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 Normalized Metered Energy Consumption (NMEC) Impact and Net-to-Gross Evaluation, PY 2020-2022 (DNV, Calmac ID #CPU0377.01)

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[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 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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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
SCG Response

Study Title: Site-Level NMEC Impact and Net-to-Gross Evaluation, Program Years 2020-2022
Program: NMEC
Author: DNV
CALMAC ID: CPU0377.01
ED WO:
Link to Report: https://www.calmac.org/publications/Site-level_NMEC_Evaluation_Final_Report_PY2020-2022.pdf

MANAGEMENT APPROVAL AFTER REVIEW		
	Name	Date
SCG Programs	Darren Hanway	11/19/2024
SCG RP&R	Roy Christian	11/20/2024

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				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.	Next Steps: For each accepted recommendation, outline the steps required for implementation, responsible parties, and deadlines. For each rejected recommendation, document the reason provided for rejection. Outline any potential follow-up actions or considerations for the future.	Timeline: Set deadlines for the completion of each action. Include a start date and end date when possible.	Status: Track the status of each action item (e.g., Not Started, In Progress, Completed).	Notes: Add notes for any additional information or updates.	Impacted Programs: Identify which programs (program IDs) would be impacted by the action items.
1	5-6	Site-level NMEC gross realization rates compared positively to other programs in CIAC. The net-to-gross interviews found substantial program influence on project scope and timing, but these factors account for only part of the current NTGR methodology.	The CPUC should revisit the current NTGR methodology instrument and assess if the instrument and algorithm is in line with the actual NMEC program design and delivery. Opportunities for improvement include more timely NTG surveys, new questions to determine whether projects address stranded potential and to consider re-weighting current NTG algorithms to give more weight to project timing and scope.	CPUC	Accepted	SoCalGas agrees with this recommendation which is directed at the CPUC.	The responsible party is the CPUC				Active SCG Non-Res EE Programs that offer NMEC: SCG3890 SCG3892 SCG3899 SCG3942 SCG3943 SCG3944 Note: There is only 1 active NMEC project.
2	5	Incorrectly entered savings claims in the tracking database system were the largest source of savings discrepancies.	Existing NMEC reporting 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, when summed with the initial claim, equals the final weather-normalized estimate of savings. All claims	PAs	Accepted	SoCalGas agrees to the NMEC reporting guidance and will continue to adhere to the process. The projects that have been noted for SoCalGas were cancelled as the implementer was unable to true up accordingly. SoCalGas will provide guidance to implementers on	SoCalGas will set up data accuracy checks and ensure that initial estimated/forecast savings are trued up based on installed EEMs in the first quarter after the installation period.	TBD			Active SCG Non-Res EE Programs that offer NMEC: SCG3890 SCG3892

