

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 PY2015 California Statewide On-Bill Finance (Opinion Dynamics, Calmac ID #CPU0181.01, ED WO #ED_O_FIN_10)

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: PY2015 California Statewide On-Bill Finance
Program: OBF
Author: Opinion Dynamics
Calmac ID: CPU0181.01
ED WO: ED_O_FIN_10
Link to Report: http://calmac.org/publications/PY2015_On-Bill_Finance_Impact_Evaluation_FINAL.pdf

Item #	Findings	Best Practice / Recommendations (Verbatim from Final Report)	Recommendation Recipient	Disposition	Disposition Notes
			If incorrect, please indicate and redirect in notes.	Choose: Accepted, Rejected, or Other	Examples: Describe specific program change, give reason for rejection, or indicate that it's under further review.
1	OBF claims are represented in proportion (or in slightly greater proportion) to their representation in statewide claims. However, their absolute representation in impact verification studies is low.	We recommend conducting an OBF-specific gross impact analysis—to ascertain that there are no systematic differences in GRRs between OBF and non-OBF projects—only if the PAs are going to claim OBF-specific savings.	All IOUs	Other	The IOUs support the recommendation and believe this is a useful analysis to conduct. However, given that the CPUC is responsible for conducting these types of evaluations, this item should be redirected to the CPUC.
2	Claims-tracked incentive projects and OBF loans do not always occur in the same program year, due to OBF program features. This evaluation, as well as the PY2013/14 OBF evaluation, only included loans that occurred in the same evaluation period as the associated claims.	The PAs should account for the difference in program years when determining how savings from OBF projects might be claimed in the future.	All IOUs	Accepted	The IOUs support the recommendation and recognize the challenges with savings claims for rebate and incentive programs versus OBF project completion. When a project receives both rebate/incentive payments and an OBF loan, the rebates/incentives may be paid in a different quarter or program year than when the OBF loan is disbursed. This is because the OBF loan is only paid once all the documentation is received and all rebates/incentives are paid. This feature of the program is intended to protect ratepayer funds and ensure compliance with program terms and conditions. Reporting requirements must also be taken into consideration as well (e.g. reporting installed projects in the year in which they are installed). As such, the IOUs recommend that this item not only be directed to and discussed by the IOUs, but the CPUC as well to ensure that reporting requirements adequately address concerns.
		In future impact evaluations, the evaluator, PAs, and the CPUC should establish clear guidelines for analyzing multi-year OBF projects.	All IOUs and CPUC	Accepted	The IOUs support the recommendation and will work with the CPUC in developing clear guidelines. The IOUs recognize that the CPUC would retain authority to make final decisions about how such projects are evaluated.
3	To achieve bill neutrality for OBF loans, the PAs currently develop OBF-specific savings for OBF-financed projects. These OBF-specific savings are based on existing equipment baselines and are often higher than Claims-tracked savings.	PAs should begin to track the incentive program ex ante Claims savings in their OBF databases (in addition to the OBF-specific savings).	All IOUs	Accepted	The IOUs are broadly supportive of the recommendation. The IOUs agree that OBF project and related claims data should be readily available, and that the IOUs should be able to link the data for internal purposes and provide it in a usable format to third-party evaluators upon request. However, consideration should be given to technical challenges with tracking both ex-ante savings and OBF specific savings based on current system design limitations. The IOUs do not anticipate system

					changes and any system change would be made at the discretion of the IOUs.
4	Our research shows that the OBF loan and the incentive are both important in customers' decisions to implement high-efficiency projects. However, our research was not designed to provide recommendations to the PAs with respect to future program designs.	The PAs should move forward with efforts to pilot (and evaluate) alternative loan-incentive structures, as already directed by the Commission.	All IOUs	Accepted	The IOUs support the recommendation and are currently in the process of implementing program design and/or incentive payout changes consistent with the 2013-14 Guidance Decision. Separate from OBF, there are Energy Efficiency Financing Pilots that are concurrently being designed and implemented that will provide information on alternative financing programs (D.13-09-044).
5	The net impact and incremental net impact analyses combine PY2015/16 OBF-evaluated results with PY2015 incentive program results. This is technically incorrect but was necessary since (1) the incentive program evaluations for PY2016 have not been completed and (2) sample sizes for the OBF NTGR analysis are not sufficient to report separate results for PY2015 and PY2016.	Conduct additional analysis to determine combined PY2015/16 OBF gross and net impacts, as well as incremental net impacts, once the PY2016 incentive program evaluations have been completed.	CPUC		