

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



Date: July 27, 2023

To: San Diego Gas & Electric (SDG&E)

From: Rashid Mir and Peter Biermayer, California Public Utilities Commission (CPUC)

Cc: R.13-11-005 Service Lists

Subject: MID-YEAR FEEDBACK - 2023 EX ANTE REVIEW (EAR) PERFORMANCE

---

**Table of Contents**

I. CPUC Staff Findings 2023 Mid-year Activities Feedback.....2

    A. Custom Projects Review Overview .....2

    B. Measure Packages Review Overview .....2

II. Discussion.....3

    A. Custom Projects Performance Review .....3

    B. Measure Packages Performance Review .....5

III. Attachments.....6

Attachment A: Measure Package Feedback.....8

Pursuant to Decision (D).13-09-023, D.15-10-028, D.16-08-019, and D.20-11-013, California Public Utilities Commission (CPUC) Staff and consultants are providing the 2023 Ex Ante Review (EAR) Performance Mid-year Feedback on the investor-owned utilities (IOUs) respective activities as of June 30, 2023. D.20-11-013 placed a moratorium on EAR awards<sup>1</sup> but directed that ex ante review scoring and evaluation processes shall continue. The mid-year feedback focuses on specific accomplishments and issues or concerns identified as part of ongoing measure package and custom project reviews. This feedback will help the IOUs address these issues for the remaining year.

## I. CPUC Staff Findings 2023 Mid-year Activities Feedback

The following sections of this memorandum provide a description of the findings, including areas of achievement and areas requiring improvement for both custom projects and measure packages review activities.

### A. Custom Projects Review Overview

#### 1. Summary of 2023 Mid-year Achievements

This feedback is based on nine CPUC staff project review dispositions issued between January and June 2023. CPUC staff found five project review dispositions were ready to proceed with exceptions, and two were rejected. CPUC Staff's observations include:

- **Timeliness of Submittals.** SDGE submitted documentation for all projects at least ten days prior to the deadline during the first six months of 2023.

#### 2. Summary of Areas Requiring Improvement

Areas that were most problematic, frequent, and/or need improvement include:

- **Program Influence.** Six action items across five projects were identified in the program influence category during the first six months of 2023. SDG&E must make significant improvements in demonstrating program influence.
- **EUL/RUL.** In the first six months of 2023, three actions were identified in Process, Policy, and Program Rules, specifically regarding the EUL/RUL. This issue was identified across three projects., SDG&E should continue to make efforts to perform quality control to uncover issues prior to submitting for review, particularly with regards to EUL/RUL determination.

### B. Measure Packages Review Overview

#### 1. Summary of 2023 Mid-Year Achievements

CPUC staff observed strengths in SDG&E's development and management of measure package submissions in the following area:

---

<sup>1</sup> The EAR awards were part of the Efficiency Savings and Performance Incentive (ESPI) awards.

- **Timeliness.** SDG&E submittals have met timeliness and SDG&E has been responsive to addressing CPUC staff comments through the measure log.
- **Collaboration.** SDG&E has improved their collaboration with CPUC staff on measure package and measure package plan submittals.

## 2. Summary of Areas of Improvement

CPUC staff highlights the following direction for improvement:

- **Content and Completeness.** SDG&E should ensure all code requirements and updates are planned for in measure package revision submissions.

## II. Discussion

The following sections of this memorandum provide a detailed description of the findings, including, areas of achievement and areas requiring improvement for both custom projects and measure packages.

### A. Custom Projects Performance Review

Each year, CPUC staff reviews a selected sample of custom project energy efficiency program applications. The review findings and directions to the IOUs are presented in documents referred to as “dispositions”. During the first half of 2023 (January through June), CPUC staff issued nine project review dispositions to SDG&E. This feedback is based on those nine dispositions.

The comments below are organized by the five metric areas prescribed in D.16-08-019. No scores are provided for these metrics in the mid-year memo. All feedback provided at this time is qualitative.

#### 1. Timeliness of Submittals

During the first half of 2023, CPUC staff issued nine project review dispositions to SDG&E. SDG&E complied with SB1131 guidelines for submitting documentation before the 15 business days required, with all projects being submitted ten or more days earlier than required. No projects were found to be late meaning SDG&E is complying with CPUC requirements under this metric.

