



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

July 2016

On July 19th, 2016, CPUC Administrative Law Judge (ALJ) Julie Fitch issued a proposed "Decision Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plan Filings."

Parties of record may file comments on the proposed decision (PD) and are due August 8th, per Rule 14.3 of the Commission's Rules of Practice and Procedure.

The PD may be heard and voted on, at the earliest, at the Commission's August 18, 2016 Business Meeting.

[Complete Proposed Decision](#)

WHPA Summary

The PD provides policy guidance for regional energy networks, baselines, statewide and third party programs, and evaluation and shareholder incentive frameworks. While you are encouraged to review the PD in its entirety, the following excerpts may be important to WHPA members.

Baselines

Currently, baseline policy is generally determined by applicable codes and standards, with certain exceptions. This is referred to as "code baseline". Consistent with the requirements of Assembly Bill 802, the default baseline policy will be modified to be based on existing conditions, with a number of exceptions outlined in the PD. The table below from the PD summarizes baseline policy for all sectors:

Table 1. Adopted Default Baseline Policy for All Sectors

Alteration Type	Delivery	Savings Determination	Shell & Bldg System 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
Industrial Sector projects	Any	Any	Industry Standard Practice	Existing	Industry Standard Practice	Dual

The baseline impacts the amount of incentives available to customers because it determines the existence and amount of savings. The lower the baseline is, the greater the savings one may claim which means greater incentives and better cost-effectiveness of that measure. Greater incentives help to move the customer to adoption, and better cost effectiveness means that those measures will be available in the programs longer.

Statewide Program Delivery

Per the PD, “Statewide” (SW) is being defined as a program delivered uniformly through the four IOUs and will be consistent across all service territories. Each SW program will be overseen by a single program administrator (PA). Upstream and midstream programs must be delivered in a statewide manner. “Local or regional variations in incentives levels, measure eligibility, or program interface are not generally permissible (except for measures that are weather dependent or when the program administrator has provided evidence that the default statewide customer interface is not successful in a particular location.”

In practice, at least for now, each IOU will take the lead administering a particular SW program and may hire one or more implementers to deliver the program.

A complete list of Statewide programs is available in the PD. Programs that we

believe may important to the majority of WHPA members, due to HVAC components within these programs, are:

- 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

Third Party Definitions and Outsourcing

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.

Additionally, the utility PAs will be required to propose, in their business plan filings, a plan to transition to at least 60 percent of their portfolios to be outsourced to third parties by the end of 2020.

How to Get Involved and Respond

Since this is a formal proceeding, members must be Party to the proceeding. For the purpose of this proceeding, it may be easiest to file a “motion for party status” with the CPUC. If you would like to file a motion for party status, the CPUC’s Public Advisor’s Office provides templates you can use to create your documents. Please [click here](#) for templates and examples for Filing a motion for party status.

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