



## ADOPTED: Proposed Decision Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plan Filings

August 2016

On Thursday, August 18th, the CPUC adopted ALJ Fitch's revised proposed 'Decision Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plan Filings' under Rulemaking 13-11-05.

[Adopted Proposed Decision \(PD\) - redlined version](#)

[Final Decision](#)

### WHPA Summary

The PD provides policy guidance for regional energy networks, baselines, statewide and third party programs, and evaluation and shareholder incentive frameworks. An earlier version of the PD was outlined in a WHPA [announcement and summary](#) in July 2016.

While we continue to encourage you review the PD in its entirety, the following excerpts may be important to WHPA members.

#### Business Plan Filings

The decision sets a date of January 15, 2017 for the filing of energy efficiency business plans, as separate applications, by all program administrators.

#### Baselines

The baseline policy largely remains unchanged from the July PD, with the exception that the Commission will continue "goal-setting and goal-crediting for codes and standards advocacy at this time."

The 'Adopted Default Baseline Policy for All Sectors' table below was modified slightly from the July PD to address the Commission's position that "to the extent there are building-related projects in the industrial sector similar to those in the commercial sector, those types of projects in the industrial sector may also receive an existing conditions baseline, consistent with our approach for the commercial sector." The

adopted baseline policy, shown in Table 1, will apply to energy efficiency programs and projects beginning January 1, 2017.

**Table 1. Adopted Default Baseline Policy for All Sectors**

Alteration Type	Delivery	Savings Determination	Shell & Bldg System and Add-On Equipment	Behavioral, Retro-commissioning, and Operational	Normal replacement	Accelerated replacement and repair eligible
New construction, expansions, added load	Any	Any	Code	N/A	Code	N/A
Existing buildings, including major alterations	Upstream & Midstream	Any	Code	N/A	Code	N/A
	Downstream	Calculated	Existing	Existing	Code	Dual
		Deemed	Existing	Existing	Code	Dual
		NMEC	Existing	Existing	Existing, Program Design	Existing
	RCT/experimental	Existing	Existing	Existing	Existing	
Non-building projects, including industrial and agricultural processes	Any	Any	N/A	Existing	Standard Practice	Dual

### Statewide Program Delivery

The Statewide Program Delivery also remains largely unchanged from the July PD. Of note, however, is the requirement that at least 25 percent of the program administrators’ budgets in the business plans be devoted to statewide programs or subprograms.

Regarding questions from Parties on upstream and midstream program approaches, the Commission acknowledges “that there is not a widely used uniform definition of upstream and midstream in the efficiency industry” and clarifies “that under our definition of midstream herein for purposes of the statewide requirements, we do not intend to include installers and contractors.” Upstream (at the manufacturer level) and midstream (at the distributor or retailer level, but not the contractor or installer level) interventions are required to be delivered statewide.

A complete list of Statewide programs is available in the PD. The following Programs may be important to the majority of WHPA members due to the HVAC components within these Programs:

- **Residential:** Heating, Ventilation, and Air Conditioning (HVAC) Upstream/Midstream; New Construction

- **Commercial:** HVAC Upstream/Midstream
- **Codes and Standards:** Building Codes Advocacy; Appliance Standards Advocacy
- **Emerging Technologies:** Technology Development Support; Technology Assessments; Technology Introduction Support
- **Workforce, Education, and Training:** Connections
- **Marketing, Education, and Outreach:** Energy Upgrade California Campaign

### **Third Party Definitions and Outsourcing**

Like the other two sections, Third Party Definitions and Outsourcing remains mostly unaltered from the July PD.

The definition of a third party (3P) program has been set. It is defined as a program that is “proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator.” Each utility PA will be required to outsource at least 20 percent of its program activity to third parties.

PAs will be required to propose, in their business plan filings, a plan to transition “to a portfolio with the majority of program design and delivery provided by third parties, subject to certain exceptions, with at least 60 percent of the total portfolio budget going to third-party-designed portfolio programs by 2020, in the business plans.”

### **WHPA Resources**

Visit the WHPA’s [Regulatory Policy Activity and Resources](#) page for more information on California regulations and policies, and the WHPA [HVAC Research page](#) to review research on important HVAC topics.

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