

DRAFT:
For Discussion Purposes

**CHARTER OF THE
CALIFORNIA TECHNICAL FORUM
(Cal TF)**

December 10, 2013

- I. Official Title: The official title of the organization is the “California Technical Forum,” and will also be known as the “Cal TF.”
- II. Organization: The Cal TF consists of the Policy Advisory Committee (PAC), the Technical Forum (TF) and the PAC and TF Chairs. The PAC shall provide oversight and governance to the Technical Forum (TF).
- III. Purpose: The Technical Forum (TF) is a collaborative of technical experts who use independent professional judgment and a transparent, unbiased, technically rigorous process to develop and/or review energy measure parameters and other technical information related to the California energy efficiency portfolio, whose work is guided by efficiency experts on the Policy Advisory Committee (PAC), collectively referred to as the Cal TF.
- IV. Background: The California Energy Commission (CEC) and California Public Utilities Commission (CPUC) established a framework for the review and adoption of energy savings values used to calculate energy savings, energy savings potential, and cost-effectiveness at the portfolio, program and measure level, as follows:

A. Database for Energy Efficiency (DEER) Measures

The CEC created the California Conservation Inventory Group (CCIG) in the early 1990s to develop and collect energy savings data and incremental costs for common energy efficiency measures. CCIG called the collection of efficiency data the “Database for Energy Efficiency Resources” (DEER). DEER initially included market saturation, expected useful life, annual energy savings and summer on-peak demand reduction estimates for common residential and non-residential demand-side management measures.

DEER was originally intended to be used for planning and evaluation purposes to measure portfolio, program and measures-level cost-effectiveness and market potential. DEER has now evolved into a set of ex ante savings values to ensure consistency in program planning, market analysis and cost-effectiveness analysis. The measure-level parameters in DEER now include: deemed unit energy savings, net-to-gross values, effective useful life values and full and incremental measures cost values.

The 2001 and 2004 – 2005 DEER updates were managed by the California Investor-Owned Utilities (CA IOUs). In 2005, Commission Decision D.05-01-055 directed the Energy Division (Commission staff) to update DEER as part of its research and analysis in support of policy oversight. The CPUC gave Commission staff responsibility for DEER because DEER is used to develop program targets and measure program results. In D.12-05-015, the CPUC directed Commission staff to release detailed information on DEER measures, methods and assumptions to inform future DEER updates.

In addition to DEER, Commission staff also assumed responsibility for reviewing ex ante assumptions for custom projects.

B. Non-DEER Workpapers

In Commission Decision Nos. D.09-09-047 and 11-07-030 and an Administrative Law Judge (ALJ) Ruling dated November 18, 2009, the CPUC directed the CA IOUs to submit to Commission staff for review and approval non-DEER workpapers which are used to update DEER measure parameters in between regular DEER update cycles.

C. Custom Measure/Project Review

In Commission Decisions Nos. 09-09-047 and 11-07-030, the CPUC directed and set forth a process for the CA IOUs to provide custom measures and projects for Commission staff review and recommended approval prior to freezing ex ante values, which may consist of savings, free ridership, expected useful life and cost information. For custom measures, the Commission staff may also conduct, through its contractor, on-site surveys and data collection. For Custom Project Review, Commission staff has to follow the Custom Application Review Process set forth in D.11-07-030.

V. Cal TF Role in Reviewing Technical Values and Information: Guiding Principles

The Cal TF is designed and will be implemented to develop and/or provide review and approval of technical values and information related to energy efficiency and the integrated demand-side-management portfolios and programs. The intent is to develop values that can be trusted and used by all energy efficiency stakeholders in California to achieve the following guiding principles:

- 1) Technical Rigor – Technical rigor will arise through:
 - a. Establishing templates, checklists and detailed guidelines on the form, detail, documentation, and requisite data needed to support different measure parameters, and
 - b. A panel of experts who independently peer review measures and measure parameters.
- 2) Consistent Statewide Values –The TF will review and approve technical information and measure parameters that can be trusted and used statewide by all program administrators and program implementers, including investor-owned utilities, publically-owned utilities, program implementers, regional energy networks, and community choice aggregators. Establishing consistent statewide values will yield several benefits:
 - a. Allows meaningful program comparisons.
 - b. Facilitates the implementation of initiatives such as AB 758 (Energy Efficiency in Existing Buildings) and Proposition 39 that will fund energy efficiency in schools.
 - c. Avoids the wasteful expenditure of funds that results when multiple parties independently develop values for the same measures.
 - d. Will build trust of the California legislature and the California System Operator that the savings from energy efficiency are accurate and credible.

