

RTR Appendix

San Diego Gas and Electric 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 Comfortably California HVAC Statewide Third-Party Program Evaluation, Program Year 2021 (DNV, Calmac ID # CPU0358.01)

The RTR reports demonstrate SDG&Es' plans and activities to incorporate EM&V evaluation recommendations into programs to improve performance and operations, where applicable. SDG&E's approach is consistent with the CPUC Decision (D.) 07-09-043¹ and the Energy Division-Investor Owned Utility Energy Efficiency Evaluation, Measurement and Verification (EM&V) Plan² 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.³ In cases where reports do not contain a section for recommendations, the SDG&E's 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 SDG&E's 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. SDG&E believes this feedback will help improve both programs and future evaluation reports.

¹ 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."

² 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>.

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: Comfortably California HVAC Statewide Third-Party Program Evaluation, Program Year 2021
Program: Comfortably California
Author: DNV
Calmac ID: CPU0358.01
Link to Report: https://www.calmac.org/publications/PY_2021_Statewide_Third_Party_Programs_Evaluation_-_Comfortably_California_HVAC_FINAL.pdf

MANAGEMENT APPROVAL AFTER REVIEWING ALL IOU RESPONSES		
Name		Date
SDG&E	<i>Kelvin Valenzuela</i>	3/21/24

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	73	Low program NTGR due to low incentive amounts and contractor program awareness. The program achieved an NTGR of 4%, meaning the program had very little influence on the sale of high efficiency HVAC equipment among distributors and contractors. Key drivers of the low NTGR include low incentive amounts relative to the cost of the equipment and low levels of program awareness among contractors who are key market actors in terms of being in a position to recommend program incentivized equipment to end users.	The PAs should consider changing the current Comfortably California HVAC midstream program design. This could be done as part of the new process directed in the Bus Plan decision to assess the portfolio composition of statewide programs	SDG&E	Rejected	Ordering Paragraph (OP) 8 of Decision (D.) 16-08-019 and Section 4.9.2 (at 62-63) provided the list of required upstream/midstream statewide programs, one of which is the Statewide HVAC program for both residential and commercial, which is to be part of the third-party program offerings. Within the same decision, OP 10 defines a "third-party program" as a program "proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator ("PA")." Therefore, the recommendation for the PA to change the current third-party implemented program design would be out of compliance with (D.) 16-08-019. The reference to assess the portfolio composition of statewide programs refers to a suggestion from SCE within their application and the Commission responded by requesting that all PAs coordinate among themselves and propose an assessment process that can be considered with the portfolio applications to be filed in 2026 for the program portfolio beginning in 2028. Therefore, a program design adjustment is not feasible in the near term and not without Commission direction to change the statewide program delivery channel.
2	74	PY 2021 was difficult to evaluate due to incomplete end user data. The program in PY 2021 was especially challenging to evaluate. While implementers did not record end user contact information, they also did not collect addresses where program installations occurred. The evaluation team could only verify equipment sales and installation of equipment indirectly	Going forward, always collect installation addresses and end user contact information to facilitate internal program verification and evaluation verification efforts.	SDG&E	Accepted	The program adopted this recommendation in program year 2022. The program now captures the following data fields for both the HVAC Installation Contractor and the End-Use Customer: <ul style="list-style-type: none"> • Business Name for the HVAC contractor and/or End-Use Customer (when applicable) • First and Last Name (for both HVAC Installation Contractor and End-Use Customer)

