

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Concerning Energy  
Efficiency Rolling Portfolios, Policies, Programs,  
Evaluation, and Related Issues

Rulemaking 13-11-005  
(Filed November 14, 2013)

**RESPONSE OF THE CALIFORNIA TECHNICAL FORUM (CAL TF) STAFF  
TO ADMINISTRATIVE LAW JUDGE'S RULING REGARDING COMMENTS  
ON PHASE II WORKSHOP I**

**CALIFORNIA TECHNICAL FORUM  
STAFF**

April 6, 2015

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**RESPONSE OF THE CALIFORNIA TECHNICAL FORUM (CAL TF)  
STAFF TO ADMINISTRATIVE LAW JUDGE’S RULING REGARDING  
COMMENTS ON PHASE II WORKSHOP I**

**I. Introduction**

The California Technical Forum (Cal TF) staff appreciates the opportunity to provide these comments in response to the Administrative Law Judge’s Ruling Regarding Comments on Phase II Workshop I (Ruling). The California Technical Forum (Cal TF) is a collaborative of experts who use independent professional judgment and a transparent, technically robust process to review and issue technical information related to California’s integrated demand side management portfolio. The Cal TF was created in 2014 by a broad collaborative of stakeholders and is funded by participating program administrators.

The comments are intended to inform and educate the Commission and other stakeholders about work the Cal TF is doing, and Cal TF staff observations based on this work, which includes extensive review of best practices in other jurisdictions. Furthermore, some of the observations on effective stakeholder process and likely outcomes of an effective, consensus-based stakeholder process, are based on prior experience of the Cal TF facilitator.<sup>1</sup> Initial Cal TF work included:

- 1) **New Measure Workpapers (WP):** New measure workpaper review;
- 2) **Documenting Commission Guidelines:** Documenting Commission guidelines on DEER and ex ante value development;
- 3) **Documenting DEER Requirements:** DEER requirements include values, guidelines,

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<sup>1</sup> The California Technical Forum facilitator, Annette Beitel, is also the facilitator of the Illinois Energy Efficiency Stakeholder Advisory Group (IL EE SAG), which has operated since 2007. Ms Beitel has been the facilitator of the IL EE SAG since its inception. Ms. Beitel is trained as a lawyer and mediator, has a technical background at the undergraduate and graduate level, and has over ten years’ experience facilitating energy efficiency stakeholder advisory groups.

methods, tools and data that Commission staff expects will be used in developing non-DEER workpapers. DEER requirements are complex and located in a variety of places. Extensive efforts were made to identify as many requirements as possible and to understand how and when they should be applied.

4) **Developing Templates and Other Tools** to clarify and ease the development of non-DEER workpapers.

In addition to ongoing review of new and updated non-DEER workpapers, current Cal TF work includes:

1) **Developing Ex Ante Guidelines for New Measures**

2) **Review of the California Public Utilities Technical Reference Manual (TRM):** In the early days of DEER, both POU and IOU jointly worked on developing and updating DEER. As DEER became more complex and difficult to use, the POU developed a “POU Technical Reference Manual (TRM)” containing ex ante values that California’s POU use instead of DEER.

3) **Documenting DEER Measures in Workpaper Format:** DEER measures are not supported by workpapers, so it is difficult to understand how DEER values are derived. Having workpapers for DEER measures will make it easier for workpaper developers to develop similar workpapers in the future, as they will have written information on acceptable approaches for developing values for similar measures.

Our hope is that joint work on ex ante value development supported by both the IOUs and the POU will lead to a statewide consistent set of deemed values for energy efficiency measures, as existed in the past. Having a statewide set of deemed values for energy efficiency measures that is used and trusted by all stakeholders is consistent with California’s very laudable and ambitious statewide policy objectives for energy efficiency and clean energy.<sup>2</sup>

Technical Forum meetings are open to the public. TF work product is posted on the CalTF website: [www.CalTF.org](http://www.CalTF.org).

**IMPORTANT NOTE:** The views expressed herein are those of Cal TF staff, and do not in any way represent views of the Cal TF Policy Advisory Committee (PAC), either individually

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<sup>2</sup> See Alejandra Mejia, “California Technical Forum Support of California’s Broader Energy Policy Goals” (May 2014). The paper can be found on the Cal TF website under the “About: Foundational Research” tab. See <http://www.caltf.org/foundational-research/>.

or collectively, or the TF (the collaborative of technical experts) itself, either individually or collectively. Finally, Cal TF staff is not part of the “joint parties.”