- 3) Independence – Unbiased – The Cal TF will be independent and unbiased by virtue of the following mechanisms:
 - a. TF Voting Members may not vote if financially interested in outcome. See the Conflicts of Interest Policy for the definition of “financially interested” parties.
 - b. TF Chair, TF Vice-Chair and TF Staff may not be a California EE Program Administrator, Implementer or Evaluator.
 - c. Inclusion of *Ex Officio* members (voting) to provide national, independent perspective (ACEEE, CEE, DOE, LBNL, GTI, ASHRAE, others).
 - d. Measures, measure parameters and guidelines approved by the TF will be submitted to CPUC for approval for use by IOU participants.
 - e. Code of Independence signed by TF Voting Members, TF Chair and TF Vice-Chair.
 - f. Majority of TF Voting Members may not be IOUs.
- 4) Transparency – The Cal TF will achieve transparency as follows:
 - a. TF meetings will be open to the public.
 - b. TF agenda, material for vote, all supporting documentation (assuming no licensing issues) and decisions will be posted on the Cal TF website.
 - c. Cal TF and/or TF produced reports, such as the Business Plan, Quarterly and Annual Reports, including financials, will be posted on the Cal TF website.
- 5) Effective Peer Review – Effective peer review of technical values will result from:
 - a. Selecting TF Members to represent a fair balance of technical expertise, sector experience, technology focus, policy experience, and institutional experience.
 - b. Requiring TF Members to sign a Code of Independence/Code of Conduct, in which they pledge to carefully and thoroughly review, in advance of a vote, materials that are circulated for TF Voting Members vote, and a Conflicts Policy, which requires that TF Voting Member’s vote based on their best independent professional judgment and not their organizational interest.
 - c. Ensuring all materials for voting are circulated at least two weeks prior to the vote to allow time for meaningful review.
- 6) Timely Results – The TF will establish timelines for reviewing and voting on different types of issues, in consultation with the PAC, that are reasonable yet allow for meaningful review.
- 7) Efficient, including Cost-Efficient – The TF will achieve cost-efficiency through the following:
 - a. Establishing templates, checklists and detailed guidelines on the form, detail, documentation and requisite data needed to support different measure parameters to minimize back and forth and re-work that results when standards and data requirements are not clear.
 - b. Inclusion of representatives from all key stakeholders that regulate, administer and implement energy efficiency programs so that one set of measure values is developed, agreed-upon, and used, rather than parallel processes that cause duplicative and unnecessary expenditures, and reduce trust in the accuracy of the measures.
- 8) Reduce Complexity – Reduced complexity will arise from:
 - a. In developing measures and measure combinations, giving consideration to how programs are planned, implemented, and evaluated in determining the

appropriate level of granularity for measures and measure combinations.

- b. Developing a guideline on the appropriate amount of measure combinations that are necessary for reasonable accuracy, with consideration of cost and administrative burdens associated with greater measure combinations.
 - c. Reviewing current measure combinations and any new measure combinations to assess whether measure combinations can be reduced without significantly compromising accuracy, and with consideration of “signal to noise” i.e. whether a difference in savings from different measure combinations would likely result in measurable energy use differences in real-life conditions.
- 9) National Model for *Ex Ante* Values – The Cal TF values can be a national model for developing *ex ante* values given the size and breadth of the California EE portfolio and diversity of climate zones, and through the inclusion of national experts on the TF to provide best practices and useful data and studies from other regions.
 - 10) Opportunity for Regional Collaboration – The Northwest Regional Technical Forum (NW RTF) is widely accepted as an excellent model for addressing technical issues. It has developed practices, guidelines, and a database structure that is used by over 160 utilities in the Pacific Northwest, and values that are accepted by four different regulatory commissions. The Cal TF is modeled on the NW RTF, which will foster regional collaboration on technical issues.

