The “Decision Addressing Energy Efficiency Business Plans” approves the 2018-2025 energy efficiency business plans for eight program administrators (PAs):

* Four investor-owned utilities: Pacific Gas and Electric Company San Diego Gas & Electric Company, Southern California Gas Company, and Southern California Edison Company.
* Three regional energy networks (RENs): BayREN, SoCalREN, and Tri-County REN.
* One community choice aggregator: Marin Clean Energy (MCE).

1. Issues Common to All BPs (p.11)
   1. Implementation Plans
      1. PAs are not required to seek stakeholder input on implementation plans for pre-existing programs that are not being modified, nor requires them to modify PIPs to IPs (but they need to post PIPs and IPs together for ease of access)
      2. PAs need stakeholder input for new IPs, utilizing the CAEECC process and/or workshops hosted by the PAs, immediately following the adoption of this decision to post IPs within 120 days of the effective date of the decision
      3. 3P IPs need to be posted 60 days after contract execution or 60 days after contract approval by CPUC
   2. Design of incentives (p.17) These are intended *“to maximize value for each dollar of ratepayer investment, without prescribing rules in every particular instance that a program design may encounter.”*
      1. Calculate on net lifecycle basis
      2. Tier incentives, particularly to get above code savings
      3. Strategically target incentives to the most efficient commercially available products
      4. Incentive structure should vary based on barriers to different customer segments
      5. Payment to customer or contractor should tie to independently verified savings on a 12-month post implementation plan for capital programs and 24 months for behavioral/RCx
      6. These should be included in 3P bid requirements
   3. Lighting (p.18)
      1. No more CFLs anywhere (including outdoor) - CFL incentives should be removed from all portfolios by no later than December 31, 2018
      2. LED rebates should be for the more efficient options (general guidance to strive for)
      3. Rebates should be available for street light LED bulk early replacement and conversion projects.
   4. Workforce Issues and Quality Standards (p.19)
      1. Approved the following recommendations:
         1. Expand/initiate partnerships with entities that do job placement;
         2. Require placement experience for any new partners in the workforce, education, and training (WE&T) programs and new solicitations;
         3. Require “first source” hiring from a pool of qualified candidates, before looking more broadly, beginning with self-certification at the beginning; and
         4. Facilitate job connections, by working with implementers and contractor partners, and utilizing energy centers.
      2. PAs should also require implementation plans from third party programs to address how this guidance is being implemented
      3. May add more guidance after they make a determination on the proposed terms and conditions for 3P contracts
      4. The Commission intends to provide for further development of options for implementation of workforce quality standards in this proceeding, both as part of consideration of the third-party contract terms and conditions as articulated in D.18-01-004, as well as for potential application to the portfolio as a whole.
   5. Metrics (p.22)
      1. Definitions
         1. Metric: a metric is a measure of progress towards achieving desired market effect(s) (e.g., energy savings) and are valueless (i.e., the wording of the metric itself does not quantify the baseline or target). All PAs should be able to have the same metrics, even if they have different targets.
         2. Baselines and targets: For a metric to be useful, there needs to be baselines (i.e., minimum or starting point used to compare progress) and targets (i.e., quantitative goal towards which a sector metric tracks progress)
         3. Indicator: Does not include baselines or targets
      2. Required common metrics are provided in Attachment A
      3. Compliance filings metrics (60 days after issuance date of decision) will become the common elements of each PA’s reporting in its annual reports
      4. The PAs are directed to work with Commission staff to review, revise, and finalize the portfolio- and sector-level metrics contained in Attachment A in a compliance filing due within 60 days of the issuance of this decision
      5. Diversity/workforce metrics
         1. The percentage of incentive dollars spent on measures verified to have been installed by contractors with a demonstrated commitment to provide career pathways to disadvantaged workers, as demonstrated by one of the following:
            1. Adoption of workforce diversity and inclusion goals
            2. A contractual agreement to hire through state-certified apprenticeship programs, community colleges, or local or state organizations that provide training and career opportunities to workers from low-income households or disadvantaged communities
         2. Percentage of WE&T program participants that meet the definition of disadvantaged workers
         3. The number of business-plan-related energy efficiency projects related to the WE&T training on which an incumbent participant has been employed within 12 months of completing the WE&T training
      6. The PAs need to include an indicator for components of non-resource programs that lead to resource savings
      7. The “cost of saved energy” metrics, and associated baselines and targets, should exclude costs or savings associated with all codes and standards advocacy activities
      8. PAs are required to include reporting on progress towards all of the metrics in their annual reports. Staff will develop reporting templates, frequency, and instructions and to develop a review strategy incorporating input from the CAEECC.
      9. PAs must have a metric at minimum of reaching 5% of Small Medium Business (SMB) customers and must set metrics to reach hard-to-reach commercial customers
   6. Integration DR/EE (p.29)
      1. Combine the DR/EE potential studies
      2. IOUs need to solicit for bids that combine the two approaches (initially focused on HVAC) – more details on p.35
      3. The Commission clarifies that any integration program tested or deployed by a program administrator should be technology agnostic, including whether it uses direct or alternating current. An incentive adder for customer participation in a demand response program after an energy efficiency retrofit is also a program design option
      4. Regularly work with staff on design of strategies
   7. Disadvantaged Communities/Hard to Reach definitions (p.38)
      1. Follow CalEPA’s definition for purposes of administering EE programs (it’s different for the WE&T portion)
      2. Hard to reach is clarified as following Resolution G-3497 with the modification that the definition also include “disadvantaged communities (as designated by CalEPA) in the geographic criteria for hard-to-reach customers” (p.47)
   8. Cost-effectiveness (C/E) – all *without codes and standards advocacy*
      1. 1.0 TRC evaluated for 2018
      2. 1.0 TRC ex ante and evaluated for 2019-2022
      3. 1.25 TRC ex ante and 1.0 TRC evaluated for 2022+
      4. If parties believe, and generally agree, that a specific cost-effectiveness policy warrants modification, they should file a motion with cites to specific evaluation studies and/or program data supporting their proposal in R.13-11-005 or its successor proceeding (p.72-73)
2. Utility Business Plans (p.76)

