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

**RTR for the Targeted Process Evaluation of the Local Government Partnership Program: Final Report** (Research Into Action, Calmac ID #SCE0397.00, ED WO #2036)

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) Plan\(^1\) and CPUC Decision (D.) 07-09-043\(^2\).

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. 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.
Response to Recommendations (RTR) in Impact, Process, and Market Assessment Studies

**Study Title:** Targeted Process Evaluation of the Local Government Partnership Program: Final Report

**Program:** LGP

**Author:** Research Into Action

**Calmac ID:** SCE0397.00

**ED WO:** 2036


### PG&E (if applicable)

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<th>Item</th>
<th>Findings</th>
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<td>1</td>
<td>84-85</td>
<td>The LGP program presents a steep learning curve for LGs, implementers, and program staff alike, and partnership representatives report complex administrative barriers to completing LGP work. Fourteen LGP representatives, without prompting, reported a steep learning curve to understanding how the partnerships operate, their obligations as implementer or partnership participants, and the administrative requirements to which they must adhere. For new partnership staff, the time spent learning the ins and outs of the program distracts from project work, delaying partnership activities. The challenges associated with getting up-to-speed on partnership requirements also leads some LGs to deprioritize partnership work. Further, there is evidence that new IOU program staff also experience a learning curve with the LGP program; they may not know how to provide information or support requested by partnerships and may have less time available to field information requests as they get up to speed.</td>
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In addition to the steep program learning curve, 20 partnership representatives reported administrative challenges associated with the rebate application sequence and project invoicing, particularly the time required to re-do paperwork. Thus, it appears that a lack of clarity about the rebate application sequence invoicing expectations leads to inefficiencies within partnerships. Other information that would be prudent to include in the Quick Start guides includes clear guidelines about how renewable energy or water conservation activities cannot be funded through the partnership. We recommend providing a short list of links to resources where partnerships can access funding or support for activities that are not funded by the LGP program. In addition, the Quick Start guides would be a practical place to list the collaborative networks in the local government energy efficiency community in which LGIs or LGPs may participate. Finally, the Partnership Innovations and Successes identified in this report may provide ideas for additional actions that partnerships can take to augment their partnership efforts that could be useful to include in the guides.

The IOUs should explore the feasibility of expanding technical assistance offerings to support calculation of ongoing energy savings, implementing EMS, and JOC. Partnership representatives note the benefits of the technical assistance they receive through the LGP program and believe it enables them to conduct work that they would not be able to conduct solely with partnership staff and resources. In particular, partnership representatives noted the benefits of engineering support. Our findings suggest that partnerships would benefit from additional technical assistance in three areas, however.

First, calculating ongoing savings is key to helping partnerships manage progress toward that ensures LGPs partnering with multiple IOUs do not face inconsistent requirements. Other information that would be available in addition to the technical assistance currently provided by SDG&E. Should an SDG&E LGP express interest in calculating ongoing energy savings or EMS implementation, the JOC structure currently in place provides an easy path to bring such support on board.

| 2 | BS-B6 | LGPs value the technical assistance currently available through the LGP program and would benefit from additional technical assistance to support calculation of ongoing energy savings, implementing EMS, and JOC. Partnership representatives note the benefits of the technical assistance they receive through the LGP program and believe it enables them to conduct work that they would not be able to conduct solely with partnership staff and resources. In particular, partnership representatives noted the benefits of engineering support. Our findings suggest that partnerships would benefit from additional technical assistance in three areas, however. | The IOUs should explore the feasibility of expanding technical assistance offerings to support: 1) calculation of ongoing energy savings, 2) EMS implementation, and 3) JOC. Partnership representatives note the benefits of the technical assistance they receive through the LGP program and believe it enables them to conduct work that they would not be able to conduct solely with partnership staff and resources. In particular, partnership representatives noted the benefits of engineering support. Our findings suggest that partnerships would benefit from additional technical assistance in three areas, however. First, calculating ongoing savings is key to helping partnerships manage progress toward | SDG&E is developing a meter-based savings platform that would support public sector projects with a whole building approach for calculating savings and paying rebates. Although this effort will initially be focused on institutional customers (higher education and state government), the platform will eventually be available for LGs. In addition, PG&E is actively exploring a JOC pilot to help inform how best to structure the program to help accelerate projects within local government. Lessons learned from the pilot would be applied to the program prior to full-scale launch. Other information that would be prudent to include in the Quick Start guides includes clear guidelines about how renewable energy or water conservation activities cannot be funded through the partner- ship. We recommend providing a short list of links to resources where partnerships can access funding or support for activities that are not funded by the LGP program. In addition, the Quick Start guides would be a practical place to list the collaborative networks in the local government energy efficiency community in which LGIs or LGPs may participate. 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This program uses normalized meter data for measuring and tracking the savings, and paying incentives, primarily at a whole-building level, outside of traditional deemed and calculated energy savings offerings. The SoCalREN provides local governments the opportunity to utilize Job Order Contracting through the Energy Network. Therefore SoCalGas will encourage all customers wishing to explore JOC to discuss it with the Energy Network. | Accept | SDG&E provides LGPs the opportunity, through the JOC structure implemented in July 2016, to utilize pre-vetted technical experts to perform a variety of energy efficiency services. These services are made available in addition to the technical support currently provided by SDG&E. Should an SDG&E LGP express interest in calculating ongoing energy savings or EMS implementation, the JOC structure currently in place provides an easy path to bring such support on board. |
goals and to demonstrating the benefits of LGP work to key LG stakeholders. Representatives from 23 partnerships said they struggled to calculate their energy savings by looking at past utility bills because this requires technical mathematical calculations, which were further confounded by rate increases. Calculating savings can be particularly challenging where there are multiple service accounts for one facility because linking together data from multiple meters to calculate the total energy savings for the project is difficult.

