

RTR Appendix

Southern California Edison, Pacific Gas and Electric, Southern California Gas, and San Diego Gas and Electric (“Joint Utilities” or “Joint IOUs”) developed Responses to Recommendations (RTR) contained in the evaluation studies of the 2013-2015 Energy Efficiency Program Cycle. This Appendix contains the Responses to Recommendations in the report:

RTR for the PY2013-2014 California Statewide Workforce Education and Training Program: Workforce Conditions Data Investigation (Opinion Dynamics, Calmac ID #CPU0133.01, ED WO #ED_O_WET_2)

The RTR reports demonstrate the Joint Utilities’ plans and activities to incorporate EM&V evaluation recommendations into programs to improve performance and operations, where applicable. The Joint IOUs’ approach is consistent with the 2013-2016 Energy Division-Investor Owned Utility Energy Efficiency Evaluation, Measurement and Verification (EM&V) Plan¹ and CPUC Decision (D.) 07-09-043².

Individual RTR reports consist of a spreadsheet for each evaluation study. Recommendations were copied verbatim from each evaluation’s “Recommendations” section.³ In cases where reports do not contain a section for recommendations, the Joint IOUs attempted to identify recommendations contained within the evaluation. Responses to the recommendations were made on a statewide basis when possible, and when that was not appropriate (e.g., due to utility-specific recommendations), the Joint IOUs responded individually and clearly indicated the authorship of the response.

The Joint IOUs are proud of this opportunity to publicly demonstrate how programs are taking advantage of evaluation recommendations, while providing transparency to stakeholders on the “positive feedback loop” between program design, implementation, and evaluation. This feedback loop can also provide guidance to the evaluation community on the types and structure of recommendations that are most relevant and helpful to program managers. The Joint IOUs believe this feedback will help improve both programs and future evaluation reports.

¹ Page 336, “Within 60 days of public release of a final report, the program administrators will respond in writing to the final report findings and recommendations indicating what action, if any, will be taken as a result of study findings. The IOU responses will be posted on the public document website.” The Plan is available at <http://www.energydataweb.com/cpuc>.

² Attachment 7, page 4, “Within 60 days of public release, program administrators will respond in writing to the final report findings and recommendations indicating what action, if any, will be taken as a result of study findings as they relate to potential changes to the programs. Energy Division can choose to extend the 60 day limit if the administrator presents a compelling case that more time is needed and the delay will not cause any problems in the implementation schedule, and may shorten the time on a case-by-case basis if necessary to avoid delays in the schedule.”

³ Recommendations may have also been made to the CPUC, the CEC, and evaluators. Responses to these recommendations will be made by Energy Division at a later time and posted separately.

Response to Recommendations (RTR) in Impact, Process, and Market Assessment Studies

Study Title: PY2013-2014 California Statewide Workforce Education and Training Program: Workforce Conditions Data Investigation
Program: WE&T
Author: Opinion Dynamics
Calmac ID: CPU0133.01
ED WO: ED_O_WET_2
Link to Report: http://calmac.org/warn_dload.asp?e=0&id=3352

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1	8	Electronic payroll tracking is the best method to acquire the demographic and wage information requested but investment is not justifiable for all energy efficiency programs	Based on this limited investigation, we generally agree with the DVC recommendation that workforce conditions be tracked electronically through certified payroll records or other data tracker applications for programs where the IOUs have a direct contracting relationship with contractors. We believe this is the only way to achieve the true objective of determining the impact of program efforts on job quality or work quality. A statewide approach keeps contractors who work for multiple IOUs from having to input their workforce multiple times. However, such effort requires a long-term strategy and long-term commitment to provide the necessary resources and funding. We do not recommend that the CPUC require that investment unless they have reason to believe that there is a work quality or job quality issue for a specific program	IOUs and CPUC	Accepted	The IOUs agree that electronic tracking of workforce conditions will require a long-term strategy, commitment and significant resources, and acknowledge that there may be other ways of determining the impact of program efforts on job and/or work quality. Furthermore, we agree that no action or investment should be taken unless factual evidence or information demonstrates that a work or job quality issue exists. However, we would add that before additional investment or action is taken, the CPUC should validate the need for this data in lieu of existing federal, state and trade-specific demographic and wage information. Additionally, the CPUC should determine if the benefits to ratepayers exceed the costs.
2	8	Data intensive effort not warranted at this time for programs similar in design to the Home Upgrade and Non-Residential Deemed and Custom Core Programs The Home Upgrade Program requires highly skilled workers who are trained and who are typically paid fair living wages therefore a large data collection effort into wages would likely not show that the program is support low wage/low skill jobs. The Program also offers ongoing training and mentorship for all participating	Based on the complications of acquiring wage and demographic information from contractors outlined in this study and the nature of the program designs we do not recommend that the Home Upgrade Program and Non-Residential Lighting Programs, or other similar programs where the IOU is not in a direct contracting relationship, invest the resources required to collect valid and comprehensive demographics or wages from the participating contractors. We recommend that the CPUC require a statewide effort to gathering wage and	IOUs and CPUC	Accepted	The IOUs agree with the findings and recommendation. In the event that the CPUC has a reasonable concern over a contractor's work quality and/or wage levels, the CPUC should determine feasibility and that the benefits outweigh the costs before the effort is undertaken.