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		through phone surveys with contractors.				<ul style="list-style-type: none"> The complete Address (for both HVAC Installation Contractor and End-Use Customer) E-Mail Address (for both HVAC Installation Contractor and End-Use Customer) Phone Number (for both HVAC Installation Contractor and End-Use Customer)
3	74	Implementers failed to follow quality assurance (QA) plan which led to additional data processing outside of QA protocol. The program implementers failed to follow their own quality assurance plan, which stipulated that a minimum of 10% of sites - where program incentivized equipment was installed - must be verified. The quality assurance plan also stated that end user email addresses and phone numbers needed to be collected. The distributor sales reporting sheet listed end user address and contact information as optional, which was in direct conflict with the quality assurance plan.	Inspect a minimum of 10% of sites using a combination of in-person and virtual visits across a representative sample of sites.	SDG&E	Accepted	The program adopted this recommendation in program year 2022. The program now performs virtual inspections for each of its partners that submit enrollments to be incentivized. The program implementer inspects 10% (calculated annually) of each partner's annual volume. For the program a "partner" is identified as a distributor, manufacturer, or retailer organization who has an executed agreement with the program implementer and has submitted enrollments for incentive claims.
4	75	Distributors were most satisfied with program outreach but least satisfied with incentives and application processes. Distributors were most satisfied with their interactions with program staff and program training and least satisfied with the incentive amounts provided by the program and the application process for receiving reimbursement.	The program should reassess the incentive amounts paid to distributors and consider increasing incentive amounts to a minimum of 65% of the measure's incremental cost. We recommend updating the base case and measure case cost assumptions to current market costs.	SDG&E	Accepted	Since program year 2021, the program has increased the incentives it pays to participating distributors to offset the increased costs for providing the additional data the program requires. Increases to incentives must be balanced with the emphasis to achieve a cost-effective program but are consistently evaluated each program year. Additionally, in 2021, SDG&E collaborated with CPUC staff and stakeholders by conducting an extensive Industry Standard Practice Study (ISP) and Market Study that included recommendations for updating measure case costs.
5	75	HE equipment cost was largest barrier to adoption. Distributors and contractors reported that the 'higher cost of energy efficiency HVAC equipment' is the largest barrier to adoption.	The program should reassess the incentive amounts paid to distributors and consider increasing incentive amounts to a minimum of 65% of the measure's incremental cost. We recommend updating the base case and measure case cost assumptions to current market costs.	SDG&E	Accepted	Since program year 2021, the program has increased the incentives it pays to participating distributors to offset the increased costs for providing the additional data the program requires. Increases to incentives must be balanced with the emphasis to achieve a cost-effective program but are consistently evaluated each program year. Additionally, in 2021, SDG&E collaborated with CPUC staff and stakeholders by conducting an extensive Industry Standard Practice Study (ISP) and Market Study that included recommendations for updating measure case costs.
6	75	Average program incentives were 15% of incremental measure costs. The average incentive paid to program distributors is only 15% of the incremental measure costs. Most of	The program should reassess the incentive amounts paid to distributors and consider increasing incentive amounts to a minimum of 65% of the measure's incremental cost. We recommend	SDG&E	Accepted	Since program year 2021, the program has increased the incentives it pays to participating distributors to offset the increased costs for providing the additional data the program requires. Increases to incentives must be balanced with the