Second, EMS facilitate benchmarking and help LGs and LGPs identify and prioritize upgrade opportunities and conduct troubleshooting. Findings indicate that many LGs do not have an EMS in place and those that do report that the system is outdated or that staff do not know how to use it. Partnerships and LGs would benefit from technical support encouraging the installation of EMS and helping to increase the functioning and utilization of existing systems.

Third, some projects require an RFP process for municipal retrofit contractors and, for some partnerships, this task is beyond the expertise of LG staff. Indeed, some LGs acquired outside assistance to support the RFP process for municipal retrofits. These challenges can delay retrofits. Some partnerships have benefited from JOC made available through organizations such as the National Joint Powers Alliance that provide LGs with a list of pre-approved contractors. Were the IOUs to provide JOC, it would expedite the process of selecting a qualified contractor for retrofit projects, helping to shorten the project timelines.

3) For Job Order Contracting, SoCalREN provides local governments the opportunity to utilize Job Order Contracting through the Energy Network. As discussed in SCE’s Business Plan, SCE will encourage all customers wishing to explore JOC to leverage the Energy Network’s JOC offerings.
3 86  LGPs benefit from cross-partnership collaboration such as the SEEC Forum, the CPUC-led Stakeholder Advisory Group, and other regional collaborative networks and forums.

Many partnership representatives cited the benefits of collaboration across partnerships. Indeed, representatives cited relationships they developed through the program as among their most significant program accomplishments. Collaboration can support capacity building, reduce individual partnership costs, and enable partnerships to transfer proven techniques for project implementation. Further, LGPs have worked together to effectively lobby the IOUs and the CPUC to make changes that help the program better serve California communities. Cross-partnership collaboration can take many forms, including formalized regional partnerships, informal partnerships to address specific needs, or opportunities to exchange ideas at meetings such as the annual SEEC forums.

The IOUs and CPUC should facilitate the integration of non-collaborating member LGIs or LGs into existing collaborations. The IOUs and CPUC have a high-level view of partnership needs and activities and may be able to recognize opportunities for LGIs and LGPs that are not currently collaborating with others to join existing collaborative networks. IOU program managers should encourage increased partnering and establish the necessary connections among LGPs that would benefit from collaboration. The LGPs should be allowed to decide what networks they participate in, selecting the most pertinent networks.

IOUs and CPUC
Accept

PG&E actively supports and encourages collaboration of LGPs through the Rural Hard To Reach group as well through the Central California All Partners Meeting and through SEEC. Additionally, PG&E hosts two semi-annual All Partners meetings to encourage collaborating/networking. The semi-annual All Partners meetings typically include at least one local representative from each Partnership.

Accept

In order to assist with greater best practice sharing and enhance efficiencies, SCE and SoCalGas have worked to regionalize partnerships incorporating several single city partnerships into regional partnerships (e.g. Santa Ana to OC Cities, Redlands to San Bernardino). Additionally, SCE has peer-to-peer meetings, all partners meetings, a Central CA All Partners meeting, and Rural Hard to Reach working group to assist with collaboration, identify issues, and share best practices. SCE currently provides opportunities for non-LGP local governments to participate in Public Sector offerings. Non-partner local governments are able to participate in all Statewide Energy Efficiency Collaborative programs including the SEEC Forum, Beacon Program, and ClearPath tool. Additionally, non-partner local governments are able to participate in all Statewide Energy Efficiency Collaborative programs including the SEEC Forum, Beacon Program, and ClearPath tool. Additionally, non-partner local governments are able to participate in existing express, customized, and certain third party programs.

