

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 Model Assessment and Process Evaluation of Southern California Edison’s Energy Leader Partnership Model (Research Into Action, Calmac ID #SCE0398.00)

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: Model Assessment and Process Evaluation of Southern California Edison’s Energy Leader Partnership Model
Program: ELP
Author: Research Into Action
Calmac ID: SCE0398.00
ED WO:
Link to Report: http://www.calmac.org/publications/ELP_Final_Report_011817.pdf

Item #	Page #	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	52-53	<p>Local governments described how the tiered model motivated them to do energy efficiency projects and, through their project engagement, built their capacity to do future energy efficiency work. Key motivational components of the tiered model include the increased incentives available after tier advancement, the spurring of competition between local governments, and the public recognition of energy efficiency accomplishments. Once motivated, local governments conduct energy efficiency projects and build internal support and expertise, which translates into human and technical resources. Regular communication with the IOU partnership manager and with other member local governments sustains a network of resources for local governments to share best practices, identify contractors, and generate ideas for new projects. Through active participation in the ELP program, government staff learn what resources are necessary to conduct energy efficiency projects and how to obtain them, whether from inside or outside the government, supporting <i>Strategic Plan</i> Goal 5 of developing in-house energy efficiency expertise.</p> <p>In addition, the technical expertise provided through technical assistance contractors assists the local governments with conducting comprehensive audits, identifying opportunities, selecting equipment, and completing rebate applications. Their support reduces some burden on government staff, which may increase staff’s likelihood to support</p>	<p>We recommend that SCE maintain the ELP model, refine it as suggested below, and reassess it periodically through subsequent evaluations.</p>	SCE	Accepted	SCE will continue with the ELP model and is constantly looking to improve the model to drive greater EE savings both within Local Government facilities and the communities they serve.

		<p>partnership activities. Local governments use and value ELP-provided technical assistance.</p> <p>Conclusion: The ELP model is a viable strategy for increasing local government capacity for municipal retrofits actions and Energy Action Plan development. The tiered model motivates local governments to do municipal retrofits projects and complete Energy Action Plans. By conducting these activities, local government staff gain in-house expertise and knowledge of efficiency opportunities and benefits, and learn how to access necessary support when needed expertise does not exist in-house. As discussed in a subsequent conclusion, the tier advancement requirements do not appear to motivate strategic plan activity beyond Energy Action Plans, nor to motivate core program coordination activity.</p>				
2	53-54	<p>Local government representatives and IOU partnership managers provided little evidence that ELP motivates strategic plan activity beyond Energy Action Plans or motivates core program coordination activity. Some local governments reported some tier advancement requirements are unclear or seemingly unrealistic. Local governments described the progression of Energy Action Plan activity necessary for tier advancement as unclear. Partnership managers noted that they are not allowed to use discretion when deciding on local government tier advancement and described inflexible criteria in a “one-size-fits-all” format. Challenges to meeting specific tier advancement criteria included:</p>	<p>If achieving strategic plan and core program coordination objectives is equally important to SCE as is achieving municipal retrofits objectives, consider revising tier advancement criteria to provide increased motivation for a broader set of strategic plan and core program coordination activities.</p>	SCE	Accepted	<p>To encourage broader strategic plan activities, SCE has recently revised the ELP model to include more Strategic Plan offerings as a means of advancing tiers. The new criteria includes GHG inventory and Energy Benchmarking for Silver level achievement. Additionally, the new Gold and Platinum levels now contain the option of adopting an Energy Efficiency Revolving Fund to qualify for advancement.</p> <p>Strategic Plan funding is now a tiered benefit to align with tier level advancement. Value partners can apply for energy benchmarking or GHG inventories, silver partners can apply for any Strategic Plan codes, policies, procedures in the approved SP menu, and gold or platinum partners can apply for novel Strategic Plan tasks.</p>
3		<ul style="list-style-type: none"> • Having enough municipal facilities to complete municipal retrofits projects and reduce energy consumption sufficiently to advance to the next tier. • Identifying enough eligible facilities to enroll in demand response programs, particularly the 50% of facilities as required to reach platinum. 	<p>Consider allowing a local government with limited municipal facilities to leverage other energy efficiency actions for tier advancement, such as enhanced core program coordination efforts. Enable the IOU partnership managers to use discretion in tier advancement, supported by strong documentation of local government achievements garnering the advancement.</p>	SCE	Other	<p>SCE has increased the available options for municipal facility retrofits to count towards tier level advancement. Last year, SCE began counting Direct Install towards a partner’s required EE savings. SCE is also exploring the opportunity to count savings from Midstream programs toward the municipal facility savings. However, municipal savings is the key driver of program cost-effectiveness and will therefore remain a requirement for tier level advancement.</p>
4		<ul style="list-style-type: none"> • Local government funding to implement the entire Energy Action Plan as required to reach platinum. • Having enough municipal facilities in which to conduct core program coordination events and not repeating community menu items, which SCE partnership managers reported SCE prohibits. <p>Conclusions: The tier advancement requirements do not appear to motivate strategic plan activity</p>	<p>Work one-on-one with local governments to identify the facilities eligible to enroll in demand response programs and use discretion to decide whether it is feasible for the local government to ultimately enroll 50% of their eligible facilities in demand response programs.</p>	SCE	Other	<p>SCE has recently revised the ELP model to make enrollment in Demand Response an option instead of a requirement for advancing tiers. Partners must now choose to complete 2 of a range IDSM tasks (Strategic Plan, Marketing and Outreach, Demand Response, etc.) to advance instead of the prior mandatory requirements. Additionally, SCE changed the DR enrollment criteria to 10% for Gold and 20% for Platinum. SCE will continue to work with partners to assist with Demand Response, however it is no longer a requirement for advancement.</p>

