

## RTR Appendix

Southern California Gas Company (SoCalGas) developed Responses to Recommendations (RTR) contained in the evaluation studies of the 2013-2015 Energy Efficiency Program Cycle and beyond. This Appendix contains the Responses to Recommendations in the report:

***RTR for the PY 2019 - 2021 Population-Based NMEC*** (DNV GL, Calmac ID #CPU0365.01)

The RTR reports demonstrate SoCalGas' plans and activities to incorporate EM&V evaluation recommendations into programs to improve performance and operations, where applicable. SoCalGas' approach is consistent with the CPUC Decision (D.) 07-09-043<sup>1</sup> and the Energy Division-Investor Owned Utility Energy Efficiency Evaluation, Measurement and Verification (EM&V) Plan<sup>2</sup> for 2013 and beyond.

Individual RTR reports consist of a spreadsheet for each evaluation study. Recommendations were copied verbatim from each evaluation's "Recommendations" section.<sup>3</sup> In cases where reports do not contain a section for recommendations, the SoCalGas 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), SoCalGas 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.

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<sup>1</sup> 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."

<sup>2</sup> 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>.

<sup>3</sup> 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  
SCG Response**

**Study Title:** Population-Based NMEC - Program Years 2019 – 2021 – Impact Evaluation  
**Program:**  
**Author:** DNV  
**Calmac ID:** CPU0365.01  
**ED WO:** (Year 5-KEMA Inc.) Year 5 Group A  
**Link to Report:** [Population-Based NMEC - Program Years 2019 – 2021 – Impact Evaluation](#)

<b>MANAGEMENT APPROVAL AFTER REVIEWING ALL IOU RESPONSES</b>		
	Name	Date
SCG EE Programs	Darren Hanway	9/4/2024
SCG RP&R	Roy Christian	9/6/2024

Item #	Sec. #	Findings	Best Practice / Recommendations (Verbatim from Final Report)	Recommendation Recipient	Disposition	SCG 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	5	Despite the relative newness of population NMEC programs, impact results provide evidence of the potential of the approach. Clarify necessary steps to take population NMEC to the next level.	Require up-to-date program implementation plans, program M&V plans, and final M&V reports prior to evaluation.		Accepted	SoCalGas accepts this recommendation.
2	5	Despite the relative newness of population NMEC programs, impact results provide evidence of the potential of the approach. Clarify necessary steps to take population NMEC to the next level.	Require timely savings claims in CEDARS consistent with internal M&V results.		Other	Program savings went through extensive review for this pilot and uploading to CEDARS on a particular day monthly was not always possible.
3	5	Despite the relative newness of population NMEC programs, impact results provide evidence of the potential of the approach. Clarify necessary steps to take population NMEC to the next level.	Require a package of internal M&V code and data documented to make evaluator replication straightforward.		Accepted	SoCalGas accepts this recommendation and suggests referencing the open-source code base (e.g. OpenEEmeter on Github) used for executing the program M&V plan, not just methods. Methods alone do not offer sufficient detail for replication, and the open-source code provides evidence of compliance with the stated method.
4	5	Despite the relative newness of population NMEC programs, impact results provide evidence of the potential of the approach. Clarify necessary steps to take population NMEC to the next level.	Offer more explicit guidance on eligibility requirements, for example, no addition of solar generation during the program period.		Accepted	SoCalGas accepts this recommendation and notes that as a DI program, the vendor provided the customer with all program requirements.
5	5	Explore and address possible risks in the NMEC process to ensure reliable and vibrant NMEC programs going forward.	Rules and the application of rules need to continually evolve to address challenges related to the precision of savings estimates and the potential for misuse of NMEC methods.		Accepted	SoCalGas and its third party (3P) implementors will use the NMEC Rulebook for the methods and protocols for Measurements & Verification including IPMVP, CalTrack, and OpenEE Meter to make sure saving calculation is precise and there is no misuse of NMEC methods.
6	5	Explore and address possible risks in the NMEC process to ensure reliable and vibrant NMEC programs going forward.	The suitability of NMEC hourly savings for the application of avoided cost shapes for 2024 needs to be fully vetted.		Accepted	During a small fraction of individual hours, the CPUC's electric avoided cost calculator (ACC) exhibits large price spikes that result from a simulation of future grid conditions but does not correspond to actual expected events.  When population NMEC programs are measured hourly, statistical noise in the savings results can have an undue influence on a portfolio's TSB, depending on how that noise aligns with the ACC spikes. Whether this noise aligns positively or negatively with the ACC price spikes is a matter of chance and does not reflect the underlying performance of a portfolio.  Retaining the correspondence between TSB, aggregator payment, and the meter-based measurement is critical for the grid relevance of popu-

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						<p>lation NMEC programs and enabling incentive alignment. When aggregators are rewarded for maximizing the value of their measured savings, they will optimize their offerings and recruitment strategies.</p> <p>The solution is smoothing avoided cost values in which “spiking” components are averaged and distributed across relevant time periods. This step also increases the likelihood that a meter-based TSB calculation will align well with the CPUC Cost-Effectiveness Tool, where only limited savings load shapes are available.</p> <p>For these reasons, Recurve implements a smoothing algorithm when calculating aggregator payments and TSB for Market Access programs, the details of which can be shared as needed. This procedure mitigates risk, retains the benefits and validity of the meter-based measurement, and is appropriate given the ACC’s nature as a simulation instead of a genuine hourly forecast.</p> <p>Actual savings, GHG, and TSB should all be reportable to the CPUC without manipulations to deemed load shapes that distort the value delivered. Tools like FLEXvalue should be authorized and integrated into the CET to solve this problem as anticipated by the Commission.</p>
7	5	Program effectiveness. In general, the P4P programs appear to have delivered notable savings, particularly in light of recent evaluations that indicate lower savings achieved by similar non-P4P programs. Part of their success seems to be due to the more effective targeting of participants likely to maximize savings.	Despite the evident success, customer feedback indicates room for improvement in targeting messages to what is present at a participant’s home and what the customer is willing to invest.		Accepted	SoCalGas accepts this recommendation and agrees that the customer should be kept informed.