



**HPA Existing Buildings Energy Efficiency (EBEE) Action Plan Committee
Exploratory Working Group (EWG) Teleconference Summary Minutes
Thursday, April 6, 2017 (Scheduled for 9:00 – 10:00am PDT)**

Call to Order

Per Co-Chair request, WHPA Staff (Wendy Worrell) started the audio recording and called the meeting to order at 9:00 am PDT.

Roll Call

The following 14 participants attended the meeting with a quorum (6+) of voting Exploratory Working Group (EWG) members.

P = Present at meeting A = Absent from meeting; if proxy has been assigned it will be noted below. The EWG is the voting panel of the Existing Buildings Energy Efficiency Action Planning Committee.				
CEC Advisors (Non-Voting)				
CEC (California Energy Commission)	Tav	Commins	Government (Other than CPUC)	A
CEC (California Energy Commission)	Bill	Dietrich+	Government (Other than CPUC)	P
CEC (California Energy Commission)	Brian	Samuelson+	Government (Other than CPUC)	P
Exploratory Working Group Members (Voting)				
Air-Tro	Robert	Helbing	Contractor (Nonresidential)	A
CalCERTS, Inc.	Susan	Davison	Certifying Body	P
Charles Segerstrom Consultant	Charles	Segerstrom	Industry Consultants	P
Daniel Jones Consultant	Daniel	Jones	Other Stakeholder	P
Honeywell ECC	Michael	Lawing	Controls (Manufacturer or Distributor)	A
IHACI (Institute of Heating and Air Conditioning Industries)	Bob	Wiseman	Contractor Association	P
Indio Cooling & Heating Supply	Tim	Mann	Distributor	P (Co-Chair) – first 28 min
SynergyNexGen	Barbara	Hernesman	Certifying Body	P (Co-Chair)
Tre'Laine Associates	Pepper	Hunziker	Energy Efficiency Program Consultant	P
Valley Contractors Exchange	Kate	Leyden	Contractor Association	P
Exploratory Working Group Guests (Non-Voting)				
CalCERTS, Inc.	Charlie	Bachand	Certifying Body	Proxy: Shelby Gatlin
City of Davis**	Greg	Mahoney+	Codes & Standards Official (Association or Jurisdiction)	P (last 8 min)
Goodman Manufacturing	Aniruddh	Roy	HVAC Manufacturer	A
SCE (Southern California Edison)	Matthew	Horwitz	California IOU	A
SCE (Southern California Edison)	Bach	Tsan	California IOU	A
SDG&E (San Diego Gas & Electric)	Michelle	Costello	California IOU	P (Speaker)
SDG&E (San Diego Gas & Electric)	Jeremy	Reefe	California IOU	A
SDG&E (San Diego Gas & Electric)	Paul	Thomas	California IOU	P
SDG&E (San Diego Gas & Electric)	Joe	Shiau	California IOU	A
WHPA Staff				
InfoPlast	Wendy	Worrell	Other Stakeholder	P (Host/Scribe)

** Organization is Not a Member of the WHPA; + Individual is NOT Registered with the WHPA; (P) after last name = Member/Registrant is Pending Approval from the WHPA Executive Committee

AGENDA

WHPA Staff email distributed the following agenda to the WHPA EBEE-EWG roster prior to the meeting.

- 1) **Roll Call of Voting Members** – WHPA Staff (Wendy Worrell) – 3 min
- 2) **Co-Chairs' Opening Comments** – Co-Chair (Barbara Hernesman) – 5 min
 - a. Agenda Overview
 - b. Introduction of Michelle Costello
- 3) **Presentation: High Level CAEECC Overview** – Michelle Costello (SDG&E) – 35 min
 - a. Presentation
 - b. Q&A
- 4) **Discussion: Proposed WPIII Sole Focus on EBEE-AP Strategy 1.9** – Co-Chair (Barbara Hernesman) – 15 min
 - a. Concept Decision
 - b. Sub-Strategy Prioritization (1.9.1, 1.9.2, 1.9.3, 1.9.5, 1.9.6)
- 5) **Scheduling** – WHPA Staff (Wendy Worrell) – 2 min



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- a. EBEE (all) – April 20th from 9-10am PDT:
 - i. Overview of Paradigm Shift - Mark Transformation Concept – Charles Segerstrom
 - ii. Facilitated Discussion - SB 350 Responsible Contractor – Ellen Steiner
 - b. EWG only – May 4th from 9-10am PDT
- 6) **Adjournment** by 10:00am PDT – Co-Chair (Barbara Hernesman)

Opening Comments

Co-Chair Barbara Hernesman (SynergyNexGen) overviewed the agenda and welcomed guest speaker Michelle Costello with SDG&E.

