

PUBLIC UTILITIES COMMISSION

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Date: September 8, 2021

To: San Diego Gas and Electric (SDG&E)

From: Rashid and Peter Biermayer, California Public Utilities Commission (CPUC)

Cc: R.13-11-005 Service Lists

Subject: MID-YEAR FEEDBACK - 2021 EX ANTE REVIEW (EAR) SCORING AND EVALUATION PERFORMANCE

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Pursuant to Decision (D).13-09-023, D.15-10-028, D.16-08-019, and D.20-11-013, California Public Utilities Commission (CPUC) Staff and consultants are providing the 2021 Ex Ante Review (EAR) Scoring and Evaluation Performance Mid-year Feedback on the investor-owned utilities (IOUs) respective activities as of June 30, 2021. D.20-11-013 placed a moratorium on EAR awards¹ but directed that EAR scoring shall continue. The mid-year feedback focuses on specific accomplishments and issues or concerns identified as part of ongoing workpaper and custom project reviews. This feedback will help the IOUs address these issues for the remaining year.

I. CPUC Staff Findings 2021 Mid-year Activities Feedback

The following sections of this memorandum provide a description of the findings, including areas of achievement and areas requiring improvement for both custom projects and workpapers review activities.

A. Custom Projects Review Overview

1. Summary of 2021 Mid-year Achievements

This feedback is based on one CPUC project advisory review disposition issued between January and June 2021. Due to the small number of projects submitted it is not possible to establish a performance related trend. CPUC Staff's observations include:

- **Staff found no issues related to Program, Policy, and Process Rules.** There were no issues related to Program, Policy, and Process rules in the one project reviewed during the first six months of 2021.
- **Staff found no issues related to Net Impacts.** There were no issues related to Net Impacts in the one project reviewed during the first six months of 2021.

2. Summary of Areas Requiring Improvement

Areas that were most problematic, frequent, and/or are in need of improvement include:

- **There are a number of issues regarding gross savings impacts.** In the first six months of 2021, there have been three actions identified in the single advisory-only review to address impacts to gross savings. While this only represents one project, SDG&E should continue to make efforts to perform quality control to uncover issues prior to submitting for review, particularly with regards to analysis assumptions.

B. Workpapers Review Overview

1. Summary of 2021 Mid-Year Achievements

CPUC staff observed strengths in SDG&E's development and management of workpaper submissions in the following area:

¹ The EAR awards were part of the Efficiency Savings and Performance Incentive (ESPI) awards.

- **SDG&E continues to demonstrate depth review and reporting** of Database for Energy Efficient Resources (DEER) or Preliminary Ex Ante Resource database (PEAR) anomalies. This practice is helpful to all stakeholders.
- **SDG&E is proactive with communications** to CPUC regarding workpapers updates and adherence to scheduled timelines.

2. Summary of Areas of Improvement

CPUC Staff highlights the following direction for improvement:

- **SDG&E has historically led a smaller number of workpapers compared with the other PAs.** With the large number of workpapers submissions expected over the next year due to forthcoming Resolution E-5152, CPUC expects SDG&E to proactively engage in the workpaper updates and submittals.

II. Discussion

The following sections of this memorandum provide a detailed description of the findings, including, areas of achievement and areas requiring improvement for both custom projects and workpapers.

A. Custom Projects Performance Review

Each year, CPUC Staff reviews a selected sample of custom project energy efficiency program applications. The review findings and directions to the IOUs are presented in documents referred to as “dispositions”. This feedback is based on the one CPUC project review advisory disposition issued between January and June 2021.

The comments below are organized by the five metric areas prescribed in D.16-08-019. No scores are provided for these metrics in the mid-year memo. All feedback provided at this time is qualitative.

1. Timeliness of Submittals

During the first half of 2021, SDG&E only had one project selected for review. SDG&E complied with SB1131 guidelines for submitting documentation before the 15 business days required, with this one project submitted more than 5 days earlier than required. No projects were found to be late meaning SDG&E is complying with CPUC requirements under this metric.

