



Energy Efficiency: A Changing Landscape



Western HVAC Performance Alliance

Carmen Best – Energy Efficiency Commercial Programs & Evaluation
November 17, 2016





Overview of the Current Landscape

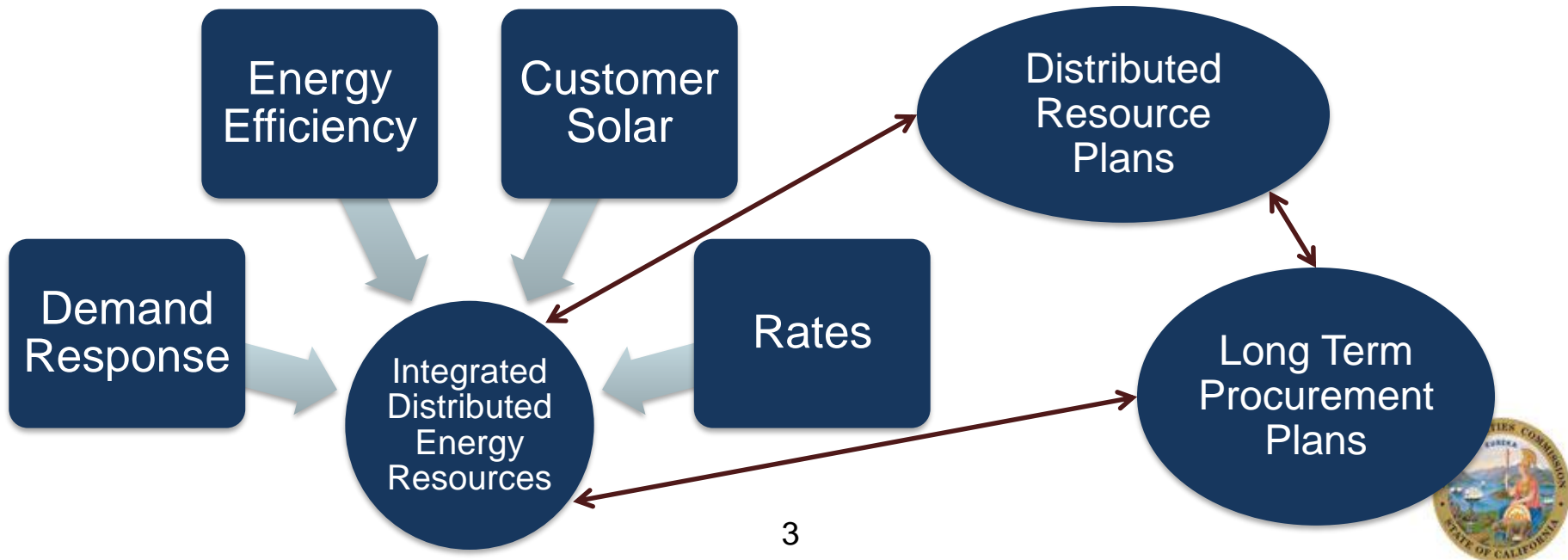
- **Active CPUC Proceedings**
 - Integrated Distributed Energy Resources
 - Distributed Resource Plans
 - Energy Efficiency
- **Key Legislation from 2015 and 2016**
 - Senate Bill 350
 - Assembly Bill 802
 - Senate Bill 1414
- **CPUC Energy Efficiency Proceeding Activity**





CPUC proceedings consider issues of measurement...

- **Integrated Distributed Energy Resources (IDER)**
 - Framework based on the entire energy production and delivery system from the customer side to the utility side including localized incentives
- **Distributed Resource Plans (DRP)**
 - Information on grid constraints will help assess value of resources
 - Scope includes value of distributed energy resources to customers
- **Load forecasting and long term procurement planning**





2015 legislation on energy efficiency...

- **Senate Bill 350 – Doubling Energy Efficiency**
 - Statewide and multi agency collaborative effort
 - Effects all distributed energy resources not just energy efficiency
 - Includes original energy efficiency definition, as well as taking into consideration normalized metered consumption

Benchmarking –

inventory of building stock for on going improvements over time

Baseline –

incentives for existing buildings to bring them into conformity with, or exceed code; and adjust goals

Assembly Bill 802

Behavior, RCx & Operations -

Allows activities reasonably expected to produce multiyear savings.

Overall reduction in Normalized Metered Energy Consumption

shall be considered as a measure of savings





2016 Legislation on HVAC

Senate Bill 1414

HVAC Permit Closure

- Incentives will require:
 - certification that the installation complied with applicable permitting requirements
 - the contractor holds the appropriate license for the work
 - Proof of permit closure
- Does not apply to upstream programs





CPUC Key Decisions for 2016 (D.16-08-019)

- **Adopted default existing condition baseline assumption**
Commission staff shall facilitate a working group...to discuss measure-level baseline rules and documentation required to meet the “preponderance of the evidence” standard for accelerated replacement and repair eligible projects.
- **Statewide Administration of HVAC Upstream and Midstream Res and Non-Res Programs**
Statewide means: A program that is designed to be delivered uniformly throughout the four large Investor-Owned Utility service territories.
- **Third Party Administration increased portion of portfolio**
...minimum target of 60 percent of the utility’s budgeted portfolio (up from the previously target of 20 percent) to be third party designed and delivered by the end of 2020.





CPUC Key Decisions for 2016 (D.16-08-019) (cont.)

- **Pay for Performance Contracts are encouraged**

...we will not order that all statewide programs be implemented on a pay-for-performance basis, but we encourage the administrators to utilize this contractual option as much as possible, when it makes sense to do so.

- **EM&V budgets increased for administrators**

...increased emphasis on 1) Normalized Metered Energy Consumption (NMEC) and Pay for Performance, and 2) up front planning and market assessment associated with the market transformation and other programmatic emphasis in SB 350 and AB 802.





Energy Efficiency Proceeding Scope for 2017

- **Business Plans submitted Mid-January will be reviewed by CPUC**
 - Program Implementation Plans will follow
 - Budget filing for 2018 submitted in September
- **New policy topics in scope for the year:**
 - Market transformation, as discussed in SB 350; and referenced in D.16-08-019
 - Staff white paper scheduled for February / March workshop
 - Custom projects, particularly in the industrial sector, as discussed in D.16-08-019.