VI. Authority: The Cal TF is established by agreement of the PAC Members to fund and/or participate in the Cal TF as set forth in the Cal TF Bylaws, Charter, Conflicts Policy, and Code of Independence/Code of Conduct.

VII. Objectives and Scope of TF Activity: The TF shall accomplish the following objectives:

- Workpapers: Review and approve Workpapers.
- Guidelines, Forms, Templates: Develop and/or review and approve guidelines, forms and templates to facilitate development and review of measure parameters.
- Database: Develop a website and/or database that can be used to store TF documents and decisions. Develop a proposal on streamlining, simplifying and improving the usability of DEER.
- Other Technical Duties As Assigned: Through the Business Plan development and approval process, the PAC may assign to the TF other issues of a technical nature.

In carrying out the above responsibilities, the TF Chair shall develop a Business Plan. The Business Plans shall be developed through input from the PAC as set forth in the Charter. The PAC shall be responsible for approving the Business Plan and budget, along with any significant modifications that the TF Chair may make to the Business Plan or budget throughout the course of the fiscal year.

VIII. Business Plan and Budget: For the initial year of operation, the PAC shall approve a one-year Business Plan and budget. Thereafter, the TF Chair will submit a three-year Business Plan and budget, and an annual Work Plan and budget to the PAC no later than September 15th of each year. The PAC shall approve the budget and Work Plan, with any PAC-approved

modifications to the Cal TF Business Plan, Work Plans or budget no later than November 1 prior to the start of the next Calendar Year.

IX. Policy Advisory Committee (PAC): Members, PAC Chair, Roles and Responsibilities, Voting

- A. PAC Membership: PAC membership is open to Investor-Owned Utilities (IOU) funders of the Cal TF (4 positions); Public Utility Representatives (2 positions – 1 each representing Northern and Southern Public Utilities); Program Implementer Representatives (2 positions), an Environmental Group (1 position), and a Ratepayer Advocate (1 position).

Regulators shall be non-voting, *ex officio* members of the PAC, and shall include the CEC (1 position) and CPUC (1 position). In addition, the California System Operator (CA ISO) shall be a non-voting, *ex officio* member.

PAC Members shall be experienced energy efficiency experts.

Discontinuing PAC Membership: Should a PAC Member decline to be bound by any PAC-approved documents, they may permanently recuse themselves from the PAC. The organization represented by the recused PAC Member may appoint another PAC Member, unless the organization also declines to be bound by any PAC-approved document or otherwise wishes to discontinue participation on the PAC. An organization that declines to be bound by the PAC-adopted documents or otherwise does not want to continue representation on the PAC may relinquish PAC Membership. Furthermore, through a vote of the PAC, a PAC Member may be removed from the PAC. The PAC may, but is not required, to replace the PAC Member with another PAC Member.

Transfer of PAC Membership. A PAC Member may transfer its participation on the PAC to a representative in the same organization. PAC Membership shall not be transferred more than one time per year, unless the transferring PAC Member is no long working with the organization the PAC Member is representing on the PAC.

Admission of New PAC Members. Through a vote of the PAC, the PAC may admit new PAC Members or organizations to the PAC.

PAC Member Participation. PAC Members are expected to attend PAC meetings regularly. If PAC Members do not attend a reasonable number of PAC meetings, the PAC may vote to remove the Member. PAC Members may send substitutes to a PAC Meeting only for good cause, and the substitute PAC Member is bound the same duties and obligations as the PAC Member, and shall also be authorized by the PAC Member to act on the PAC Member's behalf.

- B. PAC Chair: The PAC Chair will be selected by the PAC through its voting rule from the membership of the PAC. The PAC Chair is responsible for working with the TF Chair to ensure that the Cal TF is achieving its Business Plan and annual Work Plans objectives within budget, and is responsible for chairing PAC meetings. The PAC Chair is a voting member of the PAC. The PAC Chair shall vote only in cases where his/her vote will

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affect the result, i.e. the PAC Chair can vote either to cause or to block the attainment of the necessary sixty percent or two-thirds vote.

In addition, the PAC Chair is responsible for ensuring that funds allocated to and used by the Cal TF are appropriate and necessary for the operation of the Cal TF. Finally, the PAC Chair shall work with the TF Chair to develop agendas and meeting materials that address issues that the PAC must be apprised of or vote on, as set forth in the Charter and Bylaws.