CEC-WHPA Planning Meeting Notes Review for Work Product III Development

The reference document, “04-06-17 Ref: CAEECC Business Plan Overview Slides”, was emailed to the roster for review prior to the meeting.

Michelle Costello (SDG&E) has been part of CAEECC (California Energy Efficiency Coordination Committee) for the last 1½ years leading the business plan process for SDG&E. The current slide deck provides general background as well as an overview of SDG&E’s business plan for use as a reference point. She requested an open dialogue throughout the presentation.

PRESENTATION

Michelle Costello (SDG&E) presented a high level CAEECC and Business Plan overview entitled “Building A Better Energy Efficient Future”. Key information beyond slide content follows:

Slide 2: Purpose of the Coordinating Committee

It was founded as a way for stakeholders to provide input prior to any submission to the Commission. Sector Subcommittees are by subject. Last year the meetings centered on stepping through the phases of the business plan by market segmentation to see what is working and what is not, gaps and barriers, etcetera. They helped with business plan development through interactive communication.

Slide 3: Roles of the Participants in CAEECC

Program Administration includes the IOUs, plus Regional Energy Networks (RENs) and the CCA. Meeting attendance varied from standing room only to Committee members only. Participation in the formal records’ process is critical as that is what the Judge will see. CAEECC is intended to see how much can be worked outside the formal process as well. CAEECC is a collaborative forum to share and get stakeholder feedback.

Slide 4: Business Plan Guidance

Public is a new sector covering any entity that is taxpayer funded, has a public decision making process, etcetera. This includes military, hospitals, and the like. They can look similar when defining commercial. You are not addressing the unique situations the public entities face, including the public regulatory processes. There is a need to create Programs that align with their needs.

Co-Chair Barbara Hernesman (SynergyNexGen) asked if the Local Government Challenge falls into the public sector. The answer was that it does.

Slide 5: Business Plans and Commission Guidance

After each process, CAEECC established an input tracker. There is a bit of a form there, but anyone can provide information to the Program Administrator. It was required that the input tracker be included as the back pages of the business plan. There was an unprecedented high level of input.

Slide 6: Business Plan vs. Implementation Plan



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The business plans do not talk about programs. They are higher level documents. They are not the typical PIPs (program implementation plans). Those will be in the next phase once business plans are approved. Some of the input responses on the input tracker clarify that the tactics and the how will be determined later. The business plan level is for the overall strategy. There is a new implementation plan process that will replace the old PIPs to the new Implementation Plans. They are posted to the CPUC website once they are complete. They do not need the same level of approval as before.

In reply to Pepper Hunziker's (Tre'Laine Associates) inquiries about when business plan approval is anticipated and if there is enough time after business plan approval for Implementation Plan development before 2018, Michelle Costello (SDG&E) clarified that they are trying to shine the process on what is needed to get this done per the CPUC vision, but that it is a lengthy process. It is not a simple or quick process to do it within the required level of transparency. ALJ (Administrative Law Judge) preference is expected not to go to hearings, but it may be required. The most optimistic approval is August, 2017. The 2018 budget advice is due September 1st so that would not yield much time for them to make needed adjustments if there are significant changes to the submitted business plans. They could be in process for the next 1½ years.

Slide 7: Overview of Business Plan Filing

There is a template provided in the last ALJ decision that is currently in existence. Some new requirements are defined below the budget information on the slide. Implementation plans cannot be proposed, designed or implemented by PA Staff. Michelle Costello must solicit information, ask for proposals and see how the proposals fits into their portfolio. Only after it goes through a peer group, an independent evaluation, peer review, etcetera for the whole process can they develop an implementation plan. Any work done before then cannot be counted in the requirement for at least 60% of the total budget allocated to programs designed and delivered by third parties by 2020. For the most part, Michelle does not know what the programs will be because the market dictates what those programs are.

