

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



Date: August 19, 2024

To: Pacific Gas and Electric Company (PG&E)

From: Lisa Paulo and Peter Biermayer, California Public Utilities Commission (CPUC)

Cc: R.13-11-005 Service Lists

Subject: MID-YEAR FEEDBACK - 2024 EX ANTE REVIEW (EAR) PERFORMANCE

Table of Contents

I. CPUC Staff Findings 2024 Mid-year Activities Feedback2

 A. Custom Projects Review Overview2

 B. Measure Packages Review Overview3

II. Discussion3

 A. Custom Projects Performance Review4

 B. Measure Packages Performance Review6

III. Attachments8

Attachment A: Measure Package Feedback9

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 2024 Ex Ante Review (EAR) Performance Mid-year Feedback on the investor-owned utilities (IOUs) respective activities as of June 30, 2024. D.20-11-013 placed a moratorium on EAR awards¹ 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 2024 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 2024 Mid-year Achievements

This feedback is based on 17 CPUC staff project review dispositions issued between January and June 2024. PG&E continues to demonstrate efforts to improve its performance. CPUC Staff's observations include:

- **Documentation Submission Timeline.** In the first half of 2024, PG&E submitted most projects (94 percent) on time or earlier than required by Senate Bill (SB) 1131.
- **Consistent Collaboration.** PG&E continues to proactively engage with CPUC staff on project and policy issues during its bi-monthly meetings with CPUC and at statewide custom projects collaboration meetings.
- **Program Influence.** In the first half of 2024, PGE only had one issue related to Program Influence which comprised 2 percent of all issues noted. This marks a significant improvement over 2023 where issues regarding program influence were higher at 9% of all issues noted.

2. Summary of Areas Requiring Improvement

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

- **Gross savings impacts.** In the first six months of 2024, thirty-one issues impacted gross savings, the majority of which were related to analysis assumptions, M&V plan or calculation methods. This comprised 61 percent of all issues noted. PG&E must make significant efforts to perform quality control on analysis assumptions and calculations to uncover issues prior to submitting for review.
- **Process, Policy, and Program Rules.** In the first half of 2024, there were seventeen issues

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

related to Process, Policy, and Program rules which comprised 33 percent of all issues noted. The issues noted spanned many different action categories but primarily concerned errors relating to EULs/RULs, standard practice baselines, incorrect measure type and not following CPUC policy. PGE needs to focus on identifying and correcting these issues during their quality control process.

B. Measure Packages Review Overview

1. Summary of 2024 Mid-Year Achievements

PG&E continues to demonstrate efforts to improve its performance. CPUC staff observed improvements in PG&E's development and management of measure package submissions in the following areas:

- **Timeliness.** PG&E is timely with their measure package submissions and promptly communicates any delays in submission or resubmission.
- **Quality and Development.** PG&E has improved their QC process with new submissions collaborating with CPUC staff and reviewers, particularly in the measure package development phase.
- **Collaboration.** PG&E has collaborated with CPUC staff on measure package and measure package plan submittals. PG&E has been an active participant in the Energy Plus office hours for the development of the Frequently Asked Questions (FAQ) document. Additionally, PG&E is involved with load shape conversations and is vocal in their collaboration on CPUC guidance and DEER database updates.

2. Summary of Areas of Improvement

CPUC staff highlights the following recommendation for improvement which is centered on the quality of measure package submissions:

- **Due diligence.** PG&E should continue to focus on QA/QC practices to avoid minor typos and inconsistent language in measure packages. Typos and old references continue to be a common Ex Ante Review team review comment.
- **Cover sheet.** PG&E should continue to conduct detailed review on the cover sheet prior to measure package submission within the eTRM. The cover sheet can provide aggregate changes to savings, NTGs, EULs, etc. that can be misrepresented. With the migration to EnergyPlus and future methodology updates, normalizing unit changes should also be considered for review.

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”. This feedback is based on 17 CPUC project review dispositions issued between January and June 2024.

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

In the first half of 2024, CPUC staff noted one (CPR 928) out of the seventeen projects receiving dispositions (6 percent) was uploaded past the 15 business days requirement. CPR 928 was delayed due to having a new technical reviewer and deficiencies identified after final review of project package. All other project documentation were uploaded 5 or more days before the due date. PG&E is improving with respect to the number of projects being submitted early and meeting CPUC requirements for timeliness.

