



**California Technical Forum (Cal TF)
Policy Advisory Committee (PAC) Meeting
Thursday, December 11, 2014
California Energy Commission**

I. Participants

In Person:

Annette Beitel, Cal TF staff
Alejandra Mejia, Cal TF staff
Jenny Roecks, Cal TF staff

PAC Members

Howard Choy, County of Los Angeles, (LA)
Jan Berman, Pacific Gas & Electric (PG&E)
Lisa Davidson, San Diego Gas & Electric (SDG&E)
Dan Rendler, Southern California Gas (SCG)
Bryan Cope, Southern California Public Power Authority (SCPPA)
Peter Miller, Natural Resources Defense Council (NRDC)
Jonathan Changus, Northern California Power Agency (NCPA)
Rachel Huang, Sacramento Municipal Utility District (SMUD)
Martha Brook, California Energy Commission (CEC)
David Jacot, Los Angeles Department of Water and Power (LADWP)

Steve Galanter, Southern California Edison (SCE)

On the Phone:

PAC Members

Margie Gardner, Energy Efficiency Industry Council (Efficiency Council)
Mike Campbell, Division of Ratepayer Advocates, (DRA)
Beckie Menten, Marin Clean Energy (MCE)
Donald Gilligan, National Association of Energy Service Companies (NAESCO)
Mary Ann Piette, Lawrence Berkeley National Lab (LBNL)
Tony Andreoni, California Municipal Utilities Association (CMUA)

II. Key Action Items

2015 Business Plan

- All in agreement to continue Cal TF work in 2015 consistent with 2015 draft Business Plan.



- ACT: ACT: Track pathway to adoption of TF workpapers by Program Administrators *after* TF approvals.
- ACT: Seek interested PAC member input on process for documenting DEER requirements (Goal 1).
- ACT: Next TF Member term should be two years.
- ACT: Cal TF staff will prepare written proposal for crosscutting technical position papers for PAC review via email.
- 2015 Work Plan Approved
 - Add disclaimer that the business plan is a living document, and that approval by PAC to proceed with work does not constitute endorsement by individual PAC members or their respective organizations (e.g. DRA and CMUA).
 - Explore ways to capture additional research and/or EM&V needs identified by the TF and inform Program Administrator EM&V teams.

Legislative Briefings

- ACT: Peter Miller to draft straw man proposal with details of legislative briefing trip for the end of Q1 2015.

III. Opening

Introductions

Annette Beitel—Run down of the agenda.

IV. 2014 Achievements

Annette Beitel—

This year's work plan originated before the PAC was formally in place, so this body didn't officially approve it. Rather, it was the result of a long series of conversation with a wide range of stakeholders across the state.

Power Point Presentation

Jan Berman, PG&E—I have already heard from my staff that the website is very useful, in particular the notes that chronicle the various points leading to a decision on a measure.



Peter Miller, NRDC—I am curious about the workpapers that were approved. Can you give us a sense of how the consensus decision-making process worked?

Annette Beitel—It worked very well. This is not to say that the entire group always agreed on everything at every stage, but at the end the group has come to consensus. There have been instances when individual or small groups of members express dissenting opinions, the group considers those, and then everybody seems to coalesce around a decision. There will come a time when we will need to use comparison exhibits, but we have not had to yet.

It also helps that the TF Members seem to understand that these are forecast values. Even though they *are* engineers and they *do* love the idea of more data, they often realize that there are tradeoffs with increasing data and precision and troublesome complexity.

Margie Gardner, Efficiency Council—How much has CPUC Staff been participating?

Annette Beitel—That is a very important question and we have a short presentation later on that should answer it comprehensively.

Jan Berman, PG&E—In the “Saving Below Code” issue, I would like to add that while enforcement may be lax, the bigger issue is that new building codes don’t actually require that existing structures be brought up to code.

Howard Choy, LA—This is an issue of great importance to the local governments and RENs, and we would love to participate.

Jonathan Changus, NCPA—For our smaller utilities, what we are looking for is a broader set of best practices, rather than specific models or tools. We need something more nimble; we need to strike the right balance between broad, statewide, and usability, nimbleness.

Mike Campbell, DRA—Back to the code as baseline issue, this has been a very contentious issue, so I think it would be important to base any work on solid evidence per the most recent ALJ guidance.

Annette Beitel—That is a very good point. Throughout all of our work this year we have been very careful to start off by researching and documenting existing California guidance.