Third parties in solicitation will have to propose what their EM&Vs are.

In the business plans themselves there was a huge statewide effort for sector level metrics, including success indicators to clarify if the strategic goals are being developed well. If something is not going well, they want to be able to redirect quickly and easily. There are also metrics for which each side will be accountable.

It becomes an exercise in best guessing rather than a great deal of granular data, however the presented graphics do represent some granular analysis. The potential study that sets all the goals and standards was prior to SB 350 and AB 802. The potential study they had to work with was based on the best available data they had at the time. Navigant is in the process of updating to consider recent legislations and factors affecting analysis. There are also other players, including CEC, working on getting the doubling of energy efficiency savings. These are living, breathing documents that will need updating and refile with the Commission once new information is available.

Slide 8: What makes this application so different?

We are now moving into the 10-year rolling portfolio to give stability for the market. An advice letter must be filed every September that details advice for the next year budget wise. This is a 10-year that still has annual budget advice.

Now there is ongoing stakeholder engagement through CAEECC and the Subcommittees rather than prior communications focused more on individual retables for "widgets".

SDG&E is the proposed lead for HVAC upstream and midstream for commercial and residential. They also need to do four (4) downstream for QI/QM. They are proposed because they are still awaiting business plan approval. They will be doing solicitation for any programs they implement.

Downstream is their normal interaction with the end user customer with incentives given directly to them. It is a traditional incentive and rebate to a customer.



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Midstream has incentives provided to a middle contactor, such as a distributor, who then provides it down to an end use customer who has already bought down.

Upstream is incentivizing to the manufacturing level to try to change behavior.

Paul Thomas (SDG&E) clarified that he has been hired to work on the upstream programs and lead HVAC Strategy (as he clarified at the last meeting). They are trying to motivate or promote efficient equipment that works well in our climate and statewide. They are in conversation with manufacturers, but will continue those conversations to provide more advanced communications to homeowners, etcetera. He has been getting a lot of stakeholder questions asking what their business plan will look like. They are on the CAEECC website and SDG&E's website, but they are not yet approved by the Commission. The Implementation Plans will detail a lot more specifics of what the programs will look like. As clarified on a prior slide, they have to wait for stakeholder input before designing what it will look like.

In reply to Pepper Hunziker's (Tre'Laine Associates) question about if it would potentially be something moving into an installation program rather than the statewide CQM plan, Paul Thomas (SDG&E) clarified that the proposed upstream/midstream is proposed to be statewide that SDG&E has been proposed to administer would not include CQM as it would be a separate program.

Michelle Costello (SDG&E) added that the IOUs heavily discussed who should handle which areas and where there are synergies, and where there are not. The Commission decision also noted that one administrator would run upstream programs, etcetera so they are removed from direct interaction with the customers. However, the Commission also asked how a Statewide downstream program might look so they were required to provide four (4) potential pilots and clarify who will lead those statewide programs. Residential QI/QM is the one that was selected for testing run on the new definition of statewide. For Commercial QI/QM, it can be run as a statewide consistent program rather than as a statewide PA lead run program, but if SDG&E is approved as the lead, they will lead those discussions in the State to see how they can make the programs as consistent as possible.

Paul Thomas (SDG&E) noted that they will be heavy influencers because of the PA role as the Upstream Statewide Implementer.

Slide 9: The Past, Present, and Future of Residential Energy Efficiency – Market Characterization

Slides 9 thru 20 are snapshots for each sector and each chapter. They wanted a way for each chapter to see what is already known, what has worked, and what has changed for clarification on how they affect the market for future consideration. The future will change the market characterization. View is on the past, present, and future.

Slide 10: The Past, Present, and Future of Residential Energy Efficiency – Delivery Approach

This is a similar infographic look to the market characterization analysis but from the delivery approach perspective.

ACTION: WHPA EBEE members to direct additional questions about the SDG&E Business Plan or CAEECC to Michelle Costello or Paul Thomas.

Discussion: Proposed Work Product III Sole Focus on EBEE-AP Strategy 1.9

The reference document, "EBEE-AP Strategy 1.9 Excerpt", was emailed to the roster for review prior to the meeting.