Accept

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Accept

SoCalGas’s Emerging Cities Program and local government partnership with SANDAG have created regional collaborative networks which allow non-partner LGs to collaborate with LGPs and share energy efficiency best practices. Chula Vista’s LGP also leads an energy efficiency collaborative for the South Bay non-partner cities.

Non-partner local governments are able to participate in all Statewide Energy Efficiency Collaborative programs including the SEEC Forum, Beacon Program, and ClearPath tool. Additionally, non-partner local governments are able to participate in existing deemed, customized, and certain third party programs.

Accept

4 87  Diversity in partnerships’ SP activities and the current reporting approach enable flexibility but preclude comparison across partnerships. Interviews with LGP representatives revealed considerable variability in partnerships’ SP goal setting, SP activity selection processes, and tracking and reporting processes. While this flexibility may enable partnerships to tailor SP activities to LGIs’ unique needs and goals, this diversity precludes comparison across partnerships that are conducting SP activities under the same SP menu item. The apparent lack of clarity and specificity in some partnerships’ objectives also indicates an opportunity for partnership implementers and IOU program staff to more

The CPUC and IOUs should adapt the SP tracking tool and metrics we developed to provide data essential to understanding project status and accomplishments in support of decision-making – decisions ranging from those regarding program elements to those regarding the program’s future scope and funding.

IOUs and CPUC
Accept

PG&E worked in collaboration with CPUC ED staff, the other IOUs, and LG partners to develop a statewide streamlined Strategic Plan Semi-Annual Report. This revised report provides a concise understanding of project status, scope, accomplishments, and best practices. The first revised Semi-Annual Report was submitted in Oct 2016.

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| **OBF helps LGs overcome the financial barriers to completing municipal retrofits, the IOUs are actively discussing OBF with LGs, yet challenges remain for some partnerships.** Many partnerships have used OBF to fund municipal retrofits projects and report that this offering helps them overcome financial barriers to municipal retrofits work. Indeed, several LGP representatives explained that they had used their maximum allowable OBF allocation and reached the cap on OBF for their accounts, indicating the popularity of OBF. Despite the active use of OBF in some partnerships, others reported challenges associated with a lack of understanding about OBF among LG financial decision-makers, IOUs might also consider drafting “boiler plate” language that allows partnership staff to effectively explain the OBF mechanisms to LG financial teams.

The IOUs can facilitate the use of OBF through one-on-one outreach to partnerships and LGs not currently using the financing and supporting LG program staff as they present the financing option to municipal decision makers. IOUs are unwilling to take on additional debt.

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| **SDG&E is actively engaging with local governments to discuss OBF.** For example, at the March 1 All Partners Meeting SCE has invited OBF program staff to provide an overview presentation of the OBF program. SCE is also working on an informational deck that can be used to educate financial decision makers.

SDG&E is exploring opportunities to tailor the OBF program to the unique Public Sector needs. In the EE Business Plan filing, SCE discussed several potential tweaks to the OBF process including increasing caps, extending payback timelines, and potential for providing financing up front.

SCE is actively engaging with local governments to discuss OBF, both on a one-to-one and broader level. For example, at the March 1 All Partners Meeting SoCalGas and SCE invited OBF program staff to provide an overview presentation of the OBF program to LGPs in attendance.

SoCalGas is exploring opportunities to tailor the OBF program to the unique Public Sector needs. In the EE Business Plan filing, SoCalGas discussed several potential tweaks to the OBF process including increasing caps, extending payback timelines, and potential for providing financing up front. On December 7, 2016, the CPUC approved SoCalGas’ Advice Letter (5001) to provide a short term promotional change to our existing OBF program by providing an increase to the maximum loan fund funding “per meter” to $2 million as well as increase the maximum loan term from 10 years to 15 years for all institutional customers located in the Los Angeles, Ventura, and Orange County. Although this offering is available through August 2017, SoCalGas is exploring extending similar OBF terms to all Public Sector customers in the future.

SDG&E is actively engaging with local governments to discuss OBF and its benefits are understood at all levels within the LG. Most of SDG&E’s LGPs have participated in the OBF program. SDG&E continues to meet regularly with LGPs and regional collaboratives to provide OBF updates and to ensure LGPs and LGs take full advantage of this offering.

SDG&E is exploring opportunities to tailor the OBF program to the unique Public Sector needs. In the EE Business Plan filing, SDG&E discussed several potential tweaks to the OBF process including increasing caps and extending payback timelines.
6 SDG&E actively engages with all of its local government on energy efficiency activities through its network of Account Executives and partnership programs. SDG&E’s more remote areas lie primarily in the unincorporated areas of San Diego County, which has a robust local government partnership with SDG&E. Additionally, the Emerging Cities Program is designed to provide energy efficiency support to non-partner governments in SDG&E territory.