Jonathan Changus, NCPA—While I agree that there are a lot of benefits to facilitating a statewide approach, I need to add the caveat that what works for a large IOU will not necessarily work for many of my small POU members. While we do want to utilize and benefit from statewide best practices, etc, the smaller POUs will need some flexibility. We are not interested in a top-down statewide mandate.

Annette Beitel—I think we all agree that the results of the Cal TF's work are intended to be statewide resources, and absolutely *not* mandates. The IOUs are also not bound by Cal TF decisions—it is up to the individual Program Administrators to take workpapers approved by the TF and submit the for formal review by their regulators.

Peter Miller, NRDC—Just to clarify the comment made by Mike earlier, the recent ALJ decision does not actually say you can't claim savings below code. It sets certain thresholds and default baselines, but it leaves much room for interpretation about how and when to claim alternative baselines. That is the kind of guidance that would be helpful for the TF to weight in.

Dan Rendler, SCG—Rather than straight policy making, the value offered by the Cal TF is clarity. For instance, if a certain workpaper has drastically reduced savings, it will still be useful to know that was by virtue of current regulations. Others, possibly in forums outside of the Cal TF, can then pursue problem with current policy that are highlighted by the TF's work.

V. Update on Soliciting CPUC Feedback on Cal TF Work

Annette Beitel—

Power Point Presentation

Bryan Cope, SCPA—Can you clarify for me where the approved workpapers stand if the CPUC staff hasn't been involved in the process?

Annette Beitel—We have gotten some feedback from them, and it has been incorporated into the workpapers. It is up to the individual Program Administrators to submit those for formal approval.

Steve Galanter, SCE—Like Annette just said, the formal approval system that has been there for years is still there, and we will continue to use it. What was really needed, and what we now have in the Cal TF, is a transparent forum where we can all collaborate and discuss these technical workpapers.



Bryan Cope, SCPPA—Of the five measures that have been approved, is it your intention to submit those for approval?

Steve Galanter, SCE—Yes.

Margie Gardner, Efficiency Council—It would be helpful to track what happens to workpapers *after* they are approved by the TF—are they submitted for approval, are they adopted into the portfolios?

- ACT: Track pathway to adoption of TF workpapers by Program Administrators *after* TF approvals.

Jan Berman, PG&E—I understand the importance of knowing existing requirements, but I also wonder if the Cal TF feels like they are able to have a complete technical discussion not bound by previous modeling assumptions?

Annette Beitel—Unfortunately I can't give you a very complete answer, since the measures the TF has reviewed so far hasn't involved a difference between DEER requirements and TF-recommended approach. If DEER requirements do conflict with TF-recommended approach, what we will do is document and explain any deviations.

Jenny Roecks—It is helpful to think of DEER requirements as methods, data, and assumptions that, if relevant, may be used by a workpaper developer submitting a measure to the Cal TF. The relevant DEER methods, data, and assumptions will be reviewed by the TF the same way the review methods, data, and assumptions that do not come from DEER. If the TF disagrees or agrees with the DEER information presented, that position will be clearly documented by our process.

VI. 2015 Business Plan

Annette Beitel—

Walk Through of the Draft 2015 Business Plan

Bryan Cope, SCPPA—I want to confirm why the document reads 'draft business plan.' Are you seeking approval or are we just here as band of advisors?



Annette Beitel—We are definitely seeking approval. However, if we do not manage to garner consensus on all new items, we would continue to perform our regular work as outlined in the 2014 plan.

Peter Miller, NRDC—I think we all believe that the Cal TF has done excellent work in 2014, and while we may have some discussions about the details of the work scope for 2015, we all agree that the work must go on.

Dan Rendler, SCG—Just to be clear, is anyone not on board for moving forward?

- All in agreement to continue Cal TF work in 2015.

Goal 1

Peter Miller, NRDC—I think it would be helpful to know an estimated percent of effort per task, etc.

Annette Beitel—On Goal 1 we are hoping to work with a graduate student on a part-time basis.

Jonathan Changus, NCPA—I think looking at California's DEER is very helpful, but is there an interest in also looking at what other jurisdictions are doing?

Annette Beitel—Yes, looking for best practices from outside California was our original approach for structuring this organization. However, when it comes to the technical details, there is a lot of really good engineering work in DEER, and we don't want to just throw it all out just because there may be some areas for improvement.