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		contractors. The Core and Deemed lighting programs are difficult in that the programs do not have a set list of participating contractors. Customers are allowed to hire their own contractors for installation. This program is intended as a self-service program for customers who can assess their own measure needs, navigate the application process on their own, and simply want to apply for an incentive. As such, there is no set list of participating contractors and the program does not do any specific training nor does it have training requirements for contractors.	demographic information only if the CPUC has a reasonable concern over the contractors' work quality and/or wage levels in a specific program.			
3	9	Wait until ESA has a good model to follow before requiring other programs to executive a comprehensive approach	We recommend that programs similar to ESA in terms of size (energy savings and budget) and design (direct contracting relationship with contractors) and skill requirements wait to execute a more comprehensive approach to collecting workforce conditions data until the ESA program has successfully accomplished this study and can show the value of it to the CPUC and stakeholders. Once this is complete, then the CPUC may decide to aim this data collection effort to similar ESA programs where job quality and work quality may be of concern such the Small Business Direct Install programs that are known to outsource measure installation to "workers for hire". However, this does not suggest that ESA's approach to data collection can be duplicated for other programs. Using one type of program to learn from may not yield cross-cutting solutions and more precise definitions and pilot testing may be warranted.	IOUs and CPUC	Other	The IOUs agree that the resource programs should wait to execute a more comprehensive approach to collecting workforce conditions data until additional studies or information are available to show the value of it to the CPUC and stakeholders. Further the IOUs agree that the data collection logistics for low-income/ESA programs may not be transferrable to other resource programs since program design and relationship with the contractors are fundamentally different.
4	9	Consider the learnings from this study when determining how to best collect demographic information from ESA contractors or other program contractors in the future	In addition to the lessons learned from ESAP's previous data collection efforts summarized in this report, we offer further lessons learned from this study including: Contractor interviews revealed that employers	IOUs and CPUC	Accepted	The IOUs agree with and will consider these lessons learned and data collection insights, when determining how best to approach data collection efforts.

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			<p>cannot provide valid demographic data of their workforce. Based on the contractors we interviewed, collecting demographic information only from employers about their workers is not possible given their lack of knowledge about their employees' ethnicity, household income levels or disadvantaged status. Data should be collected from each worker within a company instead of asking a company representative to report on all of their workers.</p> <p>The use of subcontractors for the installation of program measures is common in the lighting segment and occurs to some extent among Home Upgrade Program contractors. Contractors do not have the requested information for installers who are not their own employees. As a result, data collection from contractors would not capture the entire installer workforce unless subcontractors are approached as well.</p> <p>Provide a clear and compelling argument for why contractors should provide this information to the state. Both IOU staff and contractors expressed some concerns regarding the collection of sensitive wage and demographic information. They are in general agreement that employees should not be required to provide this information and requested a clear explanation as to why such information is needed and how it would benefit the industry.</p> <p>Use existing government wage data sources as context for program contractor findings. Compare reported wages to government wage data and check that workers participating in the programs are making a living wage or have higher-than-average wages.</p>			
5 a, b, c, d	11-12	Require indirect contracting relationship energy efficiency programs to collect and submit select information at this time (making modifications as	For programs not in a direct contracting relationship, similar to the Residential EUC Home Upgrade and the Deemed and Custom Non-	IOUs and CPUC	Other	The IOUs do not currently have concerns over work or job quality with the programs where IOUs are not in a direct contracting relationship,

