

FAQ

July 17, 2018 Platforms Training

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Solicitations Questions:

The schedule used to have more specific projects listed, are they collapsed into one or removed?

The more specific sector / sub-sector solicitation descriptions that have been displayed on previous PG&E schedules align with the fundamental structure of PG&E's business plan and will continue to be the organizing framework around which PG&E will design its solicitations. This level of detail has been omitted to provide a simplified version of the schedule, however PG&E's sector-level approach to solicitations remained unchanged.

What does "platforms" mean?

Platforms are set of defined rules for how PG&E and its implementers can uniformly measure, pay for and claim energy savings. Presently PG&E has defined rulesets for the Deemed, Custom, Meter-Based, and Financing platforms.

What is the release date for RFA Phase 1?

PG&E is targeting mid to late September to release its initial RFA for Phase 1. This date is dependent upon the completion of several other regulatory requirements and is subject to change.

The schedule has Statewide solicitations taking longer to complete. Why is that?

Statewide solicitations are joint IOU procurements and have extra time built into the schedule to account for the additional stakeholder involvement and complexity of negotiations.

RFAs – how broadly will PG&E's upcoming RFAs be defined?

PG&E is striving to build the most cost-effective portfolio of high-quality customer programs possible. To achieve this goal, PG&E will provide implementers with both broad savings targets at the portfolio and customer sector level, as well as updated datasets, like those provided in the original business plan, which provide a more granular perspective of PG&E's customer base. While PG&E's information is naturally organized to the structure of PG&E's business plan and informed by the potentials study, implementers have the flexibility to provide any program concept that can yield cost effective savings for customers.

How do the different Phases of PG&E's solicitation timeline line up with the outsourcing targets?

In the final decision, PG&E is directed to have at a minimum 25% of its EE budget allocated to third-party designed, proposed and implemented programs by the end of 2019, a minimum of 40% by the end of 2020, and a minimum of 60% by the end of 2022. PG&E's solicitation strategy is to achieve the first minimum 25% milestone by the end of 2019 through the results of its initial Phase 1 solicitation. PG&E will use the combined output of Phases 2 and 3 to achieve the minimum 40% milestone by the end of 2020. Based on the results of the Phase 3 RFPs, PG&E may either hold at the defined 40% milestone or elect to accelerate the procurement process and achieve the 60% milestone by the end of 2020. Beyond the solicitation schedule depicted, PG&E will hold regular rounds of solicitations to continually address changing portfolio needs and replace retiring programs out of the portfolio.

Can you give more detail on how the RFA will be structured?

PG&E's philosophy is to keep the RFA as a high-level program concept. The submission format for the RFA will be limited to an 8-10-page narrative with some supporting tables for you to fill out. PG&E's solicitation strategy is to optimize its portfolio to the maximum extent possible and will therefore be running many processes in parallel. PG&E will run its RFA as a single process which will span all market sectors and they will be issued to the market simultaneously. PG&E recognizes this can be a daunting

challenge but is committed to providing implementers with adequate time to respond with high-quality proposals and to coordinate with the other IOUs to minimize overlap with the due dates for other solicitations. Implementers wishing to submit multiple program ideas that target different customer sectors are encouraged to do so, but will be required to submit those program ideas as multiple submissions in the single submission window in the RFA.

RFA cost effectiveness required?

PG&E does not require full CET. Looking for order of magnitude savings and budgets.

Is PG&E only seeking non-deemed programs in Q4 2018. And deemed starting in Q1 2020?

PG&E does not specify what platforms implementers should utilize in the design of their programs for any phase of its procurement plan. The Deemed Platform support RFP listed in Phase 2 of the schedule is to investigate the potential to outsource certain aspects of the Deemed Platform back office operations such as workpaper development. There are joint IOU discussions about the possibility to expand this platform statewide, however the status of those discussions is still pending.

Will PG&E host a bidder training before the RFA is released?

PG&E is considering the options to host additional bidder trainings prior to the RFA release. Additionally, PG&E will host a bidder's conference at the beginning of every solicitation. Check the [Solicitations website](#) for up to date information.

What do you see as the public RFP scope?