#### 2. Content, Completeness, and Quality of Submissions

Out of the nine project dispositions issued in the first six months of 2023, three projects had issues related to gross savings impact (22 percent of the actions were in this category). The issues identified were problems with M&V plan and analysis assumptions. SDG&E must make efforts to perform quality control in these areas to uncover issues prior to submitting for review.

Six projects had issues related to process, policy, and program rules (30 percent of the actions identified fell into this category). Some of the issues identified were problems with the estimate of EUL/RUL, incremental measure cost, and incorrect baseline assumptions. SDG&E must work to

prevent these issues related to program policy and rules from occurring on future project submissions to avoid a significant loss of EAR points under this metric.

SDG&E also had four projects that had documentation issues (17 percent of the actions were in this category). Most of these issues had to do with requests for resubmittal of the project after installation, as well as missing documents for the project. SD&E must take action to acquire and provide all relevant documentation to avoid a significant loss of EAR points under this metric at the end of 2023.

Five of the nine SDG&E dispositions also had issues related to net impacts. These issues were primarily related to insufficient documentation or evidence of program influence being submitted with project reviews. SD&E must ensure that future project submissions include adequate program influence documentation such as what the customer would have likely done absent the program, alternative viable options to the installed measures, resource constraints the customer faces, and factors that motivated the customer to complete the project.

Table 1 below summarizes the twenty-three action items identified across the nine dispositions issued between January 1, 2023, and June 30, 2023.

Table 1: Summary of Categorized Action Items for Custom Projects

Issue Area	Action Categories	Summary of CPUC Staff Required Action by the PA:	Summary of CPUC Staff Notes or Instructions:	Percent of Total Actions
<b>Issues Related to Gross Savings Impacts</b>	Analysis assumptions	3	2	13%
	M&V plan	2	0	9%
	<b>Subtotals</b>	<b>5</b>	<b>2</b>	<b>22%</b>
<b>Process, Policy, Program Rules</b>	Baseline	1	2	4%
	Eligibility	0	1	0%
	EUL/RUL	3	1	13%
	Measure cost	2	0	9%
	Self generation	1	1	4%
	<b>Subtotals</b>	<b>7</b>	<b>5</b>	<b>30%</b>
<b>Documentation Issues</b>	Continue Document Upload	3	0	13%
	Missing Documents	1	4	4%
	<b>Subtotals</b>	<b>4</b>	<b>4</b>	<b>17%</b>
<b>Issues Related to Net Impacts</b>	Program influence	6	0	26%
	<b>Subtotals</b>	<b>6</b>	<b>0</b>	<b>26%</b>
<b>Other Issues</b>	Other 1 - Incorrect scope, savings and incentives in the BMU	1	0	4%

	Other 2 - Incorrect program name in BMU	0	1	0%
	Other 3 - The facility's cooler units feature R-22 refrigerant. The EPA began phasing out R-22 in 2010 and banned production and import of R-22 in 2020.	0	1	0%
	Other 4 - The SDG&E Project Review document indicates that the project is classified as an NMEC project.	0	1	0%
	<b>Subtotals</b>	<b>1</b>	<b>3</b>	<b>4%</b>
	<b>Grand Total</b>	<b>23</b>	<b>14</b>	<b>100%</b>

### 3. Proactive Initiative of Collaboration

In the first half of 2023, SDG&E continued to bring measures, projects, or studies forward for discussion with CPUC staff prior to submittal and review and continued to provide updates on the status of their programs.

### 4. PA's Due Diligence, Quality Assurance, and Quality Control (QA/QC)

Project and measure level disposition performance results reviewed under Metric 2 are used as a proxy for the level of QA/QC occurring by the PA. Of the nine projects reviewed, five projects (56 percent) were allowed to proceed with exceptions as noted in the review, while two projects (22 percent) were rejected. Two projects were advisory only.

### 5. PA's Responsiveness

When reviewed at a portfolio level, CPUC staff assesses the time series of rejections and exceptions, the alignment of program policy and procedures with the number of actual rejections and exceptions based on eligibility and attribution, and the adaption to changes in rules over time. SDG&E had action items noted in the Gross (five issues), Process, Policy, Program Rules (seven issues), Documentation Issues (four issues), and Issues related to Net Impacts (six issues). CPUC staff will observe the trend of these issues over the next six months for reporting and scoring on the year-end memo.

