

## RTR Appendix

Southern California Gas Company (SoCalGas) 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 Site-Level NMEC Evaluability Study, Program Years 2020-2021*** (DNV GL, Calmac ID #CPU0366.01)

The RTR reports demonstrate SoCalGas' plans and activities to incorporate EM&V evaluation recommendations into programs to improve performance and operations, where applicable. SoCalGas' approach is consistent with the CPUC Decision (D.) 07-09-043<sup>1</sup> and the Energy Division-Investor Owned Utility Energy Efficiency Evaluation, Measurement and Verification (EM&V) Plan<sup>2</sup> 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.<sup>3</sup> In cases where reports do not contain a section for recommendations, the SoCalGas 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), SoCalGas 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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<sup>1</sup> 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."

<sup>2</sup> 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>.

<sup>3</sup> 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  
SCG Response**

**Study Title:** Site-Level NMEC Evaluability Study, Program Years 2020-2021  
**Program:**  
**Author:** DNV GL  
**Calmac ID:** [CPU0366.01](#)  
**ED WO:** (D-Year 1-3-KEMA Inc.) Year 1-3 Group D  
**Link to Report:** [Site-Level NMEC Evaluability Study, Program Years 2020-2021](#)

<b>MANAGEMENT APPROVAL AFTER REVIEWING ALL IOU RESPONSES</b>		
	Name	Date
SCG EE Programs	Darren Hanway	9/4/2024
SCG RP&R	Roy Christian	9/6/2024

Item #	Sec. #	Findings	Best Practice / Recommendations (Verbatim from Final Report)	Recommendation Recipient	Disposition	SCG 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.
<b>Project Characterization</b>						
1	5.1	PY2020-2021 site-level NMEC projects are dominated by two customers with many projects. Savings claims are mostly electric. Most projects occurred in office buildings, followed by education buildings and parking structures	Evaluators should maintain a list of NMEC projects included in bi-monthly reports from the PAs from which selections for CPR are made. Track projects through to completion to determine if CPR review increases the likelihood of a project not being completed.		Accepted	SoCalGas accepts this recommendation which is directed at the CPUC Evaluators.
<b>Measure Characterization</b>						
2	5.2	Most electric savings came from lighting measures. All gas savings came from HVAC measures. Most electric projects have a single MAT (78% of savings). Many planned measures were not installed measures. The majority of electric savings were installed, while gas projects had half the savings not installed. Commercial Calculated Incentives program accounts for most of the not installed measure savings with 86% and 100% for electric and gas, respectively. Final documentation must reflect all implemented measures and only implemented measures	Projects that include measures with expected interactive effects should either include a gas NMEC model or claim an engineering-based estimate of interactive effects. Guidance provided in an Early Opinion is currently available and will be included in the current revisions to the rulebook.		Accepted	SoCalGas accepts this recommendation and agrees that Early Opinion guidance should be added to the rulebook.
3	5.2	Most electric savings came from lighting measures. All gas savings came from HVAC measures. Most electric projects have a single MAT (78% of savings). Many planned measures were not installed measures. The majority of electric savings were installed, while gas projects had half the savings not installed. Commercial Calculated Incentives program accounts for most of the not installed measure savings with 86% and 100% for electric and gas, respectively. Final documentation must reflect all implemented measures and only implemented measures	CPUC should provide clear guidance regarding the assignment of MATs as well as associated expectations for program influence documentation in the NMEC context.		Accepted	SoCalGas accepts this recommendation which is directed at the CPUC.
4	5.2	Most electric savings came from lighting measures. All gas savings came from HVAC measures. Most electric projects have a single MAT (78% of savings). Many planned measures were not installed measures. The majority of electric savings were installed, while gas projects had half the savings not installed. Commercial Calculated Incentives program accounts for most of the not installed measure savings with 86% and 100% for electric and gas, respectively. Final documentation must reflect all implemented measures and only implemented measures	Final documentation should reflect all implemented measures and only implemented measures. Complete documentation as of installation assures appropriate EUL. No additional installations provide full accounting of performance period savings. CPUC should provide clear guidance that a change in installed measures requires an updated EUL calculation.		Accepted	SoCalGas accepts this recommendation and agrees that the CPUC should provide clear guidance for changes in installed measure requirements and EUL calculations. The guidance provided should be added to the rulebook.
<b>Savings Claim Characterization</b>						
5	5.3	Each PAs claimed savings in a different way and most PAs were not claiming	Existing guidance is clear that initial claims should be made in the year of installation and trued-up the following year with a positive or negative value that,		Accepted	SoCalGas accepts this recommendation.