The public-sector RFP scope will be focused on identifying third-party program implementers in the public/institutional sector. PG&E's current Local Government Partners (LGPs) will have two ways to participate in this process. LGPs can either provide input and participate in the selection of a third-party implementer(s) in the public sector or the LGP can opt to submit their own bid to be a program implementer in the RFP.

Will you award multiple contracts for a sector?

It will be a case by case assessment considering the overlap of the programs proposed and the existing program portfolio. PG&E does not have a pre-determined approach in this area and will instead decide based upon the information that is provided in the solicitation. If there is overlap in a customer sector, PG&E will evaluate if proposed programs are "duplicative" of each other – in a manner that would degrade the performance of both programs, or determine the programs are "competing" which despite the overlap in target customer, the proposed approaches are such that customers would benefit from offerings in multiple channels. And as all proposed programs are designed without the knowledge of other proposed program, PG&E may require modifications to the as-proposed programs during negotiations to ensure that PG&E's resultant portfolio of programs operate optimally and coherently.

How long is an RFA and RFP open?

The timeframe that will be provided for bidders to respond to a solicitation is not set and will depend upon the scope of the solicitation in question. However, bidders in an RFA can expect a timeframe on the order of 4-6 weeks to respond to an RFA and 6-8 weeks to respond to an RFP.

Cross-Platform Questions:

How does the eTRM fit into this? Is it an acceptable source of either ex ante estimates or standardized protocols?

Think about eTRM as an implementation of this Rulebook. It could be an acceptable source of ex ante values, assuming those ex ante values were calculated in accordance with the rules. It's a convenient way of restricting people to use the right values.

Eligibility? Any self-generation accounting? At SCE want to think more broadly about GHG – has PG&E thought about relaxing requirement?

We strive not to create new rules and tried to articulate what we think rules are and our understanding. Self-generation in general – it's a broad rule that is in there. If you have an intervention with self-generation, review that rule in the [Resource Savings Rulebook](#). Some nuances about how applied across platforms.

Re: MAT table shown, are there exceptions? On a meter based platform NR is baseline. How does that fit into the MAT table?

There aren't exceptions to the MAT table that we're aware of. We discuss some of these details in the [Resource Savings Rulebook](#). While the Cross-Platform rules apply broadly, there are nuances for each individual platform. Please look into individual chapters for specific guidance.

Have IOUs coordinated on Rulebook consistency?

We have shared the [Resource Savings Rulebook](#) with the other IOUs and PG&E is aiming to make it a Statewide document. We haven't dived into the details with the other IOUs as to which rules applies to each IOU portfolio, but we are in general philosophical agreement about having common rulesets.

When is Rulebook available?

It is currently available on the [Solicitations website](#).

Is Energy Insight the platform to communicate changes?

No. We intend for the rulebook and changes to reside on the solicitations website. Once the contracts are signed with Implementers, we will regularly communicate to implementers directly when these updates occur.

Phase 1 done, is Phase 2 next. Documents say it's not finished, fundamentally – how do we use this? Is it solicitation facing – what we deal with while bidding OR is it a program delivery to help make decisions later.

Think it's both. You will want to understand how to design a program that will evaluate well and demonstrate that it's cost effective, etc. It's important as a solicitation-facing document to right size costs and make sure projected savings are in line with what savings are going to be claimed. But it's also very important as an ongoing implementation guide about how projects/programs are expected to operate, so that new faces can get brought up to speed quickly.

We have discussed compliance guidance document in the future. Once in the contracts are in implementation we plan on adding best practice guidance for these rules in our Wiki pages.

Deemed-Platform Questions:

Phase II timeline – is this suggested or prescribed?

Prescribed. Section 3.4.2.3 Workpaper Submittal and Approval Process in the [Resource Savings Rulebook](#) outlines the timeline for Phase 2 workpaper submittals per D.15-10-028.

Typically, Workpaper approval takes 6 months⁺ - any movement to shorten the turn-around time?

The Workpaper review and approval timeline can vary depending on factors such as the complexity of the submittal, adherence to ex-ante parameters, or required revisions or additional information requests. Phase 2 Workpapers that are not selected for review can receive pass through approval after 25 days from the date of submittal.

How does the Workpaper development work with the solicitation RFA timelines? Should 3P include a measure not already approved in a Workpaper?