Bryan Cope, SCPPA—Looking at other solutions sounds great, but my pragmatic concern is that California regulators are going to look at that as a showstopper.

Annette Beitel—We have faith in an incremental approach that allows us to have fruitful, evidence-based conversations with all regulators and stakeholders.

Steve Galanter, SCE—I will harp again about the great value that Cal TF's transparency brings to the conversation. DEER started as a collaborative, transparent work product and it has morphed into this big black box with changing numbers and no understandable explanations. This is an excellent step back in the right direction.



Martha Brook, CEC—I think that this group should at least agree on the process by which these goals will be met, because right now it is hard for me to grasp it.

Annette Beitel—Maybe what we can do is form a PAC subcommittee to review the more detailed action plan for this item.

Martha Brook, CEC—I think that would be great. If we at the CEC can stay involved, we may actually be able to add intern resources to increase the output.

- ACT: Seek interested PAC member input on process for documenting DEER requirements (Goal 1).

Peter Miller, NRDC—I appreciate your comments about workload management. I'll just note that our ability to continue our current workflow may be interrupted if there is large turn-over in May of TF Members.

[These questions held for discussion under 'Goal 6. Release RFQ' item.]

Margie Gardner, Efficiency Council—I think it would be really valuable if the Cal TF staff could track the progress of workpapers after they exit the Cal TF process. It would be great for this body to know how many get approved by decision-makers, and if those are adopted into Program Administrator portfolios.

Dan Rendler, SCG—I've been emailing with my staff back and forth about the Condensing Unit Heaters measure that was reviewed by the Cal TF and it seems that the savings reductions weren't due to the Cal TF review. I don't want to create an expectation that Cal TF approval necessarily means that a measure will be adopted into the portfolios.

Steve Galanter, SCE—Our intent is not to promote measures that are not cost-effective; however, that is not always obvious until the workpaper is already being developed through the Cal TF process.

Jan Berman, PG&E—This is why I like the idea of the new Measure Selection subcommittee. I think it will add balance and optimize the measure selection process.

Annette Beitel—Our understanding was that the Condensing Unit Heaters measure was initially cost-effective, and that the cost-effectiveness changed due to reduce savings through the course of TF review.

Goal 3



Donald Gilligan, NAESCO—My experience with engineers has been that good engineers are never satisfied with existing data. Having decisions made by a Technical Forum that consists of engineers may not be the most practical approach.

Annette Beitel—I think it's effective for the TF to take the first crack at an issue, and then see what the PAC thinks.

Annette Beitel—Is the PAC comfortable with these position papers, and can the TF move forward?

Margie Gardner, Efficiency Council—Who will do the work and writing?

Annette Beitel—We have an established process, and the TF staff moves it along. A subcommittee will have a “champion” that takes ownership of the issues and may help draft an initial document. Cal TF staff absolutely does not draft workpapers, but may in some cases create initial drafts of position documents for the TF to react to. In drafting work, the author needs to be careful about advocating his or her own position or bias versus the consensus reached by the TF or subcommittee.

Peter Miler, NRDC—The three position papers look interesting, useful, and relevant. Three seems ambitious but not undoable. A fourth one that might not have made the cut would be good to look at.

List of Potential Crosscutting Technical Position Papers

Lisa Davidson, SDG&E—The best available data item seems to me like it wouldn't be as useful.

Margie Gardner, Efficiency Council—Which proposed issue is currently underway?

Annette Beitel—I think ISP. I'll get you an answer instead of guessing.

Steve Galanter, SCE—Defining Industry Standard Practice is currently being explored between the IOUs and the CPUC.

Margie Gardner, Efficiency Council—It would be good for that to go through a transparent process



Dan Rendler, SCG—It would be valid to discuss what is going on with the custom process.

Margie Gardner, Efficiency Council—The baseline issue seems to me controversial, and my fear is that the TF may take on policy work too soon and compromise its reputation before establishing a solid technical foundation. I wonder if it's not the right time from the point of view of the organization. I'd like to see it happen, but am worried about how it may be perceived.

Annette Beitel—To me, baseline is different from savings below code. There is a question for how to calculate baseline, and then there is the issue of, under what circumstances can you get savings below code when the baseline is already defined. In the latter case, we accept the baseline as it is.

Dan Rendler, SCG—I think everyone here wants to have the discussion around baseline, but I don't think this is the right forum for that discussion.

