

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 2013-2014 Energy Efficiency Program Cycle. This Appendix contains the Responses to Recommendations in the report:

<i>RTR for the Evaluation of the Southern California Edison Commercial Midstream LED Lighting Distributor Pilot Program</i> (Evergreen Economics, Calmac ID #SCE0376.01)

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.

EM&V Impact, Process, Market Assessment Study Recommendations
Study Title: Evaluation of the Southern California Edison Commercial Midstream LED Lighting Distributor Pilot Program
Program: SCE Commercial Midstream LED Distributor Pilot
Author: Evergreen Economics
Calmac ID: SCE0376.01
ED Work Order: 2032
Link to Report: http://calmac.org/publications/SCE_LED_Midstream_Trial_EM%26V_Final_Report2.pdf

Item #	Page #	Findings	Best Practice / Recommendations	Recommendation Recipient	Disposition (Accepted, Rejected, or Other)	Disposition Notes (e.g. Description of specific program change or Reason for rejection or Under further review)
1	76	The preponderance of evidence suggest that the midstream incentive mechanism would be an effective tool for a full-scale SCE energy efficiency incentive program	The primary recommendation from this early EM&V assessment is to continue offering midstream incentives at the distributor level for LED replacement lamps.	SCE	Accepted	SCE will continue to offer midstream incentives at the distributor level for LED replacement lamps as part of a second phase of the Midstream Lighting trial. Key changes to the second phase of the trial include collecting the end users Utility Service Account, inspecting the installation site prior to paying the incentive, and only offering LED lamp solutions through the midstream channel.
2	2, 76	Many projects did not involve contractors, but rather were direct to consumer sales from distributors. This does not align with the initial program theory. However, end users reported that their decision to install LEDs resulted from market actor recommendations (primarily distributors) and that the Pilot Program was very easy to participate in compared to other incentive programs (where they are more involved in filling out paperwork, etc.), which suggests that the overall theory – at least from the perspective of the end user – is valid.	Revise the program theory and logic model to reflect that contractors are less involved than anticipated and participation is driven by very large and very small purchases (as opposed to primarily small projects) direct from distributor firms. It is important that the program theory and logic model reflect the operationalized program, as best practice evaluation requires testing the key elements of the theory to ensure that market transformation activities are adequately defined and leading to the desired outcomes.	SCE	Accepted	Based on currently available information, SCE plans to submit an updated logic model as part of any 2016 application for funding or similar annual requirement established in the Phase II decision of R.13-11-005.
3	68-69, 76	As noted above, assessing an incentive program based on market level indicators poses significant challenges. However, to best ensure that program performance is accounted for (in terms of transforming the commercial lighting market) we propose a list of likely market transformation indicators, below: - Program incentivized LED replacement lamp and fixture sales volumes. - LED price. - Distributor purchase and stocking practices. Market actor promotional effort.	Develop systems to track market indicators outlined in section 5.2. These indicators will help assess the effectiveness of the Pilot Program and conditions in the overall commercial LED replacement lamp and fixture market. Tracking should balance the cost of additional precision with the need for additional precision (for example, we do not necessarily recommend conducting distributor shelf surveys to assess changes in distributor stocking practices).	SCE	Accepted	SCE has developed an automated system that allows the distributor to upload required sales data and project information. The sales data collected and uploaded to the automated system by the distributor contains the information necessary to track the market indicators that do not involve surveys or outreach to the distributors. Section 5.2 lists four market indicators: 1. Program incentivized LED replacement lamp and fixture sales volumes. Sales volume is captured in the sales data provided by the distributor. SCE requires the distributor to provide the make, model, and quantity of units sold in order to receive an incentive. 2. LED Price. LED price is captured in the sales data provided by the distributor. SCE requires the distributor to provide the LED product price before and after incentive. 3. Distributor purchase and stocking practices. SCE will continue to foster relationships with new and existing distributors through the trial program to obtain stocking data from distributors over time. 4. Market Actor promotional effort. SCE will continue to track this indicator by monitoring promotional collateral and tracking the number of marketing dollars spent as recommended in the study and in Table 31.

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4	68-69, 76		Capture end use facility type data in program tracking (ensure that this is required of distributors) and monitor changes in participating end use business types. Tracking this metric – which is also described as an option in section 5.2 – will ensure that SCE better understands what types of end users purchase LED replacement lamps and fixtures with midstream incentives. This is very important for understanding changes to other incentive program participation – for example, if fewer retail customers were participating in the downstream program, it would be informative to know whether retail customers purchasing products with midstream incentives offset that decrease.	SCE	Accepted	SCE requires the distributor to provide the Installation Type (office, retail space, gymnasium, etc) and the installation Service Account number. This will allow SCE to track detailed information on the type of end user business and facility types.
5	77	Not capturing end user contact information would open a future program up to significant challenges during EM&V. There is a lot of risk to SCE associated with not capturing this information, and thus effort should be made to ensure program tracking data includes end use facility location and contact information. SCE should consider matching end use customer location and business name information with utility account numbers in the CIS as part of quality insurance protocols.	Ensure that end user contact information is captured for all facilities receiving midstream incentivized LED replacement lamps and/or fixtures.	SCE	Accepted	SCE requires the distributor to capture contractor (if applicable) and end user contact information. Contact information includes contact name, email, company name, phone number, business address, installation address, and project service account.