## B. Measure Packages Performance Review

SDG&E had two measure packages disposed in the first half of 2023. One measure package approval was for updates required by Resolution E-5152 which included a metric change from SEER to SEER2. The other measure package approval was a new measure package approval. SDG&E currently has two measure packages under detailed review.

The comments below are organized by the five scoring metric areas created in D.16-08-019. The

narrative includes observations common to multiple measure packages and feedback related to the measure package development process as well as direction for future measure packages.

Specific measure package feedback is provided in tables in Attachment A, at the end of this document. The first table, the Measure Package Reviews table provides feedback on the submitted measure packages that were reviewed and disposed of during the review period. The second table, the Measure Package Submissions table lists all the measure packages submitted by SDG&E during the review period and their status. CPUC staff acknowledges that measure package development may have been supported by multiple PAs; however, at the time of this mid-year review, feedback is directed to the submitting PA, with the assumption that they have led the development.

### **1. Timeliness of Submittals**

SDG&E submitted the measure package on time and responded to CPUC staff comments in a timely manner through the measure log.

### **2. Content, Completeness, and Quality of Submissions**

The content, completeness, and quality of measure packages has generally met standards. The two measure packages disposed in the first half of the year contained minor updates to clarify the baseline efficacy, code requirements in addition to minor text edits.

### **3. Proactive Initiative of Collaboration**

SDG&E has had improved collaboration with CPUC staff on measure packages, specifically during the submission and review of UL Type B LED Mogul Base Lamp HID Retrofits measure package. SDG&E worked collaboratively with CPUC staff and their measure developer team to closely review and respond to comments for measure package approval.

### **4. PA's Due Diligence, Quality Assurance, and Quality Control (QA/QC)**

SDG&E has met the minimal requirements for due diligence and QA/QC in the first half of the year. CPUC Staff reviewers have had productive conversations on monthly calls with SDG&E regarding two measure package plans currently under review: High-Efficiency Toilets and Weather Based Irrigation Controller with Moisture Sensor.

### **5. PA's Responsiveness**

SDG&E has generally been responsive to CPUC staff comments and has met the expectations of CPUC staff guidance, especially with the collaborative effort to comply with CPUC Decision D. 23-04-035 for Natural Gas Incentives.

## **III. Attachments**

Attachment A: Measure Package Feedback contains the measure package summary tables

showing the qualitative components for each metric.

Questions or comments about the feedback should be directed to Rashid Mir ([rashid.mir@cpuc.ca.gov](mailto:rashid.mir@cpuc.ca.gov)) or Peter Biermayer ([peter.biermayer@cpuc.ca.gov](mailto:peter.biermayer@cpuc.ca.gov)). Note that pursuant to D.13-09-023, CPUC Staff will schedule a meeting with SDG&E in August to discuss this memorandum.

## Attachment A: Measure Package Feedback

The tables below list the ID numbers associated with each measure package submission or disposition. The PA may refer to the individual dispositions for more detailed descriptions of the specific actions staff required for each measure package. The qualitative feedbacks are designated as follows:

Measure Package Review – All Disposed in 2023			
SW MP ID	Rev	Title	Comments
SWHC049	3	SEER Rated AC and HP HVAC Equipment, Residential	Measure package update aligned with Resolution E-5152 to update measure offerings to SEER2 metric. Measure package approved after minor clarifying and formatting comments.
SWLG020	1	UL Type B Mogul Base Lamp HID Retrofits for Outdoor Area/Pole and Decorative Fixtures	New measure package approved after comments on assumptions, calculations, and aligning industry standard practice efficacy with the Modified Lighting Calculator. The measure developer worked effectively and collaboratively with CPUC staff to resolve comments and reach approval.

Measure Package Submittals – All Submitted in 2023		
SW MP ID	Title	Comments
SWHC049-03	SEER Rated AC and HP HVAC Equipment, Residential	Interim approval.
SWLG020-01	UL Type B LED Mogul Base Lamp HID Retrofits for Outdoor Area/Pole and Decorative Fixtures	Interim approval.
SWHC050-03	Ductless Heat Pump, Residential	Detailed review in progress.
SWHC059-01	Smart Fan Controller, Residential	Detailed review in progress.