2. Content, Completeness, and Quality of Submissions

Out of the seventeen project dispositions issued in the first six months of 2024, fourteen projects had issues related to gross savings impacts (61% of the actions identified fell into this category). Some of the issues identified were problems with the incorrect analysis assumptions, issues with calculation methods and M&V plans. Ten projects had issues related to M&V plans (897, 913, 914, 915, 923, 924, 930, 931, 935 and 945), four projects had issues with analysis assumptions (CPR 909, 912, 923, 924, 930 and 935), five projects had issues with calculation methods (CPR 891, 897, 915 and 928) and two projects had issues related to calculations tools (CPR 909 and 928). PG&E must work to prevent these issues related to gross savings impacts from occurring on future project submissions to avoid a significant loss of EAR points under this metric.

PG&E also had 8 projects that had issues related to process, policy and program rules (33% of the actions were in this category). Most of these issues had to do with incorrect EUL/RUL, standard practice baselines, measure type and not following CPUC policy. PG&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 2024.

Table 1 below summarizes the fifty-one action items identified across seventeen dispositions issued between January 1, 2024, and June 30, 2024.

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
Issues Related to Gross Savings Impacts	Analysis assumptions	7	2	14%
	Calculation method	11	2	22%
	Calculation tool	2	0	4%
	M&V plan	11	3	22%
	Subtotals	31	7	61%
Process, Policy, Program Rules	Baseline	2	0	4%
	CPUC Policy	2	1	4%
	Did not follow previous CPUC guidance	0	0	0%
	Eligibility	2	1	4%
	ER preponderance of evidence	0	0	0%
	EUL/RUL	5	1	10%
	Incentive calculation	0	1	0%
	Measure cost	1	0	2%
	Measure type	3	1	6%
	PA program rules	1	0	2%
	Fuel switching	1	0	2%
	Self generation	0	1	0%
	Subtotals	17	6	33%
Documentation Issues	Continue Document Upload	2	3	4%
	Missing Documents	0	0	0%
	Missing required information	0	1	0%
	Project scope unclear	0	0	0%
	Subtotals	2	4	4%
Issues Related to Net Impacts	Program influence	1	1	2%
	Subtotals	1	1	2%
Other Issues	Other 1 - Incorrect CPUC project ID	0	1	0%
	Other 2 - Incorrect address in BMU	0	1	0%
	Other 3 - Misplaced kW and kWh savings numbers in BMU	0	1	0%
	Other 4 - Inconsistent baseline annual kWh consumption values	0	1	0%
	Subtotals	0	4	0%
Grand Total		51	22	100%

3. Proactive Initiative of Collaboration

Commission staff found that PG&E made efforts to bring measures, projects, or studies forward for discussion prior to review. PG&E is leading cross platform and statewide collaboration on POE influence and viability job aid. In addition, they continue to take an active and engaged role in statewide collaboration efforts including CalTF initiatives, PFS and Lighting Working Groups. PG&E's is continuing to improve the OBF program through improving their screening process, providing tools to Trade Pros with limited engineering capabilities and developing a Performance Improvement Plan for Trade Pros with low project portfolio GRRs.

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. As noted above, PG&E had a significant number of deficiencies related to gross savings impacts and Process, Policy, Program Rules during the first six months of 2024, showing a lack of effectiveness of their QC processes. Additionally, the number of dispositions proceeding without exception is weighed against those approved with exceptions or resulting in rejections. Out of the seventeen dispositions issued from January to June 2024, four projects received advisory dispositions. Of the remaining thirteen projects with issued dispositions, one projects (8 percent of remaining projects) proceeded without exception and twelve projects (92 percent) were allowed to proceed with exceptions as noted. With 92 percent of applications being proceeded with noted exception, PG&E must continue to improve their QC processes over the remainder of 2024 to avoid a significant loss of EAR points under this metric.

5. PA's Responsiveness

When reviewed at the 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.

For dispositions issued in the first six months of 2024, CPUC staff found that projects had a slight downward trend in terms of project performance over time (i.e., project submissions resulted in more exceptions over time). If this trend continues, PG&E's EAR performance for this metric by the end of 2024 may be scored lower than expected.

B. Measure Packages Performance Review

PG&E had three measure packages disposed in the first half of 2024 and has nineteen measure packages currently under review.

The comments below are organized by the five scoring metric areas created in D.16-08-019. The narrative includes observations 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 provides feedback on the submitted measure package that was reviewed and disposed of during the review period. The second table, the

Measure Package Submissions lists all the measure packages submitted by PG&E during the review period and their status. The 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

PG&E has been timely with measure package submissions and responses to comments through the measure log. PG&E should continue to share timeline updates with CPUC staff during monthly calls. PG&E is proactive to work with the Ex Ante Review Team to finalize measure package comments.

2. Content, Completeness, and Quality of Submissions

PG&E's measure package content and completeness has generally met standards in the first half of the year. PG&E has been active on the measure log to share updates and drive consistency in the deemed measure package portfolio.