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		savings as expected. The claims process may be more consistent in future program years	when summed with the initial claim, equals the final weather-normalized estimate of savings. All claims should follow this structure			
6	5.3	Each PAs claimed savings in a different way and most PAs were not claiming savings as expected. The claims process may be more consistent in future program years	The PAs should use the PriorYearClaimID / ParentClaimID field to clearly flag which projects are trued up in the CEDARS tracking data. This will help evaluators to accurately map the initial claims to the true-up claims for each project.		Accepted	SoCalGas accepts the recommendation and will review internal processes for site level NMEC claims.
7	5.3	Each PAs claimed savings in a different way and most PAs were not claiming savings as expected. The claims process may be more consistent in future program years	The CPUC should consider whether rules around true-up timeliness may be necessary to ensure that all initial claims are eventually trued up.		Accepted	SoCalGas accepts this recommendation which is directed at the CPUC.
8	5.3	Each PAs claimed savings in a different way and most PAs were not claiming savings as expected. The claims process may be more consistent in future program years	The PAs should consider approaches for completing data accuracy checks and reviewing all initial site level NMEC claims to monitor whether they should be trued-up to improve true-up timeliness.		Accepted	SoCalGas will review internal processes for site level NMEC claims. Guidance for all PAs should be included in the NMEC Rule book for consistency in future program years.
9	5.3	Each PAs claimed savings in a different way and most PAs were not claiming savings as expected. The claims process may be more consistent in future program years	The CPUC should clarify NMEC reporting guidance on other issues to improve accuracy and consistency across PAs. In the tracking data, these include the appropriate application of GRRs. In the project specific documentation, the CPUC should develop a template of essential program data that must be provided with each project.		Accepted	SoCalGas accepts the recommendation which is directed at the CPUC.
<b>Model Characterization</b>						
10	5.4	COVID substantially impacted the NMEC models. Models were re-baselined without sufficient explanation. Most gas models fell below the goodness-of-fit thresholds and were therefore not used to claim savings. Further research is needed to develop suitable eligibility requirements to support the hourly models that may be of interest for future TSB-based savings claims. Fractional savings above 20% are rarely realized. For daily kWh models, The CV(RMSE) and FSU results (at 10% savings) illustrate the similarity of the two goodness-of-fit criteria.	For 2024, electricity claims will need to be based on hourly electric models. The CPUC needs to address hourly model eligibility requirements that encourage customers to use hourly electric models for energy claims.		N/A	This recommendation does not apply to SoCalGas.
11	5.4	COVID substantially impacted the NMEC models. Models were re-baselined without sufficient explanation. Most gas models fell below the goodness-of-fit thresholds and were therefore not used to claim savings. Further research is needed to develop suitable eligibility requirements to support the hourly models that may be of interest for future TSB-based savings claims. Fractional savings above 20% are rarely realized. For daily kWh models, The CV(RMSE) and FSU results (at 10% savings) illustrate the similarity of the two goodness-of-fit criteria.	The CPUC should make FSU the primary model eligibility criterion. Savings as a percentage of consumption should be capped to avoid over-estimated savings bringing otherwise ineligible models into eligibility. This will improve gas model eligibility rates.		Accepted	SoCalGas accepts the recommendation which is directed at the CPUC.
12	5.4	COVID substantially impacted the NMEC models. Models were re-baselined without sufficient explanation. Most gas models fell below the goodness-of-fit thresholds and were therefore not used to claim savings. Further research is needed to develop suitable eligibility requirements to support the hourly models that may be of interest for future TSB-based savings claims. Fractional savings above 20% are rarely realized. For daily kWh models, The CV(RMSE) and FSU results (at 10% savings) illustrate the similarity of the two goodness-of-fit criteria.	Guidance provided in Early Opinions regarding gas models and interactive effects should be included in the rulebook.		Accepted	SoCalGas accepts this recommendation and agrees that Early Opinion guidance should be added to the rulebook.
13	5.4	COVID substantially impacted the NMEC models. Models were re-baselined without sufficient explanation. Most gas models fell below the goodness-of-fit thresholds and were therefore not used to claim savings. Further research is needed to develop suitable eligibility requirements to support the hourly models that may be of interest for future TSB-based savings claims. Fractional savings above 20% are rarely realized. For daily kWh models, The CV(RMSE) and FSU results (at 10% savings) illustrate the similarity of the two goodness-of-fit criteria.	All model re-baselining must be accompanied with documentation justifying the decision. If re-baselined during the original pre-installation period due to an undetected NRE such as COVID, the model should remain consistent with additional variables addressing the issue (e.g., adding occupancy to address COVID closures).		Accepted	SoCalGas accepts this recommendation.

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<b>Project Timeline</b>						
14	5.5	Incorrect timeline procedures. The project and claim timelines often deviated from expectations, with some measures installed during the performance period, some projects having short performance periods. Significant COVID induced delays.	Site-level NMEC implementers should track key project dates including baseline start and end date, intervention period, performance period start and end date, and initial and true-up claim dates. This practice will help the CPUC and evaluators to use correct baseline and performance period data to evaluate savings		Accepted	SoCalGas accepts the recommendation and agrees that implementers for NMEC projects should incorporate this practice if they are not already doing so.