## **II. Discussion**

### **1. Portfolio Review Process and Program Oversight in between Reviews**

No comment.

### **2. Stakeholder Engagement in the Portfolio Review Process**

No comment.

### **3. Technical Updates**

- a. *Would the Joint Parties agree that the principle of “accountability” should perhaps be added to the four guiding principles identified in the proposal? Why or why not?*

No comment.

- b. *What would be the method and frequency for updating ex ante values?*

Cal TF recommends the Commission consider an alternative framework to DEER per Cal TF staff’s comments to question 3f. Should DEER remain in place, Cal TF staff recommends the process described below for the method and frequency of updating DEER. If the Commission switches to an alternate framework to DEER, the process below could still be used for developing and updating ex ante values for whatever ex ante value repository replaces DEER.

*Frequency:* In Cal TF staff’s review of ex ante development in over 20 jurisdictions, we have found that values are not updated more frequently than once per year. In some jurisdictions, values are updated less frequently. Given rapidly changing federal and state standards, changing markets for high impact measures, and new data that emerges regularly from evaluation, measurement and verification studies, Cal TF supports updating values annually to yield a higher degree of accuracy.

*Method:* At a specific date each year, any party (including third party implementers, non-profits or others) should be permitted to propose updates and/or additions to DEER. The party who proposes the update should have the “burden of proof” to document why the update and/or new measure is based on rigorous and technically-sound analysis and data. Through a facilitated consensus-based collaborative process, all parties who are interested in the updates should be allowed to participate in seeking agreement on updated values and new measures during a defined period of time (a few months). At the end of the consensus-building period, most values

to be updated and new measures will likely have reached consensus. Consensus new measures will be fully documented in a new measure workpaper in a common workpaper template. Non-consensus values and new measures can be documented through a “Comparison Exhibit” where areas of disagreement, and the technical basis for the disagreement, can be succinctly described. Both the consensus workpapers and non-consensus values would be presented to the Commission for approval. These updates and new measures can be approved by the Commission and incorporated into the portfolios via the ‘bus stop’ mechanism recommended by the Joint Parties.

The process described above has been used in the Illinois Stakeholder Advisory Group. The process is open, transparent, and affords all interested stakeholders the ability to engage and contribute to the technical issues. In the large majority of cases, consensus on updated values and new measures is reached at the end of the process. Finally, the process in no way usurps the Commission’s ability to be the final arbiter of adopted ex ante values.

Non-DEER workpapers should continue to be allowed to be proposed throughout the year to allow new programs and measures to be introduced into the market rapidly. Non-DEER workpapers that are approved should then be incorporated into DEER during the next (hopefully annual) DEER update cycle. In the future, the distinction between “DEER” and “non-DEER” values should be eliminated such that there is a single repository of ex ante values as exists in other states.

Cal TF could serve as the forum for the consensus-based, collaborative process described above.

*i. Would technical updates be for the full portfolio? Sector based?*

Updates and new additions to DEER should be based on the full portfolio. There is no reason to limit updates each year to a particular sector; changes to standards, new EM&V studies, market changes, etc. are not sector-based – neither should DEER updates be.

*ii. Responsiveness was brought up several times in the workshops was that directed at the responsiveness of the evaluation and technical updates (i.e. what are we updating) or was it directed at how quickly programs/strategies would adopt updates?*

No comment.

*c. Should we be considering more fundamental methodological or other approach*

*changes to the potential and goals study? The Joint Party proposal seems to assume status quo with bi-ennial updates to align with the IEPR forecast schedule. Are there other options or best practices from elsewhere to consider?*

No comment.