The decision whether to include deemed measures in a solicitation response that have not yet been CPUC-approved is one for a 3P to make. Prospective bidders are welcome to submit Workpapers in advance of the solicitation to try and receive approval.

Can bidders set incentive levels?

Implementers may propose incentive levels for deemed measures, but these levels must be approved by PG&E. PG&E will be developing an incentive governance process.

If a Workpaper is submitted before RFA and approved – would it be public?

Yes.

What is CIP? Available for 3P?

PG&E's CIP (Central Inspection Program) inspects and provides QA/QC of energy savings programs. CIP is a part of PG&E's operations and these procedures are for internal use only.

QA/QC what level of detail are you looking for – do you want this in the RFA and RFP?

The RFA will request a high-level explanation of a quality control plan for the proposed program. The RFP will request a detailed QA/QC plan.

QPLs are part of the Deemed section, does that mean they do not apply to other platforms like NMEC?

The use of Qualified Products Lists (QPLs) are at the discretion of the program implementer. Currently, PG&E leverages QPLs for some deemed measures, as well as custom lighting measures.

How will the Workpaper process be moving forward – does IOU play middle man with CPUC or just pass it on. What's the IOU role here if the 3P did the Workpaper?

PG&E currently accepts, reviews, and submits to the CPUC Implementer-derived workpapers, often leveraging the California Technical Forum (Cal TF) for review and vetting. Direct interactions with the CPUC Ex-Ante Review Team regarding workpapers will continue to be maintained by the IOUs unless otherwise directed by the CPUC.

Meter-Based Platform Questions:

Can we use a baseline period that's shorter or longer than 12 months?

Current guidance from the CPUC defines the baseline period as the 12-month period leading up to the energy efficiency intervention or retrofit. If desired, implementers may propose and justify the use of a longer baseline period. Discussions are ongoing about whether a shorter baseline period may be allowable in certain circumstances; final determination would be up to the CPUC. Implementers who ultimately wish to propose a shorter baseline period should consider how they would justify their proposal, what research they could cite in support of it, and how they would use approaches such as coverage factor analysis to ensure that the baseline period for their program captures the necessary range of values for important variables. We believe that a minimum of one year of historical energy use is ideal, but that may change depending on the unique circumstances of a given customer. Please note that ultimately, the CPUC would determine the circumstances under which a shorter baseline period would be allowable.

Will there be guidance on what data implementers will need to collect, for how long, and at what time resolution?

We are looking for third parties to propose a plan to us along with their proposals. We will provide guidance on what we are looking for in those plans prior to the RFP stage of the third-party solicitation process, but proposals should include a discussion of what data you plan to collect, why, and how you plan to collect it. We will work with successful bidders to refine these plans prior to program implementation.

In the site-based approach, what is the model qualification process? Do models need to be reviewed?

Are there limits on what variables can be included in these models?

For determining savings, implementers would propose a model (or models) of energy use that would occur absent the intervention based on pre-installation data. The difference between the modeled energy use and the energy use observed following the implementation of the energy efficiency measures determines the savings. Bidders' proposals should discuss the analytical method(s) and/or tool(s) that they plan to use, and why; as well as methods for identifying and adjusting for non-routine events. It is up to each implementer to select the appropriate model(s) for a given program. There are no specific limits on the variables that could be used, but PG&E will assess proposals to determine whether it is feasible for bidders to collect the data on which they propose their models will rely.

Models will need to be reviewed, but some commonly-used, open-source models (for example: the Time-of-Week and Temperature model [Mathieu, et al., 2011]) and tools (for example: ECAM) are already well understood. Southern California Edison's (SCE's) *Normalized Metered Energy Consumption Savings Procedures Manual* (NMEC Procedures Manual), available at: <https://www.etc-ca.com/reports/normalized-metered-energy-consumption-savings-procedures-manual>, discusses a number of commonly-used, open source models. Review of proposals to use these models would be expedited and would focus on their appropriateness for the given program/projects.

How will PG&E approve payments or incentives for meter-based programs?

Quality control requirements for projects will be based on program rules. Implementers can help ensure this process is as smooth as possible by proposing clear rules for their programs. Incentive and implementer payment structures and levels will be proposed initially by prospective implementers and refined with PG&E.

What is the ED review processes for NMEC projects?

