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 and beyond. This Appendix contains the Responses to Recommendations in the report:

RTR for the Upstream and Residential Downstream Lighting Impact Evaluation Report: Lighting Sector—Program Year 2018 (EM&V Group A) (DNV GL, Calmac ID #CPU0210.01, ED WO #19-Res-ED-002)

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 CPUC Decision (D.) 07-09-043[1] and the Energy Division-Investor Owned Utility Energy Efficiency Evaluation, Measurement and Verification (EM&V) Plan[2] 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 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.

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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: Upstream and Residential Downstream Lighting Impact Evaluation Report: Lighting Sector—Program Year 2018 (EM&V Group A)
Program: Lighting
Author: DNV GL
Calmac ID: CPU0210.01
ED WO: 19-Res-ED-002
Link to Report: http://calmac.org/publications/CPUC_Upstream_Lighting_Sector_PY2018_Impact_Eval_Report_FINAL_CALMAC.pdf

					PG&E (if applicable)		SCE (if applicable)		SDG&E (if applicable)	
Item #	Findings	Additional Supporting Information	Best Practice / Recommendations (Verbatim from Final Report)	Recommendation Recipient	Disposition	Disposition Notes	Disposition	Disposition Notes	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.	Choose: Accepted, Rejected, or Other	Examples: Describe specific program change, give reason for rejection, or indicate that it's under further review.	Choose: Accepted, Rejected, or Other	Examples: Describe specific program change, give reason for rejection, or indicate that it's under further review.
1	LEDs are the dominate lighting technology and are the preferred choice among most consumers.	LEDs comprise well over 50% of the market for all three evaluated measure groups, and LED prices have fallen to a point where they are competitive with inefficient technologies, even without program incentives. Upstream lighting program incentives no longer influence customer purchases as much as they did when inefficient lamps dominated the lighting market.	PAs should move away from a statewide upstream lighting program model. Increases in standards are expected to remove the final pockets of halogen bulbs in the market, and halogens that remain in sockets have such short measure lives that they will soon be replaced by LEDs. To the extent that pockets of inefficient bulbs remain and or these changes happen inequitably, residential lighting programs should be tailored to reach the appropriate segments of customers, but these programs should be designed thoughtfully to maximize impact.	All PAs	Accepted	PG&E tracks and considers the updates in Lighting Codes and Standards in the past, existing, and future program planning process. We constantly updated the program and measures included in the program to incorporate the findings from past impact evaluations and to prepare the retail market for upcoming code changes. In line with this strategy, PG&E did not offer the Primary Lighting Program in 2020 and did not include any deemed lighting measures in its other residential programs in 2020. The future Primary Lighting Program will emerge through a state-wide third-party solicitation. We are optimistic to see some innovative approaches that consider the changing paradigm of the lighting retail market and customer choices through this process. In addition, there will be third-party programs launching through PG&E's third-party solicitation process. Some of these new programs may include lighting interventions where the opportunity for savings still exist. The impact evaluation indicated a shift in baseline and market trends, and therefore we would expect a targeted approach using updated baseline selection in compliance will be appropriate for the remaining customer segments that carry inefficient lighting.	Other	SCE recognizes that LEDs are a customer's preferred choice when purchasing lighting products and the incentives no longer influence a customer's decision to purchase LEDs. SCE closed its Residential Upstream Primary Lighting program as of December 31, 2019 due to the changes in California standards. SCE does not plan to implement its own stand-alone Residential Upstream Lighting Program in the future as the IOUs transition to the new Statewide and Third Party model where third party implementers will propose, design, and implement EE programs. As part of this transition, SCE was designated by the Commission in D.18-10-051 to be the lead program administrator for the Statewide Lighting Program. As a result, SCE is currently conducting a solicitation for third parties to propose, design, and potentially implement one or more Statewide Lighting Programs. It will be the responsibility of any successful implementer or implementers to tailor their programs to reach the appropriate segments of customers and provide maximum value. As lead PA, it will be SCE's responsibility to review and approve programs that meet compliance, ex-post findings requirements, etc.	Other	SDG&E no longer administers an upstream lighting program. SDG&E does not have any current plans to administer an upstream lighting program.
2	Upstream lighting programs shipped more lamps to discount and grocery stores than those channels could reasonably stock and sell.	Retail store surveys revealed that participating discount and grocery stores sell far fewer lamps than were shipped	Upstream lighting programs need to strike a balance between market size and program shipments and include careful monitoring of program sales in these stores to ensure	All PAs	Accepted	PG&E notes and understands the concern on potential overstock and higher shipment volumes through the program. PG&E maintains a balance between its distribution of lamp volume for POS and Shipping methods. While the POS method provides completely	Other	SCE implemented improved monitoring and verification practices in 2019 by increasing the number of in-store verifications and by requiring manufacturers to do their own inspections of stores more frequently for overstock before they request new allocation amounts	Other	SDG&E no longer administers an upstream lighting program. SDG&E does not have any current plans to administer an upstream lighting program.