*d. What changes, if any, should we make with respect to workpaper and custom project review?*

Workpaper developers will be able to produce workpapers that better meet Commission staff expectations if they are given clear guidance on values, guidelines, methods, tools and data that Commission staff expects to be used for different measure types and end use categories. The California Public Utilities Commission has articulated the following “technical” guidance for ex ante value development:

1. Use the “best available information” for measure development.<sup>3</sup>
2. DOE-2 modeling is appropriate for weather-sensitive measures.<sup>4</sup>
3. Balance accuracy with the need to enable promising new technologies to enter IOU portfolios.<sup>5</sup>
4. Balance accuracy and precision, cost, and certainty.<sup>6</sup>

A Cal TF subcommittee is working to develop guidelines for ex ante value development to “operationalize” the Commission’s technical guidance.<sup>7</sup> The subcommittee is reviewing guidelines in DEER, and is also reviewing and considering “best practices” approaches used in other jurisdictions. The guidelines will cover, among other topics:

- What calculation approach to use for different types of measures: engineering equations, statistics, building simulations, ex post evaluation results.
- Use of measure expiration dates.
- Level of statistical rigor for measure development.

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<sup>3</sup> D.12-05-015 at 359, D.09-09-047 at 356

<sup>4</sup> D.12-05-015 at 48

<sup>5</sup> D.12-05-015 at 339

<sup>6</sup> D.09-09-047 at 299

<sup>7</sup> See Cal TF Measure Complexity and Best Available Information Subcommittee Summary at <http://www.caltf.org/tf-subcommittees/>.

- Determining appropriate number of measure combinations.
- Relative impact of various inputs on a measure calculation output.
- Level of complexity for different levels of measure savings impact on portfolio goals.
- Balancing cost of obtaining information with need for accuracy.

Another Cal TF subcommittee is documenting select “high impact” DEER measures in workpaper format to consolidate publicly available DEER values and information on these measures in one document. Having “reference” DEER workpapers will help provide guidance on developing similar measures.

The work products from both subcommittees listed above will be submitted to Commission staff for review, comment, and approval.<sup>8</sup> The resulting guidelines and workpapers should improve the current workpaper process by clarifying acceptable values, guidelines, methods, tools and data that Commission staff expects to be used for different measure types and end use categories.

- i. *Would the joint proposal allow for mid-cycle review and prospective changes to ex ante values (workpapers) or retroactive corrections of errors in “passed through” and/or approved values?*

No comment.

- ii. *Is the proposal to only apply custom review results prospectively?*

No comment.

- iii. *How should PAs improve workpaper quality, and how should all involved speed review?*

Workpaper quality can improve with:

1) **Written Guidelines:** Clear, written, well-organized and specific guidance on values, guidelines, methods, tools and data that should be used for different measure types and end use categories;

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<sup>8</sup> Currently, the CPUC does not approve updates either to DEER or non-DEER workpapers. Cal TF staff recommends that the Commission approve all updates and changes, plus new workpapers that are added to DEER, on an annual basis. If the Commission approves changes, changes will occur in a public forum through a predictable process.

2) **Training:** Training of all workpaper developers on acceptable methods for ex ante value development;

3) **Early Staff Input:** Although we understand staff has limited resources, it would be extremely helpful to have early staff feedback on all workpapers as they are developed to avoid re-work and to ensure that the workpaper developer has correctly identified applicable DEER methodologies and prior work that could inform the development of the particular workpaper; and

4) **Cal TF Review:** All workpaper abstracts and workpapers that have been presented to and been reviewed by the Cal TF have yielded many comments and questions for the workpaper developer. Workpaper developers have provided feedback to Cal TF staff that they have found the Cal TF review process helpful in identifying issues, data sources and approaches that they had not considered.

Workpaper speed could be improved by clear, written up-front guidelines, training, and early staff input.

*(continued) What accountability structures to improve quality control over work-paper submittals and custom projects savings estimates would be appropriate for PAs to put in place?*

Quality control would be improved by clear guidelines, “checklists” to ensure specific steps are taken prior to workpaper submittal, and a second experienced workpaper reviewer who carefully reviews and signs off on all workpapers prior to submission.

The Cal TF, a public, open, transparent forum of technical experts will also improve quality.

*(continued) What would be the best format and process for the Commission to review whether PAs have assembled appropriate accountability structures to address current quality control gaps, such as: clear management leadership structures and incentives, and the acquisition, training and oversight of sufficient number of properly qualified staff?*

Cal TF staff’s experience to date is that the workpaper developers, both PA and non-PA, who have submitted workpapers are well-qualified to do the work they are presenting.