3. Proactive Initiative of Collaboration

PG&E has collaborated with CPUC staff on measure package submittals, including the Lifecycle Refrigerant Management, Residential measure package, and on measure package plan submittals, including Door Sweeps and Door Sealing, Residential and Efficient Doors, Residential. Additionally, PG&E is involved with load shape conversations and is vocal in their collaboration on CPUC guidance and DEER database updates. PG&E has been an active participant in the Energy Plus commercial prototypes office hours for the development of the Frequently Asked Questions (FAQ) document.

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

PG&E should continue to focus on QA/QC practices to avoid minor typos and inconsistent language in measure packages. The initial RACC v2.2 submission for Lifecycle Refrigerant Management, Residential contained baselines that did not align with the measure package offerings, among other minor errors that necessitated a longer resubmittal period for the DEER2024 version of the measure package.

5. PA's Responsiveness

PG&E has generally been responsive to CPUC staff comments and has met the expectation of CPUC staff guidance. PG&E involved implementers to discuss New Construction eligibility and help inform the DEER2024 updates for five statewide measure packages.

III. Attachments

Attachment A: Measure Package Feedback contains the measure package summary tables showing the qualitative components for each.

Questions or comments about the feedback should be directed to Lisa Paulo (lisa.paulo@cpuc.ca.gov) or Peter Biermayer (peter.biermayer@cpuc.ca.gov). Note that pursuant to D.13-09-023, CPUC staff will schedule a meeting with PG&E staff to discuss this memorandum.

Attachment A: Measure Package Feedback

The table below lists 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 2024			
SW MP ID	Rev	Title	Comments
SWSV014	2	Lifecycle Refrigerant Management, Residential	PY2024 measure package update to include RACC v2.2, data collection requirement updates, and program requirements and exclusions updates and clarification. Measure package approved after addressing three major comments requesting consolidation of five RACC v2.2 workbooks to a single RACC v2.2 workbook, resubmission of the RACC v2.2 workbook to correct baselines and offerings, and clarification of use cases of measure application types.
SWWB002	2	Universal Audit Tool	DEER2026 measure package update to update delivery type and PA designation. Measure package approved after addressing one minor comment on updating and clarifying eligible building vintages.
SWWB004	3	Home Energy Reports	DEER2026 measure package update to update delivery type, PA designation, and electric impact profile. Measure package approved after addressing one minor comment on updating and clarifying eligible building vintages and one minor comment on text formatting.

Measure Package Submittals – All Submitted in 2024		
SW MP ID	Title	Comments
SWSV014-02	Lifecycle Refrigerant Management, Residential	Interim approval.
SWWB002-02	Universal Audit Tool	Interim approval.
SWWB004-03	Home Energy Reports	Interim approval.
SWPR006-03	VSD for Ventilation Fan, Agricultural	Detailed review in progress.
SWCR020-04	Medium-Temperature Open Display Case Retrofit	Detailed review in progress.
SWCR018-05	Reach-In Refrigerator or Freezer, Commercial	Detailed review in progress.
SWPR002-03	VFD for Glycol Pump Motor	Detailed review in progress.
SWPR005-03	VFD for Dust Collection Fan	Detailed review in progress.
SWSV014-03	Lifecycle Refrigerant Management, Residential	Detailed review in progress.
SWFS006-04	Ice Machine, Commercial	Detailed review in progress.
SWHC062-01	Occupancy Fan Controller, Commercial	Detailed review in progress.
SWCR017-05	Ultra-Low Temperature Freezer	Detailed review in progress.
SWWP005-04	Variable Frequency Drive on Irrigation Pump	Detailed review in progress.
SWPR001-03	Ventilation Fan, Agricultural	Detailed review in progress.
SWPR008-02	VFD on Rod Beam Pump	Detailed review in progress.
SWHC006-04	Demand Control Ventilation for Single Zone HVAC	Detailed review in progress.
SWCR019-04	Low-Temperature Coffin To Reach-In Display Case Conversion	Detailed review in progress.
SWHC018-05	VSD for HVAC Fan Controls, Commercial	Detailed review in progress.

Measure Package Submittals – All Submitted in 2024		
SW MP ID	Title	Comments
SWHC023-05	VFDs for Unitary HVAC Systems, Commercial	Detailed review in progress.
SWCR007-05	Floating Temperature Controls, Multiplex	Detailed review in progress.
SWCR015-04	Medium-Temperature Case Doors	Detailed review in progress.
SWCR021-04	Medium or Low-Temperature Display Case With Doors	Detailed review in progress.