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			should follow this structure. • The PAs should develop data accuracy checks that assure total final claimed savings (the sum of preliminary and trued-up claims) are consistent with final weather-normalized savings estimates. • All NMEC projects must be trued up during the first quarter of the second year after installation. PAs should review all initial site-level NMEC claims to ensure they are trued-up on schedule.			future NMEC projects. SoCalGas would also like to note that they believe there is an error in the second recommendation/bullet point and that it should reference the **first** year after installation and not the second as most site level NMEC programs have only one post-installation performance period.					SCG3899 SCG3942 SCG3943 SCG3944 Note: There is only 1 active NMEC project.
3	7	Project documentation was varied and inconsistent, which made it difficult to identify the final project characteristics and results as well as the reasoning behind key project decisions.	• The PAs should provide an explanation of why each measure-level MAT was assigned. At a minimum, the explanation should specify the type of equipment involved, such as lighting, heating, ventilation, air conditioning, refrigeration, or water heating and whether the measure involves installing equipment in a new building or new area of an existing building or in an existing building. The explanation should also indicate if the measure involves: a) replacing existing equipment with new energy efficient equipment, or b) adding new equipment to existing equipment, or c) repairing or refurbishing existing equipment, or d) changing settings in an existing control system. This clear explanation will help the evaluation team establish the appropriate MAT for each measure. • Measure-life documentation should include a description of the measure, EUL of the measure and it's respective DEER EUL ID to explain why particular measure lives are assigned from DEER.	PAs	Accepted	SoCalGas believes that AB802 permits savings from all measures exceeding an existing conditions baseline for NMEC projects. For custom projects, MATs are used to determine measure-level baselines from which eligible savings are calculated. The question is that what NMEC purpose are individual EEM MATs required? This information can be made a requirement, but there will be a cost. As SoCalGas mentioned in its comments on the NMEC Rulebook, the NMEC Rulebook mentions making an adjustment for normal replacement measures. Rather than classify all measures in a project, the normal replacement measures should be identified and their savings used to adjust final NMEC savings. SoCalGas believes that a collaborative discussion on this topic is justified.	SoCalGas will require a more thorough description in the PFS of EEMs per the recommendation and require that adjustments be made for normal replacement measures. SoCalGas uses the CPUC provided spreadsheet that provides the DEER EUL ID and EEM EUL. Future project feasibility study templates can add places for narratives on why a particular EUL was selected.	TBD			Active SCG Non-Res EE Programs that offer NMEC: SCG3890 SCG3892 SCG3899 SCG3942 SCG3943 SCG3944 Note: There is only 1 active NMEC project.
4	7-8	Regression-based modeling is the core of NMEC methods, and projects do not consistently provide transparent, well-docu-	• Continued communication between the CPUC and PAs will guide the basic expectations for acceptable modeling practices and essential	CPUC, PAs	Other	• SoCalGas agrees with the recommendation; however, its implementation is largely contingent upon the approval of the new	SoCalGas actively engages in the NMEC PCG discussions and welcomes the CPUCs input on any NMEC rulebook updates. SoCalGas is eager to collaborate with the				Active SCG Non-Res EE Programs that offer

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		mented models following standard practices.	documentation to reduce uncertainty and project delays. This may be accomplished through rulebook updates, separate NMEC PFS/M&V template development, NMEC PCG discussions, and additional guidance documentation. • 3c. Wherever possible, PAs should follow standard model structures (e.g. linear changepoint models or LBNL Time of week and temperature models) and provide engineering-based explanations for deviations to simplify the review process. • 3d. The PAs should ensure that baseline model specification is set before project installation and applied consistently in the post period to comply with the NMEC Rulebook			Rulebook by the CPUC. A collaborative process should be pursued to establish the requirements, which may include regression modeling best practices, acceptable model criteria, and model selection criteria (TOWT, changepoints, etc.). • 3c. SoCalGas agrees with the recommendation provided a collaborative process can be used to specify the requirements. Even within TOWT modeling algorithms there are many differences: number of temperature segments, how temp. segments defined, inclusion of unoccupied period model, etc. • 3d. SoCalGas finds the requirement to establish model specifications (coefficients and goodness of fit metrics) based on a single period of time limiting, due to the 18-month time limit from the end of the baseline to the beginning of the reporting period. Models should be allowed to be updated with more recent data to meet this requirement, with explanations provided for the updates.	CPUC and other IOUs in the development of the NMEC rulebook. SoCalGas will participate in a collaborative process to identify the requirements for regression modeling, acceptable modeling criteria, model algorithm selection, and PFS/Savings Report documentation requirements			NMEC: SCG3890 SCG3892 SCG3899 SCG3942 SCG3943 SCG3944 Note: There is only 1 active NMEC project.
5	8	The maintenance plans provided varied substantially in terms of detail and completeness.	• PAs should provide maintenance plans that meet NMEC Rulebook requirements so that the BRO EUL can remain at three years. • The CPUC should consider amending BRO EUL rules so that BRO measures without maintenance plans receive a one-year EUL, capped at verified savings of the 12-month performance period. • Energy Division should facilitate the development of a maintenance plan template that is in-line with BRO measure program maintenance plan requirements.	CPUC, PAs	Other	• SoCalGas agrees with the recommendation that PAs should provide maintenance plans that meet NMEC rulebook requirements. • Additional discussions between the CPUC and the IOUs would be necessary to amend the BRO EUL. •SoCalGas welcomes the opportunity to collaborate with the Energy Division (ED) on the development of a maintenance plan template that is in-line with BRO measure program maintenance plan requirements.	Already doing what is recommended in the first point. More to discuss with the 2nd point with CPUC. SoCalGas is already providing maintenance plans that meet NMEC Rulebook requirements.			Active SCG Non-Res EE Programs that offer NMEC: SCG3890 SCG3892 SCG3899 SCG3942 SCG3943 SCG3944 Note: There is only 1 active NMEC project.