2. Content, Completeness, and Quality of Submissions

For the one project disposition issued in the first six months of 2021, CPUC staff noted no deficiencies that resulted in a loss of EAR points under this metric. Although this project review was advisory only, SDG&E demonstrated due diligence in this area. However, care must be taken to ensure project documentation is complete, especially with regards to analysis assumptions, prior to

submission to avoid a loss of points under this metric.

Table 1 below summarizes the four action items identified across the one disposition issued between January 1, 2021 and June 30, 2021.

Table 1: Summary of Categorized Action Items for Custom Projects

Issue Area	Action Categories	Summary of CPUC Staff Required Action by the PA:	Summary of CPUC Staff Notes or Instructions:	Total	Percent of Total
Issues Related to Gross Savings Impacts	Analysis assumptions	2	0	2	67%
	M&V plan	1	0	1	33%
	Subtotals	3	0	3	75%
Documentation Issues	Missing documents	1	0	1	100%
	Subtotals	1	0	1	25%
	Grand Total	4	0	4	100%

3. Proactive Initiative of Collaboration

Commission Staff found that SDG&E made significant efforts to bring measures, projects, or studies forward for discussion prior to review. In addition, they continue to take an active and engaged lead in statewide collaboration efforts as champions of several statewide initiatives, most notably the custom project Standardized Reporting template. SDG&E also brought forward an early opinion request for the Modified Lighting Calculator (MLC) to CPUC staff for review.

4. PA's Due Diligence, Quality Assurance, and Quality Control (QA/QC)

Project and measure level disposition performance results reviewed under Metric 2 are used as a proxy for the level of QA/QC occurring by the PA. Only one disposition was issued during the first half of 2021, which was advisory-only. Issues noted in the advisory-only disposition were concentrated in the gross savings impacts issue area, involving identification of non-routine events in an NMEC baseline model. SDG&E should take care to identify all non-routine events in future submissions to avoid a possible loss of EAR points for this metric.

5. PA's Responsiveness

When reviewed at a portfolio level, CPUC Staff assesses the time series of rejections and exceptions, the alignment of program policy and procedures with the number of actual rejections and exceptions based on eligibility and attribution, and the adaption to changes in rules over time. Since only one advisory disposition was issued during the first six months of 2021, it was not possible to establish a trend over time at this point in the year. No actions or notes in the Process, Policy and Program Rules or Net to Gross issue areas were included in the disposition.

B. Workpapers Performance Review

SDG&E had three workpapers disposed in the first half of 2021. Those workpapers were updates

triggered by Resolution E-5082 which included DEER NTG updates. SDG&E has no other workpapers currently under CPUC review and has no workpapers in the workpaper plan development stage.

Specific workpaper feedback is provided in tables in Attachment A, at the end of this document. The first table, the Workpaper Review table provides feedback on the submitted workpapers that were reviewed and disposed of during the review period. The second table, the Workpaper Submissions table lists all the workpapers submitted by SDG&E during the review period and their status. The Staff acknowledges that workpaper development may have been supported by multiple PAs; however, at the time of this mid-year review, feedback is directed to the submitting PA, with the assumption that they have led the development.

1. Timeliness of Submittals

SDG&E submitted three workpapers during the review period. Though the updates were triggered by DEER Resolution E-5082 which requires workpapers to be submitted by January 1, 2021, SDG&E did not submit these workpapers until May 2021. This delay was to incorporate upcoming study results. However, the study was not completed in time for the submittal and the workpapers were submitted without the results. SDG&E communicated this to the CPUC during monthly meetings and as such they were not penalized for timeliness.

The pending DEER Resolution E-5152 outlines a schedule for measure package updates for upcoming PY2023 and PY2024-26. CPUC will expect SDG&E to work closely with CPUC and other stakeholders to establish and adhere to a submission and review schedule.