*iv. Is specifying minimum needed levels of precision and accuracy for work paper and custom project savings estimates part of the Rolling Portfolio*



*process update, or something that should be addressed later?*

As described above, a Cal TF subcommittee is developing draft guidelines for ex ante measure development. One topic that will be included is the appropriate level of statistical rigor for ex ante measure development. In developing the guidelines, the subcommittee is reviewing and considering practices and approaches used in evaluation, measurement and verification, particularly in California, standards from the Uniform Methods Project,<sup>9</sup> and approaches used in other jurisdictions for developing ex ante values.

*e. Is the intent of the joint parties to maintain the status quo as far as where the DEER data resides and its format?*

No comment.

*f. Given that a smaller percentage of each portfolio appears to utilize Database for Energy Efficiency Resources (DEER) data, is there value in continuing the DEER process? Should we consider another framework altogether? If so, what would it look like?*

We understand this question to include commenting both on the structure and usability of DEER as a partial repository for deemed ex ante values,<sup>10</sup> as well as the process for updating DEER. Before delving into alternatives, we first establish the challenges with the current DEER.

The Commission's over-arching policy goals for ex ante process and outcomes are:<sup>11</sup>

1. Collaborative<sup>12</sup>
2. Transparent<sup>13</sup>
3. Well Documented<sup>14</sup>

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<sup>9</sup> The Uniform Methods Project, which is being overseen by the United States Department of Energy, is developing a common set of EM&V protocols for determining savings from energy efficiency programs and measures. See <http://energy.gov/eere/about-us/ump-home>.

<sup>10</sup> Deemed ex ante values are also contained in "non-DEER workpapers." Cal TF staff has found no other examples where deemed ex ante values are found in two forms (in this case DEER and non-DEER workpapers). Cal TF staff recommends that over time all deemed ex ante values are merged into one repository of deemed ex ante values, as is done in other states.

<sup>11</sup> See Alejandra Mejia, "Cal TF and Consistency with CPUC Directives on Ex Ante Values/DEER" and "Commission Language on Non-DEER Workpapers" (May 2014). The papers can be found on the Cal TF website under the "About: Foundational Research" tab. See <http://www.caltf.org/foundational-research/>.

<sup>12</sup> D.13-09-023 at 56, D.12-05-015 at 286, D.09-09-047 at 44

<sup>13</sup> D.10-04-029 at 30-31

4. Uses Best Available Data<sup>15</sup>

5. Strikes Reasonable Balance Between Accuracy and Precision, Cost and Certainty<sup>16</sup>

6. Minimizes Ex Post Risk<sup>17</sup>

Millions of dollars have gone into the development of DEER. However, DEER's structure makes it very difficult to use, and arguably is not in key respects compliant with the Commission's guidelines, particularly the directives to be "collaborative," "transparent," "well-documented" and "minimize ex post risk." Further, many would argue that it does not "strike a reasonable balance between accuracy and precision, cost and certainty." Rather it is unnecessarily complex and expensive without a commensurate increase in accuracy. Key observations about DEER's structure and content include:

- The documentation for measure parameters<sup>18</sup> is not linked to the measure parameter values.
- Furthermore, the documentation for many measure parameters is difficult to find or not publicly available
  - Also, measure parameters are not easily reproducible, and in some cases are not reproducible at all.
- All measure parameters for a particular measure are not linked to each other (e.g. savings, expected useful lives (EULs)), measure costs or incremental measure costs (IMC), net-to-gross (NTG) ratios).
  - Measure IDs are not always used consistently.
  - It is not always clear what EULs/NTG are for which measures.
  - READi is not intuitive to use, which makes it difficult for those without

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<sup>14</sup> D.01-11-06 at 20

<sup>15</sup> D.11-07-030 at 8

<sup>16</sup> *Ibid.*

<sup>17</sup> D.10-12-049 at 36, D.12-05-015 at 23

<sup>18</sup> Measure parameters are values associated with a point estimate that are used to calculate costeffectiveness, and include unit energy savings (kW, kWh, therms), expected useful lives (EULs), incremental measure costs (IMCs) and net-to-gross ratios.