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6	9	PAs did not address multiple key issues identified through Energy Division's Project Review process.	• 5a The PAs should address issues identified through the NMEC Project Review process and should document the reasons for making changes within the final savings report to improve project quality. • 5b CPUC should consider making NMEC Project Reviews more than advisory so that issues are more likely to be addressed during the project implementation which will help PAs achieve more accurate savings claims.	CPUC, PAs	Other	5a: SoCalGas agrees on addressing issues identified. 5b: SoCalGas' current process is to wait for the Advisory disposition to be issued before moving forward to address any issues noted on the disposition. The CPUC should clarify the expectation for PAs to adhere to Advisory dispositions. • 5b: The CPUC should consider reducing the number of requirements that delay progress such as achieving CPUC approval on project review dispositions in a program that already takes up to 2 years to complete. Effective NMEC requirements are still in question and need to be worked out before institutionalizing processes detrimental to program participation.	Engineering will address savings report review expectations. SoCalGas will participate in a collaborative process to determine an appropriate NMEC project review process that informs the project without causing delays.				Active SCG Non-Res EE Programs that offer NMEC: SCG3890 SCG3892 SCG3899 SCG3942 SCG3943 SCG3944 Note: There is only 1 active NMEC project.
7-8	9-10	Participants indicated high levels of satisfaction with the program, driven by the programs' technical support and incentives. While nearly half of respondents had no suggestions for program improvements, those that did most frequently recommended streamlining the program and reducing administrative burden.	Improve alignment between program implementers, PA staff, and evaluators on program evaluation and qualification requirements. Increasing clarity on data requirements among all parties and streamlining the process of data sharing across parties can reduce duplicative work and confusion. Follow-on work led by ED can facilitate this process.		Accepted	SoCalGas agrees with this recommendation and welcomes the collaboration with implementers, CPUC, and evaluators.	SoCalGas strongly agrees with the suggestion of a collaborative process. Examples of collaboration topics SoCalGas can provide are shown above.				Active SCG Non-Res EE Programs that offer NMEC: SCG3890 SCG3892 SCG3899 SCG3942 SCG3943 SCG3944 Note: There is only 1 active NMEC project.
8	10-11	Site-level NMEC shows possibility to address "stranded potential" savings but is also being applied in a much wider range of projects.	Consider, as part of future studies: • Assessing the volume of stranded savings potential. The 2019 Energy Efficiency Potential and Goals Study by Navigant/Guidehouse identified below code energy efficiency potential as reflecting "additional claimable im-pacts allowed after the passing of AB802" and should represent the target population for NMEC programs. • An exploration of PA and imple-	Future evaluator	Accepted	SoCalGas agrees with the recommendation.	N/A - Directed at CPUC and PA Evaluators.				Active SCG Non-Res EE Programs that offer NMEC: SCG3890 SCG3892 SCG3899 SCG3942 SCG3943 SCG3944

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			menter efforts to identify and target “stranded potential” buildings for NMEC pro-jects.								Note: There is only 1 active NMEC project.
9	11-12	NMEC intends to move savings risk away from the ratepayer to the PAs, implementers, and participants. While the PAs and implementers who engage in NMEC are aware of the risks, the PAs must manage the additional risk with participants carefully.	To protect participants, the implementer should ensure that equipment is operational and meets the functional needs of the building and that the 12 months of pre-installation data is an actual representation of baseline energy usage with functional equipment. A simple functional check by the implementer on the existing equipment during the investigation phase could eliminate this risk without adding additional burden on the participants.	PAs	Accepted	SoCalGas agrees with the recommendation. Recent NMEC projects have shown leading causes of poor NMEC savings outcomes when compared with installed measure savings forecasts are a lack of functional testing (esp. for controls-based EEMs) that EEMs are operating as intended and changes in facility operations. Methods for addressing both areas can be improved.	SoCalGas will coordinate meetings with the 3P implementors to ensure they understand the recommendation and feedback.	This recommendation will be shared with implementors once the RTR has been publicly posted.			Active SCG Non-Res EE Programs that offer NMEC: SCG3890 SCG3892 SCG3899 SCG3942 SCG3943 SCG3944 Note: There is only 1 active NMEC project.