6 88 Partnership needs may have not been fully met through the established energy data access procedures, as suggested by the considerable variability in the degree partnerships are able to access LG energy usage data. The IOUs need to craft and implement data access policies that meet regulatory constraints. Limited access to energy usage data impedes partnership planning and action. Some partnerships have had difficulty accessing timely and accurate energy-usage data for their jurisdictions, and LGP representatives requested improved access to customer data to inform their decision-making and to understand the impacts of prior municipal retrofits projects. This barrier is particularly great for implementers that operate outside of the LG structure, such as AOG/CDS/GPA, who described being in a “middle-man” position that limits their access to energy usage data.

Multiple state and federal regulations prevent the IOUs from sharing confidential customer data, so third-party implementers are not able to access their member LGPs’ accounts without legal agreements and are dependent upon their member LGs or utility partner for access to savings information.

6 88 Partnerships in geographically isolated areas continue to experience marketplace barriers to partnership activities, especially but not solely related to municipal retrofits, in spite of ongoing awareness of the issues faced by geographically isolated LGPs in the northern part of the state. Our findings documented that geographically isolated partnerships with low population density experienced difficulty accessing contractors trained on energy efficiency and, for some,

The IOUs that serve geographically isolated areas continue to experience marketplace barriers to partnership activities, especially but not solely related to municipal retrofits, in spite of ongoing awareness of the issues faced by geographically isolated LGPs in the northern part of the state. Our findings documented that geographically isolated partnerships with low population density experienced difficulty accessing contractors trained on energy efficiency and, for some,

The IOU program managers should investigate through one-on-one discussions with each LGP its specific limitations in accessing and making use of LG energy data. This investigation should guide the IOUs’ work with the Energy Data Access Committee to facilitate LGPs’ ready access and use of energy data, as well as possibly lead to the identification of additional support that would benefit LGPs.

7 88-89 Partnerships in geographically isolated areas continue to experience marketplace barriers to partnership activities, especially but not solely related to municipal retrofits, in spite of ongoing awareness of the issues faced by geographically isolated LGPs in the northern part of the state. Our findings documented that geographically isolated partnerships with low population density experienced difficulty accessing contractors trained on energy efficiency and, for some,

All IOUs Accept

SDG&E will continue to encourage its LGP local partners to leverage Green Button and My Data for their own usage information and the Energy Data Request Process for community usage data.

In addition, PG&E will continue to actively pursue conversations with its LGP local partners to better understand limitations related to data access.

7 88-89 Partnerships in geographically isolated areas continue to experience marketplace barriers to partnership activities, especially but not solely related to municipal retrofits, in spite of ongoing awareness of the issues faced by geographically isolated LGPs in the northern part of the state. Our findings documented that geographically isolated partnerships with low population density experienced difficulty accessing contractors trained on energy efficiency and, for some,

The IOUs that serve geographically isolated partnerships should increase their efforts to better serve these communities. Through one-on-one conversations, the IOUs should identify specific support that would benefit these geographically isolated partnerships. Study findings suggest these partnerships might benefit from funding for contractor trainings to spur the availability of local contractors.

All IOUs Accept

PG&E is actively engaging with local governments about issues related to geographically isolated partnerships. PG&E has highlighted this in the EE Business Plan as a key strategy. Additionally, PG&E helps fund a Rural Hard-to-Reach Working Group to discuss key issues related to geographically isolated partnerships.

Accept

SCE is actively engaging with local governments about issues related to energy data. SCE understands that there are still many issues LGs face when trying to access community data and have asked ICLEI (developer of ClearPath GHG inventory tool) to sit on the Energy Data Access Committee to provide the Local Government perspective to key decision makers. SCE will encourage the EDAC to consider adding COG’s as agencies that are similar to educational institutions.

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| **a lack of energy efficient equipment available locally.** |
| **We recognize that these issues are part of ongoing conversations occurring among IOUs, the CPUC, and LGPs and see value in these conversations. Despite these ongoing efforts to address energy efficiency marketplace barriers in these communities, there is still room for improvement.** |
| **ity of local contractors knowledgeable about energy efficiency.** |
| **how to provide local contractors with EE training where appropriate. A recent example is the ASHRAE audit training which was jointly offered by SoCalGas and PG&E in Santa Maria for contractors and local government staff members to learn how to perform energy audits. SoCalGas and PG&E are working with LGs in the region to bring additional training which the region finds valuable.** |
| **SDG&E’s Energy Innovation Center, located no more than a two hour drive from anywhere in SDG&E territory, offers a robust Workforce, Education & Training (WE&T) program specifically designed to improve contractor knowledge of energy efficiency. Additionally, in collaboration with the Local Government Partnership programs, the WE&T programs can deliver trainings at locations that are more convenient for the audience provided there are enough attendees.** |