extensive experience using READi to update measures.<sup>19</sup>

- DEER includes 56 separate data fields for each measure
  - Cal TF staff has not found that any other jurisdiction makes use of anywhere near this many fields for individual measures.<sup>20</sup>
- After many years of operation, DEER still does not include some key high-impact measures<sup>21</sup>
  - Examples include clothes washers, gas fryers, low flow showerheads, faucet aerators, low pressure sprinkler nozzles, and anti-sweat heater controls.<sup>22</sup>
- Outdated DEER measures are often removed rather than updated.
  - For example, energy efficient clothes washers—a particularly valuable measure in light of California’s extended drought and a high impact measure for several utilities was removed from DEER several years ago.
- Many outdated measures still exist in DEER.
  - DEER contains several outdated measures that should be removed through a systematic process.
- Stakeholders are confused about the process for getting new measures into DEER. This is stifling to innovation and market responsiveness. Furthermore, third party

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<sup>19</sup> READi (the Remote Ex-Ante Database Interface) is a program that allows users to access the CPUC’s databases of ex ante measure information, including energy impacts, EUL tables, and NTG tables, per <http://deeresources.com/index.php/deer-versions/readi>

<sup>20</sup> For example, READi includes the following fields for each measure line item when exported to workbook format; this level of detail is not typically used by other jurisdictions: Use Category, Use Category Name, Use Subcategory, Use Subcategory Name, Technology Group, Technology Group Name, Technology Type, Technology Type Name; fields with “name” in the description include full word descriptions of the fields that include abbreviated code designations.

<sup>21</sup> High impact measures in this instance are defined as measures comprising 1% or more of an individual IOU’s overall 2014 portfolio impact for either gas (therms), electricity (kWh), or demand (kW).

<sup>22</sup> READi v.2.1.0 (DEER and Non-DEER Ex Ante data for the 2013-14 Cycle – Under Development, Draft for review) contains what appear to be draft versions of some of these measures based directly on IOU workpaper values for 2013-2014, with a designated status in READi as “proposed” in contrast to the “standard” status of regular READi measures. Some of these measures were present in DEER 2005, were subsequently removed from DEER due to outdated information, and have not yet been formally updated in DEER.

implementers don't have a clear way to get new measures into either DEER or non-DEER workpapers.

- Contrary to the policy objective of minimizing ex post risk, DEER values are not ever truly frozen and the updating process between formal DEER version releases is chaotic and unpredictable.<sup>23</sup>
  - Since January 2015, ten updates have been made to DEER so far (per DEER's change log on [deeresources.com](http://deeresources.com)). Two impacted DEER version 2015; six impacted DEER version 2014; two impacted DEER version 2011.
  - Utilities and implementers are not notified of changes. Changes are only documented on a change log on [deeresources.com](http://deeresources.com).

Cal TF staff researched and gathered other state Technical Reference Manuals (TRMs) for the POU TRM review process that is occurring through a Cal TF subcommittee. The research was conducted in all 50 states and Cal TF staff identified over 20 TRMs containing deemed ex ante values. These TRMs are the functional equivalent of DEER in other jurisdictions. Information from other TRMs will be considered during review of the POU TRM to help establish "best practices" in form and content. Although our review of other state TRMs is not complete, the common trends we have identified for TRM structure includes the following features:

Measure parameters for particular measures are all linked to the measure and easily followed.

- All measure parameters are documented, so it is clear where the parameter came from.
- Measure values are transparent and reproducible.
- In general, all high-impact measures are all included.

From a process standpoint, general observations about the process for developing and updating other state TRMs include:

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<sup>23</sup> DEER is updated through a formal process, but also updated frequently in between the formal updates. The "in-between" DEER updates used to be public. Now they are recorded on a "change log." However, parties are not formally notified of the many "in-between" DEER changes.

- TRMs articulate substantive principles for ex ante value development.
- There is a clear written process/timeline for updating the TRM on a regular cycle, often annually.
- There is broad-based stakeholder input on both what measures need updated, new measures, and technical work.
- Outdated measures are not dropped, but updated unless no longer relevant.
- Regulators approve the periodic TRM updates (which do not occur more than once per year).
  - Regulatory approval is often pro forma if the stakeholder process is effective and different views are permitted to be expressed, addressed and generally resolved.

Based on its research, Cal TF staff believes the current structure, usability and update process for DEER falls significantly short of what is found in other jurisdictions. Furthermore, Cal TF staff believes that DEER does not meet Commission policy directives for ex ante value development. Thus, our recommendation is for the Commission to consider another framework altogether.