- C. PAC Vice-Chair: The PAC Vice-Chair will be the TF Chair.
- D. TF Chair: The TF Chair will be selected by the PAC through its voting rules. The TF Chair shall develop PAC agendas and material in consultation with the PAC Chair. The TF Chair shall attend PAC meetings, and is responsible for ensuring that minutes and action items are circulated within ten (10) business days of a PAC meeting.
- E. PAC Roles and Responsibilities: The PAC shall have the following roles and responsibilities:
- Approve the Cal TF Charter and Bylaws, and any updates thereto.
 - Approve the Cal TF Conflict of Interest Policy, and any updates thereto.
 - Approve the Cal TF Code of Independence/Code of Conduct and any updates thereto.
 - Approve the initial one-year Cal TF Business Plan and budget; thereafter approve 3-year Business Plans and budget.
 - Approve Annual Work Plans and annual budget updates no later than November 1.
 - Quarterly, review progress towards annual goals.
 - Approve selection of TF Voting Members.
 - Approve selection of the PAC and TF Chair, for an initial two-year term, then three-year terms thereafter.
 - Votes on Cal TF termination.
- F. PAC Voting: Voting may only occur at PAC meetings when at least forty percent (40%) of the PAC Members are present in person or by phone or other electronic means, which shall be considered a quorum. In-person attendance at the PAC meetings is strongly encouraged.

The affirmative vote of at least sixty (60) percent of the PAC Members participating in a vote but no less than forty (40) percent of the total number of PAC Members shall be the act of the PAC or TF, as applicable, unless a different number is required by law, the Cal TF Charter, or the Cal TF Bylaws.

Proxies shall not be allowed.

A PAC Member may abstain or recuse himself or herself from a vote. An abstention will not be counted as either a “yes” or “no” vote. A member who abstains from a vote is not counted as “participating in a vote.” The PAC Member shall abide by the Cal TF Conflicts

of Interest Policy at all times.

- G. PAC Meetings: The PAC shall meet at least quarterly, and more frequently as necessary. The TF Chair shall attend the PAC meetings and ensure minutes are properly recorded and distributed to PAC Members and other interested parties within ten (10) business days of the meeting. PAC meetings are not open to the public.

X. Technical Forum (TF) Members: Chair, Vice-Chair, Roles and Responsibilities

- A. Voting Members. Initially, the TF Chair, in consultation with the PAC, will solicit through an open Request for Qualifications (RFQ) process, the TF Voting Members. In selecting members, the TF Chair will seek to ensure the TF membership is fairly balanced in terms of technical expertise, sector experience, technology focus, policy experience and institutional experience. Any PAC Member who is interested in participating in the selection of the TF Voting Members that are submitted to the PAC for approval may do so. The TF Chair shall submit recommendations for the TF Voting Members to the PAC for approval.

The state energy regulatory commissions (CPUC and the CEC) and the California System Operator (CA ISO) shall be offered the opportunity to participate as *ex officio* non-voting members of the Cal TF.

In addition to the RFQ selection process listed above, the PAC may designate organizations such as ACEEE, CEE, LBNL, ASHRAE, and others as *ex officio* TF Voting Members. The TF Chair may recommend to the PAC organizations that would be effective and valuable *ex officio* voting members.

The TF Voting Membership shall have a minimum of twenty (20) and a maximum of thirty (30) voting members.

- B. Non-Voting Members (Interested Parties). Any interested party may attend a TF meeting, attend TF Subcommittee meetings (with approval of the TF Chair), and receive all notices and materials of the TF. If time permits, non-voting members may also contribute to TF meetings at the discretion of the TF Chair.
- C. Corresponding Members: Corresponding members bring special expertise to the work of the TF and may be asked by the TF Chair to serve on TF Subcommittees and/or provide comments on matters before the TF. Corresponding members are appointed by the TF Chair and need not be TF Members.
- D. TF Chair Role: The TF Chair shall be selected and approved by the PAC and shall:
- Attend PAC meetings; record and circulate notes.
 - Chair TF meetings.
 - Ensure that detailed minutes of such meetings are prepared and circulated within ten (10) business days.

