that the success of these programs lies in two pillars: cost-effectiveness and doubling EE savings in ten years. These won't be achieved without proactive collaboration.
- TRC: The predictable review timelines has been super helpful, but the timeline for individual projects is still super long. The public tracker is very beneficial for understanding where the project is in the process and it keeps me from having to ping the utilities on a regular basis for the status updates of project. I understand that the process is manual but keeping it up-to-date is super important. Some additional detail that would be helpful is to include when the next milestone starts.
- PG&E - Comments and Questions
  - #1: Can we establish a timeline for the re-review of rejected projects?
    - A: That is not a part of operationalizing timing requirements document and we are working on it.
  - #2: Can we get a status update on the changes requested for the DEER Chiller Tool and its related Early Opinion?
    - A: We can talk about that in our regularly scheduled check-in. Q: could we set up a feedback mechanism for tracking the Early Opinion process? A: This does not fall into SB 1131 requirements, but we are trying to be timely in our response.
  - #3: Status of the "root certificate" for CMPA website?

- A: We are working on it, but we have back-up plans that will not delay the document exchange between program staff and program administrators.
  - #4: Could the CPUC provide a summary of past guidance and dispositions that are no longer applicable since SB3111 being fully enacted?
    - A: Past dispositions do provide good recommendations, but of course anything with a change to code or an updated guidance document that has been changed would override anything in that earlier disposition.

*1:30pm: Receive Input from stakeholders on additional improvement to streamline the overall Custom Projects Review process. [Sepideh Shahinfard, SBW]*

- Dispute resolution process drafted, and it is currently under review
- Question: What did the checkmarks on that last slide mean?
  - A: Green mark means achieved. Red mark not yet
- Issues identified in slides:
  - Establish a more Proactive Collaboration with CPUC staff
  - Improve communication on projects
  - Create a dispute resolution process
  - Establishing and committing to a Fixed Timeframe
  - Developing SW Guidance documents to improve consistency and usability
  - Creating Centralized Archives to improve information sharing
- Question to attendees: What are the remaining issues? (General issue categories identified for polling are **bolded**)
  - SDGE: **Trainings and feedback** is really important, esp. as we enter into third party world. That way we can curtail some of the continued errors.
  - CEDMC: Adoption of T2WG recommendations (members to provide more specifics). For example, ISP custom guidance document. PA's due diligence review timeline is concerning in that there is a lot of time on the front end in processing applications before they enter the implementation stage. We think there needs to be a **time requirement for the PAs' DDR process, say 30 business days for intake process.**
  - Implementer: Lack of guidance on how NMEC projects engage in the custom process. Site-specific NMEC-based programs are intended to be a significant and growing portion of EE portfolios moving forward. These projects are treated as custom, but there's no guidance on how the process will work for NMEC projects. All the Rulebook says is: Project review, as described in the NMEC Rulebook, is necessary for site-specific NMEC custom projects. And one of the process steps listed in the NMEC Rulebook is: Program Administrator submits a list to CPUC as per custom project review rules as modified for NMEC projects and programs in this Rulebook. Some of the major goals of NMEC is to facilitate new project types, streamline the M&V process, and reduce project costs. How will custom review work for NMEC-based projects, and how can we avoid undermining those goals?
  - Cal-TF: Process for custom measures needs to be streamlined. Specific measures have greater opportunity for streamlining. We should be documenting common baseline costs, common influence questions etc.

- Cascade: I'd like to piggyback on Cal-TF's comment and say that CA needs something in between rebates (extremely simplified) and custom (too complex and time-consuming for smaller projects), such as pre-approved calculators for semi-complex, but repeatable projects (refrigeration controls, for example).
        - Peter: We are doing some of this already. We have developed pre-approved tools for certain types of projects (**Pre-approved tools and calculators issue category**)
- Lincus: Implementers need more access to project documentation package that is submitted to CMPA.
- Willdan: Issues with getting the projects to the CPUC review (**better understanding of utilities review process and timeline issue category**). Adoption of E4818 Tiered POE (Peter is working on getting this adopted, it's under review at CPUC now and stakeholders will have a chance to review this once its ready). Kick-off meeting for larger projects - discussion between implementer, customer and PA and CPUC so that implementer can present the project and establish common ground of the project (especially the large ones) at the outset (**this goes under the better communication issue category**).
- TRC: I touched on this on my earlier comment. The CPUC review time is still long. From CMPA to disposition is over 10 weeks on average. Some things that could be easily changed that would shorten the review time are 1) eliminate Tuesday clock starts. 2) overlap the IOU and CPUC review or at least the CMPA selection/initial project upload. (**this falls into the timeline issue category**)
- Implementer: Process gaps in NMEC review process. PAs have no guidance or training on how to evaluate NMEC projects. Evaluators have been evaluating NMEC-type programs for years, but these are not the same things. Different expectations from evaluators versus PA internal review teams (**better communication and training/feedback issue categories**)
  - Faith: NMEC-webinar was held for PAs about a month ago to introduce our expectations for this process.
- Ecology Action: 1) Evidence requirements for smaller projects and generally more streamlined process for smaller projects. 2) E4818 adoption 3) Tiers POE implemented. Also use tiering for other elements of custom review

**Summary of Poll Results:**

*[Note: After discussing remaining issues and opportunities for improvements in the CPR process, meeting attendees voted via a poll on the webinar for their "top 3" issues. CPUC staff and consultants did not vote.]*

CPR Process: Key Issues and Opportunities for Improvements	Votes			
	1st Priority	2nd Priority	3rd Priority	Total Votes
Simplified processes for smaller projects	4	10	6	20
Technical training (e.g., NMEC) and workshops	7	2	7	16
Developing SW Guidance documents to improve consistency and usability (e.g., simplified tools and calculators)	4	5	3	12

Development of 'hybrid-path' for projects that fall between custom and deemed	6	2	4	12
Implementation of tiered-POE	4	3	4	11
Establish a more proactive collaboration with CPUC staff	4	3	2	9
Improve communication on projects	4	3	2	9
Establishing and committing to a fixed timeframe for PA's Due Diligence Review (DDR)	3	2	4	9
Creating centralized archives to improve information sharing	2	2	3	7
Create a dispute resolution process	1	4	0	5
General policy training	0	2	3	5
Project feasibility kick-off meetings	1	0	1	2
No Answer (Did not vote)	24	25	23	N/A

*2:30pm: Discuss/address input received from stakeholders on additional improvement to streamline the overall Custom Projects Review process. [Sepideh Shahinfard, SBW]*

- Plan is to develop sub-groups (SG) to work on the identified issues from the polls. CPUC staff requested volunteers to work on these issues. Sub-groups are as follows:
  - SG1: Technical Training (e.g., NMEC) and Workshops
    - Lead: Not chosen
  - SG2: Simplified processes for smaller projects
    - Lead: SoCalGas
  - SG2a: Simplified processes for larger projects
    - Lead: Not chosen
  - SG3: Developing SW Guidance documents to improve consistency and usability
    - Lead: SCE
  - SG4: Custom Project Review Timeline Streamlining
    - Lead: Peter Lai (CPUC)
- If you are interested in participating in a sub-group, please contact Peter Lai and Rashid Mir.

*3:30pm: Next Steps: Review meeting outcomes and action items, Future meetings? How often to meet, where and how to make meetings useful?*

- At the very least, quarterly meetings for now.
- Ideally in-person meetings would be best.