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		the measure cost amounts were sourced from outdated studies, most of which are at least five years old.	updating the base case and measure case cost assumptions to current market costs.			emphasis to achieve a cost-effective program but are consistently evaluated each program year. Additionally, in 2021, SDG&E collaborated with CPUC staff and stakeholders by conducting an extensive Industry Standard Practice Study (ISP) and Market Study that included recommendations for updating measure case costs.
7	76	Contractor program awareness and satisfaction were very low. More than half of the contractors were unaware of the program. Those contractors who were aware of the program were less than satisfied with the program training and marketing and outreach.	Program implementers should market the program, provide training, and conduct outreach efforts specifically targeted at contractors who work with participating distributors. Implementers should leave program materials with participating distributors to give to any contractor they work with who might participate in the program. Implementers should also develop a list of contractors with their contact information and conduct regular outreach with information about the program via email. The program should provide in-person or virtual trainings designed specifically for contractors to learn more about the program at least once per quarter	SDG&E	Accepted	When the program relaunched in 2022, and as a continuing practice, there have been significant adjustments that the implementer instituted. One such adjustment is the targeted focus on HVAC contractor engagement, trainings, and communication, which has been addressed in the following ways: <ul style="list-style-type: none"> The implementer created a dedicated contractor webpage linked directly from the main program webpage to better inform contractors regarding participating distributors and qualifying products for the program. The implementer's designated sub-contracted training partner facilitated classroom trainings for contractors: <ul style="list-style-type: none"> 4 classroom sessions with an industry expert training partner (in 2022) 6 classroom sessions with an industry expert training partner (in 2023) 3 web-based sessions with an industry expert training partner (in 2023) The implementer also has a dedicated field team that routinely performs outreach efforts, such as: <ul style="list-style-type: none"> Attending industry-focused events: <ul style="list-style-type: none"> Distributor counter days, open houses, etc. Trade show events, such as the annual Institute of Heating and Air Conditioning Industries (IHACI) Trade Show. <ul style="list-style-type: none"> During the annual IHACI trade show, the implementer hosts a contractor training session. Executing a direct outreach campaign annually that targets contractors Utilizing the IHACI Monthly Newsletter (Indoor Comfort News).
8	77	CEDARS data was inconsistent with reported claims for building vintage. CEDARS data shows building vintage conflicts between existing and new construction. For 84% of claims the	Going forward, always collect and document the installation addresses for each claim. When validating claims, confirm the building at the address is an existing or newly constructed building	SDG&E	Accepted	Since program year 2022, the program has collected the data fields detailed above in the response to item #2. As part of its inspection plan, SDG&E confirms the building vintage and whether a building is residential or commercial for the

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		"BldgVint" (building vintage) parameter value is labeled as "EX" (existing building), but the claimed measure application type is "NC" (new construction). The claimed savings values directly correspond with the new construction savings, so we assumed the "EX" value is an error for all of these claims.	and if it is a residential or commercial building. Ensure that the values listed in CEDARS are accurate for each claim.			population sampled and takes steps to ensure that values listed in CEDARS align with the data reported by the implementer and/or SDG&E's inspection findings.
9	77	CEDARS data inconsistent with reported "Primary Sector" claims. All Comfortably CA claims in CEDARS list the "Primary Sector" values as Commercial, but the "Program Sector" values are listed as "Res," which conflict with each other.	Going forward, always collect and document the installation addresses for each claim. When validating claims, confirm the building at the address is an existing or newly constructed building and if it is a residential or commercial building. Ensure that the values listed in CEDARS are accurate for each claim.	SDG&E	Accepted	Since program year 2022, the program has collected the data fields detailed above in the response to item #2. As part of its inspection plan, SDG&E confirms the building vintage and whether a building is residential or commercial for the population sampled and takes steps to ensure that values listed in CEDARS align with the data reported by the implementer and/or SDG&E's inspection findings.
10	77	CEDARS tracking datasets caused issues/confusion around duplicate savings for IOUs. Claims in the CEDARS tracking datasets for all statewide programs are split into four subclaims to allow for the assignment of savings across each of the four participating IOUs. For anyone unfamiliar with the datasets, this makes it appear that there are four times as many claims than the actual number of claims for the program.	The CPUC should work together with PAs to modify the design of CEDARS so that the number of claims for statewide programs can be counted accurately. Creating a separate "number of claims" variable in statewide tracking datasets could provide a solution.	SDG&E	Other	The CEDARS system which is administered by the CPUC takes the claim information from the statewide lead program administrator and allocates the claim data among the four respective IOUs. Therefore, any changes related to claims disbursement would need to be implemented by the CPUC within the CEDARS system. The appropriate venue to have these discussions on how to revise CEDARS claims disbursements is during the Reporting PCG meetings. Given the program evaluator, DNV, regularly attends these meetings, it would be appropriate and reasonable for DNV to make this recommendation/request to the CPUC at those regularly scheduled meetings.