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		needed through initial pilot efforts)	<p>Residential Lighting Programs, we recommend that these programs leverage existing data sources and program staff to collect the information that is readily available to them in 2015 (See Table 3 below). This information will help the CPUC to continue to monitor the training, work and job quality of contractors supporting these programs and to determine if further data collection is necessary.</p> <p>5a.</p> <ul style="list-style-type: none"> · Workforce condition data: Number of inspection failures and types of failures · What: The percentage of inspections that fail due to installation quality issues and the reasons for failure · Why: Determine if program has an installation quality concern · Recommendation: Collect through implementation QA/QC process throughout 2015; provide to the CPUC at end of 2015 <p>5b.</p> <ul style="list-style-type: none"> · Workforce condition data: Level and type of utilities' training and screening · What: Description of the screening the program does to allow contractors to participate; description of the training/ skills required for contractors to participate; description of the training that the program provides to participating contractors · Why: Determine if level and type of training/screening is sufficient to support the technologies incented by the program · Recommendation: Program staff description provided to the CPUC at end of 2015 <p>5c.</p> <ul style="list-style-type: none"> · Workforce condition data: Customer feedback for these contractors, positive and negative, · What: Customer satisfaction scores with 			<p>and agree that an investment in data collection efforts should be made only where there is a concern over work or job quality. However, in response to this recommendation, and in consultation with Energy Division, the IOUs will provide 2015 data that is available and readily accessible for the selected residential and non-residential program areas listed below as an initial effort. The IOUs will be prepared to provide this data, upon data request, to the CPUC.</p> <p>Residential program areas:</p> <ul style="list-style-type: none"> · PG&E, SCE and SDG&E: Pool Pumps, · SoCalGas: Clothes Washers. <p>Non-Residential program areas:</p> <ul style="list-style-type: none"> · PG&E: Non-Res Energy Smart Grocer, · SCE: Non-Res Express, · SDG&E: Commercial EEER Lighting, · SoCalGas: Non-Res Boilers

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			<p>contractors' performance overall and the quality of the work performed; open-ended responses for why customers are not satisfied</p> <ul style="list-style-type: none"> · Why: Informs whether the program needs to give contractors more training or needs a new requirement · Recommendation: Process and impact surveys in 2015; provide to the CPUC at end of 2015 <p>Sd.</p> <ul style="list-style-type: none"> · Workforce condition data: The utilities' assessment of any other needs of the existing workforce, · What: Program description of any workforce needs to support the program technologies; program staff assessment of whether the participating contractor pool is sufficient to meet program goals; program description of how they determine the number of contractors needed to fulfill program goals, · Why: Informs whether the program needs to give contractors more training or needs a new requirement, · Recommendation: Program staff description provided to the CPUC at end of 2015 			
6	13	<p>Notably, there is some preliminary work that needs to be done before the IOUs can execute on the directive to begin collecting and reporting upon the number of inspection failures and the types of inspection failures for the EUC and Core Lighting Programs. See Section 4.2 for more detail.</p>	<p>The IOUs need help to standardize the definition of work quality across the IOUs and the coding of inspection failures</p>	IOUs and CPUC	Accepted	<p>The IOUs agree and recognize the challenge of standardizing the definition of work quality and coding of inspection failures. The IOUs are willing to work with Energy Division using the initial data collection effort described in the above response to Item #5 as the starting place for this effort. The IOUs are open to collaborating with necessary stakeholders in this effort, and acknowledge that more exploration is needed to uncover any potential challenges associated with these activities including increase to program cost. The IOUs welcome a discussion with the CPUC on the best approach to move forward with this recommendation.</p>

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7	13	Notably, the IOUs raised an administrative challenge in response to receiving the draft results from this study. The WE&T program began as a program that included the IOU Energy Center education efforts and K-12 education programs. However, policy decisions and the strategic plan now goes beyond just these two efforts and has evolved into a cross-cutting topic across all energy efficiency programs. This presents an administrative challenge amongst the IOUs because the IOU WE&T Program Team must now also be responsible for coordination and facilitating workforce concerns across the entire program portfolio.	An administrative challenge amongst the IOUs needs to be addressed for WE&T	All IOUs	Accepted	The IOUs agree with the findings that these issues are not core WE&T activities, and recognize the ongoing coordination and facilitation challenges for the WE&T Program Team. Nevertheless, the IOUs are diligently addressing all cross-cutting program issues within our program administrative responsibilities that are addressed in both Commission policy decisions and the strategic plan. The IOUs look forward to collaborating with necessary stakeholders to determine the best course of action moving forward.