		beyond Energy Action Plans, nor to motivate core program coordination activity. In addition, governments' building stocks vary and thus local governments face differing opportunities for energy efficiency actions. Partnership managers observed that local governments with small populations and few municipal facilities can become discouraged as they try to meet tier advancement criteria, in part because the criteria are inflexible. Having limited municipal facilities also presents obstacles for local governments as they attempt to meet demand response and community engagement requirements.				
5	54	One area in which local governments reported challenges and lacked in-house capacity was in completing rebate applications: about half of local government representatives reported challenges associated with what they described as a detailed and time-consuming rebate application process and paperwork. Removal of measures from the eligible measures list also frustrated some local governments as they sought to complete rebate applications. Local governments rely on the assistance of IOU partnership managers, technical assistance contractors, and rebate program staff to ensure forms are filled out correctly. Both local government representatives and IOU partnership managers reported that measure incentives frequently change, a situation that is both challenging and frustrating to all parties. Conclusion: The rebate application paperwork taxes local government internal resources.	Assess rebate applications and supporting requirements to identify opportunities to make them more readily understood by local governments and easier to complete.	SCE	Accepted	SCE is always looking for ways to improve the rebate application process. For example, SCE worked with Local Governments and Customer Authorized Agents (CAAs) to streamline the process for streetlight applications. SCE is exploring opportunities to improve the customized process, improve communications processes, and provide local government perspective for policy and procedure changes. Lastly, SCE provides technical assistance and Account Manager support project calculations and application submittal.
6			Encourage IOU partnership managers to offer local governments ongoing rebate application support with the goal of eliminating submission errors, which delay local governments' receipt of payments.	SCE	Accepted	SCE continues to provide local governments with support for rebate applications. SCE BCD Account Managers are available to assist partners with project submissions. Additionally, in 2017 SCE is instituting new processes for up front review of applications with the goal of eliminating project application errors.
7			Improve the system notifying local governments and implementing organizations of changes to the measure eligibility list by notifying affected agencies as soon as the changes are finalized.	SCE	Accepted	SCE Public Sector EE Programs have begun sending out program and policy changes to partners via the energyefficiencypartnerships@sce.com email. SCE is also looking into ways to improve the process for notifying affected parties of potential measure eligibility changes.
8	54-55	Local governments described how ELP participation contributes to their development as energy efficiency leaders in their communities by rendering energy efficiency actions visible. The program accomplishes this in multiple ways: <ul style="list-style-type: none"> • Municipal retrofit projects display the benefits and impacts of a local government's energy efficiency work. Local governments reported positive feedback from library patrons and other constituents following retrofits, particularly lighting retrofits. • Core program coordination efforts enable the local government to be a credible messenger, promoting energy efficiency work to the broader community. Demonstrating that the local 	The other California IOUs should consider whether this study's findings suggest the tiered model offers elements appropriate for their programs.	All IOUs except SCE	Accept	All IOUs have been in discussion about the value and feasibility of offering tiered government partnership programs.