We are awaiting further guidance on this process from the CPUC. According to the Assigned Commissioner and Administrative Law Judges' Amended Scoping Memorandum and Ruling (Application 17-01-013 through -017) issued on July 9, 2018, we may expect a final ruling or decision on NMEC guidance and the process for staff updating of that guidance within the fourth quarter of 2018, with an expectation that additional workshops may be scheduled, and that this schedule may be modified as necessary.

How long after project implementation is complete do you need to wait to estimate a project's savings?

The CPUC currently requires a minimum of one year of post-implementation measurement (two years when behavioral, retrocommissioning and operational measures, or BROs, are included) for an IOU to claim savings. However, in the meter-based platform, an implementer may propose a schedule for implementer payments or customer incentives that differs from the schedule for IOU savings claims. For example, an implementer plan could propose a performance payment based on a credible forecast of savings be made after fewer than 12 months, and another, true-up performance payment be made after an IOU savings claim is made. The duration of metering required to produce a credible forecast of savings would depend on the program, and PG&E would work with the implementer to determine this timeframe prior to signing a contract with the implementer. Regarding incentive design, the CPUC has provided guidance that payment and incentive structures should mitigate the risk of up-front performance payments exceeding the value of claimed savings.¹

Do you expect that majority of meter-based platform projects will rely on utility-based metering and not sub-metering?

We have no expectation on the percentage of NMEC projects that will be based on utility meters, but we believe that utility meters may make NMEC projects easier to implement. Requirements for non-utility meters are discussed in Sec. 5.2.2 of the Platform Rulebook. Implementers who wish to read further may also wish to refer to Sec. 3.1 of SCE's NMEC Procedures Manual.

¹ For further discussion, see PG&E's platform rulebook, Secs. 5.5.2.3 and 5.6.2, as well as California Public Utilities Commission, December 30, 2015, Assigned Commissioner and Administrative Law Judge's Ruling Regarding High Opportunity Energy Efficiency Programs or Projects (Ruling 13-11-005) ("HOPPs White Paper Ruling.")

Are there any customer segments that can't use NMEC, and if so, why? Specifically, can you confirm whether the agricultural sector is excluded from participation in the meter-based platform, as section 5.4 of the rulebook appears to imply?

There are a few exclusions. Namely:

Non-building projects: D.16-08-019 describes NMEC as an approach suitable for existing buildings (a category that excludes industrial or agricultural processes). However, industrial processes with operations and maintenance (O&M) or BRO savings using the NMEC platform to calculate savings must be part of the Strategic Energy Management (SEM) program.² SEM has its own rulesets and requirements, and implementers are selected specifically to participate in SEM. In addition, D.16-08-019 also notes: "With respect to programs in the agricultural sector, we believe there are opportunities to capture maintenance and operational savings and retrocommissioning savings using an existing conditions baseline and NMEC, and we authorize this approach for agriculture." Resolution E-4818 also discusses add-on equipment projects. Implementers interested in proposing applying NMEC approaches for non-building, non-SEM projects should review Resolution E-4818, particularly Table 1.

New construction: is not eligible for NMEC because the platform requires an existing conditions baseline and this is not possible for this segment.

Metering requirements: may make NMEC challenging in certain segments, such as in the public sector and in large facilities such as large universities that may not have building-specific meters. For large projects, it is possible for meters to be installed, but implementers should keep in mind the baseline requirements.

Facilities with co-generation: production data must be available for both the baseline and implementation periods, and the self-generation guidance must still be followed.

Do you anticipate that the NMEC platform should simplify the amount of evaluation that needs to be done?

Evaluations will be tailored to each platform, and since the meter-based platform is new we are awaiting complete guidance from the CPUC. Consistent with best practices developed for programs that claim savings based on energy savings observed at the meter (these include Home Energy Reports, and in the evaluation plans in the Advice Letters approved by the CPUC for PG&E's Residential Pay-for-Performance and On-Bill Finance HOPPs), we anticipate that programs using meter-based platform will be subject to:

- *Ex ante* evaluations to inform PG&E's savings claims (known as "Early M&V"),
- *Ex post* evaluations to verify savings claims (known as "impact evaluations), and
- Process evaluations with the objective of improving program operations.