Steve Galanter, SCE—These three specific whitepapers being brought up - I agree with what is being said, that they are not necessarily policies. For example, when utility engineers are trying to estimate what savings are based on historical information or existing literature, there is the term "best available data" in regulatory proceedings but no definition. Having a definition for that would make our technical work much easier. This is a good opportunity to define this so that engineers can act on it.

VI. 2015 Business Plan, Continued.

Goal 6

Dan Rendler, SCG—I see that will be releasing another TF RFQ in May. Per Peter's earlier comment, I worry that having significant turnover every spring will disrupt the TF's work. Have we considered having longer terms and possibly even staggering?

Group—Agreement.

- ACT: Next TF Member term should be two years.

List of Potential Crosscutting Technical Position Papers, Continued.

Annette Beitel—Is the group comfortable with Measure Complexity and Below Code as topics for TF position papers?



Mike Campbell, DRA—Given the TF’s technical focus, have you considered routing position papers through the PAC instead?

Dan Rendler, SCG—I think that would be a mistake. We might be the right people to review those documents, but this is definitely the wrong forum. Doing so would distract us from our focus and change the good, collaborative working dynamic we have created.

Lisa Davidson, SDG&E—What if the Cal TF staff drafts a more detailed one-paragraph proposal that we can review and approve in writing?

Annette Beitel—I think Lisa’s is a very good idea. To Dan’s comment, these are really issues that have emerged from the TF’s technical work, so it is very specific to them. The PAC would not have the perspective the TF does.

Jonathan Changus, NCPA—I think in theory NCPA can support this item as long as we do get some more details to review.

Mike Campbell—I am comforted by Lisa’s suggestion.

➤ ACT: Cal TF staff will prepare written proposal for PAC review via email.

Peter Miller, NRDC—On the POU TRM, there will probably be overlap between Goals 4 and 2, so I would encourage you to be strategic about how you approach it.

Annette Beitel—Of course.

Does the group have any discomfort with Goal 5: Statewide Coordination?

Group—No.

Jonathan Changus, NCPA—I will offer a motion for approval of the 2015 Business Plan.

Peter Miller, NRDC—By way of seconding Jonathan’s motion, I will say that since the Cal TF is small and nimble, there will still be opportunities for amendments during the year, but I think that the business plan before us today is an excellent starting point.

Annette Beitel—Are there any objections to adopting the 2015 Business Plan?



Group—No

Annette Beitel—Great. So we will discuss it with CPUC Staff in case they have any misgivings, which we don't expect them to, so there is a very small chance that we will have to revisit the document. Otherwise the Cal TF 2015 Business Plan is approved.

Jan Berman, PG&E—It would be helpful to capture additional research and EM&V needs identified by the TF that can then be communicated back to our EM&V teams for consideration.

Tony Andreoni, CMUA—Add that this is a living, breathing document on the posted version.

- 2015 Work Plan Approved
 - Add disclaimer that the business plan is a living document, and that PAC support of the 2015 Business Plan does not imply endorsement of the Business Plan by individual PAC members or their organizations (such as DRA or CMUA).
 - Explore ways to capture additional research and/or EM&V needs identified by the TF and inform Program Administrator EM&V teams.

VII. Legislative Briefings

Peter Miller, NRDC—I think it may be a good time to go give an update to the legislators on the Cal TF. I would propose we host a lunchtime brownbag seminar and possible combine it with a couple of office meetings.

The caveat is that a broad collaboration would be a positive signal to the legislators, so in addition to staff, it would be great to have representation from all around the table.

Dan Rendler, SCG—I have to head out now, so before I leave, my compliments to everyone on the Cal TF doing the excellent work and to everyone around the table for having such productive, collaborative discussions throughout the year.

I would support the legislative briefings, but the IOUs do have offices here in Sacramento so we would have to figure out how to coordinate effectively.



Lisa Davidson, SDG&E—One possible way is to do it is to divide it by geographic territory representation.

Peter Miller, NRDC—Great. The next step is for me to work with staff to draft a straw proposal for the trip towards the end of Q1.

Jonathan Changus, NCPA—Public power would support this. I think a brownbag would be easier but having a written proposal from Peter and staff would be helpful.

Sylvia Bender, CEC—The joint agencies have worked with legislative staff on similar projects in the past so we can work with you on this one.

- ACT: Peter Miller to draft straw man proposal with details of legislative briefing trip for the end of Q1 2015.