

Savings & Cost Methodology White Papers



CALIFORNIA
TECHNICAL FORUM

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Objectives

2

- Goals
 - Characterize current practices for developing savings and cost for deemed measures
 - Create best practice guidelines and templates for developing deemed savings
- Value
 - Facilitate the consistency
 - Ensure transparent and reproducible
 - Provide measure developers with trade-offs to promote accuracy and cost-efficiency

Agenda / Status

3



- Overview of objectives
- ***Affirmation*** of the final guidelines!
- Operationalizing the guidelines

Savings Methodology Guidelines

4

- Guideline 1 (Methodology):** Choose an impact estimation method that aligns with the measure use category
- Guideline 2 (Documentation):** Develop measure savings that align with cost-effectiveness and claims requirements
- Guideline 3 (Documentation):** Document influential parameters for sensitivity analysis
- Guideline 4 (Documentation):** Document base case and measure case energy usage
- Guideline 5 (Interactive Effects):** Include interactive effects consistently
- Guideline 6 (Permutations):** Reduce measure complexity
- Guideline 7 (Program Data Collection):** Identify inputs that should be collected through programs
- Guideline 8 (Updates):** Update measures based upon triggers

Cost Methodology Guidelines

5

- Guideline 1:** Develop Measure Costs that Align with TRC and Claims Requirements
- Guideline 2:** Include all Appropriate Equipment and Non-equipment Material Costs and Labor Costs in Measure Cost Estimate
- Guideline 3:** Utilize the “Best Available” Data Sources and Analytical Methods
- Guideline 4:** Develop Separate Estimates for Material Costs and Installation Labor
- Guideline 5:** Develop Costs that Align with Base and Measure Case Definitions, Using the Same Data Sources, of the Same Vintage, and Same Analytical Methods
- Guideline 6:** Adjust Cost Estimates To Reflect the California Market If Necessary

Cost Methodology Guidelines

6

Guideline 7: Collect Data Such That Estimate Represents Average of Costs Actually Paid

Guideline 8: Independently Validate Cost Estimates

Guideline 9: Document Analytical Methods, Values, and Sources of All Data Used for the Measure Cost Calculation

Guideline 10: Review Measure Cost Estimates to Ensure Estimates Align with Current Market Conditions

Guideline 11: Define Data that Should be Collected During Implementation

Guideline 12: Document Infrastructure Costs During Implementation (fuel substitution measures only)

Affirmation

7

Cal TF affirms the subcommittee recommendations regarding these white papers:

- *Cost Methodology Guidance*
- *Savings Methodology Guidance*

Next Steps: Operationalizing the Guidance

8

- Solicit CPUC Staff and ex ante review (EAR) consultant team review
- Align guidelines with respect to the timing or triggers for updates
- Integrate into Cal TF Statewide Measure Development & QA/QC Guidelines

Cal TF Feedback?