As a “strawman” approach to generate discussion and dialogue about alternatives to DEER, we suggest two possible paths that could lead to a comprehensive,<sup>24</sup> fully vetted<sup>25</sup> statewide<sup>26</sup> California TRM:

- Path 1: DEER as base
  - Document in workpaper format all DEER measures (approx. 80 – 100, depending on how the term “measure” is defined, not including measure combinations representing different climate zones, vintages and building types).
  - Cal TF subcommittee<sup>27</sup> reviews available documentation/approach for

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<sup>24</sup> “Comprehensive” means eliminating the distinction between DEER and non-DEER workpapers such that all deemed ex ante values would be contained in one repository.

<sup>25</sup> “Fully Vetted” means vetted through an inclusive, transparent, consensus stakeholder process.

<sup>26</sup> “Statewide” means used by Program Administrators regulated by the CPUC and Publically-Owned Utilities.

<sup>27</sup> Cal TF subcommittees include both Cal TF members and participants that are not Cal TF members.

each DEER measure, then subcommittee recommendations are forwarded to the full TF for review and consensus-based decision-making.

- Add all non-DEER WP and POU TRM measures not in DEER.
- Path 2: “Best Available Information/Methods” as base
  - Develop a list of statewide measures (DEER, non-DEER WPs, POU TRM measures)
  - Identify the best approach/data sources for each measure and record in workshop format. Include consideration of DEER data/approaches.
  - Cal TF subcommittee reviews each measure, then subcommittee recommendations are forwarded to the full TF for review and consensus-based decision-making.
- Both Path 1 and Path 2: Develop Written TRM Update Process that includes:
  - “Bus Stop” for including new EM&V studies/other data.
  - Open stakeholder consensus-building process.
  - Written, clear, regular annual update schedule that is approved by the CPUC.
- Final Step for Path 1 and Path 2: Seek regulatory approval of statewide TRM and Statewide TRM update process.

Cal TF staff expects to have a recommendation by the end of the year about whether Path 1 or Path 2 would be preferable. The recommendation will be informed by work that is underway in the “POU TRM/DEER Documentation” subcommittee. However, we do note that many of the values in DEER are based on energy modeling using the “DOE 2.2” software. While the Commission has approved this software for modeling weather-sensitive measures in DEER, the California Energy Commission has switched to “EnergyPlus” modeling software. Research currently underway at Lawrence Berkeley National Laboratories indicates that values for the same measure, using the same building type, can vary significantly if modeled in DOE 2.2 instead of EnergyPlus.<sup>28</sup> To develop a truly statewide database used by both POUs and IOUs, it might be appropriate to do future modeling of weather-sensitive measures in EnergyPlus. If EnergyPlus becomes the accepted model to use in California for modeling

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<sup>28</sup> Personal communication between Annette Beitel and Alejandra Mejia with Philip Haves, leader of the Simulation Research Group at LBNL (April 6, 2015).

building sensitive measures, following “Path 2,” above, would be preferable.

- g. What binding time constraints (such as bus stops for new workpapers) should PAs be subject to in order to facilitate timely and accurate technical updates? What criteria should be used to determine whether program administrators’ work products are eligible for consideration?*

No comment.

- h. Even with strategically planned Evaluation, Measurement & Verification (EM&V), what would be the system to select criteria for prioritizing what to update in DEER for a given year? For example, if the commercial sector was evaluated in the previous year, what parts of DEER would be updated this year (measure savings, Net-to-Gross and other parameters, underlying simulation, or all of the above)? What would be the system for prioritizing updates from evaluation data, given that uncertain measures will be updated?*

Cal TF staff believes prioritizing measures for update should be based on the potential impact of the update. Specifically, how significant will the change in value be, and how much does the measure contribute to the overall portfolio savings. Cal TF staff believes that the Joint Parties’ suggestion to only update measures in a particular sector at a given time is unnecessarily restrictive. Making update decisions based on market sector is not necessarily going to lead to updating the most impactful measures. Prioritizing updates based on the likely impact of the update (rather than by market sector) is a common and logical practice throughout the nation.

- i. Does the proposed bus stop timeline take into account the time needed for proceeding activities such as workshops, commenting periods, decision writing, etc.?*

Stakeholder processes take different forms. A process that includes “workshops, commenting periods, decision-writing, etc.” describes the current stakeholder process for updating DEER. Cal TF staff has heard from many stakeholders that the “workshop, comment, decision process” often does not lead to meaningful discussion and resolution of technical issues. Rather, many observe that they make comments, but the comments are routinely ignored or dismissed.

