Approval of Business Plans and policies to be addressed in EE Proceeding going forward

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Highlights of the Approved Business Plan Decision (D.18-05-041)

• Approved the 2018-2025 BPs of all IOUs, three RENs and MCE
  • This marks a new era for energy efficiency programs to realize deeper and more enduring savings.
  • The decision supports the state’s goal to achieve the doubling of energy efficiency savings by 2030.

• Cost Effectiveness
  • For 2019-2022, the IOUs and MCE are required to have a forecasted TRC of 1.0 for approval of their annual budget advice letters (ABALs).
  • Starting in 2023, the IOUs and MCE are required to have a forecasted TRC of 1.25.
  • IOUs and MCE must have an evaluated TRC of 1.0.

• Direction on Lighting incentives
  • CFLs should be removed from all PAs portfolios no later than December 31, 2018.
  • LED streetlight rebates should only be available for bulk early replacement.
Highlights of the Approved Business Plan Decision (D.18-05-041) continued

• **Hard to Reach definition updated**
  • Hard to reach is clarified as following Resolution G-3497’s definition, but including disadvantaged communities as defined by CalEPA’s CalEnviroScreen 3.0 in the geographic criteria.
    • Thus a community that is considered disadvantaged by CalEnviroScreen 3.0 or geographically isolated only has to meet one additional criteria to be considered hard to reach.

• **Public Sector Metrics**
  • Metrics measures program’s progress in achieving a desired market effect.
  • In the public sector the metrics should help regulators and PAs judge if the program is achieving desired goals and identify opportunities.

• **Incentive Guidance**
  • Incentives should generally be: 1) based on lifecycle savings; 2) tiered based on efficiency; 3) target most efficient equipment; 4) vary based on barriers to customer segments; 5) payments of rebates should be tied to ex-post savings.
Phase Three Scoping Memo for R.13-11-015 (EE Proceeding)

Identified the Following Areas in Scope:

- **Custom projects**
  - Track two working group is addressing how to 1) better define Industry Standard Practice (ISP) and 2) streamline the custom review process.

- **Three Prong test for fuel substitution**

- **Market Transformation Programs**

- **Accounting**

- **Other policy issues that may arise**
  - The four issues identified are definitely in scope, but that does not mean phase 3 will not address other policy issues.