- Maintain communication between the TF and the PAC, as necessary.
- Communicate as needed with PAC and TF Voting Members in between meetings to move the Business Plan work forward.
- Oversee development of the initial one-year Business Plan and budget, and thereafter the 3-year Business Plan and Budgets, and annual Work Plans and budget updates.
- Report to the PAC Chair on appropriate matters, including the TF's progress on its work plan and responsibilities.
- Solicit TF Voting Members through an open RFQ process, and work with interested PAC Members to develop recommendations for the TF Voting Members for full PAC approval.
- Provide and manage TF Staff (engineering and administrative) to conduct the work of the TF as set forth in the approved Business Plan. The TS Staff may be employees or subcontractors, as necessary.
- The TF Chair is a voting member of the TF. The TF Chair shall vote only in cases where his/her vote will affect the result, i.e. the TF Chair can vote either to cause or to block the attainment of the necessary sixty percent or two-thirds vote.
- Establish and maintain the Cal TF website that lists meeting notice, agenda, materials and minutes; Cal TF decisions and supporting documentation.

E. TF Chair Qualifications: In order to effectively carry out the duties of the TF, the TF Chair shall have the following qualifications:

- Ten years of experience with energy efficiency program administration, design, implementation or evaluation.
- Experience leading large-scale, multi-party collaboratives.
- Technical Degree – either science, math or engineering and preferably a master's degree or doctorate.
- Experience with the development and/or updating of an energy efficiency Technical Reference Manual, or other process through which energy efficiency measure parameters are developed; and
- Experience with energy efficiency solicitations and contracting.
- Furthermore, the TF Chair may not be a California energy efficiency program administrator, implementer or evaluator.

F. TF Vice-Chair: The TF Vice-Chair shall be selected by the TF Chair and approved by the PAC. TF Vice-Chair duties include:

- Perform the duties of the TF Chair in the absence of that Chair and such other duties as the Chair may assign.
- Prepare Quarterly and Annual Reports for TF Chair review, comment and approval, including expenditures relative to budget.
- Work with the F Chair to ensure the Business Plan goals are on track for accomplishment within budget.

- G. TF Roles and Responsibilities: The TF is responsible for reviewing, commenting on and voting on technical matters that come before the TF, consistent with the objectives and scope of the Cal TF Charter, Bylaws, approved business plan, Conflicts Policy and Code of Independence/Code of Conduct.

XI. Rules:

The TF Chair shall develop Bylaws for PAC review, comment and approval. The PAC may amend the Bylaws from time to time. Adoption or amendment of Bylaws requires the affirmative vote of the voting members of the PAC.

XII. TF Consensus Decision-Making:

The TF shall use consensus-based decision-making to determine measures and measure values. If consensus on a particular measure or other technical parameter is not reached within a reasonable period of time, the TF chair shall prepare a “comparison exhibit” that sets forth different positions, summarizes the rationale or basis for each position, and list TF Members who support each position.

XIII. TF Meetings:

- A. Regular Meetings. TF meetings will occur at approximately monthly intervals. The TF will provide remote access to its meetings through such means as live webinars and/or conference calls. TF meetings will be conducted in a manner that facilitates active engagement and participation by remote access attendees.
- B. Special Meetings. Special meetings may be called by the TF Chair. TF Members may request that the TF Chair call a special meeting.
- C. Public Meetings. All TF meetings will be open to the public. Timely notice of meetings, including agendas, will be made. The calendar for regular monthly meetings shall be set annually, and may be moved with one (1) month notice by the TF Chair. Interested persons may attend TF meetings and appear before or file statements with the TF, subject to such reasonable rules as the PAC may prescribe. The TF Chair may limit comments by TF voting members, non-voting members, observational participants and others to manage the time allocated for the meeting and individual agenda items.

XIV. Amendment:

This Charter may only be amended with the approval of two-thirds of the Voting Members of the PAC.

XV. **THIS CHARTER**, dated _____, is between the PAC Members listed as signatories to this Charter. The PAC Members desire to form the Cal TF as follows:

Bylaws/Other PAC-Approved Documents. In connection with the execution of this Charter, the PAC Members have adopted Bylaws to govern the operation of the Cal TF, and may approve other documents to govern PAC operation, decision-making, etc. PAC Members agree to follow all PAC-approved documents as a condition of membership on the PAC.

/s/_____

PAC Founding Members