In the aggregate approach, do implementers need to put together a cohort of projects for PG&E or the CPUC to approve before launching their programs?

No. As described in the [Resource Savings Rulebook](#), the aggregate or population-based approach estimates energy savings by comparing a group of customers participating in a program to a similar

² From D.18-01-004: "We clarify that this SEM program is the only program in which NMEC currently may be used to assess savings in industrial facilities from operations and maintenance (O&M) or behavior, retrocommissioning, and operations (BROs)-type activities."

group of customers that is not participating. We do not expect that prospective implementers will have identified specific projects or customers in the proposal phase, but we expect that proposals will contain information that will allow PG&E to assess the feasibility of execution, uniqueness of the interventions proposed, and their potential to save energy. The Request for Proposals (RFP) will outline the specific materials that will be required, but generally the questions will include:

- What types of customers will your firm target (e.g., for non-residential customers, what sector(s), business size(s), and location(s); for residential customers, premise type(s), building vintage(s) of home, location(s), household income, level of education, etc.)?
- What types of measures are you contemplating, and what are their estimated EULs? (Note that measures may include equipment, behavioral and operational measures.)

In the Meter-Based chapter, why isn't it specified who does the net-to-gross savings calculations?

The net-to-gross ratio (NTGR) is used to estimate and describe the proportion of net program impacts divided by gross (or total) impacts. Commission Staff has the responsibility to perform research on free ridership to estimate the NTG. For site-specific meter-based projects, a narrative and supporting evidence must be provided to document the actions performed by the program that induced the customer to implement the energy efficiency project. This is the same requirement as for documenting program influence in the custom platform.

How does the meter-based platform work with the cost-effectiveness tool (CET)?

As with all the platforms, prospective implementers shall be required to use the CPUC's Cost Effectiveness Tool (CET) to estimate a TRC and PAC for their proposed program. More information will be provided in the RFP, but these costs shall include:

- Full measure cost for each individual measure using an existing conditions baseline (the applicable baseline for all programs eligible for the meter-based platform),
- Administrative, marketing, and direct implementation costs, and
- Incentive and rebate costs.

Will the meter-based platform be just for PG&E, or are you collaborating with other utilities?

The meter-based chapter is a PG&E-developed document produced in collaboration with other IOUs. We hope ultimately to make the rules statewide.

Custom Platform Questions:

If using DEER values already, why would we select custom?

If DEER values are available for your custom project's measures, you must use them. Some DEER resource values are not part of a workpaper/deemed rebate, but appear in DEER because they were developed from past Ex Post evaluations/studies.

Are there examples of when DEER values come into play in a custom project?

If you have a chiller project, you need to use the DEER value with the appropriate building type, if available. In general, if there is DEER data for your measure, but not your building type, check with CIT in an Early Review to understand if you need to adapt the DEER data.

How to manage the different values of energy at different times of usage?

Custom looks at total annual kWh savings, peak kW savings, and annual therms savings. In custom projects, time of use may be considered in simple payback calculations in conjunction. Look to the [Resource Savings Rulebook](#) for discussion on load shape. We haven't explored doing real time load shapes. There is a working group to discuss how the definition of peak kW should be updated, but there is no resolution yet.

Re: reducing grid purchases – is that fuel agnostic?

Look at the rulebook for information on self-generation guidance and note that for each of the CPUC rules there is a reference link to access for more information. In custom projects, we are looking for showing reduction in what is pulling from the grid, not just modified self-generation.

Are we to choose an incentive level that falls into tiers? Or open to anything?

We have proposed tiers, but we are open to proposed incentive levels. Incentives cannot exceed measure costs. Talk to your Program Manager for further guidance.

Will rules for Custom Lite be in the Rulebook?

Currently, no. Custom light is a set of exceptions to the custom rules, and we want to get away from this. In your proposal, be sure to say what your QA/QC will look like, and be clear about how your QA/QC will mitigate the risk of non-compliant projects.

How do M&V and DEER play together?

If measure has DEER house and savings values, there may be no need for M&V. However, DEER doesn't cover all possible technologies and use cases. If you are using DEER, it does reduce the need for M&V, but it's really a case by case evaluations. You may need to true up your M&V plan if using DEER.

Are you coordinating with other IOUs on dispositions and commission feedback?