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		to them through the program. Evaluation results also suggest that there was inadequate monitoring and verification of program lamp shipments and that many participating retail stores were not required to purchase program discounted lamps from manufacturers.	program lamps are selling as expected. PAs should allocate more resources to verify program activity. This should include verification of shipment and delivery documentation from manufacturers and more in-store verifications to confirm stocking and adequate sell-through rates of program discounted lamps.			trackable sales data and does not carry risk of overstock situation, the shipping method is crucial to reach the Hard to Reach customers and Disadvantaged Communities that are largely served by smaller retailers participating through shipping method. In 2018, over 50% of the program volume was through Point of Sale (POS) method, where the tracking data matches the actual sales. In 2019 PG&E further increased the % of completely trackable POS volume to over 70% of the total program volume. PG&E has thorough field verification processes and invoice documentation verification processes established for a few years to ensure the program terms are being followed by the participants. In response to the findings for PY 2017 impact evaluations, PG&E increased the number and scope of field verifications in PY2019. We believe this is in line with the evaluation's recommendation for the allocation of more resources to verify program activity. PG&E's QA/QC process for the primary Lighting program consists of a two-pronged process. 1. The PG&E Application Management team verifies the information provided by manufacturer and the invoice details prior to processing each invoice submitted by the manufacturer. 2. The Field services Team selects a random sample of participating retailers to visit and conduct periodic spot checks, for each manufacturer. The team obtains store manager/owner authorization to conduct the spot checks to collect the following information. The spot checks confirm the following aspects: • Products are sold and displayed appropriately. If products are not available, then work with the store manager to determine if the products are in stock and can be moved to the appropriate area of the store. • All products have ENERGY STAR logo on packaging. • Correct signage and marketing is displayed.		into SCE's internal CRM database. In 2019, SCE also implemented a new program process—duplicate detection—to prevent more than one manufacturer from shipping to a single retailer, and thereby preventing overstock. SCE also spaced out their allocation periods and halted shipments earlier in the year. If overstock is found during the in-store investigation, the inspector documents the amounts and take pictures. This is reported back to SCE. The manufacturer is contacted in order to pick up overstock and deliver to an understocked retailer (manufacturer's cost). The manufacturer provides SCE a Bill of Lading from the trucking company showing the pick-up and delivery of stock. After the exchange, another inspection is conducted to make sure neither retailer is overstocked. With the exception of the manufacturers working with the big-box stores, SCE reduced the allocation amounts per manufacturer in 2019. It is important to note, however, that even if certain stores were overstocked, the light bulbs are not perishable—it is likely that these bulbs entered the California market (perhaps in different ways than the Program intended i.e., bulk sales, giveaways), and provided benefits because they could be sold at a reduced price which would have contributed to the overall decline in LED prices over this time period.		