(p. 76) We will require the utilities to, at minimum, make third parties’ use of utility account representatives optional and to track the number and proportion of third parties that forego this option. The utilities should include this information in their annual reports.

(p. 89) The requirement that 25 percent of each IOU PA’s 2020 annual forecasted budget must be under contract to a third party (as defined in D.16-08-019) by December 31, 2019.

* 1. Statewide programs (p.76)
     1. The lead has sole responsibility
     2. If there is a dispute, all other IOUs need to be in alignment and can file a motion
     3. Reaffirmed that there is no concern of anti-trust
     4. May take up ESPI consideration (e.g., if a lead PA is doing most of the work for a program yielding savings, should they get more ESPI?).
     5. IOUs can still do market transformation pilots that are not yet ready for SW implementation
     6. IOUs provide budgets proportional to its load share
     7. The PAs need to do a “bottom up” review of programs, which may alter the nature of existing statewide programs
  2. Downstream pilots
     1. PG&E’s indoor Ag pilot is rejected with option of submitting again later
     2. The others are approved:



* 1. Lead assignments (p.88)



1. New 3C- REN (p. 102)
   1. Approved workforce education and training program and code compliance program
   2. To the greatest extent feasible, PG&E must enable 3C-REN and other relevant PAs to have significant input in developing the request for abstracts (RFA)/request for proposals (RFP) for PG&E’s MIDI program
2. LGSEC Proposal (p.113)
   1. The proposal is denied but direction is given on a few components
   2. “Rural and Hard-to-Reach Communities are under-served due to higher costs, more diverse circumstances and lack of institutional capacity” – The IOUs must adopt the following intervention strategies as originally proposed in LGSEC’s business plan: quantify co-benefits and local economic benefits of LGPs in hard-to-reach and disadvantaged communities; and support local governments’ efforts to increase local capacity to conduct energy efficiency activities
   3. “Inconsistent management, assessment & reporting of LGPs across and within IOU service territories” – The Commission urges the PAs to collaborate amongst themselves and with local governments to implement either the associated strategies proposed in LGSEC’s business plan or their own
   4. “Energy atlas” - Rather than select the specific entity to implement a statewide Energy Atlas in the decision, the Commission ordered the IOUs to select a statewide lead specifically to oversee the deployment of the Energy Atlas, and to solicit a third party implementer to coordinate with local governments and utilities, facilitate onboarding new participating LGP partners, perform continuous quality control on the data sets, educate users in both data submission and analysis, develop new features within the Energy Atlas, and advocate for broader and deeper usage of the tool.
3. Annual Budget Advice Letters (p.117)
   1. Joint Cooperation memos (p.118)
   2. Staff will create template for ABAL submission; See p.120-125 for details of updated ABAL submission requirements; see p.128-133 for direction to staff in their review of ABALs in ramp year and beyond
4. Use CET effective August 1, 2018 to update their portfolios and budgets to reflect the 2018-2030 goals, interim GHG adder, and other relevant factors to provide a more accurate forecast of their expected annual funding levels
5. The IOUs must use their final official program year tracking data as the basis for all their submissions that include data associated with that specific program year. This change will be effective beginning with this program year (2018) to help with data submission consistency
6. PAs are required to share and present their draft ABALs at a CAEECC meeting prior to the September submission deadline, so that stakeholders have an opportunity to review and provide feedback that should inform the PAs’ ABAL submissions
7. Deadlines (p.138)
   1. Within 60 days of the issue date of this decision: compliance filings that include the final set of business plan metrics
   2. On or before August 1, 2018: joint cooperation memos via Tier 2 advice letters
   3. On or before September 4, 2018: ABALs for program year 2019
   4. Within 90 days of the issuance of this decision, select one IOU to file a motion in this proceeding for approval of a standard contract for local government partnerships,
   5. IOU PAs to propose a mechanism to track funding for statewide programs, including funding flows from other IOUs, in a Tier 1 advice letter within 90 days of the issuance of this decision
   6. Within 120 days of the issue date of this decision: implementation plans posted as required in D.15-10-028