A more productive stakeholder process that leads to values that are more widely accepted, technically robust and that yields far less contention and discontent is a stakeholder consensus-building process as described in Section 3.b, above led by an independent, experienced, technically-trained facilitator. The key elements include an open process where all parties can state their views, and a reasonable attempt is made to reach consensus through

information exchange, listening and responding to opposing views and being required to provide technically strong support for stated positions. If consensus is not reached, a Comparison Exhibit is prepared setting forth different positions and the basis for the different positions. In most cases, consensus is reached. Such a process is used successfully in many jurisdictions, including the Illinois Stakeholder Advisory Group, the Massachusetts Energy Efficiency Advisory Council, and to some extent the Northwest Regional Technical Forum.<sup>29</sup> The stakeholder process described above does not require regulators to cede their regulatory authority to stakeholders; all stakeholder work products (new measures and measure updates) must be approved by the regulatory commission before they are effective. However, the general outcome is that the regulatory body affirms the recommendations of the stakeholder group.

In conclusion, a Statewide TRM can be designed to:

- 1) Be used by, and useful to, POU/PAs/others
- 2) Meet all CPUC directives for ex ante value development
- 3) Preserve what is good and valuable from years of work on DEER at a lower cost than the current DEER development/update process.

*j. How would parties avoid “analysis paralysis” for criteria to allow study results “onto the bus”? Would there be a threshold for getting results into the portfolio? There seems to be a potential for stalling, if an incentive to stall arises.*

No comment.

*k. What mechanisms would limit the ability of interested parties to delay the incorporation of study findings and technical updates that have adverse consequences for their interests?*

No comment.

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<sup>29</sup>The Northwest Regional Technical Forum makes decisions based on a super-majority vote rather than a consensus – building process. Since the majority is not always right, a consensus-building process that clearly memorializes dissenting non-consensus views, and the basis for those views, can lead to a better outcome – regulators can elect to adopt the minority position, which may be the correct position. The consensus-based decision-making process creates a clear record for regulators to adopt the minority position. Consensus-based decision-making processes do not lead to endless, unresolvable discussions. Participating parties are allowed to state their views and provide support for their views; they can ask questions of others, and after all arguments and support have been discussed, if consensus is not reached a “Comparison Exhibit” is produced which allows regulators to make the final decision.



- l. *What would be the key components to developing criteria for evaluations "getting on the bus" that would need to be agreed upon at the beginning? If you cannot provide the key components, how would you suggest developing the criteria?*

No comment.

- l. *(continued) What role should the existing California Evaluation Framework and/or Protocols play?*

No comment.

- m. *(relates to Southern California REN alternate proposal)*

- i. *How would Advanced Metering Infrastructure and real time data fit into the evaluation process? What role would the program implementer have in embedding data analytics/evaluation in their program design?*

Cal TF staff supports SoCalREN's proposal to use near real-time data in EM&V processes, where applicable, to show the actual savings impacts of energy efficiency initiatives.

- ii. *How would the AMI data enable the potential study?*

No comment.

- n. *Any comments that are not in response to the specific questions above on Topic 3.*

No comment.

#### **4. EM&V**

No comment.

#### **5. Reporting Requirements, Accounting, and Spending Oversight**

No comment.

#### **6. Program Oversight**

No comment

### **III. Conclusion**

CalTF staff appreciates the opportunity to provide these Comments on Phase II Workshop I. We hope the comments helped educate and inform about existing efforts that are underway that relate to some of the technical issues raised in the rolling portfolio cycle.

Dated: April 6, 2015

Respectfully submitted,

Handwritten signature of Annette Beitel in black ink.

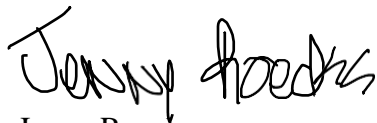
Annette Beitel

Cal TF Facilitator

Handwritten signature of Alejandra Mejia in black ink.

Alejandra Mejia

Senior Policy Analyst, Cal TF

Handwritten signature of Jenny Roecks in black ink.

Jenny Roecks

Senior Technical Advisor, Cal TF