PG&E's vision is for a statewide approach, but we are not there yet.

Is there CPUC guidance on the \$5K threshold for Custom?

No. This is an operational PG&E number. Remember that in custom there is an opportunity for an exception that may allow an under-threshold project to be approved by CIT.

What is the timeline for application expiration?

Custom ruleset allows for 12-18 months. The Program Manager can allot the project another year and can also ask for an exception. If you know your measure is going to have a 3-year implementation – be upfront about it and something can likely be established to make it work. Create checkpoints within your proposal to account for the timeline.

Financing Platform Questions:

Is there flexibility in “Customer has maintained active PG&E account for previous 24 months”

No.

OBF any chance to pay portion of loan upfront so customer can help pay contractors?

No. OBF does not provide construction financing as this has a different risk profile to the project finance.

Simple payback and terms of loan. What would they see in terms of savings reduction on bill...what they see on their bill....is that calculation on bill reduction or rebate/custom project?

The OBF loan is sized so that it is projected to be bill neutral based on actual projected cost savings for the customer. The projected savings used to size the loan are site specific and not adjusted to a different baseline (i.e. code, industry standard practice). No guarantee of the savings is provided, and no adjustment to the loan term is made once it is set up. The loan is payable however the project performs.

What is the average time from for application to approval?

Our target turn-around time for a payment history screening is two days. Our target turn-around time for a completed application is five days.

What if there is a bundle of measure that include electric in muni territory?

PG&E can only provide loans based on the savings of energy service it supplies. In this case we would only provide a loan for gas measures based on the gas savings.

Is there using alternative pathways in OBF?

The "Alternative Pathway" was the name given to the meter based pathway when it was approved as a High Opportunity project under AB802. Projects are eligible for OBF funding without an incentive. The projected energy savings for the loan sizing are established using the process outlined in the platform document. The savings are claimed as meter-based savings, and will follow the rules established by the meter based platform.

NTG for utilizing the platform?

We had an impact evaluation on OBF which established an improved NTG of 0.1 in comparison to projects that just have rebates. This means that projects that use OBF should have increased net savings in comparison to projects using incentives due to less free-ridership. There is a request in to have the 0.1 OBF adder incorporated into DEER, as soon it is, we will incorporate into platform.

Can customers can do both rebates and OBF?

Yes. Think about cost effectiveness. Think about balance between rebates and financing. Most projects to date incorporate both.

How much impact on cost effectiveness?

TRC cost effectiveness is driven by many factors, however, the most important will be the total energy savings over the lifetime of the measure, and the total cost of the project. Using OBF without incentives may improve the cost-effectiveness of a project vs. a rebate that uses the same platform for reporting, however, the impact will depend on the size of the rebate and the length of the loan.

The 4% fee for OBF will have an impact on TRC since it will go direction to Admin, correct?

The cost assigned for OBF will impact TRC, however, will likely be lower than an equivalent rebate. The OBF cost will be considered and incentive cost not an admin cost.

Does the amount of OBF funding reserved by EE program implementers affect the amount of funding available to customers who are independently applying for OBF (i.e. direct with PG&E)?

The amount of OBF funding you can reserve is not capped, however, there will be a cost allocated to the program for unused funds. To that extent implemented a are best providing the most accurate forecast they can provide, as we will not restrict access to funding if the program goes over the reservation. Funding will not be restricted to customers or programs while there are funds available in the loan pool. Accurate forecasts from program implemented a will help us ensure there is sufficient funding in the loan pool on an annual basis.

State Programs Questions:

Can you provide more information on interest rates?

Interest rates are subsidized through a credit enhancement reducing the lenders risk of loss. This means that customers should be able to find lower interest rate financing through these programs, or more flexible eligibility criteria. Go to gogreenfinancing.com or theCHEEF.com for interest rates we have seen per lender on the residential side. On the commercial side, the programs are not yet launched.

What is the expected approval speed?

The State acts as the hub to bring parties together. Its intended to be a clearinghouse for lenders, contractors and borrowers. The approval speed will be driven by the individual lenders operating in the programs. For the existing residential program, we have seen that approvals have been quick.

Are CCA customers eligible?

Yes.

Will the potential NTG adder for OBF apply here too?

TBD.