		<p>government has done similar work allows for more effective messaging when speaking with residences and businesses.</p> <ul style="list-style-type: none"> • Tier advancement celebrations provide a public relations opportunity for governments to highlight their energy efficiency achievements. Local governments particularly valued the public recognition component of tier advancement celebrations, which remind city council of how government staff are being good energy stewards and allow council to take credit for their part, which is usually allocation of funds. • Close alignment of ELP criteria with the Statewide Energy Efficiency Collaborative Beacon Award criteria facilitates state-level recognition of local government accomplishments. <p>Conclusion: The ELP tiered model makes local governments' energy efficiency actions visible to other local governments and to constituents, helping fulfill the "lead by example" goal of the ELP program. Public recognition and increased incentives are strong motivators for local governments.</p> <p>Conclusion: The ELP tiered model appears worthy of consideration by the other IOUs. The scope of this study did not include an examination of the other IOU program designs; thus, we are unable to conclude whether the model is appropriate to extend statewide, but we did not find any evidence to the contrary. Nor did we find evidence suggesting any ELP program elements should be discontinued.</p>				
9	55-56	<p>Local governments reported having more in-house capacity to perform core program coordination than they do municipal retrofits or strategic plan activities. Appropriately, local governments use technical experts most frequently for municipal retrofits projects, sometimes for strategic plan projects, and apparently not at all for core program coordination projects. We found that participating local governments had more in-house resources (government staff) and external resources (available through the ELP program or from other organizations, such as regional energy networks) to draw on than nonparticipating local governments, and that among participants, higher-tier governments appeared to have more in-house capacity for municipal retrofits projects than lower-tier governments.</p> <p>Local government internal staff support for ELP ac-</p>	<p>Given finite program resources, we recommend SCE develop a process for removing inactive local governments from the program and using the freed-up resources to bring in new local governments. SCE should consider instating a probationary period for local governments for which program participation has gone stagnant. For example, if a local government has not conducted any municipal retrofits, strategic plan, or core program coordination activities (activities as in any component of a project; not necessarily the entire project) for at least two quarterly reporting cycles, perhaps they should be placed on probationary status. If their inactivity persists for an additional two reporting cycles, perhaps they should be suspended from the partnership. Resources previously earmarked for, or used to follow up with, the stalled local govern-</p>	SCE	Accepted	<p>SCE is actively exploring the opportunity to modify the ELP model to develop a minimum requirement of activity to maintain partner status. This new requirement would include a probationary period (length TBD) followed by a suspension of their partner status.</p> <p>SCE will also work with the other IOUs to discuss adding this as a criteria in a potential statewide tiered government partnership model.</p>

	<p>tivities, from both departmental staff and leaders such as city council members, along with someone to serve as a liaison across multiple departments, is associated with local government success. Local governments that lack funds, staff commitment, and staff time are least able to complete activities and make use of program support, limiting their tier advancement and performance in the program. A lack of staff time was the most frequently cited reason for slowed program activity and limited municipal budgets was the most common reason reported for not completing an energy efficiency projects that a local government had already identified. IOU partnership managers indicated that local governments with limited municipal facilities had difficulty meeting some tier advancement requirements and could get discouraged, leading them to disengage from the program.</p> <p>Even with fewer resources to draw on, nonparticipating local governments nonetheless reported undertaking energy efficiency activities, though typically to a lesser degree than reported by most of the participating local governments.⁴⁸ Program awareness varied among the nonparticipating local governments, with the most informed reportedly having investigated participation.</p> <p>Conclusions: Many local governments, both participating and nonparticipating, appear to have the capacity to make use of program support and incentives to accomplish energy efficiency. Their level of program activity is likely to vary over time as they manage their internal staff and financial resources. Local government organizational support is key to program accomplishments, while lack of such support, limited staff time, budget constraints, and limited eligible facilities undermines a local governments' ability to effectively participate. Interest in the program and energy efficiency activity exists among nonparticipating local governments.</p>	<p>ments could be dedicated to incorporating new local governments into the ELP program.</p> <p>This recommendation is consistent with a practice common among custom incentive programs in which the utility commits to providing the incentive for the approved project on the condition that the project is completed within a specified period. Should SCE adopt this recommendation, it should ensure all local governments in the ELP program are aware of this change prior to its implementation.</p> <p>While we believe that a probationary policy might make the best use of SCE's limited ELP resources, we recommend that SCE carefully design such a policy to best support local governments and the aims of the ELP. For example, we would encourage program managers to confer with local governments during any probationary periods to identify whether additional program support, or the support of other organizations such as the regional energy network, might induce the governments to take actions. Such conversations should ensure that all local governments are treated fairly; this study notes that governments differ in their retrofit and demand response opportunities. Finally, it may be prudent to allow exceptions to any probationary policy for local governments in extenuating circumstances, such as significant financial hardship or other setbacks.</p>			
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