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						• If the store manager is aware of the program and if they received signage/marketing materials with their product shipment. Whenever possible, the Field Services Team obtains the store managers' general feedback about participation in the program • There is no product overstock (applicable to Shipment Method approach only). PG&E will not be offering Primary Lighting Program for PY2020. The future third-party implementers will be responsible to develop and implement efficient verification protocols to support the applicable program structure. The learnings from past programs and recommendations from the past impact evaluations will be made available to the selected third-party implementers to adopt the best practices while developing the QA/QC protocols.				
3	A baseline that includes inefficient lamps will continue to decline as LEDs comprise the vast majority of the market and continue to grow.	Gross unit energy savings for LED lamps still show energy savings opportunities. However, the rapidly transforming lighting market suggests that the market share of inefficient lamps is shrinking.	Unit energy savings will continue to decline. Residential lighting programs should be targeted at customer segments and applications where savings opportunities still exist.	All PAs	Accepted	PG&E understand the changing market trends and shifting baseline for the residential lighting customer segment. Hence PG&E constantly updated the program and measures offered under the program to incorporate the findings from past impact evaluations and to prepare the retail market for upcoming code changes. In line with this strategy, PG&E did not offer any Primary Lighting Program in 2020 and did not offer any deemed lighting measures in its other residential programs. As the future Primary Lighting program design will emerge from the statewide third-party solicitation process, these studies and findings should be made available as resources through the third-party solicitation process for the interested stakeholders.	Accepted	The third parties who are participating in SCE's Statewide Lighting Program solicitation have been made aware of the recommendations provided in the 2017 and 2018 Impact Evaluations; therefore, SCE anticipates that the third party implementers' new program designs will be targeted at customer segments and applications where savings opportunities still exist.	Other	SDG&E no longer administers an upstream lighting program. SDG&E does not have any current plans to administer an upstream lighting program.
4	Program tracking data for the 2018 programs were comparatively better than the data for the 2017 programs. However, data quality issues continued to persist for the 2018 program.	Tracking data quality issues included missing or inaccurate store names, incomplete retail store addresses, missing or inaccurate retail store phone numbers, and inaccurate shipment quantities. There were also instances of incomplete or inaccurate residential customer data, including missing customer service addresses and incorrect	PAs need to improve tracking and verification of program activity. Program tracking data at a minimum should have complete and accurate data on program shipment quantities as well as retail store addresses, phone numbers, and key contacts.	All PAs	Accepted	When PG&E was offering an Upstream Lighting Program prior to 2020, PG&E collected the data for program shipment quantities and retailer locations from the participating manufacturers and worked to maintain and update the information with the most recent contact information available. The details of tracking and verification process for the shipment volume is described in further detail in response to recommendation #2. As this upstream program does not directly communicate with the individual	Accepted	SCE improved its tracking and verification processes in 2019, which included a more extensive review of allocation shipment quantities and matching quantities to invoices. SCE's Primary Lighting program did not directly communicate with the retailers (except during inspections); this is the function of the manufacturers. SCE worked with manufacturers to ensure they provided complete retailer information for tracking and reporting purposes. SCE also provided training to its call center staff to capture additional	Other	SDG&E no longer administers an upstream lighting program. SDG&E does not have any current plans to administer an upstream lighting program.

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		climate zones for some customers. Follow-up data requests and discussions were required with program staff for the evaluators to get the necessary data to complete the evaluation.				retailers, we need to rely on the information provided by the manufacturer. PG&E will not be offering Primary Lighting Program for PY2020. The future third-party implementers will be responsible to develop and implement efficient data collection and tracking mechanism to support the applicable program structure. The learnings from past programs and recommendations from the past impact evaluations will be made available to the selected third-party implementers to adopt the best practices while developing the data collection mechanism.		and complete information when retailers call SCE to turn on service for new accounts. This information includes the climate zone in which the retailer is located and the retailer's complete address. SCE does not plan to implement its own stand-alone Residential Upstream Lighting Program in the future as the IOUs transition to the new Statewide and Third-Party model where third party implementers will propose, design, and implement EE programs. SCE intends to contract with new Third Party vendors and retain the right to receive all applicable documents and records intended to substantiate vendor compliance with the contract. This includes the ability to review any records or documents needed to examine, evaluate, test, measure, or inspect and properly perform all Inspections. Further, SCE will maintain electronic records of all invoices, work orders, and other relevant documentation for future programs.		