2. Content, Completeness, and Quality of Submissions

The content, completeness, and quality of workpapers has generally met standards. The three workpapers disposed in the first half of the year contained minor updates which were completed with minimal comment. SDG&E has no new workpapers in development. The CPUC staff encourages the continued development of new workpapers to ensure innovative measures.

3. Proactive Initiative of Collaboration

SDG&E has had minimal collaboration with CPUC staff. SDG&E is expected to engage with CPUC staff in early discussions on unique or high profile, high-impact measures before workpaper development. Where a workpaper plan is warranted, a workpaper plan should be used as a vehicle for managing the CPUC staff engagement.

4. PA's Due Diligence, Quality Assurance, and Quality Control (QA/QC)

SDG&E has met the minimal requirements for due diligence QA/QC in the first half of the year.

5. PA's Responsiveness

SDG&E continues to be alert to DEER and PEAR database issues. On numerous occasions, SDG&E has systematically reviewed aspects of DEER or PEAR and reported back anomalies in a clear succinct manner. The DEER database team has found this to be most helpful and beneficial to all users of the system.

III. Attachments

Attachment A: Workpaper Feedback contains the workpaper summary tables showing the qualitative components for each metric. Each reviewed workpaper was first determined to have components either applicable or not applicable to a metric. If an item was determined to have activity applicable to a metric, the item was then assigned a qualitative rating as to the level of due diligence applied to the item as either deficient (or “-“), apparent but minimal (or “yes”), or superior (or “+”).

Questions or comments about the feedback or final scores should be directed to Rashid Mir (rashid.mir@cpuc.ca.gov) or Peter Biermayer (peter.biermayer@cpuc.ca.gov). Note that pursuant to D.13-09-023, CPUC Staff will schedule a meeting with SDG&E staff to discuss this memorandum.

Attachment A: Workpaper Feedback

The table below lists the ID numbers associated with each workpaper submission or disposition and the workpaper review scoring area. The PA may refer to the individual dispositions for more detailed descriptions of the specific actions staff required for each workpaper. The qualitative EAR scoring feedbacks are designated as follows:

‘+’ indicates a positive (from midpoint) scoring impact on a metric.

‘-’ indicates a negative (from midpoint) scoring impact on a metric.

‘Yes’ indicates meeting expectation; neutral (midpoint) scoring impact on a metric.

‘No’ indicates the review feedback is not applicable to a metric and has no impact.

Workpaper Reviews – Scored Workpapers 2021				EAR Metrics				
WP ID	Rev	Title	Comments	1	2	3	4	5
SWHC013	2	Unitary Air-Cooled Ac Or Heat Pump, ≥ 65 Kbtuh, Commercial	Updates triggered by DEER Resolution. Workpaper was reviewed with minimal comment.	Yes	Yes	Yes	Yes	Yes
SWHC014	2	Unitary Air-Cooled Ac Or Heat Pump, < 65 kBtuh, Commercial	Updates triggered by DEER Resolution. Workpaper was reviewed with minimal comment.	Yes	Yes	Yes	Yes	Yes
SWHC042	2	Multiple Capacity Unitary Air-Cooled Commercial Air Conditioners Between 65 and 240 KBTU/H	Updates triggered by DEER Resolution. Workpaper was reviewed with minimal comment.	Yes	Yes	Yes	Yes	Yes

Workpaper Submission Status – All workpapers submitted in 2021

WP ID	Rev	Title	Comments
SWHC013	2	Unitary Air-Cooled Ac Or Heat Pump, \geq 65 Kbtuh, Commercial	Interim Approval.
SWHC014	2	Unitary Air-Cooled Ac Or Heat Pump, $<$ 65 kBTuh, Commercial	Interim Approval.
SWHC042	2	Multiple Capacity Unitary Air-Cooled Commercial Air Conditioners Between 65 and 240 KBTU/H	Interim Approval.