Co-Chair Barbara Hernesman (SynergyNexGen) proposed that Work Product III be narrowed down to focus only on EBEE-Action Plan Strategy 1.9 State Policy Leadership. The decision followed Co-Chair conversations with WHPA Staff, CEC Staff, and CAEECC/SDG&E Staff. The prior two (2) EBEE Committee meeting notes provide more detail of those conversations. A focus on Strategy 1.9 does not exclude discussion of Strategies 1.2 or 1.8 previously discussed, but would be more focused on how they tie in rather than as their own development.



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The CEC’s EBEE-AP Update pages 32-34 clarify the content for Strategy 1.9 as well as the following Sub-Strategies: *(NOTE: As Sub-Strategy 1.9.4: SB 350 Energy Efficiency Targets was expected to be a focus of the WHPA WE&T Committee, those efforts will not be duplicated in the WHPA EBEE Committee.)*

Sub-Strategy	Title	Description
1.9.1	2030 Target Scoping Plan Update	<i>“Engage stakeholders and sister agencies in planning processes to publish goals, objectives and strategies to reduce GHG (Green House Gas) emissions to 40 percent below 1990 levels by 2030.”</i>
1.9.2	California Energy Efficiency Coordinating Committee	<i>“Provide guidance to CPUC energy efficiency program administrators on 2017 business plans; review and discuss ultimate Implementation plans consistent with approved business plans.”</i>
1.9.3	California Technical Forum	<i>“Develop, pilot, deploy, and maintain an electronic technical manual for use by California utilities and other efficiency program administrators to estimate savings from efficiency efforts.”</i>
1.9.5	Long-Term Energy Resource Planning	<i>“Work across agencies to ensure the long-term demand forecast incorporates the complementary impacts of procurement, codes and standards, and market transformation programs as they relate to existing buildings; develop and/or advance analytics using consumption data for forecasting and related program evaluation.”</i>
1.9.6	Energy Efficiency Collaborative – Statewide Agency Leadership	<i>“Form the Existing Building Efficiency Collaborative (EBEC) to lead and coordinate progress toward energy efficiency across the energy agencies.”</i>

CONCEPT DECISION

ACTION: The Co-Chairs requested that the EWG members decide if they agree with the idea of the sole focus on EBEE-AP Strategy 1.9 and if so to clarify which of the Sub-Strategies should be tackled for Work Product III.

Charles Segerstrom (Consultant) commented that the aspirational goals of major savings in the existing buildings sector are already in action plans, but how that becomes relevant is a huge challenge. Zero Net Energy in a new building is much easier that achieve 50% - 70% savings in existing buildings. That is an important focal point.

SUB-STRATEGY PRIORITIZATION

If the sole focus on EBEE-AP Strategy 1.9 is agreed upon, the EWG will clarify prioritization preferences for the following Sub-Strategies under Strategy 1.9.

(NOTE: As Sub-Strategy 1.9.4: SB 350 Energy Efficiency Targets is expected as a focus of the WHPA WE&T Committee. It so, efforts will not be duplicated in the WHPA EBEE Committee.)

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Scheduling



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Although she confirmed further discussion is needed to determine viability of occurrence, Co-Chair Barbara Hernesman (SynergyNexGen) asked for EWG members to consider July 6th, August 2nd, 9th, or 16th as possible Charrette dates to secure tentative calendar blocks. This would be an all-day event potentially in San Diego.

The following future meetings were confirmed:

- EBEE on Thursday, April 20th from 9:00am – 10:00am PDT with the following agenda items expected:
 - Overview of Paradigm Shift - Market Transformation Concept
 - Facilitated Discussion - SB 350 Responsible Contractor Policy – Ellen Steiner
- EWG on Thursday, May 4th from 9:00am – 10:00am PDT with the agenda to be determined.

Adjournment

Co-Chair Barbara Hernesman (SynergyNexGen) adjourned the meeting at 10:01 am PDT.

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Summary of Action Items and Key Decisions (from above discussion)

ACTION ITEMS

- **ACTION:** WHPA EBEE members to direct additional questions about the SDG&E Business Plan or CAEECC to Michelle Costello or Paul Thomas.
- **ACTION:** The Co-Chairs requested that the EWG members decide if they agree with the idea of the sole focus on EBEE-AP Strategy 1.9 and if so to clarify which of the Sub-Strategies should be tackled for Work Product III.